**Georgians First Commission**

Minutes of the December 18, 2019, meeting

Flint Equipment Co., 741 U.S. Highway 82 W, Leesburg, Ga.

8:00AM

**Members Present:** Bobby Banks, Natasha Bell, Christie Cannon Cole, Mike Collins, Rick Desai, Sam Holmes, Mark Horn, Cade Joiner, Ruel Joyner, Alec Poitevint, David Renz, T. Dallas Smith, Trey Taylor, Brad Usry, James Whitley, CB Yadav

**Members Absent:** Lonice Barrett, Debbie Dlugolenski, Vickie Moreland

Guests: Accenture team; E&Y team; North Highland team; Albany Community Together team; Grace Fricks, CDFI

Site Host: Chris Cannon made remarks on behalf of Albany-based Flint Equipment Co.

**Georgians First Implementation Update**

Georgians First Commission Executive Director Scott Hilton opened the meeting at 8:18 a.m.

Scott Hilton reviewed the commission process and halftime report. A final report is due to Gov. Brian Kemp in six months.

There’s $250 million state spending related to small business.

Hilton said the commission has hosted 10 roundtables in 12 regions, hearing from small businesses throughout Georgia.

He provided a brief overview of task forces progress. January 2020 kicks off the next three task forces – entrepreneurship in education; women’s entrepreneurship; health care access to small business. A few committees still need chairs, he said.

A very methodical, well-defined process that will be produced for the governor.

Third quarter meeting recommendations implementation update:

1. Regulatory reduction
2. State procurement for small business
3. Customer experience.
4. Study of number of agency rules and regulations
5. Never been a year that we've deleted more than we've added
6. Scott presented a graph of seeing government grow over time

Best practice: Regulatory reset – wipe the slate and start clean

Proposed to governor a six-step regulatory reduction process

Georgia’s regulatory code has 6 million words. By comparison, California’s code has 30 million.

The process of reducing regulatory code is getting a lot of attention at the federal level.

There was healthy discussion around defining small business, quality of the data and state procurement.

**Jeff Strane provided update on state procurement for small business.**

Increase small business spend by $250 million annually over the next four years

Leverages operational excellence into small business spending.

Regionalize procurement approach: The first small business symposium will be February 12 in Dublin. This takes government and procurement directly to the people and to small businesses.

Part of the process is examining the definition of a small business, though the definition used by Georgia is not out of line with the Small Business Administration.

In order to evaluate small business, spend, state agencies must provide good data.

Currently: $3.8 billion spend, of which 13 percent goes to small business. 90 percent of that stays in state.

Current recommendation is to keep the small business line where it is today – 300 employees or less; $30 million or less in revenue.

Commission consensus was to stay true to the spirit of the intent.

**Georgia One-Stop Small Business Site**

State’s digital team worked to create a one-stop-shop site that is in test mode. Could be announced at the governor’s State of the State in January. The team is working to create a single credential/login/ID for state business. The site must be an adaptive response design; cannot be desktop only.

Hilton said the vision for single CRM (ex. Salesforce). The in-house one-stop-shop is a first step. The full CRM will require that we build off of this.

Fourteen states have one-stop shop. We are going to other states to build a Georgia business case. What kind of traffic do you get? How’s it working? We are using data to create a rationale for the build out of site. Qualitative and quantitative data. Anecdotally people are interested. Governor wants to see the raw data.

The Accenture team said that cities are implementing this, too. Phoenix, for example, has received great constituent feedback.

Georgia’s chief digital officer, Nikhil Deshpande, called in to the commission meeting

There was a live demo of the one-stop portal, created by the office of digital services, Georgia Technology Authority.

The state doesn't offer a consolidated information source for small businesses and entrepreneurs. In an ideal world, the applications would be consolidated. That's what we want. It’s a long-term and potentially expensive endeavor. The one-stop shop is a start.

State business portal.

Simple guide to setting up a business in Georgia.

1. Planning a business.

2. Registering a business.

3. Setting up a business.

**CDFI presentation. Grace Fricks, president and CEO, ACE**

Provides access to capital for entrepreneurs “Our purpose is to get people bankable,” she said.

Accelerating small business growth through access to capital is the fuel to the engine. There are four other outfits in Georgia. In Albany, it is Albany Community Together.

Access to capital is a barrier for many small businesses. Fricks said most of what she sees are collateral shortfalls.

The successful impact is the creation of generational wealth and assets

**Access to Capital Task Force**

Barbara Ray & Brande Jeidy – North Highland Presentation

Venture capital funds – the big buckets – are generally going California or Northeast.

Georgia has a tremendous abundance of resources for entrepreneurs, but no centralized source of resources. The opportunities are not easily accessible nor understood as to how to find them.

Georgia ranks 6th on Kauffman Institute’s KESE Index, a summary index that reflects entrepreneurial activity in the United States. But the state ranks 48/50 on startup early survival rates (failure after one year). This is largest opportunity for Georgians First. The team provided four measures of improvements, including moving Georgia from No. 47 to No. 20.

To move the needle, there are 10 recommendations from task force grouped in three themes:

1. **Equity availability**
	* Expand on success of the Invest Georgia Fund
	* Name an “Ambassador to Capital” and Business and a “Capital Advisory Board”
	* Reinstate, simplify and make permanent the Angel Income Tax Credit
2. **Debt availability**
	* Provide tax credits to banks that invest in CDFIs
	* Encourage state treasurer to expand bids on treasure deposits
	* Reconsider legislation that prevents legitimate credit repair
	* Study outcomes from existing GARJA program and consider future reauthorization
3. **Promotion and education**
	* Promote increased use of the Invest Georgia Exemption
	* Include information on finding resources for small business “one-stop-shop” for the state
	* Provide financial literacy training and education through Georgia’s education system

Strategies were presented to put the recommendations into operation. There’s much enthusiasm around focus on small business support through access to capital.

**Tax Reform & Competitiveness**

Rick Desai, task force chair

EY provided high-level tax policy considerations. // Eileen O-Neill, senior manager, global location investment credits an incentives. Policy expert on Georgia-based local incentives.

**Review of tax incentives**

* Inventory property tax
* Capital stock tax
* 169(k) bonus depreciation
* 199A business income deduction
* Modifications to individual income tax rate and/or standard deduction

**Background**

* Competitiveness considerations
* Revenue considerations
* Compliance considerations
* Map of Georgia compared to other states

There was discussion around simplifying inventory property taxes, and state overreach into local freeport exemptions. Small businesses are encumbered by Freeport. Ex. – Wayfair in Savannah gets freeport 5, but its suppliers aren’t Freeport exempted.

There are concerns around disproportionate tax policy that penalizes small businesses in Georgia.

Additional considerations: tax digitization.

Look at tax policy and tax operations.

**Minority-Owned Business Task Force**

This is one of the fastest-growing segments of small business in Georgia and is a segment that that needs great attention

Scope and approach of the task force was discussed. The purpose of the Georgians First Minority-Owned Business Task Force is to review state regulations, policies and procedures to streamline government to positively impact minority-owned businesses in the state of Georgia.

Three core challenges businesses are:

* Access to capital
* Access to opportunities for business development
* Learning and education

A timeline was shared, as were partners to advance the work.

There being no further business, the meeting adjourned at 11:30 a.m.