

# VIRGINIA ACTS OF ASSEMBLY -- 2022 SESSION

## CHAPTER 302

*An Act to amend and reenact §§ 2.2-1605 and 2.2-1610 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-1605.1, relating to the Department of Small Business and Supplier Diversity; mentorship program.*

[H 815]

Approved April 11, 2022

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 2.2-1605 and 2.2-1610 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 2.2-1605.1 as follows:**

**§ 2.2-1605. Powers and duties of Department.**

A. The Department shall have the following powers and duties:

1. Coordinate as consistent with prevailing law the plans, programs, and operations of the state government that affect or may contribute to the establishment, preservation, and strengthening of small, women-owned, and minority-owned businesses;

2. Promote the mobilization of activities and resources of state and local governments, businesses and trade associations, baccalaureate institutions of higher education, foundations, professional organizations, and volunteer and other groups towards the growth of small businesses and businesses owned by women and minorities, and facilitate the coordination of the efforts of these groups with those of state departments and agencies;

3. Establish a center for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the nation in undertaking or promoting procurement from small, women-owned, and minority-owned businesses;

4. Consistent with prevailing law and availability of funds, and according to the Director's discretion, provide technical and management assistance to small, women-owned, and minority-owned businesses and defray all or part of the costs of pilot or demonstration projects that are designed to overcome the special problems of small, women-owned, and minority-owned businesses;

5. Advise the Small Business Financing Authority on the management and administration of the Small, Women-owned, and Minority-owned Business Loan Fund created pursuant to § 2.2-2311.1;

6. Implement any remediation or enhancement measure for small, women-owned, or minority-owned businesses as may be authorized by the Governor pursuant to subsection C of § 2.2-4310 and develop regulations, consistent with prevailing law, for program implementation. Such regulations shall be developed in consultation with the state agencies with procurement responsibility and promulgated by those agencies in accordance with applicable law; ~~and~~

7. Receive and coordinate, with the appropriate state agency, the investigation of complaints that a business certified pursuant to this chapter has failed to comply with its subcontracting plan under subsection D of § 2.2-4310. If the Department determines that a business certified pursuant to this chapter has failed to comply with the subcontracting plan, the business shall provide a written explanation; *and*

8. *Facilitate relationships between established businesses and start-up women-owned and minority-owned businesses by creating and administering a mentorship program under the provisions of § 2.2-1605.1.*

B. In addition, the Department shall serve as the liaison between the Commonwealth's existing businesses and state government in order to promote the development of Virginia's economy. To that end, the Department shall:

1. Encourage the training or retraining of individuals for specific employment opportunities at new or expanding business facilities in the Commonwealth;

2. Develop and implement programs to assist small businesses in the Commonwealth in order to promote their growth and the creation and retention of jobs for Virginians;

3. Establish an industry program that is the principal point of communication between basic employers in the Commonwealth and the state government that will address issues of significance to business;

4. Make available to existing businesses, in conjunction and cooperation with localities, chambers of commerce, and other public and private groups, basic information and pertinent factors of interest and concern to such businesses; and

5. Develop statistical reports on job creation and the general economic conditions in the Commonwealth.

C. All agencies of the Commonwealth shall assist the Department upon request and furnish such information and assistance as the Department may require in the discharge of its duties.

**§ 2.2-1605.1. Mentorship program.**

*A. The Department shall establish and administer a pilot program whereby established businesses, or subject matter experts in relevant industry sectors, act as mentors for start-up women-owned and minority-owned businesses. In establishing the program, the Department may include any of the following elements: (i) requiring a participant who has completed the Department's Scaling4Growth program or any successor program to act as a mentor for a start-up women-owned or minority-owned business; (ii) awarding grants in each region, as defined in § 2.2-2484, to recruit mentors and match them with start-up women-owned and minority-owned businesses in such region; or (iii) any other measures the Department deems appropriate for facilitating mentorship relationships between established businesses and start-up women-owned and minority-owned businesses. The Department shall also evaluate the feasibility of awarding procurement preferences for businesses who agree to act as mentors in the mentorship program.*

*B. In establishing the pilot program under subsection A, the Department shall by July 1, 2023, select an initial group of established businesses, subject matter experts in relevant industry sectors, and start-up women-owned and minority-owned businesses. The Department shall by July 1, 2024, report on the progress of the initial group pursuant to § 2.2-1610, but shall not select a second group unless directed to do so in legislation enacted by the General Assembly.*

**§ 2.2-1610. Reports and recommendations; collection of data.**

The Director shall, from time to time, submit directly or through an assistant to the Governor his recommendations for legislation or other action as he deems desirable to promote the purposes of this chapter.

The Director shall report, on or before November 1 of each year, to the Governor and the General Assembly the identity of the state departments and agencies failing to submit annual progress reports on small, women-owned, and minority-owned business procurement required by § 2.2-4310 and the nature and extent of such lack of compliance. The annual report shall include recommendations on the ways to improve compliance with the provisions of § 2.2-4310 and such other related matters as the Director deems appropriate. *The Department shall include in its annual report information on the progress of the mentorship program established under § 2.2-1605.1.*

The Director, with the assistance of the Comptroller, shall develop and implement a systematic data collection process that will provide information for a report to the Governor and General Assembly on state expenditures to small, women-owned, and minority-owned businesses during the previous fiscal year.

An institution exercising authority granted under this section shall promptly make available to the Department, upon request, copies of its procurement records, receipts, and transactions in regard to procurement from small, women-owned, and minority-owned businesses in order for the Department to ensure institution compliance with its approved reporting and certification criteria.