



GOVERNOR'S OFFICE OF  
MINORITY AFFAIRS

# ANNUAL REPORT

Fiscal Year 2014



Larry Hogan.  
Governor



Boyd K. Rutherford  
Lt. Governor



Jimmy Rhee  
Special Secretary





# FY2014 Annual Report

## Table of Contents

Governor's Message .....	2
Lt. Governor's Message.....	3
Special Secretary's Message .....	4
GOMA's Role.....	5
Key Policy Highlights .....	6
The MBE Program .....	7
Analysis of MBE Awards.....	8
Overall Goal.....	8
State Agency Procurement.....	8
Awards by Procurement Category.....	10
Awards by Classification.....	12
Performance Relative to Prime Contracting .....	13
Performance Relative to Subgoals.....	14
Waiver Activity .....	14
Analysis of MBE Payments.....	15
Economic Impact of the MBE Program .....	17
The SBR Program.....	19
MBE Compliance of VLT Facilities .....	21
Utilization of Minority- and Women-owned Brokerage and Investment Management Firms.....	22
Future Outlook .....	23



LARRY HOGAN  
GOVERNOR

STATE OF MARYLAND  
OFFICE OF THE GOVERNOR

March 16, 2015  
GOMA FY2014 Annual Report

A Message from Governor Larry Hogan

Dear Friends:

I am truly humbled and deeply grateful for the opportunity to serve as the 62<sup>nd</sup> governor of the great state of Maryland. Now is the time for a new direction, guided by simple, common sense principles. Our administration will focus on jobs, struggling Maryland families, and restoring our economy.

Maryland's small businesses, especially minority- and women-owned firms, have a significant impact on our economy. I will ask all state agencies to work collaboratively through the Governor's Office of Minority Affairs to ensure our Minority Business Enterprise and Small Business Reserve programs remain a vital element of our success.

Please continue to support your local businesses and help ensure Maryland's position as a national leader in small and minority business inclusion. Together, we will make Maryland the best place in America to work, raise a family, and start a business.

Sincerely,

A handwritten signature in black ink that reads "Larry Hogan".

Larry Hogan  
Governor, State of Maryland



**BOYD K. RUTHERFORD**  
LT. GOVERNOR

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TTY USERS CALL VIA MD RELAY

March 16, 2015  
GOMA FY2014 Annual Report

A Message from Lt. Governor Boyd Rutherford

Dear Friends:

Thank you for this opportunity to return to State service as your Lt. Governor. Together, we can chart a new path and create a Maryland that is thriving, growing, and responsive to the needs of all its citizens.

We will leverage our State's many assets to transform Maryland into a place where businesses can flourish and create more jobs and opportunities for our citizens. Our efforts to promote small and minority-owned businesses will have a positive impact on the State as a whole – creating and retaining more jobs, developing entrepreneurship, and building up our communities.

It is important that we support Maryland's Minority Business Enterprise and Small Business Reserve programs and help them to grow. As a very proud Marylander, I know that our State's diversity is one of our greatest assets.

Sincerely,

A handwritten signature in blue ink that reads "Boyd K. Rutherford". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Boyd K Rutherford  
Lt. Governor, State of Maryland

## Message from Special Secretary Rhee



Dear Friends:

It is my pleasure to serve the State of Maryland as the Special Secretary of the Governor's Office of Minority Affairs (GOMA). In my professional journey I have been both an entrepreneur and a public servant. I understand the unique challenges facing small businesses who are trying to work in the public sector, so I feel well-prepared for this position.

GOMA is the primary advocate for small businesses, including those owned by women and minorities. As the new Special Secretary, I will be focused on enabling more firms to engage in the Minority Business Enterprise and Small Business Reserve programs. I believe we can do this by helping even the smallest of firms understand what must be done to compete in this arena while giving them the insight needed to navigate these procurement programs with confidence.

In my short time at GOMA, it is clear that we have a very passionate group of stakeholders – legislators and policy makers, professional groups and business owners. GOMA's staff members are equally as passionate. By working together, we can eliminate discrimination and ensure the success of Maryland's small business community.

Sincerely,

A handwritten signature in black ink, appearing to be 'JR' with a large loop at the end.

Jimmy Rhee  
Special Secretary



## FY2014 Annual Report

### Governor's Office of Minority Affairs

The Governor's Office of Minority Affairs (GOMA) administers and monitors the performance of small and disadvantaged business inclusion efforts at the State level. Part of the Executive Department, GOMA's Special Secretary serves as an advisor to the Governor on key issues affecting small, minority- and women-owned firms seeking to do business with the State of Maryland. We have direct oversight of the Minority Business Enterprise (MBE) Program and jointly administer the Small Business Reserve (SBR) Program in collaboration with the Department of General Services (DGS). We also monitor the inclusion of minority businesses in State investment and brokerage services as well as Video Lottery Terminal construction and ongoing facility operations. Our role has recently expanded to include implementing and monitoring minority business inclusion on public private partnerships such as the Purple Line Project and the offshore wind energy project, both currently underway.

GOMA is also responsible for developing and implementing policies and procedures aimed at increasing minority business participation in state-funded contracting through advocacy, compliance, legislation and policy. In support of this role, we conduct a statewide outreach program to engage stakeholders, build awareness of the State's small and minority business inclusion programs and connect businesses to resources that can help them compete as both prime contractors and subcontractors.

- **Advocacy** - GOMA promotes fairness and compliance in the MBE and SBR programs and serves as the state's primary advocate for small, minority- and women-owned businesses. Every state agency employs an MBE Liaison responsible for administering the MBE Program within that agency. Each MBE Liaison reviews their respective agency's contracting procedures to ensure compliance with MBE best practices and submits monthly and annual MBE utilization reports to GOMA. MBE Liaisons also coordinate agency outreach efforts to the minority business community and assist MBEs in resolving any issues that may arise while performing on a state-funded contract. In 2009, GOMA established a fraud hotline to give the business community a venue for reporting potential violations of the MBE Program. A call to the hotline (410-767-3582) may trigger an investigation.
- **Compliance** - GOMA's compliance unit works vigorously to provide statewide oversight and implementation of the MBE & SBR programs at the agency level. In this role, GOMA develops policy guidance to assist agencies in administering all aspects of the MBE Program, including goal-setting, contract compliance, reporting and dispute resolution. GOMA produces a number of reports documenting MBE and SBR utilization within state procurement as well as other efforts targeted toward the inclusion of small and disadvantaged businesses in state-funded or regulated activities. These reports are available at [www.goma.maryland.gov](http://www.goma.maryland.gov).

- **Legislation & Policy** - The legislation and policies governing our MBE Program are continuously evolving to ensure that the program remains fair, flexible and constitutional. GOMA's legislative staff members play a key role in the community and regularly engage stakeholders in issues impacting both the MBE and SBR programs. Visit the Legislation & Policy page of GOMA's website at [www.goma.maryland.gov](http://www.goma.maryland.gov) often to track changes to these programs.
- **Outreach** - GOMA staff members regularly participate as keynote speakers, subject-matter experts and exhibitors at conferences, workshops, seminars, resource fairs and trade shows across the state to help small business owners understand how to do business with the State of Maryland. GOMA's outreach program includes a robust website that connects visitors to program information, provides updates to legislative and policy issues impacting the MBE & SBR programs, promotes upcoming business events and offers a wide array of business resources. Agency forecasting reports can be found on the website as well to help small and disadvantaged businesses determine which agencies buy what they sell and with what frequency. We also reach business owners through Facebook, Twitter, YouTube, Google+ and Flickr.

## Key Policy Highlights

During Fiscal Year 2014, Maryland expanded opportunities for minority participation on State-funded contracts through a new regulation impacting MBEs performing as prime contractors and by expanding our existing forecasting reports.

The new MBE Prime Regulation went into effect in June of 2014, allowing MBE prime contractors to count the work they self-perform for up to 50% of the established MBE contract goal and up to 100% of any one contract subgoal. Prior to the regulation change, MBE prime contractors were prohibited from self-performing any portion of the MBE contract goal. Our stakeholder community had been asking for this change for several years and their support is largely responsible for making it a reality. We expect the MBE Prime Regulation will impact the statewide economy by giving minority-owned firms the flexibility needed to increase capacity and create jobs.

In addition, the forecasting reports published on GOMA's website have been expanded to include all procurements expected to exceed \$100,000. Previously, the reports only included recurring contracts expected to exceed \$100,000. The forecast reports serve two key purposes. First, they give small and minority-owned businesses time to better prepare for contracting opportunities. Second, they assist GOMA in evaluating historical MBE achievement by agency so we can address low capacity where possible.

## The MBE Program

Maryland's Minority Business Enterprise (MBE) Program was established in 1978 to remedy discrimination by increasing procurement opportunities for minority- and woman-owned firms within the State contracting marketplace. It is governed by State statutes as set forth in Section 14-301, et seq. of the State Finance and Procurement Article (2009 Repl. Vol., 2013 Supp) ("SFP") Md. Code Ann.

Maryland's program is nationally-recognized as one of the most progressive minority business inclusion programs in the country, requiring 70 State agencies and departments to structure their procurements toward achieving an aspirational statewide goal of 29% for FY2014. Oversight of the MBE Program rests with GOMA.

FY2014 represents the first year Maryland's aspirational MBE goal is at 29%. The goal was increased from 25% in response to legislation passed by the Maryland General Assembly in 2012 which authorized GOMA, in consultation with the Maryland Department of Transportation (MDOT) and the Office of the Attorney General (OAG), to set the overall aspirational goal every two years. GOMA proposed the increase in 2013 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. MBE goals are set on a contract-by-contract basis. GOMA works with agency buyers to ensure that all subcontracting opportunities are identified when the solicitation is being developed. Particular attention is given to those agencies awarding more than \$25 million annually.

While certification is not required for small, minority- and women-owned firms to do business with the State of Maryland, only the work of certified MBEs can be counted toward meeting MBE contract goals. The Office of Minority Business Enterprise (OMBE), a division of MDOT, is the State's official certification agency. OMBE manages initial certification, renewals, expansion of services requests and interstate certification. OMBE also maintains the online directory of certified firms which is available to the public and is utilized in both the public and private sectors. Learn more about certification by visiting the Minority/Disadvantaged Business Enterprise tab at [www.mdot.maryland.gov](http://www.mdot.maryland.gov).

### Key MBE Program Measurements

Maryland continues to make steady strides in its efforts to connect small, minority- and women-owned businesses to State contracting and procurement opportunities. Key accomplishments of the MBE Program over the past fiscal year include:

- 27.3% overall MBE participation
- \$2.1 billion in State procurement and contracts awarded to certified MBE firms
- \$2.1 billion paid to certified MBE firms
- Created and/or retained 33,077 jobs
- Stimulated \$3.4 billion in economic activity statewide
- 5,671 firms certified as MBEs (as of June 31, 2014)
- 635 new firms granted MBE certification

Key accomplishments over the past seven years include:

- Awards to certified MBE firms have increased by 89% from \$1.1 billion in FY2007 to \$2.1 billion in FY2014
- Payments to MBE firms have increased by 181% from \$752 million in FY2007 to \$2.1 billion in FY2014
- Jobs (direct and secondary) have increased 77% from 18,639 in FY2008 to 33,077 in FY2014
- Local and state tax revenue has increased 148% from \$42.1 million in FY2008 to \$104.5 million in FY2014
- Economic activity generated from the MBE Program has increased 88% from \$1.8 billion in FY2008 to \$3.4 billion in FY2014

## Analysis of MBE Awards

### Overall Goal

The aspirational goal of Maryland’s MBE Program was raised to 29% for fiscal year 2014 and remains among the highest overall statewide goals in the country. In FY2014, we achieved 27.3% participation, the highest level of participation in the program’s history, as illustrated in Exhibit 1.

**Exhibit 1: Overall MBE Participation - Fiscal Years 2007-2014**



### State Agency Procurement

The overall statewide MBE participation goal is achieved through the combined efforts of 70 procurement agencies and departments. Exhibit 2 provides statistical detail of the participation of each individual agency and department.

**Exhibit 2: Awards by State Procurement Agency/Department – FY2014**

State Procurement Agency/Department	Total All Awards	MBE Prime Awards	MBE Subcontract Awards	Total All MBE Awards	MBE Participation
Aging	\$1,766,270	\$460,795	\$0	\$460,795	26.09%
Agriculture	\$4,901,889	\$239,416	\$0	\$239,416	4.88%
Archives	\$847,190	\$240,981	\$0	\$240,981	28.44%
Assessment & Taxation	\$2,067,464	\$987,548	\$0	\$987,548	47.77%
Attorney General's Office	\$522,152	\$219,785	\$0	\$219,785	42.09%
Aviation	\$335,367,870	\$4,225,883	\$58,421,416	\$62,647,299	18.68%
Baltimore City Community College	\$9,225,873	\$584,765	\$0	\$584,765	6.34%
Bowie State University	\$12,901,493	\$2,884,354	\$760,885	\$3,645,239	28.25%
Budget & Management	\$8,135,935	\$116,216	\$541,085	\$657,301	8.08%
Business & Economic Development	\$11,169,058	\$1,160,515	\$1,407,495	\$2,568,010	22.99%
Canal Place Preservation	\$217,038	\$4,631	\$0	\$4,631	2.13%
Comptroller	\$19,498,722	\$1,081,243	\$2,673,376	\$3,754,619	19.26%
Coppin State University	\$10,588,023	\$1,992,766	\$703,076	\$2,695,842	25.46%
Deaf, School of	\$8,914,838	\$211,915	\$0	\$211,915	2.38%
Education	\$178,523,602	\$15,679,746	\$8,658,365	\$24,338,111	13.63%
Elections	\$22,164,792	\$6,069,840	\$5,847,302	\$11,917,142	53.77%
Environmental Services	\$74,519,660	\$5,281,990	\$7,890,084	\$13,172,074	17.68%

State Procurement Agency/Department	Total All Awards	MBE Prime Awards	MBE Subcontract Awards	Total All MBE Awards	MBE Participation
Executive Department	\$32,213,037	\$7,251,804	\$1,604,240	\$8,856,044	27.49%
Food Center Authority	\$1,803,682	\$168,074	\$193,155	\$361,229	20.03%
Frostburg State University	\$8,448,357	\$1,411,750	\$52,705	\$1,464,455	17.33%
General Services	\$198,608,930	\$22,826,221	\$31,096,273	\$53,922,494	27.15%
Health & Mental Hygiene	\$1,274,426,249	\$629,592,697	\$19,914,783	\$649,507,480	50.96%
Higher Education Commission	\$1,288,292	\$111,482	\$0	\$111,482	8.65%
Housing & Community Development	\$26,610,962	\$5,183,136	\$6,386,400	\$11,569,536	43.48%
Human Relations Commission	\$50,621	\$11,574	\$0	\$11,574	22.86%
Human Resources	\$358,602,734	\$42,049,258	\$21,983,825	\$64,033,083	17.86%
Information Technology	\$162,268,112	\$83,535,101	\$975,015	\$84,510,116	52.08%
Insurance Administration	\$2,054,625	\$68,598	\$29,959	\$98,557	4.80%
Juvenile Services	\$47,423,751	\$960,051	\$271,311	\$1,231,362	2.60%
Labor, Licensing & Regulation	\$25,823,720	\$5,887,688	\$818,915	\$6,706,603	25.97%
Lottery & Gaming Control	\$145,246,371	\$31,199,988	\$16,930,132	\$48,130,120	33.14%
Military	\$1,739,243	\$392,437	\$6,767	\$399,204	22.95%
Morgan State University	\$64,969,002	\$2,763,460	\$20,846,397	\$23,609,857	36.34%
Motor Vehicle	\$47,855,256	\$20,515,672	\$5,918,021	\$26,433,693	55.24%
Natural Resources	\$20,843,012	\$795,606	\$1,140,000	\$1,935,606	9.29%
Office of the Secretary (Transportation)	\$61,290,357	\$13,089,438	\$7,376,051	\$20,465,489	33.39%
People's Council	\$695,538	\$28,100	\$0	\$28,100	4.04%
Planning	\$2,184,157	\$100,747	\$0	\$100,747	4.61%
Police	\$25,728,424	\$6,491,751	\$281,607	\$6,773,358	26.33%
Port	\$48,668,343	\$3,884,032	\$5,916,272	\$9,800,304	20.14%
Prosecutor's Office	\$678	\$0	\$0	\$0	0.00%
Public Defender's Office	\$8,345,620	\$604,075	\$0	\$604,075	7.24%
Public Safety & Corrections	\$175,901,436	\$88,068,234	\$7,835,974	\$95,904,208	54.52%
Public School Construction	\$710,102,340	\$56,290,254	\$155,745,144	\$212,035,398	29.86%
Public Service Commission	\$4,697,065	\$522,420	\$125,098	\$647,518	13.79%
Public Television	\$2,472,015	\$14,497	\$167,345	\$181,842	7.36%
Public Works	\$22,056	\$4,445	\$0	\$4,445	20.15%
Retirement	\$6,600,854	\$1,417,543	\$1,688,819	\$3,106,362	47.06%
Saint Mary's College	\$50,512,651	\$227,770	\$491,397	\$719,167	1.42%
Salisbury University	\$18,211,350	\$837,320	\$2,024,598	\$2,861,918	15.72%
Stadium Authority	\$41,971,905	\$2,087,366	\$7,800,206	\$9,887,572	23.56%
State Highway Administration	\$1,280,708,085	\$86,391,227	\$167,876,220	\$254,267,447	19.85%
Supplemental Retirement	\$3,645,540	\$109,300	\$0	\$109,300	3.00%
Tax Court	\$24,538	\$450	\$0	\$450	1.83%
Towson University	\$64,854,129	\$2,925,141	\$3,636,779	\$6,561,920	10.12%
Transit	\$818,791,285	\$34,477,969	\$113,778,055	\$148,256,024	18.11%
Transportation Authority	\$476,252,311	\$8,679,801	\$120,459,489	\$129,139,290	27.12%
Treasurer's Office	\$1,596,317	\$13,616	\$72,900	\$86,516	5.42%
University of Baltimore	\$12,741,154	\$1,087,895	\$341,515	\$1,429,410	11.22%
University of Maryland, Baltimore	\$238,245,886	\$7,187,533	\$28,316,500	\$35,504,033	14.90%
University of Maryland, Baltimore County	\$74,700,242	\$2,023,707	\$9,745,963	\$11,769,670	15.76%
University of Maryland, College Park	\$404,573,958	\$15,061,826	\$42,693,790	\$57,755,616	14.28%
University of Maryland, Eastern Shore	\$11,205,353	\$1,508,356	\$52,806	\$1,561,162	13.93%
University of Maryland, University College	\$80,991,429	\$1,741,253	\$4,197,562	\$5,938,815	7.33%
Veteran Affairs	\$88,833,264	\$149,930	\$15,192,000	\$15,341,930	17.27%
Worker's Compensation	\$861,519	\$139,147	\$0	\$139,147	16.15%
<b>TOTAL</b>	<b>\$7,849,390,948</b>	<b>\$1,232,488,308</b>	<b>\$913,787,072</b>	<b>\$2,146,275,380</b>	<b>27.34%</b>

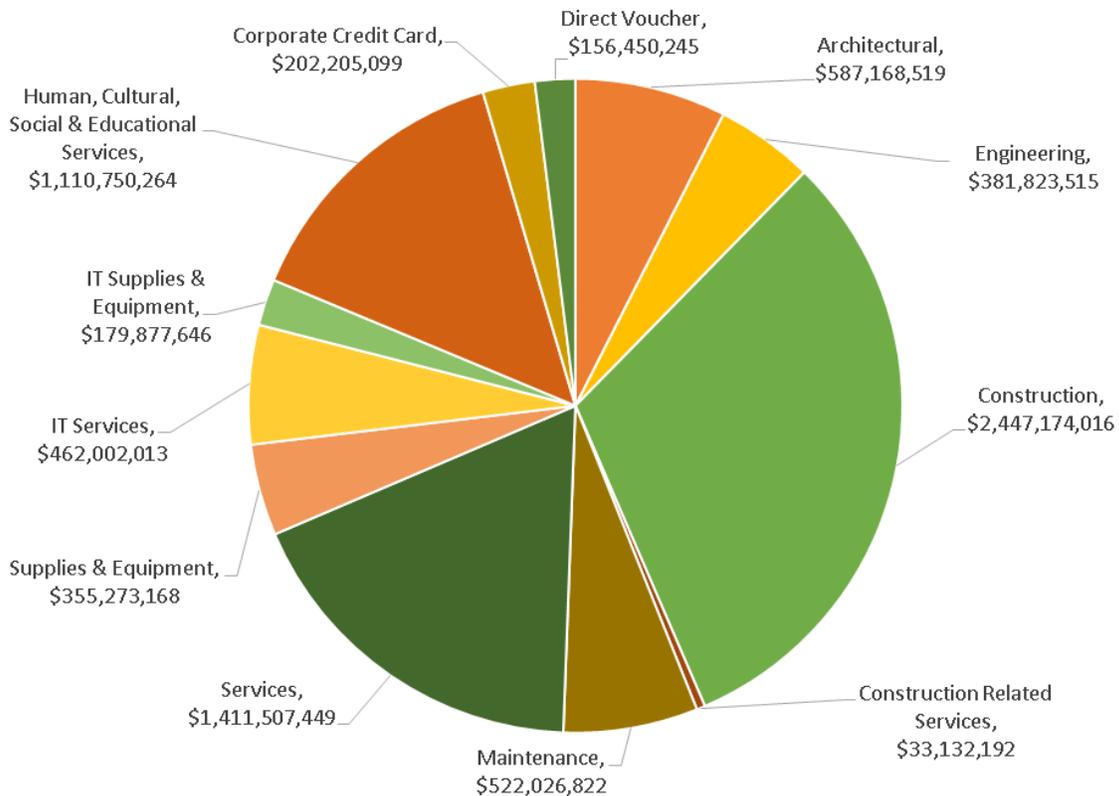
**Awards by Procurement Category**

MBE awards in Maryland are divided into 11 different business sectors, referred to as procurement categories. Total MBE awards across these procurement categories totaled \$2.1 billion in FY2014. Exhibits 3 through 5 illustrate FY2014 total awards and MBE awards (prime and subcontracting) in addition to the percentage of MBE participation by procurement category.

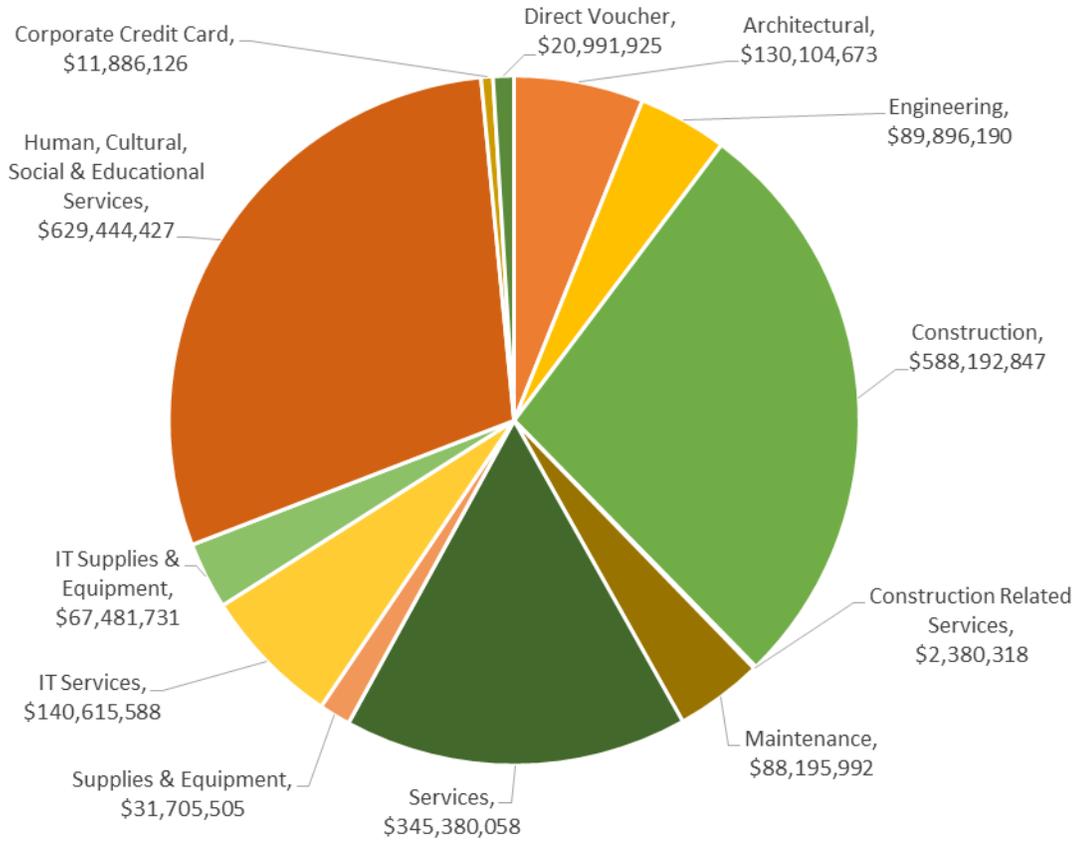
**Exhibit 3: Total Awards by Procurement Category – FY2014**

Procurement Category	Total All Awards	Total MBE Prime Awards	Total MBE Subcontract Awards	Total All MBE Awards (Prime & Sub)	MBE Participation
Architectural	\$587,168,519	\$3,120,578	\$126,984,095	\$130,104,673	22.16%
Engineering	\$381,823,515	\$8,004,954	\$81,891,236	\$89,896,190	23.54%
Construction	\$2,447,174,016	\$110,188,462	\$478,004,385	\$588,192,847	24.04%
Construction Related Services	\$33,132,192	\$1,060,834	\$1,319,484	\$2,380,318	7.18%
Maintenance	\$522,026,822	\$46,321,178	\$41,874,814	\$88,195,992	16.89%
Services	\$1,411,507,449	\$219,054,025	\$126,326,033	\$345,380,058	24.47%
Supplies & Equipment	\$355,273,168	\$22,211,111	\$9,494,394	\$31,705,505	8.92%
IT Services	\$462,002,013	\$98,794,679	\$41,820,909	\$140,615,588	30.44%
IT Supplies & Equipment	\$179,877,646	\$66,625,165	\$856,566	\$67,481,731	37.52%
Human, Cultural, Social & Educational Services	\$1,110,750,264	\$624,229,271	\$5,215,156	\$629,444,427	56.67%
Corporate Credit Card	\$202,205,099	\$11,886,126	\$0	\$11,886,126	5.88%
Direct Voucher	\$156,450,245	\$20,991,925	\$0	\$20,991,925	13.42%
<b>TOTAL</b>	<b>\$7,849,390,948</b>	<b>\$1,232,488,308</b>	<b>\$913,787,072</b>	<b>\$2,146,275,380</b>	<b>27.34%</b>

**Exhibit 4: FY2014 Total Prime Awards (Including MBE) by Procurement Category - \$7.8 B**



**Exhibit 5: FY2014 Total MBE Awards by Procurement Category - \$2.1 B**



### Awards by Classification

MBE classification connotes the category in which firms have been certified as socially and economically disadvantaged according to race, ethnicity, gender or disability. With the impending withdrawal of nonprofit organizations approaching in FY2016, classification data is being presented with subtotals for the minority and nonprofit designations. Exhibits 6 and 7 provide a breakdown of awards for FY2014 and Fiscal Years 2007-2014.

**Exhibit 6: MBE Awards by Classification – FY2014**

MBE Classification	Total Prime Award	Total Subcontract Awards	Total Prime and Subcontract Awards	% of Total MBE Procurement	% of Total All Procurement Awards
Total African American	\$160,286,112	\$270,348,583	\$430,634,695	20.06%	5.49%
<i>African American</i>	\$147,941,235	\$251,539,918	\$399,481,153	18.61%	5.09%
<i>African American Women</i>	\$12,344,877	\$18,808,665	\$31,153,542	1.45%	0.40%
Total Asian American	\$138,979,812	\$237,267,020	\$376,246,832	17.53%	4.79%
<i>Asian American</i>	\$113,518,820	\$217,317,166	\$330,835,986	15.41%	4.21%
<i>Asian American Woman</i>	\$25,460,992	\$19,949,854	\$45,410,846	2.12%	0.58%
Total Hispanic American	\$60,443,550	\$87,499,293	\$147,942,843	6.89%	1.88%
<i>Hispanic American</i>	\$55,903,480	\$81,839,147	\$137,742,627	6.42%	1.75%
<i>Hispanic American Woman</i>	\$4,540,070	\$5,660,146	\$10,200,216	0.48%	0.13%
Total Native American	\$388,257	\$14,147,229	\$14,535,486	0.68%	0.19%
<i>Native American</i>	\$346,905	\$13,528,584	\$13,875,489	0.65%	0.18%
<i>Native American Women</i>	\$41,352	\$618,645	\$659,997	0.03%	0.01%
Women	\$207,235,755	\$301,235,396	\$508,471,151	23.69%	6.48%
Disabled	\$124,342	\$893,674	\$1,018,016	0.05%	0.01%
Disadvantaged	\$379	\$0	\$379	0.00%	0.00%
<i>Subtotal Minorities, Women, Disabled and Disadvantaged Designations</i>	\$567,458,207	\$911,391,195	\$1,478,849,402	68.90%	18.84%
Nonprofit Organizations	\$177,336,587	\$1,706,697	\$179,043,284	8.34%	2.28%
Community Service Provider (formerly Sheltered Workshops)	\$487,693,514	\$689,180	\$488,382,694	22.75%	6.22%
<i>Subtotal Nonprofits and CSP Designations</i>	\$665,030,101	\$2,395,877	\$667,425,978	31.10%	8.50%
<b>Total MBE Procurement</b>	<b>\$1,232,488,308</b>	<b>\$913,787,072</b>	<b>\$2,146,275,380</b>	<b>100.00%</b>	<b>27.34%</b>
<b>Total All Procurement Awards</b>			<b>\$ 7,849,390,948</b>		

**Exhibit 7: MBE Awards by Classification – Fiscal Years 2007-2014**

MBE Classification	FY2007 MBE Awards	FY2008 MBE Awards	FY2009 MBE Awards	FY2010 MBE Awards	FY2011 MBE Awards	FY2012 MBE Awards	FY2013 MBE Awards	FY2014 MBE Awards
Total African American	\$206,206,524	\$266,333,768	\$371,145,118	\$291,083,335	\$335,054,979	\$384,046,372	\$303,797,854	\$430,634,695
African American	\$206,206,524	\$266,333,768	\$371,145,118	\$270,229,367	\$284,238,784	\$327,513,831	\$237,221,656	\$399,481,153
African American Women	--	--	--	\$20,853,968	\$50,816,195	\$56,532,541	\$66,576,198	\$31,153,542
Total Asian American	\$132,742,960	\$116,253,861	\$210,432,615	\$164,368,688	\$233,598,157	\$155,347,352	\$155,636,197	\$376,246,832
Asian American	\$132,742,960	\$116,253,861	\$210,432,615	\$158,944,589	\$212,593,430	\$137,106,827	\$134,183,647	\$330,835,986
Asian American Women	--	--	--	\$5,424,099	\$21,004,727	\$18,240,525	\$21,452,550	\$45,410,846
Total Hispanic American	\$62,657,536	\$96,115,893	\$139,880,199	\$138,975,923	\$142,831,867	\$142,862,987	\$146,230,418	\$147,942,843
Hispanic American	\$62,657,536	\$96,115,893	\$139,880,199	\$137,166,086	\$139,030,941	\$137,430,149	\$140,978,055	\$137,742,627
Hispanic American Women	--	--	--	\$1,809,836	\$3,800,927	\$5,432,838	\$5,252,363	\$10,200,216
Total Native American	\$19,055,663	\$39,906,457	\$5,556,966	\$7,069,842	\$18,075,578	\$15,693,690	\$13,552,697	\$14,535,486
Native American	\$19,055,663	\$39,906,457	\$5,556,966	\$6,111,691	\$11,972,101	\$12,673,494	\$8,801,200	\$13,875,489
Native American Women	--	--	--	\$958,151	\$6,103,477	\$3,020,197	\$4,751,497	\$659,997
Women	\$322,921,247	\$396,673,808	\$439,676,065	\$320,469,157	\$429,875,319	\$550,803,444	\$358,128,414	\$508,471,151
Disabled	\$6,432,211	\$1,491,710	\$35,975,201	\$1,585,061	\$1,574,197	\$604,470	\$65,009	\$1,018,016
Disadvantaged	--	--	--	\$49,894	\$2,756,735	\$5,932	\$1,087,798	\$379
<i>Subtotal Minorities, Women, Disabled and Disadvantaged Designations</i>	<i>\$750,016,141</i>	<i>\$916,775,496</i>	<i>\$1,202,666,164</i>	<i>\$923,601,900</i>	<i>\$1,163,766,832</i>	<i>\$1,249,364,246</i>	<i>\$978,498,387</i>	<i>\$1,478,849,402</i>
Nonprofit Organizations	\$192,007,334	\$268,549,985	\$237,308,842	\$292,644,486	\$291,069,381	\$280,762,948	\$264,874,599	\$179,043,284
Community Service Provider (formerly Sheltered Workshop)	\$190,238,758	\$123,480,078	\$212,212,983	\$172,229,495	\$187,203,224	\$398,852,691	\$431,855,638	\$485,382,694
<i>Subtotal Nonprofit and CSP Designations</i>	<i>\$382,246,092</i>	<i>\$392,030,063</i>	<i>\$449,521,825</i>	<i>\$464,873,981</i>	<i>\$478,272,605</i>	<i>\$679,615,639</i>	<i>\$696,730,237</i>	<i>\$664,425,978</i>
<b>Total MBE Procurement</b>	<b>\$1,132,262,233</b>	<b>\$1,308,805,560</b>	<b>\$1,652,187,990</b>	<b>\$1,388,475,881</b>	<b>\$1,642,039,438</b>	<b>\$1,928,979,885</b>	<b>\$1,675,228,624</b>	<b>\$2,143,275,380</b>
<b>Total State Procurement</b>	<b>\$5,673,549,266</b>	<b>\$6,454,144,304</b>	<b>\$7,450,004,264</b>	<b>\$5,995,774,983</b>	<b>\$6,901,737,469</b>	<b>\$7,656,627,573</b>	<b>\$6,871,193,114</b>	<b>\$7,849,390,948</b>
<b>% MBE Participation</b>	<b>20.0%</b>	<b>20.3%</b>	<b>22.2%</b>	<b>23.2%</b>	<b>23.8%</b>	<b>25.2%</b>	<b>24.4%</b>	<b>27.3%</b>

**Performance Relative to Prime Contracting**

GOMA monitors the level of prime contracting awards for MBEs. Prime contracting opportunities are highly desired by most MBEs and are viewed by the State as a direct pathway for small, minority- and women-owned businesses to increase capacity and grow. This data is also presented with subtotals for the minority and nonprofit designations.

**Exhibit 8: MBE Prime Contracting Awards – FY2007-FY2014**

MBE Classification	FY2007 MBE Prime Contract Awards	FY2008 MBE Prime Contract Awards	FY2009 MBE Prime Contract Awards	FY2010 MBE Prime Contract Awards	FY2011 MBE Prime Contract Awards	FY2012 MBE Prime Contract Awards	FY2013 MBE Prime Contract Awards	FY2014 MBE Prime Contract Awards
Total African American	\$41,826,100	\$47,175,344	\$31,399,942	\$50,607,567	\$90,669,008	\$50,643,051	\$37,481,988	\$160,286,112
African American	\$41,826,100	\$47,175,344	\$31,399,942	\$45,677,986	\$72,670,257	\$40,363,010	\$25,160,392	\$147,941,235
African American Woman	\$0	\$0	\$0	\$4,929,582	\$17,998,751	\$10,280,041	\$12,321,596	\$12,344,877
Total Asian American	\$54,708,824	\$36,508,698	\$70,933,305	\$69,581,575	\$88,672,292	\$57,395,969	\$71,199,217	\$138,979,812
Asian American	\$54,708,824	\$36,508,698	\$70,933,305	\$68,901,598	\$79,135,429	\$44,763,171	\$61,578,130	\$113,518,820
Asian Woman	\$0	\$0	\$0	\$679,977	\$9,536,863	\$12,632,798	\$9,621,087	\$25,460,992
Total Hispanic American	\$27,501,184	\$23,771,344	\$37,398,232	\$62,778,224	\$47,806,176	\$47,158,358	\$44,879,748	\$60,443,550
Hispanic American	\$27,501,184	\$23,771,344	\$37,398,232	\$62,256,327	\$47,426,658	\$46,648,516	\$44,316,270	\$55,903,480
Hispanic Woman	\$0	\$0	\$0	\$521,896	\$379,518	\$509,842	\$563,478	\$4,540,070
Total Native American	\$446,810	\$244,069	\$117,183	\$223,415	\$628,930	\$940,366	\$1,270,127	\$388,257
Native American	\$446,810	\$244,069	\$117,183	\$219,078	\$421,751	\$155,238	\$576,040	\$346,905
Native American Woman	\$0	\$0	\$0	\$4,337	\$207,179	\$785,128	\$694,087	\$41,352
Women	\$99,563,933	\$135,815,625	\$155,222,378	\$112,900,438	\$164,126,239	\$239,819,054	\$171,776,095	\$207,235,755
Disabled	\$5,567,877	\$755,050	\$309,522	\$464,418	\$613,185	\$138,200	\$49,880	\$124,342
Disadvantaged	--	--	--	\$49,894	\$8,484	\$133	\$48,380	\$379
<i>Subtotal Minorities, Women, Disabled and Disadvantaged Designations</i>	<i>\$229,614,727</i>	<i>\$244,270,130</i>	<i>\$295,380,562</i>	<i>\$296,605,531</i>	<i>\$392,524,314</i>	<i>\$396,095,131</i>	<i>\$326,705,435</i>	<i>\$567,458,207</i>
Nonprofit Organizations	\$189,306,494	\$390,350,051	\$235,354,889	\$290,750,022	\$287,333,348	\$279,297,668	\$264,756,073	\$177,336,587
Community Service Provider (formerly Sheltered Workshops)	\$190,238,758	\$777,490	\$212,212,983	\$172,229,495	\$187,201,283	\$398,848,157	\$431,366,772	\$487,693,514
<i>Subtotal Nonprofit and CSP Designations</i>	<i>\$379,545,251</i>	<i>\$391,127,541</i>	<i>\$447,567,872</i>	<i>\$462,979,517</i>	<i>\$474,534,630</i>	<i>\$678,145,825</i>	<i>\$696,122,845</i>	<i>\$665,030,101</i>
<b>TOTAL</b>	<b>\$609,159,978</b>	<b>\$635,397,671</b>	<b>\$742,948,434</b>	<b>\$759,585,048</b>	<b>\$867,058,944</b>	<b>\$1,074,240,956</b>	<b>\$1,022,828,280</b>	<b>\$1,232,488,308</b>

**Performance Relative to Subgoals**

All minority participation goals are set on a contract-by-contract basis and examined for opportunities to establish subgoals in an effort to maximize minority inclusion. Initially, subgoals applied exclusively to Women and African Americans, but were expanded in 2011 to include Asian Americans and Hispanic Americans within the major industry categories noted in Exhibit 9.

**Exhibit 9: MBE Subgoal Performance – FY2014**

Procurement Category		Total Women	Women Subgoal	Total African American	African American Subgoal	Total Asian American	Asian American Subgoal	Total Hispanic American	Hispanic American Subgoal
Construction	Dollars	\$225,391,193		\$183,837,515		\$112,251,586		\$77,918,231	
	Percent	9.21%		7.51%	7.00%	4.59%	4.00%	3.18%	
Architectural / Engineering & Construction Related Services	Dollars	\$72,363,507		\$37,901,943		\$103,747,068		\$11,409,311	
	Percent	7.22%	9.00%	3.78%	6.00%	10.35%		1.14%	2.00%
Maintenance	Dollars	\$44,993,670		\$22,903,475		\$10,754,701		\$11,726,321	
	Percent	8.62%		4.39%	8.00%	2.06%	3.00%	2.25%	3.00%
IT Services & IT Supplies	Dollars	\$45,583,220		\$56,083,853		\$96,499,967		\$25,219,684	
	Percent	7.10%	8.00%	8.74%	7.00%	15.03%		3.93%	2.00%
Services & Human, Cultural, Social & Educational Services	Dollars	\$173,827,263		\$116,977,138		\$41,525,915		\$9,105,774	
	Percent	6.89%	12.00%	4.64%	7.00%	1.65%	4.00%	0.36%	
Supplies and Equipment	Dollars	\$20,485,493		\$5,537,490		\$7,579,975		\$4,870,783	
	Percent	5.77%	10.00%	1.56%	6.00%	2.13%	5.00%	1.37%	

**Waiver Activity**

Waivers are an important part of any constitutional MBE Program. The full or partial MBE goal on an individual contract may be waived when a bidder or offer can demonstrate in writing that it is unable to obtain the specified minority subcontracting participation goal. Waiver requests are highly scrutinized to ensure that they are only granted upon a documented good faith effort to meet the specified MBE contract goal. In FY2014, 33 waivers were granted.

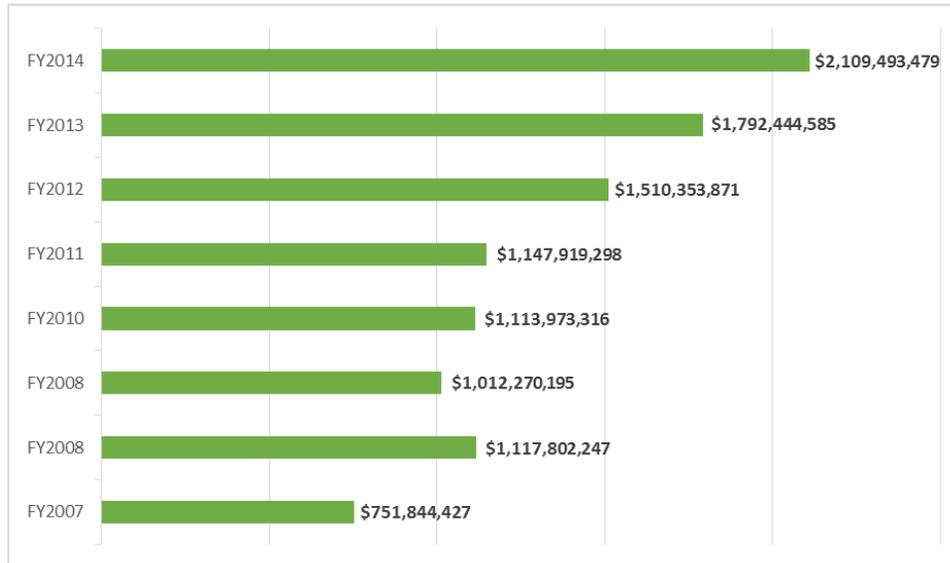
**Exhibit 10: Waiver Activity – FY2007-FY2014**

	MBE Waiver Requests	MBE Waivers Granted
FY2007	422	282
FY2008	341	265
FY2009	276	246
FY2010	148	119
FY2011	67	28
FY2012	63	48
FY2013	45	29
FY2014	42	33

## Analysis of MBE Payments

Because contract lengths vary and can cross multiple years, GOMA monitors payments made to MBEs during the fiscal year as an important metric beyond contract awards. Payment activity is also a critical factor in measuring the economic impact of the MBE Program. In FY2014, payments to MBEs reached the highest level in program history at \$2.1 billion as shown in Exhibit 11. This represents a 19% increase over the previous fiscal year and 138% increase since FY2007. Exhibit 12 identifies payments by MBE classification for both MBE primes as well as MBE subcontractors and Exhibit 13 identifies payments to MBEs by agencies and departments for FY2014.

**Exhibit 11: Total MBE Payments – Fiscal Years 2007–2014**



**Exhibit 12: MBE Payments by Classification – FY2014**

	MBE Prime Payments	MBE Subcontractor Payments	Total MBE Payments	MBE Participation
Total African-American	75,920,969	360,793,042	436,714,012	20.7%
<i>African-American</i>	61,194,317	332,686,102	393,880,419	18.7%
<i>African-American Women</i>	14,726,652	28,106,941	42,833,593	2.0%
Total Asian-American	100,268,482	179,787,533	280,056,015	13.3%
<i>Asian-American</i>	81,494,694	165,468,783	246,963,477	11.7%
<i>Asian-American Women</i>	18,773,788	14,318,749	33,092,537	1.6%
Total Hispanic-American	60,645,506	98,753,595	159,399,101	7.6%
<i>Hispanic-American</i>	56,667,100	96,405,353	153,072,453	7.3%
<i>Hispanic-American Women</i>	3,978,406	2,348,242	6,326,648	0.3%
Total Native American	394,043	16,140,447	16,534,491	0.8%
<i>Native American</i>	354,857	15,228,640	15,583,497	0.7%
<i>Native American Women</i>	39,187	911,807	950,994	0.0%
Women	175,832,303	371,810,628	547,642,931	26.0%
Disabled	238,988	61,781	300,770	0.0%
Nonprofit Organizations	105,499,399	1,101,588	106,600,987	5.1%
Community Service Provider (formerly Sheltered Workshops)	561,871,474	373,699	562,245,173	26.7%
<b>TOTAL</b>	<b>1,080,671,165</b>	<b>1,028,822,314</b>	<b>2,109,493,479</b>	<b>100.0%</b>

**Exhibit 13: MBE Payments by Agency/Department – FY2014**

<b>Agency/Department</b>	<b>MBE Prime Payments</b>	<b>MBE Subcontractor Payments</b>	<b>Total MBE Payments</b>
Baltimore City Community College		\$3,817	\$3,817
Board of Public Works	\$4,445		\$4,445
Bowie State University	\$1,445,238	\$2,019,046	\$3,464,284
Commission on Human Relations	\$35,216		\$35,216
Comptroller of Maryland	\$4,250,453	\$1,444,988	\$5,695,441
Coppin State University	\$1,596,492	\$609,198	\$2,205,690
Department of Aging	\$16,197,824	\$6,476,058	\$22,673,881
Department of Agriculture	\$239,117		\$239,117
Department of Budget and Management	\$1,110,389	\$7,138,750	\$8,249,139
Department of Business & Economic Development	\$707,921	\$313,361	\$1,021,282
Department of General Services	\$5,426,488	\$5,480,363	\$10,906,851
Department of Health & Mental Hygiene	\$603,613,094	\$13,088,497	\$616,701,591
Department of Housing and Community Development	\$4,356,558	\$2,737,434	\$7,093,991
Department of Human Resources	\$65,536,673	\$33,750,988	\$99,287,661
Department of Information Technology	\$8,930,624	\$11,890,606	\$20,821,230
Department of Juvenile Services	\$6,766,327	\$2,225,602	\$8,991,929
Department of Labor, Licensing & Regulation	\$4,382,742	\$3,053,623	\$7,436,365
Department of Planning	\$71,212		\$71,212
Department of Natural Resources		\$246,996	\$246,996
Department of Public Safety and Correctional Services	\$104,837,358	\$30,050,851	\$134,888,209
Department of State Police	\$3,881,675	\$610,569	\$4,492,244
Department of Veteran Affairs	\$153,715	\$6,801,877	\$6,955,592
Executive Department - Governor's Office	\$1,416,606	\$1,272,415	\$2,689,021
Frostburg State University	\$1,411,750	\$697,914	\$2,109,665
Public School Construction	\$36,006,375	\$129,619,878	\$165,626,253
Lottery & Gaming Control Agency	\$5,981,691	\$14,897,335	\$20,879,026
Maryland Aviation Administration	\$14,894,063	\$19,820,221	\$34,714,283
Maryland Environmental Services	\$10,081,906	\$2,029,171	\$12,111,077
Maryland Food Center Authority	\$324,834	\$100,418	\$425,252
Maryland Higher Education Commission	\$53,018		\$53,018
Maryland Port Administration	\$947,245	\$10,041,831	\$10,989,076
Maryland Public Broadcasting Commission	\$107,880	\$163,686	\$271,566
Maryland Stadium Authority	\$6,612,630	\$2,616,456	\$9,229,085
Maryland State Retirement and Pension	\$941,273	\$491,544	\$1,432,817
Maryland Transit Administration	\$28,653,152	\$32,723,807	\$61,376,959
Maryland Transportation Authority	\$5,666,597	\$458,841,882	\$464,508,479
Military Department	\$234,370		\$234,370
Morgan State University	\$1,744,563	\$7,241,102	\$8,985,665
Motor Vehicle Administration	\$11,967,881	\$9,732,890	\$21,700,772
Office of the Attorney General	\$237,898	\$3,224	\$241,122
Office of the Public Defender	\$488,750		\$488,750
Office of the State Prosecutor	\$750		\$750
Public Service Commission	\$524,171	\$459,979	\$984,150
Salisbury State University		\$1,371,778	\$1,371,778
St. Mary's College	\$283,319	\$366,926	\$650,245
State Archives	\$559,181		\$559,181
State Board of Elections	\$1,342,239	\$362,444	\$1,704,683
State Department of Assessments and Taxation	\$683,221		\$683,221
State Department of Education	\$16,197,824	\$6,476,058	\$22,673,881
State Highway Administration	\$69,875,366	\$106,857,107	\$176,732,473
The Secretary's Office (Transportation)	\$3,451,503	\$8,292,552	\$11,744,055
University of Maryland, Baltimore	\$8,264,835	\$27,075,341	\$35,340,176
University of Maryland, Baltimore City	\$1,015,832	\$6,037,208	\$7,053,040
University of Maryland, College Park	\$14,189,191	\$47,537,140	\$61,726,331
University of Maryland, Eastern Shore	\$1,180,027	\$52,806	\$1,232,833
University of Maryland, University College	\$1,702,674	\$5,662,297	\$7,364,971
Worker's Compensation Commission	\$84,993	\$34,282	\$119,274
<b>TOTAL</b>	<b>\$1,080,671,165</b>	<b>\$1,028,822,314</b>	<b>\$2,109,493,478</b>

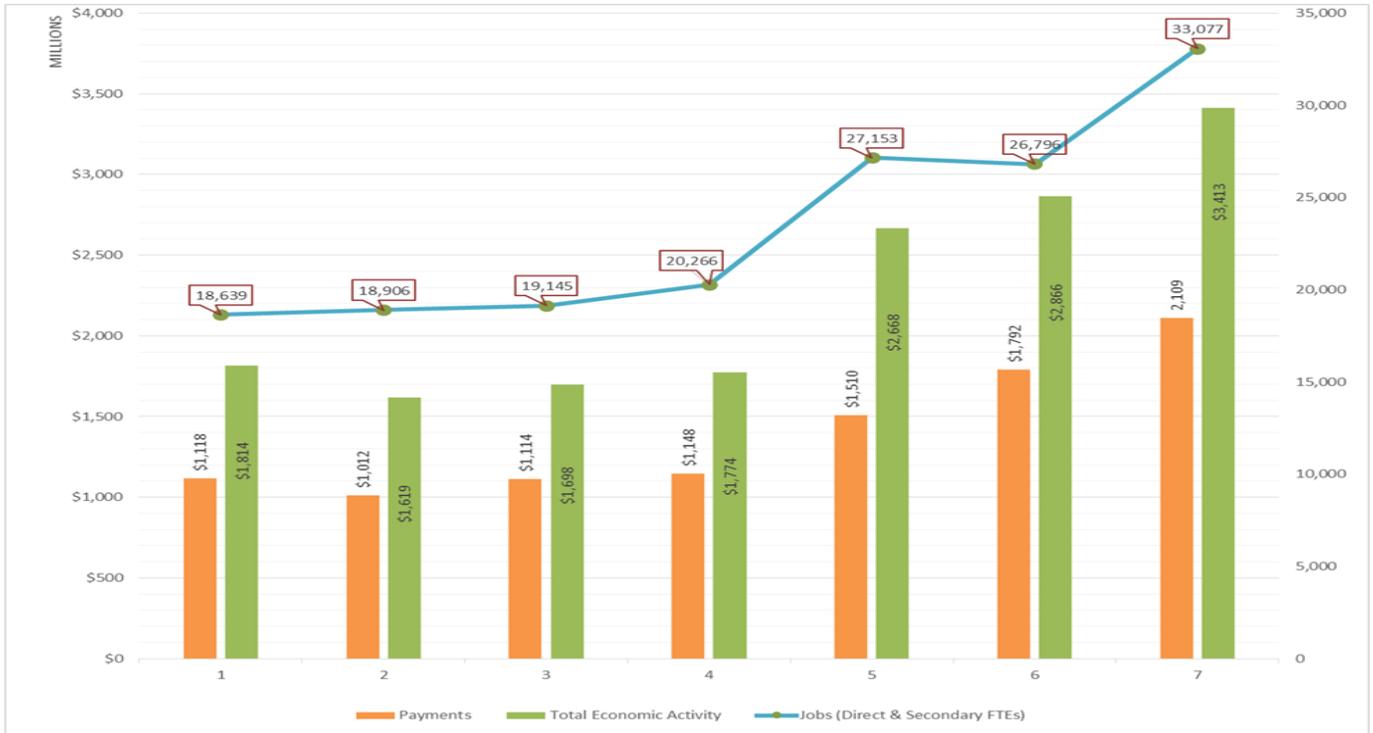
## Economic Impact of the MBE Program

The MBE Program supports the State’s overarching goal of creating jobs, expanding opportunity and strengthening Maryland’s middle class. In FY2014, MBEs received \$2.1 billion in procurement payments which helped create or save 33,077 jobs and resulted in \$1.4 billion in wages and salaries as well as \$104.5 million in tax revenues for the State. The MBE Program generated a direct economic impact of \$1.62 for every dollar of State procurement funds as noted in Exhibit 14. Key elements of the historical economic impact of the program from FY2007 through FY2014 are illustrated in Exhibit 15. The detailed economic impact report is available online at [www.goma.maryland.gov](http://www.goma.maryland.gov) in the Reports section.

<b>Exhibit 14: FY2014 Economic Impact of MBE Procurements in Maryland</b>			
	Direct	Secondary	Total
<b>Expenditures (\$millions)</b>	\$1,911.1	\$1,502.3	\$3,413.4
<b>Per \$1 of MBE Procurements</b>	\$0.91	\$0.71	\$1.62
<b>Employee Wages &amp; Salaries (\$millions)</b>	\$917.3	\$510.7	\$1,427.9
<b>Average Annual Wage</b>	\$41,453	\$46,642	\$43,170
<b>Employment (FTEs)</b>	22,128	10,949	33,077
<b>Per \$1 million of MBE Procurements</b>	10.5	5.2	15.7
<b>State Tax Receipts (\$millions)</b>	\$49.7	\$27.0	\$76.7
<b>Sales and Use Tax</b>	\$22.4	\$11.2	\$33.6
<b>Personal Income Tax</b>	\$27.3	\$15.8	\$43.1
<b>Local Income Surtax (\$millions)</b>	\$17.7	\$10.1	\$27.8
<b>State and Local Tax Receipts (\$millions)</b>	\$67.4	\$37.1	\$104.5
<b>Per \$1 million of MBE Procurements</b>	\$31,933	\$17,607	\$49,540

Source: Governor’s Office of Minority Affairs, DBED Office of Research and Information Services, IMPLAN 201

Exhibit 15: Economic Impact of the MBE Program in Maryland – FY2007-FY2014



## The SBR Program

Maryland's Small Business Reserve (SBR) Program is an innovative approach to creating access to State contracting opportunities and is consistent with the State's principal goal to support the health and viability of Maryland's small business community. Created in 2004, the SBR is a race- and gender-neutral companion to the MBE Program and allows small businesses to participate as prime contractors on State contracts without competing against larger businesses.

The SBR Program applies to 23 designated State agencies. Under the State Procurement Law, SFP §§14-501 - 14-505, these agencies are required to spend at least 10% of their total fiscal year procurement expenditures with qualified small businesses. In order to participate in the SBR Program, small businesses that meet SBR size standards as defined under the law must self-register through the Department of General Services (DGS). Annual registration renewal is also required.

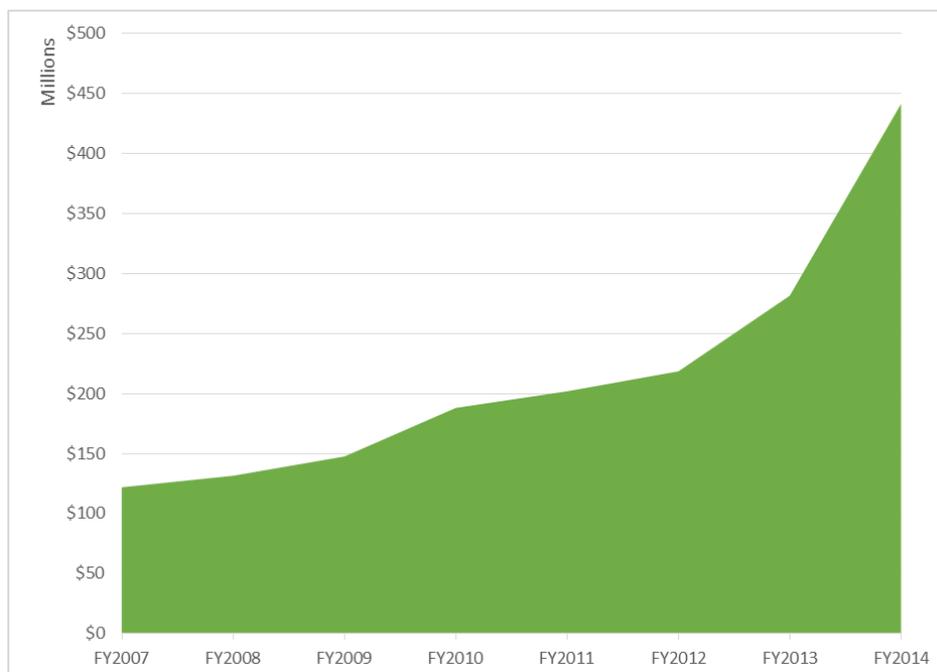
The SBR Program is administered jointly by GOMA and DGS. DGS manages the registration and certification process, maintains the directory of SBR vendors and conducts audits to ensure that only qualified small businesses are on the vendor list. GOMA is responsible for collecting data to ensure compliance with the goal, providing training and technical assistance to agency personnel, conducting quarterly liaison meetings and serving as an advocate for small businesses. Both agencies promote the program throughout the business community. Reports documents our progress with the SBR Program are available online in the Reports section of our website at [www.goma.maryland.gov](http://www.goma.maryland.gov).

FY2014 marks the first time the SBR Program met its participation goal of 10%, achieving 11.8% participation. Exhibits 16 and 17 illustrate historical and current SBR utilization.

### Key SBR Program Measurements:

- \$441.6 million in payments to SBR vendors in FY2014; a 56% increase from the previous fiscal year
- 11.8% overall participation in FY2014; a 31% increase from the previous fiscal year
- 6,183 registered vendors in FY2014; a 43% increase from the previous year
- 262% increase in payments from FY2007 to FY2014.

**Exhibit 16: SBR Awards – FY2007-FY2014**



**Exhibit 17: Procurements by SBR Agency/Department – FY2014**

	<b>State Procurement Agency/Department</b>	<b>SBR Payments</b>	<b>Total Payments</b>	<b>SBR Participation</b>
1	Business & Economic Development	\$2,329,642	\$4,614,563	50.48%
2	Education	\$25,495,874	\$102,476,066	24.88%
3	Environment	\$2,065,456	\$12,692,687	16.27%
4	General Services	\$24,753,321	\$63,772,338	38.82%
5	Health & Mental Hygiene	\$19,579,384	\$235,289,601	8.32%
6	Housing & Community Development	\$4,338,128	\$19,843,091	21.86%
7	Human Resources	\$16,821,704	\$123,237,343	13.65%
8	Information Technology	\$11,438,808	\$72,546,992	15.77%
9	Insurance Administration	\$249,811	\$2,059,753	12.13%
10	Juvenile Services	\$6,496,932	\$100,620,314	6.46%
11	Labor, Licensing & Regulation	\$5,143,447	\$23,596,484	21.80%
12	Lottery and Gaming Control Agency	\$5,799,722	\$122,040,505	4.75%
13	Morgan State University	\$2,871,678	\$44,488,506	6.45%
14	Natural Resources	\$3,407,047	\$22,079,306	15.43%
15	Public Safety & Correctional Services	\$16,172,960	\$237,613,359	6.81%
16	Retirement	\$412,431	\$2,956,086	13.95%
17	Stadium Authority	\$4,129,347	\$13,820,538	29.88%
18	State Police	\$5,179,661	\$27,027,349	19.16%
19	Transportation <i>(Includes The Secretary's Office, Maryland Aviation Administration, Maryland Transit Administration, Motor Vehicle Administration and State Highway Administration)</i>	\$152,020,313	\$1,654,228,154	9.19%
20	Maryland Port Commission			
21	Maryland Transportation Authority			
22	Treasurer's Office	\$105,492	\$3,421,861	3.08%
23	University System of Maryland	\$132,781,443	\$847,540,324	15.67%
	<i>Bowie State University</i>	\$2,971,251	\$13,411,760	22.15%
	<i>Coppin State University</i>	\$1,615,498	\$10,598,169	15.24%
	<i>Frostburg State University</i>	\$2,896,200	\$13,391,831	21.63%
	<i>Salisbury State University</i>	\$3,432,431	\$16,013,046	21.44%
	<i>Towson University</i>	\$12,054,264	\$61,518,465	19.59%
	<i>University of Baltimore</i>	\$1,757,517	\$12,975,250	13.55%
	<i>University of MD, Baltimore</i>	\$13,388,496	\$224,260,593	5.97%
	<i>University of MD, Baltimore County</i>	\$7,130,890	\$39,550,706	18.03%
	<i>University of MD, College Park</i>	\$47,969,704	\$349,021,035	13.74%
	<i>University of MD, Eastern Shore</i>	\$1,471,709	\$14,417,979	10.21%
	<i>University of MD, University College</i>	\$38,093,483	\$92,381,490	41.23%
	<b>TOTAL</b>	<b>\$441,592,601</b>	<b>\$3,735,965,220</b>	<b>11.82%</b>

\*The totals for the Maryland Department of Transportation include the Department of Transportation, the Maryland Port Commission and the Maryland Transportation Authority even though the law designates them as separate SBR units.

## **MBE Compliance of VLT Facilities**

Pursuant to the Video Lottery Terminal (VLT) Law passed during the 2008 Legislative Session (Section 9-1A-10, Md. Code Ann.), GOMA is responsible for monitoring contract awards and payments made to MBEs by VLT licensees, specifically as it relates to construction of the physical VLT facility as well as other activity related to development, design, management and operation. To date, this includes the following licensees:

- Hollywood Casino – Penn National Gaming (PNG)
- The Casino at Ocean Downs – Ocean Enterprises 589, LLC (OE589)
- Maryland Live Casino – Power Plant Entertainment (PPE)
- Rocky Gap Casino - Lakes Entertainment –Evitts Resort, LLC (Lakes)
- Horseshoe Baltimore Casino - CBAC Gaming LLC (CBAC)

MGM has been awarded the license for a facility to be located at National Harbor in Prince George’s County. That facility is expected to open in 2016.

In collaboration with the Maryland Lottery and Gaming Control Agency, GOMA has been refining the data collection process and protocols needed to produce reliable and consistent reports on minority business utilization with regard to all phases of building and operating VLT facilities. Upon completion of this re-assessment, GOMA will report on data collected during FY2013.

VLT Facilities MBE Compliance Reports are available online in the Reports section of our website at [www.goma.maryland.gov](http://www.goma.maryland.gov).

## **Utilization of Minority- and Women-owned Brokerage and Investment Management Firms**

In 2008, the Maryland General Assembly passed legislation (2008 Laws of Maryland, Ch. Nos. 600 and 601) aimed at fostering an inclusive atmosphere in the State's investment management and brokerage procurements within the following four agencies:

- Injured Workers' Insurance Fund
- Maryland Automobile Insurance Fund
- Maryland State Retirement and Pension System
- Maryland State Treasurer

This legislation was expanded in 2012 (2012 Laws of Maryland, Ch. Nos. 488 and 489) to include the following agencies beginning in FY2013:

- Department of Business and Economic Development
- Department of Housing and Community Development
- Maryland Higher Education Commission
- Maryland Teachers' and State Employees Supplemental Retirement Plans

GOMA serves in an advisory role to these agencies, providing technical assistance to promote the increased utilization of minority- and women-owned brokerage and investment management firms consistent with MBE purchasing standards, the agencies' respective fiduciary responsibilities and governing law.

Reports documenting our progress in the utilization of minority- and women-owned brokerage and investment management firms is available online in the Reports section of our website at [www.goma.maryland.gov](http://www.goma.maryland.gov).

## Future Outlook

The MBE Program has been evolving since its inception. As the business environment changes and technology expands, GOMA is continuously evaluating the Program's effectiveness and seeking ways to encourage greater participation. In FY2015 and FY2016, GOMA will focus on the following:

- **Streamline the MBE Program to focus on the needs of for-profit businesses.** GOMA will work with all agencies to enact legislation passed in 2013 which removes nonprofit organizations from the MBE Program in 2015, shifting them to the State's preferred provider program. As we prepare for the transition, GOMA is working directly with the agencies most impacted by the legislation to identify prime contracting and/or subcontracting opportunities suited to the MBE community.
- **Developing procurement training programs.** GOMA will create training programs designed to help firms navigate the procurement process with confidence. The programs will be produced according to procurement category and offered across various platforms.
- **Heightening state agency MBE accountability; building upon improved MBE reporting.** GOMA will continue to hold agencies accountable on all areas of MBE compliance and best practices while seeking to improve access points and internal processes for gathering and reporting data.
- **Increasing utilization of the Small Business Reserve (SBR) Program.** GOMA will provide increased monitoring of the 23 State agencies currently under the SBR Program while working collaboratively to identify more opportunities for SBR designated procurements. GOMA will also work with DGS, legislators and stakeholders to establish policies that promote the continued growth of the SBR Program.
- **Expanding GOMA's outreach program.** GOMA will utilize technology and social media platforms to bring educational programs to small, minority- and women-owned businesses across the state while continuing to provide subject-matter expertise as hosts and participants in workshops, seminars and conferences.
- **Increasing capacity of MBEs to perform as prime contractors.** GOMA will work with agency personnel and certified MBEs to implement the new MBE Prime Regulation policy guidelines regarding counting a portion of the work performed by MBE primes toward the minority participation contract goals and subgoals.
- **Monitoring Subgoal performance.** GOMA will continue working with agency personnel to set subgoals when appropriate and will monitor subgoal performance. In addition, GOMA will seek stakeholder input on the existing subgoal policy in preparation for re-evaluating current subgoals and establishing new subgoals in FY2015.
- **Maryland Offshore Wind Business Development Fund and Advisory Committee.** GOMA will play a key leadership role in establishing policies and procedures relating to disbursement of funding to small, minority- and women-owned firms seeking business opportunities in the wind energy markets, particularly within Maryland.





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