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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.

