

By Senator Klein

28-1325-02

1 A bill to be entitled
2 An act relating to self-employment assistance;
3 providing a short title; amending s. 216.136,
4 F.S.; requiring the Workforce Estimating
5 Conference to develop certain estimates;
6 creating s. 288.9619, F.S.; defining terms;
7 requiring Enterprise Florida, Inc., to
8 establish a Self-Employment-Assistance Loan
9 Program; providing for business start-up loans
10 to eligible borrowers; providing requirements
11 for loan eligibility and repayment; authorizing
12 a fee; establishing a loan account and
13 requirements for use of the account; requiring
14 the adoption of guidelines and procedures;
15 providing for oversight by the Office of
16 Tourism, Trade, and Economic Development;
17 requiring a status report; providing for
18 expiration; amending s. 443.111, F.S.; defining
19 terms; creating a self-employment assistance
20 program within the Agency for Workforce
21 Innovation; providing eligibility requirements;
22 authorizing payment of
23 self-employment-assistance allowance in lieu of
24 regular unemployment compensation to eligible
25 individuals; requiring participants to attend
26 certain training and counseling programs;
27 requiring participants to establish a business
28 and become self-employed; exempting
29 participants from certain requirements
30 applicable for regular benefits; providing
31 disqualification requirements; specifying

1 payment and financing of allowances; requiring
2 establishment of a profiling system; providing
3 for training and counseling programs; providing
4 participation limits; providing for rules;
5 requiring reports; providing for resolution of
6 conflict with federal requirements; providing
7 for expiration; providing an appropriation;
8 providing an effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

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12 Section 1. This act may be cited as the "Florida
13 Self-Employment and Enterprise Development Act."

14 Section 2. Paragraph (a) of subsection (9) of section
15 216.136, Florida Statutes, is amended to read:

16 216.136 Consensus estimating conferences; duties and
17 principals.--

18 (9) WORKFORCE ESTIMATING CONFERENCE.--

19 (a) Duties.--

20 1. The Workforce Estimating Conference shall develop
21 such official information on the workforce development system
22 planning process as it relates to the personnel needs of
23 current, new, and emerging industries as the conference
24 determines is needed by the state planning and budgeting
25 system. Such information, using quantitative and qualitative
26 research methods, must include at least: short-term and
27 long-term forecasts of employment demand for jobs by
28 occupation and industry; entry and average wage forecasts
29 among those occupations; and estimates of the supply of
30 trained and qualified individuals available or potentially
31 available for employment in those occupations, with special

1 focus upon those occupations and industries which require high
2 skills and have high entry wages and experienced wage levels.
3 In the development of workforce estimates, the conference
4 shall use, to the fullest extent possible, local occupational
5 and workforce forecasts and estimates.

6 2. The Workforce Estimating Conference shall review
7 data concerning the local and regional demands for short-term
8 and long-term employment in High-Skills/High-Wage Program
9 jobs, as well as other jobs, which data is generated through
10 surveys conducted as part of the state's Internet-based job
11 matching and labor market information system authorized under
12 s. 445.011. The conference shall consider such data in
13 developing its forecasts for statewide employment demand,
14 including reviewing the local and regional data for common
15 trends and conditions among localities or regions which may
16 warrant inclusion of a particular occupation on the statewide
17 occupational forecasting list developed by the conference.
18 Based upon its review of such survey data, the conference
19 shall also make recommendations semiannually to Workforce
20 Florida, Inc., on additions or deletions to lists of locally
21 targeted occupations approved by Workforce Florida, Inc.

22 3. The Workforce Estimating Conference shall include
23 estimates by occupation and industry, of the demand for the
24 establishment of new businesses and the creation of new jobs
25 in self-employment in its forecasts of employment demand.

26 ~~4.3.~~ During each legislative session, and at other
27 times if necessary, the Workforce Estimating Conference shall
28 meet as the Workforce Impact Conference for the purpose of
29 determining the effects of legislation related to the state's
30 workforce and economic development efforts introduced prior to
31 and during such legislative session. In addition to the

1 designated principals of the impact conference, nonprincipal
2 participants of the impact conference shall include a
3 representative of the Florida Chamber of Commerce and other
4 interested parties. The impact conference shall use both
5 quantitative and qualitative research methods to determine the
6 impact of introduced legislation related to workforce and
7 economic development issues.

8 ~~5.4.~~ Notwithstanding subparagraph ~~4.3.~~, the Workforce
9 Estimating Conference, for the purposes described in
10 subparagraph 1., shall meet no less than 2 times in a calendar
11 year. The first meeting shall be held in February and the
12 second meeting shall be held in August. Other meetings may be
13 scheduled as needed.

14 Section 3. Section 288.9619, Florida Statutes, is
15 created to read:

16 288.9619 Self-Employment-Assistance Loan Program.--

17 (1) The Legislature finds that small enterprises are
18 vital to the success of the state's economy. The Legislature
19 further finds that a major barrier to the creation of small
20 enterprises is restricted access to capital. It is, therefore,
21 the intent of the Legislature to facilitate access to such
22 capital in order to spur economic development in the state.

23 (2) As used in this section, the term:

24 (a) "Account" means the Self-Employment-Assistance
25 Loan Program Account.

26 (b) "Corporation" means Enterprise Florida, Inc.

27 (c) "Eligible borrower" means:

28 1. A person who applies for a loan under this section
29 no more than 1 year after completing the required training and
30 counseling programs; or

1 2. A person who applies for a loan under this section
2 within 3 years after completing the required training and
3 counseling programs and who has previously received loans
4 under this section which total less than \$10,000.

5 (d) "Program" means the Self-Employment-Assistance
6 Loan Program.

7 (e) "Required training and counseling programs" means
8 the training and counseling programs provided under the
9 self-employment-assistance program in s. 443.111(8).

10 (3) The corporation shall establish a
11 Self-Employment-Assistance Loan Program for the purpose of
12 assisting eligible borrowers with the capitalization of their
13 businesses.

14 (4) Subject to specific legislative appropriation, the
15 corporation shall make no-interest, 5-year loans to eligible
16 borrowers for costs related to the establishment or operation
17 of their businesses. The corporation may not loan more than
18 \$10,000 to an eligible borrower.

19 (5) An eligible borrower must provide full collateral
20 and a personal guarantee for any loan provided under this
21 section.

22 (6) Loan repayments are due in equal annual
23 installments. The first installment of a loan repayment is due
24 1 year after the loan is made. There is no penalty for early
25 repayment of a loan.

26 (7) The corporation may impose a fee not to exceed \$50
27 for each loan application and may retain these fees to defray
28 the costs of administering this section.

29 (8) The corporation shall establish a
30 Self-Employment-Assistance Loan Program Account. Repayments
31 and other revenues that accrue under this section must be

1 deposited in this account. Except as provided in subsection
2 (11), funds in this account must be used only for purposes
3 related to the program. Unused funds in this account must be
4 invested in a fiscally prudent manner that allows for timely
5 liquidation in the event such action is necessary for
6 loan-making purposes.

7 (9) The corporation shall adopt guidelines and
8 establish procedures necessary to administer this section.

9 (10) The Office of Tourism, Trade, and Economic
10 Development shall oversee the corporation's administration of
11 the program and the account and shall include related
12 performance measures in the office's annual performance
13 contract with the corporation. At least 60 days before each
14 regular session of the Legislature, the office shall submit a
15 program-status report to the Governor, the President of the
16 Senate, the Speaker of the House of Representatives, and the
17 majority and minority leaders of the Senate and the House of
18 Representatives. The report must include, at a minimum, the
19 most recent performance-measure data available and the
20 beginning and current balances of the account.

21 (11) This section expires 3 years after the expiration
22 or repeal of the self-employment-assistance program in s.
23 443.111(8). Upon expiration of this section, the corporation
24 shall use funds in the account and loan repayments related to
25 the program to assist small enterprises in this state.

26 Section 4. Subsection (8) is added to section 443.111,
27 Florida Statutes, to read:

28 443.111 Payment of benefits.--

29 (8) SELF-EMPLOYMENT-ASSISTANCE PROGRAM.--

30 (a) Definitions.--As used in this subsection, the
31 term:

1 1. "Eligible business" means an occupation or industry
2 for which the Workforce Estimating Conference has determined
3 there is a demand in this state for the establishment of new
4 businesses and the creation of new jobs in self-employment.

5 2. "Regular benefits" means benefits payable to an
6 individual under this chapter or under any other state law,
7 including benefits payable to federal civilian employees and
8 to ex-service members under 5 U.S.C. chapter 85, other than
9 extended benefits.

10 3. "Self-employment-assistance allowance" means an
11 allowance payable in lieu of regular benefits under this
12 chapter to an individual participating in the
13 self-employment-assistance program.

14 (b) Authorization and purpose.--There is created
15 within the Agency for Workforce Innovation a
16 self-employment-assistance program. The purpose of the program
17 is to implement authority granted under the Federal
18 Unemployment Tax Act in 26 U.S.C. s. 3306(t) to provide
19 allowances in lieu of regular benefits to unemployed
20 individuals in order to assist these individuals in
21 establishing new businesses and becoming self-employed.

22 (c) Eligibility.--An unemployed individual is eligible
23 to participate in the self-employment-assistance program, and
24 to receive a self-employment-assistance allowance with respect
25 to any week, if each of the following apply:

26 1. The individual is otherwise eligible to receive
27 regular benefits.

28 2. The individual is determined to be likely to
29 exhaust regular benefits using the profiling system
30 established under paragraph (f).

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1 3. The individual applies to participate in the
2 self-employment-assistance program within 60 days after the
3 individual first filed a valid claim for regular benefits.

4 4. The individual has, on the date of application, a
5 balance of regular benefits which is at least 18 times the
6 individual's weekly benefit and has at least 18 weeks
7 remaining in the individual's benefit year.

8 5. The individual is admitted into the
9 self-employment-assistance program by the Agency for Workforce
10 Innovation.

11 6. The individual is participating in, or has
12 completed, the training and counseling programs provided under
13 paragraph (g).

14 7. The individual is actively engaged full-time in
15 activities approved by the Agency for Workforce Innovation,
16 which may include the training and counseling programs
17 provided under paragraph (g), related to establishing an
18 eligible business and becoming self-employed.

19 8. The individual has made a claim for a
20 self-employment-assistance allowance with respect to such week
21 in accordance with the rules of the Agency for Workforce
22 Innovation.

23 9. The individual provides the information required by
24 the Agency for Workforce Innovation, including a log of the
25 individual's participation in the programs described in
26 subparagraph 6. and the activities described in subparagraph
27 7.

28 10. The individual has not participated in the
29 self-employment-assistance program during a preceding benefit
30 year.

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1 (d) Disqualification.--An individual who fails to
2 participate in the training and counseling programs provided
3 under paragraph (g) or who fails to actively engage full-time
4 in activities related to establishing an eligible business and
5 becoming self-employed is disqualified for the week the
6 failure occurs. If an individual is disqualified under this
7 paragraph for 2 consecutive weeks or for any 3 weeks while
8 participating in the self-employment-assistance program, the
9 individual shall be removed from the program. An individual
10 who is removed or voluntarily withdraws from the program may
11 receive, if otherwise eligible, regular benefits with respect
12 to the individual's benefit year if the sum of the
13 self-employment-assistance allowances paid to the individual
14 under this subsection and the regular benefits paid to that
15 individual under this section during the benefit year do not
16 exceed the total amount of benefits allowed in subsection (5).

17 (e) Payment and financing of allowances.--

18 1. A self-employment-assistance allowance is payable
19 to an individual at the same intervals, on the same terms, and
20 subject to the same conditions as regular benefits, except
21 that:

22 a. The requirements in s. 443.091(1)(b), relating to
23 registering for work, do not apply to the individual.

24 b. The requirements in s. 443.091(1)(c), relating to
25 ability to work and availability for work, do not apply to the
26 individual.

27 c. The disqualifications in s. 443.101(2), relating to
28 failing to apply for or accept suitable work, do not apply to
29 the individual.

30 d. Remuneration paid to the individual derived from
31 self-employment is not earned income under s. 443.036(16), and

1 the provisions of this chapter relating to the reduction of
2 the amount of regular benefits due to receipt of disqualifying
3 income do not apply to earned income derived from
4 self-employment by an individual participating in the
5 self-employment-assistance program and do not affect the
6 amount of the individual's self-employment-assistance
7 allowance.

8 2. An individual participating in the
9 self-employment-assistance program is considered to be totally
10 unemployed under s. 443.036(39).

11 3. An individual's weekly self-employment-assistance
12 allowance payable under this subsection is equal to the weekly
13 benefit amount the individual would have otherwise received
14 for regular benefits under subsection (3) if the individual
15 had not participated in the self-employment-assistance
16 program. The sum of the self-employment-assistance allowances
17 paid to an individual under this subsection and the regular
18 benefits paid to that individual under this section during any
19 benefit year may not exceed the total amount of benefits
20 allowed in subsection (5).

21 4. For an employer liable for contributions under the
22 contributory system of financing unemployment compensation
23 benefits, a self-employment-assistance allowance paid under
24 this subsection shall not be charged to the account of the
25 individual's employer. For a reimbursable employer, an
26 allowance paid under this subsection shall be charged to the
27 account of the individual's employer in the same manner
28 provided in s. 443.131 for regular benefits.

29 (f) Profiling system.--The Agency for Workforce
30 Innovation shall establish a profiling system to identify
31 individuals likely to exhaust regular benefits. The profiling

1 system may be, but is not required to be, the same profiling
2 system used to identify participants in reemployment services
3 under s. 443.091(1)(d).

4 (g) Training and counseling programs.--The Agency for
5 Workforce Innovation, in conjunction with Workforce Florida,
6 Inc., shall develop and approve programs that provide
7 entrepreneurial training, business counseling, and technical
8 assistance for participants in the self-employment-assistance
9 program. When approving these programs, the Agency for
10 Workforce Innovation shall attempt to identify and give
11 priority to existing programs. Subject to specific legislative
12 appropriation, the Agency for Workforce Innovation may
13 contract with Workforce Florida, Inc., regional workforce
14 boards, small business development centers, school districts,
15 community colleges, state universities and colleges, or
16 independent colleges and universities to provide these
17 training and counseling programs.

18 (h) Participation limit.--The aggregate number of
19 individuals receiving a self-employment-assistance allowance
20 under this subsection during any week may not exceed 5 percent
21 of the number of individuals receiving regular benefits. In
22 addition, the self-employment-assistance program may not
23 result in costs to the fund in excess of the costs that would
24 have been incurred had the state not implemented the program.
25 To enforce this paragraph, the Agency for Workforce Innovation
26 may limit admission into the self-employment-assistance
27 program. The Agency for Workforce Innovation may further limit
28 admission based on the availability of the training and
29 counseling programs provided under paragraph (g) or funding
30 for those programs.

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1 (i) Rules.--The Agency for Workforce Innovation shall
2 adopt rules under ss. 120.536(1) and 120.54 necessary to
3 administer this subsection.

4 (j) Evaluations and recommendations.--The Agency for
5 Workforce Innovation, in conjunction with Workforce Florida,
6 Inc., and the regional workforce boards shall conduct a
7 comprehensive evaluation of the effectiveness of the
8 self-employment-assistance program operated under this
9 subsection. By January 1, 2007, the Agency for Workforce
10 Innovation shall submit a report on such evaluation to the
11 Governor, the President of the Senate, the Speaker of the
12 House of Representatives, and the majority and minority
13 leaders of the Senate and the House of Representatives. The
14 report must include, at a minimum, the number of individuals
15 participating in the program and the number of businesses
16 developed under the program, business survival data, the cost
17 of operating the program, compliance with program
18 requirements, data related to business income, the number of
19 employees and amount of wages paid in the new businesses, the
20 incidence and duration of unemployment after business startup,
21 and an evaluation of the Self-Employment-Assistance Loan
22 Program created under s. 288.9619. The report may also include
23 recommendations as to whether the self-employment-assistance
24 program should be continued or revised to enhance its
25 administration or effectiveness.

26 (k) Conflicts.--If there is a conflict between this
27 subsection and federal requirements and regulations, the
28 federal requirements and regulations control.

29 (l) Expiration.--This subsection expires July 1, 2007.

30 Section 5. There is appropriated from the General
31 Revenue Fund an amount sufficient to implement this act.

