

BACKGROUND

On January 18, 2017, Governor Carney signed Executive Order #1, which created an Economic Development Working Group to explore a new economic development strategy. The plan the working group created fundamentally restructured the state's economic development efforts. The two most significant elements were:

- Creation of the Delaware Prosperity Partnership to partner with private business to improve how Delaware attracts new business and job growth, and;
- Creation of a new Division of Small Business, Development and Tourism within state government to offer targeted support for small business owners, entrepreneurs, and minority-, women- and veteran-owned businesses.

The governor accepted the recommendations of the Economic Development Working Group, and a bill was introduced in the House on June 13, 2017. After a few amendments the bill was passed by the House and the Senate.

On June 30, 2017, Governor John Carney signed [HB226](#) resulting in the elimination of the Delaware Economic Development Office. Effective July 1, 2017, the agency's responsibilities shifted to the newly-formed Division of Small Business, Development and Tourism in the Department of State.

PREAMBLE TO HB226

AN ACT TO AMEND THE DELAWARE CODE RELATING TO STATE ECONOMIC DEVELOPMENT AND TRANSFERRING THE FUNCTIONS OF THE DELAWARE ECONOMIC DEVELOPMENT OFFICE TO A DIVISION OF THE DEPARTMENT OF STATE.

WHEREAS, the Honorable John C. Carney, Governor of the State of Delaware, issued Executive Order One on January 18, 2017 creating a Working Group of business and government leaders to study methods to improve coordination between the public and private sectors, attract and grow businesses and foster economic development throughout the State; and

WHEREAS, the Governor appointed members of the Working Group from government, business and the community representing each area of the State; and

WHEREAS, the Working Group held public meetings in the State to gather input on issues related to business development and retention in the changing economy; and

WHEREAS, the Working Group consulted experts on economic development and studied economic models in other states; and

WHEREAS, the Working Group issued a report to the Governor on April 7, 2017 finding that it is in the best interest of sustained economic growth to establish a public/private partnership in the form of a nonprofit corporation to focus on investment attraction, entrepreneurship and innovation, talent development and retention, and research and analysis; and

WHEREAS, the public/private partnership will attract early stage technology enterprises and entrepreneurs, recruit large employers, expand international business opportunities and develop and implement marketing strategies; and

WHEREAS, the public/private partnership will support start-up businesses and early stage ventures, focusing on high-growth firms and industries, work with employers to fill talent gaps in the workforce and conduct research on trends in industry and opportunities that could impact Delaware's economy; and

WHEREAS, the establishment of the public/private partnership requires the dissolution of the existing Delaware Economic Development Office; and

WHEREAS, efforts to support small businesses and tourism are critical to the State's economy and these duties and functions should transfer to the Department of State into a Division of Small Business, Development and Tourism; and

WHEREAS, the public/private partnership and the Division of Small Business, Development and Tourism will coordinate and cooperate to improve efficiency, eliminate redundancy and foster business attraction, innovation, tourism, small business development, business retention, minority, women, disadvantaged and veteran owned businesses.

ANNUAL REPORT REQUIREMENTS

Per [Title 29; §8716A](#), the Division shall submit an annual report on or before September 1 of each year. The annual report shall detail the status of the Division's efforts to meet the vision, goals, objectives, strategies, and economic indicators included in its comprehensive economic development planning.

Created on July 1, 2017, Delaware's new Division of Small Business, Development and Tourism is in its initial stage. Its responsibilities have been transitioned to the Department of State and processes and procedures are being reviewed. This provides the Division the opportunity to analyze its operations while it works to create a strategic plan for the future.

The Division of Small Business, Development and Tourism will support Governor Carney's vision for economic development and provide guidance to small business owners on how to navigate local, state and federal laws and regulations. The division will help small businesses identify resources such as local incubator programs, financing, and networking events. It also will improve the state's outreach to women and minority entrepreneurs, and veteran-owned businesses. And division leaders will oversee Delaware's taxpayer-funded incentive programs for job creation.

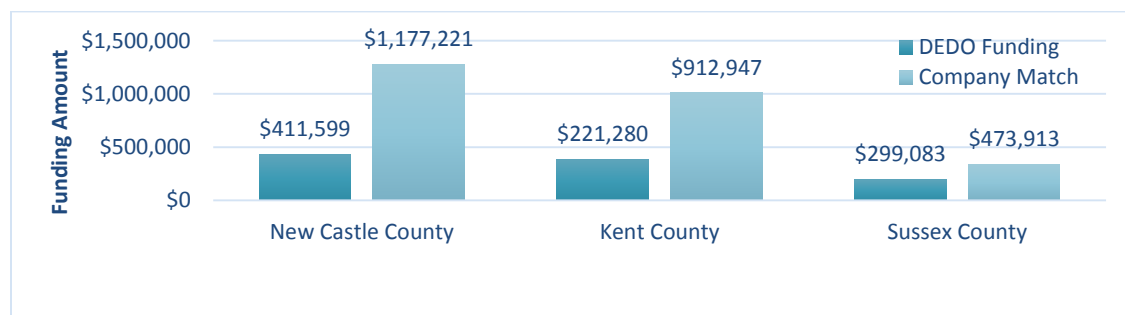
Per [Title 29; §8773A](#), this report must also include Economic Development Training information: Descriptions of all programs funded, an evaluation of the performance of each program, a summary of the public moneys expended and an analysis of the participants in the programs, to include a report on the number of minority and economically disadvantaged individuals.

The Division of Small Business, Development & Tourism provides Blue Collar Training funds to Delaware businesses for customized training initiatives.

NEW CONTRACTS AWARDED IN FY 2017: 36 totaling over \$931,900

- 1,103 participants will receive training
- County breakdown:
 - New Castle County: 19
 - Kent County: 6
 - Sussex County: 11
- 11 first-time applicants (companies had not received funding w/in the last five yrs.)
 - Six of the first-time applicants were small businesses
- 19 companies have fewer than 100 employees
 - \$330,688 awarded with a company match of \$507,245 to train 362 participants

SUMMARY OF FUNDS COMMITTED FOR CUSTOMIZED TRAINING INITIATIVES



CONTRACTS COMPLETED IN FY 17: 31 totaling over \$568,000

- 649 participants were trained
- 10 companies were first time applicants
- 18 companies were small businesses
- County Breakdown:
 - New Castle County: 20
 - Kent County: 5
 - Sussex County: 6

PERFORMANCE EVALUATION OF THE BLUE COLLAR TRAINING GRANTS

The return on investment is evaluated in three ways – training observation, completion of training, and a six-month review after the completion of the training.

- Training observations were conducted 15 on contracts
- The following FY17 retention survey results represents 25 of the 31 completed contracts:

Number of Companies	Percentage of Retention
20	Companies Reported 90 – 100% Retention
3	Companies Reported 80 – 89% Retention
1	Companies Reported 70 – 79% Retention
1	Companies Reported 69% or below

ANALYSIS OF THE PARTICIPANTS IN THE PROGRAM:

The following demographic information is obtained through voluntary participant surveys. In some cases, participants chose not to complete the survey; in other cases, participants did not complete the entire questionnaire. The results below reflect information collected from FY17 Blue Collar Training Program participants.

PROFILE OF PARTICIPANTS					
SEX		AGE		RACE/ETHNIC GROUP	
Female:	48.2%	16-20:	1.7%	American Indian:	0.9%
Male:	51.6%	21-30:	26.4%	Asian/Pacific Islander:	5.5%
No Response:	0.2%	31-55:	58.2%	African American:	18.3%
		56-65+:	12.6%	Hispanic:	5.3%
		No Response:	1.1%	White:	67.3%
				No Response:	2.7%
DISABILITY		VETERAN		MARITAL STATUS	
Yes:	1.2%	Yes:	7.7%	Married:	51.7%
No:	97.7%	No:	90.7%	Single:	37.0%
No Response:	1.1%	No Response:	1.6%	Single Parent:	6.9%
				Other:	2.7%
				No Response:	1.7%
RESIDENCE		LIMITED ENGLISH		PUBLIC ASSIST. RECIPIENT (w/in 90 DAYS)	
DE:	88.4%	Yes:	5.2%	Unemployment Ins.:	0.4%
MD:	5.0%	No:	92.0%	SSI:	0.1%
PA:	3.3%	No Response:	2.8%	TANF:	0.4%
NJ:	2.1%			Food Stamps:	0.8%
Other:	0.5%			No Response:	98.3%
No Response:	0.7%				
EMPLOYMENT STATUS (90 DAYS PRIOR TO TRAINING PROGRAM)			PARTICIPANT'S AVERAGE SALARY		
Unemployed:	2.7%		\$29.90 hour		
Employed Part Time:	3.0%				
Employed by This Employer:	79.2%				
Employed by Other Employer:	11.8%				
No Response:	3.3%				
EDUCATION LEVEL					
Did Not Complete High School:	1.9%	2-Year College Degree:	13.6%		
High School or Equivalent:	22.4%	4-Year College Degree:	22.4%		
Post-High School/Training Program:	5.3%	Additional Degrees:	14.3%		
Some College:	18.8%	No Response:	1.3%		

GOVERNOR’S EDUCATION GRANT FOR WORKING ADULTS

The **Governor’s Education Grant for Working Adults** is designed to assist working adult students in gaining marketable skills, enhancing their ability to become self-sufficient, and maintaining gainful employment. Eligible applicants can receive up to \$2,000 for a preapproved course study. This program is administered by the Delaware Higher Education Office and funded by DEDO.

During FY17 participating educational institutions were awarded 20 grants totaling \$32,474.27. These grants were utilized by employed Delaware residents seeking a certificate. Participating educational institutions include DSU, DTCC (Owens Campus), Polytech Adult Education, Sussex Tech Adult Division, and UD’s Continuing Education program.

A total of 20 students enrolled in the following study programs:

- Auto Technician (1)
- Business Analyst (1)
- Certified Nursing Assistant (5)
- Clinical Medical Assistant (6)
- Dental Assistant (1)
- Reading and Writing (1)
- Medical Billing and Coding (2)
- Nursing Concepts (1)
- Phlebotomy Technician (2)

STATE EMPLOYEE TRAINING PROGRAM

Administered by Delaware’s Office of Management & Budget, the **State Employee Training Program** is designed to provide grants to financially assist state employee training programs. Below is a breakdown of the courses and agency specific programs that were awarded in FY17.

Participating State Agencies:

- Department of Correction
- Department of Health & Social Services
- Department of Natural Resources & Environmental Control
- Department of Transportation
- Office of Management & Budget

Office of Management & Budget Courses	\$ 29,361.00
Agency Programs	\$ 42,105.00
Total Awarded	\$ 71,466.00

Office of Management & Budget Courses (Open to all State Employees)		
Course	# of Employees Trained	Amount Funded
Basic Principles of Leadership	45	\$3,120.00
Providing Constructive Feedback	52	\$1,260.00
Developing Others	59	\$2,400.00
Correcting Performance Problems	65	\$2,580.00
Human Side of Management	79	\$3,800.00
Put it in Writing	104	\$10,080.00
HVAC Entrance Exam	1	121.00
Career Mentoring	15	6,000.00
Total	420	\$29,361.00