



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 829** HLS 26RS 1286
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 20, 2026 5:09 PM	Author: JORDAN
Dept./Agy.: Louisiana Economic Development	
Subject: Creates the Louisiana Minority Business Development Fund	Analyst: Noah O'Dell

ECONOMIC DEVELOPMENT OR +\$25,000,000 GF See Note Page 1 of 2
 Provides for the Louisiana Minority Business Development Fund

Proposed law creates the Louisiana Minority Business Development Fund, a revolving loan fund administered by Louisiana Economic Development (LED) to provide direct loans to eligible minority-owned businesses for working capital, equipment/machinery, leasehold improvements, inventory, technology/software, business acquisition, and certain refinancing of debt. The fund is initially capitalized at \$25 M (subject to appropriation) and consists of legislative appropriations, loan repayments and interest, fees, investment income retained by the fund, gifts, grants, and federal funds. LED must dedicate staff to the program, provide free or subsidized technical assistance through partnerships with Southern University System, Grambling State University, LCTCS, and community development financial institutions, and submit an annual report to the Legislature with certain information.

Effective upon signature of the governor or lapse of time for gubernatorial action.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$25,000,000	\$0	\$0	\$0	\$0	\$25,000,000
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Proposed law is anticipated to result in a \$25 M SGF appropriation into the newly created Louisiana Minority Business Development fund in FY 27 to provide for the initial capitalization of the program (subject to legislative appropriation). This fiscal note assumes a legislative instrument provides such an appropriation. In addition, LFO and LED assume that the legislative intent of Section 51:3306(C) of proposed law authorizes administrative expenditures from the fund. Accordingly, statutory expenditures from the Louisiana Minority Business Development Fund are anticipated to increase beginning in FY 27 as administrative costs are incurred and loans are issued to eligible minority businesses. LFO is unable to estimate the number of loans that will be issued annually under the new program.

The \$25 M capitalization is expected to support both loan disbursements and allowable administrative expenditures, including staffing and technical assistance. While a summary of total expenditures is provided below, additional information from state agencies and partnering higher education facilities can be found on page 2 of the fiscal note.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Total Positions					
Loan Officers (5 T.O.)	\$525,000	\$540,750	\$556,973	\$573,682	\$590,892
Technical Assistance Coordinators (2 T.O.)	\$210,000	\$216,300	\$222,789	\$229,473	\$236,357
Technical Assistants (3 T.O.)	\$263,250	\$271,148	\$279,282	\$287,660	\$296,290
Personal Services Sub-total	\$998,250	\$1,028,198	\$1,059,044	\$1,090,815	\$1,123,539
Operating Expenses	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Professional Services	\$180,000	\$0	\$0	\$0	\$0
Equipment	\$9,000	\$0	\$0	\$0	\$0
Total State Expenditures	\$1,292,250	\$1,133,198	\$1,164,044	\$1,195,815	\$1,228,539
T.O.	10	10	10	10	10

This legislation requires LED to dedicate at least five employees to the administration of the program, with at least one Loan Officer assigned to four regions. In addition, LED must provide free or subsidized technical assistance to loan applicants and recipients. Administrative expenses associated with the fund may not exceed 8% of the fund's average annual balance and no less than 10% of the fund's annual administrative budget must be spent on technical assistance... **Continued on Page 2**

REVENUE EXPLANATION

The bill is anticipated to increase statutory dedication revenue in the Louisiana Minority Business Development Fund by an indeterminable amount beginning in FY 27 and continuing throughout the fiscal note horizon. This revenue consists of several potential sources which include repayments of principal and interest, fees collected (not specified in the bill but assumed to be LED's standard fees set forth in R.S. 36:104(C)), investment income earned on fund balances that remain in the fund, gifts, grants, donations, legislative appropriations, and federal funds designated for deposit into the fund.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

Continued Expenditure Explanation

LED notes the bill may overlap with existing financial capital programs offered by the department, some of which are geared toward socially and economically disadvantaged individuals.

LED projects an increase in statutory dedication expenditures of approximately \$975,000 and seven (7) T.O.'s in FY 27 associated with program administration. This estimate is based on the projected need for five (5) Loan Officers and two (2) Technical Assistance Coordinators each with an average salary of \$70,000 and \$35,000 in related benefits. LED reports the need for \$60,000 in recurring operating expenses associated with providing the free/subsidized technical assistance specified in the bill. Additionally, one-time costs associated with the build-out of the loan platform system are expected to be in the range of \$60,000-\$180,000 depending on the platform chosen. Such costs are reported on the high end of the range for purposes of this fiscal note.

LED's Positions	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Loan Officers (5 T.O.)	\$525,000	\$540,750	\$556,973	\$573,682	\$590,892
Technical Assistance Coordinators (2 T.O.)	\$210,000	\$216,300	\$222,789	\$229,473	\$236,357
Personal Services Sub-total	\$735,000	\$757,050	\$779,762	\$803,154	\$827,249
Operating Expenses	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Professional Services	\$180,000	\$0	\$0	\$0	\$0
Total LED Expenditures	\$975,000	\$817,050	\$839,762	\$863,154	\$887,249
T.O.	7	7	7	7	7

The Southern University System indicates the bill is anticipated to increase expenditures within the agency by \$317,250 and three (3) T.O. positions beginning in FY 27 associated with providing certain technical services. LFO assumes these costs would also be eligible statutory dedication expenditures from the Louisiana Minority Business Fund. The Southern System anticipates three (3) Technical Assistants (average salary of \$65,000 and related benefits of \$22,750) may be necessary annually, along with \$45,000 in recurring operating expenses, and one-time costs of \$9,000 associated with purchasing equipment for the technical assistants in FY 27.

Southern System's Positions	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Personal Services: Technical Assistants (3 T.O.)	\$263,250	\$271,148	\$279,282	\$287,660	\$296,290
Operating Expenses	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Equipment	\$9,000	\$0	\$0	\$0	\$0
Total Southern System Expenditures	\$317,250	\$316,148	\$324,282	\$332,660	\$341,290
T.O.	3	3	3	3	3

Note: LFO is unable to corroborate the estimated staffing level and operational costs projected by LED and Southern System. To the extent certain administrative tasks may be accomplished utilizing fewer resources, statutory expenditures may decrease accordingly. However, the bill specifies that administrative expenditures are limited to 8% of the fund's average annual balance, which will constrain annual budgeting depending on loan activity and repayments.

Grambling University reports the bill would allow faculty the opportunity to partner with the minority businesses and provide expert advice in certain areas. At this time, the university is unable to quantify the fiscal impact of the legislation. Costs of the technical services will depend on the scope of services offered to businesses and the extent to which existing faculty can provide those services.

Louisiana Community College and Technical System (LCTCS) reports that the system already provides comparable services through existing workforce development, the incumbent worker training program, small business support, and industry-partnership programs. To the extent the proposed law relies on those existing programs and personnel, LCTCS is not expected to experience additional costs. Should participation exceed expectations, additional resources may be necessary.

Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

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 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

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