

HOUSE BILL REPORT

HB 1908

As Reported By House Committee On:
Trade, Economic Development & Housing

Title: An act relating to minority assistance.

Brief Description: Creating the Washington state community equalization program.

Sponsors: Representatives Wineberry and Rayburn.

Brief History:

Reported by House Committee on:
Trade, Economic Development & Housing, March 3, 1993,
DPS.

HOUSE COMMITTEE ON TRADE, ECONOMIC DEVELOPMENT & HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Wineberry, Chair; Shin, Vice Chair; Forner, Ranking Minority Member; Campbell; Conway; Morris; Quall; Springer; and Valle.

Minority Report: Do not pass. Signed by 5 members: Representatives Chandler, Assistant Ranking Minority Member; Casada; Schoesler; Sheldon; and Wood.

Staff: Charlie Gavigan (786-7340).

Background: Minority business enterprises (MBE's) and women's business enterprises (WBE's) benefit generally from statewide economic development programs.

Washington State's Office of Minority and Women's Business Enterprises (OMWBE) was created in 1983 to increase opportunities for minorities and women to obtain state contracts. OMWBE's major duties are: (1) to set annual MBE and WBE participation goals in fulfilling state contracts; (2) to certify businesses as eligible for MBE or WBE status; (3) to provide a certification list for state agencies and others seeking to solicit bids from MBE's or WBE's; and (4) to monitor agencies and perform investigations to identify barriers to equal participation and expose discriminatory business practices.

The state, particularly the Department of Community Development, provides some assistance to local communities regarding programs to address gang-related problems in the community.

Summary of Substitute Bill: The Washington State Community Equalization Program is created in the Department of Community Development. The program administers funds in the Washington State community equalization account. Half the funds are to be spent for activities designed for and proven successful at diverting at-risk youth from gang and drug activity, while the other half funds development or expansion of businesses in minority communities. The program must give priority to applications from local governments.

The Washington State community equalization account receives 0.5 percent of state public works spending by state agencies and higher education institutions.

Substitute Bill Compared to Original Bill: The program is broadened to include all minorities or at-risk youth. The percentage of public works spending going for this program is reduced from 3 percent to 0.5 percent.

Fiscal Note: Requested February 19, 1993.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Rather than spending scarce resources on prisons, which house a disproportionate percentage of African-Americans and other minorities, some of this spending should be diverted to assisting at-risk youth before they become criminals. This program provides help at the front end through gang prevention programs and providing an economic opportunity through jobs with businesses in minority communities.

Testimony Against: None.

Witnesses: Nate Miles, African-American Agenda (supports); and Becky Bogard, African-American Agenda (supports).