



**Committee:** Directly to Council  
**Committee Review:** N/A  
**Staff:** Craig Howard, Deputy Director  
**Purpose:** To introduce agenda item – no vote expected  
**Keywords:** Montgomery College

AGENDA ITEM #3A  
June 9, 2020  
**Introduction**

## SUBJECT

Supplemental Appropriation to the FY20 Operating Budget, Montgomery College, \$1,000,000 for CARES Act Higher Education Emergency Relief Funding (Source of Funds: Federal Grant)

## EXPECTED ATTENDEES

None

## DESCRIPTION/ISSUE

The County Council will introduce a supplemental appropriation to the Montgomery College FY20 Operating Budget for \$1,000,000. The College seeks this appropriation for unplanned expenditures incurred due to the changes in the scope of the standard delivery of face-to-face instruction and work environment, which are eligible institutional reimbursable costs under the CARES Act.

## SUMMARY OF KEY DISCUSSION POINTS

- The Board of Trustees requested this appropriation on May 28. The County Executive recommended approval on May 29.
- Montgomery College qualified for funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling \$10,995,749. Students must receive no less than 50 percent of the total funds (\$5,497,875) as emergency aid. The College will provide this financial relief directly to students, which does not require Council action. As of May 28, the College has disbursed funds to 5,002 Pell grant recipients whose average household income is \$26,000.
- The balance of the funds, \$5,497,874, is for costs incurred by the College, beginning March 13, 2020, related to the change in the delivery of instruction because of the public health crisis. The College can spend these funds over the course of the calendar year. The College has identified FY20 eligible expenses of \$1 million. Expenses incurred include technology for faculty and students to transition to remote teaching and remote course instruction mentors.
- This appropriation would provide the College with the authority to expend federal CARES Act funding, it would not affect maintenance of effort requirements. The College anticipates requesting a supplemental appropriation for the remainder of the CARES funding in FY21.
- The Council is tentatively scheduled to hold a public hearing and consider action on this appropriation on June 23.

### This report contains:

County Executive Recommendation (May 29, 2020)  
Draft Supplemental Appropriation Resolution  
Board of Trustees Request (May 28, 2020)

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## OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

### MEMORANDUM

May 29, 2020

TO: Sidney Katz, President, County Council  
FROM: *Arc Kleni for*  
Marc Elrich, County Executive  
SUBJECT: Supplemental Appropriation #20-469 to the FY20 Operating Budget  
Montgomery College  
CARES Act Higher Education Emergency Relief Funding, \$1,000,000

I am recommending a supplemental appropriation to the FY20 Operating Budget of Montgomery College in the amount of \$1,000,000 for funds disbursed through the United States Department of Education (USDE) directly to the College under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This appropriation will provide funds to Montgomery College for costs incurred, beginning March 13, 2020, related to the change in the delivery of instruction because of this public health crisis.

This supplemental appropriation is needed to provide spending authority for grant funds received from the USDE. As a grant award, there is no effect on the County's current or future maintenance of effort requirements.

I recommend that the County Council approves this supplemental appropriation in the amount of \$1,000,000 and specify the source of funds as USDE.

I appreciate your prompt consideration of this action.

ME:rpm

Attachments Letter from Montgomery College Chair of the Board of Trustees and President  
Montgomery College Board of Trustees Resolution

cc: Lisa Mandel-Trupp, Chief of Staff to the Council President  
Dr. DeRionne P. Pollard, President, Montgomery College  
Richard S. Madaleno, Director, Office of Management and Budget

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Council President at the Request of the County Executive

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**SUBJECT:** Special Appropriation #20-469 to the Fiscal Year 2020 Operating Budget  
Montgomery College  
CARES Act Higher Education Emergency Relief Funding, \$1,000,000

**Background**

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY20 Operating Budget appropriation increases for Montgomery College

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,000,000	\$1,000,000	USDE

3. This increase is needed to provide spending authority for the use of grant funds disbursed from the United States Department of Education (USDE) directly to the College under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As a grant award, there is no effect on the County's current or future maintenance of effort requirements.

4. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

A supplemental appropriation to the FY20 Operating Budget of the Montgomery College is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$1,000,000	\$1,000,000	USDE

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council



OFFICE OF THE PRESIDENT

May 28, 2020

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

The Honorable Sidney Katz  
President, Montgomery County Council  
Montgomery County Council  
100 Maryland Avenue

Dear Mr. Elrich and Mr. Katz:

As you know, Montgomery College qualified for funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling \$10,995,749. We need action by the Montgomery County Council to expend a portion of these funds.

The United States Department of Education (USDE) has or will disburse funds directly to the College. The funds, under statute and the additional guidance from USDE, must be used to provide direct relief to our students and/or defray certain operational costs related to changes in the delivery of instruction related to the COVID-19 public health crisis.

The College seeks an FY20 supplemental appropriation of \$1 million for unplanned expenditures incurred due to the changes in the scope of our standard delivery of face-to-face instruction and work environment, which are eligible institutional reimbursable costs under the CARES Act.

Students must receive no less than 50 percent of the total funds or \$5,497,875, as emergency aid. The College will provide this much-needed financial relief directly to our students, which negates the need for an appropriation for this portion of the funds. As of now, the College has disbursed funds to 5,002 Pell grant, federal financial aid, recipients whose average household income is \$26,000. We will continue to disburse the funds through an application process in an effort to adhere to USDE guidance, as to which students are eligible for this support.

The balance of the funds, \$5,497,874, is for costs incurred by the College, beginning March 13, 2020, related to the change in the delivery of instruction because of this public health crisis. The College can spend these funds over the course of the calendar year. The College has identified FY20 eligible expenses of \$1 million and now seeks a supplemental appropriation to the FY20 current fund budget in that amount to expend the institutional portion of the Higher Education Emergency Relief Fund Formula Grants Authorized by Section 18004(a)(1) of the CARES Act. This action will increase the FY20 current fund appropriation to \$265,768,350. Expenses incurred include technology for faculty and students to transition to remote teaching and remote course instruction mentors.

The Honorable Marc Elrich County Executive  
The Honorable Sidney Katz  
May 28, 2020  
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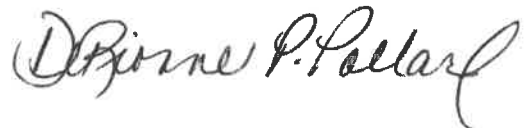
An appropriation request for CARES Act eligible institutional expenses in FY21 will be forthcoming.

Thank you for your assistance.

Sincerely,



Gloria Aparicio-Blackwell  
Chair, Board of Trustees



DeRionne P. Pollard, Ph.D.  
President

Attachment: Montgomery College Board of Trustees Resolution

CC:  
The Honorable Richard Madaleno  
Mr. Rafael Murphy  
Mr. Craig Howard



**BOARD OF TRUSTEES  
MONTGOMERY COLLEGE**  
Rockville, Maryland

Resolution Number: **20-05-044**  
Adopted on: **5/18/2020**

Agenda Item Number: 12  
May 18, 2020

**Subject: Supplemental Appropriation Request for the FY20 Current Fund Budget**

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WHEREAS, On March 5, 2020, the governor of the state of Maryland proclaimed a state of emergency and health emergency to control and prevent the spread of the COVID-19 virus within the state; and

WHEREAS, COVID-19, is a respiratory disease that spreads easily from person to person and may result in serious illness or death; and

WHEREAS, To reduce the spread of COVID-19, the US Centers for Disease Control and Prevention and the Maryland Department of Health have recommended corrective actions such as canceling large gatherings and practicing social distancing; and

WHEREAS, On March 11, 2020, the president of the College issued a memorandum detailing the College's response plan to the COVID-19 virus; and

WHEREAS, The plan called for the College to begin providing instruction, including counseling and support services, remotely, as well as to require all non-essential employees to work remotely; and

WHEREAS, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, to address the economic and financial burden for student and educational institutions due to the COVID-19 pandemic in the United States; and

WHEREAS, The US Department of Education notified Montgomery College that the total funds available to the College are \$10,995,749; and

WHEREAS, Not less than 50 percent, or \$5,497,875, must be expended for emergency student assistance and the balance of the funds, or \$5,497,874, are available to the College for the institutional costs borne by the College or to be incurred by the College from March 13, 2020, and up until one year from the date of certification for significant changes to the delivery of instruction due to the coronavirus; and

Resolved, That the Board approve and support a supplemental appropriation request to the Montgomery County Council pursuant to the CARES Act in the amount of \$1,000,000 for the FY20 current fund; and be it further

Resolved, That this action will increase the FY20 current fund appropriation to \$265,768,350; and be it further

Resolved, That the functional totals for the FY20 operating budget will be in the amounts listed in the following table;

		<b><i>Current Fund</i></b>	<b><i>Supplemental</i></b>	<b><i>Current Fund</i></b>
10	Instruction	\$ 89,168,743	\$ 30,000	\$ 89,198,743
40	Academic Support	\$ 44,112,498	\$ 600,000	\$ 44,712,498
50	Student Services	\$ 33,523,280		\$ 33,523,280
60	Operations/Maintenance of Plant	\$ 43,811,794		\$ 43,811,794
70	Institutional Support	\$ 48,268,489		\$ 48,268,489
80	Scholarships & Fellowships	\$ 5,883,546	\$ 370,000	\$ 6,253,546
	<b>TOTAL</b>	<b>\$ 264,768,350</b>	<b>\$ 1,000,000</b>	<b>\$ 265,768,350</b>

and be it further

Resolved, That the estimated budgeted source of funds projected by the Board of Trustees to fund the College's operating budget during FY20 are in the amounts listed in the table below, subject to county council action in June 2020.

	<b><i>Current Fund</i></b>	<b><i>Supplemental</i></b>	<b><i>Current Fund</i></b>
County Contribution	\$ 145,149,696		\$ 145,149,696
State Aid	\$ 37,213,559		\$ 37,213,559
CARES Federal grant		\$ 1,000,000	\$ 1 000,000
Tuition and Fees	\$ 75,860,647		\$ 75,860,647
Miscellaneous	\$ 2,074,000		\$ 2,074,000
Fund Balance	\$ 2,970,448		\$ 2,970,448
Net Transfers	\$ 1 500,000		\$ 1 500,000
<b>Total</b>	<b>\$ 264,768,350</b>	<b>\$ 1,000,000</b>	<b>\$ 265,768,350</b>