

State lags in affirmative action
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Last year, JJK Roll-Off, a Hawthorne-based rubbish bin rental firm, landed a major contract to provide containers for the expansion of the light rail system in Los Angeles.

And the company's owner, Brandy Sweeney, played a big roll in winning the contract.

Because she is a woman.

"That's how we got the contract, because it was in Brandy's name," Verne Sweeney, the company's vice president and Sweeney's husband, said.

The federally funded project has a mandate to steer contracts to minority- and women-owned businesses.

According to a study to be released today, California lags behind many other states in promoting such contracts. In fact, the Golden State cuts against a growing trend nationwide, said the study, "The Evolution of Affirmative Action," to be released by the Oakland-based Insight Center for Community Economic Development.

The study, which covered all 50 states and the District of Columbia, found that 14 states either started or enhanced their "inclusive business programs" from 2003 to 2006, compared with only seven that ended or reduced such programs.

"We found that in spite of the well-known cases of (California and Oregon), that the trend has been reversed to enhancing or initiating inclusive programs," Tim Lohrentz, the study's lead researcher, said during a conference call with reporters.

This drive to advance such programs has been ushered along by state legislatures and Advertisement
governors, both Democratic and Republican, "who recognize the importance of inclusive business development to the overall economic strength of their state," the study says.

In California's case, the landmark Prop. 209, approved by voters in 1996, eliminated most state agency programs that helped women or minorities win state contracts.

For many states that have limited affirmative action, federally funded transportation projects provide the only "inclusive business program," the study says.

The Insight Center, formerly the National Economic Development and Law Center, is a national research, consulting and legal organization that promotes economic health and opportunity in "vulnerable communities."

Marna Smeltzer, president and CEO of the Redondo Beach Chamber of Commerce and Visitors Bureau, said she supports programs that help small businesses owned by minorities or women.

"In the past, we've thought they were good programs," said Smeltzer, who had not seen this study. "These types of programs usually are very positive."

Programs that steer contracts to women or minorities also constitute billions of dollars in spending by corporate America.

According to an Insight Center study released in October, Prop. 209 hurt growth of minority- and women-owned businesses in the state.

In particular, only 21 percent of minority-owned businesses saw significant growth in the five years after Prop. 209 was passed. That's compared with 37 percent in Maryland and Oregon, combined.

For women-owned businesses, only 18 percent saw significant growth from 1996 to 2001, while the combined figure was 30 percent in Maryland and Oregon.

That study designated Maryland as a "policy-enhanced" state for such programs, and Oregon as a "policy-neutral" state, both higher designations than California.

However, the October study found no difference in growth rates from 2001 to the present.

"I think what has happened is in general, businesses have adjusted their business plans to depend less on state or local contracts than before Prop 209," Lohrentz said.

It is unlikely that Prop. 209 will be eliminated in the short term, Lohrentz said. However, he noted that some states such as Florida and Washington have voluntary programs.

"There are (California) state legislators who are interested in doing something," Lohrentz said.

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