



Senate Bill 33

State and County Procurement - Minority Business Enterprise Program Participation Goals

MACo Position: **OPPOSE**

To: Education, Health, and Environmental
Affairs Committee

Date: February 3, 2021

From: Alex Butler

The Maryland Association of Counties (MACo) **OPPOSES** SB 33 as the bill applies multiple detailed State mandates to county-level procurement operations.

This bill proposes a broad overhaul of the State's procurement systems, many of which apply to county governments. Its reach is broad, and it seemingly proposes to revisit the central objectives of the whole program – with eventual effects that are not easy to discern. If the General Assembly is interested in a broad review of these laws and their policy and social objectives, that undertaking may require a stakeholder work group or more formal Task Force to fairly weigh these many refinements.

SB 33, as introduced, requires that county procurement officers develop specific participation goals for a select group under an existing Minority Business Enterprise (MBE) program. County MBE programs are successful at fostering increased participation of minority owned and operated businesses in local government contracts. Participation is aided by preference given to qualifying businesses within the framework of an MBE program. That work is rooted in disparity studies and sets the standard from which counties ensure fair participation. The bill would alter the requirement in favor of a new personal net worth standard and require that counties develop specific goals to that effect, potentially unbalancing carefully designed programs.

For these reasons, MACo requests the Committee give SB 33 an **UNFAVORABLE** report, and if warranted, engage a broader review to consider its many suggested changes.