



Olivia Bartlett, Co-Lead, DoTheMostGood Maryland Team

Committee: Education, Health, and Environmental Affairs

Testimony on: SB0361 – Public–Private Partnerships – Process and Oversight

Position: Favorable

Hearing Date: February 17, 2021

Bill Contact: Senator Rosapepe

DoTheMostGood (DTMG) is a progressive grass-roots organization with more than 2500 members who live in a wide range of communities in Montgomery and Frederick Counties, from Bethesda near the DC line north to Frederick and from Poolesville east to Silver Spring and Olney. DTMG supports legislation and activities that keep all the members of our communities healthy and safe in a clean environment and that promote careful use of our taxpayer money.

DTMG strongly supports SB0361 because recent experience with the Purple Line Public Private Partnership (P3) shows conclusively that, to protect Maryland taxpayers, Maryland’s large P3 agreements need much more oversight than they are currently getting. Current law allows all decisions for multi-billion dollar P3 projects impacting millions of residents in multiple counties to be made by just three people on the Maryland Board of Public Works – the Governor, the Comptroller, and the State Treasurer -- with no opportunity for input or oversight of these huge, complex agreements and projects by the Legislature or anyone else.

SB0361 will establish a Public–Private Partnership Oversight Review Board to review P3 agreements valued at more than \$500,000,000, beginning at the pre-solicitation stage, to make recommendations regarding the designation of a public infrastructure asset as a P3, to review best practices regarding P3s from other states and internationally, and to monitor the implementation and operation of existing P3s.

Furthermore, in order to protect Maryland taxpayers from potential problems, costly delays, or defaults later on during the P3 project, SB0361 will require that there be a pre-solicitation report of each contract under the P3, that relevant committees of the Maryland House and Senate with appropriate expertise examine the credit worthiness of potential contractors and potential legal, financial, and technological risks to the state of the proposed P3 projects, and that a final Environmental Impact Statement (EIS) be available pre-solicitation if an EIS is required for the P3 project under the National Environmental Policy Act (NEPA).

These commonsense provisions will protect Maryland taxpayers from having to spend tens of millions of dollars to reimburse contractors if the final EIS shows that the P3 project cannot be completed in compliance with NEPA or, worse, hundreds of millions of dollars if risky partnerships fall apart mid-project, like what happened with the Purple Line P3. It is very unfortunate that these provisions will be

enacted too late to protect Maryland taxpayers from problems with MDOT's massive \$11 billion P3 for toll lanes on I-270 and the beltway in Montgomery and Prince George's Counties.

Previous objections to additional oversight of the P3 process have centered on the extra time that would be needed for action by the P3 Oversight Board. SB0361 addresses these concerns by setting time limits for receipt of reports and recommendations from the Oversight Board and laying out procedures for how the Oversight Board will function when the Maryland General Assembly is not in session.

The taxpayer money that will be used to fix the Purple Line P3 mess and that has been used to pay contractors during the initial phases of the P3 for I-270 and the beltway comes from residents living throughout Maryland, not just those in two counties. We don't know where the next big P3 project will be proposed, but we all need to be sure that the decisions to spend our tax dollars will have adequate oversight and will not be subject to the whims of just three people.

Therefore, DTMG strongly supports SB0361 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

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