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CALIFORNIA AFRICAN AMERICAN
CHAMBER OF COMMERCE



California Ethnic Chambers of Commerce Call for Passage of Landmark Bill Requiring Fair Opportunities for Minority-Owned Small Businesses in State Contracting and Procurement

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Sacramento, CA -- Today, Assemblymember David Chiu (D-San Francisco) introduced the Economic Equity First Act of 2021 (AB 915). The California Asian Pacific Chamber of Commerce (CalAsian Chamber) worked closely with the Assemblymember's office to develop this legislation, which increases access to procurement opportunities for small, minority and women-owned, and disabled veteran-owned businesses. The CalAsian Chamber is joined by the California Hispanic Chambers of Commerce and the California African American Chamber of Commerce in co-sponsoring and supporting this landmark legislation.

AB 915 will require all state agencies, departments, boards, and commissions to achieve a minimum goal of 25% for minority, small business, and disabled veteran business participation in state procurement and contracts. This is based on a recognition that small businesses make up [99.8%](#) of all California businesses and contribute significantly to the economy, accounting for 7 million employees across the State. Of California's 4.1 million small businesses, 1.2 million, or 29%, are minority owned. The CalAsian Chamber alone represents the voice of over 600,000 Asian and Asian Pacific Islander (AAPI)-owned businesses that generate more than \$181 billion in annual revenue; employ over 910,135 Californians with an annual payroll of over \$26 billion.

"The AAPI community has waited long enough for equity when it comes to procurement with the State of California," said Pat Fong Kushida, President and CEO of the CalAsian Chamber. "I am proud of this piece of legislation which will not only raise the priority of all small businesses seeking contracts with the State but elevate the importance of minority-owned businesses in the State's procurement process. And I am especially grateful for Assemblymember David Chiu's leadership and willingness to carry this important legislation. It is my hope that this bill will be the first of many which proactively offer real-life solutions for the millions of business owners across California."

AB 915 seeks to codify Governor Schwarzenegger's 2006 executive order ([EO S-02-06](#)) requiring the same minimum goal of 25%. It also builds on [AB 657](#), passed in 2017, which initiated steps to establish a "small business liaison/advocate" for each agency who regularly interacts with small businesses and is primarily responsible for meeting the 25% goal. While AB 657 and EO S-02-06 both remain on the books, there has been little to no enforcement and only 12 of the state's 231 agencies, departments,

and commissions have adopted a “small business procurement” policy which is why further legislative action is needed.

“Our small businesses, particularly minority-owned small businesses, have been hit especially hard by the pandemic,” said Assemblymember David Chiu (D-San Francisco). “This bill uses the state’s enormous purchasing power to help uplift our small businesses when they need it most.”

In addition to codifying the 25% threshold, the bill will also adopt the federal designation of "Disadvantaged Business Enterprises (DBEs)", from the U.S. Small Business Administration, in the narrative of the types of businesses the State should be actively educating and outreaching to, to increase minority-owned business participation in the procurement process. AB 915 will also include a procurement score DGS may use for DBEs that choose to self-identify as a federally certified DBE.

Additional Quotes

"The 25% small business procurement goal is a simple ask of the Legislature and the Governor. It will codify a principle that has been around for 15 years now. Small businesses need as much support from the State as possible. The Legislature must finally establish this small business procurement goal into law." - Julian Canete, CEO, California Hispanic Chambers of Commerce

"Equity for small business owners has long eluded the African American and Black communities of this State. We are the backbone of the State's economy and we should be fairly recognized when it comes to State small business procurement. Passing this bill proves to the forgotten Black and minority business communities, that they will be forgotten no more." - Edwin A. Lombard III, President and CEO, California African American Chamber of Commerce

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CalAsian Chamber of Commerce

In 2010 the CalAsian Chamber was founded to give a voice to the over 600,000 AAPI-owned businesses in California. Today, the CalAsian Chamber is the largest statewide ethnic chamber in California, with the mission to grow and empower the AAPI business community throughout California. Visit www.calasiancc.org to learn more.

California Hispanic Chambers of Commerce

Through its network of Hispanic chambers and business association, the CHCC represents the interest of over 800,000 Hispanic business owners in California. The CHCC is the premier and largest regional ethnic business organization in the nation that promotes the economic growth and development of Hispanic entrepreneurs and California’s emerging businesses. Visit www.cahcc.com to learn more.

California African American Chamber of Commerce

As California’s largest statewide Black chamber organization, CAACC’s mission is to drive economic opportunity and wealth creation for African American businesses. CAACC leverages the power of national, statewide, and regional networks of businesses, local chambers and community organizations,

corporate, philanthropic, and institutional partners, elected officials, and members to bolster Black business success and strengthen communities. Visit www.calaacc.org to learn more.