

HOUSE BILL ANALYSIS

HJM 4017

Brief Description: Requesting businesses owned by disabled persons be a subcategory of minority business enterprises.

Sponsors: Representatives Clements and Conway

Hearing: January 26, 2000

Brief Summary of Bill

The Office of Minority and Women's Business Enterprises is asked to include businesses owned by disabled persons within the category of minority business enterprises.

BACKGROUND:

The Office of Minority and Women's Business Enterprises (OMWBE) was created in 1987 to increase minority and women's business participation in state procurement and public works. The OMWBE develops and implements programs for increasing this participation.

The OMWBE also sets goals for participation by minority and women-owned enterprises in the contracting of each state agency and educational institutions. Goals must be set for expenditures toward public works, architectural/engineering services, professional services, purchased goods, and purchased services. These categories represent about 15 percent of all state expenditures.

The goals apply to minority and women-owned businesses certified by the OMWBE. The OMWBE determines the requirements and classes for certification. To be certified, a woman or minority citizen must own at least 51 percent of the firm and control the business' managerial and operation activities. The business must also be a small independent business that performs a commercially useful function. The minorities covered are Black, Asian American, Hispanic, and American/Alaskan Indian.

Prior to the passage of Initiative Measure 200 (I-200), agencies were required to meet the

goal levels set by the OMWBE. In 1998, the number of minority or women-owned enterprises doing business with the state increased 7.4 percent. However, in that year only two agencies met their goals for contracting with women-owned businesses. Only one agency met their goal for minority owned businesses.

The passage of I-200 means that the OMWBE goals are no longer mandatory and agencies are not required to give preferences to minority or women-owned businesses. The OMWBE will continue to set goals and assist agencies to meet them, however. The OMWBE will also continue to identify qualified minority and women-owned businesses, conduct outreach programs, and insure that bidders solicit bids from minority and women-owned businesses and include them on lists for contracts not subject to open bidding statutes.

SUMMARY OF BILL:

The OMWBE is asked to include businesses owned by disabled persons within the category of minority business enterprises.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.