

**Montgomery County Board of Education
Fiscal Management Committee Minutes**

September 22, 2008

A meeting of the Montgomery County Board of Education Audit Committee was held at the Carver Educational Services Center in Room 120 on Monday, September 22, 2008. In attendance were:

Members: Mr. Christopher Barclay, Chair
Mr. Steve Abrams, Member
Mrs. Patricia O'Neill, Member

Staff: Mr. Larry A. Bowers, Chief Operating Officer
Ms. Robin Confino, Executive Assistant Chief Operating Officer
Ms. Sue DeGraba, Chief Financial Officer
Mr. Roger Pisha, Audit Supervisor
Mr. Robert Doody, Controller
Mr. John Kevin, Investment Specialist
Ms. Laura Steinberg, Staff Assistant, Legislative and Inter-governmental Relations

Guests: Mr. James (Eddy) Campbell, Business Manager, Walt Whitman High School

The meeting was called to order by Mr. Christopher Barclay, Chair, at 4:04 p.m.

Approval of July 22, 2008 Minutes

The Fiscal Management Committee voted unanimously to approve the July 22, 2008, minutes as submitted.

Common Remitter Update

At the last committee meeting, the members voted to recommend to the full Board, AIG Retirement Services as the company to provide common remitting and administrative services. MCPS staff has been keeping an eye on the financial developments of the AIG Retirement Parent Company and came to the committee with an update on the situation. AIG Retirement Services would probably be sold because the annuity is profitable, and both the common remitter and the administrative systems are attractive to potential buyers. This sale will not affect the safety of employee assets and investments.

MCPS Staff recommended that the Board continue moving forward with AIG Retirement Services as the common remitter. The committee members saw no reason to make any changes at this time.

Accounting of Curriculum Fees

Several issues regarding curriculum fees have been raised by Board members, parents and community members including whether fees have the unintended consequence of discouraging students from participating in courses, whether the policy is being correctly implemented, and if

students and families are given adequate information about fee waivers. The committee was particularly interested in school based practices that are in place to guarantee access to materials for those students who either choose not to or who can not afford to purchase materials and if there is any indication that the percentage of students receiving waivers reflect the general demographics in a school. In order for committee members to have a better understanding of the practices used for collecting fees, the business manager from Walt Whitman High School was invited to the meeting to explain the practice used at Walt Whitman High School. The internal auditor was also present to provide feedback on auditing practices at a secondary school.

The committee members discussed how every school deals differently with those who can not pay, how some get a waiver, and how the system covers costs by using needy student funds or other sources. The committee was told that some unpaid fees that are written up as obligations but was assured that transcripts and student records are never withheld for any unpaid obligations. Committee members expressed interest in having staff conduct a study to determine if there is any correlation between the amount of students eligible for FARMS at a school and those asking waivers.

A committee member asked if towel fees are universal and are they being charged to everyone, whether used or not, and is their a policy that students can not bring their own towel?

Summary of Actions and Follow-ups

- 1) Memo to Board on Towel Fees

The meeting was adjourned at 5:19 p.m.

Recorder: Becky Gibson