

January 26, 2011

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BOARD OF PUBLIC WORKS
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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;

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

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

BEVERLEY SWAIM-STALEY, Secretary,
Department of Transportation;

CHIP PRICE, Program Open Space
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: Ladies and gentlemen, sorry for the slight delay. Welcome to the January 26, 2011 meeting of the Board of Public Works. Anybody have any opening thoughts, questions, as we begin this marathon day? Mr. Comptroller?

COMPTROLLER FRANCHOT: Good morning, Governor. And I know we have a full Agenda with all the school construction appeals. And I'm looking forward to that. But I did want to just take a moment and note for the record the passing of a great American and an extraordinary Marylander.

Governor, you and I on Saturday went to the funeral for Sargent Shriver, who passed away here in his native Maryland. I thought it was a really incredible funeral, led by his family, but Vice President Biden, and President Clinton, and First Lady Michelle Obama were there, and Oprah Winfrey, and Bono got up and played. I thought the Governor was going to get up and play, too --

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GOVERNOR O'MALLEY: I was going to do the "Prayer of St. Francis" but Bono had nothing else to sing.

COMPTROLLER FRANCHOT: But it's an extraordinary event because each of his kids got up and spoke. And Mark Shriver, who served here in the Legislature, described he said, his dad. He said even when he was stripped down to the core by that horrible disease, Alzheimer's, just down to his basic goodness, he said last year he was bringing his dad early in the morning across the Chesapeake Bay Bridge and the sun was rising as they were driving. And his dad, ravaged by Alzheimer's, said to Mark, "You know, I'm really looking forward to meeting the person that created that sunrise."

And anyway, the whole event was something that was just incredible, I thought. And I just wanted to make sure that people realize that in recent memory nobody has done more for public service and fixing things. All of us in the audience, President

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Clinton said, he said, "All of you men in the audience must feel about two inches high when you hear about Sargent Shriver's accomplishments." Because it's a long, long list. He achieved monumental goals. And I always liked him because he had such a sense of decency and civility. And he treated his wife, Eunice, in such an incredible way.

So he was a man of faith, but he was also a man of family. And I'm proud that he came from Maryland, and lived in Maryland, and contributed to our great State, and touched each of us with his legacy. And I think the values he represents are timeless. Thank you.

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. Madam Treasurer?

TREASURER KOPP: I just want to endorse what the Comptroller said. I, I don't know if you remember but the Shriviers lived in District 16 for a little while before they moved west to District 15. And I remember there was a time when, I guess they had come

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back from France, and we were getting into an election year. And I got a call on the telephone and this man said, "Hello, my name is Sargent Shriver." I said, "Oh, certainly it is," thinking, "Oh yeah, yeah, right." He said, "We are, we are new Democrats who are coming back to your area." I said, "Yeah, yeah." He said, "Would you like to have a reception at our home?" And so the District 16 team, I don't mean to inject partisan politics into this, but found ourselves in the Shriver's' home. Timber Lawn? There was a name. Off of the Rockville Pike.

COMPTROLLER FRANCHOT: Mm-hmm.

TREASURER KOPP: And they had just invited their neighbors in because they said that they hadn't been used to being in Democratic things in Bethesda recently and thought they'd like to meet the folks.

(Laughter)

TREASURER KOPP: I just thought that was so charming. And I had forgotten it until this very moment. But he was certainly a great man.

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COMPTROLLER FRANCHOT: Did you let Governor Mandel know you were having the meeting?

TREASURER KOPP: No, I don't recall.

(Laughter)

TREASURER KOPP: It was just us home folk. No, a great man, a great family that accomplished a great deal. I saw a story the other day of how many people have now gone through the Peace Corps all over the world, and in the United States, and are still dedicated, even when they get out of the Peace Corps, to the same ideals, principles, and goals throughout their lives. And it really is a very important story that we should all remember and try to emulate.

GOVERNOR O'MALLEY: A great man. You saw a lot of those people there wearing their Peace Corps shoulder patches --

TREASURER KOPP: I did, yeah.

GOVERNOR O'MALLEY: -- and the like at the funeral. I had occasion to, you know, catch an Orioles game with Sargent Shriver once, and had dinner

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with him a couple of times through his son Mark. And just a wonderfully optimistic and loving man, full of energy and hope about a new tomorrow. And we salute his entire family for shouldering this loss with such grace and dignity and class. It really was a tremendous send off.

Okay, well let's get to the first Agenda item. I see the Speaker is here so we're going to go out of order a little bit and go to the Department of General Services. And the Speaker is here to talk to us about Item 1.

SPEAKER BUSCH: First of all, thank you, Governor, and members of the Board of Public Works. I appreciate the opportunity to be here this morning. And I do appreciate the words said about, obviously, Sargent Shriver and the family. Mark served with us in the General Assembly. And for people of my generation, if I just can for a second, you know, the call to public service really came from Kennedy, his brother-in-law the President, and young people like

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Sargent Shriver. They were role models for those who serve in public life today, particularly if you are in my age category which is rapidly gaining steam here.

(Laughter)

SPEAKER BUSCH: But I do want to testify about the expansion, or really the renovations and the improvements that need to be taking place in the Lowe Office Building. We've gone through with Secretary Collins and the Department of General Services. We're very grateful that Secretary Foster has put the money in the budget. We believe we can save money if we consolidated for this year's period of time.

GOVERNOR O'MALLEY: Actually, Mr. Speaker, I put the money in the budget.

(Laughter)

SPEAKER BUSCH: Secretary Foster, I just want to say this. I want to thank the Governor for putting the money --

(Laughter)

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SPEAKER BUSCH: That was a faux pas on my part and I'm sorry.

(Laughter)

SPEAKER BUSCH: Thank you, Governor, for putting the money in the budget.

GOVERNOR O'MALLEY: It's totally understandable.

SPEAKER BUSCH: Let me just rephrase that. We were briefed by Secretary Foster the other day, and I want to --

GOVERNOR O'MALLEY: It's totally understandable. She's a hard person to work for.

SPEAKER BUSCH: So I do want thank you, Governor, and everyone, and I hope this meets with the approval of the Board of Public Works. Secretary Collins has worked very closely with us and I think we have a project that come in under budget if we can get the money appropriated this year.

GOVERNOR O'MALLEY: Anybody have questions on this item? The Comptroller moves approval,

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

SPEAKER BUSCH: Governor, thanks again --

(Laughter)

GOVERNOR O'MALLEY: And we go on -- how about, should we do the balance of the Department of Juvenile Services Agenda items? Thank you, Mr. Speaker.

SPEAKER BUSCH: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you.

MR. COLLINS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has twenty-three items remaining on our Agenda. Items 1, 2, 5, 7, and 8 have been slightly modified. And we'd be glad to answer any questions on any of these items.

GOVERNOR O'MALLEY: Any questions, okay, on the balance of the Department of General Services items? The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

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THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

SECRETARY MCDONALD: Do you want to go
backwards?

GOVERNOR O'MALLEY: How about, I guess we'll
go back to the --

SECRETARY MCDONALD: Do you want to go
backwards? Do you want to go to Transportation? Or
get some of these people out of the room?

GOVERNOR O'MALLEY: Is that what they're
here for?

SECRETARY MCDONALD: No, I think everybody
is school construction. That's on the Secretary's
Agenda, so we'll have to hold that item. So.

GOVERNOR O'MALLEY: Okay. How about, why
don't we go to, are we going to hold everything on the
Secretary's Agenda?

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SECRETARY MCDONALD: No. Well, we could do the Secretary's Agenda now. I was just --

GOVERNOR O'MALLEY: Let's do the Secretary's Agenda items --

SECRETARY MCDONALD: Okay.

GOVERNOR O'MALLEY: -- except for --

SECRETARY MCDONALD: All right.

GOVERNOR O'MALLEY: -- the biggest one which is that --

SECRETARY MCDONALD: Exactly. Right.

GOVERNOR O'MALLEY: Thank you. Which is --

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have twelve items on the Secretary's Agenda. There are two reports of emergency procurements. Item 1 is the IAC's recommendation on the Capital Improvement Program for Public Schools for next year so we will hold Item 1 until after the break. But we can answer your questions on 2 through 12 and the two emergencies.

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GOVERNOR O'MALLEY: Any questions?

TREASURER KOPP: All right. There's muttering over here. Just to point out that Item 10 is the follow up on the energy performance leases that we discussed at the last meeting. And Item 12 --

SECRETARY MCDONALD: So 12 is --

TREASURER KOPP: The funding for the video lottery terminals through the process which you all approved at the last meeting. We have gained approximately \$1.5 million over any alternative methods, which is good regardless of what one thinks about the actual substance of the expenditure. But I don't think we have to approve --

SECRETARY MCDONALD: No.

TREASURER KOPP: Ah, accept the report.

SECRETARY MCDONALD: And just to point out, another item that followed up Item 2 was the Montgomery County high school that the Board had approved the transfer of last year contingent on coming back. And in fact, Montgomery County and the

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school has come back, and Montgomery County will be reimbursing the State for the money that's owed. So that all worked out well.

TREASURER KOPP: And Mr. Speaker, on, talking about 12, since, Mr. --

SECRETARY MCDONALD: The Governor looks confused.

TREASURER KOPP: Governor, thinking about what the Speaker had said about the previous items, I, too, would like to thank our sister agency, the Department of Budget and Management, and all their folks, for all the work that was done on the COPS to get the savings. Thank you.

GOVERNOR O'MALLEY: So the Comptroller moves approval of the Secretary's Agenda, except for Item 1 which we are holding, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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

(No response.)

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GOVERNOR O'MALLEY: The ayes have it. We now move to Program Open Space. I believe Laurie Schwartz is here on Item 4, Pierce's something or other, Ms. Schwartz? Yes?

MS. SCHWARTZ: Hello, Governor, members. I'm Laurie Schwartz, Executive Director of Waterfront Partnership of Baltimore. And I'm here with Susan Flanigan to speak on behalf of Pierce's Park, a Program Open Space item that we're pleased to see. The overall cost of the park is \$2 million. That's not all construction. We're including an endowment that private funding will help pay for to make sure that we have funding through the years to maintain the park. But this is a small park on the east side of the Harbor that we expect will meet needs of the growing numbers of families that are choosing the locate, and stay, and raise their families in Baltimore. We're very excited about the park. It will be built with all natural materials and turn a

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currently asphalt and concrete area into a lovely park.

GOVERNOR O'MALLEY: Great. With surface that's permeable? Is that the right word? Permeable or impermeable? Stuff the stormwater can flow through?

TREASURER KOPP: Permeable.

MS. SCHWARTZ: Exactly.

GOVERNOR O'MALLEY: Great.

MS. SCHWARTZ: We're exceeding all of the stormwater requirements.

GOVERNOR O'MALLEY: And this is named, this park will be named after the great Pierce Flanigan?

MS. SCHWARTZ: Exactly. A great supporter of all of us, and all good things, especially public transit. Even though a road construction company, Pierce was a terrific supporter of public transit and all good things in the City and region.

GOVERNOR O'MALLEY: A great man. Okay.

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COMPTROLLER FRANCHOT: Is Ms. Flanigan here?

MS. SCHWARTZ: Susan Flanigan is here.

COMPTROLLER FRANCHOT: Can she come up?

MS. SCHWARTZ: Pierce's widow, and mother of
Pierce, IV, who is running Pierce Flanigan & Sons
company now.

COMPTROLLER FRANCHOT: Hi, Susan. Welcome.

I just wanted to say I really liked this project and I
hope I can come up and look at the park at some point.
And you know I just particularly like it because
you've got Program Open Space but you also have this
partnership with the family, or some of the
businesses, and citizens. And you're creating
something which is very valuable for the community and
I just think it's a good model, I guess, for, that
hopefully your generosity will stimulate more of these
around the State as we move forward. And so hats off,
job well done.

MS. SCHWARTZ: Thank you, and --

MRS. FLANIGAN: Thank you very much.

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MS. SCHWARTZ: -- we'll be sure we get the date of the groundbreaking on everyone's calendar. We're still aiming for spring construction. There's no reason at this point why we won't make it. The private funding is there. The City is leasing us the land, that's been approved. The naming ordinance is on second reader, soon to be third, so everything is lined up for spring groundbreaking.

TREASURER KOPP: This is going to go down as a significant step forward, too, in the community. It will help make the community, not just serve the community, I think. There are a lot of folks I know who are teetering on leaving suburbia and coming back --

MS. SCHWARTZ: Mm-hmm.

TREASURER KOPP: -- back to the City. And I think this sort of thing makes a big difference.

MS. SCHWARTZ: We hope so. We expect that this will meet the needs. That's how this whole park came about, was we were approached by families --

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TREASURER KOPP: Right.

MS. SCHWARTZ: -- who have chosen to live and stay and raise their kids on the east side of Downtown, and asked for some additional greenspace which is a reasonable request. These families are working with the public school system, with their neighborhood association, to make Baltimore a better place. So.

GOVERNOR O'MALLEY: Now Susan your, the two of you were one of those teetering types with lawns and grass, right?

MRS. FLANIGAN: Yes, indeed. I live very close to where the park will be. And one other, and I don't want to take up your time, but one really interesting thing about the park is that it has many components. We'll have sculpture. We're having homophones scattered so that children can play with words. We have a willow tunnel for children. But it will also be enough open space, it's approximately an acre, that not only a family but an office worker

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would be very comfortable sitting. And it's going to be very pretty, and very all inclusive.

COMPTROLLER FRANCHOT: And what was Pierce's connection?

MRS. FLANIGAN: Actually one of the initial, well maybe the initial --

MS. SCHWARTZ: The initial.

MRS. FLANIGAN: -- drive was our daughter Emily who does live currently still Downtown with her family. And Pierce became a member of the Waterfront Partnership. And Emily was literally pushing her strollers around Downtown saying, "You know, there should be more space, more open space." And she was looking at all these buildings going up, and no commitment to open space. And that's how it started. And then Pierce put her in contact with Laurie. And then when Pierce died I think the emails were --

MS. SCHWARTZ: Immediate.

MRS. FLANIGAN: -- ferocious that they had to do it, and to name it for Pierce.

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COMPTROLLER FRANCHOT: Excellent. Pierce and Emily's park. Wonderful, congratulations.

MRS. FLANIGAN: Thank you.

GOVERNOR O'MALLEY: Susan, thank you.

MRS. FLANIGAN: Thank you.

GOVERNOR O'MALLEY: Good seeing you, as always. Ms. Schwartz, good seeing you as always.

MS. SCHWARTZ: Sir.

GOVERNOR O'MALLEY: Anybody have any questions on Program Open Space? 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. We now to the Department of Budget and Management.

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning. There are three items on the Department of Budget and Management's Agenda for

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today. And I'll be happy to answer any questions you may have.

TREASURER KOPP: Three items?

MS. FOSTER: Three items.

TREASURER KOPP: I do have a question, actually, on Item 3.

MS. FOSTER: Item 3:

TREASURER KOPP: Item 3.

MS. FOSTER: Okay.

TREASURER KOPP: The Energy Performance Office's Utility Bill Management Services.

MS. FOSTER: Right.

MR. COLLINS: Yes.

TREASURER KOPP: And the question simply is is this going to allow us now, if we want to issue debt and have it paid for by the savings, this gives us an objective basis --

MR. COLLINS: Absolutely.

TREASURER KOPP: -- on which to measure the savings?

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MR. COLLINS: Absolutely. Yes, ma'am.
That's one of the objectives of this whole system.

TREASURER KOPP: That's great. So it's not
so loosey-goosey as it was. I mean, that's very
helpful. Thank you.

MS. FOSTER: Okay.

TREASURER KOPP: Okay.

GOVERNOR O'MALLEY: Anything else? 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. We
move to the University System of Maryland.

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

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COMPTROLLER FRANCHOT: Governor, I have a question.

GOVERNOR O'MALLEY: Sure, Mr. Comptroller?

COMPTROLLER FRANCHOT: Item 9, can you just let us know what that is?

MR. EVANS: I'd like to bring up Mr. Stirling.

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

COMPTROLLER FRANCHOT: Can you possibly walk us through the technical factors that were considered in this procurement and the reasons for skipping past the lower bid? I understand you're recommending we approve this contract for Bowie State's Student Union Building to Holder Construction, a big Georgia company. They have an exceptional track record. I know they built Salisbury's, I think the new Teacher Education Technology or the new Perdue Business School Building. Maybe both of them. So I believe that they

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do quality work. But the other two bidders have very good reputations also, Gilbane and Skanska. And Gilbane was 17 percent -- well, let's see. Holder was 17 percent higher than Gilbane and 20 percent higher and Skanska. These are not unknown entities, these other folks. How can, why did they get skipped over?

MR. STIRLING: No, actually I would agree with your characterization of Gilbane and Skanska. We've worked with them on many projects in the past with success. But in the process of doing the technical evaluation on a project like this we look at a very specific set of evaluation criteria that are targeted to this particular type of project, where we're trying to look at experience on projects of similar size and scope, complexity fitness, as close a match to what we're trying to build as we can find.

And the kinds of things we would look at for a technical evaluation would be the team experience and the key personnel, their track record, and whether they've worked together on similar projects; the

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experience and past performance of the firm; whether they have experience, in this particular case, on LEED, the certification and building information model; project planning; and economic benefits to the State. I mean, those are the major factors that we looked at. I do have with me Enrique Salvador, who is our Assistant Director for Capital Projects, who happened to do the evaluation in this particular case and the technical --

COMPTROLLER FRANCHOT: Terrific. No, because I --

MR. STIRLING: -- committee.

COMPTROLLER FRANCHOT: You know, you mentioned that they, you've worked with Gilbane and Skanska. They've built big projects. They're not small companies by any means. So I'm just surprised at the high bid by quite a bit in a competition like this among these three, I don't know the other companies. Bu these three, you know, Holder is hundreds of thousands more. You know, they --

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MR. STIRLING: We did see, I'm going to let Mr. Salvador talk about the technical factors, but we did see some differences in the prices proposals. Obviously the bottom line is there's quite a separation, as you described. But for example, on preconstruction services Skanska had as an element in their price proposal only about \$20,000 toward performance of all the services we require for preconstruction. That's something that we would normally expect to see in the range of \$250,000 to \$300,000 for a project of this size. So it's sort of a false bargain. We think that there were some problems with the way that they priced the project out. But let me let Mr. Salvador talk about the technical factors.

COMPTROLLER FRANCHOT: Sure.

MR. SALVADOR: Good morning. As Jim says, we evaluated the proposals submitted. The committee is well aware of the prices. The charge of the committee is to look at the technical proposal based

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on the factors. We have the logistics of the proposal, the quality of the proposal, and after the process is completed we open prices. In this particular case we have a situation where a particular firm submitted basically preconstruction services proposal. We need that at the end of the say the University is going to have fully pay in some matter. Through change orders later, or perhaps paying for supplemental stuff.

So if you look at the prices of the firms, the other firms are also capital firms. If you look at the prices you have actually Holder's proposal from all the firms that we believe to be the price for preconstruction services the least expensive. If you look at the example of the Whiting-Turner, you have a number of other companies there that are very, very technical. And, you know, we believe that this is the best value to the University.

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I personally have been referenced towards Gilbane. I'm working with Gilbane on a number of projects.

COMPTROLLER FRANCHOT: Uh-huh.

MR. SALVADOR: I was responsible for the '03 Camille Kendall Project --

COMPTROLLER FRANCHOT: Mm-hmm.

TREASURER KOPP: Hm. Great project, by the way. Thank you.

MR. SALVADOR: Sorry?

TREASURER KOPP: Terrific project, the Camille Kendall --

COMPTROLLER FRANCHOT: That's at Shady Grove?

MR. SALVADOR: Absolutely. That was done at by my group. We were pushing LEED when LEED wasn't sexy. That was the first project that was LEED certified in the, I believe, State of Maryland. The first Gold project. So that's one of the, I feel we need the experience of the team to, we believe it was

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the best buy for the University. And unfortunately this economic situation and we see this kind of pricing. We just can't anticipate if somebody is going to have to provide certain services for free. And we believe it's an anomaly. This is, typically doesn't happen. It could happen, the way that the process is established. And we don't know the prices until the technical evaluation is complete. When the technical evaluation is complete, the prices are converted to points, we add up the points, and that's the way it works.

COMPTROLLER FRANCHOT: But aren't they bonded? If we picked Gilbane, for example, because they're \$400,000 cheaper than Holder, you don't have any doubt that Gilbane would stick to their agreement if, I mean, can't we hold them to that if we have it properly bonded?

MR. SALVADOR: I can let Jim talk about the bond issue. I can tell you that if they have only

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\$20,000 for perform preconstruction services, that's not enough for one estimate of one phase. So --

COMPTROLLER FRANCHOT: Yeah, but what if they really wanted the business, and were aware of that, and they were basically saying we're going to do what's necessary and we're going to do it for free? I mean, goodness gracious, why are we jumping in and negotiating against ourselves here?

MR. STIRLING: I think it's really a matter of how much confidence you have in that playing out the way perhaps you'd like to see it play out. But it's, you know, it's sort of a get what you pay for exercise. We're very concerned that when we have somebody that comes in with an extremely low proposal for services that we know are going to require a level of effort considerably greater than what they've proposed, that we're likely to end up with some problems of performance on the contract.

COMPTROLLER FRANCHOT: Don't they sign an agreement they're going to do the work at the price?

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MR. STIRLING: Yeah. But that doesn't, of course, guarantee that we're going to get the performance that we expect.

COMPTROLLER FRANCHOT: Well, I'm not going to hold this all up here. But I just think that in these times we should take advantage of companies like Gilbane. This is not some unknown entity. As you said, they just built the biggest LEED certified building, public building, in the State. And they did a good job. They have a great reputation. I'm not saying they should have been picked, but I certainly don't think high quality companies like that that we're worked with should, we should sit back and say, "Well, gee, they're not going to perform." Obviously, they're going to perform. They're just going to pay for it themselves, I take it, because the economy is ringing those kinds of concessions out of bids. And it's a little of concern to me that you guys say, "Gee, we don't, we're not going to go along with that." I mean, in the private sector I assume a

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private sector entity would sign Gilbane up in a minute, or Skanska. I mean, they're not going to default. They're not going to come back and, I would be stunned if they came back and said, "Oh, we're going to charge you now with a big change order for our preconstruction." You know, why can't the State just say, "No, you signed on the bottom line here, and you perform."

And you know, they're not going to, as you say they're involved in a number of projects so they're going to, they're going to produce because they want future business. Anyway, I just think it's, I guess I've talked myself into voting against it.

(Laughter)

COMPTROLLER FRANCHOT: But, you know, come on guys, this is real money. It's a lot of it. It's not like we're, you know, it's not like we're -- well, whatever. I'm going to leave it to the Governor and the Treasurer. But I'm going to vote no because I

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think the bid is, you know, 20 percent higher than it should be.

MR. SALVADOR: I, can I add one thing?

COMPTROLLER FRANCHOT: Sure.

MR. SALVADOR: I, all those projects you listed, I was responsible for most of them. I can tell you that performance on all those projects was not the same. There is some projects that the, where the performance was different. And I think the difference was the quality of the personnel on that particular project. And I, we have made that, extremely aware of that. When we greet the companies we explain the recent --

COMPTROLLER FRANCHOT: Is that all in writing somewhere, or are you guys just kind of thinking --

MR. SALVADOR: No --

COMPTROLLER FRANCHOT: -- back to your experiences subjectively about how you, you know, the

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Baltimore Student Services Center was that good? Or not so much? I mean, that sounds awful fuzzy to me.

MR. SALVADOR: We have a very detailed process. I think we can show you stuff out of the reports and all the information. I think that, again, we tried to be as objective as possible. And we evaluate the proposals that we receive. That's the charge of the committee. All right? And in this particular case the proposals that we saw were rated accordingly. As I said before, I can bring reference to a number of those people because they have done good projects for me, too. So it's not the firm. It's the particular proposal and the team that they proposed for that particular project.

COMPTROLLER FRANCHOT: Okay. Well, just to conclude Gilbane has recently done the Agriculture Lab at UMCES; the Physical Education Complex at Coppin; the UMBC Field House expansion; the Compton Science Center --

MR. SALVADOR: Mm-hmm.

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COMPTROLLER FRANCHOT: -- and Gunter Hall at Frostburg. I find it hard to believe --

MR. SALVADOR: All my projects.

COMPTROLLER FRANCHOT: -- that those have been bad experiences.

MR. SALVADOR: No, sir. No, sir. As I said before, it's the particular proposal for this particular project.

MR. STIRLING: And I would just add that, you know, the charge of the evaluation committee is to look at the specifics that they put on the table in the proposal. And to be fair to everybody that's involved, that's what we have to stick to. So based on the specifics of those proposals, this evaluation committee rated them lower. Skanska and Gilbane came in lower than Holder. We assign more weight to technical evaluation than we do to price, and I can understand your concern just because of the sheer numbers. But to be fair to all I think we've recommended the right solution.

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GOVERNOR O'MALLEY: Can I ask, is the, who sets the priorities of what buildings come next? Is that something you all leave to the individual colleges to come up with? Because they're in some pretty serious need of a new science building at Bowie, and yet we're cutting ribbons on a performing arts center and a student union building.

MR. SALVADOR: Yeah. Usually the individual institutions submit to the System Office their priorities, and the System Office performs at their request. We support --

GOVERNOR O'MALLEY: Mm-hmm.

MR. SALVADOR: My office supports the institution. My group works with all of the institutions outside College Park. And we support them again because they have offers and they need an estimate and say that --

GOVERNOR O'MALLEY: Mm-hmm.

MR. SALVADOR: -- the individual institution's request to the System, the priorities.

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MR. STIRLING: We're a little bit disadvantaged because we're not the facilities planners. Enrique is on the project management end and I'm in procurement.

GOVERNOR O'MALLEY: Is there anybody here from Bowie?

MR. STIRLING: I don't think so.

GOVERNOR O'MALLEY: No?

MR. SALVADOR: No.

MR. STIRLING: No, sir.

MR. SALVADOR: But is your point is, I can pass any questions you have, or, I deal with them every day.

GOVERNOR O'MALLEY: Right. Well, we see them from time to time, too.

TREASURER KOPP: Is there, is there a separate list of priorities for auxiliary projects versus academic projects?

MR. STIRLING: We can get that from the System Office.

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TREASURER KOPP: This is an auxiliary bond funded project, right?

MR. STIRLING: Right.

TREASURER KOPP: For which the student fees have been collected?

MR. STIRLING: There is a separate list, and we can furnish it to your office.

TREASURER KOPP: I mean, I would assume that that has something to do with it.

GOVERNOR O'MALLEY: With why it's this rather than --

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: Got you. Okay, that makes sense.

TREASURER KOPP: I would think. I don't know but, I mean, I would think so. And I would think that the institutions, and their students, sort of husband the auxiliary funds that go into the bonds carefully. Because they are limited.

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MR. STIRLING: There's competition amongst the institutions for limited dollars.

TREASURER KOPP: Yeah.

MR. STIRLING: Yes.

TREASURER KOPP: And this is the project, I gather, that came up through that process. And awarding it to Holder, I assume, is with the full knowledge that you could have possibly gotten it done cheaper and came to the conclusion that in this instance certainly it's not.

MR. STIRLING: Certainly Enrique had top Bowie people on the evaluation.

MR. SALVADOR: Right. The evaluation committee includes always, when we evaluate a project for an institution, the committee includes people, usually at least two people, typically the facilities personnel and perhaps a dean, people who are really interested in the project. And in this particular case there were actually three people from Bowie State on the committee.

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TREASURER KOPP: Yeah. And it did come in under the estimate? But I don't know the significance of that.

MR. STIRLING: The estimate is based on historical data.

TREASURER KOPP: Right.

MR. STIRLING: We've done many of these projects over the years so we have ranges that we would expect to see.

TREASURER KOPP: I think it's gone through extensive scrubbing. Obviously we would always like to do things less expensively. But I'm not in the position to impose my judgment on it.

GOVERNOR O'MALLEY: All right. The University of System Agenda items, the Governor moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye." All opposed?

COMPTROLLER FRANCHOT: On this item I'm opposed.

TREASURER KOPP: Can you separate out --

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GOVERNOR O'MALLEY: I'm sorry. We'll separate out, I meant to call 9-C. So we're on 9-C. The Governor moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye." All opposed? The Comptroller votes no on Item 9-C. Now, the balance of University System of Maryland Agenda items moved by the Comptroller, 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. We move on now to, thank you gentlemen --

MR. STIRLING: Thank you.

GOVERNOR O'MALLEY: -- to the Department of Information Technology.

MR. SCHLANGER: Good morning, Governor --

GOVERNOR O'MALLEY: Elliot, how are you?

MR. SCHLANGER: -- Madam Treasurer, Mr. Comptroller. I'm doing fine today, thank you, how are

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you? Elliot Schlanger, Department of Information Technology again. We have three items on the Agenda this morning. I'd be happy to take any questions at this time.

GOVERNOR O'MALLEY: Any questions? Mr. Schlanger, I see that the *Washington Business Journal* in their article, I think, of today's date ranked Maryland and Virginia in the top ten in the Milken Institute State Technology and Science Index. Were you aware of that?

MR. SCHLANGER: I was not, but thank you for the good news, sir.

GOVERNOR O'MALLEY: Number one was our neighbors in Massachusetts; number two was Maryland, Our Maryland; Virginia had dropped two points, some places.

MR. SCHLANGER: Sorry to hear that.

GOVERNOR O'MALLEY: They're going the other way. They dropped from, I think, six to eight on the list. But together in the top ten. That's pretty

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good, huh? For the innovation economy of which the President was speaking last night? All right. 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. Thank you, Mr. Schlanger.

MR. SCHLANGER: Thank you.

TREASURER KOPP: That's very good news.

GOVERNOR O'MALLEY: The Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Beverley Swaim-Staley representing the Department of Transportation. We have fifteen items today. And for the record, Items 3-C-MOD and 15-RP have been previously revised. I'm happy to answer your questions.

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TREASURER KOPP: Governor, I had a question in general, while you're looking through the list. The weather, you notice the weather is not so great out today.

MS. SWAIM-STALEY: Yes, I noticed.

MS. SWAIM-STALEY: A little iffy, is it? So what is the Department of Transportation doing, not to change the weather, but to --

(Laughter)

TREASURER KOPP: -- to adapt, to adapt. I must say, I noticed driving up on Route 50 that there clearly had been, something had been sprayed on the road?

MS. SWAIM-STALEY: Right.

TREASURER KOPP: But then --

MS. SWAIM-STALEY: Well we --

TREASURER KOPP: -- the rain seems to be washing it off.

MS. SWAIM-STALEY: That's correct. That's what happens.

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TREASURER KOPP: And how do you deal with this?

MS. SWAIM-STALEY: Well we obviously pre-treat based upon the predictions that we get. And this year has been especially difficult because I don't think any of the storms have actually come through as predicted by the National Weather Service. Fortunately most of them have been to our benefit because they've actually hit the coast so far. But in this case there was, rain had been predicted through most of today and the snow wasn't really supposed to start until this evening. But we do pre-treat, actually, well in advance of the storms. Unfortunately when we get rain before we get the snow it does exactly what you said. It in fact washes away a lot of the pretreatment and the salt. And we actually we salting up until about 10:30 this morning. We have now ceased that because we're, I'm getting word that it's really all rain out there right now. But obviously to the degree that we're going, we would

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be able to pre-treat now for the storm this afternoon will be much more limited. Because as you said --

TREASURER KOPP: You have people in place to do that --

MS. SWAIM-STALEY: Oh we have, yeah, we currently have almost a thousand people and 1,200 pieces of equipment out this morning. So, yeah. They tend, they actually treat several days in advance when we are aware of a storm.

TREASURER KOPP: Is that that molasses sort of --

MS. SWAIM-STALEY: And it, and one of the new mixtures that they are trying out is a beet juice combination. They're putting the traditional combos with something that helps it stick to the surface. But yes, this is, you know, in Maryland our challenge has always been, quite frankly, these mixed events, as we call them?

TREASURER KOPP: Mm-hmm.

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MS. SWAIM-STALEY: With the sleet, rain, snow? Because the treatment for the snow doesn't work with the other.

TREASURER KOPP: Well what about with rail? I mean, are they, do they have the same level of vigilance?

MS. SWAIM-STALEY: They do, what the railroads try to do and the transit lines is run, is keep the trains running. So if you can you keep the trains running to keep them from freezing. But obviously until you have a significant snow build up or ice build up and you can no longer do that. So that's the way they handle it. And --

COMPTROLLER FRANCHOT: I hesitate to ask, but beet juice?

(Laughter)

MS. SWAIM-STALEY: Beet juice, yes. It's one of the more environmentally friendly types of solutions. So we used it last year in a couple of counties and it worked pretty well so we're using it

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more broadly this year. Obviously we have a major concern, the more you salt the more, you know --

TREASURER KOPP: Yeah, the runoff.

MS. SWAIM-STALEY: -- the negative effect, environmental effect. So it's finding a balance of salting and pretreating --

GOVERNOR O'MALLEY: But it does bring out the taste of the beet.

(Laughter)

MS. SWAIM-STALEY: We don't know. I haven't fallen yet to experience --

TREASURER KOPP: The tires turn red.

MS. SWAIM-STALEY: It's interesting. There are some interesting things they are doing environmentally to deal with winter storms around the country.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: Thank you.

MS. SWAIM-STALEY: There could be a challenge. So everyone would need to be very careful

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because as this rain turns into snow we are not, as you said, you don't have that pretreatment that you're used to in a purely snow event. So you'd have to be much more cautious.

GOVERNOR O'MALLEY: Which would be nasty for the rush hour this evening, huh?

MS. SWAIM-STALEY: It could make it very nasty for the rush hour because of that.

GOVERNOR O'MALLEY: Okay. Any other questions on Department of Transportation? Okay. 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: And the ayes have it. We move on now, we already did DGS, right?

SECRETARY MCDONALD: We're back to Item 1. So I suggest that maybe we take a break for a few minutes and change the room over, just for a very

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short, so we can let people out and let Washington County in here. They are the first school to go on the appeal.

GOVERNOR O'MALLEY: Okay. Let's take a short term break.

* * (Short recess taken.) * * *

GOVERNOR O'MALLEY: Begin the Hope-a-thon, keep hope alive, the Hope-a-thon as we come out of the recession our goal is to come out of it before other states. And by golly, we are not going to be deterred. Dr. Grasmick, this is the first I've seen you, Dr. Grasmick, since the third year in a row of Maryland schools being named the number one public school system in the United States of America.

(Applause)

GOVERNOR O'MALLEY: And the Milken Institute just came out with their ranking that has us second among the states in science and technology, behind only Massachusetts by a point. But one of their things that they say in here is that Maryland took the

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crown for the, for human capital in terms of our highly educated workforce, what we've been willing to invest in education. Where is it? Hells bells, it's right here someplace. It's really good. I just read it to the Treasurer. She liked it a lot. So anyway, are you proud? Are you happy?

DR. GRASMICK: Very. And I'm very proud of the whole educational community and the cohesiveness of the educational community in Maryland. So I, it's just, it's really wonderful. And Governor, unprecedented, it's never happened.

GOVERNOR O'MALLEY: Never happened before?

DR. GRASMICK: In fifteen years it's never happened.

GOVERNOR O'MALLEY: Huh. Well here's the part, I'm finally found the part. "For the second consecutive year Maryland took the crown for human capital capacity, thanks to its highly educated workforce and high number of advanced degrees. The State's rankings in the indicators remain fairly

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consistent with the 2008 index." Other states, not to mention any names, are kind of slipping backwards because it's not enough just to cut. You have to protect the priorities that allow you to make the new economy yours.

So, but let's bring up the best county schools superintendent in the United States of America right off the bat. We're going in order of excellence of superintendents of schools -- no I'm kidding.

(Laughter)

GOVERNOR O'MALLEY: But we do start with Washington County.

DR. MORGAN: Thank you.

GOVERNOR O'MALLEY: Doctor, how are you?

DR. MORGAN: I am fine, thank you very much.

GOVERNOR O'MALLEY: Congratulations on an outstanding career of public service to the people of our State.

DR. MORGAN: Thank you.

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GOVERNOR O'MALLEY: Baltimore City, and then of late Washington County where you were named number one public schools superintendent in the country, right?

DR. MORGAN: Well, I was the American Association of School Administrators National Superintendent of the Year.

GOVERNOR O'MALLEY: And they are smart people that make those awards, aren't they?

DR. MORGAN: Well, thank you. I appreciate those comments. Especially --

GOVERNOR O'MALLEY: And tell us what you're going on to do?

DR. MORGAN: Well this will be my last, oh it's Hope-a-thon today, this is my last Hope-a-thon before I move on to my new job and I'll start March 1st. And I just wanted to bring by thanking all of you. I look around this table, I've had unbelievable support as, even before superintendent. Thank you for

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your leadership, Dr. Grasmick. And Comptroller Franchot --

COMPTROLLER FRANCHOT: Thank you.

DR. MORGAN: -- for not forgetting us out in the hinterlands. Nancy Kopp --

TREASURER KOPP: Pleasure.

DR. MORGAN: -- thank you so much. And Governor, thank you very much for the support you've shown for education, to me personally. And your passion for good education has really made a difference, I think, in this State. So thank you.

GOVERNOR O'MALLEY: Well, thank you for your leadership.

DR. MORGAN: So I'm here at the Hope-a-thon, introduce staff, Rob Rollins, who is our Director of Facilities; and Boyd Michael, who is our Deputy Superintendent.

MR. MICHAEL: Good morning.

GOVERNOR O'MALLEY: Hi.

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DR. MORGAN: And we're here again, as before, and I, it's really interesting for us, I've been here the last several years, and it seems like I'm just, you know, it's Groundhog Day, repeating the same things. But I will tell you that enrollment has grown again in Washington County for the last, for the tenth consecutive year. Growth is expected to continue for the next year to the tune of 250 students, which is large growth for us. The FARMS has increased. It's really interesting, the number, the percent of students who qualify for free and reduced price meals continues to grow. It was at 27 percent when I arrived in Washington County in 2001 and now we're at 45 percent. And now --

TREASURER KOPP: Why, to what is that attributed?

DR. MORGAN: I think there's a number of reasons. But housing is less expensive in Washington County. There are multiple families living in one house and we have the kind of housing where that's

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possible. And I just think there are a variety of reasons.

TREASURER KOPP: But I, I mean I guess my question really is, is putting these things together, are these new people moving in who are FARMS eligible? Or is something happening in the economy of Hagerstown and the County?

DR. MORGAN: But it's close to the ground on that.

MR. MICHAEL: Right. I think probably a combination of both. To Dr. Morgan's credit we certainly have made an extra effort to make sure that we've reached out and provided that opportunity for people to apply for free and reduced meals --

TREASURER KOPP: And reaching out, yes.

MR. MICHAEL: -- if they qualify. So at least some of our increase was due to that. But obviously, the economy is impacting us significantly and we have a significant amount of housing available to low income families. So.

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DR. MORGAN: But our unemployment continues to exceed the State average. And we've been very high all along, one of the highest unemployment rates. So there's a lot of challenges in Washington County at this point in time. So we really need State participation in our capital projects now more than ever before, and with our growth it's becoming critical in certain neighborhoods and certain schools.

We do want to thank you for the support that you've shown for Antietam Academy thus far. We do need an additional \$761,000 of State support beyond the IAC recommendations. We just had our ribbon cutting ceremony and it was just really heartfelt, because the staff and students are really thrilled with this new facility. The children who attend Antietam Academy have grown up in very challenging circumstances and are the most vulnerable of our students in Washington County. So for the first time these students who are very vulnerable and have grown up in challenging circumstances really have a school

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of their own, they have a permanent home. They've existed in portables; in basements, waterlogged basements, I might add; they've had not the best environment. And now due to your support, we thank you very much for that, it's a beautiful school. I hope you'll come out and see it.

By the way, this week, you'll be happy to know with the temperatures near zero and the cold that we had, the new geothermal HVAC system that we're using at that school worked perfectly. And the kids are so intrigued by that, too. And they've gotten to understand what geothermal, they studied all this before they came to the school. So that's really made a difference.

Ruth Ann Monroe Primary School, and by the way this school is named after an African American activist in our community, the well known parent, community figure. We're asking for an additional \$1.7 million of State support beyond the IAC recommendation. The school is nearing completion. It

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will open in the Fall of 2011, it will open this next school year. The school is a key component to a really essential redistricting effort that we went through. I'm surprised I'm still alive after that. It was very, very difficult redistricting, as many of them are. But this will now provide the adequate space for our growing student population.

And then last but not least our normal systemic renovations, and again we thank you for the support that you've given us. When I arrived in Washington County in 2001 we had many schools that the original HVAC was the original boilers from the 1950's. And I'm happy to say and proud to say that we've been able to replace all of those now, put on new roofs, and do the things that I think teachers and students deserve in a learning environment. So we're asking for \$275,000 for the windows and doors at Northern Middle School, which was built in 1980, it has the original. And \$396,000 for the roof replacement at Pleasant Valley.

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So again, just to bring it full circle, very grateful, always grateful for the support I've had personally, professionally, and for the support Washington County has had. We believe we've been very responsible stewards of the capital improvement money. And we invite the State to continue to partner in our successes in Washington County.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. I just wanted to compliment the Superintendent. She, in my opinion, is our Heisman Trophy winner. And --

DR. MORGAN: And actually the award you get gets passed on --

COMPTROLLER FRANCHOT: Good. Yeah.

DR. MORGAN: So it really is like the Heisman.

COMPTROLLER FRANCHOT: Well that's, you know, they are pinching pennies. And obviously, the Superintendent for all of the success that we've had. I also wanted to just salute Dr. Lever, and I see Ms.

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Schaefer is here today. We have had a particular emphasis on school maintenance. And the concept there is that we don't have all the money that we had before to build new schools. And to the extent we can extend the useful life of existing facilities we can save a lot of money and get a good education improvement on top of that, because there's so many studies out there that say when a school is well maintained everybody benefits. The teachers and the kids, and frankly I think higher test scores and better educational achievement. And I wanted to just applaud Dr. Lever and Secretary Grasmick for focusing attention on this issue.

I'm a little troubled by the report that we're looking at, Ms. Schaefer, just because it continues to talk about shrinking maintenance and operation budgets. The language I think at the local level there's been a national trend toward reducing the percentage of total operating budget that's applied to the routine maintenance of schools. And

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then, Dr. Lever, in the report goes on to say that if we skimp on these maintenance positions, such as roof inspectors, we're cutting back on school safety. I think the quote is, "could create safety issues in schools as they come to depend more on local fire departments to oversee their safety equipment and procedures." And to the extent Dr. Lever points out that there is a positive relationship between the quality of the school facility and the quality of educational activity, I think that's terrific. And I'm glad to see that beginning to be part of the fabric of your oversight. I guess it's kind of official confirmation of the obvious, that we should take care of what we have.

But somebody once said that nobody ever has a ribbon cutting for a new roof. And so I think we need to kind of refocus ourselves. I visited Potomac Heights Elementary in Washington and gave a Silver Hammer Award for superior maintenance, and visited Emma K. Doub School and applauded the school

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maintenance program there. Barbara Ingram School for the Arts, I was there on school construction issues but Washington County does a great job. And I guess I'd like to ask, since 91 percent of this year's budget request, according to Dr. Lever, is associated with efficiencies of existing facilities --

DR. MORGAN: Mm-hmm.

COMPTROLLER FRANCHOT: I'm not sure if I got that percentage right, but that's a pretty astounding number, basically it's the old home ownership concept to repair your deck, and repair your roof --

DR. MORGAN: Take care of what you've got.

COMPTROLLER FRANCHOT: -- and keep things up, and you'll save money in the long run. Maybe you could give us a little oversight of what your system has done to preserve the upkeep of existing facilities?

DR. MORGAN: I'll let Boyd answer that.

MR. MICHAEL: Okay. With Dr. Morgan's leadership, and our Board support, and County

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Commissioner support, we've been able to add additional trade people to our maintenance department which has been very beneficial for preventive maintenance efforts, which has extended the life of boilers, and chillers, and even roof projects, things like that. So we're able to kind of stretch out those projects well beyond their life expectancy.

The other thing we've spent a lot of money on that we're already seeing returned, we've gone through an extensive light retrofit. So we're seeing our electric bill actually come down. Even though the rates might not be coming down our electric bill is coming down because we've done an extensive light retrofit throughout our entire County. We've almost replaced light systems in the majority of our buildings that didn't have high efficiency lighting. So a lot of these things like that. The window replacement project that we're making the request for today also will increase efficiency, energy efficiency, and those types of things. So those,

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that's the types of things we're doing. We do an excellent job with our Maintenance Department just, again, trying to extend that life expectancy and be good stewards of State and County money.

COMPTROLLER FRANCHOT: Terrific. And on my tours I take the maintenance employees with me. And I'm glad I do that because they're the most popular people in the school, as far as I could tell. All the kids know them. Mr. Dan, or Mr., you know, they're all, like, right there. And --

DR. MORGAN: They know every kid's secrets because the kids talk to them. The school secretary and the school custodian.

COMPTROLLER FRANCHOT: Anyway, it's an important priority and I appreciate your jurisdiction's attention to it.

DR. MORGAN: Thank you.

COMPTROLLER FRANCHOT: I did have just one other priority I wanted to mention, which is financial literacy.

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DR. MORGAN: Mm-hmm.

COMPTROLLER FRANCHOT: As you know, the number one reason why young people are rejected by the military and are unable to get security clearances for jobs with the federal government, it's not run-ins with the justice system, it's not drug use, it's bad credit. And A, they don't understand budget, and debt, and credit cards. And B, they don't understand the negative impact it has on their employment and their careers. It's not even close, either. I think for security clearances the reason that they are giving, for 50 percent of all rejections is financial considerations. That's the official term. The next leading category is 17 percent.

So I am interested in the fact that Allegany, your neighbor, and Carroll, and Talbot require a stand alone course in financial education in order to receive a high school diploma. And Baltimore County and other systems around the State have some terrific programs, like in Baltimore County the

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Lansdowne Academy of Finance. But I can't understand why a graduation requirement isn't in place for all twenty-four jurisdictions. And I guess I'd like to ask what Washington County is doing to ensure that the principles of financial literacy are taught to our students. And if you could give me an idea of what the likelihood is of your system following the lead of Allegany and Talbot and Carroll and adopting a stand alone graduation requirement on your own without waiting for the State to pass a mandate?

DR. MORGAN: Well at this point in time, Comptroller, we have embedded it in the curriculum, Pre-K to 12. And it's embedded in such a way so that every student is exposed. It's also been expanded and enriched in terms of our business classes. And in areas where we have students who need in depth clarification, like our life skills classes for example, we are teaching it very directly.

As far as a State requirement, I will defer to our leader Dr. Grasmick. As far as a local

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requirement, we have some committees that are looking at how we can make it a stand alone course, and ways in which we can improve. Because I agree with you, it's extremely important.

COMPTROLLER FRANCHOT: Terrific, that's, if you could --

DR. MORGAN: It's even gotten some superintendents in trouble.

COMPTROLLER FRANCHOT: No, I believe it.

DR. MORGAN: Their financial literacy kept them from getting hired in jobs, and whatever.

COMPTROLLER FRANCHOT: No, it's, the kids often when I go to visit these finance classes they say, "Hey, our parents are as clueless as we are. And we're able to talk to them now."

DR. MORGAN: It's very important.

COMPTROLLER FRANCHOT: About the things we learn. You know, you close a credit card, it's not necessarily a plus for your rating. In fact, it can have a negative impact. Well great. If you could

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take it back to the local level and look. Dr. Ecker, or Chuck Ecker is from Howard County, who is just finishing up in Carroll County, implemented a stand along financial literacy course at all eight high schools for a total cost of \$37,000. And I think that's kind of the path we'd like to see systems explore because otherwise the kids, let's be honest, don't take it seriously. Or at least, the vast majority of the kids for whom this information is crucial who would never, ever, you know, willingly go to an elective course. They're not self selecting. They're just, and it's not criticizing them. It's just not, it's just not there. But once they get it, it sticks with them. And so I would appreciate it if you could explore that and maybe get back to me.

DR. MORGAN: We certainly will.

COMPTROLLER FRANCHOT: Thank you. Governor?

TREASURER KOPP: Was Dr. Grasmick going to say anything?

SECRETARY MCDONALD: Yeah, oh, oh, on that?

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DR. GRASMICK: On that topic?

TREASURER KOPP: Uh-huh. The question of embedding something in a curriculum or having, through the years, or having a stand alone last year, last year course?

DR. GRASMICK: We have a legislatively mandated study or task force that was chaired by Senator Muse and Delegate Stein. And it included financial people as well as people from school systems. And the disposition of that and our Vice President of the State Board, Charlene Dukes, who is President of Prince George's Community College, was actively involved. And the decision was made that the local systems had the choice of having a stand alone course. But for every student within the State of Maryland there would be an embedded financial literacy piece beginning, as Dr. Morgan said, in elementary school all the way through high school. It's also surfaced again, in terms of the Base Realignment. Because we know, as the Comptroller said, that

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security clearances are an issue and sometimes we only think about STEM and sort of the didactic part of it. But they need to understand security clearances.

So the disposition of this is, we do have the curriculum. We are working very closely with very prominent financial institutions who have been very supportive to us. And it is the decision of the local school system if they wish to have a stand alone course, usually in high school. So that's where we are.

TREASURER KOPP: But they all are required to have and to show how the subject is embedded?

DR. MORGAN: Yes.

DR. GRASMICK: We have that curriculum.

DR. MORGAN: Absolutely.

DR. GRASMICK: And it is given to every local school system.

DR. MORGAN: Mm-hmm.

TREASURER KOPP: I must say, my senior year, I think I've told you this. My senior year in high

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school in California, second semester we were required in social studies to have a sort of course, I guess, or curriculum that included learning how to do interest rates, how to balance a checkbook, how to buy a care. I mean, it was just part, because they figured people were sort of taking off second semester anyhow. So they might as well learn something useful. And I think it was very useful.

DR. GRASMICK: I'd be very interested in sharing with you the curriculum that was developed --

TREASURER KOPP: But, but --

DR. GRASMICK: -- through the task force.

TREASURER KOPP: But let me tell you I also remember in elementary school we had it, and we ran a little bank, a real bank. And everybody had bank books, and kept them, and learned how to balance it, and everything. And that actually, I think, was probably more useful because it was hands on, you were doing things. And we really saved money. But those were the old days with stamps and everything, too.

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DR. MORGAN: Well ours is embedded in all of the required math courses through high school. So we're sure that every student is exposed because they have to take the math classes, so.

TREASURER KOPP: Yeah.

COMPTROLLER FRANCHOT: And I appreciate the words of the, of Secretary Grasmick, Superintendent Grasmick. You know, that's very important. And I think it's to your credit that you've moved on that and I think it probably puts us in a very strong position compared to other states. But I think it's complementary to also have this in the senior year, as the Treasurer was mentioning. Because, you know, that's when we really need to focus and have young people look seriously at their financial futures. Because --

DR. MORGAN: Everyone is going to have to handle money.

TREASURER KOPP: Yeah.

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COMPTROLLER FRANCHOT: -- otherwise they're, otherwise they're going to spend four years at college and not think about it. And they get out of college, and you know, looking for a job, and wonder why they've got these problems. And so I urge you to, whether we're able to get the legislation through, which I think we should at the State level. We almost did last year and I think it will go through this year.

DR. MORGAN: I'll report back to you on the status of our stand alone --

COMPTROLLER FRANCHOT: But if you could, the individual route is obviously something that I'd like you to explore. Thank you.

DR. MORGAN: Yes, sir.

TREASURER KOPP: Talking about handling money, Washington County is among five jurisdictions which received allocations of the 2008 QZAB issue.

DR. MORGAN: Mm-hmm.

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TREASURER KOPP: Do you know what I'm talking about?

DR. MORGAN: Yes, absolutely.

TREASURER KOPP: And, okay, and haven't been, it hasn't been expended according to our records and has to be within a certain period of time, the three years, or essentially it's lost. And so the question is can you please talk, either here or to my office, about how it's going to be expended? Or we'll roll it back and reuse it so that --

MR. MICHAEL: Right. The delay on, the delay on that project, it's not on that project. The project is complete. I think it was for \$328,000 worth of QZAB money. So the project is complete.

TREASURER KOPP: Make that \$332,000 --

MR. MICHAEL: Give or take a couple thousand, I'm sorry. We have a sub of a sub that hasn't paid one of their minority business enterprise people approximately \$26,000 and we're working to resolve that issue. I think we'll have that corrected

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this week. So as soon as we finish that then we can submit our State paperwork for the reimbursement.

TREASURER KOPP: That would be great.

MR. MICHAEL: So the project is complete.

TREASURER KOPP: Because we want to be sure you get your money.

MR. MICHAEL: Absolutely.

TREASURER KOPP: And we can continue issuing bonds.

MR. MICHAEL: Absolutely. We have no trouble spending QZAB money. We've actually requested if there's additional QZAB money available that other counties don't spend that we have means to spend that.

DR. MORGAN: I don't think we've ever had a difficult in the past. This is an unusual situation.

TREASURER KOPP: Okay. Well, you'll follow, Joan? Or they'll follow up with you? Thank you very much.

MS. SCHAEFER: Thank you.

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DR. MORGAN: Thank you. Thank you for all of your support.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: One, Bester? What's happening with Bester?

MR. MICHAEL: Bester received planning approval through the IAC so we're hopeful that the Board of Public Works will also support the planning approval. And we're finishing up the feasibility study. We'll bring that to the Board within the next month or so. So you can expect to see us here next year --

TREASURER KOPP: Great.

MR. MICHAEL: -- requesting construction money.

TREASURER KOPP: Well it certainly made a real impact when we visited the Washington County Schools.

DR. MORGAN: It really needs modernization. There's no question. And it is one of our schools

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with the highest percentage of free and reduced price meals. I think that percentage now is about 92 percent free and reduced priced meals.

TREASURER KOPP: Well we look forward to seeing progress on it. That's great.

MR. MICHAEL: Thank you.

TREASURER KOPP: Thanks.

TREASURER KOPP: Okay. We're moving on now to?

SECRETARY MCDONALD: Well, Governor, actually I think Ms. Schaefer, the Deputy Director of the Public School Construction Program is going to make the motion for the actual program that's being recommending to you today. You will be approving 75 percent of the \$250 million. And then the counties coming up are going to make their appeals for the rest of that 25 percent. And I know Ms. Jenkins maybe had some introductory remarks on minority business enterprise participation. So I don't know if you want to hear from Ms. Schaefer with the overall picture?

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GOVERNOR O'MALLEY: Sure.

SECRETARY MCDONALD: Or Ms. Jenkins?

GOVERNOR O'MALLEY: Sure.

TREASURER KOPP: I think we were just overwhelmed by seeing Dr. Morgan sitting there.

(Laughter)

SECRETARY MCDONALD: No, well she deserves it, I think, going first. Exactly. Since she is first. But, and then we have some announcements about all the schools that are appealing. We have fewer schools showing up today, so I think we'll still be on schedule.

Joan, do you want to introduce yourself for the record and explain Item 1 to them, please?

MS. SCHAEFER: Good morning. I'm Joan Schaefer. I'm the Deputy Director of the Public School Construction Program. I'm here, I'm happy to be here actually to present to you the IAC, the Interagency Committee on School Construction's, recommendation to approve the State School

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Construction Program for fiscal year 2012 in the amount of \$250 million.

The proposed \$250 million statewide program comprised this recommendations for specific projects in the approximate amount of \$187.5 million and a statewide contingency amount of \$62.5 million. And you are hearing appeals today from the LEAs for that remaining, those remaining funds.

That is the motion. We, I believe that we want to go through and continue with the appeals now. I wanted to present it before you so I didn't have to stand up here at the end and do that.

GOVERNOR O'MALLEY: Ah --

SECRETARY MCDONALD: So then at the end of the appeals we will take your vote on the 75 percent that they are recommending, and then it will come back in May. Let me just be clear that we have obviously twenty-four subdivisions --

MS. SCHAEFER: Mm-hmm.

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SECRETARY MCDONALD: -- in the State. Of the twenty-four, five subdivisions are not appealing. We are hearing appeals from nineteen. Of those nineteen, five are appealing but not appearing due to concerns. And those five that are appealing but not appearing, and I have paperwork I will hand out to you, I want to make sure for them that they know that they are on the record and the Board members will carefully consider their appeals without their appearances today: Allegany County, Cecil County, Harford County, Garrett County, Wicomico County. So that leaves us fourteen to hear from. We've already heard from Washington County, and our next school then is --

GOVERNOR O'MALLEY: Actually we're going to hear from Ms. Jenkins --

SECRETARY MCDONALD: Luwanda, sorry.

MS. SCHAEFER: Thank you.

MS. JENKINS: Yes, good morning Governor, Madam Treasurer, Mr. Comptroller. For the record,

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Luwanda Jenkins, Special Secretary, Governor's Office of Minority Affairs. I am pleased to provide a very encouraging update about minority participation in public school construction. Just by way of history, about three years ago we started working closely to ensure that the State funding that supports public school construction at the local level also supports our State minority business goals. And thanks to the leadership of Dr. Grasmick in working with all twenty-four school subdivisions they have all adopted the State's minority business enterprise program and policy. And we have been working aggressively to get really good outcomes for minority participation.

We started off in fiscal year 2008 at 12 percent. We moved the number to 16 percent in fiscal year 2009. And at the end of fiscal year 2010 we closed at 19 percent. And you have before you a midyear update on public school construction activity for minority business and we are at 31 percent with about half of the school systems reporting activity,

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which means the other half of the schools have not entered into projects that have been counted yet for minority participation.

So we're really encouraged with the growth and the way in which school systems throughout the State have embraced incorporating minority firms in their projects and school renovation projects. And it's been a pleasure to work with the Public School Construction Office. We've been joined at the hip for a couple of years, moving around the State, and really working with school systems so that they could implement this program and do so in a way that is effective and makes it work.

GOVERNOR O'MALLEY: Great. Well that's a, that's a very positive, strong step forward. But we need to talk about stormwater regulations and how they impact the things that you all have been dealing with. We'll call Cecil County next.

SECRETARY MCDONALD: I think Frederick. Cecil is one of the ones that is --

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GOVERNOR O'MALLEY: I'm sorry, you said that.

SECRETARY MCDONALD: -- could not come because of the weather.

GOVERNOR O'MALLEY: Frederick County.

SECRETARY MCDONALD: I have theirs by letter. And Frederick County is here.

MR. BRAD YOUNG: Good morning.

GOVERNOR O'MALLEY: Good morning. Hey, do we need those bright lights in the back? And we're joined by Chairman Conway from --

SECRETARY MCDONALD: He's here for Somerset --

TREASURER KOPP: But also takes a profound interest in all education related issues.

GOVERNOR O'MALLEY: Right?

DELEGATE CONWAY: One Maryland.

GOVERNOR O'MALLEY: One Maryland.

MR. BRAD YOUNG: I'm Brad Young, President of the Board of Education for Frederick County,

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Maryland. Accompanying me today are Dr. Linda Burgee, Superintendent of Schools; Ray Barnes, Executive Director of Facilities Services; my brother Blaine Young, President of the County Commissioners for Frederick County; and in addition I'd like to recognize Galen Clagett, one of our great Delegates up from Western Maryland. So.

GOVERNOR O'MALLEY: Hello, Delegate.

COMPTROLLER FRANCHOT: Boy.

GOVERNOR O'MALLEY: How are you, sir?

MR. BRAD YOUNG: I'd like to start by saying thanks to Governor O'Malley and Comptroller Franchot for your visits out to Frederick last fall. And Treasurer Kopp, I enjoyed seeing you down at the Universities at Shady Grove and years through the community college effort. So.

We're here today to appeal our school construction funding request. The list of our project requests have been provided to staff and are included in our testimony. We come before you with the

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understanding that through these difficult economic times it's going to be tough to fund some of these. But we feel it's important, as representatives of our community, to present you with the most pressing school construction funding needs for your consideration.

At the local level we feel that we're doing our part to address the many issues associated with school construction needs. The County Commissioners and Board of Education have jointly supported a program of school construction that would reduce the number of overcrowded schools while addressing the renovation needs of our oldest schools. Most importantly, the County Commissioners regularly forward funded projects so that projects could stay on schedule. In addition, the County Commissioners have adopted an adequate public facilities ordinance to regulate new development. Impact fees have also been instituted, and local transfer taxes have also been used to fund school construction projects.

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In support of the County Commissioners' forward funding efforts we have placed the State funding for forward funded school construction projects as our top priority. While our needs are significant, we recognize the need to first fund and support those projects that have already been completed in the past. Having noted this priority we must look to the future. The Department of State Planning predicts Frederick County to be the fifth largest enrollment increase in the State between the years 2008 and 2019. Since 1990 with the State's help we have carried out an aggressive building campaign, yet we're still operating eighteen of our schools over 100 percent capacity and we're still providing education in 156 portable classrooms.

In addition, our schools are aging. We have twenty-five schools in part or all over forty years old. It's imperative that we continue our efforts to address the physical and instructional needs of our aging schools so that we can provide the required

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curriculum to our students. We feel strongly that our ability to provide a proper academic and instructional program to our students will help their ability to achieve high standards.

We appreciate and support the Governor's budget funding commitment this year, and look forward to the State to continue as an active partner with us. Toward this goal, we request that the State fund the projects as we requested.

I do want to mention also Frederick County is very proud this year to have the State Teacher of the Year, Michelle Shearer from Urbana High School, who just recently has been notified she's one of four finalists for the national award.

GOVERNOR O'MALLEY: That's great.

MR. BRAD YOUNG: So we're excited and expect to bring that trophy back to Maryland, which would be a great honor.

I did also want to acknowledge before Dr. Burgee, who I think many of you know will be retiring

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this June, makes her comments, and my brother, address
Comptroller Franchot your comments on the financial
literacy. As a certified financial planner and as
somebody that teaches personal finance at Mount St.
Mary's University, it's certainly an issue that's very
close to my heart. I've been active in Frederick
County Public Schools as a consultant and advisor to
the Academy of Finance through the Career and
Technology Center for over fifteen years. And the
first student that I helped with that, who also
interned with me for five years, is graduating from
Georgetown Masters Program this spring and has already
been hired as a fixed income analyst at T. Rowe Price
starting in June. In addition to that Junior
Achievement is something that I've been active with,
which is a great program. Actually the headquarters
is in Lutherville, Maryland. I've taught first
through sixth grade as well, as well as for thirteen
years at T.J. High School when in the entire school
year we started a company, went through capital,

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developing a product idea, implementing it. In every one of those classes the students left there with the check in hand from either their stock investment or for the sales commissions in the project that they did.

So it is something, again right now I have probably fifteen students in my class at the Mount. They go through learning how to pick their 401K, their mutual funds, life insurance, mortgages. As you said earlier, Treasurer Kopp, how to buy a car, balance their checkbook, we go through all of those. Many of these students are starting from ground zero. And I think embedding it in the high school is one way to start about it, but I think as a stand alone class it certainly would have a lot more emphasis and so I certainly would support the efforts to do that.

COMPTROLLER FRANCHOT: Well that's water in the desert, as far as I'm concerned.

(Laughter)

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COMPTROLLER FRANCHOT: Thank you for making that comment. But I met someone very similar to you with a big financial background who teaches a similar course to seniors at Loyola University at Baltimore. And he said student after student comes up to him and says, "Gosh, why did we have to wait until the last year of our college to get this information?"

MR. BRAD YOUNG: Right.

COMPTROLLER FRANCHOT: "Why didn't we get it earlier?" And that's --

MR. BRAD YOUNG: Yeah, and I'm also pushing for it to be a required class at the collegiate level as well because right now it's an elective and so very few, generally only the business majors take it.

COMPTROLLER FRANCHOT: Yeah. They're self selecting. That's terrific, we applaud them, but it's the other 99 percent that we need to reach out to. I see Delegate Clagett's back there. Is he going to get up and say something? Because he's very distinguished. Come on up here.

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DELEGATE CLAGETT: I'm just here to support the efforts of the Board of Education and the County Commissioners. And in particular I want to thank Superintendent Burgee for her great job. She is retiring and she was a student where I was a vice principal. But I was only nineteen.

(Laughter)

DELEGATE CLAGETT: Thank you.

DR. BURGEE: I don't quite remember it that way, Delegate Clagett.

(Laughter)

DR. BURGEE: But I'm getting old too, so my memory could be faulty. Good morning. I guess it is still good morning. First of all, before I provide my testimony I want to personally thank Governor O'Malley for his budget that he proposed last which continues to support and acknowledge the importance of funding public education in Maryland we appreciate that. And for Dr. Grasmick's vision and leadership, which has ensured that those resources that were provided have

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continued to make us the number one school system in the nation.

I also want to thank you for the opportunity to share with you our capital request. We are requesting the repayment of construction funds for three projects: the new Linganore High School, which opened this past August; additions to Walkersville and Carroll Manor Elementary Schools; and then also we're requesting new funding for the additional and renovation of Lincoln Elementary School.

The three projects, Linganore, Carroll Manor, and Walkersville were forward funded by our County. Again, they are open, they are wonderful for our students. The Lincoln Elementary renovation project is designed and we're ready to begin construction. And as always, Frederick County is faced with the challenge of making substantial investments in new seats to address enrollment growth in the past. We're continuing to have a small enrollment growth than what we saw in the past decade

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but it's still there, as well as then just addressing all of our renovation needs of our older schools.

Particularly at the elementary level, we've had a very aggressive program at the elementary schools in the recent years. But many of our students are still receiving instruction in overcrowded and outdated buildings. And we're just not able to deliver the same quality program, particular with STEM, particularly with the technology piece.

In addition, our students are changing. We're much more diverse. Our students, unfortunately we have an increase in the number of students coming from poverty. And we have a 700 percent increase in the number of students who do not speak English as their first language since 2005. Again, we look to technology to provide many interventions for those students and we just don't have the infrastructure in older buildings to be able to access that technology.

No school in Frederick County is more in need of renovation than Lincoln Elementary. It was

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originally constructed in 1922. There have been a couple of additions in 1938, '53, and '74. And other than just routine maintenance and repairs there have been no significant renovations. It does have a free and reduced population, 75 percent of their students come from poverty. So it is one of our high needs schools.

We realize that our funding request is substantial. But each project reflects a real need for real kids. They've been in the development planning stages for many years, and as I said before some are finished and we really do need the State's partnership to pay back those funds.

You have details about each of the projects in your packet. I'm not going to bore you with your details, because I'm sure you'll be able to read those. But I will just emphasize again our plans for Lincoln will be, there's two buildings right now. They are across a busy city street from each other. We will be demolishing the oldest building, the B

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building, all but the historical part. We plan to build a high performance, energy efficient building with Silver LEED certification. Planning approval has been granted. Design and permitting is completed. The County has provided us with just enough funds to begin the demolition and site work. So that is a high priority for us.

There are systemic projects in our request as well. And it's important to note we've asked for no new project approvals in recognition of the very tight fiscal times this year. Our goal is to catch up on the things that have been forward funded, and we urge your support and partnership in helping us do so. Thank you.

MR. BLAINE YOUNG: Governor, Comptroller, State Treasurer. And Governor I would like to echo also, I know that you are facing challenging times like us all. And I appreciate that and whatever the State needs to do, they are going to do. And whatever hand we're dealt we'll deal with. And from the get

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go, I've liked what you've presented so far. So hopefully that will stay the course. And on behalf of Frederick County we just want to show our appreciation.

I'm Blaine Young, President of the Board of County Commissioners. I'll keep it short and sweet. I appreciate the opportunity to present our request for reimbursement of funds that were forward funded by the County so the construction of the new Linganore High School, additions to Walkersville Elementary, Carroll Manor Elementary, and the renovation addition to Lincoln Elementary School could begin. Linganore High School and Carroll Manor Elementary addition opened for students in August, 2010, and the Walkersville Elementary addition is nearing completion. All three of these projects received forward funding from the County Commissioners in prior years. Lincoln Elementary renovation/addition project is designed and ready to begin construction.

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The bulk of our request is for reimbursement of forward funded projects. The Board of County Commissioners assumed a substantial financial burden in forward funding these essential construction projects as well as major renovation repairs and maintenance of existing schools and facilities in our County. We strongly urge you to support these projects we submit to you today, and your continued commitment to honor previous funding obligations.

We were sworn in on December 1st, a new Board, majority new Board of Commissioners. And my goal before I leave in four years, because I plan to do one term, is to see Lincoln High School, hopefully Oakdale Elementary, and North Frederick. They would be major, major accomplishments.

And Comptroller Franchot, I appreciate your remarks. The best teacher I had was Dan Pfeiffer, who taught me business math. I'm a small business owner. I have over a hundred folks that work with our

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company. And I never forget that class because it taught me how to make things balance.

COMPTROLLER FRANCHOT: Yeah.

MR. BLAINE YOUNG: So thank you very much.

GOVERNOR O'MALLEY: Thank you, Commissioner.

Treasurer?

TREASURER KOPP: The County, is the County budgeting County funds for school construction this year? Or is this all repayment of forward funding, previously forward --

DR. BURGEE: Previously forward funded, yes. Projects that are complete.

TREASURER KOPP: So there is no County budget for school construction this year?

DR. BURGEE: Yes, there is a County budget for school construction this year.

TREASURER KOPP: That's what I'm, I'm trying to understand --

MR. BLAINE YOUNG: Yes.

TREASURER KOPP: Of other projects?

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MR. BLAINE YOUNG: So we forward funded several projects. And then --

TREASURER KOPP: Yeah.

MR. BLAINE YOUNG: -- there's money coming in but we're trying to recapture what was forward funding --

TREASURER KOPP: Right.

MR. BLAINE YOUNG: -- to keep the other projects moving along. But we don't have enough money --

TREASURER KOPP: Reuse the forward funding?

MR. BLAINE YOUNG: -- yeah, yeah. We don't have enough money --

TREASURER KOPP: Okay, thank you.

MR. BLAINE YOUNG: -- to recapture that, to keep --

TREASURER KOPP: I got it. Thank you.

COMPTROLLER FRANCHOT: If I could just state for the record that when I was up in Frederick recently I met with Senator Young and Delegate

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Clagett, and Senator Young produced some photos of Delegate Clagett when he was nineteen. He had a full head of hair, and he looked terrific.

TREASURER KOPP: He looks terrific now.

COMPTROLLER FRANCHOT: Yes, he looks terrific, and now.

DELEGATE CLAGETT: Thank you.

COMPTROLLER FRANCHOT: But my, the Young family has had a lot of success up in Frederick County and we, it's going to be a tough job. And we appreciate what the family does as a whole. Which one has the radio show?

MR. BLAINE YOUNG: That's me.

COMPTROLLER FRANCHOT: Yeah. Your dad said I should go up and be on the radio show someday, he said it would be very stimulating.

MR. BLAINE YOUNG: Three to six, Monday through Friday.

COMPTROLLER FRANCHOT: But let me ask, you mentioned maintenance. Obviously we don't have the

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money to build the new schools that everybody wants. We've got to take better care of what we have. I'm sensitive to the history of the elementary school, but what is the County doing as far as really refocusing on, you know, maybe just reaching out to business, for example, and say, "Can you help us with some exterior power washing? And can we get everybody involved in taking better care of what we have?"

DR. BURGEE: Well, we build our schools to last. We look at a return on investment life span cycle. So we try to use quality materials to lower our ongoing then maintenance costs in terms of our flooring and our finishes. We also have been able to maintain our maintenance budget in the school system side at the same percentage of our budget over the last few years despite some economic challenges.

We do have a preventative maintenance program in place to maintain our equipment so that we have optimum efficiency and extend the life of our systemic equipment. We, our schools were inspected by

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the State Public School Construction Program. Eleven of them, and all of them received either one of the top two ratings. Two were at the top and were recognized here previously. We also are participating in the indoor air quality tools for schools, and we're one of two Maryland counties that received awards and recognition for our indoor air quality program. We're working on a lot of energy savings. We are reaching out to outside. We are part of the Potomac Conservancy to do a tree canopy project. We are one of two counties participating in the Project Sunburst Grant offered through the Maryland Energy Administration. So we have solar panels on the roof of Oakdale High School.

GOVERNOR O'MALLEY: That's great.

DR. BURGEE: I could go on and on. But there are a number of ways in which we are reaching out and partnering outside of the school system.

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COMPTROLLER FRANCHOT: Commissioner Young was going to say something, I think, about community involvement?

MR. BLAINE YOUNG: No, just saying that we're working with the business community looking at other opportunities to generate money for school renovation and/or construction. So the business community has reached out to us and wants to come forward and talk to us about opportunities of what they would call a school mitigation fee, to where, you know, people could get back to work in certain industries, and also generate money for school renovation and/or construction. So we're looking at that.

COMPTROLLER FRANCHOT: Excellent.

MR. BLAINE YOUNG: Trying to think outside the box.

TREASURER KOPP: Do you talk with the, either other superintendents or MACo about these

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things so people can learn from what you all are doing?

DR. BURGEE: Absolutely.

MR. BLAINE YOUNG: That's great.

TREASURER KOPP: That's great.

DR. GRASMICK: I would just like to make a remark. It has really been a privilege to work with Dr. Burgee. She's really provided outstanding leadership. She has been an excellent, excellent, superintendent.

DR. BURGEE: Thank you, Dr. Grasmick.

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: Whenever she says that people then move on to something else.

(Laughter)

COMPTROLLER FRANCHOT: Hang around for a while, please.

DR. BURGEE: Well, I've been with the school system thirty-five years, starting as a teacher, principal, and then central office administrator. But

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I also graduated from the school system, as did my father. So I have a lot of investment and history with the school system. And it was a difficult decision, but I'm ready for the next phase of my life. But have really valued and appreciate the privilege, which I consider the privilege, to work in a public school in the State of Maryland, and in Frederick County. So thank you.

COMPTROLLER FRANCHOT: Good luck.

DR. BURGEE: Thank you.

MR. BLAINE YOUNG: Comptroller Franchot?

One last thing I wanted to add --

COMPTROLLER FRANCHOT: Sure.

MR. BLAINE YOUNG: -- you talked about the Young family. One that gets missed a lot, our mother was an educator for thirty-eight years and an elementary school principal and actually hired Dr. Burgee to her first vice principalship, so we even have a history there.

COMPTROLLER FRANCHOT: That is terrific.

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MR. BLAINE YOUNG: Thank you.

COMPTROLLER FRANCHOT: That's really great.
Thanks for being down here.

GOVERNOR O'MALLEY: Thank you.

SECRETARY MCDONALD: Somerset.

GOVERNOR O'MALLEY: Matt, how many of these, to what degree does the, you know, the growth envelope or smart growth goals factor into these things? I mean --

MR. POWER: Very significantly, actually. We've done a lot of work with the IAC in working with the LEAs so that the site selection includes priority funding area to a much stronger degree than it has in the past --

GOVERNOR O'MALLEY: What does that mean? You, you give greater points if it's within the priority funding area, or --

MR. POWER: Yeah.

GOVERNOR O'MALLEY: Or you don't do it at all if it's outside of it?

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MR. POWER: It is given greater priority if it is in the priority funding area. And we've worked through the Task Force on Future Growth and Development chaired by Jon Laria, we had a work group specifically on this issue that came up with recommendations and will be ready to move them through very soon that help better prioritize the tight selection within the priority funding area. So it doesn't prohibit schools from being built outside the priority funding area, but it does encourage them very strongly both in planning and site approval, as well as funding.

GOVERNOR O'MALLEY: On all of these that Frederick was just asking us to reimburse them for forward funding, were all of those within the priority funding area?

MR. POWER: I think all of them are in the priority funding areas, yes.

GOVERNOR O'MALLEY: Check that out and get back to me, would you?

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MR. POWER: Sure.

GOVERNOR O'MALLEY: Okay, Somerset County, one of my favorite counties.

DR. BROFEE: Thank you. Greetings. I think we've hit the afternoon hour, so I should say good afternoon, Governor, Comptroller, Treasurer, Dr. Grasmick, Deputy Director Schaefer, and Ms. Bice, who have particular interest. I'm finally here and I can tell you the bats are gone. I, we received significant help from both of these ladies coming and visiting our school and helping us through the planning process and really looking at where we wanted to go. And we had some interesting experiences.

Governor, I think you have absolutely every right to call this a Hope-a-thon. With the \$250 million that you're putting in this year, and the \$1.5 billion over the last five years, it's making a tremendous difference, not only in our State but certainly in Somerset County. And so I bring sincere thanks from our Board, our Commissioners, and our

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entire school community. Representative of those folks today I have with me our Director of Facilities Rodger Daugherty. I think we always hold the, of the twenty-four counties for having the least number of people, but we're hard workers. And Delegate Conway has come, too, to support us this morning. So I really appreciate that.

What you've done for Somerset County is provide us with exceptionally fine, new, and also renovated facilities, which have promoted extraordinary learning and achievement. And Governor, when I look at your budget I've noticed that you make your decisions and build your budget on performance measures. And so I want you to know that this investment of capital funds into facilities certainly is paying off in performance ways. And here's just a few measures.

Back in '03-'04 we had highly qualified teachers, only 53 percent of the total because Somerset had not much of a draw. I'm pleased to

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report that it is now 97.7 percent. We're within a hair's breadth of 100 percent.

GOVERNOR O'MALLEY: That's great.

DR. BROFEE: And that's either second or third in the State.

GOVERNOR O'MALLEY: That's huge.

DR. BROFEE: It is huge. And it's huge, and we're really grateful. Buildings have a lot to do with that. In elementary reading and math you can see that we've moved from the mid-50 percentiles in '03-'04 and we're up to the 84th percentile. And we're real pleased with that and we're heading for 100 in 2014.

The new building that you supported, Somerset Intermediate School, which is a 6th and 7th building, opened in '06-'07, in the middle of the year. At that time our children were performing in the 50th percentile. Last year the performance last year was 85.8 percent proficiency in reading and 84 percent proficiency in math.

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GOVERNOR O'MALLEY: That's great.

DR. BROFEE: And this is a building that has a significant number of special education children. We, unfortunately we have 14 percent identified children, and a very, very high poverty rate. We're at 67 percent free and reduced lunch, and I know that doesn't match what is really there.

Comptroller Franchot, I'm pleased to tell you that in '03-'04 we didn't have any geothermal systems and now 40 percent of all of our sites are geothermal, and right now we're doing a study of a fifth school to see if it would make sense to move into geothermal there.

And also in reference to energy conservation, about two and a half years ago we started a program and we've had over \$800,000 in cost savings. And this is basically just training people to be efficient, to be thinking about energy, and to be conscientious. And I like to think that we've not only trained ourselves as adults, but that that's

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rubbing off on our children also. Because that's what matters, what goes forward.

So I'm here today to talk about Washington High School. It's the full renovation funding. It's a building that has grade eight. Each of our high schools includes an academy, that helps us to become more efficient, all the way up to twelfth grade. The status from the IAC is A1. We are seeking the final request, a little bit over \$3 million. Our award to date is \$1.6 million. And so we're requesting the additional \$1,657,283. This is the final project of a seven-year reorganization plan for our schools in Somerset. It was designed to increase efficiency and decrease expenditures because of the absence of economy of scale that just isn't available to smaller counties. But we really think we've made tremendous progress.

Historically, Washington High was probably the building that needed the most when I first came to the County in 2002. However, we had to put it on the

back burner in thinking about the big picture and where we wanted to go. So we are indebted to Dr. Grasmick's support of that plan, the Commissioners, and the Board of Public Works.

Initially, when we put this project in it exceeded what was reasonable for a renovation. And so we had to scale back, and put in for a limited renovation. However, this is one case where the economic times helped us because that delayed us a year. When we put the bids out the next time we came in significantly lower, significantly lower, and we're still saving about \$5 million above what that original project was and we're able to make a full renovation, do the roof, and do the windows, and also the kitchen. So we're really grateful for that one silver lining in that economic cloud.

In terms of Somerset County, we're an anomaly in Maryland when it comes to economics. Our poverty rate is 8.3, at the last measure. And it's -- I'm sorry. It's at 20 percent, it's 7 percent above

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the national poverty rate of 13 percent. We have the lowest household median income as well as the lowest per capita revenue. We do have a high income tax in the County but it's the lowest taxable income in Maryland, so we don't get much revenue from that at all. Our County Commissioners have a limited capacity to fund our projects. However, when asked to forward fund this project they all stepped up to the plate and said they were willing to do that. And that was a very significant happening in our County.

We've had a turnover in Commissioners with this last election, with only one of the five remaining. When we went to them to see if the support for the project continued, it absolutely did. And they gave us the support to go ahead. They've been tremendously helpful to us in building a technological system with our high tech program providing some nonrecurring cost monies to us for the last two years, which has been unprecedented in the County.

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Time is really critical to this project, because time is learning. We can't delay. We really need this upgraded technologically supported high school that addresses the needs of our students, is truly safe, and it environmentally responsible. And also meets the health needs of our project. I'm pleased to tell you that we have a school-based health center in this school as we did the renovation, and that's scheduled to open next month. And that is very critical in a high poverty area.

We're able to extend our program of one to one laptops that we started in our high tech Somerset Intermediate School to both eighth and ninth graders this year so every eighth and ninth grader is issued a laptop that is going home and coming back every day. And they will maintain or keep that laptop all the way until they graduate. The agreement that we have with the leasing company is that they will be able to purchase that laptop for one dollar when they

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graduate. And because it's their own they're taking care of it, and really prizing it. And I really --

GOVERNOR O'MALLEY: How much did that cost you up front?

DR. BROFEE: The cost is about \$250 per kid, per student.

GOVERNOR O'MALLEY: Mm-hmm. Do they get, do they download books into that?

DR. BROFEE: We can. However, we're a little bit concerned that we can't save as much money as we'd like because right now as long as you buy the series you can have the download for free. When you stop buying the books then the cost for the materials goes up. But we've already, Comptroller Franchot, found innumerable financial pieces that we can use through the laptops that are not going to cost us anything and will enable us to institute a stand alone course next year, which ironically we just had a discussion yesterday at the Instructional Council about that.

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COMPTROLLER FRANCHOT: Great.

DR. BROFEE: So we're --

COMPTROLLER FRANCHOT: How much money did
you need?

DR. BROFEE: A lot.

(Laughter)

COMPTROLLER FRANCHOT: That is excellent.

DR. BROFEE: But I know that's something,
we'll be able to move forward on that.

TREASURER KOPP: When you have, just out of
curiosity, you have English classes, or other classes
--

DR. BROFEE: Mm-hmm.

TREASURER KOPP: -- that do reading, there
are a lot of books that I would think are on the
reading list that are now in public domain.

DR. BROFEE: There are a number of books
that we can access that way so --

TREASURER KOPP: I mean, that's what I do
personally for my own --

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DR. BROFEE: Yeah. Right, there are. We will be able to. I was speaking of the heavy textbooks.

TREASURER KOPP: Right. Right.

DR. BROFEE: And there's quite a bit now with cloud computing that you can do in terms of gaining access to free, and we're working at this, learning better ways to become more efficient. But we're excited about, we feel as if technology is breaking that poverty barrier. And we could make such a profound difference --

TREASURER KOPP: You are an extremely persuasive speaker. Really.

DR. BROFEE: Well you've been to Somerset Intermediate and you've seen that difference that it makes.

TREASURER KOPP: Yeah.

DR. BROFEE: Yeah. Yeah.

GOVERNOR O'MALLEY: I've got to get there.

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DR. BROFEE: Please. We'd be delighted to have you. We really would. And it would be so encouraging to our teachers and our students.

GOVERNOR O'MALLEY: One of my second term goals is spending a lot more time on the Eastern Shore.

DR. BROFEE: We can feed you very well. We will make it well worth your while, I promise.

In terms of the current status of the project, we're in the fourth phase. The demolition is complete. We have 75 percent of the geothermal operation in place. We do not anticipate any new buildings for the significant future at all. We're in good shape. We have some renovations we want to do to become greener and more efficient, but we see them certainly as doable. Our administrators have done an incredible job of managing this particular project. It's like a plane in motion because we have these four phases, and we have all the children coming, and they're there all the time. But I have only had one

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complaint at all about, from a parent. And that was some dust that was in the air. The, our contractors are Whiting-Turner and they have been incredible with responding to every need, every safety concern is taken into consideration. Anytime we notice something, one call and it's fixed in five to ten minutes. Whether it's sound, breathing, whatever. So we're really, really appreciative of that.

Our teachers have been great. They've made moves on weekends, so we haven't lost any instructional time at all, not even a day. And that's amazing. And they've done it with a pretty fair sense of humor, because I've been there. But nonetheless, they're wearing thin. We need to finish up the project. And in order to do that we really need this additional funding.

At this point the Commissioners have done some front funding and they'll have to do more before we hit July 1. And they're facing, as you know, decreased revenue, everyone is. And they have to, we

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have to consider their obligations to other County agencies, not just education.

In some of the specific areas you're concerned I've given you in my testimony our MBE participation. We had a problem with that several years ago but we're really looking good this year. We've got African American participation above 6 percent. That represents a little over a million dollars. And women owned businesses, just about 5 percent of that. In terms of green school initiatives I mentioned Washington High is geothermal. Lighting, we are prioritizing, avoiding any kind of waste of lighting and energy by design. We're in, one of the companies we're using for the demolition is very clear on the recycling. The roof is, has the type of insulation that will increase heat and cooling retention. Our Somerset Intermediate School that I like to brag so much about received Green School status last year, an excellent award. And they

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maintain a very active green student club and faculty club. And that's, they're good leaders in our County.

In terms of maintaining facilities, we're proud of our buildings and we strive to maintain them through conscientious monitoring. We're adding an automated work order system to help us better monitor maintenance from a preventative aspect, in addition to our cyclical.

GOVERNOR O'MALLEY: Good stuff. That's new?

DR. BROFEE: Yeah, it will be brand new to us. We're just ready to roll it out.

GOVERNOR O'MALLEY: And will everybody be able to see it?

DR. BROFEE: Yeah.

GOVERNOR O'MALLEY: It won't be something that's just restricted for you to see?

DR. BROFEE: No.

GOVERNOR O'MALLEY: Or the maintenance people?

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DR. BROFEE: No, we've got, there are a number of reports, too, that can be generated straight from --

GOVERNOR O'MALLEY: Because once everybody knows then everybody knows.

DR. BROFEE: It's going to make a difference, right. No downtime. However, one thing about maintenance that I do want to point out, I really think our best form of maintenance is student and community pride in schools, protecting and taking care of them. And one of the things that my husband and I personally did was place a large statue that we purchased, it's children sitting on a log with butterflies, in the Somerset Intermediate School. And those children are taking care of that piece, immaculately. They'll even correct adults and tell you, "We don't touch that. We just appreciate it." And I've seen them, you know, look and crawl around. And that's just a really neat thing. When our community went through that school when it opened,

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they were in awe. They don't take things like this for granted. They are very grateful. I believe that we can do no less than continue our efforts on behalf of our children to assure equity, educational equity. We do respect the Board of Public Works' consideration and request that project is fully funded, at a little bit over \$1.6 million. If we don't get that it could be delayed and we'd like to be completely finished by the end of July, beginning of August. So thank you very much.

GOVERNOR O'MALLEY: Thank you, is it Dr. Brofee?

DR. BROFEE: Yes, mm-hmm.

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

MR. DAUGHERTY: I really don't have anything further to add, other than if there are any questions related to maintenance or any of the other issues that were brought up.

GOVERNOR O'MALLEY: Thank you.

MR. DAUGHERTY: I can speak to that.

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GOVERNOR O'MALLEY: Mr. Chairman?

DELEGATE CONWAY: Thank you, sir. I want to strongly support Somerset's request. They are not a part of my district at this point. At this point.

(Laughter)

DELEGATE CONWAY: They, but they were when I started. And they are very, very hardworking folks. Originally we had the small town concerns about regionalizing what we needed to do. I think Dr. Brofee has put forth for you a very good summary of the efforts that they have made to, number one, focus on education in a very rural community, changing life in some ways. They put together a seven-year plan for reorganization. I will tell you it was not an easy thing to do. And they have done it. She has worked tremendously hard. I've been proud to be a part of the openings of the new schools and opportunities to see the renovations of the other schools. I strongly support it, as I strongly support school construction across this State. And we will do our best to support

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the Governor and his recommendations on school construction. I still get these letters every now and then from all over the State, talking about what their needs are. And I think our State has stepped to the plate, recognized the role of education, and have put our money where our mouths have been. And I think it has paid off. And I want to continue to do that.

I would hope that at some point we will not have portables all over our grounds. That we will have state of the art facilities for young people which will give them the foot up and the focus on life that I think we as a State want to accomplish. So I want to support the Washington High School final payment, and say that I think Dr. Brofee has outlined very, very well. And we will as a Legislature, I have no doubt, support the school construction program at a minimum level of \$250 million. Thank you.

GOVERNOR O'MALLEY: Thank you, Mr. Chairman.

DR. BROFEE: Governor?

GOVERNOR O'MALLEY: Yes, doctor?

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DR. BROFEE: We're going to hold you to your promise to come to the Eastern Shore.

GOVERNOR O'MALLEY: Thank you.

DR. BROFEE: We'll be certain that we won't have rain, like the bad weather last time --

GOVERNOR O'MALLEY: Yeah, that was good, wasn't it? What was that? Kind of a boat trip, and a stop all at once?

DR. BROFEE: -- boat trip, yeah.

GOVERNOR O'MALLEY: But Dr. Brofee, we're very impressed by your leadership and the progress your kids are making in Somerset.

DR. BROFEE: Thank you.

GOVERNOR O'MALLEY: And your whole team.

TREASURER KOPP: This page is really very, very impressive. I mean, that progress in both the construction and the energy and the infrastructure, but also in the learning and the teaching.

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DR. BROFEE: That's what it's about, it really is. And I just gave you a few of those because I knew I was ten minutes, so.

TREASURER KOPP: It's great.

GOVERNOR O'MALLEY: And a lot of times we focus on the closing of the achievement gap and we focus inside the Beltway, we focus Baltimore City. But what you're doing in the rural context where there are also gaps is a very, you know, a very compelling story.

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: Are there any reporters here? Where did Tim Tooten go?

(Laughter)

TREASURER KOPP: That's the problem.

GOVERNOR O'MALLEY: It deserves more attention.

DR. GRASMICK: And I would just like to say to members of the Board of Public Works that it's rare that a superintendent comes down, and Dr. Brofee came

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from Pennsylvania. And it really seemed impossible to totally restructure an entire school system in Somerset County. Several preceding superintendents had tried unsuccessfully. She was able to galvanize the entire community, and that is elected officials, parents, everyone. And it is, I mean, the children have benefitted so much, as you see by the examples of the achievement. It's really been amazing.

DR. BROFEE: I didn't do it alone. I had lots of help. And I brought on Pennsylvania phrase with me. And it's from Amish Country, and it is that we put feet on our prayers. So it takes more than hope. Joan and Barbara came out with feet on the Public Works, and helped me out, and we do that with everything, and we can then step forward. So.

GOVERNOR O'MALLEY: Put feet on our prayers, huh?

DR. BROFEE: Mm-hmm.

GOVERNOR O'MALLEY: That sounds like something --

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TREASURER KOPP: That sounds Irish.

GOVERNOR O'MALLEY: Or it sounds like something that the, who was the preacher in 1814 down Somerset way? What was his name?

MR. DAUGHERTY: Wesley?

TREASURER KOPP: That's a good one.

GOVERNOR O'MALLEY: Yeah.

MR. DAUGHERTY: Parson of the Island.

GOVERNOR O'MALLEY: Parson of the Island, right. Parson, that told -- anyway. Change comes dropping slow sometimes in Somerset County so that's impressive, the way you got everybody on board. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, I just want to thank the Chairman for being here. It doesn't surprise me that he's here advocating for something on the Shore that doesn't fall within his legislative district. He really is the voice for the Shore, and frankly the voice for the whole State as far as social

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responsibility and fiscal responsibility. It's good to have him here.

And I just wanted to mention that Chuck Ecker, who implemented this stand alone financial literacy in Carroll County, downloaded the curriculum from the internet. Because I said, "How did you do it for so little money?" He said, "Well, among other things, we didn't pay for big textbooks. We just downloaded it, copied it." And he has eight high schools, you have two --

DR. BROFEE: We, we --

COMPTROLLER FRANCHOT: -- so to the extent you can do it that would be great, and thank you for at least considering the subject because it's very important.

DR. BROFEE: Do you know the program Real Deal at all? It's where, it's a simulated day where the children go through as if they were adults and have to experience very different scenarios. That is such an incentive for children to learn financial

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literacy. That will be the kick off for this course. We've been doing that, but everything else has been embedded. But now that will be a part of this course. So.

COMPTROLLER FRANCHOT: Well it was good to visit Washington High. Everything is moving along. The different renovations are very impressive. But Chairman Conway, thank you for being here. And thanks for the emphasis on school maintenance because that's going to be important as we move forward.

DR. BROFEE: Thank you.

DELEGATE CONWAY: I love walking over here every day and looking at that banner across the front steps, One Maryland. You can't beat it.

(Laughter)

GOVERNOR O'MALLEY: It looks good.

DR. BROFEE: Thank you for your time.

GOVERNOR O'MALLEY: We kept it up there for you, Mr. Chairman. Thank you. Let's go to St. Mary's County. Or rather, let's call them to the podium.

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(Laughter)

TREASURER KOPP: Going is okay, too.

GOVERNOR O'MALLEY: How's the stormwater
regs affecting these --

MR. POWER: The new stormwater regs from --

GOVERNOR O'MALLEY: Yeah.

MR. POWER: It's built into the
construction. I think Joan might have a better answer
other than raw construction components.

MS. SCHAEFER: There have been some new
stormwater regulations and we have talked about them
at a facilities planners' meeting so that all the
school systems are aware of the changes. And I
believe they are all in line with them.

GOVERNOR O'MALLEY: Good. Because I think
second only to State Highways that our schools have to
be, maybe the federal government rivals them, but our
schools have to be the largest --

MR. POWER: Blacktop producers?

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GOVERNOR O'MALLEY: -- owners of blacktop surfaces. Dr. Grasmick, is that part of, was that part of the curriculum, you know, when people got their certificate to be a teacher? Did they go to blacktop appreciation school or something?

DR. GRASMICK: No. No.

GOVERNOR O'MALLEY: I mean, it seems that, I never saw people that love blacktop and tar macadam more than school principals, my goodness. And chainlink fence.

DR. GRASMICK: Oh yeah, they like those.

GOVERNOR O'MALLEY: Whew.

MR. POWER: I will say too, Governor, that with the LEED Silver standard that the State has it makes it a lot easier, I think, for all the school systems to comply with the new stormwater regs because the site design is that much better as a result of it being a LEED Silver school. So it --

GOVERNOR O'MALLEY: Right.

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MR. POWER: -- goes a long way to complement.

GOVERNOR O'MALLEY: So what we did on the green building stuff incorporated the stormwater stuff already?

MR. POWER: Absolutely.

GOVERNOR O'MALLEY: Great. Wow. Thank you very much for your patience.

MR. CLEMENTS: No problem. Good afternoon. My name is Brad Clements, I'm the Chief Operating Officer in St. Mary's County Public Schools. And with me is Mrs. Kimberly Howe and she directs the capital improvements program and our green school program. Dr. Martirano was unable to be with us today and sends his regards to all of you.

St. Mary's County strives for excellence in education. And in your packet is our appeal, which I'll talk about. But also we provided you some one-pagers on the different things, maintenance, our

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academic achievements, our green school program is there, which I'll speak a little bit about.

The environment is very important to that academic achievement, as we all know. And we have strived for excellence in education and in our facilities and a number of our facilities have been modernized over time through the support of the School Construction Program, the Interagency Committee, and of course the Board of Public Works. We built our, satisfied our capacity needs and our green school and sustainability of our buildings is shown in Evergreen Elementary School, which recently opened. We have Leonardtown Middle School, which we're going to talk about here in a moment. That building, when complete, 50 percent of the utilities will be reduced in the cost of those. And then more recently we cut ribbon on our Sunburst Project, which is at George Washington Carver Elementary School. That project, a 75,000-square-foot building, we will provide 80 percent of

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the power for that building through the solar panels that will be installed there.

GOVERNOR O'MALLEY: That's great.

MR. CLEMENTS: At some times of the year it will be --

GOVERNOR O'MALLEY: And people should note that Project Sunburst I believe was, I mean the dollars are federal in origin, aren't they?

MR. CLEMENTS: Yes.

GOVERNOR O'MALLEY: They came through the Recovery and Reinvestment Act?

MR. CLEMENTS: Mm-hmm.

GOVERNOR O'MALLEY: And they, this Project Sunburst is actually financing a number of projects like this one and the one, what --

MR. CLEMENTS: Frederick.

GOVERNOR O'MALLEY: Was it Frederick that talked about --

MR. CLEMENTS: Yes. Mm-hmm.

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GOVERNOR O'MALLEY: -- their Sunburst Project? Good stuff. I'm sorry.

MR. CLEMENTS: No, that's all right. It is a great project. And we were able to work with our, the developer of ours and encouraging that there's educational components built into it. So it's at the school. It's going to be educational components of it. And we are having our Career and Educational Center is even participating in some of the installation. So they, our students get access to it as well and is utilizing it.

Our maintenance commitment has been there for years. We've modernized over the years 50 percent of our buildings. Our preventative maintenance program is there with a work order system and all. In fact, our maintenance operations and our IT is all utilizing the same program. So anyone can go on and check that at anytime.

Of course another one that's shared in the handout we gave is we really looked at planned

maintenance versus unplanned work, and trying to anticipate so we don't have a school down, we don't have a problem down that way. And that has increased greatly over the years as we're dealing with planned work instead of reactive.

Our minority business participation, we continue our outreach program working with St. Mary's College, the County government both in St. Mary's and Calvert, and we work together on an outreach program for minority business. In the last two years we've been 20 percent and more. This year we have a, we only had one project, a State project and that. It was \$50,000 and we were at 10 percent. On projects, no matter if it's a State project or a local project, or the size of the project, we utilize the minority business adoption for all projects that we do.

The, this year our State Capital Improvements Program was for three projects. The limited renovation of Leonardtown Middle School, which was the balance of the funding for that, it's 60

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percent complete. As I said there's a number of items in there that's going to help us reduce our utilities of that building. So this, this would complete the State funding of that project. The second project was planning approval for a new elementary school. We're receiving about 250 elementary students per year. Even in these economic times we're continuing to grow. This elementary school is in the central part of the County where our biggest growth area is and feeding to. Both of those projects had been recommended to the Board of Public Works and you'll take action I guess later today on those.

The third project we had is HVAC system at Oakville Elementary School. This project, the school is almost forty-five years old. It does not have central air conditioning. We cool the building with window units so it's not real effective. We are requesting \$1.8 million from the State to this project. \$800,000 has been recommended at this point,

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so our appeal is for \$1,033,000, to keep this project moving.

We have three other locally funded projects that's going to take place at this school. And right now we're planning to relocate the students and the faculty to an annex where we, where we move the schools to. Right now Leonardtown Middle School sixth graders are there. So with this HVAC project locally we're doing a window project there. We're also doing an upgrade of the playground equipment, and redoing the, and establishing a safer bus parking lot, car parking lot, more asphalt, Governor, as you say, an entrance road. And we're working with State Highway on acceleration lanes and crossover, and a traffic signal at this location. This is a location where a number of accidents have happened, and in recent years we had a fatality there, one of our parents. So State Highway is working with us very much to move this. So we would like, because of it's only being a one-year project, request the additional funding so that we can

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complete all these projects at that location in one year.

On behalf of the Superintendent and the Board I thank you for your past support of our projects and everything, and look forward to the future with you.

GOVERNOR O'MALLEY: Thank you.

MR. CLEMENTS: Thank you.

GOVERNOR O'MALLEY: I loved your performance metrics.

MR. CLEMENTS: Thank you.

GOVERNOR O'MALLEY: Graphs moving in the right direction.

MR. CLEMENTS: Yes. My Director of Maintenance is very much on the metrics and --

GOVERNOR O'MALLEY: I love those. I mean, you can see that as your planned work orders go up --

MR. CLEMENTS: Mm-hmm.

GOVERNOR O'MALLEY: -- that the unplanned ones come down and you get ahead of the curve.

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MR. CLEMENTS: Right.

GOVERNOR O'MALLEY: Very, pretty clear graphic.

MR. CLEMENTS: Thank you.

GOVERNOR O'MALLEY: You didn't make it up? Because it will --

MR. CLEMENTS: No. Come visit us and we'll share it all with you.

GOVERNOR O'MALLEY: Anything else?

TREASURER KOPP: Good pictures, too.

MR. CLEMENTS: And I think the Comptroller is coming to see us in the next week or so, I think?

COMPTROLLER FRANCHOT: Yes. I'm looking forward to that. And just a question about the likelihood of a stand alone financial literacy course if we don't get the State mandate where are you --

MR. CLEMENTS: It's incorporated into our, embedded into our program as Dr. Grasmick has said. We also have, one of our high schools has a financial academy. So of course at that school it's there. At

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all of our high schools we have that program but it is not mandated at this time. Our Superintendent and Board are right now in the curriculum studies for the upcoming year and there's discussions on that program of how to --

COMPTROLLER FRANCHOT: Terrific. If you could just have him take --

MR. CLEMENTS: -- make that a part of everything.

COMPTROLLER FRANCHOT: Have them take a look at it --

MR. CLEMENTS: Yes.

COMPTROLLER FRANCHOT: -- and realize Talbot and Allegany and Carroll have already gone ahead, and they did it for minimal expense, and it's been a big success.

MR. CLEMENTS: Right.

COMPTROLLER FRANCHOT: I'd appreciate if they would take a look and get back to me as to what the possibilities are.

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MR. CLEMENTS: Okay. I will make sure that's done.

COMPTROLLER FRANCHOT: It's terrific what you've done but --

MR. CLEMENTS: Yes.

COMPTROLLER FRANCHOT: -- as you know it's self selecting.

MR. CLEMENTS: Yes. Yes.

COMPTROLLER FRANCHOT: And it's important to underline this.

MR. CLEMENTS: Extremely important.

COMPTROLLER FRANCHOT: So thank you.

MR. CLEMENTS: Thank you.

GOVERNOR O'MALLEY: Matt?

MR. POWER: I just had one question?

MR. CLEMENTS: Yes?

MR. POWER: For the elementary school that you're seeking the planning approval, you're basing that on the Evergreen Elementary and reusing the same

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design? Is that correct? Am I recalling that correctly?

MR. CLEMENTS: Yes, we're reusing the same design. We met with our architects. We're, you know, we did a study there on the geothermal. That has proven out very well for us and very dependable. So we are, we're looking to go completely geothermal on that building, adding more, because we do have some solar panels there, but adding more to that project. So pushing that, the next one even a little bit more.

MR. POWER: Great.

MR. CLEMENTS: And that was a goal --

MR. POWER: From the beginning, right?

Great, thank you.

MR. CLEMENTS: Yes. Okay, thank you.

GOVERNOR O'MALLEY: Thank you. Let's go to Prince George's County.

SECRETARY MCDONALD: They are coming right in.

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COMPTROLLER FRANCHOT: Boy, we've got the heavy artillery here. Gee.

TREASURER KOPP: Oh.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR O'MALLEY: County Executive, Mr. Superintendent, welcome. Thank you for the outstanding job and leadership that you're giving to our State and your County. And congratulations on recruiting such a great employee --

(Laughter)

GOVERNOR O'MALLEY: -- for your intergovernmental affairs operation.

MR. BAKER: Thank you, Governor. We tried to get a little bit of an edge this upcoming year. So I want to thank you and thank the Comptroller and the Treasurer for having us here, and the work that you have been doing so far working with us. I am pleased to be here with the Superintendent of our schools and to talk about our request to the State for funding. I am mindful, as your colleagues are, of the difficulty

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that you're in, having served with both the Comptroller and the Treasurer on Appropriations. But part of my charge as County Executive is economic development around Prince George's County. And a critical part of that is our education system.

As you know as well as I do, we cannot attract the type of jobs and industry and commercial development in the County without having a first rate education system. I am committed in my administration to do everything that we can to help Dr. Hite and the Board achieve that to help our County. As you know, we have made, and Dr. Hite has made, and the Board has made, significant cuts in the school system over these past years. They've done furloughs. They're continuing to hold the line. But we need help.

We have requested \$55.7 million in State funding. I am thankful for the \$21.2 million that you've given us. But we really do need this money to help us move the County forward.

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One of the things I, and I'll let Dr. Hite speak to this and come up next, but I do want to say this. One of the things that we're looking at, and Dr. Hite and the Board have agreed to, is combining where we see the opportunities of economic development in our education system. So if you take a place like Hyattsville Elementary School and the work that we're doing in the arts district, tying that together.

GOVERNOR O'MALLEY: Great.

MR. BAKER: And so he's going to do the same thing. So I'll bring Dr. Hite up here. Thank you.

GOVERNOR O'MALLEY: Thank you.

DR. HITE: Thank you, Mr. County Exec. Good afternoon, Governor --

GOVERNOR O'MALLEY: Doctor.

DR. HITE: -- and Board members. Today we will provide testimony in support of our CIP request as outlined in the revised submission dated November 10th. And because that request is in front of all of you I'm not going to read it to you but I will, I do

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want to cover five key points. And I think, unlike in previous years, one thing that I want to note this year is that we have requested all that we think is necessary based on our educational needs inside of the County. However, it is important to note this year that we are basing these requests on a facilities master plan. A new and improved and revised facilities master plan that emanates from our educational goals inside of our County. And it looks at the facility needs, the systemic repair needs, the renovation needs of our school system. And so one thing that's extremely important is that this document forecasts our systemic capital needs based on our present and future programmatic and instructional needs.

The second part is a continuation of the comment from the County Executive. We appreciate and thank you for your support of projects currently recommended for approval with an A status for a total amount of \$21.2 million. However, our appeal to you

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today is for you to fully fund these projects in the total amount requested of 55.69. These requests have been vetted both at the County level with the Council and with the County Executive.

The third point I want to emphasize or highlight today is the work that we're doing around MBE. And regarding our MBE program, the inclusion of minority and women owned businesses continues to be a priority in our school system. In each of the last four years our commitment to engage MBE has resulted in increased partnerships and expenditures. We're pleased that our goal for MBE participation has exceeded the State's goals of 25 percent for the past four years. And currently, that percentage is 52 percent, up from 34.5 percent, which was the amount at this time a year ago.

The fourth item, and almost the last, I'm going to cover five. The fourth item is the work that we're doing around our green initiatives. And under the 2009 LEED for Schools we have set a goal to

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achieve LEED certification. And in 2009 we received LEED Gold certification for Vansville Elementary School and most recently Barack Obama Elementary School received LEED Gold certification in 2010. And we currently have eight school related projects that are registered with the U.S. Green Building Council to achieve LEED certification.

And the final point is with respect to our maintenance of our school facilities. And one of the things that we want to emphasize, and it is emphasized inside of our facilities master plan, is that we have to be more efficient and effective with respect to maintaining our current facilities and using systemic repair money to meet the acute needs at some of the facilities, particularly in our high needs areas. The other point to the maintenance of school facilities is really to target these monies to places where the County Executive and the County Council have worked to really identify economic development zones. We mentioned Hyattsville, another example is Fairmont

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Heights. And we have various examples throughout the County where we're looking at a school maintenance program to really support the economic needs of the County.

So with that I want to conclude my remarks and thank you for your consideration of our request.

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

COMPTROLLER FRANCHOT: I have a question for Dr. Hite as long as you're up there?

DR. HITE: Yes, sir.

COMPTROLLER FRANCHOT: Thank you for your discussion of maintenance. What increase if any do you have in the percentage of operating funds you're dedicating to maintenance? Or what is the situation with personnel? And I guess is there a, any data as far as supporting your excellent statement?

DR. HITE: Yes. As a matter of fact we do have data that suggests that we could address many more schools with respect to maintenance projects and systemic repairs than we can with making a request to

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build one new school. And we think that we can spread those projects out so that more schools throughout our County are actually receiving the upgrades that are necessary. And that's why we requested an additional seven projects inside of our systemic repairs.

But we have staff now, and it's not a request for more staff or utilizing more staff. As a matter of fact we're going the other way. But what we want to do is be more efficient and productive in the use of staff we have so that we're targeting their expertise to the needs of schools and the needs of the facilities and the communities.

COMPTROLLER FRANCHOT: And a lot of these schools that we're trying to extend the useful life of are in smart growth areas, they are in existing communities.

DR. HITE: Yeah, not question about it. Fairmont Heights is a perfect example. So we intend to put a new school inside of our secondary school reform inside of Fairmont Heights. And it will be an

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IT high school. And we think that that will fit nicely with the County Executive's plan to really develop that area.

COMPTROLLER FRANCHOT: Well my compliments to you and County Executive Baker.

GOVERNOR O'MALLEY: We were just ranked second this year in the Milken Institute study of, I mean, comparison of states in science and technology. We're number two, and we're number one in terms of human capital. And it was all those same sorts of things, speaking of Barack Obama Elementary School.

TREASURER KOPP: That was fast.

GOVERNOR O'MALLEY: What Barack Obama was talking about last night.

MR. BAKER: I think it, if I could just say, Governor and members of the Board of Public Works, I also want to acknowledge the fact that we have Council Member Mary Lehman here. And that just shows that the County is coming together on the priorities that we've

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set here for this and others you'll see. So thank you.

TREASURER KOPP: Governor, could I say, first of all, it's a pleasure and an honor we've been waiting for for a while now to see this County Executive.

MR. BAKER: Thank you.

TREASURER KOPP: It's very good to have you here. I have a question actually, probably of Dr. Hite, about, and I think you've been told that we have some concerns about the spending of the 2008 QZAB, it's about \$1.2 million.

DR. HITE: Yes.

TREASURER KOPP: Which really has to be spent by the end of this year.

DR. HITE: Yes.

TREASURER KOPP: Do you know about it? And are you --

DR. HITE: Yes, we are fully aware of that and actually had a meeting with IAC in Baltimore to

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really talk about this issue. And we're not happy about the number of projects that have gone on for a period of time. And as a matter of fact in some places we've changed leadership in the department to really address this. And we've also made this a part of our performance measurement in terms of the core work inside of this division. But we do have some projects that are already completed and then we have a timeline for the completion of four more projects by March, five more by June, and then the following eight by December.

TREASURER KOPP: All right. Because you understand if we don't, if it's not expended by December 16th then all of the recording and documentation and everything --

DR. HITE: Absolutely. I understand that and my staff understands that. Yes.

TREASURER KOPP: Very good, thank you. Well if, I assume that our people will want to keep in touch with you on that?

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DR. HITE: Yeah, and I think we have been in touch and we've been talking about this, and it's become a key measure for what I'm checking in on as I talk about these maintenance projects as well.

TREASURER KOPP: QZABs are Qualified Zone Academy Bonds.

DR. HITE: Mm-hmm.

TREASURER KOPP: They have special provisions. They are very tax beneficial.

DR. HITE: Right.

TREASURER KOPP: But they are only to be used for certain purposes and within a certain period of time or they not only lapse but they have to be called --

DR. HITE: That's correct.

TREASURER KOPP: -- and it impacts the rest of our bonds, there are all sorts of problems. And the ones that were issued in 2008 therefore have to be used by 2012. If there is a chance they are not going to be, the money can be redirected so that the bonds

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themselves are, the monies themselves are used and then we can find maybe other money to complete the project. So we don't want you to do anything that you --

DR. HITE: Oh, no. These projects will be completed. And it's, it was a combination of permitting, and, but primarily it was not the appropriate level of attention to that body of work. So now we have that level of attention and so we plan to address that. And in, given our financial circumstances --

TREASURER KOPP: Yeah.

DR. HITE: -- we don't want to redirect anything away from our County.

TREASURER KOPP: You don't want to leave it on the table. That's very good. Can I ask you one other question?

DR. HITE: Sure.

TREASURER KOPP: With the performance contracts, are you using the sort of system that the

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Secretary talked about to measure the, Secretary Collins talked about, to measure the actual savings from these projects?

DR. HITE: Yes. We actually have, we've obtained, and I don't have that information in front of me --

TREASURER KOPP: Right.

DR. HITE: -- we've obtained significant savings for an energy performance contract. We have a, we have ways that we measure the progress of that and whether or not we are obtaining the savings that are associated with that.

TREASURER KOPP: Right.

DR. HITE: So we do have those systems in place.

MR. COLLINS: That has to be done annually, Madam Treasurer. Before you, pay them before they pay you.

TREASURER KOPP: Right. Because I think it

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DR. HITE: It's actually guaranteed in our case.

MR. COLLINS: Right.

TREASURER KOPP: Yeah. Because it would encourage, I think, some people to endorse more programs --

MR. COLLINS: Yes.

TREASURER KOPP: -- if we could show them that actually there's hard information and there are hard savings.

DR. HITE: It also supports the initial investment on those types of contracts.

MR. COLLINS: Yes.

TREASURER KOPP: Right. Right.

DR. HITE: When we have those types of data available.

TREASURER KOPP: Right. Thank you.

DR. HITE: You're welcome.

GOVERNOR O'MALLEY: Comptroller?

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COMPTROLLER FRANCHOT: Dr. Hite, and actually County Executive Baker, if I could ask both of you, as you know Delegate Walker from Prince George's is the lead sponsor on the stand alone financial literacy bill this year, which I appreciate greatly. Junior Achievement, which has done such a great job around the country, is very interested in building a -- the Treasurer correctly notes that as Treasurer she's a proud graduate of Junior Achievement. But a wonderful organization, a \$350 million a year budget, huge success in Delaware and Virginia in building with private sector funds finance academies to complement these stand alone financial courses that I'd like to see implemented at the State level. And if I could ask you to consider, County Executive, supporting that legislation because I think it can be implemented for relatively minimal expense. And I'd like to see one of these state of the art finance academies, operated once again by the private sector so it's not a cost to you, located in Prince

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George's County. I think it would be, you know, at least my understanding, the one in Fairfax and the one in Delaware, are they're absolutely outstanding. And I'd be interested in your comments if any?

DR. HITE: So I'll comment on the Junior Achievement partnership and on financial literacy. We have, at our last business advisory meeting we had Junior Achievement speak at that meeting. I've been to Delaware to see their program, and I've had staff who have visited with the program in Fairfax. And so part of that led to a conversation for us to really look at how we could do that inside of our system.

We do plan to have inside of our secondary school reform a finance academy. But I'm also pleased to announce today that we just shored up with Capital One, they will be opening a student run bank at Parkdale High School. And the whole backfill of that is a finance academy like the one that we talked about in Fairfax. And we wanted to use that as a model for what other students will be exposed to.

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We're also in conversation with the credit union, the County Credit Union, who also wants to open a student run facility in the southern part of the County as well. And we're also utilizing some of what, a lot of what, has become a part of the voluntary State curriculum around the strategies for financial literacy inside of LSM, which is our government classes and some of the other social studies classes.

COMPTROLLER FRANCHOT: Excellent.

MR. BAKER: And certainly we're in support of what the Superintendent is doing. And as you know, I mean, one of the things we're going to look at because, you know, you look at foreclosures in the County, you look at credit rating, financial literacy becomes an important part of what we are going to focus on with the school systems that our, you know, our children coming out of high schools are very much aware of what is going on but learning as they go along. So our academy, or something of that nature,

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is something that we would, especially if it's located somewhere around our, you know, inner Beltway communities and established communities would be something we would take a hard look at.

COMPTROLLER FRANCHOT: Well I commented earlier, Mr. County Executive, that the number one reason why young people in your County and other counties are turned down by the federal government for employment --

MR. BAKER: Right.

COMPTROLLER FRANCHOT: -- is not problems with the justice system, it's bad credit. And they just, they need this.

MR. BAKER: Yeah. Yeah.

COMPTROLLER FRANCHOT: And if you would consider a stand alone course that you and the County could implement, I would be appreciative. And if you can consider and consider Delegate Walker's bill I'd be appreciative also. And thank you for the efforts that you've got underway, but there's a lot of

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potential for partnering with the private sector, as you noted.

MR. BAKER: Thank you.

TREASURER KOPP: Could I, just to change the subject slightly, Dr. Hite, just say this is one of the first times that I can remember a superintendent starting out talking about their capital program by talking about how it's driven by educational programmatic goals. And I just think that's putting the horse before the cart just the way it should be, I think. I really appreciate it.

DR. HITE: I appreciate that.

TREASURER KOPP: Yeah. And too often really we don't. We focus just on the capital when in fact the question is how does it fall in with our plan? And now that you actually have a plan --

DR. HITE: Well it was apparent to me when we could not identify why we wanted to put schools in certain places, or why we wanted to repair certain buildings. And so we, that has to be driven by the

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educational needs of our system. So we've worked very hard with the IAC to do that.

TREASURER KOPP: It sounds like common sense, but, I mean, sometimes takes a while to demonstrate.

DR. HITE: It's harder than you think.

GOVERNOR O'MALLEY: Is Ms. Jacobs here? Or no?

DR. HITE: No, she is not. She had a previous commitment.

GOVERNOR O'MALLEY: Okay. So that concludes --

DR. HITE: This concludes our --

GOVERNOR O'MALLEY: The Gorgeous Prince George's presentation?

DR. HITE: -- presentation. Thank you.

GOVERNOR O'MALLEY: Well, thank you all. And County Executive, thank you for your leadership. And Dr. Hite, thank you especially for your leadership on the Race to the Top.

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DR. HITE: Thank you for your leadership.

GOVERNOR O'MALLEY: For all your hard work. Thank you all. It was good to hear the President's talk last night, wasn't it?

DR. HITE: It was enough to make you happy.

GOVERNOR O'MALLEY: Okay. We are now on to Montgomery County.

MR. BARCLAY: Good afternoon.

GOVERNOR O'MALLEY: How are you?

MR. BARCLAY: Governor O'Malley, Treasurer Kopp, Comptroller Franchot, Dr. Grasmick, and other Board members, my name is Chris Barclay. I'm the President of the Board of Education in Montgomery County. And I thank you for the opportunity to present our appeal of the Interagency Committee on Public School Construction recommendations on State funding for fiscal year 2012, the State aid request.

For the 2010-2011 school year MCPS experienced the third straight year of significant enrollment increases. The official September 30th

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enrollment of 144,064 is 2,287 more students than last year's enrollment of a little bit more than 141,000.

Since 2007-2008 MCPS enrollment has increased by 6,319 students, a figure that's greater than the total enrollment in many of our school clusters. Enrollment growth is the result of increases in County resident births, movement of students into the system from nonpublic schools, and a significant reduction in the number of households and therefore students relocating to other jurisdictions. MCPS' total enrollment is projected to grow more than 10,000 by the 2016-2017 school year. The greatest enrollment will occur at the elementary school level where currently 90 percent of our 416 relocatable classrooms are in use.

Substantial increases in middle school and high school enrollments soon will follow.

Our local and State capital improvements program request includes substantial funding for elementary school capacity. Our fiscal year 2012 State aid request includes seventeen elementary school

addition projects, ten elementary school modernizations that will include additional capacity in one new elementary school.

In addition to providing seats for our students we must address our aging inventory through modernization or replacements. And we will continue to face this challenge in the coming years. On the average, elementary schools are modernized every forty years, middle schools every seventy years, and high schools every fifty years.

Our 200 schools serve Montgomery County's increasingly diverse population. Currently our student enrollment is 35 percent white, 21 percent African American, 25 percent Hispanic, 14 percent Asian American, 4 percent of two or more races, and 1 percent American Indian, Native Alaskan, Native Hawaiian and Pacific Islander combined. More than 44,000 students, or 31 percent, receive free and reduced meal services, and more than 18,700 students, or 13 percent, receive ESOL services. FARMs

eligibility has grown dramatically in the past twenty years, from 13,600 students in 1989 to 44,231 today.

Immigration has been a primary source of County population growth and MCPS enrollment growth. Montgomery County is now a truly cosmopolitan jurisdiction. In 2007, 35 percent of households spoke a language other than English at home. This year the ESOL program serves students from 165 countries with 120 languages represented.

The trend toward greater racial and ethnic and socioeconomic diversity has been central to MCPS enrollment growth for the past twenty years. Since 1990 MCPS enrollment has increased by 40,332 students, an average of more than 2,000 students each year. All of the growth in enrollment has been among African American, Asian, and Hispanic students. White, non-Hispanic enrollment has actually declined by 14,394 students since 1990. Conversely, during that twenty year period, African American enrollment increased by 12,999 students; Asian American enrollment increased

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by 8,221 students; Hispanic enrollment increased by 27,231 students. Students claiming two or more races increased by 6,228; American Indian, Alaskan Native, and Native Hawaiian/Pacific Islander races combined to increase by forty-seven students.

Student diversity has not been equally distributed throughout the County. Schools serving areas of the County in which housing is relatively affordable have seen the greatest increases in enrollment of ESOL students and students eligible for FARMS services. Before implementing initiatives in the school system's strategic plan, students served by schools in these areas had not achieved at the same level as students in less diverse areas of the County with higher socioeconomic levels. In order to address the economic, or excuse me, the achievement gap, between African American and Hispanic students and Asian American and non-Hispanic white students, additional resources have been provided to these targeted schools. Specifically, reduced class size in

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kindergarten and grades one and two. The class size reduction initiative has resulted in the need for elementary school additions and the opening of new schools. However, this initiative has provided important gains to close the achievement gap for African American and Hispanic students.

Again, I thank you for the opportunity to present today. Our Superintendent Dr. Weast will continue with his testimony. I would like to say unfortunately this is his last time to come before the Board. I would like to recognize that he is retiring at the end of June this year, and I thank him for his service.

GOVERNOR O'MALLEY: Thank you, Mr. Chairman.

DR. WEAST: Thank you, Chris. Twelve times.

GOVERNOR O'MALLEY: Congratulations.

DR. WEAST: Twelve times, yeah. And I want to thank you for allowing us to be here, Secretary Kopp, and certainly Mr. Franchot, and Dr. Grasmick, and especially our Governor.

You know, I've heard several testimonies coming up here. And I haven't heard anybody say it, but if they haven't said it, it should be said today. It's congratulations to the great State of Maryland for the third year in a row being number one. And I think that that's easily overlooked, and it shouldn't be. Because there are forty-nine other states that covet that award greatly.

I'm proud that, while Chris was talking about all the statistics, our enrollment and all the changes, we now have for the second year in a row --

COMPTROLLER FRANCHOT: But Dr. Weast, thank you for Montgomery's contribution to the State --

DR. WEAST: Well, yeah. Well, I appreciate that.

COMPTROLLER FRANCHOT: -- application.

DR. WEAST: We're all on part of a team here.

COMPTROLLER FRANCHOT: I know we are. But this, you --

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DR. WEAST: Yeah. From the same magazine and the same set of statistics, I'm proud that we now have secured in Montgomery County two years in a row the number one graduation rate of all the large systems in America.

GOVERNOR O'MALLEY: That's great.

DR. WEAST: And I know we were talking about science, the major prize for science for high school kids is the Intel Science Award. Montgomery County this year secured more Intel finalists than any other system in the United States of America, and now we have the record of the most Intel semifinalists in any state in any high school in America. That doesn't go without notice either.

Montgomery County is also proud to have joined with over 30,000 exams for Advanced Placement this year. And even though we only have 10 percent of the African American enrollment in the State, we had 40 percent of all the students in the State who are African American who scored college ready. In fact,

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there are no other school systems in the United States of American, save one, New York City, which is nine times larger than we are, that had more tests where African Americans scored college ready.

So we haven't let the changing diversity really change us as a district. In fact, we set the highest SAT scores in the history of the district this year, an average of 1653. Which is about 150 points above the national average. That speaks well to the teaching and learning climate which is supported by the building climate.

And the building climate, you are to be commended. You have issued bonds where it hasn't been easy. And my testimony is to continue to do that.

We are not without trying to support our own system. We're building \$247 million worth of facilities this year. And you are contributing about \$40 million towards that and we appreciate that. We're going to need next year to build \$278 million worth of facilities. And right now we have thirty-

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one. We dearly need forty, the same as you did last year. And if you divide it up on a per pupil basis you would find that's a very fair amount, because we have about 16 percent of the pupils.

So I would ask that you read our testimony. The litany on the green schools is great, and we try to do everything green. If you want to know about permeable surface, if you want to know about all of the runoff and all of those kinds of things, and our green initiative, we went forward on all of them even though the increased cost to us was an additional 25 percent of cost to do the surface runoff and plant the trees and do all the kinds of things --

GOVERNOR O'MALLEY: That's on all green construction, Dr. Weast?

DR. WEAST: Yeah, all that. All that is fit in construction. The reason that we're able to continue our program right now is because of the favorable bid climate, and that's why we want to go ahead.

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I want to end with twelve years of saying this. I've worked with ten governors. So I don't say this lightly. And since I'm getting out of it, and it means nothing to me personally or professionally I can say this. I've worked with some excellent governors. I've had a chance to work with Governor Riley. Certainly twice I've served with Governor Hunt in merging school systems in North Carolina, and he has become a long lasting and dear friend of mine.

But I have to tell you this, Governor. You have certainly in my estimation, and like anything I have sharp points as you know, earned the title Education Governor. It was not easy what you've done the last two years. And the current budget of how you helped us with the federal money, and that funding cliff, preserved things in Montgomery County that keep these things going. If you hadn't of construed your budget and configured it the way that you configured it, we would be facing massive problems. As it is we have a local problem of major proportions and it alone

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may add up to 650 positions that we would lose. But for yours, it would have been twice that bad.

So we do appreciate your commitment. We think your commitment has helped make us number one. We think your commitment is fair and equitable. And I personally want to thank you on behalf of everybody in Montgomery County.

We are advocates for everything, you know. And sometimes we get on the edge. But you have done also another thing, because I think compliments should just not be compliments, they should be specific. You started something when you were Mayor, it's called CityStat. I modeled MStat after that. Dr. Grasmick, when I came to the State in '99, helped me with a small grant on trying to bring Baldrige into a county to line up the processes. So with that small grant and working with the University of Maryland System, your CityStat that gave energy to our politicians to get behind these things, all of that translated into a very data-driven focus. And we're proud to announce

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that we have now won the National Award for Baldrige. It's only the sixth school system in the United States of America every to win it.

GOVERNOR O'MALLEY: That's great.

DR. WEAST: It is the highest honor the President of the United States gives to a school system. In fact the trophy, I think, is worth about \$18,000. We may sell it.

TREASURER KOPP: Don't sell it.

DR. WEAST: Because it's Steuben glass. And it represents the highest honor that a system could get in the way that it's used. Its finances, and the way it has aligned its processes, and over a thousand hours of outside evaluators came in because you are in the run with many other organizations, in healthcare, in private business, and in public higher and secondary education.

TREASURER KOPP: Jerry, that's just super.

DR. WEAST: It is absolutely a testimony to the people we have in Montgomery County. You see, we

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didn't let race, and this is what I'd like to leave you with, we didn't let race, which when I came was about 52 percent white and now we're 35 percent white; we didn't let poverty, when I came it was about 21,000, now it's about 44,000; we didn't let language diversity or immigration, it's doubled in size, keep us from our mission. So it is possible. But it takes it all the way from the State House right down to the Board Room to initiate these things.

And so we're very proud of our accomplishments, we're proud to be in a State that has these accomplishments. But I'm especially proud of you, Governor. Great job.

GOVERNOR O'MALLEY: Back at you, Jerry.

DR. WEAST: Thank you.

GOVERNOR O'MALLEY: We're very, very proud of your performance measured school system. You've made us all proud, and we salute you.

(Applause)

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GOVERNOR O'MALLEY: I don't really have any questions after that, we should just --

(Laughter)

COMPTROLLER FRANCHOT: Pretty good stuff.

DR. WEAST: Do you want to do financial literacy?

COMPTROLLER FRANCHOT: I don't want to hurt the Governor's feelings, but you're probably the, along with Dr. Grasmick, the two best politicians in the room.

(Laughter)

COMPTROLLER FRANCHOT: And let me just ask you your advice, as you're heading off to wherever, the federal government, or retirement, or whatever, well deserved.

GOVERNOR O'MALLEY: I don't think he's retiring.

COMPTROLLER FRANCHOT: I'm very interested in this whole concept, obviously, of financial literacy. And I'd like to get your thoughts on how a

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big system like yours, in addition to embedding it, which I appreciate Dr. Grasmick's work on, how we can get a stand alone course established? And join Allegany and Carroll and Talbot and these other counties that apparently are moving in that direction?

DR. WEAST: You know, I, let me assure you that you are on the right track with the financial literacy. But the delivery system, while I appreciate your opinion, I think is best an integrated delivery system. I don't want just a few kids to have access to it in a competing kind of a world, when you have coursework. Because our kids are always competing to go on to higher education because that's exactly what we want to do. And I happen to be blessed with being on the International Board for Junior Achievement, and as well as the Washington Area Board for Junior Achievement. And I happen to have worked with NASDAQ and we actually have a trading room at Gaithersburg High School, NASDAQ trading boards. And we have

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several academies of finance. So we truly believe in your mission.

But we believe that we can integrate it across all coursework and it's naturally infused. There are four things that we try to integrate that we call twenty-first century skills in all of our coursework. The ability to know how you learn. Fancy word, metacognition. Simple phrase for this farm boy is I know how I learn, whether I learn visually, whether I learn auditorially, if I have to write something out. Teaching a child how to learn helps them shorten the learning time.

The second thing is that we teach them how to problem solve. We teach them how to create from their problems and we teach them how to apply their knowledge. And those are embedded in all of our courses along with the financial literacy. And so we are trying to do that to meet the science needs, the math needs, the reading needs, and squeeze that all into a six-hour day. And I know you appreciate that.

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But we are doing a lot of ancillary things with our Academy for Finances, our Junior Achievement. In fact in the last three, or national, I mean awards that they have in Washington, D.C. where they raise over a million dollars for Junior Achievement, they gave award winners for kids who could write on financial literacy. Three years ago, four of the five top awards went to MCPS. Two years ago, five of the five top awards went to MCPS. And the number one award. They changed the rules because nobody else could compete, I guess, and gave nine prizes this year. We won four of the nine prizes and the number one award. So we're right with you on financial literacy.

COMPTROLLER FRANCHOT: Let me ask Mr. Barclay, because I couldn't quite succeed with you, Dr. Weast.

(Laughter)

COMPTROLLER FRANCHOT: Could you please just consider this at the Board level, and take a look at it, and understand what some of these other boards are

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doing? Because I appreciate Dr. Weast's support of what's already going on.

MR. BARCLAY: Right.

COMPTROLLER FRANCHOT: But you and I know, and others, that the kids need this --

MR. BARCLAY: I can speak to --

COMPTROLLER FRANCHOT: -- right when they get, you know, they need to get serious. And frankly a lot of our kids lack that just because it's school.

MR. BARCLAY: Comptroller, I --

COMPTROLLER FRANCHOT: We need something right at the end. If you could take a look at it and get back to me I'd appreciate it.

MR. BARCLAY: We definitely can do that. And I'll just say as a parent with one child in college and one going off to college, I feel like I am right now the financial literacy teacher.

(Laughter)

MR. BARCLAY: So I am very aware of what our children need.

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TREASURER KOPP: Well, many people think the parents should have more of that and one of the problems is they don't.

MR. BARCLAY: Well I can guarantee you that all of us don't have the skills necessary. But I think that Dr. Weast has raised the right question, is how can we in fact do that with all of the other challenges? I mean, if we look at --

COMPTROLLER FRANCHOT: Sure. No, that's legitimate questions --

MR. BARCLAY: -- you know, how do we deliver? But we definitely can look at it some more.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Can I just congratulate you all also on the thing you started with, which is the Intel, it used to be the Westinghouse Scholars?

DR. WEAST: Absolutely, the Westinghouse. Yes.

TREASURER KOPP: I mean, that is mind blowing.

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GOVERNOR O'MALLEY: That's huge.

DR. WEAST: Yes.

TREASURER KOPP: That's really wonderful.

And I don't know if anyone here has had the chance to go down every year and, they used to at least have in Washington, did they not?

DR. GRASMICK: Yeah, I had --

TREASURER KOPP: They are just fascinating.

I mean, they are hugely way above me but they are fascinating.

DR. WEAST: Well you need to take your fine reading glasses because these kids are really --

TREASURER KOPP: Yeah.

DR. WEAST: -- really sharp.

TREASURER KOPP: I mean, that's the hope for the future.

DR. WEAST: I mean, we've had students who have been working on their middle school science projects for a six-year period by the time they get

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there, and we're talking about cures for cancer and things like that.

TREASURER KOPP: Yeah.

DR. WEAST: And our kids, all of our science teachers are actually trained now by Howard Hughes and NIH and we have summer workshops for them. But I think you just need to know that your number one status isn't just coming from a magazine. It actually is backed up by evidence. You know, evidence, like the graduation rate, the Intel Scholars, like the AP Scholars, graduation from college. You know we, thanks to you and CityStat, when we put our MStat and all of ours we keep track of our students all the way through college and a bachelors degree. And we've kept track of over 33,000 kids who have now graduated from college that inform us of the pathway that children go down, and then we just lay the bricks down where everybody can walk on that pathway and ask one question. Under what conditions can we get all of our students on that same pathway?

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TREASURER KOPP: So do you actually use that with non-completers to change?

DR. WEAST: We actually use that data to inform. Yeah, to inform us. We bought it from the college clearinghouse for \$400 per high school graduating class times twenty-five. And that is what's helped propel us to be, have all our twenty-five high schools in the top 3 percent in the country on the *Newsweek*. So whether it's *Newsweek*, *Ed Week*, *U.S. News and World Report*, *Baldrige*, whatever you want to measure it by, these don't come by chance. That's what I'm saying. It's deliberate. You have what we call deliberate excellence, and don't let that -- please, after thirty-five years of dedicating myself to the superintendency, please don't let that go.

GOVERNOR O'MALLEY: And doctor, you wrote a book about the MStat process?

DR. WEAST: Yes. Yeah.

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GOVERNOR O'MALLEY: I really wish, I mean, I think every jurisdiction should be doing this. We had some limited success getting Baltimore City to embrace it but --

DR. WEAST: Well I appreciate that you're humble that way --

GOVERNOR O'MALLEY: -- it kind of stopped at finance.

DR. WEAST: -- but I probably wouldn't have embarked on that if you hadn't.

GOVERNOR O'MALLEY: Well, thank you. We --

DR. WEAST: I read some cases studies and read some stuff, but it was truly seeing you have the courage to do it. Because it's not an easy process.

GOVERNOR O'MALLEY: Right.

DR. WEAST: And it does reveal things that sometimes are not the most pleasant things that you want to reveal. But it does help you align things.

GOVERNOR O'MALLEY: Right.

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DR. WEAST: So with that initial grant, your CityStat, our MStat, lining up the Baldrige, that's why we're the largest school system ever to win that award. I do want to invite you personally to come with the President when he presents that award.

GOVERNOR O'MALLEY: Well, that would be great. Do you have a date yet?

DR. WEAST: No. But he'll help me get one real quick.

GOVERNOR O'MALLEY: All right, let me know.

DR. WEAST: All right.

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

COMPTROLLER FRANCHOT: Who is your colleague that's standing with you?

DR. WEAST: Oh, this is the smartest guy of us, James Song. James Song runs that, one guy, runs that \$247 million, and runs the \$278 million that we're doing this year and next year.

MR. SONG: Yeah, I'm just part of the team, just trying to make things happen that provides, like

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Dr. Weast said, learning environment for all of our students.

GOVERNOR O'MALLEY: Dr. Weast, what have you done in terms of, I mean, you always hear this, you always hear money shouldn't be in administration, more money should be in the classroom. In your MStat process do you track that? Have you been able to squeeze more money into the classroom?

DR. WEAST: Oh, absolutely. We've squeezed probably between \$20 million and \$30 million out of administration. And what Chris was talking about, how we lowered the class size where you have the most needy children, we were able to squeeze over \$60 million out of hero/shero programs, or things that didn't align our processes to fully fund that over a four-year period of time.

GOVERNOR O'MALLEY: What are hero/shero programs?

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DR. WEAST: Oh that's something that, oh, I like my unit on the Vikings. And, or, you know, like something I created and --

GOVERNOR O'MALLEY: Right.

DR. WEAST: -- you know, it gets into the curriculum and then nobody wants to get rid of it.

GOVERNOR O'MALLEY: Right.

DR. WEAST: You know. But it goes nowhere, it doesn't lead, it isn't sequenced. What you have to do is get all your arrows pointing the right direction. And what you have to, what's really hard to do is raise expectations for all children.

GOVERNOR O'MALLEY: Mm-hmm.

DR. WEAST: See our systems and our communities are built almost to sort, sort by geography, sort by house, sort by income. In many cases that really affects race and you have to put that race on the table. And what we did was even the playing field up, and that's why you're seeing record scores coming out of a school district that has gotten

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poorer, more diverse, more racially diverse, and more children that don't speak English.

GOVERNOR O'MALLEY: What I enjoyed about watching your process the day that you invited me down was they bring two different schools together to share what they're doing. So just like the police districts, where you bring in, you know, the commander that's experiencing problems and the commander that's figured out how she can reduce violent crime and getting things right, they would do the same thing with their two different principals, two different schools. Similar --

DR. WEAST: And now we're bringing 200 together and we're bringing teachers together, since you were there, and it's all videoed, put on films, and put on the web.

GOVERNOR O'MALLEY: Great. So you'd have like one of these little things so it's all --

DR. WEAST: You bet you. Totally transparent.

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GOVERNOR O'MALLEY: Oh, we got to do that.

DR. WEAST: Oh, it's a, we've involved it since you've had a chance to see it. It is, but it, we've got to get over the excuses and start working on the solutions.

GOVERNOR O'MALLEY: How many people tune in to watch those things? Do teachers record them and go play them back later?

DR. WEAST: Actually they do. We give them tapes, and each of the buildings has the DVDs so they can watch it. And they go back and we'll have one on reading, and we'll have one on science, and we'll have one on differential performance, and we'll have one on differential teaching and learning.

GOVERNOR O'MALLEY: But do you record these sessions? Your MStat sessions?

DR. WEAST: Oh, absolutely. Yeah.

GOVERNOR O'MALLEY: I mean, you have them on the web so anyone can tune in and watch --

DR. WEAST: Absolutely.

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GOVERNOR O'MALLEY: Wow.

DR. WEAST: But we have them on DVDs where you can get right to them.

GOVERNOR O'MALLEY: So parents can even see?

DR. WEAST: Absolutely.

GOVERNOR O'MALLEY: That's great. That's some courage, huh?

DR. WEAST: We are the fifth most visited web TV communications department in the Washington area as far as market share.

GOVERNOR O'MALLEY: Hm. I didn't know such a ranking existed.

DR. WEAST: Yes, it does. Yes.

GOVERNOR O'MALLEY: We've got to do more of that with StateStat.

DR. WEAST: Okay. Thank you.

GOVERNOR O'MALLEY: Thank you all. Dr. Weast, thank you.

DR. WEAST: And again, my appreciation.

DR. GRASMICK: Thank you.

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GOVERNOR O'MALLEY: Thank you, sir, for your leadership. All right, we're going to take a short pause for the cause here, I think, aren't we?

DR. WEAST: They told me to remind you, four-zero is the number.

GOVERNOR O'MALLEY: Four-zero, forty, got you. Thank you all. So we're taking a short twenty-minute break, I think, for --

SECRETARY MCDONALD: Twenty minutes?

(Short recess taken.)

GOVERNOR O'MALLEY: In case you haven't noticed it's a little bit inclement outside. Adding to our inclemency, if that's a word, is the fact that we're running a little bit behind from the morning shows. I know we have, is Howard County here? Yes, present. Garrett? God bless them.

SECRETARY MCDONALD: No, they're not, they did not --

TREASURER KOPP: It's a good thing.

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GOVERNOR O'MALLEY: You didn't put them on the not coming list. By the way, anybody that doesn't come doesn't get any money today. I'm kidding. That's a joke.

(Laughter)

GOVERNOR O'MALLEY: Fear not, Garrett County. No, our friends in Western Maryland are -- right, Harford is not. How about Dorchester? Dorchester is here, came all the way. Charles County? Here. Carroll? Calvert? Baltimore County? Outside. Baltimore City, outside? All right. Well look, I would encourage us, the, we've received written testimony from everybody. And in light of the inclement weather I'd just encourage you to, I think we're going to go as far as we can. But I'd encourage you to make this the briefest Hope-a-thon presentations we can so that everybody gets home in one piece. Okay?

TREASURER KOPP: And some of us who should will promise to keep our mouths quieter.

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COMPTROLLER FRANCHOT: Yes.

(Laughter)

SECRETARY MCDONALD: Would you like an official timing of people? Or no?

GOVERNOR O'MALLEY: Or no --

COMPTROLLER FRANCHOT: If I could suggest to the Governor that we accept the written testimony. And if you have something additional to add, we'll obviously read this. And then folks can, I mean I'm closing my agency down at three. I'm apprehensive about people that have to get across the Bridge because it's slippery. And, you know, the federal government is shutting down early, I think. So yes, I won't ask any questions. And if folks could keep their comments --

GOVERNOR O'MALLEY: And if in your comments you want to talk about financial literacy very briefly --

(Laughter)

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GOVERNOR O'MALLEY: Or how you manage to impound all of your, on stormwater, and avoid blacktop, you're welcome to touch on those. So let's get rolling here. Howard County, first among the first.

MS. ADAMS: Good afternoon, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. I am Alexis Adams, the student member of the Howard County Board of Education and a student page with the Maryland State Senate. I am joined today by Sandra French, the Vice Chairman of the Board of Education, and members of the systems administrative staff to appeal the capital project recommendations of the Interagency Committee on School Construction.

On behalf of the Howard County Public School System, I want to thank you for your support of our past capital requests. We truly appreciate your recognition of Howard County's needs and hope that we can account for all of our continued support in the future. Now Raymond Brown, Chief Financial Office of

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the Howard County Public School System, will provide you with the details of our appeal.

MR. BROWN: Thank you, Alexis. It's students like Alexis that reminds us why we're in this business and makes us optimistic about our future. Dr. Cousin, our Superintendent, sends his regrets that he couldn't be here today. He's ill. So you are fortunate to have a few of his backup singers. With me today is Bruce Gist, our Director of Construction; and Linda Wise, our Chief Academic Officer.

And in light of the comments earlier I won't read the testimony to you. I'll say we're thrilled about the \$16 million we've received and, again, we would like to receive more. We've identified our priority projects in our testimony, and we'll be happy to respond to any questions.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: Well done.

GOVERNOR O'MALLEY: Thank you very, very much. Thunder Hill Elementary School

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renovation/addition, huh? Bellows Spring Elementary School, renovation/addition. Bollman Bridge. Look, we appreciate your being here today in the rough weather. And I really, please tell your superintendent that we wish him well, and how much we appreciate what you and the people and the students, the teachers, principals of Howard County are doing. You guys are really leading our way.

MR. BROWN: Thank you.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: And the students should know they have a great representative who now can put a human face on the students of Howard County. Thank you for coming.

GOVERNOR O'MALLEY: Thank you.

MR. BROWN: Thank you.

GOVERNOR O'MALLEY: We'll move along now to Dorchester County. Maryland is one of only seventeen states in the Union that does anything on school construction, right? Last we checked, anyway. One of

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only seventeen states. The other, do the math, thirty-three of them do nothing on school construction. Yes, sir?

MR. WAGNER: Good afternoon, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. I am Henry Wagner, Superintendent of Dorchester County Public Schools. Accompanying me here today are Mr. Jim Bishop, President of our Board of Education; Mr. Ricky Travers, County Councilman; Mr. Gary McCabe, Assistant Superintendent for Administration; Mr. Lorenzo Hughes, Assistant Superintendent for Instruction; and Mr. Chris Hauge, our School Facilities Engineer.

We're here today to present a relatively modest, but vitally important request, and that is simply the final \$602,000 of our \$34 million project, our single project for this request, the Dorchester Career and Technology Center that we affectionately call DCTC. I refer you to the written fact sheet testimony for detail. I was going to offer about a

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six-minute overview of our appeal. I'm hearing the request for brevity, so I can condense that into less than a minute by covering the main points of my overview.

This is a substantial opportunity for students. It will help to transform our community's economy. It will reimburse a cash strapped County. It will ensure timely fit up and staffing. And it will reward a district that addresses the need for minority business participation, respects the environment, and superbly maintains what it builds.

I can elaborate on any of those points. We have eleven existing programs. What makes this unique, first and foremost, is what it's going to afford our students. Those eleven existing programs are going to be transported along with eight new high tech opportunities that are aligned with our college and career readiness and STEM initiatives. We are very excited about those and they are enumerated for you on the fact sheet.

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GOVERNOR O'MALLEY: So you're putting CTE and STEM all together in one place?

MR. WAGNER: Absolutely.

GOVERNOR O'MALLEY: What a novel idea.

MR. WAGNER: In a green building --

GOVERNOR O'MALLEY: That's great.

MR. WAGNER: -- that we've used the construction manager at risk model to build, saving us many local resources. And I have to say on behalf of the County Council, they took a courageous step two years ago to fund this, and they have forward funded all of the money. We're just waiting for this last \$602,000. And it's critical that we get it because this building has unique furniture fit up and equipment requirements. FF&E in a Career and Tech Center is a far different cry than a standard school building. So we absolutely have to have that.

Also as you know because of the budget situation Statewide, we're going to have to staff

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these new programs with existing FTE. So every penny counts for Dorchester.

GOVERNOR O'MALLEY: Got you.

MR. WAGNER: And our community has shown a lot of courage. We have tremendous need in our community, in terms of unemployment and poverty. And this is a chance to rewrite life scripts, Governor.

GOVERNOR O'MALLEY: And so what have we done so far on Dorchester? What have we approved so far this year?

MR. WAGNER: All but the final \$602,000.

GOVERNOR O'MALLEY: So that's a total of --

MR. WAGNER: It's a \$34 million project.

MR. POWER: Approximately \$14.5 million, sir.

GOVERNOR O'MALLEY: Okay.

MR. WAGNER: And we've also taken our capital improvement plan and adjusted it because of the financial situation. And we've postponed our pipeline of projects for a year, which means that we

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very likely, if we can get full funding here today, there's a good chance we won't have to come back next year for anything. But if we're delayed then --

GOVERNOR O'MALLEY: Write that down.

(Laughter)

MR. WAGNER: Good chance, I didn't say --

GOVERNOR O'MALLEY: Yeah.

(Laughter)

GOVERNOR O'MALLEY: Like a good chance of snow.

MR. WAGNER: Good chance it will clear up tonight, too, but you know. But this is just for so many reasons what we think an obvious choice for you. You can do so much good for such a small investment here. And clean out the ledger on this account.

GOVERNOR O'MALLEY: Great. Well it's exactly the sort of programs we like to see, CTE, STEM, modern, new, career, college ready. Both at the same time is great.

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MR. TRAVERS: We've gone into debt on our side. We've got our, we're all done, we're straight, we're ready to go. The school should be cutting ribbon this September. It will be ready before that, but we will start it September, the school year. So it's going to be, it's going to be a great addition to the County down there, especially in the economic times we're in. And we were having a conversation last night with the City, the County Council and the City. And we were talking about in the sixties when we had a group of people called the Four Horsemen that really created the manufacturing area off Woods Road there and brought businesses and industry in. But that doesn't happen anymore. And across the country the manufacturing industry is just not like it was in the sixties. So we have to find another resource right now and we're hoping that it's going to be in this type of thing. Between the tech park that we have that's under construction right now that's been part federal funding --

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GOVERNOR O'MALLEY: Right. And the broadband.

MR. TRAVERS: And the broadband that's running through there. This will help us to bring the businesses in, yet this will also give them an educated workforce that's got a certificate when they leave that facility that they know that they are headed in the right direction and they can train employees.

GOVERNOR O'MALLEY: That's great. That's the competitiveness that I think the President was talking about.

MR. WAGNER: All of the programs, the eleven existing and the eight new, have been endorsed by MSDE. And we yield to workforce --

COMPTROLLER FRANCHOT: And I'm not going to ask you about financial literacy.

(Laughter)

MR. WAGNER: Well, we're working on that, too. We've embedded it in our curriculum and we have

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some course offerings as well. We have business partnerships that take care of that also --

COMPTROLLER FRANCHOT: I know you do --

MR. WAGNER: -- with Maryland Business Roundtable, and Junior Achievement does a lot of it.

GOVERNOR O'MALLEY: Gentlemen, thanks a lot. Safe travels, and thank you for the good work.

MR. WAGNER: Thank you so much.

GOVERNOR O'MALLEY: I like this one, Dr. Grasmick.

DR. GRASMICK: Yes, I like it also.

GOVERNOR O'MALLEY: Charles County? Home of General Smallwood. Final resting place of General Smallwood. Home of North Point High School, which I must visit during working hours and educating hours. I've been there a couple of times now, but neither time during admission. Smallwood was a Governor of Maryland. In fact, there's a church down there in Nanjemoy that I visited and I was the first Governor since Smallwood to visit that church since it was

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built in 1690, and of course his last campaign. And then we went to see his home, which is beautiful, very wooded. And he's buried in the backyard. He's buried in the backyard there. It's a nice place. But go ahead, I'm eating into your time.

MS. WISE: That's all right. Good afternoon, Governor O'Malley, Comptroller Franchot, and Treasurer Kopp. I am Robert Wise, the Chairman of the Charles County Board of Education. With me today is Maura Cook, Vice Chairman of the Board.

GOVERNOR O'MALLEY: That's a great name, I might say, for somebody that's the head of the Board of Education. Isn't it? Mrs. Wise?

MS. WISE: And a former educator, too. With me is Maura Cook, Vice Chairman of the School Board; Superintendent James E. Richmond; and our Assistant Superintendent for Supporting Services Charles Wineland.

You have our report. I'm not going to deliver it to you. I just want to tell you that our

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top priority is some additional funding for that new high school, St. Charles High School. We want to relieve the County of some of the problems that they have with funding right now.

GOVERNOR O'MALLEY: And St. Charles High School, that's in a, is that in a preferred funding area?

MR. POWER: It is. It's right next to the Green City and --

GOVERNOR O'MALLEY: The Green City.

MR. POWER: -- that's the one we spent a lot of time working with the County on last year to fund the additional seats.

GOVERNOR O'MALLEY: So this is a straight up through the upright, smart growth. This is one where we expanded, Dr. Richmond, the capacity?

MS. WISE: Yes, we appreciate your support on that.

GOVERNOR O'MALLEY: Good. Is this going to be the space, the one with the, the space high school?

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MS. WISE: Mm-hmm, that's correct.

GOVERNOR O'MALLEY: That's great. And all of that is still rolling along? This will be the only one this side of the Mississippi, right?

MR. RICHMOND: Yes, sir.

MS. WISE: That's right.

GOVERNOR O'MALLEY: That's awesome. And so how much more do you need?

MS. WISE: We need an additional, the request that we're asking for is the balance of the \$8.2 million. So the IAC is recommending \$4.12, so we're about we're about \$4.1 million.

GOVERNOR O'MALLEY: When do you, do you all forward fund? Has the County forward funded this one?

MS. WISE: No.

GOVERNOR O'MALLEY: No? So until you get this you can't go forward?

MS. WISE: Exactly.

GOVERNOR O'MALLEY: When do you plan to break ground on this?

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MR. WINELAND: We have phase one, which is the dirt work, finished. And we will be opening bids on this project in early February on phase two, which is the building.

GOVERNOR O'MALLEY: No, this is an exciting one. This is good. And this is also combining, now in your County you already have North Point. Is there going to be CTE offered at this school as well?

MS. WISE: No.

MR. RICHMOND: No. No.

GOVERNOR O'MALLEY: But it is a lot of STEM?

MR. RICHMOND: This will deal with science in a sphere, STEM, space --

GOVERNOR O'MALLEY: So separate from the CTE?

TREASURER KOPP: So what --

MR. RICHMOND: -- our partnership with NASA and the Space Foundation.

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TREASURER KOPP: Do you, I don't want to delay anything. Do you have something in writing? I'm really interested in space, just personally --

GOVERNOR O'MALLEY: The final frontier.

TREASURER KOPP: -- it has nothing to do with, yeah. Do you have anything in writing?

MR. RICHMOND: Absolutely. We'll send you all you need.

GOVERNOR O'MALLEY: Oh, he's got a ton of stuff. It's good. And he'll come and talk to you about it.

MR. RICHMOND: I have no problem.

TREASURER KOPP: I'd love to, I would love to.

GOVERNOR O'MALLEY: It's going to be the first one this side of the Mississippi. There's one in California, Anaheim? Good memory.

TREASURER KOPP: Oh really? Yeah.

MR. WINELAND: There is one other item that may intrigue you. We are looking at covering all 675

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student parking spaces with a canopy and covering it with solar panels.

GOVERNOR O'MALLEY: Great. And you're going to impound all your stormwater, right? So it's not going to hurt the Mattawoman?

MR. WINELAND: Yes, sir. We're going to, just buried two 95,000-gallon tanks under the building pad that will collect our stormwater. And we will pump it out onto the playing fields, the athletic fields.

GOVERNOR O'MALLEY: That's great. Good stuff. Well, thank you all for your good work.

MS. WISE: Thank you.

TREASURER KOPP: The \$30,000 left over from the 2008 QZAB issue?

MR. RICHMOND: Yes, ma'am. The project is finished. We have the paperwork. Everything has been submitted except one form with the volunteer hours on it.

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TREASURER KOPP: Okay, so it will be done by the end of the year?

MR. RICHMOND: I found today it's not needed for the final packet, so it will be sent off tomorrow.

TREASURER KOPP: Great. Thank you.

GOVERNOR O'MALLEY: Thank you.

MS. WISE: Thank you.

GOVERNOR O'MALLEY: Okay, Carroll County?

MR. GUTHRIE: Good afternoon, Governor O'Malley --

GOVERNOR O'MALLEY: Good afternoon.

MR. GUTHRIE: -- Comptroller Franchot, Treasurer Kopp. My name is Steve Guthrie. I'm Superintendent of Schools for Carroll County Public Schools. You're used to seeing Chuck Ecker here. Chuck, as you know, retired July 1. One of the many things he taught me over the years is how to be concise, or as he would put it when to shut up.

(Laughter)

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MR. GUTHRIE: So let me just do that. With me today is Jon O'Neal, Jon is the Assistant Superintendent of Administration; and Ray Prokop, our Director of Facilities.

First of all, I want to thank you for the \$6.5 million that's currently recommended. We have three projects we're appealing. Just very briefly, Mt. Airy Middle School replacement school. This is one of our oldest, if not the oldest, non-modernized middle school. It is a building in bad need of modernization with an addition, so the project moved from that to a replacement building. The replacement building will take place on the same campus as the current school is located. We do have the land to do that. Even though the project started after the requirement for LEED certification, or prior to the project for LEED Silver certification, we are pursuing LEED Silver certification in this project.

The second project is Charles Carroll Elementary School. Charles Carroll is our oldest and

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smallest elementary school. It's a 1920's era building. It still has a steam fired heating plant. We're asking for funds, the completion of funds for a hearing plant conversion?

GOVERNOR O'MALLEY: Where is Charles Carroll located?

MR. GUTHRIE: Charles Carroll is in Charles Carroll, it's close to the Littlestown, Pennsylvania border. Charles Carroll Elementary School on sort of the western side. Very small, 325 capacity students. One of the issues with that school is their, because of the high pressure system with the steam fired, we're getting leaks. It's a school up on a well, and we're finding actually the school uses as much water per pupil as a high school, a comprehensive high school. So this is something we really have to take care of. And we're asking for the balance of the funds for that project.

The last is an open space classroom project. This was a locally initiative project. We have four

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schools with open space classrooms. This is the third, this will be third one to get converted. We're asking for funding of --

GOVERNOR O'MALLEY: That was a bad idea, huh?

MR. GUTHRIE: It was a bad idea at the time, although we didn't know it. And now we're going through making those corrections. Again, this will be the third school. We'll have one more after this.

GOVERNOR O'MALLEY: Did we build many of those that had the hills in the hallways? Remember that idea, too? With the hallways would go up and down?

MR. GUTHRIE: Well that way you didn't ever need a gym, you could just, you know, phys ed through that.

TREASURER KOPP: We did. Not intentionally. But we did the flat roofs and the open space --

MR. GUTHRIE: Well we did the single ply roofs, which was another bad idea because now we're

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replacing all those single ply roofs with multiple roofs.

But I do want to thank you for the \$6.5 million recommended. This will balance that. The only other thing I would mention is for the Mt. Airy project, we're just asking for the amount to get the project started. \$2 million has been allocated. We're asking for just under \$4 million to make it \$6 million so we can get that project started July 1. The County funding is secured at \$13 million, which we've arranged through some surplus transfers of prior construction funding.

We've had financial literacy since 2008. This, this year's seniors will be the first senior to have it as a graduation requirement.

GOVERNOR O'MALLEY: That's great.

MR. GUTHRIE: And our establishment with, energy savings and green schools is well established with performance contracting in 2006, three schools with geothermal heat plant systems that are

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experiencing about a 30 percent reduction in utility use over the course of our experience thus far.

GOVERNOR O'MALLEY: Great.

MR. GUTHRIE: So with that I'd take any questions, or --

TREASURER KOPP: Tell --

MR. GUTHRIE: Thank you.

GOVERNOR O'MALLEY: Safe home.

TREASURER KOPP: -- Charles Ecker he did a good job.

MR. GUTHRIE: I talk to him weekly, so.

GOVERNOR O'MALLEY: Thank you. Thank you, Mr. Guthrie. Is it Dr. Guthrie?

MR. GUTHRIE: Steve.

GOVERNOR O'MALLEY: Steve? Thank you.

(Laughter)

SECRETARY MCDONALD: I like that, too.

GOVERNOR O'MALLEY: How about Calvert County?

MR. CHAMBERS: Good afternoon, Governor O'Malley, Mr. Comptroller, Madam Treasurer,

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I'm Bill Chambers. I'm President of the Calvert County Board of Education. With me today is our Superintendent, Dr. Jack Smith; Mr. George Leah, who is our Director of School Construction; Ms. Kim Roof, who is our Executive Director of Administration; and one of my colleagues on the Board, Ms. Dawn Balinski, a member of the Board. I also bring you greetings from our faculty, which was so aptly referred to by our President last night as nation builders. And our students in Calvert County. Thank you for the opportunity to appear before you this afternoon to discuss the Calvert County Public Schools CIP for 2012.

The level of support that you've given the County in the past 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 were able to recruit qualified educators dedicated to delivering meaningful instruction in safe and modern facilities.

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Superintendent Smith will speak to our CIP request for fiscal year 2012 in a minute, but let me thank all of you in advance for your continued support of Calvert, the Calvert High School replacement project, and for our Governor's interest and support in the Prince Frederick Town Center through the Smart Site Initiative. Through this program our local planning commission is receiving support from the Maryland State Highway Administration in conducting a traffic study for the further and future redevelopment of the former Calvert Middle School site. And now I'll ask Dr. Smith.

DR. SMITH: Good afternoon. I'd like to thank you Governor O'Malley, Comptroller Franchot, and Treasurer Kopp for all of your work on our behalf. Each year this Board of Public Works, for several years, has honored one or more of our schools for superior maintenance and that happened again this fall. And we really appreciate that honor and that you take the time.

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TREASURER KOPP: Thank you.

DR. SMITH: Thank you. We really just want to talk about one project today. \$4.65 million has recommended. We need an additional \$1.7 million to continue Calvert High School. It has risen up out of the dirt since I stood here last year, and thank you so much for your funding last year. And we hope to be inhabiting it a year from August for students. And we need that \$1.7 million in the coming year to continue that progress and finish that building which will then be the substantial part of the classrooms for that new high school. And then we'll come back in the phase two to ask for the auditorium and the other pieces. But ultimately it will be a very good experience for students a year from this August.

I also want to thank you for the Calvert Middle School that students entered this fall. And --

GOVERNOR O'MALLEY: And is this a picture?

DR. SMITH: I brought these to give you, thank you. I hope you can come. We've mailed them to

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you. This is a rendering, but it's exactly how it looks.

GOVERNOR O'MALLEY: Is it true that the portico is designed to be an exact replica of the portico of Mike Miller's house?

(Laughter)

DR. SMITH: If you would like that to be true, it is true.

(Laughter)

DR. SMITH: We do know it fits in with our County's architecture, but --

GOVERNOR O'MALLEY: I'll have to --

DR. SMITH: -- I'll hand these to Dr. Grasmick. I'll hand these to you, but if you can pass them around?

DR. GRASMICK: Thank you, doctor.

DR. SMITH: Because we would very much like any or all of you to come. But I do say with all sincerity, thank you so much. We're working very hard on financial literacy since your visit last year,

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Comptroller Franchot. And we've got a group studying how we're going to both infuse it, and most likely move toward a requirement, a high school requirement in that area for a semester. And any other questions you may have, we'll certainly answer for you.

GOVERNOR O'MALLEY: How are your test scores?

DR. SMITH: They are very, very good, sir.

DR. GRASMICK: Great.

GOVERNOR O'MALLEY: Well --

DR. GRASMICK: Premier.

GOVERNOR O'MALLEY: Awesome. Good.

TREASURER KOPP: Awesome.

GOVERNOR O'MALLEY: Well, thank you all for your leadership. Safe home, now.

DR. SMITH: Thank you.

GOVERNOR O'MALLEY: Thank you.

DR. GRASMICK: Thank you, Jack.

DR. SMITH: If I may, just one more thing?

GOVERNOR O'MALLEY: Sure.

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DR. SMITH: Last week the Center for American Progress released a study nationally on school districts, and their return on investment for the money. I would direct you to their website and look what Calvert County scored nationally for return on investment.

COMPTROLLER FRANCHOT: What was it?

DR. SMITH: Thank you.

DR. GRASMICK: It is the most efficient use of dollars for high achievement. Unbelievable rating. They did 9,000 school systems in the nation. I can get this to you, Governor.

GOVERNOR O'MALLEY: John Podesta was telling me about it.

DR. GRASMICK: It's very interesting. And you know, there is some quarrel about they used 2008 data. But --

GOVERNOR O'MALLEY: Mm-hmm.

DR. GRASMICK: But still.

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GOVERNOR O'MALLEY: I'd like to track down a copy of that.

DR. GRASMICK: They, they have exceptional -
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GOVERNOR O'MALLEY: In fact, if you ask Chris he could probably print out a copy of Maryland's -- tell me again? It's the --

DR. GRASMICK: Center for --

DR. SMITH: Center for American Progress.

GOVERNOR O'MALLEY: Center for American Progress, John Podesta's group.

DR. GRASMICK: Yeah.

DR. SMITH: All right, thank you very much. We appreciate it.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: A very discerning organization.

GOVERNOR O'MALLEY: Baltimore County? Mr. Barrett, are you just the official cheering section for Baltimore County back there? Or --

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(Laughter)

GOVERNOR O'MALLEY: The one-man wave.

DR. HAIRSTON: Governor O'Malley, Comptroller Franchot, and Treasurer Kopp, we are here, even though the weather would suggest otherwise, and we're here because the scope and scale of our operation has a legacy. And this is, other than Baltimore City and Baltimore County, Prince George's County, and Montgomery, we deal in volume, as you know. And we want to thank you for the \$21.2 million that you've committed to us. And to share with you just how committed we are to follow through on our collaboration with you, we have the leadership of our House delegation with us, Delegate Steve Lafferty.

GOVERNOR O'MALLEY: Delegate Lafferty, a great proponent for school construction.

DR. HAIRSTON: Absolutely. We have Mike Sines, Executive Director for Facilities; Bob Barrett, who is now with the Baltimore County Public Schools. He is on my executive staff as a legislative liaison.

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GOVERNOR O'MALLEY: He's a great talent.

DR. HAIRSTON: Along with the other legislative liaison, we have Ed Novak. Kara Calder, how is Executive Director for Strategic Planning; and Kurt Buckler.

So we are here to share with you in a capsule, we're not going to read anything to you, we have copies of the letter. But first of all, the Hampton Elementary School overcrowding is significant. It's getting a great deal of public attention at this point now and, again, we find ourselves in a situation where we need to be responsive. We're asking for a 300-seat addition.

A cutting edge project that you've heard about is the Sollers Point Technical High School and the Dundalk High School on the same site in proximity to the Community College of Baltimore County. This will be a state of the art, STEM related, workforce development, college readiness environment. And we're very pleased that this is also a complement to the

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renaissance that's taking place on the east side. And of course, our former County Executive Jim Smith kind of spearheaded that along with former County Executive Dutch Ruppertsberger. And this will be the final stage of it, quite frankly, and we're very proud of that.

We also want to follow through on the renovation at Milford Mill Academy. And we think that our presence here this evening is a testimony to the fact that we're with you. And I have full confidence that if it's possible for you to support us and follow through on these projects it would keep us on track with our facilities management operation.

GOVERNOR O'MALLEY: Great. How's Carver?

DR. HAIRSTON: Outstanding. You would be very, very pleased from the groundbreaking to see what's coming out of the ground now. It's very impressive.

GOVERNOR O'MALLEY: Yeah, I've been rolling by.

DR. HAIRSTON: Yes, sir.

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GOVERNOR O'MALLEY: But I've seen it from York Road.

DR. HAIRSTON: Outstanding.

GOVERNOR O'MALLEY: That's awesome. Delegate Lafferty, anything you'd like to add?

DELEGATE LAFFERTY: Thank you, Governor, Comptroller, Madam Treasurer. I just want to reemphasize what Dr. Hairston has shared with you. Baltimore County Schools are the second oldest in the State. Obviously a lot of terrific investment and support from the three of you over the years. I just also want to reemphasize the importance of Hampton, because Hampton truly is sort of being pressed at every wall. And we need to see not only an upgrade to the building itself but the type of investment that's going to allow that older community to stay vital. So thank you very much for your time and consideration and I appreciate the opportunity.

GOVERNOR O'MALLEY: Thank you.

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TREASURER KOPP: Can I just thank you also for the letter from the delegation. It really --

DELEGATE LAFFERTY: You're welcome, Madam Treasurer.

TREASURER KOPP: It sets things out very well. I appreciate it.

DELEGATE LAFFERTY: Thank you.

GOVERNOR O'MALLEY: The \$6.6 million for Hampton Elementary -- I'm sorry. I was misreading. I see. Three hundred seat addition.

DR. HAIRSTON: Yes, sir.

GOVERNOR O'MALLEY: I thought it said auditorium. I'm like, my goodness.

(Laughter)

DR. HAIRSTON: Of course in the future we have the concern for the northwest area of our County in terms of growth, and we'll have to respond to that. As well as the York Road corridor. We have some high powered schools that are performing extremely well and they're very attractive to middle class families and

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families who are responsible to the point where they want their child to get a decent education. So we're experiencing that throughout the entire corridor.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. I appreciate the emphasis on Hampton Elementary because I know that County Executive Kamenetz has that as a high priority. It makes a lot of sense. But could you just send us something, is it Milford Mill? Which is the school that had the problem with the stopped construction? Because that --

DR. HAIRSTON: Milford Mill Academy, yes.

COMPTROLLER FRANCHOT: That seemed to be a little bit different from what I've always seen coming out of Baltimore County. And I just wanted to make, the newspaper accounts may not have been accurate, but if you could either send me or summarize what the situation is up there?

MR. SINES: Very simply we had a design consultant and a team that we experienced errors and

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omissions. The team acknowledged their errors and omissions. We filed a claim. And their insurance carrier has indicated that they are plausible and we expect them to pony up a substantial amount of funds to supplement and the agony and the pain that the community has experienced because of it.

COMPTROLLER FRANCHOT: Excellent. So that money is not going to be lost, in theory?

DR. HAIRSTON: No. No, indeed.

COMPTROLLER FRANCHOT: It will be replaced.

DR. HAIRSTON: And the adjustment in time is only three months.

MR. SINES: A new contract has been awarded and we expect to restart the project within weeks.

GOVERNOR O'MALLEY: Gentlemen, ladies and gentlemen, thank you very, very much. Thanks for your leadership of a great school system.

DR. HAIRSTON: Thank you.

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GOVERNOR O'MALLEY: And congratulations on recruiting Mr. Barrett. Let's call Baltimore City, the greatest city in America.

GOVERNOR O'MALLEY: Dr. Alonso, great article in the *New York Times* a few weeks ago.

DR. ALONSO: Thank you, sir. Good afternoon. Thank you, first of all, for maintaining the funding for this program in extraordinarily hard times. We are incredibly grateful for that. We have here with us Neil Duke, who is our Board Chair; Keith Scroggins, whom you know well, who has done an amazing job of bringing our program to standards in terms of many things that were not being done in the past; Dawana Sterrette, our intergovernmental liaison; and Robin Allen, who once worked on this side of the table, who is our Director of Facilities and Planning and Construction.

We submitted a request of roughly \$64 million. We have received approval for roughly \$21 million. We thank the panel for that. We are

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requesting funding for five priority projects. Fully funding for the Leith Walk renovation and addition. This is a longstanding commitment to the community in a high performing school that is being overrun by demand. And building --

GOVERNOR O'MALLEY: Have we not completed Leith Walk already?

DR. ALONSO: We've gotten part, yeah, we've gotten partial funding and we have been in the process of completing and we have only gotten partial funding.

GOVERNOR O'MALLEY: Okay.

DR. ALONSO: We are also requesting full funding for the replacement of the Waverly K-8 School. It's another long term commitment to a community where we should be serving far more kids that are coming to that school. We're asking for the renovation of Calverton Elementary/Middle. Calverton is a school that we have been turning around in partnership with Friendship, an operator from Washington, D.C. It's a

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school where we're seeing very quick traction in terms of turning around the academic program.

We're asking for help with a roofing project at the former Marshall Middle School. That's a school that had two high school programs that we closed and we have introduced into that building two new, innovative schools including a collaboration with the College Board. And we need the help in that building.

And finally we need help with an HVAC project at Grove Park Elementary/Middle. We struggle, as the Governor knows full well, daily with issues of heating and ventilation. And this is a school that has never had its infrastructure touched since 1958.

GOVERNOR O'MALLEY: Hm.

DR. ALONSO: So we want to, we want to touch it right away.

(Laughter)

DR. ALONSO: I will once again thank you and I'll make two final remarks. First of all, I want to thank Dr. Grasmick, Dr. Lever, who I don't see around

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the table, which is surprising to me. But he, they have been extraordinary in their flexibility and their willingness to work with us to make the most out of the challenges and the opportunities that you afford us. So I want to thank them especially.

And also we have been exploring the notion of alternative financing in order to be able to do what we cannot possibly do with this process year after year if we have a \$2 billion-plus backlog in repairs. And we have been struggling every single year to sort of stay in place in terms of this huge infrastructure. We have been exploring things that have been done in places like Georgia and North Carolina. That's going to require that we come back and be partners with the City and the State in very flexible ways of helping us carry a huge burden in a way that allows us to intervene quickly in many, many schools rather than do it in a piecemeal manner and then pay it off over time. And that's going to require many, many things. But it will of course

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require leadership by the Governor and Mayor, not simply the school system. So that's a future conversation.

Our MBE numbers are past 30 percent last year, and for the last six months they have been over 35 percent. And you know, we in these areas, in all of the areas, have been, you know, pretty focused in terms of what needs to be done for the benefit of kids.

GOVERNOR O'MALLEY: And doctor, when will the, the alternative financing group is exciting, I mean alternative financing?

DR. ALONSO: I would love to brief you on what we're thinking. There is a task force that has been meeting with the City side and the Schools side -
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GOVERNOR O'MALLEY: Mm-hmm.

DR. ALONSO: -- exploring what has been done in other places and the possibilities. Our report is going to come in the next few weeks. There is a

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commitment to continue meeting until the end of June. We commissioned a report by a vendor last year that gave us many ideas. And of course, the challenges are in this extraordinarily tough financial environment, how to find predictable streams of dollars that will allow us to go to banks in an environment where they are dying to lend money to reputable organizations so that we can hit not ten, twenty schools every single year but over a space of five years redo the entire infrastructure of City Schools. And I think if we do that we will be doing a huge thing for the State of Maryland.

GOVERNOR O'MALLEY: It sure would. Well, I'm excited to see it. Our best person on that score would be Peggy Watson.

DR. ALONSO: I will make sure to contact her today.

GOVERNOR O'MALLEY: Awesome.

DR. ALONSO: Okay.

GOVERNOR O'MALLEY: Anybody else?

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TREASURER KOPP: One question, Dr. Alonso. I would also be very interested in finding out more about that because we do have some other experience around the country, actually, that would be helpful. I'm all with you. Baltimore City, \$131,000 in unexpended 2008 QZAB bonds. I don't know if you know right now about that. But --

MR. SCROGGINS: Well we have, actually our 2008 are currently in design. We expect to have them bid in February, mid-February, and then we will know how much money we will have left with respect to those contracts. But we have six --

TREASURER KOPP: Because you understand that it has to be spent, it has to be spent. And if it's not going to be spent it should revert, we can still support the projects, but we can't let this money just stay on the table. For one thing, it shouldn't. And for another thing, others need it. And for the third thing, it will discourage our bond buyers because

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we're going to have to call the bonds which we don't want to have to do.

MR. SCROGGINS: Well it won't, because those projects will be completed by the fall. So those projects --

TREASURER KOPP: It's also a bookkeeping issue.

MR. SCROGGINS: -- have to be completed by December. But they will be done by September, and they will all be complete.

TREASURER KOPP: Great. We're with you. We want the projects. We just want to be able to close off the bonds.

MR. SCROGGINS: In fact we expect to have our 2011 QZABS also completed by the fall.

TREASURER KOPP: Excellent, but those you have a little more time on.

MR. SCROGGINS: Mm-hmm. Well we intend to have all of our projects done, no backlog whatsoever.

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GOVERNOR O'MALLEY: Mr. Scroggins, in addition to being a very capable administrator, has the best voice in General Services --

(Laughter)

TREASURER KOPP: Let's talk some more, yes.

DR. ALONSO: He was a great athlete, apparently --

TREASURER KOPP: Dr. Alonso, I won't take it personally, but if you want me to know about the projects there has to be something in the beautiful binder --

(Laughter)

GOVERNOR O'MALLEY: Budget cuts. Budget cuts.

TREASURER KOPP: Thank you.

DR. ALONSO: Yes, yes, I do want you to know more about the projects.

TREASURER KOPP: You've done a great job. We're very glad you're here.

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DR. ALONSO: Can I also add that we had our third consecutive year of enrollment increase this year?

GOVERNOR O'MALLEY: That's great.

DR. ALONSO: So we're up to almost 84,000 kids. And this year the enrollment wasn't simply because we kept expanding Pre-K, which we have done over the past few years. We were at 683-plus on the K-12 side. And of course, in terms of what that signals about the health of the school system moving forward, as far as I'm concerned that's the proxy for everything. If kids come back, we're in business.

GOVERNOR O'MALLEY: Yep.

DR. ALONSO: If kids leave, we should be out of business. So thank you very much.

GOVERNOR O'MALLEY: Thank you for your good work.

DR. GRASMICK: Thank you.

DR. ALONSO: And thank you, Dr. Grasmick.

DR. GRASMICK: Thank you.

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DR. ALONSO: Thank you.

GOVERNOR O'MALLEY: Anne Arundel County?

Once I moved out of the City, everybody started moving back. Dr. Maxwell?

DR. MAXWELL: Good afternoon, Governor O'Malley, Comptroller Franchot, Treasurer Kopp. I think you know I'm Kevin Maxwell, Superintendent of Anne Arundel County Public Schools. I'm joined here by Ms. Patricia Nalley, our Board of Education President; and Alex Szachnowicz, our Chief Operating Officer. And I want to, I'll curtail my remarks a little bit but take questions certainly at the end.

I want to first thank you all for your past support. And then I want to move on and just say that, you know, we continue our aggressive plan to support and encourage minority and small business participation in all procurements. And through vigilant monitoring we've increased our MSDE participation rates to I believe the highest in the State at almost 39 percent, and twice the State

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average. And we will continue to enhance our initiatives in this regard.

As our number one priority in the appeal before you today we are requesting the remainder of the funding for this year to renovate Northeast High School. The forty-seven-year-old school is currently in use and now under construction. The phased project will support our technologically advanced curriculum delivery and provide a secondary education learning environment for students preparing for the challenges of higher education.

Next, we're seeking the remaining portion of our request for construction funding at Folger McKinsey and Point Pleasant Elementary Schools. The addition of the existing structures allows us to renovate these facilities and provide programmatic additions that are educationally suitable and foster a sustainable environment.

Additionally, we are requesting the balance of construction funded for Southern High School's Look

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to the Future Science Lab renovation. This project will upgrade and expand the existing science facilities to provide a high caliber instructional venue for students not only in the typical science curriculum but for our new agriculture sciences program as well.

We're also asking for local planning approval for the renovation of Annapolis Elementary School. This school, being in the capital city's historic district and in a critical area, has required a great deal of coordination with the Maryland Historic Trust, and Annapolis Historic Preservation Committee, and the Maryland Critical Area Commission. The challenging design will provide our students will access to the latest technology, meet our educational specifications, and still maintain the character of Historic Annapolis.

Finally, we are requesting local planning and construction funding for gymnasiums at Maryland City and Waugh Chapel Elementary Schools. The

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existing multipurpose rooms are currently tasked with serving as the gymnasium, cafeteria, auditorium, music room, and community gathering space. These small additions would alleviate scheduling demands at these two schools, support our physical fitness initiatives, and provide much needed space for the many programs of the Anne Arundel County Department of Recreation and Parks with which we partner to benefit the entire community.

We ask for your continued support and assistance so that we may accomplish our foremost responsibility: that of providing an environmentally responsible and technologically sound educational setting for all of our students.

On behalf of our students, our community, our Board, and our staff I thank you not only for, you know, hearing me today, but for the historic contributions you have made to public school construction and to the improvements in funding for

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education across the board in the State of Maryland.

Thank you.

Questions? If you have any, we'd be happy to take them.

GOVERNOR O'MALLEY: Dr. Maxwell, questions? Is Annapolis City Elementary, is that the oldest --

DR. MAXWELL: Yes, sir.

GOVERNOR O'MALLEY: -- elementary school in continuous use --

DR. MAXWELL: Yes, right. Right.

GOVERNOR O'MALLEY: -- that's not part of the Catholic school system?

DR. MAXWELL: No, sir. No, sir. It's right down at the circle.

GOVERNOR O'MALLEY: Right. It's the oldest one in continuous use in the State.

DR. MAXWELL: Yes, 1893. And it's our, our, one of our older ones.

TREASURER KOPP: Do you have any particular problems using the prototype design?

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DR. MAXWELL: No, we like them very much.
And we, we have been using them.

TREASURER KOPP: But we had some problems
some years ago convincing people to look at doing
that.

DR. MAXWELL: We consider ourselves one of
the leaders in the State. In fact, we presented to
other jurisdictions in the State last school year, I
believe it was, is that right? Last fall to help, you
know, other jurisdictions understand how we use them.

TREASURER KOPP: It makes such good sense.
Thank you.

GOVERNOR O'MALLEY: Great.

DR. MAXWELL: Anything else?

GOVERNOR O'MALLEY: I think, safe home.

DR. MAXWELL: Thank you.

GOVERNOR O'MALLEY: Thank you. Thanks for
your leadership.

DR. MAXWELL: Thank you for yours.

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SECRETARY MCDONALD: We still need a help in
Item 1.

GOVERNOR O'MALLEY: All right. This is the
first 75 and then we, you know, as you know, we look
at the other ones and come back to you. So on the
first 75 percent that's allocated, nobody objected to
the dollars that had already come in. So 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.

SECRETARY MCDONALD: Thank you, Governor.

TREASURER KOPP: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you.

(Whereupon, at 3:00 p.m., the meeting
was concluded.)

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