



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On: **SB 189** SLS 24RS 243  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 26, 2024 10:33 AM	<b>Author:</b> COUSSAN
<b>Dept./Agy.:</b> Division of Administration	
<b>Subject:</b> Procurement Set-aside Preference for Veteran Owned Firms	<b>Analyst:</b> Chris Henry

PUBLIC CONTRACTS OR INCREASE GF EX See Note Page 1 of 1  
 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.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The proposed legislation could result in a marginal increase in costs across state agencies 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 through a signed affidavit by the applicant in the application process, however, the proposed legislation requires the business status to be verified by the U.S. Department of Veterans Affairs (U.S. VA) or the LA Department of Veteran's Affairs (LDVA). To accomplish this added layer of verification, LED reports needing either a technological upgrade to its systems in order to interface with the U.S. VA or the LDVA at a one-time cost of \$100,000 or by adding an authorized position to track, follow-up with, and certify a service-connected disability. This position would have a recurring annual compensation of \$99,000 (\$66,000 Salary, \$33,000 Related Benefits) that could increase over time. LED operations are primarily funded by SGF, which is assumed for the increase in costs provided above.

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  
 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}

**Patrice Thomas**  
**Deputy Fiscal Officer**