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PRESENT

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HONORABLE PETER FRANCHOT

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everybody.

AUDIENCE: Good morning.

GOVERNOR HOGAN: We've got a packed house. We must have some exciting things on the Agenda today. Well thank you all for coming.

This past July I signed an executive order creating the Regulatory Reform Commission to review and make recommendations on how the State could reform its regulatory environment to be more responsive to the citizens and the businesses here in Maryland. They just completed their recommendations and they are being released this morning.

I want to first of all congratulate the co-chairs who are here with us this morning, Jim Soltesz and Abba Pollakoff. Please stand up guys, a big round of applause for them.

(Applause.)

GOVERNOR HOGAN: We really can't reform our State's burdensome regulatory climate by simply eliminating and streamlining harmful regulations. We actually have to fundamentally change the mindset of the State's regulatory mission from one of a glaring bureaucracy looking to punish and change it into a customer service based entity that seeks to assist our citizens and our businesses and to help them succeed. We want to try to change the entire culture of State government to one of customer service. And we want people to

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be, we want to change the mindset that you are guilty until proven innocent, that your job is to tell you why you can't do something, or how we're going to stop you from doing something, into how can we assist you in meeting the regulations and accomplishing what it is you are trying to accomplish.

We already know that this works because we have seen it in action. And I want to compliment the Comptroller, who has been talking about this issue for a long, long time, about customer service. And he has actually implemented it in his agency and it has worked extremely well. They have a strong customer service ethic there. And under his leadership Maryland taxpayers now enjoy one of the fastest filing to refund times in the entire country and they receive timely and thorough answers to their questions.

This really is not a Republican or Democratic issue. As the commission, as I was campaigning last year going around the State, I heard this over and over and over again. More than taxes are too high, more than we're concerned about this particular regulation, I heard we can go to Virginia and get something done in 90 days, we get clear answers. In Maryland it takes us three years and we never get an answer. We're going to change it.

These guys have just come up with their initial recommendations and we haven't had the opportunity to review them all yet, and they are going to continue their efforts. They did a wonderful job all around the State, had tremendous input. I mean, people were lined up at these public hearings and

thanking us for at least listening to them and hearing the problems, because they have never been listened to before. So I want to thank you two for your leadership. Thank you, Mr. Comptroller, for raising some of these issues and doing such a good job in your agency.

But we are going to work very hard to change the entire attitude of State government. It's a fundamental principle of our administration. We're here to get the government off of our backs and out of our pockets. We want to help grow the private sector and put more people back to work. Fixing the regulatory environment is going to be the key to that.

So from my executive staff here on the second floor, to our cabinet secretaries, all the way down through the bureaucracy, this is going to be a primary push for us and I want to just thank the members of the Regulatory Review Commission for their outstanding work. And it's of critical importance to the State. So thank you both. Let's give them a big round of applause.

(Applause.)

GOVERNOR HOGAN: With that, I'd like to turn the floor over to my colleagues. Maybe we'll start with you, Madam Treasurer?

TREASURER KOPP: Thank you, Governor. First of all, welcome back.

GOVERNOR HOGAN: Thank you. It's great to be here.

TREASURER KOPP: It's very good to have you. And one cannot help but notice that beautiful tree in the corner.

GOVERNOR HOGAN: I didn't even notice it.

(Laughter.)

TREASURER KOPP: The holiday season has certainly started with a bang, after a great Thanksgiving. I want to add my thanks. I think everybody in the State wants to have the most efficiently, best run, and most customer service oriented state in the nation. When I became Treasurer it took a little while for the Chief Deputy Treasurer Ms. Benik sitting there to teach me how to do it. And I know that she, you ought to consult with Bernadette because she almost singlehandedly turned the Treasurer's Office around some years ago and made it a truly customer service oriented office.

GOVERNOR HOGAN: Sounds like we've got a new recruit for the commission.

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: This is a lady who walks the walk as well as talking the talk. And I also want to add my thanks to the Comptroller's Office because we are one of those who file electronically and get the refund within, gosh, it seems like less than 24 hours. But it really is very, very impressive and something that we're all proud of. So I look forward to seeing this work proceed. Congratulations.

GOVERNOR HOGAN: Thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Well, Governor and Madam Treasurer, thank you for your very generous statements. I have a tremendous staff and wonderful people that work at the Comptroller's Office. And they do a spectacular job. You're right, we average 2.1 business days upon receipt of an electronically filed return and putting your money back into your bank account. So that's over two million returns --

TREASURER KOPP: So it can be spent in Maryland.

COMPTROLLER FRANCHOT: So it can be spent in Maryland. And it's a big operation and it's very, very, well people really appreciate that. And but it's because of my staff more than anything.

I happen to have assumed the responsibility of equating customer service with somebody answering the phone. I mean, we have had 30-, 40-, 50-minute waits on the phone. And it's amazing what happens if when I start calling the 800-MDTAXES number on a frequent basis. Because it drops from 30 minutes, down to 15, down to five, and this morning it was one and a half minutes. So, but that, the ability of our citizens to get a friendly, well-informed, professional voice on the phone for the subject matter that they are concerned about, you don't have to tell them what they want to hear. But boy, do they appreciate a real person. And people say, well how do you do that? We monitor it a lot. But we also tell our employees it's the one fireable offense in the

Comptroller's Office. You drag your feet in dealing with a taxpayer and you are not going to be working for us. And I haven't had to fire a single person. Everybody said, we get that. And boy, it makes a difference.

So Governor, congratulations on, I can't imagine a more important emphasis than the simple customer service that you just articulated. And the great thing is you can do it without the Legislature.

(Laughter.)

COMPTROLLER FRANCHOT: No, I'm kidding. I didn't mean to say it. I'm sorry.

TREASURER KOPP: That was not necessary.

GOVERNOR HOGAN: Thank God.

(Laughter.)

TREASURER KOPP: You know, I can't help thinking when I hear that the Comptroller models himself on Louis Goldstein, but there was another Comptroller in between, William Donald Schaefer, who used to ask when he was Governor, every morning, what have you done for a person today? And I think that that respect for individuals --

GOVERNOR HOGAN: Absolutely.

TREASURER KOPP: -- respect for people shines through this initiative and through the Comptroller's Office. I think it must be an inherited trait of Maryland Comptrollers.

GOVERNOR HOGAN: The Comptroller.

TREASURER KOPP: But Mr. Schaefer would be smiling on this today, I'm sure.

COMPTROLLER FRANCHOT: Exactly.

GOVERNOR HOGAN: I'm not sure he would be smiling.

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: Well, he didn't smile. But he'd be grumbling --

GOVERNOR HOGAN: He'd be grumbling at us.

(Laughter.)

GOVERNOR HOGAN: But he would probably agree with what we are saying.

COMPTROLLER FRANCHOT: He liked my mother a lot. But if I could just --

(Laughter.)

COMPTROLLER FRANCHOT: I did want to just ask, make sure everybody had a great Thanksgiving holiday. Annie and I were grateful to spend some time with our daughter and son-in-law and my wonderful dad and reflect on the blessings that our family have received over the past year. And I also want to acknowledge how much Annie and I enjoyed spending time with Governor Hogan and our terrific First Lady of Maryland last week when we spent part of

our morning at Our Daily Bread to prepare meals to feed hungry Baltimoreans. And nothing unusual about that, they prepare 700 meals, seven days a week, 365 days a year. Seven million meals have been served since nineteen --

GOVERNOR HOGAN: Eighty-one.

COMPTROLLER FRANCHOT: -- eighty-one. And I know the Governor would agree with me when I say it was truly a meaningful and humbling visit. Because Bishop Lori was there. He was out serving, we were heaping the food on and he was serving it to people. Just unbelievable. So I appreciate that. Obviously --

GOVERNOR HOGAN: We were serving very liberal portions, too.

COMPTROLLER FRANCHOT: Yes.

(Laughter.)

GOVERNOR HOGAN: Piling the food on.

COMPTROLLER FRANCHOT: Yeah. Following a restful and reflective holiday weekend we got back to work preparing for tax season, which starts next month, halfway through January. Yesterday I announced that I will be proposing legislation in the upcoming legislative session in January that would provide my agency with more tools to combat the rapidly growing threat of tax fraud and identify theft. We are all sensitive to that from what we read in the newspaper about identity theft of personal financial information.

The Taxpayer Protection Act will expand our ongoing efforts to protect taxpayer information and increase the authority of our field enforcement agencies to effectively hold fraudulent filers and preparers accountable. This legislation will make the most severe tax crimes a felony so that the punishment will more appropriately fit the crime. It will extend the statute of limitations on tax crimes from three years to six years to allow for sufficient investigation and legal proceedings on what are often highly sophisticated cases. This bill will also allow us to place the legal responsibility for a fraudulent return on the predatory tax preparer as opposed to the unknowing taxpayers who are used to commit fraud. Passage of the Taxpayer Protection Act is about allowing my agency to keep pace with rapidly increasing fraud schemes and fast changing threats to sensitive data. It's about holding unscrupulous preparers accountable and strengthening our ability to investigate tax crimes with penalties strong enough to deter fraud. I believe it's absolutely critical to protect Maryland taxpayers and to combat fraud. I look forward to working with you, Governor Hogan, and the Treasurer, and the General Assembly, to enact this important piece of legislation in the upcoming session.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. Let's go ahead and get started with the Secretary's Agenda. Secretary McDonald?

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have 17 items on the Secretary's Agenda this

morning, one report of emergency procurement. We are prepared for any questions you have on these items.

GOVERNOR HOGAN: I'd like to start with Item 17, if we could.

SECRETARY MCDONALD: Item 17 is actually an item from the Treasurer, so --

GOVERNOR HOGAN: Yes, I just wanted to say that I'm more than pleased to support the Treasurer's resolution regarding qualified zone academy bonds, as I believe, as she does, that they provide key State financial assistance to our public schools. And I want to thank her for her focus and leadership in that regard.

I'm also pleased to see the efforts of the Interagency Committee on School Construction following up on the Comptroller's suggestions regarding air conditioners to make portable air conditioning units eligible for purchases under these funds and other public school construction program funds.

Joining us this morning to tell us how Anne Arundel County put portable air conditioning units in its classrooms is Alex Szachnowicz, who is the Chief Operating Officer of Anne Arundel County Public Schools. Good morning.

MR. SZACHNOWICZ: Good morning, Mr. Governor, Mr. Comptroller, Madam Treasurer. Thank you for the opportunity to allow Anne Arundel County to provide a very brief overview of our story of how we accomplished cooling of our schools.

As we entered into the 2001 school year in Anne Arundel County we had about 33 schools that did not have air conditioning in classrooms, quite honestly the majority of the classrooms. And so the elected leaders of our county, our County Executive, our County Council, and our Board of Education leadership, the Superintendent and the Board of Education, coalesced around a plan to eradicate the non-air conditioned schools in Anne Arundel County. And they tasked us with providing them with recommendations that ranged from essentially do nothing -- and let me explain do nothing.

We were comprehensively renovating or replacing schools over time. But with 33 schools un-air-conditioned that would have certainly taken many, many years, quite honestly on the verge of two decades, to cool those schools. We cost modeled for them putting in centralized systems as well, central chillers with ducted systems, mechanical piping, etcetera, and the cost for those ranged in excess of \$200 million and at that time it was fiscally unfeasible that we would receive that in a lump sum to eradicate the schools.

And so what we set about was a middle course of action, and a middle course of action that I term stop gap. What the political will was at the time was to cool those schools as rapidly as possible, provide them some immediate relief. But that came with pros and cons to it.

The decision was made to install window air conditioners into those schools that did not have them at the time to provide that immediate relief,

and I'll explain how we did that, and then make a commitment to our citizenry that we will continue to diligently through time continue to comprehensively renovate our buildings, put in systemic replacement of systems within those to centrally cool them.

And so I mentioned earlier as we headed into that 2001 year we had 33 schools that were not air-conditioned. Of those schools 26 were elementaries and seven were secondary schools. And the decision was made that phase one, we would tackle the 26 elementary schools with the first slug of money that we received. This was locally funded, no State monies involved in it. And the second phase would be those seven remaining secondary schools that were much larger.

To date we have 15 schools still left that have some semblance of window air conditioners. Again, we began with 36. Of those 15, six of them are actively under construction today. We still have the remaining balance, nine, that are in our queue, in our pipeline, that are in our CIP. And again, we resolutely remain committed to eradicating those through a comprehensive renovation or systemic.

So in our elementary schools we installed 447 air conditioners total at a cost of \$2.8 million. That was phase one. Phase two was 342 window air conditioners in our secondary schools at a cost of about \$1.5 million. So collectively the project over two fiscal years cost the citizens of Anne Arundel

County \$4.3 million and it averaged about \$150,000 a school, again all locally funded.

It is very important as anyone enters into this venture that they do it with eyes wide open. And as I mentioned earlier, there are pros and cons. I will be the very first one to tell this esteemed body that putting in a central system with the cooling plant, with the ducts and the pipes and everything is absolutely from a technology, from an engineer, I'm an engineer's perspective, the most elegant and appropriate way to go. But there are the realities of cost and the practicality of the situation. And so, again, we spent a tremendous amount of time informing everyone, the citizenry and our elected and appointed bodies, of the various pros and cons and the decision was, again, to provide that immediate relief and to provide a commitment to our citizenry that we were going to properly over time eradicate the rest of them through central systems.

It required a tremendous amount of planning on the front side. We did mock ups. This is, I coin it to an industrial engineering exercise. So we weren't just building one car, we were going to build a model car that we were then going to replicate 789 times. So we spent a lot of time and effort on the front side doing mock ups, coming up with the prototype that we were eventually going to build. We had meetings with our regulatory officials to make sure that the electrical inspectors, the fire marshals, everybody was on board. We had community meetings, again explaining to them the pros and cons of window air

conditioners. The pros obviously is temperature control, maybe some modest humidity control. But the cons are unsightly. They certainly are not as energy efficient as a centralized system. They certainly don't do as much to improve indoor air quality. There are certainly noise considerations. But weighing those pros and cons, again, for Anne Arundel County, at that time, where we were, the decision was made given those cons, the pros outweighed them. That is what our citizens, what our students, what our parents, what our elected officials, appointed officials demanded at the time, and locally decided to fund it, charged us with executing it. And over the course of two fiscal years, we accomplished all the elementary schools, again phase one, all the secondary schools, phase two. And with that, I'll turn it over for any questions that you or your colleagues may have, sir.

GOVERNOR HOGAN: Well first of all, I'd just like to congratulate you on your leadership. It's certainly a better solution than leaving kids in un-air-conditioned classrooms for a decade or more, which is what we've seen in other counties. And I think you are an example of what we ought to be trying to do in some other areas.

COMPTROLLER FRANCHOT: Exactly. And Governor, thank you for having Alex here. He is a Maryland hero as far as I'm concerned, because he has implemented something that helped thousands of kids in Anne Arundel County. As we speak there are tens of thousands of kids in two jurisdictions

alone in the State, tens of thousands in two jurisdictions. Every other jurisdiction completely taken care of, but in those two jurisdictions these kids suffer in 100-degree heat, unhealthy conditions. They feel sick. They feel sleepy. Their teachers faint often, if you can believe it. There are multiple visits to hospitals because of the heat in these classrooms. And I have been arguing for four years as we plan for renovation and new schools why can't we do what Anne Arundel County has done, which is put box units in these classrooms. And when I say tens of thousands, I mean tens of thousands of kids. And when I say it's months, I'm talking August, September, part of October, part of April, May, June when these kids are in inhumane conditions.

And the thing that really frustrates me as a public official are the special needs kids, of whom there are hundreds, I don't have the exact number but there are a lot of them in Baltimore County and Baltimore City, the two jurisdictions that are not able to get themselves organized to do this like everybody else. Those special needs kids when the temperature goes up go crazy. Because they are particularly sensitive to temperature changes, even small ones.

So I have been arguing for four years that Baltimore County needs to do what you have done ten, 12 years ago. All I've heard back is, A, a deafening silence, or politicians protecting other politicians. That's basically the situation. And I'm just glad we have a Governor who is interested in protecting

the kids and have you here and have the IAC take another look at this issue and see if we can't provide relief by the spring of this year for those two jurisdictions.

And I just wanted to ask a couple of questions, because there are so many naysayers because of the political situation. Nobody seems to be focused on the kids. You did. You focused on the health and safety issue. You stepped up. You fixed these stifling classrooms. I've been and visited these facilities. Can you give us an idea as to how long these, how many units actually are in operation today? There's a lot of confusion as to whether they are durable or not.

MR. SZACHNOWICZ: Yes, sir. As I said, we still have 15 schools at the start of the year that had some semblance, again six of those are in the process of being eliminated as we speak today. We found that the life span actually exceeded what the industry had proffered to us. We had expected the units to last no longer than about eight years on the long side. We're 12 years, as you mentioned, Mr. Comptroller, into it. Those units are still running. What we found is that those units do not have the number of run hours. They simply don't run as long as the industry does when they do their projections, when they put them through their underwriter's laboratory or factory mutual training, because the school day is of a limited duration. We don't run them on weekends. We don't run them on holidays and they are not run in the summer. So the attrition on those units is largely driven by run time. But again the school environment, because of our limited hours of operation, did not put as much stress, this is our

theory, as a 24-hour running, for example, in a residential setting or in a business setting that has a round the clock type of operation. So our experience has been the units have lasted longer than the manufacturers recommended or expected and longer than we expected.

COMPTROLLER FRANCHOT: And the teachers that I met over in Anne Arundel County said, look, they are a little bit noisy, a window unit is kind of noisy, so we arrive a half hour, 45 minutes before the start of class and we crank up the air conditioning. When the kids come in, it's cool, we turn the unit off. That's all we need.

MR. SZACHNOWICZ: Yes, sir. The decision was made to allow the individual classroom faculty member, that teacher, to have 100 percent total local control. He or she can make a decision on when to run the unit, when not to run it, whether to run it at a low speed, medium speed, high speed. And we allowed that professional in that classroom to make the decision about what is the best for the children, the youngsters in that room in any given moment throughout the day. So if it's a testing type of environment, they can certainly dial down the unit, the noise. If they, they are very creative, Mr. Comptroller, as you mentioned.

For example, when they go away for art, when they go away for lunch, when they go away for physical education, they will actually overcool the room while the room is vacant knowing that when they return 45 or 50 minutes

later they can dial the unit back down to compensate for the noise issue and then continue their instruction during the balance of that day.

COMPTROLLER FRANCHOT: And you have helped Prince George's County in addition to Anne Arundel. What happened over there?

MR. SZACHNOWICZ: Yes, sir. The Superintendent of Prince George's County had asked his facilities staff to explore the same option that we did. They called it the Cool School Initiative at the time. So the staff from the facilities division of Prince George's County spent about three months with me and my team in Anne Arundel County getting up to speed, visiting numerous sites. We shared with them our designs. We shared with them our specifications, our drawings. They were allowed to piggyback off of our contracts because they were publicly sourced, publicly let. So the procurement officials felt that it was appropriate for them to extend our contracts, etcetera. So they modeled their Cool School Initiative and undertook the balance of their schools in a similar fashion, and it's my understanding it was executed very successfully.

GOVERNOR HOGAN: Can I interrupt to say --

COMPTROLLER FRANCHOT: Please, yes.

GOVERNOR HOGAN: -- you know, as the Comptroller said, you know, most of our jurisdictions have done a wonderful job. And you have been leading the charge. Two of them, Baltimore City and Baltimore County, are disastrous at this point. I'm just wondering if you would be willing to sit down

with the leadership in Baltimore County and in Baltimore City to share some of your experiences and see if you can maybe help them. I guess they are talking about waiting 15 or 20 years to air-condition classrooms and it is just not acceptable to us.

MR. SZACHNOWICZ: Well again, everything that we produced is paid for at the public expense. It is all public information. And all 24 jurisdictions are always more than happy to work collaboratively with our neighbors to share our expertise or our insights.

COMPTROLLER FRANCHOT: Great. Well, I can send my State Trooper with you just so you make sure you leave Baltimore County --

(Laughter.)

COMPTROLLER FRANCHOT: -- but the two major obstacles right now are the fact that they up there say these are, these portable units are not eligible for the IAC school construction money. I want to really --

GOVERNOR HOGAN: Which we are fixing, by the way.

COMPTROLLER FRANCHOT: -- which is going to be taken up tomorrow, and Governor Hogan is correct on that. I also want to thank the Treasurer because her office sent us some information that said the item before us, the QZAB, would be eligible regardless of what the, I think, the IAC does. But I hope the IAC is going to make a change tomorrow. And I really appreciate Mark Newgent for what he has done from the Governor's staff to get DGS, thank you

for DGS' involvement in this. And thanks for taking a look at it. And it is a critical issue because it has gotten stalled, I guess, and we need to move it forward so there is immediate relief.

And then the final issue right now is that Baltimore County is telling me it's unhealthy. If you can believe this, it's unhealthy, Mr. Comptroller, to put box units in a classroom because it somehow reduces the air quality. Is that something you ever experienced over in Anne Arundel County? The kids, I mean, where does that come from?

GOVERNOR HOGAN: It's got to be healthier than 110 degrees.

COMPTROLLER FRANCHOT: Yeah, I would think. But --

MR. SZACHNOWICZ: So as I said, we did put a tremendous amount of planning and forethought into this. Planning really is the key, Mr. Comptroller, and we met with our regulatory officials as well. There is essentially, our perspective is this, there is essentially three components to comfort within a classroom. One being temperature, that's a mathematical number of the degrees in that room. And the window air conditioner units absolutely address temperature very well. The second criteria is humidity levels. Humidity does speak to comfort. And while the window air conditioners do not do as good a job, clearly do not do as good a job as a centralized system to dehumidify the space, they do in fact dehumidify the space to some degree and therefore are a net positive in that comfort regard. The third and final element is

in fact the air quality of the system. We didn't disable in any way, shape, or form what was there before. The rooms had operable windows. They still do. They had unit ventilators. They still did post-execution. So our estimation, and again in consultation with our design engineers and our regulatory officials in Anne Arundel County, is that that was a neutral. It neither improved nor deterred from the indoor air quality. So two plusses and one neutral in our --

TREASURER KOPP: Is that the concern? That it would stop the ventilation or exchange?

MR. SZACHNOWICZ: I believe partially. Certainly the filtration. The main concern is how filtered is the air? And the window air conditioners do not do nearly as good a job, not nearly, Madam Treasurer, as good a job of filtering the air that's coming from the outside to the inside.

TREASURER KOPP: But you saw this as a step towards room --

MR. SZACHNOWICZ: But if I can put this example before you, previously they opened the windows.

TREASURER KOPP: Yes.

MR. SZACHNOWICZ: So if they opened the windows the air outside equaled the air inside. So --

GOVERNOR HOGAN: It wasn't really getting filtered very well when you opened the window.

TREASURER KOPP: Right. Right.

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MR. SZACHNOWICZ: Right. So that's how I said it's essentially a neutral, right? We weren't doing more harm than good. They were no better off and no worse off, in our estimation, than they previously were, and yet they were better off in the temperature area and better off in the humidity area.

TREASURER KOPP: I'm very impressed that it was inherently a part of your total plans to in fact do building renovation and air conditioning. That it wasn't the goal to have room, because people are setting it up as you either have room air conditioners or you do a school renovation and the problem is it's so expensive to do a school renovation, it takes a long time to do it, and students are in fifth grade only one year each.

MR. SZACHNOWICZ: Yes, Madam Treasurer. Again, we over-communicated. We over-communicated --

TREASURER KOPP: I'm very impressed by the amount of work --

MR. SZACHNOWICZ: -- that this was a stop gap and we over-communicated the cons. We did not want to oversell that this was the correct way to do it. We didn't want to oversell that this was the most elegant way of doing it. We're saying that in Anne Arundel County, at that specific time and place, we were willing to make those sacrifices balancing the pros and cons. And our constituency as a whole decided that, yes, this was truly a stop gap, fully informed

decision. But at that point in time in our lives where we were, our elected officials and our Board of Education decided this was the correct way to go.

GOVERNOR HOGAN: Any other questions of --

COMPTROLLER FRANCHOT: I will move on. If, and I've been quoting the figure of \$10 million could take care of every classroom in Baltimore County with window units right now. And as the Treasurer says, as money is available for systemic renovation and new construction, I'm a huge supporter of that. But we've got to do something now. Does that \$10 million figure sound unrealistic to you?

MR. SZACHNOWICZ: Unfortunately I couldn't answer that because I wouldn't have a way of knowing how many rooms they had unavailable.

COMPTROLLER FRANCHOT: Madam Bassette, Secretary Bassette, do you have any information on that?

MS. BASSETTE: Yes. Very close, very close, sir. For Baltimore County, Garrett County, Baltimore City, the number of classrooms without cooling is 1,561. And if we, a total cost for the schools was \$9,700 per classroom, and a total cost for the schools is \$15,141,000. That, but with State cost share it's a total of \$9,521,132.

COMPTROLLER FRANCHOT: Wow. And in Garrett County they just have to open the windows. So --

(Laughter.)

MS. BASSETTE: Zero cents. Well, we rounded off a little bit, Governor.

COMPTROLLER FRANCHOT: But thank you, Governor. As I said, I really appreciate the fact that, you know, you are sticking up for the kids because that is who we need to focus on. Alex, thank you for everything. If I could give you one of my medallions, because I called you a Maryland hero. This, you are a Maryland hero.

GOVERNOR HOGAN: Thank you, Alex. How about a round of applause for Alex Szachnowicz?

(Applause.)

GOVERNOR HOGAN: Are there any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Well I do have one if I could just

--

GOVERNOR HOGAN: We're all ears.

COMPTROLLER FRANCHOT: -- take a victory lap on this one. Excuse me. But Item 12?

SECRETARY MCDONALD: I believe Secretary Belton is here from the, the Secretary of Natural Resources is here. This is a settlement proposed --

COMPTROLLER FRANCHOT: Right.

SECRETARY MCDONALD: -- by the Department of Natural Resources to settle a, well actually to settle a judgment that they have against Langenfelder Marine. And as you recall, it does stem from a piece of property that the State acquired in 2007.

COMPTROLLER FRANCHOT: Great.

SECRETARY MCDONALD: So Secretary Belton, do you want to come up to the podium?

MR. BELTON: Thank you. Governor, Comptroller, Madam Treasurer?

COMPTROLLER FRANCHOT: Yes. And Mr. Secretary, thank you for bringing this before us and for your work on this. This obviously predates you and Governor Hogan. But I was here in 2007 when we entered into what I described then as a rather irregular relationship with this business. It was over my fervent objection. In a nutshell we used Program Open Space money that summer to purchase nearly 74 acres of land in Stevensville which even then was being used by Langenfelder as an industrial marine site. Well we then agreed to lease the industrial portion of the property back to Langenfelder for I think ten years at \$215,000 per year. This despite the fact that using the land for dredging and other commercial maritime purposes have nothing whatsoever to do with the fundamental goals of Program Open Space and there was nothing in particular

about a heavily used, highly distressed piece of industrial property that was even remotely ecologically compelling. And that is something I can confirm, having walked the site myself with Jerry Klasmeier, Len Foxwell, Howard Friedlander from the Treasurer's Office, and a bunch of other folks on a Saturday morning in July of 2007. Nor was the property vulnerable to high density development. Under local zoning laws at the time of transaction a maximum five homes could be built on the remaining 60 acres. And for all of this to keep a financially struggling industrial marina in business, who I assume had some really good relationships, and to prevent the potential construction of five homes at some point in the future, the State of Maryland spent \$7.2 million of taxpayer money. And it was every bit as dumb an idea then as it sounds today in retrospect.

So fast forward, Langenfelder is not paying rent in 2013. The State can't collect. We have to accept a drastically reduced amount simply to recoup a portion of our investment in this company. So in addition to venting about one of Governor O'Malley's really bad ideas, I do actually have some questions about the settlement.

Langenfelder is not, is, quote, going to be at no cost to DNR provide any needed environmental cleanup and remediation. Has anybody done an assessment of what that's going to cost and whether Langenfelder is going to be capable of doing that?

MR. BELTON: We have a letter from MDE back when the property was purchased. At that time there were no issues with environmentally. There are some fuel storage tanks, above ground storage tanks, that we want to make sure are taken care of properly. At this time we have no reason to suspect there is a problem. But part of the settlement agreement is to make sure that the Langenfelder company takes care of any problems on that property.

COMPTROLLER FRANCHOT: Okay. And once the property has been vacated and you have gone through that remediation, which I hope you hold their feet to the fire, what are the plans for the property?

MR. BELTON: We are going through that evaluation now, sir. I would like to make sure that at least a portion of it, if not a large portion of it, is used for public access more than it has been. We've got a real demand in the State of Maryland for public access to our parks, particularly waterfront parks. You may have noticed Sandy Point here in Annapolis gets closed a number of times during the summer because it just fills to capacity. So we're looking very hard at finding opportunities for water access for citizens elsewhere. This might be one such spot.

COMPTROLLER FRANCHOT: Great. Throw in a couple of ballfields and you've got me.

MR. BELTON: All right.

COMPTROLLER FRANCHOT: Thank you.

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MR. BELTON: Thank you.

COMPTROLLER FRANCHOT: I appreciate it.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Any other questions on the Secretary's Agenda?

TREASURER KOPP: I have a brief question on Item 8, which is the DHCD item. And it's really a question for --

GOVERNOR HOGAN: Do you have anybody from DHCD?

TREASURER KOPP: Is anyone --

SECRETARY MCDONALD: I'm trying to just see is Mr. Cartwright here?

TREASURER KOPP: Good morning.

GOVERNOR HOGAN: Good morning.

MR. CARTWRIGHT: Good morning. My name is Allen Cartwright. I'm the Director of the Division of Credit Assurance for the Department of Housing and Community Development.

GOVERNOR HOGAN: Good morning.

MR. CARTWRIGHT: Good morning.

TREASURER KOPP: Good morning. This is really a question for further information down the road, I think. But we have had the program for some time and we often run into problems with people who have to move, become ill, and we work with them.

MR. CARTWRIGHT: Yes, ma'am.

TREASURER KOPP: This is a slightly different case. This is a case where somebody moved out some years ago and has been renting a property, right?

MR. CARTWRIGHT: Yes, ma'am. Yes, ma'am.

TREASURER KOPP: And now wants to do a transaction because they can no longer --

MR. CARTWRIGHT: Afford both properties and --

TREASURER KOPP: -- afford both properties.

MR. CARTWRIGHT: Yes, ma'am.

TREASURER KOPP: So my question is a more generic one which is this was not started as a program to help landlords, right?

MR. CARTWRIGHT: No, not at all.

TREASURER KOPP: Not at all. How do we keep track so that we know that the program is fulfilling its intent and not being used without approval of the department for some other purpose?

MR. CARTWRIGHT: Well that is a challenge and it's very difficult. We do subcontract the servicing of these loans to --

TREASURER KOPP: Uh-huh.

MR. CARTWRIGHT: -- various subservicers. And I guess the only way we really keep track is that they are in monthly contact, yearly contact

with the borrowers by sending them various literature for them to send their payments in to that location.

TREASURER KOPP: Are the borrowers ever required to affirmatively attest that they in fact are residents, though?

MR. CARTWRIGHT: No ma'am, not at this time. Only at closing of the loan, and all of that when it actually happens. Only then.

TREASURER KOPP: Why would that not be a good idea?

MR. CARTWRIGHT: We have just never done it, it hasn't been part of our policies or procedures. It would be costly, number one, for us to go and do it on our own. For them to send it to us that would be like a, it would be voluntary. And for the ones that didn't send it to us, which we have thousands, tens of thousands of these loans --

TREASURER KOPP: How many loans?

MR. CARTWRIGHT: Right now there's about 11,000, a little north of 11,000.

TREASURER KOPP: Okay.

MR. CARTWRIGHT: Yes, ma'am.

TREASURER KOPP: And they are, and they are all, I know we've looked into this before, they are paid off all of them according to schedule except with your permission in cases of exigency?

MR. CARTWRIGHT: Correct, or if they go into foreclosure or --

TREASURER KOPP: That's a case of exigency, yes.

MR. CARTWRIGHT: -- yes. Yes, ma'am.

TREASURER KOPP: I would, I would really appreciate it if you all could put your heads together and come back. And maybe there is no way to assure that the program in fact is achieving only its primary goal but I think it's something worth focusing on and asking. Because there are still many people throughout the State who do need assistance --

MR. CARTWRIGHT: Yes, ma'am.

TREASURER KOPP: -- for a place to live --

MR. CARTWRIGHT: Correct.

TREASURER KOPP: -- and I guess at the very least you could put them in touch with the people who become landlords. But I think that's really not ideal.

MR. CARTWRIGHT: Yes, ma'am. And it is a requirement of our bonding where we get the funds to do this that these folks are actually occupants of these homes. And we do enforce it when we do find out that that's --

TREASURER KOPP: When it comes to your attention.

MR. CARTWRIGHT: -- right, that that's not happening.

TREASURER KOPP: But the question is how to bring it to your attention.

MR. CARTWRIGHT: We will definitely put our heads together --

TREASURER KOPP: Thank you.

MR. CARTWRIGHT: -- and come up with a way to make that happen.

TREASURER KOPP: I appreciate it.

MR. CARTWRIGHT: No problem at all.

TREASURER KOPP: Thank you, Governor.

GOVERNOR HOGAN: Thank you.

MR. CARTWRIGHT: Thank you very much.

GOVERNOR HOGAN: Any other questions? Is there a motion on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: The vote is three-nothing on the Secretary's Agenda. We're going to move on to the DNR Real property Agenda.

MS. WILSON: Good morning, Governor, Mr. Comptroller, Madam Treasurer.

GOVERNOR HOGAN: Good morning.

MS. WILSON: Emily Wilson with the Maryland Department of Natural Resources. We have 15 items on our Agenda today. I'd be happy to try to answer any questions.

GOVERNOR HOGAN: Any questions on DNR? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on the DNR Agenda.

MS. WILSON: Thank you.

GOVERNOR HOGAN: We move on to DBM.

MR. BRINKLEY: Good morning, Governor, Mr. Comptroller, Madam Treasurer. The Department of Budget and Management has submitted eight items for today's Agenda. Item 7 has been revised, and I have representatives here to address any questions you might have.

GOVERNOR HOGAN: I'd like to talk about Item 5. Is there a representative from the Department of Public Safety and Correctional Services here?

MR. BRINKLEY: I have Rosetta Butler, Acting Director of Procurement, is supposed to be here.

GOVERNOR HOGAN: It doesn't seem like we have anybody here.

MR. BRINKLEY: Here she is, right here.

MS. BUTLER: Good morning, Governor.

GOVERNOR HOGAN: Good morning.

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MS. BUTLER: Good morning, Madam Treasurer, good morning, Mr. Comptroller.

GOVERNOR HOGAN: My question is that you are asking for two one-year renewals in order to have time to rebid a new contract. And my first question is why should it take two years to rebid the contract?

MS. BUTLER: Well the matter at hand is that our current procurement office is extremely short staffed. Do you want me to just wait?

TREASURER KOPP: Yes, just for a second.

MS. BUTLER: Okay.

GOVERNOR HOGAN: Too noisy?

TREASURER KOPP: Yes.

GOVERNOR HOGAN: Yeah, let's keep it down, keep it quiet back there.

(Laughter.)

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Maybe close those doors.

MS. BUTLER: Good to go?

GOVERNOR HOGAN: Sorry.

MS. BUTLER: Okay. No problem. So the current situation in our procurement office over at our agency is that the, is that we are extremely short staffed. We have, you know, several, you know, multimillion dollar

procurements going on. You know, unfortunately they are expiring pretty much around the same time. We only have two individuals currently that have the, you know, capacity and the experience to actually write or draft or, you know, put these multimillion dollar contracts in motion. So you know, that's the reason why we suggested the, you know, the two years.

GOVERNOR HOGAN: Well let me just --

MS. BUTLER: Yes.

GOVERNOR HOGAN: -- let me just say this. I understand that this contract has serious problems that stem from the previous administration.

MS. BUTLER: Correct.

GOVERNOR HOGAN: But there is no way we need two years to rebid the contract. And it's not an excuse to say we don't have the manpower. We've got to figure out how to get it fixed.

MS. BUTLER: Okay.

GOVERNOR HOGAN: I want the Secretary to address this and quite frankly I'd like to pull this out of there with a separate motion and I'd like to make the motion that we make it one year.

MS. BUTLER: Okay.

GOVERNOR HOGAN: And then you have to come back again in one year if we don't get it done.

MS. BUTLER: That's perfectly fine.

GOVERNOR HOGAN: Is there a second to that motion?

MS. BUTLER: That's fine.

COMPTROLLER FRANCHOT: Second. Second for me.

MS. BUTLER: Okay.

GOVERNOR HOGAN: Thank you. And please, ask Secretary Moyer to call me about his lack of ability to get things done fast enough.

MS. BUTLER: I got you. Thank you.

GOVERNOR HOGAN: He did really well closing that jail in three weeks.

MS. BUTLER: Yes, he did. He did.

GOVERNOR HOGAN: It takes two years to get a contract fixed. We're going to fix that.

COMPTROLLER FRANCHOT: But could you also when you talk to him also suggest that they not combine different contracts into a single bid?

MS. BUTLER: I will absolutely do that.

GOVERNOR HOGAN: Yes.

COMPTROLLER FRANCHOT: And I know that's something the Governor, I know the Lieutenant Governor is very articulate about that practice which frankly rules out a lot of competition. And so I think this is something

where multiple services under a single contract should be broken up into separate pieces.

MS. BUTLER: Okay. I will definitely take that back to the Secretary.

TREASURER KOPP: That as I recall was also the concern of the legislative auditor.

COMPTROLLER FRANCHOT: Oh, was it?

TREASURER KOPP: Yes.

MS. BUTLER: Yes. And the current administration was made aware of that, yes.

GOVERNOR HOGAN: It's good to see we're all in agreement.

TREASURER KOPP: Yes.

MS. BUTLER: Yes.

COMPTROLLER FRANCHOT: Good.

MS. BUTLER: So I will definitely take that back to him.

GOVERNOR HOGAN: Thank you very much. Any other, so we made the motion and that vote took place? Three-nothing, I think?

COMPTROLLER FRANCHOT: Yes.

MS. BUTLER: Okay.

GOVERNOR HOGAN: And any questions on the rest of the DBM Agenda?

TREASURER KOPP: Just a brief question on number two, Juvenile Services.

MR. BRINKLEY: Michael Dibattista is supposed to be here, and Debbie Thornton, Procurement Director.

TREASURER KOPP: As you are coming up the question is, I guess, congratulations on getting a very low bid. But how can it be that somebody can do the same work for half the money as two other bidders?

MR. BRINKLEY: Are you asking me? Or do you want to wait until they come up?

TREASURER KOPP: I'm asking anyone.

MR. BRINKLEY: I do know that there were some concerns as to how they could do it at half price, but they also have a track history in the State of being --

TREASURER KOPP: Yes, and --

MR. BRINKLEY: -- very successful and the department was --

TREASURER KOPP: Number one technical ranking, number one financial. But it just seems when you are talking about millions of dollars --

GOVERNOR HOGAN: Yes.

MR. BRINKLEY: It could be that the message from the BPW is starting to resonate.

MR. DIBATTISTA: Good morning. I'm Mike Dibattista, Department of Juvenile Services.

GOVERNOR HOGAN: Good morning.

MR. DIBATTISTA: I have with me Debbie Brewer and Rob Anderson from our mental health unit. The contract is a five-year contract for behavior health services at the Hickey School. There were three bids that were deemed acceptable. We did confirm, ask for written confirmation from the selected vendor that they in fact could perform the services in the contract at their quoted price. They did provide that written certification and we do have the vendor here if you would like to hear from them.

They are a vendor that does perform similar services at a detention center in Baltimore City so they are familiar with our population and the work that is being done under this contract.

TREASURER KOPP: And I noticed that it's an MBE vendor so --

MR. DIBATTISTA: Yes.

TREASURER KOPP: -- which is, a Maryland, I mean, it's great. I just, you know --

GOVERNOR HOGAN: It's too good to be true? Is that what you're saying?

TREASURER KOPP: Well, I'm wondering.

MR. DIBATTISTA: Well, again, we looked at it. Our staff from the behavioral health unit are familiar with the agency and confirm that they are providing the services, adequate services at our other facility. And we did ask for that written certification that they could provide the service and that was received.

TREASURER KOPP: I congratulate you on saving \$3 million. I mean, that's --

GOVERNOR HOGAN: Thank you. We like to hear that.

TREASURER KOPP: -- a very good thing. Thank you.

GOVERNOR HOGAN: You set the mark pretty high. We're going to ask that for every contract now.

(Laughter.)

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: We'll keep a note of that. Thank you.

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

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Three-nothing. Now we move on to I believe the University System Agenda.

MR. HALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller, Jim Haley, University of Maryland. We have five items on your

Agenda this morning. I have representatives to answer any questions you may have.

GOVERNOR HOGAN: Good morning.

COMPTROLLER FRANCHOT: By the way, folks if I could just have your attention for a minute? I don't know whether anyone noticed but Governor Hogan nominated for a position on the Court of Appeals an outstanding jurist from Prince George's County Michele Hotten. And I believe she will be the first female African American Court of Appeals judge from Prince George's County in the State's history. And job well done. I know it's, you've only nominated her, but --

GOVERNOR HOGAN: I think we should be able to get that one through.

COMPTROLLER FRANCHOT: Yes.

TREASURER KOPP: More than two decades experience.

COMPTROLLER FRANCHOT: Yep.

GOVERNOR HOGAN: Yes, she's terrific.

COMPTROLLER FRANCHOT: Congratulations. And I'm sorry, that was just a by the way.

GOVERNOR HOGAN: Thank you, Mr. Comptroller.

MR. HALEY: You have the floor.

GOVERNOR HOGAN: Questions on the University System Agenda? It sounds like you got an easy out today.

MR. HALEY: Thank you very much.

GOVERNOR HOGAN: Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second. All in favor on the University System. We move on to Information Technology or the DoIT Agenda. Mr. Secretary, good morning.

MR. GARCIA: Good morning, Governor, Mr. Comptroller, Madam Treasurer. I'm David Garcia with the Department of Information Technology. Today we have nine items on our Agenda and agency representatives to answer any questions you may have.

GOVERNOR HOGAN: Secretary Garcia, I see that there is an item for a contract to procure a call services center for a handful of State agencies, which we think is a terrific idea. One of the things that we have been talking about for a long time, and one of the things I think that the Regulatory Review Commission that we mentioned at the start of the meeting is recommending is improving customer service and having these joint call centers where we can really take care of people's issues and respond in a more responsive manner. Is, will this contract allow us to do this for more agencies than are currently? We

want to talk about more consolidated call centers and maybe bringing in more agencies.

MR. GARCIA: Sure. Sure. In its current form the short answer would be no, but it certainly can be modified and adjusted to accomplish that very thing.

GOVERNOR HOGAN: Okay. Well we want to pursue that with you and we'll talk about figuring out how to --

MR. GARCIA: Absolutely.

GOVERNOR HOGAN: -- to figure out how we can accomplish that across State government.

MR. GARCIA: Excellent.

GOVERNOR HOGAN: Great. Thank you. Any other questions on Information Technology?

TREASURER KOPP: Yes, I have a question on number nine, the Board of Elections. I see Ms. Lamone finally here. Ms. Lamone, I'm going to ask you a question.

GOVERNOR HOGAN: Good morning.

MS. LAMONE: Good morning.

TREASURER KOPP: I'll take a leaf from the Comptroller's book, a question about an item that isn't before us. But several months ago I thought I voted to defer an item and it was in fact, you weren't here Governor, the

Lieutenant Governor was here, it was in fact rejected. And that was the education proposal, quite expensive education proposal that the Board of Elections brought to us but you were out of town. And there was really very little defense of it and we had difficulty understanding it. And it was almost a million dollars. And I understand that that money has now, the contract, the RFP has expired. The money has gone from your budget and has been used as part of the two percent reduction for other agencies in the State. But the question still is what you are going to do about education and coordinating the education around the next election with the use of the new machines and a statewide election for which we hope there will be very significant turnout. So what is the status of this thing that obviously was not deferred, but is there a replacement? Are you coming back with a proposal?

MS. LAMONE: No, we are not.

TREASURER KOPP: What's happening?

MS. LAMONE: We are relying on the local boards of elections to do as much voter outreach as possible. That's going to have to stop soon because they need to start preparing for the election itself.

TREASURER KOPP: Which is April --

MS. LAMONE: Fourteenth, I think early voting starts. So to get back to analogy of an earlier discussion here from the Comptroller's Office, our customer service and education is going to be happening at the polling place, not

before the election. And that's going to, in my estimation, cause significant lines and delays at the polls. Because the voters, even if they just need a few extra seconds to get an explanation from an election judge, that adds up very quickly. And we indeed would like to be able to do something ahead of the election so that the voters can be processed through much quicker. We are working to find a small amount of money to develop a logo and print some brochures, how to vote, how to use the voting system, to provide to the local boards so that they can hand them out at whatever functions they are carrying on. But there is no money to do any kind of professional outreach program.

TREASURER KOPP: What do you think you could do at this point given obviously not \$900,000 but --

MS. LAMONE: Well we could do an emergency procurement. I'd have to consult with the procurement people as to what the availability of procurement processes are to get something in place. The vendor that we had selected for the contract that was rejected told us a couple of weeks ago when we were trying to figure out where we were going to go that they were still capable of performing the services. In other words, they had the capability of doing it. But we would have, I guess have to go out for, I'm not a procurement expert so I don't know routes that are available to us at this point, whether they are sole source or very quick procurement to get someone on board to do the voter outreach in a professional manner.

GOVERNOR HOGAN: So I'm, I didn't know that we were going to talk about this today.

MS. LAMONE: Surprise.

GOVERNOR HOGAN: Thank you for bringing it up. I'm less concerned about the million dollar public relations contract that was rejected three to nothing. I'm actually concerned about whether or not we can conduct the elections properly, and that's a much bigger issue than logos and brochures. And I know that our Department of Information Technology is very concerned about this new system and the fact that we don't believe that we are prepared. And my concern is that the entire election collapses, not that we don't have logos and brochures for a million dollars.

TREASURER KOPP: Governor, let me say --

GOVERNOR HOGAN: And --

TREASURER KOPP: -- I'm not concerned about logos and brochures. I am concerned about outreach and education.

GOVERNOR HOGAN: I'm concerned about the entire system collapsing --

TREASURER KOPP: Of course.

GOVERNOR HOGAN: -- because as I understand the tests were sort of a dismal failure.

MS. LAMONE: That's not true.

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GOVERNOR HOGAN: I think in one county there were 3,000 mistaken votes, as I understand it. Many people expressing concerns, and our experts in information technology said they were concerned that we weren't prepared and reached out and offered help to you and your operation and you I think said you have everything under control.

MS. LAMONE: No.

GOVERNOR HOGAN: So I don't know why we're just talking about public relations when we should be talking about the integrity of the vote in Maryland.

MS. LAMONE: Well I don't know which issue or non-issue to address first. We did conduct a mock election. And we conducted it so that we could find out what issues are there, what are the knowledge gaps of the people that are going to be using the system. And so to that end it was very successful. It's exactly what we wanted. We did not use real voters in it. The local boards tested the equipment with votes that they cast themselves. We did find some issues in the procedures that we have because we had to develop all new procedures for the new system. And we're writing them and correcting them.

GOVERNOR HOGAN: So the one, I don't know what county it was --

MS. LAMONE: Howard County.

GOVERNOR HOGAN: -- Howard County, 3,000 wrong votes --

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MS. LAMONE: The votes weren't --

GOVERNOR HOGAN: That was just a procedural issue?

MS. LAMONE: The votes weren't --

GOVERNOR HOGAN: It wasn't an equipment issue?

MS. LAMONE: The, what we think happened but we haven't been able to verify it, is that after a certain number of the -- they did, they simulated early voting and election day and we had them do several early voting days. And after the first early voting day we think the memory stick was taken out of the unit and placed in another device to see how much memory was left on it and then placed back in the voting system. And when that happened the voting system said, you've been tampered with, we are not going to talk to you again. So that would, the system performed exactly --

TREASURER KOPP: Which is what you would want it to do, I'd assume?

MS. LAMONE: Exactly. And everybody seems to forget that even if the stick got corrupted or somehow stopped collecting votes, there's always the paper ballot. You simply rescan them.

GOVERNOR HOGAN: So just, we're not getting into all the details because we don't have time on the Agenda today, you're not on the Agenda today. You disagree with the experts in the Department of Information

Technology that there are concerns and problems with the system, and your only concern is about public relations? Is that correct?

MS. LAMONE: Basically yes. I think that the system is going to perform as it was certified by the federal government to perform.

GOVERNOR HOGAN: Okay, great. Any other questions?

TREASURER KOPP: Yes. I would like to hear back for how we are going to deal with this problem of education and outreach. And my understanding is that the others were concerned about it also.

COMPTROLLER FRANCHOT: About what?

TREASURER KOPP: Dealing with education and outreach to the voters.

COMPTROLLER FRANCHOT: Yeah well --

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: -- that's important. But this other issue is actually of a bigger concern to me. Because, you know, election night you report certain results and all of a sudden if we go back and there has been human error, I mean, when I ran against the gentleman whose portrait is up on the wall, I can very clearly remember in Montgomery County, the only county that I had any real strength in, the board of elections or somebody did not deliver the chips to the voting booths --

MS. LAMONE: That's right.

COMPTROLLER FRANCHOT: -- and nobody was counted until noontime when I went and lit my, what little hair I have, on fire and said please fix this, because everybody was being turned away.

MS. LAMONE: Well as we always do, Mr. Comptroller, we had a backup system in place and that was paper ballots. And the voters that showed up before Montgomery County could get the cards out to the polling places were provided with paper ballots to vote. So they weren't using --

COMPTROLLER FRANCHOT: Yeah, that was a little, that may be right. But I just remember all sorts of busy people in Montgomery County that said, gee, I've got to run to catch a plane, I can't go through this process. Because it was really --

MS. LAMONE: I know. It was a terrible morning for me, too. And Montgomery County learned a valuable lesson, that you, you know, you need to have a checklist of what you send out to the polls. It wasn't the voting system's problem.

GOVERNOR HOGAN: Well if we're going to be reminiscing about elections --

(Laughter.)

GOVERNOR HOGAN: -- we can talk about the thousands of people all across the State that voted for me but their votes were switched to

Anthony Brown because of the calibration issues and fat fingers and long fingernails --

MS. LAMONE: Well one of the proposals your Department of Information Technology has is to go back to that system, and I just, I rejected that. Because I believe firmly that the new system is far more reliable.

GOVERNOR HOGAN: I hope you're right. Any other questions?

TREASURER KOPP: Just to correct the record, I did not vote --

SECRETARY MCDONALD: I was just looking it up, Madam Treasurer, and the record does reflect on June 23rd that the motion to disapprove passed two to one, the Treasurer voted against the motion.

GOVERNOR HOGAN: Great. Very good. Thank you.

MS. LAMONE: Thank you.

TREASURER KOPP: I look forward to hearing from you.

MS. LAMONE: Yes.

GOVERNOR HOGAN: Any other questions on the DoIT Agenda?

COMPTROLLER FRANCHOT: I just mentioned my receding hair, and Governor, I'm for hair.

(Laughter.)

GOVERNOR HOGAN: Hair? Thank you. Thank you very much.

TREASURER KOPP: I don't know --

GOVERNOR HOGAN: You kind of like the bald?

TREASURER KOPP: Yes.

GOVERNOR HOGAN: See, it's split, split decision.

(Laughter.)

GOVERNOR HOGAN: It is starting to come, though. I'm very excited. I have fuzz.

(Laughter.)

GOVERNOR HOGAN: It's all gray. I'm very excited though. It's peach fuzz. I shaved for the first time this week in six months. It was a big day for me.

COMPTROLLER FRANCHOT: Good.

GOVERNOR HOGAN: Motion on the DoIT Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Favorable.

GOVERNOR HOGAN: All those in favor? Aye. We're moving on to the Department of Transportation.

MR. RAHN: Good morning members of the Board.

GOVERNOR HOGAN: Mr. Secretary, good morning.

MR. RAHN: For the record, Pete Rahn, Secretary of the Maryland Department of Transportation. And today we are presenting ten items.

GOVERNOR HOGAN: Ten items? Any questions on those ten items? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Let me just --

COMPTROLLER FRANCHOT: Sure.

TREASURER KOPP: -- I did have a question about number nine, number four, the erosion/sediment control. I just wanted to tell you, Mr. Secretary, I had some serious questions about who was doing what and how well monitored it was. And I want to thank your department for the very good full response. It was excellent.

MR. RAHN: I'm glad we met your expectations.

TREASURER KOPP: I appreciate it. I learned a lot.

GOVERNOR HOGAN: Thank you.

MR. RAHN: And hopefully we exceeded your expectations.

TREASURER KOPP: Yes. Thank you.

GOVERNOR HOGAN: That's always the goal. Thank you.

TREASURER KOPP: Nori Calvert --

GOVERNOR HOGAN: Would you like to second the Comptroller's motion on the Transportation Agenda?

TREASURER KOPP: Yes, I would.

GOVERNOR HOGAN: Okay.

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TREASURER KOPP: Nori Calvert is the name to thank. Thank you.

GOVERNOR HOGAN: Three-oh on that. We're moving on. Last on the Agenda we have the Department of General Services.

MS. BASSETTE: Good morning.

GOVERNOR HOGAN: Madam Secretary, good morning.

MS. BASSETTE: Good morning, Governor, how are you? Madam Treasurer, and Mr. Comptroller, for the record I'm Gail Bassette, Secretary of General Services. The department has 12 items on our Agenda, including one supplemental. We'd be glad to answer any questions you may have.

GOVERNOR HOGAN: I don't have any questions. Any questions?

COMPTROLLER FRANCHOT: No. But I just salute the Secretary for helping on that unrelated issue. And it's a huge boost to getting the job done. So thank you.

MS. BASSETTE: Yes, sir. Thank you.

GOVERNOR HOGAN: Thank you. And Madam Secretary, we are working on trying to get the funds released by the Department of Legislative Services, the \$500,000 that's being held up.

MS. BASSETTE: Thank you.

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GOVERNOR HOGAN: So that we can take care of the maintenance of the State House grounds.

MS. BASSETTE: Thank you, Governor. I appreciate that.

GOVERNOR HOGAN: Which we're going to work on getting that done. I think the President of the Senate already agrees with us and we'll be talking with the Speaker to try to get him on board.

MS. BASSETTE: Thank you, Governor.

GOVERNOR HOGAN: Since he is the one complaining about it.

MS. BASSETTE: Yes, sir.

GOVERNOR HOGAN: Thank you. Any other questions on DGS? Motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-oh. We are now adjourned. Thank you all very much. Thank you, guys.

(Whereupon, at 11:10 p.m., the meeting was concluded.)