



April 3, 2014

The Honorable President and Members  
of the City Council of Baltimore  
c/o Karen Randle, Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, Maryland 21202

RE: City Council Bill 14-0345  
Minority and Women's Business Program –  
Reauthorization

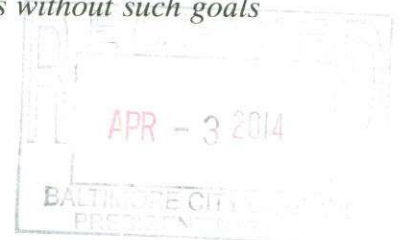
Dear President and City Council Members:

The Minority of Women's Business Opportunity (MWBOO) has been asked to comment on City Council Bill 14-0345, an ordinance to reauthorize and continue Article 5, Subtitle 28—the Minority and Women's Business Program. This legislation comes as a result of a 2014 Disparity Study, which concluded that the purposes identified in the subtitle have not been achieved. The results of the study provide the evidentiary record necessary to reauthorize the Minority and Women's Business Program.

The Study presented a variety of economic and statistical evidence that are consistent and indicative of the presence of business discrimination against minorities and women in the Baltimore marketplace. The Study found large and statistically significant evidence that among minority and female entrepreneurs commercial loan rates are higher, the cost of credit is higher, business formation rates are lower, and business owner earnings are lower.

The Study also investigated anecdotal evidence of disparities in Baltimore's marketplace through focus groups and a large-scale mail survey of both M/WBE and non-M/WBE business owners. The focus groups confirmed the results of the statistical evidence and mail surveys. That is minorities and women encounter significant barriers to the success of their firms in seeking City and private sector work, and these barriers are often the result of discrimination.

The response from M/WBE firms to one survey question deserves a brief comment: *"How often do prime contractors who use your firm as a subcontractor on public-sector projects with requirements for minority, [and] women also hire your firm on projects without such goals or requirements?"*



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The survey found that 77 percent of African American owned firms, 65 percent of Asian American owned firms, and 55 percent of nonminority female-owned firms responded that this seldom or never happens. This failure of prime contractors to use minority-and-women-owned firms on private sector projects is a compelling reason for continuing this program.

Council Bill 14-035 expresses the City's continuing commitment to the promotion of full and equitable participation by minority and women's business enterprises in the provision of goods and services to the City. Over the past six years the Minority and Women's Business Program has provided contracting opportunities totaling more than \$1 billion in City-owned contracts. Hence, the Minority and Women's Business Program is vital to the economic health and prosperity of the City.

In closing, MWBOO strongly supports passage of this most important legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas B. Corey".

Thomas B. Corey  
Chief

TBC:smd

cc: George Nilson, Solicitor  
Angela Gibson, City Council Liaison, Mayor's Office  
Elena DiPetro, Chief Solicitor  
Sharon Pinder, MWBD