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THE MARYLAND HOUSE OF DELEGATES
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Testimony in Support of HB1212 - Procurement - Socially and Economically Disadvantaged Workers' Protection Preference

HB1212 aims to create opportunities for economically disadvantaged communities who have been historically excluded from wealth-creation in our State. Maryland's income inequality remains incredibly problematic, and has even gotten worse in recent years - our Black household median income currently sits at 71 cents for every \$1 of white household income. Nationwide, the gap in median family wealth between Black and white families was \$100k in 1992, and had increased to over \$150k by 2016.

These gaps can be traced decades and centuries back to federal, state, and local policies that explicitly and implicitly excluded people of color from wealth creation opportunities. The State's inability to implement policies that explicitly address these gaps allow them to grow wider.

One important gap that needs to be addressed are disparities in State contracts. These have historically functioned as a wealth-building tool for large corporations owned and run predominantly by white men. We cannot allow new industries that are heavily intertwined with government contracts to follow this pattern.

While Maryland made a commitment to increase the amount of contracts awarded to Minority Business Enterprises (MBEs) to at least 29% of the total dollar value of all contracts it awards, this goal has never been reached. In 2019, the State's MBE achievement was only 17.9% of the nearly \$8B that it awarded over all of its contracts.

Clearly, the commitment our State made back in 2013 has not been met almost 8 years later. To address this problem, HB1212 requires the State when seeking bids for a contract to apply a 10% preference to contractors who agree that at least 50% of their workers for that bid will be from socially and economically disadvantaged groups, including people of color and women.

Applying a 10% preference to businesses that employ a majority of disadvantaged people will help the State's efforts to increase racial equity and promote economic justice. This bill represents a serious commitment from the State of Maryland that not only provides real economic opportunity for our diverse population, but sends a strong, clear message of inclusion.

For these reasons, I respectfully urge a favorable report on HB1212.