

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

July 24, 2012

A meeting of the Montgomery County Board of Education Fiscal Management Committee was held at the Carver Educational Services Center in room 120 on Tuesday, July 24, 2012. In attendance were:

Members: Mr. Philip Kauffman, Chair
Mr. Christopher Barclay, Member
Mr. Michael Durso, Member
Ms. Shirley Brandman, President

Staff: Mr. Larry A. Bowers, Chief Operating Officer
Mrs. Susanne DeGraba, Chief Financial Officer
Ms. Robin Confino, Executive Director, Chief Operating Office
Mr. Jonathan Grabel, Chief Investment Officer, Department of Financial Services
Mr. Zvi Greismann, Attorney, Legal Services
Dr. Marshall Spatz, Director, Department of Management, Budget and Planning
Ms. Laura Steinberg, Staff Assistant, Office of the Board of Education
Ms. Stephanie Williams, Director, Department of Policy, Records and Reporting

Guests: Ms. Essie McGuire, Senior Legislative Analyst, Montgomery County Council

The meeting was called to order by Mr. Philip Kauffman, chair, at 2:00 p.m.

Approval of May 14, 2012 Meeting Minutes

The meeting minutes of May 14, 2012, were approved as submitted.

Legal Services

Staff provided a thorough description of the “as is” state of legal services in Montgomery County Public Schools (MCPS). Currently, legal services are provided by contract attorneys although the Department of Special Education uses in-house counsel. The Legal Oversight and Decision (LOAD) team oversees legal services from a systemwide perspective while the Legal Management Team reviews specific cases, mainly in the personnel area. Several key staff members in senior positions are attorneys and/or have legal backgrounds and provide support and training. The Principal Handbook provides up-to-date legal information for issues that frequently arise at the school or departmental level. Trend data for external counsel was presented which show a decrease in expenditures over time.

Staff said that special education legal costs have declined primarily because of expanded program offerings, increased training, compliance monitoring and trouble shooting by in-house special education legal staff, as well as creation of the Dispute Resolution Committee.

Six public school systems with in-house counsel were contacted. Information about organizational structure, budget/staffing and functions was provided. Among the key themes that emerged was a belief that in-house counsel contains costs and improves efficiencies, provides the opportunities for both formal and informal advice, and allows for more consistent recommendations. However, systems also reported that processes must be in place to manage access to legal staff, as well as to deflect questions about non-legal or unrelated issues.

Committee members said that they believe in-house counsel would enhance current processes as the position would add a preventative aspect not currently in place. Staff cautioned that the roles and responsibilities of an in-house counsel must be clearly defined, that the challenge will be finding a qualified person who is a good fit, and that costs will likely not be reduced, and that expected outcomes must be made explicit.

The Committee charged Board staff to contact both Board members and administrative staff in the six systems to gather additional information about the benefits and challenges of their in-house legal services structure.

Monthly Financial Report Format

Staff presented a draft revision to the Monthly Financial Report. Revisions were made based on feedback in the Inspector General's report on Montgomery County Public Schools and in collaboration with County Council staff. Key areas of revision include information on actual year-to-date expenditures, greater detail on surpluses and deficits, and expanded narratives regarding types of expenditures and sources of revenue. Council staff shared that revisions will likely be an iterative process and cautioned that in the short term the process may result in more questions being asked by Council members.