

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2040 - HB 2463

February 18, 2016

SUMMARY OF BILL: Requires each state agency to strive to ensure that at least 12.5 percent of all agency contracts are awarded to minority-owned businesses, woman-owned businesses, service-disabled veteran-owned businesses, or small businesses.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Governor's Office of Diversity Business Enterprise (GO-DBE) is charged with coordinating and directing the Executive Branch's efforts to increase participation by the following categories: minority business enterprise (MBE); service-disabled veteran business enterprise (SDVBE); small business enterprise (SBE); and woman business enterprise (WBE).
- According to the FY14-15 Annual Report by the GO-DBE, approximately 12 percent of all state agency expenditures went toward certified diversity businesses.
- Each year each state agency is given a goal by category (MBE, SDVBE, SBE, and WBE). During FY14-15, 17 out of 29 agencies met their goals established by Go-DBE. The 17 agencies reflect a 54.55 percent increase from the number of agencies that met their goals in FY13-14.
- Requiring all state agencies to strive to ensure that at least 12.5 percent of all contracts are awarded to one of these categories will not result in a significant fiscal impact to state government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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