
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
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PRESENT

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Treasurer

HONORABLE PETER FRANCHOT

Comptroller

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PROCEEDINGS

[LIEUTENANT GOVERNOR RUTHERFORD: Well, good morning, everyone. It's great to be back in person with the constitutional officers, the Treasurer and the Comptroller. We're in a hybrid setting this morning and we're almost there. We're getting close to] being completely open with the Board of Public Works. When I announced a couple of weeks ago, which surprised people particularly here in the State House, that we were going to come back, my response to the folks here on the second floor was, you opened the State House, so that means the Board of Public Works is open again. So we all agreed to a hybrid setting. And I, and there is a benefit, actually, for some of, when we think about the agencies that come down and they in many cases bring five or six people with them to testify about one event and they all drive separate vehicles and they take a couple of hours out of a productive day to stand around in case they get a question, that they could very well sit at their desk and if they get that question to pop on a screen or pop on a call to answer those particular questions. So it's something that, you know, John, maybe we should think about, you know, in the future in terms of just, you know, the efficiency of using technology as well as having people in person and in person testimonies, but utilizing that particularly for our State employees who are maybe

driving in from other places for just one or, you know, a possible question that they may get.

I will give just a very quick update on the coronavirus pandemic. As most of you know, it was announced earlier in the week that the State has reached at least one vaccine for a little over 70 percent of our adult population. Overall, when you include the total population, it's about 57 percent have received at least one shot. And we're getting close to 50 percent of our total population fully vaccinated. We still have a ways to go. I think we are starting to hit the resistance and hesitancy wall. And it's probably not a strong wall. There's going to be some, I think some segment that just will never want to get a vaccine. But we're now hitting those people that haven't gotten around to it, or are a little hesitant, so we've changed the, kind of the strategy to reach those folks to really try to reach out to them where they are. We have a Summer Vaccine Tour, which some people have called the Summer of Love, not to be confused with 1968 --

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: -- not to be confused with that. But, going to different events that occur during the summer to have pop-up vaccine sites, if it's a barbeque tournament or a barbeque festival and different festivals that take place and some back at the county fairs, things of that

nature, to try to reach more people where they are to get the vaccines out as much as possible.

One of the good trends that we are seeing is now that Pfizer has been approved for 12 to 17-year-olds, we're definitely seeing a surge of that, of the younger people. I think it's parents who have already gotten vaccines, they are bringing their kids so they can send them off to camp, get rid of them for the summer --

TREASURER KOPP: I'm not sure I would put it that way --

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, maybe not. No, they want them to enjoy the great outdoors, away from them. And so those are good signs. And so we will continue to see that.

And speaking of the great outdoors, as we have talked about many times, and as both the Treasurer and the Comptroller know that I've been doing the park tours, but there's more to do this summer, including not just the parks. And Madam Secretary, thank you. I think we're up to, I've gone to over 40. I don't know the exact number.

MS. HADDAWAY-RICCIO: That's right --

LIEUTENANT GOVERNOR RUTHERFORD: -- out of 75 parks -

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MS. HADDAWAY-RICCIO: -- I believe.

LIEUTENANT GOVERNOR RUTHERFORD: -- so we still have a little bit more to go. But there's also the Ice Cream Tour, going to the creameries around the State. So you can visit different parts of the State, enjoy the fresh ice cream from some of our dairies that are still in operation that are selling that fresh ice cream. And so it's something that's, you know, something that's great on a summer day, a nice drive and if you want to, you can go to a park nearby.

So with that --

TREASURER KOPP: How many creameries?

LIEUTENANT GOVERNOR RUTHERFORD: I want to say 11, there are 11 in the State, ranging from Cecil --

TREASURER KOPP: -- letting everybody know. Because those creameries are going to get a lot of business if they --

LIEUTENANT GOVERNOR RUTHERFORD: There are some that are trying to get me to add that to my park tour, a creamery tour. But I just, I'm a little concerned about my waistline on doing that. So we'll see. I'll have to revisit the parks if I do that.

So with that said, again it's great to be in the presence of the Treasurer and the Comptroller. And with that, I'll turn to the Treasurer for comments.

TREASURER KOPP: Thank you. Well, it is so good to be back. It just, I can't tell you. Even if we're turned around a little bit --

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: -- it's great to be back and it's great that Maryland is doing well in terms of recovery, both in terms of the pandemic and at least until now economically.

I'd just like to mention a couple of things since we met before.

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: Of course, one was Memorial Day.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, yes. I'm sorry.

That was --

TREASURER KOPP: -- had a memorable Memorial Day. It was one of the first times that I had not gone to Arlington to visit my parents, who were buried there. But I certainly thought of them and I know many others did, and just really a moment to pause and appreciate. And another moment to pause and appreciate came yesterday, at the 100th anniversary of the Tulsa Massacre, an event

that most of our schoolchildren never learned about and should. And I hope from now on, will. America has a long way to go. But recognizing it is the first step towards the future. And I think it's really a great thing that in this past year, a lot of blinders have been removed --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- and a lot of lessons learned. And the potential for going forward more equitably, more openly, towards a shared future I think has never been so great, just as it has never been quite so openly challenged. And every week, we are learning something new.

The other thing this month, I don't want to let pass, is Pride Month and the fact that we are all celebrating inclusion, recognition, and the importance of all individuals. I think it's just one more example of the bright future we could, we could, have.

I will only mention in passing, Governor, that I know the decision that Governor Hogan has made regarding unemployment insurance. I strongly disagree with that decision. I believe most people are not not working because of the \$300 which will now be taken away from them, mostly single family, single women, actually, with children or dependents, older dependents. And taking \$300 away is not going to allow them to go to leave their dependents, it's only going to

make them live in bigger misery. But that is the Governor's decision. And with that, I've said enough.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And I would like to associate myself with your remarks, and also the remarks of the Treasurer. And I was in Elkton for the Memorial Day parade on Monday. I agree with her on the other subjects that she brought up. Madam Treasurer, thank you for your normal eloquence.

I'm fully vaccinated. It's okay. So I say that to everybody, because I want to say it. It took me months to remember to take my mask with me. The number of times I had to turn my car around and go back to my house to get the mask in the early days, it took me a long time to get myself trained. Now I'm trying to train myself to be normal and not wear a mask and be vaccinated --

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

COMPTROLLER FRANCHOT: -- and urge other people, as you did, Lieutenant Governor, to get vaccinated. Because that's the way out of this pandemic.

I would like to follow up on the Treasurer. I also found it exceedingly disappointing to hear the news yesterday that Governor Hogan joins a growing list of Republican governors in ending the critical economic lifeline to tens of thousands of Marylanders who still, through no fault of their own, find themselves without a job. We seem to do this all the time in this country. We get into a tight situation and we somehow figure out a way to give money to people that may or may not need it, and take money from the lowest wage earners. And we're doing this despite the fact that more than a year later and after millions of dollars in staffing and services contracts, the State Department of Labor still can't manage to process unemployment claims expeditiously, answer the phones or emails in a timely fashion, and thousands of Marylanders still find themselves in adjudication. I will mention that they have given out \$12.3 billion in unemployment benefits, but good luck trying to get something resolved. And we're estimating that there is a significant amount of completely unnecessary fraud that went on with that enormous expenditure of federal and State unemployment checks. We'll get to the bottom of that later this year.

This last week, according to data from the Department of Labor, 15,182 Marylanders filed for unemployment, nearly 6,000 of them being categorized under the federal pandemic unemployment assistance. And they would

be, and will be, directly impacted by the Governor's actions today. We're talking about an extra \$300 per week in federal money to low wage earners and gig workers and sole employers. Most of them have been devastated by this economic and public health catastrophe. It was supposed to run out anyway September 6th. But instead, we're taking advantage of some complaints, I guess, to end it prematurely, two months early. If we were to forego the additional federal unemployment assistance, according to my revenue estimating experts, we're talking about losing \$1.5 billion in additional economic stimulus between now and September when this program is already scheduled to end. Just repeat that number: we're giving up voluntarily \$1.5 billion in additional economic stimulus. And it's not even our money. It's coming from Washington. It's not like we're talking about millions of dollars in tax breaks to rich corporations and billionaires. Obviously they have had tremendous benefits doled out to them. Unemployment benefits not only help those who are hurting, the down and the out, the lowest wage earners, the bottom one-third of our workforce, but those benefits have been economic multipliers and have helped our local businesses and helped the economy everywhere in the State of Maryland much more broadly than just the recipients by providing them, the small businesses around the State, with more customers who have more money to spend with them. What's more, for the millions of Marylanders that are in hard times,

this money is virtually guaranteed to be spent rather than be saved in the bank because their need is so great. And remember, most of their relief, federally and State, is filtered through the earned income tax credit program, which is something that leaves out tens of thousands of Maryland families, many of them, as the Treasurer noted, single moms with kids.

This means that unemployment benefits are one of the surest measures of delivering multiple benefits to workers and businesses alike making it an efficient and effective stimulus. At the end of the day, this is about compassion for those who are suffering through no fault of their own. The end of the pandemic is in sight, right around the corner, and we owe them a bridge to it so that they can soon return to safe, productive living. Instead we're getting within sight of the shore and what are we doing? We throw some of the passengers we're responsible for overboard and tell them to swim for it because we're scared if we continue building that bridge to normalcy, some might not use it. I mentioned the predicted fraud in the unemployment benefits. There is fraud. It's unfortunate. We're opposed to it. But we don't stop the relief plan because some people abuse it. This is a public policy decision that lacks compassion. I find it deeply troubling and unfortunate that the Governor has chosen to go down this path that will further devastate the lives and livelihoods of the most vulnerable among us. I respectfully

urge the leadership of the General Assembly to consider all options, including come back, convene a special session to reverse the Governor's decision. Because Marylanders frankly deserve better than this. Thank you, Lieutenant Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

TREASURER KOPP: Well said.

LIEUTENANT GOVERNOR RUTHERFORD: Well, okay. Well said, but I agree with the Governor on this. Mr. Secretary?

SECRETARY GONTRUM: Good morning, Governor, Madam Treasurer, Mr. Comptroller. John Gontrum, Executive Secretary of the Board of Public Works. There are 13 items on the Secretary's Agenda and three reports of emergency procurements. Item 11 is being withdrawn at the request of the agency. Items 3 and 4 relate to the final adoption of the Board's proposed tidal wetlands licensing regulations. I'm happy to assist with answering any questions.

LIEUTENANT GOVERNOR RUTHERFORD: Questions for the Secretary on the Agenda?

COMPTROLLER FRANCHOT: Move approval, if the Treasurer agrees.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I think we're all in favor.

SECRETARY GONTRUM: Very good. It's very good to see you all.

LIEUTENANT GOVERNOR RUTHERFORD: Good to see you. And we're still doing testing at Orioles Park. All right. Department of Natural Resources?

MS. HADDAWAY-RICCIO: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. We have five items on our Real Property Agenda today for which we are seeking approval, and I'm happy to answer any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: I don't have any questions.

COMPTROLLER FRANCHOT: How many parks are there?

MS. HADDAWAY-RICCIO: We have 75 State Parks in our system.

COMPTROLLER FRANCHOT: I think the Lieutenant Governor is the first person to visit all 75, or will be.

LIEUTENANT GOVERNOR RUTHERFORD: I, yeah, will be.

TREASURER KOPP: Will be.

LIEUTENANT GOVERNOR RUTHERFORD: I don't know --

COMPTROLLER FRANCHOT: I'm impressed by that.

LIEUTENANT GOVERNOR RUTHERFORD: Well, let's say first maybe elected official, I don't know if even that. But I'm quite sure there are some Marylanders out there that have hit all the parks.

MS. HADDAWAY-RICCIO: Yeah, it's a great question.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

MS. HADDAWAY-RICCIO: But I'm sure you are the highest ranking and probably --

LIEUTENANT GOVERNOR RUTHERFORD: -- recent --

MS. HADDAWAY-RICCIO: -- elected official to do it so far.

LIEUTENANT GOVERNOR RUTHERFORD: And I have to say, it wasn't an original idea. I read a story, and this was a couple of years ago, and Governor McAuliffe was still in office. And I guess he's possibly going to come back to office in Virginia. And he said he was trying to go to every park and in the state during his term. And I said, ah, that's a good idea.

COMPTROLLER FRANCHOT: Fabulous.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah.

COMPTROLLER FRANCHOT: You should write a book about it.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah. I'll have to remember all the parks. They kind of start merging together a little bit.

TREASURER KOPP: -- scrapbook.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, a scrapbook, I should. So, no, and the Secretary has been with me on I think almost all of the parks. We've been in the rain. We've been in the snow and the mud and the heat. I even got Lyme disease during, you know, probably one of them. And so I recovered.

TREASURER KOPP: Are you keeping a journal?

LIEUTENANT GOVERNOR RUTHERFORD: That's only in my mind, but maybe that's what I need to do. We have the electronic photographs. So a lot of that will come back. We have electronic, you know, I guess information that could be fleshed out in some journals.

TREASURER KOPP: And the map.

LIEUTENANT GOVERNOR RUTHERFORD: And the map. The map is on my website, yeah. So, okay. If there are no questions, we have a motion, or did -- we already took it?

COMPTROLLER FRANCHOT: I think we took it.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, we already
took it?

COMPTROLLER FRANCHOT: It was seconded.

MS. HADDAWAY-RICCIO: -- motion and voting.

TREASURER KOPP: Natural Resources.

LIEUTENANT GOVERNOR RUTHERFORD: You say we do?

SECRETARY GONTRUM: I think there is a motion, correct?

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Did we get
a second?

COMPTROLLER FRANCHOT: Yes. It did get a second.

LIEUTENANT GOVERNOR RUTHERFORD: All right. So we're
all in favor. Thank you.

SECRETARY GONTRUM: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: We were talking
about parks, I got thrown off. University System?

MR. HICKEY: Good morning, Governor, Madam Treasurer, Mr.
Comptroller. Tom Hickey representing the University System of Maryland. We

have two items for your consideration this morning and are happy to answer any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: Any on the University System, the two?

COMPTROLLER FRANCHOT: I don't have any.

TREASURER KOPP: Tom, I just, I hope you'll relay to the President of the University of Maryland Eastern Shore our thanks for their very prompt and thorough response to our questions.

MR. HICKEY: Absolutely.

TREASURER KOPP: It's a significant, significant change, Item 2-C, the natural gas distribution. We are still looking for the end of the bridge when we have to, when we are able to stop using a bridge fossil fuel. But it does look as though this move is both good for the environment, good for the air, and good for the budget. And I believe that the funds saved, which will be significant, will be put into new renewable energy sources for the university. Is that --

MR. HICKEY: That's correct.

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. So do we have a motion on the University System?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: All right. We're all in favor then.

MR. HICKEY: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. Department of Transportation?

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 presenting 15 items for your consideration today and we have representatives available to answer any questions.

LIEUTENANT GOVERNOR RUTHERFORD: You're losing your MTA Administrator.

MR. SLATER: He's going to Vancouver.

LIEUTENANT GOVERNOR RUTHERFORD: It's a beautiful city.

MR. SLATER: It is. He went there for a conference and said he fell in love with it, and then a head hunter called him one day and said, would you be interested in applying? And he did. I'm not sure I could have talked my whole family into a move like that, but he did.

TREASURER KOPP: Well, there are some very significant items that he accomplished before us prior to his departure, which --

MR. SLATER: He did. Kevin did an amazing job in a very challenging time. You know, it's one of the challenges we have with our Baltimore Transit System is we're really a diverse kind of mid-sized system and when you have someone that has success in a system like that, those larger systems will tend to look for those types of leaders. But I can't thank Kevin enough. He did an amazing job and I learned a lot from him when I came into this role as well.

TREASURER KOPP: That's great. Well, it does look to me as though the MTA items here, particularly Item 3 and 4, agreements with CSX --

LIEUTENANT GOVERNOR RUTHERFORD: Right.

TREASURER KOPP: -- we've been struggling for a long time to get agreements with CSX and if he had to leave on a high note, that's a very high note. I congratulate you and him.

MR. SLATER: Thank you.

COMPTROLLER FRANCHOT: It's not an inexpensive note.

MR. SLATER: No.

LIEUTENANT GOVERNOR RUTHERFORD: No.

COMPTROLLER FRANCHOT: No.

TREASURER KOPP: But it's an investment that is really, I believe, going to continue to grow our mass transit in a very significant way, just like the tunnel.

MR. SLATER: Absolutely. And you know, you look at CSX, where any day now we're expecting our decision on Howard Street Tunnel from the Federal Rail Administration. That will be another CSX agreement that will be tremendous. And you know, just trying to find a path for passenger rail and freight rail around that region.

COMPTROLLER FRANCHOT: Could I just give credit where credit is due? Obviously, Secretary Slater and Administrator Quinn are very important here. But I would like to give due credit to Governor Hogan on the tunnel particularly, because that has been a burr under the State's saddle for a long time.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

COMPTROLLER FRANCHOT: And hats off to the administration and to its team for making that happen. I actually, these two items, I agree with the Treasurer, show how important transit issues are and how difficult they are to address, particularly when you have CSX and the history of frayed relations there on some of those issues. But I wonder if we could hear from Administrator Quinn?

Everybody has mentioned that he is leaving us. He is going to be CEO of TransLink, I guess, and I wonder if the Ambassador, or the Administrator --

LIEUTENANT GOVERNOR RUTHERFORD: Ambassador?

(Laughter.)

COMPTROLLER FRANCHOT: -- maybe he would like to say something and about how important, you know, mass transit is to the State as far as getting people to and from work and home.

MR. SLATER: Absolutely. Administrator Quinn, I believe he's on the phone, if you are ready to come in and say a few remarks about, you know, your legacy. I think, you know, one of the things that Kevin has done a really amazing job at on top of the really tangible things is he has built a pretty solid team over there. And we're now at the first time where they have leadership at a variety of different levels. We have Holly Arnold, who has agreed to step in, who is one of the deputies, to take over in that acting capacity and really just kind of without missing a beat just continue to make progress. Kevin, are you on?

MR. QUINN: Can everyone hear me okay?

COMPTROLLER FRANCHOT: Great. Yeah, the British --

MR. SLATER: Look, no tie --

COMPTROLLER FRANCHOT: Yeah, you've got your --

(Laughter.)

MR. QUINN: -- good today.

(Laughter.)

COMPTROLLER FRANCHOT: That's great.

MR. QUINN: Yes. Well, thanks for having me, Mr. Governor, Madam Treasurer, Mr. Comptroller. I appreciate your kind words. We've done a lot of great things at MTA. Certainly with your support we brought some great items before you. Madam Treasurer, I certainly specifically appreciate your push for, you know, renewable fuels and better vehicles for us. That's been a real push for us that Secretary Slater and the administration have certainly embraced. And so thank you for that. I think that has gotten us certainly going in the right direction, again with the Secretary's support. But you know, we're on a great path in Baltimore. We've got a fantastic team, Acting Administrator Holly Arnold is going to do a fantastic job. She's going to, she is already hitting the ground running and we've got a great team in place. And so I'm excited for where we're going. I think we've done some good things. The CSX item in front of you is a great agreement that sets us in place to be able to evaluate expansion in the future in a really great way. And so I want to thank you and the Governor for all the support over the years. And Vancouver awaits for the Quinn family, so thank you.

COMPTROLLER FRANCHOT: Yeah, but you are only allowed two years. Then you have to come back.

MR. QUINN: All right.

COMPTROLLER FRANCHOT: -- help us out.

MR. QUINN: Absolutely.

TREASURER KOPP: But in those two years, in those two years, Kevin, you're going to have a lot of visitors.

(Laughter.)

LIEUTENANT GOVERNOR RUTHERFORD: That's for sure.

COMPTROLLER FRANCHOT: That's true.

TREASURER KOPP: It is a beautiful city.

MR. QUINN: Absolutely. Thank you so much.

COMPTROLLER FRANCHOT: Good luck.

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Very good. Thank you. Okay. Any other questions on Transportation?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you, Mr. Secretary. The Department of General Services.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. Today we are presenting 62 items on our agenda including two supplementals for your consideration. Please note that Item 39 has been revised to align with the base amount and term reflected on the Agenda item. The department is also withdrawing Items 43 and 59. Of note within our Agenda, there are 16 capital grants and loans featuring \$3.7 million supporting schools and universities throughout Maryland. Additionally, the Agenda supports contracts for ten minority businesses and 18 Small Business Enterprises. And we're available to answer your questions at this time.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. The CGLs, capital grants and loan programs, excellent program. I just, I'm just pointing out Kennedy Krieger Hospital, which is an excellent, I use the Comptroller's often used term, it's a jewel for Maryland. It really puts us at the forefront of, you know, services to children who are injured. I had an opportunity maybe a month ago to go there and tour their spinal recovery center and, you know, a number of kids, I spoke to a young man who had been involved in a car accident and had to learn to

walk again and because he had severe spinal injuries and did real well in terms of the coordination and walking and just getting back to normalcy, and had been there for months. When he first got there he could not walk. And he is walking now. And so, you know, and then seeing people who were at the stage where he was and what they, you know, go through to get back to being a child. And so they do wonderful work over there and I just wanted to point that out.

I also wanted to point out, unless there is, 23-S. I know it's a single bid, but the residential camp and counselor program, Sibling's Summer Camp and for foster kids and their siblings. And I just think that's an excellent program. We talked about early on young people getting vaccinations so that they can be sent to camp. A lot of kids, particularly in the foster system, don't have the opportunities to go to a summer camp and get out and do the things that kids do when they get outdoors and to explore and to get involved in activities, get more mosquito bites. But just all those things that, you know, are fun as a child. And so I think this is a wonderful program. I'm glad to see that the State is able to do that.

Did anyone have questions as I go through some of mine?

TREASURER KOPP: No. Could I just mention, since we're mentioning --

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: -- great programs --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- and I know that the Comptroller knows it well, Item 12, A Wider Circle, which is a wonderful organization that reaches out, helps particularly women --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- reenter the workforce, both with training, with clothing, with contacts and network, especially now in light of what we mentioned previously about the need for people to reenter, not the workforce, because people have been working at home, but going to a public work place, is a great time for this organization, I believe, to be a model for organizations around the State. I really urge people to look at A Wider Circle and see how it can be adapted for different parts of the State. It's a great model.

COMPTROLLER FRANCHOT: Yes, I just want to reiterate, support the Treasurer and the Lieutenant Governor. These programs are relatively small as far as dollar amounts. Sometimes it can get a little bigger, but it's capital dollars and there are incredibly important recipients all over the State that get them. One of them I noticed, Item 7, is the Franciscan Center in Baltimore. What an amazing group that is. They provide services and support to vulnerable people and kids. And I want to give a special shout out to my friend and the center's dedicated leader, Jeffrey Griffin, and convey my thanks to the entire staff, volunteers, and benefactors. I'll just mention for the record that these are bipartisan --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

COMPTROLLER FRANCHOT: -- I mean, there is no acrimony over them or adversarial approach at all. The Franciscan Center is fabulous. And then I also wanted to mention a special one, the Hero Dogs --

LIEUTENANT GOVERNOR RUTHERFORD: Oh yes.

COMPTROLLER FRANCHOT: -- which is Item 8. That was a place that I visited in Brookeville. A little bit of money goes a long way with them. It's a terrific group that raises, trains, and places service dogs with veterans of the U.S. military and first responders with disabilities. I'm delighted to see that they are receiving some State funds today and I want to thank the organization's founder,

Dr. Jennifer Lund and the Executive Director Nikki Charles for their leadership and work in supporting our nation's law enforcement and military veterans. Hero Dogs.

LIEUTENANT GOVERNOR RUTHERFORD: Yes, a very good program. Did you see the puppies when you went out there?

COMPTROLLER FRANCHOT: I did. I have a hat that I wear around town called Hero Dogs. And people find that to be very --

LIEUTENANT GOVERNOR RUTHERFORD: -- yeah, they have not been there --

COMPTROLLER FRANCHOT: -- yes, they have not been there --

LIEUTENANT GOVERNOR RUTHERFORD: -- they can have all kinds of thoughts --

COMPTROLLER FRANCHOT: -- I guess.

LIEUTENANT GOVERNOR RUTHERFORD: Very good. I think I saw an explanation with regard to 30-S. It's a contract that's maximizing third party liability recoveries. There was a significant difference between the two bidders and I am not sure why Accenture was \$31 million more than the \$5 million bid from Health Management.

MR. CHURCHILL: Well, my understanding is that the awardee is the incumbent and fully aware of the needs of the program and that the contract price was certainly in mind. And Accenture is new and that there may have been

some additional considerations as a part of covering (indiscernible). But we do have Secretary Schrader on the line, if the Board would like to hear any more of an explanation.

LIEUTENANT GOVERNOR RUTHERFORD: I don't know if the others --

TREASURER KOPP: I think it certainly caught my eye.

LIEUTENANT GOVERNOR RUTHERFORD: Yes, right.

TREASURER KOPP: The explanation they give is start-up costs, but that's a lot --

LIEUTENANT GOVERNOR RUTHERFORD: That's a lot of start-up, right.

MR. CHURCHILL: That is a lot of start-up costs, and I can't speak for Accenture at this time but I know that the department is very comfortable with --

LIEUTENANT GOVERNOR RUTHERFORD: Health Management?

MR. CHURCHILL: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: And this, and maybe Secretary Schrader can answer this, does Health Management provide this

service in other states? Because I think that might have been part of Accenture's, or Accenture is just trying to enter the marketplace and it's kind of a higher bar?

SECRETARY GONTRUM: You're muted.

LIEUTENANT GOVERNOR RUTHERFORD: I think you are on mute. You're on mute.

TREASURER KOPP: In about 40 states.

LIEUTENANT GOVERNOR RUTHERFORD: Secretary, you are on mute, or and someone is staring into the --

(Laughter.)

MR. SCHRADER: -- there we go.

LIEUTENANT GOVERNOR RUTHERFORD: There we are.

MR. SCHRADER: All right, great. Thank you. This is the fourth rebid of this particular contract. This is the first time we have been able to get another contractor, and it has been over a period of two and a half years because each time we only got one bid. So we kept going back to the market. This was the first time we got a competitive bid. HMS is the dominant player in 40 states across the country. So --

LIEUTENANT GOVERNOR RUTHERFORD: Okay, 40 states.

MR. SCHRADER: -- as I said, this was the fourth time and when we did get an alternative bid it wasn't, as you can see the results. So we wish we

had more competition and we really pushed hard to get competition on this particular contract.

TREASURER KOPP: Mr. Secretary, what is the increase in cost between the existing contract with HMS and I assume there is an increase.

MR. SCHRADER: Yes, these numbers are very comparable with what we are currently spending, which is why we knew that the Accenture bid was unreasonable. And we, and unfortunately it made HMS very uncomfortable that we kept rebidding it --

TREASURER KOPP: Right.

MR. SCHRADER: -- and not going, you know. And we honored the request of this Board. We refused to come back with just one bid. Now unfortunately we have two but, you know, you can see (indiscernible).

TREASURER KOPP: So you were, I appreciate it. I don't mean this the wrong way. You were ideologically pure. You kept going back to the market. But there was a cost to doing that, too.

MR. SCHRADER: That's true.

TREASURER KOPP: (Indiscernible) I have no question about one time.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

TREASURER KOPP: But beyond that, sometimes --

LIEUTENANT GOVERNOR RUTHERFORD: Yes --

TREASURER KOPP: -- you know --

LIEUTENANT GOVERNOR RUTHERFORD: -- there's a cost, and there is a cost to the business, too, to bid. There is a cost to them to bid as well. So and that gets factored in the pricing.

TREASURER KOPP: But I appreciate the work that you did do on it. I just, maybe we should use a little common sense.

LIEUTENANT GOVERNOR RUTHERFORD: Yes. But Mr. Secretary, while I have you, 36-S-MOD for the lab services contract with CIAN, I had asked you separately about this item. I do understand that it was bid, they bid this contract out.

MR. SCHRADER: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: And the bids came in yesterday, I believe. So this is really kind of a bridge to, you know, the award of a contract because this one was under an emergency, this modification is a modification to an emergency contract, that hopefully will get very good pricing with, I don't know how many, did I hear that there were seven, seven different --

MR. SCHRADER: More than ten bidders.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, more than ten? Good. So hopefully we will get really good pricing and we'll be able to terminate this contract before the end and then pick up a new vendor at that point.

MR. SCHRADER: Right, that's correct. This is intended to be a bridge. We've got the bids in and we're going to aggressively -- we want to be back to the Board this summer with the results.

LIEUTENANT GOVERNOR RUTHERFORD: Very good. Okay. Any other --

TREASURER KOPP: Yes. I have a brief question on 40-IT, the grants office part of it. This allows, as I understand, this allows a sole source for the Historic Trust --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

TREASURER KOPP: -- and the Grants Office for the interim is going to take advantage of that and use that while it is working on its own emergency, not emergency, its own contract for management of grants, which will not be ready for another two years or so. Is there anyone who can --

MR. CHURCHILL: Yes. Madam Treasurer, we have Anne Raines, Deputy Director for the Maryland Historical Trust for the Department of Planning on the line. But I believe she is on the line, but if she's not I can look into your question and --

TREASURER KOPP: Well my question is because it's not here on the public agenda. There is a commission or work group that is supposed to be working with the grants administrator on a new system. And as I understand it, there is a full intention for the Governor's Grants Office to go off of this system and to go onto a new system, which will be, but not until they have worked with the people on this council, on the grants council. And that's what I would like to hear (indiscernible).

MR. CHURCHILL: So I understand your question is more for the -

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TREASURER KOPP: Yes, really.

MR. CHURCHILL: -- a person who is not attending the meeting --

TREASURER KOPP: Right. No, I appreciate the (indiscernible) and it looks like a fine contract. I have no problem with it. But I do want to understand the role that the council will play in the ultimate award.

MR. CHURCHILL: -- be appropriate to get back with you with that answer --

--

TREASURER KOPP: Thank you. I'm sorry. It just caught my eye

LIEUTENANT GOVERNOR RUTHERFORD: No, that's fine.

MR. CHURCHILL: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: Any questions from Anne? Hi Anne, how are you?

TREASURER KOPP: Nice seeing you.

COMPTROLLER FRANCHOT: Move approval if it's appropriate.

TREASURER KOPP: I have one last question before you move approval. This brand new supplemental item that was brought to us, 62-S, \$187 million for a contingent labor managed provider services contract. I know that the Department of Legislative Services has raised a number of questions about this. I had some questions about it, too. It's a very large contract. And I am not clear on what the role of the different units of government, like DoIT, DGS, OSP, DBM --

LIEUTENANT GOVERNOR RUTHERFORD: Transportation.

TREASURER KOPP: -- Transportation is on all of that. And my question is, what harm would be done postponing it, deferring it till the next meeting?

MR. CHURCHILL: Well, thank you, Madam Treasurer, for the question. And I believe the urgency at this point is through conversations and coordination with the Maryland Department of Information Technology, DoIT, there are a number of agencies that have been in the queue that are requiring --

TREASURER KOPP: Yes, I am associated with a couple of them.

MR. CHURCHILL: You are. And so the department certainly has been attempting to find a number of different options that can satisfy the, or attempt to work on the backlog that has been created. So in the scheme of things, two weeks, is there any great harm? No. But there is great urgency amongst a number of different departments moving forward with their procurements. And so this is just the first of a number of different vehicles that the department is looking --

TREASURER KOPP: Well, that being the case, it seems to me even more appropriate that we have a more thorough briefing on where we are and what this contract means and what else is coming along. I am associated with a number of commissions, boards, that are looking exactly for something like that. And I understand the problems that the Department of IT has in recruiting and keeping people. But I still think almost \$200 million is worth two weeks learning about.

MR. CHURCHILL: Well, that is the intergovernmental tab.

LIEUTENANT GOVERNOR RUTHERFORD: Right. Not to exceed.

MR. CHURCHILL: Yes.

TREASURER KOPP: Right.

MR. CHURCHILL: And my understanding, and of course Secretary Leahy can give more information concerning the number of contracts and I believe contract value that are waiting in a total queue to be able to use this in part. We did

brief the Board at the last pre-Board meeting and responded to all those questions.

So we are waiting for further questions --

TREASURER KOPP: Yes, briefed members of the Board's or staff?

MR. CHURCHILL: The staff. The staff.

TREASURER KOPP: That's right.

MR. CHURCHILL: The Board's staff, yes.

TREASURER KOPP: Well --

LIEUTENANT GOVERNOR RUTHERFORD: Madam Treasurer,
if you prefer --

TREASURER KOPP: If you all want to go ahead --

LIEUTENANT GOVERNOR RUTHERFORD: No, no --

TREASURER KOPP: I really would --

LIEUTENANT GOVERNOR RUTHERFORD: -- if you prefer, we
can, I think, I think the Secretary said while there is a sense of urgency, it's not
going to, it's not earth threatening.

TREASURER KOPP: And I share the sense of urgency, lest anyone
have any question. I do understand it. But it's \$200 million.

MR. CHURCHILL: Yes. So we'll give more details and we look
forward to hearing --

LIEUTENANT GOVERNOR RUTHERFORD: So we'll defer this item --

MR. CHURCHILL: We will --

COMPTROLLER FRANCHOT: Could you just also explain why they, the contract's work orders do not come before the Board necessarily? I just noticed this as one of my items, again, that work orders under this contract would not come before the BPW for approval. (Indiscernible) that we had dealt with that issue at one point.

MR. CHURCHILL: We had dealt with that issue. We have Bob Gleason, our Chief Procurement Officer, or Mike Haifley, our Deputy Chief Procurement Officer, who has had conversations with the Board's staff concerning the clarifying language around this topic.

COMPTROLLER FRANCHOT: Well, I'm supportive of the Treasurer and --

LIEUTENANT GOVERNOR RUTHERFORD: We can, yes, we can defer it. But I think that situation is because this entity would be doing a secondary competition to, you know, assign the temporary staff that would come in. So because it's not Gleason's group or Churchill's group, actually a State agency doing this task order which we find under the CATS contract, it's a little

different. Because this agency would be hiring, doing it secondary. So it's almost like a subcontractor.

COMPTROLLER FRANCHOT: And no, that's, I think --

LIEUTENANT GOVERNOR RUTHERFORD: But we can defer -

-

COMPTROLLER FRANCHOT: -- two weeks doesn't hurt.

LIEUTENANT GOVERNOR RUTHERFORD: No, no. I agree.

We're going to defer this item.

MR. CHURCHILL: The department will withdraw Item 62 and bring it to our next Board meeting.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

COMPTROLLER FRANCHOT: Move approval as amended.

Thank you, Madam Treasurer.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. All in favor.

And welcome back, everyone, and the Bruces.

COMPTROLLER FRANCHOT: Okay, thank you.

TREASURER KOPP: Thank you, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you.

(Whereupon, at 10:49 a.m., the meeting was concluded.)

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