



Committee on Military & Veterans' Affairs

Meeting Packet

**Wednesday, March 19, 2008
9:00 AM – 9:30 AM
Room 12 HOB**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Speaker Marco Rubio

Committee on Military & Veterans' Affairs

Start Date and Time: Wednesday, March 19, 2008 09:00 am

End Date and Time: Wednesday, March 19, 2008 09:30 am

Location: 12 HOB

Duration: 0.50 hrs

Consideration of the following bill(s):

HB 843 Family Readiness Program by Patronis

HB 687 Service-Disabled Veteran Business Enterprises by Proctor

Presentation by staff of the Florida Department of Military Affairs regarding budget reductions for FY2008-09.

NOTICE FINALIZED on 03/17/2008 15:38 by Villar.Melissa

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 843
SPONSOR(S): Patronis
TIED BILLS:

Family Readiness Program

IDEN./SIM. BILLS: SB 2522

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Military & Veterans' Affairs</u>	_____	Shaffer <i>CS</i>	Camechis <i>CC</i>
2) <u>Government Efficiency & Accountability Council</u>	_____	_____	_____
3) <u>Policy & Budget Council</u>	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

The Florida Statutes currently establish the Family Readiness Program within the Department of Military Affairs (DMA) for the purpose of providing need-based emergency financial assistance to beneficiaries and dependents of servicemembers of the Florida National Guard and United States Reserve Forces, including the Coast Guard Reserves. Assistance may be provided while the servicemembers are on active duty serving in the Global War on Terrorism and federally deployed or are participating in state operations for homeland defense, and after servicemembers return from active duty if a request is filed within 120 days after return. Assistance may be used to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care. Since the program's inception in 2005, the DMA has awarded approximately \$566,000 to eligible family members under the Family Readiness Program out of the \$5 million originally appropriated to fund the program.

As of December 31, 2007, approximately 1,410 members of the Florida National Guard and reservists were deployed abroad in the Global War on Terrorism. The DMA estimates that approximately 61% (or 860) of deployed servicemembers are unmarried.

The statutes do not authorize DMA to provide similar financial assistance to servicemembers who are unmarried or do not have dependents.

This bill extends eligibility for assistance from the Family Readiness Program by authorizing the DMA to provide emergency financial assistance to servicemembers who are unmarried or do not have dependents.

This bill appears to have an insignificant fiscal impact on state government and no fiscal impact on local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Promote Personal Responsibility -- The bill provides need-based financial assistance to servicemembers of the Florida National Guard and the United States Reserve Forces who are on active duty serving in the Global War on Terrorism and who are federally deployed or participating in state operations for homeland defense. Assistance may be provided in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care.

B. EFFECT OF PROPOSED CHANGES:

CURRENT SITUATION

Family Readiness Program Generally

As of December 31, 2007, approximately 1,410 members of the Florida National Guard and reservists were deployed abroad in the Global War on Terrorism. The Florida Department of Military Affairs (DMA) estimates that approximately 61% (or 860) of deployed servicemembers are unmarried.

In 2005, the Legislature established the Family Readiness Program ("program") within the DMA and appropriated \$5 million to fund the program.¹ The program provides need-based financial assistance to *beneficiaries and dependents* of servicemembers of the Florida National Guard (FNG) and United States Reserve Forces, including the Coast Guard Reserves. Assistance may be provided while the servicemembers are on active duty serving in the Global War on Terrorism and federally deployed or are participating in state operations for homeland defense, and after servicemembers return from active duty if a request is filed within 120 days after return. Assistance may be provided in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care.²

Servicemembers who are unmarried or do not have dependents are not eligible for financial assistance under the program.

Requests for assistance are reviewed and validated at the local level by a federal Family Center Support Specialist stationed at a state armory or a reserve facility. Recommendations from the Support Specialist are forwarded to the DMA's Program Director for review and validation of documents. The Adjutant General or a designee receives the recommendations and is authorized by statute to grant requests for assistance.³ Assistance may not be approved unless the applicant satisfies the statutory requirements.

The inspector general of DMA is required to conduct a semiannual review and an annual audit of the program and the DMA must maintain sufficient data to provide an annual report to the Governor and the Legislature on the families served under the program, the types of services provided, and the allocation of funds spent.⁴

¹ Ch. 2005-51, L.O.F.

² s. 250.5206(3), F.S.

³ s. 250.5206(5), F.S.

⁴ s. 250.5206(6) & (7), F.S.

Florida National Guard Pamphlet 930-4 – Guidelines for Program Implementation

On March 10, 2008, the DMA issued a revised Florida National Guard Pamphlet 930-4 (the "Pamphlet"), which establishes guidelines for implementing the Florida Family Readiness Program. According to the Pamphlet, the Adjutant General designated the Deputy Chief of Staff for Personnel to review recommendations regarding applications for assistance. The Deputy Chief of Staff for Personnel is authorized to determine approval of applications for assistance up to \$5,000; the Chief of Staff of the FNG must review and approve applications for assistance that exceed \$5,000.⁵

The Pamphlet requires the Office of the Staff Judge Advocate to review all applications for assistance prior to the payment of funds,⁶ and requires the FNG State Quartermaster to process applications for payment.⁷

The Pamphlet provides application forms for use by persons seeking assistance through the program. The application requires the following information:⁸ contact information for the servicemember; applicant information; the military point of contact for verification; a listing of services needed and the service provider; and the amount of funds being requested. Applicants are also required to provide a financial affidavit listing assets and liabilities, proof of Florida residency, military orders, and proof of dependency on a servicemember.⁹

The Pamphlet also requires applicants who have been awarded funds to provide final invoices when work has been completed.¹⁰

Eligible Services as Defined in FNG Pamphlet 930-4

Section 250.5206(3), F.S., specifically authorizes the use of program funds "in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care." The Pamphlet provides the following definitions of the categories of "eligible services" listed in statute:¹¹

- Reasonable living expenses – where critically needed to prevent termination of utilities, to provide food, or furnish similar basic necessities.
- Housing – includes emergency repairs to the servicemember's primary residence that are critically needed to address health or safety issues, and assistance with mortgage and rent expenses where need-based and determined to be appropriate after review by the Florida National Guard Family Assistance Center Specialist.
- Vehicles – repairs essential to maintain one vehicle per family in safe operating condition.
- Disability – equipment or renovations necessary to meet disability needs [medical documentation required].
- Health care – documented by medical authority as essential for the health and welfare of the individual, not elective, and not covered by other medical/dental insurance.

Auditor General Operational Audit of the Family Readiness Program

On October 16, 2007, the Auditor General of Florida issued an Operational Audit of the Department of Military Affairs (DMA) for the period July 2005 through February 2007, and of selected actions through June 2007.¹² The Audit focused on the DMA's administration of selected agency programs,

⁵ FLNG Pamphlet 930-4, p. 6.

⁶ FLNG Pamphlet 930-4, p. 2.

⁷ FLNG Pamphlet 930-4, p. 3.

⁸ FLNG Pamphlet 930-4, Appendix C.

⁹ FLNG Pamphlet 930-4, Appendix D.

¹⁰ FLNG Pamphlet 930-4, p. 6.

¹¹ FLNG Pamphlet 930-4, p. 5.

¹² Auditor General Report No. 2008-022 (Adjutant General's response is attached to the report).

construction contracts, and other administrative functions, and included a follow-up on prior audit findings.

The Audit reviewed the Family Readiness Program and found that procedures did not ensure that documentation demonstrating that Program assistance was used for the intended and authorized purpose was timely obtained and retained. The Audit report indicates that tests showed the DMA generally complied with significant program requirements and guidance; however, the Audit found that four of ten recipient files reviewed did not contain receipts or invoices documenting that program funds were utilized for the intended and authorized purpose. The absence of such documentation indicated that established controls were not adequate to ensure consistent and effective monitoring of a recipient's use of program funds. Similar findings were noted in reviews conducted by the DMA's Inspector General, who recommended that the DMA follow up with recipients within an appropriate time frame to obtain the documentation necessary to ensure that funds were spent as intended.

On October 10, 2007, the Adjutant General of Florida, Major General Douglas Burnett, provided a written response to the Audit, indicating that: "The Department has secured all required receipts identified in the four deficient files and is reviewing all remaining case files to ensure 100% compliance. Furthermore, the Department has implemented Standard Operating Procedures (SOPs) which will ensure that (1) future program fund recipients fully understand their obligation to provide receipts within 14 days of funds expenditure, (2) the Department accurately tracks compliance and non-compliance, and (3) the Department pro-actively seeks copies of receipts from fund recipients and/or vendors as needed."

Under s. 20.055(5)(g), F.S., the DMA's Inspector General must conduct an internal audit within 6 months for the purpose of determining whether the DMA has taken corrective action as recommended by the Auditor General. The Inspector General must report findings to the agency head and the Legislative Auditing Committee. Depending on the Inspector General's report, the Auditor General may conduct a follow-up audit to confirm compliance.

EFFECT OF PROPOSED CHANGES

This bill authorizes the DMA to provide emergency financial assistance to servicemembers who are unmarried or do not have dependents. As of December 31, 2007, approximately 1,410 members of the Florida National Guard and reservists were deployed abroad in the Global War on Terrorism. The DMA estimates that approximately 61% (or 860) of deployed servicemembers are unmarried.

C. SECTION DIRECTORY:

- Section 1. Amends s. 250.5206, F.S., expanding eligibility for financial assistance from the Family Readiness Program.
- Section 2. Provides an effective date of July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

- 1. Revenues: None.
- 2. Expenditures: This bill has an insignificant fiscal impact on state government.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.
2. Expenditures: None.

DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: This bill expands eligibility for participation in the Family Readiness Program by making unmarried servicemembers eligible for emergency financial assistance. The DMA estimates that approximately 61% (or 860) of currently deployed servicemembers are unmarried.

- C. FISCAL COMMENTS:** This bill appears to have an insignificant impact on state government. The change in persons eligible for assistance may result in an increase in dispersal of funds; however, the funds are in amounts that do not rise to the level of significant impact on state government.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not applicable as this bill does not appear to affect municipal or county government.
2. Other: None.

- B. RULE-MAKING AUTHORITY:** Agency rule-making authority is not addressed in this bill.

- C. DRAFTING ISSUES OR OTHER COMMENTS:** It is anticipated that the bill sponsor, Representative Patronis, will file a strike-all amendment for consideration by the Committee on Military & Veterans' Affairs in order to address drafting issues in the bill.

- D. STATEMENT OF THE SPONSOR:** The bill sponsor did not submit a statement.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

N/A

1 A bill to be entitled
 2 An act relating to the Family Readiness Program; amending
 3 s. 250.5206, F.S.; expanding purpose, eligibility, and
 4 annual report provisions of the Family Readiness Program
 5 within the Department of Military Affairs; providing an
 6 effective date.

7
 8 Be-It Enacted by the Legislature of the State of Florida:

9
 10 Section 1. Subsections (1), (4), and (7) of section
 11 250.5206, Florida Statutes, are amended to read:

12 250.5206 Family Readiness Program.--The Department of
 13 Military Affairs shall establish a state Family Readiness
 14 Program headed by a program director and based on the United
 15 States Department of Defense National Guard and Reserve Family
 16 Readiness Strategic Plan 2004-2005 initiative.

17 (1) PROGRAM PURPOSE.--The purpose of the program shall be
 18 to provide need-based assistance to ~~families of~~ servicemembers
 19 of the Florida National Guard and United States Reserve Forces,
 20 including the Coast Guard Reserves, who are on active duty
 21 serving in the Global War on Terrorism and who are federally
 22 deployed or participating in state operations for homeland
 23 defense, and the families of such servicemembers.

24 (4) ELIGIBILITY.--Eligible recipients shall include
 25 servicemembers and persons designated as beneficiaries on the
 26 United States Department of Defense Form 93, or who are
 27 otherwise dependents of eligible servicemembers, and who are
 28 residents of the State of Florida. The period of eligibility to

HB 843

2008

29 request assistance from the fund continues for 120 days
 30 following termination of the servicemember's ~~service member's~~
 31 military orders for qualifying service and return to home of
 32 record.

33 (7) ANNUAL REPORT.--The department shall maintain
 34 sufficient data to provide an annual report to the Governor and
 35 the Legislature on the servicemembers and families served under
 36 the program, the types of services provided, and the allocation
 37 of funds spent.

38 Section 2. This act shall take effect July 1, 2008.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. HB 843

COUNCIL/COMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Council/Committee hearing bill: Military & Veterans' Affairs
2 Representative Patronis offered the following:

3 **Amendment**

4 Remove everything after the enacting clause and insert:

5
6 Section 1. Subsections (1), (4), and (7) of section
7 250.5206, Florida Statutes, are amended to read:

8 250.5206 Family Readiness Program.-- The Department of
9 Military Affairs shall establish the a state Family Readiness
10 Program headed by a program director and based on the United
11 States Department of Defense National Guard and Reserve Family
12 Readiness Strategic Plan 2004-2005 initiative.

13 (1) PROGRAM PURPOSE.-- The purpose of the program is shall
14 be to provide need-based financial assistance to eligible
15 families of servicemembers of the Florida National Guard and
16 United States Reserve Forces, including the Coast Guard
17 Reserves, who are on active duty serving in the Global War on
18 Terrorism and who are federally deployed or participating in
19 state operations for homeland defense, and eligible families of
20 such servicemembers.

21 (4) ELIGIBILITY.--

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

22 (a) The following persons are eligible to receive
23 financial assistance from the Family Readiness Program:

24 1. Florida residents who are members of the Florida
25 National Guard and United States Reserve Forces, including the
26 Coast Guard Reserves, who are on active duty serving in the
27 Global War on Terrorism and who are federally deployed or
28 participating in state operations for homeland defense; and

29 2. Florida residents who are designated as beneficiaries
30 on the United States Department of Defense Form 93, or who are
31 otherwise dependents, of a servicemember eligible under
32 subparagraph 1 and who are family members of such servicemember.

33 (b) An eligible person may request financial assistance
34 from the Family Readiness Program for 120 days following
35 termination of the eligible servicemember's military orders for
36 qualifying service and return to home of record.

37 ~~Eligible recipients shall include persons designated as~~
38 ~~beneficiaries on the United States Department of Defense Form~~
39 ~~93, or who are otherwise dependents of eligible servicemembers,~~
40 ~~and who are residents of the State of Florida. The period of~~
41 ~~eligibility to request assistance from the fund continues for~~
42 ~~120 days following termination of the service member's military~~
43 ~~orders for qualifying service and return to home of record.~~

44 (7) ANNUAL REPORT.-- The department shall maintain
45 sufficient data to provide an annual report to the Governor and
46 the Legislature on the servicemembers and families served under
47 the program, the types of services provided, and the allocation
48 of funds spent.

49 Section 2. This act shall take effect July 1, 2008.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 687 Service-Disabled Veteran Business Enterprises
SPONSOR(S): Proctor and others
TIED BILLS: IDEN./SIM. BILLS: CS/SB 108

Table with 4 columns: REFERENCE, ACTION, ANALYST, STAFF DIRECTOR. Row 1: 1) Committee on Military & Veterans' Affairs, Shaffer, Camechis.

SUMMARY ANALYSIS

Current Florida law does not contain state contracting set-asides, goals, or preferences to specifically benefit small businesses owned and operated by service-disabled veterans.

This bill creates a certification process within the Department of Management Services (DMS) for small business enterprises owned and operated by service-disabled veterans. The certification process is substantially similar to the certification process implemented by DMS for minority business enterprises (MBEs).

The bill also creates a "tie-breaker" contracting preference for certified Service-Disabled Veteran Business Enterprises (SDVBEs) by requiring a state agency to award a procurement or contract to the certified SDVBE when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified SDVBE, that are equal with respect to all relevant considerations.

This bill does not:

- impose any type of fee for certification of SDVBEs;
- require a certain number of state contracts to be set-aside for SDVBEs;
- establish state goals for contracting with SDVBEs; or
- require local governments to offer any special contracting consideration for certified SDVBEs, although the bill does encourage local governments to do so.

This bill has a minimal negative fiscal impact on state government. The Department of Management Services and the Department of Veterans' Affairs have represented that existing resources will be used to administer the program. This bill does not have a fiscal impact on local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Empower families - The bill may assist self-employed service-disabled veterans in obtaining state contracts.

Provide limited government - The bill creates a program within the Department of Management Services to certify service-disabled veteran business enterprises. The bill also grants joint rulemaking authority to the Department of Management Services and the Department of Veterans Affairs to implement the program.

Ensure lower taxes - The bill does not impose any new taxes or fees.

B. EFFECT OF PROPOSED CHANGES:

I. BACKGROUND

A. Self-Employment in the Service-Disabled Veteran Population

In January 2007, a report entitled *Self-Employment in the Veteran and Service-Disabled Veteran Population* was published pursuant to a contract with the Small Business Administration, Office of Advocacy.¹ The report concluded that veterans with service-connected disabilities are self-employed at lower rates than veterans without such disabilities, and that the disparity results primarily from the service-connected disabilities themselves and not to differences in demographic or other characteristics. The report provided the following veteran employment data for years 1988-2005:

- Unemployed: An average of 63.9% of service-disabled veterans and 45.3% of non-service-disabled veterans were unemployed.
- Self-Employed: An average of 4.2% of service-disabled veterans and 7.8% of non-service-disabled veterans were self-employed.
- Employed by Others: An average of 32% of service-disabled veterans and 46.8% of non-service-disabled veterans were employed by others.

B. Federal Contracting Provisions Related to Service-Disabled Veterans

It is the policy of the United States that small business concerns owned and controlled by veterans, as well as small business concerns owned and controlled by service-disabled veterans, have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency, including contracts and subcontracts for subsystems, assemblies, components, and related services for major systems.² Federal law requires the President to annually establish Government-wide goals of not less than 3 percent of the total value of all prime contract and subcontract awards for each fiscal year for procurement contracts awarded to small business concerns owned and controlled by service-disabled veterans.³ A federal contract may not be awarded unless the procurement authority determines that the plan to be negotiated provides the maximum practicable opportunity for small business concerns owned and controlled by service-disabled veterans.⁴

¹ *Self-Employment in the Veteran and Service-Disabled Veteran Population*, U.S. Small Business Administration, Office of Advocacy (Jan. 2007).

² 15 U.S.C.A. § 637(d)(1).

³ 15 USCA § 644(g)(1).

⁴ 15 U.S.C.A § 637(d)(4)(D).

Under the federal law, a "service-disabled veteran" is a veteran with a disability that is service-connected.⁵ A "service-connected disability" is a disability that was incurred or aggravated in the line of duty in the active military, naval, or air service.⁶ The term "small business concern owned and controlled by service-disabled veterans" means a small business concern:

- not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- the management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.⁷

C. State Contracting Provisions

1. Service-Disabled Veterans and Veterans

Current Florida law does not contain state contracting set-asides, goals, or preferences to specifically benefit small businesses owned and operated by service-disabled veterans.

2. Minority Business Enterprises

Section 287.0943, F.S., requires the Department of Management Services (DMS) to implement a minority business enterprise (MBE) certification program and provides minimum eligibility criteria for certification as a MBE⁸. The DMS currently certifies women and minority owned business enterprises, lists them in an on-line directory, and provides an annual report of these expenditures by state agencies to various state leaders.⁹ Benefits of state certification include business promotion through the MyFloridaMarketPlace online purchasing system, first tier referrals to state agencies, special email notices about purchasing opportunities, networking activities, and technical assistance training.¹⁰

Section 287.09451, F.S., "encourages" each state agency to spend a specified percentage of state funds, ranging from 21% to 51% of funds expended for certain goods and services, on contracts with

⁵ 15 U.S.C.A. § 632(q)(1).

⁶ 38 U.S.C.A. § 101(16).

⁷ 15 U.S.C.A. § 632(q)(2).

⁸ Section 288.703, F.S., defines these terms as follows: "**Minority business enterprise**" means any small business concern as defined in subsection (1) which is organized to engage in commercial transactions, which is domiciled in Florida, and which is at least 51-percent-owned by minority persons who are members of an insular group that is of a particular racial, ethnic, or gender makeup or national origin, which has been subjected historically to disparate treatment due to identification in and with that group resulting in an underrepresentation of commercial enterprises under the group's control, and whose management and daily operations are controlled by such persons. A minority business enterprise may primarily involve the practice of a profession. Ownership by a minority person does not include ownership which is the result of a transfer from a nonminority person to a minority person within a related immediate family group if the combined total net asset value of all members of such family group exceeds \$1 million. For purposes of this subsection, the term "related immediate family group" means one or more children under 16 years of age and a parent of such children or the spouse of such parent residing in the same house or living unit; "**Small business**" means an independently owned and operated business concern that employs 200 or fewer permanent full-time employees and that, together with its affiliates, has a net worth of not more than \$5 million or any firm based in this state which has a Small Business Administration 8(a) certification. As applicable to sole proprietorships, the \$5 million net worth requirement shall include both personal and business investments; "**Minority person**" means a lawful, permanent resident of Florida who is: (a) An African American, a person having origins in any of the black racial groups of the African Diaspora, regardless of cultural origin. (b) A Hispanic American, a person of Spanish or Portuguese culture with origins in Spain, Portugal, Mexico, South America, Central America, or the Caribbean, regardless of race. (c) An Asian American, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands, including the Hawaiian Islands prior to 1778. (d) A Native American, a person who has origins in any of the Indian Tribes of North America prior to 1835, upon presentation of proper documentation thereof as established by rule of the Department of Management Services. (e) An American woman.

⁹ Dep't. of Mgmt Services Analysis of HB 687, Jan. 31, 2008.

¹⁰ Id.

certified MBEs. The statute also establishes an “overall spending goal for each industry category”, with the goals ranging between 4% and 36% depending on the industry and specific minority group. However, in 2004, a federal court struck the statute as unconstitutional, finding it to be an impermissible violation of the Equal Protection Clause of the Fourteenth Amendment¹¹ The court said that:

- The statute was not narrowly tailored to remedy a systemic pattern of past and present racial discrimination against minority business enterprises and did not withstand strict scrutiny under the Equal Protection Clause;
- For purposes of determining whether a minority preference is constitutional, there is no distinction between a statute that is optional versus one that is compulsory when the challenged statute “induces an employer...with an eye toward meeting ... [a] numerical target;” and
- There must be “some showing of prior discrimination by the governmental unit involved before allowing limited use of racial classifications in order to remedy such discrimination.”

While the statutory set-aside program and state goals for MBEs were found unconstitutional, the courts have not invalidated all statutes related to the MBE certification program. One statute that was not specifically invalidated is s. 287.057(12), F.S., which provides that if two equal responses to a solicitation or a request for quote are received and one response is from a certified MBE, the agency must enter into a contract with the certified MBE.

3. Local Government Contracting with Minority Business Enterprises

Section 287.093, F.S., allows, but does not require, a county, municipality, community college, or district school board to set-aside up to 10 percent or more of the total amount of funds allocated for the procurement of personal property and services for the purpose of entering into contracts with minority business enterprises. These contracts must be competitively solicited only among minority business enterprises. The set-aside must be used to redress present effects of past discriminatory practices and are subject to periodic reassessment to account for changing needs and circumstances.

Although the courts have not specifically found this statute unconstitutional, local government set-aside programs for MBEs may be subject to challenge as a violation of the Equal Protection Clause of the Fourteenth Amendment if the program is not based upon “particularized” findings of earlier discrimination in the affected industry and is not narrowly tailored.¹²

EFFECT OF PROPOSED CHANGES

The stated intent of the bill is to “rectify the economic disadvantage of service-disabled veterans, who are statistically the least likely to be self-employed when compared to the veteran population as a whole and who have made extraordinary sacrifices on behalf of the nation, the state, and the public, by providing opportunities for service-disabled veteran business enterprises as set forth in this section.”

This bill creates a certification process within the Department of Management Services (DMS) for small service-disabled veteran business enterprises (SDVBE). The certification process is similar to that currently administered by DMS for minority business enterprises (MBEs). The bill also creates a “tie-breaker” preference for SDVBEs by requiring a state agency, when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified SDVBE, that are equal with respect to all relevant considerations including price, quality, and service, to award such procurement or contract to the certified SDVBE. However, if a certified SDVBE and one or more SDVBE or businesses eligible for another statutory vendor

¹¹ Florida A.G.C. Council, Inc. v. State of Florida, 303 F.Supp.2d 1307 (N.D.Fla.2004).

¹² Richmond v. J.A. Croson Co., 488 U.S. 469 (1989); Hershell Gill Consulting Engineers, Inc. v. Miami-Dade County, 333 F.Supp.2d 1305 (S.D.Fla.2004); H.K. Porter Co., Inc. v. Metropolitan Dade County, 975 F.2d 762 (11th Cir. 1992); Cone Corp. v. Hillsborough County, 908 F.2d 908 (11th Cir. 1990).

C. SECTION DIRECTORY:

- Section 1. Creates the Florida Service-Disabled Veteran Business Enterprise Opportunity Act in an undesignated section of law.
- Section 2. Amends s. 288.705, F.S., correcting a reference to the Agency for Workforce Innovation.
- Section 3. Amends s. 288.7015, F.S., relating to duties of the rules ombudsman appointed by the Governor.
- Section 4. Provides an effective date of November 11, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

- 1. Revenues: None.
- 2. Expenditures: This bill has a minimal negative fiscal impact on state government. The Department of Management Services and the Department of Veterans' Affairs have represented that existing resources will be used to administer the program. This bill does not have a fiscal impact on local governments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

- 1. Revenues: None.
- 2. Expenditures: None.

DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: This bill may assist service-disabled veterans in competing for state contracts and procurements by creating a certification program for qualified business enterprises owned by service-disabled veterans. The bill also creates a "tie-breaker" preference so that if a certified SDVBE and any other type of business enterprise bid on a state contract or procurement, and the bids are equal in all significant respects, the state agency must award the contract or procurement to the SDVBE. However, if the SDVBE and a MBE or other business entitled to a statutory preference submit equal bids, the state agency must award the contract or proposal to the business having the smallest net worth or average annual income.

C. FISCAL COMMENTS: None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

- 1. Applicability of Municipality/County Mandates Provision: Not applicable. This bill does not appear to affect municipal or county government.
- 2. Other: None.

B. **RULE-MAKING AUTHORITY:** The bill authorizes the Florida Department of Veterans' Affairs and the Department of Management Services to jointly adopt rules as necessary to administer the certification program.

preference, such as an MBE, submit bids or proposals that are equal with respect to all relevant considerations including price, quality, and service, the state agency must award the contract or proposal to the business having the smallest net worth or average annual income.

In order to become certified as a SDVBE, the owners and the business must satisfy statutory eligibility requirements. In order to be considered a "service-disabled veteran" eligible for certification, the veteran must have a service-connected disability of 10% or greater as determined by the U.S. Department of Veterans Affairs or who was terminated from military service by reason of disability by the U.S. Department of Defense. In order to be certified as a SDVBE, a business enterprise must be an independently owned and operated business that:

- Employs 200 or fewer permanent full-time employees;
- Together with its affiliates has a net worth of \$5 million or less and, if a sole proprietorship, the net worth includes both personal and business investments;
- Is organized to engage in commercial transactions;
- Is domiciled in this state;
- Is at least 51 percent owned by one or more service-disabled veterans; and
- Is managed and controlled by one or more service-disabled veterans or, for a service-disabled veteran with a permanent and total disability, by the spouse or permanent caregiver of the veteran.

The bill establishes a certification process to be administered by DMS, in coordination with the Florida Department of Veterans' Affairs (DVA). The certification process requires applicants to submit documentation demonstrating that the business meets the above-listed requirements. Certification is renewed biennially and may be revoked for one year if the SDVBE fails to inform DMS within 30 days of a change in circumstances that renders the business ineligible for certification.

The bill provides rule-making authority to DVA, and requires the DVA to:

- Assist DMS in establishing a certification application procedure, which must be reviewed and updated biennially.
- Identify eligible service-disabled veteran business enterprises by any electronic means, including electronic mail, Internet website, or, subject to an appropriation, by any other reasonable means.
- Encourage and assist eligible service-disabled veteran business enterprises to apply for certification.
- Provide information regarding services that are available from the Office of Veterans' Business Outreach of the Florida Small Business Development Center to service-disabled veteran business enterprises.

The bill also provides rule-making authority to DMS, and requires DMS to:

- With assistance from the DVA, establish a certification application procedure, which shall be reviewed and updated biennially.
- Grant or deny certification of a service-disabled veteran business enterprise.
- Maintain an electronic directory of certified service-disabled veteran business enterprises for use by the state, political subdivisions of the state, and the public.

The bill also encourages political subdivisions of the state to offer a similar consideration to certified SDVBEs.

Lastly, the bill requires the Florida Small Business Development Center to include in the report required by s. 288.705, F.S., the percentage of businesses using the statewide contracts register which are certified service-disabled veteran business enterprises.

- C. DRAFTING ISSUES OR OTHER COMMENTS: The bill sponsor, Representative Proctor, is expected to offer a strike-all amendment in the Committee on Military & Veterans' Affairs to address multiple drafting issues.
- D. STATEMENT OF THE SPONSOR: The bill sponsor did not wish to submit a sponsor statement.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

N/A

1 A bill to be entitled
 2 An act relating to service-disabled veteran business
 3 enterprises; creating the Florida Service-Disabled Veteran
 4 Business Enterprise Opportunity Act; providing legislative
 5 intent; providing definitions; providing a selection
 6 preference in state contracting for certified service-
 7 disabled veteran business enterprises; providing a
 8 certification procedure to be established by the
 9 Department of Management Services and the Department of
 10 Veterans' Affairs and reviewed and updated biennially;
 11 providing requirements for application for, renewal of,
 12 and revocation of certification; providing for appeal of
 13 denial or revocation; providing duties of the departments;
 14 providing for data reporting by the Small Business
 15 Development Center; authorizing the departments to adopt
 16 rules; amending s. 288.705, F.S.; requiring the center to
 17 report the percentage of businesses using the statewide
 18 contracts registry that are certified service-disabled
 19 veteran business enterprises; amending s. 288.703, F.S.;
 20 requiring the state rules ombudsman to review state rules
 21 that adversely affect service-disabled veteran business
 22 enterprises; providing an effective date.

23
 24 Be It Enacted by the Legislature of the State of Florida:

25
 26 Section 1. Florida Service-Disabled Veteran Business
 27 Enterprise Opportunity Act.--

28 (1) TITLE.--This section may be cited as the "Florida

HB 687

2008

29 Service-Disabled Veteran Business Enterprise Opportunity Act."

30 (2) INTENT.--It is the intent of the Legislature to
 31 rectify the economic disadvantage of service-disabled veterans,
 32 who are statistically the least likely to be self-employed when
 33 compared to the veteran population as a whole and who have made
 34 extraordinary sacrifices on behalf of the nation, the state, and
 35 the public, by providing opportunities for service-disabled
 36 veteran business enterprises as set forth in this section.

37 (3) DEFINITIONS.--For the purpose of this section, the
 38 term:

39 (a) "Certified service-disabled veteran business
 40 enterprise" means a business that has been certified by the
 41 state to be a service-disabled veteran business enterprise as
 42 defined in paragraph (c).

43 (b) "Service-disabled veteran" means a veteran who has a
 44 service-connected disability of 10 percent or greater as
 45 determined by the United States Department of Veterans Affairs
 46 or who has been terminated from military service by reason of
 47 disability by the United States Department of Defense.

48 (c) "Service-disabled veteran business enterprise" means
 49 an independently owned and operated business that:

- 50 1. Employs 200 or fewer permanent full-time employees;
- 51 2. Together with its affiliates has a net worth of \$5
 52 million or less and, if a sole proprietorship, the net worth
 53 includes both personal and business investments;
- 54 3. Is organized to engage in commercial transactions;
- 55 4. Is domiciled in this state;
- 56 5. Is at least 51 percent owned by one or more service-

57 disabled veterans; and

58 6. The management and daily business operations of which
 59 are controlled by one or more service-disabled veterans or, for
 60 a service-disabled veteran with a permanent and total
 61 disability, by the spouse or permanent caregiver of the veteran.

62 (4) VENDOR PREFERENCE.--

63 (a) A state agency, when considering two or more bids,
 64 proposals, or replies for the procurement of commodities or
 65 contractual services, at least one of which is from a certified
 66 service-disabled veteran business enterprise, and that are equal
 67 with respect to all relevant considerations including price,
 68 quality, and service, shall award such procurement or contract
 69 to the certified service-disabled veteran business enterprise.

70 (b) Notwithstanding s. 287.057(12), Florida Statutes, if a
 71 business that is entitled to the vendor preference under
 72 paragraph (a) and one or more businesses entitled to this
 73 preference or another vendor preference are equal with respect
 74 to all relevant considerations including price, quality, and
 75 service, the business having the smallest net worth or average
 76 annual income shall receive the award.

77 (c) Political subdivisions of the state are encouraged to
 78 offer a similar consideration to businesses certified under this
 79 section.

80 (5) CERTIFICATION PROCEDURE.--

81 (a) The application for certification as a service-
 82 disabled veteran business enterprise must, at a minimum,
 83 include:

84 1. The name of the applicant, who must be the service-

85 disabled veteran business owner, or one of the owners for a
86 business that has more than one service-disabled veteran owner.

87 2. The name of all other owners of the business, including
88 service-related business owners and nonservice-related owners.

89 3. The name of all persons involved in the management and
90 daily operations of the business, including the spouse or
91 permanent caregiver of a veteran with a permanent and total
92 disability.

93 4. The service-connected disability of all persons listed
94 under subparagraphs 1., 2., and 3., as applicable, with
95 supporting documentation from the United States Department of
96 Veterans Affairs or the United States Department of Defense.

97 5. The number of permanent full-time employees.

98 6. The location of the business headquarters.

99 7. The total net worth, including affiliates, and, in the
100 case of a sole proprietor, the total net worth of any personal
101 or business investments in the business.

102 (b) To maintain certification, a certified business must
103 reapply and renew its certification biennially.

104 (c) The Department of Management Services shall render a
105 determination on an application for certification and notify the
106 applying business within 90 days.

107 (d) A certified service-disabled veteran business
108 enterprise must report within 30 days to the Department of
109 Management Services any event that may significantly affect the
110 certification of the business, including, but not limited to, a
111 change in ownership or change in management and daily business
112 operations.

113 (e) If a certified service-disabled veteran business
 114 enterprise is determined by the Department of Management
 115 Services to have violated paragraph (d), the business shall have
 116 its certification revoked and the business may not reapply for
 117 12 months. No other service-disabled veteran named on the
 118 certification application who may be eligible to apply for
 119 certification for the business whose certification has been
 120 revoked or for any other business may apply for certification
 121 under this section during the 12-month revocation period.

122 1.. During the 12-month revocation period, the business
 123 may continue to bid on state contracts but is not eligible for
 124 any preferences available under this section until it is
 125 recertified.

126 2. A business that has its certification revoked may
 127 reapply for certification at the conclusion of the 12-month
 128 period in order to regain the preferences it may be due under
 129 this section.

130 (f) A business that has its certification denied or
 131 revoked may appeal to the Department of Management Services
 132 within 30 days after notification of the denial or revocation.
 133 The Department of Management Services has up to 90 days to
 134 review the circumstances that led to the denial or revocation
 135 and to notify the appealing business of its determination. A
 136 business appealing under this paragraph does not waive its
 137 rights under chapter 120, Florida Statutes.

138 (6) DUTIES OF THE DEPARTMENT OF VETERANS' AFFAIRS.--The
 139 department shall:

140 (a) Assist the Department of Management Services in

141 establishing a certification application procedure, which shall
 142 be reviewed and updated biennially.

143 (b) Identify eligible service-disabled veteran business
 144 enterprises by any electronic means, including electronic mail,
 145 Internet website, or, subject to an appropriation, by any other
 146 reasonable means.

147 (c) Encourage and assist eligible service-disabled veteran
 148 business enterprises to apply for certification under this
 149 section.

150 (d) Provide information regarding services that are
 151 available from the Office of Veterans' Business Outreach of the
 152 Florida Small Business Development Center to service-disabled
 153 veteran business enterprises.

154 (e) Subject to an appropriation, contract with a private
 155 entity to carry out any of the duties specified under this
 156 subsection.

157 (7) DUTIES OF THE DEPARTMENT OF MANAGEMENT SERVICES.--The
 158 department shall:

159 (a) With assistance from the Department of Veterans'
 160 Affairs, establish a certification application procedure, which
 161 shall be reviewed and updated biennially.

162 (b) Grant or deny certification of a service-disabled
 163 veteran business enterprise applying under this section.

164 (c) Maintain an electronic directory of certified service-
 165 disabled veteran business enterprises for use by the state,
 166 political subdivisions of the state, and the public.

167 (8) REPORT.--The Florida Small Business Development Center
 168 shall include in its report under s. 288.705, Florida Statutes,

HB 687

2008

169 the percentage of businesses using the statewide contracts
 170 register which are certified service-disabled veteran business
 171 enterprises.

172 (9) RULES.--The Department of Veterans' Affairs and the
 173 Department of Management Services, as appropriate, may adopt
 174 rules as necessary to administer this section.

175 Section 2. Section 288.705, Florida Statutes, is amended
 176 to read:

177 288.705 Statewide contracts register.--All state agencies
 178 shall in a timely manner provide the Florida Small Business
 179 Development Center Procurement System with all formal
 180 solicitations for contractual services, supplies, and
 181 commodities. The Small Business Development Center shall
 182 coordinate with Minority Business Development Centers to compile
 183 and distribute this ~~such~~ information to ~~Florida~~ small and
 184 minority businesses requesting such service for the period of
 185 time necessary to familiarize the business with the market
 186 represented by state agencies. On or before February 1 of each
 187 year, the Small Business Development Center shall report to the
 188 Agency for Workforce Innovation ~~Department of Labor and~~
 189 ~~Employment Security~~ on the use ~~utilization~~ of the statewide
 190 contracts register. The ~~Such~~ report shall include, but not be
 191 limited to, information relating to:

192 (1) The total number of solicitations received from state
 193 agencies during the calendar year.

194 (2) The number of solicitations received from each state
 195 agency during the calendar year.

196 (3) The method of distributing solicitation information to
 197 ~~these~~ businesses requesting such service.

198 (4) The total number of businesses using the service.

199 (5) The percentage of businesses using the service which
 200 are owned and controlled by minorities.

201 (6) The percentage of service-disabled veteran business
 202 enterprises using the service.

203 Section 3. Subsection (2) of section 288.7015, Florida
 204 Statutes, is amended to read:

205 288.7015 Appointment of rules ombudsman; duties.--The
 206 Governor shall appoint a rules ombudsman, as defined in s.
 207 288.703, in the Executive Office of the Governor, for
 208 considering the impact of agency rules on the state's citizens
 209 and businesses. In carrying out duties as provided by law, the
 210 ombudsman shall consult with Enterprise Florida, Inc., at which
 211 point the office may recommend to improve the regulatory
 212 environment of this state. The duties of the rules ombudsman are
 213 to:

214 (2) Review state agency rules that adversely or
 215 disproportionately affect ~~impact~~ businesses, particularly those
 216 relating to small and minority businesses and to service-
 217 disabled veteran business enterprises.

218 Section 4. This act shall take effect November 11, 2008.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

Bill No. HB 687

COUNCIL/COMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Council/Committee hearing bill:

2 Representative(s) Proctor offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Florida Service-Disabled Veteran Business
7 Enterprise Opportunity Act.--

8 (1) TITLE.--This section may be cited as the "Florida
9 Service-Disabled Veteran Business Enterprise Opportunity Act."

10 (2) INTENT.--It is the intent of the Legislature to
11 rectify the economic disadvantage of service-disabled veterans,
12 who are statistically the least likely to be self-employed when
13 compared to the veteran population as a whole and who have made
14 extraordinary sacrifices on behalf of the nation, the state, and
15 the public, by providing opportunities for service-disabled
16 veteran business enterprises as set forth in this section.

17 (3) DEFINITIONS.-- For the purpose of this section, the
18 term:

19 (a) "Certified service-disabled veteran business
20 enterprise" means a business that has been certified by the
21 Department of Management Services to be a service-disabled
22 veteran business enterprise as defined in paragraph (c).

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

23 (b) "Service-disabled veteran" means a veteran who is a
24 permanent Florida resident with a service-connected disability
25 of 10 percent or greater as determined by the United States
26 Department of Veterans Affairs or who has been terminated from
27 military service by reason of disability by the United States
28 Department of Defense.

29 (c) "Service-disabled veteran business enterprise" means
30 an independently owned and operated business that:

31 1. Employs 200 or fewer permanent full-time employees;
32 2. Together with its affiliates has a net worth of \$5
33 million or less or, if a sole proprietorship, has a net worth of
34 \$5 million or less including both personal and business
35 investments;

36 3. Is organized to engage in commercial transactions;

37 4. Is domiciled in this state;

38 5. Is at least 51 percent owned by one or more service-
39 disabled veterans; and

40 6. The management and daily business operations of which
41 are controlled by one or more service-disabled veterans or, for
42 a service-disabled veteran with a permanent and total
43 disability, by the spouse or permanent caregiver of the veteran.

44 (4) VENDOR PREFERENCE.--

45 (a) A state agency, when considering two or more bids,
46 proposals, or replies for the procurement of commodities or
47 contractual services, at least one of which is from a certified
48 service-disabled veteran business enterprise, that are equal
49 with respect to all relevant considerations including price,
50 quality, and service, shall award such procurement or contract
51 to the certified service-disabled veteran business enterprise.

52 (b) Notwithstanding s. 287.057(12), if a service-disabled
53 veteran business enterprise entitled to the vendor preference

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

54 under this section and one or more businesses entitled to this
55 preference or another vendor preference provided by the Florida
56 Statutes submit bids, proposals, or replies for procurement of
57 commodities or contractual services that are equal with respect
58 to all relevant considerations including price, quality, and
59 service, then the state agency shall award the procurement or
60 contract to the business having the smallest net worth.

61 (c) Political subdivisions of the state are encouraged to
62 offer a similar consideration to businesses certified under this
63 section.

64 (5) CERTIFICATION PROCEDURE.--

65 (a) The application for certification as a service-
66 disabled veteran business enterprise must, at a minimum,
67 include:

68 1. The name of the business enterprise applying for
69 certification and the name of the service-disabled veteran
70 submitting the application on behalf of the business enterprise.

71 2. The names of all owners of the business enterprise,
72 including owners who are service-disabled veterans and owners
73 who are not service-disabled veterans, and the percentage of
74 ownership interest held by each owner.

75 3. The name of all persons involved in both the management
76 and daily operations of the business, including the spouse or
77 permanent caregiver of a veteran with a permanent and total
78 disability.

79 4. The service-connected disability rating of all persons
80 listed under subparagraphs 1., 2., and 3., as applicable, with
81 supporting documentation from the United States Department of
82 Veterans Affairs or the United States Department of Defense.

83 5. The number of permanent full-time employees.

84 6. The location of the business headquarters.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

85 7. The total net worth of the business enterprise and its
86 affiliates. In the case of a sole proprietorship, the net worth
87 includes personal and business investments.

88 (b) To maintain certification, a service-disabled veteran
89 business enterprise shall renew its certification biennially.

90 (c) The provisions of chapter 120 relating to application,
91 denial, and revocation procedures shall apply to certifications
92 under this section.

93 (d) A certified service-disabled veteran business
94 enterprise must notify the Department of Management Services
95 within 30 business days after any event that may significantly
96 affect the certification of the business, including, but not
97 limited to, a change in ownership or change in management and
98 daily business operations.

99 (e) The certification of a service-disabled veteran
100 business enterprise shall be revoked for 12 months if the
101 Department of Management Services determines that the business
102 enterprise violated paragraph(d). An owner of a certified
103 service-disabled veteran business enterprise whose certification
104 is revoked is not permitted to reapply for certification under
105 this section as an owner of any business enterprise during the
106 12-month revocation period.

107 1. During the 12-month revocation period, a service-
108 disabled veteran business enterprise whose certification has
109 been revoked may bid on state contracts but is not eligible for
110 any preference available under this section.

111 2. A service-disabled veteran business enterprise whose
112 certification has been revoked may apply for certification at
113 the conclusion of the 12-month revocation period by complying
114 with requirements applicable to initial certifications.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

115 (6) DUTIES OF THE DEPARTMENT OF VETERANS' AFFAIRS.-- The
116 department shall:

117 (a) Assist the Department of Management Services in
118 establishing a certification procedure, which shall be reviewed
119 biennially and updated as necessary.

120 (b) Identify eligible service-disabled veteran business
121 enterprises by any electronic means, including electronic mail,
122 Internet website or by any other reasonable means.

123 (c) Encourage and assist eligible service-disabled veteran
124 business enterprises to apply for certification under this
125 section.

126 (d) Provide information regarding services that are
127 available from the Office of Veterans' Business Outreach of the
128 Florida Small Business Development Center to service-disabled
129 veteran business enterprises.

130 (7) DUTIES OF THE DEPARTMENT OF MANAGEMENT SERVICES.-- The
131 department shall:

132 (a) With assistance from the Department of Veterans'
133 Affairs, establish a certification procedure, which shall be
134 reviewed biennially and updated as necessary.

135 (b) Grant, deny, or revoke the certification of a service-
136 disabled veteran business enterprise under this section.

137 (c) Maintain an electronic directory of certified service-
138 disabled veteran business enterprises for use by the state,
139 political subdivisions of the state, and the public.

140 (8) REPORT.-- The Florida Small Business Development
141 Center shall include in its report required by s. 288.705 the
142 percentage of certified service-disabled veteran business
143 enterprises using the statewide contracts register.

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. 1 (for drafter's use only)

144 (9) RULES.-- The Department of Veterans' Affairs and the
145 Department of Management Services, as appropriate, may adopt
146 rules as necessary to administer this section.

147 Section 2. Section 288.705, Florida Statutes, is amended
148 to read:

149 288.705 Statewide contracts register.-- All state agencies
150 shall in a timely manner provide the Florida Small Business
151 Development Center Procurement System with all formal
152 solicitations for contractual services, supplies, and
153 commodities. The Small Business Development Center shall
154 coordinate with Minority Business Development Centers to compile
155 and distribute this ~~such~~ information to ~~Florida~~ small and
156 minority businesses requesting such service for the period of
157 time necessary to familiarize the business with the market
158 represented by state agencies. On or before February 1 of each
159 year, the Small Business Development Center shall report to the
160 Agency for Workforce Innovation ~~Department of Labor and~~
161 ~~Employment Security~~ on the use ~~utilization~~ of the statewide
162 contracts register. The ~~Such~~ report shall include, but not be
163 limited to, information relating to:

164 (1) The total number of solicitations received from state
165 agencies during the calendar year.

166 (2) The number of solicitations received from each state
167 agency during the calendar year.

168 (3) The method of distributing solicitation information to
169 ~~these~~ businesses requesting such service.

170 (4) The total number of businesses using the service.

171 (5) The percentage of businesses using the service which
172 are owned and controlled by minorities.

173 (6) The percentage of service-disabled veteran business
174 enterprises using the service.

Amendment No. 1 (for drafter's use only)

175 Section 3. This act shall take effect November 11, 2008.
176

177 -----
178 **T I T L E A M E N D M E N T**

179 Remove the entire title and insert:
180

181 A bill to be entitled
182 An act relating to service-disabled veteran business
183 enterprises; creating the Florida Service-Disabled Veteran
184 Business Enterprise Opportunity Act; providing legislative
185 intent; providing definitions; providing a selection
186 preference in state contracting for certified service-
187 disabled veteran business enterprises; providing a
188 certification procedure to be established by the
189 Department of Management Services and the Department of
190 Veterans' Affairs and reviewed biennially and updated as
191 necessary; providing requirements for application for,
192 renewal of, and revocation of certification; providing for
193 administrative review requirements and procedures;
194 providing duties of the departments; providing for data
195 reporting by the Small Business Development Center;
196 authorizing the departments to adopt rules; amending s.
197 288.705, F.S.; requiring the center to report the
198 percentage of businesses using the statewide contracts
199 registry that are certified service-disabled veteran
200 business enterprises; providing an effective date.

