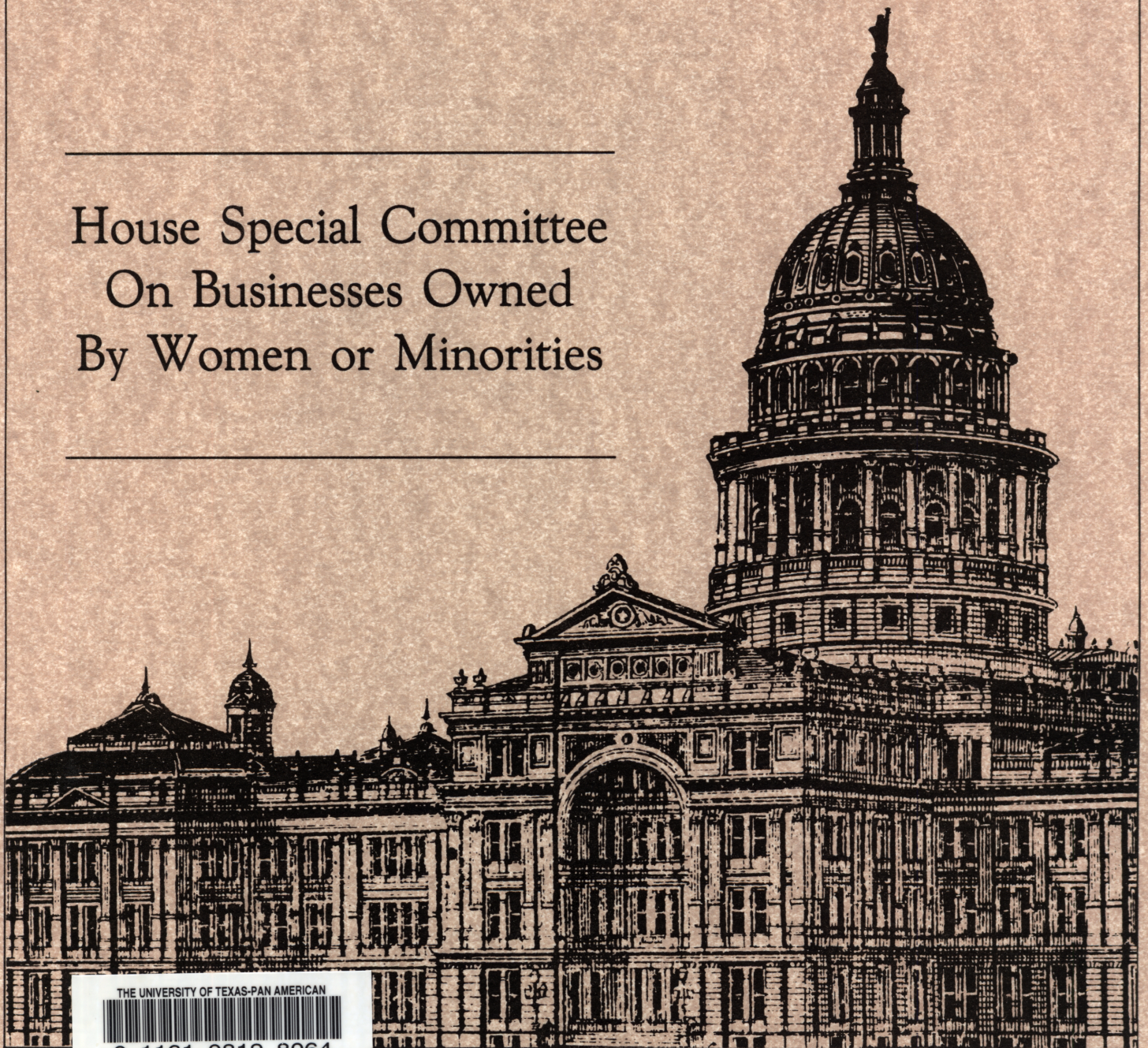


Texas House of Representatives

INTERIM REPORT

TO THE 71ST TEXAS LEGISLATURE

House Special Committee
On Businesses Owned
By Women or Minorities



THE UNIVERSITY OF TEXAS-PAN AMERICAN



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REPORT OF THE
HOUSE SPECIAL COMMITTEE ON BUSINESSES
OWNED BY WOMEN OR MINORITIES
December 9, 1988

HOUSE SPECIAL COMMITTEE ON BUSINESSES

OWNED BY WOMEN OR MINORITIES

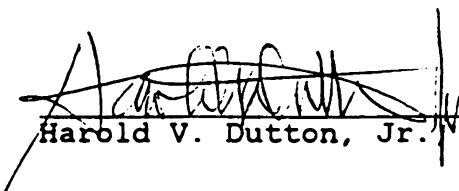
The Honorable Gibson D. Lewis
Speaker of the House

Members, Texas House of Representatives, 71st Legislature

The House Special Committee on Businesses Owned by Women or Minorities is pleased to submit its final interim report for consideration by the 71st Legislature.

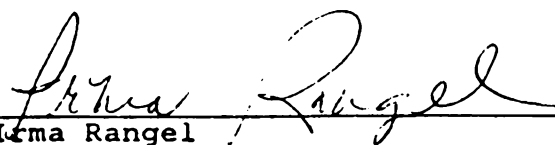
The committee wishes to express sincere appreciation to all of the state agency representatives and to all of the individuals who participated in the efforts that resulted in this report and recommendations.

Respectfully submitted,

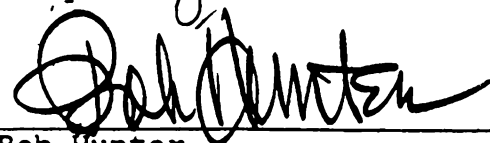

Harold V. Dutton, Jr. Chairman

Barry Connelly, Vice-Chairman


Orlando L. Garcia


Irma Rangel


Henry Cuellar


Bob Hunter

Gwyn Shea

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I. INTRODUCTION

The House Special Committee on Businesses Owned by Women or Minorities was created by House Resolution 8 during the Regular Session of the 70th Legislature in 1987. The special committee was charged with developing recommendations for public policy through which the state may provide assistance to businesses that are owned by women and minorities, with particular attention being given to:

1. An assessment of the current and anticipated role women-owned and minority-owned businesses play within the Texas economy;

2. An assessment of the need for a standardized definition of women-owned and minority-owned businesses among state agencies that will be applicable to all agencies;

3. A review of state procurement efforts to identify women-owned and minority-owned business participation in the procurement system of the state with attention given to past and future trends;

4. An evaluation of the effects of state-required bid performance and surety bonding requirements on women-owned and minority-owned businesses;

5. An assessment of capital resources in existence at the federal, state, and local level that are available to women-owned and minority-owned businesses, as well as identification of the state's role in assisting women-owned and minority-owned businesses' access to capital resources;

6. A coordination with efforts being undertaken by the Texas Department of Commerce and other appropriate agencies and state commissions that have an impact on women-owned and minority-owned businesses.

Appointed to the house committee were: Representatives Harold V. Dutton, Jr., of Houston, Chairman; Barry Connelly of Houston, Vice-Chairman; Henry Cuellar of Laredo; Orlando Garcia of San Antonio; Bob Hunter of Abilene; Irma Rangel of Kingsville; and Gwyn Shea of Irving.

The Texas Legislative Council provided the committee staff and prepared the final report.

II. MEETINGS

The committee held five public hearings in the following cities:

March 18, 1988, in Austin (organizational meeting); July 18, 1988, in Austin; August 6, 1988, in Abilene; August 10, 1988, in Houston; and August 20, 1988, in Laredo.

At the July 18 meeting, the following witnesses presented testimony before the committee. Representatives from the top 11 state agencies (based on the dollar value of contracting and purchasing) testified before the committee at the request of the chairman.

Mr. Robert Flaherty, State Department of Highways and Public Transportation.

Mr. Bob Templeton, State Department of Highways and Public Transportation.

Mr. W. C. Byers, Texas Department of Corrections.

Mr. Burton Rayford, Texas Department of Human Services.

Mr. Tom Hass, Department of Public Safety.

Ms. Leslie Geballe, Texas Employment Commission.

Mr. Jimmy Helm, Texas Department of Health.

Mr. Joe Hirsh, Texas Department of Mental Health and Mental Retardation.

Mr. Roy Hogan, Parks and Wildlife Department.

Ms. Ann Fuelberg, Comptroller's Office.

Mr. Harold Heath, State Purchasing and General Services Commission.

Ms. Rochelle Pemberton, State Purchasing and General Services Commission.

Ms. Barbara Wilson, Women's Chamber of Commerce.

Ms. Juanita Tijerina, Hispanic Chamber of Commerce.

Mr. Kurt Jobe, representing himself.

Ms. Beverly Watts-Davis, Commissioner on Women and Minority Owned Businesses for the City of Austin.

Mr. Albert Cavales, Minority Purchasing Council.

Ms. Lorraine Benedict, Texas Professional Title Company.

Ms. Mary McClure, Capitol Bolt and Supply.

At the August 6 meeting in Abilene, the following witnesses presented testimony before the committee.

Ms. Cynthia H. Love, Ed.D., owner of C. H. Love & Co., Inc./Computerland of Abilene.

Mr. Billy C. King, representing himself.

Mr. Rickey Childers, assistant city manager of Abilene.

Mr. Joseph Lopez, Abilene Economic Development Commission.

Ms. July Nalda, representing herself.

Mr. Samuel B. Matta, justice of the peace.

Mr. Joe M. Leal, Jr., representing himself.

Ms. Claire Johnson, representing herself.

At the August 10 meeting in Houston, the following witnesses presented testimony before the committee:

Mr. Herbert Johnson, a civil engineer representing the Association of Black Consulting Engineers and Architects of Houston.

Mr. Louis Fontenot, a civil engineer representing Louis Fontenot Associates, Inc.

Mr. George N. Wyche, a real estate appraiser representing the National Society of Real Estate Appraisers.

Ms. Raquel Rodriguez, Texas Association of Mexican-American Chambers of Commerce.

Mr. George Dillard, Minority Contractors Alliance of Texas.

Ms. Carmen Orta, Houston Hispanic Chamber of Commerce.

Mr. Valentin de la Rosa, City of Houston, affirmative action and contract compliance division.

Mr. Audwin Samuel, director of a minority business development center in Beaumont.

Mr. James S. Walker II, representing himself.

At the August 20 meeting in Laredo, the following witnesses presented testimony before the committee:

Dr. Leo Sayavedra, president of Laredo State University.

Mr. Elias Mendiola, Jr., owner of Litho Business Forms, Inc.

Mr. Oscar Enriquez, owner of Enriquez Painting Services.

Mr. Juan Eduardo Riojas, LCLT, Inc.

Mr. Arnold Gonzalez, deputy land commissioner of the General Land Office.

Mr. Lionel Aguirre, State Comptroller's Office.

Ms. Judith G. Gutierrez, Webb County Commissioner.

Mr. Mike A. Villarreal, Sr., co-owner of Villarreal Electric Co., Inc.

Ms. Susana Guerra, owner of Desert Oasis Liquors and Fiesta Fresh Products in El Paso.

Ms. Anastacia De Leon, owner of A&N De Leon Grocery and Tortilla Factory in Raymondville.

Ms. Maria Sanchez Fletcher, owner of Fletcher Personnel Services in McAllen.

Mr. Jorge O. De La Garza, owner of De La Garza Service Center, Inc.

Mr. Noel Garcia, a registered pharmacist and owner of Garcia Pharmacy.

Mr. Oscar Benavides Vann, Jr., self-employed small business owner.

Ms. Cynthia Valadez, representing LULAC.

Mr. Ralph Garcia, representing the Association for Free Enterprise.

Mr. Ernesto Lopez, small business owner.

Mr. Sam R. Hawkins, executive director of the San Antonio Minority Supplier Development Council.

III. FINDINGS AND RECOMMENDATIONS

1. FINDING: There is no standardized definition in state law of women-owned or minority-owned businesses. There are currently three different definitions in the statutes, including one for a "disadvantaged business" that includes women and minorities in its definition.

RECOMMENDATION: The committee recommends that the legislature amend the law to provide for a standardized definition of women-owned or minority-owned businesses that will be applicable to all state agencies. The committee recommends using the following definition for a disadvantaged business:

"Disadvantaged business" means:

(A) a corporation formed for the purpose of making a profit at least 51 percent of all classes of the shares of stock or other equitable securities which are owned by one or more persons who are socially disadvantaged because of their identification as members of certain groups, including black Americans, Hispanic Americans, women, Asian Pacific Americans, and American Indians, that have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control; or

(B) a sole proprietorship for the purpose of making a profit which is 100 percent owned, operated and controlled by one or more persons described by Paragraph (A) of this subdivision; or

(C) a partnership for the purpose of making a profit wherein 51 percent of the assets and interest in the partnership must be owned by one or more persons described by Paragraph (A) of this subdivision. Minority or women partners must have a proportionate interest in the control, operation and management of the partnership affairs; or

(D) a joint venture between minority/women group members for the purpose of making a profit wherein the minority participation is based on the sharing of real economic interest and must include equally proportionate control over management, interest in capital and interest earnings. If majority group members own or control debt securities, leasehold interest,

management contracts or other interests, the joint venture shall not be designated a disadvantaged business; or

(E) a supplier contract between persons described in Paragraph (A) of this subdivision and a prime contractor wherein the disadvantaged business is directly involved in the manufacture or distribution of the supplies or materials or otherwise warehouse and ship the supplies.

2. FINDING: There is a need for a central agency to certify businesses as women-owned or minority-owned.

RECOMMENDATION: The committee recommends that the Texas Department of Commerce develop a procedure for certifying businesses that are women-owned or minority-owned with a system for validating and updating the businesses on a semiannual basis. The businesses that are certified should be included in the directory identified in Recommendation No. 3.

3. FINDING: A directory or list of certified women-owned and minority-owned businesses would be useful to the state purchasing commission and state agencies in identifying and hiring these firms for state purchasing and public works contracts.

RECOMMENDATION: The committee recommends that the Texas Department of Commerce compile a directory of women-owned and minority-owned businesses in this state that are certified and provide a copy to the state purchasing commission and each state agency on a semiannual basis. This directory should be used in determining awards of state purchasing contracts and public works contracts.

4. FINDING: Some women-owned and minority-owned businesses are service oriented, i.e., landscape service, computer training, research service, etc., and as such find it very difficult to locate state agencies that require their services. Under the current system, the business owner is required to contact each agency at various locations around the state to inquire about possible offerings of state contracts. This is very expensive and often ineffective, nonproductive, and a waste of valuable time by the businesses.

RECOMMENDATION: The committee recommends the creation of a centralized purchasing entity for all state agencies to use for service contracts, spot or delegated purchases, and other items not requiring a competitive bid.

5. FINDING: Most women-owned and minority-owned businesses are not aware of state contracts available to them and find it difficult to learn the rules, policies, and procedures of the state procurement system.

RECOMMENDATION: The committee recommends that the state purchasing commission or the Texas Department of Commerce be charged with the responsibility of offering assistance and training in state procurement procedures to women-owned and minority-owned businesses. This entity should also be charged with advising these businesses of the availability of state contracts and soliciting them to enter their company's name on the state's bid list.

6. FINDING: Women-owned and minority-owned businesses are often unable to establish the necessary relationships in the traditional networks of commerce, such as with credit sources, suppliers, and potential markets for their products and services. The legislature can encourage growth of women-owned and minority-owned businesses by removing unnecessary burdens imposed on these businesses and by aggressively promoting an atmosphere conducive to their development. Because of past discrimination and persistent unwritten social prejudices, women-owned and minority-owned businesses face substantial barriers in advancing the growth of their business firms.

RECOMMENDATION: The committee recommends that the state purchasing commission make a good faith effort to assist women-owned and minority-owned businesses in receiving at least 10 percent of the total value of all contract awards for the purchase of supplies, material, equipment, or services that the commission expects to make for a state agency in its fiscal year. The committee recommends that a state agency that enters into contracts for projects shall make a good faith effort to assist women-owned and minority-owned businesses in receiving 10 percent of the total value of all construction contract awards that the agency expects to make in its fiscal year. In addition, the committee recommends that all state agencies make a good faith effort to assist these

businesses in receiving 10 percent of the total value of all emergency or delegated purchases made by the agencies in a fiscal year.

The committee recommends that the Texas Department of Commerce be designated the monitoring agency and be given the task of reporting annually to the legislature the percentage of contracts awarded to women-owned and minority-owned businesses by the state purchasing commission and each state agency.

APPENDIXES

APPENDIX A

By *Autin*

H.R. No. 8

R E S O L U T I O N

1 WHEREAS, Economic growth and development are among the
2 highest priorities in Texas; and

3 WHEREAS, An important part of promoting the economic growth
4 in Texas involves fostering economic diversification through the
5 development of new industries and the expansion of existing
6 businesses; and

7 WHEREAS, The health of women- and minority-owned businesses
8 is central to the overall welfare of Texas' economy; and

9 WHEREAS, Independent and locally owned businesses have
10 historically provided a foundation for community stability, a value
11 that is becoming more important as we recognize the mammoth social
12 and economic cost of economic dislocation; and

13 WHEREAS, A strong women- and minority-owned business sector
14 in Texas can protect an endangered right, the right of the
15 individual to enter productive activity as a self-reliant,
16 independent entrepreneur; and

17 WHEREAS, The legislature can encourage growth of the women-
18 and minority-owned businesses by removing unnecessary burdens
19 imposed on these businesses and by aggressively promoting an
20 atmosphere conducive to their development; and

21 WHEREAS, The time has come to eliminate the economically
22 crippling and demeaning disparities between women- and
23 minority-owned businesses and other Texas businesses; and

24 WHEREAS, There is a great disparity in the economic and

1 social well-being of Texas' women- and minority-owned businesses as
2 compared to both the general population and other business groups;
3 and

4 WHEREAS, The disparities of women- and minority-owned
5 businesses caused primarily by the vestiges of institutional
6 rejection dictate that the most urgent need for direct assistance
7 lies in the women- and minority-owned business community; and

8 WHEREAS, Because of past discrimination and persistent
9 unwritten social prejudices, women- and minority-owned businesses
10 face substantial barriers in obtaining the major elements necessary
11 for business ownership, such as availability of capital, technical
12 assistance, and market opportunities; and

13 WHEREAS, The rate of business formation for women- and
14 minority-owned business is much lower than it is for the rest of
15 the population; and

16 WHEREAS, Women and minorities are represented in the
17 professional, executive, and managerial work force in substantially
18 smaller percentages than nonminorities and tend to be much more
19 highly concentrated in the lower paying, lower status manual labor
20 and domestic service sector than the rest of the population; and

21 WHEREAS, Women- and minority-owned businesses are often
22 unable to establish the necessary relationships in the traditional
23 networks of commerce, such as with credit sources, suppliers, and
24 potential markets for their products or services; and

25 WHEREAS, Assisting qualified women- and minority-owned
26 businesses in obtaining adequate capital and management skills for
27 business ventures, as well as eradicating existing market barriers,

1 are essential elements of a strategy to advance business
2 development among women- and minority-owned businesses; and

3 WHEREAS, Successful strategies to advance business
4 development should reduce crime and social dependence, save state
5 resources in the long run, and enhance self-esteem and the quality
6 of life among Texas women and minorities; now, therefore, be it

7 RESOLVED, That the House of Representatives of the 70th
8 Legislature of the State of Texas hereby establish a special
9 interim committee to identify state alternatives for providing
10 assistance to women- and minority-owned businesses; and, be it
11 further

12 RESOLVED, That the interim study committee be named the House
13 Special Committee on Businesses Owned by Women or Minorities; and,
14 be it further

15 RESOLVED, That the committee be composed of five members of
16 the house of representatives, to be appointed by the speaker of the
17 house. The speaker shall also designate the chair and vice-chair,
18 and the committee shall hold meetings and public hearings at the
19 call of the chair; and, be it further

20 RESOLVED, That the committee have all other powers and duties
21 provided to special committees by the House Rules of Procedure, by
22 Subchapter B, Chapter 301, Government Code, and by policies of the
23 Committee on House Administration; and, be it further

24 RESOLVED, That the operating expenses of the committee be
25 paid from the contingent expense fund of the house and that the
26 committee members be reimbursed for their expenses incurred in
27 carrying out the provisions of this resolution in accordance with

1 the House Rules of Procedure and the policies of the Committee on
2 House Administration; and, be it further

3 RESOLVED, That the interim study committee make a complete
4 report, including findings and recommendations and drafts of any
5 legislation considered necessary, to the 71st Legislature when it
6 convenes in January 1989. Five copies of the completed report
7 shall be filed in the Legislative Reference Library; five copies
8 shall be filed with the Texas Legislative Council; and two copies
9 shall be filed with the speaker of the house of representatives.
10 Following official distribution of the committee report, all
11 remaining copies shall be deposited with the legislative reference
12 librarian.

APPENDIX B

TEXAS LEGISLATIVE COUNCIL



P.O. Box 12128, Capitol Station
Austin, Texas 78711-2128
Telephone: 512/463-1151



WILLIAM P. HOBBY
Lieutenant Governor
Chairman

ROBERT I. KELLY
Executive Director

GIBSON D. "GIB" LEWIS
Speaker of the House
Vice-Chairman

May 24, 1988

M E M O R A N D U M

TO: The Honorable Harold V. Dutton, Jr.

FROM: Sandie McClellan, Research Associate

SUBJECT: Committee on Businesses Owned by Women or Minorities

In response to your research request, I have prepared a survey of the 10 most populous states and four other states with minority-owned and women-owned business assistance programs. The survey of selected states is attached to this memorandum.

All of the states I surveyed had some form of minority-owned and women-owned business program, and although some of the programs mandated specific set-aside percentages or goals, most of the programs are in their initial stages and provide assistance and information only.

The committee also requested that I research the federal law in the area of assistance to minority-owned and women-owned businesses. The federal government, like the states I surveyed, has adopted programs designed to increase the participation of minority-owned and women-owned businesses in federal contracts. The federal program, administered by the Small Business Administration (SBA), is designed to expand the ability of small businesses owned by "socially and economically disadvantaged" people to procure federal contracts. Members of racial and ethnic minorities are presumed to be "socially and economically disadvantaged." Other people may request that the SBA designate their businesses as small businesses owned by "socially and economically disadvantaged" people. Generally, these people must show that they have suffered discrimination because of race, color, national origin, gender, physical handicap, regional residence, or other similar circumstances.

Recently formed or emerging businesses owned by minority or women entrepreneurs are often at a competitive disadvantage with established businesses in securing state or federal contracts to

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May 24, 1988
Page 2

provide goods or services to government agencies. This has led to state and federal programs that "set aside" a certain percentage of government contracts for these minority-owned or women-owned businesses.

The federal program is designed to foster business ownership by individuals who are both socially and economically disadvantaged by providing necessary support for businesses owned by such people and by expanding their ability to procure contracts with federal agencies.

A business must meet various standards in order to qualify for this federal program. First, only small businesses may participate. Generally, a "small business" is independently owned and operated and is not dominant in the field of operation in which it is bidding on government contracts. Other qualifications such as net worth and number of employees vary and are set at different levels for each industry (i.e., construction, retail, manufacturing, etc.).

Second, a small business concern must be at least 51 percent owned, controlled, and daily operated by one or more socially and economically disadvantaged persons. Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identification as members of certain groups. Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities.

Black Americans, Native Americans, Hispanic Americans, Asian Pacific Americans, and Subcontinent Asian Americans have been officially designated socially disadvantaged. Other individuals must establish social disadvantage by a clear and convincing case. Economic disadvantage must be established for all applicants. The SBA determines eligibility on a case-by-case basis.

The SBA provides a variety of programs that benefit socially or economically disadvantaged individuals. The largest of these is the Section 8(a) program that authorizes the SBA to enter into contracts with other federal government agencies to supply goods and services those agencies need. The SBA then subcontracts the

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actual performance of the work to small businesses owned and controlled by socially and economically disadvantaged individuals. The objective of the Section 8(a) program is to assist eligible small firms to become independently competitive.

Other programs include a management counseling service for small firms in the Section 8(a) program; special loan programs; procurement assistance, including any help required to obtain and bid on contracts, certificates attesting to a firm's ability to perform, an automated matching system for contractors, and help in developing new technology; and business development programs that emphasize improvement of management ability. Section 301(d) Small Business Investment Companies are authorized by the SBA solely to assist small firms owned and operated by socially or economically disadvantaged persons by providing equity capital and long-term loans. Minority contractors who are unable to obtain bonding are encouraged to participate in the SBA's Surety Bonding Program. This program authorizes the SBA to guarantee a surety company up to 80 percent of losses incurred under bid, payment, or performance bonds issued to contractors on contracts valued up to \$1.25 million. The contracts may be for construction, supplies, or services provided by either a prime or subcontractor for government or nongovernment work.

Besides the programs administered by the SBA, congress sometimes sets aside a percentage of contract amounts, appropriated under a specific program, for socially and economically disadvantaged people. For example, congress required at least 10 percent of the amounts authorized to be appropriated under the federal Surface Transportation Assistance Act of 1982, an act that raised federal gasoline taxes to pay for road construction, to be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

SURVEY OF SELECTED STATES
 ASSISTANCE TO BUSINESSES OWNED BY
 WOMEN OR MINORITIES

STATE	Program Yes or No	Qualifying Criteria	Certifying Agency	Set Asides: Percentage	Set Asides: Goals	Advocacy Office	Monitoring System	Bonding Program	Permit and Procurement Assistance
CA	Yes	(A)	Dept. of General Services	State: 15% MBE 5% WBE	Lottery procurement only- subcontract goals	Yes: California Advocate for Small Business and Office of Small and Minority Business	Yes: annual reports to governor and legislature	No	Yes
FL	Yes	(B)	Dept. of General Services	State: 15% cities, counties, college and school boards: 10% (not mandated)	-	Yes: in Dept. of Commerce	Yes: annual reports	Yes	Yes
IL	Yes	(A)	Minority and female Business Enterprise Council or the participating state agency	State: not less than 10% to MBE and 50% of that to WBE	-	Yes: Minority and female Business Enterprise Council	Yes: annual compliance plans to Council	No: loan program only	No
MA	Yes	(C)	"SOMBA"-State Office of Minority Business Assistance	Yes; set annually	No	Yes	Yes: annual report with recommendations	Only assistance in securing bonds	Minimal assistance

STATE	Program Yes or No	Qualifying Criteria	Certifying Agency	Set Asides: Percentage	Set Asides: Goals	Advocacy Office	Monitoring System	Bonding Program	Permit and Procurement Assistance
MI	Yes	(A)	By sworn affidavit filed with the governor or a department designated by the governor	State: 7% MBE 5% MBE	-	No	Yes; semi-annual reports to the legislature	No	Yes
MN	Yes	(C)	Dept. of Administration	Yes; 6% for services and 9% of value of all procurements	No	Yes	Yes; annual reports to governor and legislature	Yes, and loan program	Yes
NJ	Yes; four programs: -State -Casinos -Counties and Cities -Local Boards of Education	(A)	State and Casinos-Div. of Development for Small Businesses and Women and Minority Businesses, Dept. of Commerce <u>Councils and Cities-</u> Governing bodies of county or city Legal education boards- <u>State Board of Education</u> or each local board	Yes; State: 7% MBE 3% MBE Casinos: 5%-15% MBE and MBE	Yes; Boards of education and counties and cities	Yes; Division of Development for Small Businesses and Women and Minority Businesses	Yes; annual reports	Yes; in conjunction with a loan program through the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprise	Yes
NY	Yes; operates under Executive Order #21	(A)	Governor's Office of Contract Compliance and Minority Owned Business Enterprise	No	Yes; goals of 12% MBE 5% MBE	Yes; governor's office	Yes; annual reports	Yes; Job Development Authority	No

STATE	Program Yes or No	Qualifying Criteria	Certifying Agency	Set Asides: Percentage	Set Asides: Goals	Advocacy Office	Monitoring System	Bonding Program	Permit and Procurement Assistance
NC	Yes: operates under Executive Order #34	(B)	Dept. of Commerce, Minority Business Development Agency	No	Yes: goal of 4% MBE and WBE	Yes: Minority Business Development Agency	Yes: Minority and Women Owned Business Coordinator in Dept. of Commerce	No	Minimal assistance
OH	Yes	(D)	Dept. of Administrative Services	Yes: 5%-contracts 10%-subcontracts and materials	No	Yes: Minority Business Development Division	Yes: annual report to governor and general assembly and standing committee in each house	Yes	Yes
OR	Yes	(C)	The Executive Department	No	Yes: agency may require bidder to subcontract to MBE/WBE	Yes	Yes: annual reports to governor	No	Yes
PA	Yes: loan and technical assistance program	(C)	Pennsylvania Minority Business Development Authority	No	No	Yes: Office of Minority Business Enterprise in Dept. of Commerce	Yes	Yes	Yes: Office of Minority Business Enterprise in Dept. of Commerce
TX	Yes: assistance program only	(C)	For assistance only through Office of Small Business, Dept. of Commerce	No	No	Yes: Office of Small Business, Dept. of Commerce	No	No	Yes
WA	Yes	(B)	Office of Minority and Women's Business Enterprises	Yes: percentage goals are set for each state agency	No	Yes	Yes: annual reports to governor	No	Yes

KEY: Qualifying Criteria

(A) A business qualifies as a minority-owned business if 51 percent or more of the enterprise is owned by minority group members, or in the case of a corporation, at least 51 percent of the stock is owned by one or more minority persons, and the management and daily business operations are controlled by one or more of the minority individuals who own it. A person qualifies as a member of a minority if he or she is a U.S. citizen or permanent resident who is: Black, Hispanic, Asian American, or American Indian or Alaskan Native.

A business qualifies as a female-owned business if 51 percent or more of the business enterprise is owned by citizens or permanent residents of the U.S. who are of the female gender, or in the case of a corporation, at least 51 percent of the stock is owned by one or more female persons, and the management and daily business operations are controlled by one or more females who own it.

(B) A business qualifies as a minority business enterprise if at least 51 percent is owned by minority persons and the management and daily operations are controlled by such persons. Minority persons includes women and physically disabled individuals, in addition to those listed in (A).

(C) A business qualifies as a minority business if it is owned or controlled by one or more socially or economically disadvantaged persons. Socially or economically disadvantaged persons means persons, regardless of sex or marital status, who are members of groups whose disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos and Aleuts.

(D) A business qualifies as a minority business enterprise if at least 51 percent of the business, including corporate stock if a corporation, is owned and controlled by economically disadvantaged individuals and that such owners have control over the management and day-to-day operations of the business. Economically disadvantaged individuals are persons who belong to one of the following groups: Blacks, American Indians, Hispanics, and Orientals.

KEY: Set Asides

MBE - Minority-Owned Business Enterprise

WBE - Women-Owned Business Enterprise

