

Georgia First Commission

Meeting Minutes

March 27, 2019

Call to Order

- The meeting was called to order by Director of Implementation, Scott Hilton, at 9:01am.
- Keynote speaker, Governor Kemp, addressed the commissioners, thanking them for their willingness to serve and highlighting the tasks of the Georgia First Commission.
- Scott Hilton provided the agenda for the meeting, which includes:
 - Updates on Georgia's economic conditions, provided by state economist, Ken Heaghney
 - Presentation by Department of Economic Development on Georgia's small business friendliness rankings
 - Speech from Lt. Governor Duncan
 - Introduction of Nathan Humphrey, State Director for the National Federation of Independent Business (NFIB)
 - Roundtable discussion

Presentations

Scott Hilton, Director of Implementation for the Georgia First Commission

- Values, mission, and vision of the Commission
- Strategies
 - Market Strategy
 - Operations Strategy
 - Taskforce chairs and cochairs will be assigned at later date
 - Service Delivery Strategy
- Announcement about the Commission having quarterly meetings
 - Taskforce meetings will take place in between these meetings and will be held over conference call
- Metrics of the Commission
- Interagency overview and partnership
 - Operational issues
 - Legislative issues
 - Commission will develop legislative package for the General Assembly to work on in the 2020 legislative session
 - One of the goals of this process is to create an interagency team that responds to requests and questions from business owners
 - Potential agency partners:
 - Department of Revenue
 - Department of Insurance

- Department of Labor
 - Department of Agriculture
 - Workforce Development
 - Department of Natural Resources and its Environmental Protection Division
 - Department of Behavioral Health and Developmental Disabilities
 - Department of Public Health
 - Real Estate Commission
 - University System of Georgia
- Georgia First Commission website
 - Will go live in April
 - Will be modeled after One Kentucky website
 - Has ID number for business owners that is used with all state government agencies
 - The Commission needs an accessible site that is user friendly for small business owners and potential business owners
 - “Share Your Story” feature
 - Webform
 - Users will receive automatic reply and receive call from customer service as well
- Comments and Questions
 - James Whitley: It is important to note that some regulations are in place for good reason, so we aren’t here to cut away all regulations, so maybe we should help build roadmaps in order to help entrepreneurs navigate the regulations that we do have for good reasons. This will make the process more transparent.
 - Vickie Moreland: So this is the link for the website? And this is for if you want to be contacted? I just think it needs to be simpler. I think your contextual copy is more difficult to understand than it needs to be. How do you interpret, “Please check if you want to opt in.”
 - James Whitley: That means you check the box if you want to opt in for Georgia First Commission updates.
 - There should be a live person to be able to contact on the website, something like an avatar or a talking peach. This way, users can ask questions.
 - Is there a metric that is used for the state to be ranked a certain way for its environment for small business? It would be nice to have that to work off of so that there is a checkpoint.
 - Scott Hilton: This will be covered in the next presentation by the Georgia Department of Economic Development
 - James Whitley: The Pew Research Center does a lot of rankings of states within the country, and we can always look at other state models in terms of streamlining things.
 - Trey Taylor: It would be great if we could get the Governor to look at regulations that agencies have in place and do a top-down review of them. The federal government does this, and I think it would be helpful.

Ken Heaghey, State Economist of Georgia

- Overview of the economic conditions of the state
- The GDP of the United States is slowing down, which is natural as it is slowing from a very high peak
 - Georgia experienced a high rate of growth in 2018, so it is only normal for it to slow down
- Global economic growth is slowing
- Georgia job growth remains stable following ten years of economic recovery and expansion
 - The Georgia job market is growing faster than the U.S. job market and has been since 2014
- All metro areas are seeing job growth
- Unemployment remains incredibly low
- Comments and Questions
 - Vickie Moreland (referencing the slowing of global growth): Does this all mean we are going to have higher labor costs for businesses?
 - Ken Heaghney: No. This is just a sign that the markets are seeing a slow down of growth.
 - Vickie Moreland: Does the cost of capital filter down locally and make it harder for small businesses to access capital?
 - Ken Heaghney: ... Capital tends to be scarcer. Another thing you brought up is wage cost, and wage cost is accelerating. There is a shortage of workers overall, so that tells me that there is a shortage of skilled workers. These are tough times for business owners, especially if you have retiring skilled workers. I will say, though, that looking at the details of Georgia's economy gives me comfort.
 - Debbie Alford: Do you have an assessment of how much small businesses were impacted during the last two recessions?
 - Ken Heaghney: I don't have it on me, but I can find one.
 - Is there a five-year forecast of Georgia's economy available?
 - Ken Heaghney: At this level, there is. It will show that we will continue to grow and slow down around 2019 or 2020. At that point a recession might be getting close, but we will continue to grow again thereafter.
 - Can the Commission get that info [on the five-year forecast]? It might not be perfect, but it will be something.
 - Ken Heaghney: Yes, I can give that to Scott to give to you.
 - Does all of this give a chance for the unemployment rate for unskilled workers to steady itself?
 - Ken Heaghney: I don't think it solves this. You're talking about a skills problem, so slowing of the economy isn't going to fix that. There isn't a lot of data on it, but there are some studies that suggest that unemployment problems are drugs and social dysfunctions related
 - If you notice, a majority of the towns [in the metro areas seeing job growth] are military.
 - Why is Gainesville [on the metro areas seeing job growth] so high?
 - Ken Heaghney: It is probably just spin off from the North Atlanta metro area.
 - Is there a correlation here between the technical colleges pulling these students in and producing more skilled workers? Is it just not marrying well with the economy?

- Ken Heaghey: I haven't seen the data on how successful they have been.

Ryan Waldrop and Dana Brewer, Georgia Department of Economic Development

- The Department of Economic Development wants to develop an “ecosystem” for small businesses in the state of Georgia
- Small Business Award Ceremony Recap
 - Honored small businesses from across the state
 - Takes place every year
 - This year, there were over 350 nominees
- Presentation on Georgia's rankings for small business friendliness
 - 60 projects that were located by the department last year were creating less than 50 jobs
 - Inc. 5000 ranking
 - Georgia several companies in this ranking
 - The Kauffman Foundation rankings
 - Thumbtack rankings
 - The Cs that Georgia received were in training and networking programs
 - Georgia SBA: By the Numbers
- Comments and Questions
 - Does this data take into consideration the Uber effect?
 - Dana Brewer: Based on this source, it does not include those, but it is definitely part of the economy, just not well reflected in these sorts of things generally
 - How do you feel about the accuracy in this area you're speaking about?
 - The information we have is only as good as the sources. The things we use have their flaws. A lot of data available is only based on administrative records, so it obviously isn't capturing everything.

Lt. Governor Duncan

- Background as businessman
- Georgia needs to be the technology capital of the country, not just the South or Southeast
 - Progress of technology is important to the economy
- Georgia needs to continue to have a friendly business environment
 - Low regulations
 - Low taxes
- Georgia needs to be more sophisticated on how it attracts venture capital

Wes Cantrell, House Chairman for Small Business Committee

- Bill in Education committee that develops computer science curriculum for Georgia schools
- Looks forward to hearing ideas on how Georgia can incentivize business and get rid of some of the hurdles that prevent businesses from being all that they can be

Nathan Humphrey, State Director for NFIB

- NFIB exists to be a voice for small businesses

- Potential for Commission to survey NFIB's 7,000 members and collecting data on concerns and issues small businesses face

Roundtable Discussion

- Trey Taylor
 - Passionate about access to capital
 - Very glad to hear Lt. Gov. say we need some sort of consistent message to help the return on capital investment
 - Located in Valdosta, GA
- Mark Morn
 - This group is interesting in that we are to look after small businesses and change government regulation
 - Commission should have two focus groups
 - One that focuses on small businesses to understand the problems they are going through
 - The other one for looking into changing government [regulation]
 - Somebody ought to look at the tier system (economic system) to look at the possibility of growing in rural areas
 - Beneficial for some, but not sure when the last one was reformed
 - Have a small business liaison group
 - There are Fortune 500 companies in Atlanta and it would be nice to have a group of liaisons to communicate back and forth between them and small businesses for opportunities
 - You've got GTA being a procurement arm and smaller businesses that feel like they aren't able to share in some of those larger contracts that are out there
 - There are set asides for businesses that can participate in larger contracts that someone needs to take a look at
- Debbie Alford
 - Echoes Lt. Governor's comments
 - Workforce development
 - Having access to a workforce with good soft skills (getting to work on time, etc.) is very important
 - Campaign for supporting Georgia businesses
 - Maybe something the Department of Economic Development can put together
 - Something similar to "Georgia Grown"
 - Transportation congestion in Metro Atlanta area is an opportunity for improvement for business expansion
 - Are small businesses growing, and at what rate? How many startups are actually in business in 3-5 years?
 - Dana Brewer: This is covered in the Main Street index for The Kauffman Foundation rankings. But I know this information is out there, and I can coordinate with Scott to get that information to you.
 - Being able to develop technology-wise and navigate all those resources (One Kentucky)
- James Whitley

- All tax information relative to small businesses should be aggregated and put on the website
 - Small businesses need that transparency and good information
- Lonnis Barrett
 - Supports sentiments about involvement of state agencies
 - Coordination and sharing of information is key to the success of the commission
- Scott Hilton
 - Encourages members to set up meetings with associations they are involved in in order to talk about what Georgia First is doing and get their feedback
- Brad Usry
 - Reached out to Georgia Restaurant Association
 - Conversation had three common thread of problems:
 - Regulations of the health department(s)
 - Inconsistencies in inspections
 - Building codes
 - Have to pass building inspection AND health inspection
 - State should make things consistent across the board
 - Alcohol licensing and regulations
 - Laws written during prohibition times and needs to be revisited
 - GRA made suggestions and would like for them to present to this group at some point
- CB Yadav
 - Issue with not being told how much own business will be charged by the Department of Public Health
- Michael Collins
 - When people do business for the state, they have to go through somebody to get the work
 - The state holds back 10 percent (retainage) of final check and can hold it as long as they want to
 - It will be up to two years before that money is received back
 - Comment: That is not abnormal in the construction business
 - Normally 5 percent is what has been seen in the business world
- Vickie Moreland
 - Also supports “One Georgia” campaign
 - Small businesses do need information provided on the website (Like One Kentucky) for licensing purposes
 - There needs to be a solution to venture capitalists not investing in small businesses
- Trey Taylor
 - Some professions have to pay for their license when there isn’t even an exam to go along with the license, so basically, it is just a tax

Closing

- Meeting ended at 12:06pm

