



Transportation & Economic Development Appropriations Committee

**February 9, 2010
1:00 p.m. – 3:30 p.m.
Room 17 (Morris Hall) House Office Building**

Meeting Packet

**Larry Cretul
Speaker**

**Richard Glorioso
Chair**



The Florida House of Representatives
Transportation & Economic Development Appropriations Committee

Larry Cretul
Speaker

Richard Glorioso
Chair

Meeting Agenda
Tuesday, February 9, 2010
Morris Hall (17 HOB)
1:00 pm – 3:30 pm

- I. Call to Order**
- II. Roll Call**
- III. Presentation:**
Small Business Development
- IV. Budget Prioritization Exercise**
- V. Chair's Remarks**
- VI. Adjournment**

Presentations
Small Business Development

Florida Small Business Regulatory Advisory Council

www.FloridaSBRAC.org

Keyna Cory, Vice Chair

House Bill 7109

Effective 01 July 2008

- Key Elements:

Created Office of Small Business Advocate

Created Small Business Regulatory Advisory Council

Designated the Florida SBDC Network as “the principal small business assistance organization in the state,” and responsible for housing and providing administrative staff for the Council and hiring the Advocate.

Required Agencies to Consider Small Business in Rulemaking



THE COUNCIL

9 members

by statute, must be present or former small business owners

- 3 appointed by the Governor
- 3 appointed by Speaker of the House
- 3 appointed by Senate President

January 2009, Council appointments completed.

Council Members

The Honorable Frank C. Attkisson, Chair St Cloud.

State Legislator 2000-08. Elected by Council Members as Chairman, January 2009.

Keyna Cory, Vice Chair, Tallahassee.

President, Public Affairs Consultants, Inc. Elected by Council Members as Vice Chair, January 2009.

Dan Baldwin, Trinity.

President, Baldwin & Associates LLC.

The Honorable Humberto J. Cortina, Miami Springs.

President HJC Consultants, Inc.

FL House of Representatives 1982-84 .



Senator Fred Dudley, Tallahassee.

Senior Counsel, Holland & Knight, Tallahassee

Served 16 years in the Florida Legislature, retired Florida Senate in 1998.

Douglas Guetzloe, Winter Park.

President, Advantage Consultants.

A public relations, governmental relations and marketing firm.


Tobin (Toby) R. Overdorf, Palm City.

Founder and CEO, Crossroads Environmental Consultants, Inc.

Randall Sansom, CPA, Gulf Breeze.

Christine Vasconcelo, Tampa.

Owner and operator, Blooming days Flower Shop.



In order to remain cognizant of current trends and issues relative to small business, the Council has a group of advisors who represent small business interests, including trade organizations, state certified small business financing organizations, and the state director of the Florida SBDC Network.

Nine advisors representing small business advocacy and trade organizations from across Florida have joined the Council in their mission to support their legislative mandate.

Barney Bishop, President and CEO- Associated Industries of Florida (AIF)

Jerry Cartwright, State Director- Florida Small Business Development Center Network (FSBDCN)

MaryAnn Fiala, Executive Director- AeA Florida Council

Bill Herrle, Executive Director in Florida- National Federation of Independent Business (NFIB)

Todd Kocourek, Partner- Florida Financial Network (FFN)

Rick McAllister, President and CEO- Florida Retail Federation (FRF)

Tom Stahl, Executive Director- Florida United Business Association (FUBA)

Nancy Stephens, Executive Director- Manufacturers Association of Florida (MAF)

Mark Wilson, President and CEO- Florida Chamber of Commerce



Reginald L. Bouthillier, Jr. General Counsel,
Greenberg Traurig, P.A., Tallahassee
(serves pro-bono)

Council Staffed by Florida SBDC Network State Director's Office

Lewis Attardo, Program Facilitator/Advocate
SBRAC and Florida Office of Small Business Advocate

Vicky Baker, SBRAC Program Coordinator

Barbara Anderson, Program Assistant



Florida Facts

-
1.9 million businesses in Florida

1,523,250 non-employers (self-employed individuals)

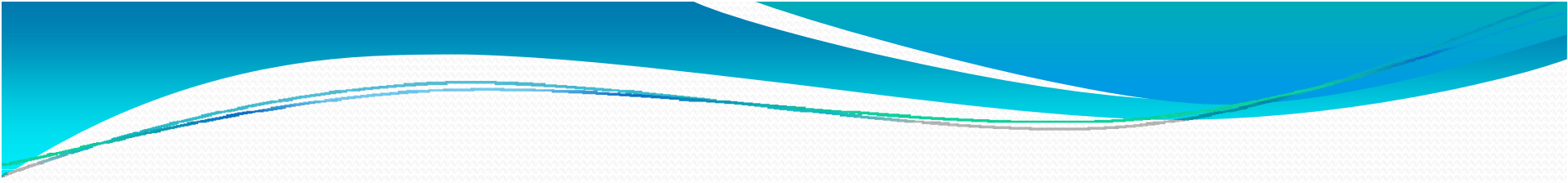
426,073 small employers (less than 500 employees)

4,356 large employers (500+ employees)

Small business represents 99% of all employers in FL

44% of all private sector employment

Small employers created 58.7% of all public and private sector net new jobs in FL



First Council Meeting was convened in January 2009 and immediately began work.

Primary Goal of the Council

**Protecting
Small and Medium-sized Enterprises
from Bureaucratic Red Tape and
Overregulation**


Council Statutory Powers/Duties

The Council is tasked with the responsibility for

Reviewing agency rules for their impacts on small businesses

Making recommendations on lower-cost alternatives on those that adversely impact small business, including fees and fines, administrative costs, staffing requirements, and/or nonmonetary impacts

Reviewing rules as part of the Sunset Review process.



After an agency submits a rule to the Council, the Council has only twenty-one days to recommend to the agency any lower-cost regulatory alternatives that would lessen the burden on small businesses.

The agency is required to adopt these changes, or must provide a written statement to the Council and the Joint Administrative Procedures Committee (JAPC) explaining why such alternatives were not adopted.

Although the Council is required by statute to meet quarterly, Council members determined it was necessary to meet monthly in order to meet statutorily assigned duties. The Council has held 14 meetings thus far, 12 via teleconference and 2 in-person.

COUNCIL ACTIONS ON RULES

Since organized in January 2009:

- Over 1,200 proposed rules published in the Florida Administrative Weekly
- The Council has met and formally reviewed and discussed 130 sets of rules.
- On 17 occasions, the Council has formally requested Agencies to adopt lower-cost regulatory alternatives to proposed rules.
- Agencies declined Council recommendations on 11 rules.

Council had declined to recommend alternatives on rules required by statute, even if they had the potential for adverse impacts on Florida's economy.



EXAMPLES OF RULES OF CONCERN TO THE COUNCIL

DFS – Council reviewed a complaint received by the FL Office of Small Business Advocate, from a handyman from Titusville regarding the Office of Financial Regulation (Rules 69V-160.036 and 69V-85.006). Rules required regulated entities, mostly small businesses, to file Annual Reports and pay fees electronically. Council requested DFS to consider allowing businesses file hard copies as was previously allowed.

DFS modified the rule to allow paper submission by FL companies upon receipt of a written request .

DFS not only revised their rules regarding electronic submission of Annual Reports, but revisited and revised other rules already in place to accommodate this change.

EXAMPLES CONTINUED

DBPR – Regulatory Council of Community Association Managers (Rule 61E14-3.002)

Provided that all licensee community association managers, whether active or inactive, would pay a special assessment fee “as determined by the Council.”

While Florida statutes provides a mechanism for the **DBPR** Council to make a one-time special assessment every four years in an amount “necessary to eliminate a cash deficit, or to maintain the financial integrity of such professions”, the Council failed to specify how much the fee would be, making it impossible to determine the fee’s effect on small businesses.

The Small Business Regulatory Advisory Council requested a SERC to be completed to determine the financial impact of the rule on small businesses.

JAPC followed up on the Council’s concern and also questioned the unspecified fee.

DBPR subsequently withdrew the rule.

EXAMPLES CONTINUED

Department of Health – Board of Medicine Rule 6B8-55.0021

Rule provided that, if an electrolysis facility failed to obtain and maintain a current license, the facility would pay up to a \$5,000 fine and have its license denied. The rule also provided that a facility that employed an unlicensed person, or allowed that person to operate in the facility, would have its license suspended or revoked. The agency also struck through former language that said “**revoked for a period of up to one year**”, exposing these facilities to permanent revocation for a first infraction.

The Council made several lower-cost regulatory alternatives, including requesting that the agency not implement the new rule.

The Department of Health withdrew the rule, and a new version is in development.


Southwest Florida Water Management District Rule 40D-1.607 – Rule raised permitting fees related to surface water management. One of the lower-cost regulatory alternatives the Council requested was for the agency to exempt small businesses from some of the fees. The agency responded that there was no authority for them to do so (even though the Council pointed the agency to 120.54, which provides for such exemption).



EXAMPLES CONTINUED

Southwest Florida Water Management District Rule 40D-1.607

Rule raised permitting fees related to surface water management. One of the lower-cost regulatory alternatives the Council requested was for the agency to exempt small businesses from some of the fees. The agency responded that there was no authority for them to do so, in spite of the fact that the Council made reference to 120.54 in their written recommendations, which provides for such exemption.



The Council has endeavored to develop a positive interaction with state agencies as it works toward accomplishing the goals and tasks defined in this legislation, while still maintaining its protective stance over Florida's small business community.

Council staff developed and conducted a training session for Agencies on October 16, 2009 in Tallahassee.

Over 100 agency rules coordinators, legal counsels, and others representing 17 Florida agencies attended.

Attendees were provided an overview of the Council, the Office of Small Business Advocate, and the FSBDCN.

Agencies received training on development of a SERC (economic impact analysis), required by statute to determine the impact of a rule on small businesses.



Agency Sunset Review by the Council

The Council participated in the 2009 Agency Sunset Review

Developed a “*Small Business Friendliness and Development Score Card*”

Council Graded Agencies in Five Areas:

Compliance with F. S. §120.54 regarding consideration of small business in rulemaking.

Identifies and implements, when feasible, less intrusive or less costly alternative methods of achieving the purpose of proposed rules.

Modifies proposed rules in consideration of the guidelines set out in FL statutes.

Actively reaches out to small businesses when contracting for goods and services.

Demonstrates unique and/or exceptional practices that promote the protection and growth of small businesses.



Sunset Reviews were conducted on 4 agencies
and 3 departments

Department of State

Department of Children and Families

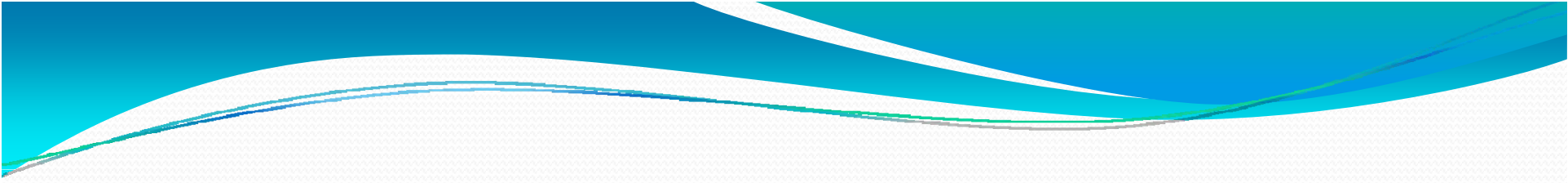
Department of Management Services

Division of Administrative Hearings

Department of Community Affairs

Division of Emergency Management

Florida Housing and Finance Corporation



Of the seven agencies and departments reviewed by the Council, it was the consensus of the Council that none fared very well considering the economic impact their rulemaking would have on Florida small businesses and the state's economy.

A final Sunset Review Report was transmitted by the Council to the Governor, Senate President, Speaker of The House, and the Joint Sunset Review Committee.



Key Issues and Concern of the Council

SERC

Agencies not understanding the revised rule regarding preparation of a statement of estimated regulatory costs (SERC), that utilizes **current and relevant data on economic impacts.**

The purpose of the SERC is to quantify the impact of new or revised regulations on those it regulates, as well as on the agency itself and other state agencies

21 Day Rule Review Period

Appropriation

Funding for Council and Advocate staff, travel and other administrative expenses need to be addressed in order to continue this critical mission on behalf of our state.



Thank you,

Keyna Cory, Vice Chair
Florida Small Business Regulatory Advisory Council

www.FloridaSBRAC.org

LEWIS C. ATTARDO

Lewis.Attardo@FloridaSBDC.org

Since 2003, Lewis Attardo has served as Statewide Program Manager for Business Technology Commercialization (BTC) and is a Certified Business Analyst for the Florida SBDC Network at the State Director's Office located at the University of West Florida. The BTC Program provides technical assistance to small and medium-sized enterprises (SMEs) engaged innovative physical and bioscience research, development and/or the rapid commercialization of their products or processes. The BTC Program provides SMEs with linkages to universities, private and federal resources, including grant funding and federal laboratory collaboration on research; identification of sources of debt and equity capital; technology networks; training and related services to support the expansion of physical and bioscience ventures. Attardo is also the primary point of contact in Florida for the federal SBIR/STTR Programs and is a Peer Reviewer for SBIR Phase II proposals.

Attardo also serves as the Advocate Facilitator for the Florida Office of Small Business Advocate and the FL Small Business Regulatory Advisory Council. These programs were initiated by the State of Florida statute in 2008, and are administered by the Florida SBDC Network. The Council is comprised of 9 Members who are charged with the responsibility for reviewing state agency rules and regulations and make recommendations to state agencies on proposed rules that may adversely affect small businesses. The Office of Small Business Advocate has been designated by the State of Florida as the principal advocate in the state on behalf of small businesses. The Advocate receives and responds to complaints from small businesses on matters related to state laws and regulations and participates in consideration of legislation and administrative rules affecting small business.

Attardo brings over 20 years of experience in the design and administration of knowledge-based business development programs to the Florida SBDC Network, including having served as Director of the Ben Franklin Partnership's Technology Center at Penn State University; COO for the Sacramento Area Regional Technology Alliance, where he managed the California Technology Innovation Partnership Program; CEO for the Savannah River Regional Diversification Initiative, a two-state program to support technology innovation in GA and SC; and, as Executive Vice President for the Enterprise Corporation of Tampa Bay and Director for the Tampa Bay Defense Transition Task Force. He has designed and managed early-stage investment funds, loan and grant programs and business location assistance programs on behalf economic development organizations in five states. As a private consultant, Attardo has developed and assessed strategies for building Knowledge-based Economies for over 20 national and international programs on behalf of the Organization for Economic Cooperation and Development, the United Nations Education, Scientific and Cultural Organization (UNESCO), New Zealand Trade and Enterprise and the NZ Foundation for Research Science and Technology. Attardo is an experienced entrepreneur, limited partner investor, and consultant to Small and Medium-sized Enterprises engaged in R&D and the manufacturing.

Attardo is a graduate of Bloomsburg University of Pennsylvania, where he majored in Economics.



Lewis C. Attardo

**Advocate Facilitator
Florida Office of Small Business Advocate**


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Hosted and administered by the
Florida SBDC Network

February 10



FL Ch. 2008-149, HB 7109

Effective July 1, 2008

- Designates the Florida SBDC Network as “the principal small business assistance organization in the state”
- Creates the Small Business Regulatory Advisory Council
- Creates the Office of Small Business Advocate
- Florida SBDC Network to hire the Advocate and administratively support the Council

State of Florida

Office of Small Business Advocate

- Serves as staff for the Small Business Regulatory Advisory Council
- Serve as principal advocate in the state on behalf of small businesses
- Respond to complaints from small businesses
- Participate in consideration of legislation and administrative rules affecting small business

State agencies are required to furnish the Advocate copies of any report, document, or other information that is public record and that the director of the office deems necessary to carry out its functions.

Other Responsibilities of the OSBA

- **Represent the views and interests of small businesses before agencies. Encourage standardized applications and information packages to prevent an applicant from having to fill out duplicative information on forms from various agencies.**
- Enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about programs and services provided by all levels of government that benefit small businesses.
- Issue a report every 2 years evaluating the efforts of agencies that significantly regulate small businesses, and make recommendations that may be appropriate to assist the development and strengthening of minority and other small business enterprises.
- Seek the assistance and cooperation of all agencies and departments providing services to, or affecting, small business, to ensure coordination of state efforts.

Receive and respond to complaints from small businesses concerning the actions of agencies and the operative effects of state laws and regulations adversely affecting those businesses.

Establish an annual process for small businesses to nominate agency rules or programs for reform. The advocate shall publish those nominations online and update the status of agency action on the proposed reforms twice yearly.

Counsel small businesses on how to resolve questions and problems concerning the relationship of small business to state government.

Maintain, publicize, and distribute an annual list of persons serving as small business ombudsmen throughout state government.

Coordinate a statewide conference on small business with public and private organizations and entities impacting small business in the state.

Coordinate annual public meetings to share best practices for small business disaster preparedness.

Why This Matters?

Report by the US Small Business Administration Office of Advocate

A vibrant and growing small business sector is critical to creating jobs in a dynamic economy. Small businesses are 99.7 percent of all businesses, employ half of the work force, produce 52 percent of the private sector output, and provide significant ownership opportunities for women, minorities, and immigrants.

Florida Facts

1.9 million businesses

1,523,250 non-employers* (self-employed individuals)

426,073 small employers (less than 500 employees)

4,356 large employers (500+ employees)

Small business represents 99% of all of the state's
employers

and 44% of all private sector employment

Small employers created 58.7% of all net new jobs in FL

**“Non-employers” also create jobs through use of
staffing agencies and contract workers**

Florida SBDC Network Overview



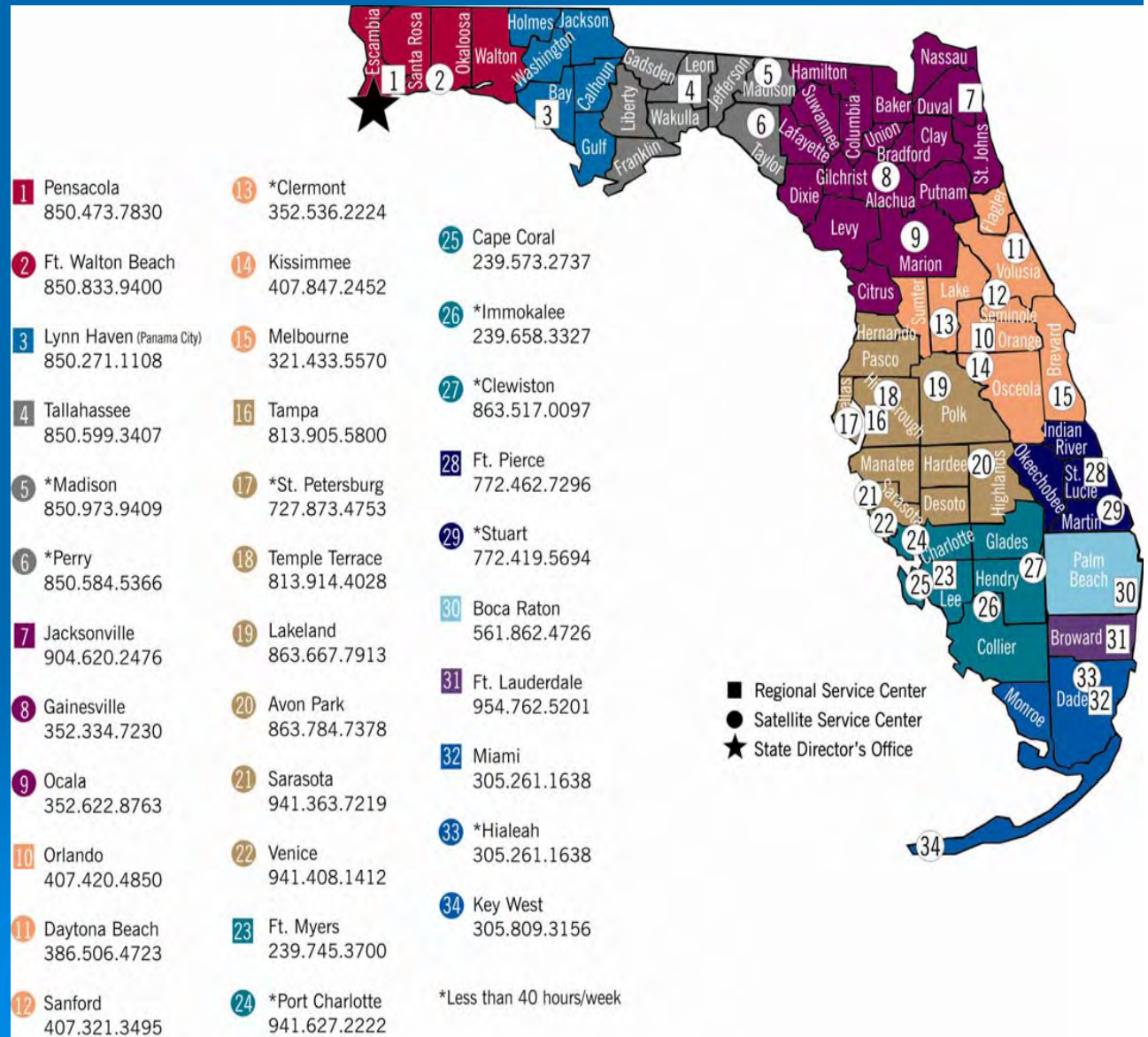
Improve the Survivability of Small and Medium-sized Enterprises (SMEs) during their early stages of growth

- **Business Retention and Expansion in FL Since 1976 (at no cost to clients)**
- **Focus on Stage I ventures (growth-oriented firms with 10 or fewer workers)**
- **75 FT Certified Business Analysts (down from over 90 in 2008)**
- **Part of the National Network of 1,100 SBDC Offices**

Florida SBDC Network Service Center Locations

35 Centers
Statewide involving:
7 State Universities
7 State and Communities Colleges

SBDC services are also provided at 60 other locations, through our resource partners, including local government, chambers of commerce, economic development organizations, business incubators, workforce development centers and State-sponsored MAC



FL SBDC Network Economic Impacts

33 years Serving Florida SMEs

\$100 million in SBA contracts to provide technical assistance and training

2009 17,045 clients received 59,671 hours of one-on-one consultations

Over 55% of clients are existing SMEs seeking assistance with expansion

\$59.7 million in capital infusion in 2009

down from \$378 million in 2008

\$1.5B since '94

\$375 million in governments contacts down from \$662 mil in 08

\$6.7 billion since 1980

Increased revenues by \$212 million up from \$191 million in 2008

824 Businesses Started down from 1,117 in 2008

14,550 jobs created and retained down from 18,790 in 2008

1,591 training events - over 26,000 participants

FL SBDC Network 5 Year Client Impacts

	2005	2006	2007	2008	2009
Number of Clients Served	13,203	14,159	14,295	15,213	17,046
Capital Formation	\$137,340,597	\$136,158,186	\$157,899,785	\$376,857,910	\$59,716,362
Jobs Created/Retained	12,029	13,061	12,309	18,797	14,550

Florida SBDC Network Specialized Programs

In addition to the core services provided, the Network specialized assistance:

Business Continuity & Risk Management Center Program

A specialized program that operates through the existing statewide infrastructure of the Network. BCRM program provides SMEs training and assistance in business continuity planning and risk management to minimize losses and increase survivability when affected by natural disasters or other catastrophic economic events.

Primary purpose for SBDC Mobile Business Assistance Center

Procurement and Technical Assistance Center (PTAC) Program

Established in 1985, the PTAC Program provides assistance to Florida firms interested in doing business with the government. Federal matching funds are provided by the Defense Logistics Agency.

Small Business Resource Network (SBRN)

The SBRN a public-private partnership led by the Network and member firms. Free information clearing-house that connects SMEs with public agencies and professional business service providers need e to achieve their business goals. SBRN professionals assist in the areas of accounting, banking and commercial lending, finance, insurance, law, human resources, marketing, management, technology and other business consulting areas. Members specialize in a variety of small business assistance programs.

Veterans' Business Outreach Center (VBOC) Program

The VBOC Program was established in 1999. Located at the SBDC in Panama City, The program is funded by SBA to serve as a clearinghouse of business and technical assistance for veterans interested in starting or growing a business in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Florida Office of Small Business Advocate (OSBA)

Serves as the principal advocate for small businesses in Florida. The OSBA is designated as the “SME Complaint Department” for the state. Convened a series of Small Business Issues Forums to identify the concerns of SMEs and explore solutions that may be implemented on a state level by way of legislative and policy changes. The OSBA is also the administrative services arm of the RAC.


Florida Small Business Regulatory Advisory Council

The RAC was statutorily established in 2008 and assigned to the Network. Help identify ways to lessen the burdens that state rules, laws, regulations or programs proposed by state agencies place on small businesses. The RAC is composed of nine members who are current or former small business owners and who were appointed by the Governor, Speaker of the Florida House of Representatives and President of the Florida Senate. These members represent a wide variety of small business interests and are from throughout the state.

Business Technology Commercialization Program

Building Florida's Knowledge-based Economy since 2003

- Leverages the capabilities of the FSBDCN to support entrepreneurs and academic researchers engaged in innovative physical and bioscience research and commercialization.
- Facilitates technology transfer and development, leading to the rapid commercialization of products and process by Florida's entrepreneurs.
- Serves as a bridge between entrepreneurs, investor community, university researchers, federal laboratories and economic development resources.
- Primary point of contact in Florida for the Federal SBIR/STTR Program.



**Florida
Office of Small Business
Advocate**

2009

Small Business Issues Forums

**Sponsored and Hosted by the
Florida SBDC Network**

**Forum for Small Business Issues and
Recommendations**

Small Business Issues Forums

March through September 2009

State of Florida Office of Small Business Advocate convened a series of 15 Small Business Issues Forums throughout the state and provided an online Small Business Issues Survey.

Over 600 responses received.

Small Business Issues Forums

Issues

Compiled as of December 2009

Top Ten Issues

1. Access to capital/financing for expansion
2. Lack of Incentives for Small Businesses
3. Stable/Favorable Small Business Climate
4. Affordable Healthcare Coverage
5. State Regulations

6. Growing State and National Deficits
7. Property Insurance Costs
8. Energy Costs/Incentives for “Green” Practices
9. Property Taxes
10. Increasing Home Foreclosures

Issues and Recommendations

1. Access to Capital/Financing for SME Expansion

ISSUE

Lender's financial crisis has resulted in the elimination access to debt financing for SMEs until the banks clean up their portfolios. Even exiting SMEs with good credit history are now unable to secure financing for working capital, facility expansion, exporting and other needs.

Due to the lack of debt capital from lenders or merger, acquisition or IPO opportunities, Venture Capitalists and Angel Investor are not making investments in any new deals . Since they are unable to exit from their exiting portfolio holdings, investors are reserving their cash to keep their current companies afloat.

Recommendations

\$500 million in Bonding Authority

**Create State of Florida
Revolving Loan and Loan Guarantee Program**

Funding to be drawn down as needed to fill the gap left by the commercial bank crisis.

To be administered by State Certified Development Corporations (CDCs), IDAs and/or local EDCs with loan administration program experience.

Authorize a Small Business Emergency Bridge Loan Program to Accelerate Economic Recovery

- 2 to 5 year term - Maximum loan \$500,000 - uses: M&E, Inventory and Working Capital - 1 year moratorium on interest and principle payments- no interest if repaid in year 1 -Interest 0 to 3% year 2 - Prime year 3 - Prime + year 4 and beyond
- Eligibility: Incorporated as a for-profit business in FL for at least 3 years (**LLC, LLP, C Corporations and Sub S included**); financially viable (must have revenues and profits at least 1 of the past 3 years); principal must be engaged full-time in the business

2. Lack of State Incentives for Existing SME Retention and Expansion

Issues

Existing state incentives programs were primarily designed to recruit broadly-held stock corporations to Florida.

Incentives offered are designed to provide credit for direct jobs created against corporate tax liability.

Only C Corporations pay corporate taxes to the state.

99% of all businesses in Florida are organized as other than C Corporations and are not eligible. Most Florida businesses are LLCs, LLPs, Sub Chapter S and Sole Proprietorships.

Growing trend in business to use leased and contract workers prevents eligibility since credit is only for "DIRECT" jobs created.

Recommendation

**Design a new “Portfolio of Incentive Programs”
Focused on Business Expansion and Retention**

Loans and Loan Guarantee Programs

\$500 million Bond Authorization
\$10 million Emergency Bridge Loan

R&D Matching Grants

\$4 million SBIR Phase II Matching Fund Program

**Technical Assistance for Exiting SMEs and
Entrepreneurship Training Programs**

Recommendation

Technical Assistance for Exiting SMEs and Entrepreneurship Training Programs

\$3.8 million Florida SBDC Network

\$750,000 FL Office of Advocate and Regulatory Advisory Council

\$500,000 Business Turnaround Pilot Program

\$500,000 for Florida Procurement Technical Assistance Center Program

\$3 million Technology-based Incubator Matching Loan and Grant Program

Recommendation

Modify Eligibility Requirements for Existing FL Economic Incentives, Loan and Grant Programs

- Eligibility: Incorporated business in FL for at least 3 years (including LLC, LLP and Sub Chapter S Corporations)
- Replace “Number of Employees” requirement with “Number of FTE Workers” to allow for contract labor. SMEs with 1 to 10 workers eligible for participation.
- Tax rebates for job creation on corporate, sales, use and utility taxes.

3. Stable/Favorable Small Business Climate

Issues

FL-based SMEs inability to compete for state contracts due to higher cost of operation (verses GA, AL and other states).

No single database of state contracting opportunities

State practice of Contract “Bundling” precludes bidding by SMEs (i.e. IT and hardware, architectural design and construction).

Moratorium on Unemployment Compensation rate increase.

20% Set-aside for state contracts for FL-based SMEs located in the state for at least 3 years.

10% “FL-based SME” subcontracting clause in state contracts awarded to large vendors and suppliers.

Allow state agencies to negotiate with qualified FL-based SMEs if lowest bid is received from an out-of-state firm and to award contracts to FL company if within 15% of the lowest bid.

Separate state IT services contracts from hardware purchases and “design and build” bundling practices.

SME Set-asides for State Workforce Training Funds

Raise Contract Bonding to awards over \$500,000.

Much Higher cost to the state if Florida SME are unable to keep Florida's workforce employed.

- ❖ Eliminate burdensome fees and some of the more than 30 state taxes on small businesses.
- ❖ Expand Department of Revenue's workout department to assist small businesses having difficulty paying state taxes with extended payment plans verses placing state tax liens against their assets.
- ❖ Mandate state agencies reduce or waive fees tied to new rules.
- ❖ Create a State of FL website listing all RFPs and a mechanism for small businesses to pre-qualify as approved vendors

- ❖ Aggressively pursue those committing tax fraud.
- ❖ Create and maintain a website listing all State of Florida Financial technical assistance incentive programs listing eligibility and amounts available
- ❖ Tax Rebates (tied to job creation) on Telecom and Utility Expenses as an Incentive for SME Job Creation
- ❖ Cap on Maximum Annual Real Estate Tax Increases on Commercial Property Occupied by SMEs
- ❖ State Appropriations for the FL SBDC Network, Florida Procurement Technical Center and Technology Incubator Network to Expand Technical, Management , Contracting, SBIR and Entrepreneurship Training Assistance for SMEs.

4. Affordable Health Care Coverage

Issue

Skyrocketing premiums and prospect of mandatory insurance for workers.

Recommendation

State to negotiate with the State's health insurance provider to extend the same rates and benefits afforded state employees to SMEs based in FL.

5. State Regulations

- ❖ Reduce overlap of state agency rules.
- ❖ Restrict any regulations that add cost to doing business in Florida
- ❖ State law establishing a requirement which limits state regulatory costs for all combined business regulation not to exceed 7% of a small businesses adjusted gross revenues.
- ❖ State law allowing businesses with fewer than 50 workers to be exempted from new fees.
- ❖ Place a moratorium on further approvals allowing community colleges to become 4 year state colleges.

What Else Does the Advocate Need?

- ❖ Thoughtful process in legislation and rulemaking as it affects SMEs.
- ❖ Agencies staying within the bounds of the legislative intent when developing rules.

Be fair to small businesses:

Consider the consequence to small businesses
99 % of the businesses in Florida are SMEs.

- ❖ Contact the Office of Small Business Advocate if you have questions about proposing or modifying legislation or rules affecting SMEs.
- ❖ Appropriation to cover the operating costs for the Florida Office of Small Business Advocate and Florida Small Business Regulatory Advisory Council.

STATE OF FLORIDA
Office of the Small Business
ADVOCATE



If legislation or a rule is absolutely necessary to protect the health and safety of FL residents, propose it.

If there is no way to pay for it other than fees or taxes on SMEs,

Talk to us first.

Avoid throwing SMEs under the bus. They're paying most of our bills.

STATE OF FLORIDA
Office of the Small Business
ADVOCATE



Thank you,
Lewis Attardo
Advocate Facilitator

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**Budget Prioritization
Exercise - Phase I**

Transportation and Economic Development Appropriations
FY 2010-11 Budget Prioritization Worksheet-Phase I-Committee Priority Ranking

1		FY 2010-11 Base Budget and 3 Year Outlook Issues					Member Priorities
2							Proposed Committee Priority
3		Program (Blue Shaded Lines Indicate 3-Year Outlook Programs)	FTE	General Revenue	State Trust Funds	Total State Funds	
4		Programs Selected-Percent of Total Funds					
5	DHSMV	Florida Highway Patrol-Enforcement of Traffic Laws Program, Homicide Investigation, and Criminal Investigation	2,177.0	\$0	\$197,654,156	\$197,654,156	1
6	DCA	State Disaster Funding (Declared Disasters)		\$9,789,404		\$9,789,404	2
7	DOT	5-Year Work Program (Estimate based on LBR-10-15-09)			\$4,409,515,076	\$4,409,515,076	3
8	OTTED	Economic Development Programs	4.0	\$314,776	\$25,699,209	\$26,013,985	4
9	OTTED	Economic Development Programs		\$65,366,389	\$6,664,580	\$72,030,969	5
10	DHSMV	Division of Licenses, Title, and Regulations	1,884.0	\$0	\$127,366,252	\$127,366,252	6
11	DCA	Affordable Housing Finance		\$0	\$123,010,000	\$123,010,000	7
12	DMA	Military Readiness and Response	65.0	\$8,303,502		\$8,303,502	8
13	AWI	Workforce Services		\$3,300,000	\$10,800,000	\$14,100,000	9
14	DOS	Division of Corporations	106.0	\$8,400,852	\$0	\$8,400,852	10
15	DCA	Emergency Preparedness	0.0	\$0	\$7,517,362	\$7,517,362	11
16	DCA	State Logistic Response Center		\$0	\$1,559,929	\$1,559,929	12
17	DOS	Library Grants to Local Governments	21.5	\$8,461,950		\$8,461,950	13
18	AWI	School Readiness	59.1	\$138,080,619	\$3,806,411	\$141,887,030	14
19	DCA	Florida Building Commission	15.0	\$0	\$3,012,874	\$3,012,874	15
20	AWI	Early Learning Information System (ELIS)		\$1,900,000		\$1,900,000	16
21	DMA	Education Dollars for Duty		\$1,781,900		\$1,781,900	17
22	DMA	Camp Blanding Joint Training Center	27.0		\$1,454,993	\$1,454,993	18
23	DMA	Florida Youth Challenge Program	9.0	\$664,690	\$969,576	\$1,634,266	19
24	DMA	About Face and Forward March Programs			\$2,000,000	\$2,000,000	20
25	DOS	Library Grants		\$12,792,028		\$12,792,028	21
26	DHSMV	Academy Training Program	18.0	\$0	\$2,425,549	\$2,425,549	22
27	DOS	Division of Historic Preservation	67.0	\$1,810,008	\$3,244,133	\$5,054,141	23
28	DOS	Division of Cultural Affairs	39.0	\$1,240,289	\$1,496,594	\$2,736,883	24
29	DOS	Cultural/Museum Grants		\$2,500,000		\$2,500,000	25
30	DMA	Florida Readiness Centers		\$5,100,000		\$5,100,000	26
31	DCA	Civil Legal Assistance		\$1,000,000		\$1,000,000	27

Transportation and Economic Development Appropriations
FY 2010-11 Budget Prioritization Worksheet-Phase I-Committee Priority Ranking

1		FY 2010-11 Base Budget and 3 Year Outlook Issues					Member Priorities
2							Proposed Committee Priority
3		Program (Blue Shaded Lines Indicate 3-Year Outlook Programs)	FTE	General Revenue	State Trust Funds	Total State Funds	
32	DCA	Small Cities Community Development Block Grant Program	16.0	\$514,500	\$0	\$514,500	28
33	DCA	G/A Civil Air Patrol		\$0	\$49,500	\$49,500	29
34	DCA	Technical Assistance	0.0	\$0	\$1,079,994	\$1,079,994	30
35	DCA	Regional Planning Councils		\$2,500,000		\$2,500,000	31
36		TOTAL PROGRAMS SELECTED	4,508	\$273,820,907	\$4,929,326,188	\$5,203,147,095	

**Budget Prioritization
Exercise - Phase II**

Transportation and Economic Development Appropriations
FY 2010-11 Budget Prioritization Worksheet-Phase II-Committee 15% Reductions and Ranking

1		FY 2010-11 Base Budget and 3 Year Outlook Issues						Member Selections
2								Proposed Committee Priority
3		FY 2010-11 Available Funds						
4		Over-Under Available Items/Funds				15% Reduction Target=		(\$947,655,880)
5	AGENCY	Program	Detail Line Reference	FTE	General Revenue	State Trust Funds	Total State Funds	Ranking #1=Least Impactive to Reduce #18-Most Impactive to Reduce
6	AWI	Displaced Homemaker	56	0.5		\$2,060,024	\$2,060,024	1
7	DOT	State Capital Outlay-Repairs and Maintenance	127			\$8,125,811	\$8,125,811	2
8	DHSMV	Community Service Officer Program	102	28	\$0	\$1,395,569	\$1,395,569	3
9	DHSMV	Aerial Traffic Enforcement Program	103	9	\$0	\$1,057,468	\$1,057,468	4
10	DOS	Division of Cultural Affairs	80	39	\$1,240,289	\$1,496,594	\$2,736,883	5
11	DOS	Library Grants	84		\$12,792,028		\$12,792,028	6
12	DOS	Library Grants to Local Governments	79	21.5	\$8,461,950		\$8,461,950	7
13	DCA	Comprehensive Planning (Includes PPT)	37	39	\$2,506,018	\$359,819	\$2,865,837	8
14	DMA	Florida Readiness Centers	94		\$5,100,000		\$5,100,000	9
15	AWI	School Readiness	59		\$2,500,000		\$2,500,000	10
16	AWI	School Readiness	57	59	\$138,080,619	\$3,806,411	\$141,887,030	11
17	DHSMV	Academy Training Program	101	18	\$0	\$2,425,549	\$2,425,549	12
18	DEM	Administrative/Operational Costs (DEM)	30	136		\$5,099,829	\$5,099,829	13
19	DCA	Administrative/Operational Costs (DCA)	36	77	\$1,196,730	\$6,253,993	\$7,450,723	14
20	DOT	Executive Leadership/Support Services/Operations	120-124	7,426	\$0	\$1,007,204,997	\$1,007,204,997	16
21	FHFC	Affordable Housing Finance	50		\$0	\$123,010,000	\$123,010,000	15
22	OTTED	Economic Development Programs	13-28		\$65,366,389	\$6,664,580	\$72,030,969	17
23	DOT	5-Year Work Program (Estimate based on LBR-10-15-09)	126			\$4,409,515,076	\$4,409,515,076	18
24		Totals		7853	\$ 237,244,023	\$ 5,578,475,720	\$ 5,815,719,743	