

**JOINT INFORMATIONAL
HEARING**

on

**The State of Black
Enterprises in California**

with

**ASSEMBLY BUSINESS AND PROFESSIONS COMMITTEE & JOBS,
ECONOMIC DEVELOPMENT, AND THE ECONOMY COMMITTEE,
& THE CALIFORNIA LEGISLATIVE BLACK CAUCUS.**

**Wednesday, July 15, 2015
3 p.m. to 5 p.m.
State Capitol, Room 437**

Joint Informational Hearing with Business & Professions Committee; Jobs, Economic Development, and the Economy Committee; & the California Legislative Black Caucus

WHAT IS THE STATE OF BLACK ENTERPRISES IN CALIFORNIA?

Wednesday, July 15, 2015

California State Capitol, Room 437

3:00 PM to 5:00 PM.

Agenda:

- 3:00 PM to 3:10 PM:** Welcome & Opening Remarks
- **Chairs – Asm. Susan Bonilla:** *Chair of Assembly Business & Professions Committee*
 - **Asm. Eduardo Garcia:** *Chair of Assembly Jobs, Economic Development and the Economy Committee*
 - **Asm. Reginald Jones-Sawyer:** *Chair of the California Legislative Black Caucus*
 - **Asm. Cheryl Brown:** *Chair of the CLBC Black Enterprise Committee*
- 3:10 PM to 3:30 PM:** A Tale of Two Black-Owned Businesses in California
- **Bonnie James:** *President & CEO, BRJ & Associates, LLC*
 - **Larry Lee:** *President & CEO, The Sacramento Observer*
- 3:30 PM to 4:00 PM:** What are the opportunities and obstacles facing black owned franchises in California?
- **Reginald Webb:** *McDonalds Franchisee*
 - **Michael Lacy:** *Fatburger Franchisee*
 - **Edward Barnett:** *Buffalo Wild Wings Franchisee*
- 4:00 PM to 4:30 PM:** Panel I:
Topic: The State of Black Enterprises in California - 10 Year Review
- **Aubry Stone:** *President & CEO, California Black Chamber of Commerce*
 - **Malaki Seku-Amen:** *President & CEO, California Urban Partnership*
 - **Susan Mernit:** *CEO/Executive Director, Hack the Hood*
- 4:30 PM to 4:50 PM:** Panel II –
Topic: The State of Black Owned Businesses Doing Business with the State.
- **CalPers:** *Ted Eliopoulos, Chief Investment Officer*
Laurie Weir, Sr. Portfolio Manager for Targeted Investment Programs
 - **BOE:** *Cynthia Bridges, Executive Director*
- 4:50 PM to 5:00 PM:** Q & A/Public Comments
- 5:00 PM to 5:05 PM:** Closing Remarks & Next Steps

Profiles:

Bonnie James: President/CEO, BRJ & Associates, LLC. BRJ & Associates is a Program, Project and Construction Management firm located in Pasadena, CA with an office in Sacramento. BRJ & Associates, LLC, provides the full spectrum of program and construction management services. Offering a unique combination of skills and knowledge, we expertly handle the myriad tasks that arise during complex planning and construction.

Larry Lee: President/CEO, Sacramento Observer, which began in November of 1962 and become one of the leading African American newspapers in America. Six times THE OBSERVER has been named the nation's top Black Newspaper, symbolized by receiving the John B. Russwurm trophy, given annually by the National Newspaper Publishers Association.

Reginald Webb: In 1973, Webb joined the accelerated management development program of McDonald's, and after spending time training in the restaurants, he was moved into the corporate division. After holding numerous positions with the company, Webb decided to become a franchisee in 1985, largely due to his desire to stay in Southern California. He started with two franchises in Pomona, California, and today he operates eleven restaurants in Southern California. In addition to his franchises, Webb is the chairman of the National Leadership Council for McDonald's owner/operators, an organization that encompasses 11,000 of the nation's 13,000 McDonald's restaurants.

Michael Lacy: Mr. Lacy's professional experiences include owning and operating a Fatburger restaurant franchise in Rancho Cucamonga, California from 2005 to 2008. Prior to Fatburger, Mr. Lacy was a Senior Account Executive for Aspect Software (2000-2005). Michael Lacy joined TIBCO Software in 2008 as Senior Enterprise Software Executive. TIBCO is the leading provider of infrastructure and operational intelligence software that helps customers worldwide to manage information, decisions, processes and applications in real time – on-premise or as part of cloud computing environments. In 2010 Michael earned the achievement of Presidents Club with TIBCO Software.

Edward Barnett: a fifteen year veteran of the financial services industry. He is currently Vice President, Private Client Group of Newbury Capital Management, a Los Angeles-based money management firm, and co-owner of PCF Restaurant Management. PCF currently has 3 Buffalo Wild Wings locations with 3 more in development. Mr. Barnett uses his expertise to develop and implement money management strategies for professional athletes, corporate executives, nonprofit organizations and PCF Restaurant Management. Beyond Newbury and Buffalo Wild Wings, Edward currently serves as a board member of National College Resources Foundation.

Aubry Stone: Mr. Stone is currently the President/CEO of the California Black Chamber of Commerce (CBCC) and Director of the California Black Chamber Foundation. Appointed by the Governor, he currently serves as a California Commissioner for Economic Development. He aggressively led the California Black Chamber in such public policy issues as: Prop 187, co-authored the 9th circuit injunction against implementation of Prop 209, publicly advocated against Brown-fields, the urban environment, insurance

redlining the inner city impact of bank acquisitions and mergers and leads the charge of new and emerging markets.

Malaki Seku-Amen has been in the vanguard of community economic development for 25 years. Before he founded the California Urban Partnership in June 2010, Malaki advised and served Fortune 500, government and nonprofit agency clients as a managing partner of Dzign Strategies, a public affairs and visual media firm he has ran intermittently since 1995. In between, he was California policy director for the NAACP from 2008 to 2011. Prior to the NAACP, Malaki served California's State Legislature and Governor, from 2001 to 2007.

Hack the Hood: An award-winning non-profit that introduces low-income youth of color to careers in tech by hiring and training them to build websites for real small businesses in their own communities. During workshops and 6-week "Boot Camps," young people gain valuable hands-on experience building mobile-friendly websites, executing search engine optimization, and helping businesses get listed in local online directories. In addition to relevant technical skills, youth also learn critical leadership, entrepreneurship, and life skills under the guidance of staff members and volunteer mentors who are professionals working in the field.

Ted Eliopoulos assumed the role of Chief Investment Officer (CIO) of the California Public Employees' Retirement System (CalPERS) in September 2014. As CIO, Mr. Eliopoulos is responsible for managing an investment portfolio of approximately \$300 billion and an office with nearly 400 professional staff. The CIO determines prudent, forward-thinking investment strategies in accordance with CalPERS fiduciary responsibilities, policies, and corporate governance standards, and advises the CalPERS Board of Administration accordingly. He reports to the Chief Executive Officer.

Laurie Weir oversees key initiatives for all asset classes, such as California-focused investment strategies, emerging manager investment programs, and diversity and inclusion initiatives. Laurie also oversees all Investment-related public affairs, communications, and stakeholder engagement. Before joining CalPERS, Laurie served as Deputy Treasurer in the California State Treasurer's Office. There she was responsible for oversight of tax credits and tax-exempt bond allocations and provided advisory services to California's business, development, and finance communities.

Cynthia Bridges is the Executive Director of the California State Board of Equalization (BOE) and has been leading the organization since August 1, 2012. Ms. Bridges previously served as the Secretary for the Louisiana Department of Revenue, a position to which she was appointed by three Louisiana Governors. During her 12 years in that role, Bridges helped to transform the agency into a recognized leader in customer service. This recognition, one of many during a 30-year career with the Louisiana Department of Revenue, is the focal point of her philosophy and values.

Committee Members:

California State Assembly Committee on Business & Professions:

Susan Bonilla, (Chair): Dem - 14	Brian W. Jones (Vice Chair): Rep - 71
Catharine B. Baker: Rep – 16	Richard Bloom: Dem - 50
Nora Campos: Dem – 27	Ling Ling Chang: Rep - 55
Bill Dodd: Dem - 4	Susan Talamantes Eggman: Dem - 13
Mike Gatto: Dem - 43	Chris R. Holden: Dem - 41
Kevin Mullin: Dem - 22	Philip Y. Ting: Dem – 19
Scott Wilk: Rep - 38	Jim Wood: Dem - 2

California State Assembly Committee on Jobs, Economic Development, and the Economy:

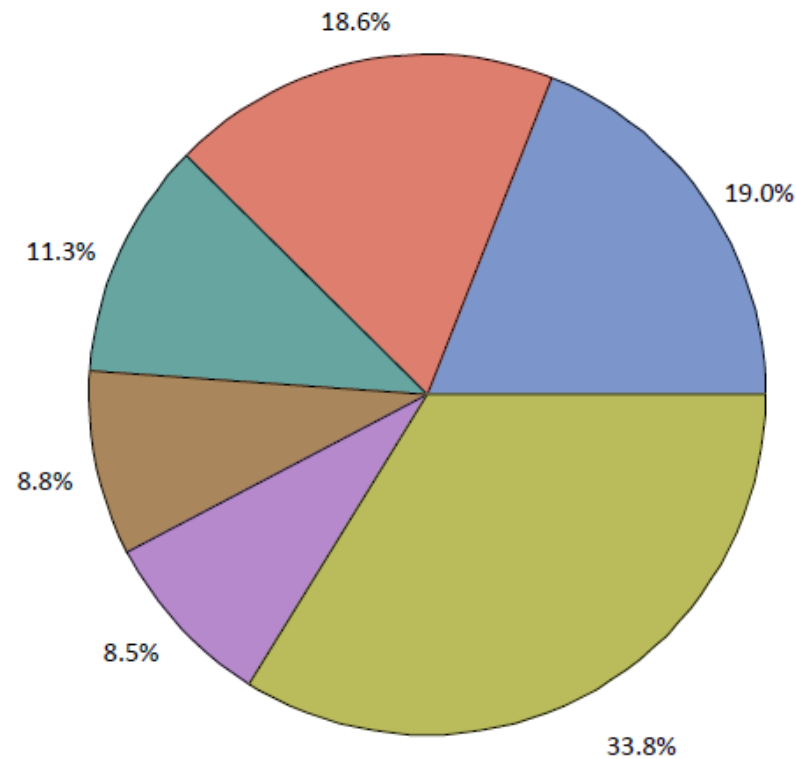
Eduardo Garcia (Chair): Dem - 56	Young O. Kim (Vice Chair): Rep - 65
William P. Brough: Rep – 73	Cheryl R. Brown: Dem - 47
Ed Chau: Dem – 49	Kansen Chu: Dem - 25
Mike A. Gipson: Dem - 64	Jacqui Irwin: Dem - 44
Devon Mathis: Rep - 26	

California Legislative Black Caucus:

Asm. Reginald Jones-Sawyer (Chair): Dem - 59	Sen. Isadore Hall, III (Vice Chair): Dem – SD 35
Asm. Sebastian Ridley-Thomas (Secretary): Dem - 54	Asm. Cheryl Brown: Dem - 47
Asm. Autumn Burke: Dem - 64	Asm. Jim Cooper: Dem - 9
Asm. Mike A. Gipson: Dem - 64	Asm. Chris Holden: Dem - 41
Asm. Kevin Mc Carty: Dem - 7	Sen. Holly J. Mitchell: Dem – SD 30
Asm. Tony Thurmond: Dem - 15	Asm. Shirley Weber: Dem - 79

Business Facts:

Black-Owned Firms
Number of Firms by Kind of Business: 2007
Total: 1,921,881



- NAICS Sectors
- Health care and social assistance
 - Repair and maintenance, and personal and laundry services
 - Administrative and support and waste management and remediation services
 - Transportation and warehousing
 - Professional, scientific, and technical services
 - All other industries

Note: Firms with more than one domestic establishment are counted in each industry in which they operated but only once in the total for all sectors.
Source: U.S. Census Bureau, 2007 Survey of Business Owners - Released February 8, 2011

2007 Survey of Business Owners

Release Date: 2/8/2011

Table 1. Summary Statistics for Black- or African American-Owned Firms by State: 2007

NOTE. The data include firms with paid employees and firms with no paid employees. Data are based on the 2007 Economic Census, and the estimates of business ownership by gender, ethnicity, race, and veteran status are based on the 2007 Survey of Business Owners. Detail may not add to total due to rounding or because a Hispanic firm may be of any race. Moreover, each owner had the option of selecting more than one race and therefore is included in each race selected. Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. and state totals for all sectors. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Introductory Text and Survey Methodology at <http://www.census.gov/econ/sbo>.

These data are available in comma separated value (CSV) format at http://www2.census.gov/econ/sbo/07/final/tables/black_table1.csv.

Geographic Area	Population estimate, 2007 (number)	Black-owned firms, 2007 (number)	All firms, 2007 (number)	Black-owned firms as a percentage of all firms for this geographic area, 2007	RSE[1] of number of Black-owned firms, 2007 (%)	RSE[1] of number of all firms, 2007 (%)	SE[2] of Black-owned firms as a percentage of all firms for this geographic area, 2007
United States	301,621,157	1,921,881	27,110,019	7.1	0	0	0.0
Alabama	4,627,851	56,714	382,626	14.8	1	0	0.1
Alaska	683,478	1,048	68,843	1.5	8	2	0.1
Arizona	6,338,755	10,073	491,773	2.0	1	0	0.0
Arkansas	2,834,797	13,240	239,149	5.5	2	1	0.1
California	36,553,215	137,932	3,426,892	4.0	1	0	0.0
Colorado	4,861,515	9,174	548,125	1.7	4	0	0.1
Connecticut	3,502,309	14,679	332,553	4.4	3	1	0.1
Delaware	864,764	6,513	74,978	8.7	2	1	0.2
District of Columbia	588,292	15,774	55,963	28.2	2	1	0.6
Florida	18,251,243	181,437	2,010,403	9.0	1	0	0.1
Georgia	9,544,750	183,874	901,615	20.4	1	0	0.2
Hawaii	1,283,388	1,067	120,468	0.9	7	1	0.1

[1] - Relative standard error (RSE)

[2] - Standard error (SE)

+ - Percentage is not significantly different from the national-level percentage.

S - Withheld because estimate did not meet publication standards

Source: U.S. Census Bureau, 2007 Survey of Business Owners and 2007 Population Estimates

2007 Survey of Business Owners

Release Date: 2/8/2011

Table 2. Summary Statistics for Black- or African American-Owned Firms in the 50 Most Populous Counties: 2007

NOTE: The data include firms with paid employees and firms with no paid employees. Data are based on the 2007 Economic Census, and the estimates of business ownership by gender, ethnicity, race, and veteran status are based on the 2007 Survey of Business Owners. Detail may not add to total due to rounding or because a Hispanic firm may be of any race. Moreover, each owner had the option of selecting more than one race and therefore is included in each race selected. Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. and state totals for all sectors. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see Introductory Text and Survey Methodology at <http://www.census.gov/econ/sbo>.

These data are available in comma separated value (CSV) format at http://www2.census.gov/econ/sbo/07/final/tables/black_table2.csv.

Geographic Area	Population estimate, 2007 (number)	Black-owned firms, 2007 (number)	All firms, 2007 (number)	Black-owned firms as a percentage of all firms for this geographic area, 2007	RSE[1] of number of Black-owned firms, 2007 (%)	RSE[1] of number of all firms, 2007 (%)	SE[2] of Black-owned firms as a percentage of all firms for this geographic area, 2007
Los Angeles County, California	9,878,554	59,680	1,047,265	5.7	2	0	0.1
Cook County, Illinois	5,285,107	83,733	511,261	16.4	1	1	0.2
Harris County, Texas	3,935,855	47,279	371,067	12.7	3	1	0.4
Maricopa County, Arizona	3,880,181	7,526	311,937	2.4	3	0	0.1
Orange County, California	2,997,033	4,362	329,576	1.3	7	1	0.1
San Diego County, California	2,974,859	8,482	291,249	2.9	6	1	0.2
Kings County, New York	2,528,050	52,705	253,190	20.8	3	1	0.7
Miami-Dade County, Florida	2,387,170	46,071	403,821	11.4	3	1	0.4
Dallas County, Texas	2,366,511	31,079	228,776	13.6	2	1	0.3
Queens County, New York	2,270,338	34,096	236,937	14.4	3	1	0.5
Riverside County, California	2,073,571	8,517	163,283	5.2	6	3	0.3
San Bernardino County, California	2,007,800	11,927	151,899	7.9 †	7	2	0.6
Wayne County, Michigan	1,985,101	39,327	137,779	28.5	2	2	0.8

[1] - Relative standard error (RSE)

[2] - Standard error (SE)

† - Percentage is not significantly different from the national-level percentage.

S - Withheld because estimate did not meet publication standards

Source: U.S. Census Bureau, 2007 Survey of Business Owners and 2007 Population Estimates