

APPENDIX B-15: FLORIDA



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Overview

Florida's economic growth is one of the success drivers for businesses that choose to locate in Florida. With a growing consumer market, an expanding talent pool, a supportive government, and a strong asset base, Florida offers companies the right conditions for long-term success. The state's vitality and economic growth are evident in its strong business and economic indicators.

On a scale of 1-50 (with a ranking of one being best) *Forbes* magazine ranked Florida 7th overall as one of the best states for business".¹ If it were its own country, Florida would be the 19th largest economy in the world. It is not only one of the largest states in the US, but also one of the fastest growing, in terms of population, economic growth, personal income, employment, and other statewide indicators.

Florida's <i>Forbes</i> Rankings	
Overall Rank	7
2006 Rank	9
Business Costs Rank	31
Labor Rank	15
Regulatory Environment Rank	12
Economic Climate Rank	1

Some key economic facts about Florida are:

- Florida's population grows by about a third of a million new residents each year.
- The state is adding about a third of a million jobs a year—the most in the nation in sheer numbers, and also at one of the fastest growth rates.
- Florida's booming economy supports a higher standard of living. The state's total personal income lands it at the number one spot in the Southeast, and its 2006

¹ Kurt Badenhausen. "Special Report: The Best States for Business." *Forbes Magazine*. July, 2007. http://www.forbes.com/business/2007/07/10/washington-virginia-utah-bicz_kb_0711bizstates.html

- per capital income of \$35,798 places it 2nd in the Southeast and 20th in the nation.²
- Florida's economy encourages the growth of high-tech companies. Florida led the Southeast and ranked 4th nationwide in high-tech employment in 2006.³ Some of the other industries that have recorded significant economic growth in the state include professional & business services, trade, transportation, construction, leisure and hospitality, and education and health services.
 - Florida leads in international trade and investment. The total value of merchandise trade flowing in and out of the US via Florida has nearly doubled in the last decade, reaching \$110 billion⁴ in 2006. Similarly, total foreign direct investment (FDI) in Florida reached \$35.3 billion,⁵ making Florida one of the top states for FDI and FDI-related employment and further boosting the state's economic growth.

Florida is consistently ranked as one of the top pro-business states. It has a favorable business environment, with a low corporate income tax rate and no state personal income tax.

Florida is one of the emerging forces in the Innovation Economy due to the state's sustained efforts to create the right conditions for creative, knowledge-based businesses. The state is strategic about its economic development activities, which include funding research & development (R&D), attracting venture capital, building a state-of-the-art infrastructure, fostering innovative high-tech firms and preparing the qualified workforce to work in them.

Public Policy

The "State Competitiveness Report (SCR) 2007,"⁶ a study by the Beacon Hill Institute ranks a state's ability to produce high income, and generally a better quality of life for its citizens. The rankings compare all the states and rank them 1-50 (with a rating of one being the best). In this study, Florida receives a below average overall ranking of 33rd place. A large reason behind this ranking is Florida's relatively low ranking in security, technology and human resources. However, despite those low marks, the state does rank very high at 10th in government and fiscal policy.

In January 2007, the governor and legislature approved the Innovation Agenda, a 2007-2012 Strategic Plan for economic development⁷ that outlined the following priorities:

² "Florida Business Facts" July, 2007. [Eflorida.com](http://eflorida.com) Online.

http://eflorida.com/uploadedFiles/Why_Florida/FloridaBusinessFacts.pdf

³ "Florida Business Facts" [Eflorida.com](http://eflorida.com)

⁴ "Florida Business Facts" [Eflorida.com](http://eflorida.com)

⁵ "Florida Business Facts" [Eflorida.com](http://eflorida.com)

⁶ David Tureck, Jonathan Haughton, Frank Conte, and Christopher Doyon. *State Competitiveness Report 2007*. Boston: Beacon Hill Institute for Public Policy Research at Suffolk University, December, 2007. 24.

<http://www.beaconhill.org/Compete07/Compete2007State.pdf>.

⁷ "Florida Business Facts."

Build World-Class Talent

Talent has emerged as the top economic development issue for a knowledge-based economy. Education is the new bedrock for economic development. Skilled, educated talent at all levels (pre-K to 12, workforce, higher education) is a key to Florida's economic success for high-wage jobs and innovation.

Ensure Business Climate Competitiveness

Two business climate issues currently threaten Florida's competitiveness: available and affordable insurance and affordable workforce housing. To maintain a competitive business climate, Florida must also address the need for new incentive tools that reward productivity and innovation.

Promote Sustainable Development to Ensure Florida's Superior Quality of Life

The key to Florida's future quality of life will be a proactive approach to multi-faceted growth management challenges with balanced land use planning and multimodal infrastructure to meet future needs.

Invest in Florida's Innovation Economy

Science and technology-based economic growth founded on R&D has become the underlying source of wealth in the 21st Century. Innovation and new technologies are the major drivers for new firm formation that ultimately translate into the jobs of the future – high-wage, high value-added jobs in emerging industries that help to accelerate the diversification of the economy.

Establish Florida as a Pre-eminent Global Hub

Florida is known as the gateway to Latin America. To maintain global leadership, Florida's must advance its status from "international gateway" to "premier global business hub."

Accelerate Florida's Economic Diversification

A large, diversified economic structure is crucial to Florida's stability, prosperity and global competitiveness. The key elements of diversification include having multiple engines of industry growth, fostering balanced geographic growth and raising the quality of that economic growth – addressing issues of both the quantity and quality of growth of Florida's targeted industries.

Regulatory Affairs

Forbes ranks Florida as one of the best regulatory environments in the nation. The state is ranked 12th out of 50 states.⁸ Regionally, Florida ranked 3rd in its immediate area in the Deep South, with only Georgia (4th) and South Carolina (6th).

Despite that high ranking from *Forbes*, the 2007 Small Business Survival Index ranked Florida as the 5th worst state for its business environment.⁹ This index took into account government spending trends, tax policy, regulatory policy, workforce issues, and cost of doing business. The overall score for Florida was 45.485. The state with the best ranking was South Dakota at 25.914.

Unfortunately, on regulatory costs, no comparable analysis of state regulatory environments exists. However, the Small Business Survival Index took into account federal regulatory costs to better examine these same regulations at the state and local level. On September 19, 2005, The Small Business Administration's Office of Advocacy published a study estimating the costs of complying with federal regulations. Information from this report is detailed to better examine Florida.¹⁰

The per employee costs of federal regulations registered \$5,633 in 2004. However, that burden was not evenly distributed. For firms with less than 20 employees, the cost registered \$7,647, which was 41% higher than the \$5,411 per employee cost for firms with 20-499 employees, and 45% higher than the \$5,282 for firms with 500 or more employees.

In areas of environmental and tax compliance regulations, the burdens on small firms were even more daunting. On the environmental front, per employee regulatory costs for firms with less than 20 employees came in at \$3,296, which topped the \$1,040 cost for firms with 29-499 employees by 217% and the \$710 cost for business with 500 or more workers by 364%. In terms of tax compliance, the \$1,304 per employee costs for business with fewer than 20 employees exceeded the \$948 per employee cost for firms with 20-499 employees by 38% and the \$780 per employee costs for firms with 500 or more workers by 57%.

Small manufacturers got hit particularly hard. Cain reports: "The compliance cost per employee for small manufacturers is at least double the compliance cost for medium-sized and large firms."

The Small Business Administration's (SBA) Office of Advocacy has led a campaign to have states pass their own versions of the federal Regulatory Flexibility Act. The purpose is to:

- Require state agencies to assess the economic impact before imposing regulations

⁸ Badenhausen.

⁹ Raymond J. Keating. Small Business Survival Index 2007: Ranking the Policy Environment for Entrepreneurship Across the Nation 12th Annual Edition. Small Business & Entrepreneurial Council, Washington, DC, November, 2007. 2.
http://sbecouncil.org/Media/pdf/SBSI_2007.pdf?CFID=514256&CFTOKEN=91743709

¹⁰ Mark Crain. "The Impact of Regulatory Costs on Small Firms." Small Business Administration.
http://www.sbasc.org/Media/pdf/SBSI_2007.pdf

- To consider less burdensome alternatives
- To allow for judicial review of the process
- To periodically review all regulations

Measurement in the Small Business Survival Index is as follows:¹¹ regulatory flexibility legislation status (score of “0” for states with full and active regulatory flexibility statutes, a score of “0.5” for states with partial or partially used regulatory flexibility statutes, and a score of “1” for no regulatory flexibility statutes). Florida was given a score of 0.5 meaning that it is partially using the regulatory flexibility statutes.

Tort reform has been a priority for Florida. Some of the most recent successes include the elimination of joint and several liability rate reductions for workers’ compensation insurance and class-action suit reform.

The state's regulatory agencies and local governments provide quicker, less costly and more predictable permitting processes for significant economic development projects than many other states, and they do it without reducing environmental standards. Enterprise Florida provides permitting and regulatory assistance and state liaison services for businesses.¹²

Tax Policy

The 2008 State Business Tax Climate Index ranked Florida on a scale of 1-50 (with a ranking of one being the best) as the 5th best state for overall business tax climates.¹³ This was primarily due to the fact that Florida has no income and property tax systems and the seventh highest sales tax system. The five main components of the study included:

- The Corporate Tax Index
- The Individual Income Tax Index
- The Sales Tax Index
- The Unemployment Tax Index
- The Property Tax Index

Each of the 2008 rankings for Florida are listed below:

Florida	Overall Rank	Corporate Tax Index Rank	Individuals Income Tax Index Rank	Sales Tax Index Rank	Unemployment Insurance Tax Index Rank	Property Tax Index Rank
	5	14	1	19	2	18

¹¹ Keating.

¹² “Enterprise Florida Services.” November, 2007. [Eflorida.com](http://www.eflorida.com). Online.

http://www.eflorida.com/uploadedFiles/About_Us/EFI_Services/EFIServices.pdf

¹³ Chris Atkins and Curtis S. Dubay. *Background Paper: 2008 State Business Tax Climate Index*. October, 2007, Number 52. The Tax Foundation. 10. <http://www.taxfoundation.org/files/bp57.pdf>

Neighboring states ranked as follows: Georgia (20th), Alabama (21th) and South Carolina (24th).

Florida's stable and highly favorable tax climate provides advantages that make a Florida location profitable for many types of businesses.

- No corporate income tax on limited partnerships
- No corporate income tax on subchapter S-corporations
- No state personal income tax guaranteed by constitutional provision
- No corporate franchise tax on capital stock
- No state-level property tax assessed
- No property tax on business inventories
- No property tax on goods-in-transit for up to 180 days
- No sales and use tax on goods manufactured or produced in Florida for export outside the state
- No sales tax on purchases of raw materials incorporated in a final product for resale, including non-reusable containers or packaging
- No sales/use tax on co-generation of electricity¹⁴

Florida offers Sales and Use Tax Exemptions on:

- Machinery and equipment used by a new or expanding Florida business to manufacture, produce or process tangible personal property for sale
- Labor, parts and materials used in repair of and incorporated into machinery and equipment
- Electricity used in the manufacturing process
- Certain boiler fuels (including natural gas) used in the manufacturing process
- Semiconductor, defense and space technology-based industry transactions involving manufacturing equipment
- Machinery and equipment used predominantly in R&D
- Labor component of R&D expenditures
- Commercial space activity — launch vehicles, payloads and fuel, machinery and equipment for production of items used exclusively at Spaceport Florida
- Aircraft parts, modification, maintenance and repair, sale or lease of qualified aircraft
- Production companies engaged in Florida in the production of motion pictures, made-for-television motion pictures, television series, commercial music videos or sound recordings¹⁵

Florida offers bottom-line advantages for long-term profitability for all types of businesses, from corporate headquarters to manufacturing plants to service firms. The following are some of the tax incentives Florida offers to business:

Targeted Industry Incentives

¹⁴ "Tax Advantages" [Eflorida.com](http://www.eflorida.com). Online. <http://www.eflorida.com/ContentSubpage.aspx?id=470>

¹⁵ "Tax Advantages."

Qualified Target Industry Tax Refund (QTI)

The Qualified Target Industry Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per net new Florida full-time equivalent job created; \$6,000 in an Enterprise Zone or rural county. For businesses paying 150% of the average annual wage, add \$1,000 per job; for businesses paying 200% of the average annual salary, add \$2,000 per job. The local community where the company locates contributes 20% of the total tax refund. There is a cap of \$5 million per single qualified applicant in all years, and no more than 25% of the total refund approved may be taken in any single fiscal year. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

Qualified Defense Contractor Tax Refund (QDC)

Florida allows defense/homeland security contractors a competitive edge in consolidating contracts or subcontracts, acquiring new contracts, or converting contracts to commercial production. The Qualified Defense Contractor Tax Refund may be up to \$5,000 per job created or saved in Florida through the conversion of defense jobs to civilian production, the acquisition of a new defense contract, or the consolidation of a defense contract which results in at least a 25% increase in Florida employment or a minimum of 80 jobs.

Capital Investment Tax Credit (CITC)

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or be a corporate headquarters facility). Projects must also create a minimum of 100 jobs and invest at least \$25 million in eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations. The level of investment and the project's Florida corporate income tax liability for the 20 years following commencement of operations determines the amount of the annual credit.

High Impact Performance Incentive Grant (HIPI)

The High Impact Performance Incentive is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors designated by the Governor's Office of Tourism, Trade and Economic Development (OTTED). In order to participate in the program, the project must: operate within designated high-impact portions of the following sectors: biomedical technology, financial services, silicon technology, and transportation equipment manufacturing or be a corporate headquarters facility supporting international, national or regional operations; create at least 100 new full-time equivalent jobs (if a R&D facility,

create at least 75 new full-time equivalent jobs) in Florida in a three-year period; and make a cumulative investment in the state of at least \$100 million (if a R&D facility, make a cumulative investment of at least \$75 million) in a three-year period. Once recommended by Enterprise Florida, Inc. (EFI) and approved by OTTED, the high impact business is awarded 50% of the eligible grant upon commencement of operations and the balance of the awarded grant, once full employment and capital investment goals are met.

Workforce Training Incentives

Quick Response Training Program (QRT)

Quick Response Training is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A local training provider—community college, area technical center or university—is available to assist with application and program development or delivery. If the company has a training program, a state training provider will manage the training program and serve as the fiscal agent for the grant funds. Reimbursable training expenses include: instructors'/trainers' salaries, curriculum development, textbooks/manuals, and materials/supplies. This program is customized, flexible and responsive to individual company needs.

Incumbent Worker Training Program (IWT)

Incumbent Worker Training is a program that provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees.

Infrastructure Incentives

Economic Development Transportation Fund

The Economic Development Transportation Fund, commonly referred to as the "Road Fund," is an incentive tool designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision. The award amount is based on the number of new and retained jobs and the eligible transportation project costs, up to \$2 million. The award is made to the local government on behalf of a specific business for public transportation improvements.

Special Opportunity Incentives

Rural Incentives

Florida encourages growth throughout the state by offering increased incentive awards and lower wage qualification thresholds in its rural counties. Additionally, a Rural Community Development Revolving Loan Fund and Rural Infrastructure Fund exists to meet the special needs that businesses encounter in rural counties.

Urban Incentives

Florida offers increased incentive awards and lower wage qualification thresholds for businesses locating in many urban core/inner city areas that are experiencing conditions affecting the economic viability of the community and hampering the self-sufficiency of the residents.

Enterprise Zone Incentives

Florida offers an assortment of tax incentives to businesses that choose to create employment within an enterprise zone, which is a specific geographic area targeted for economic revitalization. These include a sales and use tax credit, tax refund for business machinery and equipment used in an enterprise zone, sales tax refund for building materials used in an enterprise zone, and a sales tax exemption for electrical energy used in an enterprise zone.

Brownfield Incentives

Florida offers incentives to businesses that locate in Brownfield sites, which are underutilized industrial or commercial sites due to actual or perceived environmental contamination. The Brownfield Redevelopment Bonus Refund is available to encourage Brownfield redevelopment and job creation. Approved applicants receive tax refunds of up to \$2,500 for each job created.¹⁶

Innovation

The New Economy Index¹⁷ (NE) rates the states according to advancements in innovation (with a rating of one being best). In this study, Florida ranked just above average at 23rd in the nation. A large part of its low ranking is the state's relatively low ranking in the field of technology. The SCR ranked Florida a low 37th in the country for its technological development.¹⁸ Despite its low rankings, the state is making efforts to invest in research and development to improve its standing.

Whether they are located at Florida's research universities and research institutes or unique federal or private research facilities, the state's R&D professionals can work together at one of the many state-of-the-art labs around the state or collaborate remotely, over high-speed networks such as the Florida Lambda Rail and LA Grid.

Florida is home to nearly 21,000 Science & Engineering (S&E) PhDs and employs almost 305,000 S&E and high-tech professionals. Moreover, the state is developing the workforce that can help commercialize innovative technologies and products. There are targeted education and training programs such as those for lab technicians, aviation & aerospace mechanics and digital media professionals.

¹⁶ "Incentives." [Eflorida.com](http://www.eflorida.com). Online. <http://www.eflorida.com/ContentSubpage.aspx?id=472>

¹⁷ Robert Atkinson and Daniel K. Correa. [The 2007 State New Economy Index.: Benchmarking Economic Transformation in the States.](#) Innovation Technology and Innovation Foundation. February, 2007. 13. http://www.kauffman.org/pdf/2007_State_Index.pdf

¹⁸ Tureck, et al, 24.

About \$5 billion is spent on R&D in Florida every year. The National Institute of Health and National Science Foundation funding in Florida is rising faster than the national average, and so are the R&D expenditures of the state's academic institutions. In addition, the state continues to foster innovation by supporting and expanding the network of research Centers of Excellence, the targeted World-Class Scholars Program and other initiatives that promote R&D activity in Florida.

Florida has one of the nation's highest numbers of patents granted. Many of the entrepreneurs who own them rely on the state's numerous tech transfer offices, incubators and technology & research parks to take their inventions to market. In addition, out-of-state institutions such as SRI International and Burnham Institute, numerous venture capital firms, and innovative companies such as Merck and Pfizer are taking note and partnering with local firms to capitalize on their large tech transfer potential.

Florida became the first state to establish intellectual property law as a legal specialty, making it one of the 22 board-certification areas available in the state. Currently, over 550 legal firms in Florida practice intellectual property law according to the LexisNexis Martindale-Hubbell database.

The options for financing a young technology business in Florida range from federal R&D funding and Small Business Innovation Research/Small Business Technology Transfer grants, to venture capital and private equity financing, among other opportunities. Florida has a strong network of home grown seed, angel and VC firms who support many of the up-and-coming technology entrepreneurs in the state.¹⁹

Workforce

The SCR index measures the quality of the workforce in its "Human Resources" category and gave Florida relatively low marks when it comes to the quality of its workforce placing the state at just 35th in the country. In this category Florida received particularly low rankings for the number of adults in the workforce at 31st, workers with a high school degree at 32nd and those in degree granting institutions ranked at 44th.²⁰

Despite the SCR ratings, Florida's workforce is strengthened by skilled labor and an ever-growing talent pool. Since 1990, Florida's labor force has grown by more than 2 million workers, reaching over 9 million in 2006, and continuing to expand with about 250,000 new workers coming to the state from other parts of the country or overseas each year.

Florida's labor market is particularly strong in high value added businesses, including high-tech industries and international trade. Ranked 4th in the nation for high tech employment by AeA's Cyberstates 2007 report, Florida boasts more than 276,000 high-tech workers. The talent pool is also deep in workers with advanced degrees, positioning Florida 11th among all states.

¹⁹ "Innovation Hub." [Eflorida.com](http://www.eflorida.com). Online. <http://www.eflorida.com/ContentSubpage.aspx?id=346>

²⁰ Tureck, et al, 24.

The demand for skilled labor in Florida is answered by many training programs designed for the needs of the state's leading industries. Customized program and incentives such as Quick Response Training, Incumbent Worker Training and the industry-specific Banner Centers Program provide skilled labor to employers in less time and at lower costs. Florida's workforce training and incentive programs were recently ranked 3rd in the country by *Expansion Management* magazine.

All Florida residents live within 50 miles of a post-secondary educational institution. The number of Floridians with associate, bachelor and advanced degrees has increased at almost double the national rate since 2000, strengthening the Florida workforce and providing added value to employers.

Florida's workforce is one of the most diverse in the nation, both culturally and linguistically. Over 3.2 million residents were born outside the United States, and many Floridians speak one or more of over 90 languages. Florida has a particularly strong representation of Spanish, French, and Portuguese speakers.

Florida, a right-to-work state, is one of only ten states with a right-to-work provision in its state constitution. Florida also has one of the lowest unionization rates in the country with about 5.4%, and the third lowest unionization rate in manufacturing at 3.2%.²¹

Workforce Florida, Inc., the state's innovative partnership for workforce training, provides programs such as Quick Response Training and Incumbent Workforce Training to help existing and new companies recruit, train and maintain cutting-edge skills, and keep pace with new technologies.

Florida's Business Competitiveness Council²², managed by Workforce Florida, Inc., serves as a catalyst between industry, economic development organizations and training providers to identify skills needed to fill critical jobs necessary for business retention, expansion and recruitment activities.

Workforce Florida recently added more industry-specific centers to the state's Banner Center Program to address demand for skilled workers in some of the state's key industry clusters. The state's four Employ Florida Banner Centers—for biotechnology, aviation & aerospace, financial services and manufacturing—will be joined by several more in the near future. Each center will also provide on-going access to research and educational development.

Education

The US Chamber of Commerce, with affiliate Institute for a Competitive Workforce, recently published a report entitled *Leaders and Laggards: A State by State Report Card*

²¹ "Workforce Talent." [Eflorida.com](http://www.eflorida.com). Online. <http://www.eflorida.com/ContentSubpage.aspx?id=350>

²² "Workforce Talent."

on *Educational Effectiveness*.²³ This report graded each state in nine specific categories. In the first category, “Academic Achievement”, Florida earned a “D”. Student performance in Florida is lower than average. Eighth graders stand 4 percentage points below the national average on the NAEP reading exam. The state earned an “A” in the academic achievement of low-income and minority students. Compared with the rest of the country, Florida posts solid marks in this category. Twenty-five percent of Hispanic 4th grade students score at or above the proficient level on the NAEP reading exam. The national average for Hispanic 4th graders is 15%.

Florida also earned an “A” in “Return on Investment.” Student achievement in Florida is very strong relative to state education spending (after controlling for student poverty, the percentage of students with special needs, and cost of living). In “Truth in Advertising About Student Proficiency” the state received a “C”. Florida gets average marks on the credibility of its student proficiency scores. The grade is based on the difference between the percentage of students identified as proficient in reading and math on 2005 state exams and the percentage identified as proficient on the NAEP in 2005. The state also gets a “C” for “Rigor of Standards.”

Florida receives a mediocre grade for the rigor of its standards. While Florida has enacted a rigorous exit exam that students must pass to graduate, the state’s math curriculum standards receive poor marks. For “Postsecondary and Workforce Readiness” Florida earns a poor grade in this category. Only 58% of its 9th grade students receive a diploma within four years compared with the national average of 70%. The state’s 21st Century Teaching Force earns Florida a solid “A” for its teacher workforce policies. The state tests incoming teachers on their basic skills, requires high school teachers to pass subject knowledge tests, and requires alternative route participants to demonstrate subject matter expertise.

The state earned the relatively high score of “B” for Flexibility in Management and Policy. The state receives a middling grade on how much freedom and flexibility it gives its schools and principals. The state’s charter school laws receive good marks, and 92% of principals report a major degree of influence over new teacher hiring. For Data Quality Florida gets the excellent mark of “A” on efforts to collect and report high-quality education data. Unlike most other states, Florida collects student-level college readiness test scores and transcript information, and it has a teacher-identifier system with the ability to match teachers to students to gauge teacher effectiveness.

Florida is home to 11 state universities, four major medical schools and two forthcoming ones, along with numerous private colleges and universities. In 2005, Florida universities performed more than \$1.5 billion in sponsored research, working closely with business and industry to create cutting-edge technology. These educational institutions also work closely with the business community to build programs that reflect the needs of Florida’s workforce.

²³ The Institute for a Competitive Workforce. *Leaders and Laggards: A State By State Report Card on Educational Effectiveness*. US Chamber of Commerce, 2007.21
<http://www.uschamber.com/NR/rdonlyres/e6vj565iidmycznvk4ikm3mryxo5nslm7iq2uyrta5vrqdxsagjvkxafz6r3buzaopo4uxv4o4ep4nvhmc3ppc7drjd/USChamberLeadersandLaggards.pdf>.

Florida has superior Community Colleges with a network of 44 technical institutions, and 28 community colleges, with 52 community college campuses and 173 college sites.

Florida ranks 4th in the nation in total community college enrollment, with over 500,000 students enrolled in a given year. Many of them are enrolled in information technology, life sciences, aviation & aerospace and other high tech industry programs to earn associate in science degrees and college credit certifications.

Florida's community college system accounts for almost one in ten of the degrees conferred in the United States each year, ranking 2nd in the nation. Nine of the top 20 producers of associate degrees in the nation are Florida community colleges. 41,000 associate degrees and over 20,000 technical certificates are awarded to Florida residents each year.

Florida has put in place strategic initiatives such as the 21st Century Technology, Research, and Scholarship Enhancement Act. The Act provides \$100 million in funding to Centers of Excellence at public universities, a World Class Scholars Program, university research, and construction of new science and engineering facilities.²⁴

Cost of Market Entry

The Milken Institute releases an annual study in which it ranks the states with the highest cost of doing business on a scale of 1-50 (with a ranking of 50 being best for business).²⁵ In this study, Florida was given a relatively mediocre rating with the 19th highest cost of doing business.

Florida ranks among the best states for business and entrepreneurs because of its pro-business state tax policies and competitive cost of doing business.

Florida offers a cost-efficient alternative to other competitive high-tech states. Land, labor, and capital are more affordable in Florida than in California, New York, or Texas. In addition, for businesses in certain targeted industries, the state offers additional incentives. Businesses looking for workforce training, road infrastructure or specialized locations may also qualify for specific incentive programs.

Florida has a Pro-Business Tax Structure with limited corporate and no personal income tax. Thanks to a history of responsible spending decisions and high financial reserves, Florida has earned an AAA bond rating – the highest available – while enjoying this low-tax climate. Businesses thrive in this low-tax environment and employees enjoy the benefit of no personal income tax.

²⁴ “Education.” [Eflorida.com](http://www.eflorida.com). Online. <http://www.eflorida.com/ContentSubpage.aspx?id=366>

²⁵ “2007 Cost of Doing Business Index.” Milken Institute. December, 2006.
<http://www.milkeninstitute.org/pdf/2007CostofDoingBusiness.pdf>

For entrepreneurs and growing businesses, Florida offers access to capital from private, federal and other sources and strategic business support from the numerous entrepreneurship centers around the state.²⁶

²⁶ “Financial Advantages.” Eflorida.com. Online. <http://www.eflorida.com/ContentSubpage.aspx?id=352>