



BOARD OF TRUSTEES

February 6, 2025

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

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

Dear County Executive Elrich and Council President Stewart:

On behalf of Montgomery College's Board of Trustees, faculty, staff, and students, thank you for your ongoing support of your community's college. Today, the College remains a steadfast anchor institution for our County's residents and employers in this time of tumult and uncertainty, a role MC has played since our doors opened in 1946. With you, the College will remain unwavering as we heed our mission's call to unlock potential, transform lives, and strengthen our County with homegrown talent.

The Board of Trustees adopted a fiscally prudent **maintenance-of-effort budget** for FY26. We request that you approve MC's total operating budget appropriation of \$345,514,889. With a keen awareness of the current fiscal climate, this budget asks for *no new County dollars*. The College's revenue sources from the County, State, and student tuition, combined with judicious use of fund balance, will support operations for FY26. Like you, our Trustees understand the critical importance of affordable tuition so students can access the postsecondary education they need. Thus, this budget calls for *no tuition increase*. In fact, tuition has only been increased once in the last six years—a testament to our firm commitment to affordability. This appropriation will also provide for reasonable and fair wage increases for our extraordinary faculty and staff.

As in prior seasons of change, the College will in FY26 remain mission focused, a welcoming place of inclusive excellence guided by our bold transformational aspirations to deliver access, credentials of economic value, and post-completion success for students. The ambitious 10-year targets embedded in the aspirations drive the College to fulfill its mission to transform the lives of our students, enrich Montgomery County, and change the world.

With aspirations to advance access, we understand this deliberate work goes beyond simply opening our doors—we intend to deepen the college-going culture in every zip code of our community. Enrollment continues to increase—for the 2024-2025 academic year, to date,

enrollment is up 7% over the 2023-2024 academic year when enrollment increased by more than 11% from the previous year. The inaugural First Generation College Student Day—an event to draw attention to the needs, challenges, and resilience of these students—held in the fall of 2024 at our locations across the County is just one example of our strategic efforts to welcome and retain students. We will continue to make progress with our shared vision to open doors to education and training in East County with the East County Education Center, which has already served over 1,400 residents since it opened, and a future East County Campus.

Fostering completion means the College strives to ensure that students earn a credential, and that MC credentials provide students with experiences of economic, social, and community impact. Affordability sits unequivocally at the core of completion. The College remains vigilant in protecting affordability, through accessible tuition and fees, and attention to efficient operations.

Our third transformational aspiration, post-completion success, relates directly to our ability to transform lives. Students must leave MC with skills that ensure they can earn a family sustaining wage to thrive—which influences the lives of students and the regional economy. When an MC student graduates with an associate’s degree, they will see, on average, an increase in earnings of \$11,000 each year compared to someone with a high school diploma working in Maryland. Impressively, MC adds \$1.4 billion in income to the County’s economy. With your ongoing support, we will continue to provide this excellent return-on-investment while ensuring graduates step into the workforce ready with skills employers need.

Our aspirations can only be reached through the work of our dedicated faculty and staff. MC’s employees are public servants who form the cornerstone of a high-quality MC education. With this budget, we will provide reasonable and fair compensation increases in recognition of their outstanding commitment to transforming the lives of our students and our community. Negotiations with our three bargaining units are in progress and nearing completion.

With your support of this maintenance-of-effort budget, your community’s college will continue to transform lives across Montgomery County, as we have done for 79 years. We ask for your support and appropriation of \$345,514,889 to Montgomery College’s FY26 operating budget.

BUDGET SPECIFICS

The following sections provide details of the College’s enrollment, revenue, expenditures, and operating funds.

Enrollment

Enrollment continues to grow. This academic year, our total credit hours are up 7% over last year and continue to rise. Fall 2024 credit enrollment exceeded projections by 5%. We project enrollment increases to continue steadily for several years.

More than 45,000 students took credit and noncredit courses across our locations during the last year. Students come to the College from across the County and every Montgomery County Public Schools (MCPS) high school—41% of MCPS graduates who stay in Maryland to attend college enroll at MC. With 65% of students attending part time, flexibility remains important—many students work and care for family while pursuing their education. Students mirror our County’s celebrated diverse community, and hail from 157 different countries, and the College is a federally designated Minority Serving Institution, Hispanic Serving Institution, and Asian American Native American Pacific Islander Serving Institution. Our largest cohorts are Hispanic

(30%) and Black (24%) students. The Hispanic student cohort, our largest population, grew by 9% this fall and has grown 24% since fall 2021.

Dual enrollment continues to attract students who want to begin their postsecondary education while still in high school. Over the last seven years, these programs have grown to over 3,000 students. Interest remains high as seen earlier this academic year when more than 3,000 students and family members attended 16 dual enrollment information sessions held in English, Spanish, and Amharic. Our Early College and Middle College programs, which allow students to earn a high school diploma and a college degree simultaneously, remain popular. This year, we have 500 Early College students and 650 Middle College students, which includes students in P-TECH and Virtual Middle College. We expect about 300 Early and Middle College students to earn their associate degrees weeks before earning their high school diploma in May, including our first cohort of Virtual Middle College students earning their college degree entirely online.

With our attention on access, the College continues to develop new tactics to connect with the community through outreach, recruitment, and enrollment events to introduce Montgomery College's affordable postsecondary education options to residents. Such efforts are important to retain students as well as open doors for new students. For example, we welcomed almost 700 MCPS students from 6th grade to 9th grade for campus visits, tours, and even on National Apprenticeship Day. Facebook Live information sessions in Spanish enable the College to broaden our connections in the community and provide prospective students information about the application and enrollment process. And our Cafecito gathering for Spanish speaking students and families helps to increase cultural understanding about college topics such as how to pay for college in a family-friendly setting.

The College offers a wide range of noncredit classes in addition to degrees and certificates to meet the needs of residents and employers. In FY24, Workforce Development and Continuing Education (WDCE) served over 3,700 full-time equivalent (FTE) students.

Through WDCE, residents can gain skills to step onto career pathways, experience career preparation, and gain enrichment learning. WDCE offers short-term training, certifications, licensures, and certificate programs to produce in-demand skilled talent for industries like construction, biotechnology, early childhood education, IT, and nursing. With consistent engagement with employer partners, we prepare auto mechanics, electricians, and HVAC technicians to be ready for the workforce on day one.

Additionally, hundreds of middle school students get their start as future IT professionals through Montgomery Can Code, the annual free coding program offered at the ignITe Hub in partnership with MCPS and the Montgomery County Economic Development Corporation. Our lifelong learning program serves the County's older adults with enrichment classes and activities. WDCE enrollment has remained stable and is growing.

We project more than 3,750 FTE students by the close of FY25. Like our credit programs, we expect moderate growth, approximately 2% for FY26, with growth expected to continue in the next several years.

Finally, MC is developing a new student enrollment management plan. This plan will advance our ongoing enrollment efforts and identify further ways to meet the needs of residents for

postsecondary education and to close skill gaps for employers. We expect implementation of the new plan in July 2025.

Revenue

The following is a summary of Current Fund revenue changes in our FY26 budget.

County Support: \$148,400,000

This is a maintenance-of-effort budget and therefore the budget assumes \$148,400,000 in County support, which is the same amount that funded the FY25 Current Fund budget.

State Aid: \$56,115,000

The governor's budget recommends flat funding from the Senator John R. Cade funding formula and the requested appropriation assumes this amount. However, additional funds are expected.

Tuition and Tuition Related Fees: \$72,600,000

This budget anticipates no increase in tuition and fees for credit-bearing students. The Board of Trustees will act on tuition rates during its April 2025 meeting. The average full-time, in-county student enrolled with 30 credit hours in the year will pay \$5,394. The revenue from tuition and fees is projected to increase by 13.6%, generated through an increase of credit hours, over FY25 budget.

Use of Fund Balance: \$29,208,000

The College plans to use \$29,208,000 from fund balance in FY26 in both the capital and operating budgets. County Council action last year appropriated \$10,525,000 for capital projects in FY26. The College assumes an additional \$6,000,000 appropriation to the College's FY26 capital budget. Finally, the operating request seeks a \$12,683,000 appropriation to the Current Fund or 4.3% of the Current Fund.

Expenditures

The total increase in projected expenditure is \$10,600,000, an increase of 3.7%. The expenditure increase is anticipated to support the compensation and benefits of MC's outstanding faculty and staff and price escalations in contracts and utilities.

Other funds

Emergency Plant Maintenance and Repair Fund: \$350,000

The Emergency Plant Maintenance and Repair Fund is a tax-supported fund, including a County contribution that supports MC's emergency maintenance needs. We request a total appropriation of \$350,000 to include existing resources, interest income, and the annual \$250,000 from the County.

Workforce Development and Continuing Education Fund: \$22,749,000

WDCE students of all ages access career programs, training, certifications, Montgomery Can Code, summer camp, and lifelong learning programs. Additionally, MC provides high school equivalency training, adult basic education, and English for Speakers of Other Languages programs.

The College requests appropriation authority to spend \$22,749,000 from this fund, the same level of spending as the prior year. The main revenue source for this fund is State aid as well as student tuition and fees.

Auxiliary Enterprises Fund: \$2,460,000

MC requests appropriation authority to spend \$2,460,000 to support auxiliary activities.

This fund's revenue comes from ticket sales for MC's Summer Dinner Theatre program, rental fees for our facilities, sales from the student-operated Macklin Business Institute Café and the mobile EduKitchen known as the Rolling Raptor food truck, commission from the bookstore, and athletic camp fees. This appropriation covers expenditures associated with each of the above-mentioned revenue drivers.

Cable TV Fund: \$1,568,000

MCTV serves the community as a vital resource for the College and the County along with other Public, Educational, and Governmental channels. Content reaches thousands of residents monthly with programs about access to MC, career training, social justice issues, local matters, and events. In addition to cable, content is available online via social media, websites, and streaming. With offerings in the six most common languages used in the County, MCTV helps create a sense of welcome and belonging among immigrant, first-generation college students, and underserved groups. MCTV's contributions help ensure County residents are informed and engaged.

The College requests appropriation authority to spend \$1,568,000. The County Cable Plan is expected to provide \$1,335,000.

Grants Fund: \$18,600,000

We request grant appropriation authority to spend \$18,600,000. Of this amount, we request \$400,000—the same amount appropriated last year—in County funds for the Adult English for Speakers of Other Languages, Adult Basic Education, and General Educational Development test program.

Additionally, the College obtains and uses grant funds to support several significant initiatives including innovative workforce development training programs for biotechnology, cybersecurity, early childcare, information technology, nursing, and STEM programs. Other grant funds support English for Speakers of Other Languages as well as adult education and literacy programs.

Transportation Fund: \$4,200,000

This fund is comprised entirely of student and employee user fees, including parking enforcement revenue. The revenue provides transportation alternatives for students including the County's Ride On bus service and the MC shuttle bus. It also underwrites the financing costs of the construction of the Takoma Park/Silver Spring Campus West Parking Garage and the Rockville Campus North Garage. The College requests appropriation authority to spend \$4,200,000.

Major Facilities Reserve Fund: \$2,000,000

To support the financing costs of The Morris and Gwendolyn Cafritz Foundation Arts Center, we

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request appropriation authority to spend \$2,000,000 from this fund, the revenue for which is generated by student fees.

Conclusion

Thank you for your time-honored commitment to Montgomery College. With your support, MC will continue its long history of transforming lives, enriching Montgomery County, and fueling the workforce with the talent employers need. This maintenance-of-effort budget asks for no new County investment, keeps tuition flat, rewards employees, and advances Montgomery County.

On behalf of the Montgomery College Board of Trustees, please approve the College's request for a total appropriation authority of \$345,514,889.

Sincerely,


Jermaine F. Williams, Ed.D.
President


Gloria Aparicio Blackwell
Chair, Board of Trustees