

Empire State Development

**DIVISION OF MINORITY AND WOMEN'S
BUSINESS DEVELOPMENT**

**ANNUAL REPORT
2011**

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EXECUTIVE SUMMARY

The goals of Empire State Development's Division of Minority and Women's Business Development are to promote equality of economic opportunities for minority and women-owned business enterprises (MWBEs) and to eliminate barriers to their participation in state contracts.

New York State encourages small businesses that are minority- and/or women-owned to get certified and take advantage of the procurement opportunities of the many State agencies and authorities. State certified MWBEs are a large source of private employment and economic opportunity across the entire State.

The Division thanks the collective partners, State procurement agencies and authorities, and other invested stakeholders who have and will contribute to the success of the MWBE program.

Summary Data: Fiscal Year 2010-2011

- Amount of New York State discretionary spending to MWBE firms \$10,770,781,162
- Utilization of MWBEs **increased by \$175 million from FY2010 to FY2011.**
- New York State completed a Disparity Study called the "*State of Minority- and Woman- Owned Business Enterprise: Evidence from New York*" to determine the extent of disparities between the number of qualified MWBEs ready, willing, and able to perform state contracts and the number of MWBEs that actually receive state contracts.

BACKGROUND

The Division of Minority and Women’s Business Development

In July 1988, Article 15-A of the Executive Law (Executive Law §§ 310-317) created what is now the Division of Minority and Women's Business Development (“DMWBD” or the “Division”). The goal of Article 15-A is to promote equality of economic opportunities for minority and/or women owned business enterprises (“MWBEs”) and to eliminate barriers to their participation in state contracts.¹

The DMWBD performs three major functions: (1) to encourage and assist state agencies (“Contracting Agencies”) that are engaged in contracting activities to award a fair share of state contracts to MWBEs; (2) to review applications by businesses seeking certification as an MWBE and to maintain a directory of certified MWBEs; and (3) to promote the business development of MWBEs through capacity building and outreach to agencies and MWBEs.

Agency Services

The Agency Services / Compliance Unit monitors the utilization of MWBEs by Contracting Agencies, which include 105 State agencies and authorities. The Agency Services Unit reviews annual MWBE goal plans and quarterly reports on actual MWBE utilization submitted by each contracting unit. It periodically reviews practices and procedures of each state agency with respect to their compliance with the provisions of the Executive Law and provides assistance in the areas of goal setting, contract monitoring, quarterly reporting, and outreach. In addition, the Agency Services / Compliance Unit works with the Office of General Services, the Office of the State Comptroller and other government stakeholders to reform the procurement process in order to remove barriers to MWBE participation.

Certification

Reviews applications by businesses and determines whether applicants meet the eligibility criteria for certification as a MWBE under New York State law. It also maintains a certification database that contains information about every MWBE, including its standard industry classification. This database is used by the Certification Unit for ongoing analysis and is available to state agencies, private sector contractors and the general public to facilitate utilization of MWBEs.

Outreach and Business Development

Engages in significant outreach and business development activities including (a) education sessions for MWBEs on how to obtain certification and state contracts, (b) projects to enhance existing programs and services for MWBEs, and (c) initiatives to directly support MWBE business development.

The Division facilitates capacity building through partnerships with organizations and programs that offer in-depth technical assistance in the areas of management and operational systems, finance and accounting systems, business plan development, profit and loss analysis, and access to capital.

¹ This report is delivered pursuant to Executive Law § 311(e), which requires the Director of the DMWBD (the “Director”) to report annually on the level of MWBEs participating in each agency’s contracts for goods and services and on efforts to promote and increase participation by certified businesses with respect to state contracts and subcontracts.

Minority- and Women-Owned Business Enterprises in New York State²

According to the most recently released Census data the number of MWBE firms with paid employees, made up 28.7% New York State's nearly 428,600 firms in 2007,³ and generated \$124.4 billion in receipts.⁴

MBE

Minority-owned business enterprises (MBEs) represented 16.3% of total businesses and generated \$66.9 billion in revenue. There were 11,530 or 2.7% Black-owned firms, 17,886 or 4.2% Hispanic-owned firms, 44,214 or 10.3% Asian-owned firms, and 1,022 or 0.2% Native American-owned firms.⁵

WBE

Women-owned business enterprises (WBEs) represented 15.4% of total businesses and generated \$68.4 billion in revenues.⁶ The number of WBEs has been steadily increasing over the last decade from 394,014 in 1997 to 505,077 in 2002, an increase of 28% as reported in the 2007 business survey released in June 2011. This represents an increase of over 111,063 new WBEs being started in the past decade.

² All numbers in this overview are based on businesses with employees. The U.S. Census Bureau reported an additional 1,528,166 non-employer firms in New York State in 2007.

³ Source data: U.S. Census Bureau, 2007 Survey of Business Owners. Available through American FactFinder at <http://www.census.gov>. (visited on December 28, 2011).

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

I. AGENCY UTILIZATION

Utilization of MWBEs by state agencies has increased from 9.9% to 10.3% of total spending. Reported 9.9% in Fiscal Year 2009-2010, and 10.3% in Fiscal Year 2010-2011 (see Figure 1).

Figure 1

	FY 2009-2010	FY 2010-2011
Total discretionary spending by contracting agencies	\$9.39 billion	\$10.77 billion
Total contract awards to MBEs	\$477 million (5.1%)	\$611 million (5.7%)
Total contract awards to WBEs	\$455 million (4.8%)	\$496 million (4.6%)
Total MWBE contract awards	\$939 million (9.9%)	\$1.11 billion (10.3%)

A complete listing of the total discretionary expenditures, MBE utilization, and WBE utilization for all contracting agencies for Fiscal Year 2010-2011 is contained in **Appendix A**.

The value of state contracts awarded to MWBE owned firms in FY 2010-2011 41% were awarded to women-owned businesses, 15% to Asian-owned businesses, 13% to African American-owned businesses, 12% to Hispanic-owned businesses, 3% to Native American-owned businesses and 16% to business owners as other (See Figure 2).

Approximately 33% of state contracts awarded to MWBEs in FY 2010-2011 were prime contracts; 67% were a result of subcontracting. The following graphs below depict the percentage breakdown by ethnicity and by industry for the fiscal period.

Figure 2

Breakdown of State Contracts by MWBE Category

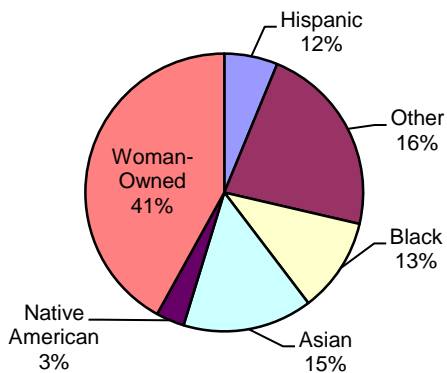
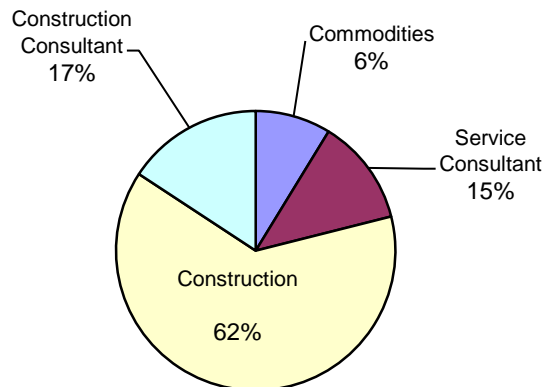


Figure 3

Breakdown of State Contracts to MWBEs by Industry



II CERTIFICATION

The Certification Unit reviews applications submitted by businesses seeking MWBE certification and determines whether applicants meet the eligibility requirements under New York State law which requires

1. The business enterprise is at least 51% owned and operated by one or more minority or woman applicant.
2. The minority or woman ownership is real, substantial and continuing.
3. The minority or woman applicant has and exercises the authority to control and operate, independently, the day to day business decisions of the enterprise.
4. The enterprise is authorized to do business in the State of New York and is independently owned and operated (not a subsidiary company or publicly traded corporation).
5. The business enterprise has been in business for at least one year.

There were 892 MWBEs certified by New York State in Fiscal Year 2010-2011. The number of applications rejected, returned, or withdrawn was 335, and the number of denied applications was 41. The average time to process an application for MWBE certification was 90 days due to reduction in staff.

New York State currently has one of the largest databases of certified firms in the nation. As of March 2011, there were 6455 certified New York State Minority and Women-owned Businesses, including 2718 MBEs, 2769 WBEs, and 968 businesses that have dual certification.

III OUTREACH AND BUSINESS DEVELOPMENT

Part of the mission of the Division is to build new business relationships through networking and technical assistance. DMWBD works with MWBEs and small business groups to support an environment of inclusion in the solicitation of public bids and government contracts.

MWBE Business Outreach is critical component to the success of the Division. In 2011 the Division attended the following:

- NY/NJ Minority Supplier Development Council's Annual EXPO
- The Competitive Edge Conference
- New Jersey Small Business Development Center Annual Event at Rutgers
- New York Power Authority Annual Networking Event
- National Grid/LIPA's Match Maker and Biz Development Event
- Rainbow Push/Wall Street Project
- Building Green Conference Workshops

AGENCY UTILIZATION SUMMARY 2010-11

FY 10-11 Individual Agency Goals, Utilization and Expenditure

<i>Agency Name:</i>	<i>Agency Expenditure</i>	<i>MBE Utilization</i>	<i>MBE Goal</i>	<i>MBE %</i>	<i>WBE Utilization</i>	<i>WBE Goal</i>	<i>WBE %</i>	<i>Qrts</i>
ADIRONDACK PARK AGENCY	205,952.75	0.00	2.00 %	0.00%	8,068.15	2.00 %	3.92%	4
AGING, OFFICE FOR THE	207,381.00	26,324.04	3.50 %	12.69%	83,424.20	3.50 %	40.23%	4
AGRICULTURE & MARKETS , DEPARTMENT OF	2,528,349.00	13,292.71	1.00 %	0.53%	8,618.66	1.00 %	0.34%	4
ALBANY COUNTY AIRPORT AUTHORITY	2,522,625.40	241,840.79	3.00 %	9.59%	150,837.49	3.00 %	5.98%	4
ALBANY PORT DISTRICT COMMISSION	7,120,117.45	5,765.00	200 %	0.08%	58,804.58	2.00 %	0.83%	4
ALCOHOLIC BEVERAGE CONTROL (LIQUOR AUTH)	485,644.71	112,491.99	10.00 %	23.16%	40,910.56	5.00 %	8.42%	4
ALCOHOLISM & SUBSTANCE ABUSE	2,698,732.74	90,200.99	200 %	3.34%	226,935.33	3.00 %	8.41%	4
ARTS, NYS COUNCIL ON THE	73,105.17	2,739.00	5.00 %	3.75%	0.00	5.00 %	0.00%	4
BANKING DEPARTMENT	442,991.43	7,677.80	5.00 %	1.73%	3,684.53	12.00 %	0.83%	4
BATTERY PARK CITY AUTHORITY	16,361,282.76	1,863,568.85	10.00 %	11.39%	1,355,892.14	8.00 %	8.29%	4
BRIDGE AUTHORITY	16,702,722.15	459,598.34	5.00 %	2.75%	265,008.35	5.00 %	1.59%	4
BUDGET, DIV OF THE	7,991,384.54	247,820.48	3.00 %	3.10%	215,614.71	5.00 %	2.70%	4
CAPITAL DISTRICT TRANS. AUTH.	48,379,226.39	1,413.07	1.00 %	0.00%	1,082,117.75	6.25 %	2.24%	4
CHILDREN & FAMILY SERVICES, OFFICE OF	23,124,740.60	5,881,506.69	0.00%	25.43%	7,699,987.11	0.00%	33.30%	4
CITY UNIVERSITY CONSTRUCTION FUND	9,622,137.61	739,766.67	7.25 %	7.69%	1,406,864.83	4.75 %	14.62%	4
CIVIL SERVICE, DEPT. OF	2,933,483.24	394,894.22	20.00 %	13.46%	509,957.00	4.00 %	17.38%	4
COMMISSION ON PUBLIC INTEGRITY	44,792.94	2,030.61	0.00%	4.53%	18,843.86	0.00%	42.07%	4
COMPTROLLER, OFFICE OF THE STATE	6,608,061.82	1,367,274.46	8.50 %	20.69%	144,064.71	6.00 %	2.18%	4
CORRECTION, STATE COMMISSION (done by CJS)	45,977.22	72.28	1.00 %	0.16%	0.00	1.00 %	0.00%	4
CORRECTIONS AND COMMUNITY SUPERVISIONS	140,686,270.20	731,591.42	5.00 %	0.52%	2,662,230.10	5.00 %	1.89%	4
CRIMINAL JUSTICE SERVICES, DIVISION OF	33,359,632.18	2,113,779.57	5.00 %	6.34%	1,377,341.27	9.00 %	4.13%	4

FY 10-11 Individual Agency Goals, Utilization and Expenditure

<i>Agency Name:</i>	<i>Agency Expenditure</i>	<i>MBE Utilization</i>	<i>MBE Goal</i>	<i>MBE %</i>	<i>WBE Utilization</i>	<i>WBE Goal</i>	<i>WBE %</i>	<i>Qrts</i>
CUNY	11,170,054.00	863,948.70	7.25 %	8.51%	563,847.36	4.75 %	5.56%	4
DORMITORY AUTHORITY	931,957,882.25	98,728,839.41	13.00 %	10.65%	103,715,562.47	7.00 %	11.19%	4
ECONOMIC DEVELOPMENT, DEPARTMENT OF	5,354,030.55	70.00	3.00%	0.00%	292,982.60	7.00%	5.47%	4
EDUCATION, DEPT. OF	45,432,203.00	2,103,499.00	5.00 %	4.63%	894,266.00	5.00 %	1.97%	4
ELECTIONS, STATE BOARD OF	2,770,130.64	17,886.22	3.00 %	0.65%	32,773.50	3.00 %	1.18%	4
EMPIRE CENTER AT THE EGG	641,145.62	0.00	4.45 %	0.00%	0.00	8.08 %	0.00%	4
EMPIRE STATE DEVELOPMENT CORP.	209,392,467.14	14,462,743.97	5.00 %	6.91%	20,567,010.50	5.00 %	9.82%	4
EMPLOYEE RELATIONS, GOVERNORS OFFICE OF	21,701,575.28	88,655.00	1.50 %	0.41%	333,751.13	1.50 %	1.54%	4
ENERGY RESEARCH & DEVELOPMENT AUTHORITY	2,575,443.88	526,364.82	8.00 %	20.44%	390,692.60	0.00 %	15.17%	4
ENVIRONMENTAL CONSERVATION	597,745,585.16	46,990,058.31	7.00 %	7.86%	36,852,461.00	5.00 %	6.17%	4
ENVIRONMENTAL FACILITIES CORPORATION, NYS	0.00	0.00	-	0.00%	0.00	-	0.00%	0
EXECUTIVE CHAMBER	529,525.71	28,516.44	5.00 %	5.39%	22,565.74	6.00 %	4.26%	4
FINANCIAL SERVICES, DEPARTMENT OF	1,265,131.07	8,851.50	5.00 %	0.70%	106,887.84	10.00 %	8.45%	4
GENERAL SERVICES, OFFICE OF	282,703,504.65	17,743,625.53	10.00 %	6.28%	20,173,424.37	10.00 %	7.14%	4
HEALTH & HOSPITAL CORP., NYC	916,288,891.00	36,245,170.40	6.00 %	3.96%	13,095,917.21	4.00 %	1.43%	4
HEALTH, DEPT. OF	499,672,061.53	26,990,221.51	5.00 %	5.40%	61,583,308.10	5.00 %	12.32%	4
HIGHER EDUCATION SERVICES CORP.	33,112,179.68	66,670.15	3.50 %	0.20%	188,224.84	3.50 %	0.57%	4
HOUSING & COMMUNITY RENEWAL	150,634,435.25	23,756,777.00	7.00 %	15.77%	9,460,337.00	5.00 %	6.28%	4
HOUSING FINANCE AGENCY	34,496,941.73	8,312,752.48	10.00 %	24.10%	1,526,192.00	5.00 %	4.42%	4
HUDSON RIVER PARK TRUST	30,354,367.00	5,596,324.05	14.00 %	18.44%	2,087,948.72	6.00 %	6.88%	4
HUDSON RIVER/BLACK RIVER REGULATING DISTRICT	404,654.54	0.00	5.00 %	0.00%	0.00	500 %	0.00%	0
HUMAN RIGHTS, DIV OF	506,726.86	31,181.67	15.00 %	6.15%	301,902.31	15.00 %	59.58%	4
INSPECTOR GENERAL, OFFICE OF THE STATE	32,857.37	720.43	0.00 %	2.19%	4,403.18	0.00 %	13.40%	4
INSURANCE FUND	61,768,527.76	4,485,261.01	10.00 %	7.26%	3,310,424.54	5.00 %	5.36%	4

FY 10-11 Individual Agency Goals, Utilization and Expenditure

<i>Agency Name:</i>	<i>Agency Expenditure</i>	<i>MBE Utilization</i>	<i>MBE Goal</i>	<i>MBE %</i>	<i>WBE Utilization</i>	<i>WBE Goal</i>	<i>WBE %</i>	<i>Qrts</i>
JACOB JAVITS CONVENTION CENTER	11,978,616.84	267,749.38	4.00 %	2.24%	233,428.98	4.00 %	1.95%	4
LABOR, DEPT. OF	64,198,529.63	3,804,076.03	6.00 %	5.93%	2,828,362.56	5.00 %	4.41%	4
LONG ISLAND POWER AUTHORITY	317,497,673.21	1,584,676.69	3.00 %	0.50%	2,603,017.28	1.50 %	0.82%	4
LOTTERY, DIV. OF THE	111,759,017.21	5,482,951.33	3.00 %	4.91%	183,669.55	3.00 %	0.16%	4
MEDICAID INSPECTOR GENERAL, OFFICE OF	8,368,027.54	852,904.93	2.00 %	10.19%	563,382.89	2.00 %	6.73%	4
MENTAL HEALTH, OFFICE OF	0.00	0.00	1.50 %	0.00%	0.00	1.50 %	0.00%	0
METROPOLITAN TRANSPORTATION AUTHORITY	1,841,597,459.42	93,677,205.23	10.00 %	5.09%	59,584,841.73	5.00 %	3.24%	4
MILITARY & NAVAL AFFAIRS, DIV. OF	1,809,043.89	14,502.68	1.00 %	0.80%	133,940.62	1.00 %	7.40%	4
MORTGAGE AGENCY (SONYMA)	5,220,611.00	32,345.00	5.00 %	0.62%	4,336.00	5.00 %	0.08%	4
MOTOR VEHICLES, DEPT OF	1,868,389.32	529,117.21	8.50 %	28.32%	1,312,408.45	6.00 %	70.24%	4
NATURAL HERITAGE TRUST	6,309,910.48	9,367.92	5.00 %	0.15%	306,251.21	5.00 %	4.85%	4
NYS OFFICE OF HOMELAND SECURITY	12,343,927.19	575,004.47	6.00 %	4.66%	371,772.09	6.00 %	3.01%	4
OFFICE FOR TECHNOLOGY & TELECOMMUNICATIONS	21,445,711.76	1,009,535.07	15.00 %	4.71%	4,056,102.08	5.00 %	18.91%	4
OLYMPIC REGIONAL DEVELOPMENT AUTHORITY	6,891,848.46	0.00	1.00 %	0.00%	1,351,828.16	15.00 %	19.61%	4
PARKS, REC. & HISTORIC PRESERVATION	48,363,649.29	264,633.50	8.00 %	0.55%	1,224,606.88	7.00 %	2.53%	4
PEOPLE WITH DEVELOPMENT DISABILITIES	150,713,054.44	5,704,552.95	0.00 %	3.79%	7,170,591.84	0.00 %	4.76%	4
POWER AUTHORITY, NEW YORK	299,386,633.00	27,508,685.00	3.00 %	9.19%	8,727,346.00	3.00 %	2.92%	4
PUBLIC EMPLOYMENT RELATIONS BOARD	12,984.79	0.00	3.00 %	0.00	0.00	3.00 %	0.00%	0
PUBLIC SERVICE, DEPARTMENT OF	1,390,422.00	128,251.00	2.00 %	9.22%	89,335.00	4.00 %	6.43%	4
QUALITY OF CARE FOR THE MENTALLY DISAB.	188,491.56	4,234.37	3.00 %	2.25%	12,381.73	3.00 %	6.57%	4
RACING & WAGERING BOARD, NYS	173,831.86	16,085.14	5.00 %	9.25%	56,948.55	6.00 %	32.76%	4
STATE INSURANCE DEPARTMENT	2,756,709.84	141,777.26	1.75 %	5.14%	114,887.86	3.25 %	4.17%	4

FY 10-11 Individual Agency Goals, Utilization and Expenditure

<i>Agency Name:</i>	<i>Agency Expenditure</i>	<i>MBE Utilization</i>	<i>MBE Goal</i>	<i>MBE %</i>	<i>WBE Utilization</i>	<i>WBE Goal</i>	<i>WBE %</i>	<i>Qrts</i>
ROOSEVELT ISLAND OPERATING CORP.	26,968,116.34	1,190,345.03	15.00 %	4.41%	604,614.47	9.00 %	2.24%	4
SCHENECTADY METROPLEX DEVELOPMENT	0.00	0.00	10.00 %	0.00%	0.00	5.00 %	0.00%	0
STATE POLICE, DIV. OF	89,401,232.69	163,399.86	2.00 %	0.18%	762,959.06	2.00 %	0.85%	4
STATE UNIVERSITY CONSTRUCTION FUND	455,080,084.50	31,684,532.22	8.00 %	6.96%	21,945,995.52	4.00 %	4.82%	4
STATE, DEPT. OF	8,199,726.24	34,476.84	0.00 %	0.42%	69,765.00	0.00 %	0.85%	4
SUNY CENTRAL	583,416,597.62	17,055,644.10	3.00 %	2.92%	17,109,809.63	3.00 %	2.93%	4
TAXATION & FINANCE, DEPARTMENT OF	67,120,167.61	158,009.86	2.00 %	0.24%	1,760,690.54	2.00 %	2.62%	4
TEMPORARY AND DISABILITY ASSISTANCE, OFFICE OF	127,009,109.75	3,838,041.37	5.00 %	3.02%	10,035,149.77	5.50 %	7.90%	4
THRUWAY AUTHORITY	371,873,089.11	39,040,162.44	7.00 %	10.50%	17,155,786.74	5.00 %	4.61%	4
TRANSPORTATION, DEPT OF	1,969,230,948.04	75,073,669.34	7.00 %	3.81%	42,421,868.62	5.00 %	2.15%	4
VETERAN'S AFFAIRS	38,916.56	2,303.70	6.00 %	5.92%	0.00	6.00 %	0.00%	4
VICTIM SERVICES, OFFICE OF	133,785.41	6,277.89	10.00 %	4.69%	1,638.49	10.00 %	1.22%	4
WELFARE INSPECTOR GENERAL, OFFICE OF	17,331.43	10,192.44	0.00 %	58.81%	0.00	0.00 %	0.00%	4
WORKERS COMPENSATION BOARD	507,849.00	10,003.00	7.00 %	1.97%	355,291.51	5.00 %	69.96%	3

FY 10-11 Individual Agency Goals, Utilization and Expenditure

<i>Agency Name:</i>	<i>Agency Expenditure</i>	<i>MBE Utilization</i>	<i>MBE Goal</i>	<i>MBE %</i>	<i>WBE Utilization</i>	<i>WBE Goal</i>	<i>WBE %</i>	<i>Qrts</i>
<i>Grand Total</i>	\$10,770,781,162.29	\$610,898,683.57		5.67%	\$495,896,945.62		4.60%	