

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 600

INTRODUCER: Appropriations Committee on Transportation, Tourism, and Economic Development and Senator Truenow

SUBJECT: Manufacturing

DATE: April 16, 2025 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Renner</u>	<u>McKay</u>	<u>CM</u>	Favorable
2.	<u>Griffin</u>	<u>Nortelus</u>	<u>ATD</u>	Fav/CS
3.	<u>Griffin</u>	<u>Sadberry</u>	<u>AP</u>	Favorable

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 600 designates a Chief Manufacturing Officer among the Department of Commerce (department) senior leadership to promote manufacturing statewide. The Chief Manufacturing Officer, who is appointed by the Secretary of Commerce, is responsible for promoting, supporting, and coordinating manufacturing efforts in the state. In consultation with the Chief Manufacturing Officer and the state Manufacturing Extension Partnership, the department must report on manufacturing efforts in the state and submit the report by December 15, 2026, and every two years thereafter to the Governor and the Legislature.

The bill creates the Florida Manufacturers' Workforce Development Grant Program (program) within the department to fund proposed projects, subject to appropriation by the Legislature, that support small manufacturers in the state with the deployment of new technologies or cybersecurity infrastructure and provide training support to the workforce. Grants would be funded from the Economic Development Trust Fund. The department must provide a list of each awarded project annually and include such information in its annual incentives report.

The bill creates the Florida Manufacturing Promotional Campaign (campaign), a voluntary marketing program to promote manufacturing products and businesses in the state. Participants must register with the department. The campaign would be funded by fees acquired by the department from campaign participants.

The bill authorizes the department to adopt rules to administer the program and establish, by rule, the logos or product identifiers to be depicted for use in the campaign.

The bill will have an impact on state expenditures. It does not appear to impact local government revenues and expenditures. See Section V. Fiscal Impact Statement.

The bill takes effect July 1, 2025.

II. Present Situation:

Manufacturing

Florida has over 422,000 manufacturing jobs and ranks as the nation's 10th largest manufacturing employer. Since 2014, Florida has increased manufacturing employment by 23.3 percent, which outpaced the other 11 states in the top 12 for manufacturing.¹ Manufacturing jobs generally pay higher wages than those in other industries. In 2022, the average annual wage for manufacturing jobs was over \$74,000, a 6.6 percent increase from 2021.²

The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies to classify businesses by industry type for the purpose of statistical data collection and analysis related to the U.S. economy. The NAICS Sector Codes 311-339 include unique manufacturing industries in Florida that have outpaced the nation in job growth, which include, but are not limited to, the following:³

- Food manufacturing
- Beverage and tobacco product manufacturing
- Textile mills and textile product mills
- Apparel manufacturing
- Leather and allied product manufacturing
- Wood product and paper manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Nonmetallic mineral product manufacturing
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer and electronic product manufacturing
- Electrical equipment and appliances
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing

¹ Department of Commerce, *2023 Florida Manufacturing*, 7, available at <https://www.floridajobs.org/docs/default-source/communicationsfiles/2023-florida-manufacturing-report.pdf> (last visited March 5, 2025).

² *Id.* at 10.

³ *Id.* at 114.

Additionally, manufacturing sectors with a high value-added component, such as aviation and aerospace, defense, microelectronics, medical devices and equipment, marine, fabricated metal products, and industrial machinery, have helped Florida's small and mid-size manufacturers grow quickly.⁴

Under the Local Manufacturing Development Program, a local government may adopt an ordinance establishing a local manufacturing development program through which the local government may grant master development approval for developing or expanding sites operated by manufacturers.⁵ Local governments may establish a manufacturing master development plan review process that allows new or expanding manufacturing businesses to go through a single local-level master development plan process and, upon approval, proceed to development without requiring additional approvals or permits, except for building permits.⁶ The approval process must be coordinated with the department.⁷ Additionally, the department has developed a model local manufacturing development program ordinance to guide local governments that intend to establish a local manufacturing development program.⁸ Currently, only Manatee and Volusia County have adopted an ordinance.⁹

Workforce Training Programs

CareerSource Florida, a not-for-profit corporation administratively housed within the department,¹⁰ is the statewide workforce policy and investment board comprised of business and government leaders that helps Floridians enter, remain in, and advance in the workplace so that they may become more highly skilled and successful. The program also connects employers with qualified and skilled employees.¹¹ Workforce training is administered through the 21 local workforce development boards.

The Florida Job Growth Grant Fund is an economic development program that promotes public infrastructure and workforce training across the state. Proposals are reviewed by the department and chosen by the Governor to meet the demand for workforce or infrastructure needs in the communities they are awarded to.¹²

⁴ *Id.* at 47

⁵ Section 163.3252, F.S.

⁶ *Id.*

⁷ Section 163.3253, F.S.

⁸ Section 163.3252, F.S.

⁹ Department of Commerce, *Manufacturing Competitiveness Act Development Approval Program*, available at <https://floridajobs.org/community-planning-and-development/programs/community-planning-table-of-contents/manufacturing-competitiveness-act-development-approval-program> (last visited March 5, 2025).

¹⁰ Section 445.004(1), F.S.

¹¹ See CareerSource Florida, *About Us*, available at <https://careersourceflorida.com/> (last visited March 5, 2025).

¹² See s. 288.101, F.S.

III. Effect of Proposed Changes:

Statewide Office of Manufacturing

The bill amends s. 20.60, F.S., to expand the department's responsibilities to encourage and oversee manufacturing in the state in coordination with the Chief Manufacturing Officer.

The bill creates s. 20.601, F.S., to designate a Chief Manufacturing Officer among the Department of Commerce (department) senior leadership to promote manufacturing statewide. The Chief Manufacturing Officer (Officer) serves at the pleasure of the Secretary of the department. Duties of the Officer include:

- Serving as the subject-matter expert on manufacturing;
- Promoting and coordinating manufacturing efforts in the state and identifying gaps across state-supported activities;
- Providing strategic direction for interagency and cross-disciplinary initiatives to promote and support manufacturing in the state;
- Working with federal, state, regional, and local governmental entities and nongovernmental entities to align manufacturing priorities; and
- Engaging with state agencies and water management districts to innovate processes, programs, decision frameworks, and reporting mechanisms intended to support manufacturing in the state.

All state and local governmental agencies must assist the Officer to the extent such assistance is consistent with law and budgetary constraints.

In consultation with the Officer and the state Manufacturing Extension Partnership,¹³ the department must prepare a report on manufacturing efforts in the state, including information regarding the strength and economic importance of the manufacturing industry, and submit the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 15, 2026, and every two years thereafter.

Florida Manufacturer's Workforce Development Grant Program

The bill creates s. 288.103, F.S., to establish the Florida Manufacturers' Workforce Development Grant Program (program) within the department. The program will fund proposed projects, subject to appropriation by the Legislature, that support small manufacturers in the state in deploying new technologies or cybersecurity infrastructure and providing training support to the workforce.

The department, in coordination with the Officer and the state Manufacturing Extension Partnership, must review applicants and select projects for awards that create strategic investments in workforce training to facilitate the deployment of new technologies or

¹³ FloridaMakes is the official representative of the Manufacturing Extension Partnership (MEP) in Florida. The MEP, which provides U.S. manufacturers with access to resources, is a public-private partnership comprised of the National Institute of Standards and Technology's Manufacturing Extension Partnership, 51 MEP centers located in all 50 states and Puerto Rico, and over 1,300 advisors and experts at more than 400 MEP service locations. See <https://www.floridamakes.com/about-us/how-we-help> (last visited March 5, 2025).

cybersecurity infrastructure. Priority must be given to projects with innovative plans, advanced technologies, and development strategies focusing on workforce development for small manufacturers across the state. Final grant awards are made at the sole discretion of the department.

Grants awarded under the program must be administered by the department from the Economic Development Trust Fund under s. 288.095, F.S. Applicants are authorized to seek workforce development and operations funding. However, grant funding may not be used to pay salary, benefits, or general business or office expenses.

Each year, the department must provide the public with a list of all awarded projects, detailing how each project benefits the program's goals and objectives and the project's current status. This information must be included in the department's annual incentives report under s. 288.0065, F.S. The department may adopt rules to implement this provision.

Florida Manufacturing Promotional Campaign

The Legislature finds that there is a need for the Florida Manufacturing Promotional Campaign (campaign) to do the following in the state:

- Increase consumer awareness of manufacturing;
- Expand market exposure for manufactured products and goods; and
- Inspire future generations of entrepreneurs, fabricators, and skilled workers to build and grow domestic businesses and manufacturing operations.

The Legislature also finds that the campaign is a partnership between industry and the state to promote and advertise such products efficiently.

The bill defines the following terms:

- “Campaign” to mean the Florida Manufacturing Promotional Campaign.
- “Department” to mean the Department of Commerce.
- “Manufactured product” to mean any tangible personal property fabricated or produced, often through industrial or mechanical processes. The term includes items sold or leased to consumers.
- “Person” to mean an individual, firm, partnership, corporation, association, business, trust, legal representative, or any other business unit.

The bill creates s. 288.1033, F.S., to establish the campaign within the department, under the Office's supervision, and in coordination with the state Manufacturing Extension Partnership. The campaign's purpose is to serve as a voluntary marketing program to promote manufacturing products and businesses in the state. In promoting the campaign, the department must do the following:

- Develop logos for the campaign and authorize the use of such logos as provided by rule;
- Register campaign participants;
- Collect rental receipts for industry promotions;
- Develop in-kind advertising programs; and
- Contract with media representatives to disperse promotional materials.

The bill creates s. 288.1034, F.S., to establish campaign registration requirements. Campaign participants must register annually with the department in a form and manner as prescribed by the department.

The bill creates s. 288.1036, F.S., to authorize the department to adopt rules to implement the campaign. The department is authorized to establish the logos or product identifiers to be depicted for use in the campaign for advertising, publicizing, and promoting the sale of manufactured products in the state. The department is authorized to adopt any other necessary rules to ensure compliance with the provision, including, but not limited to, rules governing participant registration, registration renewal, membership classes, application forms, and other forms and enforcement measures.

The bill takes effect July 1, 2025.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The promotional campaign created by this bill is funded by a fee authorized in CS/SB 602, a linked bill.

B. Private Sector Impact:

Manufacturing businesses may see increased demand due to receiving a Florida Manufacturers' Workforce Development Grant and/or participating in the Manufacturing Promotional Campaign.

C. Government Sector Impact:

The bill designates a Chief Manufacturing Officer among the Department of Commerce (department) senior leadership to promote manufacturing statewide. The department is expected to absorb these costs within existing resources.

The bill does not appear to impact local government revenues and expenditures.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The biennial reporting on manufacturing efforts could potentially be integrated into the department's annual report required by s. 20.60(10), F.S.

To avoid duplication of effort and funds in workforce training, the Legislature could consider requiring coordination with CareerSource Florida in the consideration and award of grants.

The Legislature could consider whether the grant program and promotional campaign should be included in the economic development program reviews conducted by the Office of Program Policy Analysis and Government Accountability and the Office of Economic & Demographic Research pursuant to s. 288.0001, F.S.

VIII. Statutes Affected:

This bill amends section 20.60 of the Florida Statutes.

This bill creates the following sections of the Florida Statutes: 20.601, 288.103, 288.1031, 288.1032, 288.1033, 288.1034, and 288.1036.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Appropriations Committee on Transportation, Tourism, and Economic Development on March 11, 2025:**

The committee substitute:

- Expands the department's responsibilities to encourage and oversee manufacturing in the state in coordination with the Chief Manufacturing Officer.
- Moves the designation of a Chief Manufacturing Officer to the department's organization structure under chapter 20, F.S.;
- Removes the creation of a Statewide Office of Manufacturing and designates a senior leadership member within the department as the Chief Manufacturing Officer;
- Specifies that final grant awards under the Florida Manufacturers' Workforce Development Grant are made at the department's sole discretion;

- Clarifies that the Florida Manufacturing Promotional Campaign is voluntary; and
- Moves the Florida Manufacturing Promotional Campaign to chapter 288, F.S.

B. The committee substitute Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
