

for questions.

GOVERNOR HOGAN: Questions of MDOT? Is there a motion?

COMPTROLLER FRANCHOT: I have one on the first item. It's a request from Maryland Transit Administration to purchase 75 new hybrid Ford Escape SUVs to add to MDOT MTA's mobility fleet, which is an enormously important responsibility that you have at the statewide level. And Mr. Deputy, it's my understanding that you currently have 550 paratransit vehicles in your fleet that can transport customers with disabilities to work, medical appointments, or even the grocery store. Obviously I have no problem with vehicles being purchased, but I'm wondering (indiscernible) equip these new paratransit vehicles with lifts? Logistically and economically, it would seem to be easier if all the vehicles were capable of accommodating a wheelchair bound possible passenger?

MR. POWELL: And I will start that off --

COMPTROLLER FRANCHOT: Yeah --

MR. POWELL: -- and if Administrative Arnold has --

COMPTROLLER FRANCHOT: Oh, I didn't realize --

MR. POWELL: -- well no, I will take that. So first of all, we have 515, not 550, I think you may have said 550, currently in the fleet.

COMPTROLLER FRANCHOT: Thank you.

MR. POWELL: So the SUVs will not be equipped with lifts, as you mentioned. Approximately 75 percent of the mobility ridership does not need lifts. Our customer profile includes a demographic called space type. This will tell, this software system will tell what type of vehicle is needed to transport a particular customer. The programming does not allow a customer requiring a lift

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to be booked onto an ambulatory vehicle. Additionally, these SUVs are more economical and safer than the smaller buses and many of our riders prefer them for their comfortable ride.

So a quick little break down of what we currently have in the fleet. We have a total of 515, 249 of which are large cutaways. A large cutaway seats up to eight, plus two wheelchairs. We have 205 small cutaways. Those cutaways seat up to four, the small cutaways seat up to four with two wheelchair possibilities. And we have ten low floor vans that will seat up to two passengers or one passengers plus a wheelchair. And as you mentioned, the all-wheel drive does not seat, does not have the capacity for a wheelchair or any type of a lift but it will seat up to three with no wheelchairs. And with 75 percent of the mobility ridership not needing that type of service, you can see that we're kind of load balancing and trying to be more efficient on where we are. So and Administrator Arnold can add --

COMPTROLLER FRANCHOT: Terrific. I always appreciate Director Arnold. Do you have anything to add? I was going to vote for --

MS. ARNOLD: Hi, good morning.

COMPTROLLER FRANCHOT: Just kidding.

MS. ARNOLD: Good morning, Governor, Comptroller, Mr. Treasurer. For the record, I'm Holly Arnold. I'm the Administrator at the Maryland Transit Administration. Thank you for your question. Deputy Secretary Powell I think covered it very well. For the SUVs that we are purchasing, we hear a lot from our riders that they prefer them. It's a more comfortable ride. We also have less kind of accidents and incidents with those

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want to say that, the Treasurer and the Comptroller. When UMBC was founded, you may not know this, most people, UMBC was actually the farm to Spring Grove. So we have had that historical connection from the beginning when Louis Goldstein found this property and we have been able to educate now over 80,000 Maryland residents. We're very proud.

My final point, and you'll appreciate this, we see ourselves as big on the environment. When UMBC was founded, we went back and checked it, in 1966 there were 50 trees. Today because of the State and what you have done for us, we have 3,100 trees. Just not talking about the billions of dollars you've done, you have built that University into world class. We thank you very much.

GOVERNOR HOGAN: Thank you for building it.

COMPTROLLER FRANCHOT: President, you mentioned Louis Goldstein. So that just, I have one of these right here for you. Come on up.

(Applause.)

GOVERNOR HOGAN: Very good. Mr. Secretary, I guess you have the list of --

SECRETARY GONTRUM: I do, Governor. We have Delegate Patrick Young with us. Delegate Young? You can step right in front of the TV screen so you won't block the camera, or you can also go behind them.

DELEGATE YOUNG: Good morning, everyone. I did not expect to go right after --

(Laughter.)

DELEGATE YOUNG: -- tough spot. But let me start by saying that I'm in support of any effort that would work towards a better end for the

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Spring Grove property. Just for background, I am the delegate that represents, one of many delegates that represent the area in Southwest Baltimore County. I also grew up there in the community surrounding Spring Grove and I am currently the Chair of the Baltimore County delegation.

We have been involved from the beginning with UMBC's discussion and known about the history about trying to acquire property there. And I would, one, say congratulations to them. This opportunity has presented itself now and they have been in a position to take advantage of it in a positive way and bring to fruition what they have tried to do. There is no indication from any minor actions that they will not be a community partner and they will be a community partner. There is no indication to the contrary. They will work with everyone involved and work towards a vision for that property.

But what I do want to bring up today is that my role in the Legislature for the last seven and a half years has been serving on the Health and Social Services Subcommittee on Appropriations. Seven years ago, the very first hearing that I had was about 507 beds and receiving and taking in folks that are suffering from mental health issues and how the State, every state, violates federal law by not having the appropriate space to evaluate in a mandatory period of time the mental state of certain folks before they go in front of a court. And that issue has not been alleviated in seven years. And while we're moving towards a positive end for UMBC, what must be brought up and must be brought back to folks' attention, and I believe this is the appropriate forum to do so for this administration and the next one, is that what is going to happen to the state of mental health in Maryland.

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We have been asking for years, and State employees have been bringing this to folks' attention as well, after assaults to fix the property. And we have been told as a committee and as folks that represent these workers that there is no money, that there is no plan, that we're going to work on a plan, we're going to get there. And being pushed off to where now we have a plan for a long term future of what the facility is going to be, but then as soon as this turns into now we can actually unload those properties, and I don't believe that anyone that has been involved, because everyone wants to do something right for UMBC because that is what, that is everyone's intent here. What is being left out of the conversation and has been left out of the conversation is the state of mental health in the State and the workers that work there. And while I signed up in support and I am in support of this project, I need to bring up that point that we've been dealing with for the last seven and a half years and would have been remiss to not take the opportunity to at least bring it in front of you while this is in front of the Board of Public Works. And thank you for the opportunity.

GOVERNOR HOGAN: Thank you, Delegate, very much. Are there others on the list?

SECRETARY GONTRUM: Yes, Governor. Next we have Ms. Bettina Tebo. Ms. Tebo, when you are ready.

MS. TEBO: Hi, good morning. Thank you so much for this opportunity. I am a current resident. I've been there for 22 years next to Spring Grove. My property ends, Spring Grove property begins. I have a wonderful relationship with the administration at the Grove, as well as the folks with UMBC. I encourage this proposal to be approved. I think it's a wonderful

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opportunity for the property to be developed and also for the directly adjoining neighbors to have a viable, prosperous facility next door. So thank you.

GOVERNOR HOGAN: Thank you very much.

SECRETARY GONTRUM: Next we have Mr. Patrick Moran. One moment Mr. Moran, let me get you connected. Okay, Mr. Moran, you're ready.

GOVERNOR HOGAN: Maybe you're on mute?

SECRETARY GONTRUM: Mr. Moran, you are muted.

MR. MORAN: Thank you. Thank you. Good morning, members of the Board of Public Works. My name is Patrick Moran and I am the President of AFSCME Council 3, the union for public employees in Maryland, including workers at UMBC and Spring Grove Hospital Center. I'm here today to ask the BPW to halt or at minimum delay the action of transferring the hospital center property to UMBC.

I want to be clear. As the union for UMBC employees, we want the University to grow and prosper. However, it cannot grow at the expense of the critically underfunded and understaffed State hospital system and the Spring Grove Hospital Center. Furthermore, this plan and action was never discussed or negotiated in any substantive or meaningful way with any stakeholders on the ground, our union advocates, the judiciary, or patients' rights groups.

On the surface, this transfer of the hospital property is an attempt to demolish the critically needed State hospital system. The actions proposed today will expedite the deterioration of Spring Grove and its closure is already proposed by the administration. UMBC has no medical or psychiatric teaching

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programs and currently no strategic plan that includes the hospital and its continued operation or upgrade. This action will lead to the elimination of the hospital.

Here are some facts that must not be ignored in dealing with this important vote. The Spring Grove Hospital Center is a 170-plus acre campus that has over 800 State employees with over 370 beds for psychiatric patients, of which over 85 percent are court ordered forensic patients. There is currently with the open hospital a backlog of forensic patients statewide in addition to not enough beds for civil commits. There is no State funding in place and no plan exists that will replace bed for bed the loss of Spring Grove Hospital Center.

Your action today will take away critical healthcare actions for Marylanders in desperate need, particularly those in the Baltimore Metropolitan area. AFSCME asks the BPW to vote down the transfer of this property or delay action until stakeholders meet to determine the next steps. Thank you.

GOVERNOR HOGAN: Thank you. Any other --

SECRETARY GONTRUM: Next Governor, we have Ms. Carol Mox. Ms. Mox, when you are ready.

MS. MOX: Good morning, everyone. I'm Carol Mox and I have been a resident of Halethorpe for over 40 years. I grew up in Catonsville near Spring Grove, graduated from Catonsville Senior High School and graduated from UMBC. I am also a board member and the immediate past president of the Halethorpe Improvement Association, a board member of the Wilkins Police and Community Relations Organization, and a member of the UMBC Neighborhood Relations Group. I'm speaking on behalf of the UMBC Neighborhood Relations

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Group.

I was asked to speak about how UMBC works with neighboring communities. UMBC has worked hard to build a strong relationship with the Halethorpe-Arbutus community. This was accomplished through the creation of the UMBC Neighborhood Relations Group by Dr. Hrabowski. The purpose of this organization was to establish and maintain a cooperative relationship between UMBC and the surrounding communities. Led by Lisa Akchin, Chief Marketing Officer and Associate Vice President for Engagement with UMBC, our meetings unite UMBC administration, faculty members, students, elected officials, UMBC Police, Baltimore County Police, community leaders, business owners, and residents of Arbutus, Halethorpe, and Catonsville. Prior to COVID our meetings took place in person on the UMBC campus. They are now held virtually online.

Through the UMBC Neighborhood Relations Group, I have seen firsthand how UMBC has actively engaged with the community and has achieved the following. UMBC keeps the community informed of future events and building projects that are occurring on the campus. It gives us a heads up on how it may affect the community. And yes, we were informed about the potential Spring Grove transaction. OCA Mocha, it's a successful coffee shop located in the heart of Arbutus and established by UMBC students, was created to bring members of the UMBC and local community together. OCA, the word OCA, in OCA Mocha, is an abbreviation for Office of Community Affairs. Prior to COVID, UMBC would also do a bus tour at the beginning of its school year to promote and introduce the Halethorpe/Arbutus community to incoming UMBC students and faculty. This tour would help familiarize students with businesses

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available along Main Street, such as restaurants, shops, movie theatre, etcetera, with the hope that it would encourage students and faculty to visit on their own during the school year and purchase goods within our friendly community. Due to COVID, that has now become more of an outdoor picnic event on campus.

Four, UMBC also participates in Halethorpe's National Night Out, which is held in August and is an annual community building event that promotes partnerships among Police, first responders, elected officials, community leaders, businesses, and residents within the neighborhood. UMBC also --

SECRETARY GONTRUM: -- summarize please?

MS. MOX: Okay. Sorry. Okay. In conclusion, I believe that UMBC has built an impressive connection with the Halethorpe-Arbutus community. The University has made itself be seen and heard within our neighborhood and is a welcome addition. Even though UMBC would own the property at Spring Grove, the deal is structured so that the Maryland Department of Health would be leasing and still conducting business at Spring Grove for the next ten to 20 years at that location. I also believe that UMBC would like to continue engaging and growing within the community through its purchase of Spring Grove. I am personally in support of this transaction. Thank you for your time.

GOVERNOR HOGAN: Thank you.

SECRETARY GONTRUM: Is Mr. Jim Himel -- Mr. Himel, you can make your way to the podium, please.

MR. HIMEL: Good morning, members of the Board of Public Works. Thank you for allowing me this opportunity to speak. My name is Jim

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Himel. I'm a long time resident of Catonsville and actually one of Maryland's native sons. I was born in Olney, Maryland.

I'm kind of old. I spent 40 years working as a strategic planner both for Baltimore City and for the State of Maryland, including a two-year project working for the Department of Health and Mental Hygiene. That was back in the dark ages of the 1980s.

I serve, one of the hats, many hats that I wear, I serve as the pro bono Executive Director of the Spring Grove Arboretum, Inc., which is an NGO program of the Catonsville Rec and Parks Council, which is a 501(c)(3). So over the last ten years, we have had a very, and I'll just say professional and intimate relationship with the staff of the Maryland Department of Health and the facility staff of Spring Grove Hospital Center. In that time, we have also been planting trees. Our community volunteers under the auspices of the arboretum and the Catonsville Tree Canopy Project, which many of you may be aware of. It seems to hit the news press quite often. But among other things, we have planted over 400 street trees into the Spring Grove campus, and in addition over 2,000 reforestation trees into the campus. And we have ongoing discussions, we're having ongoing discussions with the Maryland Department of Health and DGS to establish a 50-acre arboretum and community park in the existing open spaces of the Spring Grove campus.

The position of Spring Grove Arboretum echoes the AFSCME Union statement. We would like these two items, 50-LL and 51-RP, tabled until there is sufficient time, preferably I think into the next, I think as a planner, it will take into the next administration to really review and complete what is in my

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view, again as a planner, a very incomplete MDH master plan for the Spring Grove Hospital Center. And in the same time period, to allow UMBC to develop a proposal for what their expected use of this property may be. I think we're, in essence we're putting the cart before the horse here in doing this transaction before either party, the Department of Health or UMBC, actually has a plan on the table for what they are going to do in this sale and lease back period.

I submitted my written statement here and let me just highlight if I may four points. One --

SECRETARY GONTRUM: Mr. Himel, if you could begin to summarize and conclude --

MR. HIMEL: Okay. I would be happy to. So you have my written statement. I'd just like to say, and this goes along with I think what the union statement is, the Catonsville community has provided for over 100 years to this mental health facility most of the workforce that actually operates this facility and in addition to that provides constant volunteer support to the hospital and homeless shelter for both their facilities and their programs. And I would suggest to you this, if this facility is closed, and if you are proposing to move these programs, these mental health programs to another community, if these facilities and patients are moved to your neighborhood, would they be welcomed by your neighbors as though, if you will, the convicted, most violent criminal mental health patients in the State? They are welcome in Catonsville. They have been there for 100 years. They are part of our community. And we feel that indeed whatever happens with the mental health programs in Maryland, it should actually be built around Spring Grove. Thank you very much.

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GOVERNOR HOGAN: Thank you.

SECRETARY GONTRUM: Next we have Ms. Lori Doyle. Ms. Doyle, when you are ready.

MS. DOYLE: Good morning. Can you hear me?

GOVERNOR HOGAN: Yes.

MS. DOYLE: Okay, great. Thank you. Good morning, Governor Hogan, Comptroller Franchot, and Treasurer Davis. Lori Doyle here on behalf of the Community Behavioral Health Association of Maryland. We represent 105 organizations that provide community, mental health, and substance use disorder treatment in the community.

I'd like to start by saying that I love UMBC. I graduated from their Master's program. It is a great college and I'm probably Freeman Hrabowski's biggest fan. But we must balance the needs of that wonderful campus against the needs of people with psychiatric disabilities who were remanded to the State, often involuntarily, for care.

Spring Grove is a very old campus, as you heard. Its physical plant is not only inefficient and expensive to run, but it is dilapidated. No one should have to live in such an environment. You really should go there and see it for yourselves. Plans should have been made years ago to either replace that ancient facility and/or move individuals to a livable environment, including placement in the community in compliance with the Supreme Court's Olmstead decision that reinforces the right of individuals to the least restrictive care setting.

Unfortunately this plan to transfer Spring Grove to UMBC not only kicks the decrepit can down the road for another ten years, but it also

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removes any chance that funding to augment community placements will go into the Community Services Trust Fund. That was created by the General Assembly back in '96 and updated again in 2004 to protect the money from sale and lease of these kinds of properties to ensure fair market value for them and that would go into the trust fund to help support people in the community. So if down the road UMBC decides to sell off parcels of what's really prime real estate, will any of that money end up in the Community Services Trust Fund? We don't know, probably not.

We wish that we and other stakeholders had had input into the administration's master facilities plan. Our member organizations have been successfully serving folks with behavioral health needs in the community for over 50 years, but we weren't consulted. So we respectfully ask that you defer approval of this transfer until such time as a meaningful and inclusive stakeholder process is conducted that allows for the many questions and concerns to be answered and alternative options to be weighed. Thank you for your consideration.

GOVERNOR HOGAN: Thank you.

SECRETARY GONTRUM: Next we have Ms. Rosemary Wertz.
Ms. Wertz, when you are ready.

MS. WERTZ: Good afternoon. Can you hear me?

GOVERNOR HOGAN: Yes.

MS. WERTZ: Good morning. My name is Rosemary Wertz. I'm the field coordinator with AFT Healthcare-Maryland. We're the union representing healthcare professionals working in Maryland State Government,

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including the nurses, doctors, therapists, and counselors working on Spring Grove campus. Thank you for the opportunity to speak in opposition of these two items today.

We oppose the transfer of property to the University of Maryland at this time. The Maryland Department of Health identified the facility as excess to its needs in the facilities master plan, but that plan was developed based on volume projections and those projections were calculated using pre-COVID numbers. We do not know what the healthcare landscape looks like now since COVID. The Department of Health should conduct a study to determine the impact of COVID-19 on the healthcare landscape in Maryland before taking any action to close any facility treating patients. The market demand and utilization forecast should be reexamined to determine the impact of the pandemic on bed capacity in the private sector for patients with mental health issues.

Spring Grove and the other three mental health hospitals at MDH have a 75 percent or higher forensic admission rate. The facilities master plan anticipates a reduction in utilization. However, that is not the reality today. Last August, a new 20-bed unit was added to Spring Grove Hospital Center. Another was added to Springfield Hospital Center. They were added as temporary. They were supposed to be there for three months and they were supposed to place patients there who were ready for discharge into the community programs. Those two units are now permanent. They were staffed with temporary staff, now they are permanent. And there is still a waiting list of individuals in detention waiting for placement in a hospital. Clifton T. Perkins and the Eastern Shore Hospital Center both added two new units within the last four years. The mental health

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system is expanding because the need is expanding.

The bed capacity needs need to be increased to meet the current demands. All five mental health facilities in the State of Maryland are at or near maximum capacity consistently. There are individuals in detention right now that should be in the hospital but are not because there are no beds. Agenda Item 51-RP states that MDH will continue to operate and maintain the property for the foreseeable future while exploring the use of currently available excess bed capacity at the other regional hospitals. There aren't any. There haven't been any excess beds, vacant beds, for decades. There is no plan to create vacant beds or excess beds in the current mental health system.

In closing, AFT Healthcare urges the members of the Board of Public Works to disapprove the transfer of the property located at 55 Wade Avenue to the University of Maryland. This is a premature decision. There has been no plan made to take care of these patients. There is no plan to deal with the employees that are working -- Spring Grove is the largest hospital in the mental health system. It has as many patients as Springfield and Eastern Shore Hospital Center combined. There is no place for these patients to go. We urge you to please rethink this and delay it until you have a plan of action to take care of patients. Thank you.

GOVERNOR HOGAN: Thank you.

SECRETARY GONTRUM: Next we have Mr. Dan Martin. One moment, Mr. Martin.

MR. MARTIN: Can you hear me?

SECRETARY GONTRUM: Yes.

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MR. MARTIN: Good morning, Mr. Governor, Mr. Comptroller, Mr. Treasurer. Hang on, let me share my web cam here. Perfect. Good morning. Thanks for having me. I'm Dan Martin with the Mental Health Association of Maryland here requesting a deferral of this Agenda item. And I just want to say upfront that we are not here to derail this plan. We think UMBC is a fantastic institution and so this could be really good for our State. We also agree the Spring Grove campus has been crumbling for decades and that the living, working, and therapeutic environment for patients and staff at the facility are completely unacceptable. Our sole concern is ensuring the needs of current and future patients are better met and we are deeply concerned about moving to transfer this asset without an accompanying plan for patient care.

The population of forensically involved individuals at Spring Grove are the individuals with the most debilitating mental illnesses and they are the most costly to serve and it has not been a core budgetary priority. My organization has been advocating for the humane care of individuals with mental illness at Spring Grove and throughout the public system since 1915, a majority of the time that this institution has been serving Marylanders. And over the years, Spring Grove's budget was rarely if ever adequate. In the early years it was supplemented by private donations, businesses on campus that were staffed by patients, and a working farm and canning facility. And given this history, as you heard from Ms. Doyle, Maryland enacted the Community Services Trust Fund to protect these assets and ensure the needs of patients served by these facilities are met.

We strongly disagree with the position that has been voiced by the

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Department of Health that this property holds no value and we urge you to review recent governmental and prior assessments of that property that were conducted within the past decade and note that property values now are at an all-time high. When the Eastern Shore Hospital closed, a sorely needed new and modern facility was built. When the Crownsville Hospital was closed, a portion of the savings provided community services for patients leaving the facility as well as the surrounding counties. In both of these instances, these plans were developed and funded in parallel with the property transfer, not at an undetermined time that can be ten years or 20 years down the road.

Here the property is being transferred with no clearly articulated plan for future service delivery for this population. And so this is a big decision. It warrants a lot more conversation and engagement with the community prior to the transfer and that is all we're asking for, a delay and a public vetting of the plan to better serve these Marylanders who are in dire need of better care and improved living conditions now.

And lastly, I'll just close by saying that they couldn't be here today, some of my partners. But I was asked to voice support for these comments and for this deferral from several other consumer and family organizations across Maryland, including NAMI Maryland, On Our Own of Maryland, Maryland Coalition of Families, and the Maryland Chapter of the National Council for Alcoholism and Drug Dependence. And with that, I want to say thank you for your time and I urge you to defer this action. Thank you.

GOVERNOR HOGAN: Thank you.

SECRETARY GONTRUM: Governor, unless Ms. Evelyn Burton

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is present today, that concludes the public comments.

GOVERNOR HOGAN: I don't know if the Secretary of MDH would like to respond to any of that or answer any questions anyone has? Secretary Schrader?

MR. SCHRADER: Thank you, Governor, Mr. Comptroller, Mr. Treasurer. Thank you for allowing me time to add a few comments to this.

This is a process that has been ongoing for the past five years.

SECRETARY GONTRUM: Mr. Secretary, if you could identify yourself?

MR. SCHRADER: Oh, I'm sorry. Thank you. I'm Dennis Schrader, Secretary of Health for the State of Maryland. And over these past five years, we have used experts in national health system planning, Jensen + Partners, and a leading architectural firm here in Maryland and they have assisted with our site and facilities assessment. Because we are looking at all of our properties statewide, not just Spring Grove. And we want to thank Department of General Services for their help. We are putting together a joint program office to oversee all this. Because this is a 20-year process. It's very similar to one that I oversaw for 20 years in Downtown Baltimore. This takes a lot of time. This is the beginning of the process, not the end.

The master plan creates a framework and there is a tremendous amount of work. In order for us to get into the capital program with DBM, we had to have a master plan so that we can start asking for capital budget for planning and implementation. As an example, we believe that the future based on our planning is for crisis centers in the community so that people are diverted

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away from the law enforcement and judicial system into community based care. Along those lines because of the plan we had, we now have \$1 million in this upcoming budget, '23, to begin the process of the first crisis center. We have proposed four crisis centers around the State in each region, and we think we're going to need more. We want to do more investment in community based care and getting people out of these kinds of settings.

It's very unfortunate that, you know, as has been said by many of the folks, that this property that we're looking at we have determined is functionally obsolete and the remediation, the historic requirements for mitigation, and the condition of the property, we have 33 buildings on the campus today that have been decommissioned. This didn't start in the last six or seven years, this has been an ongoing unfortunate neglect for the last 30 or 40 years. We are taking this bull by the horns. And by working with UMBC this allows them a couple of years, it may take, I don't want to estimate what it is, but it will cost a few million dollars to do the kind of planning they are going to need to do for what to do with this property. And you can't expect them to spend that kind of money not knowing they have site control. And by partnering with them, by having a ten-year lease with two five-year options, that gives us 20 years.

This is the beginning of a long journey. When I rebuilt the University of Maryland Medical System with John Ashworth back in the late eighties, nobody believed us at the time what it is today. We put a master plan together in 1987 and '88 and people just didn't, you know, it's very hard to see the outcome. You have to have the vision and we are looking at all of our properties, including Springfield, as well as in Eastern and Western Maryland.

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And we will be putting in significant capital asks over the next five to ten years. But this is the very beginning of the process. So I'll stop there, Governor and Mr. Comptroller and Treasurer. If you have any questions, I'd be willing to answer them.

GOVERNOR HOGAN: Comments?

TREASURER DAVIS: Mr. Secretary, I'm not going to do this at this time. A number of my former colleagues had questions. What I'd like to do is propose them in a letter to you, and if you and your staff could respond back to me as expeditiously as possible so I can inform them, because I know that there will be community meetings and so forth that they will need to attend. But I don't think for me they are not the type of questions that I think would be disqualifying for me, but rather they are informational that they will need, like I said, to share. So I'll do that offline and I'll work with you in that realm.

MR. SCHRADER: Thank you, Mr. Treasurer.

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: I'll just ask the Secretary, what is the rush? You just mentioned that there is a ten-year lease with two five-year extensions. Why don't we take, and we received this item literally five days ago. Why don't we take a small amount of time and look at this with the citizens of the community, with the healthcare professionals, with the folks that are tremendously alarmed, the epidemic of mental health growing from the COVID experience. Why do we have this as you are just leaving us? I take it you are on your way out, the term is over. And God bless Governor Hogan. I've had a great relationship with him. But why push this right now when there is such a long

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time horizon? Why don't we stop, maybe take a couple of weeks to communicate with the professionals who are involved, with the constituents in Catonsville? The previous speaker made an excellent point, which is this very difficult population of folks who are both criminally charged and civically (indiscernible) with mental health. And you know, it's not just the homeless, it's not just the down and out, it's also the criminals, are in this location. And God bless Catonsville for having the maturity and the ability to not complain a lot about this particular facility. And the fact that it's there I think is very important. Shouldn't we take a couple of weeks to take a look at what your plan that you, you know, advocate? But once again, you are not going to be around. So maybe we need a little bit of, you know, rational, mature, adult examination of something like this. And I know it's going on for a long time. I don't want to get into the back and forth with the Governor --

GOVERNOR HOGAN: No, you might as well --

COMPTROLLER FRANCHOT: -- because God bless him, I like him --

(Laughter.)

COMPTROLLER FRANCHOT: -- but he also is not going to be here next year. So could we please, maybe you could give me a response as to why we don't wait for a couple of weeks --

GOVERNOR HOGAN: Let me just say that as the Secretary pointed out, this facility has been neglected for 30 or 40 years. This team has been working on this plan for five years. They issued the plan a year ago. And this is saying we're going to take ten years, and another optional ten years, to

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make these decisions so that in the future we won't have the problems we have now. So I wouldn't say it's rushing. To me it's a very slow moving process --

COMPTROLLER FRANCHOT: Okay. So let me reclaim my time

--

GOVERNOR HOGAN: -- (indiscernible) --

COMPTROLLER FRANCHOT: -- and just ask a few questions.

So obviously, Dr. Hrabowski and I chatted earlier this week and I have great respect for him and I mentioned how revolutionary his leadership has been at UMBC and how nationally it's now a renowned institution. God bless Dr. Hrabowski. I want to make clear that I agree with everyone else. This property transfer has nothing to do with UMBC as an institution, which I have great admiration for, or with the President and his exemplary leadership. But it has everything to do with the unusual and seemingly rushed process, the lack of community input, and the consequences that this transfer, should it take place, on the future of Spring Grove Hospital and the critically important services they provide to thousands of patients throughout the year.

So let's if I could just start with the process. When comparing and contrasting the process that MDH and DGS undertook with this proposed property transfer, first is the process utilized for the Crownsville Hospital property. The approaches could not be more different. While I did not support and will continue to oppose the Crownsville Hospital property transfer in Anne Arundel County, that process was at least transparent and the hospital is no longer operational. That process had many years of community input. County Executive Pittman laid out specific plans of what he wanted to do with the transfer. We

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have none of that currently before us. What we have instead are community members, collective bargaining units of State employees that work at Spring Grove, elected officials -- I'll get back to that a little bit later. I'd like to read something that came in late last night. We have none of that. We don't have mental health professionals, advocacy groups who have been -- what we do have are those groups have been at least claiming that they have been blindsided by this last minute significant and consequential addition to the Agenda today.

What we have with this proposed property transfer is a very vague commitment from UMBC and my good friend Dr. Hrabowski, who is also not going to be here next year. So if I could just get something at this point. But not, at some point, but not kind of vague things about whatever it is you plan to do with the property despite the fact, you know, UMBC for years I guess has been banging on the door. But where are the specific plans? And what we have here is that when I'm talking about a rushed process, this appraisal process to say the least is unique and extraordinarily unusual during my 16 years on the Board. This is the appraisal, through an internal process with an appraisal that was conducted by a DGS employee and that is for some reason deemed confidential, not publicly disclosable, the State arrived at the determination that this property, 175 acres in the heart of Catonsville, at a time when the real estate market is exploding to a historic high, 175 acres of prime land is valued at one dollar. The property apparently is literally worthless according to the DGS appraisal, but we settled for a sale price of a dollar because it is required by law. And because the department's property evaluation is below \$100,000 this property transfer didn't have to go through the same comprehensive transparent process that the

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Crownsville Hospital complex went through. Instead, the item before us today represents the first and only time this Board has an opportunity to weigh in on the future of this property.

In response to questions from the Comptroller's Office and I believe other offices, DGS indicated that they made "extraordinary assumptions" in the appraisal conducted by their staff. Instead of making extraordinary assumptions, why didn't we just rely on the facts? Why didn't we simply do our due diligence and ask for an independent appraisal? I don't know if this is a question for MDH or DGS. But can someone please tell me why we chose to utilize the less transparent, expedited route here where we are relying on one in-house appraisal that the taxpayers who own this property can't even review or scrutinize for its accuracy?

MR. SCHRADER: Mr. Comptroller, I'll defer to Secretary Churchill. But before, if I could just make a couple of points that I think are critical? We have eight months left in the administration. We're going to run through the tape. I'm going to be here until the very last minute of the very last day and we can get a lot of work done in the next eight months. Number two, we are going to be putting in the capital budget for FY '24, which we anticipate putting more money in for our master plan. So and three, this is a very deliberate process. There is a lot of work to do, because we are looking statewide. So I'll defer to Secretary Churchill on the specific question.

MR. CHURCHILL: Thank you, Secretary Schrader. The nature of your question is why this process differed from other processes. And let me first say that the appraisal unit within General Services is one of the most experienced

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appraisal units in the State. The top three appraisers, and this was done by a senior appraiser, have over 42 years of experience doing appraisals for all of our executive departments. To the specifics of the appraisal process, I would ask that Nelson Reichart and/or Deputy Secretary Wendy Scott-Napier, who is the Head of Real Estate, can maybe address any differences between our previous process. But we think that we have --

COMPTROLLER FRANCHOT: Is Nelson on the -- oh, great.

GOVERNOR HOGAN: He's right here.

COMPTROLLER FRANCHOT: Come on up, Nelson. Because I have never seen anything like this. And obviously it's my understanding the vast majority of the existing buildings on the hospital complex have been deemed in poor condition so it will cost a considerable amount of money to demolish and rebuild these buildings if the State chose to. It's my understanding that the cost of demolition was the predominant factor that went into the dollar, one dollar, for what is it? 175 acres?

MR. CHURCHILL: Yes --

COMPTROLLER FRANCHOT: -- 170 acres --

MR. CHURCHILL: Announce yourself, Nelson.

COMPTROLLER FRANCHOT: So I guess there were some email exchanges between my office and your Office of Real Estate regarding what the appraised value is that the DGS appraiser came up with? For the record, what was DGS' staff appraisal value incorporating the cost of demolition of the structures?

MR. REICHART: For the record, my name is Nelson Reichart.

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I'm the Deputy Secretary of General Services. If I could address your question about extraordinary assumptions, the extraordinary assumption that's taken in any appraisal means that the property is free and clear and ready to be used for whatever local zoning would permit. In this instance, that is the extraordinary assumption. We have quite a different situation here where we have a number of buildings that are no longer usable that would have to be demolished. We have historic easements that have to be addressed which cause, or will lead to the restoration or preservation of the buildings. There is also some stormwater management issues that have to be dealt with on the property.

So when the appraisers and these gentlemen have been around for, like the Secretary said, they have over 100 years of experience. They are well knowledgeable in appraisals. In fact, one of them taught appraisal work at one of the local schools. The value that we came up with was \$20 million for the land value. However, the demolition costs --

COMPTROLLER FRANCHOT: Let me interrupt. Where is the \$20 million? Here is the appraisal right here.

GOVERNOR HOGAN: He's answering the question right now, just let him finish.

COMPTROLLER FRANCHOT: There is nothing in it about \$20 million.

MR. REICHART: The \$20 million is based on comparable sales that were gathered by the appraisers from --

COMPTROLLER FRANCHOT: Nelson, listen, it's not mentioned anywhere in this appraisal.

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MR. REICHART: We did do a standard appraisal as far as comparing the acreage to comparable sales in the area and came up with a value that was about \$115,000 per acre for the 175 acres that are there. Those comparables can certainly be made available to anybody that would like to see them. You're right, we typically do not make appraisals available prior to presentation to the Board of Public Works.

As I said, we came up with a value of \$20 million for the property under the extraordinary assumptions that the property could be reused immediately for whatever development would suit with Baltimore County. However, there was demolition costs of \$70 million estimated based on the number of buildings and unit cost per square foot for demolition. Again, estimated costs of \$48 million for historic renovation of those buildings that had to be preserved. And another \$14 million in stormwater management necessities that would have to be done to comply with today's standards for stormwater preservation, stormwater restoration and control. So that came up to \$135 million in costs to make the property suitable for development. Based on a value of \$20 million we came up with actually a negative value of the property but we put a dollar on it because that's what you have to put on it.

COMPTROLLER FRANCHOT: Okay, so I understand that. Now you've got a figure up here on the appraisal, you can't really release the appraisal I guess, but I see the total appraisal is \$89 million. Where does that come from?

MR. REICHART: I believe that's off the assessed value. That sheet that you are looking at lists the value based on the State Department of Assessments and Taxation, which they have a different process for valuing

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property or coming up with their values and, you know, are not necessarily right up to speed in terms of State valuations on State property because they are not the basis for tax purposes.

COMPTROLLER FRANCHOT: I know, but that's a big difference, though, \$68.9 million between two agencies' appraisals.

MR. REICHART: I don't know their process. I know they have a different process for valuing it. We use a standard appraisal. Our appraisers use the standard methodology used by every appraiser around --

COMPTROLLER FRANCHOT: How did you --

MR. REICHART: -- (indiscernible) --

COMPTROLLER FRANCHOT: -- or arrive at the \$72.7 million demolition amount?

MR. REICHART: We use unit cost to develop, we have a cost center that does all of our capital construction cost estimations so we have cost for construction and cost for demolition. We have unit costs that are based on our prior experiences and also on unit values from, you know, national standards that we use to come up with these estimates. The same estimates were used at Rosewood and when we did the transaction there which, you know, has been very fruitful, very beneficial to the school and the neighborhood.

COMPTROLLER FRANCHOT: Okay, but why didn't we consult with, I take it you used in house appraisers?

MR. REICHART: Yes, we did.

COMPTROLLER FRANCHOT: And in house contractors or --

MR. REICHART: Well our in house, our construction --

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COMPTROLLER FRANCHOT: Why didn't we look, since it's such a big project, why didn't we seek some independent appraisals?

MR. REICHART: We did not use independent appraisals because we, from the get go with this we knew that the cost of the demolition and all that was going to give us a negative value. And we felt that it would be not necessarily appropriate to go out and spend the money of \$10,000 or \$15,000 or more, I don't know the exact number, to hire independent appraisers to come up and use the same assumptions that our appraisers have used in developing the \$20 million.

COMPTROLLER FRANCHOT: Okay, but in your appraisal you said your office made "extraordinary assumptions." What are those?

MR. REICHART: Those extraordinary assumptions are, as I mentioned in the beginning, that they are the assumptions that are made by an appraiser that the property is readily usable for whatever the intended purpose would be based on zoning. The appraiser does not value demolition costs or environmental issues that have to be addressed, the underground fuel tanks, any other remediation that has to be implemented. So they are the extraordinary assumptions. The extraordinary assumption is the property is ready to be used with just minor work. In other words, if they went out and bought 175 acres of land that had -- free and clear, ready to go, you know, for whatever development would be proposed. That's the extraordinary assumption.

COMPTROLLER FRANCHOT: Okay. So I mean, this thing didn't come out of the blue. Obviously as the Governor and others have said, it has been around forever. So the question is, why does it all of a sudden get

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dropped off at our office last Friday? And you know, what about all the conversations spanning many years with no community consensus (indiscernible). But you know, now there isn't going to be anything really significant because you have got a very clever expedited process where one of our own agencies does the appraisal and arrives at the dollar market value, we vote on it, the State in essence is deciding for the surrounding communities instead of the communities coming to the State with what they want, what they believe is best for their communities, for their quality of life. And I have no doubt UMBC will continue to do great things and come up with some great plans on how to use the property. But the community, don't you think you owe them, they should be engaged before we turn this property over? They should have an idea on how they, what we, they envision using this property before asking for 175 acres for a dollar. Especially since they have wanted this property for decades at the University, you would think there would be a community meeting where everybody says this is the plan, this is what we're going to do, we have this wonderful vision of community based clinics for mentally ill, criminally and civilly charged folks. But instead, we're just being asked to hand over ownership of a significant property without any insights or knowledge on its intended use. So if I could just finish up, Governor. I know that this is tedious but the Treasurer started off the meeting with something that he cared deeply about and --

TREASURER DAVIS: How did I get brought into this?

(Laughter.)

COMPTROLLER FRANCHOT: -- I agreed --

GOVERNOR HOGAN: Try to answer something --

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COMPTROLLER FRANCHOT: -- yeah, just let me just get to the really alarming consequences of what we are doing here today. Because it pertains to the quality of affordable mental, behavioral, and psychiatric services. Those are very big impacts. According to MDH's own master plan, there are 377 budgeted beds at this facility, all filled, with a very long waitlist of court ordered patients. The average length of stay for patients at Spring Grove is 354 days, nearly a year. And we now not only have a shortage but we have a crisis, because there is a long waitlist to provide these critically needed services to patients, many of which are court directed.

So I would just like to read one of the hundreds of emails that we have received over the weekend. This is from a licensed clinical psychologist at Spring Grove. She writes, for many, placement in our hospital is a means to an end, the place where they can get treatment and care to coordinate community placement. Unfortunately, for some inpatient placements it is not temporary but more permanent for the safety of themselves and also the community. The threat to close the door of SGHC now or at any time in the future is an unconscionable attack on access to necessary mental health services in our State that we can't tolerate.

I also got an email from one of my neighbors in Takoma Park who happens to be a professor of psychiatry at the University of Maryland School of Medicine, which has four buildings on the Spring Grove complex. He notes that the Maryland Psychiatric Research Center is one of the most highly respected schizophrenia research centers not just in the State, not just in the region, not just in the country, but in the world, and this center provides free care to hundreds of

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people suffering from schizophrenia. And they collaborate with Spring Grove to run an important program.

It's my understanding that the University of Maryland School of Medicine owns the building where the Psychiatric Research Center is housed and I assume President Hrabowski has spoken to President Jarrell, but are they transferring ownership of the building to UMBC? What is the arrangement? Do we even know, or are we just saying we're going to do a planning thing down the road?

So at a time when we have a massive shortage of beds and facilities for these mental, behavioral, and psychiatric services, we are being asked today to start the clock and figure out between now and the end of the lease term, I guess ten years plus two five-year renewals, where we are going to house the more than 300 people that require inpatient care, where we are going to direct the thousand people who receive outpatient care at this facility every year. So you know, we are violating our own laws by not having enough court mandated mental health beds -- the Secretary of Health I think was held in contempt several years ago -- for at risk youth. And we're being asked today to seal the fate of Spring Grove Hospital and co-sign its eventual closure with just the vaguest of promises about four community clinics based in communities that may or may not be welcoming.

So I understand the concept that we're all good people and we're going to figure this out down the road. But what is the rush right now that justifies us handing over complete authority to UMBC? With Freeman departing and a new person coming in. So I know there is a lot of hard work. I know

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COVID-19 has interfered. But we're nowhere close to resolving the crisis we're currently in with the shortage of mental, behavioral, and psychiatric health services for the most vulnerable. Why are we doing this right now? Why don't we hold off so that the State has some leverage and involvement by the community in this process? And what about employees who are all up in arms, apparently? Thank you.

GOVERNOR HOGAN: Well, I'll turn it over to the Secretary in the minute. I mean, that was 40 or 50 questions. I hope everybody remembered them all but I'm not sure we have to answer them all. But again, this has been a five-year process. They completed the study a year ago. We're now saying we're going to take ten to 20 more years to figure out what to do. There is no rushed process. The thing was turned in on Friday because that's when we turn in things for the Board of Public Works, by Friday. It's not just, this is the very beginning of the process, not the end of the process, but we can't move forward, we can't make any progress on improving healthcare for the people that need it and we can't make any progress with the property unless we start with this step.

COMPTROLLER FRANCHOT: How about --

GOVERNOR HOGAN: And if you want to kick it down the road for 20 years or so, I just don't think that's a good idea.

COMPTROLLER FRANCHOT: Well, I appreciate that. But what about having a community hearing where you release whatever it is you guys have produced?

MR. SCHRADER: If I may, Mr. Comptroller, one of the reasons why I'm creating so much focus on this is that I was horrified by the fact that in

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2012 there was a plan done. It got lost. And it hadn't been surfaced until I demanded to see it. And these plans go into the ether. This plan is action oriented. And we are going to deliberately step through action steps. Our next step is to build a capital program working with DBM. And year over year, we have got to have money in the capital budget to make this real. And that's really where the urgency comes from. And I will mention one other thing.

I didn't get into this earlier because it's a little bit in the weeds. But we have the total cost of care model in the State of Maryland. We are working with the Health Services Cost Review Commission and the Healthcare Commission. There is a lot of concern that we have a lot of excess capacity in the State and we have to be very careful not to spend capital dollars when we have assets available. And we are working with them on identifying those assets and doing the next step of clinical program planning.

Clinical program planning is very deliberate. We've got to get moving on it. And that is why we have got to get planning money into our capital budget as soon as possible.

COMPTROLLER FRANCHOT: Yeah, but we don't need to hand over 175 acres for a dollar in order to start that process. You could have the community come in and be briefed right now on the --

MR. SCHRADER: We have --

COMPTROLLER FRANCHOT: -- make any plans --

MR. SCHRADER: -- spoken to the community. We spoke to over 200 people throughout the State when we were doing the master plan, so we can get you that documentation if you'd like to see that. But we talked to a couple,

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300 people. This is, we know that that facility is functionally obsolete. And what we need to do is to get about the business of finding facilities that are worthy of those patients that are on that property. And it's going to take a lot of work. I'm going to push it for the next eight months. We're going to run through the tape. But this has got to be put into the capital budget for '24 and we have to have significant asks in the '24 capital budget to keep this process moving.

COMPTROLLER FRANCHOT: I happen to agree with the community leaders and residents who I've gotten hundreds of emails from that they are not opposed to UMBC. They are just saying, you know, we have not been told what it is the planning process is going to be through. And we do know that what you are doing is handing over to a State institution, but it is a different entity from the State of Maryland. All they have heard is we don't know what's going to happen. We don't know. So --

MR. SCHRADER: -- clinical --

COMPTROLLER FRANCHOT: -- community hearing in Catonsville, communicate with them, get some ideas --

GOVERNOR HOGAN: There will be a lot of those over the next ten or 20 years.

MR. SCHRADER: Exactly. That's what I was going to say. We will do the clinical program planning and there are other institutions involved, Springfield is involved with this, we have gotten all of our hospitals across the State, Finan, this is a massive undertaking that is going to require a lot of discussion, but we've got to get started. And clinical program planning, which I am an expert in, is the next step in this process, which will allow us to have those

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conversations.

COMPTROLLER FRANCHOT: Yeah, but you still haven't answered the question why you can't move forward with that process, because we're talking about something that may or may not happen in the next 20 years. I mean, do you really think --

MR. SCHRADER: I don't believe in my heart of hearts that anybody would be willing to spend the money at Spring Grove to recapitalize that facility. It just will not happen. And the evidence is for over the last 30 or 40 years, it is far too gone. There are 33 properties alone today that are decommissioned. And as you heard, the cost of that would be overwhelming. If I came forward with a budget of \$400 or \$500 million to recapitalize that property, I'd get thrown out.

COMPTROLLER FRANCHOT: What are you going to come forward with? Because apparently it sounds like you are going to close it.

MR. SCHRADER: We're not going to close it. We are not going to close it. We have a ten-year lease with two five-year renewals that will allow us to operate that facility until we have the clinical program plans in place to execute and to put those clinical programs forward into the capital budget.

COMPTROLLER FRANCHOT: Well I just, let me conclude by saying I think that we have an obligation to meet with the community and talk to them about these plans and there are going to be big plans to apparently move forward with dramatic changes. And if you can outline in some detail how you plan to (indiscernible) thousands of patients currently rely on other than just kicking the can down the road for the next ten to 20 years, you know, absent that I just think it's imprudent for us to make the decision today. Once again, this is not something we can revisit. Once it's gone, it's gone and the leverage I guess you are alluding to it somehow leverages, the budget has some leverage over what's going to happen there?

MR. SCHRADER: DBM has very clear processes for capital planning and we have to have a master plan, which we have developed. We will now begin to do the clinical program planning. We got money in this past budget. And from that clinical program planning we will bring forward more proposals into the capital budget, which the Governor will then be able to consider. But without that kind of planning, which is the next step, that wouldn't be possible.

COMPTROLLER FRANCHOT: Well, I just think it's imprudent to move forward, proceed on the proposal today, moving forward with the item. It just sets for me a bad precedent. But further, I think this really jeopardizes our State's ability to follow our own laws, which are the appraisal laws and etcetera, the procurement laws. But also to provide much needed care that currently goes on among the most vulnerable and needy at Spring Grove. And so I would, with all due respect, suggest that we postpone this until the next meeting, which may be a month from now, but in the interim have a community meeting where you actually hear directly from people who are going to be affected, who have already accepted this institution in their community, and suggest that this is what needs to be done by the State, this is what needs to be done by the other beneficiaries of

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this transfer of very, very valuable assets for a dollar. It's a minor request and yeah, does it open us up to some I guess criticism somewhere?

Yeah, I got an email yesterday from the Chairman of the Health Committee right downstairs. She said, I want you to defer this, with all due respect, because of the impact it may have. You know, the Chairman wrote and said, you know, read an article in the paper -- I guess this was written by a staff person -- received letters of concern which are attached for your consideration. She kindly asks that you would postpone any action on the request. We received that at 4:50 p.m. yesterday. And then at 10:38 p.m. I got another thing last night, when I was sound asleep, that also from the Chairman, that I'm on a call with MDH at 10:38, that's something, p.m. I was not aware of the Speaker's interest in this matter. I will follow leadership's lead. I mean, is that what we're reduced to? People just saying could we have a window? Could we perhaps understand what exactly we are doing here, and could we consult with the community and mental health providers? No, we have to, it's inappropriate, I guess, is the way --

GOVERNOR HOGAN: All right. Anything else you want to add, Mr. Comptroller? Are there any other questions on the DGS Agenda? Is there a motion?

TREASURER DAVIS: Move approval.

COMPTROLLER FRANCHOT: Yeah, no --

GOVERNOR HOGAN: Second.

COMPTROLLER FRANCHOT: Well, I want to separate out this question because I moved to defer it so --

GOVERNOR HOGAN: Okay, you didn't make a motion. So if you want to make a motion, go ahead.

COMPTROLLER FRANCHOT: I'd like to defer this until the next meeting for the purpose of allowing community involvement.

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GOVERNOR HOGAN: Is there a second? The motion dies for lack of a second. There is a motion that has been made and seconded on the rest of the Agenda --

COMPTROLLER FRANCHOT: And I'd like to single out the items we were just talking about --

GOVERNOR HOGAN: Yeah, we just did that.

SECRETARY GONTRUM: -- Comptroller requesting a second to set aside a separate vote on Items --

COMPTROLLER FRANCHOT: Yes.

GOVERNOR HOGAN: Okay, great. Tell us how you want to do it.

SECRETARY GONTRUM: Governor, I'm sorry, sir. If you want to take a separate vote on those items?

COMPTROLLER FRANCHOT: Separate vote on this, on 50 and 51.

SECRETARY GONTRUM: To approve the items.

GOVERNOR HOGAN: We'll take a separate vote.

SECRETARY GONTRUM: Is there --

COMPTROLLER FRANCHOT: And then I do have a few other questions --

SECRETARY GONTRUM: -- to approve --

COMPTROLLER FRANCHOT: -- other Agenda items.

GOVERNOR HOGAN: So there is a motion to separate that out. We're saying fine, we can separate it out. Now there is a motion to defer the two items?

SECRETARY GONTRUM: It's my understanding the motion to defer the items failed for lack of a second, as you said, Governor. So the motion

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on the table is to approve Items 50 and 51.

GOVERNOR HOGAN: Yeah.

SECRETARY GONTRUM: Is that --

COMPTROLLER FRANCHOT: Yeah, I'm no.

GOVERNOR HOGAN: I'll make the motion.

COMPTROLLER FRANCHOT: I'm no.

TREASURER DAVIS: I'm yes.

GOVERNOR HOGAN: It's two to one.

SECRETARY GONTRUM: Thank you.

GOVERNOR HOGAN: Now, have we done the full Agenda?

COMPTROLLER FRANCHOT: -- other items, please. Item 16.

MR. CHURCHILL: Item 16, which is the Maryland Department of Health, COVID-19 testing. Webster Ye?

COMPTROLLER FRANCHOT: If you -- welcome. And if you could help us understand the need for this expediency? Just give us an explanation as to how these contracts were entered into and what oversight occurred.

MR. YE: Absolutely. Good morning, Mr. Governor, Mr. Comptroller, Mr. Treasurer. Webster Ye on behalf of the Maryland Department of Health. With respect to Item 16-S, mobile testing services, this was part of the January state of emergency. As you may or may not remember, back in January we were looking at the height of the omicron surge back then and the hospitals were crying out for help. The hospital emergency rooms were fully overloaded and they asked the Governor and the State of Maryland to help them out.

What we did at that time was we opened up 20 COVID-19 sites adjacent to hospitals and provided hospital emergency room relief. And as part of that, sir, we deployed both the National Guard and testing units from the State's

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existing contracts with vaccination vendors. They provided services for two months and it ended in February.

COMPTROLLER FRANCHOT: So can you confirm today that you have received the final invoices?

MR. YE: No, sir. We have not received the final invoices from the vendors yet. We purposely established the time period of early January through the end of March and we have asked the vendors to provide invoices. The not to exceed cap is \$400,000.

COMPTROLLER FRANCHOT: Okay. And how did this item get on the Agenda if we don't even have the, well, it's two months after the contract terminated and we don't have the invoices.

MR. YE: Sir, we have been asking the vendors since January for the invoices. They have provided partial or incomplete invoices and we are still working with them to reconcile the numbers.

COMPTROLLER FRANCHOT: Okay. And when do you think that will be resolved?

MR. YE: Sir, we are working with the vendors to get the invoices. When their accounting folks provide the paperwork to our accounting folks, we'll have those invoices. We have been asking them weekly, sir.

COMPTROLLER FRANCHOT: Okay. Thank you. I have one other item that is Item 48-GM-MOD.

MR. CHURCHILL: -- couple of representatives here from the Department of Commerce.

COMPTROLLER FRANCHOT: Is Andy Fish here?

MR. CHURCHILL: And I have a Darla Garrett and a Brenda Shelton from the Department of Commerce, and a Rachel Cruz. What was the name that you asked, Mr. Comptroller?

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COMPTROLLER FRANCHOT: Andy Fish?

MR. CHURCHILL: Andy Fish --

COMPTROLLER FRANCHOT: -- of finance.

MR. CHURCHILL: John, do we have an Andy Fish --

SECRETARY GONTRUM: We do not. We do have Ms. Garrett and Ms. Cruz.

COMPTROLLER FRANCHOT: Okay. So if she could just briefly explain what this contract is for.

MS. GARRETT: Hi, this is Darla Garrett from the Department of Commerce. Was that question directed towards me?

COMPTROLLER FRANCHOT: Yes. If you could just explain the \$13.5 million in revenue from the State's video lottery terminal to your selected group of eight fund managers?

MS. GARRETT: Sure. Great. So this is a request to provide additional funds to the eight existing fund managers. Under their existing contracts, they are allowed to request additional funds. This is money that was appropriated in the FY 2022 budget for the program, so that is what the request is for today.

COMPTROLLER FRANCHOT: Okay. And I notice this is obviously for a very important program to support minority and women owned businesses, which is frankly essential as far as the future of the State's economy. But I also notice that five or six of the eight are county economic development folks. So how are we explaining that they have a statewide perspective? Or did you not ask that of the people that you are awarding the grants to?

MS. GARRETT: So this is done by, these fund managers all went through the RFP process to demonstrate that they had the ability to administer funds based on their experience. Many of these local economic development

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offices are very familiar with the communities that they work in. They also partner with other folks and they also had to tell us a plan for how they would deploy funds outside of those targeted areas. So this program requires 50 percent of the money to go into areas that have video lottery terminal facilities. The intent of this program was to assist small businesses that might be impacted by the presence of a casino in their facility. So naturally, you are going to see more activity in the areas of those counties that have casinos. But if you look geographically, we are spreading that money out. Fund managers partner with one another and they can assist businesses in any part of the State and they do.

COMPTROLLER FRANCHOT: Well, that's good because I noticed that eight Maryland counties didn't receive any funding, and seven received less than \$500,000. I think it's an ongoing concern but if you can keep, pay attention to making sure they are taking a statewide approach to the program and hopefully your agency is also, that would be, that would be important down the road. We have raised this issue before at the Board.

MS. GARRETT: Yes, sir. And I just want to say our regional development folks at Commerce also when they are out in the State, they are talking about this program. This is another tool in their toolkit. And we are bringing on a ninth fund manager. We will be bringing that to you in June. And we plan to do another RFP in the fall to in fact try to invite additional fund managers to help us expand our capacity in the State to deploy these funds.

COMPTROLLER FRANCHOT: Thank you for doing that because it is incredibly important to make sure these businesses that actually need this investment of capital --

MS. GARRETT: Yes.

COMPTROLLER FRANCHOT: -- particularly small, minority, women owned businesses, are recovering fully from the pandemic. Thank you.

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MS. GARRETT: Thank you. And I just want to say this is the best small business program in the country.

COMPTROLLER FRANCHOT: Okay.

GOVERNOR HOGAN: Well, thank you. If there are no other questions, I would move approval of the DGS Agenda.

TREASURER DAVIS: Second.

GOVERNOR HOGAN: All those in favor? Three-nothing, thank you all very much.

(Whereupon, at 11:57 a.m., the meeting was concluded.)