

SENATE BILL NO. 2525

(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 2525 (First Reprint) with my recommendations for reconsideration.

Senate Bill No. 2525 (First Reprint) would create a new State Office of Diversity and Inclusion within the Department of Treasury ("Treasury"). It would also expand the powers and duties of the State Chief Diversity Officer, whose position currently resides in the Division of Purchase and Property in Treasury, to include promoting diversity and inclusion through the whole of State government by developing a Statewide diversity and inclusion plan and ensuring that diverse candidates are considered for State positions. The bill also would require the Chief Diversity Officer to oversee the implementation and utilization of a Statewide software system that monitors and tracks State agency, college, and university minority-owned and women-owned business enterprise spending in real time, provides analysis of agency utilization goals, and alerts agencies when current spending patterns are projected to not reach those goals.

The position of Chief Diversity Officer was created in 2017 with the mission of administering and monitoring policies, practices, and programs that further the State's efforts to ensure equal opportunity for minority-owned and women-owned business enterprises in purchasing and procurement by State departments and agencies, including independent State authorities. To that end, the Chief Diversity Officer participates in various departmental and interagency efforts to expand outreach and enhance opportunities for diverse communities across the State. Thanks to the continuing efforts of the current Chief Diversity Officer, the State is making tremendous strides toward ensuring equity and inclusion in its procurement processes.

I commend the sponsors of this bill for advancing legislation that fosters broader diversity and inclusion within State government and institutions of higher education. Increasing the representation of individuals from traditionally underserved communities within State government is of paramount importance, as it is imperative that State government reflects the constituencies that it serves. However, given the incredibly vital work of the Chief Diversity Officer in State contracting, I am concerned that an influx of additional responsibilities such as those set forth in this bill could serve to undermine the progress that the Chief Diversity Officer has made with regard to diversity and inclusivity in procurement. I also do not agree that all of the responsibilities created in this bill align with the Chief Diversity Officer's central mission.

Nevertheless, I agree with the sponsors that the goals set forth in this legislation are of critical importance. That is why I took steps toward fortifying my Administration's commitment to this work by establishing the Office of Diversity, Equity, Inclusion, and Belonging in September of this year in Executive Order No. 265 (2021). Through this new office, I am optimistic that we can influence workplaces across New Jersey to build a stronger culture of inclusivity by setting the example first within government.

In order to ensure that the Chief Diversity Officer continues the important work of increasing diversity and inclusion in State contracting, I am recommending revisions that will strengthen the role of the Chief Diversity Officer in these areas; rename the newly created State Office of Diversity and Inclusion as the State Office of Diversity and Inclusion in Public Contracting to more appropriately reflect its mission and distinguish it from the Office of Diversity, Equity, Inclusion, and Belonging in the Governor's Office; and place the Office of Diversity and Inclusion in Public Contracting on equal footing with the Division of Purchase and Property. I am optimistic that my recommendations today, coupled with the establishment of the Office of Diversity, Equity, Inclusion, and Belonging, will

accomplish the purposes set forth in the bill and create a stronger, fairer New Jersey for all.

Accordingly, I herewith return Senate Bill No. 2525 (First Reprint) and recommend that it be amended as follows:

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| <u>Page 2, Section 1, Line 12:</u> | After "Inclusion" insert "in Public Contracting" |
| <u>Page 2, Section 1, Lines 13-14:</u> | Delete "government so that it is reflective of the State's population" and insert "contracting" |
| <u>Page 2, Section 1, Line 18:</u> | After "Governor" insert "and report to the State Treasurer" |
| <u>Page 2, Section 1, Line 20:</u> | Delete "advise" and insert "monitor and report to" |
| <u>Page 2, Section 1, Line 20:</u> | Delete "Governor" and insert "Treasurer" |
| <u>Page 2, Section 1, Line 21:</u> | Delete "workforce diversity and" |
| <u>Page 2, Section 1, Lines 23-26:</u> | Delete in their entirety |
| <u>Page 2, Section 1, Line 27:</u> | Delete "(3)" and insert "(2)" |
| <u>Page 2, Section 1, Line 27:</u> | Delete "heads of" |
| <u>Page 2, Section 1, Line 28:</u> | Delete "and advise on diversity training," and insert "their" |
| <u>Page 2, Section 1, Line 29:</u> | Delete ", and" and insert "efforts to minority-owned and women-owned business enterprises and advise on how to increase the" |
| <u>Page 2, Section 1, Line 30:</u> | After "enterprises" insert "in contracting" |
| <u>Page 2, Section 1, Line 31:</u> | Delete "(4)" and insert "(3)" |
| <u>Page 2, Section 1, Lines 31-32:</u> | Delete "the Governor's director of appointments and the head of each" |
| <u>Page 2, Section 1, Line 32:</u> | Delete "department" and insert "departments" |
| <u>Page 2, Section 1, Lines 32-33:</u> | Delete "ensure diversity in recruitment for senior level positions" and insert "increase awareness of contracting opportunities among businesses registered as minority-owned, and women-owned, and how to effectively reach those businesses" |
| <u>Page 2, Section 1, Line 34:</u> | Delete "(5)" and insert "(4)" |
| <u>Page 2, Section 1, Line 34:</u> | Delete "the head of each" |
| <u>Page 2, Section 1, Line 34:</u> | Delete "department" and insert "departments" |

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| <u>Page 2, Section 1, Lines 35-36:</u> | Delete "appoint a diversity officer for each department who shall be charged with identifying diverse workforce talent" and insert "assist them with identifying opportunities for the inclusion of minority-owned, and women-owned, businesses in contracting with each department" |
| <u>Page 2, Section 1, Lines 37-38:</u> | Delete in their entirety |
| <u>Page 2, Section 1, Line 39:</u> | Delete "(7)" and insert "(5)" |
| <u>Page 2, Section 1, Line 39:</u> | Delete "process" |
| <u>Page 3, Section 1, Line 1:</u> | Delete "(8) establish goals for participation of" and insert "(6) in consultation with the Director of the Division of Purchase and Property, work with departments to assist in their establishment of goals to increase State contracting opportunities for" |
| <u>Page 3, Section 1, Lines 2-3:</u> | Delete "based on best estimates of market availability without" and insert "and increase their participation in State contracting, irrespective of" |
| <u>Page 3, Section 1, Line 4:</u> | Delete "(9) receive reports" and insert "(7) compile an annual report to the State Treasurer and the Governor based on data and information received" |
| <u>Page 3, Section 1, Line 7:</u> | After "enterprise" insert "contracting" |
| <u>Page 3, Section 1, Lines 7-8:</u> | Delete "for purposes of compiling an annual report to the Governor evaluating attainment of such goals" |
| <u>Page 3, Section 1, Line 9:</u> | Delete "(10)" and insert "(8)" |
| <u>Page 3, Section 1, Line 12:</u> | Delete "in real time" |
| <u>Page 3, Section 1, Line 14:</u> | Delete "those" and insert "contracting" |
| <u>Page 3, Section 1, Line 15:</u> | Delete "(11)" and insert "(9) provide support and recommendations to State agencies, colleges, and universities to help" |
| <u>Page 3, Section 1, Line 15:</u> | Delete "State" and insert "their" |
| <u>Page 3, Section 1, Lines 15-16:</u> | Delete "set forth" and insert "facilitate and support their" |
| <u>Page 3, Section 1, Line 16:</u> | After "enterprise" insert "contracting" |
| <u>Page 3, Section 1, Line 18:</u> | Delete "lists of known" and |

insert "to the Chief Diversity Officer a list of those certified"

Page 3, Section 1, Line 18:

Delete "women owned" and insert "women-owned"

Page 3, Section 1, Line 19:

Delete in its entirety and insert "enterprises who have responded to each solicitation for bids and who have been awarded contracts, which information shall be included in the Chief Diversity Officer's annual report; and"

Page 3, Section 1, Line 20:

Delete "(12) establish protocols and practices for" and insert "(10) provide support and recommendations to help"

Page 3, Section 1, Line 21:

Delete "conduct" and insert "establish protocols and practices for"

Page 3, Section 1, Line 22:

Delete ";" and insert "."

Page 3, Section 1, Lines 23-29:

Delete in their entirety

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor