

Larry Hogan  
Governor

Boyd K. Rutherford  
Lt Governor



OFFICE OF THE SECRETARY

Ellington E. Churchill, Jr.  
Secretary

Nelson E. Reichart  
Deputy Secretary

**BILL:** Senate Bill 301 – Corporations – Board Members and Executive Officers Diversity – Procurement Preference and Reporting

**COMMITTEE:** Senate Education, Health and Environmental Affairs

**DATE:** February 3, 2021

**POSITION:** Letter of Information

Upon review of Senate Bill 301 – Corporations – Board Members and Executive Officers Diversity – Procurement Preference and Reporting, the Department of General Services (DGS) provides these comments for your consideration.

Under Senate Bill 301, DGS's Office of State Procurement (OSP) would be required to establish, track, and maintain the demographics of a corporation's board members and executive officers. This would **require additional staff** to establish the program, create the process for tracking and maintaining the demographics and determining if the board members and executive officers of corporations are substantially similar to the demographics of the State. If so, a corporate diversity price preference, not in excess of 5%, may be applied. The awarded contracts may potentially cost Maryland taxpayers millions of dollars, for example, 5% on a billion-dollar contract equals \$50 million.

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

