



MARYLAND STATE & D.C. AFL-CIO

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**HB 956 - Public-Private Partnership (P3) Oversight and Accountability Act
House Environment and Transportation Committee
March 1, 2024**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of HB 956. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

HB 956 creates an oversight review board to examine the state's public private partnership (P3) agreements. The board is empowered to review pre-solicitation agreements, make recommendations, review national best practices, and monitor ongoing P3 operations. The oversight board has authority over all state P3s valued at over \$500,000,000. P3s valued at more than \$1,000,000,000 in value are referred to the General Assembly for approval. HB 956 also includes language that makes it clear if the state takes over the operations and maintenance of a project that toll revenue or other charges, like fares, be assigned to the state sufficient to cover the cost.

Accountability and oversight are of paramount importance on any project, but they become even more important when we spend the taxpayers' money. Public trust in State government is predicated on the belief that our institutions are spending our money in a fiscally responsible way. In order to do that, there must exist adequate oversight on every dollar spent. While P3s are commonly advertised as a way to help State and local governments complete projects at lower costs, they involve a level of "privatization" where profits are placed above the public good and transparency for taxpayers is nearly non-existent. HB 956 would mitigate these concerns by applying oversight to Maryland's P3s, and providing much needed accountability for all of our public works projects over \$500,000,000 where P3s are used.

We have the opportunity to ensure that all projects have the interests of Marylanders in mind, and that profit always takes a back seat to good planning and serving the needs of our citizens. We must bring P3s in line with the rest of State spending, and impose effective oversight and accountability to everything we build in Maryland. The oversight review board provides this accountability.

We urge a favorable report on HB 956.