
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND

January 28, 2015
10:00 a.m.

PRESENT

HONORABLE LAWRENCE J. HOGAN, JR.

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

SHEILA C. MCDONALD

Secretary, Board of Public Works

C. GAIL BASSETTE

Secretary, Department of General Services

DAVID BRINKLEY

Secretary, Department of Budget and Management

PETER RAHN

Secretary, Department of Transportation

HILARY BELL

Deputy Director, Land Acquisition & Planning, Department of Natural Resources

JIMMY RHEE

Special Secretary, Governor's Office of Minority Affairs

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Procurement Advisor, Board of Public Works

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PROCEEDINGS

(Applause.)

GOVERNOR HOGAN: Good morning.

AUDIENCE: Good morning.

GOVERNOR HOGAN: Well we said we were going to put Maryland on a new path and this morning we have taken a step in that direction. I think this is the first time in more than 12 years that a Board of Public Works meeting has started on time. So we're off on the right foot.

(Laughter.)

(Applause.)

GOVERNOR HOGAN: First of all, let me just say that I'm very pleased to be joining here this morning with Treasurer Kopp and Comptroller Franchot. This is my very first Board of Public Works meeting. Not only is it the first Board of Public Works meeting that I am chairing, it is actually the first Board of Public Works meeting I have ever even attended.

(Laughter.)

GOVERNOR HOGAN: So I hope you will take it easy on me this morning. I've still got my training wheels on. But I'm going to follow your lead. I, I really know that this is an extremely important meeting and I'm very much looking forward to working together with my colleagues here. The Board of Public Works is very unique. It's the only board of its kind of any state in the

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nation. There, the appropriation of hundreds of millions of dollars take place here and I look forward to working with Treasurer Kopp, whom I've got a tremendous amount of respect for, Comptroller Franchot, who I have a tremendous amount of respect for as well, in order to make sure that Maryland's fiscal integrity and appropriations are made in a fiscally responsible, fair, and lawful manner. And most importantly to fulfill a commitment to build public trust and increase transparency in this process. So I look forward to working together with both of you. And I've had great meetings with both the Comptroller and the Treasurer during the transition, got to know them a little bit. And I also if, a point of privilege, I'd like to, I had the opportunity a couple of days ago to officially swear in the Comptroller to his third term. I think we ought to congratulate him on that.

COMPTROLLER FRANCHOT: Thank you.

(Applause.)

GOVERNOR HOGAN: I look forward to working with both of you for the good of Marylanders for many years to come.

Now I'd like to turn the floor over, if, if the Treasurer and the Comptroller have any opening remarks or comments you'd like to make?

TREASURER KOPP: Well --

GOVERNOR HOGAN: Treasurer Kopp?

TREASURER KOPP: -- Governor, let me congratulate you again publicly, as we have several times in private. I know the Comptroller joins me,

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and, and my, my constituents and friends in the Senate of the State of Maryland, and the House of Delegates also join me in congratulating you in starting off this first meeting. As you know, our mutual friend, Peter's and mine, former Governor Mandel who is right there --

COMPTROLLER FRANCHOT: Mm-hmm. Where?

GOVERNOR HOGAN: Where is Governor Mandel?

TREASURER KOPP: He's right, this --

GOVERNOR HOGAN: Oh, on the wall.

(Laughter.)

GOVERNOR HOGAN: I was going to say, we didn't recognize Governor Mandel.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Thank you for being here, Governor.

(Laughter.)

TREASURER KOPP: He is always here. But I remember him, him saying when he first became Governor, actually, and several times since then, that the Board of Public Works was one of his favorite functions in the, in his Governorship. Because it gave you a chance to see and feel firsthand what is going on around the State in the different communities, the needs, the buildings. You remember this, right? And that while all his successors, like Peter's immediate successor Governor Schaefer, didn't always see it that way, he found

that it was just a great opportunity to, to learn and to, to meet the folk. And, and I have found it that way, too, particularly on a day like today when we're going to be hearing about the schools all, all over the State, the cornerstones of the communities. So I, I did want to say that.

I wanted to congratulate you. We're going to have a, an item regarding the next bond sale which gives us the opportunity to point out once again that Maryland is a AAA-rated, rated State, a AAA-rated, Governor, which, of which we are very, very proud. And with that, I'm not very much on speeches and I don't do well, but I welcome you and I look forward to it.

GOVERNOR HOGAN: Thank you so much. Comptroller Franchot? Any comments?

COMPTROLLER FRANCHOT: Well I, I echo the words of the Treasurer, and the Governor nicely mentioned that he swore me into office. And I did get 1,061,267 votes, not that I'm closely counting or anything.

(Laughter.)

COMPTROLLER FRANCHOT: But I appreciated the graciousness of Governor Hogan and Lieutenant Governor Rutherford. And the Governor mentioned punctuality. And I have sat at more than 175 meetings just like this and waited 15, 20, 25, 30, 35 minutes, sometimes longer, with groups just like this. And I'll, I'll never forget after one of those incidents one of the members of the public came up to me and said, gee, how exactly can we trust you

guys to get the fiscal house of the State in order if you can't start a meeting on time? And so this fact that we're starting on time is very symbolic and I think important to the citizens of the State. The fact that we all came out from the Governor's office together I think is very positive. The fact that we're not going to have pre-meetings, as was the practice, I appreciate that. I think that's important for transparency of the public because these decisions are important. And Governor, I just want to thank you for the way you've started out.

This Board has for more than 150 years provided accountability and transparency in the way we purchase goods and services on behalf of Maryland taxpayers. I remind people that the State budget is where public money is appropriated, but it's here in this room at the Board of Public Works where the taxpayers' hard-earned money is actually spent. And I, Governor, I know that you share my deep level of respect for the uniqueness and the time-honored traditions of this Board. And I'm confident that in all the responsibilities you've assumed since being sworn into office you will come to greatly appreciate what we do here every other Wednesday morning. Because no other state in the country has something like this Board of Public Works. And as you and I have discussed, there is room for improvement in our State's procurement process and I know the Treasurer joins us in that desire to increase bid competition and to ensure that we as a State are getting the best possible deal with the taxpayers' money. I look forward to working together with you and your administration in

these efforts to improve the process and safeguard this important Maryland tradition.

So I know we have a long meeting, and I apologize for that. I guess it's the school construction day. But welcome --

GOVERNOR HOGAN: Well, thank you.

COMPTROLLER FRANCHOT: -- to the Board of Public Works.

GOVERNOR HOGAN: Thank you very much. I, I had one slight oversight. I'd like to, if I may, introduce just a couple of very important members that we are very happy to have, I'm very proud to have as my partner in this effort. Lieutenant Governor Boyd Rutherford who joined, he snuck in the back door here.

COMPTROLLER FRANCHOT: Yeah.

(Applause.)

GOVERNOR HOGAN: And the other guy who has a first-time meeting here today is our Special Assistant and Liaison to the Board of Public Works for the Governor's Office, Roy McGrath who is down here to my right, we welcome him.

(Applause.)

GOVERNOR HOGAN: The, we're, we're starting off swearing in the Comptroller rather than swearing at the Comptroller.

(Laughter.)

GOVERNOR HOGAN: We're turning over a new leaf.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: Somebody, we mentioned, you mentioned Governor Mandel being here. Governor Ehrlich told me this story, his very first Board of Public Works your predecessor --

COMPTROLLER FRANCHOT: Uh-huh.

GOVERNOR HOGAN: -- was sitting next to him, Comptroller Schaefer, and he was mumbling to himself and he was saying, no good SOB. And he was using some profane words I won't use this morning. And the Governor thought he was talking to him because he was the only one at the table. And he looked, and Schaefer was looking at Parris Glendening's picture on the wall.

(Laughter.)

GOVERNOR HOGAN: So hopefully we're going to get along a lot better than that.

(Laughter.)

GOVERNOR HOGAN: And I look forward to a long and productive relationship.

TREASURER KOPP: Governor, since it, since it's a matter of public record I, I do have to say, Sheila might remember, the first Board of Public Works meeting I ever sat at was a bond sale. So as is tradition the Treasurer sat in

the middle between the Comptroller and the Governor, between Comptroller Schaefer and Governor Glendening.

GOVERNOR HOGAN: Wow.

TREASURER KOPP: And I will tell you it was about the most difficult --

(Laughter.)

TREASURER KOPP: -- it was really, because of course neither gentleman would speak to the other and we were in the middle. At any rate, it's a pleasure to be here.

GOVERNOR HOGAN: So we're off to a good start. Hopefully we can, we can be like this after eight years.

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: And I thank you. Let's go ahead and get started with the Secretary's Agenda, Secretary McDonald?

SECRETARY MCDONALD: Good morning, Governor.

GOVERNOR HOGAN: Good morning.

SECRETARY MCDONALD: Welcome aboard.

GOVERNOR HOGAN: Thank you.

SECRETARY MCDONALD: Madam Treasurer, Mr. Comptroller. We have 13 items on the Secretary's Agenda this morning. We have one report of an emergency procurement. Item 10 on the Secretary's

Agenda is the preliminary Capital Improvement Program for the Public School Construction Program. The appeals from the counties are going to come in later on that, so we would like to hold Item 10 and take that separately. But we are ready to answer questions on the balance of the Secretary's Agenda.

GOVERNOR HOGAN: Can I have a summary of Appendix A, please? Could you describe that emergency?

SECRETARY MCDONALD: Yes. And I do, I have Sandy Johnson from the Human Resources Department here. This is an award of a consulting contract. An emergency report, first let me explain that, is a contract that an agency has awarded because they have determined there was an emergency that needed to be addressed at that time and there wasn't enough time to go through the usual process. But there is a part in the process that allows them to declare an emergency and award the contract. They then have to report to the Board that they awarded this contract. So Ms. Sandy Johnson is the Director of Procurement in the Human Resources Department and she has reported on behalf of Human Resources that they awarded this contract. Do you want to explain to them what the contract was?

MS. JOHNSON: Yes. Good morning, Governor.

GOVERNOR HOGAN: Good morning.

MS. JOHNSON: Good morning, Madam Treasurer, good morning, Comptroller. Yes, this was an emergency contract. There was a

meeting held regarding the unaccompanied youth that came into the United States and the federal government had asked for assistance. And so the State of Maryland was asked to provide an emergency, well was asked to provide assistance in responding to these unaccompanied youth. So this contract was put in place to have consultants come in to address any media related information regarding these unaccompanied youth.

GOVERNOR HOGAN: So it was a PR firm --

MS. JOHNSON: Yes, sir.

GOVERNOR HOGAN: -- that was hired?

MS. JOHNSON: Yes.

GOVERNOR HOGAN: Due to the nature of this, I'd like to if I could call for a separate vote on Appendix A.

SECRETARY MCDONALD: We can. And in this case because you are not approving or disapproving the contract, you are accepting or remanding her report. Which --

GOVERNOR HOGAN: Yeah, I --

SECRETARY MCDONALD: -- you would say you were sending it back. You would be, a separate vote would be to say this is not an acceptable report. Yes.

GOVERNOR HOGAN: I just want to have a separate vote on the issue. I mean, I understand that it was a contract that was let. I don't believe that

these kinds of after the fact things should take place for things like hiring PR firms. I think an emergency contract should actually be an emergency. If a pipe bursts and you have to fix it, that's an emergency. Hiring a political firm to come in and give you PR advice is not an emergency. I understand it's a small business that needs to get paid and it's after the fact. But I, I'd just like to pull that out --

SECRETARY MCDONALD: Right.

GOVERNOR HOGAN: -- from the rest of the Agenda, if we may. You know, in good faith I'm not sure I can cast a vote in favor of it. I don't want to vote against it because it's a small firm. I think I, I'd abstain on that issue.

SECRETARY MCDONALD: Okay. Okay.

GOVERNOR HOGAN: Is there a, everybody okay with pulling that out? Is there a motion, or a second on that motion?

SECRETARY MCDONALD: Is there a motion to accept this report, perhaps?

GOVERNOR HOGAN: Accept the report with pulling that one out --

TREASURER KOPP: Without, right.

GOVERNOR HOGAN: -- for a separate vote?

COMPTROLLER FRANCHOT: No --

SECRETARY MCDONALD: Well, no it's to accept the report in the appendix. If there is a motion to accept this one report if the other two members want to accept it.

COMPTROLLER FRANCHOT: No, I have, is this where the bond sale is?

SECRETARY MCDONALD: No.

GOVERNOR HOGAN: No.

SECRETARY MCDONALD: We're just talking on the one emergency item.

GOVERNOR HOGAN: This is about the --

TREASURER KOPP: What you're saying --

COMPTROLLER FRANCHOT: No, I know, I know what this item, but is your, is it on your Agenda?

SECRETARY MCDONALD: It is.

COMPTROLLER FRANCHOT: Well I would like, I mean, that's a rather significant --

TREASURER KOPP: I think --

SECRETARY MCDONALD: Right. Well I'm just, I was just pulling this one item out and leaving the balance --

COMPTROLLER FRANCHOT: No. And I'm, I'm happy to support the Governor and --

TREASURER KOPP: To separate out this item.

GOVERNOR HOGAN: I'd like --

SECRETARY MCDONALD: This, because it's the emergency appendix.

COMPTROLLER FRANCHOT: Go ahead and have the vote.

GOVERNOR HOGAN: I'd like to move, move for a separate vote on Appendix A.

SECRETARY MCDONALD: Right.

GOVERNOR HOGAN: Is there a second?

COMPTROLLER FRANCHOT: Second.

SECRETARY MCDONALD: Okay.

GOVERNOR HOGAN: Having been moved and seconded, all those in favor?

COMPTROLLER FRANCHOT: Aye.

TREASURER KOPP: Aye -- of moving and separating?

SECRETARY MCDONALD: Of a separate vote, of a separate vote.

GOVERNOR HOGAN: And I'm, I'm going to abstain for the reason I said.

TREASURER KOPP: Aye, yeah.

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

TREASURER KOPP: Yeah, could, if I could just mention Item 13 which the Comptroller has pointed out? This is the advance notice and authorization of the regular March bond sale. It is composed of two parts. One is a refunding of up to \$750 million. As you know, the interest rates right now are extraordinarily low and we like to take advantage of, of that benefit for the people of the State of Maryland. So on an ongoing basis we look at the outstanding bonds. And if there are some that can be refinanced without extending the terms, and there is a provision allowing refunding in all the bonds we, we, we sell, we, with our financial, the State's financial advisor, we go through every time and try to find what will be, would be appropriate to meet our criteria which involve both a significant amount of savings and the likelihood that that amount of savings will not arise again within the relatively short time of the bonds. As you know Maryland bonds have a maximum of 15 years term. So at the moment they are saying it could be up to \$750 million but you really won't know until you get closer to the date of the bond sale.

The other part of it which is \$518 million is essentially to continue paying on a cash flow basis, which is what we do. We don't actually borrow money ahead of time and, and hold it to pay out. On a cash flow basis for prior authorizations, projects. Often these are local schools that have already

undertaken work, the counties have paid, we are then reimbursing the State share. And some of them they are university buildings. As you know more than 60 percent of the general fund construction is colleges and, and, and schools. And this is essentially to, to replenish and to pay off those bonds.

There is a provision that the Attorneys General added a couple of sales ago which clearly authorize, and the sales are on behalf of the Board of Public Works. The Treasurer conducts relations with the bond rating agencies sort of on behalf of the Board. As you know, one of the reasons, by the way, that this is supplemental was we wanted to hold off to have time to brief the incoming Secretary designate, or Secretary of Budget, and his, his associates, to make sure that they would be available for the call the Comptroller and I and, and the Secretary hold with the bond rating agencies prior to going to the market and prior to issuing the preliminary official statement. So it, other than that there is no retail aspect with this this time because the interest rates are so low that the very smart Maryland bond buyers would rather invest through a fund than directly. And unlike some past years there are not some, there are not federal BABs or all these other things that were, were added on. So this is a relatively plain vanilla, but very important, issue to continue paying the debts of the State and save on the bond refunding.

GOVERNOR HOGAN: Okay, thank you. Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yeah, I'd just like to ask on -- well, first of all I'd like to say that the issue we addressed just before on the contract I would like to associate myself with the remarks of the Governor. Because what you have just witnessed, well it's like a redheaded Eskimo, it doesn't happen very often where an agency is told that what they are producing is unacceptable. And I want to applaud the Governor for making this point. And the Budget Secretary, feel free to get the money back somehow for the taxpayers from that agency because it's, it's wrong. It's not the right way to do business. And I just want to really underline the significance of what Governor Hogan just did. I think it's a very healthy and positive development.

And then on the bond issue the only concern I have, and this was supplemental so I didn't get it until the last minute. But I don't mind refinancing \$750 million, it's the \$518 million in new debt. Why, why is that so time sensitive right now? If I could --

TREASURER KOPP: Let me turn to the Deputy, Chief Deputy Treasurer. Governor, I'd like you to meet the Chief Deputy State Treasurer Bernadette Benik.

GOVERNOR HOGAN: Good morning.

TREASURER KOPP: Basically it is, as I said, the normal March sale and it is to replenish the coffers of what's been spent. But Bernadette?

MS. BENIK: Good morning, Mr. Governor, Mr. Comptroller, Treasurer. Bernadette Benik, for the record, Chief Deputy Treasurer for the State of Maryland. Generally, Mr. Comptroller to address your question, the State does go to market twice a year, generally in March and in July. Currently at the end of December we had about \$231 million left in the annuity bond fund to cover expenses and we've been spending about \$88 million a month. So at this point we will be, our bond proceeds will run out probably mid-March. So this is, the timing is is that when we have the sale beginning of March, which is normally what we do, historically it's the beginning of March, this, the settlement of that bond sale will happen mid-March so we will just replenish the annuity bond fund.

The sales always can be pushed off a little bit. If you do that what happens is the State will continue to make its payments on the invoices that come in and are presented for payment. And what happens is is that the General Fund just fronts that money until such time as the sale occurs and then the, the money comes in and replenishes the bond account. So, you know, you always have a little bit of leeway, and we do run it and try to time it March and July, and that's historically been the, the case. If you go back several years you'll see I think in the past couple of years we've been at March 3rd, March 4th, March 7th at about \$450 million to \$500 million. And the CDAC report does in fact outline what we anticipate those sale amounts will be each time. So --

COMPTROLLER FRANCHOT: Yeah, no, I have, I don't have any problem with the normal course of business.

MS. BENIK: Mm-hmm.

COMPTROLLER FRANCHOT: But I do have a little bit of problem with the timing of this and the fact that it's sitting here before us. I know \$750 million is refinancing, and that is I think understandable to the taxpayers. But the \$518 million in new debt, I, I wish that I had had more time to take a look at it. And I'm happy to defer it but I'm also very happy and pleased to follow the Governor's leadership on it. And I just, I mean, if he's had a chance to look at it, okay. I certainly haven't. That \$518 million is what I'm talking about.

MS. BENIK: Right. And, and in fact you, you could defer. It would just push out, you know, we would just work with your staffs to push out to set, you know, new dates if you chose to do that for the bond, you know, rating calls and to get the, the preliminary official statement out. So you know, I think, as the Treasurer said, we tried to do it as a supplemental so that the new administration had a chance to be talked to about it so they would know, and I'm sorry that you, you know, you didn't. We try to usually, as you know, have it out there earlier.

GOVERNOR HOGAN: Any other questions?

TREASURER KOPP: I want to stress that, simply, simply because we did hold it. It would have been put in, in on Wednesday instead of

Friday but we wanted to meet with the Secretary on Thursday to make sure that, that actually that there was no issue, and that the Secretary could be at the bond rating calls because we're going to have to reschedule, if we reschedule, which is okay with me, we're going to have to reschedule those calls and make sure that everybody, on every call there is the Comptroller, the, his Bureau of Revenue Estimates, the Secretary, the fiscal, the Legislative Fiscal Services, the Treasurer's Office, the Attorney General, often the head of the Pension System, because question do arise about the, about the Pension System. And at times, you may recall Mr. Lieutenant Governor, the Secretary of General Services if there is an, an issue about that. So it's in, a significant part of scheduling issue.

GOVERNOR HOGAN: Secretary Brinkley, do you have any, any comments or thoughts?

MR. BRINKLEY: We had, we had the meeting last Thursday at 9:00 in her office and this is where she was laying out to Senator Neall and I basically the timing, the fact that these calls had to take place, will take place. And, you know, the refunding part certainly makes sense. What I hear is the Comptroller is concerned that it came on the Agenda at the last minute and that's his, his focus.

GOVERNOR HOGAN: And, and I understand his concern and I share the concern but it sounds like the Treasurer has got a pretty good reason for

that and that she was delaying it for us so that you could have a chance to get that update. At this point --

MR. BRINKLEY: We're scheduled for the, we're scheduled for the calls next week --

TREASURER KOPP: Yeah.

MR. BRINKLEY: -- I think it's the fourth.

GOVERNOR HOGAN: Any other comments or questions from anybody? Is there a motion? Is there a motion?

TREASURER KOPP: To authorize this item?

GOVERNOR HOGAN: To approve the, the Secretary's Agenda?

TREASURER KOPP: To approve this item? To approve the Secretary's Agenda minus --

GOVERNOR HOGAN: Minus Item 10?

SECRETARY MCDONALD: And minus Item 10 and including Item 13?

GOVERNOR HOGAN: Yeah, right, exactly.

TREASURER KOPP: I would so move.

GOVERNOR HOGAN: Second? I'll second it. All those in favor? Mr. Comptroller?

COMPTROLLER FRANCHOT: A cold vote yes.

GOVERNOR HOGAN: A cold vote yes. Madam Treasurer?

TREASURER KOPP: Thank you. A cold as well, yes.

GOVERNOR HOGAN: I'll go with a cold one as well.

(Laughter.)

GOVERNOR HOGAN: It's three-oh. Now let's move on to the DNR Real Property Agenda.

MS. BELL: Good morning, Governor, Mr. Comptroller, Madam Treasurer. My name is Hilary Bell. I'm from the Department of Natural Resources. We have five items on our Agenda today. One item of note is a Program Open Space local grant to Washington County. This would construct improvements at Kiwanis Park in the City of Hagerstown and it would provide water access to the Antietam Creek for canoers and kayakers. And I'm available to answer any questions you may have.

GOVERNOR HOGAN: Are there any questions on the DNR Agenda?

TREASURER KOPP: I, I would just like to say that our office did hear from one of the newly elected members of the House of Delegates, Delegate Brett Wilson from District 2B who strongly supports this item, this item being, thank you Susanne, Item 1A, and appreciated the, the support of the Board. And I told him I would, I would convey this. He feels it's strongly in the interests of the folks out there because it will improve public safety, the quality of life, and the perception of Hagerstown, an important part of the economic revitalization. And

so as new representative of that area he very much appreciated it being on the first Board Agenda of your administration.

GOVERNOR HOGAN: Mr. Comptroller, any questions or comments?

COMPTROLLER FRANCHOT: None, thank you.

GOVERNOR HOGAN: Is there a motion on the DNR Real Property Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Let's go ahead and take the vote. Madam Treasurer?

TREASURER KOPP: Aye.

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: Aye.

GOVERNOR HOGAN: Aye, three-oh. Now let's move on to the Department of Business and Management Agenda, Budget and Management Agenda, sorry.

MR. BRINKLEY: Governor, Madam Treasurer, Mr. Comptroller, the Department of Budget and Management has submitted 12 items for approval. Item 2-S is withdrawn. It therefore leaves 11 items for approval on today's Agenda and I can address any, any questions you might have.

GOVERNOR HOGAN: Any questions on the DBM Agenda?

Hearing no questions, is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a --

TREASURER KOPP: Second.

GOVERNOR HOGAN: -- second? Mr. Comptroller?

COMPTROLLER FRANCHOT: Aye.

GOVERNOR HOGAN: Madam Treasurer?

TREASURER KOPP: Aye.

GOVERNOR HOGAN: Three-oh. The, now we're moving on to the University System Agenda?

SECRETARY MCDONALD: Right. Mr. Evans is coming to the podium now. Mr. Joe Evans is representing the University System today and he's from the University of Maryland Baltimore. He alternates with the representative from the University of Maryland College Park who comes, they are both here each time, but anyway this is Mr. Evans.

GOVERNOR HOGAN: Welcome. Good morning.

MR. EVANS: Good morning. Again, I'm Joe Evans representing the University System of Maryland. We have ten items on the Agenda. We are withdrawing Item 5-C-MOD. I'm here to answer any questions.

GOVERNOR HOGAN: Any questions on the University System Agenda? Hearing no questions, is there a motion?

TREASURER KOPP: Favorable.

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: It's been moved and seconded. All those in favor? The vote is three-oh. Now we'll move on to Information Technology, the DoIT Agenda.

SECRETARY MCDONALD: Mr. Greg Urban is here.

MR. URBAN: Good morning --

GOVERNOR HOGAN: Good morning.

MR. URBAN: -- Mr. Governor, Madam Treasurer, Mr. Comptroller. I have six items on the Agenda today for you. I'm happy to answer any questions if you might have them.

GOVERNOR HOGAN: Any questions on the DoIT Agenda?

COMPTROLLER FRANCHOT: None.

TREASURER KOPP: I have a question on --

MR. URBAN: Sure.

TREASURER KOPP: -- 2-IT. It's a very confused, here's my question.

MR. URBAN: Okay.

TREASURER KOPP: This is a rather confused item, and I will support it even though it's retroactive. My question is did you all change your definition of what was available to the agencies under a contract after you, I mean, it looks to, I think that one of the issues we have with our procurement system, in addition to, to the things mentioned, is simply cross-training and information and, and bringing everybody together in a more centralized, coordinated way. I don't understand how this sort of thing happens, somebody buys off one of your contracts and then after the fact you say, by the way, that wasn't covered?

MR. URBAN: I, my recollection on this one is that they, they, they were using portions of the service that were not covered in the contract that we had negotiated with so there were additional features --

TREASURER KOPP: Well this says that you divided, you, you decided after the fact that software-as-a-service, whatever that is --

MR. URBAN: Understood, ma'am.

TREASURER KOPP: -- was in fact not part of the contract?

MR. URBAN: So we had a contract which was for software --

TREASURER KOPP: Right.

MR. URBAN: -- which generally is packaged software. You get, you'd own a copy of the software, you have a license to use the software. And then there are, this particular product is a software-as-a-service where we don't

own it. We own, we have the, a company provides a service and we have a license to use that service that they are providing. It's not a software. So the terms and conditions, and this is from our legal advisors, of that software contract don't apply appropriately to a software-as-a-service. So our guidance was that you should not use our master contract for software-as-a-service. I think there was probably a time in between where we realized that there was a deficiency in the terms and conditions of our, of our software contract and the application of it towards a software-as-a-service.

TREASURER KOPP: Well, that's the thing. I mean, when, when the agencies are using your contract to procure the services that they need, and then find out after the fact that you had decided, I guess after the fact, that it wasn't covered --

MR. URBAN: So we didn't --

TREASURER KOPP: -- it just seems to me that that point is some sort --

MR. URBAN: Right. Exactly. So --

TREASURER KOPP: -- of a lack of communication.

MR. URBAN: -- we didn't say that you, if you were using it it was an invalid procurement. What we're saying is going forward you weren't allowed to use it. Now what, the part that you're getting at, which is the part that did we communicate effectively to the folks that going forward if you have a

contract you shouldn't, and I'm, I'm not going to say emphatically that we did that effectively because obviously we have a retroactive contract and we probably own some of that.

TREASURER KOPP: Well and I assume this is not the only incidence of somebody who bought software-as-a-service.

MR. URBAN: And, and, and, and we did a better job with communicating with some of the other ones to ensure that when they went forward, because we did bring other items to the Board for agencies that were using the contract for software-as-a-service and then we directed them effectively to use a different vehicle for the renewals. And we didn't get it right in this one in the communication part, we didn't do it either early enough or effectively enough. So I mean we saw the problem and we addressed it. But clearly, I'm going to agree with you that from a communications standpoint we could have done a better job and to ensure that we didn't have a retroactive --

TREASURER KOPP: Well I guess one of my, the reason I brought it up is first of all I had a lot of trouble reading it so I read it several times --

MR. URBAN: Understood.

TREASURER KOPP: -- to try to understand what it said. But, but secondly I know the Comptroller has several times, actually even former Governor O'Malley was concerned about the procurement process. There are

many aspects. I know the Legislature put out a paper about it just last month. That maybe this is another example, not necessarily even a change in the procurement law or process, but as, as Jerry has often said the need for consistent training. Because there are so many people all over the State who do, do procurement that maybe this will finally be the administration that can rationalize those, including basically just, just communications and training as well as all, all of the other more intricate high level things.

MR. URBAN: Certainly.

TREASURER KOPP: So I apologize for using you as a case example.

MR. URBAN: That's okay.

TREASURER KOPP: But I was sitting here scratching my head over it.

GOVERNOR HOGAN: Thank you for those comments. You know, I agree with the concern. I know the Comptroller shares the concern. Thanks for the confidence in us that we may be the ones to get it fixed.

TREASURER KOPP: Mm-hmm.

GOVERNOR HOGAN: We've got a lot of work ahead of us. I think all of us share the idea that we, we've got to fix some of these glitches and do procurement in a better way. We're not here to beat you up.

TREASURER KOPP: Yeah.

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GOVERNOR HOGAN: But I just agree with all the comments from the Treasurer. Any, any comments from you, Mr. Comptroller?

COMPTROLLER FRANCHOT: No.

GOVERNOR HOGAN: The, no other questions? Is there a motion on the DoIT Agenda?

TREASURER KOPP: Favorable.

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: All those in favor?

THE BOARD: Aye.

GOVERNOR HOGAN: Three-oh vote.

MR. URBAN: Thank you.

GOVERNOR HOGAN: Let's move on to the Department of Transportation.

MR. RAHN: Governor, Comptroller, Treasurer.

GOVERNOR HOGAN: Welcome, Secretary Rahn. Our new Secretary of Transportation, Pete Rahn.

MR. RAHN: Thank you, Governor. And I would point out that this is my very first BPW meeting.

TREASURER KOPP: How exciting.

GOVERNOR HOGAN: Me, too.

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(Laughter.)

MR. RAHN: However, my expectations were that I, as I was dealing with a very pressing issue that brought me in a few minutes late I was thinking I could slip into the back --

(Laughter.)

MR. RAHN: -- and sit in the chairs without realizing that there was actually a place up front. And it only made it worse when I heard Comptroller Franchot talking about the benefits of punctuality.

(Laughter.)

MR. RAHN: And I'm having to come in trying to --

GOVERNOR HOGAN: Let's make sure that doesn't happen again.

MR. RAHN: Yeah.

(Laughter.)

GOVERNOR HOGAN: I know, I know Governor Schaefer in cabinet meetings would lock the door at exactly, if the meeting started at 9:00 he would lock the door and if you didn't get there --

TREASURER KOPP: Right.

GOVERNOR HOGAN: -- in time you wouldn't be in the meeting. So hopefully that won't happen to you next time.

MR. RAHN: I was --

(Laughter.)

MR. RAHN: Well I was trying to slink in but given my size that's more difficult. So Governor, and Treasurer, Comptroller, we have 19 items on the Agenda today, totaling \$15,209,952 million and according to U.S. government estimates there's 13 jobs created for each \$1 million spent within transportation. So this either supports or creates 198 jobs.

GOVERNOR HOGAN: Any, any questions on the Department of Transportation Agenda? Hearing no questions, is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: It's been moved and seconded. All those in favor?

THE BOARD: Aye.

GOVERNOR HOGAN: Three-oh. Let's move on to the Department of General Services Agenda.

MR. RAHN: Thank you.

GOVERNOR HOGAN: Madam Secretary, Gail Bassette, we're happy to have her on board as our new Secretary of General Services. Welcome.

MS. BASSETTE: Good morning.

GOVERNOR HOGAN: Good morning, Gail.

MS. BASSETTE: Good morning. Good morning, Madam Treasurer and Mr. Comptroller. Today we have, the department has 12 items on our Agenda. And there is a data revision to Item 4-M and the following was added to the remarks, which states a protest was received via email on December the 9th, 2014 with a formal letter then received on December the 11th. The procurement officer's final decision was rendered on December the 23rd, 2014, and a timely appeal has not been filed. And we would be glad to answer any questions you may have at this time.

GOVERNOR HOGAN: Madam Secretary, yeah, I'd like to begin with a question about Item 4-M. Is that the, this contract provides for equipment, labor, and maintenance at two Maryland correctional institutions. There were two bidders for the project and only one was found to be qualified. Could you please share with us what steps the department is taking to ensure that more competitive, a more competitive bidding process moving forward for situations such as this?

MS. BASSETTE: Yes, sir. May I have my procurement officer address that, please?

GOVERNOR HOGAN: Sure.

MS. BASSETTE: Nancy?

MS. HEVEY: Good morning. Welcome, Governor.

GOVERNOR HOGAN: Good morning. Thank you.

TREASURER KOPP: Good morning.

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MS. HEVEY: Yes, I would like to --

SECRETARY MCDONALD: Nancy, would you introduce yourself for the record?

MS. HEVEY: I'm just, fine, I'm Nancy Hevey, I'm the Director of Procurement for the Department of General Services. Thank you, Sheila.

TREASURER KOPP: Could, could you say that again slightly more slowly?

MS. HEVEY: I'm a little nervous.

TREASURER KOPP: Don't be.

MS. HEVEY: I am the Director of Procurement for the Department of General Services.

TREASURER KOPP: Good morning.

MS. HEVEY: And I would like to talk about this specific bid because it represents a lot of the measures that our procurement office does take. On this particular contract, which is for a correctional facility, which does result in some difficulties for vendors to actually gain access. A lot of their employees do not pass through the criminal background check. So that prohibits some of them from bidding. And the procurement officer knew that we had not been getting a lot of competition so they actually extended the bid due date when they didn't see too many people at the, at the pre-bid. And they reached out to, they had the agency actually reach out for some generator companies if they knew of

any. And they actually with the new bidders that they were able to get involved, they, they provided additional site visits. Actually the one contractor that they were able to finally get interested enough had a concern about our terms and conditions in our contracts. And they were asking ahead of time if we could waive them and they were informed that they weren't. So on that, on the day of the opening that particular bidder said there's too much risk in exposure for their company to proceed with the proposal. And they were extremely sorry about this and they knew that we put forth the effort in helping them in numerous ways. So many, many efforts were made to try to get additional bids on this contract.

GOVERNOR HOGAN: Great. Thank you. Any, any further questions, Mr. Comptroller?

COMPTROLLER FRANCHOT: None for me.

GOVERNOR HOGAN: Madam Treasurer? I've got one more, if I could, on this, Madam Secretary?

MS. BASSETTE: Yes?

GOVERNOR HOGAN: And you may be the same person to answer this question, I'm not sure. But I have a follow up question regarding Item 5-S, which provides for the removal and replacement of transmission related equipment for the Maryland Public Television in the amount of \$84,200. This was a sole source contract. Could you please share with us the reason why we

could not apply a competitive bidding process and whether we can do so in the future?

MS. HEVEY: Absolutely. This is an interoperability issue. This is a situation where it's particular equipment by a particular manufacturer. And MPT already has six of these types of equipment in different locations and they were purchasing two more. We were purchasing directly from the manufacturer.

GOVERNOR HOGAN: Great. Thank you. Any other questions?

COMPTROLLER FRANCHOT: That's a darn good question the Governor just asked and when I first read through this I didn't have my glasses on and I read \$84 million.

(Laughter.)

GOVERNOR HOGAN: That would be a real --

COMPTROLLER FRANCHOT: Yeah, I took another look at that. But we've seen some of those also. So thank you for the explanation. But more importantly, Governor, thank you for even looking at the item. Because that's a breath of fresh air.

GOVERNOR HOGAN: Well they gave me some homework --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- to take home with me last night.

COMPTROLLER FRANCHOT: Good.

GOVERNOR HOGAN: So I picked up a few things. But thank you. Madam Treasurer, any comments? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: That's, all in favor?

THE BOARD: Aye.

GOVERNOR HOGAN: That's three-oh. Now we'll move on to Secretary's Agenda for Item 10, the school construction appeals.

SECRETARY MCDONALD: Do you want to adjourn this portion of the meeting and take a break for a few minutes --

GOVERNOR HOGAN: Okay. Is there, do we need a motion to adjourn, or I just adjourn?

SECRETARY MCDONALD: No, you can just adjourn the meeting --

GOVERNOR HOGAN: It's I just decree, we are adjourned.

(Laughter.)

SECRETARY MCDONALD: And then we're going to switch some of the nameplates out and have some new --

(Short recess taken.)

GOVERNOR HOGAN: This, this portion of the meeting is one of the most important functions of this Board. We're going to hear from local governments for funds for new school construction or repair to existing schools.

As you know we submitted our budget last week 24 hours after taking office. Education is our top priority and that's why my budget fully funds school construction with more than \$290 million for K through 12 education projects. I realize how important investing in education, investing in education is to the growth of our counties and the State and I look forward to hearing from all of you. I look forward to working with you, with all the representatives of all the local jurisdictions in this process. So at this point, I'd like to go ahead and call on I guess the first group is Carroll County.

SECRETARY MCDONALD: Actually Dr. David Lever is Executive Director of the Public School Construction Program. He usually tells us a little bit --

GOVERNOR HOGAN: Well, I'm sorry about that.

SECRETARY MCDONALD: -- of the preliminary Capital Improvement Program and then we start calling them.

GOVERNOR HOGAN: David, let's go ahead and hear from you then.

DR. LEVER: All right. Good morning.

GOVERNOR HOGAN: Good morning.

DR. LEVER: Governor, Comptroller, Madam Treasurer, for the record I'm David Lever. I'm the Executive Director of the Public School Construction Program and I'll be happy to answer any questions you might have.

The motion will actually be presented after we hear from all of the school systems. But I'm sure you've read through the motion. We're recommending, the IAC, I should say, is recommending \$187.5 million in specific project funding. That represents 75 percent by law of the Governor's preliminary figure. There would be \$62.5 million as contingency. Once we have the final budget figures in the end of the legislative session then we'll come back and present 100 percent recommendations for all of the funding. I'm happy to answer any questions you might have.

GOVERNOR HOGAN: Any questions?

COMPTROLLER FRANCHOT: If I could, Dr. Lever, and thank you for being here. Before we get to the individual appeals I just wanted to thank you for your, your service as the Executive Director of the Interagency Committee for Public School Construction. And I say to folks that we rely upon you for objective appropriate information about all of these unbelievable number of requests that we get. And I just want to compliment you and Joan Schaefer, your assistant. The Treasurer and I obviously have worked many, many years with you and Governor Hogan I think you're going to come to regard the institutional knowledge and the clear-sightedness, because this can be a very emotional subject for a lot of the systems. And we need to have Dr. Lever, and Dr. Lever's judgment, I guess, is what I'm --

DR. LEVER: Thank you.

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COMPTROLLER FRANCHOT: -- referring to. And I do have a question about the, whether the board, whether the IAC still receives periodic school maintenance reports?

DR. LEVER: Yes. We are conducting maintenance surveys of 220 to 230 schools per year. That includes a certain number of reinspections of previous year --

COMPTROLLER FRANCHOT: Mm-hmm.

DR. LEVER: -- surveys. All of the LEAs receive the reports and then responses are, are requested from them.

COMPTROLLER FRANCHOT: Okay. And you used to give us a report that would in a sense, in a sense evaluate and grade each of the local jurisdictions on their commitment to cost savings and better education outcomes through superior school maintenance. And it gave me a sense of which jurisdictions are truly committed to taking care of the resources they have and which ones need some stimulation. And I guess my question is I know you and your team have made some sacrifices as a result of budget pressures and that you hope to publish a new school maintenance report in the near future. Is that, my understanding correct?

DR. LEVER: We are delayed in putting together the report. We completed the FY '11 and FY '12 maintenance reports. We have completed also the FY '13. We want to put them together as a comprehensive view because with

FY '13 we have completed the first six-year round inspecting all schools in the State which gives us an overview of what's happening in maintenance. And then we begin the next round with the FY '14 reports and the FY '15 which are in progress right now. But we are delayed and it is attributable to staff problems that we have had. We have advertised for a position. We have a potential candidate and we are trying to work with that candidate to get them on board as quickly as possible.

COMPTROLLER FRANCHOT: Great. And in anticipation of that could you just give us a minute on the general state of school maintenance in Maryland?

DR. LEVER: It is a mixed situation. On the good side I think that there's more attention being paid to maintenance, partly as a result of this program, partly as a result of the attention that's been brought to it by leadership, the Board of Public Works and others. People understand that with the very, very large investment that we have been making as a State in school construction that making sure that schools are well maintained for the long term is absolutely critical so we don't have to come back to you prematurely for additional investments. And we are seeing I think across the board improvements in the general approach to maintenance, the attention that's given to it.

The other side of the coin, unfortunately, is that budgets have been seriously constrained and maintenance unfortunately is one of those areas where

when other priorities come up in the school system budget the maintenance budget is often hurt by this. And you are getting a combination of the increase of square footage in a number of jurisdictions, with new schools, replacement schools, additions, and at the same time a reduction in the maintenance personnel. So the response that we're seeing that is very positive in some jurisdictions is to try and get as much out of every dollar as they can, to find efficiencies within the system, through restructuring of their organization, by trying to just work with the best possible people that they have. Finding high quality leadership seems to be a critical component of that. But even with that, even the best systems are struggling. It's very, very evident that they are struggling these days.

COMPTROLLER FRANCHOT: And could you describe the leverage or the oversight that you have over systems where you encourage a commitment to the priority, I guess, in meeting the State of Maryland's standards for good or even superior maintenance?

DR. LEVER: Well it's a very visible kind of program and the school systems do place a lot of attention on it. The letter goes to the Superintendent and is copied to the staff. It outlines any specific problems that we have seen. It also provides a summary of all of the results, superior, good, adequate, not adequate, and so on. If there are schools that have achieved a not adequate or a poor, it highlights those schools and also calls attention to, say,

specific types of issues that we might have found. So that gives a high level of visibility.

The report, which you mentioned before, is another high level visibility and when you get caught up with that that becomes a very important point of leverage. And then also the ceremony, which has not, we have not held the ceremony since FY 2010, the awards ceremony. That is prized, actually, by the school systems. It's a moment of glory for the custodian, the building engineer, to actually come down here and shake hands with dignitaries and to be recognized for the work that they do.

COMPTROLLER FRANCHOT: And I don't want to put you on the spot, but of the 24 jurisdictions who is at the head of the class? Who are the honor roll jurisdictions, I guess, when it comes to school maintenance? And is there anything that they do that can be emulated by the other jurisdictions?

DR. LEVER: There are a number. So it's a competition among equals in terms of, of excellence. But, and I'm not saying this because they happen to be in the room right now, but we do look to Frederick County very much for practices and standards. They compete against themselves and they really are trying to achieve a kind of a, almost a national level of recognition through restructuring, through the kinds of efficiencies that I was mentioning before. Washington County, they happen to also be in the room. They also do an excellent job. We're seeing very good work happening among some of the small

jurisdictions even though their resources are highly constrained. We think of Calvert County does an excellent job. Carroll County is struggling very hard with budget constraints and yet is doing good work. Cecil County always does good work. But the budget constraints are showing. There's no question about it. There is a huge strain.

We're hearing about, for instance, that central office staff is now having to take over in school based functions because they've lost custodians due to budget constraints. And so their specialty as central office staff is now being somewhat diluted because they have to spend more time, and we call them rovers, going from school to school to school just putting out fires.

COMPTROLLER FRANCHOT: Mm-hmm.

DR. LEVER: And that's a demonstration of how the budget cuts are affecting them on a day to day basis.

COMPTROLLER FRANCHOT: Well I don't mean to monopolize the discussion and but for me it's a very important issue. And I think the Governor understands what we're talking about, that when we have these fiscal restraints and our needs far exceed our available resources, we're just not going to be able to as a State sit down and write a big check every time a county needs a new school. And anything that you can help us with to promote a new culture in our State where we take care of what we've built, I would greatly appreciate it. Right now as far as I can tell in some of the jurisdictions, I won't

begin to name them, but it's almost like a disposable culture where a shopping mall or a ballpark that's outdated after 25 or 30 years, and people move on. And they cost tremendous amounts of money to replace. Schools, the same way. And we're simply not going to be able to invest that much money to replace schools after 15 or, or 20 years. So I like the idea of making these academic facilities conducive to academic success and keeping them up, and providing the students and teachers and staff members with schools they can be proud of. But at the bottom of it is school maintenance.

And as the Treasurer may want to comment, she has been to a lot of schools herself, I've been to a ton of schools that are appalling because of their lack of maintenance. And I'm told, well, you know, we're just going to build new ones. And so I'm glad to hear the counties that you mentioned. I'm sure Frederick is glad to hear itself mentioned because you go up there and, and you understand what superior maintenance is. Even in old, in an old building. So thank you. Keep up the support. If you can let us know when the new report's going to come out because there's nothing like a report card to stimulate these jurisdictions. Thank you very much. Thank you, Governor.

GOVERNOR HOGAN: Madam Treasurer?

TREASURER KOPP: Yeah, I, I must say I have been over the years to a lot of schools. And I do agree that maintenance, both at a specific school and the whole culture of maintaining what you have well, is, is a problem.

Not just for schools, for all the, the public buildings. I'm, I don't believe you go to many schools and the response is, well, we're going to get a new one, it's been 15 years, time to stop maintaining this one. Maybe some places they do, but I haven't heard that. But what I have seen and I think Peter is absolutely right is a dilution of, of the resources going into maintaining them, for the reasons you have said. And I have, I have a question, that at one time former Governor Schaefer, as I recall, proposed that a certain portion of a construction project funding be set aside sort of in a trust for maintenance. To be used only for that, not to be moved out for something else in bad times. And that it had to be used. And then I don't know whatever happened to that idea. But are there, are there mechanisms like that that the IAC, and Madam Superintendent, and others, have, have looked at for assuring that it's not always just hollowed out?

DR. LEVER: There are mechanisms available for that. We have not done that ourselves. We're very aware of that. For instance in the public-private partnership world what's called a refresh fund becomes part of the availability payment that builds a fund for exactly the things you're talking about. The, let's say, 20-year replacement of the HVAC system, or the roof, so that it's on cycle and it's absolutely committed. It can only be used for that purpose, it can't be available for anything else.

TREASURER KOPP: Right.

DR. LEVER: The problem we would always face is that with, let's say, \$250 million to \$300 million of funding we are always, in my tenure there has only been one year when we've even surpassed 50 percent of the request in the CIP.

TREASURER KOPP: Well, and I understand that. But I think Peter is also right that because basically the local governments pay now more than half, but still not 100 percent of construction, more, more than that, and they are in charge of maintenance.

DR. LEVER: That's correct.

TREASURER KOPP: But, but we pay up to 50 percent of the construction. So the, the rewards are not exactly the same for both parties. I mean, and they can cut the maintenance which we don't share in and it doesn't have any impact on our program. And I just, I understand there's not enough money to go around. I understand you can't do everything. But I also think whether it's 15 years or 20 or 25, still there are buildings that had they been well maintained would have lasted longer and would have been better in which to educate children. I really think maybe this is, and I recognize, Madam Secretary, that it's not only the schools that have this problem, too. All of our, our State facilities, the first thing to go -- actually, when I was on Appropriations, I will admit, the first thing to go was employee training. And the second thing was

maintenance. You know, and I know we do, we do. But it shouldn't be. And so if there's anything that I can do, Governor --

GOVERNOR HOGAN: Well --

DR. LEVER: We do have a process in place where, well first of all we do challenge projects that we think are being submitted prematurely. Even if they do meet the technical 15-year requirement, if let's say a roof is being submitted that's only 18 years old we do ask for backup, for information of why are you, are roofs replaced at such a young age? The second thing is that in terms of replacement of schools we go through a fairly rigorous process in terms of requiring a feasibility study to justify State funding at the level of new construction. And there are instances in which a school system has decided to go ahead with replacement. That's their business. But we only fund at the level of renovation, which is somewhat less than the cost of replacement. So that is a way that we do deliver the message if we don't agree with the replacement option.

GOVERNOR HOGAN: Well I'd like to weigh in on this. And first of all thank both the Comptroller and the Treasurer for their comments. And I agree completely with everything both of them said. Peter, I want to thank you for raising the issue. To me, for you to say that you're two, three, four years behind in doing this assessment of maintenance and not doing the report card because you are short of an employee is ludicrous. That it's money well spent for us to get you the help you need so that we can get caught up, because we are

talking about hundreds of millions dollars here. And if you need a couple of employees to do the report to figure out how to better spend our maintenance dollars then we ought to get that done right away. That would be the first step. You say you're working on FY '14, '15, and '16, or you're finishing out '12 and '13. We should be done with '15 and we should be working on FY '16.

DR. LEVER: The actual physical inspections for FY '15 are in progress now and will be completed in June.

GOVERNOR HOGAN: But we've got to get your reports done so let us know what we need to do to help make that happen.

DR. LEVER: Thank you.

TREASURER KOPP: Can I ask one question? When you send letters to the counties, you send them to the counties or the school board?

DR. LEVER: No, to the school board. To the superintendent, actually.

TREASURER KOPP: So they don't go to the people who actually raise the taxes to --

DR. LEVER: No. I think we have copied in some instances, but generally not.

TREASURER KOPP: That's one question. And the second one is do you send them on the specific schools you've looked at? Do you, do you make comments on the, on the system as a whole? The county as a --

DR. LEVER: Oh yes. Yes. There is an evaluation. If we see, for instance, that there are issues that run across a majority of the schools that we have inspected, a certain --

TREASURER KOPP: But you only inspect in the larger jurisdictions a small percentage of the schools?

DR. LEVER: That's true for all of the jurisdictions. Roughly one-sixth, because we're trying to stay on the six-year cycle. So it's roughly one-sixth of the schools in each jurisdiction will be inspected in any one year. That will vary, of course --

GOVERNOR HOGAN: And what would it take to increase that?

DR. LEVER: It would take more staff, frankly.

GOVERNOR HOGAN: And if we had more staff then we would be, would have a much better idea of how we're spending money on maintenance dollars?

DR. LEVER: How the locals are spending their money on maintenance, how well the schools --

GOVERNOR HOGAN: But it seems to me on maintenance we are getting a much bigger bang for our buck --

COMPTROLLER FRANCHOT: Mm-hmm.

GOVERNOR HOGAN: -- than we are on new school construction. I agree with some of the comments that the Comptroller made about

it's just too easy to build a new school after 15 or 20 years. Look, we're sitting in a building right now that was built in 1772. It seems to be working pretty well for us and it's very well maintained. We're not building a new State House every 15 or 20 years. So it's just something that I want to try to get us all focused on. I think we're all in agreement.

The Treasurer said he's going to, I mean the Comptroller said he's going to put you on the spot by saying who are the best ones and you named some counties, rural counties with very constrained budgets that are doing a great job because they don't have money for new construction, that they are doing a great job maintaining their old buildings. I want to really put you on the spot and give, I want to hear the bottom of the list. Who is doing the worst job of doing maintenance of their schools?

DR. LEVER: Well, you certainly are putting me on the spot.

(Laughter.)

DR. LEVER: My, Prince George's County has improved significantly, dramatically in the last year and a half under the leadership of Kevin Maxwell, the Superintendent, the CEO rather, and also other leadership that has come in in the maintenance and the capital program. So I, five years ago I would have said Prince George's County was truly problematic. We are seeing such dramatic improvement that I have high hopes that we are really in good shape with them.

Baltimore City Public Schools has put together a comprehensive maintenance plan. There is a clear recognition, and Dr. Thornton mentioned this yesterday in a hearing, that maintenance has not been funded and has not been staffed in the way that it should have been in previous years. They, as a result of the memorandum of understanding that came out as part of HB 860 passed two years ago, maintenance becomes a critical issue. They, in September the IAC approved a comprehensive maintenance plan which outlines a five-year plan, \$3 million per year increase on the maintenance budget, increase of staff on a year by year basis, reorganization of certain aspects of maintenance to make it more efficient and far more accountable. And if that plan is held to then what we project is that within five years Baltimore City Public Schools will be able to conduct its maintenance at a level which is comparable to what's in the other jurisdictions. And so our role in this is we are meeting weekly with the maintenance staff for Baltimore City Public Schools. Mr. Bill Levy, who is in the audience here, is our point person for this. And so we are focused on a whole series of issues related to maintenance with Baltimore City Public Schools. We think through this attention, and through the increases of funding and staffing, that we're going to be seeing significant progress over the course of five years.

GOVERNOR HOGAN: So, so is it safe to say that the, the jurisdictions that get the most money and have the most new schools are doing the worst job of maintaining the old schools?

DR. LEVER: No, I --

GOVERNOR HOGAN: And the rural counties that get the least money and have the least new schools are doing the best job of maintaining their existing schools?

DR. LEVER: No, that is not quite right. The --

GOVERNOR HOGAN: It sounds like, it sounds like what you said.

DR. LEVER: The smaller jurisdictions, it's a different dynamic. In the smaller jurisdictions a school is truly a community school. The custodian probably lives, you know, a few blocks away. It has a dynamic of community attention and involvement also that helps to maintain, for instance cleanliness, ordinary repairs, and so forth. Mid-sized jurisdictions have, although they probably wouldn't agree with me, but they have a manageable number of schools. What we have seen in our analysis, and we have not conducted this in several years but we did see this several years ago, is that there is a decided break when you move from a mid-sized jurisdiction to a large jurisdiction. All of the large jurisdictions deal with an organization, a structural issue of caring forward standards from central office, having it percolate down to the schoolhouse level. And it's only partly a problem of staffing and resources. It, it can be very much a matter of communication of standards, of the ability to inspect and enforce, simply having the resources to be able to go out and look at 120, 160, 200

schools. And that's an issue that we want to understand much, much better, of how large organizations, perhaps it's in the military that we can be looking to see, how do the large organizations address that kind of structural issue when they have many, many assets and they have a very constrained budget?

GOVERNOR HOGAN: Thank you. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, if I could just jump in because I have visited hundreds of schools. We had a program that I'm going to bring back called the Silver Hammer Award that we gave out to those schools in jurisdictions that really had an emphasis upon maintenance. And there was a very clear divide in the State.

DR. LEVER: Mm-hmm.

COMPTROLLER FRANCHOT: And I don't mean to, I love my county, Montgomery County. But let's be honest, the mindset is that there is an icy indifference to school maintenance. There is no way, there is no getting around it. It is, you know, please, go and take your concerns somewhere else. Because it's just not a priority. And we talk about disposable buildings, and quick replacements, and a lack of frugality as far as taking care of what you have, it's unacceptable to me that the bigger jurisdictions get left off the hook because they are able to say we have more schools. I mean, if anything they should be miles ahead of the other jurisdictions that have smaller numbers of buildings and, and less resources. But they aren't. They are way behind. And so I, I know you are

with us on this and it's an awkward position because you don't really have the kind of leverage one needs. But if it's a bureaucratic issue of how do we get the message out, feel free to communicate to the Board things that we can do to stimulate our recalcitrant systems out there.

DR. LEVER: And we do see a great deal of attention paid to maintenance among the large jurisdictions, and we do see very highly qualified personnel. But I think that the structural issue is very significant. And it's something that I can't say that I have an answer to but it is something that we would like to address and see what kinds of solutions do exist.

COMPTROLLER FRANCHOT: You know, it's a stimulus response environment we're in and the Board of Public Works can be very stimulating. So share it with us.

DR. LEVER: Yes sir, we will.

COMPTROLLER FRANCHOT: And it's a big priority.

DR. LEVER: I will.

GOVERNOR HOGAN: Well, thank you very much for, we put you under the hot seat and you did very well --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- with those questions. I just want to follow up one last thing. The Treasurer mentioned about this idea of in the past maybe there was a trust to put money specifically --

TREASURER KOPP: It was an idea. It never was --

GOVERNOR HOGAN: I like the idea.

COMPTROLLER FRANCHOT: Uh-huh.

GOVERNOR HOGAN: And I think it's something we ought to pursue. Because I want to do whatever we can to ensure that people are putting more emphasis on, on maintenance of existing schools. And I think if we put money in there and specifically allocate it for that, that can't be moved, it's probably something we ought to consider. So I appreciate the discussion. Thank you for all the great answers. And I guess, anybody have any further questions before we move on?

COMPTROLLER FRANCHOT: I've died, I've died and gone to heaven.

(Laughter.)

GOVERNOR HOGAN: Thank you very much.

DR. LEVER: Okay, thank you.

SECRETARY MCDONALD: All right. Governor, we have appeals from 18, 18 appeals. Sixteen counties, Baltimore City, and Maryland School for the Blind. We are exactly on time. Ordinarily we encourage --

GOVERNOR HOGAN: Wow. Even after that long discussion we're on time? That's pretty good.

SECRETARY MCDONALD: Exactly, no, at 11:20 Carroll County is scheduled to come so I'll ask Carroll County to come to the podium. We ask all the counties, or the school systems to take ten minutes. But we will let you do the time yourselves.

MR. GUTHRIE: Good morning.

GOVERNOR HOGAN: Good morning.

MR. GUTHRIE: Good morning. My name is Steve Guthrie. I'm Superintendent of Carroll County Public Schools. First of all, let me offer my congratulations to you for your election --

GOVERNOR HOGAN: Thank you.

MR. GUTHRIE: -- and Comptroller Franchot as well. Congratulations. It's good to be here. I have a, hopefully a very easy request, easy appeal. We have four projects in total we submitted for State participation. All four are roofs. We have received fully funding on three of those roofs. I'm asking for just under \$400,000 to complete the funding for our biggest school, Westminster High School. It is a single ply roof on top of a built up roof, both of which are failed, have failed. It's 22 years old at this point. The school is 44 years old. And we just need under \$400,000 to complete that. That's my total request. It's an easy one.

COMPTROLLER FRANCHOT: And you are on the honor roll of school maintenance.

MR. GUTHRIE: Yes.

COMPTROLLER FRANCHOT: And I've been up to your great jurisdiction.

MR. GUTHRIE: We did get a Silver Hammer Award for West Middle School one year.

COMPTROLLER FRANCHOT: Absolutely.

MR. GUTHRIE: And you have been to our county many times, we appreciate it. And Governor Hogan, during your campaign I know you were in Carroll County as well.

GOVERNOR HOGAN: I sure was, wasn't I?

COMPTROLLER FRANCHOT: And I'll tell you, when I go into that school, and see the kids and the staff, it's not you or me or someone else that they like, it's Mr. Dave or Mr. Tom --

MR. GUTHRIE: That's right.

COMPTROLLER FRANCHOT: Or whoever is the --

MR. GUTHRIE: That's right.

COMPTROLLER FRANCHOT: -- doing the maintenance.

MR. GUTHRIE: Doing the maintenance.

COMPTROLLER FRANCHOT: So keep up the good work.

MR. GUTHRIE: Thank you.

COMPTROLLER FRANCHOT: And thank you for the values that you represent.

MR. GUTHRIE: Thank you.

GOVERNOR HOGAN: And thank you for the very reasonable request of \$397,000 to replace a roof.

MR. GUTHRIE: You start off with an easy one, yes.

GOVERNOR HOGAN: Thank you very much. Any questions? Thank you.

MR. GUTHRIE: Okay. Thank you.

GOVERNOR HOGAN: We move on to, ahead of schedule with Frederick County.

MS. BARRETT: Good morning, Governor Hogan.

GOVERNOR HOGAN: Good morning.

MS. BARRETT: Treasurer, Treasurer Kopp --

TREASURER KOPP: Good morning.

MS. BARRETT: -- Comptroller Franchot, State Superintendent Dr. Lowery, my name is Liz Barrett. I'm Vice President of the Board of Education of Frederick County. Accompanying me today are Dr. Ann Bonitatibus, the Chief Operating Officer for the Frederick County Public Schools; Ray Barnes, our Executive Director of Facility Services; and our Supervisor of Facilities Planning Beth Pasierb.

I wanted to say thank you briefly to Comptroller Franchot for recognizing the exceptional maintenance of our Frederick County Public Schools facilities. We do see them as long term investments. And I am proud of the stewardship of our, our maintenance folks and our facilities teams.

We are here today to support the staff's recommendations and appeal for additional funding for our next major project, which is the replacement of Frederick High School which is 75 years old. We are nearly complete with design and are ready to move forward with construction in fiscal year 2016. We are also appealing funding for several systemic renovation projects that will address building needs in our older schools.

In Frederick County we are working hard to balance the needs for new space with the needs of our older schools. With the State's help we have been able to address many of our overcrowding issues in many areas of the county with new student capacity. We have also been able to tackle the most pressing school renovation needs of our system, primarily in the City of Frederick. The schools we have renovated in recent years have been selected not only because of deteriorating building conditions but also in response to challenges faced by our students who attend these schools. Renovations in recent years at Lincoln Elementary School, West Frederick Middle School, North Frederick Elementary School, and now Frederick High School serve the students with our highest levels

of poverty and with our greatest language barriers. Supporting these students in their efforts to be successful is among our highest priorities.

At the local level we are doing our part to address the funding challenges associated with school construction needs. Our local government regularly forward funds projects so that they can stay on schedule. In addition a new construction fee has been approved that helps address the impact of new development on existing schools along with an impact fee that creates a dedicated revenue source for new school construction.

We feel strongly that our ability to provide a proper academic and instructional program and our students' ability to achieve high standards depends on adequate school facilities. We are doing our part. The State needs to continue as an active partner with us. Toward this goal we request that the projects submitted for review today will be given your, be given your fullest consideration and support. Thanks so much for your time and consideration. Dr. Bonitatibus will now provide more details on project appeals. Thanks so much.

GOVERNOR HOGAN: Thank you.

DR. BONITATIBUS: Good morning.

GOVERNOR HOGAN: Good morning.

DR. BONITATIBUS: Governor Hogan, congratulations again, Comptroller Franchot, Treasurer Kopp, and State Superintendent Lowery. It's a pleasure to be here today on behalf of our Superintendent Dr. Theresa Alban who

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regrets she cannot be here because there is an exciting award being given out today. You may be familiar with Mr. Mike Milken, a strong supporter of public education. And we have a \$25,000 scholarship --

TREASURER KOPP: Super.

DR. BONITATIBUS: -- award that's being given to Ms. Maggie Hawk, a teacher at Yellow Springs Elementary. So that's where Dr. Alban is today.

GOVERNOR HOGAN: Congratulations.

DR. BONITATIBUS: Thank you. Thank you. We're excited. We appreciate the opportunity to meet with you and request State construction funding for the replacement project at Frederick High School. Funding is also requested for several systemic renovation projects that are key to our maintenance program and we strive to optimize our learning environment for students everyday.

First I want to take this opportunity to thank the State for the past funding approvals. And as of fiscal year 2015 the State has completed its funding obligations for all past projects for Frederick County that our government has forwarded, forward funded. That's significant, that those past projects have been completed because that allows us now to focus on the future and our future priority and top priority is Frederick High School.

We appreciate the funding recommendation that your staff has presented for consideration of this project. We are concerned, however, that our local county government will be significantly challenged to provide the funding that we need, the balance of the funding, to start the construction in fiscal year 2016. Therefore we ask that this amount be increased to more closely reflect the request that was submitted by our Board of Education.

The current Frederick High School, it's the oldest building in our county. It dates back to 1939, 75 years old. Major renovations have been completed in the 1970's but really not much has been done since then. I actually had the pleasure of working at Frederick High School for four years as an assistant principal about 20 years ago and we did all that we could to keep it, the spit and shine polish on it. But there's only so much you can do with a 70-year-old building at this point. As a matter of fact not long ago I had a student come up to me, and she had been in some of our newer high schools, and she said, Ms. B., when are we going to have a school like the other schools, where we can have chandeliers? Now, I can assure you we do not build chandeliers, schools with chandeliers. However, the modern high school structures are beautiful, open, have that collegiate feel, bright, great lighting, and that's what she wanted. And after a while she and I agreed, the, the brick and mortar is important but the teacher is the most important part of, of learning. But you want to feel proud about the building that you go into and you want to feel a joy going into that

educational environment everyday. And I think that that's what she was really trying to express to me.

We did complete a, a feasibility study for Frederick High School and we evaluated all the HVAC, plumbing, and electrical systems, as well as the ability of that school to serve our students not only now but in the upcoming years. And after considerable public discussion, comment, and information sharing, extensive community outreach, we determined that the best course of action would be to replace the current building. This plan was ultimately approved by our Board of Education and the State Interagency Committee on School Construction, and it is the latest in a series of our projects to upgrade our older schools.

We have identified schools for renovation where the greatest needs exist, not only in terms of the physical plant but what are also challenges that our school system wants to turn into opportunities for our students. Frederick High School has the highest free and reduced meal participation of any of our high schools in the county, standing at 44 percent. What we do know statewide is that high schools tend to be under-reported with the free and reduced meal count and one of our feeder schools, Hillcrest Elementary, you may be familiar with that school, nearly 1,000 students in that elementary school, 91 percent of those students are free and reduced meal and that school feeds 100 percent directly into Frederick High School. Many students with needs.

Also Frederick High School serves as our English language learner center for the county. We have had a 900 percent growth in English language learners in the past couple years. And as a matter of fact Frederick County was identified nationally as being the 15th in the most rapid growth of an Hispanic population in the nation. So our needs are continuing to increase and we want to meet the demands of our community.

Also our infrastructure does not support the same student access to science, technology, arts, and music programs that our other high schools do. Being located in the city, we have increasing challenges to make sure that the campus is secure and safe. Also, our community likes to use athletic fields and we are hard pressed to really maintain those exterior grounds as well. Even so, this school has very strong traditions and a dedicated community eager to take on the challenges.

In addition we are, we have requested funding for several important systemic projects, including roof replacement at Lincoln A building and Emmitsburg Elementary, and a chiller replacement at Green Valley Elementary School. We have additional school construction projects that we will be bringing forward in the future, however this year our number one priority is Frederick High School. And we know that there is a substantial burden on our local county government. And a lot of their efforts are on the renovation, repair, and maintenance of existing schools in our county. Thank you for recognizing

Frederick County earlier for what we do for maintenance for our buildings. Part of that is the training of our professionals. Last year many of our professional project managers got trained in LEED certification. This past year, as a matter of fact two weeks ago, our Board of Education recognized 20 of our facility lead mechanics who received international accreditation through the International Facility Management Association, IFMA. We are now, including myself and I proudly wear my pin, an International Facility Management Professional Certified.

GOVERNOR HOGAN: Congratulations.

DR. BONITATIBUS: Thank you. Thank you.

TREASURER KOPP: Now you've got to keep them.

DR. BONITATIBUS: Yes, we do. We trained them, we need to keep them. And it's important because rather than this icy indifference to maintenance, not only have we looked at preventive maintenance, we have moved beyond that now to predictive maintenance. We believe that predictive maintenance approaches make us good stewards of our facilities, of the taxpayer money. It's value added everyday to a child's education, and there is a return on the investment in our schools because we take that seriously.

We recognize the importance of everyone's efforts to help us cope with the growth in our student population. We urge your support of the projects that we have submitted to you today. Most important, we implore you to fund

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Frederick High School. Their tradition is to enter to learn, go forth to serve. We want to support them in that effort. Thank you for your time and consideration.

GOVERNOR HOGAN: Thank you very much for your presentation. I appreciate your being here.

COMPTROLLER FRANCHOT: How, if I could, how is North Frederick Elementary, the replacement going? What is the status of that?

DR. BONITATIBUS: It is beautiful. It is opened. We just occupied it this fall. The students absolutely love it. The teachers love the technology in the classroom. We have tried some experimental flooring techniques in there as well and we're still working with that, again to find things that are cost effective but can be maintained well over time. It's a beautiful, beautiful building. Thank you.

GOVERNOR HOGAN: Maybe we can do a site visit together.

COMPTROLLER FRANCHOT: Yeah.

DR. BONITATIBUS: Please do. Please do.

COMPTROLLER FRANCHOT: That would get the kids going. Last time I went up there they wanted my autograph so --

(Laughter.)

COMPTROLLER FRANCHOT: -- if the Governor shows up they'll really go bananas.

DR. BONITATIBUS: You were.

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GOVERNOR HOGAN: I want your autograph, too.

DR. BONITATIBUS: You were the rock star, no doubt.

GOVERNOR HOGAN: Thank you very much.

COMPTROLLER FRANCHOT: Thank you.

DR. BONITATIBUS: All right, thank you.

TREASURER KOPP: Can I just ask one --

GOVERNOR HOGAN: Oh, sorry.

TREASURER KOPP: -- sort of technical question? My understanding is there was a potential difficulty in access --

DR. BONITATIBUS: Yes, ma'am.

TREASURER KOPP: -- to the, is that, does that interfere with your schedule, or with the, depending on how that challenge turns out? You're still ready to go?

DR. BONITATIBUS: We believe that we'll be able to move forward with, with the schedule. That should not impact us in starting the project. But that accessway is important for the safety and the safe transport of our students.

TREASURER KOPP: I understand. But it's not something we should be concerned about --

DR. BONITATIBUS: No.

TREASURER KOPP: -- when we vote on this?

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DR. BONITATIBUS: We are prepared to move forward.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you.

DR. BONITATIBUS: Thank you.

GOVERNOR HOGAN: Next up, we have Washington County.

Good morning.

DR. WILCOX: Good afternoon, Governor Hogan, Ms. Kopp --

TREASURER KOPP: Thank you.

DR. WILCOX: -- Mr. Franchot, Dr. Lowery, and Dr. Lever. One moment of personal privilege, I have been the Superintendent in Baton Rouge, Louisiana, Pinellas County, Florida, I've also been a Senior Vice President for Corporate and Government Relations for Scholastic which had facilities across the country, and I am now in Washington County. And just a compliment to Dr. Lever. I have never been engaged with a more accessible and fine thinking director of facilities. So Governor, I certainly wanted you to know that. I will also tell you --

GOVERNOR HOGAN: I really feel bad about beating him up earlier now.

(Laughter.)

GOVERNOR HOGAN: Thank you for saying that.

DR. WILCOX: Quite honestly we call him on a regular basis to kind of headache and think through things. He always gives us sage advice and quite honestly I would take that advice to heart in Washington County. In addition to that, Dr. Lowery has been a mentor to me as a new superintendent in Maryland and she has actually helped me to think through some things that you'll hear from, about from us today that I think you'll really appreciate, particularly given your desire that we reuse facilities, that we reduce just kind of frivolous expenditures.

Let me give you just but one example of that before I go into our specific request. One of the things that we know is that Washington County Technical High School is oversubscribed, meaning we have more kids who want to go there than can. So rather than build an \$85 million technical high school somewhere out somewhere else what we've done is we've said, well, how can we partner with the City of Hagerstown? How can we refab an older building in a private-public partnership, create an academic hub where we can take kids who will come on a modified schedule and spend time downtown in a rehabbed building? It will also support an existing structure that we did with a private-public partnership, the Barbara Ingram Center for the Fine Arts. So we have I think a large vision and a lot of that comes from the conversations we've had with Dr. Lowery about creating spaces that are more accessible to young people.

GOVERNOR HOGAN: And I saw the facility the last time I was in Hagerstown and thought it was terrific. I want to congratulate you for that.

DR. WILCOX: Wait until you see what we have planned with a local developer. We're hopeful that using our own funds along with some of the funds dedicated through the private partner, and then with our county government who has been a great partner with us, that we'll be able to actually build this facility for about \$15.5 million as opposed to spending \$85 million to build a new high school, service the same number of kids over time, draw down enrollments from a number of schools, and then better use those spaces as well.

That said we really have two requests for you today. One is that you will continue to fund or final fund West City Elementary School. We're going to come up with a better name than a compass rose point in just a little bit but we're not quite there yet. The structural steel is going up on this facility. And what we're asking for there is the completion of the funding for \$1.2 million. We're very thankful for the funding that we have.

As all of you know who have been here before, West City replaces two schools that were well over 50 years old, some that had some very difficult environmental concerns. For example, Conococheague doesn't have potable water simply because it's, of the location of a landfill that's not too far away. It also is, just a, was probably not a poorly, it was probably a poorly designed facility from the very beginning some 30 or 40 years ago. They didn't build it to

last 100 years, although it has lasted 50. In addition to that we are looking for -- and the other school is the oldest school and the highest school on our deferred maintenance list Winter Street Elementary School, which again is well over 50 years old. One of the other things that I think you'd be proud of in, in this new building is that we will actually have more kids that can walk to school, which will then reduce our transportation costs as well at this new site.

The final thing that we have today is we're simply asking for \$201,000 to finish a roof project on Fountain Rock Elementary School. So we have two requests from the Board of Public Works today, that is to final fund West City Elementary School and secondly then to help us with the Fountain Rock roof replacement. I stand open for any questions.

GOVERNOR HOGAN: Any questions?

COMPTROLLER FRANCHOT: No. I think I came out and gave a Silver Hammer to Potomac Heights Elementary some time ago and --

DR. WILCOX: You absolutely, you --

COMPTROLLER FRANCHOT: -- and you know, the, I, I appreciate the requests that come in for new help a little, a little bit more when you're recognized for taking care of what you have. So keep it up. I know the --

DR. WILCOX: Thank you, thank you very much, Comptroller. You have actually been a, kind of a stimulus to our thinking as well. I don't

know, you weren't able to make the grand opening of the new Bester Elementary School --

COMPTROLLER FRANCHOT: No.

DR. WILCOX: -- which you championed so well for us. But we will tell you that we had a parking sign made for you for that day when you came in --

COMPTROLLER FRANCHOT: Really?

GOVERNOR HOGAN: Wow.

DR. WILCOX: -- simply because you, and you've been called by our friends in Frederick a rock star, I don't want to let them get the only credit for calling you a rock star. We certainly were ready for you. We were going to have our band play and march you right in. Now we're going to change that sign --

COMPTROLLER FRANCHOT: Uh-oh. Oh, really. Now I feel bad.

TREASURER KOPP: Oh. Maybe, maybe on the anniversary?

GOVERNOR HOGAN: Maybe, maybe the two of us want to go up there sometime and get the rock star treatment?

DR. WILCOX: Well I'll tell you, Governor, we're going to spray paint over the Comptroller's name.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

GOVERNOR HOGAN: That's right, saving money. I like that.

DR. WILCOX: So we'll see you. Let me get one last comment in, and that is that two years ago we met with Treasurer Kopp. If you will remember, we came to your office and you talked with us about alternative funding for our schools, you gave us great guidance. And quite honestly, that's one of the things that spurred this development with Bowman Development in our community. So thank you.

TREASURER KOPP: Great.

COMPTROLLER FRANCHOT: Good.

DR. WILCOX: Thank you all.

GOVERNOR HOGAN: Thank you very much. Next up we have Allegany County. I was happy to spend some time up in your county just a few weeks ago.

DR. COX: Yes, congratulations.

GOVERNOR HOGAN: Welcome. Thank you.

DR. COX: Good morning. I'm David Cox, Superintendent of Schools in Allegany County, and so I'm pleased to bring you greetings from Western Maryland. I have with me here today Laurie Marchini, who is a member of our Board of Education; and Mr. Vince Montana, who is our Director of Facilities. So we appreciate your time and consideration today for our requests and we certainly appreciate all of the support and generosity that has been

extended to Allegany County over the years for our projects that you have supported. And our last high school project, of course, is Mountain Ridge, a very beautiful facility. And likewise we take a lot of pride in our facilities and we have been the recipient of, of different awards. We won some Silver Hammer Awards --

COMPTROLLER FRANCHOT: Yep.

DR. COX: -- for upkeep on our facilities as well as having received high marks for the public school inspections. So you can rest assured that when you provide us resources we take good care of, of them and we're very good stewards.

Again I thank you for listening to us today. We're here basically to talk about two different projects. I'm going to give just a very brief overview and then invite Mr. Montana to speak more specifically. First of all, the roof replacement for Braddock Middle School and we have some photographs in the presentation and some information there that you can see.

The main project that we're asking for your continued support of is the construction and replacement of a new Allegany High School. The current school that was built in 1925, and we think it's probably the oldest high school in continuous use. It has five different additions onto it. We're very excited about the, the project. We're in the final stages of design. And you have photographs there of the new site. And Governor, we worked very closely with the City of

Cumberland and Western Maryland Health System. They gave us this property. We're reclaiming a hospital site with all of the infrastructure there. What you see is the demolition that's taking place. Much, almost all of the material that's being demolished is being recycled in one way or another. We're excited about that because it's going to remove lots of impervious surfaces and improve the environmental conditions in our community as well. So we're, we're really excited about that. We're working with Grimm & Parker and we, we anticipate going to bid in the spring for the actual construction. So we're asking for the continued support and funding of this project, an additional \$3.8 million over and above the recommendation so we can keep the project moving.

So again, thank you so much for your continued support of, of our buildings. And I'm going to ask Mr. Montana at this time to come forward and to speak a little bit more specifically, and then, then Ms. Marchini to follow.

GOVERNOR HOGAN: Thank you very much for being here. How is the weather up in Allegany today?

DR. COX: We, we had some snow. But we're a hardy lot and so we're going to keep moving. And so it's pretty good today.

GOVERNOR HOGAN: Well we're happy you made it down. Thank you.

DR. COX: Thank you. We invite all of you, and we will give you all kinds of parking spots --

(Laughter.)

DR. COX: -- anytime you want to come.

MR. MONTANA: Congratulations, Governor Hogan --

GOVERNOR HOGAN: Good morning, thank you.

MR. MONTANA: -- Treasurer Kopp, Mr. Comptroller. I would like to say first of all that we are good stewards of both State and local funds. And we, we take pride in our, our maintenance efforts. I think that's evident in the, the annual inspections. Of, of primary concern today is roof replacement at Braddock Middle School. That roof was installed in 1989. It is a single-ply EPDM roof. It was at that time a locally funded project so unfortunately it was the lowest grade of roofing that you could purchase at the time, a forty-five-thousandths of an inch thick, non-reinforced. It had a warranty of, a warranty period of ten years. It's still holding. We work on it at least monthly. It is just beyond its, far beyond its useful life. So we considered separating the project into two phases over two years, but it's very difficult to pick out the worst sections of the roof that you would do first. So we ask that you consider funding that roof project. And I'll be happy to answer any questions that you may have.

GOVERNOR HOGAN: Thank you very much. Any questions?

TREASURER KOPP: Are you, is there a new way of doing flat roofs that are essentially --

MR. MONTANA: Unfortunately really truthfully there are two options, a single-ply or a built up roof. We are encouraged by Dr. Lever's office to, to install a, a four-ply built up roof. But either way you can get a 20-year warranty. If you make a significant investment you could certainly put a pitched roof on it with, with shingles. We were able to do that at one school but that is quite an expense.

TREASURER KOPP: I have to say that it's like open classrooms, flat roofs, were a learning experience.

MR. MONTANA: They're a trend. And you know, the majority of our schools were built --

TREASURER KOPP: Yeah.

MR. MONTANA: -- prior to the, the 1980's. We've done some renovation.

TREASURER KOPP: Right.

MR. MONTANA: The majority of them were actually built in the seventies. And I'm envious of a county that has a high school that is only 75 years old when we look at Allegany.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah. Yep.

GOVERNOR HOGAN: Thank you.

MS. MARCHINI: I wanted to say congratulations to you, Governor Hogan, and thank you very much for your continued support of our projects. We really couldn't build a new school or fix a roof or anything without your help and we do sincerely appreciate your generosity to us.

The Allegany project means a lot to Allegany County, particularly to the City of Cumberland. It would be the first school, new school that's gone up in Allegany County, in the City of Allegany County, in, since the 1960's. So it is, if you have some time and would like to see the existing Allegany High School we would love to take you through it. You would be amazed. It has been well cared for but it is definitely --

GOVERNOR HOGAN: I made six trips to Allegany County over the past year, which is I think more than the previous Governor did in eight years. But I didn't get a chance to see your schools. So maybe next time I'm in town.

DR. COX: Yes, sir. We would love to have you.

MS. MARCHINI: Well we would love to see you, give you some tours. And we always love to see Mr. Franchot. He's been a frequent visitor and we appreciate that. So I just wanted to thank you all for your continued support.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: If I could just ask Dr. Cox, thank you for mentioning Flintstone Elementary with the Silver Hammer. I wanted to

just get brought up to date, in 2013 I went to John Humbird Elementary School in Cumberland to present Becky Miller with the --

DR. COX: Right.

COMPTROLLER FRANCHOT: -- Golden Apple Award for the program that she spearheaded called Summer Lunchbox Program.

DR. COX: Yes, sir.

COMPTROLLER FRANCHOT: That's such a great idea. Is it still up and running and --

DR. COX: It is and actually it's expanded. We, we have, the program now is being picked up in the western part of the county. It's, it's a group of churches in the City of Cumberland that, that have gone together. Actually I go to church with Becky and nominated her for that. And she --

COMPTROLLER FRANCHOT: Good.

DR. COX: -- she actually was a former employee, an elementary education supervisor. And so she has encouraged others to participate. So the Town of Westernport was the latest town and community that --

COMPTROLLER FRANCHOT: I don't want to screw it up by getting the State involved. But is there something we can do to support that?

DR. COX: Sure. I mean, we would be glad to, you know, have some more conversation about it. But it, it really is very successful. And, you

know, it fills a need. We have a lot of poor children who wouldn't have a meal unless they got that summer lunchbox meal.

COMPTROLLER FRANCHOT: Well, give her my regards.

DR. COX: I certainly will.

COMPTROLLER FRANCHOT: And tell her that is the future of many services, that we love government. But it's, compared to a committed volunteer effort that, like hers, it's, government is way, way behind as far as being able to respond flexibly and creatively to a community problem like that. So hats off, and please give her my regards.

DR. COX: Thank you. I certainly will do that.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. Thank you very much.

DR. COX: Thank you.

MS. MARCHINI: Thank you.

GOVERNOR HOGAN: Have a good trip back to Allegany County.

DR. COX: Thank you.

GOVERNOR HOGAN: Next up we have Baltimore City. Good morning.

DR. THORNTON: Good morning. Well certainly good morning to you, Governor, and certainly welcome to Annapolis, to Comptroller Franchot,

Treasurer Kopp, and certainly State Superintendent Lillian Lowery, and, and the balance of the committee. I'm here today with Keith Scroggins, our Chief Operations Officer. I'm the proud CEO of Baltimore City Schools. I'm here to respectfully to appeal to the IAC designees second round of funding recommendations for FY '16.

City Schools recognizes and appreciates the \$16.3 million we have been appropriated based on the 75 percent of the Governor's budget. I'd like to just provide the entire committee a perspective on where City Schools are. One, we have an average age of 48 years old. Twenty-three percent of our buildings were prior to 1946, 74 percent of our buildings between 1946 and 1985, and three percent of our buildings since 1985. The oldest building in our, in our portfolio is a school that we still use, is Booker T. Washington. It was built in 1895. The oldest building in the City, which is our central office, and certainly we think it certainly meets our needs, was born in 1865, it was the original Poly High School. The first complete construction in the City since 1998 was the Waverly Elementary School, which opened in January of 2014.

The portfolio is large. And just a perspective, 18.5 million square feet of space across 180 schools. At one time certainly Baltimore was the home of about 185,000 children and as a result, you know, there has been attrition, 17.5 million square feet of district owned permanent building space; 434,000 square feet of district owned modular and portable buildings, we're actually in portable

headquarters there; and over a half million square feet of buildings not owned by the City in which we certainly support many for our charter operations.

It's a rare week when I don't get a call from this gentleman around five o'clock in the morning, and he says something like there's a pipe that's burst, or we're not going to be able to go to school today because the buildings are cold, or we have this problem about. And I'll say, Keith, how long does it take to fix? He says, well you know it's wrapped in asbestos and we probably will be back up. That's not the quality of educational opportunities we want for our children.

So earlier this week, I'll just tell you one that's right on the tip of my tongue, is we had to close Fort Worthington. We had to close because we had to replace pipes. And when we went, actually went into the project we found that it was more serious, and you never know how serious it is until you actually get in and find out. Dr. Lever, you are well aware we had a boiler challenge as well at Windsor Hills. And I think thanks to the staff that we were able to certainly salvage and actually get to a good place where we minimized that. And the list goes on.

In stating our request, we have 64 projects listed in our original request and are necessary repairs that we would love to see supported in our schools. We need funding for a full range of projects described in our original request. These are not frivolous or vanity requests. These are projects that are real that I see everyday and I see as I move from classroom to classroom, whether

I'm looking at water quality for the fact that many of our children because of the lead piping that are unable to use the water that's in our, in our schools. And we have actually brought in portable fountains that will allow them an opportunity to have good, good water and good water quality.

We have the highest need in regards to the amount of State funding required to bring buildings to basic adequacy. And we're talking about adequacy, we're not talking something that's really grand and but we're just talking about having a great place that's cool in the, in the summer, having, is warm in the winter, and their parents can really count on the fact that when they drop their kids off each morning that they are not going to get a call from me basically saying come back and get them because we have a building certainly that's down.

This proposal both includes major projects, numerous systemic renovation projects. We're hopeful funding and repair structural deficiency and replace faulty antiquated building systems. And it's about building systems for me. It's not about just building new buildings, we're excited about that. But you've got to create the infrastructure in which you certainly live with each day is certainly in place. We're talking about certainly the issues with respect to safety and provisions around learning environments. You know, I'm very excited, I read, we woke up this morning, hopefully you saw the *Sun*, and it says that we're moving in the right direction. Our graduation rate is moving up. Our dropout rate

is moving down. But in order for that to happen it has to be done in really great environments.

We're doing our share as well, two major renovations include Holabird and Graceland. Mr. Franchot, you're out in schools a lot. I hear it. I'm probably going to run into you sometime this week at one of our schools.

COMPTROLLER FRANCHOT: Yep, absolutely. I'll be up at Graceland.

DR. THORNTON: Let me be -- yeah, exactly, at Graceland. You will see, let me share you with you what you will see. One is that we, we have secured additional dollars, not just, we just don't want to wait certainly on the State. We want to be aggressive. We want to be entrepreneurial in our approach. A federal grant to make a net zero school, meaning lessen the carbon footprint, those are the kinds of things that we want to bring to the table. We are working diligently to leverage every dollar and get the best return certainly on the investment as well as on learning.

Moving forward with the 21st Century Project, it's a big project and I need to certainly thank you. I'm pleased to say I had three great partners and I could not have done it without one partner who sits to my right and my left, the IAC. Certainly the Maryland Stadium Authority, as well as certainly Baltimore City led by our Mayor. We're on schedule. I want you to understand we're on schedule. I mean, we're ahead of schedule. We're going to replace and

renovate up to 28 buildings over the next five years. We're on schedule to close and require 26 buildings. Because it's important, we don't need the footprint that we once had. So we have to close schools. I'm pleased to say that we have advanced that, we accelerated that. Because every time we don't make those hard decisions it takes things away from our children which is so important.

There will be positive effects impact over the entire district with respect to utilization. Utilization is big. I'm aware that the district has not set aside sufficient funds. I will tell you the budget for this gentleman is \$18 million to take care of that amount of square footage. It's impossible to do. I'm pleased to say that \$3 million has been added this year, \$6 million will be added next year, and we will add \$27 million to the \$18 million as we move forward. And David I, excuse me, Dr. Lever, I would like to thank you for your input. And being certain that, you know, if you build great things and do great things you certainly have to have the wherewithal to maintain them. You know, so many times we get brand new things and we don't take care of them. That's been a challenge for us. But that challenge we're going to mitigate. And I know the commissioners are very, very in favor of doing the work.

I'm pleased to say when we actually started the 21st Century Building Plan one of the big concerns was that we needed a building, a point person. I'm pleased to say we've hired what I think is one of the best in the

country, Mignon Anthony, who is here with me today, and certainly she can answer any questions.

But in summary I want you to know that I'm very committed to a culture of effective and efficient operations. When I came in the Board asked me what was my goals. I had two things. One, student achievement. That's the core business that we're in. And then around creating an effective and efficient operation that can certainly support those core goals. That is a premier role for me to play. If there's two things, in 20 years when I leave, when we leave, I would like to say that we certainly moved the academic opportunities for our children and we created an environment and conditions that's not only scalable but sustainable.

I give you my pledge that we will spare no effort to justify the trust that this committee has placed in us. We're going to work very, very hard. We may fall short. But we may not, but we will certainly be in a much better place that we've been. And I wanted you to know that, so I'm here today to ask you to extend that same spirit of support certainly in consideration for our CIP.

You know, often, you know, the question is, you know, will it be a good, effective return on investment? I'm here to say it will. We will share the same, I think we do share the same goal. I, the reason we are all here is because we believe in a better State, we believe in a better community. And I will tell you I don't know any way of getting there than through schools. Schools are it. This

is it. That's a transformational issue that I think absolutely prepares our young people to sit and potentially be Governor of this State one day, or to be the Comptroller of this State, or to be State Superintendent, or certainly to take my job and after a few snow calls I made a few people are ready to take them. But take that job.

But so today we're here to answer any questions. We thank you for your consideration of our requests. And know our request is really driven around need, truly need. And I think Mr. Franchot can tell you that as he has moved through our system. Our kids deserve better. And certainly you are our partner so we reach out to you today. Thank you.

And this is Keith Scroggins. He is the answer man because I have seven months on the job. And so we are a partnership here, and we stand ready to answer any questions you might have.

GOVERNOR HOGAN: Well, first of all thank you very much for that excellent presentation, and thank you for your leadership. That was, I like the way you got through that. You covered a lot of ground.

DR. THORNTON: I only had ten minutes, sir.

GOVERNOR HOGAN: You were passionate. You got us all in there. It was terrific. I just have one, one quick, you were talking about the number of schools that you were closing? How many was that?

DR. THORNTON: We are closing 26, we are on, on, we are moving to close 20 -- we have closed six. We are actually going to close 26. And based on the efficiencies we are hopeful to actually reduce the footprint even more.

GOVERNOR HOGAN: You mentioned about the attrition but can you give me an idea of how many students have we lost? How many, how much, how many fewer students we have now?

DR. THORNTON: We have approximately --

GOVERNOR HOGAN: From the high point to where we are?

DR. THORNTON: High point was 185,000 many years when the Point was open --

GOVERNOR HOGAN: Right. Right.

DR. THORNTON: -- and families were in every home. But over the last several years we have begun to increase. We are beginning to bring families back to the district. Last year we brought back close to about 500, the year before it was about 1,000. I think --

GOVERNOR HOGAN: So what's the total number now, from 185 down to what?

DR. THORNTON: I mean, eighty-four-nine-something this morning. I look at it everyday.

GOVERNOR HOGAN: Eighty-four-nine?

DR. THORNTON: Eighty-four-nine.

GOVERNOR HOGAN: You mean we lost 100,000 students?

DR. THORNTON: Over a period of years, yes.

GOVERNOR HOGAN: Wow.

DR. LEVER: Since the sixties.

DR. THORNTON: Since the sixties.

GOVERNOR HOGAN: Got you.

TREASURER KOPP: Could you, could you send us a chart --

DR. THORNTON: I'd be glad to.

TREASURER KOPP: -- a visual on that?

GOVERNOR HOGAN: That would be good to see.

DR. THORNTON: Yeah. I'd be, and you'll see it's exactly tied to jobs. And when the jobs went away --

GOVERNOR HOGAN: No question.

DR. THORNTON: -- families went away. And --

GOVERNOR HOGAN: It's one of the things I've been talking about for four years.

DR. THORNTON: I know.

GOVERNOR HOGAN: That we've lost businesses, jobs, and taxpayers at an alarming rate, particularly out of Baltimore City. And it's something we all want to turn around.

DR. THORNTON: Well we certainly appreciate it. And we stand ready as a partner to do so. And I will be glad to provide that chart to you, and I'll provide it to the whole commission.

GOVERNOR HOGAN: Great.

DR. THORNTON: If that's appropriate. And certainly I will also provide our support with respect to maintenance as we move forward. As you will see the \$3 million being added in this year, and then subsequently next year it's six, and the next year it's nine, and it will go up to 27, the 27 sits on top of the 18, and you're at 45. Which is, we benchmarked, working with David, as the appropriate support that's necessary to do the work and to maintain the opportunities.

TREASURER KOPP: And this is for the entire district --

DR. THORNTON: This is for the entire district, ma'am, yes, ma'am.

TREASURER KOPP: What's the name of the new school program?

DR. THORNTON: The 21st Century --

TREASURER KOPP: 21st Century, this is not just for the 21st Century?

DR. THORNTON: Right. Right. That's, no. It's great to get new buildings. But I have a responsibility, I have a responsibility for the buildings that

I have. And to be very candid as much as I would love to come and say to you let's replace them all, that's not going to happen. I'm not even going to make that request. So what my request is to make the ones that we have at, get them at optimal level so they can certainly enhance the educational programs that our kids deserve.

GOVERNOR HOGAN: Thank you. Any questions?

COMPTROLLER FRANCHOT: Yes you mentioned, thank you, you mentioned Graceland and that's one of the top replacement priorities for the City.

DR. THORNTON: Yes, sir.

COMPTROLLER FRANCHOT: Apparently it's been held up because of some unresolved issues, or it got a C rating, I believe? In your report? Has that been resolved? And, or what, when will it be resolved?

DR. LEVER: It's a C, both of the projects are Cs because of what we call lack of design progress. We are expecting the schematic designs to be submitted this month but the design development document submission is a critical key that gives us the assurance that if we allocate funds they will be used during that fiscal year.

COMPTROLLER FRANCHOT: Mm-hmm.

DR. LEVER: So it's a technical issue right now. Design is underway.

DR. THORNTON: Correct.

DR. LEVER: So we expect to receive the design development documents.

DR. THORNTON: And I think you will all be pleased that the shovels go in the ground for the 21st Century Program in December. And I can't leave without extending my gratitude for that. I think you'll be very, very proud.

GOVERNOR HOGAN: Congratulations.

DR. THORNTON: Thank you.

COMPTROLLER FRANCHOT: Let me get back to, if I could just ask one more question on Graceland?

DR. THORNTON: Yes?

COMPTROLLER FRANCHOT: Here is a school built in 1950 that's never had a systemic renovation? Is that, is that true?

MR. SCROGGINS: That's entirely possible. Do you know the name of the school?

COMPTROLLER FRANCHOT: It's Graceland.

MR. SCROGGINS: Oh. Graceland has had --

COMPTROLLER FRANCHOT: Yeah. It was built in 1950 but has never undergone a systemic renovation. And I understand obviously there's an explanation, because of the condition. But boy, that's pretty stunning.

MR. SCROGGINS: Well we've done work, a lot of work that's come out of the operational budget. But that's a school that's going to be totally rebuilt in the next two years. So it's in phase one, year one of phase one.

COMPTROLLER FRANCHOT: And Dr. Lever, you testified earlier that you thought even though the reports have not been published that progress is being made. Because in '09 you surveyed 35 schools in the City, none received a superior rating, three were good, five were rated not adequate, but you think the trend is moving in the right direction?

DR. LEVER: Yes. And I think that the comprehensive maintenance plan that was approved by the IAC in September is the real key to, to the progress in terms of staffing, the budget that Dr. Thornton mentioned, the reorganization of certain aspects. Those are the key elements I think.

COMPTROLLER FRANCHOT: Thank you.

MR. SCROGGINS: I would like to point out that in the last four years, and this I received in a letter from Dr. Lever last year, the last four years the scores of all of the inspection reports have increased each year.

COMPTROLLER FRANCHOT: Good. I'm glad to hear that.

DR. THORNTON: With good care and good maintenance you can extend the life of facilities. And, and I think that's the conversation that we've missed over the years and that's certainly the position we're trying to put ourselves in as we look at the future of certainly availability of dollars.

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR HOGAN: Any questions, Madam Treasurer?

TREASURER KOPP: Could I just, a personal note, I don't do this often, but I think I'm probably, I want to say to you --

DR. THORNTON: Yes, ma'am?

TREASURER KOPP: -- I'm probably one of the last surviving people. I was sponsor of, with Delegate Pete Rawlings and, of, of the law, some, bill some years ago which created the new Baltimore City School System with the CEO and the new organization.

DR. THORNTON: Yes, ma'am.

TREASURER KOPP: And it was with very high hopes, including a reduction of what even then was excess capacity so that you could focus on, on the kids and in schools and in new schools. And I know it was very controversial. I know there were many times when the, the bill, the memorandum of understanding was signed by a Mayor with tears in his eyes, Mayor, Mayor Schmoke, that I have wondered whether in fact it was an appropriate thing to do, and, and what would happen. And I just want to say that what you have said in the last ten minutes has been inspiring. And I just hope in terms of understanding not only the need for maintaining what we have but the importance of the school buildings and the support for the teachers and, and, and just the whole integrity and health and the performance of, of what at one time was the leading school

system in the State of Maryland. It's really very inspiring. And I'm very, very pleased to see you here, Dr. Thornton.

DR. THORNTON: Thank you very much for those kind words.

GOVERNOR HOGAN: Thank you very much.

DR. THORNTON: Thank you, Mr. Governor.

GOVERNOR HOGAN: I know that wasn't a motion, but I'd like to second it if it were.

(Laughter.)

GOVERNOR HOGAN: Thank you very much. It was a very impressive presentation.

TREASURER KOPP: Thanks.

DR. THORNTON: Thank you, sir. Thank you very much.

GOVERNOR HOGAN: Thank you. And for our morning session, last but certainly not least we have Anne Arundel County before we take a lunch break. And I saw my good friend County Executive Steve Schuh come in. They must be bringing in the big guns along with the school system, my County Executive here. Welcome.

DR. ARLOTTO: Good afternoon.

GOVERNOR HOGAN: Good afternoon.

DR. ARLOTTO: Governor Hogan, Treasurer Kopp, and Comptroller Franchot, I'm George Arlotto, the very, very proud Superintendent of

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Anne Arundel County Public Schools. I'm pleased to be joined this afternoon by our Chief Operating Officer Alex Szachnowicz; members of our Board, and our President Ms. Korbela; County Executive Steve Schuh with other supporters of Anne Arundel County. I'd like to thank this Board, the IAC, Dr. Lever, and the staff of the Public School Construction Program for your ongoing support of our county and our fiscal year 2016 request.

Prudently investing the public's funds and providing a balanced capital improvement program has been and will continue to be one of our district's hallmarks. As we strive to enhance access, equity, and excellence for our school system and our county as a whole we must not ignore the critical role that our district plays as contributor to the economic development and competitiveness of the State of Maryland and Anne Arundel County. As a recently completed economic impact study clearly demonstrates, we continue to increase these economic benefits with every student that graduates to go onto college or into the workforce. We intend to continue to grow our valuable partnerships with government, businesses, and community organizations in order to develop great future leaders. By prioritizing resources to enhance our educational programs we can also better support the needs of our students and staff by providing safe, healthy, flexible, and sustainable facilities.

We have a plan. We are practical, and predictable, and we stay the course. Yet as with any plan there are both opportunities and challenges. For

fiscal year 2016 we are faced with continued enrollment increases and capacity constraints, a backlog of aging infrastructure, requisite security enhancements, and increased regulatory and mandated compliance costs. Each of these issues alone is not overwhelming but when combined with finite resources hard decisions must be made. We have to make them and we understand you will also. However, we sincerely believe that we are all on the same team and that those decisions will be an ardent endorsement of the nearly 80,000 students in our district. Therefore we ask for your continued support and funding approval for the following projects.

Our first request is for the balance of construction funding for the renovation addition project at West Annapolis Elementary School. Students and staff have been moved to a temporary facility and construction has begun. The project is part of the overall plan for alleviating the overcrowding in the Annapolis feeder system.

Next we are requesting second year construction funding for Severna Park High School. This will be our first LEED high school. The replacement school is under construction and we anticipate adding over 300 trade opportunities to the State and local workforce. When completed the project will provide a high performance facility to shape future community leaders.

The next priority in our request is funding for two electrical systemic projects at West Meade Early Education Center and Hilltop Elementary.

We are diligently trying to reduce the backlog of these technology related projects while balancing the scarce resources that we have available. These projects will be installed in accordance with MSDE's standards for telecommunication distribution system.

Our fourth request is for local planning approval and construction funding for gymnasium additions at Woodside and Millersville Elementary Schools. The existing multipurpose rooms at these schools are currently tasked with serving as the collective gymnasium, cafeteria, auditorium, music room, and community gathering space. These additions will alleviate the scheduling demands at these two schools and support our county's physical fitness and recreational initiatives.

Finally, we are asking for local planning authority for a number of critical facility upgrades, including Manor View, High Point, George Cromwell, Jessup, and Arnold Elementary Schools. The feasibility study demonstrating the need, rationale, methodology, and purpose for each project has been completed and approved by the IAC.

On behalf of our students, their parents, our employees, the Board of Education of Anne Arundel County, and the community we serve, I thank you for the opportunity to discuss our fiscal year 2016 capital improvement program and how it supports the growth of Anne Arundel County and the State of Maryland. My staff and I will be pleased to answer questions that you may have,

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but I know that our County Executive has a few, would like to take a few moments to introduce himself to you.

GOVERNOR HOGAN: Thank you.

MR. SCHUH: Good afternoon, Governor, Treasurer Kopp --

GOVERNOR HOGAN: Mr. County Executive, good morning, good afternoon.

MR. SCHUH: -- Comptroller Franchot, nice to see you. No better sign of a new era of efficiency in government than the fact that the Board of Public Works is 15 minutes ahead of schedule.

(Laughter.)

MR. SCHUH: It's a pleasure to be here in support of our school system this morning. As Dr. Arlotto said, we are incredibly proud of our school system in Anne Arundel County and we are doing everything we can to support our 80,000 students. My administration has pledged to support the school system in any way we can in advancing their mission.

We have a huge construction backlog. We'll spend about \$1 billion over the next ten years on school construction in Anne Arundel County, 650 of it will go to high school construction alone. Dr. Arlotto has laid out our priorities beautifully and Severna Park High School, Mr. Franchot, is proceeding beautifully and thank you again for your interest in that project and visiting with me.

I know there are competing needs across the State. Anne Arundel County is of course, Governor Hogan, the home, your home county. We're proud of you.

GOVERNOR HOGAN: Even after I moved from Edgewater, you're still my County Executive. I'm still here in Annapolis.

(Laughter.)

MR. SCHUH: And I was also pleased to see that your budget included \$290 million for school construction. That's a huge commitment and we appreciate those funds being there. And we always appreciate the State's support of our projects and I just want to assure you that we intend to use every State dollar wisely. So thank you again for this opportunity.

GOVERNOR HOGAN: Thank you very much. Any questions of Anne Arundel County, any of this distinguished panel?

COMPTROLLER FRANCHOT: No the, I appreciate the County Executive being here, and thank you for mentioning Severna Park High School. What is the status of that as far as the CIP that's coming, that's before the --

DR. LEVER: So it is in line. We have one other project, the West Annapolis Elementary School was mentioned --

COMPTROLLER FRANCHOT: Mm-hmm.

DR. LEVER: -- and then the request for Severna Park High School is next in line to receive funding.

COMPTROLLER FRANCHOT: And we have committed \$8.1 million. Are they due for any more in 2016?

DR. LEVER: Oh, yes. Yes. They have requested \$20.4 million and we'll do what we can to, to fund that, in discussion with them about how to balance out the funding among projects.

COMPTROLLER FRANCHOT: Excellent. That's a good program. And just a quick question on Glen Burnie High School. That apparently has open pod cast classroom designs, which is just a particularly bad idea we got in the 1970's. Is that on track to move forward to a conversion? And are there other classrooms like it in Anne Arundel? And what's the cost and time table for getting those replaced? Because they are real public, they are security threats among other things.

DR. ARLOTTO: They are. There is no question, Glen Burnie is a prime example of that. So we have had this, it was a bad decision made by somebody years ago in the world of construction to have open space classrooms. We have over the years, we build several million dollars into our CIP every year to begin to start to enclose those open classrooms. We do that on a regular basis. Glen Burnie is the next big project on the list for us to go ahead and then we'll continue. We've got how many buildings left? So about two-thirds of the way through the program, about a third left to get all of our open space classrooms enclosed. But Glen Burnie is, is the next big project up for us.

COMPTROLLER FRANCHOT: Thank you. And I noticed you brought all these prominent people with you, and the Governor described them as big guns. You have standing next to you someone who is really extraordinary, Alex Szachnowicz. He doesn't get a lot of attention. But I appreciate what he did more than a decade ago with your schools, which like Baltimore County most of the classrooms were not air conditioned. And instead of doing what Baltimore County is unfortunately laboring through at a very high expense and is taking forever, Alex came up with the idea of why don't we put portable air conditioners mounted on the outside of the windows and see how those do? And boy, I tell you, it cost \$120,000 for an elementary school, \$250,000 for the larger secondary schools. They were installed quickly, they were installed affordably, and they worked. And so hats off to Anne Arundel County for responding to a serious public health and safety need. And I just, what I like about Alex, and I mentioned this earlier with government, government we get stuck in the way of doing things. And so we can't react flexibly. And you guys did in Anne Arundel. I guess I like Alex because he doesn't think of reasons why you can't do something, he comes up and says, hey, if it's a priority, let's do it. So I guess my question is, Alex, are those things still working I hope?

MR. SZACHNOWICZ: Yes sir, like a champ.

COMPTROLLER FRANCHOT: Yep. And congratulations on that. And I don't mean to stigmatize the bureaucracy as too hide bound, but it is.

I mean, I'm part of it sometimes. We just don't open our eyes up to an affordable, quick way to do something and benefit our, in this instance, our kids. So hats off.

And Mr. County Executive, thank you for the comments about Severna Park.

DR. ARLOTTO: Thank you, Mr. Franchot. I just, I would like to just recognize those comments about Mr. Szachnowicz. I think we're recognized across the State in our, in our programs and our facilities and it was really all about Alex. Right? I think you heard my colleague Dr. Thornton come up and speak about his priorities in, in the academics of his kids and in creating sustainability through his programming. My two goals are very similar in creating the academic prowess for our students and then a second part of my goal is to stay out of Alex's way.

(Laughter.)

DR. ARLOTTO: So so far it has served me for seven months well, so I'll continue --

GOVERNOR HOGAN: No, that's smart.

COMPTROLLER FRANCHOT: It's taken me eight years to learn how to pronounce his last name, but --

MR. SZACHNOWICZ: You did a good job.

GOVERNOR HOGAN: That was good. Anything, Madam Treasurer?

TREASURER KOPP: Could you send us a copy of the economic impact study?

DR. ARLOTTO: Absolutely, we'd be glad to.

TREASURER KOPP: That sounds really interesting.

DR. ARLOTTO: Yes, absolutely. We'd be glad to.

GOVERNOR HOGAN: Well thank you very much to Anne Arundel County. We appreciate you being here this morning.

DR. ARLOTTO: Thank you.

GOVERNOR HOGAN: That wraps up our morning session four minutes early. We're running this thing like clockwork and now we're going to take a lunch break. I want to thank all of the school systems that came in for the morning session. We're going to take a break for lunch until 1:00 and then we'll have a whole host of other folks come in and talk with us this afternoon. So thank you very much. We're going to adjourn for lunch.

(Short recess taken.)

GOVERNOR HOGAN: Ladies and gentlemen, please take your seats. We're going to go ahead and get started. We're starting a new tradition on the Board of Public Works, we're keeping on time. We kept exactly to the schedule in the morning. It's now 1:00. We're going to start. We want to welcome all of you here today. This is an important part of our meeting and we

want to thank all of the school systems for being here. We're going to start off this afternoon with Baltimore County.

DR. DANCE: Thank you, Mr. Governor. And congratulations on your recent victory. To our Treasurer and our Comptroller, thank you so much for the past support that you have had for Baltimore County Public Schools. We've been doing some tremendous work in Baltimore County Public Schools, not just on the academic front but also on the school construction and the business services side as well.

I also want to say a special thank you to Dr. Lever, Dr. Lowery for your support with the IAC. The approval of \$17.8 million so far has been extremely, extremely supported by us and we really do appreciate it. That will cover the renovation and the addition at Catonsville Elementary School, which Comptroller we were going to visit before the inclement weather hit us --

COMPTROLLER FRANCHOT: Mm-hmm.

DR. DANCE: -- this past week; the addition at Westchester Elementary School; and air conditioning at three additional elementary schools. However, we submitted a \$53.9 million request which really looks at additional seats, it makes sure that we can focus on maintenance of our schools, and really looking at the aging infrastructure.

The three major focuses of our capital improvement plan have really been focusing on new seats for schools, building additions where possible,

and reconfiguration of existing school footprints. This also looks at air conditioning. The Comptroller has had several conversations with us around air conditioning and as a county we have done some phenomenal work around air conditioning. To put it in perspective in 2007-2008 53 percent of our schools had air conditioning. When we look at after the end of all of our 16 projects 19 percent of our schools won't have air conditioning. So we're making a lot of progress in our school system, particularly with this body's support but also with our County Executive's support, too, who just walked into the room. I want to recognize our County Executive Mr. Kevin Kamenetz.

GOVERNOR HOGAN: Welcome, Mr. County Exec.

MR. KAMENETZ: Thank you.

DR. DANCE: The additional projects that are unfunded at this time, though, our first priority is of Dumbarton Middle School. Dumbarton Middle School was built in 1956, currently does not have air conditioning and needs significant renovations. But also the other two top priorities, and we've done a really, really good job of focusing on comprehensively what do we do around the Southwest area, is really the replacement of Westowne and Relay Elementary Schools, two schools that don't have air conditioning but also are over capacity right now. Both schools are 50 years old. Replacing these two schools would give us 505 additional seats but also will allow air conditioning to move forward with these two schools as well.

In addition we are asking for the funding of the reconfiguration of Padonia International Elementary School. A unique aspect about this project is we add 155 additional seats but we have a really good partnership with the county administration and parks and rec where we have an adjacent community center that we just built. And with this that provides gymnasium space to the school and allows us to reconfigure the inside for additional classroom space.

We have more than 80 percent of our schools that are more than 40 years old so we want to make sure that we have school maintenance that is really a focus for us. We have maintenance dollars in our budget and we do a lot of work working with our county administration to make sure that while we have aging facilities we also maintain them as well while we're bringing new schools online as well too. But because of this body's support we've done a lot of work around making sure that we have 21st Century learning environments for students in Baltimore County.

GOVERNOR HOGAN: Thank you very much. Any questions?

TREASURER KOPP: That was fast.

GOVERNOR HOGAN: Any comments?

COMPTROLLER FRANCHOT: I had a, Dr. Dance, welcome.

DR. DANCE: Mr. Comptroller.

COMPTROLLER FRANCHOT: I don't know whether the County Executive wants to say a comment?

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DR. DANCE: Yes, sir.

MR. KAMENETZ: Is that an invitation, Mr. Comptroller?

COMPTROLLER FRANCHOT: I don't mean to step on the --

GOVERNOR HOGAN: Please --

MR. KAMENETZ: Well let me, let me just --

GOVERNOR HOGAN: We'd love to hear from the County Executive.

COMPTROLLER FRANCHOT: -- love to hear --

MR. KAMENETZ: Thank you. Thank you, members of the Board of Public Works. It's an honor to be here once again before you. Kind of the big picture aspect that I might add is that we're facing the twin dilemmas of rising enrollment plus aging infrastructure. In response we have devoted almost all of our capital dollars toward a very ambitious ten-year, \$1.1 billion Schools for Our Future program which is going to eliminate all current and projected overcrowding, plus leave a surplus of seats to accommodate future growth. And as part of that we're also modernizing our schools and at the conclusion of our program, I know this is of interest to the Comptroller, that 97 percent of all of our schools will be air conditioned at the conclusion of this program.

As opposed to the one to one match that we have customarily agreed to in terms of county and State funding, in the last four years we have been matching at a two to one ratio of county dollars versus State dollars. So it's part

of our tremendous commitment. I just want to reiterate that we are going to be good fiscal stewards of the State money and make sure that this is being done in a cost effective but efficient manner. So we thank you for your past contributions and we urge you to continue assisting us with our program.

COMPTROLLER FRANCHOT: Can I ask, County Executive, thank you for being down here. It actually just occurs to me, I know we used to have all the legislators here and that was very unwieldy. But it's kind of helpful to have -- well, good. I mean that's, I didn't meant to say anything --

MR. KAMENETZ: We have our senior member --

COMPTROLLER FRANCHOT: Yeah.

MR. KAMENETZ: -- of our delegation here.

COMPTROLLER FRANCHOT: Well, that's terrific.

GOVERNOR HOGAN: I don't think he was specifically talking about --

COMPTROLLER FRANCHOT: Yeah, no, I was, but I think it's very helpful to have the County Exec here frankly just for a couple of quick questions. Because I wanted to ask what the situation was with the renovation of Pikesville High School, which is a big priority of local elected officials. And it is on the list from, I think it got some money last time but it's not on the list now. Some of the renovations are going on and some aren't. Can anyone clarify where we are?

MR. KAMENETZ: Sure. I'm happy to respond to that, Mr. Comptroller. The Pikesville High renovation is to one of our oldest high schools we strongly supported. When the bid was put out by the school system it included basically what we'll call extras, kind of a wish list --

COMPTROLLER FRANCHOT: Mm-hmm.

MR. KAMENETZ: -- and hopeful that the, that the economy would allow those to be accomplished within the budget. Unfortunately the bids came in higher than the allocated amount that was determined by the engineers. The State cut down on its allocation as well, as Baltimore County made up the difference. That's 70, we're funding about 76 percent of those renovations to the extent that the, there are savings that could be achieved from lack of change orders, from contingency. Obviously we're confident the school system will try and fund as many of those, quote, extras on their wish list as possible. But I will tell you that right now we are funding 76 percent of the renovations.

COMPTROLLER FRANCHOT: Excellent. Thank you.

TREASURER KOPP: Could I just, so it is not so then that the bids came in high and therefore the full scope, I mean, the full scope of the program, basic program has been reduced? This is something that is beyond the basic program?

MR. KAMENETZ: No, Madam Treasurer, when we go shopping we can pick out the Cadillac version or the Chevy version. The bid specifications

asked for the Cadillac understanding we could only pay Chevy prices. Now that we're, we're at that level, we have to decide what are the luxuries that we cannot afford and that's what the school system does with any contract. They pare down some of what I'll call luxury items, or things that are more in the Cadillac range. But this is going to be a full scale modern renovation that's well needed and I think will serve our students very well for the next generation.

TREASURER KOPP: I'm sure I don't have to tell you, but the representatives of the 11th Legislative District are very concerned about it on behalf of their constituents.

MR. KAMENETZ: I, I, you know, I get it. You know, we're facing --

TREASURER KOPP: I don't think I have to tell you.

MR. KAMENETZ: -- yeah, we're facing, look, I'm not critical, but we're, we continue to face cuts from the State. We're already matching our school construction program two to one as opposed to one to one, and we're already paying 76 percent of this particular project. So you know, I feel like we have stepped up to the plate significantly. If there are savings to be found we'll try and do that and apply it back towards some of the extras.

TREASURER KOPP: To the school, thank you.

GOVERNOR HOGAN: Any other questions of Baltimore County?

COMPTROLLER FRANCHOT: Just following up on the Treasurer, because I got the same correspondence I guess, is there, are there areas of dispute right now? Or is it basically resolved as to where, what you're going to do as far as the design and any of the options, I guess, that have fallen by the wayside? Where, are we kind of at a --

MR. KAMENETZ: Well they are in a, they are in a contract management phase. The bids were very clear. These were called addendums, add ons.

COMPTROLLER FRANCHOT: Mm-hmm.

MR. KAMENETZ: So it was very clear that these were considered options, in essence.

TREASURER KOPP: What, what sort of thing are we talking about?

MR. KAMENETZ: A, a terrazzo floor. Do we do, you know, do we, the original floor in the lobby is terrazzo. In the renovated area we, the contract has as an add on terrazzo. That's more expensive.

TREASURER KOPP: To match the new to the old?

MR. KAMENETZ: Yes. So, so maybe it's not, it will still be a fully functional floor that will color match but it may not be made out of stone. So that's, that's a trade off that you, that one --

TREASURER KOPP: Is that typical of the things?

MR. KAMENETZ: That's an example.

TREASURER KOPP: That's an example, but is it a typical --

DR. DANCE: The County Exec is exactly right. One of the things that we're doing, and we're working very closely with the Pikesville High School community, which just recently celebrated its 50th anniversary, is out of the list of add offs, to really prioritize what's most important, knowing that we're not going to be able to do it all. And when there were, the economic times where we would take it out to bid and of course it would come back in lower, we could do the add offs. One of the biggest things they want us to do is really look at sort of the underground area that used, it was going to be a swimming pool in the original design. But now it's going to be, they want it to be a fitness center and sort of a dance studio. So that's the top priority right now.

The County Executive is right. When we can limit change orders and look at our contingency funds, that's sort of top priority on the list. But it is contingent upon being able to stick to the scope of work. One of the things that we really stressed to the community, though, is that this is a nearly \$45 million project. So the budget has not been cut from the county end. As a matter of fact the County Exec talked about making up the difference in the lack of the State funding that was cut from it. But when the bids came in they did come in higher than what the scope of work required.

GOVERNOR HOGAN: Great. Thank you. Any other questions?

Thank you very much.

COMPTROLLER FRANCHOT: No, I just have, if I could, sorry, I just saw Council Member Almond walk in and I want to just salute her for her commitment to Pikesville --

MS. ALMOND: Thank you.

COMPTROLLER FRANCHOT: -- and general citizens of a great county, Baltimore County. I did have one other --

TREASURER KOPP: I, I am told that the Senator is also here, but I can't see her.

GOVERNOR HOGAN: The Senator? The Senator? Welcome.

COMPTROLLER FRANCHOT: Come on up, yeah. Come on up.

GOVERNOR HOGAN: Thank you for being here, Senator.

TREASURER KOPP: Sorry.

MR. KAMENETZ: Senator Kelley is the longest serving member currently with the retirement of Senator Stone of the Baltimore County delegation.

COMPTROLLER FRANCHOT: Isn't that great?

GOVERNOR HOGAN: She deserves a round of applause.

(Applause.)

GOVERNOR HOGAN: I had the honor of working with Senator Kelley on executive noms when I had my previous job here as the appointment secretary.

COMPTROLLER FRANCHOT: Wow.

GOVERNOR HOGAN: She was a delight to work with and she's somebody I have tremendous respect for. Thank you for being here.

SENATOR KELLEY: The honor was mutual.

GOVERNOR HOGAN: Thank you, Senator.

DR. DANCE: And she stays on me now, so.

GOVERNOR HOGAN: Yeah, good. She should.

COMPTROLLER FRANCHOT: Could I just ask while I have both of you here about Westowne and what the, well it has a C classification which means there are unresolved issues that preclude the State from providing its financial support. Is that, on the IAC's website its reference is made to the fact that funding is being deferred pending receipt of special education letter?

DR. LEVER: Yes. I think the letters have been received for both that and Relay Elementary School and they are under consideration right now by Maryland State Department of Education, Special Education Branch. Hopefully that gets resolved within the next couple weeks. So at that point the, if they do get resolved it will no longer be a C project, it will be a B project.

COMPTROLLER FRANCHOT: Okay. So that's the, the question I had, I guess, is I noticed it also applied to Relay Elementary School also?

DR. LEVER: Yes. That's correct. They both have special, regional special education programs and there is a certain procedure that has to be gone through which is underway right now to get the approval and that is the last issue on both of those schools before they can become eligible. And then because they are high priority schools if they become eligible they are likely to receive funding.

COMPTROLLER FRANCHOT: And I bring that up because last year there was a project that, where there was an \$8 million funding request, I think it got deferred because of, quote, a lack of planning approval and a lack of design process.

DR. DANCE: Which project was that?

COMPTROLLER FRANCHOT: I'm not sure which one it was. Westowne, was it Westowne?

DR. LEVER: That was likely because at the time we didn't see the progress on the design development documents that I mentioned earlier with respect to another project.

COMPTROLLER FRANCHOT: Okay.

GOVERNOR HOGAN: All right. Well, thank you gentlemen, very much. I appreciate you being here.

MR. KAMENETZ: Thank you.

GOVERNOR HOGAN: Next up we have Calvert County, or as the Comptroller Goldstein would say, Calvert County. We're happy to have you.

MS. MCGUIRE: Good afternoon, Governor, Board of Public Works.

GOVERNOR HOGAN: Good afternoon.

MS. MCGUIRE: Can you see me?

(Laughter.)

MS. MCGUIRE: I bring you greetings from the Calvert County Board of Education, our Superintendent, staff, and the students we serve. Thank you for the opportunity to come here and speak with you about our CIP for FY 2016. The level of support you have given Calvert County in the past is most appreciated. Today we are here before you to request continued support for our Northern High School replacement project and to assure you that Calvert County is positioned to fund our share of the endeavor. Superintendent Dr. Curry will speak to you about our CIP request for FY 2016 in a moment. But let me thank you in advance for your continued support of Calvert County Public Schools' construction program. Calvert County Schools' success in the area of student

achievement is in part due to the IAC's consistent and responsive funding of school construction projects. Thank you.

GOVERNOR HOGAN: Thank you very much.

DR. CURRY: Thank you, Governor, Mr. Franchot, Ms. Kopp. It's good to meet you for the first time as a new Superintendent in Maryland.

COMPTROLLER FRANCHOT: Yeah.

DR. CURRY: I'm pleased to be here representing Calvert County and the good people of Calvert County, and ask for the second year of funding for the replacement project of Northern High School. This is a four-year phase in that involves construction to commence this spring. We hope to open bids in the next month. And the first phase will be construction, occupancy in 2017. The second phase will consist of demolition of the old high school and extensive site improvements following that. And the third and final phase will be the construction of additional space on the existing high school auditorium.

Our appeal of the Northern High School replacement project is for the balance of \$2,940,000 of the \$9,180,000 in State funds requested for this year. The total project is \$67,309,000 in both State and local funds. Of the total project, \$60,558,000 is for construction. These funding requests are being spread out over the four-year cycle. We received so far \$4,000 in State and local funds during the FY '15 cycle. We appreciate your support. Any questions?

GOVERNOR HOGAN: Any questions?

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COMPTROLLER FRANCHOT: None for me.

GOVERNOR HOGAN: Thank you very much.

DR. CURRY: Thank you.

GOVERNOR HOGAN: Next we'll move on to Caroline County.

MR. NAGEL: Governor, congratulations.

GOVERNOR HOGAN: Thank you very much.

MR. NAGEL: I'm Milton Nagel, Interim Superintendent of Schools in little old Caroline County on the Eastern Shore. On behalf of the Eastern Shore, the first school system here to present from the Eastern Shore today, congratulations and I appreciate your support in coming down to the Shore last weekend for the post-inaugural celebration. I wasn't able to be there because I had to be out of town, but --

GOVERNOR HOGAN: Well, thank you. It was a terrific event. We spent a lot of time on the Shore. I was in Caroline County a bunch of times.

MR. NAGEL: Yes. Yes, sir.

GOVERNOR HOGAN: And you've got a great county, and we were happy to have so much support all across every county on the Shore.

MR. NAGEL: We're excited and look forward to the coming years of your leadership here in the State of Maryland.

GOVERNOR HOGAN: Thank you.

MR. NAGEL: We're here today to request the third and final installment of funding for the complete renovation and addition to Preston Elementary School. It's located in a small community in the southern end of the county, originally constructed in 1971, had a minor renovation done approximately ten years ago, and now we're into full renovation and addition. This is an interesting project in that it was originally bid and came in \$3.2 million over budget, which was well beyond the scope of which we could handle locally because you know the State, once the State allocation is set, it's set. So it forced us to go back and redesign, reexamine certain systems, mechanical systems, work with the construction management at risk firm, Whiting-Turner, and the architect to explore alternative means for which we could generate additional interest in the project from the private sector, from contractors. I'm here today because we were successful in that. The rebid of the project nearly a year later, even given cost inflators that happen when you bid a project a year later, brought the project in still over budget but by, over budget by only \$1.5 million, a number which we could manage between the county government coming up with an additional million dollars and some creative financing, if you will, on the part of the Board of Ed. We incorporated into this project an energy performance contract, in that we're utilizing the savings associated with converting from fossil fuel heat to geothermal and solar energy too, and we're using those savings financed over 20 years to add an additional \$400,000 to the project. And we are using some fund

balance, some PAYGO money, to buy mechanical equipment outside of the contract and the term in the amount of \$95,000. All that to say that we were able to successfully break ground in March of this past year. The project is well underway with a scheduled, anticipated completion date late spring of next year.

On the back of your handout that I gave you our, you know, picture tells a thousand words. So there are a few pictures of the addition and the new geothermal mechanical system, and the interior space of the combined cafeteria and gymnasium. This was a school that didn't have a gymnasium to this date. The gymnasium was on a stage. So it's a very popular project in the community as it's the only school that will, finally all of our schools will have a gymnasium. It's going to be a full gymnasium, which will enable it to be used for community events as well. And it's a nice little community down there.

I just had an email correspondence this morning. The Comptroller is going to pay a visit to the site in a couple weeks, I think it's the 19th of February. We look forward to your visit. You have been to the school before.

COMPTROLLER FRANCHOT: I have.

MR. NAGEL: You were at that school when we received our Silver Hammer Award several years ago.

COMPTROLLER FRANCHOT: I certainly did.

MR. NAGEL: So, and Dr. Lever has been to the school multiple times. He has seen the project. And we appreciate the support. We're here asking for a measly \$938,000.

(Laughter.)

MR. NAGEL: So we'll even take the check today, if you --

(Laughter.)

MR. NAGEL: I was remiss in my beginning. I do have the Board President here, Mr. Tolbert Rowe is the President of the Board of Education and I'll allow him to make a couple comments, too, if it's okay.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Thank you.

MR. ROWE: Mr. Governor, congratulations.

GOVERNOR HOGAN: Thank you.

MR. ROWE: Congratulations to you also, Mr. Comptroller.

COMPTROLLER FRANCHOT: Thank you.

MR. ROWE: We appreciate the support that you've given us obviously thus far. As you can see, we spend an awful lot of time improvising. We don't have quite as much money as a lot of other counties do but we certainly get the most from the dollars that we have. So I would just say on behalf of myself as the President of the Board of Ed, and also my fellow Board members,

that we appreciate the support and would certainly hope that we could continue on with this project. Thank you.

GOVERNOR HOGAN: Thank you both so much for coming.
Any questions?

COMPTROLLER FRANCHOT: Now the, just for the edification of the Governor, it was around this time eight years ago when we first heard about geothermal heating and cooling. And it was led by the frugality of the counties on the Shore and boy, it swept the whole State.

MR. NAGEL: This is our third, this is our third, third geothermal school.

COMPTROLLER FRANCHOT: Yep, they are, they are, it has already made it out to Washington County, where we thought it was too rocky. But in fact it works. So --

MR. ROWE: It does.

COMPTROLLER FRANCHOT: -- so congratulations. And trust me when something like Preston comes up that's gotten a Silver Hammer Award based on the criteria that Dr. Lever's group puts out, it's all scientific, it makes a difference. Because you guys deserve it.

MR. NAGEL: Yeah. Walking in the building as a novice, you wouldn't know that the building needed to be renovated.

COMPTROLLER FRANCHOT: Mm-hmm.

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MR. NAGEL: It was that well maintained. But if you open up the doors to the mechanical room and start to look at some of the systems, you'd be like, okay, yeah, there's a 40-year-old boiler in there that is on its last legs. You know. So we're, we're proud of the, we think we do a good job of maintenance throughout the system with our small staff. But we're a small system, it's easy to see the whole picture and take care of issues and be resourceful and find creative ways of getting to the final answer.

MR. ROWE: We certainly don't mind leading the way in creativity, either.

COMPTROLLER FRANCHOT: Yeah. Keep up the good work.

GOVERNOR HOGAN: There you go. Well thank you, Caroline County.

TREASURER KOPP: It's very impressive.

GOVERNOR HOGAN: We appreciate you being here.

MR. NAGEL: Thank you.

MR. ROWE: Thank you.

TREASURER KOPP: The creative financing, I hope this idea of packaging it like that will be shared with others.

MR. NAGEL: Well and the fact that we have --

GOVERNOR HOGAN: Maybe you guys can put on a seminar for some of the other counties.

TREASURER KOPP: Yeah, really.

MR. NAGEL: Well I'm sitting on a task force with Dr. Lever exploring options --

TREASURER KOPP: Right.

MR. NAGEL: -- exploring options such as that. So as the dollars get tighter it forces you to really think outside the box.

TREASURER KOPP: We'll have things like the oyster school in Maryland yet.

GOVERNOR HOGAN: Well congratulations on that effort. Thank you very much, Caroline County.

MR. ROWE: Thank you.

GOVERNOR HOGAN: Next up, we have Cecil County.

TREASURER KOPP: Or Cecil.

GOVERNOR HOGAN: Or Cecil, yes. The Treasurer is correct, yes. We have Calvert, and Cecil.

DR. DEVINE: If you're talking to my Mom-mom it's Cecil.

(Laughter.)

DR. DEVINE: Good afternoon. I'm Dr. D'Ette Devine, Superintendent, Cecil County Public Schools. And I thank you for providing us this opportunity to address you today. County Executive Moore sends her greetings to you. And I would also like to thank our Comptroller for his many

visits to Cecil County. And one of the more recent ones was to Gilpin Manor Elementary, which is a project we hope to move forward with --

COMPTROLLER FRANCHOT: Yes.

DR. DEVINE: -- in the next couple of years. With me today is Mr. Perry Willis, who is our Executive Director for Support Services; and Mr. Chuck Simperts, our Manager of Construction Services. And so on behalf of the Board of Education of Cecil County we'd like to submit these comments to you in support of four projects in our capital improvement plan for 2016. We certainly appreciate past efforts to make funds available to the jurisdictions like ours with the most pressing needs. And the following projects either received partial funding or no approval as part of the second round of recommendations and so we would like to make an appeal for each one individually as our county continues to struggle with high priority needs and an ever growing deferred maintenance list.

First of all, Perryville Elementary School renovation, we are very grateful for the partial funding of the renovation project at Perryville. The recommendation of \$2,828,250 will help us continue the two-year construction process and transform the current school into a facility that will better serve this community for many years. We respectfully request that you recommend the additional \$1,338,000 for our submission which would allow our county to better fund this project and allow local funds to be shared among other high priority projects.

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Second, the Cecilton Elementary roof and exterior brick replacement. Cecilton Elementary was renovated in 1997 but it's a building that dates back to 1939 and so the issue is that brick exterior of the 1939 section and its contiguity with the 1997 flat roof condition. And so the existing brick has deteriorated and has allowed water to infiltrate and therefore we need to replace the roof and the exterior wall and we ask that you recommend the \$148,000 that it would take to complete this project.

Third is the Cecil Manor Elementary roof replacement. This roof was constructed in 1990. It is an asphalt built up roof and has really served its useful life. And we want to make sure that we don't risk damaging the interior of the building so we would like to ask you to recommend funding in the amount of \$571,000 to complete this project.

And finally our last project is the Chesapeake City Elementary School, also one of our oldest schools in the county, the only one lacking an elevator. And we are currently conducting a feasibility study for its replacement. And so we know that that's a required element to determine planning approval and we would like to put Chesapeake City on the same schedule as Gilpin Manor in an effort to build with a prototype, thereby saving time and money for both projects. So we respectfully request that you recommend local planning approval for the replacement of Chesapeake City Elementary.

And so finally I just wish to recognize the significant commitment that Maryland, our county, and our Board of Education has continued to make to improving school facilities, which is so critical. And we commend the State and the county for these efforts. And thank you for the opportunity to address you on our four projects, and hopefully with some successful results.

GOVERNOR HOGAN: Thank you. Any questions?

COMPTROLLER FRANCHOT: I just want to thank you for letting me come up on the Maryland Masters Award, too. It's the first one we ever awarded up there and it's been a --

DR. DEVINE: You found your way to the northeast corner several times, Mr. Comptroller.

COMPTROLLER FRANCHOT: Yep, it was good stuff. If I could just ask whether your superior rating for maintenance is an ongoing, does that keep going to the current day, Dr. Lever, as far as the excellence of this county? It seems that no matter what school is picked at random they get either a good or a superior --

DR. LEVER: Cecil County --

COMPTROLLER FRANCHOT: -- on maintenance.

DR. LEVER: -- has a very, very good program. They have some very good practices in place that I think make it an institutional culture of

achieving a high level of maintenance. It travels down to the people who are working in the schools, the pride that they take in their own institutions.

COMPTROLLER FRANCHOT: Is that something that's in writing, Madam Superintendent? Or is it --

DR. DEVINE: It is our leadership and our operations staff. They are tremendous people. We try to create a culture of family in Cecil County. All members of the school community giving 100 percent effort. And we're grateful that Dr. Lever came to actually award those superiors several years ago and we appreciated him doing that.

GOVERNOR HOGAN: Well you're certainly to be commended for those efforts. That's terrific. We were talking about that this morning.

COMPTROLLER FRANCHOT: Uh-huh. Do you have any lessons learned?

DR. DEVINE: We'll be happy to share.

COMPTROLLER FRANCHOT: Because we're told that it's very difficult in some of the larger organizations to replicate what you do at a smaller level. So let us know if we can --

DR. DEVINE: Well I can appreciate the scope of some of my larger colleagues.

COMPTROLLER FRANCHOT: Really, you might --

DR. DEVINE: But we seem to have a great team in place supporting one another.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Thank you.

DR. DEVINE: Thank you for your time.

TREASURER KOPP: Can I just, I don't know where you were before. But I assume that either firsthand or through your education and reading you know, what do you think about the concept of, for this purpose only, for maintenance, of somehow virtually breaking down into smaller groups the largest of the systems? I mean is it, do you think it's a question of size?

DR. DEVINE: I, my size is, we're medium, we're 14th largest.

TREASURER KOPP: Right.

DR. DEVINE: So we're, we have a pretty good size. Our high schools are around a thousand students.

TREASURER KOPP: Yeah. But if you're looking at something that's several times larger than that, do you think?

DR. DEVINE: I think it would make sense. I think some of my colleagues do have areas that they have broken down the larger counties into. They have a very challenging task themselves.

TREASURER KOPP: Yeah. And I can understand why you get to a certain size and it just is hard --

DR. DEVINE: It's harder to manage.

TREASURER KOPP: -- it's a hard chain of command.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: One other, one other question --

DR. DEVINE: Okay?

TREASURER KOPP: -- you're going to four-ply flat roofs, that's a state of the art for a flat roof? Is that --

DR. DEVINE: Four-ply flat roof?

DR. LEVER: Four-ply is, it's very standard. It's relatively easy to repair. It can be maintained fairly easily. Single ply works very well if it's installed properly at the beginning. And the problems we've seen is that, as Mr. Montana said before --

TREASURER KOPP: Right.

DR. LEVER: -- sometimes the installation, sometimes the materials are not as good as they can be. So four-ply is a very reliable, time tested system.

TREASURER KOPP: Yes. Thank you.

DR. DEVINE: Thank you.

GOVERNOR HOGAN: Thank you very much.

DR. DEVINE: Pleasure to meet you, sir.

GOVERNOR HOGAN: Nice to meet you. And now we're going to move down to Southern Maryland and we're going to have Charles County come see us.

DR. HILL: Good afternoon.

GOVERNOR HOGAN: Good afternoon.

DR. HILL: Governor Hogan, Comptroller Franchot, Treasurer Kopp, my name is Kim Hill. I'm the Superintendent in Charles County, and I'm pleased to have with me today our Board of Education Chair Virginia McGraw, as well as Assistant Superintendent of Supporting Services Keith Hettel, and two members of his staff.

Just like everyone else who has come before you today we are here to ask for additional school construction funding. Our request combines an appeal in four areas: final funding for our newest high school, a systemic renovation for an aging school, and planning approval and construction funding for kindergarten additions, as well as a new elementary school. We continue to use local funding to replace equipment and maintain our aging buildings. The IAC and the Board of Public Works have been supportive of these efforts in Charles County and we appreciate all that you do to help us maintain our quality facilities.

Following the advice of Dr. David Lever, Charles County Public Schools with the support of our county commissioners, contracted a

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comprehensive facility study last year. The survey allowed our Board of Education to develop long range plans for renovations while also programming for new capacity. The report confirmed what we already knew. After so many years of building new schools for growth our older buildings needed upgrades of all types, mechanical, electrical, and most importantly redesigned instructional space. Our appeal combines our needs for renovations as well as providing for new capacity.

First we are asking for final State construction funding for St. Charles High School, which Comptroller Franchot has visited twice, I believe, once while it was under construction and then once it was complete. We appreciate the IAC recommendation for State approval of \$6.7 million for St. Charles. However, we are here today to ask you to fund the remaining balance of \$3.2 million. Eliminating this outstanding obligation for St. Charles will relieve the financial burden our county government faces to forward fund the State's project share. We hope that will improve our county's ability to help us fund renovations for our older facilities so we can update some of those older buildings.

We are also asking for full funding for systemic renovations at Benjamin Stoddert Middle School, a nearly 40-year-old facility. The systemic renovations include heating and air conditioning unit replacements that will help maintain this building and prepare it for future renovation and expansion. We

request additional consideration for the needed systemic renovation at Stoddert with additional support of just over \$1 million to bring the total support to \$2.1 million.

We put kindergarten additions on hold in Charles County while building our brand new St. Charles High School. These additions are needed to provide permanent space for the increase of students created for the need for full day kindergarten. This year we requested planning and construction funding for Matula Elementary School as well as Jenifer Elementary School full day K, both located in growing areas of our county. The IAC has recommended local planning as well as partial funding for these two projects, and we respectfully request your consideration for funding for the remaining \$1.8 million.

Our capital improvement plans blend new construction needs with renovations, which often include adding capacity for students. For example, Dr. Mudd Elementary School, which the IAC has recommended for local planning, includes the opportunity to provide additional seats for our students.

Our final request today is planning approval for a new elementary school needed to reduce overcrowding in five neighborhood schools. We have property approval, submission currently to the State clearinghouse, and we anticipate approval in March.

On behalf of the Board of Education we thank you for consideration of our appeal, and pledge our commitment to work with you and

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our local officials. Further, we applaud your wisdom in recognizing that education is more than just a priority, it is a key to civic and economic vitality of not just our county but of our State. Thank you very much for considering our requests.

GOVERNOR HOGAN: Thank you. Any comments? Madam Treasurer? Mr. Comptroller?

COMPTROLLER FRANCHOT: No, but if you want to get the Governor and the Treasurer to look at something that is unbelievably impressive, it's St. Charles, I think it is.

DR. HILL: We would love to have you all come down and see it.

COMPTROLLER FRANCHOT: That is state of the art.

GOVERNOR HOGAN: I look forward to that.

DR. HILL: The science center there is amazing. It's absolutely, we had a group of parents there last night, actually, our parent advisory committee, and they just, their jaws were dropping. And the best thing to do with that science center is to go in when there is a group of kindergarten kids in there. Their eyes are as big as saucers.

GOVERNOR HOGAN: I would love to do that.

TREASURER KOPP: I would love, love to do that.

DR. HILL: Well you let us know and we will work around your schedule.

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GOVERNOR HOGAN: Thank you very much. Thank you for being here today.

DR. HILL: Thank you.

COMPTROLLER FRANCHOT: And this, is it Piccowaxen Middle School where I gave them an award for maintenance? It was a couple of years ago.

DR. HILL: Yes. Yes.

COMPTROLLER FRANCHOT: How are they doing?

DR. HILL: They're doing great. That's a great little school on the southern end of the county.

COMPTROLLER FRANCHOT: Excellent.

DR. HILL: Yes.

COMPTROLLER FRANCHOT: Yes, Newburg.

DR. HILL: We appreciate all your visits to Charles County, and your support of the arts. Thank you.

COMPTROLLER FRANCHOT: Thank you.

DR. HILL: Thank you.

GOVERNOR HOGAN: Thank you very much.

DR. HILL: Mm-hmm.

TREASURER KOPP: I have a question of Dr. Lever. We know about the Jacobs study, and we just heard about the Charles County study.

DR. LEVER: Yes.

TREASURER KOPP: Do all of the jurisdictions have that same sort of facilities study?

DR. LEVER: No. The larger jurisdictions have carried out studies. For instance, Anne Arundel County did a study in the mid-2000s and they have developed a CIP that comes from that and have stayed with it very, very rigorously. Baltimore County has just conducted a study, and you heard about that. That led to this \$1.1 billion program. Prince George's County did a study in the late nineties.

TREASURER KOPP: Right.

DR. LEVER: They have reviewed that study twice since then. But smaller jurisdictions, for instance Caroline County, they simply know their facilities. They have so few and they know those facilities inside and out.

TREASURER KOPP: But is it your impression that the sort of facility study that, that Charles has just completed is either in place or not required in all of the districts? Is that what you're saying?

DR. LEVER: It would be desirable.

TREASURER KOPP: It would be --

DR. LEVER: The problem is, because that way we could all --

TREASURER KOPP: So then the answer is no? I mean --

DR. LEVER: No, the problem is it's quite expensive to conduct.

And if you have --

TREASURER KOPP: But it's hard to know how you could plan --

GOVERNOR HOGAN: It's expensive not to do it.

TREASURER KOPP: Yeah.

DR. LEVER: But if you know, have the knowledge on your own staff, for instance Caroline County.

TREASURER KOPP: Well that's what I said, if it's not needed.

The question is if there are places where --

DR. LEVER: Yeah.

TREASURER KOPP: -- I mean, I don't see, if you don't have a road plan how, how, how you know --

DR. LEVER: Yes.

TREASURER KOPP: -- where you're going.

DR. LEVER: It does lead to the big picture. For instance, in Charles County the total figure I believe was \$600 million?

DR. HILL: That's correct.

DR. LEVER: Which is beyond funding capacity but it allows then for the community to understand the full need and also allows for prioritization of projects, which is exactly what they have done.

TREASURER KOPP: Yeah.

DR. LEVER: It's very valuable, I think.

TREASURER KOPP: And it's much easier to make your case --

DR. LEVER: Oh, yes.

TREASURER KOPP: -- for --

DR. LEVER: That's right.

TREASURER KOPP: Could, could, could we see a copy of your facilities study?

DR. HILL: It's actually on our website.

TREASURER KOPP: Great.

DR. HILL: Certainly we can --

TREASURER KOPP: I can find that, then. Thank you.

GOVERNOR HOGAN: Thank you very much.

DR. LEVER: It's good reading.

TREASURER KOPP: Next up we have Howard County. And with all full disclosure I just want to let you know that my three daughters attended public schools in Howard County, as we have Lieutenant Governor Rutherford here, and his son and two daughters went there as well. They all went to the same high school, Hammond High School, at the same time and --

SECRETARY MCDONALD: And our Recording Secretary went to Hammond High, too.

GOVERNOR HOGAN: And Missy Hodges as well. So we're happy to have Howard County represented.

DR. SIDDIQUI: Well good afternoon, Governor Hogan, Comptroller Franchot, Treasurer Kopp, and Lieutenant Governor Rutherford, our neighbor in Howard County. I'm Dr. Janet Siddiqui, Chairman of the Howard County Board of Education. And with me today is Superintendent Dr. Renee Foose, Board members Vice Chairman Ann De Lacy, Sandra French, and Cynthia Vaillancourt.

I appreciate this opportunity to advocate for the county's 53,000 students in appealing the Interagency Committee on their school construction recommendations for capital projects. In preparing the capital budget our most critical mandate is to provide a whole child educational environment that allows every Howard County student to achieve and today's challenging economic climate does not lessen that commitment. At the same time we are keenly mindful of our fiduciary responsibilities to our community and we strive to ensure that every dollar invested brings a maximum return and value to the educational instructional process.

We not only provide for our current students but we must prepare for our, for the new students to come. The fiscal year 2016 enrollment growth is projected to be the largest, to be the largest in more than a decade, followed by further growth and development in Howard County that is projected to add more

than 12,000 new students in 2025. Our capital budget request includes both capacity projects and maintenance projects. We understand the importance of continuing to make capital investments that would reduce our life cycle operational costs.

It's critical that we not only invest wisely in capital projects but also build and operate our facilities smartly. Energy conservation measures that have been embraced by our students and staff throughout our system with the result that most of our schools have been certified as green schools. Every new construction and renovation project is designed to ensure LEED eligibility.

We are very excited to be moving forward with the replacement school for Wilde Lake Middle School, which will be the first net zero school in Maryland.

TREASURER KOPP: Very good.

DR. SIDDIQUI: The school will be an incredible teaching tool for students regarding energy sources, uses, costs, and prices, and will lead the way for other counties in Maryland to strive for net zero or other types of energy efficient schools. The Maryland Energy Administration has already provided a grant of \$2.7 million for the net zero design. With the State's support this school will open in August, 2017 providing much needed additional capacity and tremendous revitalization to downtown Columbia. We look forward to having you there for our ribbon cutting ceremony.

GOVERNOR HOGAN: Thank you.

DR. SIDDIQUI: Our system is grateful for all the support provided by our State government partners and thank you for your careful consideration of our request for additional capital funding to support Howard County students and schools. We also look forward to you visiting Howard County and our schools this year. Thank you.

GOVERNOR HOGAN: Thank you very much. Anybody else want to speak? Or are you just there for support?

DR. SIDDIQUI: Dr. Foose?

GOVERNOR HOGAN: Yes, doctor?

DR. FOOSE: Good afternoon, Governor. Congratulations.

GOVERNOR HOGAN: Thank you.

DR. FOOSE: Good afternoon, Comptroller Franchot, and Mrs. Kopp. It's good to see you again. I just want to say that this is the first time that we have been here and it has, we just got out of the van 30 seconds ago, we're still huffing and puffing from racing up the steps.

GOVERNOR HOGAN: Good job.

DR. FOOSE: I appreciate the speedy efficiency of this process. And I want to start out by saying thank you for the approval of the \$15.7 million in State funding in the initial allocation of our total request of \$25 million. Although you were generous in giving us that, we still have some challenges

moving forward. The fiscal year 2016 capital budget request has been impacted by rising costs. Project budgets have increased to meet the requirement to pay the prevailing wage on all projects after July 1st. That's an increase of nine percent for us. In addition a six percent increase to comply with the LEED requirements and the general inflationary increases that have been included. So we are significantly impacted by just those two factors alone.

Howard County is continuing to experience an expansion of student population, as Dr. Siddiqui has said, and we expect to see 12,000 new students enter our school system by the year 2025. The majority of these students are coming on the Route 1 corridor. The revitalization of downtown Columbia has begun and will add over 5,500 new seats. And to meet this need we have begun planning the replacement of the Wilde Lake Middle School, which will be the first U.S. green building and fully LEED certified school in the State of Maryland. This building, what we're calling a net zero, will be nearly twice as large as the current school but using less than half the energy. The new facility will be a showcase of energy efficiency. Solar power will allow the net draw from the power grid over the course of a year to be absolutely zero, and maybe even generate some that we can sell back to the grid. This kind of capital investment can defray operating costs. The Maryland Energy Administration has already provided a grant of \$2.7 million for the design of this school.

And we continue to balance the need for new classroom seats with maintaining the condition of our existing physical plant, and we're continuing to make capital investments that will reduce the life cycle operating cost of some of the systemic projects in this request. And specifically what I'm here to ask you for today is to reconsider the status of the following projects: the Wilde Lake Middle School replacement, which is LEA priority number four. We are requesting that the funding remain at \$10.2 million to enable the project to remain on schedule for an opening in August, 2017.

The second one is new elementary school number 42. It's LEA priority number ten. This project was assigned B status, I'm asking that it be restored to A status. And Hammond High School renovation, as I'm certain you are aware, the Maryland State Teacher of the Year teaches at Hammond High School, and this project was also assigned B status. I'm asking that it be restored to A status so that we can do the renovation. The school is in much need of repair.

The taxpayers of Howard County have supported school construction for many years. While not all locally funded projects have met the criteria for State funding Howard County has consistently funded more than 70 percent of the total capital requirements for the school system, requiring other capital needs within the county to be deferred. And while we understand constraints that factor into the calculation of the funding eligibility we would ask

that you consider the magnitude of the local investment prior to making final funding decisions.

We appreciate the support and the cooperation and the relationship we have developed and enhanced over the years with the Public School Construction program staff and Dr. Lever, and we continue to work closely with the Public School Construction staff regarding the challenging issues facing us today and in the future. And I want to thank you for the opportunity to present our views. And again congratulate you, Governor, for winning the election.

GOVERNOR HOGAN: Thank you so much for that. I have a question for you. Did you say that the State mandate of prevailing wage cost you an additional nine percent in your construction costs?

DR. FOOSE: Yes, it does. Yes, it does.

GOVERNOR HOGAN: What's the total dollar amount that that mandate from the State cost you? Do you have a number on that? Nine percent of what number?

DR. FOOSE: I can get that number for you by the end of the day.

GOVERNOR HOGAN: Yeah.

DR. FOOSE: I don't have that right at my fingertips, but it's significant and we're talking about millions of dollars.

GOVERNOR HOGAN: That seems like an issue that school systems are wrestling with all across the State. I think it's one of the reasons why

Baltimore City uses the Stadium Authority, to avoid prevailing wage to do their construction.

COMPTROLLER FRANCHOT: Really?

GOVERNOR HOGAN: It's absolutely absurd that we would waste that kind of money.

TREASURER KOPP: No, it was mandated.

GOVERNOR HOGAN: Any other comments or questions?

COMPTROLLER FRANCHOT: Dr. Foose is one of my favorite superintendents --

DR. FOOSE: Thank you, Mr. Franchot.

COMPTROLLER FRANCHOT: -- because she had a prior career in the Maryland State Police.

GOVERNOR HOGAN: Wow.

DR. FOOSE: Did I write you a ticket?

(Laughter.)

DR. FOOSE: Because I think I wrote everybody in Annapolis a ticket.

GOVERNOR HOGAN: You're not supposed to tell everybody.

DR. FOOSE: We were just talking about that on the way down.

COMPTROLLER FRANCHOT: Really?

DR. FOOSE: For a while I was at Annapolis Barrack and I am convinced that I wrote anybody who ever traveled through Annapolis a ticket at some point.

GOVERNOR HOGAN: Wow. Well it had to be a long time ago -

-

DR. FOOSE: My apologies if I did.

GOVERNOR HOGAN: -- because I can't even remember getting a ticket.

COMPTROLLER FRANCHOT: Yeah.

DR. FOOSE: I hope that doesn't impact our funding.

(Laughter.)

DR. FOOSE: No grudges.

GOVERNOR HOGAN: I'm glad you were doing your job.

COMPTROLLER FRANCHOT: But anyway, thank you for your service, and I enjoyed coming out to Talbot Springs Elementary School a couple of years ago, and got very well received. Thank you.

DR. FOOSE: They still talk about it. Hopefully you can come and visit again.

COMPTROLLER FRANCHOT: Fabulous. I tell all the members of the Executive Protection Service that they too could be a superintendent someday.

DR. FOOSE: Yeah, I know a lot of these guys.

COMPTROLLER FRANCHOT: Yeah, it's pretty amazing. What a great career you have had, and congratulations.

DR. FOOSE: Thank you. Thank you, Governor.

GOVERNOR HOGAN: Thank you. Any comments, Madam Treasurer?

TREASURER KOPP: I have a question, why, why, why were those two planning projects, why have the two planning projects not been approved yet?

DR. LEVER: It's only the limitation on the number of planning projects we bring forward. Because we're very concerned about what we call the backlog. Every planning project creates an obligation on the part of the State. We try and hold the backlog to something under \$500 million so they can be reasonably paid off. As we approve funding, recommend funding for additional projects we're writing down past backlog and that creates capacity to add more projects. As we move into the second round of recommendations, and 90 percent, and the 100 percent especially, we'll be recommending more projects. Taking a look at the total amount --

TREASURER KOPP: So there is no issue regarding these particular planning projects?

DR. LEVER: No, no, no. They are B projects. All the issues have been resolved. They are eligible projects. We recognize the need for them.

DR. FOOSE: Great, then we can move them to A status today.

TREASURER KOPP: Is that a, is that a legal --

DR. LEVER: No. It's a, it's not even really a policy. It's a practice that, it actually travels back to my predecessor. It's a concern about if we create too much obligation we may not be able to write it down and that can leave school systems in a very tenuous position. That actually happened with some jurisdictions when State funding dropped precipitously in FY '04, FY '05. School systems that had been counting on State funding now had to fund projects to complete them themselves. They had to issue bonds and then those bonds had to be repaid. So that puts school systems into a perilous situation if we overextend our commitments. So it's a way of measuring, kind of balancing the, we want new projects to go forward, we certainly do. And planning approval is a way to do that. At the same time we don't want to overextend our commitments.

TREASURER KOPP: But if the county is willing to take that risk?

DR. LEVER: It is a risk on the county, that's for sure.

TREASURER KOPP: All right. I'm just trying to understand.

DR. LEVER: Yes, I understand.

GOVERNOR HOGAN: Any other questions? Thank you very much, Howard County. Next up, we're happy to have the Maryland School for the Blind. I'm sorry, let's move forward with the Maryland School for the Blind. Thank you very much for being here.

DR. BINA: Thank you. Good afternoon, Governor Hogan, Comptroller Franchot, and Treasurer Kopp. I am Mike Bina, the Superintendent of the Maryland School for the Blind. The Maryland School for the Blind respectfully requests that the Board of Public Works increase the school's allotment by \$5.8 million to fund its proposal at the full amount requested for construction of the classroom and residential buildings for blind autistic students.

These students come from all over Maryland, from all the 24 local school systems that are dependent upon MSB to meet the needs of their students that they are unable to. These buildings will replace MSB's non-fully accessible facilities which were designed for blind only students back in the 1970s and are grossly unsuitable programmatically to meet the complex needs of Maryland's most vulnerable students.

I'm happy to report that the newly constructed classroom and cottage facilities for multi-disabled students are occupied, much to the benefit of the students and the satisfaction of the parents and the staff. And as Dr. Lever observed, with greater deserved dignity.

In addition, in meeting with the neighbors surrounding the school when we just built this last set of buildings in spite of the expected complaints about inevitable construction dust and noise the neighbors are most delighted with the construction on campus, citing revitalization of the neighborhood, likely increased property values, and a boost to the local economy with employment opportunities and building materials being purchased.

Full funding for these essential building projects for the autistic blind students will allow us to replace our current facilities that reduce the students' self-dignity and hinder, not assist, in their independence. We very much appreciate the opportunity to make this appeal and we thank you for your favorable consideration.

GOVERNOR HOGAN: Any comments? Comments? Thank you so much for being here.

DR. BINA: Thank you, Governor Hogan.

GOVERNOR HOGAN: Speaking of construction, you may hear a little noise. They are working on the old Senate chamber downstairs so we apologize. We're trying to get that done. They were trying to get it done in time for the inauguration and they missed the boat, but we're getting it, we're going to keep plugging away until we get that thing open and we're hoping to get it done next month.

DR. BINA: Okay.

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GOVERNOR HOGAN: Next we're going to call up the Comptroller's home county of Montgomery County.

COMPTROLLER FRANCHOT: Mm-hmm, and the Treasurer.

GOVERNOR HOGAN: And the Treasurer as well, I'm sorry.

TREASURER KOPP: That's all right.

GOVERNOR HOGAN: You should be well represented.

MR. DURSO: Good afternoon. I'm Mike Durso, Vice President of the Montgomery County Board of Education. With me here today is our Chief Operating Officer Mr. Larry Bowers, and our Director of Facilities Mr. James Song. We thank you for your past support and ask you that you fully fund our current request.

Our burgeoning enrollment growth continues, increasing this year to nearly 154,000 students, a one-year increase of 2,500. By 2020 we expect growth to exceed 165,000, which is an increase of more than 27,000 since 2007. Beginning in 2007, we have gained 16,000 students, mostly of elementary age. This is more than the combined growth in Anne Arundel, Howard, Frederick, and Baltimore Counties, equivalent to 22 elementary schools with the capacity of 740 each. This growth will soon push the secondary schools, creating the need for nearly 10,000 secondary seats, the equivalent of four middle schools and three high schools. No other jurisdiction is seeing this unprecedented growth.

Who are our students? Between 1970 and 2014 our system has changed dramatically from one that was predominantly white non-Hispanic to one with a very diverse population, and where white non-Hispanic enrollment is slightly over 30 percent of our total. Thirty-five percent of our students qualify for free and reduced meals, increasing during the past 20 years from 24,000 to now more than 54,000. We continue to enroll half of Maryland's English for speakers of other languages, providing services to more than 20,000 students representing 158 countries and 127 languages. Almost three-fourths of these students are born in the United States.

Nearly \$700 million is needed to address our capacity needs alone. This is separate and apart from the very real and equally serious need for other capital expenditures. While the county has provided substantial financial support, for which we are grateful, it has not been nor will it be enough. State aid, for which we are appreciative, has not kept pace with our clear and documented needs. If we are to have any hope of closing this capacity gap and addressing our aging facilities, it is crucial that our State aid request be approved and imperative that we receive continued as well as additional State support to maintain our commitment to provide excellent students for all of our students and staff.

Thank you for your time and attention to our concern and your consideration of our State aid request.

GOVERNOR HOGAN: Thank you. Any questions? Mr. Comptroller?

COMPTROLLER FRANCHOT: I just wanted to ask I think Mr. Song, or perhaps someone else, how many portable classrooms are currently in use in the school system? And how many --

MR. SONG: We approximately have about 450 portables at this time. And beyond that, beyond the, on behalf of Dr. Starr I believe Mr. Bowers also has testimony too.

COMPTROLLER FRANCHOT: Oh okay, great. I'm sorry. I didn't mean --

MR. BOWERS: I just have a few comments.

COMPTROLLER FRANCHOT: Okay, please.

MR. BOWERS: We appreciate the opportunity to be here.

COMPTROLLER FRANCHOT: Uh-huh.

MR. BOWERS: As you know the Interagency Committee on Public School Construction has recommended funding for \$18.6 million of our nearly \$148 million request and we are here today to appeal the rest of the funding. You have the details of what the requests are. Our appeal includes the balance of construction funding for one project, construction funding for 15 projects, planning approval and construction funding for seven projects, and planning approval for 13 projects. Completed projects are indicated on priority

numbers one through seven, and 21 through 26. Construction contracts have been awarded and construction has begun on projects listed as priority numbers 27 to 43.

As Mr. Durso has said, State aid in recent years has not been, kept pace with our school construction needs that are largely driven by our dramatically increasing enrollment. Last year, as you know, the County Executives of Montgomery County, Baltimore County, and Prince George's County put forward a bill through the State's delegations to provide some additional funding for capital projects to address growth in Montgomery County and to address the needs of the other counties. As these funds were not budgeted the County Council, or were not funded, the County Council had to make some significant cuts and delay some very important projects. So Montgomery County once again is asking the Governor, the Board of Public Works, the General Assembly to approve the additional funding that would allow us to meet the immediate needs of students who have been continuing to increase in enrollment over the last seven years and will increase for the next five years. These funds are essential to meet our need for classrooms and better schools. We urge you to consider our appeal and thank you very much for the opportunity to be here.

COMPTROLLER FRANCHOT: Thank you. And then I was wondering, with last year's \$40 million allocation, this year's 18.6 to date, how many portable classrooms were eliminated last year, or with the funding? And

how much might be eliminated as a result of the partial funding so far? Are we making progress, I guess, is the question?

MR. SONG: We are actually heading the other way, unfortunately. Because of the growth exceeds the capital projects that are being completed, last year's portables was approximately 404 portables. This year is 450 that are serving about 9,300 students out in the portable buildings. So again, our capacity growth is outpacing the, the growth, how fast we can build these classroom additions.

COMPTROLLER FRANCHOT: Okay. Thank you, Governor.

GOVERNOR HOGAN: Any other questions, comments?

TREASURER KOPP: Which were the, you said two were being advance funded? Did you say two projects were being advance funded?

MR. BOWERS: Yes. We have a number of projects that have been advance funded. But one of the things, one of the challenges we face, as you know, is that our Council has been very supportive so a lot of projects have been, have been paid for. We are now waiting for reimbursement. One of the challenges is that there is only a set amount of time that we can use State bonding money. So --

TREASURER KOPP: Right.

MR. BOWERS: -- we have to be careful that we don't run out of that time because then the only way for the State to reimburse us is through current revenue funds.

TREASURER KOPP: And, and which were those?

MR. BOWERS: So all of one through seven have been advance funded. And all of 21 through 26 have been forward funded. And then we also have some additional funds to projects that are ongoing right now, 27 through 36 are also in the process of being built right now and have been advance funded.

TREASURER KOPP: And I assume if we ask either you or Dr. Lever you could tell us the timing? Which of those in fact are running out of time for reimbursement with bond funds?

MR. SONG: We can certainly provide the timeline that are associated with them. And we have been working very closely with Dr. Lever's office in terms of setting our priorities based on the projects that have been already completed --

TREASURER KOPP: Right.

MR. SONG: -- that is running out of time.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you very much. Next up, my home county Prince George's County, where I spent most of my life. Welcome. Good afternoon.

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DR. MAXWELL: Good afternoon. And congratulations, Governor Hogan.

GOVERNOR HOGAN: Thank you.

DR. MAXWELL: And good afternoon to Mr. Franchot and Mrs. Kopp. I'm Kevin Maxwell and I'm the Chief Executive Officer for Prince George's County Public Schools. Joining me today is Dr. Segun Eubanks, Chair of the Board of Education of Prince George's County; and representing Mr. Baker, our County Executive, is Erin Favazza here; as well as professional staff members of our organization who represent the team of architects, planners, and educators who developed our 2016 to 2021 capital improvement program.

Today I want to begin by thanking you for your support to date and for the opportunity to provide testimony in support of our capital improvement program request to the State. This capital program request was approved by our Board of Education on September 23rd, 2014 and supported by the Prince George's County Executive and County Council via their joint signature letter signed on November 19th, 2014. The proposed fiscal 2016 capital improvement program request for Prince George's County Public Schools is for a total of \$68.7 million in State funding, which represents our final responses and adjustments as of December, 2014.

Our request this year reflects the need to remedy significant concerns at our aging facilities, renovate facilities to extend their useful life, and

also support new educational program initiatives. This submission also represents our move towards a capital renewal paradigm to more aggressively reduce our \$2.13 billion systemwide deferred maintenance backlog and to improve the functionality of our aging infrastructure. Also included in this capital program request is approximately \$9.3 million of State funding for four forward funded school construction projects approved by the State that were fully funded by the County. These forward funded projects remain a high priority for reimbursement. These funds, once reimbursed, will enable other critical school projects to be funded.

The Public School Construction Program letter dated November 3, 2014 suggested that there are some unresolved questions as the reason for some projects not yet receiving a favorable recommendation. Therefore on November 14th and 24th our school system responded to these concerns. Additionally, after our appeal hearing on December 4, 2014 we provided additional information and documentation to resolve the IAC questions. These projects were reviewed and revisited by staff and the required technical information has been provided to ensure that these projects are fully eligible for State participation.

Prince George's County sincerely appreciates the recommendations made by the IAC for projects to be approved by the Board of Public Works for a total of \$17.8 million, however we believe that consideration should be given to a greater number of significant projects. Among them are our

limited renovation projects requesting planning and funding for \$11.9 million, our first major renovation and addition to the aging William S. Schmidt Outdoor Education Center. We are requesting planning approval for architectural engineering and construction efforts. This facility will serve and does currently serve as a home base for our environmental education programs. One open space pod project for a total of \$1.1 million in State funding, which the IAC has not recommended for approval. If approved this project will demonstrably enhance the educational experience for children at that school. One special education initiative project, priorities two and three, for a total request of \$4.7 million in State funding. There are 12 systemic projects not yet approved for funding. These critical projects will allow us to continue to operate our aging schools and include but are not limited to major HVAC, window, roofing, and electrical upgrades for a total of \$11.5 million in additional State funding.

Prince George's County has been moving with all due speed to complete previously approved projects and will have all fiscal year '14 projects under contract before May. We have been revamping our capital planning and implementation to reflect best practices. We are tailoring our facilities program to reflect our vision and to deliver high quality improvements cost effectively.

In Prince George's County we have an abiding commitment to providing safe, healthy, and high performing facilities that provide an enriched environment that is conducive to learning and instruction. Maintaining our school

buildings in a state of good repair and operating them in a safe and efficient manner is one of our highest facility management priorities. Again, thank you for the opportunity to testify before you and I will now turn the podium over to Dr. Segun Eubanks, Chair of our Board of Education, for a few remarks.

GOVERNOR HOGAN: Thank you.

DR. EUBANKS: Thank you. Good afternoon, Governor Hogan, Treasurer Kopp, Comptroller Franchot, and distinguished colleagues, my name is Dr. Segun Eubanks, and I'm Chair of the Board of Prince George's County Public Schools. Perhaps more importantly I am a lifetime educator and a parent, proud parent, with two children in the Prince George's County Public School System. I join my colleagues in being here today to appeal the recommendations made by the Interagency Committee on School Construction. While we acknowledge and thank the IAC for their approval for a number of projects, we are requesting the balance of funds for the FY 2016 CIP to support the projects not yet recommended for approval.

I thank you. I'll say, you have a lot of information, and technical information, I'll say just from a personal note how thankful I was a couple of weeks before school started when I went to go visit Edward M. Felegy Elementary School, a brand new state of the art facility, beyond words and recognition for the tremendous facility that it is providing for our children. The year before that when I visited the new Oxen Hill High School and heard these

high school students with a renewed sense of pride, moving from a dilapidated building to such a wonderful building.

If we were here asking you for a whole bunch of new schools I know that would be unreasonable. But as much as we love Edward M. Felegy and Oxen Hill High School, far too many of our students are going to school in conditions that don't allow them to learn in optimal ways.

Like you, I hear a lot of testimony at the Board. You know, my parents, community members come to me every other week. And far too often they come to me and parents complain that their children need to wear their coats in class because the heat is too unreliable. Or that they can't drink the water and they have to bring bottled water to school because the faucets are brown. Or that their asthmatic students get sick simply by coming to school. Far too many of our buildings are in the condition that are not conducive to the great educational experience that we expect here in this great State, in our great county. And with your help, and your support, and hopefully your reconsideration, that, that you will give us the additional funds that we need. And, and we're here to stand to answer any questions that you have about that at this time. Thank you.

GOVERNOR HOGAN: Thank you. Any questions?

COMPTROLLER FRANCHOT: Just if you could take word back to the County Executive that we think the world of him, and obviously the other elected officials and the Board of Education. But standing in front of us is a

Superintendent, there isn't a better Superintendent in the State of Maryland than Dr. Maxwell. And it's reflected in the submissions that you've made to the IAC. Everything has been changed in a positive way. And it's, well I know the Governor is interested in doing what you've done for Prince George's for the State of Maryland. It wouldn't be a bad model to follow. Because the county was not doing well. The last maintenance inspection, 12 of 18 schools were graded adequate, which is inadequate basically. But anyway, I just wanted to, not make a big deal out of it, but Dr. Maxwell is, he's got something special going on over there. And I hope that the County Exec and the elected officials support him because it's not easy.

I'm going to be coming to Fairmont Heights Elementary School next week --

DR. MAXWELL: High School.

COMPTROLLER FRANCHOT: -- High School, sorry. And just maybe you could let me know why that's, why is that an important project to the county, Dr. Maxwell?

DR. MAXWELL: So Fairmont Heights High School is a, has been in our community of Fairmont Heights for a very, very long time. And like a lot of our schools, it's aging and it's very costly to renovate. It's actually cheaper to replace the facility, so we have acquired another piece of property. But for our students to thrive they really need the state of the art facilities that, that the world

now requires of them. And that school has been around, I don't know the exact year, but it's quite an old building. It's one of the oldest in the county. And you know, the difference between, as Dr. Eubanks said, the difference between the new Oxen Hill and the old Oxen Hill is unbelievably, you know, different. The new Edward M. Felegy, which is actually a brand new school, not a replacement school, I think you are aware I was principal of Northwestern High School in Prince George's County when we built that new, new facility in my, in my previous tenure in Prince George's County. And what you can accomplish with kids in those facilities when, you know, you have the wiring up to date, and the air conditioning, and you know, the HVAC, the lighting, and those kinds of things, just it's night and day and it really does inspire our kids to do even better. And so, you know, what we're, what we're hoping for again is, you know, to be able to continue to whittle down that \$2.13 billion backlog that we have. And we have worked very, very hard to improve our processes. I'm not brand new on the block even though I know I returned back to Prince George's County last year. I'm not new at this, and you know that.

COMPTROLLER FRANCHOT: Mm-hmm.

DR. MAXWELL: And we know what needs to be done. And I assure you, we will continue to get better and better.

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: Can I just say two things? First of all, what the Comptroller said is of course absolutely accurate and I just want you to know that David Lever said the same thing when you weren't here about the progress that --

GOVERNOR HOGAN: Yeah. He was bragging about you this morning when you weren't even here to hear it.

DR. MAXWELL: Well, good.

(Laughter.)

DR. MAXWELL: David's a good man, too.

TREASURER KOPP: And I also wanted to thank you and to have, the Comptroller is a member of the Board of the College Savings Plan of Maryland, I want you to know, Governor, and we want to thank you. It has taken a long time to break through to the schools, as you know.

DR. MAXWELL: Yeah.

TREASURER KOPP: Until you came and took a, a, a personal interest in the college savings of your students. I want to just thank you and say anything we can do push even harder?

DR. MAXWELL: I will continue to do that.

TREASURER KOPP: Right. I --

DR. MAXWELL: I have three College Savings Plans in Maryland. One for my three, each of my three grandchildren except for the one that was just born a few months ago and I will have that pretty soon.

TREASURER KOPP: Oh well, there you go.

DR. EUBANKS: I have four.

COMPTROLLER FRANCHOT: Really?

TREASURER KOPP: Well --

DR. MAXWELL: So I'm, it's a good product and I'm happy to, happy to be, to participate.

TREASURER KOPP: Well as, as, as you know, now that President Obama --

COMPTROLLER FRANCHOT: Thank you.

TREASURER KOPP: -- whom I support strongly in everything including the withdrawal of his mistaken proposal --

(Laughter.)

GOVERNOR HOGAN: Very nicely worded.

TREASURER KOPP: Thank you. No, but, but studies have shown that even if families save a very small amount the fact that, and Len Foxwell was talking about this earlier, the fact that the student, the kids know that somebody is saving and counting on them going to college makes a tremendous difference in the college going rate.

DR. MAXWELL: Yes. It sure does.

TREASURER KOPP: So any way we can get this across.

DR. MAXWELL: We will continue to push. My Chief Operating Officer Monica Goldson is here somewhere and she oversees that whole part of the division. We will, we will be on the phone with them in just a few minutes.

TREASURER KOPP: And the Comptroller, as you know, is great going around to schools, not only looking at the buildings but talking to the kids and the families and helping sell this program.

DR. MAXWELL: I am aware. He's also going to be at the Prince George's County arts program here in a couple of weeks, too, I believe.

COMPTROLLER FRANCHOT: That reminds me, what happened to that great finance academy that Junior Achievement was partnering -
-

DR. MAXWELL: So we actually have a breakfast tomorrow at the community college about that and a progress update. It's moving ahead. So we have a breakfast at the community college tomorrow. A great partner is obviously in our community college with us. We have a middle college Academy of Health Sciences at the community college and we're doing a lot with the dual enrollment program from the State. But --

COMPTROLLER FRANCHOT: Well, that's great for --

DR. MAXWELL: -- we're meeting, again, just tomorrow morning.

COMPTROLLER FRANCHOT: That's good for financial literacy. Great. And then just one quick question on, you have a request in to convert an open space classroom at Thomas Stone Elementary School. How many other open space classrooms are there in Prince George's? And are they planning to be addressed?

DR. MAXWELL: This is the last one.

COMPTROLLER FRANCHOT: The last one.

TREASURER KOPP: Ah.

DR. MAXWELL: The last one.

COMPTROLLER FRANCHOT: On that I will yield the balance of my time back.

GOVERNOR HOGAN: Congratulations.

DR. MAXWELL: Thank you.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Thank you very much.

DR. MAXWELL: Any other questions? Thank you very much. I appreciate the opportunity.

GOVERNOR HOGAN: Thanks for being here. Next up we have the mother county, St. Mary's County where it all started 231 years ago.

MR. SMITH: Good afternoon, and congratulations, Governor Hogan --

GOVERNOR HOGAN: Thank you.

MR. SMITH: -- Treasurer Kopp, Comptroller Franchot. My name is Scott Smith. I am the serving Interim Superintendent of St. Mary's County Public Schools, as you referenced the mother county. I'd like to share with you some of the great things happening in our capital improvement program.

Construction is progressing well on the new Captain Walter Francis Duke Elementary School, which is slated to be open in August of 2015, the beginning of next year. The redistricting of our student population to fill this new school is nearing completion. In fact, the Board will finalize its plan at the next meeting. Construction is also underway at Spring Ridge Middle School on the addition and renovation project. The State relocatable units were in place for the school year to assist during construction. The project is slated to be completed in December of 2015.

I would like to thank you for your support of our capital program that has made these projects possible and we're here today to discuss the FY 2016 capital improvement program request. And I'm joined by Delegate Rey --

COMPTROLLER FRANCHOT: Oh, good.

MR. SMITH: -- and I'm also joined by our Deputy Assistant Superintendent Brad Clements.

Our fiscal year 2016 State capital improvement request includes only one project, the balance of construction funding for Spring Ridge Middle School's addition and limited renovation. This project was accelerated due to a school fire and our local County Commissioners came forward and forward funded a great deal of the money. Many people worked very hard at both the State and local levels to bring this project to fruition on a compressed time table for the benefit of students. We thank the Interagency Committee on School Construction, the Public School Construction Program, for the \$4.8 million in funding that has been recommended at this time. We are appealing the \$2.2 million in construction funding to complete the balance of the State funding for this project.

The balance of the project funding is required this fiscal year in order to meet cash flow requirements and complete the project for occupancy of December, 2015. Typically St. Mary's County does not have two large projects underway at the same time. But based on the Commissioners of St. Mary's County forward funding their share of the Spring Ridge Middle School project, and the State providing a large portion of the project funding in fiscal year 2015, we have been able to utilize local construction funding to meet cash flow requirements up until this point. However, as the attached cash flow indicates with Spring Ridge Middle School project entering its last year of construction in

fiscal year 2016 we will have exhausted local funding and the State funding for Spring Ridge Middle School is needed to keep the project moving on schedule.

This is the last of our county's four middle schools to be renovated and includes the elimination of the last open space classroom in our school system, which was just referenced, something that we've moved away from.

COMPTROLLER FRANCHOT: Good.

MR. SMITH: This will also enable our STEM program that has previously been housed in the building and also in relocatables behind the building to all come into the building itself and have its own presence.

We appreciate the continued support of the IAC and the PSCP in meeting the facilities needs and we will be happy to address any questions you may have regarding our project request for \$2,273,000 in remaining construction funding for the Spring Ridge Middle School addition and limited renovation. And Ms. Rey, did you have anything you'd like to add?

DELEGATE REY: Sure. Hello, Governor.

GOVERNOR HOGAN: We're very happy to have the new delegate with us this afternoon.

COMPTROLLER FRANCHOT: Yeah.

DELEGATE REY: Thank you, sir. I wanted to come to today to show my support for this program. One, it's in my district. Two, my daughter goes to the school, so.

(Laughter.)

DELEGATE REY: The school system has been doing a wonderful job with our buildings. This particular building, like the Superintendent said, it caught on fire and that was due to the HVAC system. The HVAC system of the building is so old that we have to go to the Amish in the country in our county to manufacture parts for the system. So that's what's going to, this school construction project is not only, like he said, expand the school a little bit to give the STEM program, you know, a more updated place to study and learn, to give the other students as well the single classrooms, but also to replace that HVAC system. And I really would appreciate your support of that. Thank you.

GOVERNOR HOGAN: Thank you, Delegate. Any other comments from your group? Any questions? Mr. Comptroller?

COMPTROLLER FRANCHOT: If I could just say my appreciation for Delegate Deb Rey for her leadership and advocacy on Spring Ridge. That was a big shock to the community. And that, not your advocacy but the fact that the school was damaged like it was. And I am delighted that you really weighed in and got some results on that.

I came down to the Lettie Marshall Dent Elementary School in Mechanicsville for one of those maintenance Silver Hammer Awards. And hopefully I can get back down again --

MR. SMITH: Absolutely.

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COMPTROLLER FRANCHOT: -- and find another one of your well maintained schools.

MR. SMITH: Absolutely.

COMPTROLLER FRANCHOT: That's good, it's one of the better ones, would you not agree, Dr. Lever? Or am I mistaken there?

DR. LEVER: One of the better systems in terms of maintenance?

COMPTROLLER FRANCHOT: Maintenance?

DR. LEVER: Yes.

COMPTROLLER FRANCHOT: Good.

GOVERNOR HOGAN: Congratulations. Good work. Any comments, questions? Madam Treasurer?

TREASURER KOPP: No.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: Very dramatic pictures.

MR. SMITH: Thank you.

GOVERNOR HOGAN: Yeah, I like the pictures.

TREASURER KOPP: Yeah. Yeah.

GOVERNOR HOGAN: You did a good job on your presentation.

Thank you.

MR. SMITH: Thank you.

GOVERNOR HOGAN: Next up we have Somerset County.

We're going to close out with the Shore, okay.

DR. GADDIS: Absolutely, absolutely. Good afternoon, Governor Hogan, Treasurer Kopp, Comptroller Franchot. The Somerset County Public Schools deeply appreciates your continued assistance and support that you have provided us. Because of that support in 2011 we finished the renovation of Washington High School. In August of 2008 Somerset Intermediate School opened for all sixth and seventh grade students. And in 2006 Woodson Elementary School in Crisfield reopened to serve all pre-K through five students. Also, with your past support and assistance we have enhanced the security of our buildings, upgraded lighting to be more energy efficient, improved our athletic facilities, resurfaced parking lots, and addressed a variety of school needs.

As you are aware, Somerset County is faced with significant economic challenges. Simply put, we are number one in many of the areas you do not want to be number one in. However, they are realities, they are not excuses. We continue to work tirelessly to attract the best teachers, provide teachers and staff with ongoing professional development, and aggressively pursue all available resources to strengthen our educational programs, teaching resources, and facilities.

Seven of our ten schools in the county are more than 35 years old and we believe this is evidence of a concerted effort by Somerset County and the

State to maintain and prolong the life of these community facilities. However, as curriculum, technology, and student needs change, some of our buildings are outdated and can no longer effectively or efficiently accommodate the needs of current and future programs. With that said, we have three projects that we would like to talk to you about.

The first is the remaining \$880,000 to complete the Greenwood Elementary HVAC replacement. The Board of Public Works approved just over \$2.6 million and that work began this year. If supported the roof replacement and the HVAC replacement being done simultaneously in order to avoid a disruption to our academic program, both projects will be phased in over this, will be phased in over two summers. Phase one was done with the HVAC roof, roof replacement by October of 2014. The final phase is planned to move forward in June of 2015. The Comptroller visited Greenwood Elementary School during, right before that process began last year.

Our second request is the approval of local planning for the replacement of the J.M. Tawes Technology and Career Center. The existing center is a prime example of an old building with systems and infrastructure incapable of supporting the increasing technology driven programs. With the support of the Somerset County Board of Education and our County Commissioners, a comprehensive feasibility study was completed this fall. The findings support the need for replacement of the J. Miller Tawes Technology and

Career Center. At this time we're already working closely with the Maryland State Department of Education, the Division of Career and College Readiness, on our strategies for the introduction of modern and competitive career and technology programs that will serve future Somerset County students and local economic development efforts. Our current goal is to complete the architectural planning and construction documents in the spring and summer of 2015 in order to support our submission of the FY 2017 CIP. At that time we will be seeking construction approval and funding to begin the construction of a replacement school in the summer and fall of 2016.

I would also like to point out under the guides of full disclosure that I don't think anybody here graduated from Somerset County or attended Somerset County. But right now staring at me, over your right shoulder, is the former Governor from Crisfield J. Miller Tawes. I am going to assume we have his support of this project and just wanted to point that out to you.

The last project is Princess Anne Elementary School. The existing roof at Princess Anne Elementary School is aged. It leaks in various places and it is in very poor condition. According to our latest inspection the entire 43,910 square foot 1989 roof system needs to be replaced. Having recently completed phase one of a similar project at the neighboring Greenwood Elementary School, we are confident that the entire project can be completed over the 2015 summer break within budget. We fear that phasing the project over more than one

summer will have us incur unbudgeted and unnecessary phasing, mobilization, and administrative costs. The current IAC recommendation of partial funding in the amount of \$770,000 simply is not adequate to complete the roof replacement. We ask that you carefully consider our request for State funding to replace the entire Princess Anne Elementary School roof over the summer break of 2015.

Once again, we thank you for your past and present support. Also, I'd like to point out Dr. Lever and the Public School Construction staff at the IAC continue to provide invaluable guidance and support to our staff as we work through the school construction process. We greatly appreciate this opportunity and will answer any questions you have.

GOVERNOR HOGAN: Any questions of Somerset County?

COMPTROLLER FRANCHOT: Just note that Governor Tawes was also the Comptroller of the State.

DR. GADDIS: Absolutely. Absolutely.

COMPTROLLER FRANCHOT: And when he was asked --

SECRETARY MCDONALD: And the Treasurer --

COMPTROLLER FRANCHOT: Well, he was the Treasurer too. But this is true. When asked which one he liked the best he said being Comptroller. Yep.

DR. GADDIS: Well, there you go. Fantastic.

GOVERNOR HOGAN: He also throws one heck of a clam bake.

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DR. GADDIS: I was going to say --

(Laughter.)

COMPTROLLER FRANCHOT: Yeah.

DR. GADDIS: -- he does. And as always, you go by Greenwood Elementary School on the way to the clam bake. So feel free to stop by anytime.

GOVERNOR HOGAN: Thank you very much.

DR. GADDIS: Thank you.

COMPTROLLER FRANCHOT: Could I also --

SECRETARY MCDONALD: I do have one point of honor for the Board of Public Works in Somerset County. Back in our office the Board of Public Works is being staffed by a graduate of Crisfield High School while we're here.

DR. GADDIS: Fantastic.

SECRETARY MCDONALD: And she took the ferry boat everyday from Smith Island to Crisfield High School.

GOVERNOR HOGAN: Wow.

DR. GADDIS: That is, that is a --

COMPTROLLER FRANCHOT: Who's that?

DR. GADDIS: -- that's a unique situation.

SECRETARY MCDONALD: Angela Parks, Angela Parks, our wetlands associate. So I just want to point out that we do have somebody in our office who --

DR. GADDIS: That is fantastic. That --

GOVERNOR HOGAN: Thank you, Madam Secretary. That was a good point to make.

DR. GADDIS: -- right now the Island has about 200 inhabitants --

SECRETARY MCDONALD: Yep.

DR. GADDIS: -- and we bring 11 students over on the boat every single day.

SECRETARY MCDONALD: That's what she talks about.

DR. GADDIS: A 68-foot boat and we bring them over to school. It's a unique situation.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: That's terrific.

COMPTROLLER FRANCHOT: And this I'm not absolutely sure of the historic accuracy, but my impression is that this wave of HVAC geothermal systems that's gone all over the State of Maryland started in Somerset County?

DR. GADDIS: I know it started on the Shore. I can't, I'm looking specifically --

COMPTROLLER FRANCHOT: Yep, I think it started in Somerset.

MR. BARBER: I don't know if it was Worcester or Somerset. It was one of those two.

COMPTROLLER FRANCHOT: Yeah, I know.

DR. GADDIS: I have, and also I'd like to introduce Daniele Haley, who is our Supervisor of Facilities and Maintenance, and Mr. Ed Barber who you may have recognized. I worked with Mr. Barber in a previous placement in Worcester County. He was Assistant Superintendent for Administration. And I believe he's right, it was Worcester County that started with the HVAC projects going geothermal, and as to date Greenwood would finish up five of our ten schools will be on geothermal.

COMPTROLLER FRANCHOT: Good for you.

GOVERNOR HOGAN: I thank you very much.

DR. GADDIS: All right, thank you.

GOVERNOR HOGAN: Thanks for being here. Last but certainly not least, we have Wicomico County. I see in the back of the room my good friend the new County Executive Bob Culver. I was proud to swear him in. Welcome, Mr. County Exec. He's hiding out in the back. He's very shy.

MS. TOWNSEND: Yes, as well as several of our County Council members.

GOVERNOR HOGAN: Welcome.

COMPTROLLER FRANCHOT: Terrific.

MS. TOWNSEND: Good afternoon, Governor Hogan, Comptroller Franchot, and Treasurer Kopp, and other distinguished committee members. My name is Kathy Townsend. I'm the Assistant Superintendent for Administrative Services on behalf of Dr. Fredericksen who is home sick today. So I am standing in his stead.

We'd like to thank you for the support that you've given us for many years in Wicomico. We understand that we, we do have budget challenges and you have been very, very supportive, especially Dr. Lever your help in our capital projects. We are happy to say that in August our Bennett Middle School, the new Bennett Middle School will be opening, and we are very, very excited about that. It's a wonderful school and the process has gone fairly smoothly and we're excited about that.

As you know we have the lowest wealth per pupil in the State but we continue to forge forward with our capital projects and we are here requesting appeal for four different specific projects.

The first project is our West Salisbury School. We're requesting local planning approval for that school. West Salisbury is only one of two schools, after Bennett Middle School, that are left that does not have air conditioning. It's quite small. It was born in, actually constructed in 1964. It has

a State rated capacity of 266, we currently have over 300 students in that school at this time. And we are looking for planning approval to begin looking at, we're trying to build larger schools so that we can reduce our portfolio of schools because of the budget challenges. And we're looking at a replacement school of 650 for that specific project. We have a groundswell of community support and we have been striving to work with our County Council and our County Executive to look for planning approval and funding for that particular project. We do know that our community there has waited for quite a long time. It's been on our project list for many years and we are excited to hopefully have the opportunity to move forward with that particular project.

Our other project, our second one, is our Delmar limited renovation. We are, we have already received planning approval for that from Board of Public Works for that particular project and we anticipate continuation of our local funding for that project. There are several systemics that we are looking at replacing there, the HVAC, lighting, fire safety, ceilings, a new elevator, and improvements to the cafeteria and gymnasium. We have been working with MEMA to ensure that we are entirely up to code with that particular project and we would like to close the open space areas on the second floor of that particular project. So we do ask for your funding approval on that.

Our next two and final projects that we have come to appeal, our Parkside projects. We had originally looked at doing a limited renovation for that

particular school but it became very cumbersome and kept getting pushed to the back. And so we are, have now come back to you for our priority five and priority six funding to do some systemic renovations.

The first one, priority five, is the HVAC. We are looking at doing a mechanical HVAC system there to replace and upgrade that system in the 1974 portion of that building. It was built in two different phases, the '74 and then the CTE was added later. And so we're looking at doing these renovations in the 1974 portion.

Also for Parkside we're looking for a systemic renovation of our lighting and electrical project. We understand it is a multiyear project. We're asking for continued funding on that. We also have discussed instead, we were looking at doing those separately but to be able to accomplish those two projects and have all of the work done in a timely fashion we're asking that those two projects be done in tandem so we don't have to go back and redo the particular, undo what we have done to do the first project.

I do want to also introduce Mr. Brian Foret. He is our Facilities Director for Wicomico. And so Brian and I stand for any questions that you have about these projects, or for Wicomico.

GOVERNOR HOGAN: Thank you very much. Any questions?

TREASURER KOPP: So what, I don't know whether it's of you or Dr. Lever, but the, the status of the West Salisbury planning?

DR. LEVER: There is some planning issues. Is Pat Goucher here?

MS. GOUCHER: I am.

DR. LEVER: Yes. Can you answer the question of what the issues are there?

SECRETARY MCDONALD: Oh, you have to come to the podium and identify yourself, please.

TREASURER KOPP: This is not the same issue as the previous planning?

MS. GOUCHER: Hi, I'm Pat Goucher, Maryland Department of Planning.

GOVERNOR HOGAN: Welcome.

MS. GOUCHER: The issue is, has to do with the site is technically outside a priority funding area. And our regulations state that it needs a priority funding area waiver. And it's a technical thing that we can take care of.

TREASURER KOPP: Okay. So that's the hang up with it?

MS. GOUCHER: It was. We were hoping to get the property into the priority funding area before it got to this point but it didn't work out. So we have to go through the waiver process now.

TREASURER KOPP: So that, yeah, who gives the waiver? You give the waiver?

MS. GOUCHER: The IAC does --

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TREASURER KOPP: The IAC does.

MS. GOUCHER: -- at Maryland Department of Planning's recommendation.

TREASURER KOPP: Oh, I see. Oh, right. The IAC, Planning is not IAC. Yes.

DR. LEVER: Yes, correct.

TREASURER KOPP: Okay. Got it. Thank you.

MS. GOUCHER: Sure.

GOVERNOR HOGAN: Thank you very much.

COMPTROLLER FRANCHOT: Does the County Exec want to say something?

GOVERNOR HOGAN: Thank you, Mr. County Exec.

COMPTROLLER FRANCHOT: Could I just mention if you guys are heading out of town back down there, you, if you want to swing by my office right outside the, my office door, I've got three works of art by Wicomico students: Sydney Berry, from Fruitland Primary; Cassidy Booth from Wicomico Middle; and Shelby Long, from Parkside High. They are fabulous works of art. I'm going to ask the First Lady the next time I go down to present these Maryland Masters Awards to these kids to come with me. Because don't they just amaze you, how good they are?

GOVERNOR HOGAN: That sounds great.

MS. TOWNSEND: Yes. Actually at our Board of Education we hang their works of art around as they do at MSDE.

COMPTROLLER FRANCHOT: Uh-huh.

MS. TOWNSEND: And we are constantly amazed at the talent that comes out of our schools, the artistic and musical talent that our children have. It's amazing.

GOVERNOR HOGAN: The First Lady would love to join you. She's a huge proponent of arts education. That's what she does, she's actually a professor at MICA but she used to work with kids. And she loves art education for our children. So she'd love to do that. Thank you for the invitation.

MS. TOWNSEND: Well we would certainly love to have you down at Wicomico, so thank you.

GOVERNOR HOGAN: Thank you very much.

MS. TOWNSEND: And thank you again for your continued support of Wicomico.

GOVERNOR HOGAN: Thank you. I'd like to just acknowledge Dr. Carol Williamson, who is here from Queen Anne's County, Superintendent. I don't know that she's speaking, but we want to welcome you.

COMPTROLLER FRANCHOT: Oh, yeah.

GOVERNOR HOGAN: Thank you very much for being here. That concludes that list of counties we're going to hear from. We want to thank

all of the school systems for presenting today. Everybody did a great job. We will take all these appeals under advisement for a decision at a later date. Is there a motion on Item 10, the preliminary Capital School Construction Improvement Program?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: That's a three-oh vote. That's it. Very good. As we, as we prepare to adjourn I just want to thank the Comptroller and the Treasurer, all of the staff, for helping walk me through with the training wheels on my very first day at the Board of Public Works. It has been a real pleasure working with you. I'm looking forward to working with you for years to come. So thank you for your participation, thank everybody for being here, and we look forward to working together for a long time. Thank you.

COMPTROLLER FRANCHOT: Terrific.

GOVERNOR HOGAN: And we're ahead of schedule, I want you to know, for the first time in history.

(Whereupon, at 2:37 p.m., the meeting was concluded.)