

Worksession

MEMORANDUM

TO: Education Committee

FROM: Justina Ferber, Legislative Analyst

SUBJECT: **Worksession: FY14 Operating Budget for Montgomery College and Amendments to FY13-18 Capital Improvements Program (CIP)**

The following individuals may attend:

Stephen Kaufman, Board Chair
Dr. DeRionne Pollard, President
Dr. Janet Wormack, (Interim) Senior Vice-President, Administrative and Fiscal Services
Susan Madden, Chief Government Relations Officer
Dr. Dewey Yeatts, Vice-President, Facilities and Security
Donna Schena, (Interim) Chief Information Officer
John McLean, Director, Capital Planning and Design
Kristina Schramm, Capital Budget Manager
Jennifer Bryant, Management and Budget Specialist, OMB
Erika Lopez-Finn, Management and Budget Specialist, OMB

Montgomery College provides postsecondary educational programs on three campuses in the County - Germantown, Rockville, and Takoma Park. At 27,453 students last fall, the College enrolls the largest undergraduate student body in the State of Maryland, surpassing the University of Maryland, College Park. The College served over 38,000 students in credit programs over the course of FY12.

Montgomery College Operating Budget

The College's budget was adopted by the Board of Trustees in February and distributed to the Council and Executive. The Executive recommends 99% funding of the College's tax-supported request. The Executive's Recommended FY14 Operating Budget includes the College on pages 11-1 to 11-7 at ©1-7. The total recommended FY14 Operating Budget for Montgomery College is \$279.5 million, an increase of \$11.6 million or 4.3 percent from the FY13 approved budget of \$267.9 million.

<u>Fiscal Year</u>	<u>Tax Supported*</u>	<u>Grant Supported*</u>	<u>Self Supported*</u>	<u>Total*</u>
FY 12 Approved	218.0	21.0	29.0	268.0
FY 13 Approved	218.8	20.2	28.9	267.9
FY 14 Recommended	228.0	20.2	31.3	279.5
% Change FY13 to FY14	4.2%	0.0%	8.3%	4.3%

*\$ in millions

Councilmembers may want to bring the Montgomery College FY14 Operating Budget Request booklet to the meeting. The booklet contains additional information on federal, state and private grants and contracts; enrollment projections; cost per student; staff salary schedule; and tuition rates and fees.

Operating Budget Highlights:

- The total tax-supported College budget (current fund) as recommended by the County Executive will increase 4.2%, from \$218,036,599 to \$227,227,695. The College proposed a \$229,530,499 budget.
- County funding is recommended at \$98,433,727, a 3.9 increase (The College had requested \$100,736,531, a 6.3% increase.)
- Maintenance of Effort is exceeded. MOE calls for the College to have at least the same County funding as the previous year. The budget is \$3,664,972 over MOE.
- State funding for FY14 is \$31,688,491, a 4.69% increase.
- Enrollment is projected to increase 1.1%. Tuition and related fees are expected to generate \$87 million.
- No tuition rate increase to students is included. Tuition is the same as last year at \$112 per credit hour for County residents; \$229 for state residents; and \$314 for out-of-state residents.
- An additional \$7,749,000 was included in the Board's proposed budget for salary improvements (including FICA) plus \$1,095,000 for additional day of pay, academic redesign and classification.
- FY14 salary improvements include a 2.25% COLA and 3.5% increment for faculty and staff. (For FY15, a 2.5% COLA and 3.5% increment is projected.)
- No new positions are requested.
- The Workforce Development and Continuing Education FY14 budget is \$17,411,500, a 7.9% increase over FY13.
- The budget includes \$1,000,000 in funding for the Achieving Collegiate Excellence and Success (ACES) program. Positions for the ACES program have been reallocated from other sources based on the One-College position reallocation framework. The budget pays for the ACES director, a readiness coordinator, eight academic coaches and supplies. ACES will serve 120 high school students per school in eight different high schools this year.

<p>The Executive recommends approval of the College's total budget at \$279,467,810. Council staff recommends approval of the Montgomery College operating budget for FY14 as recommended by the County Executive.</p>

Recommended Budget - Operating Fund and Other Funds:

Operating Fund

- \$228.0 million **Tax-supported funds budget** - A 4.2% increase over FY13. The funding consists of Spending Affordability funds including: 1) the Current Fund (see below); 2) tax-supported grants - Adult Education and Literacy Program Grant for \$400,000; and 3) the Emergency Plant Maintenance and Repair Fund for \$350,000.
- \$23.2 million **Enterprise Funds budget** - A 3.0% increase over FY13. Includes: 1) Workforce Development and Continuing Education which provides noncredit training and off-campus credit courses for residents, employees, and employers for \$17.4 million including State Aid of \$6.1 million; and 2) Auxiliary Enterprises for \$5.7 million which is supported by revenue earned from food services, bookstores, Parilla Performing Arts Center, Takoma Park/Silver Spring Cultural Arts Center, summer dinner theater, child care services for students, faculty and staff, etc.
- \$1,380,800 **Cable TV budget** - An 8.1% increase in the County cable funding request over FY13 for the College's channel on the County's cable system. The College request also includes \$35,000 for use of fund balance for hardware improvements. *(This fund request will be reviewed by the GO Committee.)*
- \$20.2 million **Nontax-supported grants** - Includes grants and contracts received by the College from all sources.

Other Funds

- \$263,000 **50th Anniversary Endowment Fund budget** – Established in 1995 in honor of the College's 50th Anniversary for scholarships and faculty chairs. In 2004, the use of the fund was expanded to include "...projects related to campus development, academic initiatives, and other projects that can be funded from an alternative funding source that benefit the College...[and] for all types of expenditures if recommended by the President and approved by the Board of Trustees." The College is requesting \$263,000 to plan for the Hercules Pinkney Life Sciences Park at the Germantown Campus.
- \$3.0 million **Transportation Fund budget** – Revenue received from a charge to students and employees. The current transportation fee is \$4 per credit hour and \$96 per year for full-time employees. The fund pays for the Ride-On bus service and for debt service on parking garage bonds related to the Takoma Park/Silver Spring West Parking Garage.
- \$3.5 million **Major Facilities Reserve Fund** – Is funded entirely from student fees, currently \$5 per credit hour.

\$279.5 million TOTAL – Montgomery College FY14 Operating Budget

Revenue Summary	\$85,555,492 \$1,697,759 \$98,433,727 \$31,688,491 \$325,000 \$1,325,000 \$8,202,226 <hr/> \$227,227,695	Tuition Student Fees County Contribution State Aid Grants Other Revenue Use of Fund Balance <hr/> Current Fund Revenue Summary
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The following is the breakdown for expenditures included in the proposed Montgomery College budget prior to the Executive’s recommended budget.

Expenditures (000s)	*Salaries & Benefits	\$182,807	79.6%
	Contracted Services	22,204	9.7%
	Supplies & Materials	5,783	2.5%
	Communications	2,105	0.9%
	Conferences & Meetings	2,268	1.0%
	BOT Grants	3,579	1.6%
	Utilities	7,139	3.1%
	Fixed Charges	2,023	0.9%
	<u>Furniture/Equipment</u>	<u>1,622</u>	<u>0.7%</u>
	Total Expenditures	\$229,530	100%

Spending Affordability – The Montgomery College proposed budget request for \$230.3 million exceeds the FY14 Spending Affordability Guidelines (SAG). Attached at ©15-16 is a letter from the College President commenting on the impact of reductions to the College budget to meet SAG.

State Aid: State aid is budgeted at \$31,688,491, for the Current Fund, a 4.69% increase over FY14. Aid is allocated between the Current Fund and Workforce Development & Continuing Education based on the numbers of FTEs earned. The Governor applied the John A. Cade funding formula for community colleges to determine state aid for FY14. However, the increase is less than the statutory intent of the Cade formula legislation.

Maintenance of Effort: MOE for the College requires the same total County contribution for the Current Fund in FY14 as in FY13 (not the same per pupil), which was \$94.8 million in FY13. For FY14, the Executive recommends \$98.4 million in funding. If the County does not maintain funding, then the State is not obligated to give the College any increase in State aid from the previous year. If the State does not increase its aid, then there is no penalty for not maintaining effort.

Enrollment: Enrollment is projected by the College to increase in FY14 to its highest level ever. The College projects a 1.1% increase in FY14 for full-time equivalent (FTE) student enrollment.

The major factors driving enrollment projections are: (1) expanded distance education and other alternative instructional delivery formats by the College; (2) efforts to maintain high levels of returning students (65 percent of the fall enrollment was returning students) and support student completion; and (3) Montgomery College's quality, affordability, proximity, and track record in preparing students for careers and transfers to four-year institutions.

Compensation and Benefits: The College negotiated collective bargaining agreements and, as a result, requested an increase of \$7,749 million for salary improvements for all employees. The College is requesting \$540,000 in benefit costs due to increases in retirement benefits, anticipated Affordable Health Care for America Act, FICA adjustments and labor relations expenses and the reduction in Flexible Spending Account limits. The budget also includes \$510,000 for employee professional development and recruitment. A fiscal impact statement on collective bargaining is included at ©17-20.

Amendments to Montgomery College FY13-18 Capital Improvements Program (CIP)

FY14 is an “off” year for the six-year Capital Improvements Program. Montgomery College’s capital budget submission does not include any changes to the approved FY13-18 CIP. A letter from College President Pollard is attached at ©31-32 advising of no changes to the capital budget. A list of projects approved and funded for FY14 is at ©33 and closeout projects for FY14 are listed at ©34.

The County Executive has proposed two amendments to the Montgomery College FY13-18 Capital Improvements Program.

1. The first amendment is a 2.09% general reduction of Montgomery College capital funding for FY15 to FY18 for \$1,300,000 each year for a total \$5,200,000. This College Affordability Reconciliation at ©35 maintains all funding at the approved FY13 and FY14 levels and makes unspecified reductions in FY15-18. The College will determine how to revise spending in FY15, FY16, FY17 and FY18 to conform to the recommended funding levels. (The MCPS affordability reduction was 2.38%.) The Tax Supported Current Revenues Adjustment Chart is at ©36 and the General Obligation Bond Adjustment Chart is at ©37.
2. The second amendment is a reduction to Montgomery College’s Information Technology project of \$256,000 in FY14 and \$495,000 in FY15 with increases in the County Fibernet project of \$256,000 in FY14 and \$495,000 in FY15. This amendment to the Fibernet project will assist in design, engineering and construction unique to the College. The College is agreeable to this amendment. The GO Committee will act on the Fibernet project amendment on April 16. The College Information Technology PDF is at ©38-39 and the Executive recommendation is at ©40 with the Fibernet PDF at ©41-42. Information on the MC Fibernet connection begins at ©43-47 and includes the Memorandum of Understanding at ©48-52 requested by the Committee during CIP discussions last year.

A list of College projects approved for FY13 and FY14 is at ©53 and all College projects are at ©54. Council CIP staff also recommended putting forward several projects which the Council may ultimately amend as part of CIP Reconciliation in May. During this “off-year” biennial CIP cycle, only those projects that are on the table as amendments can be substantively revised in the reconciliation (budget-balancing) exercise: Germantown Science and Applied Studies Phase I Renovation, Rockville Parking Garage, Rockville Student Services Center and Science West Building Renovation. There are no proposals to amend these projects at this time.

<p>Staff Recommendation: Approve the Montgomery College FY14 Capital Budget with amendments to the Information Technology project and College Affordability Reconciliation amendments.</p>

©	Attachments:
1	CE Budget – Montgomery College Section
8	Board of Trustees/President operating budget transmittal letter 2/7/13
15	Board of Trustees/President SAG letter 3/28/13
17	Montgomery College Fiscal Impact Statement on Collective Bargaining
	Public Hearing Testimony:
21	Board of Trustees of Montgomery College
23	Keren Nathalie Urrutia, Montgomery College student
25	Diego Diaz, Montgomery College student
27	Rick Penn, Montgomery College faculty
28	Liz Brandenburg, AFSCME
29	Ryan Felix, Montgomery College student
31	Letter from College President re: Capital Budget 11/13/12
33	Executive Recommend FY14 Capital Budget – Montgomery College
34	Recommended Closeout Projects – Montgomery College
35	Executive College Affordability Reconciliation – Capital Budget Amendment
36	Tax Supported Current Revenues Adjustment Chart
37	General Obligation Bond Adjustment Chart
38	College Information technology PDF
40	Executive Recommendation - College Information technology PDF
41	County Fibernet PDF
43	FY13-18 Biennial Recommended CIP March Budget Amendments Summary
44	Fibernet Activation Agreements
48	Montgomery County/Montgomery College Fibernet Memorandum of Understanding
53	Montgomery College FY13-14 Capital Budget Chart
54	Montgomery College Expenditure Detail by Project

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Montgomery College

MISSION STATEMENT

Montgomery Community College provides postsecondary educational programs from campuses located in Takoma Park/Silver Spring, Rockville, and Germantown. It serves four broad groups of students:

- Those who want the first two years of a university education, either for an associate's degree or preparatory to another program;
- Those who want to prepare for a career not requiring a bachelor's degree;
- Highly capable high school juniors and seniors who participate in special programs; and
- Adults who want to continue their education, either to improve job skills or for personal enrichment.

BUDGET OVERVIEW

The total recommended FY14 Operating Budget for Montgomery College is \$279.5 million, an increase of \$11.6 million or 4.2 percent from the FY13 approved budget of \$267.9 million. The County Executive recommendation funds 99% of the College's tax supported request and provides an affordable and sustainable level of support.

Related Current Fund revenues (excluding the County contribution) are \$120.6 million, which represents an increase of \$2.0 million or 1.7 percent over the approved FY13 budget.

In addition to the total recommended Operating Budget for the College, the agency's Capital Improvement Program (CIP) requires current revenue funding. Approximately \$13.4 million in FY14 current revenues is recommended in the amended FY13-18 CIP.

Montgomery College's budget request is not detailed in this document. The College budget request may be obtained by contacting the Office of Budget and Management Studies, Montgomery College, 900 Hungerford Drive, Room 345, Rockville, Maryland 20850, phone 240.567.7290, or may be found on the College's web site at www.montgomerycollege.edu/Departments/budget.

State law requires the Board of Trustees and the President to prepare and submit operating and capital budgets to the County Council. The operating budget request is normally submitted to the Council and County Executive in January each year. After final action by the Council in May, the Board adopts the approved budget in June. The College's approved budget is included in the Council Approved FY14 Operating and Capital Budgets and is prepared by the Office of Management and Budget in July.

The College prepared an FY14 budget requesting additional tax supported county funds of \$5.9 million, an increase of 6.2 percent from the approved FY13 budget. The College's request includes a salary increase of 5.75 percent for its employees (2.25 percent general wage adjustment and 3.5 percent merit increase) and assumes no tuition increase for students.

Spending Affordability Guidelines

In February 2013, the Council approved FY14 Spending Affordability Guidelines (SAG) of \$138.8 million (net of tuition) for the tax supported funds of Montgomery College. The Board of Trustees has requested \$144.7 million, which is \$5.9 million or 4.2 percent above the guideline.

Enrollment

Enrollment is projected by the College to increase in FY14 to its highest level ever. Since FY97, enrollment has increased each year and is estimated by the College for FY14 at 18,487 full-time equivalent (FTE) students in credit programs. An FTE student for one year is calculated as the total number of credit hours divided by 30. The College projects a 1.1 percent increase in FY14 in FTE student enrollment, compared to its FY13 estimate, and expects average annual enrollment to remain relatively flat from FY14 to FY18. The College's projections assume approval of the proposed renovation and construction schedule in the Capital Improvements Program.

Tuition

For FY14, the College request is based on no increase to tuition fees. The consolidated fee for all students would remain at 20 percent.

Tuition and other student fees represent approximately 38 percent of the revenue proposed by the College to fund the FY14 budget.

State Funding

The total amount of State funding assumed in the Executive's Recommended FY14 budget is estimated to be \$37.8 million. It is comprised of \$31.7 million allocated to the Current Fund and \$6.1 million to the Workforce and Development Fund. The College allocates formula funds to the Current Fund and Continuing Education Fund based on the proportionate share of FTE students for most University System of Maryland institutions.

Tax Supported Funds

The County Executive recommends a total appropriation of \$228 million in the three tax supported funds (Current, Emergency Plant Maintenance and Repair, and Tax Supported Grants). This amount is an increase of \$9.2 million or 4.2 percent more than the \$218.8 million approved in FY13.

Current Fund

In the Current Fund, the County Executive is recommending an appropriation of \$227.2 million, an increase of \$9.2 million or 4.2 percent over the \$218.0 million approved in FY13. This recommendation is based on the College's estimated tuition and fees, which includes no increase in tuition rates noted above. The Executive's recommendation increases local funding to the College by \$3.7 million, or 3.8 percent.

Emergency Plant Maintenance and Repair Fund

The Emergency Plant Maintenance and Repair Fund provides for unanticipated expenditures to make emergency repairs not funded elsewhere in the budget. The County Executive recommends the Board's request, an appropriation of \$350,000, stay the same level as the FY13 approved budget.

Tax Supported Grant Fund

The Tax-Supported Grant Fund provides for community needs not met elsewhere. The County Executive recommends the Board's request, an appropriation of \$400,000, to support the College's adult literacy programs.

Other Funds

Cable Television

The County Executive recommends an appropriation of \$1.4 million for the Cable Television Fund, which provides for production and operation of the College's higher education channel on the County's cable system. The requested amount would provide instructional programs and public service offerings by the College to the community. Additional detail on the College's Cable budget can be found in the Cable Communications Plan in section 63-1.

Special Funds

The College's Workforce Development and Continuing Education Fund is supported by a combination of student tuition and fees and State reimbursements, which are based on the FTE student enrollment in the academic year that occurred two years prior to the current year. The County Executive recognizes the importance of higher education to the economic development of Montgomery County and recommends the Board's request, an appropriation of \$17.4 million for this Fund, a \$2.9 million increase over the amount approved in FY13.

The Auxiliary Enterprises Fund includes the Bookstore, the Child Care Center, and Food Services, and is supported by revenue earned from these activities. The College requests and the County Executive recommends an appropriation of \$5.8 million for this fund, a decrease of 9.2 percent from the amount approved in FY13.

The Grants and Contracts Fund includes grants and contracts received by the College from all sources. The College requests and the County Executive recommends an appropriation of \$20.2 million for this fund.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **Children Prepared to Live and Learn**
- ❖ **Strong and Vibrant Economy**
- ❖ **Vital Living for All of Our Residents**

PROGRAM CONTACTS

Contact Cathy Jones of the Montgomery College at 240.567.5280 or Jennifer Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this agency's operating budget.

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
CURRENT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	211,328,603	218,036,599	212,601,296	227,227,695	4.2%
Capital Outlay	0	0	0	0	—
Current Fund MC Expenditures	211,328,603	218,036,599	212,601,296	227,227,695	4.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	1,711.10	1,711.10	1,711.10	1,711.10	—
REVENUES					
Current Fund: Interest	74,452	90,000	90,000	55,000	-38.9%
Current Fund: Other Revenue	1,427,239	800,000	800,494	1,135,000	41.9%
Current Fund: Performing Arts Center	65,267	110,000	90,000	135,000	22.7%
Fed. State & Priv. Gifts & Grants	337,709	300,000	260,000	325,000	8.3%
Other Student Fees: Current Fund	1,627,426	1,600,435	1,575,000	1,697,759	6.1%
State Aid	29,788,628	30,209,281	30,268,787	31,688,491	4.9%
Tuition and Fees: Current Fund	82,011,180	85,462,717	83,977,799	85,555,492	0.1%
Current Fund MC Revenues	115,331,901	118,572,433	117,062,080	120,591,742	1.7%
EMERGENCY REPAIR FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Emergency Repair Fund Personnel Costs	0	0	0	0	—
Operating Expenses	50,915	350,000	250,000	350,000	—
Capital Outlay	0	0	0	0	—
Emergency Repair Fund Expenditures	50,915	350,000	250,000	350,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
EPMRF: Investment Income Non-Pooled	157	0	0	0	—
Emergency Repair Fund Revenues	157	0	0	0	—
GRANT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MC Personnel Costs	0	0	0	0	—
Operating Expenses	10,179,214	20,163,000	11,851,888	20,163,000	—
Capital Outlay	0	0	0	0	—
Grant Fund MC Expenditures	10,179,214	20,163,000	11,851,888	20,163,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Federal/State/Private Grants	10,179,214	20,163,000	11,851,888	20,163,000	—
Grant Fund MC Revenues	10,179,214	20,163,000	11,851,888	20,163,000	—
AUXILIARY FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
Employee Benefits	0	0	0	0	—
Auxiliary Fund Personnel Costs	0	0	0	0	—
Operating Expenses	4,530,876	6,359,564	4,756,523	5,771,815	-9.2%
Capital Outlay	0	0	0	0	—
Auxiliary Fund Expenditures	4,530,876	6,359,564	4,756,523	5,771,815	-9.2%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	50.00	50.00	50.00	50.00	—
REVENUES					
Auxiliary Fund: Interest Income	7,346	12,000	7,214	10,000	-16.7%
Other Revenues: Miscellaneous	1,071,588	1,454,727	1,110,761	1,321,715	-9.1%
Other Revenues: Performing Arts Center	345,119	400,000	304,270	350,000	-12.5%
Sales	2,998,105	4,369,819	3,022,271	3,703,900	-15.2%
Auxiliary Fund Revenues	4,422,158	6,236,546	4,444,516	5,385,615	-13.6%
WORKFORCE DEVELOPMENT & CONTINUING ED					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Workforce Development & Continuing Ed Personnel Costs	0	0	0	0	—
Operating Expenses	13,443,759	16,136,500	14,231,000	17,411,500	7.9%
Capital Outlay	0	0	0	0	—
Workforce Development & Continuing Ed Expenditures	13,443,759	16,136,500	14,231,000	17,411,500	7.9%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	84.00	85.00	85.00	85.00	—
REVENUES					
Other Revenues: Interest	0	15,000	15,000	30,000	100.0%
Other Revenues: Miscellaneous	30,950	350,000	300,000	380,000	8.6%
State Aid	5,193,844	5,718,501	5,729,766	6,147,053	7.5%
Tuition and Fees: Continuing Education	6,954,286	8,485,000	6,735,000	9,450,000	11.4%
Workforce Development & Continuing Ed Revenues	12,179,080	14,568,501	12,779,766	16,007,053	9.9%
CABLE TELEVISION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Cable Television Fund Personnel Costs	0	0	0	0	—
Operating Expenses	1,182,004	1,244,850	1,235,000	1,380,800	10.9%
Capital Outlay	0	0	0	0	—
Cable Television Fund Expenditures	1,182,004	1,244,850	1,235,000	1,380,800	10.9%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	11.00	10.00	10.00	10.00	—
REVENUES					
Cable: Other Revenue	153	0	0	0	—
Cable Television Fund Revenues	153	0	0	0	—
ENDOWMENT FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Endowment Fund Personnel Costs	0	0	0	0	—
Operating Expenses	0	263,000	0	263,000	—
Capital Outlay	0	0	0	0	—
Endowment Fund Expenditures	0	263,000	0	263,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Interest	1,536	1,000	1,400	1,000	—
Endowment Fund Revenues	1,536	1,000	1,400	1,000	—

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
MAJOR FACILITIES RESERVE FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Major Facilities Reserve Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,349,756	2,400,000	2,349,156	3,500,000	45.8%
Capital Outlay	0	0	0	0	—
Major Facilities Reserve Fund Expenditures	2,349,756	2,400,000	2,349,156	3,500,000	45.8%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
REVENUES					
Interest Income	21,447	20,000	16,000	15,000	-25.0%
Student Fees	3,166,247	3,300,000	3,271,458	3,300,000	—
Major Facilities Reserve Fund Revenues	3,187,694	3,320,000	3,287,458	3,315,000	-0.2%
MC GRANTS TAX SUPPORTED FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
MC Grants Tax Supported Fund Personnel Costs	0	0	0	0	—
Operating Expenses	400,000	400,000	400,000	400,000	—
Capital Outlay	0	0	0	0	—
MC Grants Tax Supported Fund Expenditures	400,000	400,000	400,000	400,000	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	0.00	0.00	0.00	0.00	—
TRANSPORTATION FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Transportation Fund Personnel Costs	0	0	0	0	—
Operating Expenses	2,184,365	2,500,000	2,140,644	3,000,000	20.0%
Capital Outlay	0	0	0	0	—
Transportation Fund Expenditures	2,184,365	2,500,000	2,140,644	3,000,000	20.0%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	1.00	1.00	1.00	1.00	—
REVENUES					
Miscellaneous Other	370,527	250,000	257,595	250,000	—
Student Fees	2,472,410	2,500,000	2,425,000	2,500,000	—
Transportation Fund Revenues	2,842,937	2,750,000	2,682,595	2,750,000	—
DEPARTMENT TOTALS					
Total Expenditures	245,649,492	267,853,513	249,815,507	279,467,810	4.3%
Total Full-Time Positions	0	0	0	0	—
Total Part-Time Positions	0	0	0	0	—
Total FTEs	1,857.10	1,857.10	1,857.10	1,857.10	—
Total Revenues	148,144,830	165,611,480	152,109,703	168,213,410	1.6%

PERFORMANCE MEASURES FOR MONTGOMERY COLLEGE

The Maryland Higher Education Commission (MHEC) requires an annual report ("Performance Accountability Report" [PAR]) from the state's community colleges that updates institutional progress on several broad goals that are part of the State Plan for Postsecondary Education. Those goals are accompanied by 35 Indicators on which community colleges set targets ("benchmarks") for the end of the five-year cycle, which will be the report issued in July, 2016 and will reflect data through FY 2015 or Fall 2015, as appropriate. A selection of some of those Indicators is provided here as Performance Measures for Montgomery College.

Accessibility and Affordability

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Target FY 2015</u>
Annual unduplicated headcount						
Credit Students	33,520	34,248	35,604	37,510	37,391	41,636
Non-credit Students	27,544	26,035	25,636	24,881	23,624	25,435
	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Target - Fall 2015</u>
MC Share of Montgomery County Residents in MD Colleges	48.7%	42.9%	49.4%	49.2%	45.1%	52.0%
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Target FY 2015</u>
Enrollment in online courses	8,461	8,997	9,989	11,384	17,168	15,234
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Target FY 2015</u>
MC Tuition & Fees as pct. of MD public four-year colleges	55.3%	55.9%	58.7%	56.7%	56.0%	57.0%

Quality and Effectiveness

	<u>Grads of 2000</u>	<u>Grads of 2002</u>	<u>Grads of 2005</u>	<u>Grads of 2008</u>	<u>Grads of 2011</u>	<u>Grads of 2014</u>
Graduate satisfaction with educational goal achievement	99.0%	97.0%	93.0%	98.0%	n/a	92.0%
Graduate satisfaction with preparation for transfer	79.0%	88.0%	91.0%	77.4%	n/a	90.0%
	<u>Spring 2003</u>	<u>Spring 2005</u>	<u>Spring 2007</u>	<u>Spring 2009</u>	<u>Spring 2011</u>	<u>Spring 2015</u>
Non-returning students' goal attainment	79.0%	82.0%	74.0%	81.0%	79.0%	82.0%

Diversity

	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>	<u>Fall 2011</u>	<u>Fall 2015</u>
Minority student enrollment						
MC minority percent	53.1%	56.4%	60.3%	64.2%	68.0%	68.0%
Minority pct. of county adults	43.5%	43.9%	45.6%	48.3%	34.8%	
Minority percent of FT faculty	27.5%	28.6%	28.2%	29.5%	29.4%	32.0%
Minority percent of admin/prof. staff	37.6%	38.0%	37.2%	38.4%	40.1%	42.0%

PERFORMANCE MEASURES FOR MONTGOMERY COLLEGE

Economic Growth and Workforce Development

	Grads of 2000	Grads of 2002	Grads of 2005	Grads of 2008	Grads of 2011	Grads of 2014
Graduate satisfaction with job preparation	76.0%	79.0%	89.0%	83.0%	n/a	85.0%
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2015</u>
Licensure exam pass rates						
Radiologic Technology	100.0%	100.0%	95.0%	94.0%	94.0%	90.0%
Nursing	93.3%	89.1%	91.3%	95.2%	84.8%	90.0%
Physical Therapy Asst.	77.0%	100.0%	64.0%	83.0%	93.0%	80.0%
Contract Training Courses						
Annual unduplicated headcount	4,034	3,792	2,392	1,864	2,681	3,500
Annual enrollment in courses	6,329	5,907	4,993	4,202	3,861	6,000

Community Outreach and Impact

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2015</u>
Noncredit community service and lifelong learning						
Annual unduplicated headcount	14,909	13,282	11,113	9,508	11,903	12,000
Annual enrollment in courses	21,616	20,918	16,287	18,889	17,756	19,000
Noncredit basic skills and literacy						
Annual unduplicated headcount	6,450	6,449	6,252	6,619	6,634	6,400
Annual enrollment in courses	10,628	11,251	11,022	11,910	12,521	11,000

Effective Use of Public Funding

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2015</u>
Expenditures on instruction as a percent of total expenditures	40.4%	40.7%	41.2%	40.9%	41.4%	41.0%
Expenditures on Instruction + Academic Support as percent of total	50.9%	50.8%	51.8%	53.3%	53.7%	54.0%



February 7, 2013

Office of the President

The Honorable Isiah Leggett
Montgomery County Executive
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850

The Honorable Nancy Navarro, President
Montgomery County Council
and
Members of the Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Leggett, Ms. Navarro, and
Members of the Montgomery County Council:

The Board of Trustees of Montgomery College and the College community are grateful for your continued support of Montgomery College and the students we serve.

The College worked diligently to submit a budget that recognizes the county's still challenging economic conditions, while providing enhanced compensation for our employees and minimizing fiscal burdens on our students. We respectfully submit for your consideration the Board of Trustees adopted College operating budget for FY14—a budget that seeks \$5.97 million or a 6.3 percent increase in additional funds from the county solely to support salary improvements. This budget also accommodates a one percent increase in enrollment. Montgomery College is the largest community college in the state and continues to surpass the undergraduate enrollment at the University of Maryland, College Park. Enrollment in credit courses increased to 27,453 students last fall, and we serve more than 38,000 students annually in our credit programs.

Our FY14 operating budget is focused on the heart of our institution—investment in our employees and our students—in offering quality, accessible education to the residents of our community. For the past several years, it has been our employees and students who have borne the brunt of the economic downturn. Our College employees made professional and personal sacrifices in these challenging economic times. As you will recall, our administrators, faculty, and staff were furloughed up to eight days in FY11. While we avoided furlough days in the two fiscal years since, our faculty and staff received no compensation adjustments to their base salaries for *three* straight years. Our administrators have been without an addition to base for *four years*. In FY12, to recognize the sacrifices of employees, the College provided a limited one-time lump sum payment, which did not require additional county support. In FY13 employees received no changes in compensation—no lump sums or additions to base.

The Honorable Isiah Leggett
The Honorable Nancy Navarro
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This budget also assumes no tuition rate increases for our students to mitigate the burden of past tuition hikes. As of FY13, students now provide 40 percent of the operating revenues, up from 33 percent in FY09. The current in-county tuition rate is \$112 per credit hour without fees, textbooks, and transportation compared to \$99 in FY09. Many students cannot afford to attend Montgomery College without help. Over 10,000 students (36.8 percent of all students) receive some form of aid; one-quarter of all students receives Pell grants. And requests for financial aid have grown by 75 percent over five years. Affordable tuition is necessary to ensure greater access to higher education for students and for the success in our community. As a result, the Board of Trustees felt it was imperative to leave tuition at current rates.

In our FY14 budget, the College is striving to maximize the use of existing resources. This budget includes funding for programs that align with the College's strategic plan, *Montgomery College 2020*, such as the implementation of the Achieving Collegiate Excellence and Success (ACES) program. Positions for the ACES program have been reallocated from other sources based on our One College position reallocation framework. As result, no new resources are needed in FY14 for the implementation of this most important partnership between the College, Montgomery County Public Schools, and the Universities at Shady Grove. ACES will serve 120 high school students per school in eight different high schools this year. ACES, along with affordable tuition, will ensure more members of our community will be able to not only access a college education but succeed—ultimately in completing a baccalaureate degree.

As referenced, the One College position allocation framework is a key element of the College's talent management strategy that takes a One College approach to hiring. When a vacancy occurs, a decision is made about how best to use the resource: whether to reallocate that position to another unit, or whether to change the position to a different function, or to refill the position. Positions are prioritized based on a number of factors: essential personnel in academic or student services functions; safety or health; legal, regulatory or accreditation; and initiatives related to the *Montgomery College 2020* strategic plan. In addition, the College has established a process by which new staff hires may be placed no higher than the midpoint of the salary range.

The College values its people and strives to continue to be a good steward of the resources entrusted to it. We continue to practice prudent fiscal management through position reallocation, where possible, and hiring only for those positions deemed most critical. No new positions are planned for FY14 and no new resources are sought for new positions. Therefore, this budget seeks additional funds only to support for salary improvements in FY14.

The specifics of the Montgomery College operating budget request are as follows:

ENROLLMENT PROJECTIONS

This past fall, the College experienced a record high enrollment in both credit hours and enrollment, with 27,453 students in the credit courses. Steady enrollment growth from fall 2002 through fall 2012 added more than 5,600 students—an increase of 26 percent or the equivalent of

The Honorable Isiah Leggett
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Members of the Montgomery County Council
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nearly three high schools over the decade. Because more students are attending full time, our credit hours of enrollment have increased by more than 32 percent, which equates to an increase of more than 61,000 credit hours. And we continue to experience growth. Since last fall, our student headcount is up 1.7 percent and hours of enrollment are up 1.6 percent.

The major factors driving enrollment projections are: (1) expanded distance education and other alternative instructional delivery formats by the College; (2) efforts to maintain high levels of returning students (65 percent of our fall enrollment was returning students) and support student completion; and (3) Montgomery College's quality, affordability, proximity, and proven track record in preparing students for careers and transfers to four-year institutions. Credit hour enrollment projections for FY14 reflect an increase of 1.1 percent.

REVENUE SOURCES

This budget anticipates no increase in tuition rates. Tuition and related fees are expected to generate \$87 million, which is an increase of 0.22 percent from FY13 as result of a projected one percent enrollment growth. With the tuition freeze, tuition and fees from students will represent 38 percent of total resources in the FY14 budget—a step forward in stabilizing tuition rates.

State aid for Montgomery College in Governor Martin O'Malley's FY14 budget is increased by \$1,836,991 or 5.1 percent from last year. Of this amount, \$1,419,704 is allocated to the Current Fund and the remaining amount to the Workforce Development & Continuing Education Fund based on the numbers of full-time equivalents earned. The College has used this increase in state aid to reduce our request for additional funds from the County, rather than use it to cover increases in other areas. As result, state aid will also contribute to funding salary enhancements for our employees.

Consistent with our commitment to employees and students and in light of the current fiscal environment, we are committing \$8.2 million of existing resources (\$2.8 million from designated funds and \$5.4 million from the fund balance). In February 2012, the Board of Trustees designated fund balance to be used for College key priorities such as tuition stabilization. This proposed budget requests local support of \$100,736,531, which represents an increase of 6.3 percent over the FY13 contribution. The additional request for funds is to partially fund salary improvements only.

EXPENDITURE REQUESTS

The Current Fund expenditure requests totals \$229.5 million, representing an increase of \$11,493,900 or 5.27 percent over last year. Steps were taken to close gaps between ongoing expenditures and revenues and implementing new initiatives while continuing to meet our mission.

Our expenditure budget is detailed as followed:

Compensation and Benefits for our Employees

- Our staff and faculty have not had a pay increase in over three years. For administrators, it has been four years since a pay increase. This budget requests an increase of \$7.9 million for salary improvements for all employees, of which the College is only requesting partial funding for salary improvements.
- In the benefits area, costs have increased by \$540,000, resulting from increases in our retirement benefits, the anticipated Affordable Health Care for America Act, FICA adjusted to account for change in FICA maximum, labor relations expenses resulting from negotiated agreements, and the reduction in the Flexible Spending Account (FSA) limits from \$5,000 to \$2,500. As you know, College employees have historically paid the greatest contribution share in the county towards their health plans. It now amounts to 25 percent of the premium for over a decade. Changes were made to the eligibility criteria for retiree health insurance in 2012 to lower our future costs. Employees hired on or after July 1, 2011, are eligible for retiree health insurance at age 55 with at least 15 years of service. Retirees with 15 to 19 years of service will receive an employer contribution of 40 percent and retirees with 20 or greater years of service will receive an employer contribution of 60 percent. Employees hired prior to July 1, 2011, are eligible for a 40 percent employer contribution if they have at least five years of service and a 60 percent employer contribution if they have 10 or more years of service.
- Developing our employees for the future needs of our institution is a high priority. The budget request includes \$510,000 for employee professional development and recruitment.

Support for our Students

- To mitigate the past burden of tuition increases for our students, the operating budget has no tuition rate increases. Recent census data shows our community is less wealthy, more diverse and home to more families whose children will be the first to attend college—making an affordable locally provided college education more important than ever. Last fall approximately 5,700 students did not enroll at Montgomery College after qualifying for grants but not receiving such financial support—another indicator that tuition and fees impact access to higher education. This is particularly troublesome when we know the jobs of the future will require some college education.
- Student credit hours are projected to increase by one percent in FY14. Due to the continued constrained fiscal environment, the College is not requesting new full-time faculty again this year despite the enrollment growth we have experienced over the last several years. As a result, we continue to fall behind in our institutional goal of reaching 67:33 ratio of full-time to part-time faculty.
- Part-time faculty salaries will add \$633,586 based on the increase in credit hours and as a result of the tentative wage adjustments. In addition, we are undergoing a multi-phased

The Honorable Isiah Leggett
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February 7, 2013
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approach to academic redesign of our programs to meet the educational demands of our students.

- Our request includes \$89,000 to increase financial aid. Current federal and state financial aid is insufficient to serve our students. The College did not have sufficient institutional grant money to fund all students who qualified for assistance in fall 2012. In fact, 5,700 students did not enroll at Montgomery College in fall 2012 after qualifying for, but failing to receive, grant aid due to a lack of these funds.
- The Ride On program for our students decreases from the prior year request by \$620,000.

Montgomery College 2020 Initiative

We recently launched a communications and community engagement effort to build awareness of Montgomery College's credit and noncredit offerings and to support the College's vision for a unified, common student experience on all of its campuses. This effort also seeks to build awareness about the College's partnerships with corporate and community organizations to build a stronger county workforce. Our effort will include changing the College's website to translate it into different languages, such as those used on the MCPS website, for service to members of the community seeking pathways to higher education; captioning our television shows and videos for accessibility; starting a project to create community engagement centers in underserved areas of the county through public-private partnerships; and supporting greater civic and community programs and service projects. This budget includes \$645,000 to continue these initiatives.

Other requests

The operating budget totals \$1.485 million for other operational expenditure increases for facilities management and utilities, risk management (self-insurance) and other ancillary expenditures including, but not limited to, supplies and support for the ACES program.

OTHER FUNDS

Emergency Plant Maintenance and Repair Fund

The Emergency Plant Maintenance and Repair Fund (EPMRF) is a spending affordability fund. We request an appropriation of \$350,000 and county funding equal to last year's amount (\$250,000), plus the use of fund balance of \$100,000. This funding is crucial for supporting our emergency maintenance needs.

Workforce Development & Continuing Education

The appropriation request for this fund is \$17.4 million. New programming in high demand areas includes health information technology, cosmetology, veterinary technician, "greening" across

The Honorable Isiah Leggett
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February 7, 2013
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the curriculum, and vocational English for Speakers of Other Languages. This fund is an enterprise fund and no county funding is requested.

It is important to note that 28,000 students also enrolled in Workforce Development & Continuing Education programs in fall last year. The College continues to be popular choice for students seeking career programs such construction trades and automotive technology. Such students rely heavily on our Workforce Development & Continuing Education programs. In today's economy, a post-secondary education—credit or noncredit—is vital to earning a living wage.

Auxiliary Enterprises

The appropriation request for this fund is \$5.7 million. These funds are comprised of child care, retail operations, food services, the Parilla Performing Arts Center, and other facilities rentals. This fund is an enterprise fund and no county funding is requested.

50th Anniversary Endowment Fund

The College is requesting appropriation authority of \$263,000 to plan for the Hercules Pinkney Life Sciences Park at the Germantown Campus. No county contribution is requested.

Cable Fund

The appropriation amount requested is \$1,380,800 and is funded through the county cable plan.

Grants

The College is requesting appropriation authority in the amount of \$20.5 million. Of this amount, \$400,000 is requested in county funds for the Adult ESOL/Adult Basic Education/GED program, which is the same amount as was appropriated in FY13.

Transportation Fund

This fund is comprised entirely of user fees from our students, employees, and certain contract staff. The fund also includes parking enforcement revenue. All revenue will be used to pay for lease costs related to the Takoma Park/Silver Spring West Parking Garage. Through this fund, the College will also pay the county for the free Ride On bus service for our students. The appropriation request is \$3 million.

Major Facilities Reserve Fund

The College is requesting appropriation authority in the amount of \$3.5 million for lease payments to the Montgomery College Foundation for lease of The Morris and Gwendolyn Cafritz Foundation Arts Center and the new parking garage on the Rockville Campus. This fund is entirely comprised of user fees, and no county funds are requested.

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The Honorable Nancy Navarro
Members of the Montgomery County Council
February 7, 2013
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CONCLUSION

We developed the budget with these priorities in mind: our employees, our students, fiscal prudence, affordability, and student success. We are committed to providing quality instruction, remaining accountable, and aligning resources with strategic planning.

In summary, the Montgomery College budget for FY14 consists of a request of \$229,530,499 appropriation for the Current Fund. Of this amount, we are requesting funding of \$100,736,531, which is a 6.3 percent increase from last year, from the county. The College is also requesting \$350,000 for the Emergency Plant Maintenance and Repair Fund, of which \$250,000 is requested in county funds; \$20,563,000 for federal, state and private grants, and contracts of which \$400,000 is requested in county funds for the Adult ESOL/Adult Basic Education/GED program; and \$1,380,800 for cable television. An additional \$26,183,315 is budgeted for the self-supporting funds of Workforce Development & Continuing Education, Auxiliary Enterprises, and Transportation Funds, \$3.5 million for the Major Facilities Reserve Fund, and \$263,000 for the 50th Anniversary Endowment Fund.

Taking all of these funds into account, the Board of Trustees respectfully requests total expenditure authority of \$281.7 million. We appreciate your careful review and consideration of this operating budget request. Your ongoing support of Montgomery College is deeply appreciated, and we are grateful that you continue to value post-secondary education for our young people, our families, and our community.

Sincerely yours,



Stephen Z. Kaufman
Chair, Board of Trustees



DeRionne P. Pollard, PhD
President



Board of Trustees

March 28, 2013

The Honorable Nancy Navarro, President
Montgomery County Council
and
Members of the Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Ms. Navarro and Members of the Montgomery County Council:

As required by the Montgomery County Code 20-63(b), presented below are the non-recommended reductions that would be required to bring Montgomery College's proposed budget within the FY14 Spending Affordability Guidelines. The College's FY14 budget request totals \$230.3 million for the tax-supported funds (Current Funds, Emergency Plant Maintenance and Repair Fund, and tax supported grants). While we fully appreciate the important fiscal goals of the Spending Affordability Guidelines process, we are greatly concerned about the impact that reductions such as these would have on our employees and our students.

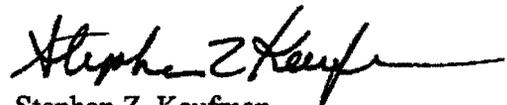
	Council Approved Allocation	Montgomery College Recommended Budget	Reductions Required
Tax Supported	\$224,312,722	\$230,280,499	\$5,967,776
Less Tuition/Related	\$85,555,492	\$85,555,492	-
Total	\$138,757,230	\$144,725,006	\$5,967,776

The College seeks support from the county only to help fund our collective bargaining agreements. The reduction of **\$5,967,776** to the College would impact our ability to provide our employees with an addition to their base salary, which would be the first time in three years and in some cases, four years. If that were the case, in order to meet our collective bargaining obligations, we would have to give serious consideration to tuition rate increases despite the Board of Trustees' proposed tuition freeze—an effort to recognize the sacrifices our students also made over the last several years.

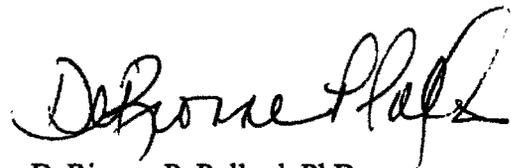
Letter to The Honorable Nancy Navarro, President
Montgomery County Council
March 28, 2012
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The College recognizes the difficult choices you face as you deliberate over the details of the FY14 budget. We greatly appreciate the Council's continued support for the College. We hope you find it possible and agree, during your deliberations, that the College's request is fiscally prudent and responsible. We ask that your ultimate budget decision give consideration to our faculty, staff, and students by helping us fund our collective bargaining agreements and by keeping tuition affordable. Thank you.

Sincerely,



Stephen Z. Kaufman
Chair, Board of Trustees



DeRionne P. Pollard, PhD
President

Montgomery College - Fiscal Impact Statement on Collective Bargaining

MINIMUM SALARY

Effective the first day of the fiscal 2014 academic year the full time faculty salary range shall be a minimum of \$53,838 and for the first day of fiscal 2015 \$56,840.

GENERAL WAGE ADJUSTMENT

Effective the first day of the 2014 fiscal year there shall be a 2.25% general wage adjustment and a 2.5% general wage adjustment for FY2015 for bargaining and non-bargaining staff, full time faculty, and administrator staff.

Effective for the first day of the 2014 academic year, pending Board of Trustee approval, there shall be a 5.75% increase in the esh rate for lecturer part time faculty and a 6.0 % for part time faculty adjunct professors.

INCREMENT

Effective the first day of the 2014 and 2015 academic year full time faculty are eligible for an increment of 3.5% provided they have been in the bargaining unit for one semester.

Effective the second full pay period in September 2014 and September 2015, bargaining employees who have been in the bargaining unit for one year and non-bargaining employees who are in permanent status at the beginning of the fiscal year are eligible for an increment of 3.5%.

PAY FOR PERFORMANCE

Effective the first day of the 2014 and 2015 fiscal year administrators may receive between 0% and 5.5% in lieu of increment a pay for performance payment that does not become part of the base.

Bargaining staff are eligible to participate in a performance recognition program subject to approval by the Board of Trustees which has not occurred.

EDUCATIONAL ASSISTANCE PROGRAM

The maximum benefit payable to a full time faculty under the EAP program increase to \$2,220 (\$300 incremental cost) for FY2014 and \$2,320 (\$100 incremental cost) for FY2015 subject to a total payout maximum to the College.

Montgomery College - Fiscal Impact Statement on Collective Bargaining

EDUCATIONAL ASSISTANCE PROGRAM (cont.)

The maximum benefit payable to bargaining employees under the EAP program increase to \$2,200 (\$180 incremental cost) for FY2014 and \$2,320 (\$120 incremental cost) for FY2015 subject to a total payout maximum to the College.

The maximum benefit payable to faculty for reimbursement travel expenses increases to \$1,000 (\$500 increment) for FY2014 and FY2015 subject to a total payout maximum to the College.

OTHER ITEMS

Bargaining staff shift differential will increase 5 cents to \$1.03.

Bargaining staff uniform subsidy will increase \$50 to \$265

Part time bargaining staff will be eligible to participate in individual health insurance at the 75/25 premium rate. This will also be available to non-bargaining staff.

**MONTGOMERY COLLEGE - CURRENT FUND
FISCAL IMPACT SUMMARY
FY2014 & FY2015**

Bargaining Staff

ITEM	FY2014	FY2015
General Wage Adjustment (FY14 2.25%; FY14 2.5%)	\$ 522,944	\$ 614,216
Increment (3.5% in FY14 & FY15)	\$ 651,938	\$ 673,593
Shift Differential (Incr 5 cents FYY2014)	\$ 6,000	-
Uniform Allowance (FY14 incr \$50 estimate 250 staff)	\$ 12,500	-
Change in individual part time rate for insurance to 75/25 (est. 60 staff)	\$ 57,600	-
Educational Assistance Program	<u>\$ 15,000</u>	<u>\$ 15,000</u>
TOTAL ALL	\$ 1,265,982	\$ 1,302,809

Full Time Faculty

ITEM	FY2014	FY2015
Minimum Salary adjustment for faculty	\$ 53,947	-
General Wage Adjustment (FY14 2.25%; FY14 2.5%)	\$ 1,012,683	\$ 1,189,592
Increment (3.5% in FY14 & FY15)	\$ 1,562,874	\$ 1,655,809
Educational Assistance Program and related travel reimbursement	<u>\$ 90,000</u>	<u>\$ 40,000</u>
TOTAL ALL	\$ 2,719,504	\$ 2,885,401

Part Time Faculty

ITEM	FY2014	FY2015
Part time pay increase estimated at 5.88% (acad + summer budgets)	633,586	-

Administrator and non Bargaining Staff

ITEM

	FY2014	FY2015
General Wage Adjustment (FY14 2.25%; FY14 2.5%)	\$ 1,071,783	\$ 1,258,900
Increment - non bargaining staff (3.5% in FY14 & FY15)*	\$ 1,069,669	\$ 1,072,998
Administrator participation in the pay for performance (estimated)*	\$ 400,000	400,000
Change in individual part time rate for insurance to 75/25 (est.15 staff)	\$ 14,400	
Educational Assistance Program	\$ 40,000	\$ 15,000
	<hr/>	<hr/>
TOTAL ALL	\$ 2,595,852	\$ 2,746,898

* Administrators may receive between 0% and 5.5% in lieu of increment a pay for performance payment.



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**Testimony before the Montgomery County Council
By Mr. Stephen Z. Kaufman, Chair
Board of Trustees of Montgomery College
FY 14 Operating and Capital Budget Requests
3rd Floor Hearing Room
County Council Office Building
April 9, 7:00 p.m.**

Good evening! My name is Stephen Kaufman. I'm here tonight as the Chair of the Board of Trustees of Montgomery College. I'm happy to be here with our President, Dr. DeRionne Pollard, and some of the outstanding faculty, staff, students and alumni of Montgomery College.

On behalf of the Board, thank you for your long-standing support of the College. We appreciate your understanding of the important role of the College in our community.

We are also grateful for the County Executive's support of our capital and operating budget requests. While our requests were not fully funded, the Executive's proposed operating budget provides the College new operating dollars for the first time in many years. His recommendations for our capital budget keep our projects moving forward.

Our Board understands the fiscal challenges you face again this year. Sequestration adds another layer of uncertainty to the budget process. As a result, we will not seek additional support from the Council for this budget.

Tonight, we simply ask you to support the County Executive's proposed operating and capital budgets for the College.

As you deliberate, please keep in mind we experienced record enrollment growth over the last several years, making Montgomery College the largest community college in Maryland. With over 27,000 students in our credit programs, we enroll more undergraduates than the University of Maryland, College Park.

Unfortunately, our enrollment growth came at the same time as the recession. As a result, we experienced cuts in state aid, a drop in county support of 11 percent since FY10, and no new county money last year.

We had to do more with less—leaving our employees and students to bear the brunt of the recession.

Sacrifices on the parts of our employees included the following:

- No improvement to base salaries in 3 years (4 for administrators);
- Furloughs for all employees;
- And we made changes to benefits, while keeping a 25 percent employee contribution.

Our students also made sacrifices. Student tuition and fees now account for 40 percent of the operating revenue. That's up from 33 percent just four years ago.

At the same time, our students' ability to afford college is declining. Applications for financial aid have risen by 80 percent over the last 5 years. And this fall, 5,700 students did not enroll at MC after qualifying for but failing to receive any College grants.

This is why the Board made students and our employees our highest priority for FY 14. This budget includes salary enhancements for our employees and a tuition freeze, providing our students with relief this year from annual tuition hikes.

We hope you share our concern for our employees and students and help us continue to provide high quality and affordable higher education to our community. With your help, we can continue to move the College forward—and in turn, move Montgomery County forward by helping build a well-educated workforce.

Please fully fund the County Executive's recommended capital and operating budgets for Montgomery College.

Thank you.

Testimony before the County Council
By Keren Nathalie Urrutia
Montgomery College student
College's FY 14 Operating and Capital Budget Request
3rd Floor Hearing Room
County Council Office Building
April 9, 7:00 p.m.

Good evening.

My name is Keren Nathalie Urrutia, and I have been a Montgomery College student for the last two years.

As an international student, I decided to attend Montgomery College because after doing some research on schools in this area, it was the best option for me. Montgomery College offered me *a quality education at an affordable price.*

I enjoyed my first semester in Montgomery College, and even though I started taking non-credit classes in the AELP program, I benefited from all of the programs and services that the college offers. The tutoring centers were a great help for me to develop my writing and spoken English skills. I'm now an International Studies major, which reflects my wide variety of interests.

After I started taking credit classes, I became engaged with all of the other activities that the college offers. First, I became a reporter for the Takoma Park Campus newspaper, which made realize that I had a passion for writing—one that I did not know I had. After dedicating a full semester to working with the newspaper, I became more active in student life. I ran for a position in the student senate and I began volunteering with several of the service learning opportunities that the college offers.

Currently, I am the President of the student senate and part of the collegewide student council. I am a Phi Theta Kappa member, which is the honors student society at the college. I also participate in different activities with student organizations on campus. All of these activities outside academics have opened a lot of doors for me. For example, I have had the opportunity to advocate for MC students at the General Assembly in Annapolis, as well as several other events in the county.

As a representative of the college body, I can confidently say that Montgomery College is a great place to get an education and the skills needed to be a successful person. I have seen first-hand how faculty, staff, and administrators care about students, and I am very grateful of all of the help I have received.

I and many of my fellow students also need an affordable option of higher education. Montgomery College gives us that, and I hope you will support the College's decision to not raise tuition next year. Many of us work and attend college and any tuition savings make a real difference to us.

I will get my Associate's Degree by the end of the year, and I have big plans after that. Not only do I plan on getting my bachelor's degree in Government from Georgetown University, but I also aim to attend law school. I would have never had the confidence of achieving these goals were it not for Montgomery College.

Thank you.

Testimony before the County Council
By Diego A. Diaz, Student, Montgomery College
FY 14 Operating and Capital Budget Request
3rd Floor Hearing Room
County Council Office Building
April 9, 7:00 p.m.

Good evening to the County Council, my fellow students, and community members. My name is Diego A. Diaz. I am an Aspen Hill resident, a Wheaton High School alumni, and a current Montgomery College Bioengineering student. I am working towards transferring to a major university and attaining not only a bachelor's degree but also a PHD in bioengineering, with a focus on biomedical engineering.

I can say that without the biotech program at MC, I would be lost as to what to do with myself. I first learned about the program when MC Professor Collins Jones made a visit to my biotechnology class at The Thomas Edison School of Technology. At the time, I had no real interest in pursuing a biotech degree at MC. In fact, the only reason I had signed up for the biotech program at Thomas Edison was to learn how to bring my favorite comic book mutants to life.

But after two failed semesters and realizing my hopes for a pro football career had been crushed by successive ankle reconstructions, I sat myself down and evaluated what it was that I truly wanted to do with my life. What came to mind was my love for laboratory bench work. A couple of semesters later I have the MC biotech program to thank for my livelihood. In that

time I got a job that works hand in hand with five labs at NIH in the NHLBI (National Heart, Lung and Blood Institute) branch. This is all thanks to my lab experience from my courses at MC. It is also because of my experience at MC that I will be participating in two highly competitive internships --one at Medimmune, the other at the J. Craig Venter Institute. It's not only the small class sizes, and the hands on lab experience, but the way in which the course is taught that makes this such a successful program. Professor Jones and Professor Kelman both strive to provide students with the most up-to-date and relevant information available on multiple topics. They allow students to develop a running narrative, a mental tapestry of what is going on in "the leading field of tomorrow."

I can say without an ounce of doubt that MC and the Biotechnology program headed by Professor Collins Jones and Professor Lori Kelman will birth some of the most influential minds in the coming age. Please support our program, our College, and students like me.

Thank you.

Good evening,

My name is Rick Penn. I am a professor of mathematics, and represent the faculty of Montgomery College as president of the American Association of University Professors.

The impact that Montgomery College has on our community is hard to overstate. We have more credit students than the University of Maryland College Park has in its undergraduate programs, and we have even more workforce development and continuing education students than we have credit students. A Montgomery County resident with an associate's degree will have lifetime earnings on average over \$600,000 more than a local resident with a high school diploma. These increased earnings in turn help expand the tax base in our County and state. A study has calculated that taxpayer support for community colleges have an effective return on investment of 9.8% between these direct benefits and avoided negative social costs. Other studies have shown the value of community college students to transfer institutions, as these students are often better prepared for the coursework and navigating college life than are students admitted as freshman, and may thereby help with the completion agenda.

Were it just for these statistics alone, Montgomery College would be one of the best investments that the County could make in its own future. But these numbers tell only part of the story.

Every year our students distinguish themselves and are recognized in a myriad of ways. This past summer, the MC Solar Spectrograph Team won the Science Observations award in the National Student Solar Spectrograph Competition in Montana. A little closer to home a team of MC students came in 1st place out of 22 teams representing 12 local colleges in a mathematics competition held at PG Community College. The ENACTUS team recently won its seventh regional honor in seven years, competing against 2- and 4- year schools, and will be heading to the national competition next month; this team designs projects to benefit the local and global communities, and makes a timed presentation on the projects in the competition. And just last night, 2 MC alumni received Helen Hayes Awards, in the categories of Best Supporting Actress and Sound Design. This is just a partial list of some of the awards garnered this year, and doesn't even touch on the wonderful performances, research, and community events to which we are so frequently treated.

Behind all of these student success stories are our amazing faculty who go the extra mile teaching, coaching, and mentoring them. I'd like to single out two faculty deserving of special recognition. Tammy Peery, professor of English, just received the Chair Academy's 2013 International Exemplary Leadership Award, and John Hamman, professor of mathematics, was recently named Maryland Professor of the Year. Several other faculty have also received prestigious awards in recent years, and we are fortunate to have many others who are quite worthy of such recognition as well.

The Montgomery College faculty are quite aware that it is not Montgomery College alone that has gone through some very tough economic times lately. We appreciate your long history of support for the College, even as you are faced with difficult decisions in preparing the budget. We are grateful that this year the County Executive has approved a modest increase in the College's budget, to help the College continue to be able to attract and retain the employees who help make these successes happen. We hope that the County Council will approve this budget request as well. Thank you.

I am Liz Brandenburg, President of AFSCME Local 2380 – Montgomery College Staff Union. Although I represent the bargaining staff at MC, I am very much a part of the college community and have a great many friends and acquaintances in all areas of the college. There often is no differentiation from one group to another and how we feel about each other and in our support for each other. We are a community.

We have a mission statement that I think you are well versed of but it bears repeating:

OUR MISSION

We empower our students to change their lives, and we enrich the life of our community. We are accountable for our results.

You have heard testimony after testimony about how Montgomery College changes the lives of our students....but I want to talk about the life of our community and how we enrich it.

Enrichment is an interesting word don't you think? It is defined as to improve; upgrade; augment; develop; fortify... just to name a few synonyms.

That's exactly what the College employee needs is a little enriching!

We have sacrificed for the good of the college and the county and the communities we serve for many years now with loss of pay, furloughs, and no raises and it is time to give up a little and support and adopt the Montgomery College budget in its whole.

Cost of living is going up and up.....you know that. Gas prices haven't taken a break from increasing....you know that. How long can we keep this up? We shouldn't have to, especially when other groups don't seem to have to take it on the chin as we do.

Our work force is what keeps the heart beating in our little corner of higher education. We create the future employers and business owners; we educate the workforce to meet demands; we change lives through higher education; and we don't ask for the moon and the stars. Just recognition, support, and some cost offsets to make our lives less stressful.

The MC staff and employees have a level of dedication and commitment in this county to meet the needs of the students and communities it serves, however there comes a time when those people doing the work need to have that dedication and commitment celebrated and recognized and supported by you. They have set a high example for the workforce in the county of what true dedication means. We have all made sacrifices over the past several years. Business goes on daily, and increases in costs of goods and services march forward without concern for those of us who endure them or from those who decide they need more from us. Doing so would affect that level of service and put additional hardships on workers and the community. That last part of the mission statement? "We are accountable for our results"...we have proven that over and over. It is time for you to enrich (not make rich) the life of our community at Montgomery College. Adopt the MC Board of Trustees budget.

Testimony before the County Council

By Ryan Felix

Re: Montgomery College Budget

3rd Floor Hearing Room

County Council Office Building

April 9, 7:00 p.m.

Name: Ryan Felix, Montgomery College student.

My High School: Clarksburg High School. Clarksburg, Maryland.

Why MC: Great education for a low price.

Major: Chemical Engineering. I chose this major for a few key reasons:

- It offers a high quality education with a low price tag in relation to other schools.
- It has a very good transfer program to College Park (my number one transfer choice).
- And it also puts me in a good position for further higher education (Masters/Ph.D.) if/when I decide to go that far.

Aspirations: Aerospace/Science Research Facility

- Aerospace: I've wanted to work for NASA for quite some time now.
- Science Research Facility: My ultimate dream is to open a science research facility.

MC: Branches of Greatness

- Branch #1: Classroom. MC provides a quality education that rivals the universities that it flows into. In some cases the education is actually better/more personal.
- Branch #2: Skills. MC gives many different practical applications for the skills learned in class and often relates them to other fields/topics. These applications are almost always aimed towards a different perspective/viewpoint that will help students succeed. (Math, Art, Leadership)
- Branch #3: Extracurricular. MC's extracurricular provides for an open environment for learning amongst your peers.

- My Involvement: Physics Club, Engineering Club, MC LEADS (Leadership program at Rockville), Student Senate, Leadership Accent Workshops, First Year Experience Ambassadors.

How the County Council Can Be Involved:

- MC has one of the largest and best engineering transfer programs in the country – please keep it that way and support our new math and science facilities, as well as our excellent faculty and staff .
- And please vote for a tuition freeze – keeping MC affordable is crucial to building the workforce. The MCPS graduate who attends MC may be tomorrow’s leading aerospace engineer. That’s a pathway we can all get behind.

Thank you!



Office of the President

November 13, 2012

The Honorable Isiah Leggett
Montgomery County Executive
Executive Office Building
101 Monroe Street
Rockville, Maryland 20850
and
The Honorable Roger Berliner, President
Montgomery County Council
and
Members of the Montgomery County Council
Stella B. Werner Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Re: FY2014 Capital Budget Request as part of the FY2013-2014 Biennial Capital Budget, and the FY2013-2018 Capital Improvements Program

Dear Mr. Leggett and Mr. Berliner,
and Members of the Montgomery County Council:

Montgomery College respectfully transmits for your consideration its FY2014 capital budget request as part of the FY2013-2014 biennial capital budget, and the FY2013-2018 capital improvements program. The FY2014 capital budget request totals \$66,520,000 for thirty-one projects on the three campuses of the College. Among its FY2014 projects, the College requests an appropriation of \$26.5 million for the construction of the Rockville Science West Building Renovation (\$13.25 million in county funding, and \$13.25 million in state funding). The College also requests \$14.4 million for furniture, fixtures, and equipment funding for the Germantown Bioscience Education Center project (\$9.4 million in county funding, and \$5 million in state funding). The College also seeks support for its continuing deferred maintenance efforts through the following projects: the Planned Lifecycle Asset Replacement project (\$4 million), the Site Improvements project (\$700,000), and the Roof Replacement project (\$227,000).

The College's FY2014 capital budget submission makes no changes to the approved FY2013 capital budget. While the State of Maryland recognized an increase in construction costs by allowing a 3% escalation factor in FY2014, the College reviewed its project requests and chose to forgo the state's escalation in submitting the FY2014 bond bill request. As a result, this CIP submission also forgoes the FY2014 cost escalation for the FY2014 through FY2017 project

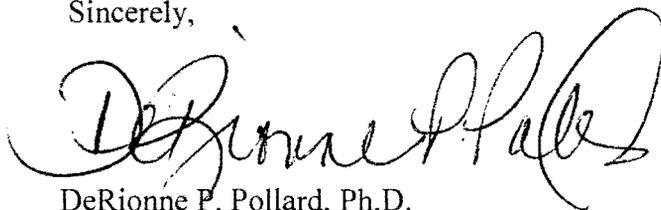
The Honorable Isiah Leggett
The Honorable Roger Berliner
Members of Montgomery County Council
November 13, 2012
Page 2

funding requests. The future FY2018 funding request does show an escalation of 3% with regard to the future funding of two projects (Germantown Student Services Center and Takoma Park/Silver Spring Math and Science Center).

The College would like to take this opportunity to thank you for your support, and to provide an update on the status of several capital projects. During the past year, the College has made considerable progress on projects to meet the needs of students and the larger community. On the Rockville Campus, the renovation of the Science East building is now underway with completion anticipated during winter 2014. At the Germantown Campus, site work for the Bioscience Education Center continues, and building construction began this past summer and is anticipated to be completed by fall 2014. At the Takoma Park/Silver Spring Campus, the Health Sciences Expansion was completed this past summer, and the renovation of Pavilion 3 (formerly the Pavilion of Fine Arts) is currently in design, and is funded from the Capital Renewal project.

Thank you for your continuing support of the College's capital projects, and your on-going interest in the College and its students, programs and services.

Sincerely,

A handwritten signature in black ink, appearing to read "DeRionne P. Pollard". The signature is fluid and cursive, with a large initial "D" and "P".

DeRionne P. Pollard, Ph.D.
President

Enclosure

DPP:ks

RECOMMENDED FY 14 CAPITAL BUDGET**Montgomery College**

Project Title (Project #)	FY 14 Recommended Appropriation	Cumulative Appropriation	Total (In \$000)
Bioscience Education Center (P056603)	14,413	79,427	93,840
Site Improvements: College (P076601)	700	12,029	12,729
Student Learning Support Systems (P076617)	1,400	6,220	7,620
Network Operating Center (P076618)	2,000	16,554	18,554
Network Infrastructure and Support Systems (P076619)	1,800	9,367	11,167
Science West Building Renovation (P076622)	26,498	3,062	29,560
Capital Renewal: College (P096600)	1,654	7,748	9,402
Instructional Furniture and Equipment: College (P096601)	270	1,290	1,560
Rockville Parking Garage (P136601)	3,200	0	3,200
Energy Conservation: College (P816611)	125	4,343	4,468
Information Technology: College (P856509)	8,500	92,377	100,877
Roof Replacement: College (P876664)	227	7,448	7,675
Facility Planning: College (P886686)	270	4,427	4,697
Planning, Design & Construction (P906605)	1,413	19,833	21,246
Planned Lifecycle Asset Replacement: College (P926659)	4,000	34,948	38,948
ADA Compliance: College (P936660)	50	1,153	1,203

Higher Education**Montgomery College**

RECOMMENDED CLOSEOUT PROJECTS
Montgomery College

Project Title (Project #)

Life Safety Systems: College (P046601)

Commons Renovation (P056601)

Germantown Child Care Center (P956645)

Higher Education

Montgomery College

College Affordability Reconciliation (P661401)

Category Montgomery College
 Sub Category Higher Education
 Administering Agency Montgomery College (AAGE15)
 Planning Area Countywide

Date Last Modified 1/5/13
 Required Adequate Public Facility No
 Relocation Impact None
 Status N/A-PS

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	0	0	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	-5,200	0	0	-5,200	0	0	-1,300	-1,300	-1,300	-1,300	0
Total	-5,200	0	0	-5,200	0	0	-1,300	-1,300	-1,300	-1,300	0

FUNDING SCHEDULE (\$000s)											
G.O. Bonds	-5,200	0	0	-5,200	0	0	-1,300	-1,300	-1,300	-1,300	0
Total	-5,200	0	0	-5,200	0	0	-1,300	-1,300	-1,300	-1,300	0

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		0
Expenditure / Encumbrances		0
Unencumbered Balance		0

Date First Appropriation	
First Cost Estimate	
Current Scope	0
Last FY's Cost Estimate	0

Description

This project reconciles the request of the Board of Trustees of Montgomery College with the County Executive's recommendation. Fiscal constraints lead the Executive to adjust the annual amounts to be affordable within the CIP. This recommended reduction reflects 2.09% of the total Montgomery College Capital funding for these 4 years. The Executive's recommendation maintains all funding at the approved FY13 and FY14 levels and makes reductions in FY15 to FY18. By delaying reductions, the College Board of Trustees will have more time to determine how to revise spending in FY15, FY16, FY17, and FY18 to conform to the recommended funding levels.

TAX SUPPORTED CURRENT REVENUES ADJUSTMENT CHART

FY13-18 Biennial Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

March 15, 2013

(\$ MILLIONS)	6 YEARS	FY13 APPROP	FY14 APPROP(1)	FY15 EXP	FY16 EXP	FY17 EXP	FY18 EXP
TAX SUPPORTED CURRENT REVENUES AVAILABLE	353.435	51.024	54.753	61.064	59.554	58.065	68.974
Adjust for Future Inflation *	(16.455)	-	-	(1.431)	(2.941)	(4.553)	(7.529)
SUBTOTAL CURRENT REVENUE FUNDS AVAILABLE FOR ELIGIBLE PROJECTS (after adjustments)	336.980	51.024	54.753	59.633	56.613	53.512	61.445
Less Set Aside: Future Projects	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	336.980	51.024	54.753	59.633	56.613	53.512	61.445
GENERAL FUND							
MCPS	(110.124)	(15.976)	(17.466)	(11.115)	(22.091)	(21.418)	(22.058)
MONTGOMERY COLLEGE	(69.571)	(7.516)	(13.443)	(11.435)	(10.905)	(13.127)	(13.145)
M-NCPPC	(16.288)	(2.548)	(2.748)	(2.748)	(2.748)	(2.748)	(2.748)
HOC	(8.230)	(1.980)	(1.250)	(1.250)	(1.250)	(1.250)	(1.250)
TRANSPORTATION	(39.942)	(5.514)	(7.251)	(6.946)	(7.004)	(6.554)	(6.673)
MC GOVERNMENT	(38.092)	(14.866)	(9.376)	(10.200)	(1.250)	(1.350)	(1.050)
SUBTOTAL - GENERAL FUND	(282.247)	(48.400)	(51.534)	(43.694)	(45.248)	(46.447)	(46.924)
MASS TRANSIT FUND	(51.370)	(1.511)	(2.869)	(15.089)	(11.015)	(6.715)	(14.171)
FIRE CONSOLIDATED	(1.263)	(0.763)	-	(0.500)	-	-	-
PARK FUND	(2.100)	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)
SUBTOTAL - OTHER TAX SUPPORTED	(54.733)	(2.624)	(3.219)	(15.939)	(11.365)	(7.065)	(14.521)
TOTAL PROGRAMMED EXPENDITURES	(336.980)	(51.024)	(54.753)	(59.633)	(56.613)	(53.512)	(61.445)
AVAILABLE OR (GAP) TO BE SOLVED	-	-	-	-	-	-	-

* Inflation: 2.40% 2.73% 3.15% 3.45%

Note:

(1) FY14 APPROP equals new appropriation authority requested at this time. Additional current revenue funded appropriations will require drawing on operating budget fund balances.

GENERAL OBLIGATION BOND ADJUSTMENT CHART

FY13-18 Biennial Capital Improvements Program

COUNTY EXECUTIVE RECOMMENDED

MARCH 15 2013

(\$ millions)	6 YEARS	FY13	FY14	FY15	FY16	FY17	FY18
BONDS PLANNED FOR ISSUE	1,770.000	295.000	295.000	295.000	295.000	295.000	295.000
Plus PAYGO Funded	281.000	29.500	29.500	55.500	55.500	55.500	55.500
Adjust for Implementation **	300.256	63.314	50.514	49.108	47.550	45.808	43.963
Adjust for Future Inflation **	(91.270)	-	-	(8.215)	(17.311)	(27.486)	(38.258)
SUBTOTAL FUNDS AVAILABLE FOR DEBT ELIGIBLE PROJECTS (after adjustments)	2,259.987	387.814	375.014	391.393	380.739	368.822	356.205
Less Set Aside: Future Projects	153.497 6.79%	2.981	9.512	19.262	24.399	44.005	53.339
TOTAL FUNDS AVAILABLE FOR PROGRAMMING	2,106.489	384.833	365.502	372.131	356.340	324.817	302.866
MCPS	(740.831)	(174.217)	(142.924)	(114.758)	(126.634)	(97.689)	(84.609)
MONTGOMERY COLLEGE	(167.230)	(28.113)	(31.009)	(30.919)	(32.372)	(32.775)	(12.042)
M-NCPPC PARKS	(70.744)	(7.584)	(8.993)	(11.622)	(12.517)	(16.746)	(13.282)
TRANSPORTATION	(494.021)	(91.892)	(72.259)	(62.411)	(68.309)	(83.478)	(115.672)
MCG - OTHER	(761.565)	(189.938)	(124.761)	(157.432)	(117.221)	(94.631)	(77.582)
Programming Adjustment - Unspent Prior Years*	127.902	106.911	14.444	5.011	0.713	0.502	0.321
	-						
SUBTOTAL PROGRAMMED EXPENDITURES	(2,106.489)	(384.833)	(365.502)	(372.131)	(356.340)	(324.817)	(302.866)
AVAILABLE OR (GAP)	-	-	-	-	-	-	-
NOTES:							
* See additional information on the GO Bond Programming Adjustment for Unspent Prior Year Detail Chart							
** Adjustments Include:							
Inflation =		2.70%	2.32%	2.40%	2.73%	3.15%	3.45%
Implementation Rate =		82.33%	85.38%	85.38%	85.38%	85.38%	85.38%

Information Technology: College (P856509)

Category: Montgomery College
 Sub Category: Higher Education
 Administering Agency: Montgomery College (AAGE15)
 Planning Area: Countywide

Date Last Modified: 3/7/13
 Required Adequate Public Facility: No
 Relocation Impact: None
 Status: Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	13,049	12,755	294	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	22,275	18,541	734	3,000	500	500	500	500	500	500	0
Other	97,673	44,107	11,946	41,620	3,500	7,744	7,506	6,870	8,000	8,000	0
Total	132,997	75,403	12,974	44,620	4,000	8,244	8,006	7,370	8,500	8,500	0

FUNDING SCHEDULE (\$000s)											
Current Revenue: General	64,817	21,430	6,487	36,900	2,870	7,202	6,989	6,459	6,681	6,699	0
Current Revenue: Recordation Tax	61,536	47,329	6,487	7,720	1,130	1,042	1,017	911	1,819	1,801	0
G.O. Bonds	4,603	4,603	0	0	0	0	0	0	0	0	0
PAYGO	2,041	2,041	0	0	0	0	0	0	0	0	0
Total	132,997	75,403	12,974	44,620	4,000	8,244	8,006	7,370	8,500	8,500	0
Full Time Equivalent (FTE)					4.0	4.0	4.0	4.0	4.0	4.0	

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	8,244
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		92,377
Expenditure / Encumbrances		86,032
Unencumbered Balance		6,345

Date First Appropriation	FY 85
First Cost Estimate	
Current Scope	FY 14 132,997
Last FY's Cost Estimate	136,247
Partial Closeout Thru	0
New Partial Closeout	0
Total Partial Closeout	0

Description

This project provides for the design and installation/construction of College Information Technology (IT) systems including data, video, cybersecurity, software services, and voice applications; and associated cable systems, equipment closet, and IT space construction; and the replacement/upgrade of IT equipment to meet current requirements. The project also includes installation and furnishing of technology in classrooms, labs and offices. These IT systems support and enhance the College's instructional programs, student services including counseling, admissions, registration, etc., and administrative computing requirements for finance, human resources, institutional advancement, workforce development and continuing education, etc., and are implemented in accordance with the College's Information Technology Strategic Plan (ITSP). The Office of Information Technology (OIT) determines and recommends the hardware and software to be purchased based on project need. OIT is responsible for equipment purchases, monitoring of systems results, and providing assistance during implementation and on-going technology reviews and analysis. Four (4) staff positions are funded here.

Cost Change

Current Revenue: General has been shifted from this project to Fibernet (CIP#509561). The shifted fund amounts are \$256,000 in FY14 and \$494,000 in FY15.

Justification

To meet current and projected technical standards for data, video, and voice communications the College installs complete IT, telecommunications and learning center systems at each campus, the central administration building and all instructional sites. The new systems allow replacement of aging systems for data and video applications; provide for updated networking capabilities; provide necessary security and monitoring capabilities; establish learning centers for classrooms and labs, and for distributed instruction; and allow expanded opportunities for linking with external information technology services. Information Technology Strategic Plan (ITSP) - The ITSP is a comprehensive plan covering IT activities funded from all budget sources for an integrated and complete plan for the College. Updated annually, the ITSP is the supporting document for both current and future funding requests. The plans' three goals are the use of IT to (1) facilitate students' 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 project implementation. In addition, the ITSP helps meet student requirements for IT tools and instruction in preparation for career opportunities and transfer programs to four-year institutions. Use of state-of-the-market hardware and technology capabilities are required to attract and serve students, as well as serving the business community by upgrading work force technology skills and providing a base for continued economic development in the county.

Other

Information Technology: College (P856509)

FY2013 Appropriation: Total \$4,000,000; \$1,130,000 (Current Revenue: Recordation Tax), \$2,870,000 (Current Revenue: General)
FY2014 Appropriation: Total \$8,244,000; \$7,202,000 (Current Revenue: General), \$1,042,000 (Current Revenue: Recordation Tax).
The following fund transfers have been made from this project: \$1,300,000 to the Takoma Park Campus Expansion project (CIP No. P996662) (BOT Resol. #07-01-005, 1/16/2007); \$300,000 to the Student Learning Support Systems project (CIP No. P076617); and \$2,500,000 to the Network Operating Center project (#P076618)(BOT Resol. #12-06-037, 6/11/12). The following fund transfers have been made to this project: \$111,000 from the Planning, Design and Construction project (CIP No. P906605), and \$25,000 from the Facilities Planning: College project (CIP No. P886886) to this project (BOT Resol. #91-56, 5/20/1991); the project appropriation was reduced by \$559,000 in FY92.

Disclosures

Expenditures will continue indefinitely.

Coordination

Information Technology (IT) Strategic Plan , New Building Construction projects, Campus Building Renovation projects

EXECUTIVE RECOMMENDATION

Information Technology: College (P856509)

Project Category	Montgomery College	Date Last Modified	3/4/13
Project SubCategory	Higher Education	Required Adequate Public Facility	No
Project Administering Agency	Montgomery College (AAGE15)	Relocation Impact	None
Project Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

	Total	Thru FY12	Est FY13	Total 6 Years	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	Beyond 6 Yrs
Planning, Design and Supervision	13,049	12,755	294	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	22,275	18,541	734	3,000	500	500	500	500	500	500	0
Other	97,673	44,107	11,946	41,620	3,500	7,744	7,506	6,870	8,000	8,000	0
Total	132,997	75,403	12,974	44,620	4,000	8,244	8,006	7,370	8,500	8,500	0

FUNDING SCHEDULE (\$000s)

Current Revenue: General	64,817	21,430	6,487	36,900	2,870	7,202	6,989	6,459	6,681	6,699	0
Current Revenue: Recordation Tax	61,536	47,329	6,487	7,720	1,130	1,042	1,017	911	1,819	1,801	0
G.O. Bonds	4,603	4,603	0	0	0	0	0	0	0	0	0
PAYGO	2,041	2,041	0	0	0	0	0	0	0	0	0
Total	132,997	75,403	12,974	44,620	4,000	8,244	8,006	7,370	8,500	8,500	0

COMPARISON (\$000s)

	Total	Thru FY12	Rem FY12	6YR Total	FY13	FY14	FY15	FY16	FY17	FY18	Bey 6Yr	Approp.
Current Approved	136,247	77,903	12,974	45,370	4,000	8,500	8,500	7,370	8,500	8,500	0	8,500
Agency Request	133,747	75,403	12,974	45,370	4,000	8,500	8,500	7,370	8,500	8,500	0	8,500
Recommended	132,997	75,403	12,974	44,620	4,000	8,244	8,006	7,370	8,500	8,500	0	8,244

Change

	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Approved	(2,500)	(1.8%)	0	0.0%	0	0.0%
Recommended vs Approved	(3,250)	(2.4%)	(750)	(1.7%)	(256)	(3.0%)
Recommended vs Request	(750)	(0.6%)	(750)	(1.7%)	(256)	(3.0%)

Recommendation

\$750,000 of funding in Current Revenue: General has been shifted from this project to Fibernet (CIP# 509651). Per the signed MOU that established the service level agreement between the College and the County, the County will provide Montgomery College with a high-speed fiber optic network connecting all of the Montgomery College campuses. This funding will provide cost-effective and reliable service to the College.

Cost Changes

The associated cost changes are a shift of \$256,000 of Current Revenue:General in FY 14 and a shift of \$494,000 of Current Revenue: General in FY 15 from this project to Fibernet (CIP# 509651).

Fibernet (P509651)

Category General Government
 Sub Category Technology Services
 Administering Agency Technology Services (AAGE05)
 Planning Area Countywide

Date Last Modified 3/13/13
 Required Adequate Public Facility No
 Relocation Impact None
 Status Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
EXPENDITURE SCHEDULE (\$000s)											
Planning, Design and Supervision	3,046	2,220	200	626	606	20	0	0	0	0	0
Land	4	4	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	13,041	12,441	0	600	250	175	175	0	0	0	0
Construction	18,103	1,653	1,456	14,994	875	3,877	3,967	2,175	2,175	1,925	0
Other	24,773	21,173	0	3,600	100	100	100	1,600	1,600	100	0
Total	58,967	37,491	1,656	19,820	1,831	4,172	4,242	3,775	3,775	2,025	0

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
FUNDING SCHEDULE (\$000s)											
Cable TV	47,131	26,879	1,182	19,070	1,831	3,916	3,748	3,775	3,775	2,025	0
Contributions	86	86	0	0	0	0	0	0	0	0	0
Current Revenue: General	750	0	0	750	0	256	494	0	0	0	0
G.O. Bonds	8,900	8,426	474	0	0	0	0	0	0	0	0
PAYGO	2,100	2,100	0	0	0	0	0	0	0	0	0
Total	58,967	37,491	1,656	19,820	1,831	4,172	4,242	3,775	3,775	2,025	0

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
OPERATING BUDGET IMPACT (\$000s)											
Maintenance				1,459	1,097	153	101	13	37	58	
Net Impact				1,459	1,097	153	101	13	37	58	

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	4,171
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		40,979
Expenditure / Encumbrances		37,581
Unencumbered Balance		3,398

Date First Appropriation	FY 96
First Cost Estimate	
Current Scope	FY 14 58,967
Last FY's Cost Estimate	55,473

Description

This project provides for the planning, design, and installation of a County wide fiber optic cable-based communication network with the capacity to support traffic management, voice, data, and video transmissions among Montgomery County Government (MCG), Montgomery County Public Schools (MCPS), Montgomery College (MC), Maryland National Capital Park and Planning Commission (M-NCPPC), Housing Opportunities Commission (HOC) and Washington Suburban Sanitary Commission (WSSC) facilities. FiberNet is also the communications backbone for the Public Safety Radio and Public Safety Mobile Data Systems (collectively, Public Safety Communications System - PSCS), and will be the backbone for the Public Safety System Modernization (PSSM) IP-based radio network, and other future technology implementations. Fibernet has an estimated useful life of at least 20 years. Upgrades and replacements to electronic components in the core and at user sites will be required periodically throughout the service life.

Estimated Schedule

At the end of FY12, FiberNet reached 341 locations. Based on the current funding schedule, FiberNet will reach 450 locations by the end of FY13; 469 locations by the end of FY14; 483 locations by the end of FY15; 497 locations by the end of FY16; and 510 locations by the end of FY17.

Cost Change

Cost increase will leverage FiberNet to provide the College with a robust, reliable and cost-effective high-speed College Communication Network by FY15. As part of this partnership, \$750,000 will be shifted from the Information Technology: College project into the FiberNet project. Funding has also been added to expand capacity and reliability for the FiberNet network through completion of hub site improvements and to support wire relocations needed to maintain compliance with utility pole safety standards.

Justification

Fibernet (P509651)

FiberNet is a critical infrastructure asset serving every agency in Montgomery County. As of June 30, 2012, 341 user sites are on-net and receiving critical services from FiberNet. In FY07, the Department of Technology Services (DTS) completed the re-engineering of FiberNet (now referred to as FiberNet II) to directly support Ethernet connections. This provides a core network that is technologically more robust and less expensive to operate on a per-site basis. The Interagency Technology Policy Coordination Committee (ITPCC) focus during the first two years of this CIP will be constructing the ARRA Grant-funded sites, and completing hubsite upgrades and inter-jurisdictional connections to enable cost-effective future technology partnerships. MCG, MCPS, MC, M-NCPPC, HOC and WSSC require substantially increased communication services and bandwidth among their facilities. As locations are connected to FiberNet, the County will be able to provide communications services to those facilities more cost-effectively by using FiberNet than by using leased telecommunications services. Studies include: FiberNet Master Plan; RAM Comm. Mar 1995; FiberNet Eval. Rpt., TRW, Sept 1997; FiberNet Proj. Cost Est., ARINC, Apr 1998; FiberNet Proj. Cost-Benefit Analysis, ARINC, Oct 1998; FiberNet Strategic Plan, PrimeNet, June 2002; FiberNet Strategic Direction, Interagency Telecommunications Advisory Group (ITAG), Nov 2003; and the FiberNet service level agreement, Jan 2005.

Other

DTS is responsible for project management, network operations, and maintenance of electronics, while the Department of Transportation (DOT) is responsible for installation and maintenance of the fiber optic cable. Comcast, at DTS's direction, also provides dark fiber used to connect some locations to FiberNet. Sites installed to date include MCG departments/offices, public safety sites, Montgomery College campuses, MCPS elementary, middle, and high schools plus several administrative facilities, M-NCPPC sites, HOC sites and WSSC sites including the headquarters building in Prince Georges County. The municipalities of Takoma Park, Gaithersburg and Rockville are on FiberNet as well as several cultural centers including the American Film Institute (AFI), the Fillmore, Strathmore, Bethesda Performing Arts, the Convention Center, Olney Theatre, and Black Rock. Currently FiberNet is focused on building out the approved ARRA Grant-funded sites, which includes the majority of MCPS elementary schools, and 21 HOC properties. Funding for these projects are included in the FY13-FY18 CIP. In June 2012, the ITPCC approved a Policy Guideline for Special Allocation of FiberNet Resources. This proposed policy governs special fiber resource allocation decisions for FiberNet for all participating ITPCC agencies. ITPCC will be requested to approve a special allocation request by Montgomery College for creation of a College Fiber Network that would permit MC communications traffic to be routed separate from other FiberNet traffic over equipment operated by the College. In December 2012, the County and MC entered into a separate Memorandum of Understanding (MOU) to address the use and expansion of FiberNet by the College. Agency FiberNet MOUs and Service Level Agreements (SLAs) will be updated and revised to reflect the ongoing FiberNet operating network.

Fiscal Note

The ARRA Grant represents a tremendous cost savings to Montgomery County. The County will receive the benefit of over \$11.1 million dollars in construction for a matching contribution of \$2.6 million. The matching contribution is funded as part of the FY12 and FY13 FiberNet CIP. FiberNet maintenance is supported by a grant from the franchise agreement with Comcast, one of the County's cable service provider. The original grant amount of \$1.2 million/yr is increased by the CPI each year. In the renewed Comcast franchise, the County expects to receive operating support and franchise fee revenues which can be used to support FiberNet maintenance and operations. Capital support received from the Verizon and RCN franchises can be used to support construction of FiberNet through the FiberNet CIP. Current Revenue: General funding will be shifted from the Information Technology: College (P856509) project to complete FiberNet expansion to College sites in accordance with the terms of the MOU.

Coordination

Department of Technology Services, Department of Transportation, Advanced Transportation Management System Project, Montgomery County Public Schools, M-NCPPC, Montgomery College, HOC, WSSC, Comcast, Public Safety Radio System, Information Technology Policy Coordination Committee (ITPCC), ITPCC CIO Subcommittee, Interagency Technology Advisory Group (ITAG), CIO Howard County, Inter-County Broadband Network Program Office

**FY13-18 BIENNIAL RECOMMENDED CIP
MARCH BUDGET AMENDMENTS SUMMARY (\$000S)**

PROJECT #	PROJECT NAME	EXPLANATION OF ADJUSTMENT	FY13-18 CHANGE	FUNDING SOURCES
Existing Projects – Supplementals				
P760100	Affordable Housing Acquisition and Preservation	Appropriate prior year loan repayments in FY13 based on actuals	3,881	Loan Repayment Proceeds
P500914	Residential and Rural Road Rehabilitation	In January, a supplemental was submitted shifting funds from FY14 to FY13. This amendment revises the PDF to also reflect an FY18 funding switch	-	Recordation Tax Premium, GO Bonds
P508182	Sidewalk and Infrastructure Revitalization	Revises January supplemental by increasing funds shifted from FY14 to FY13	-	GO Bonds
P508527	Resurfacing: Primary/Arterial	Revises January amendment shifting funds from FY15 to FY16 to also shift funds from FY14 to FY13	-	GO Bonds
New Projects – FY13-18 Amendments				
P501403	Ripley Street	Adds bonds to fund 25% of costs to acquire land and design and construct widening of Ripley Street to improve pedestrian safety and traffic flow between the Silver Spring Transit Center and the adjacent properties. Private developer will fund remaining 75% of costs.	777	GO Bonds
P601401	Progress Place Relocation and Personal Living Quarters	Fund planning, design and supervision costs needed to implement public-private partnership to relocate Progress Place homeless service center. Personal Living Quarters (PLQs) will also be incorporated into the building with future funding from the Affordable Housing Acquisition and Preservation project	429	GO Bonds
P501430	Rockville Sidewalk Extensions	Fund Avery Road, Wooton Parkway and Falls Road West Side sidewalk improvements as noted in the Rockville CIP	532	Impact Taxes (Rockville)
P501405	Maryland/Dawson Extended	Fund design work related to extending Maryland Avenue between Beall Avenue and Dawson Avenue, as well as Dawson Avenue between North Washington Street and MD355 as noted in the Rockville CIP	500	Impact Taxes (Rockville)
Existing Projects - FY13-18 Amendments				
P720601	Cost Sharing: MCG	Adds funding for grants (\$615K). Also assumes \$1M recommended in January for arts facility grants (bonds).	1,615	Current Revenue: General; GO Bonds
P509651	Fibernet	Adds funding for enhanced Fibernet service for all Montgomery College campuses. Also adds funds to cover full costs of 1) hub-to-hub connections needed for improved service reliability and 2) costs to overlash cables on PEPCO utility poles.	3,494	Cable TV, Current Revenue: General
P856509	Information Technology: College	Shifted Current Revenue: General funding to Fibernet project to support Fibernet work for the College	(750)	Current Revenue: General

PHASE A - FIBERNET ACTIVATION

Montgomery College FiberNet Connection Cost Estimates

This cost estimate outlines fiber optic construction costs necessary to provide FiberNet service to all seven designated Montgomery College sites.

Notes:

FiberNet already has connectivity at Takoma Park, Germantown, Mannakee, and Calhoun. No additional fiber optic construction is necessary to provide FiberNet service.

FiberNet will provide connectivity to King Street through the use of two existing Montgomery College dark fiber strands between Takoma Park and King Street. No additional fiber optic construction is necessary.

Comcast has previously agreed to construct fiber from the Comcast headend to 40 W. Gude Street for FiberNet. This fiber construction is included in this cost estimate.

Cost estimates assume that Montgomery College can secure any building access agreements for all Montgomery College locations.

Construction and engineering costs are estimated based on ICBN fiber construction costs.

Mileage

Description	New Build	Overlash
S Summit Ave to Snake Route	0.2	1.9
40 W Gude to Comcast HE	0.2	0
Wheaton to Snake Route	0.3	0.8
Total	0.7	2.7

Engineering Budgetary Cost	
Footage to be Engineered	17952
Cost per Foot	\$ 1.25
Engineering Cost	\$ 22,440

PHASE A - FIBERNET ACTIVATION

Montgomery College FiberNet Connection Cost Estimates

Overlash Construction

Description	Per Foot	
Materials	\$	3.00
Make Ready	\$	1.25
Overlash	\$	3.00
Total	\$	7.25
Footage		14,256
Overlash Cost	\$	103,356

Underground Construction

Description	Per Foot	
Materials	\$	3.00
Underground	\$	13.00
Total	\$	16.00
Footage		3,696
Underground Cost	\$	59,136

Total Cost

Overlash Costs	\$	103,356
Underground Costs	\$	59,136
Splicing/Termination Materials	\$	3,800
Splicing	\$	12,000
Construction Estimate	\$	178,292

PHASE B - MC FIBER NETWORK

Montgomery College FiberNet Connection Cost Estimates

This cost estimate outlines fiber optic construction costs necessary to provide the College with a dark fiber solution to all seven designated Montgomery College sites.

Notes:

To provide the number of dark fibers that the College is requesting, FiberNet must construct new fibers to the closest hub or back to the ICBN backbone fiber, "the snake route."

Cost estimates assume that Montgomery College can secure any building access agreements for all Montgomery College locations.

Construction and engineering costs are estimated based on ICBN fiber construction costs.

Mileage

Description	New Build	Overlash
Calhoun to Hub A	1.5	2
40 W Gude to New Fiber Build	0.3	0
Mannakee to New Fiber Build	0	0.8
Gaithersburg to Snake Route	0.2	1.5
King St to Snake Route	1.1	0
Takoma Park to King St	0.4	0.5
Total	3.5	4.8

Engineering Budgetary Cost	
Footage to be Engineered	43,824
Cost per Foot	\$ 1.25
Engineering Cost	\$ 54,780

PHASE B - MC FIBER NETWORK

Montgomery College FiberNet Connection Cost Estimates

Overlash Construction

Description	Per Foot	
Materials	\$	3.00
Make Ready		\$1.25
Overlash	\$	3.00
Total	\$	7.25
Footage		25,344
Overlash Cost	\$	183,744

Underground Construction

Description	Per Foot	
Materials	\$	3.00
Underground	\$	13.00
Total	\$	16.00
Footage		18,480
Underground Cost	\$	295,680

Total Cost

Overlash Costs	\$	183,744
Underground Costs	\$	295,680
Splicing/Termination Materials	\$	3,800
Splicing	\$	12,000
Construction Estimate	\$	495,224

**FIBERNET MEMORANDUM OF UNDERSTANDING
BETWEEN MONTGOMERY COUNTY, MARYLAND
AND MONTGOMERY COLLEGE**

This Memorandum of Understanding (“MOU”) is entered into by Montgomery County, Maryland (the “County”) and Montgomery College (“Montgomery College” or the “College”), known collectively as the “Parties.” The purpose of this MOU is to further the cooperative relationship between the Parties regarding the use and expansion of FiberNet. FiberNet is the fiber optic communications network owned and operated by the County. FiberNet is used to provide voice, video, data, and public safety communications to the County, County-funded entities, and other governmental agencies and entities.

Whereas, the users of FiberNet and the residents of Montgomery County benefit from the inter-agency collaborative approach of using FiberNet as a cost-effective shared resource thereby reducing design, engineering, procurement, pole attachment, construction, maintenance, and operating costs for each individual agency;

Whereas, the construction and operation of FiberNet and the ability of Montgomery College to provide communications network services is contingent upon fiscal appropriations by the Montgomery County Council and the encumbrance of such funding;

Whereas, the Montgomery County Council through Resolution No. 12-1758 established the Interagency Technology Policy Coordinating Committee (ITPCC);

Whereas, the Interagency Technology Policy Coordinating Committee (“ITPCC”) provides advice to the County Executive and County Council regarding FiberNet, the County and Montgomery College are both members of the ITPCC, and the ITPCC receives advice from the ITPCC members’ Chief Information Officers (“CIOs”);

Whereas, the ITPCC has a Policy Guideline for Special Allocations of FiberNet Resources (Attachment 1), and there is precedent for separate network operation, as the Public Safety Radio, Advanced Traffic Management, and Traffic Signal System Modernization network traffic is not co-mingled with other FiberNet traffic and some of this traffic is carried using specifically allocated fibers;

Whereas, the current and future academic, administrative and technical needs of and planning for Montgomery College need to be supported by a robust communications network, and whereas the College has a One-Campus vision to efficiently and seamlessly provide equivalent communications network services at its many locations;

Whereas, Montgomery College operates at eight locations within the County, of which four have direct fiber connections to FiberNet; and

Montgomery County/Montgomery College FiberNet MOU
December 2012

Whereas, Montgomery College uses FiberNet for some communications services and seeks to increase its use of FiberNet and FiberNet fiber resources in a cost effectively and timely manner;

Now therefore, in consideration of these Recitals, the Parties agree to the following FIBERNET MEMORANDUM OF UNDERSTANDING:

1. **Expand Montgomery College Use of FiberNet.** The Parties will engineer Montgomery College's fiber connections to FiberNet, as well as any future College FiberNet connections, to operate at speeds mutually agreed upon by the Parties. The College shall select and route such services and communications traffic over FiberNet links to perform the College's business functions as the College deems appropriate. FiberNet will provide an OSI (open systems interconnect) Layer Three Ethernet hand-off at its point-of-presence at each College FiberNet location. The Parties will develop an implementation and acceptance plan to expand Montgomery College's use of FiberNet. The Parties will meet regularly to review the College's use of FiberNet and address ways to expand and enhance the benefits of FiberNet for the College and to address the College's need for robust, reliable and redundant communications services.
2. **Plan and Implement a Future Montgomery College FiberNet Network by Leveraging FiberNet Facilities.** The Parties will work together to enable Montgomery College to develop and control implementation of a planned migration of the College communications network to a "College Fiber Network," based on the needs of the College, such that the College's communications traffic is carried over FiberNet fiber without passing through any FiberNet electronic equipment. A College Fiber Network would operate exclusively over College owned, operated and maintained electronics located completely within College maintained facilities. In this configuration, FiberNet's responsibility would be limited to outside-plant fiber maintenance which would be provided by Montgomery County. The Parties believe that an independent College Fiber Network could be efficiently developed by having FiberNet carry the College's communications network traffic separated at the physical layer from other FiberNet traffic. Such a College Fiber Network represents an effective use of FiberNet resources because it provides the optical network infrastructure necessary to support the College's One-Campus vision while leveraging the County's investment in over 500 miles of FiberNet optical network infrastructure at no additional cost to the College. As funding is identified and in a timely manner, the Parties will develop an implementation and acceptance plan to create a cost effective College Fiber Network.
3. **Cooperatively Expand FiberNet to Other College Locations.** The College has main distribution frames (MDF) at the following locations:
 - 930 King Street, Silver Spring, MD 20910 – Network Operations Center ("Silver Spring-King Street")
 - 51 Mannakee Drive, Rockville, MD 20850 – Computer Science Building ("Rockville Campus")
 - 15400 Calhoun Place, Rockville, MD 20850 – College MDF ("OITB")

- 20200 Observation Drive, Germantown, MD 20876 – Goldenrod Building (“Germantown Campus”)
 - 12 S. Summit Avenue, Gaithersburg, MD 20877 – Fourth Floor MDF (“Gaithersburg”)
 - 40 W. Gude Drive, Rockville, MD 20850 – Second Floor MDF (“Gude”)
 - 11002 Veirs Mill Road, Wheaton, MD 20902 – WDCE MDF (“Wheaton”)
 - 7600 Takoma Avenue, Takoma Park, MD 20912 – Commons Building (“Takoma Park/Silver Spring Campus”)
- a. The Parties will work together to secure funding to ensure adequate FiberNet connections to all of the College’s eight locations and to build a redundant western route to the King Street MDF. The Rockville Campus, OITB, Germantown Campus, and Takoma Park/Silver Spring Campus presently have direct fiber connections to FiberNet. Montgomery College agrees to obtain a right of entry and access for the County to all buildings and building entrances, as well as any easements necessary to reach these buildings and building entrances from the public right-of-way, if funding is secured to expand FiberNet to additional College locations. The College cannot guarantee a right of entry or access to buildings that are not owned by the College, but the College will use its best efforts to obtain rights of entry or access to those buildings. If the College cannot obtain a right of entry to a building, the Parties are not obligated to expand FiberNet fiber to the MDF within that building.
 - b. The College will assist the County in identifying and permitting use of the existing fiber path between the Takoma Park/Silver Spring Campus and the Silver Spring-King Street location for FiberNet use.
 - c. The Parties acknowledge that while existing FiberNet fiber is located nearby the Germantown Campus and Gaithersburg and Wheaton locations, there is very little spare fiber capacity from these locations to the nearest FiberNet hub sites, and there is an additional shortage of fiber capacity amongst the Rockville Campus, Gude and OITB locations and to the closest FiberNet hub sites. Adding additional fiber capacity near these locations would be a benefit to the College and to FiberNet. Therefore, the Parties agree to work with ITPCC to develop future recommendations to expand FiberNet fiber capacity to meet the needs of the College and FiberNet.
- 4. Share Information and Collaborate on Technical Issues.** The Parties agree to cooperate with and work together to resolve any and all technical, administrative or regulatory challenges which may arise during the term of this MOU. Montgomery College will provide network operations and management information as reasonably requested by the County so as to facilitate current and future efficient FiberNet construction and network operation. Such information may include, but is not limited, to:
- a. Current network services that Montgomery College plans as necessary to be operated over FiberNet fiber;
 - b. Future network services to be implemented in the next two to three years; and

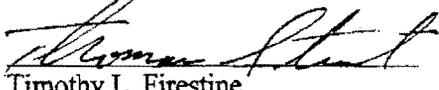
- c. Current equipment in use or planned to be in use in the next two to three years in the operation of Montgomery College services over FiberNet fiber.
5. **ITPCC Cooperation.** The Parties will work with the ITPCC CIO Subcommittee to make recommendations to the County Executive and County Council regarding improvements to FiberNet network monitoring, maintenance and service level agreements.

GENERAL TERMS AND CONDITIONS:

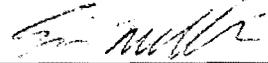
6. **Fiscal Appropriation.** No additional budget allocation is being provided by the Parties to complete work described herein. The Parties' ability to meet the terms of this MOU is contingent upon the appropriation and encumbrance of funds by the Montgomery County Council.
7. **Ownership and Governance.** Montgomery College acknowledges that the County would own all current and future FiberNet fiber.
8. **Waiver.** Nothing in this MOU, nor any action taken by any Party pursuant to this MOU, nor any document that arises out of this MOU shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Parties.
9. **Dispute Resolution.** If the Parties are unable to resolve any dispute arising from the MOU, the Parties may submit the dispute to a mediator, acceptable to both Parties, for the purpose of facilitating discussion and receiving new perspectives on the issues and new proposals for compromise. The Parties shall share the cost of the mediation equally. Such mediation shall not be binding on any Party.
10. **Governing Law and Venue.** This MOU must be construed and enforced in accordance with the laws of the State of Maryland. The Parties agree that all disputes arising hereunder that cannot be resolved through other means must be brought in the Circuit Court for Montgomery County, Maryland, or in the U.S. District Court for the District of Maryland, Southern Division.
11. **Term.** This Agreement is effective as to each Party upon the date of signature by that Party ("Effective Date"). This Agreement will remain in effect until notice is given in writing by either party requesting termination of the MOU. Party must provide at least 90 days notice of termination.
12. **Entire Agreement.** This MOU embodies the entire agreement of the Parties. No representations, inducements, or agreements, oral or otherwise, between the Parties not contained herein shall be of any force and effect. This MOU may not be amended or modified in any manner other than by an agreement in writing approved by the Parties and duly signed by authorized persons on behalf of the Parties.

MONTGOMERY COUNTY, MARYLAND and MONTGOMERY COLLEGE, through their respective authorized representatives, have executed this **FIBERNET MEMORANDUM OF UNDERSTANDING** on the dates indicated below.

MONTGOMERY COUNTY


for Timothy L. Firestine
Chief Administrative Officer Date: 12/26/12

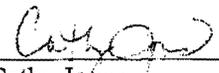
APPROVED as to form and legality this 26th day of December, 2012

By:  (signature)

Name: Eric Willis (print name)

Office of the County Attorney

MONTGOMERY COLLEGE


Cathy Jones
Senior Vice President
Administrative and Fiscal Services Date: 12/17/12

APPROVED as to form and legality this 17th day of December, 2012

By:  (signature)

Name: Derek H. Johnson (print name)

Montgomery College





Montgomery College
Proposed FY2014 Biennial Capital Budget Request
FY2014/Second Year of the Biennial Capital Budget (\$000)

	FY13 BOT Adopted Capital Budget	FY14 Request
College-Wide -- General		
ADA Compliance	\$ 50	\$ 50
Capital Renewal	1,654	1,654
Elevator Modernization	-	-
Energy Conservation	125	125
Facility Planning	270	270
Instructional Furniture & Equipment	270	270
Outdoor Athletic Facilities	-	-
Planned Life-Cycle Asset Replacement	4,000	4,000
Planning, Design & Construction	1,413	1,413
Roof Replacement	-	227
Site Improvements	700	700
Total College-Wide -- General	\$ 8,482	\$ 8,709

	FY13 BOT Adopted Capital Budget	FY14 Request
College-Wide -- Information Technology		
Information Technology	4,000	8,500
Network Infrastructure and Support Systems	1,800	1,800
Network Operating Center	2,000	2,000
Student Learning Support Systems	1,600	1,400
Total College-Wide -- Information Technology	\$ 9,400	\$ 13,700

	FY13 BOT Adopted Capital Budget	FY14 Request
Rockville Campus Projects		
Computer Science Alterations	-	-
Macklin Tower Alterations	-	-
Rockville Parking Garage	-	3,200
Rockville Parking Lot and Tennis Court Relocation	-	-
Rockville Science Center	-	-
Rockville Student Services Center	10,373	-
Science East Renovation	5,028	-
Science West Renovation	-	26,498
Total Rockville	\$ 15,401	\$ 29,698

	FY13 BOT Adopted Capital Budget	FY14 Request
Takoma Park/Silver Spring Campus Projects		
Health Sciences Expansion	-	-
TP/SS Math & Science Center	-	-
Total Takoma Park/Silver Spring	\$ -	\$ -

	FY13 BOT Adopted Capital Budget	FY14 Request
Germantown Campus Projects		
Germantown Bioscience Education Ctr	-	14,413
Germantown Child Care Center	-	-
Germantown Observation Dr. Reconstruction	-	-
Germantown SA Building Renovation and Add. Phase 1	4,529	-
Germantown Science and Technology Park Infrastructure	-	-
Germantown Student Services Center	-	-
Total Germantown	\$ 4,529	\$ 14,413

Grand Total	\$ 37,812	\$ 66,520
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rev 08-30-2012

Expenditure Detail by Category, Sub-Category, and Project (\$000s)

Run Date: 10/11/2012 1:28 PM

	Total	Thru FY12	Rem FY12	6 Year Total	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs	Approp.
Montgomery College												
Higher Education												
Rockville Science Center (P036600)	69,390	68,911	279	200	200	0	0	0	0	0	0	0
Macklin Tower Alterations (P036603)	10,604	4,991	1,013	4,600	1,000	1,800	1,800	0	0	0	0	0
Life Safety Systems: College (P046601)	* 7,000	6,988	12	0	0	0	0	0	0	0	0	0
Computer Science Alterations (P046602)	1,359	495	23	841	391	450	0	0	0	0	0	0
Commons Renovation (P056601)	* 9,012	9,012	0	0	0	0	0	0	0	0	0	0
Bioscience Education Center (P056603)	93,840	39,137	34,240	20,463	5,030	15,433	0	0	0	0	0	14,413
Elevator Modernization: College (P056608)	3,974	2,499	320	1,155	655	500	0	0	0	0	0	0
Outdoor Athletic Facilities: College (P076600)	400	30	145	225	125	100	0	0	0	0	0	0
Site Improvements: College (P076601)	15,529	7,288	4,041	4,200	700	700	700	700	700	700	0	700
Rockville Student Services Center (P076604)	68,436	0	0	68,436	3,456	3,458	5,459	24,784	31,279	0	0	0
Takoma Park/Silver Spring Math & Science Center (P076607)	82,240	0	0	4,448	0	0	0	0	0	4,448	77,792	0
Germantown Student Services Center (P076612)	83,795	0	0	6,572	0	0	0	0	0	6,572	77,223	0
Student Learning Support Systems (P076617)	13,220	3,020	1,600	8,600	1,600	1,400	1,400	1,400	1,400	1,400	0	1,400
Network Operating Center (P076618)	26,554	7,769	6,785	12,000	2,000	2,000	2,000	2,000	2,000	2,000	0	2,000
Network Infrastructure and Support Systems (P076619)	18,367	5,483	2,084	10,800	1,800	1,800	1,800	1,800	1,800	1,800	0	1,800
Science West Building Renovation (P076622)	35,015	2,571	266	32,178	75	8,882	8,882	14,339	0	0	0	26,498
Science East Building Renovation (P076623)	32,356	2,497	9,441	20,418	20,418	0	0	0	0	0	0	0
Capital Renewal: College (P096600)	16,708	1,365	4,729	10,614	1,654	1,654	1,653	1,653	2,000	2,000	0	1,654
Instructional Furniture and Equipment: College (P096601)	2,640	720	300	1,620	270	270	270	270	270	270	0	270
Rockville Parking Lot and Tennis Court Relocation (P096602)	2,700	2,144	206	350	350	0	0	0	0	0	0	0
Health Sciences Expansion (P096603)	4,998	2,761	1,379	858	858	0	0	0	0	0	0	0
Germantown Observation Drive Reconstruction (P096604)	1,000	0	100	900	100	400	400	0	0	0	0	0
Germantown Science & Technology Pk. Infrastructure (P096607)	3,382	500	362	2,520	2,320	200	0	0	0	0	0	0
Germantown Science & Applied Studies Phase 1-Renov (P136600)	37,695	0	0	37,695	1,509	1,510	3,510	12,256	18,910	0	0	0
Rockville Parking Garage (P136601)	29,700	0	0	29,700	0	3,200	26,500	0	0	0	0	3,200
Energy Conservation: College (P816611)	4,968	4,180	38	750	125	125	125	125	125	125	0	125
Information Technology: College (P856509)	133,747	75,403	12,974	45,370	4,000	8,500	8,500	7,370	8,500	8,500	0	8,500
Roof Replacement: College (P876664)	8,617	5,307	2,141	1,169	0	227	390	0	302	250	0	227
Facility Planning: College (P886686)	5,777	3,857	300	1,620	270	270	270	270	270	270	0	270
Planning, Design & Construction (P906605)	26,898	16,857	1,563	8,478	1,413	1,413	1,413	1,413	1,413	1,413	0	1,413
Planned Lifecycle Asset Replacement: College (P926659)	54,948	21,112	9,836	24,000	4,000	4,000	4,000	4,000	4,000	4,000	0	4,000
ADA Compliance: College (P936660)	1,403	1,046	57	300	50	50	50	50	50	50	0	50
Germantown Child Care Center (P956645)	2,970	2,016	488	466	466	0	0	0	0	0	0	0
Higher Education	909,242	297,959	94,722	361,546	54,835	58,342	69,122	72,430	73,019	33,798	155,015	66,520
Montgomery College	909,242	297,959	94,722	361,546	54,835	58,342	69,122	72,430	73,019	33,798	155,015	66,520

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* = Closeout or Pending Closeout Approved FY12 Capital Budget

Funding Detail by Department/Agency, Category, Sub-Category and Revenue Source (\$000s)

Run Date: 10/15/2012 4:32 PM

Montgomery College (A15)

	Total	Thru FY12	Rem FY12	6 Year Total	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
Funding Source											
Higher Education											
Current Revenue: General	139,954	56,382	13,251	70,321	7,516	13,699	11,929	10,905	13,127	13,145	0
Current Revenue: Recordation Tax	74,611	49,112	11,574	13,925	3,130	1,247	3,017	2,911	1,819	1,801	0
Federal Aid	1,931	49	362	1,520	1,320	200	0	0	0	0	0
G.O. Bonds	434,810	134,465	48,302	172,430	28,113	31,009	32,219	33,672	34,075	13,342	79,613
Major Facilities Capital Projects Fund (MC only)	200	200	0	0	0	0	0	0	0	0	0
PAYGO	2,732	2,732	0	0	0	0	0	0	0	0	0
Revenue Authority	13,250	0	0	13,250	0	0	13,250	0	0	0	0
State Aid	241,754	55,019	21,233	90,100	14,756	12,187	8,707	24,942	23,998	5,510	75,402
Agency Total	909,242	297,959	94,722	361,546	54,835	58,342	69,122	72,430	73,019	33,798	155,015