
March 6, 2024

The Honorable Benjamin Barnes
Chair, House Appropriations Committee
121 House Office Building
Annapolis MD 21401

Re: Letter of Information – House Bill 842 – Environmental Justice – Investment in Infrastructure Construction Projects

Dear Chair Barnes and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following letter of information on House Bill 842 for the Committee’s consideration.

House Bill 842 requires that Maryland agencies ensure that federal funds administered by that agency avoid substantial burdens to overburdened and underserved communities. It further requires, to the extent practicable and permissible under law, that agencies allocate at least 40% of infrastructure construction dollars in overburdened and underserved communities and an additional 40% to communities of color and those with a high percentage of low-to moderate-income households in the state. The legislation directs agencies to conduct listening sessions with identified overburdened and underserved communities, communities of color, and communities with a high percentage of low-to-moderate income households, and then prioritize projects in those communities based on that engagement and other policy goals around environmental justice and labor and workforce standards. Further, the legislation generally requires that project labor agreements be used on any federally funded project with a total project cost above \$5 million.

The MDOT recognizes the importance of the policy issues raised in this legislation related to transportation equity, project prioritization, and workforce development. To that end, the Maryland Commission on Transportation Revenue and Infrastructure Needs (TRAIN Commission) was established by Chapter 455, Acts of 2023, to review, evaluate, and make recommendations on the prioritization and funding of transportation projects. The TRAIN Commission issued an interim report in January 2024 with a series of recommendations. Recommendations 4, 5, and 6 of the report relate to the Consolidated Transportation Program (CTP) and project prioritization. MDOT is working to address these recommendations, which includes developing a new draft prioritization process to present to the TRAIN Commission this year with the goal of implementation for the FY 2026-2031 draft CTP.

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Interim changes to these programs while the TRAIN Commission is active may complicate their efforts and future project prioritization review cycles. The TRAIN Commission will continue to meet in 2024 and their work includes evaluating how equity and other transportation policy priorities can inform project decision-making and future formal prioritization decisions. Any ultimate changes to project prioritization will be done in partnership in the General Assembly and will consider issues around equity in planning.

As it relates to workforce development, the MDOT is working to implement the Governor's Executive Order 01.01.2023.19 authorizing the use of project labor agreements and promoting apprenticeship and community hiring programs. This Executive Order requires MDOT and other state agencies to either require or consider in the procurement evaluation the use of a project labor agreement, apprenticeship programs, and community hiring provisions for all projects with at least \$20 million in state resources. Alongside this, the MDOT is implementing a larger workforce development program to identify opportunities to enhance workforce development opportunities on our construction projects and within the Department. Given the important technical and legal issues related to the use of Project Labor Agreements, the MDOT believes that the framework established by the Executive Order is the appropriate avenue for advancing workforce development activities in state construction projects.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 842.

Respectfully submitted,

Drew Morrison
Policy Advisor, Planning and Project Development
Maryland Department of Transportation
410-865-1092

Pilar Helm
Director Office of Government Affairs
Maryland Department of Transportation
410-865-1090