

oppaga Progress Report

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Enterprise Florida Addresses Recommendations

at a glance

Enterprise Florida, Inc., has taken actions to address the recommendations made in a 2001 OPPAGA report. It has

- defined criteria for when its employees' level of involvement with a business relocation or expansion project justifies counting the project's jobs in its performance data, and
- improved its method for confirming its employees' level of involvement in projects

Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Enterprise Florida, Inc., in response to a 2001 OPPAGA report.^{1,2} This report presents our assessment of the extent to which Enterprise Florida, Inc., has addressed the findings and recommendations included in our report.

Background

Enterprise Florida, Inc., is a public-private partnership created by the Legislature to serve as the state's principal economic development organization. It is a non-profit corporation that operates under a contract with the Governor's Office of Tourism, Trade and Economic Development (OTTED).

Enterprise Florida, Inc.'s goals are to provide leadership for business development by establishing a unified

¹ Section 11.45(7)(f), *F.S.*

² *Program Review: Concerns Over Enterprise Florida's Performance, Service to Distressed Areas Point to a Need to Consider Several Alternatives for Its Future Role*, [OPPAGA Report No. 01-62](#), December, 2001.

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approach to state international trade, to market the state as a pro-business location for potential new investment, and to help businesses create and retain jobs and establish markets in Florida. The corporation's mission is to diversify Florida's economy and create better-paying jobs for its citizens by supporting, attracting and helping to create businesses in innovative, high-growth industries. Exhibit 1 describes Enterprise Florida, Inc.'s major activities.

Exhibit 1

Enterprise Florida, Inc., Is Responsible for State Economic Development Efforts

Area	Major Activities
Business recruitment and retention	▪ Assists businesses considering locating or expanding in Florida by providing information on available locations in the state, helping businesses apply for state financial incentives, and assisting business with regulatory and permitting issues.
International trade	▪ Helps Florida businesses export their products and services by providing market information, export counseling, and trade leads. Also sponsors trade events and missions.
Rural and urban distressed communities	▪ Helps rural economic development organizations with their marketing efforts and in generating business leads. Also assists inner city development organizations in recruiting new businesses and expanding existing businesses and works with Front Porch Florida.
Strategic plan for economic development	▪ Helps coordinate the development of the state-level strategic plan for economic development.

Source: OPPAGA analysis.

Resources. In Fiscal Year 2003-04, the Legislature appropriated \$10.5 million in state funds to support Enterprise Florida, Inc., programs and operations. Enterprise Florida, Inc., also anticipated receiving \$1.6 million in private sector cash matching funds in Fiscal Year 2003-04.

Prior Findings

Enterprise Florida, Inc., met its statewide performance standards for helping create and retain jobs, but these results need to be interpreted cautiously

Our 2001 review determined that Enterprise Florida, Inc., met the statewide performance standard specified in its contract with OTTED for facilitating the creation of direct full-time jobs through its recruitment, expansion, and retention efforts. However, we concluded that Enterprise Florida, Inc.'s performance needed to be interpreted with caution.

Enterprise Florida, Inc.'s performance data included the jobs associated with all 164 of the announced projects its employees were involved with during Fiscal Year 2001-02.³ However, its employees' involvement appeared to be tangential in some of these projects. For example, Enterprise Florida, Inc., counted 23 jobs from a project in which a local economic development organization reported that Enterprise Florida, Inc., employees discussed incentives with a business during a conference call. It also counted 100 jobs associated with a project in which another economic development organization reported that Enterprise Florida, Inc., employees discussed incentives with a company, but the company decided not to apply for them.

We recommended that Enterprise Florida, Inc., establish criteria for determining when its employees' level of involvement with a project was not tangential and justified counting the project's jobs in its performance data. Such criteria would help the Legislature develop a better perspective regarding the corporation's role in facilitating the creation and retention of jobs. We also

recommended that Enterprise Florida, Inc., improve its methods for confirming employees' level of involvement with projects used in determining performance in facilitating job creation.

Current Status

Enterprise Florida, Inc., has developed criteria for determining when its employees' involvement with a project justifies including the project's jobs in the corporation's performance data

Enterprise Florida, Inc., has addressed our recommendations by defining criteria for determining when its employees' level of involvement with projects justified counting project-related jobs in its performance data. These criteria include

- whether Enterprise Florida, Inc., employees helped a company obtain state incentives. Enterprise Florida, Inc., employees analyze a company's eligibility to receive incentives and make recommendations to OTTED on the amount of the incentives a company should be awarded. Enterprise Florida, Inc., managers believe that such activities justify the corporation counting the jobs created by companies receiving incentives in its performance data.
- Enterprise Florida, Inc., employee ratings of the level of assistance provided to companies that do not receive state incentives.⁴ Enterprise Florida, Inc., employees complete a form in which they rate their level of involvement with these companies as being extensive, moderate or minimal. These ratings are subsequently reviewed and approved by Enterprise Florida, Inc., managers who are familiar with the projects.

³ Enterprise Florida, Inc., defines an announced project as a project in which a company verbally informs Enterprise Florida, Inc., that it intends to relocate or expand in Florida.

⁴ Enterprise Florida, Inc., employees also assist companies by providing information on taxes, permitting/licensing assistance, procurement of financing, key contact introductions; site selection, research and marketing analysis, enterprise zones, and geographic information analysis.

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