

Resolution No.:	<u>20-833</u>
Introduced:	<u>May 22, 2025</u>
Adopted:	<u>May 22, 2025</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Amendment to Resolution #20-526, Approval of and Appropriation for the FY 2025 Operating Budget of the Montgomery County Government - Montgomery County Public Schools Other Postemployment Benefits (OPEB) Trust transfer amount

Background

1. On May 23, 2024, the County Council approved Resolution 20-526, Approval of and Appropriation for the FY 2025 Operating Budget of the Montgomery County Government. This resolution includes a provision that authorizes the Chief Administrative Officer “to direct that up to \$27,200,000 from the Consolidated Retiree Health Benefits Trust may be transferred to the Montgomery County Public Schools (MCPS) Other Postemployment Benefits (OPEB) Trust as needed by MCPS for the payment of FY 2025 retiree health insurance benefits.”
2. On May 14, 2025, the County Council reviewed and approved a plan for an FY 2026 MCPS funding package developed by the Council President in collaboration with the Board of Education and the Superintendent of Schools.
3. The approved plan includes authorization to redirect \$25 million of funds allocated for pre-funding the Other Postemployment Benefits (OPEB) Trust in FY 2025 to current payments in the MCPS Employee Benefit Plan Fund for retiree health care expenditures. This action would increase the allowable transfer to MCPS from \$27.2 million to \$52.2 million in FY 2025.
4. Montgomery County Public Schools (MCPS) is self-insured, and the Employee Benefit Plan Fund pays the cost of health care claims from covered members. MCPS has reported concerns regarding the level of claims and cost experience in the fund.
5. The Council intends that this reallocation of funds is a one-time action to address the expenditure and claims increases, and will continue to work with MCPS to ensure robust funding practices for the OPEB Trust.

Action

The County Council for Montgomery County, Maryland, approves the following action:

Paragraph 36 of Council Resolution 20-526, Approval of and Appropriation for the FY 2025 Operating Budget of the Montgomery County Government, is amended as follows:

36. This resolution appropriates \$59,106,261 to the Consolidated Retiree Health Benefits Trust (MCPS) Non-Departmental Account and does not appropriate any funds to the Consolidated Retiree Health Benefits Trust (Montgomery College) Non-Departmental Account. These funds must be deposited into the Trust created under County Code Section 33-159. These funds must be used only for the payment of retiree health insurance benefits. The Chief Administrative Officer is authorized to direct that up to [\$27,200,000] \$52,200,000 from the Consolidated Retiree Health Benefits Trust may be transferred to the Montgomery County Public Schools (MCPS) Other Postemployment Benefits (OPEB) Trust as needed by MCPS for the payment of FY 2025 retiree health insurance benefits.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council