

APPROVED
23-1998

Rockville, Maryland
June 16, 1998

The Board of Education of Montgomery County met in special session at the Carver Educational Services Center, Rockville, Maryland, on Tuesday, June 16, 1998, at 7:35 p.m.

ROLL CALL Present: Mrs. Nancy J. King, President
 in the Chair
 Mr. Geonard F. Butler, Jr., Student Board Member-elect
 Dr. Alan Cheung
 Mr. Blair G. Ewing
 Mr. Reginald M. Felton
 Mrs. Beatrice B. Gordon
 Ms. Ana Sol Gutiérrez
 Ms. Mona M. Signer
 Dr. Paul L. Vance, Secretary/Treasurer

Absent: Ms. Debra Wheat

#indicates student vote does not count. Four votes needed for adoption.

RESOLUTION NO. 394-98 Re: **AGENDA**

On recommendation of the Superintendent and on motion of Mrs. Gordon seconded by Ms. Signer, the following resolution was adopted unanimously:

Resolved, That the Board of Education approve its agenda for June 16, 1998.

Re: **RECOMMENDATIONS ON THE FY 1999 OPERATING
BUDGET FOLLOWING COUNTY COUNCIL ACTION**

The following resolution remained on the table from June 9, 1998:

WHEREAS, The Board of Education adopted an FY 1999 Operating Budget of \$1,035,831,965 on February 10, 1998; and

WHEREAS, The County Council approved a total of \$945,189,869 (excluding grants and enterprise funds), a reduction of \$11,221,323 from the Board of Education's request of \$956,411,192; and

WHEREAS, The County Council appropriated a total \$1,034,768,530 for MCPS, which is \$1,063,435 below the Board's requested budget of \$1,035,831,965; and

WHEREAS, The County Council understood that it may be necessary for the Board of Education to request categorical transfers as a result of the need to comply with the requirements of the additional state aid for programs not in the approved budget; and

WHEREAS, The Superintendent has submitted to the Board of Education a plan for the reorganization of the Office of Supportive Services; and

WHEREAS, The Superintendent has submitted to the Board of Education a plan for the transitional organization for FY 1999 of employee training and organizational development activities; and

WHEREAS, The County Council made reductions of \$1,063,435 from the various budget categories, as shown in the following schedule, in appropriating \$1,034,768,530 for the Board of Education's FY 1999 Operating Budget:

Category	BOE Approved as of <u>02/10/98</u>	County Council Reduction	Council Approved <u>05/28/98</u>
1 Administration	\$ 30,281,479		\$30,281,479
2 Mid-level Administration	64,984,451		64,984,451
3 Instructional Salaries	450,240,224		450,240,224
4 Textbooks and Instructional Supplies	21,773,850	(\$400,251)	21,373,599
5 Other Instructional Costs	9,863,382	20,435	9,883,817
6 Special Education	122,922,303	(200,000)	122,722,303
7 Student Personnel Services	4,063,749		4,063,749
8 Health Services	22,420		22,420
9 Student Transportation	45,532,062		45,532,062
10 Operation of Plant and Equipment	60,432,598	(268,943)	60,163,655
11 Maintenance of Plant	22,450,381	(25,000)	22,425,381
12 Fixed Charges	169,191,637	(189,676)	169,001,961
14 Community Services	<u>655,195</u>	-	<u>655,195</u>
Current Fund Subtotal	<u>\$1,002,413,731</u>	<u>(\$1,063,435)</u>	<u>\$1,001,350,296</u>
41 Adult Ed/Summer School Fund	2,916,504		2,916,504
51 Real Estate Management Fund	1,167,369		1,167,369
61 Food Services Fund	27,257,433		27,257,433
71 Field Trip Fund	1,793,516		1,793,516
81 Entrepreneurial Activities Fund	<u>283,412</u>		<u>283,412</u>
Enterprise Fund Subtotal	<u>\$33,418,234</u>		<u>\$ 33,418,234</u>
All Funds	<u>\$1,035,831,965</u>	<u>(\$ 1,063,435)</u>	<u>\$ 1,034,768,530</u>

now therefore be it

Resolved, That based on an appropriation of \$1,034,768,530, that includes an appropriation of \$33,418,234 for enterprise funds and \$56,160,427 for restricted grants, approved by the County Council on May 28, 1998, the Board of Education adopt its FY 1999 Operating Budget reflecting the changes shown in Schedule A; and be it further

Resolved, That the Board of Education will request approval of the categorical transfers that are necessary in order to receive and expend supplementary state aid; and be it further

Resolved, That the Board of Education affirm its support for the negotiated agreements with its employees' organizations and for the increases in salary that they contain; and be it further

Resolved, That the Board of Education approve for FY 1999 the reorganization plan within the Office of Supportive Services as shown on Schedule B and the related reclassification of positions; and be it further

Resolved, That the Board of Education approve for FY 1999 the transitional reorganization of employee training and development activities as shown on Schedule C; and be it further

Resolved, That a copy of this action be transmitted to the County Executive and County Council.

Re: **AN AMENDMENT TO THE RECOMMENDATIONS ON THE FY 1999 OPERATING BUDGET FOLLOWING COUNTY COUNCIL ACTION**

On motion Mrs. Gordon and seconded by Ms. Signer, the following amendment was made:

Resolved, That the Board of Education amend the original recommendations on the FY 1999 Operating Budget with the Superintendent's Option 4, as follows:

Item	Positions	Amount
Improve classroom air quality		\$1,350,000
Provide additional student support specialists	7.0	337,750
Install security monitoring devices		150,000
Reduce oversize classes	25.0	981,125
Implement differentiated instruction	11.0	600,000
Restore inflationary cuts in textbooks & instructional materials		375,000
Limited English Proficiency	<u>14.1</u>	<u>700,000</u>
Total	57.1	\$4,493,875

Re: DISCUSSION

Ms. Signer asked how the funds in Option 4 would be utilized. She inquired if the funds would be used for Gaithersburg High School and Kensington-Parkwood Elementary School, among others, for air quality improvements. Mr. Fischer stated that the air quality problems at those two schools would be addressed.

Ms. Signer asked for clarification regarding the funds for differentiated curricula. Mrs. Gemberling explained that this was an opportunity to be responsive and proactive. There was a time when teacher specialists served schools directly. Only fifty percent of the schools do not have the service of instructional support specialists. The ability to differentiate instruction for individual students has not been resolved in MCPS. The intent was to select eleven exemplary classroom teachers who will work to help elementary teachers differentiate instruction throughout upper elementary grades for one year. Also, those teachers could train others to meet the needs of all students within the classroom. At the end of one year, if the pilot is successful, it could be continued or those positions could be reassigned for another initiative.

Ms. Signer asked for confirmation that the school system was reducing \$3.3 million in the Retiree Health Benefit Trust, \$2 million from the projections from the active employees' benefit plan, and \$500,000 from legal fees. Dr. Spatz confirmed those figures.

Regarding differentiated instruction, Mr. Felton asked if there were any flexibility to accommodate the eleven teachers and/or training and other options. Mrs. Gemberling stated that staff was looking for maximum flexibility in any proposal, but classroom support was essential. Master teachers would provide training for other teachers.

Mrs. King thought another point was the parent who asked for enriched instruction for his/her child. One of these specialists could work directly with the child to determine educational needs.

Ms. Gutiérrez had several questions, but wanted to make some general observations. She could not support Option 4. She thought it was a hodgepodge of different concepts that were not reflective of the Board's priorities. She found that Option 4 addressed finance issues and did not speak to the needs of the at-risk population. She stated that differentiated instruction was a gifted and talented support, not an at-risk support. Moreover, the reduction of oversized classes does not target at-risk students. She was not sure what the additional student support specialists were unless they dealt with behavior issues out of the classroom. Although there is a huge need for air quality improvement, there are funds in the aging school's grant. The Superintendent has put options before the Board in areas where the Board can come up with a better list that would reach \$4.5 million. She was not certain that the \$4.5 million was correct and the

other funding was so essential that the Board planned to leave it as recommended by the Superintendent in allocating \$7.5 million to utilities and employee benefit plans. However, she did not see this as the intent of the law and the Board's priorities. The intent of the grant for Limited English Proficient (LEP) goes further than the small increase in Option 4.

Option 3 contained items that were not clearly defined, and that made Option 3 unacceptable to the rest of the Board members. She would like the Board to consider going beyond accepting the options and suggest variations that were more reflective the Board's priorities.

Mr. Ewing noted that the Superintendent had done exactly what the Board had requested at its meeting on June 9, 1998. He identified those areas of business operations which are critical, and he suggested ways to use some of the state funds for programmatic needs of high priority. It was hard for the Board to understand when the state gives guidelines, the school system should not simply follow those guidelines as written. The state conveyed to the school system with criteria by which they would judge MCPS' plans for accountability and the staff thinks that the school system meets the state's criteria. At the same time, when the Council finished with the budget, there were some serious problems, particularly with the retirement contributions. Therefore, the Superintendent saw an opportunity to both meet the state's requirement and deal with critical business issues. He thought it made everyone uncomfortable and was very complicated, but the option that was on the table was reasonable given the circumstances.

Mr. Ewing asked about the \$3.3 million reduction in the retiree health contribution and whether or not it was reasonable and would it cost more in future dollars. Mr. Bowers replied that the fund would be depleted more quickly and the annual increases would be closer to \$4.3 million per year. Mr. Ewing asked if there were additional costs by postponing the payment. Mr. Bowers responded that the only costs would be loss of investment opportunities.

Mr. Ewing inquired what the total amount for legal services would be after the reduction of \$500,000 and how did that compare with actual expenditures in the current fiscal year. Mr. Bowers replied that it would reduce the special education legal services to \$1.3 million and it would be \$300,000 higher than the current fiscal year.

Mr. Ewing stated that the budget assumed that health care costs would rise by five percent, and he asked what the basis was for a lower estimate of two to three percent. Mr. Bowers answered that it was two fold: (1) current rates will be locked in until December 31, 1998, and (2) the changes made through the negotiation process will result in savings.

Dr. Cheung stated that he appreciated the state funding, but he wished they had included the school system in its decisionmaking to determine MCPS' needs. This was a continuous saga that the state provides targeted funding with unintended consequences. The Board and the Superintendent know the educational system better than the state's elected officials, the Maryland State Department of Education, the County Council, or the County Executive. They continually try to tell the Board where to expend funds rather than provide adequate funding. Dr. Cheung asked if the other Montgomery County agencies had received a greater percentage of funding. Mr. Bowers replied yes. Dr. Cheung continued that the Council supports education, but not with adequate funding. He appreciated that the Council did fund 99 percent of the budget, but that still was not serious support of the education system. The Superintendent had presented options that the Board asked for, and he supported Option 4.

Mrs. King stated that she had spent time reviewing the options and she commended the Superintendent and his staff for developing four options that addressed Board members questions. She thought Option 4 was the best compromise, and she supported that option.

Mr. Ewing had not heard the Superintendent's view of the options, and he asked the Superintendent if the school system could operate effectively with Option 4. Dr. Vance felt the original proposal was appropriate. However, it was apparent from conversations at the last Board meeting that Board members did not generally agree with that proposal. Each of the options appealed to him because of the priority issues, such as safe schools and classroom support. In reviewing all options, staff concluded that Option 4 was best.

Mr. Ewing had heard a Board member state that differentiated instruction was targeted to gifted and talented students, but that was not what had been done in the past. It had been used in schools with all students. Mr. Ewing asked what the intent was for differentiated instruction. Mrs. Gemberling responded that it was part of the discussion with the Board on on-level students, ESOL students, and mainstreaming special education students as well as gifted students. Differentiation reaches to the individual student and was the core of success for every student.

Ms. Gutiérrez urged the Board to consider a more strategic approach to finalize the budget. This year the Board and staff had been successful in placing an excellent and innovative budget before the Council with specific issues and initiatives. Also, the Board made supplement requests for funding outside the operating budget. Those requests, to name a few, were safe access for Burtonsville Elementary School, equipment for Montgomery Blair High School, and air conditioning. The unexpected allocation from the state should not be used in place of supplemental requests to the Council. She suggested keeping those items that were clear needs, but they should not be funded with state funds. The items in the state grant were things that MCPS desperately needed and were targeted to a population that desperately needs it. She was not suggesting that all the funds should

be spent exactly as the state recommended, but she would like that money brought closer to serving the at-risk students.

Re: **AN AMENDMENT TO THE RECOMMENDATIONS ON THE FY 1999 OPERATING BUDGET FOLLOWING COUNTY COUNCIL ACTION (Failed)**

On motion of Ms. Gutiérrez and seconded by Mr. Ewing, the following resolution failed with Ms. Gutiérrez voting in the affirmative; Dr. Cheung, Mr. Ewing, Mr. Felton, Mrs. Gordon, Mrs. King, and Ms. Signer voting in the negative:

Resolved, That the Board of Education substitute Option 3 but delete the amount of \$2.1 million (ESOL teacher ratio) and allocate it in the following manner: \$1,058,962 for Targeted Improvement Program (TIP); \$313,759 for Extended Elementary Education Program (EEEEP); \$65,933 for Early Intervention (extension of EEEP); and \$660,000 for aging schools grants.

Mr. Felton thought there had been a very positive and collaborative approach that resulted in tremendous support for the operating budget from the community at large. Staff had been extraordinary and responded to the Board's priorities. For the immediate future, the Board will have far greater needs than resources, but there was a commitment from the Board in their collaborative effort to assure that all critical needs are met.

RESOLUTION NO. 395-98

Re: **RECOMMENDATIONS ON THE FY 1999 OPERATING BUDGET FOLLOWING COUNTY COUNCIL ACTION**

On motion Mrs. Gordon and seconded by Ms. Signer, the following resolution was adopted with Dr. Cheung, Mr. Ewing, Mr. Felton, Mrs. Gordon, Mrs. King, and Ms. Signer voting in the affirmative; Ms. Gutiérrez voting in the negative:

WHEREAS, The Board of Education adopted an FY 1999 Operating Budget of \$1,035,831,965 on February 10, 1998; and

WHEREAS, The County Council approved a total of \$945,189,869 (excluding grants and enterprise funds), a reduction of \$11,221,323 from the Board of Education's request of \$956,411,192; and

WHEREAS, The County Council appropriated a total \$1,034,768,530 for MCPS, which is \$1,063,435 below the Board's requested budget of \$1,035,831,965; and

WHEREAS, The County Council understood that it may be necessary for the Board of Education to request categorical transfers as a result of the need to comply with the requirements of the additional state aid for programs not in the approved budget; and

WHEREAS, The Superintendent has submitted to the Board of Education a plan for the reorganization of the Office of Supportive Services; and

WHEREAS, The Superintendent has submitted to the Board of Education a plan for the transitional organization for FY 1999 of employee training and organizational development activities; and

WHEREAS, The County Council made reductions of \$1,063,435 from the various budget categories, as shown in the following schedule, in appropriating \$1,034,768,530 for the Board of Education's FY 1999 Operating Budget:

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Resolved, That based on an appropriation of \$1,034,768,530, that includes an appropriation of \$33,418,234 for enterprise funds and \$56,160,427 for restricted grants, approved by the County Council on May 28, 1998, the Board of Education amended the original recommendations on the FY 1999 Operating Budget with the Superintendent's Option 4, as follows:

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Total	57.1	\$4,493,875

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Resolved, That the Board of Education will request approval of the categorical transfers that are necessary in order to receive and expend supplementary state aid; and be it further

Resolved, That the Board of Education affirm its support for the negotiated agreements with its employees' organizations and for the increases in salary that they contain; and be it further

Resolved, That the Board of Education approve for FY 1999 the reorganization plan within the Office of Supportive Services as shown on Schedule B and the related reclassification of positions; and be it further

Resolved, That the Board of Education approve for FY 1999 the transitional reorganization of employee training and development activities as shown on Schedule C; and be it further

Resolved, That a copy of this action be transmitted to the County Executive and County Council.

Ms. Gutiérrez made the following statement for the record: "I oppose it because these are actions that are totally incongruent with the spirit and the definition of what we should be doing with the state allocated funding."

Re: POSTPONEMENT OF VOTE ON THE PENSION PLAN

Mr. Ewing noted that the Board anticipated having on its June 22 agenda the issue of teacher pensions and how to deal with the action taken by the General Assembly this year. He understood that Ms. Gutiérrez and Dr. Cheung would not be present that evening. He was concerned that a matter of this magnitude and significance would come before the Board for action when not all Board members were present. There had been a tradition on the Board for many years that when major issues come before the Board, efforts be made to ensure that all members would be present. Mr. Ewing asked that the pension matter be scheduled at a time when all Board members could be present. He thought it was too important to be decided when all Board members were not there.

Mr. Felton wanted to be sure that the Board had the kind of collaboration that it had committed itself to with this issue. He knew that there had been an attempt to collaborate with the employee organizations. He asked whether there was a sense that additional time would be needed.

Re: RESTRUCTURING OF DEPARTMENTS WITHIN SUPPORTIVE SERVICES

Ms. Gutiérrez pointed out that there was a major restructuring, and she asked what was intended by the Superintendent.

Mr. Fischer explained that the restructuring was an attempt to better communicate with customers. One issue was air quality and how staff responded to schools, parents, staff and students. As a result of the review, a team was established last summer and their report offered detailed suggestions: (1) move the Safety Office directly under the Associate Superintendent, (2) assign Dr. Carey as school system liaison regarding air quality, (3) move plant operations from the Department of Facilities Management to the Department of School Support Operations. The Division of Maintenance would cluster schools in order to meet their needs. The Department of Materials Management would identify two or three people to handle all calls.

RESOLUTION NO. 396-98 Re: **ADJOURNMENT**

On recommendation of the Superintendent and on motion of Mr. Felton seconded by Dr. Cheung, the following resolution was adopted unanimously by members present:

Resolved, That the Board of Education adjourn its meeting of June 16, 1998, at 8:40 p.m.

PRESIDENT

SECRETARY

PLV:gr

**MONTGOMERY COUNTY BOARD OF EDUCATION
SUMMARY SHEET**

June 16, 1998

AGENDA 1

**RECOMMENDATIONS ON THE FY 1999 OPERATING BUDGET FOLLOWING
COUNTY COUNCIL ACTION 1**

**AN AMENDMENT TO THE RECOMMENDATIONS ON THE FY 1999 OPERATING BUDGET
FOLLOWING COUNTY COUNCIL ACTION 3**

POSTPONEMENT OF VOTE ON THE PENSION PLAN 10

RESTRUCTURING OF DEPARTMENTS WITHIN SUPPORTIVE SERVICES 10

ADJOURNMENT 11