



**BALTIMORE CITY COUNCIL
ECONOMIC AND COMMUNITY DEVELOPMENT
COMMITTEE**

Mission Statement

On behalf of the Citizens of Baltimore City, the Committee on Economic and Community Development (ECD) is responsible for supporting strong thriving communities. ECD will review proposed zoning and land use changes, tackle issues related to economic development, oversee housing policy, and promote equitable economic opportunity for all Baltimore residents.

The Honorable Sharon Green Middleton

PUBLIC HEARING

September 27, 2023

2:05 PM

CLARENCE "DU" BURNS COUNCIL CHAMBERS

Ordinance 23-0387

Minority and Women's Business Program Reauthorization

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BILL SYNOPSIS

Committee: Economic and Community Development

Bill: 23-0387

Minority and Women’s Business Program Reauthorization

Sponsor: *The Council President (Administration)*

Introduced: *May 15, 2023*

Purpose:

For the purpose of reauthorizing and continuing the Minority and Women’s Business Program; providing for a special effective date; and generally relating to minority and women’s business enterprises.

Effective: The date it is enacted

Agency Reports

City Solicitor	Approved for form and sufficiency
Department of Finance	No Opposition
Minority and Women’s Business Opportunity Office	
Baltimore Development Corporation	Favorable

Analysis

Current Law

Article 5 Subtitle 28 details the Minority and Women's Business program. It established the Minority and Women's Business Opportunity Office in the Department of Law. The article makes it clear that the contracting process in the past in the City involved discrimination and underutilization. Section 5 of the subtitle includes an automatic termination clause.

Bill Summary

This bill if enacted would reauthorize the Minority and Women's Business Program. And would amend expiration date of the program listed Subtitle 28-5 of Article 5 to June 30, 2028

Additional Information

Fiscal Note: Not Available

Information Source(s): 23-0387 1st reader, Baltimore City Code Article 5 Subtitle 28.

Analysis by: Anthony Leva Direct Inquiries to: 410-396-1091

Analysis Date: September 12, 2023

**CITY OF BALTIMORE
COUNCIL BILL 23-0387
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Minority and Women’s Business Opportunity Office)
Introduced and read first time: May 15, 2023
Assigned to: Economic and Community Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Baltimore
Development Corporation, Minority and Women’s Business Opportunity Office

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Minority and Women’s Business Program – Reauthorization**

3 FOR the purpose of reauthorizing and continuing the Minority and Women’s Business Program;
4 providing for a special effective date; and generally relating to minority and women’s
5 business enterprises.

6 BY repealing and re-ordaining, with amendments
7 Article 5 - Finance, Property, and Procurement
8 Sections 28-3(a)(1)(iv) and (a)(2), and 28-5
9 Baltimore City Code
10 (Edition 2000)

11 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
12 Laws of Baltimore City read as follows:

13 **Baltimore City Code**

14 **Article 5. Finance, Property, and Procurement**

15 **Subtitle 28. Minority and Women’s Business Enterprises;**
16 **Small Local Business Enterprises**

17 **§ 28-3. Legislative findings and policy.**

18 (a) *Findings.*

19 (1) The Mayor and City Council makes the findings contained in this subsection, on full
20 consideration of:

21 . . .

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

Council Bill 23-0387

1 (iv) the extensive findings of the [2014 Disparity Study] 2022 DISPARITY STUDY,
2 “The State of Minority and Women-Owned Business enterprise: Evidence from
3 Baltimore”;

4 . . .

5 (2) Past discrimination in the City’s contracting process by prime contractors against
6 minority and women’s business enterprises has resulted in significant underutilization
7 of minority and women’s business enterprises in contracts awarded by the City of
8 Baltimore. As determined by the [2007 Disparity Study] 2022 DISPARITY STUDY, this
9 disparity has been persistent, pervasive, and statistically significant based on available
10 vendor data.

11 **§ 28-5. Automatic termination.**

12 This subtitle automatically expires on [May 30, 2023] JUNE 30, 2028, unless the City
13 Council, after causing an appropriate study to be undertaken, conducting public hearings, and
14 hearing testimonial evidence, find that the purposes identified in this subtitle have not yet
15 been achieved, in which case this subtitle may be extended for 5 more years.

16 **SECTION 2. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the date it is
17 enacted.

**ECONOMIC AND COMMUNITY
DEVELOPMENT COMMITTEE**

**23-0387
AGENCY REPORTS**

CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



DEPARTMENT OF LAW
EBONY M. THOMPSON, ACTING SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

June 28, 2023

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 23-0387 – Minority and Women’s Business Program –
Reauthorization

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 23-0387 for form and legal sufficiency. The bill would reauthorize and continue the City’s Minority and Women’s Business Program in response to the most recent disparity study that supports the program. It does so by changing the date of the most recent study in 28-3(a)(1)(iv) and (2) of Article 5 of the City Code and altering the date listed in Section 28-5 of that same Article.

In general, the City must undertake periodic disparity studies to provide current evidence that its Minority and Women’s Business program meets constitutional requirements. *See, e.g., Associated Utility Contractors of Maryland, Inc. v. Mayor and City Council of Baltimore*, 83 F.Supp.2d 613, 619, 620 (D. Md. 2000) (Court looks to the “evidence which the City actually considered before enacting the numerical goals” and must have a “strong basis in evidence for its conclusion that [race-conscious] remedial action was necessary.”). Such a study is necessary for Baltimore “City’s Minority and Business Women’s Opportunity Office (the “MWBOO”) to set, on a contract-by-contract basis, Minority and Women’s Business Enterprise (“M/WBE”) contract participation goals that are ‘flexible and rationally related to the disparity identified in the City’s contracting markets.’” *Associated Util. Contractors of Maryland, Inc. v. Mayor & City Council of Baltimore*, 218 F. Supp. 2d 749, 751 (D. Md. 2002).

As there are no legal impediments to this bill, the Law Department approves it for form and legal sufficiency.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Hilary Ruley".

Hilary Ruley
Chief Solicitor

cc: Ebony M. Thompson, Acting City Solicitor
Nina Themelis, Mayor's Office of Government Relations
Elena DiPietro, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Jeffery Hochstetler, Chief Solicitor
Teresa Cummings, Assistant Solicitor
Michelle Toth, Special Assistant Solicitor



MEMORANDUM

DATE: June 1, 2023
TO: Economic and Community Development Committee
FROM: Colin Tarbert, President and CEO
POSITION: Favorable
SUBJECT: City Council Bill No. 23-0387
Minority and Women's Business Program - Reauthorization

A handwritten signature in black ink, appearing to read "Colin Tarbert".

INTRODUCTION

The Baltimore Development Corporation (BDC) is reporting on City Council Bill No. 23-0387 introduced by Council President Mosby on May 15, 2023.

PURPOSE

City Council Bill No. 23-0387 proposes to reauthorize and continue The Minority and Women's Business Program via The Minority and Women's Business Opportunity Office (MWBOO).

BRIEF HISTORY

Past discrimination in the City's contracting process has resulted in significant underutilization of minority and women's business enterprises in contracts awarded by the City of Baltimore. As evidenced by the 2022 Disparity Study, minority-owned and women-owned firms are still being deleteriously impacted.

Article 5 Subtitle 28 of the Baltimore City Code allows for the City of Baltimore to continue the Minority and Women's Business Program by reauthorizing this section of the code every five years.

FISCAL IMPACT



None

AGENCY POSITION

The Baltimore Development Corporation respectfully takes a **favorable** position on City Council Bill No. 23-0387. If you have any questions, please contact Kim Clark at KClark@baltimoredevelopment.com and 410-837-9305.

cc: Nina Themelis, Mayor's Office of Government Relations
Sophia Gebrehiwot, Mayor's Office of Government Relations

[MJF]

FROM	NAME & TITLE	Laura Larsen, Budget Director 	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall		
	SUBJECT	City Council Bill 23-0387, Minority and Women's Business Program – Reauthorization		

DATE:

TO

The Honorable President and
Members of the City Council
City Hall, Room 400

August 13, 2023

Position: Does Not Oppose

The Department of Finance is herein reporting on City Council Bill 23-0387, Minority and Women's Business Program – Reauthorization, for the purpose of reauthorizing and continuing the Minority and Women's Business Program; providing for a special effective date; and generally relating to minority and women's business enterprises.

Background

The Minority and Women's Business Opportunity Office (MWBOO) is responsible for overseeing the City's Minority and Women's Business Program. This includes the Certification of Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE), maintaining a directory of certified businesses, investigating alleged violations of City Code, certifying compliance with City Code before contracts are submitted to the Board of Estimates, setting MBE and WBE participation goals on City contracts, and establishing certain annual goals for MBE and WBE participation. Beginning in Fiscal 2024, MWBOO merged with the Mayor's Office of Minority and Women's Business Opportunity Office into the Mayor's Office of Small and Minority Business Advocacy and Development. This will enable the Office to better serve small and minority- and women-owned businesses.

As required, by City Code, the City has conducted multiple disparity studies assessing the City's utilization of M/WBEs since 2000. The most recent study, completed in 2022, found "sufficient evidence of disparity to recommend the continuation of a narrowly tailored race- and gender-based procurement program to address identified disparities", which supports the creation and implementation of various policies and processes to improve the City's utilization of MBE/WBEs. The new Office will lead efforts to adopt and implement the recommendations of the study.

The Minority and Women's Business Program expired on May 30, 2023, per City Code. This legislation aims to extend the expiration date to June 30, 2028.

Fiscal Impact

The Department of Finance anticipates minimal fiscal impact from this legislation. The Fiscal 2024 budget for the new Office is \$5.9 million, a \$3.0 million increase from Fiscal 2023.

Conclusion

This legislation extends the Minority and Women's Business Program through June 30, 2028. Finance does not anticipate any fiscal impact from this legislation.

For the reasons stated above, the Department of Finance does not oppose City Council Bill 23-0387.

cc: Michael Moiseyev
Nina Themelis