

MEMORANDUM

April 24, 2012

TO: Planning, Housing and Economic Development Committee

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Worksession 2:** Bill 5-12, Administration – Small Business Navigator - Established

Bill 5-12, Administration – Small Business Navigator - Established, sponsored by Council President Berliner, was introduced on February 7, 2012. A public hearing was held on February 28 and a Planning, Housing and Economic Development Committee worksession was held on March 19.

Background

Bill 5-12 would require the Executive to designate an employee in the Office of the Executive or the Office of the Chief Administrative Officer as the Small Business Navigator. Among other duties, the Navigator must:

- (1) advise the Executive, the Council, the Chief Administrative Officer, County Department heads, the Planning Board, and any other appropriate government agency, of any action needed to assist small businesses to comply with County requirements and regulations;
- (2) serve as primary point of contact between a small business and each County department or agency that the small business must interact with;
- (3) develop and maintain a database of information necessary for a small business to comply with County requirements and regulations; and
- (4) advise small businesses on how to comply with County requirements and regulations.

Public Hearing

Georgette “Gigi” Godwin, representing the Montgomery County Chamber of Commerce (©6-7), Zorayda Moreira-Smith, representing Casa de Maryland (©8), and Don Spence, representing the Associated Builders and Contractors all testified in support of the Bill at the February 28 public hearing. No speakers opposed the Bill. The Council also received correspondence supporting the Bill from the Greater Silver Spring Chamber of Commerce (©9-10), the Greater Bethesda-Chevy Chase Chamber of Commerce (©11-12), the Gaithersburg-Germantown Chamber of Commerce, Inc. (©13), and the Maryland-National Capital Building Industry Association (©14-15).

March 19 PHED Worksession

Council President Roger Berliner attended the worksession along with the Committee members. DED Director Steve Silverman, Peter Bang, DED, and Katie Knowlin, DED, represented the Executive Branch. The Committee reviewed the Bill and discussed the potential fiscal impact. The Executive had not yet submitted a fiscal impact statement for this Bill. The Committee decided to consider this Bill along with the budget review of the DED and DPS budgets. The Committee did not vote on the Bill.

Issues

1. What is the fiscal and economic impact of the Bill?

OMB submitted a Fiscal and Economic Impact Statement on March 23 (©16-20). Although the Bill would permit the designation of an existing staff member as the small business navigator, OMB concluded that this position could not be staffed with existing resources in the Executive's Office or the CAO's Office. OMB assumed that the navigator position would require at least 10 years of experience working with small business firms, and therefore, assumed that the position would be graded as a Manager II with an annual cost of \$137,000. OMB also assumed that the Bill would require an additional .75 FTE for an administrative position to support the Manager II at an annual cost of \$42,968. OMB estimated a reduced FY13 cost of \$149,284 due to the time required to recruit for the 2 positions. After the first year, OMB estimated a recurring annual cost for the 2 positions of \$180,168. We expect representatives from the Executive Branch will attend the worksession to explain these staffing needs.

During the March 19 worksession, Executive Branch representatives surmised that one person serving as a small business navigator may be overwhelmed by demands for assistance. While this potential demand supports the OMB estimate for 2 new positions to implement the Bill, excess demand is also a strong argument in favor of the Bill. Robert Kaufman, MNCBIA Director of Government Affairs, suggested staffing the position with volunteer retired government and business professionals. See ©5.

2. Should the Bill be amended to require the navigator to identify regulations and policies that can be eliminated or modified to facilitate small business compliance?

The Greater Silver Spring Chamber of Commerce (©9-10) and the Maryland-National Capital Building Association (BIA) (©14-15) suggested that the Bill be amended to require the small business navigator to identify County regulations and requirements that can be eliminated or modified to assist small businesses. Although this is probably within the implied scope of duties listed in the Bill, expressly requiring the navigator to do this would increase the likelihood that it is done.

Council staff recommendation: *add the following after line 26:*

- (5) identify changes to regulations and requirements that would improve turnaround, eliminate duplication, resolve conflicts in authority, and eliminate unnecessary regulations and requirements.

Amend line 27-28 as follows:

- (d) Reports. On or before September 15 of each year, the Executive must report to the Council on the activities and recommendations of the Navigator.

3. Should the Bill be amended to clarify that the small business navigator must not also enforce County regulations?

The Greater Silver Spring Chamber (©9-10), the Greater Bethesda-Chevy Chase Chamber (©11-12), and the Gaithersburg-Germantown Chamber (©13) each expressed concern that a small business could seek help from the navigator and thereby expose the business to an enforcement action for non-compliance with a County regulation or requirement. Clearly this is neither the intent nor the likely result of the Bill. However, an amendment that would remove authority from a staff person in the CAO's Office or the County Executive's Office to report non-compliance with County regulations or requirements to the appropriate enforcement official is unwise. Each County official has a duty of loyalty to the County government. **Council staff recommendation:** do not amend the Bill to remove enforcement authority from the navigator.

4. Should the navigator be empowered to assist any County business without regard to size?

The Greater Bethesda-Chevy Chase Chamber (©11-12) suggested that the navigator's role be expanded to assist businesses of all sizes if it is successful in helping small businesses. While many large businesses may benefit from a business navigator, the concept of the Bill is that these large businesses are financially able to retain attorneys and consultants to assist them with compliance, where necessary. In a time of dwindling County resources, it is necessary to direct valuable resources where they are needed most. **Council staff recommendation:** do not amend the Bill to include all businesses.

5. Should the Bill be amended to clarify that a small business does not have to use the navigator?

The Montgomery County Chamber (©6-7) and the BIA (©14-15) each suggested amending the Bill to clarify that a small business does not need to use the navigator. There is nothing in the Bill that would require any small business to contact or seek assistance from the small business navigator to operate in the County. We do not believe this amendment is necessary to clarify the Bill. **Council staff recommendation:** do not amend the Bill for this purpose.

This packet contains:	<u>Circle #</u>
Bill 5-12	1
Legislative Request Report	4
Kaufman March 19 email	5
Testimony:	
Montgomery County Chamber of Commerce	6
CASA de Maryland	8
Greater Silver Spring Chamber of Commerce	9
Greater Bethesda-Chevy Chase Chamber of Commerce	11
Gaithersburg-Germantown Chamber of Commerce	13
Maryland-National Capital Building Industry Association	14
Fiscal and Economic Impact Statement	

F:\LAW\BILLS\1205 Small Business Navigator\PHED Memo.Doc

Bill No. 5-12
Concerning: Administration – Small
Business Navigator – Established
Revised: February 2, 2012 Draft No. 5
Introduced: February 7, 2012
Expires: August 7, 2013
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Berliner

AN ACT to:

- (1) establish a program to assist certain small businesses located in the County;
- (2) require the appointment of a dedicated staff member to assist small businesses to comply with County requirements and regulations; and
- (3) generally amend the law concerning small businesses.

By adding

Montgomery County Code
Chapter 2. Administration.
Section 2-25B

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 2-25B is added as follows:**

2 **2-25B. Small Business Navigator.**

3 (a) Definitions. As used in this Section:

4 Navigator means the Small Business Navigator.

5 Small business means a privately owned business that meets the
6 requirements of Section 11B-65(a).

7 (b) Establishment of Program. The Executive must create and administer a
8 Small Business Assistance Program with a Small Business Navigator to
9 help small businesses comply with County policies and regulations.

10 (c) Small Business Navigator. The Executive must designate an employee
11 in the Office of the Executive or the Office of the Chief Administrative
12 Officer as the Small Business Navigator. Among other duties, the
13 Navigator must:

14 (1) advise the Executive, the Council, the Chief Administrative
15 Officer, County Department heads, the Planning Board, and any
16 other appropriate government agency, of any action needed to
17 assist small businesses to comply with County requirements and
18 regulations;

19 (2) serve as primary point of contact between a small business and
20 each County department or agency that the small business must
21 interact with;

22 (3) develop and maintain a database of information necessary for a
23 small business to comply with County requirements and
24 regulations; and

25 (4) advise small businesses on how to comply with County
26 requirements and regulations.

LEGISLATIVE REQUEST REPORT

Bill 5-12

Administration – Small Business Navigator - Established

DESCRIPTION: This Bill would require the Executive to appoint a dedicated staff member to assist small businesses to comply with County requirements and regulations.

PROBLEM: Small businesses often have trouble understanding and complying with County requirements and regulations. Currently, there is no dedicated staff member available to help small businesses meet County requirements.

GOALS AND OBJECTIVES: To help small businesses comply with County requirements and regulations.

COORDINATION: CAO, DED Director, DGS Director

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Robert H. Drummer, Senior Legislative Attorney, 240-777-7895

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: Not applicable.

F:\LAW\BILLS\1205 Small Business Navigator\LEGISLATIVE REQUEST REPORT.Doc

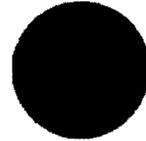
CALL 5-12

Marin, Sandra

BID
CC
SER
LL

From: Berliner's Office, Councilmember
Sent: Tuesday, March 20, 2012 8:44 AM
To: Montgomery County Council
Subject: FW: Bill 5-12 Small Business Navigator

067312



From: Robert Kaufman [mailto:bkaufman@mncbia.org]
Sent: Monday, March 19, 2012 7:35 PM
To: Berliner's Office, Councilmember
Cc: Leventhal's Office, Councilmember; Elrich's Office, Councilmember; nancyfloreen@gmail.com; Gibson, Cindy; Jonathan Sachs; bspalding@millerandsmith.com; JRussel@RODGERS.com
Subject: Bill 5-12 Small Business Navigator

During the PHED hearing it became clear that DED, along with the local chambers, suggested that the "problem" with the program may be that it becomes oversubscribed due to the potential demand. As Councilmember Leventhal said, this would be very valuable to know. There may well be no better argument to support the potential value of the program.

It would in fact be rare and highly adulatory for a government to employ someone who would be an advocate for the small business trying to deal with the government ultimately pointing out the flaws of the government. This can send a strong message of support to the business community. The small builders in the association expressed great interest in the idea and felt it could be or real benefit. Further, it would be great to have a third party experience the issues faced by small business and help identify changes and solutions.

One thought about the program – this may be a great opportunity for retired government and business professionals to volunteer a few hours a week to help small business in the County. Volunteers could have a flexible schedule and take on as few or as many "clients" as they wanted. I could easily imagine a volunteer corps excited about the opportunity to remain engaged with the County and provide real and immediate help.

Thank you for proposing the bill and for your understanding of the difficulties faced by small businesses in maneuvering through the complex regulatory environment.

S. Robert Kaufman
Director Government Affairs
Maryland National Capital Building Industry Association
1738 Elton Road
Suite 200
Silver Spring, Maryland 20903
bkaufman@mncbia.org
(301) 445-5408
Prince George's Liaison Breakfast – March 26
To register [click here](#)

Celebrity Chefs – March 28
To sign up as a Chef or to Register [click here](#)

Montgomery County Liaison Breakfast – April 13
To register [click here](#)

Check out NAHB's Member Advantage Program at www.nahb.org/ma

BUILDING HOMES, CREATING NEIGHBORHOODS

3/20/2012

5



The Voice of Montgomery County Business

TOM MCELROY, CHAIRMAN

ORI REISS, CHAIR-ELECT

GEORGETTE "GIGI" GODWIN, PRESIDENT & CEO

MONTGOMERY COUNTY COUNCIL

BILL 5-12, ADMINISTRATION - SMALL BUSINESS NAVIGATOR - ESTABLISHED

FEBRUARY 28, 2012

TESTIMONY BY GIGI GODWIN

MONTGOMERY COUNTY CHAMBER OF COMMERCE

Good Evening.

My name is Gigi Godwin and I am the President & CEO of the Montgomery County Chamber of Commerce. The Chamber **supports** the idea of the County employing a Small Business Navigator, but respectfully offers recommendations regarding the scope of this proposed position.

Many small businesses in Montgomery County would benefit from assistance with County laws and regulations. Our Chamber has heard many anecdotes from our small business members who have had issues with inspections, permits, and general compliance. Employing a Small Business Navigator could help relieve some of these issues.

Given that the County is already undertaking a regulatory review, we suggest leveraging this opportunity to help guide the portfolio of this new proposed position.

Rather than limit this new position to matters of compliance, we suggest that the position be expanded to also function as a small business "ombudsman". This new ombudsman could advise the County-Executive and the County Council on how to help Montgomery County small businesses grow. We further recommend that the new ombudsman would coordinate with the Department of Economic Development, the Department of Permitting Services, and any other necessary agencies to address regulatory obstacles. We believe that the collaboration of these departments could help clarify the regulatory system for small businesses and result in job growth.

The Chamber is looking forward to understanding the budgetary implications of this legislation. It is not clear to us what elements of the budget would be reduced, eliminated, or increased to fund the Navigator/Ombudsman position.

The Chamber believes that the idea to establish a Small Business Navigator/Ombudsman is a good one. That said, we support a position in County government that would function more as an advocate than as a compliance officer. We look forward to working with the County Council to further explore this opportunity to support Montgomery County's small businesses.

Thank you.

February 28, 2012

Montgomery County Council
100 Maryland Avenue
Rockville, MD 20850

Re: CASA de Maryland, Inc. SUPPORTS Bill 5-12 and Bill 6-12

Testimony: Zorayda Moreira-Smith, Staff Attorney, CASA de Maryland, Inc.

Good evening, my name is Zorayda Moreira-Smith, staff attorney with CASA de Maryland, Inc. CASA is the state's largest non-profit serving the Latino and immigrant community. Our offices are located throughout the State of Maryland, specifically and relevant to tonight's public hearing, are our welcome centers located in Wheaton and Silver Spring. We are dedicated to the Wheaton and Long Branch communities.

CASA is a member of the Coalition for the Fair Redevelopment of Wheaton advocating on behalf of the community to ensure that the Wheaton redevelopment project benefits the existing community. CASA is also a member of the state-wide and local Fair Development Coalition, advocating for equitable development around transportation projects, specifically the proposed Purple Line.

CASA is dedicated to the preservation and retention of existing small businesses. Small businesses represent the larger business community and efforts must be made to encourage their viability and their growth during redevelopment. We applaud this Council's leadership in committing itself to small businesses by introducing Bill 5-12 and Bill 6-12. CASA supports both bills. This should be the beginning of an ongoing effort to support local small businesses.

Bills 5-12 and 6-12 are important pieces of legislation that give the small business community the hope that the County will be available and open to assist them during times of need. It is critical that the benefits that these bills create are broadly available to small businesses. In regards to Bill 6-12, we strongly believe the community should be given the opportunity to provide comments and testimony once the Executive proposes regulations to implement the program.

This Council should look at what happened to the small businesses in the development of Downtown Silver Spring. There were five main issues that small businesses suffered: (1) rapidly rising rents, (2) construction related disruptions, (3) insufficient exchange of information between businesses and the County, (4) competitive disadvantage created by large national retail stores, and (5) the failure to incorporate the overall community. It is imperative that this Council understand that small businesses in other redevelopment areas are going to face these same challenges and if we, as a community, fail to mitigate these issues then we fail our small businesses and our community.

CASA is excited about this Council's commitment to local existing small businesses in areas of redevelopment. It is clear, that this Council is listening to the concerns of the community. Special thanks to all of the sponsors of the Bills for taking on the challenge and beginning the process of addressing the concerns.





066981

February 27, 2012

Honorable Roger Berliner, President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850



RECEIVED
MONTGOMERY COUNTY
COUNCIL
2012 FEB 28 PM 3:08

Bill 5-12 – Administration – Small Business Navigator – Established

Dear Council President Berliner:

On behalf of the Greater Silver Spring Chamber of Commerce, I am writing to support your efforts to make doing business easier for Montgomery County’s small businesses and offer our observations on Bill 5-12 – Administration – Small Business Navigator.

Navigating the myriad Montgomery County laws, regulations, and requirements is indeed a daunting task, even for those with experience working through our County’s various processes and departments. Businesses in Silver Spring recall the time, not so many years ago, when the Silver Spring Urban District staff included an individual whose job it was to manage our “Green Tape Zone.” This individual was, in essence, a “small business navigator,” though he also provided critical knowledge and assistance to any business working to contribute to the economic development of Silver Spring. Unfortunately, budget cuts in recent years eliminated this valuable resource.

Historically, the Chamber has advocated for reducing, even eliminating much of what the business community feels is over-regulation and unnecessary “red tape.” We will continue to do so because of the excessive burden these regulations place on business in terms of cost and time, and the fact that we see over-regulation as a roadblock to the economic development so critical to the future of our County. That said, the leadership of our Chamber recognizes the intentions of this bill and, until such time as the burden of regulation can be reduced, we see the value in having a knowledgeable expert to help especially small businesses navigate the system.

We do see great value in having a database of information necessary for small businesses to comply with County policies and regulations. As this database is created, it would be our hope that a number of unnecessary and over-burdensome regulations and requirements would come to light. In the spirit of making it easier for small businesses to “navigate” the system, we respectfully suggest an amendment to the bill that would direct the Small Business Navigator to file an annual report that identifies those regulations, laws, and requirements that should be eliminated as a way to ease small business compliance.

We realize that the Department of Permitting Services is currently consolidating many processes with the goal of a more “streamlined development process.” We would expect the Small Business Navigator to become a part of this process and to provide advice and feedback to DPS on whether its efforts are making it easier for small businesses to comply.

We also recommend coordination with the Department of Economic Development, which has been very helpful in assisting business owners to “navigate” the system. We do have some concern that the efforts of the Small Business Navigator could be redundant to the small business support provided by DED. And, we wonder whether the database of information might be more appropriately housed within DED.

We also have concerns about potential unintended consequences that could result if the Navigators role as “advisor,” as opposed to government “enforcer” is not clearly spelled out. The bill states that the navigator’s job will be to “advise” various government entities of action needed to bring the business into compliance. The concern is that the navigator could be called in to help a small business, see where that a business is not in compliance, and contact the relevant agencies, whose representatives would then come out and fine the business for non-compliance. We are certain that this is not the intent of the bill, but would suggest that clarification is necessary to assure that the navigator will indeed be an asset to small business.

We thank you for your ongoing support of the business community and for your efforts to make it easier for small businesses to operate in Montgomery County. Should you have any questions about our observations or comments, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Jane Redicker". The signature is written in black ink and is positioned to the left of the typed name.

Jane Redicker
President



THE GREATER BETHESDA-CHEVY CHASE CHAMBER OF COMMERCE

7910 Woodmont Avenue, Suite 1204
Bethesda, MD 20814
T: (301) 652-4900
F: (301) 657-1973
staff@bccchamber.org
www.bccchamber.org

VIA EMAIL

Your Business Is Our Only Business

February 28, 2012

066979



RECEIVED
MONTGOMERY COUNTY
COUNCIL
2012 FEB 28 PM 3:22

The Honorable Roger Berliner, President
and Members of the Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, Maryland 20850

Re: Bill 5-12, Administration – Small Business Navigator – Established – Support

Dear Mr. Berliner and Members of the County Council:

On behalf of The Greater Bethesda-Chevy Chase Chamber of Commerce (B-CC Chamber), we are writing to express our support for Bill 5-12, Administration – Small Business Navigator – Established, which proposes that the County Executive designate an employee in the Office of the Executive or the Office of the Chief Administrative Officer as the Small Business Navigator.

As we understand, the Navigator would serve as a primary point of contact between a small business and each County department or agency the business must interact with; develop and maintain a database of information necessary for a small business to comply with County requirements and regulations; and advise small businesses on how to comply with County requirements and regulations. This bill would also require the Small Business Navigator to advise Government leadership of any action needed to assist small businesses to comply with County requirements and regulations.

At a time when navigating the various regulations and requirements for businesses – large or small – is daunting at the least, the concept of a “Navigator” is a welcome addition to not only small businesses but businesses of all sizes in the County. We hope that the person in this position would be able to help a business through the red tape process, similar to what other area jurisdictions already provide. The County needs to be able to provide businesses with an expert who understands what it takes for someone who is just starting a business (such as restaurants or retailers), a company considering opening a branch, or a company considering relocating to Montgomery County from elsewhere with the information they need to navigate the process. This would definitely send a message that Montgomery County is open for business and wants to help companies succeed.

Similarly, upon complaints from the business community regarding concerns with the inspection process and the numerous fire regulations, the Montgomery County Fire and Rescue Service created the position of an “Ombudsman” who can help businesses through any issues or questions they may have with regulations or the inspection process. This has been instrumental in helping business and Government work through many of the previous issues they were experiencing.

The concept of the database of information on County requirements and regulations is long overdue and would be an enormous asset to the business community – small and large. We realize that the focus of this legislation is on small business, but do ask that upon implementation and success of this program, you consider expanding it to businesses of all sizes.

The Honorable Roger Berliner
February 28, 2012
Page Two

Finally, we realize that there are parts of the legislation that need to be addressed based on recommendations from fellow chambers of commerce. These include the need for coordination with the Department of Economic Development, which has been instrumental in helping small businesses throughout the County, as well as with the Department of Permitting Services. In addition, the role of the Navigator needs to be that of an "advisor" rather than an "enforcer" of County regulations and requirements. It is also important that there is a better understanding of what services may have to be reduced or eliminated in order to fund this program. Once these issues have been successfully clarified, we look forward to working with the County government in implementing this new role.

Thank you for your consideration of our recommendations.

Sincerely,



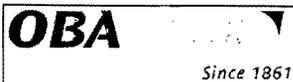
Giianne M. Italiano, IOM
President & CEO



Gaithersburg-Germantown Chamber of Commerce, Inc.

4 Professional Drive, Suite 132, Gaithersburg, Maryland 20879-3426, (301) 840-1400, Fax (301) 963-3918

Corporate Sponsors



February 23, 2012

066980

Honorable Roger Berliner, President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850



RECEIVED
MONTGOMERY COUNTY
COUNCIL

2012 FEB 20 PM 3:08

Re: Support of Proposed Council Bill 5-12

Dear Council President Berliner,

Thank you for the opportunity to comment on Bill 5-12 proposing the establishment of a Small Business Navigator. Based on the feedback we receive from our members, this service would be very helpful to small businesses. I would expect that the database of information necessary for small businesses to comply with County policies and regulations would be particularly helpful. I would like to make a few comments and recommendations:

- We agree that there must be coordination with the Department of Economic Development. DED has been very helpful in the past in assisting business owners "navigate" the system. We would not want the Small Business Navigator and DED to have redundant efforts.
- We also encourage coordination with the Department of Permitting Services. As DPS is currently going through their Streamlining Development Process we would expect the Small Business Navigator to be in communication with DPS and to provide specific feedback to the process.
- We fully support the intentions of the Bill, however we do have some concern about unintended consequences. It would be unfortunate if a small business went to the County for assistance in complying with County regulations and was then fined for non-compliance. Stranger things have happened. There has to be a level of trust between the small business owner and the navigator in terms of how the navigator will resolve non-compliance issues. This directly relates to where (budgetarily and physically) the "Navigator" will be housed.
- Our support of this Bill is conditional on what services might be reduced or eliminated in order to fund this program. Without knowing the full budgetary impact, it would be premature to state that we support this program over all others.

We want to thank you for your ongoing support of the business community. This program is exactly the type of service that can have direct positive results for our small businesses.

Warm Regards,

Marilyn Balcombe

Have { BD / CC

D'Ovidio, Lou

From: Robert Kaufman [bkaufman@mncbia.org]
Sent: Tuesday, February 28, 2012 2:34 PM
To: Berliner's Office, Councilmember
Cc: D'Ovidio, Lou; Montgomery County Council; Faden, Michael
Subject: Bill 5-12 Small Business Navigator



066982

RECEIVED MONTGOMERY COUNTY COUNCIL

2012 FEB 28 PM 3:08

To: Council President Roger Berliner
Montgomery County Council
February 28, 2012

Re: Bill 5-12, Administration - Small Business Navigator

The MNCBIA supports the effort to help small businesses navigate the complicated and time consuming regulatory processes within Montgomery County and supports Bill 5-12 with clarifications. Most members of the MNCBIA qualify as a small business and often struggle to keep up with all the rules, regulations and policies associated with both running the small business and meeting County requirements in the deployment of their mission or business. Especially for home builders, the changing landscape of permit requirements can seem daunting and add unnecessary delay, costs and roadblocks.

It is critical that small business see that the job of the navigator is to assist the small business with discretion, help guide the small business through the processes, help coordinate between conflicting departments, help break logjams and assure good communication between the small business and the regulating department or agency. The job of compliance remains with the approving department or agency and is not the responsibility of the Navigator.

To accomplish this we propose;

2-25B.

(b). add "a Voluntary" before "Program," add "voluntary" before "Small Business Assistance Program..."

(c).(1) add: " that may include but not be limited to, suggesting changes to or elimination of certain regulations and policies, recommend manuals or guides for compliance, recommend orientation or training for compliance, recommend changes to procedures and recommending clarifications concerning approval authority."

(c).(2) eliminate "primary point of contact" and add "...trusted intermediary..."

(c).(3) replace "necessary" with "helpful"

Add:

(c).(5) "develop and maintain a database of the time it takes for a small business to obtain approval once a complete application is received by the approving agency or department; identify recurring delays, overlapping or duplicative procedures, misunderstandings or issues of compliance for the small business and for the approving agency or department."

(d). add, "On or before March 15th and . . ." and add at the end of the sentence, "and recommendations for improving turnaround, eliminating duplication, resolving conflicts in authority and eliminating unnecessary regulations and policies."

(e). under no circumstances will a small business be required to utilize the Navigator nor shall the County add any charge or fee for the services of the Navigator."

S. Robert Kaufman
Director Government Affairs
Maryland National Capital Building Industry Association
1738 Elton Road
Suite 200
Silver Spring, Maryland 20903
bkaufman@mncbia.org
(301) 445-5408
BLA's Business Networking Events
March 1@ BlackFinn, [click here](#)

Prince George's Liaison Breakfast – March 26
To register [click here](#)

Celebrity Chefs – March 28
To sign up as a Chef or to Register [click here](#)

Check out NAHB's Member Advantage Program at www.nahb.org/ma

BUILDING HOMES, CREATING NEIGHBORHOODS



ROCKVILLE, MARYLAND

MEMORANDUM

March 23, 2012

TO: Roger Berliner, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget *JAH*
Joseph F. Beach, Director, Department of Finance *JFB*

SUBJECT: Bill 5-12 - Administration -Small Business Navigator –Established

Attached please find the fiscal and economic impact statements for the above-referenced legislation.

JAH:bh

c: Kathleen Boucher, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Alex Espinosa, Office of Management and Budget
Sonetta Neufville, Offices of the County Executive
Pam Jones, Office of Procurement
Peter Bang, Department of Economic Development
Bryan Hunt, Office of Management and Budget
Angela Dizelos, Office of Management and Budget
Naeem Mia, Office of Management and Budget
Michael Coveyou, Department of Finance

Fiscal Impact Statement
Bill 5-12, Administration – Small Business Navigator – Established

1. Legislative Summary

Bill 5-12 would require the Executive to appoint a dedicated staff member to assist small businesses to comply with County requirements and regulations, and to serve as the primary point of contact between a small business and each County department or agency with which the small business must interact. Small businesses often have trouble understanding and complying with County requirements and regulations. Currently, there is no dedicated staff member available in the Offices of the County Executive to help small businesses meet County requirements.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

No change in County revenues is anticipated or assumed as a result of this bill.

Assumed expenditures for one (1) new Manager II position and one (1) new Principal Administrative Aide (PAA) to administer the program are shown in item 3 below. A senior-level position is necessary as the position is assumed to require at least ten years of experience in working with small business firms.

This individual will advise the Executive, the Council, the Chief Administrative Officer, County Department heads, the Planning Board, and any other appropriate government agency, of any action needed to assist small businesses; assess issues; receive complaints; and, be the point of contact for a universe of about 30,000 small businesses in the County.

The position will also need to coordinate with the Department of Economic Development, Department of Permitting Services, and the Office of Procurement in providing assistance to small businesses. The PAA position will provide general administrative support and assist with database development and maintenance.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Continued on next page

(New) Manager II	Full Year Reference Cost	First Year FY13 at .8 FTE	2nd Year FY14 1.0 FTE	3rd Year FY15	4th Year FY16	5th Year FY17	6th Year FY18
Salary & Wages (c)	\$ 104,000	\$ 83,200	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000	\$ 104,000
Fringes 30% (c)	\$ 31,200	\$ 24,960	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200	\$ 31,200
Sum (PCs)	\$ 135,200	\$ 108,160	\$ 135,200	\$ 135,200	\$ 135,200	\$ 135,200	\$ 135,200
OE - OTO (a)	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
OE - Ongoing (b)	\$ 1,000	\$ 1,600	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Subtotal ->		\$ 112,760	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200	\$ 137,200

(New) Principal Administrative Aide	Full Year Reference Cost	First Year FY13 at .6 FTE	2nd Year FY14 .75 FTE	3rd Year FY15	4th Year FY16	5th Year FY17	6th Year FY18
Salary & Wages (c)	\$ 43,300	\$ 25,980	\$ 32,475	\$ 32,475	\$ 32,475	\$ 32,475	\$ 32,475
Fringes 30% (c)	\$ 12,990	\$ 7,794	\$ 9,743	\$ 9,743	\$ 9,743	\$ 9,743	\$ 9,743
Sum (PCs)	\$ 56,290	\$ 33,774	\$ 42,218	\$ 42,218	\$ 42,218	\$ 42,218	\$ 42,218
OE - OTO (a)	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
OE - Ongoing (b)	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750	\$ 750
Subtotal ->		\$ 36,524	\$ 42,968	\$ 42,968	\$ 42,968	\$ 42,968	\$ 42,968
Total Cost Estimate		\$ 149,284	\$ 180,168	\$ 180,168	\$ 180,168	\$ 180,168	\$ 180,168

(a) One-time only office furniture, laptop w/ docking station, office phone costs, wireless data device.

(b) Office phone, IT support, wireless data plan, miscellaneous office supplies, and mileage reimbursements.

(c) S & W and Fringes flatlined due to unknown future wage agreement, health care, retirement costs.

Notes: 0.8 FTE for the MII position is assumed in FY13 due to the time it will take to recruit and hire this position.

The PAA position will only be funded at 0.75 FTE based on anticipated job duties and responsibilities.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Personnel costs for this position are currently flat lined due to uncertainty about future wage agreement, health care, and retirement costs.

5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable. Bill 5-12 does not authorize future spending.

6. An estimate of the staff time needed to implement the bill.

The new MII position is estimated at 0.8 FTE in the first year of implementation (FY13) due to the time necessary for recruitment and hiring. On-going funding will be at 1.0 FTE.

The new Principal Administrative Aide (PAA) position will be funded at 0.6 FTE in the first year of implementation (FY13), based on anticipated job duties and responsibilities. On-going future funding will be at .75 FTE.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

These would be new positions hired specifically to perform the duties and tasks set forth in Bill 5-12. The current staff at the Offices of the County Executive could not absorb this new workload within their presently assigned job duties.

8. An estimate of costs when an additional appropriation is needed.

An additional appropriation of \$149,284 would be needed in FY13, as detailed in item 3.

9. A description of any variable that could affect revenue and cost estimates.

Variables that impact collected revenue are not applicable. Variables that impact the position's cost estimates are future wage agreements, health care, and retirement costs.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Future wage agreements, health care, and retirement costs (for all employees) are uncertain or difficult to project.

11. If a bill is likely to have no fiscal impact, why that is the case.

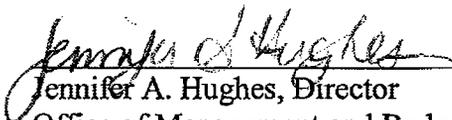
An impact on expenditures will occur due to the creation and filling of a new position.

12. Other fiscal impacts or comments.

The new Manager II and Principal Administrative Aide positions are the minimum required resources to support the program established by this bill. If demand for services increase, then additional resources and staffing will be required for continued support.

13. The following contributed to and concurred with this analysis:

Sonetta Neufville, Offices of the County Executive
Peter Bang, Department of Economic Development
Michael Coveyou, Department of Finance
Angela Dizelos, Office of Management and Budget
Bryan Hunt, Office of Management and Budget
Naeem Mia, Office of Management and Budget
Pam Jones, Office of Procurement



Jennifer A. Hughes, Director
Office of Management and Budget

3/22/12
Date

Economic Impact Statement
Bill 5-12, Administration -Small Business Navigator -Established

Background:

This legislation would require the Executive to designate an employee in the Office of the Executive or the Office of the Chief Administrative Officer as the Small Business Navigator. The Small Business Navigator would advise of any action needed to assist small businesses to comply with County requirements and regulations; serve as the primary point of contact between a small business and the County; develop and maintain a database of information necessary for a small business to comply with County requirements and regulations; and advise small businesses on how to comply with County requirements and regulations

1. The sources of information, assumptions, and methodologies used.

Not applicable—this legislation is administrative only.

2. A description of any variable that could affect the economic impact estimates.

Not applicable—this legislation is administrative only.

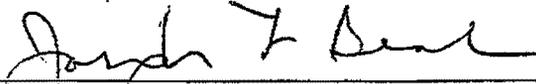
3. The Bill's positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

While this legislation is predominantly administrative in nature, its intent is to authorize support for local small businesses which are an important part of the local economy. However, since the role of the authorized position of Small Business Navigator is to support local small businesses it is not possible to reliably quantify its impact on local economic factors such as employment or investment.

4. If a Bill is likely to have no economic impact, why is that the case?

Not applicable—this legislation is administrative only.

5. The following contributed to and concurred with this analysis: David Platt and Mike Coveyou, Finance



Joseph F. Beach, Director
Department of Finance

3/16/12
Date