

Offices of Minority and Women Inclusion Created Under the Dodd-Frank Wall Street Reform and Consumer Protection Act: Frequently Asked Questions

Q: What are the Offices of Minority and Women Inclusion?

A: Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Act”) calls for the establishment of an Office of Minority and Women Inclusion (“Office”) in the Departmental Offices of the Department of Treasury, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, each of the Federal Reserve Banks, the Federal Reserve Board, the National Credit Union Administration, the Securities and Exchange Commission, and the new Consumer Finance Protection Bureau (“CFPB”). Each Office will be responsible for all matters of its agency related to diversity in management, employment and business activities.

Q: When do the Offices need to be established?

A: Each existing Federal agency that must establish an Office must do so within six months of enactment of the Act (by January 20, 2011). All relevant responsibilities must also be transferred to the Offices within this six month period. The new CFPB must establish an Office no later than six months after the designated transfer date.

Q: Who will be in charge of the Offices?

A: Each Office will be led by a Director who is appointed by and reports to the agency head. Each Director will be a career reserved position in the Senior Executive Service or an equivalent designation.

Q: What will be the key duties of each Office?

A: The Act highlights four primary duties for the Offices:

- 1) Develop Standards:** Each Office Director must develop and implement a number of standards related to workforce diversity, the inclusion and utilization of minority- and women-owned businesses in agency programs and contracts, and for assessing the diversity policies and practices of entities regulated by the agency.
- 2) Monitor and Report:** Each Office is expected to submit an annual report to Congress regarding the actions taken by the agency. The annual report is to include the percent of contract expenditures that went to minority- and women-owned businesses; successes and challenges related to targeted hiring and procurement efforts; and any other information, findings, conclusions and recommendations for legislative or agency action.
- 3) Advise:** Each Director is expected to advise the agency head on the impact of policies and regulations of their agencies on minority- and women-owned businesses. The Directors are also expected to coordinate with their agency head or designee regarding the design and implementation of any remedies resulting from civil rights violations.
- 4) Conduct Outreach:** Each affected agency is expected to implement staff recruiting efforts, internships and partnerships targeted toward minorities and women.

Q: What role will the Office have related to contracts?

A: Each Director must develop new procedures related to the review and evaluation of contract proposals and hiring service providers for their agency that, consistent with applicable law, give consideration to the diversity of the applicant. The procedures are to include a written statement that a contractor shall ensure the fair inclusion of women and minorities in the workforce of the contractor and, as applicable, subcontractors. The procedures will also include a process for the Director to determine if a contractor has failed to make a good faith effort to include minorities and women in their workforce and to subsequently recommend the termination of that contract. Each Director is also required to develop and implement standards applicable to non-procurement contracts for their agency, including but not limited to insurance and investment contracts.

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Q: What existing functions need to move into the Office?

A: While the Act highlights that relevant responsibilities are to be transferred to the new Offices, it does not specify which organizational areas are to be moved. The Act specifically excludes responsibilities related to the enforcement of statutes, regulations or executive orders pertaining to civil rights from being moved into the Office.

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