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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;

MEREDITH LATHBURY, Land Acquisition and
Planning, Department of Natural Resources;

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

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

MARION BOSCHERT, Recording Secretary, Board
of Public Works.

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P R O C E E D I N G S

GOVERNOR O'MALLEY: Okay, good morning. This is a meeting of the Board of Public Works and today is October 5, 2011. I understand we are -- well before we get to, I understand that we have Dr. Marty Smith from Anne Arundel Community College, who is going to hopefully be talking to us shortly. She's been a tremendous leader for 18 years as the college President? Wow. That's great. And so we're going to be hearing from her shortly. Before we get there let me ask the Comptroller if he has any opening remarks, and the Treasurer?

COMPTROLLER FRANCHOT: Thank you, Governor. I don't know whether anyone noticed that Sunday both the Redskins and the Ravens won.

(Applause)

COMPTROLLER FRANCHOT: And for my dear friends out in Western Maryland that root for the Steelers, they lost.

(Laughter)

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COMPTROLLER FRANCHOT: But I always find that to be a boost for the State, when both teams win. It's maybe part mental. Just people feeling in a better mood. But I like to think that it also helps the economy also, because people are more upbeat.

And in addition to the football teams we had a huge win last week that I'd just like to compliment a local team for, and that's Anne Arundel Community College which was named the leader of a national consortium of community colleges. It's going to receive a \$20 million grant from the U.S. Department of Labor to lead a ten-college effort to provide training for high demand jobs in science, technology, engineering, and math, the STEM fields that we've all made such a top priority.

What I like about this is that Anne Arundel Community College, not like Ohio State or something, was picked number one out of 1,100 community colleges across the country to be the leader of the consortium to develop programs and certifications in the fields of

cybertechnology and mechatronics. Everyone know what mechatronics is? I didn't. I had to ask. It's the combination of mechanical engineering with electrical engineering, a new field that our businesses need trained staff for.

I think it's a testament, frankly, to the college's 50 years of educational excellence. And the Governor mentioned the extraordinary leadership team headed by President Martha Smith. And I'd like to congratulate the College's Board of Trustees, which is a distinguished group that includes my dear friend and colleague Jerry Klasmeier sitting next to me. I just think it's important, because we read about the downturn in federal grants because of the economic situation and here we have Anne Arundel in an unrelenting pursuit of a federal opportunity which is tremendously cost effective. And I think it's a perfect example of how government can assist the private sector in the job creation process.

The private sector identified the need for a highly skilled workforce for STEM businesses. The public sector made a, focused strategic investment to help produce that workforce and then government gets out of the way. I emphasize that again, we make the investment and then government gets out of the way and lets the private sector create the jobs that our people need.

And in this area of cybersecurity, I know some of you may have read in the morning paper about the new hearings that are going on Capitol Hill. Cybersecurity is not just a national security issue. First and foremost it is an economic issue because countries like China are using cyberintrusion in order to steal all of our economic interests. And it's a huge threat, much more so than the military threat of cybersecurity, is the economic threat that China and other countries are doing and just brazenly, openly giving medals to their people who accomplish this theft of our design and our patents. So I'm delighted that

Anne Arundel Community College with Dr. Smith is going to be defending our country with this new effort.

I also went to, on a related area, to the Dorchester Career and Technology Center last week in the Lower Shore. This project was a top school construction priority for the State and the Board. We made an investment. The Center is training students in specific skills in areas that are sorely needed and in high demand locally. I can't remember the name of the company that was right next to this school, but they are the world's largest producer of conveyer belts. Who would have thought it, down there on the Lower Shore? A hundred year old company. Well turns out that they have a whole new business that they've opened up, which is, places like New York love to put these industrial belts on the outside of buildings. It's considered the chic new design thing. It makes everything look, I don't know how it looks, but they, anyway they are hiring people left and right. Where are they hiring people from to do the welding and do

the machine work? Right out of Dorchester Career and Technology Center.

So that's a great example of education aligning with the local economy. They are direct investments that we make that foster job creation. A lot of people complain about government spending. I say you have to look at the specifics. There's a major difference between indiscriminate government spending and strategic public investment. And these investments that we're seeing today will reap major dividends for our State in the future and I'm delighted that we're an international leader in the STEM industry workforce development, and obviously in the cybersecurity that the Governor has highlighted so appropriately over the last year. And Governor, I think it's good stuff. And I compliment, I should mention Congressman Ruppertsberger who is on the House Intelligence Committee who will be involved in this cybersecurity effort.

And Governor, I don't know whether it's appropriate to have Dr. Smith come up and say a few words about the success she had?

GOVERNOR O'MALLEY: Sure. Let's see, I think the Treasurer wants to chime in and sing her praises before we do that. Okay.

TREASURER KOPP: Not at great length. But I did want to recognize Dr. Smith, one of the very first women presidents of community colleges in Maryland when she started off in Baltimore County. Came to Anne Arundel County, after leading Anne Arundel County the college was named the number one community college in the United States of America and has produced outstanding scholars and citizens. I'm sure she will be going on to bigger and even better and greater things. But the State of Maryland owes a great vote of thanks to Marty Smith for all the work she's done for all of us. And I just was so pleased to see her here, and hear about her latest triumph. I'm glad you've not allowed the Deputy Comptroller, Mr. Klasmeier, to go on

because he will go on for hours about how outstanding Dr. Smith has been. But it's very, very good to have an opportunity to recognize her in public.

GOVERNOR O'MALLEY: And with that, Dr. Smith, President Smith?

DR. SMITH: Thank you very much. Do you want me to --

GOVERNOR O'MALLEY: Your Majesty? Yes?

DR. SMITH: Oh my goodness. Thank you so very much. Thank you so very much. Good morning to all of you. I will be very brief. I actually didn't plan to really do any kind of an overview of this. I will say to you we at Anne Arundel Community College are thrilled about this grant. It was exceedingly competitive. I do think in being in touch with most of my colleagues, I think about every community college in the country applied.

My key message is really a very genuine thank you. Thank you very, very much. As the Comptroller said, and I think he did an excellent job of giving an

overview of this grant, Secretary Solis chose to spend the day with us last Wednesday to make this announcement and to visit our cyber classrooms and talk with our cyber students. As I said to her, I think this grant is an absolutely perfect example of how it is supposed to work. For example, the private industry several years ago came to our Board of Trustees and said, "We know we need many, many more people trained in the STEM areas and in particularly cyber." And our Board said, "Dr. Smith, make this happen." So we at the College put together a plan and went to the County Executive. The County Executive said, "Yes indeed, this is a high priority. The workforce is growing in this area and we have a critical shortage of workers." And he said, "Give me a plan and a budget." We gave him a plan and a budget. He included it in his budget. The County Council saw that it was very important. They too acknowledged this is something that has to happen and they approved the budget.

At the same time you all, and Governor with your leadership, said STEM is a priority for the State

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as is cyber. And so you, through MHEC and others, made competitive grants available to the community colleges and universities to increase the pipeline to STEM related jobs and careers.

So those came together. And I'm proud to say as a result of those efforts at Anne Arundel Community College our enrollment in STEM programs increased 46 percent from fiscal year 2007 to fiscal year 2011.

GOVERNOR O'MALLEY: That's great.

DR. SMITH: We have 7,816 students enrolled in STEM related programs. So this grant kind of builds on that success and that capacity that we have built as a College and really as a State, we're building on that to help deliver that nationally. And then in turn to get from other colleges their expertise in some of these other areas like mechatronics and environmental technology.

So in my mind it's a perfect example of how things are supposed to work in order to invest in our people and our workforce and our State. So my primary message to all of you is thank you so much for

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facilitating and making this possible. I'll be happy to answer any questions if you have any.

TREASURER KOPP: I have a question, Marty.

DR. SMITH: Sure.

TREASURER KOPP: I know this has not been going on a long time. But is there a way to track the people once they graduate from the program to see in fact that they did enter the --

DR. SMITH: Workforce?

TREASURER KOPP: -- the workforce in the sort of position that they had been anticipating?

DR. SMITH: Yes, that's done. There is a way. It's not a very sophisticated way, to be honest with you, and we're working at how to make that more sophisticated. MHEC does do some work through graduate follow up and does surveys of employers of our graduates.

TREASURER KOPP: Mm-hmm.

DR. SMITH: Most of the tracking that we do is done through the programs. So the engineering

program or the cyber program does its own tracking of graduates to --

TREASURER KOPP: I assume you do it for fundraising purposes, also?

DR. SMITH: We, absolutely, excellent point, yes. And we have had such active and energetic participation by the private sector. It's been wonderful. Both in helping us with the curriculum and in hiring. I mean they're waiting. They're in line waiting for our people.

TREASURER KOPP: That's --

DR. SMITH: So thank you very much.

TREASURER KOPP: That's terrific.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, no, thank you again for this. And I know you're with us until next August.

DR. SMITH: Yes.

COMPTROLLER FRANCHOT: And if you could just keep us informed about how this process goes? And if you could possibly touch base with Congressman

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Ruppersberger, who is the Ranking Member of the Intelligence Committee?

DR. SMITH: Yes.

COMPTROLLER FRANCHOT: I think he'd be interested in all this. And again, just following on what the Treasurer said, thank you for always putting students first. Whenever I go to anything over there, or hear of any event at your College, you are always there, front and center. And just hats off --

DR. SMITH: Well thank you.

COMPTROLLER FRANCHOT: -- because you really put the kids first and --

DR. SMITH: Thank you.

COMPTROLLER FRANCHOT: -- frankly a lot of these students are not kids anymore.

DR. SMITH: Mm-hmm, yeah.

COMPTROLLER FRANCHOT: But students first, and thank you very much.

DR. SMITH: Thank you very much.

TREASURER KOPP: Marty could, I just, because

--

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DR. SMITH: Sure.

TREASURER KOPP: -- this may be the only opportunity here.

DR. SMITH: Okay.

TREASURER KOPP: And I don't want to embarrass you. But I think, I mentioned that Dr. Smith was the first, one of the first women to head a community college here. The fact of the matter was until her appointment the Boards of Trustees, which were mostly experienced gentlemen not of color, had not given thought to a minority or a woman in that sort of executive position. And I wasn't sure that Dr. Smith had given it enough thought either. And it was only because a group of women got together and realized there was no, we needed a role model. So I'm mentioning this because it extends even beyond Anne Arundel Community College. A role model for women in academia everywhere, somebody who could take on the tough job as the head executive of a campus. And she was persuaded to do that. She did it extraordinarily well and has gone on to great things. But it just

shows that everybody, you know, needs a model and everybody needs to push. I don't mean to embarrass --

DR. SMITH: I remember that encouragement.

TREASURER KOPP: Yes.

DR. SMITH: It was a group to whom you could not say no.

(Laughter)

TREASURER KOPP: That's the way we saw it.

DR. SMITH: Thank you.

GOVERNOR O'MALLEY: Do you know what you're going to be doing in August?

DR. SMITH: I don't know for sure. I'm going to, we've got lots of big things, important things, on track for this year. So I'm focused on getting all of those things in place and being open to what the next chapter will be.

GOVERNOR O'MALLEY: Well you've been a great leader in so many ways, including on the important front of STEM and also realizing Maryland's jobs potential by improving our skills for cybersecurity. Huge delta of opportunity. I mean the fact that

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employers like NSA and the contractors that do the work

--

DR. SMITH: Yes.

GOVERNOR O'MALLEY: -- that supports NSA are waiting in line for our graduates --

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: -- is a message of hope and opportunity --

DR. SMITH: Sure.

GOVERNOR O'MALLEY: -- that I hope a lot of high school kids who, you know, who are seeing a lot of negative forecasts on the news --

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: -- may see that as a positive forecast. And to have such a community college in Anne Arundel County that, of such excellence, it's really the way the country is going.

DR. SMITH: Mm-hmm.

GOVERNOR O'MALLEY: I mean we can't expect to do higher education as we had in the past --

DR. SMITH: Yes.

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GOVERNOR O'MALLEY: -- the ability to be flexible, to appreciate that people are, moms and dads are going to be coming back for that, what Thomas Friedman calls their own extra that allows them to get the new job or to open up the door in maybe an entirely new field or career, and the ability to take folks that were liberal arts majors, bring them back to community college, and then have them reequipped and upskilled to be able to do cybersecurity. All of that is just so very important. And you've been terrific. So thank you, and also for your friendship.

DR. SMITH: Well thank you.

GOVERNOR O'MALLEY: It's really been good doing good things with you.

DR. SMITH: I'll give that right back to you. Thank you. It's been an honor and a privilege. Thank you all very much.

GOVERNOR O'MALLEY: Thanks, Marty. Big round of applause.

(Applause)

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GOVERNOR O'MALLEY: All right. So we are on Secretary's Agenda, huh?

SECRETARY MCDONALD: Good morning, Governor, members of the Board. We have 14 items on the Secretary's Agenda this morning. There are four reports of emergency procurements. We're ready for your questions.

GOVERNOR O'MALLEY: Any questions? This has the allocation of the one-year appropriations that were directed from the alcohol tax, correct?

SECRETARY MCDONALD: Correct. The General Assembly this year added an appropriation of \$47.5 million to the school construction program. This is in addition to the \$265 million that the Board funded through the regular capital improvement programs. This is \$47 million on top of the \$265 million. This is for individual public school improvement projects that meet a school or a community need and each county or region in the State was allocated some money from the alcoholic beverages tax this year. We today have

Howard County at Item 12. Howard County has a recommendation for \$4 million --

GOVERNOR O'MALLEY: Come on down Howard County, Montgomery County, and Anne Arundel County.

SECRETARY MCDONALD: -- we have Montgomery County as Item 11, as Item 13, and Montgomery County is asking for its grant of \$9 million. And Anne Arundel County is Item 14 and they are asking for their recommendation for \$5 million. Dr. David Lever can probably keep us straight on all the county school districts, thank you.

DR. LEVER: Thank you. Good morning. We have the three representatives of the three counties here. If you have any specific questions about the projects I'm sure they'd be glad to answer any questions that you have.

GOVERNOR O'MALLEY: I was curious in the number of jobs. I know that there are 15,000 jobs that are supported by our AAA bond rating and the investments that we're making, private jobs building public goods. Or maybe I should say private jobs

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building good things for the public. That's probably a clearer way to say it. And I'm wondering with this additional \$47 million investment in our schools and in school renovations and construction, I mean any idea approximately how much this allocation will support by way of jobs?

DR. LEVER: We could provide that number for you. I do talk to industry sources from time to time to try to get a sense of how many jobs are created by every million dollars of construction allocation. That number changes and frankly I haven't looked into that for some time.

GOVERNOR O'MALLEY: Mm-hmm.

DR. LEVER: So I should be back to them to get an accurate number for you.

GOVERNOR O'MALLEY: And the great thing about going out at this point in time, if there's anything that can be said, the advantageous thing I should say, it's not great, but the advantage that we have is that the bids are coming in very, very competitively. In other words we're getting a very good price on this

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work, important work for which there's a backlog and a tremendous need. So maybe we'll hear from each of the counties individually. Howard County, do you want to tell us what you're doing? Introduce yourself, and this would be Mr. Brown?

MR. CROSBY: Mr. Wayne Crosby, I'm the Director of School Facilities. Mr. Brown is --

GOVERNOR O'MALLEY: Mr. Crosby? I had, I could go either way. You know, I had two. I took a fifty-fifty shot.

MR. CROSBY: First of all I'd like to say we, on behalf of the Howard County School System, we appreciate the consideration of the Board in giving us additional funds. We're going to direct these funds to four schools. Two of our high schools, we're going to put in turf fields. We're going to take out the natural lawn fields in the stadiums. This is really going to affect our athletic programs and the safety of the students. There are, it's really difficult to keep up with natural grass fields and as much as those stadiums get used, both community use and the system.

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We're also, one of our high schools, Oakland Mills High School, we've got some considerable repairs scheduled.

Lockers, door replacements, security systems. So we're looking forward to it. The system is looking forward to it. And as we've worked with the administrators and the staff they're certainly appreciative of the opportunity to provide these improvements.

GOVERNOR O'MALLEY: Any idea how many jobs it will support?

MR. CROSBY: I do not at this point, sir.

GOVERNOR O'MALLEY: Can you get back to us?

MR. CROSBY: We can certainly get back to you.

GOVERNOR O'MALLEY: Thanks.

MR. CROSBY: Mm-hmm.

GOVERNOR O'MALLEY: How about Montgomery County. Mr. Song?

MR. SONG: Thank you. Good morning.

GOVERNOR O'MALLEY: They only have one name listed for Montgomery County.

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MR. SONG: It is an easy name to remember.

Good morning, Governor, and Treasurer, and Comptroller.

My name is again James Song, I'm the Director of the Department of Facilities Management at Montgomery County Public Schools. And on behalf of Joshua Starr, who is our new Superintendent of Schools, and along with members of the Board of Education, I'd really like to take this opportunity to thank the Governor and the General Assembly for the dedication of the supplemental appropriation that was dedicated for school construction projects.

As noted of the \$47.5 million of the supplemental appropriation approximately \$9 million was earmarked for Montgomery County. With respect to this additional \$9 million we have four school construction projects that were recently completed that it will be contributed towards, the Cabin John Middle School modernization project, Cannon Road Elementary School modernization project, Farmland Elementary School modernization project, and Garrett Park Elementary School modernization project. So these dollars are

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spreading to larger projects and making more impact.

Again thank you, thank you, thank you on behalf of the school.

However, we do have many more needs than the resource, as always. I'm pretty sure it's following along the similar lines with all the school districts in the State of Maryland we have student enrollment growth that is really unprecedented. And just within Montgomery County Public Schools we're reaching almost 147,000 students. Just the last four years alone we had an increase of 8,600 students. Furthermore, in the next five years we're predicting 10,000 more students coming into our schools. That's almost like 2,300 students per year. That's a whole high school per year.

GOVERNOR O'MALLEY: Hm.

MR. SONG: Just the capacity needs is not just the one need but we also have older aging facilities that we need to keep up with. And these are continuing needs and all these additional funds will go into those needs and most time. And also it is the

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message that we've been spreading and that is now is really the time to build. As Governor, you have stated, now is really the time to build given the construction costs is really low in the past four years. We also have low bond interest rates, meaning less to borrow, meaning value of the dollars can stretch further these days. And we have the needs. We have the growing student enrollments as well as the workforce out there that could use the jobs. And maybe this could be the avenue to revive some of the local and Statewide economy as well.

So this is really all the planets lined up. So to that end we urge you to consider increasing the school construction budget. Again, on behalf of the School Board and the Superintendent we thank you for the supplemental appropriation.

GOVERNOR O'MALLEY: Mr. Song, thank you. I look forward to meeting Josh sometime.

MR. SONG: Likewise he is as well. He is, along with the new Board members he is setting his

framework and charge to lead the school system. So he is quite tied up with --

GOVERNOR O'MALLEY: Can you help me follow up with that?

MR. SONG: -- but I'm pretty sure he will be very interested.

GOVERNOR O'MALLEY: Peggy, can you help me follow up with the new Superintendent? I'd really like to meet him. You all had a really good program there -
-

MR. SONG: Mm-hmm.

GOVERNOR O'MALLEY: -- that Dr. Weast implemented on StudentStat? Or whatever the --

MR. SONG: Yes.

GOVERNOR O'MALLEY: Or I forget the name that you applied to it, but in essence it was performance measurement --

MR. SONG: That's correct.

GOVERNOR O'MALLEY: -- as applied to the entire school district. You'd bring in your highest performing, highest achieving leadership teams,

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principals, and the others, and they would be in a joint session discussing tactics, strategies, and the effectiveness of those things. And it was a lot of cross-pollination of good ideas and best practices and things that worked. I hope he's going to keep that up?

MR. SONG: Absolutely. I think it's a stepping stone towards better achievements. And as Dr. Weast, and I was here to the previous testimony provide and I know you had lengthy discussions with him about that issue, so it is a model that we're continually building upon.

GOVERNOR O'MALLEY: I wish the other big jurisdictions would follow suit. I mean, we very dutifully walk across the hot coals of, you know, tax issues and other things in order to provide higher and higher record years of funding. Not only in operating, which we've done every year in the four years of this recession, but every year on capital, record amounts. We're one of only 17 states that invests in school construction, believe it or not. I mean, in other states they just don't do that. I think in

Pennsylvania they leave that to the, whatever it's called, the mill rate or the mill tax, and the Cranberry Townships to go raise it themselves, I believe. Anyway --

TREASURER KOPP: Over 60 percent, about 60 percent of our general obligation bond money every year goes to education.

MR. SONG: Mm-hmm. That's correct.

TREASURER KOPP: Goes to the schools, and the university --

GOVERNOR O'MALLEY: And while other states are doing less because of the recession we're doing more because of the recession --

MR. SONG: Exactly.

GOVERNOR O'MALLEY: -- because we know so many people in construction trades are out of work. So look, you know, one of the things we do poorly though is as we fill the pot and do these formulas is we have yet to come up with a good mechanism that incentivizes best practices that work. In other words, I mean, what do you have to do to encourage the other jurisdictions

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to do what Dr. Weast did in Montgomery County with the performance measurement system? I mean, just keep asking? Or it seems to me that we should have a discussion about using a portion of the colossal amount of money that we allocate to education to seed the expansion of best practices.

How do you all keep your computers going? Is that something you contract out? Or do you have people in house that keep your computer labs up and running in all of the schools?

MR. SONG: It's a little bit of both. We have a minimal number of staff that keeps mainly the maintenance portions of it. But the majority of the refreshment rates it's currently budgeted for every four years and we try to recycle the technology, including not only the computers but Promethean boards and other technology infrastructures --

GOVERNOR O'MALLEY: And you rightly contract for that, right?

MR. SONG: Yes.

GOVERNOR O'MALLEY: I mean, you don't try to compete and have people in house that do that?

MR. SONG: No, I think it would be too much of a --

GOVERNOR O'MALLEY: Yeah.

MR. SONG: -- resource to manage it and --

GOVERNOR O'MALLEY: Yeah, there are some school systems that haven't gotten that basic practice down. Imagine what we could do if we actually combined buying power.

MR. SONG: Exactly.

GOVERNOR O'MALLEY: I mean, there's 24 individual school districts out there. I'm not aware of any of them joining forces on contracts together for even something as basic as toner cartridges for their Xerox machines.

MR. SONG: Yeah, we often piggyback on different contracts that we think is the best value to, but I'm not certain about technology in particular, but across the procurement process where that we try to have the best practices to share the experiences and

knowledge and try to find the best value for the dollar.

GOVERNOR O'MALLEY: And you've done some great stuff in terms of leasing out some of your, you probably have a larger cache, I mean, your fleet of school buildings is probably more modern than any other jurisdiction in the State. I'm not saying you don't have older buildings, but I mean overall compared to others.

MR. SONG: Right.

GOVERNOR O'MALLEY: I mean, surely you've walked through the schools of Baltimore City.

MR. SONG: Yes, I have.

GOVERNOR O'MALLEY: For a tour through, you know, historic architecture. But you've done a great job, the solar contracts for the lease of your rooftops, don't you have those on an ongoing basis? And those contracts are working to your advantage, aren't they?

MR. SONG: Yes. We have implemented that program about seven years ago. And further I think as

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recent as five years ago with a tax benefit to the vendors we were able to lease out the rooftop surfaces that the roof is going to be lasting at least 20 years, we're leasing out that term where it is at no cost to us for the initial capital investment but yet we get a break on the utility rate that we're buying back at a lower cost. So we're able to further reduce the energy and utility cost budget by a significant margin for the past five years.

GOVERNOR O'MALLEY: Why do you think the other school districts can't figure out how to do that?

MR. SONG: I think that movement is spreading. I've heard a variety of different success stories, the University of Maryland and a few others that I've visited. I think that success story is continuing. But I think it's important that it's a partnership. From a vendor standpoint they continually need support of such a tax incentive to be able to make their numbers work.

GOVERNOR O'MALLEY: Mm-hmm.

MR. SONG: And yet we have this vast amount of rooftop surfaces that are pretty much asphalt that can be utilized at virtually no cost. So I think it's a win-win situation in both cases.

GOVERNOR O'MALLEY: They are all one-story buildings so they certainly take up a lot of rooftop. Okay. Well look, thank you.

MR. SONG: Thank you.

GOVERNOR O'MALLEY: We next have from, not to be overlooked by any means, from Anne Arundel County Mr. --

MS. SEAMAN-CRAWFORD: Not a mister.

GOVERNOR O'MALLEY: No.

(Laughter)

MS. SEAMAN-CRAWFORD: Alex Szachnowicz is not here. I'm Lisa Seaman-Crawford.

GOVERNOR O'MALLEY: Hello, Lisa.

MS. SEAMAN-CRAWFORD: I'm Acting Director of Facilities.

GOVERNOR O'MALLEY: So what are you guys going to be doing with your dollars? You have \$5

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million as part of this Speaker's Prerogative Amendment to the Alcohol Bill.

MS. SEAMAN-CRAWFORD: We're very excited. We would like to use the \$5 million for an addition to Annapolis High School. Beginning in the Fall of 2012 Annapolis High School will be hosting the performing and visual arts magnet program. We currently have one going on at our Bates Middle School and Brooklyn Park Middle School, so this will be an opportunity to move up to the high school level. In the addition we will be including some standard classrooms and some specialized areas for the performing and visual arts. We will include dance studio, art rooms, recording studios, control rooms, that type of learning environment. And we will be reducing the relocatables there. The addition will feature high performance standards as we --

GOVERNOR O'MALLEY: Any idea how many jobs?

MS. SEAMAN-CRAWFORD: What we use as a rule of thumb for an elementary school, 200 to 300 workers.

So we would imagine, you know, something of this size we'd be looking at maybe around 100.

GOVERNOR O'MALLEY: Okay. We should make sure that whenever these come back again, Kevin Large, that, there is such a disconnection in our world today between the choices we make together and their impact on the economy we share together that it would be really, really good before these items come back next time that we have a better sense of how many jobs are created. Because that's the, an addition of, given our workforce, the high level of skills that quality education provides, providing some much needed construction work at this time is also a huge public goal. So, well that's great. We're excited for you all.

MS. SEAMAN-CRAWFORD: Thank you.

TREASURER KOPP: Governor?

GOVERNOR O'MALLEY: I'm sorry?

TREASURER KOPP: I think it's important to also point out, and you did mention, the fact that this

project is going to allow you to remove a good number of temporary buildings.

MS. SEAMAN-CRAWFORD: Yes.

TREASURER KOPP: What do you call, learning shacks?

GOVERNOR O'MALLEY: Learning shacks.

MS. SEAMAN-CRAWFORD: Cottages.

TREASURER KOPP: Learning cottages. And put students into real schools.

MS. SEAMAN-CRAWFORD: Yes.

TREASURER KOPP: And not only are the jobs that this creates important in doing this but the fact that students are going to be learning in and teachers teaching in real modern classrooms I think has a very significant impact on the students and on the workforce down the road.

GOVERNOR O'MALLEY: It sure does. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. Thank you, Governor. Just to put the jobs issues in perspective, in our great State we need 240,000 jobs. Last year we

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produced on a net basis 382. So the public side is doing their contribution to capital. But the private side obviously has not joined in. And that's the issue that we need to face down the road and you know, it's a huge dilemma when you look at the scale of what needs to be done.

But I have a couple of questions for Howard and Montgomery, if I could. Anne Arundel I'm fine on. You're always terrific.

MS. SEAMAN-CRAWFORD: Thank you.

COMPTROLLER FRANCHOT: And I appreciate Dr. Cousin and his leadership of the Howard County Public School System. But let me ask about the artificial turf that you referenced in your presentation. What's the rationale for making turf fields such a high priority? Is this Montgomery -- or no, I want, Howard is the one I'm interested in. Because your, \$2 million is being requested to install and maintain artificial turf at the Atholton and Hammond High School.

MR. CROSBY: Atholton and Hammond High School. This is really where the community comes in,

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also. We talked, you guys mentioned in the beginning that they were school-based projects and community-based projects. What this is going to do is this is going to allow the Howard County Department of Parks and Recreation to utilize these fields also, which at this time we cannot. Because the wear on the field will not allow extensive use. So really what we're doing now is the only time we're using the stadiums is actually for games. There is no opportunity for practice on these fields or any type of community use of these fields.

So we chose these two particular schools because there are very limited sites and there are very limited areas for students to practice.

COMPTROLLER FRANCHOT: Okay.

MR. CROSBY: In some cases we actually have to send them to a neighboring school to use their practice fields because of the limited site we have at these particular high schools.

COMPTROLLER FRANCHOT: And the life span, typical life span of a turf field is what?

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MR. CROSBY: I think the ones that we're looking to put down out there, we should get 20 years out of those fields.

COMPTROLLER FRANCHOT: Okay. And you receive, Howard County receives very high marks from Dr. Lever's school maintenance survey.

MR. CROSBY: Mm-hmm.

COMPTROLLER FRANCHOT: And I appreciate that. But there were some concerns in the last report that Dr. Lever had about leakage in multiple places in the school system, stained ceiling tiles, etcetera. One of the schools mentioned was Bushy Park Elementary, which is only four years old. I'm obviously comfortable with approving the request --

MR. CROSBY: Mm-hmm.

COMPTROLLER FRANCHOT: -- as you have it presented to us. But can you give me some assurance that Bushy Park Elementary and other schools are going to be, if they still have these leakage issues, and this is a small issue, I understand that, but it's symbolic. But --

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MR. CROSBY: Yeah right after --

COMPTROLLER FRANCHOT: -- you are addressing this?

MR. CROSBY: Yeah. Right after we received that report we looked into it. And it's actually, that was a problem that was created during the construction. It was a condensation problem with the HVAC system. It wasn't any roof leaks or infiltration from the outside. It was a condensation issue with HVAC.

COMPTROLLER FRANCHOT: It's a relatively --

MR. CROSBY: It was relatively easy and minor, yes, that's correct.

COMPTROLLER FRANCHOT: Thank you. That makes me feel better. And if I could just ask Montgomery, you know, that same maintenance survey report, Dr. Lever's, that was good for Howard was not very good for Montgomery, frankly. Of the 24 schools that were surveyed in Montgomery County only one was judged superior.

MR. SONG: Mm-hmm.

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COMPTROLLER FRANCHOT: Eight schools were simply ranked adequate.

MR. SONG: Mm-hmm.

COMPTROLLER FRANCHOT: Half the schools received unsatisfactory ratings as far as the roofing.

And many of the schools had stained ceiling tiles and Dr. Lever's inspectors reported the presence of mold-like discoloration and damaged ceiling tiles in several surveys indicating the leaks are not yet being addressed in a sufficiently timely manner. You know, it's a great school system. You guys are exceptional.

But we've authorized almost \$1 billion for you guys over the last thirty years. There are big investments that your taxpayers have made, myself included, in Montgomery County. What are we doing to make sure that the next report Dr. Lever gives us, I take it at the end of the year, is going to show progress being made on taking care of what you have?

MR. SONG: Well I think it's twofold. Just to give you kind of the magnitude of what we are dealing with is that Montgomery County Public Schools

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has 200 schools and over 24.5 million square feet of building to accommodate 147,000 students, and that does not even include 350 portable buildings that we have to accommodate the most growth in our elementary schools.

We have very limited number of staff in the Division of Maintenance. That budget always has been cut to reduce. So our work order system is in a backlog but we're trying to improve in terms of response time to address those things. And our focus in the last year and a half since November of 2010 is to sustain the building, sustain the life cycle of our existing buildings. If we are projecting modernizing our buildings every 40 to 50 year period we've got to invest in our systemic replacement program such as HVAC, roofs, ceiling tiles. All of these interior renovations that need to be kept up. It is no different than your own houses. You've got to change your water heaters, and furnaces, and roofs every so many years to do that.

Well that takes dollars and it's about priorities. Now we have ever growing student

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enrollment capacity issues that we need to address. At the same token we have modernizations that have been long listed years to go. And yet we've got 24.5 million square feet of buildings that's, to maintain. So we are urging our local Board and the County Council and the County Executive to increase the school funding. While the economic forecast is not that great, but our support from the State as well as the County Exec and the County Council we're hoping to put the education still at the forefront of priorities in terms of maintaining our buildings.

So it's a two front. Yes, we're trying to maintain those logs to a minimum and trying to be response to that as quick as possible but at the same token we're trying to rally for more money to support our existing infrastructure program.

COMPTROLLER FRANCHOT: Okay. You might tell the County Council and others that you have to petition that when I go around the State and present Silver Hammer Awards to schools in other jurisdictions where the maintenance is much superior to Montgomery

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County's, and obviously they have a lot of budgetary demands, that inevitably at every school that gets the superior rating from Dr. Lever behind you, and this is based on 37 engineering criteria.

MR. SONG: Mm-hmm. Right.

COMPTROLLER FRANCHOT: It's not a subjective, "Gee, the landscaping is nice." This is in depth, and these folks are taking care of what they have. Inevitably every single one of those Silver Hammer schools has superior academic performance.

MR. SONG: Right.

COMPTROLLER FRANCHOT: The kids do better because there's a synergy. There's a, Dr. Smith mentioned the team effort. There's a team effort between the school, the administration, the faculty, the kids, the parents, the support staff, custodial staff, that I think leads to higher academic performance. And the data shows that around the country.

MR. SONG: I certainly would agree with you.

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COMPTROLLER FRANCHOT: So please reverse this trend. I don't, you know, get the job done. And because we are all proud of the shiny new schools. But if they are not well taken care of we're losing a lot of money.

MR. SONG: Right. And I think I share that from a perspective of Montgomery County Public Schools, as well as the State, has many successes in student achievement mainly because one of the contributing factors is learning environments. We recognize that. And as I stated before, it's about priorities.

COMPTROLLER FRANCHOT: Great. Good.

MR. SONG: We have, as I stated in my testimony, we have growing needs.

COMPTROLLER FRANCHOT: Hopefully we can make progress in the next report.

MR. SONG: Thank you.

COMPTROLLER FRANCHOT: And I also just wanted to mention I stopped at my home high school, Montgomery Blair High School in Silver Spring --

MR. SONG: Mm-hmm.

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COMPTROLLER FRANCHOT: -- earlier this week to, last week, to announce a financial literacy petition drive. And everyone there, Principal Johnson, and a teacher Mr. Murley, the whole Montgomery Blair team, were great ambassadors for your system. I know this is an issue the Governor has supported and the Legislature, and we haven't quite pushed it over the goal line. But we're optimistic we'll get it through. I know the Treasurer is interested in financial literacy also, but it was a great visit.

MR. SONG: Thank you.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: Great.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR O'MALLEY: Anything else on this? Okay. Anything else on anything else on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Appendix --

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Please, Appendix 2.

SECRETARY MCDONALD: Right, this --

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GOVERNOR O'MALLEY: Why don't we, these were items, let's vote on Items 12, 13, and 14 so these folks can get back to work, and so the Treasurer moves approval of Items 12, 13, and 14 on the Secretary's Agenda. 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. Congratulations to you guys. Thank you, ladies and gentlemen. I'm sorry, Mr. Comptroller?

COMPTROLLER FRANCHOT: Appendix 2.

SECRETARY MCDONALD: Appendix 2 is the relocation and emergency report, a report of an emergency procurement to relocate the Maryland Higher Education Commission. And it was reported by the Department of General Services, Secretary Collins. I believe Dr. Howard is here. Maybe Secretary Collins could introduce the item?

MR. COLLINS: Sure --

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SECRETARY MCDONALD: Or Dr. Howard, have her come up, whichever.

MR. COLLINS: Okay. Mr. Comptroller, Appendix 2 is the final report from the Department of General Services relative to the relocation of the Maryland Higher Education Commission from Annapolis to the City of Baltimore, from a private leased space to a public leased space which the State owns.

This is, we declared and notified the Board on May 11, 2011 that we intended to take this action after a prolonged discussion, some discussions with the Department during the early, during the Spring. And this is the report of the final results of that particular action.

COMPTROLLER FRANCHOT: Great. Welcome.

DR. HOWARD: Good morning. Yes, Danette Howard, Interim Secretary of the Maryland Higher Education Commission.

COMPTROLLER FRANCHOT: Okay, great. Welcome.

DR. HOWARD: Thank you.

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COMPTROLLER FRANCHOT: Well I have a couple of questions, if it's okay, Governor?

GOVERNOR O'MALLEY: Sure.

COMPTROLLER FRANCHOT: The materials I got justify this emergency procurement because, "there's an immediate and urgent need to have MHEC, Higher Education Commission, and the State Board of Education, immediate and urgent need to have them working in close proximity for the benefit and welfare of Maryland students from pre-kindergarten through post-secondary education." So my question is, these two agencies have always existed apart. Immediate and urgent are not two adjectives that come right to my head when I think of the two agencies. And I can kind of see an argument that their administrative ties should be strengthened. But what is the kind of breathless, immediate and urgent need for these two agencies to suddenly come under one roof and have the taxpayers pay a \$100,000 penalty for breaking a lease, among other things?

MR. COLLINS: Mr. Comptroller, may I just speak before Dr. Brown, if you don't mind?

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COMPTROLLER FRANCHOT: Sure.

MR. COLLINS: In the process of discussing this particular item we explored those items. And in fact Assistant Secretary Gaines can talk to the members if you want to do that in terms of the fiscal impact. But the usual process that we would have used to relocate these two agencies together would have taken two years. That was way too long, beyond what the department said to us that they needed to accomplish their outcomes. So the only way we could accomplish this was to declare the emergency, which we notified the Board, and then go in this direction.

COMPTROLLER FRANCHOT: Yeah. But if I could just ask, you've triggered a noncompetitive emergency procurement that I take it could be applicable to almost anything.

MR. COLLINS: Well based upon the --

COMPTROLLER FRANCHOT: If it takes two years to do a contract bid, which I'm not aware of the exact time, why is that, why are we employing this procedure for this situation? What's the logic?

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DR. HOWARD: If I may?

COMPTROLLER FRANCHOT: What is the urgency?

DR. HOWARD: We are in the middle of working on several Statewide and national initiatives and efforts along with the Maryland State Department of Education. One for example is the development of our Statewide longitudinal data system which, Treasurer, will answer the system that you posed earlier to Dr. Smith, are we tracking our STEM graduates into the workforce? Well the system that we are currently designing with MSDE will allow us to do just that. And that is part of our Race To The Top grant.

So we have historically worked closely with MSDE but there is really an urgent need, because of many of these efforts that are underway now, for us to work much more closely with them. The colocation would certainly facilitate those efforts as well as maximize some of the efficiencies that can be gained between the two agencies. For example, right now we are operating two completely different information technology platforms and systems. There is certainly much

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integration that could happen between our two agencies that would really promote the work that we are trying to do, which will ultimately really benefit all of our students. So we do see this as an urgent and pressing need.

COMPTROLLER FRANCHOT: Okay. But, you are not aware of this because you weren't here at last Board meeting, we had a big to do about the Cloud. We're going on the Cloud.

DR. HOWARD: That's right.

COMPTROLLER FRANCHOT: Lots of money being spent.

DR. HOWARD: Mm-hmm.

COMPTROLLER FRANCHOT: What's the problem with communicating over the Cloud? You don't have to be in the same building to communicate over the Cloud?

DR. HOWARD: The Cloud is really what is going to support our longitudinal data system. But there is still information technology needs that each individual department has and that will continue to persist into the future even after we develop our

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longitudinal data system. Just the regular maintenance of our computers, software, the collection of data not only from all of our local education agencies but also from each of our post-secondary segments and institutions. And so that's certainly something that we can get some considerable efficiencies from by collocating our agencies.

COMPTROLLER FRANCHOT: Okay. I can kind of see that argument. But a much more compelling argument for me from a policy standpoint, rather than putting you up with MSDE, I could see it being beneficial to put the State's two higher ed governing bodies, MHEC and the System, Maryland System, under one roof.

DR. HOWARD: Mm-hmm.

COMPTROLLER FRANCHOT: Did you ever consider the efficiencies and benefits of you being housed in the same roof as the System?

DR. HOWARD: Well that's a perspective that some people have. But the truth of the matter is that what MHEC does and is responsible for is much different than what the University System of Maryland is

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responsible for. So MHEC has broad coordinating responsibilities for all of the post-secondary segments in the State, which in addition to USM include our 16 community colleges, our private career schools, and our independent colleges and universities. So for example anytime an institution in the State of Maryland wants to have a new program approved it is MHEC that has that responsibility, not the University System of Maryland.

And it would in fact be inappropriate in my opinion to have MHEC combined with USM for that reason. I think that sometimes people --

COMPTROLLER FRANCHOT: Well, no, no, no. I was just saying under the same roof.

DR. HOWARD: Mm-hmm.

COMPTROLLER FRANCHOT: You have the same constituency that they do.

DR. HOWARD: Part of the same constituency, but we have also a much broader constituency.

GOVERNOR O'MALLEY: I can say that, I mean just from an administration standpoint, Mr. Comptroller --

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COMPTROLLER FRANCHOT: No, please.

GOVERNOR O'MALLEY: -- in advance of the last legislative session we looked at a number of opportunities for greater colocation and greater coordination that in the long term could also save us dollars. The Legislature was not keen on the notion of merging MHEC into making it a subdivision of the Department of Education. We were willing to go that route. We thought we needed to think differently and we were also firmly of the belief that there's been a sort of pendulum swing of too much specialization, not just in government but you know, throughout our institutions public and private in the western world. And that putting things back together for a greater coordination and a more comprehensive understanding of the challenges ahead was the way to go.

The Legislature disagreed. They didn't want to approve that. And, but we do believe there's a benefit to be brought about by the colocation. We looked at the potential for combining the two, but given MHEC's role as regulator, as referee, as traffic

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cop, and certainly the newspaper is filled with stories of Morgan, and Towson State, and other universities having to rely on that traffic cop function, we thought it was, that putting the regulator in the same office space as the entity being, one of the big entities, biggest entity being regulated, would be like putting the Public Service Commission, if you will, inside spare space at Constellation Energy. It might create some rental savings but it wasn't good for the overall thrust of the independence of that group.

We also looked at the possibility of merging DNR with the Department of the Environment. We didn't ultimately put in a bill to do that but we looked seriously at that. It is combined in other states. The one exercise in that review that did come to fruition in State law was the combining of all of those regulatory functions for aquiculture in one place, namely DNR.

DR. HOWARD: If I may say one more thing?
We've received some national acclaim for our approach to our educational enterprise, mainly for the

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collaborative way that our higher education post-secondary institutions work with our Pre-K through 12 partners. And this would really just be a natural extension of our work and would further the efforts that we've already begun.

GOVERNOR O'MALLEY: And if I could add to that? While the kudos for what we do under the umbrella of alignment, that is to say making sure that when a child graduates, a student graduates from high school that they are able to succeed in that first year of either a four-year or a community college is better than most states, and the P-20 Council when we gather we still identify that as one of our areas where there is the greatest opportunity for improvement.

DR. HOWARD: Greatest work, yes. That's right.

GOVERNOR O'MALLEY: I mean, we're better than other states at that but it's also an area where we see a tremendous amount of disconnection, lack of coordination, and a disjointed approach to the student career endeavor.

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COMPTROLLER FRANCHOT: Okay. Well I can see that. We're solidifying the concept of K-16 with this.

DR. HOWARD: That's right.

COMPTROLLER FRANCHOT: But that's, you know, I happen to disagree on the analogies but that's okay.

I want to shift and ask the Secretary if I could about the State of Maryland's Facilities Master Planning Process. Because there seems to be a confusion as to whether it's better for the State to own space or rent space.

TREASURER KOPP: Comptroller, could I just say? I don't want to interrupt your line of, but I do have a couple more questions when you're through --

COMPTROLLER FRANCHOT: Oh, on that subject? Feel free.

TREASURER KOPP: About MHEC, and how the --

GOVERNOR O'MALLEY: The witness will return to the stand.

DR. HOWARD: Yes, ma'am.

(Laughter)

TREASURER KOPP: You did touch on the diverse roles and functions and responsibilities of the MHEC.

DR. HOWARD: Yes.

TREASURER KOPP: And I do think that coordinating with Pre-K through 12 is very important.

DR. HOWARD: Yes.

TREASURER KOPP: But a major function of MHEC always was to be not a governing agency but the coordinator and the buffer.

DR. HOWARD: Absolutely.

TREASURER KOPP: And in fact it was given the powers it was given, as I recall, about 25 years ago because the community colleges, the independent colleges, Morgan, St. Mary's, required it.

DR. HOWARD: Mm-hmm.

COMPTROLLER FRANCHOT: I believe the Treasurer knows that because she wrote the bill and, with all --

TREASURER KOPP: But it was a long time ago, and my memory is like a steel sieve, I've been told.

But I assume that this continues to be a significant function?

DR. HOWARD: Absolutely --

TREASURER KOPP: Although maybe 25 years of relative cooperation has --

DR. HOWARD: It certainly does, yes. And we meet regularly with the leaders of each of those segments that you just mentioned.

TREASURER KOPP: So when you're housed on Baltimore Street, or was it Baltimore Street?

DR. HOWARD: Yes.

TREASURER KOPP: Some of your functions are in close coordination with K-12.

DR. HOWARD: Mm-hmm.

TREASURER KOPP: But some of them really quite distinctly --

DR. HOWARD: Absolutely, yes.

TREASURER KOPP: How are you going to maintain that clarity of difference and role? I know the number of people at MHEC has been reduced significantly.

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DR. HOWARD: Yes.

TREASURER KOPP: Funding is very difficult for all of us.

DR. HOWARD: That's correct. Well a practical way that we will continue to distinguish ourselves from MSDE is that we are located in completely separate areas of the building. So we have different floors --

TREASURER KOPP: So you'll have a different -
-

DR. HOWARD: -- and are not commingled.

TREASURER KOPP: -- entrance door?

DR. HOWARD: We do. We actually have our own address so MSDE is 200 W. Baltimore Street. Our entrance is on the other side of the building, will be at 6 North Liberty Street, I believe. So that's one way that we will continue to distinguish ourselves. And then we will also meet regularly with our post-secondary partners, continue to have our separate commission meetings. We will have some shared space with MSDE as far as meeting rooms and things like that.

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But we plan to continue to operate in the way that we have in our current location.

TREASURER KOPP: Do you have, are you sending out any indices of accomplishment which will show how the non-K through 12 part of your role is being accomplished? I mean for instance, you still have student financial assistance, do you?

DR. HOWARD: Absolutely, yes. Mm-hmm.

TREASURER KOPP: So the question is how quickly and how well the student financial assistance gets out, how --

DR. HOWARD: Yes, so we do some of that through our annual managing for results report that we submit to DBM every year. But you're right. I think that we could do more to really clarify the role that we play, financial aid and the disbursement of financial aid being a major one, program approval being another one, research, providing research and policy analysis to the State being another one. So in terms of distributing that on a regular basis we don't but that's certainly something that we should probably do.

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TREASURER KOPP: I mean, they used to years ago MHEC and its predecessor actually put out an annual book with its seal on it.

DR. HOWARD: Right.

TREASURER KOPP: With a lot of their important information. This was before everything was on the internet and you don't necessarily need that any longer. But it did imprint on people's minds the function --

DR. HOWARD: Right.

TREASURER KOPP: -- the function of the MHEC. And I am a little concerned that, I know you're the Acting Secretary, Director, Secretary --

DR. HOWARD: Mm-hmm.

TREASURER KOPP: -- Secretary, as I understand it?

DR. HOWARD: Yes.

TREASURER KOPP: I am a little concerned that as long as MHEC remains and its legal functions and responsibilities remain, there has to be some way to make this clear to the public and all the players --

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DR. HOWARD: Sure.

TREASURER KOPP: -- or it will become an issue only when there is a crisis. And at that point, I mean there have been some over the past few years, at that point the credibility of the institution in its other role may be more questioned.

DR. HOWARD: No, I think that you raise a very good point and that's something that we can certainly go back and look at how we can continue to get our message out there --

TREASURER KOPP: Right --

DR. HOWARD: -- that we are a stand alone entity, and that we are providing some very important services to Marylanders.

TREASURER KOPP: Thank you.

DR. HOWARD: Thank you.

COMPTROLLER FRANCHOT: Thank you --

GOVERNOR O'MALLEY: Thank you.

COMPTROLLER FRANCHOT: -- Madam Treasurer.

If I could return to the larger issue, which is what is

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the State's philosophy on the merits of owning versus renting? Both of the State's signature transit oriented development initiatives, the State Center project and the pending move of DHCD headquarters, that's the planning agency, from Crownsville to New Carrollton, involve government agencies moving from State owned space to leased space. And in the last year we've approved significant contracts for other State agencies, \$22 million for the Attorney General to lease space, \$12 million annually for the State Center project leased space, \$63 million for the Department of the Environment and Maryland State Lottery to lease space for 12 years, \$10 million for Office of Administrative Hearings for an 11-year lease. And I guess the question I have is here the opposite is going on. We're moving from leased space to State owned space. And I just question the ad hoc nature of us approving these things in the absence of an overall consistent philosophy and plan. And that's why I ask, do we have an updated facilities master plan to deal with this issue of the merits of owning versus renting?

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And I guess whatever, what are your thoughts on this?

Because we seem to be doing a little bit here, a little bit there, all on a helter skelter basis.

MR. COLLINS: Well Mr. Comptroller, you've sort of commingle a couple of issues there so I won't get into that. We can talk offline on those particular issues. Some of those are lease renewals, where the agencies have been there over the term. We've renewed those leases based upon the efficiency of those locations and also making sure that we have sufficient returns and investments on those State dollars.

I will ask Assistant Secretary Gaines to come up in a second to talk about specific approaches. But we in fact are following the approach that the Governor laid out at the beginning of his administration, which was to look at every lease that we had and where we could to try to locate appropriate State agencies together in State-owned spaces. We've done that there where appropriate. There are space needs and locations where we cannot, don't have State spaces available and

we have to obviously renew those leases or what have you.

So there's a combination. But we are in fact following a strategic approach and following the best practices in each one of these deals. Mr. Gaines, would you --

MR. GAINES: Yes, good morning. Michael Gaines, Assistant Secretary, Department of General Services. The Secretary is absolutely correct. And it starts from I guess two premises. One that the Governor issues an executive order at the beginning of his first administration that mandated DGS to look at the entire leased portfolio and to have us find ways of becoming more efficient and more effective in leased space, recognizing that the entire occupied portfolio for the State represents about 11 million square feet.

About 6 million of that is in owned space, which is about 99 percent occupied. The balance of that is in leased space and we've been leasing space for decades.

And also with the recognition that the Legislature and the administration, given the capital budget

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constraints, is probably not going to build new office buildings. The State hasn't built a new office building since it built Crownsville about 20 years ago. And prior to that probably didn't build a new office building after it built State Center.

So there's a recognition that we have to occupy leased space. But if we do we're going to do it in the context of a very strategic approach to work with the agencies in a rational approach to strategic planning on a five-year basis to determine what are the best opportunities for owned and leased space occupancy? Over the last few years we've been working with C.B. Richard Ellis and Birch Advisors to accomplish some of these goals. We have in fact reduced the amount of space and occupancy costs in leased space. We have found opportunities like moving MHEC to owned space where we can. And we believe that those are all well intentioned, strategically thought out aspects of managing an 11 million square foot portfolio.

COMPTROLLER FRANCHOT: Okay. Each time these leases have come up before the Board I've raised concerns and others have about how the transactions appear to be just in a planning vacuum. You know --

MR. GAINES: Well I can assure you they're not --

COMPTROLLER FRANCHOT: -- if you have a comprehensive space master plan which you're using as a basis for decision making, if you could share it with me and anyone else on the Board who is interested because I'm not aware of it. And so all of these leases that you bring before us, and the one today which I take it is justified by the \$411,000 savings minus the \$100,000 penalty.

MR. GAINES: Well actually the savings when compared over a ten-year renewal option on a net present value basis would be about \$2.5 million.

COMPTROLLER FRANCHOT: Okay. And here's our problem. I mean, obviously there's a context for each of these proposals that come forward.

MR. GAINES: And I can assure that there is.

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COMPTROLLER FRANCHOT: Yeah. The problem is we don't have it. I don't have it. I don't see any context. And, you know, I understand the savings of \$2.5 million, and but I disagree pretty strongly as far as the policy. I think this agency if anything should be put over, near the, with the System, and that's over in Adelphi. It's a great county, Prince George's. That's where, if it's going to be moved that's where it ought to be moved to on a policy standpoint. But you've got the justification of saving money. All I'm saying is I read off all these lease arrangements where a lot of money is not being saved, apparently.

MR. GAINES: Well actually in many of those lease deals, particularly the one you quoted from MDE and --

COMPTROLLER FRANCHOT: Lottery?

MR. GAINES: -- Lottery at Montgomery Park --

COMPTROLLER FRANCHOT: Yes.

MR. GAINES: -- for the renewal term I don't remember exactly but I believe that savings represented

several million dollars over the next term of those leases. So --

COMPTROLLER FRANCHOT: Okay, that's fine. But it's still \$63 million in lease payments, which you are claiming in this instance is one of the main reasons why you are justifying moving from a leased to a State owned. All I'm asking is they appear to me, not to you apparently, but to me as if it's an ad hoc, case by case, every contract and move has got its own little impetus behind it which may or may not make sense. And I'm just asking for where is the overview so that we who are approving these contracts, you know, can look at that I guess facilities master plan and put it into a standardized approach to this issue of owning versus leasing.

MR. COLLINS: Mr. Comptroller, I think what we're saying is we have strategic approaches. And each one of these deals are looked at differently based upon those approaches. And each one of the leases that you have approved in fact state out what the savings are, what terms we come with, and the Board has approved

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those. But we can go back and document that for you if you need to. But we do think we have an approach, we have approaches that's benefitting the State and we're implementing best practices based upon the real estate market as we know it.

COMPTROLLER FRANCHOT: Well Mr. Gaines indicated you do have a comprehensive space master plan and if you could share that with me that would be great.

TREASURER KOPP: Could I?

GOVERNOR O'MALLEY: Sure, Madam Treasurer?

TREASURER KOPP: I must say that I have been persuaded for some time by Mr. Klasmeier's concern about a master plan. But I'm now beginning to rethink what a master plan means. Are you saying that you have criteria --

MR. GAINES: Yes, ma'am.

TREASURER KOPP: -- by which to judge which decision is appropriate?

MR. COLLINS: Absolutely.

MR. GAINES: Yes. I think it's a --

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TREASURER KOPP: Rather than just a plan that says --

MR. COLLINS: Absolutely.

MR. GAINES: It's probably a misnomer, and if I conveyed that we have a master plan I didn't mean to.

What I, what we intend to say is that we have a strategy, that we have criteria, and that we have a mandate from the Governor to create the most efficient and effective portfolio. And so when we look at leases in the context of an agency's plan of program implementation. We then evaluate all of their space and determine where can we find opportunities for savings, opportunities for owned space? We go through a step by step process with the assistance of our private contractor. We do financial analysis on every deal. We look at it in the context of an overall thought for that agency. So there is a strategy, there is a process, and there are criteria.

One of the things we've done as a result of the Governor's executive order, DGS looked at its standards for space. And at one time an executive, a

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secretary, my own boss, you know, would reside in about 250 square feet of space with four walls. Well we changed that. You know, secretaries now when they move into the new space, you know, are going to be in less space. And so we're looking at everything to identify ways of saving --

GOVERNOR O'MALLEY: No more jacuzzis?

MR. GAINES: No, sir. No more jacuzzis.

GOVERNOR O'MALLEY: No more steam bath?

MR. GAINES: No, sir. In fact everyone, and we're taking down walls, which has happened at Montgomery Park, a very sustainable built building where you've got everyone on the floor access to light, because the walls for offices are gone. It's improved the environment, it's reduced our costs. And so there is a strategy to our plan.

TREASURER KOPP: And is this strategy, these criteria, are they written down somewhere?

MR. GAINES: Yes. They absolutely are.

MR. COLLINS: The agencies know what approaches we are using. We negotiate with them on

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their needs. And then we go through this master checklist on every deal that we bring here, and it's outlined, it's what we have done and what decisions we've made.

TREASURER KOPP: And do you go through periodically, I know we talked about this in the prior administration, of, go through evaluating which properties can be privatized, done away with? I don't think they found many. Everything foundered on the World Trade Center, as I recall. But, and it's not that I'm a keen advocate of that, either. Don't get me wrong. But is that part of this process?

MR. COLLINS: Absolutely. And I, the Assistant Secretary mentioned the talent that C.B. Richard Ellis has brought us in this process.

TREASURER KOPP: Right.

MR. COLLINS: Again, thanks to the Governor and his leadership. We have now, we have really professionalized and brought to real world terms our approach to managing our properties. So that is part of what we look at.

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TREASURER KOPP: Scanning?

MR. COLLINS: Absolutely.

MR. GAINES: We, just to tell you, when I came, you know, with the Governor and Secretary Collins, we did not have an effective database to manage the portfolio. We were using cobbled together spreadsheets. We now have an effective online database where we manage the portfolio. We can tell you every conversation we've had with every landlord. And that ties back to a strategy with that agency about that space.

COMPTROLLER FRANCHOT: Thank you. Can I just ask a question?

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: Because I just think this is worse than I thought. Because let's just throw into the mix the 35 or so transit oriented developments which we're looking at. I think five or six have been approved by the BPW. As far as I can tell that's just out there, floating. And accelerating that transit oriented development for Prince George's County is the

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rationale in part for moving the Department of Housing and Community Development to New Carrollton. So what's the plan for the building they're leaving?

MR. GAINES: Good question. We have actually begun conversations with the Anne Arundel County Department of Economic Development to evaluate a return of that property to the tax base along with the Crownsville Hospital site. And the folks at Anne Arundel County actually have said, wow, that's great. If we can have this property returned to the tax base that improves the public benefit of this move. In addition to that the move fosters another one of the Governor's agendas which is smart growth, TOD, job creation. This move will create 300 jobs in construction, 80 permanent jobs long term. And it uses the power of our occupancy to stimulate economic development at the local level. So while it would be great for us to have capital dollars to build this, we don't. The alternative is to work with the private sector to afford the opportunity for an agency like the

Housing Department to be closer to its customers. PG has, as you know, great problems of foreclosure --

GOVERNOR O'MALLEY: Michael, we call it Prince George's now.

TREASURER KOPP: Prince George's.

MR. GAINES: I'm sorry, did I say --

MR. COLLINS: Yes, you --

MR. GAINES: My bad. I'm sorry, Prince George's County.

COMPTROLLER FRANCHOT: Gorgeous Prince George's.

MR. GAINES: Gorgeous. I know I'm in trouble now. But the idea is that we're using the power of our occupancy to create economic stimulus in local jurisdictions.

COMPTROLLER FRANCHOT: Yeah, and I'm not trying to be too argumentative here. Because I basically support the New Carrollton project on smart growth. I applaud the Governor for picking that site in Prince George's because it makes a lot more sense than some of the other sites. But it certainly raises

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the issue here, when you tell me you're doing, basically to me it's you're planning after the fact, after the decision what happens to the building that we own that you're leaving. And all I'm asking for is an overview.

MR. GAINES: Sure.

COMPTROLLER FRANCHOT: And instead what I'm getting is, "Oh, well every one of these we're looking at on a case by case basis and you just don't understand, Mr. Comptroller, what we're doing." Well yeah, I don't understand it. And --

MR. GAINES: It took us a couple of years to get to a decision to even talk about a relocation of Prince George's. But we'd be happy to give you the overview.

COMPTROLLER FRANCHOT: I'm talking about planning not --

MR. GAINES: Mm-hmm, okay.

COMPTROLLER FRANCHOT: -- because you know someone else three years from now can say let's move it back. We haven't been able to sell the Crownsville,

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privatize it. So let's move them back. And it's that kind of just, this is kind of an idea. We have some storage space up in Baltimore in the State Department of Education where they've been storing boxes and things. Why don't we put MHEC in there?

GOVERNOR O'MALLEY: I think that's a great idea.

(Laughter)

COMPTROLLER FRANCHOT: You get what I'm talking about. For me, there's no overview. And maybe that's because of the situation you inherited, according to your testimony. I'll be happy to take a look at what you have. But, you know, I'm likely going to vote against this because of the concern about the emergency nature of the procurement, which I think is ludicrous. And the lack of an overall strategic plan.

GOVERNOR O'MALLEY: And in the meantime, Mr. Gaines and Mr. Secretary, why don't we put together --

MR. COLLINS: Sure, Governor.

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GOVERNOR O'MALLEY: -- kind of an overview presentation?

MR. COLLINS: Oh, an updated? Sure.

GOVERNOR O'MALLEY: Yeah. Because I think a lot of us have forgotten about even doing that contract to bring in whoever that private --

MR. COLLINS: Sure.

GOVERNOR O'MALLEY: -- real estate, who?

MR. COLLINS: C.B. Richard Ellis.

MR. GAINES: C.B. Richard Ellis.

GOVERNOR O'MALLEY: To bring in private, professional help --

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: -- to look at what we own, what we don't own, and what we rent. And it isn't just as simple as bottom line. The smart growth, the colocation in this case of similar missions, and you know, the transit oriented development, and those sorts of things all play into this.

MR. COLLINS: We'd be happy to do that, Governor.

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GOVERNOR O'MALLEY: The Lottery Commission is in one of those original ones that Governor Glendening did in moving the Department of the Environment into the Montgomery Ward's building --

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: -- inside the City, in a smart growth pocket, in a building that was one of the first in the State to actually have a green roof and to have been rehabilitated you know in a --

MR. COLLINS: That's correct.

GOVERNOR O'MALLEY: -- green building sort of way.

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: So if you could --

MR. COLLINS: Sure, we'd be glad to.

GOVERNOR O'MALLEY: -- do your very best at putting together in a comprehensive fashion --

MR. COLLINS: Sure.

GOVERNOR O'MALLEY: -- what this one administration's philosophy is. And it is true one of the vagaries of democracy is that things can always

change with every administration. All you need to do is look around at the March of Mortality around this wall to see that proof. All right. Anything --

COMPTROLLER FRANCHOT: The State House is not on anybody's plan? We're going to stay here?

GOVERNOR O'MALLEY: We're going to stay here.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR O'MALLEY: We're not going to -- although in Arizona they did that, didn't they?

MR. COLLINS: Yes, sir.

GOVERNOR O'MALLEY: Aren't they selling their State House and leasing it back?

MR. GAINES: I can't say that but we did look at all of the --

(Laughter)

GOVERNOR O'MALLEY: We haven't talked to the Board of Public Works about the color the dome should be either, have we? That could be an all morning conversation. Madam Comptroller, I mean Madam Treasurer, did you have anything --

TREASURER KOPP: No.

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GOVERNOR O'MALLEY: -- to add on this? Okay.

Any other items on the Secretary's, are we still on the Secretary's Agenda?

SECRETARY MCDONALD: That's what I was just saying.

(Laughter)

GOVERNOR O'MALLEY: All right. So you all are here because you have to be not because of the --

(Laughter)

GOVERNOR O'MALLEY: -- suspense surrounding this item?

COMPTROLLER FRANCHOT: I'm taking my medicine right now --

GOVERNOR O'MALLEY: Do you want to vote on this one separately?

COMPTROLLER FRANCHOT: Yes, I would. Thank you.

GOVERNOR O'MALLEY: Which item was this again?

SECRETARY MCDONALD: This is A2, Appendix 2.

GOVERNOR O'MALLEY: Okay. We have Appendix A2.

SECRETARY MCDONALD: And this is a matter of accepting the report or rejecting the report.

GOVERNOR O'MALLEY: Okay.

SECRETARY MCDONALD: It's a report.

GOVERNOR O'MALLEY: I'm moving to accept the report.

TREASURER KOPP: Second.

GOVERNOR O'MALLEY: Seconded by the Treasurer. All in favor signal by saying, "Aye." All opposed?

COMPTROLLER FRANCHOT: No.

GOVERNOR O'MALLEY: The Comptroller votes no. the Treasurer and Governor vote yes. We now consider the balance of the Secretary's Agenda. 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.)

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GOVERNOR O'MALLEY: The ayes have it.

Unanimously. We now move on to the Department of Natural Resources.

MS. LATHBURY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Meredith Lathbury for the Department of Natural Resources. We have six items on the Agenda today. Also I'd just like to note that if you approve this Agenda we will be surpassing 1,000 Local Program Open Space projects under this administration. I'd be happy to answer any questions.

GOVERNOR O'MALLEY: Okay, any questions?

Anybody here from local government on any of these?

MS. LATHBURY: We do have Jennifer Bistrack.

She is here from the City of Annapolis. And this is Item 4, Community Parks and Playgrounds Program. If you go down to number three, Pat's Playground Renovation at Truxtun Park.

MS. BISTRACK: Good morning. I'm Jen

Bistrack. I'm with City of Annapolis Recreation and Parks. Comptroller Franchot opened up with his opening

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remarks praising the Ravens and the Redskins and although I'm not a football watcher I appreciate play and athletics which often develop at an early age and are facilitated by families often on public playgrounds and greenspaces.

Annapolis seeks \$58,000 in Community Parks and Playground funding to renovate one of our most heavily utilized parks at Truxtun Park. This is a playground. Pat's Playground is within Truxtun Park, which has many pavilions, it has miles of hiking, and greenspace, and a public pool in the summertime. So we see play out there year round. We are seeking financial support to renovate to not only help us come up to ADA standards but also help replace some of the safety structures and to add some benches.

I speak on behalf of other municipalities. We rely on this funding throughout the years to help us restore and replace some of the aging infrastructure, to help get ahead of some of the safety issues, as well as some of the health and recreation issues that we are seeing. We see firsthand in all of our parks and

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playgrounds that we support, we support a lot of different socioeconomic levels in our community. So Pat's Park and Truxtun Park happen to be in a mixed income area and we see a lot of great connections happening out there on the playground. So that's all I have.

GOVERNOR O'MALLEY: Mr. Comptroller, anything?

COMPTROLLER FRANCHOT: No. Thank you for --

GOVERNOR O'MALLEY: Treasurer?

TREASURER KOPP: Yeah, just a personal note, not about this particular playground. But as some people know I have two grandchildren who are living with me. If you don't know it you haven't been here. But I've taken the opportunity to go to our local parks with them. And I would say two things. First of all, yes, I mean they are a terrific way to get to know neighbors and to create community and this is, with people with whom this is your linkage and then you can follow up. And the other is in part because of the economy. My understanding is at least that these

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playgrounds and small parks, local parks, are being used much more heavily particularly during the summer than they might have otherwise because people simply cannot, are not going away. They're staying home and taking advantage of their community. I knew this intellectually but you have to be there to have it hit you. And I just want to thank you all for all the work you're doing.

MS. BISTRACK: Thank you.

GOVERNOR O'MALLEY: Meredith, I know you, and Kevin, could you all, a lot of these Open Space things, especially when they involve renovations to parks, or I see in here, I love seeing this all the time now and whenever we do parking lots in our parks it always says pervious pavers, which is a new and positive development for the waters of the Bay. I'd really like to know how many jobs are created on these things. I mean, so much of what we do here is appropriating, we're the final turn in the bend to allocate dollars to the construction of good things for the public. And I'd like to somehow, I know that's a new one for the

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Board of Public Works. We kind of took it for granted in the past. But it's no small thing I think for people to be able to know that on any given agenda there are X number of construction jobs that are being made possible by the civic investment of every taxpaying citizen of Maryland.

MS. LATHBURY: Absolutely, Governor. We'll look into the exact numbers. I can tell you that we did calculate this within the last year and determined that approximately 300 jobs are supported through Program Open Space as a whole.

GOVERNOR O'MALLEY: Annually?

MS. LATHBURY: Annually.

GOVERNOR O'MALLEY: I mean they, I mean I know in some of these the jobs are supported for the two weeks it takes to do the parking lot and the like. But I'd, somehow I'd like to know that. Maybe you can work with DBED. I know that they track it as part of our ongoing, you know, jobs goal. So, and those numbers of net new, so far in the calendar year we have created as a State, public and private endeavors, so

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maybe I need to say nonprofit. All endeavors together, public, private, nonprofit, have created, we are at a net 14,700 net new jobs, more jobs created than we've lost which is always the goal.

And last year, I need to compare notes with the Comptroller, I had 11,300 net new jobs. But I know that they track these things at DBED and as part of our goal number one in terms of the delivery unit, so anyhow. All right, the Comptroller moves approval --

COMPTROLLER FRANCHOT: I love, Governor, the impervious surfaces that are turning into pervious. And frankly I'd love to see how, in addition to the jobs, how much we're accomplishing there. Because frankly without you bringing the subject up I don't think we ever even would have paid attention to it. And it's, I think it's going to have a significant impact if it's being applied as I suspect it is.

GOVERNOR O'MALLEY: We could do, can you imagine what a great Public Works Program we could do by all of those schools, maybe we need to take a portion of school construction dollars and allocate

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them each year to a competitive grant fund for retrofitting giant swaths of blacktop. There are two things every principal loves as an architectural element: one is blacktop, a close second is chain link fences.

(Laughter)

GOVERNOR O'MALLEY: When they get their degrees to become principals of schools I'm convinced there is an architectural design course on how to maximize blacktop and chain link fences. I wonder how much blacktop we could remediate with a competitive annual grant of \$10 million taken out of school construction? Okay. Well that word ought to get back.

(Laughter)

GOVERNOR O'MALLEY: Okay. The Comptroller moves approval of the Open Space Agenda, seconded by the Treasurer. All in favor signal by saying, "Aye." All opposed, "Nay."

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And I love your maps. Great maps in here. We have the best

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maps I think of any Board of Public Works or similar Board in the United States of America. I see in Washington County the Howell purchase.

MS. LATHBURY: Mm-hmm.

GOVERNOR O'MALLEY: We're preserving and expanding that streambase as it feeds into the Potomac, a river that has greatly improved its water quality thanks mostly due to the farmers on the Maryland side of the Potomac. We now go on to the Department of Budget and Management.

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

GOVERNOR O'MALLEY: Questions, Department of Budget and Management?

COMPTROLLER FRANCHOT: Move approval.

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

(No response.)

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GOVERNOR O'MALLEY: The ayes have it. We move on now to the University System of Maryland which just missed by the hair of your chinny-chin-chin being merged today with the Maryland Higher Education Commission.

(Laughter)

MR. STIRLING: I was paying close attention to that.

GOVERNOR O'MALLEY: We noticed you on the edge of your seat.

MR. STIRLING: Right.

GOVERNOR O'MALLEY: What do you want to tell us about your Agenda items and how many jobs it's creating?

MR. STIRLING: Well these are relatively small items. There aren't any major construction contracts on here that would --

GOVERNOR O'MALLEY: Okay.

MR. STIRLING: -- involve job creation.

GOVERNOR O'MALLEY: Got you.

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MR. STIRLING: We have four items on the Agenda. I'd be happy to answer any questions you might have.

GOVERNOR O'MALLEY: And at Coppin I see the purchase of property for the proposed Science and Technology Center. That's exciting.

MR. STIRLING: That's an item that was on the Board Agenda previously and there was a map there. It's a correction.

SECRETARY MCDONALD: Overall it's a good project, though.

MR. STIRLING: Oh, yeah.

SECRETARY MCDONALD: You've been bringing in lots of property acquisitions for the Science and Technology Center. This was just a catch up on that one. But we've been doing a lot of them.

GOVERNOR O'MALLEY: We need it up there. And

--

SECRETARY MCDONALD: And I do believe College Park won an incredible national award this week from

the Department of Energy, the WaterShed House in Washington, D.C.

GOVERNOR O'MALLEY: Yeah, how about that?

MR. STIRLING: The solar house.

GOVERNOR O'MALLEY: The Solar Decathlon.

SECRETARY MCDONALD: First place.

MR. STIRLING: First place.

SECRETARY MCDONALD: Yes, in the United States.

GOVERNOR O'MALLEY: Word of that reached me when I was at my 30th high school reunion at Gonzaga College High School, eight blocks north of the Capitol. Because one of my classmates who is now in California, actually he's now back here, had been in California, David Parker, before he came to the football game, followed by mass, followed by dinner, had gone down to the decathlon and came back and told me, "Maryland won! University of Maryland won!" I think he's a graduate of the University of Maryland.

MR. STIRLING: We've been very successful in that program over the years. In fact the last, just as

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an aside the last project that they did we actually transported that house back to the campus and put it on a permanent foundation and the local chapter of the AIA actually operates out of that building.

GOVERNOR O'MALLEY: It's great. How about our kids?

TREASURER KOPP: Very good.

GOVERNOR O'MALLEY: When we did a YouTube shout out for them when they went --

(Applause)

GOVERNOR O'MALLEY: Can you get the team down here?

MR. STIRLING: Sure, absolutely.

GOVERNOR O'MALLEY: Did Under Armour provide uniforms for them?

(Applause)

MR. STIRLING: I could ask and they may provide.

GOVERNOR O'MALLEY: Solar Decathlon uniforms by Under Armour, protect this house.

(Laughter)

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GOVERNOR O'MALLEY: We'd love to hear from them. Wouldn't it be nice to have a little power point from the smart kids that are figuring out a better way for us to live in balance with the other living systems of this planet?

MR. STIRLING: I will let them know and we'll see if we can get the team down here.

GOVERNOR O'MALLEY: Good. So it is written, so it shall be.

TREASURER KOPP: Excellent.

GOVERNOR O'MALLEY: All right. 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. We move to the Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Beverley Swaim-Staley representing Maryland Department

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of Transportation. And we have twelve items before you today.

GOVERNOR O'MALLEY: Any questions, Department of Transportation? The Comptroller moves approval. Treasurer, anything? No? Seconded by the Treasurer. All in favor signal by saying, "Aye." The ayes have it. We now -- it seems like you've been on for a while.

MR. COLLINS: Back again.

GOVERNOR O'MALLEY: Back again?

MR. COLLINS: Back again.

GOVERNOR O'MALLEY: Department of General Services.

MR. COLLINS: Again, good morning, Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has ten items on our Agenda. We are withdrawing Item 9. I would be glad to answer any questions you have on the remaining nine items, any of these items.

GOVERNOR O'MALLEY: Any questions? The Treasurer moves approval. Any questions, Comptroller?

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The Comptroller seconds. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. That concludes our Agenda. Thank you all very, very much.

SECRETARY MCDONALD: Thank you, Governor.

GOVERNOR O'MALLEY: Thank you.

(Whereupon, at 11:46 a.m., the meeting was concluded.)

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