HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO COMMISSION A STATEWIDE DISPARITY STUDY REGARDING THE PARTICIPATION OF WOMAN- AND MINORITY-OWNED BUSINESSES IN STATE CONTRACTING DERIVED FROM FEDERAL SOURCES OF FUNDING.

WHEREAS, every year, the State receives substantial monies for state contracting purposes from the federal government, including through the Inflation Reduction Act of 2022 (Inflation Reduction Act); Creating Helpful Incentives to Produce Semiconductors for America Fund Act of 2022 (CHIPS Act of 2022); and other federal allocations for energy-related projects, including semiconductor manufacturing, clean energy manufacturing, and electrification of residential and commercial properties; and

WHEREAS, all businesses in the State, including those that are woman-owned and minority-owned, deserve the opportunity to participate equitably in state contracting; and

WHEREAS, the State must do what it can to ensure the equitable participation of woman-owned businesses and minority-owned businesses in state contracts derived from federal sources of funding; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2024, the Senate concurring, that the Department of Business, Economic Development, and Tourism is requested to commission a statewide disparity study regarding the participation of woman- and minority-owned businesses in state contracting derived from federal sources of funding; and

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BE IT FURTHER RESOLVED that for purposes of the study, the Department of Business, Economic Development, and Tourism is requested to consider the following federal funding sources: the Inflation Reduction Act; CHIPS Act of 2022; and other federal allocations for energy-related projects, including semiconductor manufacturing, clean energy manufacturing, and electrification of residential and commercial properties; and

BE IT FURTHER RESOLVED that for the purposes of the statewide disparity study, the following definitions are requested to be used:

(1) "Minority individual" means an individual who is a member of a race that constitutes less than fifty percent of the total population of the State;

(2) "Minority-owned business" means a business enterprise that is authorized to conduct and is conducting business under the laws of the State, paying all taxes duly assessed, and domiciled within the State and that is:

(A) At least fifty-one percent owned by one or more minority individuals or, in the case of a publicly owned business, at least fifty-one percent of all classes or types of the stock is owned by one or more minority individuals; and

(B) Controlled in its management and daily business operations by one or more minority individuals; and

(3) "Woman-owned business" means a business enterprise that is authorized to conduct and is conducting business under the laws of the State, paying all taxes duly assessed, and domiciled within the State and that is:

(A) At least fifty-one percent owned by one or more women or, in the case of a publicly owned business, at least fifty-one percent of all

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classes or types of the stock is owned by one or 1 2 more women; and 3 (B) Controlled in its management and daily business 4 5 operations by one or more women; and 6 BE IT FURTHER RESOLVED that the statewide disparity study 7 is requested to be prepared by an independent entity and 8 selected through a request for proposals process; and 9 10 11 BE IT FURTHER RESOLVED that the statewide disparity study is requested to determine: 12 13 The total amount of funds allocated to the State for 14 (1)the financing, granting, development, or support of 15 energy-related projects that are directly or 16 indirectly contemplated by the Inflation Reduction 17 18 Act; CHIPS Act of 2022; and other federal allocations for energy-related projects, including semiconductor 19 manufacturing, clean energy manufacturing, and 20 electrification of residential and commercial 21 properties (the Acts); 22 23 The total number of projects, grants, investments, or 24 (2) other allocations delivered by the State under the 25 purview of the Acts; 26 27 The methods of bidding, procurement, or disbursement (3) 28 of the funds provided by the Acts on an annual basis; 29 30 (4)Whether there is a disparity between the number of 31 woman-owned businesses and minority-owned businesses 32 that are ready, willing, and able to perform state 33 34 contracts derived from or funded by allocations

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(5) What changes, if any, should be made to state policies affecting woman-owned businesses and minority-owned businesses; and

directly related to the Acts and the number of these

contractors actually engaged to perform the contracts;

and

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BE IT FURTHER RESOLVED that the Department of Business, Economic Development, and Tourism is requested to submit a copy of its study, including findings and recommendations and any proposed legislation to the Governor and Legislature no later than twenty days prior to the convening of the Regular Session of 2025; and

BE IT FURTHER RESOLVED that upon completion of the statewide disparity study, the Department of Business, Economic Development, and Tourism is requested to post the study on its website so that it is available and readily accessible to the public; and

BE IT FURTHER RESOLVED THAT within one year of the completion of the statewide disparity study, the Department of Business, Economic Development, and Tourism is requested to:

(1) Provide goals for the equitable participation of woman-owned businesses and minority-owned businesses in the performance of state contracts to the extent that any disparity is revealed by the study;

(2) Establish procedures to:

(A) Ensure that woman-owned businesses and minorityowned businesses are provided the opportunity to participate equitably in the performance of state contracts; and

(B) Assist in identifying those state contracts for which woman-owned businesses and minority-owned businesses may best bid to achieve the goals described in paragraph (1);

(3) Provide for the certification and decertification of woman-owned businesses and minority-owned businesses and maintain a current list of certified woman-owned businesses and minority-owned businesses; and

(4) Collect statistical data concerning the actual participation of woman-owned businesses and minority-owned businesses in state contracting; and

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BE IT FURTHER RESOLVED that where practicable, feasible, and appropriate, all contracting agencies of the State are requested to assess the diversity practices of contractors submitting bids or proposals in connection with the award of a state contract and promote the achievement of the goals set forth by the Department of Business, Economic Development, and Tourism for the equitable participation of woman-owned businesses and minority-owned businesses in the performance of state contracts; and

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BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor and Director of Business, Economic Development, and Tourism.

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