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Testimony
SB 114 – Workgroup to study the Fiscal and Operational Viability of Public-Private Partnerships for Calvert County Public Schools
Appropriations Committee
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Informational Only

Thank you, Chairman Barnes and Vice-Chair Chang, and members of the Appropriations Committee for the opportunity for AFSCME Council 3 to submit informal testimony on SB 114, legislation to create a workgroup to study the fiscal and operational viability of Public-Private Partnerships for Calvert County Public Schools.

While we understand that the legislation being introduced by Calvert County is a workgroup and it does not bind Calvert County into pursuing Public-private partnerships (PPPs), if the county is going to study this issue we feel it should consider a few key components: The public should retain control over decisions regarding transportation planning and management, the public must receive a fair value so future revenues won't be sold off at a discount, no deal should last longer than 30 years because of uncertainty over future conditions, and contracts should require state-of-the-art maintenance and safety standards instead of statewide minimum. These steps will ensure taxpayer transparency and make it clear that under no circumstances should a PPPs also include the continued operation and maintenance of the facility. The committee should also include a labor voice in the workgroup which could only strengthen the conversation.

This session HB 1450, which passed in the House, looked to create a task force in Howard County to study revenue options for school construction needs. We believe that this bill takes a good approach to reviewing all avenues to this issue by:

- Identifying the capital needs, including deferred maintenance, of HCPS through 2035;
- Determining the projected funding expected to be allocated to HCPS capital projects through 2035.

- Identify the anticipated funding gaps for HCPS capital projections under current revenue projections through 2035.
- Study options for closing any identified funding gaps for HCPS capital projects under current revenue projections through 2035, including (1) allocating a higher percentage of revenue from the transfer tax to HCPS capital projects; (2) enacting a commercial excise tax; (3) exercising existing authority that Howard County may use to generate additional revenue; and (4) any other potential revenue sources the task force determines appropriate.

Lastly, we believe that Public-private partnership agreements should include Labor Peace Agreements (PLAs). PLAs ensure the timely completion of projects at or under budget, provide employers with reliable sources of highly skilled workers increase diversity and support workforce development, and improve worker health and safety on the job. PLAs sometimes include provisions for training and apprenticeships that increase career opportunities for low-income communities.

Public-private partnerships (PPPs) have gained popularity as a means of financing and managing infrastructure projects. However, when it comes to K-12 school constructions, the adoption of this model raises significant concerns. Before we move forward further with these types of collaborations we should if this is the route to address school infrastructure needs in Maryland.