



April 21, 2025

Chairman Gray and Honorable Members of the Senate Finance Committee
State House, Room 103
107 Main Street
Concord, NH 03301

Dear Chairman McGuire and Honorable Members of House Finance Division 1:

I am writing on behalf of the NH Small Business Development Center (SBDC) and our valued clients and partners, to **respectfully request Senate Finance maintain House Finance's amended budget that allocates \$500,000 per year in Fiscal Years 2026 and 2027 to SBDC.** This would provide SBDC level funding from the FY24/25 biennium.

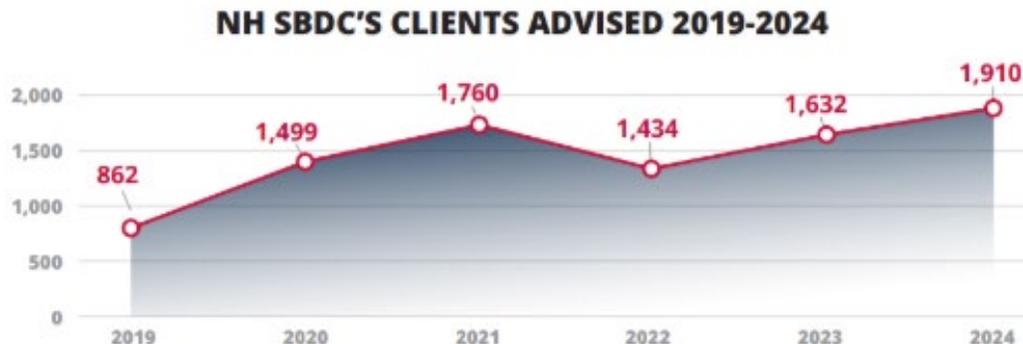
NH SBDC's statewide network provides entrepreneurs and business owners with confidential, highly individualized business advising and education programs. All of SBDC's services are offered to New Hampshire businesses at no cost. We support businesses in aerospace and defense, retail and hospitality, health and wellness, farm and forestry, professional services, and every industry in between. Businesses ask for our help developing their first business plan, seeking financing, developing growth strategies, and making successful exit transitions when they're ready to sell.

In 2024 SBDC supported 3,458 businesses in 220+ communities through direct advising and training. Our clients validated and attributed SBDC's assistance to helping them:

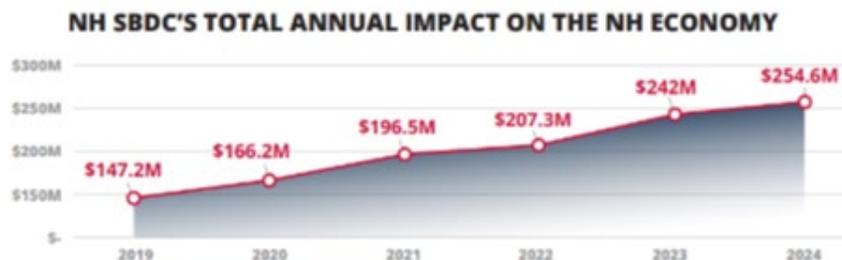
- Access \$15.9 million in new capital
- Increase their sales by \$9.2 million
- Support 6,500+ jobs

Number of Clients Served by Direct Advising

Over the last several years, NH SBDC has seen a significant increase in clients. The figure below shows our pre-COVID annual direct advising client count was 862. Our new "normal" client count is expected to be over 1,900 clients per year – a 127% increase – but only if we maintain our funding levels so that we can provide staff capacity to meet the growing client needs and demand for our services.



Each year NH SBDC's economic impact on the State of New Hampshire continues to grow. As you'll see in the accompanying chart, **SBDC's total annual economic impact in 2024 was \$254.6 million.** That accounts for a \$107.4 million increase in five short years.



SBDC's total annual economic impact, prepared by a UNH Peter T. Paul College economist, is calculated using SBDC validated impact (10 year averages of jobs created, jobs retained, client sales increases, and capital infusion), average NH employee wage data, and the most recent New Hampshire employment multiplier.

NH SBDC's work helps generate business tax revenue for the state, create jobs, increase business sales, and strengthen the small business community. Our return on investment is strong and growing. SBDC's 40+ years of experience and professionalism is needed now more than ever to stabilize and grow the Granite State's small business community.

According to the NH Community Development Finance Authority (NH CDFA), "*The support provided by SBDC has proven to be incredibly effective at helping New Hampshire entrepreneurs move out of low- and moderate-income levels. A recent report demonstrates that after receiving business technical assistance (business advising), more than 90 percent of entrepreneurs served in CDFA's microenterprise program no longer identify as low- or moderate-income. Independent research also validates significant levels of poverty reduction and increases in family wealth through owning a microenterprise.*"

How is SBDC different from other business resource partners?

There is no other state or federal resource partner in New Hampshire that provides the high level of business advising and training that SBDC does. Our work complements the work of partner agencies such as the Department of Business and Economic Affairs, NH CDFA, Chambers, Regional Economic Development Corporations, and other SBA resources partners. We refer clients to other partners for their services, when appropriate, and work to prevent duplication of efforts.

How does the State's investment help SBDC leverage federal funding?

In 2025 state funding is providing the required 50% cash match for \$777,777 in core federal funding NH SBDC receives from the U.S. Small Business Administration. The Small Business Act mandates all SBDC programs to provide a \$1 to \$1 state/local match to federal funding and requires a minimum of a 50% cash match to draw down federal funds. Any reduction in State funding jeopardizes federal funding that supports the SBDC program.

Our core SBA funding is intact through the recently passed Continuing Resolution. We are extremely fortunate to have strong bipartisan support in Congress for the SBDC program. Of all the SBA resource partner programs, SBDC is the strongest and most organized program. The national network has a 45+ year track record and significant impact across the United States.

Thank you for your consideration. I welcome the opportunity to discuss SBDC's work and impact with you further. Please do not hesitate to contact me at liz.gray@unh.edu.

Sincerely,

Liz Gray, State Director
NH Small Business Development Center