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did, and a copy of that had been made available to the Board. Following October, they spent several months revising their plan and submitted this to the Council in early February.

Mr. Wegman stated that they would proceed with the ten projects that had been identified in the revised workplan, one of which focused on the schools. Several of the projects called for consultant assistance which was contemplated in the charter of the commission. They were now soliciting bids for consultants, and they expect to have the consultants in mid-April. The bulk of their work would be done in the spring and summer with a report to the Commission in early fall. In the fall the Commission would prepare its initial findings and recommendations, and then they would conduct a month of discussions around the county to get reactions from the public. The final report would be submitted to the Council the first week in December.

Mr. Wegman explained that Jerry Duvall and Jerry Black were working on the project that involved the study of the organization of the school system. He said the Commission had received Mr. Ewing's letter, and he wanted to offer some clarification. The letter suggested that the Commission should not be studying the MCPS at all because it was an elected body and an organ of the state. He reported that the Commission was a creature of the Council, and when the Council created them they directed the Commission to study the schools. If the Board had a concern about the appropriateness of their doing that, he urged the Board to take that up with the Council. The letter also suggested some concern over the fact that there was a moving target here. He wanted the Board to understand their schedule. The bulk of their study would take place in the spring and summer which would be after the Council made its budget decisions on May 15 and presumably after the Board made organizational changes. Mr. Wegman felt that they would be able to take account of those changes. Their recommendations would not be final until the first week in December which would enable them to take account of the changes referred to in Mr. Ewing's letter.

Mr. Wegman reported that there was also some concern in the letter about lack of consultation with the Board. They had tried to do everything possible to meet with the Board, its members, and its staff throughout their work. An initial meeting of the full Commission with the Board of Education was held last September in advance of their first workplan. They had tried to have a meeting with the Board in January, and they understood the problems with the Board's schedule. They had also had a large number of meetings with individual members of the Board and with staff of the Board. He would ask Mrs. Feldman to talk about that because she had a list of some 50 meetings and conversations with the Board, its members, and its staff. He did not feel they had been careless about consultation with the Board.

Mr. Ewing stated that there was one meeting with the Board which was before the election. Mr. Wegman explained that this was not the only way of conducting consultations because they could get the Board's view through individual meetings with Board members or with the staff. Mr. Ewing replied that this was not the way the Board worked. Mr. Wegman said they had a full Commission meeting with the Board in September and wanted another one in January before the Commission went before the Council, and it was their understanding the Board was not available. Mr. Ewing pointed out that this was the busiest month of the year.

Mr. Wegman said Mr. Ewing had raised a concern about methodology in the scope of work. They were now in the process of developing the requests for proposals for consultants. The scope of work was not intended to be a fully fleshed out RFP which would include timelines and skills requirements. The RFP would be put in the newspapers toward the end of next week. He welcomed the comments made by Mr. Ewing about seeking cooperation with the Commission. The Commission wanted to try to come up with recommendations that would be of assistance to the Board. They were not looking to undermine the work of the Board.

Mrs. Feldman reported that she had outreached to Board members and to members of the MCPS staff. She had prepared an initial list for Marilyn Praisner in response to a question she had asked concerning outreach of the Commission to members of MCPS staff and the Board of Education. She had met with Phil Rohr, Larry Bowers, Carl Smith, Katheryn Gemberling, and Marlene Fisk. This was an attempt to inform the Board through its staff. She had talked with Mrs. DiFonzo, Dr. Cheung, and Ms. Gutierrez. She knew that this was not the way the Board usually operated, but Board members had had contact with members of the Commission for an exchange of ideas and information. Mr. Nolfi added that the subject of the study of the school system was not a part of the meetings in which he had participated, and he asked if Mrs. Feldman had discussed this at other meetings. Mrs. Feldman replied that it was. Mr. Black reported that he had met with Dr. Vance for about an hour and a half on the study, and he presumed that Dr. Vance would have reported to the Board on that meeting.

Mr. Ewing did not question that they had had a lot of meetings. However, recommendations came to the Board for action not to just the superintendent or some other staff member or to a single Board member. It was the Board that would make the decisions, no one else. It would not be the Council, the Commission, or the Board's group. Therefore, it seemed to him that they had not consulted with the Board and they should not go forward without consulting with the Board. Mr. Wegman explained that their recommendations would be available to the Board, but they were a creature of the Council. Mr. Ewing replied that the Board of Education was a legal body entitled to manage and control the

operations of the school system, not the Council. He asked whether they had any interest in the effectiveness of what they were going to do. If they did, it seemed to Mr. Ewing they were going about it the wrong way.

Mr. Duvall stated that the study was in the beginning stage, and the opportunity for constructive input was very appropriate. Five major topics had been assigned to his subcommittee, and they had designated project team leaders who would accept responsibility for each of these areas. Jerry Black was the leader for this area. Mr. Duvall explained that they would be taking a long-term focus and were not looking at the current budgetary crisis. Their recommendations would be of a long-term nature to improve the efficiency of the public sector of Montgomery County.

Mr. Duvall observed that the study would be a review and evaluation of the current organizational structure of top management of the public school system. It could go into another phase if inquiry would seem to be fruitful, but at this point it was restricted to a top management review. It would be an independent assessment of organizational efficiency. The Council had asked the Commission to look at areas where gains in efficiency might be achieved including the public school system. There was a perception in the community that this might be one place where efficiency gains might be possible. The recommendations from the study would be made to the Council for their use.

Mr. Duvall reported that the study would be undertaken by a contractor, but any conclusions and recommendations would be taken as input into recommendations coming out of the subcommittee as a whole and ultimately to the Commission. The contractor would pursue a functional and organizational study to search for possible areas of overlap and duplication. The contractor would start with the authorizing statutes and determine to what extent the current organizational structure mirrored the statutory obligations. The contractor would evaluate the efficiency of the organizational structure relative to the statutory obligations. The contractor would propose how he or she would carry out that piece of work. He emphasized that their subcommittee was looking for an objective analysis and had reached no conclusions about the relative efficiency or inefficiency of the organization. The Commission was interested in organizational efficiency, not prescribing or making recommendations on educational policy.

Mr. Black said that before they set out to do anything they were requested to determine why they thought they should do anything. All of their studies were largely based on the testimony given before them. There were about 100 to 150 people representing organizations and themselves. They found severe critics of the

school system and advocates for the school system. However, no matter what their views were, there was a lot of gut level dissatisfaction with the management of the school system. He believed this was true throughout the country, particularly with large school systems. The important thing to him was everyone testifying was clamoring for something different or at least for it to be looked at.

Mr. Black asked whether the letter written by Mr. Ewing was the articulated view of all of the members of the Board of Education or that of the president writing on behalf of the Board. He asked whether every member of the Board subscribed to the words in the letter. Mr. Ewing replied that they had not voted on the letter. Mr. Black said he wanted to know whether the Board had seen the letter and if individual Board members had subscribed to the language. Mr. Ewing asked whether each Commission member had subscribed to every word in their plan, and Mr. Black replied that they had voted on it. Mr. Ewing thought that his views were more moderate than most.

Mr. Black stated that the methodology to be used in the study would be a measure of how the RFP's were judged. People had used the term, "consultant." He did not like that word because they were not looking for a guru. They were looking for worker bees.

It was being contracted for because there were not enough Commission members to accomplish this task. In the scope of work statement there was a recognition that there would be ongoing things that would be accomplished by the Board of Education and by management. The scope of work statement indicated that the contractor would utilize any on-going internally generated management studies and take note of related previous studies. The Commission realized there was going to be a moving target.

Mr. Black explained that they did not want just one set of recommendations to come out of this. They wanted the broadest set of recommendations that the best contractor they could find could come up with. When the report was finished, the Commission would bear the responsibility for the report. The Council had provided them with resources, and they were prepared to live within those resources. He said that the scope of work statement was carefully designed to be very objective. They wanted the contractor to look at the legal framework surrounding the *raison d'etre* for the public school system in Montgomery County. They wanted the contractor to come to conclusions about how the school system was organized and managed. If everything was appropriate and done well, they should all walk away from this. Council-member Hanna had said that if there were problems in Montgomery County government, he wanted to find out. If there were not problems, they wanted also to find out that the entities of government in Montgomery County were doing well. This was what the Commission wanted to do. If Mr. Ewing thought there was something else driving this, he should ask the members of the

Council. He assured the Board that he had no hidden agenda. He wanted to do the job as effectively as he could based on their marching orders from the County Council.

Mr. Nolfi said Mrs. Feldman had mentioned a number of meetings, but he had not heard the substance of the recommendations relative to the organization issues they got in those meetings. Mr. Black indicated that he would be glad to call Mr. Nolfi and discuss it with him. Mr. Nolfi asked if they had received input relative to the nature and utility of the study. Mr. Black said that while he was prepared to do that, he did not think this was a fruitful way to spend their time this evening. Mr. Nolfi asked them to speak to the point of whether or not input was received from the Board. Mr. Black replied that it did happen, and it did go into the scope of work statement.

Mr. Ewing stated that his letter was reviewed by Dr. Pitt who agreed with it fully. He had spent the last 25 years doing management analyses at the local, state, and federal level. He had worked for five different federal agencies as a consultant and as a manager at all levels of government. Anyone undertaking to do an organizational analysis was always subject to the antagonism of those who were the target of it. It was also his experience that if one wanted to be successful, the important thing to do was to sell the idea to the people who were the targets. This had not happened, and he and Dr. Pitt thought the study was a bad idea. He pointed out that the Commission had started off by saying that the efficiency and the effectiveness of the management structure of the school system had been questioned by people and to their knowledge no overall study of this management had been undertaken. While this was true, there was no acknowledgement that the Board of Education was undertaking to do some things to improve the management of the school system. He stated that the Commission had had the trial first and the defendant had been found guilty, but now they were going to look for the evidence after the fact.

It seemed to Mr. Ewing that the Commission was saying that MCPS was ill-managed, and their conclusion was that they knew how to fix it. He said they might be ill-managed, but this was not the way to go about fixing it. In the first place, the responsibility for the management of the school system, not just educational policy setting, was with the Board of Education under state law. The Council could have great influence by recommendations and by the level of funding, but the decisions were the Board's, not the Council's. He thought the Commission was creating antagonisms of a kind that would make it extremely difficult for anybody in the school system to take seriously what they were doing. He regretted that because for ten years he had been proposing study after study of management efficiency in the school system, and the Board had not supported that. Now the Commission was starting on something which would set them back.

Mr. Ewing agreed that there were things that needed to be done to improve the management of the school system. The Board had taken on some of those and planned to take on more. This was a different Board, and they wanted to take its role seriously by setting policy to guide the management of the school system. There was no acknowledgement of that in the Commission's document. All the meetings in the world they may have held had not produced an acknowledgement of that.

In regard to the methodology and scope of work, Mr. Ewing stated that all the Council and the Board had to go on was what was in the paper. They did not know anything about the RFP. If he were on the Council, he would not know what the Commission planned to do. It even stated they would study the school system down to the level of assistant superintendents; however, the school system did not have assistant superintendents. They had associate superintendents. They should know what they were studying before they put it down on paper. As one who had commissioned about 150 studies professionally for federal, state, and local governments, he would not want anyone to publish this kind of information. He did studies at the Department of Defense on management efficiency and they resulted in change because he sold them to the people he was studying.

Mr. Ewing said that regarding the business of the moving target the Commission stated that they would look at MCPS after May 15 when the organizational changes had taken place. This was not true because it was very likely that with a new superintendent there would be more changes. He expected they would get management recommendations in July, August, September, and October. In the meantime they had just taken an 18 percent cut of the area offices and a 5 percent cut out of the central office, and the Board had made other changes in management. He asked how their contractor would be able to judge whether the new structure was effective. He would not be able to do this. He thought this was the worst time to take on this kind of study. The Board and the superintendent would work on these issues on a continuing basis, and they were doing this.

As far as wanting an objective analysis, Mr. Ewing pointed out that the Commission had already reached a conclusion. He did not blame the Commission because the Council had asked them to do this. He explained that the Board did not operate exclusively through its staff. It operated as a body that made its decisions as a Board. It was unfortunate that the Board had not been able to meet with the Commission, but they were a part-time Board meeting largely at night. Their meetings had been continuous since January 1, and they had met during weekends as well. It was not that they did not care about efficiency, but they had been meeting almost continuously on the superintendent search, the budget crisis, and a major effort regarding minority

achievement. However, there were other ways the Commission could have consulted the Board along the way. The Commission had not given the Board the opportunity to comment before they went ahead with their plans. His letter had ended with advice to the Commission to cancel their study. This might not be in their power, and if they went ahead with the study, the school system would provide them with information, data, statistics, and access to school system personnel. The Board would deal with the recommendations when they came forward, but he had a hard time thinking that these would be very relevant because the Board would be making changes.

Mr. Ewing stated that the Commission's document was written as if the Board was presiding over a school system that was guilty of a great many sins. It was easy to take a small sample and generalize from that, but in a county the size of Montgomery County they could not do that. For example, the JOURNAL had just published three days of comments by teachers about what needed to be done to improve education. He noted that 106 teachers out of 7,000 had responded. He doubted that the 106 who chose to write in were a representative sample. He asked whether the 150 people testifying before the Commission was a representative sample. He doubted it. He thought the Commission needed to reserve judgment and should have stated their plan in a much more objective fashion. Their hypothesis was that the public schools were poorly managed, and the Commission would fix it. This caused resentment, not just at the Board level, but throughout the school system. He pointed out that the Board did want to deal with this issue and was dealing with this issue.

Dr. Cheung believed that the Commission was appointed by the Council because of their expertise and management experience. He wondered if they were setting a precedent in terms of elected officials looking at the function of other elected officials. As a manager, he did not know how they were going to deal with that and whether they had considered this. As Board members, they were elected with a responsibility to assure that they had the best school system and quality education possible including managing it more efficiently and more effectively. The Board had its own task force looking at this. Should they have another Commission to look at this? As managers, the Commission might want to look at that. If not, he was concerned about their very short-sightedness.

Dr. Cheung hoped that the Commission would look at the responsibility of Board members. They were responsible to and accountable to the public, but they were not accountable to the County Council. Whatever the Commission would do about organizational changes or recommendations about structure would have an impact on policy. One would be silly to assume this would not affect policy. They could have worked together from the beginning to improve efficiency, but by their unilateral

decision it made it difficult for everyone. He did not know why this had been allowed to happen.

Mrs. Fanconi said the Commission had stated that they were concerned about the efficiency and effectiveness of the management structure of MCPS. She asked whether they were going to look at educational outcomes, whether they spent their money efficiently. She did not understand how they were going to measure how the system was managed.

Mr. Duvall replied that they would determine how the study would be carried out after they had looked at the bids from contractors. Speaking for himself, he thought there were alternative ways of doing these studies. He hoped they would hear from contractors as to how they would propose to do these studies.

Mr. Black reported that he had conducted management studies for the federal government since 1962. He had dealt with organizational studies from small to large entities. The biggest organizational study was done for the executive office of the president of the United States. This resulted in the creation of a new federal department. The first class organizations that he had been associated with would always tell a management study group that if they could be shown how to do it better, come in and do the study. The posture created by Mr. Ewing's letter was very unhelpful in terms of trying to set a tone. He explained that they had also been asked to look at the Montgomery County Government. He had written both papers, and they were close to the same scopes of work. They wanted to demonstrate that they were treating the two entities very similarly and very objectively. In contrast, he had received a letter from the chief administrative officer of the county government complimenting the Commission on the study it had proposed and pledging support. The administrative officer had established a management entity to help the Commission with the study. He thought there were more problems with the county government than there were with the school system. He pointed out that in the scope of work statement they had started with the Board's legal authority.

Mrs. Fanconi explained that her question was very simple. She was asking how they were going to look at management and if they were going to look at educational outcomes or how they spent their money.

Mr. Black replied that they were trying to look at management structure and process. They were not looking at outcomes. They were trying to stay away from outcomes in order not to second guess political decisions. They had been admonished to look at management systems. Mrs. Fanconi asked why they thought they could separate one from the other. Their management was set up

because they were trying to accomplish an educational outcome. She thought they would not be able to tell anything because the Commission did not understand this particular budget year. They had already made cuts in the central and area offices. They would be making cuts after May 15 because they would not know their bottom line until then. They would have to change things between May 15 and July 1. As a Board, they had pledged to try as much as possible to protect the classroom. She pointed out that something like 85 percent of their budget was in teachers in the classroom. It did not take much to figure out that they were going to continue to look at administration. When they got a new superintendent, they would look at how to restructure in order to deliver programs with what they had left. She did not understand how they could take on a study that only looked at the upper administration at a time when that was a moving target.

Mr. Duvall explained that the kind of thing contemplated here was long term in focus. At Montgomery College they had undertaken an investigation of organizational structure, and as a result of that study the president of the College came back with a comprehensive reorganization which was much closer to the Japanese model of flattening out the organization and which was designed to improve the efficiency of the institution. This reorganization took fewer people to get things done a lot quicker. He was not talking about outcomes as far as how the students did. It was simply a matter of how an organization used resources. This was the kind of study they were proposing.

Mrs. Fanconi pointed out that it was the Board of Directors at the College who had done a study, and the president had used that to reorganize. She suggested the Commission give the Board the money so that they could do the study and reorganize. She had a problem with the Council's doing a study and telling the Board that they were not efficient and, therefore, they would reorganize the way the Council wanted them to or they would not receive funds. Then there would be no need for a Board of Education.

Mr. Wegman commented that several Board members had raised the concern about whether it was appropriate for the Commission to be studying MCPS. This might be a perfectly valid concern, but the Commission was simply responding to a directive that they had received from the Council. If the Board had concerns, he urged them to take it up with the County Council.

Ms. Gutierrez said that from reading their charter it was her understanding that they would do a preliminary look and decide which organizations to study. She did not believe they were mandated to study the schools. Mr. Wegman replied that they were asked to study MCPS, the executive branch of government, the Planning Board, and the College. They were asked to come back to the Council and indicate how they would go about doing these

studies.

Ms. Gutierrez explained that she had met with the Commission as a representative of the Rainbow Coalition. Mr. Nix had been with her that evening. She wanted to clarify for the record that they did not talk about Montgomery County Public Schools at all. They did not talk about education. They had talked about general management principles of any organization because she was a systems engineer who had spent years trying to make organizations more functionally efficient. They had talked about employee productivity and how to make organizations be accountable and effective. As they ended the conversation, she and Mr. Nix thought they had given the Commission some free advice which was to go back to the Council to ask them to rescope the assignment.

She felt they had an assignment which was much too vague and enormous. She had been surprised when she saw the results of their first phase recommendations. She agreed with many of the things stated by Mr. Ewing.

Ms. Gutierrez commented that in April of 1990 when they had received their assignment there was no indication that the status quo would change. If things had not changed, their recommendations would be okay because the school system would not have changed. The Commission did not seem to recognize that there had been an awful lot of things changing. If they did not recognize this and make it part of their recommendations, the study would not be valid because they were basing the study on assumptions that were no longer there.

Ms. Gutierrez pointed out that there was now a major change on the Board of Education. She had interpreted her election as the voters saying that they wanted a change in the way the school system was being run. She felt she had a mandate, an obligation, and an accountability to the voters, not to the 150 organizations that had talked with the Commission. This was the way they should deal with Montgomery County Public Schools. There was an elected Board with a clear mandate from the voters. The Board had a severe budget crisis which had given the Board a much more immediate opportunity to look at the school system and restructuring of the schools including site-based management. They were looking at minority education and how they could be more accountable in the way that they were educating students. They had a CEO who was changing, and in any organization this was a major change. The Board was going to try to direct that change. Recognizing all of this, the Board had been working to look specifically at how they implemented change, particularly at management. She pointed out that this Board had at least three members with strong management backgrounds.

Ms. Gutierrez noted that they also had a committee to look internally. This was not recognized in the Commission's statement. The committee was made up of people who knew the

system and had been very critical of the system. They had also named Dr. Shoenberg, the former president of the Board, to this committee. If the Commission did not recognize the current situation of MCPS and what the Board had undertaken, they were not going to get anywhere, and she would strongly recommend that they not spend the money. They needed to be working together, and there might be a portion of the work they were recommending that might be useful. They were going 100 miles an hour, and the person doing the study would not be able to understand the difference between an assistant superintendent and an associate superintendent under the timeline. She suggested that they were violating the principles of Management 101 by taking the decision far away from where the action was occurring, and that was with the Board of Education.

Mrs. Hobbs said she would like to make sure she understood the purpose of the Commission. She had the minutes of the Council meeting, and she read the following:

"The objective of the Council in establishing the Commission is that its primary function is to identify areas for improved management and to reduce waste in government. Another important aspect of the task of the Commission is to restore the confidence of citizens in their government and assure them that their tax money is being well spent."

Mr. Wegman asked if she was asking whether this was an accurate reflection of the Council's statement or how they understood their mission. This was how they understood their mission. They felt very strongly about the second part of this. They hoped that when they concluded their work in December that they would be able to say some strong and positive things about the way county government was being operated. They hoped to be able to say this about the schools; however, they could not anticipate what their conclusions would be.

Mrs. Hobbs understood that the Commission had a budget of \$250,000 for the first group of studies. She quoted one of the Commission's documents which stated that if the Montgomery County government determined that further analyses were required, Phase II of the request for proposal might be authorized to perform additional functional and organizational studies within MCPS. She asked whether there would be additional costs. Mr. Wegman replied that this was not the case. The total amount of funds that the Council would make available was \$250,000. If they did a second phase, that would fall within the \$250,000. Their current inclination was to try to spend less than the \$250,000. In addition, the \$250,000 was for all the studies, not just MCPS.

Mrs. DiFonzo commented that from her perspective some of them were sitting here trying to kill the messenger. The County

Council created the Commission and gave them their marching orders. Unfortunately those marching orders hit a real sensitive button with regard to where the Board was. Part of this was the recognition that the Board was not a county agency, and over the years boards of education continued to try to make that point. Although they received funds from the Council, they were a state agency. This presented a very ready foundation for differences of opinion and for sensitivities to clash. The Council wanted to assure itself and the people electing them that the county monies were being spent wisely and well. There was nothing wrong with that. They wanted to be sure that the Board was also spending its money wisely and well. The problem was when the Council directed a citizens group to look in the Board's backyard.

Dr. Cheung suggested that the easy solution was to give the \$60,000 to the Board and have the Board's task force work with the Commission. Mr. Wegman replied that they did not have that power. He also wondered about the \$60,000 figure because they had not decided to spend any particular amount on this study. Mrs. Fanconi asked how they could write an RFP if they did not know how much they would spend. Mr. Wegman explained that they had been advised by the Council staff director that the appropriate process was not to include a figure in the RFP because that became a floor for bids.

Mr. Nolfi stated that the Council's original direction was to select projects which promised the greatest opportunity for savings. There was disagreement about whether certain projects would yield savings. They had decided that the studies recommended were the studies that would yield the greatest savings.

Mrs. Fanconi pointed out that the largest part of their budget was in employee salaries. Unless they were going to look at class size or how much they paid employees they were not going to find large amounts. She knew this because of Board efforts to cut the budget. In regard to a moving target, a consultant might look at the Department of Multicultural Affairs. However, the Board had abolished the director's position and combined departments, and she did not know what would happen next week when further budget cuts might occur.

Mr. Wegman stated that they were aware of the sensitivities, and it was helpful to be reminded of them. With respect to the moving target problem, he said in a perfect world it would be nice if they could return in two years and study what the Board had done. The fact was that the Council created them in April, 1990, and they knew there would be an election and some changes. However, the fiscal situation had surprised the Council. Nevertheless, when the Commission met with the Council two weeks ago there was a clear indication from the Council that the Commission proceed with its work. They would be in existence

until early December, and they wanted to be as constructive about their work as they possibly could. When they had Council approval for their contractor in April, they would sit down with the Board again in order to assure that the contractor had every opportunity to get the views of the Board. They wanted to make this as cooperative an effort as they could. They recognized it was not a comfortable thing to have an outside group of citizens looking at them.

Ms. Gutierrez asked why they were locked into the approach of getting a consultant. She wondered why they couldn't go back to the Council and tell them that a lot was going on in MCPS that was working towards an efficiency in management, and it was not a time for an outside person to do the most effective evaluation of what was happening. At a later time they might say there was a need for an outside look. At that time it would be a lot more effective to evaluate the results of a restructuring. They would have had a new superintendent in place for several months.

Mr. Wegman stated that they would be coming up with their final recommendations in November. Ms. Gutierrez suggested that they might save money and clashes. Mr. Black questioned why there should be a clash. He said there was an adversarial relationship here that disappointed him greatly as a taxpayer.

Dr. Cheung remarked that the Board was not concerned about outside people looking in. They had appointed many advisory committees as well as their own task force on efficiency. They wanted to make sure they did the right things. When the Council gave the Commission directions that might not be appropriate, the Commission should tell the Council that there were some things that might not be appropriate from a political standpoint and from a management standpoint.

Mrs. Fanconi commented that if their intent was to get the Board's cooperation, the Commission had gone about it in a very strange way. If they had come to the Board when they were appointed and asked for the Board's input, this would have been different. Instead, the Commission had come to the Board after they had made their plans and recommendations. Mr. Wegman felt that they had made a number of efforts to try to talk with the Board. They had met with the full Board in September before they had presented their first report to the Council. Mrs. Fanconi pointed out that she was not on the Board at that time. Mr. Wegman said they had requested several meetings through Mr. Ewing, and they were told the Board was too busy to meet, and they had a responsibility to meet with the Council in February.

Mr. Ewing suggested that they should have gone back to the Council and delay that meeting. Mr. Wegman pointed out that MCPS was just one of a number of studies. Mr. Ewing said that the Council could have taken up this issue with the Board. Mrs.

Fanconi said they now had the ability to change that because they were sitting across from the Commission right now. Mr. Wegman suggested that they try to go forward from here in as cooperative a basis as they could.

Mr. Ewing appreciated their offer to bring the contractor to the Board if they went ahead with the study. He personally did not think they should do the study. He thought there was a fundamental proposition here that was potentially damaging to public education. They were saying they wanted the contractor to look at what state law said about what the Board had to do. For example, state law said they had to have school 180 days a year, but Montgomery County had a longer school year. The contractor would come back and say they didn't have to have school that many days. The contractor might look at the law regarding special education, but Montgomery County did a lot more than the basic law. Therefore, the contractor would come back and tell them they could save a lot of money if these services were not provided. They were opening up the contractor to that kind of analysis. Mr. Wegman replied that this was clearly not their intention. They did not want the contractor to look at issues of that nature. The RFP would spell this out, and he agreed to provide the Board with a copy of the draft RFP.

Mrs. Fanconi noted that Mr. Duvall had been on the College Board of Trustees. She asked if he saw any problem in coming to the Board of Education in this way. Mr. Duvall replied that he was asked to serve on the Commission. He agreed with the purpose of the Commission, and in accepting that appointment, he accepted the guidance of the authorizing authority. He commented that he was very sensitive to the jurisdictional questions raised here. During his time as a trustee, he had fought vigorously for the proper authority of the Board of Trustees. It was part of the structure of governance of education in Montgomery County. The College received money from the state, the Council, and from students. He believed they should approach this issue in as even-handed a way as they could with an eye toward efficiency. He thought efficiency meant not just saving money but looking at a long-term focus balancing the benefits against the costs necessary to produce the benefits. This could mean that there was underinvestment and underspending equally as much as overspending. He did not think the conflict was unmanageable.

Mr. Duvall emphasized that it was the decision of the Commission not to make recommendations of a short-term nature. This had been part of the original charge given by the Council. He had argued that they could not do both things well. It was the sense of the Commission to focus on changes that would have long-term benefits.

Ms. Gutierrez stated that if the Commission had not received information about what the Board was doing she would propose that

this be made available to them. She would like for the Commission to dialogue with the Board's committee and understand what they were looking at. These people were very familiar with the school system and had been working now for about a month with access to all types of data and people in the school system. The Commission might then see that their scope of work would be impacted. It seemed to her that their scope of work was the top management and organizational span of control. She asked whether they thought the consultant's recommendations for change would be accepted by the Board. She pointed out that there were many ways of running a school system, and there were educational reasons for selecting an organizational model. In Montgomery County they were moving toward site-based management which was a direction that might not fit within a span of control analysis. Mr. Wegman replied that they were not a policy-making body, and all they could do was to give the Council their best judgment.

Mr. Ewing observed that in Montgomery County there was a conventional wisdom about the schools. It was that there were fat area offices, ill-organized and ill-directed. It was also that the central office was full of people who had nothing to do except pass paper around. The big problem for the teachers was that there were too many administrators who generated paperwork.

This was the conventional wisdom in some quarters. He said that this was simple-minded. He commented that in some cases they were inefficient because they did not have enough people to manage processes well. In other cases they were inefficient because they had too many people focused on a task. He did not think unless they spent the entire \$250,000 that they had much of a chance at getting at that kind of analysis with their study. Personally he thought they were staffed adequately in the area of special education, but that wasn't to say that they always managed special education well. In other areas they were not staffed adequately. Everyone focused on how many managers there were rather than on outcomes. He thought that Montgomery County voters were interested in outcomes, but MCPS was not very good about producing good data about outcomes. They were not going to produce good outcomes if, for example, they cut out all of the people in their Department of Educational Accountability who summarized the data on outcomes. Yet they had just made an additional cut in that staff. They did irrational things in the name of meeting budget targets, and they ended up finding themselves more inefficient as a result of budget reductions.

Mr. Ewing reported that in the Defense Department they had created revolving funds for management services. They had added people and increased charges, but they got more efficiency because managers made better choices because they knew what the costs were. In Montgomery County the conventional wisdom was the only way to get efficiency was to reduce the number of people. What he had heard and what he read suggested to him that some of the Commission had bought into that notion. It seemed to him

that this was the chief danger here. They would end up saying all the conventional wisdom kinds of things, and the consequence would be that nothing would change. He asked that they not buy into this. If they were going to do something, they should do it well and sensibly.

Mrs. Fanconi said she had a different point of view on special education. She felt that they did not have enough people because they had such large legal fees about student placements. Therefore, the Board was looking at the placement process. This was an outcome. They had a problem in placement and that would affect how they staffed and organized that department. She did not understand how they could look at the school system without looking at that kind of circle. They had a lot of legal fees, a lot of people unhappy with placements, and they had to look at how this was managed. She thought that the Commission could help them in areas such as how many pieces of paper go back and forth to order a chair. Mr. Black pointed out that they were going to look at the inventory control process and that sort of thing. This was a separate study.

Mr. Nolfi commented that this discussion was focused on the organizational study. However, there were several other studies which involved the school system. He suggested that they hold further discussions about their rationale and the assessment of savings that justified these particular studies. It would be fruitful to engage in a dialogue with the members of the Commission on the basic assignment from the Council to look at those things that had the best potential for the greatest savings. The Commission could benefit from the Board's input in this area. There was widespread disagreement on how to assess this including the views of some Council members. It would be helpful if the Council were informed on the Board's views on this particularly on whether studying some issues would yield savings.

He said the Council was very clear in saying that it wanted to review the RFP's in final form before they went on the street. He thought that the Board's review of the RFP and the Commission's sharing some of their rationale would perhaps clear the air a bit. He said that getting into these issues in more depth and hearing the Board's suggestions might be of value.

Mr. Ewing thought this would be very useful. In his own experience, his studies had to be approved by the deputy secretary of defense who insisted on a cost savings estimate, a discussion of the benefits, and a discussion of disadvantages. He emphasized that it was important to begin with an hypothesis and let the data and the analysis lead them where they would. It would be helpful to have an estimate of cost savings and reasons why the Commission wanted to go this way and some discussion of the disadvantages of doing it. Mr. Nolfi hoped that the Board would help them refine some of those estimates.

Ms. Gutierrez asked whether the Board's efficiency committee was looking at some of these issues. Mr. Wohl commented that most of what they had was germane to how the committee felt about the issue. The Board's committee did not have the luxury of a year and a half to study something and the added luxury of spending some education dollars to do contractor studies. They were called upon to make some real hard decisions of cutting a budget and make those suggestions to the Board of Education. Whether these were going to be in concert with the suggestions of the Commission was a concern. They had a greater acceptance of Mr. Nolfi's conclusions than those of the remainder of the Commission. There was a flaw in that the Commission did not come to the Board of Education, especially since the Board was an elected body. He thought that the Commission should go back to the Council and say that the Board should do the study.

Mr. Wohl said they had concluded that they could look at only so much because they were dealing with a moving target. They were trying to kill quality education. All of the task force members had been working for quality education over the years, and they were sad to be a part of the blood-letting. He pointed out that if they cut out all of management, they still would not reach the budget figures they needed to reach. There was no efficiency in the Commission's recommendations. Efficiency in management came from managing money under very tight and constantly moving educational processes and moving budget dollars. This was a very complex issue that did not lend itself to a \$60,000 study in a two and a half month period of time.

Mrs. Fanconi said it would be a help if she knew how this information was going to be used. If a report came to the Board, the Board would have the ability to act on it. However, the Commission was going to take this to the Council, and she was concerned about the process. She asked whether the Council would mandate that the Board follow through on the study. She thought that if they wanted the Board's cooperation they needed to bring the Board an outline of what was going to happen with this and who had the authority to make those decisions and educational policy. Mr. Wegman pointed out that they were a creature of the Council, and they would make their recommendations to the Council. It was up to the Council to decide what it wanted to do with the recommendations, and he was sure the Council would recognize the Board's authority. Mrs. Fanconi suggested that if the Council would like to encourage the Board's total cooperation, it would be helpful to the Board to understand how this information was going to be used and who would make the policy decisions.

Mr. Ewing pointed out that the Board of Education under law would make those policy decisions. He said it would have been helpful to have an acknowledgement of this. Ms. Gutierrez indicated that the Commission could acknowledge this in their recommendations.

Mr. Ewing commented that the Council frequently attempted to direct the Board as to what they were to do or not do. The Board was very sensitive to that.

Mrs. Fanconi assumed that the Commission would go back and advise the Council of this meeting. She thought it was the Board's responsibility to contact the Council directly, but she felt that the Council should have talked with the Board directly.

Mr. Black suggested that the Board check into the issue of tuition payments from international students and whether these students were getting a free education at the expense of taxpayers. Mr. Ewing explained that there had been discussions of this issue for over a decade, and there was a major disagreement about this issue. However, it was probably worth looking at again although it was a complicated issue. He pointed out that if they were to take this on, they would have to add to their staff.

Mr. Wegman thanked the Board, and Mr. Ewing thanked the members of the Commission for the discussion.

Re: ADJOURNMENT

The president adjourned the meeting at 10:50 p.m.

PRESIDENT

SECRETARY

PLV:mlw