

Testimony Before the Board of Education Regarding FY2007 Operating Budget January 19, 2006

by Mark R. Adelman, Chair, Education Committee, Montgomery County Civic Federation

Good evening. Thank you for allowing the Civic Federation extended time this year to comment on the proposed Operating Budget. I will still try to keep my oral presentation concise; the more extensive written version will be posted to the Civic Federation Website. We urge you and others to read the full document: the devil is always in the details!

We are NOT here to request you make drastic cuts in the proposed budget. Many members of, and delegates to MCCF, are part of the 75% of the taxpaying public that does NOT have children in MCPS. Nevertheless, we recognize the importance of high-quality education for all the children in Montgomery County and we are willing to pay the cost. We also recognize that MCPS does a pretty good job. When we criticize you it is because we believe that you can do better, for all our kids. To borrow on a commonly-stated theme, we want you to raise the bar even higher and narrow the gap much more.

To the many comments you will have received by the time this hearing process is completed, we offer four specific suggestions. Two will involve spending MORE money, two will result in LOWER expenditures. Taken together these changes will largely constitute a "wash". But they will enhance how well you are able to achieve our shared goals.

Details: We are all aware that most of the MCPS budget (about 90%) is for the costs of hiring and retaining high quality teachers and staff. Similarly, we understand that most of the remaining 10% is already implicitly committed to "standard" operating costs. So we have paid most attention to small cost elements, the adjustment of which we believe will have significant positive impact on the quality of the job that you and MCPS do.

FIRST and most important: We urge you to enlarge the staff of the Office of the Board of Education. Based on your own discussions, the external study you commissioned, and research we have conducted, we believe you should add at least two, and possibly three, more staff members, to help you with the tasks of analyzing MCPS expenditures (and future budgets), evaluating the effectiveness of MCPS programs and initiatives, and conducting research as to novel approaches and best practices being employed in other school systems. This recommended change will add an estimated \$150,000 to \$200,000 to the budget, a small amount in comparison to the overall size of projected expenditures and the enormous responsibility we have given you by electing you to this oversight body.

Details: We have attended several of the meetings of your Committee on Communications and Public Engagement as you have worked on revising Policies BNA and BNB. We have been impressed with your dialogue about the many additional tasks you would like to see your staff take on. We have attempted to research how other Boards of Education meet their staffing needs and now realize that this is NOT an easy question to answer. Perhaps the most relevant information we have found is that the Board of Education of Fairfax County has a staff of ten, whereas your staff numbers seven. Thus the Fairfax BoE has some 43% more staff than you, yet their school system has only about 18% more students. We believe that you need at least two, and possibly 3 more staff to help you do the job. [We used the staff salary numbers on page 5 of Chapter 9 to come up with our estimate of the cost of adding 2-3 more staff members, but, of course, the exact numbers will depend on what mix of full-time and part-time staff you decide to add, as well as what level of staff experience and expertise you recruit.] And we note that the independent report you commissioned, by the Center for Organizational Excellence, came to very similar conclusions, producing an organizational chart with 9 staff positions. We recognize the pride that you take in holding administrative costs to a minimum, but we question the wisdom of such cost savings when it comes to assuring the Board Office can properly serve your many needs. We also question just how "real" these administrative cost savings are, because careful reading of the Superintendent's Recommended FY 2007 Operating Budget reveals a number of puzzling blanks. Your own budget table (Chapter 95) shows NO cost item for Utilities: surely you must heat your offices and use electricity. Where do these costs appear? Similarly, your budget shows NO cost items for media or any kind of publications. Nor does the budget of the Office of the Superintendent (Chapter 9-10) or the Department of Communications (Chapter 9-16). Where is one to find the cost of publishing the budget books we are here to discuss? You can understand our difficulty in attempting to determine such numbers (*vide infra*). And our concern that you need more staff to help you analyze the projected MCPS budget EACH year if you are to

perform the oversight function for which we elected you.

SECOND: We urge you to allocate more funds specifically to the task of catching up on repair of bathrooms in our schools. The constancy of complaints regarding this problem over the years, and the number of Emails we have received about it in the past few weeks is ample evidence that more work is needed. Some have commented that a significant part of the problem is due to student vandalism: if that is so, you should make sure that your programs targetting violent behavior stress the point that violence against school property is as unacceptable as is violence against people. But even if some of these maintenance backlogs are due to inappropriate behavior of a few students, that cannot be used to justify forcing all students to suffer the kinds of indignities of which we have been made aware. How much more should be spent on routine maintenance of bathrooms? The absence of appropriate line items in the proposed budget makes it impossible to come up with a "clear fix" number. If our information is correct and you have projected cutting two staff positions for plumbers, you could make a realistic start on the problem by restoring those positions and allocating additional funds for materials needed in this area. A somewhat arbitrary recommendation of \$150,000 for enhanced bathroom upkeep seems reasonable.

Details: We understand that you have budgeted some \$5.4 million over the next 4 years in the CIP for restroom renovations, but this does not address the kind of routine repairs to stall doors, toilet seats, etc. that should be part of operating costs. Although all MCPS staff with whom we have spoken were friendly and seemed desirous of helping us, none was able to give us any estimate of how much is budgeted for restroom repairs during FY 2007. The index to this budget contains no entry for bathrooms, restrooms, or repairs. We presume the costs are part of the maintenance budget (Chapter 7-67), but it contains no line item for this. There is an indication that two maintenance plumber positions are to be eliminated (Chapter 7-66), which seems unwise. We base our recommendation of an additional \$150,000 in expenditures on our experience with the cost of supplies such as toilet seats, locks, and consumable supplies, as well as our sense of the salary value of a skilled and effective plumber. If a realistic effort can be made to reduce the backlog in restroom repairs with a lower expenditure, we would be delighted to see the cost estimates. And an appropriate commitment, in the text of the voluminous budget book, to addressing this problem.

So much for spending more, now for compensatory reductions:

THIRD: We urge you to save between \$25,000 and \$100,000 by reducing expenditures for production of publications such as this Citizens Budget and this FY2007 Operating Budget. The exact amount that can be saved is, admittedly, difficult to estimate because we have found it essentially impossible to come up with a figure for what is currently being expended. Indeed, this failure to convey much needed information is a consistent element of these documents. As we have observed before, they are largely propaganda pieces and their self-congratulatory tone is, frankly, embarrassing. While we recognize the need for, and value, of some cheerleading, we question the wisdom of expending funds on such publications when there are so many unmet needs in the school system.

Details: We presume that most of the cost of production and distribution of these budget books lies in the budget of the Electronic Graphics and Publishing Services division (Chapter 5-4ff). Our discussions with people in that division, and others knowledgeable about it, convince us that EGPS is doing excellent work, taking pride in the quality of its services and its cost-cutting initiatives. But because of the way costs are assessed throughout MCPS it is probably unrealistic, absent a FOIA request, to expect a true dollar value for the cost of these publications to be forthcoming. We have used the MCPS website for some information (it is a very cost-effective tool and could be improved by adding a number of elements to the FAQ page [<http://www.mcps.k12.md.us/departments/budget/faq.shtm>], a task with which we would be happy to help) and numerous calls to helpful staff. Again, we have had to rely on the numbers we were able to ascertain (13,000 copies of The Citizens Budget brochure, 1200 copies of the Superintendent's Recommended FY 2007 Operating Budget) along with estimates from commercial sources (suitably reduced to reflect the efficiencies achieved by EGPS) to arrive at our estimates. And, again, if we are wrong, we would appreciate being educated as to the true cost of these budget documents. And by the way, it might also be interesting to get a number for the cost of the Superintendent's Budget Rollout Event.

FOURTH: During our testimony on the Capital Budget, we criticized your insistence on building a new school on the Kendale Road site rather than upgrading the existing Seven Locks ES. We promised to return to this matter during these hearings, with comments on the cost of Debt Service in the Operating Budget. Alas, these publications provide no information on the cost of Debt Service. Imagine, then, our surprise when we learned that the cost of paying off debts incurred to construct our schools appears NOT in the MCPS Budget, but rather in the County Operating Budget. Given that the money (some 100 million dollars this year) comes out of the

same pocket (ours), that it is a small amount compared to the overall MCPS budget, and that none of us questions the need to build schools for our kids, why even discuss it? Because a very simple calculation shows that, since we pay about 6% each year to retire the debt for such construction, for every million dollars we borrow, we spend \$60,000 dollars in debt service. As you know, there is still considerable debate as to how much more it is going to cost us to build Kendale rather than upgrade Seven Locks. Absent firm numbers, the guesstimates vary widely, ranging from less than nothing to more than \$10 million. Using a range on the low side (\$1-\$5 million), we arrive at the conclusion that some \$60,000 to \$300,000 of taxpayer money may be spent each year to pay down the debt on this one ill-advised construction project. Save that money, and the funds being spent to produce these uninformative budget publications, and you may have saved enough to pay for the increased expenditures for BoE staff and fixing bathrooms we are recommending.

Details: Our numbers regarding debt service come from the Montgomery County FY06 Approved Operating and Capital Budgets (Chapter 3, page 29 shows the FY04 Debt Service on Public Schools was about \$84 million) and from staff at OMB who informed us that the numbers for the current year indicate a debt service of about \$100 million on Public Schools. The debt service rate appears to be fairly steady at 6%. As to the relative costs of a new school on the Kendale site vs. the cost of appropriate upgrading of Seven Locks ES, we face the same level of uncertainty as the citizens who have been trying for so long to obtain complete cost estimates. Many questions remain to be answered. We are especially concerned about the difficulty they have experienced in getting information regarding costs of such "County" expenses as road construction and environmental impact mitigation, now that we understand how the debt service on school construction is part of the County Budget, rather than the MCPS budget.

We hope that you will see the logic and wisdom in our recommendations. And that you will modify the proposed Operating Budget accordingly. And that the County Executive will recommend full-funding of the modified budget to the County Council. So that, when we testify before the Council, we can comment on your responsiveness to citizen input and our confidence that the money being requested is wisely budgeted to maximize the likelihood of achieving our shared vision - giving all of our children the best education we can afford them.

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