

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

September 11, 2012

MEMORANDUM

To: Members of the Board of Education
From: Joshua P. Starr, Superintendent of Schools
Subject: Legal Fees Report for June 2012

This report covers expenditures for legal fees to outside counsel for Fiscal Year (FY) 2012 through the month of June 2012. A complete set of bills submitted and paid to each firm is available for your review in the Board office. The charts in Attachment A compare current expenses with those from the same period last year and provide information on the following:

- Non-special education legal expenses by firm
- Special education expenses for outside counsel, parent attorney fees, and other miscellaneous charges
- Special education expenses by firm

Attachment B is a list of the categories that better reflects the type of legal advice and litigation services being provided to Montgomery County Public Schools by outside law firms for non-special education matters. The categories in Attachment B are defined as follows:

- Personnel: Equal Employment Opportunity (EEO) complaints, appeals by personnel
- Facilities: construction, capital projects, use of facilities
- Procurement: contracts, bids
- Student: appeals
- Policy: development, implementation, interpretation (includes regulations), subpoenas
- Financial: expenditures, state aid
- Collective bargaining: negotiations, arbitration hearings, grievances
- Miscellaneous: many categories grouped together under one charge

Non-special Education Legal Expenses

The total charges for non-special education legal expenses in June 2012 were \$70,035. The cumulative total for FY 2012 was \$947,791. This is 4.8 percent lower than the amount for FY 2011.

The Carney Kelehan bill for June 2012 totaled \$62,017. The largest amount was for facilities matters (\$20,382), the largest part of which related to William H. Farquhar Middle School (\$6,998). The next largest amount was for personnel matters (\$11,662), the largest part of which related to a discrimination case (\$2,992). Policy matters totaled (\$10,899), the largest part of which related to subpoenas and requests for student records (\$6,275). The next largest amount was for procurement matters (\$7,820), the largest part of which related to a vending contract (\$1,190). Student matters totaled (\$7,327), the largest part of which related to a student disciplinary matter (\$4,787). Financial matters totaled (\$374) and miscellaneous matters totaled (\$3,552), most of which related to general counsel duties.

The Venable bill for June 2012 totaled \$6,214. The largest amount was for student matters (\$4,241), all of which related to student transfer appeals. The next largest amount was for policy matters (\$1,973), the largest part of which related to policies for open meetings (\$1,822).

Charges in June 2012 for court reporters, hearing officers, and other legal services were \$1,804.

Special Education Legal Expenses

Special education legal fees for outside counsel for June 2012 totaled \$8,577. The year-to-date total of \$327,331 is 4.4 percent lower than the previous fiscal year.

The Jeffrey A. Krew bill for June 2012 totaled \$8,577. The bill included work on four cases. One case involved an administrative hearing (\$6,220), and three cases involved appeals to federal or state court (\$880). Miscellaneous charges totaled \$1,477.

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Attachments

FY 2012 NON-SPECIAL EDUCATION LEGAL EXPENSES

| <i>Outside Counsel</i> | <i>JULY</i> | <i>AUG</i> | <i>SEPT</i> | <i>OCT</i> | <i>NOV</i> | <i>DEC</i> | <i>JAN</i> | <i>FEB</i> | <i>MAR</i> | <i>APR</i> | <i>MAY</i> | <i>JUNE</i> | <i>FY 2012 YTD</i> | <i>FY 2011 YTD</i> | <i>% Inc/(Dec)</i> |
|-------------------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|
| GENERAL LEGAL EXPENSES | | | | | | | | | | | | | | | |
| Carney Kelehan | \$ 66,602 | \$ 63,910 | \$ 67,999 | \$ 44,706 | \$ 34,696 | \$ 36,702 | \$ 35,341 | \$ 47,597 | \$ 74,465 | \$ 32,620 | \$ 42,724 | \$ 41,635 | \$ 588,996 | \$ 724,729 | -18.73% |
| Hogan Lovells US LLP | - | 2,990 | 1,707 | 2,296 | 1,976 | 1,442 | - | - | 214 | - | 3,050 | - | 13,674 | 22,742 | -39.87% |
| Venable | 15,133 | 26,314 | 29,117 | 22,454 | 34,016 | 65,295 | 8,701 | 5,639 | 14,648 | 5,078 | 3,087 | 6,214 | 235,696 | 143,009 | 64.81% |
| Other | - | - | 2,210 | 2,637 | 5,971 | 605 | - | 1,008 | 3,549 | - | 2,908 | - | 18,888 | 37,810 | -50.04% |
| SUBTOTAL | \$ 81,735 | \$ 93,214 | \$ 101,033 | \$ 72,093 | \$ 76,659 | \$ 104,044 | \$ 44,042 | \$ 54,245 | \$ 92,875 | \$ 37,698 | \$ 51,769 | \$ 47,849 | \$ 857,255 | \$ 928,290 | -7.65% |
| Capital Budget | 816 | 748 | - | 68 | 12,686 | 5,629 | 11,912 | 6,154 | 10,517 | 10,744 | 9,077 | 22,186 | 90,536 | 67,646 | 33.84% |
| TOTAL | \$ 82,551 | \$ 93,962 | \$ 101,033 | \$ 72,161 | \$ 89,344 | \$ 109,672 | \$ 55,954 | \$ 60,399 | \$ 103,392 | \$ 48,442 | \$ 60,845 | \$ 70,035 | \$ 947,791 | \$ 995,936 | -4.83% |

FY 2012 SPECIAL EDUCATION LEGAL EXPENSES

| <i>Type of Cost</i> | <i>JULY</i> | <i>AUG</i> | <i>SEPT</i> | <i>OCT</i> | <i>NOV</i> | <i>DEC</i> | <i>JAN</i> | <i>FEB</i> | <i>MAR</i> | <i>APR</i> | <i>MAY</i> | <i>JUNE</i> | <i>FY 2012 YTD</i> | <i>FY 2011 YTD</i> | <i>% Inc/(Dec)</i> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|--------------------|--------------------|--------------------|
| SPECIAL EDUCATION LEGAL COSTS | | | | | | | | | | | | | | | |
| Special Education Outside Counsel | \$ 47,404 | \$ 9,994 | \$ 20,581 | \$ 75,533 | \$ 37,500 | \$ 26,594 | \$ 17,594 | \$ 26,397 | \$ 5,176 | \$ 38,279 | \$ 13,703 | \$ 8,577 | \$ 327,331 | \$ 342,334 | -4.38% |
| Hearing Officers, Court Reporters, Misc. | (5,431) | 157 | 158 | 43 | 141 | - | 77 | 429 | - | - | - | - | (4,426) | 7,588 | -158.33% |
| Parent Attorney Fees | 3,000 | - | - | 356 | - | - | - | - | 1,875 | - | - | - | 5,231 | 65,708 | -92.04% |
| Other Settlement Costs | - | - | - | - | - | 19,762 | - | - | 310 | - | - | - | 20,072 | 63,175 | N/A |
| TOTAL | \$ 44,973 | \$ 10,151 | \$ 20,739 | \$ 75,932 | \$ 37,641 | \$ 46,356 | \$ 17,670 | \$ 26,827 | \$ 7,360 | \$ 38,279 | \$ 13,703 | \$ 8,577 | \$ 348,207 | \$ 478,805 | -27.28% |

| <i>Outside Counsel</i> | <i>JULY</i> | <i>AUG</i> | <i>SEPT</i> | <i>OCT</i> | <i>NOV</i> | <i>DEC</i> | <i>JAN</i> | <i>FEB</i> | <i>MAR</i> | <i>APR</i> | <i>May</i> | <i>JUNE</i> | <i>FY 2012 YTD</i> | <i>FY 2011 YTD</i> | <i>% Inc/(Dec)</i> |
|------------------------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|--------------------|--------------------|--------------------|
| ATTORNEYS | | | | | | | | | | | | | | | |
| Carney Kelehan | \$ - | \$ 2,814 | \$ - | \$ 1,970 | \$ 340 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,124 | \$ 5,953 | -13.92% |
| Hogan Lovells US LLP | - | - | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Jeffrey Krew | 47,404 | 7,180 | 20,581 | 73,563 | 37,160 | 26,594 | 17,594 | 26,397 | 5,176 | 38,279 | 13,703 | 8,577 | 322,207 | 336,381 | -4.21% |
| Night, Manzi, Nussbaum and Laplaca | - | - | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| TOTAL | \$ 47,404 | \$ 9,994 | \$ 20,581 | \$ 75,533 | \$ 37,500 | \$ 26,594 | \$ 17,594 | \$ 26,397 | \$ 5,176 | \$ 38,279 | \$ 13,703 | \$ 8,577 | \$ 327,331 | \$ 342,334 | -4.38% |

**STATISTICS FOR JUNE 2012 LEGAL FEES
EXCLUDING SPECIAL EDUCATION**

| <u>Category</u> | <u>Total Charge</u> | <u>Firm</u> | <u>Charges by Firm</u> |
|-----------------------|---------------------|--|--------------------------------------|
| Personnel | \$11,662 | Carney Kelehan Venable | \$11,662 0 |
| Facilities | 22,186 | Carney Kelehan Other | 20,382 1,804 |
| Procurement | 7,820 | Carney Kelehan | 7,820 |
| Student | 11,568 | Carney Kelehan Venable Other | 7,327 4,241 0 |
| Policy | 12,872 | Carney Kelehan Hogan Lovells US LLP Venable | 10,899 0 1,973 |
| Financial | 374 | Carney Kelehan Venable | 374 0 |
| Collective Bargaining | 0 | Carney Kelehan Venable | 0 0 |
| Miscellaneous | <u>3,552</u> | Carney Kelehan | <u>3,552</u> |
| TOTAL | \$70,035 | Carney Kelehan Hogan Lovells US LLP Venable Other | 62,017 0 6,214 <u>1,804</u> |
| | | TOTAL | \$70,035 |

Note: Totals may differ due to rounding.