

The logo for Empire State Development, featuring a stylized map of New York State in the background and the text "Empire State Development" in a blue serif font.

Empire State Development

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

**ANNUAL REPORT
2010**

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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 2009-2010

- Amount of New York State discretionary spending to MWBE firms \$9,386,768,361
- Utilization of MWBEs **increased by \$157 million from FY2009 to FY2010.**
- 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 of the DMWBD monitors the utilization of MWBEs by Contracting Agencies, which include 82 State agencies and authorities. The Agency Services Unit reviews annual MWBE goal plans and quarterly reports on actual MWBE utilization submitted by each Contracting Agency. The Agency Services Unit also reviews periodically the 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

The Certification Unit reviews applications by businesses and determines whether applicants meet the eligibility criteria for certification as a MWBE under New York State law. The Certification Unit 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

The DMWBD also 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.

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.

To this end, 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.

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

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

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

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 59,557 in 1997 to 65,220 in 2002, to 66,079 an increase of 11% as reported in the 2007 business survey released in June 2011. This represents an increase of over 6,500 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 9.2% to 9.9% of total spending reported 9.2% in Fiscal Year 2008-2009, and 9.9% in Fiscal Year 2009-2010 (see Figure 1).

Figure 1

	FY 2008-09	FY 2009-2010
Total discretionary spending by contracting agencies	\$8.36 billion	\$9.39 billion
Total contract awards to MBEs	\$378 million (4.5%)	\$477 million (5.1%)
Total contract awards to WBEs	\$397 million (4.8%)	\$455 million (4.8%)
Total MWBE contract awards	\$775 million (9.2%)	\$939 million (9.9%)

A complete listing of the total discretionary expenditures, MBE utilization, and WBE utilization for all contracting agencies for Fiscal Year 2009-2010 is contained in **Appendix A**.

Regarding the value of state contracts awarded to MWBE owned firms in FY 2009-2010, 42% were awarded to women-owned businesses, 25% to Asian-owned businesses, 11% to African American-owned businesses, 17% to Hispanic-owned businesses, 4% to Native American-owned businesses and 5% to business owners as other (See Figure 2.)

Approximately 36% of state contracts awarded to MWBEs in FY 2009-2010 were prime contracts; 64% were a result of subcontracting. 63% of State contract awards were for construction, 16% were for service consultants, 8% were for commodities, and 13% were for construction consultants (See Figure 3).

Figure 2

Breakdown of State Contracts by MWBE Category

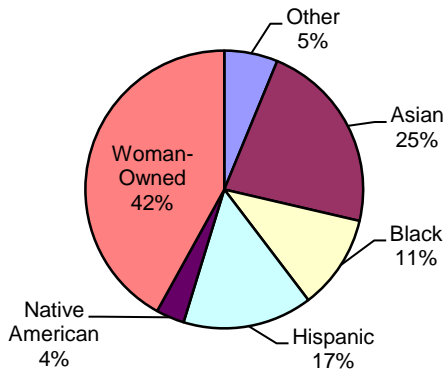
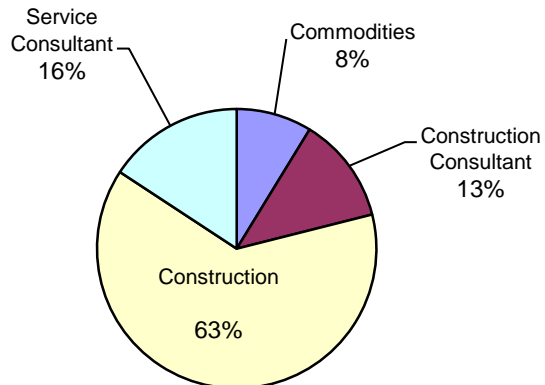


Figure 3

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 that:

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 641 MWBEs certified by New York State in Fiscal Year 2009-2010. The number of applications rejected, returned, or withdrawn was 293, and the number of denied applications was 34. The total of new applications processed was 968. The average time to process an application for MWBE certification was 76 days.

New York State currently has one of the largest databases of certified firms in the nation. As of March 2010, there were 8358 certified New York State Minority and Women-owned Businesses, including 3235 MBEs, 4195 WBEs, and 928 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 continues to work with MWBEs and small business groups that support an environment of inclusion in the solicitation of public bids and government contracts.

MWBE Business Outreach and training is a very important component to the success of the Division. In 2010, the Division provided technical assistance and training to hundreds of MWBEs throughout the State. Event participation included the following:

- New York State Assembly/Senate Puerto Rican Task Force Conference “Somos El Futuro” Conference
- The Competitive Edge Conference & Expo
- Asian Women In Business Conference
- Regional Alliance for Small Contractors Conference
- AMENY – Association of Minority Enterprises of New York Business Development Conference
- DASNY – Dormitory Authority State of New York Annual Conference
- African American Chamber of Commerce Conference & Expo
- EAP (Entrepreneurial Assistance Program) Annual Conference
- NYS Federation of Hispanic Chambers of Commerce

AGENCY UTILIZATION SUMMARY 2009-10

FY 09-10 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	281,192.58	269.48	2.00 %	0.10%	966.25	4.00 %	0.34%	4
AGING, OFFICE FOR THE	0.00	36,131.97	0.00 %	0.00%	29,020.93	0.00 %	0.00%	0
AGRICULTURE & MARKETS STATE FAIR	1,044,529.78	0.00	1.00 %	0.00%	26,467.92	1.00 %	2.53%	3
AGRICULTURE & MARKETS, DEPARTMENT OF	1,273,243.00	15,072.00	1.00 %	1.18%	48,853.00	1.00 %	3.84%	4
ALBANY COUNTY AIRPORT AUTHORITY	46,808.25	0.00	-	0.00%	0.00	-	0.00%	3
ALBANY PORT DISTRICT COMMISSION	5,291,832.01	4,108.93	1.00 %	0.08%	40,908.27	1.00 %	0.77%	4
ALCOHOLIC BEVERAGE CONTROL (LIQUOR AUTH)	480,896.58	151,530.00	10.00 %	31.51%	8,841.73	10.00 %	1.84%	4
ALCOHOLISM & SUBSTANCE ABUSE	5,223,470.21	16,930.00	1.00 %	0.32%	74,628.07	2.00 %	1.43%	4
ARTS, NYS COUNCIL ON THE	73,105.56	2,403.84	5.00 %	3.29%	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	17,814,422.66	2,211,156.24	8.00 %	12.41%	3,073,112.88	10.00 %	17.25%	4
BRIDGE AUTHORITY	11,043,756.17	48,339.86	5.00 %	0.44%	469,366.17	5.00 %	4.25%	4
BUDGET, DIV OF THE	5,316,276.03	260,328.05	3.00 %	4.90%	219,669.47	5.00 %	4.13%	4
CAPITAL DISTRICT TRANS. AUTH.	41,634,991.70	22,199.18	2.50 %	0.05%	295,652.38	6.50 %	0.71%	4
CHILDREN & FAMILY SERVICES, OFFICE OF	55,931,569.48	96,761.75	-	0.17%	780,186.29	-	1.39%	3
CITY UNIVERSITY CONSTRUCTION FUND	17,465,024.00	596,959.45	7.25 %	3.42%	1,135,027.11	4.75 %	6.50%	4
CIVIL SERVICE, DEPT. OF	2,766,107.85	394,964.66	10.00 %	14.28%	138,264.83	11.00 %	5.00%	4
CNY REGIONAL TRANSPORTATION AUTHORITY	0.00	0.00	-	0.00%	0.00	-	0.00%	0
COMMISSION ON PUBLIC INTEGRITY	56,122.13	0.00	0.00 %	0.00%	19,044.17	0.00 %	33.93%	4
COMPTROLLER, OFFICE OF THE STATE	6,005,809.84	728,789.44	9.50 %	12.13%	509,367.85	4.50 %	8.48%	4
CONSUMER PROTECTION BOARD	75,749.91	0.00	10.00 %	0.00%	27,311.17	10.00 %	36.05%	4
CORRECTION, STATE COMMISSION (done by CJS)	15,733.65	0.00	1.00 %	0.00%	0.00	1.00 %	0.00%	4
CORRECTIONAL SERVICES, NYS DEPARTMENT OF	138,819,078.85	698,686.02	7.00 %	0.50%	3,841,210.95	7.00 %	2.77%	4
CRIMINAL JUSTICE SERVICES, DIVISION OF	34,918,668.08	3,677,548.87	4.00 %	10.53%	3,178,617.88	8.00 %	9.10%	4

FY 09-10 Individual Agency Goals, Utilization and Expenditure

Agency Name:	Agency Expenditure	MBE Utilization	MBE Goal	MBE %	WBE Utilization	WBE Goal	WBE %	Qrts
CUNY	10,147,259.00	863,948.70	7.25 %	8.51%	563,847.36	4.75 %	5.56%	4
DORMITORY AUTHORITY	931,957,882.25	105,097,057.18	13.00 %	11.28%	114,543,571.42	7.00 %	12.29%	4
ECONOMIC DEVELOPMENT, DEPARTMENT OF	22,665,491.39	170,544.30	-	0.75%	754,638.01	-	3.33%	4
EDUCATION, DEPT. OF	58,217,235.00	1,053,352.00	5.00 %	1.81%	4,691,311.00	5.00 %	8.06%	4
ELECTIONS, STATE BOARD OF	8,667,210.10	8,252.70	10.00 %	0.10%	30,511.90	10.00 %	0.35%	4
EMPIRE CENTER AT THE EGG	1,106,502.40	0.00	4.45 %	0.00%	0.00	8.08 %	0.00%	4
EMPIRE STATE DEVELOPMENT CORP.	210,994,751.20	10,741,403.58	5.00 %	5.09%	26,755,239.73	5.00 %	12.68%	4
EMPLOYEE RELATIONS, GOVERNORS OFFICE OF	20,378,775.03	57,120.00	1.00 %	0.28%	186,771.00	1.00 %	0.92%	4
ENERGY RESEARCH & DEVELOPMENT AUTHORITY	17,777,436.27	73,431.48	3.00 %	0.41%	440,620.39	2.00 %	2.48%	4
ENVIRONMENTAL CONSERVATION	510,470,262.32	46,258,426.61	7.00 %	9.06%	27,959,535.89	7.00 %	5.48%	4
ENVIRONMENTAL FACILITIES CORPORATION, NYS	0.00	0.00	-	0.00%	0.00	-	0.00%	0
EXECUTIVE CHAMBER	937,711.95	24,282.23	5.00 %	2.59%	80,328.41	6.00 %	8.57%	4
GENERAL SERVICES, OFFICE OF	312,792,480.95	20,452,002.20	10.00 %	6.54%	22,390,871.27	10.00 %	7.16%	4
HEALTH & HOSPITAL CORP., NYC	860,224,434.00	31,780,300.08	6.00 %	3.69%	13,919,549.59	4.00 %	1.62%	4
HEALTH, DEPT. OF	395,826,029.19	20,899,341.92	5.00 %	5.28%	38,874,954.35	5.00 %	9.82%	4
HIGHER EDUCATION SERVICES CORP.	26,280,140.47	143,951.79	3.70 %	0.55%	250,284.49	3.70 %	0.95%	4
HOUSING & COMMUNITY RENEWAL	53,751,458.00	8,753,327.00	7.00 %	16.28%	7,549,288.00	5.00 %	14.04%	4
HOUSING FINANCE AGENCY	1,587,087.50	22,340.00	10.00 %	1.41%	4,952.92	5.00 %	0.31%	1
HUDSON RIVER TRUST FUND	45,811,679.64	6,547,311.88	12.00 %	14.29%	1,677,845.72	5.00 %	3.66%	4
HUDSON RIVER/BLACK RIVER REGULATING DISTRICT	564,077.46	0.00	0.00 %	0.00%	0.00	0.00 %	0.00%	4
HUMAN RIGHTS, DIV OF	171,310.70	114,708.09	10.00 %	66.96%	45,481.54	10.00 %	26.55%	4
INSPECTOR GENERAL, OFFICE OF THE STATE	27,110.12	235.59	-	0.87%	0.00	-	0.00%	4
INSURANCE DEPARTMENT	10,697,514.56	106,806.17	2.00 %	1.00%	91,874.66	5.00 %	0.86%	4
INSURANCE FUND	60,091,388.54	4,426,346.16	12.00 %	7.37%	979,184.23	8.00 %	1.63%	4

FY 09-10 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	10,073,995.00	118,609.81	4.00 %	1.18%	233,527.00	4.00 %	2.32%	4
LABOR, DEPT. OF	38,101,899.70	2,588,733.22	6.00 %	6.79%	2,116,058.94	5.00 %	5.55%	4
LONG ISLAND POWER AUTHORITY	589,786,876.96	1,110,914.53	3.00 %	0.19%	457,368.35	1.50 %	0.08%	4
LOTTERY, DIV. OF THE	114,451,742.38	200,231.14	4.00 %	0.17%	258,345.67	4.00 %	0.23%	4
MEDICAID INSPECTOR GENERAL, OFFICE OF	9,599,881.20	2,271,579.57	0.00 %	23.66%	474,121.45	0.00 %	4.94%	4
MENTAL HEALTH, OFFICE OF	0.00	0.00	1.00 %	0.00%	0.00	1.00 %	0.00%	0
METROPOLITAN TRANSPORTATION AUTHORITY	1,677,896,895.41	61,651,127.16	10.00 %	3.67%	46,620,453.64	5.00 %	2.78%	4
MILITARY & NAVAL AFFAIRS, DIV. OF	1,047,863.89	0.00	-	0.00%	237,554.07	-	22.67%	4
MORTGAGE AGENCY (SONYMA)	670,566.27	173,692.00	7.00 %	25.90%	0.00	5.00 %	0.00%	4
MOTOR VEHICLES, DEPT OF	2,117,777.47	89,033.54	9.50 %	4.20%	70,453.86	4.50 %	3.33%	4
NATURAL HERITAGE TRUST	16,079,032.06	12,283.58	-	0.08%	205,870.22	-	1.28%	4
NYS OFFICE OF HOMELAND SECURITY	8,274,695.16	126,628.96	10.00 %	1.53%	81,198.18	10.00 %	0.98%	4
OFFICE FOR TECHNOLOGY &	13,994,547.20	1,540,080.70	15.00 %	11.00%	1,691,668.53	5.00 %	12.09%	4
OLYMPIC REGIONAL DEVELOPMENT AUTHORITY	2,152,423.37	0.00	1.00 %	0.00%	696,207.80	1.00 %	32.35%	4
PARKS, REC. & HISTORIC PRESERVATION	97,201,553.03	200,803.50	8.00 %	0.21%	1,234,268.26	7.00 %	1.27%	4
PAROLE, DIVISION OF	30,681,641.59	133,767.60	7.00 %	0.44%	1,000,457.95	5.00 %	3.26%	4
PEOPLE WITH DEVELOPMENT DISABILITIES	145,820,992.97	4,364,950.85	3.00 %	2.99%	5,052,413.60	3.00 %	3.46%	4
POWER AUTHORITY, NEW YORK	276,139,442.00	42,052,737.00	3.00 %	15.23%	24,419,179.00	3.00 %	8.84%	4
PUBLIC EMPLOYMENT RELATIONS BOARD	4,283.90	0.00	-	0.00%	0.00	-	0.00%	4
PUBLIC SERVICE, DEPARTMENT OF	1,898,509.00	88,970.00	2.00 %	4.69%	228,215.00	4.00 %	12.02%	4
QUALITY OF CARE FOR THE MENTALLY DISAB.	156,082.14	2,959.50	-	1.90%	5,983.16	-	3.83%	3
RACING & WAGERING BOARD, NYS	136,200.99	1,822.52	2.00 %	1.34%	38,502.00	6.00 %	28.27%	4
REAL PROPERTY SERVICES	0.00	0.00	-	0.00%	0.00	-	0.00%	0
REGULATORY REFORM	152,083.08	72.90	10.00 %	0.05%	0.00	10.00 %	0.00%	4

FY 09-10 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.	19,616,613.91	400,023.96	10.00 %	2.04%	453,114.83	5.00 %	2.31%	4
SCHENECTADY METROPLEX DEVELOPMENT	0.00	0.00	-	0.00%	0.00	-	0.00%	0
STATE POLICE, DIV. OF	80,502,169.33	255,398.99	2.00 %	0.32%	1,059,155.82	2.00 %	1.32%	4
STATE UNIVERSITY CONSTRUCTION FUND	347,868,373.00	20,487,848.12	8.00 %	5.89%	16,593,099.21	4.00 %	4.77%	4
STATE, DEPT. OF	10,822,400.55	135,710.66	1.00 %	1.25%	186,257.37	4.00 %	1.72%	4
SUNY CENTRAL	526,819,711.22	10,532,059.99	3.00 %	2.00%	16,390,448.05	3.00 %	3.11%	4
TAXATION & FINANCE, DEPARTMENT OF	64,284,749.43	521,844.66	1.00 %	0.81%	784,175.10	1.00 %	1.22%	4
TEMPORARY AND DISABILITY ASSISTANCE, OFFICE OF	348,201,556.27	2,538,471.47	5.00 %	0.73%	4,944,733.25	5.50 %	1.42%	4
THRUWAY AUTHORITY	274,755,668.00	23,804,680.35	7.00 %	8.66%	19,869,249.75	5.00 %	7.23%	4
TRANSPORTATION, DEPT OF	769,501,138.50	35,041,432.84	8.00 %	4.55%	33,663,018.89	6.00 %	4.37%	4
VETERAN'S AFFAIRS	45,744.58	405.00	10.00 %	0.89%	1,749.60	10.00 %	3.82%	4
VICTIM SERVICES, OFFICE OF	115,669.06	15,178.71	10.00 %	13.12%	927.00	10.00 %	0.80%	4
WELFARE INSPECTOR GENERAL, OFFICE OF	0.00	0.00	0.00 %	0.00%	0.00	0.00 %	0.00%	4
WORKERS COMPENSATION BOARD	628,975.00	0.00	7.00 %	0.00%	319,728.90	5.00 %	50.83%	3

FY 09-10 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>	\$9,386,768,361.41	\$477,026,400.03		5.08%	\$455,098,368.18		4.85%	