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Patrick Moran - President

Testimony
HB 1424 – Public-Private Partnerships - Process and Oversight
Environment & Transportation
March 5, 2020
Support

AFSCME supports HB 1424. This legislation would establish a Public-Private Partnership Oversight Review Board, and require mechanisms and procedures be put in place where due diligence by stakeholders involved in the consideration of a P3 project is able to take place before that project could begin to be implemented.

When triggered by a \$500M budget for a P3 transportation project, the Oversight Review Board would join with the General Assembly budget committees to review all pre-solicitation reports; they then would review the projects and consider development of recommendations; these recommendations would in turn inform reporting to the Board of Public Works and the aforementioned budget committees.

The bill also requires an independent rating assessment survey be completed by an independent auditor or a credit rating agency for each contract under the P3 agreement before it can be approved by the Board of Public Works.

In 2019 the Department of Legislative Services highlighted the lack of specificity in MDOT's I-495/I-270 proposal and the absence of an analysis to determine whether a P3 financing model would be more financially advantageous than conventional procurement. For any undertaking of this size, a basic understanding and analysis is clearly needed to move a project forward.

The siren's call of "quick and easy" should NOT override the ultimate goal of addressing the needs of Marylanders in a strategic, and sustainable fashion. This is a truth that should be applied to *any* undertaking for the state's inhabitants. AFSCME is not looking to kill roads – but we are wanting more strategic and holistic solutions. Delegate Solomon's proposal puts in place needed prescriptions to address the impulse to pave over transportation challenges.

AFSCME Council 3 urges a favorable report of HB 1424. Thank you.

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