

Department of Legislative Services  
 Maryland General Assembly  
 2018 Session

FISCAL AND POLICY NOTE  
 Third Reader - Revised

Senate Bill 414

(Senator Robinson, *et al.*)

Education, Health, and Environmental Affairs

Health and Government Operations

Governor’s Office of Small, Minority, and Women Business Affairs – Small  
 Business Resources and Data Collection

This bill requires the Governor’s Office of Small, Minority, and Women Business Affairs (GOMA) to collaborate with designated State agencies to identify all State resources available to small businesses and develop a plan to coordinate the resources with GOMA. The bill also requires GOMA to convene a workgroup to study and make recommendations regarding the collection of data by State agencies that may be used to assist small businesses in accessing State resources and bidding on State contracts. **The bill takes effect July 1, 2018, and terminates June 30, 2019.**

Fiscal Summary

**State Effect:** General fund expenditures increase by \$32,700 in FY 2019 for staff support for the workgroup. GOMA and other State agencies can handle the bill’s remaining requirements with existing budgeted resources. No effect on revenues.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	32,700	0	0	0	0
Net Effect	(\$32,700)	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** Potential meaningful.

## Analysis

**Bill Summary:** To identify State resources available to small businesses, the bill requires GOMA to collaborate with:

- the Department of Commerce;
- the Department of General Services;
- the Department of Budget and Management;
- the Maryland Department of Transportation; and
- any other appropriate agencies.

By December 1, 2018, GOMA must report to specified committees of the General Assembly on the available resources and its plan to coordinate those resources.

The workgroup must focus on data collected by specified State agencies and report its findings, recommendations, and any proposed legislation to the Governor and specified committees of the General Assembly by December 1, 2018.

**Current Law:** The Special Secretary of the Governor's Office of Small, Minority, and Women Business Affairs must advise the Governor on (1) activities of the State government that are intended to promote the employment of minority persons in the State and (2) other matters that affect the rights and interests of minority persons and the communities in which they live. In addition, statute specifies other duties of the Special Secretary, including:

- coordinating the efforts of private entities and public agencies to develop minority business enterprises (MBE); and
- establishing a system to develop, collect, summarize, and give out information that would help a person establish an MBE, operate an MBE successfully, or promote the establishment and successful operation of MBEs.

**State Expenditures:** The workgroup will need to conduct substantial outreach to multiple State agencies to collect information about resources available to small businesses. GOMA advises that it does not have sufficient staff to provide that level of support to the workgroup and, therefore, requires contractual staff support.

Accordingly, general fund expenditures increase by \$32,702 in fiscal 2019, which, given the five-month window to complete the work, assumes that contractual staff is available on the bill's July 1, 2018 effective date. This estimate reflects the cost of hiring one contractual compliance monitor to provide staff support to the workgroup and coordinate data collection activities with multiple State agencies. It includes a salary,

fringe benefits, one-time start-up costs, and ongoing operating expenses. Expenditures terminate on December 1, 2018, when the workgroup's report is delivered, which assumes GOMA can respond to any necessary follow up with in-house personnel.

Contractual Position	0.4
Salary and Fringe Benefits	\$27,549
Operating Expenses	<u>5,153</u>
<b>Total FY 2019 State Expenditures</b>	<b>\$32,702</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

**Small Business Effect:** To the extent that the workgroup identifies and consolidates information that is beneficial to small businesses seeking to do business with the State, small businesses may benefit.

**Additional Comments:** The Department of Commerce notes that its Small Business Resources team has a lot of expertise about resources available to small businesses, but the team is slated to move to the new Office of Small Business Regulatory Assistance in the Department of Labor, Licensing, and Regulation, as required by an Executive Order issued by the Governor. Therefore, as of the bill's effective date, the Department of Commerce indicates that it may no longer have any expertise related to resources available to small businesses.

---

### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Governor's Office of Small, Minority, and Women Business Affairs; Department of Commerce; Department of General Services; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 2018  
md/ljm Third Reader - March 17, 2018  
Revised - Amendment(s) - March 17, 2018

---

Analysis by: Michael C. Rubenstein

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510