

Assembly Judiciary Committee Informational Hearing on Government Contracting in California: Impact of Proposition 209

February 24, 2015 - Testimony of

Tanya Little Business Development Program Manager
Department of General Services

Good morning, Committee Chair Stone, and members. Thank you for inviting me to provide remarks.

I am Tanya Little, California's Business Development Program Manager, from the Department of General Services (DGS). The Business Development Program's mission is to enhance state commerce with California's emerging and underrepresented businesses, small businesses and disabled veteran owned businesses. To accomplish the program goals, I am identifying the opportunities and successes of small businesses, large businesses, and state departments.

Prior to my appointment by Governor Brown on July 25, 2014, I served in several positions at DGS, beginning in 2008, with the Office of Small Business and Disabled Veteran Business Enterprise Services. I led a dynamic group of people who really care about the success of small businesses in state contracting. This is where my passion and advocacy for California's business community was born.

Today, I will be talking about two main topics. The state's existing outreach to women and minority-owned businesses and the state's data collection efforts related to them. In 2002, after the passage of Proposition 209, the Legislature enacted Government Code Sections 11139.7, which permits the state and local governments to include outreach efforts to minority and women owned businesses.

DGS has built strong partnerships with ethnic Chambers of Commerce and women's organizations. Last fiscal year, the Communications and Outreach Unit participated in 150 events and reached approximately 20 thousand business attendees, from all demographic groups, through workshops, conferences, webinars, and meetings.

Last year, in partnership with DGS' Office of Public Affairs, I began using social media to communicate state sponsored employer training opportunities for small

businesses. I have also begun using LinkedIn as another way to connect with the business community.

This June, in partnership with CalVet, GO-Biz and three DGS divisions, we are convening a state collaborative focus group to identify gaps and opportunities for construction subcontractors. The goal is to increase the state's small business participation in contracts while preserving the involvement of disabled veteran owned businesses.

In my efforts to reach all California businesses, last December, DGS staff and I launched a new Business Development web page containing state and federal resource links and two surveys. The surveys tools capture business success stories, demographic information, and feedback.

Now I will talk about data collection. Public Contract Code Section 10111(f) requires state departments to request business owners to voluntarily report their race, ethnicity, and gender upon the award of contracts. Business owners are asked to disclose the ethnic and minority classification as defined by Public Contract Code Section 2051 (c). The classifications are: Asian-Indian, Black, Hispanic, Native American, Pacific Asian, or Other. Business owners are asked to disclose their race classification as defined by the Federal Office of Management and Budget. The classifications are: American Indian/ Alaska Native, Black or African American, Asian, Native Hawaiian/other Pacific Islander, White, or Other.

Public Contract Code Section 10111(f) was enacted in 2005 and amended to include Lesbian, Gay, Bisexual, and Transgender reporting in January 2013. Awarding departments are prohibited from using this data to discriminate or provide a preference in the solicitation or acceptance of bids, quotes, or estimates for goods, services, construction, and/or information technology. This information is not collected until after the contract award is made. Since it is voluntary to submit this information, the response rate is low and the data may not be representative of the total population.

My field work has given me insight about the challenges businesses face in identifying ways to meet and establish professional relationships with state departments in order to learn about future contracting opportunities. In this new appointment, I will be able to address some of these challenges.

Thank you for this opportunity to speak with you this morning. I'm happy to answer any questions you may have.
