



ALABAMA SMALL BUSINESS COMMISSION
2017 ANNUAL REPORT

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I. LETTER FROM THE CHAIR

The Honorable Kay Ivey
Governor of the State of Alabama
State Capitol
Montgomery, Alabama

Dear Governor Ivey:

On behalf of the Alabama Small Business Commission (the Commission) enclosed please find the 2017 summary report of the activities, recommendations, and accomplishments of the Commission.

In the third year of the Commission, members continued to debate issues and consider new and existing opportunities to promote small business success. The Commission presented legislative recommendations and supported executive branch initiatives designed for the benefit of the small business community. With ongoing support from the Commission members, the Legislature passed numerous legislative proposals supporting small business owners and their employees.

The Commission has continued its partnership with the Alabama Executive Veterans Network (AlaVetNet) to distribute 5,000 “Veteran-Owned Business” decals. A veteran business owner displays the decal in visible spot in his or her business. The decals inform consumers they are supporting an Alabama veteran-owned business.

In 2017 Atlas Alabama, the state’s small business website, continued to serve small businesses in Alabama by providing them a wide range of information in a central location that is easy to navigate. Atlas Alabama partnered closely with the Alabama Department of Revenue to promote the website. The Alabama Department of Revenue promoted the website at seminars and by listing it on their own website. In addition, Atlas Alabama expanded the counties and municipalities that have landing pages. All 67 counties and 462 municipalities will have landing pages by the end of 2017. These landing pages were created at no cost to the counties or municipalities.

We are honored to serve on the Commission, and we appreciate the confidence and trust you have placed in our efforts. As you know, the Commission operates at no cost to the tax payer and the members receive no compensation for their service. Thank you for your review of the accomplishments we have made this year.

Respectfully submitted,

Rosemary Elebash

Rosemary Elebash
Chair, Alabama Small Business Commission and Advisory Committee

II. MEMBERS OF THE ALABAMA SMALL BUSINESS COMMISSION AND ADVISORY COMMITTEE

Small Business Commission Members

Beau Holmes, *Owner, Quantum Logistics, LLC*

Bill Youngblood, *Owner, Youngblood Real Estate*

Curtis Richardson, *President, C & J Electrical Service, LLC*

Donna Kerr, *Owner, Robbie's of Fayette*

Dwight Gamble, *President and CEO, HND First Bank*

Edward Wayne Bassett, *Partner, Beck's Turf*

Jheovanny Gomez, *Co-Owner, Jalapenos Restaurant*

John L. Mitchell, Jr., *Principal, Mitchell Nissan*

Joseph Ogelsby, *Owner, Monroe Scrap Material, Inc.*

Keith Kelley, *Agent, Harris McKay Realty / Century 21*

Krista Conlin, *Principal, KC Projects LLC*

Lee R. Henderson, *Owner, Which Wich sandwich franchises*

Lisa Patterson, CPA, *Principal, Patterson-Prince & Associates*

Lynne Frakes, *COO, Cable Television of East Alabama; President, RM Greene, Inc.*

Paul Hutcheson, *Owner, Hutcheson Construction*

Peter "Greg" Gregerson, Jr., *Owner, Gregerson's Foods*

Rosemary Elebash, *Alabama State Director, NFIB*

Senator Paul Sanford, *Owner, Little Paul's Barbecue*

Stacia Robinson, *Principal, Benechoice Companies*

Judy Ryals, *President and CEO, Huntsville/Madison County Convention & Visitors Bureau*

Brian Roth, *CFO, IndusTREE Timber Inc.*

Stinson Ellis, *Food Safety Manager, Priester's Pecans*

Les Letlow, *Principal, The Letlow Company, LLC*

Charlotte Meadows, *Co-Owner, Alabama Allergy and Asthma Clinic, PC*

Tripp Powell, *President and Owner, Kuykendall and Powell Oil Co. Inc.*

Representative Ritchie Whorton, *Co-Owner, All Star Pools*

Advisory Committee Members

Fitzgerald Washington, *Commissioner, Alabama Department of Labor*

George Buchanan, *Executive Vice President, Regions Financial Corp.*

Greg Canfield, *Secretary, Alabama Department of Commerce*

Jeremy Arthur, *President and CEO, Chamber of Commerce Association of Alabama*

Jerry Mitchell, *President and CEO, North Alabama African American Chamber of Commerce*

Kenneth Boswell, *Director, Alabama Department of Economic and Community Affairs*

Jim Searcy, *Executive Director, Economic Development Association of Alabama*

Vernon Barnett, *Commissioner, Alabama Department of Revenue*

Ken Smith, *Executive Director, Alabama League of Municipalities*

Jimmy Baker, *Chancellor, Alabama Community College System*

Nichelle Nix, *Director, Governor's Office of Minority Affairs*

Paulette Risher, *Chief Programs Officer, Still Serving Veterans*

Sonny Brasfield, *Executive Director, Association of County Commissions of Alabama*

Arleen Alexander, *Government Relations Manager, Alabama Department of Revenue*

Baker Allen, *Office of Governor Kay Ivey, Economic Policy Advisor*

Shane F. Kearney, *Economic Development Manager, Alabama Power*

Boone Kinard, *Special Assistant to Chancellor of Alabama Community College System, Government Affairs*

Eddie Postell, *Manager of the Office of Small Business Advocacy, Alabama Department of Commerce*

III. BACKGROUND AND PURPOSE

The Voice of Small Business Owners

On September 15, 2014, Executive Order 47 established the Alabama Small Business Commission (the Commission). In the 2015 legislative session, Act No. 2015-450 codified the Alabama Small Business Commission and the Alabama Small Business Advisory Committee.

The Commission serves as an advisory body in formulating policies, encouraging innovation, and discussing issues critical to the economic growth of small and independent businesses and their interest in the State of Alabama. Furthermore, the Commission promotes policies to assist new business start-ups and expansion of existing businesses. The Commission meets quarterly and produces an annual report which is submitted to the Governor.

In accordance with Section 41-29-240 of the Code Alabama, the Alabama Small Business Commission performs the following policies:

- Formulate policies encouraging innovation of small business in the state;
- Discuss issues critical to the economic growth of small, independent businesses and their interests that will encourage the formation of and foster the growth of small businesses in the state;
- Advise the Department of Commerce in formulating and promoting policies relating to small businesses;
- Act as an advocate for small businesses and the entrepreneurs who work to create opportunities for new small businesses and sustain those that are already in existence; and,
- Promote policies to assist new business start-ups and expansion of existing businesses.

Current Small Business Environment

Based upon comparative research among other states, Alabama has a relatively positive environment for starting and operating small businesses. Numerous national ranking and surveys of business “friendliness” consider Alabama’s tax environment, ease of hiring new employees, legal system, and other key factors as conducive for small business success.

The U.S. Small Business Administration’s Office of Advocacy most current information for Alabama’s 2017 Small Business Profile:

- Alabama is home to 382,524 small businesses;
- Small businesses represent 96.7 percent of all businesses in Alabama and employ about 47.7 percent of the state’s private workforce;

- Small business with fewer than 100 employees have the largest share of small business employment;
- The three Alabama industries with the most small business jobs are: Agriculture and Forestry; Services; Construction;
- Over 30.7 percent of Alabama’s small businesses are minority owned; and,
- Small businesses made up 81.2 percent of Alabama exporting companies and generated 15.4 percent of Alabama’s total known export value.

The state’s overall business climate has seen improvement throughout the year. Alabama’s unemployment rate declined throughout 2017 from 6.4 percent in January to 3.5 percent in November. The unemployment rate for November 2017 was a historic low for Alabama.

Small Business Interaction with State Government

Small businesses understand that many of the regulations affecting business activity are managed by the executive branch agencies through their policies and management. Licensing, permitting, and tax collection are all functions of the executive branch and its agencies, which the Governor manages directly. These entities interact with small businesses on a regular basis. It is important to ensure that the processes and procedures that guide those interactions generate a positive environment for small businesses. This requires agencies and their employees to work smoothly and consistently when they interact with small businesses.

It is also important for executive agencies to enable small business development by encouraging growth and success rather than undermining it with the proverbial “red tape,” onerous rules and regulations, lack of transparency, accountability, and customer service. It is imperative that small business owners and agency personnel constantly evaluate policies and procedures to ensure that the costs of regulation and compliance do not exceed the benefit of the intended purpose.

Finally, the Commission members are often leaders in their local business communities and can provide “two-way traffic” for information and communications to the Governor. Members already do an excellent job of communicating with local media, Chambers of Commerce, trade associations, and other business networks to share updates and accomplishments. They also use these networks to gather feedback and provide input on policies and regulations affecting small businesses at the Small Business Commission meetings. These diverse, statewide, and informal networks will continue to provide valuable perspectives on what small businesses experience around the state and on an ongoing basis.

IV. ORGANIZATION AND APPROACH

The Alabama Small Business Commission was created in 2014 through Executive Order 47, and codified in 2015. The commission is comprised of direct owners and managers of small businesses from around the state. Currently, the Commission has 26 members and is the first known entity throughout the United States. A Commission member is appointed for a two-year term with the option to be reappointed for an additional two-year term.

A small business is defined as a private company headquartered in Alabama with at least one full-time employee but generally fewer than 50 employees. Other governmental entities, particularly at the federal level, use numbers as high as five hundred employees to define a small business. In Alabama, more than ninety-nine percent of all private companies have fewer than five hundred employees, so that common metric was not considered a useful, distinguishing characteristic.

To facilitate the Alabama Small Business Commission's mission, Act 2015-450 also created the Alabama Small Business Advisory Committee (the Committee) which serves to provide technical and information sources. The Committee does not vote on Small Business Commission recommendations but does provide valuable input on matters relating to state government practices, existing policies and procedures, and local government relationships. In addition to providing background information and technical assistance, the Committee members provide guidance on current practices, proposed recommendations, and information and data needed to bolster decision-making by the Commission members. The Advisory Committee members attend all meetings and serve as a tremendous resource to the Small Business Commission.

The Small Business Commission is part of the Office of Small Business Advocacy within the Department of Commerce. Because the Department of Commerce is a cabinet-level agency, findings and recommendations that can improve economic and business development can easily be relayed to the Governor. While in practice this organization did not change the goals or function of the Small Business Commission when it was only an executive order, including the Small Business Commission in the Code of Alabama secures the commission's future as an executive branch entity and a vital contributor to small business development and policy in Alabama.

The Commission and Advisory Committee meet quarterly in person or by teleconference and will meet in smaller subcommittees on an as-needed basis. All meetings are posted through the Secretary of State's office on Open Meetings. The majority of meetings have been held in Montgomery for ease of access because it is a central location geographically. However, other sites have and will continue to be used for special programs, tours, and site visits intended to educate members on small business opportunities, challenges, and special topics.

Atlas Alabama

Atlas Alabama (www.atlasalabama.gov) is a free online comprehensive resource for entrepreneurs and small business owners throughout the state. Atlas Alabama provides resources for Alabamians interested in starting or expanding a small business. The website launched in the fall of 2014 and works in partnership with the Small Business Commission to facilitate and promote small business development.



Charting the course to small business success

The Atlas Alabama website successfully serves Alabama’s small business community. Not only does the website provide important information, it easily connects small businesses to that information in one place. Over the last three years, Atlas Alabama averages 1,200 unique visitors a month. During those visits, users are viewing at least two pages per session. The most visited pages on Atlas Alabama are those pertaining to loans and financing, basics of starting a business, local resources, and state agencies.

As conceived, the website includes information, checklists, and helpful links to state agency websites so that entrepreneurs can follow the steps required to launch or manage existing businesses. Also, when needed, aspiring entrepreneurs can get business support and assistance through agency personnel and affiliated partners. This provides confidence to small businesses that they are satisfying all state-level requirements. The goal is to simplify and streamline the process for obtaining basic, comprehensive information related to the full life cycle of a business: launching, growing, managing, and even exiting a business. Atlas Alabama helps “customers” answer basic questions, such as:

- “What do I need to do to start a business?”
- “Where do I go to get financing?”
- “What information do you have that can help make my business more successful?”

In 2017, more resources were included on Atlas Alabama. Previously, the website only contained landing pages for the 20 most-populated municipalities. Landing pages connect the user directly to the local business license officers, tax officials, and chambers of commerce for municipalities. By the end of 2017, all 462 municipalities will have a landing page on the website. While every county had contact information, not every county had a landing page. Information about counties has been upgraded from just contact information to having a landing page for all 67 counties. This service was provided at no cost to the cities or counties. Atlas Alabama has improved marketing and promotion by working with the Alabama Department of Revenue. During the Alabama Department of Revenue’s Business Essentials for State Taxpayers (B.E.S.T.) seminars, information about Atlas Alabama is included. The Alabama Department of Revenue promotes Atlas Alabama on their website www.revenue.alabama.gov.

Atlas Alabama aims to make helpful and informative resources readily available for small businesses. The website continually updates the services available to meet the changing needs of small businesses. Atlas Alabama continues to evolve as new features are added and greater integration with state and local resources grows.

V. INITIATIVES AND ACTIVITIES

Legislative Action

The responsibilities of the Small Business Commission are to formulate, advocate, and support policies that will positively impact small businesses in Alabama. To positively impact small businesses, the Commission focused on encouraging new business creation and promoting the growth and success of existing businesses. An important component in advocating for small business is through recommendations for legislative and executive action. In 2017, the Small Business Commission actively developed and voted to support legislation designed to benefit small businesses in the state. Below are summaries of legislative accomplishments.

- **Franchise Business Protection Act**

HB 390 by Rep. Jim Carns

This bill clarifies the definition of the employment relationship and stops state enforcement agencies and local governments from expanding the new federal joint-employer standard. In 2015, the National Labor Relations Board (NLRB) changed the rules on America's small businesses. The NLRB's joint-employer standard poses a significant threat to the franchise business model. Small business has seen increased regulatory actions along with prosecution of the McDonald's corporation as a joint employer. The legislation clarifies the franchisee is the owner of the business and the ultimate employer of any individuals who work in that business. Alabama is the 11th state to pass legislation.

Final Result: HB 390 passed and was enacted as Act 2017-391.

- **Business Delivery License Reform**

SB 316 by Sen. Paul Sanford and Rep Paul Lee

This bill makes changes to the municipal business delivery license law which has long been sought by Alabama's small businesses. The changes will exempt a business from the purchase of a delivery license if its deliveries do not exceed \$10,000 annually and the business has no physical presence in the municipality or police jurisdiction. The other provisions remain the same including deleting provisions for increases and sets the fee at \$100 for a business delivery license and capped the issuance fee at \$10.

Final Result: SB 316 passed and was enacted as Act 2017-415.

- **Paperwork Reduction for Business and Government**

HB 242 by Rep. Danny Garrett

This bill will reduce paperwork filings for business owners. Currently, the law allows the business owner/officer to be exempt from coverage under worker's compensation by filing a written certification with the Dept. of Labor (DOL) and the employer's insurance carrier. HB 242 removes the filing requirement with DOL and will reduce filings by insurance carriers and individual parties. The elimination of these filings will reduce DOL employee time for maintaining these filing records. If a dispute arises between the insurance carrier and corporate officer, the deciding factor will be whether premiums are paid, not the certification filing with DOL.

Final Result: HB 242 passed and was enacted as Act 2017-390.

- **Municipal Business License Exemption**

HB 422 by Rep. Paul Lee

This bill would provide that a business license is not required for a person travelling through a municipality on business if the person is not operating a branch office or doing business in the municipality.

Final Result: HB 422 did not pass, but it will be reintroduced in the 2018 Legislative Session.

- **Administrative Procedure Act**

SB 33 by Sen. Paul Samford

This bill would require state agencies that propose a rule change to notify the Legislative Council if the rule change has been legally challenged by a taxpayer or other entity. The notice shall state whether the proposed adoption, amendment, or repeal of the rule relates to or affects any litigation which the agency is a party to concerning the proposed rule.

Final Result: SB 33 did not pass, but it will be reintroduced in the 2018 Legislative Session.

- **Unemployment Compensation Benefits**

SB 188 by Sen. Arthur Orr

This bill would reduce the number of weeks to draw unemployment benefits payable from 26 weeks to the lesser of 14 weeks, or a maximum of 20 weeks, depending on the statewide average unemployment rate. The bill would raise the weekly benefit amount from \$265 to \$275. An individual enrolled in a training or certification program certified by the Al. Dept. of Labor will be granted an additional five weeks of benefits.

Final Result: SB 188 did not pass, but it will be reintroduced in the 2018 Legislative Session.

- **Rate Notification Change**

SB 216 by Sen. Paul Sanford

This bill would require local taxing jurisdictions to notify the Dept. of Revenue 60 days in advance of implementing a tax rate change. If the taxing jurisdiction provides an incorrect tax rate, the business/taxpayer would be held whole harmless for payments at the incorrect tax rate. Currently, the notification is 30 days and the taxpayer is held liable for filing a published incorrect tax rate.

Final Result: SB 216 did not pass, but it will be reintroduced in the 2018 Legislative Session.

- **Veterans Tax Credit**

SB 66 by Sen. Gerald Dial

This bill would rename the Heroes for Hire Tax Credit Act of 2012 as the Veterans Employment Act and would allow certain small businesses to qualify for a tax credit for hiring an unemployed veteran regardless of when the veteran was discharged from active service. An additional one thousand (\$1,000) tax credit to the business that meets the requirements of the Full Employment Act of 2011 and/or the Alabama Small Business and Agribusiness Jobs Act. Credited against the income tax liability imposed on the state portion of the financial institution excise tax owed. Must be a full-time position and the majority of the duties are at a business location within Alabama.

Final Result: SB 66 did not pass, but it will be reintroduced in the 2018 Legislative Session.

Executive Agency Action

Working with the Governor and her Cabinet, including several members of the Advisory Committee, the Commission successfully designed and proposed initiatives in 2017 that were implemented by the executive branch without requiring legislative action. The Commission considers these to be prime opportunities to impact small business success with direct executive action in a variety of ways including communications and public relations, agency protocols and policies, and specific programmatic opportunities. This year, the Commission pursued the initiatives as outlined below.

- **Veteran-Owned Business Decal**

In January 2016, the Commission, in conjunction with Governor's Office and the Alabama Executive Veterans Network, announced the launch of the "Veteran-Owned Business" decal. Alabama is a pro-business and pro-veteran state, and the program is aimed at recognizing the approximately 25,000 Alabama veteran-owned businesses, according to the U.S. Census. By the end of 2017, 5,000 decals were distributed to veteran-owned businesses. When a business displays the decal, a consumer will know they are supporting a veteran-owned business.



- **Advisory Committee Appointments**

This year, the Commission welcomed the addition of eight new appointments to the Small Business Advisory Committee. The Director of the Alabama Department of Economic and Community Affairs Ken Boswell and the Commissioner of the Alabama Department of Revenue Vernon Barnett were the two new cabinet heads to join the Committee. The new Chancellor of the Alabama Community College System Jimmy Baker and Boone Kinard, Jimmy Baker's proxy, who is the Special Assistant to Chancellor of the Alabama Community College System for Governmental Affairs joined the Advisory Committee. The Governor's Economic Policy Advisor Baker Allen joined the Advisory Committee. Arleen Alexander who is the Alabama Department of Revenue's Government Relations Manager is the point of contact for the Atlas Alabama website joined the Advisory Committee. Secretary Greg Canfield's proxy Eddie Postell who is the Manager for the Office of Small Business Advocacy joined the Advisory Committee. Alabama Power's Economic Development Manager, Shane Kearney, was added to the Advisory Committee. These appointments have worked in their respective offices to assist small businesses and small business employees and will bring a wealth of knowledge to the Committee and serve as valuable resources to the Commission.

- **Small Business Commission Appointments**

In 2017, six new members were added to the Small Business Commission. The new members of the Commission are:

- Judy Ryals, *President and CEO of the Huntsville/Madison County Convention & Visitors Bureau;*
- Brian Roth, *CFO of IndustREE Timber Inc;*
- Stinson Ellis, *Food Safety Manager at Priester’s Pecans;*
- Charlotte Meadows, *Co-Owner of Alabama Allergy and Asthma Clinic, PC;*
- Tripp Powell, *President and Owner of Kuykendall and Powell Oil Co. Inc;* and,
- and Representative Ritchie Whorton, *Co-Owner of All Star Pools.*

- **“Small Business Saturday” Proclamation**

The Commission worked with the Governor and her staff to promote “Small Business Saturday” in Alabama, which was November 25, 2017, the day after Black Friday. The Governor signed a proclamation recognizing this date as Small Business Saturday in Alabama in an effort to encourage Alabamians to support and patronize small and independent businesses.

- **“Apprenticeship Week” Proclamation**

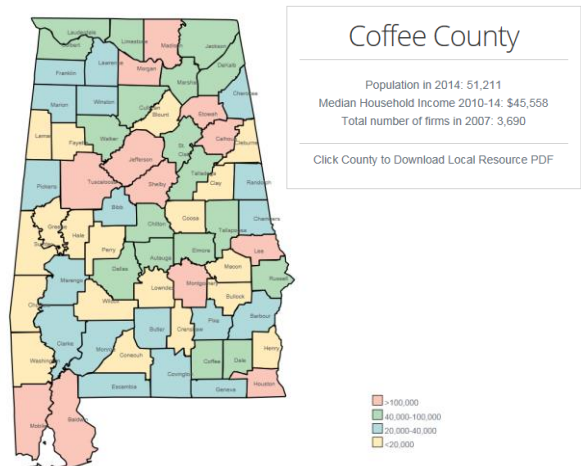
The Commission worked with the Governor, her staff, and the Alabama Department of Commerce’s Workforce Development Division to promote “Apprenticeship Week” in Alabama, which was November 13 through November 19, 2017. The Governor signed a proclamation recognizing this week as Apprenticeship Week in Alabama in an effort to highlight the creation of Apprenticeship Alabama, an entity which will provide the leadership and infrastructure to ensure the advancement and expansion of Registered Apprenticeships by assisting employers with access to the tools and human capital needed to advance workforce and economic development.

Other Activities

Not all of the Commission’s activity requires legislative or executive action. The Commission members met several times this year to discuss and address a variety of issues important to the small business community and to benefit from educational presentations from members of the Advisory Committee and other organizations. Members also continue to be active in their communities, sharing ideas for business development and employment growth as well as advancing small business policy initiatives. The following are initiatives and events of note to the Commission:

- **Atlas Alabama**

Atlas Alabama, the state small business website, continues to evolve to meet the needs of constituents. This year, Atlas Alabama continued its partnership with state agencies, counties, and cities to add their information to the website for the convenience of small business owners. Site visitors can use the interactive County Directory Map and Municipal Directory to access county and city landing pages. Last year, only the top twenty counties and cities by population had a landing page. By the end of 2017, all 462 municipalities and 67 counties will have a link to their landing page. Helpful information on utilities, news, and information is updated on a timely basis. The home page was redesigned to highlight key features and reflect the growth of Atlas Alabama.



The Alabama Department of Revenue has also integrated Atlas Alabama into their Business Essentials for State Taxpayers (B.E.S.T.) seminars and through the Department’s website at www.revenue.alabama.gov. Atlas Alabama has an active social media presence, with up-to-date information on small business news and events on Facebook, Twitter and a YouTube channel.

Recent analytics for the site suggest a very positive response by entrepreneurs to Atlas Alabama over the past 3 years. In an average month, the site is viewed by more than 1,200 unique visitors. The average duration of each session is 2.5 minutes, and users view at least 2 pages per session. The most visited pages on Atlas Alabama are those pertaining to loans and financing, basics of starting a business, local resources, and state agencies.

- **Commission Meetings**

The Small Business Commission met three times in 2017 through a combination of teleconference and on-site meetings. The first Commission meeting of the year was held in Montgomery at the Alabama Center for Commerce. The subsequent meeting was conducted by teleconference. The final meeting was held at Auburn University in the Center for Advanced Science, Innovation and Commerce. Each meeting focused on current issues facing small businesses and provided the opportunity for members of the Advisory Committee and outside organizations to present relevant information to members.

During the Commission’s first meeting of the year, the members traveled to Montgomery to meet in the Alabama Center for Commerce. The members were greeted by the Governor who gave

opening remarks. Throughout the day, the members heard presentation from the Alabama Securities Commission, the United States Secret Service, and the Alabama Community College System. The meeting concluded with an update on the Atlas Alabama website.

Via teleconference, the Commission held their second meeting in June. During the call, members discussed their legislative victories in 2017 and the challenges for the 2018. They were excited to welcome the new Alabama Department of Economic and Community Affairs Director Ken Boswell and Vernon Barnett the Commissioner of Alabama Department of Revenue to the Small Business Commission Advisory Committee.

At the Commission's fourth quarter meeting, the presenters from Auburn University shared information on their programs including entrepreneurship, engineering, agriculture, forest products, and Auburn's county extension operations. The meeting concluded with a tour of the aquaponics facility.

VI. NOTES ON IMPLEMENTATION AND RESULTS

Legislative successes are often defined by whether a piece of legislation passed or failed. The impact on small business often lies with the state’s execution of a specific policy or procedure, or how tax incentives or regulatory burdens change over time. These policy changes ultimately affect small business profitability, hiring decisions, capital investments, and expansion plans. One factor that is often overlooked or underestimated is the impact on future generations of potential entrepreneurs. For example, does a policy or regulation encourage or discourage new business creation? Does it raise existing hurdles to new business formation or lower them?

Given the nature of legislation today, many detailed policy prescriptions may impact only subsets of the small business segment in the Alabama economy. A potential new law may be vitally important to a specific industry and then have no impact whatsoever on another industry. Furthermore, changes to the small business environment on a macro level may be felt years down the line, given the natural growth and impact of incentives and policy changes on businesses over time.

For these reasons, it is often difficult to link statewide metrics – across the entire small business community – with individual pieces of legislation. The Commission strives to identify policy and program initiatives that will have far-reaching effects on small business statewide. However, the Commission recognizes that a piece of legislation with a narrow scope can have a broad impact on the business environment. Additionally, it is sometimes necessary to pursue multiple pieces of legislation with a narrow scope to improve the overall business climate.

Aside from the success of specific program and policy implementations, and their related measure, the Commission anticipates that the Governor and State of Alabama will ultimately see important improvement across several key statewide metrics, including:

- Increasing contribution from small business to the State GDP;
- Increases in the number of small businesses formed each year;
- Increasing employee headcount;
- Increasing number of small business hires; and,
- Decrease in small business “deaths” (closures, bankruptcies).

Advisory Committee participation has helped the Commission to access such information at the state level and will continue to do so. The Labor Market Information division at the Department of Labor tracks many of these metrics and in even more detail by industry and geography.

A significant advantage of the Commission’s status as a permanent, codified entity is that members will have the opportunity to see the results of implemented policies over time and still be in a position to draw conclusions and act upon the results. This should also place a renewed emphasis on the importance of establishing and monitoring metrics for success.

VII. CONCLUSION

As the Small Business Commission concludes its third full year of operation, it continues to pursue legislation and initiatives that improve the business climate of Alabama. The Commission developed a series of recommendations and successfully contributed to the passing and signing into law three out of eight legislative priorities. During the upcoming 2018 Legislative Session, we expect to see additional discussion and possible legislative action on the five bills which did not pass this year.

The Commission looks forward to 2018 and the opportunity to address new small business priorities in Alabama. As prescribed in statute, members of the Small Business Commission can serve two years with the option to be reappointed for an additional two-year term. In 2018, the majority of the Commission members will serve their final year of their reappointment. This will require the Governor's Office to appoint new members to the Commission.

The Commission will continue to meet regularly in person or by teleconference and may, if needed, organize subcommittees to focus on key opportunities and issues for the year. Since the business environment is always evolving, the Commission will continue to develop the Atlas Alabama website with more advanced functions, additional information, and new services. Atlas Alabama strives to be the comprehensive and authoritative site for Alabama small business resources and information.

The Commission is confident and committed to the fact that small businesses will lead the way with economic growth and employment opportunities for the citizens of Alabama. The Alabama Small Business Commission and Advisory Committee members appreciate the opportunity to serve the Governor and the citizens of Alabama in this worthy effort.

VIII. APPENDIX

During the course of the year, the Commission developed legislative recommendations and supported numerous executive branch initiatives. In some cases, these actions resulted in, or contributed to, formal actions by state government; others resulted in work product of note. For that reason, the Commission has assembled many such examples for your review and records.

In the attached Appendix, please find the documents listed below:

- A. Executive Order 47 – Establishing the Commission
- B. Act 2015-450 – Codifying the Commission
- C. SBC Legislation Codified in the 2017 Legislative Session
 - 1. Franchise Business Protection Act– Act 2017-391
 - 2. Business Delivery License Reform – Act 2017-415
 - 3. Paperwork Reduction for Business and Government – Act 2017-390
- D. Executive Proclamations
 - 1. Small Business Saturday Proclamation
 - 2. Apprenticeship Week Proclamation
- E. Veteran-Owned Business Decal
- F. Quarterly Meeting in Montgomery
- G. Quarterly Meeting via Teleconference
- H. Quarterly Meeting at Auburn University