
March 7, 2023

The Honorable Melony Griffith
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Information – Senate Bill 479 –Department of Small, Minority, and Women Business Enterprises - Establishment and Duties

Dear Chair Griffith and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 479 but offers the following information for the Committee’s consideration.

MDOT’s Office of Minority Business Enterprise (OMBE) is designated by the Board of Public Works as the certifying agency for the State’s Minority Business Enterprise (MBE) Program. As the recipient of federal funds, MDOT is also required to implement the federal certification programs (i.e., the Disadvantage Business Enterprise (DBE), Airport Concessions Disadvantage Business Enterprise (ACDBE), and the Small Business Enterprise (SBE) programs).

Senate Bill 479 replaces OMBE as the certifying agency but reassigns only one of its functions – MBE Program certification – to the Governor’s Office of Small, Minority & Women Business Affairs (GOSBA). Removal of State MBE Program certification from MDOT does not contemplate the significant overlap between MBE and DBE certification applications. There are approximately 8,800 certified firms in the Directory of which approximately 7,800 firms hold both State and federal certifications concurrently.

State and federal program certifications were combined under one agency to simplify the process for business owners. Notably, due to MDOT’s obligations as a recipient of United States Department of Transportation funds, responsibility for certifying firms for the federal programs cannot be removed from MDOT’s purview. If passed, Senate Bill 479 has the potential to make certification more burdensome to minority businesses owners, who overwhelmingly seek certification in both the State and federal programs; because both programs follow similar processes and annual reporting requirements, minority business owners will need to duplicate efforts to obtain and maintain their State and federal certifications.

Senate Bill 479 would require OMBE to manage the communication efforts to thousands of currently certified firms on the rollout of a new MBE certification process. This would also require the removal of the State MBE designation for each of the NAICS codes in which a firm currently holds certification in the certification management system database. Additionally, OMBE would be tasked with the transfer of all paper and digital records to GOSBA. Updates to OMBE’s website, training materials and promotional materials would also be necessary. Lastly,

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this effort would require coordination with MDOT's third-party vendor who manages the certification management system database to update internal processing specifically related to MBE regulations. OMBE would have to update all correspondences and have the vendor reconfigure the application portals and instructions in the certification management system.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 479.

Respectfully submitted,

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Maryland Department of Transportation
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