



Director's Office

One Capitol Hill | Providence, RI 02908 | (401) 222-2280

Jonathan Womer, Director

March 19, 2025

The Honorable Arthur J. Corvese
Chairman, House Committee on Labor
82 Smith Street
Providence, Rhode Island 02903

RE: House Bill 5683 An Act Relating To Public Property And Works -- Minority Business Enterprise

Dear Chairman Corvese:

Thank you for providing the Division of Equity, Diversity, and Inclusion (DEDI) within the Department of Administration the opportunity to respond to H 5683, which seeks to raise the minimum required participation percentage for Minority (MBE) and Women Business Enterprises (WBE) from fifteen (15%) percent to twenty (20%).

H 5683 intends to promote MBE/WBE state contracting opportunities. However, increasing the minimum required state procurement participation rate will not necessarily lead to more procurement activity and awards. Participation metrics do not consider market variables, specifically MBE/WBE capacity, labor shortages or increases, or strategic programs focused on equity and opportunity for historically disadvantaged businesses.

These factors, among others, prompt fluctuations in the participation goal over time. The State has limited levers to steer such volatility. However, with data-driven programs and regulatory changes that remove barriers to success for MBEs and WBEs, DEDI can achieve state goals through incremental progress. To that end, DEDI has focused efforts on helping these small businesses increase capacity and provide training that enables them to compete effectively and successfully in state procurement. Through a series of recently launched innovative programs, we have been working to reduce barriers and expand contracting access and value for certified MBEs and WBEs. These initiatives include:

- Partnering with Rhode Island Commerce and local stakeholders to certify 74 new MBE/WBE businesses in the past nine months, increasing the number of state-certified businesses to 1,020 as of March 3, 2025.
- Assisting 85 state-certified businesses in enhancing public and private procurement opportunities through the recently launched Rhode Map Accelerator Program, emphasizing underrepresented protected classes, including Veteran Business Enterprises.



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- Engaging with local MBE and WBE stakeholders throughout the state to understand their unique needs and challenges through proactive outreach and community engagement programs in partnership with the Division of Purchases.

Further, the current 15% minimum required participation percentage was set as a recommendation of the 2021 Disparity Study. We are currently in the process of a Fiscal Year 2025 Disparity Study to collect updated data on disparities and barriers affecting fair competition and assess the availability and capacity of ready, willing, and able MBE/WBE in Rhode Island. A request for proposals was posted on January 15, 2025, and bids were due by February 12, 2025. In order to make data-driven decisions that reflect the most current market assessment, any changes to the MBE/WBE minimum required participation percentage should be paused until we receive the recommendations from this new Disparity Study.

We appreciate the opportunity to share our concerns over this legislation with the Committee. If there are any questions or you wish to discuss the work of DEDI further, please feel free to contact my office at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Keith W. Stokes".

Keith W. Stokes
Associate Director
Division of Equity, Diversity & Inclusion

cc: The Honorable Members of the House Committee on Labor
The Honorable Joshua J. Giraldo
Nicole McCarty, Chief Legal Counsel to the Speaker of the House
James DeCastro, Committee Clerk