



NEW YORK STATE SENATOR

James Sanders Jr.

Governor Signed Re-Authorization and Enhancement of Article 15-A Into Law Earlier This Week

JAMES SANDERS JR. July 17, 2019



Governor Cuomo signed into law earlier this week, S.6575/A.8414, which reauthorizes New York State's Minority and Women-Owned Business Enterprises (MWBE) program and adds significant improvements developed under the leadership of **Senator James Sanders Jr.**, who chairs the Senate Task Force on MWBE and sponsored the legislation in the Senate.

"This legislation is a huge step to making sure that MWBEs increase capacity and have better access to state contracting," **Senator Sanders** said of the new law. "We are finally making some

good progress to include groups that have historically lacked access to these resources."

The MWBE program, which seeks to make New York's economy more just by awarding a goal of 30 percent of state contract money to businesses owned by minorities or women, was set to expire at the end of 2019. The re-authorization extends the program until 2024 and makes several improvements intended to aid MWBEs, including:

- Decreasing the amount of time and resources that MWBEs spend in bureaucratic processes by extending the length of MWBE certification from 3 years to 5 years;
- Increasing from \$200,000 to \$500,000 the amount of money that agencies and authorities can award to MWBEs at their discretion without a formal competitive process
- Increasing from \$3.5 million to \$15 million the maximum net worth that an MWBE owner can personally hold in order to be eligible for the program
- Authorizing the Division of MWBE to organize outreach events, training and educational opportunities for MWBE firms across the state; and
- Establishing a Workforce Diversity Program that requires State agencies overseeing construction projects to utilize a diverse workforce; among additional new terms

These and other improvements were developed during weekly talks put together by Senator Sanders and Assembly Member Rodneyse Bichotte, who chairs the MWBE subcommittee in the Assembly. The talks brought together MWBEs, industry groups, agency officials and clergy, including the Women Builders Council, the Alliance for New York Asian Architects and Engineers, the Building Trades Employees Association and The 400 Foundation, among others.

Renee Sacks, Executive Director of the Women Builders Council and a participant in Senator Sanders' talks, said: "As the leading association that represents women in the

construction industry, the reauthorization of Article 15-A was the Women Builders Council's (WBC) top priority for the 2018-2019 legislative session. For the past two years, we worked in partnership with the certified small business community, industry associations and elected officials to provide feedback and tangible solutions to create a strong New York State MWBE Program. This legislation sponsored by Senator Sanders and Assembly Member Bichotte not only reauthorizes Article 15-A, it provides greater equal access to State's contracting system and opportunities, and yields outcomes for capacity building, job creation and programmatic efficiency and sustainability. We would like to thank Senator Sanders, Governor Cuomo and the legislators that worked tirelessly to ensure that we continue our shared mission of increasing diversity and the role of women in the construction industry and beyond."

The MWBE program awarded over \$13 billion in contracts to MWBEs between 2011 and today, with the state claiming an MWBE utilization rate of nearly 29 percent, or \$2.5 billion, in fiscal year 2018-2018. Those numbers are up from a low MWBE utilization rate of just 10 percent in 2010. The improvements to the program developed under the leadership of Senator Sanders will help ensure that New York State continues to lead the nation with the highest rate of MWBE participation in state contracting.

"This MWBE legislation continues to push for a level playing field." **Senator Sanders** said. "One that will create substantial benefits in our communities. We must uplift and preserve MWBEs, because success in these businesses reflects success in New York. Support for MWBEs is support for job creation, equality and the pursuit of the American dream. I am proud to sponsor this legislation, which will empower MWBEs, increase transparency, and support diversity."