

Written Testimony in Support of House Bill 2337

Submitted by Aparna Rajagopal

Vice Chair, Oregon Commission on Asian & Pacific Islander Affairs (OCAPIA)

Chair, OCAPIA Subcommittee on Procurement Modernization

Dear Chair Tran, Vice-Chair Grayber, and Members of the House Committee On Emergency Management, General Government, and Veterans:


Thank you for the opportunity to submit testimony in support of House Bill 2337. I write on behalf of the Oregon Commission on Asian & Pacific Islander Affairs (OCAPIA) to express our strong support for this critical legislation. As Vice Chair of OCAPIA and Chair of its Subcommittee on Procurement Modernization, I have seen firsthand the challenges that small businesses—particularly those owned by Asian American, Native Hawaiian, Pacific Islander (AANHPI) entrepreneurs—face in securing state contracts. Many of my fellow commissioners on the Oregon Advocacy Commissions are also small business owners who have directly experienced these barriers.

The 2023 Department of Administrative Services (DAS) Disparity Study underscores these challenges. Of the \$3.1 billion in state contracting dollars spent in 2023, only **10.9%** were awarded to women- and minority-owned businesses. This stark disparity highlights the urgent need for reform. The study further found that contract awards are highly concentrated among a small number of businesses:

- Two Asian-owned businesses accounted for **58.8%** of all contract dollars awarded to Asian-owned businesses.
- Two Native American-owned businesses accounted for **49.6%** of all contract dollars awarded to Native American-owned businesses.
- One Black-owned business accounted for **47.8%** of all contract dollars awarded to Black-owned businesses.

These figures indicate that **race-conscious procurement policies alone do not fully address the structural barriers in state contracting**. The most significant disparities exist across business **size** rather than ownership demographics. Many small businesses—especially those owned by AANHPI, Black, Latino/a/x, and women entrepreneurs—lack the resources to compete effectively for state contracts. The February 2025 report from the Certification Office for Business Inclusion and Diversity further supports this, revealing that **36% of emerging small businesses are minority-owned and 30% are women-owned**.

HB 2337 represents an evidence-based approach to expanding economic opportunity for small businesses. Similar programs have been successful in other jurisdictions:

- The Biden-Harris Administration surpassed its small business contracting goals in FY2023, awarding **28.4%** of federal contract dollars—amounting to **\$178.6 billion**—to small businesses. This historic investment not only strengthened small business participation in federal procurement but also significantly increased opportunities for minority- and women-owned businesses.
 - Research from the **Government Alliance for Racial Equity** further demonstrates that small business contracting programs have effectively addressed race and gender disparities in other states.
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By implementing a more inclusive procurement strategy, HB 2337 will create a more level playing field for small businesses while simultaneously advancing economic equity for historically underrepresented communities.

On behalf of OCAPIA, I urge your strong support for HB 2337. Thank you for your time and consideration. I welcome any questions you may have.

Sincerely,

Aparna Rajagopal

Vice Chair, Oregon Commission on Asian & Pacific Islander Affairs

Chair, OCAPIA Subcommittee on Procurement Modernization

