

**CHRIS WEST**  
Legislative District 42  
Baltimore County

Judicial Proceedings Committee

Vice Chair, Baltimore County  
Senate Delegation



**THE SENATE OF MARYLAND**  
ANNAPOLIS, MARYLAND 21401

*Annapolis Office*  
James Senate Office Building  
11 Bladen Street, Room 303  
Annapolis, Maryland 21401  
410-841-3648 • 301-858-3648  
800-492-7122 Ext. 3648  
Chris.West@senate.state.md.us

*District Office*  
1134 York Road, Suite 200  
Lutherville -Timonium, MD 21093  
410-823-7087

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House Health and Government Operations Committee  
The Honorable Shane E. Pendergrass  
Room 241 House Office Building  
Annapolis, Maryland 21401-1991

**RE: SB 703 – Procurement – Minority Business Enterprises – Qualification and Certification**

Dear Chairman Pendergrass and Members of the Committee:

I am pleased to introduce Senate Bill 703. This bill is one of two bills this Session that I had the privilege of introducing which embodies one of the recommendations of the Senate President's Advisory Workgroup on Equity and Inclusion.

Ever since 1978, Maryland has had a Minority Business Enterprise (MBE) Program to encourage women and minority-owned firms to participate in the State procurement process. Maryland's current MBE statute requires agencies to make every effort to achieve an overall minimum goal of 29% of the total dollar amount of their procurement contracts directly or indirectly from certified MBE firms. The oversight of this program is vested in the Governor's Office of Small, Minority and Women Business Affairs; however, the Office of Minority Business Enterprise within the Maryland State Department of Transportation serves as the State's official MBE certification unit. In fiscal 2019, Maryland's MBE achievement was only 17.9% of contract awards, not the 29% goal set forth in the MBE statute.

The federal government has its own MBE program, overseen by the U. S. Small Business Administration. Currently, businesses must separately qualify as MBE's under federal and State law. So a business which has successfully navigated federal statutes and regulations and qualified as a federal MBE must apply and qualify separately under Maryland's MBE program. This is burdensome to minority and women-owned businesses and deters them from participating in the State procurement process.

With that as an introduction, Senate Bill 703 merely requires the State Board of Public Works, which oversees all State procurement, to adopt new procurement regulations that will enable a federal MBE that has been certified under the federal disadvantaged business enterprise program to become certified as a Maryland MBE without requiring the business to file any additional paperwork other than evidence of its federal certification.

Current Maryland law requires a federally certified MBE to not only establish that it has received federal certification but also to separately and independently establish that it meets the eligibility requirements of the Maryland MBE program. In order to obtain a Maryland MBE certification, an applicant has to fill out lengthy application documents, undergo an investigation, be the subject of a deliberative administrative proceeding and then await an ultimate determination letter. So Senate Bill 703 changes existing law to provide that a federal certification alone will suffice, and an MBE will no longer have to separately establish its eligibility under Maryland law.

I would like to note that this legislation passed the Senate unanimously.

For these reasons, I hope that you will give SB 703 a favorable report.