

- BBJR assisted a coalition of MWBE firms and trade groups in drafting the legislation.



STATE OF NEW YORK | EXECUTIVE CHAMBER  
DAVID A. PATERSON | GOVERNOR

# Governor Paterson Signs Four MWBE Bills into Law

by [New York State Office of the Governor](#)

ALBANY, NY (07/15/2010)(readMedia)-- Governor David A. Paterson today signed four ground-breaking bills into law, including legislation that will establish a level playing field for Minority and Women-Owned Business Enterprises (MWBEs) in New York State. Three of bills were Governor's Program Bills.

"With these pieces of legislation, our State is building on its proud history of opening the door to success for any New Yorker who has the talent, drive and passion for their business to succeed," Governor Paterson said. "But there is still much work to be done to correct disparities in government contracting. By improving equity in the State procurement process and facilitating greater access for Minority and Women-Owned Business Enterprises, we help businesses thrive, and we will help our State recover from recession."

In June 2008, Governor Paterson issued Executive Order No. 10, which established the Task Force on Minority and Women Business Enterprises. As a result of the Executive Order and the work of the Task Force, MWBE participation quadrupled. The firms that are involved with investment banking and the issuance of debt went from 4.2 percent MWBE in 2007 to 23.9 percent now. Under Governor Paterson's leadership, minority and women firms have yielded an increase of \$162 million in revenue from prior year levels. With regard to transportation, thirteen percent of stimulus transportation projects have gone to Disadvantaged Business Enterprises – for a total of \$146 million dollars and an estimated 3,500 jobs created or saved.

*The following MWBE bills were signed into law:*

**Governor's Program Bill No. 297 (S.8312/ A.11525):** Raises the cap on discretionary purchases that a State agency can award to MWBEs or small businesses from \$100,000 to \$200,000, subject to the agency's internal controls, but not based on full-blown competitive procurement procedures.

**Governor's Program Bill No. 298 (S.8313/ A.11526):** Expands contracting practices of public authorities granting increased opportunities for MWBE participation. Additionally, requires that the procurement guidelines for each State public authority include the designation of one or more senior staff to oversee the authority's MWBE program and requires that procurements be conducted to achieve the authority's MWBE goals to the maximum feasible extent.

**Governor's Program Bill No. 299 (S.8314/A.11527):** Expands and strengthens the State's program for MWBE contracting, and authorizes a new and more thorough disparity study before the provisions relating to the MWBE program expires in 2014, including in-depth review of contractors' hiring and promotional practices. This legislation will also create the position of Chief Diversity Officer to oversee the MWBE program and diversity issues in the workforce from within the Executive Chamber.

**Emerging Investment Managers Bill (S.6888/ A.9976):** Addresses entities that are not executive agencies, and that control large pools of money for investment: the Comptroller, the State Insurance Fund

and the Deferred Compensation Board. This legislation will provide emerging investment managers the ability to invest with MWBE financial institutions and to adopt a strategy that motivates investments in underserved regions of the State.

These measures address MWBE disparities in government contracting that were outlined in a comprehensive multi-year study and report commissioned by the New York State Department of Economic Development and released in April 2010 – "The State of Minority and Woman Owned Business Enterprise: Evidence from NY." In March 2010, following a thorough examination of State procurement processes, the Task Force delivered a series of recommendations designed to provide MWBEs with an opportunity to compete for contracts. The Governor incorporated those recommendations into his Program Bills, which were submitted to the Legislature on April 14, 2010.

The Task Force includes representatives from DASNY, ESD, EFC, the Housing Finance Agency (HFA), the Thruway Authority and members appointed by the Governor including a representative of the Office of State Comptroller and the Governor's Office. Paul T. Williams Jr., the Executive Director of the Dormitory Authority, has served as the Task Force Chairman.

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*The following statements were provided in support of the Governor's MWBE initiatives:*

Senate Majority Conference Leader John L. Sampson said: "Diversity is good for business. Expanding opportunities for minority and women entrepreneurs through greater inclusion in the State procurement process and better access to credit creates a more competitive market to grow our economy. If we are going to remedy discrimination in State contracting programs, it is necessary to implement procurement procedures that will ensure the utilization of MWBEs as well as asset managers. I applaud Governor Paterson and Senator Hassell-Thompson for their diligent and dedicated work on this and other issues."

Senate President Pro Tempore Malcolm A. Smith said: "Supporting businesses that are ready, willing, and able to deliver the services we need is smart economics. New York's MWBE program levels the playing field for women and minority owned businesses, and these changes will ensure the program runs even more successfully and efficiently. I congratulate Senator Hassell-Thompson for championing these bills and thank the Governor for partnering with the Senate to grow New York's business environment."

Senator Ruth Hassel-Thompson said: "These bills intend to bring our State procurement process into the 21st Century by removing barriers that have historically prevented women and persons of color from reaching full economic parity with respect to contracting opportunities in this State. By the year 2040 more than 50% of the population of New York State will be made up of what are termed 'minority groups.' Large corporations have already sought to prepare for this eventuality by engaging in a process known as 'Supplier Diversity.' New York State has lagged behind even the private sector with respect to its contract expenditures for Minority and Women's Business Enterprises (MWBEs). The four bill package, also known as the New York State Business Diversity Act ensures that the State's fiduciary-controlled entities, public authorities and agencies have developed and codified a strategy aimed at inclusion and meaningful participation of MWBEs across New York State. These bills go a long way to ensure that best-practices are institutionalized and that contracting opportunities are readily available for qualified MWBEs."

Senator Andrea Stewart-Cousins said: "Despite having one of the largest minority populations, New York State still provides lower levels of funding for minority and women-owned businesses than many other states. This package of legislation will correct this disparity, providing the resources and opportunities that are currently unavailable to minority and women owned business enterprises, which are necessary for long-term success and growth. As Co-Chair of the Senate Democratic Task Force on MWBE's, I am committed to finding opportunities to support diversity in small business ownership across the State, which will create jobs and support economic prosperity in every community."

Senator Antoine Thompson: "This is a great legislative legacy for Governor David Paterson by correcting this

historical wrong of under utilizing Minority and Women Business Enterprises in the State of New York. This is one of the strongest legislation packages that will help MWBEs create jobs and build community wealth."

Assembly Speaker Sheldon Silver said: "The signing of these bills is an important stride toward rectifying a very serious injustice that has existed in the business world. By leveling the playing field for minority and women business entrepreneurs - who generate jobs and opportunities in small communities and urban centers throughout New York - we can both eradicate unjust business practices and help get our State's economy back on track. These bills reflect an effort that has been pursued over many years to improve the process by which minority and women-owned businesses participate in State procurements."

Assemblyman Richard Brodsky said: "These MWBE initiatives are among the most comprehensive of this type of reform that New York State has ever seen. I applaud all of the various co-sponsors in both houses, Governor Paterson, and all the tireless advocates who have led the charge to implement these long needed and critical changes. These bills are aimed at righting past inequities, and notably promoting equality within our State's public authorities. Between the Public Authorities Reform Act of 2009 and these initiatives by the Governor, we have exponentially improved the diversity practices of public authorities around the State. These are vital reforms that will have a lasting positive impact for years to come."

Assemblywoman Vivian Cook said: "Minority and women business owners have long faced inequitable treatment in the State contract procurement process. These essential reforms will help ensure that these enterprising men and women are given a fair opportunity when competing for bids, and that all entrepreneurs in New York State are justly represented in the business world. Eliminating these discriminatory procurement practices will give all business owners a chance to obtain the contracts that they deserve."

Assemblyman RoAnn Destito said: "This is indeed an exciting and historic day for the future of New York State's minority and women owned businesses, representing the culmination of a long effort to fully include minority and women owned enterprises in the business of contracting with the State of New York. This legislation will require State agencies and public authorities to set and achieve specific, aggressive, and just goals for the inclusion of minority and women owned contracting firms, and establish real oversight and consequences when those goals are not met. These initiatives not only will serve to ensure justice and fairness in State purchasing, but will also broaden the contractor pool for all of State government, ultimately leading to greater efficiencies and cost savings to taxpayers."

Assemblywoman Crystal Peoples-Stokes said: "New York must be a state that continues to blaze a trail of innovation and diversity in the marketplace. We cannot boast of being the 'Empire State,' yet report significant disparities in MWBE participation. These reforms being signed into law by Governor Paterson are vital in giving a fair chance to MWBEs in obtaining State contracts. The implementation of the asset management strategy bill (S6888/A9976) will encourage MWBE participation in the management of assets held by State fiduciary-controlled entities. This is a historic breakthrough that I am confident will increase MWBE participation in this area. I will continue to work toward enhancing and strengthening the rules governing the procurement process and utilize my position as the Chair of the Subcommittee on the Oversight of MWBEs to ensure that all New Yorkers have access to the same opportunities."

Assemblyman Peter Rivera said: "The legislation signed today will help to improve the efficacy of the MWBE program and ensure that more minority and women business owners have access to equal opportunities. These bills will help make for a more competitive bid process and ascertain that public authorities follow procurement guidelines that encourage MWBE participation. By holding public authorities and State agencies accountable for the dispensing of contracts, these MWBEs will have more economic opportunities and New York State will ultimately benefit through the creation of jobs and greater tax revenues."

Assemblyman Darryl Towns said: "The development and success of minority and women owned businesses are crucial to communities and the local and State economy. We are coming out of the worst recession in recent history, and it's especially vital that these enterprises are able to thrive and develop. The reforms signed into law today will help to end discrimination and give business owners across New York access to State contracts."

Executive Director of the Division of Minority and Women-Owned Business Development Michael Jones-Bey said: "Today the Governor has signed legislation that solidifies his legacy as a true champion for Minority and Women business owners. We have made tremendous progress under this Governor, yet we have had to build our program without the tools and legal authority necessary for maximum success. This legislation provides us with the ability to build a more robust MWBE program that will rival the best of any state in the nation."

Fabricio Morales, President of FM Resources, said: "The future prospects for my company are bright. Thanks to the assistance of the Division of Minority and Women's Business we have signed an authorized re-seller agreement with a large MRO company that will allow me to leverage my proven corporate capabilities to sell from a catalog of over 300,000 items. I am confident that this legislation creates the level playing field that will allow me to compete and grow my business. As an entrepreneur who owns a business in Upstate New York where the economy is in desperate need of revitalization, I applaud the Governor for this legislation that will do so much to help us create jobs in my community."

Rodney Evans, President of Skyline Connections, said: "After being certified in NY State as an MWBE and DBE for 15 years, July 15, 2010 will always be remembered as a continuation of what Governor Paterson is trying to achieve with equal parity among companies through this Diversification Act."

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