



Testimony of Treasurer Dereck Davis and Comptroller Brooke Lierman

House Bill 1081: Maryland Transit Administration Reform Act

Position: Favorable with Amendments

House Environment and Transportation Committee

March 4, 2026

As two of the three members on the Board of Public Works (“BPW” or “Board”), the State Treasurer and the Comptroller understand the importance of oversight and transparency in the procurement process. House Bill 1081, among other provisions, exempts Maryland Transit Administration (MTA) capital constructions projects on “existing and defined fixed guideway systems” from Division II of the State Finance and Procurement Article. In effect, this legislation would remove certain MTA capital construction projects from the Board’s jurisdiction. For the reasons discussed below, the State Treasurer’s Office and the Comptroller’s Office respectfully request that, if the Committee gives House Bill 1081 favorable treatment, the Committee adopt an **amendment** to preserve BPW’s authority to review MTA capital construction projects.

Scope of Procurement Exemption

House Bill 1081 does not provide a definition for the term “fixed guideway systems.” This language is important, as it impacts the type and breadth of capital expenditures that would no longer fall under the Board’s oversight if the bill is enacted. Federal law¹ defines fixed guideway systems as including “rapid rail, light rail, commuter rail, automated guideway transit, people movers, ferry boat service, fixed-guideway facilities for buses (such as bus rapid transit), and other high occupancy vehicles.” Maryland Department of Transportation (MDOT) [guidance](#), on the other hand, focuses only on “rail transit system[s] for Metro Subway, Light Rail, and Commuter Rail” in its discussion of fixed guideway systems. This ambiguity means that, depending on the interpretation of “fixed guideway systems” under the law, a wide range of MTA capital expenditures could be removed from the Board’s jurisdiction if the bill passes without an amendment.

¹ 49 C.F.R § 611.105.

BPW's Role in Facilitating Transparency

The Board performs the crucial function of reviewing and approving capital projects, procurement contracts, and the acquisition, use, and transfer of State assets, ensuring that major State expenditures receive an appropriate amount of scrutiny. As the General Assembly's representative on the Board and the State's chief financial officer, the State Treasurer and the Comptroller feel strongly that the Board's oversight should be maintained rather than diminished.

Recently, the Treasurer and the Comptroller testified in support of [House Bill 587](#), which provides the Board with jurisdiction to review and approve State Highway Administration (SHA) capital expenditure projects for roads, bridges, and tunnels valued at \$500,000 or more. According to MDOT, in a survey of 193 projects from 2023 and 2024, the median contract value was \$3.6 million and the average contract value was \$8 million. Among that same pool of projects, only 16 contracts – just 8% – were awarded to minority business enterprises (MBEs). While House Bill 1081 involves different types of transportation projects, the bill would remove more contracts from the Board's purview and undercut the State Treasurer and the Comptroller's shared vision of enhanced transparency.

Balancing the Interests of Transparency and Efficiency

When agencies seek exemptions from requirements to appear before the Board, they often incorrectly state that BPW adds significant time to the review and approval process. The fiscal note for House Bill 587, for example, notes that there is a four-and-a-half-week timeline for bringing items to the Board. In fact, agencies can and often do submit their agenda items as early as 12 calendar days before a meeting date. Agencies can also submit items by noon the Monday before a meeting (that is two days prior) at their discretion. In the two days before the meeting, if supported by two members of the Board, agencies can have items "hand-carried" and included in the agenda. The extended timeframes referenced by agencies reflect MDOT's own internal timelines, not BPW requirements.

In addition, to better balance the interests of transparency and efficiency, at BPW's meeting on February 18, the Board approved proposed regulations that raise the thresholds for which contracts and contract modifications require up-front Board approval. This will free up MDOT and other agencies, who will need to bring far fewer contracts as individual agenda items once the regulatory process is complete. From the State Treasurer's and Comptroller's perspectives, MDOT can revisit its own internal timelines if there is a concern that BPW review causes too much delay to important projects.

Amendment to Preserve Board Oversight

The State Treasurer and the Comptroller respectfully request that, if the Committee gives favorable treatment to House Bill 1081, the Committee adopt an amendment to maintain the Board's oversight of MTA capital expenditures. Such an amendment would ensure that the General Assembly and the Board have a mechanism to evaluate the merits of these procurements and discuss them at regular, public meetings. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), and Stephen Harrington, Director of Government Affairs for Comptroller Lierman (SHarrington@marylandtaxes.gov), with any questions.