



WEST VIRGINIA LEGISLATURE
STATE CAPITOL
CHARLESTON, WEST VIRGINIA 25305

**WEST VIRGINIA LEGISLATURE
SELECT COMMITTEE B - MINORITY ISSUES**

Topics: HCR32 - Requesting the Joint Committee on Government and Finance to study the creation of a small disadvantaged business loan pool; and

HCR33 - Requesting the Joint Committee on Government and Finance to make a study of participation of minority and other disadvantaged small businesses in the process of competing for and obtaining state contracts;

Senate

Hunter, Chair
Dempsey
Foster
Jenkins
Barnes
Deem

House

Webster, Chair
Marshall
Moore
Susman
Wysong
Carmichael
Schoen

FINAL REPORT

TO THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE

Your Select Committee B on Minority Issues was appointed following the 2006 Regular Session of the 77th Legislature and was assigned the interim study of the following topics:

- (1) HCR32 - Requesting the Joint Committee on Government and Finance to study the creation of a small disadvantaged business loan pool; and
- (2) HCR33 - Requesting the Joint Committee on Government and Finance to make a study of participation of minority and other disadvantaged small businesses in the process of competing for and obtaining state contracts;

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During the June Interim meeting, Debra Graham, Counsel, presented a summary of the topics assigned to the Committee.

In July, Marsha Hopkins, Executive Director of the West Virginia Minority Business Development Center, addressed the Committee regarding:

- The disadvantaged small business loan pool;
- The participation of minority businesses in competing for and obtaining state purchasing contracts;
- The Department of Highways' policies on awarding road contracts to minority businesses; and
- The funding options for the West Virginia Minority Business Development Center

The August Interim meetings were held in Logan, West Virginia. The Committee toured the Aracoma High School and heard from Claude Williams, President of the Aracoma High School Historical Society.

In September, Dr. Jorea Marple, Assistant Superintendent, Division of Curriculum and Instructional Services, explained the statistics contained in the booklet, *West Virginia: Closing the Achievement Gap for the 21st Century Learners*. Lydia McCue, Special Assistant to the State Superintendent and Richard Lawrence, Executive Director updated the Committee on the establishment of the special five-year demonstration professional development project.

During the October Interim meeting, Donna Lipscomb, Legislative Liaison for the Department of Administration, addressed the Committee regarding the participation of minority businesses in competing for and obtaining state purchasing contracts. Hollie Hubbert, Project Manager Asia Pacific for the West Virginia Development Office, addressed the Committee concerning the development and organization of the Minority Supplier Development Council.

In November, Committee members discussed creating a committee to work during the Regular Legislative Session to further study the procurement of state purchasing contracts by small, disadvantaged businesses.

During the December Interims, Dave Tincher, Director of the Division of Purchasing, addressed the Committee regarding purchasing procedures and provided the Committee with a list of small, disadvantaged businesses.

In January, the Committee discussed the draft resolution prepared by Mark White, House Legislative Analyst, which would

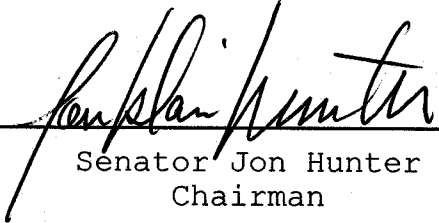
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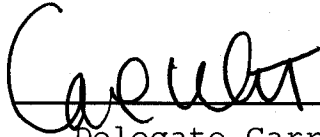
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continue the Committee's work relating to small, disadvantaged businesses through the 2007 Regular Legislative Session. The Committee reported out the resolution to the Joint Committee on Government and Finance with the recommendation that it do pass during the 2007 Regular Session of the Legislature. A draft of the proposed legislation is attached. Also, the Committee recommends to the Joint Committee on Government and Finance this Committee be reauthorized to further study assigned topics during the Interim study period of 2007-2008.

Respectfully submitted,



Senator Jon Hunter
Chairman



Delegate Carrie Webster
Chairman

1 SENATE/HOUSE CONCURRENT RESOLUTION NO.

2 (By Senators/Delegates)

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6 Requesting the Joint Committee on Government and Finance to
7 acknowledge the existence and accept the findings of a working
8 group of interested members of the legislature and the private
9 and public business community created by the Select Committee
10 on Minority Issues and expressly authorized by the West
11 Virginia Speaker of the House and the West Virginia Senate
12 President to encourage and stimulate economic development for
13 small businesses owned, operated and controlled by minorities
14 that are socially and economically disadvantaged individuals
15 in the State of West Virginia.

16 WHEREAS, during the 2004 Regular Legislative Session, the
17 Legislature passed S.B.573 related to providing a procedure for the
18 economic development authority to address employment and economic
19 development problems of minority populations of this state; and

20 WHEREAS, subsequent to the passage of S.B.573, the Select
21 Committee on Minority Issues of the Joint Committee on Government
22 and Finance extensively studied a vast array of employment and
23 economic development issues involving the minority community and
24 small disadvantaged businesses in West Virginia, and finds that the

1 issue of economic development by small businesses owned, operated
2 and controlled by minorities that are socially and economically
3 disadvantaged warrants continued study with heightened
4 participation by the private and public sectors; and

5 WHEREAS, a small disadvantaged business for purposes of this
6 resolution means a business concern owned at least fifty-one
7 percent by a minority individual or individuals who are socially
8 and economically disadvantaged.

9 WHEREAS, a socially disadvantaged individual is someone who
10 has been subjected to racial or ethnic prejudice or cultural bias
11 within American society because of their identities as members of
12 groups and without regard to their individual qualities. The
13 social disadvantage must stem from circumstances beyond their
14 control.

15 WHEREAS, an economically disadvantaged individual is someone
16 whose ability to compete in the free enterprise system has been
17 impaired due to diminished capital and credit opportunities as
18 compared to others in the same or similar line of business who are
19 not socially disadvantaged.

20 WHEREAS, the creation and findings of the Select Committee on
21 Minority Issues working group were charged with addressing economic
22 development issues, including but not limited to, state procurement
23 policies and practices, the creation of a small disadvantaged loan
24 pool and micro business loans, and greater access and awareness by

1 small disadvantaged businesses to solutions suggested and
2 potentially implemented by this working group.

3 WHEREAS, the working group will include, but is not limited
4 to, current members of the legislature if reappointed by the Senate
5 President or Speaker of the House to the Select Committee on
6 Minority Issues, representatives of the private business sector
7 including private and publicly owned financial institutions and
8 interested business organizations in the community, and
9 representatives of state government agencies such as the Department
10 of Administration.

11 WHEREAS, a website operated by the State of West Virginia
12 which contains a comprehensive list of state and federal contracts
13 available to be bid upon by the general public as well as a list of
14 small disadvantaged businesses in the State of West Virginia and
15 the primary business functions of each small disadvantaged business
16 would facilitate the purposes of this working group; therefore, be
17 it

18 *Resolved by the Legislature of West Virginia:*

19 That the Joint Committee on Government and Finance is hereby
20 requested to accept the findings of the working group on small
21 disadvantaged businesses created by the Select Committee on
22 Minority Issues created to address economic development for small
23 businesses owned, operated and controlled by minorities that are
24 socially and economically disadvantaged in the State of West

1 Virginia; and, be it

2 *Further Resolved*, That the Select Committee on Minority Issues
3 established during the 2006 interim legislative session shall
4 determine the size and membership of working group; and, be it

5 *Further Resolved*, That the Select Committee on Minority Issues
6 report to the Joint Committee on Government and Finance, no later
7 than the May legislative interim meetings in 2007, on its findings,
8 conclusions and recommendations, together with the drafts of any
9 legislation necessary to effectuate its recommendation; and, be it

10 *Further Resolved*, That the State of West Virginia shall
11 maintain a website dedicated to listing all state and federal
12 contracts available to be bid upon by the general public as well as
13 a list of small disadvantaged businesses in the State of West
14 Virginia and the primary business functions of each small
15 disadvantaged business.

16 *Further Resolved*, That the expenses necessary to conduct this
17 study, to prepare a report and to draft necessary legislation be
18 paid from the legislative appropriations to the Joint Committee on
19 Government and Finance.