



OFFICE OF DIVERSITY, EQUITY AND OPPORTUNITY
Minority Business Enterprise Compliance Office

One Capitol Hill, 3rd Floor
Providence, RI 02908-5850

(401) 574-8670
RI Relay 711

March 1, 2021

The Honorable Representative Anastasia P. Williams
Chairwoman, House Committee on Labor
Rhode Island House of Representatives
82 Smith Street, Providence, RI 02903

Re: House Bill No. 5404 and 5717

Dear Chairwoman Williams and Members of the House Committee on Labor:

Thank you and the Committee for providing the Rhode Island Department of Administration the opportunity to submit comments on House Bill No. 5404 and 5717.

House Bill No. 5404 would increase the minority business enterprises (MBE) participation requirement from 10 percent to 25 percent of the dollar value of all procurements and construction projects under Chapter 37 of state law. In addition to this provision, House Bill No. 5717 would result in other changes to the State's MBE program, including the removal of women-owned businesses from the program and limiting the program to Rhode Island-based companies.

Programs based upon race, such as the MBE program, must be narrowly tailored to meet a governmental compelling need based on valid, current data, according to multiple U.S. Supreme Court rulings.

By the end of March 2021, a disparity study spearheaded by the Office of Diversity, Equity and Opportunity (ODEO) will be published. The study will provide a comprehensive analysis of the data and procurement practices of Rhode Island to determine whether there is a statistical disparity between the availability and utilization of firms on the basis of race/ethnicity and gender. This study can provide the legal foundation for changes to the State's MBE utilization goals and demographics of eligible firms for the MBE program.

The Department is concerned that altering the program until the disparity study is completed might make the program susceptible to legal challenges.

The Department appreciates the opportunity to share these concerns with the Committee and looks forward to working with the Legislature on the MBE program. If there are any questions, please feel free to contact my office.

Sincerely,

Dorinda L. Keene
Acting Associate Director - ODEO

cc: The Honorable Members of the House Committee on Labor