

Louisiana Department of Veterans Affairs
State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



JOEY STRICKLAND
SECRETARY

August 10, 2020

Dear Members of the Louisiana State House Subcommittee on the Economic Recovery of Minority, Female, and Veteran-Owned Enterprises:

In response to your request, please find below information on current Louisiana Department of Veterans Affairs services that may assist veteran-owned businesses, as well as input from our Louisiana veteran-owned business community during this COVID-19 pandemic and its recovery period, please see the following ideas gathered below.

Louisiana Department of Veterans Affairs current programs that can assist business owners:

- We play an active role in the LED/LDVA Veterans First Business Initiative, verifying veteran status for veterans who apply to be listed on *laveteransfirst.org* for customers who want to find and support veteran-owned businesses. We are encouraging more veteran-owned businesses to sign up for a listing on this website.
- Military Family Assistance (MFA) Fund: The LDVA administers this fund (which sits in the state treasury), but the MFA is funded solely through private donations (no state general fund dollars). While this fund cannot directly benefit businesses, it can provide need-based grants to veterans who may own businesses and who are experiencing personal financial need at this time, if the veteran's request meets the criteria set forth in R.S. 46:121-126.
- LDVA's 74 veterans' benefits offices across the state, staffed by accredited Veterans Assistance Counselors (VACs), are open to ensure that any veteran business owners who have not accessed all of their own personal earned state and federal benefits are able to file their claims and ensure that they receive those benefits as quickly as possible.
- We are assisting in publicizing the State Treasurer's Main Street Recovery program, initially made available to those businesses who had not received PPP money, and then opening up to all businesses.¹

¹ One comment received re: Main Street Recovery Program: Many small business owners have moved away from physical locations and into virtual offices. Many times these are home office situations. This change started before the arrival of COVID-19, but increased rapidly when COVID-19 started. The Main Street Recovery Program disallowed Home Office Small businesses to participate, and the request is to allow home offices to participate in the future.

In response to HSR2, LDVA received the following suggestions from our Veterans Affairs Commissioners and Veteran Business Owners around Louisiana. We compile them here for your review:

“For me, it’s simple, I have to keep the doors open to make money, so having rent money is important. There is a lot of talk about funding, and more talk about “Small” businesses like the L.A Lakers, Ruth Chris, and so on getting funding, while the mom and pop places get to make signs saying “Closed” or “Out of Business.” This shouldn’t happen. The mom and pop stores are the backbone of the nation and we must protect them at all cost. Walmart is going to make their money. Amazon will make their money. What about the business owners with 1 to 15 people working for them? What happens to them? Who fights for them? Who will listen to their needs? We need to fight for them, for us, for me. So, with this email, ask the question: Who will fight for us to keep the doors open? I don’t want a handout, but a helping hand will do. We need our rent covered.”

--Louisiana Veteran Business-Owner

Grants, Loans, Rent Control:

- There is a lot of concern over the high cost of rent and overhead for businesses during this time. When a small business owner has a bad week, his rent and utilities are still due and owing. Recommending some form of rent control during this difficult time.
- Looking for grant opportunities for businesses whose work has slowed down or closed, but their infrastructure is still in place and it takes cash to operate.
- Looking for long-term, low-interest government loans and any immediate state contracting opportunities to replace lost revenue. The writer gave the example that his business was located in Baton Rouge, so he was looking for state trash contracts to help, from state institutions such as LSU, Southern University, DOTD and other military bases in the state. Can government agencies amend any contracts to include veterans’ participation?
- One business owner’s suggestion: my recommendation is ability to get SBA low-interest loan with longer repayment terms longer than five (5) years (like Katrina) to have breathing room to manage these difficulty time especially for new business owners who invested their life savings right before this pandemics.
- Providing easier access to capital through LED or some other state program specific for Veteran Small Business Owners that helps us take advantage of opportunities we do have to sustain ourselves and grow, i.e. Lines of Credit, Low Interest Loans, Purchase Order Financing, supportive grants, web site development, etc.

“Prior to COVID-19, our business was just starting to see some light. We are a little over 1 year and a few months in business, but then COVID-19 happened. We had to stop working. Bills had to be paid; our wholesalers had to pay for our products. Like so many other businesses, we were and are in uncertain times. We are just trying to take it day by day. Funding for small businesses like ours is essential, but the majority of the time, we don’t qualify and bigger businesses get funding. It’s small local businesses like ours that can help with economic growth in our community, yet we do not get funding. So my input is maybe better access to funding: maybe reevaluating criteria that gear more towards small businesses.”

--Louisiana Veteran Small-Business Owner

Contracting Assistance

- Requesting that Service-Disabled Veteran Owned Businesses (SDVOB) have first-shot at procuring jobs, supplies, equipment, etc. on state bids. Said currently the federal government offers a program through the U.S. Department of Veterans Affairs, which awards a large amount of contracts to veterans, utilizes a set-aside contracts for veterans through their Veterans First Contracting Program. *(Note: Louisiana as a state currently does recognize the Hudson Initiative and Veterans Initiative on most state contracts, awarding extra points to veteran-owned businesses, among others, but see suggestion below:*
 - One business owner's suggestion: The state should raise its requirement for contracting to Veteran Owned Businesses and Service-Disabled Veteran Owned Businesses to the same percentages as female and minority. (I would start working in the state instead of out of it). Allow contracting officers to sole-source to a proven Veteran Owned Business or Service-Disabled Veteran Owned Business without fear; this would really help Veteran Owned Businesses. If this HSR2 committee is going to include Veteran Owned Businesses into these other socio-economic groups then it needs to ensure that the same percentages are used for all contracting efforts.
- One way to assist veteran on businesses is to highly encourage Primes to sub-contract a percentage of their work to a Veteran or Minority Owned Business.
- Louisiana Veteran Small Businesses prioritization with local government contracts through the Louisiana Veterans First Business Initiative. It's sometimes difficult to find the open contracts for government bids, especially when you are just starting out. Anything that could let veteran small businesses know about open bids in Louisiana that fit their services would be incredible.
- Adopt programs like the City Of New Orleans has for Large Majority Owned Companies bidding on state and quasi state contracts to utilize MBE/DBE companies as their partners on such contracts especially where there is federal monies involved or be subject to disqualification. This is not the old thinking of 'set asides' but a way to create partnerships that grow small MBE/DBE companies, create jobs, reduce unemployment and narrow the huge gap of income inequality creating a more fair, equitable and inclusive business environment/economy. These programs are designed to promote sharing of opportunities not favor one group over others.

“The biggest problem we are experiencing now is the closure of small businesses and the lack of sales. We wholesale to a large amount of small businesses in the state, but with the closures and limitations of occupancy or stores are not purchasing any products.”

—Louisiana Veteran-Owned Wholesaler

Tax Break Ideas

- Suggests perhaps some sort of tax break or incentive, particularly from payroll taxes.
- From one veteran business owner: Tax Credits for investments in veteran-owned small businesses would help incentivize investors to support entrepreneurial veterans and help create more jobs. There is an influx of Iraq/Afghan veterans entering into the workforce and many of them are entrepreneurs and are just getting started. COVID-19 hit just as many of us are ramping up our companies, which is a difficult challenge in the midst of a career

transition. But we are born for challenges! A Louisiana Veteran Small Business Tax Credit could be similar to the [New Market Tax Credit](#), but aimed at supporting veteran-owned small businesses in Louisiana. This would also help bring in investments from outside the state to bolster our local economy.

- From one business owner: Tax reduction comes to mind first. Specifically, property tax reduction similar to the homestead exemption. Since such a small percentage of the population are veterans these days, it would not totally disrupt the system.

Shop Veteran-Owned and Hire Veterans

- Continue state-sponsored campaigns for select veteran-owned businesses; suggested looking to the Lieutenant Governor’s Louisiana Seafood campaign, for example.
- State-sponsored incentive for hiring veterans into start-back-ups.
- Continue to work with LED to gather and publish job openings for veterans who need jobs to find and apply.
- From another small business owner: I’m not sure where to start, however, I ended up shutting my business down because of COVID-19 and I only received the initial \$5,000.00 advance from the SBA. I didn’t receive any other assistance because of my credit score. I have used my credit cards in an attempt to keep my company running. I actually depended on the SBA for the assistance.
- Give the veteran business Grants to help them during COVID-19. Offer Business to Business opportunities for Veteran business to receive Contracts.
- Preference for supplying state needs, and put Veteran Owned Businesses on a list as a state-preferred vendor, as well as receiving a listing of upcoming state needs to see if we can supply it, would be fantastic. An advertising campaign explaining the importance and impact of Veterans and Veteran Owned Businesses in the state would be great, especially if the list of Veteran Owned Businesses was shared in the local communities. A “We Support Our Veterans” campaign would go a long way in helping those who take freedom for granted to understand what all we sacrificed, and how much we want to be part of our community when we come home. (Note: This is ongoing for the past year under the Veterans First Business Initiative – laveteransfirst.org. Simply more publicity for support for this program could build that initiative.)

“Any funds that we can obtain would go directly to payroll expense to keep as many of my employees covered so they can pay their rent, get food, and help them hold on until our business gets back to some idea of what normal is. My business could not function without my great employees. I hope I will qualify for any assistance that is available. We are a formal-wear company. We missed Prom season, our weddings are dropping because our customers are so restricted by church and reception hall restrictions, and if Mardi Gras is cancelled, no idea where we will be.”

--Louisiana Veteran Small-Business Owner

Technology Assistance Requests

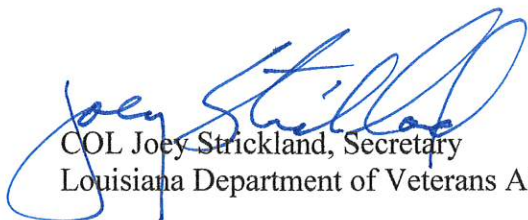
- As a Veteran Owned Business, it would be most beneficial to have technology assistance. In the digital commerce arena. From one business owner: The ability to acquire costly software and hardware to pivot my business would be most beneficial to me. I can't compete with businesses who have the latest technology to offer online, curbside or other alternatives during COVID. In addition, having funds to purchase this costly technology would help to market and grow my business to offer true representation of the products I sell while creating a positive customer shopping experience.
- From a veteran business owner: Develop a centralized online market that can integrate businesses by size, scale, location on the same platform. Ultimately offering a medium similar to modern social media that incorporates the necessary legal verification process to ensure a secure business environment. This may be a bit of reach from where we stand currently, with multiple products ranging from Facebook to Zoom to direct email that can accommodate businesses from their initial filing for a license to growing and connecting socially online through a secure State-provided platform.

Miscellaneous Feedback

- Received one concern from a doctor and 13-year military veteran, who says he had been excluded from People's Health Network as a provider. Says there doesn't seem to be any benefits/assistance for able-bodied, hard-working veterans in the medical profession.
- Received this note: I have a Veteran Owned Medical Practice. I've been excluded from insurance plans. That's how you can help me.

Thank you again for listening to our Louisiana veterans. LDVA looks forward to supporting the ongoing recovery of our Louisiana veteran-owned businesses in any way we can.

Sincerely,



COL Joey Strickland, Secretary
Louisiana Department of Veterans Affairs