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March 8, 2023

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Office Building
Annapolis, MD 21401

RE: Senate Bill 510 – LETTER OF INQUIRY – Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard

Dear Chair Guzzone and Members of the Budget and Taxation Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 510 would require the Governor's Office of Small, Minority, and Women Business Affairs to evaluate units of State government based on the units' performance toward meeting pre-established participation goals under the Minority Business Enterprise Program and the Veteran-Owned Small Business Enterprise Program before implementing a letter-grade scorecard and assigning each unit of State government a corresponding letter grade for their performance.

MAA has some concerns about the bill as drafted that we would like to bring to the Committee's attention, namely that this process now seems duplicative given Governor Moore's February executive order requiring State agencies to submit a report to the Governor's Office that goes into far greater detail about MBE participation in agency procurements than this piece of legislation would demand—and with a deadline of only two months. In addition, we believe that the assignment of a letter grade to the entire body of an agency's procurement activity is reductive and fails to take into consideration numerous external factors that impact the procurement process outside of the agency's control. MAA is also concerned about the strict categorization of state agencies in this way and how easily these grades could be used to target particular agencies as part for future legislative action; thus, we would like to know specifically how the sponsor plans to use this scorecard and the grades that are assigned.

We appreciate you taking the time to consider our concerns about Senate Bill 510.

Sincerely,

Marshall Klinefelter
President
Maryland Asphalt Association