

**Open Work Session
Discussion with Board of Education
December 15, 2020**

Dr. Donna Hanlin, Superintendent of Schools; Mr. Micah Stauffer, Chief Finance and Operations Officer; Mr. Gene Malone, Chairman of the Board of Education; and Mrs. Liesl Ashby, Director of Planning and Construction, came before Council. Dr. Hanlin said, in the audience are Jesse Reid, Comptroller; Mr. Mike Murray, Vice Chair of the Board; Board Members Mr. Alan Brown, Mr. John Palmer, and Anne Suthowski; and Board Member Mr. Donald Fitzgerald is joining them through Zoom videoconference. Dr. Hanlin then passed out her agenda and said Mrs. Ashby and Mr. Stauffer will work together to provide a presentation on the capital improvement program, and then they will share a summary of their legislative audit, and they will end with an update on their return to school action plan.

Capital Improvement Program

Mrs. Ashby said, on behalf of the Superintendent and the Board, she was asked to be here today to give an overview of the Board's capital program, and this was a little bit of an effort because it is a combination of about four different presentations that have been given over the last four months. She said there are three things they want to focus on today. She said proactive planning leads to better budgets, and, in order to implement stronger projects, they are sized accordingly. She said a lot of time is invested in planning the budget to go along with that in order to deliver those projects.

Mrs. Ashby said the overall capital improvement program consists of two integral components, the first part being the educational facilities masterplan (EFMP), which is assessing the issues affecting school facilities. She said it is the foundation of the program where data is gathered, analyzed, and used to prioritize facility needs. She said the second part is the capital improvement plan (CIP) that establishes project timelines along with anticipated projected funding needs. She said the Board's EFMP and CIP are both available on the Board's website, and were reviewed in detail in separate Board Work Sessions, which are also available on the website.

Mrs. Ashby said the EFMP is broken out into some key elements – special initiatives; projected enrollments, specifically capacity; facility needs index; and facility needs that are requiring capital expenditures. She said they have several data indicators they utilize to analyze facility needs. She explained, within the EFMP is a scorecard for each facility, and it highlights these key indicators, the first being the facility condition index (FCI) that measures the physical conditions of the facility. She said the program index (PI) measures the ability of a building to meet instructional program needs from a space standpoint. She said facility quality index (FQI) is a combination of FCI and PI, and is used as a quick tool to look at overall building quality. She said then there is utilization, which measures a school's capacity.

Referring to her slide, Mrs. Ashby said these are the two facility needs indexes, and the first one is for major capital. She said there are three weighted categories, and FQI is rated the highest, and includes utilization and FTE. She said the goal is to address schools with the highest number of students combined with condition needs. She said the facility needs index is more focused on condition and utilizes utilization. She said FCI is weighted the highest focusing on the systemic components of each school. She said the goal is to address schools with the highest systemic needs in order to keep a building from moving higher on the capital improvement side. She said the major capital improvement list often correlates to the systemic list with many of the same project needs identified as top priorities.

Mrs. Ashby said, with so many competing priorities across 24 buildings, it is important to leverage limited funding as efficiently as possible. She said, although she mentioned all of the indicators, today they are really going to focus on the FCI. She said their team is tasked with prioritizing these various needs to address building conditions without sacrificing programs, and the challenge is whether it will be sustainable moving forward. She said, in the interest of time, she is going to focus on the FCI today, which comes from third party independent facility condition assessments. She said the Board initiated assessments starting back in 2008, and the reassessments were done over the past two years. Referring to her slide, she said the buildings highlighted in green were reassessed with onsite inspections, and the buildings highlighted in blue, the newest schools, were assessed based upon as-built drawings and specifications, and that was done to save some money. She said Beaver Run, Mardela, and Fruitland Primary were not assessed due to significant project needs already identified in the capital plan.

Mrs. Ashby said Jamie Clark with Accruent, the Board's FCI consultant, along with their Facilities Planner, gave a more detailed overview of this process and assessment data at last week's Board meeting, and is available for viewing on the Board's website. She said the assessment team was composed of licensed architects and engineers, and, with the exception of the newest schools, they were physically visited to identify each system and document its remaining useful life, and all data is tied to establish building standards, as highlighted in her slide. She said two of the standards they want to highlight are RSMMeans, which is updated annually, and utilizes minimum construction cost data, and also the Building Owners and Managers Association (BOMA) is utilized for life expectancy of building systems and equipment.

Mrs. Ashby said she will go through current replacement value, what that is, and how it is calculated; what FCI is, and what its benchmark is; the requirement categories and priorities; and cost estimates – what is included and adjustment factor.

Mrs. Ashby said the current replacement value is the sum of an asset system replacement value. She clarified, in their world, asset is a building. She said it is derived from RSMMeans construction data, and is localized to the nearest major city, which for them is Baltimore.

Mrs. Ashby said FCI is a simple ratio of the cost of the asset's improvement needs identified as needed and in the year requirements divided by the asset's calculated replacement value. She explained, it is an indicator of condition and can be used to benchmark along consistent industry standards. She said the lower the FCI, the better the building's overall condition. She said for several years they have been using a green-yellow-red approach - green means better, yellow means caution, and red means there are significant investments. She said the one key takeaway in this scenario with FCI is that lower is better.

Mrs. Ashby said the requirement categories are the "why" and include integrity, regularity, and optimization, and prioritize is the "when", and there are four clear categories which include currently critical, potentially critical, necessary/not yet critical, and not time based.

Mrs. Ashby said the cost estimates are developed using the RSMMeans. She said the FVA facility is the database by which their information is located, and is adjusted by a location factor to account for either increases or decreases in the material and labor for local markets, which can fluctuate greatly. She said the base cost estimates include material and labor to renew, so it is just contracting costs. She said the base RSMMeans data includes single trade, and the final estimates include a 1.61 adjustment factor to account for general contracting overhead and profit for capital project costs, so for them that is 1.61.

Mrs. Ashby said her next slide breaks out what they own by elementary, middle and high school levels. She clarified, they have 24 school buildings, but Beaver Run and Mardela are excluded because Beaver Run is currently being replaced, and Mardela is currently under design; however, the James M. Bennett Auditorium is a standalone facility, so it shows up as a building in and of itself. She said they have around 2 million square feet at a current replacement value of \$677 million, and then FCI cost five-year needs are a little over \$162 million, and she will show how that breaks out in a little bit. She said, overall, Wicomico is at 0.24 for its FCI across the portfolio with the exclusion of those two buildings.

Mrs. Ashby said building code and life safety issues make up about a tenth of a percent of five-year needs, and that is not uncommon. She said priority three items make up 65 percent of overall needs, which are items that have about three to five years remaining, and then most of the items fall under the beyond useful life category, which is not unexpected as things get deferred over time.

Mrs. Ashby said, of the current year one needs, \$15.3 million fall in the exterior enclosure and interior construction systems groups, which are things like window replacements, and her slide highlights those two pieces. She said priority one and priority two combined make up about 35 percent of their five-year needs, which also falls into exterior enclosure, electrical, and interior construction system groups. She said electrical systems alone make up about 31 percent of overall needs, and includes things such as fire alarms, lighting, and switchgear, which is not uncommon. She said, with the last two projects they did at Parkside as well as Delmar they ended up having to replace the entire switchgear for both buildings.

Mrs. Ashby said her next slide shows an overview of everything. She said they have 24 school facilities, and keep in mind this data excludes any program deficiencies, so, overall, their portfolio area is about 2.25, which includes all 24 buildings. She said total average age is 31 years, and they can see it broken out by elementary, middle, and high, as well as a combined elementary-middle and combined middle-high school, which average out to 41. She said, for 2020 replacement value it is a little over \$720 million, and that would be to replace facilities to current systems operations, so, if it had a boiler, it is replacing the boiler whether it was efficient or not at that time. She said the total replacement value is a little over \$1 billion, and that is to replace facilities to current systems operation, as well as taking into consideration additional costs like design, overhead, and profit for contractors.

Mrs. Ashby said the good news is that there were facility condition improvements, and she highlighted four buildings just to give Council a rough idea of how the data improved. She said, at Northwestern there were some HVAC upgrades, mechanical renovations, door and hardware replacements, and lift station work. She said they saw an overall 23-point improvement, so it still stayed in the yellow, but it significantly shifted from the yellow-red line back to the yellow-green line. She said, at Pittsville they conducted multiple systemic renovations, as well as HVAC, and did some upgrades to the media center. She said they saw an overall 40-point improvement, which moved them from red to yellow. She said they were at Parkside High School for two to three years, and there were multiple HVAC, auditorium seating, lighting, chillers, controls, as well as ADA upgrades, and saw an overall improvement of 37 points. She said Parkside was significantly in red, and is now in mid yellow, which is a significant improvement, and they have also seen a lot of energy efficiency improvements there. She said they recently completed the Delmar Elementary School project, thankfully, four months early, which is great, and they saw an overall 36-point improvement as well. She said it is interesting that Parkside and Delmar both saw very significant improvement, and are both 1970s buildings, so about the same era.

Mrs. Ashby said, just analyzing from an FCI basis, there is a backlog of about \$8.9 million, and those are things that may not have failed yet, but are showing as if they should be renewed within the system. She said total renewal and repair over the next five years is estimated at \$162 million dollars. She said it is important to note that the software looks at a fiscal calendar year, so a five-year outlook is out to 2026.

Mrs. Ashby said her next slide is a quick look at three funding scenarios across the entire portfolio. She said the blue line represents the funding necessary to maintain the current portfolio FCI of 0.24, which, on average, would be \$20.2 million dollars per year. She clarified, that does not include Beaver Run or Mardela. She said the green line represents funding at 2.5 percent of the current replacement value, which represents about \$16.9 million, and obviously it fluctuates over time, so that is an average number. She said the red line represents funding to reduce FCI, basically trying to improve it by half, so to go from 0.24 to 12, which would get them into the green category, the average annual funding would be about \$24.3 million. She said, given projected funding shortages, it is important to note that the buildings will continue to age, deferred maintenance grows, and CIP progress continues to slow, and that will just be an ongoing thing as COVID and other pieces are hindering progress on the capital side.

Mrs. Ashby said, getting back to the master plan, they utilize highlighting special initiatives combined with facilities needs indexes, as well as projected enrollments to identify projected capital project needs over the next five years, and this becomes the foundation of the top priorities identified in the capital improvement plan and budget. She said she will quickly review the top 2022 project priorities in the CIP and budget, as well as recap what they were able to accomplish. She said, as a reminder, this is part 2 of the overall program, and includes current year FY22 requests as well as future project needs. She said the top three priorities include Beaver Run, in which there are two allocations, one to the State, and one to the County, and this is their final request to both. She said the other top priorities are Mardela, and schematic design is currently underway, and there is an allocation request to the State as well as to the County, and the third top priority is the Westside Intermediate roof. She said it is important to note that these projects have remained the same for the past three years. She said, unfortunately, it has created deferrals of other projects; however, they are pleased that the County Executive is recommending in the proposed FY2022 CIP that Westside Intermediate's roof be funded as pay go so they can execute this as a summer 2021 project as it has been deferred by the State for two to three fiscal years now.

Mrs. Ashby said her next slide shows the next eight project priorities that round out the top ten. She said they are primarily roofs, HVAC, and some security and access control improvements. She clarified, there are many more projects, and all of those can be found in the full CIP, which is available on the website, and was submitted to the County earlier in September.

Mrs. Ashby said Dr. Hanlin and the Board felt it was important to relay what has been happening at the State regarding school construction funding, and she is sure Council has heard some of these things, but they are starting to experience less State funding overall. She said they have eliminated the use of QZAB, SSGP, and HSFF, which are all sources they have relied on for smaller-scale projects, and have been absorbed or eliminated. She said the IAC continues to revise the eligibility of projects, as well as recommendations regarding funding, and some of the issues they saw last year in FY2021 were having to appeal for additional square footage, limiting funding towards systemics, and deferring more planning approvals, so they were very grateful to receive planning approval for Mardela last year. She said the next thing they are seeing is more of a cost shift to the County, especially for systemics, and that is liable to put more Counties in a position of having to forward fund for major capital.

Mrs. Ashby said the 21st Century School Facilities Act established an assessment and funding workgroup, which issued a report in December 2019, and is available on their website. She said they requested a one-year extension due to the status of the Statewide facility condition assessments, so the State is now working towards having condition assessments done Statewide, and they plan on initiating that process in January, but the workgroup is not going to reconvene until those assessments are available so they can discuss future funding strategies. She explained, some of the scenarios they looked at were ten-year average, ten-year average inflation, formulaic funding, and they described allowing LEAs to bank funds so, if they did not have enough projects to meet their minimum allocation, they could bank it. She said, just for reference, Wicomico will probably never be in that position as they can always use more than their minimum allocation. She said this is on hold pending those facility assessments.

Mrs. Ashby said the IAC is starting to implement a ten-year rolling average approach, and this slide highlights what the funding workgroup was looking at. She said their ten-year average adjusted inflation was \$12.1 million. She said, in last year's fiscal year they used a rolling ten-year average, which predicted \$9.4 million, but they actually received \$9.1 million. She said, for the current fiscal year FY2022 they are looking at midpoint between ten-year average and formulaic enrollment, and they are anticipating to receive anywhere between \$8.3 million and \$10.8 million, and she will explain that in a little bit. She said wealth-adjusted enrollment based could be as low as \$5.7 million, with just straight enrollment based at \$4.4 million. She said it is important to note that the IAC approves funding in rounds. She clarified, 75 percent of the Governor's traditional CIP budget was just recently approved and included an allocation of \$4.9 million for Beaver Run; however, it is projected to receive a total of \$10.8 million by the 100 percent allocation. She further clarified, they just approved the 75 percent allocation, 90 percent will be done approximately in March, and 100 percent in May or June. She said they find that the general public thinks things are not going to happen when it is a multistep process, so that is something they have to continually monitor.

Mrs. Ashby said Council has probably heard about House Bill 1, the Built to Learn Act, but she will give an overview of it. She said it was proposed to be \$2.2 billion, but, from what they are hearing, that will probably be reduced. She said Wicomico is lumped into "all other Counties", which is 11.5 percent of the \$2.2 billion, so they are competing with 17 other LEAs for that pot of money, and her next slide shows a breakdown of how the \$2.2 billion could potentially be distributed. She said right now this funding is proposed to be managed and authorized by the Maryland Stadium Authority, so 1.3 percent comes off the top for their management fees of \$26 million. She said 87.2 percent of the \$2.2 billion is around \$1.7 billion, and that will go to the six LEAs identified in green on her slide. She said 11.5 percent will go to 17 LEAs, Wicomico being one, so they are competing for \$230 million dollars out of \$2.2 billion. She said, if there is any takeaway, what she would like to share today is, when they look at what the funding workgroup is doing along with the current ten-year IAC average, they are probably looking at less State funding overall, so House Bill 1 is going to become a temporary bridge in the short-term.

Mrs. Ashby said the good news is that they are still accomplishing things. She said, although the capital funding was more limited, the Board has made a concerted effort to keep smaller-scale projects moving forward through capital outlay. She said this slide shows several that are done, and they show up as complete in the FY2021 summary in the current FY2022 capital improvement plan. She explained, a lot of these were done with other funding sources, including outlay, and some of them were done with QSAB, HSF, and SSGB, which they talked about earlier, but are no longer a source. She said, if there is a funding source available, they are going to apply and do the best they can to get those funds.

Mrs. Ashby said other good news is, for priority two, which is Mardela, in their request to the County for FY22 they were able to save \$3.6 million on the overall project. She said Mardela has its challenges, but this was good news in the short-term. She said, in FY21 the overall cost split between the State and the County took a shift, and they are trying to hang on to that overall \$71.8 million-dollar project budget. She said there are several variables involved in how the State calculates eligibility, and they have shifted some things around as far as when they lock into funding. She said the State cost per square foot fluctuates every year, and they are making changes to State eligible gross square footage. She said, specifically for Mardela, they are dealing with a portion of demolition as well as new construction, and projected enrollments are also taken into consideration. She said these variables are updated annually, so this is what the picture is this year, and it could change next year, but this is what they are looking at for this year. She clarified, with the exception of overall cost share, which is updated anywhere from two to three years, all of these other items are revised each year, so they will have to reassess in FY2023.

Mr. McCain said Council received the CIP earlier today from Mr. Psota, so he is kind of looking at Mrs. Ashby's numbers and Mr. Psota's numbers, and his public education math is not quite adding up. He said his question is whether everyone is in concert because this is supposed to include Mardela, the finishing of Beaver Run, and the Westside roof, but their total five-year for the Board is \$35 million, and Mardela to the County was \$35 million. Mrs. Ashby responded, she will have to look, but they met with the Acting County Executive and the Finance Director, so she will have to go back and take a look at it. Dr. Hanlin added, from their meetings, they definitely believe they are in concert, so she is not sure where the numbers vary. Mr. Stauffer said he knows that they are most concerned about FY22, and he thinks their numbers are in alignment when they look at just FY22.

Mrs. Ashby continued discussing Mardela's overall project schedule and said, to maintain that original FY2021 total project budget, another thing they had to look at was to figure out a way to condense the design process in order to avoid a year of construction cost escalation. She said, with the recommendation of the School Building Commission, they are going to bring the construction manager on board earlier to assist with design decisions so they can execute those, hopefully, more efficiently. She said they are pleased to report that the architect and engineer team has been hired, and is working on schematic design. She explained, schematic design is the first of three major design phases.

Mrs. Ashby said her next slide is for informational purposes, and has been reviewed with the School Building Commission, and with the County Executive's Office and Finance staff. She with the ten-year average funding approach, they wanted to look at a worst-case scenario. She said, taking the projected wealth adjusted base formula, which is the \$5.7 million she pointed out earlier, if the State were to spread out and only flat fund at that amount of money, they would be relying on forward funding from the County. She clarified, she just wants to connect the dots of what they were talking about earlier. She clarified, they do not know what that will be, they just wanted to be transparent about it so everybody was on the same page as they were moving forward with the project. She said worst case scenario would be having to forward fund those last few fiscal years from the State the County would be reimbursed. She clarified, when she says House Bill 1 is likely a bridge, the question is if they can even get \$17.4 million out of the House Bill 1 allocation, and, if they could, obviously, they would propose they use that as a bridge, but those memorandums of understanding and other pieces have not all been worked out associated with the House Bill, so they will have to wait and see how that works out.

Mrs. Ashby said Beaver Run is going very well, and is expected to open to students in August 2022. She clarified, they will have some site work that will continue into the fall of 2022 because they have a whole entire building to take down, and then put parking and bus loops on top of that, so that will scathe into the new year. She said the construction managers have come up with additional phasing plans, so they are on track to hopefully have the building enclosed in late spring or early summer.

Dr. Hanlin said that was a lot of information, but they wanted Council to have everything that had been provided to the Board, and especially emphasize how data driven they are in making decisions about their public school construction program.

Mr. Dodd said he got to go to Beaver Run to vote on November 3, and there are a lot of changes going on out there, and he is looking forward to seeing the finished product. He then requested Dr. Hanlin invite Council to a grand opening or tour of the buildings when they are completed.

Mr. Holloway said, with what they have experienced with COVID, he knows they are going to see a big change in college level education going to online learning. He said, before COVID came along, they have seen colleges going to more virtual learning. He then asked if they think there will be more of that, especially in the high schools, even after they are out of the COVID situation, to which Dr. Hanlin responded, she does. She said she thinks this has forced them to become much more confident in their use of technology, and there may be students who prefer to learn online, so she thinks there will be lots of opportunities for students to have a day of online learning, or even a course at a time where they can even combine resources with a teacher teaching a particular course online to students from various high schools. She said lots of opportunities, she thinks, have become more apparent. She said the Eastern Shore of Maryland Education Consortium (ESMEC), which is the nine Eastern Shore Counties, are going to be piloting in the second semester of this year a regional online program with that very thing in mind where they can continue to offer that kind of program to students beyond COVID. Mr. Holloway asked if there may be a change in the future as far as the bricks and mortar needs that they have as far as that taking place, to which Dr. Hanlin responded, that is a very good question because they do not know how many students will actually want to continue with a full online program. She said she would hope that it would help some of their overcrowding in their schools, but, for immediate needs, she does not think they need to back off what their needs are because of any anticipated reduced number of students in their buildings that would cause them to have extra space at this point, but it could be for the future.

Mr. Cannon said one thing this has proven is that interaction is important to children as much as education, so he honestly believes that, for the best of everyone, they will be coming back to the bricks and mortar, period. He said their parents are going to want them to come because they have jobs, so he does not think, no matter what they have learned, over and above all else, they will get back to their old normal, and he thinks that is probably what they have found to be the best results for all kids.

Mr. Cannon said he has a question about one of Mrs. Ashby's slides that projected ten years with the large spikes at the end. He said a lot of that projected to 2026, and then everything spiked after that. He said Council had a discussion with the Finance Director and Mr. Psota, and they shared with Council that 2026 is going to be a very precarious year for the County as a whole, and a lot of that is going to depend on money they are going to get back from the State for forward funding probably to the tune of just under \$50 million dollars. He said he assumes that will probably work because he does not think they have had problems with forward funding before and getting reimbursed, but he was just hoping they were aware as to what pages they were on as to how critical things will be getting in 2026. Dr. Hanlin

said she thinks many of them actually watched that presentation as well. Mr. Cannon said Mrs. Ashby's presentation was very thorough, and she does unbelievably great work.

Mr. Palmer came to the podium and asked Mrs. Ashby to briefly explain the difference between who they used to go to with their presentations with the Building Commission, which was the Governor, the Treasurer, and the Comptroller, and the new set of non-elected officials who are now making decisions for them. Mrs. Ashby responded, about two to three years ago they changed from Interagency Committee on Public School Construction to the Interagency Commission on Public School Construction. She said, when it was the Committee, they were making recommendations to the Board of Public Works, which is the Treasurer, the Comptroller, and the Governor. She said that was restructured, and they created the Commission versus the Committee, which is similar to Wicomico's School Building Commission, and is actually nine people, so the same number of people with different experiences; however, there is not a separate appeal process, so all the decisions rest solely with the IAC, meaning that Commission, so appeals are made to them. She said she thinks that is why they are working on more of a flat based formula versus a project merit-based formula because they have less to deal with as well. She said she believes that addresses Mr. Palmer's differentiation.

Legislative Audit

Dr. Hanlin said the next item on her agenda is to review with Council a summary of the legislative audit, and Mr. Reid is going to share some information with Council about that. She said, before he starts, generally, she will tell Council how proud she is of the results of their legislative audit that they underwent for eight months last year. She said she thinks it definitely shows their ability towards effectiveness and efficiency with financial management practices.

Mr. Stauffer said he will add a few details just to orient everybody to exactly what a legislative audit for a school system entails. He said the length of the audit, as Dr. Hanlin said, was eight months, and it included four to eight auditors on site each day. He said the scope of this type of audit is extremely comprehensive. He said they go through it once every six years, and the objectives of the audit were to evaluate from 2015 to 2019 whether WCPS procedures and controls were effective in accounting for and safeguarding all the assets, and whether its policies provided for the efficient use of financial resources. He said the Departments that were involved in WCPS included their Business Support Services, Procurement, Special Education, Student and Family Services, Transportation, Food Services, Facilities Planning and Construction, and Technology. He said their last legislative audit was completed in 2014, and at that time they had 14 audit findings, and this time they have 8 findings. He said, since the last audit, all the Counties in the State of Maryland have been audited and their number of audit findings range from 7 findings to 20 findings with the average being just over 15. He said, with 8 findings, at this time they feel like they are moving in the right direction, and they are at the bottom of the scale as far as that goes for the other public school systems in Maryland. He said he wants to note that the auditors on the findings page within the audit itself, which is located on their Transparency Portal, indicated that the auditors' procedural review and testing disclosed no material weaknesses, so no significant deficiencies identified, and no improprieties or misuse of funds, which they were pleased about as well. He said the specific audit findings at this time included one Procurement finding, one timekeeping finding, three IT findings, two Transportation findings, and one user access finding for their systems programs. He said the senior auditor, who spent much time and his entire team were very complimentary of the cooperation from their staff in working with them throughout those eight months,

as well as their success in complying with the fiscal procedures, and their intention of always seeking to improve. He then asked Mr. Reid to talk them through the eight audit findings in more detail so Council really has a good understanding of exactly what these findings include.

Mr. Reid then came before Council and passed out a handout, and said Council can feel free to ask him questions as they go along. He said the first finding dealt with intergovernmental cooperative purchasing agreements (ICPA), which are contracts where they use other government contracts that have already gone through the bidding process. He explained, they do this because it saves them the cost and time of putting out a request for proposal since it has already been done by another government agency. He said, while their procedure is legal and within all government guidelines, the Office of Legislative Auditors (OLA) wanted them to create a checklist to use any time they utilize another government contract. He said this will provide documentation that they went behind and reevaluated the first government organization's specific bidding process to ensure that it was competitively bid and properly advertised to begin with. He said the OLA wants them to maintain these documents with the checklist as proof, so they now have the checklist in place and are in the process of implementing it. He said they had been performing this reevaluation process on all government contracts prior to this audit, and they documented this; however, they did not have the documentation to the detail or format that the OLA wanted.

Mr. Reid said the second finding dealt with timecard approvals where they had some salaried employees who had not approved their timecards online. He explained, there is only a one-day window for employees to approve their timecard online. He said they require employees to punch in every day they work, but they must also approve their timecard at the end of each pay period. He said this verification can be missed if an employee is sick, on vacation, or for some other reason neglects to take care of this process; however, they have four levels of review and approval in total – the employee, the employee's supervisor, the timekeeping editor at each site, and payroll, so even though an employee may have neglected to approve his or her timecard, there still would have been three other levels of review and approval. He said they upgraded their timekeeping system while the auditors were onsite, and employees now have the ability to approve their timecard on their phone if they are not at their worksite, or they can also approve it at a computer or at a timeclock. He said they have a report available for timekeeping editors that lets them see who has not approved their timecard so they can follow up with that staff who has not approved it, and the employee also gets an email reminder with a copy going to the timekeeping editor if they do not approve their timecard in a timely manner.

Mr. Reid said the third finding was regarding a few financial systems users who had access to some screens that the auditors deemed they did not need access to. He said this finding was minor, and was not a situation where a Purchasing employee had access to a Payroll screen, but rather a Payroll employee who had access to a Payroll screen that they just did not use very often. He said, for example, they have three employees in the Payroll Department, and all three had access to a payroll deduction screen, but only two typically enter payroll deductions, so the auditors deemed the third Payroll employee did not need access. He said a few weeks after they made the recommended changes, however, they ended up having to add back some of the Human Resources and Payroll screens they had initially taken away from them because they discovered they actually did need access to some of those screens, so they are monitoring access rights closely for every employee and employee group.

Mr. Reid said the fourth finding was related to Information Technology where the OLA wanted them to strengthen their security on personally identifiable information (PII), such as social security numbers and credit card numbers, which they began doing prior to their visit. He said they now have a program that can identify PII in documents across all files so they can make sure they are not storing unnecessary PII on their servers, and they are also working on a policy and procedures for Departments to follow regarding PII.

Mr. Reid said finding five was also related to Information Technology. He said the OLA wants them to strengthen their security activity monitoring by documenting a review of all reports regarding security and audit events for information system applications. He said, after the recommendation for strengthening their security event monitoring became a finding during the previous OLA audit, they created financial activity reports that were auto emailed to the appropriate recipients based on the event; however, during this audit, they could show that they received the reports, but they did not have the documentation that the OLA wanted to prove that they had reviewed the reports. He said they plan to continue to perform these reviews and move forward to retain signed and dated documentation as proof of their review. He said the OLA also wanted them to strengthen their password controls, so they have implemented and will continue to finish adding two-factor authentication across all critical applications. He explained, that is where the user receives an email or text in addition to adding a password. He said they currently have eight-digit complex passwords for general users, and are considering moving towards 8-digit passwords or higher per the recommendation of the OLA. He said the OLA recommends that they not only move to 12-digit passwords, but also require users to create new passwords every three months instead of every four months, which is what they are doing now. He said they also routinely review the strength and complexity of system administration passwords for financial and student information systems basing what they do on industry standards and practice.

Mr. Reid said finding six was also related to Information Technology. He said the OLA wants them to relocate all publicly accessible servers to a separate network, which are servers that sit outside of their firewall, but have several additional layers of protection from unauthorized access. He said, where appropriate, they have begun and will continue to move these servers to virtual machine architecture, the cloud. He said one server to be moved first is located at James M. Bennett, which helps deliver school update content to TV monitors throughout the school and helps post information to the school's website, and they are in the planning and design stages for this project now. He said it should be noted that, although the server sits outside the firewall, it has other security and access controls in place to protect it from unauthorized access. He said this server and others referenced in the audit are regularly under review, and they also invest in a yearly contract for a consultant to attempt to access these servers and other parts of the WCPS network, which provides them with notification of any weakness their network may have. He said, to date, all of their network system reviews have been positive.

Mr. Reid said the seventh finding was related to Transportation. He said the OLA wants them to continue to audit their bus routing practices and maintain the documentation as proof. He clarified, their Transportation Director has been auditing 100 percent of the routes each year prior to the OLA audit, but the documentation they maintained was not as detailed as what the OLA wanted. He said they will continue to audit all bus routes moving forward as they have, but they will be sure to improve their documentation process of these audits in the future.

Mr. Reid said finding eight had to do with payments to bus contractors. He said the OLA wants them to consider using a return on investment to calculate their per vehicle allotments to bus contractors, have bus contractors document their maintenance costs as the basis for paying bus contractors a maintenance rate, and consider deducting fuel tax credits from payments to bus contractors. He said they said they would consider each of these options; however, they also noted that they have observed a marked decrease in community members wanting to become school bus contractors, as well as some of their existing contractors choosing to get out of the bus business, so they are hesitant to make any changes that would decrease the current rate of pay. He said they made it clear that they feel they must support their bus contractors and continue to pay them at a competitive rate.

Mr. Reid said, just to reiterate what Mr. Stauffer said, they had zero findings from their financial statement audit, and he does not believe they have ever had any since he has been here the last 17 years. He said they had no findings from their single audit, which is a very difficult audit. He said most school systems have at least one finding, and they had the third least findings from OLA in the State.

Mr. Davis said, in the Board's defense about the school buses, that is the same audit they have been doing for years. He said, in every audit in every County, it is the same thing, it has never changed. Mr. Malone said, if they look at Worcester County's, it is the same thing, and Wicomico's in 2014 has the same verbiage. He said the auditors do not understand that they cannot do 100 percent busing because of rural routes. Mr. Davis said the auditors told the Board to document the maintenance of their contractors, but the problem is that the auditors never interview any of the contractors when they do these audits, and they would know the maintenance of them.

Mr. Hastings asked how long before Wicomico Schools or the County as a whole are attacked for some sort of ransomware, or something along those lines? He said he knows that happened in Baltimore County five weeks ago, so do they have a current plan in place to respond with what they are going to do if and when that happens, to which Dr. Hanlin responded, Bob Lange is their Director of Technology, and he is not with them today, but she can tell Council that he is very much on top of that. She said they have been in steady communication with the Maryland State Department of Education about the steps they need to be taking to ensure against that risk, and Mr. Lange is very much on top of it. Mr. Stauffer added, Mr. Lange's team does a really good job of educating the staff and students of Wicomico County to make sure they are knowledgeable and vigilant on what they click on, and report anything they receive through their email system that is suspicious.

Mr. Cannon asked, regarding the audit, did they give them any idea at all as to how this audit compares with what they have found in other schools throughout the State, to which Dr. Hanlin responded, as Mr. Stauffer indicated, they were very pleased. She said she even said in an email to Council that she would love to have no findings, but she thinks, based upon the last audit here, and compared to other systems across the State, they have one of the lowest number of findings in the State, and they are pretty consistently procedural findings. Mr. Stauffer added, the range of findings for all 24 school systems in Maryland was between 7 and 20, and Wicomico had 8. He said he would like to point out, the letter used to introduce the audit report is a form letter, and they were a little disappointed in the language. He clarified, as the auditors said to them in person but not in writing, they really do not recognize all the right things they are doing, their job is to point out otherwise, so they just use that form letter for every audit, and it really does not recognize the type of audit they feel like they had, which was really positive. Mr. Reid added, they mentioned in the exit interview that it was one of the better ones they have seen.

Return to School Action Plan

Dr. Hanlin said the last item on her agenda is their return to school action plan, and she has a very short presentation to take Council through a combination of some of the slides they have used in Board meetings to update the community on what they are doing.

Dr. Hanlin said, just to review, they started their school year virtually, as everyone is aware, and they did that for a lot of reasons, not just safety, but the need for consistency for students and staff to really become more confident in what they were doing in their virtual program. She said they then began to bring some small groups of students in, even before the 19th of October. She said, on October 19 they brought pre-kindergarten students in who chose to come back four days a week. She said, on October 26 they brought kindergarten students in, again, those who chose two days a week, which is hybrid in order to be able to accommodate all students and remain within six feet of social distancing. She said then on November 9 they brought in grades 1 and 2. She said the original plan was to continue with that rollout of grade levels through high school coming back in the second semester, but they returned to virtual learning on November 18 with all students being virtual. She said her next slide was used at the meeting where the Board supported her recommendation to return to virtual learning, and just reminds Council and the public of the two critical metrics they monitor in terms of the safe return to schools, which were stated in the Governor's press conference jointly between the Maryland Department of Health and the Maryland State Department of Education. She said they first look at the positivity rate, and go to the left side of the matrix if they are less than 5 percent, and go to the right side of the matrix if they are more than 5 percent. She said they then look at the new case rate, and they are really looking at the magic number of 15 per 100,000 on either side that helps them decide what the safe return for students is. She said it suggests to school systems that, if they see a major change in those two metrics over a two-week period of time, they really need to be reassessing. She said, on the righthand side of her slide they can see what they had been experiencing the two weeks prior to that Board meeting where they had been under 5 percent for positivity rate, but there was a date in November where they went to the red, which was above 5 percent. She said then they can see the new case rate when they were above 15 cases per 100,000, and there were very few days at that point where they had actually been under that, so the Board supported the decision to return to virtual for students.

Dr. Hanlin said she included this next slide because she wants to show Council that they were all very disappointed, and she should have said this in the beginning – they want their students back in school, there is no question. She said they saw such amazing things happen in their classrooms just in the short period of time students were able to return. She said Mr. Malone talks about his grandson and how much better he is doing now because he had an opportunity to meet the students in his classroom, and they want that return as soon as possible. She said this picture shows a teacher who is actually teaching students both face to face as well as virtually, so their teachers have done amazing work. She said this teacher is using a webcam and microphone so she is able to meet the needs of both the students who chose to come back hybrid and those who chose to remain virtual. She said they want to get back to that as soon as they possibly can, as soon as it is safe, and the metrics return to a more normal rate.

Dr. Hanlin said this next slide is what they have on their website, and they keep a dashboard so the community can monitor where they are. She said, at that Board meeting it was determined not only that they would return to virtual, but that they would look for 7 consecutive days of better metrics, meaning 5 percent or lower, and 15 per 100,000 or lower. She said this was a snapshot from the 8th of December

so they can see where they were in terms of those metrics, and they have a way to go. She clarified, these are the community metrics in Wicomico County, not just specific to the schools, but there is a dashboard where someone can actually click on that link. She said today those metrics are at 7.33 percent positivity, and 38.47 per 100,000 new cases in the community. She said, again, they are very hopeful that they will start to see more of a downhill trend, and they can see that the positivity rate is starting to move in the right direction.

Dr. Hanlin said, at that Board meeting they decided that following the winter break, which will be from December 21 to January 1, they will return all students to virtual learning starting January 4. She said then pre-K through 8th grade teachers will return to their classrooms on January 11 given appropriate metrics, and the following week of January 19, pre-K through 8th students, again, given positive metrics, will begin in-person hybrid learning. She said they are very hopeful that will happen and that their high school students will then return at the beginning of the second semester, which was the original plan.

Mr. Dodd asked why there is a difference between high school and grades 8 and below, to which Dr. Hanlin responded, the original plan always was for high school students to return at the semester break for a cleaner break, and a cleaner opportunity for students to start new courses in person. Dr. Frederick Briggs, Chief Academic Officer and Assistant Superintendent for Instruction, then came before Council. He explained, one of the complications with the semester-based schedule is that they have many dual enrollment students who have conflicting schedules at either Wor-Wic or Salisbury University, so it was just a clean break from the first to second semester.

Dr. Hanlin said the next slide is one they have continued to show, and, in fact, all of these slides are on their website, but this just reminds the community what they are doing, and what goes into all of these decisions. She said, first of all, parents have an opportunity to choose whether they are hybrid or virtual, and will continue to have that choice. She said parents also need to let them know whether they want bus transportation because, obviously, they need to consider how they are spacing students on buses for safety reasons. She said they try to accommodate and bring families in together, which allows them to fit more students on the same bus or in the same seat if they are family members, so that helps by organizing students in that way. She said teachers and staff members return to school buildings a week before students do. She said she really wants to emphasize the first bullet on this slide, which is that they remind students and teachers every day to take home their laptops and chargers because anything can change on any given day. She said, in fact, with their new ability to do virtual learning, if they have an inclement weather day, they will continue with virtual learning from home, so students would need to have their equipment. Mr. Dodd said he was going to ask that question about how they would handle snow days, and will they just continue, to which Dr. Hanlin responded, that is correct.

Dr. Hanlin said, in a hybrid model they will be serving meals in students' classrooms. She clarified, of course they have meals available to all of their students, and they are now a Community Eligibility Program school system, so they are able to serve meals to all students free of charge, and they are continuing to do that curbside. She said she thinks it is over 15,000 meals a week they are serving, to which Mr. Stauffer confirmed, it is a little over 15,000 meals a week at 27 sites across the County. Dr. Hanlin said the hybrid model continues to be two days a week with asynchronous learning the other days, and the right side of the chart on her slide shows all the health and safety measures they are following with mask wearing, social distancing, hand washing, contact tracing, etc.

Dr. Hanlin said they continue to have their family helpline for families to continue to call to ask for assistance with technology. She explained, they started out with an instructional and a technology helpline, but most parents were just communicating directly with their teachers, which is exactly what they want to happen, but they have continued with the technology helpline that is available, and there are translation services there as well.

Dr. Hanlin said the next slide shows Council that they are continuing with meals, as already mentioned, and shows how that information is also available in other languages – Spanish and Haitian Creole.

Dr. Hanlin said the last thing she wants to share with Council is a copy of a letter that was sent. She said, if Council happens to know anyone who gets her calls to parents, the community, and staff members, this is a letter that went out jointly between their Teachers Association, their Administrators Association, the Board of Education, and the Central Office just telling the community how much they want their students back in school, and the way to do that is for everyone to follow the protocols that are important in terms of safety.

Dr. Hanlin concluded, this is where they are, and they are very hopeful that, if everybody cooperates, hopefully they will start to see those metrics go down. She said earlier in the Council meeting she heard Senator Carozza mention a really important factor will be if their staff are able to be vaccinated early on, and that will be very helpful as well.

Mr. Davis said Dr. Hanlin said earlier that she sees more virtual coming later on when schools go back, and then she just mentioned about the snow days. He then asked, when this is all over and they are all going back to school, if it snows, instead of having a snow day, would it be a virtual day, to which Dr. Hanlin responded, they are doing that for at least this year, and for future years they will cross that bridge when they come to it. She said some of it will be dependent upon the availability of technology for students, their ability to maintain those devices and hotspots, and the availability of greater broadband in the community in the future, but, yes, they would hope so.

Mr. Cannon asked how it has been working with the Wicomico County Education Association and what their needs are for the teachers, and what Dr. Hanlin feels they are trying to do on her part, to which Dr. Hanlin responded, they are working very collaboratively. She said they have weekly calls that all of the Assistant Superintendents are on, as well as their Human Resources staff, the President of the Association, and the union rep from the Maryland State Education Association. She said they talk about joint issues, and they raise concerns about any specific issues they might have related to returning to their buildings, so right now that is working very well. Mr. Cannon said hopefully the vaccine will make that a smoother transition as well.

Mr. Cannon asked if there is any workaround Dr. Hanlin feels she needs to start developing for extracurricular activities and sports, to which Dr. Hanlin responded, right now they are on hold, and they want their student athletes to be safe as well. She said she actually thinks today is the Board of Controls meeting for the Bayside Conference, so there are ongoing conversations about how they may be able to return to athletics. She said she knows Council has heard from parents, and actually she probably got more emails about that than returning to instruction. Mr. Dodd said it is important, to which Dr. Hanlin responded, it is important, and they know it is important for students' mental health and wellbeing, so that is a priority as long as they can ensure that students are safe. Mr. Dodd said that is good to hear.

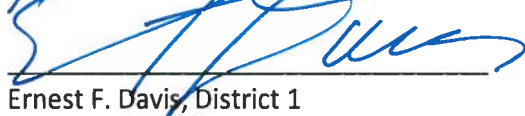
Mr. Hastings said, as far as educator health and wellbeing, he is hearing that they have more teachers leaving the profession after all the challenges this year, and wonders if that is true. He said, knowing Dr. Hanlin has already put the best plan in place to make sure that they are addressing any of the educators' health and wellbeing, is there anything Dr. Hanlin wants to say about the number of educators they have lost, if it is more than normal, and what they are doing to make sure teachers feel welcome. Dr. Hanlin responded, they have teachers retiring who had been considering it for awhile and decided it was probably time, more so than teachers just outright leaving the profession, especially midyear. She clarified, she cannot speak to what will happen at the end of the year, but they have only had a few teachers who have left midyear, and, honestly, it has been challenging to find replacements for those teachers. She said, not only did they already have a teacher shortage, but this presents a greater issue, so they are constantly working on that. She said Dr. Briggs has regular calls with Salisbury University and their other institutions of higher learning to make sure they are building that pipeline the best they can, and encouraging others to go into education when right now it is very challenging for their educators. There was no further discussion.



Larry W. Dodd, President, District 3



Joe Holloway, Vice President, District 5



Ernest F. Davis, District 1



Nicole Ache, District 2




Josh Hastings, District 4



John T. Cannon, At-Large



William R. McCain, At-Large



Laura Hurley, Council Administrator