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STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM
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June 12, 2013

12:59 p.m.

P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

HONORABLE NANCY KOPP, Treasurer;

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

AL COLLINS, Secretary, Department of General

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

JAMES SMITH, Secretary, Department of
Transportation;

EMILY WILSON, Director, Land Acquisition
and Planning, Department of Natural
Resources;

ZENITA WICKHAM HURLEY, 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: It's 12:59, almost 1:00 on the dot, and this is a meeting of the Board of Public Works, June 12, 2013. We want to welcome to his very first Board of Public Works meeting our new Secretary of Transportation Jim Smith. Welcome aboard and thank you Jim --

(Applause.)

GOVERNOR O'MALLEY: We are also joined in the audience by the former County Executive of Baltimore County Don Hutchinson. Don, good to see you.

(Applause.)

TREASURER KOPP: He was also a member of the August Maryland State Legislature.

GOVERNOR O'MALLEY: That's right. Time to bring down the old pine. I do. If we have a third Baltimore County Executive, I think we win the hand.

(Laughter.)

GOVERNOR O'MALLEY: All right. Madam, the Comptroller is unable to be with us today and he

deserves it. He works hard. Madam Treasurer, any opening thoughts?

TREASURER KOPP: No, it's a pleasure to be here.

GOVERNOR O'MALLEY: All right. Secretary's Agenda?

SECRETARY MCDONALD: Good morning, good afternoon, Governor, Madam Treasurer. We have 22 items on the Secretary's Agenda this morning we have one report of emergency procurement. The Treasurer has asked to withdraw Item 7, which will come back at the next meeting we anticipate. And we are ready to answer questions on the remainder of the Agenda.

TREASURER KOPP: Governor, let me just address briefly the item that we withdrew is for the bond sale in July. And the issue at hand was the amount, if any, in refunding. And it is so dependant on the changes in the market that we thought it would make more sense to bring it closer to the time we go to market. The basic construction of the bond sale will not change, the amount of new money will not change. But the refunding may. There may not be any.

There may be some significant amount. It's just too volatile and early to tell.

I would like to address another item. Item 19? The Board of Trustees of the Pension System has brought to the Board, this Board's attention the reappointment of Brian Topping as a public member of the investment committee. Brian has been a member for some time. He is an expert, having been a leader at Mercantile for decades, running investment portfolios, served in the public sector for the public on behalf of nonprofits. He is a great member of our investment committee because he always says what he thinks in a very civil and thought provoking way. And has been a great, great help to the Board. And we are very pleased that he has been willing to accept a renomination. And so we are very pleased to be bringing his name forward.

GOVERNOR O'MALLEY: Okay. Anything else on the Secretary's Agenda? The Treasurer moves approval, seconded by the Governor. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move on now to Department of Natural Resources Real Property.

MS. WILSON: Good afternoon, Governor, Madam Treasurer. Emily Wilson from the Department of Natural Resources.

GOVERNOR O'MALLEY: What do we have, Emily?

MS. WILSON: We have two items on our Agenda today. And given that this is the last Board meeting of this fiscal year I am proud to say that we have once again not only met but exceeded our BayStat goals for land conservation for both State side and Rural Legacy.

GOVERNOR O'MALLEY: Great. And what is that?

MS. WILSON: Our goal for State side was 4,000 acres and we have 5,275.

GOVERNOR O'MALLEY: That's great.

MS. WILSON: And for Rural Legacy the goal was 1,200 and we reached 1,340.

GOVERNOR O'MALLEY: That's terrific. Time to increase the goals.

MS. WILSON: We actually are very happy that we have some decent funding again. We do appreciate your commitment to funding for land conservation. And in fiscal year 2014 we look forward to continuing to charge forward.

GOVERNOR O'MALLEY: That's great. Well, thank you. And the way that the, your material comes to this Board compared to how it used to come here, Jerry? In the opening days, there was no objective criteria. You didn't know whether you were buying wetlands, farmlands, woodlands, paved lands. And it's, it's really impressive. Thank you.

MS. WILSON: Thank you.

GOVERNOR O'MALLEY: Your game continues to rise. All right, any questions? Hearing none the Treasurer moves approval, seconded by the Governor. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

MS. WILSON: Thank you.

GOVERNOR O'MALLEY: Thank you. We move on now to the Department of Budget and Management.

MS. FOSTER: Governor, Madam Treasurer, good afternoon. There are 25 items on the Department of Budget and Management's Agenda for today. We'd be happy to answer any questions you may have.

TREASURER KOPP: Governor, I do have a question on Item 18, the Department of Juvenile Services expansion at --

GOVERNOR O'MALLEY: Secretary Sam Abed, front and center, sir.

MR. ABED: Thank you, Governor, Madam Treasurer. Sam Abed, Secretary for the Department of Juvenile Services. If I could I'd make a statement --

TREASURER KOPP: If you want, yeah.

MR. ABED: And certainly would entertain any questions that you have. Today of course I do come seeking expansion of the Silver Oak Academy, it's current capacity of 48 to 96 total beds. I make this request to address significant needs of youth in our

juvenile system, specifically youth who have been committed to our care but are languishing in detention awaiting placement for no other reason than they don't have treatment beds available.

I am committed to the Maryland model of having small, regionally based treatment centers located near where the youth are committed from. And but until that vision is realized I am obligated to do everything that I can to carry out the orders of the courts that commit these youth and to serve the needs of the youth that are in our care.

TREASURER KOPP: So this was before us --

MR. ABED: On January --

TREASURER KOPP: -- several months ago?

TREASURER KOPP: Yes. On January 2nd I came before you making the same request.

TREASURER KOPP: Right. And then withdrawn because in fact the number of youth in detention as I recall was going down?

MR. ABED: There was a dip. And actually at the January 2nd meeting you asked if, you asked that I engage the Legislature as well. And in that period of

time the detention population, and specifically the pending placement population, did decline rather significantly. And when we looked back at our data, our historical data, we did see that over the holiday period and that time of the year we do typically see a decline. This was a bit deeper than normal but it has since returned and by way of comparison when we were at the January 2nd meeting the latest data that we had indicated we had 46 youth awaiting placement at the staffed security level, which is the level that Silver Oak operates. The most recent data that we have today indicates that we have 43 youth waiting placement at that staffed security level.

TREASURER KOPP: So it was a blip downward?

MR. ABED: Yes, it was unfortunately a very temporary blip.

TREASURER KOPP: As you know, Mr. Secretary, I shared the dedication of the Legislature and you and the administration to the so called Maryland model. I mean, I think all over the country it has shown that smaller dispersed treatment facilities in fact work better in terms of rehabilitating young committed

delinquents. But as I understand it we're having trouble finding the spots around the State, particularly in Southern Maryland, City of Baltimore. And so the question is what to do while we try to make progress in accomplishing the Maryland model.

And I did have some concern that actually reliving the pressure in detention by opening beds at Silver Oak would decrease the pressure for accomplishing our ultimate goal, which is the so called Maryland model. So how do we know that isn't happening? That sort of dilution of pressure isn't diminishing our efforts? How will we be able to track the efforts as you continue try to accomplish, as I hope you will, the Maryland model?

MR. ABED: I think the way to track this is to look at our capital improvement plan. And on that plan you will see that we do have funding that's been made available to the department for acquisition for a Baltimore City site.

TREASURER KOPP: Yeah.

MR. ABED: We have been very engaged with the City, with legislative leaders from Baltimore City

to try and identify a site. We also have in our capital plan a 48-bed facility for Prince George's County on the grounds of the current Cheltenham facility. So we are actively engaged in pursuing that model. And from my perspective there is pressure when the detention numbers and the pending placement numbers are up. But unfortunately that pressure is being borne by our kids. And that's the, that's the pressure that I can't tolerate, is really to lay it on them while we are trying to execute this vision.

I am committed and I can tell you that I'm committed to that model of those small regionally based facilities. We will continue to pursue them. And --

TREASURER KOPP: Are there any sort of methods of regularly reporting? I mean, I think part of the issue is making it public and getting everybody to buy in and not just having, be pie in the sky. And the question is, how do you do that? Because people are understandably not happy about the thought of a Juvenile Services facility in their backyard. But it has to be somewhere, and it's our kids. So are there

mechanisms we can use to keep the pressure not just on you, and us, but on everyone?

MR. ABED: I don't know about keeping the pressure on, or what mechanism could be there on everybody.

TREASURER KOPP: Keeping the issue at a high profile.

MR. ABED: Right. Well I think one of the things that would aid in that is that we have to do all of our work in terms of looking for sites in a very public and transparent way. So for instance, one of the items on our capital plan is to replace the Waxter Detention Facility, which is a very antiquated facility, with a new facility. So the first step that we have already taken is to send letters to all of the State legislators and the county commissions, and in this location, Carroll County, where we intend to build this site, notifying them all of our intentions. And then we are in the process of scheduling public hearings. So we have to schedule these public hearings, we have to advertise those hearings. We put them on websites. We advertise in the newspaper.

Usually we will advertise as well with the county commissions on their websites so that individuals in the community will know that's what we're doing. And that can be easily tracked.

TREASURER KOPP: Well I think, anything our office can do to help you keep that focus on, including on the folks who speak out in principle in favor of it always but who could be more helpful in finding actual sites. I think we would be happy to do.

The budget does, the budget that was just passed does include funding for these lots?

MR. ABED: Yes, it does. The funding is in the budget. We did ask for additional funding for the per diem slots that these would use. And I would also just point out that in our DLS analysis they specifically reference those per diem increases that we requested and the statement of need to expand Silver Oak in the analysis. So that was definitely on the plate of the budget committees and that was approved and we have the funding available.

TREASURER KOPP: And obviously it's a budget that's voted on by the entire Legislature?

MR. ABED: Yes.

TREASURER KOPP: I have, I have particularly questions -- so that's the general concern that I had after many years chairing the committee that had oversight, as you recall over your, over that budget and department. And it has been a concern for decades. The right way to try to accomplish our goals, the right sizing. In this particular instance one of your arguments as I understand it in terms of right sizing is that it's all on the Silver Oak campus. And everyone acknowledges that Silver Oak since they took over this project a couple of years ago has done phenomenally well. The Legislature, the monitor, everyone.

MR. ABED: Yes.

TREASURER KOPP: And the question is how we continue to do it. As I understand it your argument is that on this large campus there will be to some extent two institutions?

MR. ABED: That's correct --

TREASURER KOPP: Can you describe how, my concern is, how different are, the chain of command, and how are you assuring that it's not just one big conglomeration, if you --

MR. ABED: Right. The model that Silver Oak currently uses and would be replicated in this additional expansion is they use 12-youth units. So each, you know, unit of 12 kids has supervision separate from all of the other youth. And then they report up to supervisors, ultimately reporting to one individual that will have supervision of the --

TREASURER KOPP: And what is a unit? It's where people sleep? Or what is a unit?

MR. ABED: It's a housing unit. Actually the way it's broken down is by treatment teams. So they group kids by their treatment needs. And so those treatment teams, those kids in the treatment team will flow together. So they will have lunch together in the same dining hall with all of the other kids but they will be sitting together at that same table. They will recreate together as a unit of 12. In education they will not be necessarily separated

that way, we will go with the educational needs that those youth have. And they will go to the classes that they need. But they are very, a tight-knit group.

Now there is interaction with other kids. They do have sports teams, and so they will draw kids from other sports teams. They'll have intramural sports and compete against each other. So there is contact. I don't mean to suggest that they are completely separated. But the supervision is a separate chain of command as you, ultimately reporting up to one individual for the entire campus. But they one person that's in charge of the entire 48-bed expansion and one person that's in charge of the existing 48 beds is the structure --

TREASURER KOPP: Oh, so you are saying that then the 48 beds are divided into four units each?

MR. ABED: Yes.

TREASURER KOPP: And I assume that you all will be monitoring that? The monitor, who speaks very highly of the present program, will be, but who doesn't like expanding it as large as 96, would prefer

it to go up to 72, will be monitoring also. And I hope that the public will, too. I think that's the real test, is whether we're going to really go back to the way we were, which was a larger, just group of people who then have to be treated in a different way because of just the large conglomeration.

MR. ABED: Yes, there will be ample monitoring from independent entities. The juvenile justice monitor that you alluded to is not part of the Department of Juvenile Services.

TREASURER KOPP: Right.

MR. ABED: They are housed in the Office of the Attorney General. Of course we do have our own internal quality assurance unit that will be monitoring that has been monitoring. There is also --

TREASURER KOPP: Who report, the unit reports --

MR. ABED: The unit reports ultimately --

TREASURER KOPP: -- directly to you?

MR. ABED: Well it reports to the, it's within the inspector general's office and the inspector general does report directly to me. We

review all of those reports and we actually have executive meetings to review the performance of those providers and for our own facilities. It's the same process whether it's State operated or privately operated facilities that we use for monitoring.

In addition the Office of the Public Defender has a juvenile protection division --

TREASURER KOPP: Mm-hmm.

MR. ABED: That will also be visiting those youth and has a legal obligation to monitor the conditions of their kids everywhere, but of course including Silver Oak.

TREASURER KOPP: But they had that obligation five years ago, too, didn't they?

MR. ABED: That may be the case. And every attorney, of course, is obliged to represent their clients. But it's an additional check. It's not the only thing that's out there.

And of course the last thing I'll just mention is that we do have the process of StateStat. And our StateStat team is very much interested in the

incidents that we have in private facilities, as well as the facilities we operate --

TREASURER KOPP: So that is an integral part of StateStat?

MR. ABED: It is.

TREASURER KOPP: Is it?

GOVERNOR O'MALLEY: Yeah. Do you have the slides? Can we put those up, Kevin?

MR. LARGE: I didn't bring them, sir.

GOVERNOR O'MALLEY: You don't have them?

MR. LARGE: No, sir.

GOVERNOR O'MALLEY: You didn't bring them with you, did you Sam?

MR. ABED: For StateStat?

GOVERNOR O'MALLEY: Yeah, your latest report?

MR. ABED: I don't have those with me, sir.

GOVERNOR O'MALLEY: I saw the report and I saw that you were experiencing a little bit of a spike in terms of residential, kids on kids?

MR. ABED: Yes, in the privately operated facilities, but those were not happening at Silver Oak.

GOVERNOR O'MALLEY: Got you.

MR. ABED: Those were happening at other privately operated facilities. And we are absolutely on top of that. The --

GOVERNOR O'MALLEY: And you have identified the two or three kids that brought stuff from outside inside?

MR. ABED: Yes. Yes.

GOVERNOR O'MALLEY: Uh-huh.

MR. ABED: And we also identify all the high flyers, anyone that has a significant increase, they get extra scrutiny. Our quality assurance team confers with them and identifies what the problems are. And we have internal discussions with my staff and then we also share that information with StateStat and we have those discussions --

GOVERNOR O'MALLEY: What's the overall trend in terms of security and the assaults, both, and we also look at, there on the, I believe the use of, I

think we also look at the incidence, I forget the term of art --

MR. ABED: We look at restraints?

GOVERNOR O'MALLEY: Restraints, thank you.

MR. ABED: Yes, we look at restraints, assaults, youth on youth assaults, youth on staff assaults. Generally the trend has been down. But when you look at them, as we do, with StateStat it's every two weeks. So they will move up and down over the course of a month or two months. But the general trend has been down --

GOVERNOR O'MALLEY: And certainly over a five-year period it's down?

MR. ABED: Absolutely. Absolutely.

GOVERNOR O'MALLEY: Let's get that, I mean, you are looking for that, and we'll get it to the --

TREASURER KOPP: So am I right in assuming that you are not going to see any difference in the StateStat? You are assuming you are not going to see any difference in the StateStat profiles or, yeah StateStat, because of this move. Particularly, I

mean, whatever problems there ought not to be a reflection of going from 48 to 96?

MR. ABED: I fully anticipate that Silver Oak will continue to provide the high level of services that they have been providing. They know that we are going to be watching very closely. They know the world is going to be watching very closely at how they do this. We have agreed to, as I mentioned in the first meeting in January, a very slow phase in. It's going to be one youth a week.

TREASURER KOPP: That's what I was going to ask, my last question. What is the phase in now?

MR. ABED: Well the same schedule generally. Of course we've moved it back. But one youth a week. And if there are any issues, if we have any kinds of concerns about that we control, DJS controls how many kids get placed there. And we can suspend further placements or make interventions with the provider to make sure that we are comfortable that they are managing that culture. And that is the important thing when you are bringing up a new program. And this is very much like bringing up a new program,

although they do have an existing one there. You want to make sure that they do not go up so fast that they cannot establish a culture with the youth they have. And then as you bring in more kids those, the kids that are there already help by, you know, really serving as examples for the other kids as they come in, or how the expectations are set, how they can achieve some of the incentives that are in place, and how to perform well.

TREASURER KOPP: So I assume then that what is shared, I mean there's go to be a cost benefit, I assume, to Silver Oak by increasing by 100 percent, is in the infrastructure that's not immediately reflected in the treatment of the kids? I mean, is that --

MR. ABED: Exactly. The physical plant is already there. So the beds and the facility space is already present, so there are no construction costs. They will share classroom space. So the classrooms and the school that they already have in operation --

TREASURER KOPP: And there are enough now classrooms for --

MR. ABED: Yes. Yes. There are enough classrooms. They will have to hire additional teachers. They will hire additional staff. And that's going to be the primary cost to Silver Oak, is really staffing for those additional beds. Because all of the fixed costs, and then there are some, you know, costs for clothing, for electricity, for food --

TREASURER KOPP: But that would be true wherever it went.

MR. ABED: Exactly. Exactly. So I do expect that the per diem rate that MSDE sets will come down. And I know they have been in discussions. I don't think any final numbers have been included. But that rate should come down because it will overall cost them less, even with the additional staff, because they can share the costs over more kids.

TREASURER KOPP: The staff-kid ratio --

MR. ABED: Will remain exactly the same.

TREASURER KOPP: Will remain the same?

MR. ABED: Yes. They will have the same number of staff to kids. It's going to be basically a mirror image of what they have.

TREASURER KOPP: Well let me say I am concerned, the monitor, as I mentioned, said that he could support a 50 percent increase, not 100. I must say when you get to that point it seems to me it's gone, it's not a matter of principle anymore. It's a matter of testing out how it works. And I know people are going to be watching.

I, the other, the one remaining thing, the concern that was expressed, which I also share, is this does nothing necessarily to help relieve the problem of Maryland youth who are out of State. But I don't see that honestly as an argument against this move.

MR. ABED: That's correct.

TREASURER KOPP: So --

GOVERNOR O'MALLEY: Tell me that one again?
I'm sorry.

TREASURER KOPP: There are people who are concerned that the problem, there is a problem in addition to kids in detention of kids being sent out of State. And this won't help bring them back in State. Which is --

MR. ABED: And the reason that is is because we have 43 youth right now waiting for placement that that staffed secure level. And my position is that we have to serve those youth first because they are not getting any services at all before we start trying to bring the out of state population back in.

Now if we become more efficient, if youth because they are getting treatment faster can cycle through and back home quicker, there may be some opportunities down the line to bring some of those out of State kids back. But this, this is not a large enough expansion to address the out of State issue. This is really focused on getting those youth awaiting placement into treatment rather than waiting detention.

TREASURER KOPP: You can't make the perfect --

GOVERNOR O'MALLEY: May I ask, what is our trend on the out of State placements?

MR. ABED: It's been steady, Governor. We've had approximately 123 youth at any time, 125 youth, out of State. That has been steady.

GOVERNOR O'MALLEY: For over what period of time?

MR. ABED: About the last two years.

GOVERNOR O'MALLEY: Mm-hmm.

TREASURER KOPP: I mean it is our policy to try to bring them all back.

MR. ABED: Absolutely. Absolutely. And a lot of these youth that are out of State, some of them will go directly out of State because we simply just do not have the type of program that they need.

TREASURER KOPP: Right.

MR. ABED: But some of them will go out of State because they have been ejected from a program and we don't have any other alternative. And when you look at our continuum of care, at the lowest level of supervision, at the lowest level of security I should say, we have the most beds available. As that security level goes up we have the fewest beds available. So if they are at that staffed secure level, like a Silver Oak or a youth center, there aren't too many options after that outside of Victor

Cullen which we only have 48 beds there. So that's the pressure on the out of State population.

TREASURER KOPP: Mm-hmm.

MR. ABED: And there may be opportunities. I'm not, I just don't want to suggest that that is the goal. The goal really is to address the pending placement population first and foremost.

TREASURER KOPP: Well I mean obviously we all, we all have some concerns. But it seems to me that you have, the department has done its homework in trying to scope out all of the alternatives. And that with stringent oversight and support this is an appropriate move.

MR. ABED: Thank you, Madam Treasurer.

GOVERNOR O'MALLEY: That's the out of State

--

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: And this is the --

TREASURER KOPP: I mean actually it's very interesting. Because I remember people saying when the economy was bad and unemployment, youth

unemployment is still very high, that the statistics would zoom up. And in fact they haven't.

MR. ABED: It hasn't happened.

TREASURER KOPP: That's a good thing. Thank you.

MR. ABED: Thank you, Madam Treasurer.
Thank you, Governor.

TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: Okay.

SECRETARY MCDONALD: -- for the record? Or
--

GOVERNOR O'MALLEY: You can if you like.

TREASURER KOPP: It states on the --

SECRETARY MCDONALD: Yeah, I know, but I
just thought I'd put it --

GOVERNOR O'MALLEY: Sure. What is it, how
many pages?

TREASURER KOPP: Sure. Absolutely. Thank
you.

GOVERNOR O'MALLEY: The problem with the
Maryland model is, nobody wants the Maryland model.

TREASURER KOPP: Right. In their --

GOVERNOR O'MALLEY: County, or city. Okay.

Any other questions on this one?

TREASURER KOPP: I don't.

GOVERNOR O'MALLEY: Okay.

TREASURER KOPP: I don't.

GOVERNOR O'MALLEY: Are there other items?

TREASURER KOPP: I have one other item I'm just confused about, which is Item 8?

SECRETARY MCDONALD: Okay. And we do have a person who has requested to speak on that. But Ms. Foster --

TREASURER KOPP: Maybe somebody could explain -- thank you.

MR. ABED: Thank you.

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

MS. FOSTER: And Secretary Dallas is here, Madam Treasurer. But Item 8 provides for funding for residential childcare contracts to serve a total of 760 children throughout Maryland.

MR. DALLAS: Yes. These contracts are RCC contract, residential childcare contracts, with group

home, provision of group home beds. Everything from regular group homes to deeper end services for kids who have a little more difficult issues to deal with. As the Secretary mentioned there are about 727 beds I think being awarded today, and there are 43 or 44 providers that are getting contract awards today.

TREASURER KOPP: And as I understand the issues that are brought before us are two providers --

MR. DALLAS: Mm-hmm.

TREASURER KOPP: -- or vendors who are not getting contracts today. Assuming this item, and are before the Board, both of them the Board of Contract Appeals?

MR. DALLAS: I believe they are both being contested.

TREASURER KOPP: Yeah. Assuming that this is approved today, those appeals still go forward and what happens if they win?

MR. DALLAS: Win, lose, or draw there is absolutely no impact on the contract awards today of those two protests. If the protests are ultimately successful they would just, both providers would be

granted contracts for additional beds and it would have no impact on the awards that we are making here today.

TREASURER KOPP: And --

MR. DALLAS: We would just have more beds --

TREASURER KOPP: And not making the awards will not award them to the two protesters?

MR. DALLAS: Yes --

TREASURER KOPP: I mean, if --

MR. DALLAS: -- awarding these today would not award them to the two protesters. We only pay for the beds that we use. So if there were additional beds in the system they would just be there and we would only pay for them if we used them.

TREASURER KOPP: Okay. I do have one more question, but it may be answered by the Dr. Washington I'm thinking.

MR. DALLAS: Okay.

SECRETARY MCDONALD: All right. Dr. Hattie Washington is here from Aunt Hattie's Place.

DR. WASHINGTON: Mr. Governor, Madam Treasurer --

TREASURER KOPP: Thank you.

DR. WASHINGTON: -- and in absence of Mr. Comptroller, I'm just pleased to have the opportunity to speak on behalf of Aunt Hattie's Place. I just need to indicate that first and foremost I want to thank DHR for taking a very close look at group homes in the State of Maryland and providing quality care for foster children.

I also want to indicate that Aunt Hattie's Place got started in 1997 when I was Assistant Superintendent of Schools, when I would see foster kids on the corner in the middle of the day. And I would find out why they were out of school. And many times they were in foster care. So little did I know 16 years later when I took the first foster kid home for one night that I would become a foster parent and became a foster home. I kept that one young man. He has now graduated from college. And as of today he is in California at an active conference presenting. So we want to make sure that we understand the purpose that I did this.

I've always had a responsible job, 14 hours a day, went on to be Vice President of Coppin State, the first female Vice President, that's when I opened my second boys home. Because there was a need in the State of Maryland. So my purpose in doing this is mainly to give back to society. My mother died when I was two. So somebody took me in and saw something in me and raised me so that I can now give back to society. This is what we do. We think we do it well. I have learned how to raise kids. I am very fortunate to have two successful biological daughters. One is here, Cheryl, she is an attorney. And I have another daughter who is a physician. If somebody had not taken me in one day and said to me, "You are a smart little gal. You are going to be somebody." Then who knows where I would have been?

So this is what we are trying to do with the kids at Aunt Hattie's Place. Now we have been evaluated. Now before Place Matters came aboard, we were considered the premiere group home in the State of Maryland. We won two Maryland minority business awards in 2009 and 2011 with Sharing Tender. We have

been recognized Statewide and nationwide in terms of what we do for foster kids. So we think we have the formula.

The house that we just built in Sandy Spring took us six years to build, a \$3 million facility. We got \$1.4 million from the taxpayers, \$550,000 from the State as a bond bill was matched by Doug Duncan, and then Ike Leggett gave us another \$350,000. So we have \$1.4 million of taxpayer dollars in the new house in Sandy Spring. If you looked at your packet, that's a picture of the house. And then we have \$1.8 million where we borrowed from the bank, used my personal house as collateral. So the only thing I can say is not only should we be providing this premiere, first green group home in the country for these kids, but at the same time if this house is foreclosed upon look at our tax dollars. We are saving on one then and then we have it on the other end. And then we look at where we need to go as a State.

As I said, I applaud the State. I would not want your position, Mr. Dallas, and make those hard decisions that you had to make. But objectively we

missed a program. We don't have rats in a dormitory, or in a lab, where you can just cut it off like that. There are some exceptions. And Aunt Hattie's Place is that exception. We cannot lose the taxpayers' dollars. Nor can we allow a program like Aunt Hattie's Place, who are doing it for the right reason, to be vacant and not utilize it for these kids.

So we ask you to reestablish those 40 points that we think we gave an excellent explanation as to why we had those 40 points so that we can qualify legitimately for a group home.

I would like to summarize by saying today ironically is Medgar Evers commemoration day. And he stood for vision. He stood for equality and dreams and hopes. And so we hope with the dream of Aunt Hattie's Place we can provide those children who deserve a chance in the Sandy Spring community, which is a community of caring. Whereby you had the Underground Railroad, where you have Slave Museum in Sandy Spring, and all of those Quakers who have embraced Aunt Hattie's Place and are up in arms because we cannot provide that care to those young

people. So again, thank you very much for the opportunity. And in the words of President Obama, we can make a difference. And if you look at the words of Joan Rivers, can we talk?

(Laughter.)

DR. WASHINGTON: So thank you very much. I have in your packet some video of the ribbon cutting and the groundbreaking. And you can see all of you were there for the groundbreaking and we want to keep this house full. Thank you very much for the opportunity to address you.

TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: So this matter has been, what, appealed to the Board of Contract Appeals?

MS. FOSTER: Yes. Currently at this time there two offerors that have filed a protest and so it's before the Board of Contract Appeals. What the department is requesting, Governor, is that the Board approve the 44 contracts notwithstanding the protest that is before the Board of Appeals.

GOVERNOR O'MALLEY: Notwithstanding the protest on this one?

MS. FOSTER: Yes.

GOVERNOR O'MALLEY: Okay. All right. Any other questions?

DR. WASHINGTON: Excuse me, our protest has been denied.

TREASURER KOPP: By?

DR. WASHINGTON: By DHR.

TREASURER KOPP: By DHR.

GOVERNOR O'MALLEY: At DHR?

TREASURER KOPP: But they are before the Board of Contract Appeals?

DR. WASHINGTON: Yes --

MS. FOSTER: The first step of the protest is to request the department, the department looked at it, they evaluated it, and denied it. So it has now moved on to the Board of Contract Appeals.

GOVERNOR O'MALLEY: And who is, and the, the criteria that DHR uses, Secretary Dallas, for awarding these contracts is what?

MR. DALLAS: So like many RFPs there was a financial proposal, which the rates are set by the IRC which is housed in the State Department of Education,

there is a technical proposal submitted by each provider, and in addition we had performance scores that were based on the provider's prior performance in their existing contracts with the department. So a combination of those three factors resulted in awards. The provider Aunt Hattie's Place placed fifth out of five, I think it was in last place of the providers that were there. They have the second lowest performance score in the State. It was 45.32 out of 100 points. And they lost points for an incident of child maltreatment; for not complying with our CANS assessment which is required under State law, and that is how we track the progress of our kids; and in addition for a non-timely receipt of background clearance information, their staff security background clearances to make sure that staff didn't have criminal records. So with those three items and the fact that they came in last on the technical proposal the committee that did the evaluation recommended to me not to have an award and I didn't really see anything that could overturn that recommendation.

GOVERNOR O'MALLEY: Got you. And we have actually, I know from your StateStat submissions in the last executive summary, we've reduced the number of children placed in group homes from about 11,000 to about 6,700 over the last --

MR. DALLAS: Yes, there is, in the --

GOVERNOR O'MALLEY: -- five years, isn't it?

MR. DALLAS: Yes. As a result of Place Matters over the last five years it's gone a little bit over 10,000 down to 6,700. It's a 35 percent decrease in the last five years. In addition the number of kids that are in group home care is down to 67 percent and as a result where the current system has contracts for about 1,300 beds we only need about 700 this time. So we have --

GOVERNOR O'MALLEY: So foster care we have driven down by 35 percent with Place Matters?

MR. DALLAS: Yes.

GOVERNOR O'MALLEY: And group home placements we have driven down by 67 percent?

MR. DALLAS: Sixty-seven percent.

GOVERNOR O'MALLEY: Sixty-seven percent over five years.

MR. DALLAS: Yes.

GOVERNOR O'MALLEY: Okay. All righty.

TREASURER KOPP: I, you've just raised another question in my mind. Which is Aunt Hattie's Place is however receiving a contract for 12 placements in the City?

MR. DALLAS: Yes, they are. So each contract, each proposal was evaluated independently by the relevant parts of the committee. We had a big committee. We had 74 proposals. The performance score they had there was higher. Their technical proposal there was ranked higher. And when you look at the number of beds that we needed versus the number that were proposed, they did make the cut in Baltimore City. The competition in the central region, which included Montgomery County, the first three providers that scored higher, their performance scores were more than double Aunt Hattie's Place. They provided a sufficient number of beds for us to meet the need in Montgomery County.

TREASURER KOPP: Well I read on some response to the County Executive that there was some question about the initially and you increased the number of beds. That they had not been enough awarded.

MR. DALLAS: There was, there were some beds in one of the categories that we had awarded. We found out in conversation with the County Executive's Office and our local office that some of those beds were being used for D.C. kids. So to make sure that we had enough beds we went to the next highest ranked provider that didn't receive an award and awarded the beds to them in that county.

TREASURER KOPP: So you actually added 24 beds?

MR. DALLAS: Yeah, we added, 24 sounds right. I don't have the exact number in my head.

TREASURER KOPP: Well that's --

MR. DALLAS: But they were added as a result

--

TREASURER KOPP: -- from your letter.

MR. DALLAS: -- to make sure we had enough beds in that area.

TREASURER KOPP: So if the protest at the Board of Contract Appeals prevails, what happens then?

MR. DALLAS: Then they would be awarded a contract. I think Aunt Hattie's Place proposed eight beds for young boys. That would be awarded and they would be used depending on the need in the county.

TREASURER KOPP: In, yeah, in --

MR. DALLAS: In the county or, you know, potentially Prince George's County too, or nearby locations as well.

TREASURER KOPP: Sandy Spring, thank you. Thank you. My county. And how does it happen that the State, which I assume is the department, helps construct this building and then doesn't use it? And but meanwhile the private provider is embedded? That's the part that I just don't get.

MR. DALLAS: I believed, it was a little bit before my time here. I think it was maybe --

TREASURER KOPP: Same State.

MR. DALLAS: -- four or five years ago.

There was a, as part of the capital project there was a bond award to help finance some construction at the facility. Unfortunately for us our, you know, in a competitive process we can only look at certain thing. Technical proposal, performance, financial proposal, and under that criteria they simply did not rate an award. So --

GOVERNOR O'MALLEY: Was this a legislative bond --

MR. DALLAS: Yeah.

GOVERNOR O'MALLEY: -- rather than an administrative?

TREASURER KOPP: It's the same government, two branches.

MR. DALLAS: Yes. And all I can say to that is the criteria --

MS. FOSTER: Introduced by the General Assembly --

GOVERNOR O'MALLEY: Do I have to sign, do I get to sign --

(Laughter.)

MS. FOSTER: Once they are passed, Governor, you do sign them.

TREASURER KOPP: Yes --

GOVERNOR O'MALLEY: I do sign them?

TREASURER KOPP: Yes, you do.

GOVERNOR O'MALLEY: Okay. I just needed that little refresher. See, Al thought I didn't. And he was head of DGS. And he manages those.

MR. DALLAS: So again, based on the criteria for the RFP award, which we met with providers starting almost, it was back in February of 2012. We explained to them the criteria for award. We actually showed them how we were going to calculate the performance scores. Every provider, and I believe Dr. Washington was at some of those meetings, we provided them with an initial draft of what their performance score was. We asked them if there were any concerns they had with the accuracy of the score. Then we issued the RFP and based on their technical response and how low their score was, it was the second lowest score in the State, the committee recommended to me not to award and to award to providers that had more,

the next ranked vendor had more than double Aunt Hattie's score. And as a result I didn't really see anything that could overturn that decision.

TREASURER KOPP: No, I can see you were in a difficult position. I can also see that Aunt Hattie's Place is in a very difficult position. Depending on what the Board of Contract Appeals does.

I don't see holding up the award to everybody because of it. But I am sorely troubled by the series of events ending up with a provider whom we think highly enough to place our children with being on the hook for a large debt with the support of both the county and the State.

MR. DALLAS: I think the facility in Montgomery County would revert back to county use. I think that Dr. Washington may have taken a personal loan out to help construct the facility. But I believe that the local director out there in the county there would deal with the campus if it was ultimately not upheld.

TREASURER KOPP: I don't know. I mean --

GOVERNOR O'MALLEY: Dr. Washington, you want to say something to that? You're shaking your head so, and then we're going to move on.

DR. WASHINGTON: First of all, and I think again Mr. Dallas, it is not an easy job. I worked for the State for eight years. First of all, the scores and the rating is misleading. Because if you look at my explanation and my clarification you will see that it was out of our control. So that's why we asked them for 40 points back. If you have a vacancy for two and a half months, our licensed social worker is supposed to put those scores in CANS. And they can't because there is a vacancy. Well then it can't happen. So true, we didn't do the report because we didn't have a social worker. And secondly, we didn't have a person to put in the fact that we had police clearance. So when you read the report it looks like we had staff who were not fully cleared. We did not. We only did not put it in the computer that we had police clearance. So we felt that we couldn't do it because we needed police clearance. And there's a backlog of police clearance at the State. And Mr.

Dallas is aware that that is a backlog of police clearance. So your hands are tied in terms of you can't hire someone to get police clearance, and yet the State has a backlog. So we didn't think that was fair in terms of docking use those points, which made us appear to be 45. I never made 45 in my life. So that's why we are protesting those scores so that we can legitimately earn the privilege of serving these kids in Montgomery County.

And as far as the maltreatment, there were two kids fighting. And so we reported, followed all of the procedure according to the manual. We were praised by our license coordinator for following the procedure. Even put the staff on administrative leave and ended up terminating him when it was cited as negligent by the State. So we terminated him. We followed the whole procedure. And so we were docked I think 30 points for that. And so at the same time we knew that this particular situation was a kid that we brought because nobody wanted this kid. But we followed all of the procedure as you do in a group home. And we were deemed for that. So we felt that

there was an explanation for that and we felt that that was unfairly, out of 16 years being in business it was the first time ever we had a negligent situation. And you are going to take a program like this, the first green group home in the State, and not give it a contract. We're not wanting any exceptions, we want what is fair. And we think these scores are unfair for Aunt Hattie's Place.

GOVERNOR O'MALLEY: Okay. Anything else? Anything else on the, any other items on the Department of Budget and Management Agenda? All right. We will vote on them as a whole. The Treasurer moves approval, seconded by yours. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

TREASURER KOPP: But I do want to follow up this one.

GOVERNOR O'MALLEY: So Mr. Secretary, you will meet with the Treasurer?

TREASURER KOPP: Not here.

MR. DALLAS: Okay.

TREASURER KOPP: I mean as it proceeds.

MR. DALLAS: Of course.

GOVERNOR O'MALLEY: Thank you. Okay. We now go on to the, how could I forget? Thank you, Jerry. The University System of Maryland.

MR. EVANS: Good afternoon. Joe Evans representing the University System of Maryland. We have five items on the Agenda today. We are withdrawing Item 3-AE. We're here to answer any questions.

TREASURER KOPP: Can we wait just a second while everybody leaves?

GOVERNOR O'MALLEY: Secretary Foster, I think you had a lot of people here for your --

(Laughter.)

MS. FOSTER: Popular --

GOVERNOR O'MALLEY: You never know, do you? I thought they were all here to see Jim Smith.

MS. FOSTER: They really were.

GOVERNOR O'MALLEY: Did Hutchinson leave too? Was he on that one?

TREASURER KOPP: Oh, he was.

GOVERNOR O'MALLEY: I guess so.

GOVERNOR O'MALLEY: Oh, the Secretary's Agenda. They must have it well in hand. No questions on the Zoo.

TREASURER KOPP: Making progress.

GOVERNOR O'MALLEY: If the Comptroller were here, would he have had questions on the Zoo?

MR. KLASMEIER: Not on the Zoo.

GOVERNOR O'MALLEY: Not on the Zoo.

TREASURER KOPP: It's always interesting to hear what's happening with the Zoo.

GOVERNOR O'MALLEY: I think we're good to go now. Go ahead, Mr. Evans.

MR. EVANS: Good afternoon. Joe Evans, representing the University System of Maryland. We have five items on the Agenda. We are withdrawing Item 3-AE.

GOVERNOR O'MALLEY: Okay. Any questions?

The Treasurer moves approval, seconded by the

Governor. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move on now to -- I'll keep these over here actually. I'll keep those. We now move on to the DoIT. Elliot?

MR. SCHLANGER: Good afternoon, Governor, Madam Treasurer.

GOVERNOR O'MALLEY: If I had just looked up I would have known we were on DoIT.

MR. SCHLANGER: How are you today?

GOVERNOR O'MALLEY: Good. What do you have?

MR. SCHLANGER: Elliot Schlander, Department of IT. We have eight items on the Agenda today. I'd be happy to answer any questions at this time.

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

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. Thank you, Mr. Schlanger. We now move on to the Department of Transportation. Mr. Secretary?

MR. SMITH: Good afternoon, Governor, Madam Treasurer. For the record, Secretary Smith representing MDOT. MDOT is presenting 16 items. Items 1, Item 2 -- I mean Item 1, Item 5, and Item 16 have been revised. And we are prepared to answer any questions you might have.

GOVERNOR O'MALLEY: Let's see, he should have some tough ones.

TREASURER KOPP: I wish I had one.

(Laughter.)

GOVERNOR O'MALLEY: Did Franchot have any questions?

MR. SMITH: You are not going to disappoint me, Madam Treasurer.

GOVERNOR O'MALLEY: The Comptroller didn't have any questions I could ask on his behalf?

(Laughter.)

GOVERNOR O'MALLEY: No? Come on, give me some of those green --

(Laughter.)

GOVERNOR O'MALLEY: When he pulls out the green pages, Jim, just for the future --

MR. SMITH: Well I talked to Jerry in advance to try to anticipate who might ask for that.

GOVERNOR O'MALLEY: Okay. All right. Well the Treasurer moves approval, seconded by the Governor. 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, mazel tov.

(Laughter.)

GOVERNOR O'MALLEY: We now move on to the Department of General Services.

MR. COLLINS: Good afternoon, Governor, Madam Treasurer. Al Collins, Department of General Services. We have 21 items on our Agenda. We are

withdrawing Items 19 and 21. We'll be glad to answer any questions on the other items.

GOVERNOR O'MALLEY: The Treasurer has reviewed in advance and has no questions. She seconds the items, or rather moves the items, seconded by the Governor. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And that concludes our Board of Public Works Agenda on June 12, 2013. Thank you very much.

(Whereupon, at 1:54 p.m., the meeting was concluded.)