

March 19, 2025 The Honorable Arthur J. Corvese, Chair House Labor Committee Rhode Island Statehouse Providence, 02903

## RE: Testimony in Support of House Bill No. 5684 – An Act Relating to Public Property and Works – Minority Business Enterprise

On behalf of United Way of Rhode Island, we are writing to express our support for House Bill No. 5684, recognizing the essential role of minority- and women-owned businesses in driving economic growth and building inclusive, equitable communities. Through our Invest United initiative, we are committed to advancing policies and systems that empower underrepresented entrepreneurs, ensuring they have equitable access to state contracts, business opportunities, and the resources needed to thrive.

This legislation takes an important step toward equitable procurement by requiring the Department of Administration to provide prospective construction contractors with a list of certified minority- and women-owned business enterprises (MWBEs). Furthermore, it ensures that waivers from MWBE participation are not issued unless the contractor has first received direct assistance from the department. This approach promotes transparency, accountability, and proactive engagement to expand opportunities for historically excluded business owners.

As highlighted in a 2023 Brookings Institution report, Black- and Latino-owned businesses are significantly underrepresented in public contracting, receiving less than 2% of federal procurement dollars nationally, despite representing a much larger share of the population and small business sector (Brookings, 2023). Rhode Island must continue to lead with policies that correct these imbalances. Strengthening supports for MWBEs ensures that public investments generate shared economic prosperity across all communities.

A thriving and inclusive business community is vital to Rhode Island's long-term economic resilience. House Bill No. 5684 promotes equitable access to public contracts and eliminates barriers that have historically excluded MWBEs from full participation in state-led projects. We urge your support to

Uniting our community and resources to build racial equity and opportunities for all Rhode Islanders.

advance this legislation and join United Way of Rhode Island in building an economy that works for everyone.

Sincerely,

Ellijah McLean Manager, Government Relations & Policy United Way Rhode Island

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