

April 10, 2023

RE: Small Business Innovation Retention Fund Program (“SBIR- Retention”) – Summary Report

To Whom It May Concern:

The Department of Economic Development hereby announces its plan to proceed with rule-making by finalizing the Small Business Innovation Retention Fund Program Rules, originally published as a Notice of Intent in the December 20, 2022 *Louisiana Register* on pages 2999-3001, then revised and republished as a Potpourri in the February 20, 2023 *Louisiana Register* on pages 413-414.

A public hearing was held on January 25, 2023 with various interested parties in attendance, including Representative Willard. While the feedback overall was mainly positive, concerns were raised over §4905(A)(3)(b) which sought to address LED’s role in administering both this SBIR Innovation Retention Fund Program and the Research and Development Tax Credit Program, which are both based on the same criteria of securing a federal research award. The issue specifically raised was whether this SBIR Retention Program could be used by companies as a supplement to, and in addition to, the existing Research and Development Tax Credit Program. (See attached comments from Representatives Willard and Pressly, on behalf of the STEM Innovation Caucus.)

After careful consideration of the comments and testimony received, the department revised §4905(A)(3) and deleted §4905(A)(3)(b).

A second public hearing was held on March 28, 2023. Only Christopher Spalatin from BRAC attended and the overall tone was positive. (No written comments were received for this second hearing.)

LED appreciates the knowledgeable input from all interested parties and now proposes to proceed as is with no further changes. Subject to legislative oversight by the House or Senate Committees on Commerce the Department intends to submit for final publication as a Rule in the May 2023 *Louisiana Register*.

As always, we welcome your consideration and I can be reached at ph.# 342-5406 with any questions.

Sincerely,



Stephanie Le Grange
Interim Deputy General Counsel

cc: Senate, Committee on Commerce, Consumer Protection, and International Affairs
House of Representatives, Committee on Commerce

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**Department of Economic Development
Office of the Secretary**

**Small Business Innovation Retention Fund Program
(LAC 13:I.Chapter 49)**

The Department of Economic Development published a Notice of Intent in the December 2022 issue of the *Louisiana Register* (LR 48:12, 2999-3001). A public hearing was held on January 25, 2023 and interested parties were invited to provide comment. While the feedback overall was positive, concerns were raised over §4905.A.3.b which sought to address LED's role in administering both this SBIR Innovation Retention Fund Program and the Research and Development Tax Credit Program, which are both based on the same criteria of securing a federal research award. After a thorough review and careful consideration of the comments and testimony received, the department therefore proposes to revise §4905.A.3 and delete §4905.A.3.b. No fiscal or economic impact will result from the amendments proposed in this notice.

**Title 13
ECONOMIC DEVELOPMENT**

Part I. Financial Incentive Programs

**Chapter 49. Small Business Innovation Retention
Fund Program**

§4901. Purpose

A. The purpose of this Chapter is to implement the Small Business Innovation Retention Fund Program as established by R.S. 51:2401.

B. This Chapter shall be administered to achieve the following purposes:

1. to support and retain Louisiana jobs in STEM and other high-tech industries; and
2. to retain Louisiana small innovative businesses by providing financial assistance to certain businesses that have received certain small business innovation research (SBIR) or small business technology transfer (STTR) grant funds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

§4903. Definitions

A. Terms not otherwise defined in this Chapter shall have the same meaning given to them in R.S. 51:2401, unless the context clearly requires otherwise.

B. In this Chapter, the following terms shall have the meanings provided herein, unless the context clearly indicates otherwise.

Applicant—a person requesting a grant award from LED under this program.

Department—Louisiana Department of Economic Development.

Federal Notice of Award—a document issued by a federal agency evidencing approval of an SBIR or STTR application, including but not limited to a amount of funding awarded, agreement number and topic number.

LED—Louisiana Department of Economic Development.

LED Grant Letter—a letter issued by LED to a person for a particular calendar year, setting forth the amount, terms and conditions of the grant.

Louisiana Small Business—a for profit, Louisiana domiciled business with fewer than 500 employees.

Person—any natural person or legal entity including an individual, corporation, partnership, or limited liability company.

Retention Fund—Small Business Innovation Retention Fund.

Secretary—Secretary of the Louisiana Department of Economic Development.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

§4905. General Principles

A. The following general principles will direct the administration of the program.

1. Awards are not be considered as an entitlement for companies, and the secretary has the final authority to determine whether or not each particular applicant is eligible and meets the criteria of the award, and in all such circumstances, the exercise of that discretion shall be deemed to be a final determination of the applicant's award status.

2. Applications shall be accepted on a year round basis, subject to availability of funding in any given year, or as otherwise determined by LED.

3. Applicants may apply for more than one program administered by LED, provided that separate applications are submitted per program.

B. Program Issuance Cap

LED may issue no more than \$1,000,000 per fiscal year from the Retention Fund as follows:

- a. up to \$500,000 shall be allocated for Phase I SBIR or STTR federal grant recipients;
- b. up to \$500,000 shall be allocated for Phase II SBIR or STTR federal recipients.

C. Applicant Issuance Cap

1. Each selected applicant shall receive an amount equal to 25 percent of the Phase I SBIR or STTR federal grant the applicant has received, not to exceed \$50,000 per applicant;

2. Each selected applicant shall receive an amount equal to 20 percent of the Phase II SBIR or STTR federal grant the applicant has received, not to exceed \$100,000 per applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

§4907. Eligibility

A. Eligible applicants for the benefits of this program shall be Louisiana small businesses that receive a Federal Notice of Award on or after June 15, 2022.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

§4909. Application Procedure

A. LED will provide a standard application form which applicants will be required to use to apply for assistance under this program. The application form will contain, but not be limited to, the following:

1. business name;
2. contact person and their title;
3. business physical address;
4. business phone number and email address;
5. brief description of the nature of the business;
6. number of employees;
7. secretary of state registration;
8. information evidencing SBIR or STTR award, including name of issuing federal agency;
9. any additional information requested by LED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

§4911. Selection Criteria

A. LED will consider various factors when determining which applications will be funded. Among the factors which may be taken into consideration are the following:

1. disbursing of funding statewide;
2. availability of funding; and
3. best interests of the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

§4913. LED Action—Grant Approval or Denial Provisions

A. In the event LED determines that an applicant is eligible, funding is available and a grant would be appropriate, a grant letter will be issued, specifying the amount, the terms and conditions of the grant.

B. Grant funds will be disbursed to the approved applicants as follows:

1. Phase I SBIR or STTR applicants shall receive 25 percent of the federal grant received, not to exceed \$50,000 per applicant;
2. Phase II SBIR or STTR applicants shall receive 20 percent of the federal grant received, not to exceed \$100,000 per applicant;
3. Each grant awarded shall be divided into two equal amounts and disbursed over a period of two consecutive years as follows:

a. Year 1 funding may be awarded based upon the amount stated in the federal notice of award;

b. Year 2 funding shall be awarded contingent upon the actual federal grant funding received, as supported by reporting documentation of recipient and any other compliance information requested by LED. In the event of

any deviation from the anticipated total federal grant funding, LED reserves the right to increase or decrease the Year 2 award to ensure compliance with the maximum award provisions.

C. In the event LED determines that an applicant is not selected for an award, a denial letter will be issued by the secretary, specifying the basis for denial.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

Public Comments

Interested persons should submit written comments on the proposed Rules to Stephanie Le Grange through the close of business on Monday, March 27, 2023 at Department of Economic Development, 617 North Third Street, 11th Floor, Baton Rouge, LA 70802 or via email to Stephanie.LeGrange@la.gov.

Public Hearing

A meeting for the purpose of receiving the presentation of oral comments will be held at 11:00 a.m. on Tuesday, March 28, 2023 in the Griffon Conference Room at the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Brenda Guess
Assistant Secretary

2302#086

POTPOURRI

**Department of Economic Development
Office of Business Development**

Quality Jobs Program (LAC 13:I.Chapter 11)

Editor's Note: This Rule may be viewed in this edition of the *Louisiana Register*.

The Department of Economic Development, Office of Business Development, amended the rules for the Quality Jobs Program, pursuant to the provisions of the Administrative Procedure Act, R.S. 49:950 et seq. The Rules were submitted to and approved by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, in a joint committee meeting on January 31, 2023, pursuant to the provisions of La. R.S. 51:2459.

Anne G. Villa
Undersecretary

2302#034

POTPOURRI

**Office of the Governor
Division of Administration
Office of Broadband Development and Connectivity**

**Public Hearing for Substantive Change—Granting
Unserved Municipalities Broadband Opportunities
(GUMBO) (LAC 4:XXI.Chapters 1-7)**

The Office of the Governor, Division of Administration, Office of Broadband Development and Connectivity proposes to amend LAC 4:XXI.Chapters 1-7 as authorized

POTPOURRI

Department of Economic Development, Office of the Secretary Small Business Innovation Retention Fund Program

(LAC 13: Part I. Chapter 49)

The Department of Economic Development published a Notice of Intent in the December 2022 issue of the *Louisiana Register* (LR 48:12, 2999-3001). A public hearing was held on January 25, 2023 and interested parties were invited to provide comment. While the feedback overall was positive, concerns were raised over §4905 (A)(3)(b) which sought to address LED's role in administering both this SBIR Innovation Retention Fund Program and the Research and Development Tax Credit Program, which are both based on the same criteria of securing a federal research award. After a thorough review and careful consideration of the comments and testimony received, the department therefore proposes to revise §4905 (A)(3) and delete §4905 (A)(3)(b). No fiscal or economic impact will result from the amendments proposed in this notice.

Title 13 Economic Development Part I. Financial Incentive Programs Chapter 49. Small Business Innovation Retention Fund Program

§4901. Purpose

- A. The purpose of this Chapter is to implement the Small Business Innovation Retention Fund Program as established by R.S. 51:2401.
- B. This Chapter shall be administered to achieve the following purposes:
1. To support and retain Louisiana jobs in STEM and other high-tech industries; and
 2. To retain Louisiana small innovative businesses by providing financial assistance to certain businesses that have received certain Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grant funds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary. LR.

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LED Grant Letter – a letter issued by LED to a person for a particular calendar year, setting forth the amount, terms and conditions of the grant

Louisiana small business – a for profit, Louisiana domiciled business with fewer than 500 employees

Person – any natural person or legal entity including an individual, corporation, partnership, or limited liability company

Retention Fund – Small Business Innovation Retention Fund

Secretary — Secretary of the Louisiana Department of Economic Development

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR.

§4905. General Principles

A. The following general principles will direct the administration of the program.

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2. Applications shall be accepted on a year round basis, subject to availability of funding in any given year, or as otherwise determined by LED.

3. Applicants may apply for more than one program administered by LED, provided that:

~~a. Separate applications are submitted per program; and~~

~~b. Program applicants do not receive a double benefit on the same state funding. Program applicants may therefore also apply for the Research and Development Program for any separate and distinguishable funding.~~

B. Program issuance cap.

1. LED may issue no more than \$1,000,000 (one million dollars) per fiscal year from the Retention Fund as follows:

a. Up to \$500,000 (five hundred thousand dollars) shall be allocated for Phase I SBIR or STTR federal grant recipients;

b. Up to \$500,000 (five hundred thousand dollars) shall be allocated for Phase II SBIR or STTR federal recipients.

C. Applicant issuance cap.

1. Each selected applicant shall receive an amount equal to 25% of the Phase I SBIR or STTR federal grant the applicant has received, not to exceed \$50,000 (fifty thousand dollars) per applicant;

2. Each selected applicant shall receive an amount equal to 20% of the Phase II SBIR or STTR federal grant the applicant has received, not to exceed \$100,000 (one hundred thousand dollars) per applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR.

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A. Eligible applicants for the benefits of this program shall be Louisiana small businesses that receive a Federal Notice of Award on or after June 15, 2022.

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A. LED will provide a standard application form which applicants will be required to use to apply for assistance under this program. The application form will contain, but not be limited to, the following:

1. Business name;
2. Contact person and their title;
3. Business physical address;
4. Business phone number and email address;
5. Brief description of the nature of the business;
6. Number of employees;
7. Secretary of State registration;
8. Information evidencing SBIR or STTR award, including name of issuing federal agency;
9. Any additional information requested by LED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR.

§4911. Selection Criteria

A. LED will consider various factors when determining which applications will be funded. Among the factors which may be taken into consideration are the following;

1. Disbursing of funding statewide;
2. Availability of funding; and
3. Best interests of the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

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C. In the event LED determines that an applicant is not selected for an award, a Denial Letter will be issued by the secretary, specifying the basis for denial.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

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Public Comments

Interested persons should submit written comments on the proposed Rules to Stephanie Le Grange through the close of business on **Monday, March 27, 2023** at Department of Economic Development, 617 North 3rd Street, 11th Floor, Baton Rouge, LA 70802 or via email to Stephanie.LeGrange@la.gov.

Public Hearing

A meeting for the purpose of receiving the presentation of oral comments will be held at 11:00 a.m. on **Tuesday, March 28, 2023** in the Griffon Conference Room at the LaSalle Building, 617 North 3rd Street, Baton Rouge, LA 70802.

Brenda Guess
Assistant Secretary

and the original signature of the person submitting the comments.

Public Hearing

Interested parties may submit a written request to conduct a public hearing to the Louisiana Board of Veterinary Medicine, Attention: Jared B. Granier, Executive Director, via U.S Mail at 5825 Florida Blvd, Baton Rouge, LA 70806 or via e-mail attachment to director@lsbvm.org or via hand delivery; however, such request must be received by no later than 3 p.m. on Monday, January 9, 2023. If the criteria set forth in R.S. 49:953(A)(2)(a) are satisfied, a public hearing will be conducted at 1 p.m. on Wednesday, January 24, 2023 at 5825 Florida Blvd, Baton Rouge, LA 70806. To confirm whether or not a public hearing will be held, interested parties must visit www.lsbvm.org/rulemaking-projects on or after January 9, 2023. If a public hearing is to be held, all interested parties are invited to attend and present data, views, comments, or arguments, orally or in writing. In the event of a hearing, parking is available to the public in front of the Department of Agriculture and Forestry Building at 5825 Florida Blvd, Baton Rouge, LA 70806.

Jared B. Granier
Executive Director

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Preceptor Program**

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

There will be no costs or savings to state or local governmental units, except for those associated with publishing the proposed rule amendment (estimated at \$750 in FY 2023). This proposed rule amendment would remove barriers to entry at a time many areas of the state are underserved with veterinary care and would align Louisiana's with most other states' requirements for licensure. All current licensees and potential applicants for licensure will be informed of this proposed rule amendment via the Board of Veterinary Medicine's regular newsletter, website, and by email which results in minimal costs to the board.

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

The Board of Veterinary Medicine (Board) anticipates a greater number of applications for the Doctor of Veterinary Medicine (DVM) licensure due to the removal of the preceptorship application requirement. As such, the proposed rule amendment is anticipated to increase revenues generated from fees for applications for DVM licensure as follows: FY2022 – \$5,500 (an increase of 10 applicants x \$550 fees); FY2023 – \$8,250 (an increase of 15 applicants x \$550 fees); and FY2024 – \$11,000 (an increase of 20 applicants x \$550 fees).

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

The proposed rule amendment removes the preceptorship requirement for out-of-state licensees where virtually no other state has a similar program, thus benefiting applicants for DVM licensure by having a more streamlined, less restrictive application process and a positive effect on the timeframe for DVM license issuance.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The number of licensed DVMs is anticipated to increase as a result of the proposed rule amendment. In the long term, this proposed rule amendment should increase overall competition for employment. However, at this time many areas of the state are currently underserved with veterinary care and a larger number of licensed DVMs are needed in the state to fill these employment opportunities.

Alfred G. Stevens, DVM
Board President
2212#034

Alan M. Boxberger
Interim Legislative Fiscal Office
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Economic Development
Office of the Secretary**

**Small Business Innovation Retention Fund Program
(LAC 13:I.Chapter 49)**

Under the authority of R.S. 51:2401 and R.S. 36:104, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Economic Development hereby give notice of their intent to adopt rules for the Small Business Innovation Retention Fund Program.

Title 13

ECONOMIC DEVELOPMENT

Part I. Financial Incentive Programs

Chapter 49. Small Business Innovation Retention Fund Program

§4901. Purpose

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Family Impact Statement

The proposed Rule changes have no impact on family formation, stability or autonomy, as described in R.S. 49:972.

Poverty Statement

The proposed Rule is not anticipated to have an impact on poverty as described in R.S. 49:973.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services as described in HCR 170 of the 2014 Regular Legislative Session.

Small Business Analysis

The proposed Rule is not anticipated to have an adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting the proposed Rule to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Public Comments

Interested persons should submit written comments on the proposed Rules to Stephanie Le Grange through the close of business on Tuesday, January 24, 2023 at Department of Economic Development, 617 North Third Street, 11th Floor, Baton Rouge, LA 70802 or via email to Stephanie.LeGrange@la.gov.

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Brenda Guess
Assistant Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Small Business Innovation Retention Fund Program

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

The proposed rule establishes program guidelines for the Small Business Innovation Retention (SBIR) Program authorized by Act 476 of the 2022 Regular Session.

The Department of Economic Development (LED) expects to receive up to \$105,000 per year to administer the program. These funds should be sufficient to administer the program as outlined in law/proposed rules.

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

The program is expected to have a negligible impact on future revenue collections at both the state and local levels.

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

The program will directly benefit Louisiana businesses that are recipients of federal SBIR or Small Business Technology Transfer (STTR) grants who receive awards from the Louisiana Small Business Innovation Retention Fund Program, by providing them with additional grant funding from the State. These businesses will be subject to additional application and compliance requirements, but these requirements should not be significant and should be outweighed by the benefits received.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Program award recipients may enjoy competitive benefits over any competitors who do not receive awards, due to having additional funding. Employment may increase negligibly, if award recipients hire additional personnel due to receiving award funding.

Anne G. Villa
Undersecretary
2212#043

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Economic Development Office of Business Development

Louisiana Competes Regional Economic Development
Program (Louisiana Competes Program)
(LAC 19:III.Chapter 25)

The Department of Economic Development, Office of Business Development, as authorized by and pursuant to the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 36:104, 36:108 and 39:1481 et seq., hereby give notice of their intent to adopt rules for the Louisiana Competes Regional Economic Development Program, abbreviated and to be known as the "Louisiana Competes Program".

Title 19

ECONOMIC DEVELOPMENT

Part III. Financial Assistance Programs

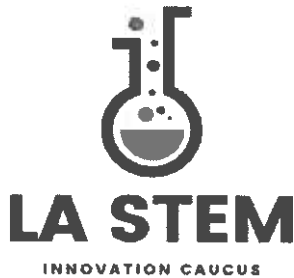
Chapter 25. Louisiana Competes Regional Economic Development Program (Louisiana Competes Program)

§2501. Preamble and Purpose

A. The legislature recognizes the strong competition among states to attract new business and industry and to grow existing business and industry.

B. It is further recognized that different regions have different characteristics and attributes which are advantageous to specific sectors of the economy.

C. The legislature believes that local citizens working through regional economic development organizations ("REDO's") are uniquely positioned to support the state's overall economic development efforts by identifying and directing how certain resources are best utilized to take advantage of a region's distinctive economic potential.



January 24, 2023

Sec. Don Pierson
Louisiana Economic Development
617 N 3rd St
Baton Rouge, LA 70802

Dear Secretary Pierson:

The STEM Innovation Caucus is a bipartisan cohort of members from the Louisiana House of Representatives. The mission of our Caucus is to diversify our economy and spur investment into Louisiana by advancing policies that foster entrepreneurship and drive innovation in our great State. Such policies have the potential to grow new industries in every corner of Louisiana, which can retain our youth, attract young families, increase wages, and create new jobs. We envision this as a winning plan for the people of Louisiana. Despite this optimism, we write to you today, with the undersigned stakeholders, to express our serious concerns about the proposed LED rules related to the Small Business Innovation Retention (SBIR) program (HB 786/Act 476).

The STEM Caucus Chair and Vice Chair, Reps. Willard and Pressly, respectively, successfully passed a package of three bills during the 2022 regular session. The intent of the package was to provide additional support to Louisiana based companies pursuing and receiving SBIR/STTR federal grant awards to accelerate their product development cycle and get products to market faster. Our SBIR Recruitment bill (HB795) added an element that allows Louisiana to aggressively pursue out-of-state companies for the sole purpose of relocating their headquarters to Louisiana. Again, our focus is on job creation and economic diversification efforts for small business entrepreneurs. All three bills were heavily supported during the legislative process by the SBIR Consortium, LABI, Louisiana BIO, entrepreneurs, universities, and economic development organizations from across the state, including LED. The bills also received unanimous support by lawmakers.

Prior to Session, the STEM Caucus worked closely with LED staff and other stakeholders to draft the legislation. Since the end of session, the STEM Caucus has continued to coordinate with LED staff to develop the rules that will guide the new programs. **There is mostly agreement about the implementation, however one main point of contention remains as to whether the new SBIR Retention program can be used as an enhancement to the current R&D tax credit program**, both being based on the same criteria of securing a federal agency research award, which is highly competitive. The intent of the STEM Caucus was for the programs to be complementary so that we can increase our state's support of these innovative companies (often under 10 employees).

Please note that if the use of both programs needs to be further restricted, we are open to discussions around limiting the SBIR Retention award in targeted ways that would refine the policy justification, narrow eligibility, and reduce the fiscal impact. One such example is limiting the State SBIR Retention grants to first time recipients.

In closing, the STEM Caucus strongly urges LED to take our concerns into consideration and amend the final rules to make the SBIR Retention program and R&D program function in a complementary fashion, not conflicting. Please accept this letter as part of the formal public comments.

As we continue to move these economic policies forward, we must acknowledge that they will only be successful if leveraged in a comprehensive manner. If statutory changes are necessary in the upcoming session to make this a reality, the Caucus stands ready to coordinate with LED to develop workable solutions. We appreciate the ongoing work of LED and value them as a vital partner, and we are enthusiastic to see these new innovation programs lead to new business growth and success for our state!

Thank you for your consideration!

Respectfully,

Matt Willard
State Representative
District 97, New Orleans
STEM Caucus Chair

Thomas Pressly
State Representative
District 6, Shreveport
STEM Caucus Vice-Chair

Stakeholders in Support:

 <p>LOUISIANABIO</p>	 <p>SBIRC.ORG INCREASING INNOVATION</p>
 <p>NEW ORLEANS BUSINESS ALLIANCE CULTURE. EQUITY. PROSPERITY.</p>	 <p>BRF</p>
 <p>GREATER NEW ORLEANS INC REGIONAL ECONOMIC DEVELOPMENT</p>	 <p>Baton Rouge Area Chamber.</p>
 <p>KING CROW STUDIOS</p>	 <p>Spectrum Valves™</p>
 <p>New Orleans BioInnovation Center</p>	<p>THE IDEA  VILLAGE</p>
 <p>3DMEDIA</p>	 <p>REFINED IMAGING</p>
 <p>BASCOM HUNTER</p>	 <p>BIOINFOEXPERTS</p>
 <p>Obotala</p>	<p>Acadian Labs</p>