

# HOUSE BILL REPORT

## SB 6180

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### As Reported by House Committee On: Transportation

**Title:** An act relating to the creation of a disadvantaged business enterprise advisory committee within the transportation commission.

**Brief Description:** Creating a disadvantaged business enterprise advisory committee within the transportation commission.

**Sponsors:** Senators King, Schoesler and Hasegawa.

#### Brief History:

##### Committee Activity:

Transportation: 2/23/16, 2/29/16 [DPA].

#### Brief Summary of Bill (As Amended by Committee)

- Creates a Disadvantaged Business Enterprise (DBE) Advisory Committee within the Washington State Transportation Commission (WSTC) with the purpose of advising the WSTC on issues and concerns from the DBE community and increasing the level of accountability and transparency regarding DBE activities.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 22 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Bergquist, Gregerson, Hayes, Hickel, Kochmar, McBride, Moeller, Morris, Ortiz-Self, Pike, Riccelli, Rodne, Rossetti, Sells, Stambaugh and Tarleton.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Hargrove, Assistant Ranking Minority Member; Shea and Young.

**Staff:** Alyssa Ball (786-7140).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

As a condition of receiving federal highway funding, the Washington State Department of Transportation (WSDOT) must participate in the Disadvantaged Business Enterprise (DBE) program. Generally, the DBE program provides an opportunity for firms owned and operated by disadvantaged individuals to work on federally funded project contracts and procurements. Disadvantaged individuals under the program are defined in federal law as individuals who are both socially and economically disadvantaged. The WSDOT manages the DBE program through its Office of Equal Opportunity, providing applicable services to businesses granted DBE certification by the Office of Minority and Women's Business Enterprises (OMWBE), a separate state agency. The WSDOT formed an on-going, internal DBE advisory group in 2011, which is comprised of community and trade-based organizations and stakeholders.

In 2015 the Legislature provided ongoing funding for a dedicated employee at the WSDOT to provide "outreach to increase the pool of disadvantaged businesses available for department contracts." Additionally, the Legislature directed the Joint Transportation Committee (JTC) to "study the issues surrounding minority and women-owned business contracting related to the transportation sector."

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**Summary of Amended Bill:**

The Disadvantaged Business Enterprise Advisory Committee (Committee) is created within the Washington State Transportation Commission (WSTC) to advise the WSTC on issues and concerns from the DBE community and to increase the level of accountability and transparency regarding DBE activities on both state and federal projects. The Committee must, among other things, issue a progress report to the JTC by December 31, 2016, and provide recommendations to the JTC and the transportation committees of the Legislature by July 1, 2017. The Committee must continually monitor the WSDOT's on-going DBE work and issue any further recommendations to the transportation committees of the Legislature by December 1, 2018. Specified relevant agencies must assist the Committee with its work and the Committee, to the extent possible, must coordinate with the Governor's Subcabinet on Business Diversity.

The Committee must consist of 17 members, appointed jointly by the Speaker of the House of Representatives and the President of the Senate, to be comprised of legislators and representatives of various agencies and stakeholder groups reflecting the DBE community.

The WSTC must hire, to the extent possible, a consultant with experience supporting, managing, and improving DBE goals in a public sector setting to organize and facilitate the Committee. The Committee terminates on December 31, 2018.

**Amended Bill Compared to Original Bill:**

The amended bill does the following:

1. adds intent language, which clarifies that the Legislature plans to consider the Committee's recommendations in order to increase the number of DBE firms, to increase minority workers in construction trades, and to create economic opportunities for minority communities;
2. creates parameters around what the Committee must study in order to provide legislative recommendations;
3. requires the WSDOT and other relevant state agencies to provide certain data to the Committee;
4. changes the reporting and meeting structure;
5. changes the number of Committee members from 15 to 17 and clarifies how they will be appointed;
6. allows for Committee members to receive travel and per diem reimbursement;
7. requires the WSTC to hire a consultant with relevant DBE experience in the public sector to organize and facilitate the Committee's work; and
8. terminates the Committee on December 31, 2018.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The DBE community felt left out of the revenue package development process in 2015. It is encouraging to see a bill that will allow DBEs to participate for the first time. It is not true that the WSDOT's compliance with federal DBE requirements are resolved. The DBE community is underrepresented on the WSDOT DBE advisory board. Accountability is needed around the issue of DBE inclusion in state and federal projects. This bill is critical to the DBE community and it would be wrong to wait for another disparity study to come out to take action around DBE issues. The WSDOT returned \$200,000 in federal funds that could have helped the DBE community. The WSDOT should not be ignoring recommendations that have been made in their disparity study regarding DBE inclusion on projects. It is requested that the Legislature separate the trucking industry from other contractors in the DBE community to get a better understanding of the contractors that would benefit from more DBE inclusion.

(Opposed) None.

(Other) This bill would have the WSTC moving into new territory that it doesn't really have experience in, but the WSTC will do its best to carry out the Committee's work. There are concerns with the workload that may be required associated with the bill, given that the WSTC has limited resources.

**Persons Testifying:** (In support) Bob Armstead, National Association of Minority Contractors; Haywood Evans, Washington State Civil Rights Coalition; and Eddie Roye, Community Coalition for Contracts and Jobs and Washington State Civil Rights Coalition.

(Other) Reema Griffith, Washington State Transportation Commission.

**Persons Signed In To Testify But Not Testifying:** None.