

**Department of Legislative Services**  
 Maryland General Assembly  
 2018 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 421  
 Finance

(Senator Robinson, *et al.*)

**Governor's Office of Small, Minority, and Women Business Affairs -  
 Employment Under Procurement Contracts - Study**

This bill requires the Governor’s Office of Small, Minority, and Women Business Affairs (GOMA) to study the employment of ethnic minorities and women under procurement contracts at Baltimore-Washington International Thurgood Marshall Airport (BWI Marshall Airport). GOMA must report its findings and recommendations to the Governor and General Assembly by December 1, 2018. **The bill takes effect June 1, 2018, and terminates June 30, 2019.**

**Fiscal Summary**

**State Effect:** No effect in FY 2018. General fund expenditures increase by \$32,700 in FY 2019 only, for contractual support to carry out the study. No effect on revenues.

| (in dollars)   | FY 2018 | FY 2019    | FY 2020 | FY 2021 | FY 2022 |
|----------------|---------|------------|---------|---------|---------|
| Revenues       | \$0     | \$0        | \$0     | \$0     | \$0     |
| GF Expenditure | 0       | 32,700     | 0       | 0       | 0       |
| Net Effect     | \$0     | (\$32,700) | \$0     | \$0     | \$0     |

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** Minimal.

## Analysis

**Bill Summary:** The study must include:

- examining the working conditions and employment opportunities for employees working for contractors under procurement contracts at BWI Marshall Airport;
- examining and assessing the distribution by work category of ethnic minorities and women employed by contractors under procurement contracts at BWI Marshall Airport;
- reviewing the level of compensation and other benefits paid to ethnic minorities and women compared to other employees working for contractors under procurement contracts at BWI Marshall Airport; and
- examining other matters related to the employment of individuals working for contractors at BWI Marshall Airport.

**Current Law:** It is the policy of the State to:

- assure all persons equal opportunity in receiving employment regardless of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity, or disability unrelated in nature to the performance of employment; and
- prohibit discrimination in employment by any person.

In accordance with this policy, an employer may not, because of an individual's race, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, genetic information, or disability unrelated to the performance of employment:

- fail or refuse to hire, discharge or discriminate against any individual with respect to the individual's compensation, terms, conditions, or privileges of employment; or
- limit, segregate, or classify its employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect their status as an employee.

The Maryland Commission on Civil Rights is responsible for enforcing the State's employment nondiscrimination statutes.

**Background:** AirMall Maryland, Inc. (AirMall) entered into a retail management lease contract with the Maryland Aviation Administration (MAA) in 2004, and the lease's termination date is March 31, 2022. The lease agreement allows for an early termination without cause after April 1, 2017, with six months' notice. AirMall leases space in BWI

Marshall Airport from MAA and then subleases these spaces to food service, retail, and certain service concession operators. AirMall encompasses 120,000 square feet of concessions space within BWI Marshall Airport and subleases to the 60 business entities that run 120 establishments within BWI Marshall Airport.

**State Expenditures:** The study required by the bill entails a significant data collection and analysis effort by GOMA because of the number of concessionaires and employees involved at BWI Marshall Airport. GOMA does not have sufficient staff resources for the required level of work to be done.

Therefore, general fund expenditures increase by \$32,702 in fiscal 2019, which, given the short timeframe for the study to be completed, accounts for only a 30-day delay from the bill's June 1, 2018 effective date. This estimate reflects the cost of hiring a contractual compliance manager to lead the data collection and analysis activities for the required study. It includes a salary, fringe benefits, and operating expenses. It assumes that the contractual position terminates on December 1, 2018, when the study is to be completed, and further assumes that existing GOMA staff can handle any follow up regarding the study following its completion.

|   |                 |
|---|-----------------|
| Contractual Position(s)                 | 0.4             |
| Salary and Fringe Benefits              | \$27,549        |
| Operating Expenses                      | <u>5,153</u>    |
| <b>Total FY 2019 State Expenditures</b> | <b>\$32,702</b> |

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Governor's Office of Small, Minority, and Women Business Affairs; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2018  
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