

BOARD OF EDUCATION COMPENSATION COMMISSION
Meeting Minutes – Meeting Nine
December 2, 2019
Executive Office Building, 101 Monroe Street – 2nd Floor
Rockville, Maryland

Attendance

Members Present:

Jaye Espy, Chair
Ting Chau
Jennifer Sawin
Mark Spradley, Vice Chair
Jason Washington

Staff Present:

Dale Tibbitts, Spec. Asst. to the County
Executive
Beth Gochrach, Office of the County Executive

1. Call to Order

Chair Espy called the meeting to order at 7:14 PM.

2. Roll Call

All five commissioners were present.

3. Adoption of Minutes

The November 25, minutes were reviewed and approved with amendments.

4. New Business

a. Commission Compensation Recommendations

Chair Espy opened the discussion asking the Commissioners for their compensation recommendations. She recommended an annual salary of \$50,000 for Board members, and (an additional 10%) \$55,000 for the Board president. For the student she recommended a \$40,000 scholarship, and a stipend of \$10,000.

The other Commission members stated their recommendations.

Cm Washington recommended an annual salary of \$50,000 for Board members, and (an additional 20%) \$60,000 for the Board president. For the student he recommended a \$40,000 scholarship, and a stipend of \$10,000, but tied to a cost of living adjustment (COLA). He recommended indexing the Board salaries to the State COLA use to index state legislators' salaries, and noted that he recognized that it will take four years for the Commission's recommendations to be effective.

Cm Sawin recommended an annual salary of \$50,000 for Board members, and (an additional 16%) \$58,000 for the Board president. She noted that currently the president makes 16% more than the Board members. For the student she recommended a \$40,000 scholarship disbursed over four or five years, and a stipend of \$10,000.

Cm Chau recommended an annual salary of \$60,000 for Board members and (an additional approximately 8-9%) \$65,000 for the Board president. For the student she recommended a \$40,000 scholarship, and a stipend of \$10,000.

Vice Chair Spradley recommended an annual salary of \$60,000 for the Board members and (an additional 20%) \$72,000 for the Board president. He recommended indexing the Board salaries to 120% of the state legislators' salaries. For the student he recommended a \$48,000 scholarship and a stipend of \$12,000 (both of which were 20% more than the recommendations of the other Commission members).

There was extensive discussion about the structure of the compensation for the student Board member. It was suggested that the scholarship of \$40,000 be disbursed for up to a six-year period, with no more than four disbursements, building in a caveat for potential "gap" years when a student might not be attending college. Commission members disagreed about the suggestions and thought it was too complex a scheme. It was asked what would be appropriate if the student member did not attend college, and noted that the legislation didn't charge the Commission with finding a solution for student Board members who don't go to college. It was suggested that the \$40,000 be disbursed on a pro rata basis to be used for up to six years for a four-year education.

It was then suggested that the Commission not provide a rigid timeframe for the disbursement, and that it should be based on the student's matriculation schedule. Commission members disagreed about that and suggested that for budgeting purposes there should be a cutoff. The six-year limit was suggested again, to be added as a footnote in the recommendation language, stating something like, "The Commission recommends no longer than a six-year disbursement period, while it would normally be expected to be disbursed over four years, " but this would allow for up to six years.

It was asked whether, in a budget, scholarship funds would be kept in escrow, and whether there needed to be a "clean sweep" each year. Staff Tibbitts said that the fund balance was rolled over each year. Concern was raised that if all funds are available to the student on day one, would it defeat the purpose of spreading out the disbursement so that the student continues to be supported past the first year. It was noted that also depends on the school. Some colleges might accommodate the student and not decrease the financial aid the school offered, but other schools may want to apply all of the \$40,000 scholarship in the first year, requiring the student to forego other grants and incur more debt later. It was asked if the Commission could, if the scholarship money was in escrow, recommend embedded stipulations in language of the law. They could recommend up to \$10,000 per year or pro rata over up to six academic years. That would accommodate issues with trimesters and quarters, as well as gaps and internships. The Commission could put that in the report and delegates accept or reject the recommendation.

Concern was expressed that if the scholarship is time-limited and not used in 10 years then the student would lose it, which was thought to be unfair. The Commissioners brainstormed a number of ideas: An alternative is not to offer the scholarship and have the Commission recommend compensation only, and let the student (or the student's family) pay taxes. Another would be not to put the expiration date in, just draw it down, and when it's gone it's gone. Another suggestion was to rollover the scholarship after six years and provide a payout of the unspent funds, but that might create an incentive to take a lump sum at the end of the six years. Another suggestion would be to let drawdowns be at the student's discretion for continuing education costs. There was discussion about various college aid packages and application forms, and college savings plans, parental income and the impact on total college financial aid package. The Commission doesn't want the student to forgo financial aid or run into increased difficulty in subsequent years because they were able to contribute more in the first year.

It was suggested that the Commission strongly recommend the student compensation be a split of a stipend and a scholarship. The Commission would make the recommendation given the lack of specificity in the bill establishing the Commission's mission, meaning that the language did not specifically address a student stipend.

Chair Espy stated that she hoped the recommendation would be implemented, especially for the student because it's important to recognize the value of the student contribution and see that they get good educations. The student Board members have gone above and beyond. Cm Sawin noted, for example, that night student Board member Nate Tinbite was holding a town hall at Kennedy High School, and previously did another town hall. Also, look at Prince Georges County where the Commission has been advised student Board members are getting a \$40,000 scholarship. This can provide more context for the increased stipend, as would possibly noting that the cost of attending the University of Maryland for one year as a resident on campus is over \$26,000. The Commissioners feel there is plenty of justification. Use an 80/20 split for scholarship to stipend, then decide on the base amount. The scholarship should be a minimum amount of \$40,000 or 80% of a Board member's salary. It was decided to make a two part recommendation for the student. The floor will be \$40,000 and the ceiling will be \$60,000.

“The Commission voted on recommending that the student member of the Board receive a scholarship of the greater of 80% of the publicly elected Board members’ salary or \$40,000. The Commission also voted that the student Board member receive 20% of the publicly elected Board members’ salary as a stipend. The Commission unanimously approved both recommendations.”

There was discussion about finalizing the recommendation for the salary of the publicly elected Board members. Commissioners Chau and Spradley had recommended \$60,000. The Commission heard from Board members that it is a full-time position based on the many responsibilities and number of hours worked per week, and only having two weeks' off. There is an argument that it is effectively a full-time position. It was suggested not to characterize the positions as full-time or part-time.

Commission members discussed factors suggesting the higher salary, such as the cost of living in Montgomery County, the fact that this is a County, not state, budget issue, increasing the salary would increase the candidate pool and attract candidates with a wide range of experience, expertise, and hopefully more diversity. There was discussion of benchmarking to the County's new teacher salary which is in the \$50,000 range for 10-month teachers. It was suggested that the recommendation be tied to survey responses, where generally, higher salaries were suggested even while respondents assumed that the Board members worked fewer hours than the Commission determined from their conversations with current and former Board members. Commission members also discussed tying the salaries to a certain percentage of legislators' salaries. It was determined not to benchmark to any one point, because there is not a clear nexus, but use the data as context.

The Commission eventually concluded that \$60,000 was appropriate. It was decided that the president, who currently receives an additional 16% of the member's salary should receive \$70,00 because the individual in that position has several additional responsibilities.

The Commission voted on recommending that the publicly elected members of the Board receive \$60,000 annually, indexed for COLA in the future using the State formula, and that the president of the Board receive \$70,000, also indexed.. The Commission unanimously approved the recommendation.

b. Draft Executive Summary

Chair Espy opened the discussion of the executive summary and members reviewed the executive summary in its partial draft.

It was suggested to use bullet points and a one to two sentence conclusion.

The Commission should get the executive summary to Del. Luedtke no later than December 4.

The delegation will need 40 copies of the testimony. The testimony doesn't need to be exactly the same as the executive summary.

At the hearing there are a number of bills, and there is no specified time. Staff Tibbitts will check and see if there is an estimated time for the Commission to give its testimony. Usually, only one designee from each commission can testify. The speaker usually acknowledges the other commissioners, which shows the delegation that the Commission understands the seriousness of its mission and that the testimony is supported by all the members.

The meeting was adjourned at 8:56 PM.

Respectfully submitted,

Beth Gochrach