



## President's Report to the Board

October 2013

Montgomery College is a place for our students to define—and redefine—their own long-term goals. Take Greg, a 36-year-old with a bachelor's degree from the Air Force Academy and 14 years of military service, including six deployments in three wars: Kosovo, Iraq, and Afghanistan. Three years ago, Greg received a diagnosis that forced him to fight for his life: cancer. He writes, "I did not know what to do with my life, but to survive I needed goals to motivate me through grueling treatments." So, here he is—fighting cancer while taking business and economics courses. He hopes to one day enroll in business school, but for now, Montgomery College has provided this nontraditional student the knowledge, support, and inspiration he needs to plan for his future:

*There are many "old" students; many who didn't gain admission to their dream university; and many who have to deal with English as a second language, or poverty or domestic issues, or some other challenge. Yet, they are not giving up. Everywhere at MC, someone is overcoming an obstacle and chasing a dream."*

To our students, we provide a lifeline to their future. To our community, we are vital to moving Montgomery County forward. In order to be that source of empowerment for our students and enrichment for our community, we must have a budget plan equally as focused on our long-term goals.

As we find ourselves on the precipice of a critical budget season for both our capital and operating budgets, it is easy to get lost in the numbers and lose sight of the bigger picture. We have our long-term goals succinctly articulated in *Montgomery College 2020*, and it is incumbent on us as we work through the budget process to focus each and every financial decision on advancing the plan's key tenets. A strategic plan that is so bold and so forward-thinking requires a well-prepared, strategically-crafted, and aligned budget that reflects specifically how the College will address the needs of the community,



demonstrate our relevance in meeting those needs, and reflect the fiscal environment in which the College now operates.

A focus on stewardship alignment undergirds every financial decision contemplated in the fiscal year 2015 (FY15) operating budget. This alignment requires us to take a collegewide view to be sure that we are allocating and reallocating resources in support of our strategic plan. This year, we saw the first full year of data from the resources modeling program (formerly known as the cost-to-educate model), which will be an effective tool in analyzing the College's expenditures. We must ensure that we are spending money where the return on such investments, like in our people, is essential to actualizing our strategic plan.

The pressures on the College are great because our need is great. Our county's latest census has confirmed what we, at Montgomery College, have known for some time: the county population has changed in nearly every way. According to an article by the Brookings Institution, the number of Montgomery County residents living below the federal poverty line grew by two-thirds—that is more than 30,000 people—in just three years between 2007 and 2010.

Responding to a critical need for education to lift people out of poverty into the middle class, as well as concerns about cost and quality, lawmakers are placing external pressure on all of higher education by focusing on outcomes, data, and metrics. For instance, the [College and Career Readiness and College Completion Act of 2013](#) (SB 740), which I discuss later in this report, requires Maryland community colleges, including Montgomery College, to start nurturing student success *before* county students even become *our* students.

To be sure, the need *for* Montgomery College and the needs *of* Montgomery College are great, but so too are the continuing fiscal pressures on our external community. The fact remains that our county and state, as well as private individuals, are facing tremendous financial constraints. The financial requests are many, and the financial resources limited. While we do expect public spending on higher education to gradually increase in the years ahead, we must be cognizant of the financial tug of war among many competing priorities at the local, state, and federal levels. Therefore, we must ensure that our budget is specifically tailored to be relevant to what is happening in the county and with the issues that policymakers, community members, and employers care about the most.



Our budget process supports alignment with our goals in *Montgomery College 2020*, as well as with the current fiscal environment. Every budget request submitted by College leaders must specify exactly what strategic plan goal that money will help actualize. We have held a number of meetings to comb through these budget requests to prioritize and align the proposals with the College's long-term goals. While you are hearing about the capital budget this month, my team will continue to work on the operating budget before sharing it with you at the board budget committee meeting and at your November meeting. Ultimately you will be asked to approve the proposed budget at your December meeting. While that approval process is some time away, I hope this month's report provides an early glimpse into the thought process behind the forthcoming budget.

### **FY15 Budget Priorities**

While we still have to iron out many of the details of the budget, our employees are planning ahead and aligning their budgets with the goals of specific programs, as well as with our strategic plan. We expect to devote the bulk of our resources in FY15 to three primary areas: educational excellence, student success and completion, and community engagement.

#### *Educational Excellence*

The most important component to ensuring the College provides an excellent education to our students is our people—our employees who teach, support, advise, counsel, and perform the critical tasks that support students. For this reason, the compensation and collective bargaining aspects of our FY15 budget will comprise a significant portion of our resources. We already have committed to giving our employees a salary increase in FY15. Additionally, the College will offer a variety of monetary bonuses to College employees based on number of years with the College, performance rating, and other enumerated criteria. The College also will take a hard look at the College's talent acquisition and current talent retention strategy, ensuring that we not only are able to recruit faculty, staff, and administrators who excel in their fields, but also able to keep that intellectual capital at the College to create a continuum of excellent education.

Another critical component of creating an excellent learning environment is investing in facilities that provide our students with hands-on and highly-relevant educational experiences.



While our capital budget covers the construction of such facilities, the College will add significant expenses to its operating budget with the opening of the Germantown Bioscience Education Center in FY15. This 145,139-square-foot building will offer students up-to-date biotechnology and science laboratories in a modern facility, not only providing them with the tools necessary to compete in today's knowledge-based economy, but also supplying a biotechnology workforce for Montgomery County and the state of Maryland.

### *Student Success and Completion*

Students, like Greg, must be the core around whom our budget revolves. We are fiercely proud of our commitment to provide access to higher education, but to achieve our long-term plan, we must be equally focused on ensuring that our students receive more than access; they must succeed and complete. While the definitions of success and completion are as varied as our student population, there must be consistency in the services and academics that we provide. When making difficult allocation decisions, we remain focused on how the funding best benefits student success and completion.

In FY15, the College will implement the restructuring of academic affairs, an ambitious plan that undoubtedly will touch all aspects of our institution. Our budget proposal will reflect costs associated with the redesign, as well as investments in instructional areas geared towards student completion. Additionally, our budget will take into account how we can better support student services, including the implementation of SB 740, which requires that all of our degree-seeking students file a degree plan upon entrance to the College.

### *Community Engagement*

Training tomorrow's workforce and becoming an economic generator for our county and state is central to our mission, but being a true community partner means engaging our residents inside and outside our classrooms. As the community's college, it is our responsibility to make sure that we are a source of support and knowledge for every member of our community. We must reach out to those who are chronically underserved. By considering *who* we reach, we ensure *what* we teach coincides with the skills they need to achieve in today's workforce.

Engaging the community means more than just being accessible. It means actively inserting



ourselves into the community and spreading the word about who we are and what we have to offer. We already do this in life-changing ways, and I hope that FY15 will include a greater emphasis on introducing ourselves to county residents whom we can empower to change their lives.

Part of the way we hope to accomplish this goal, as will be reflected in the FY15 budget, is to cement Montgomery College as an intellectual anchor in our community—a constant source of knowledge, information, culture, learning, and all other components that empower and enrich our community. Part of this process will include expanding the College footprint beyond our actual campuses, such as by holding College classes at community engagement centers in underserved areas of our community. As you know, our strategic plan goals include the creation of at least two community engagement centers in the county, in partnership with government, corporate, and/or nonprofit entities. Additional community engagement plans include sponsorship of annual community engagement events, production of an outreach communication in a variety of languages via the website and other media, and the development of a community engagement roundtable. All of these community engagement initiatives will help support the additional FY15 goal of transforming the county into a “College Town” with the College as the centerpiece.

## Conclusion

Since you were so instrumental in creating *Montgomery College 2020*, I hope that you will consider using it as a compass as you reflect on our FY15 budget. We will rely on your wisdom as community leaders to help us articulate the needs of the community, as well as to communicate why our College, and the proposals in our capital and operating budgets, are so essential to our community. I hope you will communicate our goals in this budgeting process with your colleagues and friends—business leaders, community leaders, elected officials, or even your next-door neighbors. I know how passionate you all are about our mission. It is critical that members of our community see that passion and learn how Montgomery College is relevant to moving Montgomery County forward. Encouraging grassroots support is crucial; it is powerful when official representatives like you and I are joined by community members in speaking to our lawmakers and donors to communicate the vital role of the College. The more people we educate



about our mission, the more chance we have of our budget requests reaching the ears we need them to reach.

This budget season marks my third as the leader of this phenomenal institution, and each year makes me more proud of where we are and where we are going. We already have been on quite a journey together as we lay a foundation upon which we can grow and flourish. Now that the building blocks are in place, our College is poised to build our future. Just as we empower students like Greg to envision where they want to go, and give them the tools to get there, *Montgomery College 2020* sets our path, with each year's budget as the tool to move forward.

### **Monthly Discussion Questions**<sup>1</sup>

1. **Institutional needs.** What kind of change, if any, does our institution need?
2. **Context and competition.** Do we understand our institution's competitive position?
3. **Consequences of no change.** What are the consequences if we do not engage in a change process?
4. **Leadership capacity.** As a board and as individual board members, are we able and willing to work with our president to bring about positive change?
5. **Change process and players.** Based on this discussion, what is the right role for the board to play at this time?

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<sup>1</sup> Adopted from MacTaggart, Terrence J., *Leading Change: How Boards and Presidents Build Exceptional Academic Institutions*, AGB Press, 2011 (pp. 21–22).

