



Maryland
Department of
the Environment

APPENDIX E

OPPORTUNITIES FOR WOMEN AND
MINORITY INDIVIDUALS



DRAFT NEEDS ASSESSMENT | MARYLAND STATEWIDE RECYCLING NEEDS ASSESSMENT





Contents

1	Introduction	1
1.1	Background	1
1.2	Methodology	2
1.2.1	Project Team Expertise	2
1.2.2	Stakeholder Interviews	2
1.2.3	Desktop Research and Outreach	3
1.2.4	National American Industry Classification System (NAICS) Code Identification	3
2	Current MWBE Conditions	3
2.1	MWBE Certification	4
2.2	NAICS Codes	6
2.3	Resources in the State	9
2.4	Procurement Policies	11
2.5	Commercial Driver's License	12
3	MWBE Challenges and Opportunities	13
4	Key Findings	15

Tables

Table 1:	State of Maryland Rankings of MWBEs	4
Table 2:	Recycling and Solid Waste Industry Primary NAICS Codes	7
Table 3:	NAICS Codes Line of Business	8
Table 4:	Small Business Development Programs	10
Table 5:	Procurement Policies in the State of Maryland	11
Table 6:	Example Programs Providing CDL Certification	12
Table 7:	Challenges and Opportunities Comparison Matrix	14

Figures

Figure 1:	Steps to MWBE Certification	6
-----------	-----------------------------------	---



This page is intentionally left blank.

1 Introduction

The solid waste and recycling industry represents a sizeable portion of the economic activity in the State. The introduction of Extended Producer Responsibility (EPR) for packaging can create business opportunities in the state and generate additional jobs in the waste and recycling industry. Potential EPR legislation could incentivize and expand opportunities for the participation of Minority or Women-owned Business Enterprise (MWBE) organizations in the State. MWBE is defined as a business owned, operated, and controlled by a woman who is also considered an Ethnic Minority or Women owning at least 51% of the company. The State already offers significant opportunities for MWBE organizations, including regulations to support MWBE in procurement. Potential EPR legislation has the potential to address systemic inequalities that have created barriers to entry and growth for MWBEs in the recycling industry. These inequities include historical discrimination (gender and racial), lack of generational wealth, and more. These are all societal conditions that make it difficult for women and minorities to start businesses and secure opportunities.

1.1 Background

Historically, the solid waste industry has lacked diversity, particularly in high-level positions within an organization. In recent years, major companies in the waste industry have reported increased efforts to make their operations more diverse and inclusive. The purpose of these changes is to benefit corporate culture and enhance recruitment and retention. The Equal Employment Opportunity Commission (EEOC) estimated in 2018 that over half of the employees in the waste management remediation services category were White and over 80% were male.¹ Incorporating MWBEs within the State's solid waste system can benefit the industry, as well as the State.

The solid waste industry offers opportunities for businesses to expand their offered services, and the introduction of EPR in the State could increase opportunities for WMBEs. For example, an MWBE already operating in the industry as a hauling company may have the opportunity to expand their services into materials management or add drivers for additional transportation services. MWBEs are challenged by the certification process and associated National American Industry Classification System (NAICS) codes (see **Section 2.1**), which may prevent them from expanding into new areas.

Currently, MWBEs face challenges within the solid waste industry, but also an opportunity to expand their reach and move into new fields with the implementation of EPR in the State. Existing programs and support aim to build up MWBEs within the State, but challenges remain. Understanding the current landscape for MWBEs can help the State make improvements and identify opportunities for these businesses in the future.

¹ Cole Rosengren. November 20 2024. Diversity efforts taking shape at waste industry's big companies, but serious work remains, [Diversity efforts taking shape at waste industry's big companies, but serious work remains | Waste Dive](#)

This memo focuses on existing conditions, challenges, and opportunities for MWBEs. In addition to the MWBE designation, the State also offers similar programs with certifications based on specific attributes of businesses. Such certifications include MWBE, Women’s Business Enterprise (WBE), Minority Business Enterprises (MBE), Disadvantaged Business Enterprises (DBE),² and Small Business Enterprises (SBE).³ While these certifications are distinct from each other, some businesses may qualify for multiple certifications. For the purposes of the memo, MWBE generally includes all the types of certifications listed above. The State, which has a high percentage of MWBEs, has supported such organizations and as a result, Maryland is a state in which MWBEs have opportunities to thrive. This memo details the current conditions, challenges, and opportunities for WMBEs.

1.2 Methodology

1.2.1 Project Team Expertise

The Project Team, specifically Assedo Consulting LLC (Assedo) and Vision Planning and Consulting (VPC), bring firsthand experience as a certified MWBE business in the State. Having successfully navigated the steps necessary to achieve certification, members of the Project Team offer a unique perspective on opportunities and challenges with the MWBE certification process. This technical memorandum offers a unique, practical understanding of the requirements and challenges faced by businesses seeking certification including the time, effort, and attention to detail required to complete the application process.

1.2.2 Stakeholder Interviews

The Project Team first identified a list of inclusive and relevant trade and stakeholder organizations that represent from a broad spectrum of stakeholders, including government and planning agencies, recycling-focused nonprofits, and chambers of commerce serving diverse regions and constituencies across the state. The Project Team conducted one-hour interviews with these stakeholders, centering discussions on key topics such as their level of interest and involvement in EPR, perceptions of industry readiness, worker conditions, existing partnerships and collaboration efforts, and other relevant issues critical to understanding the current landscape and perspectives on EPR for packaging.

² DBE is defined as a small, for-profit business where socially and economically disadvantaged individuals own at least 51% of the business and manage its day-to-day operations

³ SBE is defined as a business where the average annual gross receipts may not exceed the amount set forth in 49 CFR 26.65 or \$30.72 million averaged over the three previous fiscal years of part of year which the business has been in existence, at least 51% of the firm’s ownership is held by individuals who do not exceed a personal net worth cap of \$2,047,000 million, organized for profit, and 51% of the owners are U.S. Citizens or Permanent Residents. (Maryland Department of Transportation. 2024. Small Business Enterprise (SBE) Certification Application - MDOT, [Small Business Enterprise \(SBE\) Certification Application - MDOT](#))

1.2.3 Desktop Research and Outreach

The research included an overview of online resources related to current conditions in the State within the solid waste and recycling industry. This research included national databases such as the US Bureau of Labor Statistics, information from the Solid Waste Association of North America (SWANA), statewide and county-specific resources, recent articles and news reports related to industry, university resources, and more. Research also focused on understanding the impacts that the COVID-19 pandemic had on MWBEs in the State.

1.2.4 National American Industry Classification System (NAICS) Code Identification

The Project Team used the NAICS codes to identify specific businesses within the solid waste industry that are MWBE businesses. NAICS codes are used by federal statistical agencies to classify business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. **Section 2** identifies the five (5) primary NAICS Codes identified by the Maryland Department of Transportation as relevant businesses within the recycling and solid waste industry. These codes were determined based on relevance to activities within the recycling and solid waste industries, such as collection, processing, and environmental consulting services. The selection process involved an assessment of industry activities commonly associated with solid waste management and recycling initiatives. The analysis also focused on business functions critical to supporting the Statewide Recycling Needs Assessment and the State's waste management goals.

2 Current MWBE Conditions

This section reviews current conditions of MWBEs in the State, the process of becoming an MWBE in the State, resources available to these businesses, and their involvement in the solid waste and recycling industry.

Table 1 displays the State's data and national rankings related to MWBEs. Some analyses have indicated that in the State, it is favorable for MWBE businesses to thrive.⁴

⁴ Linton Alaya. Top States for Minority-Owned Businesses. Lendingtree. October 8th, 2024. [Top States for Minority-Owned Businesses | LendingTree](#)



Table 1: State of Maryland Rankings of MWBEs

Criteria	Percentage (%)	Ranking
% of businesses that are minority-owned	25.4%	6
% operating for 6+ years	56.6%	10
% with \$500K+ in revenue	47.8%	16
Growth in minority-owned businesses	6.5%	30
Ratio of pay relative to all businesses	82.1%	4

Minority-owned businesses make up 25.4% of companies in the state and over half (56.6%) of those businesses have been in business for six years or more.⁵ This is slightly higher than the national average: in the U.S, 22.6% of businesses are minority-owned and around 22.3% are owned by women.⁶

Anne Arundel County has a directory that identifies registered small businesses and minority-owned businesses. The directory includes 281 registered minority businesses in the State. Approximately 33 of these businesses are related to recycling and approximately nine (9) are related to solid waste.⁷

2.1 MWBE Certification

In 1978, Maryland’s general assembly established the State Minority Business Enterprise (MBE) program, an MWBE Program created to ensure that minority, women, and socially and economically disadvantaged small business owners are included in the State’s procurement and contracting opportunities. It is intended to help professionals with the skills to deliver specific services to the State and participate in procurement for work in their areas of expertise. When a business seeks a MWBE certification, the owner is expected to use NAICS codes to categorize the type of work their business completes. The program can help MWBE businesses build capabilities to self-perform work with the State over time.

Businesses that wish to receive MWBE certification are required to apply, available on the Maryland Department of Transportation's (MDOT) website.⁸ The application includes submittal of financial information to confirm that applicants are eligible for certification by having revenue and a personal net worth less than the maximum allowable under the

⁵ Tierra Williams. October 29th, 2024. Maryland is ranked No.1 in the nation where minority-owned businesses are thriving, [Maryland is ranked No.1 in the nation where minority-owned businesses are thriving - 47abc](#)

⁶ US Census Bureau. December 19th, 2024. Census Bureau Releases New Data on Minority-Owned, Veteran-Owned and Women-Owned Businesses, [New Data on Minority-Owned, Veteran-Owned and Women-Owned Businesses](#)

⁷ Anne Arundel County Maryland-2024- Directory of Certified Business Enterprises (CBE), [Directory of Certified Business Enterprises \(CBE\) | Anne Arundel County Government](#)

⁸ Maryland Department of Transportation. 2024. MDOT, [Home](#)

program. The application also includes questions to verify that the applicant has required training and education. This verification step is intended to prevent the business from being a “pass-through” from another business seeking to use the MWBE certification to secure work intended for a certified firm or by a non-intended party.

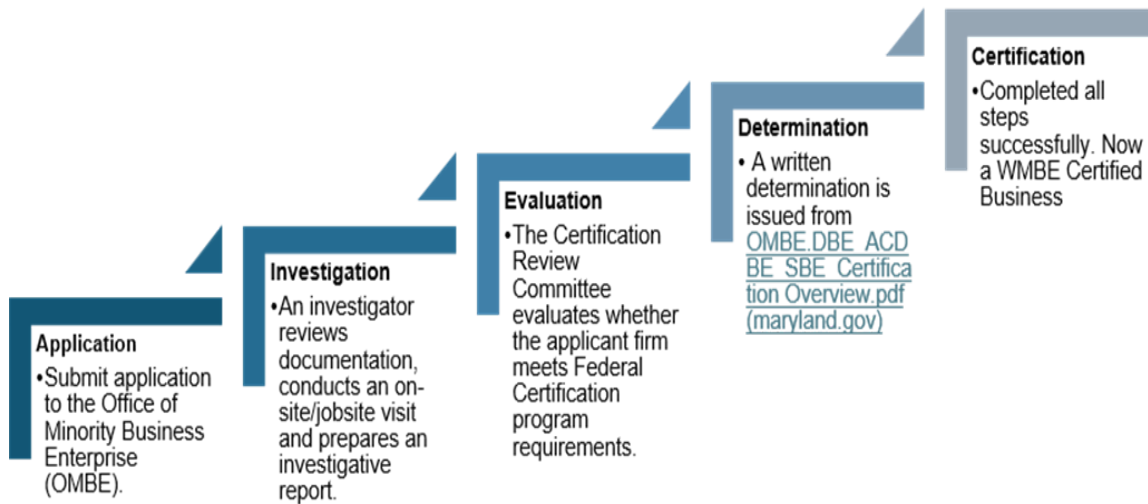
Once the application has been submitted, an officer is assigned to the case by the State to verify the information that has been certified by the owner. The officer is a resource for the owner in confirming the accuracy of the information provided in the application and helping the owner confirm that the NAICS codes selected align with the types of services the business is looking for opportunities within for procurement in the State. The officer will advise an owner to submit as many NAICS codes as may be relevant to their business in the initial approval process. This step helps to reduce the need to amend the NAICS codes for an expansion of services later. Business can provide an increased set of services as they grow over time, and this growth can be supported by the State’s MWBE program.

Once the officer verifies the written information, they schedule a site visit with the owner. This visit is an additional opportunity for the officer to confirm the information provided by the owner is accurate and complete. The officer may request to see that the owner runs the business from offices within the State. Additional documentation may be requested including a copy of a certificate or other proof confirming the owner possesses the skills required to do the work or other relevant verification materials.

The officer completes a final recommendation and submits the application for approval to the State board. The board makes the final determination on certification and advises the applicant of their status.

Figure 1 outlines the steps a company would need to follow to certify the business as a MWBE.

Figure 1: Steps to MWBE Certification⁹



2.2 NAICS Codes

NAICS codes provide a clear framework for MWBEs to classify their work capabilities and align their services with procurement opportunities. Once a business is certified, companies that wish to hire a certified MWBE may search for the appropriate business by NAICS code.

Each NAICS code also includes subcode categories that represent the types of work that businesses, including MWBEs, offer and are eligible to receive. NAICS codes are selected based on a business's specific industry and primary field of work. However, subcodes can be less obvious and more specific to each business entity. MWBEs can select relevant subcodes during the certification process that can lead to additional opportunities based on specific procurement needs.

Table 2 lists the five (5) primary NAICS codes identified by the Maryland Department of Transportation as being relevant for businesses within the recycling and solid waste industry. These NAICS codes are consistent with the Request for Proposal (RFP) number U00R4600021: Statewide Recycling Needs Assessment.

⁹ Maryland Department of Transportation. 2024. DBE/ACDBE/SBE Certification Overview, [MBE, DBE, ACDBE Certification Overview Updated 2.7.2024 \(2\).pdf](#)



Table 2: Recycling and Solid Waste Industry Primary NAICS Codes

NAICS Code	Definition
562111 Solid Waste Collection	Collection and hauling of non-hazardous solid waste. Activities include residential and commercial garbage and recycling collection, recyclable material management, and operation of non-hazardous solid waste transfer stations. This classification excludes businesses focused on hazardous waste collection. ¹⁰
562920 Materials Recovery Facilities	Materials Recovery Facilities (MRF) operation and management. These facilities focus on separating and sorting recyclable materials—such as paper, plastics, metals, and glass—from the waste stream and marketing materials. Activities include separating commingled recyclables processing and preparing materials for recycling markets. ¹¹
541620 Environmental Consulting Services	Advice and assistance on environmental issues. Businesses that fall under this code typically employ a multidisciplinary staff of scientists, engineers, and other technicians. Services include conducting environmental assessments, air and water quality analysis, ecological restoration, sustainability consulting, and addressing issues like contamination, remediation, and compliance with environmental regulations. ¹²
561410 Document Preparation Services	Document-related services, such as typing, word processing, proofreading, editing, transcription, resume writing, and desktop publishing. These services often support administrative, legal, and technical document needs, excluding court reporting. ¹³
541910 Market Research & Public Opinion Polling	Collecting, analyzing, and presenting data on market trends and public opinion. Services include conducting surveys, analyzing consumer behavior, polling for public or political opinions, and providing insights that guide businesses, media, or policy decisions. ¹⁴

Translation Services (NAICS codes 541930, 561410) may support education, outreach, and compliance related to recycling, but are not listed as they are not directly involved in the management of recycling and solid waste.

These specific NAICS codes were determined based on their relevance to activities within the recycling and solid waste industries, such as collection, processing, and environmental consulting services, and are strategic candidates for opportunities that are generated from potential EPR programs.

Table 3 presents the subcode categories for types of work that MWBEs who register for the NAICS codes can be eligible to receive.

¹⁰ NAICS Association-2024-562111 Solid Waste Collection [NAICS Code Description](#)

¹¹ NAICS Association-2024-562920 Materials Recovery Facilities [NAICS Code Description](#)

¹² NAICS Association-2024-541620 Environmental Consulting Services [NAICS Code Description](#)

¹³ NAICS Association-2024-561410 Document Preparation Services [NAICS Code Description](#)

¹⁴ NAICS Association-2024-541910 Marketing Research and Public Opinion Polling [NAICS Code Description](#)



Table 3: NAICS Codes Line of Business

NAICS Code	Code Description/Sub Code
562111 Solid Waste Collection	Ash Collection Services Ash Hauling, Local Garbage Collection Services Garbage Hauling, Local Garbage Pick-Up Services Recyclable Material Collection Services Recyclable Material Hauling, Local Rubbish Collection Services Rubbish Hauling, Local Trash Collection Services Trash Hauling, Local Waste Collection Services, Nonhazardous Solid Waste Hauling, Local, Nonhazardous Solid Waste Transfer Stations, Nonhazardous Solid Waste Hauling, Local, Nonhazardous Solid Waste Transfer Stations, Nonhazardous Solid
562920 Materials Recovery Facilities	Materials Recovery Facilities (MRF) Recyclable Materials Recovery Facilities Removal of Recyclable Materials from Waste Stream Waste Recovery Facilities
541620 Environmental Consulting Services	Ash Collection Services Ash Hauling, Local Garbage Collection Services Garbage Hauling, Local Garbage Pick-Up Services Recyclable Material Collection Services Recyclable Material Hauling, Local Rubbish Collection Services Rubbish Hauling, Local Trash Collection Services Trash Hauling, Local Waste Collection Services, Nonhazardous Solid Waste Hauling, Local, Nonhazardous Solid Waste Transfer Stations, Nonhazardous Solid Waste Hauling, Local, Nonhazardous Solid Waste Transfer Stations, Nonhazardous Solid
561410 Document Preparation Services	Desktop Publishing Services Dictation Services Document Preparation Services Document Transcription Services Editing Services Letter Writing Services Proofreading Services Radio Transcription Services Resume Writing Services Secretarial Services Stenographic Services Technical Editing Services Transcription Services Typing Services Word Processing Services
541910 Market Research & Public Opinion Polling	Broadcast Media Rating Services Internet Media Audience Research Services Internet Traffic Monitoring Research Services Marketing Analysis Services Marketing Research Services Opinion Research Services Political Opinion Polling Services



NAICS Code	Code Description/Sub Code
	Public Opinion Polling Services Public Opinion Research Services Sampling Services, Statistical

Each primary NAICS code has multiple and potentially overlapping subcategories. In some cases, businesses may be registered for primary or subcategories that are applicable to the solid waste and recycling industry, but they may be unaware of the future opportunities that registering for these categories may provide.

2.3 Resources in the State

The State offers many resources to support MWBE businesses and encourage their participation in procurement and contracts. These initiatives are designed to enhance business's ability to access funding, navigate state procurement processes, and participate in key industries, such as recycling. **Table 4** describes SBE development programs in the State.



Table 4: Small Business Development Programs

Organization	Description of Program
Maryland Department of Transportation ¹⁵	Hosts free application workshops on the first Tuesday of the month to assist businesses in learning about the application process.
Governor’s Office of Small, Minority, and Women Business Affairs ¹⁶	Provides resources and training to help MWBEs navigate state procurement processes. These programs and resources can improve a business’s ability to win contracts within the recycling industry and take part in statewide recycling initiatives.
Maryland State Small Business Credit Initiative (SSBCI) ¹⁷	A federally funded program that provides loans, loan guarantees, and equity investments to small businesses. It works through partnerships with banks, Community Development Financial Institution (CDFIs), and venture capital funds to help businesses secure the financing needed to start, expand, or innovate.
Small, Minority and Women-Owned Business Account - Video Lottery Terminal Fund (VLT)	State fund that uses proceeds from video lottery terminals (slots) to assist small, minority, and women owned businesses located in targeted areas surrounding six Maryland casinos: Maryland Live in Anne Arundel County, Hollywood Casino Perryville in Cecil County, Rocky Gap in Allegany County, Ocean Downs in Worcester County, Horseshoe Casino in Baltimore City and National Harbor in Prince George’s County. ¹⁸
Maryland Department of Housing and Community Developments	Offers a statewide program called Neighborhood Business Works. The program provides flexible financing solutions to small businesses and nonprofits operating within a State-designated Sustainable Community and Priority Funding Area in the State. This program includes support for MWBE businesses and organizations prioritizing recycling initiatives. ¹⁹
The Minority Business Pre-Seed Fund (MBPF)	Administered by the Maryland Technology Development Corporation (TEDCO), it addresses the unique needs of minority entrepreneurs in Maryland. This program provides investments of up to \$40,000 to develop viable, technology-based business ideas into market-ready products that can be evaluated by potential users. ²⁰ This program aims to support MWBE with a specific focus on developing entrepreneurship opportunities in the State.
Montgomery County, Maryland offers a workforce development program	Funding exists for small businesses that provide reimbursement of salary for a certain number of months if an SBE hires an employee from a different field and provides them with training to transition to the field of their business that includes this funding. This program also aims to make SBEs more attractive when workers are searching for new roles.
The State Governor’s Office of Small, Minority, & Women Business Affairs	Offers a Small Business Reserve Program that acts as a marketplace for certified small businesses only, excluding larger businesses from competing for select projects. ²¹
Interstate Certification DBE Rule	The federal government recently implemented a new rule that allows businesses certified in their home state to gain certification in other states through a simplified process. ²²

¹⁵ Governor’s Office of Small, Minority & Women Business Affairs. 2024. Minority Business Enterprise (MBE) Program. [Minority Business Enterprise Program](#)

¹⁶ Governor’s Office of Small, Minority & Women Business Affairs. 2024. MBE Certification. [MBE Certification](#)

¹⁷ State of Maryland. May 19th, 2022. Maryland Small Business lending programs to get \$198 million boost. [Maryland small business lending programs to get \\$198 million boost](#)

¹⁸ Maryland Department of Commerce. 2024. Small, Minority and Women-Owned Business Account – Video Lottery Terminal Fund (VLT). [Maryland Business Funding | Minority Women-Owned | Maryland Department of Commerce](#)



2.4 Procurement Policies

The State also aims to provide procurement policies that promote equitable opportunities for small businesses, including MWBEs. While not exclusively designed for solid waste and recycling, these policies can also apply to contracts in those sectors.

Table 5 outlines key initiatives within the State’s procurement policies that set aspirational goals, reserve procurement spending, and promote the inclusion of certified small businesses. These policies demonstrate the State’s commitment to fostering inclusive procurement practices across state agencies.

Table 5: Procurement Policies in the State of Maryland

Organization	Data Example
Minority Business Enterprise Program (Maryland Department of General Services) ²³	Maryland has set a 29% statewide aspirational goal for MBE participation in state procurement contracts. Each procurement agency is required to structure its procedures to award a minimum of 29% of the agency’s total dollar value of all procurement contracts to certified MBEs.
Small Business Reserve (SBR) Program (Maryland office of state Procurement) ²⁴	The SBR Program mandates that participating agencies reserve at least 15% of their total procurement spending for small businesses, which can include MBEs and WBEs.
Procurement Review Group (PRG) (Maryland Department of General Services) ²⁵	The PRG evaluates each contract to determine appropriate MBE participation goals based on factors such as the type of work and the availability of certified MBEs capable of performing the work.

Only the work of certified MBEs can be counted toward meeting established contract goals. MBEs and WBEs can perform as prime contractors and must be certified prior to providing services that contribute the percentage on a given project.

¹⁹ Maryland Department of Environment. 2024. Recycling Market Development [Recycling Market Development](#)

²⁰ Maryland Business Express. 2024. Small, Minority & Women-Owned Businesses [Small, Minority & Women-Owned Business - Maryland Business Express](#)

²¹ Governor’s Office of Small, Minority & Women Business Affairs, 2024, Small Business Reserve Program [Small Business Reserve \(SBR\) Program](#)

²² US Department of Transportation, 2024, DBE and ACDBE Final Rule [DBE and ACDBE Final Rule | US Department of Transportation](#)

²³ Maryland Department of General Services-2024-Business Opportunities, [Business Opportunities](#)

²⁴ Office of Small Minority and Business Affairs. 2024. Minority Business Enterprise (MBE) Program [Minority Business Enterprise Program](#)

²⁵ Maryland Office of State Procurement. 2024. Home » Maryland Procurement Manual – 9. Policies, Procedures, and Best Practices [procurement.maryland.gov/maryland-procurement-manual-9-policies-procedures-and-best-practices/](#)



2.5 Commercial Driver's License

There are several programs designed to reduce financial barriers and expand access to Commercial Driver’s License (CDL) training for individuals entering the State’s recycling and waste industry. These programs provide affordable, accessible, and targeted training opportunities, addressing the growing demand for qualified drivers within the industry.

Table 6 provides an overview of initiatives led by community colleges and private organizations that prioritize workforce development specific to CDLs.

Table 6: Example Programs Providing CDL Certification

Organization	Data Example
Prince George’s Community College (PGCC)	Provides four (4) courses for students to receive a Class-A or Class-B driver’s license for the state of Maryland and Washington DC to support CDL training, prioritizing veterans, refugees, and underserved communities. ²⁶
Community College of Baltimore County (CCBC)	Provides a 280-hour daytime training program for a Class-A CDL and a 103-hour program for a Class-B CDL, focusing on safety, inspections, and basic control. ²⁷
Montgomery College	Offers CDL training. Classroom and behind-the-wheel driving instruction to prepare students for a CDL Class A or Class B with passenger endorsement certification. ²⁸
Casella Waste Systems	Offers a CDL Driver Training School that provides debt-free training, including lodging, travel, and meals, to employees seeking to obtain their CDL. ²⁹

The programs emphasize inclusivity by supporting underserved communities, veterans, and refugees while promoting sustainable employment pathways in the State’s recycling and waste sectors. CDL-certified drivers and MWBEs intersect in industries like transportation, logistics, and waste management, where MWBEs often own businesses requiring CDL drivers for services such as freight hauling or recycling. MWBEs can leverage workforce development programs, government contracts, and subcontracting opportunities to employ CDL holders and expand their business operations. Additionally, funding and training initiatives support MWBEs in hiring or certifying CDL drivers, enabling them to compete for larger projects.

²⁶ Prince Georges Community College. 2024. Commercial Driver’s License Class A and B [Commercial Driver's License Class A and B - Prince George's Community College](#)

²⁷ Community College of Baltimore County. 2024. Transportation, Distribution and Logistics [Transportation, Distribution and Logistics](#)

²⁸ Montgomery College. 2024. Commercial Driver’s License (CDL) [Commercial Driver's License \(CDL\) | Montgomery College, Maryland](#)

²⁹ Casella Waste Systems-2024-Drivers [Drivers | Casella](#)

3 MWBE Challenges and Opportunities

The following presents key challenges that MWBEs face when trying to achieve certification and opportunities to help them flourish in the State. **Table 7** compares the challenges and opportunities for MWBE companies.



Table 7: Challenges and Opportunities Comparison Matrix

Criteria	Challenges	Opportunities
Access to Projects, Capital, and Funding	MWBE companies struggle with accessing capital needed for growing their companies. Government and private grants aimed at supporting sustainability-focused projects are often highly competitive and may favor larger entities with more resources that can prepare grant submissions.	Potential EPR programs can support existing recognition and certification aimed to increase access to projects, capital, and funding for MWBEs and SBEs.
Partnership Opportunities	MWBEs find it harder to gain access to industry networks and partnerships that can provide opportunities and insights for business expansion. They also tend to see other MWBEs as competition rather than potential partners to pursue opportunities.	Potential EPR program can facilitate and incentivize joint ventures with other MWBE or SBE firms, larger companies in the recycling industry, responsible end markets, or brands that are members of the Producer Responsibility Organization (PRO). This could lead to larger projects and more collaborative partnerships.
Competition	Larger, more established companies often have more resources, better technology, and a larger workforce, which can make it difficult for MWBEs to compete and showcase their knowledge and skills. This also makes it more difficult for MWBEs to attract skilled workers to join their company rather than a larger, more established firm.	Requirements, such as those in the State that require projects to have a specific percentage of MWBE, can incentivize MWBE participation but can also create competition rather than collaboration. A potential EPR program could include approaches to expand opportunities for MWBE in the recycling industry to meet utilization percentage requirements while fostering collaboration rather than competition to achieve key programmatic targets.
Business Growth and Expansion	Expanding growth into new fields can be challenging for MWBEs. These businesses often face challenges due to limited established industry connections to explore new opportunities in emerging markets, as well as fewer workforce resources to support cross-sector growth. Most businesses have skills that can transfer into several industries. Without awareness of where those skills may be needed or the industries that have opportunities available, MWBEs are unlikely to be aware of new opportunities or able to expand their reach.	Potential EPR legislation could direct the PRO to establish industry- led forums that provide an opportunity for a collaborative space to share the skillsets and specific work needed by MWBEs to meet key programmatic targets, by MWBE to find partnerships or workers. This type of forum could provide MWBEs the opportunity to find partnerships, workers, and create awareness of how they can build capacity in the recycling industry.
Certification Across Various Regions	Required certifications can take months at a time, and often business owners are not informed of the specific NAICS codes that they need to receive certifications, leading to MWBEs not receiving the NAICS codes needed for certain types of work. Different regions of the State have different requirements for MWBE certification, complicating an already difficult process. Various certification processes add time and complexity for businesses to understand which NAICS codes to certify under.	Providing resources and information about the importance of NAICS codes for MWBE can help them qualify for additional opportunities. MWBEs would benefit from understanding the importance of including a comprehensive list the services and skills their company offers via the appropriate NAICS codes. The federal government recently implemented a new Interstate Certification DBE rule that allows businesses certified in their home state to gain certification in other states through a simplified process. EPR legislation could include language create a similar process across cities and counties in the State to simplify the certification process and allow MWBEs to gain additional relevant certifications.

4 Key Findings

The following presents the key findings from the comparison of challenges and opportunities identified above:

- **There are existing MWBE programs that aim to include women-owned and disadvantaged small businesses, but the certification process could be streamlined to allow MWBE businesses to be brought on more quickly.** The State MBE program established in 1978 aims to include MWBEs in the State's procurement and contracting opportunities. However, the process of becoming a MWBE, including navigating NAICS codes, can be confusing for business owners who have limited resources. The certification process can take time and differs by community for requirements, presenting opportunities for centralized resources and collaboration to make the process more streamlined. Potential EPR legislation could support the process of establishing a streamlined approach to alleviate barriers for MWBEs in the recycling industry and reduce the amount of time needed to gain certification. Centralized resources to assist applicants could help increase opportunities.
- **Establishing a training program specific to the solid waste and recycling industry could benefit business owners who may qualify for MWBE and want to enter the recycling field but lack the relevant training or experience required for certification** Within the MWBE certification process, owners must meet financial eligibility criteria, including revenue and personal net worth thresholds. Applicants need relevant training, education, or experience to demonstrate capability and prevent misuse of the certification. A training program has the potential to increase MWBEs in the recycling industry, therefore, adding diverse perspectives to the recycling industry. Workshops could include:
 - Recycling industry specific training
 - Business development skills
 - MWBE application/certification support
- **Many MWBEs lack the needed capital funds to grow their business or expand into new industries including recycling infrastructure.** Loans, grants, and the support of venture capitalists could help even the playing field for MWBEs to become more competitive against larger companies with more access to capital. EPR legislation could include funding to incentivize innovation by offering grants to MWBEs to invest in recycling offerings, infrastructure upgrades, equipment purchases, and other needs to meet programmatic targets.
- **NAICS code alignment and subcodes are not well understood and lead to a loss of opportunities for MWBEs.** Many MWBEs are unaware of the appropriate NAICS codes and subcodes needed to participate in recycling-related procurement, leading to missed opportunities. Developing targeted outreach campaigns and workshops to educate MWBEs on relevant NAICS codes for recycling and waste management activities could benefit the

industry and provide support to proactively align their certifications and procurement opportunities. WMBES should not limit themselves to only the codes related to their primary service offerings and should utilize multiple subcodes.

- **Comprehensive data on MWBE participation in the State recycling industry is limited, making it challenging to evaluate their impact and identify areas for improvement.** Establishing a centralized data collection and reporting system to monitor MWBE participation in recycling and waste management projects could benefit the State and contract opportunities for MWBEs. MWBEs often face barriers to accessing capital, and they may lack funds to invest in recycling equipment or to support the financial requirements of an EPR program.
- **Current public-private partnerships are limited and could benefit MWBEs if expanded.** There are many programs in the State government, as well as public-private partnerships that have proven effective in fostering MWBE growth but are underutilized in the recycling sector or are not recycling specifically. Expanding programs like Neighborhood Business Works to incentivize MWBE participation, job training, and CDL certification to support recycling initiatives could benefit such businesses and the State's future recycling program.