

**Testimony of Special Secretary of the Governor’s Office of Small,
Minority & Women’s Business Affairs, Jimmy Rhee**

**SB192
“State Procurement - Minority Business Enterprise Program -
Reauthorization Extension”**

Tuesday, January 25, 2022 – 2:30 PM

Good afternoon, Chairman Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Taxation Committee. I am Jimmy Rhee, Special Secretary of the Governor’s Office of Small, Minority & Women’s Business Affairs. Thank you for this opportunity to testify before you in support of SB192, which provides for the sunset extension and thereby, continued operation of Maryland’s Minority Business Enterprise (MBE) Program.

Maryland’s MBE statute currently provides that the program will terminate on July 1, 2022. As you already know, prior to each five-year reauthorization and to ensure that the MBE program remains constitutionally compliant, the State commissions a disparity study. The study examines whether there is continued evidence of discrimination against MBEs in the Maryland market area such that would provide a strong basis for continued implementation of a race and gender-conscious program such as the MBE Program.

The most recent study is delayed and the timeline for completion is approximately another 18–24 months. In the interim, we cannot allow a program that aggressively drives the inclusion and participation of minority and women owned businesses in a myriad of State contracting opportunities to lapse. Maryland’s MBE Program is the gold standard amongst diversity and inclusion programs across the nation and as such we have a duty to maintain our sound legal framework as well as continue to seek opportunities for growth and expansion.

Maryland's MBE Program is crucial to the state's economy. In FY2020 it supported \$28.7 million in state and local tax revenue. Additionally, in FY2020, each dollar paid to an in-state MBEs supported \$1.77 in total economic activity—33 percent of these payments went to MBE prime contractors and 67 percent was paid to MBE subcontractors. As we continue our economic recovery from the pandemic, the MBE Program ensures opportunities exist for small, minority and women-owned businesses within the state contracting arena.

In closing I would like to thank you all for your continued support of Maryland’s small, women and minority businesses as they are truly the backbone of our communities and drive our economic growth. The

Governor's Office of Small, Minority & Women's Affairs respectfully requests a favorable report on SB192.

Again, thank you for your time and consideration.