

**To:** Montgomery College Community

**From:** Donna Schena, Senior Vice President for Administrative and Fiscal Services

**Subject:** Fiscal Update

**Date:** April 17, 2020

During these uncertain times, it is understandable that college employees may be experiencing some anxiety related to the potential impact of the pandemic on their income and/or employment. To help address these concerns, I want you to know that the College has put in place several measures to provide as much stability as possible in an uncertain fiscal environment.

Due to careful and thoughtful management of our resources, Montgomery College entered into these uncertain times as a financially strong institution. Before the Maryland General Assembly adjourned earlier this year, they acted to appropriate state aid to community colleges, which resulted in approximately \$6 million new dollars to the College. Locally, the College submitted a FY21 operating budget to Montgomery County that did not seek any additional funding over FY20 levels. In addition, the FY21 budget did not include an increase in tuition or fees because keeping tuition affordable for our students is a constant focus in developing our budgets and is a high priority for our Board of Trustees.

Given the current crisis, flat tuition for next year has become even more important. The budget we submitted to the county included salary increases for our employees. Our employees contribute to the strength of the College and our community. The County Executive recommended full funding of the College's budget when he released his budget in March. The College's fiscally prudent request puts the College in a positive position as the Montgomery County Council deliberates the county's budget during this public health crisis. Importantly, the county has been supportive of our budget requests and our strategies in addressing the impact of the COVID-19 pandemic on our College. The Council will conclude their budget deliberations before June 1.

These are uncertain times, and while we know many things, there are still many unknowns. These unknowns can potentially impact our ability to sustain our operations, as well as impact our revenue streams. And while the sustainability of our funding streams are critical, there are additional factors and influencers at play in our decision-making. This requires us to continue to closely monitor the situation and respond accordingly. Here are some important efforts in which the College has engaged since we entered into remote teaching and working.

- Assisted students to complete the semester, including providing technology and living expenses through a student emergency fund.
- At the onset of remote teaching and learning, the College adopted a "Do No Harm" strategy for protecting the income of our employees. All employees have been paid as they were scheduled to work, whether or not their work could be done remotely. This included part-time employees and student workers, including federal student workers.
- We are monitoring the implementation of the federal CARES Act adopted on March 27. As a result, Montgomery College is further committed to our employees and students by agreeing to comply with the federal CARES Act. The act requires the College to pay our employees during

any disruptions or closures to the greatest extent possible. As part of the federal CARES Act, the College will receive approximately \$11 million from the Education Stabilization Fund for costs related to the coronavirus. Over half of the funding goes directly to students for costs they have incurred related to the coronavirus. The remainder of the funds is to be used to offset costs the College has incurred related to the coronavirus.

- We are closely monitoring projected year-end expenses and revenue, adjusting as new information becomes available.
- We are closely monitoring enrollment projections.
- We are closely monitoring state and county revenue projections.
- We have assessed vacant positions and are delaying recruitment and hiring activities and decisions for the next four weeks. This aligns with decisions at the county and state levels.
- Analyzed existing contracts for cost savings.
- Actively followed 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.

So, while our challenges will continue during these uncertain times, our commitment to exercising due diligence in managing our revenues and expenses, including monitoring the fiscal realities and the actions of our county and state decision-makers, will also continue. We will reiterate the value Montgomery College brings to our community's recovery from this crisis, including our vitally important faculty and staff.

You can count on the College keeping you informed as we move through this experience together. We are committed to student success, and every employee at Montgomery College contributes to the success of our students, as well as making Montgomery College an outstanding academic institution and a great place to work.

The COVID-19 pandemic has challenged every Montgomery College employee and every student in ways we could have never anticipated. It has touched our personal lives and our professional lives. During the past month of emergency remote teaching, learning, and working, we have witnessed the incredible dedication of our employees. So many of you have risen to respond to the challenges that were thrust upon our College, our community, and our nation. All of this demonstrates that we are and will remain **MC Strong**.