



GOVERNOR'S COORDINATING OFFICES

COMMUNITY INITIATIVES • SERVICE & VOLUNTEERISM • PERFORMANCE IMPROVEMENT
CRIME CONTROL & PREVENTION • SMALL, MINORITY & WOMEN BUSINESS AFFAIRS
CHILDREN • DEAF & HARD OF HEARING

DATE: February 15, 2021

COMMITTEE: Education, Health, and Environmental Affairs

BILL TITLE: SB-722 Department of Small Business, Entrepreneurship, and Innovation -
Established

POSITION: **Oppose**

The Governor's Office of Small Minority & Women Business Affairs (GOSBA) is in opposition of Senate Bill 722 - Department of Small Business, Entrepreneurship, and Innovation – Established

Bill Summary

This bill proposes the establishment of a Department of Small Business, Entrepreneurship, and Innovation (DSBEI), which would operate as a principal department of the Executive Branch. This new entity would be comprised of specified transferred entities, which would include the Governor's Office of Small, Minority & Women Business Affairs. It also proposes the transfer of responsibilities and staff from various other business-related entities/offices within the State. Additional responsibilities for the DSBEI, beyond those of the transferred entities, would include establishing a commission to study and provide recommendations on small business issues, meeting new reporting requirements, and evaluating agency regulations for their effects on small businesses.

Background

Title 9, Subtitle 3 of the State Government Article establishes the Governor's Office Small, Minority, & Women Business Affairs (GOSBA) in the Executive Department and designates the head of the office as a Special Secretary who is appointed by and serves at the pleasure of the Governor. The Special Secretary's general duties are to advise the Governor on activities to promote economic development and inclusion through the use of historically underutilized or presumptively disadvantaged businesses. GOSBA has designated oversight, reporting, and outreach responsibilities related to the State's Minority Business Enterprise Program, Small Business Reserve Program and the Veteran-Owned Small Business Enterprise Program.

Rationale

GOSBA is a member of the Governor's Coordinating Offices, which is comprised of six other offices tasked with coordinating strategic efforts to advance the Governor's communitywide efforts in a holistic and highly constituent-focused fashion. GOSBA also serves as an oversight agency for the 70 Executive Agencies administering the State's socio-economic procurement preference programs. GOSBA is thereby separate and distinct from other State agencies enumerated in the legislation.

Further, this proposed massive restructuring and rebranding of numerous State government entities will prove to be costly and ill-timed, particularly when considering the stakeholders and communities GOSBA seeks to serve.

GOSBA is a well-known and long-standing partner to the small business community- in fact, having one of the highest customer-service satisfaction ratings across State agencies. We believe shifting, renaming, and reorganizing GOSBA at a time when our core constituents are looking to us the most for guidance and resources as they seek to recover from the pandemic, is ill-timed. Many of our constituent small businesses do not have the resources to keep up with shifting policies and departments – in fact, the inability to find the correct contact person to resolve or address an issue is one of the most recorded complaints about government from constituents at large. Our constituents are largely comprised of small and minority business owners who have come to appreciate the focused and personalized programs and assistance they receive from this office.

Additionally, having recently undergone a name change in 2017 after decades as the Governor's Office of Minority Affairs, GOSBA, can attest to the significant preparation and public outreach required to apprise stakeholders of a name change alone. A restructuring of entities will require the revamping of countless outreach and marketing materials as well as websites and webpage functions.

This reorganization will require additional State expenditures to account for larger office space to house the combined staff of the various departments and offices named in the legislation.

GOSBA respectfully requests an unfavorable report on Senate Bill 722.