

Senate Budget and Taxation Committee

Senator Guy Guzzone, Chair

Senator James C. Rosapepe, Vice Chair

House Appropriations Committee

Delegate Maggie McIntosh, Chair

Delegate Michael A. Jackson, Vice Chair

Agenda

September 3, 2020

2:30-4:30pm

Virtual Briefing

CARES Act Funding

- **David C. Romans, *Fiscal and Policy Coordinator***, Department of Legislative Services, DLS
- **David R. Brinkley, *Secretary***, Department of Budget and Management

Update on the Purple Line

- **Steven McCulloch, *Policy Analyst***, DLS
- **Gregory I. Slater, *Secretary***, Maryland Department of Transportation (MDOT)
- **Kevin Quinn, *Maryland Transit Administrator***, Maryland Transit Administration (MTA), MDOT
- **Matt Pollack, *MTA Executive Director of Transit Development and Delivery***, MDOT

Planned State Spending of Federal COVID-19 Funding

Presentation to the
Senate Budget and Taxation Committee and the
House Appropriations Committee



Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland

September 3, 2020

Federal COVID-19 Funding

- The Hogan Administration has submitted budget amendments authorizing expenditures of about \$872 million of federal COVID-19 response funding
- The Coronavirus Relief Fund (CRF) is the primary source of the federal funds that have been added
- Many of these amendments were submitted utilizing the Governor's emergency authority to bypass legislative review or as reimbursable amendments that do not require legislative review
 - Reimbursable funds will come from the Maryland Department of Health (MDH) which will receive and allocate most of the dollars available from the CRF and federal Disaster Assistance Relief
 - The federal CRF dollars and disaster funds have not been added to the MDH budget to date
- The budget amendments to date represent less than one-fifth of the roughly \$4 billion of federal funds that will ultimately be incorporated into the State budget in fiscal 2020 and 2021

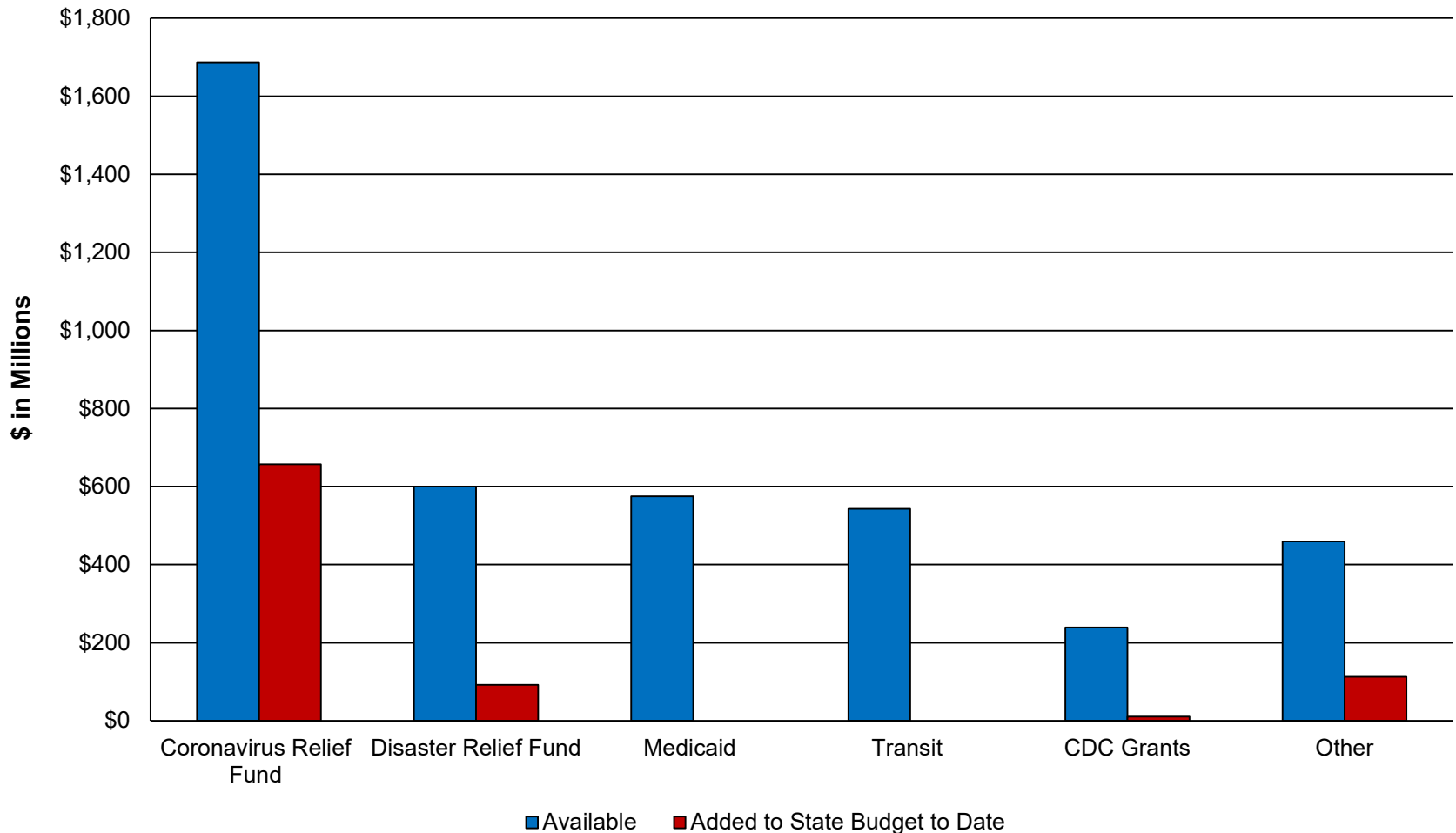
Federal COVID-19 Aid*

(\$ in Millions)

	<u>Available</u>	<u>Added to State Budget to Date</u>	<u>Direct Federal Allocations</u>
Paycheck Protection Program (84,920 Loans through July 31)	\$10,001		\$10,001
Economic Injury Disaster Loans	2,532		2,532
Coronavirus Relief Fund	2,344	\$657	691
Direct Federal Grants to Hospitals and Other Medical Care Providers	1,543		1,109
Disaster Relief Fund	800	92	
Transit Grants	696	0	153
Enhanced Medicaid Matching Rate (through December))	575	0	
Grants from Centers for Disease Control and Prevention	239	11	
Direct Federal Aid to Higher Education Institutions	231	59	231
Formula Grants to Local Education Agencies (LEAs) (State Can Retain 10%)	208		187
Airport Grants	108		108
Homeless Assistance (\$35.6 Million to Local Governments)	50	4	36
Community Development Block Grant (\$26.2 Million to Local Governments)	47	0	26
Discretionary Grants to LEAs and Higher Education Institutions	46	0	
Child Care and Development Block Grant	46	0	
Public Housing and Rental Assistance Grants	38	12	
Community Health Centers	24		24
Senior Nutrition and Meals and Other Programs for Elderly	20	18	
Energy Assistance	19	0	
Justice Assistance Grants (\$6.6 Million to Local Governments)	18	0	7
Administration of Unemployment Insurance Program	17	0	
Community Services Block Grant	14	12	
Emergency Food Assistance	13		
Head Start	8		
Women, Infants, and Children (WIC)	8		
Election Security	7	7	
Total	\$19,650	\$872	\$15,104

* Does not include SNAP or Unemployment Insurance benefits paid directly to individuals.

Administration Has Added Only a Small Portion of Available Federal Dollars to Budget



Coronavirus Relief Fund Uses

(\$ in Millions)

	<u>Total</u>	State Budget		<u>Direct Federal Allocation</u>
		<u>FY 2020</u>	<u>FY 2021</u>	
Allocations to Local Governments	\$1,055	\$364		\$691
K-12 Tutoring/Remote Learning	200		\$200	
General Fund Relief	267	92	175	
Disaster Relief Match (PPE, Essential Child Care, etc.)	208	20	188	
Business Assistance	180	97	83	
Public Higher Education	90	31	59	
Premium and Response Pay for Essential Workers	61	61		
Nonprofit Assistance	50		50	
Broadband	10		10	
Eviction Prevention	10		10	
Transportation Trust Fund Relief	8	8		
Layoff Aversion	7	7		
Other	6		6	
Additional General Fund Relief (TCA/Other) – DLS proposal	75		75	
Unallocated	118		118	
Total Funding	\$2,345	\$680	\$974	\$691

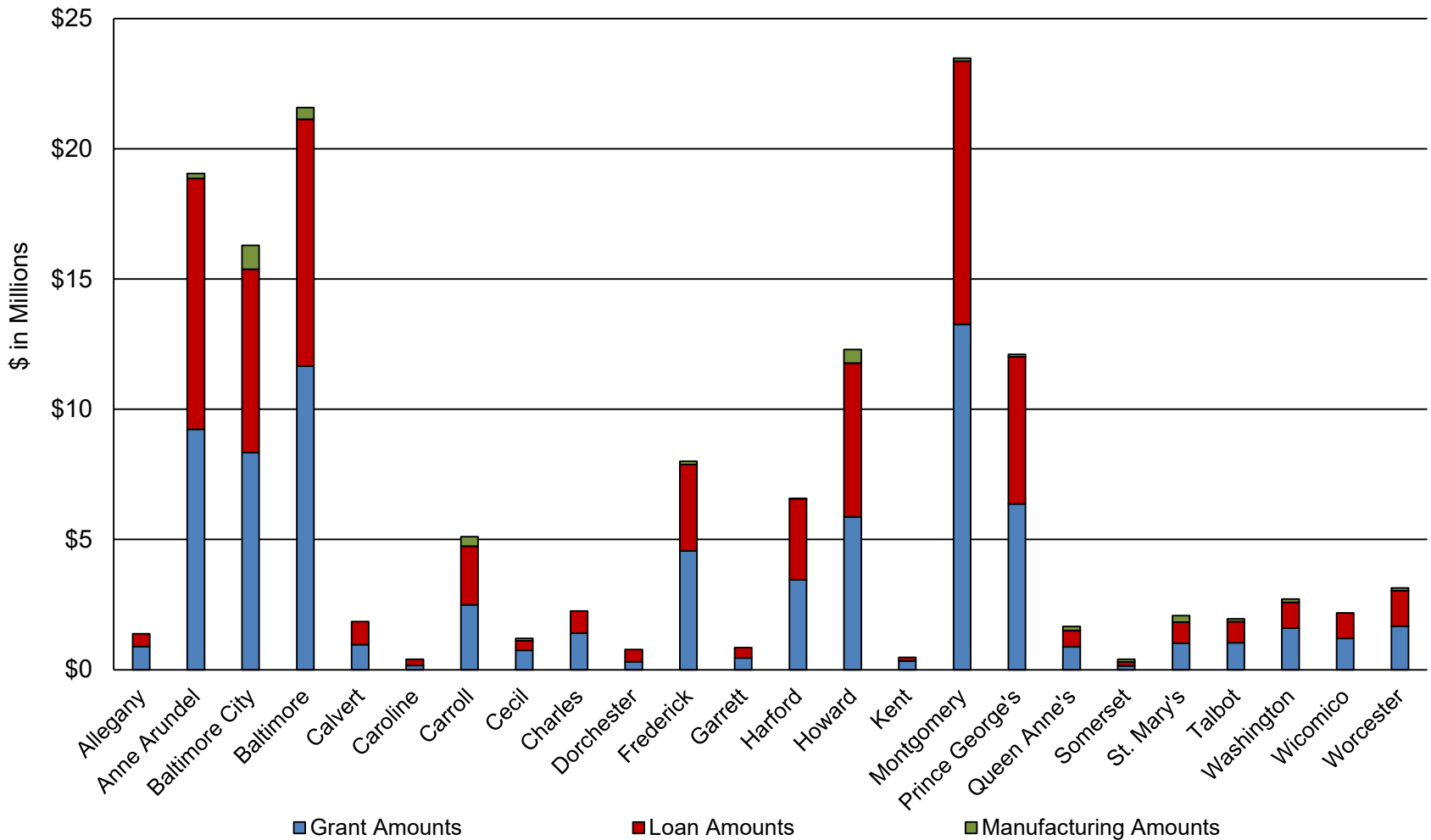
Note: Yellow denotes funding for which no budget amendment has been submitted.

Business Assistance

\$180 million from the CRF

- \$95 million for grants (\$78 million awarded to date)
 - Capped at \$10,000
 - More than 7,900 awards to businesses of 50 or fewer employees as of August 28
- \$75 million for loans (\$66 million awarded to date)
 - Capped at \$50,000
 - 1,447 awards to businesses of 50 or fewer employees as of August 28
 - 0% interest for first year and 2% for remaining 36 months
- \$5 million to Maryland Small Business Development Financing Authority
 - 5-year loans of \$25,000 to \$200,000
 - 0% interest for first 12 months and 2% for remaining 48 months
 - Support economically and socially disadvantaged businesses
- \$5 million for Emergency Relief Manufacturing Incentives (\$3.7 million awarded to date)
 - Grant awards to 52 companies of up to \$100,000
 - Purpose is to spur production of PPE

Grant and Loan Awards by County



Small Business Grants

Grant Recipients as % of Businesses with Fewer than 50 Employees

5.2%	6.2%	5.1%	7.9%	6.3%	6.3%	6.8%	4.5%	
Garrett	Allegany	Washington	Frederick	Carroll	Baltimore	Harford	Cecil	
			5.2%	6.7%	7.2%		5.9%	
			Montgomery	Howard	Baltimore City		Kent	
				4.6%	7.0%		6.8%	
				Prince George's	Anne Arundel		Queen Anne's	
				5.8%	5.9%		7.6%	2.7%
				Charles	Calvert		Talbot	Caroline
					5.4%		4.8%	5.2%
					St. Mary's		Dorchester	Wicomico
							4.3%	7.9%
							Somerset	Worcester
6.1%								
Statewide								

Nonprofit Assistance

\$50 million from the CRF

- \$30 million through Department of Housing and Community Development (DHCD) for grants to nonprofit organizations engaged in the economic recovery, health and human services, and housing of underserved communities and underserved populations
 - Grant size: \$5,000 to \$50,000 depending on size of organization's budget
 - Nonprofits less than 50 employees initially; now expanded to larger entities
 - First come, first serve
 - Funding announcements starting August 19
- \$10 million of grant funds reserved for providers licensed by Behavioral Health Administration or Developmental Disabilities Administration
- \$8 million through Department of Commerce for grants to nonprofits that applied for emergency grants but were not funded
- \$3 million to Maryland State Arts Council for Emergency Grants
 - \$1 million to county arts agencies
 - \$435,000 for arts and entertainment district management agencies
 - \$1.6 million for arts organizations and individual artists

Layoff Aversion Fund

Layoff Aversion Fund

- \$10 million in flexible funding to businesses and workers
- Up to \$50,000 grant for companies with less than 500 employees
- Approved 445 of 1,654 applications
- Eligible uses include equipment to allow employees to work from home, on-site cleaning and sanitation services, liability insurance, and other creative strategies to mitigate potential layoffs or closures in the business community

K-12 Education

- \$200 million from the CRF for technology and tutoring (discretionary State decision)
 - \$100 million technology grant allocated based on enrollment with purpose of improving the district's technology and connectivity shortages such that all students have equitable access to distance learning programs
 - \$100 million tutoring grant allocated based on Title I percentages. The Maryland State Department of Education (MSDE) reports that local school systems can use the funds to implement a tutoring program that meets certain ESSA evidence level criteria to compensate for the learning loss associated with time away from direct instruction as a result of the school closures due to the COVID-19 pandemic
- \$208 million from Education and Secondary School Emergency Relief Fund (ESSER)
 - \$187 million distributed based on Title I allocations per federal requirements
 - MSDE to retain about \$20 million for a statewide learning management system, developing online courses/virtual school, and professional development
- \$36 million from Governor's Emergency Education Relief Fund (GEER)
 - \$15 million for broadband
 - \$10 million for technology grants to remove barriers to remote learning
 - \$10 million for competitive innovation grants
 - \$0.7 million for the Maryland School for the Blind and the Maryland School for the Deaf

Allocation of K-12 Funds by LEA

<u>LEA</u>	<u>ESSER 90%</u>	<u>CRF Technology</u>	<u>CRF Tutoring</u>	<u>CRF Broadband</u>	<u>GEER K-12 Technology</u>	<u>Total</u>
Allegany	\$2,557,898	\$909,933	\$1,367,490	\$70,000	\$97,034	\$5,002,355
Anne Arundel	11,855,603	9,433,292	6,338,178	58,989	729,435	28,415,497
Baltimore City	48,392,782	8,387,531	25,871,484	1,778,600	1,440,291	85,870,688
Baltimore	23,741,773	12,649,182	12,692,697	0	1,288,489	50,372,141
Calvert	1,201,857	1,781,519	642,530	15,600	83,009	3,724,515
Caroline	1,490,079	629,841	796,618	111,370	67,339	3,095,247
Carroll	1,975,725	2,855,789	1,056,252	50,192	141,742	6,079,700
Cecil	3,128,807	1,668,853	1,672,706	14,000	154,832	6,639,198
Charles	3,127,289	3,040,143	1,671,894	812,008	231,590	8,882,924
Dorchester	1,901,155	510,856	1,016,385	124,000	63,131	3,615,527
Frederick	4,008,532	4,832,729	2,143,019	0	323,430	11,307,710
Garrett	957,166	414,890	511,715	185,000	33,470	2,102,241
Harford	4,451,782	4,277,979	2,379,987	79,138	291,847	11,480,733
Howard	4,236,699	6,562,633	2,265,001	213,649	374,492	13,652,474
Kent	522,155	205,915	279,152	45,973	23,964	1,077,159
Montgomery	24,768,196	18,344,404	13,241,438	1,117,512	1,748,276	59,219,826
Prince George's	30,031,745	14,926,887	16,055,408	517,500	2,137,208	63,668,748
Queen Anne's	739,946	858,432	395,586	708,000	51,634	2,753,598
St. Mary's	2,574,352	1,960,154	1,376,286	1,685,821	132,461	7,729,074
Somerset	1,347,240	307,114	720,254	0	43,271	2,417,879
Talbot	896,148	508,854	479,094	101,900	53,383	2,039,379
Washington	5,606,131	2,496,946	2,997,119	172,935	235,676	11,508,807
Wicomico	5,166,051	1,655,814	2,761,846	112,125	192,008	9,887,844
Worcester	1,565,973	734,443	837,192	11,200	61,988	3,210,796
SEED School	805,569	45,867	430,669	0	0	1,282,105
Total	\$187,050,652	\$100,000,000	\$100,000,000	\$7,985,512	\$10,000,000	\$405,036,164

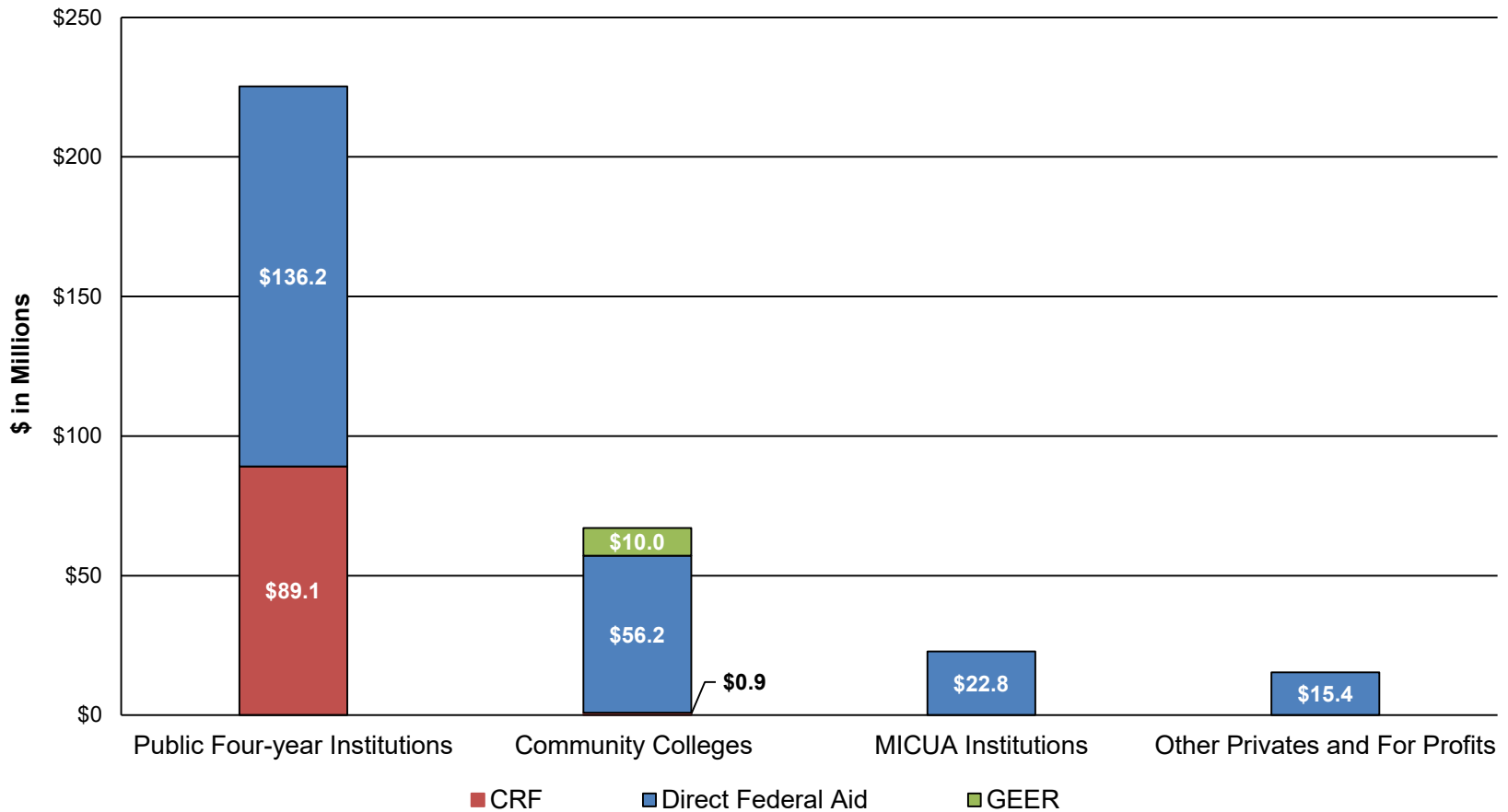
Broadband

- \$10 million from the CRF to provide internet access to students who lack access due to economic factors or the lack of infrastructure
 - 20 counties and Baltimore City have received \$8 million
 - Baltimore County recently applied and Somerset County is evaluating needs
 - Frederick County did not apply to date
- \$15 million from GEER to build a network in Southern Maryland, Western Maryland, and the Eastern Shore

Higher Education

- \$90 million from the CRF to public higher education institutions to offset policing and other COVID-19 costs, which effectively provides budget relief to institutions
- \$10 million from GEER for community colleges
- \$230.6 million of direct aid from federal government to all higher education segments

Allocation of Federal COVID-19 Funds by Higher Education Segment



Note: Only \$31 million of the \$90 million CRF funding has been allocated to date. The chart assumes the unallocated amount will support public four-year institutions, but a small portion will likely be allocated to Baltimore City Community College.

Allocation by Public Four-year Institutions

	Direct Federal Aid	CRF*	Total
Bowie State University	\$20,304,033	\$1,531,307	\$21,835,340
Coppin State University	6,934,403	731,916	7,666,319
Frostburg State University	4,119,350	889,657	5,009,007
Salisbury University	5,959,457	1,325,589	7,285,046
Towson University	17,335,851	2,931,677	20,267,528
University of Baltimore	2,502,682	639,148	3,141,830
University of Maryland, Baltimore	2,077,903	10,981,848	13,059,751
University of Maryland Baltimore County	9,353,461	1,058,797	10,412,258
University of Maryland, College Park	21,490,713	5,443,399	26,934,112
University of Maryland Eastern Shore	11,383,173	406,059	11,789,232
University of Maryland Global Campus	5,210,563	74,323	5,284,886
University of Maryland Center for Environmental Science		80,237	80,237
University System of Maryland Office (includes regionals)		322,566	322,566
Morgan State University	28,304,371	2,548,586	30,852,957
St. Mary's College of Maryland	1,173,755	1,444,698	2,618,453
Total	\$136,149,715	\$30,409,807	\$166,559,522

*Another \$59 million of the CRF remains to be allocated in fiscal 2021.

Allocation by Community College

	<u>Direct</u>			
	<u>Federal Aid</u>	<u>GEER</u>	<u>CRF</u>	<u>Total</u>
Allegany College	\$1,494,165	\$253,901		\$1,748,066
Anne Arundel Community College	4,530,529	980,405		5,510,934
Baltimore City Community College	3,067,709	754,357	\$874,486	4,696,552
Carroll Community College	1,104,882	1,480,602		2,585,484
Cecil College	1,115,623	344,033		1,459,656
Chesapeake College	963,064	250,000		1,213,064
College of Southern Maryland	2,708,999	274,290		2,983,289
Community College of Baltimore County	9,813,679	560,315		10,373,994
Frederick Community College	1,851,890	399,162		2,251,052
Garrett College	529,900	250,000		779,900
Hagerstown Community College	2,474,911	322,334		2,797,245
Harford Community College	2,343,664	477,265		2,820,929
Howard Community College	4,800,099	545,639		5,345,738
Montgomery College	11,040,426	1,361,801		12,402,227
Prince George's Community College	6,421,788	1,344,679		7,766,467
Wor-Wic Community College	1,952,580	401,217		2,353,797
Total	\$56,213,908	\$10,000,000	\$874,486	\$67,088,394

Transportation

- Of \$654 million available through the State budget, the Maryland Department of Transportation (MDOT) estimates \$372 million in fiscal 2020 spending and \$215 million in fiscal 2021, with residual spending through fiscal 2024

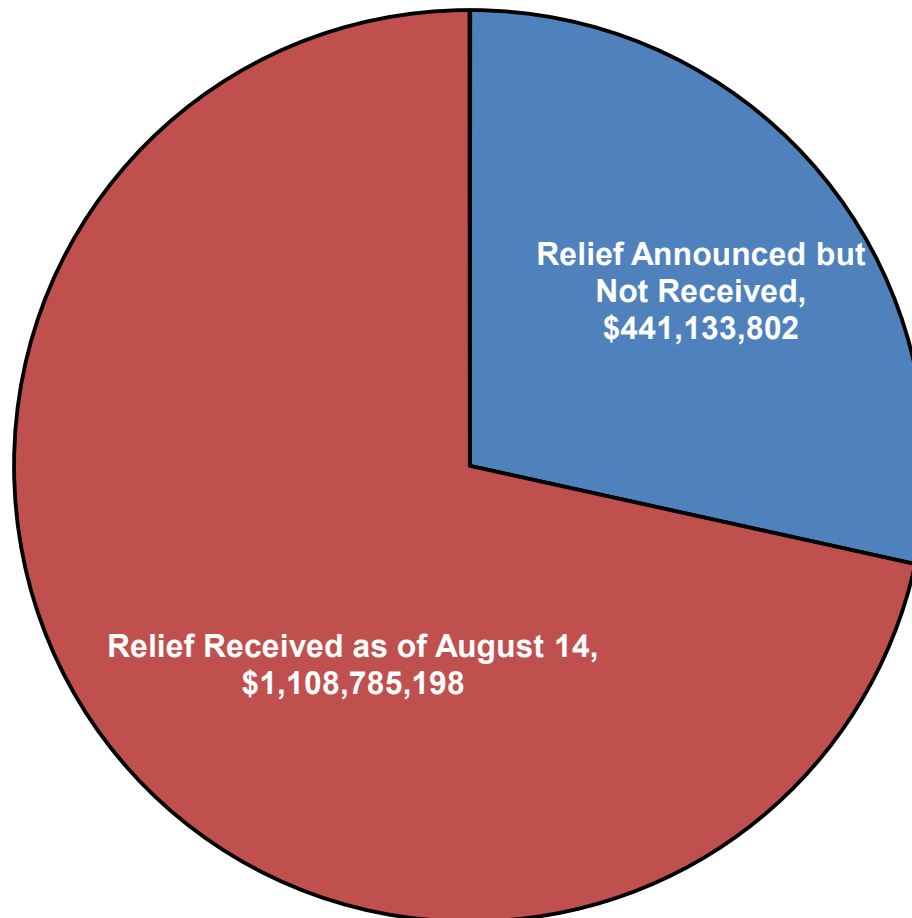
	<u>MDOT Budget</u>	<u>Federal Direct Allocation</u>
<u>Transit</u>		
Maryland Transit Administration	\$392.0	
Locally Operated Transit Systems	151.3	
Multi-state Metropolitan Planning Organizations (MPO)		\$153.0
Washington Metropolitan Area Transit Authority (WMATA)		876.8
<u>Airport</u>		
Maryland Aviation Administration – BWI	87.6	
Local Airports		20.1
<u>Other</u>		
Coronavirus Relief Funds	23.5	
Total	\$654.4	\$1,049.9

- \$696 million is provided for transit grants, in addition to \$877 million in operating support allocated directly to WMATA
 - \$345 million for urban area bus and rail systems
 - \$178 million for MTA state of good repair projects
 - \$153 million for Maryland-based MPOs with operating jurisdictions across multiple states
 - \$19 million for rural area grants

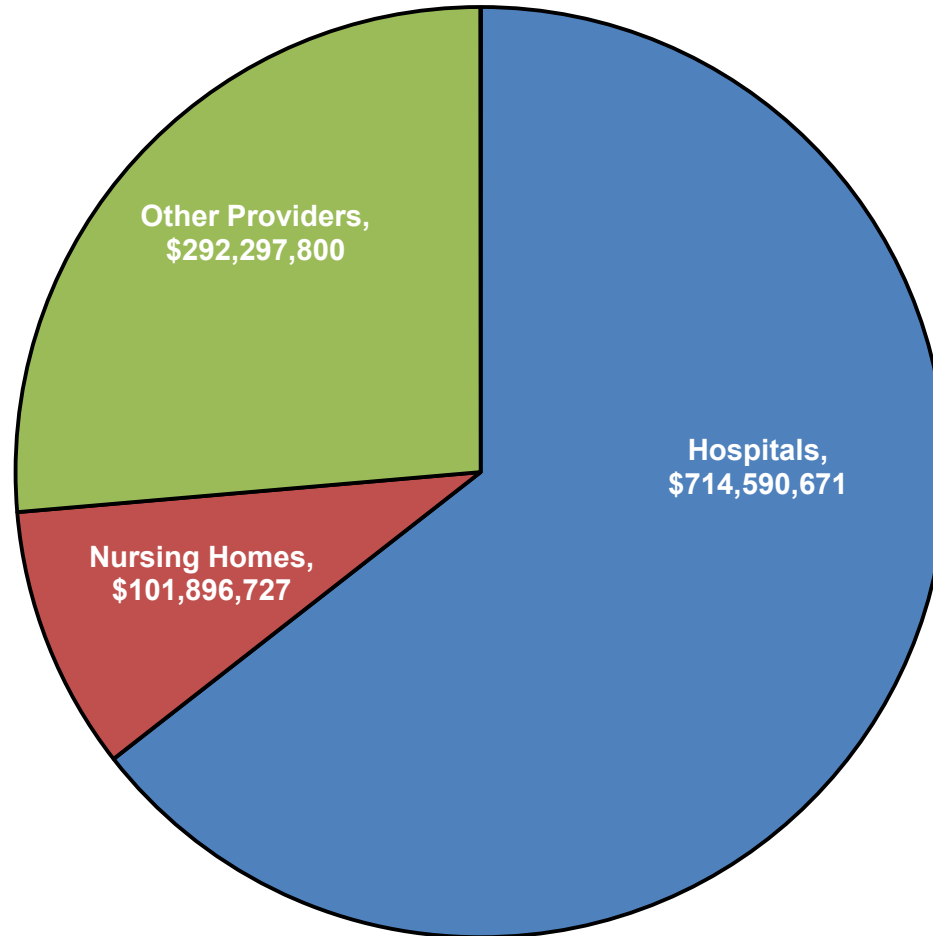
Active Amendments

- Currently \$235 million in fiscal 2020 COVID-19 related budget amendments under legislative review
 - \$124 million to partially backfill \$157 million from the Rainy Day Fund used for COVID-19 procurements, child care for essential workers, and small business grant and loan assistance, along with \$7 million for the Layoff Aversion Program (BA 069-20)
 - \$59 million to the University System of Maryland for COVID-19 testing, PPE, and increased financial aid (BA 064-20)
 - \$28 million to DHCD for rental and housing assistance (BA 063-20)
 - \$18 million to the Maryland Department of Aging for nutrition, caregiver, and other supportive services (BA 059-20)
 - \$6 million to the Maryland Department of Labor to supplement the Layoff Aversion Program (BA 067-20)

Maryland to Receive \$1.5 Billion of Provider Relief

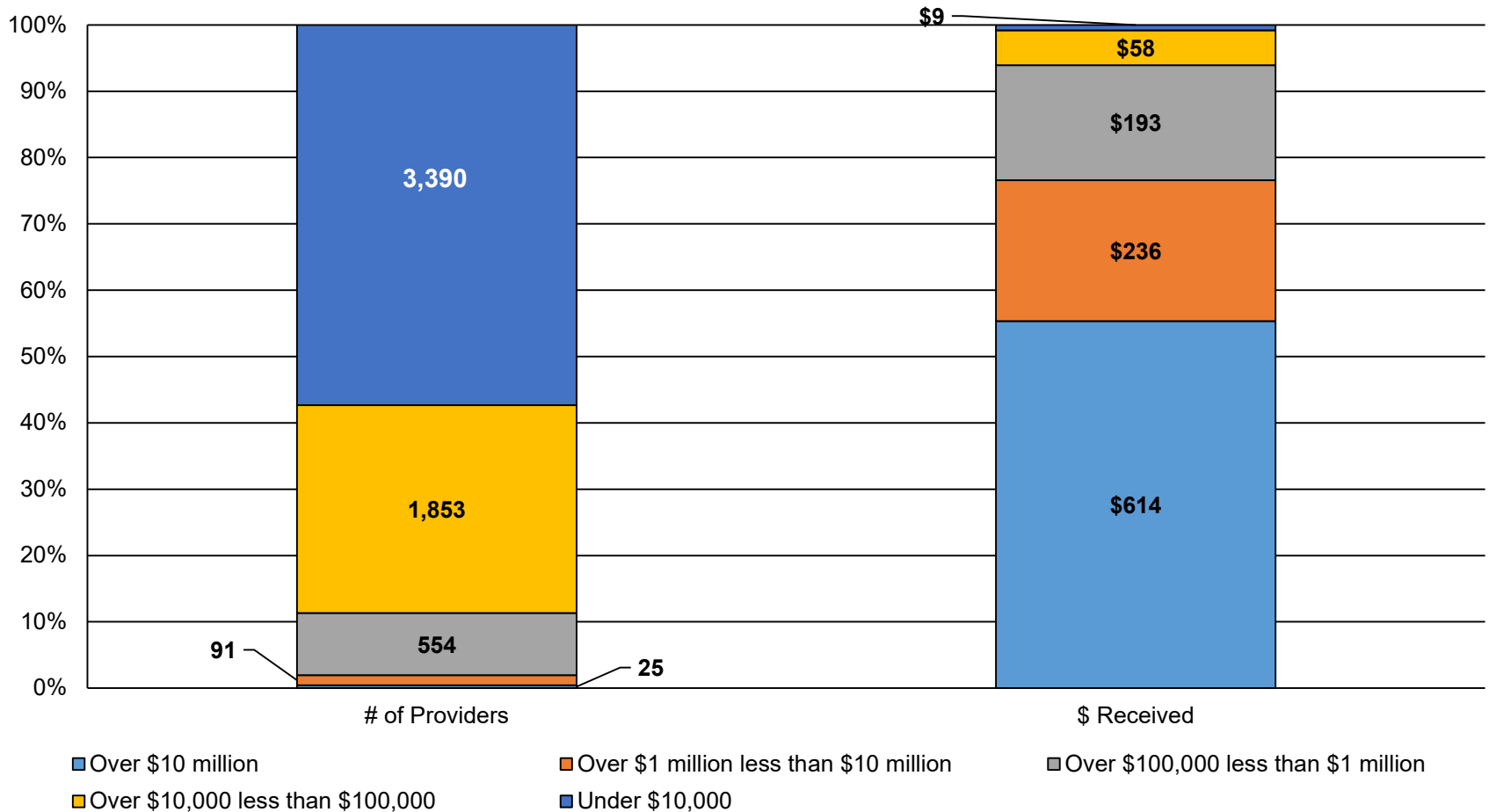


Allocation of Provider Relief Received as of August 14



More than 5,900 Providers Received Relief; 55% of Dollars Allocated to 25 Large Providers

(\$ in Millions)





Issues

- Administration approach minimizes legislative oversight
 - General Assembly may wish to amend statute to provide for more formal oversight role in use of new federal grants
- While CRF expenditures reported to the federal government total \$833 million, only \$657 million of budget amendments have been submitted to General Assembly
- How will remaining CRF dollars be allocated?
 - Balance between new programs and general fund relief
- Lack of Minority Business Enterprise information on business assistance grants and loans
- Lack of coordination of federal, State, and local business grants



Coronavirus Relief Fund (CRF) Spending Summary

September 2020

Maryland Department of Budget & Management



Coronavirus Relief Fund Spending

- The CARES Act provided Maryland \$2.344 billion through the Coronavirus Relief Fund (CRF).
- Spending from the CRF may only be used for the following:
 - Necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
 - Expenditures not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
 - Expenses incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.



CRF Spending – Local Government

- Of the \$2.344 billion allocated to Maryland, the State received \$1.653 billion while local governments with a population over 500,000 received \$691 million.
- The following jurisdictions received about \$691 million directly:
 - Montgomery County \$183.4 million
 - Prince George’s County \$158.7 million
 - Baltimore County \$144.4 million
 - Baltimore City \$103.6 million
 - Anne Arundel County \$101.1 million



CRF Spending – Local Government

- Governor Hogan distributed \$364 million to the remaining 19 county governments that did not receive funding directly.
- Funding was allocated proportionally to local governments based upon population.
- As a general rule, half of the \$364 million was distributed to local health departments while the other half was distributed to the county government.
- Local health department funding was done on a reimbursement basis; County government funding was distributed directly after an indemnity waiver was signed.

CRF Spending – Local Government

(\$ in millions)

• Allegany	\$12.3	• Howard	\$56.8
• Calvert	\$16.1	• Kent	\$ 3.4
• Caroline	\$ 5.8	• Queen Anne's	\$ 8.8
• Carroll	\$29.4	• St. Mary's	\$19.8
• Cecil	\$17.9	• Somerset	\$ 4.5
• Charles	\$28.5	• Talbot	\$ 6.5
• Dorchester	\$ 5.6	• Washington	\$26.4
• Frederick	\$45.3	• Wicomico	\$18.1
• Garrett	\$ 5.1	• Worcester	\$ 9.1
• Harford	\$44.6		



CRF Spending – Local Government

- To date, the State does not have much information on how local jurisdictions have spent their CRF dollars.
- The 5 largest jurisdictions have reported that they have spent between 13% and 49% of their funding through June 30.
- The State has requested local governments to submit spending reports to DBM by September 9 (for period ended June 30).
- We do know that based upon FY 20 spending, local jurisdictions have spent less than half of their local health department funding.



CRF Spending – State Government

- The State prioritized health spending during the early portions of the pandemic.
- The State has assumed that most PPE spending is eligible to be reimbursed under FEMA public assistance.
- The State has assumed that the CRF is eligible to be used as a match for FEMA public assistance. This allows the State to extend its CRF dollar further than expected.



CRF Spending – State Government

- As CRF spending became clear, the State shifted business assistance funding away from the Rainy Day Fund.
- After the CRF was deemed eligible to match FEMA public assistance the Governor announced additional funding initiatives totaling more than \$400 million:
 - K-12 Education \$210 M
 - Business & Non-profit assistance \$100 M
 - Higher Education \$ 90 M
 - Rental Assistance \$ 10 M



State Spending Summary

(preliminary submission through 6/30)

Transfers to Local Governments	\$364 M
Public Health & Safety Payroll	\$143 M
Medical Expenses	\$114 M
Economic Support	\$106 M
Other	<u>\$105 M</u>
TOTAL*	\$833 M

*** Represents 50.4% of \$1.653 billion allocated to the State**




State Spending Summary

(current allocation)

Transfers to Local Governments	\$364 M
Public Health & Safety Payroll	\$328 M
Economic Support	\$239 M
Medical Expenses	\$198 M
Distance Learning	\$110 M
Other	<u>\$297 M</u>
TOTAL*	\$1,536 M

* Represents 92.9% of \$1.653 billion allocated to the State



State Spending Summary

(detail)

Public Health & Safety Payroll \$328 M

- Includes local public health, state agency police, and higher education police salary fund swaps

Economic Support \$239 M


- Includes small business assistance and non-profit assistance programs

Medical Expenses \$198 M

- Includes all types of PPE and medical equipment. This represents \$600+ million in FY 20 expenses plus and an estimated \$180+ million in outstanding DGS invoices. CRF share is 25%.

Distance Learning \$110 M

- Includes \$100 million for K-12 technology and \$10 million for Rural Broadband




State Spending Summary

(detail)

Other

\$297 M

- Includes the following
 - K-12 Targeted tutoring (\$100 M)
 - Response Pay (\$75 M)
 - Higher Education PPE (\$43 M)
 - DPSCS non-personnel costs (\$18M)
 - UMB School of Medicine (\$15 M)
 - Food Assistance (\$10 M)
 - Rental Assistance (\$10 M)
 - Substantially diverted salaries (\$6 M)
 - Telework Technology (\$5 M)
 - Other (\$15 M)



State Spending Summary

(detail)

CRF Fund Balance \$117 M

- The Administration is proceeding cautiously with additional CRF spending at this time.
 - To make sure sufficient resources are available in case of another wave of the virus
 - To serve as a hedge against ever changing federal guidance as described in the following slides
- The Administration is committed to ensuring that all CRF funding is spent.



Cautionary Closing Notes

- Treasury has provided guidance several times on the eligible uses of spending for the CRF that have proven to be difficult to follow and at times contradictory.
- FEMA has been slow to provide guidance about what is eligible and the information provided to states also appears contradictory.
 - PPE purchased for some State agencies like Public Safety and Higher Education institutions may not be eligible for reimbursement.
 - Expenses originally paid with CRF dollars may not be swapped to FEMA public assistance to draw down additional match.
 - Medical equipment purchases may not be fully matchable, only the depreciated costs.



Cautionary Closing Notes

- OIG guidance released last Friday appears to contradict Treasury guidance with regard to presumptive eligibility of public health and safety payroll expenses
 - This is particularly problematic for Maryland as we expect more than \$325 million in this category of spending, much of which would help balance the General Fund

Purple Line Update

**Presentation to the
Senate Budget and Taxation Committee**



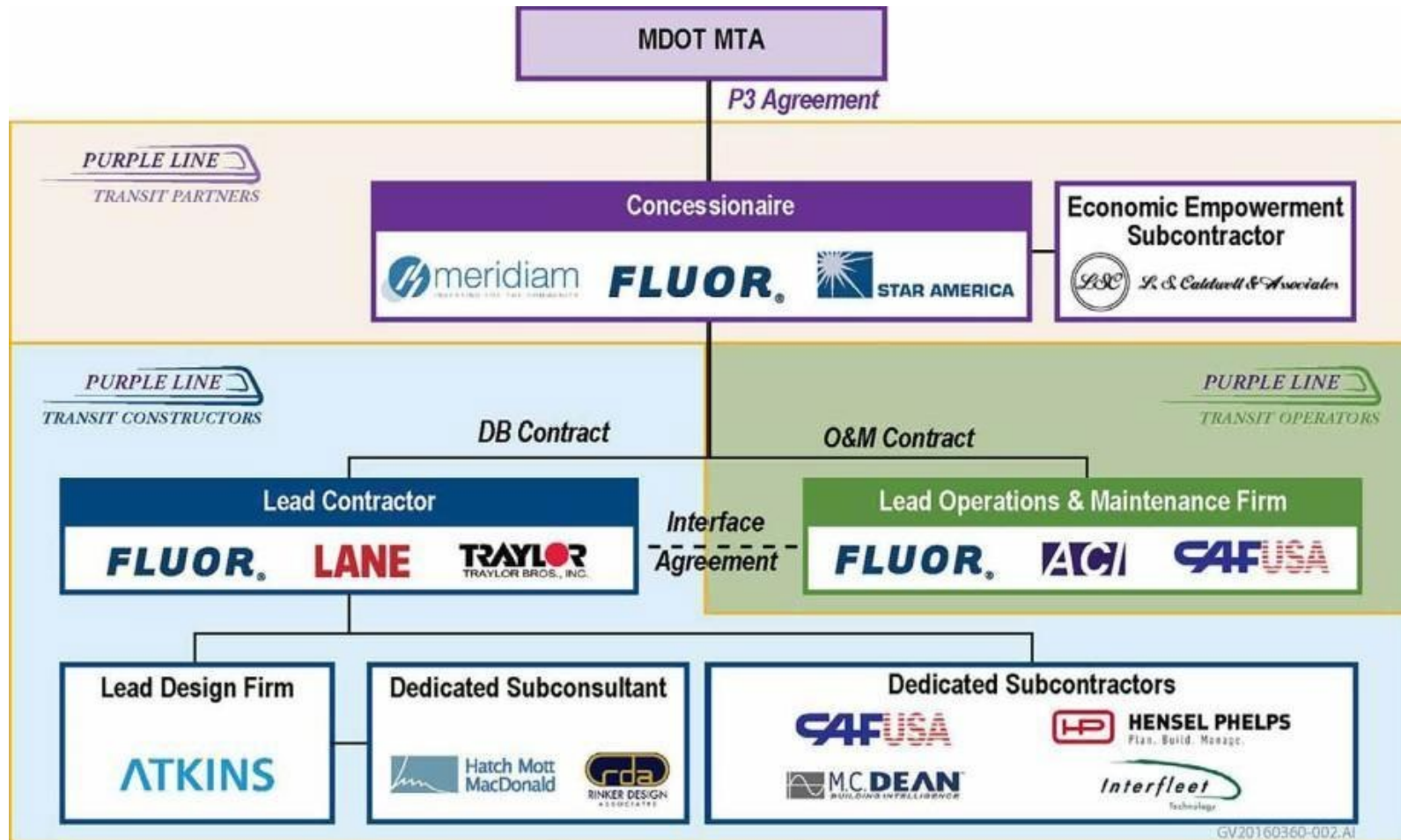
**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

September 2020

Project Background

- Procurement
 - Availability Payment public-private partnership (P3)
 - Purple Line Transit Partners (PLTP) selected to be the concessionaire responsible for:
 - Finishing design of, financing, constructing, equipping (including light rail vehicles), operating, and maintaining the Purple Line Project
 - 36-year contract comprising 6 years of construction and 30 years of operations and maintenance

Project Background – P3 Structure



Project Background

Estimated Cost and Funding

- Planning, Design, and Construction: \$2.4 billion
- Sources
 - \$900 million: Federal Section 5309 New Starts
 - \$36 million: Federal Section 5307 Urbanized Area Formula Funds
 - \$450 million: State/Local
 - \$1,021 million: P3 Concessionaire (private equity, borrowed funds (including federal loan))

Notices to Terminate P3 Agreement

- May 1, 2020: Purple Line construction firms notified PLTP of intent to terminate design-build contract with PLTP.
- June 23, 2020: PLTP notified MDOT/MTA of intent to terminate P3 Agreement for Extended Delay

PLTP Stated Basis for Notice (Disputed by MDOT/MTA)

- Delay of 976 days increasing project cost by at least \$519.1 million related to:
 - Record of Decision vacated during litigation with project opponents
 - Right of way not provided timely
 - Changes to design criteria for portions of the project in and around CSX-owned property
 - New and changing requirements for environmental permits through the Maryland Department of the Environment

MDOT/MTA Response

- June 24, 2020: provided PLTP with Notice of Concessionaire Default
- August 10, 2020: received a temporary restraining order from the Circuit Court for Baltimore City enjoining PLTP from demobilizing until expiration of the order on September 14, 2020
- Seeking a preliminary injunction restraining and enjoining PLTP from abandoning the project unless and until it has established that an extended delay exists by and through its compliance with dispute resolution procedures set forth in the P3 Agreement

If the P3 Agreement Terminates

- Due to Extended Delay, MDOT/MTA would have to pay the concessionaire to cover
 - Project debt
 - Outstanding committed investment
 - Reasonable contract termination costs (e.g., demobilization)
- Due to Concessionaire Default, payments to concessionaire would not fully cover project debt nor committed investment and there would be no termination cost payments due to the concessionaire
- MDOT/MTA may take over project construction, operations, and maintenance responsibilities (lenders also have rights)