
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
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PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

JOHN GONTRUM

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone. Welcome to the Board of Public Works.

I want to begin this morning by offering my congratulations to Glenn Youngkin on his victory in the Virginia Governor's race. I was glad to support Glenn because just like I have here in Maryland, he focused on bringing Virginians together and promoting common sense policies to lower taxes, empower parents, and to support law enforcement. Throughout the campaign, Glenn and I have been having discussions about how we plan to work together on regional issues, from Chesapeake Bay restoration to advancing our traffic relief plan to build a new American Legion Bridge and fix the Capital Beltway. I look forward to meeting with the Governor-elect in the coming weeks to discuss all of our shared priorities for the region.

We're also anxiously awaiting to see whether we will have a new Governor in New Jersey, and we're keeping an eye on that as well. I look forward to welcoming Governor-elect Youngkin and potentially Governor-elect Ciaterrelli to both the National Governors Association and the RGA.

This morning I also want to call attention to the final meeting of the nonpartisan Maryland Citizens Redistricting Commission, which is this evening at 6:00. Earlier this year, I issued an executive order that created for the very first

time in State history an independent and nonpartisan commission to draw Maryland's State legislative and congressional districts. The membership of this citizens commission is divided equally between Democrats, Republicans, and individuals not affiliated with either party, and their mission is clear. And that is ensuring that the people of Maryland are able to choose their elected officials and not the other way around. Thousands of members of the public have participated in the 35 open public meetings held by this citizens commission. They received 86 different map submissions. And tonight, the commission plans to finalize all of its recommendations which have been posted on its website for public review. This is what real nonpartisan redistricting looks like. Their focus has been on fairness, transparency, and accountability.

The Legislature wants to draw their own districts in secret behind closed doors. They have yet to even release a single draft map for any citizen input, which is similar to the backroom approach that has given Maryland the unfortunate distinction of having the worst, most gerrymandered districts in America. I look forward to receiving the Nonpartisan Redistricting Commission's maps and I intend to submit them to the Maryland General Assembly for approval.

With that, I'll turn it over to the Treasurer for any opening comments.

TREASURER KOPP: Thank you, Governor. It's a pleasure to be back here. I don't know what I can say. It's obviously election season and I understand your partisan position. I appreciate it and as you know don't share both of your predilections.

However, I do believe in acting on behalf of the people together, moving together forward. And therefore, am not going to indulge in partisan response. Thanks, Governor.

GOVERNOR HOGAN: Thank you. Much appreciated. Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And good morning. Madam Treasurer, thank you. I identify with your remarks, but Governor, very briefly I'd just like to comment about the terrific celebration that we had yesterday honoring one of your predecessors, the great William Donald Schaefer, as we marked what would have been his 100th birthday.

It was a wonderful and fitting tribute to a legendary Maryland statesman who dedicated his entire adult life in service to a city and a State that he loved. And I thought it was incredibly special that both you and Mayor Scott declared his 100th birthday as William Donald Schaefer Day in Baltimore and the State.

I want to commend further the Schaefer Center for Public Policy and the alumni of the Schaefer administration for organizing a fantastic, wonderful event up at the Science Center close to the statue of William Donald Schaefer. And I appreciated the opportunity to say a few words to honor him. He had no use for me, but I ran against him. But I was able to say a few words.

And Governor, I just want to also add my thanks to the gala that you asked my wife, Annie, and myself to go to. It was the Yumi CARES Gala this past Saturday. And I think it gave us all a chance to say how much we admire the First Lady's philanthropic initiatives. It was a wonderful event in support of a good cause that is helping so many children and families.

I didn't want to add a postscript here, but I, you know, yesterday at the ceremony for William Donald Schaefer I said, frankly, he didn't have any real use for me because I ran against him and beat him in an election. But he was always unbelievably kind and nice to my mother, who came, she was his age, his same age. She came from the greatest generation. And William Donald Schaefer represented that to me. Yes, was he scary? Yes, he was like a curmudgeon. But the fact that he could befriend my mother and say something kind about her from time to time I think just really made everything right. And I just want to say we miss him, because he was a strong leader. He was not a partisan leader. He didn't care if it was Democratic or Republican stuff. He just wanted to do the right thing. And

famously, he used to sit in his cabinet meetings, I think, I'm told, that he would say to all of his secretaries and stuff, guys, my car went through a pothole today and you need to get out there and fix it. And the staff would all look at him and say, okay, great, where is it? That's for you guys to find out.

(Laughter.)

COMPTROLLER FRANCHOT: And I would never say that to Secretary Slater, of course, that there's trash all up and down Route 50, that's okay

--

(Laughter.)

COMPTROLLER FRANCHOT: -- around, etcetera, but that's okay, I'm sure it will get picked up one day. But seriously, we lack the leadership of William Donald Schaefer. And I'm not speaking about my colleagues here. I'm just saying that the state of politics is just appalling right now. I mean, I read about these campaigns, I watch these ads, and I'm just like disgusted. And if we had more strong leaders who were functional, rational adults and didn't view everything through Republican or Democratic eyes, which he never did, I think the country would be much better off. And --

TREASURER KOPP: You know the other thing --

COMPTROLLER FRANCHOT: -- I'm happy to get that off my chest.

TREASURER KOPP: -- Peter, is when he, I also had the opportunity to speak at the Schaefer Center virtually --

COMPTROLLER FRANCHOT: Oh. Oh great.

TREASURER KOPP: -- yesterday. I was on a panel. It was great. But the other thing is, even after he won all his elections, he kept telling people to focus on what did you do for a person today, not just humanity and the whole, but what did you do for a person today? And that just always stuck. Because you can talk forever about ideology, but if you're not helping individual people, real people, real communities, real families, well according to him, and I agree, you are not doing your job. So I, and that is not partisan --

GOVERNOR HOGAN: Absolutely.

TREASURER KOPP: -- that is not partisan at all.

GOVERNOR HOGAN: Great. Thank you.

TREASURER KOPP: Yes.

GOVERNOR HOGAN: Let's go ahead and get started with the Secretary's Agenda.

SECRETARY GONTRUM: Good morning, Governor, Madam Treasurer, Mr. Comptroller. There are eight items on the Secretary's Agenda this morning and four reports of emergency procurements. We'll be happy to assist with answering any questions.

GOVERNOR HOGAN: Thank you. I'd like to start with Item 3. I think Webster Ye is here from the Department of Health, Assistant Secretary Ye. Can you give us an update on our mobile vaccination efforts?

MR. YE: Absolutely. Good morning, Governor, Comptroller, Madam Treasurer. Just to give you an update, sir, right now we have three (four) vendors that are before the Board today. Of the four vendors total, three have started work. The first is Matrix. Since they started on October 5th, they have provided 81 clinics, provided 2,700 booster shots, and a total of 4,800 vaccine doses administered. And then the second one that started about two weeks ago has provided 29 clinics, 387 boosters, and 620 vaccines. And then the third vendor just started this week and they have done 171 shots already.

Governor, we have been averaging over 10,000 booster shots every week. I think we just crossed over 400,000 boosters yesterday. The mobile vax program is in effect and I believe that, you know, we're just moving ahead. Marylanders are getting boosted and we are very happy about the progress, sir.

GOVERNOR HOGAN: Thank you. Thank you very much. Are there any questions --

COMPTROLLER FRANCHOT: Can I ask a question about that?

MR. YE: Yes, sir.

COMPTROLLER FRANCHOT: How many infections have we had, COVID cases in Maryland --

MR. YE: Infection cases after boosters, sir? Or --

COMPTROLLER FRANCHOT: From COVID.

MR. YE: I don't have that exact number, sir --

COMPTROLLER FRANCHOT: I have the number. It's 562,000.

MR. YE: Okay.

COMPTROLLER FRANCHOT: Are you happy?

MR. YE: Sir, we can always do better but --

COMPTROLLER FRANCHOT: How many deaths have we had in Maryland?

MR. YE: Too many, sir, 10,000.

COMPTROLLER FRANCHOT: Hey, no, 10,930, I believe the number is. You were off by 1,000.

MR. YE: You are correct, Mr. Comptroller. The main point is under the Governor's leadership we have stepped up. Marylanders have gotten vaccinated. Maryland has been a leader in the country. I think we are fifth or sixth best in the nation for vaccination shots and Marylanders continue to get vaccinated with both booster shots and with first vaccinations.

COMPTROLLER FRANCHOT: So I read the CDC yesterday approved vaccines for five-year-olds to 11-year-olds.

MR. YE: That's correct, sir.

COMPTROLLER FRANCHOT: How many vaccines are mandated for people going to K through 12 schools?

MR. YE: There are a number, sir.

COMPTROLLER FRANCHOT: How many?

MR. YE: It's in our regulations. I don't have that exact number off the top of my head, sir, but I'll be happy to get that to you.

COMPTROLLER FRANCHOT: And if you could perhaps check, because I don't know the answer to this, what vaccinations are given to people who are in the hospital, born, and then up to five years old. I'm sure there are some vaccines that are somehow communicated to people being very important for their health. So if you could get back to me and let me know what those are, I would be grateful. And this contract interests me because six months ago the contract was just under \$22.5 million. (Indiscernible) contract replaced a \$8.2 million six-month contract awarded by the department in June, also on an emergency basis. So apparently according to the background materials, you needed to replace this because of payment model and performance issues. So how was the financial model of the old one, the original? How did you (indiscernible)? And when did

you realize it wasn't working, particularly when mileage and reimbursement was not part of the initial contract for some of the vendors? It sounds kind of extraordinary.

MR. YE: So there is -- and forgive me for going a little bit into the gory details. The initial round of three vaccine vendors were paid on a per shot model. With the (indiscernible) before the Board today, it's paid on a per clinic model. And what we found out in this summer, very rapidly actually, in the first month or so, was that the per shot model was not financially sustainable for these vendors. Because if you only had two or three people show up for a vaccine clinic, it didn't make sense financially. What we've done now, and especially with the need to ensure that there's five to 11 vaccine clinics, community vaccine, and equity focus, is to shift to a financing model where we are paying per clinic. And so far the results are really good.

We realized, to answer the second part of your question, sir, around mid to late August. We immediately put out an RFP. The bids were received by I think September, the second week of September, right around September 14th. We did the evaluations, awarded, and the first vendor started work on October 6th.

COMPTROLLER FRANCHOT: Okay. And what assurances can you give us we're not going to see another emergency re-solicitation in a few months?

MR. YE: All of these contracts are six-month contracts for exactly that reason. We want to make sure that we have the model that works for Maryland. And that's why we have options that we can come back before the Board and give you status reports.

COMPTROLLER FRANCHOT: I understand your preference. But this is the, within a short period of time, this is two emergency contracts that might have benefitted from a standard procurement process.

MR. YE: Sir, if we did a standard procurement, that's about an 18- to 24-month process and we would not be able to offer vaccine clinics for Marylanders today.

COMPTROLLER FRANCHOT: I appreciate that but it's completely inaccurate. So we apparently are continuing these emergency procurement processes based on exactly that kind of inaccurate statement.

GOVERNOR HOGAN: With all due respect, Mr. Comptroller, the things you are saying are --

COMPTROLLER FRANCHOT: That's not, that's --

GOVERNOR HOGAN: -- and the Secretary is exactly right.

COMPTROLLER FRANCHOT: Okay.

GOVERNOR HOGAN: First you started out complaining about the 500,000 infections and the 10,000 deaths, and then you want us to take a 24-month process to try to immediately vaccinate people. Our program --

COMPTROLLER FRANCHOT: If I could reclaim my time --

GOVERNOR HOGAN: -- some of the best vaccination rates in the country, which is why we have one of the lowest case rates and the lowest positivity rates. Had we gone through a normal procurement on any of these things, people would have died and people would have not gotten their vaccines. That's just the bottom line.

COMPTROLLER FRANCHOT: Reclaiming my time. I find it completely unacceptable to say, hey, everything is getting better. Everything is really good out there. It isn't. And let me just --

GOVERNOR HOGAN: -- doesn't matter? Numbers don't lie. It's getting better, a lot better. We have a press conference this afternoon to talk about vaccines that we can probably fill you in with a lot more detail.

COMPTROLLER FRANCHOT: I think the proper word there is lie. So just let's make sure we're talking about the right thing here. I'm talking about these emergency procurements coming. I'd like to get some assurances from you that we're seeing the end of this now that we're a year and a half into this --

GOVERNOR HOGAN: -- I don't think we can give you that assurance. If we need an emergency contract to continue to save lives, we're going to do it. We're not going to follow a 24-month process.

COMPTROLLER FRANCHOT: Reclaiming my time --

MR. YE: And in fact, Mr. Comptroller, we have a mobile vaccine clinic about a block away today, sir. We encourage you if you haven't already to get boosted.

COMPTROLLER FRANCHOT: All I'm trying to do is get us back to normalcy as far as this. And I --

GOVERNOR HOGAN: -- exactly what thousands of people are trying to do in the State, and I appreciate their efforts.

COMPTROLLER FRANCHOT: Okay. So if we, you could possibly let me finish, I would be grateful.

GOVERNOR HOGAN: I mean, this is a discussion.

COMPTROLLER FRANCHOT: It isn't a discussion. It's a discussion with the Secretary, Deputy Secretary. And I'd like to just find out since there is a similar scenario later on this Agenda, a \$36 million modification to a contract awarded on an emergency basis for COVID testing and (indiscernible) the testing projection was initially funded at 20,000, not 200,000. That seems to be a huge oversight. And once again, these emergency procurements are highly, you

know, are subject to these errors that you are currently bringing as modifications to this Board. So --

GOVERNOR HOGAN: You know, the worst global pandemic in 100 years is highly unusual. We had to do things that are outside of the normal process.

MR. YE: And Mr. Comptroller, with respect to the K through 12 contract modifications, we have performed almost close to 400,000 PCR tests in order to keep our schools open as much as possible. And the basic idea is we were awarded the money from the federal government in I believe February or March of this year. We immediately spun around, designed and worked with the school systems to produce a screening testing program. And I believe we are one of the very few states in the country that are actually implementing a statewide screening testing program. And the goal is, as the Governor said, to keep Maryland open and allow folks to get back to their daily lives by keeping kids in school, sir.

COMPTROLLER FRANCHOT: So I'll just send a memo to you, and I'll copy the Governor, I guess, on why a standard procurement process does not need 24 months. It can be a lot shorter. And I urge all of the agencies to get back to the normal procurement procedure because these types of contracts are in my opinion unnecessary right now. And I hope that you'll read the memos and

understand, since I have had not eight years on the Board of Public Works, but now am close to my 16th year --

GOVERNOR HOGAN: I don't care if you had 50 years. You've never led through a global pandemic and I'm telling you, we're taking actions we believe we need to take. And we've done a better job than just about anybody in America. And you know, I don't really care whether you think that's true or not.

COMPTROLLER FRANCHOT: Okay. That's terrific. Thank you. And let's move on to the next Agenda item.

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

COMPTROLLER FRANCHOT: Yes, I had one on A2.

SECRETARY GONTRUM: Item A2 is an emergency report from the Department of Education. We have Deputy Superintendent Tallur available to answer questions. Mr. Krishna Tallur?

GOVERNOR HOGAN: Anybody?

SECRETARY GONTRUM: Mr. Point Du Jour, is someone else here from A2 that you can look up on the list that might be available from the Department of Education? Mr. Conaway, perhaps? Mr. Frank Conaway?

GOVERNOR HOGAN: What's the item about?

SECRETARY GONTRUM: Governor, this is a report from the Department of Education of an emergency modification to the child care scholarship case management system to add the administration of grants under the American Rescue Plan, the federal.

GOVERNOR HOGAN: And there is no one here to address it?

SECRETARY GONTRUM: We do have someone from the Department of Education I understand available. Is it --

MR. POINT DU JOUR: Pardon me, sir. For the record, James Point Du Jour, Board of Public Works. We have Mr. Frank Conaway on the line.

SECRETARY GONTRUM: Mr. Conaway, are you available?

COMPTROLLER FRANCHOT: I think we should, maybe we could postpone it until they arrive.

MR. POINT DU JOUR: He is on the call. I see him here. I believe he's self-muted.

SECRETARY GONTRUM: Mr. Conaway, you need to unmute your microphone. It's the microphone icon that's currently grayed out next to your name.

GOVERNOR HOGAN: Well, someone from the State Department of Education needs to be on this conference. If there's isn't anyone --

SECRETARY GONTRUM: Deputy Superintendent Tallur, Governor, and Mr. Conaway were the representatives identified by the department to respond to questions.

GOVERNOR HOGAN: Do you want to just do it later?

COMPTROLLER FRANCHOT: Yeah, why don't we just do it when they are available if --

GOVERNOR HOGAN: Can we see if we can find someone from the State Department of Education and we can move on.

COMPTROLLER FRANCHOT: I'd move approval with the exception of that item for the Agenda.

MR. TALLUR: Good morning. Good morning, this is Krishna Tallur from Maryland State Department of Education.

MR. CONAWAY: Good morning. This is Frank Conaway, Maryland State Department of Education.

COMPTROLLER FRANCHOT: Yes, this is Item A2. This is a report from June of this year of an \$11.7 million emergency modification by the Maryland State Department of Education to a contract with Deloitte Consulting and it's for the development of the child care scholarship case management and payment processing system. I understand that no system has been created with the \$11.7 million. The original dollar value of the single bid contract, which I voted

against MSDE awarding in January, was \$18.8 million, bringing the current value to \$30.5 million. I voted against the award of this limited competition master contract task order due to what I still believe were legitimate bid competition concerns with more than half a dozen vendors in this space providing these services nationwide, but we did a single bid. My concerns today center around this modification to expand the services that I originally opposed as a single bid. You can't prove it to us that it's good for the taxpayers if you don't have competition. Originally provided under this contract to include the very important task of administering child care stabilization grants and other crucial elements of the federal rescue plan. I was looking into the background materials, Mr. Superintendent, and I noticed that the portal is still not up and you have run through \$140 million out of \$155 million in the first round of payments. That has been disbursed by manual, not by the portal. So it's a point of clarification. When the modification was executed in May, was it with the intention that the new portal would process the child care stabilization grant payments for the fall? And if so, since the system is obviously nonoperational as of now, how were these grants ultimately disbursed? I understand they were by hand. Thank you.

MR. TALLUR: Good morning, honorable Governor, Mr. Comptroller, Madam Treasurer. This is Krishna Tallur, Deputy Superintendent of Operations, MSDE. The contract, as you mentioned earlier, Honorable Mr.

Comptroller, the contract was awarded back in January to Deloitte. It was a single bid contract because the previous vendor Conduent did not, chose not to submit a bid. And as the contract wasn't being executed, it was for providing the disbursement of the child care scholarship program that has been part of MSDE for many years, sir. The original contract was to transfer the work that Conduent was doing to Deloitte. There was a four-month transition period built into the contract. As the transition was taking place in March, the ARPA funds became available and the emergency contract was entered into with an intention to create a portal to be in place for the first round of disbursements that took place in September, the end of September and early October.

There were two things that happened. The disbursement, the set of parameters around disbursements became available late for that to be incorporated in the portal. So the portal was not available. As a result, MSDE received over 5,700 applications that were vetted manually. And the applications that did not meet the criteria were removed from consideration and the funding was disbursed.

At this time, the MSDE staff are in the process of reviewing the applications once again to ensure the accuracy of payment and applications. So now the parameters of the disbursements are available, the portal is being built, and the parameters that have been used for the first round of disbursements are being incorporated into the portal to be available for the next round of disbursements. So

what's going to happen is that we will have in early next year, we will have the remaining funds that are available for child care stabilization to be processed. In the absence of the portal, we are looking at vendors repeating the same process of application, the manual process and the manual verification, difficulty in having the audit trail and reporting that is required as for the grant parameters. So the work on the portal is continuing.

The next two rounds of grants, the next round of grants, once they are paid, MSDE will still have access to nearly \$193 million in funds for which the budget amendment is being submitted to disburse additional grants under the child care stabilization program through 2024, which will potentially increase the number of participants from the existing 2,000 child care service providers to close to 7,000 child care providers throughout the State. So it is a massive undertaking for the next three years. And having the automated system will ensure the accuracy and timeliness of the processing, the reporting as well as auditing that is required for the grants management perspective.

COMPTROLLER FRANCHOT: Okay. Thank you very much. But isn't it kind of appalling or alarming that we're 18 months into the pandemic emergency and we're still unable -- I'm the paymaster. I write the checks that you guys authorize. We send that money out within 24 hours. People are screaming at us.

MR. TALLUR: I am not --

COMPTROLLER FRANCHOT: And I'm, just all I'm concerned about is this, here we have a request for \$12 million in additional funding to a contract that apparently never produced the solution, which I agree is the infrastructure necessary to put this relief into the hands of the child care companies that desperately need it. That hasn't happened. And --

MR. TALLUR: Mr. Comptroller --

COMPTROLLER FRANCHOT: -- so I'm just wondering what exactly is the -- it seems like an awfully large amount of money for apparently we're only going to have one more disbursement, January, you said?

MR. TALLUR: So Mr. Comptroller, this is Krishna Tallur for MSDE once again, sir. We will have additional rounds of disbursement. It could be one or two rounds of disbursement early next year. And each of these disbursements would potentially have up to, going by the applications that we received in the first round of disbursements, we are looking at 5,700 or 6,000 applicants once again, repeating the same process. So having the portal in place not only will help the participants apply with ease and reducing the manual forms into an electronic form, and leverage the data to provide child care availability throughout the State of Maryland. In fact --

COMPTROLLER FRANCHOT: Okay. I get that. Can I just interrupt for a second and -- I don't mean to interrupt. But I hear what you are saying, you are going to, this is a process that I think probably will benefit the State down the road. But will the payment functions that are being added to the system be able to process other grants that MSDE may disburse? Hello?

GOVERNOR HOGAN: He froze up.

COMPTROLLER FRANCHOT: That's what I do when I want to get off a call. But maybe we could -- let me just conclude by saying I talk about this a lot because our office gets these calls. I mean, literally. Hundreds of them. People yelling at us saying, hey, we're --

MR. TALLUR: I apologize. I had a technical difficulty.

COMPTROLLER FRANCHOT: Oh, good. Thank you. I don't know whether anyone is watching *Succession* these days. But I happened to be watching it and I feel like the scene where one of the family members was about to speak to all the employees and the other, her brother that doesn't like her, I think piped in loud music from a rockstar. So anyway, welcome back. I'm delighted you're here. But the question is, if I could just perhaps wrap up, did you say that other grants may be disbursed by this system so it's not just --

MR. TALLUR: Yes, sir. So that is correct. So we have \$193 million of additional funding that will be available that has to be obligated by June of 2023

and spent by June of 2024. Once the vendors register in the portal and their applications are approved, they are certified to be participating in the program. They will save a lot of manual work in applying for (indiscernible) grants.

COMPTROLLER FRANCHOT: Okay. So let me just conclude by saying obviously the daycare providers are essential to the State's economy. They play a crucial role in getting parents to transition back to work. We keep complaining people aren't going back to work. As has been the case since the outset of this pandemic, my agency, the Comptroller's Office, has stepped in to assist MSDE in order to expeditiously disburse child care grant payments. My office was able to get this much needed, long overdue funds, to child care providers approved within hours of receiving payment authorization --

MR. TALLUR: (Indiscernible).

COMPTROLLER FRANCHOT: -- from MSDE. It's completely in my view unacceptable that nearly six months following this very costly modification portal that we're still getting our feet underneath us. And I just want to strongly encourage MSDE to examine their procurement process because this is another example of what happens when you do emergency procurements and determine whether these sorts of contract modifications are truly in the interest of Maryland's child care providers and ultimately Maryland's taxpayers. Obviously we are ready and stand ready to help get the checks out the door. Thank you. I

appreciate that. And Deloitte, if Deloitte is on the phone, you know, you are a big international company. You just passed \$100 billion in revenues. Hopefully you can get this portal built quickly. Thank you.

GOVERNOR HOGAN: I think he's trying to say something.

MR. TALLUR: Mr. Comptroller, this is Krishna Tallur once again for MSDE. I apologize. I lost the audio feed a couple of times and so I wanted to make sure that the last part of my response was heard. The changes to the grant disbursement process as the child care stabilization grants came through after the original contract was awarded. So we decided to enhance the scope of the work in order to have the same platform for individuals, for the families, for the providers, to not have separate platforms by trying to solicit another vendor to provide a separate solution. As a result of the work that has been put in place and the vendors were going to be able to register for the program through the ARP grant process, it will make it easier for them to participate in any future grants that are available. It has been MSDE's anecdotal experience that a lot of small businesses don't try to get the grants approval because they find the application process cumbersome and having this portal in place now, and it will be ready for the next round of disbursements in January, and it will continue to serve MSDE as well as small business providers, the child care service providers through the State of Maryland.

And this infrastructure will continue to help them tap into the future grants and get communication and make the application process easier.

COMPTROLLER FRANCHOT: I would move -- thank you for that. And once again, my best to your employees. Everybody is working under the gun here. But this is, as I said, somewhat unacceptable. And I will move the Agenda item despite my concerns about the emergency procurement process. Move favorable.

GOVERNOR HOGAN: Great. So we have a motion on the whole

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COMPTROLLER FRANCHOT: Yes.

GOVERNOR HOGAN: -- Secretary's Agenda.

COMPTROLLER FRANCHOT: Correct.

GOVERNOR HOGAN: Is there a second? Three-nothing. We're going to move on to DNR Real Property Agenda.

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

GOVERNOR HOGAN: Good morning, Madam Secretary. I see Delegate Anderton is here with us this morning. I think he wants to speak on Item 7.

MS. HADDAWAY-RICCIO: Yes, sir.

GOVERNOR HOGAN: Delegate Anderton, please --

COMPTROLLER FRANCHOT: I was about to move approval. So it better --

GOVERNOR HOGAN: Hopefully he doesn't --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- hopefully he doesn't screw it up.

(Laughter.)

DELEGATE ANDERTON: I'll do my best. Thank you so much for allowing me to come up here this morning. My name is Carl Anderton, Jr. I'm the Maryland State Delegate blessed to represent Wicomico County. It's good to see you, Mr. Comptroller, Mr. Governor, Madam Treasurer. Madam Treasurer, I want to congratulate you on your retirement and I want to say briefly how much I appreciate you and your staff. Ever since I've been in Annapolis, you have answered any question I've had. You know, so I've learned, been able to learn more about the financial aspects of the State through you and your staff and I greatly appreciate it. You are always updating us on items when it comes to the Board of

Public Works. And I just want to say thank you for everything you have done for us.

TREASURER KOPP: Thank you, Delegate. And could I add that we had the opportunity to visit Wicomico County last week, your great forests. And I was so impressed. I can't wait to get back.

DELEGATE ANDERTON: Come on back. We've got plenty more trees for you to look at.

(Laughter.)

DELEGATE ANDERTON: -- as for the item on the Agenda, I want to apologize to the Secretary for some of the inconsistencies or almost a debacle, if you will, between the County Council and the Board of Public Works regarding this Agenda item. We have a new appointed county executive. We have a fairly new council president. And so the lines of communication aren't as strong as they should be, so I have been spending the past two months educating, if you will, imagine me, you know, educating people, but educating them on how the Board of Public Works works and there is a proper time to debate these things at home and when they come to Annapolis you have to let them run their course. And so again, I know it has been an interesting month or so for us. But I think we are back on track and again, I just, I appreciate everything that the three of you especially do

for us in Wicomico County. Every time we ask for anything, you are always right there without any hesitation. And I just wanted to say thank you.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Thank you, Delegate.

GOVERNOR HOGAN: Thanks for coming down this morning.

DELEGATE ANDERTON: Absolutely.

GOVERNOR HOGAN: Any other questions on DNR?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on the DNR Agenda.

MS. HADDAWAY-RICCIO: Thank you.

GOVERNOR HOGAN: We're going to go to the University System. I guess they don't have anything today. So we're going to go to Transportation.

MR. SLATER: Good morning. 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 14 items for your consideration today and I have representatives available to answer any questions that you may have.

GOVERNOR HOGAN: Any questions for Transportation?

TREASURER KOPP: Well yes, could you tell us about Item 10-AE -- this can't come as a surprise. We're increasing by 50 percent the amount of money going to the first stage of what we know as the P3, the widening of the bridge and the highways.

MR. SLATER: Yes, ma'am. That is the support contract for our resources internally in managing that contract. As we get through the different phases, you know, we will be procuring new contracts but also at this point we're coming back to the Board and asking for additional authority --

TREASURER KOPP: I'm sort of surprised, Mr. Secretary. The way I read this, and it may just be the way it's written, that you didn't anticipate any changes. We went through this whole, you went through public hearings, talked to agencies, and you seem sort of surprised that they propose changes despite the fact that your predecessor and you purported to want input, want changes, you recognized that there were environmental concerns. And yet, were taken by surprise that it cost something. I don't understand this budgeting, which makes me again a little nervous about forecasting the cost of this item since it just increased by 50 percent.

MR. SLATER: I think as you go through and you collaborate both with agencies and with the communities and the local government, you always do

anticipate changes. Sometimes you can anticipate the level of those. The way these contracts have been structured is we didn't want to move forward with adding additional authority until the Board granted us approval to enter into this pre-development phase, and that was the last piece. So when the Board granted approval for us to work closely with our P3 developer that triggered us to say, okay, we have the next year or so to kind of work through those pieces and we needed the additional authority to do that. When it comes to kind of the further sections, like the 270 North piece and those components, you know, we are working through the preliminary work on that one and then we'll recompute and --

TREASURER KOPP: -- however just to be clear, what you are saying here is because local governments and citizens raised questions and in the end forced some changes, you hadn't expected that despite the fact that you were welcoming this input and proposal to change and now have to go back and increase this stage by 50 percent. And all I'm saying is I hope going forward you will anticipate a good working relationship with the local governments and the community associations and won't come back blaming them when they do what you have asked to do.

I have a question. These funds are going to be reimbursed from the development rights fee. But I thought that that money had already been, we were

told it couldn't be used for other things because it had already been essentially designated for something? So are we just shifting around the dominos or what?

MR. SLATER: So there are kind of three components at play there. One is programmatically, so the way the program that was designed, you know, the much larger program was that the financials in each section are different and some sections will help pay for the others. There are two financial components in each of these pieces. First is the development rights fee. The second is what I'll call the concession payment. So the development rights fee is for a phase, and so the phase that we have approval for is the American Legion Bridge up 270, all the way to Frederick. The companies that came in, they bid that price and they say, okay, we're going to give you X amount of development rights fee. And then we take that money, we put that back in and reimburse our expenses.

The second level is what I'll call a concession payment. So as you are working through the sections, so the first section for us is American Legion Bridge up to 370 and then the second section would be 370 to Frederick. Those components, as you nail down the construction costs, as you nail down the investments that we'll make in transit, as you nail down the investments that we'll make in other areas, then you negotiate that concession payment that's on top of the development rights fee. I recognize --

TREASURER KOPP: That might have been a yes or a no. I'm not sure.

(Laughter.)

MR. SLATER: Yes.

TREASURER KOPP: Thank you. Thank you, Mr. Secretary. I know how to count and this is going forward and I appreciate that. But I just hope that you will continue to be as transparent as possible. There still are a lot of concerns about this project and because we didn't have the capacity to do a third party financial analysis, all I can say is go talk to the department. And --

MR. SLATER: Absolutely. I --

TREASURER KOPP: -- 50 percent increase for the very first baby step.

MR. SLATER: Our teams are having a lot of conversations and I'm having a lot of personal conversations. I spoke to members of the council last week and different things. So you know, we're continuing to kind of work through that to make sure we're all on the same page.

GOVERNOR HOGAN: Any other questions?

COMPTROLLER FRANCHOT: Yeah, if I could just follow up on the Treasurer because I have a lot of confidence in Secretary Slater. And you know, nobody is happy right now. This project was reduced by two-thirds. So it's the

American Legion Bridge project to up 270. And so help me understand this a little bit. This \$45 million that we're adding today, I take it, it comes from the development rights fee. Isn't that developer's money?

MR. SLATER: It's development rights fee and concession payment. So the development rights fee was part of the bid, and then, but it is all developer money.

COMPTROLLER FRANCHOT: Okay. And if you could just help me understand a little bit what you mean when new costs incurred, I know you explained to the Treasurer and I kind of heard it. But the new costs that we're voting on today, they are incurred because we cut the project by two-thirds and forced this new iteration of it. So help me I guess justify this, because I can remember saying that this is not going to cost the State money and I often say to the Governor, who is the author of this project, you know, I think we really need to do this initial part. And you know, shouldn't you be happy with that? And he kind of looks at me sometimes and says, give me the other two-thirds back. Because that's what he wanted to do originally. And I can see that. So he can't be very happy. The Treasurer is not happy. But I think the local jurisdictions feel as if they have been involved because of you and whatever magic you have in bringing together warring factions on this. And I'm very comfortable in moving forward, Governor, on this if you think it's appropriate. Obviously, I think you do. And the

Treasurer has concerns that I think are legitimate observations. But let's be honest, nothing is easy, in Montgomery County in particular.

GOVERNOR HOGAN: Well and I think we're not blaming the local citizens for their involvement. But there is no question that delaying and working with them and changing and adding things that some of the opponents wanted is what's driving some of the increase in cost. It's not the same project as it was envisioned.

MR. SLATER: Yes. And I do think it's important to note that so the additional funds are really kind of twofold. So, you know, one is, so if you think about the activities up to kind of 2020, January 2020, all of the work was really programmatic. It included the Beltway. It included all of kind of 270 and modeling was there. And then really the detailed analysis as part of our environmental process was all part of that. You know, then you start to kind of nail down those phases. And so for instance, the county brought forward an alternative proposal. We had to run some traffic modeling on that. We have to do an additional analysis here or there. Those things kind of are added kind of resources that, you know, you anticipate some, but did we maybe anticipate to the level we've been through? Maybe not.

But on top of that, there is a second layer of work that we're doing now based on the approval that we've gotten for the developer approval with the

Board of Public Works. So, you know, we're continuing to work with them and negotiate with them as part of that as well and collaborate with them to make sure that as engineering plans advance that they are forwarding us, we are forwarding them, we need to make sure it's within State policy and State standards and those types of things to provide that oversight as those things move forward. Because we have to have that series of checks and balances, too. But that wasn't there until we had the recent approval to have that developer --

GOVERNOR HOGAN: And all of the great outreach that I agree with my colleagues, you have done a terrific job in working with folks. That took a lot of time, and time is money and that also changed the cost. So we appreciate all the effort.

COMPTROLLER FRANCHOT: I would move approval on this item, Item 10, just based on I think the Treasurer's concerns. But I would move favorable if there is a second vote.

GOVERNOR HOGAN: I'll second. All those in favor, aye? Those opposed?

TREASURER KOPP: No.

GOVERNOR HOGAN: No. So it's two to one. We're going to move on to Department of General Services.

COMPTROLLER FRANCHOT: I think we need to do the rest of the Agenda, too.

MR. SLATER: Yes, I was just going to, I was waiting for John --

GOVERNOR HOGAN: Okay. Any other questions on the rest of the Agenda?

TREASURER KOPP: I have one question, Governor. I've got to find it. The question -- thank you. The question, it was consultants for procurement of different types of vehicles, I think. And the question was how EV -- I'm looking.

MR. SLATER: Which one now? We have a lot of focuses that are happening right now, so maybe I'll just kind of speak broader on the Agenda. But we have buses both at the Airport and with MTA as well as internal fleet. We're looking however at the kind of light duty, medium duty trucks over at the Port as well.

SECRETARY GONTRUM: Madam Treasurer, you may be looking at Item 7 on the MDOT Agenda?

TREASURER KOPP: I may be.

MR. SLATER: Yes.

TREASURER KOPP: Indeed I was. Thank you.

MR. SLATER: Yes, so these are engineering services for our rolling stock. So when we, like for instance, I will give you an example, over on the

MARC line, we just reached an agreement with Amtrak where on the B&P Tunnel we're going to do dual locomotives. So they will run electric on the Penn Line and, so you have to run that analysis from a track perspective and a system perspective. And so this is the engineering support to support our conversion to EV on some of those vehicles.

TREASURER KOPP: So it is --

MR. SLATER: Yes.

TREASURER KOPP: -- the conversion? Okay, great. Good.

Thank you.

GOVERNOR HOGAN: Great. Any other questions on Transportation? Or is there --

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on Transportation. We're going to go to DGS.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. We are presenting 40 items on our Agenda today, including three supplementals. We have submitted for correction the format in which the contract actually is provided. DGS is withdrawing Item 16 wholly, and subitem 1.2 of Item 31 at this time. The Agenda also includes \$14.5

million in capital grants across the State, including \$10 million to colleges and \$1 million to the new Public Safety Training Center in Carroll County. And we stand ready to answer any questions you may have at this time.

GOVERNOR HOGAN: Any questions?

COMPTROLLER FRANCHOT: Item 10, I just wanted to give whoever is responsible a pat on the back. This is \$200,000 in capital grants to Vehicles for Change to support the establishment of an auto mechanic training facility in Salisbury, Maryland. This facility will be part of the nonprofit's full circle auto repair and training internship program where individuals with multiple barriers to employment, including many who were previously incarcerated, receive training to become skilled auto mechanics. They will probably make more money than I do as a lawyer, not that I am a practicing lawyer. But 100 percent of the program graduates, 100 percent, are immediately hired within the automotive industry, going on to work as auto technicians, diesel mechanics in dealerships, national chains, independent auto repair shops. Programs like this are, I mean, this is the path to the middle class for folks that are standing on the outside looking in. Thank you, Governor, if you are responsible for this, your administration. I also want to thank the nonprofit's president Marty Schwartz and the dedicated staff at Vehicles for Change for their hard work and dedication. And I'm proud to support the item.

GOVERNOR HOGAN: Thank you for bringing that up. I was just in Baltimore City yesterday in the Waverly neighborhood with folks from Vehicles for Change. And one of the things that it's a terrific program that we have been very involved in and I think it's helping a lot of people, as the Comptroller said. One of the problems they are having now is because of the supply chain issues and the pandemic and the economy, they are not getting the donations of old vehicles that they used to. It's down substantially. And I'd like to, it's not for discussion here, but I just want to, while I'm, before I forget while I'm looking at you, I want to see if there is a way when we're disposing of surplus vehicles at the State that we can consider donations to Vehicles for Change because it's such an important program. And they are short of the raw materials, which is the old cars that these returning citizens learn the skills on and they provide them to families who need transportation. So it may be something to look into. And as we're looking at our fleet and bringing in new vehicles, as we're switching over to electric vehicles and upgrading, maybe we consider some way to have the State help them even more by donating vehicles.

TREASURER KOPP: Reach out to other fleet owners.

GOVERNOR HOGAN: Yes.

COMPTROLLER FRANCHOT: I have one available right now.

No, not personally, but my trooper was driving home late at night after dropping

me off and was on the Beltway, 495, and was close, obviously there was a lot of traffic, and a muffler blows off from the car in front of him, comes in, smashes the front end of his car, bounces off his windshield, thank God it didn't break that and go through it, and then disappeared over the wall into the other lane. And, you know, other than tremendous inconvenience, obviously, etcetera, nobody was hurt, but he just told me today that the State Police want to repair the car. And he said it's a very old trooper car. And they might want to donate that one instead of I think they've got a \$4,000 or \$5,000 repair bill. They might want to just look at the mileage and think about donating that too, since it is now slated for total repair. But I'm just saying, I'm just saying there is a vehicle out there. Thank you for this because --

GOVERNOR HOGAN: -- traffic on the Beltway.

MR. SLATER: Not a pothole though, right?

(Laughter.)

COMPTROLLER FRANCHOT: This is not that jingly little sound I hear all the time, Kids for Cars or Cars for Kids or something. That's something different.

GOVERNOR HOGAN: Yes.

COMPTROLLER FRANCHOT: This is something much more dramatic because it has got this workforce development in it.

GOVERNOR HOGAN: Yes. And the person that heads up the training, I was with her yesterday, for Vehicles for Change is a former incarcerated individual who now was actually was a recipient of one of the cars and now teaches all the people while they are in prison and when they are coming out and learn these skills and get jobs when they come out. So let's donate some cars.

MR. CHURCHILL: Well, thank you, Governor. And to the Board on the acknowledgment about Vehicles for Change, Vehicles for Change is one of our partners within our surplus program, which all surplus vehicles come through General Services to be able to be dispersed back into the economy. We also, so Governor, we will follow your lead and we'll look into the need for Vehicles for Change for vehicles. And I'm sure there is something that we can, that can be done. We'll be bringing that back for you to look at.

GOVERNOR HOGAN: Mr. Churchill was with me in Baltimore yesterday. I told him --

MR. CHURCHILL: Yes. And she gave me that instruction, yes. I will also say in terms of Vehicles for Change, just to the point about the program and the training, one of the things that we've done over the last year, Vehicles for Change has opened up a mobile station. And so that, as a part of connecting with the program, we asked Vehicles for Change to set up an oil change bay for our State vehicles. And those that are in the program, so they can have multiple vehicles to

work on, they come out to a State site, and do their training with the folks that are in the program. And the State has a benefit, because we don't have to shuttle vehicles back and forth to different auto repair shops. So I thank Vehicles for Change and I thank the Board for your acknowledgment of them.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Any other issues or questions on DGS?

TREASURER KOPP: Governor, could I just point out, as you know, I came, I'm leaving this office, I trust --

GOVERNOR HOGAN: I thought you were kidding about that.

(Laughter.)

TREASURER KOPP: -- next month, but actually, 50 years ago, I started working for the General Assembly for the Montgomery County and Prince George's County, Montgomery County delegation and did the bi-county stuff with Prince George's, both of which were in the Shaw House right across the Circle. And I just noticed just now, we have an item on the Shaw House that fiscal services, legislative reference is going to Shaw House while we redo. Somehow having the staff in Shaw House just seems right.

GOVERNOR HOGAN: Although the Shaw House is not the greatest place to put staff right now but --

TREASURER KOPP: No, it's not actually.

GOVERNOR HOGAN: -- just temporary.

TREASURER KOPP: It was not all that terrific 50 years ago.

(Laughter.)

GOVERNOR HOGAN: All right. Is there a motion on DGS?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. We're adjourned.

COMPTROLLER FRANCHOT: Thank you.

(Whereupon, at 11:05 a.m., the meeting was concluded.)