

Minority Business Commission

Overview of the Commission

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Electronic Meetings Policy

The electronic meeting policy is drawn from the Virginia Freedom of Information Act and contains provisions substantially similar to policies adopted by other General Assembly commissions and bodies.

Major features of the policy are the following:

- For meetings held in person, if a physical quorum is present, individual members may participate remotely for one of the following reasons:
 - Sickness/disability
 - Caring for an immediate family member
 - Personal Matter (no more than the greater of twice per year, or 25 percent of meetings)
 - Distance to meeting from personal residence

- The Commission may hold all-virtual electronic meetings:
 - Up to two meetings per calendar year or 50 percent of the meetings held in a calendar year, whichever is greater.
 - An all-virtual public meeting may not be held consecutively with another all-virtual public meeting.

In order to utilize these provisions, the Commission must adopt an electronic meetings policy that sets forth rules and procedures that will be applied uniformly, without regard to the identity of the member requesting to meeting virtually.

Commission History

The MBC was originally established in 2020, via Item 27.10 of the Appropriation Act. HB 374 (2024) codified the MBC and extended its sunset date to July 1, 2028.

The powers and duties of the Commission are the following (§ 30-434):

1. Evaluate the impact of existing statutes and proposed legislation on Virginia minority-owned businesses;
2. Assess current programs in the Commonwealth aimed at assisting minority-owned businesses and examine ways to enhance their effectiveness;
3. Provide minority business owners and advocates with a forum to address their concerns;
4. Develop strategies and recommendations to promote the growth and competitiveness of Virginia minority-owned businesses;
5. Collaborate with the Department of Small Business and Supplier Diversity and other appropriate entities to facilitate the Commission's work and mission; and
6. Perform such other duties, functions, and activities as may be necessary to facilitate and implement the objectives of this chapter.

Commission History

The Commission held seven meetings in 2021, including four meetings by two subcommittees that were established. One meeting was held in 2022, and the Commission did not meet in 2023.

- The focus of the Commission's work has to develop public policy recommendations to improve (i) minority business support and (ii) outreach and data collection regarding minority owned businesses.

Four recommendations from the Minority Businesses Commission were enacted by legislation between 2022 and 2024:

- HB 815 (2022), created a mentorship pilot program for start-up women-owned and minority-owned businesses.
- HB 814 (2022), directed SBSB to annually review and provide feedback on state agencies' plans to enhance SWaM procurement.
- HB 30 (Budget Bill, 2022) Item 123(I), directed SBSB and DGS to develop recommendations on a new performance goal for Small, Women, and Minority (SWaM) business participation on state contracts.
- HB 1404 (2024), directed SBSB to conduct a new disparity study, to be completed by January 1, 2025.

Enacted Legislation-SWaM Pilot Program

Pursuant to HB 815 (2022): “The Department shall establish and administer a pilot program whereby established businesses, or subject matter experts in relevant industry sectors, act as mentors for start-up women-owned and minority-owned businesses.”

- The mentorship program so established will run for a period of twelve (12) months, during which time mentors will provide training, guidance, advice, and support to their proteges.
- SBSD selected GENEDGE Alliance (manufacturing) and W.M. Jordan Company (construction services) to act as mentors in relevant industry sectors.

The program includes a combination of tailored and group training sessions with direct communication between mentors and proteges with the goal of identifying future business opportunities and potential areas for growth.

- For manufacturing, four companies were selected. For Construction, 10 companies were selected.
- Curriculum for construction: Intro/Safety, Accounting, Estimating, Project Management, Site Supervision, Enterprise/Information Technology, Marketing/Business Development, Wrap-Up & Close Program, Graduation (In-person in Richmond).

SBSD was directed to submit a report on the first cohort of participants by July 1, 2024, but is not directed to create a second cohort unless authorized by the General Assembly.

Enacted Legislation-SWaM Plan Feedback

HB 814 (2022), directed SBSB to annually review and provide feedback on state agencies' plans to enhance SWaM procurement.

- “The Department shall encourage state agencies to integrate such strategies with all current and future procurements.”
- “The Department shall suggest strategies that may be more effective or changes to strategies that have not been effective.”
- “Upon request of a state agency, the Department shall meet with the state agency one-on-one to discuss its SWaM goals and strategies and advise it on effective strategies.”
- “The Department shall research and compile information that state agencies can use to increase SWaM spending and shall develop and publish guidance on how state agencies can implement these strategies.”

The bill also required state agencies to collaborate with SBSB in completing the required annual review and executing its recommendations.

No formal reporting requirement to the General Assembly was included in the bill.

Enacted Legislation-SWaM Performance Goals

Item 123(I) of HB 30, (Budget Bill, 2022):

- The Department of Small Business and Supplier Diversity shall work in conjunction with the Department of General Services and other stakeholders to develop recommendations on a new performance goal for Small, Women, and Minority (SWaM).”
- Recommendations were to be submitted by November 1, 2022.

Enacted Legislation-Disparity Study and Workgroup

HB 1404 (2024) would have made significant changes to the Commonwealth's SWaM procurement programs. The bill passed the General Assembly, but was amended by the Governor's recommendation to include a reenactment clause for the provisions of the bill to be studied.

- Codifying a 42% state contracting spend goal for SWaM businesses with agencies under this goal directed to improve by 3% a year
- Creating a Division of Procurement Enhancement at SBSB
- Setting aside contracts for goods, services, and construction under \$100,000 for SWaM businesses
- Requiring contractors for procurements over \$100,000 to submit SWaM subcontracting plan
- Improving the state agency SWaM plan process

HB 1404 directed SBSB to conduct a new disparity study, to be completed by January 1, 2025. The study shall evaluate:

- "The availability and utilization of small, micro, women-owned, and minority-owned businesses and differences between categories of state procurement, such as by the types of goods and services needed or procured by state agencies;"
- "The disparities that exist between such availability and utilization;" and
- "The need for and available remedies that may be employed consistent with current federal law to address such disparities and past discrimination."

HB 1404 also directed the Department of General Services (DGS) along with SBSB and other agencies to study the proposals of the bill, and submit a report by December 1, 2024.

Next Steps

- 1. Evaluation of new disparity study, which will play an important role in determining the parameters of future changes to SWaM policies.**
- 2. Monitor and provide input into the HB 1404 workgroup designed to assess policy changes of the bill related to SWaM procurement.**
- 3. Other priorities determined by the Commission and Chair.**