

May 2009

MCCPTA Operating Budget Committee Report

Chair: Pam Moomau

Budget Advocacy: The County Council is in the last stages of adopting operating and capital budgets for fiscal year 2010, which starts July 1, 2009. MCCPTA President Kay Romero, and MCCPTA cluster coordinators testified before the County Council on the school budget in public hearings April 15 and 16. They were generally supportive of fully funding the MCPS requested operating budget, while pointing out areas of funding deficiencies. A preliminary vote on the County budget (including schools) is scheduled for May 14, a final vote for May 21. There is more uncertainty than usual for this time of year because Montgomery County is requesting a Maintenance of Effort waiver from the State. See below for more explanation of that. That said, at the moment the County appears to be on track to fund the MCPS operating budget as requested. If your school community has identified a particular budget cut that you feel your community can't sustain, now is the time to contact your County Council member.

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Current status of the MCPS Operating Budget funding, as recommended by the County Executive: County funding and State funding provides for full funding of the BOE's requested fy 2010 operating budget, including increases due to the additional \$21 mil in Title I and IDEA money. The 99% (rather than 100%) funding in press releases about the County Exec's budget represents NOT funding contributions to a teacher retiree health reserve fund, which the BOE had added to the budget when it looked like there would be more State money than anticipated, because it's the fiscally prudent thing to do. MCPS is satisfied with this budget as proposed, because it fully funds programmatically what they had requested, even though it means a net reduction relative to current services of \$89 million in salary COLAs and \$30 million in programmatic cuts. Unanticipated stimulus funds from the federal government through Title I (aid to schools in high poverty areas) and IDEA (aid to schools to support students with disabilities) will provide for the restoration of about \$8 million from those recommended cuts plus an additional \$13 million in support of MS reform and Title I schools.

When MCPS prepared the budget in December, it was assuming less State funding than the State ended up providing. Fiscal stimulus funding at the State level allowed the Governor's budget to provide for more school funding than anticipated. In addition, the original MCPS budget had incorporated assumptions about Thornton formula funding based on a State mistake in applying the Thornton formula to Montgomery County for FY 2009, which the State has now rectified. The County Executive's budget uses unanticipated state funds to substitute for what the County would normally be contributing to MCPS.

Maintenance of Effort Waiver: The County has requested a waiver of State Maintenance of Effort requirements in order to be able to substitute State funds for County funds as described above. If they don't get the waiver, the County Council will have to increase their contribution to the MCPS budget or lose state funding. Either way, the County would have to cut budgets for other County agencies. The State Maintenance of Effort requirement is a requirement that the County government provide at least as much funding per pupil each fiscal year as it did in the prior fiscal year. The State Board of Education held hearings on MOE waiver requests yesterday (Monday, April 28). Because of the previously planned MCPS operating budget reductions and state funding changes described above, a \$74 million MOE

waiver by the State would be consistent with full funding of the requested MCPS operating budget. The BOE has been supportive of a \$74 million MOE waiver request. The County Executive initially requested a \$94 million waiver; that request was reduced to \$80 million. The Board of Education's letter, dated April 17, 2009, supporting the MOE request supported the full waiver only if the extra \$6 million comes out of funding retiree health fund reserves. They also requested that future MOE calculations be based on FY2009 County funding per pupil, rather than FY2010 (because with an MOE waiver, FY2010 County funding per pupil will be lower than FY2009). The State Board of Education is scheduled to rule on MOE requests May 15. The Montgomery County Council had scheduled a preliminary budget vote May 14. The final Montgomery County Budget vote for May 21, 2009.