

STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S CONFERENCE ROOM
STATE HOUSE
ANNAPOLIS, MARYLAND

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P R E S E N T

GOVERNOR WILLIAM DONALD SCHAEFER, Presiding;

HONORABLE LOUIS L. GOLDSTEIN, Comptroller;

HONORABLE LUCILLE MAURER, Treasurer;

JAMES J. MCGINTY, Secretary, Board of
Public Works;

CHARLES L. BENTON, Secretary, Department of
Budget and Fiscal Planning;

MARTIN W. WALSH, JR., Secretary, Department of
General Services;

MICHAEL NELSON, Assistant Secretary,
Department of Natural Resources;

DEBORAH PHOTIADIS, Director of Real Estate,
Department of General Services;

SANDRA REYNOLD, Procurement Advisor, Board
of Public Works; and,

MARION J. BOSCHERT, Administrative Assistant,
Board of Public Works.

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P R O C E E D I N G S

GOVERNOR SCHAEFER: The Board of Public Works will come to order. The first order of business is the proposal made by the Governor on the reduction of \$450 million from the 1991/'92 budget. Mr. Benton.

MR. BENTON: Governor, members of the Board of Public Works, since the budget was enacted, we have experienced -- the '92 budget was enacted by the 1991 Legislature; and, since that time, we have experienced a very dramatic decrease in revenues. In addition to this, the fact that the economy is in a recession has resulted in additional expenditures in many areas, particularly in the area of human services.

So, coupled with the revenue shortfall of \$262 million now estimated, and I might say this may not be the end because revenues continue to decline, but in addition to the revenue shortfall, we also need to provide for about \$183 million in deficiencies, principally in the Medicaid program, which makes up the \$450 million that the Board of Public Works has under consideration at this time.

The choices are relatively few when compared to the \$11.6 billion budget. About 80 percent of our budget is either mandated by law or consists of special and federal funds which cannot be cut or, if cut, afford no relief to the general fund agencies. So we have about a four billion dollar state budget that can be reduced; and, even here, the Governor is constrained as to the items that can be reduced. The constitution provides that reductions of 25 percent can be made in reference to most appropriations. Education and things such as fixed debt service are exempt from the gubernatorial reduction.

In our plan which we present to you this morning, we have proposed a 25 percent reduction in aid to local government in reference to those items that can be reduced; but, since education is such a significant part of the state revenues to the local school system, which cannot be reduced, after making the adjustment for the education piece, the reductions to local government are less than five percent, but it's the maximum that we can take.

We've also proposed to take the maximum reductions in various grant programs. So far as the state agencies are concerned, this is where the most pain will be experienced. We have proposed further reductions of about 6-1/2 percent. Now, this comes on top of 6-1/2 percent which was just taken a few months ago. Unfortunately, there is just no place to go except in the various social programs and programs in which thousands of state employees are involved.

The reduction so far as personnel is concerned totals some 1,700 filled positions. In addition to this, there are vacant positions that are being abolished; and, when added to the 3,000 positions that were eliminated during the previous rounds of cost reductions, we will have cut well over 5,000 state jobs.

There are many social programs that are being either reduced or eliminated in the entirety, perhaps one of the most onerous of which is the GPA, General Public Assistance. These are payments, a little over \$200 a month, that we make to very poor people who have nowhere else to turn. Many of them have disabilities.

When we terminate the GPA program, these folks are no longer eligible for state Medicaid. So the two takings together result in reductions of somewhere in the area of \$80 million.

As far as personnel is concerned, we pretty much have been guided by the recommendations of the various departmental secretaries as to where the cuts should be made and the jobs that should be eliminated. Unfortunately, this hits very hard in the area of Public Safety and Corrections, simply for the reason that Public Safety and Correction represents one of the biggest state budgets; and, were we to exempt this or any other large budget, of course, we could never come up with the \$450 million which is required.

As it applies to the area of Public Safety and Correction, this translates in the area of public safety the termination of some 83 trooper positions. It also translates into the shutting down of two Medevac bases, one in Montgomery County and one on the Eastern Shore, and the closing of two State Police barracks. It also represents reductions in the critical area of

corrections. This comes at a time when we need to provide for more and more prisoners, and the prison population continues to increase at the rate of some 100 to 150 inmates per month. We have needed to eliminate many vacant jobs and cut some filled positions in the area of correction. It's very likely that we'll not have sufficient positions left to staff new correction facilities when they come on line during the fiscal year.

We have also eliminated all non-mandatory programs in the area of corrections, such as education. One hundred and eighty-five instructors in the prisons are being terminated. Recreational programs are being terminated. We are doing nothing but warehousing -- we will be doing nothing but warehousing our prisoners. This is not only debilitating but will cause the length of stay to be increased, since the inmates will no longer be given credit for education, other "good time" activities.

These are typical of the many reductions that are being proposed. We agonized many, many days in

going through the entire budget, and there were no easy choices. Every reduction will represent a reduction in services that are needed by the people of this state.

Developmental Disabilities, the list continues to grow, and we are sharply reducing all of the day programs in this particular area. Many of these individuals will now become acute cases. I could go on and on, but I think I, perhaps, have given you the flavor of the type of decisions that need to be made. Under the Constitution, there is no alternative. If the revenues are not there, the Board of Public Works has no alternative except to reduce the appropriations so that they will be in line with the revenues; and, unfortunately, even since this proposal was made, the Comptroller has advised us that there are additional revenue shortfalls for the month of July and August just in one category. Sales taxes are down \$13 million. Those have not been included in the cuts which are now being proposed.

It's entirely possible -- I hope it does not happen, but it is entirely possible we may have to come

back later. Last year we had to come back to the Board of Public Works four times because, after each estimate of revenues were made, we continued to experience further shortfalls. It's not a pleasant task, I know, but there is no alternative under the constitution. The budget must be kept in balance.

So I would recommend the honorable Board approve Item 12-S on the Secretary's Agenda.

GOVERNOR SCHAEFER: Any member of the Board want to be heard?

MS. MAURER: You want to go first?

MR. GOLDSTEIN: Go ahead, Lucy.

MS. MAURER: It's clear that the Governor and the Board have a constitutional duty, however difficult, however unpleasant, however onerous. In 1991 we cut the budget four times. I think the public has not understood what went on, because you still kept hearing about you should downsize government. Everything possible that could be done, including everything that was a one-time cut, the reserves were used; but the economy continues to drop. We have not been through as

severe, as rapid a drop in a long, long time, probably going back to the depression years.

Some people think that we're in a service economy recession rather than a typical manufacturing or blue collar recession, and the tools that Washington has don't seem to fix things, once they get to recognizing the magnitude of the recession.

For the 1992 budget, I recognize that we have to hit the 450 million mark. There's no question and that there may have to be more and that the Governor has done what is required of him and that everyone -- the pain has been spread, as the Legislature suggested; but, perhaps, the people who are least able to respond to it are those who depend the most on the safety net that the state provides.

We're also concerned about the impact on the state employees, people who have served both short and long time, because in the proposal before us a termination process, depending upon a unit of government, rather than the layoff procedure has been suggested.

This week both houses of the Legislature,

tomorrow in fact, will be in town to work on redistricting. I earnestly hope they finish up their task. I think the public is tired of the quibbling over which precinct goes where, that they want very much for the Legislature to heed the problems the whole state faces. I hope also that our members of Congress will begin to focus more on the problems that face us. I've suggested many times we need help. We get plenty of mandates that constrain us. We get the burdens but not the tools to provide for those mandates.

I think a simple thing would be to allow states to collect the sales tax on alcoholic beverages and cigarettes sold on federal property. That's not taxing the federal government. That's taxing consumption. We've raised that on our citizens for health reasons, to control abuses, and our State Police have to go out and fix up the people who get caught up in accidents, but they can get -- the people who've been involved might have gotten their booze at a discount rate because they can buy it on federal property.

Let's ask our Congress people to help us do

that. Let's ask our Congress people to help overturn the Bellas Hess decision, so the Comptroller can collect sales tax on catalogue sales from out of state.

Mr. Comptroller, I think the last time you gave us a figure, that might bring in 50 million.

MR. GOLDSTEIN: Right.

MS. MAURER: We get mandates, but we don't get money. So let's get over with redistricting. Let's get down to work. Let's let the federal government begin to pay attention to us.

I propose to, since the Legislature will be here and since they now know the full impact of what has to be done, that today we vote on cutting the aid to the local jurisdictions. They've been saved. Other states balanced their budgets much earlier by cutting local aid. Our local governments still get more even after this cut than they had last year. It's our state agencies that have taken -- the state government which has absorbed the economic shock waves.

I propose that we vote today on the cuts in the grants to private and non-profits. They have to

bear the pain with us. But I would like to delay just until Friday, to let the legislators who gather think and discuss and talk about where they might want to go. We won't have any options after that. We have to balance the budget; and, the longer we wait, the harder it is, because you have to do in eight months or seven months what you would do in eight or nine months, so the cuts are deeper. But it gives some time for thinking and for making sure how things would work; and, perhaps, if they plan to deal with the question in a positive way, then we could make other adjustments.

So I would propose to move ahead on the cuts in local aid, the cuts in private aid, and move to delay until Friday the cuts in the state agencies, but only a very, very short time because the work has to be done.

GOVERNOR SCHAEFER: Mr. Comptroller.

MR. GOLDSTEIN: Thank you, Governor. I've been in state government since 1938, when we had a budget of approximately \$17 million, and I've seen how our budget has grown, and I've grown up with it except for four years while I was in the Marine Corps, to a

budget of eleven billion six hundred million dollars; and this is the first time that I've seen such an impact, because the larger the budget the more people you have hired. Got over 90,000 employees, and they all depend on that payroll check we issue every two weeks. It's very important to people.

Now, we have a constitutional mandate here this morning. I have copies of the law here, and the Governor explained to you, and Mr. Benton explained to you. It's a very simple law here. It's on Section 7-213, "Reductions." "Except as provided in Subsection (b) of this section, with the approval of the Board of Public Works, the Governor may reduce by not more than 25 percent any appropriation the Governor considers unnecessary. Exclusions: The Governor may not reduce an appropriation to the Legislative Branch, the Judicial Branch of the state government." The Legislature and the judges, they're excluded. Now, they can cut their own budget, but the Governor can't cut it. I'm talking about 188 members of the House of Delegates and the Senate and our Court of Appeals, Special Court of

Appeals, Circuit Court judges and the District Court judges. They sit aside. They're in a different category. Now, what they're going to do, I don't know.

"And the Governor may not reduce an appropriation for the payment of the principal and interest on state debt." That's so important, our state credit, triple-A credit, so important. We don't want to lose that. Public schools is mentioned and the salary of a public officer during the term of office.

Now we have to make a decision. I think the hardest decision based on these whole parameters here -- I've got all the details right here, which I received Monday evening, and I studied them all day -- I studied them Monday night, all day yesterday, to the early, wee hours of this morning. The toughest decision I have to make is with reference to our Maryland State Police.

Now, why do I mention that? I've grown up with the Maryland State Police. I can remember the last one that rode a horse. Captain MacBay used to keep his horse right in our stable in Prince Frederick behind the store. He was the last one to ride a horse in the

state. I can remember when they used to have motorcycles and they went on over to Smith's Island and all. I could go on and on.

And the great responsibility they have. Nowadays, they have helicopters, motorcycles, cars, you name it, boats. Got a great responsibility.

I would like to recommend -- I know there's quite a few senior Maryland State Police -- how well they'll take this the way I say it -- that may want to retire, and that would give some of these younger folks that will lose their job an opportunity to stay on the job. Out of 1,700, I would say you easily could find 50 that would retire and get a good retirement; and, after they retire, they're still young, they'll have no trouble getting a job in security. I can mention 10 right off the top of my head that I know personally that retired from the Maryland State Police, and the next day they got a top security job and made more money as a security job than the State Police, and they got their pension. In other words, it's double dipping, just like we see the colonel here, different ones. They've served

in the military. They get a nice pension. They come along and get another job. No disrespect to them. It's all right, isn't it? Works out pretty good.

So we have between now and November 1 for that to happen. Is any Maryland State Police in this audience this morning who's eligible to retire? Would you hold up your hands. How many years do you gentlemen have?

SGT. INGRAM: Thirty.

MR. GOLDSTEIN: Thirty. How about you, sir?

LT. COHEY: Twenty-five years and 10 months.

MR. GOLDSTEIN: Now, I've never talked to these two distinguished gentlemen, but they may want to retire, and I'm sure -- they look like fine, able-bodied men to me. I just bring that up, and I know there are all kinds of hard decisions to make with reference to all these other items that have been enumerated by our distinguished secretary of the budget and the Governor, and I know it's not easy. It's not easy to make these decisions.

I gave the Governor and Mr. Benton this

morning, and I'll give it to the press -- for the first two months of the sales tax of 1992 fiscal year, we're \$13,014,551 below the estimate. This is the first time that we've had this to happen in sales tax history since 1947. Every year we've had a growth between six and eight percent.

Since last year -- and I made that statement when I spoke to the bankers down in the Homestead back last May. Unless the president of these United States and the Congress and the Comptroller of the Currency does something about the banks, we're going to have a worse depression. I can't understand the president of the United States saying that we don't have a depression. Well, he lives in that beautiful White House, gets in a helicopter and goes to Camp David, gets in the Air Force One and goes up to Maine. So, he don't have an opportunity. If he walked through the stores like I do three or four times a week and talked to people pushing a cart around, he would find out what the situation of this country is.

We have to build a 1,200,000 new homes a year

to keep abreast of the demand. This year it will run under a million. I talked to the home builders two weeks ago today, people that furnish carpet and rugs. Every last one of them had their lines of credit cut off. So we lost a whole year in the construction -- I'm not talking about a mansion. I'm talking about the average home. We've lost a whole year. And the categories of lumber, furnishings, rugs, all the things that people want to put in a new home -- young people today want to start with Mom and Pop and leave off. So they want to furnish a nice home; but, if they don't have a home to buy, they don't have the means to buy it, that's why the sales tax -- and then what happens after that? The income tax falls off, just like day follows night, night follows day.

I mean, I've been around a long time and I've seen how this thing works. So I bring it to your attention. Do any members of the press want copies of this? Hot off the press right here this morning. Give it to them, so they'll know exactly what we're talking about.

And, for the first time, admissions and amusement tax, for the first time -- we collect it and we give it back to the 23 counties and Baltimore City, 116 incorporated towns -- decreased for the first time. so it shows you that people are not spending, because they don't have the money.

Now, I know the decision I have to make this morning, this is a constitutional requirement of me. My job is very, very clear in the constitution, what I have to do. This is the Governor's executive-type budget. I helped to get that law changed in '51 and '53 sessions when I was Majority Leader in the Senate. Maryland has one of the best executive-type budgets of all 50 states, and I know it's a hard decision this great Governor makes here this morning. I know how he feels about the poor people and the sick people and the Medicaid people and all that. It's tough, I know that, and I know it, too, because I live in a county where I grew up with poor people. I was poor myself. So I know what the hell it is.

GOVERNOR SCHAEFER: Last January, I called to

the attention of everyone the difficult times that we had then. I also suggested that the tough times would continue. We made a proposal. It was rejected. It was rejected, that we didn't need money, that we had plenty of money. It was rejected, and I do not, and I repeat again something that I said yesterday, I do not fault the Legislature. The Legislature followed the mandate of what people said, "No new taxes. Cut back on government. Too many employees. Too many social programs. We want you to reduce the budget." The Legislature represents the people, followed what the people said. And I do remember all the editorials and what they said and the people who gave me the "dead on arrival" and all the other abuses that were given to all of us over a period of time.

When the first suggestion was made that the estimates were wrong, we made our first cut and we did away with buildings, unnecessary expenditures, cut back on vacant jobs. When the second came in, the same thing. The third came in with less money; and, again, I repeated that we needed some revenue, and I was told

again by the people through the legislators that there's plenty of money around, that "You're just spending money unnecessarily. Cut some of the social programs. Too many employees." The third round came in and the fourth round. I was assured that the fourth round there would be no more adjustments, and so you will not have to go into many of the programs that I have had a personal interest in, since I was mayor of the City of Baltimore, in law enforcement, in police, in the poor. And, when the fifth round came in, there was no place to go but the social programs.

This was verified by the Legislature's own fiscal analyst, who said that, "There is no place for the Governor to go other than to programs" -- this wasn't said, but it was implied -- "in programs that he has great reluctance to cut, reduce, do away with."

I want to make it clear that this is an executive budget, my responsibility. What is proposed is mine. I did it after listening to everyone that I could listen to. I did it in listening to people who are going to be hurt real bad. We did it to a

department, the State Police, that I personally made sure they had more raises than anyone else, better equipment than they've ever had, more patrol cars, whatever it might be. So there's no joy at all in reducing any budget.

The amazing thing to me is, in listening to the news broadcasts and the talk shows, that the poor are not mentioned. There's no lobby for the poor. The GPA, the only thing I heard was "There's 14 pages of jobs, let them go out and get a job." And I looked at the jobs, and computer operators and other jobs like that, they're not skilled to do; but the lobby for the poor isn't here right now. The GPA, \$200 a month for people who really need some help.

The educational program, the social program, the recreational program in the jails -- we're going to jam people in the doors and we're going to let them out after 18 months or two years or five years, whatever it might be.

All the programs to help people will be reduced. Local aid in some areas will -- the reduction

will hurt, really hurt local government, and as one dependent on the state for years when I was mayor knows what that means. Others will be able to survive because they have a wealthier tax base.

Everyone has something they want to save, and I mean this in the kindest way. Lucy who has, I guess, a heart as big as anyone and more compassion for people, I guess, than anyone, wants to do some things for people. Louie, same way, compassion for the State Police and compassion for people. I have a list of things that I would like to cut out of there. Never in my wildest imagination would I ever have thought that the mayor or the governor, whatever he might be, would recommend the cutting of programs that makes him very sad, and I guess that's the easiest term of all.

It's easy to sit here in this room with the lights on and be secure, and I've said so many times, "Don't go outside. Don't go to see GPA. Don't go to the homeless shelters, because I heard this morning, the more you help people the more they become dependent, and you have to cut back on all these programs." Well, I

don't happen to believe that. I believe there's some people right now who need help. Sales taxes are down. I -- and I don't like to use this term -- I have to find \$13 million more to cut your budgets. Right now I've got to start figuring out how to cut your budgets by \$13 million more. Where do I go? Where do I look?

And there are those who say, "Well, you know, you've got so many people on your staff. Harry only had 70. You have 100." And that will save maybe, oh, 100,000, 200,000 dollars. But where do I go to find 13 million? They will say -- people will say, "Well, early retirement." Louie didn't know what he was doing -- he knew what he was doing, but he didn't understand the impact. What he's saying is two fine men, about 30 years of service, and he's saying to you, "Retire."

MR. GOLDSTEIN: All I'm saying --

GOVERNOR SCHAEFER: You didn't say it, you didn't say it --

MR. GOLDSTEIN: -- consider retiring.

GOVERNOR SCHAEFER: You didn't say it, but that's in a way -- and I can't do that, I can't tell you

to retire. That's a decision you have to make. It's a tough one. And, as I get older, it's not so easy to just say to a person, "Stop, quit, retire." Tough, and I'm not going to do that.

So what I am going to propose, and this isn't -- I mean this, everything I propose is what I'm going to do. I would suggest I make the motion, the motion be seconded, we vote on Lucy's amendment. If it passes, we then vote on Louie's amendment. If it passes, I will find no other sources. So let us not kid ourselves. I will not look for other sources to replace what Lucy or Louie say in their amendment. I can't do it, because I've got to -- we, I, you, everybody has got to find \$13 million more right now. I'm looking at Mr. Benton. I'm telling him, "Okay, Louie has given you the estimate of 13 million. Where do we go?" That's this year, this year; and, if we have a bad Christmas season, if we have a bad Christmas season and the estimate is off, we'll be back again for the seventh time, because we're back on the sixth time already for 13 million.

Are there alternatives? Yes. But I live in a

world, and I said this when I was mayor a long time ago, and I guess I say it now, I live in a world of reality. By law we are required to reduce the budget by \$450 million plus 13 million that we found out about today. I can't go on the presumption or assumption that something will happen to give us additional taxes.

There was a vote, as I understand it, a little poll. After everything I said yesterday and gave all the facts and all the figures, and everything was there including the police, including the poor, 64 percent of the people said no new taxes. Okay. No new taxes. But I wonder if some of those people who voted that way, wonder if they have anybody in a mental institution or whether they have a retarded person or whether they have a teen-age pregnant child or whether they have somebody that's affected by drugs, because we're stopping the programs; and they're not tear-jerker words, they're just reality. Most of the people don't, but a lot of people do. And then there's that last -- am I supposed to help other people? It's a worded a little differently in the Bible, but am I supposed to help

other people?

So I will make the motion that the proposal as presented by Mr. Benton be approved. I would hope it would be seconded. We will then vote on Lucy's motion and then on Louie's motion, and we will go forward.

I move for the adoption of -- what was it called?

MR. BENTON: Cost containment recommended to the Board.

GOVERNOR SCHAEFER: -- cost containment recommended. Is there a second?

MR. GOLDSTEIN: I'll second the motion, but let me add something here. It was in the paper this morning that the Comptroller's Office didn't have any budget cuts. Now let me give you the facts of life. The Budget Bureau cut 21 positions. The Legislature cut 36. That was 57 positions cut. We've got 62-1/2 vacancies which we can't fill. So add 62 to 57, and you'll see how many cuts I've got. In our office, we've got 1,218 people working, the same as we had in -- in 1980 we had 1,280 people working. I don't have anybody

sitting on their backside doing nothing, I can tell you. We're working day and night to collect the money. That's my responsibility. So I just want to set the record here straight. I took the cuts. I volunteered cuts on number one, and I've taken my cuts in the first four cuts, and the only people being cut now are the people collecting the revenue.

I know a lot of people walking around here wearing a big uniform for Natural Resources. You go in a duck blind to shoot a duck or a goose. Two of them walk up to you, "Let me see your gun. Let me see your license. Let me see your shells," as if you're a real victim, you know, breaking the law. I understand those people being cut. No disrespect to them. I know he's there holding his head, winking his eyes. You know what the hell I'm talking about, sir. I've told you about it, instead of collecting the boat tax to run your operations. I have to say this. I'm preserving these things, you see.

So it's a tough decision for me to make, but I have to do it under the constitution. So I'll second

the motion, and I hope something is worked out between now and November 1. I understand we've got 20-some days if something can be worked out.

GOVERNOR SCHAEFER: Motion is made and seconded.

MS. MAURER: I would like to move, Governor, that we divide the vote and that the first vote be taken on the reductions in the special funds, which will be the payments of revenue to the civil divisions of the state and the State Lottery Agency, for a total of 9.885250.

GOVERNOR SCHAEFER: Is there a second?

(No response.)

GOVERNOR SCHAEFER: Hearing no second, the motion fails.

MR. GOLDSTEIN: I wouldn't do that.

GOVERNOR SCHAEFER: Have you got a motion, Louie?

MR. GOLDSTEIN: No.

MS. MAURER: I have another one, to divide the vote in order to cut the amounts that go to the private

and non-profit organizations, the grants.

GOVERNOR SCHAEFER: Motion is made. Is there a second?

(No response.)

GOVERNOR SCHAEFER: Hearing no second, the motion fails.

MS. MAURER: I move that we have a special meeting on Friday for consideration of the vote on the state agencies, both the four large ones and the other grants, in order to have an opportunity to interact with the legislators who will be here for special session tomorrow.

GOVERNOR SCHAEFER: Is there a second?

(No response.)

GOVERNOR SCHAEFER: Hearing none, the motion fails. Now ready for the vote. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

GOVERNOR SCHAEFER: All opposed?

MS. MAURER: No.

GOVERNOR SCHAEFER: It's easy to say "no," and

I shouldn't comment on this, and I was going to say let's delay the bond bill, which we're spending a hundred and some million dollars on bonds, but I won't.

All right. The motion has passed. Next order of business?

MR. GOLDSTEIN: Let me say this. We have between now and November 1, Lucy. The legislators will be here tomorrow. I'll be very happy to meet with the Legislature.

And let's set the record straight. I am a sales tax senator. In 1947 when Governor William Preston Lane proposed a sales tax, the Majority Leader and Minority Leader took a walk, and I was a young senator and I assumed the responsibility to get that bill passed, two percent sales tax. That's history now.

So, if the Legislature wants to talk, I'd be very happy to meet with them. My time is their time.

GOVERNOR SCHAEFER: I think you and Lucy should. I think you ought to talk. Had nine months to do it.

All right. Next order of business?

MR. MCGINTY: Go back to the normal order.

We'll take the Secretary's Agenda first.

GOVERNOR SCHAEFER: What's next?

MR. MCGINTY: Secretary's Agenda. I'd like to begin by withdrawing Item 6 on page 6. At the request of the Department of Natural Resources, that program has been abolished.

MR. GOLDSTEIN: Item 2, let's see here, on that PAAR report. Governor, on that Item 2, the PAAR report, personal property, I notice people are still stealing items. Don't know what we're going to do about it. It's right before the Board of Public Works PAAR report number three. It involves the agency, Department of General Services, reporting on -- Colonel, may I have your attention, please, sir. On your PAAR report, on P-1, P-2, I notice that people are still stealing stuff.

MR. WALSH: Yes, sir. What we've done is about three months ago, Mr. Comptroller, we have instituted kinds of inventory control that you are familiar with from your Marine days --

MR. GOLDSTEIN: Yes, sir.

MR. WALSH: -- and certainly I'm familiar with
from --

MR. GOLDSTEIN: Yes, sir. Back in those days,
they used to steal pistols and watches and glasses.

MR. WALSH: And right now we're moving into
that kind of a full hand receipt and sub-hand receipt
kind of mode to put that kind of accountability in place
that has not existed heretofore.

MR. GOLDSTEIN: Okay. Let's see, Item 5 is my
next one, Item 5, let's see here, University of
Maryland. Let's see if we've got somebody on that PAAR
report. Public Safety -- University of Maryland. On
PAAR report, University of Maryland, I see they're
renting a lot of chairs and tables. I would think the
University of Maryland -- this is Towson State
University. Why wouldn't they have enough tables on
campus, and chairs? Why would they have to keep renting
them all the time?

DR. MYERS: Well, I can't speak to that
specific item at this time. I'll have to get back with
you.

MR. GOLDSTEIN: My question is on the whole University of Maryland system. At the University of Maryland, don't you all have your own chairs and tables, with all the people you've got there, and moving in and out of an event? Why do they have to keep renting them?

DR. MYERS: Mr. Comptroller, I'd have to get back with you on an answer to that question. We have obviously a lot, but there's a continuing requirement to replace and respond to additional needs, but I'd have to get back on that item.

MR. GOLDSTEIN: Well, you know, on every university campus, you have all kinds of activity, social activities, requires maybe 200 chairs and 20 tables. I would think you would have those in inventory and buy them once. When you figure how much rent you're paying on that, you'd soon pay for them. Just like in this room right here, see, we have chairs. You can fold them up. Have a big crowd, we fold them up and have them for the next meeting. The Governor don't go out here and hire chairs for a meeting, or these tables.

See what I'm saying?

DR. MYERS: I understand your question, but I can't answer it.

GOVERNOR SCHAEFER: Louie, you're absolutely right. I agree with you. The other day, we had to outfit a small office; and, down into the bureaucracy, instead of looking around for used or operable furniture, the answer was "We'll go buy it, we'll go out and buy it." I think that, somewhere along the line, inventory of all the chairs, all the things that you have -- I think, as Louie thinks, that they're around somewhere; and, if they're not around, then you've got places like the Federal Government Surplus where we could get chairs. Every time I suggest this, it's an awful lot of trouble. And this is not your item today. This is just a general statement. I think there are places we could go to get chairs. We wouldn't have to rent. I just think they're here. I think we could utilize them. I think we could utilize equipment. Now, I will be told it's impossible, can't be done, not available, all the rest, and yet I'll walk around and I

see tables being used for old newspapers and I see chairs where people put the -- well, all sorts of things.

I think Louie is right. I think we ought to take a look around and see if we can't -- instead of renting these chairs. It won't be done. So I've had my say for the day. That will end that.

MR. GOLDSTEIN: Well, I know my own -- I used to have a lot of picnics when my wife was well, and I went up to a sale and I bought all the benches. The Baltimore Raceway had a sale. I bought 99 benches, 99. I bought them, fixed them up, and I saw another sale on folding tables, and I've still got them, and I let people use them, but I don't have to rent them. I mean, hell, I paid such a ridiculously low price for them. But the point is I had them in hand, didn't have to hire them. I mean, I know these are items that soon add up.

The next item on the University System is item number 140-M. It's 99,900 for concrete work at Frostburg for sidewalks. How old are the sidewalks, and

why wasn't it put out on bid? I mean, I read all these things. I do my homework. I know you can't answer.

GOVERNOR SCHAEFER: I don't think he's -- he's not the right one to answer it, Louie. Who can answer this one? I don't think it's you.

DR. MYERS: I think you're raising a question about all expenditures we're making, and I do agree with you completely that we have to examine each and every expenditure because we're in difficult times.

MR. GOLDSTEIN: That's exactly right, and that's my responsibility as State Comptroller. I mean, the constitutional laws of Maryland say I have to do that. Okay. Maybe you can get the answers next week. Thank you, sir.

GOVERNOR SCHAEFER: Let's not pass it over. You've raised this question. Who's supposed to find out about this? Can you find out and really know by next week what the Comptroller has asked?

DR. MYERS: Yes, sir.

GOVERNOR SCHAEFER: Particularly on the chairs.

DR. MYERS: Yes.

GOVERNOR SCHAEFER: Keep raising the same question, the same way, on why we didn't put out on competitive bid on Frostburg, whatever it might be. Okay.

MR. WALSH: Governor, I'll follow up on that inventory aspect and availability across major departments.

MR. GOLDSTEIN: I move we approve the agenda with the exception of items withdrawn.

MS. MAURER: Second.

GOVERNOR SCHAEFER: No objection. So ordered.

MR. MCGINTY: Department of Budget and Fiscal Planning.

MR. BENTON: I'd like to withdraw Item 1-S and 9-GM and defer Item 7-S.

MR. GOLDSTEIN: Item 7-S deferred, Item 7-S.

MR. BENTON: That's the dining hall item at University of Maryland.

MR. GOLDSTEIN: Right. Okay. Well, Lucy, I think you can make a motion.

MS. MAURER: Yes, I'll make a motion that we approve it as amended.

MR. GOLDSTEIN: Approve the agenda with the exception of items that were previously deferred or withdrawn. Second the motion. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. MCGINTY: University of Maryland.

MR. GOLDSTEIN: I didn't have any items on the University of Maryland.

MS. MAURER: Move approval.

MR. GOLDSTEIN: Second that motion. General Services.

MR. MCGINTY: Department of Transportation.

MR. GOLDSTEIN: What?

MR. MCGINTY: Department of Transportation.

MR. GOLDSTEIN: Yeah. I didn't have any items on that agenda. Do you have any, Lucy?

MS. MAURER: No. Move approval.

MR. GOLDSTEIN: Second the motion. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. MCGINTY: Department of General Services.

MR. GOLDSTEIN: I just have one item on there. That was that roof at Allegany, 3-CGL, page 4. That roof was 16 years old. What was the guarantee on it?

MR. WALSH: I don't have the specifics on that, but I think we're long past any warranty. I'll verify that for you, Mr. Comptroller.

MR. GOLDSTEIN: Well, now, let me ask you this, sir. This new roof, we're putting up state money, 70 percent, and Allegany puts up 30 percent. Do you have to approve the contract, or do they do it independently?

MR. WALSH: This is a grant to them via that grant program that the Legislature puts together.

MR. GOLDSTEIN: Right. Well, then who has the responsibility of seeing that we have a slope to the roof?

MR. WALSH: We know -- I'm doing a certain

review of these as they come in onto the agenda. We know that there is going to be a quarter-inch-to-a-foot slope as they renew that roof, Mr. Comptroller.

MR. GOLDSTEIN: Well, now, are you putting that as the requirement when you make the grant?

MR. WALSH: Yes.

MR. GOLDSTEIN: Of \$206,000.

MR. WALSH: When we question them, they give us that answer back, and then we will follow that up.

MR. GOLDSTEIN: Well, wait awhile. Shouldn't that be part of the grant, specify in the grant they have to do that? I mean, if you don't, they're going to go up there and put the same kind of damn roof back on that building, and they'll be back here again saying -- look, up there you've got extreme cold and extreme heat. So you've got heat from, say, maybe 110 degrees Fahrenheit to about a minus-10. Unless you put that in the grant --

MR. WALSH: What we have, these are, in effect, prior year, the kinds of actions that you're talking about. We do our best to input this into the

grants program as they come along in the '92 session.

MR. GOLDSTEIN: No, but, I mean, you haven't given them this money yet.

MR. WALSH: That's right.

MR. GOLDSTEIN: Well, can't you specify in this 260 --

MR. WALSH: If we were not getting --

MR. GOLDSTEIN: They're putting up \$88,000.

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: That's 30, and we're putting up 70 percent. You mean to tell me you can't put that in the grant? I'm not going to vote for this unless we do that. I'm not going to vote for this today. We'd better defer it.

MR. WALSH: Right now we do have them going at the quarter inch. They are doing it.

MR. GOLDSTEIN: I mean, is that in writing?

MR. WALSH: Yes, it is.

MR. GOLDSTEIN: How do you know that? It don't say so in here. Unless we put it in black and white, because we've had the same situation, Allegany,

Hagerstown Community College, Frederick, Dundalk, Catonsville, Chesapeake Community College, same problem with every last one of them, and we've spent thousands of dollars of taxpayers' money and we still have these leaking flat roofs.

I move we defer it until next week and have that as part of the grant.

MR. WALSH: It is in the bidding specifications, Mr. Comptroller.

MR. ROBINSON: Mr. Comptroller, Al Robinson from the State Board for Community Colleges. We require of all community college projects that they be in compliance with Department of General Services policy and that those specific requests at this point in terms of Allegany's roof is in compliance with Department of General Services specifications.

MR. GOLDSTEIN: Well, why don't you say so in the item here that we have to vote on? There's nothing in here about that.

MR. ROBINSON: We could always amend the item to reflect it in the item.

MS. MAURER: Why don't we just amend the item now to say it is in conformity.

MR. WALSH: We can just amend that item that it is with the quarter-inch slope a foot.

MR. GOLDSTEIN: Right.

MS. MAURER: I'll second that.

MR. GOLDSTEIN: Thank you, because if we don't, we just perpetuate what's been going on.

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: You see.

MR. WALSH: We have influenced every roof since we've talked about this.

MR. GOLDSTEIN: Right. I want to congratulate you, because if we don't -- you can't make water run uphill.

MR. WALSH: Yes, sir.

MR. GOLDSTEIN: But, if you've got a slope, the water is going to come off. Otherwise, the water lays there and you get freezing and thawing, which you have in that part of Maryland more so than you do down here. And what happens? It deteriorates. Then it gets

in there and the ceiling starts falling, then the walls start falling. Okay.

MS. MAURER: Move approval.

MR. GOLDSTEIN: Second the motion. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MR. GOLDSTEIN: Opposed, "no."

BOARD MEMBERS: (No response.)

MR. GOLDSTEIN: We thank you.

MS. MAURER: Move we adjourn.

MR. GOLDSTEIN: Second the motion. All in favor, signify by saying "aye."

BOARD MEMBERS: Aye.

MS. MAURER: So ordered.

(Whereupon, at 10:50 a.m., the above-entitled meeting was adjourned.)