

To: Montgomery College Colleagues
From: Dr. DeRionne P. Pollard, President
Subject: **Fiscal Year 2022 Operating Budget Recommendations from County Executive**
Date: March 15, 2021

Montgomery County Executive Marc Elrich announced his funding recommendations today for Montgomery County's FY22 operating budget, which includes recommended funding for Montgomery College. Mr. Elrich approved the College's requested budget of \$312.6 million. We are grateful for the full approval of our budget request and the recognition of the fiscal prudence the College is exercising. The College has been, and continues to be, conscientious in our efforts to submit a fiscally prudent budget request to the county. Our request aligns with the county's drive for fiscally sustainable operations and our shared goal to provide quality education at the lowest possible cost to our students. Especially now, our students are relying on MC to offer the affordable education and training that will prepare them for a better future.

During the past year, all of us at Montgomery College have worked diligently to transition quickly to predominantly remote working and learning modalities. I am so very proud of the innovation and dedication that everyone at the College has demonstrated in delivering high-quality education at a time when our economy, public revenues, and student demand are uncertain. I continue to be exceptionally grateful for the tireless dedication and extraordinary diligence demonstrated by Montgomery College employees, not only giving of themselves to ensure we were here for students—but also protecting the mission of this remarkable college. You are my heroes—thank you!

While we are all encouraged by the availability of vaccines, we must continue to remain prudent as we plan for the year ahead. Yesterday's announcement by the county executive is only the beginning of the budget approval process. In the weeks ahead, we will await the decision of the Montgomery County Council. Our budget supports our priorities of educational access and excellence, as well as our ongoing commitment to our employees—whose work this year has been extraordinary. Last month, the College submitted the operating budget adopted by the Board of Trustees to the county executive and the council with a total appropriation request of \$312.6 million, a decrease of two percent compared to last year. Our FY22 budget plan protects our employees' compensation and keeps tuition and fees flat for a second year. The county's share of our budget request is \$146.3 million, which reflects an increase of \$500,000 above last

year's funding level, also known as maintenance of effort. This increase covers the costs associated with the Montgomery Can Code program and the Innovation Hub initiative, both priorities of county leadership. The board's budget request reflects, even in these turbulent times, our strong commitment to our students, faculty, and staff.

In planning for the year ahead, the College has been a faithful steward of its resources, keeping a watchful eye on the economy, revenues, and spending. We are meeting the county executive's current year request to save \$4.3 million. This request has been achieved by a hiring freeze, in place through July 2021, reduced spending for supplies, conferences, travel, and utilities as our students and employees learn and work remotely. Looking ahead to FY22, expenditures will decrease by \$3.5 million through several means, including making a portion of the FY21 savings plan reductions permanent, employee attrition, and the utility cost savings referenced above.

Since the start of the pandemic, the College has anticipated this budgetary challenge by launching several savings strategies and continuing with existing ones. A few examples of our efforts include:

- leveraging of our existing fund balance to allow the College to be flexible in meeting revenue shortfalls
- commitment to classroom scheduling and seat utilization strategies to maximize tuition revenue relative to instructional costs
- increased offering of seven-week courses, in addition to traditional 15-week courses, to better meet student demand
- commitment to a market-based compensation strategy to protect employment and fair compensation
- judicious oversight on non-essential capital expenses
- optimization of federal grant funding related to pandemic impacts, such as CARES Act
- analysis of vendor contracts for cost savings
- strategic management of health care costs by careful assessment of plans and options
- monitoring of enrollment and enrollment projections
- close monitoring of state and county revenue projections, projected year-end expenses and revenue
- attention to the actions of our county and state legislative decision-makers regarding both fiscal matters and public health directives in order to guide our decision-making

I strongly believe that our board's FY22 budget reflects the urgency of our mission to provide access to affordable education, affirms our long-term commitment to fiscal discipline, and

protects compensation for our faculty and staff, who make it all possible. In the days ahead, the College's Board of Trustees and I will seek full support of our requested county funds. The council takes final action on the county's budget in May. I will keep you informed as the members of the county council decide on the FY22 budget.

Thank you for your continued, remarkable dedication to the College and our students!