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Boards Making Decisions About Using Public Funds Should Follow Basic Transparency Rules

Position Statement in support of House Bill 375

Given before the Senate Education, Health, and Environmental Affairs Committee

Transparency is essential to ensure decisions about our state's shared investments benefit every Marylander, not just the powerful few. Maryland has a wide range of boards that make important decisions about using public funds but are currently not required to follow the same open meeting standards as other bodies. Extending basic transparency standards to these entities the right choice. For these reasons, the Maryland Center on Economic Policy supports House Bill 375.

House Bill 375 would improve Maryland's Open Meetings Act by applying its requirements to more than a dozen public bodies that are not currently covered by the law. All of these entities make critical decisions that affect Marylanders lives and often involve the allocation of large amounts of public funds, so there is no reason they should be treated differently from other public decision-making bodies. For example:

- The **Maryland Transportation Authority** collects about \$800 million in tolls, concession revenue, and payments from state agencies each year and invests this money in maintenance and improvement of our bridge and tunnel infrastructure.
- The **Maryland Stadium Authority** manages a wide range of properties and infrastructure projects with significant public support. Recent legislative and administrative actions have expanded the role of the authority to include financing school construction projects across the state and demolishing properties in Baltimore City that are deemed blighted.
- The **Maryland Economic Development Authority** has the ability to issue bonds to help finance both public projects, like university facilities, and private projects that are benefitting from public financing, like the Port Covington project in Baltimore. The authority issued more than \$900 million in bonds in fiscal year 2021¹.
- The **Maryland Public Services Commission** makes decisions that affect the rates Marylanders pay for utility services.

Each of these bodies provides a vital public service, and does it with the support of state resources. They should be subject to the same transparency standards as other state bodies. While many of these boards may already be voluntarily complying with the spirit of open meetings rules, such as publicly sharing meeting agendas and minutes, it makes sense to have consistent standards outlined in state code to ensure all public bodies meet these standards.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Education, Health, and Environmental Affairs Committee make a favorable report on House Bill 375.

Equity Impact Analysis: House Bill 375

Bill summary

House Bill 375 expands Open Meetings Act requirements to more than a dozen public bodies that are currently not covered by this basic transparency requirement including the State Board of Elections, Public Service Commission, Maryland Transportation Authority, and a range of economic development entities like the Maryland Economic Development Corporation and Maryland Stadium Authority.

Background

The state operates a number of public agencies and authorities that receive public support and provide public services. While the boards and commissions overseeing these public bodies make critical decisions that can affect Marylanders' daily lives, many are not currently subject to the state's open meeting requirements. This means members of the public may not have opportunity to view the entity's decision-making process or understand how decisions involving hundreds of millions of dollars in state funds are being made.

Equity Implications

Strengthening transparency standards could bring a number of equity benefits:

- Greater transparency will make it easier for the public to understand where the state is investing public funds to determine whether it is continuing to repeat and reinforce historic patterns of under-investment in Black and Brown communities.
- Greater transparency will allow the public to determine whether the state is equitably awarding contracts to small, minority, and women-owned businesses.
- Greater transparency will allow the public to determine whether the state does business with companies that violate labor law or avoid or evade their tax responsibilities.
- Greater transparency will allow more effective monitoring of officials' ethical and legal compliance, ensuring that our shared investments benefit all Marylanders, not just the powerful few.

Impact

House Bill 375 would likely **improve racial and economic equity** in Maryland.

¹ Maryland Economic Development Corporation Annual Activities Report for fiscal year ending June 30, 2021. <https://msa.maryland.gov/megafile/msa/speccol/sc5300/sc5339/000113/025200/025243/20220020e.pdf>