The Board of Education of Montgomery County met in special session at the Carver Educational Services Center, Rockville, Maryland, on Thursday, February 3, 2000, at 7:35 p.m.

ROLL CALL  Present:  Mrs. Patricia B. O'Neill, President in the Chair
                    Mr. Stephen Abrams
                    Mr. Kermit V. Burnett
                    Mr. Reginald M. Felton
                    Mrs. Beatrice B. Gordon
                    Mrs. Nancy J. King
                    Ms. Laura Sampedro, Student Board Member
                    Ms. Mona M. Signer
                    Dr. Jerry Weast, Secretary/Treasurer

Absent:  None

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

RESOLUTION NO. 46-00  Re:  CLOSED SESSION

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

WHEREAS, The Board of Education of Montgomery County is authorized by the Education Article and State Government Article of the Annotated Code of Maryland to conduct certain meetings or portions of its meetings in closed sessions; now therefore be it

Resolved, That the Board of Education of Montgomery County conduct a closed session on February 3, 2000, in Room 120 at 7:00 to 7:30 p.m. to discuss collective bargaining negotiations, as permitted under Section 10-508(a)(9) of the State Government Article and Section 4-107(d)(2)(ii) of the Education Article; and be it further

Resolved, That these portions of the meeting continue in closed session until the completion of business.

Re:  CLOSED SESSION

The Board of Education met in closed session from 7:05 to 7:30 p.m.
RESOLUTION NO. 47-00  
Re:  APPROVAL OF THE AGENDA

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

Resolved, That the Board of Education approve its agenda for February 3, 2000.

Re:  ANNOUNCEMENT

Mrs. O’Neill announced that Mr. Burnett hoped to return from a business trip and join the meeting in progress.

Re:  WORKSESSION ON THE SUPERINTENDENT’S RECOMMENDED FY 2001 OPERATING BUDGET

Each year, prior to the Board of Education’s action on the recommended operating budget, the superintendent proposes amendments to the requested budget to reflect information received since completing work on the budget in December. Dr. Weast proposed amendments that result in an increase in the FY 2001 Superintendent’s Recommended Operating Budget of $30,522,335 (from $1,188,451,875 to $1,218,974,210), including grants and enterprise funds. Those amendments were:

1. Tentative Agreements with Employee Organizations – $30,434,190
2. Building Services Staff – $88,145

Re:  BOARD COMMENTS

Ms. Signer said she was pleased with the budget. It addresses the needs of children and begins to recreate the infrastructure of the school system that was lost with the budget cuts in the early 1990s. The emphasis on early childhood education is particularly important. This budget would be a watershed not just for MCPS, but for school systems throughout the state, because of how MCPS implements new programs and whether they are successful.

Mr. Felton commended the Superintendent and staff for an aggressive and progressive budget that reflects the school system’s needs and illustrates that MCPS is committed to many of the challenges facing school districts throughout the nation. He was pleased to see an expansion of the early childhood education program. The key to academic achievement is high-quality teachers, and the school system would invest in that arena. The Board was at an opportune time to rebuild its capacity as a leading school district that provides technical support to schools for them to be successful. He was impressed with the quality of the plans and the collaboration and cooperation of staff with the community.
Mrs. Gordon said the budget was clearly an example of the philosophy of aligning the operating budget with priorities and goals of the school system.

Mrs. King thought the budget was unique because Board members had more input throughout the whole process and the Board’s priorities were built into the budget. There was nothing that she could add or take away. She commended the Superintendent and staff for working with the Board and community.

Mr. Abrams remarked that the budget was realistic and honest. It was not constructed in a vacuum and all parties were aligned, especially the County Executive and County Council. The employee groups were part of that reality, and the budget would be transmitted with all the school system’s needs reflected. Directing resources where they can do the most good is what this budget is about.

Ms. Sampedro was pleased with the budget and that it would implement best practices and new initiatives.

Re: BOARD QUESTIONS

Mr. Abrams asked about activity buses and students who miss classes to attend sports events. He noted that the present practice was to have the home school’s bus transport the team to the event, and then the bus returned to the school for its runs which lead to an earlier exit from class. He asked if it was feasible to reverse that, and have the host school send their bus to pick up the team. What was the impact of that suggestion?

Mrs. King asked for a breakdown in the activity fee, excluding middle school sports, and what went back to the high schools for activity buses. She asked for a breakdown for each school.

Mrs. Gordon thought the information on how the activity funds were spent at a representative number of schools was important. The members of the Montgomery County delegation might support the fee if they understood how the funds were expended on student activities. Mrs. O’Neill added that the letter sent to the Senate Delegation included school-by-school information. Mrs. Gordon thought it was important to point out that the funds were not just for athletics; principals also use the funds to support after-school activities related to the instructional program. Mr. Felton asked to what extent schools provided that information to parents.

Mrs. Gordon noted that she had submitted a request for staff to provide the following information for each of the new initiatives: what is the instructional basis for the program, research, data or experience; who will be responsible for implementation of each program; how will the program be implemented and evaluated; what measures will be used to
assess progress; what numerical gains do we expect to see in student performance for each of the next three years; how much will the bar be raised and the gap closed; how will the plan be implemented if not fully funded; and what is the implementation plan? Dr. Seleznow replied that research, data analysis, and experience were incorporated into the instructional initiatives when they were put together. Staff tried to build the instruction initiatives around a sound set of principles with staff training, a planning component, curriculum, assessment, and organizational design.

Mrs. Gordon asked if the school system would have targets for how much student achievement would improve. She assumed some of the measures would be the MSPAP, CRTs, CTBS, and, eventually, the high school assessment. How would the school system know when it had reached MCPS and state goals? Dr. Weast thought it was realistic to put everything together that would make a difference in student achievement, such as lower class size, higher expectations, staff development, increased teaching staff, curriculum, uniform grading, and accountability. All programs will be monitored to determine progress.

Ms. Signer noted that this budget was the right budget at the right time, and the Board was asking for a substantial amount of money to fund programs. She wanted to know not just how the school system would evaluate the programs, but what the expectation was of the programs. She asked if the system would set targets to move “X” number of points on CRTs in a particular year. Dr. Weast replied yes. When the system is fair, equitable, accountable, has a curriculum everyone understands, adequate teacher-student ratio, a high capacity teacher in every classroom, and technology at all levels, MCPS will have a better idea of the targets, including performance, productivity, and school climate.

Mrs. Gordon was concerned about the state’s standards. In fact, MCPS scores have continued to fall on the MSPAP. When MCPS implemented those improvements, especially in early childhood education, the third grade students taking the test and completing the reading initiative should move toward the state goal. She wanted to know how much the classroom, school, and system would improve. Using Simpson’s Paradox, Dr. Weast opined that the systemwide scores might continue to fall over the next two years; however, full implementation of the new programs in the 55 schools that were the most affected by a significant decline in student achievement would eventually raise scores and every child would be educated to his/her full potential. This budget was the first installment of a three-year plan.

Mr. Felton had concerns about accountability since the commitment had to be long term. However, the Board wanted some indication and information that suggested the school system was on the right track, whether it was the actual data of students in schools or national research indicating these types of programs have an impact. Dr. Weast replied that everything in the budget had been researched throughout the nation and had shown
significant improvement of student learning.

Mr. Abrams thought all the initiatives worked somewhere, but the Board did not know how it would work in Montgomery County. If there were results in one year, that would not be enough time on which to base a systemwide decision. He was pleased that the expectations from the County Executive and County Council were a recognition that this budget was a down payment and not the end.

Mrs. O'Neill knew the budget was focused on students' early years, but she was concerned about the state's high school assessments. Also, she was concerned about extremely oversized classes in high schools. She asked what the cost would be to eliminate all oversized classes at the high school and middle school level, and what the cost would be to reduce middle school English and math classes by one student. Mr. Abrams said that along with the operating costs, he wanted the capital costs. Dr. Spatz replied that the cost to reduce middle school English classes by one student would be $500,000 for 12 teacher positions; the cost to reduce middle school math classes by one student would be $490,000 for 11 teacher positions, and there were no capital costs. To reduce oversized classes, the cost would be approximately $3.1 million for 60 middle school and 60 high school teachers, and that increase would have capital budget ramifications.

Mr. Felton asked about student support by psychologists, pupil personnel workers, and counselors and the ratio in MCPS and in other school systems. He wanted to know when MCPS would address the issue to meet the national standard. Dr. Weast thought it was a serious concern, and the scheduled three-year plan will deal with capacity and instruction. If the finances become available, student support would be collapsed into the plan. Dr. Seleznow added that the school system would pilot Project Achieve in six schools. That program provides intense support to all students in the neediest schools. Dr. Weast thought the issue of more counselors could be addressed in next year's operating budget.

Regarding the Early Childhood Initiative and the Head Start program, Ms. Signer noted that the community-based 12-month program cost $9,000 per student, and the half-day school-based 10-month program cost $6,300. The Early Childhood Observation Record (ECOR) was used to assess rates of progress. She asked to what the school system attributed the difference in cost of those programs, and for a comparison of ECOR between the two programs. Would administration of the Head Start and EEEP programs be transferred to the county when there was a coordinator? Dr. Spatz replied that the community-based program was more expensive because it is a 12-month, full-day program. The cost of the school-based 10-month program was attributed to the use of certified teachers only in that program. Dr. Weast noted that it was difficult to compare the two programs based on certification requirements and the length of time of the two programs. Dr. Seleznow reported that meetings were underway to address the issue of
the county coordinator as well as the duties and responsibilities of that position.

** Mr. Burnett joined the meeting at this time.

Mrs. Gordon asked how professional development teachers for each school would be recruited, hired, and trained before the beginning of next year, and what the professional development plan would be for each school if the program was not fully funded. Dr. Seleznow replied that MCPS expected to start hiring staff in February and March. Staff was working with stakeholders to identify the skill set necessary for this position.

Mrs. Gordon asked what the contingency plan was if the professional development plan was not fully funded. Dr. Weast replied that the job description had been developed with national commissions, universities, and human resources staff. If the budget was funded at a lower level, the plan would be scaled back and to specific schools to demonstrate that it made a difference so that it would be fully funded in the following year.

Ms. Signer pointed out that it was not just the staff development teachers in every school. There also were mentors for new teachers and a teacher evaluation system that would have consulting teachers. She thought it would be helpful to have an explanation on how those positions would interrelate. Dr. Weast spoke to the implementation plan, which showed the interrelationships the interlocked functions. Dr. Seleznow thought the accountability system would tie all the pieces together.

Mr. Felton asked about the use of cell phones pending the installation of two-way radios on school buses. Mr. Bowers stated that the school system expected to receive the radios from the police department, but there had been a significant delay. New buses have two-way radios, as do 60 percent of all school buses.

Mr. Felton asked about female security assistants and their ability to deal with certain issues. Dr. Spatz replied that there are 25 women security assistants in 20 high schools. In the other schools, female staff are used in certain situations. Mr. Bowers stated that hiring more female security personnel is a priority of the school system.

Ms. Signer asked why the school system was not using performance measures for special education and ESOL students, and what the new staff model was in special education. Dr. Seleznow replied that there would be an audit of the accommodations for special education students and the exemptions that are given to special education and ESOL students. In the new accountability system, data for all students would be counted.

Ms. Signer asked about the $300,000 for the tracking system for the disproportionate number of African-American students in special education. Some special education advocates do not feel that is the best use of the funds. Previously, the Board had
discussed reevaluating those students, and Ms. Signer asked if the school system was proceeding with the reevaluation. Would the tracking system be able to do something that would not be done through the computerized IEP data system? Dr. Bryant stated that the Milestone H action plan would notify parents of African-American students in special education about the issues of overrepresentation and their right through the normal process of annual review to request reevaluation. The tracking system would collect data on referrals, strategies, EMT notes, annotations, and accommodations and would be the precursor of the IEP data. Eventually, this system could be used to monitor all students.

Mr. Burnett asked why the tracking system was separate from the IEP system, and why data are only available by a field to get information on the origin, teacher, issue, and race. Dr. Bryant replied that the IEP system was in the development stage. Second, the tracking system was separate from special education since many students had difficulty based on academics or behavior. If the EMT team developed an intervention plan, the student might never be referred for special education.

Mrs. King noted that seven schools had higher educational loads than other schools, and she asked what the cost would be to add 3.5 full-time reading teachers for those schools. Dr. Weast replied that the reading teachers in the budget would be distributed to the schools with the highest educational loads.

Mrs. Gordon asked about teacher recruitment and retention and signing bonuses. Which teacher positions were considered shortage areas, and were there other positions MCPS had difficulty filling? Dr. Spatz replied that several counties were considering signing bonuses. Other staff shortages included substitute teachers, bus drivers, and user support specialists.

Mrs. Gordon noted that other districts offering bonuses were in competition with MCPS for teachers. If MCPS were to offer a bonus, what would be the dollar amount? Regarding bilingual psychologists and counselors, what would be sufficient staffing and signing bonuses be appropriate? Dr. Arons replied that the counties with the most competition had signing bonuses last year and that did not affect the hiring of MCPS staff. What most affects teacher hiring are salary scales, staff development opportunities, tuition reimbursement, and working conditions.

Mrs. Gordon noted that past practice to limited the step at which MCPS could hire teachers, even though there should be flexibility on an as-needed basis. Dr. Arons stated that the salary cap would be retained but there would be an opportunity to address exceptions such as critical shortage fields, outstanding teachers in any field, and teachers with special skills. Dr. Weast thought the school system should be aggressive in offering good salary scales and retaining good teachers. Many of the recommendations of the Recruitment and Retention Workgroup’s report would be implemented.
Ms. Signer inquired about the $1.5 million in the Global Access budget for a support system for accountability. What was the timeline for the development, implementation, and creation of this system? Ms. Marks replied that staff was in the process of identifying project and technical managers to develop the RFP this spring. Mr. Bowers added that staff was moving aggressively on the project since this system is critical for accountability. Ms. Signer asked if school-based staff would help develop the specifications and how the system would interface with the Student Information System (SIS). Mr. Bowers explained that SIS was the key for the data and would be integrated into the system. Dr. Weast added that MCPS did not have a good relational database. With a relational database, the school system would have data on which to base all of its decisions and the database would be tailored for all users, such as principals, teachers, administrators, Board members, and, hopefully, parents.

Mrs. Gordon noted that the State of Utah had requirements for grades and homework, and the data available online. There was a presentation of that system before the Board four years ago. Mr. Felton added that NSBA had technology conferences available to staff and Board members.

Mrs. Gordon asked if there were sufficient funds in the budget for all students to have graphing calculators. Dr. Spatz replied that the $200,000 in the FY 2001 operating budget would not be sufficient for student needs. Mrs. Gordon inquired what amount would be sufficient. Mr. Bowers replied that it would be $600,000.

Mrs. Gordon asked how much it would cost to extend the work year for teachers by one month to provide staff development and extended year employment. She inquired about paraprofessional staff to assist counselors, how staff determined the salary grade, and how that compared with the guidance secretary. She asked to what extent high schools allow ninth graders to take biology rather than Matter and Energy, and which schools offer something other than Matter and Energy. She also asked to what extent conflict resolution and peer mediation existed in middle schools, and what it would cost to have those programs in all middle and high schools. She inquired about a full-day kindergarten program in the Wheaton Cluster and asked to what extent special education and ESOL advisory committees have been involved in the development of high school assessment at the state level.

Ms. Signer inquired about the employee benefit plan with $3.35 million, an increase in projected costs for the health programs for retirees, and if the trust would be depleted by 2005. The County Council directed the school system to spend down this trust. Did any portion of the $3.35 million include funds to replenish some portion of the retiree benefit trust? Ms. Signer asked if the $485,000 was for the unfunded accrued liability, and if the budget contained funds for the retirement supplement.
RESOLUTION NO. 48-00  Re: MONTGOMERY COUNTY PUBLIC SCHOOLS EMPLOYEES’ RETIREMENT AND PENSION SYSTEM ACTUARIAL ASSUMPTIONS

On recommendation of the Audit Committee and on motion of Mr. Abrams seconded by Ms. Signer, the following resolution was adopted unanimously:

WHEREAS, The Montgomery County Public Schools Employees’ Pension System was established effective January 1, 1980, to provide supplemental benefits to Montgomery County Public Schools employees who participate in the Maryland State Teachers’ Pension System and full benefits to Montgomery County Public Schools’ employees not eligible to participate in the Maryland State Teachers’ Pension System; and

WHEREAS, The plan requires the actuarial valuation of the plan be conducted each year; and

WHEREAS, The superintendent of schools and the plan actuary are expected to review the assumptions used to conduct the annual actuarial valuation from time to time to ensure that the assumptions are realistic and reflect actual plan experience where applicable; and

WHEREAS, The plan actuary has conducted a comprehensive experience study and recommended that assumption changes outlined on Attachment #1 be used when preparing the annual actuarial valuation; and

WHEREAS, The Board of Education Audit Committee has reviewed the proposed assumption changes and agrees with the recommendation of the plan actuary; and

WHEREAS, The recommended assumptions reflect actual plan experience and will ensure that Montgomery County Public Schools continues to properly fund the plan; now therefore be it

Resolved, That beginning with the actuarial valuation for the plan year ending June 30, 1999, the Montgomery County Public Schools’ Employees' Retirement and Pension System plan actuary use the new assumptions contained on Attachment #1 of this resolution to produce the annual actuarial valuation of the plan.
On recommendation of the Audit Committee and on motion of Mr. Abrams seconded by Ms. Signer, the following resolution was placed on the table:

WHEREAS, The Montgomery County Public Schools Employees' Pension System was established effective January 1, 1980, to provide supplemental benefits to Montgomery County Public Schools employees who participate in the Maryland State Teachers' Pension System and full benefits to Montgomery County Public Schools employees not eligible to participate in the Maryland State Teachers' Pension System; and

WHEREAS, The Maryland Legislature enacted House Bill 406 which was signed into law by Governor Glendening in May 1999, mandating that the Board of Education provide a supplemental benefit to Montgomery County Public Schools employees covered by the Maryland State Teachers’ Pension System; and

WHEREAS, House Bill 406 requires the Board of Education to pay for the benefit enhancement from assets of the Montgomery County Public Schools Employees’ Retirement and Pension System Trust; and

WHEREAS, The plan actuary has determined that there are sufficient unrecognized gains available to fund the benefit enhancement without jeopardizing the fiscal integrity of the Montgomery County Public Schools Employees’ Retirement and Pension System; and

WHEREAS, The Board of Education Audit Committee has reviewed options with staff and the pension plan actuary; now therefore be it

Resolved, That the benefit enhancement provided by House Bill 406 be funded by reducing previously unrecognized gains in plan assets by $4.7 million pursuant to Alternative 2 (reduce unrecognized gains by $4.7 million, thereby funding the benefit enhancement now rather than over time); and be it further

Resolved, That the plan actuary be directed to take the necessary steps to prepare a final actuarial valuation reflecting this action.

On motion of Mr. Abrams and seconded by Mrs. King, the following amendment was placed on the table:
Resolved. That the benefit enhancement provided by House Bill 406 be funded by reducing previously unrecognized gains in plan assets by $4.7 million pursuant to Alternative 1 (increase the plan’s unfunded actuarial liability by $4.7 million) subject to legislative concurrence.

Re: DISCUSSION

Mrs. King seconded the motion for discussion. If it was not agreeable to the legislators, she would not support the motion.

Mr. Abrams stated that the difference between Alternative 1 and 2 was whether the school system would adhere to the policy that it had followed to eliminate the unfunded pension liability. Steps to date had moved the plan from a 20-percent unfunded liability to being 99-percent funded. In Alternative 2, the school system deferred closing the gap and took funds from the pension fund rather than the operating budget. Under either case, the figure would be below what was currently in the budget. The question was whether the Board had the authority to adopt Alternative 1. Alternative 1 adhered to the Board’s policies to remove unfunded pension liability and retain local control.

Mr. Felton was opposed to the amendment based on the FY 2001 operating budget, which was aggressive for student achievement. Alternative 1 would remove $400,000 from the budget and the pension fund could absorb the cost this year. He would support Alternative 2.

Ms. Signer would not support the amendment. When this issue was before the legislature, it was clear that they felt it should and could come from the pension fund and not compete with classroom initiatives.

Mrs. Gordon was puzzled by the procedure since the Audit Committee had recommended Alternative 2. When the Senate had a lengthy discussion, they asked whether there would be agreement if the funds did not come out of the classroom.

Mrs. O’Neill stated she would not support the amendment. The legislature was in the process of correcting previous legislation.

Mr. Abrams responded that an opinion from the Attorney General stated that the legislative intent was unclear and a correction was required. He felt strongly about this issue because MCPS staff had recommended Alternative 1 as the more prudent treatment of a pension trust fund.
Re: AMENDMENT TO THE MONTGOMERY COUNTY PUBLIC SCHOOLS EMPLOYEES’ RETIREMENT AND PENSION SYSTEM PLAN FUNDING

On motion of Mr. Abrams and seconded by Mrs. King, the following amendment failed with Mr. Burnett, Mr. Felton, Mrs. Gordon, Mrs. King, Mrs. O’Neill, and Ms. Signer voting in the negative; Mr. Abrams voting in the affirmative:

Resolved, That the benefit enhancement provided by House Bill 406 be funded by reducing previously unrecognized gains in plan assets by $4.7 million pursuant to Alternative 1 (increase the plan’s unfunded actuarial liability by $4.7 million) subject to legislative concurrence.

RESOLUTION NO. 49-00 Re: MONTGOMERY COUNTY PUBLIC SCHOOLS EMPLOYEES’ RETIREMENT AND PENSION SYSTEM PLAN FUNDING

On recommendation of the Audit Committee and on motion of Mr. Abrams seconded by Ms. Signer, the following resolution was adopted with Mr. Burnett, Mr. Felton, Mrs. Gordon, Mrs. King, Mrs. O’Neill, and Ms. Signer voting in the affirmative; Mr. Abrams abstained:

WHEREAS, The Montgomery County Public Schools Employees' Pension System was established effective January 1, 1980, to provide supplemental benefits to Montgomery County Public Schools employees who participate in the Maryland State Teachers' Pension System and full benefits to Montgomery County Public Schools employees not eligible to participate in the Maryland State Teachers' Pension System; and

WHEREAS, The Maryland Legislature enacted House Bill 406 which was signed into law by Governor Glendening in May 1999, mandating that the Board of Education provide a supplemental benefit to Montgomery County Public Schools employees covered by the Maryland State Teachers' Pension System; and

WHEREAS, House Bill 406 requires the Board of Education to pay for the benefit enhancement from assets of the Montgomery County Public Schools Employees' Retirement and Pension System Trust; and

WHEREAS, The plan actuary has determined that there are sufficient unrecognized gains available to fund the benefit enhancement without jeopardizing the fiscal integrity of the Montgomery County Public Schools Employees' Retirement and Pension System; and

WHEREAS, The Board of Education Audit Committee has reviewed options with staff and the pension plan actuary; now therefore be it
Resolved, That the benefit enhancement provided by House Bill 406 be funded by reducing previously unrecognized gains in plan assets by $4.7 million pursuant to Alternative 2 (reduce unrecognized gains by $4.7 million, thereby funding the benefit enhancement now rather than over time); and be it further

Resolved, That the plan actuary be directed to take the necessary steps to prepare a final actuarial valuation reflecting this action.

RESOLUTION NO. 50-00  Re:  ADJOURNMENT

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

Resolved, That the Board of Education adjourn its meeting of February 3, 2000, at 10:25 p.m.

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PRESIDENT

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SECRETARY

JGW:gr