

MEMORANDUM

January 19, 2010

TO: Education Committee  
FROM: *CHS*  
Charles H. Sherer, Legislative Analyst  
SUBJECT: Round two of the FY10 Savings Plan for Montgomery College

**Background** At this session the Committee will review round 2 of the Executive's recommended FY10 Savings Plan for the College. See ©1-6 for the Executive's January 7, 2010 transmittal memo and background information. The Council is tentatively scheduled to consider the recommendations on the Savings Plan from all six Committees on February 9.

The savings include reductions in spending in the operating budget and reductions in current revenue spending in the capital budget. The savings are summarized in the table below.

Round 2, operating budget	1,700,000
Round 2, capital budget	1,850,000
Total	3,550,000

The College was asked to explain how they would contribute to savings in round 2, to report on their progress in achieving the savings in round 1, and to update the Committee on the work of the Budget Review Advisory Committee that Dr. Pinkney created last fall. The College's response starts on ©12, in which Dr. Pinkney states that "Barring unforeseen circumstances such as another FY10 reduction from the State, this continued fiscal restraint should allow us to meet our savings target." They will continue the following FY09 savings efforts:

- "Freeze hiring until further notice, except for those positions deemed essential and approved by the senior vice presidents and chief human resources officer.
- Restrict long distance travel and conferences/meetings.
- Limit spending for furniture and equipment to key instructional or academic purposes.
- Defer all major purchases that are not essential to the services we offer to our students."

With regard to the savings from current revenue, Dr. Pinkney stated that “Finally, the College is reviewing the reductions in the FY 10 capital budget of \$1.850 million to determine their full impact on our facilities planning efforts and implementation of IT projects. Should we have any major concerns, we will contact you.”

The following representatives from the College may attend:

Dr. Hercules Pinkney, Interim President  
Donna Dimon, Chief Budget and Management Studies Officer  
David Capp, Associate Vice President for College Facilities

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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

January 7, 2010

TO: Nancy Floreen, President, County Council  
FROM: Isiah Leggett, County Executive  
SUBJECT: FY10 Revised Savings Plan

Attached please find my Recommended FY10 Revised Savings Plan that identifies additional savings for the current year of over \$70 million. These savings are necessary to respond to the significantly worsened economic and fiscal conditions that we are faced with. Combined with the Savings Plan I transmitted to you last October 28, 2009, this represents a total reduction in the current fiscal year of approximately \$100 million. In developing this Savings Plan, our objectives were to identify real cost reduction opportunities that are continuing in nature, while prioritizing and preserving, to the extent possible, direct services and minimizing any reductions in force. However, given the magnitude and long-term nature of our fiscal challenge, it is necessary to make several reductions in existing services, including abolishing 70 County positions. We estimate that currently 44 of these positions slated for abolishment are filled and will require a Reduction in Force. We will make every effort to appropriately place the affected individuals into vacant positions.

The Revised Savings Plan includes several elements that are different from prior efforts. In addition to operating budget expenditure reductions, I am also recommending reductions in Capital Improvement Program (CIP) current revenue, liquidation of prior year contractual encumbrances, and a fund balance transfer.

Working together over the past three years we have been successful in closing gaps of nearly \$1.2 billion and bringing the total tax supported rate of growth down from 9.8% in FY07 to 1.6% in FY10, and the County Government rate of growth from 14.1% in FY07 to -2.2% in FY10. The rate of growth for FY10 will actually be much less after accounting for the impact of both rounds of the FY10 Savings Plan.

It is important to understand that, as I have stated previously many times, I will not recommend exceeding the Charter limit on property taxes in the FY11 Operating Budget. The County's taxpayers continue to face their own unprecedented fiscal challenges.

As indicated to the Council previously, this Savings Plan is necessary not only to conserve resources to apply to closing the projected FY11 budgetary gap of \$608 million, but also to maintaining a positive balance in the County's general fund for the current fiscal year. The FY10 revenue losses in income tax, transfer and recordation tax, investment income, and other receipts primarily

impacted the general fund. As a result, even after the first round Savings Plan, and absent actions to address these losses, the general fund would end the year with a deficit of nearly over \$64 million. Clearly, we can not allow this to happen. The County budget and finance staff will be working over the next two months to identify other actions necessary, in addition to the revised Savings Plan, to strengthen the condition of the general fund. We will work with the County Council and your staff on these other actions and a comprehensive description will be available in my Recommended FY11 Operating Budget.

While my funding priorities continue to be focused on education, public safety, and safety net services, it is not possible to provide a balanced budget without including significant reductions to programs within these priority areas. As the table below indicates, nearly 80% of our tax supported funding (\$3.1 billion) is already dedicated to these priorities. In the absence of a major tax increase, it is not possible to close a looming \$608 million budgetary gap in FY11 by making reductions to only 20% of the budget.

**FY10 Approved Tax Supported Budgetary Allocations\***

	Amounts	Cumulative Amounts	% Allocation	Cumulative % Allocation
<b>Education</b>				
Public Schools	\$ 2,138.4		54.0%	
College	\$ 231.7	\$ 2,370.1	5.9%	59.9%
<b>County Government</b>				
Public Safety	\$ 552.5	\$ 2,922.6	14.0%	73.8%
Health and Human Services	\$ 215.2	\$ 3,137.8	5.4%	79.3%
Transit	\$ 108.5	\$ 3,246.3	2.7%	82.0%
<b>Other County Government**</b>	\$ 515.2	\$ 3,761.5	13.0%	95.0%
<b>Park and Planning</b>	\$ 111.9	\$ 3,873.4	2.8%	97.9%
<b>Other Reserves and Non Agency Uses</b>	\$ 84.3	\$ 3,957.7	2.1%	

\* Amounts include debt service, CIP current revenues, and reserves but excludes grants and non-tax supported funds (grants and proprietary funds).

\*\* Includes Recreation, Public Libraries, Transportation (non-Transit), Consumer Protection, Human Rights, and other departments

If the Council does not support the attached proposed reductions, I strongly recommend that it propose offsetting reductions in other areas of the budget to maintain the total amount of savings. These savings must be available to close the projected FY11 budget gap. We are only in the first step of the process in resolving the FY11 budgetary gap. Many more difficult choices remain ahead in confronting these challenges. Deferring needed savings at this time will only temporarily postpone the urgent need to make difficult choices and indeed make future choices all the more difficult. The less time in which agencies have to make the necessary reductions, the deeper and more difficult those reductions will be in order to achieve the same savings. Resolution of the FY 11 budget gap is problematic because even more difficult and complex issues will need to be addressed during the Council's short time for reviewing and approving the annual budget.

Nancy Floreen, President  
January 7, 2010  
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Because of the weakness in the current local and national economy and the State's continuing fiscal challenges, I urge the Council to quickly approve the reductions proposed in the attached Savings Plan. The projected gap for FY11 may significantly worsen in the near future because of continued revenue deterioration, cost increases related to snow removal, and the very real potential for further substantive reductions in State aid. We have already absorbed cuts of nearly \$20 million in State aid in this fiscal year and I believe the Governor's soon to be released budget will contain further Local aid reductions.

The attached plan includes proposed targets for Montgomery County Public Schools (MCPS), the Maryland-National Capital Park and Planning Commission (M-NCPPC), the Housing Opportunities Commission (HOC), and Montgomery College (the College). The principals of these agencies have expressed their willingness to cooperate in resolving our shared fiscal challenges.

I strongly urge the Council to expedite its review and approval of the attached Savings Plan, so that the necessary actions can be implemented as soon as possible. My staff is available to assist the Council in its review of the attached proposal. Thank you for your support of our efforts to preserve our most important services, while protecting the fiscal health of the County Government.

IL:jfb

#### Attachments

- c: Timothy L. Firestine, Chief Administrative Officer  
Department and Office Directors
- Dr. Jerry Weast, Superintendent, Montgomery County Public Schools
- Dr. Hercules Pinkney, Interim President, Montgomery College
- Royce Hanson, Chair, Montgomery County Planning Board
- Michael J. Kator, Chair, Housing Opportunities Commission
- Kathleen Boucher, Assistant Chief Administrative Officer

Revised FY10 Savings Plan Summary		
1	<b>Total FY10 Revised Savings Plan</b>	<b>70.088</b>
2		
3	<b>Expenditure Reductions</b>	<b>50.042</b>
4		
5	MCG Tax Supported Reductions	22.932
6		
7	Debt Service Exp. Reductions	2.159
8	MCPS	22.000
9	MC	1.700
10	MNCPPC	1.250
11		
12	<b>Fund Balance Transfers</b>	<b>4.800</b>
13	Reduce MHI Transfer	4.800
14		
15	<b>Revenue Changes</b>	<b>6.031</b>
16	Prior Year Encumbrance Liquidations	1.500
17	Debt Service premium & rebate revenues	4.531
18		
19	<b>CIP Current Revenue (CIP CR)</b>	<b>9.216</b>
20	Montgomery County Govt CIP	4.743
21	HOC CIP	0.121
22	MNCPPC CIP	2.502
23	College CIP	1.850
24		

Executive Recommended FY10 Savings Plan - Round 1 and 2								
	Approved	Round 1 Savings	Agency as % of	Target as % of	Round 1 Target	Round 2	Round 2 Target	Total Target as
	FY10 Budget	Plan Target	Total Budget	Savings Plan	as % of Budget	Target <sup>1</sup>	as % of SP	% of Savings Plan
MCG	1,585,853,910	16,593,800	42.4%	55.8%	1.0%	40,785,950	58.2%	57.5%
MCPS	1,940,540,941	9,900,000	51.9%	33.3%	0.5%	22,000,000	31.4%	32.0%
College <sup>2</sup>	107,079,321	1,070,790	2.9%	3.6%	1.0%	3,550,000	5.1%	4.6%
MNCPPC	106,646,100	2,180,000	2.9%	7.3%	2.0%	3,752,000	5.4%	5.9%
Total	3,740,120,272	29,744,590			0.8%	70,087,950		
Notes:								
1. Amounts above include debt service savings, CIP CR reductions, revenue increases, and encumbrance liquidations								
2. The College budget above is the FY10 local contribution.								

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## FY10 SAVINGS PLAN SUMMARY (First and Second Rounds)

Fund/Department Name	FY10 Original Approp.	1st Savings Approved	% Change	2nd Savings Recommended	% Change	Total Savings	% Change
Montgomery County Public Schools *:	1,940,540,941	-9,900,000	-0.51%	-22,000,000	-1.13%	-31,900,000	-1.64%
Montgomery College *:	107,079,321	-1,070,790	-1.00%	-1,700,000	-1.59%	-2,770,790	-2.59%
Maryland-National Capital Park and PI *:	106,646,100	-2,180,000	-2.04%	-1,250,000	-1.17%	-3,430,000	-3.22%
Debt Service *:	246,500,690	0	0.00%	-2,159,450	-0.88%	-2,159,450	-0.88%
<b>TOTAL ALL AGENCIES</b>	<b>3,875,987,962</b>	<b>-29,744,590</b>	<b>-0.77%</b>	<b>-54,092,310</b>	<b>-1.40%</b>	<b>-83,836,900</b>	<b>-2.16%</b>

\* amounts exclude debt service; the College budget is the FY10 local contribution

**TAX SUPPORTED CURRENT REVENUES**

FY10 CIP Reductions		
Project Number	Project Name	FY10 Est. Reduction
	<b>Montgomery County Public Schools MCPS Total Reduction</b>	-
	<b>Montgomery College FY10 Reductions</b>	
076617	Student Learning Support Systems	1.000
076618	Network Operating Center	0.146
076619	Network Infrastructure and Support Systems	0.533
886686	Facility Planning: College	0.171
	<b>Montgomery College Total Reduction</b>	<b>1.850</b>
	<b>Maryland -National Capital Park and Planning Commission FY10 Reductions</b>	
018710	Legacy Open Space	1.200
078702	Brookside Gardens Master Plan Implementation	0.015
078708	Wheaton Tennis Bubble Renovation	0.020
068701	Needwood Golf Course Improvements	0.020
858710	Trails: Nat. Surface Dsgn, Const, and Renovtn	0.097
768673	Trails: Hard Surface Dsgn, and Const	0.100
848704	Brookside Gardens	0.026
958776	Facility Planning: Non-Local Parks	0.320
058755	Small Grant/Donor-Assisted Capital Imprv	0.050
808494	Restoration of Historic Structures	0.370
838882	Roof Replacement: Non Local Park	0.174
998709	PLAR: Non-Local Parks - Play Equipment	0.100
998798	Resurfacing Parking Lots and Paths: Non-Local Parks	0.010
	<b>M-NCPPC Total Reduction</b>	<b>2.502</b>
	<b>TRANSPORTATION FY10 Reductions</b>	
509337	Facility Planning - Transportation	0.500
509399	Advanced Transportation Management Systems	0.350
507596	Annual Bikeway Program	0.104
	<b>Transportation Total Reduction</b>	<b>0.954</b>
	<b>MCG - GENERAL FY10 Reductions</b>	
508180	Facility Planning: Storm Drains	0.096
809319	Facility Planning: SM	0.500
500152	Facilities Site Selection: MCG	0.191
508768	Facility Planning: MCG	0.550
450700	FS Emergency Power System Upgrade	0.992
710101	Germantown Library	1.299
710300	Gaithersburg Library Renovation	0.081
789057	Life Sciences and Technology Centers	0.080
	<b>MCG General Total Reduction</b>	<b>3.789</b>
	<b>Montgomery County Government</b>	<b>4.743</b>
	<b>Housing Opportunities Commission FY10 Reductions</b>	
017601	Supplemental Funds for Public Housing	0.121
	<b>HOC Total Reductions</b>	<b>0.121</b>
	<b>Total FY10 Current Revenue General Reduction</b>	<b>9.216</b>

# Student Learning Support Systems -- No. 076617

Category  
Subcategory  
Administering Agency  
Planning Area

Montgomery College  
Higher Education  
Montgomery College  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

January 14, 2010  
No  
None.  
On-going

## EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	177	177	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	8,543	882	741	6,920	520	0	1,600	1,600	1,600	1,600	0
<b>Total</b>	<b>8,720</b>	<b>1,059</b>	<b>741</b>	<b>6,920</b>	<b>520</b>	<b>0</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>0</b>

## FUNDING SCHEDULE (\$000)

Current Revenue: General	8,658	1,059	741	6,858	520	0	1,600	1,538	1,600	1,600	0
Current Revenue: Recordation Tax	62	0	0	62	0	0	0	62	0	0	0
<b>Total</b>	<b>8,720</b>	<b>1,059</b>	<b>741</b>	<b>6,920</b>	<b>520</b>	<b>0</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>0</b>
WorkYears					3.0	0.0	4.0	4.0	4.0	4.0	

### DESCRIPTION

This project includes the installation, upgrading and replacement of student tracking, disability support services, student e-mail, e-portfolio, resume software, podcasting, communication tools and systems, identification security, and cybersecurity tools for these systems, and other applications used by and for students and faculty. This request includes both hardware and software. The request includes funding for technical project and planning analyst positions to manage applications systems, and be in charge of the design, setup and maintenance of technical specifications and on-going review and update of the systems to stay current. Two (2) staff positions are currently funded in this project. One (1) additional staff position is requested in FY 2009 and one (1) more in FY 2010 for a total of four (4) positions.

### COST CHANGE

The County Executive recommends and the County Council approves reducing \$1,000,000 in planned expenditures as part of the FY10 savings plan. The FY11-16 PDF will reflect the reduction in expenditures in the project.

### JUSTIFICATION

These systems help assure student success through technological support of academic and instructional programs and initiatives as well as allowing tracking of progress to assist in measuring outcomes and assessments. The College has growing needs to track students as part of the measurement of student success at the College. This is fundamental in measuring/documenting student success. The disability support services request is to address the special needs of students using adaptive technologies. Student e-mail will allow the students to communicate better with the faculty and the other offices at the College and vice versa. Both e-portfolio and resume software will aid our students in finding employment.

Information Technology Strategic Plan - FY2009-2011 - The three goals of the ITSP are the use of information technology to (1) facilitate student success; (2) effectively and efficiently operate the College; and (3) support the College's growth, development and community initiatives. The ITSP is an overall strategic plan that provides a cost effective and efficient vision for instructional, academic and administrative systems; and serves as a basis for preparing unit plans and budget requests for the plan's implementation.

### OTHER

FY2010 Appropriation: \$720,000 (Current Revenue: General).

The College's updated ITSP for FY09-11 supports this funding request. The ITSP is a comprehensive plan covering information technology activities funded from all budget sources for an integrated and complete plan for the College. Updated on an annual basis, the ITSP serves as the document for future funding requests.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP																																																
<table border="1"> <tr> <td>Date First Appropriation</td> <td>FY07</td> <td>(\$000)</td> </tr> <tr> <td>First Cost Estimate</td> <td></td> <td></td> </tr> <tr> <td>Current Scope</td> <td>FY10</td> <td>9,720</td> </tr> <tr> <td>Last FY's Cost Estimate</td> <td></td> <td>9,800</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Appropriation Request</td> <td>FY10</td> <td>720</td> </tr> <tr> <td>Supplemental Appropriation Request</td> <td></td> <td>0</td> </tr> <tr> <td>Transfer</td> <td></td> <td>0</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Cumulative Appropriation</td> <td></td> <td>2,600</td> </tr> <tr> <td>Expenditures / Encumbrances</td> <td></td> <td>1,216</td> </tr> <tr> <td>Unencumbered Balance</td> <td></td> <td>1,384</td> </tr> <tr> <td colspan="3"> </td> </tr> <tr> <td>Partial Closeout Thru</td> <td>FY07</td> <td>0</td> </tr> <tr> <td>New Partial Closeout</td> <td>FY08</td> <td>0</td> </tr> <tr> <td>Total Partial Closeout</td> <td></td> <td>0</td> </tr> </table>	Date First Appropriation	FY07	(\$000)	First Cost Estimate			Current Scope	FY10	9,720	Last FY's Cost Estimate		9,800				Appropriation Request	FY10	720	Supplemental Appropriation Request		0	Transfer		0				Cumulative Appropriation		2,600	Expenditures / Encumbrances		1,216	Unencumbered Balance		1,384				Partial Closeout Thru	FY07	0	New Partial Closeout	FY08	0	Total Partial Closeout		0		
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## Network Operating Center -- No. 076618

Category  
Subcategory  
Administering Agency  
Planning Area

Montgomery College  
Higher Education  
Montgomery College  
Silver Spring

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

January 14, 2010  
No  
None.  
On-going

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	1,707	626	1	1,080	180	180	180	180	180	180	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	2,548	1,936	12	600	100	100	100	100	100	100	0
Other	10,999	0	2,925	8,074	720	474	1,720	1,720	1,720	1,720	0
<b>Total</b>	<b>15,254</b>	<b>2,562</b>	<b>2,938</b>	<b>9,754</b>	<b>1,000</b>	<b>754</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Current Revenue: General	7,286	2,562	2,938	1,786	1,000	754	32	0	0	0	0
Current Revenue: Recordation Tax	7,968	0	0	7,968	0	0	1,968	2,000	2,000	2,000	0
<b>Total</b>	<b>15,254</b>	<b>2,562</b>	<b>2,938</b>	<b>9,754</b>	<b>1,000</b>	<b>754</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
WorkYears					2.0	2.0	2.0	2.0	2.0	2.0	

#### DESCRIPTION

The purpose of this project is to establish and equip a Network Operating Center (NOC) on the Takoma Park/Silver Spring Campus and related central sites and provide for planned lifecycle asset replacement. The Network Operating Center is the center for all of the College's instructional, academic and administrative computing systems. The Network Operating Center is currently located in the Computer Science Building on the Rockville Campus. The NOC will be relocated to the Cafritz Arts Center on the Takoma Park/Silver Spring Campus at 7600 Takoma Avenue; the vacated space on the Rockville Campus will be reallocated for instructional programs. This project also funds staff for monitoring of security, cybersecurity, disaster recovery and redundant systems to help insure the integrity of the NOC. Two (2) staff positions are included in the FY 2009 request.

#### COST CHANGE

The County Executive recommends and the County Council approves reducing \$146,000 in planned expenditures in FY10 as part of the FY10 savings plan. The FY11-16 PDF will reflect the reduction in expenditures in the project.

#### JUSTIFICATION

The College has a need for more instructional space on the Rockville Campus and information Technology has outgrown the space in the Computer Science Building. This space has housed the Network Operating Center (formerly known as the computer room) for nearly 25 years and was originally constructed to accommodate two mainframes, peripherals and extremely limited "terminals". This same space now houses 179 servers and the telecommunications necessary to connect over 8,000 microcomputers and technology related components. The new NOC will also allow the College to improve availability with upgraded disaster recovery components, security firewalls and security systems. The planned lifecycle asset replacement and upgrades are a critical component of maintaining a state of the marketplace hardware and operating software.

Information Technology Strategic Plan - FY2009-2011 - The three goals of the ITSP are the use of information technology to (1) facilitate student success; (2) effectively and efficiently operate the College; and (3) support the College's growth, development and community initiatives. The ITSP is an overall strategic plan that provides a cost effective and efficient vision for instructional, academic and administrative systems; and serves as a basis for preparing unit plans and budget requests for the plan's implementation.

#### OTHER

FY2010 Appropriation: \$900,000 (Current Revenue: General).

The College's updated ITSP for FY09-FY11 supports this funding request. The ITSP is a comprehensive plan covering information technology activities funded from all budget sources for an integrated and complete plan for the College. Updated on an annual basis, the ITSP serves as the document for future funding requests.

#### APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY07	(\$000)
First Cost Estimate		
Current Scope	FY10	15,400
Last FY's Cost Estimate		15,500
Appropriation Request	FY10	900
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		6,500
Expenditures / Encumbrances		3,729
Unencumbered Balance		2,771
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

#### COORDINATION

Cafritz Foundation Arts Center (CIP# 056604)  
Computer Science Alterations (CIP# 046602)

#### MAP

See Map on Next Page

# Network Infrastructure and Support Systems -- No. 076619

Category  
Subcategory  
Administering Agency  
Planning Area

Montgomery College  
Higher Education  
Montgomery College  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

January 14, 2010  
No  
None.  
On-going

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	531	386	145	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	241	241	0	0	0	0	0	0	0	0	0
Other	11,595	1,708	520	9,367	1,000	367	2,000	2,000	2,000	2,000	0
<b>Total</b>	<b>12,367</b>	<b>2,335</b>	<b>665</b>	<b>9,367</b>	<b>1,000</b>	<b>367</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Current Revenue: General	4,367	2,335	665	1,367	1,000	367	0	0	0	0	0
Current Revenue: Recordation Tax	8,000	0	0	8,000	0	0	2,000	2,000	2,000	2,000	0
<b>Total</b>	<b>12,367</b>	<b>2,335</b>	<b>665</b>	<b>9,367</b>	<b>1,000</b>	<b>367</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
WorkYears					4.0	4.0	4.0	4.0	4.0	4.0	

#### DESCRIPTION

The purpose of this project is to provide planned lifecycle asset replacement and upgrades, and to establish network infrastructure and support systems in existing and new locations based on academic and instructional needs and requirements. The network infrastructure and support systems represent systems outside the Network Operating Center (NOC) structure including campus centers for labs, classrooms, offices, and learning centers, as well as, operation centers for telephony, communication, security, and notification systems. These systems include servers, high speed connection systems, hubs, ports, firewalls, instructor workstations, hands on computing and technology tools, audio visual equipment, software support and remote access among other developing technologies. This project also funds three new project managers to oversee the design of new buildings and renovations (one for each campus) and staffing for collegewide communication and notification systems. Three (3) staff positions are currently funded in this project. One (1) additional position is requested for FY 2009 for a total of four (4) positions.

#### COST CHANGE

The County Executive recommends and the County Council approves reducing \$533,000 in planned expenditures in FY10 as part of the FY10 savings plan. The FY11-16 PDF will reflect the reduction in expenditures in the project.

#### JUSTIFICATION

The NOC and network infrastructure must be compatible and work in concert with each other so no location is without central and on-site technology capabilities and support. This requires planned replacement and upgrades as new technology evolves. As faculty continue to develop more learning programs and methods to meet the increased expectations of students, the technology needs are increasing and changing for existing and new capabilities. Without meeting these requirements developed in the ITSP, College unit plans, overall strategic plans and telecommunications plans, the College will fall behind on expectations and the ability to deliver the right technology at the appropriate time.

Information Technology Strategic Plan - FY2009-2011 - The three goals of the ITSP are the use of information technology to (1) facilitate student success; (2) effectively and efficiently operate the College; and (3) support the College's growth, development and community initiatives. The ITSP is an overall strategic plan that provides a cost effective and efficient vision for instructional, academic and administrative systems; and serves as a basis for preparing unit plans and budget requests for the plan's implementation.

#### OTHER

FY2010 Appropriation: \$900,000 (Current Revenue: General).

The College's updated ITSP for FY09-FY11 supports this funding request. The ITSP is a comprehensive plan covering information technology activities funded from all budget sources for an integrated and complete plan for the College. Updated on an annual basis, the ITSP serves as the document for future funding requests.

APPROPRIATION AND EXPENDITURE DATA	COORDINATION	MAP
Date First Appropriation		
First Cost Estimate		
Current Scope	FY10 12,900	
Last FY's Cost Estimate	13,000	
Appropriation Request	FY10 900	
Supplemental Appropriation Request	0	
Transfer	0	
Cumulative Appropriation	4,000	
Expenditures / Encumbrances	2,486	
Unencumbered Balance	1,514	
Partial Closeout Thru	FY07 0	
New Partial Closeout	FY08 0	
Total Partial Closeout	0	

# Facility Planning: College -- No. 886686

Category  
Subcategory  
Administering Agency  
Planning Area

Montgomery College  
Higher Education  
Montgomery College  
Countywide

Date Last Modified  
Required Adequate Public Facility  
Relocation Impact  
Status

January 14, 2010  
No  
None.  
On-going

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY08	Rem. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	4,787	3,153	35	1,599	300	99	300	300	300	300	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4,787</b>	<b>3,153</b>	<b>35</b>	<b>1,599</b>	<b>300</b>	<b>99</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Current Revenue: General	4,787	3,153	35	1,599	300	99	300	300	300	300	0
<b>Total</b>	<b>4,787</b>	<b>3,153</b>	<b>35</b>	<b>1,599</b>	<b>300</b>	<b>99</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>0</b>

#### DESCRIPTION

This project provides funding for facility planning studies for projects being considered for possible inclusion in the CIP. In addition, facility planning serves as a transition stage for a project between the master plan or conceptual stage, and its inclusion as a stand-alone project, or subproject, in the CIP. Prior to the establishment of a stand-alone project, the College develops a Facility Program/Program of Requirements (POR) that outlines the general and specifies features required on the project. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following critical project elements: usage forecasts; economic, social, environmental, and historic impact analyses; public participation; investigation of non-County sources of funding; and detailed project cost estimates. This project provides for project planning and preliminary design, and allows for the development of a program of requirements in advance of the full programming of a project in the CIP, including the preparation of Part I and II documentation to meet State requirements. Depending upon the results of a facility planning determination of purpose and need, a project may or may not proceed to construction.

#### COST CHANGE

The County Executive recommends and the County Council approves reducing \$171,000 in planned expenditures in FY10 as part of the FY10 savings plan. The FY11-16 PDF will reflect the reduction in expenditures in the project.

#### JUSTIFICATION

There is a continuing need for the development of accurate cost estimates and an exploration of alternatives for proposed projects. Facility planning costs for all projects which ultimately become stand-alone PDFs are included here. These costs will not be reflected in the resulting individual project. Future individual CIP projects which result from facility planning will each reflect reduced planning and design costs.

Collegewide Facilities Condition Assessment Update (11/07), and Collegewide Facilities Master Plan Update (Pending 2009).

#### OTHER

The following fund transfers have been made from this project: \$25,000 to the Information Technology: College project (#856509) (BOT Resol. #91-56 - 5/20/91); \$7,000 to Planning, Design & Construction (#908605) (BOT Resol. #01-153 - 10/15/01); \$25,000 to Planning, Design and Construction (#804064) (BOT Resol. #02-62 - 6/17/02). The following fund transfer has been made to this project: \$28,000 from the South Silver Spring Property Acquisition (#016602) (BOT Resol. # 03-28 - 4/21/03). By County Council Resol. No. 12-6333, the cumulative project appropriation was reduced by \$187,500 in FY92.

FY2010 Appropriation: \$270,000 (Current Revenue: General).

#### OTHER DISCLOSURES

- \* Expenditures will continue indefinitely.

#### APPROPRIATION AND EXPENDITURE DATA

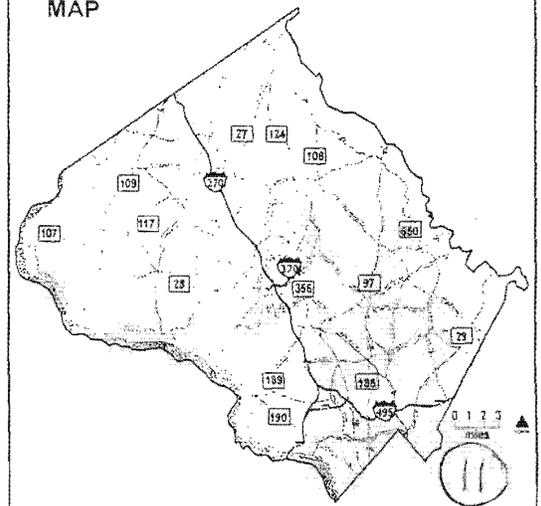
Date First Appropriation	FY88	(\$000)
First Cost Estimate		
Current Scope	FY10	4,958
Last FY's Cost Estimate		4,988
Appropriation Request	FY10	270
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		3,488
Expenditures / Encumbrances		3,189
Unencumbered Balance		299
Partial Closeout Thru	FY07	0
New Partial Closeout	FY08	0
Total Partial Closeout		0

#### COORDINATION

Collegewide Facilities Master Plan (January, 2004)

FY09 -- Collegewide Facilities Master Plan Update  
FY10 -- Rockville Student Services Center/Central Plant

#### MAP





Office of the President

January 19, 2010

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

Dear Council President Floreen:

Montgomery College understands the difficult financial situation facing both the State and the County. As a result, the College continues to exercise fiscal prudence in our daily operations while accommodating record enrollment growth.

The College will meet the first FY10 budget savings target set by the County for the College in the amount of \$1,070,790.

As you know, the College is already at work saving an additional \$1,929,759 to account for the loss in FY10 State aid resulting from reductions made by the Board of Public Works last August. The County will count \$1.7 million of this amount towards the second budget savings plan.

As we previously discussed, the College expects to meet our total savings target of \$3 million for FY10 (\$1.1 million plus \$1.9 million) through specific, transparent and measurable spending reductions. Given the economy we kept our FY09 savings efforts in place:

- Freeze hiring until further notice, except for those positions deemed essential and approved by the senior vice presidents and chief human resources officer.
- Restrict long distance travel and conferences/meetings.
- Limit spending for furniture and equipment to key instructional or academic purposes.
- Defer all major purchases that are not essential to the services we offer to our students.

Barring unforeseen circumstances such as another FY10 reduction from the State, this continued fiscal restraint should allow us to meet our savings target.

The Honorable Nancy Floreen  
January 19, 2010  
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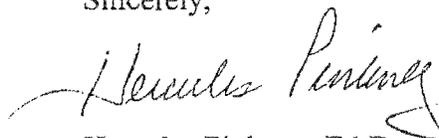
As we previously discussed, I am convening a Budget Advisory Review Committee that will include members from all employee groups across the College. The committee will seek ways to control the growth of spending, identify both short and long-term cost savings, and improve budget decision making. We expect to have the recommendations of this committee by early spring.

Finally, the College is reviewing the reductions in the FY 10 capital budget of \$1.85 million to determine their full impact on our facilities planning efforts and implementation of IT projects. Should we have any major concerns, we will contact you.

We look forward to working with the Council as the College develops the FY11 budget which presents another set of challenges --- responding to growing enrollment and opening a much needed new science building with limited resources.

As always, thank you for your support of Montgomery College.

Sincerely,

A handwritten signature in cursive script that reads "Hercules Pinkney". The signature is written in black ink and is positioned above the printed name.

Hercules Pinkney, Ed.D.  
Interim President

**MONTGOMERY COLLEGE**  
Office of the President

January 15, 2010

**MEMORANDUM**

**To:** The College Community  
**From:** Dr. Hercules Pinkney, Interim President  
**Subject:** Budget Review Advisory Committee

To cope with the impact of budget shortfalls at the state and county level, I have tasked Senior Vice Presidents Paula Matuskey and Marshall Moore with convening a Budget Review Advisory Committee this semester. Under the umbrella of the committee, four task groups of faculty and staff will be appointed to assist in identifying creative and collaborative ideas for long-term budget reductions, as well as necessary short-term cost savings. The co-chairs of the four task groups will comprise the Budget Review Advisory Committee.

As I said at the Spring Opening Meeting, I am asking for recommendations that would result in \$3-4 million in expenditure reductions and at least \$1 million in revenue enhancements. As part of their efforts, the committee and its groups will consider all of your suggestions that have been submitted to the Budget Office during this fiscal year.

The task groups will focus on the following four areas:

1. Revenue Enhancement  
This group will develop recommendations for enhancing College revenue by at least \$1 million each year. Possible revenue sources include lab and technology fees, variable tuition rates, and distance education fees, among others.
2. Contracts  
This group will develop recommendations for reducing contracted services by a minimum of \$2 million.
3. Temporary Staffing  
This task group will develop recommendations for reducing temporary staff expenditures by \$500,000 to \$1 million.
4. Early Retirement Programs, Furloughs, and Job Sharing  
This task group will review the feasibility of early retirements and job sharing programs. The group also will be responsible for developing a thoughtful and fair plan for furloughs should the need arise. As I have said before, furloughs will be used only as a last resort.

The membership for the committee and groups is currently being developed, with input from all faculty and staff representative groups. Once finalized, the senior vice presidents will schedule a meeting with the co-chairs of each group to develop a timeline and define expectations. The goal is for the Budget Review Advisory Committee to share its report, based upon the recommendations of the task groups, with the President's Executive Council (PEC) by April 30, 2010. After the report is reviewed by the PEC, it will be shared widely with the College community.

The task groups will complement the efforts currently underway by two existing groups that are reviewing assigned equivalent semester hour (ESH) payments and Collegewide print management.

In addition to the work of the committee and task groups, each unit of the College will be asked to submit suggestions for reducing its expenditures using two scenarios: a two percent reduction and a five percent reduction to the unit's entire operating budget. A more detailed explanation of this effort will be included in a memorandum issued by Senior Vice Presidents Matuskey and Moore within the next two weeks.

We are not alone in this process. Locally and across the state, government agencies are being asked to look closely at their operating budgets and determine what can be eliminated or reduced. Departments within Montgomery County government are currently examining ways to reduce their budgets from five to as much as 20 percent for the upcoming fiscal year.

This is not the first time Montgomery College has faced budget challenges. As always, our priorities will be to support our mission, preserve and enhance institutional excellence, and address safety and security needs. All recommendations will be evaluated using these priorities. While our budget outlook challenges our creativity and our morale, it presents us with a unique opportunity to strengthen our focus, increase efficiency, examine costs, and take the necessary steps today to plan for greater opportunities in the future. That is why it is important for us to focus on constructive, positive dialogue during this process.

I am proud of our employees, our values, and our commitment to our mission of educating students. By working together, I know that we will produce the strongest solutions possible for addressing our budget challenges. Thank you for your continued support and commitment to the College.

HP:MM