
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
ANNAPOLIS, MARYLAND

November 4, 2020
10:12 a.m.

PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

JOHN GONTRUM

Secretary, Board of Public Works

ELLINGTON CHURCHILL

Secretary, Department of General Services

DAVID BRINKLEY

Secretary, Department of Budget and Management

GREG SLATER

Secretary, Department of Transportation

JEANNIE HADDAWAY-RICCIO

Secretary, Department of Natural Resources

MIKE LEAHY

Secretary, Department of Information Technology

JIMMY RHEE

Special Secretary

Office of Small, Minority and Women Business Affairs

LISA GRIGSBY

Recording Secretary, Board of Public Works

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

CONTENTS

Subject	Agenda	Witness	Page
Rental Housing Works Program /Partnership Rental Housing Program Loan to RF Hickory Ridge Limited Partnership	SEC 5, p. 6	John Gontrum	11
Rental Housing Works Program Loan to APAH Snowden Limited Partnership	SEC 6, p. 7	John Gontrum	11
Loan to the Washington Suburban Sanitary Commission for the Piscataway Wastewater Treatment Plant Bio-Energy Project	SEC 10, p. 12	John Gontrum Ben Grumbles	12
DNR Agenda	DNR	Jeannie Haddaway- Riccio	15
Design/Bid Contract for the Health Services & Counseling Building Project at UMBC	USM 3-C-BP, p. 35	Tom Hickey	18
Construction Management at Risk Services for Frostburg State University Education & Health Science Center	USM 4-C-BP, p. 37	Tom Hickey	18
DOT Agenda	DOT	Greg Slater	19
Grant to Board of Directors of Lexington Market, Inc.	DGS 6-CGL, p. 80	Ellington Churchill	20
Modification of Contract for Forensic Biology Casework Sample Analysis	DGS 16-S- MOD, p. 102	Ellington Churchill	21

Modification of Contract for Workforce Exchange One-Stop	DGS 21-IT-MOD, p. 112	Ellington Churchill Tiffany Robinson	22
Transfer of Burtis House to the City of Annapolis	DGS 25-RP, p. 121	Ellington Churchill	38

PROCEEDINGS

GOVERNOR HOGAN: Well, good morning, everybody. I know that many of us had late nights last night. But obviously, the work of the Board of Public Works continues. With the highest voter turnout in more than 100 years, we have been reminded that America is the greatest democracy the world has ever seen. But democracy requires that we each be responsible. We cast the votes, we count the votes, and we respect the results. And we have to remember that the world is watching and what happens in the coming days and weeks will define America for decades to come.

I know that emotions are running high. But we have to be patient, keep faith in the American voters and our democracy. On January 20th, we will swear in a President and when we do, we should all stand ready to work with him together. It's my sincere and urgent hope that regardless of the outcome, our leaders in Washington will finally work across the aisle and reach a bipartisan compromise on much needed federal relief for state and local governments, small businesses, and struggling families that have been severely impacted by the COVID-19 pandemic.

I also want to take a moment this morning to congratulate the people of Maryland for making their voices heard. All told, more than 2.8 million Marylanders cast their votes, which represents about 68 percent of our State's

registered voters. And while the State and local election boards did have a few glitches, overall they performed very well under very trying circumstances. And I want to thank everyone who volunteered to serve as Election Judges. I want to thank the Maryland Department of Health for assigning health ambassadors to polling places throughout the State to help keep voters and poll workers protected from COVID-19. And finally, I want to thank our federal, State, and local law enforcement officers for working together with us to help ensure the integrity of this election here in Maryland.

And with that, I want to welcome my colleagues. And I'll turn it over to them for any opening comments, and we'll start with you, Madam Treasurer.

TREASURER KOPP: Thank you, Governor. I echo your words completely, starting with a congratulations, as I'm sure the Comptroller does, to the Board, not just our State Board of Elections, but to the local boards and the local voters, who took advantage both of the early voting, of the mail-in voting, of the in-person Election Day voting. And by and large, all went smoothly and well. It didn't reach the 80 percent turnout that some people had set as a goal. But it was a very, very good turnout, an excellent turnout. And I'm very pleased that my grandchildren and all of us could see the way elections should run.

We're still holding our breath, of course, about the national election, and I know some of us are pleased with some results and not pleased

with others. And we just have to wait and see. But I trust things will continue to go smoothly. I certainly hope they will continue to go smoothly. And I do think, Governor, that while we may not be of the same party, and both feel pretty strongly about our parties, I think we can agree that a calm, thoughtful election as inclusive as possible should be everyone's goal. And I think we seem to be meeting that goal today. And I just hope folks in the White House understand that, too.

GOVERNOR HOGAN: Well, thank you, Madam Treasurer. Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And thank you, Madam Treasurer. I associate myself with all of the remarks you've just made. Obviously, like millions of other Marylanders and Americans, we're all sitting around waiting anxiously for the results of the crucial Presidential Election, but also the U.S. Senate races that are going on around the country. And I think, Governor, when you mentioned the need for a second stimulus and bipartisanship, obviously, something is broken down there in Washington and hopefully the result, once all the votes are tallied, hopefully we'll have a better bipartisan working relationship in Washington that can get the relief that we need.

I happen to think that when all the votes are counted, even though I'm deeply disappointed that former Vice President Biden and Senator Harris did not get a crystal clear mandate from right at the beginning, the get go, we're

having to wait for the votes to be counted, the mail-in votes, I am very confident that when all the votes are counted, I think Joe Biden and Kamala Harris will emerge as the victors of this historic election. I'm hopeful, frankly, not for partisan purposes but just for the ability to get things done, that the U.S. Senate is Democratic also, but we have to wait. We have to wait, be patient, as both of you noted. I happen to think --

TREASURER KOPP: -- any of us are really, really good at patience.

COMPTROLLER FRANCHOT: Well, that's true. But the reason I like the Biden-Harris administration, I think it's going to mark the beginning of a long process of healing. And the Governor referred to this, and he has obviously been a national leader on the idea that we need to bridge the divide that has widened so much between Americans on this unfortunately along partisan lines. What I really loved about Joe Biden was that during the campaign, he emphasized that he was running obviously as the Democratic candidate for President, and that he did not like Donald Trump, but he always said that he was going to govern, should he win, which I believe he will, he was going to govern not as a Democratic President, but as an American President. And frankly, I think we need a lot more of that in Maryland.

Yesterday we had about 1.3 million Biden voters in the State, and including myself, and I'm sure the Treasurer. But we also had 731,000 Trump

voters. And it's obvious that even Maryland is a State in a country that is deeply divided. And I just can't see us as a country being successful if we continue with the current trajectory that we're in. We're really at some kind of an inflection point right now and many of us need to come together and help rebuild the communities that have been damaged by the toxic state of politics today. And I don't have clean hands, but I'm going to get better. I promise you that.

And something that helped me a lot was an article in the Sunday *Washington Post* by Donna Britt, B-R-I-T-T, who wrote an incredible piece. I encourage everybody to read it. She talks about the need for all of us in politics to forgive one another as a necessary first step for us to move forward as a nation and as a people. And she speaks about forgiveness more in the terms of Martin Luther King, who said that hatred is a poison and when we drink, when we express hatred of the other side, we're actually hurting ourselves because we're, the poison of hate is in us. And I don't mean to get all warm and fuzzy here, but I thought that message, and I can't stress it enough, is one of the most urgent and pressing challenges that we have.

We need to unite the country because we can't go on with these divisive, dark events occurring. And I, obviously, the Governor is a Republican, Governor Hogan, and I'm a Democrat Comptroller, the Treasurer is a Democrat. But we're a Maryland Governor, and a Maryland Comptroller, and a Maryland

Treasurer. And I often say to the staff, there is no such thing as a Democratic tax return or a Republican tax return, there are just Maryland tax returns.

So on that note of need for forgiveness and taking it easy on ourselves, I would like to go to a slightly lighter note, which is that I promised the State Board of Elections, particularly Linda Lamone, whose resignation I mistakenly called for I guess a while ago, and Deputy Administration Nikki Charlson, I said if they and the local boards could show a diligent and dedicated successful election against my skepticism -- which has obviously been demonstrated because we've had a very smooth election with some obviously small little hiccups. But anyway, I promised on September 23rd that I would deliver, if I was wrong and everything went well, a few well-earned six-packs of Maryland craft beer later this week as a small token of my gratitude. And I happen to have one of them from Evo down on the Shore, which is a fabulous local brewery that I'm taking along with a few other local craft beers. I see that we have Country Pride Ale also, made in Maryland with Maryland employees, the money stays in Maryland, and is a really, really delicious, wonderful craft beer. And I will be delivering that to Linda Lamone with my apologies or my congratulations.

TREASURER KOPP: Congratulations, celebration --

COMPTROLLER FRANCHOT: Celebration, thank you.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

GOVERNOR HOGAN: Thank you, Mr. Comptroller. Hopefully they won't start drinking the beer until all the provisional ballots are finished up being counted.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: But --

TREASURER KOPP: Governor, could we also take a moment to congratulate the apparent victory of the new Mayor of Baltimore, the Mayor-Elect of Baltimore, it's Mr. Scott, we welcome you to the executive branch of our City.

GOVERNOR HOGAN: Yes, thank you. I reached out to him last night to congratulate him and I'm looking forward to sitting down with him and talking about what we can do to continue to work with the City of Baltimore. So thank you very much. I guess we can go ahead and get started with the Secretary's Agenda.

SECRETARY GONTRUM: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. There are 13 items on the Secretary's Agenda and three reports of emergency procurement. I'm happy to assist with answering any questions.

GOVERNOR HOGAN: Questions?

TREASURER KOPP: I have a question, Governor, of the Department of Housing and Community Development about their projects.

SECRETARY GONTRUM: Jan Brice and Tara Bacote are available to answer questions.

TREASURER KOPP: Thank you. This is just in general. First of all, I thank you very much for pointing out now in most of your items the great energy savings and environmental savings aspects of each of your projects. I would push you even farther, however. It's good that we are using Energy Star appliances. It's good that we are doing all that we are doing. A question is how is what you are doing helping us reach the goals of the Greenhouse Gas Act specifically. And this is a question I've been asking of most agencies. We do have a goal to reduce greenhouse gas emissions 40 percent by 2030, actually it may turn to 50 percent by 2030. And in order to do that, people really have to focus on how that impacts what they do from day to day in their projects. So I would just ask DHCD, since you are a leader and were a leader in itemizing these things from the beginning, to be a leader in focusing again particularly on greenhouse gas emissions or I suppose adaptation aspects in the projects that you are building which will be lasting for decades. Thank you. Let the word go forth, or something like that.

COMPTROLLER FRANCHOT: Governor, if I could, if that's appropriate, just there are two items that I wanted to bring to the Board's attention. Number one is Item 10, which is an \$85 million loan to the Washington Suburban Sanitary Commission that is going to support the construction of bio-

energy facilities at the Piscataway Wastewater Treatment Plant in Prince George's County. Apparently, we are going to be utilizing innovative and green technologies. The project is going to reduce the amount of biosolids remaining from the treatment process. I understand that they are significantly cleaner and easier to dispose of, as well as produce methane gas that will be recycled to help run the Piscataway water resource recovery facility. The new process will not only reduce operating costs resulting in \$3 million in annual savings for WSSC customers, but also cut the WSSC Water's greenhouse gas emissions by 15 percent. Obviously, we all think this is a fantastic project and certainly money that is both going to be well spent and I think the prospect that obviously we like to benefit as taxpayers, but it's also going to benefit Mother Earth. And I just wanted to not step on the Treasurer's favorite topic, but I guess I'll ask a question if someone is here. Is this going to produce a product that one can buy in a garden supply store?

SECRETARY GONTRUM: Secretary Grumbles, are you able to answer that question?

MR. GRUMBLES: Yes, I am. And the answer is, we certainly hope so. We are so excited about this major, major investment in the beneficial reuse of biosolids. So we do believe there is a market for that, as well as a national example of reducing greenhouse gas emissions through the Piscataway project. It's really important. Thank you for asking about that. It's consistent

with the Governor's theme of sustainable materials management and beneficial reuse. And we're excited about the future uses of that product.

COMPTROLLER FRANCHOT: Let me recommend an example of that. I for years have been using a low level nitrogen fertilizer on my lawn. It's called Milorganite. It turns out it comes from the Milwaukee, Wisconsin sewage treatment facility. Why do I bring this up? It is a cult product. You can never find it anywhere. It's sold out all the time, not for the nitrogen but it has some kind of, well, deer are allergic to it. So all of the deer in Takoma Park that eat all of the flowers that I try to grow have been somewhat deterred by this Milorganite it's called. But I swear to God, the thing just flies off the shelves. And if you can get a better term than Milorganite and come up with something, I think it might be an interesting product.

MR. GRUMBLES: Marketing is key. Bio-Grow, there are a lot of different names for these products other than Milorganite, and we're eager to lead on that front. Thank you.

COMPTROLLER FRANCHOT: Yeah, well, I think that's terrific. And then Governor, just very quickly, you've got a, you gave a \$2 million grant --

TREASURER KOPP: Could I, Peter, just point out one thing to the Governor about that one? About Item 10. First of all, it saves, I believe it's going to save the WSSC customers over time several million dollars. So I mean,

this is a great example of doing good and doing well. But you know, the Chairman of the WSSC this year is former State Senator Howard Denis.

COMPTROLLER FRANCHOT: I didn't know that.

TREASURER KOPP: And his predecessor from Montgomery County was former Secretary of Budget Eloise Foster. Which, Governor, shows you what good bipartisan leadership can do, so I congratulate you.

GOVERNOR HOGAN: Yes, thank you. Thank you, Mr. Secretary. Maybe you can have a dump truck go over to the Comptroller's house and dump some of that stuff in his front yard.

MR. GRUMBLES: It's a valuable product, yes sir. We're on it.

GOVERNOR HOGAN: All right. Thank you very much. Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Okay. The vote is three-nothing. We'll move on to the DNR Real Property Agenda.

MS. HADDAWAY-RICCIO: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources, and we have six

items on our Real Property Agenda today for which we are seeking approval. And I'm happy to try to answer any questions you may have.

GOVERNOR HOGAN: Yes, good morning, Madam Secretary.

Any questions on DNR?

COMPTROLLER FRANCHOT: No. I just want to comment how important parks and recreation right now. People are just stir crazy. And the fact that you've got, you know, them open and they are well attended and safe for people to go to is much needed in this time of stress. Thank you, Madam Secretary.

MS. HADDAWAY-RICCIO: Thank you very much. Our staff has been working very hard.

TREASURER KOPP: Are we making any special or different plans as winter comes to maintain the ability for people to get outside and when the weather is decent?

MS. HADDAWAY-RICCIO: Yes, so the great news is that we have a lot of outdoor recreation opportunities in the State of Maryland that are year-round opportunities. And many of our State Parks, particularly in Western Maryland, feature options like cross-country skiing and, you know, different snow sports that you can engage in. So we like to remind people that while summer might be their favorite time to go or fall, you can really visit our parks year-round and find something for you to do.

TREASURER KOPP: I think we should make a special push because people are going to get stir crazy, I mean, if they are just in the house all winter. And just let people know, there are an awful lot of people out there who still don't know all the wonderful opportunities that they have and it would be a great campaign.

GOVERNOR HOGAN: Yeah, that's a good idea. Yeah, obviously outside is much safer than inside. I know that the Lieutenant Governor has been with the Secretary trying to go out to every single park in the State. I haven't been getting out to any of them, but I keep telling the Secretary hopefully, I would like to get out, I'm getting a little stir crazy myself. So thank you for the great work. We're breaking records in all of our parks and I'm hoping that people still get out and take advantage of it in the off season when it's not spring or summer. So thank you, Madam Secretary. Any other questions on DNR? Or is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Very good. Thank you. Three-nothing.

MS. HADDAWAY-RICCIO: Thank you.

GOVERNOR HOGAN: We're going to now move to the University System Agenda.

MR. HICKEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Tom Hickey, representing the University System of Maryland. We have four items for your consideration this morning and I'm happy to answer any questions.

GOVERNOR HOGAN: Thank you. Good morning. Any questions for the University? Motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: I had a question on -- let me just see what it was because I may be wrong. Oh, okay. It was the same question, Tom, that I asked DHCD, which is 3-C-BP, the UMBC building project, includes features, good features, environmentally strong features, energy maximization features. But could you all start specifically addressing how it impacts the campuses' goals and plans to reach carbon neutrality? Because I know the campuses have plans, but sometimes it's very hard to see how a project fits in.

MR. HICKEY: Sure. Certainly.

TREASURER KOPP: Thank you. That was my only question about it. And [Item] 4, as I understand it, the Frostburg project, obviously there are employees who are concerned because of employee actions. But this project itself, as I understand it, comes from bond funds which were previously authorized and limited to this use and auxiliary funds which are also limited to this use.

MR. HICKEY: That is correct.

TREASURER KOPP: Okay. And I hope, I hope Frostburg will work closely in the face of very serious budget cuts to make sure they take care of the employees who work so hard for them there.

GOVERNOR HOGAN: Thank you. Is there a motion?

COMPTROLLER FRANCHOT: If appropriate, I would move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Very good. Three to nothing. Now we're going to go to Secretary Slater at the Department of Transportation.

MR. SLATER: Good morning. Great to see everyone. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. Good morning, Governor, Madam Treasurer, and Mr. Comptroller. The Maryland Department of Transportation is presenting 16 items for your consideration today. Items 1-GM-MOD and 2-GM-MOD are being withdrawn, leaving 13 items for your consideration. We are here to answer any questions you may have.

GOVERNOR HOGAN: Any questions for the Secretary? Very good. A motion on Transportation?

COMPTROLLER FRANCHOT: I would move approval.

TREASURER KOPP: Second.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

GOVERNOR HOGAN: Three to nothing. We're on a roll. Hopefully we don't screw it up with Secretary Churchill and we're going to move on to the Department of General Services.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. Today, we are presenting 29 items for your consideration. We are withdrawing Item 20 and we have representatives available to answer any questions you may have at this time.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Any questions on the DGS Agenda?

COMPTROLLER FRANCHOT: Governor, I would like to compliment you on Item 6, which is a \$2 million grant from your administration for the revitalization of Baltimore City's Historic Lexington Market, a Charm City institution that has been around since, get this, this can't be right, 1782? Wow. Okay. I thought it was old, and I used to love going up there when I could do that, but you know, I had crab cakes last night because I am the person charged with actually frying up the lump crab cakes that we bought very expensively from Whole Foods. But I see that hopefully Faidley's is open and can actually, like, do it over the internet, perhaps order crab cakes from Lexington Market, is that possible?

GOVERNOR HOGAN: I think it is possible. That's a great suggestion, instead of you going to, you know, Whole Foods. We ought to --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- support local Maryland businesses.

COMPTROLLER FRANCHOT: Could I condition my vote on that \$2 million as to whether I'm able to get some, pay for obviously, fabulous crab cakes. But anyway, I'll --

GOVERNOR HOGAN: I think that might be inappropriate if the crab cakes were over \$20. It might not --

COMPTROLLER FRANCHOT: -- I don't want free crab cakes, I would like to order them because I know they are such high quality. And I guess everybody now is doing remote sales. So why not? Maybe it is possible.

TREASURER KOPP: We have trucks, too, near, I think not far from you, Comptroller, who bring up fish and crab from around Maryland and Virginia.

COMPTROLLER FRANCHOT: Yeah, no, that may be. But Lexington Market and Faidley's are nationally known. So yeah, no, this is a good grant, well done, and congratulations. Thank you, Governor.

GOVERNOR HOGAN: Thank you. Maybe get some of the craft beer to go with those crab cakes, while you are sitting down with Linda Lamone. Any other questions on DGS? Is there a motion?

TREASURER KOPP: I have a question, not of DGS, 16-S-MOD, the State Police Forensic Biology Casework Sample Analysis. Could you ask somebody, it doesn't need a long, but how bad the backup of untested sexual assault kits is now? We used to get reports and --

MR. CHURCHILL: We will ask that question of the State Police and get back with you.

TREASURER KOPP: Great.

GOVERNOR HOGAN: Okay, thank you. Any other questions?

COMPTROLLER FRANCHOT: Yeah, Item 21-IT-MOD.

MR. CHURCHILL: Depending on your question, Mr. Comptroller, we have several representatives from the Department of Labor, including Secretary Robinson.

COMPTROLLER FRANCHOT: Yes, I definitely want to ask Secretary Robinson. And I do this in my spirit of forgiveness and working together. But I get literally dozens if not hundreds of folks who end up for some reason on the doorstep of the Comptroller's Office, electronically, they are sending me emails, that it is just an unbelievable traffic jam at, in these unemployment claims. This is not our issue, obviously. And I know that there's been a lot of stress on it, that you have processed 745,000 claims and paid out over \$7.7 billion in State and federal benefits to over 636,000 claimants. I'm not suggesting that you are not working overtime and attempting to do the best with

an obviously always changing federal environment. But I guess, Madam Secretary, just to be candid I'm pretty frustrated that people find it necessary to send us desperate little messages everyday pleading for help to file a claim, check their status, or even speak with a representative. And some of these folks have been waiting for months.

Some of them -- obviously every one of them needs immediate customer service. And I believe they are being told when they finally get through on the phone to a real person that they must wait eight to 12 weeks for an interview, and they have already waiting months since filing a claim. And I quote, apparently your staff is saying this is a BEACON issue, not a Labor issue, that they will need to contact BEACON support instead. So I would urge you just to come up with a different customer service response, because that, if I ever did that in my agency, I would be an ex-Comptroller pretty quickly, because it's just not acceptable.

It's my understanding the Board has, we have approved over \$34 million in spending for the Department of Labor, specifically in support of activities of the Division of Unemployment Insurance, including over \$1 million to procure 692 laptops, \$22.3 million for a virtual call center, and \$5.2 million in modifications to the State's unemployment system. I guess my issue isn't with the vendors who we have contracted with, I think it is actually with the customer service climate over at your agency. I just want to make sure you are absolutely

as aggressive as possible in making sure that, A, people, somebody picks up the phone and somebody is sympathetic and somebody does not say to someone who has been waiting for months you need to go and find some person over at BEACON. And so what exactly is going on, I guess? And how can my colleagues and I help to ensure that you have the adequate resources, I guess, to do the job?

I'm not suggesting the Governor has not paid attention to this. I know he has. But it seems to be an ongoing problem. Thank you.

MS. ROBINSON: Thank you, Mr. Comptroller. Good morning, Governor and Madam Treasurer. For the record, Tiffany Robinson, Secretary of the Maryland Department of Labor. And you are right, Mr. Comptroller, that I brief the Governor quite often. He has been extremely on top of this issue and has asked a lot of the same questions of me that you have asked. So I will just kind of give you a little bit of background as to what we are doing.

First of all, no customer should ever receive feedback that they need to contact BEACON or our vendor. These are our Department of Labor unemployment insurance customers and (indiscernible). We have trained and hired almost (indiscernible) employees. We have trained and hired, we have borrowed employees from other agencies -- sorry, I'm getting feedback. We have --

GOVERNOR HOGAN: Madam Secretary, can you hold for one second? Because we're having a sound problem. I don't know if anybody can fix that. But you are echoing and we're not getting all of what you're saying. I don't know if that's on our IT end, or it's something to do with your computer. But I want to make sure we can hear you.

MS. ROBINSON: Sure. John, I called in during the test and we didn't have that problem. It sounds a little better now, is that better?

COMPTROLLER FRANCHOT: Yes.

TREASURER KOPP: Yes.

MS. ROBINSON: Great. Thanks. So what I was explaining was we did already contract with a vendor to add 275 additional call center agents, because we knew we needed more people answering the phones. We have since trained some of the new State employees to act in our call center and resolve issues for claimants as well. We actually doubled the size of the Unemployment Insurance Division from about 400 to 800. But what I'm pleased to tell you today is that we are in the process of actually tripling the size of the division to handle this crisis. It really doesn't match the 5,000 percent increase in volume that we have seen, so we're still going to be working hard. But while we have worked to stand up the CARES Act program and dealt with rampant fraud, which is happening across the nation and it continues, and we just did the FEMA Lost Wages Assistance Program and got all six weeks of that funding out, applied for

that program and administered more quickly than other states in the nation, we do see that with the launch of our new BEACON 2.0 system, even though claimants have access to more information about their eligibility status in the system, they have decided to even pick up the phone and call us more because they have questions. We have sent out user guides and direct emails, but we know we need our own team available to handle our customers' concerns.

So in addition to modifying and expanding the call center contract by an additional 300 agents, bringing that to a total of 575, we actually put out a competitive RFP for adjudicators. That closed last week and we will be making an award probably today to bring on board anywhere from 100 to 500 adjudication staff. That is the most complex job in our division, because those employees require either legal experience, investigative experience, insurance experience. They are the ones dealing with these pending claims that are the most complex and have a dispute pending from either one employer or multiple employers during the claimant's 18-month base period. And those claims, like any insurance program, require an investigator to conduct interviews with both parties, collect documents, and make a determination.

It has been difficult during this pandemic to get all of that scheduled, to get in touch with businesses, to get in touch with claimants. We have added phone lines and expanded our interactive voice response system. But we know there is more work to be done. In terms of customer relationship

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

management, I am also pleased to tell you that just in the past week, we have implemented a new Salesforce tool that allows us to have our customers submit an inquiry form where they immediately get feedback with a claimant identifier so that all communications regarding their claim from any agent, or any office, is all consolidated into one place. That's very helpful. Because as you probably know, many of our customers are not only reaching out to our staff, but they are also reaching out to you, and to the Governor, and to their legislator. And we end up duplicating effort by multiple people working on the same claim. This consolidates everything into one place. It gives direct feedback and access to that information and all notes in their file directly to the claimant.

So I do, I hope that you will start to see some relief in the coming weeks as we add this additional staffing and work through these new tools and get our customers used to it. But I can assure you that we are on top of it.

COMPTROLLER FRANCHOT: Yeah, no, that's terrific. And you know, I offer this in a kind of collaborative way to see what we can do to improve the situation. This email was received on October 27th, just last week, at 1:32, and I'll just read it quickly but it kind of summarizes what I'm concerned about. Hello, my name is Michelle, and we blanked out the last name. I am emailing you, the Comptroller, because I have reached the end of any hope. I am a single mother of two. I can't work because my kids have nowhere to go right now because of the pandemic. I've been on hold with Unemployment weeks now

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

and the only thing they can tell me is that I'm waiting for an interview. I don't think there is anything you can do (me), but I figured I would try since this was the advice I was given. Thank you for your time.

My staff has frankly cracked the code over there and has found a couple of your staff who they can communicate with and move something like this along. But I'm concerned that we're treating this like some kind of a court administrative hearing, where people have to do this and do that. I mean, can't we err on the side of relief and if we have to do some claw back, I mean, I just hate to think of these folks being told you have to wait for an interview when the interview takes forever. And maybe there's some way that you guys can creatively, well, we often put people on payment plans that we have to go back and examine because we have been very generous. But why not put people on unemployment and continue to do the investigation? You can always claw back some of the payments. But I hate the idea of, oh, we're fighting fraud by, you know, bad customer service, and is it really eight weeks or something until people can get an interview? Eight to 12 weeks?

MS. ROBINSON: Depending on the complexity of the claim, Mr. Comptroller (indiscernible) --

COMPTROLLER FRANCHOT: -- (indiscernible) please, I don't know what you can do. Obviously, it calls for a little bit of flexibility. But eight to 12 weeks is just, I mean, look at this woman. Here's the, you know, the email.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

We get dozens of these and we're happy to try to, you know, crack the code for them. But if it's just an impossible mountain of eight to 12 weeks and we have to do it as if we're in normal times and, you know, we have to get the consent now because I understand the small business people, they don't want to have their unemployment claims go up by saying, yeah, the person is really unemployed. So there's a whole built-in incentive there for I think a real amount of congestion. It's there, and I'm just wondering if you can perhaps come up with a creative relief now so that, you know, we're not going to hear about it. It's just, it just kills me to read these emails. And it's not your fault. I'm just saying there's got to be a way around it without getting us in all sorts of legal trouble.

MS. ROBINSON: Understood. Both me and my staff as well have been hearing some of these stories. But what I will say is that we have relaxed or waived every single regulatory or statutory measure that we have legal authority to do at this point. Maryland is a mitigation state. We're one of only four. We're not a pay or deny state. That means us and three other states in the country are required to mitigate the disputes on every single claim. If the claimant, for example if the employer reports that the claimant voluntarily quit the job, or if they were fired for misconduct, in other states those claims can be denied and those claimants immediately have the right to appeal. In Maryland, our state law requires us to conduct these in-depth interviews and investigations to find out if there was any contributory negligence or action on the part of the employer that

would allow that claimant to receive full or partial benefits. It makes my job a little bit harder, but we are following Maryland and State law. As you know, unemployment programs are funded by USDOL primarily, so we have to remain in conformity with federal law as well. And we're already starting to see some of those audits. With all of that being said, I completely understand and agree with all the points you've made and I do believe that the staffing increases and the contract we are entering into literally as I speak are going to provide relief and help us to conduct all of those interviews in a much more timely manner in the coming weeks.

TREASURER KOPP: Are there any other jurisdictions that are doing any, like a reinsurance program or anything to allow you to do what you have to do, but take care of people like the woman who wrote to the Comptroller? You know, three months, that's a long time to not have anything coming in.

COMPTROLLER FRANCHOT: No, she's been waiting two months and now she's told it's eight to 12 weeks for an interview.

TREASURER KOPP: Four months.

COMPTROLLER FRANCHOT: And she has to call BEACON. I'm just, I'm not suggesting you should break the law, Madam Secretary. I'm just suggesting you come up with some kind of innovative way around this because the system we have in a pandemic is subject to abuse. Because as soon as someone objects then everything gets tossed into a completely bureaucratic

investigation, etcetera. I understand all that in normal times. These are not normal times. And please, try to, I don't know whether there is another state, whether the Governor has something under his emergency order or what. But, you know, I guess other than hiring new people, what you're saying is you are just trapped in a kind of Kafka like system here?

MS. ROBINSON: No --

TREASURER KOPP: In these systems.

COMPTROLLER FRANCHOT: So break out of it if you can, and I'm happy to support you. I'm sure the Governor would be, because it's just way too, well, Kafka like. You know, go and wait in the room for a long time and these are people that have already waited. I'm not suggesting that it's a panacea for abuse and fraud. Maybe there is some. But hey, guess what, there is abuse and fraud everywhere. You know, \$1.5 million was given by Ph.Ds. and others in Montgomery County to scam artists who called up pretending they were Montgomery County police officers. That goes on all the time. I'm sorry, I wish it didn't. I wish they would be arrested and put in jail, the scam artists. But you know, it's not the end of the world if we're able to get relief to a large number of people that are not abusing the system and may be reported erroneously by their small business. Because maybe they had a personal grievance and the small business owner says, oh no, that person quit. I didn't fire them. Well, goodness gracious, that can go on forever. I don't mind catching up with it in the rear view

mirror. But in the interim, could we please assume that the fraud is, we're able to handle it even if there is a small amount of it and people are suffering? I don't know. I just, it's not my bailiwick. But count me in if I can help you on the call centers or some other aspect. Because right now the optics of that --

MS. ROBINSON: Understood. And I will say, I'm doing my very best to maintain the integrity of this program because we do have actually a lot of fraud. I'm on a call every week with my counterparts across the country. Every state is dealing with the same problem. We did save taxpayers over \$500 million by attacking a group of claims using stolen identities back in July, and that has been ongoing. So we have new triggers in our system and software that is doing a lot of it. But then it takes some manual intervention to review the documents that are being uploaded to verify identity. That is part of what takes away, you know, time from us getting through the backlogs on all of these interviews, which is why we're bringing on all the extra people to get this work done.

To the Treasurer's initial question about what other states are doing or has anybody come up with a better way, there was one state that just automatically made \$1,200 payments to every claimant, and then they got their hands slapped by the federal government and they are under an audit and they are having to work really hard with separating teams to call back a lot of that money that ended up, you know, shouldn't have gone out or to claimants that wasn't eligible. So we are brainstorming every single day.

I want all of you to know that if you have suggestions, I will listen. We do talk to other states. We're talking to our federal partners about things we can do. But I do think that this added staffing and our Salesforce tool is going to help us get through that backlog. And obviously, I tell all of our stakeholders, Mr. Comptroller, for example, the claimant that emailed you. We are working from oldest to newest, of course, so the people that have been waiting the longest can get their interviews and their benefits as quickly as possible. But if you have a priority case where someone has children or has a disability, we absolutely will take that and get it handled very quickly. So please, feel free to forward me those messages and we'll take care of them.

COMPTROLLER FRANCHOT: Well look, let me just conclude by saying it's going to get a lot worse because the virus is coming back with a vengeance, there's no doubt about it. And if Joe Biden is not the President, then we are really in hot water here as far as unemployment down the road. And God knows what happens with the second stimulus. But I would hope, you know, we do fraud detection all the time in the Comptroller's Office. Our algorithms are able to detect fraud 99 out of 100 times. It used to be a lot less accurate. So maybe you need some new fraud detection algorithms, because the fraud can be detected and put off to the side. That is not an issue in our office right now because, you know, the filter is so fine that it catches all the fraud before we send the refund back. But what we're not doing is holding up legitimate people that

have had their, you know, financial identity stolen, etcetera, etcetera. When there's a real person there, not a fraudster out in Southern California, or in Ukraine, or something, we, once we identify that there is a real person there, then we can be lenient and get them their refund. And if there is a problem with their tax return, we can obviously look at it and go back to them if we really think there was something abusive. Right now, I just shudder to think what is going to happen this winter, what's going to happen to your somewhat overworked infrastructure. And anything we can do to resolve it, but you know, don't hang your hat on this fraud detection stuff. Because all your staff has to do is identify there is a real Maryland person here. And that's pretty easy to do.

MS. ROBINSON: Mr. Comptroller, you will be seeing a procurement in the coming weeks coming through for a contract for expanded fraud software and mechanisms so that we can increase those abilities. But I will tell you that at this point, the bad actors are pretty bold in that they are using stolen identities. When I say it's ongoing, yesterday morning starting at 3:00 a.m., we had a handful of IP addresses hitting our system, each with tens of thousands of claims trying to be filed. Fortunately, our system technology blocks all of it. But they use user names like jjohnson1, jjohnson2, jjohnson3. They all have real social security numbers, real addresses. That makes it very hard. And in light of, you know, making sure it is a real person, what our system does, this level of fraud was blocked at the outset but anyone that --

COMPTROLLER FRANCHOT: -- let me just suggest, I know it is a difficult thing to do. But I'm going to send over David Hildebrand, who is a fabulous guy, a wonderful State employee. I'm not even sure if he wears shoes to work. He is like totally into this fraud detection. He is an expert at it. He is probably the country's top person and he has designed this incredible system for us. Maybe he could help your folks on an interim, you know, temporary basis as far as doing something that would allow you to have more flexibility here. That's all I'm suggesting, I guess. Governor, I have gone on too long here. But thank you.

GOVERNOR HOGAN: -- Madam Secretary, and Mr. Comptroller, these are discussions we have been having every day since March. I can tell you that the U.S. Department of Labor thinks we did the best job in America on stopping fraud. We identified right away a half billion dollars. Other states have lost billions of dollars in total, I think several hundred million dollars New Jersey already lost that they can't get back. We haven't. And 90-some percent of the ones that they flagged were fraud, are actually fraud with stolen identities. The other folks, the ones that you and I are both hearing from every day, 41,000 of them by State and federal law we cannot pay them. Other states are just denying them and giving them an answer, but Maryland law, one of three states, says we can't do that. So it does take months to -- it's almost a judicial process that they have to follow the law and they have to, if the employer says no,

I want them to come back to work, I didn't fire them, we cannot pay them. And so I, there are only 615 claims in the whole State that are being evaluated for other issues. The 41,700 --

COMPTROLLER FRANCHOT: Well, let me ask, Governor, why

--

GOVERNOR HOGAN: -- the 41,000 are ones that we cannot pay by law.

COMPTROLLER FRANCHOT: Yeah, but what's the problem with, if we're, if we need to have a hearing for the 615, why don't we have a hearing? There are only 615 people and they are being told it's eight to 12 weeks.

GOVERNOR HOGAN: There are 41,000 that are complaining about not getting paid and that's because they don't have the documentation, there is a dispute with the employer, or the federal or State law will require that process. And 41,000 hearings is a long time.

TREASURER KOPP: All right, but Governor --

GOVERNOR HOGAN: I think we're, I think, you know, just keep in mind, California has 1.4 million unresolved cases, Virginia has three or four times more than we do. We, as bad as it is, and I feel for every person that is contacting all of us, I think, you know, we were the first state in the country to put a website together. Some people turned off their phones altogether. We have

hired hundreds of people and added phone lines. And I would say, by any metric, we're doing better than almost any state in America.

COMPTROLLER FRANCHOT: Yeah, but that's not good enough.

GOVERNOR HOGAN: No, I agree. If we have one person that is not happy, you know, it's not good enough.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Governor, one last question. Are there things that you are constrained from doing, because it's part of the federal system, that you think would be helpful if the State could do it?

GOVERNOR HOGAN: I mean, we may consider changing the State law so that we're not one of three states that has these constraints and slows everything down. I don't know that we can change the federal law. I asked the Secretary if she would be willing to go federal prison by paying everybody, and she said no, she wasn't willing to go that far.

TREASURER KOPP: Me either. But if there are any backup programs that we, that would be safe, that we could have pending resolution of the federal, the decision from the federal program.

GOVERNOR HOGAN: We, as she mentioned earlier all the hundreds of people that we've hired and all the additional money on the contract that we've approved here. In addition, we put another \$20 million into

unemployment last week to help with the Layoff Aversion Fund, which has been helpful. We have doubled it, tripled it, and we've put more money into her budget so that she can do every single thing that any of us can think of --

TREASURER KOPP: So you've done it.

GOVERNOR HOGAN: -- resolved. Yeah.

TREASURER KOPP: Thank you.

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

COMPTROLLER FRANCHOT: Yes, I would appreciate if you could just keep me in the loop on this. Because obviously it's something that needs --

GOVERNOR HOGAN: Absolutely. Thank you.

MS. ROBINSON: Absolutely.

COMPTROLLER FRANCHOT: And I did have a comment about the Burtis House property in the City of Annapolis. This was something that was a long -- speak about Burtis, it's a burr under the saddle of a lot of people in the Annapolis area. And I just wanted to thank you, Governor, for the collaborative effort for transferring the Burtis House into the whole proposed revitalization of Annapolis City Dock. I think it is obviously very important. My hat is off to Mayor Gavin Buckley and others who have fought their way through all of this. And I take it that your folks helped, Governor, resolve who should have control of this historic edifice down at the dock. And I guess it's Department of Natural

Resources, but it's a DGS item, number 25. And congratulations. I didn't think it was solvable but you guys did it.

GOVERNOR HOGAN: Yeah, thank you. It was difficult. Any other questions on DGS?

MR. CHURCHILL: Governor, before moving onto any Agenda approval, I neglected to mention for the Board that our Agenda also includes four supplemental items, Items 30 through 33. So I just wanted to make that formal introduction. Thank you.

GOVERNOR HOGAN: Thank you. Any questions or is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on DGS. Thank you everybody. Now we can go count the rest of the votes, I guess, and see what's going on. Thank you.

TREASURER KOPP: Have fun.

(Whereupon, at 11:08 a.m., the meeting was concluded.)