



Dereck E. Davis
State Treasurer

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Testimony of the Maryland State Treasurer's Office

House Bill 587: Procurement – Department of Transportation Authority Contracts – Board of Public Works Contract Authority

Position: Favorable

House Government, Labor, and Elections Committee

February 24, 2026

As one of three members of the Board of Public Works (Board), the State Treasurer understands the importance of oversight and transparency in the procurement process. House Bill 587 improves transparency and strengthens both the General Assembly's and the Board's oversight by bringing specified contracts for capital expenditures worth \$500,000 or more before the Board.

Background

Current law provides a blanket exemption from Board review for capital expenditures by the Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) for State roads, bridges, and highways. As a result, the public and the legislature have limited visibility into the process and specifications for these important transportation projects. According to MDOT, in calendar years 2023 and 2024, the average contract value for road, bridge, and highway projects for MDTA and the State Highway Administration was \$8.05 million while the median contract value was \$3.60 million.

Threshold Amount Discussions

On November 17, 2025, Delegate Phillips convened a meeting with MDOT and the State Treasurer's Office (STO) to discuss a dollar threshold – if different from \$500,000 – that may better balance the somewhat competing interests of public transparency and efficiency in preparing items for the Board's review.

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Despite several follow-up attempts, STO and the bill sponsor did not receive a response from MDOT until February 6, at which point the agency provided the requested data on past contracts and indicated that they would prefer no threshold at all.

While STO understands and appreciates MDOT's concerns relating to increased workload, having some threshold will ensure that higher value contracts that are of greater public interest will come before the Board. House Bill 587 provides a mechanism for the State Treasurer, as the General Assembly's representative on the Board, to evaluate the merit of these procurements and discuss them at regular, public meetings.

For the foregoing reasons, STO requests that the Committee give House Bill 587 a favorable report. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.