

STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM
SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND

January 25, 2012

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P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

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

D'ANDREA LANCELIN, Deputy Secretary,
Department of General Services;

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

BEVERLEY SWAIM-STALEY, Secretary,
Department of Transportation;

LISA WARD, Land Acquisition and Planning,
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: Welcome to the Board of Public Works. Today is January 25, 2012. We have a little presentation up front. We have Mayor Josh Cohen, Alderman Ross Arnett from the City of Annapolis, the capital city. And they want to talk to us about a project important to them, namely the National Sailing Hall of Fame. And then we have the Hope-a-thon that immediately follows this where we talk about school construction investments, which not only create jobs but it creates a much more highly skilled workforce for our future. So let me ask the Comptroller or the Treasurer if they have any opening thoughts, comments, concerns?

COMPTROLLER FRANCHOT: Governor, thank you, Treasurer Kopp. I'm happy to say that I recovered from a little bout with the flu over the weekend. And I want to thank everybody who inquired about my health. Some people actually wanted me to recover.

(Laughter)

COMPTROLLER FRANCHOT: Some said, "Take it easy. You can stay in bed for Wednesday, if you'd like." But I appreciate that I'm feeling much better. But I have not recovered from the Ravens loss. I think we were robbed and it was a very disappointing loss, but a tremendous season. And the only thing I really take away from that game is the emergence of Joe Flacco as an indisputably great quarterback. And it's a great event. I hope next year they are back in the playoffs and headed to the Super Bowl. Sadly as a Redskins fan, I'm not quite as confident for them.

(Laughter)

COMPTROLLER FRANCHOT: At previous Board meetings we have discussed many challenges facing our great State and we acknowledge now the resilience and dynamism of our fellow Marylanders who want to see us get on a road to a more vibrant, sustained economy. Better employment, better housing prices, better

consumer confidence in the days and weeks and years ahead.

One way we can help assure, in my opinion, that happens is by passing during this Legislative Session a bill requiring the mandatory completion of a six-week, stand alone financial literacy course for all public high school seniors in Maryland. As you know, I strongly believe that providing our seniors with a comprehensive course that teaches the basics about credit cards, and compound interest, and checkbook balancing, and the benefits of savings we can better prepare them for the financial challenges that await them.

I've been thankful for the words of support from my fellow Board members, Governor and Madam Treasurer, and now I'm very proud that thousands of Marylanders seem to agree with us. During the coming weeks I'll be talking with Senators and Delegates and delivering a petition signed by more than 10,000 Marylanders who have come forth to publicly agree that

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young people today need to learn about finance, about budgeting, saving, interest, credit, and the way the economy works in a large sense, in the way their household budgeting works in a very personal sense for every individual and family.

The signatures include teachers, and parents, and business leaders, consumer advocates, and most importantly the students themselves. All have seen the devastating impact to our families and communities from the lack of financial awareness and all agree that Maryland needs to act now to better prepare our youth and our State for any future financial pitfalls and recession.

I think it's only fitting that we mention financial literacy on a day that we'll be discussing how to spend hundreds of millions of taxpayer dollars on school construction projects. I thank the Governor for making this a priority, financial literacy. I certainly hope that the IAC, and this Board, and the local education authorities continue to work together

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to ensure that we're spending taxpayer dollars wisely as we build, and fix, and refurbish schools.

I'm hoping while we determine how we can best meet the needs of our schoolchildren, families, and communities we'll be able to discover innovative ways schools are working with the resources they have and even doing more with less, and doing better with less. Which is always a focus I would like to spotlight. Often it's the small measures taken to prolong the life of a building that make all the difference in the world to the students and staff in a school.

I look forward to hearing from the systems, the steps they are taking to ensure the projects our tax dollars fund are not just state of the art when they are first built but that they are also maintained to the highest standards year in and year out. We should all be proud to live in a State with talented and determined students and highly qualified and dedicated teachers and support staff. We must do our

best to give them the best facilities we can and impart upon them the skills and tools they need to ensure their future success as well as the future success of Maryland.

Thank you, Mr. Governor and Madam Treasurer.

I look forward to another round of spirited discussions and substantive actions by this Board.

GOVERNOR O'MALLEY: Madam Treasurer?

TREASURER KOPP: Well, just one moment of quiet contemplation. Two weeks ago you mentioned, Peter, Comptroller, the loss of Nancy Murphy, the late Delegate from the 12 District. And then last week her colleague, our former colleague Kenny Masters of the 12th District also passed. And I want to say that Ken Masters and I never agreed on a whole lot of things. But he was a good colleague. He read legislation like no one, except maybe Don Robertson, did. Really studied hard, worked hard, and was a major addition for a number of years, a major part of the Maryland House of Delegates. And a good friend, although I

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think the Comptroller and I agreed with each other a great more than we did with Delegate Masters. But Vice Chairman of the Judiciary Committee, and just a very good, outstanding man. And another citizen of the 12th Legislative District.

COMPTROLLER FRANCHOT: I believe he was the Majority Leader at one point, or he had some kind of a leadership position. And I agree with you, he was a major figure. I'm sorry to see his passing.

TREASURER KOPP: And interested in the fact that in fact he, it turned out he was a bird watcher. And tributes in his name may be sent to the Chesapeake Bay Foundation, which was interesting insight into Kenny Masters. That's all I have.

GOVERNOR O'MALLEY: All right. We want to hear from Mayor Cohen? Mayor Cohen and the --

SECRETARY MCDONALD: This will be Item 10-LL on the Department of General Services Agenda. Maybe Deputy Secretary Lancelin can introduce the item to explain what the item is and --

MS. LANCELIN: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. D'Andrea Lancelin, Deputy Secretary for the Department of General Services. This item is the National Sailing Hall of Fame item, Item 10 on the Agenda. It's a land space of 50 years duration and the Mayor is going to give a presentation.

MR. COHEN: Thank you. Good morning, Governor, members of the Board. I'm here with my colleague from the Annapolis City Council, Alderman Ross Arnett, as well as three individuals with the Sailing Hall of Fame. The Board Chair Dick Franyo, the Secretary and Treasurer Doug Lashley, and the day to day Director Lee Tawney. And so my message before you this morning is very simple, which is that the City of Annapolis remains very supportive of the Sailing Hall of Fame down at City Dock.

As you all know, a couple years ago when this lease was first before the Board there was a deadline of a couple years by which the Hall of Fame

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needed to raise the money. Even though they haven't raised the full amount of what their target was, they are complying with the lease in every other respect.

Just one anecdotal example, this past summer I was, I visited there because they brought a bunch of kids from South River High School, the STEM program. And one of the interesting ironies about growing up in this area is that despite the fact that we have so much shoreline there are so many kids, as you know, who don't get on the water, who don't really appreciate the maritime heritage. And so the Sailing Center and Hall of Fame is more than just a museum where you go in and look at busts of sailors. It really is trying to breathe new life into sailing and make it real for the next generation coming up.

They've done a lot just in the short time. Most recently, they held their first induction of the first class over in San Diego. And it included some household names like Dennis Conner and Ted Turner. And that in turn has really helped, as the Hall of

Fame folks can attest, that has helped make the Hall of Fame much more real of a concept nationwide in the sailing community.

So that's the brief message I have. There's a presentation that I believe you have that shows some of the activities they've done. I'd like to, with your permission, ask my colleague Alderman Arnett to say a few words. And then the Sailing Hall of Fame folks are here if you have any questions. All right, Alderman Arnett?

MR. ARNETT: Thank you. Thank you for hearing us. And I support the extension of, in addition to the validity of the -- pardon me? Ross Arnett. Sorry, Alderman, Ward 8, City of Annapolis. In addition to the validity of the Sailing Hall of Fame in its own right you should know that the City is embarking on a program of revitalizing the entire City Dock area. And this will be a lynchpin to that. And so we hope that they will be successful in overcoming

the economic uncertainties of our time and that we can move together for a more global picture of downtown.

COMPTROLLER FRANCHOT: Governor?

GOVERNOR O'MALLEY: Comptroller?

COMPTROLLER FRANCHOT: Are we giving them enough time to, I'm very supportive, I want to see it happen, but I'm just curious as to whether we shouldn't give them enough of a cushion that people don't have to come back here?

MR. COHEN: If you don't mind, I'd like to ask the Hall of Fame folks to address that.

COMPTROLLER FRANCHOT: Great.

MR. COHEN: If that's okay?

MR. TAWNEY: Hi, my name is Lee Tawney, Executive Director of the Sailing Hall of Fame. Mr. Comptroller, we believe in the time that we've been given by this extension that we can do this.

SECRETARY MCDONALD: Assistant Secretary Kristin Saunders-Evans from the Department of Natural Resources is here and she might be able to better

explain the State's position in this request for an extension of the lease.

MS. SAUNDERS-EVANS: Good morning, members of the Board. Kristin Saunders-Evans from DNR. I saw you two years ago to approve this, the original lease. And DNR has been working closely with the Sailing Hall of Fame, monitoring their progress on the lease terms. When they came to us asking for an extension, Mr. Comptroller, we asked them that very question. How much time do you need? Because we don't really want to have to keep coming back to the Board of Public Works for additional extensions. They felt comfortable at that time that three years was enough of an opportunity for them to get their solid fundraising campaign on the ground. And they have hired Odell Simms, which is a very prominent Washington fundraising firm. They have a great deal of confidence in that firm, as Lee is prepared to talk to you about some of the other fundraising that they have been doing nationally and the dollar amounts far

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exceed what the Sailing Hall of Fame folks are looking for here.

So based on that information we came forward with the request for the three-year extension. My understanding is that the existing interim lease does expire at the end of February. And so we wanted to get this item to the Board prior to that expiration date. And we feel comfortable with that three-year timeframe. Certainly it's the Board's discretion if you want to grant them more time. I would just say that the documents need to be executed in advance of that February 24th timeframe in order for us to stay current on the existing interim lease. So I hope that answers your question. I'm happy to answer any more questions that you have.

COMPTROLLER FRANCHOT: Yeah, no, I'm very supportive of the project.

MS. SAUNDERS-EVANS: Sure.

COMPTROLLER FRANCHOT: I just want to make sure that we're not, you know, obviously it's tough

times to raise money, and philanthropic dollars are hotly competed for. So --

MS. SAUNDERS-EVANS: Yes.

COMPTROLLER FRANCHOT: -- if this is your pleasure I'm happy, or the Sailing Museum's, I'm happy to support it.

MS. SAUNDERS-EVANS: Any other questions for me? I know the Board is here with a presentation, if you'd all like to see it, depending on the timeframe that you have available.

GOVERNOR O'MALLEY: Sure, go ahead, quick through.

MR. TAWNEY: Do you want to do it?

GOVERNOR O'MALLEY: Sure, Lee.

MR. TAWNEY: Thanks. Okay, gentlemen and Madam Treasurer, I'd just like to take a short moment and give you a snapshot of what we've been doing with your property in the City of Annapolis. In these past two, as you may recall, Walter Cronkite passed away.

He was our Honorary Chair and this past year Morgan

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Freeman agreed to become the Chair of our Honorary Advisory Board. And he's a big sailor and we're delighted to have him on board, literally and figuratively, and we hope to get him to Annapolis very soon.

As the Mayor indicated we had our first induction ceremony in San Diego. The next one will be in New Orleans. It reflects our national reach of the National Sailing Hall of Fame here in Annapolis.

The Mayor referred to the Learning Math and Science Through Sailing Program, and over the last two years we've gotten over 500 students through the Burgess House down at City Dock as part of our relationship with Anne Arundel County Public Schools and their STEM program. In addition to that we have included and involved folks from Sojourner-Douglass, the Center for Applied Technology, and the Stanton Center as well, getting those kids on boats and out sailing on the Chesapeake Bay.

As part of all this we've created a National Consortium of Learning Math and Science Through Sailing. And Governor, perhaps the Governor's Association would be interested in some of this activity. We have over 55 groups from around the country that are involved in that with us.

We do navigation classes at the Burgess House, the building at City Dock, and with middle school students, and we'll continue to do that.

We run a Green and Maritime Career Fair sponsored jointly with the Eastport Yacht Club and Anne Arundel County Public Schools. We had 300 participants last year and we're anticipating more this February.

And we've created a partnership with NASA and Discovery. Discovery is the largest provider of curriculum material, virtual curriculum material to schools across the country and they want to work with us in providing that information.

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At the Sailing Center, at the Dock, we have gotten over 1,700 people out on boats. Seventy-five percent of them have never sailed before. And again, as both the Mayor and Ross had alluded to the idea here is to get as many people on boats as possible.

We've displayed 27 classic boats and 29 classic boats during the last two years. And Governor we hope, we're working closely with the Mayor to enhance the 1812 celebration in June of this year with some additional boats down there.

We've created a classic boat rendezvous and race, both last year and this year, again tracking boats all over the Bay. And we've created a partnership with Annapolis Race Week. The Annapolis Race Week used to be tucked away at the Annapolis Yacht Club. Now it's front and center for the public at City Dock. We're also planning for a Capitol Hill Regatta involving members of Congress and the U.S. Naval Academy Midshipmen sometime in the new future,

and we're working with the Mayor right now to have the first annual City Fair at City Dock in Annapolis.

The other dimension of what we're doing is sailing's contribution to the American experience. So we're calling attention to sailing in American painting. If you go onto our website you see that. I'm a refugee from English literature so you can see an exhibition of sailing in American literature with Thoreau, Twain, Cummings, John Barth, and others.

GOVERNOR O'MALLEY: What's the Thoreau quote?

MR. TAWNEY: What's the Thoreau quote? It's up there. "The sail, the play of its pulse so like our own lives; so thin and yet so full of life, so noiseless when it labors hardest, so noisy and impatient when least effective."

GOVERNOR O'MALLEY: I like that one.

MR. TAWNEY: Do you like that?

GOVERNOR O'MALLEY: Yeah, I like that a lot.

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MR. TAWNEY: I'll get you a copy.

GOVERNOR O'MALLEY: Oh, you needn't. You may hear it in the State of the State shortly.

(Laughter)

MR. TAWNEY: It's right in there, Mr. Governor. Okay, Walter Cronkite gave us his collection of books. And there's a group of people who, Tom Morris who created Morris Yachts, and a group of people are raising a million dollars for us to create the Tom Morris Library. So we have his collection and it's up virtually now.

We're also involved in the American Women in Sailing Story Project, and collecting stories of American women across the country and hosting them.

Several people may not be in the Hall of Fame, Albert Einstein was a sailor, as was of course JFK and Humphrey Bogart, Lauren Bacall, and FDR. So we want to call attention to them. We have a film library that calls attention to the history of sailing

and yacht club stories from around the country as well.

At the end of the day we'd like Ken Burns to do a film on sailing's contribution to the American experience. We're also doing an exhibition of *New Yorker* covers going back to 1924, the same with *Sports Illustrated*.

And I'm ending with a quote here, which I won't take your time, but the Comptroller heard it when we were down in St. Mary's County. It's John F. Kennedy's quote about sailing and its association with us as human beings. So thank you for letting us use your property. I think we are trying to be good stewards of it, and we look forward to working with you in the future not only for the sailing but for the environmental stewardship of the Chesapeake Bay.

COMPTROLLER FRANCHOT: You can read the JFK quote. I think it's terrific, go ahead.

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MR. TAWNEY: Would you like me to do that, Mr. Governor? Thank you. "I really don't know why it is that all of us are so committed to the sea. Except I think it is because in addition to the fact that the sea changes, and the light changes, and ships change, it is because we all come from the sea. And it is an interesting biological fact that all of us have in our veins the exact same percentage of salt in our blood that exists in the ocean, and, therefore, we have salt in our blood, in our sweat, in our tears. We are tied to the ocean. And when we go back to the sea -- whether it is to sail or to watch it -- we are going back to whence we came."

GOVERNOR O'MALLEY: Thanks, Lee. Okay. Well that's, the nature and literary corner has been brought to you today --

(Laughter)

GOVERNOR O'MALLEY: -- by the good people of the City of Annapolis. So this item is up, and the

Comptroller moves approval, the Treasurer seconds.

All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: Unanimous again, Mayor,
just like all of your tough votes.

MR. COHEN: All right. Thank you.

GOVERNOR O'MALLEY: Thank you. Okay, what
do we do now? Secretary's Agenda?

SECRETARY MCDONALD: Do you want to do the
Secretary's Agenda? Good morning, Governor, Madam
Treasurer, Mr. Comptroller. We have 13 items on the
Board of Public Works Secretary's Agenda. There are
five reports of emergency procurements. Item 1 is the
School Construction Program Capital Improvement
Program for Fiscal Year 2013, which we will hold until

the end of the meeting. So I'm asking you to vote or discuss on 12 items and five emergencies.

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

COMPTROLLER FRANCHOT: Madam Treasurer, you asked for the Monaco thing to be deferred? Are you okay --

SECRETARY MCDONALD: This is Item 10.

TREASURER KOPP: Yeah.

COMPTROLLER FRANCHOT: Great. Oh, I didn't mean to bring it up. I just wanted to make sure --

TREASURER KOPP: No, I appreciate the --

GOVERNOR O'MALLEY: So Item 10 is being deferred?

SECRETARY MCDONALD: No, no, she --

TREASURER KOPP: Item 10 is an item that was deferred last time --

GOVERNOR O'MALLEY: Oh, I'm sorry.

TREASURER KOPP: -- to clarify the position of the Department of Natural Resources, and an allusion to what sort of permit different people had at different times. And it's been clarified and I think we're satisfied. Thank you.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: There was no cost in that deferral.

COMPTROLLER FRANCHOT: Yes, Governor, if I could ask?

GOVERNOR O'MALLEY: Yes, sir?

GOVERNOR O'MALLEY: One of the Appendix items.

GOVERNOR O'MALLEY: Appendix?

GOVERNOR O'MALLEY: Appendix 3 is a procurement for the Military Department.

SECRETARY MCDONALD: I know Ms. Catherine Kelly is here from the Military Department and she,

Catherine, and yeah, and she has somebody with her. If you could come up and introduce yourselves? This is an emergency procurement for food services for the students at the Freestate Challenge Academy, which is located up at the Aberdeen Proving Ground. So if you could introduce yourself for the record, and the Comptroller has questions for you.

LT. COL. ROMNEY: Lieutenant Colonel Romney, Retired.

COMPTROLLER FRANCHOT: Terrific. No, I, I just, I came and spoke I think a year and a half ago at your graduation and was very impressed with what Major General Jim Adkins had done, and your staff. And I'm very supportive of the Youth Corps mission and the fact that you can support our young people even while you are engaged in combat and other important missions is very commendable. And that's a great program. I was very struck by your success with getting young people to be serious about the future.

LT. COL. ROMNEY: Yes, sir. Thank you.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you. Anything else on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Is this where the Howard County --

SECRETARY MCDONALD: Yes. We do have --

COMPTROLLER FRANCHOT: Is there someone here from there?

SECRETARY MCDONALD: Mr. Cousins is here from Howard County. Item 4 is an interesting item. Mr. Cousins, if you want to come to the podium? The continuing approval from the Board of Public Works of this year's allocation of supplemental appropriations from the Alcohol and Beverage Tax. Howard County had come with their request for school construction allocations on October 5th and they have now come, and the Board approved what was recommended by Howard County. But Howard County has now come back and asked

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that we reallocate or redesignate the money. And the Comptroller may have questions. Mr. Cousins, do you want to explain the request?

MR. COUSINS: Yes, I do. The request was originally for two turf fields. It was taken back to the Board of Education. They were concerned that there had not been a public discussion of that. And so the board took a subsequent vote which approved the two turf fields, along with some other minor changes to the original request.

COMPTROLLER FRANCHOT: Great. I just want to make sure that you all think that the two turf fields are priority projects?

MR. COUSINS: Yes, they are.

COMPTROLLER FRANCHOT: More important than classrooms, and roofs, and other things that you have

--

MR. COUSINS: Well we have, in our operating budget we have funds for those type of replacements.

And we were looking for eligible projects for the funds that were available.

COMPTROLLER FRANCHOT: Okay, just checking.

Thank you.

MR. COUSINS: Okay.

TREASURER KOPP: Could you though, for the record, just to clarify, because I think the Comptroller raises a point that others have wondered about. Offhand, the turf fields don't seem like that high a priority. But it's my understanding that first of all there is the benefit of having fields and therefore students not having to travel distances to other schools, is that right?

MR. COUSINS: That is part of the reason for the turf fields. They can get higher use. We are working collaboratively with our Department of Recreation and Parks also to schedule the use of fields and to involved the community in the process as well.

TREASURER KOPP: So it's a question of community use, year round use, and requiring less travel on the part of --

MR. COUSINS: Yes.

TREASURER KOPP: -- a lot of youngsters?

MR. COUSINS: That's true. And we are working, as I said, with Recreation and Parks and the County Council to make sure that we come up with a joint use agreement that will govern the use of those fields. We don't, we haven't reached that stage yet. We just have a preliminary agreement which is about lights and days of usage and so forth.

TREASURER KOPP: I hope the agreement about lights will include energy efficiency and some provision against having the lights simply light up the heavens, that actually be very useful lights?

MR. COUSINS: Yeah, we will make sure that it is the case. Because some of these fields are located in residential neighborhoods and --

TREASURER KOPP: I'm sure the residents will appreciate that.

MR. COUSINS: Yes.

TREASURER KOPP: Thanks.

GOVERNOR O'MALLEY: Okay.

SECRETARY MCDONALD: Thank you.

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Thank you very much, sir.

GOVERNOR O'MALLEY: So we are approving the Secretary's Agenda with the exception, isn't this where the School Construction --

SECRETARY MCDONALD: With the exception of Item 1, correct.

GOVERNOR O'MALLEY: So the Secretary's Agenda with the exception of Item 1. The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye." All opposed?

(No response.)

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GOVERNOR O'MALLEY: The ayes have it. We now move on to Department of, no we move on to Department of Natural Resources.

SECRETARY MCDONALD: Correct, Ms. Ward is here.

MS. WARD: Good morning, Governor, Madam Treasurer, Comptroller. Today we have one item on our Agenda. We're here to answer any questions that you have.

GOVERNOR O'MALLEY: Did you want to ask for a deferment on one of these, Mr. Comptroller?

COMPTROLLER FRANCHOT: What agency are we on?

SECRETARY MCDONALD: We're on --

GOVERNOR O'MALLEY: I'm sorry, I'm getting ahead of myself. This is, any questions on Department of Natural Resources? Anyone? It's 11:06. Comptroller, are you okay? Move approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We now move on to the Department of Budget and Management.

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

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. On the supplemental item, Madam Secretary, Item 8-S, I note that DBM is recommending award of a five and a half year, \$2.4 billion pharmaceutical benefits contract to Express Scripts, Express Scripts, a St. Louis based firm. I guess this is the contract we deferred last year in order to allow the incumbent vendor's protest

before the Board of Contract Appeals to be resolved, and now it appears that that protest has been denied.

MS. FOSTER: Correct.

COMPTROLLER FRANCHOT: I can appreciate the anxiety on the part of the successful vendor who received this contract award, it's an extraordinary amount of money, unusually complex contract that requires adequate transition time. I don't bear any animosity, or have any real knowledge about ESI, the winning company, which appears to be a nationally known vendor and is well regarded. But I happen to think it's not appropriate to ask this Board to consider an award of this dollar amount, and one with such far reaching implications for our State workforce, as a supplemental, late item. And I don't mean to get down in the weeds but my staff didn't receive this Agenda item, or the 70-page opinion from the State Board of Contract Appeals that serves as the basis for today's recommendation to award, until Friday morning, long after the rest of the Board's

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Agenda had been prepared and reviewed by my staff. So I'm I guess appealing to my colleagues to see because of the workload that we have today with the School Construction Program whether it wouldn't make sense to the taxpayers if we deferred this for several weeks so at least my staff could sort through the decision by the Board of Contract Appeals?

GOVERNOR O'MALLEY: What do you think, Madam Treasurer? It's a big one.

TREASURER KOPP: I, if, Governor, it's fine with me. I have had the opportunity since Friday to go through this opinion several times. As far as I'm concerned it upholds the original proposal and I'm ready to go with it. But if you want to take a couple of weeks, in a multi-hundred million dollar contract we're only going to lose a million or two by postponing it, as I understand.

MS. FOSTER: \$2.6 million in savings.

TREASURER KOPP: So I --

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MS. FOSTER: Certainly I understand the Comptroller's request. Obviously we brought this to the Board as a supplemental item. We issued that item in accordance with the deadline for the submission of supplemental items. Mr. Comptroller, the material that's here really isn't any different from what was presented to the Board back in March of last year. We believe that moving forward with this contract expeditiously really is in the best interest of the State for several reasons.

The contract is projected to provide \$102 million in savings to the State over the contract term, \$16 million in the first plan year. Moving forward with a start date of May 1st will save the State approximately \$2.6 million for the two months that are remaining in this fiscal year. For that reason we thought that that was certainly sufficient to basically get underway and to get this contract approved by the Board if that was your desire.

The contract that is before you just provides for a 90-day transition period which will ensure that the transition goes smoothly and that there's no disruption of services. Again, I would reiterate that ESI was unanimously selected for this award after a thorough and fair procurement. The Board did recommend that it go to the Board of Contract Appeals. The Board reviewed it over a period of ten months and they issued their statement on January 11, which essentially said that the appeal was denied.

COMPTROLLER FRANCHOT: So you are in favor of letting me look at this for two more weeks, or not?

GOVERNOR O'MALLEY: I think what she said was, the Secretary said that given the dollars --

MS. FOSTER: Right.

GOVERNOR O'MALLEY: -- at stake she'd like it to go forward today. I understand that you were ill over the weekend, and it is a 75-page opinion on a

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very large contract. Although I will say I don't think there's been any matter of procurement that's taken more time of this administration than this one has, or I think there's seldom been one before the Board that's been heard as many times, as many different ways as this one had. And the incumbent company is a strong and reputable and good Maryland company. And for that reason, as you'll recall, we gave them every opportunity of due process to make their argument fully at the Board of Contract Appeals.

But Mr. Comptroller, I mean none of us schedule when we get the flu and if you need another two weeks to review a contract this big I think it's, I think we're inclined to accede to your request.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR O'MALLEY: So the Comptroller moves for a, what, a two-week deferral?

COMPTROLLER FRANCHOT: Well, to the next Board meeting.

GOVERNOR O'MALLEY: When is that?

SECRETARY MCDONALD: Two weeks, February
8th.

GOVERNOR O'MALLEY: Okay. So the
Comptroller moves that this be deferred, seconded by
the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: And please make, if you
could make sure that your staff is available to the
Comptroller to answer any questions he has whenever he
may have them about --

MS. FOSTER: We can be available --

GOVERNOR O'MALLEY: And also, is there
anyone here from the Attorney General's Office who has
been involved in this matter?

MS. FOSTER: We have someone from the Attorney General's Office, we have someone from ESI, if there are questions.

GOVERNOR O'MALLEY: Where is the person from the Attorney General's Office?

MS. FOSTER: Bruce Martin is the Principal Counsel for the Department of Budget and Management.

GOVERNOR O'MALLEY: Mr. Martin, would you please make yourself available to the Comptroller over the course here, as he has questions about the 75-page opinion?

MR. MARTIN: Absolutely, Governor.

GOVERNOR O'MALLEY: Including any proprietary things, redactions, things of that nature? And I noticed in there that there were blacked out sections when it got into the proprietary aspects of the pricing. Can you touch on that for just a second on the record?

MR. MARTIN: Yes, Governor. The redacted material is, as you say, confidential, proprietary information which under the procurement law and the Public Information Act is not supposed to be disclosed publicly. There is a motion filed with the Board of Contract Appeals so that what they officially issue would have those redactions. They haven't ruled yet. Presumably if they do rule that those redactions should remain in there, you know, so that the publicly issued opinion will have that blacked out portion then we would be very careful about making sure that only the redacted opinion goes out to the public. But members of the Board of Public Works, of course, are entitled to see that information.

GOVERNOR O'MALLEY: But make sure the Comptroller and the rest of us get that right away, okay?

SECRETARY MCDONALD: And the Procurement Advisor as well?

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GOVERNOR O'MALLEY: And the Procurement
Advisor?

MR. MARTIN: Yes, sir.

GOVERNOR O'MALLEY: All right, thanks very
much.

COMPTROLLER FRANCHOT: Excellent --

TREASURER KOPP: Mr. Martin?

COMPTROLLER FRANCHOT: -- if I could ask you
a question while you're here?

MR. MARTIN: Yes, sir.

COMPTROLLER FRANCHOT: And thank you,
Governor, for that because I thought we were looking
at top secret documents, Pentagon papers or something.
So I'm glad it doesn't have anything to do with the
Taliban but I'm looking forward to getting that
information. I'm also a little concerned about some
kind of an agreement that's floating out there which
could be described as a, not a gag order then at least
something like it, where the companies involved have

been asked to sign some kind of an agreement that prevents them from communicating with I take it members of the Board and others about any concerns that are raised in this contract?

MR. MARTIN: Well as you say, sir, that is not a gag order. There was an agreement reached between Catalyst and the Department of Budget and Management back in March, at the time that we were negotiating an extension of their current contract. So as part of that agreement there were direct negotiations between Secretary Foster and the CEO of Catalyst. And through those negotiations there was an understanding reached that the main issue that, or the main desire of Catalyst was to have their concerns fully vetted before the Board of Contract Appeals. And so the agreement reflects that, reflects that we're going to wait for the Board of Contract Appeals. They were asked --

GOVERNOR O'MALLEY: I believe that was Mr. Blair's request, who is a very good and decent man. When he testified in front of this Board I believe that he said to us, "Please, allow us to have, make our full argument at the Board of Contract Appeals. That's all we're asking."

MR. MARTIN: And that's exactly right. And that's exactly what he said to Secretary Foster. And she said, "Well then, if that's all you're asking isn't it reasonable for you to say that once you get your decision, once we get this decision from the Board of Contract Appeals, that you won't oppose or try to prevent in any way the award of the contract?" And he agreed. And that was, we conducted those negotiations, language was worked out with their lawyers. So it seemed like an appropriate solution to the issue we were facing at the time. Which was, you know, how do you extend the contract and ensure that the State is not going through the whole process of

dispute and disagreement once the experts at the Board of Contract Appeals have ruled?

COMPTROLLER FRANCHOT: You know, we went through something like this. It was a private sector issue with the Four Seasons project five years ago, where we got upset with, I can't remember the name of the company, maybe it was Four Seasons? Hovnanian, for demanding from the local elected officials in effect, you don't call it a gag order, I assume this is some kind of gag agreement, I guess. And we pounded the table and said that's inappropriate, that the Board of Public Works deserves to have access to whomever it wishes to exercise their rights. I can understand maybe some things that don't concern the Board, but this strikes me as, you know, inappropriate. I am not, I just have some questions. And I assume that if Catalyst is here, or someone is here from the other company that was concerned about this, that they are going to be allowed to speak --

MS. FOSTER: Mr. Comptroller, if I could --

COMPTROLLER FRANCHOT: -- at the Board of
Public Works?

MS. FOSTER: If I can speak to that?

COMPTROLLER FRANCHOT: Sure.

MS. FOSTER: Certainly I did have
discussions with the CEO and the Chairman of Catalyst,
and their lawyers as well. And as Mr. Martin
indicated we reached an agreement on the language that
would go in their modification contract. And
essentially that said that they would accept the
decision of the Board as final. It doesn't preclude
them from having a conversation with you, but they
agreed --

COMPTROLLER FRANCHOT: Well, can they appear
before the Board of Public Works?

MS. FOSTER: Mr. Comptroller, I don't govern
who appears before the Board of Public Works.

MR. MARTIN: The restriction is on the --

COMPTROLLER FRANCHOT: So the contract, so the agreement I take it doesn't bind them to, you know, not be able to have their, I guess, due process before the Board of Public Works?

MR. MARTIN: Well, what it prevents them from is opposing the award of the contract to ESI.

MS. FOSTER: Right.

MR. MARTIN: They have promised that they would take the decision of the Board of Contract Appeals, which after six days of hearings, thousands and thousands of pages of documents, motions and cross-motions, resulted in a well-reasoned, lengthy, as you noted, decision from the three members of the Board of Contract Appeals that this was a good procurement, done well by the Department of Budget and Management. And that if they got that kind of a decision they indicated that that was enough. They wanted their day in court, and they've had their day in court.

COMPTROLLER FRANCHOT: Okay. Okay, I just think it's wrong, inappropriate, offensive for the State to be involved in these kinds of negotiations that strip a vendor of rights that every other vendor has. And I particularly don't like the idea that somebody is being told that they can't come and express their opinion before the Board of Public Works. And by the way, even a cursory reading of the Contract Appeals decision would give any person pause that if it's legal something isn't right here. And you know, I look forward to asking questions of folks. And I hope everyone who is involved in this is here because, you know, it's just, I'm surprised you guys got involved in this. I just don't think it's appropriate.

GOVERNOR O'MALLEY: I'm not surprised you'd get involved in it given the scale of it, and I appreciate your honesty, your integrity, and your desire to make sure that an extensive and never ending use of process after process after process is not used

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to shortchange the State on a contract that's as large as this. And so I appreciate your doing your duty as you saw it. And I think it is, as you know from having watched the actions of this Board, we hear from everybody whenever they want to talk to us. So, and on this matter there's been no shortage of lobbying that all of us have had, you know, done, and explaining done about this contract, the nature of the contract, by both sides. It's a very, very large contract. And both sides, because of the dollars at stake, have understandably retained the best counsel and the best lobbyists they can find. And what we need to do is figure out a way forward and resolve this matter. So to that end, again I appreciate your integrity and your honesty, and your doing your duty as you saw it. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, well I take it, Governor, I appreciate that, I appreciate the deferral. I think that's entirely appropriate and I

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appreciate your words about anybody being able to appear here and speak. But I want to just find out whether or not there is a restriction on these folks. Is there anybody representing Catalyst or the other companies here?

GOVERNOR O'MALLEY: Yeah, Mr. Carroll is.

COMPTROLLER FRANCHOT: Great. He or somebody can come forward --

GOVERNOR O'MALLEY: Who wants to come forward and talk about this one, at 11:20, as the school districts queue up outside the door for the Hope-a-thon, on this matter that was deferred 25 minutes ago?

MR. ANDREWS: Message noted, Governor.

COMPTROLLER FRANCHOT: Thank you. If you could identify yourself, I guess?

MR. ANDREWS: Yes, Phil Andrews from the law firm of Kramon & Graham. I'm a lawyer representing Catalyst.

COMPTROLLER FRANCHOT: Okay.

MR. ANDREWS: I'm not prepared to make remarks today. I came as an observer consistent with the agreement that my client signed.

COMPTROLLER FRANCHOT: Excellent. Is your client permitted to address the Board?

MR. ANDREWS: My client feels that under the current agreement that it is not permitted and so we have not asked to speak today.

COMPTROLLER FRANCHOT: Okay. Well I think that is --

MR. ANDREWS: We would like to, but we don't believe we can.

COMPTROLLER FRANCHOT: Madam Secretary and Mr. Attorney General, I think you need to revise whatever the agreement is. And this is a \$2.5 billion contract, and under no circumstances should we be limiting anyone's right to appear and speak honestly about their concerns.

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GOVERNOR O'MALLEY: Again.

COMPTROLLER FRANCHOT: And obviously you as counsel right now, under the current structure, believe your client cannot speak.

MR. ANDREWS: That's what I believe and that's what my client believes. Yes, sir, Mr. Comptroller.

COMPTROLLER FRANCHOT: Well I hope that my, Governor and Madam Treasurer, I hope everybody sends the message that's unacceptable.

MR. ANDREWS: Thank you. If there will be no further questions I'll step back.

GOVERNOR O'MALLEY: So Mr. Martin, you know, as a practical matter we really don't, I mean if we're going to defer it, the Comptroller is independently elected. If he wants to talk about this, and wants to ask some questions, he's going to talk about it and ask them questions. So I appreciate what you were trying to do in that clause, but it certainly doesn't

stop, you know, the lobbyists from lobbying everybody. It certainly doesn't stop them from coming here and trying to extend this as long as they can given the money that's at stake. So we just have to hear from them next week and just do this. So I don't know what, I don't know what the legal recourse is to that. You want to tell me that's okay, you guys can do that if you want to?

(Laughter)

MR. MARTIN: Yes, I do.

GOVERNOR O'MALLEY: Okay. All right.

MR. MARTIN: We'll talk with the, I'll talk with the Secretary and see how she'd like to proceed. But I gather that we'll have to perhaps amend the agreement to deal with their concerns. Because should they take actions to oppose under this agreement they would technically be in breach of contract. And we could technically, if necessary, terminate them for cause.

GOVERNOR O'MALLEY: Mm-hmm. Is there an appeal from the court, from the, from this Board? Is what, an appeal to, on this contract appeal is to the Circuit Court?

MR. MARTIN: Yes.

GOVERNOR O'MALLEY: But they waive their right to do that?

MR. MARTIN: They have waived their right to appeal the decision.

GOVERNOR O'MALLEY: Of the Board of Public Works?

MR. MARTIN: Of the Board of Contract Appeals.

GOVERNOR O'MALLEY: Uh-huh.

MR. MARTIN: There's, when we say that they have agreed to not oppose formally or informally in any way the award of the contract, I think that would apply to any kind of an appeal from the Board of Public Works also.

GOVERNOR O'MALLEY: What do you think about that?

COMPTROLLER FRANCHOT: I think it's outrageous. I can't believe the State would enter into that kind of an agreement with a legitimate vendor. And we objected vociferously when it involved public officials, and I, I just think it's inappropriate.

TREASURER KOPP: I really --

COMPTROLLER FRANCHOT: And you know, but we've decided to move on. I didn't ask you to speak, someone else did, but I'm happy to, I don't want to have you to defer things for several weeks but yeah, I'm troubled by this, the appearance of this situation. And I hope that you go back and remove that provision. Because I think it's inappropriate.

GOVERNOR O'MALLEY: Certainly where it applies to the Board of Public Works. I mean, he's going to ask it, he's going to want to ask questions.

So, I don't know. Let's do this. This is being deferred. It was deferred 29 minutes ago. And so this is deferred for two weeks. In the meantime, how about Board counsel gives us some advice on the efficacy of that clause, especially as it pertains to the ongoing appeal. I mean, the fact is that prior to the incumbent vendor having this there was a vendor that played out due process as far as they could in order to hold onto the contract as long as they could as well. I'm not, I don't know on contracts this large that there's a way around that. So you'll get us some advice in the meantime?

MS. CHILDS: Yes, sir.

GOVERNOR O'MALLEY: Great. All right. Thanks very much. How about the balance of the Department of Budget and Management Agenda items? Any questions on that? That item was what number, by the way?

MS. FOSTER: It was Item 8, Governor.

GOVERNOR O'MALLEY: Item 8 is deferred.

TREASURER KOPP: Till the next meeting.

GOVERNOR O'MALLEY: Mm-hmm. Anything else, Department of Budget and Management?

COMPTROLLER FRANCHOT: If I could just ask Madam Secretary about Item 7-S?

MS. FOSTER: Certainly. Item 7 extends the inmate pharmacy contract retroactively for six months to allow the incumbent to appeal their concerns before the Board of Contract Appeals so that their concerns can be reviewed and resolved and to allow for a transition to a new contract if that is appropriate.

TREASURER KOPP: This is what we requested last week --

MS. FOSTER: This is Correct Rx. This is consistent with what the Board asked at the December meeting.

GOVERNOR O'MALLEY: Questions?

COMPTROLLER FRANCHOT: Thank you.

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. I'm sorry, just to be clear, can we vote on the balance, are there any other questions anywhere on the DBM?

COMPTROLLER FRANCHOT: Mm-mmm.

GOVERNOR O'MALLEY: Okay. I had intended but I didn't make that clear on the record that that was the balance of the DBM agenda items.

MS. FOSTER: Right.

SECRETARY MCDONALD: I think we were --

MS. FOSTER: One through seven.

SECRETARY MCDONALD: One through seven were approved, and eight was deferred.

GOVERNOR O'MALLEY: Okay. Then I guess I did make it clear.

SECRETARY MCDONALD: Thank you for clarifying on the record, though. I always appreciate that.

GOVERNOR O'MALLEY: That was the understanding, certainly, when we called the vote. All right. We move on now to the University System of Maryland.

SECRETARY MCDONALD: Mr. Evans is here.

MR. EVANS: Good morning. Joe Evans representing University System of Maryland. We have eight items on the Agenda today, here to answer any questions.

GOVERNOR O'MALLEY: Any questions, University System of Maryland? The Comptroller moves

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

Department of Information Technology? Any questions,
Department of Information Technology? Elliot
Schlanger, Secretary.

MR. SCHLANGER: Good morning, Governor,
Madam Treasurer, Mr. Comptroller.

COMPTROLLER FRANCHOT: I move approval --

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

MR. SCHLANGER: Thank you.

GOVERNOR O'MALLEY: Department of
Transportation. How is the shoulder?

MS. SWAIM-STALEY: Getting much better.
Thank you for asking. Good morning. For the record,
Secretary Beverley Swaim-Staley representing the
Department of Transportation. We have ten items
today, as Item 8 has been withdrawn. Items 2, 5, and
9 have been revised. And we're happy to answer
questions.

GOVERNOR O'MALLEY: Any questions? The
Treasurer -- Mr. Comptroller?

COMPTROLLER FRANCHOT: Item 5, please?

MS. SWAIM-STALEY: Item 5, the management
and janitorial services in Charles County.

COMPTROLLER FRANCHOT: We visited this once
before. What is the change from, have I got things

mixed up here, or is this, this is in Charles County, I guess?

MS. SWAIM-STALEY: Well this one is in Charles County.

COMPTROLLER FRANCHOT: Yeah, I'm sorry, I got confused. This was the same company that we were concerned about with the I-95 rest stops on the Howard and Montgomery line. This was, we were doing the same kind of contract for them. And this just caught my eye. I guess the question is, do you have any update as to what's going on with those two incredibly potentially lucrative areas for public/private partnerships? And I compliment the Governor on, or you and your agency, on the recent news about the Chesapeake House and others, although I'm sure there will be some questions. But the question I have is why aren't we doing that with those two locations on the Howard/Montgomery line?

MS. SWAIM-STALEY: Doing more on the public/private type work? We would like to. Those, in some cases, and those are deemed on the interstate whereas the two up in Harford/Cecil County are on, although it's I-95 they are parts of the interstate that were created as toll facilities. You bring up a very good question and it's in fact one that all of the states have been petitioning to USDOT and to the Congress when there's a reauthorization to in fact allow us. Currently the federal law precludes us from doing those kinds of things. But you ask a very timely question and one that we're all working on, to revisit in any new transportation legislation.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: So you're saying we're prohibited by federal?

MS. SWAIM-STALEY: Yes, if it's on a federal, because it's a federal interstate built with federal funds. So there are prohibitions against

doing certain types of public/private activities on those facilities.

GOVERNOR O'MALLEY: It can only be straight rest stops without any revenue sources?

MS. SWAIM-STALEY: Right. We couldn't have used the, you know, federal sources. It's a variety, it goes back a very, very long time in terms of where you can and where you can't. But it's a big issue that, as I said, AASHTO and other advocates for transportation are all sort of saying in any new transportation legislation, when we eventually get it, at the federal level it should take out those exemptions so that we can do more of those kinds of things along our interstates.

COMPTROLLER FRANCHOT: They do have some vending machines there, Governor. But it's, the point is that these would be two veritable gold mines for the State if we turned them into some version of Maryland House.

TREASURER KOPP: Especially now with the
ICC.

COMPTROLLER FRANCHOT: With the, absolutely.
I think the Treasurer brings a good point up.

MS. SWAIM-STALEY: Absolutely. As I said,
you've touched on an issue that's a national issue
that many have recognized and we've been working for a
number of years, actually, as we've all been working
to get national transportation legislation passed.

COMPTROLLER FRANCHOT: Okay. Thank you,
Governor.

GOVERNOR O'MALLEY: Okay. The Treasurer
moves approval of Transportation Department Agenda
items, seconded by the Comptroller. All in favor
signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move now to the Department of General Services. Al Collins is ill.

MS. LANCELIN: He's ill.

GOVERNOR O'MALLEY: Does he have the same flu?

MS. LANCELIN: The same flu. Good morning again. D'Andrea Lancelin for the record. We have 24 items on our Agenda. We're withdrawing eight and nine, ten was already approved. We'll be glad to answer any questions that you may have.

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And now we're going to take a short, two-minute break,

switch out the set, and begin hearing from the counties. In what order? Alpha? Or omega? Or --

(Short break.)

GOVERNOR O'MALLEY: All right, first up is Frederick County. Dr. Lever, do you want to say anything?

SECRETARY MCDONALD: Dr. Lever is here on this item. Dr. Lever, why don't you explain about --

GOVERNOR O'MALLEY: Why don't you introduce this, tell us what we're doing.

DR. LEVER: Good morning, members of the Board. David Lever, Executive Director of the Public School Construction Program. We have appeals today from school systems on the FY 2013 Capital Improvement Program. Recommendations have been made by the Interagency Committee on School Construction for a total of \$187.5 million, which represents 75 percent of the preliminary capital budget for school construction that was presented by you, Mr. Governor, before October 15th as required by law. And the Board

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of Public Works is required by law also to approve no more than 75 percent of that preliminary number, which is \$187.5 million. You'll hear appeals today from school systems asking for additional funding beyond the \$187.5 million, as well as planning approval for projects some of which are also requested for funding, others of which will be requested for funding in future fiscal years. And I'll be glad to answer any questions if you have any at this point, or we can wait until after you hear the appeals.

GOVERNOR O'MALLEY: Okay. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, I have two quick questions. Dr. Lever, I notice that six [sic] school systems have submitted no requests for school construction funds this year, which strikes me as an inordinately high number. One of these counties, Talbot, hasn't had a project submission in three years. Is this due primarily to fiscal constraints that the counties are currently experiencing? Or are

these jurisdictions simply satisfied with the existing inventory of schools that they have?

DR. LEVER: For five out of the six it is because of fiscal constraints. Talbot County is in an unusual position of having carried forward major renovations of virtually every school in the jurisdiction. And they told us a few years ago when we were at our last round of funding for the St. Michaels school, and then an addition at the Dobson School, that they wouldn't be back to talk to us on the capital improvement program for a number of years.

COMPTROLLER FRANCHOT: Uh-huh.

DR. LEVER: So I'm not too surprised that they didn't submit. They have submitted under the QZAB program, and I'm sure that they're also going to be using some of their ASP money for small projects. But the other five jurisdictions, we know that they do have projects that they could be bringing forward. It's because of local fiscal constraints.

COMPTROLLER FRANCHOT: And that's unusual?

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DR. LEVER: It's unusual. We have seen this before, but never as many as we are seeing now.

COMPTROLLER FRANCHOT: Okay. And then I'm just going to ask about the, I know the next school maintenance survey isn't due out for a couple of weeks. But your team has been out looking at these schools and collecting data. And I know, I really appreciate the fact that you have a, your finger on the maintenance culture, I guess, of the different school systems. So I'm just going to ask you as each system comes up what your assessment is. And I guess I, what's the first? Is Frederick here yet? What is your assessment of Frederick County's commitment to stretching limited school construction dollars by taking good care of existing facilities and extending their useful life?

DR. LEVER: Well we're aware that Frederick went through a reorganization some years ago of their maintenance department to improve the efficiency. And as every school system, I think it's a general rule,

they have fewer staff members than they need to really take care of their facilities. They simply don't have the budgets to hire as many people as they would like. And that tends to, that situation is I think getting worse under contemporary budget constraints. So when a system looks at their program and tries to reorganize it to achieve the maximum efficiency of the delivery of those services I think it's all to the good.

We've also seen substantial improvement in Frederick County in the roof inspection program. We brought that to their attention several years ago and since then we've seen a very significant improvement.

COMPTROLLER FRANCHOT: Excellent, thank you. Keep up the great work.

DR. LEVER: Thank you.

TREASURER KOPP: Mr. Lever, do you know how many states, or about how many states, contribute significantly to local school construction?

DR. LEVER: We have a report that was put together by Barbara Bice, of the Maryland State Department of Education. Barbara, where are you?

MS. BICE: I'm right here.

DR. LEVER: Over there, okay. She can probably speak to this better than I can. I do have it? Okay. She did a summary. We have, most states contribute something. Eleven states contribute no dollars to local school districts. Fourteen states provided less than 20 percent, and I take it that's 20 percent of the cost of construction? Okay. Twelve states provided between 20 and 50 percent, and thirteen states and the District of Columbia provide over 50 percent of school construction costs. And I take it that Maryland --

TREASURER KOPP: Of course the District of Columbia is --

DR. LEVER: We treat it like a state for this purpose.

TREASURER KOPP: Right. But I mean, it shouldn't count.

DR. LEVER: And Maryland is one of the states that does provide more than 50 percent of the school construction cost. But of course that's within the programs that we have, the capital improvement program.

TREASURER KOPP: Right.

DR. LEVER: It's not --

TREASURER KOPP: Can I see a copy of the study? Not at this moment, that's quite all right. Thank you.

SECRETARY MCDONALD: Dr. Lever, if you could just get it to me I'll make sure the entire Board gets it.

DR. LEVER: I'll be glad to. Are there any other questions?

GOVERNOR O'MALLEY: So David, go through that one more time for me. How many again? Just summarize her, because we've been hearing that only

five do anything on school construction. We heard that from the Senate last week, who's never wrong.

COMPTROLLER FRANCHOT: Never in doubt.

DR. LEVER: Well I'm relying on Barbara Bice's excellent information and research. Thirteen states --

GOVERNOR O'MALLEY: Uh-huh.

DR. LEVER: -- the District paid over 50 percent. Now you have to take that into account. I'm sure if you look at Maryland we're not paying 50 percent of all school construction needs. But when we are involved in major projects on average we are paying more than 50 percent. Twelve states provided between 20 and 50 percent. Fourteen states provided less than 20 percent. And eleven states don't contribute at all. And I am aware of programs in other states where they do make contributions, but they are often on small grant programs, on a first come, first serve basis, or on some competitive basis.

It allows a school district, perhaps, to do a repaving project, or take care of a couple of rooftop needs.

TREASURER KOPP: But I would imagine there are very few states in which 60 percent of the general obligation debt goes to local schools, state general obligation debt.

DR. LEVER: Yes. In Virginia I believe the obligation for school construction is entirely local. The state contributes nothing. It does contribute to the operating sense. And so that creates some very significant disparities in school condition across the state.

TREASURER KOPP: Just a note, when you compare the state level of debt per person among different states, across different states, it's useful to point out that in Maryland the State picks up a number of expenses that are either not made at all or are made at the local level in other states. People don't realize that.

GOVERNOR O'MALLEY: Okay.

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TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: David, thank you.

DR. LEVER: You're welcome.

GOVERNOR O'MALLEY: Thanks a lot. Let's hear from Frederick.

SECRETARY MCDONALD: I want to mention something first, to make sure that we all realize that every county has been given ten minutes and that I will be timing the counties to let you know when your time is coming up. Because I do understand from the Governor's staff that the Governor has a swearing in this afternoon at around 2:30. So I appreciate that, thank you.

MS. FISH: Do we get bonus points if we come in under ten minutes?

(Laughter)

MS. FISH: All right, I see I can still say good morning. I am Angie Fish, President of the Board of Education in Frederick County. With me today is Dr. Theresa Alban, our Superintendent. Commissioner

Young, the President of the Board of County Commissioners was here but had to leave due to a prior commitment. We are here to appeal State funding for several of our school construction projects that were forward funded by our county.

Our focus this year is on growth, renovation, and maintenance. Frederick County has been experiencing increased growth and enrollment over the past ten years and we're actually projected to be the fourth largest in terms of growth and enrollment in the State over the next ten years. So you can see that's obviously a concern that we are going to continue to face. In fact at this current time even though we have addressed a tremendous effort in terms of this growth in enrollment with the help of the State we still have 18 of our schools at or over 100 percent capacity. That's requiring the need for 159 portable classrooms. Additionally, 28 of our schools in whole or in part are over 40 years old. Which presents another challenge in terms of us providing

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the required curriculum to our students in an adequate facility.

At the local level we are working jointly with our Board of County Commissioners. Most importantly to note is their willingness to regularly forward fund our projects so that they can remain on track.

We are asking as our top priority the funding that we are requesting is to go back to our county for the project that they have already financed in terms of those forward funded projects. We do feel strongly that our ability to provide a proper academic and instructional program and our students' ability to achieve high standards depends on whether or not they have adequate facilities that are conducive to learning.

We appreciate your commitment to education and your support through this. We are looking forward to your active partnership as we continue forward addressing these needs in enrollment, as well as the

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need for maintaining and renovating our existing aging facilities. With that, I will not take any more of your time. I will pass it on to Dr. Alban who can present you the additional information about the specific appeals.

DR. ALBAN: Thank you. Once again, in honor of your time I'm not going to read through all of the level of detail that's presented in the written testimony for you. But just to reiterate what Angie said, we have asked for support with projects that were forward funded by our County Commissioners. Specifically, the building of a new school, Linganore High School, and renovations and additions at Walkersville Elementary, Carroll Manor Elementary, Oakdale Elementary, and Lincoln Elementary School.

We agreed in collaboration with our County Commissioners to set up as our major priority getting the funding for projects that they had forward funded. We also have five shovel ready systemic renovations that we have put in here. And once again, as Angie

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said we face that great challenge of needing to create new capacity at the same time that we have to address the needs of our aging buildings.

And if I may just pick up on Mr. Franchot's earlier question about our maintenance teams, I have made it a point to visit every school in the district since starting there in July. I've met with the operational folks who deal with our buildings on a day to day basis. I've actually gone out and sat down with some of our cluster maintenance teams. And they do face a great challenge. We have equipment in some of our buildings that has aged out. We can no longer purchase replacement parts. And it is through the knowledge and experience that these workers bring to their task that they are able to keep and maintain some of this equipment running. But you are right, it is a great investment that we have made in our buildings. And the need to maintain and sustain is critical as well. And so that's why we have included those as part of our request as well.

Once again, we appreciate your support and the opportunity to be here with you this morning. We ask that you will give consideration to our request in looking at these additional funds. And at this point I'll ask if there are any questions you have from us. We have our Executive Director of our Facilities, Mr. Ray Barnes, and our School Planner, Beth Pasierb, here as well if you do have questions for them.

COMPTROLLER FRANCHOT: I just had a quick question.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: That you may have noticed I think in the last couple of weeks Calvert County became the fifth jurisdiction in the State to mandate a stand alone financial literacy course. And I'm just wondering what the status of that is. I know that you have a lot of interest in that issue, and you've been looking at it. All I can import to you to do is try to get something in the interim until we get the State legislation passed that will give your

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seniors something that they can protect themselves with when they go to college. And frankly, some won't go to college. They'll go right into the workforce. And they need to understand the basics. So I hope, I'm not sure what you've accomplished in that area. I know there's a lot of embedded programs, etcetera. But it's really that stand alone course in the senior year that is, that fixes to the extent you can fix something, fixes a problem.

DR. ALBAN: You will be happy to know that our Board of Education has mandated a financial literacy component as part of the graduation requirement for our students. And we have developed a course, as well as reworked several of our courses to be sure that we have specific pieces in there and all of our students entering grade nine this year will be required to take that as a graduation requirement.

COMPTROLLER FRANCHOT: Excellent. Bonus points.

MS. FISH: Bonus points on that?

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COMPTROLLER FRANCHOT: Bonus points, all the way.

MS. FISH: I try to get all I can get.

COMPTROLLER FRANCHOT: No, congratulations. I think that's terrific.

TREASURER KOPP: Could I ask a question about school construction? First of all, the forward funded, how many years do we have to repay with capital --

MR. BARNES: We're still --

SECRETARY MCDONALD: Ray, you want to introduce yourself, please.

MR. BARNES: We've worked out --

SECRETARY MCDONALD: Ray, could you state your name for the record, please?

MR. BARNES: Oh, I'm sorry. Ray Barnes, I'm Executive Director of Facilities Services.

SECRETARY MCDONALD: Thank you.

MR. BARNES: We're okay as far as being if the State contributes funds within a sort of sequence

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of approvals we'll still qualify for being reimbursed through the State fund programs. So we haven't --

TREASURER KOPP: My question is if you didn't get it this year are there any that expire?

MR. BARNES: No, I don't think so.

TREASURER KOPP: They are not? So they've got enough life on it so that you can still use the bond funds --

MR. BARNES: Yeah, but it would increase the amount that would have to be contributed the following year.

TREASURER KOPP: I understand that.

MR. BARNES: Yes.

TREASURER KOPP: I understand that. I mean, I'm just trying to --

MR. BARNES: No, we're not losing anything this year but it just increases what the allocation will have to be the following year.

TREASURER KOPP: All right. And you mentioned the shovel ready projects.

MR. BARNES: Mm-hmm.

TREASURER KOPP: Are those the five systemics you are talking about?

MR. BARNES: Yes.

TREASURER KOPP: Or are there others that are shovel ready?

MR. BARNES: Those are the, in the testimony those five systemic renovation projects are the shovel ready projects that we're ready to take off with this year if funding is available.

TREASURER KOPP: All right. And so if there were, was other funding available you would not have shovel ready projects ready to go?

MR. BARNES: We would develop additional systemic renovation projects, if given the opportunity.

TREASURER KOPP: Right.

MR. BARNES: We certainly could develop additional shovel ready systemic renovation projects that could be ready to go. We don't have any major

school construction projects that would be ready to go.

TREASURER KOPP: Right. But the systemic renovation projects ready to go are projects that are needed --

MR. BARNES: Yes, absolutely. So we certainly could increase the length of that list if additional funding were available if, and we were given the opportunity to submit additional projects.

TREASURER KOPP: No, I understand that.
Thank you.

MR. BARNES: Okay.

DR. ALBAN: Thank you very much.

SECRETARY MCDONALD: Thank you. Caroline County, please?

DR. MUMIN: Good morning. Today I stand before, I'm Dr. Khalid Mumin, Superintendent of Caroline County Schools. And I have with me today my School Board President, Mrs. Sandy Barry, and also my Assistant Superintendent for Administrative Services,

Mr. Milton Nagel. Today I thank you for affording us the opportunity to come before you in regards to an appeal for one of our oldest buildings in Caroline County Schools, Preston Elementary School.

Preston was originally built in 1971. And in the packet that you have, towards the back, you will see that this facility is well maintained. But when you look at the needs and the concerns educationally and structurally for Preston Elementary the time has come for it to be renovated.

In Caroline County we have a unique situation as you know fiscally, in our size and our human resources. We can only complete one project at a time. And it's imperative that we maintain the timeline that we have now for the Preston project to begin in fiscal year 2013 because there are other projects that are lined up and we have mapped out projects all the way out to the year 2019.

In the packet that you have before you there is a letter from our County Commissioners addressed to

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Dr. Lever where they are acknowledging and pledging their support for our program and for our renovation of Preston Elementary School. And they have made the commitment to have ongoing support for us as we move through this project.

When you go to page four in your packet, and I'll reflect upon that knowing that, having respect for your time today, page four in the packet identifies the major needs in the building, many of the major concerns. And I said before, to break this down into four areas the age of the building. We have an opportunity, an awesome opportunity to continue with our trend of producing energy efficient buildings in Caroline County. There are structural issues and of course educational concerns.

Many of the building concerns as listed, and I won't read from this list, but I would like for you just to reflect upon some of the bulleted points in regards to the old equipment. And there are pictures in the packet. The boilers are outdated, which are

not energy efficient. Fire alarm system being inadequate in regards to student safety. The kitchen needs to be upgraded. We're looking at the media center which needs to be expanded to meet the needs of our 21st Century learners.

To date our project status as listed on page four, our architect has been selected, November, 2011. We have an RFP for construction management services released January 10, 2012. And the schematic design drawings are on schedule to be approved by our School Board of Directors February 7, 2012.

To, because I want to have time for questioning here, to thank you even further in the packet to see the good use of your dollars, what your dollars have done for Caroline County, we have pictures of one of our most recent projects, of Colonel Richardson High School, which is on page 12. And one thing that I can assure you of, after having the opportunity to walk through this project and walk through this building, see the education that's taking

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place, the adequate class size, the energy efficiency, I can stand before you and say that your dollars have been put to great use. And we're very thankful for that in Caroline County.

GOVERNOR O'MALLEY: Thank you. Any questions?

COMPTROLLER FRANCHOT: If you could just comment briefly on school maintenance and financial literacy?

DR. MUMIN: I will defer the school maintenance question to our, to my Assistant Superintendent for Administrative Services. But in regards to financial literacy, I can stand before you and tell you that our School Board made a commitment for Caroline County to offer financial literacy for our high school students. To date it has not been a mandated course that the students have to take, and we are prepared in the event that the State adopts that course as a mandatory course of study. We have it in

our course of studies and it's something that the School Board was forward thinking in approving.

MR. NAGEL: Good morning, Milton Nagel, Assistant Superintendent. In regards to the maintenance issue we have historically had one of the lowest cost per pupil expenditures in the area of maintenance. However, in the past two years Dr. Lever's staff, the maintenance inspections have produced two schools, one in each of the last two years, that have received superior ratings. And one of those schools, Lockerman Middle School, that just got a superior rating this year is one of our older school that's in the timeline to be renovated within the next ten years. Mr. Franchot, you were actually at Preston Elementary School last year.

COMPTROLLER FRANCHOT: I remember that, the Silver Hammer Award.

MR. NAGEL: Yeah, the Silver Hammer Award.

COMPTROLLER FRANCHOT: Yeah, no, it's a great school.

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MR. NAGEL: That's a 40-year old school. And when you toured that building, even though it's 40 years old, it's still well maintained and we're very proud of our, given our limited resources, we have taken the time to hire experts in various maintenance categories. Certified HVAC techs, and boiler mechanics, etcetera. So you know, we're happy. We're glad that the program exists. We understand that the State has a tremendous investment in the capital infrastructure and all of our schools in the State, and welcome the yearly inspections because it keeps everybody in check. And it helps me come budget time to go before our Board and County Commissioners to say, "You can't cut maintenance. You've got to continue to put money back into the maintenance budget."

The Preston School will be our third geothermal school. So we are very conscious of the energy efficiency aspect. And we're also actively pursuing programs through a power purchasing agreement

with Washington Gas and Electric for solar field construction at three different school sites. So we know it's the future and we're doing everything we can to maximize our State and local dollars for the classroom.

COMPTROLLER FRANCHOT: Well thank you for your attention to maintenance. Those two superior ratings are not easy to get. They are based on 37 engineering criteria. Dr. Lever is to be applauded for his attention, but you also for having two superior maintenance.

MR. NAGEL: I'm in my twentieth year with the School Board and it's the, we've worked hard to get to that point. It's the first two that we've gotten in my 20 years. And we have worked very hard, and we're continuing to work hard, in conjunction with the county. And in fact the county sees us as the lead and we're combining maintenance departments and we're starting to take over some of their buildings from a maintenance perspective. Because, you know, we

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do a better job. Not bragging, just stating the facts.

GOVERNOR O'MALLEY: You might be better funded, too.

MR. NAGEL: And probably better funded, yeah, thanks to the State.

GOVERNOR O'MALLEY: Thank you.

MR. NAGEL: Thank you.

GOVERNOR O'MALLEY: Thanks very much.

DR. MUMIN: Thank you.

GOVERNOR O'MALLEY: Okay, next up is Wicomico County, Rick Pollitt. Rick? County Executive, you've been burning up the tire treads in your back and forth. We appreciate seeing you always.

MR. POLLITT: Thank you, Governor. And we certainly appreciate your hospitality. I'd like to have Dr. John Fredericksen, our Superintendent of Schools, lead off if I could, please?

DR. FREDERICKSEN: Thank you, Mr. Governor, Madam Treasurer, and Mr. Comptroller, good to see you.

Thank you for the opportunity to address you. I'm John Fredericksen, Superintendent of Schools for Wicomico County. We're here to appeal a few items on the funding side of things. We're looking for funding for Pittsville Elementary/Middle School for HVAC, and also for electrical services; as well as to say thank you for the funding earlier this morning on regards to the lighting upgrades that you allowed us to do through the supplemental. And also to the biggest concern for us is our Bennett Middle School project for which we received, and it should be in your packets today, a letter of support not only from the County Executive but also from the County Council. And we're very appreciative of that and the hard work that was done to achieve that. Thank you. And I stand for any questions. And if you have detailed questions I'm going to ask our Chairman of our Board, our President of the Board Ron Willey is here; as well as Brian Foret, our Director of Facility Services; Leisl Ashby, our Facilities Planner. And also we have

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a friend that we talk with occasionally, Mr. Norm Conway, that you may have met once or twice here along the way.

GOVERNOR O'MALLEY: I didn't see him.

COMPTROLLER FRANCHOT: Gee.

GOVERNOR O'MALLEY: Mr. Chairman, good to see you.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR O'MALLEY: That's, you've got the power in the room now.

(Laughter)

DR. FREDERICKSEN: We're a team.

GOVERNOR O'MALLEY: Right. Good. So the County Council had a change of heart about Bennett Middle School?

DR. FREDERICKSEN: Yes. They looked at the various financing issues, they had some questions previously, and the new information was enough to get us four votes there. Thank you.

GOVERNOR O'MALLEY: Good. Any questions?

TREASURER KOPP: That's great.

COMPTROLLER FRANCHOT: Congratulations, Mr. Pollitt, because that fourth vote I'm sure was hard. But I see the Chairman here, I'd love to hear from him about how well the system is doing, or what his view is.

GOVERNOR O'MALLEY: And did the County Executive have to promise that guy a new middle school?

COMPTROLLER FRANCHOT: Yeah. Yeah.

MR. POLLITT: I would like to just make one point, if I could?

COMPTROLLER FRANCHOT: Sure.

MR. POLLITT: And I do know time is precious, and I appreciate that. First I'll say I was a student in ninth grade the year Bennett Middle School opened, so it's obviously old and dilapidated, and time to be replaced. But something big happened in Wicomico County yesterday. Our County Council did vote to support this project after only a week ago

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declining to support it. In the meantime our community came together like nothing I've seen before. The Council and the county understands that we're pushing our plan through assuming a seven cent increase in our property tax rate. We're one of those tax cap counties. We need four and a half cents, or five and a half cents just to make constant yield next year. Seven cents is what's allowed under our cap. Knowing that, we had 81 percent of the Salisbury Chamber of Commerce contact the County Council saying, "We want this school. We're willing to pay the higher tax rate." We've had community meeting after community meeting where the community is saying, "We're willing to pay our share. We're willing to do our part. The schools mean something to us. We understand this is about our children, about investing in our future, about our quality of life." We've got people saying, "We'll pay more taxes."

They've come to the table, the County Council changed their mind. We're here today with the

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support of the County Council. What we need and what we appreciate is the continuing support and partnership with the State because you are the ones that make it happen. And so we just wanted you to know that we can be here now as a full partner, and thank you for that relationship. And just to give you some good news that our community is starting to get it.

GOVERNOR O'MALLEY: That's great. Well, thank you, Mr. County Executive, thank you for that, and for your leadership here. I know, and I'm, actually that character of people being willing to make their kids' lives better and doing what it takes to make it happen is I think also what the President was talking about last night. So Mr. Chairman?

DELEGATE CONWAY: Thank you for having us. Thank you for your continued support of education in my county and my district. But even more so for One Maryland. Because all of our school systems have I think reflected in that way that nationally people

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look at what we do and what we've done, what we've expended, and we've ended up being recognized as the top state in the nation for education. Which reflects, I think, a commitment on the part of our State and our local governments.

I want to do everything I can to make sure that our local governments recognize that education is a top priority for this State. Our Constitution basically tells us we have to do that as a State. We want to be able to follow through.

We're going to have the largest amount of school construction money in history this year. And I think that says something. It's a continual statement that we've been able to make since the Treasurer's group looked at the needs of systems across the State.

My system, I can say, I reflect because I spent 12 years there. When I left they knew I had been there. And I've known that I've been there, too. When I think back of the quality of education that I received, and the people who gave me so many

opportunities. I want to make sure we do that in a continual way for the boys and girls in every county of this State.

So I appreciate the Board of Public Works looking at our requests. We do have a lot of old school buildings. We're working on them. I appreciate your consideration of Bennett Middle. That's a continuing situation and the vote yesterday was truly a historic one in Wicomico. So I hope the Board of Public Works will give consideration to the emphasis that was made on the part of our people for that project and appreciate all that you've done in the past.

James M. Bennett High School, super, the Bennett Middle School is a part of that project. So we have to get it out of the way in order to complete all of the athletic field work and so forth for James M. Bennett.

We too are looking at bringing our schools into the geothermal age. And I think Bennett High School reflects that in a great way.

I want to thank Dr. Lever for staying in touch with our county, and working with us through a tough period. But I think we're beginning to get up the hill. So I thank you very much. I look forward to your support, and I can tell you I've got support for the programs that we have in the State that are going to make education a reality for the boys and girls here. Thank you very much.

GOVERNOR O'MALLEY: Thank you, Mr. Chairman. Okay, anything? Mr. Comptroller?

COMPTROLLER FRANCHOT: If you could just comment briefly on the school maintenance and financial literacy? Because it kind of baffles me that you guys aren't right at the top on the school maintenance. And I just guess I'd like to have a quick comment from you.

DR. FREDERICKSEN: Delighted. On the financial literacy side of things, financial literacy is required by our policies in our school system. The financial literacy instruction is embedded in a variety of different courses, starting at the very earliest years as well as going straight through to 12th grade. And we also partner with Junior Achievement in a big way with hundreds of instructors that help do that at various stages, primarily in the upper elementary grades for Junior Achievement although that's expanding at the secondary level. And I'll allow Mr. Foret to talk a little bit more in detail about the maintenance.

COMPTROLLER FRANCHOT: Yeah, I just would like to see at least one nominee for superior maintenance coming out of the county. And I know they are hard to get, as I said. But you guys reflect that value.

MR. FORET: Well, we're very proud of that. And we appreciate the partnership that we have with

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Dr. Lever's office in terms of what we do. And we too look forward to that because it's a benchmark for us.

I'd also like to share with you another initiative that we've been able to do in the last few years is we started an initiative, since we kind of know how to do the maintenance now, the Energy Star, we have a quarter of all of our schools that are now registered in Energy Star Schools. That's six schools and we're going to shoot for a few more this year with the opening and the year that we have behind us on the Bennett High School. Those years of investment that you've made in terms of allowing us to do the geothermal, and the energy, and the high performing schools are really paying dividends for us now. And now we have the documentation to prove that as well. So I just wanted to share that with you.

COMPTROLLER FRANCHOT: No, that's terrific. And I look forward to the reports. And Mr. Superintendent, I'll share with you later on, I'll send it to you. A report from the U.S. Department of

Treasury that talks about the embedded financial literacy. They are very well intentioned but Treasury basically concluded that they are not worth the investment because they don't, they focus these kids right when they are leaving, either to go into the workforce or into, or on to college. And that yes, great idea, yes, good intentions, but not good, not the results you would normally anticipate as opposed to this stand alone course in senior year. So I hope you could at least take a look at it.

DR. FREDERICKSEN: I'd be glad to. We're aware of a competition that we're working with on financial literacy with the U.S. Department of the Treasury. But I'd be interested in seeing your materials as well please. Thank you.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: Okay, thank you gentlemen. We're on Baltimore City. Land of the free, home of the brave.

MS. EDWARDS: Good afternoon. I'm joined this afternoon by Keith Scroggins, our Chief Operating Officer. Is Dawana here? And Larry Flynn, our Director of Design and Construction. As I said, good afternoon, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. My name is Tisha Edwards and I am the Chief of Staff for Baltimore City Public Schools. Dr. Alonso is attending a conference in New Orleans and he asked me to speak on his behalf at this important event.

On behalf of the Baltimore City Board of School Commissioners thank you for the opportunity to address the Board of Public Works about the capital priorities for City Schools. We are here to appeal the IAC's Designees' second round funding recommendations to the IAC for City Schools' Fiscal Year 2013 CIP.

I would first like to thank you for the \$22.8 million allocation that has already been recommended. This allocation is in addition to a

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significant and unprecedented investment in school construction on the part of the State, which has allowed us to improve the infrastructure for many of our schools.

As we have stated many times before, Baltimore City has the greatest facilities need and the oldest school buildings of any LEA in the State of Maryland. In reality, our overall fiscal year 2013 request of \$75.094 million only begins to address our true facility needs. While we are actively investigating the feasibility of alternative financing methods for addressing some of these needs we still rely greatly on State funding for capital improvements to our schools.

It is also true that City Schools benefitted from additional facilities funding through the increase in the alcohol tax. However, these dollars, as welcome as they were, represent only a fraction of what the school system needs to make its

infrastructure competitive with those of our peer districts throughout the State.

Baltimore City is still feeling the impact of the economic recession. One result is a decrease in the budgeted amount for local government support of capital improvements to schools from \$20 million two years ago to \$16.3 million this fiscal year, and \$16.7 million next fiscal year. This is one of the driving forces behind our efforts to seek alternative funding sources for facilities improvements and Baltimore City's governing officials are highly supportive and active in this endeavor.

As you know, the district has made significant progress on behalf of the students and families of Baltimore. We are working very hard to sustain and expand that progress. By necessity the renewal of our buildings has been an important part of the work. With these improvements we anticipate that our enrollment will continue to rise and student performance will continue to advance.

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Once again, we are very grateful for the \$22.8 million in fiscal year 2013 CIP funding that the designees have already recommended for 31 of our top priority projects. However, the requested approvals and funding for our remaining projects are also sorely needed. City Schools is overdue on its commitment to improve conditions at these schools and we respectfully ask for your support to move these projects forward.

There are numerous projects in our appeal, including very important renovation projects that will extend the life of our buildings and improve the learning environment for students and teachers. With adequate funding from the State, coupled with alternative finance and funding, we can make major strides towards modernizing our school buildings. We owe it to our students, our teachers, and our stakeholders to provide the best facilities that we possibly can to meet the current and projected needs.

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I won't go into detail about the specific priority projects but I will highlight for you that our five high priority projects are construction funding for the replacement project at Waverly; planning approval for the renovation of Graceland Park/O'Donnell Heights; planning approval for the Morrell Park School; construction funding for the renovation of science labs projects at Baltimore City College; and construction funding for the elevator project at Frederick Douglass High School.

We appreciate the support you have given to City Schools and we petition your responsiveness to our appeals for your continued support in providing the needs of our students and families of Baltimore City and the facilities that they need and deserve. We ask that you reconsider our 2013 CIP funding request in light of those needs. Thank you for your firm commitment to public education and for your time and consideration.

GOVERNOR O'MALLEY: Thank you. Thank you for everything that the City has done to improve student achievement. Our kids are on a constant trajectory of improvement year after year after year. And I think back to not too long ago that the state of the buildings, I mean they are all old. I saw you, Keith I saw you when somebody talked about a building that was built way back in the 1970's.

(Laughter)

GOVERNOR O'MALLEY: We called that a modern building when I was Mayor of Baltimore. We called that recently constructed. So I do appreciate what you do. And the windows look so much better. I mean, if I notice them I'm sure the kids inside notice them. So thank you for the good work that you are doing.

MS. EDWARDS: Thank you.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. If I could just ask you on, the Governor mentioned the challenges you face, and I, you know, agree with him that you have a,

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you know, a special problem with maintenance. But I'd like to just have you comment on school maintenance, and also on financial literacy.

MS. EDWARDS: So I will speak to financial literacy first. Like the county that spoke before us, Baltimore City has elected to embed financial literacy from the early grades all the way to the high school. I heard your comments and concerns, and particularly citing the most recent report from the Department of the Treasury, and I would love you to share that with us. We do think that it is absolutely important that students and their families are engaged around issues of financial literacy and we are committed to improving the way that we deliver that instruction in the coming year.

MR. SCROGGINS: I would like to mention that Booker T. Washington, one of our schools, was built in 1895. So when you want to talk about old, we can give you old. Not to mention Pimlico in 1910, and a few other schools. But --

GOVERNOR O'MALLEY: It's a historic City.

MR. SCROGGINS: It's a very historic City, and very historic buildings. In terms of maintenance, I think we're doing a much better job in terms of maintaining our schools. I know you've been a constant visitor. You were supposed to come out on Monday but were not able to make it. But we've made a significant effort, and we hopefully, we expect to get at least two schools under the superior rating. We know that the results have not come out yet but, you know, we are very unhappy that we don't have five or six schools on the superior rating. But we're going to get there.

COMPTROLLER FRANCHOT: I'm delighted to hear that from you, and congratulations on that. Even if you don't succeed, because as I said these things are highly competitive, just what you said makes a big difference. Could I just ask, though, about air conditioning? I know 50 percent of your classrooms are not air conditioned. And that strikes me as an

almost impossible environment for the kids to, you know, given the weather conditions and circulation really have an adequate classroom, I guess. Where, what is your thinking on the air conditioning in the classrooms?

MR. SCROGGINS: Well thanks to funding we've received in the last three years we have \$24 million and eight schools where we are installing central air. We have another \$9 million which will allow us to repair or renovate HVAC systems in another 15 schools. So air conditioning is very important. It is one of the two major issues for Dr. Alonso. And so we've made a concerted effort to pay attention to that. We believe that once we get moving with our alternative financing process, as well as once we get the Jacobs report which will really give us a better assessment of all of our facilities --

TREASURER KOPP: What's the timing on the Jacobs report?

MR. SCROGGINS: The Jacobs report is an independent assessment --

TREASURER KOPP: No, the timing.

MR. SCROGGINS: I'm sorry --

TREASURER KOPP: When? When?

MR. SCROGGINS: Oh, it will be delivered late February, early March. And that will give us a complete assessment of all of our buildings. And it will enable us to prioritize what needs to be done, as well as to establish a ten-year maintenance plan for all of our buildings, those that we do not decide to close.

COMPTROLLER FRANCHOT: Thank you.

MR. SCROGGINS: Okay?

GOVERNOR O'MALLEY: Okay, thanks very much.

MS. EDWARDS: Thank you.

MR. SCROGGINS: Thank you.

TREASURER KOPP: Mr. Lever, could I just ask a clarifying question regarding Wicomico County and the Bennett Middle School? It's my understanding now

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that the County Council has taken their action that the Bennett Middle School is back on the list, but not reflected here. So where are we with it?

DR. LEVER: So the action taken by the Council last Tuesday --

TREASURER KOPP: Right.

DR. LEVER: -- when they didn't support it.

TREASURER KOPP: The first action taken.

DR. LEVER: Right. The first action, and then there was confirmation received from Mr. Pollitt in a letter at the end of last week in which it seemed that that was how the situation was going to remain. And we felt that the funds that had been recommended, the \$4.5 million had been recommended for the project by the Interagency Committee, with no certainty on whether or not that project would move forward, those funds needed to be put to work in other jurisdictions, as well as supplementing similar projects in Wicomico County, two of the systemic renovations. But with the change of situation as of yesterday afternoon, and we

did receive the letter very late yesterday, we are I think in the position looking at the remaining 25 percent to be able to discuss with the IAC how to support this project. And --

TREASURER KOPP: So it's your intention to bring it back? Since it was, as I recall, an A project?

DR. LEVER: Yes. Yes.

TREASURER KOPP: To bring it back to the IAC for the funds beyond this first 75 percent?

DR. LEVER: Well we still have 25 percent remaining in the \$250 million --

TREASURER KOPP: That's what I said, beyond the first 75 percent?

DR. LEVER: Correct. Correct. And I've also had discussion with Mr. Foret already about looking at the schedule very carefully to see what is the amount that's needed for FY 2013.

TREASURER KOPP: For this year.

GOVERNOR O'MALLEY: Dr. Sadusky, can you touch very briefly, as succinctly as you can, on financial literacy from the State Board's standpoint, as well as environmental literacy? Where are we on both of those?

DR. SADUSKY: Well on the financial literacy, as you know, the State Board, we develop as consumers, become consumers at an earlier age than high school. And based on their research they felt it was wise to embed and require school districts to embed financial literacy early on, starting in third grade, embed it into the curriculum.

GOVERNOR O'MALLEY: When we say embed we mean weave it into the reading and the math and the other core --

DR. SADUSKY: Well the primary area is social studies, but yes. I mean, there could be some other content areas where there would be woven into. But we felt that the systematic approach from early on would better serve our students throughout their K-12

experience. I will tell you there are a number of districts who have by local board action decided to do that, but also as a culminating activity have it as a stand along course at the high school. But those are local board decisions. The decision by the State Board was to attack this problem before the student became a senior in high school.

GOVERNOR O'MALLEY: And on environmental literacy?

DR. SADUSKY: Environmental literacy, I will tell you that our local districts are very active in pursuing that. I think the message is very clear that we have to be, it is part of our science curriculum, it is part of our technology curriculum, it is woven into the curriculum. I think we outpace the nation in our attack about preserving this State, and the Bay, and our environment. So that's been a tremendous success story for us. I'll be able to report back on the financial literacy, because this is the first year

of implementation. And hopefully the success story will be the same.

GOVERNOR O'MALLEY: And what about the implementation on the environmental literacy? I mean, I know to a degree it's there in the science courses and the like. But there was a lot of controversy last year --

DR. SADUSKY: You know, there really is not as much controversy as you would think. I quite frankly think that the science people have been down this road. But it was the infusion into all areas, because it's not just a science issue. And I think that's, I know that's the attack by our LEAs. That we have to understand that there are policy issues, not just environmental scientific issues, that have to be attacked.

GOVERNOR O'MALLEY: Okay.

COMPTROLLER FRANCHOT: Yeah, I support the Governor's environmental literacy. I think that's a great initiative. And I don't oppose your embedding

of financial literacy, that's fine. All I'm saying is the data that I see points towards the necessity to have something that really focuses these seniors as they are about to go out into college and the workforce with the basic building blocks. And I hope you would continue to keep an open mind as the counties and other jurisdictions address this.

DR. SADUSKY: Absolutely. And again, I'm just trying to give you the rationale. I think what the State Board of Education was trying to do is attack that consumer before they become the graduate.

COMPTROLLER FRANCHOT: Yeah, if anything the ideas are all complementary. And frankly, the flip side of environmental literacy is financial literacy, because they both go together. You can't have one without the other.

DR. SADUSKY: Absolutely.

COMPTROLLER FRANCHOT: So, good. I hope to see more progress, then.

GOVERNOR O'MALLEY: Okay, who is up now?

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SECRETARY MCDONALD: Howard County.

GOVERNOR O'MALLEY: Howard County?

SECRETARY MCDONALD: Dr. Cousin returns.

MR. WILLIAMS: Mr. Governor, Mr.

Comptroller, and Madam Treasurer, good afternoon. My name is Tomi Williams. I'm currently serving as the student member of the Board of Education of Howard County. I'm joined today by some of my fellow Board members and the Superintendent of Schools to appeal to the capital project recommendations of the Interagency Committee on School Construction.

On behalf of the Howard County Public School System and its students I want to thank you for your support of our past capital requests. We truly appreciate your recognize of Howard County's needs and hope that we can continue to count on your support in the future. Now Dr. Sydney Cousin, our Superintendent of Howard County Public School System, will provide you with further details on our appeal. Thank you.

DR. COUSINS: Good afternoon.

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GOVERNOR O'MALLEY: Good afternoon.

DR. COUSINS: Governor O'Malley, Comptroller Franchot, and Treasurer Kopp, I'm Sydney Cousin. I'm the Superintendent in Howard County. I'm here today with members of the Board of Education, including our Chairperson Sandy French, our Vice Chair Frank Aquino, and Board Member Cindy Vaillancourt. Student member Tomi Williams is also here, who you heard from. And we also have a plethora of support staff here as well.

We are encouraged by the initial allocation of \$16,217,000 in State funding in response to our total request of \$37 million. As we continue, as you continue your review of our Fiscal 2013 Public School Construction Capital Improvement request I would ask you to consider the following. Taxpayers in Howard County have overwhelmingly supported school construction for many, many years. While not all locally funded projects have met the criteria for State funding, 73 percent of the capital projects,

school projects, in the county have been funded through local revenues.

I'm trying to skip over some of this. And Howard County, I wanted to point out, will continue to experience enrollment growth over the next several years. Growth along the Route 1 corridor continues to increase pressure on existing school facilities. Currently many of these schools are being served by multiple relocatable classrooms. Since the last general plan was approved 12 years ago 9,000 additional residential units have been approved in the Route 1 corridor alone. Some of this development was to support BRAC.

By 2015 four elementary schools and three middle schools in the corridor are projected to be at 125 percent of their capacity. Two schools in our capital budget, Elementary School #41 and Middle School #20, will help relieve overcrowding in this area. Additional growth is associated with the

revitalization of downtown Columbia where there is projected to be 5,500 units over time.

Our ten-year long range master plan now includes one new elementary school, one new middle school, and three elementary school additions or renovations. In this plan we have identified systemic renovation projects for eight elementary, six middle schools, and three high schools. This project list is based on information provided in the Comprehensive Facility Assessment of our schools. The assessment is used to identify areas of greatest need and to prioritize projects. Some of the most critical projects which remain unfunded or partially funded include Atholton High School renovation, that's priorities one and two; a new Elementary School #41, priorities five and six; Stevens Forest Elementary School renovation and addition, that's priorities seven and eight; Oakland Mills High School electrical replacement, that's priority ten; a new Middle School #20, that's priorities number 12 and 13.

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And then I have a big number for you. The total cost of our ten-year long range master plan is estimated at \$1,011,561,000. We are not asking the State to assume a disproportionate share of this amount. Howard County has a history of providing funding for school projects. A commitment from the State for additional public school construction funding will not only benefit the school system but will also free county funding to address other critical infrastructure needs in the county.

Both our State delegation and county government officials are firmly behind this request and appeal.

Thank you for the opportunity to present our appeal for additional funding. We appreciate the cooperation we have received over the years from the school construction program, and will continue to work collaboratively to address current and future challenges. Your support of the Howard County Public School System is greatly appreciated.

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GOVERNOR O'MALLEY: Thank you, Dr. Cousins.

DR. COUSINS: I can also mention that I've been coming here in different capacities since 1973, I believe. Things have changed a little bit over that time.

GOVERNOR O'MALLEY: Well, and you've been a big part of the positive aspects of those changes with your leadership in Howard County.

DR. COUSINS: As far as financial literacy is concerned we have financial literacy, again, embedded beginning in elementary schools, emphasized more in middle schools, and then emphasis put on financial literacy in the high schools as well. And I would invite you all to come and visit Howard County to see how financial literacy is embedded and integrated into what we do. We work with the Junior Achievement program. We just had a partnership signed with that group. They have hundreds of folks who are interested in helping our kids to become more financially literate. We have computer programs that

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have been written so that kids can independently work on financial literacy, asking questions such as how much money do you need to run your household? And you will be surprised at how fluent our kids are in this process already. So that when they ask for their allowance they'll know what their parents can and cannot afford to increase their allowance --

GOVERNOR O'MALLEY: A course in collective bargaining.

(Laughter)

DR. COUSINS: Right. We have many, many green schools in the county. We have 39 green schools in Howard County.

GOVERNOR O'MALLEY: That's great.

DR. COUSINS: And we're working towards having every school registered as a green school.

GOVERNOR O'MALLEY: Terrific.

COMPTROLLER FRANCHOT: Thank you.

DR. COUSINS: Okay.

COMPTROLLER FRANCHOT: And if I, you know, I appreciate the emphasis on financial literacy.

Because I met with a gentleman the other day who said it's almost a form of new civil rights. He called it silver rights. He said to allow people to have the building blocks for prosperity and wealth, and be able to protect themselves. So I applaud what you are doing. If you, Junior Achievement is a great program. If you could continue to think about something that would focus these seniors before they graduate, I would be grateful. And I did visit Talbot Springs Elementary --

DR. COUSINS: They received the Silver Hammer Award.

COMPTROLLER FRANCHOT: Exactly. And a superior maintenance, which is hard. Hard to get. So congratulations, keep up the good work.

DR. COUSINS: Well we have two superior schools and the Silver Hammer Award, so we're proud of that.

COMPTROLLER FRANCHOT: Thank you.

DR. COUSINS: Okay.

TREASURER KOPP: Could I just ask one question? First of all, I do thank you. I'm a graduate of Junior Achievement several decades ago. It's a great program. That additional public school construction funding will not only benefit the school system but will free county funding to address other critical infrastructure needs --

DR. COUSINS: Well I can give you examples of locally how that has happened already. We have reduced our utility budget by \$2.6 million over the last two years by having, moving towards green schools and so forth. And so we reduced the budget, we didn't shift it around to some other category. People may think that way. But basically we were using money, so we know that the county has infrastructure needs as well. Roads in particular. If you've driven through Howard County you would know that road issues are critical to us. So that's just examples of how

capital funding in particular can be allocated to other county projects.

TREASURER KOPP: So but are you suggesting then that the State school funding be used to --

DR. COUSINS: No.

TREASURER KOPP: I just want to make it clear. Thank you.

(Laughter)

DR. COUSINS: Thank you.

MS. FRENCH: Governor, if I could just please recognize Dr. Cousin? This is his final year serving with us. And we're so proud of him as a Superintendent, and he has served us well and we have many beautiful schools which were built under his leadership. So --

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR O'MALLEY: Outstanding job, Dr. Cousin.

(Applause)

GOVERNOR O'MALLEY: Thank you all.

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MR. AQUINO: And ask Dr. Cousin says, he has a scar for each of those schools.

GOVERNOR O'MALLEY: Thank you, Frank. Okay. Next up is Washington County. Snowing out there?

DR. WILCOX: Getting ready to.

GOVERNOR O'MALLEY: Getting ready to?

DR. WILCOX: Thank you, Governor O'Malley, Ms. Kopp, Mr. Franchot, Dr. Sandusky, Dr. Lever. I'm Clayton Wilcox. I'm the new Superintendent in Washington County. I --

GOVERNOR O'MALLEY: Where did you come from?

DR. WILCOX: Most recently New York City. I was a Senior Vice President at Scholastic in New York. But prior to that had been a Superintendent in Florida and Louisiana.

GOVERNOR O'MALLEY: You have big shoes to fill out there.

DR. WILCOX: Oh, absolutely, absolutely. And I'm reminded of it almost everyday.

GOVERNOR O'MALLEY: I bet.

(Laughter)

DR. WILCOX: And I'm speaking to you as a Superintendent and not a former JA President, which I was. But I will also tell you that my school district in Florida, Pinellas County, actually sold the financial literacy curriculum to JA nationally because we had been recognized as a school district that was a leader in financial literacy for our kids with capstone experiences at a foundation that really valued the American free enterprise system and business as an economic driver in Pinellas County.

So I want to begin by saying to each of you today that our request is that you fully fund several projects. One is Bester Elementary School, a school that was built in 1930 so we're not just coming to the table to replace a school that was built in the seventies. Although I have to be, in the spirit of candor I have to say that we did put an addition on it in 1965.

In addition to that we would like you to fully fund this year's contribution to the Barbara Ingram School for the Arts. And we have three desperately needed systemic projects that we'll talk about.

It's important to put in context that in Washington County we are in our 11th consecutive year of growth. And in addition to that during that same timeframe our free and reduced lunch populations have moved from 27 percent to almost 50 percent. One out of every two kids qualifies for a free or reduced lunch meal in Pinellas County today. Our unemployment rate still continues to trail the State. We are at just a little over 8 percent in Washington County, which creates a series of economic needs that are difficult to address but we are, I think, making do.

Specifically I would like to talk to you about Washington County. We have a County Commission that has been not only a full partner but an embracing partner of our efforts. I believe they look at what

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we have done with our existing facilities and they are quite proud of them. Our maintenance efforts are really second to none. Having been a Superintendent in a number of states I can say with certainty that the way that Washington County is preserving the investment that you have made in this State in Washington County is really second to none. We have a great team of folks who everyday are making sure that our systems are well maintained and that our schools are clean and attractive for our young people, even some of our facilities that are somewhat dated.

Specifically at Bester what we are asking you to fund is \$798,000 so that we can fully move forward in the 2013 year. You should know that Bester Elementary School is a site that over 90 percent of the kids are free and reduced lunch. It is a school where we have put tremendous additional services and resources to lift the school up but we simply find at this point that the school is not up to the challenge

of really accepting all of the things that we would like to do for the kids in that community.

In addition, you know about Barbara Ingram School. Ingram School is the school that we built with an alternative financing method. We're quite proud of that. We believe that we are a leader in the State in alternative financing. We would invite each of you who have not visited what a public/private partnership can do to visit that school. We are looking there for about \$244,000 to make this year a year that is fully funded. Going forward we look to putting that into our operational budget to retire that debt.

I would also mention three systemic projects that go a long ways towards our deferred maintenance challenges. We have about \$500,000 in window replacements at Hancock Middle/Senior High School. It's actually \$495,000. An HVAC system and lighting at Funkstown Elementary Early Childhood Education system at \$597,000. And we are looking to upgrade

Russell Hicks Middle School's electrical system at the cost of \$277,000. That will keep the school up to standard with COMAR. It is a shelter in Washington County that in an emergency would be open to our community.

In conclusion we would like to thank you very much --

GOVERNOR O'MALLEY: Built out up front to receive a rolling generator?

DR. WILCOX: Absolutely, that's what we're looking to do. Yes. What we would like to do is say thank you very much for your support. It means the world to us and our ability to go forward. It sends a powerful message to Western Maryland that we are not forgotten. I would also say to you, Governor O'Malley, we are very aware of your proposed increase in school funding. We have \$7.8 million in projects beyond this request that we are ready to roll with tomorrow and that would go against over \$40 million in deferred maintenance that we have within the district

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where we have identified roofing systems, HVAC systems, doors, windows and other things, security systems, that really are in need.

I would also say to you that we have been responsible stewards of your investment in us. And I would open this to any questions. But before I open it to questions I'd comment on two questions that have been asked several times.

And the first is that we like other districts have embedded financial literacy across our curriculum but we also have built a stand alone course that juniors and seniors are taking. We just checked through the power of technology. We have over 300 of our students who are enrolled in the course this first semester. We expect enrollment to build in that stand alone course as well. In addition to that we have been having some internal conversations as well as conversations with select members of our business community about trying to model a program that has, an outstanding program for our fourth graders that runs

throughout the curriculum that talks about the American business model. Then looking at some kind of activity in eighth grade that talks about financial literacy. Then looks at something in the tenth or eleventh grade year that would look at a program that really talked about personal financial responsibility, similar to the Superintendent who spoke just before me where young people really have to manage a household income.

That said, I believe I've already commented on our maintenance efforts but would take any questions from the panel.

COMPTROLLER FRANCHOT: No, I congratulate you. I visited Potomac Heights Elementary out there that got a superior maintenance and I think that's terrific. And please continue and keep me informed about the financial literacy because I take it those are electives, or not? That --

DR. WILCOX: It is an elective at this time.

COMPTROLLER FRANCHOT: Yeah, the key is the kids that don't sign up for the elective.

DR. WILCOX: Absolutely.

COMPTROLLER FRANCHOT: They are the ones that are, you know, think that gee, credit card debt is not a significant issue. You know, and they get into a lot of trouble. And we owe it to them to make it mandatory, and of course I appreciate what you are doing. And is Dr. Morgan still around? Or has she moved on to other --

DR. WILCOX: Well Dr. Morgan now is working for Graduation Project at a national level. She is helping to decrease the number of students across America who are leaving school. She does have property I believe just outside of Washington County in Frederick. And so I do see her from time to time.

COMPTROLLER FRANCHOT: Well she made the State of Maryland very proud.

DR. WILCOX: She should have, as National Superintendent of the Year.

COMPTROLLER FRANCHOT: Our compliments, and Dr. Wilcox congratulations on succeeding her.

DR. WILCOX: Thank you very much.

GOVERNOR O'MALLEY: And we expect you to get that award this year.

DR. WILCOX: I'll work on it, Governor. Absolutely. And I'll credit it all to your administration, thank you.

TREASURER KOPP: Dr. Wilcox?

DR. WILCOX: Yes?

TREASURER KOPP: Could I just, you mentioned that there's already \$3.6 million allocated for Bester, and I assume what you want is the rest of the total?

DR. WILCOX: Yes.

TREASURER KOPP: Will it be spent this year?

DR. WILCOX: Yes. Boyd, do you want to address that? I believe yes it will. Bester presents some unique challenges for us. And quite honestly one thing that I did not say that I probably should have

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said is that because we've had this growth over the past ten years the Bester project, which has been noted on our capital improvement plans for over ten years, continually gets pushed back. We really want to advance that project this year and really make this community whole. It is one of those community based schools where kids tend to walk to school. It's also a community that I think is really deserving of this facility.

TREASURER KOPP: Thank you. I had the pleasure, experience of visiting Bester a year or two ago.

DR. WILCOX: Thank you.

TREASURER KOPP: And I agree, I agree completely.

DR. WILCOX: Thank you all.

GOVERNOR O'MALLEY: Thanks, doctor. Good meeting you. Welcome to Maryland. All right, Calvert County. Unless you're a blow in and then we call it Calvert County, right?

MS. CRUNKLETON: I call it Calvert County.

GOVERNOR O'MALLEY: Are you a blow in?

MS. CRUNKLETON: Yes, a newcomer. Twenty years.

(Laughter)

GOVERNOR O'MALLEY: I recall once getting my hair cut at a barber shop in Locust Point in Baltimore. And a former firefighter said, and I was Mayor then, he said, "Mayor," he was talking about the new people that were coming to that growing neighborhood of Baltimore. And he said, "You know, I don't have anything against the new people. The problem is they don't stay here for 50 years like all the normal people."

(Laughter)

GOVERNOR O'MALLEY: That sums up Locust Point in that little nutshell.

MS. CRUNKLETON: Indeed. Well, greetings. My name is Rose Crunkleton. I am the President of the Calvert County Board of Education. I bring you

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greetings from our Calvert County Board of Education, our Superintendent, faculty, and the student population that we serve.

Thank you for the opportunity to appear before you to discuss Calvert County Public Schools' CIP for FY 2013. The level of support you have given Calvert County Public Schools in the past is much appreciated, and is to be commended. The national recognition that your office and MSDE has received signifies the 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.

Superintendent Smith will speak to our CIP request for FY 2013 in a moment, but let me thank you in advance for your continued support of Calvert County Public Schools' construction program. Calvert County Schools' success in the area of student achievement is in part due to the IAC's consistent and

responsive funding of school facility improvements that meet the needs of today's instructional programs.

I know you've been discussing financial literacy and I am pleased to let you know that two weeks ago our Board of Ed did pass a requirement for graduation for half a credit of financial literacy.

COMPTROLLER FRANCHOT: Excellent.

MS. CRUNKLETON: I'd like to turn the table over to Dr. Smith, our Superintendent.

DR. SMITH: Thank you, Ms. Crunkleton. Good afternoon, Governor O'Malley, Comptroller Franchot, Treasurer Kopp. I certainly do want to say thank you today for all that you have done for public education in this State, not just in the area of construction but in all areas. There's a reason why Maryland has been recognized. And it's in large part due to the support and the resources that have been provided to school systems and that should not be left unsaid. Thank you.

GOVERNOR O'MALLEY: Thank you, doctor.

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DR. SMITH: Calvert County has been particularly fortunate with our capital projects. We have been able to catch up somewhat. We had tremendous growth from the 1980's until the early 2000's and we were vastly overcrowded. We've been able to catch up thanks to the work that you've done and we're beginning to be able to replace and renovate some schools that were much in need of it. But when schools are at 130 percent capacity you worry about building new schools. I'm here to ask for the balance of State funding for 2013 in three areas and one planning request. Calvert High School, this Spring when school finishes our teachers will move in to their completed classroom building and about 85 percent of the time students spend in school next year will be in a new facility that was drastically needed. We appreciate that very much. We need to continue the construction of that building and we would ask for the remaining \$1.4 million to continue building that campus, a new auditorium, new fine arts areas, and a

renovation of the gymnasium areas all are yet to come, as well as the demolition of much of the existing building.

We also have a roof at Appeal Elementary School that needs an additional \$100,000 in addition to what's already been allocated so that we can do a portion of the roof. We're very proud of our buildings. We take very, very good care of them. And we want to continue to do that and a roof is important. We also are asking for \$348,000 to reroof Plum Point Elementary School. Once again, it's a reasonably new school, about 20 years old, but it needs a new roof on part of the building and we think that's critical to keeping it in very good shape so it will last a very long time.

Finally, we would ask for planning approval for Northern High School. Northern was built in 1972. And it seems like that shouldn't be that difficult of a school. But I have to say to you looking back, and hindsight is very easy to share, whoever conceived the

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school and built it made a huge mistake. They built an open concept high school.

GOVERNOR O'MALLEY: Oh, I can't stand that.

DR. SMITH: For a small number of students. We have hallways that aren't as wide as your table there.

GOVERNOR O'MALLEY: Do you have the hallways that go up and down.

DR. SMITH: Yes, it's just, it's a terrible building. The fascia is coming off.

GOVERNOR O'MALLEY: Do you remember that phase?

DR. SMITH: There are no windows. It's, it's, we would invite you to come visit it if you would like to come. But we are desperately in need.

GOVERNOR O'MALLEY: I believe you.

DR. SMITH: Thank you. I appreciate that. But we are desperately in need of beginning planning on that school so that we can get it into the construction cycle in the coming years. And once

again, I do appreciate what you and the Board of Public Works have done for school construction and for the education and learning of students in Maryland. I'm certainly ready and willing to answer any questions you might have.

GOVERNOR O'MALLEY: Thank you? Questions?

COMPTROLLER FRANCHOT: Just Superintendent Smith, thank you for your leadership. And President Crunkleton, thank you for the financial literacy initiative. I think that's terrific. Please keep us informed about that because there's a lot of mythology about costs and I, I just guarantee it's going to be a hugely popular course. And my hats off to you. On maintenance, I'm not sure whether you had superior maintenance findings but --

DR. SMITH: We did this year.

COMPTROLLER FRANCHOT: Great. Terrific.
Good.

DR. SMITH: Did we this year? Oh, we don't have the results. The last report I have we had superior.

COMPTROLLER FRANCHOT: Well, Calvert is, you know, one of the jurisdictions that has a reputation for frugality and I hope to see you guys up in the top echelon there.

DR. SMITH: Well we certainly want to be there.

COMPTROLLER FRANCHOT: Thank you. Okay.

DR. SMITH: We would also invite you to come and look at our environmental education program. We have one of the best in the State, I think, with CHESPAX and what we do with students on the Patuxent River and the Chesapeake Bay. And we also, virtually every ninth grader takes environmental science as part of their high school graduation program.

GOVERNOR O'MALLEY: That's great. CHESPAX?

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: What are CHESPAX?

DR. SMITH: I'm sorry?

GOVERNOR O'MALLEY: What's CHESPAX?

DR. SMITH: Chesapeake Bay, Patuxent River,
our two borders.

GOVERNOR O'MALLEY: I see.

DR. SMITH: And our students visit --

GOVERNOR O'MALLEY: So it's a course based
on that?

DR. SMITH: It's a series of experiences in
elementary and middle and high school.

GOVERNOR O'MALLEY: Great.

DR. SMITH: Where students actually interact
with the environment and it's embedded into the
courses.

GOVERNOR O'MALLEY: That's great. That's
what kids want.

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: That's what we all want.

DR. SMITH: Absolutely.

GOVERNOR O'MALLEY: Parkers Creek.

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DR. SMITH: Yes.

GOVERNOR O'MALLEY: Do they get up on Parkers Creek?

DR. SMITH: I don't think they get on Parkers Creek but they do get on the Chesapeake Bay, the Patuxent River, the Cypress Swamp, and various other places in the county.

GOVERNOR O'MALLEY: That's great. I was, I went all the way down Parkers Creek right before, on one of the last weekends before it got cold.

DR. SMITH: It's beautiful, isn't it?

GOVERNOR O'MALLEY: Yeah, it's beautiful. It bisects, for those of you that aren't familiar with Parkers Creek, it bisects Calvert County.

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: And is, you don't see any sign of a house anywhere for about two hours kayaking in, two hours out. And we must have seen about a half dozen more bald eagles at various stages

of maturity. And the great blue heron, the egret, all of that good stuff. So that's great.

DR. SMITH: It's amazing.

GOVERNOR O'MALLEY: So kids are environmentally literate by the time they get out of high school?

DR. SMITH: That is our goal. One hundred percent of our schools are green schools and we were recognized by the Chesapeake Bay Trust last year for our environmental efforts --

GOVERNOR O'MALLEY: That's great.

DR. SMITH: -- and the integration of programs.

GOVERNOR O'MALLEY: So you reached 100 percent before Howard County?

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: Do you want to go tell them?

DR. SMITH: I'm sorry, Sydney.

GOVERNOR O'MALLEY: Uh-huh.

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DR. SMITH: I would have said it if he had been here.

GOVERNOR O'MALLEY: I'd like to know where people rank on that, K. Large if you could get a ranking of percentage green?

DR. SMITH: We'd love to host any of you on a CHESPAX activity with students. So if you ever have the chance --

GOVERNOR O'MALLEY: I've got to do it. I want to come down and do it.

DR. SMITH: We'd love to have you.

GOVERNOR O'MALLEY: As soon as it gets a little warmer.

DR. SMITH: Oh yes.

(Laughter)

GOVERNOR O'MALLEY: All righty, thanks very much.

DR. SMITH: Thank you very much.

GOVERNOR O'MALLEY: Okay, let's do this. What do you think about, I know the, how about we take

a short break, grab sandwiches, continue. You all wouldn't be offended if we ate and, you know, while we heard from you, would you? Can we turn off this thing so that we don't, because the Treasurer is very --

TREASURER KOPP: Hey --

GOVERNOR O'MALLEY: The Treasurer is very, you know, genteel, well mannered, and would never think of doing something like that. The Comptroller and I were different stories.

SECRETARY MCDONALD: Comptroller Schaefer was very resistant to eating in front of people. I do remember that, he was, but no that's fine --

TREASURER KOPP: Why?

COMPTROLLER FRANCHOT: Well as Comptroller I'm happy to buy lunch.

(Laughter)

SECRETARY MCDONALD: No, we have lunch, and we have lunch --

GOVERNOR O'MALLEY: While why don't we suspend the, why don't we suspend the, we're going to

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go back and grab our sandwiches and come right back, okay?

SECRETARY MCDONALD: Right, you could bring them in here.

GOVERNOR O'MALLEY: All right. And then we'll keep going. So next up on our hit parade, as we try to get back on schedule for you all, is who? I just lost my thing.

TREASURER KOPP: St. Mary's County.

GOVERNOR O'MALLEY: Thank you. St. Mary's is up next in just two minutes, okay? We'll be right back.

(Recess)

DR. MARTIRANO: The goose story is true. I will talk about that at another time. Governor, it is great to see you.

GOVERNOR O'MALLEY: Good to see you again.

DR. MARTIRANO: Comptroller Franchot, Treasurer Kopp, it's wonderful to be here. My name is Dr. Michael Martirano and I'm the proud Superintendent

of the St. Mary's County Public School System. As you know, St. Mary's County always strives for excellence in education and this is supported greatly by the environment in which our students achieve. We have some tremendous facilities to educate our young people. Through the Public School Construction Program and the Interagency on School Construction and the Board of Public Works we have been able to bring equity among all of our schools to meet capacity needs and build for a sustainable future. Through your combined efforts we have made tremendous efforts in providing high performance learning environments in which students are excelling.

You have a number of handouts in front of you. We are known for our artifacts that we bring. You have a pin, so welcome to our team, St. Mary's County Public Schools. Our theme this year is about the leadership tenets that we're taking away from geese in the pristine environment in St. Mary's County, and recognizing that you have a very detailed

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program, presentation that has written testimony and support, the cash flow projections for Greenview Knolls HVAC, and a project briefing on sustainability, minority business educational programs, and maintenance initiatives. I know that you have an incredible amount to read but that is a very comprehensive document.

Our commitment to comprehensive sustainability programs is highlighted in our projects, our educational programs, and dedicated staff who maintain our facilities. In June we were recognized as one of the five leadership award winners for the Maryland Green Registry for our commitment to the best management practices in educational outreach, which benefits our community and our State and our nation. In April, and this is something very exciting, we completed a 500 kilowatt solar array system at George Washington Carver as a result of the monies allocated through Project Sunburst.

GOVERNOR O'MALLEY: That's great.

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DR. MARTIRANO: This will -- and we're delighted with that, Governor. This will provide 80 percent of the power required for the 75,000 square foot facility. And what I, I want to digress for a moment. It is a visual for our community. There are over 2,500 solar panels. Our community sees it. They embrace the concept. And it carries now conversation about what's happening at that school. My goal is to perpetuate further projects in other schools down the road.

Just a few weeks ago we completed our limited renovation project at Leonardtown Middle School where we installed high energy efficient systems while meeting the educational program needs of our students. And Comptroller Franchot, you've been there and you visited that school. Governor, I want to swing back around, it was also one of those seventies projects that had open classroom space. Our Board directed us to close those down and through the

renovation we have been able to close the open spaces as well.

We're committed to the program of maintaining our facilities based upon the implementation of an educational master plan, our comprehensive master plan, and utilization of our staff to implement this comprehensive maintenance program altogether.

We're very proud of our focus on minority business participation rate. And for the fiscal year 2011 our aggregate minority business participation rate on State funded projects was 14 percent. This compares to a historical rate of two to five percent on contracts prior to 2008.

GOVERNOR O'MALLEY: Good job on that. Thank you.

DR. MARTIRANO: Thank you, sir. On a recent aging school project a 54 percent participation rate was achieved. Staff worked very closely with other county and State agencies through community outreach

events to increase the awareness and availability of the certified minority business enterprise. Currently there are 25 certified individuals in our community in St. Mary's County. And that's been part of our challenge, is getting individuals to register. We're delighted with this process, that we now have 20 registered. And as a result we are bidding all State and local projects with the requirements in mind and we're delighted about that.

Let me get to the specifics of this. This year our State capital improvement projects includes one project, one project. The HVAC system renovation at Greenview Knolls Elementary School. This is required to address the renovations of the entire HVAC system, including the addition of a fire protection system. And the new system will be obviously a higher energy efficient system. We would like to thank you for your continual support on a regular basis for what we do in St. Mary's County and the recommendation of the \$800,000 for the first phase. What we are seeking

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is the additional \$1.5 million to complete this project.

Again, I would like to thank you for your consistent approach. We are truly a proactive county. I want to just briefly address some of the other questions that my colleagues have addressed with you earlier. If you take a look at the packet there is a very important data point. We are a very data driven school system. And what we are very focused on is being proactive in providing more opportunities for planned work orders as opposed to unplanned work orders. Proactive versus reactive. Overall --

GOVERNOR O'MALLEY: The graph is on the back.

DR. MARTIRANO: It's on the back, yes, sir.

GOVERNOR O'MALLEY: Great dashboard.

DR. MARTIRANO: Right on the back corner.

And that allows us to be more efficient with a limited maintenance staff.

Comptroller Franchot, I want to address with you the financial literacy commitment in St. Mary's County. We have a very robust initiative. We have an Academy of Finance. We have partnered with local banks to have a financial literacy program in place with our young people. It is embedded in our curriculum, and we are moving towards the aspect, as we manage the budget, to look at that as a requirement down the road. But we've had some difficult challenges with our budget. No excuses, we are highly committed to this focus and recognize the importance for our young people.

So ladies and gentlemen, thank you for your time. And I appreciate your support over the many years of working together.

GOVERNOR O'MALLEY: Thank you, doctor. Good presentation.

DR. MARTIRANO: Thank you.

GOVERNOR O'MALLEY: So all they are asking for is systemics, huh?

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DR. LEVER: One systemic.

GOVERNOR O'MALLEY: Pardon?

DR. LEVER: Just one systemic --

GOVERNOR O'MALLEY: One systemic, a \$2 million systemic. Right? And so far we've allocated, IAC has done \$800,000 of it, right? Is that the sort of thing that can be done in piecemeal, or isn't that a --

DR. MARTIRANO: It's an all or nothing.

GOVERNOR O'MALLEY: Yeah. I mean, you can't do \$800,000 a year, right?

DR. MARTIRANO: Correct.

GOVERNOR O'MALLEY: Okay.

COMPTROLLER FRANCHOT: Dr. Martirano, thank you. I think it's one of the best presentations we've had.

DR. MARTIRANO: Thank you.

COMPTROLLER FRANCHOT: And very, very well done. And thank you for keeping an eye on this graduation requirement.

DR. MARTIRANO: Absolutely.

COMPTROLLER FRANCHOT: If you could maybe take a look at how Calvert and others implement it, I don't really care what it looks like.

DR. MARTIRANO: Right.

COMPTROLLER FRANCHOT: As long as it's something that the kids realize is, you know, significant and they need to be serious about it.

DR. MARTIRANO: And we are. And we are looking at it as a future roll out for the county overall.

COMPTROLLER FRANCHOT: Thank you.

DR. MARTIRANO: So we're keeping it as a major touch point.

GOVERNOR O'MALLEY: Okay. Thanks very much.

DR. MARTIRANO: Thank you. Great seeing all of you.

GOVERNOR O'MALLEY: Good seeing you, and thanks for your patient. Who is up next? I've lost my --

SECRETARY MCDONALD: Cecil.

GOVERNOR O'MALLEY: I've lost my hit parade. Okay, Cecil County. They can pass. Maybe that's them now.

TREASURER KOPP: If you're looking at this all through the screen of employment then how do you balance, I mean their systemic, they've got the roofs and the windows and the air conditioning, certain types of jobs. You don't want to become so competitive about the price. You have to have a combination of those sorts of jobs, construction types of jobs, and I don't know what other kinds of jobs. But I mean you can really look at it from that perspective and then pick out --

SECRETARY MCDONALD: They are right here.

GOVERNOR O'MALLEY: I mean, in terms of what? From economics? From the standpoint of the jobs in that analysis?

TREASURER KOPP: Yeah, jobs --

COMPTROLLER FRANCHOT: Hm.

TREASURER KOPP: I was just interested. And I don't know how you'd manage it.

GOVERNOR O'MALLEY: And how you calculate that?

TREASURER KOPP: Yeah.

COMPTROLLER FRANCHOT: So is it Cecil or Cecil?

GOVERNOR O'MALLEY: I still say Cecil. Cecil County? The Comptroller asked if you'd like to be called Cecil or Cecil.

DR. DEVINE: If you ask my Mom-Mom, it's Cecil.

(Laughter)

DR. DEVINE: Good afternoon.

GOVERNOR O'MALLEY: Good afternoon.

DR. DEVINE: I'm D'Ette Devine, Superintendent, Cecil County Public Schools. And on behalf of the members of our Board of Education we appreciate the opportunity to appear before you to

request favorable action on our fiscal year 2013 school construction projects.

We appreciate the recommendation of the Interagency Committee on School Construction to fund the systemic repair of the HVAC system at Rising Sun Elementary School for \$1,013,000; and also the partial commitment in the amount of \$100,000 to fund the State's share of the doors and windows project at Thomson Estates Elementary School. Both of these projects will allow Cecil County to continue to maintain and improve these buildings while focusing on planning for future CIP requests during these challenging financial times.

Today we request two actions on your part. First we ask you to consider approval of the remaining funding in the amount of \$194,000 for the windows and doors at Thomson Estates Elementary. This project was developed and budgeted primarily by our maintenance department as they surveyed our buildings and identified key projects that will save energy dollars

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in the future. The windows in the building are single pane and not insulated, and many of the doors are deteriorated to the point that new weather stripping is not a viable option for any repairs. So we ask that you approve the balance of State funds in the amount indicated above for the project.

Our second request is to approve full funding for the HVAC replacement at Conowingo Elementary School. This system is outdated and equipment continues to fail and becomes more costly to repair. This systemic replacement will improve control over the operation and comfort in the school, as well as an energy saver for the future. We respectfully request that you approve the State's share of this project at \$207,000.

Our County Commissioners have been supportive of our school construction program. As you are aware, Cecil County is a low wealth county which prohibits our commissioners from front funding school

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projects. State funding is needed to start projects while local funding completes them.

As members of the Board of Public Works you know Cecil County has been and continues to be a wise investment for the State of Maryland. In 11 of the last 13 years we have received before you to receive recognition for achieving a superior rating for school visitations as part of the IAC inspection program. We are proud of our schools and guarantee you that we will continue to manage and properly maintain them.

Thank you for the time to present our school construction priorities and challenges, your fiscal support, and your consideration of our request.

GOVERNOR O'MALLEY: Doctor, thanks very, very much. Dr. Lever, to what extent do we do ESCOs in public schools?

DR. LEVER: We have a report on that. Give me one second and I can bring it up.

GOVERNOR O'MALLEY: Or is there an impediment in the law that keeps them from doing it?

DR. LEVER: The Public School Facilities Act of 2004 created enabling legislation for that among other alternative financing mechanisms, performance based contracting. And we have now, energy performance contracts are being done by six school systems. One school system, Baltimore City, has done it extensively but no longer uses it. They had some bad experiences with it. And then we have 11 school systems that are considering using it in the future.

GOVERNOR O'MALLEY: Hm.

DR. LEVER: So it becomes an individual decision by the school board, whether it is applicable or not applicable for their type of program or their own staff capacities. Because it does involved substantial staff capacity, even though there is a private vendor that is providing many of the services.

GOVERNOR O'MALLEY: Mm-hmm. Have you all ever looked at ESCOs for some of these systemics and these energy saving --

DR. DEVINE: We have. Mr. Willis, our Executive Director for Support Services, can address that.

SECRETARY MCDONALD: Could you stand at the podium please to address that?

MR. WILLIS: We completed an ESCO project in 2005 with Johnson Controls and it was a little over \$9 million. It covered most of our schools and facilities.

GOVERNOR O'MALLEY: Oh, good.

MR. WILLIS: Most of it was controlled based so we could realize some energy savings over scheduling HVAC come in when students and staff aren't in the buildings. So it was very successful and we're in the seventh year of that payback.

GOVERNOR O'MALLEY: And it's working, huh?

MR. WILLIS: It's working great. Yes, it is.

GOVERNOR O'MALLEY: What was the problem with the City? They hadn't benchmarked it properly up front?

DR. LEVER: I think the problem had to do with preventative maintenance. With the work the ESCOs were hired to do on their own equipment that was involved, but also an extended contract to deal with other problems, other types of maintenance --

GOVERNOR O'MALLEY: I see.

DR. LEVER: -- in the schools. And they found that there were some problems in terms of quality of services. And so Mr. Scroggins and I talked about this pretty extensively. And they are going to decide to make it a project by project decision whether to stay with the ESCO for a project or go on to the typical bidding market. And at this point they seem to have moved away from that. Other school systems like Montgomery feel that they can do a better job simply on their own, and they don't see an advantage is doing the ESCO.

GOVERNOR O'MALLEY: Mm-hmm.

DR. LEVER: So it comes down to really individual decisions that are made by boards of education and their staff.

GOVERNOR O'MALLEY: Okay. Questions?

COMPTROLLER FRANCHOT: I just would like to compliment Superintendent Devine for the absolutely spectacular ratings you get on maintenance. If you're not the best county in the State you are right up there with the top two or three. And it's really an achievement to be so highly rated by Dr. Lever's team, I guess, that gets out there. And it's a real feather in the county's cap.

DR. DEVINE: Thank you.

COMPTROLLER FRANCHOT: And I appreciate it. And then financial literacy I think is another subject that should fit with your values of frugality and maintenance.

DR. DEVINE: Absolutely, it does. We have, began a program to infuse it in our mathematics and

social studies curriculum at grades three, eight, and in our freshman seminar course. And we continue to find opportunities to embed that in our K-12 curriculum.

COMPTROLLER FRANCHOT: I am all for that. But let me just tell you very candidly from my perspective, that's not adequate. Because what happens are these kids absorb it and then forget it. You've got to give them something before they get out in their senior year that really focuses them. And not the ones that are choosing it as an elective. They are already there.

DR. DEVINE: Right.

COMPTROLLER FRANCHOT: It's the 99 percent of the others. And so please, if you could take a look at it I think it really --

DR. DEVINE: We'll consider that.

COMPTROLLER FRANCHOT: And based on what other counties are doing, I mean Calvert and others. I don't want to impose costs or mandates on you. I

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just would like you to look at this from the perspective of what these kids are entering as far as the new economic world, I guess. So thank you for your consideration.

DR. DEVINE: Certainly.

GOVERNOR O'MALLEY: Thank you all very much. Next up, Allegany County. Thank you. Hi.

DR. COX: Hi, good afternoon.

GOVERNOR O'MALLEY: Thanks for your patience.

DR. COX: Good afternoon. I'm David Cox, Superintendent of Schools in Allegany County. I'd like to take this opportunity to say good afternoon and Governor O'Malley, Comptroller Franchot, and Treasurer Kopp, thank you for allowing us this opportunity. It's a pleasure to be here to speak on behalf of Allegany County Public School students, staff, and our elected Board. Our entire elected Board is here with us today, Sara-Beth James,

President; Laurie Marchini, Vice President; Jeff Metz, Board member; Mike Llewellyn --

GOVERNOR O'MALLEY: Why don't you all stand up?

DR. COX: -- and Dr. Ed Root, Board members.

COMPTROLLER FRANCHOT: Good.

GOVERNOR O'MALLEY: Thanks for your service.

DR. COX: And also I have Mr. Vince Montana, who is our Director of Facilities here.

GOVERNOR O'MALLEY: Hi.

COMPTROLLER FRANCHOT: Excellent.

DR. COX: And then we also have supporting us here today members of our county government. Paul Kahl, Director of Public Works; Adam Patterson, who is an engineer by trade, he is here on behalf of the CIP committee; and Jason Minnick, the County Director of Finance. So thank you for this opportunity.

Today we're asking for your support for two primary projects in our CIP plan. First of all for the completion of the Fort Hill roof project, which is

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our phase two. This is a \$740,000 item. We've been approved for \$300,000 and we're asking for the additional \$441,000 for complete funding.

Our primary request today is to ask for your consideration and approval for planning for the replacement of Allegany High School. I'd like to call your attention to the red folders that have been distributed. That will give you lots of information after today as you peruse them. First of all, there's an overview letter, a timeline of the project that brings us to the current time, there's a brochure about the school project, and then also several pictures that have been taken of the current conditions of that facility.

Allegany High School, we believe, is the State's longest serving high school, having been constructed in 1925. We bring you this request for replacement after extensive study, community involvement. The Board authorized the facility's utilization study that involved the community and

members from the entire Cumberland area, one from each of the schools represented who told us that that was among the highest priorities, would be to consider the renovation or replacement of Allegany High School. We then commissioned a feasibility study by Grimm & Parker Architects and they concluded very soon into the process that the high school building is beyond its useful life and should be replaced.

I did bring some pictures that I'd like to share with you that some of these are in your program. But this is a, this is the boiler. It's a coal fired boiler. And I don't know circa when, but it's very labor intensive to operate and manage. And it's so old that there aren't parts made for it. So when it goes down we have to be very creative about how we repair it.

This is a photograph of the ceiling underneath the wrestling gym. You can see where water actually seeps in and erodes the conduit. And this is under a paved area. This is underneath a stage. The

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stage extension, you can see the wiring. And then if
I may, Vince, have the other photograph here?

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I'd like to show you an aerial view of Allegany High School. One of the things that was considered is should it be renovated? Could it be? This sits on an 11-acre site. And at the bottom of the picture here you see a cemetery, and at the top there's a cliff. So the school is literally sandwiched between a cemetery and a cliff. This is the main body of the school that was constructed in 1925.

GOVERNOR O'MALLEY: There's something metaphorical about that.

(Laughter)

DR. COX: The school has three different third floors and you can't access one third floor from another. So it goes on to say that we can't have children in wheelchairs accessing those floors. And so it does impede our ability to deliver a high quality instructional program to our students.

As I said, it's beyond its useful life.

That's the reason we're here today asking for your

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support. I'd like to talk now, if I may, about the site selection. We're very excited about this. We've had an extraordinary amount of cooperation and interest in Cumberland and in Allegany County. As those of you who have been there know, the beautiful mountains provide sometimes topographical challenges. And so finding a site that's nearby wasn't a small feat. But we have partnered with the Western Maryland Health System who built the beautiful new hospital. They have agreed to a memorandum of understanding that would convey the old hospital site atop Haystack Mountain that has been vacant for some time, there are 22 acres. And what I'd like to show you here, I know you can't see it, but this is the current location of Allegany High School and this is the hospital site. So it's just across Haystack Mountain. You can see that it's still within the city limits and the attendance area. So we're very proud of the fact that the City Council in Cumberland, the Board of Education, and Western Maryland Health System have

worked so that this property will be conveyed upon your approval to the School System. And then the City will in return convey a parcel of land that's adjacent to their new hospital. So we get the site free and clear. It has all the infrastructure there in place, water, gas, sewer, and it has two sources of three phase power on top of Haystack Mountain. There are 22 acres, as I said. With the building of the school we would be removing several acres of impervious surfaces, reclaiming that to playing fields. So we think that's consistent with the direction of Maryland and smart growth initiatives.

Again, I can't say enough how proud we are about the cooperation and collaboration that our community has shown in coming together to support this project.

We, the, as I said, the MOU has been signed. It will become effective upon word of your approval. I've introduced the members of our county government who are here, and I can tell you they've been with us

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in the planning process through all of these studies. And so we come here today as a united community respectfully asking for your approval for planning for a brand new Allegany High School. And with that, I would be happy to answer any questions that you may have.

GOVERNOR O'MALLEY: How old is the cemetery?

DR. COX: The cemetery is pre-Civil War. Actually, the cemetery was owned by the Episcopal Church, Emmanuel Episcopal, and in the Civil War the property that the high school is located on was commandeered by the Union Army and then returned to the county government and that's how we acquired it.

GOVERNOR O'MALLEY: Good story.

TREASURER KOPP: I have a question of Dr. Lever? This was, the replacement was designated as a C for deferral because of the lack of site approval. So if this is going along as the Superintendent said, will we see that being changed?

DR. LEVER: Yes. It was submitted to the clearinghouse on December 28th. It normally takes about eight weeks to get through the clearinghouse process. And we expect it to come back to the IAC sometime in March for approval by the IAC which is approval to acquire. And I think at that point the MOU can be signed --

DR. COX: That's right.

DR. LEVER: -- if the IAC approves.

DR. COX: Right.

DR. LEVER: And that will also be the last issue that turns this into a B project, eligible, and then we move forward.

DR. COX: Yes. Thank you.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, I just want to compliment that turn out. I think it's terrific you're down here. You know, Cumberland, obviously, is you know a tremendous economic center. And coal is great, but that boiler looked pretty old.

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DR. COX: It is very old.

COMPTROLLER FRANCHOT: I'm all for coal but maybe, I don't know what else you've got planned out there, but could I ask you just about the pioneering leadership that you as a system and a county has shown on the subject of financial literacy?

DR. COX: Sure.

COMPTROLLER FRANCHOT: How is that working out?

DR. COX: It works very well, actually. We for some time, actually I'm in my third year as Superintendent in Allegany County. So the Board's commitment predates my tenure. But I know that the community worked very closely with the Chamber of Commerce there and the Economic Development Committee and the Education Committee. So there was a lot of community support for this.

All of our students do, we have a required half credit for all graduates of Allegany County high schools. And so we think that's very important.

COMPTROLLER FRANCHOT: Well it's good to see Allegany out front. And it's a real, it's a real plus. And thank you for that, and thank you for being down here. And on maintenance I take it you're doing, you're always doing pretty well in that area.

DR. COX: We are. We received, as you know, several Silver Hammer Awards for our facilities. In fact, Allegany High School won an award in 2007. We consistently get superior ratings. We take good care of the things that we're given and we're good stewards of taxpayer resources in terms of our buildings.

COMPTROLLER FRANCHOT: I've got some places I want you to visit elsewhere in the State if you want to export some of that. You know.

DR. COX: Sure. But we do take that very seriously and we have very good people.

COMPTROLLER FRANCHOT: It's exactly that, it's the seriousness with which you take it that's I think unique. Not unique, perhaps, but just not endemic through the system. Thank you.

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DR. COX: Thank you.

TREASURER KOPP: This is great. I mean, I assume it's all true.

SECRETARY MCDONALD: That was St. Mary's.

DR. COX: That was St. Mary's.

TREASURER KOPP: Oh, sorry.

(Laughter)

GOVERNOR O'MALLEY: We've been shopping all morning.

TREASURER KOPP: This is interesting.

DR. COX: Okay, but you can say our brochure is great too.

TREASURER KOPP: No, I read it, I think it looks like it's just about good to go.

DR. COX: Yes.

TREASURER KOPP: But you really ought to take a look at this.

(Laughter)

DR. COX: Okay. We'll do that.

GOVERNOR O'MALLEY: I was very impressed with the boiler. It looked like it was out of the movie Titanic or something, doesn't it?

DR. COX: It does. It looks like a freight train.

GOVERNOR O'MALLEY: Uh-huh.

DR. COX: It's huge.

GOVERNOR O'MALLEY: Well look, thanks very much. We'll do our very best and we appreciate your leadership.

DR. COX: Thank you. We appreciate your time and consideration.

GOVERNOR O'MALLEY: Thank you all for coming in force, too.

DR. COX: Thank you.

GOVERNOR O'MALLEY: Mountain Maryland.

DR. COX: Bye bye.

GOVERNOR O'MALLEY: Thank you. Next up is Montgomery County, land of my bread and buttering.

TREASURER KOPP: You ought to read that thing. It's very interesting.

GOVERNOR O'MALLEY: I read it. I read it, yeah. In formation.

TREASURER KOPP: Mm-hmm.

GOVERNOR O'MALLEY: Lifting each other?

TREASURER KOPP: Yeah, and then going down when one goes down.

GOVERNOR O'MALLEY: Do you know that about geese?

TREASURER KOPP: It's really interesting.

MR. BARCLAY: No, I didn't hear.

GOVERNOR O'MALLEY: That the reason they fly in V formation is because the one in front of them gives lift to the ones behind, and then they rotate out. The goose that has it the toughest is the goose in front. And then as he gets tired he rotates to the back. So as this goes on I'm going to flap over to Nancy Kopp's way.

(Laughter)

MR. BARCLAY: That will work. That will work.

GOVERNOR O'MALLEY: Yeah. Thanks for being here.

MR. BARCLAY: It's good to be here. Good afternoon. My name is Chris Barclay, I'm the Vice President of the Board of Education in Montgomery County. First I'd like to recognize a member of our County Council who is here, Mr. Craig Rice who is with us in the audience. Obviously we have our Superintendent Dr. Joshua Starr, and we have staff from our county.

On behalf of the Board of Education and our school system I would like to thank you for the opportunity to present on our State aid request. Montgomery County Public Schools continues to experience record enrollment growth, with nearly 2,500 more students enrolled this year than last year. Over the past five years enrollment has increased more than 9,000 students and projections for the 2017 and 2018

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school year indicate we will likely be serving more than 156,000 students.

This growth is due several factors: rising births; fewer families moving out of the county; migration into the county remaining constant; and an influx of students from private schools.

Approximately 85 percent of all school age students in the county attend MCPS, nearly four percent higher than ten years ago.

At the elementary school level capacity shortages are the most severe, where you will find 90 percent of our 350 relocatable classrooms. Substantial increases in middle school and high school enrollment soon will follow.

Our local and State CIP request includes substantial funding for elementary school capacity. Fourteen elementary school addition projects, five elementary school modernizations with added capacity, and one new elementary school.

Additionally, we must address our aging inventory through modernization or replacements. On average elementary schools are modernized every 40 years, middle schools every 70 years, and high schools every 50 years. Our 200 schools serve Montgomery County's increasingly diverse population which is approximately 33 percent white, 21 percent African American, 26 percent Hispanic, and 14 percent Asian. Free and reduced price meal services participation has grown dramatically in the past 20 years, from approximately 18,000 students in 1991 to a record number of more than 47,000 students currently. Nearly 80 percent of those students qualify for free meals. MCPS continues to enroll half of Maryland's English speakers of other languages, providing services to nearly 19,000 students.

The Board of Education is committed to equity and excellence, and to ensure success for all of our students the Board of Education has targeted additional resources for reduced class size in

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kindergarten, grade one, and grade two. While the school size reduction initiative has resulted in the need for elementary school additions and the opening of new schools, it has paid substantial dividends by our continual gains in student performance among all of our students.

Again, I would like to thank you for your past support. And I would like to now introduce our new Superintendent Dr. Joshua Starr. And he will share his thoughts.

DR. STARR: Good afternoon, everybody. I'm Josh Staff, I'm the Superintendent of Schools for Montgomery County and I appreciate having the opportunity to share a couple of thoughts with you today. And good afternoon, Governor O'Malley, Treasurer Kopp, and Comptroller Franchot.

So I want to begin by thanking you for the funding support for Montgomery County Public Schools over the years. We appreciate the State providing \$42 million in public school construction funds in fiscal

year 2012. Additionally, we certainly appreciate the \$250 million included in the proposed State budget to fund school construction projects statewide.

You have copies of our testimony so I'm not going to go, I'm not going to take the time to read it. But I want to make a few points regarding our appeal. Our 2013 revised State aid request is \$184.5 million and the Interagency Committee on Public School Construction, the IAC, recommendation is to fund \$24 million of this request. Therefore, we are appealing the approximately \$160.5 million State funding budget that the IAC did not recommend.

The appeal includes the balance of construction funding for eight projects, planning approval and construction funding for 14 projects, the balance of funding for one systemic roof project, funding for two systemic roof projects, and planning approval for seven projects.

Construction projects have been awarded and construction has begun for projects through priority

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number 51-52, as well as priority number 63-64, with the exception of the 18 systemic projects.

State aid in recent years has not kept pace with Montgomery County Schools' construction program. As a result, school construction projects eligible for State funding have been forward funded by the county.

MCPS students comprise 16.7 percent of the State's total student enrollment and we believe a fair share of State school construction funding should be on par with our share of the State's students. If State aid continues to lag behind the opportunity to use State bond funding for reimbursements to the county may be lost on some of our requested projects.

We continue to be concerned that the State square foot formula, which is used to determine eligibility for construction projects, does not equitably address the program and capacity requirements for our most needy elementary schools that have implemented the class size reduction issue that Mr. Barclay spoke about. Based on the current

formula these schools either are not eligible for State funding the funding is significantly less than for elementary school addition projects for schools without the class sizing issue. If not revised, the current formula will have the unintended consequence of not funding projects for schools with high numbers of students eligible to participate in free and reduced priced meal system services while funding projects for schools that are not so impacted.

The IAC has formed a work group to examine the fair and equitable manner for distribution of State funds for public school construction. MCPS staff is participating in this work group and welcomes the opportunity to collaborate with staff at the State to find a resolution to the existing inequity in the formula.

We urge you to consider our appeal for funding. Thank you for your past support and I very much appreciate the opportunity to appear before you today. Thank you.

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GOVERNOR O'MALLEY: Thank you. Dr. Lever, tell me a little more about the work group.

DR. LEVER: It was an informal work group that we put together a little bit over a year ago. They have met several times. It consists of facility planners, people from Board of Education, and local government. And the idea was just to put our thoughts together about revisions to the approach that's taken by the IAC covering a range of issues. Is it a fair approach? Has it been fair in the past? What changes need to be made in it?

And a general conclusion was that we actually have, Maryland has one of the best programs in the United States. Baltimore County Public Schools did some research into other states and found that our program is not only robust but also it's very equitable in terms of the distribution of funds. That's not to say it can't be improved. It is without question a cumbersome process, as we know. There are some merits to it being cumbersome in that there are

checks and balances in various stages that people have to go through to make sure projects are eligible and worthy projects. But it is a very lengthy process without question. It doesn't address all of the needs.

And it has been one of our concerns, and we've talked about it over the last couple of years really, about how to address schools in disadvantaged areas. Because we recognize, and we've seen this not only in Montgomery County but in other jurisdictions as well, that there are a variety of solutions that invariably require additional space. Class size reduction does mean fewer kids per classroom. That means more classrooms.

Another approach is to have pull out space for small groups of disadvantaged kids, English language learners might be three kids, six kids, eight kids, and so forth, who need special attention. But that implies more classrooms.

It's a very difficult issue to wrestle with. To come up with a uniform practice that would be applicable across the State, and also one that recognizes that communities do change over time and that an area that has a, is economically disadvantaged now can in ten years become a stable community. And then you may have built too much space. So the issue of flexibility is very important as well.

And I have to say we don't have an answer to this question. And we haven't seen an answer frankly anywhere in the United States that we're aware of. Because the lifetime of facilities and the lifetime of community impacts don't coincide. Facilities are for 40 years or 60 years.

GOVERNOR O'MALLEY: Mm-hmm.

DR. LEVER: Community impacts can change in a matter of a few years. And I've seen this happen in my own experience in Prince George's County. So it's very tough stuff to deal with.

So we have had discussions, and we talked with the Treasurer about this a few days ago as well.

GOVERNOR O'MALLEY: The older I get, the more I appreciate partial victories. You know? There are no total answers, just totally trying.

DR. LEVER: Yep.

GOVERNOR O'MALLEY: And total effort. Anybody? Mr. Comptroller?

COMPTROLLER FRANCHOT: Superintendent Starr and Mr. Barclay, thank you for the excellence of your system. It's, we brag a lot about Maryland schools and I think, well, the Montgomery system is, you know, obviously lots of new challenges but does such a fabulous job. And I think is responsible for a lot of the national recognition I get. Or, not I get, that you get, or that the State gets. But could I just ask where you are on school maintenance as a priority? And preserving the buildings that we obviously have built up over the decades? Why don't I see Montgomery higher rated by Dr. Lever's folks? I look at 24

Montgomery schools in the maintenance survey, and only one of them is superior.

DR. STARR: Mr. Song, our Director of Facilities Management, can answer that. But we are challenged in Montgomery County with managing the significant increase in enrollment, 2,500 kids a year, and building capacity for that while also keeping up with the maintenance that we have to do and dealing with a shrinking economy. I mean, it's pretty straightforward in that sense. But Mr. Song can go into more detail about our maintenance issues.

MR. SONG: Good afternoon. And as Dr. Starr has explained, it's about priorities. Montgomery County Public Schools has 200 schools with 24.5 million square foot of building that we have to keep it maintained and operational every single day. And just to give you an example on just maintenance, and the inspection is actually a sampling of all 200 schools, so it may not always paint the picture of the entire school system. However, maintenance is

competing against the capacity issues as well as aging facilities that we are constantly juggling the act between the capital budget.

Just to give you a brief example of a maintenance issue, you know, we currently have approximately about \$150 million worth of backlog on our HVAC program. That's why you see our State aid request and our priority is predominantly the HVAC program as a frontrunner. And we're looking to address those issues as well. But it is, again, a balance.

COMPTROLLER FRANCHOT: Good. Well, I'm glad to hear it continues to be a priority. And then on financial literacy, Mr. Superintendent, that's also an area where I think the county because of its prominence and reputation frankly should not just be let's do the average embedding that everybody is talking about. Let's get out front and communicate to our kids that they aren't going to be able to get a job if they have bad credit. And you know, this is, I

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hope the county can move this forward so that on your own terms there's some form of, I don't know what you would call it, graduation requirement.

DR. STARR: Sir, we are certainly of course following State guidelines.

COMPTROLLER FRANCHOT: Right.

DR. STARR: I'm also very intrigued by and have recently visited the Fairfax Financial Literacy Park. I don't know if you are familiar with that?

COMPTROLLER FRANCHOT: Yes, I'm --

DR. STARR: I had the opportunity to go there a couple of months ago. And I am in very, very preliminary, very preliminary, I want to be clear.

COMPTROLLER FRANCHOT: Right.

DR. STARR: I want to be clear. I can't make any promises about it. Conversations about what it would take to do something like that --

COMPTROLLER FRANCHOT: I would strongly encourage that, that's terrific.

DR. STARR: Because it's a wonderful opportunity for our kids, just as the Montgomery College, Montgomery College now has a new hands on science center that we intend to take full advantage of. We want a hands on financial literacy park and the model is right across the line, so that we would very much like to replicate. I like to steal good ideas, and they have a good one, so why not? So that's what we intend to do. It's going to take me a couple of years, I imagine, but we would appreciate any support that you might be able to provide for that effort.

COMPTROLLER FRANCHOT: Excellent. And I believe that finance park, it's complementary to have a graduation requirement stand alone course. It's not just a, in other words they need the flow of students through it --

DR. STARR: Right.

COMPTROLLER FRANCHOT: -- in order to justify it from a business standpoint. So that is, that is fabulous.

DR. STARR: It's a great model.

COMPTROLLER FRANCHOT: If you are taking a look at it. It's very encouraging. And hats off.

GOVERNOR O'MALLEY: Thank you.

DR. STARR: Thank you very much.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: Could I just add a word of welcome?

DR. STARR: Thank you.

TREASURER KOPP: I haven't really, it's really very, very good to have you here. I look forward to an opportunity to visit you in Rockville.

DR. STARR: Thank you. All right.

GOVERNOR O'MALLEY: And I hope you keep the SchoolStat thing going, that Dr. Weast did.

DR. STARR: Yep.

GOVERNOR O'MALLEY: That's a great dynamic. It's a wonderful way for the leaders to rise and share with each other the things that are working.

DR. STARR: A lot of wonderful work. You know, I'm very fortunate to have inherited a lot of wonderful work to build on and deepen, and go even further. So it's a treat opportunity.

GOVERNOR O'MALLEY: Great.

DR. STARR: Thank you. I appreciate it.

GOVERNOR O'MALLEY: Thank you. Best performance measurement system in the State for education, I think anyway.

COMPTROLLER FRANCHOT: -- Dr. Weast?

GOVERNOR O'MALLEY: Yeah, the one that he put in place. It's ComStat applied to teaching.

COMPTROLLER FRANCHOT: Great.

GOVERNOR O'MALLEY: And learning. Okay, Harford County. And shortly I will have to duck out for a second to swear in a Court of Special Appeals judge. But most of the people around this table are

all administration people, though certainly the Treasurer and Comptroller are independently elected. But, so I will be here not only in spirit but in staff, and monitoring you from my cell phone on the live web broadcast.

DR. TOMBACK: Well we're on Twitter if you like.

GOVERNOR O'MALLEY: Good. Thank you.

DR. TOMBACK: So we can forward it that way. Good afternoon, Governor O'Malley, Treasurer Kopp, Comptroller Franchot, and members of the panel. I'm Dr. Robert Tomback, Superintendent of Harford County Public Schools and I'm here before you today to appeal the IAC recommendations to the Board of Public Works for the fiscal '13 capital improvements program. Before I deliver my brief comments I would like to acknowledge and thank the many leaders of Harford County Government for all they have done in support of Harford County Public Schools. I think clearly

without the support of our Board of Education, our County Executive Mr. David Craig, our County Council, and our delegation, Harford County Public Schools would not be able to deliver the quality educational programs and facilities for students in our school system.

I have several individuals joining us today. I'd like to introduce them briefly. We have Mr. Joe Licata, Chief of Administration. We have Mr. Cornell Brown, Assistant Superintendent for Operations; Mr. Ron Kauffman, our Chief Planner; Mr. Chris Morton, our Supervisor of Facilities Management. And one more introduction if I may, and perhaps at the risk of offending my colleagues, the most important introduction is that of Christina McIntyre. Christina McIntyre is a senior at Belair High School who is here this week as part of the page program. And Christina, if you would stand? And she is here absorbing as much as she possibly can. And I will tell you that if you ever see the name, irrespective of party affiliation I

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will add, if you ever see the name Christina McIntyre on a ballot I would urge you now, pull that lever, she is that smart. She is that smart. So thank you for joining us, Christina.

It's been a productive year in Harford County with student achievement ranking among the highest in the State. In the last year we have opened our new Red Pump Elementary School. We have completed implementation of a comprehensive elementary school redistricting program. And we have seen the final influx of residents as part of the BRAC initiative. And I'm proud to report that as a result of these initiatives only four of our 54 schools exceed, and exceed only slightly 100 percent capacity. And we do not foresee capacity concerns for the foreseeable future. And your past assistance has done much to help us address our overcrowding needs, and I want to thank you for all that you've done to help us with that effort.

Now that we have our capacity issues under control we're embarking on a capital program that will address the aging infrastructure within our older facilities. That's why we're here today, to see your financial support with that effort.

We do recognize the dire fiscal constraints each of our funding partners face. In fact, our County Executive and Council have indicated that the only capital dollars we will have available in fiscal '13 will be the reimbursement of State funds for Red Pump Elementary School, which was a county forward funded project and is the topic of our appeal this afternoon.

The IAC has graciously approved \$9.6 million of the \$11 million in State funding for Red Pump Elementary School as part of our request. And we are here today to encourage you to provide the remaining \$1.3 million so we can move forward with several capital projects.

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And Governor O'Malley, you have proposed an increase in State funding for capital construction to create sorely needed jobs. We in Harford County would be very willing to help you in that effort.

We also appreciate the IAC recommendation of \$2.6 million for the Magnolia Middle School HVAC systemic renovation project, and we thank you for that.

But we're also appealing today State funding in the amount of \$1.2 million for the North Harford Elementary School HVAC systemic renovation project, and \$829,000 for the Havre de Grace High School roof replacement project.

I'll point out that Harford County Public Schools has endeavored to be responsible stewards of taxpayers' money. We have embraced many and included many high performing building components. Alternative energy sources, energy conservation best practices in our new school, in our renovated schools, and in our systemic renovation projects such as energy management

systems, geothermal systems, solar hot water systems, and occupancy sensors.

In addition I'll add that we are joining with Harford County Government in a comprehensive facilities audit that will help us to align priorities not just within the school system as far as facilities needs, but we will encompass all Harford County government facilities. And we think this comprehensive program will provide a very detailed and a very clear picture of priorities that will be subject to objective evaluation.

GOVERNOR O'MALLEY: So you're doing that jointly with your county government?

DR. TOMBACK: Yes, sir.

GOVERNOR O'MALLEY: What a wonderful concept.

DR. TOMBACK: Thank you.

TREASURER KOPP: Amazing.

GOVERNOR O'MALLEY: A lot of school boards don't like to do things jointly with their counties.

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DR. TOMBACK: Well we recognize the opportunities, we recognize the advantages not only in getting things done, and getting things done such that they can respond to needs as opposed to various kinds of political pressures. But that this is a responsible way to approach several projects over time with responsible use of the limited fiscal resources that are available.

And finally I'll add that Harford County Public Schools takes pride in offering opportunities to minority and small businesses. And I'd like to highlight that during fiscal 2011 Harford County Public Schools encouraged and attained nearly 28 percent minority participation on its capital projects.

We thank you for your support, your time, and your consideration. And on behalf of our 38,000 industrious and our nearly 6,000 dedicated and skilled employees, I hope that you are able to help us move

forward with our several important capital projects.

Thank you very much.

GOVERNOR O'MALLEY: Thank you.

COMPTROLLER FRANCHOT: Thank you, Mr. Superintendent. How many schools do you have in Harford?

DR. TOMBACK: Fifty-four.

COMPTROLLER FRANCHOT: Okay. Montgomery was here just before you, and they have I think 200. Twenty-four of them were inspected in 2010 for maintenance, one of them got a superior maintenance designation, one out of 24. You had eight inspected during that time. Three of yours got superior designations. Feel free to just give Dr. Starr a call sometime and just, you know, this is a priority. And we want everybody to show success. So you obviously are doing something right.

DR. TOMBACK: Well, we thank you for that comment, sir.

COMPTROLLER FRANCHOT: Where are you for financial literacy for seniors graduating into the real world?

DR. TOMBACK: Well as you know, we comply with the requirement. We do have an embedded program. We are looking at the possibility of creating a stand alone program. But let me also add, sir, that you will join us on February 2nd as we cut the ribbon on the first student run bank in Harford County Public Schools. In partnership with Aberdeen Proving Ground Federal Credit Union we will have a student run bank at Edgewood High School. And the Comptroller is joining us for our ribbon cutting. And we appreciate --

COMPTROLLER FRANCHOT: I applaud that and, but take a look at the other thing. Because, you know, the kids that are working in the student bank get a fabulous experience.

DR. TOMBACK: Absolutely.

COMPTROLLER FRANCHOT: They are not the ones I'm worried about.

DR. TOMBACK: I understand.

COMPTROLLER FRANCHOT: So thank you for that.

DR. TOMBACK: You are very welcome.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: Thank you very, very much.

DR. TOMBACK: You are very welcome.

TREASURER KOPP: Could I just, I was just muttering to the Deputy, I think it was 60 years ago, it might have been 58, in my elementary school we had a student run bank for the students. It worked very, very well. I mean, I still remember it and I don't remember much, actually these days.

DR. TOMBACK: But do you remember the rate of interest they were paying at the bank?

TREASURER KOPP: It was better than you can get now.

(Laughter)

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TREASURER KOPP: Can I ask you a question?

DR. TOMBACK: Sure.

TREASURER KOPP: This is generic, and maybe Dr. Lever can find it out. Some of these forward funded, you implied if we could fund the forward funded, or refund the forward funded project --

DR. TOMBACK: I'm sorry.

TREASURER KOPP: If we refund forward funded projects, or fund --

DR. TOMBACK: Yes, as we hope you do.

GOVERNOR O'MALLEY: Say that 12 times fast.

TREASURER KOPP: Those funds would then go to what?

DR. TOMBACK: Okay. The reimbursement money

--

TREASURER KOPP: Right.

DR. TOMBACK: In the very technical sense is returned to our county government.

TREASURER KOPP: Right.

DR. TOMBACK: Our county government has historically, Harford County government has historically and will continue this year to pass that money. So for example if you, as we hope you do, refund to the county the \$11 million with respect to the construction of Red Pump Elementary School, that money is turned over by county government to the school system for capital project funding.

TREASURER KOPP: For capital projects?

DR. TOMBACK: Correct. And that in fact is the only money that we will receive this year. There will be no local supplement.

TREASURER KOPP: And what sort of capital projects do you have?

DR. TOMBACK: We have a list. Mr. Brown can comment on it. But we have a priority list established by our Board of Education. And this year, again because of our increased level of cooperation, thank you, increased level of cooperation with county government this was a jointly constructed by Board of

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Education approved list of projects which we will be happy to share with you.

TREASURER KOPP: My real basic question is we're talking about jobs when you're talking about construction, shovel ready, and etcetera. And the assumption is, oh, well if you're paying back forward funded then it's not those sort of jobs. But then if you take it a step forward and say with the money that is sent back in fact it's being recycled into, and that's the question, job creating --

DR. TOMBACK: Yes, absolutely. And I mentioned a few minutes ago, because we have conquered, if you will, I know it's a bold statement, but we've conquered our capacity issues. We're now looking at infrastructure issues. So in fact roof replacements, boiler replacements, HVAC replacements. Those are the major projects to which this capital money will be put.

TREASURER KOPP: That's very good --

DR. TOMBACK: Does that answer your question?

TREASURER KOPP: Very good to know. Thank you.

DR. TOMBACK: Thank you.

GOVERNOR O'MALLEY: Thanks very much.

DR. TOMBACK: You're very welcome. Thank you.

GOVERNOR O'MALLEY: Charles County, land of General Smallwood.

MS. WISE: I came in on the end of that geese story you were telling and I think I'm the goose in the front.

GOVERNOR O'MALLEY: All right, you are the goose in the front. It's an honor. The, may I ask? I have to run downstairs. I wanted to ask a question of you all on the space high school that we had talked so much about, Dr. Richmond?

MS. WISE: That's exactly what I'm going to talk about.

GOVERNOR O'MALLEY: Can you tell me what the status of that, the hopes, the dreams?

MS. WISE: Well as it is now it's supposed to open in 2014. But that's why we're here today, to talk about some issues with that. Okay? But it started, it was going to open in 2011. It became 2013. And now it's not until 2014.

GOVERNOR O'MALLEY: But it's still --

MS. WISE: Oh, it's on. We're on target. We have a manager, a management at risk. Am I saying that correctly, Mr. Wineland? That is working with us. And Dr. Lever has been wonderful.

GOVERNOR O'MALLEY: Okay. Good. I have to scoot. With your permission, Madam Treasurer, can I have Peggy Watson fly copilot to you?

TREASURER KOPP: It would be a great pleasure and an honor.

GOVERNOR O'MALLEY: Peggy, Ms. Watson, is my highest ranking financial advisor.

MS. WATSON: Thank you very much.

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GOVERNOR O'MALLEY: And has been for a long time, publicly and not personally.

TREASURER KOPP: I don't know if, you may not have been here when the Governor pointed out that he's supposed to swear in a new judge?

MS. WATSON: No, we were here. We heard him say that.

GOVERNOR O'MALLEY: I have a Special Appeals judge I've got to go swear in. Then I will be back.

MS. WISE: Okay.

GOVERNOR O'MALLEY: Okay, I'll be back. All right. I'll be back. And I've got, I appreciate the written material. I think it will update me on the nuances. But I --

(Laughter)_

MS. WISE: Good afternoon.

MS. WATSON: Good afternoon.

MS. WISE: I am Roberta Wise, the Chairman of the Board of Education of Charles County. And before I begin I would like to introduce Board Vice

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Chairman Laura Cook, Board member Col. Donald Wade, Superintendent of Schools James Richmond, and Assistant Superintendent for Supporting Services Chuck Wineland.

Several years ago our Superintendent Jim Richmond met with Governor O'Malley about a vision for a 21st Century high school that combines the best in science and technology, adds a focus on space, and provides a model for green education. The school itself, in partnership with the local developer of a green community, will provide the tools to educate students in sustainability and green curriculums and programs. It is a building designed to house cooperative learning space, hands on instruction, and digital classroom, and science on the sphere. It is also a building that was slated, as I said to the Governor, to open in 2011, in 2013, and now not until 2014. This high school has been value engineered and then value engineered some more. It is a high school that can't seem to get off the ground. We are

struggling to get building construction started on a school that will now open after many of us are out of office.

The Governor recognized the educational benefits of the programs earlier planned for this high school. And after his meeting with the Superintendent he personally helped us promote that vision and secure a larger capacity building for a growing student population. The IAC and the Board of Public Works have been very supportive in our efforts to push this high school forward despite a faltering economy that has resulted in increases in school construction and scarce operating dollars.

Our request today is short. The project we are appealing is well justified and is already approved by the Interagency Committee on Public School Construction to the Board of Public Works. We are strictly appealing for additional funding to relieve the county from forward funding such a larger portion of the State's share. Specifically, we are asking you

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to support funding for the balance of the \$8.2 million fiscal year 2013 request for St. Charles High School.

The IAC is recommending funding \$7 million of our request. This is our only priority as we move forward with building our seventh high school, which will reduce high school overcrowding for years to come. We have delayed additional projects in order to move forward with this project.

All children deserve a good public education. They deserve the best that we can give. Our best thinking, quality instruction, and well built, safe, and inviting schools. St. Charles High School is a model for the best. The new high school is not extravagant, a luxury, or overdesigned. It's what we need to reduce overcrowding at our high schools and what we need to raise our science and math curriculum to the level the experts, our local engineers and business groups, say we need.

Even during these tough economic times Charles County continues to grow. This past year has

been particular challenging in that with a combination of local government funding limitations and a cautious general contractor construction community we received high bids and had to delay the St. Charles High School project another year, moving it to open in August of 2014. We have gotten through this crisis with the help of Dr. Lever and others and have pursued project accomplishment by construction manager at risk. We look forward to advertising for trade bids in February and obtaining a guaranteed maximum price in March. Our hope is to award a contract in April which will allow us to lock in the project funding approved in the fiscal year 2012 capital improvements plan.

By limiting our CIP request to St. Charles High School, we hope to lighten the financial burden our county government faces to forward fund the unfunded high school project share balance while awaiting State reimbursement over the next five to six years. We also hope the improve the county's ability to fund future renovations sooner and to bring the

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same level of educational and building performance to our older facilities as is found in our latest schools.

We are proactive and use creative solutions to maximize the space in our school buildings. It is important we continue to look to the future and be ready once the housing market turns, hopefully, to accommodate population surges like we experienced prior to the economic downturn. We must also continue to replace equipment and maintain our aging school buildings. We hope the recent years of slowing growth will present an opportunity to consider funding of renovations at an earlier date instead of programming for new capacity.

On behalf of the Board of Education we pledge our 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. And thank you.

MS. WATSON: Thank you. Any questions?

TREASURER KOPP: While the Comptroller is checking, could I just, assuming we add the \$1.2 million, so it's, it's \$8.2 million, then you are saying the county will be forward funding about \$20 million? Is that what it --

MS. WISE: Mr. Wineland?

SECRETARY MCDONALD: Can you state your name for the record, please?

MR. WINELAND: Hi, Chuck Wineland, Assistant Superintendent, Supporting Services. Basically, as you know the building will take less than two years to build. The contractor would like to be paid when he's finished. And therefore, as we wait for the State reimbursement over the course of several years the county has to forward fund all of that. If depending

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upon how much money is put up by the State in the first two years will mean that our next project, an elementary school, either waits four, five years, or possibly three years for funding on the local level.

TREASURER KOPP: And can I assume that you are appealing the \$1.2 million because that's the amount that will be spent in this fiscal year? I mean, I don't, I'm just trying to understand where these numbers come from.

DR. LEVER: They had previously been approved for \$11.2 million.

TREASURER KOPP: Right.

DR. LEVER: Of which a certain amount, I believe it's about \$3 million to \$4 million, has been spent on the site development which is already fairly complete. We're assured that the balance of the previous amount, plus the amount we are recommending, and possibly some more will be spent by the end of FY 2013. Because the, with the gross, GMP to be taken in March, I believe?

MR. WINELAND: Mm-hmm.

DR. LEVER: Construction should start probably, what, in May?

MR. WINELAND: Mm-hmm.

DR. LEVER: I think that's a, about a 14-month period to spend that amount. I don't think there's any problem.

TREASURER KOPP: Okay. Thank you.

MS. WISE: I know Mr. Franchot has got some questions. That's why I'm standing here.

COMPTROLLER FRANCHOT: Oh, great. No I, I actually wanted to applaud your maintenance record because you know I visited Piccowaxen but I also understand you've gotten some superior ratings and that's excellent, given all of the pressures on your system.

MS. WISE: Thank you very much. That's because Mr. Wineland rules with an iron hand on those buildings.

COMPTROLLER FRANCHOT: And you've done something on financial literacy, I just want to be sure I'm not misrepresenting what you guys are up to.

MS. WISE: Yes, we have two courses at the high school. I'm trying to remember the exact, Financial Management I think is one, and that's the stronger course that you need a great deal of math in order to succeed there. These are taken at your 11th and 12th grade year. The other one is Personal Financial Literacy that is not quite as strong. But every student in the ninth grade must take one of those two courses in order to graduate. So starting with this year's ninth grade.

But the unique thing is that North Point High School we have a partnership with the community bank. And it's an online partnership. And the students can take financial literacy that way. And I believe in February they are going to invite people in to take a look at this unique program. So are you telling us that you would like to come?

COMPTROLLER FRANCHOT: No, I would. I just want to impress upon you ninth grade is terrific. But twelfth grade is where we need to --

MS. WISE: No, I didn't mean for you to, starting with this year's ninth graders they must take those two courses as an 11th or 12th grader.

COMPTROLLER FRANCHOT: Okay, got it.

MS. WISE: Okay. They are 11th and 12th --

COMPTROLLER FRANCHOT: They have to take one or the other?

MS. WISE: They have to take one or the other.

COMPTROLLER FRANCHOT: Good. Excellent.

MS. WISE: And they can take both.

COMPTROLLER FRANCHOT: Excellent.

MS. WISE: Okay?

COMPTROLLER FRANCHOT: No, I'd love to come. Don't substitute the online because you've just, you know, we've got to make sure we get to all of these wonderful kids that are getting out there. And the

online, I understand its appeal. But we want to make sure we've got a real body in front of us there.

MS. WISE: Well you know --

COMPTROLLER FRANCHOT: But thank you for that. I appreciate that. And the whole space high school is, you know, a real feather in your cap, and also Governor O'Malley's.

MS. WISE: I just wanted to add --

COMPTROLLER FRANCHOT: And Treasurer Kopp, or whoever --

MS. WISE: Comptroller, I just wanted to add that sometimes some of those very, very bright students get so embedded in all these other courses they have to take that the online may be a solution for some of them to be able to take that course. So yeah, we understand what you are saying. But you have to have some of those options in there.

COMPTROLLER FRANCHOT: I'd love to take you to Loyola College's business class and have you see the level of ignorance that business college majors

have as far as personal finance. And so hold everyone's feet to the fire. I'm delighted you are moving forward and thank you very much.

MS. WISE: Absolutely. Thank you.

SECRETARY MCDONALD: Carroll County?

MR. GUTHRIE: Good afternoon, members of the Board of Public Works. Thank you for hearing out our appeal today. With me I have Assistant Superintendent of Administration Jon O'Neal; Director of Facilities Ray Prokop; and our Facilities Planner Bill Caine.

I'm here today to first of all thank you for the recommendation of \$7.3 million in both systemic and a new school, and say that we're deferring an additional eligible \$3 million for our Mt. Airy replacement school to concentrate on these two projects that I'm bringing to you today. They are both the same in nature but at different points of implementation. It is closing open space classrooms at two of our schools, Westminster Elementary School and Robert Moton.

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This is not simply building walls. I tried to provide some pictures. They don't do it justice in the back of the testimony. But if you can imagine walking into a space that in the 1970's they were building that is completely open and four academic classrooms are going on at the same time. What you'll see at an unfinished school in Carroll County if you walk into that pod, you will see that teachers have put their versions of walls up between each one of the classrooms. And so there are bookshelves, there are carts, there are books, and there are coat racks. There's everything they can do to try to provide some walls to separate the academic curriculums.

We have been successful in three schools right now in closing in that space. And not just building walls. What we've done is actually change the environment of the entire school. We've added the technology within those walls, the technology drops, the current, the electricity, the upgrades. We've closed in those walls. We've improved the control of

the air quality within those spaces, certainly the noise. We've added egress. So this is not simply building walls. This is a renovation of an interior school for less than \$80 per square foot, as opposed to \$200-plus per square foot for normal construction.

Comptroller Franchot, you came out and awarded us a Silver Hammer last year, and I appreciate that, at West Middle School. And one of the tenets of what you said was inexpensive ways to provide more modern looking facilities or continue to keep our facilities in good shape. This is in that vein. Again, we can completely renovate the interior of a school for less than \$80 per square foot, and provide the technology infrastructure we need in those classrooms to make it 21st Century.

Not only that, but we've improved the control of the air quality, we've added egress, we've added the sound barriers that our students need to be successful. We are moving away in those two remaining schools.

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This was a joint collaboration between the county government and us, who gave us \$8 million some years ago to renovate our six schools. We got through three. We have three more to go. One's in the process of being completed, another one is in design, and one is yet untouched. To get to those three we need State help. We needed Westminster Elementary and a little over \$830,000, and at Robert Moton, which is completely open space, even the media center is open space, we need \$1.5 million.

MS. WATSON: Were the others open space also?

MR. GUTHRIE: They were, and we --

MS. WATSON: All of them were, so this is the end of --

MR. GUTHRIE: This is the end of it. With these two, and then one yet to go, and we'll be completely finished. And I know the pictures are there. They don't do us justice, the dramatic difference in that space. No square footage is lost

in the classroom. Teachers get a workroom. And more importantly, there are, instead of the wheeling in and wheeling out of technology we have the walls there to provide that infrastructure and data drops so we can provide the direct technology to those teachers. And those, everybody is ecstatic with the look of those new classrooms.

So that's what I'm here to support. We've deferred all other capital requests and appeal in lieu of these two, so I hope that that does provide us some money to keep those renovations going.

So that's in the long and the short of it is what we're appealing.

COMPTROLLER FRANCHOT: I'm sure, no, I really applaud you for this. And it's, I enjoyed my visit to Westminster and I hope this all works out. And you really are the cradle of financial literacy in the State of Maryland. Maybe you could just update me?

MR. GUTHRIE: Yeah, we still --
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COMPTROLLER FRANCHOT: I know Dr. Ecker was really --

MR. GUTHRIE: Dr. Ecker, it was an initiative of his when he was Superintendent. And so for the last four to five years we've had the stand along course as a graduation requirement in Carroll County. It was implemented using existing curriculum online from other business affiliates and associates. And we have it as a, in fact my son is scheduled to take it next year as a sophomore at Westminster High School. So we have implemented that, as we've talked about many times in this forum, for years now.

COMPTROLLER FRANCHOT: And it's well received by the public?

MR. GUTHRIE: The public is well received, yes. Absolutely.

TREASURER KOPP: And Peter, Comptroller, Sheila tells me that Robert Moton --

MR. GUTHRIE: Robert Moton.

TREASURER KOPP: Was Richard --

MR. GUTHRIE: Yes.

SECRETARY MCDONALD: Richard Dixon's.

MR. GUTHRIE: Richard Dixon's, yes. Yes, in fact there's a portrait of him in the lobby. Yes.

SECRETARY MCDONALD: I thought I remembered that.

TREASURER KOPP: Richard Dixon was a friend of several people sitting --

MR. GUTHRIE: Yes, of all of us. I've known him, not as well as some of you, but I've certainly in my travels as school system employees he was very important to us.

COMPTROLLER FRANCHOT: Yep. I remember the, my first subcommittee meeting when I was newly elected Delegate I sat next to Richard Dixon in the Transportation and Environment Subcommittee. It's a relatively small room. And he sat down and lit up I think the biggest cigar I've ever seen.

(Laughter)

MR. GUTHRIE: That was him.

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COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: He was a great man.

COMPTROLLER FRANCHOT: Great guy.

MR. GUTHRIE: Okay.

MS. WATSON: Thank you.

COMPTROLLER FRANCHOT: Thank you very much.

SECRETARY MCDONALD: Prince George's?

TREASURER KOPP: Ah, the County Executive.

MR. BAKER: Good afternoon, how is everyone doing?

COMPTROLLER FRANCHOT: Very well, thank you.

MR. BAKER: Comptroller Franchot and Treasurer Kopp, first of all it's a pleasure to be here. And I'm just going to briefly just go over a couple of things and then let Dr. Hite and the Chair of our Board, Verjeana Jacobs, talk about our request here. As probably the norm, I'm here to support the school system and the things that we need so I want to thank the committee for hearing us out.

You know over the first year of the administration we focused on economic development and really stabilizing the government in the county. On the second year and throughout the rest of the administration, of my administration in the county, we're going to focus on education. And I was pleased to hear the Governor's commitment to construction. That is an area where I think Prince George's County can really make a mark, renovation and construction projects throughout the county and our schools especially those that are with inside of our inner Beltway area.

I will let Dr. Hite get into the specifics of what we are requesting. But let me just say the philosophy of the county and this government going forward is that we have taken our economic development money, our, whatever resources we have in the county and we're targeting it around areas that we're going to focus those with. So when we're talking about economic development we're developing in places like

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the Crossland area, like Fairmont Heights, like Suitland. Places like that where we are not only bringing public dollars in terms of education but also public safety, healthcare, and the whole wrap around services. So when you hear the requests that we want for renovations throughout the county keep in mind we're not just bringing the dollars the county is going to put forth in terms of education and construction, but also in terms of those other things that go along with improving our education system.

Dr. Hite and his team and the School Board have made tremendous strides in improving the education in Prince George's County. I'm very pleased with the work that they are doing. I think we've got a great Superintendent. We want to keep him for a long time. I think that's one of the things that makes the school system great, is the longevity of the Superintendent and the support from the County Executive. And so for my role and our team is to support them and to ask you to help us. You've been

very good to us in the past. We ask you to dig a little deeper. I know it's very tough up here. But we think we can do some great things. And with that I'll turn it over to Dr. Hite. Or Verjeana. Our Board Chair Verjeana Jacobs is doing a fantastic job.

MS. JACOBS: Thank you, Mr. County Executive for your continued support of our education. It's quite important in our county. As we continue to build for Maryland's future I want to thank you for the recommended \$23.6 million that you've already slated for Prince George's County. It's important to note that this essentially represents about 39.8 percent of the State funds requested for school construction for our FY 2013 capital improvement needs.

My name is Verjeana Jacobs. I'm Chair of the Board of Education for Prince George's County. And on behalf of the Board I think it's important for us to note that, and we say this to you every year but I think it's really critical that in 2007-2008 we

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commissioned to have the condition of our facilities assessed. And in that assessment it was determined that we have about \$2.1 billion in needs across the district.

Clearly, Prince George's County is a large district and so those needs are great. But I think it's also important to note that based on your recommendations to us the Board has been very diligent about making sure that the funds that you do give to us are efficient and effectively spent. And to that end for the past three years, for example, we have been consolidating when necessary. Our boundary changes have not been without controversy, but we believe that Superintendent Hite has done an outstanding job in making recommendations to the Board for how best to use our facilities to make sure that the dollars that you do give us are efficiently used. So that has included consolidation, it has included program duplication in our county where we have a number of choice options for parents. And also we

have been very successful in clearing up those areas where we had under-enrolled schools, where our State rated capacity just was not meaning what it needed to based on approvals that you had already given to us, and also overcrowded conditions.

And so the additional funding that we are asking for is targeted around ensuring adequate resources for our classrooms and facilities to make sure that we're meeting the needs of our students. And of course we respectfully request that you would provide those additional funds. And as we have had challenges over the past few years around operating budgets, of course, on the capital budgets are just as important.

So our plea to you on behalf of the Board of Education is to definitely give due consideration to what our additional needs are and also give, you know, deference where you see it necessary around the work that we try to do to make sure that we are appealing

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to what you think our needs are for the approvals of the monies that we have requested.

To that end, I want to turn it over to Dr. Hite who can give you some more specific details around specific numbers. But again, I hope that we can provide you a very clear picture of what our needs are for 2013. Thank you.

DR. HITE: Thank you, Madam Chair. Thank you, Mr. County Executive. And I think, I hope, this demonstrates our commitment to work with both county leadership, Board leadership to address the needs of all of the students in Prince George's County.

Good afternoon, Madam Secretary, and to the Board of Public Works. My name is William Hite and I'm Superintendent here in Prince George's. I'm not going to repeat what's already been said. But I think what's important is that understanding the dire fiscal picture, it's really important for us to be stewards of these resources. And to that end we have begun to focus our requests in Prince George's County not so

much on new school construction, although this request represents one new school, but more the renovation of buildings and the attention to systemic repairs.

So I want to call your attention to the fact that this request of \$57.4 includes \$20.6 million for one new school, as I indicated earlier, three replacement schools, renovations, and additions at one school, and an auditorium addition at another school. The request also includes \$8.5 million for seven open pod conversion projects. And as you heard from a colleague who presented before, it does change the complete environment of the school. And that's been an ongoing strategy for us as we look to renovate our schools. And \$16 million for our top 33 systemic renovation projects. They are in a prioritized fashion that is designed to address needs. And as our Board Chair just indicated we have in excess of \$2 billion in renovation needs.

Also included is a request for approximately \$12.3 million of the State reimbursement funding for

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six school construction projects. Most of these are replacements and/or renovations. They are the new Oxon Hill High School, the new Fairmont Heights High School, Avalon Elementary School, Henry Ferguson Elementary, Eugene Burroughs Middle, and Doswell Brooks.

So with that I want to once again thank you for this opportunity. In Prince George's County we share your concern for providing safe, healthy, and high performing facilities that provide an enriched environment that is conducive to learning. So maintaining our school buildings in a state of good repair and operating them in a safe manner is one of our highest priorities.

I would, we welcome any questions at this time. And once again, thank you for allowing us to present to you this afternoon.

COMPTROLLER FRANCHOT: Madam Chair? I just want to thank you, Dr. Hite, for bringing the County Executive with you. I served with him in the

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Legislature, and Delegate, or Treasurer Kopp did also. And I don't think there's anyone in Maryland who has more, we collectively have more confidence in his intelligence and his integrity, and just his joy. I mean, everybody wanted to be around Rushern Baker in the Legislature.

(Laughter)

COMPTROLLER FRANCHOT: And it's very, it doesn't surprise me that he's here giving you some support. And Chairman Jacobs, thank you for your presentation. I just had a couple of quick questions.

DR. HITE: Sure.

COMPTROLLER FRANCHOT: One is about Oxon Hill. There are a lot of rumblings that it's going to be too small, even when it's built. I obviously see it as your top priority and appreciate the \$9 million that the IAC has already awarded. But are we going to have a problem before it's finished?

DR. HITE: We don't think so. And the capacity was designed really to support the enrollment

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projections moving out through 2015. And based on those projections is how we had to design that project. However, that project is designed in a unique fashion so that the common spaces will support more kids in the event that more students move into that area. That will allow us to go out and up, if you will, if it is necessary in the future. So we are trying to plan for a structure that is, that we could address, where we could address more students if necessary.

COMPTROLLER FRANCHOT: Excellent. And surplus school properties, are they, do you have them? Are they sitting unused? Or are they being utilized? What's the --

MR. BAKER: We have, we are actually expiring a lot of leases that we were, that we were contracted with. And we're using many of those to, as possible charter school locations. We're also using some of those facilities as office space. But we are not just closing schools and doing away with those

properties. We are finding other uses for those because we're also anticipating, although we are going through an enrollment decline, we're also anticipating at some point that will stabilize and begin to increase. So we're looking forward to the use of those facilities in the future.

COMPTROLLER FRANCHOT: Excellent. And I understand you have some elective courses in financial literacy. How are those working out? Are they popular? I know your Citibank that you and I appeared at seemed to be thriving. Are we, could we possibly keep an open mind about a graduation based stand alone course that --

MR. BAKER: Absolutely. We're still pursuing --

COMPTROLLER FRANCHOT: -- gives people the basics?

MR. BAKER: Yes, absolutely. And as a matter of fact we have, the course that you are talking about is, the program that we were all at was

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at Parkdale High School. It's our student run bank. And it's a full operating branch of Capital One. And the ten students there are not just operating the bank, they are teaching all of the other students in the school financial literacy. And I also have to add that they were featured on the January cover of *Maryland Banker*. So we are pleased about that and we're also pleased to, we're going to be having an announcement soon about a bank that has also provided a commitment for us to open a finance park just like the one that is in Fairfax, Virginia. And that would allow us to run all students through that type of program.

COMPTROLLER FRANCHOT: Well I notice a lot of leaders are demanding in effect that Prince George's get some casino gambling. I would to just respectfully suggest that I would love to see a financial literacy graduation requirement and finance academies built where all of those gambling parlors are, you know, people are so hungry to have them.

Because you know, this is the future of Prince George's.

DR. HITE: Absolutely.

COMPTROLLER FRANCHOT: Entrepreneurial success. And so if you can advance that down the road I think it will be a great legacy.

DR. HITE: And I'll also divert that comment to the County Executive because he --

COMPTROLLER FRANCHOT: No, I don't want to -
-

DR. HITE: Because he talks about --

COMPTROLLER FRANCHOT: I don't want to him to say bad things about me. But, you know, this is sincere, this is --

DR. HITE: No, I appreciate it. I appreciate it. And you saw, in fact Mr. Comptroller you saw that several of our schools where financial literacy is a core component of what our students are experiencing. And we're going to continue to do that

in a way that provides all students with that exposure.

COMPTROLLER FRANCHOT: I really believe it's part of the new civil rights. People call it silver rights. It's ability for people to have decency and dignity in a job, and some prosperity. And I just hope that we can pick it up because I think the public is with us. And the other direction I think just drags us down, frankly. And so anyway, that's, thank you, Madam Chair.

MS. WATSON: Before you leave could you just quickly speak to your systemic renovations? I know that's a challenge a lot of times for schools and I was wondering how you were making out with that.

DR. HITE: Yeah, the Board Chair mentioned a study that was commissioned several years ago. And it was a 3DI study and it was really an engineering report that looked at the disrepair, or the needs at all of our facilities. And then we then implemented a new capital improvement process that really addresses

the most significant needs first. And that's why you've seen programs for schools like Henry Ferguson, Doswell Brooks, Oxon Hill, Fairmont Heights then moved forward in the list because there were more dramatic needs at those school than were at some of the others. And so it is in a prioritized fashion. But the other thing that's really important, it's also in response to our instructional needs across the county.

MS. WATSON: So are you playing catch up?

DR. HITE: We are playing catch up, yes, yes. But we are also trying to do that, we are also trying to address those of the highest priority first. But it is also a recognition of why we are moving to, from just asking for new schools, brand new schools, to really looking at how we can move those funds to systemic repairs and address more schools quite possibly.

MS. WATSON: Okay. Thank you.

DR. HITE: You're welcome.

TREASURER KOPP: Can I ask a slightly off track question? Naming of schools, how are the schools named?

DR. HITE: We have a Board process that talks about the naming of schools. It requires a couple of public hearings and in this case with the schools that are the replacements we don't have as large of an issue with names because naturally they are, they are going with the names of the schools that are being replaced. But when we open new schools we do have a process that is a part of our Board policy that requires the suggestions of names that we collect from the community and then a series of public hearings, and then after that recommendations from the Board of Education and a vote on that name.

TREASURER KOPP: I do have to say that both Rosa L. Parks and Mother Jones I think are great names. It's very good to see them there.

DR. HITE: Great. We do, too.

COMPTROLLER FRANCHOT: Madam Chair, I didn't mean to cut off the County Executive. If he wants to get up and say something about gambling --

(Laughter)

COMPTROLLER FRANCHOT: I don't want to get him in trouble. But thank you, thank you, Rushern, for being --

MR. BAKER: We won't take, we won't take --

(Laughter)

COMPTROLLER FRANCHOT: Thank you for being here.

MR. BAKER: Thank you.

SECRETARY MCDONALD: Baltimore County.

DR. HAIRSTON: Good afternoon, Comptroller Franchot and Treasurer Kopp, and Deputy Chief of Staff Watson. We're here today to advocate for the public school construction funds that will help Baltimore County Public Schools continue to provide a safe and effective learning environment for our students. With me this afternoon, obviously you did see our County

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Executive Kevin Kamenetz was here. He had a competing schedule, of course he had to leave. But he was here to wish us well and give us our pep talk. But I have my staff with me as well. I have Bob Barrett, our Legislative Liaison; Carol Battoff, also with us from my staff; the Executive Director for Facilities, Michael Sines; we have our construction engineers Merrill Plait and of course Kurt Buckler.

Our school is dedicated to providing a quality and comprehensive educational program that meets the needs of our diverse population. We strive to create a safe and supporting learning environment, even as we manage fiscal limitations. We've made significant progress over the past decade, in fact the past 12 years. And with your support we've been able to advance our major facilities renovation program, including both the full and limited projects and our buildings at this point are no longer in crisis when it comes to infrastructure. We have made progress towards accommodating our growing population and

that's attributable to the academic performance of our schools. They are becoming more attractive for people moving into the community. They are making decisions over other options or other alternatives to public education, private schools, and coming back to our public schools. It's a healthy problem.

And I want to thank you for your support during my tenure as Superintendent. It's been very a very rewarding and productive 12 years as the Superintendent of the 26th largest school system in America. And I'm just proud and privileged to have had an opportunity to serve here.

I also want to acknowledge the fact that we did receive the adjustment in the \$22.9 million. That is now we currently have \$23.5 million to help us with our key capital projects.

However, the level of funding at this point is still not at the level that we absolutely need in order for our school system to sustain its progress.

We recognize the limitations of the strained economy

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that we have, and as a result we have reduced the scope and the pace of our limited and full renovation program for our high schools.

Our request includes the \$3.5 million that are necessary for construction of the new Dundalk and Sollers Point Technical High School. It is going to be certainly an absolute gem for the community, a very boost for the self-esteem of our people and aspiration for our young students.

We are also seeking report for a renovation and addition at Hereford High School. And we urge your endorsement of this project so that we could sustain our high school modernization program.

Also we want to ensure the safe and effective accommodation for our growing student population. We are anticipating an enrollment projection of 1,500 students for next year. Our total elementary school population increased by 1,400 students for the 2010-2011 school year. The total enrollment at our elementary level now exceeds our

total elementary capacity. You may remember when we opened New Town Elementary School that was built for a capacity of 730 students, we opened the building the first day with 1,000 students in it. And it put us in a crisis situation where we needed relief. Our blue ribbon school that was recognized, Woodholme, was built to be a relief for New Town Elementary. They are now at capacity, close to 1,000 students. Again, we attribute that to the success of our school system and the attractiveness of people who are understanding the value of a good public education.

To begin to address the challenges for fiscal year 2013, the request includes \$7.3 million needed for a 200-seat addition at Stoneleigh Elementary School. Classic example of successful communities in terms of supporting high academic standards, and making it attractive that those schools now are overcrowded simply because people are deciding to live in communities where there are good schools.

We are also asking for the 700-seat addition in the

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Lutherville area. That entire corridor, we've talked about this for the last three or four years, is one of those areas where we have a saturation of high quality, high performing schools. And parents are electing to move into those particular parts of the county.

Now during my tenure Baltimore County has been very successful with the advancement of projects from a capital perspective. We have 26 middle schools, and initiating the high school modernization program. Science rooms have been renovated in 12 of our high schools. Growth population, we've been able to respond with five new schools and 12 additions in our existing schools. And of course we have adopted the LEED concept with our buildings. Our award winning air quality, indoor air quality program, is active. And of course the comprehensive maintenance deliver system. Twelve years ago we did not have a maintenance program to speak of and it's taken us a while to develop a maintenance program to where we

have a pretty good schedule to maintain the 172 schools that we have.

The hallmark of these accomplishments are two-fold, quite frankly. We have significantly increased efficiency in many of our ways in terms of our operations. Second, our students and our staff in our community are served in a more health and accommodating environment. And I urge you to recognize that this success can only be attributed to the balanced comprehensive multiyear approach that Baltimore County Public Schools has taken over the last 12 years.

And we certainly want to thank you for your support over the years, and we ask you to continue this shared commitment. Obviously, copies of those statements are with us and provided for you.

MS. WATSON: Any questions?

TREASURER KOPP: No, I can ask later. Thank you.

DR. HAIRSTON: Okay.

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COMPTROLLER FRANCHOT: Madam Chair? Thank you, Superintendent. I wish you very well in your retirement, by the way.

DR. HAIRSTON: Thank you very much. Forty-three great years.

COMPTROLLER FRANCHOT: Well, that's excellent. I had the privilege of visiting Stoneleigh Elementary School last fall with Senator Brochin and others, and some of your staff. I was particularly impressed with the strength of the school's support network. The parents are incredibly engaged. The faculty and staff seem to have a true sense of ownership of the school. And the area's elected leaders really seem to get what the school meant to the community. So that was very heartening. And frankly I think County Executive Kamenetz and Senator Brochin and Councilman Marks, who was there, others deserve a lot of credit for making this a paramount priority. And I hope that we can get even more money through the appeals process.

There's another issue that we're all too familiar with. Last year we hosted the Baltimore County Public Schools we heard from the children and parents of Middleborough Elementary School in Essex. Wonderful little community school that for reasons that still mystify me is still one of the 93 schools in Baltimore County that lack air conditioning. We heard from children who are forced to sit in sweltering classrooms without so much as an open window or a box fan to relieve the heat. We heard parents who have to see their children get off the school bus drenched with sweat. And we heard about teachers who literally become sick because of these conditions.

In spite of these deplorable and unsafe learning conditions the county submitted a \$7 million capital funding request that day that didn't include a single dime for air conditioning for Middleborough or any other school. Since that day these wonderful concerned parents at Middleborough Elementary went

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back home and came back with an extraordinary offer. In a December 14th letter from Ms. Cathy Fialkowski to Mr. Michael Sines she wrote that the parents of Middleborough Elementary School would, "privately purchase the 25 air conditioning units needed to provide air condition relief in the classrooms currently operating without air conditioning and the cafeteria," provided that, "Baltimore County and Baltimore County Public Schools pay for the installation of these units." She correctly concluded that, "this is an excellent opportunity to demonstrate how the public and private sectors can work together and solve problems during a difficult economic climate."

In an artfully written response Mr. Sines wrote that, "in good conscience I cannot accept the proposal." And he went on to say it would be counterproductive to install window units, and even hinted that they could be unsafe for the students. As if triple digit temperatures aren't unsafe.

I want to focus on this for a moment. In the midst of the worst economy that any of us can remember a group of working parents who are already paying for their children's education with their tax dollars care so much about the safety and welfare of their children that they are willing to dig into their own pockets and pay for air conditioners themselves. Despite the fact that in most cases their kids will be out of Middleborough within two or three years. And Baltimore County, that spent more than \$5 million on a curriculum overhaul that was never implemented, including \$2 million on obsolete, 30-year-old textbooks that are now sitting in shrinkwrap in some warehouse, essentially walked away from a free gift because they consider box units to be counterproductive and unsafe. And as a result these little boys and girls and their parents have to look forward to more sweltering days in classrooms where there is no air conditioning, the windows don't open, box fans aren't permitted I guess because of an

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idiotic safety policy developed in the bowels of the bureaucracy.

In the interests of time I'm not going to draw this out any longer. I'm an optimist. I heard Wicomico County today announce that they'd overturned their, the Board of Commissioners had within a week had a whole new view of some important projects. Proof that politics is a stimulus response profession, they went from opposition to support. I guess I don't have any illusions because I've dealt with this issue, but I'm hopeful that under your leadership team as you are leaving to retirement, or the new one coming in, that someone is going to relent on this irrational, frankly callous unwillingness to provide relief for Baltimore County children.

I understand Alan and Cathy, Michael, and others are here today. I urge them to carry the fight forward. Remember Wicomico County. Last week they were absolute adamant, no way, and don't let the door hit you on the way out. The citizens spoke out, and

all those elected officials all of a sudden changed their mind and sent us a letter in support of what they had the week before adamantly rejected. So stimulus works in politics. And, but I'm kind of tired of saying pretty please. I really am. And I'm going to submit these two letters to the Board for its record. I think together, I've been around a lot but I don't think I've ever seen a letter like the one that Mr. Sines sent back to these citizens. And, thank you those there.

And then I also have, you know, in June you guys reported there were 94 schools in Baltimore County without air conditioning and now all of a sudden, miracles of miracles, you are reporting only 66. I don't know how anybody can have confidence in your figures. But you know, it's not legally a crime. But morally it is just completely unacceptable what you are doing. Thank you.

DR. HAIRSTON: Thank you, Mr. Comptroller, for those encouraging words. I'm here this afternoon

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to speak to the 20 projects that are on this list. And I'll be happy to entertain any conversation with members of the community if they just call my office and schedule a meeting.

The information that you stated with the textbooks is erroneous. The textbooks happen to be grammar and mechanics books. They are being used. As far as I know, English grammar and mechanics hasn't changed over centuries. And I would be very careful with listening to someone else rather than having the evidence. And we can provide all the evidence you need.

COMPTROLLER FRANCHOT: And what about the \$5 million on a curriculum overhaul?

DR. HAIRSTON: All right, the \$5 million on curriculum --

COMPTROLLER FRANCHOT: That's all, that's all currently being used, too?

DR. HAIRSTON: Yes, it is.

COMPTROLLER FRANCHOT: And the --

DR. HAIRSTON: In fact I would ask you to produce the evidence of that information to support what you are saying. No one has ever asked us to respond to anything. They are just making allegations.

COMPTROLLER FRANCHOT: Expunge what?

DR. HAIRSTON: No one has asked us to respond to any of those issues. They are just making those blatant statements and we have documentation.

COMPTROLLER FRANCHOT: Could I have the letters back, please?

SECRETARY MCDONALD: Yes --

COMPTROLLER FRANCHOT: Yeah, that's, okay --

DR. HAIRSTON: But once again, we --

COMPTROLLER FRANCHOT: So hang on, Mr. Superintendent, you made the argument.

DR. HAIRSTON: Sure.

COMPTROLLER FRANCHOT: So the letter goes to Mr. Sines on December 14th, "as a follow up to the Board of Public Works meeting our proposal," etcetera,

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etcetera, etcetera, "is to privately purchase the 25 air conditioning units needed to provide air condition relief in the classrooms." And then they propose a partnership with you guys implementing them. Here's the letter back, December 19th, from Mr. Sines, "understand your frustration and strong desire," gee, I wonder why, where that came from? "But unfortunately in good conscience I cannot support the proposal and I will attempt to explain." And, "when consideration is given to the architectural, mechanical, electrical maintenance, operational," blah, blah, blah, "installation of window units," and it goes on and on. And then, "numerous issues associated with window units," all of which have been demonstrated by Anne Arundel and other counties to be just a lot of nonsense. Oh, and then, and then the answer goes back, gee, "We really appreciate your offer to buy the air conditioning units but we have a different suggestion for you. Number one, you can go to the Board of Ed public meeting each year, one each

year dedicated to seeking public input. And the second option is to submit a proposal to fund an air conditioning project as a group or organization. Obviously, this approach would require great sacrifice on the part of the organization or community." As best I can tell, "if this option is seriously considered a member of the Department of Facilities would be assigned to assist. The current project estimate to install a central air conditioning system is roughly \$1.6 million." I mean is that really Baltimore County's response? "The first cost estimate for a central system is only \$600,000 more than the window unit project. I take it you, in the life cycle and maintenance of operational costs," blah, blah, blah. I mean --

DR. HAIRSTON: Comptroller --

COMPTROLLER FRANCHOT: -- a million dollars for 25 window units?

DR. HAIRSTON: Comptroller, I --

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COMPTROLLER FRANCHOT: That's \$40,000 each.

If you could just let me finish.

DR. HAIRSTON: Sure.

COMPTROLLER FRANCHOT: You said my, you know, I was bringing up things that weren't documented.

DR. HAIRSTON: I'm talking about the curriculum information that you were talking about.

COMPTROLLER FRANCHOT: Well that's been in the press more than, maybe with the wrong explanation.

DR. HAIRSTON: That's my point. That's my point. We do have an internal process, sir, to work with the communities and work with parents. And all politics aside, I'm very encouraged with what we've been able to accomplish over the 12 years with our facilities program. And there's no question there's still work to be done.

COMPTROLLER FRANCHOT: Yeah, I'd love to put politics aside.

DR. HAIRSTON: We have a great relationship with our County Executive. And I think that moving forward there are some initiatives and plans to even work closer with our school system to try to enhance -
-

COMPTROLLER FRANCHOT: Well I've given up speaking to you guys. To the parents, carry the fight forward. Believe me, they are weaker than you think. And you are in the right. And you know, before too

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long we're going to have air conditioning not just in Middleborough but every school in Baltimore County. Just like all the politicians, just like all the administrators. Just like all of them have air conditioning, your kids and the kids following your kids are going to have it. God bless you for what you are doing. And on behalf of the State, my apologies. Thank you.

DR. HAIRSTON: Thank you for allowing us to address the 20 projects that are on the list.

MS. WATSON: Thank you.

TREASURER KOPP: Thank you, Dr. Hairston. And thank you for your years of service to the students and the community.

DR. HAIRSTON: Thank you. It has been wonderful.

COMPTROLLER FRANCHOT: Thank you. Sorry I didn't have copies. Here's the letter to him. Here's -- oh, I'd like to ask the parents if they were, if

they want to say anything? Alan, come on up and say something. You are here.

TREASURER KOPP: On the 22 projects? Or on

--

COMPTROLLER FRANCHOT: On anything you want to say.

MR. SOUTHWORTH: Thank you, Mr. Comptroller.

TREASURER KOPP: Excuse me, sir, what, could you just introduce yourself --

MR. SOUTHWORTH: I'm Alan Southworth. I'm standing here with Cathy Fialkowski, Michael Darenberg, and Jessie Kemp. We represent the AC for Middleborough Committee. I'm sorry that Dr. Hairston couldn't have remained. But we're not here today because we want to be. We're here today because we feel as though we have to be. Since we were here in October giving testimony with our children we were told by the committee, or by the panel rather, that for us to go and seek the council of our local politicians, our local officials. We've done that.

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And we concluded that the best solution to the air conditioning issue at Middleborough was to use the strategy that was successful in the Anne Arundel County School System and just apply it to Middleborough.

As Mr. Comptroller had stated, we did in fact write a letter. It's here. To set up a proposal, which was supported by all of our delegation here in Annapolis. Delegates Weir, Olszewski, Jr., Mr. Minnick, and Senator Stone are all on board with this, along with Baltimore Councilwoman Kathy Bevins. And we did. We said that we would raise the funds that would purchase the 25 individual units that were needed to take care of the rest of the classrooms along with the cafeteria, provided that the Baltimore County government just pay for the installation. And we would take care of the rest. We thought it was a great opportunity for the private sector and the public sector to sort of team up and show that we're in unity with everybody and get something done. And

we don't care who gets the credit as long as what gets done, gets done. We don't care. And then two weeks later, of course, we got a rejection letter from Mr. Sines telling us to, that they would be happy to support us if we can raise nearly \$2 million.

But one of the things that we did do that he requested was we met with Principal Kourtesis from Middleborough. She has filed the paperwork with her special projects request form to request air conditioning. That has since been submitted. She says that she has the approval from Ms. Lawton, who is above her. So we are trying every avenue that we possibly can to try to get this rectified.

There are just so many reasons that we're trying to get this done. One is that we're tired of sending our kids to schools when it's 94 degrees at 7:30 in the morning. It's an hour and 15 minutes before the school starts. Would you like to send your daughter to a school that's 94 degrees at 7:30? No, nobody would. And for me personally, I can't take the

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heartbreak of seeing my daughter get off the school bus, and her face is flushed, she's exhausted, her hair is sweated, matted to her head, clothes soaked through with sweat. I pull off her shoes and socks, get some dry clothes on, and her toes are all shriveled up because she's been sweating all day long. That's heartbreaking. Eight years old. And yet only half the schools in Baltimore County are air conditioned, half. If that's not one of the most moral imbalances in fairness, in safety that you can imagine, I don't know what is. This is supposed to be an all is all. Is all is all? Or does all mean half? That's what we're trying to figure out.

In study after study after study, temperature and climate within a classroom has a direct impact on performance, especially testing performance. Starting in third grade our children are tested. And how they test and how they perform on their test is going to determine what middle school they go to, what high school they go to, what college

they go to. And so many kids in our district and a lot of the other districts, education is your way out. I came from hardship. I went to bed every single night in a house with no air conditioning, I had no heat, no hot water. Trust me, my education was the only way that I was going to get out. I was educated in Baltimore County Public Schools. Got a great education, great teachers. But they have to fix this situation.

Every parent in this room should be outraged that only half of the students in Baltimore County get to go to school in conditions, just have a basic comfort, that none of us in this room would tolerate for two days. None of us would. None of us would put up with that.

But I'll close on this. If the air conditioning is not that big a deal, I was told directly last June that it was only 17 days that our kids are subjected to this type of heat. Seventeen days, then, and they obviously don't have the funds.

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Then what they should do in all is all they should shut down every air conditioning unit they have in every Baltimore County government building, every Baltimore County public school, until all the schools are air conditioned. With the money they save from all of that, maybe they can pay to have them all 100 percent air conditioned. So that's all we have and I appreciate your time this afternoon.

MS. WATSON: Thank you.

COMPTROLLER FRANCHOT: Thank you. Well said.

SECRETARY MCDONALD: Anne Arundel?

DR. MAXWELL: Good afternoon, Deputy Chief of Staff Watson, Comptroller Franchot, Treasurer Kopp. I'm Kevin Maxwell, Superintendent of Anne Arundel County Public Schools. I'm pleased to be joined today by several members of our Board of Education and other supporters from Anne Arundel County. I'd like to recognize President of the Board of Education Patti Nalley, Board member Solon Webb, and I believe he's

been here already today, but our wonderful Mayor Josh Cohen from Annapolis.

TREASURER KOPP: Yes, welcome back.

DR. MAXWELL: I'd like to thank this Board, the IAC, Dr. Lever, and the staff of the Public School Construction Program for your ongoing generous support of our efforts and our fiscal year 2013 request. Previously approved projects have provided many needed upgrades to our building infrastructure and helped replace or renovate outdated facilities that will aid us in reaching our ultimate goal to help every single child in Anne Arundel County achieve his or her full potential.

We are appreciative the State and local funding we received in fiscal year 2012. However, the impact of insufficient funding spanning over many years has made it difficult to maintain a robust capital program. Our total program funding has declined by approximately 24 percent since fiscal year 2008. In addition to this decrease funding had been

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deferred for a number of critically needed capital improvement projects within the six-year plan. The deferment of these capital projects will further burden an already insufficiently backlog budget while increasing the cost of maintaining an aging building stock and undertaking future capital improvement projects. While the economy has contributed to the decrease in funding we have seen an increase in enrollments and the use of our facilities, causing additional wear and tear to our buildings and equipment. Our fiscal year 2013 capital improvement program provides the navigational GPS through the many facilities and technology demands required to support our instructional program.

A measurable benefit of investing in our capital projects is the creation of jobs, thereby stimulating the regional economy and providing an enhanced funding source for our local government to support the capital program. Anne Arundel County Public Schools has programs in place to support this

investment. Our maintenance projects extend the life cycle of our systems and augment the health, safety, and orderly administration of our schools.

We herald our industry leading best practices, such as having all renovation and replacement school construction projects take place on previously developed sites, constructing multistory facilities using repeat prototype designs which require less disturbance to the environment and greater economies of scale. To achieve our goals of innovative and sustainable designs and to meet high performance building standards we have LEED certified personnel on staff overseeing the management of our projects. Our minority and small business office provides an exemplary program to support and encourage minority and small business participation.

We are extremely grateful for the \$20.4 million that has been recommended for approval by the IAC toward our fiscal year 2013 projects. We ask for your continued support and investment in furthering

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our mission to provide an appropriate educational and physical environment for all of our students and staff.

We are requesting the balance of funding for our priority projects. A systemic project at Annapolis High School, and a look to the future science lab renovation at Broadneck High School. Annapolis High is a designated emergency shelter and this project will replace HVAC equipment installed in 1979 as well as provide air conditioning for the gymnasium and ancillary spaces. The Broadneck High science lab project will upgrade the existing science facilities to provide an advanced learning environment for students to develop an understanding of the critical role of science in the global community.

Our next priority is the balance of the construction funding request for Northeast High School. This is a multiphase project and is currently under construction while occupied by students and staff.

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We are also asking for the balance of this year's construction funding request for Phoenix Annapolis at Germantown Elementary School. The existing 1967 Germantown facility will be renovated to accommodate students currently attending Phoenix Annapolis, an alternative and special education school. It also will allow us to double our State rated capacity in order to return and better serve local students who are currently attending nonpublic alternative special education schools outside of our district.

We are requesting local planning and construction funding for the Crofton Middle School classroom addition, and construction funding for the South Shore Elementary Kindergarten addition.

TREASURER KOPP: Will the, can I interrupt, Dr. Maxwell? The construction and planning will both be in fiscal 2013 for Crofton Middle?

DR. MAXWELL: Yes.

TREASURER KOPP: Okay.

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DR. MAXWELL: I think I was at South Shore. Crofton Middle School, and construction funding for South Shore Elementary kindergarten addition. These additions will provide a permanent space to replace temporary classrooms, address security concerns, and meet current educational standards.

Additionally, we are requesting local planning and construction funding for a prototype replacement school for Lothian Elementary School, and a renovation/addition at Crofton and Mills-Parole Elementary Schools. These proposed projects will support today's educational delivery model and provide functional and efficient facilities for the students, staff, and communities they serve.

We are also urging approval of local planning authority for replacement schools at Rolling Knolls Elementary and Severna Park High School, and modernization/addition projects for Benfield and West Annapolis Elementary Schools. Feasibility studies have been completed and approved by our Board of

Education, and all of these projects are currently under design. Please note that we are seeking your support for waivers of the priority funding area requirements for both Lothian Elementary and Rolling Knolls Elementary Schools.

Finally, we are requesting local planning and construction funding for gymnasium additions at Maryland City and Waugh Chapel Elementary Schools. The existing multipurpose rooms are currently tasked with serving as the gymnasium, cafeteria, auditorium, music room, and community gathering space. These additions will alleviate the scheduling demands at these two schools, support our physical fitness initiatives, and provide much needed space for the programs we partner on with Anne Arundel County Recreation and Parks that benefit our entire community.

On behalf of our 76,300 students, their parents, our employees, the Board of Education of Anne Arundel County, and the community we serve, I thank

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you for the opportunity today to discuss our fiscal 2013 capital improvement program and how it supports our educational goals in Anne Arundel County. We would be pleased to answer any questions you may have at this time.

MS. WATSON: Dr. Maxwell?

DR. MAXWELL: Yes, ma'am.

MS. WATSON: You mentioned that one school was an emergency center? One school was --

DR. MAXWELL: Yes. Annapolis High School is a center during --

MS. WATSON: Is that like, the funds for that would that be, what would that be doing? To make that an emergency center? Or are these just --

MS. WATSON: It is an emergency center already. All of our, you know, jurisdictions around the State have places in times of emergency.

MS. WATSON: Some are schools and some aren't I would assume?

DR. MAXWELL: Well, yeah, it depends on where you are. But again, Annapolis High School is one of our emergency centers. So if there was a need to evacuate part of our county that would be a place. So, you know, we had, a couple of winters ago we had some pretty bad storms and we had long periods of time where people were without power. And so Annapolis High School was opened up to allow people to have a place that had electricity, had running water, had, you know, a warm environment, a generator was hauled in to --

MS. WATSON: No, I understand the concept.

DR. MAXWELL: Right.

MS. WATSON: I was just wondering what has to be done that requires additional funding --

DR. MAXWELL: Oh, we need the, we want to replace the HVA system, the air handling system.

MS. WATSON: Okay.

COMPTROLLER FRANCHOT: Madam Chair? I want to thank Dr. Maxwell. You accompanied me on Four Seasons, and some other --

DR. MAXWELL: I enjoyed doing that.

COMPTROLLER FRANCHOT: -- tours. I really appreciate it. And I don't know whether --

DR. MAXWELL: I would do more, although I thought you were coming by to see my fish but you haven't done that yet, so --

COMPTROLLER FRANCHOT: Yeah, no, I'm holding that until I need to be cheered up. But if the Mayor, or if the School Board wanted to say something? Or whatever you guys are --

DR. MAXWELL: They are very supportive, Mr. Franchot.

MS. NALLEY: Yes, we are. We appreciate all that you've done with us. And we are incredibly, extremely --

COMPTROLLER FRANCHOT: I think you need to -

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SECRETARY MCDONALD: I think you need to come up here and introduce yourself for the record, please.

MS. NALLEY: Patricia Nalley, President of the School Board.

SECRETARY MCDONALD: Thank you.

MS. NALLEY: Thank you very much. I want to thank you for your support, and yours particularly, visiting our schools and being extremely involved as these projects go forward. And so for the students and the staff, we, the Board does fully support these building projects. Thank you so much.

COMPTROLLER FRANCHOT: Thank you for your leadership.

MS. NALLEY: Thank you.

DR. MAXWELL: Great, thank you.

SECRETARY MCDONALD: Dr. Lever has the, no that's it for Anne Arundel. Thank you. We still have to vote on Item 1. Dr. Lever will stand at the podium. The item before the Board is the approval, is

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Item 1 on the Secretary's Agenda. Which is the recommendation to approve the Preliminary Capital Improvement Program for FY 2013. This is the appeals for the main money after the preliminary program, and we will need a vote on that. I don't know if Dr. Lever wants to sum up, or if the Board members make a motion?

TREASURER KOPP: Can I just move it favorable?

DR. LEVER: The only information that you might be interested in is that of the projects that we're recommending now, 131 projects, 40 of those, or 31 percent of them, are actually directly related to energy improvements in schools. And an additional 24 are major projects, renovations or limited renovations, that also will improve the energy efficiency of schools. So fully 49 percent of the projects that you would be approving are related to energy efficiency in schools.

TREASURER KOPP: Can you put that in writing, David?

DR. LEVER: We can certainly put it in writing.

TREASURER KOPP: I mean, it's very interesting.

DR. LEVER: Yes. And we are actually, we counted and 38 of the projects will be introducing air conditioning into schools that didn't previously have it. So 38 out of a total of 131 projects. I thought that might be of interest to you as well.

TREASURER KOPP: And the question about the emergency centers, my recollection is there were a number of schools and a number of projects where the school were community, were being wired and whatever, because they were community emergency centers. Is there some way of getting a count on that?

DR. LEVER: We do have that. I doubt this really has the --

TREASURER KOPP: I know you've got it, because it was noted for several of them.

DR. LEVER: Yeah.

MR. LARGE: I'm not sure we know how many of these. Probably we would have to do a triangulation intersecting --

DR. LEVER: Exactly, right.

MR. LARGE: -- with these projects and on the shelter list.

DR. LEVER: Yes.

MS. WATSON: But my question was, and I realize it wasn't an appropriate question for Dr. Maxwell, it's more appropriate for you, is whether or not there is any different criteria or a pecking order as it relates to that type of project?

DR. LEVER: Well we have a regulation in place now that requires that any project that involves an electrical upgrade, so that could be for instance a systemic renovation that's electrical, a systemic renovation that involves HVAC that doesn't increase

the electrical demand on the building and requires an upgrade of electrical, a renovation project, a limited renovation project, the project, the school system is obligated to work with MEMA and the local school officials to determine if that school ought to be an emergency shelter. And if so then what portion of the school should be fully electrically powered?

MS. WATSON: Okay.

DR. LEVER: And the words fully electrically powered have to be interpreted, because they vary from circumstance to circumstance depending on the type of emergency which is anticipated. But that requirement is now in place, and it is effective for the projects this fall.

MS. WATSON: So the project he referenced has to go through that process?

DR. LEVER: Well that school already is.

MS. WATSON: It's already, so it went through that process? Or, not retroactive --

DR. LEVER: No, and I don't think there is an electrical upgrade involved in that project. I could be wrong about that, but I think it's just a pure mechanical project.

MS. WATSON: Okay. Okay.

DR. LEVER: But it already is wired. Now to what extent I would have to ask.

MS. WATSON: Oh, okay. No, I was just curious. Thank you.

DR. LEVER: But if you remember the first item, oh I don't think you were here, the first item that was passed this morning about the supplementary, Caroline County, their scope included three projects to introduce emergency electrical generators into schools.

TREASURER KOPP: Then they do --

DR. LEVER: As backup.

MS. WATSON: Yeah --

DR. LEVER: And to serve as shelters.

TREASURER KOPP: Okay.

DR. LEVER: Okay?

MS. WATSON: Secretary? Madam Executive
Secretary?

SECRETARY MCDONALD: Sorry, I was getting a
name for the record. I was actually trying to find
something for the transcript.

MS. WATSON: Obviously you just have two
members --

SECRETARY MCDONALD: Yes, you do, yes,
absolutely --

TREASURER KOPP: I would move favorable on
Item 1.

COMPTROLLER FRANCHOT: I just want to
comment how great it is to have the Deputy Chief of
Staff here. And you're welcome back anytime. Not the
least of which it obviously increases the importance
of the Treasurer and my vote, and I'm delighted to
second the vote. And really appreciate it. It's been
a long day, and I'm glad you helped us finish it up.

MS. WATSON: It's not a problem.

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SECRETARY MCDONALD: If I may clarify for the record, because I was actually getting inquiries from internet watchers and all that, it is the Deputy Chief of Staff, Peggy Watson, who is sitting in for the Governor to take notes and bring the review back to him. But the two voting members of the Board of Public Works are voting on this Item 1, so thank you.

TREASURER KOPP: All those in favor? Aye.

COMPTROLLER FRANCHOT: Aye.

SECRETARY MCDONALD: Thank you.

TREASURER KOPP: It's unanimous among those present.

(Laughter)

SECRETARY MCDONALD: And now the internet audience knows.

COMPTROLLER FRANCHOT: Thank you.

MS. WATSON: Thank you.

TREASURER KOPP: Thank you. And then we'll see you again in --

DR. LEVER: May.

TREASURER KOPP: May?

DR. LEVER: Yes.

(Whereupon, at 3:53 p.m., the meeting
was concluded.)

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