

**TENTATIVE MINUTES****BOARD OF EDUCATION OF BALTIMORE COUNTY, MARYLAND**

Tuesday, November 23, 2010

The Board of Education of Baltimore County met in open session at 4:05 p.m. at Greenwood. President Earnest E. Hines and the following Board members were present: Mr. Rodger C. Janssen, Ms. Ramona N. Johnson, Mr. George J. Moniodis, Ms. Mary-Margaret O'Hare, Mr. H. Edward Parker, Ms. Valerie A. Roddy, Lawrence E. Schmidt, Esquire, and Mr. David Uhlfelder. In addition, Dr. Joe A. Hairston, Superintendent of Schools, was present.

The Board entertained oral argument in Hearing Examiner's Case #11-16. The matter was heard in closed session.

In addition to the above listed Board members, the following persons were present for oral argument: Dr. John Quinn, Acting Associate Superintendent, Curriculum and Instruction; Ms. Michele O. Prumo, Chief of Staff; Dr. Carol Batoff, Superintendent's Designee; Mr. Carl Love, Title I/Homeless Liaison; Anjanette Dixon, Esquire, Associate General Counsel; J. Stephen Cowles, Esquire, Associate General Counsel; Officer James Johnson, Police Officer serving as Security Officer; Andrew W. Nussbaum, Esquire, Legal Counsel to the Board of Education; and Ms. Brenda Stiffler, Administrative Assistant to the Board of Education. The Appellant did not attend.

The proceedings of the hearing were recorded by a court reporter.

Board members deliberated on the case without staff present.

The deliberation was concluded at 4:28 p.m.

On motion of Mr. Parker, seconded by Mr. Uhlfelder, the Board adjourned at 4:28 p.m.

**OPEN SESSION**

The Board of Education of Baltimore County met in open session at 5:00 p.m. at Greenwood. President Earnest E. Hines and the following Board members were present: Mr. Rodger C. Janssen, Ms. Ramona N. Johnson, Mr. George J. Moniodis, Ms. Mary-Margaret O'Hare, Mr. H. Edward Parker, Ms. Valerie A. Roddy, Lawrence E. Schmidt, Esquire, Mr. David Uhlfelder, and Mr. Rohan Goswami. In addition, Dr. Joe A. Hairston, Superintendent of Schools, and staff members were present.

Mr. Hines reminded Board members of community functions and Board of Education events scheduled in November and December.

Pursuant to the Annotated Code of Maryland, State Government Articles, §§10-508(a)(1), (a)(7) and (a)(9) and upon motion of Ms O'Hare, seconded by Mr. Schmidt, the Board commenced its closed session at 5:05 p.m.

### CLOSED SESSION MINUTES

The Board of Education of Baltimore County, Maryland, met in closed session at 5:05 p.m. at Greenwood. President Earnest E. Hines and the following Board members were present: Mr. Rodger C. Janssen, Ms. Ramona N. Johnson, Mr. George J. Moniodis, Ms. Mary-Margaret O'Hare, Mr. H. Edward Parker, Ms. Valerie A. Roddy, Lawrence E. Schmidt, Esquire, and Mr. David Uhlfelder. In addition, Dr. Joe A. Hairston, Superintendent of Schools, and the following staff members were present: Ms. Michele Prumo, Chief of Staff; Dr. John Quinn, Acting Associate Superintendent, Curriculum and Instruction; Ms. Karen Blannard, Assistant Superintendent, Elementary Schools; Ms. Patricia Lawton, Assistant Superintendent, Elementary Schools; Ms. Melissa Whitstead, Assistant to the Assistant Superintendent, Elementary Schools; Ms. Abbey Campbell, Assistant to the Assistant Superintendent, High Schools; Dr. Roger Plunkett, Assistant Superintendent, Accountability and Supervision; Dr. Alpheus Arrington, Director, Human Resources; Mr. George Duque, Staff Relations Manager; J. Stephen Cowles, Esquire, Associate General Counsel; Andrew W. Nussbaum, Esquire, Counsel to the Board of Education; and Ms. Brenda Stiffler, Administrative Assistant to the Board.

Mr. George Duque, Staff Relations Manager, provided Board members with an update on negotiations with various collective bargaining units.

Dr. Arrington reviewed with Board members personnel matters to be considered on the evening's agenda.

Board member, Mr. James E. Coleman, entered the room at 5:23 p.m.

On motion of Mr. Parker, seconded by Mr. Schmidt, the Board adjourned its closed session at 5:24 p.m.

### OPEN SESSION MINUTES

The Board of Education of Baltimore County, Maryland, reconvened in open session at 6:30 p.m. at Greenwood. President Earnest E. Hines and the following Board members were present: Mr. James E. Coleman, Mr. Rodger C. Janssen, Ms. Ramona N. Johnson, Mr. George J. Moniodis, Ms. Mary-Margaret O'Hare, Mr. H. Edward Parker, Ms. Valerie A. Roddy, Lawrence E. Schmidt, Esquire, Mr. David Uhlfelder, and Mr. Rohan Goswami. In addition, Dr. Joe A. Hairston, Superintendent of Schools, and the media were present.

### PLEDGE OF ALLEGIANCE

The open session commenced with the Pledge of Allegiance to the Flag, which was led by Mr. Aaron Chotikul, a student from Towson University, followed by a period of silent meditation for those who have served education in the Baltimore County Public Schools (BCPS).

Mr. Hines informed the audience of the sessions in which Board members had participated earlier in the afternoon.

### SPECIAL ORDER OF BUSINESS

Mr. Hines announced that the BCPS Comprehensive Annual Financial Report (CAFR) is published annually after completion of the annual audit of the Board's financial statements. The fiscal year 2010 CAFR included the artwork of BCPS high school students and these students would be recognized at the Board meeting when the CAFR is presented. Each participating student receives a U.S. savings bond. The student who received recognition was:

- Jeremy Michael Jirsa – Patapsco High School and Center for the Arts

### PERSONNEL MATTERS

On motion of Mr. Parker, seconded by Ms. O'Hare, the Board approved the personnel matters as presented on exhibit B (A copy of the exhibit is attached to the formal minutes).

### WORK SESSION REPORTS

The Board received the following reports:

- A. **Board of Education Policies** – Mr. Coleman reported that the Board of Education's Policy Committee had met to consider the policies presented this evening, and that the committee is recommending approval of these policies. This is the first reading.

- Proposed Changes to Policy 1230 – COMMUNITY RELATIONS:  
Communication with the Public-Area Education Advisory Councils

Under Section VII, Advisory Chair, Ms. Roddy asked why an individual must serve at least two years to become a chair when the term limit is three years. Ms. Michele Prumo, Chief of Staff, responded that the language "must serve at least two (2) years on an AEAC" was not revised and is part of the current policy.

WORK SESSION REPORTS (cont)

Under Section VIII-B, Functions, Ms. Roddy asked why an advisory council would need to refrain from discussing individual schools. Ms. Prumo responded that this is the current language in the policy and no change is being proposed. Ms. Roddy stated that she would need to think about recommending a change to the current language.

- Proposed Deletion of Policy 4158 – PERSONNEL: Professional-Holidays
- Proposed Deletion of Policy 4234 – PERSONNEL: Classified-Reduction in Force
- Proposed Deletion of Policy 4234.1 – PERSONNEL: Classified-Reduction in Force, Bus Drivers and Attendants
- Proposed Deletion of Policy 4265 – PERSONNEL: Classified-Salary Recognition for Advanced Training, General
- Proposed Changes to Policy 7110 – NEW CONSTRUCTION: Planning-Determining Needs

Mr. Schmidt asked why the determining factors are being reduced instead of expanded. Ms. Kara Calder, Executive Director of Planning and Support Operations, responded that this policy has not been revised since its adoption in 1969. Some of the enumerated factors proposed for deletion are duplicative or no longer used. Mr. Schmidt stated that, under the current policy, one of the factors the board would consider in a boundary change would be “true economy reflecting full value for each tax dollar expended” which is being recommended for deletion. Mr. Schmidt stated that he would like to see an expansion of the factors and possibly retaining some of the factors recommended for deletion.

Ms. O’Hare stated that the language regarding development would have no bearing on this policy given current county practice. Mr. Schmidt stated that the county’s development regulations require that there can be no development plan approval if it is within an overcrowded area. Mr. Schmidt stated that it would be incumbent upon the Board to review at the county’s planning and zoning posture. Ms. Calder stated that those factors are reviewed by strategic planning when looking at development. BCPS looks at how existing student numbers contribute to state and county funding approval, particularly in construction projects.

- Proposed Changes to Policy 7330 – NEW CONSTRUCTION: Financing-Capital Projects that are Funded by Private Donations

WORK SESSION REPORTS (cont)

- Proposed Changes to Policy 7530 – NEW CONSTRUCTION: Occupying-Naming of a Capital Project or Area of a School

**B** **FY2010 Comprehensive Annual Financial Report (CAFR) and Single Audit Report** - Mr. Rodger Janssen, Chair of the Budget and Audit Committee, presented the fiscal year 2010 financial and single audit report and the management letter to the Board. He noted that the auditing firm of Clifton and Gunderson had reviewed all the reports and findings in detail with the Budget and Audit Committee members and staff. Mr. Janssen stated that the Board received an “unqualified opinion” on the CAFR, which is the greatest level of assurance that an auditor can give to indicate that the financial statements of an organization are not materially misstated.

Although the Single Audit Report contained six findings, Mr. Janssen stated that staff has already developed and/or implemented corrective action to address the finding. Status updates regarding the progress made toward resolution of the findings will be presented at future Budget and Audit Committee meetings during the remainder of this fiscal year. Mr. Janssen noted that the auditors have considered all prior year findings to be resolved.

**C.** **Update on Fiscal Year 2012 Operating Budget**– Ms. Barbara Burnopp, Chief Financial Officer, shared with Board members the challenges facing the school system with the upcoming operating budget. Ms. Burnopp reviewed the revenue sources, which include:

- 54.8% of General Fund from Baltimore County.
- 42.2% of General Fund from the state of Maryland.
- BCPS has no authority to tax, bond, or issue debt service.

Revenue reductions could include:

- Reduction in federal stimulus revenue.
- Possible distribution of pension costs from the state to counties.
- Possible funding again at Maintenance of Effort (MOE) level but not beyond.

Ms. Burnopp reviewed with Board members examples of the FY2012 budget study items, which included, but may not be limited to:

- EYE, EDA, RF
- 5% Reduction in office budgets
- 5% Reduction in school budgets
- Limit summer school programs

WORK SESSION REPORTS (cont)

- Library books
- Computer purchases
- Schools emerging from restructuring
- Classroom teachers

Three possible scenarios regarding the budget, based on the financial climate likely facing the school system in FY12 were presented to Board members.

<b>FY 2012 Operating Budget</b>			
<b>Preliminary Estimates - 10/07/10</b>			
<b>(in millions)</b>			
<b>REVENUE AND EXPENDITURE PROJECTIONS</b>	<b>FY2012</b>	<b>FY2012</b>	<b>FY2012</b>
<b>over/under from FY2011</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>
	<b>#1</b>	<b>#2</b>	<b>#3</b>
<b>REVENUE</b>			
State	\$ -	\$ 4.76	\$ 9.67
Revenue Adjustment for Enrollment	2.05	2.05	2.05
Federal Stimulus	(\$19.36)	(\$19.36)	(\$19.36)
County Funding above MOE	0.00	6.61	13.23
<b>TOTAL REVENUE</b>	<b>\$ (17.31)</b>	<b>\$ (5.94)</b>	<b>\$ 5.59</b>
<b>EXPENDITURES</b>			
Compensation	\$ 16.10	\$ 16.10	\$ 16.10
Teacher Staffing for Enrollment Growth	0.85	0.85	0.85
Health Insurance/OPEB/FICA/Workers' Comp.	5.61	5.61	5.61
Special Education Paraeducators on ARRA Funding	3.20	3.20	3.20
Total Built-In, Mid-Year Add and Redirect Costs	0.43	0.43	0.43
George Washington Carver Center Start-Up Costs	1.00	1.00	1.00
Total Master Plan Goals and Objectives	1.00	1.00	1.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 28.19</b>	<b>\$ 28.19</b>	<b>\$ 28.19</b>
Percentage of FY2011 General Fund Budget	-3.80%	-2.80%	-1.90%
<b>PROJECTED BUDGET SHORTFALL</b>	<b>\$ (45.5)</b>	<b>\$ (34.1)</b>	<b>\$ (22.6)</b>

Mr. Hines asked that, if the numbers are aggregated, whether it would bring the school system close to the adjusted figure. Ms. Burnopp responded that the school system may be able to get to projection #3. She stated that every year the county or county council has increased the turn-over rate. Therefore, BCPS would have to generate turn-over.

WORK SESSION REPORTS (cont)

Mr. Uhlfelder asked what the risk is of not maintaining the MOE. Ms. Burnopp responded it depends upon the amount of state funding. If the state is willing to provide us with significant resources, then the county may not be eligible to receive those dollars.

Mr. Janssen asked whether the county would consider increasing the MOE since there is an agreement that there would be no furloughs or layoffs of bargaining unit employees for fiscal year 2012. Ms. Burnopp responded that the school system has been instructed by the budget office to work towards a MOE budget. Mr. Janssen stated that he hopes there are no plans to increase classroom sizes. Ms. Burnopp stated that several options are being studied and the results would be forthcoming.

Ms. O'Hare asked how the teacher pensions would affect the school system if funds were transferred to the county. Ms. Burnopp responded that none of the projections include teacher pensions and that the projected budget shortfall could double.

- D. **Report on Fraud Hotline** – Mr. Janssen reported to Board members on the school system's anti-fraud program. He noted that the Association of Certified Fraud Examiners recently completed its 2010 Global Fraud study of occupational fraud that occurred worldwide between January 2008 and December 2009. Occupational fraud may be defined as: "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets."

The Board and the Superintendent recognize the need to prevent and detect fraud within BCPS. Some of the components of an anti-fraud program include:

- The establishment and implementation of internal controls through Board of Education policies and Superintendent Rules,
- The existence of an Internal Audit department, and
- The existence of an Anonymous Fraud Tipline.

Mr. Janssen stated that BCPS will convert its Anonymous Fraud Tipline to a third party confidential hotline. Some key benefits of a third party hotline include:

- 24/7/365 system availability.
- Multi-lingual telephone-based contact center.
- Anonymous web reporting.

WORK SESSION REPORTS (cont)

- Reliable capture of all relevant reported data by individuals who undergo 4 criminal background checks and a minimum of 160 hours of relevant training.
- Fully configurable call script to ensure comprehensive data collection.
- Real-time dialogue with reporters available through secure, anonymous web chat technology.
- Automated workflow that ensures report routing to the appropriate investigative officer within the organization.
- Complete audit trail that captures all actions associated with resolution activity.
- Allowing the reporter to provide additional information anytime throughout the process.
- Custom pre-defined set of responses to external web and phone reporters; upload and attach document capabilities to substantiate any stakeholder report.
- Summary tables and charts displaying the number of reports by language, implication of management, source, management awareness, report intake method, duration of infraction, request for anonymity, issue type and security level.
- Compliance with privacy and reporting requirements.

Mr. Janssen noted that updates on the third party hotline will be communicated at future Board meetings.

Mr. Schmidt asked whether the school system knows the number of incidents or dollars lost. Mr. Janssen responded that the Office of Internal Audit has the data. Mr. Uhlfelder stated that based upon the number of employees and the total budget, the incident number is small. Mr. Uhlfelder noted that the hotline receives calls for incidents other than fraud.

INFORMATION

The Board received the following as information:

- A. Third Party Billing Annual Report for 2009-2010
- B. Financial Report for months ending September 30, 2009 and 2010
- C. Joint Area Education Advisory Council Meeting Minutes for October 27, 2010
- D. Southeast Area Education Advisory Council Pre-budget Operating Meeting Minutes of October 11, 2010.



### ANNOUNCEMENTS

Mr. Hines made the following announcements:

- The Northwest Area Education Advisory Council will hold its next meeting on Tuesday, November 30, 2010, at Scotts Branch Elementary School beginning at 7:00 p.m.
- The Board of Education of Baltimore County will hold its next meeting on Tuesday, December 7, 2010, at Greenwood. The meeting will begin with an open session at approximately 5:00 p.m. The Board will then adjourn to meet in closed session. The open session will reconvene at approximately 7:00 p.m. The public is welcome to all open sessions.

On motion of Mr. Parker, seconded by Ms. Johnson, the Board commenced administrative function at 7:30 p.m.

### ADMINISTRATIVE FUNCTION

The Board of Education of Baltimore County, Maryland, met in administrative function at 7:33 p.m. President Earnest E. Hines and the following Board members were present: Mr. James E. Coleman, Mr. Rodger C. Janssen, Ms. Ramona N. Johnson, Mr. George J. Moniodis, Ms. Mary-Margaret O'Hare, Mr. H. Edward Parker, Ms. Valerie A. Roddy, Lawrence E. Schmidt, Esquire, Mr. David Uhlfelder, and Mr. Rohan Goswami. In addition, Dr. Joe A. Hairston, Superintendent of Schools; Andrew W. Nussbaum, Esquire, Counsel to the Board of Education; and Ms. Brenda Stiffler, Administrative Assistant to the Board were present.

The Board discussed its agenda for the December 7, 2010, Board meeting.

On motion of Ms. Roddy, seconded by Mr. Schmidt, the Board adjourned its administrative function at 8:50 p.m.

Respectfully submitted,

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Joe A. Hairston  
Secretary-Treasurer

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