

NOTICE OF INTENT

Department of Economic Development  
Division of Economically Disadvantaged

Economically Disadvantaged Business Development  
(LAC 19:I.Chapters 1-13)

In accordance with the Louisiana Economically Disadvantaged Business Act of 1996 (R.S. 51:1751 through 1765) and the provisions of the Administrative Procedure Act, R.S. 49:950-970 as amended, the Department of Economic Development, Division of Economically Disadvantaged Business Development, hereby adopts the following policies, rules and regulations relative to the Economically Disadvantaged Business Development Program, scheduled to become effective November 20, 1996. These regulations are both substantive and technical in nature, and are intended to specify the procedure for certification and as qualification for an economically disadvantaged business; to provide for bonding and other financial assistance; to provide for technical and managerial assistance; to provide for a business mentor-protégé program; to recognize achievements for economically disadvantaged businesses; and to facilitate access to state agency procurement.

These regulations shall apply to all state departments, boards or commissions, or educational institutions, created by the Legislature or executive order within the executive branch of state government pursuant to Title 36, operating from funds appropriated, dedicated or self-sustaining, federal funds; or funds generated from any other source. These regulations will not apply to agencies of the judicial or legislative branches of state government, except to the extent that procurement or public works activities for these branches is performed by an executive branch agency.

The full text of this notice of intent may be viewed in the emergency rule section of this issue of the *Louisiana Register*.

All interested persons are invited to submit written comment on the proposed rules and regulations. Such comments should be submitted no later than September 9, 1996 at 5 p.m. to Henry J. Stamper, Executive Director, Division of Economically Disadvantaged Business Development; Box 94185; Baton Rouge, LA 70804 or to 101 France Street, Baton Rouge, LA 70802.

Henry J. Stamper  
Executive

Director

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Economically Disadvantaged Business Development**

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The Economically Disadvantaged Development Program provides maximum opportunity for economically disadvantaged businesses to become competitive in a non-preferential modern economy. This purpose will be accomplished by providing assistance and promotion. The Department of Economic Development is adopting rules in accordance with Act 29, of the First Extraordinary Session, 1996 (HB 24), which allows for the creation of the Division of Economically Disadvantaged Business Development within the Office of the Secretary, in the Department of Economic Development.

The Economically Disadvantaged Business Development Program combined with the Louisiana Small Business Bonding Assistance Program will replace the Division of Minority and Women’s Business. The new program will utilize the resources of the former Division of Minority and Women’s Business, the existing Louisiana Small Business Bonding Assistance Program, and the addition of two small business advisors (GS-18) to provide business assistance to economically disadvantaged businesses statewide. The program will cost \$982,280 to implement in FY 1996-97, which represents an increase of \$504,702 over last year’s funding of the Minority and Women’s Business Division and the Louisiana Small Business Bonding Assistance Program. The estimated

costs are \$305,890 for total personal services; \$31,015 for travel expenses for the staff; \$114,637 for operating services, supplies and acquisitions; and \$530,738 in other charges. Other charges include \$89,175 for contracted technical assistance; \$35,000 for small business bonding workshops for small construction firms; \$401,373 in bonding technical assistance; \$5,190 in special marketing. The program will employ an executive director, director of small business bonding assistance, administrative services assistant/secretary, and five business advisors.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The program will have no direct effect on revenue collections. However, as economically disadvantaged firms prosper, they will have a positive fiscal impact on state and local government. However, the impact cannot be quantified at this time.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The program will enable Economically Disadvantaged Businesses to expand and strengthen by becoming more competitive. The impact, however, cannot be quantified at this time since there are no historical data available to make reliable projections. It is estimated that approximately 2,600 businesses will participate in the program.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The enhanced ability of EDB's will increase competition and employment in the Louisiana economy. No data exist to estimate the impact or to make a reliable projection until experiential data have been collected.

Henry J. Stamper  
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Executive Director  
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Legislative Fiscal Office

H. Gordon  
Chief Coordinator