

AB 915 (CHIU): ECONOMIC EQUITY IN STATE CONTRACTING & PROCUREMENT

POSITION: The Chamber's Public Policy Committee voted to SUPPORT the bill on April 13, 2021. The Board of Directors voted to SUPPORT the bill on April 22, 2021.

RATIONALE: AB 915 helps to lower the barriers for small business that wish to work with the state.

STATUS: AB 915 was introduced by Assemblymember Kansen Chiu on February 17, 2021. It has passed through the Assembly and is now in committee within the Senate.

SUMMARY

AB 915 creates accountability measures to ensure that state agencies, departments and boards meet the previously determined 25% goal for minority, small business, and disabled veterans business participation in procurements and contracts. The bill also establishes a definition of "Disadvantaged Business Enterprises" (DBE's), which will include federally recognized minority groups.

INDUSTRY/IES IMPACTED

AB 915 is not industry specific.

ADDITIONAL INFORMATION

AB 915 follows on Governor Schwarzenegger's Executive Order S-02-06, established in 2006 which provided general direction to all state agencies, departments, boards and commissions to meet a minimum goal of 25% for small business participation in procurements and contracts. Following that, Governor Brown signed AB 657 (Cunningham) which created a small business liaison for every agency that regularly interacts with small businesses, in the hopes of increasing opportunities for small business and provide better communication between the Office of the Small Business Advocate and the Department of General Services. However, following these actions, enforcement of small business participation is lax, and there remains an ineffective network of opportunity for small businesses hoping to work more with the state.

SUPPORTERS

- California Asian Pacific Chamber of Commerce
- California African American Chamber of Commerce
- California Hispanic Chamber of Commerce

OPPONENTS

- None known at time of writing

ARGUMENTS IN FAVOR

AB 915 codifies "teeth" for a requirement that has long existed but never been enforced which resulted in an uneven landscape for small businesses trying to do business with the state.

ARGUMENTS IN OPPOSITION

This bill does not guarantee better opportunities for small or disadvantaged businesses but increases the layers of bureaucracy for those same businesses in an already challenging environment.

