

ED COMMITTEE #3
May 5, 2016
Worksession

MEMORANDUM

May 3, 2016

TO: Education Committee

FROM: Essie McGuire, Senior Legislative Analyst 

SUBJECT: **Worksession – Montgomery County Public Schools FY17 Operating Budget, continued**

Today the Education Committee will continue its review of the Montgomery County Public Schools FY17 Operating Budget. The Committee will receive a progress update on the discussions related to compensation at MCPS and will review its funding recommendation for FY17. The Council is scheduled to review the MCPS FY17 Operating Budget on May 16.

The Education Committee held two worksessions on April 20 and May 2 to review the MCPS FY17 Operating Budget. The Committee reviewed major elements of the Board of Education's request and the County Executive's recommendation; revenues including local contribution, fund balance, and State Aid; the programmatic enhancements that the Board added to the budget request; and health and retirement benefit cost elements of the FY17 budget request.

To date, the Committee has concurred with the FY17 revenue assumptions shown in the table below that are shared by the Board and the Executive, including State Aid and fund balance. The major revenue assumption for which the Committee has not yet made a funding recommendation is the County contribution.

Table 1: FY15 Approved- FY17 Requested MCPS Operating Budget by Revenue Source								
Source	FY15 Approved		FY16 Approved		FY17 BOE Request		FY17 CE Rec	
	\$	% of total	\$	% of total	\$	% of total	\$	% of total
County	1,439,045,758	63.2%	1,463,274,812	63.1%	1,661,955,617	66.5%	1,617,631,597	65.9%
for St pension	37,809,551	1.7%	44,356,785	1.9%				
Fund Balance	38,172,451	1.7%	33,162,633	1.4%	33,162,633	1.3%	33,162,633	1.4%
State	618,765,933	27.2%	632,069,558	27.3%	657,437,390	26.3%	657,437,390	26.8%
Federal	69,855,580	3.1%	71,917,356	3.1%	71,738,683	2.9%	71,738,683	2.9%
Other Sources	12,324,062	0.5%	10,836,959	0.5%	10,571,804	0.4%	10,571,804	0.4%
Enterprise	59,195,025	2.6%	61,116,624	2.6%	62,024,623	2.5%	62,024,623	2.5%
Special Funds	1,595,624	0.1%	1,654,209	0.1%	1,742,791	0.1%	1,742,791	0.1%
Tax-sptd Total	2,138,069,401		2,176,525,543		2,355,902,240		2,311,578,220	
Grand Total	2,276,763,984		2,318,388,936		2,498,633,541		2,454,309,521	

On April 21, the GO and ED Committees met jointly to review compensation and benefits for all agencies. The Committees adopted the following recommendation related to MCPS:

Do not support full implementation of proposed MCPS pay adjustments. The Council's top priority is classroom initiatives that reduce class size and target the achievement gap. Channeling funds to these initiatives within the amount appropriated by the Council will require a reduction in proposed FY17 employee pay adjustments. This would involve all bargaining units. It is also essential to avoid unsustainable annualized costs in FY18, which would occur if FY17 pay adjustments are deferred rather than reduced.