



Ohio Legislative Service Commission

Tom Middleton

Fiscal Note & Local Impact Statement

Bill: [H.B. 259 of the 130th G.A.](#)

Date: October 28, 2013

Status: As Introduced

Sponsor: Reps. Stinziano and Dovilla

Local Impact Statement Procedure Required: No

Contents: Creates a pilot program to provide technical assistance to eligible businesses and makes an appropriation

State Fiscal Highlights

- The bill creates the Economic Gardening Technical Assistance Pilot Program in the Development Services Agency to provide eligible businesses with services related to marketing, market research, and the development of business connections.
- The bill appropriates \$250,000 in each year of the FY 2014-FY 2015 biennium from the General Revenue Fund to operate the pilot program, and repeals the pilot program two years after the effective date of the bill.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Fiscal effects

The bill creates the Economic Gardening Technical Assistance Pilot Program. Under the two-year program, the Development Services Agency (DSA) may provide technical assistance to eligible businesses, including assistance in market research, marketing, and the development of connections with trade associations, academic institutions, business advocacy groups, peer-based learning sessions, mentoring programs, and other businesses. Eligible businesses must have between six and 99 employees and follow other requirements, described in more detail in the LSC Bill Analysis.

The bill appropriates \$250,000 in each fiscal year of the FY 2014-FY 2015 biennium from the General Revenue Fund to operate the pilot program. The bill also requires that DSA produce a report one year after the effective date of the bill which assesses the program and recommends any changes to be made to the program. Additionally, DSA may contract or coordinate with outside agencies or business to administer and operate the program.

Background on economic gardening

"Economic gardening" is an economic development strategy generally recognized as first being initiated by the city of Littleton, Colorado, in the early 1990's. Economic gardening programs are aimed at providing business assistance to small businesses ready to grow to the "second stage" of the business level.

The Edward Lowe Foundation operates the National Center for Economic Gardening in Cassopolis, Michigan. According to the Center's website, the Center provides operational support and handles training and certification of economic gardening programs for state and regional organizations. Two multi-county regional organizations operate economic gardening programs in Ohio, including the Northwest Ohio Economic Gardening Network Program in Ottawa County and Sandusky County, and another program, the Rural Ohio Economic Gardening Initiative, assisting businesses in rural counties across the state.

In addition to the many cities and regional entities that operate economic gardening programs in the U.S., nine other states have established statewide economic gardening programs through the National Center for Economic Gardening, the most prominent being those in Michigan, Florida, and Missouri. Presumably, DSA could contract with the Edward Lowe Foundation to establish and implement Ohio's pilot program; however, other states such as Colorado and Nebraska, have passed legislation creating this type of program, but do not appear to have implemented the program through the Center.