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

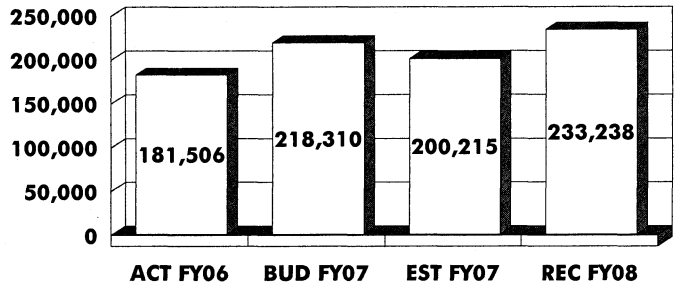
The total recommended FY08 Operating Budget for Montgomery College is $233.2 million, an increase of $14.9 million or 6.8 percent from the FY07 approved budget of $218.3 million. The County Executive recommendation funds nearly 97 percent of the College's FY08 budget request and establishes an affordable and sustainable level of support that both addresses academic needs and maintains commitments to employees. Related revenues (excluding the County contribution) are $135.0 million, which represents an increase of $13.6 million or 11.2 percent from the approved FY07 budget.

In addition to the total recommended Operating Budget for the College, the agency's Capital Improvement Program (CIP) requires current revenue funding. Approximately $4.2 million in FY08 current revenues is recommended in the FY07-12 CIP.

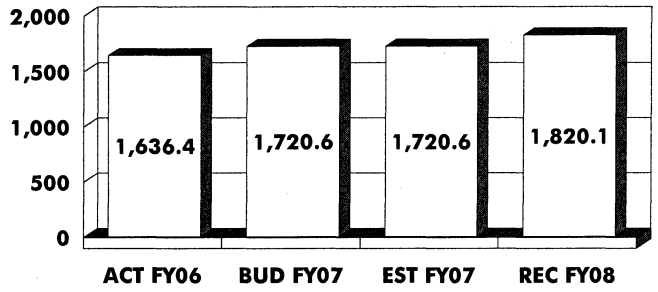
Montgomery College's budget request is not detailed in this document. The College budget request may be obtained by contacting the Office of the President, Montgomery College, 900 Hungerford Drive, Rockville, Maryland, 20850, phone 301.279.5272 or may be found on the College's web site.

State law requires the Board of Trustees and the President to prepare and submit an operating and capital budget 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 Approved FY08 Operating and Capital Budgets, which is prepared by the Office of Management and Budget in July.

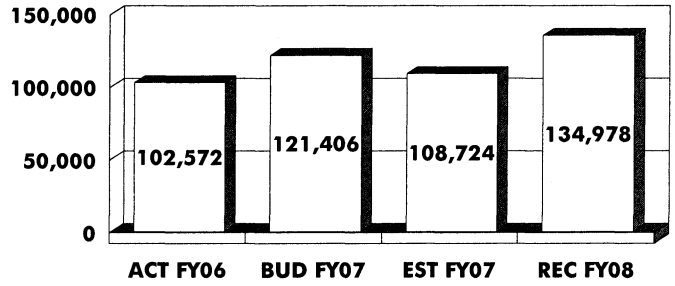
Trends



EXPENDITURES [$000s]



WORKYEARS



RELATED REVENUES [$000s]

Spending Affordability Guidelines

In December 2006, the Council approved FY08 Spending Affordability Guidelines (SAG) of $188.2 million for the tax supported funds of Montgomery College. The Board of Trustees has requested $199.9 million, which is $11.7 million or 6.2 percent above the guideline. The County Executive recommends an appropriation of $192.4 million for the tax supported funds. If the Council amends the allocation for Montgomery College under the spending affordability process and it is below the level recommended by the County Executive, the Executive will forward to Council information on changes the Council would need to make if the Council were to appropriate the FY08 budget at the level set by SAG.

Enrollment

Enrollment is projected by the College to increase in FY08 to its highest level ever. Since FY97, enrollment has increased each year and is estimated by the College for FY08 at 15,579 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 2.5 percent increase in FY08 in FTE student enrollment, compared to its FY07 estimate, and expects annual enrollment to grow by an average of 1.1 percent per year from FY08 to FY12. The College's projections assume approval of the proposed renovation and construction schedule in the Capital Improvements Program.

Tuition

For FY08, the College request is based on an increase of $3 per semester hour, from $93 to $96, for County residents; a $6 per semester hour increase for State residents to $197; and a $9 per semester hour increase for out-of-state residents to $266. The consolidated fee for all students would remain at 20 percent.

Tuition and other student fees represent 33.3 percent of the revenue proposed by the College to fund the FY08 budget, compared to 34.0 percent in the approved FY07 budget.

State Funding

The total amount of State funding from the Cade Formula assumed in the Executive's Recommended FY08 Budget is estimated to be $35.6 million. This assumes that the College will receive a 23.9 percent increase in funding in FY08 over what was originally appropriated in the FY07 State budget. It is comprised of $28.8 million allocated to the Current Fund and $6.8 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. The FY08 State aid budget reflects the Cade formula funding at the 25 percent level of the State's general fund appropriation per FTE student. The Governor's recommended FY08 budget meets the legally-required funding formula.

In addition, the College receives two State grants. The FY08 proposed State budget includes an additional $2.0 million for Limited English Proficiency grants (English for Students of Other Languages or ESOL). The College budget also includes $600,000 in State grant funds for the Maryland State Department of Education Adult Continuing Education program. Both these grants are included in the Federal, State, and Private Grants and Contracts Fund.

Tax-Supported Funds

The College has realized significant growth in its budget in recent years, and the total cost per full-time equivalent student has increased above rates of inflation. The cost per full-time equivalent student has increased at an average annual rate of 5.3 percent since FY90 and will reach $12,786 in FY08, based on the College's request.

The County Executive recommends a total appropriation of $192.4 million in the three tax supported funds (Current, Emergency Plant Maintenance and Repair, and Tax-Supported Grants). This amount is an increase of $12.3 million or 6.8 percent over the $180.2 million approved in FY07.

Current Fund

In the Current Fund, the County Executive is recommending an appropriation of $191.7 million, an increase of $12.8 million or 7.2 percent more than the $178.8 million approved in FY07. This recommendation is based on the College's estimated tuition and fees, which includes the rise in tuition rates noted above. Although these higher rates are incorporated in the budget request, the Board has not yet acted to approve them.

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 an appropriation of $350,000, the same level as the FY07 approved budget.

Tax-Supported Grant Fund

The Tax-Supported Grant Fund provides for community needs not met elsewhere. The County Executive recommends an appropriation of $400,000 to support the College's adult literacy programs. Additional funding for this purpose is given through the community grants process.

Other Funds

Cable Television

The College requests and the County Executive recommends an appropriation of $1.2 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 of the College to the community. Additional detail on the College's Cable budget can be found in the Cable Communications Plan in this volume.

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 an appropriation of $12.3 million for this Fund, the level requested by the College and a slight increase from the amount approved in FY07.

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 $5.7 million for this fund, an increase of 9.2 percent from the amount approved in FY07.

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 $18.8 million for this fund.

HIGHLIGHTS

- ***Make a County contribution to the College of $93.5 million, an increase of $3.5 million or almost 4% compared to the FY07 approved budget.***
- ***Raise the College's total expenditures to $233.2 million, an increase of $14.9 million or 6.8% compared to FY07.***
- ***Provide $400,000 in tax-supported grants for programs that support adult education and English for Speakers of Other Languages. Further funding for this purpose is given through the community grants process.***
- ***Tuition and fees at Montgomery College are about one-half those of Maryland's four-year public colleges and universities.***
- ***About 4,380 students who attended the College in 2005-6 transferred to a four-year institution by the fall 2006 semester.***

PROGRAM CONTACTS

Contact Donna Dimon of the Montgomery College at 301.251.7290 or Charles Goldsmith of the Office of Management and Budget at 240.777.2779 for more information regarding this agency's operating budget.

BUDGET SUMMARY

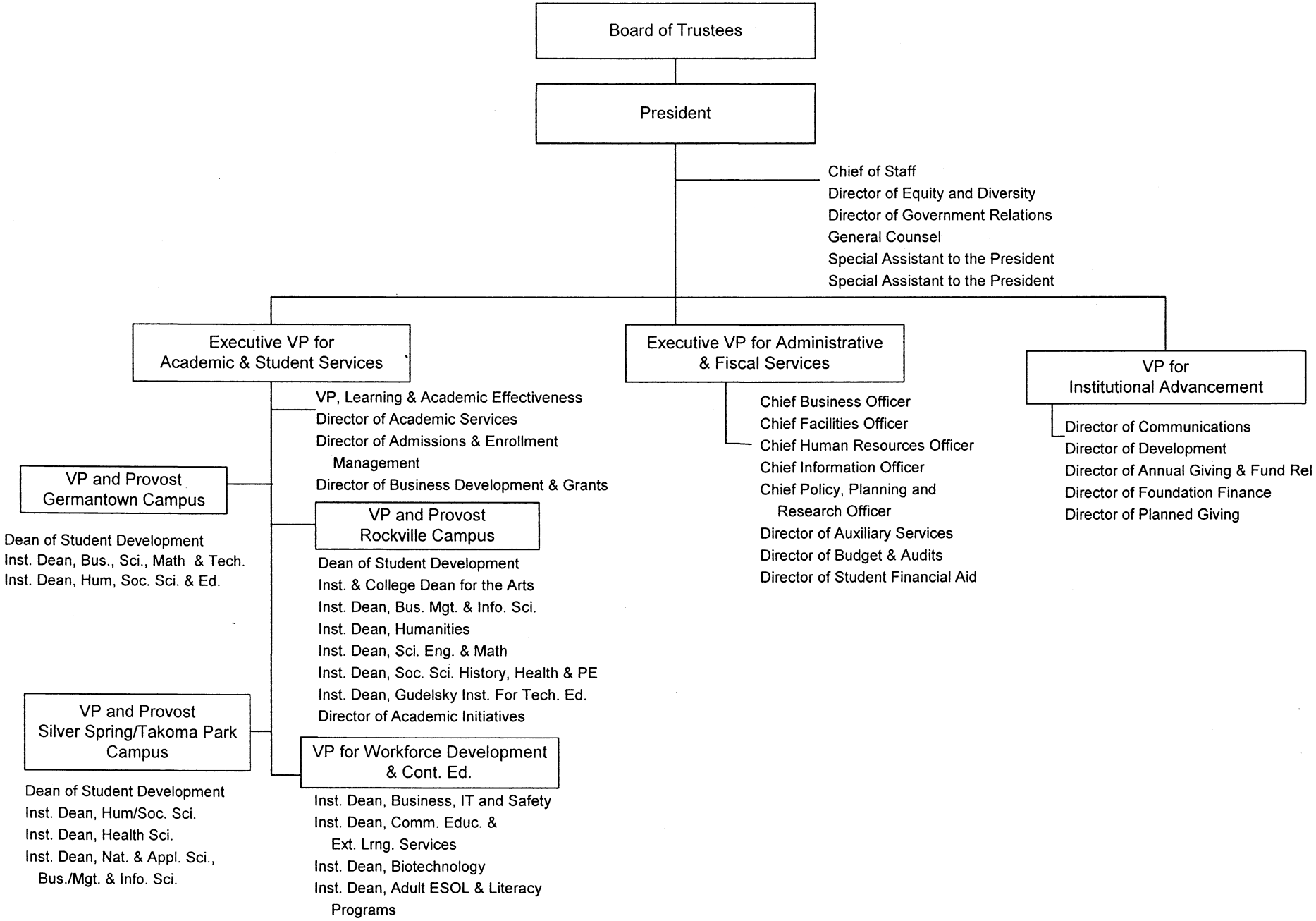
	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
CURRENT FUND MC					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Current Fund MC Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	158,806,781	179,817,038	175,907,732	191,688,872	6.6%
Capital Outlay	0	0	0	0	—
Current Fund MC Expenditures	***158,806,781***	***179,817,038***	***175,907,732***	***191,688,872***	***6.6%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1,518.9	1,588.6	1,588.6	1,681.6	5.9%
REVENUES					
Tuition and Fees: Current Fund	55,618,966	58,572,362	58,349,885	61,720,476	5.4%
State Aid	23,424,604	24,327,284	24,327,284	28,796,055	18.4%
Other Student Fees: Current Fund	872,826	981,397	903,624	1,072,088	9.2%
Fed. State & Priv. Gifts & Grants	244,157	180,000	308,678	240,000	33.3%
Current Fund: Interest	1,523,737	660,000	1,952,814	1,800,000	172.7%
Current Fund: Performing Arts Center	111,147	80,000	35,137	115,000	43.8%
Current Fund: Other Revenue	145,443	200,000	253,781	1,175,000	487.5%
Current Fund MC Revenues	***81,940,880***	***85,001,043***	***86,131,203***	***94,918,619***	***11.7%***
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	221,844	350,000	50,000	350,000	—
Capital Outlay	0	0	0	0	—
Emergency Repair Fund Expenditures	***221,844***	***350,000***	***50,000***	***350,000***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
EPMRF: Investment Income Non-Pooled	16,445	2,000	22,500	2,000	—
Emergency Repair Fund Revenues	***16,445***	***2,000***	***22,500***	***2,000***	—
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	7,018,061	17,316,500	7,105,109	18,769,000	8.4%
Capital Outlay	0	0	0	0	—
Grant Fund MC Expenditures	***7,018,061***	***17,316,500***	***7,105,109***	***18,769,000***	***8.4%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Federal/State/Private Grants	7,018,061	17,316,500	7,105,109	18,769,000	8.4%
Grant Fund MC Revenues	***7,018,061***	***17,316,500***	***7,105,109***	***18,769,000***	***8.4%***
AUXILIARY FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Auxiliary Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	3,631,942	5,253,896	3,604,794	5,737,298	9.2%
Capital Outlay	0	0	0	0	—
Auxiliary Fund Expenditures	***3,631,942***	***5,253,896***	***3,604,794***	***5,737,298***	***9.2%***

	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	40.5	42.5	42.5	45.5	7.1%
REVENUES					
Auxiliary Fund: Interest Income	65,893	32,962	65,000	58,384	77.1%
Other Revenues: Miscellaneous	174,016	953,690	727,637	991,400	4.0%
Other Revenues: Performing Arts Center	120,520	150,000	136,132	150,000	—
Sales	3,446,321	3,447,146	3,008,186	3,933,012	14.1%
Auxiliary Fund Revenues	***3,806,750***	***4,583,798***	***3,936,955***	***5,132,796***	***12.0%***
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	8,439,906	12,255,711	10,522,500	12,323,625	0.6%
Capital Outlay	0	0	0	0	—
Workforce Development & Continuing Ed Expenditures	***8,439,906***	***12,255,711***	***10,522,500***	***12,323,625***	***0.6%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	69.0	77.5	77.5	80.0	3.2%
REVENUES					
Other Revenues; Miscellaneous	31,296	50,000	0	65,000	30.0%
Other Revenues: Interest	111,279	60,000	125,000	60,000	—
Tuition and Fees: Continuing Education	5,365,264	7,733,141	5,549,000	6,697,000	-13.4%
State Aid	2,694,160	4,419,416	4,418,972	6,828,838	54.5%
Fed. State & Priv. Gifts & Grants	404,910	235,600	200,000	0	—
Workforce Development & Continuing Ed Revenues	***8,606,909***	***12,498,157***	***10,292,972***	***13,650,838***	***9.2%***
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	963,182	1,067,000	1,043,000	1,219,000	14.2%
Capital Outlay	0	0	0	0	—
Cable Television Fund Expenditures	***963,182***	***1,067,000***	***1,043,000***	***1,219,000***	***14.2%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	8.0	10.0	10.0	11.0	10.0%
REVENUES					
Cable: Other Revenue	18	0	0	0	—
Cable Television Fund Revenues	***18***	***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	29,788	250,000	100,000	250,000	—
Capital Outlay	0	0	0	0	—
Endowment Fund Expenditures	***29,788***	***250,000***	***100,000***	***250,000***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Interest	28,730	5,000	37,000	5,000	—
Endowment Fund Revenues	***28,730***	***5,000***	***37,000***	***5,000***	—

	Actual FY06	Budget FY07	Estimated FY07	Recommended FY08	% Chg Bud/Rec
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	1,425,000	0	975,000	400,000	—
Capital Outlay	0	0	0	0	—
MC Grants Tax Supported Fund Expenditures	***1,425,000***	***0***	***975,000***	***400,000***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
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	969,097	2,000,000	907,335	2,500,000	25.0%
Capital Outlay	0	0	0	0	—
Transportation Fund Expenditures	***969,097***	***2,000,000***	***907,335***	***2,500,000***	***25.0%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	2.0	2.0	2.0	—
REVENUES					
Miscellaneous Other	20,018	0	42,000	0	—
Student Fees	1,134,675	2,000,000	1,156,466	2,500,000	25.0%
Transportation Fund Revenues	***1,154,693***	***2,000,000***	***1,198,466***	***2,500,000***	***25.0%***
DEPARTMENT TOTALS					
Total Expenditures	**181,505,601**	**218,310,145**	**200,215,470**	**233,237,795**	**6.8%**
Total Full-Time Positions	**0**	**0**	**0**	**0**	—
Total Part-Time Positions	***0***	***0***	***0***	***0***	—
Total Workyears	***1,636.4***	***1,720.6***	***1,720.6***	***1,820.1***	***5.8%***
Total Revenues	***102,572,486***	***121,406,498***	***108,724,205***	***134,978,253***	***11.2%***

MONTGOMERY COLLEGE CURRENT FUND
COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN
FY08-13

	FY07 2nd Qtr	FY08 CE Rec	FY09 Proj.	FY10 Proj.	FY11 Proj.	FY12 Proj.	FY13 Proj.
Beginning Fund Balance	**7,007,653**	**7,001,552**	**3,500,000**	**5,084,036**	**5,277,446**	**5,552,204**	**5,610,017**
Revenues							
General Fund Contribution	89,955,640	93,460,335	93,460,335	93,460,335	93,460,335	93,460,335	93,460,335
Tuition & Related Fees	58,349,885	61,720,476	62,849,694	63,562,141	64,262,571	64,593,373	64,593,373
Hypothetical Tuition Increase			8,700,000	11,000,000	14,800,000	18,700,000	23,200,000
Other Student Fees	903,624	1,072,088	1,091,703	1,104,078	1,116,244	1,121,990	1,121,990
State Aid	24,327,284	28,796,055	29,602,345	30,401,608	31,207,250	32,018,639	32,835,114
Fed, State & Priv. Gifts/Grants	308,678	240,000	240,000	240,000	240,000	240,000	240,000
Investment Income	1,952,814	1,800,000	1,820,000	1,890,000	1,980,000	2,080,000	2,180,000
Risk Management Dividend							
Performing Arts Center	35,137	115,000	118,220	121,412	124,629	127,870	131,130
Other Revenues (asset sales, lib. fines, rentals)	253,781	1,175,000	1,207,900	1,240,513	1,273,387	1,306,495	1,339,811
Adjustments							
Total Revenues	**176,086,843**	**188,378,954**	**199,090,196**	**203,020,087**	**208,464,417**	**213,648,702**	**219,101,754**
Mandatory Transfers	**(396,559)**	**(450,000)**	**(450,000)**	**(450,000)**	**(450,000)**	**(450,000)**	**(450,000)**
Perkins							
SEOG	(163,255)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
CWSP	(233,304)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)	(275,000)
Nonmandatory Transfers	**211,347**	**258,366**	**-**	**-**	**-**	**-**	**-**
From Auxiliary Fund	211,347	258,366					-
CIP CR	11,208,000	4,181,000	3,681,000	3,681,000	6,481,000	6,481,000	
Subtotal Revenues and Transfers	**187,109,631**	**192,368,320**	**202,321,196**	**206,251,087**	**214,495,417**	**219,679,702**	**218,651,754**
Total Resources Available	**194,117,284**	**199,369,872**	**205,821,196**	**211,335,123**	**219,772,863**	**225,231,907**	**224,261,771**
County Share	51.1%	48.8%	47.4%	46.2%	45.0%	43.8%	42.8%
State Aid Share	13.8%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tuition, Fees, Other Share	35.0%	36.2%	37.5%	38.8%	40.0%	41.1%	42.2%
Total Expenditures	**(175,907,732)**	**(191,688,872)**	**(197,056,160)**	**(202,376,677)**	**(207,739,659)**	**(213,140,890)**	**(218,575,982)**
CIP CR	**(11,208,000)**	**(4,181,000)**	**(3,681,000)**	**(3,681,000)**	**(6,481,000)**	**(6,481,000)**	**-**
Adjustments/Reserves							
End of Year Proj. Fund Bal.	**7,001,552**	**3,500,000**	**5,084,036**	**5,277,446**	**5,552,204**	**5,610,017**	**5,685,788**
End of Year Fund Bal as % of Resources	3.6%	1.8%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:
1. The table reflects, for purposes of analysis only, tuition increases in the outyears to maintain fund balances in the target range. The College Board of Trustees must review and approve any actual increases.
2. The County's local contribution is maintained at the recommended FY08 level.
3. Tuition and related fees grow at the rate of FTE increase.
4. Other revenues and State aid grows based on CPI.
5. Expenditures increase at CPI.

Montgomery College Organizational Chart