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P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

LIEUTENANT GOVERNOR ANTHONY BROWN;

HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

SHEILA C. MCDONALD, Secretary, Board of
Public Works;

ALVIN C. COLLINS, Secretary, Department
of General Services;

T. ELOISE FOSTER, Secretary, Department
of Budget and Management;

BEVERLEY SWAIM-STALEY, Secretary,
Department of Transportation;

CHIP PRICE, Community Resilience, Local POS,
Community Parks and Playgrounds,
Department of Natural Resources;

LUWANDA JENKINS, Special Secretary,
Governor's Office of Minority Affairs;

MARY JO CHILDS, Procurement Advisor,
Board of Public Works; and,

MARION BOSCHERT, Recording Secretary,
Board of Public Works.

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P R O C E E D I N G S

GOVERNOR O'MALLEY: Good morning, everybody. This is January 20th, 2010, in the great State of Maryland doing the people's work.

We have a number of important items on the agenda. And today is also the day of the hope-a-thon when school boards from throughout our State - which, by the way, was named, for the second year in a row, as the best public school system in the United States of America by *Education Week* magazine.

(Applause)

GOVERNOR O'MALLEY: People from all over the State are going to come here and tell us that we need to do ten times as much money on school improvement and school renovations, because -- I mean, who would want to serve a people that weren't ambitious about the future they can give their children. So that's what's going to start happening here at around 11.

In the meantime, we have been made aware that -- of course, we knew that the Sailing Museum issue is on the agenda today. We're also -- and

Mayor, thank you very much for taking the time to be here and for your communication on this in advance.

One thing we were not as cognizant of as perhaps we might have been is that some of those who have concerns, questions, fears about the lease have not yet been able to read the lease. So what I suggest we do is that to those who are here to testify as opposed to the lease or who would like to read it so they can make an informed decision on whether or not they're opposed, we are making copies -- absolutely free of charge for -- for you right now.

And I know Dick Israel is a very able attorney, as well as the Alderman for this area. And I am going to also make available to you -- again, free of charge, because it's yours -- the Governor's Executive Conference Room. And it's only 20 pages long, right? So if you all, while we do the -- begin the agenda, and -- could take a half hour, 20 minutes to read it over, it might focus our comments and demystify it so that everybody knows what we're doing.

Ms. McDonald?

SECRETARY MCDONALD: Governor, I've spoke to -- spoken to Mr. Israel, but if there's anybody else in the room -- when I know that the copies have been made, I will stand up. Mr. Israel will come with me. Anybody else who wants to read the lease, just follow me out of here, and I'll take you to the room.

GOVERNOR O'MALLEY: Okay. Any opening comments, Mr. Comptroller, Madam Treasurer.

COMPTROLLER FRANCHOT: Thank you, Governor. I agree with you. We have a big agenda. Let's get right to work.

GOVERNOR O'MALLEY: Okay. Madam Treasurer.

TREASURER KOPP: Good morning.

GOVERNOR O'MALLEY: Good morning. All right. Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have 12 items on the Secretary's Agenda this morning.

We have one report of an emergency procurement. Item 12 is the school construction program for FY 2011, proposed. And so we will hold that till the end. We will be glad to answer your

questions on items 1 through 11 or on the emergency report.

GOVERNOR O'MALLEY: Any questions on the Secretary's Agenda?

TREASURER KOPP: Just to draw your attention, Item 10 talks about an upcoming -- authorizes an upcoming -- no, that's not -- upcoming bond sale for later next month. This starts the process going. It will be composed almost entirely of Build America bonds. Part of the great ARRA Stimulus program, and perhaps (unintelligible), but this is the first step in the process to --

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: -- issue them.

GOVERNOR O'MALLEY: We were one of the first in the nation to issue these, right, thanks to your --

TREASURER KOPP: And they have saved the taxpayers --

GOVERNOR O'MALLEY: -- stewardship and good leadership.

TREASURER KOPP: -- of Maryland significant funds, for which we are most appreciative.

GOVERNOR O'MALLEY: And we put these in --
and these are construction --

TREASURER KOPP: These are regular
construction bonds. These are instead of normal
general (unintelligible) bonds.

GOVERNOR O'MALLEY: Great.

TREASURER KOPP: The Fed's share in the
interest rate with us.

GOVERNOR O'MALLEY: All right. Then the
balance of the Secretary's Agenda, with Item 12 held
until later this morning, the Treasurer moves
approval, seconded by the Comptroller. All in favor,
signify by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The
"ayes" have it.

We move on now to --

SECRETARY MCDONALD: Program Open Space. We
have Mr. Chip Price here today.

GOVERNOR O'MALLEY: Program Open Space.

MR. PRICE: Good morning Governor, Lt.
Governor, Treasurer, Comptroller. Department of

Natural Resources has 32 projects for your review and consideration this morning. I can take any questions that you may have.

GOVERNOR O'MALLEY: All right. Any questions on Program Open Space?

(No response.)

GOVERNOR O'MALLEY: Hearing none, Treasurer -- Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The ayes have it.

We move on now to the Department of Budget and Management with "T", for tough choices, Eloise Foster.

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, Mr. Lieutenant Governor, good morning. There are five items on the Department of Budget and Management's Agenda for today. And I'll be happy to answer any questions you may have.

TREASURER KOPP: Madam Secretary, I just had a question about two -- two. This is the new TPA Services for the flexible spending accounts?

MS. FOSTER: Item one.

TREASURER KOPP: One. I'm sorry.

MS. FOSTER: This is the -- a contract to provide third-party administrative services --

TREASURER KOPP: Right.

MS. FOSTER: -- for the flexible spending account.

TREASURER KOPP: Have there been discussions --

MS. FOSTER: It's for the health --

TREASURER KOPP: -- with the state employee representatives on this?

MS. FOSTER: There have been -- yes. There have been discussions with the -- and they like it. Actually, this is going to be very good. It's the first time, really, that we're going to have a debit card for this account.

This company is really known for its security systems, so we'll be able to protect

individual's identity. And they really had the best web-based claims processing system.

TREASURER KOPP: That's excellent.

MS. FOSTER: So you won't have to email. You won't have to fax. You can do it all on line.

TREASURER KOPP: That's terrific. Thank you.

GOVERNOR O'MALLEY: All right. Any other questions on Department of Budget and Management?

(No response.)

GOVERNOR O'MALLEY: Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The ayes have it.

We move on now to the University System of Maryland.

MR. EVANS: Good morning. Joe Evans representing the University System of Maryland. We have five items on the agenda today. I can answer any questions.

GOVERNOR O'MALLEY: Which one's your favorite one?

(Laughter)

MR. EVANS: All of them.

GOVERNOR O'MALLEY: Good answer. Tell me about the project at Frostburg, would you.

MR. EVANS: I bring up Mr. Stirling.

MR. STIRLING: Good morning. Jim Stirling, University of Maryland, College Park.

We're administering the project for Frostburg as the Service Center. It's a combination renovation and addition to their Student Center, the Lane Center building that we have at Frostburg. It essentially upgrades the existing space, brings it into the current century and adds about 7,000 square feet of new space with additional amenities for the students.

GOVERNOR O'MALLEY: How many construction jobs, any idea?

MR. STIRLING: Don't know. I think we could probably press on Wayne (unintelligible) to print some numbers for us.

GOVERNOR O'MALLEY: Yeah. In the future, whenever you come here on these things, it's very important to us to know how each of these projects help support our primary mission of creating jobs, supporting jobs, sustaining jobs, especially in construction trades.

I mean, one of the great benefits from the fiscal discipline exercised by the Comptroller and the Treasurer and this Board has been our retention of the triple A bond rating. And it's important that we're able to draw the connection between our ability to continue to access credit and the important building that's going on which now supports 16 percent of construction jobs in our State.

So if you guys -- I know you've been great. You thought we were going to ask you about the MBE number, which I see is 28 percent.

(Laughter)

MR. STIRLING: I thought you'd be impressed with 28 percent in Frostburg.

(Laughter)

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GOVERNOR O'MALLEY: And we are. Mr.

Comptroller, aren't you impressed? I think I speak for the entire Board when I say we are very impressed with that. Thank you. But in the same way that you have been very responsive in tracking the MBE and the diversity goals, we hope you also -- if you could let us know on the jobs front.

MR. STIRLING: Understood.

GOVERNOR O'MALLEY: Right. Thanks a lot.

Any other questions on the University System of Maryland agenda items?

(No response.)

GOVERNOR O'MALLEY: Okay. Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The ayes have it.

We move on now -- thanks, Mr. Stirling.

We move on now to the Department of Information Technology.

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TREASURER KOPP: Governor, while we're between them and talking -

GOVERNOR O'MALLEY: Sure.

TREASURER KOPP: -- I just asked the Lieutenant Governor and he agreed, it would be appropriate for this Board in the near future to have an updated briefing on BRAC and what we're doing and where the jobs are. Can it be done?

GOVERNOR O'MALLEY: Sure. There is a motion to have an updated briefing on BRAC before this Board. Motion made by the Treasurer, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: And, Ms. McDonald, if you could help us schedule that.

SECRETARY MCDONALD: Yes.

GOVERNOR O'MALLEY: And with the Lieutenant Governor taking the lead, Lieutenant Governor, on presenting where we are and where we're going and the jobs that are coming.

SECRETARY MCDONALD: Okay. Got it.

GOVERNOR O'MALLEY: Okay. We are now on -

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SECRETARY MCDONALD: And we have no
Information Technology agenda today. So --

GOVERNOR O'MALLEY: There's no information --

SECRETARY MCDONALD: Right.

GOVERNOR O'MALLEY: -- for Information
Technology.

SECRETARY MCDONALD: No. That's because
they've been doing such a great job that they --

GOVERNOR O'MALLEY: The ultimate in cyber
security.

SECRETARY MCDONALD: Everything's under
contract now, and they don't need to -- I think
they'll be back next meeting, though.

GOVERNOR O'MALLEY: All right. Department of
Transportation, MDOT. Beverley, how are you?

MS. SWAIM-STALEY: Good Morning. Fine, thank
you. Good morning, Governor, Lieutenant Governor,
Madam Treasurer, and Mr. Comptroller. We have two
items on the agenda this morning, Item 3-M is being
withdrawn.

GOVERNOR O'MALLEY: Madam Secretary, I don't
know if it's the snow or other things, but if you

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would ask the folks in the region around the 695/95,
sort of south area --

MS. SWAIM-STALEY: Uh-huh.

GOVERNOR O'MALLEY: -- to take a look at
those medians and the exit ramp/on ramps. They're
kind of trashed. It might be because of the forces
we've had to --

MS. SWAIM-STALEY: Okay.

GOVERNOR O'MALLEY: -- divert and the
overtime we've had to use on snow removal, but they
were looking pretty -- pretty shabby, unlike, you
know, the new norm.

MS. SWAIM-STALEY: That's noted. We'll check
that out right away.

GOVERNOR O'MALLEY: Great. Anybody have any
questions on Department of Transportation?

(No response.)

GOVERNOR O'MALLEY: Comptroller moves
approval, seconded by the treasurer. All in favor
signal by saying, "Aye."

THE BOARD: Aye.

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GOVERNOR O'MALLEY: All opposed, "Nay." The ayes have it.

We move on now to the Department of General Services. Are you the lease, or is DNR the lease that is being reviewed by --

MR. COLLINS: I am presenting the lease on behalf of DNR that's being reviewed.

GOVERNOR O'MALLEY: Okay. And that's part of this agenda?

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: All right. We're not going to pick up that, because folks are still reviewing it.

MR. COLLINS: Okay.

GOVERNOR O'MALLEY: But let's deal with the balance. What Item is that?

MR. COLLINS: That would be Item 10-LL.

GOVERNOR O'MALLEY: All right. We're deferring 10-LL. I move we defer it. Treasurer moves to defer it.

SECRETARY MCDONALD: Hold it.

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GOVERNOR O'MALLEY: Hold it. That's what we meant.

SECRETARY MCDONALD: Hold it. Hold it.

GOVERNOR O'MALLEY: All right. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The ayes have it.

And now let's see the balance of the agenda.

MR. COLLINS: Good morning Governor, Madam Treasurer, Mr. Comptroller, Lieutenant Governor. The Department of General Services has 28 items on our agenda. Items 2-M, 6-GM, 13-LT have been revised, and Item 8-RP has been withdrawn.

I'll be glad to answer any questions on any of the remaining items except Item 10-LL, which you indicated, Governor, has just been held.

TREASURER KOPP: I have a question on six.

MR. COLLINS: Six?

TREASURER KOPP: Six is the item that was withdrawn --

MR. COLLINS: Public health -

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TREASURER KOPP: -- last month.

MR. COLLINS: The public health tower?

TREASURER KOPP: The public health laboratory.

MR. COLLINS: Item 6, Madam Treasurer, this is an agreement between the Department of -- on behalf of the Department of Health -- Mental Health and Hygiene, Department of General Services and MEDCO to facilitate the development of their new state-of-the-art public health laboratory to be built in the east side of Baltimore.

Secretary Colmers is here who can answer any problematic questions, and we have appropriate real estate and other staff from my office and MEDCO if there are other questions relative to the structure of the agreement.

GOVERNOR O'MALLEY: Mr. Colmers.

MR. COLMERS: We are thrilled that we are moving forward here. The experience that we had with H1N1 is another reminder that the public health lab is the backbone of the public health infrastructure, and the investment that will be made as a part of this

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initial action by the Board today will insure that the health of the public for generations to come will be protected.

TREASURER KOPP: We need it badly. The funding -- I know this is an issue that came up, but there are different streams of funding.

MR. COLMERS: I will leave on the funding mechanism -- this is slightly different than I -- the State's not purchasing this. We're doing this release arrangement of -- but I will leave it to others to describe the financing of it.

TREASURER KOPP: But in addition to the P3 aspect, do you get reimbursed for some of these tests you've -- I mean is there a funding stream to the operation as well as to the construction?

MR. COLMERS: We received a whole series of grants from the CDC to help support the activities of the Public Health Laboratory for capital equipment and for operating -- some operating activities, as well. And so, clearly, there are -- is and will continue to be requirements for funding this activity in the years -- in the years to come both from Federal Funds, from

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reimbursable expenses, as well as grants from Federal Government.

TREASURER KOPP: And testing -- newborn testing?

MR. COLMERS: Newborn screening is the single largest component of the task in terms of the volume that gets -- gets done. That's a reimbursable expense in many -- many instances. There are about 70,000 newborns per year. There are tests that are performed -- I think, up to 40 separate tests in each sample. So, do the math. That's into the millions --

TREASURER KOPP: Is that insurance funded?

MR. COLMERS: -- the tests are going to be -
- pardon?

TREASURER KOPP: Is that third-party funded?

MR. COLMERS: In part, third-party funded.

TREASURER KOPP: Okay. Do you want to talk about the public/private partnership briefly?

MR. COLLINS: I'm sure Secretary Gaines would talk about the partnership.

MR. GAINES: Good morning, Governor, Madam Treasurer, Mr. Comptroller, Lieutenant Governor.

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Michael Gaines, Assistant Secretary, DGS Office of Real Estate.

This is -- the Public Health Lab is one of our public/private partnerships, in that the State, DGS, and DHMH will be partnering with MEDCO as the private entity who will then contract with a private developer, Far City Development, in East Baltimore to carry out the development -- design, development, and construction of the project.

We think it is an exciting way to leverage the private sector in expertise and funding, mitigating the impact on the State's capital budget to carry out a very essential need for the State of Maryland.

This morning we have also Bob Brennan, head of MEDCO, and he can talk to you about how the contract will work and the financing will be brought to the table.

MR. BRENNAN: Good morning. MEDCO is proud to be member of this project team. They -- what we're really looking for today is the transfer of approximately \$6.4 million to MEDCO. That will enable

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us to engage the architect engineers to begin the design. This will be about a 10- to 12-month process, which will enable us, then, once we have the designs, to go out and then obtain the bids to get the final pricing for the project.

At that time, once we have the pricing, we will be back to the Board of Public Works to look for an approval of a lease between MEDCO and the Department of Health and Mental Hygiene for this facility.

The concepts right now are still open in terms of how long we'll finance it. Typically, State finances for 15 years. MEDCO has the ability to finance for longer. It's -- we're indifferent as to the term. It will be really what the State's decision is as to how long we'll go.

We believe we'll be able to competitively obtain financing for this project. We believe it will be a investment-grade rating of at least double A, probably double A plus. So the interest rate we'll get will be very close to what the State could do as a GO Bond. It's not quite as good as what the State

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could do with GO Bonds, but it will be a very, very good rate.

With that, any questions and -- I'll be glad to get into the details.

GOVERNOR O'MALLEY: Mr. Comptroller.

COMPTROLLER FRANCHOT: Yes. I'm not sure if this is for Secretary Collins or Assistant Secretary Gaines or MEDCO, but I hear a lot of information from the construction trades about unemployment despite the spending that we're seeing. It's so important, the stimulus funding. And I'm concerned about both the quality of the work, and also the fact that, obviously, money that's spent on local jobs, local employees, local workers gets recycled in our economy.

So I'm wondering when this is bid if it can be bid as a project with a project labor agreement.

MR. COLLINS: Mr. Comptroller, let me just talk -- say that because of the relationship between our department and MEDCO, (unintelligible), we will be overall supervising along with MEDCO this construction. So I think the State construction piece has been unexcelled in terms of quality. Obviously,

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this will be built to these standards, which also would insure that they get -- that we get a proper (unintelligible). And we are -- I know we're following the fair labor standards issues and all of that, but may I ask the Secretary, we have talked about the PLA -- Property Labor Agreements, and we're looking at that, but, Mr. Gaines, you might want to say a little bit more about that.

MR. GAINES: The -- one of the exciting opportunities here is that we are seeing this project as a stimulus to the Baltimore City area, and particularly East Baltimore, as part of the revitalization of this part of the city, an 80-acre project being conducted and executed by East Baltimore Development, Incorporated.

When they were formed, they developed an inclusionary agreement that incorporated many issues related to first-source hiring in the community, folks who are currently out of work, construction workers. There's a requirement for MBE that is a minimum of 35 percent. And so as we look at the PLA or Project Labor Agreements, we want to be sure that we -- in

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considering that, that we don't preclude any of the very aggressive agreements that are in place now.

Some of the states, like Massachusetts and New York, are experiencing and using PLA's and are struggling with the issues of reduced competition, exclusion of minority firms. And so while we think it's a good opportunity to look at it, we do want to keep in mind that we don't want to preclude existing agreements in place for hiring community residents and folks who are currently out of work and minority business enterprises.

So we'll take this time between now and the agreements that Bob mentions to evaluate this issue and be prepared to come back to the Board with a sense of how the project would move forward.

COMPTROLLER FRANCHOT: In other words, before the RFP is -- before the bids are --

MR. GAINES: That's correct. The design for the project will be initiated with today's agreement. All you're -- the Board is agreeing to today is the relationship between the State of Maryland and MEDCO.

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Over the next few months, a design firm will be hired, and then 12 to 16 months, the project will be designed, at which time a RFP will go out for a contractor. So we have some time before, you know, any of the contracting work begins.

COMPTROLLER FRANCHOT: Okay. Well, I would be interested in that. And I will vote in support of this, but it's a \$165 million estimated cost.

MR. GAINES: Yes, sir.

COMPTROLLER FRANCHOT: Frankly, I'm interested in other projects that come before us. Not all of them, but some of them that can be -- that can have -- use local skilled labor. Obviously, I don't want to get in the way of your agreements that you've got with the City of Baltimore, but, you know, there are dozens of these contracts that come before us, and I'm concerned that without a PLA on some of them, we're missing the opportunity to hire skilled Maryland labor.

I'm not interested in getting into a competition with Pennsylvania or Virginia, but, as the

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Governor noted, we've got big problems with unemployment among Maryland workers.

MR. GAINES: We expect in this project that there could be between 250 and 300 jobs that will be a result of the construction project. In addition to that, Secretary Colmers and his department -- excuse me -- have begun working with the community in establishing relationships between the middle schools and high schools for career development in biotechnology and lab sciences.

And so I think you will see job creation initially in the project, but you will also see long-term development of careers and jobs in this community because of this project.

COMPTROLLER FRANCHOT: All right. This is my anecdotal contribution to this. I'm told that a lot of those jobs have Pennsylvania and Virginia license plates attached to them. That's fine. We're in a free enterprise system here, and people can compete across borders. But where we can selectively create a situation where our local workers are front and center, I'd like to try to explore that.

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And thank you for getting back to us on this, and if you have other projects that can be looked at in this vein, I'd like to -- like to get the benefit of your insight.

MR. GAINES: Yes, sir.

COMPTROLLER FRANCHOT: Thank you, sir.

GOVERNOR O'MALLEY: Okay. Any other questions on the balance of the DGS agenda?

(No response.)

Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The ayes have it.

And we now move on to -- what are we on?

SECRETARY MCDONALD: Well, we still have the Sailing Hall of Fame, and we have school construction.

GOVERNOR O'MALLEY: All right. We also have some people that wanted to be heard on school construction --

SECRETARY MCDONALD: Actually, I --

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GOVERNOR O'MALLEY: -- on things related to county procurement.

SECRETARY MCDONALD: Right. It's Baltimore County, but I would -- I think I'm going to, at least, get -- is Dr. Lever in here? I just need the Baltimore County, itself, was scheduled to be here about 11:30. I know the people who wanted to talk about it.

GOVERNOR O'MALLEY: Right, but this is a good time. And they want to address us, right?

SECRETARY MCDONALD: Yes. Yes. Let me just call Dr. Lever.

GOVERNOR O'MALLEY: This might give you more than two minutes when everything's -- you know, when each county only gets 10 minutes, it might be better to do it now.

SECRETARY MCDONALD: We originally had four requests to speak about the Baltimore County Public Schools' implementation of the Minority Business Enterprise Program. And I'll call their names, and if you're here, come to the podium, and if you're not, then that's one fewer speaker.

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James Ancel.

MR. ANCEL: Right here.

SECRETARY MCDONALD: Bill Huddles, Mark Munafo, Robert Chilcoat.

Okay. It's Mr. Chilcoat?

MR. CHILCOAT: Yes.

SECRETARY MCDONALD: Okay. And he's the president of Chilmar Corporation.

Mr. Bill Huddles --

MR. HUDDLES: Right here.

SECRETARY MCDONALD: -- has two clients from Electrico, and Joseph Zimmer, but I think he probably wants to talk on a more global level.

MR. HUDDLES: Yes. Good morning, everyone. Thank you very much. I'm Bill Huddles. I'm a Maryland construction lawyer. I've got about 30 years of experience in public contract law. I was a former Assistant Attorney General and Principal Counsel to DOT. I chaired, years ago, the State's task force on construction. So I'm pretty well versed in this area.

I have two clients who were agreed low bidders on the Baltimore County Public School project

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-- a large project for Carver High School -- a \$60 or \$70 million project. And through my investigation of this project, I've learned that what is happening is that Baltimore County was systematically rejecting low bidders because of minor defects in the bidder's MBE packages. This has occurred on other projects, as well as this Carver job. And we think this is a violation of Maryland law and also of your own regulations -- the State Board of Public Works' regulations.

But beyond that, it's bad public policy, because what the county is saying is that we're -- they're adhering strictly to the State-required MBE forms which are extremely complicated. And they're requiring strict adherence. They're, in fact, requiring perfection. So what's happening is you've got these time-stressed contractors trying to fill out these very, very complicated MBE forms at the last minute perfectly, on pain of being disqualified.

And what's happened up in Baltimore County is this has lead to, literally, millions of dollars in wasted taxpayers money. And in my case alone, my two

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clients would have saved the County two and a half million dollars, because they were that far low.

And in my dealings with Baltimore County to date -- or at least originally, they seemed impervious to this problem, because I actually was told by one Baltimore County official, you know, "We don't actually get any of the savings anyhow," which was a shocking thing to hear from a public official.

And, as I said, from a legal point of view, I think it's very clear that minor technicalities, minor irregularities -- as long as you commit to the MBE program, that's clear. You have to commit to the program. But if there's minor technicalities, they can -- they can and should be waived as a matter of law under your own regulations, COMAR Title 23, and under the Maryland Case Law.

So recently, we've gotten two decisions out of Baltimore County that have been favorable. One happened last night; the other happened -- this was --

COMPTROLLER FRANCHOT: Were you holding up two minutes for a reason?

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MR. HUDDLES: It's your decision. I'll be finished in a second.

The point is I understand that Dr. Lever has written a letter saying you've got to construe these regulations with common sense. That certainly will help.

We're just asking that the Board of Public Works, since they have oversight of this problem, be cognizant of it, be aware of it, and try to channel this in the right direction.

The first priority should be towards getting the low bid, assuming there is compliance with the MBE Program.

Thanks very much.

GOVERNOR O'MALLEY: Thank you, Mr. Huddles.
Mr. Munafo, how are you, sir?

MR. MUNAFO: Would this be a good time?

GOVERNOR O'MALLEY: Yes, sir. Anything you want to tell us? Your lawyer just spoke eloquently, or Mr. Chilcoat --

SECRETARY MCDONALD: Mr. Chilcoat or Mr. Munafo?

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MR. CHILCOAT: My name's Robert Chilcoat.

I'm the President of Chilmar Corporation and of RWC Contracting Corporation, and I've been in business for 33 years, probably when the minority program started, and I've been through the program with Baltimore City, DGS, and Baltimore County Schools for those years. And I've seen the program -- the Minority Program go full cycle.

And as the person who preceded me spoke about is -- the problem is not with the system. The system is elevated over all these years into a good system. The problem is that as a contractor on our side, we're trying to bid a job. We're advertising to minorities -- businesses to bring them into these contracts.

But what is happening is -- and in Baltimore County I have been awarded three or four jobs and hundreds of thousands of dollars just because the person who was low did not dot the "I's", put a zero here, sign here. They did put the minorities down, the amount of money, and in the rash of putting this bid together at the last minute when somebody's

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turning it in, is they make a little mistake. Money wasted. Okay. I have lost jobs that way.

So there needs to be a fair time that the contractor can put his bid in -- get his bid in, if it's an hour later to turn the minority in so that he can look at all of his prices for minority contractors and fill the form out correctly to his people. We rush -- it's all got to be together. And that's where -- that's the big problem. That is the biggest problem.

And going to the MBE people in Baltimore County is that's the way the State has mandated that you do it. But you're throwing away thousands of -- millions of dollars doing that.

All we need is a little time. We get prices after the bid, 10 minutes later, 15 minutes later. You encourage minorities sub-contractors, and you're program is to educate minority subcontractors to learn the construction business. And then, on the other hand, you don't let us use them, 'cause we don't have time to fill out both things -- the bid and the minority. And it's just common sense. Give us the

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chance. And that's what we're asking for, for you to review it, give us a chance to use these people.

I have subs. I have a lot of minority subs that'll bid ten minutes later, 15 minutes later, like I said. We don't have the chance to use them, 'cause we've already filled it out for whoever we had at that particular time. That defeats part of your program, on the other hand. So you really need to look at it hard. And I don't think it's a difficult thing to look at.

And the money we're spending. The government talks about education. The amount of money that we're -- we're trying to get for schools, and on the other hand, we're throwing it away. We're just throwing millions and millions of dollars away. You can make all the laws you want, but sometimes common sense should prevail.

Thank you for hearing me.

GOVERNOR O'MALLEY: Mr. Chilcoat, thank you.
Mr. Munafo.

MR. MUNAFO: Thank you. Thank you. I'm Mark Munafo, President of CAM Construction Company. We've

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been in business since 1962. We work largely in the public sector. Over the last 10 years, we've been awarded over \$65 million worth of work to minority businesses.

And I'm here speaking -- I do own a construction company and have a particular interest, but I'm also, in particular, speaking on behalf of the Associated Builders and Contractors of Baltimore, which is the largest construction trade organization in Baltimore and in the country. I was the Chairman of that organization a year ago.

And we've been working with Secretary Jenkins of GOMA for several years trying to get some uniformity of the application of this program. And it's really not complicated. Someone has just got to take the authority and tell the various jurisdictions to mandate a particular, simple form that complies with the law in its most minimum state to avoid the problems and complications that you've heard from others that preceded me.

Not to quote law -- I'm not a lawyer, but there are only four things that law in 2005 required

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was the name of the minority business, it was their classification of work, it was the work to be performed -- I'm going to do excavating, I'm going to do drywall -- and it was the price. There were only four things. I bid all over the State of Maryland on projects with all sorts of State funds, and I can tell you that the typical form that I'm given to execute has an average of nine to eleven pieces of information per trade. I typically, on a bid, may take a stab at having anywhere between 30 to 50 to 60 MBE companies participate with me. A typical bid is submitted in duplicate, often triplicate. At a local community college a month and a half ago, I had eight copies of my bid.

So if I had 50 MBE subs, an average of ten pieces of information per sub, and I submit that in triplicate, we're over a thousand entries on a form that I do not have that information till the day of that bid, and I'm trying to compile an estimate on your behalf with the best price.

So if someone could just take the bull by the horns and say, "Here's all you need." When I say

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"all", I mean that's it. Not MBE total dollar amounts, percentage of MBE, percentage of total contract, the, you know, name, rank, and serial number on every single piece of paper. And it's very simple, if you can get it down to those four basic facts.

And furthermore, if the document asks for more, establish a policy. Say, "Look, if something is missing, if it's not material, then we can" -- "we can ignore that."

You know, if a number is missing that's not critical -- the value of MBE contracts is a critical number. If that's missing, I think you've messed up. You might deserve to step aside. But if some Federal ID Number's missing or something, you know, in other words, establish what's waivable so everyone knows their playing by the same rule.

And, you know, we don't want to see -- we know there's -- everyone watches news. There's a budget crunch. We don't want to be wasting money and having protests and delaying projects. I'm not here for me or a particular bid or a particular agency, but I deal with them all from Public Safety to General

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Services to the Transportation Authority to MTA to Baltimore County to Baltimore City. I work for all of them. I know all of their forms. We've just got to get some kind of continuity and some simplicity. Please.

GOVERNOR O'MALLEY: Mr. Munafo, thank you. How about Mr. Lever. David, do you want to address that and Secretary Jenkins, maybe. And then we're going to move on to the -- it looks like the College of Cardinals has returned from the --

(Laughter)

DR. LEVER: Good morning, Members of the Board. I do want to say that a memorandum was issued yesterday by our office, which we hope will clarify the State's position -- Public School Construction Program Interagency Committee position --

GOVERNOR O'MALLEY: And we do appreciate the fact that in years past none of the school boards felt they had any obligation to do anything. Well, I shouldn't say that. There was not the sense that MBE on school construction was of any importance to many, many school boards. So we do appreciate this -- what

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has happened to date. And I didn't mean to interrupt you, but I thought that should be pointed out.

DR. LEVER: Well, you're correct. But new procedures were issued in the Fall of 2008. They were approved by the local boards in October 2008. And they do impart a great deal more attention and scrutiny, particularly of waivers, of the outreach efforts, and so forth.

And I think that we are seeing results from that, but also it has been a turbulent year. There's been a great deal of activity on our part and on the part of the other liaisons interpreting the new procedures. And I think that's part of what we're seeing today.

The memo that we issued yesterday spoke to this question of what is a waivable irregularity in the bidding. And basically, it's simply we iterated what's in regulation -- which, I think in our regulation agrees with the COMAR Chapter 21 -- that waivable informality is one that's just a matter of form but doesn't change the substance of the bid,

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doesn't create an unfair advantage for any bidder over another.

The same common sense should be applied to the MBE documentation as it's applied to other parts of the bid solicitation.

GOVERNOR O'MALLEY: How about one common -- is there one common document or one common template that we can put out there as we take the bull by the horns and tell the -- and let the local school boards know that, "Look, this is the model State form for this."

DR. LEVER: We have a form. And I do understand that the form as it applies to State projects is being simplified and refined. And we will certainly look at that. And I think that that's going to help.

The issue that was just spoken to of the complexity of the bidding situation, I, myself, have participated in bids, and it is like being in the cockpit of the Star Ship Enterprise during a battle at the last minute. The decisions are being made at split-second rate. The information is overwhelming.

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And to assimilate all this information is extremely difficult.

GOVERNOR O'MALLEY: And the Klingons just don't let up.

(Laughter)

DR. LEVER: There are processes in place that address this -- precisely what was spoken to -- of allowing bids to be submitted, let's say, at two o'clock. At 2:30, the MBE information has to be submitted. That allows contractors a half hour to get their information right, to put in the documentation.

Simplifying the documents will certainly help.

GOVERNOR O'MALLEY: Okay.

DR. LEVER: So we are addressing this issue, and I think that the -- one thing I do want to say is that the protest process has run its course correctly in Baltimore County. And the results that you heard of where the -- two of the protests were upheld does show the results of that protest process.

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GOVERNOR O'MALLEY: Okay. Ms. Jenkins -- Secretary Jenkins, what's the time frame for taking the bull by the horn, here, and --

MS. JENKINS: Well, here's the good news, because every now and then we have -- we hear an issue and we actually have movement to -- towards a solution. We do agree with the concerns that were raised. We don't want this to be an issue that undermines the integrity of what we're trying to do, and that is to get minority participation on State-funded projects.

Mr. Munafo will say and share with you that we have worked with his association ongoingly for the past two years. His colleague, Phillip Martin, who is also on the Board of ABC, happens to be the private sector member who sits on the Procurement Advisory Group.

Back in December, Phillip shared with the Associated Builders and Contractors the revised format that we are now trying to get approved for implementation, not only to the local school districts, but also for use in State agencies, because

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the issue that was raised was also an issue that we deal with on the State agency side.

GOVERNOR O'MALLEY: So what's our goal line? What's our time line?

MS. JENKINS: So I will defer to our Procurement Advisor, because she is actually finalizing --

GOVERNOR O'MALLEY: Is the Procurement Advisor here?

MS. JENKINS: -- the forms.

GOVERNOR O'MALLEY: You've being put on the spot here.

MS. CHILDS: Thank you, sir. I'm happy to say that -- I'm happy to say that the revised forms will be before the Procurement Advisory Council in February for approval. And after that --

GOVERNOR O'MALLEY: February, like 2000 and -

-

MS. JENKINS: As in next month.

MS. CHILDS: Next month.

GOVERNOR O'MALLEY: Okay.

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MS. CHILDS: They're just about finalized under - we've had wonderful guidance from GOMA and our general counsel has spearheaded that effort. So we expect them to be on the Board's website in -- as soon as the PAC approves them. So that should be late February, early March.

And the school systems have expressed an interest in adopting those standardized forms. So we're hoping this new and improved form will be -- will be used universally.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: Is there a way to follow-up whether, in fact, they do adopt them and work with those who don't?

MS. CHILDS: I can certainly work with Dr. Lever toward that end.

DR. LEVER: The usual process we've worked with, we take it to the Interagency Committee. Secretary Collins would be part of that discussion. If it's approved by the Interagency Committee, then we can promulgate it and require by a certain date that the LEA's adopt the forms that are consistent with the

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State form. Generally, what they do is adopt it whole cloth. And that way we'll be sure that we have uniform usage of these forms across the State.

GOVERNOR O'MALLEY: Mr. Comptroller.

COMPTROLLER FRANCHOT: I still -- I've listened to everybody's comments, but I still don't quite get it. Apparently, the problem is that when the bids come in, the MBE information is not submitted?

DR. LEVER: No. It is submitted. It has to be.

COMPTROLLER FRANCHOT: Okay.

DR. LEVER: And the bid will not be accepted if it doesn't have what we call Attachment A and Attachment B.

But the gentleman here was speaking to minor irregularities. For instance, a line not filled in, but the information is elsewhere on the same page that we can read to the information right in front of you. That's what they mean by errors that occur in haste.

COMPTROLLER FRANCHOT: And how is that going to change?

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DR. LEVER: Well, it's simply that the -- what we're promoting, and by reading back to the regulation, is simply let common sense prevail. That if you can see what the intent was very clearly on the bid documentation, if it's a minor irregularity -- a line not filled in when you can see the information is given elsewhere on the same form, then it is a minor irregularity and should not cause rejection of the bid.

COMPTROLLER FRANCHOT: That's going to be in the new regulation?

DR. LEVER: No. No. This is simply practice on the part of the soliciting -- the procurement entities which are -- in this case, are the school districts. Each school district procures its own construction contracts, and so this is a matter of judgement. It's a matter of interpretation.

This prevails throughout the construction industry. All owners face this kind of thing when they take bids. And there are -- no one can cite -- to create a rule book of saying, "These are precisely all the minor irregularities; these are the non-

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waivable irregularities." But the general rule is that if you can read to the intent very clearly on the bid documentation, then a minor irregularity should be waived.

COMPTROLLER FRANCHOT: And is that -- I don't know how to say it -- waived, and that's something that -- I mean, I appreciate the standard form. I mean, it's 30 years into the program. So I'm glad we're finally getting a standard form, but what about the fact that we heard about this before, that, you know, there are these minor problems, and then the -- we lose the ability to hire the MBE and get the low bid, because it doesn't meet them. I don't see how that's going to change under your --

DR. LEVER: Well, by raising the minor irregularity -- let's say the low bid is submitted, and it has a minor irregularity. It's rejected because of the minor irregularity, and they go on to the second low bidder. Clearly, they're already paying more.

COMPTROLLER FRANCHOT: Right.

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DR. LEVER: And the low bidder might have had better MBE numbers. So common sense says that the irregularity -- the minor irregularity should be waived.

COMPTROLLER FRANCHOT: Okay.

DR. LEVER: The bids -- the low bidder should be accepted with the best cost, the best value for the taxpayers, and, potentially, the best MBE numbers. And that's --

COMPTROLLER FRANCHOT: Okay. Maybe I'm just missing something, but is there, like, a common sense definition or something that these new things. So why aren't we just going to have the same problem next year --

DR. LEVER: Well --

COMPTROLLER FRANCHOT: -- with, you know, someone coming and saying that common sense is lacking at the school board or some other level?

DR. LEVER: there will always be judgment calls. In all procurement there are judgment calls. I think that, hopefully, by issuing this memorandum which reiterates the stand in regulation that we're

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providing some guidance to the procurement officers about what can be waived, what can't be waived.

COMPTROLLER FRANCHOT: Okay. Well, Mary Jo -- if I could just ask one last question -- can't we just memorialize this and put it in the regulation that the low bid with the MBE requirement, you know -- we're not going to -- as long as the required information is on the submission, that we're not going to reject these bids because of typographical errors.

MS. CHILDS: Well, sir, I'm happy to say that the Board actually approved amendments to State procurement regulations on December 16th that paved the way towards requiring only percentages and identity of the MBE firms on the forms. And hopefully, with that extremely streamlined form that we're developing, the opportunities for errant kind of mistakes will be minimized.

And also the State already has existing regulations that deal with minor irregularities. So the kind of errant mistakes that are being scrutinized at the school board level, I think the State has already, kind of, gone through their growing pains

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with how to deal with those, and we've, kind of come out on the back end, I think, with a much improved process.

GOVERNOR O'MALLEY: Good. I think our two minutes has drawn to an end.

The -- I think there's a couple of issues, and I think, clearly, all of us agree that there's room for improvement on simplifying, streamlining, and getting out to the 24 school boards the State requirements, and -- to the best of our ability, to the extent we are able to order Dr. Grasmick, the local Boards to do anything -- and I hope we will tell them that this is, sort of, the -- this is the standard, this is the model, and it looks like there's going to be some movement on that, Mr. Munafo, Mr. Huddles, within the upcoming month.

On the other issue, give us time after the bids are in to go work out which of our minority contractors -- that's kind of a -- that's a -- I've heard that argument before, and what that does is it puts the minority contractors in a very, very bad and overly leveraged position of making them both undercut

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each other down to the bone, and it ends up for bad work happening -- some bid shopping. That was the word I was looking for. I didn't want to say it here.

All right. Thank you.

We are now going to take up the issue which was Item No. --

MR. COLLINS: 10-LL, Governor.

GOVERNOR O'MALLEY: -- 10-LL on the Department of General Services Agenda Items. Is the Mayor here -- Mayor Cohen, the Mayor of Annapolis? If you'd like to tell us what this item is, Mr. Mayor? And you have a power point, sir?

MR. COHEN: Yes, sir, not that I --

GOVERNOR O'MALLEY: Okay.

MR. COLLINS: We need (unintelligible) to start the presentation, Governor --

GOVERNOR O'MALLEY: All right.

MR. COLLINS: -- but if you -- we kind of think that you'll want --

GOVERNOR O'MALLEY: Well, let's hear from the Mayor. Then we'll hear from the power point, and then we'll hear from the objectors.

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MR. COHEN: Thank you. Good morning Governor, Lieutenant Governor, Comptroller, Treasurer. It's a pleasure to be here. I'm here to express my strong support and the City of Annapolis' support for the proposed lease of 67 to 79 Prince George Street to the National Sailing Hall of Fame.

I'm sure you all are familiar with the location. It's at the foot of Prince George Street at City Dock, the DNR Police property. It's a very sensitive property to the City of Annapolis. It has a prime location at City Dock. There's an historic structure there. Downtown is a National Historic Landmark. So whatever happens there has a lot of potential to positively or negatively impact downtown.

And it's for that reason that I'm so strongly supporting this lease, because the National Sailing Hall of Fame has a number of local people, they're a known quantity, they have entered into a memorandum of understanding with not just the Maryland Historic Trust, but also with our own Annapolis Historic Preservation Commission.

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I don't want to take up a lot of time with an opening comment, but I just want to affirm to you that the previous City Council voted six to three in favor of this, and I'm here as the new Mayor reaffirming my support for it.

GOVERNOR O'MALLEY: Great.

MR. COHEN: Thank you. And I'm --

GOVERNOR O'MALLEY: Thank --

MR. COHEN: Yeah.

GOVERNOR O'MALLEY: Thank you, Mr. Mayor. Do you want to go through --

MR. COHEN: Yes, sir.

GOVERNOR O'MALLEY: -- the power point? Yes, sir. You want to go through the power point? Okay. Who's going through the power point, Mr. Secretary?

MR. COLLINS: We're starting now.

MR. FRANYO: I'm Dick Franyo, President of the National Sailing Hall of Fame Board. And thank you for the chance to be here, talk about this exciting project for the City and the State.

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We have a very short film. It's about a two-minute film if we can show that.

GOVERNOR O'MALLEY: We heard two minutes once before, though.

(Laughter)

MR. FRANYO: Well, this is a very short film, and then I'll make a couple of comments. Can we roll the film?

GOVERNOR O'MALLEY: Thanks for your patience, by the way.

(Whereupon, the film was presented.)

MR. FRANYO: Good. Thank you. A couple of comments. Two people from the Board are here -- Byron Marchant, Dick D'Mato, and our Executive Director Lou Tawney. If you could stand up. Thank you.

As Mayor Cohen said, we've been working closely, and will continue to work closely with the Annapolis Historic Preservation Commission, Annapolis Planning Commission, the Maryland Historic Trust, and the Annapolis City Counsel. We have collectively had six public forums with -- with those bodies.

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Again, we've organized a National Sailing Hall of Fame. We have tremendous amount of support and enthusiasm across the country for this. We're taking sailing to the public, as witnessed through our free sailing programs this summer, our Festival of the Sea films on City Dock, and in opening the docks to the public. They had been closed when they were owned by the DNR.

It's a educational tool for teaching math, science, and American History to kids, and the impact of sailing in our history and our culture. We have undertaken in planning programs to connect children to the environmental stewardship in the Bay.

The site is perfect. And that's why we have so much support around the country that it be here. It's next to the Naval Academy. It's at City Dock, and it will enhance that area and be a tremendous economic positive.

We have an honorary board, which was chaired by Walter Cronkite, includes Morgan Freeman, Ted Turner, Dennis Connor, amongst others. Our capital campaign committee is heading by Mr. Chutt Townsend,

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who is CEO of Conde Naste. Obviously, they're waiting anxiously to see that this lease is approved here.

We have hired O'Dell and Simms. It's an international fund raising firm from the D.C. area. They just raised \$120 million to redo the Gettysburg Visitor Center at the Battlefield, and they raised \$100 million for the Martin Luther King Memorial in D.C.

We have established a Community Council to meet with and solicit ideas and concerns from the public.

If I could, I just wanted Byron Marchant to say a few words. Byron has been with us from the start. He's been giving me tremendous amounts of guidance. He was number two at BET -- Black Entertainment Network. He's currently -- he's a Naval Academy grad and a sailor, and he's currently CEO of the Naval Academy Alumni Association and Foundation.

So Byron, if you could just say a few words.

MR. MARCHANT: Good morning, Governor, Lieutenant Governor, Mr. Comptroller. I appreciate your time.

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First of all, thank you for what you do for the State of Maryland. This is my first Public Works hearing. Thanks for what you do.

I'm here, principally, to say a couple things. I believe in aspirational projects. I try to attach myself to them, particularly in a time when there's public financial issues. I like aspirational private capital projects. I believe this is one of them.

I'm a sailor. I'm a Naval Academy graduate. I also get a chance to walk around with people from the Naval Academy and all around the country. I won't talk about our top-rated football team, but we've done pretty well this year, and done well for the State of Maryland, as well as for the Naval Academy.

GOVERNOR O'MALLEY: Notre Dame, Army, and Air Force.

MR. MARCHANT: Yeah. You gotta take it, right?

Now, having said that, I know the impact of having an aspirational, tangible connection to youth. And the reason I'd like this project to move forward

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is I believe it becomes a tangible aspirational connection to the youth of Maryland, to African-American youth.

I just went to the MLK Awards Dinner last week in Glen Burnie, and what stood out in my mind is despite all of us who had fancy suits on, the most impressive people to the youth were the African American admirals and the other people serving our country.

And so I believe, in a different type of metaphor, this Sailing Hall of Fame could have the same impact. You expose young people to people all over the world, people of means and of business success come to the State of Maryland. Most importantly, the educational impact of this project, I think, would be second to none in terms of adding some value to what you're already doing in the public school system.

So I'm a big believer in opening up this sport, and a big believer in aspirational projects. I think this is one of them.

Thank you.

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GOVERNOR O'MALLEY: All right. Thank you.

MR. FRANYO: Thank you. Obviously, we're excited and would like to get on with raising the funds to build this and have it done by 2013.

GOVERNOR O'MALLEY: And no operating funds are being requested of us?

MR. FRANYO: Zero.

MR. COLLINS: No.

GOVERNOR O'MALLEY: No capital funds are being requested of us?

MR. FRANYO: Zero.

GOVERNOR O'MALLEY: Only the -- is it a long-term lease?

MR. COLLINS: Long-term lease. There's two items before you, Governor. There's the short-term lease -- will be called the "interim lease" -- of two years to allow them to start the campaign, do the development --

GOVERNOR O'MALLEY: Raise the dollars. Show they have the money.

MR. COLLINS: -- the Department of Natural Resources and DGS. And there's -- a second item is

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the 50-year lease. If the first -- if the achievements under the short-term lease are achieved, there are a series of "trigger events", we call them, in that lease. If those are achieved, then they will -- we would enact the 50 -- move forward with the 50-year lease and allow them to go full steam press.

GOVERNOR O'MALLEY: Okay. Good.

MR. FRANYO: Questions?

GOVERNOR O'MALLEY: Mr. Comptroller.

MR. FRANYO: We've been to many public forums for a long time, but we've -- I'm sure there are other things we could address.

GOVERNOR O'MALLEY: Mr. Comptroller, questions?

COMPTROLLER FRANCHOT: If I could just ask a couple of questions about the project, which obviously has a lot of appeal, because Annapolis is the sailing capital of the world, and we would like to have this facility. But I'm concerned about two things.

Number one, financial viability.

MR. FRANYO: Sure.

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COMPTROLLER FRANCHOT: I think the presentation talked about you've been in existence for a number of years. And I guess the question is how -- how sure are we that you're going to be able to pull this off in the great fashion that you have described. And I base that on my many years on the Appropriations Committee in a previous job where we were constantly bailing out one museum after another. Not through any fault of their own, just because it's a very tough environment. So help me understand, I guess --

MR. FRANYO: Sure.

COMPTROLLER FRANCHOT: -- how your business plan is going to make this a viable -- truly viable project.

MR. FRANYO: Right. Right. Well, we're businessmen. We don't want to -- we want to run this like a business.

We're -- our plan we have -- the -- again, if we don't raise the money in two years, we don't get the property. And our plan is to raise \$35 million. It's a lot of money, but included in that is five years pre-funded operating costs, which give us -- you

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know, have the doors open for five years without having to go out and raise money.

Now, after that, we're going to obviously do annual giving, we're going to have fund-raising. We would like this to be free. But we're not going to build this building until we're raise 35 million, which build the building, which pay for the Phillip's -- Phillip's porch, which we have already paid for, and -- but we're not going to build this until we have our 35 million, which pre-fund five years of operating costs.

COMPTROLLER FRANCHOT: Okay. I appreciate that. I just find it a little bit hard to believe that you're going to be able to pull this off. And I guess the question for the Secretary is where would that leave us if two years from now we're -- this project is not --

MR. FRANYO: Well, let -- one other thing. Again, this is a national campaign. If I were trying to raise 35 million around town, you know, it would be a difficult thing.

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But we have a national board. We have national people who are passionate about the sport and taking it to the public. And we feel very good about being able to raise this money. We've worked on it for a long time and talked to a lot of people and feel confident that with a national audience we can raise these funds. We're not going to build it unless we've raised the funds.

COMPTROLLER FRANCHOT: But how long have you been in existence?

MR. FRANYO: Well, we've -- we started looking for a building, I guess, five years ago, and then we found the building. And then we got -- then we bought the Phillips porch.

We are just -- we have \$4.3 million into the project now. We're just now starting with our consultants, our fund-raising committee. We're just now making the asks for -- to the one to -- the one to \$20 million asks. We've been raising money locally at the tune of 10,000, 50,000, hundred, which is what we've -- how we've funded ourselves.

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And now we're at the stage of going to national people to ask of millions who -- and we're asking them for, you know, five- to six-figure gifts.

COMPTROLLER FRANCHOT: So we haven't explored that, or we have --

MR. FRANYO: We've been chatting -- we -- in the -- we've been working with these people. You don't -- you don't go to a person and meet with them one time and say, "We'd like you to give us \$10 million."

We're -- it's a -- it's a -- it's a process. We have these people down. We visit them. We have their friends go and chat with them. And then you make the ask. So we're -- we're in New York tomorrow. And --

COMPTROLLER FRANCHOT: Let me just ask this if I could.

MR. FRANYO: Sure. Yeah. Yeah.

COMPTROLLER FRANCHOT: And thank you for that answer.

MR. FRANYO: Yeah.

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COMPTROLLER FRANCHOT: Would it be a big impediment to your project moving forward if the State were to allow the Historic Preservation Commission and the Maryland Historical Trust to have approval as opposed to consultation on this? And I say that, you know, with -- a lovely presentation, but this is a particularly important site given its location on the waterfront, and my question, I guess, is why -- why wouldn't we allow the local organizations to have approval authority over the design.

MR. FRANYO: This is a state matter --

MR. COLLINS: Mr. Comptroller, this is Kristin Saunders-Evans from the Department of Natural Resources who's been very engaged on this.

But let me answer your previous question. If -- at the end of the two-year period, if certain activities have not been achieved, the property reverts back to the State including any improvements and all that that they've made. So there are sufficient safety (unitelligible) for the State is what we're interested in. Kristin.

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MS. SAUNDERS-EVANS: Yes. Good morning, members of the Board. I'm Kristin Saunders-Evans, Assistant Secretary for Land Resources at DNR. And I've been involved in this project since it's very beginning back in November of 2005 when the State signed a Memorandum of Agreement with the City of Annapolis and the Sailing Hall of Fame to pursue this idea and bring it forward to the Board of Public Works for review and approval.

To get to the question of the local planning and zoning and whether or not this project should be subject to that, we've actually spent a lot of time doing research on that very issue, because it's a question that came up early on in the process from the Legislature, as well as several Aldermen in the City.

And what I can tell you is that from, sort of, a starting standpoint, the State is sovereign and not subject to local planning and zoning rules and regulations. We did consult with the Attorney General's Office on that point to make sure we understand where our requirements were before moving forward.

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It's my understanding that the State has never subjected a public facility project to local planning and zoning approval. And we certainly didn't feel comfortable from the Department's standpoint in doing something that would be a precedent-setting nature. Once you do it for this project, you may see other local jurisdictions want to have the same review and approval, and we felt we needed to protect that sovereign, inherent right for the State.

I do know that the Sailing Hall of Fame has had several meetings with the Annapolis Planning and Zoning Office, the Historic Preservation Commission, and MHT. And as a requirement of this lease, there is a programmatic agreement which is attached and brought in as an Exhibit that all parties have signed.

So there will be an extensive review and consultation process. They will use the Historic Preservation Standards that are set by the Department of Interior, and there will be public comment opportunities throughout the design process. The design plans have to come back to the Annapolis

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Planning and Zoning, Annapolis Historic Preservation Commission, and MHT at different stages along the way.

In addition to that, the State, through DGS and DNR, has review of the design, and, essentially, if there are concerns that we have, we're not going to let this go forward.

I think, you know, at a minimum, we didn't want to put the State in a situation where we subjected this public facility to local planning and zoning, because there may be other instances in the future where you don't want to have that happen. And the Legislature has --

COMPTROLLER FRANCHOT: Let me interrupt, because it's not a public facility.

MS. SAUNDERS-EVANS: Well, we believe it is. We have done a lot of research on that point, as well. And because the Sailing Hall of Fame is a non-profit organization and the mission is very coincident with the mission of the Department of Natural Resources -- the environmental stewardship ethic, the children and nature activities, the interpretive programming that's going to go there with regard to history, education,

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math, and science -- all of those things combined with the requirement that this be open to the public for free, it is considered a public facility.

If it were to be a private facility that was privately funded and privately operated for profit, it would be a very different set of circumstances.

COMPTROLLER FRANCHOT: Well, it's a private facility -- privately funded facility --

MS. SAUNDERS-EVANS: It is privately funded -
-

COMPTROLLER FRANCHOT: -- being built --

MS. SAUNDERS-EVANS: -- that's correct.

COMPTROLLER FRANCHOT: -- on state land. So
--

MS. SAUNDERS-EVANS: That's correct. And this is not the first time we've done that. There are other examples on DNR land, as well as, probably, other examples in State Government where partnership opportunities have come together where the State has worked with a private, non-profit entity to do a facility that furthers the mission.

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And frankly what you're getting here is a \$30 million facility that the State doesn't have to pay for on our public land that will be available to the public and have programming that benefits the public.

COMPTROLLER FRANCHOT: I guess if I could maybe just finally ask the Mayor -- these prerogatives of the local zoning and local historic approval as opposed to consultation, they are jealously guarded by the City -- appropriately so.

MAYOR COHEN: Right.

COMPTROLLER FRANCHOT: Why wouldn't you ask that this be included in this agreement that there be approval rather than consultation? I mean, it's clearly not a State building, let's be --

MAYOR COHEN: Right.

COMPTROLLER FRANCHOT: -- honest about that. And it is obviously something that is just critical as far as its location.

MAYOR COHEN: Right.

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COMPTROLLER FRANCHOT: If we don't get this right, for the next 50 years Annapolis could have something that it may not --

MAYOR COHEN: Right.

COMPTROLLER FRANCHOT: -- like --

MR. COHEN: Right.

COMPTROLLER FRANCHOT: -- right there. And so why don't we require the approval just to get whatever input these organizations generally give --

MR. COHEN: Sure.

COMPTROLLER FRANCHOT: -- and normally give for these kinds of facilities. I mean, I'm just -- I'm not trying to get in the way of your eight to one vote or six to three vote or whatever is was. But, boy, I think you should -- I can't imagine you -- the City would not say, you know, "We want approval for the" -- "for this as we normally do for any other private developer" --

MR. COHEN: Right.

COMPTROLLER FRANCHOT: -- you know, "that's doing a project like this."

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MR. COHEN: Right. And that's an excellent point. And in the City a tremendous amount of our land is exempt. Mr. Klasmeier, when he was with the County, he did an excellent job working on the new Circuit Court House on Church Circle.

As Kristin said, that -- to me that's really a question for the State of if it wants to cede that authority to the City. I'm not going to stand here as Mayor and say we do not want that requirement, because we would be happy if the State wanted to cede that authority. But we have the next best thing, which is that the programmatic agreement and the memorandum of agreement require -- and I can give you the language -- that the project be submitted and go through the process of the Annapolis Historic Preservation Commission and others as if approval were required and follow the by-laws.

And there are people here from both the Historic Preservation Commission, the Annapolis Planning Commission, Maryland Historic Trust, Planning and Zoning staff who can answer more detailed questions if you have those.

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I would not be standing here supporting this if I felt that this project was just going to go off and disregard the historic rules that we have fought for decades to put in place.

A couple years ago I would not be standing here, because at that time I had much more concerns about the direction the project was heading in. But since that time, the Board has really bent over backwards to reach out and ask us -- ask the City, ask MHT, "How do you want us to design this building?"

And that's why I'm here before you today.

GOVERNOR O'MALLEY: Let's hear from Mr. Israel, shall we? Mr. Israel or any -- or whoever would speak for the opponents. I assume it's Mr. Israel.

SECRETARY MCDONALD: Is there anybody else who wants to be heard --

GOVERNOR O'MALLEY: Now, we have a whole -- we have every school board coming up right behind you.

MR. ISRAEL: I'll be brief. For the record, my name is Richard Israel. I live at 61 Shaw Street. Currently, I'm the Alderman for the First

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Ward of the City of Annapolis. The First Ward includes the City Dock. The State land, which is the subject of this lease, adjoins the City Dock.

I submitted a written statement. I don't -- it's rather brief, but I won't read it. I'd just would like to highlight a couple of points.

While I support a Sailing Hall of Fame, I'm opposed to the lease of prime waterfront property for nominal rent for a Sailing Hall of Fame. The lease would give a private party control of public property which adjoins the City Dock which is the preeminent public square for the citizens of Annapolis.

It is especially objectionable that the rent is -- from a cursory reading of the lease, I would say is nominal. It's a dollar a year for 50 years.

The Sage Property is the property of all the people. As Members of the Board of Public Works, you are the trustees for the people of the State. It does not share the public interest and certainly does not serve the State's fiscal interest to essentially give away prime waterfront property for this purpose.

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At this point, I would like to call on Rebecca Wright-Stedman, who has come from New York. She is the granddaughter of St. Clair Wright, who was for many decades the driving force for historic preservation.

MS. WRIGHT-STEDMAN: Thank you, gentlemen, Ms. Kopp. As well, I -- the historic district exists today for one reason alone, which is the local historic zoning ordinance. And in 1965, Stewart Udall, Secretary of the Interior, came to this town and designated the one-third of a square mile.

In that it was after 1964 when the Marriott was built. The Marriott is a very large structure and size, bulk, and scale.

The lots down at this prime waterfront are small lots. It was a working man's waterfront. So when you look at the design here for the Sailing Hall of Fame, the sport of sailing is looking for a home and has found a home, but this is -- the actual history of the waterfront is the working man's history. And these very small lots that are on Hell Point.

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The Naval Academy has a Collegiate Hall of Fame -- Sailing Hall of Fame. We have the Annapolis Yacht Club and the Eastport Yacht Club that also have non-profit foundations that support community activities, education of children, et cetera, in the sport of sailing, which can include math and what have you.

But these same philanthropists would then be funding, privately, this organization, and they would be going across the country to other yacht clubs and other members of sailing communities. And yacht clubs themselves are having a -- you know, a difficult time financially preserving their buildings and their membership and their fund-raising efforts.

So you're asking the same people to now do this at the City Dock. And it would be a revisionist history of what Annapolis has as its historical -- actual history. Whereas, Williamsburg is a reproduction of 17th and 18th century buildings, Annapolis is the real thing.

So I would argue very strongly that the design and the size of the Sailing Hall of Fame is --

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it's also because the Phillip's property -- if the lease is forthcoming, the Phillip's property would then be given to the State. This allows for a much larger structure than the smaller historic buildings that are down there -- more like a big box like the Marriott. And the historic local zoning ordinances have prevented this in the past.

So the State's sovereign immunity would be permitted for this private organization down at the City Dock. And this could have a long-term consequence should anything with the business plan, the money ever run afoul and you had to put something else there with all the money that you've already invested at that site.

And the historic district is mostly the up kept -- the upkeep is maintained by the residents. What you see are the private expenses of people keeping up these houses.

And when you look at the business plan of the National Sailing Hall of Fame, they have said that it's going to be a free entrance. So it's going to be fund-raising and perhaps events. If there are too

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many events -- and everybody knows around here what it's like with the boat show -- it starts to challenge residents' patience and the cost that they are willing to lay out for the protection of the historic district.

So Thank you very much for listening.

GOVERNOR O'MALLEY: Thank you.

Mr. Collins, what protections have we in the event that they -- the Sailing Hall of Fame is unable to gather the dollars they need to stay operational? I mean, what protections do we have in the lease?

MR. COLLINS: Governor, we have a significant number of financial steps that the Hall of Fame must achieve, but we also have -- the property will revert to the State in full, and we will then, of course --

GOVERNOR O'MALLEY: You didn't say, "Probably." You said, "The property."

MR. COLLINS: Property. I'm sorry. Yes. Will revert to -- in the event that the Hall of Fame is not successful. And any improvements and -- that they have made there, will also come -- revert with that property.

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GOVERNOR O'MALLEY: Okay. Mr. Comptroller.

COMPTROLLER FRANCHOT: Suppose the facility is built and then it -- because of the business plan, it flounders and fails? Do we then take -- what do we do with the building? Hopefully, that would never happen, but --

MR. COLLINS: Right.

COMPTROLLER FRANCHOT: -- let's be honest. I mean, this is --

MR. GAINES: Well, one of the reasons we negotiated a two-year, sort of, predevelopment period is to allow them the opportunity to fund-raise and generate the \$35 million dollars that they're planning to raise.

Part of that will be set aside for five years of operations. And it's our belief that if they're able to demonstrate an ability to raise that money in two years, that that will signify the success of the project long term.

In that operational plan, is included a million dollars on an annual basis for operations, which, again, precludes the necessity for the public

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to have to pay anything. It would be free to the public.

In addition to that, they will be raising seven and a half million dollars as part of their interior and exterior improvements. There's money that they have to raise to be set aside for ongoing maintenance and capital improvements.

If any of those things do not happen, the State has the ability to say no in two years, or the State could say we'll give you more time based on their performance, but it is clearly the State's option as to whether or not the project goes forward.

COMPTROLLER FRANCHOT: Okay. And while I've got you here --

MR. GAINES: Yes, sir.

COMPTROLLER FRANCHOT: This is a -- this is a State project, right?

MR. GAINES: Yes, sir.

COMPTROLLER FRANCHOT: -- but -- okay. So we're going to have the MBE?

MR. GAINES: The developer, on their own accord, has said, you know, that MBE is important.

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They recognize that this is a public project, and MBE enterprise will be a part of the project.

COMPTROLLER FRANCHOT: Is that in writing?

MR. GAINES: It isn't currently, but it will be a part of the final documents.

COMPTROLLER FRANCHOT: And finally, from a historic standpoint, African-American communities played a big role in this whole sector. So are they going to be part of the museum? Is that intended by the sponsors?

MR. GAINES: It's my understanding that it is, but I would defer to the programmers on that.

MR. FRANYO: Thank you. Well, again, we took -- we've already taken -- started taking sailing to the public this summer. We had the Boys and Girls Club. We had the Girl Scouts and Boy Scouts there taking them sailing for free every weekend.

What we're trying to do -- and why Byron and I have been working on this for so long -- is that we're trying to take public -- take sailing to the public -- out of the yacht clubs to the public. And I

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think we can do that. We can do it on a national scale.

So, you know, very much we --

COMPTROLLER FRANCHOT: And I appreciate that. I'm just concerned about the historic role of African-American watermen and sail makers --

MR. FRANYO: Right.

COMPTROLLER FRANCHOT: -- and boat builders --

MR. FRANYO: Right.

COMPTROLLER FRANCHOT: -- and boat captains and --

GOVERNOR O'MALLEY: Charles Bond.

COMPTROLLER FRANCHOT: -- people -- that story hasn't --

MR. FRANYO: Right.

COMPTROLLER FRANCHOT: -- obviously, been told in a prominent facility --

MR. FRANYO: Right.

COMPTROLLER FRANCHOT: -- like this. Is there -- are you saying that you're going to make that commitment?

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MR. FRANYO: We're going to do -- yes. We're going to do two things. We're taking sailing to teach history. And that was people of all race from everywhere. It's how we got here. You know, it's so linked to our history, our music, our art in all aspects of our life. And so we're going to be doing that.

We're going to also talk about the Burtiss House, which is right there on Hell Point. And we're going to explain what went on there -- the watermen.

We're not doing what the Annapolis Maritime Museum does. We're sailing. They're really talking about the 50-mile area watermen -- working watermen mainly on the Western Shore. I happen to be on the Board there, and they're on our Board.

So different, but we're really going to -- we -- the answer is yes. And that's why Byron and I have been working so closely on the mission here.

COMPTROLLER FRANCHOT: Great. Terrific. And Mr. Gaines, if you could get that somewhere in the lease or the separate MOU or something so that we've got that in writing, I'd appreciate it.

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MR. GAINES: Yes, sir.

GOVERNOR O'MALLEY: Okay. Mr. Israel, you had one more thing you wanted to say, and then we really have to move on. Through no fault of yours, we're about a half hour behind, and we have all 24 counties coming behind us.

MR. ISRAEL: I'd like to ask Gilbert Renaut, who is both a keen sailor and a former president of the Historic Preservation Commission of the City of Annapolis, to speak briefly on this issue.

GOVERNOR O'MALLEY: Mr. Renaut is this?

MR. RENAUT: Renaut.

GOVERNOR O'MALLEY: Renaut. Mr. Renaut.

MR. RENAUT: Thank you. I know you've had a long agenda.

GOVERNOR O'MALLEY: You have the concluding two minutes.

MR. RENAUT: It'll be less than that. I just wanted to be sure -- I emailed a letter yesterday, and I just wanted to be sure you got it.

SECRETARY MCDONALD: It's in the record.
Yes, sir.

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MR. RENAUT: Okay. Thank you. The only thing I want to add that hasn't already been said, is that I think Mr. Israel, who in addition to being the representative on the City Council for this Ward where this will be, is also a distinguished former Assistant Attorney General, made what I thought was the simplest solution to this local control point that wouldn't involve a waiver, which would simply put it in the lease that the Sailing Hall of Fame would comply with local law.

I -- as far as I could tell, that didn't happen. I appreciate that the process that's been going on with Dr. Little has been a positive and beneficial one, but I am concerned with down the road what's going to happen if it fails.

Thank you.

GOVERNOR O'MALLEY: Thank you. Okay. All in favor --

COMPTROLLER FRANCHOT: I'd like to make a motion that the Sailing Museum be subject to the local laws exactly like the lawyer here (unintelligible). I'm particularly referring to the Historic Commission

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and the Historic Trust. It's a very valid protection. And gosh knows what we're going to do with this thing if it's not right. So --

GOVERNOR O'MALLEY: What's this implication of that motion?

COMPTROLLER FRANCHOT: I would -- I just can't --

GOVERNOR O'MALLEY: Sailing Museum? Mayor? You want to talk to us about what the implication of that is -- would be in addition to, I understand, the process implication.

MR. COHEN: Sure. Governor, if I may, I'd like to ask one of my staff members who's -- who can address the legalities of that.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: Governor, let me say --

COMPTROLLER FRANCHOT: Apparently, they're going to apply process --

MR. COHEN: Correct.

TREASURER KOPP: I would personally deferring it for two weeks to understand exactly that question.

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I'm not opposed to what the Comptroller thinks, but I want to understand what --

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: -- the implications are in this. I understand that deferring it for two weeks would not hurt (unintelligible) the process.

MR. COLLINS: Whatever is the pleasure of the Board. Governor, I would say this is not the first time we've heard that issue. Our attorney -- one of the Department's attorneys have been very engaged in this and is here to talk about it. But if you want to, we could certainly --

TREASURER KOPP: Just to know that the actual difference between the way it's written now and what the impact would be if this language were written in the lease. I don't want to do anything to harm the project. And I'm told that it will be observing local process and working with the local authorities and historic society. But I was --

COMPTROLLER FRANCHOT: I would withdraw my motion in support of the Treasurer.

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GOVERNOR O'MALLEY: Well. Looks like we have a motion to defer. And it looks like it's been seconded. And I can count.

(Laughter)

GOVERNOR O'MALLEY: So defer for two weeks to answer that question.

SECRETARY MCDONALD: It's actually three weeks. I just want to make it clear.

GOVERNOR O'MALLEY: Three weeks.

SECRETARY MCDONALD: It's three weeks.

TREASURER KOPP: Just to clarify that question of what the impact would be.

GOVERNOR O'MALLEY: To clarify the question of what the impact would be to specifically contain within the lease the requirement that local --

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: -- law --

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: -- process --

MR. COLLINS: We'll look at it. We'll be glad to get the benefit of our wisdom to the Board.

GOVERNOR O'MALLEY: All right. So --

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MR. COLLINS: Of your attorney, as well.

GOVERNOR O'MALLEY: Mr. Mayor, we'd like to get this done as much as you would, and that I think you hear that the Board -- the majority of us are in favor of moving forward. And -- but a majority of us would like this deferred to answer that final question --

MR. COHEN: Sure.

GOVERNOR O'MALLEY: -- to our satisfaction for three weeks. So --

MR. COHEN: Sure.

GOVERNOR O'MALLEY: That motion is made. It is seconded. It is before us. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed. The ayes have it.

MR. COHEN: Thank you.

GOVERNOR O'MALLEY: Thank you all for your patience.

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Okay. We're going to take a two-minute break just to do a scene change, and then we're going to begin with Allegany. No?

SECRETARY MCDONALD: Charles.

GOVERNOR O'MALLEY: Charles. Okay.

(Whereupon, at 11:41 a.m., there was a brief recess.)

GOVERNOR O'MALLEY: All right, ladies and gentlemen, thank you. I apologize for our slight delay. We were sailing along pretty well. Charles County is first up and you all are doing a fantastic job. Your vision for STEM, what you've done with CTE, you are a model public school system in terms of blending the science, technology, engineering, and math with the career readiness, the job readiness, the CTE. It's really a beautiful vision. Thank you all for your patience, and you are on.

MS. WISE: Now we don't have to say anything. You've already --

(Laughter)

MS. WISE: Good morning, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. I am Bobbie

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Wise, Chairman of the Board of Education of Charles County. Before I begin, I would like to recognize some members of our Board and school staff. Joining me today is Board member Pamela Pedersen. Also with me are Superintendent of Schools James E. Richmond and Assistant Superintendent of Supporting Services, Charles Wineland.

Our request today is short. Specifically, we are asking for your support for two projects. Our top priority is our new high school which is needed to reduce severe overcrowding in our schools. The recommendation from the IAC is to reduce our request to 1,300 students. But we are asking you to approve a minimum capacity of 1,600. Even at the larger side, with building plans of the host community, St. Charles, we fear the school will be overcrowded soon after opening.

GOVERNOR O'MALLEY: St. Charles is the green sustainable community?

MS. WISE: That is exactly right. If we opened this school tomorrow, it would already be nearly filled. St. Charles is not your typical

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subdivision or housing development. It already houses 40,000 residents and nine schools. We are also requesting \$8.2 million in first year construction costs to help us move forward with the new high school which we hope to open in 2013.

This school will also support the more than 12,000 homes planned for areas adjacent to the site as part of St. Charles' green city. St. Charles is rapidly growing and home sales have doubled in 2009 over 2008, indicating the housing turnaround has begun in Charles County. 1,200 homes of all types are scheduled to be completed in 2010. Home sales in St. Charles over the next several years are expected to add 465 more students to the area. Building a high school to serve a community, yet not providing enough space for its residents, does not end overcrowding. To fully support the green city we need to build a new high school with a capacity of 1,600.

Charles County has a reputation for its innovation in its approach to building schools. You know about our success at North Point High School. Our schools provide programs for students that enhance

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the skills they need for living and working in the 21st century in a global society. We propose this next new high school house a digital classroom, Science on a Sphere, and to be energy efficient. At a recent announcement by St. Charles, I heard the Governor speak about the importance of providing leadership for conservation, and Charles County Public Schools is doing just that. We are emphasizing high performance schools, energy efficiency, and improvement of the environment through our building designs and construction. This school will be compatible with St. Charles' plan and includes the use of high efficiency Energy Star equipment, centralized outside air ventilation units with heat recovery, a geothermal heat pump system, and rain water harvesting for irrigation use, and includes numerous other energy efficient, high performance design considerations.

Additionally, we would provide education classes that would complement the green features of this building, the unique environment features of the site, and the efforts of St. Charles and Charles County Public Schools to teach students about the

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importance of energy conservation. We are determined to obtain a LEED Gold certification, your paper says Silver but we're going for the Gold, emphasizing energy and environment consideration at the new high school.

The digital classroom contains a multiuse dome theater that will be used for all students in the County, and enhances science, technology, and other instructional programs.

Charles County is one of the fastest growing counties in the State. Charles County has been proactive in dealing with its growth, and creative in its solutions to maximize the space in our school buildings. We have utilized portable classrooms to the fullest extent, as is evidenced by the large investment made locally. We have worked with our county commissioners on the Adequate Public Facilities Ordinance, which was created nine years ago, and established core capacities at all schools. The County has implemented an excise tax to help fund school construction. These measures have helped us

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deal with our growth, but we are running out of options and space and we need more State help.

The second project we are appealing is for a replacement roof and HVAC system at Daniel of St. Thomas Jenifer Elementary School. This is a sorely needed project to replace an aging roof and equipment in constant need of repair.

On behalf of the Board of Education we pledge of commitment to working with you, and our local and State officials, on the successful completion of these projects. Further, we applaud your wisdom in recognizing that education is more than a priority. It is the key to the civic and economic vitality of this State.

We thank you for your favorable consideration of our request. Thank you, and do you have any questions?

GOVERNOR O'MALLEY: Thank you. I think you laid it on pretty well. We're proud of the additional dollars we've been able to do over these last four difficult years. I mean, you'd be sore pressed to

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find another item that increased by 55 percent, but that's what we've done together as One Maryland because of the tough choices, 55 percent improvement in school construction. And yet there's still just a huge need.

Doctor, what about that, I mean, Dr.

Grasmick, we keep, we make the investments, we build the schools, and there's nothing more aggravating and frustrating than the second you build them to see them shipping in temporary learning shacks, as the Lieutenant Governor and I have railed against them for, you know, so many years. What was the, was it Roosevelt? No, what was the new one? Flowers?

LIEUTENANT GOVERNOR BROWN: Flowers.

GOVERNOR O'MALLEY: In Prince George's County? Where it's just opened, and you've got all these temporary learning shacks there.

TREASURER KOPP: There have been a few over the years in Montgomery County.

GOVERNOR O'MALLEY: Oh, I mean, all over. But the frustrating thing is, you build a brand new school and the day you open it you have these learning

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shacks out there. Why can't we just add 300 more to the size of their building?

DR. GRASMICK: It's often an issue of the cost associated with that, and also the way the Department of Planning does projections, which is really based on the amount of live births in the area where the school resides and also sort of what they call the cohort survival rate. Matt Power is here from the Department of Planning. And --

TREASURER KOPP: But this is a question of factoring in --

DR. GRASMICK: Yeah.

TREASURER KOPP: -- an event that isn't live births, or cohorts. It's something coming in, a plan to move from the outside, right? So how do you factor --

GOVERNOR O'MALLEY: Yeah, like live arrivals. Correct?

DR. GRASMICK: Yeah.

MR. POWER: If I could address that very quickly? What we do is, we work through the property forecast for the counties, and then we come up with

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the population projections and the enrollment projections for the State. And in this instance, what the proposal is is to take a proposed new development and assume that it will be built and that it will be occupied, and add that on top of what we have already projected for the County. So obviously, we have a concern anytime that a proposed development would result in capital dollars being spent for a project. In this instance it would increase the cost of the project by about \$12 million. And we've used the same methodology throughout the entire State. And for us, it's a matter of equity. We've used that same methodology with every other county, and in this instance it would be somewhat precedent setting --

GOVERNOR O'MALLEY: Right.

MR. POWER: -- to base it on any proposed development.

GOVERNOR O'MALLEY: Except that, but if we're equitably wrong?

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: I mean, if we're equitably building schools that the second we open

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them, we've got to ship in those temporary learning
shacks. I don't know. It would seem that to an
outside observer that -- yes, sir, you wanted to add
something --

MR. WINELAND: Two points, please.

GOVERNOR O'MALLEY: -- on his \$12 million
estimate of how much an additional -

MR. WINELAND: Yes. Last year we had our
first graduating class at North Point High School.

GOVERNOR O'MALLEY: Right, great school.

MR. WINELAND: And we had twenty-five
relocatables parked beside the school the night of
graduation. Okay?

GOVERNOR O'MALLEY: How much money, will it
really cost \$12 million more for you to accommodate
300 more kids?

MR. WINELAND: The letter from the State
indicated to us it would be \$5 million difference --

GOVERNOR O'MALLEY: \$5 million?

MR. WINELAND: -- in funding.

GOVERNOR O'MALLEY: Not \$12 million but \$5
million?

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MR. WINELAND: The letter to us from the State.

GOVERNOR O'MALLEY: Mm-hmm.

MR. WINELAND: The other thing is, St. Charles is not a new community. I understand procedures, I understand the guide.

GOVERNOR O'MALLEY: When you said \$5 million, \$5 million from the State?

MR. WINELAND: \$5 million from the State.

GOVERNOR O'MALLEY: Total?

MR. WINELAND: \$5 million from the State.

GOVERNOR O'MALLEY: All right, so then it is about \$12 million.

MR. WINELAND: It could be, including local money, but it's \$5 million of State dollars. The other point was that St. Charles is an established community, not a new community, and this was one of the major points that we had discussions on with the Office of Planning. With 40,000 residents that's the size of the State capital of Maryland, 40,000 residents. This is not a new community. And you, yourself, saw what is coming in St. Charles.

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GOVERNOR O'MALLEY: Right. And it's one of those green sustainable places we're trying to accommodate. I mean, by golly, if there were ever a place where you want to do the infrastructure investment it's someplace where they're doing green sustainable, high density, low stormwater runoff places, right?

MR. POWER: We're certainly encouraged by the green development, and we like seeing it as well. I think, we sat down with the County, initially we had a projection of 1,100. We sat down and within the way that we treat all the other counties, we provided maximum flexibility, went up to 1,300. And I guess the only last point I would make is that the school could be built at 1,600. It's just that the State wouldn't be participating in those last 300 seats. So there are ways to still have the school built. It's just a matter of the preference for the level of State participating and funding in it.

GOVERNOR O'MALLEY: Yes, doctor?

DR. GRASMICK: There's another factor that will be, I think, germane to the discussions today.

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And that is, given the economy we have a substantial increase in many of our jurisdictions. Students coming from parochial schools and private schools into the public schools, and also our ranking, there's a lot of confidence in public education in this State. So that also impacts things.

GOVERNOR O'MALLEY: It's a shame word's getting out about the excellence of our schools, isn't it?

(Laughter)

TREASURER KOPP: What is, is there any, I mean, I understand, you're saying you treat everybody the same. But that to me is, you know, everybody is overcrowded now. I mean, that is not a true answer to a problem. But --

MR. POWER: I think --

MS. WISE: Well, the issue is, isn't that you wait until we have enough students to fill those schools before we move forward?

MR. POWER: No. No, it's based on the projection. But I would say that in this instance as well, the enrollment projections with the County and

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the State need to be within 5 percent of one another. So we do ours, and the County does theirs. In this instance, in what was submitted in the CIP for the County also did not justify a school for 1,600. Subsequent to that, they've asked us to look at it again, and add the proposed St. Charles development on top of those projections. And it just gives us great pause to plan, and build, and put capital dollars into a facility based on adding in a proposed development on top of existing projections.

TREASURER KOPP: Is there a way to build the core so, I mean --

MR. POWER: I think Dr. Lever has offered a few proposals along that --

DR. LEVER: Yes.

MR. POWER: -- along that line.

TREASURER KOPP: I mean, essentially to allow for growth but not actually build out all the classrooms, if you truly don't think the classrooms are going to be there?

MR. POWER: Yes.

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DR. LEVER: The IAC does have a policy where if the core is built to the size of the eventual school, but the classrooms are built to, let's say, 1,300, at the time that the school district comes back to ask for an addition for the additional 300 students they can also be reimbursed for the oversized core at the cost of construction when it was actually built. So it's a flexible policy, but it does have to be addressed fairly early in the planning stage in order to be able to implement it.

TREASURER KOPP: Does that respond at all to your situation?

MR. WINELAND: Well, yes, that is an avenue we could follow. Our concern is this: we're talking about an economy turning around, we're talking about the last frontier on the Beltway, as it's been described in The Washington Post. We know the explosion is on the horizon. St. Charles is gearing up for it. The 1,200 housing units that they will complete this calendar year, 1,200, this is not a projected community and we're not sure it's going to flourish. It's there. They own 9,000 acres, they

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have 40,000 residents. It's a proven entity. And to build a school that only brings our other high schools down to State rated capacity with no growth across the County, and tie the APFO up. We currently have three high school districts that are shut down to building houses due to the APFO. So we have a problem down there that just bringing us up to State rated capacity is not going to allow houses to be built in Charles County. And we all know that is the thriving economy of Charles County.

GOVERNOR O'MALLEY: Well let's, we've got to keep moving on. But Mr. Comptroller?

COMPTROLLER FRANCHOT: No, I'd like to compliment Chairman Wise on her statement. I think it's excellent. I'm delighted you brought your colleague, Board member Pedersen. And Superintendent Richmond and Associate Superintendent Wineland, thank you for letting me come and visit a couple of the elementary schools in your great area. It was very instructive. I really appreciate your leadership on the environmental sustainability, and the Gold standard. I think that's terrific. I do have a

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question that relates to the Governor's concern about, kind of, one step forward and two steps back sometimes. Or two steps forward and one step back. And it concerns maintenance of existing buildings. And maybe I could ask Superintendent Grasmick, because it was Dr. Lever's maintenance survey report which caught my eye last month where he basically said that you visited 145 schools, or you surveyed them, and only nine out of 145 received a superior rating. Only 48 percent earned a superior or good. And that that was down, the 48 percent, was down from 76 percent in 2003 and 69 percent in 2007. And I just want to get your perspective, or particularly the Superintendent's, on whether this is due to budget constraints? Or is it due to some other dynamic that we could perhaps correct?

DR. GRASMICK: Well, let me say that every superintendent who will be here today and beyond is keenly aware of this issue. We've made it a priority with the IAC. It's something that's reinforced by way of the report that you currently received. And

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several years ago there wasn't a report on this sort of maintenance status of schools.

But there are several things impacting this. One is budget, and the second is in some of our jurisdictions this older inventory of schools. And although they can maintain them well, and our schools are maintained very well, there are some issues around the older inventory of schools that impact the ability to continue maintain them at a superior level. So that would be my response to you.

But I want to say that every superintendent is very sensitive to this issue and ensuring that even when we have very old schools, as we do in two particular jurisdictions, Baltimore City and Baltimore County, that they are doing the best they can do to ensure that those schools are at least at the good level, and that there's nothing that's inferior about the maintenance. We'd love all of them to be superior but I don't think that's realistic. So I don't know, Mr. Richmond, what you would say?

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COMPTROLLER FRANCHOT: How well are we taking care of what we have as we're marching into the future, I guess, is the question?

MR. RICHMOND: We try very hard to achieve the superior every year. But as Dr. Grasmick says, it's almost impossible when you have an aging fleet of buildings, over forty years of age. We are in competition constantly, being a growth county, for that one dollar as we step before you today. We either ask for new seats or we ask for renovations. And the renovations, I'm afraid, had to take the backseat when our schools are so overcrowded. We're not saying we have deferred it. We're not saying we have put it off. We're just saying that on show down day, that dollar has to go one or the other places. And right now it's going for growth. We're very proud of our aging fleet, though. And as you have seen in coming to our schools we can take you into any one of them, including those that are fifty-plus years old, right now and be very proud of them.

COMPTROLLER FRANCHOT: The Superintendent mentioned one of the jurisdictions, Baltimore City. I

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happened to go up to one of the elementary schools and visit it. And it struck me that the exterior was pretty depressingly, you know, covered in I don't know whether it's soot, or whatever it is. So I said I'm going to come back with a power wash crew. And we got a company, a local company to volunteer. And I put the yellow boots on for about a minute. I've got to admit I didn't do all that much. But it was pretty amazing what the impact was on the exterior of the building. It became much brighter, and had a, I admit it's a cosmetic thing, but it really kind of had a big impact. And I think new carpeting, and paint, and others, those are things that a lot of private contractors are willing to partner, or volunteer, contribute, I think. And I would encourage wherever possible reaching out to that community and saying, you know, "Can you help us brighten these places up as they get admittedly older?"

MR. RICHMOND: Many of our buildings, thanks to our Superintendent's philosophy of saving those dollars to the end of the year and then doing projects with them, saving them out of the general fund, we tie them into the

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systemics that you have granted us over the years. Whether it be rooftop units, whatever it may be, we spend usually three years in that building piecemealing the projects. And when we're finished we have basically renovated an older building with local capital dollars tied in with the CIP systemic dollars. That way we're able to do more projects over the years and not just focus on one building.

COMPTROLLER FRANCHOT: Excellent. And there are tough times ahead, everybody knows that, and we don't have to just be paralyzed --

DR. GRASMICK: Absolutely.

COMPTROLLER FRANCHOT: -- if we've got some group we can partner with, and --

DR. GRASMICK: I do want to add to that discussion --

COMPTROLLER FRANCHOT: I know, and I appreciate the fact that it's budget driven. But it's also kind of, "Hey, what can we do ourselves?"

DR. GRASMICK: There's a lot of creativity around that. And we have assembled parents who have particular talents to be engaged. Some of the high

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schools students themselves doing painting, and as you said contractors. So I think superintendents could speak to the engagement on a volunteer basis on this kind of expertise and help.

COMPTROLLER FRANCHOT: Thank you. Anything you could send us on this would be great.

MR. RICHMOND: We'd be happy to.

GOVERNOR O'MALLEY: I don't know where we leave this with you. It's hard to believe \$12 million is how much more it costs you, you can't do a wing cheaper than \$12 million?

MR. WINELAND: Well, we're doing a vertical building, as you know, four stories.

GOVERNOR O'MALLEY: Right.

MR. WINELAND: And we --

GOVERNOR O'MALLEY: I'm for vertical buildings. I went to a school in a vertical building and it didn't help or hurt my ability to --

(Laughter)

MR. WINELAND: We're all in favor of it. We would be probably taking off the end of the building, is what we would be doing, as opposed to an entire

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floor. And doing what was suggested earlier, which was do the core to begin with. Our concern, also, is the cost. We know that the window is open right now. If we go another year or two, come back and ask for it, it could cost twice as much to do that addition as it does now.

GOVERNOR O'MALLEY: And unfortunately, we've got lint in our pockets right now.

MR. WINELAND: Right. The other thing that makes this one unique, as you know Governor, is the digital classroom.

GOVERNOR O'MALLEY: Right.

MR. WINELAND: The first in the nation in a public high school.

GOVERNOR O'MALLEY: I love it.

MR. WINELAND: And Science on a Sphere, the first in the nation outside of a museum. You have one at the Science Center in Baltimore.

GOVERNOR O'MALLEY: Mm-hmm.

MR. WINELAND: We are going to turn on kids to science and space and math and engineering in those

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two facilities. Senator Cardin and Senator Mikulski -
-

GOVERNOR O'MALLEY: I know, you all have done a great job of promoting it. Everybody loves it. Everybody loves it. Maybe it could become a prototype? I still don't understand why we have to redesign every new school from the ground up every time we do it. I don't get that at all. If McDonald's did that they wouldn't be in business very long. I mean, you don't see them designing a brand new building every different time. I mean, although yours is, clearly, you know, breaking new ground, as we need to break new ground as a country on science, technology, engineering, and math and meet kids where their curiosity exists. So I don't, yours could be a prototype for others like this. I don't know what to tell you except that I think you all should gather with David Costello and try to figure out a way to, I mean, if there were ever a place where because of sustainability, smart growth, science, technology, engineering, math, not to mention their track record on CTE, where we should be able to do a little more on

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the size of this thing, or with MEDCO, I don't know. Some way, it just seems a damn shame that a high school that's as forward looking at this one, the second it's built they're going to be dragging in temporary trailers.

Okay, thank you.

MS. WISE: Thank you.

GOVERNOR O'MALLEY: Thanks for your leadership. Hang in there. Okay, next on our hit parade is?

SECRETARY MCDONALD: Allegany.

GOVERNOR O'MALLEY: Allegany County, mountain Maryland.

DR. COX: Good afternoon, Governor O'Malley, Lieutenant Governor Brown, Comptroller Franchot, and Treasurer Kopp. My name is David Cox and I'm Superintendent of Schools in Allegany County, new to Maryland this year as of July 1. I'm very pleased to be here. I have with me today our Principal of South Penn Elementary, Steve Wilson, and our Director of Facilities, Mr. Vince Montana. I'd also like to say, I bring you greetings today on behalf of the Allegany

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County Public Schools Board of Education. And we're here today to ask for your consideration for the approval of an additional \$256,000, to add on two additional classrooms to South Penn Elementary School where we would like to have that addition serve the needs of our preschool students who have autism.

We are recognizing the additional benefits of early intervention with our children. We are investing in preschool because it does make a difference. This particular school has a population, about 66 percent of its students receiving free and reduced meals. So we do appreciate any consideration that you could give us to further fund this project. We appreciate the IAC's consideration and recommended funding for \$586,000. We are asking for an additional \$256,000 to complete the project.

We'd be happy to answer any questions. I would ask Mr. Montana if he has any additional information to add, or Mr. Wilson?

GOVERNOR O'MALLEY: Anyone? Mr. Comptroller?

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COMPTROLLER FRANCHOT: Yes, I, where did you come from, Superintendent Cox?

DR. COX: I'm from Virginia.

COMPTROLLER FRANCHOT: Uh-huh, we're winning that battle.

DR. COX: I was for the past ten years superintendent in Virginia, and very glad to join the ranks of this country's number one public education system.

COMPTROLLER FRANCHOT: Great.

(Laughter)

GOVERNOR O'MALLEY: Say it loud, say it proud.

COMPTROLLER FRANCHOT: Maybe we'll put you in a TV ad, or something.

(Laughter)

COMPTROLLER FRANCHOT: I visited, was it, Fort Hill High School?

DR. COX: Fort Hill High School, yes, sir.

COMPTROLLER FRANCHOT: And had a really excellent briefing on your financial literacy --

DR. COX: Yes.

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COMPTROLLER FRANCHOT: -- requirement for kids graduating in your County. And I want to applaud your Board, and you, and others that are able to implement that in a cost effective way. I think it's the wave of the future.

DR. COX: Well, we appreciate your coming. I'm sorry that I couldn't personally join you that day, I had a schedule conflict. But we do appreciate your coming and taking the time out of your schedule to be with us.

COMPTROLLER FRANCHOT: Excellent. Thank you.

GOVERNOR O'MALLEY: Okay. Thank you all very, very much for coming down here. Thank you. Okay, next is?

SECRETARY MCDONALD: Frederick.

GOVERNOR O'MALLEY: Frederick, green wild hills of Maryland. Hi.

DR. BORSA: Good afternoon. I'm Dr. Bonnie Borsa, and I'm a member of the Frederick County Board of Education. And with me today is Mr. Ray Barnes, our Executive Director of Facilities. Our

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Superintendent, Dr. Linda Burgee, was unable to attend. She had a family emergency.

First of all, thank you. Thank you for your continued strong support for education in our State. It's greatly appreciated by all of us in Frederick County. And thank you for allowing us to come before you today.

We're only too aware of today's difficult economic times. As we leave Annapolis today we're going to go home to yet another budget meeting. But we're here today just to talk about our school construction funding needs and what our priorities are.

We need to modernize our older buildings, which we have been committed to, and we also are planning for the future. The Department of State Planning predicts we're going to have the third largest enrollment in the State between 2008 and 2018.

GOVERNOR O'MALLEY: Wow.

DR. BORSA: It's a lot.

GOVERNOR O'MALLEY: Third largest enrollment? Or increase --

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DR. BORSA: Increase, increase. I'm sorry.

GOVERNOR O'MALLEY: Increase in enrollment, okay.

DR. BORSA: I'm speaking a little too fast.

GOVERNOR O'MALLEY: No, I've got you.

DR. BORSA: We've had a very aggressive building campaign in the last years. We have, but we still have nineteen schools over 100 percent capacity. We have twenty-five schools that are over forty years old. At the local level we're really trying to do our part. We just had a major redistricting involving twenty-one schools. And a major priority for us on the School Board was to use capacity at all the schools and to decrease the need for additions or delay the need for additions. Not a very popular public decision but one that we stuck to. We have a good rapport with our County Commissioners and they've done a lot to step forward to the plate to help with school construction. They have an Adequate Public Facilities Ordinance to regulate development. They have impact fees to raise money for new construction. They have created a transfer tax, of which a portion

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goes to new schools. And they regularly forward fund our projects to keep them on schedule. We do have strong relationships with our community. BP Solar, a small example, has donated solar panels to one of our elementary schools, Oakdale Elementary School. And that supplies power for our portable, a portable at Oakdale Elementary. It's the cool thing to be in Mr. Sahli's fourth grade portable. The kids, it's a wonderful learning opportunity as well as a great forward thinking energy move.

In support of our County Commissioners we've placed our top funding requests for buildings that we already have well under construction. Mr. Barnes will elaborate on those in a moment. We really recognize that providing a strong academic program and our students' ability to achieve is linked to adequate facilities. We only need to look at West Frederick Middle School, and the new addition that has brought to this school the change in attitude, the change in school climate. It's one of our highest poverty schools, and our students really stand up with their

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shoulders a little straighter with all of the new advantages that that new addition has brought.

Thank you for listening to us. And I'll let Mr. Barnes give a little elaboration on our projects.

MR. BARNES: Good afternoon. I'm pinch hitting for Dr. Burgee, who had a family emergency. So you have our testimony that's been presented to you. And we're here to request construction funding for the Linganore High School, construction funding for additions to Walkersville and Carroll Manor Elementary School, and the funding for Oakdale Elementary and the Lincoln Elementary Schools. And I'm going to brief you very quickly on the status of each of these projects in just a minute.

But we were asked to present information in our testimony on topics that the Board of Public Works might have some interest in in connection with our school construction program. And the first I want to touch on is high performance schools.

FCPS is very proud of its efforts to design and build energy efficient and environmentally friendly schools. System wide, in cooperation with

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the Chesapeake Bay Foundation, we were the first school district in the State to adopt tree canopy goals for the system. In addition, we have constructed at fifteen of our --

GOVERNOR O'MALLEY: When you say first, how many have followed?

MR. BARNES: I don't know.

GOVERNOR O'MALLEY: Okay. Tom, note, will you, to Costello?

MR. BARNES: We have fifteen schools that have environmental areas that are part of our instructional program. We recently received a grant from NOAA, the National Oceanic and Atmospheric Administration, that will allow us to add nine more outdoor classrooms over the next three years. Dr. Borsa mentioned the solar panels that we've erected for a portable classroom at Oakdale Elementary School. Our new Earth Space Science Lab also has the solar panels that were donated by BP Solar. It also has the geothermal heating system which is so energy efficient and which is giving us experience in this technology

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that will allow us to install it at other schools in the future.

Our testimony has additional information about our track record on environmental design. I won't go over the details of it. I will note that the new Lincoln Elementary School, which is in the heart of Frederick City, is a project that we're seeking to achieve Silver LEED certification for. We proceeded forward with this Silver LEED certification process in advance of it becoming a requirement by the State. And this was just a recognition of our own Board's interest in doing our part to assist in energy conservation.

Regarding the use of prototype schools, the second topic we were told the Board might have some interest in, Frederick County has used prototype schools for many years. The Linganore High School that is currently under construction is the third iteration of a prototype high school that we designed in the early 1990's. We also have built three middle schools which have followed a prototype design that was, again, put together in the late 1990's. And for

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the last fifteen years we've been building elementary schools based on one of two prototype designs we have --

GOVERNOR O'MALLEY: Great.

MR. BARNES: -- at the elementary schools. We agree that locally developed prototypes increase the efficiency of design, procurement, and construction. We think these buildings represent our best efforts to blend State design guidelines with our local FCPS goals and objectives.

Finally, we want to just note that on the third topic we were told would be of interest, and that's related to the Minority Business Enterprise procedures. We are committed to working collegially with the Public School Construction Program, the Governor's Office on Minority Affairs, and other school systems around the State. Locally, we have developed a database to track MBE participation in past projects. We have initiated improved educational outreach to our local contractors concerning MBE procedures and requirements, and we have tightened and increased reporting requirements. We are also working

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collaboratively with GOMA and our counterparts to standardize data collection and administrative procedures. Based on the tables that we received yesterday from the Public School Construction Program we have improved our participation rate between fiscal year 2009 and fiscal year 2010. We hope to do better, but we're working on it and we acknowledge it's a work in progress.

We realize we're asking for a lot. It's typically our strategy to ask for a lot. And so once again, we are. And what I want to bring you is just a real brief status report on some of the projects that we have in our program. The first one is West Frederick Middle School. Now, the recommendations that come from the IAC is recommending funding, a completion of the State funding participation for that project. And I just want to say thank you for that funding for that program. West Frederick Middle School was a key project. It was our top priority middle school in need of renovations. It's in the center of Frederick City and it has a lot of the

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challenged instructional programs -- okay, Ms.

McDonald said the time's up.

SECRETARY MCDONALD: They can give you more time, but I'm supposed to tell you ten minutes so that the Board can --

MR. BARNES: So I will say that we have included in our testimony details about the other projects, and we're prepared to front any questions that you might have about these projects or anything related to the Frederick County Public Schools.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you for your excellent testimony. I can read your testimony and appreciate the fact that you're responding to some of the general questions. I have this additional question about how you did on the maintenance survey report, and what you think you can do in this age of austerity to spend time and attention on some of these cosmetic changes that really make a difference. I've seen it. And frankly, a lot of the business community, I think, is willing to partner with you.

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Is that, how did you do on the maintenance report?

And what about the idea of --

MR. BARNES: Well, I think we did well on the maintenance report. We had one school that received a superior rating, and they came up early last month and got the award here. Most of the other schools that were, I think there were five schools that went through the evaluation this year. And the others got, better than, what's the category? Okay. Right.

Typically in Frederick County the funding that's devoted to maintenance, it's focused first on dealing with any sort of safety or code requirement issues that need to be done in an individual school. Now, once safety and those code-related issues are dealt with the second thing is to address preventative maintenance, our preventative maintenance program. So what we try to do is maintain the equipment, the facility, following a scheduled program of filter changing, belts, oils, those kind of things. We try to keep the equipment we have going well. And that's sort of the second tier of how we prioritize funding.

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You know, the next tier deals with some of the other kinds of things that are not safety or preventative maintenance. And those are things that we can and do ask for help on. We have asked for help, particularly in field and ground maintenance, from the community to deal with some of the athletic field repairs that are needed to the school, and the grounds. We have quite a few schools where we have partnerships with different groups for those types of improvements.

COMPTROLLER FRANCHOT: Excellent. Thank you.

GOVERNOR O'MALLEY: Okay. Well, thank you very, very much. Thank you for the excellent job you do.

DR. BORSA: Thank you. Thank you, Grasmick.

SECRETARY MCDONALD: The City.

GOVERNOR O'MALLEY: City of Baltimore. Greatest City in America. Where student achievement has risen faster than, I do believe, in any other City, with possibly the exception of New York, over the last ten years. Isn't that true?

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DR. ALONSO: Yes --

GOVERNOR O'MALLEY: It's one of the steepest rates of improved achievement of any major City?

MR. DUKE: Absolutely. And we're only getting better, Governor.

GOVERNOR O'MALLEY: Absolutely.

MR. DUKE: Good afternoon to all of you. Governor O'Malley, Comptroller Franchot, Treasurer Kopp, Lieutenant Governor Brown, Dr. Grasmick. Thank you for this opportunity to present on behalf of the Baltimore City Board of School Commissioners. For those of you in leadership who I have not had the opportunity to meet as yet, my name is Neil Duke. I am the Board Chair and, of course, this is my first year presenting before this body. Also with me, either behind me or to my immediate left, Dawana Sterrette, who is our Legislative Specialist; Keith Scroggins, who is our Chief Operating Officer; Robin Allen, who is our Director of Facilities Planning; and of course, Dr. Andrés Alonso.

Dr. Alonso will provide the actual nuts and bolts of our presentation this afternoon. However,

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before I yield the floor I want to make the rather brief observation that the Governor has already picked up on. That being, that Baltimore City is very much a school district on the rise. Rising test scores, rising attendance rates, declining drop out rates, and enhanced administrative efficiencies such as fair student funding. Baltimore City, in rather short fashion, over the last few years has really placed itself in the national conversation about excellence in urban education. And we couldn't have done it without this body's support. And certainly, our gains and our strides cannot continue without your ongoing support. So with that said, we'll have Dr. Alonso provide our presentation for you this afternoon. Thank you.

GOVERNOR O'MALLEY: Thank you.

DR. ALONSO: Good afternoon. And I won't read the testimony since you have it in front of you, and in order to save my young friend here. So instead I'll just go over a few highlights. First of all, thank you. Without the support of this body over the last few years under your leadership it would have

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been impossible to improve the infrastructure of the schools as we have done. And especially in these tough economic times we're incredibly appreciative of what we are already getting.

I think that you would fall off your chairs if I ever come here and say that I'm happy with what I've gotten. So I'll just highlight the fact that we have the oldest infrastructure in the State by far. This is my third year here and it's ironic for me to come here and hear other districts talk about their state of the art schools. And I'm looking to plug the holes in the boat.

GOVERNOR O'MALLEY: Although, Digital Harbor is no slacker.

DR. ALONSO: Digital Harbor is no slacker. I do have thirty-five other high schools.

GOVERNOR O'MALLEY: Right. Poly, City, School for the Arts, they're the slackers.

DR. ALONSO: Yes. The --

GOVERNOR O'MALLEY: Not to interrupt your wrath.

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DR. ALONSO: The wrath doesn't refer to the quality of some of our schools. It refers to the condition of some of our schools.

GOVERNOR O'MALLEY: No, that is all true.

DR. ALONSO: Even with the extraordinary support that we've gotten over the past few years. I will highlight a couple of things. First of all, we really are at a tipping point in terms of where we are as a school system. For four decades enrollment went down. In the last two years enrollment has increased. I thank Dr. Lever, Secretary Hall, Deputy Secretary Power, for their help last year in increasing our enrollment projections. They are still 5,000 kids off the mark, in part because we are really exceptional in the change that has taken place over the past few years. And without the right numbers it becomes difficult to get to the IAC and get approval for projects because the projections don't match our actual numbers.

So after the change last year, hopefully an equitable change, we're still 5,000 kids off in terms of what our actual numbers are in comparison to the --

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GOVERNOR O'MALLEY: Projections.

DR. ALONSO: -- projections that the State has in order to approve --

GOVERNOR O'MALLEY: Can I stop you there one second?

DR. ALONSO: Yes.

GOVERNOR O'MALLEY: I won't take, and you'll get your time back. Are we still doing this thing where we predict that the City is shrinking, and going to be a city with zero people in it in another forty years? We're not doing that anymore, are we?

MR. POWER: We are not doing that, Governor. And we met last year with Dr. Alonso. And I think what we said from the beginning is that as the actuals increase, and now we have two years of data, and we're confident that this next year we're going to be able to be very close with them and work with them again, and start seeing in the out years what we're seeing in the current years.

GOVERNOR O'MALLEY: Because the City is, you know, growing from the inside out. And with transit oriented development, and the high density stuff, and

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the rising cost of gasoline, and all of that jazz, and not to mention the high speed rail that's going to come up the East Coast one day soon, here. They achieved the biggest reduction in overall crime of any major city in America these last ten years. So their population is going to be growing again. I'm sorry, back to, the floor back to you. No time, no time taken off Dr. Alonso.

DR. ALONSO: I am grateful for the collaboration in the last year. Because we would have been 12,000 kids apart if there hadn't been a change. We're still 5,000 kids apart because we keep growing while the predictions had been about a decrease of 3.5 percent of our enrollment every year for the next ten years, plus instead we're growing.

Because we're growing we have been reanalyzing our portfolio of schools. We closed six schools last year. We are going to the Board in the next couple of weeks to recommend the closing of another six programs. Over the last decade that signifies the closing of almost thirty programs in the City. At the same time, we're working with our

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charter schools in order to provide them more space so that they can attract more kids to the City. So we're looking at the portfolio of schools in a very different way.

I want to thank our Operations staff for the work that they have done in the past couple of years, actually longer than the past couple of years, in order to get most of our schools to satisfactory. Not superior. More schools in the good category, but moving them to satisfactory. Because that's the kind of gap that we have had to close. I also want to praise them for the work that they have done in conjunction with the IAC around our preventative maintenance effort. When I got to the City there were monthly or quarterly meetings in order to make sure that things were being done right. That doesn't take place anymore. I think that we're increasingly a model in terms of how these things are happening.

And we're in the process of continuing to right size the inventory of school facilities and giving the communities what they need. We're working closely with the City. We've worked closely with the

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City under Mayor Dixon. We're going to work closely with the City under Mayor Rawlings-Blake in terms of how our schools should be used in conjunction with the City. We're working closely with State agencies around collocation of services for our kids, including BSF and Juvenile Services.

And right now, we are very much asking that you consider two key projects. The construction at Leith Walk, Leith Walk is a model school. A school with, I believe 80 percent to 85 percent low income kids but performing in the eighties and nineties in the MSAs. The second school, Waverly, which for many years believes that, the community believes that it has been promised a new school. And we want to deliver on that promise. It's, again, a school that has a lot of potential in terms of what it might mean to that community. And any other cent that you can find in order to help us fix our boilers and our air conditioners, I would appreciate. Because a boiler cost \$1 million. And a chiller for an air conditioner cost \$1.5 million. And every time one of those things break down, I do feel that I'm on a treadmill in this

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conversation. And dollars that can be used for science labs and green schools end up being used for making sure that I don't have to close some of my schools.

So I thank you again. We are incredibly appreciative of the fact that over the past three, four years an extraordinary amount of money has gone to Baltimore City in order to help us with the infrastructure of our schools.

I want to close by saying that our Minority Business participation, last year there was a debate, this year we are in agreement that it's 37 percent which is the highest in the State.

GOVERNOR O'MALLEY: That's great.

DR. ALONSO: Thank you.

GOVERNOR O'MALLEY: Dr. Alonso, thank you.
Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, I'm glad you're here because I read a lot about you.

(Laughter)

COMPTROLLER FRANCHOT: No, it's all good.
But down in our area, Dr. Rhee, or I'm not sure

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whether that's, she's a doctor, but she's your equivalent in the District. And she seems to be a lightning rod for controversy. But many of the reforms that she's advocating seem to be the reforms you're implementing, or resembling them, analogous to them. What is your secret?

GOVERNOR O'MALLEY: Better political advice.

(Laughter)

DR. ALONSO: I'm a huge supporter of Michelle Rhee. We're friends. She was a teacher in Baltimore City back in the last eighties, early nineties. She's the first person that I talked to about coming to Baltimore when the Board approached me. Every context is different. I'm incredibly lucky that in Baltimore City I arrived at a moment where the entire community, different communities, the political establishment, the business establishment, MSDE, the Mayor, certainly the Governor, all were incredibly invested in the success of the City schools. I don't think every superintendent can say that in tough districts like Baltimore. I'm also incredibly grateful for a Board that has been courageous.

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Michelle works for a Mayor. I'm working with a Board. And it's incredibly unique for a School Board to support the kinds of steps that we have taken in the City, and they deserve all the credit.

COMPTROLLER FRANCHOT: I can remember graduating from college many years ago and everybody was going on to graduate school, and I missed that memo when it came around. I didn't, I had no idea what I was going to do. Are we able to bring bright college grads who may not have taken education courses into our teaching community?

DR. ALONSO: Absolutely. We have, we doubled the Teach for America cohort last year, this year, actually, because they enrolled this year in Baltimore City. We went from almost 170 to I believe over 300 TFA candidates. This year we have a program called the Baltimore City Teacher Residency Project that began before me under previous superintendents, and might have been under your mayoralty, which also brings people from other professions. And we're going to have over 100 people participate next year. So we're trying very hard to recruit not only traditional

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candidates, because we have increased the percentage of classrooms taught by highly qualified teachers from the low thirties to almost 70 percent this year, in part because we have so aggressively sought out the traditional candidates that come with the qualifications but also external candidates who we help train to get those qualifications.

COMPTROLLER FRANCHOT: And then finally, there's a KIP Program up there in Baltimore?

DR. ALONSO: There are two, actually.

COMPTROLLER FRANCHOT: Two? How are they doing?

DR. ALONSO: They are doing well. One is a school that began with a kindergarten and is now up to the first grade. The other one is the traditional KIP model of a middle school. I'm a huge supporter of KIP. Once upon a time it was said that it was the best performing middle school in Baltimore City, no longer. I am proud of that because it means that other schools are becoming competitive with our models. And I would say that it takes models like KIP but it also

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takes traditional schools to raise themselves up to the game. And that's what we're trying to do.

COMPTROLLER FRANCHOT: Thank you. And to the extent, the debate, which I find so sterile, between the establishment and the new teachers, and new schools, to the extent you can crack the code and get everybody to realize that it's, you know, we don't have to be scared of reform. God bless you, because it's, some of the things that the KIP folks say about their counterparts, and the counterparts in the public school system say about them, it just strikes me as a really bad debate. Because, you know, it doesn't lead anywhere.

DR. ALONSO: You know, I would agree with you. They're all public schools. The bottom line is outcomes for kids. No questions about facilities? Thank you. And it's not about me and me cracking the code. It's the continuing confluence of all these folks who desperately want us to do well. Because it's very easy to trip over any one thing, and the fact that everybody has been so amazingly behind has been the key to everything.

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COMPTROLLER FRANCHOT: Okay. Let me know if I need to come up and power wash any schools. I've got a little side business --

DR. ALONSO: As soon as I heard you I said, "Well, we need to put some power washers in the budget." I will say, however, that I would love to know what school that was?

COMPTROLLER FRANCHOT: I think it was West Side Elementary.

DR. ALONSO: West Side? We will go back and check. But we're very --

COMPTROLLER FRANCHOT: No, I mean, I just happened to be visiting the program --

DR. ALONSO: We're very proud --

GOVERNOR O'MALLEY: With his power wash team in the trunk.

(Laughter)

COMPTROLLER FRANCHOT: No, that was later. And they held my feet to the fire. They said, "You promised you were coming back." So -

DR. ALONSO: I'll take whatever you can give me, including power washers. But we take incredible

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pride in trying to give the kids a sense that the school, the schools are where they need to be every day. So, thank you.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: Can I ask a brief question? I know that when, I mean, recently there was a report came out with the, as far as the preventative maintenance, the appearance of the schools, cleanliness, and you all got kind of boxed around by the white glove brigade. And I wanted to know if you have any response to that, or anything you'd like to say on the STAT process, which I would imagine, Keith, you still have in motion because that's the way you work, and that's what you brought there.

MR. SCROGGINS: Yes. I didn't think that we got boxed around. Actually, I thought the report indicated that we were making significant improvement.

GOVERNOR O'MALLEY: Oh, good. Mr. Lever, is that what it said?

DR. LEVER: We have been observing that for a number of years now.

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GOVERNOR O'MALLEY: Oh, good. I just I'm just sensitive.

DR. LEVER: Particularly under Mr. Scroggins' leadership it's really been a remarkable change in the operations. And we think that many of these, there are five not adequates, some of these are for very insignificant reasons --

GOVERNOR O'MALLEY: Oh, good.

DR. LEVER: -- that can easily move them into the adequate realm. We will be conducting reinspections in March --

GOVERNOR O'MALLEY: Great.

DR. LEVER: -- and then we'll have a reevaluation of those schools.

GOVERNOR O'MALLEY: Okay, well that's what I thought. Well, maybe I'm just sensitive. You know, once you're a Mayor, you wear this tight fitting suit. Anybody rubs up against your City, and it's like, you know. But let me ask a second to last question. I know that we used to great effect these sort of Energy Conservation Contracts, the ESCOs, those sorts of things. To what degree, if any, might the school

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system avail itself of that? Or, the sort of filament stuff, with the leasing the rooftops for solar, and distributed solar generation? And I would just think that there's opportunities there. When you're up in a helicopter over the City, you look down, man, you can see these vast amounts of rooftop that are the City schools. So anything in motion on that? Anything we might help with? Or any barriers we can get out of your way?

MR. SCROGGINS: Well, actually we're utilizing four ESCO companies. Johnson Controls, Energy Assistance Group, Pepco, and Noresco. And that includes every school in the district. So we've got, we've had a number of projects. We've actually had contracts totaling \$70 million putting in new windows, new lighting --

GOVERNOR O'MALLEY: Right.

MR. SCROGGINS: -- all sorts of energy efficiency, boilers, chillers. So, you know, we -

GOVERNOR O'MALLEY: And then you pay that with the savings from the energy --

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MR. SCROGGINS: From the savings generated each year, yes.

DR. ALONSO: On the idea of the green roofs, we have a farm that, you know, people have been reading about.

GOVERNOR O'MALLEY: That's great.

DR. ALONSO: One of the things that we have begun to discuss is whether we can expand this concept so that every school can have its own sort of farm on the roof. And it sounds like a complete, you know, science fiction idea right now. But we don't see why it should be. So we --

GOVERNOR O'MALLEY: But depending on the strength of the roof, right?

DR. ALONSO: Oh, well, of course. But it's, you know, my understanding is that it has great implications in terms of energy conservation --

GOVERNOR O'MALLEY: And stormwater.

DR. ALONSO: -- in schools.

GOVERNOR O'MALLEY: And we had heard from one school, I think, was it Frederick? That had the

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tree canopy goal systemwide? And I know you've done a lot of things taking out the impermeable blacktop.

DR. ALONSO: Yes.

GOVERNOR O'MALLEY: My goodness, I mean, I don't know what school they went through. But whoever the principals of public schools were thirty years ago they developed a high and, you know, unrequited love for chain linked fencing and blacktops. I mean, it's everywhere.

DR. ALONSO: And prison architecture, those cinder blocks.

GOVERNOR O'MALLEY: So I know you're doing good things on that, too. So, but I know that Jerry Weast of Montgomery County, and they probably won't find, some of the solar people told me, "Yeah, we'll never sign another deal like that. It was too favorable to the school system." But increasingly the price of these solar things are coming down, and the price of the solar film is kind of the way to go. It's less heavy. And if you can figure out with your lawyers a way to do it rather than a way not to do it, I think there's benefits in terms of Constellation or

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someone out there that has to hit their renewable portfolio.

MR. SCROGGINS: We are working with General Services in Baltimore to do that.

GOVERNOR O'MALLEY: Great. Good.

MR. SCROGGINS: And we're very much interested in it. And if we're successful with the funding for Waverly, it will have a green roof.

GOVERNOR O'MALLEY: How about that? Dutch Ruppersberger went to Leith Walk, as did Katie O'Malley. But we really appreciate the terrific job -
-

TREASURER KOPP: I wanted to ask you one question.

GOVERNOR O'MALLEY: Madam Treasurer?

TREASURER KOPP: What use have you made of the federal, you got an allocation of school construction? So, how do you work that into your program?

DR. ALONSO: We're leveraging it. As in, well first of all we haven't gotten it yet, because the bonds, I think they just put them out. Over two

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years it's \$160 million. If you look in the testimony, we do have to pay it back. So it --

TREASURER KOPP: Right.

DR. ALONSO: -- it hampers other things that we might do. But what we're doing is looking at it in conjunction with State dollars, in conjunction with whatever City Council has given us in the past in order to try to leverage how we attack the need so that we're hitting as many schools as possible in the ways that are basic. And the Comptroller mentioned the exterior of that school. A lot of our schools, for example, have windows that were installed in the 1970's. Those plexiglass windows that don't let the kids look, you know, the sun never comes inside a classroom. We need to get rid of all of them. So that's where the money is going.

TREASURER KOPP: Do you have to then report it separately?

DR. ALONSO: Yeah. Yes, we have to account for everything.

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TREASURER KOPP: So it's not just rolling into the normal school construction maintenance program?

DR. ALONSO: Yeah.

GOVERNOR O'MALLEY: Okay.

DR. ALONSO: Thank you very much.

GOVERNOR O'MALLEY: Thank you, gentlemen, ladies. Next up is --

SECRETARY MCDONALD: Baltimore County.

GOVERNOR O'MALLEY: -- Baltimore County.

DR. HAIRSTON: Good afternoon, Governor, Comptroller Franchot, Treasurer Kopp, Lieutenant Governor Brown. You have a copy of the text so I will try to make this presentation as conversational as possible. First of all, I would like to introduce to you the Board members who are with me today. Vice President Ed Parker; I have member at large Board member Mary-Margaret O'Hare. Actually, we're here today to thank you for the support that you've given us over the years. This is my tenth year as Superintendent of Baltimore County Public Schools. And thus far the State has committed \$19.7 million and

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we're certainly appreciative of that. The information that we will share with you today will require us to ask for an adjustment in the current funding.

We propose a three-pronged strategy to relieve the overcrowding in the Towson area. First is the construction of the new 451-seat West Towson Elementary School. That is well underway. We hope to have that school to open in August of 2010. The second element is the complete renovation of the Hampton Elementary School, including the construction of a 300-seat addition. The State request for this project is \$6.6 million. The third project is the complete renovation of Stoneleigh Elementary School, including the construction of a 200-seat addition. The State request for this project is \$6.1 million. And as always, the centerpiece of this overall request continues to be our limited renovation of our older schools. Other than Baltimore City, we do have a large inventory of schools. 172 schools and buildings in Baltimore County, some of them are old and obviously there is a need for upkeep.

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This program began with the facility improvement in our elementary and continues at the middle school level at this point. We've completed thirteen middle schools and thirteen others are nearing completion.

The fiscal year 2011 request includes \$118 million to continue our high school renovation program with Milford Mill Academy, Parkville High School, Hereford High School, and Franklin High School. And this request also includes funds for replacing the George Washington Carver Center for the Arts, the Dundalk High School, and Sollers Point Technical High School. These three new schools will exceed the United States Green Building Council's standards and we expect to have a Silver rating or its equivalent.

In addition to the high schools limited renovation, the CIP is designed to enhance the learning environment and to decrease energy costs. Baltimore County Public Schools, as you know, has a very effective Minority Business Enterprise Program. And I want to share with you, we're the only school system that just recently invited 200 minority

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businesses to Baltimore County at Oregon Ridge, and it was highly successful. And this will be an annual event for us. And response has been overwhelming with regards to the benefit of this aggressive and proactive approach to making sure that the minority business in the region around the State are well aware of the projects that we might have available here in Baltimore County. Participation is at this point 20.5 percent.

GOVERNOR O'MALLEY: That's good.

DR. HAIRSTON: And that was for 2009. And at this current state, we're at 22.3 percent. At this point we've awarded over \$16.5 million for MBE. And on November 4th, as we stated, we did have that project at Oregon Ridge.

I want to thank Dr. Lever and his staff for their support and assistance with us, and the very clear understanding of the condition of our high schools. Once again, we thank you for your past support in terms of funding our aging schools program. This is an ongoing project, as you well know, simply because of the volume of work that has to be done with

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our facilities. In addition, we would want to make sure that everyone is fully aware that we are very conscious of the economy. We're very conscious of the fact that the children must be housed in a facility that is safe, and a facility that is conducive to teaching and learning.

At this point, I'll be available to answer any questions. I have my Deputy Superintendent Robert Haines. We have the Chief Financial Officer with us today, Barbara Burnopp. And we have our two facilities Directors Kurt Buckler and Kevin Grabill. Mike Sines is the Chief, he acts as Executive Director for Facilities. And I defer all questions that I might have for me to Mike Sines. He has been a godsend for us here in Baltimore County with regards to getting our facilities up to speed. Comptroller?

GOVERNOR O'MALLEY: Yes, sir, Mr.

Comptroller?

COMPTROLLER FRANCHOT: I want to thank Board Member O'Hare for joining me and Senator Kasemeyer and Delegate, is it Boteler?

MS. O'HARE: Boteler.

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COMPTROLLER FRANCHOT: Boteler, recently at Overlea High School. That was very insightful, and I appreciate you doing that. I was very grateful for that. I just had a question for the four big high school renovations, Parkville, Milford, Hereford, and Franklin. Are they all, were they built at the same time and opened at the same time?

MR. SINES: A lot more work was done at Milford and Parkville.

COMPTROLLER FRANCHOT: Uh-huh.

MR. SINES: So they would be roughly the same age, the original structures.

COMPTROLLER FRANCHOT: I was just getting at this issue of maintenance, and taking care of what we've got. And I take it that they're all, then, roughly the same point in their life cycle, I guess, is the --

SECRETARY MCDONALD: Excuse me, can you speak at the microphone, please? The court reporter needs to transcribe this. And if you could introduce yourself with your name, please?

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MR. SINES: I'm Mike Sines, Executive Director of Physical Facilities. Dr. Hairston referenced that he's been in the office ten years. County Executive Smith has been there two terms. And clearly, Baltimore County Public Schools was literally in a crisis when they came into office in physical facilities. Windows were boarded up. I mean, when you talk about plexiglass, we had buildings that didn't have plexiglass. There was just plywood.

In that interim of eight years, the maintenance program is actually reflected in this capital improvement plan. There is a blend of new school construction. There is a blend of limited renovations, full renovations, and systemic renovations. Those all come together, and they are reflective of a comprehensive approach to deal with the critical infrastructure. It's been mentioned by Dr. Hairston, the age of our inventory. It is one of the oldest and largest inventories in the State. And clearly, the maintenance report is positively reflected on what's being accomplished.

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In regard to community involvement, the Board under Dr. Hairston's direction and guidance actually has a formalized process where stakeholders can come into our schools in a formalized way that allows the protection of those participants that are either contributing in time or in services and it also has safeguards built in as the appropriate storage facility.

So I think we've made tremendous advances. And I'd like to close the comment on this. Our elementary program that was completed back in the late nineties had intended to be revisited. And as I referenced, we were in a crisis. If the plan that's in place isn't continued, that backslide could be very rapid.

COMPTROLLER FRANCHOT: Thank you.

DR. HAIRSTON: And with all of our facilities, the infrastructure in terms of the technology will be included, particularly due to the fact that we've always positioned our school system to be ahead of many of the national and state issues that are coming forward. Race to the Top is a classic

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example when you think in terms of a data reporting system for accountability in performance of schools. Baltimore County is one of the preeminent large school systems in this country with the infrastructure that can handle that as we speak. So I just want you to know that this is in reference to the new high schools that we're building and all the renovations that we have in place.

GOVERNOR O'MALLEY: Okay. Dr. Hairston, thank you. Thank you all for coming here today and for your good work.

SECRETARY MCDONALD: I'm getting some feedback about a lunch break.

GOVERNOR O'MALLEY: Yeah. We're going to take, I apologize for those of you that have been waiting and were hoping to get slipped in right before the lunch break. We've got to take a break. We've been at this a while. I apologize, but we're all human here around this table. So we're going to take a, what do you want to take? Fifteen-minute? Fifteen-minute break and we'll be right back. Okay? Thank you.

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(Short recess taken)

GOVERNOR O'MALLEY: We're up to Calvert County now.

SECRETARY MCDONALD: Calvert County?

GOVERNOR O'MALLEY: Calvert County. Hi.

MR. PHALEN: Good morning.

GOVERNOR O'MALLEY: Thanks for your patience.

MR. PHALEN: My name is Bill Phalen. I'm President of the Board of Education for Calvert County. We bring you greetings from Calvert County and the Board of Education, our Superintendent and Faculty, and the student population we serve. I want to thank you for the opportunity to appear before you today to discuss Calvert County's Public School CIP for the year 2011. I've been on the Board of Education for sixteen years, but I'd also like to take this opportunity to thank you for all of the support that you have given Calvert County over the years. The level of support that Calvert County has received is truly to be commended. The national recognition that your office and MSDE has received signifies the

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level of commitment being made to public education. This is significant in that we are able to recruit qualified educators dedicated to delivering meaningful instruction in safe and modern facilities.

Let me also thank you in advance for the continued support for our Calvert High School replacement project and for selecting our Calvert Middle School project as a smart site. We intend to take advantage of any benefits the program has to offer to further enhance energy and environmental awareness at a community level and securing additional public infrastructure.

At this point I'd like to introduce Dr. Smith, who will speak to our CIP request.

GOVERNOR O'MALLEY: Thank you.

DR. SMITH: Good afternoon. I, too, would like to thank you Governor O'Malley, Comptroller Franchot, and Treasurer Kopp, as well as the Lieutenant Governor and all of the other elected and appointed officials. We very much appreciate what all of you do for public education in Maryland. And having worked in other states I can say that with some

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authority, because I've worked in other states in the United States in public education.

Today we want to focus on our number one priority, which is the replacement of Calvert High School. We currently have \$2.3 million of State funding allocated in the fiscal year 2010 cycle. Our request for fiscal year 2011 for Calvert High School is \$14.1 million and the current funding recommendation is \$5.4 million. So you can see there's a bit of a gap there. However, our appeal is for an additional \$3 million in State funds for the Calvert High replacement project. We believe this amount will bring our State allocation for 2011 to \$8.4 million and we believe this will be an adequate amount to begin the project, allow us to build the first phase, start construction in this spring, and then work for fourteen to sixteen months on that project. And we very much need the project. It's a forty-two month schedule and it's a \$57.7 million total project. We would be asking for additional funding, then, in the next two cycles to finish the project.

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We understand the fiscal situation in the State and in our local government, and we've chosen to defer two systemics that we have as well as to reduce the funding we're asking for in this cycle. We've reduced the funding request for Calvert High School and we've pushed back the start date to accommodate the funding reduction, and this equates to a \$6 million reduction in our fiscal year 2011 request.

A portion of the infrastructure for this school has already begun. The private developer to the west of the school site, per an agreement with the school system, has built a new section of County road containing our new entrance to the school. The County is ready to begin construction on a new water system to serve the new school, and everything is geared up and ready to go. Publicly, this project has considerable interest in terms of local employment opportunities and vendor participation. In fact, last week I met with one of the local labor unions to discuss, they had questions about the project.

Your consideration in support for this project will be very well received throughout our

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community. And while we understand that there are a great many needs, and a great many requests, we do respectfully request that you consider funding this \$3 million amount so we can begin this much needed high school. Thank you.

GOVERNOR O'MALLEY: Okay, thank you.

Questions? Mr. Comptroller?

COMPTROLLER FRANCHOT: Mr. Phalen, did you know my great predecessor? Comptroller Goldstein?

MR. PHALEN: Yes, I did. I met him a number of times and most of the time we were on the same side.

(Laughter)

MR. PHALEN: So I can't say I knew him very well, but I did know him, yes.

COMPTROLLER FRANCHOT: Rumor has it he owned half of Calvert County and I always dispute that.

(Laughter)

MR. PHALEN: I've never seen exactly how much he does own, but it could very well be.

COMPTROLLER FRANCHOT: Thank you for your presentation.

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GOVERNOR O'MALLEY: So without the \$3 million you cannot begin any construction of the Calvert High replacement project?

DR. SMITH: Exactly.

GOVERNOR O'MALLEY: Okay. Anyone else? Okay. Gentlemen, thank you. Thanks a lot for coming down.

SECRETARY MCDONALD: Carroll.

GOVERNOR O'MALLEY: We next go to Carroll County.

DR. ECKER: Members of the Board of Public Works, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. Thank you for this opportunity to be here. I have a couple of people with me and I'd like to introduce them. We have Ray Prokop, our Director of Facilities. We have Steve Guthrie, our Assistant Superintendent for Administration. We'd like to thank the Board of Public Works and the IAC for what you've provided Carroll County in the past, and we would like to thank the IAC for what they're recommending this year although we would like to have a little bit more money. We know it's difficult economic times.

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You have our request there, and I'll ask Mr. Ray Prokop, Director of Facilities, to go over the highlights for you.

MR. PROKOP: The projects that we're going to go over are in priority order in the testimony you received. The first project is Robert Moton Elementary School kindergarten and pre-kindergarten addition. This project is continuing efforts to meet the full day kindergarten mandate and also to look forward down the road to some expanding pre-kindergarten programs out there. You'll also notice that this does include early childhood special education space in addition to some community space to house a Judy Center and also parents as teachers programs. Most of these programs currently reside in relocatable spaces so we want to bring them inside the building where it's more appropriate.

The next two projects, actually, I'd like to talk about together. Hampstead Elementary School, it's an HVAC replacement and a roof replacement. They are listed as separate projects but given a good deal of the work for the HVAC replacement takes place on

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the roof we feel it's important to take those two pieces and design them concurrently and then perform the work sequentially. We think that's the best advantage we have, or the best opportunity we have, for success of those projects.

The last project is Northwest Middle School open space classroom renovations. This is the second of four open space classroom layout schools that we have. We have already begun construction. This is a high priority for our Board and the County Commissioners. We've already begun construction, this is the second one, as I've said. And the first one, the first school is actually yielding far greater than we thought in terms of our original expectations in that it's not only providing adequate classroom space and enclosing those classrooms, but also increased security, better, easier management. We're also address life safety issues that existed in the open space layout and we feel like these dollars are really giving us a great return for each one of them.

Those are the four projects. I would like to address the issue regarding maintenance that was

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brought up earlier a couple of times. Our last inspection yielded three goods and one adequate. The one adequate school is our oldest school in our inventory and is noted for modernization in the near future, money willing. We do take the information that's received from those inspections and we make them part of our maintenance and operations training program for all of our schools. And in fact in the last go round we actually had the representatives from the fire marshals come out and provide some instruction to our building administrators which we felt was a big help in terms of the operation of the schools.

If there's any questions, I'd be happy to respond.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, I had a question for Superintendent Ecker. I'd like to recognize you, Superintendent, for your statewide leadership in the area of financial literacy. You're one of three counties that requires students to pass a financial literacy course in order to graduate from high school.

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And I'm part of a group that would like to see the entire state follow. And I'm always importuning Superintendent Grasmick to help this through in some way.

GOVERNOR O'MALLEY: Hear, hear, second.

COMPTROLLER FRANCHOT: I'd like to take advantage, maybe, of you just being here. Could you just take thirty seconds and summarize some of the results of this initiative and what your view is of it?

DR. ECKER: We require a half credit for graduation of financial literacy. And we put in that requirement three or four years ago. In addition, we also have some financial literacy components of other coursework throughout the, in elementary, middle, and high school, too. Because you can't just have a one shot deal. But it's been received very well. We get some high praise from students and teachers on the program.

COMPTROLLER FRANCHOT: Excellent. One of the impediments is the high fiscal note that always seem to accompany --

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DR. ECKER: Yeah, I did write to the legislative budget analysts on the high amount of dollars. Actually, we put it in for a little over \$37,000. It's really, you just need a little bit of inservice training for your teachers, and the Counsel on Economic Education in Maryland will provide the training for the teachers. You have to pay the teachers for the time they spend there for about a week learning the financial management things. But we did not need any additional teachers. The students were either in this class, or that class. If we didn't have financial literacy the teacher there would be teaching something else. And we require in Carroll County twenty-five credits for graduation, and a student can get thirty-two credits in four years in high school, plus they can pick up credits for high school graduation in middle school. So really, they come out with thirty-five, thirty-four, thirty-five possible credits. So it's not a strain on pushing something else out.

COMPTROLLER FRANCHOT: So you have to pay for new, what, new textbooks?

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DR. ECKER: Yeah, we have new textbooks, too, yes.

COMPTROLLER FRANCHOT: Okay, thank you very much. And thanks for your testimony. Sorry to be a little bit off track here, but --

GOVERNOR O'MALLEY: We will do our best. Thank you. Doctor?

DR. GRASMICK: I just wanted to make the members of the Board of Public Works aware that Dr. Ecker has announced his retirement. And I would just like to personally say what a pleasure it has been to work with him, and what incredible leadership he provided for the school system.

GOVERNOR O'MALLEY: Hear, hear.

DR. GRASMICK: It's one of our highest functioning systems. And they are really always on the cutting edge. And his receptivity to everything that is presented to him is simply --

DR. ECKER: Well, it's not me. It's the staff. We have the teachers, administrators, people like Steve and Ray, they do the work. You hire good people and get out of the way.

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GOVERNOR O'MALLEY: Sounds like an experienced executive.

(Laughter)

DR. ECKER: No, that's you need good people and we have them.

GOVERNOR O'MALLEY: Thanks for your tremendous contribution to our kids.

DR. ECKER: Well, thank you. You're very, very kind. Thank you.

GOVERNOR O'MALLEY: Thank you, doctor. Okay, next is Cecil County.

MR. SHAFFER: Governor O'Malley, Treasurer Kopp, Comptroller Franchot, my name is Henry Shaffer. I'm the Superintendent of Schools with the Cecil County Public Schools. And on behalf of the school system we thank you for the opportunity to appear here today to consider our appeal relative to our fiscal year 2011 public school construction budget. With me today, Vice President of the Board of Education, Ms. Lauren Camphausen; and Executive Director of Support Services, Mr. Perry Willis.

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We appreciate the recommendation of the Interagency Committee for Public School Construction to fund the State contribution of our HVAC systemic renovation and roof replacement for Thomson Estates Elementary School and to partially fund the systemic renovation at the North East High School. We enjoy very much working with Dr. Lever and this staff and they've been extremely helpful as we work through these projects.

Today we request two actions for your consideration. First, that funds be provided to complete the systemic renovations at the North East High School. And second, that planning approval be given for the Perryville Elementary School addition renovation project. I have provided a written statement that provides reasons for our appeal in some detail and with your permission I'll not read it to you, but briefly point out that our request that you approve the additional funding of, at the North East High School at \$412,262 is included for a window and door replacement at that school. That project will improve safety by replacing the single pane plate

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glass located in the second story connector walkways. Casement stops are inadequate and pose a safety concern should panes be forcibly pushed. We've addressed that by installing wooden rails to help minimize that risk. However, they are unsightly and do not eliminate the risk entirely. The new windows and doors would include energy efficiency at that school as well.

Our request for planning approval for Perryville Elementary School is necessary in part as Perryville Elementary School is considered by the Maryland State Department of Planning a Base Realignment and Enclosure School. A renovation addition to this school will assist our County in accommodating projected increases in enrollment in that area.

The project is also critical to address aging and failing building systems. The building has an old steam heating system which has many leaks and has caused rusting and deterioration throughout the building, namely in electrical conduits. This issue among others earned Perryville Elementary School an

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adequate on our recent State inspection, which also stated that while staff is taking exception care of the building it's in dire need of upgrades.

Cecil is a low wealth County, which prohibits our Commissioners from funding school projects. State dollars are needed to start projects while local funding completes them. In summary, as members of the Board of Public Works you know the County, that Cecil County is a wise investment for the State of Maryland. We consistently appear before the Board of Public Works to receive recognition for achieving superior ratings for our schools as part of the IAC inspection program. I believe we've had fourteen superior rated schools in the last eleven years. We're proud of our schools and we guarantee that we will continue to be prudent stewards of State funding, as evidenced by our maintenance track record.

So thank you again for the opportunity to be here this afternoon, and your consideration of our request is most appreciated.

GOVERNOR O'MALLEY: Madam Treasurer?

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TREASURER KOPP: What is the issue regarding Perryville?

DR. LEVER: In fact, it has become a B.

TREASURER KOPP: Oh.

DR. LEVER: Just in the last week we had discussion, it is an eligible project now.

TREASURER KOPP: Okay.

MR. SHAFFER: Thank you for that. We appreciate it.

GOVERNOR O'MALLEY: Anyone else? Okay, thank you for the terrific job you do. Good seeing you the other night at Cecil County Night.

MR. SHAFFER: Yeah, I enjoyed talking with you. Thank you.

GOVERNOR O'MALLEY: Thank you for your good work. Okay, next is Anne Arundel. We're going in --

TREASURER KOPP: No order.

GOVERNOR O'MALLEY: No order, apparently.

(Laughter)

GOVERNOR O'MALLEY: I got a call on MPT. Did you hear about it?

DR. MAXWELL: No, sir.

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GOVERNOR O'MALLEY: I got a call on MPT that your school system was trying to force out older teachers because they're older and they're paid more.

DR. MAXWELL: No, sir.

GOVERNOR O'MALLEY: That's what I said. And I told them if they gave me a specific name I'd be glad to bring that to your attention, but I'm not aware that they did. But there's no, you don't have an early retirement thing --

DR. MAXWELL: No, sir.

GOVERNOR O'MALLEY: -- or anything else that you're doing that might be misconstrued?

DR. MAXWELL: No, sir.

GOVERNOR O'MALLEY: Okay. All right, thank you. I've been carrying around your name and phone number in my book ever since the MPT show.

DR. MAXWELL: I'm happy to take your call anytime.

(Laughter)

DR. MAXWELL: Well, good afternoon, Governor O'Malley, Comptroller Franchot, Treasurer Kopp, Lieutenant Governor Brown. As you know, I'm Kevin

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Maxwell, Superintendent of Schools for Anne Arundel County. And I'm please to be joined today by several members of our Board of Education and other supporters from Anne Arundel County. Vice President Patricia Nalley is here; Enrique Melendez; Kevin Jackson; and Eugene Peterson. Mr. Carey had to return to the airport, he was here earlier as well. And Harry Sinclair, of course, from Anne Arundel County is here as well.

I would like to before I, you know, begin my formal remarks I'd like to thank you, Governor, personally for your leadership and support for K-12 education, pre-K-12 education during your tenure, your budget. For both operating, I know we're talking about capital, but I want to know I appreciate very much --

GOVERNOR O'MALLEY: Well, thank you.

DR. MAXWELL: -- what you have done with operating and for capital. I know it's your team, but it's your leadership. So.

GOVERNOR O'MALLEY: Thank you.

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DR. MAXWELL: I'd like to thank this Board and the IAC for your ongoing generous support of our efforts. We have worked hard to maintain a comprehensive capital budget program that has afforded our district the ability to provide critically needed instruction improvements and meet rigorous academic benchmarks. These projects have provided many needed upgrades to our building infrastructure and helped us to replace or renovate outdated facilities that have aided in the accelerated advancement of students in Anne Arundel County.

We have consistently included high performance building standard principles into all of our designs. We have made conscious decisions, such as having all renovation or replacement school construction taking place on previously developed sites. Also, most of our renovation and replacement schools are two-story projects requiring less disturbance of the existing environment. We are also advancing a prototype design replacement school that was recently selected as a Smart Site in order to

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assist in the renewal of a community focused in Annapolis.

As with any successful program, we have factored in cost, efficiency, and schedule. One major standard we have used to be cost-effective in these three areas is the prototype design concept for our replacement schools. In fact, we have used a repeat design protocol since 1958 in Anne Arundel County with 57 percent of all existing schools in Anne Arundel County being based on prototype designs. We have been using our current prototype since 1999 and have constructed eleven such repeat elementary schools.

We continue our commitment towards civic responsibility by actively promoting small and minority business participation in all of our procurements. In fiscal year 2010 we awarded 42 percent of all contracts for the construction and maintenance of capital projects to certified minority business enterprises. We are also developing a compliance monitoring program to ensure that prime contractors are being held to their commitment of minority business participation. This is just one of

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the many initiatives that we are working on to increase our participation rates while constantly promoting and educating the business community in opportunities available within our system.

We are extremely grateful for your support of the fiscal year 2011 projects that have been recommended for approval by the IAC. The \$17.7 million allocated towards these key projects will permit us to continue to deliver facilities that best support our students and communities in an effective and efficient manner.

As our number one priority we are requesting the remaining funding to construct Pershing Hill Elementary School, which is currently underway. These funds will provide a prototype replacement school on the Fort Meade base that meets current educational standards and will serve students of families coming to Maryland as part of the BRAC initiative.

Our second priority is for an HVAC systemic project at Eastport Elementary School. The request is for the remaining construction funding to replace an aging and inefficient HVAC system while improving both

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energy efficiency and indoor air quality at the school with our highest FARMS population.

We are requesting the remaining construction funding to enclose open space classroom areas at Brooklyn Park Elementary School, Linthicum Elementary School, and Sunset Elementary School. These funds will allow us to provide appropriate educational environments that are conducive to learning.

Next, we seek local planning authority and the balance of construction funding for kindergarten additions at Oakwood Elementary School, Severn Elementary School, and Waugh Chapel Elementary School, which have numerous relocatable classrooms in place to accommodate the all day kindergarten mandate.

We are also requesting the remaining portion of construction funding for Germantown Elementary School and Northeast High School. Germantown Elementary School is a prototype replacement school and the first phase of the Annapolis Smart Site initiative. Northeast High is a renovation with addition that will provide a technologically advanced

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and relevant secondary education opportunity as a pathway to college readiness.

Additionally, we are requesting construction funding for Belle Grove Elementary School and Folger McKinsey Elementary School. The condition of these existing structures permits us to modernize the current facilities and provide programmatic additions in a cost-effective manner.

Finally, we are requesting local planning authority for Annapolis Elementary School, Point Pleasant Elementary School, and Phoenix Annapolis at Germantown, which is the second phase of the Smart Site initiative. These proposed modernization and addition projects will allow the functional equivalent of new schools for the students, staff, and communities they serve.

We ask for your continued support and assistance in our program so that we may accomplish our foremost responsibility, that of providing an environmentally responsible and technologically sound educational setting for all of our students. On behalf of our 75,000, their parents, and the Board of

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Education of Anne Arundel County I thank you for the opportunity today to discuss our fiscal year 2011 capital improvement program and how it supports of educational goals in Anne Arundel County. With that, I'm also joined by our Chief Operating Officer Alex Szachnowicz and Chief of Staff George Margolies. And we will be happy to take your questions.

GOVERNOR O'MALLEY: What do you mean, Dr. Maxwell, when you talk about Germantown Elementary where Lieutenant Governor Brown and I first made that bold school construction pledge four years ago?

LIEUTENANT GOVERNOR BROWN: You mean, almost \$1.3 billion ago.

GOVERNOR O'MALLEY: \$1.3 billion ago.

DR. MAXWELL: As I said, thank you so much for your commitment to capital and operating budgets for pre-K-12 education.

GOVERNOR O'MALLEY: You say, you shared with us Germantown Elementary is a prototype replacement school. So what does that mean? I mean --

DR. MAXWELL: Germantown is actually a replacement school. Then we'll use the current,

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existing Germantown Elementary School and we will renovate, modernize that school to take in and expand the Phoenix, the current Phoenix Annapolis. And then we will use Phoenix Annapolis for administrative functions. It's right now housing our special education pre-kindergarten through 12 program.

GOVERNOR O'MALLEY: Help me understand what replacement school means. Like Germantown Elementary --

DR. MAXWELL: We are replacing, there is a current Germantown but we want to build a brand new separate Germantown Elementary School.

GOVERNOR O'MALLEY: I see.

DR. MAXWELL: And then we want to retask the current Germantown Elementary School to house Phoenix and expand Phoenix.

GOVERNOR O'MALLEY: And a lot of trailers there, huh, at Germantown?

DR. MAXWELL: Yes, sir, eleven.

GOVERNOR O'MALLEY: Okay. I'm sorry, somebody had their hand up? Both of you. Mr. Comptroller?

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COMPTROLLER FRANCHOT: Thank you, Governor.

I had a question about Oakwood Elementary and Severn Elementary. I noticed that there are additions being proposed for them. Is that because they're overcrowded? Or because you're anticipating BRAC?

DR. MAXWELL: Program and capacity. Severn is BRAC. Oakwood is a little farther away, so we're not --

COMPTROLLER FRANCHOT: They're both up there in --

DR. MAXWELL: Yes.

COMPTROLLER FRANCHOT: -- the northern part of the County, though, right? And then Belle Grove, I had the pleasure of visiting that last year. I see that they're an unfunded priority on your list, a big renovation project. What are the consequences if you don't get funding for that?

DR. MAXWELL: Well, I guess there's a number of consequences. But we have --

COMPTROLLER FRANCHOT: What is the urgency level, I guess, is what I'm --

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DR. MAXWELL: Well, it's a very old school and it is very central. It's almost an entire walking community. I think it only has one bus that comes to the school. So if we took an alternative site, for example, and made another school larger, first of all we would be spending more money in transportation. And we would be, you know, taking what we think right now is an important walking school and making it a transportation school. The building is quite old. It's got two portable buildings right now. With the way that, you know, we do education now differently with smaller classes for English language learners and other programs, you know, we have reading groups that take place in the hallway there. I mean, we really believe that that school needs to be modernized and upgraded to deliver the education for those children that we need.

COMPTROLLER FRANCHOT: And it's \$3.8 million that's being --

DR. MAXWELL: Yes. Yes, sir.

COMPTROLLER FRANCHOT: Thank you.

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TREASURER KOPP: I think it's a very similar question. But I just noticed in your written testimony you have the first priority, second priority, and then the numbers stop. And you just go on. Is that --

DR. MAXWELL: They're listed in the sheet, I think, that we've submitted to you but not in my remarks.

TREASURER KOPP: In order?

DR. MAXWELL: They're still prioritized. They are still prioritized, I just didn't do the numbers, yes, ma'am.

TREASURER KOPP: Okay. Thank you.

GOVERNOR O'MALLEY: Is that the Mayor back there?

DR. MAXWELL: Mayor Josh Cohen has joined us.

(Laughter)

DR. MAXWELL: Did I say that Germantown is in Annapolis?

GOVERNOR O'MALLEY: Mr. Mayor, is there anything that you would to share with us on --

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MAYOR COHEN: Just solidarity with my Superintendent.

GOVERNOR O'MALLEY: Okay. All right.

COMPTROLLER FRANCHOT: I just want to say for the record, there's a look alike of the Mayor. He's involved with the media, he's been around. It is an eerie resemblance.

GOVERNOR O'MALLEY: Distinguished, young looking man.

COMPTROLLER FRANCHOT: When he walked in they said, "Oh, Mr. Mayor, here's your seat."

GOVERNOR O'MALLEY: Dr. Maxwell, thanks very much. We'll do our best. Thanks for what you guys are doing.

DR. MAXWELL: Thank you.

GOVERNOR O'MALLEY: Thank you. Thanks for your time here today as well. Okay. We move on now to Dorchester County, because D follows A. Thank you.

DR. HILDENBRAND: Good afternoon, Governor O'Malley --

GOVERNOR O'MALLEY: Good afternoon. Thank you for your patience.

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DR. HILDENBRAND: -- Comptroller Franchot, Treasurer Kopp, Lieutenant Governor Brown, Dr. Grasmick, and Dr. Lever. I'm Fred Hildenbrand, Superintendent of Schools for Dorchester County. I'd like to introduce Mr. Phil Bramble, the President of our Board.

MR. BRAMBLE: Good afternoon, Governor O'Malley, Comptroller Franchot, Treasurer Kopp, Lieutenant Governor Brown. As Dr. Hildenbrand said, I am Phil Bramble, President of the Board of Education of Dorchester County. And I appreciate the opportunity to speak to you today. We are here today for appealing the balance of the State funding of the new Dorchester Career and Technology Center.

Construction began this past August and the total project cost is \$34.9 million, with the State providing \$14.9 million and the County providing \$20 million. The county has obligated the entire local share of project funding, and the State has provided \$6 million. The request for fiscal year 2011 is for the balance of State funding, which totals \$8.9 million. So far in this year's process \$5 million has

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been recommended. We are asking that the Board of Public Works authorize the balance of the approved State's share that remains, which is \$3.9 million.

To help the members of the Board of Public Works understand the magnitude of this project in Dorchester County, I would like to offer the following information. Total local share of Dorchester County Career and Technology Center project is \$20 million. Dorchester County annual operating budget appropriations for schools is \$17.4 million. The annual operating budget of Dorchester County government is \$57.5 million. The estimated debt service for the project per year is \$1 million, and the estimated percent of County operating budget dedicated to the future payments for debt service for the project is 1.7 percent.

The taxpayers of Dorchester County are making a significant investment in building the new Dorchester County Career and Technology Center. This project and the associated debt service will create an ongoing cost to our County for the next fifteen years.

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As you can see, the cost represents a significant commitment to our County Council and to the students of our County. The State contribution for this project is 42.6 percent of the total project cost. Larger counties in Maryland have similar challenges. However, I wanted to point out to you the significant impact on our small County which has undertaken in these severe economic times the construction of the necessary educational, and I might add economic, development cost.

And while we're on the subject of economics, I happen to be a member of the Upper Shore Workforce Investment Board. And as you may know, Dorchester County has the unfortunate distinction of being number two in the State as far as the highest rate of unemployment. We are currently at 11.9 percent. And as a member of the Upper Shore Workforce Investment Board I have seen this firsthand.

For those students who choose not to go on to college, the sooner that we can complete our Career and Technology Center the sooner we can provide our

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students the necessary skills to give the skills that they need in these tough economic times.

I hope by reviewing the above information you can see the priority that this project carries for our County, and region, and the school system. If the balance of the State share for the Career Center is provided in this coming year I assure you that Dorchester County will not be seeking money from the State when this process is repeated next year. Because due to the economy we have pushed back the start date for the rest of our school projects. I am asking that you fully support the project by providing the remaining balance of State funding that is necessary for the schedule completion of our School of Technology, which is scheduled for February of 2011.

And at this point, I would to turn the podium back to Dr. Hildenbrand who with his staff will answer any questions that were listed in the letter that we had received from Dr. Lever. Thank you. Dr. Hildenbrand?

DR. HILDENBRAND: Thank you, Mr. Bramble.

And again, thank you Board of Public Works for the

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opportunity to discuss our request. Included in our entourage today, I don't want to leave anybody out, are Mr. Gary McCabe, Assistant Superintendent for Administration; Mr. Henry Wagner, Assistant Superintendent for Instruction; and Mr. Chris Hauge, School Facilities Engineer; and of course, Delegate Eckardt has just sneaked in the back here.

I'm going to ask Mr. Hauge to step forward and be here to answer any technical questions that you might have about the project. But as you know, and as Mr. Bramble has stated, the full funding of this project is vital to the economic well being of Dorchester County. The Board of Ed currently enjoys the best working relationship with our County Council that has existed in recent memory, and my recent memory goes back to 1972 when I began in Dorchester County. We want to continue this positive relationship by supporting the Council during these fiscal trials and this is why we're here today. We also want to help the Board of Public Works by promising not to come back next year if you fully fund our request.

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GOVERNOR O'MALLEY: You're the first one to promise that today.

(Laughter)

GOVERNOR O'MALLEY: What is it, so if I understand correctly then, unless you have an additional \$3.9 million from us you can't begin construction on this?

DR. HILDENBRAND: No we are, the building is coming out of the ground.

GOVERNOR O'MALLEY: Oh, good. Good.

DR. HILDENBRAND: Yes, we have steel. And Chris --

GOVERNOR O'MALLEY: Great.

DR. HILDENBRAND: -- was there as late as yesterday, he can give you the details. But you can see it. It's just coming out of the ground.

GOVERNOR O'MALLEY: Good. So it's happening?

DR. HILDENBRAND: Yes, sir. And we're on track to open February 2011.

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GOVERNOR O'MALLEY: Were you fortunate to be able to get local Maryland people, and employ Dorchester County people there?

DR. HILDENBRAND: Yes, we are. Chris, why don't you speak to some of the specific --

GOVERNOR O'MALLEY: I mean, I know you can't do a local only thing, but --

MR. HAUGE: Our project has attracted widespread interest when it was in the procurement phase across the entire Eastern Shore, State of Delaware, Eastern Shore of Virginia, and onto the Western Shore. It was a very, very good time to bid the project. It came in over \$1 million under budget. So there were a lot of players from across the region. All those players are coming to Dorchester County to build our school, and all those players need Dorchester County support to build the school. We've seen subcontractors hire locally. We've seen the construction manager and the subcontractors working with the local business community to spend as much money locally as possible, as long as it's the best value for the taxpayer. We've partnered with our

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Chamber of Commerce, our County Economic Development Office to sponsor several minority business subcontracting fairs to develop local capacity in the minority contracting environment. And I'm proud to say that this project exceeded its goal by a wide margin.

GOVERNOR O'MALLEY: Good. Good. Okay. Mr. Comptroller?

COMPTROLLER FRANCHOT: Just to say it's always good to see Delegate Eckardt. She's been very welcoming to me when I've come and visited Dorchester, and the Career school, etcetera, etcetera.

DELEGATE ECKARDT: I do thank the Governor, and I do thank the Comptroller, and the Treasurer, and the Lieutenant Governor for all the hours that you've spent recently in Dorchester County. And it really makes a difference. Especially, Governor, when you were able to have that business roundtable and we talked about the need for business growth in Dorchester County. And this is a pivotal part.

GOVERNOR O'MALLEY: Right.

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DELEGATE ECKARDT: I think it really is significant. The timing is right, and I have to brag a little bit. I think Chris Hauge and the Board of Ed do one heck of a good job when it comes to building schools. They do all of the right things, and they go green, and they've always been applauded. That if other jurisdictions would do as well as they do with their school construction we'd get a lot more done.

GOVERNOR O'MALLEY: Well, you're right on point doing the Career and Technical education, the CTE stuff. Dr. Grasmick, it seems like some of our so called rural counties, which in Maryland is a very relative term anymore, it seems like some of our rural counties are so much further ahead of some of our larger counties on their CTE programs. Is that my imagination, or is that true? I mean, they just seem to be more cutting edge about it, and to embrace it.

DR. GRASMICK: I think what's happening is that it's front and center because for so many of them they didn't have these Career and Technology Centers. So they're hearing much more about it as they're developing them, and they are state of the art. I

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really to give them credit. They're state of the art. Whereas, in some of our larger jurisdictions they've existed for a long time, and they're not as, in a sense, as prominent. But I have to say, across the State, we have waiting lists of students to get into these facilities.

GOVERNOR O'MALLEY: Mm-hmm. The kids really

--

DR. GRASMICK: Waiting lists.

GOVERNOR O'MALLEY: That's what the kids want.

DR. GRASMICK: Yes.

DR. HILDENBRAND: And Governor, I think --

GOVERNOR O'MALLEY: They know they're going to have to go to school their whole lives, so they'd really appreciate a way to pay for it.

DR. HILDENBRAND: We've mentioned this before, that we have a very strong STEM component built into this program.

DR. GRASMICK: Yes.

GOVERNOR O'MALLEY: Good. Yeah, they go together, right? They're not exclusive.

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DR. HILDENBRAND: Yes, indeed. Yes, indeed.

The current School of Technology, as we used to call it, contains eleven programs which are basically the trades. And so we're adding seven new programs that are basically STEM related, electronics, I have them listed here, interactive media production, industrial digital electronics, a CISCO lab for the Eastern Shore, and there's none in that region at this point.

GOVERNOR O'MALLEY: Mm-hmm.

DR. HILDENBRAND: In addition to we already have information technologies management. So computer assisted drafting and design, all of that fits in. It's all going to be housed in this one building. And it's all for economic development for the County. So as much as you can help our County by fully funding this for this next year, because as Mr. Bramble mentioned, the debt service that the County has to fund, and all of their other fiscal problems.

GOVERNOR O'MALLEY: How would this normally happen? That we would catch up with our portion of this next year? Or are we saying this is all, totally our portion? This is all we're doing?

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DR. GRASMICK: Well, I think, you know, the appeal process permits us to give additional funding to them. And we're very enthusiastic about this project because it not only helps our students, but what we're finding is that it also provides an opportunity for many of our adults in the evening, which can benefit because of the high unemployment in the area.

GOVERNOR O'MALLEY: Mm-hmm. So it becomes almost like a little community college extension?

DR. GRASMICK: Exactly.

DR. HILDENBRAND: And we can partner with Chesapeake College, which is right there in Town.

GOVERNOR O'MALLEY: So you have a state of the art shop, and the machine stuff, and the May Tech, and the I'll Be Home, and the chicken houses of the future which are coming.

DELEGATE ECKARDT: You heard it. We need to go to the roofs after we do the floors --

GOVERNOR O'MALLEY: Yep.

DELEGATE ECKARDT: -- and we can convert over, and --

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GOVERNOR O'MALLEY: I think that stuff's so exciting.

DR. GRASMICK: It's great.

DR. HILDENBRAND: And you know that the building is, we're as green as we can be with this building as far as geothermal. This will be our fifth geothermal building in the district, and we're the pioneers in that field.

GOVERNOR O'MALLEY: And the MBE you did okay on?

DR. HILDENBRAND: Yes. What, 17 percent? 15 percent?

MR. HAUGE: We hit 15 percent. Our goal, I believe, was 11 percent on the project. We did extensive recruiting and outreach efforts, and it paid off. Folks knew we were serious about it, as we always have been, and we've gotten results.

GOVERNOR O'MALLEY: Great. Well, thanks for your hard work, and thanks for being here today.

DR. HILDENBRAND: Thank you.

GOVERNOR O'MALLEY: Tell the kids how much we appreciate their hard work.

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DR. HILDENBRAND: Thank you very much.

DR. GRASMICK: One final comment?

GOVERNOR O'MALLEY: Sure.

DR. GRASMICK: Members of the Board of Public Works, Dr. Hildenbrand has announced his retirement.

GOVERNOR O'MALLEY: Doctor, what are you, the grim reaper today?

(Laughter)

DR. GRASMICK: I just think we should publicly thank him for his leadership and it's been a pleasure to work with him.

GOVERNOR O'MALLEY: We applaud you.

(Applause)

DR. HILDENBRAND: Thank you very much.

GOVERNOR O'MALLEY: Dr. Hildenbrand, thanks for what you've done for our kids.

DR. HILDENBRAND: My pleasure. Thank you.

COMPTROLLER FRANCHOT: Thank you.

DR. GRASMICK: Thank you.

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GOVERNOR O'MALLEY: Doctor, I think we're creating a race for the top consulting firm. All right, who's next? Harford County?

DR. TOMBACK: Good afternoon, Governor O'Malley, Treasurer Kopp, Comptroller Franchot, Dr. Grasmick, Dr. Lever, members of the Board. As this is Dr. Hildenbrand's final appearance before you it is my inaugural appearance before you and I appreciate the opportunity to be here. I'm Rob Tomback, Superintendent of Public Schools in Harford County. And I'm here to appeal the IAC recommendations for Board of Education's fiscal year 2011 CIP request.

I'd first like to acknowledge our County Executive David Craig, our County Council President Billy Boniface, and our entire delegation for their support of our capital program. I'd also like to thank the State of Maryland for all its past support. Even in these difficult times you continue to express your commitment to education and continue to invest in our children, and we appreciate it greatly.

Before I address our fiscal year 2011 capital budget request I'd like to share briefly a few

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success stories regarding our capital program. The State of Maryland and the Board of Education of Harford County take pride in offering opportunities to minority and to small businesses. I'd like to highlight that during fiscal year 2009 Harford County Public Schools obtained 34 percent minority participation on its construction projects, second highest in the State, according to a recent report.

The State of Maryland and the Board of Education of Harford County encourage high performance building initiatives at the local level. All of our recent capital projects incorporate many high performance elements such as geothermal HVAC systems, day lighting controls, high efficiency HVAC systems, modular boilers, occupancy sensor light controls, reduced flow flush valves, accelerator hand driers, use of local and recycled building materials. And we now have twenty schools that have joined the Maryland Green Schools Program.

GOVERNOR O'MALLEY: Good. Great.

DR. TOMBACK: I would like to now summarize our appeal for the fiscal year 2011 CIP request. As

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you are aware, our County has initiated forward funding of various construction projects. Our new Bel Air High School was completed and occupied at the beginning of this school year and we are on schedule for completing the construction of new facilities at Deerfield Elementary School and Edgewood High School. These three projects represent our top three funding priorities in our request for funding reimbursement from the State. And you have the figures that we are requesting, and we can supply them if you would like.

Additional priorities for State funding requests are for the new Red Pump Elementary School which is being built to address capacity requirements, and for the systemic roofing and HVAC projects that have been planned at Ring Factory Elementary School, Bel Air Elementary School, and at Dublin Elementary School.

Our final set of priorities for appeal includes our request for local planning approval for our new Campus Hills Elementary School and a plan for the modernization of Youth's Benefit Elementary School. In total, our appeal to the Board of

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Public Works represents a total of \$ 17.6 million and in addition requests local planning approval for Campus Hills Elementary School and for the Youth's Benefit Elementary School project.

Again, I appreciate the opportunity to be before you today. We appreciate your prior support and would greatly appreciate any consideration you can give us on these much needed projects. I have several members of my staff here. Should you have any questions we'd be happy to answer them at this time.

GOVERNOR O'MALLEY: Comptroller? Treasurer?

TREASURER KOPP: Very straightforward.

GOVERNOR O'MALLEY: Thank you. Very clear. I think you're going to do well there. Thank you very much.

DR. GRASMICK: You're doing well.

DR. TOMBACK: Thank you.

GOVERNOR O'MALLEY: Thanks very much.

COMPTROLLER FRANCHOT: Dr. Grasmick, he's not going to retire anytime soon?

DR. GRASMICK: No, he isn't. He just started.

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(Laughter)

DR. TOMBACK: And my wife has given me strict orders to that effect.

GOVERNOR O'MALLEY: Howard County? Dr. Cousin, how are you, sir?

DR. COUSIN: I'm doing fine.

GOVERNOR O'MALLEY: Now, is it true that you're the number one school system in the number one State school system in America?

DR. COUSIN: That is absolutely true.

GOVERNOR O'MALLEY: Okay. I had heard that.

DR. COUSIN: That's Ken Ulman's line, not mine. Ken Ulman would say that Maryland is the number one school system in the nation, and Howard County is the number one performing school system in Maryland, so what does that make up?

GOVERNOR O'MALLEY: Well, we appreciate the order of the marquis billing.

(Laughter)

DR. COUSIN: Good afternoon, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp, Lieutenant Governor Brown. I'm Sydney Cousin. I'm

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the Superintendent of Schools in Howard County. I'm here with a group to appeal the decisions of the Interagency on School Construction to the Board of Public Works. I'll just introduce Ellen Giles, who is the Board Chair; Larry Cohen, who is a Board member; Ken Roey, who is Executive Director of Facilities for the County; Sandy Erickson, who is the Deputy Superintendent of Schools; Mamie Perkins is the Chief of Staff; Terry Alban, who is the Chief Operating Office of the school system; and Ray Brown, who is the Chief Financial Officer for the school system. I was reminding folks that I've been coming down here in one form or another since 1972. That's a long time.

DR. GRASMICK: He's not retiring.

GOVERNOR O'MALLEY: I was nine.

DR. COUSIN: But let me begin by talking about some of the highlights of the school system in this capital program. I want to mention that we've reduced our utilities budget in this upcoming round of my budget that I've submitted to the Board of Education by \$1.5 million.

GOVERNOR O'MALLEY: That's great.

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DR. COUSIN: And we're able to do that because we've joined a consortium of school systems and local governments in Howard County, Baltimore region. And by instituting environmental and utility savings. Most of these have been kid inspired, because they're the ones that really make the difference with adults. And we've been able to therefore defer much of our utility cost through this program.

So all of our capital projects are considered sustainable. And we try to build green schools. And I want to mention that we have twenty schools that have been certified as green schools and that number continues to grow.

I'm a member of the Governor's Task Force on the Partnership for Children in Nature. And we have many, many staff members who play an active role in environmental literacy in the schoolyard habitat, subcommittees, these are statewide groups that are working to make schools more green and environmentally sensitive.

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As far as MBE participation, since 2008 the Board of Education adopted a policy that has a higher goal than in the past. And since 2008 we have about a 22 percent participation with minority contractors. And we're trying to make that number even a larger number in the future.

For prototype designs we go back to the 1980's. We have a prototype elementary school, a prototype middle school, and a prototype high school. So we repeat those designs, with some modification, every time we build a new school. Now education specifications may change, but basically we're using the same design that we have since the late eighties.

As far as community participation in upgrading and maintaining school facilities, we encourage the community to participate in the planning for each one of our schools. We have community representatives beyond the PTA. We also have used a survey, a SET survey. This is an environmental survey of all existing schools in the County to make sure that they are meeting all the safety and health requirements that parents and the community would like

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to see in our buildings. And we have just revised, the Board has just revised a policy, after a long and deliberative struggle. I use that word selectively, but it was involving the community in how we go about making sure that our renovation projects in particular are environmentally sensitive. And because many of the renovations that we complete are while the schools are occupied we want to make sure that we are sensitive to the users of the facilities during those renovations. But it's also for new construction as well.

And with that background I would like to say that we are encouraged by the \$12.3 million that we have already received in State funding for this year. But that only represents about 40 percent of our overall request, our overall request is \$30.4 million. So of course we want to have funding for as much as we can possibly obtain. And I want to point out that since 1989 enrollment in Howard County has been increasing, and it will continue to increase for the length of our long range master plan which is ten years. And even though the growth is slowing we are

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still receiving additional students. We have students from seventy-seven different countries represented in the school system, speaking over eight-one different languages. And as an example, just this morning we were having students coming from Haiti who are being registered into our school system. And the same is true for students from Burma. A few years ago there was a typhoon and those students appeared at our door. And as a public institution we take them in, and make them an integral part of what we do as a school system. I think part of our success as a school system is this diversity that we not only embrace but encourage as well.

GOVERNOR O'MALLEY: You celebrate it.

Whenever I've walked through and visited your schools, you can really tell your leadership on that, doctor, but just evidenced by the things that the kids put on the walls. You know, so it's very well done.

DR. COUSIN: Well, we can continue to expect growth in enrollment in the school system not only through BRAC but through Columbia downtown revitalization and through Route 1 corridor

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revitalization. We've already seen growth in particular schools as a result of new housing in the Route 1 corridor, particular at two schools, at Bellows Spring Elementary School and Hammond Elementary and Middle School, which are schools for which we're requesting funding.

I also want to point out that the taxpayers of Howard County have always contributed towards the school construction program at a sustained level. And about 77 percent of all of our capital school needs are funded through local government. So what we are asking the State to do is continue the partnership and the cooperative efforts that we have had over many years. But I just want to point out to you, for example, that Clarksville Elementary School, the County has already invested \$20 million in that project. And this is the final year, I believe, for which we can receive State funding for that project. So we are asking for State participation in that project.

Our ten-year long range master plan now includes one new elementary school, one new middle

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school, one elementary school addition renovation project, two elementary school additions, two to three systemic renovation projects per year at both the elementary and middle school level, and two high school renovations. These two high school renovations are complete renovations of schools and they include the Mt. Hebron High School renovation and an upcoming project at Atholton Elementary School.

Over the last several years we have done a complete evaluation of each one of our schools in Howard County, all seventy-three schools. And that evaluation has included looking at not only capital needs but maintenance needs as well. And if I were to bring these volumes here you would see how thorough this study has been. And we use that study to set priorities for our capital projects.

I'm going to point out some projects that we want to direct your attention towards, in particular this Hammond Elementary School renovation and addition. The Hammond Middle School is a limited renovation. Hammond Elementary and Middle School are in the same facility, and they share common spaces

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within the building. Glenelg High School performing arts addition, and the Swansfield Elementary School roof, along with the Bellows Springs Elementary School addition.

Our total estimated ten-year long range master plan for all of our facilities is nearly \$1 billion, \$965,733,000. And we're not asking the State, really, to assume a disproportionate share of the school construction costs for Howard County. We're simply asking that you help us to maintain the high level of quality that we have shown over the years. And with those remarks, I'm going to conclude except to say that we have one project on the way which is the Northfield Elementary School, which is our first LEED Silver certified project. So, again, thank you for your help in the past. And I know that you will continue to do what you can to help to fund construction projects in the County in the future. So, thank you. I'll be glad to answer any questions, or turn to staff to have them address questions.

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GOVERNOR O'MALLEY: Thank you, doctor. Mr. Comptroller?

COMPTROLLER FRANCHOT: Just a quick question. Do you have any, in your operating budget, since you're so successful, do you have any reforms that you've undertaken where you get better education results with less money?

DR. COUSIN: Yes. One of the things that we try to do is to make sure that we evaluate existing programs to make sure that they are effective. But I'm going to let Sandy Erickson, our Deputy Superintendent, address this.

COMPTROLLER FRANCHOT: Such an easy question.

MS. ERICKSON: I don't know about the less money part. We have some reforms that have really paid off significantly, especially in schools that were previously underperforming and Title I schools. And that is a place, a position, they are called reading support teachers and math support teachers. And they work with every teacher in the building to make sure that they have the skills necessary to

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differentiate instruction for all of the children in their classrooms.

And the one reform that has paid off significantly in the high school is our coteaching model with special education. And I know Dr. Grasmick has visited that program, and we'd invite any of you who would like to see it. But we saw in those classes where we put a special educator and a content teacher in high school that they outperformed comparable classes on the high school assessment. The classes were small, they had two teachers, and they had them for a double period. But they really raised the test scores within one year. We've replicated that model.

I can't think of anything that we've done that's cost less money. But we have reemployed resources.

DR. COUSIN: I can think of some things that you wouldn't think about directly with the classroom. But we have a cultural proficiency. It used to be an initiative, but it really is a part of what we do everyday. And I talked about the diversity that we have in the school system. And that means we can't

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teach the way that we've always taught because we have kids coming from all over the world and we need to individualize instruction. So, and we need to understand how culture plays a role in education of students. And it's an important role, and we need to make sure that we're directing our teachers, and making our teachers, as proficient as they can be in understanding and addressing the needs of all students. And I think that has shown in our assessment results.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Just one question. Is the Clarksville Elementary the only one that you've gotten the forward funding immediate pay back requirement category?

DR. COUSIN: As far as I know it's the only one. It's Clarksville Middle School.

TREASURER KOPP: Middle School?

DR. COUSIN: Right. We have other forward funded projects, but none in that same --

TREASURER KOPP: Right.

DR. COUSIN: -- jeopardy as that project.

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GOVERNOR O'MALLEY: Doctor, thank you.

DR. COUSIN: All right, thank you.

GOVERNOR O'MALLEY: Thank you all, Howard County.

SECRETARY MCDONALD: Montgomery.

GOVERNOR O'MALLEY: Montgomery County. Good afternoon, thank you for your patience.

MR. BARCLAY: Good afternoon. Thank you. Governor O'Malley, Treasurer Kopp, Comptroller Franchot, on behalf of the members of the Board of Education and the Montgomery County Public Schools, thank you for the opportunity to present our appeal of the Interagency Committee on public school construction recommendations on State funding for our fiscal year 2011 State aid request.

For the 2009-2010 school year MCPS continues to experience enrollment growth. Official September 30, 2009 enrollment is 141,777 students, an increase of a little more than 2,500 students. Almost the entire increase in enrollment over the past two years has been at the elementary school level where MCPS currently has the greatest capacity shortages. To

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address the need for classroom capacity we currently have 437 relocatable classrooms systemwide to provide seats for students who attend schools that are overutilized. Of the 437 relocatable classrooms, 386 are at the elementary school level. In the coming year additional relocatable classrooms are expected to be needed to address the projected growth.

Our local and State capital improvements program request includes substantial funding for elementary school capacity. Our fiscal year 2011 State aid requests includes eleven elementary school addition projects, eleven elementary school modernizations that will include additional capacity, and one new elementary school.

In addition to providing seats for our students we must address our aging inventory through modernizations and replacements and we will continue to face this challenge in the coming years. On average, the elementary schools are modernized every forty years, middle schools every seventy years, and high schools every fifty years.

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Our 200 schools represent Montgomery County's increasing diverse population. Currently, our student enrollment is 38 percent white, 23 percent African American, 23 percent Hispanic, and 16 percent Asian American. More than 41,400 students, or 29 percent, receive free and reduced price meal services. More than 17,000 students, or 12 percent, receive English for speakers of other languages, or ESOL services. FARMS eligibility has grown dramatically in the past twenty years from 13,600 eligible student sin 1989 to 41,464 eligible students today. The tables attached to this testimony demonstrate these and other demographic trends.

Immigration has been a primary source of County enrollment growth. Montgomery County is now truly cosmopolitan jurisdiction. In 2007, 35 percent of households spoke a language other than English. This year, the ESOL program serves students from 160 countries with 140 languages represented. A trend toward greater racial, ethnic, and social and economic diversity has been central to MCPS enrollment growth for the past twenty years. Since 1989 MCPS enrollment

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has increased by 41,500 students, an average of more than 2,000 students each year. All of the growth in enrollment has been among African American, Asian American, and Hispanic students. White non-Hispanic enrollment actually has declined by 9,500 students since 1989 while during the twenty-year period African American enrollment increased by 16,300 students. Asian American enrollment increased by 10,600, and Hispanic enrollment increased by 24,000 students.

Student diversity has not been equally distributed throughout the County. Areas of affordable housing have seen the greatest increases in ESOL students and students eligible for FARMS. Before implementing initiatives in the school system's strategic plan students served by schools in these areas had not achieved at the same level as students in less diverse areas in the County with higher socioeconomic levels. In order to address the achievement gap between African American and Hispanic students and Asian American and non-Hispanic white students, additional resources have been provided to these targeted schools. Specifically, reduced class

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size in kindergarten and grades one and two, which have begun seven years ago. The class size reduction initiatives have resulted in the need for elementary school additions and the opening of new schools. However, this initiative has provided important gains to close the achievement gaps for African American and Hispanic students.

Again, I would like to thank you for your past support and I open it up to Dr. Weast and our staff to answer any other questions.

GOVERNOR O'MALLEY: Thank you. Dr. Weast, what are your appeal priorities?

MR. BARCLAY: Actually, I was remiss. I have to say, I apologize, I didn't give you my name. My name is Christopher Barclay, I'm the Vice President of the Board of Education. Ms. O'Neill, our President, was not able to be here today because of a family emergency.

GOVERNOR O'MALLEY: Thank you, Mr. Barclay. So what are the appeal priorities?

DR. WEAST: Governor, the appeal priorities are to try to see if we can reduce those mobile

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classrooms. We have 437 mobile classrooms. As you know, we have \$139 million eligible. We received \$20 million. That's about 12 percent, somewhere in that neighborhood, and we have \$119 on appeal.

We are about 16.7 percent of the entire enrollment in the state. If this \$250 million, which I think is a great thing on your behalf for putting forward, we'd be eligible for maybe \$41.75 million, \$41,750,000. We have at least twenty projects on the B List worth over \$40 million. So we need to get about \$40 million to keep our program going.

We are committed, as you know, to green schools. And we're into LEED certified. We now have two Gold, we had the first Gold in the State. We now have a middle and high school Gold, and we have eighteen more that we have on planning or under construction for LEED certification. We reuse our plans, we reused in the last recent round one plan for three new elementary schools and one plan for four middle schools, and they're all green.

GOVERNOR O'MALLEY: That's great.

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DR. WEAST: We have a lot of certification going on with regard to green schools. And in answer to one of your questions, Comptroller Franchot, one of the programs we have that saves money and increases performance is our SERT Program, where our students are teaching us how to turn off the lights, the computers, and recycle. And it really saves us a lot of money.

GOVERNOR O'MALLEY: School Energy and Recycling Teams.

DR. WEAST: Absolutely.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: On the maintenance effort, what impact would a State sanction of, whatever it is, \$46 million, have on --

DR. WEAST: Well, you know, there's only a few months left of school. And we received 2,501 more students, we received 770 more students on free and reduced lunch, and about 1,700 approximately that don't speak English. It would be very devastating to us to continue to go on if we lost \$43 million at this point in time. Because our County has already asked

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us to absorb \$30 million worth of cuts, and we've already absorbed \$15 million of those already. So very little latitude left, and that would be just huge.

COMPTROLLER FRANCHOT: And I take it without changing the law, you're subject to future sanctions. Like --

DR. WEAST: Well it's --

COMPTROLLER FRANCHOT: -- I'm not sure what the budget --

DR. WEAST: It's one of those rare things that I think happen, and I don't suppose it was contemplated happening, but because we tried to work together in Montgomery County and help each other out, and our employees gave up \$89 million to do that, it just seems strange that we would be penalized \$43 million for trying to help out. And so I hope that can be addressed.

COMPTROLLER FRANCHOT: Dr. Lever, are there other systems other than Montgomery and risk these kind of sanctions this year?

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DR. GRASMICK: I think you're speaking about

--

DR. WEAST: Oh, you're speaking about an operating thing. This is a capital thing.

COMPTROLLER FRANCHOT: Yeah, I'm talking about the --

GOVERNOR O'MALLEY: Maintenance.

DR. WEAST: But it does affect, it does affect our capital because of, there are PAYGO things in the capital.

COMPTROLLER FRANCHOT: No, I'm talking about

--

DR. WEAST: In the operating? Yeah, no --

DR. GRASMICK: Yes.

DR. WEAST: It depends on how you count it. If they count the error money Prince George's could possibly face a sanction of X number of dollars.

COMPTROLLER FRANCHOT: And next year, are there any other jurisdictions?

DR. GRASMICK: We don't know what next year will bring. But for this year Prince George's, in

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counting the federal money, it would be about \$27 million penalty.

DR. WEAST: What you have in Montgomery County, and you heard about our diversity, and our changing enrollment, even though we've gone up 103 percent in my tenure in children who don't speak English, and 44 percent in my tenure of kids who are on free and reduced lunch, our scores have gone up across the Board. We have 10 percent of the State's African American population, and that 10 percent scored 40 percent of all the threes, or college ready, African American tests in the State. So it's, our teachers are working very hard. And you guys have been very much behind us, and we really appreciate it. We appreciated it you helping us out with construction. We're stepping up to it and help you can help us out with the MOE, because that would be devastating, and hope you can help us to get at least up to \$40 million on construction. Because if we don't get that we've got to slow down and we don't want to do that.

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GOVERNOR O'MALLEY: Doctor, are you still doing SchoolStat?

DR. WEAST: Yep. We still do, actually we've improved a lot.

GOVERNOR O'MALLEY: That's the great thing I was bragging about.

DR. WEAST: Because as you go through the cycles you improve a lot.

GOVERNOR O'MALLEY: Yeah, it gets better. Mm-hmm.

DR. WEAST: It has really helped us, Governor, and I appreciate you helping us out on that, is helped us focus attention. It has helped us improve our processes. And it helped us to save last year in the millions of dollars. We had to cut back \$50-some million, and then save almost \$15 million or \$20 million by increasing our processes without decreasing our outcomes on student --

GOVERNOR O'MALLEY: So you use it on the operational as well as on the principles, and the instructional?

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DR. WEAST: We use it on the operational, we use it on CIP, we use it on everything.

GOVERNOR O'MALLEY: I was bragging about you the other day. Somebody with one of these magazines wanted to talk about performance measured governance, and the extent to which the Obama administration is moving down that score. I think Mark Warner --

DR. WEAST: Yes.

GOVERNOR O'MALLEY: -- in Virginia is going to be championing that in Congress.

DR. WEAST: Right.

GOVERNOR O'MALLEY: So they may be calling you as well.

DR. WEAST: We're trying to set up a hub and spokes where area schools could come in and look at what we've been doing, and try to figure out in their processes how to align it to push their outcomes.

GOVERNOR O'MALLEY: I'll tell you, every big school system, even, big or small, should come and see what you're doing on that. It's really good. They've, the City of Baltimore does it to a degree, to an extent, but more with their operations, I think,

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than with their instruction. And it would be great if everybody could do it.

You know on the policing, when we started offering ComStat on demand for any municipal --

DR. WEAST: Right.

GOVERNOR O'MALLEY: -- county police force that wants it. And we've achieved over the last three years the steepest decline in homicides, three-year decline in homicides, that we've had since 1980-something.

DR. WEAST: Well, I really appreciate you starting that in the City.

GOVERNOR O'MALLEY: I stole it from somebody else, but that's kind of you.

DR. WEAST: Because we really followed that, and we went up to New York and looked at some of the things they were doing.

GOVERNOR O'MALLEY: Uh-huh.

DR. WEAST: But it really is picking up steam after four or five years.

GOVERNOR O'MALLEY: Yes.

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DR. WEAST: Because it just takes time to get it rolling, and you have to be persistent on it.

GOVERNOR O'MALLEY: Are there any other big school systems that you know of that do it to the degree that you do it so well?

DR. WEAST: What's interesting, Governor, is that we are now the only large school system in America that has no Title I schools under sanction. And we attribute it a lot to the MStat process about how to transfer the learning from one school to another to make a learning community.

GOVERNOR O'MALLEY: Mm-hmm.

DR. WEAST: So I think other schools are starting to get into it, but they believe it to be harder than what it is.

GOVERNOR O'MALLEY: Right. If they just start where they start, they'll get better every day.

DR. WEAST: Exactly. It's called continuous improvement.

GOVERNOR O'MALLEY: What's it called?
Continuous improvement?

DR. WEAST: Continuous improvement.

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GOVERNOR O'MALLEY: I like that.

DR. WEAST: Yeah.

TREASURER KOPP: Jerry?

DR. WEAST: Yes?

TREASURER KOPP: Could you address the MBE?

DR. WEAST: Yeah. There's a different way that we, because we manage a lot of our projects. We build about \$250 million a year. And because we manage the projects we don't get counted. I'll have Joe Lavorgna here pass you out a sheet and give you an example of how it should be counted. MBE should be counted on minority contractors. And what we have is that some of our minority contractors, because they're small and we try to break it down where we can really get more jobs, aren't registered with MDOT. And then part of our contractors are we're managing the contracts and they don't count because they're not primes. So you take Cabin John, for example. The way you count it we would only have 10 percent MBE. If you counted the ones that we supervise we would have 16.8 percent MBE. And if you counted our non-MDOT minority contractors who are real it would be 26.77

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percent MBE. You can't take 160 different nationalities and not move toward minority participation. It would be silly and it would be costing us jobs. So we do it, but we would like it to count from all aspects.

TREASURER KOPP: Is there a way to get the non --

DR. WEAST: Yes, there is. But there's not a way to get them to the MDOT, I don't think, because it's a certification kind of a process --

TREASURER KOPP: Right.

DR. WEAST: -- that a lot of small contractors don't want to do.

TREASURER KOPP: Well I think a number of the small, that I talk to, small companies, think there is more to it --

GOVERNOR O'MALLEY: Than there actually is.

TREASURER KOPP: -- than in fact there really is. And it's a question of reaching out and helping them --

DR. WEAST: Our Board of Education put on somebody full time before we got into all the budget

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cuts, whose just job it was to go around and find the MBE contractors. We are seriously behind the capital program. Ike Leggett just put forth our capital budget, \$1.49 billion over a six-year plan, so we can have more jobs. And we need more jobs, we need more MBE contractors, because that's who's there. So we're for it.

GOVERNOR O'MALLEY: Ms., can I interrupt at that point? Ms. Jenkins, is there any service you might be able to provide here?

MS. JENKINS: Sure. In fact, my office has a meeting scheduled next week --

GOVERNOR O'MALLEY: Thank you.

MS. JENKINS: -- with the facilities office in Montgomery County for public school construction.

GOVERNOR O'MALLEY: Absolutely.

MS. JENKINS: Two things. If you have contractors who are working on Country projects who otherwise would qualify for certification, our Department of Transportation would be more than happy to get them into the intake process. Because we do

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want to count them and give you credit on those projects.

Also, you are bordered by neighboring counties, Anne Arundel County, Prince George's County, both of whom are exceeding the State's goal for minority participation. And contractors don't mind traveling one county over to do work. So I understand that you may have some contractors that may not have gone through the certification process yet, but it would certainly be in their best interest not only to do projects in your County but also for the State and other jurisdictions. And we would love to assist you with that.

DR. WEAST: Thank you.

TREASURER KOPP: And in all candor, it's both embarrassing and frustrating to some of us --

DR. WEAST: It is.

TREASURER KOPP: -- to see these numbers from a County that we know has always been a progressive, activist County.

DR. WEAST: We generally hit about 25 percent when you count all the numbers.

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TREASURER KOPP: Well, we've got to find a way of --

DR. WEAST: We've just got to find a way to help some of our people get certified.

GOVERNOR O'MALLEY: And if you have a list we'd love to market them --

DR. WEAST: Absolutely.

GOVERNOR O'MALLEY: -- because we're always looking to grow our list as well.

MS. JENKINS: And we knew that this was a challenge for Montgomery County which is why we proactively set up a meeting next week, and we'll be in your office.

DR. WEAST: And we'll do everything we can to help.

GOVERNOR O'MALLEY: Hey, and we can invite them -- the Lieutenant Governor had an idea --

LIEUTENANT GOVERNOR BROWN: Yeah, I was saying you ought to bring the MBE University to Montgomery County and their contractors. And since I'm --

TREASURER KOPP: And not just the schools.

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LIEUTENANT GOVERNOR BROWN: No, not just the schools. And also, the other thing, too, to keep in mind, and I don't question or doubt, I don't think anyone on this Board does either, the MBE, the integrity of that status.

GOVERNOR O'MALLEY: Absolutely.

LIEUTENANT GOVERNOR BROWN: But one of the folks that you're working with, one of the benefits to going to the certification is, and we find as companies go through, is who really is MBE status and who isn't. And you may be surprised at what you find when they go through that process.

DR. WEAST: Absolutely. Thank you.

GOVERNOR O'MALLEY: Thank you very, very much for your patience and your leadership. We appreciate it.

DR. WEAST: Thank you.

GOVERNOR O'MALLEY: One of the few areas of endeavor we've actually been able to increase funds for, public education. And by golly --

TREASURER KOPP: Great investment.

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GOVERNOR O'MALLEY: -- that's in part why we're number one. Next up, I think, is Prince George's County. Gorgeous Prince George's County, the crossroads of Maryland.

DR. HITE: That's right. Good afternoon, Governor O'Malley, Lieutenant Governor Brown, Comptroller Franchot, and Treasurer Kopp. Good afternoon. My name is William Hite, and I'm Superintendent of Prince George's County Public Schools. Joining me today at this appeal is our Board Chair, Ms. Verjeana Jacobs, and I have staff representing our fiscal department and our CIP programs and services. Today we intend to provide testimony in support of our CIP request as outlined in our revised submission dated November 24, 2009.

The Board of Education requests \$55.36 million in State funding as a result of the joint decision made by the Board of Education, and Prince George's County Executive, and the County Council to support current initiatives. This CIP submission provides for facility improvements to support those

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very important and critical academic gains made in Prince George's County in recent years.

I want to talk about a few of those.

Sixteen elementary, one middle, and three high schools have exited school improvement in the last two years.

There are nine schools in improvement that made AYP and could also exit this year when they make AYP

again. In two years of concerted and continuous efforts by students, staff, parents, and the

community, we have moved twenty schools out of school improvement. We have also seen a dramatic increase in

improvement of our high school graduation rates, and an decrease in high school drop out rates over the

last few years. It's also important to note that the

class of 2009 increased its mean SAT score by thirteen points this previous year, and six points two years

ago. And finally, Adelphi Elementary School was just

recognized as one of two distinguished Title I schools in the State of Maryland.

A year ago we stood here in front of you.

And during that time our Board announced its intention to adjust school boundaries. I'm pleased to inform

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the Board of Public Works that we have already initiated that effort using a phased process. Comprehensive facility use and boundary review process was initiated at the request of the Board of Education during the 2008-2009 school year. That was done in phases, and in phase one of the boundary change process it included a review of approximately seventy elementary and middle schools, which resulted in the closure of eight schools and the creation of five new pre-K and K-8 academies. The boundary adjustments adopted as a result of phase one have been implemented.

We just concluded work on phase two, and that was a review that was just recently completed. And that looked at the boundaries of approximately ninety-three elementary and middle schools. NO additional school closures resulted in that process, however there were some revisions in grade structures as well as redrawing of quite a few boundaries.

We're going to implement phase three of our boundary changes that will look at all of our high schools. And where we have space available, and how

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we can adjust our boundaries to make sure that we're operating as efficiently and effectively as possible.

We will continue to coordinate with the State Department of Planning and the Maryland State Department of Education to update capacity to reflect ongoing reviews. Moving forward, we will also update projections to incorporate School Board decisions on phases two and three.

Regarding --

TREASURER KOPP: Let me just interrupt and say that --

DR. HITE: Yes?

TREASURER KOPP: -- that is just amazing. That you have been able to do all that, and relatively smoothly. Having lived through it in Montgomery County years ago, it was a very difficult, difficult process.

DR. HITE: With the key term being relatively.

(Laughter)_

DR. HITE: Regarding the State's requirement for high performance buildings we currently have eight

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school projects including the new Barack Obama Elementary School.

GOVERNOR O'MALLEY: No, we're going to have a Barack Obama Elementary School?

LIEUTENANT GOVERNOR BROWN: Yeah.

DR. HITE: We will.

GOVERNOR O'MALLEY: I bet I know who we're inviting to the ribbon cutting.

(Laughter)

DR. HITE: That are registered with the U.S. Green Building Council to achieve LEED certification. In fact, in 2009 we received LEED Gold certification for the recently completed Vansville Elementary School. Further evidence of a commitment to environmental sustainability, and job creation, is demonstrated by our Board's approval very recently of the use of one of the schools closed during phase one to house the Prince George's County Green Jobs Training Institute and Cleantech Entrepreneurial Innovation Center. The school, which is located inside the Beltway in an area near public transportation, will train students and adults with

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the necessary skills to enable them to participate in the rapidly growing green economy.

We've also attached information for your review on the topics of interest requested by the Board of Public Works. I would now like to introduce Ms. Verjeana Jacobs to provide additional information regarding the District's improvements.

MS. JACOBS: Thank you, Dr. Hite. And good afternoon, Governor O'Malley, Lieutenant Governor Brown, Comptroller Franchot, Madam Treasurer Kopp, and members of the Board of Public Works. My name is Ms. Verjeana Jacobs. I'm Chair of the Board of Education for Prince George's County Public Schools. And we're again this afternoon to do what we do every year and ask that you consider our appeal for approval for a number of projects that we have within our school district.

This CIP maintains alignment with our Strategy 4.3.1 of the Bridge to Excellence Master Plan. And that strategy identifies the implementation of the capital improvement program and all maintenance

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projects as critical initiatives to improve the condition of our school facilities.

In May of 2008, as you have already heard, an updated facility condition assessment study was completed for 184 of our schools and that amounted to about 15.3 million gross square feet. This independent assessment drives the prioritization for our major renovations. It helps us to determine how we should prioritize our projects, major repairs, and all systemic improvements within the school district.

In accordance with the State requirements regarding minority business procedures, the Prince George's County Board of Education adopted a newly revised administrative procedure 7419 which outlines the minority business procedures for State funded public school construction projects, and we did that on October 16, 2008. Our goal for minority business enterprise participation in Prince George's County has met or exceeded the State goals of 25 percent for the past three years.

GOVERNOR O'MALLEY: Great.

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MS. JACOBS: In fiscal year 1009 our participation was 28.12 percent on State school construction projects.

We are appreciative, as always, of the \$19.21 million in construction funding that has been recommended by the IAC for projects to start new construction and finish projects that are already in construction. However, this sum does represent only 34.7 percent of the State funds requested for school construction that Prince George's Public Schools actually need in order to support our capital improvement needs.

Additional funding beyond the \$19.21 million targeted for Prince George's County School is critical to ensure that adequate classrooms and facilities are provided to meet the need of our students. We do respectfully request that you consideration of our appeal is granted.

And inclosing, I hope this testimony really provides you an opportunity to see a clear picture of our needs in Prince George's County. And I would sort of close by also adding that while the boundary

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changes were somewhat difficult in Prince George's County, we also heard you. We heard you tell us about our State rated capacity, and how we had schools adjacent to each other that were underenrolled. And so I think we've done a fabulous job of demonstrating that we wanted to press that problem. And when we get to the high school level, which is where we really believe you're going to see the huge impact of this work, we think you'll be really pleased to see how we're making sure that we're efficient in our resources. And so with that said, we certainly hope that you will consider our appeal accordingly. And we're open for questions, Dr. Hite and myself.

GOVERNOR O'MALLEY: Thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. Dr. Hite, what are the issues that are holding up the State consideration of Oxon Hill High School replacement?

DR. HITE: Size and adjacent seats. So there are adjacent seats, and then enrollment projections. So the enrollment projections, not today's enrollment but the enrollment looking five

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years out steadily declining in that area, and there are seats available at adjacent schools. And while we submitted a proposal for a high school replacement of 1,800 that was adjusted down looking at our projections out five years from now.

COMPTROLLER FRANCHOT: Okay. And last year I visited Suitland High School and the annex. And the annex is really, not to pick on any school, but it was really just stunningly inadequate. I think they had portables, or what do you call them, Governor?

GOVERNOR O'MALLEY: Learning shacks.

COMPTROLLER FRANCHOT: Learning shacks that were thirty years old so they were going to have to get new learning shacks. I mean, it was really depressing. And I'm wondering whether, I know we voted a new roof, but that annex I know needed a lot more than just a new roof.

DR. HITE: Yeah, we're beginning with the roof. That's going on now, and that's going in two phases. And also, you're right, we just replaced some of the outdated portables that were at that school. But it also speaks to what the Board Chair talked

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about with respect to reboundarying some of our schools. We have some adjacent high schools with seats available. And so as we move forward we will still require the use of Suitland High School, but it may not require the use of the annex space as well as the comprehensive school space.

COMPTROLLER FRANCHOT: And then just finally, the maintenance effort, I take it, sanctions can be imposed on you also, is that what I hear?

DR. HITE: Yes. Yes, that is --

COMPTROLLER FRANCHOT: And what impact would those have on your --

DR. HITE: That's a pretty significant impact for us. We are in the third year of submitting a budget that is in excess of \$100 million in cuts. And so that \$26.8 million that we could possibly lose as a result of the County not meeting its effort would be detrimental to us in Prince George's County. We've already utilized reduction in force. We went to a four-day week this past summer. We have furloughs proposed in next year's budget. And we're reducing people that are on twelve- and eleven-month contracts

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to eleven- and ten-month contracts respectfully. So it's a pretty significant impact on us.

COMPTROLLER FRANCHOT: And just while we have the Superintendent here, I know it's not her bill, I mean, her statute that mandates that she do something. And then it further mandates that she send me the bill, and I have to go collect it. So they're going to have to find me up in the hills somewhere.

DR. HITE: I appreciate that, and your mercy.

COMPTROLLER FRANCHOT: But what can we, what is, is there a plan B where we can avoid this without a, I know the Legislature is going to look at it. But how do we avoid multi, multimillion dollar sanctions for systems that are, you know, victims of this statute. That I support the intention of the statute, but it's just unacceptable, I think, that we fine them in this atmosphere.

DR. GRASMICK: It's a dilemma. And I think it's going to require a legislative remedy. But the problem is, and I'm more than sympathetic to the systems that are going to experience, you know, this

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fine. But there are systems that you'll hear worked very hard to meet maintenance of effort. So their county executives, county commissioners, are not happy that others didn't. So it's a very uneven situation here. And it really is going to require a lot of thought. In the early nineties there was sort of a blanket waiver during a time of serious economic downturn that appeared to be fair to all the systems if they had to exercise that. That hasn't happened this time, but I think it will certainly be part of the discussion.

COMPTROLLER FRANCHOT: But you don't have any flexibility?

DR. GRASMICK: I don't have any flexibility. And it was a decision made by the attorneys whether or not, because we don't have any precedent for this kind of federal money being, whether or not it should be counted the same way State contributions are counted. And it was attorneys from every function of government that came together, including the Attorney General's Office, to look at that question, and determined that

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in this instance those federal dollars should be counted as the State dollars.

COMPTROLLER FRANCHOT: Okay. Thank you very much, Dr. Hite.

DR. HITE: You're welcome. Thank you.

DR. GRASMICK: Thank you, Dr. Hite.

GOVERNOR O'MALLEY: Hey doctor, can you tell me on the green jobs, on the Prince George's County Green Jobs Training Institute and Cleantech Entrepreneurial Innovations Center, who runs that?

DR. HITE: Actually, it's a joint partnership. And it's with the University of Maryland with Prince George's Community College, with several organizations and agencies that, at the State and national level, NOAA, NSA --

GOVERNOR O'MALLEY: Good. So maybe DLLR's in there, and maybe --

DR. HITE: Well, we're going after grant money for that purpose.

GOVERNOR O'MALLEY: No, I mean, like the Department of Labor, Licensing, and Regulation --

DR. HITE: Yes.

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GOVERNOR O'MALLEY: -- and State workforce may be involved in that?

DR. HITE: Absolutely. And it is also, we have one of our constituents locally --

GOVERNOR O'MALLEY: Mm-hmm.

DR. HITE: -- who is leading that effort, and it's Major Riddick who is helping us with that.

GOVERNOR O'MALLEY: Oh, good. Great. Okay. Thanks very much, doctor, for your leadership. We go on now to?

SECRETARY MCDONALD: Queen Anne's.

GOVERNOR O'MALLEY: Queen Anne's County.

DR. WILLIAMSON: Good afternoon, Governor O'Malley, Mr. Franchot, Mrs. Kopp, Lieutenant Governor Brown, Dr. Grasmick, and Dr. Lever. We really appreciate the opportunity to come before you today to appeal three of our projects. My name is Carol Williamson, I'm Superintendent of Queen Anne's County. And I brought with me today my Board of Education members. I have behind me our President, Mrs. Cindy Todd; our Vice President, Mr. Vito Tinelli; and two of our Board members, Mrs. Lisa Darden and Mr. Eddie

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Miller. Our fifth Board member, sadly, passed away this past December. And she is greatly missed, and I know she's here with us in spirit because she was quite an advocate for schools and for children.

I also have some additional staff with me and they're sitting in the back here, some of our supporting staff will be able to help answer any questions you might have.

Our Board of Education thanks you and your staff for the past support and generosity in helping meet our system's facility needs. The Committee has recommended and the State has provided between \$4 million and \$5 million for the last three years. That's over \$17 million to our small County for the construction and renovation of school facilities. Recently, Maryland was once again recognized as the top educational system in the nation.

GOVERNOR O'MALLEY: Where was that? Was that in Education Week Magazine?

DR. WILLIAMSON: Yes, it was.

GOVERNOR O'MALLEY: Was that the second year in the row?

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DR. WILLIAMSON: It certainly was. The second, and actually the third year. Three years ago we were second, I believe.

GOVERNOR O'MALLEY: Do you find anybody in your County believes that when you tell them?

DR. WILLIAMSON: Yes, I do.

GOVERNOR O'MALLEY: Do they?

DR. WILLIAMSON: And they're very proud of it.

GOVERNOR O'MALLEY: Good.

DR. WILLIAMSON: They are very proud of it, and we get to say we're also a high performing county and so think what that means to the education of your children.

GOVERNOR O'MALLEY: That's great. Because I run into a lot of people that say, "Yeah, I don't believe that." Don't you? Don't other people run into that? I mean, I say it every now and again. But I run into people saying, "I don't believe that." It must be those kids in Howard County. I don't know.

DR. WILLIAMSON: And in Queen Anne's.

GOVERNOR O'MALLEY: And in Queen Anne's.

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DR. WILLIAMSON: And in Queen Anne's. Your funding commitment to support the mission of public education is second to none, and our most important constituents, our students, are the clear beneficiaries of your efforts. On behalf of all of the citizens of Queen Anne's County we thank you for all of the support that you've given us.

Obviously, high quality facilities are essential to maintain excellence in education. In our County this past spring, Kent Island Elementary School and a renovation project were successfully completed. We were pleased to partner with the State and include new construction guidelines including green school components and making the latest technology available to students and teachers. In April our students moved into a state of the art facility. Successes like this project can only occur when there is a partnership with the State and the local government. Our Commissioners each year commit significant dollars to support our facilities.

Today we're here to appeal the funding level of Sudlersville Middle School. This school is an

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outdated educational facility desperately in need of replacing. The Sudlersville Community, which is the highest poverty area in Queen Anne's County, has united and become energized in supporting this project. They look forward to the day when the school will become the long awaited center of their proud community. Ground breaking is tentatively scheduled for this February.

In fiscal year 2010 we projected a construction expenditure of \$6.2 million. The State generously contributed \$2.9 million in fiscal year 2010, or about 47 percent of the year's construction costs. The remaining costs were covered by our local government, despite the difficult economy. However, our construction costs for the upcoming year, fiscal year 2011, are estimated to be \$15.8 million. We requested that the State contribute \$5.1 million in support of this project. Unfortunately, the IAC has only recommended \$3.2 million which is about 20 percent of the estimated cost for fiscal year 2011.

Don't misunderstand me. We greatly appreciate that support. However, like other counties

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around the State the financial burden on local government is reaching the breaking point. Our local government is already supporting infrastructure, utility, and logistical costs including \$650,000 for the cost of an access road, \$400,000 for the cost of a railroad crossing and permit use, \$1.2 million for the cost of water and sewer utility upgrades, and \$80,750 for the cost of electrical upgrades. Based on the above, it's clear that our local government has already committed project related expenditures in excess of \$2 million even before our considering the project required local expenditure.

Our fear is that the proposed level of State support in fiscal year 2011 may extend the time it will take to finish this new school because our local government will simply not have the financial means to absorb such a high percentage, approximately 80 percent, of the fiscal year 2011 cost. Therefore, on behalf of the Sudlersville students we respectfully ask that you restore \$1.8 million that was in our original request to keep this critical project on schedule.

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The second project we're appealing is the Church Hill Elementary School. This is for an addition. We requested planning approval for the project and IAC recommended deferment on the request due to enrollment issues. We recognize and respect IAC's hesitancy on approving the request. However, the Board of Education members and our County Commissioners still remain convinced that a proactive approach to plan for imminent increase in enrollment for this facility remains the most prudent approach.

Church Hill Elementary School is a high performing pre-K to 5 school, and I might add it's a Title I school, with all day kindergarten. The school was renovated with an addition in 1998 with a student enrollment capacity of 297 students. The current student enrollment capacity at the school is 380 and we expect the school to exceed the State rated capacity by 2012. Current development plans and residential construction permit applications suggest that when the economy changes the need for elementary school seats in the area will rapidly emerge. There are two relocatable classrooms currently on site to

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accommodate programs and enrollment. We will be forced to continue adding more relocatable classrooms as the student population increases. It's sensible, therefore, that we commence planning now to fully prepare for the anticipated influx of new students, and we ask that you grant us planning permission.

Our third project we're here to appeal is also for planning, and it's for Stevensville Middle School renovation. We requested planning approval to modernize the school. IAC recommended deferment on this request due to enrollment issues. However, this request was not based on enrollment. Instead, this school desperately needs infrastructural renovation and modernization to keep pace with the three middle schools in the County.

The school was last renovated in 1980 with an addition in 1992. And although we have implemented systemic upgrades and maintenance through our Aging School Program funds, this effort is not sufficient to accommodate school facility needs. A total renovation will improve the instructional layout, offer an opportunity to make the school more energy efficient,

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and provide the infrastructural technology upgrades to the school.

So in conclusion, we do recognize that there are scarce resources available and that you do have an especially difficult task in front of you. However, we're hopeful that we have provided sufficient justifications to you for you to reconsider our request. Our technical staff and I are here to answer any questions that you might have at this point.

GOVERNOR O'MALLEY: Questions?

COMPTROLLER FRANCHOT: Dr. Williamson, what year was Sudlersville Middle School built?

DR. WILLIAMSON: Sudlersville Middle School? I want to say 1950? '53? I think, Comptroller Franchot, you visited that school.

COMPTROLLER FRANCHOT: Yes, I did.

DR. WILLIAMSON: And saw how deplorable the conditions were.

COMPTROLLER FRANCHOT: No, it was described to me as just horribly old. And I think it was, frankly, built after I was born. So --

(Laughter)

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DR. WILLIAMSON: Me too, sir.

COMPTROLLER FRANCHOT: You have a great community there.

DR. WILLIAMSON: We do.

COMPTROLLER FRANCHOT: And I'm delighted that you're giving support, and I hope that the appeal will be successful.

DR. WILLIAMSON: They ask everyday if we're going to start the groundbreaking. They're very excited about the project.

TREASURER KOPP: Doctor, I was just curious about the Stevensville. What is the enrollment issue? I mean, it doesn't sound like an enrollment oriented project.

DR. LEVER: Yeah, I was just asking the same question. We examine these pretty much every two weeks. We meet internally and go over this. And that's the question that will be coming up next time we meet, is to see about eligibility of that project.

TREASURER KOPP: I mean, if it's for infrastructure for present --

DR. LEVER: Right.

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DR. WILLIAMSON: I might add that our County Commissioner have set aside money for us to do the planning this year, if we can get into that funding stream and get approval.

GOVERNOR O'MALLEY: Doctor, thanks very much.

DR. WILLIAMSON: Thank you. Thank you.

GOVERNOR O'MALLEY: Thank you all for what you do for our kids. How many schools, how many schools do anything on school construction? I mean, how many states? Is it only seventeen of us, or something like that?

DR. GRASMICK: Yeah, it's a minor number.

TREASURER KOPP: Is that right?

GOVERNOR O'MALLEY: So there's only seventeen states that do anything towards school construction.

DR. GRASMICK: And may I say something else? That in a lot of states there's a lot of corruption associated with this. And we don't have that. So --

TREASURER KOPP: Please, no.

GOVERNOR O'MALLEY: Good. Okay. Let's, St. Mary's, the mother county.

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DR. MARTIRANO: Governor, good afternoon.

Members of the Board of Public Works, good afternoon.

I'm Michael Martirano. I'm the proud Superintendent of the St. Mary's County Public School System located in the mother county, St. Mary's County. Joining with me today is Mr. Brad Clements our Chief Operating Officer; Ms. Kimberly Howe, our Supervisor of Capital Planning; and also Larry Hartwick, our Supervisor of Design and Construction.

We're very pleased to be in front of you today, and recognizing the fact that we are the number one school system in the United States. We're very proud of that. We like to say in St. Mary's County that we have been a major contributor to the academic metrics that have allowed us to achieve such a wonderful rating.

Governor, we have collaboratively worked with the State and the County to meet all of our infrastructure needs and capacity needs over the last several years. We've created ongoing partnerships with our local businesses and community to expand our educational pathways, which we're very proud of that

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educational delivery model, as well as to improve our construction partnerships.

I'm very proud of this next metric that I want to share with you. Our minority business enterprise participation rate has increased from an all time low of zero to 4 percent prior to 2008 to an all time high of 25.15 percent.

GOVERNOR O'MALLEY: That's fantastic.

DR. MARTIRANO: And that's, quite frankly, remarkable for a rural county such as St. Mary's County.

GOVERNOR O'MALLEY: That's great.

DR. MARTIRANO: And I think that begs the question, Governor, why has that been? Because we've taken a very aggressive posture of reaching out to members of the minority business enterprise, getting people in for training, assisting them in the application completion. And our work is not done there, but we're very proud of that overall approach which we've taken.

In our school system we have some very innovative programs. We have a very strong and robust

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STEM program, which we are most proud of, which is a linkage to the pipeline for the STEM initiative, which links into the Patuxent Naval Air Station, a very robust program. A very successful charter school, the only charter school in Southern Maryland that exists, and we're very proud of the implementation. We have an academy of finance to increase the aspect of financial literacy. A technology center which is directly linked to the workforce readiness as a major mantra in our school system is workforce ready and college ready. And also a global and international studies program to make certain that our students will be competing in the global international workforce. All of this works together as far as achieving our goals for all of our children in the sense of workforce ready and college ready.

We have a very dedicated staff, very committed, and we like to define ourselves as a very high performing school system in the State of Maryland. We are very proud of it.

Our facilities are phenomenal. We've worked very hard over the last decade with our modernization

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program. But what I'm most proud about this year is that we opened a grand new elementary school, Evergreen Elementary School, hence the name forever green. It was the first new school to be added to the St. Mary's County inventory since 1981. And I'd like to say that my colleague from Montgomery County was here talking about the number of green schools, that Evergreen was dubbed the greenest school in the State of Maryland by the Baltimore Sun and we'd like to take that mantle at this moment and run with that. We're very proud of that, and we did meet the Gold certification. And we're one of twenty-five schools in the United States to achieve that. It is a remarkable school, and I know that you were with us during the groundbreaking. Several individuals here, Dr. Grasmick was here for the dedication, it was phenomenal.

We are also approaching this from the vantage point of the aspect of a teaching tool. That we recognize we can talk about all the green features that we're all talking about today, but we've made this a total immersion for our students. We want our

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students living and breathing the aspect of energy conservation. And we've embraced this in our instructional program. It is quite the overall facility.

It is going to be viewed, Governor, as a prototype building. We are so proud of this design. We've been nominated for several awards for this school for the architectural aspect of it, and we are going to be using this as a prototype and I'm going to talk about this as I make my request here in the moment.

We are here today to appeal two projects. One is Leonardtown Middle School, and I know Comptroller, you have intimate knowledge of that. You visited the school last year. This is a school that I like to have that has vestiges back to the 1970's, where there were open space classrooms, still the bright orange and yellow colors from that wonderful period of time in our history. And, yes, I think even Greg Brady may have attended that school at some point. It was built in 1974. We are trying to move forward with a renovation that will modernize that

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school, bring it up to the aspect of all the systems that need to be brought up to speed to move that forward. And we are appealing today for \$1.1 million to move that forward for the cash flow so that we can begin this project as soon as possible.

Governor, our next project is we are appealing and seeking planning approval for our next new elementary school. St. Mary's is still very much a growing County. This past year we received 450 new students. We are expecting to receive between 100 and 200 new students next year. And we now have a site acquired, with the cooperation of our local elected officials. And we are going to use the Evergreen facility as a prototype school, making the necessary adjustments to enhance that with all the technology initiatives that we have as well. Geothermal heating, and the unique feature about the current school that we're talking about, as a comparison between geothermal heating and forced air heating. We're actually collecting data which individuals at the State level as well as the federal level are very interested, because we talk about the recouping of

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those funding. And we're going to be able to advance that, hopefully, with a full geothermal heating system in this new school that we're seeking approval for.

So members of the Board of Public Works, members of the entire group here today, we thank you for your support. We are very proud of the efforts that are occurring in St. Mary's County. We appreciate your support because, as we like to say in St. Mary's County Public Schools, our children are winning every day. And we recognize the importance of having wonderful facilities for that learning experience to take place. We thank you for your time today. Thank you, sir.

GOVERNOR O'MALLEY: Thank you for your leadership and constant improvement. Comptroller?

COMPTROLLER FRANCHOT: Excellent presentation.

DR. MARTIRANO: Thank you, sir.

COMPTROLLER FRANCHOT: Whatever you had for lunch I want some of it.

(Laughter)

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DR. MARTIRANO: And I'm pretty calm right now. Wait till I get revved up.

COMPTROLLER FRANCHOT: Where is the second elementary school going to be located?

DR. MARTIRANO: Located in the heart of Leonardtown. As you are, right near the Governmental Center. You've probably been there. It's a property called, as we call, the Haydn property, right on Hollywood Road. But right in the development district where our students are needed.

GOVERNOR O'MALLEY: Smart site.

DR. MARTIRANO: Yes.

COMPTROLLER FRANCHOT: And is the new population growth among students, is that attributable to your local economy, the military?

DR. MARTIRANO: We have a series of, sort of a confluence of events. We've tried to really determine that this year. I think several things have occurred this year. We're a very appealing school district to move into. We had a number of individuals move into the district this year. I think the economy also, we had a number of multifamily dwellings, and

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multiple families living in the same home. But the economy has maintained a rather robust level because of the economic engine at Patuxent Naval Air Station, and that has brought new individuals in. Plus, we've had to balance out, we've had a parochial school that has closed, too. Which didn't yield a number of new students, but we did absorb approximately forty new students from that capacity. And then the, because of the, I know this sounds a little bragging, but because of the reputation of our public school system a number of individuals are leaving private school and returning to public school because of the high quality of instruction that is occurring in our schools. So a variety of factors are affecting that.

COMPTROLLER FRANCHOT: Thank you.

DR. MARTIRANO: You're welcome.

GOVERNOR O'MALLEY: We were bemoaning our reputation of excellence earlier, Mr. Chairman. People know that Maryland schools are excellent. They're starting to send all their children to them. What a horrible thing, huh? I'm being facetious.

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It's getting late. You all are doing great. Thank you.

TREASURER KOPP: Can I ask you just a question about the, the LEED school, the Evergreen?

DR. MARTIRANO: Yes.

TREASURER KOPP: Prototypes in general, but this one in particular. Who owns the drawings, or the intellectual property, or whatever goes into this? Do you?

DR. MARTIRANO: We do. I mean, we contracted with the architects. We own that. We've been working very closely with our architect, again, and obviously using that to replicate that. But we do, once we contract that.

TREASURER KOPP: So then do you advertise in other states, in other areas this prototype?

DR. MARTIRANO: As far as us advertising, we've had a number of school districts as far as California who have been in touch with us because of the publicity that this school has received. And we're very assertive in being able to talk about that. We've not gone out and advertised to promote, but we

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have presented it at a number of conferences. We've taken this to our chamber of commerce. And because, again, much of the publicity, we've received a number of questions from this. And we're very proud to be able to share that information.

TREASURER KOPP: Well, that's very excellent. But what I was wondering was whether there were any way to leverage it into revenue for the school system?

DR. MARTIRANO: Into other school systems?

TREASURER KOPP: Leverage your ownership of this intellectual property, if you are the owner, into revenues for your school?

DR. MARTIRANO: That's a good question. Yeah, we've not discussed it. I think it's a wonderful question because we get the intellectual capital problem. I've had a question about that today as far as curriculum items, and that's one that I haven't thought about. That's a wonderful comment.

TREASURER KOPP: I mean, it saves us money if they have something.

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DR. GRASMICK: And it's not unprecedented. We have a school in Queen Anne's where the drawings were used for Baltimore County.

DR. LEVER: Yes.

DR. GRASMICK: New Town High School.

TREASURER KOPP: Well I'm thinking even outside the State.

DR. GRASMICK: Yeah.

TREASURER KOPP: Not so we're taking money from ourselves, but --

(Laughter)

DR. LEVER: Just a caution, though, that there are some intellectual property issues associated with the sharing of architectural drawings.

TREASURER KOPP: Well, that's what I wondered.

DR. LEVER: Liability travels to the original architect of record even when the project is used in a different jurisdiction, even if it's taken over and bought by a different jurisdiction. So the original architect of record would still be liable. The project has to literally be redrawn by a new

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architectural firm. Not simply copied, the details, the plans, and so forth, but it has to be redrawn in order for it to become the possession, and for liability to travel from the original architect to a new architect. So these issues do complicate the situation.

TREASURER KOPP: I do understand.

GOVERNOR O'MALLEY: Thanks very much.

DR. MARTIRANO: Thank you very much. Great seeing all of you. Thank you very much.

GOVERNOR O'MALLEY: Washington County?

DR. MORGAN: Dr. Morgan, congratulations to you for making us proud.

(Applause)

DR. MORGAN: Thank you very much.

GOVERNOR O'MALLEY: Now Dr. Morgan, you were named what? The number one county school superintendent in the world, or something?

(Laughter)

DR. MORGAN: I don't think there is that title, but no, I'm one of the final four for the National Superintendent of the Year.

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TREASURER KOPP: Wow.

GOVERNOR O'MALLEY: That's awesome. Yeah, we're very proud of you.

DR. MORGAN: Thank you very much. I appreciate that accolade. I went to the press conference last week. It was nerve wracking, but I hope I did Maryland proud.

GOVERNOR O'MALLEY: You've just got to take that in. It's so rarely that you get the accolades and thanks in your job.

DR. MORGAN: I feel very blessed.

GOVERNOR O'MALLEY: So just take it in.

DR. MORGAN: I am.

GOVERNOR O'MALLEY: Then go back to work and the PTAs will kick the bejesus out of you.

(Laughter)_

DR. MORGAN: I'm a child of the sixties, it's the trip that counts.

(Laughter)

DR. MORGAN: So I'm enjoying the trip, man. Anyway, thank you so much for allowing us this opportunity. And I want to first begin by thanking

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all of you for not only the funding, but for the support, in many ways the human support that you've given to Washington County in so many respects is worth even more than the money. Even though we're here to ask you for more money today. But like my colleagues who come before me in speaking to you, Washington County is doing extremely well. I think you know that. Dr. Grasmick has noted that we're one of the most improved systems in the State. Last year we made adequate yearly progress in all of our schools, at all grade levels, in all subgroups, and we're very proud of that. And I think MSDE and so many others have been a partner in that.

Talking about growth, we're in our ninth consecutive year of growth. We've grown by about 2,500 students during that time period whereas there was zero growth just before that. Many people are now coming over the mountain for a whole variety of reasons. But we're finding that the growth has really stretched our schools. Just yesterday we had a very difficult redistricting. The Board voted on twenty-three proposals. And right now we're just having to

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redistrict, and redistrict again, and again, to accommodate all of this growth.

During this period Washington County has also grown in poverty levels. Whereas we were at 27 percent nine years ago, we're now 42 percent of our students qualify for free and reduced priced meals across the County.

GOVERNOR O'MALLEY: What percentage? I'm sorry?

DR. MORGAN: 42 percent. In elementary, it's 56 percent. So more than half of our elementary school students qualify for free and reduced priced meals.

Also, along with the increasing poverty is -

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TREASURER KOPP: Betty, is that because of the economy of the County? Or the people coming in?

DR. MORGAN: I think it's both. I think it's that there is available housing that is much less expensive than in Frederick or Montgomery and, you know, the city environs. I think it's that because of the educational levels of the adults in our County

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probably there are lower incomes. It's a whole variety of factors, which we overlook when we're educating our students. That's the parents, but we educate the kids. And we've come a very, very long way with many challenges. In fact, in the Governor's report on child well being we rank in the lowest quadrant on children being safe, on intact homes, the factors that you measure. Yet in the area of basically bringing students from where they are, we rank in the top quadrant in that report. And we're proud of that as well.

We, as you know, because we're a growth, we've come before you before and asking you for support for new schools. This year we're asking you for support even though we have nine systemic schools. Our priority projects are the three schools, Antietam Academy, which is an alternative school for students who really need a different kind of education in a different environment. We thank you for the \$1 million we received so far, and we're asking for \$3.4 million more.

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Eastern Primary, tremendous growth area along the eastern tier of the County in Hagerstown, and east towards Smithsburg, and down towards Boonsboro, Maryland. You've given us \$5 million and we need \$1.4 million more in order to complete that project.

We also, I think you all know by now, the Barbara Ingram School for the Arts. We're very proud of the school. It opened this year. If you haven't come, please do. It's gorgeous. It exemplifies the nth degree of partnerships. Many people have participated in the development of that school. As you may recall, we borrowed the money under the alternative financing legislation. We're proud of that, too, even though it was a very big note. We think it is an alternative and more school systems should be looking at that kind of financing. But we invite the State to participate in it, and we're asking you for \$620,000 for that school.

By the way, Barbara Ingram is also an award winning school. Next month when I go with the final four we're also going to be getting an architectural

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award. It is the national architectural award that the American Association of School Administrators gives, so we're very, very excited about that.

In the area of high performance construction, we're obviously moved into that area. We'll have our first two geothermal schools. We have an energy manager, which gives us a great advantage. He has now paid his salary over at least, I don't know, how many times? Yeah. It's amazing what he's able to analyze, and the money he's been able to save us, and the advice that he's able to give us --

GOVERNOR O'MALLEY: That's great.

DR. MORGAN: -- on school construction.

GOVERNOR O'MALLEY: Have you been able to rent any of your building tops like Montgomery County has for photovoltaic, or any of that yet?

DR. MORGAN: Oh, I didn't introduce, I should have introduced the Vice President of our Board Dr. Justin Hartings; and Boyd Michael, who is our Deputy Superintendent; and Rob Rollins, Head of our Construction and Planning.

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In the area of MBE, you've asked us this in the past, we have worked very hard at it. It has been a goal for us to get to at least 15 percent. Given our area, and I know there are local standards, but we also look at the State standards. We just had our second workshop in this area. There was, there was a really, really good group, a very good discussion. We've gone from zero percent MBE just a few years ago and we're now at least over 10 percent and climbing. With our new schools I think it will be more like 13 percent for our new schools. So again, we've come from zero. We've worked very hard in that area.

Last area I wanted to highlight is that we've, because we are a poverty district, we're not a wealthy school system, we have looked for money in lots of different directions. And again, aside from the note and the borrowing for BISFA, for Barbara Ingram School for the Arts, we have developed some unique partnerships and people who are participating with us in fixing up our schools, or just a variety of things, through a relationship with Penn-Mar, which is a BRAC, and COPT, the Corporate Office Properties

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Trust, now owns the base. They gave us \$100 million to fix our school in Cascade because that's where the base is going to be developed. And everybody decided that we needed to have a school that was not only presentable, but that was brought up to modern standards. So the \$1 million is going in renovations for the school. All new windows, we're going to have air conditioning there, all new flooring, a whole variety of things. So we wanted to mention that we're working hard at that.

And also, in prototype schools, we'll be having a workshop on, well not a workshop. But we'll be having a presentation before the Board of Education. We have some people coming who will talk about prototype schools.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: How do you measure success at the Barbara Ingram School for the Arts?

DR. MORGAN: That's a really good question. Well, first and foremost, of course, we have, you know, students there who are regular high school students, grades nine through twelve. And I think we

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all have to measure the academic success as we do in every other high school. But as far as the success of the school, the fact that now for the second year, and we're just going through the auditions and the portfolios the kids have to do for the second year, we have many more students than we have slots for them. Last year we made our amount of slots. I think success can also be measured, we have twenty-eight students in the school who are from other states, other counties, have come back from home schooling and private schools. That's a large number in a school that only has 160 students right now. And I think I'd measure success because it has generated an excitement. Just a tremendous feeling of good will, and it's provided an option for the kind of student that really needs that environment.

COMPTROLLER FRANCHOT: Do you have a relationship for your employees with the Washington County Health System, Jim Hamill's group?

DR. MORGAN: Oh.

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COMPTROLLER FRANCHOT: Do they get healthcare through, do they help you treat chronic illnesses and things, or is there some --

DR. MORGAN: Most certainly. They help us in so many areas. The Health System provides our nurses in the school. The Robinwood Center, the medical center there is probably our primary care facility for our employees. We have many partnerships with them. And Jim and I have a great relationship and we've done some projects together.

COMPTROLLER FRANCHOT: Thank you, Governor.

DR. MORGAN: We thank you again for Pangborn, by the way, and the support there. It's a beautiful school.

GOVERNOR O'MALLEY: Doctor, thanks very, very much. We will do our best.

SECRETARY MCDONALD: And good luck, congratulations. Thank you.

DR. MORGAN: Thank you.

GOVERNOR O'MALLEY: Make these guys take you out to dinner before you all go back to the mountains, too.

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(Laughter)

GOVERNOR O'MALLEY: Wicomico County? We are joined here by Rick Pollitt, who is the County Executive, the one and only County Executive of Wicomico County. And also Chairman Norm Conway, a pillar of fiscal responsibility in our great State where the plowman and the fisherman exist together in mutuality and respect for one another.

DR. FREDERICKSEN: Good afternoon Governor O'Malley and Board of Public Works, and Dr. Grasmick and Dr. Lever, good to see you again. I'm John Fredericksen, Superintendent of Schools of Wicomico County. We're very pleased and proud to be here.

I'll tell you a little bit about our final appeal for the James M. Bennett High School project in Wicomico. And we are here to request the final \$3.9 million for our project to finish it so that we can open up this school this fall, one year early. You've already given us \$34 million for the construction towards the State portion of the funding. The County has already fully funded their portion of it in three years. We are responding, we were put on request for

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a stretched out fourth year funding for this project and we continued with that, we complied with it, and we have maintained it. We are looking for the last portion of the \$9.9 million. Previously, we were funded by the IAC of approximately \$7 million, their recommendation. We're looking for the final portion so that this building can be paid for, we can accept it, and we can open it for students this fall.

I just want to tell you a little bit about Wicomico County. We have a continuously improving school system. Our test scores are going up. We did have one school building within our schools that did not make AYP on special education and we're working diligently to make sure that that occurs. We're very proud to look at all of our schools, particularly at the ones that are going into STEM initiatives and also we have Northwestern Elementary School, which is a blue ribbon school of excellence, one of six in the State of Maryland, one of two elementary schools. And we're very, very proud of that. We're looking forward to also utilizing skills and best practices from that school to be able to bring to our other schools to

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help all of our students to the level of success that they need in today's current society.

We have the fifth most at risk population of students in the State of Maryland. We're really concerned about that, because we have below average levels of funding and the like. So we're working very hard to address situations, like 49 percent of our students qualify for free and reduced meals. We have a situation, however, that we're trying to address that with trying to involve our parents more closely with the schools.

We dealing with the tough issues that everyone else is, like redistricting. This evening I'll go back to my Redistricting Committee, and we'll meet a few new people. And we're also dealing with the budget reductions that everyone else is facing. That we're very proud of the fact that we've got a building that is going to be opening one year early compared to original schedules, original plans. Our contractor, Whiting Turner, has done a phenomenal job. I think the economy probably has given us a little bit of an advantage. They've been able to move a few more

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of their managers to come and work with us, and make this project come forward.

It is a sustainable, high performance school system. We're using geothermal. We're using ultra low flow plumbing. We're using natural daylight harvesting with an integrated computerized light control system. We're saving \$430,000 pounds of CO2. That's enough CO2 every year for each of us to have two SUVs sitting in the parking lot. That's how many pounds of CO2 we're going to save per year with the heating system on that. We're looking at reclaiming stormwater to be able to use for irrigation, for putting in Energy Star roofing. We're very, very proud of us. Because this is going to allow us, just on the energy consumption side, \$51,000. That's almost enough money to put a teacher in the classroom, and that's where our dollars need to go.

We are also very pleased with our minority business enterprise activity. We have 17 percent participation. In fact, 20.56 percent overall, and that's with no waiver. And if you're familiar with the Eastern Shore area we don't a large catchment area

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of contractors to draw from. And we've been able to do that through the fine work of Brian Foret and Liesl Ashby, two of the people that I have me today to answer the detailed questions.

Finally, we need to get this overcrowded, aging facility with bad infrastructure, I mean, it's old, it's worn out. We made it last fifty years. We need to get that offline. We need to bring on a tool that really will help us achieve the success our students need. And recognizing the financial difficulties of the State, we have dropped our Northwest Elementary School heating, ventilation, air conditioning system upgrade, and our Pittsville roof to make this budget work in these tight times. This is our number one priority, that's the James M. Bennett High School, the final money to be able to make the final payment, so we can open it up this fall. I stand for any questions you might have. Thank you.

GOVERNOR O'MALLEY: So right now we have \$7 million and you need another \$2 million?

DR. FREDERICKSEN: \$2.975 million.

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GOVERNOR O'MALLEY: \$2.975 million, what's 975 among friends?

DR. FREDERICKSEN: It's change, thank you.

GOVERNOR O'MALLEY: Yes, sir?

COMPTROLLER FRANCHOT: Mr. Chairman, do you want to say anything?

DELEGATE CONWAY: I think the Superintendent has explained it very well. I just happened to see a Travels with Charlie on WBSC the other evening, Governor. And they highlighted you again with the guitar.

GOVERNOR O'MALLEY: It was fun down there.

DELEGATE CONWAY: And really nice job. But I just want to reiterate one thing. And that is, the agreement that was made originally for the James M. Bennett High School to expand it four years instead of three. And the Board has done that. They didn't do that for the County Council, they still had to meet their three-year obligation. But we're at a point right now where the school is ready to open. And we did have an agreement. I would hope that we can find

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a way to meet the agreement, finish the payment, and open the school.

GOVERNOR O'MALLEY: I would hope so, too.

COMPTROLLER FRANCHOT: A number of times, Mr. Chairman, you've told me how great this high school is. I don't know who James M. Bennett was, but Norman --

GOVERNOR O'MALLEY: Superintendent when I was in school.

COMPTROLLER FRANCHOT: Was he?

DELEGATE CONWAY: A few years ago.

COMPTROLLER FRANCHOT: Well, they ought to think about it being the, is it A, is that your middle initial? Norman A. Conway?

DELEGATE CONWAY: H.

COMPTROLLER FRANCHOT: H? Yeah, okay. Normal, High School, that's what I say. The number of times I've, maybe an annex or something like that. Thank you for all your leadership.

GOVERNOR O'MALLEY: Anything else? We'll remember you more than all of the other presentations.

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DR. FREDERICKSEN: I hope it's for good things.

GOVERNOR O'MALLEY: Ladies and gentlemen, thanks very, very much. Hold on one second?

SECRETARY MCDONALD: No, they can go. But Dr. Lever just needs to make a motion for you to approve the 75 percent of the capital improvement program. These are the appeals for the remaining money, but he needs to get the capital improvement program approved now.

DR. LEVER: I request the approval of the capital improvement program at \$250 million, \$187.5 in specific projects, and a contingency of \$63.5 million. I would like to call your attention to one new feature in the capital improvement, on the summary page that you have in your package. The last line says statewide. We are recommending an allocation of \$375,000 and it will be used for the outsourcing of design reviews. So it will no longer be an operating budget item. It will now be paid for through the capital program for the reviews, design developments, schematic design, of major projects.

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GOVERNOR O'MALLEY: Would that be the department?

DR. LEVER: Department of General Services.

DR. GRASMICK: Department of General Services.

GOVERNOR O'MALLEY: Here?

DR. LEVER: Yes.

GOVERNOR O'MALLEY: And we used to charge them, we used to charge them a fee to review their plans?

MR. COLLINS: It's in my operating budget. This is a way to -

GOVERNOR O'MALLEY: Right. So we take it out of capital, off the top of this? Okay. The motion, so what do we need, a motion from the Treasurer?

DR. LEVER: The motion, the item is in front of you. It's Item 12 in the Secretary's Agenda, for the motion.

GOVERNOR O'MALLEY: Okay. The Treasurer makes a motion, seconded by the Comptroller. All in favor signal by saying, "Aye."

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THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay." The
ayes have it. Thank you all very, very much.

SECRETARY MCDONALD: Thank you.

DR. LEVER: Thank you.

(Whereupon, at 4:10 p.m., the meeting
was concluded.)

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