

or after hours. So we want to congratulate you as well and thank you very much for all of your great work. And thank you very much.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: And last but certainly not least, we have Ralph Heard from the Maryland Department of Agriculture. And he is joined by Mary Darling, the Deputy Director of H.R. And as Manager of the Mosquito Control Section in Hollywood, Ralph is known for his sound judgment and ability to deploy limited resources to get the job done. And he works around the clock during spring season to assist employees, handle emergencies, and to ensure steady service to prevent the occurrence of mosquito-borne disease in humans, pets, and livestock.

Ralph has been on the front lines of providing mosquito control services to the communities of Charles and St. Mary's Counties for 50 years now. He was hired as a motor equipment operator for the Southern Maryland Mosquito Control Office at the University of Maryland in 1970. In 1973, these functions and staff were transferred to the newly created Maryland Department of Agriculture. So Ralph, we want to sincerely thank you for your many, many years of dedicated service to the people of Maryland. So congratulations to you.

And, I want to thank all of our recipients very much. We, all of us, really do appreciate all the hard work you do for the citizens of Maryland.

Now before I turn it over to my colleagues for some opening remarks, I just want to quickly remind Marylanders that eight days of in-person early voting begins on Monday, October 26th and runs through Tuesday, November 2nd. And that includes Saturday and Sunday. So we are strongly encouraging you to take advantage of early voting all throughout the next week and weekend. For those of you who want to vote in person on Election Day, we strongly encourage you to do so at off-peak times, such as mid-morning or the early afternoon, to avoid what are expected to be large crowds and potentially very long lines.

So with that, I'll turn it over to my colleagues for some opening remarks, and we'll start with Madam Treasurer.

TREASURER KOPP: Thank you, Governor. Let me just reiterate your thanks to all the fine State employees. This pandemic has been extremely challenging for us all. And the way the people who work for the State, the public servants who work for the State, have gone about doing their jobs with really significant productivity and efficiency and kindness really is a model. I'm very proud to be one of them.

And yes, in-person voting, early voting, starts Monday. I hope our turnout continues to be terrific. The mail-in votes are still going in and they number way beyond what we've ever had, what we've ever had before. I would just urge everybody who requested a ballot to send it in. Don't sit on it. Send it

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in or go by the drop box, your local high school and many other places. It's easy to find out where they are. They go in and they are protected and they are secure and they are counted. We did, and I can't tell you the feeling of pleasure. I mentioned it last week, but the pride of being part of democracy.

I thought, Governor, that you were going to mention something about the vaccine, Maryland's plan for a vaccine rolling out, which I saw in the paper yesterday. And it's good to know that, as usual, Maryland is trying to plan and look ahead. I just hope we have the opportunity to actually use a vaccine when it's fully developed.

I also had a question, and I don't know whether it should be now or when we get to some item that the Department of Health or Human Resources is dealing with. But the issue has come up very recently about unhealthy drinking water on the Eastern Shore. And I would just request, maybe, Governor that you could ask the appropriate departments to look in and give us back a report on what the situation is, and if in fact there is a serious situation at all.

And with that, it's good to see everybody, and I would turn it over to the Comptroller.

COMPTROLLER FRANCHOT: Thank you, Madam Treasurer. And Governor, good morning. Obviously, as my colleagues on the Board know, and people that are frequent attendees of these proceedings are well aware, I have for the last seven months been suggesting to the administration that they need to

invest at least \$500 million for a small business rescue and stimulus package. Why did I do this? Because the pandemic, through no fault of their own, has decimated our small business community. I've been on countless Zoom calls with Chambers and other gatherings of small business owners, all sizes, all shapes, different industries, located in every nook and cranny and region of the State. And they all tell me one thing over and over again: we need help.

So we have over 170,000 small businesses across the State. My experts are estimating now, sadly, that almost 30,000 have already closed or will close their doors permanently. Once again, this is through no fault of their own. This is just the mishandling of the virus by the federal government, and as a result we have this tremendous economic damage. And I'm not talking about new businesses. I'm talking about businesses like Sunset Restaurant in Glen Burnie. Sixty years in business, backbone of Main Street up there, and gone, finished. They are owned by a family, it's a family business, passed down through generations, gone. All the tax revenue that we get, gone, so not going to come back. And, you know, Enchanted Arts here in Annapolis. Yesterday I drove with my wife up Main Street in Annapolis. I've never seen so many for lease signs in windows. Clyde's and Sundry in Columbia; Apple Discount Drugs in Berlin; the list goes on and on and on.

So we all talk about how we support small businesses. I know we're all elected officials here at the State level. We really sincerely believe what

we're saying. But the question is, can we do everything we can to save them during this unprecedented economic crisis? Obviously, they feel, and I feel now, that we haven't done enough. And these small businesses, frankly, are getting kind of tired of rhetoric from politicians like me where we come up and say, hey you're the backbone of the community, you're the heart and soul of the State's economy. And they keep saying, yeah, that's a nice sound bite, but could you please put your money where your mouth is?

So speaking to myself and all politicians generically here in Maryland, five percent of our small businesses have gotten State relief. Seventy percent got the first stimulus federal relief, the federal, you know, Paycheck Protection Program. But that's over. That's gone. That's disappeared. It's no longer in existence. But every day that we don't take bold and immediate action right now, more and more small businesses are shutting down and will continue to close.

I've come up repeatedly, not just once but twice and three times, with different proposals of how we could invest immediate relief for Maryland small businesses. First it was the Rainy Day Fund. Second it was using the positive fund balance. And third was increasing our capital debt and using that as a backstop. All three of these have been warmly received by businesses around the State, but have not gotten any traction here.

Governor, you know, God bless you. But the other day you suggested that I wanted to drain our Rainy Day Fund, that my proposals would result in the elimination of entire State agencies, putting thousands of State employees out of work. I think you said tens of thousands, was in the newspaper yesterday. I don't care about that. I mean, that's, I'm, it doesn't, I don't take it personally. Gosh knows, maybe you just got misinformation or something. But my staff was pretty stunned by that, because it's completely inaccurate. You and I both know that's not what I'm proposing. You and I both know that we have the money in the reserves to get this done without resorting to draconian cuts.

I'm happy, obviously, to work with anybody, to put my agency resources at service to figure out how to do this quickly. It's got to be done not within months. It's got to be done not even within weeks. It's got to be done within days. And it can be. I would suggest obviously the most available money is the \$585.8 million in the positive fund balance as of June 30th. That money should be immediately allocated towards this purpose.

If we don't do it, frankly December is too late. Winter is coming. They are going to close. They are going to close.

So this is obviously not about me. I'm just reflecting what is going on out there in the small business community. But everybody on this meeting this morning, we're all getting paychecks every two weeks. We're not worrying about paying the next bill that comes in the mail. We're not worrying about whether

we'll be homeless at the end of the month. The homeless at the end of the month is because these small businesspeople are putting their 401Ks, they are putting their retirements, they are putting their savings, they are putting everything in to supporting their business. And thank God for the federal stimulus, because that helped a lot of them. But what this subject and appeal is for is about tens of thousands of small business owners out there who literally can't afford to pay next month's rent, or are going to be forced to lay off what employees they still have, or are accruing more debt just to keep the lights on.

They are quite literally, these folks are losing everything. I mean, I can't imagine going through this, through, once again, no fault of their own. They didn't do something wrong. They are just impacted by this. And so it has obviously become glaringly evident that the federal government is having trouble doing what they are supposed to do and getting a second round of stimulus. And I will say, most of us in Maryland are moderate as far as our fiscal policies. But this federal stimulus is crucial. And we need to match it with some State stimulus. I actually think the State stimulus might spur the federal government to do the right thing and get involved here.

This is not liberal or conservative fiscal policy. This is about we need the stimulus in order to preserve what we have. We need to save as many small businesses as we can. We know for a fact the first stimulus package worked. I'm getting a whole new appreciation for John Maynard Keynes, who

was the advocate of spending during the Depression. And I think he was right. I think without the first stimulus we would have had an economic catastrophe, and without a second one, even with a State stimulus, we're going to have problems.

But I would importune everybody sincerely to provide support for these desperately -- how do you describe them? They are just kind of, they don't ask us very often for anything. But right now, they really, really need some kind of expression from the State that we're going to do something bold to help them in this period of volatility and chaos that, once again, unfortunately they don't deserve but they are going through. And Governor, I know you are a champion of small business, as I am. I know the Treasurer is. I know we have public budgets. But that's all going to happen next year. Right now, we've got an emergency out there. And please -- what can I say? I'm happy to work with you and see if we can get something done. Because it's a tragedy what's going on right now.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. You know, I agree with you. We're very, very concerned about all of our struggling small businesses across the State. And we're continuing to do everyday everything we possibly can.

I think you know that I got all 50 governors in America together to help push for the stimulus package. We have now put \$20 billion into helping struggling Marylanders, including \$10 billion that we got from the CARES Act, nearly \$8 billion in unemployment benefits. The State of Maryland has invested

an additional \$250 million already into small businesses. But there are still many others suffering, which is why I'm also the leading advocate on behalf of all the nation's governors to get our folks in Washington to do something about the next stimulus package, which seems to be broken down in divisiveness and dysfunction and typical, you know, politics as usual in Washington with Republicans and Democrats who can't come together and agree on anything when it's desperately needed.

But we're going to be announcing some additional State relief I believe as early as tomorrow, and we're going to continue to push for that much needed stimulus at the federal level, which it doesn't appear as if we're going to get anything done before the election. But I sure hope all of us together will talk to our friends and colleagues in Washington on both sides of the aisle and tell them the critical nature of how much we need this federal assistance in addition to what we can do at the State level.

And as bad as it is -- and I'm not trying to diminish the issue because I see and hear it every day. I spent this week traveling all around the Eastern Shore talking with small businesses and was in Frederick before, and Annapolis, and I'm out there talking to these folks. I understand the pain that they are going through, people that are losing their jobs and people that are losing their businesses. We are going to keep fighting for them. We are doing better than almost anybody in the country in our economic recovery. We're doing better

than the nation as a whole. We're doing better than most other states. You know, our unemployment is much lower. It's the lowest in the region, one of the best in the country. So this is a terrible economic crisis and the worst one we've had since the Great Recession, and it's going to take all of us working together at the federal, State, and local level to get our small businesses back up and running and to get people back to work.

And the other part of that is keeping everybody safe with the virus. We're also doing better than 44 other states with respect to being able to keep Maryland open for business by making sure that people are wearing masks and distancing and following all the public health guidance, which is helping our economy to do so much better than everybody else. Because people really are being vigilant and it's why we are surrounded by states that are out of control. Many other states have reshut all their businesses, including New York and Arizona and a number of others. And we are trying desperately not to do that.

We kept 70 percent of all of our businesses open throughout the entire pandemic. In June, we opened up 98 percent of our economy. And in August, we allowed 100 percent of all businesses to open. So we're providing the assistance, but we really have to get, as the Treasurer pointed out earlier, the vaccines in production and then distributed before people feel safe returning back to restaurants and bars and entertainment facilities to try to get the economy back on track. And that's not going to be an easy thing and it's not going to happen

overnight. So we're still in this for the long haul and I can promise you that we at the State are going to continue to do everything we can to continue to help businesses and even further than we already have. And we desperately need that bipartisan consensus in Washington. So I'm hoping that you will all join me in pushing for that after this election is over with.

So thank you very much.

COMPTROLLER FRANCHOT: Yes, no, let me just respond for a second because I am more than happy to call Washington and see if we can get them to act like --

GOVERNOR HOGAN: Yeah.

COMPTROLLER FRANCHOT: -- rational adults and everything. But I mean, seriously, if you can --

GOVERNOR HOGAN: They should act like us, rational adults.

COMPTROLLER FRANCHOT: -- the \$500 million is there. And if you need a backup because you are afraid there is going to be some downturn next year where we are going to have to lay people off in the State system, we can borrow that money, one time only, to keep as a backstop. But right now, the money is there. And I would just beg you to free it up. It's not going to be perfect. I know it can be distributed quickly through the economic development groups at the county level. I can't tell you how important it is, not just the actual

dollars, but the symbolism that the State is going to partner with them is crucial.

And you know, as I said --

GOVERNOR HOGAN: Again, I mentioned --

COMPTROLLER FRANCHOT: -- survival is the key here. I mean, if they can survive through until March, that's going to be really good for us once some of the things that you indicated are going to happen. I don't mean to get into a back and forth, and I didn't want to hijack this whole meeting. But this is super important. And a month from now, it's not going to be --

GOVERNOR HOGAN: Yeah.

COMPTROLLER FRANCHOT: -- doable.

GOVERNOR HOGAN: Well, I can assure you that's what -- I'm not afraid of anything. And we've been more aggressive than anybody in the country. And like I said, we've already, the State has already distributed the \$10 billion in economic relief from the federal government. The State has already invested \$250 million in tax money to help small businesses, and I have an announcement tomorrow where we're going to invest even more. So thank you very much. Are there -- we're going to move on to the Secretary's Agenda.

SECRETARY GONTRUM: Good morning, Governor, Madam Treasurer, Mr. Comptroller. There are 20 items on the Secretary's Agenda and three reports of emergency procurements. I'm happy to assist with answering any questions.

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

COMPTROLLER FRANCHOT: Item 19 and 20, please.

SECRETARY GONTRUM: Item 19 and 20 are from Morgan State University and we have Sidney Evans available to answer questions.

COMPTROLLER FRANCHOT: Okay. So first of all, I think it's a great project and I have a lot of confidence in President Wilson and his team. And I think it's, you know, very appropriate forward thinking leadership from Morgan. But I've been contacted by dozens of frustrated parents and students from Towson and the University of Maryland College Park who apparently are begging for relief from a State agency, or a semi-State agency, MEDCO. Apparently, their kids, who are students at these universities, have signed leases but they are being turned away. They can't go because of the COVID to the respective university, but they are being forced to pay the rent by MEDCO and --

SECRETARY GONTRUM: (Indiscernible).

COMPTROLLER FRANCHOT: -- we have to in order, you know, because we have to pay our people. What's that all -- is MEDCO here? Are they, I think they are funding the Morgan State project. Is there a MEDCO representative on the --

SECRETARY GONTRUM: Mr. Comptroller, I understand that Robert Brennan and Jeff Wilke from MEDCO are participating in the meeting this morning.

COMPTROLLER FRANCHOT: Yeah, are you guys asking students who are not able to go to universities to pay their rent anyway at College Park and Towson?

MR. BRENNAN: Good morning, Mr. Franchot, Comptroller Franchot. It's Bob Brennan. We actually have shared with your office detailed explanations as to the actions that we are taking.

We are quite frankly between a rock and a hard place. I have a legal obligation to the bond investors who lent the monies on these projects to operate these facilities in accordance with the budgets that were set forth that are approved by the university, MEDCO, and the operators.

We are operating these much like private projects. I will tell you, we are in conversation with the universities. We have made a lot of progress, in particularly with Towson. And with our occupancy levels at where they are right now at the University of Maryland College Park, I don't think we're going to have a cash flow problem.

I do have a problem and being able to go back and tell tenants that they are being released from their obligations. I will tell you we have allowed for students to find replacements. We have allowed for medical deferments. And we are working with the managers. I have told them, go about your normal collections, but we are not going to take any aggressive collection measures against the tenants.

MR. BRENNAN: Well, I certainly will. And to just dovetail into your opening comments about small businesses, we have also a big development side of our portfolio and that's where we're working with Morgan. It's been unbelievable what we have had to go through with this pandemic. I can tell you back in March and April, I had several projects that were in the process of starting construction, closing on financings. All of those things had moved forward. And it's really important that we understand, and it gets into what your comment is, we're keeping businesses that are in the construction trades operating, going.

In fact, we just completed a Community Engagement Center for the University of Maryland Baltimore. It was done on time. We finished a project up in Garrett County, even though contractors came out of Pennsylvania and Pennsylvania shut down construction trade, we were able to get that done. We have the National Park Service project in Williamsport moving along. We haven't missed a beat there. And I can tell you, I'm really concerned about having the virus close down a site. We maintain very strident, strict controls to try to avoid that, and so far, knock on wood, we've been able to keep things going without missing a beat. In fact, our City Garage project, it's so easy to get into the City right now, they were supposed to be done in December, we finished up in August. So construction trades have actually been able to get to the job sites.

So this project is also going to be really important. We're going to be employing a lot of people. Gilbane is going to be the major contractor. We've

got very large minority participation requirements in this contract. And it's going to bring a lot of jobs into Baltimore City. And I understand why you have concerns with what we're doing on the other side. We're working our way through it. I had a phone conversation with Senators Guzzone and Zucker yesterday. I think they understand where we are coming from. They might not like it, but they also -- basically, we're going to work our way through this and people are not going to get hurt. And that's my objective.

COMPTROLLER FRANCHOT: Thank you, Governor. Thank you.

GOVERNOR HOGAN: Yeah, thank you very much. You know, I'll just add that we've been trying to work on this for a couple of months and we've been in discussions with not only MEDCO but with the Chancellor's Office and with our Budget Secretary, Secretary Brinkley, in talking about, I agree. We really shouldn't be taking action against these folks, but I understand that the bond council, that the bond holders need to get paid and need to have that cash flow. So I think finding a way between the University System, the individual universities themselves, MEDCO, and perhaps if necessary some help from the State budget, to make sure that we're not taking action.

And on the comment about keeping construction open, it's one of the reasons why our economy is doing so great and so many people are working. The construction industry is booming. Unlike Pennsylvania and many other states

across the country who shut down construction for five or six or seven, eight months, we kept it open the entire time. And we're doing more construction right now than ever before, keeping the trades busy and keeping people working. So thank you very much.

Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yes, Items A1 through A3, please.

SECRETARY GONTRUM: Items A1 through A3 are emergency procurement reports from the Department of Health. We have Dr. Robert Myers available.

COMPTROLLER FRANCHOT: Great. Dr. Myers, could you just update us on what the status of rapid testing is in Maryland? And I believe that there was an announcement last month by the Governor that we're purchasing rapid antigen tests through an interstate compact. I guess the question is what's the status of that? And how accurate are the results of these tests compared to the other tests that we're --

GOVERNOR HOGAN: Yeah, I can handle that one for you.

COMPTROLLER FRANCHOT: Dr. Hogan.

GOVERNOR HOGAN: We, yeah, we announced about a month ago that we put together a bipartisan group of five Democratic governors and five Republican governors for the acquisition of five million rapid 15-minute antigen

tests. We did an announcement at Becton Dickinson, who employs several thousand people here in the State of Maryland. These BD tests, the rapid tests, are not the same as the diagnostic testing that takes 24 to 48 hours, and they are not as accurate. But they are about 86 percent accurate. We've already gotten, we're the first state in the nation and the first state in this compact to get our first 250,000 of these rapid tests with more on the way. We're also getting rapid tests from the federal government, which are already out to all of our nursing homes.

So we're using Abbott tests, BD tests, and Quidel tests. And we're starting to implement them in lots of different very important areas. I'll just stress that they don't take the place of the more accurate, longer term fully diagnostic tests that are more accurate. But these Becton Dickinson tests don't show false negatives. In about 14 percent of the cases they might show a false positive. So if you get the quick test and it shows you are positive, everybody immediately gets the full test and waits the 24 to 48 hours. But it's, I would say we're, the federal government has finally stepped up in this area and our State government has been leading once again on the testing strategy.

COMPTROLLER FRANCHOT: Well, I kid ourselves that Dr. Hogan and Dr. Franchot and Dr. Kopp are in charge of this thing. But seriously, I

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GOVERNOR HOGAN: I have several honorary doctorates, but they didn't give me a white coat. You know.

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COMPTROLLER FRANCHOT: Yeah. No, but I just want to make sure that, because I notice that the winner of Item A3, ThermoFisher Scientific, the U.S. Food and Drug Administration alerted clinical lab staff and healthcare providers of a risk for inaccurate results using test kits specifically from them. And I just wonder, are we, the 14 percent positivity finding that results in a second test, that can be pretty, that's a pretty large percentage. I'm wondering if --

GOVERNOR HOGAN: Not really, because the earlier versions of these tests were about 50 percent accurate and we refused to use them. These are the best ones available anywhere in the world.

COMPTROLLER FRANCHOT: Well, that's good.

GOVERNOR HOGAN: For the rapid test.

COMPTROLLER FRANCHOT: But if, you know, someone takes the test, and they are, you know --

GOVERNOR HOGAN: -- rapid test without the real test. That's absolutely part of the strategy.

COMPTROLLER FRANCHOT: Yeah. And I'm, you know, perhaps the 14 percent figure is right or not. But the issue that I would like is that, to at least hear from you from, perhaps Governor, is that are we testing, you know, is it State run laboratories that are doing this? Or are we doing independent laboratories, independently operated ones?

GOVERNOR HOGAN: Well, the great news about these rapid tests is they don't need a laboratory. They get, so you get the results right there on little tiny handheld device that's about not much bigger than a cell phone. And there's both private entities, all of our nursing homes and the State Health Department are all now providing them and getting them out to the most important areas where we need those fast results. And it's that in conjunction with the rest of our testing strategy, where we have a huge stockpile, where we're doing more testing than almost anyone, we've done over three million tests. All of that helps us get our economy open and keep people safe.

COMPTROLLER FRANCHOT: Okay. So if I'm, for example, get tested with a rapid test and it shows that I have coronavirus --

GOVERNOR HOGAN: Then you immediately, hopefully right there at the same time on site after the 15 minutes get your other test, which you'll have to wait --

COMPTROLLER FRANCHOT: And then how long does that take?

GOVERNOR HOGAN: -- 24 to 48 hours to get the results.

COMPTROLLER FRANCHOT: Yeah, so I'm just kind of in stark terror until that's done. But thank you --

GOVERNOR HOGAN: Well, we're going to lock you down until you get the results of your second one --

COMPTROLLER FRANCHOT: Yeah --

TREASURER KOPP: There you go.

GOVERNOR HOGAN: -- we're not going anywhere near you.

COMPTROLLER FRANCHOT: Yeah, that makes sense but that could be a lot of people, particularly if they are not subject to that. But anyway, if you, if the doctor, who is the doctor on the line? Dr. Myers?

MR. DEMBROW: Mr. Comptroller, this is Dana Dembrow. You can call me Dr. Dembrow, if you want to. I'm the Director of Procurement for the Department of Health, Governor, Madam Treasurer, Comptroller. We also have on the line the Chief Operating Officer of the Department of Health, and Dennis Schrader and I are both prepared to respond to specifics if you have questions beyond what the Governor has already informed you.

COMPTROLLER FRANCHOT: Yeah. I just want to make sure this 14 percent false positive is in fact what's going on. Because some folks have told me that where these rapid tests have come in, there have been like 60, 70, 90 people who were tested in a row are testing positive. And that, A, obviously terrifies them. And B, if it's inaccurate, it completely gums up the system. I'm told that there was something wrong with how they actually, I don't know what, put the test together or something. I'm just curious as to whether you guys in the Health Department, A, agree with the Governor; and B, are on top of this situation of these rapid tests not being particularly accurate.

MR. DEMBROW: Mr. Comptroller, I believe that we are.

MR. SCHRADER: Mr. Comptroller --

MR. DEMBROW: I'm going to defer to Dennis in just a moment.

But let me explain first of all before he responds, there are two types of tests. One is the checking of antibodies. And in that case if antibodies are detected in a specimen that means the person has or had COVID-19. And oftentimes the antibody test may not reveal accurately whether there are antibodies present. We are now upgrading to a genetic testing called PCR, the polymerase chain reaction. That means that they amplify the nucleic acid that is associated with COVID-19 and that's a much more accurate measurement of whether COVID-19 actually exists. So we're using both types and we are upgrading equipment as well. Deputy Secretary or Chief Operating Officer Schrader, are you on the line and can you add further details?

MR. SCHRADER: Yes, I'm here, Dana, Mr. Comptroller, Treasurer, Governor. Yeah, Dana explained it well. The only thing I'll mention is the point of care test uses an antigen technology, which is a protein. And we are still field testing these and we want to make sure for the exact reason that you mentioned, Comptroller, that as these come into the State, we're doing the antigen tests backed up by the PCR tests. And as we gain confidence, we will reevaluate, you know, week over week. This thing is moving very quickly.

The only other thing I'll mention is on that Connecticut lab, that was a PCR test that you mentioned. And we have that PCR machine in our State public health lab. We are going back and making sure that we validate that test ourselves. But we've been using that PCR test for quite a while. That technology is good technology. Our understanding through the homework we've been doing is that there was a problem at that particular lab in Connecticut with the processing. But we're going to validate that just to be sure.

COMPTROLLER FRANCHOT: Thank you. I appreciate it.
Thank you, Governor.

GOVERNOR HOGAN: Thank you. Any other questions? Or is there a motion on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. Now we're going to 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. We have 12 items on our Real Property Agenda today. We are withdrawing Item 9A. And I wanted to just take a second to highlight Item 12, which is approval of \$20 million in Rural Legacy grant funding, \$20 million in Rural Legacy grant funding, and also

the expansion of five Rural Legacy Areas, which will allow us to continue utilizing this really important land conservation program. With that, I'm happy to answer any questions you may have.

GOVERNOR HOGAN: First of all, Madam Secretary, let me just say I really enjoyed being with you in St. Michael's the other day and talking with some of the businesses, and appreciate all the work that your department is doing. I love the fact that we're breaking records in our State Parks and I want to just congratulate you and your team. And with that, anybody have questions on the DNR Agenda?

TREASURER KOPP: I --

COMPTROLLER FRANCHOT: No. Hats off to you, Governor, for putting \$20 million in for the Rural Legacy Program, unless that was the Legislature. Maybe it was, too. But that's a fabulous program. Madam Secretary, keep it up.

TREASURER KOPP: It --

COMPTROLLER FRANCHOT: It's the best thing we can do for the environment.

TREASURER KOPP: -- created by the former Speaker of the House Cas Taylor from Western Maryland as part of One Maryland, and I think it has worked to bring Maryland together as One Maryland. And is a very good use, I'm sure the Comptroller would agree, of bond funds. And I would just like to

mention 3A, the Open Space in Dorchester County. I received a communication from Senator Addie Eckardt, who pointed out most particularly how important the six trash receptacles will be, that she herself spends significant time out there picking up trash and knows how difficult it is to keep the place safe and healthy. This is a nurse and Senator speaking. So I thank you for it.

MS. HADDAWAY-RICCIO: Well, thank you. First, Governor, and thank you for visiting St. Michael's along with the First Lady. I know our local businesses really appreciate your support and having the opportunity to engage with you. And to all the Board members, thank you for your continued support of Rural Legacy. You may recall last year we celebrated 20 years and over 100,000 acres preserved. And that's due and thanks to your support of these programs. And Madam Treasurer, thank you for highlighting the Sailwinds project. As the Governor pointed out, we have increased use of all of our Parks and all of our open spaces, and along with that comes the added impact on those spaces. So this is a really important project for the Cambridge waterfront. It's a highly utilized area. But a great recreational opportunity for the City of Cambridge right along the waterfront and connecting to our Bill Burton Fishing Pier. And I know Senator Eckardt has been out there personally cleaning that area and taking care of it as a resident of Cambridge, which we greatly appreciate her stewardship.

GOVERNOR HOGAN: Yeah. Boy, lastly I just want to say I'm really looking forward to Saturday when we have the graduation, the swearing in of a new NRP class. We appreciate all of those folks that are going to be part of one of the oldest marine law enforcement organizations in the nation. And I'm excited to be there with you on Saturday to congratulate these young men and women. Any other questions?

MS. HADDAWAY-RICCIO: Well, thank you.

GOVERNOR HOGAN: Any other questions? Or is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: All right. Three-nothing. Thank you, Madam Secretary. Now --

MS. HADDAWAY-RICCIO: Thank you.

GOVERNOR HOGAN: -- we're going to move on to the University System. I hope we move on. Nothing on University System? We'll move on to the Department of Transportation. Good morning, Mr. Secretary.

MR. SLATER: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. The Maryland Department of Transportation is

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presenting 18 items today for your consideration. And myself as well as members of our team are here to answer any questions you may have.

GOVERNOR HOGAN: Any questions on the Transportation Agenda?

COMPTROLLER FRANCHOT: Zero. Good job.

GOVERNOR HOGAN: Wow, well, good job, Mr. Secretary. I say we take it while we can and, you know, I'll call for a motion.

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: That's three-nothing on Transportation. Thank you very much. We're going to move on to the Department of General Services. Well, maybe we're having some technical difficulties with University System and DGS. Are we? No items? Well, we have the Deputy Secretary of DGS here but we don't have -- oh, University has none. But DGS does, you have 26 items I think.

MR. REICHART: Yes, we do. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Nelson Reichart, the Deputy Secretary of General Services. Today we are presenting 26 items for your consideration, including one supplemental item. We are withdrawing Item 3-AE. Our representatives are all online to answer any questions you have about the

DGS Agenda. And I believe on Agenda Item 1, the Frederick County Executive Jan Gardner and her Director of Public Works are here to speak with you.

GOVERNOR HOGAN: Yeah, well thank you. Let's get started with that Item 1. It's a \$3 million grant for Frederick County for the Lake Linganore dredging project. And we'll maybe hear from County Executive Gardner.

MS. GARDNER: Okay, I think I've shown up. Can you hear me?

GOVERNOR HOGAN: Yeah, we see you. Good to see you.

MS. GARDNER: All right. Good morning and thank you very much for providing me with the opportunity to speak. For the record, I am Frederick County Executive Jan Gardner and I am joined by several individuals from my staff, as well as from the City of Frederick representing Mayor Michael O'Connor, and part of the Lake Linganore Association, and also from Oakdale Investments, which is the developer of Lake Linganore.

So I want to begin by thanking the Governor for including funding in the capital budget to support the dredging of Lake Linganore. That is very much appreciated and it is an important water quality and water capacity project for the City of Frederick and for Frederick County. And the county has been involved in removing sediment from the lake in an ongoing project.

Today I want to request the Board of Public Works approve the waiver to exclude one of the property owners as a beneficiary to the grants, and

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then to approve the two grants for a combined total of \$3 million for the Lake Linganore dredging project. I'm pleased with the DGS recommendation asking you to consider the waiver and to enter into the grant agreements.

On the dredging project, it's removing sediment that has accumulated in the lake over the last 48 years. It allows the recovery of lost reservoir capacity and improvements in water quality, which is a primary source of water for the City of Frederick. The \$3 million grant will supplement \$18 million that's been invested by the city, the county, and the Lake Linganore Association, and it will remove about 130,000 cubic yards or 37 percent of the sediment in the reservoir. The \$3 million in additional State funding will certainly allow us to remove additional cubic yards of sediment, which will ensure adequate capacity of water supply for the City of Frederick for decades. So again, it's an important project for the city and county, as well as for Lake Linganore. Now Secretary Brinkley and Secretary Grumbles have toured the project and certainly have a good understanding of its goals.

So in August we became aware of an issue regarding ownership of the land under the lake, under the water. So a portion of the underwater land is identified by SDAT as being owned by Oakdale Investments, again, who is the developer of the balance of the Lake Linganore planned unit development. So during a conference call with DGS staff last month, it was recommended that the

county request a waiver to eliminate Oakdale Investments' need to sign the grant agreements. And we think that waiver request makes sense and is reasonable.

The dredging is occurring under the water and not on any developable land. The developer has objected to signing the grant agreement as a beneficiary because the dredging project is really under the control of the county. It's occurring in the waters of the State. The lake itself is controlled by the Lake Linganore Association and they are one of the other signatories to the agreements. So Oakdale Investments doesn't have control over underwater property. Certainly, they are not developing underwater property. And so, you know, and eventually all of that land, that ownership of that land under the lake will transfer to the Lake Linganore Association when the development is completed.

So I don't know if you want to hear additional information about it. We can certainly answer any questions you may have. But we really would ask you to support the waiver and support approving the grant request. And again, we have lots of people on the phone with us who can answer any technical questions you might have.

GOVERNOR HOGAN: Thank you, Madam County Executive. We appreciate you being with us this morning. And if nobody has questions for you, we have another speaker that we'd like to hear from as well. And that's Zach Kershner, who is the Director of Public Works for the City of Frederick.

MR. KERSHNER: Thank you. Good morning. I appreciate the opportunity to speak. I'm here representing the City of Frederick, and for the record my name is Zach Kershner, Director of Public Works. And I just wanted to say that, if approved, these grant funds provide an incredible opportunity for the city to accomplish additional dredging through the partnerships with Frederick County. And that dredging will provide for the capacity needed to provide a water source for our residents far into the future. So I appreciate your consideration of this request. Thank you very much.

GOVERNOR HOGAN: Yes, thank you very much. Anybody have any questions on this topic or on any other items?

COMPTROLLER FRANCHOT: I want to thank the County Executive. Now I know a lot about dredging out there. That's good. And thank you for taking the time to bring us up to date and a great part of our State. Thank you.

MS. GARDNER: Thank you.

TREASURER KOPP: I agree. I was going to ask the County Executive whether her offer of more testimony was a threat or a promise.

(Laughter.)

TREASURER KOPP: I appreciate it. It sounds like a very good project.

MS. GARDNER: Thank you.

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GOVERNOR HOGAN: Well, great. Any other --

MS. GARDNER: We appreciate your support for -- I'm sorry.

GOVERNOR HOGAN: No, no. Thank you very much. We're happy to have you with us today and we're happy to support the project. Any other questions on this item or any other topics on the DGS Agenda? If not --

COMPTROLLER FRANCHOT: Item 13, please. Item 13. So Deputy Secretary Reichart, this is a request for us to maintain a cloud based electronic patient health record system for the correctional system. I noticed that what we're approving today, plus what has already been there, it is in effect a total contract of \$41.5 million. My concern is that the second bidder was not a total of \$41 million, but was a total of \$14 million. So why aren't we going with \$14 million?

MR. REICHART: I believe Secretary Robert Green and Deputy Secretary McCully are available to respond to your questions. Secretary Green?

COMPTROLLER FRANCHOT: Oh, great. Hi, Mr. Secretary.

GOVERNOR HOGAN: Good morning, Mr. Secretary.

MR. GREEN: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We are here to respond to those questions. I have with me today three of our staff that will also be involved in that. This project for the electronic medical records began in 2016. It is a project integral to bringing together medical, dental, mental health, as well as a strong interdependence on the

operational aspects of all of those initiatives, as well as the continuity of care for our reentry. In appreciation of your question, Mr. Comptroller, may I ask that Anna Lansaw, our Director of Procurement, give you the review process and then we'll have another brief overview on the technical side that assisted in those decisions. Ms. Lansaw?

MS. LANSAW: Good morning, Governor, Comptroller, Madam Treasurer. For the record, my name is Anna Lansaw, Director of Procurement for the Department of Public Safety and Correctional Services.

Regarding your question, NaphCare with being a susceptible bidder as they met all the requirements of the RFP and took no exception. Therefore, NaphCare's price proposal was opened and evaluated accordingly. The department provided opportunities through discussion and best and final offers to allow NaphCare to revise its pricing. Even though NaphCare submitted a low price and missed the opportunity to submit revised pricing, it still did not provide adequate justification to disqualify NaphCare for being reasonably susceptible for being selected for award.

MR. GREEN: If I may ask you as well, our Project Manager who did the technical evaluation, which will speak to how the pricing was developed. Amaro Thiam, please?

COMPTROLLER FRANCHOT: Could someone explain to me why we have a \$26.8 million difference in these two bidders and we picked the

high bidder rather than the low bidder? Just was it because something was wrong with their bid? Or was it concern they weren't able to do it? Or --

MR. GREEN: Yes, Mr. Comptroller. And I believe our Project Manager Amaro Thiam will speak directly to that. You will find some comparison information also in the document around the technical ability, responsiveness, and what seemed to be just an extremely artificially low bid. If I may, Mr. Thiam, our Project Manager.

MR. THIAM: Good morning, Governor, Mr. Governor, Mr. Comptroller, Madam Treasurer. For the record, I'm Amaro Thiam, Project Manager for this project.

Fusion present a tightly integrated and cohesive system, which leverages work flow logic that is in line with and comparable with industry leading health record systems and distinguishes top level products from generic products. NaphCare's system appears archaic from a design, look, and feel perspective.

The organization and presentation of the information displayed in the Fusion solution is more natural and accessible to a user when compared to the NaphCare's product. Fusion has proven experience working with various state correctional facilities, versus NaphCare's record of working primarily with counties and local correctional facilities.

By proposing a low bid price, NaphCare has taken significant risk in contract performance. Based on the department's previous procurement experience with similar IT systems in terms of complexity, as prices push downward, performance risk goes up. The consequences of failure on this project would be considerable given the urgent need to meet the department's requirements of the Duvall settlement. Such consequences include but are not limited to late deliveries, litigation, cost overruns, and project delays.

During the demonstration, each member of the Fusion team members was well versed in all aspects of the system and conversant with how the system can address the department's need with an appropriate solution. They were well prepared and able to answer the committee's questions. In doing so, Fusion showed the committee they could have confidence in their ability to identify key resources to complete this project. Fusion stands head and shoulders above their competition and the department is looking forward to working with them on this project.

COMPTROLLER FRANCHOT: Are we going to own the data, Mr. Secretary, after this contract is over? Or are they going to?

MR. GREEN: We own it. This is a system that will be owned by the State. We own the data. Mr. Combs, our CIO, may have one final 30-second comment around the evaluation with our colleagues at DoIT as well, Mr. Comptroller, that showed this bid was more at market value. Mr. Combs?

MR. COMBS: Good morning, Governor, Mr. Comptroller, Madam Treasurer. For the record, my name is Kevin Combs. I'm the Chief Information Officer for the Department of Public Safety and Correctional Services.

The item before you was reviewed by DoIT both from a technical and price standpoint and we were given a green light to proceed with the procurement. Thank you.

COMPTROLLER FRANCHOT: Thank you. That's all I need, Governor.

GOVERNOR HOGAN: Thank you very much, Mr. Secretary. Any other questions on the DGS Agenda? If not we'll call for a motion and a second.

COMPTROLLER FRANCHOT: Give me a second. Let's see. So could we just hear quickly on Item 15, not, I don't have any problem with the renewal option that the contract is talking about. But I just want to confirm that what I read in the newspaper is correct about the Maryland State Police Aviation Command. Is there someone there that can assure me that in fact there is a budgetary change there? I recall reading about it in the newspaper. But do we have to do something at the BPW to --

GOVERNOR HOGAN: No.

COMPTROLLER FRANCHOT: -- restore the funding? Or is it all like magic put together?

GOVERNOR HOGAN: I think maybe Secretary Brinkley can address that, if there's nobody from State Police.

MR. REICHART: Captain Fisher is available to talk about the --

GOVERNOR HOGAN: Oh, okay. Great. Yeah.

COMPTROLLER FRANCHOT: Oh, great.

GOVERNOR HOGAN: Very good.

MR. REICHART: Captain Fisher?

CAPTAIN FISHER: Good morning, yes. Captain Fisher here, Governor, Mr. Comptroller, and Madam Secretary, correction, Madam Treasurer. Thank you everyone. Comptroller Franchot, would you mind just reclarifying your question about aviation? I --

COMPTROLLER FRANCHOT: Yes, I just want to make sure there's not something formally that the Board of Public Works has to do on this reduction that caused quite a kerfuffle. And I'm glad to see that it got reversed, I just want to know is there something that we need to do administratively to make sure that, you know, I read about it in the newspaper. But is there something other than a press release, I guess, that needs to be looked at?

GOVERNOR HOGAN: Yeah, I directed the Superintendent of State Police and the Budget Secretary to, you know, fund it. And they both have taken action. And we can get maybe Secretary Brinkley to address the details.

But it doesn't require action by the Board of Public Works. Because we're just doing the budget items ourselves.

COMPTROLLER FRANCHOT: Oh thanks --

MR. BRINKLEY: That's correct, Governor and Mr. Comptroller. You took the action. You took the action on the '21 budget as we move forward. But it was broad and it was to the State Police budget itself on the aviation facility. The Governor has made the direction that we keep everything moving forward, and therefore we will handle it as a deficiency if they don't already have other funds within the existing budget now. So it's not going to be an issue. You'll certainly see it as we submit it, but retroactive to this, to the '21 budget as a deficiency.

COMPTROLLER FRANCHOT: Fabulous. Thank you, Governor. That's terrific. Mr. Brinkley, could you weigh in on the \$500 million maybe and we could help you, you could help out and get that looked at a little more closely? Because you seem to have the magic touch.

MR. BRINKLEY: I'm working very closely with the Governor and his team in communicating what tomorrow's announcement will be.

COMPTROLLER FRANCHOT: Excellent.

MR. BRINKLEY: But keep in mind we still have to deal with certainly the '21 budget, and we have to deal with any unknowns that come forward with the '22 budget. Which is why the, you know, the money left over

from '20 helps us cushion it in addition to the Rainy Day Fund. But we still have an awful lot of moving parts here. And our issue, and certainly the three of us, the Treasurer and the Comptroller and I sitting on that Bureau of Revenue Estimates, are constantly seeing how the signs of revenue predictions have been thrown out the window with this whole pandemic.

GOVERNOR HOGAN: That was a good evasive answer, Mr. Secretary. I appreciate that.

(Laughter.)

MR. BRINKLEY: It came from the Senate, Governor.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Yeah, a long time in the Senate. You can tell. Yeah.

TREASURER KOPP: Governor, could I just say on this item, I'm glad to see that so much concern was voiced and it was heard and it could be corrected. I would point out there were other cuts that were taken that I believe were not appropriate. I didn't have the vote but if you are in the mood for going back and looking at things that need funding, I'm sure that we could send you a list.

GOVERNOR HOGAN: I think the Budget Secretary would argue there were hundreds of millions of cuts we did not take that we should have --.

TREASURER KOPP: That's true, too.

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(Laughter.)

MR. BRINKLEY: You're right, Governor. I would argue that. Again, we'll just have to see what the BRE comes up with in December. Because those are some, you know, we are in uncharted territory here. All of us know that. And we're trying to certainly be responsive. I don't want to say reactive. We're trying to be responsive to the needs that we have going forward. But you know, again, there's no textbook for how we deal with any of this.

GOVERNOR HOGAN: And some of our discussion internally, Madam Treasurer, was the uncertainty of what happens with the economy with the potential fall and winter surge which we're seeing a lot of our experts talk about, which could be devastating to the economy, further devastation, which is going to, could dramatically impact our revenue estimates. And we figured that we should postpone our additional decisions until we get that December action by the Board of Revenue Estimates and as we're looking to put together our budget going into the pre-session time frame.

TREASURER KOPP: I think that's very prudent. I think that's quite prudent. I appreciate that. Could I just say, also to go back for a moment to the item the Comptroller brought up, the 13-IT. I have no basis on which to disagree with the combined Departments of Public Safety and Correctional Services and DoIT. I'm not quite sure that I entirely understood all the responses to the Comptroller's question. But I'm not sure that further questioning will get

anything that I understand much better. But I appreciate your raising those questions, Comptroller.

GOVERNOR HOGAN: I internally raised the same questions and I understand and appreciate the concern. You know, I was convinced after hearing from the experts that this was critical to the compliance with the Duvall settlement and that it could cause serious problems if we went with a deficient contract that wasn't providing all of the things that were required. And so, but I, the first thing I said was, what, why is there such a big difference? And the answer, the simple answer was the one contract didn't, wouldn't really take care of the issues we had to address. And this one is more expensive, but also more inclusive and more effective.

COMPTROLLER FRANCHOT: Don't you agree with me, Governor, we could every once in a while use a few less lawyers telling us --

GOVERNOR HOGAN: I, you know, with all due respect to my lawyer friends, I've been saying that for decades. You know, long before I became Governor I've been saying we had too many lawyers.

TREASURER KOPP: Well, Governor, I'm not sure that I disagree that we need people besides lawyers. But I would point out to the Comptroller that Shakespeare said that in the context of first we kill the lawyers and then you do away with law.

COMPTROLLER FRANCHOT: Uh oh. Okay. I stand corrected.

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TREASURER KOPP: 7-S is about DJS physicians. And I support the item. But it's clear that DJS have had problems with the care at, physician care at their institutions and their facilities for years, as well as other contracts. And I just would love to hear at some point how this is being approached and what the answers are for getting at, with the resources we have, the State salary, etcetera, the sort of professional assistance that DJS needs. I just at some point.

MR. REICHART: Madam Treasurer, Joe Cleary, the Chief of Staff, is here available on line to address your questions.

TREASURER KOPP: I assume Mr. Cleary is ready to address the questions about Item 7 in particular. I think my question is a broader one, however. I'm not sure --

GOVERNOR HOGAN: Maybe we can have Secretary Abed follow up with you directly --

TREASURER KOPP: Yes --

GOVERNOR HOGAN: -- and you know, answer any questions you might have in a broader sense, rather than just on this item.

TREASURER KOPP: Yes, and let me say these are problems that pre-date the Secretary. I mean, I'm not drawing a bead on anyone in this. But it's an ongoing concern.

MR. REICHART: We will be in touch with Secretary Abed to meet with you and address your questions.

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TREASURER KOPP: Thank you.

MR. REICHART: Mm-hmm.

GOVERNOR HOGAN: Thank you --

COMPTROLLER FRANCHOT: Move approval, if that's appropriate, move approval.

GOVERNOR HOGAN: Very good. Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Well, three-nothing on DGS. And I believe that concludes our Agenda today. I want to thank everybody for all of their preparation and answering our questions. And I want to thank my colleagues for all the great work that we do together. And with that, that concludes our Board of Public Works for this morning.

TREASURER KOPP: Governor, let me just point out the next time we come together, this Board, I believe is the 4th of November.

GOVERNOR HOGAN: Yeah, we hopefully will know some result the next time we get together. I'm hoping that we're not still counting votes by then.

TREASURER KOPP: See you then.

GOVERNOR HOGAN: Okay. Take care.

(Whereupon, at 11:15 a.m., the meeting was concluded.)