American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Agency/Point of Contact: Department of Administration/Alice Roberts-Davis

Title of Request: Small Business Development

Date: 8/5/2021 Request Amount: $960,000

Expenditure Time Period: 8/16/2021 to 6/30/2023

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

This ARP request will benefit small businesses throughout the state. In 2015, the Department of Administration (Admin) established the Office of Equity in Procurement (OEP) to assist Targeted Group Businesses (TGBs) in doing business with the state. TGBs are small businesses owned by minorities, women, people with substantial physical disabilities, and veterans as they seek state contracts. Since its inception, the OEP has achieved remarkable results by focusing on both increasing state spend with TGBs and the number of certified businesses.

OEP’s work is complemented by the 2017 addition of the Procurement Technical Assistance Center (PTAC), a business development program partially funded by a federal Defense Logistics Agency grant. The program strengthens Minnesota’s economy by stimulating job creation, growth, and business retention by assisting businesses in securing state, federal and local government contracts. Every state has a PTAC but Minnesota was at risk of losing its when the non-profit that had hosted the state’s PTAC decided to end that service in 2017. To continue this vital service to Minnesota’s business community without a state appropriation, Admin used OEP staff time as the state match for the federal funding. About 50% of OEP’s time supports PTAC work. While the work has a synergy benefiting businesses, ARP funding will allow Admin to unwind this complex funding structure so OEP can focus on its core mission of assisting businesses owned by those residing in Greater Minnesota, or by minorities, women, veterans, and people with substantial physical disabilities.

The OEP has achieved measurable results over the last six years in spending with certified TGBs and the number of certified TGBs. The OEP is responsible for recruiting and vetting businesses for certification and there is a direct correlation between the number of certified businesses and the amount of money that the state spends with TGBs. (See Exhibits A and B and C.) Additionally, the Equity Select program allows for the direct selection of TGBs for contracts up to $25,000, and has been used extensively by agencies as a path for engaging small, disadvantaged businesses. (See Exhibit D.) Leveraging existing statutory language, the Sheltered Markets program was created to ensure that qualified disadvantaged businesses would have the opportunity to earn certain state contracts. However, this is an extremely labor-intensive process for the OEP and requires at least one FTE to manage all of the vendors. (See Exhibit E.)

ARP funding will be used to ensure that the program continues to assist small businesses: • To maximize the utility of our successful vendor portal that allows for unified local, state, and federal certifications, ARP funding will allow for a new Virtual Assistant portal in which all state and local contracting announcements can be found, giving small businesses, with limited resources, easy access to opportunities. • We can focus our energies on both in-person and online outreach to end user communities, as well as educate and support agency partners. Matching vendors with opportunities is how we increase spend exponentially. • We can grow our Tier 2 program, which is how we measure/require vendor usage of underrepresented businesses (Exhibit F). • We can expand the Sheltered Markets program.

[Signature]
Department Head Signature

08.16.2021
Date

Form: 7266-01 (July 2021)
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The United States Treasury identified the following eligibility categories to be used for reporting purposes. Please review the list and identify the primary category for your proposal.

All request categories annotated with symbols (^ or *) must be accompanied by specific performance information (see supplemental form).

✔️ I confirm that the request does NOT include:
  - expenses incurred prior to March 3rd, 2021 or after December 31, 2024
  - non-federal share of a federal program that requires a state match
  - deposits into pension
  - deposits into rainy day fund/reserve
  - interest or principal payments on outstanding debt

Public Health

☐ COVID-19 Vaccination^  ☐ Personal Protective Equipment
☐ COVID-19 Testing^  ☐ Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
☐ COVID-19 Contact Tracing  ☐ Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
☐ Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*  ☐ Mental Health Services*
  ☐ Substance Use Services*
  ☐ Other Public Health Services

☐ Medical Expenses (including Alternative Care Facilities)

☐ Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency

Negative Economic Impacts

☐ Household Assistance: Food Programs^  ☐ Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)^*
☐ Household Assistance: Rent, Mortgage, and Utility Aid**
☐ Household Assistance: Cash Transfers^  ☐ Contributions to UI Trust Funds
☐ Household Assistance: Internet Access Programs^  ☐ Aid to Nonprofit Organizations*
☐ Household Assistance: Eviction Prevention^  ☐ Aid to Tourism, Travel, or Hospitality
☐ Unemployment Benefits or Cash Assistance to Unemployed Workers*
☐ Aid to Other Impacted Industries
  ☐ Other Economic Support^*
  ☐ Rehiring Public Sector Staff

✔️ Small Business Economic Assistance (General)^*

Premium Pay

☐ Public Sector Employees

☐ Private Sector: Grants to Other Employers
Services to Disproportionately Impacted Communities

- Education Assistance: Early Learning
- Education Assistance: Aid to High-Poverty Districts
- Education Assistance: Academic Services
- Education Assistance: Social, Emotional, and Mental Health Services
- Education Assistance: Other
- Healthy Childhood Environments: Child Care
- Healthy Childhood Environments: Home Visiting
- Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System
- Healthy Childhood Environments: Other
- Housing Support: Affordable Housing
- Housing Support: Services for Unhoused Persons
- Housing Support: Other Housing Assistance
- Social Determinants of Health: Other
- Social Determinants of Health: Community Health Workers or Benefits Navigators
- Social Determinants of Health: Lead Remediation
- Social Determinants of Health: Community Violence Interventions

Infrastructure

- Clean Water: Centralized Wastewater Treatment
- Clean Water: Centralized Wastewater Collection and Conveyance
- Clean Water: Decentralized Wastewater
- Clean Water: Combined Sewer Overflows
- Clean Water: Other Sewer Infrastructure
- Clean Water: Stormwater
- Clean Water: Energy Conservation
- Clean Water: Water Conservation
- Clean Water: Nonpoint Source
- Drinking water: Treatment
- Drinking water: Transmission & Distribution
- Drinking water: Transmission & Distribution: Lead Remediation
- Drinking water: Source
- Drinking water: Storage
- Drinking water: Other water infrastructure
- Broadband: "Last Mile" projects
- Broadband: Other projects

Revenue Replacement

- Provision of Government Services

Administrative

- Administrative Expenses
- Evaluation and Data Analysis
- Transfers to Other Units of Government
- Transfers to Non-entitlement Units (States and territories only)