



# Montgomery County Council

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*For Immediate Release*

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## **Montgomery Council Education Committee Recommends Plan to Provide MCPS With Its Full Funding Request for Fiscal Year 2015**

*Full Council Will Consider Plan on Wednesday, May 14*

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ROCKVILLE, Md., May 12, 2014—The Montgomery County Council's Education Committee today unanimously recommended that the Council adopt a plan that will provide Montgomery County Public Schools with its full funding request for the Fiscal Year 2015 operating budget and also for the MCPS Technology Modernization project.

The Education Committee, which is chaired by Council President Craig Rice and includes Councilmembers Phil Andrews and Cherri Branson, voted 3-0 to recommend that the Council approve the plan. The recommendation goes to the full Council for consideration on Wednesday, May 14. The Council is scheduled to reach a tentative agreement on the overall budget on Thursday, May 15, and is scheduled to formally adopt the budget on May 22. The budget will go into effect on July 1.

The recommended plan provides resources for the full amount of the Board's requested FY15 operating budget. It also provides the appropriate local resources to reflect the State's Maintenance of Effort (MOE) requirement, the State's pension shift requirement and the full amount of the MCPS general fund balance. The plan additionally funds the Board of Education's requested increase for its Technology Modernization project in FY15 and FY16 through a combination of local funds and Federal E-rate funds.

The plan primarily achieves its objectives through a combination of drawing down the large fund balance in the MCPS Retiree Group Insurance Fund and the

Other Post Employment Fund (OPEB) trust and by reallocating funds within the MCPS budget request from Category 12 (Fixed Charges) to educational priorities.

The plan funds the Board of Education’s operating budget request by providing \$11.2 million from the existing MCPS general fund balance; \$13.3 million from the excess MCPS Retired Employees Group Insurance fund balance; and \$27.2 million applied from funds from the MCPS OPEB Trust to retired employees pay-as-you-go group insurance costs.

“I am pleased to announce a funding plan for the FY 2015 MCPS operating budget that fully meets the Board of Education’s request,” said Council President Rice. “The Council has developed this plan in collaboration with Board President Kauffman, Vice President O’Neill, Superintendent Starr and the County Executive.

“All of us are committed to investing in our students, focusing on the achievement gap and maintaining MCPS’ position as a national leader in education. This plan provides the needed resources.

“The plan fully funds the Board’s FY 2015 educational request by repurposing excess reserves for current retiree health benefits, while protecting support for future benefits in the Council’s FY 2015-2020 Fiscal Plan. In addition, the plan fully funds the Board’s FY 2015 Technology Modernization request in both the operating and the capital budgets.

“This plan achieves multiple goals by making judicious use of both new County resources and excess reserves. Going forward, we will work with MCPS, as we do every year, to address future enrollment growth, negotiated agreements, and strategic investments to improve student achievement.”

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