

## Committee on Commerce and Tourism

### **CS/SB 426 — Economic Development**

by Appropriations Committee and Senators Montford, Albritton, and Stewart

The bill modifies the operations and funding requirements of the Regional Rural Development Grants Program to revise the annual maximum grant amounts available to regional economic development organizations; require grant recipients to serve or be located in a rural area of opportunity; and clarify the concept of developing “professional capacity” with regard to how eligible entities may use grant funds. The maximum amount of funds the Department of Economic Opportunity (DEO) may expend for the program is increased from \$750,000 to \$1 million annually, and the percentage of grant funds that must be matched with non-state funds is decreased from 100 percent to 25 percent of the state’s contribution.

The bill amends the Rural Infrastructure Fund to increase the amount of infrastructure project costs that grant funds can be used for from 30 percent to 50 percent of a project’s total cost and clarify that eligible infrastructure projects include the costs associated with improving access to broadband Internet service.

The bill creates transparency requirements for contracts and agreements that expend funds under the Regional Rural Development Grants Program and the Rural Infrastructure Fund.

In addition, the bill modifies the governance and administration of the Florida Development Finance Corporation (FDFC) to require additional reporting on their activities to the DEO and redesign the board of directors to include the director of the State Board of Administration’s Division of Bond Finance and the executive director of the DEO, who will serve as the chair of the board. The bill also increases the permitted term of a bond, note, or other form of indebtedness issued under the FDFC Act from 30 fiscal years to 35 calendar years; implements a conflict of interest policy for the FDFC’s board of directors; and institutes a sunset repeal, effective July 1, 2023, and every 4 years thereafter, unless reviewed and saved from repeal by the Legislature.

Lastly, the bill modifies the structure of Florida’s workforce development system to replace CareerSource Florida, Inc., (CareerSource) with the state board or the DEO in provisions relating to the implementation of the Workforce Innovation and Opportunity Act. The bill also clarifies the purpose, operation, and structure of CareerSource and the state board; requires the state board, rather than CareerSource, to produce a state plan that creates an educated and skilled workforce; and clarifies the duties of the local workforce development boards. A number of conforming changes made in the bill reflect structural adjustments in the relationship between the DEO, CareerSource, and the state board.

If approved by the Governor, these provisions take effect July 1, 2020.

*Vote: Senate 40-0; House 118-0*