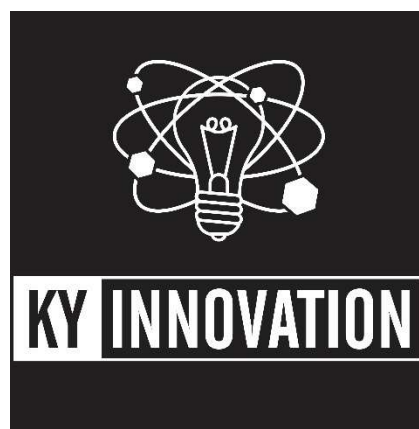
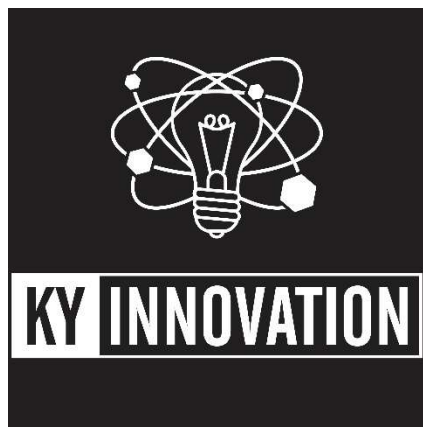




**REPORT OF KENTUCKY COMMISSION ON SMALL
BUSINESS INNOVATION AND ADVOCACY**

2020-2021





Per KRS 11.202(2) (a) (b) (c), the Commission on Small Business Advocacy is required to make an annual report to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment, and the Interim Joint Committee on Tourism, Small Business, and Information Technology detailing its work in the prior fiscal year, due on or before September 1 of each year. This annual report provides an overview of the Commission's role and highlights the past year's activities of the Commission.

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Report of the Commission on Small Business Innovation and Advocacy

The Commission on Small Business Innovation and Advocacy ("CSBIA" or "Commission") is honored to present the 2020-2021 Annual Report to Governor Andy Beshear, the Interim Joint Committee on Economic Development and Workforce Investment, and the Interim Joint Committee on Tourism, Small Business, and Information Technology. The Report highlights the efforts of the Commission to help protect and promote the interests of Kentucky's small business community. The Commission is dedicated to ensuring the opportunity for economic growth and sustainability, particularly by furthering the potential for entrepreneurship to flourish in the coming years.

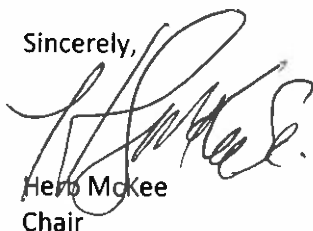
The Commission was revived by Governor Andy Beshear in 2020, after a nearly three-year dormancy period. The Commission seeks to encourage a culture in Kentucky that recognizes and values the importance of small business, entrepreneurship, and innovation. Undoubtedly, the future of small business and innovation in Kentucky is bright.

Despite the challenges of Covid-19, and having to adapt to a "new normal," the Commission made great progress since reconvening. With only two meetings being held during the 2020-2021 fiscal year, the Commission undertook ambitious initiatives. Some of the efforts of the Commission included:

- Performing outreach and engaging the small business community to discuss issues facing businesses;
- Serving as a conduit between chambers of commerce and economic development organizations across the Commonwealth;
- Rebranding the Commission's title to formally include "Innovation," signaling greater support for the startup community;
- Hosting educational presentations during Commission meetings that highlighted incentive programs and resources available to small businesses and local communities; and
- Surveying incentive programs available to small businesses across state agencies.

These endeavors would not have been achievable without Governor Andy Beshear's vision to reengage this statutory body, and bipartisan legislation aimed to make this Commission more efficient and effective. Governor Beshear has made small business and growing innovative industries a priority and the Commission shares this dedication and looks forward to building upon the Commonwealth's continued economic success as we emerge from the pandemic.

Sincerely,



Herb McKee
Chair

Commission on Small Business Innovation and Advocacy.

Introduction to the CSBIA

The CSBIA is an independent state commission that serves as a voice for Kentucky's small business community during the regulatory and legislative processes.

The CSBIA provides information on proposed state legislation, regulations and recently enacted state law impacting small business. The Commission looks at issues such as licensing/permitting requirements, taxes, and other areas of government that affect small business. The Commission is administratively attached to the Kentucky Cabinet for Economic Development. This facilitates a wealth of resources and expertise that allow the Commission to carry out its duties.

CSBIA Purpose (KRS 11.200)

- Address matters of small business as it relates to government affairs;
- Promote a cooperative and constructive relationship between state agencies and the small business community;
- Coordinate and educate the small business community of federal, state, and local government initiatives of value and importance to the small business community;
- Create a process by which the small business community is consulted in the development of public policy;
- Aid the small business community in navigating the regulatory process, when that process becomes cumbersome to the small business community; and
- Advocate for the small business, as necessary, when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth.

The Commission's Duties

- Address matters of small business as it relates to government affairs
- Promote a cooperative and constructive relationship between state agencies and the small business community to ensure coordination and implementation of statewide strategies that benefit small businesses in the Commonwealth
- Coordinate and educate the small business community on federal, state, and local government initiatives of value and importance to the small business community
- Create a process by which the small business community is consulted in the development of public policy
- Aid the small business community in navigating the regulatory process, when that process becomes cumbersome, time consuming, and bewildering to the small business community
- Advocate for the small business, as necessary when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth
- Collect information and research those public policies and government practices which are helpful or detrimental to the success and growth of the small business community
- Review administrative regulations and provide advisory opinions on potential impact to small business
- Promote awareness of the [Small Business Regulatory Fairness Enforcement Act of 1996](#) which was designed to help eliminate and/or reduce the cost of regulatory compliance for small businesses.

The Commission's Regulatory Duties

Throughout 2020-2021, the Commission monitored administrative regulations that may impact the small business community. Per KRS 13A.270(4)(a), state agencies are required to email a copy of the administrative regulations as files, and all attachments, to the Commission on Small Business Advocacy within one working day after the date the administrative regulation is filed with the Legislative Research Commission. In accordance with KRS 11.202(1)(e), the Commission may review and submit a report or comments in accordance with the deadline established in subsection (1)(c) of KRS 13A.270.

Overview of the CSBIA Members as of June 30, 2021

The Commission relies on the expertise of a thirteen-member board, appointed by the Governor. The board members represent a diverse and unique mix of small business owners and advocates. Each member has a deep appreciation of small business and a commitment to represent the specific needs of the small business community. Each member brings a valued perspective on small business and innovation.

Last Name	First Name	Location	Congressional District	Position	Appointed By Governor	Term Expiration
Blume	Todd	Mayfield	First District	Commission Member	10/08/20	08/22/21
McKee	Herbert	Henderson	First District	Chair	08/17/20	08/22/22
Hoechner	Susan	Bowling Green	Second District	Commission Member	10/08/20	08/22/21
Waddle	Larry	Elizabethtown	Second District	Commission Member	10/20/11	08/22/19
Seibert	Lesa	Louisville	Third District	Vice Chair	08/17/20	08/22/22
Leavell	Terra	Louisville	Third District	Commission Member	10/08/20	08/22/23
Dronawat	Sundeeep	Prospect	Fourth District	Commission Member	10/08/20	08/22/24
Hudson	Robert	Villa Hills	Fourth District	Commission Member	10/30/17	08/22/21
Ravenscraft	Joshua	Morehead	Fifth District	Commission Member	08/17/20	8/22/223
West	Darren	Barbourville	Fifth District	Commission Member	10/30/17	08/22/21
Shrout	Foster Dorning	Owingsville	Sixth District	Commission Member	01/11/21	08/22/24
Morgan	Dale	Lexington	Sixth District	Commission Member	10/08/20	08/22/22
Anderson	Jeff	Pikeville	At-Large	Commission Member	10/08/20	08/22/24

Todd Blume – First District

Todd Frederick Blume, Owner and brewer at Paducah Beer Werks in Paducah, KY, Graduate of Murray State University originally from Graves County. Blume moved to North Carolina working for a software company outside of Asheville. Blume decided to move back home to help his family, transitioning between Colorado and Kentucky Blume decided to invest into Western Kentucky. After traveling Blume noticed one thing Western Kentucky did not have, a brewery. In March of 2015, Blume opened Paducah Beer Werks with the desire to bring craft beer to Western Kentucky. Blume acknowledges the tradition of brewing while looking towards the future. With community in mind Blume's passion is helping others achieve their goals and dreams. With an ever-changing business economy Blume hopes to guide and find resources to make his home grow and prosper. "Rising waters raises all ships"

Herbert L. McKee, Sr. (Chairman) – First District

Chairman McKee was born and raised in Henderson County, Kentucky. He graduated from UK in business and LSU Banking School. Mr. McKee is a retired banker and is currently active in farming in Henderson County.

Susan Hoechner – Second District

Susan Hoechner is a native of Bowling Green. Susan followed in her mother's footsteps and launched her own interior design career after graduating from Western Kentucky University. Since then, she has worked on both commercial and residential projects, eventually becoming design director for a leading office furniture dealer in North Carolina and Lexington, KY before returning to Barbara Stewart Interiors in 1994. Apart from being an interior designer, Susan designs for the custom framing department, operates the company and is a certified color specialist. She and her husband, Pete have been married for 35 years and have twins together, Fritz and Gretchen. Susan loves to swim and spend time with her family and friends.

Larry Waddle – Second District

Larry Waddle is a resident of Elizabethtown. He is the owner of Waddell's Auto & Scrap Metal Recycling.

Lesa Seibert (Vice Chair) – Third District

Lesa Seibert is the Co-Founder, CEO and CFO of two companies. Mightily is a full-service advertising agency and Xtreme Media is a website development and digital marketing firm for small businesses. Giving back to the community is super-important to Lesa, so she is extremely active on multiple boards and committees. Lesa has served on the Louisville Regional Airport Authority Board since 2013 and was elected Chair of the Finances, Facilities, and Operations Committee in July 2020. She was also appointed in 2020 by Governor Beshear as the Vice Chair of the Kentucky Commission on Small Business Advocacy. Lesa is a member of the River Heritage Conservancy board, NBA2LOU Board, along with being a new member of the Greater Louisville Inc board. On the national stage, Lesa was appointed in March of 2020 to the National Association of Women Business Owners national board and serves as Chair where she is chair of the Technology committee. She also services as Chair of the North American Commissioners Committee for Airports Council International - North America. Lesa lives in Louisville with her husband Gregg. They have two adult children, Ian Seibert and Brittany Seibert Swan. In her spare time, she enjoys singing, playing golf, and traveling, as well as doting on her granddaughter Ella.

Terra Leavell – Third District

Terra Leavell is a resident of Louisville. She is the President/CEO of Black Community Development.

Sundeep Dronawat – Fourth District

Dr. Sundeep "Sunny" Dronawat received a Bachelor of Science in Chemical Engineering and Master of Science in Biochemical Engineering from National Institute of Technology in Karnataka, India. He received his Ph.D. in Chemical Engineering from the University of Louisville in 1996 and his Master of Business Administration from University of Louisville in 2001. Sunny is CTO of Plutoshift, an Artificial Intelligence and Machine Learning company based out of Palo Alto, California. Dr. Dronawat was co-

founder and managing partner of POS on Cloud which was acquired by Newtek in 2019. He has served as an Adjunct Professor at University of Louisville, Bellarmine University, and Indiana University. He is co-founder of Samiteon, LLC, an IT consulting company. Aside from his wealth of knowledge in the IT community, Sunny has a background in the hospitality sector, being a Managing Partner in two hotels in Louisville. In addition to his private sector success, Mr. Dronawat demonstrates strong civil commitment by serving on boards of various organizations.

Robert D. Hudson – Fourth District

Robert D. Hudson is a member of the law firm Frost Brown Todd LLC, practicing in the firm's labor and employment law group. A resident of Villa Hills, Kentucky, Rob is a past Board Chair for the Northern Kentucky Chamber, the Covington Business Council, the Northern Kentucky Human Resource Association, Be-Concerned, Inc., and the Northern Kentucky/Greater Cincinnati University of Kentucky Alumni Association. He is the author of several award-winning books addressing employment, business, and community issues.

Joshua Ravenscraft – Fifth District

Joshua Ravenscraft studied Business Management at Morehead State University. Mr. Ravenscraft, shares a passion for the Appalachian region and outdoors, which led to being a founder of New Frontier in Morehead, Kentucky in 2016. New Frontier is a lifestyle clothing & design company focused on high quality & functional outerwear. New Frontier has achieved celebrity endorsements, and shares a robust clientele domestically and internationally. As CEO of New Frontier, Mr. Ravenscraft appreciates the highs and lows of owning a small business; the importance of connectivity through online and social media presence; and the significance of championing environmentally conscious products as an economic driver.

Darren West – Fifth District

Darren West is a resident of Barbourville. He is the former Mayor of Barbourville.

Foster Dorning Shrout – Sixth District

Foster Dorning Shrout is a native Kentuckian. He graduated from Sayre School and earned his Bachelor of Arts in Political Science from the University of Kentucky. He is a Master of Public Administration candidate at Eastern Kentucky University. Mr. Shrout serves as the Vice President of Shrout Realty and Auction and as an associate at Thoroughbred Antique Gallery. Mr. Shrout resides in Owingsville, KY.

Dale Morgan – Sixth District

Dale Morgan is a native of Lexington, KY. He graduated from Henry Clay High School and earned his Bachelor of Business Administration in accounting from Eastern Kentucky University's College of Business and Technology. Presently, Mr. Morgan serves as a member of the ECU School of Business Advisory Council and is the recipient of the ECU Alumni 2020 Distinguished Service Award. He was named Top 50 Under 50 in TOPS Louisville January 2021 publication. Mr. Morgan established Foundation47, a life development and leadership organization that is focused on improving the lives of underserved and underrepresented individuals. He currently serves as an Investment Analyst for the Lexington-Fayette Urban County Government (LFUCG).

Jeff Anderson – At-Large

Jeff graduated from Pikeville College (now U Pike) in May of 1988 with a degree in Accounting. After graduating in May 1988, he went to work for the KY Department of Revenue as a Revenue Auditor where he was employed for eight and a half years. After leaving the Revenue Department, he opened up his own Accounting office which he still operates to this day. In 2003 Jeff successfully ran for the office of Pike County Magistrate and proudly served the people of Pike County until the end of 2018. Currently he is co-owner of Essential Solutions Inc, a substance abuse counseling clinic located in Betsy Layne KY.

Commission Meetings

During fiscal year 2020-2021, the Commission met on January 15, 2021, and May 14, 2021, The Commission met on May 14, 2021 but did not take any official action due to not reaching a quorum.

Small Business Legislation of the 2021 Legislative Session

During the past year, the Commission continued to address ongoing issues affecting small business during the COVID-19 pandemic. During the 2021 legislative session, Senate Bill 162, a key piece of legislation affecting the Commission was passed. Among other things, SB 162 named the Executive Director of the Office of Entrepreneurship and Small Business Innovation as the administrative head and CEO of the Commission. Also, the Commission received a new title, which includes “Innovation.” These changes are subtle, but create more administrative functionality while also rebranding the Commission to signal the Commonwealth’s support for the innovative start-up community.

Small Business Ombudsman Annual Report:

The General Assembly established a Small Business Ombudsman Program in 2006 (KRS 11.175). The Small Business Ombudsmen from each Cabinet respond to inquiries from constituents and small businesses on administrative regulations pertinent to the licenses, permits, and policies of that Cabinet. The Ombudsmen also provide information regarding the procedure for submitting comments on administrative regulations as provided by KRS 13A.270 (1).

The Small Business Ombudsman from each Cabinet report annually to the Commission on Small Business Innovation and Advocacy summarizing the number and nature of inquiries that the Ombudsman has received from small businesses during the previous twelve (12) months.

Attachment A, included herewith, summarizes the data reported by the Small Business Ombudsmen as of December 1, 2020.

The Commission Website

The CSBIA along with the Cabinet for Economic Development has worked to update information on the CSBIA as the Cabinet completes an updated web presence. The Small Business Ombudsman information was also updated to include new personnel.

Conclusion

As the effects of the coronavirus pandemic continue across the country, Kentucky is building back and emerging stronger than ever before. Kentucky's economy is roaring, and Kentuckians continue to enjoy the offerings of small businesses across the Commonwealth. This is a result of the leadership of Governor Andy Beshear and the resilience of our entrepreneurial culture.

With Governor Andy Beshear's revitalization of the CSBIA, the emphasis on entrepreneurial success has been accelerated. The Governor's initiatives further establish small businesses and innovation as a priority for this administration.

The Commission eagerly awaits the future of innovation, continued economic stability, expansion, and growth during the 2021-2022 fiscal year. Enhancing our small businesses and entrepreneurs are imperative to the economic future of Kentucky.