

Montgomery County Public Schools FY 2017 Operating Budget

Summary of Negotiations

During FY 2014, the Board of Education reached agreement on comprehensive three-year agreements covering economic and non-economic terms with all three employee associations. All groups are covered under separate three-year agreements, effective July 1, 2014, through June 30, 2017. The bargaining units are the Montgomery County Education Association (MCEA), representing certificated non-administrative employees; Service Employees International Union (SEIU) Local 500, representing supporting services employees; and the Montgomery County Association of Administrators and Principals/Montgomery County Business and Operations Administrators (MCAAP/MCBOA), representing certificated and non-certificated administrators and non-certificated supervisory employees in separate units. The two MCAAP units are covered in a single contract covering both units.

The Board of Education ratified these three-year agreements on March 11, 2014. Based on the three agreements, employees received a general wage increase of 1.5 percent effective November 29, 2014, and a 2 percent general wage increases effective on October 17, 2015, and employees were to receive a 2 percent general wage increase effective on September 3, 2016. The agreements ratified in March 2014 also provide annual step increases and longevity increases based on certain eligibility criteria. Additionally, effective March 4, 2017, all employees who missed a step increase in FY 2012 due to the negotiated deferral of step increases, or new employees with previous experience who had their “hire-in” rate adjusted back one step in FY 2012, and who have an additional step available, were to advance one additional step on the salary schedule.

However, the appropriation that the County Council passed on May 26, 2016, for the FY 2017 MCPS Operating Budget left a funding gap of \$41.2 million compared to the Board of Education’s budget request.

In order to close the funding gap, the Board of Education took several steps at its meeting on June 14, 2016, when it approved the final FY 2017 Operating Budget. One of those steps was that the FY 2017 Operating Budget will include a 1% salary increase for all pay schedules effective July 1, 2016, instead of the pay increases that had been scheduled for September 3, 2016. Also eliminated were the “makeup step” to be effective March 4, 2017 and the revised salary schedules for all bargaining units to be effective that same date. The Board’s FY 2017 adopted budget in February 2016 had included an increase of \$55.3 million for continuing salaries and related benefits. This amount reflected a two percent general wage adjustment (GWA) and step increases for eligible employees scheduled for September 3, 2016, and a makeup step increase for eligible employees that was to be effective on March 4, 2017. Based on a GWA of one percent, as well as step and longevity increases for eligible employees which will be effective on July 1, 2016, this amount may be reduced by \$22.1 million for a total of \$33.2 million.

Finally, we expect that negotiations with our employee associations on new contracts to be effective July 1, 2017, will begin in or about September 2016.

