

HUB Advisory Council Meeting Minutes

NCDOT Highway Building, Board Room

1 S. Wilmington St., Room 150

Raleigh, NC

March 10, 2019

10:00 am

Attendees: Council Members

Jeremy Collins	Kristen Hess
Iris Reese	Mary Williams-Stover
Vinnie Goel	Valerie Jordan
Calvin Stevens	Annette Stevenson
CC Lamberth	

Absent Council Members: Odessa McGlown, Tiffany Peguise-Powers, Aaron Thomas, Latif Kaid, Dorrine Fokes, Russell Parker, Terrence Holt, Andrea Harris, Lenwood Long, Sr.

Council Members available via conference call: Doug Morton, Kimberly Leazer, Greg Richardson.

Additional Attendees: Betty Marrow-Taylor, *Deputy Secretary, Department of Administration* on behalf of Machel Sanders, *Secretary Department of Administration*; Tammie Hall, *Director, HUB Office*; Alicia Lyon, *Deputy Director, Hub Office*; Jayce Williams, *Department of Administration*.

HUB Office Staff Attendees: LaShona Johnson, John Guenther, Traci Herrod, Alisha Puckett, Melissa Terrell, Jamahl Greene, Sharonetta McIntyre, Nicole GyeNyame.

Guests: Alexandra Forter Sirota, *Director, Budget & Tax Center*; Dr. Michelle Laws; *Assistant Director for Consumer Policy and Community Engagement*; NC DHHS; Chiquitha Llyod, *Director, Diversity and Inclusion, Charlotte Mecklenburg School System*; Michele Clark Jenkins; *Senior Director and Project Manager, Griffin & Strong, P.C.*; Bridget Wall-Lennon, *BLWall Consulting*.

• **Call to Order**

- CC Lamberth, Advisory Council Chair, called the meeting to order and welcomed all in attendance.

- Without a quorum present, **The Council Chair** asked that remarks begin until a roll call could be conducted.

- **Remarks**

- **Deputy Secretary Betty Marrow-Taylor, Department of Administration on behalf of Secretary Machel Sanders, Department of Administration**
 - She welcomed all in attendance and acknowledged the HUB staff for coordinating the meeting. She remarked that Secretary Sanders apologized that she could not be present but asked her to provide updates on behalf of the Department of Administration. She provided the following updates:
 - U.S. Census 2020 is starting now. North Carolinians do not have to wait until April 1 to begin the process. The 2020 Census determines the funding North Carolina can receive and it is crucial that all citizens participate – especially children and minorities. All persons should be counted. For the first time, Census data will be collected electronically. The Department of Administration has an assistance coordinator now on staff who can provide further instruction and guidance on completion. The deadline for completion is July 31.
 - There are no budget updates – The Governor remains at a stand still and will not bend on teachers pay increases or Medicaid coverage.
 - The Department of Administration is celebrating Woman’s History Month in March and there will be a celebration at the Executive Mansion on March 17.
 - The NC State Construction Office and HUB networking event is approaching on March 26.

- **Alexandra Forter Sirota, Director, Budget & Tax Center**
 - A PowerPoint presentation was provided titled “Hub Success Critical to Equitable Development,” which provided an overview of the economic status of HUBs in North Carolina. She provided the following updates:
 - A wealth gap continues to persist with HUBs in terms of economic growth despite regional outreach efforts.
 - There is a lot of human capital and entrepreneurial potential for HUBs to tap into if the opportunities become more focused on.
 - Work to date includes community conversations, research and analysis, tracking of HUBs accelerator programs across the nation, and reports on the landscape of HUBs in North Carolina.
 - The Budget & Tax Center recommends that the HUB aspirational goal needs to be reviewed from an equity standpoint in order to close the wealth gap. Communities across the state need to start thinking of HUBs as assets and that message needs to be

communicated. Local and state leaders need to help leverage public investments and public policies to support HUBs. North Carolina should consider an accelerator program.

- QUESTION: How can we secure public contracts?
- ANSWER: We must look at the capital risk management and connections. We know that inequities in the economy exist, and only by closing these gaps can we have long term stability for securing these contracts and opportunities. We also need higher payrolls and more employment for minorities for them to be competitive.
- Calvin Harris remarked that relationships are critical for securing contracts and the writing of surety bonds. The state should be doing more to help HUBs build and maintain these relationships – especially with contractors and subs.
- QUESTION: How do we identify where to have community conversations?
- ANSWER: Usually this is done by invitation. Currently, The Budget & Tax Center has been focused on the Wilmington, NC area due to a Legal Aid partnership, but hopes to expand community conversations in areas identified with the greatest need.
- QUESTION: What can we do to encourage policy changes with elected officials?
- ANSWER: We must advocate for policies based on how other states have been successful and we have this data to share. The Budget & Tax Center's legislative advocates do this daily and continue to have these conversations with elected officials.
- Annette Stevenson remarked that the Disparity Study should really be an asset in this area and help with advocacy.
- Deputy Secretary Betty Marrow-Taylor remarked that accountability is crucial and that while HUB certification is essential, the HUB Office work does not stop there. We must continue to look at assisting vendors after certification and this will take a joint effort.

- **Dr. Michelle Laws; Assistant Director for Consumer Policy and Community Engagement, NC DHHS**

- A PowerPoint presentation was provided titled “Mitigating Barriers in NC,” which provided an overview of the health status of minorities in North Carolina. She provided the following data:
 - African Americans living below the poverty line are 3 times more likely to report psychological distress and require mental health assistance over those living above the poverty line.
 - Only 1 in 20 Hispanics with mental health distress seek help.
 - Native Americans have the highest rate of suicide.
- NC DHHS reports confirm that not many service providers look like the current population in North Carolina that is over 30% people of color.
- Minority providers often face excessive auditing, claim denials, delayed information, and closed networks.

- LME-MCOs can by law have closed networks and this is a big problem. As North Carolina looks to move to a Medicaid managed care system, NC DHHS will continue to work with the HUB Office and work on identifying focus groups to gain feedback on mental health providers and the challenges minorities face in healthcare.
 - NC DHHS recommends that we continue to identify strengths and weaknesses in healthcare and meet with minority doctors, pharmacists, surgeons, and medical workers. LME-MCOs will continue to be evaluated and qualitative data will be key in identifying the clear causes of inequalities. NC DHHS will continue to work with the HUB office and anticipates the Disparity Study results and recommendations.
 - QUESTION: How is NC DHHS getting responses from LME-MCOs and what accountability is being placed on them to change these policies?
 - ANSWER: While one on one meetings have not started yet, qualitative data is being collected and we are looking at denials by demographics. Plans are in place to conduct one on one meetings and capture quantitative data too. We hope to work with the NC HUB Office to offer new legal language going forward when negotiations are up for LME-MCOs. We will continue to advocate for good faith efforts in contracting language. Also, NC DHHS recognizes rural communities are the most impacted and mental health needs are the highest in these areas in North Carolina, so there is a focus to collect data in these areas specifically. 2020 scorecards will be released soon.
 - Director Hall remarked that most local programs already have in place supplier diversity programs, so at this point NC HUB is focusing on collecting the data and ensuring we report this to NC DHHS.
 - Annette Stevenson remarked that scorecards are important and past performance can help NC DHHS look at trends.
- **Alicia Lyon, Deputy Director, Hub Office**
 - A PowerPoint presentation was provided on the best practices for HUB with a look at the comparison of North Carolina and Virginia's programs for certification. Virginia's HUB program equivalent is SWaM - The Small, Women-owned, and Minority-owned Business program. NC HUB leadership recently met with Virginia's certification team to share best practices and compare program successes and opportunities for improvement. She provided the following comparisons:
 - Virginia has a population of 8.5M; NC has 10.38M
 - Both HUB programs were established under Executive Order- Executive Order 35 for Virginia and Executive Order 25 for NC.
 - Virginia operates with a complex and multi-tiered SWaM staff; NC operates with a very small team.
 - SWaM reports directly to the Secretary of Commerce and Trade; NC is housed in the advocacy division of The Department of Administration.
 - SWaM certification is completely online and is valid for 5 years; NC certification is a manual review process and is valid for 4 years.

- SWaM certifies micro and small businesses, but NC DOT does not offer reciprocity; NC does offer reciprocity to surrounding states.
- Both programs have compliance measures in place and third-party challenge validations.
- SWaM certified vendors get discounts on use of their procurement system and credit card data is captured as well as subcontractor spend; NC has one procurement fee across the board with no discounts and has not been successful with credit card data capture.
- Virginia's goal is to obtain 42% of all state purchases from certified vendors; NC's goal is 10%.
- Virginia state agencies are required to submit annual updates to their HUB Plan explaining how they will meet their goal that must be approved by their Department Secretaries.
- QUESTION: Will the disparity study results be able to be compared with Virginia and can this help improve our HUB program?
- ANSWER: Yes. Director Hall remarked that Virginia will undergo a disparity study soon and data will be compared once both are complete.

- **Roll Call**

The Council Chair asked for roll call and indicated a quorum was now present. **The Council Chair** asked for a motion to move and accept the minutes. The minutes were approved and accepted unanimously. **The Council Chair** asked for a motion to approve and accept the agenda. The agenda was approved and accepted unanimously.

- **Chiquitha Llyod, Director, Diversity and Inclusion, Charlotte Mecklenburg School System**

- A PowerPoint presentation was provided giving an overview of how the Charlotte area has in place programs and support for students who want to go into business after high school and the Charlotte Mecklenburg School System is proud to partner with The NC HUB Office on their projects and programs. She provided the following data:
 - Their CTE programs offer 19 pathways to explore careers and 17 pathways for construction careers.
 - They are now offering students internships and the ability to partners with architects, constructions managers, and capital program services.
 - The Mayor of Charlotte has recently announced a Youth Employment Program, which plans to leverage even more student opportunities and payment for internships.
 - The main goal of the programs in place is to allow for the easy transition from classroom to workforce.

- The Charlotte Mecklenburg School System is tracking participation and especially the data for minorities and young women who participate.
 - QUESTION: One barrier to women wanting to enter the construction field is the perception of their day to day life will be challenging; how is this being addressed for female students interested in your programs?
 - ANSWER: Currently, we have a partnership with Goodwill Industries that offers a women in construction program. We have identified that this is a pain point and we are encouraging our partners to offer transportation, childcare vouchers, and assist as needed.

- **Tammie Hall, Director, HUB Office deferred her time to Michele Clark Jenkins; Senior Director and Project Manager, Griffin & Strong, P.C.**
 - Disparity study updates were provided:
 - Anecdotal evidence has been completed and lack of access by women and minority business owners was overwhelmingly reported. Unfair advantages to large general contractors was noted as well as lack of accountability in the procurement process. Discrimination is taking place against business owners of color.
 - Award data is lacking at the university and college level; many do not have any data to provide and this has slowed down the data collecting process. No subcontractor data is available at all.
 - Payment data is more consistent; still awaiting collection from universities and colleges.
 - The remaining task of final analysis is still on track with a report delivery date still being June 2020.
 - QUESTION: What have been the biggest surprises?
 - ANSWER: The lack of data and the data that is currently written on paper that the team is having to enter manually. There have also been many neutral responses on good faith efforts. There was a surprisingly high response rate on the MWBE Coordinators survey by community colleges that may skew the overall survey results.

- **Anette Stevenson, Co-Chair**
 - The year end report for the HUB Advisory Council has been completed. This report highlights the greatest achievements and areas of improvements identified over the past year, which include:
 - Greatest achievement of the year: obtaining funding for the disparity study
 - The HUB Office has been diligent in providing more support for data collection with public entities.
 - The HUB Office benchmark report

- The NC Purchase and Contract division is working through sourcing methods to expand tier 2 opportunities.
- Goods & Services best practices
- Construction has identified ongoing training needs
- Ongoing training for HUB firms has been identified
- Designer HUB participation data is in the process of being captured
- The subcommittees identified the need to expand access and participation in rural areas where more HUB firms are needed.
- The identification and tracking of flow-through dollars for Goods & Services.
- The need to formally align HUB outreach efforts on Goods & Services in universities and colleges.

Meeting Adjourned at 2:09PM.