Montgomery College

MISSION STATEMENT

The mission of the College is to provide postsecondary educational programs directed toward 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

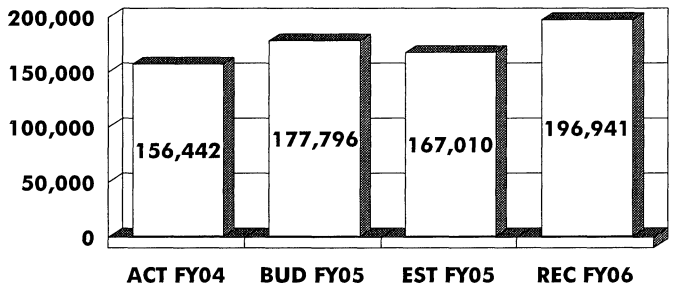
The total recommended FY06 Operating Budget for Montgomery College is $196,940,554, an increase of $19,144,388 or 10.8 percent from the FY05 approved budget of $177,796,166. The County Executive recommendation fully funds the College's FY06 budget request. Related revenues (excluding the County contribution) are $112.6 million, which represents an increase of $10.7 million or 10.5 percent from the approved FY05 budget.

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. 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 FY06 Operating and Capital Budgets, which is prepared by the Office of Management and Budget in July.

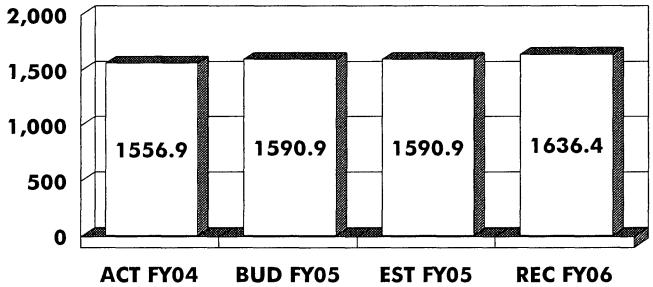
Spending Affordability Guidelines

In December 2004, the Council approved FY06 Spending Affordability Guidelines (SAG) of $156.4 million for the tax supported funds of Montgomery College. The Board of Trustees has requested $164.6 million, which is $8.2 million or 5.2 percent above the guideline. The County Executive recommends an appropriation of $164.6 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 FY06 budget at the level set by SAG.

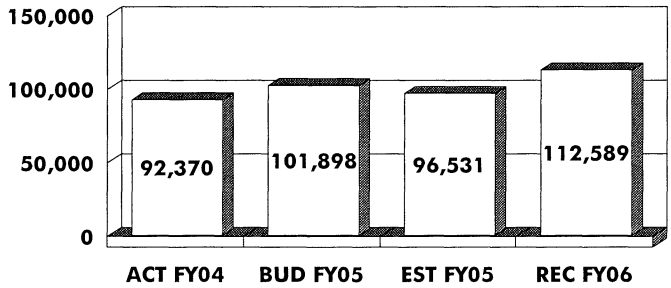
Trends



EXPENDITURES [$000s]



WORKYEARS



RELATED REVENUES [$000s]

Enrollment

Enrollment is projected by the College to increase in FY06 to its highest level ever. Since FY97, enrollment has increased each year and is estimated by the College at 14,673 full-time equivalent (FTE) students in FY06. (An FTE student for one year is calculated as the total number of credit hours divided by 30.) The College projects a 2.7 percent increase in FY06 in FTE student enrollment, compared to its FY05 estimate, and expects annual enrollment to grow by an average of 2.2 percent per year from FY06 to FY10. The College's projections assume approval of the proposed renovation and construction schedule in the Capital Improvements Program.

Tuition

For FY06, the College request is based on an increase of $4 per semester hour, from $89 to $93, for County residents; a $8 per semester hour increase for in-state residents to $191; and a $12 per semester hour increase for out-of-state residents to $257. The consolidated fee for all students would remain at 20 percent.

Tuition and other student fees represent 35.0 percent of the revenue proposed by the College to fund the FY06 budget, compared to 35.3 percent in the approved FY05 budget.

State Funding

The total amount of State funding from the Cade Formula assumed in the Executive's Recommended FY06 Budget is estimated to be $26,118,751. This assumes that the College will receive a 4.7% increase in funding in FY06 over what was originally appropriated in the FY05 State budget. It is comprised of $23,424,592 allocated to the Current Fund and $2,694,159 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. This is the first time in three years that the College received a substantial increase in State aid. In FY03 and FY04, State funding for the College declined by a total of $5.3 million from the anticipated level. In FY05, State aid remained virtually flat. The FY06 State aid budget reflects the Cade formula funding at the 25% level of the State's general fund appropriation per FTE student. The Governor's recommended FY06 budget meets the legally-required funding formula.

In addition, the College receives two State grants. The FY06 proposed State budget includes an additional $1,401,000 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 that previously was included in the MCPS budget. 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 5.1 percent since 1990 and will reach $11,099 in FY06, based on the College's request.

The County Executive recommends a total appropriation of $164.6 million in the two tax supported funds (Current and Emergency Plant Maintenance and Repair). This amount is an increase of $13.2 million or 8.7 percent over the $151.4 million approved in FY05.

Current Fund

In the Current (Operating) Fund, the County Executive is recommending an appropriation of $164.3 million, an increase of $13.1 million or 8.6 percent more than the $151.2 million approved in FY05. This recommendation is predicated upon the College's estimated tuition and fees, including a $4 per credit hour increase in the tuition rate for County residents, $8 for in-state residents, and $12 for out-of-state residents (included in the Board's budget request but not formally adopted).

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 requested by the College. This amount is $100,000 greater than the FY05 approved budget.

Other Funds

Cable Television

The College requests and the County Executive recommends an appropriation of $1,005,480 for Cable Television, an increase of $157,380 or 18.6 percent from the FY05 approved budget amount of $848,100. The Cable Television program 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.

As shown in the County's Cable Communications Plan, the County Executive recommends $939,000 in revenues for this program. 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 two years previous 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 $10,664,217 for this Fund, the level requested by the College and same amount approved in FY05.

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 $4,897,194, for this fund, an increase of $480,434 or 10.9 percent from the amount approved in FY05.

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 $14,493,900 for this fund.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding. Please see Section 6 for information related to the CIP.

HIGHLIGHTS

- ***Raise Montgomery College's total spending by $19.1 million to $196.9 million, 100% of the College's request, and a 10.8% increase over total FY05 approved expenditures.***

- ***Expand the County's contribution to the College current fund by $6.7 million to $76.6 million in FY06, including support for staffing the new Takoma Park Student Services Center and expansion of the College Institute Program to two additional high schools.***

- ***The ratio of students who re-enroll in college-level courses one year after entry to Montgomery College increased for the third consecutive year and reached 70% in the most recently measured period.***

- ***The College's School of Art and Design (formerly the Maryland College of Art and Design) offers an Associate of Fine Arts degree to students as well as non-credit arts programs and workshops to adults, teenagers, and children.***

- ***Productivity Enhancements***

  - ***Installed an IT Maintenance Management System to document, plan, and prioritize work orders on the three campuses of the College.***

  - ***Redesigned the College's web site to include new courses and improve on-line registration.***

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 FY04	Budget FY05	Estimated FY05	Recommended FY06	% 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	139,899,753	151,208,164	149,002,905	164,279,763	8.6%
Capital Outlay	0	0	0	0	—
Current Fund MC Expenditures	***139,899,753***	***151,208,164***	***149,002,905***	***164,279,763***	***8.6%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1443.4	1474.4	1474.4	1518.9	3.0%
REVENUES					
Tuition and Fees: Current Fund	49,872,942	52,264,000	52,653,828	56,517,367	8.1%
State Aid	22,451,276	22,352,759	22,352,759	23,424,592	4.8%
Other Student Fees: Current Fund	920,378	1,050,000	1,016,112	1,024,633	-2.4%
Fed. State & Priv. Gifts & Grants	167,975	125,000	165,567	125,000	—
Current Fund: Interest	327,607	700,000	700,000	540,000	-22.9%
Current Fund: Performing Arts Center	68,189	80,000	72,282	80,000	—
Current Fund: Other Revenue	853,581	233,242	110,525	250,000	7.2%
Current Fund MC Revenues	***74,661,948***	***76,805,001***	***77,071,073***	***81,961,592***	***6.7%***
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	1,791,913	250,000	100,000	350,000	40.0%
Capital Outlay	0	0	0	0	—
Emergency Repair Fund Expenditures	***1,791,913***	***250,000***	***100,000***	***350,000***	***40.0%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Other	1,586,410	0	0	0	—
EPMRF: Investment Income Non-Pooled	0	2,000	2,000	2,000	—
Emergency Repair Fund Revenues	***1,586,410***	***2,000***	***2,000***	***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	3,657,023	9,158,925	4,384,327	14,493,900	58.2%
Capital Outlay	0	0	0	0	—
Grant Fund MC Expenditures	***3,657,023***	***9,158,925***	***4,384,327***	***14,493,900***	***58.2%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1.0	1.0	1.0	0.0	—
REVENUES					
Federal/State/Private Grants	3,657,023	9,158,925	4,384,327	14,493,900	58.2%
Grant Fund MC Revenues	***3,657,023***	***9,158,925***	***4,384,327***	***14,493,900***	***58.2%***
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	2,991,541	4,416,760	3,568,605	4,897,194	10.9%

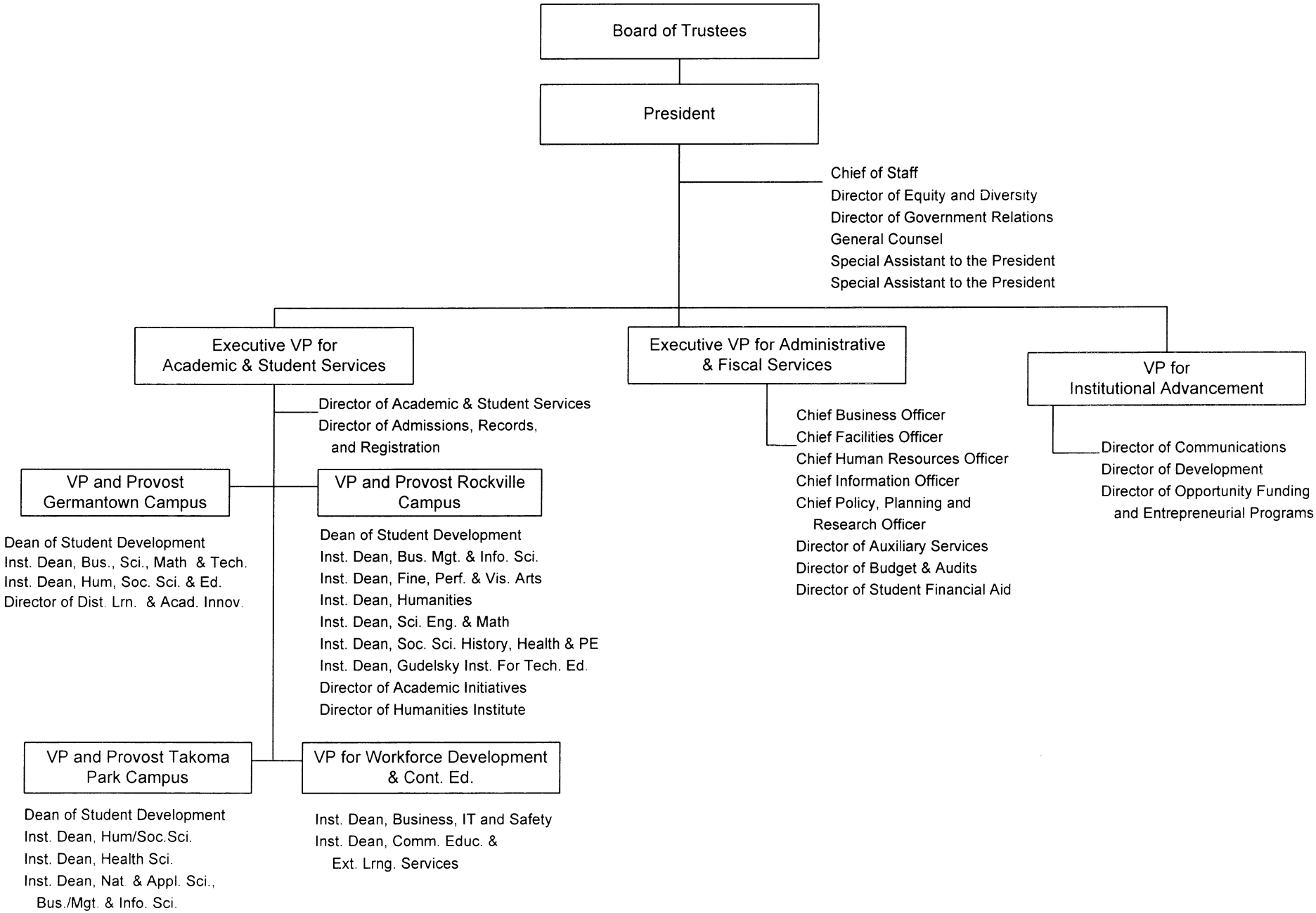
	Actual FY04	Budget FY05	Estimated FY05	Recommended FY06	% Chg Bud/Rec
Capital Outlay	0	0	0	0	—
Auxiliary Fund Expenditures	***2,991,541***	***4,416,760***	***3,568,605***	***4,897,194***	***10.9%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	36.5	38.5	38.5	40.5	5.2%
REVENUES					
Auxiliary Fund: Interest Income	0	6,034	7,500	3,800	-37.0%
Other Revenues: Miscellaneous	0	999,538	1,063,013	1,009,485	1.0%
Other Revenues: Performing Arts Center	0	150,000	136,937	150,000	—
Sales	3,819,667	3,086,506	2,363,309	3,175,143	2.9%
Auxiliary Fund Revenues	***3,819,667***	***4,242,078***	***3,570,759***	***4,338,428***	***2.3%***
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	7,377,119	10,664,217	8,265,916	10,664,217	—
Capital Outlay	0	0	0	0	—
Workforce Development & Continuing Ed Expenditures	***7,377,119***	***10,664,217***	***8,265,916***	***10,664,217***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	68.0	69.0	69.0	69.0	—
REVENUES					
Other Revenues; Miscellaneous	0	50,000	0	50,000	—
Other Revenues: Interest	0	75,000	46,000	75,000	—
Tuition and Fees: Continuing Education	4,427,572	7,733,141	5,163,000	7,733,141	—
State Aid	2,484,067	2,588,927	2,588,928	2,694,159	4.1%
Fed. State & Priv. Gifts & Grants	264,757	235,600	503,000	235,600	—
Workforce Development & Continuing Ed Revenues	***7,176,396***	***10,682,668***	***8,300,928***	***10,787,900***	***1.0%***
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	724,953	848,100	838,000	1,005,480	18.6%
Capital Outlay	0	0	0	0	—
Cable Television Fund Expenditures	***724,953***	***848,100***	***838,000***	***1,005,480***	***18.6%***
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	8.0	8.0	8.0	8.0	—
REVENUES					
Cable: Other Revenue	14,500	2,100	0	0	—
Cable Television Fund Revenues	***14,500***	***2,100***	***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	250,000	250,000	250,000	—
Capital Outlay	0	0	0	0	—
Endowment Fund Expenditures	***0***	***250,000***	***250,000***	***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	7,134	5,000	13,872	5,000	—
Endowment Fund Revenues	***7,134***	***5,000***	***13,872***	***5,000***	—

	Actual FY04	Budget FY05	Estimated FY05	Recommended FY06	% Chg Bud/Rec
MAJOR FACILITIES FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Major Facilities Fund Personnel Costs	***0***	***0***	***0***	***0***	—
Operating Expenses	0	0	0	0	—
Capital Outlay	0	0	0	0	—
Major Facilities Fund Expenditures	***0***	***0***	***0***	***0***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Students Fees	1,414,092	0	2,230,964	0	—
Other Revenues: Interest	33,070	0	82,251	0	—
Major Facilities Fund Revenues	***1,447,162***	***0***	***2,313,215***	***0***	—
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	0	0	0	0	—
Capital Outlay	0	0	0	0	—
MC Grants Tax Supported Fund Expenditures	***0***	***0***	***0***	***0***	—
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	0	1,000,000	600,000	1,000,000	—
Capital Outlay	0	0	0	0	—
Transportation Fund Expenditures	***0***	***1,000,000***	***600,000***	***1,000,000***	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
REVENUES					
Student Fees	0	1,000,000	875,050	1,000,000	—
Transportation Fund Revenues	***0***	***1,000,000***	***875,050***	***1,000,000***	—
DEPARTMENT TOTALS					
Total Expenditures	**156,442,302**	**177,796,166**	**167,009,753**	**196,940,554**	**10.8%**
Total Full-Time Positions	**0**	**0**	**0**	**0**	—
Total Part-Time Positions	***0***	***0***	***0***	***0***	—
Total Workyears	***1556.9***	***1590.9***	***1590.9***	***1636.4***	***2.9%***
Total Revenues	***92,370,240***	***101,897,772***	***96,531,224***	***112,588,820***	***10.5%***

MONTGOMERY COLLEGE CURRENT FUND
COUNTY EXECUTIVE RECOMMENDED FISCAL PLAN
FY06-11

	FY05 2nd Qtr. Est.	FY06 CE Rec.	FY07 Proj.	FY08 Proj.	FY09 Proj.	FY10 Proj.	FY11 Proj.
Beginning Fund Balance	**8,749,644**	**6,551,887**	**2,167,243**	**4,041,730**	**4,350,213**	**4,116,761**	**4,252,858**
Revenues							
General Fund Contribution	69,837,017	76,584,374	76,584,374	76,584,374	76,584,374	76,584,374	76,584,374
General Fund Contribution -- Grants		1,425,000	1,425,000	1,425,000	1,425,000	1,425,000	1,425,000
Tuition & Related Fees	52,653,828	56,517,367	56,517,367	56,517,367	56,517,367	56,517,367	56,517,367
Tuition Increase			10,000,000	12,000,000	15,000,000	19,000,000	23,000,000
Other student Fees	1,016,112	1,024,633	1,056,571	1,089,217	1,105,469	1,115,659	1,115,659
State Aid	22,352,759	23,424,592	24,033,631	24,658,506	25,274,968	25,906,843	26,580,421
Fed, State & Priv. Gifts/Grants	165,567	125,000	125,000	125,000	125,000	125,000	125,000
Investment Income	700,000	540,000	770,000	920,000	1,060,000	1,210,000	1,210,000
Risk Management Dividend							
Performing Arts Center	72,282	80,000	82,080	84,214	86,319	88,477	90,778
Other Revenues (asset sales, lib. fines, rent	110,525	250,000	256,500	263,169	269,748	276,492	283,681
Adjustments							
Total Revenues	**146,908,090**	**159,970,966**	**170,850,524**	**173,666,847**	**177,448,246**	**182,249,212**	**186,932,280**
Mandatory Transfers	**(392,022)**	**(425,000)**	**(425,000)**	**(425,000)**	**(425,000)**	**(425,000)**	**(425,000)**
Perkins	-						
SEOG	(161,937)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
CWSP	(230,085)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Nonmandatory Transfers	**289,080**	**349,153**	**-**	**-**	**-**	**-**	**-**
From Auxiliary Fund	289,080	349,153	-	-	-	-	-
CIP CR	863,000	758,000	798,000	798,000	798,000	798,000	798,000
Subtotal Revenues and Transfers	**147,668,148**	**160,653,119**	**171,223,524**	**174,039,847**	**177,821,246**	**182,622,212**	**187,305,280**
Total Resources Available	**156,417,792**	**167,205,006**	**173,390,767**	**178,081,577**	**182,171,459**	**186,738,973**	**191,558,138**
County Share	47.3%	46.6%	45.4%	44.3%	43.2%	42.2%	41.1%
State Aid Share	15.1%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
Tuition, Fees, Other Share	36.5%	39.1%	40.3%	41.5%	42.5%	43.6%	44.7%
Total Expenditures	**(149,002,905)**	**(164,279,763)**	**(168,551,037)**	**(172,933,364)**	**(177,256,698)**	**(181,688,115)**	**(186,412,006)**
End of Year Proj. Fund Bal.	**6,551,887**	**2,167,243**	**4,041,730**	**4,350,213**	**4,116,761**	**4,252,858**	**4,348,131**
End of Year Fund Bal as % of Resources	4.2%	1.3%	2.3%	2.4%	2.3%	2.3%	2.3%

Assumptions:

1. The table reflects, for purposes of analysis only, tuition increases in FY07 and beyond 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 requested FY06 level.
3. Other revenue increases based on CPI.
4. State aid grows based on CPI.
5. Expenditures increase at CPI.

Montgomery College Organizational Chart