



*bio*Orlando

2010 Legislative Agenda

BOARD APPROVED
January 27, 2010

Contact: Eric Ushkowitz
407.422.7159 x241, Eric.Ushkowitz@OrlandoEDC.com



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2010 LEGISLATIVE AGENDA
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ECONOMIC DEVELOPMENT PRIORITIES: IMMEDIATE NEEDS

1. **Life Science Funding:** Support legislation that will foster a favorable environment for bio tech and other life science companies, including: full funding in the 2010-11 budget, and as needed going forward in future budgets, for the **University of Central Florida (UCF) and Florida International University (FIU) Colleges of Medicine**; full funding for the **Facilities Matching Grants Program**; and UCF's request for funding for life science academic programs and research.
2. **Enterprise Florida Funding, Incentives:** Support Enterprise Florida (EFI) funding, including key incentive programs that focus on attracting and retaining businesses, such as: **EFI operations, including marketing**; Florida's Economic Development Transportation Fund (**Road Fund**); Florida's **Economic Development TOOL KIT**, including funding the **Innovation Incentive**, **Qualified Target Industry Tax Refund Program (QTI)**, and **Qualified Defense Contractors Tax Refund Program (QDC)**; incentives and programs targeted to **developers or manufacturers of alternative energy/green building technology and equipment**; Florida's **Quick Action Closing Fund (QAC)**; the **Urban Job Tax Credit program**; and the **Quick Response Training Program (QRT)**. Other support items: Support **Space Florida's** retention and development efforts; efforts to secure sustainable funding for economic development operations statewide; and the economic development legislative efforts of **Enterprise Florida, the Florida Chamber, the Florida Economic Development Council, and BioFlorida**.
Filed Bills: Commercial Launch Zone Tax Incentives – SB1188 (Altman), HB133 (Poppell); QTI Renewal – SB 7048 (Commerce)
3. **Research & Development Funding and Retention:** Support a strategy that advances the investment in universities as the foundation for Florida's economic recovery. This includes investments in technology transfer, incubation, life sciences research and development, graduate support and targeted degree production.
4. **Economic Gardening:** Building on recent efforts, support legislation funding and enhancing state-wide economic gardening efforts, including technical assistance and business loans.
5. **Medical Device Pedigree Fix:** Support legislation that will eliminate the duplication of effort and potentially conflicting permitting and regulation requirements for medical device manufacturers currently regulated by the U.S. Food and Drug Administration (FDA).

ECONOMIC DEVELOPMENT PRIORITY ITEMS – ADDITIONAL NEEDS

1. **Research & Development Tax Credit:** Through formal alliances with the Florida Chamber of Commerce, Enterprise Florida, and others, **endorse the creation of a Florida R&D Tax Credit** to improve the state's business climate for growth-generating R&D activity.
2. **Florida Research Commercialization Matching Grant Program:** Through formal alliances with the Florida Chamber of Commerce, Enterprise Florida, and others, **support the Florida Research Commercialization Matching Grant program** to accelerate the commercialization of advanced technologies and create successful start-up companies in Florida.
Filed Bill: SB 1472 (Detert)

FURTHER BUILDING FLORIDA'S FUTURE

1. **Workforce Initiatives, Incentives:** Support legislation that will **provide funding for the enrollment growth of the Florida College System in order to ensure student access and meet workforce needs.** Also, support the **2+2 Direct Connect program** between the University of Central Florida and Brevard Community College, Lake-Sumter Community College, Seminole State College, and Valencia Community College, including funding for joint use facilities. Support **matching programs for the Florida College System**, including the Florida College System's Facilities Enhancement Challenge Grant Program and the Philip Benjamin Matching Program.
2. **Cost and Benefit Analysis of Legislation:** Support legislation that authorizes the presiding officers of the House and Senate to request special impact sessions of the Revenue Estimating Conference to **consider cost and benefit analysis of legislation.**
Filed Bills: SB1178 (Haridopolos); HB 993 (Crisafulli)
3. **Trauma Center Funding:** Support legislation providing **funding for Level One Trauma Centers via citations from camera-based traffic enforcement programs**, consistent with what is already in place from fines collected for red light running violations through other mediums, providing that the operating entity first receives sufficient revenue to cover the cost of the program.

ECONOMIC DEVELOPMENT PRIORITIES: IMMEDIATE NEEDS

1. Life Science Funding

EDC GOAL/POSITION

Support legislation that will foster a favorable environment for bio tech and other life science companies. *Florida has seen many recent successes in the life science industry, such as the recruitment of life science research institutes The Burnham Institute and SCRIPPS, as well as the creation of the University of Central Florida (UCF) College of Medicine and the Florida International University College of Medicine. It is important that we continue to build on these accomplishments and enhance the life science industry.*

Specific legislation/budget allocations include:

- ❖ **Maintain full funding in the 2010-11 budget, and as needed going forward in future budgets, for the University of Central Florida's (UCF) College of Medicine and the Florida International University's College of Medicine.**

BENEFITS

The UCF College of Medicine (CoM) is poised to provide a critical contribution to the further diversification of Central Florida's economy with the growing life-sciences cluster. An impact study conducted in 2006 indicated that the CoM was a catalyst to potentially create an additional 25,000 jobs, \$6.4 billion in economic activity, and almost \$2.3 billion in wages by 2017. In 2008, the study was updated and, even in a down economy, the estimated impact grew significantly – **by 2017 the UCF College of Medicine, combined with the adjacent community partners, will help create more than 30,000 jobs, \$2.8 billion in wages, and have a projected annual economic impact of \$7.6 billion***. This growth is an increasing reality that is evident with the establishment of The Burnham Institute for Medical Research, a new Veterans Affairs hospital, a University of Florida research facility, M.D. Anderson Cancer Center, and Nemours Children's Hospital all to be located in close proximity to the UCF's CoM at Lake Nona. The increased opportunities for medical education are critical to **addressing the growing physician shortage nationwide and providing economic benefits to Central Florida and state.**

**Source: Arduin, Laffer & Moore Econometrics*

BACKGROUND

The UCF and FIU Colleges of Medicine were established in 2006 to increase opportunities for medical education in Florida, address the growing physician shortage, and provide economic benefits to Central Florida and the state. UCF's College of Medicine opened in the fall of 2009.

- ❖ **Full funding for the Facilities Matching Grants Program for the State of Florida and the University of Central Florida.**

BENEFITS

This provides not only the facilities necessary to house the College of Medicine, but also is a 2-for-1 match for state funds – something vital to maximize the benefits of public and private partnerships – and an immediate cash flow into the economy.

BACKGROUND

This program provides state matching funds to universities for private donations that construct academic classrooms or research facilities. This funding is critical for state facilities such as the UCF and FIU Colleges of Medicine.

- ❖ **Support UCF's request for funding for life science academic programs and research.**

BENEFITS

Funding for this initiative will be used to **expedite the building of a life science cluster** in Metro Orlando by further expanding medical and biomedical research efforts in the area, **spurring innovations** derived from the collaborative R&D effort.

BACKGROUND

This funding is used to further enhance academic and research partnerships between the university and local life science firms, building on the strengths and reach of both. Funds will be used to hire biomedical researchers, provide ongoing salary support for staff and invest in the equipment needed to further expand and enhance medical and biomedical research efforts.

2. Enterprise Florida Funding and Incentives

EDC POSITION

Support Enterprise Florida funding, including key incentive programs that focus on attracting and retaining businesses. *Enterprise Florida and its initiatives and incentives are vital to the success of the Metro Orlando EDC and economic diversification throughout Florida.*

2009 EFI funding and incentives:

- ❖ **Support full funding for EFI's operations, including marketing.**
- ❖ **Support funding for Florida's Economic Development Transportation Fund (Road Fund), without offsets for individual projects.**

BENEFITS

Led to the creation or retention of 17,664 jobs from 2000-2008. This is one of Florida's oldest and most successful economic development incentive programs and is designed to keep our state competitive in attracting high wage jobs.

- ❖ **Support funding Florida's Economic Development TOOL KIT including funding the Qualified Target Industry Tax Refund Program (QTI), Qualified Defense Contractors Tax Refund Program (QDC), and Innovation Incentive. Also, support the creation of incentives and programs targeted to attract or retain developers or manufacturers of alternative energy/green building technology and equipment.**

BENEFITS

The average ROI for all projects is \$14 for every \$1 invested. Incentive ROI breakdown*:

**Source: A Study to Evaluate Florida's Economic Development Programs, Interim Project Report – Spring 2008, Florida House of Representatives Economic Expansion and Infrastructure Council Committee on Economic Development*

- **Qualified Target Industry Tax Refund Program (QTI):** The 10-year ROI is \$16 for every \$1 of state investment. This incentive requires a local match and is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. Following general protocol, the Senate Commerce Committee conducted a Sunset Review of the QTI program, scheduled to sunset on June 30, 2010, and recommended that it be renewed in their December 2009 report. **The EDC supports the renewal and enhancement of this important initiative.**
Filed Bill: QTI Renewal – SB 7048 (Commerce)
- **Qualified Defense Contractors Tax Refund Program (QDC):** The 10-year ROI is \$14 for every \$1 of state investment. This is a refund for defense contractors for activities including consolidating defense contracts, acquiring new contracts, or converting to civilian production.
- **Brownfield Redevelopment:** Without QTI, created 2,668 jobs from 1997-2007 with an estimated 10-year ROI of \$21 for every \$1 of state investment; with QTI, created 4,526 jobs from 1997-2007 with an estimated 10-year ROI of \$15 for every \$1 of state investment. This incentive is for

industrial or commercial sites underutilized due to actual or perceived environmental contamination.

- **High Impact Performance Incentive (HIPI):** The estimated 10-year ROI is **\$11 for every \$1** of state investment, with 2,230 jobs created or retained between 1997 and 2007. HIPI is a grant used to attract and grown major high impact facilities and supported six projects and has the highest average wage of \$165,123 during that time period.
- **Innovation Incentive:** The three projects approved in the 2006-07 fiscal year are projected to generate more than **\$476 million** in state revenue over 20 years and **9,643** direct, indirect, and spin-off jobs.
- **Urban Job Tax Credit program:** The program provides tax credits to eligible businesses located within one of the 13 urban areas designated by OTTED – areas experiencing conditions affecting the economic viability of the community and hampering the self-sufficiency of the residents – and hiring a specific number of employees. For calendar year 2007, 13 Urban Job Tax Credit applications were approved, seven for new businesses and six for existing businesses.

BACKGROUND

These incentives (investments) are critical after a community is “short listed” in the site selection process. Short list competitors are usually equal and incentives offered by the competing states often “tip the scale” toward a single location. Currently, all incentives would apply to “green” technology manufacturers/developers, but having a targeted incentive or program would increase the competitiveness of the state in attracting and retaining these companies.

❖ **Support funding of Florida’s Quick Action Closing (QAC) Fund.**

BENEFITS

QAC Fund: Created/retained 9,028 jobs from 1999-2007 with a projected 10-year ROI of **\$23 for every \$1** of state investment. The Quick Action Closing Fund provides the highest payback ratio.

BACKGROUND

A number of states including Virginia, North Carolina, South Carolina, Georgia, Tennessee, Texas, and Pennsylvania have closing funds available for use in highly competitive job creation situations. Having a closing fund would ensure, as provided in section 288.1088, Florida Statutes, that sufficient resources are available to respond to extraordinary economic opportunities and to compete effectively for high-impact business facilities, critical private infrastructure in rural areas, and key businesses in economically distressed urban or rural communities.

❖ **Support funding for the Quick Response Training Program (QRT) Program.**

BENEFITS

QRT: Workforce Florida, Inc. has awarded \$57 million to train more than 64,000 workers through the QRT program from 2000 to 2007. Businesses have provided more than \$829 million in matching funds. QRT is a customer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion.

Other economic development support items:

- ❖ **Support BioFlorida’s economic development legislative efforts.**
- ❖ **Support the efforts of the Florida Economic Development Council and EFI effort to secure sustainable funding for economic development operations statewide.**
- ❖ **Support Space Florida’s retention and development efforts.** *This includes policies, investments, and advocacy that clearly identify Florida as the best location for the next generation of federal and commercial Space opportunities. Also, support retention and development of Florida’s Space industry with science, technology, engineering and math (STEM) education; university based research and applied technology; workforce transition training; Space launch infrastructure; business development and incentives; and state/federal partnerships.*
Filed Bills: Commercial Launch Zone Tax Incentives – SB1188 (Altman), HB133 (Poppell)

3. Research and Development (R&D) Funding and Retention

EDC GOAL/POSITION

Support a strategy that advances the investment in universities as the foundation for Florida's economic recovery. This includes investments in technology transfer, incubation, life sciences research and development, graduate support and targeted degree production. *Florida has enjoyed success in attracting research institutes and further diversifying its economy. To truly leverage the investments that have been made and to move towards a more vibrant and entrepreneurial economy, it is imperative that R&D funding for our research universities be increased.*

BACKGROUND

Talent. Innovation. Infrastructure. Business Climate. Governance. Quality of Life. The Florida Chamber's "Six Drivers for a New Florida" serve as the pillars on which Florida's future depends, and are consistent with the efforts of key organizations throughout the state to move Florida forward in these tough times. While each of these drivers can be tied to investment in higher education, **talent and innovation stand out as two areas in which the education community can be one of the biggest contributors.**

Talent: In the world of economic development, talent equates to a **skilled and competitive workforce.** Companies need people who are ready-to-work, as well as a nimble educational system that can provide specific job training. Universities, and indeed all educational institutions, could ensure a ready workforce by increasing the number of associate, baccalaureate, graduate, and postgraduate degrees in high-demand fields through targeted scholarships for students entering science, technology, engineering, and mathematics (STEM) fields. Additionally, in order to eliminate the deficit of trained healthcare professionals in the state and leverage the state's investment in colleges of medicine throughout the state, more medical residency positions need to be created. Doing so will assist in retaining Florida medical school graduates – 62 percent of which left Florida to do their residencies elsewhere last year.

Innovation: Not only are universities historically at the forefront of promoting the commercialization of innovative ideas, but these **innovative ideas are also revenue generators:** Florida universities generate \$2.7 billion in sales of their products, while exceeding \$1.6 billion in research expenditures. These products begin in the university incubation systems, underscoring their importance in the partnership between education and economy building. Incubators provide an environment where start-up companies are nurtured and provide support to develop and evaluate business plans for innovations, hire initial staff, and prove product effectiveness before "graduating" to public environments. The Florida High Tech Corridor Council has invested approximately \$4 million that has enabled the University of Central Florida Incubator Network to provide an environment for the creation of 130 companies and more than 1,500 jobs with an average payroll of \$60,000, resulting in a verified regional economic impact of \$250 million. Funding for programs such as these must be continued and enhanced.

The **Centers of Excellence/World Class Scholars Program** also continues to be successful in **attracting nationally-recognized faculty in STEM areas.** On a competitive basis, Florida should provide funds to **expand Florida's most productive existing Centers of Excellence and new Centers.** From the legislature's investment to date, the Centers of Excellence have generated more than \$72 million in competitive grants and external funding, created 14 start-up companies, attracted \$22 million in venture capital funding, generated more than \$340,000 in licensing revenue, and created nearly 400 full-time jobs in addition to more than 40 positions for graduates of the university system.

4. Economic Gardening

EDC POSITION

Building on recent efforts, support legislation funding and enhancing state-wide economic gardening efforts, including technical assistance and business loans.

BACKGROUND

In the 2009 Special Legislative Session, the Governor and Legislature created a pilot program designed to stimulate investment in Florida's economy by providing loans to expanding businesses in the state. Dubbed "Economic Gardening," this program includes a loan pilot program of \$8.5 million to support small businesses that have between 10 and 50 employees and meet certain characteristics indicating that the company has high growth potential. The loans, not to exceed \$250,000 per business, would be used for capital purchases, employee training, and salaries for new jobs. The program includes \$1.5 million for technical assistance, which is being administered by GrowFL. GrowFL is an Economic Gardening Technical Assistance Program that supports the unique needs of second-stage companies throughout the state of Florida. Known for their performance in the marketplace, innovation, philanthropy and empowered employees, these companies come from a wide range of industries across the state. The EDC supports refunding and enhancing this program.

Second-stage companies are powerhouses for job creation. During 2005-2007, second-stage establishments represented over 8 percent of Florida resident companies, according to *YourEconomy.org*, an online resource of the Edward Lowe Foundation. Those second-stage companies generated 36 percent of the jobs created by companies headquartered in the state. A business typically begins to enter its second stage when it approaches \$1 million in total receipts. The transition process can continue until it hits \$100 million in receipts, although for most companies \$50 million represents the upper limit of second stage.

5. Medical Device Pedigree Fix

EDC GOAL/POSITION

Support legislation that will eliminate the duplication of effort and potentially conflicting permitting and regulation requirements for medical device manufacturers currently regulated by the U.S. Food and Drug Administration (FDA).

BACKGROUND

The Florida Legislature is to be commended for having the foresight to institute regulations for medical device manufacturers before the U.S. FDA did. However, now that the FDA has instituted its own standards, the Florida regulations have become duplicative and burdensome. This is particularly so for manufacturers that operate in more than one state. FDA standards are at least as stringent as Florida standards; legislation needs to be passed that exempts from permitting and fees those medical device manufacturers that manufacture components for FDA regulated device manufacturers or those that perform services such as sterilization for FDA regulated device manufacturers and are not required to register with the FDA. These overlapping regulations have resulted in companies not wanting to do business in Florida because the duplicative rules make research more difficult than in other areas. If unresolved, medical device manufacturing companies will likely choose to relocate to other states.

ECONOMIC DEVELOPMENT PRIORITIES: ADDITIONAL NEEDS

1. Research and Development (R&D) Tax Credit

EDC GOAL/POSITION

Through formal alliances with the Florida Chamber of Commerce, Enterprise Florida, and others, endorse the creation of a Florida R&D Tax Credit to improve the state's business climate for growth-generating R&D activity.

BENEFITS

To truly leverage the investments that have been made and to move towards a more vibrant and entrepreneurial economy, it is imperative that a R&D tax credit be created for the state of Florida. This tax credit would also aid in the attraction and retention of developers and manufacturers of green technology and equipment.

Research and development (R&D) has become the underlying source of wealth in the 21st century because of the ideas and technologies generated that spur productivity and economic growth. From an economic development perspective, tax credits are proven to **incentivize corporate research and development**. Per Enterprise Florida, research shows that the federal credit is an effective tool for stimulating additional research and development which in turn leads to faster economic growth. In fact, many studies have demonstrated clearly that for every **\$1 invested into R&D, there is a definitive return to the economy of at least \$3**.

Research by the Federal Reserve indicates that **state tax credit programs are nearly as important to corporate development as the federal tax credit program**. In a typical state, the tax credit program has been shown to increase general, company-funded research and development within a state, often enhancing the state's competitiveness by enabling it to draw economic development from other states.

The 2006 Legislature made great strides in improving the climate for innovation by eliminating the sales tax imposed on R&D equipment and creating the Innovation Incentive Fund for targeted business recruitment. Nevertheless, Florida's innovation portfolio still lacks a critical component: broad-based, longer-term inducements. Therefore, the EDC supports the creation of a Florida R&D Tax Credit to:

- spur Florida's vibrant innovation economy and attract high-wage, professional research jobs to the state;
- sharpen Florida's competitive edge by leveling the playing field with the state's regional and national competitors; and
- incentivize corporate R&D activity statewide.

While looking at the benefits of the R&D Tax Credit, **it is also important to consider the financial and job loss that comes from NOT having the tax credit**. For an example, consider the Federal R&D Tax Credit, which lapsed in December 2007. The Information Technology Association of America (ITAA) has a running tally on website that calculates how long the tax break has been expired, how many jobs have been lost as a result, and how much money it has cost. **As of September 24, 2008, the tax break had been expired for 267 days and had cost 103,823 jobs and over \$13.6 billion**. It has since been reinstated. According to analysis from the National Science Foundation, Small Business Administration,

and the Progressive Policy Institute, the R&D credit would have sparked more than \$18.594 billion in economic activity in 2008.

BACKGROUND

More market sensitive than other sources of development, R&D companies generate the main body of growth-simulating innovations. Without a state research and development tax credit, Florida lags behind other states in corporate development. Inspired by this success, 31 states have created state-level R&D tax credit programs. Recent research shows that:

- Florida ranks 7th among states in the number of firms utilizing the federal R&D tax credit but only 37th in terms of overall corporate R&D intensity.
- Of the 17 states that rank higher than Florida in terms of corporate R&D spending, 13 of them have R&D tax credits currently in place.
- In terms of corporate R&D intensity, 7 of the top 10 states have state R&D tax credit programs, most among the most generous in the nation.

California's tax credit had a revenue impact of \$120 million in 1996; Pennsylvania's had an impact of \$71 million in 2004. The competition is fierce. If we are to continue to move forward in a globally based economy, Florida must enhance its R&D tax credit program.

2. Florida Research Commercialization Matching Grant Program

EDC POSITION

Through formal alliances with the Florida Chamber of Commerce, Enterprise Florida, and others, support the Florida Research Commercialization Matching Grant program to accelerate the commercialization of advanced technologies and create successful start-up companies in Florida.

Filed Bill: SB 1472 (Detert)

BENEFITS

This program is designed to accelerate the commercialization of technology for start-up businesses, offering grant money to companies that have received Phase 2 grants from the Federal the Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Program (STTR) programs.

Key program benefits:

- Increase the amount of federal research dollars received by Florida small businesses.
- Build upon the vetting done by federal agencies to accelerate success.
- Encourage the establishment and growth of high-quality, advanced technology firms in Florida.
- Speed commercialization of promising technologies.
- Accelerate deal flow for venture capitalists and enhance Florida's investment infrastructure.
- Provide a large incentive for domiciling companies in the state having "gazelle-like" potential, thereby helping retain and attract technology talent to Florida.

As a comparison, during the first 12 years of operation, the Florida High Tech Corridor Council, through the Matching Grants Research Program, delivered an incredible 9-fold investment: \$450 million on an initial investment of just \$50 million. These figures do not include the application of a 3-to-1 multiplier commonly used in economic development assessments.

BACKGROUND

The Federal government annually allocates over \$2 billion to two highly competitive programs that encourage start-up businesses to explore commercialization opportunities: the Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Program (STTR). Qualified start-up businesses receive their awards in three phases:

- Phase 1 is the start up phase. Awards of up to \$100,000 support exploration of technical merit or feasibility of an idea or technology.
- Phase 2 awards up to \$750,000 to expand Phase 1 results. R&D work is performed, and the developer evaluates commercialization potential.
- Phase 3 is the period during which Phase 2 innovation moves from the laboratory into the marketplace. The business must find other funding.

Florida's participation in the SBIR/STTR programs lags the nation. Florida ranks 31st in terms of its ratio of Phase 2 awards to Phase 1 awards; an indicator of its inability to successfully promote Phase 1 "ideas" to Phase 2 "R&D." This matching grant program is designed to address this problem and to accelerate the successful growth of start-up companies within Florida.

Several States have successfully helped their SBIR/STTR awardees with commercialization matching grants. Notably, 11 states have succeeded in helping their SBIR/STTR awardees obtain commercialization matching grants. For example, California implemented a very successful program in 1993. **Results indicate that such programs help increase companies' likelihood of success, create high-wage jobs, attract large amounts of private follow-on funding, speed innovations to market, and provide a positive tax revenue return to administering states.**

Establish a Florida commercialization match grant program for SBIR/STTR Phase 2 awardees. The program would provide matching grants of up to 25 percent to Phase 2 awardees to help speed their commercialization processes. To receive money under the Florida Research Commercialization Matching Grant program, a recipient must first receive a federal grant equal to at least 20 percent of the project total. The state grant would then be a maximum of 25 percent of the project total. The remaining amount would be any combination of private dollars.

FURTHER BUILDING FLORIDA'S FUTURE

1. Workforce Initiatives, Incentives

EDC POSITION

Support legislation that will provide funding for the enrollment growth of the Florida College System and public school technical centers in order to ensure student access and meet workforce needs.

Specific legislation includes:

- ❖ **Support the 2+2 Direct Connect program between the University of Central Florida and Brevard Community College, Lake-Sumter Community College, Seminole State College, and Valencia Community College, including funding for joint use facilities.**

BENEFITS

In a time of economic downturn, colleges generally see an increase in student enrollment and a decrease in state funding. It is imperative that community and state colleges, as well as state universities, have the necessary funding to be able to **keep pace with increased enrollment growth** in order to **ensure student access and meet workforce needs**.

BACKGROUND

Workforce Education: Converging economic and demographic trends have made an educated workforce the rate determining step to sustained economic growth and development. The continued migration toward a knowledge economy will accelerate the need for highly skilled workers for the foreseeable future. The federal government estimates that between 2004 and 2014, about two out of every three newly created jobs will require at least some postsecondary education or training. During this same time, large numbers of this nation's most experienced workers are projected to retire and leave the workforce.

Combined, these trends suggest future shortages of high-skilled workers that are already being felt in occupations such as nursing and teaching. Florida's ability to fashion a 21st century workforce to ensure its long-term economic competitiveness is contingent upon its ability to advance the education and training of increasing numbers of its citizens. Florida's strategy of increased support and accountability for K-12 education is clearly yielding important dividends, accelerating demand for postsecondary education and training. It is time to capitalize on this growing demand by placing a greater emphasis on workforce education.

Workforce development is shared by a variety of state and local organizations including the Agency for Workforce Innovation, Enterprise Florida, the states' 24 regional workforce boards, tech centers as well as public and private secondary and postsecondary institutions. Florida community colleges have long played a key role in workforce development, serving as the principal providers of advanced-skills training throughout the state. In 2004-05, for example, Florida's community colleges enrolled over 76,000 students who were pursuing an AS degree and over 40,000 who were pursuing a technical

certificate. During this same time period, they awarded over 30,000 Associate of Science degrees and/or technical certificates.

2+2 Direct Connect: The Direct Connect program guarantees admission to the University of Central Florida for qualified AA degree candidates from Brevard Community College, Lake-Sumter Community College, Seminole State College, and Valencia Community College. Joint use facilities are jointly-funded and used for partnership to create a seamless transition between the institutions.

- ❖ **Support matching programs for the Florida College System, including the Facilities Enhancement Challenge Grant Program and the Philip Benjamin Matching Program.**

BENEFITS

This provides not only the facilities necessary to house new enrollment growth, but also is a match for state funds – something vital to maximize the benefits of public and private partnerships – and an immediate cash flow into the economy.

BACKGROUND

Facilities Enhancement Challenge Grant Program: Projects enhanced through this program provide a cost-savings to the state in facility construction and access to educational opportunities.

Philip Benjamin Matching Grant Program: In 2007, college Foundations raised \$52,582,221 in local for donations scholarships and academic programs, with a requested state match of \$44,693,519. In the 2008 legislative session, no state matching funds were appropriated.

2. Cost/Benefit Analysis

EDC GOAL/POSITION

Support legislation that authorizes the presiding officers of the House and Senate to request special impact sessions of the Revenue Estimating Conference to consider cost and benefit analysis of legislation.

Filed Bills: SB1178 (Haridopolos); HB 993 (Crisafulli)

BENEFITS

Legislators, who are asked to make policy decisions and invest taxpayers' money efficiently and effectively, are entitled to the best available fiscal information. Successful businesses have a clear understanding of their return on investment when making decisions on when and where to invest their resources. When making fiscal decisions for the people of Florida, legislators deserve to know not just the costs of proposed legislation, but also the benefit to the state.

BACKGROUND

Existing Florida law requires the revenue impact conference to analyze and assess the fiscal impact of proposed legislation. The revenue impact conference is composed of staff from the House, Senate, Governor's Office and Office of Economic and Demographic Research, with support from other state agencies (primarily the Department of Revenue). They meet regularly before and during session to evaluate what they believe to be the recurring and non-recurring fiscal impacts (general revenue, trust fund and local government) of proposed legislation. They typically report the costs of legislation to government in a staff analysis provided to legislators and the public. They do not attempt to measure any financial benefits of the legislation to the state, providing legislators with only a one-sided analysis of the fiscal impact of proposed legislation.

Benefits can be measured the same way that costs are – with the best available data. The cost analysis undertaken by the conferees currently is based typically on multiple assumptions regarding taxpayer behavior. Revenue estimating is an art, not a science, as anyone who has observed the process would say. If there is insufficient data regarding potential benefits, the same thing can be done that is done today when sufficient cost data is unavailable – an "indeterminate" amount is assigned.

The corporate income tax scholarship legislation is one example of how it would work. When the Florida Legislature increased the scholarship credit threshold by \$30 million a year in 2008, the estimating conference reported the \$30 million in costs of doing this (reductions to corporate income taxes), but they were not required to account for the savings to public education attributable to the scholarship program – fiscal benefits to the state that have been confirmed in a recent OPPAGA study.

3. Trauma Center Funding

EDC POSITION

Support legislation providing funding for Level One Trauma Centers via citations from camera-based traffic enforcement programs, consistent with what is already in place from fines collected for red light running violations through other mediums, providing that the operating entity first receives sufficient revenue to cover the cost of the program.

BENEFITS

The Level One Trauma Center at Orlando Regional Medical Center (ORMC) and others like it around the state provide access to the highest level of emergency expertise and care, within the shortest amount of time. Timely emergency care is critical to citizens and visitors and is a consideration for in- and out-of-market companies considering expanding in or relocating to an area. This piece of legislation would help ensure these resources are ready and waiting, 24 hours a day, seven days a week, for the most critically-ill and injured patients from around the region. Over the past year, ORMC's Level One Trauma Center alone treated over 3,159 patients.

BACKGROUND

In 2005, the Florida Legislature passed the Velez's Memorial Traffic Safety Act of 2005 which dedicates a portion of the fines collected for red light running violations to Florida's 21 trauma centers. Since that time, local municipalities throughout the state of Florida have implemented camera-based traffic enforcement programs to improve traffic safety. Fines collected from these infractions are not currently subject to the Velez's Memorial Traffic Safety Act of 2005, which was enacted in part to ensure Florida's trauma system is available to treat the most critically injured patients. Desired legislation would fix this glitch and state that a portion of *all* red light running citations – whether written by a law enforcement officer or an automated enforcement device – would be dedicated to Florida's Trauma Center Trust Fund, with revenue first going to cover the cost of the red light camera program.