

## **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 will 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, shall advance one additional step on the salary schedule.

The appropriation that the County Council passed on May 21, 2015, for the FY 2016 MCPS Operating Budget left a funding gap of \$53.1 million compared to the Board of Education's budget request. In order to close the gap, the Board of Education took several steps on June 16, 2015, when it approved the final FY 2016 Operating Budget. This included savings of more than \$3 million from the delay of implementation of FY 2016 salary increases from October 3, 2015, to October 17, 2015. The members of the employee associations ratified these changes prior to the Board's action on the FY 2016 Operating Budget. The Board approved the amendments to the contacts along with the FY 2016 Operating Budget on June 16, 2015.

The agreements call for employees to pay a greater share of their health insurance premiums, and over the 2015 and 2016 calendar years, the amount each employee pays will increase by 7 percent. Beginning on January 1, 2016, employees will be able to lower their benefit costs if they participate in a voluntary health risk assessment and/or submit the results of a routine blood test. The contract calls for employees who smoke to pay 3 percent more for their health benefits beginning in January 2016. The benefit changes are expected to save \$18.5 million in FY 2016 and each year thereafter.