

**BOARD OF TRUSTEES
MONTGOMERY COLLEGE**
Rockville, Maryland

Agenda Item Number: 13B
June 15, 2009

FINAL ADOPTION OF THE FY2010 CURRENT FUND AND SPECIAL FUNDS BUDGETS

BACKGROUND

On February 17, 2009, the Board of Trustees adopted a budget in the amount of \$217,999,063 for the Current Fund and \$16,136,583 for the Workforce Development and Continuing Education Fund and \$6,189,822 for the Auxiliary Enterprises Fund. It is necessary to readopt the budget since the County Council's final appropriation for the current fund is 216,799,063.

The FY2010 final Operating Budget represents a 2.5% increase from the prior year and an increase in County funding of \$1.6 million. State Aid increased \$956,265 in the Current fund and decreased \$1,454,837 in WD & CE. The net effect is that total state aid is \$498,572 less than the FY2009 final budget. The Board of Trustees also passed a \$3/\$6/\$9 per credit hour tuition increase to fund the budget. The Other Funds (Emergency Plant Maintenance & Repair Fund, Cable TV, Student Activities and Athletics, and Grants) do not need to be readopted because Board Resolution #09-02-15 did not specify amounts.

This budget is still able to fund minimal salary improvement, benefit cost increases, BOT grants, utilities and the costs of opening new buildings/facilities. As with all the County agencies, the College is not paying COLAs in FY2010 for a cost savings of \$7 million. This budget includes a reduction in the base budget of approximately \$1.2 million, including the elimination of 10 positions. The County Executive also eliminated funding for all postretirement health benefits (OPEB) in the amount of \$1.2 million.

There is a provision in this resolution to reappropriate encumbered FY2009 balances in FY2010. This action will allow funding for items encumbered in the current fiscal year to automatically be reappropriated in the next fiscal year.

RECOMMENDATION

Members of the Board are asked to readopt the FY2010 Current Fund and Special Funds Budgets as presented, and authorize the President to implement the budgets which are subject to final County Council funding actions in June, 2009.

BACK-UP INFORMATION

Board Resolution

RESOURCE PERSONS

Mr. Moore
Ms. Dimon

**BOARD OF TRUSTEES
MONTGOMERY COLLEGE**
Rockville, Maryland

Resolution Number: 09-06-072
Adopted on: 6/15/09

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Subject: Final Adoption of the FY2010 Current Fund and Special Funds Budgets

WHEREAS, the Board of Trustees originally adopted the College's Fiscal Year 2010 Operating Budget on February 17, 2009, by Board Resolution #09-02-15; and

WHEREAS, the Montgomery County Council considered the budget in work sessions during April and May, 2009 and approved \$216,799,063 for the Current Fund, and \$22,326,405 for the Enterprise Funds; and

WHEREAS, the County Executive and County Council recognized the valuable contribution that Montgomery College makes to the community and increased County funding by \$1.6 million for the Current Fund; and

WHEREAS, the Council has approved the College's Fiscal Year 2010 Operating Budget for State-mandated functions and appropriated a Current Fund expenditure authority of \$216,799,063; and

WHEREAS, by the same resolution, the Council appropriated the expenditure authority for the Special Funds as follows: Workforce Development and Continuing Education Fund, \$16,136,583, and Auxiliary Enterprises Funds, \$6,189,822; and

WHEREAS, the College seeking to be consistent with other County agencies and colleges in Maryland requests the authority for encumbered expenditures to carry into the next fiscal year; and

WHEREAS, the foregoing expenditure appropriation has been applied to functional expense categories to reflect Council actions; now therefore be it

Resolved, That the Board of Trustees hereby readopts the FY2010 College Current Fund Operating Budget in the amount of \$216,799,063, Workforce Development and Continuing Education Fund in the amount of \$16,136,583; and the Auxiliary Enterprises Fund in the amount of \$6,189,822; and be it further

Resolved, That the Board of Trustees authorizes reappropriation and expenditures of encumbered FY2009 appropriations for all funds, permitting the funds to be spent in FY2010 (unencumbered appropriations lapse at the end of FY2009); and be it further

Resolved, That the functional totals for the Fiscal Year 2010 Operating Budget will be in the amounts listed below:

CURRENT FUND

SPECIAL FUNDS

10	Instruction	\$ 81,114,905	\$ 16,040,583
40	Academic Support	30,678,786	-0-
50	Student Services	26,832,618	-0-
60	Operations & Maint. Of Plant	32,266,365	-0-
70	Institutional Support	42,753,629	-0-
80	Scholarships & Fellowships	3,152,760	96,000
	Auxiliary Expenditures	<u>-0-</u>	<u>6,189,822</u>
TOTAL		\$216,799,063	\$22,326,405

and be it further

Resolved, That the estimated budgeted source of funds projected by the Board of Trustees to fund the College's Operating Budget during FY2010 are in the amounts listed below, subject to final County Council funding actions in June, 2009.

	<u>CURRENT FUND</u>	<u>SPECIAL FUNDS</u>
County Contribution	\$ 106,457,775	\$ -0-
State Aid	32,501,008	6,094,180
Tuition & Fees	71,126,459	7,175,000
Miscellaneous	1,603,000	1,946,871
Fund Balance	5,560,821	2,599,296
Income from Sales & Service	-0-	4,519,058
Net Transfers	<u>(450,000)</u>	<u>(8,000)</u>
TOTAL	\$ 216,799,063	\$22,326,405

BKJ:abg