

Examiner Local Editorial: Is MCPS hiding any more slush funds?

By: Examiner Editorial 06/15/11 8:05 PM

Montgomery County Public Schools avoided a County Council-imposed requirement that teachers pay 5 percent of their own health care costs by suddenly "finding" what "a slush fund." This prompted the Washington Post to write a fine June 11 editorial blasting the school board. The Post seemed surprised to learn that MCPS was pleading poverty and squealing over budget cuts, even as it failed to report millions of dollars in surplus insurance money. But Examiner readers were already aware of this budgetary legerdemain.

A March 17 Examiner op-ed by Dave Trabert, president of the Kansas Policy Institute, reported that public school districts in his state were similarly threatening to close schools and fire teachers if their budgets were cut. It turned out that they had been secretly squirreling away \$1.6 billion in "unencumbered carryover cash reserves." The money was enough to cover the proposed cuts with \$742 million left over afterward. The hoarded money, collected from state and local taxpayers to be used for educational purposes, was instead used to increase cash reserves and in some cases, to sue the state for even more money. "It might be happening in your local school district, too," Trabert warned. It is, as Montgomery council members recently discovered. Council President Valerie Ervin, D-Silver Spring, publicly accused the Board of Education of providing fraudulent information, since the insurance surplus did not appear on any of the budget documents MCPS provided to the council. School officials were less than honest in claiming that children would suffer and property values would plummet if their budget was cut even by a small percentage. And it was a dereliction of duty for County Executive Ike Leggett -- who admitted he knew about the secret slush fund as early as April -- not to inform council members.

It is instructive to note that the "found" money will not go directly into the classroom, but will instead be used to prop up school employees' unsustainable benefits, while taxpayers and other county workers are being asked to tighten their belts. This is all about the school system's exaggerated sense of entitlement, not about "the district's neediest students," as school board President Christopher Barclay of Takoma Park disingenuously suggested.

Montgomery County Inspector General Edward Blansitt should have a lot of questions for Barclay, Leggett, MCPS officials, and former School Superintendent Jerry Weast, but only an independent forensic audit can answer the main one: Are there any other slush funds that MCPS is still hiding?