

## **Survival Case Studies: PTACs Fighting for their Lives**

*Contributions by Sherrie Mullins (LA PTAC), Pennie Southwell (fmr. Enterprise Group of Jackson PTAC, MI), Delena Spates-Allen (Saginaw Futures/Networks Northwest PTAC, MI)*

Losing matching funds; it can happen to any PTAC and shut a program down almost overnight. Impressive performance metrics, length of service to the community, and size of client base have little impact when outside factors such as state, local or institutional budget crises, a shift in political winds, or changes in mission focus impact a PTAC's host organization.

But that doesn't mean PTACs are helpless; on the contrary, it underscores the importance of nurturing strong relationships with a wide range of stakeholders, including your clients, resource partners, and state and local business and government leaders. Every entity with an interest in expanding opportunities for small businesses should know about your PTAC and the critical role it plays in the community. These relationships might one day make the difference in your program's survival.

Two recent examples provide powerful illustrations. We are inspired by the commitment and perseverance of these PTACs and are grateful for the opportunity to learn from their experiences.

### **The Louisiana PTAC – Never Give Up**

Established in 1989, the Louisiana PTAC serves clients in 54 of the 64 Louisiana Parishes. Since the beginning, the University of Louisiana at Lafayette has been the host for the LA PTAC, which has six staff members and one sub-recipient providing procurement technical assistance to Louisiana clients.

On August 1, 2012, the LA PTAC was told that program funds would be eliminated as of September 30, 2012 because of huge state budget deficits. The PTAC sprang into action and contacted everyone they knew to write letters to the Governor and the Secretary of Louisiana Economic Development. Unfortunately, the state government refused to be supportive. The PTAC continued to ask for support from economic development allies throughout the state, from clients, and from their federal legislators, but all requests to the state government fell on deaf ears.

By reducing their budget drastically, the PTAC was – with the help of their host University - able to scrape together enough funds to complete the 2012-2013 award year. In 2013-2014, the University stepped up and allowed them to use the Indirect as part of their match and the University then returned the federal portion of the Indirect cost to the PTAC for operating expenses. Local businesses and other local supporters made donations to the University, which went into a special fund to keep the PTAC open. They still had to take an additional 26% operating cut, but they survived another year. In a phenomenal show of dedication and belief that the program could survive, all of the PTAC staff stayed with the program, working reduced hours for reduced salaries. Two individuals actually worked 30 hours a week for one half of their salaries.

Efforts by the LA PTAC and their supporters continued for three years, during which time LA PTAC Program Manager Sherrie Mullins testified before state legislative committees several times.

### **Survival Case Studies (cont.)**

Supporters including the Baton Rouge Area Chamber of Commerce, the Louisiana Small Business Advisory Committee, and the Louisiana Industrial Developers Executives Association actively advocated on the PTAC's behalf, and they ultimately succeeded in convincing the state administration that the PTAC is an invaluable program and should be funded. In 2015-2016, the Governor finally added funds for the LA PTAC to his budget, and it passed. The result...they are back to full staff with the addition of a new counselor for New Orleans, and all the "Loyalists" that stayed the course through the three year nightmare have been returned to full time status with small raises. Even though the state continues its budget crisis, the PTAC is hopeful that it will have the support it needs to be sustained in the coming years.

#### **Michigan PTACs – United We Stand**

The State of Michigan has seven Regional DLA funded Procurement Technical Assistance Programs, with four additional sub-locations. The State of Michigan has provided funding for these 11 programs through grants with each host entity through its Michigan Economic Development Corporation (MEDC). In 2015, for the first time since the inception of the PTAC program, the state PTAC Program Director chose to make the proposal process an open competition. On September 23, 2015 seven of the eleven long-standing Michigan PTACs did not receive state funding, meaning that as of November 1<sup>st</sup>, the small businesses in 34 of the 83 counties in the state would no longer have access to PTAC services they had enjoyed since 1983.

The affected PTACs quickly went into action by contacting their state legislators and PTAC clients. Steps taken by the PTACs and their supporters to help restore funding to the non-funded offices and avoid interrupting service to their small business clients include:

- The unfunded PTAC offices banded together to discuss and develop a strategic plan to find funding to continue operating.
- The Saginaw Future PTAC (sub-recipient of Networks Northwest PTAC) contacted their State Senator who volunteered to spearhead an initiative to find additional funding for the seven unfunded PTACs.
- The PTACs held a conference call with the lead Senator to address and challenge MEDC's competitive RFP process. Additionally, they developed a plan to inform clients and other legislators of the immediate problem and potential closing of PTAC offices.
- A letter was developed to inform clients of the imminent closing of seven PTAC offices, with an attached a list of State Legislators that could be contacted to express concern about the loss of their specific PTAC. The attachment included the Legislators' names, addresses, phone numbers and email addresses.

### **Survival Case Studies (cont.)**

- PTAC Program Managers emailed State Legislators in the affected areas to alert them to the loss of funding and the impact it would have on small businesses in their districts and then followed-up with a telephone call to make sure the information was received and to address any questions.
- A PTAC fact sheet packet was developed and provided to legislators during a trip to the State Capital (Lansing). During their visit, PTAC PMs attended the Senate Appropriations Committee Meeting and the Representative Appropriations Committee Meeting and were able to talk with several legislators following them.
- The PTAC PM's visited all affected legislators to educate and inform them about the PTAC Program and explain the impact of loss of services to their area. A PTAC Statistical Package was provided to each office visited.
- Many clients contacted their State legislators, who in turn contacted the lead Senator and became involved in the effort. As a result, a hearing was held at the Capitol which included the head of the MEDC, the MEDC legislative liaison, three Senators, several staffers from other Senate offices, and the Director of the Michigan Defense Center who had initiated the competitive RFP process that denied funding to the seven PTACs. During the hearing, the Director was questioned vigorously by the Senators. The discussion resulted in the head of the MEDC requesting that the agency liaison find additional funding for the PTACs.

The MEDC provided a one-month extension to all of the unfunded PTACs while the agency worked to secure additional funding for the balance of the year. Finally, it was announced on December 2, 2015 that all seven PTACs would have continued funding through September 2016.

### **Lessons to be learned**

An overarching lesson from these stories is the importance of stakeholder relations. The Louisiana PTAC and the Michigan PTACs were able to quickly mobilize supporters to communicate to decision makers the negative impact that losing the PTAC would have on the small business community – a feat possible only because their clients and partners already understood and valued the PTACs. While this did not immediately resolve Louisiana's crisis, their positive relationship with the University meant they had a flexible partner willing to explore creative options to keep the Center running until a more permanent solution could be achieved, and passionate allies such as the Chamber of Commerce and other business groups played a critical role in advocating on the PTAC's behalf.

Delena Spates-Allen of Michigan's Saginaw Future sub-center of Networks Northwest (and one of the leaders of Michigan's efforts) urges all PTACs to be proactive in educating their local leaders about the PTAC. She notes that in many places, office-holders and other leaders change frequently; the Michigan legislature has term limits, ensuring a constant stream of new faces. The Michigan PTACs have resolved

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to continue their local education efforts, developing materials and planning visits to make sure that all Michigan decision makers know about the impact PTACs have on the state's small businesses.

Having strong local relationships can provide back-up options in other ways as well. Sometimes the answer is to find a new host organization; more than one PTAC has been sustained because a valued resource partner stepped up to provide match and serve as a new host when the need arose. Such was the case last summer when the Idaho Small Business Development Center took on the PTAC when the Idaho Department of Commerce was no longer willing to support it.

Delena acknowledges that nurturing these relationships takes time – and adds to an already heavy workload. But she sees it as a positive, knowing that a robust network of relationships only makes their PTAC stronger. “Now that we’re through it, I’m actually glad that it happened,” she says of their funding crisis, “because it energized us. We’re going to be much more proactive and coordinated going forward.”

Even in this politically polarized time, when government spending is highly scrutinized and budgets are very tight, PTACs are widely regarded as an invaluable resource – generating many times over the modest investment they require. But it falls to each PTAC to make sure that its community is fully aware of the work it is doing and the value it brings. ***Don't wait until a crisis threatens the survival of your PTAC.*** Resolve to extend and nurture your relationships every day and in every way, creating opportunities for your program in the short term and ensuring a strong support network should the unthinkable happen.