



BY THE NUMBERS

The BPW met 5 times during Q1 2023 and took the following actions:

409 items approved

79 new contracts

330 modifications, renewals,
grants, settlements

\$1.2 billion State expenditures

\$707 million new contracts

\$493 million modifications,
renewals, grants, settlements

32 prime contracts to certified small businesses,
including veteran-owned small businesses

\$64 million prime contracts to
certified small businesses

*The **Small Business Reserve Program** sets a 15% annual goal for all State procurement expenditures with certified small businesses.*

18 prime contracts to MBEs

\$29 million prime contracts to MBEs

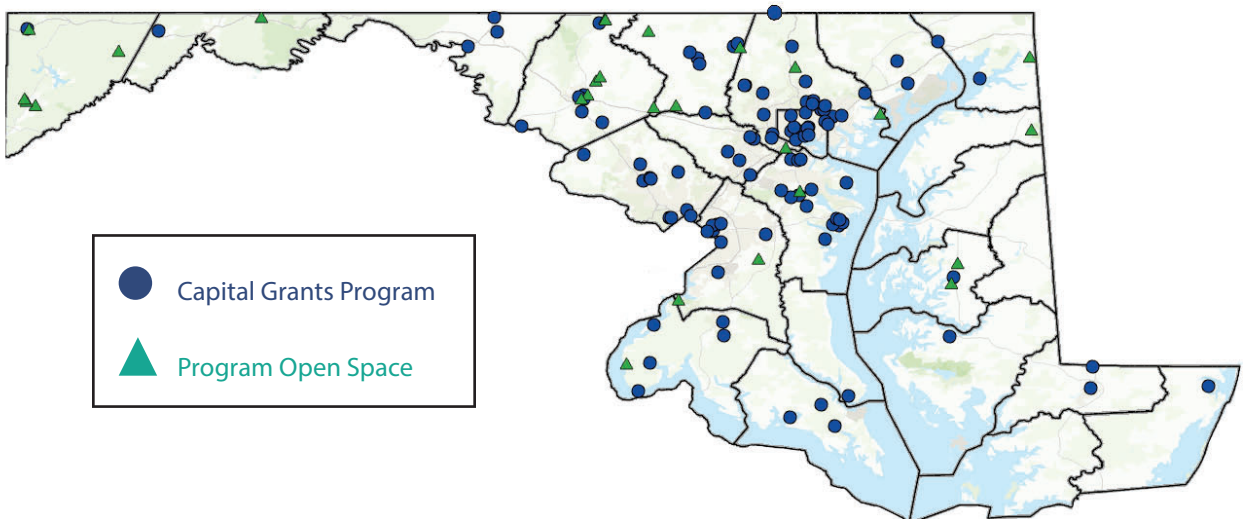
22 new contracts with MBE subcontracting goals **15%** average MBE subcontracting goal

*The **Minority Business Enterprise Program (MBE)** sets a 29% annual goal for State procurement expenditures with certified MBEs as prime or subcontractors.*

PLACE-BASED INVESTMENT PROGRAMS

The Capital Grants Program provides funding to local governments and nonprofits for community centers, health facilities, museums, parks, affordable housing projects, and more. In Q1 2023, the BPW approved \$72m for 114 projects.

Program Open Space preserves natural areas for public use and to protect watershed and wildlife. This is typically done through land acquisition and conservation easements to expand existing parks and create new parks. In Q1 2023, the BPW approved \$17m for 30 projects.



Brooke E. Lierman
Comptroller of Maryland

Bond Sale

Among its authorities, the BPW approves the sale of General Obligation (GO) bonds. GO bonds fund a range of capital projects administered by State agencies, local governments, and nonprofits that have been enacted by the General Assembly, including the Capital Grants Program (see above). Bond sales typically take place once or twice a year, depending on the State's capital needs and market conditions, as determined by the State Treasurer.

The BPW held its Q1 2023 bond sale at the March 15 meeting. A total of \$400 million in bonds were issued across three, separate competitive sales. Bank of America (BoFA Securities) purchased two tax-exempt bonds totaling \$350 million and Morgan Stanley (Morgan Stanley & Co. LLC) purchased a taxable bond for \$50 million.

It is anticipated that more than 60 percent of the proceeds from the bond sales will fund schools and about 25 percent will fund healthcare, housing, and public safety facilities.

While rising interest rates will result in higher payments by the State when repaying these bonds compared to the last few years, Maryland's AAA bond rating from all three ratings agencies held down interest rates and yields for last month's bond sale.

Maryland currently has \$10 billion in outstanding GO bond debt. The debt service is paid primarily with State property tax receipts. The BPW approves the State property tax rate for the next fiscal year every April, following the legislative session.

POLICY PROFILE

Climate Resilience

The BPW is positioned to have a significant role in advancing climate resilience in the State of Maryland. Many of the projects reviewed, approved, and monitored by the BPW impact climate, from building construction to wetlands preservation to energy use.

The University System of Maryland (USM) has been a leader in proactively sharing with the BPW efforts to conform to sustainable design features and comply with Maryland State High Performance Green Building Program standards. For most projects presented to the BPW, USM provides a descriptive summary section on project sustainability measures and strategies.

In Q1 2023, other agencies also shared climate goals for specific projects. For example, the Department of General Services presented a contract modification for the Maryland Supreme Courthouse to switch from natural gas to an electric heat source and Morgan State University shared with BPW that they expect to meet LEED Silver standards for their Health and Human Services Center Project.

These examples are generally the exception at BPW meetings – agencies provide information about sustainability with varying levels of detail and consistency, in part because such

information is not a requirement. However, with the passage of the Climate Solutions Now Act last year, Maryland has quantified its commitment to mitigating the effects of climate change by setting aggressive goals to achieve 60 percent greenhouse gas emissions reductions by 2030 and net-zero statewide emissions by 2045.

For the State to achieve these goals, sustainability and environmental impact must be central considerations in all expenditures of Maryland taxpayer dollars. It would benefit the BPW to have a better understanding of how State agencies are incorporating climate resilience and sustainability into their projects and procurements in support of the State's emissions reduction goals. The descriptive sustainability summaries provided by USM (and in some cases, other agencies) to the BPW are a good first step.

As a next step, the BPW members and staff should work with State agencies and the General Assembly to, 1) require that all agencies provide descriptive sustainability information for relevant BPW items, and 2) develop a plan for incorporating sustainability goals, such as those in the Climate Solutions Now Act, into State procurements and items brought before the BPW.