



State of Louisiana

Louisiana Department of Health
Office of the Secretary

February 8, 2021

Via Statutorily Prescribed Email

To: The Honorable Fred H. Mills, Jr., Chairman, Senate Health & Welfare Committee
The Honorable Larry Bagley, Chairman, House Health & Welfare Committee

From: Dr. Courtney N. Phillips
Secretary

Re: Second Report on Proposed Amendments to LAC 67: Part VII. Section 9. Council on the Purchase of Goods and Services of Individuals with Disabilities

A handwritten signature in blue ink, appearing to read "Dr. Courtney N. Phillips", is written over the "From:" field of the email header.

Pursuant to the Louisiana Administrative Procedure Act, the Louisiana Department of Health, Bureau of Health Services Financing, submits its second report regarding the proposed LAC 67: Part VII. Section 9 – Council on the Purchase of Goods and Services of Individuals with Disabilities.

A Notice of Intent on the proposed amendments was published in the December 20, 2020 issue of the *Louisiana Register* (LR 46:1722). No written comments were received and there was no request for a public hearing were received during the notice period. Because there were no requests for a public hearing, one was not held for these proposed amendments. Additionally, no substantive changes were made to the proposed amendments since the report provide for in R.S. 49:968B-C was submitted.

Unless otherwise directed, the Department anticipates adopting the December 20, 2020, Notice of Intent when it is published as a final rule in the March 20, 2021, issue of the *Louisiana Register*.

Please contact Carol Lee, at carol.lee@la.gov, if you have any questions or require additional information about this matter.

Cc: Paul Rhorer, Program Manager, Office for Citizens with Disabilities, LDH
Julie Foster Hagan, Assistant Secretary, Office for Citizens with Developmental Disabilities, LDH
Bethany Blackson, LDH Legislative Liaison
Catherine Brindley, Editor, *Louisiana Register*, Office of the State Register

~~proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on January 29, 2021.~~

~~Public Hearing~~

~~Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on January 11, 2021. If the criteria set forth in R.S. 49:953(A)(2)(a) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on January 28, 2021 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225)342-1342 after January 11, 2021. If a public hearing is to be held, all interested persons 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 the Galvez Parking Garage which is located between North Sixth and North Fifth/North and Main Streets (eater corner from the Bienville Building). Validated parking for the Galvez Garage may be available to public hearing attendees when the parking ticket is presented to LDH staff at the hearing.~~

~~Dr. Courtney N. Phillips
Secretary~~

~~FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Nursing Facilities Non-Emergency Transportation for Medical Appointments~~

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

~~It is anticipated that implementation of this proposed rule will have no programmatic fiscal impact to the state other than the cost of promulgation for FY 20-21. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 20-21 for the state's administrative expense for promulgation of this proposed rule and the final rule.~~

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

~~It is anticipated that the implementation of this proposed rule will have no effect on revenue collections other than the federal share of the promulgation costs for FY 20-21. It is anticipated that \$270 will be collected in FY 20-21 for the federal share of the expense for promulgation of this proposed rule and the final rule.~~

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

~~This proposed rule amends the standards for payment for nursing facilities in order to clarify the provisions governing non-emergency transportation for medical appointments. Providers will be impacted by implementation of this proposed Rule since it adds language to the Louisiana Administrative Code which requires nursing facilities to contact the appropriate managed care organization or fee for service transportation representative and submit the necessary documentation when arranging non-emergency ambulance transportation for medical appointments for recipients. It is anticipated that implementation of this proposed Rule will not~~

~~result in any increase or decrease in payments to providers in FY 20-21, 21-22, and 22-23 but will be beneficial by ensuring that the provisions are clearly and accurately promulgated in the Louisiana Administrative Code.~~

~~IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)~~

~~This rule has no known effect on competition and employment.~~

~~Tara A. LeBlanc
Interim Medicaid Director
2012#058~~

~~Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office~~

NOTICE OF INTENT

Department of Health Office for Citizens with Developmental Disabilities

Council on the Purchase of Goods and Services of Individuals with Disabilities (LAC 67:VII.Chapter 9)

Under the authority of R.S. 40:4 and 40:5, and in accordance with R.S. 49:950 et seq., the Administrative Procedure Act, notice is hereby given that the Department of Health, Office for Citizens with Developmental Disabilities (LDH-OCDD), hereby proposes to amend LAC 67:Part VII Rehabilitation Services, Chapter 9 Council on the Purchase of Goods and Services of Individuals with Disabilities. The intent of the proposed amendment will allow individuals with disabilities to work alongside individuals without disabilities in non-segregated settings earning a fair wage. The proposed Rule also includes changes to remove references to sheltered workshops and replace with supported employment provider in addition to making the necessary people first language changes. The proposed amendment is to update the Rule pursuant to ACT 312 of the 2019 Regular Legislative Session.

Title 67

SOCIAL SERVICES

Part VII. Rehabilitation Services

Chapter 9. Council on the Purchase of Goods and Services of Individuals with Disabilities

§901. General Rules

A. The purpose of this program is to further the state of Louisiana's policy of encouraging and assisting individuals with disabilities to achieve maximum personal independence by engaging in useful and productive employment activities and, in addition, to provide state agencies, departments, and institutions and political subdivisions of the state with a method for achieving conformity with requirements of nondiscrimination and affirmative action in employment matters related to individuals with disabilities. This program will provide employment opportunities for individuals with disabilities, thereby reducing their need for financial and other forms of assistance from government.

B. The Program for the Purchase of Goods and Services Provided by Individuals with Disabilities created pursuant to R.S. 39:1604.4, which provides that every agency gives a preference in its purchasing practices to goods manufactured and services performed by individuals with disabilities, shall be called the State Use Council for the Purchase of Goods and Services Provided by Individuals with Disabilities hereinafter called Council.

C. The Louisiana Department of Health (LDH) shall establish a council and the membership of the council shall be determined by the secretary of LDH.

D. The Council shall be responsible for the implementation, policies, supervision, and monitoring of the program including having the authority to designate and contract with a central nonprofit agency to assist supported employment providers.

E. When contracting with a central nonprofit agency, the council shall solicit and evaluate competitive sealed proposals pursuant to R.S. 39:1595, at least every five (5) years.

F. All suitable goods and services approved by the council in accordance with applicable specifications by or for any state agency shall be procured from such nonprofit organization, program or entity as defined by R.S. 12:201 et seq., where such goods and services are available within the period specified at the fair market price unless otherwise excluded.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§903. Definitions

Central Nonprofit Agency (CNA)—an entity designed as a central nonprofit agency pursuant to RS 39:1604.4.

Community Rehabilitation Program (CRP)—a government or nonprofit private program operated under criteria established by the council and under which individuals with disabilities produce goods or perform services for compensation.

Council—when used in these rules shall refer to the Louisiana Department of Health (LDH) State Use Council for the Purchase of Goods and Services Provided by Individuals with Disabilities.

Direct Labor—all work required for preparation, processing and packaging of a good, or work directly relating to the performance of a service; except supervision, instruction, administration, inspection or shipping goods.

Disability—a mental or physical impairment, including blindness, that impedes a person who is seeking, entering, or maintaining gainful employment.

Goods Manufactured and Services Performed by Individuals with Disabilities—goods and services for which not less than 40 percent of the man-hours of direct labor required for manufacture or performance is provided by individuals with disabilities.

Individuals with Disabilities—individuals with a physical, behavioral, developmental, intellectual, sensory, mental, or addictive disorder which constitutes a substantial obstacle to their employment and is of such a nature as to prevent an individual from engaging in normal competitive employment.

Supported Employment Provider—a nonprofit organization, program or entity that:

1. as defined by R.S. 12:201 et seq. operates in the interests of individuals with disabilities and provides gainful, competitive, integrated employment for individuals with disabilities, and the income of which does not inure in whole or part to the benefit of any shareholder or other private

individual, in compliance with a central nonprofit agency for individuals with disabilities and

2. complies with any applicable occupational health and safety standards provided by the statutes or regulations of this state or of the United States.

3. in Fiscal Years 2019-2020 and 2020-2021, supported employment provider shall also include any sheltered workshop transitioning to a supported employment provider as defined above.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§905. Organization of the Council

A. The council will be composed of no more than nine members to be known as the Council on the Purchase of Goods and Services of Individuals with Disabilities, including three state agency members and up to six appointed members. The state agency members shall be the director of State Purchasing of the Division of Administration or their designee; and the assistant secretary of the Office for Citizens with Developmental Disabilities, Louisiana Department of Health (LDH) or their designee; and the director of Louisiana Rehabilitation Services or their designee. The six appointed members shall be recommended by the Council on the Purchase of Goods and Services of Individuals with Disabilities and approved by the secretary of the LDH. A chairman shall be recommended by the council to the secretary of the LDH for appointment.

B. Reimbursement for necessary expenses actually incurred in the performance of services in connection with the work of the council will be made as authorized by the secretary of LDH.

C. The act of a majority of the members present at a meeting at which a quorum is present shall be the act of the council.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§907. Duties and Responsibilities of the Council

A. The duties and responsibilities of the council are:

1. to coordinate and facilitate the carrying of R.S. 39:1604.4 and R.S. 38:2261;

2. to certify eligibility of programs for participation;
3. to suspend and reinstate a supported employment provider;

4. to solicit and evaluate competitive sealed proposals pursuant to R.S. 39:1595 at least every five years to designate and contract with a central nonprofit agency to assist the Council in performing its functions;

5. to act on recommendations of the central nonprofit agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§909. Certification of Eligibility of Participating Supported Employment Provider

A. The council shall certify each supported employment provider making application for participating in the Program for the Purchase of Goods and Services Provided by Individuals with Disabilities.

1. The applicant meets the necessary definition of a supported employment provider as defined in R.S. 39:1604.4.

2. The applicant meets the necessary definition of a central nonprofit agency as outlined in R.S. 39:1604.4, only if central nonprofit agency status is a requirement that the program must have obtained to function legally as a supported employment provider under federal and/or state statutory requirements.

3. The applicant conforms to the requirement for goods manufactured and services performed by individuals with disabilities as defined in R.S. 39:1604.4.

4. The applicant has demonstrated to the Council's satisfaction that it is capable of providing goods and services for sale to the state that conform to the criteria for same, as established by the rules pursuant to R.S. 39:1604.4.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§911. Central Nonprofit Agency

A. The council shall have the authority to designate and contract with a central nonprofit agency to assist supported employment providers in submitting applications for the selection of suitable goods and services, to facilitate the allocation of orders among qualified supported employment providers, in controlling quality control, and in assisting the council in carrying out its responsibilities.

B. The council shall solicit and evaluate competitive sealed proposals pursuant to R.S. 39:1595, at least every five years to designate and contract with a central nonprofit agency.

C. The central nonprofit agency may also assist supported employment providers in training, contract negotiations and procurement, costing, cash advancements against billing, no interest loans, credit checks and collections, public relations, consultations, goods development, market research, networking, industry referrals, production, management, contract administration, liaison with government, and other duties as specified by the council. Payment, if any, for such assistance shall be by agreement with the individual supported employment provider.

D. The Council shall establish rates for marketing services to be charged to the supported employment provider by the central nonprofit agency.

E. Purchase orders may be issued by the appropriate purchasing agency for suitable goods and services directly to a supported employment provider with copies to a central nonprofit agency. Provisions may also be made to issue purchase orders directly to the central nonprofit agency which will in turn make payment to the supported employment provider.

F. If such assistance is authorized in the designation, the Council may instruct the central nonprofit agency to assist it in carrying out certain specified Council responsibilities.

G. Central nonprofit agency will submit annually a detailed written report of its program and budget to the council. This report shall include:

1. the number of disabled persons according to their type of disability who are employed by supported employment providers participating the program for the purchase of goods and services;

2. the amount of annual wages paid to persons participating in the program;

3. a summary of the sale of goods offered by the supported employment providers;

4. a list of goods and services offered by the supported employment providers;

5. the geographic distribution of the supported employment providers;

6. other information specified by the council for its determination of rates for marketing services to be charged the supported employment providers by the central nonprofit agency;

7. information regarding the financial operations and conditions of the central nonprofit;

8. a report of the extent to which activities were performed in accordance with 911.C above;

9. the number of persons with disabilities who transitioned to individual or supported employment opportunities.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Louisiana Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§913. Suspension and Reinstatement of a Supported Employment Provider

A. The council, after notice and a hearing may suspend a supported employment provider from its right to receive purchase orders from this program for suitable goods and services under any or all of the following circumstances:

1. failure of delivered goods and services to meet or exceed specification;

2. failure to deliver ordered goods and services as required in the specifications.

B. The council may reinstate a supported employment provider after a suspension only if the council makes an affirmative finding on each of the following:

1. that the supported employment provider has reimbursed the state for damages suffered by reason of any of the failures giving rise to suspension;

2. that the supported employment provider has made the necessary corrections to avoid these failures in the future.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§915. Value Added

A. A supported employment provider may not act merely as a receiving and shipping facility, except under circumstances as approved by the council.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§917. Inspections

A. The appropriate purchasing agency, at its option, may monitor supported employment provider manufacturing activities for compliance with specifications under existing contracts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§919. Records

A. The records of the council and of any nonprofit agency participating in this program which pertain to state purchases of the goods and services of individuals with disabilities, shall be made available upon request to the inspection of representatives of the Legislative Auditor, Office of the Inspector General, the Division of Administration, Office of Planning and Budget, or the Legislative Fiscal Office on the assurance that the information will be safeguarded, used only for the purpose for which provided, and not released to unauthorized persons.

B. A request for information for other records of the council which identifies individuals with disabilities as a state agency client or former client will be forwarded to LDH for review.

C. LDH is the depository for all records concerning the Council's operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1604.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976 (November 1990), amended by the Louisiana Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

§921. Exceptions

A. Exceptions from the operation of the mandatory provisions of these rules may be made in any case where under the rules of the state purchasing agency, the goods or service so produced or provided does not meet the reasonable requirements of the office, department, institution, or agency.

B. No office, department, institution, or agency may evade the intent of these rules by slight variations from standards adopted by the appropriate purchasing agency, when the goods or services produced or provided by individuals with disabilities, in accordance with established standards, are reasonably adapted to the actual needs of the office, department, institution, or agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1504.4 and R.S. 36:254.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Rehabilitation Services, LR 16:976

(November 1990), amended by the Louisiana Department of Health, Office for Citizens with Developmental Disabilities, LR 47:

Family Impact Statement

In compliance with Act 1183 of the 199 Regular Legislative Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will not have an adverse impact on family functioning, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

In compliance with Act 854 of the 2012 Regular Legislative Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will not have an adverse impact on child, individual and family poverty in relation to individual or community asset development as described in R.S. 49:973.

Small Business Analysis

It is anticipated that the proposed Rule will not have a significant adverse effect 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.

Provider Impact Statement

After considering House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Public Comments

Interested persons may submit written comments about the proposed Rule to Carol Lee, Office for Citizens with Developmental Disabilities, P.O. Box 3117, Baton Rouge, LA 70821-3117. Ms. Lee is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is on January 29, 2021.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629, however, such request must be received no later than 4:30 p.m. on January 8, 2021. If the criteria set forth in R.S. 49:953 (A)(2)(a) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on January 27, 2021 in Room 173 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested parties should first call Allen Enger at 225-342-1342 after January 8, 2021. If a public hearing is to be held, all interested persons 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 the Galvez Parking Garage which is located between North Sixth and North Fifth/North and Main Streets (cater-corner from the Bienville Building). Validated parking for the

Galvez Garage may be available to public hearing attendees when the parking ticket is presented to LDH staff at the hearing.

Dr. Courtney N. Phillips
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Council on the Purchase of Goods and
Services of Individuals with Disabilities**

employment opportunities. Additionally, more organizations may qualify for an exemption from the competitive bid process due to the expansion of preference given to organizations that employ individuals with behavioral, developmental, sensory or intellectual disabilities and the reduction of the required ratio of direct labor by individuals with disabilities from no less than 75% to no less than 40%. The number of additional organizations that will qualify for an exemption cannot be determined.

Julie Fisher Hagan
Assistant Secretary
2012#030

Alan M. Boxberger
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Louisiana Lottery Corporation

**On-Line and Instant Lottery Games
(LAC 42:XV: Chapters 1 and 7)**

~~The Louisiana Lottery Corporation in compliance with, and under authority of R.S. 49:950 et seq., and R.S. 47:9000 et seq., hereby gives notice of its intent to amend the rules pertaining to the operations of on-line lottery games, LAC 42:XV:Chapter 1, to allow the Louisiana Lottery Corporation to offer the on-line lottery game "Pick 5", and the rules pertaining to instant lottery games, LAC 42:XV:Chapter 7, to allow the Louisiana Lottery Corporation to offer instant terminal games.~~

~~During the last regular session, the Legislature amended the Lottery statute changing the minimum transfer to the Lottery Proceeds Fund from 35 percent to 25 percent of gross revenues effective, August 1, 2020. The change was designed to allow the Corporation to increase prizes, and as a result, increase sales and total dollar transfers to the Lottery Proceeds Fund.~~

~~The Corporation has researched products in the lottery industry with higher prize structures and solid sales performance.~~

~~Instant Terminal Games are currently offered in 19 jurisdictions throughout the United States. These products offer the players an opportunity to request a ticket at the lottery terminal and determine instantly if they have won. These Instant Terminal Games provide a higher prize structure for the players resulting in increased net sales and more transfers to the Lottery Proceeds Fund.~~

~~For the past 6 years, the Corporation has seen the numbers games, Pick 3 and Pick 4, increase in sales by over 25 percent. These games represent the fastest growing draw style product line. Pick 5 is designed to build upon this success, providing higher net sales and more transfers to the Lottery Proceeds Fund.~~

Title 42

LOUISIANA GAMING

Part XV. Lottery

Chapter 1. On-Line Lottery Games General Rules

§103. Definitions

A. ...

~~Claim Form the printed or digital form provided by the corporation to be completed by prize winners when claiming a prize.~~

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

It is anticipated that OCDD will expend \$950 SGF in FY 21 associated with promulgating the rule. The proposed rule change is pursuant to ACT 312 of the 2019 Regular Legislative Session and includes changes to remove references to sheltered workshops and replace them with supported employment provider and make technical changes.

Additionally, the proposed changes will likely result in an indeterminable increase in state expenditures for each new organization that will qualify for an exemption from the competitive bid process. More organizations may qualify for an exemption due to the expansion of preference given to organizations that employ individuals with behavioral, developmental, sensory, or intellectual disabilities and reduce the required ratio of direct labor by individuals with disabilities from no less than 75% to no less than 40%. The number of additional organizations that will qualify for an exemption cannot be determined. Also, giving preference to these organizations may increase costs to the state if the goods or services could have been purchased at a lower price from a different provider through the competitive bid process.

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

The proposed rule change reduces the required ratio of direct labor by individuals with disabilities while expanding the admissible list of disorders that may contribute to the ratio. This is anticipated to expand the category of organizations that are eligible to claim the New Jobs corporate income tax credit and increase the volume of sales eligible for the Sheltered Workshops sales tax exemption. An increase of unknown magnitude in claims for these tax benefits is thus anticipated, which will result in a corresponding decrease to the state general fund and local funds. The extent of the decrease will depend on the number of additional workers determined eligible for employment under supported employment providers and the number of organizations that take advantage of the relaxed requirements to be designated a supported employment provider.

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

The proposed rule change will likely result in more organizations being classified as supported employment providers. Supported employment providers are exempt from the state of Louisiana's competitive bid process, which provides the economic benefit of being given preference for state contracts. Additionally, to the extent there is greater access to employment for individuals with disabilities, these individuals and their families may enjoy the economic benefit of additional income.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)**

The proposed rule change is anticipated to provide individuals with developmental disabilities greater access to