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

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Governor

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Treasurer

HONORABLE PETER FRANCHOT
Comptroller

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

Yesterday our administration announced several immediate actions that we're taking to combat violent crime and the gangs and violent repeat offenders who are terrorizing Baltimore City and affecting communities all across our State. We formed a new Maryland Criminal Intelligence Network to assist police and prosecutors in taking down and going after the people who are responsible for so much of this violence. I've directed six State law enforcement agencies to take several immediate steps to provide assistance to Baltimore City law enforcement, including expanding visibility, patrols in high crime areas; assisting the City in serving high priority warrants of the most violent criminals; and directing more than 200 State parole and probation officers and 80 U.S. Marshals to partner with the Baltimore City Police Department and the State Police to track down and arrest repeat violent criminals who have parole and probation violations.

At the start of the session, the very first day, we will be introducing emergency legislation that will take effect immediately upon passage, including tougher anti-violent crime legislation, truth in sentencing legislation, tougher penalties for repeat violent offenders, and enhancement to our anti-gang RICO

statute that we passed last year, and doubling the penalties for committing a crime, a felony, with a gun. Keeping Marylanders safe is our number one priority. And as long as I'm Governor, we will continue to do everything we can to empower our law enforcement agencies, our prosecutors, and our judges with the tools and the resources that they need to get these violent criminals off our streets and behind bars where they belong.

With that, I'll turn it over to my colleagues for any opening remarks. Madam Treasurer?

TREASURER KOPP: It's a pleasure to be here. Good morning. I look forward to another great day.

GOVERNOR HOGAN: We have a packed house here today. We've got standing room only. It's like the opening of *Star Wars*.

(Laughter.)

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. I'd like to wish one day early a very Happy Birthday to Madam Treasurer --

TREASURER KOPPE: Thank you.

COMPTROLLER FRANCHOT: -- for Nancy Kopp. Can we give her --

GOVERNOR HOGAN: Yeah, let's do that.

(Applause.)

TREASURER KOPP: There are two reasons December 7th is known --

(Laughter.)

GOVERNOR HOGAN: A day that will live in infamy.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Treasurer Kopp's birthday.

COMPTROLLER FRANCHOT: Yep. But seriously, Nancy, thank you for, I've served with you for many years and it's always been an honor and a privilege, frankly, to be around your reputation of honesty and integrity and good government. So thank you for --

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Hear, hear.

COMPTROLLER FRANCHOT: Yep.

TREASURER KOPP: It's been a pleasure.

GOVERNOR HOGAN: I've only gotten three years, but I agree with everything you said.

(Laughter.)

COMPTROLLER FRANCHOT: So Governor, with the holidays right around the corner and the busiest shopping season of the year in full swing, I wanted to take a moment to urge all Marylanders to do the right thing, do the patriotic thing, get off the internet. Go down to Main Street and patronize these

wonderful bricks and mortar stores that will provide you with great customer service and wonderful products, and actually are the backbone of the State's economy. They employ our neighbors and our friends and our fellow citizens, and they pay wages, and they pay rent, and they pay utilities, and they struggle during most of the year to make ends meet. But this month, December, is their big retail season. So please don't forget them. I know it's convenient to go on Amazon, God bless the internet. But you need to get down there and spend money. And if you spend it at these wonderful stores, it stays in our State and has a big whatever the economists say. It has a big ripple effect. But it helps our State's overall economy.

So I was up in Shop Maryland for the Holidays yesterday. I've been in Frederick and I've been in Hunt Valley, Hyattsville, and Bethesda, St. Michael's. In the coming weeks I'll be visiting small businesses in Baltimore City, Cumberland, Havre de Grace, West Annapolis, Berlin, and Cambridge to spread the word about the importance of buying local and the immense contributions that our small businesses make to our communities and our economy.

And Governor, as part of the National Taxpayer Security Awareness Week, my office sent out a number of tips and warnings to consumers about the scams that are especially prevalent during the holiday shopping season. As shoppers are busy looking for the perfect gifts for their families and loved

ones, criminals are shopping for their sensitive financial data, such as credit card numbers, financial account information, and social security numbers. My office remains committed to protecting taxpayers from financial fraud and identity theft and we will continue to share information with taxpayers and consumers that will hopefully prevent them from being victimized by these sleazy financial criminals who prey on innocent and hardworking Marylanders.

And Governor, I'd just like to close on a lighter note. I swung by my local liquor store last night to restock my supply of Maryland craft beer and as we celebrate this season of giving, I wanted to give you and the Treasurer a six-pack each of assorted --

GOVERNOR HOGAN: Wow.

COMPTROLLER FRANCHOT: -- Maryland craft beers, which I hope you'll enjoy.

GOVERNOR HOGAN: Thank you very much.

(Laughter.)

(Applause.)

COMPTROLLER FRANCHOT: Yeah, they're the real thing.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: Thank you. There's a good idea, Comptroller.

GOVERNOR HOGAN: Can we pop them open right now, or --

(Laughter.)

GOVERNOR HOGAN: Thank you, Mr. Comptroller, very much.

TREASURER KOPP: Nice bags, too.

GOVERNOR HOGAN: I will try to enjoy those. I'll make sure I'm not drinking and driving. We had a big drunk driving initiative that we talked about this week. I want to make sure everybody enjoys the holidays and gets out there shopping. Midnight Madness here in Downtown Annapolis, so you can walk around, they've got music playing, they've got free parking on all the streets. And they might serve you a hot toddy and something else to drink, maybe, while you're buying things local.

I want to just quickly invite everybody, all the, today is the Public Employees Open House at Government House from three to five. We'd love to have you come by. We've got some great refreshments. They've been baking cookies for weeks. And then Saturday is the public open house from one to four. So anybody is invited to come. And you don't need any reservations. Just show up at the front gate.

So we'll go ahead and get started with the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

SECRETARY MCDONALD: -- Madam Treasurer, Mr. Comptroller. My office is looking forward to cookies this afternoon, Governor.

We have ten items on the Secretary's Agenda but we are withdrawing Item 4. We also have five reports of emergency procurements. We're prepared for your questions.

GOVERNOR HOGAN: Very good. Thank you, Secretary McDonald. I wanted to talk about Item 5 just --

SECRETARY MCDONALD: The Appendix 5? The, yes, okay, that is a report from the Department of Education and Kristy Michel is here. They had to procure an audit on an emergency basis and I also believe there's a few members of the --

GOVERNOR HOGAN: We have a few people signed up to speak.

SECRETARY MCDONALD: Yeah. So Kristy first?

GOVERNOR HOGAN: This Item 5 is an emergency report from the State Department of Education regarding the contract for the audit into the grade tampering scandal in Prince George's County in the public school system. And after the county refused to investigate the allegations of widespread corruption, the Prince George's County delegation to Annapolis, the House delegation, unanimously requested the State Board of Education to investigate this matter since the county refused to do so.

The results of the audit are extremely troubling and it shows that more than 5,000 students may have had their grades changed after the trading cutoff date and hundreds of students who were either ineligible or lacked the

documentation to graduate, with absence rates of over 40 percent, and hundreds of students graduating even though they missed more than 50 days of class.

County leaders have dismissed these findings as sloppy recordkeeping and failing to dot Is and Ts. To me, it appears that our kids in Prince George's County are being cheated out of the education they desperately need and deserve. So I don't know if you have anything to add to that, but then we'll have some people we have signed up to speak.

MS. MICHEL: I guess the only thing I would add, Governor, is that the State Board and the State Superintendent did express their deep concern over the findings and did ask Dr. Maxwell and the Prince George's County Board of Education to prepare a response and an action plan to be submitted to them by the end of December, and they will also appear before the State Board at the January meeting.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: So it's my understanding that in fact Superintendent Maxwell, we can find out, and the State Superintendent did call for an audit. The audit was completed. It found no systemic issues. But --

GOVERNOR HOGAN: I don't think that's true.

TREASURER KOPP: -- but a lot of problems which an action plan is being drawn up, and then I assume another look at following the

implementation of the actions proposed in the action plan to see whether in fact the corrections have been made. Is that right?

MS. MICHEL: That is correct. The report did not find any evidence of something directed from the central office, but did find at various high schools throughout the county that there were serious problems.

TREASURER KOPP: Thank you. I must say, this is, this general issue, I am concerned because there is a reason to change grades. I mean, there are often good reasons. But throughout the State, not just Prince George's County, there is a drive, because we use these numbers for accountability, to increase certain numbers, such as the graduation rate. This is a national problem, I think. And personally I have always argued that it's, there is no point in saying somebody is a graduate if they can't do the work. You're setting them up for failure. I would only say that this is not something peculiar at all to Prince George's County or Maryland.

COMPTROLLER FRANCHOT: Well I wasn't going to jump in, but that really alarms me.

TREASURER KOPP: It's true.

GOVERNOR HOGAN: Yeah, it's --

COMPTROLLER FRANCHOT: Could I just ask who in your analysis is responsible for the grade changing?

MS. MICHEL: Who -- so I think it varied by school. They found some evidence that folks that are responsible for entering the grades may have made changes, that teachers may have made changes. One of the findings was that there was inconsistent controls as to who could access the grading system. So it's not entirely --

TREASURER KOPP: There is a process. There is a regular process. But I understand it was not always followed.

MS. MICHEL: Correct.

GOVERNOR HOGAN: Quite often it wasn't followed. I think they didn't find proof that they were directed to do so by the Superintendent of Schools, but it was widespread wrongdoing throughout the entire system. That's a fact. So we have other speakers that would like to speak. Edward Burroughs, from the Prince George's County Board of Education is first.

COMPTROLLER FRANCHOT: Yeah, no, but could I just, this is the person that did the audit, right?

GOVERNOR HOGAN: No, no, no.

TREASURER KOPP: No.

COMPTROLLER FRANCHOT: Who did the audit?

GOVERNOR HOGAN: It was an outside --

MS. MICHEL: It was an outside --

GOVERNOR HOGAN: -- group that they contracted with which
we're approving an emergency contract --

MS. MICHEL: We contracted --

GOVERNOR HOGAN: -- that was done prior to it coming before
the Board.

COMPTROLLER FRANCHOT: But you've read the audit and
have interacted with them?

MS. MICHEL: Yes. I managed the audit.

COMPTROLLER FRANCHOT: Okay. So what was the
motivation? What did they find out when they said why are you doing this?

MS. MICHEL: That was not covered in the audit report.

COMPTROLLER FRANCHOT: Not covered in the audit. Okay.
And was it done without other people in the school system knowing that it was
being done?

MS. MICHEL: I'd say there was a general inconsistency in
following the policy set forth by the central office. And one of the
recommendations in the report was that the central office have a more active role
in monitoring those grade change policies. As the Treasurer pointed out, there are
some instances where it's, it's very much appropriate to change a grade. And
what the report, or the --

GOVERNOR HOGAN: But not after the deadline, which is what they found.

MS. MICHEL: Correct. There were a number of changes made after the deadline. But the recommendations from Alvarez and Marshal, the firm that conducted the work, was that there really needs to be more consistent application of the existing policies and procedures and a look at whether or not they, the policies and controls in place need to be changed to address this.

TREASURER KOPP: And --

GOVERNOR HOGAN: Right, I --

TREASURER KOPP: -- are they coming out with a response? You said there were 60 days, which has not expired yet.

MS. MICHEL: No.

TREASURER KOPP: Do you anticipate their coming out with a public response?

MS. MICHEL: My understanding is that Dr. Maxwell will report to his board on December 19th and that we should expect something by the end of this month, and then a public presentation of their action plan at the January State Board of Education meeting.

GOVERNOR HOGAN: So the deadline is the end of this month for the 60 days. They must comply --

MS. MICHEL: Yes.

GOVERNOR HOGAN: -- but their response immediately was very concerning. It was both the County Executive and the Superintendent of Schools said it was simply sloppy recordkeeping and dotting Is and Ts and that's absolutely not the case. So I'm glad that they are, hopefully they will take it seriously by the end of the month.

MS. MICHEL: Yes, sir.

GOVERNOR HOGAN: Thank you.

MS. MICHEL: Thank you.

GOVERNOR HOGAN: Edward Burroughs, Prince George's County Board of Education, District 9, District 8. Good morning.

MR. BURROUGHS: Good morning. If I could start by addressing your question, Madam Treasurer, you asked if the Superintendent called for the audit to MSDE. And I would say this. I was one of the original signators on the letter to the Governor requesting the audit. And the Superintendent was not in favor of the audit. It wasn't until public pressure, the Governor, the entire Prince George's County House of Delegates, the NAACP, Senators, everybody in the community asked for the audit. Literally as the State Board was in their meeting about to vote on whether or not to do the audit, Dr. Maxwell and my colleagues submitted a letter once the decision was already made. And so to say that they requested the audit literally as the State Board was meeting, after the Governor, after the NAACP, after the entire Prince George's County House of Delegates

demanded the audit, they said, oh, okay. Well we're okay with there being an audit. So I just wanted to make sure you had that perspective. And I could send you the timeline on that and all the documentation to support what I just said.

All right. So good morning, everyone. My name is Edward Burroughs and I'm a member of the Prince George's County Board of Education. I was first elected to the school board at age 15 as a student member. I was then elected as a full member in 2010 and I've stayed on the board for nearly a decade because I love our school system and I want our students to have everything that they need in order to be successful.

I come here today to speak on behalf of the students that I honestly believe have incurred an injustice against them. I want to thank the State for addressing our concerns with the type of urgency and care that this issue deserves. Boosting the graduation rate was Dr. Maxwell's top achievement as CEO. He, his team, and the County Executive paraded around the county boasting about these rates. We were all so ecstatic. Dr. Maxwell received a compensation package of over \$450,000 largely based on these rates.

We now know that the community was hoodwinked and in my opinion every single student that was allowed to graduate that did not meet basic requirements in order to make adults look good had their civil rights violated.

In our initial letter to you, Governor Hogan, and to the State Board, we wrote that whistleblowers at almost every level in PGCPSS have clear and

convincing evidence that PGCPs has graduated students who did not meet the Maryland State Department of Education graduation requirements. And when we first sent that letter, they denied it. They said it was completely and utterly false, by the way.

The report showed exactly that. In fact it showed that in 2016 3.6 percent of students didn't meet the basic requirements for graduation, and in 2017 that number almost doubled to six percent. It also showed that in the 2015 school year we had 37.6 percent of students that had excessive absences and that in 2017 that number increased to 43.3 percent. It also showed that 24.5 percent of students they cannot determine if they should have graduated or not. The report also found that documents were changed or manipulated before and during the investigation in order to cover up wrongdoing. And the county still is refusing to hold school system leadership accountable.

The school system leadership has celebrated that the audit found that this was all school-based, that somehow all of these principals in all of these schools in all parts of the county were all fraudulently graduating students in the exact same way at the exact same time. Dr. Maxwell and my board, you know, the board leadership, continue to call this poor recordkeeping. And if you look on page 44 of the audit report, poor recordkeeping is only two sections. District does not adhere to policies and procedures is five sections. Irregularities like absolute

wrongdoing is another five sections. But the only sections that they are willing to talk about publicly is the poor recordkeeping, which is the least that they found.

I would submit to this body that forcing teachers to change grades against their will is not poor recordkeeping. Forcing counselors to stay in buildings and tamper with records days before the investigators came in is not poor recordkeeping. Graduating students who are truant and have no evidence of makeup work is not poor record keeping. And lowering the bar for our smart and capable students is not poor record keeping.

If you look very closely at some of this stuff, you will see students who were literally truant and they were allowed to come in and do a crossword puzzle in order to graduate. That is lowering the bar and that is not poor recordkeeping. What board leadership and Dr. Maxwell will have you believe, Governor, Comptroller, and Treasurer, is that no one knew anything about this in central office, which leaves this question in my mind: if you follow their logic, you would have to believe that all of these students were impacted at all of these schools, all of these principals, on his top achievement, and no one knew anything about any of this stuff.

What responsibility does the CEO and leadership at central office have to provide basic governance and oversight, best case scenario? Best case scenario is that this is incompetence and willful neglect of duty, which you and the State Board have the right to remove the Superintendent and members of the

board for. Worst case scenario, which is probably, well which I know is a little more accurate, that this is just not organic. This didn't just happen.

If our leaders cannot be honest with the findings, how can we expect them to be honest in moving forward? I will tell you that Alvarez did a solid job with the numbers and the records. But I can tell you that since the investigation has concluded it's been very clear that there were some things missed and there was additional information that could help you in a further investigation. And I say that with absolute confidence. And if you remember, Governor, when we first wrote you the letter, the school district, the County Executive said everything, this was all false. And we knew that we had the evidence and we had the whistle blowers to prove that it was happening. And I'm telling you with that same level of certainty that central office, there's a lot more to the story. And I'll just leave it at that for now. This is not organic. And I'll tell you that more State intervention is necessary.

And I'll just say this, you know, we don't have, the four people who signed that letter are 25 and under. And it's just four of us, all recent graduates of the system. We don't have the entire county government writing us talking points or the entire school system writing us talking points. We don't have teams of lawyers coming up with stuff. All we have is the truth and all we have are our statements from teachers who have been forced to do things, students

who have been shortchanged, and the truth. And so we desperately ask for more State intervention.

GOVERNOR HOGAN: I want to thank you very much. And thank you for your leadership on this issue. When you, when the board first, when the members of the board, including yourself, sent us the letter, we didn't take immediate action even though we were very concerned because the county government administration and the county school system and the chairman of your school board all denied it. And there was only a minority of the board that sent us the letter. But after unanimous representation of every single elected official to the House of Delegates from Prince George's County signed a letter, and the NAACP signed a letter, and we saw the cover-up and the threatening of whistle blowers, that's when we asked the State Board to intervene. But it all started with you and some of your colleagues. So I want to thank you for bringing all this to everyone's attention.

MR. BURROUGHS: Absolutely.

GOVERNOR HOGAN: Thank you. Any questions?

COMPTROLLER FRANCHOT: Yeah, I'd just like to thank you also. Because it's not easy. Everybody wants to go along to get along. And thank you for doing this. If the Treasurer is right and this is a problem that is, not as you described, but is for whatever reason is present in other parts of the State,

we should look at it. And frankly you give me some hope. If you mentioned that most of your cosigners are Millennials?

MR. BURROUGHS: All of us.

COMPTROLLER FRANCHOT: Yeah. Thank you. This is the greatest generation that the world has ever seen, and it's worldwide, people your age. And you're going to ask that changes be made and it's not in our country partisan, Republican, or Democrat. That's, you guys aren't interested in that. You're interested in the results. And I'm delighted that you all stuck to it and I think, you know, that what you've done is going to redound to your credit down the road and to your generation's credit, and I thank you for not just being part of one side or the other side. But saying, hey, we're here to do something for the people. And hats off to you. Don't ever apologize and don't ever, even if you end up perhaps being a little bit over the top, hey, been there and done that.

(Laughter.)

GOVERNOR HOGAN: Mr. Burroughs (indiscernible) --

(Laughter.)

COMPTROLLER FRANCHOT: But thank you for being here and thank you for being here today.

GOVERNOR HOGAN: Let me just add one thing. The exact same kinds of complaints came out in Baltimore City. And there's a, been a long time, you know, problem that's been growing there. The difference is that they

went to their Baltimore City School Board and the local board did agree to investigate. I believe that investigation is still underway and we're anxious to see the results. But in Prince George's when the county refused to do so that's when you asked us to step in.

MR. BURROUGHS: And Governor, the board is not functioning properly. The County Executive selects our board leadership. I mean, he chose his --

GOVERNOR HOGAN: They report to him.

MR. BURROUGHS: Yeah. He chose his former brother-in-law. And so when you, you know, they say, okay, internal audit can do this investigation. Well internal audit reports to the board chair. The board chair reports directly to the County Executive. And so there is just no --

GOVERNOR HOGAN: Which the law was changed in order to do that because it doesn't happen anywhere else in the State.

MR. BURROUGHS: In 2013, absolutely. Disenfranchising elected members. And, you know, the appointed board chair has more authority than the elected members, which is extremely unfortunate.

GOVERNOR HOGAN: Yeah. Well thank you very much.

TREASURER KOPP: Governor, I think this is a serious issue. I think it's an issue we'll hear more about after the Board and the system have been able to finish and make public their report, for which they were given 60 days.

Mr. Burroughs, I appreciate hearing from you. But I think it's a little early to hear the whole thing. You're making allegations in which --

GOVERNOR HOGAN: But --

TREASURER KOPP: -- we have no basis to --

GOVERNOR HOGAN: But these are not allegations. There was an investigation --

TREASURER KOPP: No --

GOVERNOR HOGAN: -- conducted that we're voting on today to pay for the contract --

TREASURER KOPP: Right, but Mr. --

GOVERNOR HOGAN: -- that found the widespread wrongdoing throughout nearly every school in the entire system. So it's not just allegations.

TREASURER KOPP: I don't disagree with that.

GOVERNOR HOGAN: The allegations came up when he first raised them and we didn't take immediate action because --

TREASURER KOPP: And, and regarding --

GOVERNOR HOGAN: -- we didn't have facts. Now we have facts.

MR. BURROUGHS: Oh, really? And I can tell you that the reason that we were so sure with our initial allegations and it's all in this report, is because of the quality of our whistleblowers. And --

GOVERNOR HOGAN: Who were all threatened.

MR. BURROUGHS: Yeah. And Madam Treasurer, I can tell you with that same certainty that more will come out related to this that will show at the very least that people in very high levels of the system knew that this was taking place and did not act, at minimum.

GOVERNOR HOGAN: Oh, and perhaps led the cover up.

MR. BURROUGHS: Well, absolutely.

TREASURER KOPP: These -- I don't know --

GOVERNOR HOGAN: And we aren't --

TREASURER KOPP: -- whether that's so or not.

GOVERNOR HOGAN: And we aren't waiting until --

TREASURER KOPP: These are allegations.

GOVERNOR HOGAN: -- the end of the month, by the way. On Tuesday the leadership of the NAACP is coming to me with very serious concerns about the county still not taking the findings of the audit seriously and calling for more action from the State.

MR. BURROUGHS: Absolutely.

GOVERNOR HOGAN: Thank you very much.

MR. BURROUGHS: Thank you.

GOVERNOR HOGAN: Next we have Sonya Williams, Prince George's County Board of Education, District 9.

MS. WILLIAMS: Good morning.

GOVERNOR HOGAN: Good morning.

MS. WILLIAMS: Good morning, Governor Hogan, Treasurer Kopp, and Comptroller Franchot. My name is Sonya Williams and I'm the school board member for District 9, elected in the fall of 2014. It is my privilege to be speaking to you on behalf of our Chairman Segun Eubanks, who is on travel. I'm here to report to you that the Prince George's County Board of Education, our CEO Kevin Maxwell, and the entire system takes the findings of the audit about our graduating certification and grading practices very seriously.

GOVERNOR HOGAN: Can I interrupt for one second? Why was it that they said just the opposite when the report came out? All of their public comments were it was all political, it was all recordkeeping, it was all dotting Ts and Is. When did they change their position and decide that it was something important and they were going to take it seriously?

MS. WILLIAMS: Well we took the allegations seriously from the beginning. When --

GOVERNOR HOGAN: They just didn't tell the media that they felt it was serious?

MS. WILLIAMS: No, no. What the allegation, the initial allegation was about was systemic corruption throughout the county, where our

CEO or our headquarters were giving a direction to our staff to change records to support graduation rates. And that was not the case.

GOVERNOR HOGAN: That was not the main purpose of the investigation.

MS. WILLIAMS: What --

GOVERNOR HOGAN: It was to find out if there was widespread wrongdoing in the system and they found that there was. It was not about trying to find out if it was ordered by Dr. Maxwell.

MS. WILLIAMS: So what I think the systemic issue in Prince George's County is that in the past decade we have had no superintendent last more than two years. Dr. Maxwell has lasted four years, which brings stability to the organization. We have 207 schools in our system and we are getting our hands around the practices and procedures that were in place before this administration came on board. So the systemic issue is that there was no stability that would allow us to ensure that all of the procedures and policies that were put in place over the years of changes in administration were adhered to. And we appreciate what this audit --

GOVERNOR HOGAN: But none of the --

MS. WILLIAMS: -- finding --

GOVERNOR HOGAN: -- none of the policies were adhered to.

And there was no --

MS. WILLIAMS: There --

TREASURER KOPP: That's not --

GOVERNOR HOGAN: -- either they directed the wrongdoing or
they failed --

MS. WILLIAMS: Well --

GOVERNOR HOGAN: -- they failed to manage the system
because it was happening everywhere underneath their nose and nobody was
following policy and they didn't even know.

MS. WILLIAMS: Well I --

GOVERNOR HOGAN: So they either knew or they didn't know.
Either way, it's either corrupt or incompetent.

MS. WILLIAMS: Well on the other side of the coin we have
record numbers of scholarships being achieved by our students. We have dual
enrollment, where students are graduating in the morning with their diploma and
in the afternoon with an associate's degree. We have data --

GOVERNOR HOGAN: But what does that have to do with the
5,000 students whose grades were changed? And the hundreds of people who did
not meet the requirements --

MS. WILLIAMS: So what that --

GOVERNOR HOGAN: -- who were cheated out of a good education because they graduated them when they did not have the ability to graduate?

MS. WILLIAMS: And I just have to disagree with that opinion.
Because we have --

GOVERNOR HOGAN: It's not an opinion. These are a finding of facts --

MS. WILLIAMS: Well because --

TREASURER KOPP: You keep interrupting.

GOVERNOR HOGAN: -- by an investigation by the State Board of Ed.

MS. WILLIAMS: There are several reasons why a grade would be changed --

TREASURER KOPP: -- school board member.

GOVERNOR HOGAN: It's just nonsense.

MS. WILLIAMS: -- in Prince George's County beyond the deadline. One of them is because we have a dual enrollment process which the grades for the college courses are not on the same timeline as the grades for our graduates. So there is, there are legitimate reasons for changing grades after the deadline. And that is what we --

GOVERNOR HOGAN: Well then you need to change the policy.

MS. WILLIAMS: And that is exactly what we're going to do. But again, as I said previously, with instability in leadership and with policies in place that were before the leadership, the current leadership, we're now looking at those. And because of the results of the audit we are able to now dive quicker into the issues regarding our graduation so that we can look into policies to change. So this isn't about staffs are going and instructing teachers to change grades. That's what the audit found. There was no direction from the headquarters. What it did find --

GOVERNOR HOGAN: Well no, the audit didn't find that there was none. It just didn't prove that there was.

MS. WILLIAMS: And --

GOVERNOR HOGAN: It found that there was --

MS. WILLIAMS: And we as a --

GOVERNOR HOGAN: -- wrongdoing, grade tampering, people that were supposed to fail that were changed at the last moment to graduate. People that didn't show up for school for a good portion of the year, weren't supposed to graduate, they did. It did not say there wasn't any --

MS. WILLIAMS: And with all due respect --

GOVERNOR HOGAN: -- organized effort to do this. It did not say that.

MS. WILLIAMS: -- if the support that my colleague has was brought to the board prior to being brought to you, we could have started this investigation ourselves, just like Baltimore City had the opportunity to do.

GOVERNOR HOGAN: So your colleagues did bring these issues up. The NAACP brought the issues up. Your board and your Superintendent and your County Executive all refused to investigate. That's why they unanimously came to us --

MS. WILLIAMS: But they did not bring it to the Board of Education --

GOVERNOR HOGAN: -- begging for the State to do an investigation.

MS. WILLIAMS: -- to investigate. They did not bring it to us.

GOVERNOR HOGAN: It doesn't seem like you still get that.

MS. WILLIAMS: They did not bring that letter to us, or any of their findings to us. We found out about the letter sent --

GOVERNOR HOGAN: They didn't bring any findings to me either. They just said it needs to be investigated.

MS. WILLIAMS: But that wasn't brought to us either. We have, we have the ability to look into our policy --

GOVERNOR HOGAN: That's not true.

MS. WILLIAMS: -- infractions ourselves. But that information was not brought to us prior to being brought to you. There is a policy, a process and procedure for putting issues on the table for the board to review internally and that was not done.

GOVERNOR HOGAN: Okay. Anything else?

MS. WILLIAMS: So I just wanted you to know that we are, we take this very seriously. And we will be --

GOVERNOR HOGAN: I'm glad to hear that.

MS. WILLIAMS: -- reporting to you all at the end of the month. We're working diligently on that report. We continue to communicate with our community, not only our teachers and our staff, but also the parents that are in our system.

GOVERNOR HOGAN: You know that the NAACP and parents, teachers, and students are coming here next week saying that they are not happy with where you are.

MS. WILLIAMS: And I would, I would like if you would allow us to bring in some of the parents of students that have successfully graduated Prince George's County public schools.

GOVERNOR HOGAN: Well we'd love to do that. But that's, these folks requested a meeting to talk about the wrongdoing. And we'll --

MS. WILLIAMS: So --

GOVERNOR HOGAN: -- have a separate meeting with the people you want to bring in.

MS. WILLIAMS: So I take, I take this allegation personal because my son graduated in that class of 2016. He graduated with three --

GOVERNOR HOGAN: Hey, I spent 50 years in Prince George's County. I take it seriously.

MS. WILLIAMS: -- and now he's studying engineering at the University of Maryland. So I think that there are a number of students that are, that have been educated and have the ability to go onto higher education and --

GOVERNOR HOGAN: There's no question about that. There's no argument.

MS. WILLIAMS: Mm-hmm.

GOVERNOR HOGAN: It's a great school system. We have very smart kids. We have the most highly educated African American population in the nation.

MS. WILLIAMS: Exactly.

GOVERNOR HOGAN: However, it looks as if we also are cheating some kids and passing them when they shouldn't be passing.

MS. WILLIAMS: And we are, and we are correcting our policies and procedures, our implementation of those policies and procedures to ensure that that --

GOVERNOR HOGAN: Are you investigating the potential wrongdoing?

MS. WILLIAMS: We are. We absolutely are.

GOVERNOR HOGAN: Great. Okay.

TREASURER KOPP: I want to thank you for coming here. It's not difficult, I mean it's not easy. It is very difficult.

(Laughter.)

TREASURER KOPP: And you've undertaken a difficult task. But I think, first of all, the progress that has been made under Dr. Maxwell and the County Executive and his board has been --

GOVERNOR HOGAN: Although --

TREASURER KOPP: -- terrific.

GOVERNOR HOGAN: Although the progress on the graduation rates was all fake.

TREASURER KOPP: It was not all fake at all.

MS. WILLIAMS: (Indiscernible).

TREASURER KOPP: It was not all fake at all. But there are problems and I appreciate --

MS. WILLIAMS: Mm-hmm. I agree.

TREASURER KOPP: -- that the appropriate body, which is the Board of Education is looking into them --

MS. WILLIAMS: I agree.

TREASURER KOPP: -- and look forward to hearing your response.

GOVERNOR HOGAN: The State Board of Education did look into it --

MS. WILLIAMS: But we --

TREASURER KOPP: (Indiscernible).

GOVERNOR HOGAN: -- at the request of the delegation to Annapolis --

MS. WILLIAMS: We don't deny that (indiscernible) --

GOVERNOR HOGAN: -- because the county, the board would not.

MS. WILLIAMS: -- we don't deny that whatsoever. We know that there are improvements that are needed in our system. But we need to work to improve those in a manner that we understand the problem --

GOVERNOR HOGAN: Do you think anybody is going to be fired or charged in this scandal?

MS. WILLIAMS: We will look into that. As we investigate this further, because again we've had less than 60 days to dive into the data that was presented, we have had less than 60 days to --

GOVERNOR HOGAN: I think the entire audit of the State Board took less than 60 days.

MS. WILLIAMS: It did. But it was a big undertaking. And so we want to be able to have the opportunity to understand the problem, to understand what is known and unknown, to come to a solution that will get us to improving how we do our recordkeeping, how our staff understands --

GOVERNOR HOGAN: It's not recordkeeping.

MS. WILLIAMS: -- the policy of changing grades. We have already implemented some changes that include reducing the number of personnel who have the ability to access and change grades. Before policy allowed a number of people to go in and change grades. And so we are now diving directly into that policy and making changes so that no one other than two people in every high school will have the ability to change grades. Before there were a number of people that were allowed to do that. So we understand that there is room for improvement. And we are working to improve where we have issues. And so we are diligently working to come to you to present the report to you at the end of the month and do a full presentation --

GOVERNOR HOGAN: It doesn't come to me. It goes to the State Board of Ed.

MS. WILLIAMS: -- in a formal presentation in January.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: And congratulations on your son.

MS. WILLIAMS: Thank you. Thank you.

GOVERNOR HOGAN: Any other questions on the Secretary's
Agenda?

TREASURER KOPP: I don't.

GOVERNOR HOGAN: Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. Move on to
DNR Real Property Agenda. Secretary Belton?

MR. BELTON: Good morning, Governor, Mr. Comptroller,
Madam Treasurer. For the record, my name is Mark Belton. I'm the Secretary of
the Maryland Department of Natural Resources. We have 10 items on our Real
Property Agenda for your approval this morning.

GOVERNOR HOGAN: I'd like to talk about, I have kind of a
concern about Item 7.

MR. BELTON: Item 7, yes sir.

GOVERNOR HOGAN: This is a \$1.4 million easement from the
Rural Legacy Program for 207 acres in Baltimore County. As I understand it, I
understand the program, that the department works with local sponsors --

MR. BELTON: Yes, sir.

GOVERNOR HOGAN: -- to negotiate easements. Right? In this case, the local sponsor is the Land Preservation Trust. Is that correct? My concern about the item is that the landowner who will benefit from the transaction is a member of the Land Preservation Trust's Board of Directors. And on its face at first glance, it appears like it might not be an arm's length transaction and it looks like perhaps the Land Preservation Trust may have been negotiating with itself on how to spend taxpayer dollars and how much.

I don't have any objection to the easement itself and, as you know, I'm a champion of land preservation. I'm the first Governor in the history of the State to ever fully fund it. And it makes sense ecologically to protect this property. However, before we take the vote I'd just like to hear some details of the transaction and make sure, you know, I'd like to see if you can address and make sure that it was conducted at an arm's length and that it is the proper thing to do and the proper value. Thank you.

MS. WILSON: Good morning. Thank you. Emily Wilson, Maryland Department of Natural Resources. The landowner in this case who is receiving the easement on his property is not a member of the Land Preservation Trust's board. The Land Preservation Trust is our local sponsor and they contract with a separate individual who negotiates the easements on behalf of that board, and then the money that goes to the landowners flows through the title company. So it's never held by --

GOVERNOR HOGAN: So it's his father that owns the property?

MS. WILSON: Correct.

GOVERNOR HOGAN: Okay. Same name.

MS. WILSON: Correct.

GOVERNOR HOGAN: Junior and senior.

MS. WILSON: And they, and this, the board --

GOVERNOR HOGAN: So it still may not be an arm's length transaction and I'd just like to address that.

MS. WILSON: Well no, the board was not involved in the negotiation. They contract with an individual who does the negotiations on behalf of that local sponsor.

GOVERNOR HOGAN: Okay.

MS. WILSON: So it was in fact arm's length.

GOVERNOR HOGAN: And you got three appraisals and --

MS. WILSON: Well this is a Rural Legacy easement so we use the easement valuation system.

GOVERNOR HOGAN: And how does that work?

MS. WILSON: So it's provided for in statute and in regulations, where we base the beginnings of the negotiations on the fair market value of MALPF properties, Maryland Ag Land Preservation Foundation properties, in that area. And then the local sponsors will add points based on additional

considerations that the landowner is willing to undertake. If he's, for example, if he's willing, he's got a stream through his property and he's willing to expand buffers along that stream, or if there's some sort of an endangered species on the property and he's willing to provide extra protection for that, then they'll get more points for that. And it's based on those independent appraisals for the MALPF properties in that area.

GOVERNOR HOGAN: Great. I don't have any further questions.

COMPTROLLER FRANCHOT: Yeah. No. I'd like to hold off on this for a couple of weeks. I don't know why everything that I look at from time to time up in Baltimore County seems to come back to politics. But I'd like to have two weeks to look at whether, or three weeks, this actually is something that's not tainted by, you know, political interference.

MS. WILSON: So I can, I can tell you from --

COMPTROLLER FRANCHOT: I have no basis to suspect that but
--

GOVERNOR HOGAN: Yeah, I don't --

COMPTROLLER FRANCHOT: -- the money.

MS. WILSON: No.

GOVERNOR HOGAN: -- I don't think the process is tainted and I don't think there's an issue.

TREASURER KOPP: (Indiscernible).

GOVERNOR HOGAN: I just wanted to raise it now rather than somebody raising it later, and to make sure that we, you know, dotted all the Is and crossed all the Ts, as we talked about in our last discussion. And so I, so I'll second the Comptroller's motion just so we have a chance to clear up any issues or questions. But I support the concept and the idea of preserving this property.

MS. WILSON: Thank you. Please understand too --

TREASURER KOPP: I have no problem with that, and I appreciate the Governor's questions, actually, clarifying this. I hope that everything that comes up from Prince George's and Baltimore County in the next year is not going to be kicked -- when I grew up in Chicago we had a game we played in the alley called kick the can.

GOVERNOR HOGAN: So do you believe that the independent investigation into corruption that was called on by every single member of the Prince George's delegation and by the NAACP was just politics --

TREASURER KOPP: No --

GOVERNOR HOGAN: -- and we're just talking about it because it's in Prince George's County?

TREASURER KOPP: -- I don't believe it was just politics. No, I do not believe it was just politics. I think there was a good (indiscernible) --

GOVERNOR HOGAN: That was the answer that the County Executive gave and the Superintendent of Schools gave.

TREASURER KOPP: Well actually, Governor, it's only because the Comptroller just said, well, I don't know if there's anything wrong but it's from Baltimore County so can we postpone it for three weeks.

COMPTROLLER FRANCHOT: No, I wasn't even going to bring the issue up. But it came up. It's --

GOVERNOR HOGAN: I didn't mention --

TREASURER KOPP: That's what you said.

GOVERNOR HOGAN: I don't think I mentioned what county it was in.

TREASURER KOPP: No, you didn't. But I'm just quoting what my colleague said.

GOVERNOR HOGAN: We don't want wrongdoing in any county, just to make it clear.

(Laughter.)

MS. WILSON: Nor do we.

GOVERNOR HOGAN: All 24 jurisdictions. I just want the record to be clear.

TREASURER KOPP: Absolutely.

COMPTROLLER FRANCHOT: Yeah.

MS. WILSON: Nor do we. And please understand that we take what we do very seriously and --

GOVERNOR HOGAN: Yeah. No, I understand.

TREASURER KOPP: Yeah.

MS. WILSON: -- run this program with integrity.

GOVERNOR HOGAN: I don't have any question about that. I just wanted to bring up the issue so that nobody else had a concern about it. Thank you.

MS. WILSON: Thank you.

GOVERNOR HOGAN: So there's a motion on the table to delay this one particular item. It's been seconded. All those in favor.

COMPTROLLER FRANCHOT: Aye.

GOVERNOR HOGAN: Three-nothing. Any other questions on the rest of the DNR Agenda? Motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. Next, DBM.

MR. BRINKLEY: Good morning, Governor, Mr. Comptroller, Madam Treasurer. David Brinkley, the Secretary of the Department of Budget and Management. We've brought 11 items for your consideration today and I have individuals here to address any concerns or questions you may have.

GOVERNOR HOGAN: Any questions on the DBM Agenda?

COMPTROLLER FRANCHOT: Item 2-S.

SECRETARY MCDONALD: We just want to know for the record that Item 11 is a hand-carried item.

MR. BRINKLEY: Item 11 was hand-carried, I'm sorry.

SECRETARY MCDONALD: But Item 2 is being called up, right.

GOVERNOR HOGAN: Good morning, Mr. James.

MR. JAMES: Good morning, Governor, Madam Treasurer, Mr. Comptroller. The item before you today is a contract for residential services for one of our youth at Bellefaire JCB, which is located in Shaker Heights, Ohio. At the outset I'd like to mention the item when it was prepared and when we were working on this contract was structured for two youth. Since then, one of those youth has transitioned back to Maryland. So there's only one youth at this program today. The contract --

GOVERNOR HOGAN: So we've cut it in half. It's a 50 percent reduction. That's good.

MR. JAMES: So we have not adjusted the contract but we would be happy to come back with a modification item by the end of January to reduce this to reflect the single child placement instead of two children.

COMPTROLLER FRANCHOT: No, that is music to my ears. Thank you for paying attention to your commitments to bring these kids home. And I have no problem with supporting this. I just want to make sure that you're

still on track to meet your goal and, you know, hats off and kudos to your interagency group. Because they are making a lot of progress.

MR. JAMES: Thank you, Mr. Comptroller.

GOVERNOR HOGAN: Yeah, thank you very much.

MR. JAMES: Yeah, we continue to make progress. Right now we have 23 youth out of state. One of those is scheduled to transition back to Maryland by the end of next week. We have one youth who is scheduled, originally we were hoping to have her come back last month but we've had some, been doing some work with the local judicial system there to get that transition finalized. But she'll be coming back in January. We have another two youth who we were working on transitioning. They've had some medical complications and so we want to get them stabilized but we're working to bring them back as quickly as possible as well.

COMPTROLLER FRANCHOT: Good.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: Could I ask a question? As long as you're here, you're in the process of doing, of putting together an RFP to put out for an in-state facility? Is that --?

MR. JAMES: Yes, Madam Treasurer. It's actually, it's on the street right now.

TREASURER KOPP: It's on the street? That was my question.

MR. JAMES: It is for a variety of programs. We actually got a number of questions so we've extended the response time until January. But that's to cover a variety of our highest need cases. So one of the cohorts we have out of state right now is victims of sex trafficking so that's, we're looking at a program to address that. Some of our needs for medically fragile youth, which cover some of the youth that we have in the system who currently are out of state, increasing our capacity there. So we expect that to continue to work through the process and hopefully we'll have those new programs standing up by the start of the next fiscal year.

TREASURER KOPP: All right. So it's not calendar '18. You actually expect it up by the end of fiscal '18?

MR. JAMES: By the end of -- I believe that's correct and I hope my staff will --

TREASURER KOPP: That was --

MR. JAMES: -- smack me if I'm getting it wrong.

TREASURER KOPP: Yeah.

MR. JAMES: But I believe our goal is to have those new programs up by fiscal year, by the end of fiscal year '18.

TREASURER KOPP: Well I just want to echo the Comptroller. I congratulate you on the progress that's been made, not only in that but in bringing everybody together to take these steps.

MR. JAMES: Thank you, Madam Treasurer. I'd also like to highlight we're standing up new local care teams, which we will be working on all of our most difficult cases and working with families. And the goal there is really to prevent families from reaching the crisis point where children need to enter care, as well as when we do have a need for a placement trying to make sure that we have the resources and can bring together all the people from the various departments to get that placement made as quickly as possible.

TREASURER KOPP: That's great.

MR. JAMES: Instantly.

GOVERNOR HOGAN: Deputy Secretary James, I just want to say I know you took a beating from us, mostly the Comptroller, but all of us a while back. And I just want to, the entire department has done a wonderful job but I just want to personally thank you for the way you've handled this entire thing. It really, you really deserve a round of applause, I think, from everybody.

(Applause.)

MR. JAMES: Thank you, Governor. It truly was an interdepartmental effort. And I'm embarrassed to stand here and get the applause because frankly so much of the work was done by the team at the department, and our colleagues at Department of Health, and Governor's Office for Children, and Department of Education, and Department of Disabilities.

GOVERNOR HOGAN: Thank you.

MR. JAMES: Thank you.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Stronger together.

GOVERNOR HOGAN: Yeah.

MR. JAMES: Thanks.

GOVERNOR HOGAN: I like that.

TREASURER KOPP: It's yours now.

GOVERNOR HOGAN: It's *Planet of the Apes*, stronger together.

(Laughter.)

GOVERNOR HOGAN: Any other questions on the DBM Agenda? Any, is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing, DBM. We're going to move on to the University System Agenda. Good morning.

MR. EVANS: Good morning. Good morning. Joe Evans, representing the University System of Maryland. We have four items on the Agenda. We are withdrawing Item 4-RP.

GOVERNOR HOGAN: Thank you, Mr. Evans. I don't have any questions. Anybody else have questions on the University?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. Thank you, Mr. Evans.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Now we're going to move on to the
Department of Information Technology.

MR. LEAHY: Good morning, Governor, Madam Treasurer, and
Mr. Comptroller. For the record, I'm Michael Leahy, Acting Secretary of the
Department of Information Technology. Today we have eight items on the
Agenda and we're withdrawing Item 8. We have agency representatives available
to address your concerns or questions.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Any questions
on DoIT?

COMPTROLLER FRANCHOT: Item 5, Mr. Leahy.

GOVERNOR HOGAN: Item 5.

COMPTROLLER FRANCHOT: So we're being asked to exercise
the first one-year renewal option on a contract with Electronic Vision Access
Solutions based out of Westerly, Rhode Island for assistive personal computer
technology to address disabilities, including hearing and vision impairments. The
current contract, which expired in October 2017, came out to \$4 million. The cost
of the proposed extension comes out to about \$975,000, and if approved the
revised contract would total almost \$5 million.

It's my understanding the incumbent has held this contract since November 2012 and in that five-year span the contractor, although promising to have a 10 percent MBE participation goal, is instead of 10 percent, has been at one percent. Now I know my colleagues and I are in agreement that having a high level of MBE participation in our procurement system should not just be an aspiration but must be an expectation. And we have made a lot of progress in tearing down barriers to allow our MBEs to have a fair shot at being awarded contracts with the State government. So it is pretty upsetting to see a vendor who is only able to fulfill just one-tenth of a relatively low MBE participation goal in five years.

MS. PAGE: Good morning. My name is Suzanne Page, Assistant State Superintendent for the Maryland State Department of Education's Division of Rehabilitation Services. And we agree 100 percent with you, Mr. Comptroller. We are aware of the situation, of course, and have gained the organization's commitment and obviously we've put plans in place to help correct this during the one-year extension knowing, and letting them know too, that if that does not turn around during the one-year extension then we will not be coming forward and asking for the second year extension.

COMPTROLLER FRANCHOT: Okay. But the point here is that MBEs of women and minority owned businesses have received about \$40,000 under this contract as opposed to \$400,000 under the five-year span. So that's a

big difference. And I guess I'd like to ask what actions other than not renewing the final option year can you do? Can we start looking at the damages provisions in these contracts to assess how we can hold vendors like this accountable when they fail? Not meeting their aspirational goal, but completely failing what they said they were going to do and ending up with a situation like this that I find completely unacceptable.

MS. PAGE: Yes. That's something that we will certainly, yes, we will look into seeing if we can take any of those actions. Yes.

COMPTROLLER FRANCHOT: And, you know, people ask me around the State, why are you such a fan for MBE? I'm a fan for MBE because it brings new talent and energy and competition into the State contracts. And --

MS. PAGE: Yes.

COMPTROLLER FRANCHOT: -- you know, all you have to do is go back to *Brown v. Board of Education* and check out what happened after the Supreme Court said that schools have to be integrated, thank God. Well in Little Rock they, apparently they went and integrated the schools. Right? And I think there were 200 or 300 minority teachers in the previously segregated schools who applied for employment in the new integrated system. One, one of them was hired. Some of the parents of the kids that were in the segregated schools said they got a worse education in the integrated schools than they had from their brilliant teachers in the segregated schools. So that's what happens. You know,

we set up these aspirational goals; we try to bring in new talent and new energy. And they run into the same old song of sorry, we can't find any, gee, nobody responded, gosh, gee willikers, this is Western Maryland, you don't understand. Yeah, I understand. This is, you know, I hope you would tell these folks that they'd better get that \$400,000 back in the pockets of MBE contractors who are out there with talent and energy and want to do this work. Or you're going to exercise the penalties clause.

MS. PAGE: Mm-hmm. Yes. We will do that.

COMPTROLLER FRANCHOT: Thank you. Geesh.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Rarely do people agree with me.

(Laughter.)

COMPTROLLER FRANCHOT: Thank you very much.

MS. PAGE: We don't argue with you on this at all. No. Not at all.

GOVERNOR HOGAN: I agree with you all the time.

COMPTROLLER FRANCHOT: Yeah. No. Thank you for that and take a look at it. Because --

MS. PAGE: We will. Yes, we will.

COMPTROLLER FRANCHOT: -- you know, it's not just you.

MS. PAGE: We know it's a problem, yeah, that we want to work on it, yeah.

GOVERNOR HOGAN: Thank you.

MS. PAGE: Thank you.

GOVERNOR HOGAN: Any other questions on Information Technology? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Next we move on to the -- oh, I'm sorry. Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. Move on to the Department of Transportation.

MR. LEWIS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is R. Earl Lewis, Jr., Deputy Secretary with the Maryland Department of Transportation. The Maryland Department of Transportation is presenting 26 items for your consideration today. Item 8-GM-MOD has been revised. And at this time MDOT is withdrawing Item 16-AE-MOD. Representatives are available to answer questions.

GOVERNOR HOGAN: Thank you, Mr. Lewis. Any questions on the Department of Transportation Agenda?

COMPTROLLER FRANCHOT: Just a quick question on Item 9.

MR. LEWIS: Yeah, Transportation Authority.

COMPTROLLER FRANCHOT: Oh, great.

GOVERNOR HOGAN: Good morning.

MR. REIGRUT: Good morning. Kevin Reigrut, Executive Director of the Maryland Transportation Authority. Governor Hogan, Comptroller Franchot, Treasurer Kopp, good morning.

COMPTROLLER FRANCHOT: Great. Well this is a contract I think that is somewhat tied into your rebidding of the E-ZPass --

MR. REIGRUT: Correct.

COMPTROLLER FRANCHOT: -- operating contract? Okay. This is one of the great government programs in my view, E-ZPass. Wherever I go, the system seems to work. And I'm just concerned that we're, it seems from the cost of this extension modification, we're talking \$104 million, I just hope we're not going to tamper with the success of the E-ZPass program. You're just dealing with some backroom operation, I take it?

MR. REIGRUT: The modification of this contract is designed to handle, it is the entirety of MDTA's tolling program, including both customer service and tolling infrastructure. Having said that, the purpose of this modification is precisely to allow for a seamless transition to a new contract without the customers of MDTA noticing any difference.

COMPTROLLER FRANCHOT: And we're not paying twice for the same services in that transition period?

MR. REIGRUT: No, sir. In fact, the modification specifically specifies and we've made changes to monthly and weekly contract items so that in a circumstance where a transition can take place, we have the ability to switch over so that we're not paying for contract services in a single 24-hour period.

COMPTROLLER FRANCHOT: Okay. And the program is going to continue to be named E-ZPass or --

MR. REIGRUT: I have no expectation that it would be named anything other than E-ZPass. We're a member of the E-ZPass coalition and we're very proud of our relationship with that brand.

COMPTROLLER FRANCHOT: Okay. Thank you very much.

GOVERNOR HOGAN: Let me --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- before you go let me, since the Comptroller threw me a softball there I just want to -- he didn't even know it. But I want to just mention and thank you, Mr. Reigrut, that when we cut tolls at every single facility in the State for the first time in 50 years by \$270 million we also eliminated all the monthly fees on E-ZPass and cut the tolls if you use your E-ZPass. And it has resulted in a lot more people not only saving a lot of money but using E-ZPass. So I want to thank you for your --

MR. REIGRUT: Governor, if I could take advantage of the softball, with no monthly fee and a minimum 25 percent savings at virtually every one of our toll facilities, everyone in the room should have a Maryland E-ZPass.

GOVERNOR HOGAN: Absolutely.

(Laughter.)

GOVERNOR HOGAN: Thank you. You can see Mr. Reigrut at the door on your way out --

(Laughter.)

GOVERNOR HOGAN: -- and he can sign you up. Is there a motion -- any other questions on Transportation?

TREASURER KOPP: Twenty-five percent MBE on that contract, too.

GOVERNOR HOGAN: Is there a motion on Transportation?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. We're going to move on to the Department of General Services.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Department of General Services. The department has 34 items on our Agenda

today and we are withdrawing Item 26. We'd be glad to answer any questions you may have at this time.

GOVERNOR HOGAN: That's a pretty big Agenda you've got there, Mr. Secretary, 34 items.

MR. CHURCHILL: A lot of grants.

GOVERNOR HOGAN: Yeah. I just want to take a moment to highlight Item 4. I don't really have a question on it but I just wanted to mention that this is a three-year, \$2.7 million contract for dune maintenance and beach replenishment in Ocean City. I was there a few weeks ago to provide an update on the Atlantic Coast of Maryland Shoreline Protection Project. Together with our partners at the Army Corps of Engineers, we're in the midst of a \$13 million project to fortify Ocean City's prime attraction, which is its legendary beach. It's vital that we do everything we can to protect Ocean City's beaches from powerful coastal storms and hurricanes to protect the coastline but also to provide additional recreational opportunities to visitors who are so important to our economy. So thank you, thank you for, and for the Secretary of the Department of Natural Resources as well. Thank you for your efforts.

Any other questions on DGS?

COMPTROLLER FRANCHOT: Yes. I had Item 32.

MR. CHURCHILL: Item 32 concerning Montgomery College.
Cathy Ensor for the grants program.

MS. ENSOR: Good morning.

GOVERNOR HOGAN: Good morning.

MS. ENSOR: Cathy Ensor, Department of General Services, Capital Grants Program. This item is a request to encumber funds, grant funds, for the Montgomery Community College. And --

COMPTROLLER FRANCHOT: Great. Yeah, no, it's a tremendous project, a fabulous college. Is there anyone here from the college?

TREASURER KOPP: The President, I think.

MS. ENSOR: I think --

GOVERNOR HOGAN: The President of the College just raised her hand in the back of the room.

MR. CHURCHILL: Yeah.

COMPTROLLER FRANCHOT: Oh great. Please, maybe I could ask the distinguished, prestigious, wonderful President of Montgomery College to come on up. Hi, Dr. Pollard.

DR. POLLARD: Good morning. Good morning.

GOVERNOR HOGAN: Good morning, Dr. Pollard. I like the new do.

DR. POLLARD: Something for the season.

(Laughter.)

DR. POLLARD: It will be different by the next time you see me.

COMPTROLLER FRANCHOT: Well, thank you.

DR. POLLARD: Thank you, Mr. Comptroller.

COMPTROLLER FRANCHOT: Well, thank you for being here, and thank you, Governor, for, well, everybody should have a Merry Christmas, Happy Hanukkah, and have a great holiday season. And I'm delighted that Dr. Pollard is here because she does a fabulous job of an economic engine called Montgomery College. And I have been a big supporter of it over the decades that I've been in public office. And I'm particularly supportive of the Takoma Park campus, because we always ended up getting crumbs and, you know, all the other ones were moving ahead fast. So thank you for paying attention to --

DR. POLLARD: Thank you.

GOVERNOR HOGAN: That was probably why you represented that district in the Legislature.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

TREASURER KOPP: Just a coincidence.

COMPTROLLER FRANCHOT: But there, this project, as you know, has generated some understandable community involvement because the campus of the college in Takoma Park is right adjacent to a residential neighborhood.

DR. POLLARD: Certainly.

COMPTROLLER FRANCHOT: And I'd like to thank you for working with the college's neighboring residents to address and resolve the concerns about the construction of a large new building directly adjacent to their homes. And I'm going to obviously support approval of this grant but I did have a couple of questions.

In a letter that you sent to Mayor Kate Stewart on October 19, 2017, you included a list of specific design directives that are aimed at addressing and resolving the concerns and objections that have been raised surrounding this project. And I, in the interests of time, Dr. Pollard, I don't want to read out the 14 directives. But can you confirm today that Montgomery College remains committed to abiding by the directives you listed in your October 19 letter to Mayor Stewart? And I don't imply any indecision on your own part. I'm just suggesting that you and I and others are not here forever. So I'm wondering whether these promises are going to be kept by even our successors, I guess.

DR. POLLARD: Thank you, Mr. Comptroller. And I would certainly hope that they would do so. I think there are a number of factors that would help that stay in place. One, as you described the letter that I did send to the community, and also at the local level, our County Council, our County Executive, and multiple members of the college community. Actually I think about 2,000 people received a copy of that letter. In addition to that we are on the legislative record as it relates to this. Our County Council, our County Council

education committee, and a number of other bodies have reviewed this thoroughly. So not only do I intend to keep my word on this, as I have done since we started this process, but certainly believe that the college will do so and have committed to that, both in writing and also I believe in several recordings that have been made in these spaces.

COMPTROLLER FRANCHOT: Excellent. And since State dollars are being invested in this very worthy project and in the interest of ensuring that all stakeholders involved are on the same page moving forward, might I request that the college come back to the Board of Public Works should anything in the existing design plan change?

DR. POLLARD: Oh, certainly. We're in the process right now of trying to hire an architect, which I believe is what this grant speaks to. As soon as that person has been identified or firm, we also know that our County Council has directed us to have a charrette process with the community, which we have already planned to engage in and are very excited about that.

TREASURER KOPP: A charrette process meaning --

GOVERNOR HOGAN: Oh, charrette --

DR. POLLARD: A charrette process to address not only the 14 various design and other directives I provided, but also to hear from the community about specific concerns, whether it be push backs they'd like to see, some of the height options. And an architect can be very intentional in helping us

understand how we can use the topography of that particular campus to accomplish the outcomes of this facility.

COMPTROLLER FRANCHOT: Okay. Thank you.

GOVERNOR HOGAN: Very good.

TREASURER KOPP: Can I just add --

COMPTROLLER FRANCHOT: Yeah, sure.

TREASURER KOPP: -- one thing to your list of things? The energy efficiency and the extent of greenness of the building. I'd like to hear about that as you go on. I know you have significant plans and I think the world should know about it.

DR. POLLARD: Certainly. As required by our State agencies, this building is a LEED building. Our goal is always to try and make it as high a priority as we can, to make it as high a level of LEED. So once the architect is here, we bring those ideas to the table. And each year we've been very successful in several of our buildings to have LEED Gold status on many of our new facilities. So we want to contribute to that and reduce our impact on the community, particularly as it relates to environmental issues.

GOVERNOR HOGAN: Okay. Dr. Pollard, thank you.

COMPTROLLER FRANCHOT: And then I, if I could just finish up, I recently received a list of additional requests and recommendations from Council Member Kovar's office. Those are not his recommendations. I think

he's just communicating what his constituents, now that this project is moving forward, continue to have some concerns about. And I was wondering if I could share that list with you, and if you'd be willing to review and consider what the Council Member has sent over?

DR. POLLARD: Of course.

COMPTROLLER FRANCHOT: Excellent. Thank you very much.

DR. POLLARD: Thank you very much.

GOVERNOR HOGAN: Dr. Pollard, thank you.

DR. POLLARD: Thank you all. Have a wonderful day.

GOVERNOR HOGAN: Any other questions on the DGS Agenda?
Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on DGS. I just want to say in closing that one of our focuses has been on efficiency and streamlining government. These things used to go four, five hours. We knocked it out in an hour and 15 minutes.

COMPTROLLER FRANCHOT: Yep.

(Applause.)

GOVERNOR HOGAN: That's efficiency.

(Whereupon, at 11:22 a.m., the meeting was concluded.)