

# Virginia Minority Business Commission 2021 Annual Report

http://dls.virginia.gov/commissions/mbe.htm

# Virginia Minority Business Commission

The Virginia Minority Business Commission (the Commission) was created by Item 27.10 of Chapter 1289 of the Acts of Assembly of 2020. The Commission was made up of seven legislative members and six nonlegislative citizen members, all appointed by the Speaker of the House of Delegates and the Senate Committee on Rules. The membership of the Commission was as follows:

# **Legislative Members**

- Delegate Luke E. Torian (Chair)
- Senator Jennifer A. Kiggans (Vice-Chair)
- Delegate Suhas Subramanyam (Chair of Subcommittee #1)
- Senator Lionell Spruill, Sr. (Chair of Subcommittee #2)
- Senator J. Chapman Petersen
- Delegate Kelly K. Convirs-Fowler
- Delegate Jason S. Miyares

### **Citizen Members**

- Tiffany Boyle
- Candice Carter
- Dr. Trina Coleman
- Tom Gibson
- Joe Miller
- Kelvin Perry

Staff support for the Commission was provided by Committee Operations for the House of Delegates and the Virginia Division of Legislative Services (DLS), which included the following personnel:

# **House of Delegates, Committee Operations**

- Cheryl Wilson, Deputy Clerk
- Noah Brooks, Operations Clerk

## Virginia Division of Legislative Services

- Jessica Budd, Senior Attorney
- Connor Garstka, Senior Attorney

The Commission held seven meetings, including subcommittee meetings, during 2021. <u>The Commission's website</u> provides access to meeting summaries and all presentations delivered to the members. The Commission met on the following dates:

- January 7, 2021
- April 19, 2021
- June 7, 2021 (Subcommittee #1)
- June 10, 2021 (Subcommittee #2)

- July 29, 2021 (Subcommittee #1)
- September 27, 2021 (Subcommittee #2)
- October 12, 2021

# **Executive Summary**

At its first meeting, the Commission elected Delegate Luke E. Torian as chair and Senator Jennifer A. Kiggans as vice-chair. DLS staff outlined the objectives for the Commission as identified in its enabling legislation:

- (i) evaluating the impact of existing statutes and proposed legislation on minority businesses:
- (ii) assessing the Commonwealth's minority business assistance programs and examining ways to enhance their effectiveness;
- (iii) providing minority business owners and advocates with a forum to address their concerns;
- (iv) developing strategies and recommendations to promote the growth and competitiveness of Virginia minority-owned businesses; and
- (v) collaborating with the Department of Small Business and Supplier Diversity (SBSD) and other appropriate entities to facilitate the Commission's work and mission.

The Commission discussed these goals and how best to accomplish them. After considering the members' input, Delegate Torian stated he would work with DLS staff to put together a work plan. At its next meeting, Delegate Torian divided the Commission members into two subcommittees. Each subcommittee was assigned more detailed tasks, with the purpose of accomplishing the objectives in the enabling legislation. Subcommittee #1, chaired by Delegate Suhas Subramanyam, focused on business program and data collection review and had the following assignments:

- (i) reviewing and recommending revisions to HB 5002 for possible endorsement by the Commission for the 2022 legislative session;
- (ii) cataloging existing women-owned and minority-owned business support programs and services at the state and local levels;
- (iii) reviewing current methods used to collect and review data for these programs and exploring whether the data can be used to determine if the program is successful; and
- (iv) recommending changes to existing programs and services and for the collection and use of data.

Subcommittee #2, chaired by Senator Lionell Spruill, Sr., focused on business support and outreach enhancement. It had the following tasks:

- (i) reviewing obstacles to women-owned and minority-owned businesses (WaMs) obtaining government contracts while holding forums to allow public comment from WaMs regarding the obstacles they face;
- (ii) exploring the adequacy of outreach and engagement efforts of state, regional, and local government entities, in particular with Hispanic and other minority communities and new WaMs;
- (iii) exploring the use of mentorship programs and the feasibility of establishing a

comprehensive business mentorship program in the state; and (iv) generally reviewing methods for increasing WaM participation.

Each subcommittee met twice. Subcommittee #1's first assignment was to review HB 5002. It received a comprehensive review of HB 5002, as well as SBSD's 2020 disparity study, which provided the legal foundation for the legislation, from Secretary of Commerce and Trade Brian Ball. Subcommittee #1's next task was to catalog WaM support programs. The subcommittee received presentations from the Joint Legislative Audit and Review Commission (JLARC) and SBSD on state government programs. DLS staff, working with Commission members, compiled a comprehensive catalog of state, local, and private support programs for WaMs. Third, Subcommittee #1 was directed to review current methods for collecting data on the performance of WaM support programs. Jill Kaneff of the Northern Virginia Regional Commission and Elizabeth Hughes of the Community Foundation for Northern Virginia presented to the subcommittee on their 2021 report, Supporting Virginia's Minority-Owned Businesses. They remarked that, although they collected data while compiling their report, they believe there is a need for centralized data collection, and they submitted a letter to the subcommittee with ideas to improve data collection. DLS staff corroborated the lack of a centralized data collection program. The Subcommittee's last task was to recommend changes to existing data collection programs. Because of the lack of data collection programs, the common recommendation on this point was to increase data collection efforts.

Subcommittee #2 was directed to review the difficulties WaMs face in public procurement. The subcommittee received testimony from community members and subcommittee members on obstacles they experienced and ideas for removing them. Next, the subcommittee was charged with evaluating the adequacy of existing outreach efforts. Howard Pisons, executive director of the Small Business Financing Authority (SBFA), presented to the subcommittee on the agency's outreach efforts to businesses seeking financial assistance. The subcommittee's third objective was exploring the use of mentorship programs. The subcommittee received testimony about the effectiveness of mentor-protégé programs in helping to develop startup WaMs. Lastly, the subcommittee was directed to generally review methods for increasing WaM participation. JLARC presented on the effectiveness of SBFA's lending policies in encouraging the growth of WaMs.

After the subcommittees completed their work, the full Commission met in October to discuss its progress. Delegate Subramanyam and Senator Spruill delivered reports to the Commission that reviewed their tasks, as assigned by the work plan, and explained how each subcommittee accomplished them.

Delegate Torian informed Commission members that the enabling legislation required the Commission to submit an annual report by November 1 but also authorized it to continue its work after the report deadline. He directed staff to prepare and submit the report and then invited members to submit specific legislative proposals for the Commission to consider at its next meeting. He requested that the members identify the appropriate state agencies to implement solutions suggested by Commission members.

For more information, see the <u>Subcommittee's website</u> or contact the Division of Legislative Services staff:

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