

SENATE BILL REPORT

SB 6180

As Reported by Senate Committee On:
Transportation, January 26, 2016

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: 1/14/16, 1/26/16 [DP, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators King, Chair; Fain, Vice Chair, Budget; Hobbs, Ranking Minority Member; Liias, Assistant Ranking Minority Member; Carlyle, Cleveland, Jayapal, Litzow, Miloscia, Rivers, Sheldon and Takko.

Minority Report: That it be referred without recommendation.

Signed by Senator Ericksen.

Staff: Kelly Simpson (786-7403)

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. 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.

In 2015, the Legislature provided ongoing funding for a dedicated employee at WSDOT to provide "outreach to increase the pool of disadvantaged businesses available for department

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contracts." Additionally, the Legislature directed the Joint Transportation Committee to "study the issues surrounding minority and women-owned business contracting related to the transportation sector."

Summary of Bill: The Disadvantaged Business Enterprise Advisory Committee (Committee) is created within the Transportation Commission to advise the Commission on issues and concerns from the DBE community and to increase the level of accountability and transparency regarding DBE activities. The Committee must, among other things, issue a report with recommendations to the transportation committees of the Legislature by December 31, 2016, and annually thereafter. Specified relevant agencies must assist the Committee with its work.

The Committee must consist of 15 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 reflecting the DBE community. The Committee must meet at least two times in the current fiscal biennium and four times each fiscal biennium thereafter or as needed.

Appropriation: \$100,000 per biennium from the Motor Vehicle Fund.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

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

Staff Summary of Public Testimony: PRO: The existing law describes the DBE program as minority and women owned businesses, period. WSDOT is not complying with those requirements. WSDOT does not have a cultural commitment to the DBE laws. The recent transportation package has language specifically excluding minority and women owned businesses. WSDOT only recently took action because of a negative finding by the Federal Highway Administration. WSDOT actually lowered its goal from over 15% to the current 11.6% goal. AGC supports the DBE goals and the advisory committee in the bill serves a valuable purpose. The Commission, as an independent body, would be a good place to house the advisory committee.

OTHER: WSDOT has some concerns regarding the bill language. WSDOT supports the robust goals of the DBE program. WSDOT works with other state agencies on this issue. WSDOT takes the issue seriously and Secretary Peterson has made it a priority to address current problems in the program. Various actions have been taken to address the problems. WSDOT maintains the current 11.6% statewide DBE goal. WSDOT has a DBE advisory committee within the program. WSDOT would like the existing advisory committee be codified rather than creating a new advisory committee at the Transportation Commission. The Commission does not have the federal requirement to comply with DBE provisions, rather WSDOT does. WSDOT would support adding legislators to the advisory committee.

Persons Testifying: PRO: Jerry VanderWood, Associated General Contractors; Frank Lemos, Washington State Minority Business Advisory Council "MBAC"; Bob Armstead,

President National Association of Minority Contractors; Anne Haley, Transportation Commission.

OTHER: Roger Millar, Washington State Department of Transportation.