



BOARD OF TRUSTEES

February 7, 2024

The Honorable Marc Elrich
County Executive
Montgomery County
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

The Honorable Andrew Friedson
President
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear County Executive Elrich and Council President Friedson:

For the County's enduring dedication to Montgomery College, the Board of Trustees, faculty, staff, and students are grateful. We know we can count on you to help MC fulfill its important role in Montgomery County—to unlock potential, transform lives, enrich the life of the community, and produce homegrown talent needed to fuel the economy.

This year we ask for your continued partnership. For FY25, the Board of Trustees adopted a fiscally conservative maintenance-of-effort budget. Please approve MC's total operating budget appropriation of \$334,695,418. For the second year in a row, our budget seeks no new County dollars. Our revenue—County support, State aid, and student tuition—as well as carefully leveraged use of fund balance will support MC's operations. Critically, this budget keeps MC affordable for students with **no tuition increase**. Your appropriation of these funds will also provide reasonable and fair wage increases for our dedicated faculty and staff. Furthermore, the operations for MC's new East County Education Center are supported. Like you, we are committed to bringing MC to the East County to expand access to opportunity for all residents, provide an anchor institution that is a fulcrum for growth and innovation, and deliver the homegrown talent employers need.

As we prepare for FY25 operations, the College is guided by its new [strategic plan](#). Launched in July of 2023, the plan aims for bold transformational aspirations to drive the College to fulfill its mission: MC is where students discover their passions and unlock their potential to transform lives, enrich the community, and change the world. As a vehicle of transformation, MC will continue to advance access, completion, and now post-completion success with several goals in mind. These goals say we will enhance connections between MC and our community, cultivate a sense of belonging at the College,

enhance educational and organizational effectiveness, and increase economic impact for students and the community—all with a commitment to equity and inclusion.

Our first goal calls for us to increase access, and we are pleased that enrollment is up 3.8% from last fall. Access requires affordable tuition, which plays a critical role in a student's enrollment decision. The price tag of education must be within financial reach so residents can pursue the credentials needed to thrive. This budget keeps tuition flat for students. With your support, the College has maintained affordable tuition since the pandemic, with only a slight increase in FY24 preceded by three years of flat tuition.

The expansion into the East County stands as the most powerful demonstration of MC's work to advance the goals of the strategic plan and, most importantly, MC's commitment to transforming our County. Work to construct classrooms and labs at 2221 Broadbirch Drive in Silver Spring continues to progress. Short-term training options will launch later this spring, followed by an array of degree offerings. The East County Education Center cements MC's presence in this region. And, for the first time, the College's 10-year facilities master plan envisions a fourth MC campus to be located in the East County. The plan, an important first step in campus development, will be submitted to the Maryland Higher Education Commission this month. With this bold expansion, the County's homegrown talent pool, along with access to postsecondary education, will grow—creating a strong community for *all*.

The College's implementation of its ambitious strategic plan can be seen in numerous additional efforts. For example, to achieve our goal of increasing economic impact for students and the County, MC is leveraging several grants, gifts, and partnerships to enhance strong career pathways and ensure readiness for employment. An award from the National Institute of Standards and Technology (NIST) puts hundreds of MC students and staff to work in NIST labs. Additionally, residents who cannot afford the short-term career training they need can receive scholarships, thanks to a gift from The Robert I. Schattner Foundation—and our partners at WorkSource Montgomery and the Housing Opportunities Residents Commission recruit participants. Also, a U.S. Department of Labor grant funds MC's Tech Metro Area Pathways Program which provides IT training and career navigation for residents historically underrepresented in the IT industry, supported by our partners at the Hispanic Chamber of Commerce, WorkSource Montgomery, Identity, Inc., and more. Furthermore, with Adventist HealthCare, we are growing the local nursing workforce by offering enhanced educational pathways for students to gain practical experience with expert health care providers. Finally, students can now access a data analyst career as well as an advanced degree through our new [associate of arts degree in business analytics](#) that leads to a University of Maryland (UMD) business analytics master's degree through our UMD and the Universities at Shady Grove partners.

Furthermore, we are meeting other goals with various undertakings. The College is *enhancing connections with the community* by advocating and receiving on-campus ballot boxes for the 2024 elections; engaging hundreds of MCPS middle school students through school events along with bringing students to visit an MC campus; and strengthening the County's nonprofit sector with training for local nonprofit leaders through MC's Nonprofit Leadership Training Institute. We are *cultivating a sense of belonging* by partnering with the County to provide residents with equity-focused IT education training and entrepreneurship pathways through the igniTe Hub to grow an inclusive tech workforce. And we are

enhancing educational and organizational effectiveness with focused efforts on managing our enrollment.

Quality education combined with affordability creates equity. The quality of an MC education is dependent on our extraordinary faculty and staff. This budget will provide reasonable and fair compensation increases to honor our employees' commitment to students and their contributions to the public good. Negotiations with our three bargaining units are nearly complete.

In summary, this maintenance-of-effort budget advances the transformational work of your community's college. With County support, State aid, tuition, and carefully leveraged fund balance, the College will protect affordability, provide employee compensation increases, operate the East County Education Center, and maintain MC's general operations—all while transforming lives across Montgomery County.

Thank you for your ongoing commitment to Montgomery College. Together, we will continue to grow an inclusive homegrown talent pool and strengthen the economy to move Montgomery County forward. We ask for your support and appropriation of Montgomery College's FY25 operating budget.

BUDGET SPECIFICS

The following sections provide details of the College's enrollment, revenue, expenditures, and operating funds.

Enrollment

With increased interest in MC, your support remains vital. As noted, enrollment is up 4% from last year. Fall 2023 credit enrollment exceeded projections by 2%. We project steady enrollment increases to continue for several years.

Over 40,000 students take credit and noncredit courses across our three campuses and centers. The College serves students from every corner of the County and graduates from every Montgomery County Public Schools (MCPS) high school. Students continue to need flexibility—66% of students attend part-time, many of whom work and strive to balance school, work, and family. Our student body has long reflected the County's diverse population—the largest cohorts are Black (25.4%) and Hispanic (29%) students with 150 different countries represented. The Hispanic student cohort, our largest population, grew by 7% this fall.

Our various dual enrollment programs continue to grow. In the last six years, dual enrollment has grown from 700 students to over 2,200. Interest remains steady—earlier this academic year, over 3,000 students and family members attended 16 dual enrollment information sessions. Events were held in Spanish and Amharic and offered in collaboration with key community organizations such as Identity, Inc., and the NAACP of Montgomery County. Many students are drawn to the Early College and Middle College programs, which enable them to earn a high school diploma and a college degree simultaneously. This year, we have 430 Early College students and 600 Middle College students, which includes students in P-TECH and Virtual Middle College. This May, we expect more than 280 Early and Middle College students to earn their associate degrees weeks before earning their high school

diplomas. Furthermore, thanks to the implementation of the Blueprint for Maryland's Future, even more growth is expected. Currently, the College's Workforce Development and Continuing Education (WDCE) unit and MCPS are collaborating even more robustly in preparation for meeting the Blueprint goal of 45% of all Maryland high school students holding an industry-approved credential by the time they graduate.

With the strategic plan guiding MC to increase the County's college-going culture, as noted, access to post-secondary education sits at the forefront of our work. The College's associate senior vice president for student affairs, charged with enrollment management, oversees the implementation of MC's Enrollment Management Plan to support boosting and sustaining enrollment. Enrollment management ranges from access—recruitment, marketing, and outreach—to student onboarding, retention, and graduation or transfer. This associate senior vice president for student affairs position is a new role that speaks to data-informed decision-making and a strategic human capital strategy. Examples of work within the purview of this role include:

- Recruitment events held in up county and down county MCPS high schools, including several for Spanish speakers.
- Deeper partnership with Identity, Inc., to hold recruitment events in Spanish for both students and parents.
- Follow-up outreach included welcome phone calls to all students who applied to MC. Additionally, all MCPS 2023 graduates who applied but did not register for MC's fall 2023 semester received personal calls encouraging them to register.
- Admitted Student Registration Open House events were held on all three campuses in November to encourage admitted students to register for the spring 2024 semester.
- Raptor Ready incentive scholarships continued to target May 2024 high school graduates—MCPS, private schools, and home school students—offering \$500 scholarships to enroll this academic year. In the fall 2023 semester, 656 students enrolled and received scholarships.
- As a result of the Blueprint for Maryland's Future requirements, new career advisors are training at MC in partnership with WorkSource Montgomery and MCPS. These advisors will provide all MCPS 6th grade students with career exploration, conversations, and planning. With exposure to MC, advisors can then promote MC's programs with MCPS students.

In addition to degrees and certificates, MC offers a wide range of noncredit classes to meet the needs of County residents and businesses. Our WDCE unit puts residents on career pathways, provides enrichment learning for older adults, and serves young people with camps and career preparation. WDCE's short-term trainings, boot camps, certifications, licensures, and certificate programs produce skilled talent in a broad swath of high demand industries—early childhood education, nursing, apartment maintenance technicians, teachers, and biotechnology and IT professionals. With employer partners, we prepare auto mechanics, construction workers, and HVAC technicians. Montgomery County's youngest residents—approximately 2,000 annually—attend on-campus summer camps. Additionally, Montgomery Can Code, an annual free coding program offered on our campuses in partnership with MCPS and Montgomery County Economic Development Corporation through the igniTe Hub, jumpstarts the IT talent pipeline. Last year, hundreds of sixth and seventh graders

participated. Our lifelong learning program serves the County's older adults with personal enrichment classes and activities. Overall, WDCE enrollment has remained relatively stable. In FY23, WDCE served 3,600 full-time equivalent (FTE) students. We project more than 3,700 FTE students by the close of FY24. Much like our credit programs, we expect moderate growth, approximately 2% for FY25, with growth expected to continue in the next several years.

Revenue

The following is a summary of Current Fund revenue changes in our FY25 budget.

State Aid: \$54,700,000

The governor's budget includes a Budget Reconciliation and Financing Act (BRFA) provision that reduces and alters the Senator John R. Cade funding formula, which is the complex funding formula for community colleges' operating State aid. The BRFA impact to the College's current fund is an approximately \$2.8 million reduction. Final action by the Maryland General Assembly on the State's budget will occur in March 2024. Maryland community colleges, including Montgomery College, are actively advocating for the legislature to fully restore the Cade funding formula for FY25 and beyond.

Tuition and Tuition Related Fees: \$63,900,000

This budget anticipates no tuition and fee increases for credit-bearing students. The Board of Trustees will act on tuition rates during its April 2024 meeting. The average full-time, in-county student carrying a full load of 30 credit hours in the year will pay \$5,394. The projected tuition and fees revenue is 3.6% higher than the FY24 budget, generated through the volume of credit hours taken versus rate increases.

Use of Fund Balance: \$11,300,000

The College's use of fund balance—\$11.3 million from existing College resources—underwrites approximately 4% of this budget and addresses County concerns regarding fiscal policies.

County Support: \$148,400,000

This is a maintenance-of-effort (MOE) budget that best leverages resources for FY25. Therefore, the College's budget assumes \$148.4 million in County support, the same amount that funded the FY24 Current Fund budget.

Expenditures

The total increase in projected expenditure is \$2.8 million, an increase of less than 1%. The expenditure increase is anticipated to support the compensation of MC's outstanding faculty and staff.

Other funds

Emergency Plant Maintenance and Repair Fund: \$350,000

The Emergency Plant Maintenance and Repair Fund is a tax-supported fund, including a County contribution that supports our emergency maintenance needs. We request a total appropriation equal to last year's appropriation of \$250,000 of County funds, plus the authority to use \$82,000 in fund

balance.

Workforce Development and Continuing Education Fund: \$22,749,000

WDCE students of all ages access career programs, training, certifications, Montgomery Can Code, summer camp, and lifelong learning programs. Additionally, MC provides high school equivalency training, adult basic education, and English for Speakers of Other Languages programs.

The College requests appropriation authority to spend \$22.7 million from this fund, the same level of spending as the prior year. In addition, we seek authority to use \$1.2 million in fund balance. The main revenue source for this fund is State aid and student tuition and fees.

Auxiliary Enterprises Fund: \$1,960,000

MC requests appropriation authority to spend \$1.9 million to support auxiliary activities.

Revenue for this fund comes from ticket sales for MC's Summer Dinner Theatre program, rental fees for our facilities, sales from the student-operated Macklin Business Institute Café and the mobile EduKitchen known as the Rolling Raptor, a commission from the bookstore, and athletic camp fees. This appropriation covers expenditures associated with each of the above-mentioned revenue drivers.

Cable TV Fund: \$1,900,000

MCTV serves the public as a vital resource for the College and the County along with other Public, Educational, and Governmental channels. Produced content reaches thousands of residents monthly with programs about access to MC, career training, social justice issues, and local matters and events. In addition to cable, content is available online via social media, websites, and streaming. With offerings in the six most common languages used in the County, MCTV helps create a sense of welcome and belonging among immigrant, first-generation college students, and underserved groups. MCTV's contributions help ensure County residents are informed and engaged citizens.

The College requests appropriation authority to spend \$1.9 million. The County Cable Plan is expected to provide \$1.7 million of this total.

Grants Fund: \$18,500,000

We request grant appropriation authority to spend \$18.5 million. Of this amount, we request \$400,000, the same amount appropriated last year, in County funds for the Adult English for Speakers of Other Languages, Adult Basic Education, and General Educational Development test program.

Additionally, the College obtains and uses grant funds to support several significant initiatives including innovative workforce development training programs for biotechnology, cybersecurity, early childcare, information technology, nursing, and STEM programs. Other grant funds support English for Speakers of Other Languages as well as adult education and literacy programs.

Transportation Fund: \$4,200,000

This fund is comprised entirely of student and employee user fees, including parking enforcement

revenue. The revenue provides transportation alternatives for students including the County's Ride On bus service and the MC shuttle bus. It also underwrites the financing costs of the construction of the Takoma Park/Silver Spring Campus' West Parking Garage and the Rockville Campus' North Garage.

The College requests appropriation authority to spend \$4.2 million.

Major Facilities Reserve Fund: \$2,000,000

To support the financing costs of The Morris and Gwendolyn Cafritz Foundation Arts Center, we request appropriation authority to spend \$2 million from this fund. Funding is generated by user fees assessed to students.

Conclusion

Thank you for your leadership and commitment to Montgomery College. With your support, MC will continue to transform lives, enrich the life of the community, and infuse Montgomery County's workforce with the inclusive homegrown talent employers need. This maintenance-of-effort budget requires no new County investment, keeps tuition flat, rewards MC's employees, advances access, and expands opportunity to build a stronger Montgomery County.

On behalf of the Montgomery College Board of Trustees, please approve the College's request for a total appropriation authority of \$334,695,418.

Sincerely,



Jermaine F. Williams, Ed.D.
President



Michael A. Brintnall, Ph.D.
Chair, Board of Trustees