



# State of Washington Disparity Study Public Information Meeting

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COLETTE HOLT & ASSOCIATES

F.M. BURCH & ASSOCIATES

BLACKSTAR SERVICES, INC.

JUNE 2017

# Study Team

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- Colette Holt & Associates (M/WBE)
  - Colette Holt, J.D. – Project Manager & Legal Counsel
    - Nationally recognized expert, educator & author on D/M/WBE issues
    - Conducted WSDOT's 2017 disparity study
    - Co-authored USDOT-approved National Study Guidelines
    - Extensive experience as an expert witness in the successful defense of programs
    - General Counsel to the American Contract Compliance Association

# Study Team

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- Colette Holt & Associates
  - Steven Pitts, Ph.D. – Economist & Statistician
    - Nationally recognized expert, educator & author on market issues regarding minorities for over 20 years
    - Served as economist for many disparity studies, including the WSDOT study
    - Associate Chair of the University of California at Berkeley's Center for Labor Research & Education
    - Extensive experience using large databases, including Census Bureau files, to perform statistical analyses of labor & employment issues

# Study Team

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- Colette Holt & Associates
  - Robert Ashby, J.D. – Legal & Program Analysis
    - Deputy General Counsel for Regulations & Enforcement for the USDOT for over 27 years
    - Responsible for all USDOT DBE regulations; advising state, local and federal officials concerning DBE certification, goal setting and other DBE issues; & serving as liaison with the Department of Justice on DBE matters
    - Qualified expert witness; has offered testimony in federal courts on issues related to the USDOT DBE Program

# Study Team

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- Colette Holt & Associates
  - Ilene Grossman-Assistant Project Manager
    - Serves as operating officer of all CHA activities, including the WSDOT study
    - Coordinates all study requirements & oversees all outside firm resources
    - Coordinates internal scheduling & project timelines
    - Oversees all interdepartmental communication
    - Directs all financial transactions and accounting staff

# Study Team

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- F.M. Burch & Associates
  - Faye Burch
    - Specializes in contracting equity programs D/WM/WBEs & workforce development, public involvement programs, small business development & project management.
    - Works for public, private & non-profit organizations
    - Will assist with data collection & public engagement

# Study Team

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- Blackstar Services, Inc.
  - Daucey Brewington
    - Founded in 1998, Blackstar works directly with Native individuals & tribally owned businesses.
    - Works with public & private organizations to create business pathways into Indian Country, particularly by leveraging federal programs
    - Enrolled member of the Lumbee Tribe of North Carolina
    - Will assist with data collection & public engagement

# Departments Covered by the Study

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- Central Washington University (CWU)
- Consolidated Technology Services
- Criminal Justice Training
- Department of Agriculture
- Department of Commerce
- Department of Corrections
- Department of Early Learning
- Department of Ecology
- Department of Enterprise Services
- Department of Financial Institutions
- Department of Fish and Wildlife
- Department of Health
- Department of Labor and Industries
- Department of Licensing
- Department of Retirement Systems
- Department of Revenue
- Department of Social and Health Services
- Department of Transportation
- Employment Security Department
- Health Care Authority
- Industrial Insurance Appeals
- Liquor and Cannabis Board
- Military Department
- Office of Financial Management
- Pollution Liability Insurance Agency
- State Board of Community and Technical Colleges
- State Investment Board
- State Parks and Recreation
- Traffic Safety Commission
- University of Washington (UW)
- Utilities and Transportation Commission
- Veterans' Affairs
- Washington State Patrol



# Study Elements

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- Legal review & analysis
- Determination of State's geographic market
- Determination of State's industry markets
- Determination of State's utilization of M/WBEs from July 1, 2008 to June 30, 2016
- Estimation of M/WBE availability
- Disparity analysis
- Economy-wide analysis
- Qualitative data collection & analysis
- Review of State's contracting programs
- Recommendations

# Legal Review & Analysis

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- Review current case law & other relevant legal documents, with emphasis on 9th Circuit cases
- Describe the legal standards & how the research methodology conforms to the case law
- Explain how the legal principles apply to each study element
- Objectives
  - Educate the reader about the legal standards
  - Provide a framework for a court in litigation
  - Communicate concepts to be understandable to judges & laypersons

# Quantitative Analysis: Utilization of M/WBEs

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- Develop a sample of State contracts
- Analyze the Final Contract Data File
  - Determine the State's geographic market area using the 75% rule
  - Determine the State's industry market area using the 75% rule
  - Provide results by race & gender & industry aggregated & disaggregated

# Quantitative Analysis: Availability of M/WBEs

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- Create Master Directory of M/W/DBEs from multiple sources
- Purchase Hoovers data
- Assign NAICS codes
- Apply race/gender adjustments
- Combine Master Directory, Hoovers & Final Contract Data File to form business universe
- Estimate detailed, unweighted & weighted availability aggregated & disaggregated race, gender & industry codes

# Quantitative Analysis: Disparity Index

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- Disparity ratio = M/WBE utilization  $\div$  availability
- Calculate disparity indices for contracts:
  - Race & sex groups combined & industry groups combined
  - Race & sex groups combined by disaggregated industry groups
  - Industry groups combined by disaggregated race & sex
  - Disaggregated race & sex by disaggregated industry groups

# Economy-Wide Analysis

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- Examine Census Bureau data bases
  - Compare M/WBEs' Revenues to Non-M/WBEs' Revenues using the Survey of Business Owners for Washington
  - Compare M/WBEs' Formation Rates & Business Earnings to Non-M/WBEs' Formation Rates & Business Earnings Using the American Community Survey for Washington
- Review & summarize literature on M/WBEs' access to commercial credit

# Anecdotal Data Collection & Analysis

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- Public Study introduction meetings around the state
- Stakeholder group sessions & business owner interviews around the state to explore:
  - Biased perceptions & stereotypes
  - Experiences with barriers to equal access to State prime & subcontracting opportunities
- Business owner electronic survey

# Review of State Contracting Policies & Procedures

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- Review State contracting documents
- Solicit agency personnel's experiences & suggestions regarding contracting equity issues
- Topics will include:
  - Barriers to State contracting
  - Outreach to M/WBEs, veterans & small firms
  - Business assistance programs



# Recommendations

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- Race & gender-neutral measures to reduce barriers & increase opportunities
- Potential race- & gender-conscious remedies

# Study Participation Information

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Stakeholder Meetings – Fall 2017

Business Owner Interviews – Spring 2018

Study Website: <http://wastate.disparity-study.com>

Study email: [wastate\\_study@mwbelaw.com](mailto:wastate_study@mwbelaw.com)

Study Telephone Number: (855) mwbelaw / (855) 692-3529



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