

# MontCo inspector general to investigate schools' finances

By: [Rachel Baye](#) 06/16/11 8:05 PM

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Montgomery County Inspector General Edward Blansitt said he will investigate the Board of Education's budgeting process for the fiscal year that starts July 1, spurred by the public school system's surplus of \$14.5 million discovered in the final days of budget negotiations.

County Council members say they learned about the surplus -- which Council President Valerie Ervin called a "slush fund" -- in the trust fund used to pay for employee health care shortly after the budget was approved May 26. County Executive Ike Leggett said he learned about the surplus in April.

In a memo released Thursday, Ervin asked Blansitt to evaluate the reliability of the school board's monthly financial reports, as well as the documents the school system submits annually, "specifically to identify and assess any significant budget, fund, liability, or other changes" during the fiscal year.

She also suggested that the independent Office of Legislative Oversight examine the "underlying assumptions" behind the Montgomery County Public Schools budget.

Ervin said the goal is to find out if the council has been asking the right questions during the budgeting process.

"What we need is to get our handle around what, to many of us, has been a mystery ... of where these dollars flow and how they flow," said Councilman Roger Berliner, D-Bethesda.

This is a "priority issue" for the council, Blansitt said. "My responsibility is to make sure that the council as a decision-making body has accurate, timely ... information to work with."

He added that it's too early to speculate about what he might find.

This is "a matter of public trust and transparency and reporting," Ervin said.

The council has relied on financial reports from the school board in the budgeting process for decades, and members are frustrated that the reports aren't accurate.

The council, which last month closed a \$300 million shortfall for fiscal 2012, approved a \$2.09 billion budget for the school system's coming year -- a 0.8 percent cut of \$17.4 million over this year and less than the \$2.21 billion budget that the school board requested.

Ervin added that this is the third consecutive year in which county employees have had to cope with furloughs and no raises. "Everybody else was asked to tighten up their belts," but public school employees "didn't want to participate."

Board of Education President Christopher Barclay did not respond to requests for comment.