

2026 Budget Testimony- 4/7/25

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The Taxpayers League wants to see more jobs, not more taxes. Our analysis shows MCPS can be funded at the state mandated Maintenance of Effort level while improving effective principal and teacher recruitment and retention. This will eliminate the need for the recommended 3.4% property tax rate increase which we oppose. The county budget needs higher reserves to deal with extra risks next year, and compensation increases should be limited to step increases pending a comparative salary survey last done in 2011. We oppose fee increases for the 911 call center and solid waste until alternatives are presented to the public. Recommendations for cutting specific MCPS and county program spending are in our written testimony.

MCPS

We recently discussed the MCPS budget with Supt Taylor, Chief of Staff McGuire, and BoE President Yang. Our objective was to learn how they justify higher spending ([Table 1A](#)) for taxpayers who are struggling with 10% property tax increases, and to see how the budget tells taxpayers what results they're getting for their money. It doesn't. The budget just lays out formulaic instructional cost inputs that don't tie to strategies to lower the achievement gap, and is bloated with overhead costs that haven't undergone a value-added analysis. The Supt points out in his letter that central office employment has grown 24% since 2019, while enrollment has remained flat.

We don't know if any of the proposed instructional funding increases are sufficient because they are not linked to proficiency improvements. Also, we don't know if older instructional strategies that are ineffective have been dropped. There aren't even any targets for improving reading and math proficiency among our struggling student groups. For example, we couldn't tell if the successful pilot test of a strategy sponsored by the Black and Brown Coalition for individual literacy instruction plans with increased parent communications will be rolled out to all low-income schools next year, or what the expected proficiency improvements will be.

(Last year's [MCAP](#) test showed only 55% of all students were proficient in reading, and 33% in math. Among FARMS students the results were 33% in reading down to just 14% in math. How much more spending will it take to boost proficiency 10% this year or next? MCPS either doesn't know or is unwilling to say to avoid accountability. The Superintendent should be complimented for starting to improve transparency by restoring [Table 1A](#) summarizing increased spending requests. That table was dropped by his predecessor).

Our education consultant helped us understand that one reason MCPS is failing to teach poor kids in east county is because one size fits all solutions designed for west county schools' disadvantage east county schools that need more effective principals and teachers. (For example, just negotiated teacher planning time [flexibility](#) exempts its use from principal oversight, but principals need to assure interventions and tutoring are taking place. Pay increases for west county teachers who don't face daily classroom disruptions, or the need to perform more interventions, or already have strong parent communications, are different than what's needed to

recruit and retain east county teachers. Hiring and promotion practices that concentrate novice principals and teachers in low-income schools are also a problem. Also [teacher](#) and [principal](#) effectiveness ratings that don't include student proficiency growth hurt east county school students the most, as do teachers ratings that do not require parent communications. Did you know that only 85 teachers and just one principal were rated [ineffective](#)? Another non-budget problem is the grading policy which inflates grades and disguises student performance problems. This interferes with parent communications most in east county where parents rely on grades to know if there's a problem they need to talk with teachers about).

(When the unions and PTA say they want the MCPS budget to be fully funded, do you think they realize that means fully funding poor instruction or overhead waste and abuse? Worse, MCPS doesn't have a dedicated OIG to verify that internal controls have been implemented to prevent fraud, waste and abuse, reduce the Board's dependence on management for critical information, or evaluate guidance from the powerful teacher's union. A dedicated OIG would allow the Board to fulfill its governance role to get instruction back on track and control overhead costs in accordance with AICPA standards).

The Council now has an opportunity to insist budget approval be tied to proficiency targets to overcome institutional biases against east county students. The Council recently set an initial Spending Affordability Guideline at the [Maintenance of Effort level](#) (MoE), \$256 million less than the CE's recommendation for local tax support. That's appropriate for a budget that doesn't target proficiency improvements. Our written testimony includes five examples of cuts to MCPS spending increases totaling \$348 million (44+109+1.6+5.5+ 5.8+ 182). This is more than enough to reduce spending to the MoE level (\$2,379.6B less \$256M, = \$2,123.6B, pg 10-3), and avoid a tax rate increase.

1. Cadillac Health Plan Overruns- \$40 million band aid for the \$400 million trust fund whose costs are out of control and growing at a 10% annual rate. [Employee contributions](#) are half the national average. Employees pay just 12-17% of health premium costs vs. 21-33% nationally. *Savings-* at least \$44 million next year from 10% EE contribution increase and more thereafter for restructuring to make this trust fund sustainable).

2. Compensation Excesses- general wage increase of 3.25 %, across the board, including overhead functions, and on top of 30% teacher pay increases the last three years, brings teachers average pay to \$107,147 (Table 7- \$1,339,555,027/12,502 FTEs) for 10 months work and increases the structural deficit. Teacher compensation should be based on parity with Fairfax County public schools, as it used to be before the last Superintendent. Fairfax's average teacher salary is \$94,891 ([Fairfax budget](#) pg. 153 cost of \$1.534 billion /pg. 105 teacher FTE of 16,175). MCPS teacher salaries are 13% higher, and that doesn't take into account our teachers superior defined benefit retirement plan with a county supplement, or their low-cost health plan benefits. The Superintendent says in his letter the combined step and general wage adjustment of 6.75% would be consistent with county employees. But they don't get the generous pension and health benefits our teachers get. Why aren't teacher raises targeted at low-income schools where retention and recruitment are vital to reducing the achievement gap, and teachers have to work longer days to perform interventions, communicate with parents, and deal with more classroom

disruptions? Why should employees in overhead functions get a general wage increase above the rate of inflation plus a step increase. *Savings-* \$109 million by limiting 3.25% General Wage increase to low-income school teachers (\$59 million for teachers plus \$50 million for SEIU employees).

3. Security Management Gaps- 52 additional security guards are proposed for next year. The issue is the tradeoff between funding security and funding academics. At what point do added security benefits diminish (e.g. reduced absenteeism) and require shifting additional resources to academic strategies to boost proficiency? This could be facilitated by reintroducing SROs- Police officers- in schools to reinforce security guards. Also, the key to successful security is having the staff report to accountable individual school principals, not central office staff, as was done in February under the [new Kennedy HS](#) replacement (Ribeiro 7th response). Kennedy needs to be closely watched as a test case for this tradeoff. No school security solution can be complete without holding students accountable for their behavior, and a big part of that is fixing the broken grading system. *Savings-* from shifting management to principals, and cutting the increase by half to match better management are \$1.6 million (\$3.2 million x .5)

4. Unfunded state mandates- a doubling of the current 20% planning time being considered by the state. That would require adding 25% more teachers and would have an immediate adverse effect on academic proficiency by reducing teaching time of non-novice teachers. Pre-K, high quality educators, and College and Career Readiness show an increased cost of \$10.9 million in Table 1A, but how much will this increase academic proficiency next year? This is only in the budget because of a state mandate, and is not justified by academic proficiency improvements from previous spending on these strategies. Pre-K had hundreds of empty seats last year (Table 4), in part because parents prefer local private providers who are being undermined by this program. *Savings-* cutting increases for pre-K, high quality educators, and College and Career Readiness expansion in half to first validate their contribution to improving proficiency is \$5. 5 million (\$10.9 million x .5)

5. Central Office and Overhead Waste- overhead is non-instruction spending, and is high compared to Fairfax public schools (45% vs. 37%, see attachment). Further, the Supt is taking on the Principals and Administrators union to begin cutting central office staffing (84 FTEs). But, the overall plan for the central office is a budget mystery and shrouded in words like renaming it “central services. His presentation to the Board on January 30 talked about restructuring as a multiyear effort, but how will central services get us to an overhead level consistent with a high performing organization? Clearly, he’s walking on eggshells with the unions. The Council can help now by forcing the budget to lay out a timetable for reducing overhead so that MCPS can focus on improving instruction. This can be done by sharing more county services, using proven technology innovations, managing better, and outsourcing for best practices where change isn’t happening fast enough.

We are very concerned about “non-discretionary” spending increases to overhead of \$182 million shown in Table 1A. When you think about it, there should be no increases to overhead spending when there are underfunded academic strategies that work. This is especially true given our dismal and stagnant proficiency levels in reading and math.

Also, this spending goes up in next year’s budget. For example, cross functional teams are created to support schools, but they have no accountability or performance targets (total increase is 11.25 FTEs at a cost of \$5.8 million, Appendix B-3). Shared Accountability has not worked, and individual school improvement plans are undermined by central office activities whose only performance measure would be school wait times for services, not improving proficiency. MoE disincentivizes cuts to overhead. Dr. Taylor says he prefers restructuring to reorganization, and believes new cross-functional teams can do a better job of assisting schools. This won’t happen without proficiency improvement targets.

Next year’s restructuring should also include overhead activities that are clearly wasting money. For example, the bloated Transportation Dept has been a hotbed of fraud, waste and abuse with electric buses. Even the Superintendent has said our fleet of 285 electric buses cost more than diesel, and can’t handle longer routes. A consultant’s study (CESO 12/20/23, Deliverable 1, slides 12-24) confirmed this and found that replacing diesel buses with electric is not cost neutral partly because there would be no reduction in mechanic staff. The consultant further found that fleet management has 120 FTEs, including 89 mechanics of which only 15 logged more than 1,300 direct labor hours working on buses (out of over 2,000 hours in a year). *Savings-* eliminate 11.25 FTE increase of \$5.8 million. Eliminate all non-academic spending increases of \$182 million in Table 1A labeled “non-discretionary” by funding them with base overhead savings. Year 2 savings- TBD)

County Budget

The Taxpayers League’s general [budget](#) issues center on three things: reserves, compensation, and staffing levels:

- Reserves- assure a higher reserve this year to deal with recession risks and uncertain Federal and state funding (more than 11.2% pg. 4-9 in light of investment return risks due to higher utilization of OPEB funds approved by the Council 12/23, pg. 8-3).
- Compensation- a higher reserve can be offset by deferring pay increases above the generous step increase. (\$37 million, pg. 8-1 for general wage adjustments), and unjustified staffing increases. Pay raises were excessive last year (10%) and increases should wait until the 2011 comparative salary survey is updated.
- Staffing- each of the proposed positions (186, pg. 8-7) needs to be justified based on performance improvements which are not documented in this budget.

Tying specific program budgets to strategies and performance targets will further decrease costs from strategies that no longer are effective, better justify new and base spending to taxpayers, and minimize the need for tax increases:

1. **MCPS Tax Increases-** A special tax increase is proposed (pg. 5-10). However, MCPS costs can be cut to the Maintenance of Effort level negating the need for a property rate tax increase. The last MCPS property tax increase of nearly 5% was spent for other county activities, not MCPS because money is fungible.
2. **County Fee increases-** ranging from 911 call center fees to solid waste fees should not be approved until an analysis of alternatives and return on investment analysis demonstrates cost savings from these projects is greater than the county's cost of capital. That will avoid adding to the structural deficit.
3. **Public Safety-** How much will crime be reduced and closure rates improved by this budget? Why doesn't the budget include metrics and performance targets? For example, we discussed the 911 center with police Chief Yamada in a meeting last summer. He told us that response times are 5-6 minutes for priority calls. We talked about best practices and how he could model the 911 center around the successful Fairfax County 911 service which was spun off to encourage technology investments, improve productivity and lower response times. Now it's a separate enterprise fund that provides services to Falls Church and other jurisdictions and is profitable. Defer the proposed phone line 911 fee increase (\$.75 to \$1.47) until a comparative study of best practices is done.
4. **HHS-** How many more residents would be served by reallocating HHS spending from programs serving fewer than 50% of eligible residents because they either duplicate other programs or aren't needed after the Covid emergency? What Covid surge staffing reductions could be made to support increased Medicaid resident health care demands due to state reductions?
5. **Transportation-** How many new riders will be added next year because of fare free Ride-on buses? How many new riders could be added by shifting buses to popular routes to get passenger counts back to pre-Covid levels? How has BRT improved ridership and does this justify the huge investment (Viers Mill and 355, pg. 6-8)? Can adding 86 electric buses to increase the electric fleet 112 be justified based on utilization experience of the current 26 buses? Could utilization be improved with better route assignments to reduce the need for additional buses? Have higher costs offsets outlined in the MCPS CETA consultant report (12/21/24) for electric bus cost savings been managed: lower mechanic staffing, and higher diesel bus acquisition and operation costs?
6. **Housing-** How many additional units will be started next year with additional subsidies- \$229 million? How much will they reduce the huge unit deficit for residents below 30% AMI?
7. **WSSC-** reform is being considered in a State bill (HB 1195) that addresses failed governance that's led to rate increases as far as the eye can see. What can you do to cut the proposed 9.8% rate increase as a measure of good faith?
8. **Economic Development-** resident employment growth is slowing down (pg. 5-2). How many more jobs will be created next year, and what will be the split between commercial, government and non-profit? How well did WorkSource Montgomery (\$2.5 million) perform vs. other county training programs in the numbers of residents trained and placed

in jobs last year? Emphasis should be on commercial employers who strengthen and diversify the tax base.

9. **Non-Profit Partners**- How does the Office of Grants Management assure that grant terms are met, including performance targets to supplement County functions for housing, job training and the rest? How much was cut from last years' awards in this budget for underperforming partners?

Attachment- MCPS Overhead Comparison
Montgomery County Taxpayers League- Draft, 6/23/22

WABE 2022 (1)	MCPS	Fairfax County Schools
Teachers, pgs. 34-36	13,529	15,982
Av Comp w/ Benefits pg.43	\$116,067	\$\$120,709
Cost	\$1,569.5M	\$1,929.2M
Instruction Assist- Para Eds	2,730	3,276
Av Comp w/Benefits (2)	\$50,991	\$54,719
Cost	\$139.2M	\$179.3M
Total Instruction Cost- Direct Labor	\$1,708.7M	\$2,108.5M
FY 2022 Operations Budget	\$2,780.0M	\$3,344.2M
Operations Spend (w/entlmts) pg. 24	\$3,131.1M	\$3,392.4M
% Instruction	55%	63%
% Overhead Balance	45%	37%

Notes:

- (1) <https://www.fcps.edu/sites/default/files/media/pdf/FY22-WABE-Guide.pdf>
- (2) Calculated based on WABE pg. 38 Instructional Assistants average hourly pay range, multiplied by total hours/year, with benefit load factor based on compensation accounts, pg. 51 benefits as % of salaries (1.35 vs. 1.53).

MCPS Preliminary Overhead Analysis- Draft

The latest Washington Area Boards of Education (WABE) report doesn't directly compute overhead, but is the source of most of the data in the calculation. WABE also provides data that can be used to make inferences about overhead cost drivers, and to begin isolating non-value-added costs with benchmark analysis. Analysis of MCPS's overhead rate since 2013 shows little change. Non-instruction costs are overhead because they do not change significantly with the level of instruction. Direct instruction costs for equipment, supplies, and contracts were not included because they are less significant than labor costs.

Fairfax County School's overhead rate of 37% is a good benchmark. Fairfax is a regional competitor, and while larger with 20,000 more students (MCPS 160,000 vs. 180,000), MCPS costs can be scaled up for comparison to Fairfax. Total instructional staffing is similar to MCPS when scaled for Fairfax's higher enrollment, as is instructor compensation. Overhead activity differences appear to be due to the level of **management centralization**, the **number of school buildings**, and **construction and IT staffing**. Restructuring to decentralize management to schools, consolidate MS buildings, construction and IT staffing could **save over \$100 million annually**.

Likely overhead cost differences are: 1.) more non-instructional MCPS staff in central offices and schools, and higher MCPS total average compensation for overhead; 2.) smaller MCPS MS and HS buildings (ES buildings are comparable), resulting in higher building operating and maintenance costs; and, 3.) higher construction and IT staffing.

1. **Staffing and Labor Costs** (WABE pgs. 34-35)- MCPS total staffing difference when scaled-up for enrollment differences is 3% less (21,598 x 1.125 vs. 25,163), but this can probably be attributed to Fairfax's higher ESOL (MCPS 16.7% vs. 18.5%) and Special Ed (MCPS 13.1% vs. 14.7%) enrollments. However, total non-school based employees for Fairfax are significantly lower (Fairfax 1,801 vs. MCPS Carver staff of 1,768, or 1,989 scaled up). Biggest differences were for Management (+75), Education Specialists (+41), and Office Support (+90). School-based overhead staffing differences require further analysis for differences in Principals, Administrators, Counselors, Psychologists, library staff, Media Specialists, and lunch hour assistants. Dividing the total employee counts into the total full-time salaries on pg. 51 gives significantly different averages (\$81,056 for MCPS vs. \$71,492 for Fairfax). Since teacher's total compensation is comparable (\$116,632 vs. Fairfax's \$120,709- excludes MCPS state pension contribution), the difference reflects the premium MCPS pays for non-instruction overhead. Savings Potential: 206 Excess Carver staffing: \$41M.
2. **Building Units** (WABE pgs. 43-50)- MCPS has a total of 66 buildings (40 MS, and 26 HS) vs. 48 total for Fairfax (23 MS and 25 HS). ES buildings are about the same on a scaled basis. Scaling for enrollment differences is tricky since this is a step variable function, but assuming linear costs for enrollments, if Fairfax built schools the same way as MCPS, they would have 75 MS and HS buildings (66 x 1.125), but Fairfax has 36% fewer comparable buildings (48 vs.75). However, given cost analysis limitations, it's better to focus on the largest, MS building differences. Lower Fairfax central building staff are shown (pgs. 34-35):

MCPS has 94 more non-school based Custodial/Maintenance staff than Fairfax (499 vs Fairfax's 405), and scaled up MCPS would have 561 of these staff (or 156 more). School staffing would be lower too. MCPS's school based Custodial staff of 1,379 is lower than Fairfax's 1,416, but if scaled up for enrollment comparison, MCPS would have 1,551 custodial staff (or 135 more). Savings Potential: 17 Excess MS building's utilities, plus 291 Excess Staff: \$33M.

3. **Construction and IT Staffing** (WABE pgs. 34-35)- Non-Operating Fund positions are significantly greater (649 vs. Fairfax's 464) reflecting higher construction and IT activities. Savings Potential: \$37M.