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

**August 26, 2015**  
**1:00 p.m.**

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# **PRESENT**

**HONORABLE LAWRENCE J. HOGAN, JR.**

Governor

**HONORABLE NANCY KOPP**

Treasurer

**HONORABLE PETER FRANCHOT**

Comptroller

**SHEILA C. MCDONALD**

Secretary, Board of Public Works

**C. GAIL BASSETTE**

Secretary, Department of General Services

**DAVID BRINKLEY**

Secretary, Department of Budget and Management

**JAMES PORTS**

Deputy Secretary, Department of Transportation

**EMILY WILSON**

Director, Land Acquisition & Planning, Department of Natural Resources

**LUIS ESTRADA**

Deputy Secretary, Department of Information Technology

**JIMMY RHEE**

Special Secretary, Governor's Office of Minority Affairs

**MISSY HODGES**

Recording Secretary, Board of Public Works

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# PROCEEDINGS

GOVERNOR HOGAN: Good afternoon, everyone. We're going to go ahead and get started. First of all, Madam Treasurer, welcome back.

TREASURER KOPP: Thank you. Thank you, Governor.

GOVERNOR HOGAN: I hope you enjoyed your very well deserved --

TREASURER KOPP: I have --

GOVERNOR HOGAN: -- vacation.

TREASURER KOPP: I have never gone on a three-week vacation before. And I have to tell you it was pretty, pretty good. But back, recharged, ready to go.

GOVERNOR HOGAN: Well, good. Well, we missed you. We tried --

TREASURER KOPP: Yes, I --

GOVERNOR HOGAN: -- not to do too many controversial things while you were gone.

TREASURER KOPP: Yeah, I gathered.

(Laughter.)

GOVERNOR HOGAN: And we're glad you got a --

TREASURER KOPP: Too bad. Too bad.

GOVERNOR HOGAN: -- deserved break. Speaking of vacations, people are going back to school. Summer vacation ended this week for many of our public school students across the State, and that ended far too soon for our preferences, right, Mr. Comptroller?

COMPTROLLER FRANCHOT: Absolutely.

GOVERNOR HOGAN: That's an inside joke. We're going to wait until after Labor Day. I want to take a moment just to wish of all our students, teachers, and administrators the very best as they begin the new school year. And with that I'll turn over the floor, Madam Treasurer, Mr. Comptroller, the floor is yours for any opening remarks.

TREASURER KOPP: Just that it's --

GOVERNOR HOGAN: Do you want to tell us all about the whales and the polar bears, or --

TREASURER KOPP: Well, I had a great time, Governor. But it's good to be back. It's good to be home. I have, as you know, grandchildren who are starting next week. They are going to be dolphins in the preschool so we are all set to --

GOVERNOR HOGAN: Oh wow.

TREASURER KOPP: -- to start.

GOVERNOR HOGAN: Good.

TREASURER KOPP: And it's good to be back. So much has happened while I was away. And I appreciate that fact. And there are some important issues before us today --

GOVERNOR HOGAN: Absolutely.

TREASURER KOPP: -- and I look forward to dealing with them.

GOVERNOR HOGAN: Great. Well, thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor and Madam Treasurer. As the Governor mentioned, most public schools reopened this week. In fact by Monday students from all but one of our 24 school systems will have returned to the classroom. Sending our kids and teachers back to school in the stifling August heat weeks before Labor Day just doesn't make sense to me. And it doesn't make sense to an overwhelming majority of Marylanders. More than 13,240 citizens signed our Let Summer Be Summer petition.

GOVERNOR HOGAN: Including me.

COMPTROLLER FRANCHOT: Including Governor Hogan, yep. An independent poll by Goucher College found that 72 percent of Marylanders favor adjusting the school calendar to start after Labor Day and get out by the middle of June. And a Virginia Commonwealth University study showed no link between a pre-Labor Day school start and improved student achievement. Very rarely does an issue make so much sense that it crosses all demographic,

geographic, and partisan lines like this one does. The parents, teachers, and small business owners I've met from around the State believe it will improve our quality of life and our economy.

Starting school after Labor Day would give teachers the break they need to recharge their batteries, spend more quality time with their families. Students would also have more opportunities for life lessons outside the classroom. Kids involved in agricultural organizations like 4H and Future Farmers of America would not have to choose between attending the start of school or exhibiting at the State Fair. Small businesses that lose seasonal workers would get a much needed boost in revenue during these tough economic times. This issue is far too important to give up the fight. It may take multiple years to pass legislation but I'm firmly committed to seeing it through and having all Maryland public schools start after Labor Day. This is ultimately about family and about the precious but fleeting time parents have to spend with their kids.

And if I could just on a moment of personal privilege thank Governor Hogan? He met with a young resident from Montgomery County. The young man is incredibly impressive, Andrew Lee, captain of the Georgetown Prep soccer team, college kid, who has gotten a really bad break through a cancer diagnosis which is frankly very, very bad. And Governor Hogan spent some time with him, inspired him, picked his spirits up, took him over to the Governor's

Mansion, walked him around. And if Marylanders need any proof that our Governor is a good man, go talk to Andrew Lee. And Governor, thank you.

GOVERNOR HOGAN: Well, thank you, Mr. Comptroller.

(Applause.)

GOVERNOR HOGAN: Well thank you very much. He's going to make me cry at the beginning of the Board of Public Works. But I'll tell you, it was an inspiration to me. I've spent as much time as I possibly can over the past few months with people that are going through much more difficult battles with cancer than I am. And it's been an inspiration to me. And I'm going to continue to work on this cause of cancer awareness and helping people that are going through tough times. So thank you for recognizing. Thanks for sending Andrew Lee over because he was a tremendous guy, got me all pumped up. So thank you. Let's go ahead and get started with the Secretary's Agenda. Secretary McDonald?

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller.

GOVERNOR HOGAN: Except it's afternoon. We're so used to saying good morning.

(Laughter.)

GOVERNOR HOGAN: This is very weird having a Board of Public Works at this time of day, but.

SECRETARY MCDONALD: -- (indiscernible) so good afternoon, Madam Treasurer and Mr. Comptroller. We have 36 items on the Secretary's Agenda, except we are withdrawing Item 36 so we now have 35 items. All the items are ready for your consideration. We have a few speaker requests throughout the meeting where I do know that some of the people are still outside the room, so if you do want to call those we will have to take a minute to get some of the people in here.

GOVERNOR HOGAN: We've got a full house.

SECRETARY MCDONALD: It is a full house.

GOVERNOR HOGAN: Well, very good. Thank you, Madam Secretary. Could we start with Item 23? Would the representative from Housing and Community Development please come up and talk about this one a little bit, if you could?

MR. MANEVAL: Sure, thank you very much.

GOVERNOR HOGAN: Thank you very much.

MR. MANEVAL: All right. Treasurer Kopp, Comptroller Franchot, and Governor Hogan, today Item 23 is --

SECRETARY MCDONALD: Could you introduce yourself for the record?

MR. MANEVAL: Oh yeah, my name is John Maneval with the Maryland Department of Housing. Item 23 today is St. Katherine's Family

Recovery Center. This is a Shelter and Transitional Housing Facilities Grant presented for your approval today in the amount of \$1.5 million. The funding will be used to renovate the former Catholic school St. Katherine's at 1209 North Rose Street into a three-floor, 23-unit facility for homeless families with recovering parents looking to reunite with their children. The facility will be converted into 18 two-bedroom and five three-bedroom units. Services will be provided by Family Recovery Program, a well established service provider in Baltimore City.

We are very pleased to be able to support this important project which has broad support both on the capital side where we are providing financing, as well as on the operations side to assure the continued operation of a quality facility. The Transitional Housing Facilities Grant Program has a long history of supporting similar projects around the State and I'm happy to answer any questions you may have about this item.

GOVERNOR HOGAN: Well, thank you very much. I really wanted you to come up and talk about the project because I'm very much in favor of it and I wanted people to hear about what we're doing. And this is a timely project, one that I'm eager to support. I know that many of you yesterday heard that our Heroin Task Force submitted their interim report. The report identified expanding recovery housing for women and children as a crucial factor in the recovery process and a key to preventing future abuse. We know that parental substance abuse creates a tragic cycle of neglect and abuse of children and the

tragic prospect of those children developing substance abuse problems of their own. Expanding recovery housing will help us end that cycle. In furtherance of this goal we directed the Behavioral Health Administration to allocate money for recovery housing with a priority focus on those jurisdictions that don't have recovery housing for women and children and those that have a significant waiting list.

I want to thank Lieutenant Governor Rutherford, I'm not sure if he's here, and the task force for the outstanding work that they've been doing. They're not finished yet. But they came up with ten good recommendations yesterday and they are going to continue their work through December. They have been actively meeting with recovering addicts, families, doctors, and treatment providers all across the State and I look forward to their final recommendations in December. This is a tragic problem that we've got to figure out a way to get our hands around and I just want to thank you. This is a tremendous program. And thanks for your role in the project.

MR. MANEVAL: Thank you.

GOVERNOR HOGAN: Anybody have any other questions on this?

TREASURER KOPP: No. I would just point out that it's another instance where the private sector, also the nonprofit sector --

GOVERNOR HOGAN: Yeah.

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TREASURER KOPP: -- is joining with the State. I mean, it's a great project because everybody is in it together.

GOVERNOR HOGAN: Yeah.

TREASURER KOPP: Weinberg, Abel, etcetera, Frances-Merrick.

GOVERNOR HOGAN: Great. Thank you.

MR. MANEVAL: Thank you.

GOVERNOR HOGAN: The next item I wanted to talk about is Item 34.

TREASURER KOPP: Governor, could I just ask a question about 19?

GOVERNOR HOGAN: Oh, sure. Yeah.

TREASURER KOPP: Nineteen, and some of the others. And this is just for the future, not right now. I would like to know how you go about assuring that folk who are in housing programs that are income, have income eligibility, how, what the process is for checking to make sure that they continue to be eligible?

MR. MANEVAL: Sure.

TREASURER KOPP: And just how the process works?

MR. MANEVAL: All right. We'll follow up directly with you on that.

TREASURER KOPP: Thank you.

MR. MANEVAL: No problem.

GOVERNOR HOGAN: Great. Thank you very much. Next Item 34, we have some guests from the African American Heritage Preservation Program.

SECRETARY MCDONALD: Anne Raines is here and Ms. Marshall. Are your guests here? Are the grantees here or are they outside?

MS. RAINES: I think we may have a guest, Elizabeth Comer, outside.

SECRETARY MCDONALD: Okay. All right.

GOVERNOR HOGAN: Well we'd love to get her in if we could.

SECRETARY MCDONALD: Well, it looks like some are here. We'll just send somebody out. So you can start. Go ahead and start.

MS. RAINES: Thank you. Hello.

GOVERNOR HOGAN: We really just wanted to have you tell us about, you know, these very important projects which I think you are doing a wonderful job on.

MS. RAINES: Thank you for welcoming us here again. My name is Anne Raines. I'm the Capital Grants and Loans Administrator with the Maryland Historical Trust. And I'm going to let Lyndra Pratt Marshall, the Acting Chair of the Maryland Commission on African American History and Culture make some remarks --

GOVERNOR HOGAN: Great.

MS. RAINES: -- and introduce our guests.

GOVERNOR HOGAN: Thank you. Good afternoon.

MS. MARSHALL: Good afternoon, Governor Hogan, Madam Treasurer, Mr. Comptroller, and members of the cabinet and guests. My name is Lyndra Pratt Marshall and I am the Chair of the Maryland Commission on African American History and Culture. We serve Maryland through the Governor's Office of Community Initiatives by assisting with the preservation of Maryland's African American Heritage and educating Marylanders and visitors to our great State about the importance of that heritage to all. We are so proud to be partnered with the Maryland Historical Trust on the African American Heritage Preservation Program. Today you will hear from a representative from several projects that we have recommended to receive these wonderful grants. Thank you.

GOVERNOR HOGAN: Great. Thank you.

MS. SEYMORE: Good afternoon. My name is Cynthia Seymore and I represent Community Civic League in Federalsburg. We're an African American organization and we have been in existence for over 45 years. We have continuously owned and operated this property in Caroline County. We're here because we have a grant for our building. The foundation has deteriorated.

Our building was built in 1918 and in 2018 a section of our building will be 100 years old, and we look forward to celebrating that 100-year anniversary.

When this school was built it was built for colored children and that was in compliance with the State law that all children receive public education, but the colored children had to be housed in different facilities. This building was built down to the ground level and that's why we have the problem today. The floor, they slope up and down so what we, the grant we're going to use is to build this foundation back so that it's structurally sound and that we can have future programs.

When this building was first built it had three classrooms and a large hall and it served for the teaching of colored children until the sixties when desegregation came in. And then the Community Civic League, what they did is a couple of years later they purchased that building and they continued having education in that building. And the education was for daycare for parents.

My grandmother was a teacher and she was the founder of the daycare. And that daycare model that she used back then is the model that the State under Title I used for future daycare centers, and it's still being used today.

The first children that used the daycare center were migrant children, the migrant working children. So when their parents went off to school then they came to the daycare where they got meals and a nap. Eventually it was opened up to the City of Federalsburg and we're still in existence today. And we

are asking for your approval of this grant so we can continue the education in this building.

GOVERNOR HOGAN: Thank you so much.

TREASURER KOPP: That's a great story.

MS. SEYMORE: Any questions?

TREASURER KOPP: Thank you. No, thank you and your family.

MS. SEYMORE: Okay.

MS. GRINNELL: Good afternoon. My name is Mary Grinnell and I'm representing Asbury United Methodist Church on Georgetown Road in Chestertown, Maryland. To Governor Hogan, to the Comptroller, to the Treasurer, to the Board of Public Works staff, Sister Anne Raines, Capital Grants and Loans Administrator, and to the African American Heritage Preservation Program, first the program. First and foremost, I would like to say thank God for never ending grace, love, mercy, and provision. On behalf of my pastor Sister Sheila Huntley (phonetic), officers and members of Asbury United Methodist Church of Georgetown, really I don't know how to begin. But I'll start with a huge thank you. Thank you so much for approving the funding grant request to our church.

The money will allow us to rehabilitate the exterior of the church, such as the siding, masonry and carpentry repairs, foundation replacement,

architect, engineering, and project management services. Asbury Church was built in the year of 1879. It was and down through the years, and still is, the only public gathering place in our community. It was a small beautiful white church sitting on a hill. To the community and members and visitors, it is a beauty to behold. Again, we are appreciative for your grant support in helping us preserve our history. We thank you, thank you, thank you, and God bless. Treasurer of the United Methodist Church and trustees.

GOVERNOR HOGAN: Well thank you, thank you, thank you.

(Laughter.)

GOVERNOR HOGAN: Anybody else? I see a whole crowd came in. Is anybody else looking to --

MS. RAINES: I think they were all in support.

GOVERNOR HOGAN: Well, thank you all for coming today. Thanks for being here. And thank you so much for all the work that you do to help preserve these important aspects of our history.

MR. BRINKLEY: Governor, these are some of the students from Silver Oak Academy, which is up in Carroll County. There is one of the projects here from Frederick County. They have been doing a lot of the archaeological work. And I see --

GOVERNOR HOGAN: Oh, I remember hearing about you.

TREASURER KOPP: Ah.

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GOVERNOR HOGAN: I've been reading about you guys. That's wonderful stuff. Are you enjoying that work? I saw some great pictures. Thank you for what you're doing. How about a round of applause for them for what they're --

(Applause.)

SECRETARY MCDONALD: This is the Catocin Furnace African American Cemetery that the young men are working on.

GOVERNOR HOGAN: That's wonderful. Thank you, guys. Next I'd like to discuss Item 2 on the supplement to the Secretary's Agenda. Would the MDOT representative please, I guess that's our MDOT representative right there? Mr. Ports.

MR. PORTS: Yes, sir.

GOVERNOR HOGAN: Talk to us about this item.

MR. PORTS: Okay. This is our advertising and marketing media campaign item. It's really for (indiscernible) some of our projects, some of our projects, like the 404 project would be an example, pedestrian --

GOVERNOR HOGAN: One of my favorite projects.

MR. PORTS: I'm sure. Pedestrian safety, you and the Comptroller opened up the meeting talking about schools. One of the problems that we've had in the State, there's been about 448 deaths on the highway system, and nearly 25 percent of those are pedestrians. So this is to work with pedestrian

safety through our college system. That's why we're looking for it now so we can get that message out early. We actually had three deaths last year in College Park. And so some of the colleges are actually begging for it, you know, some of this more active approach as far as pedestrian safety. So it's really about, really about projects, customer service --

GOVERNOR HOGAN: Let there be light.

MR. PORTS: That's good timing. Customer service with those projects I'm talking about. Some of them would be 270, and other projects throughout the State (indiscernible).

GOVERNOR HOGAN: Well, thank you. So it's, I'm not, I have a, \$14 million is a lot of money, right? This, if this contract is needed to support pedestrian safety around the schools, my question is why is it coming to us now after school has already started? Because it seems like if we, we should have gotten this thing moving a little sooner. And then maybe if you could just give us a few of the examples of exactly how the money is being used to support pedestrian safety in the schools and the universities?

MR. PORTS: Okay. Let me get Lora Rakowski (phonetic) to come up. She's our expert. She's actually the Director of Safety and --

GOVERNOR HOGAN: Lora is coming forward.

MR. PORTS: -- Marketing for SHA.

SECRETARY MCDONALD: And to clarify for the record and the court reporter, this is DBM Item 2-S that we're talking about.

MR. PORTS: Correct.

GOVERNOR HOGAN: Good afternoon.

MS. RAKOWSKI: Hi there. Good afternoon, Governor, Treasurer, Comptroller, Deputy Secretary, and ladies and gentlemen of the Board, my name is Lora Rakowski. I'm the Safety and Marketing Education Manager for Maryland State Highway Administration. Thank you for your time here today.

As the Deputy Secretary stated, we are pursuing customer service and traffic safety efforts throughout the State of Maryland. One of those is pedestrian safety based in the universities and the school system. Unfortunately last year of the 25 percent of the overall traffic safety fatalities that we experienced in the State, three of those happened along the U.S. 1 corridor in College Park. And that occurred between the first seven months of the year, between January and July.

We worked, Maryland State Highway Administration worked together with the campus and the law enforcement in the area. We developed the Walk Smart College Park campaign. And the good news is is that it worked. Since we implemented that campaign last fall there have been no pedestrian fatalities in College Park and pedestrian injuries are down. It has been so

successful in fact that other colleges and universities across the State are coming to us. They want us to bring the same effort to their campuses. So we are looking to unroll that at Salisbury University, Towson University, and University of Maryland at Baltimore City.

GOVERNOR HOGAN: So my question, I mean, it's, I agree. It's a wonderful program. That's why we're pushing it. My question is why we're getting a \$14 million request after school already started as opposed to, you know, a couple of months ago when we could get the money into operation and start the programs when the school year started.

MS. RAKOWSKI: Sure, absolutely. And certainly some of the preliminary plans and meetings have been occurring outside of the contract that can be supplemented with State forces. But to get rolling with the implementation, the posters we need to print, the businesses that we need to get to, the banners that we need to print that are outside the buildings and businesses, taverns along U.S. 1, we need this contract. We need the designers. We need the animation.

GOVERNOR HOGAN: I agree that you need it. I'm going to ask the question the third or fourth time. Why is it coming so late, after school already started?

MS. RAKOWSKI: Sure, and I understand that concern. Schools are obviously getting into session now and this is, again, supplementing what has been started. So we are --

GOVERNOR HOGAN: Okay. So you already have some funding and this is going to add to it?

MS. RAKOWSKI: Yes, exactly.

GOVERNOR HOGAN: All right.

MS. RAKOWSKI: And continue those efforts. And just not across the universities and school systems, but also in communities. Langley Park, for example, reaching our hard to reach audiences, those of Latino descent, Spanish speaking, for example, as well as the Ocean City Walk Smart campaign in Ocean City. Those efforts need to be organized --

GOVERNOR HOGAN: Absolutely.

MS. RAKOWSKI: -- prior to the beginning of the school year in the spring.

GOVERNOR HOGAN: Yes.

MS. RAKOWSKI: And University of Maryland College Park, if I may, most of those efforts, some of those efforts including stadium outreach, going to the football games, going to the basketball games. And those will be starting this fall.

GOVERNOR HOGAN: Wonderful. Well, thank you. It's a great program.

TREASURER KOPP: Can I just ask --

GOVERNOR HOGAN: We're glad that part of the \$2 billion increase in infrastructure went to this type of safety. And I think it's wonderful. I just would like to have seen it started before the school year. That's my only question.

TREASURER KOPP: Could I just, 60 seconds, on what exactly is it that you do, though? These banners, I guess, and posters --

MS. RAKOWSKI: Sure. Well it's --

TREASURER KOPP: -- Don't Jay Walk, or what do you do?

MS. RAKOWSKI: Sure. It's, it's a collaboration of all types of different education outreach. It includes not only the public service announcements that you hear on the radio and on television, you see the print ads in newspapers, the college newspapers, banners that are printed, posters that are printed and posted across campus and in businesses. It's all these collateral, all these tactics, and that's what this funding will support.

GOVERNOR HOGAN: Better awareness.

MR. PORTS: (Indiscernible).

TREASURER KOPP: Well that's what I --

MR. PORTS: -- all those things working with national NHTSA, National Highway Traffic and Safety Administration, all those types of highway safety and pedestrian safety.

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: Can I ask a question?

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: So I noticed there was no incumbent vendor on this. Is this a new idea? What exactly, I mean I obviously appreciate pedestrian safety. But this is, looks like it's brand new money. Is it, is there a program that this is being --

MS. RAKOWSKI: Sure.

COMPTROLLER FRANCHOT: -- woven into?

MS. RAKOWSKI: It's, well it's, these programs are funded both federally and by State funds. And some of the funding comes directly from NHTSA, for example. Maryland State Highway Administration's last contract issued a notice proceed in 2006 and so we have been operating within Maryland State Highway Administration without a contract of our own since that time.

COMPTROLLER FRANCHOT: Okay. So you're doing fine, though? You're reducing the pedestrian accidents?

MS. RAKOWSKI: No, sir. We have borrowed contract authority through the Maryland Vehicle Administration. At one time the Maryland

Highway Safety Office was housed under Maryland State Highway Administration. That office moved I believe in was it 2010, 2011. And when that move occurred they took the contract mechanism that we were using with them. So now that is housed under the Maryland Vehicle Administration. We have borrowed via MOU some contract authority but their contract is nearing the end of its duration and that's why we are asking for your approval on this contract today.

COMPTROLLER FRANCHOT: Well I'm probably, just maybe I'm in a contrary mood but I don't really get it. Because it's \$14 million of new spending on top of a program which apparently is funded well by the feds and is working very effectively in College Park and other areas. So where exactly, since we didn't fund this since 2006? Why are we doing it, what would happen? Would we lose federal money?

MS. RAKOWSKI: That could be a possibility. But I just wanted to reiterate that the funding mechanisms have existed and we've been using, borrowing contract authority through MVA. I realize the 14.139 seems like a large number. Please understand that \$10 million of that is for direct costs associated with media buys, and another \$750,000 is estimated for direct costs associated with printing. So all said and done it's a little over \$3 million over three years for services that will be used by not only Maryland State Highway Administration but MDOT as a whole and all of its six agencies.

COMPTROLLER FRANCHOT: So it won't affect federal funding?

MS. RAKOWSKI: The funding mechanisms, we need to perform these efforts. Certainly we are applying for funds, we are applying for grants. It would affect the funds coming in to the Maryland State Highway Administration and our ability to implement these efforts. We have only been able to acquire the success that we've had by using the contract authority under MVA.

COMPTROLLER FRANCHOT: Well I'm getting along so well with the Governor I'm not going to vote against him. But this --

GOVERNOR HOGAN: You said such nice things about the kid with cancer --

COMPTROLLER FRANCHOT: -- yeah, yeah, no, this is, this is exactly why we have a problem in our State. This type of, you know, poorly thought out, amorphous argument in favor of something that sounds good but it's a lot of money. I'm glad it's a Maryland company, I guess, but I think it's essentially without a real clear purpose. And we're just adding something in an area that we think sounds like it has a really nice name to it. And I'm sorry that it looks like we're going to go ahead and approve it. But hopefully at some point these types of contracts will not appear before us. It's out of the blue. It's brand new money, brand new spending in an area that's already got a lot of resources.

And we have a heck of a lot of potholes that need to be repaired, and around the State. So --

GOVERNOR HOGAN: We're working on that.

COMPTROLLER FRANCHOT: Well that's good. No, I'm --

GOVERNOR HOGAN: Two billion dollars. We're repaving every street, every highway in the entire State just about.

COMPTROLLER FRANCHOT: I'm right there with you. But this, this is brand new, last done in 2006.

GOVERNOR HOGAN: Great. Any other questions?

TREASURER KOPP: It's, this is 80-20 federal money? Is that --

MS. RAKOWSKI: Yes. That's the approximate break. And just again to clarify that although the contract last granted was in 2006, we have been using contract authority the last, I think since 2012 now.

TREASURER KOPP: So this program has been ongoing?

MS. RAKOWSKI: Yes, ma'am.

TREASURER KOPP: I must say, I mean, it is a little confusing.

MR. PORTS: Well, so what happened, maybe I can try and clarify. So the Highway Safety Office was at SHA and about four or five years ago --

TREASURER KOPP: Mm-hmm.

MR. PORTS: -- it was moved to MVA.

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TREASURER KOPP: MVA.

MR. PORTS: So MVA had the contracting authority. SHA was pulling some of those funds for these types of projects through the MVA authority. Now we're putting it back at SHA because they have the infrastructure projects. So, you know, when you are talking about these big construction projects, you are moving lanes constantly. And you need to make people aware of those land shifts. Because quite frankly not only are our workers at risk out there, but one out of every five people that dies at a construction site is a person in a vehicle.

TREASURER KOPP: Yeah.

MR. PORTS: So, you know, you've got to let people know this information. I know it sounds like it's new money. It's really not new money. It's just putting back some of the authority back where the unit that would normally use it uses it instead of grabbing the authority from the MVA and using their contract to do the same thing --

GOVERNOR HOGAN: Well and Mr. Ports raises a really important point with the construction. You know, we have, we haven't done any road construction for eight years. We're putting \$2 billion and we're working on every single priority project in every single jurisdiction in the entire State so we're going to need to do more safety measures, and provide more signage and redirection of traffic and all those kinds of things.

COMPTROLLER FRANCHOT: Well I'd like to actually defer a couple of weeks. Because I agree with the Treasurer. I think it's --

TREASURER KOPP: Actually I'm okay with it.

(Laughter.)

COMPTROLLER FRANCHOT: Then defer to me to defer it.

TREASURER KOPP: I appreciate Mr. Ports' --

COMPTROLLER FRANCHOT: It's just it doesn't make any sense. We're spending TV ads on people being careful around construction zones?

MR. PORTS: No it's --

COMPTROLLER FRANCHOT: I mean what's --

MR. PORTS: Well it's not just construction zones, but it is. So it is part construction zones. It's bicycle safety. It's construction zones. It's motor carrier safety. It's click it or ticket. It's drunk driving. It's all of the safety aspects dealing with highway safety.

COMPTROLLER FRANCHOT: For \$10 million.

GOVERNOR HOGAN: Fourteen.

MR. PORTS: (Indiscernible).

GOVERNOR HOGAN: Any other questions? I think there's a motion by the Comptroller to defer. Is there a second? Motion dies. So any

other questions of our witness here? Any other questions on the rest of the Secretary's Agenda? Any other items we want to talk about?

COMPTROLLER FRANCHOT: Is that on this one?

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes, Item 20.

MS. RAKOWSKI: Thank you.

SECRETARY MCDONALD: Are we on --

MR. BRINKLEY: Do you want to jump to DBM?

SECRETARY MCDONALD: I mean, I'm not sure which 20 you mean. Because DHCD is the Secretary's 20.

GOVERNOR HOGAN: So we're on the Secretary's Agenda?

SECRETARY MCDONALD: Oh no, I think he's talking about DBM 20. I mean we still need to close out the Secretary's Agenda.

COMPTROLLER FRANCHOT: Weren't we just on the DBM?

GOVERNOR HOGAN: Yeah, I'm just saying are there any further questions or items on the Secretary's Agenda that you want to discuss?

COMPTROLLER FRANCHOT: Was that on the Secretary's Agenda?

GOVERNOR HOGAN: And then we move on to DNR after that.

COMPTROLLER FRANCHOT: Well what was the item we were just discussing?

SECRETARY MCDONALD: You did jump up.

GOVERNOR HOGAN: That was in the --

TREASURER KOPP: Yeah --

MR. BRINKLEY: That was DBM.

SECRETARY MCDONALD: You're correct, I mean --

GOVERNOR HOGAN: Okay.

SECRETARY MCDONALD: But we're going to try to roll back to the Secretary's Agenda.

GOVERNOR HOGAN: Got you. Got you. Okay. So on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Unanimous approval of the Secretary's Agenda.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: And now we're, are we moving on to DBM?

SECRETARY MCDONALD: No I think let's go ahead and do Ms. Wilson.

GOVERNOR HOGAN: Let's go ahead to Ms. Wilson and DNR.

(Laughter.)

MS. WILSON: Sorry.

GOVERNOR HOGAN: I'm confused.

MS. WILSON: Good afternoon, Governor, Mr. Comptroller, Madam Treasurer. Emily Wilson with the Department of Natural Resources. We have 13 items on our Agenda today. A number of really exciting projects. A lot of our Rural Legacy items today are an impressive combination of county leveraging and discounts and repeat customers.

Item 7A is a Harford County Rural Legacy easement. I know Bill Amos is here. I think he's probably still stuck outside but he's here in support of that item and was able to secure a 62 percent discount on that easement as well as the county paying all of the incidental costs, saving just about \$550,000 in Rural Legacy funds.

Item 13A is a POS State side acquisition down in Calvert County. And we have a number of folks herefrom the county sitting in front, including Commissioner Slaughenhaupt here in support of that item.

GOVERNOR HOGAN: That's a tough one, I know.

MS. WILSON: It is.

GOVERNOR HOGAN: Are there any questions on the DNR Agenda?

COMPTROLLER FRANCHOT: Move approval.

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GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: We move approval of the DNR -- you guys who came up, thank you for coming. You don't even have to testify. We're happy to have Calvert County in the house, though, and everybody else who came. And now we'll move on to the DBM Agenda.

MS. WILSON: Thank you.

MR. BRINKLEY: Good afternoon. Governor, Madam Treasurer, welcome back, Mr. Comptroller, the Department of Budget and Management has submitted 27 items on today's Agenda. We're withdrawing Item 17-S-MOD, leaving 26 items for your approval. And I have representatives here to answer any questions that you might have.

GOVERNOR HOGAN: I'd like to maybe start with Item 9.

MR. BRINKLEY: Item 9? And we have --

GOVERNOR HOGAN: Maryland Department of the Environment.

MR. BRINKLEY: -- Horacio Tablada, Deputy Secretary.

GOVERNOR HOGAN: Good afternoon.

MR. TABLADA: Good afternoon, Mr. Governor, and Madam Treasurer, and Mr. Comptroller. For the record, my name is Horacio Tablada. I'm Deputy Secretary at MDE. MDE is seeking approval of this contract for, to

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provide outreach and educational services to families, property owners, and service providers related to lead poisoning prevention.

Outreach and education is the key component in our strategy to deal with lead poisoning in the State of Maryland. The contract is for \$1.35 million for five years. And as the, since 1994 MDE has been the lead agency related to lead poisoning prevention. We have seen great success, more than 98.6 percent reduction in lead poisoning among children. Now that's not enough. We would, our goal is to have zero children with lead poisoning. And educational outreach is a key component as they deal with property owners, they deal with families, children, and the service providers. So it's the key to help us, help the department, help the other agencies to deal with it. So with that I urge your support for the contract. I'll be glad to answer any questions.

GOVERNOR HOGAN: Well thank you very much for your tremendous efforts. I appreciate you being here today. I'm more than happy to vote yes and approve this item. In its work for the Maryland Department of the Environment the coalition has achieved tremendous success --

MR. TABLADA: Yes.

GOVERNOR HOGAN: -- in the efforts to prevent childhood lead poisoning. And I want to congratulate you on your efforts. And we're happy to continue that partnership. So thank you.

MR. TABLADA: Thank you.

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GOVERNOR HOGAN: Any other questions on this? Very good.

Other --

MR. TABLADA: Thank you very much.

GOVERNOR HOGAN: -- comments or questions on this? Mr. Comptroller?

COMPTROLLER FRANCHOT: Item 20, Governor, thank you. 20-S, DBM.

MR. BRINKLEY: Item 20 for MSDE, Kristy Michel, Deputy State Superintendent for Finance and Administration. Is she here? And Trinell Bowman, Program Manager, Division of Curriculum, Assessment, and Accountability. They might be outside.

MS. MICHEL: Good afternoon. I'm Kristy Michel, the Deputy State Superintendent for Finance and Administration at the State Department of Education.

GOVERNOR HOGAN: Good afternoon.

COMPTROLLER FRANCHOT: Great. Thank you for appearing. I believe we're being asked to award an extension of about 15 months to the NCS Pearson company, which is the primary vendor for the standardized Common Core aligned tests that are administered by Maryland State and local school systems. This particular request pertains specifically to the science exam that is administered to children with severe cognitive disabilities.

However, I think there is a bigger issue out there regarding our State's relationship with this company, which has spent a great deal of time in the press in the recent months for all the wrong reasons. Pearson developed tests that are inappropriate to the age group, ambiguously worded, self-contradictory, and therefore are virtually impossible for a majority of grade school children to pass. Such as the test that asks fourth graders to write on the architectural design of roller coasters and why cables are used instead of chains, or the passage on a third grade test from a book called *Drag Racer*, which according to reputable educators would be of interest primarily to high school students.

This company has compromised the testing process in states such as Virginia, Minnesota, Florida, and Indiana due to technological screw ups which made it impossible for school systems to log onto the testing system or to proceed with testing within the prescribed timeframe. Last month Pearson was dumped by the State of New York, which has had repeated problems with quality and reliability of this company's standardized tests, and this comes after they lost standardized testing contracts in Texas and Florida. And as this Board well knows, NCS Pearson is the primary vendor for the PARCC exams that are aligned with the Common Core standards. As recently as 2010 26 states were participating in a national consortium of states that were administering PARCC and our own State, with the enthusiastic and inexplicable support of our previous

Governor, agreed on the basis of a phone call to serve as essentially the lead administrative agency for one of these consortiums.

Now according to a recent news report states are dropping out of the PARCC consortium left and right. There are now fewer than ten states across the nation that are aligned with PARCC. All of which is a lead in to my first question for the record. How much longer will Maryland's teachers and schoolchildren have to deal with this remarkably inept company?

MS. MICHEL: Mr. Comptroller, thank you for the opportunity to be here today to discuss this very important issue. I should first point out that the assessment we're here today to request your approval for is very different from the PARCC assessment. It is very different from the other assessments we have with Pearson. As you mentioned, it is an assessment for students with severe cognitive disabilities.

I'd also like to speak to the issues that you mentioned in some of the other states. We've been with Pearson for quite a while and have not had those same experiences. We feel that because we've been with Pearson and have been using the same system and the same platform, we didn't have the same technical difficulties that some of the other states did. Some of the other states may not have done kind of a test run like we did. So we do feel that we were better positioned when giving the PARCC assessment than some of the other states may have been because we have been using that platform for quite a while.

Like I said, the assessment we're here today to ask approval for really is a much different assessment. It's for students with severe cognitive disabilities. Teachers are very involved in the process of developing the items. It's not the same format where a student comes in for a few hours, sits down, takes the test. The students really, it's done over a course of four months based on the student's needs and based on the teacher's input. And I have some of our testing experts here today with me if you have any additional questions.

COMPTROLLER FRANCHOT: Okay. Thank you. According to my background materials the State of Maryland will have spent \$33.4 million on this current contract with Pearson since its May, 2009 effective date. Is this simply the amount that we've spent with Pearson on the alternative test? Or is that the overall dollar amount that would include the cost of developing the PARCC exam content, equipment, technology, and so forth?

MS. MICHEL: I'm going to introduce Trinell Bowen, who is with our Assessment --

COMPTROLLER FRANCHOT: I guess the question is, how much has the State of Maryland spent overall with Pearson?

MS. BOWMAN: Hi, Trinell Bowman from the Maryland State Department of Education, Program Manager. And that contract amount was over a four-year period. The amount that we are requesting today is a lesser amount, I

believe \$1.9 million, which is for one year. So the amount that you are referencing was the four-year contract value that we --

COMPTROLLER FRANCHOT: Is that just for the alternative test? Or is that --

MS. BOWMAN: Correct.

COMPTROLLER FRANCHOT: What about all the other relationships we have with Pearson?

MS. BOWMAN: So this is the alternative assessment contract. The other contracts are separate from that. And so our PARCC contract I believe was about \$65 million over a four-year period.

COMPTROLLER FRANCHOT: Mm-hmm. And any other --

MS. BOWMAN: And then we have our High School Assessment, and our Assessment Director Doug Strader would be able to give you that amount.

COMPTROLLER FRANCHOT: How much is that? How much is that for Pearson?

MR. STRADER: I'm sorry, sir. Doug Strader, Director of Assessment for the State Department. The High School Assessment is actually with ETS.

COMPTROLLER FRANCHOT: Mm-hmm.

MR. STRADER: They are the contractor for the High School Assessments. The contracts that we have with Pearson for our particular assessment program is the science assessment, which was just agreed upon for the Board this past December, I believe?

MS. BOWMAN: Yes.

MR. STRADER: There was no contest for that award. The PARCC assessments we have, they are handling the administration portion of the reading and math assessments for three through eight and the high school content areas, as well as this alternative assessment, this extension that we're requesting this year to get us through the procurement cycle to issue the RFP next year for the new test design.

COMPTROLLER FRANCHOT: Okay. And how much is the total amount that we're paying ballpark?

MR. STRADER: So for this year PARCC operational assessment is approximately \$12 million for Pearson. And then we have the science assessment for this year for grades five and eight, which is approximately \$4.9 million for our science assessment. And then we have this extension that's before you here today.

COMPTROLLER FRANCHOT: And how much have we spent over the years with Pearson?

MR. STRADER: I would have to add that up, sir. I don't have that number with me.

COMPTROLLER FRANCHOT: Okay. Well here's a Pearson test, another one that was administered to sixth graders in the State of New York. Listen to this test question, I guess you would call it. Nimbus clouds, mysterious, ephemeral, and now indoors. It goes on to say it actually contained the following passage, quote, as a result the location of the cloud is an important aspect as it is the setting for his creation and part of the artwork. In his favorite piece, Nimbus D'Aspremont, the architect of the D'Aspremont-Lynden Castle in Rekem, Belgium, plays a significant role in the feel of the picture. The contrast between the original castle and the former use, its former use as a military hospital and mental institution is still visible. You could say the spaces function as a plinth, P-L-I-N-T-H, plinth for the work.

I don't want to berate these things. But you know this is --

MR. STRADER: If I may?

COMPTROLLER FRANCHOT: -- how can we do business with a company like this that creates for sixth graders a question like this and has such a questionable track record?

GOVERNOR HOGAN: I'm glad I'm not in sixth grade.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah.

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GOVERNOR HOGAN: That's a tough one.

MR. STRADER: So in Maryland as well as many --

COMPTROLLER FRANCHOT: Yeah.

MR. STRADER: -- we're not purchasing an off the shelf assessment that is Pearson owned. In the State of Maryland Pearson is our partner in developing our assessments. There's quality controls among the entire process for Marylanders to look at our items, accept our items. There is item data reviews. There's bias and sensitivity reviews. Maryland has as much ownership of our items, if not more ownership of our items, than actual Pearson or any vendor does. So in the case if you do see items such as that going through Maryland's assessment program --

COMPTROLLER FRANCHOT: Bring it to your attention. Okay.

MR. STRADER: -- our assessment shop is as much at fault as anyone else.

COMPTROLLER FRANCHOT: Well I guess we're with 27 other states, we're providing English language arts, math tests to these kids in the collaborative. But the collaborative, I guess, based on today's request does not do the science test?

MR. STRADER: That's correct.

COMPTROLLER FRANCHOT: So we're providing some subject tests through the consortium, and the science test through Pearson.

MR. STRADER: That's correct.

COMPTROLLER FRANCHOT: Why would the consortium I guess trudge along like this on the sidelines and not bother to develop a science test themselves?

MR. STRADER: Because there is a new set of science standards that have been released, the next generational science standards. Those science standards are at a point now where the actual expectations of the implementation of those standards are rolling out. So the consortium has held off on administering or developing that piece until the science, or the standards themselves are fully implemented and understood. That's the work that's going on this year. That's why we're waiting to see how this new test design that the consortium is implementing, currently we have a portfolio approach, very robust approach to assess these students. This is one administration approach, a single administration approach that the consortium is leveraging to assess these students. So we would like to study to see if that design truly is effective and doing best by our stakeholders, as well as we want to make sure we fully understand these standards and implement those into our new RFP. So that's why we're asking for this one-year extension to design and develop the RFP that is in the best interests of our students.

COMPTROLLER FRANCHOT: Well let me ask this.

MR. STRADER: Yes?

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COMPTROLLER FRANCHOT: If this were not approved today, would that mean that Pearson would not be administering the science test in the upcoming school year? That as the Governor noted apparently is already underway?

MS. MICHEL: Before I answer that question I just want to make sure we're absolutely clear that the PARCC consortium has nothing to do with our current Alt MSA Maryland School Assessment. That has been done through Pearson. We are moving toward another consortium different from PARCC to administer a different type of alternate assessment for students with severe cognitive disabilities. Right now that consortium is considering English language arts and mathematics, but has not considered science yet. So this is, the Alt MSA has always been separate from PARCC.

COMPTROLLER FRANCHOT: Okay. So if we rejected this contract today, what outcome would that have as far as Pearson? Would they not be administering something in the science area?

MS. MICHEL: So the outcome is we would not be able to give these students an assessment in science. So besides from being a federal requirement we also feel very strongly that there is an equity issue here, that these students deserve the same opportunities as their peers in the classroom. They deserve to have a test that is created with, that is not biased, that is scored independently, just like their peers in the school system.

COMPTROLLER FRANCHOT: Sure. But aren't you able to do that in the State Department of Education?

MS. MICHEL: We are not able to do that.

COMPTROLLER FRANCHOT: I mean, you have technology, equipment, personnel. You have administrators. You have scoring people.

MS. MICHEL: Many years ago we did do something similar to that and we had 15 or so? Fifteen people dedicated to that work that we no longer have. We also feel very strongly that having that independent third party source verify the results and score these assessments provides validity to the results. And these students should have that same opportunity that the other students do.

COMPTROLLER FRANCHOT: Okay. And what federal money would we lose if any if we simply did not do this --

MS. MICHEL: It's hard to say.

COMPTROLLER FRANCHOT: -- current stop gap program?

MS. MICHEL: It's possible that we could lose all of our Title I funding under the Elementary and Secondary Education Act, our IDEA money.

COMPTROLLER FRANCHOT: How much is that?

MS. MICHEL: Together we've talking about hundreds of millions of dollars.

COMPTROLLER FRANCHOT: Has that ever happened anywhere in Maryland's history?

MS. MICHEL: To my knowledge it has not happened in Maryland's history. There has been some cases in other states where the range of money has varied, and that's why I say it's possible. Because by accepting that money we are guaranteeing that we are giving those assessments. So the federal government would have the right to take that money back. But we don't know whether or not that would happen for sure.

COMPTROLLER FRANCHOT: What states have a history of actually losing federal money?

MS. MICHEL: I believe there is a case in Washington state.

COMPTROLLER FRANCHOT: You believe there is one case?

MR. STRADER: It's under litigation now.

COMPTROLLER FRANCHOT: It's what?

MS. MICHEL: Under litigation now.

MR. STRADER: Yes.

COMPTROLLER FRANCHOT: So there's no state?

MR. STRADER: That's the most current that I'm aware of.

MS. MICHEL: In addition to the possibility of losing federal funds, we do think that there is a greater moral issue here with doing something different for this group of students.

COMPTROLLER FRANCHOT: Well, some people would argue that the lessening of the fetish that we have for standardized testing would

actually be a moral benefit to a lot of our kids. And so let me just finish up. Are the folks in the consortium who are contracted with us for the standardized assessment test, are they simply extending their existing Pearson contracts as well? Or are some states coming up with alternative plans like doing their own science tests?

MS. BOWMAN: So for the alternative assessment, we are moving forward with the National Center for State Collaborative Consortia of about ten states. And so one of the discussions we will be having moving forward is if we will develop an alternative assessment for science as a collaborative of states. And so that is a discussion that we're having. Some states are collaborating as states to do their alternate science assessment and some are doing it individually.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. You know, I share a lot of the concerns that the Comptroller has with respect to Pearson and with respect to PARCC and with respect to overtesting. And we have already cut by 90 minutes the amount of testing that is going on. That's a start. We certainly think we are still overtested.

But my concern is, and maybe you can clarify it for me, as I understand it we are required to administer this assessment?

MS. BOWMAN: Correct.

GOVERNOR HOGAN: We potentially could lose hundreds of millions of dollars of federal funding. I think we could also potentially be

concerned about, you know, losing our waiver on No Child Left Behind, is that correct?

MS. MICHEL: Correct.

GOVERNOR HOGAN: And potentially we would be violating the civil rights of these severely disabled students and subjecting ourselves to lawsuits.

MS. MICHEL: Correct.

GOVERNOR HOGAN: So everything he said, I'm just as concerned as he is. But what are the alternatives if we don't move, I mean, I'm concerned about the ramifications of, you know, it's not the greatest thing in the world but if we don't do it it could be worse.

MS. MICHEL: Sure. And we're asking for a one-year extension so we can figure out something else. So we can either join, either this other consortium that is working on the English language arts and mathematics will develop a science assessment for the Alt MSA, or we will go out to rebid and do a new procurement for this particular test. So this is a stop gap, a one-year extension request so we can figure out the best path forward.

COMPTROLLER FRANCHOT: Well I spent eight years with a Governor who always brought up this argument of, boy, we're going to lose money on the federal thing really, and you know, it's endless the number of times I've sat here and heard we have to do something because there is a possibility the

federal government will somehow reduce our funds. And you know, I wish we could, well I'm going to vote against this contract. I think it's a lousy company. I think, I regret our involvement with it. And I don't think there's any threat of losing federal dollars, based on your testimony that one state has been affected. And I'm fed up with this specter of the federal hand coming down. And who are they? Is that passed by Congress? Is it just passed by some highly paid bureaucrats in Washington that decide to put in little things that we're giving you money but we're going to take it back if we don't like what you're doing? I mean, how can anybody reasonably objectively look at a contract like this with that kind of cloud hanging over it? First of all, it's, I think it's an invalid threat. But anyway. I regret that we are in this relationship with this company. And I think it's a, I think we do a disservice to our kids.

GOVERNOR HOGAN: I want to, you know, bring up that, just a, while we're on this topic, that we signed the Assessments Commission into law to try to get recommendations on finding the right balance between time in the classroom and being tested. It's something that people are concerned about. I hear it everywhere I go. I believe that the standards and assessments for Maryland schools should reflect Maryland values, be age appropriate, have input from parents and teachers, and be limited in frequency and duration in order to maximize more time in the classroom and learning and less time being tested. I'll

certainly agree with the Comptroller on that. Any other questions? Madam Comptroller?

TREASURER KOPP: Treasurer. No, I --

COMPTROLLER FRANCHOT: Treasurer.

GOVERNOR HOGAN: Madam Treasurer, sorry. We've heard enough from this guy.

(Laughter.)

TREASURER KOPP: Like I say --

GOVERNOR HOGAN: Madam Comptroller, that was --

TREASURER KOPP: -- I agree with what the Governor just said. I think it would be very foolish to stop now and have this gap for a year. Foolish and perhaps unfair to the students and to their families. And to get these two arguments tied in together, the Alt Science exam and the Common Core, which I remember when everyone supported the Common Core. I think American standards do make some sense. But anyhow, I'm certainly prepared to support it.

MS. MICHEL: Thank you.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: I have a question on Item 27.

GOVERNOR HOGAN: I do, too.

COMPTROLLER FRANCHOT: Good.

TREASURER KOPP: Yes.

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GOVERNOR HOGAN: Next?

SECRETARY MCDONALD: Governor, Item 27 has a lot of people out here who want to listen, who have come. Perhaps (indiscernible) they are all waiting out there. I don't, I know there is a screen out there. But I don't know if you want them to be able to come in or not?

GOVERNOR HOGAN: Well I think we would have a serious fire

--

SECRETARY MCDONALD: I do.

GOVERNOR HOGAN: -- code violation if we brought more people in here. But hopefully they can hear. And anybody that needs to testify can come in and we'll take our time bringing them in.

SECRETARY MCDONALD: Well we do have some names that we provided to you of people that actually asked to testify.

GOVERNOR HOGAN: I think, I guess it would be appropriate to call up Secretary Moyer.

SECRETARY MCDONALD: Secretary Moyer has to come first -

-

GOVERNOR HOGAN: First of all, as he's coming to the podium I just want to congratulate Secretary Moyer on the incredible job yesterday. We moved the last prisoner out of the Baltimore City Detention Center and closed that disgraceful facility, and he deserves a big round of applause for his efforts.

MR. MOYER: Thank you, Governor.

(Applause.)

GOVERNOR HOGAN: Mr. Secretary, Item 27.

MR. MOYER: Governor, Comptroller Franchot, and Treasurer Kopp, it's a pleasure to be before you today. Last December Governor Hogan called me when I was in Florida and asked me to be his Secretary of Public Safety and gave me one main message: come back here and get rid of the corruption out of this department. There is over 11,000 great, hardworking men and women that work for the Department of Public Safety and Correctional Services. Staff knows my background. I've dealt with corruption issues before in my State Police life and in my investigative time with the Attorney General's Office as well. There's two ways you weed out corruption out of an organization. One, you have to hire the right people. But if you've let some bad folks get through the door you have to aggressively investigate them and go after them as well. And as I said, we have a great organization with great employees.

This process started when I first came in. I looked at some issues that were going on. Twenty-seven correctional officers had been indicted in this department and 24 were convicted. My team and my staff are still involved in other investigations with the U.S. Attorney's Office. We will be working in the future with the Attorney General's Office and also the Baltimore City State's Attorney's Office. We're going to continue to do that on the folks that got

through the door before we made this recommendation to overhaul this process. It has nothing to do with the people that are involved, it's process. And I'll tell you what the process problems are.

In April of this year I brought in the gentleman standing behind me, Mike Stelmack, as the Human Resources Director for the department. The former director had retired, one had resigned, and we had asked another one to leave. And we have a new HR leadership team in place. They began their work in May and they made some recommendations. We have 139 people working in the human resources department. It's the largest in the State. And when you look across the country it's a very high number of people to have in an HR department. But let's look further than that.

It's a process issue. When we dug down deeper we have issues such as we do not have a validated test for correctional officers. We have not had one in ten years. In the last couple of years 15,000 people took that test and only 800 failed. I think everybody in the room can recognize there is something wrong with a test that screens that low.

We also have an issue where as far as handing out discipline, how discipline is managed. It's very decentralized. It's not centralized. They work for different administrators across the State and no decisions are reviewed centrally in the human resources office. Due to that process since January 1st of 2013 until now, 253 people besides the corruption case have been arrested in this

department and over 200 of them are still employed because we didn't carry out the right administrative measures to go after and look at these offenses that were committed. And some of them were pretty outrageous.

What we're doing now to streamline the process, what we already began, we run the fingerprinting system. We weren't fingerprinting until months down the road in the process. When we take an application now we do fingerprints on day one. Guess what the result is? We're screening out 40 percent of the people applying on day one. During this past session of the Maryland General Assembly a law was passed saying that we must fingerprint applicants. I told the General Assembly I didn't need a law to do that, we were going to do it whether the law was passed or not. We've hired polygraph examiners. They are in place and that function kicks in on October 1st.

What we're asking here today is to give us the ability to streamline the process. I've been in State service for 24 years with the State Police and again with this tenure here. I went in the private sector for a little bit, and I was in the Sarasota Police Department for two years. I have the utmost respect for State employees. My father was born in poverty, was a Maryland State Trooper, and then was the Sheriff of Harford County. I'm not here to eliminate or to remove jobs for the sake of removing jobs. This is a process. I will look at all three of you straight in the face and I will tell you there is a net loss of 37 positions here, it's not 63. Because what Mr. Stelmack has done is put a process together with

new MS-22s so that we have a streamlined very focused process in the way this department hires, fires, and handles disciplinary issues. I will personally work with any employee who is displaced. We have worked with Secretary Brinkley's office. We're going to have a couple of seminars that Mr. Stelmack is going to talk about. And we're also going to unfreeze position in regions of the State where any displaced employee may be displaced. And with that I will turn it over to Mr. Michael Stelmack to give you more specifics.

GOVERNOR HOGAN: Thank you.

MR. STELMACK: Thank you, Mr. Secretary. Madam Treasurer, Governor Hogan, Comptroller Franchot, I'm Mike Stelmack, Public Safety Director of HR.

As the Secretary has very eloquently spoken about the processes or lack thereof, what we put together when we reorganized is the ability to have a unity of command, centralized authority with a clear direction and clear process pertaining to all HR functions. That did not, has not occurred.

A little bit of a history is the current HR was actually laid out when all of the institutions were independent bodies so they all had their own independent HR establishments. All independent processes. What we are putting together now is we are consolidating the current 118 full time PINs into 82. We brought 72 of those employees will be in our Reisterstown Plaza office complex, which we call our RPOC for short. We will centralize hiring. We will centralize

promotions. We will centralize transfers and all recruitments so that we have one system all the way across Maryland. No matter you come into our system, you will have the same test, the same questions, and all the processes will be the same instead of different processes right now. The centralization gives us that ability to do that.

But we're also going to allow five geographic operational organizational units. I know they have been tagged as hubs, but we call them operational service units. And those operational units are going to be there to assist our Reisterstown complex. They are going to administer a lot of the paperwork, act as liaison in a lot of the functions the RPOP will carry out, employee benefits, retirement, things like that, paperwork for disciplinary process.

One of the questions I had is about discipline. Discipline is handled, our investigators are our IID people. They are not in HR. We do not do that.

TREASURER KOPP: I'm sorry, they are not?

MR. STELMACK: They are not HR people, ma'am. The investigators come under a separate command in Public Safety. So any questions that you have? We have a Cumberland, a Hagerstown, a Jessup, a Baltimore, and an Eastern Shore operational service unit, or hub as they have been called. Each one of those will have three employees.

TREASURER KOPP: I just have one initial question and then I, there are a number of other functions that HR people usually perform dealing with their employees, with issues that come up. How is that going to be done? Out of Reisterstown?

MR. STELMACK: No, we'll still have three people in each one of our --

TREASURER KOPP: But you said those three people were there --

MR. STELMACK: -- in our geographic areas.

TREASURER KOPP: -- to send papers on, I mean, who is going to be dealing with the employees who are, you are removing them from where the employees are. I mean, I know in our office and the Comptroller's Office, in our building, problems come up. People have issues. They need counseling for retirement, for benefits, for all sorts of things.

MR. STELMACK: Right.

TREASURER KOPP: Are they going to go to Reisterstown now?

MR. STELMACK: That's why we have the geographic operational units.

TREASURER KOPP: Well that's what I wasn't sure, what these people --

MR. STELMACK: Yes, ma'am.

TREASURER KOPP: -- these three people in the five --

MR. STELMACK: Well we'll still have people in Cumberland, we'll have them in Hagerstown, we will have them Jessup, we will have them in Baltimore.

TREASURER KOPP: And so the folks will go, for instance, from the institutions to the office in Cumberland when somebody has an illness or needs, is that the idea? So there won't be anybody on site?

MR. STELMACK: We're not, you're thinking that we are moving, they are still going to be, the Cumberland people are still going to be in Cumberland where they are now. The Hagerstown people are still going to be at the complex.

TREASURER KOPP: And so that's where all of the hands on HR work is going to be done?

MR. STELMACK: That is where, they are --

GOVERNOR HOGAN: Except the hiring.

MR. STELMACK: -- liaison people. So if you need an appointment to come to do your retirement, all your paperwork, you would come in there. We will have computers in there for our employees to come in to be able to access. We have them now in the individual institutions. But we were actually going to have them also in our operational services unit. So they can come in there, they can make an appointment, they can come in, they can get their

paperwork. The people in the geographic unit will liaison with them, help them do their paperwork. If they have to schedule any appointments they will take care of that. If they have FMLA issues, ADA issues, yes, we will still have the one on one, employee face to face in those geographic areas.

TREASURER KOPP: All right. I just need a little help understanding how that part of it is going to work. These employees have been used to dealing with people. I understand some of the problems that you all have had. But the State employees have been used to dealing with HR people who understand the law who can guide them. I gather some of them have had trouble reaching out to Reisterstown and getting answers for things.

MR. STELMACK: Well I don't disagree with you there, ma'am.

TREASURER KOPP: I'm just not clear how this makes it, you know.

MR. STELMACK: When I came in, I mean, it is, it's a mess.

TREASURER KOPP: This is new.

MR. STELMACK: Yeah.

TREASURER KOPP: I get it.

MR. STELMACK: I'm a latecomer.

TREASURER KOPP: I appreciate that.

MR. STELMACK: But you have to understand, I did do an assessment with other people and we looked at it. And this is a, it's a broken

system. To give you an idea, we are actually going to be more aligned with a corporate type of an HR. The HR as it exists now, as I kind of did a little history, came about because every penitentiary, every institution was their own little entity.

TREASURER KOPP: I get that. Yeah.

MR. STELMACK: And they put their own HR together and they did everything independently. But from a fairness to the employee, why is it fair that if I walk into the Eastern Shore office to apply for a job, that I have to go through one process. But if I go into Hagerstown it's another, and I'm, it's not.

TREASURER KOPP: It's not fair.

MR. STELMACK: Right.

TREASURER KOPP: And it seems to me that if that's the way it's happening now there's some problem with the management at the top who ought to be seeing that things are consistent. And I recognize that you are now stepping in and trying to do that. I'm also concerned, though, in trying to understand what happens to the employee. I mean, I know the hours that the correctional people work. I know how tough the jobs are. I've walked around those places for a couple of decades now, as the Secretary knows. How it's going to affect, how it's going to affect them. As well as obviously our concern --

MR. STELMACK: Right.

TREASURER KOPP: -- as you know with the individuals who are, I mean, you start off talking about corruption but then you say you're not saying that these people are corrupt. And the question is, first of all, we have to make that clear.

MR. STELMACK: Right.

TREASURER KOPP: And secondly what's going to happen to them? They lost their opportunity for the retirement in March or April because they didn't know about this. I mean, you've just got to treat people fairly, that's, but I look forward to hearing how that, you are doing that.

MR. STELMACK: Well I don't think that one on one is going to change. As I said, we will still have regional offices. We're still going to have employees in there. There will be HR employees that will be able to do the one on one interaction with anybody from the institution.

TREASURER KOPP: All right. This is the question and I have no idea what the answer is --

MR. STELMACK: But our recruitment --

TREASURER KOPP: -- the employee per, the workload of those three HR people in terms of dealing with these sorts of issues, how is that going to be different than the workload of the people that do that now.

MR. STELMACK: Well if I can, the State of Maryland has invested a lot of money in this work day process which is taking over a lot of the HR functions and inputting, it's going to be a timekeeping, payroll --

TREASURER KOPP: I'm just talking right now about the hands on things that come up --

MR. STELMACK: Well but that takes away from a lot of what we, people in the institutions are doing now.

TREASURER KOPP: Okay. Okay.

MR. STELMACK: And frankly, HR people are doing a lot of things that really HR people shouldn't be doing. So when you take a look at, if you take that all away, I'm sorry, and have them do strictly HR things, you don't need all the people out there that are there now. And the centralization, we can do more recruitments. In this process we are going to hire recruiters. As the Secretary said, on October 1st we have to implement a polygraph examination. You know, nationally in law enforcement you experience a 40 to 60 percent drop out rate. So that makes our job even harder. It's a very difficult profession now to attract people into. It's going to be even more difficult to try to get quality people. And so we have the ability now to recruit from a centralized location that they can go out in the State.

Our recruitments will be done centralized and we can throw all of the people at different recruitments. You can't do that the way the organization is --

TREASURER KOPP: So will people have to, everyone who wants a job in the institutions will go to Reisterstown?

MR. STELMACK: No, ma'am. We still will have the Eastern Shore and we will still have our --

TREASURER KOPP: So that is where you will actually go for the job applications?

MR. STELMACK: If you are on the Eastern Shore, yes, we will still administer the test there. If you are in the Hagerstown, Cumberland, yes. We still have an academy that's out there, and yes ma'am. That does not change. That comes under --

TREASURER KOPP: Okay. That's what we're trying to, I'm trying to understand.

MR. STELMACK: Well see, yeah, there's a, we have an operation called centralized hiring, which is not in HR. That's in a separate, so the centralized hiring still stays where they are. That's the background people, the people in Cumberland and the people --

TREASURER KOPP: So the people who were involved with hiring all the people thus far in fact are not the HR people?

MR. STELMACK: For the correctional, for the correctional staff right now when I came in it had just changed over. That process changed before my time. So I am not really an authority on how things used to happen. But as it is now, centralized hiring does the hiring for our correctional officers.

TREASURER KOPP: Not these HR --

MR. STELMACK: Not any more. No ma'am.

TREASURER KOPP: There's an allegation floating out there that we are saying, or we are implying, that the HR people were responsible for bringing some of the bad eggs on, and you are saying that's not --

MR. MOYER: No, here --

GOVERNOR HOGAN: No, he didn't say that at all. He said --

MR. MOYER: -- here's my approach to the way you go after corruption in any organization is you put investigators together and you work with prosecutors and you go after the people that are already there. Okay? Part two is you have to have the right human resources process up front to prevent bad people from coming in. Now the processes that we had obviously were letting people come through. This is changing the process and the function of the HR department. Those people, those 253 people that were arrested, in my new process the Secretary is going to know when someone gets arrested for battery, for assault, for two DWIs and an arrangement is being made so the person can

serve time on the weekend and work for me during the week. Those things need to change.

Now there are folks that our HR folks work for that they are going along with the decision that those leaders are making. And yes, I just fired a warden with 42 years on for some issues. So this is going to be a centralized process where when someone gets arrested in Harford County tonight for theft the Secretary is going to know about it in the morning and we're not going to get past the timeline where I can't fire them. So that's what we're going to look into. And my investigators are going to go out and look at that. We cannot retain, the worst thing I can do is to negligently retain folks that want to engage in that type of behavior and who want to work in this department.

Now as far as the way the hubs are going to work, there are going to be folks in Cumberland, Hagerstown, Jessup, Baltimore, and over on the Eastern Shore. We've met with a lot of the delegates and the senators that were concerned, especially in Western Maryland and the Eastern Shore because of a lot of the issues about jobs in general. We know we're the largest employer in the State in those regions. And I'm very sensitive about that and that's why we're going to have, you know, this ability to do a couple of workshops through Secretary Brinkley's office to bring them on, and then to continue to work with them to help them actively seek employment. But if you work --

TREASURER KOPP: So you are personally --

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MR. MOYER: I'm sorry?

TREASURER KOPP: You are personally going to see to it that these 63 --

MR. MOYER: I am going to personally watch every single person that's involved in this process. And I give this Board my word that I will do everything that I can to help them. I came from a family that worked in State government and county government. I understand it. I get it. I mean, in Western Maryland, my father grew up in Hagerstown, my employees in Western Maryland are amazing, they are dedicated, they are multi-generations of people. I just went out to a golf tournament that they had in honor of our fallen heroes. And I will support our employees. I need to change this process to be successful.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Well I have a couple of questions.

MR. MOYER: Yes, sir.

COMPTROLLER FRANCHOT: I obviously find it appealing to increase the efficiency of the, your agency, and the integrity of the people that you employ, and simultaneously saving taxpayers a considerable amount of money. I think that's all very attractive. But I do have a couple of questions.

In the briefings that we had on this subject it has been suggested that in addition to creating a climate of standardization, unity of command, and

therefore greater efficiency, this will also take personnel officers out from behind the walls of the institutions themselves and therefore will safeguard them from improper influences from the inmate population. Is that a fair characterization of the department's position?

MR. MOYER: That was discussed with your office and with many others. The main issue that I want to address there, if I have an HR person that is going their job, and if a decision is being made by someone they work for that doesn't fall in line with the philosophy and policy of the department, the centralization of these decisions will remove that decision capability away from that warden to have influence on that HR person who works behind the fence, yes.

COMPTROLLER FRANCHOT: So it's not the influence of the inmates --

MR. MOYER: No, sir.

COMPTROLLER FRANCHOT: -- it's the influence of the warden?

MR. MOYER: No, sir. That's correct.

COMPTROLLER FRANCHOT: Okay. So just to play devil's advocate, assuming that it is as you say, why wouldn't we just relocate the HR personnel maybe off site --

MR. MOYER: They --

COMPTROLLER FRANCHOT: -- off site and --

TREASURER KOPP: Instead of firing them?

MR. MOYER: They, Mr. Comptroller, they are off site. In Cumberland they are outside the fence.

COMPTROLLER FRANCHOT: Yeah, okay. So I guess from what you're saying it raises the issue of if you have wardens inappropriately interfering with the HR process isn't your problem with the wardens and not with the HR personnel?

MR. MOYER: Yes, sir. And I just found out about this other information recently. Along with this reorganization Mr. Stelmack has the new policies that we'll follow. I mean, when, the night, the night of the riots in Baltimore, the day after, I receive an email from sherlockholmes.com with a photograph of two of my officers that had just, was in a 7-11 stealing things and coming out, and sent it to me. I knew about that because I received an email from a citizen in the State of Maryland. The process that is in place right now, there was people arrested a couple of weeks ago that I was never told, my office never knew about. So I ran internal --

COMPTROLLER FRANCHOT: But isn't that, I understand that as a major problem. But isn't that cured by a memo from you saying to your wardens --

MR. MOYER: That's what we're --

COMPTROLLER FRANCHOT: -- if not notified you are fired?

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MR. MOYER: Sir, there's --

COMPTROLLER FRANCHOT: If you don't notify my office about your employees --

MR. MOYER: What, sir there, in statute the wardens are appointing authorities in the State of Maryland.

COMPTROLLER FRANCHOT: Who are?

MR. MOYER: My wardens are appointing authorities in Maryland. I will develop a policy that says, yes, they are the appointing authority but I will review these types of cases before that appointing authority makes those decisions.

COMPTROLLER FRANCHOT: Well it sounds to me like you need to fire some more wardens rather than fire the personnel, HR people.

MR. MOYER: Mr. Comptroller, I am doing my best to move people along who I think are not doing their job in this department.

COMPTROLLER FRANCHOT: I'm very sympathetic to, and would like to defer to the Governor on his ability to manage his agency like he wants to and do something good for the State. But when I have six 50-year-old women come up to me at a public event and say they are all being sacked over on the Eastern Shore from their jobs where they have worked 20, 30, 40 years for the State and they have done a damn good job, they have superior ratings, and they are getting fired. And they are asking, and they are saying, you know, we live on

the Eastern Shore. You know how bad the economy is. We're not going to be able to get other jobs. We're older. And you know, yeah, I'm happy that Secretary Brinkley might have something, some program for them, or you might want to talk to them. That doesn't necessarily mean they are not going to go through a huge dislocation. These are older people that have worked for the State who came up to me and said, what are you doing this for? Why are you, why, and said, look, everybody understands in the country the problems with the Baltimore City Jail. And kudos to the Governor for moving the people out of that facility that made us a laughingstock across the country. So, you know, who wasn't corrupt in the prison? But on the Eastern Shore are you, am I hearing that there are all sorts of corruption problems going on in Hagerstown? Is it as bad as what we read about in Baltimore City? Is that why we are taking these draconian actions and firing people that look like perfectly good employees to me?

MR. MOYER: Mr. Comptroller, I can't comment on the open investigations. I can only say this: there will be cases that are beyond Baltimore. And we have met with the delegation from the Eastern Shore. I personally went to ECI. Mr. Stelmack went to ECI. We are going to keep the HR office at ECI. There's five positions there. Under the new hub there will be three. Everyone will have the opportunity to apply for these positions and we will personally work with anyone displaced from those positions.

COMPTROLLER FRANCHOT: So it's your -- well, that's, I want to get to that. Because that's nice sounding, but what does it mean? And it certainly doesn't mean anything to those women who were standing in front of me saying we haven't done anything wrong and we're getting sacked for reasons that they don't understand. I take it you are testifying today that these other jails around the State are in the same kind of condition that Baltimore City is and that's why we have to take what to these folks is perceived as a radical step?

MR. MOYER: Mr. Comptroller --

COMPTROLLER FRANCHOT: I mean, is Cumberland, Princess Anne, Hagerstown, are those people, do they have the administrative corruption that the Baltimore City Jail had? Has?

MR. MOYER: Mr. Comptroller, those 253 cases I spoke of of people being arrested and retained is from all over the State.

COMPTROLLER FRANCHOT: Well how many, let me ask this, what percentage are in Baltimore City?

MR. MOYER: I can give you a full breakdown. I don't have it with me today.

COMPTROLLER FRANCHOT: Okay. So you are going to leave people behind in these regional centers. What's going to be done to ensure that the few, those few left behind folks, I guess, in these facilities, are they going to be incorruptible and better performing than these folks?

MR. MOYER: I think the ability to report centralized in any HR function is the way to do business. Everyone at this table knows I was mentored by a gentleman by the name of Bishop Robinson. He told me there's three main business functions you have to keep sound: human resources, the budget office, and your information technology office. Those three business functions in any organization this size need to be very sound. And any place I've ever worked or I've ever gone, those have been my three focuses to make sure they are very, very sound.

And as I said in the beginning, this is a process change. It's not an attack on any individual person.

COMPTROLLER FRANCHOT: Okay. But of the occupants that are being, that are full time PIN positions that are being abolished, I have 63 occupants but you say there are only 37?

MR. MOYER: Yes. Mr. Stelmack can talk to that.

MR. STELMACK: There are 59 people occupying those 63 --

COMPTROLLER FRANCHOT: Okay. So 59 people, what's the timeframe? Are they going to be actually out on the street? When?

MR. STELMACK: Well we have a 60-day period --

COMPTROLLER FRANCHOT: Mm-hmm.

MR. STELMACK: -- where they will be notified. We are going to put on two out placement conferences, or the Department of Budget and

Management is going to do that for them. We will work on their job skills, advise them about their rights for retirement if they are eligible or if they are close. Advise them for, apply for unemployment. Their health care issues, COBRA, if they are entitled to that, how long their benefits carry out. There are also a number of job fair type things that are going to put on there --

COMPTROLLER FRANCHOT: Okay. So of the 59 individuals that are going to be reorganized, I guess, how many received outstanding or satisfactory scores in their most recent PEP evaluations?

MR. STELMACK: I will probably say most of them.

COMPTROLLER FRANCHOT: Well --

MR. STELMACK: You have to, Mr. Comptroller, I would --

COMPTROLLER FRANCHOT: I mean, these are people.

MR. STELMACK: -- if I could just tell you that we --

COMPTROLLER FRANCHOT: That have worked for us for decades in many instances.

MR. STELMACK: You are absolutely right. Yeah. The process that was laid out to us, sir, was laid out to us by the Department of Budget and Management and their Assistant Attorney General. It's not the Public Safety people who decided this. This was laid out, this is a process that we were told that we had to follow.

COMPTROLLER FRANCHOT: Okay. Will the employees who received outstanding or satisfactory scores be given preferential status when they apply for other jobs in State government, meet the minimum qualifications?

MR. STELMACK: No, sir. On the advice of the Attorney General's Office we cannot give anybody preferential treatment.

COMPTROLLER FRANCHOT: That's unfortunate. So you are aware of course, because you mentioned it, that Cumberland, Hagerstown, and Salisbury, where the prisons are the biggest employers in town, and certainly one of the few institutions that offer family supporting salaries, healthcare, and retirement benefits, and now these folks in those communities, who don't have a lot of choices frankly. I didn't know what to say to these individuals. They, I was, I didn't have an answer for them as to why they were bearing the brunt of what the Secretary states is a very important policy issue, which is corrupt wardens and the Baltimore City Detention Center, which now that we've moved everybody I hope we continue our effort to fingerprint, polygraph every employee, every administrator, and everyone else because that whole facility was a den of corruption. But I thought it was limited more or less to the City. If you, what you are saying is that it's just as bad in the hinterlands, I support whatever radical action you want to take. But why fire the HR people? They haven't done anything wrong. They all did what we asked them to do, I think.

MR. STELMACK: Mr. Comptroller, as I said this is the process that was laid out to us and we have to follow. I would like to add that Secretary Brinkley's people have given us a list of every State available job in Maryland that we will share with every employee involved.

COMPTROLLER FRANCHOT: Well this is what I hope we give, I hope you don't fire these people after listening to this. But I hope they, if they, if someone is let go whose got a satisfactory or superior rating, there would be a lump sum equivalent of four weeks of pay, four months of State paid, dental, prescription, and health insurance, a severance package for employees depending on the timing when they left, exemption from the hiring freeze, counseling services, employee resumes, agency identified State job vacancies in the area. These people are not mobile. They have families on the, at least all these folks did I'm sure.

MR. STELMACK: Secretary Brinkley has given us that information. As to the severance packages, that is not up to Public Safety. That does not come under our purview. That would be under --

COMPTROLLER FRANCHOT: Well that's what we did for the folks when we closed the, unfortunately, erroneously closed the Upper Shore Community Mental Health Center. And there's a long list of them here. And I hope that these folks could at least be offered at least that.

TREASURER KOPP: Comptroller, maybe since, at some point at least there are representatives from DBM here, if they are the ones who were calling the shots in fact. So you are implying that this isn't the way you would do it?

MR. STELMACK: No. What I'm implying ma'am is when we set out with our plan we went to the AAG's Office and Budget and Management and asked them this is where we want to go, explain to us how we need to get there and follow all State laws.

TREASURER KOPP: Did you say explain to us how we can take care of our employees who have been performing well? I mean, is that the way you put it or not?

MR. STELMACK: Did I put it -- I'm sorry, ma'am.

TREASURER KOPP: Can you tell us how we can take care of our employees who have been performing well?

MR. STELMACK: Well we have always asked how do we take care of our employees.

TREASURER KOPP: Okay. So that is.

MR. STELMACK: Yes, ma'am. Sure.

TREASURER KOPP: And it's the DBM AG who said, no, you can't give them any preference. You can't have a voluntary separation. You can't do the sort of thing as at the Upper Shore?

MR. STELMACK: Yes, ma'am.

TREASURER KOPP: Well it's a good thing the department is here.

GOVERNOR HOGAN: Any other questions?

MR. MOYER: Thank you.

MR. STELMACK: Thank you, ma'am.

GOVERNOR HOGAN: Thank you.

MR. STELMACK: Comptroller, Governor.

GOVERNOR HOGAN: Thank you, Mr. Secretary. The reason I brought Secretary Moyer back to Maryland was to fix the disgraceful mess that was the Department of Public Safety and Corrections. The corruption, the rampant criminal activity allowed to occur under our, in our correction facilities across the State but especially at the Baltimore City Detention Center was a black eye for the State and a national embarrassment. The Black Guerilla Family was allowed to establish a criminal empire built on drug trafficking, contraband, and intimidation. As the Secretary mentioned earlier, in less than two years more than 253 correctional employees have been arrested. More than 200 of these people are still on the job. There is something wrong with a human resources department that hires those 250 people and that doesn't fire the 200 people.

We have recently had 27 people indicted, 24 convictions on charges of racketeering, conspiracy, drug distribution, money laundering, in

connection with the jail scandals. A major component of fighting this corruption and reforming this department is ensuring that we hire good, honest people with the integrity to uphold the highest professional standards.

Now we have 11,000 employees in this department. The majority of them are dedicated public servants doing incredible work, and I want to thank them for their service. But due to a previous, you know, hiring debacle bad actors have been allowed to slip through the process. That's what we're trying to fix. Secretary Moyer's structural reforms will conform to national best practices and allow the department to focus on recruiting the highest quality candidates for the approximate 400 vacant correctional officer positions we currently have and for other employees throughout.

So I want to thank you for your efforts already to clean up corruption in the system. I know this is a part of it. Closing that Baltimore City Detention Center was the best thing that's happened in decades, but that's just the start. This is the next step to clean up the process. And I for one am wholeheartedly supportive of your efforts to clean up the hiring practices and the firing practices in this department.

MR. MOYER: Thank you.

GOVERNOR HOGAN: I guess we have other people that want to testify on this.

TREASURER KOPP: Can I just say I too have worked with Secretary Moyer for how long?

MR. MOYER: A while.

TREASURER KOPP: A number of decades and have the utmost respect for him and am happy to follow his leadership in most things. But I am very concerned now that we are returning to tainting these HR employees, human resources employees, whom you say have been under undue pressure from the leadership in the institutions and you are now essentially attempting to protect those jobs to straighten and make more efficient, effective, and fair the processes. But people are getting caught in the crossfire. I mean, we used to talk about collateral damage. I think we have to see there are good performing employees, these many, most of them are women, I think. And let me tell you a woman in her fifties going out looking for a new job, you say that they are going to have the ability to compete with these young people who are new and therefore is going to be paid less than they have been paid even though they are underpaid right now, I think we've got to do better than that. And if it's DBM saying there's nothing we can do for them, then we should talk to DBM about it. Because I think, I think the Governor has the not only authority but responsibility to organize the processes in the institutions the way he, the departments, the way he sees fit. And I, and Steve, I follow your lead. But people are not just collateral damage, they are really people.

MR. MOYER: And I've never said, I'm following a process that Mr. Stelmack laid out, was laid by the Attorney Generals. You said you've known me for decades. I'm going to look you straight in the eye --

TREASURER KOPP: I absolutely --

MR. MOYER: -- and I'm going to tell you, you know me. I'm going to do everything I can.

TREASURER KOPP: I believe that.

MR. MOYER: And you know that. So.

COMPTROLLER FRANCHOT: Mm-hmm.

TREASURER KOPP: So maybe the DBM AAG can come up with something. Thank you, Governor.

MR. MOYER: Thank you.

GOVERNOR HOGAN: Thank you, Mr. Secretary.

MR. MOYER: Thank you, Mr. Comptroller.

GOVERNOR HOGAN: We have a list of people signed up to speak. I guess first of all I'd like to call Senator Jim Mathias who is here to testify against this. Senator?

SENATOR MATHIAS: Governor, good afternoon.

GOVERNOR HOGAN: Good afternoon, Senator.

SENATOR MATHIAS: Mr. Comptroller, Madam Treasurer. I'm thankful to be here today, and I'm glad to see you here.

GOVERNOR HOGAN: Well thank you, Senator.

SENATOR MATHIAS: I'm glad to see you in good spirits, and frankly you know we won't get into that. But we fought the good fight. And there are many people out there today hunkered down over all kind of medical equipment looking to find a better way, a better life, hoping all for those that are in the fight like you are. And we all join together.

GOVERNOR HOGAN: Thank you, Senator.

SENATOR MATHIAS: Absolutely, you're welcome. I look forward to seeing you on the boardwalk in Ocean City, by the way.

GOVERNOR HOGAN: I can't wait.

SENATOR MATHIAS: And I'd like to see you there when, you know, the day that we make sure that we get these kids to go back to school in Maryland after Labor Day.

(Laughter.)

GOVERNOR HOGAN: All right.

SENATOR MATHIAS: Hear, hear.

GOVERNOR HOGAN: I like that. I'll be down there with all the kids on Labor Day weekend.

SENATOR MATHIAS: Amen. But with all that being said, respectfully I look around the room and I see the folks here that are being affected by this. I've heard your commitment. Steve as well, Mr. Secretary, I'll take the

liberty of calling you Steve. He and I have worked together when I was Mayor of Ocean City. I know his dedication to good management, to public safety and the like. I understand that. However, I know you've also heard in addition to hearing from Steve and his deputy from the good Treasurer and the Comptroller. You know, we can talk about PINs and we can talk about positions but when we get down to it they are people. They are people. And I know and, you know, I've sat in some of the hearings you said you wanted to put money back in the pockets of good and hard working Marylanders. Here this very well could take money out. And I understand what we do in the transition, how we get to a better management plan. But the fact of the matter is that respectfully they are people, they are mortgages, they are car payments, and they are just all the other things, they are grocery bills and the like. This may be a good plan but I respectfully believe it needs to go back to the drawing board.

Now to get specific I look here and I see Governor Tawes watching us today, the only Marylander that has served in all three capacities and sat in every one of those chairs. And he comes from Somerset County. I have a letter that --

GOVERNOR HOGAN: -- great clam bake and crab feast down there.

SENATOR MATHIAS: Absolutely. And by the way, you know, they started harvesting corn yesterday on the Eastern Shore and I heard that the harvest is good --

GOVERNOR HOGAN: Good.

SENATOR MATHIAS: -- and they are praying for better prices. But you know how that is. But the point is is this. You know, who wants a prison in your backyard, raise your hand? Not a lot of hands go up. But the fact of the matter is when we were very fortunate to have ECI in Somerset County, then Governor Hughes wrote a letter to Delegate Danny Long. And the first two points, I won't belabor the issue, was how we were going to make this a net asset. A net asset to the Eastern Shore, a net asset to Somerset County. And quite frankly when we go from five to three, this is a net loss.

I've talked with Steve and his predecessor as well about other things that are named in that letter, whether they are purveyors of Little Debbie cakes, or Pepsi-Cola or whatever, in these prisons. Every time we turn around it seems like we're forcing down the economic impact, the positive economic impact of these prisons, particularly here in my district. I ask you to consider this today. I ask you to consider not only the two that I'm going to see lose those individuals. As the Comptroller, I suspect that the event he was at may have been at the clam bake. But they called me on the phone and our office on the phone. I ask your consideration. I too join, I join the Treasurer, I join the Comptroller, in

their upsetment, in their questions. And I would like to ask you because I know you are a man of action and integrity and for the people, I ask you to look after these people whether there are 63 or 37 or two. I've heard numbers all over the place. Not PINs or positions, but people. That's my position today.

I'm joined by my colleagues here as well. I feel very, very proud that other colleagues, elected officials from the Eastern Shore have come up with me today to talk about this as well. So plain spokenly, that's my point of view. I appreciate you all giving me the opportunity to come and present it to you. And I'm certain as a man of action, as a Board of action, that you'll take it into consideration. And whether we can defer this, reject this for now, send it back to the drawing board, I'd appreciate that consideration on behalf of these hardworking Marylanders, not only from the Eastern Shore and all of rural Maryland but throughout our great State. Thank you, Governor.

GOVERNOR HOGAN: Well thank you, Senator. I can't wait to see you in Ocean City.

SENATOR MATHIAS: Amen.

GOVERNOR HOGAN: Maybe I'll meet you at Thrasher's French Fries.

SENATOR MATHIAS: I'm in.

GOVERNOR HOGAN: Okay.

SENATOR MATHIAS: And you know they keep their, the best days in Ocean City are after Labor Day.

GOVERNOR HOGAN: I know that.

SENATOR MATHIAS: All right. Thank you.

GOVERNOR HOGAN: Thank you.

SENATOR MATHIAS: So good to see you.

GOVERNOR HOGAN: We'll move on to also from the Shore Delegate Carl Anderton is here as well. Delegate? Good afternoon.

DELEGATE ANDERTON: Good afternoon, Madam Treasurer, Mr. Governor, Mr. Comptroller. You know, I see the same portrait of Governor Tawes, you know, the child of Crisfield, you know, ten miles up. So I remember as a kid the whole struggle, the back and forth with ECI. When it was to be built, where it was to go, and how it was supposed to happen. With the trees being planted along the highway so you couldn't see the facility, you know. My brother is an employee there. He's on the 20-year plan, so he says. He's going to put in his 20 and go to the State Police. So we'll see how that plays out.

But anyway, I want to echo some of the sentiments that my Senator shared. You know, first off I want to thank Secretary Moyer. At first I was adamantly opposed to this because it was removing the facility out of ECI. I have a lot of constituents who are employed at ECI who were sending me texts about where are they going to go to HR, how are they going to go there because

they work these odd shifts. And so, you know, upon speaking with the Secretary he met with his leadership team and in about 45 seconds he came back and said we'll leave the hub at ECI. That's quick. That's my kind of government there. That's good. That's fast.

But the other part of this is of course the two vacant, or the two folks that will be without employment because of this. And they were texting me while I was standing there, please help. And let me tell you, okay, that breaks my heart, you know. It's hard to sleep when folks are hurting like that. My wife back in '09 was part of some cut backs, she's a State employee. You know. And then all of a sudden your whole world flashes before your eyes in a moment because of a decision that was made 140 miles away. And fortunately there was positions available that she was able to slide into and now she's back to where she was originally. A long, full circle, but we made it.

So it would be great to walk out of here today with assurances that these five individuals will stay gainfully employed with the State and not have to start from scratch, especially, you know, the conversation about some of the age of some of these folks. You know, I don't know much about that. But still, I can imagine that it's, you know, it's a scary thought for anybody just to see their livelihood go away. Like you said, you know, car payments, house payments, you know. I mean, you make plans for your future based on your employment. And so I'm looking for help for that. You know, again, I support the restructure.

I think it is fiscally responsible in the long run. But in the meantime, you know, I'm just really concerned about our individuals. You know, 650 jobs from Labinal we've lost to Texas. Perdue is going to take 150 high paying jobs and take them to Delaware if we don't do something about that. You know, we have all these things that are falling in place and so every job absolutely counts. And you know, it's not just that person's, that family. It's that store they shop at. I mean, it just snowballs considerably. So --

GOVERNOR HOGAN: Delegate, just so you know for the first seven months of the year we've created 54,900 jobs in Maryland. We lead the entire Mid-Atlantic region.

DELEGATE ANDERTON: That's why I voted for you.

(Laughter.)

GOVERNOR HOGAN: We're one of the leaders in the entire nation. Last month alone we created 9,500 new private sector jobs in Maryland.

DELEGATE ANDERTON: Absolutely.

GOVERNOR HOGAN: So while I'm concerned as well about individuals --

DELEGATE ANDERTON: I know you are. Absolutely.

GOVERNOR HOGAN: -- we're doing a tremendous job putting people to work here in the State.

DELEGATE ANDERTON: Yes, you are. Absolutely. No --

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GOVERNOR HOGAN: After doubling unemployment and losing 100,000 jobs it's a dramatic turn around.

DELEGATE ANDERTON: Right, that's why I voted for you, man. That's why. We're down. We're going to make it happen. I believe it. But you know, again, so I just ask you guys to please take into consideration, you know, some assurances for the folks that might get displaced out of this.

GOVERNOR HOGAN: Yeah.

DELEGATE ANDERTON: But all in all, I think it's, it's, you know, I totally understand the reason behind it and I'm glad that the hub will stay at ECI for folks on the Eastern Shore.

GOVERNOR HOGAN: Great.

DELEGATE ANDERTON: Thank you very much.

GOVERNOR HOGAN: Thank you, Delegate.

DELEGATE ANDERTON: Absolutely. Yep.

GOVERNOR HOGAN: Next we have Emily Eubanks.

MS. EUBANKS: Good afternoon --

GOVERNOR HOGAN: Good afternoon.

MS. EUBANKS: -- Governor Hogan --

GOVERNOR HOGAN: Good afternoon.

MS. EUBANKS: -- and Treasurer Kopp and Comptroller Franchot. I work in RPOP, the main office. And I work under Parole and

Probation. And I've been very confused as to how Parole and Probation, I know I work under Secretary Moyer but I'm trying to figure out how did we get put in the corruption with it? I know we have bad people, you know, in there. But when I heard this and knowing that I was a PIN and being put out of a job, it took a lot out of me. I'm 63 years old. And I'm trying to figure out, what did I do? Outstanding ratings and everything, I get every time they give me a PEP. I do my work and I'm still trying to get an answer. What did we do in HR? I work up there with you guys and I'm trying to figure out what we did to get put in this position. That's all I've been asking.

GOVERNOR HOGAN: Well I'm sorry you're in the position but you know you have a great opportunity to be here with the folks involved.

MS. EUBANKS: Yeah, I want to know why.

GOVERNOR HOGAN: So hopefully maybe you'll get a chance to talk with them directly, with the Secretary.

MS. EUBANKS: We were caught. Unfortunately we are, to me it seems like we're getting labeled that we did the recruiting, the recruiting for the correctional officers. Parole and Probation doesn't do the recruiting. We don't do their paperwork. We do parole and probation agents. I'm trying to figure out, somebody explain to me, and he wiped out my whole unit. Every last one of, our administrator, my supervisor, and all my coworkers. And I'm trying to figure out why. Can he explain that to me?

GOVERNOR HOGAN: Well they've been trying to explain it. But if you'd like to address that directly, Mr. Secretary. Can you explain it to her?

MS. EUBANKS: What did I do to get onto this, the PIN number?

GOVERNOR HOGAN: Thank you.

MR. MOYER: Here's the issue, and Mr. Stelmack said this already. We came in and realized that we needed to streamline and centralize.

MS. EUBANKS: I understand streamlining because I used to do it myself.

MR. MOYER: Okay. But the Attorney General that works for the Department of Budget and Management advised us that we could not go through a process where we pick favorites out of those employees. We just can't do it.

MS. EUBANKS: Okay.

MR. MOYER: There is a case in the courts right now involving another department that prohibits us from doing it that way, and that's why we had to do it this way.

MS. EUBANKS: Okay. I understand.

MR. MOYER: One thing that's being left out, okay? One thing that's being left out is that everyone will have the ability to reapply for the other 36 positions.

MS. EUBANKS: Right. As they said, they will do a role playing with us. We sit down and they will train us how they want, to learn how to do an interview. If we are, you know, eligible for the job. But then when you cut everybody in HR, you cut everybody but your direct unit under you.

MR. MOYER: I've cut my direct unit.

MS. EUBANKS: No, you didn't. You got all, under, and I don't want to call any names --

GOVERNOR HOGAN: Yeah, I mean, we don't really want to get into a debate about your particular position here today but give you an opportunity to speak.

MS. EUBANKS: -- and it bothers me that we work so hard --

GOVERNOR HOGAN: Yep.

MS. EUBANKS: -- and then they come and just throw this up in front of our face like I said we've got to go, we've got to go.

GOVERNOR HOGAN: Well I think he's trying to explain to you that these had to be made --

MS. EUBANKS: So we have to --

GOVERNOR HOGAN: -- without prejudice in order to streamline the process, to move the hiring process, to stop the breakdown that we have, the hiring the 250 criminals.

MS. EUBANKS: So (indiscernible).

GOVERNOR HOGAN: It's not a reflection on you. And that they are going to work very hard to try to get you replaced someplace.

MS. EUBANKS: Yes (indiscernible).

GOVERNOR HOGAN: But the function is no longer there.

MS. EUBANKS: So you approve of it?

GOVERNOR HOGAN: Well no, I, we want to work with you, to try to do everything we can to help your personal situation.

MS. EUBANKS: I just --

GOVERNOR HOGAN: But yes, I approve what, the actions that the Secretary proposes.

MS. EUBANKS: Okay.

MR. MOYER: I will look at you straight in the face and tell you we will do everything we can to work with you.

GOVERNOR HOGAN: Thank you. Next we have Terry Custer. Good afternoon.

MS. CUSTER: Good afternoon everyone. I'm not going to try to address everyone in particular, and this is kind of going long so I'm not going to take a lot of your time. My name is Theresa Custer. I've been a State employee for 23 years. I've only worked with DPSCS for approximately two years, where I'm working in the HR department as an administrative specialist II. I just wanted to let you know that I love my job. I help people with their benefits. I discuss

retirements. I give people opportunities to better themselves. I work with them on training and learning and those kinds of things. And I just love being in the HR department. And to find out that this has anything, what's going on has anything to do with, you know, my job and corruption, you were talking about a black eye a minute ago. I feel like I'm carrying the black eye. Because, you know, six weeks ago when all of this started, when people heard it on the news that 63 people were going to lost their jobs, they --

GOVERNOR HOGAN: It's okay.

MS. CUSTER: -- they probably thought that it was some of these correctional officers, or maybe the employees that were, you know, getting stuff in the prisons. I don't think that they thought that it was people like me. You know, that go to people's homes that are too disabled to file their own retirement paperwork. And you know, help people in the way that I do. And all of, everyone that I've talked to in every agency, DPSCS agency, has said, yes, we do need a new process. This is a terrible way to do things. It has been so poorly run for so many years and so many decades. And policies aren't in place. You know, they were talking about the correctional officers' test being so old, you know. Things haven't been getting done. But it's not because the HR people aren't doing them. It's because management hasn't put the processes in place to allow us to do our job.

We don't have anything to do with the centralized hiring unit. And I'm not throwing them under the bus, because they are great people too. But they are only doing their jobs based on what their management tells them to do. You know, we do have strict, you know, standards, and very rigorous controls to hire people. And I don't understand how people like the bad people that we talk about that were at BCDC got jobs. And I especially don't understand how they were able to keep them. But more importantly, I don't understand why those 200 people are not losing their jobs.

GOVERNOR HOGAN: Yeah, I don't understand that either. And I agree with you.

MS. CUSTER: I've been very proud to be a State employee for all these years. You know, years ago my mother said, well, the pay is not really good but hey, you know, the benefits are great. You know, and one day you will be able to retire with a pension. I'm 54 years old. That's too early for me to retire. And as Ms. Kopp was saying, you know, it's a whole different world when you are going out there at my age. And I, I'm a single parent. Actually I'm a single grandparent now. I'm raising my two grandchildren. This is my only income. I don't have retirement coming from, you know, some police department. This is it for me. I don't, you know, I don't have any other income. And I've talked to several other people and I have heard that Mr. Stelmack and Mr. Moyer have been going around the State of Maryland talking to the HR people and basically

everywhere they go they are giving them a different story. They are giving them a different story, and they are telling them, oh, don't worry, we'll take care of you.

Well I sat in the office Monday with Mr. Stelmack at a table where he told us that we need to apply to fill the position that we're in now. Of course it will be a different PIN. And if we're qualified, I mean which is a slap in my face, if we're qualified for that position then we will go through the same process, and be interviewed, and like everyone else. Like everyone else. Like Ms. Kopp said, you know, the 25-year-olds that are getting out of college. You know, I'm a step 11. Now I have 23 years of service, why am I only at step 11? Because many of those years we didn't get an increment, we didn't get a pay raise, you know? So these people that are coming in now, they start at the bottom, they might make \$38,000. I'm a grade 14. It's nothing great. You know, but year, I make \$50,000 now. I worked 23 years to make that \$50,000. And from a budget standpoint, you know, we're talking about Mr. Brinkley over here at DBM, you know, is my application really going to be looked at when we're talking about budgets, we're talking about money, we're talking about saving money? Why would you hire me over somebody that you could hire for \$20,000 less? Because I'm a good employee? Yes, I am. Because I'm honest? Because I have integrity? Yes, all of those things. But that doesn't seem to matter today. It hasn't mattered for six

weeks. And this has been a terrible thing for me and my coworkers and my grandchildren, to have to go through this.

So I implore you, please do not vote for this. It is a terrible way to do things. There are so many other options that are available with this reorganization. I wouldn't mind a move. If I had to work in Baltimore City, I'd work in Baltimore City. If I had to go to ECI, I'd go to ECI. I just need to keep my job.

GOVERNOR HOGAN: Thank you, Terry.

COMPTROLLER FRANCHOT: So could I ask a question? So, Mr. Secretary, what is the problem with creating some either early retirement, which allows these people to move on with their lives, or keep them on? I mean, we just lit up \$14 million in highway ads, you know, poof, up the chimney. And we have, maybe not every one of the 63 or 60 PINs is someone that you want to have working in the State government. But darn near a big bunch of them are very capable folks that are getting shown the door. And I don't, I don't begrudge the efficiency, the streamlining, the whatever it is. But you are firing the wrong people here. Really. That's my sense. Or a lot of the people you are firing are the wrong people. And so yeah, I sympathize with the testimony about why am I getting fired and not the 200 people that are, you know, subject to criminal charges still working. I --

MS. CUSTER: And as I said, I don't have a record. I don't even have a speeding ticket, you know? And for me to be put in this category as a DPSCS person, you know, anymore it is like having a black eye. Because they assume, oh, DPSCS, you know, corruption, you know, and all this kind of stuff. I wouldn't even take a free meal from somebody, you know, if it had something to do with, you know, the work I was doing or the authority that I had. So --

GOVERNOR HOGAN: Terry, I apologize. I really appreciate your testimony but we're going to have to move on with the rest of the --

MS. CUSTER: Okay.

GOVERNOR HOGAN: -- we have a long Agenda.

MS. CUSTER: Thank you. I understand.

GOVERNOR HOGAN: But thank you for sharing.

MS. CUSTER: Thank you.

GOVERNOR HOGAN: I think we appreciate you being here, and thank you for your testimony. Last on this list we have Sue Esty with AFSCME. Good afternoon.

MS. ESTY: Good afternoon, Governor, Madam Treasurer, Mr. Comptroller. Thank you for the opportunity to speak tonight, and I will try to be brief. I've got to admit, in the dozens of years that I've worked representing State employees I've never heard anything quite as outrageous as what has been suggested to you here today. To hold these employees responsible for the

corruption in the Department of Public Safety is beyond the pale. These are folks who are doing their job as they have been instructed to do their job. And even the premises that have been given here show a lack of understanding of how this department functions. Hiring is not done by any of these people. Hiring is done by central hiring. Background checks are not done by any of these people, who by the way are just standing here are some of the people that are going to be affected. We didn't want to have everybody speak but we wanted you to see who at least some of the people were.

GOVERNOR HOGAN: Thank you for being here.

MS. ESTY: So neither the hiring nor the background checks are done by these individuals. If the Secretary has not heard about employees being arrested, they have nothing to do with that either. It's under the State personnel laws that if somebody is arrested they are supposed to report it. If they fail to report it to these people, how are they supposed to know that it happened? They are not mind readers, nor can they be expected to be mind readers. So in our opinion what is happening here is a classic case of scapegoating.

These employees are being told that they are somehow responsible for corruption in spite of sterling careers lasting decades. And for that reason, if I sound upset, it's because I am. And quite honestly it seems to me that these employees are owed an apology for the suggestion that any corruption that happens in this system is on their backs. Quite honestly, we don't like corruption.

We will fight against corruption. The employees will fight against corruption. But to assume that these individuals are somehow responsible for that is just unacceptable.

Secondly, the decision making process about this was flawed. In the collective bargaining contract, and we represent 21 of these employees in our unit, it requires that prior to a layoff that management meet with the union to talk about the layoffs, consider alternatives, and get input from the employees. Quite honestly, there are some aspects of streamlining that we completely agree with. But we would come up with a much better plan, not one that takes draconian measures against people who have had dedicated service with the State of Maryland.

We are asking the Board of Public Works to either reject this proposal outright or at least defer it until there can be conversations that take place between us and management that look at a far better way to streamline this situation and personnel without having to fire people who have, who are dedicated and to the State's benefit experienced and knowledgeable. To say that these, above all these employees deserve the jobs they've had and they have done a good job at it.

Another comment was made about that they wouldn't be given any priority when it comes to vacant positions. There is a reinstatement law in the State Personnel and Pensions Article that says that if somebody's position is

abolished that they should be honored with seniority in terms of filling vacancies. So if the Board does go along with this reinstatement rights should be provided to these employees. They should be given a priority based on seniority for the positions that are going to be freed up by the Department of Budget and Management.

And while I'm on Department of Budget and Management, I couldn't agree more, I mean disagree more with the argument that it somehow has to be done this way. Where there is a will there is a way to do it the right way, without punishing people who have done nothing wrong.

And finally in terms of a severance package there certainly should be a severance package if people are going to lose their jobs under these circumstances. Some of these employees applied to be in the voluntary separation program that you offered and they were rejected. Because why? Their jobs were too important. They should at least be provided, if they are going to be in a situation where they are eligible to retire they should at least be provided by a package similar to what the Comptroller mentioned or the voluntary separation program itself. Why not? I think there was disappointing results from the voluntary separation program. Why not at least allow some of the employees to get that \$15,000 plus \$200 a year of service and three months of employer paid health insurance? Why not? There is no legal reason why you guys can't do that.

So in a nutshell, we are saying please either reject this proposal or defer this proposal until there can be more discussions about a much more humanitarian way to streamline personnel in this department. Please do not scapegoat these employees. Don't let them leave this meeting feeling that they are somehow responsible for the things that have happened in this department.

GOVERNOR HOGAN: Thank you.

MS. ESTY: Oh, one last thing, a lot of people are upset about this. The employees on their own have gotten a lot of petitions signed of people who want you to reject this action. And we join with them in urging you to do so too. Thank you very much.

GOVERNOR HOGAN: Thank you very much. Are there any other questions on this topic? Any other questions on the DBM Agenda?

TREASURER KOPP: Are we going to hear from DBM why they can't do anything for our employees?

MR. BRINKLEY: I can answer some of the aspects. What Ms. Esty just referenced, the first page of your summary indicates these individuals in positions will have reinstatement rights for three years. And the other aspect as to the whole reason why we are here was through consultation with the Attorney General's Office to say these are the different mechanisms and avenues that you have. What you heard from the Secretary was him trying to deal with a totally dysfunctional department. And so to any, any indication that there is impugning

anything on these individuals is false. What he is trying to do with the technology, particularly with the new workforce and timekeeping programs that we have now, is this is the mechanism needed to streamline all that.

Madam Treasurer, we were at a, in our roles and capacities with the Retirement System, we had an appeal just a couple of weeks ago over an individual not through this area but in another department of the State given erroneous advice by the individual that theoretically had the HR, you know, stamp of being the HR advisor there. And so part of the mission of what I see the Secretary doing here is to ensure that there is continuity across the whole department, not just with his hiring practices but streamlining that the correct information is given to employees, which I think is admirable, and having the three in the different locations so that they don't have to travel to Reisterstown.

What we're trying to do is we've implemented this with ideas and different options. And frankly one of the issues also to be addressed is notification. You can't argue that we haven't had some type of notification by the fact that this has been confirmed three times, and this has been, we have been working very closely with the Attorney General. We do want to see if there is anything that we can do on these individuals. But at the same time we want the Secretary to be able to have the flexibility and the freedom to ensure that he has his screening processes in place and then also the people that are doing the work for him are doing the right information and delivering it accurately the first time.

TREASURER KOPP: I think we all want that.

MR. BRINKLEY: We do.

TREASURER KOPP: But we want it --

MR. BRINKLEY: We do.

TREASURER KOPP: -- we have a responsibility for our employees, too.

MR. BRINKLEY: We do.

TREASURER KOPP: And we've now given these ladies --

MR. BRINKLEY: Yes.

TREASURER KOPP: -- a black eye and something has got to be done about it.

GOVERNOR HOGAN: Any other questions on the DBM Agenda?

COMPTROLLER FRANCHOT: Yes.

MS. WOLFSON: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes?

MS. WOLFSON: I'd like an opportunity to speak on Item 7-S. I signed up for the opportunity yesterday.

SECRETARY MCDONALD: Her name is on your list. I believe is this Ms. Kate Wolfson on the --

GOVERNOR HOGAN: Oh, I'm sorry. Please come forward.

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SECRETARY MCDONALD: This is not the item that we had in front of you.

GOVERNOR HOGAN: Yeah. We're done with this item? No more questions? Okay, please come forward. Good afternoon.

MS. WOLFSON: Good afternoon.

SECRETARY MCDONALD: I don't know if you want to hear from the department to say what the item is before a person comes to talk about it from the outside. This is the Department of Public Safety Safe and Sound Campaign. I mean, perhaps you want her to go first. But usually an agency might explain an item.

GOVERNOR HOGAN: Item 7-S is Baltimore City prisoner community reentry support.

SECRETARY MCDONALD: Just to set the table for the Board so they know the contract in front of them, and then the speaker from the public can tell them.

MS. BUTLER: All right. Good afternoon. Mr. Governor, Madam Treasurer, and Mr. Comptroller. Item 7-S is the Public Safety Compact Services contract. This particular contract provides services to safely restore ex-prisoners from Baltimore City to their families and communities through effective in prison substance abuse treatment followed by community based reentry support and services and proactive community supervision to sustain the effort and to return a

portion of the approved savings from reductions in prison savings to Safe and Sound. So they didn't actually, I don't know if anybody has a question?

SECRETARY MCDONALD: No --

MS. BUTLER: Okay, so that's fine. And if I could I'm actually going to go in the hallway and grab a couple of people that are more versed in this program.

GOVERNOR HOGAN: Thank you.

SECRETARY MCDONALD: Ms. Wolfson wanted to --

GOVERNOR HOGAN: Ms. Wolfson?

MS. WOLFSON: Thank you. Good afternoon, Madam Treasurer, Governor, Mr. Comptroller. My name is Kate Wolfson. I'm the Director of the public safety compact for Safe and Sound Campaign in Baltimore City. And I'm testifying today on behalf of Hathaway Ferebee, the Director of Safe and Sound Campaign, who had a last minute emergency and was unable to be here today.

Thank you for the opportunity to speak in support of the public safety compact sole source contract. The public safety compact qualifies for a sole source contract because the public safety compact is not a service. It's a public-private partnership that produces improved outcomes for less public expense. The public safety compact is an efficient way of administering adult correctional parole and reentry services.

The PSC was developed by Safe and Sound Campaign, which raised \$2.8 million to seed the operation and we managed all parts of the process. The PSC is currently funded by the public savings earned by reduced time spent in prison by the participants, saving the State costs for food, linen, medical care, and medication at a per person rate that has ranged from \$9.41 to \$14.25 a day.

I ask that you approve the sole source contract presented today with an amendment to extend the end date to June 30th, 2016 to avoid returning 140 men and women back to prison who are successfully participating in the public safety compact in their communities with their families. The sole source contract between the State and Safe and Sound Campaign is not for the delivery of reentry services, which the campaign does not provide. But rather contracts with the campaign to facilitate a new way of doing business, making sure the comprehensive parts of the public safety compact work effectively together with no duplication of services and through a delivery system that produces far better outcomes for less per capita cost. To date the public safety compact has released 572 men and women, they have been released by the Department of Public Safety and Correctional Services on parole, back to Baltimore City, into the public safety compact. We have had 282 graduates so far. For people who graduated from the public safety compact that were released in 2010, three years later we have a nine percent recidivism rate compared to the State rate of 40.5 percent for those released in 2009 which is a 78 percent reduction in recidivism. We also have an

8.8 recidivism rate for all graduates in the program. Of that 282 only 21 have been revoked. And a 21 percent recidivism rate for all released to the public safety compact, including those who have not yet graduated.

The Safe and Sound Campaign facilitates the public safety compact to its successful outcomes. It is governed by a policy team that was co-chaired by Hathaway Ferebee with former DPSCS Secretary Gary Maynard, the coordination of services managed through an operations team that meets regularly where the service providers both public and private meet regularly to ensure effective coordination and quality assurance.

I urge you to take a closer look at the public safety compact. When it was created in 2008, the design and contract were reviewed by DPSCS and the Department of Budget and Management and approved by the agency's attorneys and signed by all parties. I do not challenge the DPSCS' reading of the procurement rules and regulations. However, I do question the representation of the public safety compact as a single reentry service because it is not.

Maryland is a leader in figuring out how to reduce public spending on areas that produce bad results. I urge you rather than reducing this extraordinary work back to the old way of doing business and procuring a single service, I respectfully ask that you take the lead in expanding this effective way of doing business. The public safety compact demonstrates how government, for one of its toughest and most expensive issues, adult incarceration, is doing its

business differently to produce safer communities and more reentry success while simultaneously decreasing public expense. Thank you.

GOVERNOR HOGAN: Thank you. Maybe we can address some of the concerns?

MR. MOYER: Governor, Mr. Comptroller, Madam Treasurer, we all know you expect things from secretaries when it comes to procurement. We support this going to a sole source to close out this contract. My biggest concern with this, it was never a contract. This was done under an MOU. It's \$850,000 a year. Two years ago the administrative fees were \$167,000. Last year it was \$279,000. It is a good program. But I had my inspector general review some other information and I have some program personnel here that can go over the fact that the department has the ability to look at the 140 people still in the program and put them into similar same programs, that paying \$279,000 of an \$850,000 a year MOU for administrative fees.

GOVERNOR HOGAN: Thank you.

MR. MARTIN: Good afternoon.

GOVERNOR HOGAN: Good afternoon.

MR. MARTIN: My name is Thomas Martin, Director of Reentry and Transition Services, Department of Public Safety and Correctional Services. It's our feeling that although 140 folks that were mentioned that were in the community, we can continue them on parole and probation supervision through

the Division of Parole and Probation, utilizing the several community resources in Baltimore City and the surrounding counties that are federally funded or grant funded, which would be at no cost to the State. So in that aspect this would be, though it was mentioned that the 140 folks may be brought back into the institutions, we feel that that would not be the case. In fact, we will assure that that is not the case with these folks. Any other questions or --

GOVERNOR HOGAN: Questions? All right, thank you.

MR. MARTIN: Okay.

MS. BUTLER: Were there any further questions?

GOVERNOR HOGAN: I don't believe so. Thank you very much.

MS. BUTLER: Okay. Thank you.

GOVERNOR HOGAN: Any other questions on the DBM Agenda? Is there a motion? Is there a question or a comment?

COMPTROLLER FRANCHOT: Well let me, if I could ask the Secretary on the corrections issue, I'm as I said very supportive of your effort to run the agency as you and the Governor want to run it. I have no problem with that. I do have a problem with firing these folks, well letting them go, and putting them in an uncertain position as far as any new employment. So I'm wondering how many of them are eligible, or would have been eligible, under the early separation agreement?

MR. MOYER: I do not have that information. We can get that to you, sir. The reason we came up with a different plan as to how we wanted to move forward, and it was similar to some of the suggestions by our employees, but when we met with the Assistant Attorney General we were told we could not proceed in that fashion.

COMPTROLLER FRANCHOT: Okay. So I'm perfectly willing to support this if you take another week and go back and give the Assistant Attorney General a big dose of caffeine, or something, wake him up, or her up, and tell them to focus on putting this thing through. Because otherwise, you know, it's very hard for me to vote for. And then you end up with nothing. Well, I don't know how the Treasurer votes. But there's a --

GOVERNOR HOGAN: So is there a motion?

COMPTROLLER FRANCHOT: -- people that want to be supportive. But there's this sense that the, that maybe some of the people are not folks you want to retain. I understand that. But a lot of them are getting discombobulated for something that they weren't responsible for. So I don't know. I don't know what the right proposal is. I'm not a labor expert. I would suggest that we take two weeks, figure out what to do to take care of the 59 folks that have not done anything wrong, and come back and approve this. But that's, I don't --

GOVERNOR HOGAN: So is it, Mr. Comptroller, is that a motion to defer for two weeks?

COMPTROLLER FRANCHOT: I would move to defer for two weeks understanding --

SECRETARY MCDONALD: Three weeks.

GOVERNOR HOGAN: Three weeks. Sorry, we have our next meeting in three weeks.

COMPTROLLER FRANCHOT: Three weeks. I would, I hate to do that because I think the Governor has the right to run his own agencies. I just, and I guess trying to stick up for the Governor's best interests here, and not let go a bunch of people that don't deserve it.

MR. MOYER: I hear you loud and clear, Mr. Comptroller.

COMPTROLLER FRANCHOT: Yeah.

MR. MOYER: There's a precedent case on separations and we are following the advice of the Attorney General to avoid litigation against the State. I will, I'll meet with the Governor and --

GOVERNOR HOGAN: I'd like to second the Comptroller's motion to defer for three weeks so we can get the Attorney General, we can get the Department of Budget and Management, we can get everybody in your department together to talk about the issue and make sure that we're proceeding in the proper fashion and that we handle it in the best way.

MR. MOYER: Thank you, Governor.

GOVERNOR HOGAN: Is there a motion, let's take a vote on that motion.

COMPTROLLER FRANCHOT: Aye.

TREASURER KOPP: Aye.

GOVERNOR HOGAN: Aye. Motion to defer for three weeks passes three-nothing. Thank you very much. Now is there a motion on the DBM Agenda or any further questions on the rest of the DBM Agenda?

COMPTROLLER FRANCHOT: Yeah, I'm going to vote for the Agenda except for the Pearson contract. But I'm not --

SECRETARY MCDONALD: That's Item 20.

GOVERNOR HOGAN: So there is a motion to separate Item 20?

SECRETARY MCDONALD: Well to approve, probably.

GOVERNOR HOGAN: Approve without --

SECRETARY MCDONALD: With just Item 20. Item 20 would be in front of the Board now. Is there a motion to approve Item 20, MSDE's contract --

COMPTROLLER FRANCHOT: Actually based on that last motion by the Governor I'm going to just --

SECRETARY MCDONALD: Move to defer?

GOVERNOR HOGAN: Move that we, move the DBM Agenda.

COMPTROLLER FRANCHOT: Let's move to approve the rest of the Agenda.

GOVERNOR HOGAN: Well that's, that's what you call bipartisan cooperation.

COMPTROLLER FRANCHOT: Yep, there you go.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: And I'll second it.

GOVERNOR HOGAN: There you go. And I'll third it. So it's three-nothing on the rest of the DBM Agenda. And now we're moving on to the University System Agenda. Good afternoon.

SECRETARY MCDONALD: If you could exit without speaking it would be appreciated.

GOVERNOR HOGAN: I've got a question in particular about Item 1, if you could address that for us?

MR. EVANS: For the record, Joe Evans --

GOVERNOR HOGAN: Thank you, Joe.

MR. EVANS: -- representing the University System of Maryland. We have three items on the Agenda. In attendance I have Kurt Schmoke, the President of the University of Baltimore.

GOVERNOR HOGAN: Great.

MR. EVANS: Yes, sir.

GOVERNOR HOGAN: Mr. Mayor, wonderful to see you this afternoon. I didn't see you sitting in the back of the room. I would have recognized you earlier.

MR. SCHMOKE: It's great to see you, Governor.

GOVERNOR HOGAN: Thank you for being here.

MR. SCHMOKE: Absolutely. Great to see you, Madam Treasurer, Mr. Comptroller. We come to present an item that is actually a continuation of matters that have been before the Board of Public Works. It relates to an exchange agreement that we have negotiated with over a number of years with the United States Postal Service to obtain a vehicle maintenance facility that is directly across the street from our learning commons and is a crucial part of our facility's master plan.

The, as you know from the documents this involves our building, obtaining land in East Baltimore, building a facility, a maintenance facility for the Postal Service. They will move. We will then move into the building that is next door to our campus and acquire it for future use. What's before you --

GOVERNOR HOGAN: And what is the University's current plans for the property?

MR. SCHMOKE: The plan is, what we are trying to do is to continue the development activity. If you recall on the Mount Royal side near the Maryland Institute College of Art we have built not only a residential but retail

facilities. And we would be able to continue that activity, or put it out for other development such as recreation facilities. But it's going to be mixed use. It will be public-private partnership that will probably be both residential, recreational, and retail.

GOVERNOR HOGAN: So I'm in favor of the University acquiring the property. I think it makes a lot of sense. But my question, first of all when did the University System get into the business of building postal facilities?

MR. SCHMOKE: Yes --

GOVERNOR HOGAN: That's question number one. How it came about, it doesn't seem like something we should be doing. And number two, I think the property appraised at like \$5 million and we're agreeing to build a \$8.8 million facility for the Post Office. And that doesn't seem like a fair deal. It seems like we're wasting \$3.8 million.

MR. SCHMOKE: Well, and there were several questions in that comment.

GOVERNOR HOGAN: It was only two.

MR. SCHMOKE: Right. But the, we had tried, actually the negotiations with the Postal Service --

GOVERNOR HOGAN: They didn't want to sell.

MR. SCHMOKE: Correct. They don't want to move. And it's gone on since two presidents before me, in fact, tried to get this. And this was the best deal that our congressional delegation could get in order to move them. Because they recognized how essential that particular piece of land is --

GOVERNOR HOGAN: It's that critical to the University.

MR. SCHMOKE: -- to the future of the University. Yes, sir.

GOVERNOR HOGAN: Okay. Thank you, Mr. President. Any other questions on the University System Agenda? Well, thank you all very much and thank you for coming in.

TREASURER KOPP: Can I just say it's good to have the President here.

MR. SCHMOKE: Best health to you, too.

GOVERNOR HOGAN: Yes. Thank you, Mr. President. It's great to have you with us.

MR. SCHMOKE: Thank you very much.

GOVERNOR HOGAN: Thank you very much. Is there a motion on the University System Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: There's a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on the University System.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Let's move on to DoIT, Information Technology.

MR. ESTRADA: Good afternoon, Governor, Mr. Comptroller, Madam Treasurer. I'm Lou Estrada, Deputy Secretary of DoIT. Today we have seven items on the Agenda. I'd be happy to answer any questions on the DoIT item and have representatives for the other items.

GOVERNOR HOGAN: Great. Any questions on DoIT?

COMPTROLLER FRANCHOT: Yeah. One question on my favorite company, on Item 4. Are they here today?

GOVERNOR HOGAN: Which, who is your favorite company?

COMPTROLLER FRANCHOT: Environmental Services, Environmental Systems Research --

TREASURER KOPP: ESRI.

GOVERNOR HOGAN: ESRI.

COMPTROLLER FRANCHOT: ESRI.

MR. ESTRADA: They are not present today.

COMPTROLLER FRANCHOT: Why aren't they?

MR. ESTRADA: I'm not sure, sir.

COMPTROLLER FRANCHOT: Why aren't they?

MR. ESTRADA: I'm not sure why they're not present.

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COMPTROLLER FRANCHOT: Well I would definitely move to defer this for a couple of weeks. Because I think they should be here.

MR. ESTRADA: Are there any questions I might be able to answer for you?

COMPTROLLER FRANCHOT: No. I think at the last meeting I expressed my concern with the appearance of, you know, their actions. Not the former Governor, their actions. And I'd like to hear from them what the explanation is.

GOVERNOR HOGAN: I'm fine with --

COMPTROLLER FRANCHOT: -- great.

GOVERNOR HOGAN: -- deferring this another, until the next meeting and we can get them here to answer the questions. They should be here. I agree. They've got an item on the Agenda. If it's important to them, they ought to show up for the meeting. So a motion to pull that out of the DoIT Agenda and then is there a motion to move forward? Well, what so we've got to take that one? I assume there's a second?

COMPTROLLER FRANCHOT: I would move to defer that.

GOVERNOR HOGAN: Three-nothing on the deferral of that item. Is there a motion on the full DoIT Agenda?

COMPTROLLER FRANCHOT: Without that item, move approval.

GOVERNOR HOGAN: Move forward without that, move approval. Three-nothing on the rest of the Agenda.

MR. ESTRADA: Thank you.

GOVERNOR HOGAN: Next we're moving on to the Department of Transportation.

MR. PORTS: Good afternoon.

GOVERNOR HOGAN: Good afternoon.

MR. PORTS: Good afternoon, Mr. Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Jim Ports, Deputy Secretary for MDOT. MDOT is presenting 30 items today and I'll be more than happy to answer any questions you may have.

GOVERNOR HOGAN: Any questions on the MDOT Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Hearing no questions there's a motion for approval. Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: All, the vote is three-nothing on MDOT. Now DGS, Department of General Services.

MS. BASSETTE: Good afternoon, Governor.

GOVERNOR HOGAN: Good afternoon.

MS. BASSETTE: Mr. Comptroller, Madam Treasurer.

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GOVERNOR HOGAN: Let's keep it down back there, please.

We still have a meeting going on even though you're leaving.

(Laughter.)

TREASURER KOPP: It won't be the same without you.

(Laughter.)

MS. BASSETTE: For the record, I'm Gail Bassette, Secretary of General Services. The department has 32 items on our Agenda. We'll be glad to answer any questions you may have.

GOVERNOR HOGAN: Any questions on the DGS Agenda?

COMPTROLLER FRANCHOT: I'd move approval.

TREASURER KOPP: Can I just ask one, it's not really of you. But of the item dealing with the Enoch Pratt Library, could, Item 7, could you just get back to the folks at the Enoch Pratt Library that I would like to know how in their planning, now that we're starting this program, they're incorporating working with the community and making sure that everybody is supportive of what's happening?

GOVERNOR HOGAN: Thank you, Madam Treasurer. Is there a motion?

SECRETARY MCDONALD: Governor?

COMPTROLLER FRANCHOT: Move to approve.

SECRETARY MCDONALD: Senator Mathias wanted to be indicated as he --

GOVERNOR HOGAN: We'll be happy to listen to Senator Mathias as long as he's brief.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

SECRETARY MCDONALD: -- in favor of the bond bills for Wicomico County, number 27 and 31.

GOVERNOR HOGAN: Well we'd like to thank the Senator and the Delegate for being here and for supporting it, and thank you so much for not testifying.

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Move approval? Is there a second, Madam Treasurer?

TREASURER KOPP: Second, second, second, second.

GOVERNOR HOGAN: Passes three-nothing. Thank you, we're now adjourned. Thank you all very much.

(Whereupon, at 3:32 p.m., the meeting was concluded.)