

APPROVED REPORT

REPORT OF THE WORK SESSION ON THE PROPOSED FISCAL YEAR 2008 OPERATING BUDGET RECOMMENDATIONS

Wednesday, January 23, 2008
Greenwood

The Board of Education of Baltimore County, Maryland, met in open session at 6:59 p.m. at Greenwood. President JoAnn C. Murphy and the following Board members were present: Mr. John A. Hayden, III, Mr. Earnest E. Hines, Mr. Rodger C. Janssen, Ms. Ramona N. Johnson, Ms. Mary-Margaret O'Hare, Mr. Joseph J. Pallozzi, Mr. H. Edward Parker, Jr., Ms. Joy Shillman, and Miss Audrey Dittman. In addition, Dr. Joe A. Hairston, Superintendent of Schools, staff members, as well as the media were present.

Ms. Murphy reviewed the purpose of the meeting and thanked staff for its work on preparing the information presented this evening. She also noted that the Board office has received over 1,000 emails requesting salary increases.

Dr. Hairston asked Mr. J. Robert Haines, Deputy Superintendent, and Ms. Barbara Burnopp, Chief Financial Officer, to review the proposed budget and process.

Board member, Ms. Donna Flynn, entered the room at 7:01 p.m.

Ms. Burnopp explained the design and structure of the work session book, which summarizes each budget item by performance goal, redirects, and one-time items. Ms. Burnopp reviewed the revenue and expenditures for the proposed budget totaling \$1,184,361,788.

With respect to salaries and wages, Mr. Janssen asked whether Baltimore County Public Schools (BCPS) has the same number of employees in 2008 as it did in 2005. Ms. Burnopp responded the numbers represent an increase in employees and an increase in base salaries.

Mr. Hayden asked how BCPS salary proposal compares to other LEAs' proposed salaries. Ms. Burnopp stated that this information would be furnished to the Board.

Mr. Hines asked whether the Operation of Plant percentage had been increased. Ms. Burnopp responded that the cost as a percent of the budget tends to remain constant. Mr. Hines asked whether the Maintenance of Plant figures have changed over the last two years. Ms. Burnopp responded that it was exactly 2.5% last year.

With respect to fixed charges and instructional salaries and wages, Mr. Janssen asked whether fixed charges were a percentage of hourly wages. Ms. Burnopp responded that some are percentages and some are fixed costs. Mr. Janssen asked whether a substantial increase in the fixed cost number would result from a salary increase. Ms. Burnopp responded fixed costs would increase approximately 7.65%.

Next, Ms. Burnopp reviewed the summary of requests and how these requests relate to *Blueprint for Progress* Performance Goals 1 through 8. All budgets are developed using estimates; therefore, the budget is fluid until adopted by the county council. Ms. Burnopp noted three changes since the presentation of the budget on January 8:

- BCPS used legislative audit numbers, developed during the special session, when developing the budget request. BCPS has been informed by MSDE that it will receive \$11.7 million, more than the initial estimate, from state funding. These additional funds have not been taken into account in the budget presented January 8.
- A redirected fund of \$8.9 million was placed into the budget to protect 121 FTEs previously funded by Third Party Billing and the Pass-through grant. In addition, MSDE has notified BCPS that the Center for Medicare and Medicaid services has proposed further cuts. This would mean that BCPS could lose another \$3.3 million and that the Infants and Toddlers Program could be cut approximately \$250,000.
- A BCPS charter school draft funding formula was provided to the Board. BCPS would need to double the money for the first year of the charter school to maintain teachers until the student enrollment patterns are established.

Ms. Murphy explained the Board would address each of the eight performance goals and then ask questions or express concerns about budget items related to that goal.

Performance Goal 1

With respect to the base budget increase for extra duty activities, Mr. Hayden asked for a comparison of BCPS proposed salaries to proposed salaries in other local jurisdictions.

Ms. Johnson asked how many students have completed the AVID program. Dr. Jessie Douglas, AVID District Coordinator, responded that approximately 600 students have completed the program. With the addition of four middle schools and four high schools to AVID, Ms. Johnson asked how many students would AVID serve. Dr. Douglas responded each school recruits 25 students per beginning class. This would be the first year the AVID program would begin in middle schools commencing with grade 6. Ms. Johnson noted that BCPS should expand AVID to its most challenging schools. Dr. Douglas responded that Woodlawn High School has two AVID classes for each grade level. Dr. Douglas also noted that some schools have voluntarily expanded the program by using creative scheduling and staffing. Ms. Johnson asked why the school system would add the AVID program to non-challenged schools. Dr. Douglas responded that the school system looks at the individual student and not necessarily school performance. There are students in non-challenging schools that need this program. Ms. Johnson stated that the school system needs to look at expanding the AVID program at Milford Mill Academy, Woodlawn High, and Randallstown High Schools. Board members Parker and Hayden echoed Ms. Johnson's comments.

Mr. Janssen expressed concern that the total increase in career and technology education positions was not keeping up with the cost of living increases. Ms. O'Hare and Mr. Hayden concurred with Mr. Janssen.

Ms. Johnson asked what supplies are necessary for the Chinese Language Program. Ms. Janet Newberry, Supervisor of World Languages, responded that funding includes instructional materials for this program and the cultural exchange program. Ms. Newberry stated that the program would expand across the county to ten schools and that there would be five middle school-to-high school feeder patterns. Ms. Newberry also noted that research shows that students who study a different foreign language have high reading and math SAT scores. Ms. Johnson expressed concern that the school system is not putting resources where they are needed the most. Ms. Newberry stated that all students are required to have two foreign language credits for graduation.

Mr. Hines stated that the school system needs to evaluate each program to determine efficacy. Dr. Hairston stated that there is a request in the budget for additional research positions to address this issue.

Ms. Johnson asked if plans have been established for the restructuring of Lansdowne Middle, Southwest Academy, and Woodlawn High schools. Ms. Burnopp responded that the plans are still being developed and that the budget estimates \$150,000 per school. Once the final plan has been submitted to the superintendent for review, it will then come before the Board for approval.

Performance 2

Ms. O'Hare was amazed that \$166,700 was needed to translate literature and BCPS documents into various languages.

Performance 3

Ms. Shillman asked whether differentiated pay rates exist for substitute teachers based on qualifications. Ms. Burnopp responded that she would obtain the information and forward it to the Board.

Mr. Pallozzi proposed that the Board give a 2% salary increase to teachers. Ms. Burnopp stated that a 1% salary increase for TABCO would be an additional \$5.2 million and a 1% increase for all employees would be an additional \$7.9 million.

Mr. Hayden asked what happens when an employee no longer has step increases. Ms. Burnopp responded that this depends on the union and its salary scale. Some of the scales have longevity steps while some scales have gaps. Mr. Hayden asked how many years to the last step on the TABCO scale. Ms. Burnopp responded 26 years. Mr. Hayden concurred with Mr. Pallozzi's suggestion and proposed a 2% COLA increase for all employees.

Performance Goal 4

Ms. Flynn asked why the school system is asking for 13 additional positions at the Crossroads Center. Dr. Hairston responded that the 13 positions are an adjustment that was made this year and needs to be built into the FY 09 budget.

Mr. Janssen asked for clarification on the stipend payments for new school nurses. Ms. Burnopp responded that it is for training ten-month nurses during the summer months.

Performance Goal 5

With respect to the Virtual Instruction Program, Ms. Murphy asked how many students would be enrolled and whether performance data exists. Mr. Dale Rauenzahn, Executive Director of Student Support Services, responded there are currently 32 elementary students, 36 middle school students, and 38 high school students (with no seniors) in the program. Students have performed well in the program. Completion rate for elementary and middle schools is currently 40%, and high school students have a 60% completion rate. Attendance rate for all students is 95%. Mr. Rauenzahn stated that the final cost of the program would depend on the results of a competitive bidding process that would come to the Board for approval.

Ms. Flynn asked if the school system would be adding to the cost in Home and Hospital. Mr. Rauenzahn responded that BCPS would pay for additional time, which would be more than six hours a week. He stated that while the school system would be adding to the cost, BCPS would have a better service and better education for those students in the program.

Mr. Hayden requested per pupil state revenues for comparison with the cost of the Virtual Instruction Program.

Performance Goal 6

No questions were asked by Board members.

Performance Goal 7

Ms. Flynn asked about the \$79,500 one-time charge. Ms. Burnopp responded this funding provides for statistical software in the Office of Research, Accountability, and Assessment.

Ms. Shillman requested a breakout by salaries, benefits, and contracted services for the director, specialist, and coordinators for the Office of Research, Accountability, and Assessment. The total request is \$735,847.

Mr. Hayden suggested redirecting \$150,000 from the Office of Research, Accountability, and Assessment to have an individual reporting directly to the Board of Education. This position has been effectively used in other jurisdictions. Mr. Janssen concurred with Mr. Hayden's suggestion.

On page 143 of the proposed operating budget, Mr. Janssen inquired about the increase of approximately \$1.1 million for instructional salaries and wages. Ms. Burnopp responded that this funding is a stipend for teachers who complete professional development during the summer months.

In regards to Mr. Hayden's previous suggestion, Ms. O'Hare recommended adding funds to the budget for a Board Specialist while not redirecting funds from the Office of Research, Accountability, and Assessment.

Performance Goal 8

Ms. Shillman asked if the enterprise grade book software was being phased out. Mr. Michael Goodhues, Chief Information Officer, responded that an effort is underway to buy a system-wide enterprise system for all schools.

Other Requests

No questions were asked by Board members.

One-time Requests

Ms. Flynn requested detailed information regarding the \$7 million for textbooks. Ms. Burnopp stated that this information would be forwarded to the Board.

Ms. O'Hare and Ms. Johnson requested data on the 100 Book Challenge Program and the *Language!* Program. Ms. Johnson stated she would like to see this information prior to voting on the budget.

Ms. Shillman inquired about the Advantage Human Resources system upgrade. Ms. Burnopp responded that this software upgrade would bring the human resources system in line with the financial system.

Mr. Hayden inquired about the emergency asbestos testing request of \$300,000. Mr. Michael Sines, Executive Director of Physical Facilities, responded that this funding is for routine inspections of all buildings. This inspection is required by the Environmental Protection Agency (EPA) every three years.

Ms. Burnopp reviewed the timeline and next steps in the operating budget process.

With no further questions, Ms. Murphy adjourned the work session at 8:41 p.m.

Respectfully submitted,

Joe A. Hairston
Secretary-Treasurer

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