



February 17, 2026

The Honorable Ben Barnes, Chairman  
House Appropriations Committee

**Re: House Bill 227 - Maryland Environmental Service - Authorizations and Requirements - Alterations**

Position: **Oppose**

Chair, Vice Chair, and Members of the Committee, thank you for the opportunity to submit testimony on House Bill 227 on behalf of the Maryland Chapter of the American Council of Engineering Companies.

HB227 expands the authority of the Treasurer of the Maryland Environmental Service (MES) and increases the dollar threshold under which MES may use the small procurement process from \$25,000 to \$50,000, while also altering how notice is provided for rates charged for MES projects, products, and services. While these changes may appear technical, they have real competitive implications in a sector where MES has moved far beyond its original, quasi-governmental mission of filling gaps in environmental infrastructure and into direct competition with private ecological restoration firms for design, construction, and long-term maintenance work.

As both a public instrumentality and a market participant, MES enjoys structural advantages, access to state financing tools, embedded relationships with agencies, and intimate knowledge of procurement practices, that private firms do not, and loosening its internal procurement thresholds risks allowing more work to be steered through streamlined or small-procurement pathways where transparency and open competition are reduced. **This is inherently anti-competitive, and limits access to work for Maryland firms.** In fact, MES often contracts with our member firms, and then expands their scope of work by using the scope of work our members provide.

Maryland's restoration businesses are concerned that MES's dual role gives it superior access to project planning information, scope development discussions, and procurement timing—effectively early intelligence on upcoming solicitations—creating an uneven playing field when they must later bid against MES for the same work under “competitive” procurements.

For these reasons, the industry respectfully urges the Committee, as it considers HB 227, to reaffirm the legislature's original intent for MES as a gap-filling service provider, to cabin its competitive activities in markets where a robust private sector exists, and to ensure that any expanded authority or higher small-procurement thresholds are paired with safeguards that prevent MES from leveraging its unique governmental position and insider access to procurement information to the detriment of private restoration employers and the thousands of Marylanders they employ.

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