

Annual Report to the Governor

**The Governor's Commission on Small Business
Fiscal Year 2013
(July 1, 2012 – June 30, 2013)**

MARYLAND OF OPPORTUNITY.®

Department of Business & Economic Development

Governor’s Commission on Small Business Annual Report
July 2012 through June 2013

TABLE OF CONTENTS

Executive Summary..... Page 1

About the Governor’s Commission on Small Business..... Page 2

The Year in Review Page 3

- **Regular Meetings**
- **Agency Meetings**
- **Town Halls**
- **Action Plan**

Recommendations Page 7

Conclusion..... Page 10

Appendices Page 11

- **Commission Leadership**
- **Commission Members**
- **Commission Sub-committees**
 - **Executive**
 - **Capital Needs**
 - **Regulatory & Business Competitiveness**
 - **Regional & Global Access**
 - **Workforce Development & Education**
- **Commission Staff**

Executive Summary

The Governor's Commission on Small Business (Commission), in accordance with Executive Order 01.01.2010.13, hereby submits to the Governor, its Fiscal Year 2013 report which outlines activities and appropriate recommendations. During the past year, the Commission completed their research phase and began the implementation of a strategic Action Plan. The Action Plan was created based on what the Commission learned about specific State agency policies, practices, and initiatives related to small businesses as well as direct input from the small business community during the last two years' outreach efforts. The plan focuses on four core concepts that address the needs of Maryland's small businesses:

- Assist small business with access to capital.
- Advocate for regulatory reform and a customer service policy across State agencies.
- Enhance access to public sector procurement opportunities for small businesses.
- Support workforce development and education.

The Commission has created four sub-committees that are structured around each of the concepts and are tasked with generating and implementing the recommendations, with assistance from the Maryland Department of Business and Economic Development (DBED).

As a result of the Action Plan, the Commission has developed several legislative and administrative policy recommendations. These include modifications to the Small Business Reserve Program, support for the Employment Advancement Right Now (EARN) Program and a proposed review next year of the Maryland Occupational Safety and Health Act. In addition, the Commission made recommendations to various State agencies about their small business initiatives, programs and regulations such as business licensing, and improvements to marketing, communication and promotional messaging. Many of these recommendations have already been adopted by the appropriate State agency.

About the Governor's Commission on Small Business

The Commission provides a forum for small business to articulate and address barriers to business growth. Created through Executive Order 01.01.2010.13 in 2010, the Commission works to further improve Maryland's business environment by recommending actions that remove barriers and expand the vitality of Maryland's small business community.

Members work to identify, review, analyze, and recommend ideas that promote small business sustainability and growth, serving as advocates for small businesses. The Commission is also responsible for providing a regular review of Governor O'Malley's *Maryland Made Easy* initiative, which seeks to further improve Maryland's business environment by streamlining processes, simplifying regulations, and improving communications where business and government intersect.

The Commission currently consists of twenty-six members: sixteen are appointed by the Governor; two are members of the Maryland Senate; two are members of the Maryland House of Delegates; and seven are non-voting ex-officio members, representing State and federal agencies. Commission members are appointed by the Governor to serve up to two consecutive three-year terms. Taken together, this roster brings together a diverse group of entrepreneurs and other leaders that regularly interact with Maryland's small business community. (See Appendix B for a list of the Commission members.)

The Commission is organized into five sub-committees: Executive; Capital Needs; Regulatory & Business Competitiveness; Regional & Global Access; and Workforce Development & Education. Each sub-committee is tasked with implementing a specific portion of the Commission's Action Plan, as well as continuing to identify needs and concerns of small businesses. (See Appendix C for an explanation of each sub-committee and their members.)

The Year in Review

Commission Activities

The Commission conducted regular meetings, met with various State agencies, conducted a Town hall event, and participated in focus groups. Members have also attended numerous small business events throughout the year.

Regular Meetings

The Commission held six regular meetings during the year to gather knowledge and share information. DBED and other State agencies also provided departmental updates at the regular meetings. Such information included: new initiatives and programs; agency changes; legislative reports and other pertinent news impacting the small business community. The final meeting for the fiscal year was held on June 24, 2013, and was dedicated to a review of the State's Small Business Reserve Program. The review was completed with the assistance of staff from both the Governor's Office of Minority Affairs (GOMA) and the Maryland Department of General Services (DGS) who monitor and administer the program.

Agency Meetings

In addition to its regular meetings, the Commission also met directly with other various State agencies to learn about specific agency policies, practices, and initiatives related to small businesses. These meetings allowed the Commission to provide feedback and assist in the implementation of State-wide strategies and programs that benefit Maryland small businesses. These interactions also helped improve communication between State agencies and the small business community.

In December 2012, the Commission participated in focus groups organized by DBED and the Maryland Department of Information Technology (DOIT) in order to provide feedback and recommendations on the State's new Central Business Licensing System (CBL). CBL, a component of the O'Malley/Brown *Maryland Made Easy* initiative is an online business registration system, which allows users to register their businesses, trade names and necessary tax accounts electronically.

In addition, the Chairman and Co-Chairman represented the Commission in a legislative meeting, hosted by DBED's Office of Policy and Government Affairs, and attended by other DBED board/commission members. The purpose of the meeting was to educate DBED's Office of Policy and Government Affairs from a business/economic development standpoint on what legislative policies these boards/commissions believe need to be addressed. Among other topics, the Chairman and Co-Chairman focused on Surety Bond licensing and streamlining a reporting requirement under the Maryland Occupational Safety and Health Act.

Town Hall Meetings

The Commission conducted a series of town hall meetings over the last two years throughout the State to provide a forum for small businesses to articulate issues, concerns, and questions to government agencies, academic leaders, and economic development professionals.

The Commission's most recent town hall meeting was held at the Southern Maryland Higher Education Center in California, Maryland, on September 27, 2012. Approximately 60 attendees participated, primarily from Calvert, Charles and St. Mary's counties. The event also had the support and participation of 20 public and private agency/organization panelists to address questions and concerns from the small business community.

Action Plan

A key activity of the Commission this year was to develop and begin implementation of a strategic Action Plan. The purpose of the plan is to identify ways to make it easier for small business to operate across the State, develop strategies for implementation and build on the Commission's work over the past year. Each sub-committee is tasked with implementing a specific portion of the Action Plan.

GOALS/OBJECTIVES/STRATEGIES

A common goal of each Subcommittee is to explore initiatives to bring about reform for government policy, access to capital, workforce development and procurement.

GOAL I: Assist small business with access to capital.

Objective: Actively market existing programs and resources.

Strategies:

- Review the \$7.86 million Small, Minority and Women-Owned Small Business Loan Program (Video Lottery Terminal Fund – VLT) whose fund managers were selected by DBED and the Board of Public Works to oversee the distribution of the funds to small, minority and women-owned businesses.
- Explore existing financial resources at the Federal, State and local level and private sector including the SBA, SBTDC, SCORE, and DBED.
- Investigate local economic development revolving loan funds that DBED has helped to seed to determine if they can be promoted more effectively.
- Participate in DBED's Small Business Resources outreach events (40+ annually) such as tradeshow and workshops to offer information and referrals to small businesses.
- Work with DBED's Division of Marketing and Communication to create online and print collateral to support the mission of the Commission and small businesses.

- Review existing information on DBED’s website (www.ChooseMaryland.org) and make recommendations on the organization and content to the Division of Marketing and Communications.
- Continue to offer “ombudsman” support to provide on-the-spot referrals and assistance in resolving issues through DBED’s Small Business Resources office.
- Produce regular informational columns about State, Federal and Local resources from the Commission and distribute according to DBED’s marketing and communications protocols.
- Connect with private sector financial institutions to promote the State’s financing programs.
- Investigate whether the State’s financial incentive programs can be segmented by revenue and employee size.

GOAL II: Advocate for regulatory reform and a customer service policy across state Agencies.

Objective: Enhance customer service and regulatory environment for small business.

Strategies:

- Participate in existing or ongoing State initiatives to provide small business insight, e.g. focus groups for Phase I of the State’s Central Business Licensing System and provide comments and suggestions.
- Proactively advocate for legislation that improves the State’s regulatory climate and enhances customer service to small businesses.
- Explore the idea of an extended regulatory reform system using an online “suggestion box”.
- Recommend a statewide customer service initiative.
- Explore the need for agency-to-business multi-lingual communication.
- Coordinate with DBED’s Small Business Resources office on the continuation of the Commission’s Town Hall meetings to bring small business resources to stakeholders throughout the State.

GOAL III: Enhance access to public sector procurement opportunities for small business.

Objective: Increase business development opportunities through improved procurement prospects.

Strategies:

- Participate in outreach initiatives such as DBED’s “Contract Connections” event that provides Federal and State procurement networking opportunities for Maryland businesses.

- Review the Small Business Reserve Program with GOMA and DGS and recommend enhancements to the program.
- Update State and local procurement contact information on DBED's B2G website page of ChooseMaryland.org.
- Investigate ways to enhance contracting and business development opportunities for small businesses.
- Work with DBED's Marketing and Communications Division on search engine optimization for the Department's small business resource page when complete.
- Create print collateral material detailing State procurement resources and contact information.
- Update DBED's Small Business Resource Guide (with a digital version to be placed online).
- Review the Small Business Administration's definition of a small business concern with the purpose of recommending a definition that could be used for State small business programs.

GOAL IV: Support workforce development and education.

Objective: Enhance workforce development initiatives through partnerships and programs.

Strategies:

- Support legislation that has a positive impact on the State's workforce through testimony by the Commission Chairman and Workforce Development and Education subcommittee.
- Advocate for enhanced funding for workforce training programs and identify industry and companies that could participate in the EARN program.
- Connect with the State's various Workforce Investment Boards (WIBS) through DBED representatives to share information and understand each other's mission while seeking ways to cooperate effectively where possible.
- Investigate ways that higher education institutions and the State can work collaboratively to develop training and educational programs designed to meet workforce needs.
- Explore ways that State agencies can better connect with community-based training programs to determine if there are ways to work together.
- Connect with small veteran-owned businesses and entrepreneurs in order to determine their needs.

Commission Recommendations

The Commission has developed several policy recommendations over the last year from their Action Plan.

Small Business Reserve (SBR) Program

The Commission recommended that the SBR Program certification period be extended from a one to a two-year term to increase the participation of small, minority and women-owned businesses. It also recommended the implementation of an automatic 90, 60, and 30 day notification system for the SBR Program to alert registrants that their term will expire.

Outcome

The Commission will support efforts that advocate for an extended certification term. DGS implemented the recommended notification system.

Employment Advancement Right Now (EARN) Program

The Commission supported the EARN program, which will provide competitive grants to specified industry partnerships and training programs that will address Maryland's workforce training needs. The Commission believes EARN will positively assist the State's workforce by bringing together business, State and local governments and nonprofits to create training programs that will help prepare people for jobs in high-demand fields such as biotech, construction, cyber security and manufacturing.

Outcome

The EARN legislation passed and \$4.5 million was allocated to the program which will be administered by the Maryland Department of Labor, Licensing and Regulation (DLLR) with assistance from DBED and the Governor's Workforce Investment Boards. The Commission expects to provide further input and recommendations during the implementation process.

Maryland Occupational Safety and Health (MOSH) Act – Chemical Information List

Maryland law requires companies to compile and maintain a chemical information list that contains the common name, chemical name, and work area for each hazardous chemical used or stored in a workplace. It also requires that companies submit that list every two years to the Maryland Department of the Environment. House Bill 457, MOSH Act – Chemical Information List – Exemption, introduced in the 2013 legislative session, would have streamlined the existing law by requiring businesses to only report hazardous chemicals that are required by the Federal law.

Outcome

The Commission recommends a review of this bill which did not pass during this year's legislative session.

Business Licenses

The Commission recommended that DLLR offer licensing exams in foreign languages, where appropriate, in order to maintain the State's competitiveness with nearby states such as Virginia, Delaware, New Jersey, New York, and Pennsylvania and remove barriers to small businesses formation.

Outcome

In 2012, DBED wrote a letter to DLLR supporting the Maryland Association of Private Colleges and Career Schools request that that certain licensing exams be provided by DLLR in foreign languages. As a result, since early 2013 the Home Improvement Commission now offers its exams in Spanish, the State Board of Cosmetologists voted to allow for the administration of the theory portion of its exam in Spanish and Vietnamese while the State Board of Barbers and the State Board of Stationary Engineers will now allow individuals who speak foreign languages to have an interpreter during exam administration.

Promotion of the State's Small Business Programs and Resources

The Commission reviewed DBED's marketing strategy for State programs and resources, including its collateral and electronic material and its direct outreach efforts, and made recommendations that the Agency has either already adopted or plans to execute on over the coming year:

- Revise the Small Business Resource Guide and provide an online digital version.
- Create print collateral material detailing State procurement resources, procedures and contact information to be used during outreach efforts.
- Revise online State and local procurement contact information on DBED's B2G website page.
- Continue its annual small business outreach activities (40+ events).
- Improve the online visibility of DBED's small business resources by maximizing search engine optimization.

Outcomes

DBED has adopted all of the recommendations and plans to revise its Small Business Resource Guide and provide an online digital version later in the coming year.

Small, Minority and Women-Owned Small Business Loan Program (Video Lottery Terminal Fund – VLT)

The Commission recommended that DBED oversee and coordinate the marketing of the \$7.86 million Small, Minority and Women-Owned Small Business Loan Program (Video Lottery Terminal Fund – VLT) in conjunction with the fund managers who were selected this year to oversee the distribution of those funds to small, minority and women-owned small business.

Outcome

DBED's Division of Marketing and Communications will coordinate the branding and promotional efforts of the program with the funding partners over the coming year. The promotional efforts will include newsletters, press releases and email marketing support in order to promote the program effectively.

Conclusion

The Commission appreciates the opportunity to provide input on issues of significant importance to Maryland's small businesses. In the year ahead, we will continue implementing our Action Plan, interacting with the small business community to monitor areas of concern and offer assistance, advocating for the State's small businesses and supporting Governor O'Malley's *Maryland Made Easy* initiatives. We look forward to continuing to ensure that Maryland remains a great place to do business.

Appendices

APPENDIX A

LEADERSHIP

Ackneil M. Muldrow II is Chairman of the Commission. Mr. Muldrow is CEO of ParkerMuldrow & Associates and former President and CEO of the Development Credit Fund. Mr. Muldrow is Chairman, Past President, and CEO of the Baltimore Marketing Association and President of the Baltimore Efficiency and Economy Foundation.

Karen Barbour is Co-Chairman of the Commission. Ms. Barbour is President of The Barbour Group, LLC, an independent insurance agency focusing on surety bonding and commercial insurance for the construction industry, both nationally and internationally.

APPENDIX B

GOVERNOR'S COMMISSION ON SMALL BUSINESS MEMBERS

Commissioners

Ackneil M. Muldrow II, Chairman

CEO, ParkerMuldrow & Associates, LLC

Karen Barbour, Co-Chairman

President, The Barbour Group, LLC

Barbara I. Berschler, Esquire

Partner, Press, Potter & Dozier, LLC

Roland O. Campbell

President/CEO, ROC Realty Group

James A. Dula

Chief Executive, James Dula Consulting

Annie Geiermann

Senior Vice President, Revere Bank

Manuel Hidalgo

Consultant

Wonro Lee

President & CEO, J.G. Merchant Sales & Service

Jorge Restrepo

President, Eurekafacts, LLC

Deborah Stallings

President, HR Anew, Inc.

Jay Steinmetz

President, Barcoding, Incorporated

R. Wayne Strausburg

Director of Administration, Wicomico County

David Daesok Son

Prince George's County Board of License Commissioners

William Yerman

Chief Executive Officer, Continental Title Group

Legislators

Senator Barry Glassman
Maryland Senate

Senator James N. Mathias, Jr.
Maryland Senate

Delegate Adrienne A. Jones
Maryland House of Delegates

Delegate Steven R. Schuh
Maryland House of Delegates

Ex-Officio Members

Alvin C. Collins
Secretary, Department of General Services (DGS)

Zenita Wickham Hurley
Special Secretary, Governor's Office of Minority Affairs (GOMA)

Dominick Murray
Secretary, Maryland Department of Business & Economic Development (DBED)

Leonard J Howie III
Secretary, Maryland Department of Labor, Licensing & Regulation (DLLR)

Raymond A. Skinner
Secretary, Maryland Department of Housing & Community Development (DHCD)

Renee Sprow
State Director, Maryland Small Business Development Technology Center Network (SBTDC)

Stephen Umberger
Director, United States Small Business Administration, Baltimore District Office

APPENDIX C

COMMISSION STRUCTURE - SUBCOMMITTEE ASSIGNMENTS

Subcommittee I: Executive

Comprised of the chairmen of each sub-committee, the Executive sub-committee focuses on the administrative functions of the Commission, working with DBED on legislative concepts and new initiatives. It oversees the implementation of the Action Plan and the overall work of each sub-committee.

Ackneil M. Muldrow, Chair man
CEO, ParkerMuldrow & Associates, LLC

Jorge Restrepo
President, EurekaFacts, LLC

Karen Barbour, Co-Chair man
President, The Barbour Group, LLC

Jay Steinmetz
President Barcoding, Inc.

Annie Geiermann
Senior Vice President, Revere Bank

James Dula
Chief Executive, James Dula Consulting

Subcommittee II: Capital Needs

This sub-committee seeks to improve the ability of small businesses to access capital.

Annie Geiermann, Chairman
Senior Vice President, Revere Bank

Ackneil M. Muldrow
CEO, ParkerMuldrow & Associates, LLC

Wonro Lee, Co-Chairman
President & CEO, J.G. Merchant Sales & Service

Raymond Skinner
Secretary, Department of Housing & Community Development

Mike Halosky (Representing DHCD)
Director, Department of Housing & Community Development

Renee Sprow
State Director, Maryland Small Business Technology Development Center Network (SBTDC)

Manuel Hidalgo
Consultant

Stephen Umberger
Director, United States Small Business Administration, Baltimore District Office

Subcommittee III: Regulatory & Business Competitiveness

This sub-committee focuses on increasing market access for Maryland's small businesses both domestically and globally. This includes procurement for products and services within local, state, and federal markets as well as regulatory issues that may impede small business growth.

Jay Steinmetz, Chairman
President, Barcoding, Inc.

Leonard J. Howie III
Secretary, Maryland Department of Labor,
Licensing & Regulation (DLLR)

Barbara Berschler, Co-Chairman
Partner, Press, Potter, & Dozier, LLC.

Delegate Steven R. Schuh
Maryland House of Delegates

Karen Barbour
President, The Barbour Group, LLC

R. Wayne Strausburg
Director of Administration, Wicomico County

Roland O. Campbell
President/CEO, ROC Realty Group

David Daesok Son
Prince George's County Board of License
Commissioners

Subcommittee IV: Regional & Global Access

This sub-committee identifies and recommends methods to increase local, state and federal procurement opportunities through educational opportunities and access to resources.

Jorge Restrepo, Chairman
President, EurekaFacts, LLC

Alvin C. Collins
Secretary, Maryland Department of General
Services

Debra Stallings, Co-Chairman
President, HR Anew, Inc.

Zenita Wickham Hurley
Special Secretary, Governor's Office of
Minority Affairs

Karen Barbour,
President, The Barbour Group, LLC

Renee Sprow
State Director, Maryland Small Business
Development Center Network (SBDC)

Roland O. Campbell
President & CEO, ROC Realty Group

Subcommittee V: Workforce Development & Education

This sub-committee focuses on the availability of workforce training programs to assist employers with hiring well-qualified staff. It also works to recommend partnerships with government, academia, vocational training providers and employers to generate a revolving pool of skilled staff for new and existing small businesses, and provide innovative training.

James A. Dula, Chairman
Chief Executive, James Dula Consulting

Jorge Restrepo
President, EurekaFacts, LLC

Delegate Adrienne A. Jones, Co-Chair man
Maryland House of Delegates

Deborah Stallings
President, HR Anew, Inc

Leonard J. Howie III
Secretary, Maryland Department of Labor, Licensing
Regulation (DLLR)

William Yerman
Chief Executive Officer, Continental Title
Group

APPENDIX D

GOVERNOR'S COMMISSION ON SMALL BUSINESS STAFF

Maryland Department of Business & Economic Development

Office of Business Development

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END OF REPORT

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