Proposed Fiscal Year 2019 Operating Budget

Board of Trustees
Montgomery College
December 11, 2017
Presentation Overview

- Commitment to Affordable, High Quality Postsecondary Education
- *Montgomery College 2020* Strategic Plan and Budget Priorities
- Enrollment Trends
- FY19 Proposed Budget Plan, Current Fund and Other Funds, and Summary of Appropriation Request
- Timeline for Budget Approvals
Commitment to Affordable, High Quality Postsecondary Education

- This year the College is requesting a total appropriation amount of $314,209,608 (all funds), which is a 0.07 percent increase over last year.

- The College educates over 56,000 students who will meet the county’s need for a dynamic workforce and a vibrant local economy.

- We retain our award-winning faculty who teach our students, and our staff who prepare and support students for transfers and careers.

- We offer equity and access to education in a diverse community to create linkages to workforce opportunities and economic growth.
Montgomery College 2020 Strategic Plan and the Budget Priorities

Adopted a broader narrative for the future: Student Equity in Success

- Continued with and adopted new initiatives that create equity in student success
- Maximized the use of existing resources using greater fund balance
- Kept tuition affordable with a suggested 2.9% increase
- Funded our faculty and staff compensation with sustainability in mind
Data Drives Decisions: Enrollment Is Key

- Annual process to analyze and project enrollment and understand the expected student population

- Operations and fiscal responsibility
  - Set tuition rates
  - Maximize existing resources
    - Classroom and personnel utilization
  - Target spending for student success
    - Academic Master Plan: retention strategies
    - Student Affairs Master Plan: strategies to recruit today’s students
## Enrollment Trends: How Does MC Compare?

<table>
<thead>
<tr>
<th></th>
<th>Fall 2016*</th>
<th>Fall 2015*</th>
</tr>
</thead>
<tbody>
<tr>
<td>All College Enrollment, Nationwide</td>
<td>-1.4%</td>
<td>-1.7%</td>
</tr>
<tr>
<td>2-year Public College Enrollment, Nationwide</td>
<td>-2.6%</td>
<td>-2.9%</td>
</tr>
<tr>
<td>MD Community Colleges</td>
<td>-3.9%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>4-year Public College Enrollment, Nationwide</td>
<td>+0.2%</td>
<td>+0.8%</td>
</tr>
</tbody>
</table>

*Change from previous fall term

Source: National Student Clearinghouse Research Center and MHEC Opening Fall Enrollment
Enrollment Trends: How Does MC Compare?

**Fall 2017 Enrollment**

*Compared to fall 2016*

- Anne Arundel Community College  -4.0%
- Carroll County Community College  -11.3%
- Community College of Baltimore County  -8.6%
- Frederick Community College  -0.5%
- Howard County Community College  -0.2%
- Prince George’s Community College  -2.2%
- **Montgomery College**  -4.4%

Only two community colleges increased enrollment in fall 2017 compared to fall 2016: Chesapeake CC (+3.3%, 70 students) and Wor-Wic CC (+0.3%, 15 students).

Source: Maryland Community College Research Group – Census Date Enrollment
Annual Credit-Hour Enrollment

Actual & Projected

FY98  FY99  FY00  FY01  FY02  FY03  FY04  FY05  FY06  FY07  FY08  FY09  FY10  FY11  FY12  FY13  FY14  FY15  FY16  FY17  FY18  FY19  FY20  FY21  FY22  FY23

542,129
Annual Credit-Hour Enrollment

Actual & Projected

- FY15: 506,548
- FY16: 495,105
- FY17: 470,354
- FY18: 462,900
- FY19: 440,031
- FY20: 441,300
- FY21: 448,474
- FY22: 461,843
- FY23: 470,912

Years: FY15, FY16, FY17, FY18, FY19, FY20, FY21, FY22, FY23
The FY19 Proposed Budget Plan
Initiatives for Student Success in Equity

- **Commitment to Our Employees!**
  - Address sustainable collective bargaining plans
  - Keep campuses safe and secure

- **Student Success!**
  - Grow Achieving the Promise Academy
  - Expand Middle/Early College Program

- **Workforce Development!**
  - Connect students with careers and outreach to businesses

- **Equity, Outreach, and Community Engagement!**
  - Engage community and advocate for why students should attend MC
Montgomery College 2020: Aligning the Budget

- **Educational Excellence**: $5.3 million
  - Sustainable compensation model

- **Access, Affordability and Success**: $1.267 million
  - Achieving the Promise Academy - 1 FTE
  - Scholarships
  - Marketing – Engage the High Schools
  - Early College – 2 FTE

- **Economic Development**: $300,000
  - Career Navigators (Pilot)
  - Business Outreach/Development – 1 FTE
Montgomery College 2020: Aligning the Budget

- **Community Engagement:** $160,000
  - Mobile community engagement – 2 FTE

- **Assessment and Institutional Effectiveness:** $421,000
  - County self insurance
  - Security enhancement – 2 FTE

- **Fiscal Prudence:** ($3.706 million)
  - Reductions to base budget

Total Budget Change from FY18 to FY19: $3.742 million (and 8 FTE)
## FY19 PROPOSED REQUEST
### Operating Budget: $265.8M

<table>
<thead>
<tr>
<th>SOURCES OF FUNDS</th>
<th>FY18 Budget</th>
<th>FY19 Budget</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Contribution</td>
<td>139,333,727</td>
<td>146,133,727</td>
<td>6,800,000</td>
<td>4.65%</td>
</tr>
<tr>
<td>Tuition &amp; Tuition-Related</td>
<td>79,073,170</td>
<td>76,892,107</td>
<td>(2,181,063)</td>
<td>-2.84%</td>
</tr>
<tr>
<td>Other Student Fees</td>
<td>1,346,287</td>
<td>1,294,428</td>
<td>(51,859)</td>
<td>-4.01%</td>
</tr>
<tr>
<td>State Aid</td>
<td>35,794,377</td>
<td>35,411,095</td>
<td>(383,282)</td>
<td>-1.08%</td>
</tr>
<tr>
<td>Fed, State &amp; Priv. Gifts &amp; Grants</td>
<td>325,000</td>
<td>325,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>1,749,000</td>
<td>1,749,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Use of Fund Balance</td>
<td>2,559,470</td>
<td>3,100,000</td>
<td>540,530</td>
<td>17.44%</td>
</tr>
<tr>
<td>Non- Mandatory Transfer</td>
<td>1,828,345</td>
<td>846,000</td>
<td>(982,345)</td>
<td>-116.12%</td>
</tr>
<tr>
<td>TOTAL SOURCES OF FUNDS</td>
<td>262,009,376</td>
<td>265,751,357</td>
<td>3,741,981</td>
<td>1.43%</td>
</tr>
</tbody>
</table>

| EXPENDITURES BY PROGRAM                |              |              |              |            |
| Instruction                            | 89,711,109   | 92,302,862   | 2,591,753    | 2.89%      |
| Academic Support                       | 43,002,765   | 43,883,437   | 880,672      | 2.05%      |
| Student Services                       | 33,105,457   | 33,170,271   | 64,814       | 0.20%      |
| Op. & Maint. of Plant                  | 43,765,655   | 44,161,781   | 396,126      | 0.91%      |
| Institutional Support                  | 46,816,992   | 46,668,608   | (148,384)    | -0.32%     |
| Scholarship                            | 5,607,398    | 5,564,398    | (43,000)     | -0.77%     |
| TOTAL EXPENDITURES                     | 262,009,376  | 265,751,357  | 3,741,981    | 1.43%      |
FY19 Proposed Current Fund Budget: Revenue Assumptions

- **County Contribution:** requests $6.8 million
- **Fund Balance Use:** assumes $540,000 more than last year
- **Tuition:** proposes 2.9% increase ($4/$8/$12) → $2.233 million less than FY18
- **State Aid:** projects $383,000 less than last year
- **Other Revenue:** projects $982,000 less than last year

**TOTAL CHANGE**  $3.742 million
FY19 Proposed Current Fund Budget: Expenditure Assumptions

- **Compensation:** $5.3 million
  - Comparable to prior years
  - Reflects new compensation model
  - Contingent on negotiated agreements

- **President’s Initiatives:** $1.78 million

- **Scholarships:** $107,000

- **Self Insurance:** $261,000

- **Reductions to base budget:** $3.706 million

  **TOTAL CHANGE** $3.742 million
Proposed Current Fund Budget: FY18 to FY19

- Total Budget Change: $3.742 million
- Budgeted Positions Change (all staff): 1,802 to 1,810
- Current Fund Change: 1.43 percent increase
Current Fund Sources of Revenue Percentages

% of Total Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund Balance &amp; Other</th>
<th>Tuition &amp; Fees</th>
<th>State Support</th>
<th>County Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>5%</td>
<td>38%</td>
<td>14%</td>
<td>44%</td>
</tr>
<tr>
<td>FY13</td>
<td>3%</td>
<td>40%</td>
<td>14%</td>
<td>43%</td>
</tr>
<tr>
<td>FY14</td>
<td>4%</td>
<td>38%</td>
<td>14%</td>
<td>43%</td>
</tr>
<tr>
<td>FY15</td>
<td>4%</td>
<td>34%</td>
<td>14%</td>
<td>48%</td>
</tr>
<tr>
<td>FY16</td>
<td>3%</td>
<td>32%</td>
<td>14%</td>
<td>51%</td>
</tr>
<tr>
<td>FY17</td>
<td>2%</td>
<td>32%</td>
<td>14%</td>
<td>51%</td>
</tr>
<tr>
<td>FY18</td>
<td>2%</td>
<td>31%</td>
<td>14%</td>
<td>53%</td>
</tr>
<tr>
<td>FY19*</td>
<td>2%</td>
<td>29%</td>
<td>13%</td>
<td>55%</td>
</tr>
</tbody>
</table>
Other Funds: Initiatives and Budgets

Workforce Development & Continuing Education Fund

- **New program initiatives**
  - Center for Training Excellence (Expanded MK Building training rooms)
  - Building Automation Certification (New program in GITE)
  - Continuation/expansion of grant projects

- **Expanded programming**
  - Cybersecurity and other technology certificates
  - Youth and Academic Test Prep Tutoring Programming
Other Funds: Initiatives and Budgets

Cable TV Fund

- **Expanded access**
  - Secure a full time HD cable channel on Comcast (currently share with MCPS)
  - Support compliance goals in captioning all on-air and web viewing locally produced programs
  - Support community engagement goals by increasing multicultural and foreign language programing in the six most common languages used in the county
  - Expand MCTV presence further into collegewide digital signage network with 4K video

- **Expanded programming**
  - Assist MC in telling the story of MC students and alumni impact on county and state economic development
  - Increase number/hours of live and high definition programs
  - Support student recruitment through producing a series of high-end marketing and advertising TV commercials, digital and web videos as well as digital radio ads promoting MC and MC’s top programs of study
Other Funds: Initiatives and Budgets

Auxiliary Fund
- Follett bookstore commission supporting current fund
- Assessment of food services
- Introduction of athletic camps

Transportation Fund
- No increase in transportation fee for students and employees
- Funding parking lot resurfacing – Year 2 of 3 (capital project*)

Major Facility Reserve Fund
- Funding PE renovations and turf field at Rockville Year 2 (capital project*)
- Proposed increase in major facility reserve fee from $5 to $7

*Appropriation request is in the capital budget
Total FY19 Budget: All Operating Funds

<table>
<thead>
<tr>
<th>COMBINED COLLEGE SUMMARY BY FUND</th>
<th>FY18 Budget</th>
<th>FY19 Budget</th>
<th>Change</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Fund</td>
<td>262,009,376</td>
<td>265,751,357</td>
<td>3,741,981</td>
<td>1.43%</td>
</tr>
<tr>
<td>Workforce Development and Continuing Education</td>
<td>17,784,950</td>
<td>17,677,384</td>
<td>(107,566)</td>
<td>-0.60%</td>
</tr>
<tr>
<td>Auxiliary Services</td>
<td>1,638,620</td>
<td>1,610,000</td>
<td>(28,620)</td>
<td>-1.75%</td>
</tr>
<tr>
<td>Cable Television</td>
<td>1,683,725</td>
<td>1,726,867</td>
<td>43,142</td>
<td>2.56%</td>
</tr>
<tr>
<td>Emergency, Plant, Maintenance and Repair Fund</td>
<td>350,000</td>
<td>350,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Tranportation Fund*</td>
<td>4,100,000</td>
<td>4,200,000</td>
<td>100,000</td>
<td>2.44%</td>
</tr>
<tr>
<td>50th Anniversary Endowment Fund</td>
<td>263,000</td>
<td>263,000</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Major Facilities Reserve Fund</td>
<td>3,500,000</td>
<td>3,000,000</td>
<td>(500,000)</td>
<td>-14.29%</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>22,644,655</td>
<td>19,631,000</td>
<td>(3,013,655)</td>
<td>-13.31%</td>
</tr>
<tr>
<td></td>
<td>$313,974,326</td>
<td>$314,209,608</td>
<td>$235,282</td>
<td>0.07%</td>
</tr>
</tbody>
</table>
Summary of FY19 Budget Request

- The College’s FY19 Budget Plan continues our commitment to affordability and postsecondary education

- Total budget appropriation request is $314,209,608 (0.07% increase)

- This budget funds for Student Success in Equity Initiatives
  - Commitment to our employees
  - Maximize efficiencies/cost containment
  - Student success
  - Workforce development
  - Outreach, access, and community engagement
## Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 11, 2017</td>
<td>Board of Trustees reviews FY19 operating budget</td>
</tr>
<tr>
<td>January 15, 2018</td>
<td>County Executive releases county capital budget</td>
</tr>
<tr>
<td>January 24, 2018</td>
<td>Board of Trustees approves FY19 operating budget</td>
</tr>
<tr>
<td>March 15, 2018</td>
<td>County Executive releases county operating budget</td>
</tr>
<tr>
<td>April 23, 2018</td>
<td>Board of Trustees approves FY19 tuition and fees</td>
</tr>
<tr>
<td>April/May 2018</td>
<td>County Council sessions on MC budget</td>
</tr>
<tr>
<td>May 2018</td>
<td>County Council approves county budget</td>
</tr>
<tr>
<td>June 25, 2018</td>
<td>Board of Trustees adopts final FY19 budget</td>
</tr>
</tbody>
</table>