

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 855

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 2023

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 855 (1R).

As amended by the committee, this bill creates a State business assistance program to establish contracting agency procurement goals for socially and economically disadvantaged business enterprises.

The business assistance program establishes an annual goal for State contracting agencies, as well as guidelines for public institutions of higher education, in awarding contracts to certified and qualified business enterprises. The program is designed to assist socially and economically disadvantaged businesses in obtaining State government contracts in the following areas: construction, architecture and engineering; professional services; goods and services; and information technology services.

The bill requires both of the criteria in the definition of “economically disadvantaged” to be met and includes a physical disability, but is not limited to, a service-connected disability declared by the United States Department of Veterans Affairs, or its successor. The bill also includes sexual orientation, and gender identity in the definition of “socially disadvantaged.” Additionally, the director is permitted to accept State-approved third-party certifications that show a business enterprise owner qualifies as socially and economically disadvantaged.

The purpose of this bill is to recognize the need to encourage, nurture, and support the growth of socially and economically disadvantaged businesses, to foster their development, and to increase the number of qualified competitors in the marketplace.

As amended by the committee, this bill is identical to Assembly Bill No. 2146 (3R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to include sexual orientation and gender identity in the meaning of “socially disadvantaged” and to

allow the director to accept State-approved third-party certifications that show a business enterprise owner qualifies as socially and economically disadvantaged.

FISCAL IMPACT:

The Office of Legislative Services determines that the impact of this bill on State expenditures cannot be determined because the annual number of socially and economically disadvantaged businesses receiving State contracts, the number of State contracts eligible for award to such businesses, and the value of those contracts is unknown.

The amount of annual State revenue generated from penalties is also unknown.

The Department of the Treasury will incur additional costs to implement the business assistance program. The bill requires new procedures; certifications; standards; evaluations; mediation; outreach; inspections; waivers; promotion; and monitoring.