

County Council Operating Budget Testimony

Testimony before the County Council will take place over 4 nights in early April. The dates are Monday April 9 (last day of Spring Break), Tuesday 4/10 (date of many local PTA meetings), Wed 4/11 (date of MCCPTA BOD meeting) and Thursday 4/12 (you might have to TiVo Gray's Anatomy).

We are faced with several difficult choices this year in what message we want to emphasize. There has been a large uproar over the closing of the Learning Centers, the County Executive has proposed a \$20 million reduction in the Superintendent's budget request, and we need to advocate for our own cluster schools. All in three minutes!

Written testimony may be longer than your oral testimony so prioritize what you want the County Council to HEAR from you. Some points to remember:

1. As a result of County Executive Isiah Leggett's budget recommendations issued on March 13, 2007, there is a \$20 million gap between the Board of Education's FY 2008 Operating Budget Request and the county executive's recommended budget.
2. If the operating budget is approved as recommended by the county executive, it would represent the third year in a row that the Montgomery County Public Schools' (MCPS) share of the budget has dropped—from 48.7 percent three years ago to 47.5 percent in FY 2008— while the share for the rest of the county has increased by 1.2 percent. That decline in the MCPS share of the budget is equivalent to approximately \$44 million in FY 2008.
3. The county executive recommended a 6.3 percent increase for MCPS, compared with 6.9 percent for county government and 6.7 percent for the county budget as a whole. The difference between the MCPS and county government percentage is equivalent to \$11 million, more than half of the budget gap for MCPS.
4. The county's contribution to the MCPS budget will only increase 4.3 percent under the county executive's recommendation (\$59.7 million) compared to the 6.9 percent tax-supported increase for county government. State aid will increase by 16.3 percent (\$54.9 million) for MCPS because of Thornton funding.
5. Based on available fiscal data, Montgomery County should have sufficient resources in FY 2008 to approve requested agency operating budgets (including the MCPS budget), avoid raising taxes, reduce property tax rates to the charter limit, and maintain sufficient reserves.

6. Income tax revenues should provide ample resources to close the budget gap without the need to increase taxes. Income tax revenue increases of 9 percent (compared to 18 percent more this year) rather than the preliminary projection of 5.7 percent would yield an extra \$39 million, enough to close the budget gap completely while using credits for owner-occupied real property to limit property tax revenue to the charter limit.
7. Reductions of \$20 million will cause real pain and could wipe out the entire \$12.1 million in targeted initiatives that advance the initiatives in Our Call to Action: Pursuit of Excellence. The initiatives for FY 2008 include middle school reform (\$2.5 million), special education hours-based staffing (\$1.8 million), 20.5 additional middle and high school counselors (\$1.6 million), 15 elementary school assistant principals (\$1.6 million), and additional translation services (\$66,000).
8. State law requires that the executive notify the Board of Education as to what specific categories he plans to cut to reach the \$20 million in reduction he is seeking. Savings from eliminating initiatives will not be sufficient to achieve the required amount, so it is incumbent upon the executive to indicate if he expects staff reductions to take place, salary increases to be reduced, class sizes increased, or special education services curtailed.
9. The Board of Education's FY 2008 Operating Budget Request for MCPS totals \$1,988,401,081, an increase of \$136,504,794 (7.4 percent). Not including \$16.1 million reserved to pay future retiree health benefits, the operating budget increase is only 6.5 percent.
10. The 7.4 percent requested increase is lower than last year's 8.0 percent increase and less than the 7.6 percent average of the last five years.