



O'MALLEY-BROWN ADMINISTRATION PROPOSES INCREASE TO MBE GOAL

Overall state goal would increase from 25 percent to 29 percent in FY 2014

The O'Malley-Brown Administration has proposed an increase to the state's overall Minority Business Enterprise (MBE) Program goal from 25 percent to 29 percent. Long considered one of the country's foremost programs for minority inclusion, Maryland's new aspirational goal will offer more opportunities for minority- and women-owned businesses to engage in state contracting.

"We are raising the bar," said Governor Martin O'Malley. "Both the Lieutenant Governor and I want to see the MBE Program grow and the data supports our goal."

In 2012, the General Assembly passed legislation authorizing the Governor's Office of Minority Affairs (GOMA), in consultation with the Maryland Department of Transportation (MDOT) and the Office of the Attorney General, to set the overall aspirational MBE goal every two years. GOMA has proposed a goal of 29 percent after considering several factors prescribed by law – such as the relative availability of minority- and women-owned businesses as demonstrated by the state's most recent Disparity Study, and the past participation of MBEs in state procurement. Once the proposed regulation becomes effective, the 29 percent goal will be in place for fiscal years 2014 and 2015.

GOMA will work with state agencies to identify more opportunities for MBE participation while promoting the benefits of MBE certification in collaboration with MDOT's Office of Minority Business Enterprise, the state's official certification agency. GOMA is also planning to develop outreach programs to guide MBEs through the procurement process and increase education relating to MBE rights and responsibilities when performing on state contracts.

"Increasing our MBE contracting goal means new jobs and new opportunities for families across our state," said Lt. Governor Anthony Brown. "Our diversity is what makes our economy strong in Maryland; that's why we're working to end discrimination and ensure that minority- and women-owned small businesses have a fair chance to compete and succeed."

As the overall goal is increased, GOMA will also begin implementing new legislation that streamlines the MBE Program to focus on the needs of for-profit businesses while securely positioning nonprofit MBEs in the procurement program best suited for their unique needs. House Bill 48, sponsored by Delegate Barbara Robinson, and Senate Bill 1066, sponsored by Senator Catherine Pugh, were passed by the 2013 Maryland General Assembly. The bills transition nonprofit organizations out of the MBE Program in 2015 and improve monitoring and enforcement of the State's preferred provider requirements in an effort to assist in creating and sustaining employment and business ownership opportunities for individuals with disabilities.

"Ninety-nine percent of the contracts being won by our nonprofit MBEs happen at the prime contractor level where MBE status isn't relevant," stated Special Secretary of the Governor's Office of Minority Affairs Zenita

Wickham Hurley. “Our preferred provider procurement policies are far more meaningful to these organizations and this new legislation will go a long way in ensuring that the state continues to serve Maryland’s disabled community.”

Provisions in the legislation exempt certain procurements to nonprofits from MBE requirements and protect nonprofit participation on state contracts as MBEs prior to July 1, 2015 from being terminated due to the loss of MBE certification status. HB48 and SB1066 also add annual forecasting and reporting requirements to the existing preferred provider statutes.

Since nonprofits will remain in the MBE program for the next two years, their participation will be counted when the new 29 percent goal takes effect. GOMA will change its reporting format to better define dollars awarded to both nonprofit and for-profit MBEs.

According to Secretary Hurley, the state has made very conscientious efforts to keep the MBE Program relevant and responsive to the current marketplace. Over the past two years, legislative and policy changes have included provisions preventing the termination of an MBE for convenience, the addition of liquidated damage clauses in state contracts with MBE goals and expanded training for program administrators and vendors on MBE Program requirements. Stakeholder engagement with minority, women’s and general contractor groups, business organizations, community groups and nonprofit entities has been a key strategy in developing and implementing changes to the MBE Program.