

APPROVED
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Rockville, Maryland
January 29, 2004

The Board of Education of Montgomery County met in special session at the Carver Educational Services Center, Rockville, Maryland, on Thursday, January 29, 2004, at 7:35 p.m.

ROLL CALL Present: Ms. Sharon Cox, President
in the Chair
Mr. Kermit V. Burnett
Mr. Reginald M. Felton
Dr. Charles Haughey
Mr. Walter Lange
Mrs. Patricia B. O'Neill
Mr. Gabe Romero
Dr. Jerry Weast, Secretary/Treasurer

Absent: Mr. Sagar Sanghvi, Student Board Member

Re: **WORKSESSION ON THE SUPERINTENDENT'S
RECOMMENDED FY 2005 OPERATING BUDGET**

Ms. Cox announced that after the review, the Board would take final action on Tuesday, February 10. The review of the budget will be done section by section as outlined in the table of contents for each budget chapter. She urged staff to point out pertinent issues that may be of concern to the Board. Board members were free to ask questions and request that staff provide pricing information on specific issues.

Re: **OFFICE OF THE CHIEF OPERATING OFFICER**

Mr. Felton was interested in resources to support the Board's focus on entrepreneurial efforts. Mr. Bowers explained that the Entrepreneurial Fund includes three key areas – Taylor Science Material Center, the supply warehouse, and printing and graphic services. Beyond these areas, staff is considering the emergency procedures (Code Blue/Code Red) for marketing as well as curriculum materials. Mr. Felton asked if money from the fund would be used for a product that needed start-up funds. Mr. Bowers said that it would.

Mr. Romero commented that the performance measures in the Office of the Chief Operating Officer should reflect diversity in the workforce, especially with administrators.

Ms. Cox asked about the history and efforts to contain benefit costs. Ms. DeGraba replied that staff has been negotiating with the bargaining units on benefits. Mr. Girling added that staff has used joint bidding with other agencies and work with vendors. Drug-cost containment has been realized by using mail-order pharmacies and generic drugs. Ms. Cox

asked what the rate of increase has been over the last couple of years. Mr. Bowers replied that this year it was 11 percent and next year it will be 12 percent. Traditionally, the increase for MCPS has been less than the national average. However, there will be significant increases in the next couple of years.

Mr. Felton inquired about the increase in unemployment compensation. Mr. Bowers said there has been an increase over the past years. Traditionally, this figure has been low in comparison with other organizations.

Ms. Cox appreciated the cost containment, along with a quality packet for the employees, so that the public's funds are used as responsibly as possible.

There was a discussion on the pros and cons of Canadian drugs, which included the liability issues, availability, and costs.

Mrs. O'Neill thought that the benefits negotiated with the retirees were based on mail-order prescriptions. Mr. Girling replied that mail-order utilization for active employees was relatively low, and there could be a savings if employees used mail order for maintenance drugs. However, there are trade-offs with the co-pay. With mail order, there is the cost of the drug and the incentive for employees.

Ms. Cox asked if there would be a change in the administrative costs if the county government provided benefits for all county and school system employees. Mr. Girling responded that the administrative costs are set, with all agencies bidding together, and there has been a savings. The major cost is the claims, and savings would be realized if employee behavior changed. Also, some new drugs are extremely expensive, and there is a need to explore ways to reduce the costs.

Dr. Weast thought it was a good idea for MCPS to invest in wellness, such as physical activity and nutrition.

Mr. Lange asked about the controls over purchasing-card transactions. Ms. DeGraba replied that there is a multi-level review and approval process, as well as an internal audit inspection. Also, Mr. Bowers replied that with a limited amount of money all offices and schools monitor the funds very closely with established checks and balances.

Ms. Cox suggested that as a performance measure a list of property held by MCPS should be included in the Capital Improvement Program, to help ensure transparency and community involvement. Dr. Weast agreed the property should be listed and included in the system's long-term plans.

Mrs. O'Neill commented on the Board's success in retrieving property for educational uses,

such as Belt and Northwood. The system must have a long-term plan for facilities to accommodate enrollment growth.

Ms. Cox noted that there is an increasing workload for maintenance due to vandalism. She asked if it was possible to include a campaign to encourage the community to be more watchful. Mr. Hawes responded that a campaign includes the development of a Web site to tell customers what the school system can provide and when. MCPS is working with the county government on an anti-graffiti program. Dr. Weast pointed out that another issue with school facilities results from the heavy use of the buildings and athletic fields, some of which are used 18 hours a day. These facilities are showing wear, and PLAR does not fully fund maintenance and materials.

Mr. Felton and Mr. Burnett asked about the backlog of deferred maintenance projects. Since MCPS does not fully control its facilities, Mr. Felton thought staff could define the cost to taxpayers and that information would drive decisions. In reality, the absence of funding would require less usage of buildings. Ms. Cox agreed that this is a countywide issue.

Mrs. O'Neill stated that the Interagency Coordinating Board (ICB) has computerized its lists of facility users and trains all organizations that lease space from public facilities. It is a battle to increase fees through the ICB because of the heavy use of facilities by nonprofit organizations. Mr. Felton agreed, but said the buildings will fall down without maintenance. Dr. Weast agreed that the structure and fees must be examined because they were based on less usage.

Ms. Cox suggested that a letter be sent to the County Council stating the actual costs of wear and tear on MCPS facilities as a result of ICB use. In addition, Mrs. O'Neill thought that those statistics should be part of the CIP testimony. By consensus, the Board agreed that both of these suggestions should be enacted.

Mr. Lange was concerned about the delay in filling maintenance work orders. Mr. Hawes replied that there was a shortage in building service workers as well as tradesmen, such as mechanics.

Board members had several suggestions on communicating the real costs of transportation to the community and County Council. Mr. Lange wanted the figures on what it would cost to bring transportation equipment and facilities up to industry standards. Ms. Cox suggested an addendum to the budget on the tipping point at which using older equipment becomes more expensive than purchasing new equipment and where the critical points are on a timeline. Mr. Felton thought it would mean more to the community to know the actual cost of transporting a child to school. Ms. Cox remarked that the school system could build support for the budget by communicating more facts to the community.

Re: OFFICE OF GLOBAL ACCESS TECHNOLOGY

Mr. Lange noted that this office provides services for instruction and data analysis. It is hard to include technology in the curriculum in a meaningful way. How does MCPS identify the benefit of this major investment? Mr. Porter replied that working toward performance measures is a collaborative effort. Technology makes staff more productive and allows staff to make better use of its time. Mr. Lange suggested a Board agenda item on the update of the instructional management system.

Re: OFFICE OF HUMAN RESOURCES

Mr. Felton asked how much it costs to make a paraeducator highly qualified. Mr. Tronzano replied that staff development has activities to help them prepare for the tests. A partnership with Montgomery College allows paraeducators to earn an associate degree, and the tuition qualifies for reimbursement.

Mr. Romero asked how many staff members are taking advantage of the partnership with the college. Mr. Tronzano stated that the program was new, and he would let the Board know the enrollment numbers when they are available.

Mr. Burnett asked how many Title I paraeducators do not meet the requirements. Mr. Tronzano replied that there are 212 paraeducators in 19 Title I schools, and 93 have met the designation of highly qualified. It is expected that the others will meet the designation by June 2005.

Re: OFFICE OF STUDENT AND COMMUNITY SERVICES

Mrs. O'Neill asked if the change in the state's reimbursement for nonpublic placements was reflected in the budget. Dr. Spatz replied that there was a suggestion to move the reimbursement from a 80/20 to a 75/25 cost split. Ms. Cox directed staff to prepare a letter to the delegation on the Board's concern about state funding for special education.

Ms. Cox inquired about complaints from parents about the lack of special education at the secondary level and of the teachers' awareness of IEPs with accommodations. Dr. Wright replied that will be addressed in training for special and general education teachers.

Re: BOARD OF EDUCATION AND OFFICE OF THE SUPERINTENDENT

Ms. Cox inquired if there was feedback on the effectiveness of publications from the

Department of Communications. Mr. Porter responded that many offices are involved in communication and outreach to the public. There have been comments that MCPS publications are too complex and dense, especially the Strategic Plan. Also, there is a new guide for parents on how to navigate the school system.

Ms. Cox asked staff to list the areas of responsibilities. Dr. Lacey replied that the Office of Shared Accountability has the following units: Applied Research, Internal Audit, Policy and Procedures, Program Evaluation, Quality Assurance and Compliance, and Testing. These units are responsible for internal audits of school funds, external audits, policies and regulations for the school system, central records, required state reports, research, surveys, evaluation, and testing.

The meeting was adjourned at 10:15 p.m.

PRESIDENT

SECRETARY

JDW:gr