

GOSBA_SB192_Support.pdf

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DATE: January 25, 2022
COMMITTEE: Senate Budget and Taxation
BILL TITLE: SB192
POSITION: Support

The Governor's Office of Small Minority & Women Business Affairs (GOSBA) is in support of ***SB192 State Procurement – Minority Business Enterprise Program – Reauthorization Extension***

Bill Summary

To comply with the requirements of Chapter 340 of the Acts of the General Assembly of 2017, this bill provides for an extension to the due date for the statewide Disparity Study and concurrently, an extension to the sunset date for Maryland's Minority Business Enterprise (MBE) Program.

Background

Maryland's MBE statute currently provides that the program will terminate on July 1, 2022. Reauthorization of the MBE program requires the State to establish that there are substantial and statistically significant disparities that are consistent with discrimination against minorities and nonminority women in State procurement. The findings of the Disparity Study thereby serve as the evidentiary basis for either the continuation or termination of the MBE program. Given that the current Disparity Study is delayed, and completion/review is not anticipated until September 2023, continued operation of the MBE Program requires an extension through July 1, 2024.

The extension of the Sunset date for the MBE program will ensure that the State continues to facilitate the participation of small and minority-owned businesses in State procurement and, therefore, benefits them economically.

GOSBA respectfully requests a favorable report on Senate Bill 192.

SB192 Rhee Oral Testimony.pdf

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**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.

SB0192 - TSO - MBE Extension - SUPP_Final.pdf

Uploaded by: Patricia Westervelt

Position: FAV



Larry Hogan
Governor
Boyd K. Rutherford
Lt. Governor
Gregory Slater
Secretary

January 25, 2022

The Honorable Guy Guzzone
Chairman, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis MD 21401

Re: *Letter of Support – Senate Bill 192 – State Procurement – Minority Business Enterprise Program – Reauthorization Extension*

Dear Chairman Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 192, as it would allow for the continuation of the State’s Minority Business Enterprise (MBE) program.

As the Certifying Agency of the State’s MBE Program, and in accordance with Senate Bill 4, Chapter 340, Acts of 2017, MDOT has initiated a Statewide availability and utilization study (Study) so as to deliver a final report on the Study to the Legislative Policy Committee (the Committee) of the General Assembly. Due to the complexities of the procurement for a consultant to complete the Study and unforeseen delays in the process, the report on the Study was not completed by September 30, 2021. Given the scope of the Study, it is anticipated that the report will be completed and delivered by September 2023 as indicated in Senate Bill 192. In addition to the extension of the due date for the report on the Study, Senate Bill 192 includes a concurrent extension of the MBE Program’s sunset date so the Program can continue.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 192 a favorable report.

Respectfully submitted,

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