

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6114-01  
Bill No.: SB 984  
Subject: Contracts and Contractors; Federal - State Relations; Roads and Highways;  
 Transportation; Department of Transportation; Veterans  
Type: Original  
Date: February 27, 2018

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Bill Summary: This proposal specifies that the State Highways and Transportation Commission shall consider veteran-owned small businesses to be disadvantaged business enterprises for purposes of highway construction contracts and associated reporting.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Transportation** state that the only way a veteran owned firm could be certified as a Disadvantaged Business Enterprise (DBE) would be if the individual and firm met the federal requirements of the DBE program. This proposal would not create a Veterans DBE program; rather, it would remain as a regular DBE program in which veterans who qualify can participate.

**Oversight** notes to participate in the federal DBE program, a small business owned and controlled by socially and economically disadvantaged individuals must receive DBE certification from the relevant state - generally through the Uniform Certification Program

The following requirements have to be met in order to participate in the federal DBE program:

- Personal net worth that does not exceed \$1.32 million
- Must meet Small Business Association (SBA) size criteria
- Have average annual gross receipts not to exceed \$23.98 million

Oversight assumes that some veteran-owned small businesses could qualify for the DBE program; however, there would be no fiscal impact to the state of Missouri.

Officials from the **Missouri Veterans Commission** and **Department of Labor and Industrial Relations**, each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Veteran-owned small businesses may be impacted by this proposal.

FISCAL DESCRIPTION

This act directs the Highways and Transportation Commission to treat veteran-owned small business concerns, as defined in the federal Small Business Act, as disadvantaged business enterprises for highway construction contract purposes and associated reporting to the U.S. Department of Transportation.

This provision shall be null and void in the event the U.S. Secretary of Transportation determines it would result in a loss to the state of any federal highway funding.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation  
Missouri Veterans Commission  
Department of Labor and Industrial Relations

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Acting Director  
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