

APPROVED
40-1998

Rockville, Maryland
December 3, 1998

The Board of Education of Montgomery County met in special session at the Carver Educational Services Center, Rockville, Maryland, on Thursday, December 3, 1998, at 7:45 p.m.

ROLL CALL Present: Mrs. Nancy J. King, President
 in the Chair
 Mr. Stephen Abrams
 Mr. Reginald M. Felton
 Mrs. Beatrice B. Gordon
 Mrs. Patricia O'Neill
 Ms. Mona M. Signer
 Dr. Paul L. Vance, Secretary/Treasurer

Absent: Mr. Geonard F. Butler, Jr., Student Board Member

The meeting was called to order at 7:45 p.m.

Re: **ANNUAL REPORT OF THE BUDGET REVIEW
 COMMITTEE**

Mr. Tony Santangelo, chair of the FY 2000 Operating Budget Review Committee, and the subcommittee chairs presented the following recommendations.

ALTERNATIVE STRUCTURES SUBCOMMITTEE

This subcommittee had the broadest subject matter to cover. The topics ranged from charter schools to curriculum development. The subcommittee report presented by co-chairs Mr. James Griffin and Ms. Margaret Donnellon reflected the commitment of the members to continue their work. More time and resources are necessary to fully explore the vast impact that this committee could have. This subcommittee may lead to another subcommittee in the future. As such, the report was submitted and the following recommendations of the Budget Review Committee reflect an acknowledgment of this and approval of the individual conclusions.

The subcommittee recommends in-depth study to answer the following questions:

1. What is critical within the curriculum being offered to students?
2. What are the best ways to fund non-critical or enhancement curriculum offerings?
3. In what ways can the following funding strategies best be employed by Montgomery County Public Schools?

- a. pro-actively seeking funds from a wide variety of public and private funding sources
- b. recognizing system-wide efforts and needs and balancing those with the fund-raising and decision-making at the local school level
- c. clarifying or defining the actual and potential types of revenue in the short and long term: grants, gifts, student fees for extracurricular activities and "quasi-tuition"
- d. identifying the use of revenue enhancements and supplemental resources

The subcommittee further recommends that the Board of Education strategic plan be directly linked to the budget process and that creative funding strategies be explored as ways to promote new initiatives and priorities outlined in the strategic plan.

5 Yes, 0 No, 2 Abstention, and 5 Refer to subcommittee

The Budget Review Committee recommends a return to subcommittee for further discussion.

Re: **DISCUSSION**

None.

ENVIRONMENT AND SECURITY SUBCOMMITTEE

The subcommittee chair Ms. Diane Cockrell had the Budget Review Committee consider the report as a whole. The report reflects a number of individual recommendations that received strong support, however there were some recommendations that created some discussion. The following recommendation of the Budget Review Committee acknowledges this and reflects the need for a reworking of some of the proposals.

4 Yes 2 No 0 Abstention 5 Refer to subcommittee

The Budget Review Committee recommends a return to subcommittee for further discussion.

This Subcommittee made the following "cost" recommendations:

1. Increase the monies \$225,000 for more staffing, training, and test equipment.

2. Hire additional personnel (both school based and countywide) to maintain a school's optimal air quality level. 1.0 Building Service Worker salary including fringe benefits would be \$28,677.
3. Require the Interagency Coordinating Board (ICB) to aid in the cost for testing and solving any IAQ problems. Schools are rented to various outside groups during off school hours depending on the nature of activities taking place could affect the "internal" environment within a school.
4. Resolve the conflict between poor IAQ and the desire to save money by conserving energy especially where energy conservation will affect the IAQ. (e.g. turning off AC when school not in session at the end of a day then come morning turn AC back on)

This Subcommittee makes the following "non-cost" recommendations:

1. Hold contractors responsible for faulty construction or performance that does not meet specifications regardless of when the problem is discovered.
2. Coordinate the placement of gardens and mulch or the timing of delivery of fuels so they are not adjacent to air intake valves.
3. Properly maintain the "skirts" of portable classrooms to prevent animals and the like from living underneath the flooring.
4. Provide alternative and less expensive ways to maintain climate control especially in computer labs. The high cost equipment that MCPS has purchased for these labs demand a certain temperature be maintained to prevent high cost maintenance.
5. Provide thorough training to building engineers/service workers regarding HVAC systems via partnerships with Montgomery College's Gudelsky Institute or local HVAC companies.

We also concur with Mr. Wilder's recommendations to Mr. David Fischer in a memorandum dated May 1, 1998.

1. The need for "Supervisor Safety Training" and "Indoor Air Quality " awareness training for all administrative and supervisory personnel at all levels within the MCPS organization.
2. Develop an electronic safety educational web site to learn about natural and man-made disasters and what to do to prepare for them. This would aid in the efforts of safety awareness and injury prevention.

3. Update the MCPS Safety handbook and make it available electronically for immediate access at an estimated cost of \$75,000.
4. To have a "dedicated" budget for the Safety and Environmental Health Unit for a pro-active Safety Program Initiative. Estimated cost of \$150,000 of dedicated funds for SEHU over a three-year period.

Security:**"Cost" recommendations:**

1. Closed circuit television cameras should be utilized at middle schools where required by repeated incidents of violence or improper behavior. Estimated to cost approximately \$45,000.00 per basic system per school plus wiring costs. New schools should automatically have installed Close Circuit Televisions as part of construction costs. Placement of cameras be determined by school principal and MCPS Security Office. One suggestion may be to place them near fire alarm locations or purchase fire alarm covers to deter individuals from accessing the alarm. (*CIP funds would be utilized for these purchases.)
2. Investigate the use of a "smart-card"/picture ID card for each student and staff member in each school. Evaluate Montgomery Blair HS use of a photo ID at the end of the school year.
3. Reclassify some employees from hourly to salaried to allow flexibility in assignments especially for after school events (eg. football games, dances).
4. The need for *adequate County Police support for evening activities (e.g., football games) (*each to be determined by school principal and MCPS Security Office).
5. Require the Interagency Coordinating Board (ICB) to provide security at ICB functions to offset the costs of having MCPS personnel present during these times.
6. Investigate the costs of hiring a private security firm to maintain a presence during evening programs or activities.
7. Increase the number of security assistants after making a security audit of the school's needs then determine the number of assistants needed and where they need to be located within the school's perimeters.
8. Installing telephones in every classroom especially within portable classrooms for instant communication to the main office or security. Due to the overcrowding in our

schools the utilization of portable classrooms is evident.

9. Elementary schools are in need of security personnel as well with the unfortunate increase of incidents at the elementary level. Ideally one security officer and one assistant in those elementary schools experiencing a high level of occurrences.

Non-cost recommendations:

1. Each school should continue to take steps to insure that:
 - a. each student is aware of the discipline code for that school;
 - b. each student and his/her parents/guardian is aware of the grounds for mandatory expulsion;
 - c. each student is aware that he/she will be held accountable for his/her actions;
 - d. each student and his/her parents/guardian is aware that the parents/guardian will also be held accountable for the student's actions.
2. The MCPS Central Office and Field Offices support the schools' discipline policies to the letter.
3. Access to both elementary and secondary schools should be tightened with additional signs and a constant monitoring of hallways and bathrooms.
4. Work with county and state legislators to introduce legislation to require parents/guardian to be more fiscally responsible for any damage to school property as caused by his/her child.
5. Need more training for cultural awareness and conflict resolution for staff and other school personnel.

Re: **DISCUSSION**

Mr. Abrams asked if there was an IAQ audit done on new or modernized construction to determine if these structures comply with current standards. Mr. Franklin replied that the subcommittee did not conduct such an audit.

Mr. Felton asked if the discussion on holding contractors libel centered around how the contracts were written or deficiencies in construction. Mr. Franklin replied that it was both – deficiencies in the work and the language in the contracts.

Mrs. O'Neill asked if the subcommittee considered middle schools more in need of closed circuit television than high schools. Mr. Franklin responded that there were strong feelings

on this topic that concentrated on individual liberties and the environment in which we will live in the future.

EMPLOYEE PERSONNEL AND BENEFITS ISSUES SUBCOMMITTEE

This is a continuing subcommittee from FY 99. The recommendations were taken on an individual basis at the direction of Mr. Norman Pruitt and Ms. Gabbie Krivonak the subcommittee co-chairs. The following are the recommendation followed by the individual votes.

Incentive Compensation

The Board develop a systemwide reward and incentive program that recognizes both incremental improvements and superior achievement of students at the individual school level based on SES objective performance indicators.

16 Yes, 3 No, 1 Abstention, and 0 Refer to subcommittee

The Budget Review Committee recommends adoption.

MCPS Measurement Standards

To ensure continued support from parents, teachers, and taxpayers, the Board should develop a set of standards to measure success within the system. These standards should be subjected to a broad-based review by the above constituencies prior to implementation.

7 Yes, 2 No, 1 Abstention, and 10 Refer to subcommittee

The Budget Review Committee recommends a return to subcommittee for further discussion.

Payroll

MCPS encourage all employees to have their checks direct deposited. MCPS should conduct an awareness campaign to inform employees of the savings and advantages of direct deposit. Employees should receive automatic direct deposit to checking account at no cost to the employee.

20 Yes, 0 No, 0 Abstention, and 0 Refer to subcommittee

The Budget Review Committee recommends adoption of this recommendation.

Outsourcing

MCPS allocate money in the FY 2000 budget to conduct a study on re-engineering the

process for the delivery of these services and the feasibility of outsourcing non-core classroom services.

18 Yes, 0 No, 1 Abstention, and 0 Refer to subcommittee

The Budget Review Committee recommends adoption of this recommendation.

Retiree Health Care

MCPS allow for future funding of retiree health care costs beginning with the FY 2000 budget. Conduct an actuary study by an independent group to determine the costs. Further the ongoing liability should be footnoted.

19 Yes, 0 No, 0 Abstention, and 0 Refer to subcommittee

The Budget Review Committee recommends adoption of this recommendation.

Retirement Trust Account

(1) employees receive information on an annual basis, and (2) broaden the board of investment trustees to include more independent members not affiliated with the system.

18 Yes, 0 No, 0 Abstention, and 1 Refer to subcommittee

The Budget Review Committee recommends adoption of this recommendation.

Teacher Sick Leave

A pilot trial in one cluster should be tried to determine if requesting leave as needed with approval at the principal/peer group level would result in improved absence rates.

4 Yes, 7 No, 1 Abstention, and 7 Refer to subcommittee

The Budget Review Committee makes no recommendation.

Student Input in Teacher Evaluations

MCPS should consider the following points as it develops a system that allows for student and parent input:

- a. Student, faculty, and administrative involvement in randomly evaluating teachers without announcing it.
- b. Required evaluation at the end of the semester for middle school and high school students. These evaluations should go to the Department, with copies to the teacher. It is imperative that these go to the teachers' superiors because certain teachers have been known to disregard them.

- c. Special recognition by students in individual schools and by the Montgomery County Region of the Maryland Association of Student Councils for teachers who consistently go above the call of duty for students.
- d. An evaluation system that works quickly enough for the students' benefit, and with enough consideration for the teachers. The meaning behind this: a system that takes two years to remove an undesirable teacher means that two years (four semesters) of students may receive substandard instruction. This is unfair, especially if the administration or mentors do not predict the teacher will remain. It is also important to provide support for teachers who have the potential to succeed. So we all agree there needs to be some middle ground - but problems need to be solved quickly.
- e. Standardized evaluation forms drawn up by the departments in each individual school with the help of students, teachers and parents.

6 Yes 0 No 2 Abstention 11 Refer to subcommittee

The Budget Review Committee recommends a return to subcommittee for further discussion.

Re: DISCUSSION

Mr. Abrams asked if the subcommittee explored transportation as a candidate if there were a super-county agency. Ms. Krivonak replied that they had not spent a great deal of time on transportation since outsourcing transportation had received no bids when it was tried in the past. However, there must be some way to take advantage of the total county's transportation.

Mr. Felton inquired about business entities within the school system, such as food services. Ms. Krivonak replied that there were examples where information technicians had formed a consortium and won a contract for services.

Mrs. Gordon inquired about giving the schools the option of using their funds to either purchase services from the school system on a charge back basis or purchase services from contractors. Ms. Krivonak stated the subcommittee did not discuss that option. Mrs. Gordon stated that there were districts in Maryland where the local schools have such an option. This concept saves money as well as time.

Mr. Abrams pointed out that the recommendation on leave was moving from a contractual right to discretion. He knew of no governmental agencies that followed that pattern. There had been alternatives of banking leave with compensation at the end of service. Ms. Krivonak thought that was an incentive for retirement, but MCPS administrative staff saw that as paying people twice.

Mr. Felton pointed out that private companies do not set a number of sick leave days and the use of leave was reduced. Ms. Krivonak agreed and statistics showed that the average use was 1.9 percent, and in the school systems it was 5 percent.

Mrs. O'Neill commented that the continuity of the teacher in the classroom was just as important as the continuity of the student in the classroom.

Ms. Signer asked about the substance of the reward and/or incentive program and was it linked to student achievement or teacher evaluations. Mr. Pruitt replied that there must be a measurement standard for students, and staff should be rewarded for student improvement based on those standards.

Ms. Signer connected that initiative with the state's cash awards to schools that had substantial student improvement. The school would be rewarded as opposed to an incentive for an individual employee. Mr. Pruitt confirmed that statement. Mr. Felton thought that school-wide recognition was a national movement

BUDGET PROCESS

The most contentious discussions were held in conjunction with this report. The material is complex and somewhat controversial. At the chair's request, the report was considered as a whole. Each individual recommendation depended on another recommendation. To remove even one individual recommendation would make the entire report unworkable. The discussions ran more than one evening to allow the report to be studied and attempt to clarify any positions before a final vote was taken. The Budget Review Committee vote was 13 Yes, 5 No, 0 Abstention, and 3 Refer to subcommittee. The Budget Review Committee recommends the following findings of the Budget Process subcommittee.

Summary of Recommendations & Findings

Planning Process & Timeline

1. Year-long planning process is a function of the quality of work and level of detail (quantity of work) matching the available time. No achievable opportunity for streamlining found.
2. Board of Education to publish statement of proposed priorities and initiatives for the budget year, with possible concepts for implementation by mid to late September.
3. Local Public hearings held in early October for feedback on the Board list of budget priorities, initiatives, and operational changes. Hearings to be tri-cluster based, and

held in the community. Proposal includes representation of BOE, County Council, and MCPS Administration, at public hearings.

4. In late October, the Board would finalize planning guidelines, priorities, and initiatives for the Superintendent to consider in development of his operating budget proposal.
5. Local school and departmental budgets to be presented as part of the operating budget recommendation. (See recommendation 10)
6. Limit and potentially eliminate current round of public budget hearings, typically held in January. However, Board to continue its February budget work sessions, and approve a budget to be sent to the County Council by March 1.

Spending Affordability Guidelines

7. County Council should work to improve the accuracy of its revenue projections and Spending Affordability Guideline (SAG) targets.
8. County revenue projections to be validated by an independent and disinterested third party.
9. Improve the efficiency of the budget process by removing incentives of all parties to understate revenues or overstate needs and costs.

Local School Budgeting

10. Operating budgets be developed and published at the local school level of detail. School level budgets to be published simultaneously with the superintendent's request and Board of Education request.
11. Stronger fiscal management role and responsibility at the tri-cluster (directorship) level.
12. Change from headcount / staffing ratio-based resource allocation model, to a weighted student / dollar-based resource allocation model.
13. Board and school administration develop guidelines and parameters defining limits of flexibility afforded each school in the utilization of allocated dollar resources.
14. More frequent updates to the enrollment forecasts, and adjustments to current and future budgets, as appropriate. Staffing plans for each school to be published as

part of budget.

15. Assign significant budget development responsibility and fiscal decision making to local principal, with OMC and school community involvement. Provide necessary training and develop tools to support implementation.

Decrement List (Recommended: Non Recommended Reductions)

16. List of reductions to include specific reductions in areas of administration, school support operations, transportation, fixed charges, management information systems, etc.
17. Reductions in the 'Dollars per Weighted Pupil' value to be identified as blanket decrements. These are likely to be independently and uniquely implemented at each school, subject to the constraint of targeted funds.

Publication format and communication to community

18. Publish budget descriptive of each school, as part of MCPS operating budget.
19. Publish budget summaries by cluster, tri-cluster, and system wide. Also summaries by program, i.e., Elementary, Middle School, High School, and Special Education.
20. Consolidate administrative and support function budgets
21. Include Glossary of Terms with published budget.
22. Encourage electronic publication as a primary vehicle for communication. i.e., World Wide Web.
23. Publish and update a periodic outline of changes to the plan as it progresses from superintendent proposal through final County Council Action, showing changes to budgeted amounts or weightings at each step.
24. Elements of budget for each school to include; Enrollment and headcount table by grade and / or program.
 - Dollar budget table
 - 'Schools at a Glance' data to provide educational context
 - School specific capital budget information

Narrative outlining education program plan, including how FAPE to be provided to Special

Education Students.

Summary of Capital budget projects, reflecting the Master Plan and modernization schedule.

Cost of Budget Development

MCPS staff to attempt to quantify the total cost of operating the annual planning process.

Re: DISCUSSION

Mr. Felton questioned how centrally-funded programs would be financed using a local budget format, and how the total costs for functions, such as staff development, would be aggregated. Mr. Astrove explained that the model had the cost build into the per pupil cost and fixed costs to operate the system. Mr. Felton asked how the central staff would be deployed to implement this budget model. Mr. Astrove stated there would be a central staff, but most account managers would be decentralized with tri-cluster staffing. Mr. Felton asked how much it would cost to develop the budget. Mr. Astrove explained that it could cost more to generate the budget but it would be more responsive to the needs of students.

Mrs. Gordon stated that a budget should be built on the priorities of the school system. She was interested in the weighted student resource allocation, and, through her conversations with educators in Seattle and Montgomery County, she was convinced that the cost of educating students varies from student to student and the funding should be tied to the student. She was intrigued by a system that was staff driven to one that was student driven. The report stated that this format would require the Board to establish the weighted head count values and student classification categories annually. She asked if that had that happened in other jurisdictions or was that a conclusion of the committee. Mr. Astrove replied that the committee thought the categories needed to be reviewed annually to ascertain if there was a need for change.

Mrs. Gordon reported that Seattle's budget was tied to their desegregation plan and a full choice model with funding that followed each student, and she was not sure that the subcommittee's report was reflecting that concept. Mr. Astrove stated that the committee supported the philosophy of "portable money" and dollar per weighted student. Mrs. Gordon clarified that classified students would not get a percentage, but it would be based on the intensity of services for each student.

Mrs. Gordon pointed out that the Board passed a resolution that site-based schools could request the authority for staffing and budget, and there have been no requests from those schools. She asked Mr. Astrove if the subcommittee had reviewed why none of those site-

based schools had come forward with a request. Mr. Astrove stated that the committee had not done so.

Ms. Signer thought the recommendation was exactly the type of format MCPS required. This approach allowed individual schools to make staffing or budget decisions that works best for that school and student population. Also, it dovetails well with the quality management council (QMC) format and the decentralized form of decision-making. She was very pleased with the recommendation made by this subcommittee. She asked what the subcommittee envisioned as a timetable for moving toward this format. Mr. Astrove replied that the subcommittee made no recommendations on a timetable because a number of elements must be put in place, such as training and system's development. The subcommittee was very impressed with the software development by Seattle to develop a budget.

Mrs. Gordon hoped that because there were so many pieces to the new format, that the school system would not see the process as overwhelming. If the County Council was not willing to look at its budget process, she hoped the Board would not be deterred from adopting this concept.

Mr. Abrams heard two themes: (1) means testing, and (2) educational load. He stated that he had always supported directing resources on a means-tested basis to optimize resources. In this political climate, the current budget process can be manipulated by some communities better than others. Unless there was expanded funding, Mr. Abrams asked where the committee saw the political support to make those changes. Mr. Santangelo responded that there would be a learning curve for the clusters to mitigate inequity. Mrs. Gordon reported that in Seattle the buy-in for the concept was weighted student enrollment and the authority to expend funds for needed services within the school.

Mr. Abrams pointed out that the spending affordability guidelines (SAG) were flawed. Therefore, there would need for a political buy-in by the school system and the county at large. In the initial phases, there must be a pool of money that would make this concept work or there would be disillusioned people with more responsibility. He was surprised that the subcommittee rejected the two-year budget cycle considering the time it would take to put this process in place. Mr. Astrove replied that a major concern for a longer budget cycle was the ability to accurately project enrollment and the initial commitment from the Board and County Council.

Mr. Abrams asked if there was any consideration given to changing the fiscal year based on the suggestions in the report. Mr. Astrove stated that the suggestion for earlier hearing dates was to encourage the Council to participate and be involved prior to setting SAG.

Mrs. O'Neill asked how teacher's salaries and the new format where more experienced teachers received higher wages. Mr. Astrove stated that was a key issue on the report because school administration would have to make a determination on the staffing balanced with other factors.

Re: SELECTION OF A NEW BOARD MEMBER

After a lengthy discussion about the selection process, the Board came to consensus by deciding to (1) interview all candidates, (2) send the following questions to the candidates which they will answer in the interview:

- a. What professional and civic experiences do you have that you believe are relevant to the position on the Board of Education?
- b. A Board member's responsibility includes attending mandatory business meetings, committee meetings, County Council sessions, briefings, conferences, ceremonial functions, and retreats – numbering over 100 per year, some during the day and others in the evening. Does that commitment of time present a problem if you were on the Board?
- c. How would you describe what you perceive to be the role of a member of the Montgomery County Board of Education?
- d. What are your priorities that you hope to address as a Board member?

(3) allow 20 minutes per interview, (4) interview candidates on December 8 and 15 beginning at 4 p.m., and (5) make the selection of the new Board member at 8:00 p.m. on December 15, 1998.

The meeting was adjourned at 10:30 p.m.

PRESIDENT

SECRETARY

PLV:gr