

SMMCOC SB182 2021.pdf

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**SOUTHERN MARYLAND
MINORITY CHAMBER OF COMMERCE**

TO MAKE A COMMUNITY A BETTER PLACE FOR ALL



February 1, 2021

The Honorable Paul G. Pinsky
Senate Education, Health, and Environmental Affairs Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairman Pinsky,

I am writing on behalf of the Southern Maryland Minority Chamber of Commerce (SMMCOC) to voice our support for **SB182 – State Finance – General Obligation Debt – Application of Minority Business Participation Goals**. As a regional voice for small, minority, women, and veteran owned businesses across Southern Maryland, we are very in tune with the struggles and hardships that many business owners in our communities face. For the last seven years, we have sought to protect the interests of these local businesses while promoting development and innovation across Calvert County, Charles County, St. Mary's County and Southern Prince George's County. As an all-volunteer foundation, the Covid-19 pandemic has been exceptionally hard on the SMMCOC and our members. Nevertheless, we have seen the promising growth our region has made in recent years, and we are hopeful that the State of Maryland will continue to protect small, minority, women, and veteran owned businesses.

MBE participation percentage goals have had a positive effect on our members, our region, and our state. The proposed bill would expand the MBE participation percentage goals to other state projects created by procurement through State debt. To continue the advancement of MBE involvement in our community, we are respectfully requesting the Committee's **FAVORABLE** consideration of the bill.

Sincerely,

Doris Cammack-Spencer
President/CEO

2021 SB 182 CGL MBE DGS LOI EHEA 2-3-21.pdf

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Position: INFO

Larry Hogan
Governor

Boyd K. Rutherford
Lt Governor



Ellington E. Churchill, Jr.
Secretary

Nelson E. Reichart
Deputy Secretary

OFFICE OF THE SECRETARY

BILL: **Senate Bill 182**
State Finance – General Obligation Debt – Application of Minority
Business Participation Goals

COMMITTEE: Senate Education, Health and Environmental Affairs

DATE: February 3, 2021

POSITION: Letter of Information

Upon review of Senate Bill 182 – State Finance – General Obligation Debt – Application of Minority Business Participation Goals, the Department of General Services (DGS) provides these comments for your consideration.

Under Senate Bill 182, grants and loans appropriated by the Legislature and managed by DGS's Capital Grants and Loans (CGL) division would be subject to the minority business participation percentage goal established under State Finance and Procurement (SF & P), § 14–302.

Senate Bill 182 may provide additional contracting opportunities to Minority Business enterprises though the Capital Grants and Loans Program however, Senate Bill 182 would have **significant fiscal and operating impact on CGL**. This division manages over 1,400 active capital grant projects valued at over \$1 billion. In addition, the Maryland General Assembly historically approves approximately 250 to 300 additional bond bills each year. Under Senate Bill 182, each Capital Grant Project would require a review by CGL to ensure compliance with SF and P, § 14–302. Additionally, it should be noted that grantees have seven (7) years to complete each capital grants project. Therefore, CGL would be required to monitor MBE participation goals and compliance throughout the seven-year (7) lifecycle of each capital grant project.

DGS estimates that three additional full-time Compliance Officers would be needed within CGL to fulfill the requirements of Senate Bill 182. DGS estimates that the cost of these additional positions to be **\$188,012 in FY22** and rise to **\$264,379 in FY26**.

For additional information, contact Ellen Robertson at 410-260-2908.

