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Proposed Committee Substitute by the Committee on Appropriations

A bill to be entitled

An act relating to the Florida Small Business Development Center Network; amending s. 288.001, F.S.; providing a network purpose; providing definitions; requiring the statewide director and the network to operate the program in compliance with federal laws and regulations and a Board of Governors regulation; requiring the statewide director to consult with the Board of Governors, the Department of Economic Opportunity, and the network's statewide advisory board to establish certain policies and goals; requiring the network to maintain a statewide advisory board; providing for advisory board membership; providing for terms of membership; providing for certain member reimbursement; requiring the director to develop support services; specifying support service requirements; requiring businesses that receive support services to participate in certain assessments; requiring the network to provide a match equal to certain state funding; providing criteria for the match; requiring the statewide director to coordinate with the host institution to establish a pay-per-performance incentive; providing for pay-per-performance incentive funding and distribution; providing a distribution formula requirement; requiring the statewide director to coordinate with the advisory board to distribute funds for certain



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28 purposes and develop programs to distribute funds for
29 those purposes; requiring the network to announce
30 available funding, performance expectations, and other
31 requirements; requiring the statewide director to
32 present applications and recommendations to the
33 advisory board; requiring applications approved by the
34 advisory board to be publicly posted; providing
35 minimum requirements for a program; prohibiting
36 certain regional small business development centers
37 from receiving funds; providing that match funding may
38 not be reduced for regional small business development
39 centers receiving additional funds; requiring the
40 statewide director to regularly update the Board of
41 Governors, the department, and the advisory board with
42 certain information; requiring the statewide director,
43 in coordination with the advisory board, to annually
44 report certain information to the President of the
45 Senate and the Speaker of the House of
46 Representatives; providing an effective date.

47

48 Be It Enacted by the Legislature of the State of Florida:

49

50 Section 1. Section 288.001, Florida Statutes, is amended to
51 read:52 288.001 The Florida Small Business Development Center
53 Network; ~~purpose.~~54 (1) PURPOSE.—The Florida Small Business Development Center
55 Network is the principal business assistance organization for



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56 small businesses in the state. The purpose of the network is to
57 serve emerging and established for-profit, privately held
58 businesses that maintain a place of business in the state.

59 (2) DEFINITIONS.—As used in this section, the term:

60 (a) "Board of Governors" is the Board of Governors of the
61 State University System.

62 (b) "Host institution" is the university designated by the
63 Board of Governors to be the recipient organization in
64 accordance with 13 C.F.R. s. 130.200.

65 (c) "Network" means the Florida Small Business Development
66 Center Network.

67 (3) OPERATION; POLICIES AND PROGRAMS.—

68 (a) The network's statewide director shall operate the
69 network in compliance with the federal laws and regulations
70 governing the network and the Board of Governors Regulation
71 10.015.

72 (b) The network's statewide director shall consult with the
73 Board of Governors, the department, and the network's statewide
74 advisory board to ensure that the network's policies and
75 programs align with the statewide goals of the State University
76 System and the statewide strategic economic development plan as
77 provided under s. 20.60.

78 (4) STATEWIDE ADVISORY BOARD.—

79 (a) The network shall maintain a statewide advisory board
80 to advise, counsel, and confer with the statewide director on
81 matters pertaining to the operation of the network.

82 (b) The statewide advisory board shall consist of 19
83 members from across the state. At least 12 members must be



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84 representatives of the private sector who are knowledgeable of
85 the needs and challenges of small businesses. The members must
86 represent various segments and industries of the economy in this
87 state and must bring knowledge and skills to the statewide
88 advisory board which would enhance the board's collective
89 knowledge of small business assistance needs and challenges. The
90 board must include the following members:

91 1. Three members appointed from the private sector by the
92 President of the Senate.

93 2. Three members appointed from the private sector by the
94 Speaker of the House of Representatives.

95 3. Three members appointed from the private sector by the
96 Governor.

97 4. Three members appointed from the private sector by the
98 network's statewide director.

99 5. One member appointed by the host institution.

100 6. The President of Enterprise Florida, Inc., or his or her
101 designee.

102 7. The Chief Financial Officer or his or her designee.

103 8. The President of the Florida Chamber of Commerce or his
104 or her designee.

105 9. The Small Business Development Center Project Officer
106 from the U.S. Small Business Administration at the South Florida
107 District Office or his or her designee.

108 10. The executive director of the National Federation of
109 Independent Businesses, Florida, or his or her designee.

110 11. The executive director of the Florida United Business
111 Association or his or her designee.



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112 (c) The term of an appointed member shall be for 4 years,
113 beginning August 1, 2013, except that at the time of initial
114 appointments, two members appointed by the Governor, one member
115 appointed by the President of the Senate, one member appointed
116 by the Speaker of the House of Representatives, and one member
117 appointed by the network's statewide director shall be appointed
118 for 2 years. An appointed member may be reappointed to a
119 subsequent term. Members of the statewide advisory board may not
120 receive compensation but may be reimbursed for per diem and
121 travel expenses in accordance with s. 112.061.

122 (5) SMALL BUSINESS SUPPORT SERVICES; AGREEMENT.-

123 (a) The statewide director, in consultation with the
124 advisory board, shall develop support services that are
125 delivered through regional small business development centers.
126 Support services must target the needs of businesses that employ
127 fewer than 100 persons and demonstrate an assessed capacity to
128 grow in employment or revenue.

129 (b) Support services must include, but need not be limited
130 to, providing information or research, consulting, educating, or
131 assisting businesses in the following activities:

132 1. Planning related to the start-up, operation, or
133 expansion of a small business enterprise in this state. Such
134 activities include providing guidance on business formation,
135 structure, management, registration, regulation, and taxes.

136 2. Developing and implementing strategic or business plans.
137 Such activities include analyzing a business's mission, vision,
138 strategies, and goals; critiquing the overall plan; and creating
139 performance measures.



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140 3. Developing the financial literacy of existing businesses
141 related to their business cash flow and financial management
142 plans. Such activities include conducting financial analysis
143 health checks, assessing cost control management techniques, and
144 building financial management strategies and solutions.

145 4. Developing and implementing plans for existing
146 businesses to access or expand to new or existing markets. Such
147 activities include conducting market research, researching and
148 identifying expansion opportunities in international markets,
149 and identifying opportunities in selling to units of government.

150 5. Supporting access to capital for business investment and
151 expansion. Such activities include identifying and assessing
152 potential debt or equity investors or other financing
153 opportunities; assisting in the preparation of applications,
154 projections, or pro forma or other support documentation for
155 loan, financing, or investment requests; and facilitating
156 conferences with lenders or investors.

157 6. Assisting existing businesses to plan for a natural or
158 man-made disaster, and assisting businesses when such an event
159 occurs. Such activities include creating business continuity and
160 disaster plans, preparing disaster and bridge loan applications,
161 and carrying out other emergency support functions.

162 (c) A business receiving support services must agree to
163 participate in assessments of such services. The agreement, at a
164 minimum, must request the business to report demographic
165 characteristics, changes in employment and sales, debt and
166 equity capital attained, and government contracts acquired. The
167 host institution may require additional reporting requirements



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168 for funding described in subsection (7).

169 (6) REQUIRED MATCH.—The network must provide a match equal
170 to the total amount of any direct legislative appropriation
171 which is received directly by the host institution and is
172 specifically designated for the network. The match may include
173 funds from federal or other nonstate funding sources designated
174 for the network. At least 50 percent of the match must be cash.
175 The remaining 50 percent may be provided through any allowable
176 combination of additional cash, in-kind contributions, or
177 indirect costs.

178 (7) ADDITIONAL STATE FUNDS; USES; PAY-PER-PERFORMANCE
179 INCENTIVES; STATEWIDE SERVICE; SERVICE ENHANCEMENTS; BEST
180 PRACTICES; ELIGIBILITY.—

181 (a) The statewide director, in coordination with the host
182 institution, shall establish a pay-per-performance incentive for
183 regional small business development centers. Such incentive
184 shall be funded from half of any state appropriation received
185 directly by the host institution, which appropriation is
186 specifically designated for the network. These funds shall be
187 distributed to the regional small business development centers
188 based upon data collected from the businesses as provided under
189 paragraph (5) (c). The distribution formula must provide for the
190 distribution of funds in part on the gross number of jobs
191 created annually by each center and in part on the number of
192 jobs created per support service hour. The pay-per-performance
193 incentive must supplement the operations and support services of
194 each regional small business development center, and may not
195 reduce matching funds dedicated to the regional small business



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196 development center.

197 (b) Half of any state funds received directly by the host
198 institution which are specifically designated for the network
199 shall be distributed by the statewide director, in coordination
200 with the advisory board, for the following purposes:

201 1. Ensuring that support services are available statewide,
202 especially in underserved and rural areas of the state, to
203 assist eligible businesses;

204 2. Enhancing participation in the network among state
205 universities and colleges; and

206 3. Facilitating the adoption of innovative small business
207 assistance best practices by the regional small business
208 development centers.

209 (c) The statewide director, in coordination with the
210 advisory board, shall develop annual programs to distribute
211 funds for each of the purposes described in paragraph (b). The
212 network shall announce the annual amount of available funds for
213 each program, performance expectations, and other requirements.

214 For each program, the statewide director shall present
215 applications and recommendations to the advisory board. The
216 advisory board shall make the final approval of applications.
217 Approved applications must be publicly posted. At a minimum,
218 programs must include:

219 1. New regional small business development centers; and

220 2. Awards for the top six regional small business
221 development centers that adopt best practices, as determined by
222 the advisory board. Detailed information about best practices
223 must be made available to regional small business development



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224 centers for voluntary implementation.

225 (d) A regional small business development center that has
226 been found by the statewide director to perform poorly, to
227 engage in improper activity affecting the operation and
228 integrity of the network, or to fail to follow the rules and
229 procedures set forth in the laws, regulations, and policies
230 governing the network, is not eligible for funds under this
231 subsection.

232 (e) Funds awarded under this subsection may not reduce
233 matching funds dedicated to the regional small business
234 development centers.

235 (8) REPORTING.—

236 (a) The statewide director shall quarterly update the Board
237 of Governors, the department, and the advisory board on the
238 network's progress and outcomes, including aggregate information
239 on businesses assisted by the network.

240 (b) The statewide director, in coordination with the
241 advisory board, shall annually report, on June 30, to the
242 President of the Senate and the Speaker of the House of
243 Representatives on the network's progress and outcomes for the
244 previous fiscal year. The report must include aggregate
245 information on businesses assisted by the network, network
246 services and programs, the use of funds specifically dedicated
247 to the network, and the network's economic benefit to the state.
248 The report must contain specific information on performance-
249 based metrics and contain the methodology used to calculate the
250 network's economic benefit to the state.

251 Section 2. This act shall take effect July 1, 2013.