

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 189** SLS 24RS 243

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP SEN COMM AMD**

Sub. Bill For.:

Date: April 19, 2024	10:44 AM	Author: COUSSAN
Dept./Agy.: Division of Administration		Analyst: Chris Henry
Subject: Procurement Set-aside Preference for Veteran Owned Firms		

PUBLIC CONTRACTS

OR SEE FISC NOTE GF EX

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Provides relative to state procurement awards for service-connected disabled veteran owned small businesses. (gov sig)

Present law requires the commissioner of administration to provide for a set-aside not to exceed 10% of total state procurement of goods and services to small businesses. Of this amount set-aside, disadvantaged persons and women owned businesses are both given a preference of 10% of the value each. Proposed legislation would add an additional 10% preference for small businesses owned by veterans with a service-connected disability. Provides for definitions of a business that would qualify for the preference. Requires the Louisiana Department of Veterans Affairs (LDVA) to publicize the provisions of the set-aside program. Requires the commissioner of administration to develop annual goals for participation in the program and submit annual reports to LDVA.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation could result in a marginal increase in costs across state agencies (depicted as SGF only for purposes of this fiscal note, but potentially impacting all means of finance) from reducing competition during the procurement process. It can be assumed that the prices for these procurements will be higher than other firms, otherwise they would already be winning bids without the need for specific set-aside amounts.

The Louisiana Department of Economic Development (LED) currently certifies veteran and service-connected disabled veteran-owned small entrepreneurship for *The Veteran Initiative* in state procurement law. The department accomplishes this certification through a signed affidavit by the applicant in the application process. The proposed legislation allows LED to use this existing process in order to qualify for the set-aside preference.

The Office of State Procurement (OSP) would incur an implementation workload increase of approximately 50-100 hours in the first year to initiate the procurement methods required in the proposed measure. Lesser annual tasks related to LaGov data analysis and reporting would require 5-10 personnel hours. These expenses can be absorbed by existing staff.

The LDVA reports no anticipated expenditure impacts resulting from the proposed measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

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

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer