

MR. POTTER: Madam Treasurer, Mr. Comptroller, Governor, I'm Mark Potter, President and CEO of the Maryland Science Center, along with many members of our staff behind me. I stand before you today to ask you to approve funds for the conversion of our IMAX Theater to digital technology.

While we are a private nonprofit, we have always enjoyed a unique partnership with the State of Maryland. Indeed, without this partnership the Science Center would not exist. With your help, the Science Center has become the leading provider of STEM education across the State and no other institution reaches more teachers and students in Maryland than the Science Center with STEM education, both inside our building and outside through our outreach efforts across the State in every county.

Today I am here specifically to ask you to support a grant for our IMAX Theater. This grant will enable us to fulfill our dream to convert the Theater from film-based to digital projection. With this conversion, we will enjoy substantial operational savings. And as few movies today are film-based, digital will allow us to screen popular films, providing increased revenue to our bottom line. And most importantly, converting to digital will allow us to take advantage of the vast and growing library of mission-based IMAX documentary films.

With your approval today, we look forward to converting the theater in January. We hope to be completed by March. And we hope that you can join us for the March reopening. Thank you again for your continued

commitment to Maryland's Science Center. With the support of the State, we continue to celebrate science every day for the people of Maryland. Thank you.

Thank you, Secretary Churchill.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. What are you going to do with the old projector?

(Laughter.)

MR. POTTER: IMAX actually --

LIEUTENANT GOVERNOR RUTHERFORD: Some people don't know what projector means but --

(Laughter.)

MR. POTTER: IMAX actually comes and takes pieces of it so it can't be used again, and then the rest is disposed of.

LIEUTENANT GOVERNOR RUTHERFORD: Sad, sad, sad.

(Laughter.)

MR. POTTER: I know.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

COMPTROLLER FRANCHOT: I actually have a turntable in my attic. Maybe I can --

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: I --

MR. POTTER: Those are coming back.

Montgomery County. Those are just a few more of the additional worthy projects in addition to the Science Center. I obviously along with you, Lieutenant Governor, and Treasurer Kopp, we strongly support these items.

I would like to just finish on one particular item, which is Item 32. This is an item for repayment to the State of funding received by the East Baltimore Community Corporation. And it's my understanding that the project that this organization received these funds already for did not come together as planned. Given the magnitude, however, of the opiate crisis in our State that is destroying the lives of countless Marylanders across the State, including families and communities in East Baltimore where this organization is located, Lieutenant Governor, as you know better than most of us, funding is critically needed for organizations like the East Baltimore Community Corporation, which provides treatment services for those plagued by this crisis. So therefore, I'd like to make a motion to waive the repayment of \$87,470 and allow this outstanding organization to use these funds to continue the incredible and life-saving work they do each and every day. And I know that's a little unusual, but it's within the power of the Board to waive that repayment obligation. And if we were ever going to do it, this is one organization that truly deserves it.

LIEUTENANT GOVERNOR RUTHERFORD: Well it is something that is needed in terms of, you know, funding associated with the opioid crisis and heroin epidemic that we've been facing. My concern with taking

this approach is a little bit of the precedent that we set. While we do have the authority to do it, there are other funds available that we could possibly explore to supplement or put in place of this funding.

We were recently from the U.S. Department of Health and Human Services awarded a large grant, the SOAR grant funding. We are in the process now with our Department of Health determining exactly how we're going to allocate those funds. It's several million dollars over a couple of years. And this would be a worthy organization to consider utilizing some of those funds. That could be done in place of this \$87,000. So if we want to defer this item, I don't know if that's necessary to do that, to explore, give us an opportunity to explore what we can do through the SOAR funding to replace it. But they sound like they would be a worthy candidate for funding.

Because one of the things that we're trying to push, as we go through this analysis of how to utilize the funds, is we don't want the funds to, and I'll be brutally honest, we don't want the funds to just get utilized in the overhead of our Department of Health. That we push as much out to the local authorities, and particularly the grassroots organizations that are really meeting people and tend to have much lower overhead than some of the larger organizations that quite frankly pay a lot of money to their executive directors and folks like that. But the grassroots organizations are hitting more people. So this would be the type of organization that we're looking for to provide funding that

tend to have better return on their investment than what some of the larger ones do.

And I don't want to trash all the large organizations out there. But we need to be able to get to the grassroots organizations. So I don't, I know that that's not the waiver and that's not the immediate. But --

COMPTROLLER FRANCHOT: Yeah. Well why don't we -- I'm happy to change that based on your comments. I think they are appropriate. And so why don't we just defer this to the next meeting in December --

LIEUTENANT GOVERNOR RUTHERFORD: Yeah and we can -

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COMPTROLLER FRANCHOT: -- and if you have some research that shows, maybe we'll be able to return the \$87,000 plus some extra money. So that would be great. And it's for only, I agree with you about the precedent. But I also completely agree with you that these small not for profits on the front lines do a tremendous amount of good with a very thin amount of resources.

LIEUTENANT GOVERNOR RUTHERFORD: Right. And often don't have the resources to go out and apply or track the funds that are available. And so they don't necessarily have the people who come knocking on the door at the Health Department or other places saying, hey, we, you know, we're here to apply for this grant. They don't know about it. And so this is a way to get more information out there.

COMPTROLLER FRANCHOT: So I would be happy to --

SECRETARY MCDONALD: Defer?

COMPTROLLER FRANCHOT: -- move to defer this item --

LIEUTENANT GOVERNOR RUTHERFORD: For 32.

COMPTROLLER FRANCHOT: -- and vote approval of the other
items.

SECRETARY MCDONALD: 32-CGL, thank you.

TREASURER KOPP: I agree.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

COMPTROLLER FRANCHOT: Great.

LIEUTENANT GOVERNOR RUTHERFORD: Well that's --

COMPTROLLER FRANCHOT: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: -- I think all in
favor. Thank you. General Services, thank you. So Ellington, you can go home.

(Laughter.)

TREASURER KOPP: Could I, can I just say --

LIEUTENANT GOVERNOR RUTHERFORD: Oh --

TREASURER KOPP: -- no, no, following up on what, all that has
been said about this Agenda. To all the folks watching this meeting, this
particular General Services Administration touches all parts of the State, a range
of different types of public purpose. It's a fascinating document, actually --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- to see what Maryland does with general funds. And I really urge people to take a look. I don't, everyone is here for their particular interest. But take a look at this whole Agenda because it's really very interesting and not atypical of the sort of --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- DGS Agendas that we see.

LIEUTENANT GOVERNOR RUTHERFORD: Well --

SECRETARY MCDONALD: We need a motion on the entire Agenda. So we deferred 32.

LIEUTENANT GOVERNOR RUTHERFORD: We deferred 32.
We have a motion and --

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: I think all approve.

SECRETARY MCDONALD: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. Yes, General Services is the backbone of State government. And you do get to, in coming to the Board of Public Works you do get to see the operations of government. And that's why I enjoy it. I don't know why a lot of Governors historically have not really cared for it.

TREASURER KOPP: But you know, what you're saying actually is the same thing Marvin Mandel said. That it was one of the most fascinating parts of being Governor because you could see what was going on --

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

TREASURER KOPP: -- in all the State and in all the --

LIEUTENANT GOVERNOR RUTHERFORD: Right. And you get a chance to ask the direct questions because, you know, like I don't know if you -- and way off topic. But if you listen to the Nixon tapes, you hear all the happy talk of the, you know, his staff talking about how wonderful things are. And it's the same thing as, you know, a Governor or a Lieutenant Governor, your Secretaries come in and tell you all this happy talk. And so this is the opportunity to really ask the questions of your folks where they are basically being recorded. It's, you know, in front of the public.

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: It's transparent. To ask what the heck happened here? So I think it is good government at its best. And so we should be thankful we have that here in Maryland. Department of Natural Resources?

MS. THROWE: Good morning, Madam Treasurer, Lieutenant Governor Rutherford, and Mr. Comptroller. For the record, my name is Joanne Throwe. I am Deputy Secretary for the department. And for your consideration, I

have 11 interesting items on the Agenda, on the Real Property Agenda. And I'm happy to take any questions you have. I also have several representatives in the room for any details.

LIEUTENANT GOVERNOR RUTHERFORD: Fascinating items.

Five --

MS. THROWE: Interesting.

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: -- A.

TREASURER KOPP: Howard Rawlings.

MS. THROWE: 5A?

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, 5A. Well, not just the various programs, the, you know, conservatory. There are a number of funds that are going to various projects under Program Open Space.

MS. THROWE: Mm-hmm.

LIEUTENANT GOVERNOR RUTHERFORD: The Howard Rawlings Conservatory renovation, which I've drive past several times. The parks. They are all wonderful projects that are well needed. But when you go to page 55, there is a typo.

MS. THROWE: Uh-oh.

LIEUTENANT GOVERNOR RUTHERFORD: That I happened to find. Program Open Space, and the space is not spelled correctly. So it's just the placement of the letters. Purely a typo. But --

MS. THROWE: Sir, I appreciate you pointing that out. It means that you're so well read --

LIEUTENANT GOVERNOR RUTHERFORD: I --

MS. THROWE: No, thank you. I appreciate it.

LIEUTENANT GOVERNOR RUTHERFORD: Maybe yours was correct. Mine wasn't. So, okay.

SECRETARY MCDONALD: Fifty-five and 56. So it looks like two of the four pages have the heading incorrect. That will be corrected --

LIEUTENANT GOVERNOR RUTHERFORD: Yep.

SECRETARY MCDONALD: -- as soon as it appears with its approval circles on the internet this afternoon, it will be fixed.

TREASURER KOPP: Yes, 58.

LIEUTENANT GOVERNOR RUTHERFORD: Your pages -- okay. Any other questions?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: No, but just to point out all of those, starting with the Howard --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- Howard P. Rawlings, I hope it says, Conservatory renovations. But the whole, all that's happening at Druid Hill Park, Clifton Park, I think --

LIEUTENANT GOVERNOR RUTHERFORD: Yep.

TREASURER KOPP: -- it's going to be a really exciting project. Once we finish.

MS. THROWE: Absolutely. Thank you for pointing that out.

SECRETARY MCDONALD: Would DNR, as soon as we, on number one, we will insert P in DNR. It's Howard P. Rawlings?

MS. THROWE: Yes.

SECRETARY MCDONALD: All right. We will remember. Howard P. Rawlings.

MS. THROWE: It will be addressed.

SECRETARY MCDONALD: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: A lot of park improvements.

MS. THROWE: Thank you.

TREASURER KOPP: Yeah.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So we have a motion. We're all in favor. It's approved. Department of Budget and Management?

MR. NICOLE: Good morning, Governor, Mr. Comptroller, Madam Treasurer. For the record, Marc Nicole, Deputy Secretary of the Department of Budget and Management. The department has submitted seven items for today's Agenda. We are withdrawing Item 7-S and we will be bringing it back to the Board at the December 5th meeting. We have representatives here to answer any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: Item 3-S, State Board of Elections. Do we have anyone here for that?

MR. NICOLE: We do. Linda Lamone is here --

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay.

MR. NICOLE: -- Director of the Board of Elections.

MS. LAMONE: Good morning.

LIEUTENANT GOVERNOR RUTHERFORD: Good morning.

MS. LAMONE: For the record, Linda Lamone, Administrator of Elections, and Nikki Charlson, my Deputy. Thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: Well this item is really for staffing assistance, I guess, for the next election.

MS. LAMONE: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: And so you, I guess you bring them on at some point I guess prior. They are not coming on right now?

MS. LAMONE: No, they're not.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MS. LAMONE: This is just renewal of the contract option year for
the --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Very good.
But I do have some questions about last week's election and the process. There is
some confusion in terms of what took place and why some polls didn't close until
two hours later, and there was some confusion in terms of the release of results,
where counties were releasing results but we weren't getting State results. And
the networks were looking kind of strange and getting information from different
places. Can you walk us through what may have happened last Tuesday with
that?

MS. LAMONE: Sure. First of all, I'd like to congratulate you and
the Comptroller for your reelection.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

MS. LAMONE: And just to give you all a little bit of background
here, we had over 2 million Marylanders vote in this general election, about 1.5 of
them on Election Day. So it was a busy day around the State. We had voting
until at least 9:00, sometimes later, in Baltimore County, at the Towson Library;
Charles County in Waldorf; Montgomery County at the Silver Spring Library;
and then in Prince George's County was the latest to finish voting. And I also

want to remind everyone that it is inappropriate to release the results of the election when people are still voting. That has been, perhaps you recall a debate back in the 1980s, even earlier, about what the networks were doing --

LIEUTENANT GOVERNOR RUTHERFORD: The West Coast.

TREASURER KOPP: Yeah.

MS. LAMONE: -- with releasing, yeah. So it, my decision -- I made it. I take responsibility for it. I instructed all the local boards to hold their early voting results until after I released the results. And some did and some didn't. So Baltimore County, for example, just went ahead and posted them.

TREASURER KOPP: Linda, it was my understanding, and I may be wrong, that Baltimore and Montgomery put them up but then took them down. Is that --

MS. LAMONE: Montgomery did that, yeah.

TREASURER KOPP: Montgomery did it.

MS. LAMONE: Yeah. I don't know about Baltimore.

TREASURER KOPP: Because they apparently had not gotten the word, though I would think it's common sense, that you don't put them up until all the polls have closed.

MS. LAMONE: It was a staff --

TREASURER KOPP: But they then --

MS. LAMONE: So it was a staff person in Baltimore County and the Election Director didn't get to him in time to say don't do it. It was just an honest mistake.

So we had over 2,000 voting locations, over 20,000 poll workers. It's a pretty big operation on Election Day. And those 20,000 poll workers are the people that actually are the backbone of our elections, as you all know.

So Prince George's County is, I guess, the focus of attention here.

LIEUTENANT GOVERNOR RUTHERFORD: Well let me just go back, and I guess it's the Montgomery County question, or Baltimore County, whichever one it was, that posted early. But they wouldn't necessarily know that, say, Prince George's County was having a problem. Right? If Montgomery County is feeling that they are all --

TREASURER KOPP: They would if they were told by the Board of Elections.

MS. LAMONE: Yeah. We were, everybody was following the news. Of course the press was going nuts --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

MS. LAMONE: -- over the Prince George's County situation. And we were advising the local election directors as to what was going on.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So but at 8:00, you know, Prince George's County, or someplace, their polls have already,

so you are telling them beforehand, you told them before 8:00 that hold off until we talk to you?

MS. LAMONE: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. That, I was just thinking logistically that how would the local precinct or whatever know. But unless you told them earlier. Okay. Continue.

MS. LAMONE: It happened.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

MS. LAMONE: We don't know exactly what happened in Prince George's County. We're still trying to gather the information. Because they are still canvassing ballots and they are busy. They are doing their final, they are doing the provisionals today and they will finish up the absentees on Friday. We do have information that we've been able to get from our systems that tell us, for example, how many scanners were at each polling place of the identified ones, the last time that someone checked in, and then the time the last ballot was cast. So we are able to track that.

It's very strange. Because in Precinct 93, which is the F.T. Evans Elementary School, there's only 540 voters assigned to that polling place. Only 144 of them showed up. But yet, there was a gap of 45 minutes when they weren't voting any paper ballots. So they had run out of ballots. And we're

trying to figure out why. Did they have a lot of -- it was a three-page ballot in Prince George's County.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

MS. LAMONE: Did they have a lot of people spoil their ballots, so they had to reissue them? And if that hadn't happened they probably would have had enough ballots. But we simply don't know the answer yet.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, but how do you, who determines how many ballots go to a precinct, and how many? Would you send a ballot for all 400 and whatever it is eligible voters?

MS. LAMONE: Typically no.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I would think because --

MS. LAMONE: We do an analysis based on past turnout as to the number of ballots we think each polling place needs.

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

MS. LAMONE: And we, that's sort of I guess the minimum, and we give that to the local boards of elections. And they are free to, because there's nothing to require them to adhere to what we say, to adjust that amount. But we don't know yet --

LIEUTENANT GOVERNOR RUTHERFORD: Exactly.

MS. LAMONE: -- now Prince George's County adjusted it. And to her credit, she tried to get more ballots out to the polling places when she learned that there were shortages. But as you remember, the weather was awful that day. And people hadn't shown up in the morning so they were showing up in the afternoon and it was during rush hour. And rush hour in Prince George's County, the Beltway can be pretty brutal.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. But 140, you said 142 showed up? Actually --

MS. LAMONE: 144.

LIEUTENANT GOVERNOR RUTHERFORD: Forty-four voted out of the 400 and --

MS. LAMONE: 540.

LIEUTENANT GOVERNOR RUTHERFORD: Five hundred?

MS. LAMONE: Mm-hmm. So --

LIEUTENANT GOVERNOR RUTHERFORD: That's strange. Like you said --

MS. LAMONE: Yeah, it really is.

LIEUTENANT GOVERNOR RUTHERFORD: -- that's strange. But very low turnout, which is somewhat surprising.

MS. LAMONE: Yeah, 26, well about 27 percent. One of the lowest. And so I'll be happy to get back with you all when we get some more

information from Prince George's County. It just, we just haven't been able to get anything else.

LIEUTENANT GOVERNOR RUTHERFORD: So just understanding the process, they will order a certain amount of ballots. You give a recommendation in terms of, based on prior and probably some assumptions of maybe increased turnout, and then they order a number. Do you know what that number is when they order?

MS. CHARLSON: I'm Nikki Charlson with the State Board of Elections. So we actually have the contract for printing the ballots.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MS. CHARLSON: And so we work with the counties. We give them an initial estimate, this is what we think you should order. We go back and forth a little bit. And so we know what the order is by ballot style.

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

MS. CHARLSON: And then when they are delivered to the local boards of elections, they then break them down into each precinct to deploy out to each location.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So --

MS. LAMONE: So she had enough ballots.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

MS. LAMONE: They just weren't deployed.

LIEUTENANT GOVERNOR RUTHERFORD: Oh they -- okay.

They weren't -- okay. All right. Yeah. I'm just looking at, you know, your side of whether you say, you know, what you said the point is. You make a recommendation. Then they come back and say, we want a little bit more or we want a little bit less. But then it's up to --

MS. CHARLSON: It's always more. They always want more.

LIEUTENANT GOVERNOR RUTHERFORD: It's always more.

Okay.

MS. CHARLSON: And then they divide up what they receive into the precincts.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So it sounds like they should have had the appropriate number. It's just a question of what happened.

MS. LAMONE: I don't think it will happen again.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. It wasn't machine problems, was it?

MS. LAMONE: No.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: Were there significant machine problems this year?

MS. LAMONE: How many did we have, do we know --

MS. CHARLSON: I think the preliminary count from early, from Election Day, is about ten to 12. So we're still collecting that data from the local election officials. But the equipment seemed to perform quite well.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. How did they decide in terms of that polling place -- it was just one polling place that stayed open until --

MS. LAMONE: Oh, no.

LIEUTENANT GOVERNOR RUTHERFORD: -- 10:00 or whatever?

MS. LAMONE: No. It was about 35 of them.

LIEUTENANT GOVERNOR RUTHERFORD: Were they all in the same county?

MS. LAMONE: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: Oh. That doesn't sound good at all. It sounds like there was some real problems there. Now how do they determine who, you know, at 8:00, who was in line? Were they all in the building at that time? I mean, you know, like at the grocery store, the cashier says you're the last person, hold onto this, or put this behind you, or whatever.

MS. LAMONE: That's generally what happens. They give the last person in the line a piece of paper or something to hold.

LIEUTENANT GOVERNOR RUTHERFORD: Are they, but do they make sure they are in the building versus standing outside? Because --

MS. LAMONE: It depends on the polling place, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Because that's, I mean, I do feel most people are honorable. But someone can walk up, if you're the person holding the sheet of paper, and some menacing person comes up to you and says, I want to get in line. You're not going to be the gatekeeper, you know, or I'm not going to be the gatekeeper and say, no, no one behind me. You know, you can't vote. And it's like give me the sheet of paper. Okay. So.

MS. LAMONE: Pass it on. Yeah.

LIEUTENANT GOVERNOR RUTHERFORD: So there's no way of telling. I mean, it's one thing if they are in the building. I can --

MS. LAMONE: Right.

LIEUTENANT GOVERNOR RUTHERFORD: -- so that's a little easy thing. You can lock the door and say sorry, you're too late, you didn't make it. But, you know, if you're open until 10:00, you know, and people think eight, someone sitting at home, or unscrupulous people get on the phone and say, hey, you need to get down there, blah, blah, blah. And it may not affect the statewide but it could affect the local, you know, elections. We saw in the primary where people won or lost by six or 11 votes. So --

MS. LAMONE: We have a couple of those now.

LIEUTENANT GOVERNOR RUTHERFORD: -- in Virginia

there was a coin toss. You know. So --

MS. LAMONE: District 33.

LIEUTENANT GOVERNOR RUTHERFORD: -- that's

something we probably should take a closer look at how they decide, when you have these errors or problems and people can't vote that want to vote and legitimately should be able to vote. But then, you know, you have this grouping that could be lined up outside and then you have no way of knowing who is getting in line, who is --

MS. LAMONE: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: -- they shouldn't

be, you know, they missed their time. And we have early voting.

MS. LAMONE: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: So it sounds like

25 percent early voting, or 25 percent of the people who voted, voted early?

MS. LAMONE: Yep.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. But that's

still an increase from two years and four years ago?

MS. LAMONE: Oh, yeah. It's the busiest, the 2016 general

election early voting was the only busier time we've had.

LIEUTENANT GOVERNOR RUTHERFORD: And that's presidential.

MS. LAMONE: That was a presidential, right.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So the percentage increase from '14 to now was approximately what? Do you know? Approximately?

MS. LAMONE: Ten percent.

LIEUTENANT GOVERNOR RUTHERFORD: Ten percent? Oh that's not as much --

TREASURER KOPP: Overall?

MS. CHARLSON: So I think probably in the 2014 election, general election, about 15 percent of turnout was early voting and we were --

LIEUTENANT GOVERNOR RUTHERFORD: And so now we're at 25 percent.

MS. CHARLSON: So that's what I mean by ten percent of turnout.

TREASURER KOPP: But the total, in the end was the total turnout that much more this year?

MS. CHARLSON: Well their ballots are still being counted so we don't have a final turnout yet.

MS. LAMONE: So we don't know.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, I've seen different numbers in the press. But anyway. They are probably talking a different vehicle. There's been between 55 percent --

MS. LAMONE: Fifty-five percent, we think around 55 percent on election day.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: Compared to what?

MS. LAMONE: Oh, in the forties for a gubernatorial --

TREASURER KOPP: So early voting, the actual universe of people voting expanded.

MS. LAMONE: Yes.

TREASURER KOPP: It wasn't just people going from election day to early voting.

MS. LAMONE: Correct.

LIEUTENANT GOVERNOR RUTHERFORD: I don't know. I mean, some of the numbers that we saw, and of course these are our internal numbers, is that 90 of the early voters voted before. So it was ten percent had not voted before.

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, 90 percent of the early voters had already voted. 70 percent of them had voted early last time. So it's more people are voting and more people are voting early.

TREASURER KOPP: Yeah, that's right.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: Because the question always was, is it just going to shift it? And not add to the bottom line number of people voting?

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. I think it's doing more shifting than adding. This was just a, this was a good turnout. Even though 55 percent to me does not sound that great. That meant 45 percent just, you know, changed out their sock drawer or something instead of voting. And particularly that one precinct, where you only had 145 out of 500-plus, you know, eligible voters. That is really frightening in terms of --

MS. LAMONE: But it was an interesting election, I think all of us would agree. And there were issues of long lines and delayed closings and reporting in several states, at least a half a dozen.

TREASURER KOPP: There were a lot of people out voting.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

MS. LAMONE: Yeah.

LIEUTENANT GOVERNOR RUTHERFORD: Well and going back to the early voting, and I'm not going to tie you up too much longer, but had

there been thought of maybe adding a few more voting sites for early voting?
Because I noticed that there are a lot of places, and maybe it wasn't as spread out, a lot of people ran out on Thursday and Friday. And I think people didn't realize they could go out on Sunday and vote. So Sunday it kind of died down a little bit. But, you know, some counties, I think, you know, one or more additional sites might be something at least to explore.

TREASURER KOPP: Is that in the law?

MS. LAMONE: It is.

LIEUTENANT GOVERNOR RUTHERFORD: It is in the law.

They specify. Which is, which is --

TREASURER KOPP: So would you recommend --

LIEUTENANT GOVERNOR RUTHERFORD: -- silly. You know. Because it doesn't give you that flexibility when you say, oh, it has to be at this location or that location. And I know we don't have the schools to be able to do it.

MS. LAMONE: Right, no schools for early voting. And of course, some of the local governments don't want any more because it costs them.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. There's a cost associated. Okay. All right. Yes, sir?

COMPTROLLER FRANCHOT: Yeah. So the contract is for \$6.3 million for two years. It's an option contract, for something called, a group called

22nd Century Technologies in Somerset, New Jersey. What exactly do these folks do?

MS. CHARLSON: So 22nd Century is the recruiting firm. They have an MBE and a VSBE to help them with recruitment. But they helped us recruit about 400 -- well, they helped us recruit and then placed 420 individuals to support this election. So it's a surge staffing contract. We've had something like this in place for many, many elections because the local boards don't have the permanent staff to conduct the election. And so these people come in when they are needed and then they go away when the election is over.

LIEUTENANT GOVERNOR RUTHERFORD: Are they at the precincts, many of them?

MS. CHARLSON: So there are some out in the field, called election field support, and they are roving between a set number of precincts. So they are on the ground if they need help. But they are not assigned to a specific, there's not one in every precinct. They have a cluster of precincts that they support.

COMPTROLLER FRANCHOT: So what happened, what was the inconvenience for thousands of voters in Baltimore County? What was that all about?

MS. LAMONE: What, we're not sure --

COMPTROLLER FRANCHOT: Baltimore County?

MS. LAMONE: At Towson University?

COMPTROLLER FRANCHOT: Yeah. What was the problem up there?

MS. CHARLSON: They had, that precinct has a lot of college students that come and they have to vote provisionally. And that process takes longer. I just was told this morning some of the numbers from that precinct. It was an extraordinarily high number of provisionals, and so that was what the delay was in Baltimore County for the general.

COMPTROLLER FRANCHOT: What about Charles County?

MS. CHARLSON: Charles County was, that was just a very busy precinct.

MS. LAMONE: Yeah.

MS. CHARLSON: We saw very high turnout in early voting in Charles County. So I don't think there was any specific issue that triggered that delay in Charles County. They just had some high turnout in Charles County.

COMPTROLLER FRANCHOT: When is this report that you mentioned going to be ready, as to what happened and what exactly is going to be done to correct the problem? Because every election something like this is happening. I feel like we're living in Florida.

TREASURER KOPP: Oh, come on.

COMPTROLLER FRANCHOT: Really. I mean, this is not acceptable. And I for one, I mean, I remember what happened in Baltimore County with lack of scanners. Now it's lack of ballots. And I hope that at some point somebody is going to be held accountable, somewhere, somehow, for the situation that occurred in this election, which was an embarrassment. Really.

TREASURER KOPP: Comptroller, I couldn't disagree more.

COMPTROLLER FRANCHOT: We couldn't -- hang on a minute, Madam Treasurer. If I could just express myself. This is something that should not happen in Maryland, ever. And it seems to happen every single election. So could you please get a report done. I'm surprised it isn't done already, because it's more than a week. And secondly, could you please make some heads roll, somewhere, somehow, so someone feels as if there is accountability. Thank you.

TREASURER KOPP: Ms. Lamone, I think this election went very well. One of the very good things was that a lot of people came out to vote. Sometimes that takes longer than anticipated because we didn't know it and you didn't have enough people at some of the polls, I bet, but we're waiting to hear the reports from the counties as to what caused problems. But this was a very smooth election.

MS. LAMONE: Thank you.

TREASURER KOPP: It not at all, I believe, like Florida or Georgia, and not like some we've had in the past. And I don't know what people

have been reading, what they are alluding to, and I do hope that we will find whatever problems there are, because there are always some problems, and correct them. But I just want to go on record saying I think that this election in Maryland went very smoothly, with some glitches, mostly attributable to a large number of people wanting to come out and vote.

COMPTROLLER FRANCHOT: Well that's exactly why we never correct these problems. Because everything is just, oh, it's just fine. It isn't fine. The fact that there aren't enough ballots at a polling place is completely unacceptable.

MS. LAMONE: Agreed.

COMPTROLLER FRANCHOT: The fact that you have to, on national TV, put out a call to tell all the local jurisdictions not to report the results, that's a humiliation for the State. We should not have that. It was not several small glitches. The entire election result was put on hold. You're in charge of it. You folks are the overall folks. You've got the county people underneath you. If some people do not lose their jobs because of this, shame on you.

MS. LAMONE: I don't have any authority over --

TREASURER KOPP: No --

COMPTROLLER FRANCHOT: Well you should put together a report that demands that there be some changes. Because every election cycle this is happening in Maryland. And it's wrong. So anyway, I've said my piece.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

COMPTROLLER FRANCHOT: And I hope that you'll get the report back to us and to the Legislature, and I hope that there will be some accountability in it. Because this was, it's just, it just, when you say that it's not going to happen again, that's what we hear every four years. And last time I think it was lack of scanners in Baltimore County. Really? We can't get the proper scanning machines there?

TREASURER KOPP: That was two years ago?

MS. LAMONE: Mm-hmm.

COMPTROLLER FRANCHOT: So anyway, onward and upward.

TREASURER KOPP: That was two years ago?

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

COMPTROLLER FRANCHOT: But this is not a good situation and I hope the report is promptly done and submitted. I hope that we get it.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, I'd like to see that as well.

COMPTROLLER FRANCHOT: And thank you.

MS. LAMONE: You're welcome.

LIEUTENANT GOVERNOR RUTHERFORD: You know, I mean, I do have some concerns based on my questions. I have some concerns. And we will be approaching the presidential, I would expect there's going to be a

larger turnout than what we saw even four -- or no, two years ago. And so we need to be prepared and make sure our, the locals are prepared for this. It is very troubling, particularly that one jurisdiction that, you know, they only had 145 people turn out and the poll was held open for two additional hours. And like I said, the whole question of how do you determine who the last person is in line is just something that we can't really abide by. And it didn't look good nationally that numbers weren't coming out and where the networks, based on probably the early reporting numbers --

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: -- from Montgomery County --

TREASURER KOPP: Which should not have come out.

LIEUTENANT GOVERNOR RUTHERFORD: -- were already saying what they thought the election was but then everyone is kind of in limbo.

I, on a personal note, I vote at Hammond High School in Howard County. And the turnout there, and I voted typically, for the last 20-plus years, at 7:00 in the morning because a lot of people in my neighborhood go to Washington and if you're not on the road by 7:00 it's going to take you a lot longer than normal. It was a much longer line than I've ever seen. And I think part of it was the fact that there was just the one scanner. There were less polling booths there. So you need to talk to the locals and say, you know, in this, the

turnout was probably a little higher, but not higher than what presidentials are. And it just, I don't think they were prepared for what was going on. And we need to get information to those locals that they need to do a better job. Not just in Howard County, where we are not hearing the kinds of problems that Prince George's or Baltimore or Baltimore County or Charles. But we need to be prepared for what I would expect to be a big surge in the next two years.

MS. LAMONE: I agree. And it's very frustrating to me not to be able to correct the problems directly.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MS. LAMONE: It has to come from the people like you.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. And I'd like to see the report, like we've said, because then we can talk to the locals, their local officials, to say look, this shouldn't happen. Something needs to be done. And making sure that your organization is providing the guidance and the support that they need as well.

MS. LAMONE: Well --

TREASURER KOPP: And has the legal authority. No, I don't disagree that we have to be prepared for a very large turnout in two years.

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: I think that's going to be a very serious problem. I also am very concerned with the two jurisdictions, major jurisdictions,

that reported returns before the polls were closed in the State. Because I am sure that as it happened in the eighties, when they reported what happened in the East, and people read it in California and didn't go to the polls --

MS. LAMONE: Right.

TREASURER KOPP: -- that it does discourage people --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

MS. LAMONE: Why bother?

TREASURER KOPP: Yeah. And I'm chagrined that Montgomery County did that and Baltimore County did that. I hope they won't do it again.

MS. LAMONE: I would use a different word to describe my feelings, so.

TREASURER KOPP: Well, I mean, that really is interference with outcome.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: Not that Prince George's County ever looks at what Montgomery County did and decides to vote that way. I'm not saying that. But --

MS. LAMONE: Well you never know. Unfortunately.

LIEUTENANT GOVERNOR RUTHERFORD: Well --

MS. LAMONE: Any other questions? Thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Yeah.

Thank you. I have no more questions on that Agenda.

COMPTROLLER FRANCHOT: I have Item 1.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay. Item 1?

MR. NICOLE: We have Anne Timmons, our Director of Employment Benefits here to answer any questions you may have.

COMPTROLLER FRANCHOT: Excellent. Let me, you have the Chair of the State Retirement Agency and the Vice Chair here. So we're well aware of what the importance is of the services outlined. I guess I have, and this may be repetitive, but Segal Company, which we're awarding this contract to, had the top ranked technical proposal but the more expensive price proposal. The other bid submitted by Baltimore based Bolton Partners had a financial proposal that was nearly \$2 million lower than the recommended vendor submitted by I guess the agency and the department. So since the department determined that Bolton Partners was capable of performing the services required in the contract, why, tell me again why they were not awarded the contract given the significantly lower price that they bid?

MS. TIMMONS: Certainly. So the State contract, we are complex. We are demanding. We need the highest level of expertise that we can get. Segal has provided that well and faithfully under the current contract. They have a data warehouse that currently houses seven years of our claims and eligibility data that

allows them to provide any manner of ad hoc reporting. It helps them when we are in the legislative session to turn around fiscal notes on a dime. Other states may allow a two- to three-day turnaround. We often have a 24-hour turnaround on our fiscal notes. They are able to accommodate that. Their depth and breadth of professionalism. They are recognized leaders. They are a national company. We are able to have resources that are located in Atlanta, New York, D.C.. Their compliance practice leader is nationally recognized. And so, and their actuarial expertise is also nationally recognized and as we build our budget for the employee and retiree health fund, they are extremely critical to that process. So we --

COMPTROLLER FRANCHOT: Okay. So there's a 30 percent, approximately 30 percent increase from the previous contract for the same number of years. What is that attributable to?

MS. TIMMONS: That's really attributable to undervaluing on the current contract. There is, there was a slight increase on the hourly rates for the various consultants. That resulted in part of that increase.

COMPTROLLER FRANCHOT: Okay. Thank you very much. And obviously these are essential services for our folks.

MS. TIMMONS: Indeed.

LIEUTENANT GOVERNOR RUTHERFORD: I have a question.

MS. TIMMONS: Sure.

LIEUTENANT GOVERNOR RUTHERFORD: Doesn't the State own the data? You talked about a data warehouse of the information. So the State owns that data?

MS. TIMMONS: Correct.

LIEUTENANT GOVERNOR RUTHERFORD: So that data could be transferred to another entity?

MS. TIMMONS: It could be.

LIEUTENANT GOVERNOR RUTHERFORD: So that shouldn't be the biggest factor that you weigh into it. Because it is our data. We can say, transfer that data in this format to this entity, or to our DoIT, you know --

MS. TIMMONS: Certainly.

LIEUTENANT GOVERNOR RUTHERFORD: -- servers.

MS. TIMMONS: But they also in that data warehouse, they contain other states' similar claims and eligibility experience that allows them to benchmark what we're doing against other states, which is very helpful to us.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. And Bolton doesn't have that breadth?

MS. TIMMONS: Not at this time. We would have been their first state contract.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay. All right. Thank you. Okay. Thank you.

MS. TIMMONS: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions for Budget and Management?

COMPTROLLER FRANCHOT: No, move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Second, and all approved. Thank you. University System of Maryland?

MR. EVANS: Good morning. Joe Evans, representing the University System of Maryland. We have five items on the Agenda. In attendance we have Senator Andrew Serafini, who is here on Item 2-LT. We're here to answer any questions.

TREASURER KOPP: I wondered why the Senator was --

LIEUTENANT GOVERNOR RUTHERFORD: Maybe the Senator should come up and address us on Hagerstown and explain why we're going to pay more rent per square foot for less space.

SENATOR SERAFINI: Yes. Thank you. I'm certainly glad to be here after that question. So --

(Laughter.)

SENATOR SERAFINI: -- if it was easy, anybody could do it. So first of all, thank you all. It's an honor to be before you all. I'm going to try to be brief but I do want to talk about these. And there's two issues here I want to talk

about. So I definitely want to address the lease part first. And then we haven't come here for some of the recent approvals for funding for what we're calling the urban improvement project. So I would like to give you an update on that after we talk about the main issue of why we're here.

So to understand, there's three components to what we're calling the urban improvement project. And the idea was multiple use of same spaces. So currently, students at the Barbara Ingram School go over and for 160 days a year they use the performing stage at Maryland Theater. Well that's great for the students but that means the Theater cannot book those times and that's a revenue for them. So part of the Barbara Ingram expansion is that those times would be freed up for the Maryland Theater to do that.

When we talked about USMH originally it was only for a hospitality and it was going to be on the first floor. That was a need. It's going to help UMES, if we understand the issues there, and it's something because of our hospitality, because of the crossroads of 70 and 81 was going to be very, very important. Very simple.

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

SENATOR SERAFINI: But as we started in the project it became very clear that we were going to build two labs for students, STEM labs, at both the high school and we need this as we're starting a physician's assistant program, we're going to talk about a nurse practitioner program. It's at Frostburg now but

we're bringing. And there's a great demand in our community for that third and fourth year for affordability. Right? Why do we have regional centers --

LIEUTENANT GOVERNOR RUTHERFORD: Right.

SENATOR SERAFINI: -- if we can't offer a wide variety. The nursing program is exploding from Towson up in our area. So the thought was, why would we build two labs that were only 100 yards apart? So we put the brakes on the hospitality. We said, can we go into the second floor of this building that is right across from the current USMH building? And we said that would be great. The students could come across. We could do dual enrollment. It could be used and it could be helping instead of having two different.

Now I should say to you, Barbara Ingram, the only eligibility requirements are your talents. In other words, I would never have been accepted into that school. So there's no academic requirements, which I wouldn't have been accepted for that either. But although there's no academic requirements, it has been seventh and tenth in the State for academics. Because you understand the power of both sides of the brain, that's we find from our most creative people.

So the idea was to build a bridge for security for the students to pass back and forth. And understand that's a two-way bridge. The students during the day could come over and use the labs at USMH and at night USMH students could use some of the classrooms. We're building a 50,000-square foot

school and how great not, for USMH and for their expansion, to have to build something new. Just use those spaces in the evening.

Well the bridge originally was \$300,000 as an estimate. It came in at \$1 million and it kept climbing. And also the school system was going to pay a \$40,000 lease a year to use that. They started saying, we can build our own labs. It's always cheaper to go up than it is out. And so that's when the change came.

Now the idea of why are we paying more, the original bid, and it was a bid, it wasn't (indiscernible) but what was brought to you was for the developer to rough out, we would say, and then the lab space and all that other would not be finished space. That's the difference in the square footage cost.

I have provided to you some other leases in that area so you will know that this lease rate is, we have other State agencies in there that are paying -
-

LIEUTENANT GOVERNOR RUTHERFORD: Right.

SENATOR SERAFINI: -- those kind of rates. So we find that it is affordable. And the other side is there's a question of was there structural problems and was the developer asking the State to pay for those. That's what the Board of Regents and their finance department looked at that. That clearly has been separated out. They are not asking the System or the State in this case to pay those extra dollars. I'd like to think that I'm a fiscally conservative person. I

would never come to you with something that I felt was over the top or not within reason.

So I'll stop there before I give you a little update on UMP and answer any questions if you have them.

LIEUTENANT GOVERNOR RUTHERFORD: Well, thank you. That was a very good explanation. And I see why you were reelected and congratulations.

(Laughter.)

SENATOR SERAFINI: Originally I was unopposed, which meant I needed one vote.

(Laughter.)

SENATOR SERAFINI: And my wife said, you'd better go work on that one. So and fortunately my mother lives in the district so that was my one shot.

(Laughter.)

SENATOR SERAFINI: So if I can, and I'll try to be brief here, I want to talk to you about the urban improvement, because we haven't come and I want you to have an update. In your packet you have some of this, and I'm just going to pick the highlights, too.

So first of all, we want to say thank you. Our community is saying thank you to the Board of Public Works because you have come alongside of us

and you have worked with us. But I want to be clear from the very beginning. We never asked for a handout. We never even asked for a hand up. We asked for a partner in this. And we said we would come together and work with you. We would create an odd coalition in our State these days, with the city, the county, the State delegation, our community people have come together in a big way with this. The Governor said to us, he said, this is not going to solve the problems of Hagerstown. It is only going to be that flame as it starts to burn. And we understand that.

So as part of that, you all have approved up to this point parts of the Governor's \$7.5 million commitment to this program. We've also had DHCD in for about \$2 million to \$2.5 million. And the new school, the Barbara Ingram expansion, that's a little over \$10 million. Now the city, county, and federal government have matched the Governor at \$7.5 million. And now what we're finding most importantly is the other activity that the Governor talked about. We have to date, and more is coming, \$16.5 million committed to our urban core from private developers. That's the outside coming and saying thank you, we see you, we'll raise that. And in fact, they did.

I want to highlight two things for you. Now, this hospitality program, as we talked to you, when it came, our local people came and said, we're thankful for an expansion of the regionals because it means so much for us for our kids to be able to stay here, live at home if they have to for affordability,

and get degrees. As part of that, we started the physician's assistant program. And when we did that, the local hospital had a facility that they had used. And they came and said we'll put \$400,000 in the building. We'll give you a lease rate of \$1 a year. And then local business people came in and raised privately over \$1.5 million for that physician's assistant. And I will tell you, I've seen the pro formas on that, and the cash flow back to the system is as much as \$500,000 or more positive. When you take the expenses and everything and the tuition and weigh them out, that's going to be a positive cash flow back to the system.

The second part is the Barbara Ingram School. The original Barbara Ingram School, only public-private partnership in the State for education. This has created tremendous efficiencies, as I talked about, as they are going to use the Maryland Theater program and they are going to come over to USMH. And for Senator Rosepepe, I haven't gotten as far as he wants me to, but the total cost per student is about \$46,000 for those programs versus the State average is closer to \$80,000 per student, if you look at Allegany and Frederick High Schools. We've shown the State a more efficient way to deliver education by using efficiencies across the State and really speaking to what our community needs and a different way, a 21st Century way, to build schools.

So we haven't come here in the past but we want to tell you how much we appreciate this. This is my opportunity to tell you what we think we're doing and we want you to know, we've always said we see ourselves as a pilot in

some of these things. But we're sharing this information down into Baltimore, into Prince George's County, and across the State. Because we think we've learned some things. We're telling them what we did wrong, because we have. And we're also telling them how this has worked. And we just wanted to say to you, sorry for such a long discussion here --

LIEUTENANT GOVERNOR RUTHERFORD: Oh, no. It's very good.

SENATOR SERAFINI: -- but we appreciate what you do. And I hope you see that our community really wants to work to reflect that appreciation, the way we come around and try to raise ourselves up out of the issues that we have.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you very much.

SENATOR SERAFINI: Yes, sir?

COMPTROLLER FRANCHOT: I just want to thank Senator Serafini for being a great champion of Western Maryland and Washington County and Hagerstown. Thank you for your advocacy. And what does Rosapepe have to do with it?

LIEUTENANT GOVERNOR RUTHERFORD: Kind of like what love has to do with it.

(Laughter.)

SENATOR SERAFINI: Yeah, that's right. We definitely don't have enough time for that. So I'll leave it there.

(Laughter.)

COMPTROLLER FRANCHOT: All the best. Hey, how did your wife vote?

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: Tell him.

SENATOR SERAFINI: I still don't know.

TREASURER KOPP: Senator, just to add to this and the question of Senator Rosepepe, too. I think you are building now the basis for coming back for an argument on school construction costs.

SENATOR SERAFINI: Yes.

TREASURER KOPP: And as opposed to just sort of theoretical or

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SENATOR SERAFINI: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: -- and clearly one thing that you are pointing out is that it depends on the particular situation in a particular location. But I think, I agree, it's very important. Because now we really have something to deal with and not just assumptions.

LIEUTENANT GOVERNOR RUTHERFORD: Theory.

SENATOR SERAFINI: Exactly.

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

SENATOR SERAFINI: And, I mean, I served on the 21st Century school construction for two years.

TREASURER KOPP: Yes.

SENATOR SERAFINI: By the way, I did not volunteer for that service. President Miller told me I was on it.

TREASURER KOPP: The Senator serves on a lot of things he didn't volunteer for.

SENATOR SERAFINI: Yeah.

TREASURER KOPP: And we thank him.

SENATOR SERAFINI: And I would say to you, you know, I appreciate your questions. You all have to ask these hard questions. Right? There are some things that government should do but when they do them they should do them as efficiently as possible. And anything that is an impediment to bringing that to our citizenry, and yet respecting the taxpayer, we must have a conversation. I appreciate your support in that. Thank you all.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

SENATOR SERAFINI: Yep. Have a good day.

LIEUTENANT GOVERNOR RUTHERFORD: I don't have any --

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: Madam Treasurer, anything else on University System?

TREASURER KOPP: I don't --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I think we have a second, favorable, we're all in favor. Thank you. Department of Information Technology?

MR. LEAHY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Mike Leahy, Secretary of the Department of Information Technology. Today we have five items on your Agenda and I do have agency representatives available to answer any questions.

LIEUTENANT GOVERNOR RUTHERFORD: I have a quick question on 3-IT, the modification on that one.

MR. LEAHY: Yes, sir. Mr. Schrader?

MR. DEMBROW: May it please the Board, my name is Dana Dembrow, Director of Procurement for the Department of Health. With me is a team of four individuals who manage the Managed Medicaid Information System for the Department of Health. They are Dennis Schrader, our Chief Operating Officer and Director of Medicaid; they also include Craig Smalls, who is the Assistant CIO in charge of the Medicaid operation; and John Bohns, the Director of Administrative Services; and Alex Peralta, who is the Senior Project Manager.

This is a request for nearly \$6 million to extend the contract for

Cognosante to continue the planning of our transformation of MMIS from the old monolithic failed system, known as MMR, to the new incoming modularization system. We'll be happy to respond to questions.

LIEUTENANT GOVERNOR RUTHERFORD: Now I understand that the first contractor that was brought in to assist, failed. And --

MR. DEMBROW: CSC, yes, sir. And was sued by the Attorney General successfully.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. And so we used their performance bond to pay for part of what's going forward?

MR. DEMBROW: I think the Attorney General recovered about \$80 million from that breach of contract.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, okay.

MR. DEMBROW: Thank you.

MR. SCHRADER: Madam Treasurer, Governor, Comptroller, Dennis Schrader, Chief Operating Officer. We actually in collaboration with the Attorney General recovered \$81 million. \$31 million went back to CMS because they share in the cost and then we have \$50 million that came back to our general fund. And we're working with DBM on the allocation of that recovery.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. All right. You know, I just wanted to make sure that we did get our money back.

MR. SCHRADER: Yes, sir.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. That was my only question.

TREASURER KOPP: Mr. Schrader, it's a great pleasure to see you here.

MR. SCHRADER: Madam Treasurer, good to see you. Thank you. I'm in the bowels of the organization. It's a big \$13 billion operation. I feel like I'm in the Navy again, you know, down in the boiler room.

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: It is a big operation. Thank you.

MR. SCHRADER: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: And we'll be talking more. As I mentioned, the SOARs grant funding and how we're going to allocate that, and not get caught up in the bowels of the organization. Thank you. Any more questions for --

COMPTROLLER FRANCHOT: No. Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: Second? And I think we're all in favor. Department of Transportation.

MR. PORTS: Ah, Madam Treasurer, Mr. Comptroller --

LIEUTENANT GOVERNOR RUTHERFORD: Let's give a second --

MR. PORTS: Okay.

LIEUTENANT GOVERNOR RUTHERFORD: -- to let some of
the people --

TREASURER KOPP: While we give a second, I just want to
personally thank the Secretary of DoIT for all that he's doing to help us in --

MR. LEAHY: It's our pleasure.

TREASURER KOPP: -- in many different ways, thank you. It
seems to be going well.

MR. PORTS: Nobody wants to stay for us. All right. Good
morning, Madam Treasurer, Mr. Comptroller, Governor. For the record, my
name is Jim Ports. I'm Deputy Secretary of Operations for the Maryland
Department of Transportation and proud Marine Corps Sergeant.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you for
your service, too.

MR. PORTS: It's my honor. The Maryland Department of
Transportation is presenting 17 items today. Item 17-GM was submitted as a
supplemental. And we stand ready to answer any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: Just a comment on
Item 1 in terms of the small preference program that came into effect, and just for
explanation even though it's awarded to the higher bidder, it was within five
percent --

MR. PORTS: Five percent, mm-hmm.

LIEUTENANT GOVERNOR RUTHERFORD: -- of, and so that -

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MR. PORTS: Correct.

LIEUTENANT GOVERNOR RUTHERFORD: -- small business
was able to --

MR. PORTS: We're listening.

TREASURER KOPP: That's good.

LIEUTENANT GOVERNOR RUTHERFORD: I'll take a moment to go off script just for a moment with the Amazon decision, which is great for the Washington region, which we're a part of, it's a benefit to us. But I saw a quote from, or a comment from Steve Case, the former AOL and one of the AOL founders, who said something that I think resonated and it's something that we've been trying to work on the last four years. That if the states, and particularly our State, he wasn't directing it at us, if we put a fraction of the effort and incentives into stimulating our small businesses and our start-up businesses, we could see benefits greater than what Amazon would have been presenting over the next ten to 15 years. And that's something that we've been trying to do. And I think it's a good opportunity now to really talk to our legislators and our Commerce Department and all to say, okay, you know, we, you know, there's a certain benefit that we're going to get because we're not expending the money that we

were talking about expending but we could focus a lot of that or a portion of that to our start up economy in parts of the State that are far less expensive than Northern Virginia.

MR. PORTS: Mm-hmm.

LIEUTENANT GOVERNOR RUTHERFORD: And stimulate activity, economic activity and businesses and start-up businesses that could create eventually the next Amazon or the next Google or Apple or Under Armour, or whoever it might be. So I just wanted to make that comment.

6-GM, the Port contract, cost sharing. And this is on the island restoration. I think it's James and the Barren --

MR. PORTS: Mm-hmm.

LIEUTENANT GOVERNOR RUTHERFORD: -- Island. Now as I understand, some of the dredge spoils are going to be used, similar to Poplar Island and other places, to regenerate the islands. What size, I was told to the original size, but what is original? I have a map in my office from 1794 and those islands are there.

MR. PORTS: They were huge.

LIEUTENANT GOVERNOR RUTHERFORD: And they're a pretty good size.

MR. PORTS: Yeah, they are a good size.

LIEUTENANT GOVERNOR RUTHERFORD: But that's based on when the Europeans came to the Chesapeake. So are you going back to, I'm not sure which group was there, if it was the Piscataways --

MR. PORTS: Let me ask --

LIEUTENANT GOVERNOR RUTHERFORD: -- or the Powhatans.

MR. PORTS: Let me ask Chris Correale to come up.

LIEUTENANT GOVERNOR RUTHERFORD: You know, the Powhatans, and find out through, you know, oral tradition what the actual size of that island might have been.

MR. PORTS: I guarantee Chris can probably answer it for you.

LIEUTENANT GOVERNOR RUTHERFORD: Back to the Ice Age, you know.

MS. CORREALE: Well and therein lies the problem.

SECRETARY MCDONALD: Could you introduce yourself, please?

MS. CORREALE: Yes, sorry. Chris Correale, Director of Harbor Development, MDOT, MPA. Madam Treasurer, Mr. Governor, Mr. Comptroller. So the problem is that it would be very difficult to go back and find the exact size of the island and where do you determine the starting point. Was it in geologic time, before us?

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

MS. CORREALE: Was it when the first European settlers came here? We don't know. The most recent chart that we have access to was from, or the oldest one, was 1863. I'd love to see the 1794.

LIEUTENANT GOVERNOR RUTHERFORD: I'll show it to you.

MS. CORREALE: And at that time, James Island was roughly 1,300 acres. So it is being developed as an environmental restoration beneficial use of dredge material, and it will be 2,072 acres.

LIEUTENANT GOVERNOR RUTHERFORD: And that's James? Or is that Barren?

MS. CORREALE: That's James.

LIEUTENANT GOVERNOR RUTHERFORD: James, okay. And Barren?

MS. CORREALE: Barren is roughly about 150 now. It was much larger before. We know in the 2002 timeframe we think it was about 200 acres. But it has suffered some erosion, as many of our islands across the Bay have over the years.

LIEUTENANT GOVERNOR RUTHERFORD: I'll show you the map because on the map Barren is a little larger than James.

MS. CORREALE: I can imagine.

MR. PORTS: Wow.

TREASURER KOPP: That raises a question in my mind.

MS. CORREALE: Sure.

TREASURER KOPP: They are obviously, natural islands are changing all the time.

MS. CORREALE: Yes.

TREASURER KOPP: More particularly in the face of sea level rise and storm surge. How do you factor that into your plans now as opposed to when we first did Poplar Island?

MS. CORREALE: Well actually the Army Corps of Engineers requires that sea level rise be considered in project design. And so there are a couple of things that are done. Number one, you design the dykes for the containment part of it so they are not overtopped by projected sea level rise.

TREASURER KOPP: And what projections are you using? The latest IPCC? Or what --

MS. CORREALE: You know, I'm not sure. I'd have to get back to you on that. It's whatever the Corps specifies, since they are in charge of the design. They bring 65 percent of the money so we go with their rules.

So the other thing we do, and we've learned lessons at Poplar Island because we've created wetlands with the Corps over there and we worked with the University of Maryland Center for Environmental Science and we are

definitely more than keeping up with sea level rise over there. And we'll continue to monitor that.

TREASURER KOPP: Because they just did up some of the projections for --

MS. CORREALE: Yes.

TREASURER KOPP: -- I assume these islands are supposed to stay there for a while.

MS. CORREALE: Well absolutely they are. And we're looking to use James Island for more than 30 years for Bay dredge material. So we have a vested interest in making sure it's there for the long haul.

TREASURER KOPP: Well not only use it, but there still will be dredged materials after you stop adding to them.

MS. CORREALE: Correct.

TREASURER KOPP: We don't really want to recirculate.

MS. CORREALE: Right.

TREASURER KOPP: And I'm concerned because the numbers, I know that the, he's not there, but the Climate Change Commission are looking at are changing --

MS. CORREALE: They are very challenging.

TREASURER KOPP: -- in Maryland. Are challenging and changing --

MS. CORREALE: Yes.

TREASURER KOPP: -- and becoming more challenging. And the question is, my question just is how you integrate all of this.

MS. CORREALE: So the way we've done it at Poplar Island, and we are going to do this at James Island as well, there is an adaptive management plan that is based on monitoring of what is going on out at the island --

TREASURER KOPP: Real time monitoring.

MS. CORREALE: -- as well as projections along with science that's developing over time. And so we're able to adapt how we're creating the habitat there.

TREASURER KOPP: That's good. And I'm glad that you are working with UMCES.

MS. CORREALE: Thank you. We have an excellent working relationship with them.

TREASURER KOPP: That's great.

MS. CORREALE: They have done a wonderful job for us.

TREASURER KOPP: Thank you.

MR. PORTS: She's so good.

(Laughter.)

TREASURER KOPP: Thank you.

MS. CORREALE: Any other questions?

LIEUTENANT GOVERNOR RUTHERFORD: Not on that.

COMPTROLLER FRANCHOT: I have another item.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you.

MR. PORTS: Thank you, Chris.

MS. CORREALE: Thank you.

COMPTROLLER FRANCHOT: Lieutenant Governor, Item 11, please. So we're being asked today to approve an additional \$15.7 million. We're being asked to add that to an existing contract of Coach and Equipment Bus Sales for 720 paratransit vehicles. It's my understanding that these additional funds are needed to purchase the last 178 of the 720 paratransit vehicles because of the fact that Motorola has new radio equipment called 4G as opposed to the 3G in the other 542 buses or vehicles. It's my understanding that due to human error, the total contract amount was miscalculated due to options not being calculated for all anticipated vehicles.

MR. PORTS: Mm-hmm.

COMPTROLLER FRANCHOT: Now that we have the math correct, and the accurate total amount now determined, I'm curious as to whether or not the current vendor would have been the lowest bidder if it weren't for human error, or would one of the other vendors have been the lower bidder? I'm sorry if we didn't give that question to you in advance but --

MR. PORTS: No, they didn't. But you are right on all accounts. It was a math error and there was some radio enhancements with 3G to 4G. So you are correct on both accounts. Maybe I can get Joe --

TREASURER KOPP: Yeah, but the 3G to 4G was \$534,000, the other is \$15 million, right?

MR. PORTS: Yeah. No, I know. But there was a huge math error, too, in the original calculation.

TREASURER KOPP: Right.

MR. PORTS: That's where the biggest portion is.

TREASURER KOPP: Right.

MR. PORTS: But I want to recognize that the Comptroller was correct on both accounts. When he --

TREASURER KOPP: He was.

MR. PORTS: When he said both of those. Go ahead, Joe.

MR. SEDITAL: Good morning. For the record, my name is Joe Sedital. I'm the Acting Director of Procurement at the MTA. To answer your question, yes, the vendor would have still been awarded even with the calculation error.

COMPTROLLER FRANCHOT: Okay.

MR. SEDITAL: It was a line item error. We essentially took a line item that should have been multiplied and added it instead. So in reality, we're

not from a contractual standpoint asking for more money. This is just the money, our contract authority that we should have asked for originally.

COMPTROLLER FRANCHOT: And that's a, is that one of these out of state consortiums that we're dealing with? Or is that all on our own?

MR. SEDITAL: I'm sorry?

COMPTROLLER FRANCHOT: Are we purchasing these directly on our own? Or is this through some kind of consortium?

MR. SEDITAL: My understanding is we're purchasing directly on our own.

MR. PORTS: Yes.

COMPTROLLER FRANCHOT: And --

LIEUTENANT GOVERNOR RUTHERFORD: So a State contract.

MR. SEDITAL: State contract, yes, sir.

COMPTROLLER FRANCHOT: -- so how, and I guess I hate to ask how it occurred, the miscalculation, because I wasn't very good in math either. But is it something that --

MR. SEDITAL: I actually thought about bringing a white board just in case you asked.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah. Right, with some stick figures and --

MR. PORTS: Thank goodness you didn't.

MR. SEDITAL: So unfortunately I don't want to laugh. So what happened was, so we, everything was done on a unit price. And the initial portion of the contract, there was a base bus. You know, a cost, it came out to I believe somewhere approximately \$65,000. Then there were a variety of different options that could be added to the bus depending on what the end user eventually wanted. And that totaled something around \$80,000, just to use rough numbers. When you add the two up, it would obviously be \$100,000 and some odd. When we did a line item for the entirety of the buses, rather than taking that total number and multiplying it by the number of buses, we took 399 of the base bus and one option. So instead of multiplying the option block 400 times, we did it once.

TREASURER KOPP: And this went to the feds, too? I mean, they pay most of it, don't they?

MR. SEDITAL: As my understanding --

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, 80 percent -

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MR. SEDITAL: -- no one has noticed it until just now. And unfortunately I was able to find the bid tabulation form from back in the day.

And it was an Excel sheet and it was a formula error. So, you know, always double check your math.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. Probably doing it by hand you would have got --

MR. SEDITAL: Yeah.

LIEUTENANT GOVERNOR RUTHERFORD: Someone would have gotten it but versus, like you said, it's in a form so people are plugging numbers in.

MR. SEDITAL: Pen and paper is always best.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. Yeah.

MR. PORTS: It is 80/20 money, though.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

MR. PORTS: You're right, the federal government.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. It's just, you know, frightening memories from college calculus where I had one professor and I did the formula correctly, and he said, this is great. If you could only add, subtract, multiply, and divide, you'd be --

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: Oh, those professors. They can be blunt. That's when I decided law school was probably a better bet.

(Laughter.)

MR. SEDITAL: Same.

LIEUTENANT GOVERNOR RUTHERFORD: Any additional questions on Transportation? Thank you very much. Do we have a motion on Transportation?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. We're all in favor. Thank you very much. And who was it from the Port? The woman from the Port, who was, what was her name, Jim?

SECRETARY MCDONALD: Chris Correale.

LIEUTENANT GOVERNOR RUTHERFORD: Chris Correale?

MS. CORREALE: Yes, sir.

LIEUTENANT GOVERNOR RUTHERFORD: If you want to see that map, I'll show it to you. Just wait, wait a moment.

(Whereupon, at 11:41 a.m., the meeting was concluded.)