Periodic Review Report

presented by:

Montgomery College
Campuses Located at Germantown, Rockville, Takoma Park/Silver Spring, MD

Dr. DeRionne Pollard, President

presented to:

Middle States Commission on Higher Education

Date of the most recent decennial evaluation team's visit: March 2–5, 2008

CHE
MSA
Middle States Commission on Higher Education
3624 Market Street, Philadelphia, PA 19104-2680
Phone: 267-284-5000 Fax: 215-662-5501 www.msche.org

Certification Statement:
Compliance with MSCHE Requirements of Affiliation and Federal Title IV Requirements
(Effective October 1, 2009)

An institution seeking **initial accreditation** or **reaffirmation of accreditation** must affirm by completing this certification statement that it meets or continues to meet established MSCHE requirements of affiliation and federal requirements relating to Title IV program participation, including relevant requirements under the Higher Education Opportunity Act of 2008 such as those on distance education and transfer of credit.

The signed statement must be attached to the executive summary of the institution's self-study report.
If it is not possible to certify compliance with all such requirements, the institution must attach specific details in a separate memorandum.

_Montgomery College____________________________
(Name of Institution)

is seeking *(Check one)*: ___ Initial Accreditation _X__ Reaffirmation of Accreditation

The undersigned hereby certify that the institution meets all established requirements of affiliation of the Middle States Commission on Higher Education and federal requirements relating to Title IV program participation, including relevant requirements under the Higher Education Opportunity Act of 2008 such as those on distance education and transfer of credit, and that it has complied with the MSCHE policy, "Related Entities."

___ Exceptions are noted in the attached memorandum *(Check if applicable)*

(Chief Executive Officer)	5/20/13 (Date)
Stephen Z Kaufman (Chair, Board of Trustees or Directors)	5/20/13 (Date)

Introduction

By Montgomery College President DeRionne P. Pollard

In June 2011, the Board of Trustees adopted a new vision for Montgomery College:

> ***With a sense of urgency for the future, Montgomery College will be a national model of educational excellence, opportunity and student success. Our organization will be characterized by agility and relevance as it meets the dynamic challenges facing our students and community.***

The sense of urgency that leads our vision is essential during a time of transformational change in higher education. Yet in order to be our best selves – to be a college characterized by agility and relevance – it was also essential that we stop and take stock of ourselves as an organization. As we near our seventy-year anniversary, it was time to re-examine our architecture, to look carefully and deliberatively at the structure that supports Montgomery College. For once we were assured that our foundation was strong, we would be better able to achieve Middle States' goals and become the national model of excellence we aspire to be.

The American Association of Community Colleges' 21st-Century Commission on the Future of Community Colleges supports this kind of deliberative assessment and revision. The Commission has challenged community colleges across the nation to re-imagine the ideal community college by looking at three crucial Rs:

- **Redesign** student's educational experiences,
- **Reinvent** institutional roles, and
- **Reset** the system to create incentives for student and institutional successes.

While our work is not complete, Montgomery College has made substantial progress in our efforts to redesign, reinvent, and reset. I wanted to share with you some of the organizational rebuilding that we as a College undertook in the first two years of my presidency.

- After we developed new mission, vision, and core values statements, we used these as touchstones to strengthen our foundation. We defined a Common Student Experience and created 7 Truths our students should be able to expect from our institution.
- The College has worked on developing a "one college" organizational model that focuses and aligns human and capital resources and is guided by an integrated fiscal plan.
- We completely revamped our governance system to include far broader participation across college groups. For the first time, students are part of our governance structure.
- We undertook a renewed classification and compensation review.
- We built a collaborative senior leadership team which included hiring a chief of staff/chief strategy officer and three senior vice presidents.
- We restructured both the Student Services and Administrative and Fiscal Services units.
- College athletics was reorganized to comply with changed National Junior College Athletics Association rules. We created a new Institutional Compliance office.
- We have united as "one college" in many ways, including one set of school colors, chosen by our community in support of reinvigorating our athletics program.
- The College raised private donations to support an Innovation Fund that funds faculty and staff initiatives.
- Most recently, the Board of Trustees approved ***Montgomery College 2020***, the College's long-range strategic plan.

This strategic plan, ***Montgomery College 2020***, clearly outlines the five themes that will shape our direction over the next eight years: (1) educational excellence, (2) access, affordability and success, (3) economic development, (4) community engagement, and (5) assessment and institutional effectiveness. We are attaching the 2020 plan to the Periodic Review Report so that you may review this long term vision in full.

I am confident that our very deliberative assessment and implementation of needed organizational changes will reap tremendous benefits for our students. Coupled with the extraordinary commitment and talent of our faculty and staff, Montgomery College is indeed well-positioned to achieve our vision as a national model of educational excellence, opportunity and success.

The following Periodic Review Report details our efforts to redesign, reinvent, and reset our institution to prepare it for the future.

To access several password-protected, secure websites on our MyMC portal, Periodic Review Report readers must use the following case-sensitive login: mstates, and the password: Middl3States. The links to the websites are found throughout the report.

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Montgomery College Acronyms

ACES	Achieving Collegiate Excellence and Success
AELG	Adult English for Speakers of Other Languages & Literacy - GED
COA	Chart of Accounts
CAR	College Area Review
CCC	College Curriculum Committee
CTL	Center for Teaching and Learning
COAT	Collegewide Outcomes Assessment Team
CCSSE	Community College Survey of Student Engagement
CASAS	Comprehensive Adult Student Assessment Systems
DE	Distance Education
DEAC	Distance Education Advisory Committee
EEAG	Employee Engagement Advisory Group
FYE	First Year Experience
FTE	Full-Time Equivalents
GEC	General Education Committee
LSF	Life Sciences Park Foundation
MSCHE	Middle States Commission on Higher Education
MC	Montgomery College
MCPS	Montgomery County Public Schools
OIRA	Office of Institutional Research and Analysis
OA	Outcomes Assessment
OIT	Office of Information Technology
PAR	Performance Accountability Report
PRR	Periodic Review Report
PEC	President’s Executive Council
PRRCC	PRR Coordinating Committee
QM	Quality Matters
SOS	Service-Outreach-Support
SLOAR	Students Learning Outcomes Assessment Report
STEM	Science, Technology, Engineering, and Mathematics
OVPPIE	Office of the Vice President for Planning and Institutional Effectiveness
VPPIE	Vice President for Planning and Institutional Effectiveness
WD&CE	Workforce Development & Continuing Education

PERIODIC REVIEW REPORT

Chapter 1
Executive Summary of the Periodic Review Report

Overview of Montgomery College

Montgomery College is a public, open admissions community college in Maryland with campuses located in Germantown, Rockville, and Takoma Park/Silver Spring, all serving key geographic locations in Montgomery County, a large suburban county adjacent to Washington, DC. The Germantown Campus is located "up county" in an area that still serves rural and emerging suburban neighborhoods and a growing technology corridor. The Rockville Campus is located centrally in the county's capital city. The Takoma Park/Silver Spring Campus is "down county" and adjacent to Washington, DC. In addition to the College's outstanding transfer, nursing, science, mathematics, and technology programs, Montgomery College provides many developmental programs as it serves the county and College's neediest students. The College also offers Workforce Development & Continuing Education (WD&CE) centers as well as off-site programs throughout Montgomery County, Maryland. Montgomery College serves more than 60,000 students a year (or 21,957 FTEs – Full-Time Equivalents), through both credit and noncredit programs in more than 100 areas of study. To promote increased access to higher education in the county, the College's Board of Trustees voted unanimously to support the Maryland Dream Act that eventually passed via voter ballot in the 2012 November general election. The College has begun to implement this legislation, which provides in-state tuition rates to undocumented college-aged students who meet certain requirements. More information about student demographics can be found in chapter 4.

As of November 2012, Montgomery College employed 1,590 credit instructional faculty and 129 noncredit faculty. Women comprise 57 percent of instructional faculty and 61 percent of noncredit faculty. Thirty-six percent of the entire faculty cadre is classified as nonwhite. In fall 2012, the College employed 78 administrators and 1,719 staff members. Faculty members at the College are unionized and work under collective bargaining agreements negotiated between the American Association of University Professors (for full-time faculty) and the Service Employees International Union (for part-time faculty). Approximately half of the staff are unionized and operate under the bargaining agreements between the American Federation of State, County, and Municipal Employees.

Like all community colleges in Maryland, Montgomery College and its Board of Trustees are legally accountable to the state and to the county for the operations of the College. Montgomery College operates under the authority of the Maryland Higher Education Commission. The Commission has the authority to establish minimum requirements for associate degree-granting institutions and to establish general policies for the operation of postsecondary education. Montgomery College was first accredited on April 28, 1950 by the Middle States Commission on Higher Education and has remained on the accredited list ever since, with accreditation reaffirmed in 1957, 1968, 1978, 1987, 1997, and 2008. Related professional societies or accrediting agencies also accredit some specialized programs. Montgomery College consistently and expeditiously submits all necessary information and data to the Integrated Postsecondary Educational Data System in a manner consistent with federal guidelines. IPEDS documents required for the PRR may be found under "Additional Required Documents."

Mission, Vision, and Core Values

The mission, vision, and core values statements for Montgomery College were developed in 2011. They are the driving force of the institution and a reminder of the many services that the College provides in the community.

Mission Statement
We empower our students to change their lives and we enrich the life of our community. We are accountable for our results.

Vision Statement
With a sense of urgency for the future, Montgomery College will be a national model of educational excellence, opportunity, and student success. Our organization will be characterized by agility and relevance as it meets the dynamic challenges facing our students and community.

Core Values
Excellence, Integrity, Innovation, Diversity, Stewardship, Sustainability

The *President's 2012 Report to the Community* report details how the College has actualized this mission statement and focuses on three of the College's major initiatives— completion, innovation, and relevance—in fiscal year 2012. Also included in this report is an overview of the budget, as well as accolades and milestones achieved by students, faculty, and staff.

Montgomery College's Organization and Governance

The Board of Trustees of Montgomery College is the institution's legal governing body and is composed of 10 individuals who are appointed by the governor; nine members serve for six-year terms, and a student trustee serves a one-year term (see www.montgomerycollege.edu/exploremc/bot for more information). Board members serve as unpaid public officials. The president is the chief executive officer of the College and secretary-treasurer for the Board of Trustees. All executive and administrative authority and duties associated with the conduct of the College are exercised by the president or delegated as deemed appropriate by the president. The leadership team reporting directly to the president is composed of a senior vice president for academic affairs who oversees all issues related to faculty and academic units; a senior vice president for administrative and fiscal services who provides leadership for long-range financial planning, facilities, IT, auditing, and procurement; a senior vice president for student services who serves as the College's chief student affairs officer; a senior vice president for advancement and community engagement who oversees fundraising, communications, and academic and community partnerships; and a vice president for planning and institutional effectiveness who serves as the College's chief planning officer.

Montgomery College has fostered a system of shared institutional governance from its establishment in 1946. The College adopted a new participatory governance structure, which was fully implemented during academic year 2012–13 (see chapter 3). The College's governance model is composed of a College Council, four councils representing constituent groups, four councils representing functional areas, and four councils representing the campuses. The Montgomery College Participatory Governance website illustrates the relationships among the 12 councils, the College Council, the collective bargaining unions, and executive leadership at the College.

The Preparation of the 2013 Periodic Review Report

The preparation of the 2013 Montgomery College Periodic Review Report (PRR) was supported by the Office of the Vice President for Planning and Institutional Effectiveness. The PRR Coordinating Committee (PRRCC) was convened during the summer of 2011 and was co-chaired by Dr. Sharon Ahern Fechter and Dr. Eric Benjamin. The co-chairs were responsible for assembling the report and ensuring that it was consistent with the expectations and metrics articulated in the *2008 Montgomery College Self-Study*, *Characteristics of Excellence in Higher Education (2006)* and the *Handbook for Periodic Review Reports (2011)*. In order to reflect a valid representation of constituent groups of Montgomery College, the membership of the PRRCC consisted of Montgomery College staff, faculty, students, and administrators from all three main campuses and Workforce Development & Continuing Education. The PRRCC was charged with the facilitation and approval of the overall process of the project, which included reviewing the requirements of the PRR, creating a timeline, designing the PRR process, gathering essential documentation and data, writing the PRR draft report, soliciting institutional feedback, and editing the PRR draft before submitting the completed document to the Board of Trustees for its review and approval.

During the summer of 2011, working groups were selected by the PRRCC and tasked with assembling each of the six chapters of the PRR. Each group reviewed the expectations and requirements of the chapter consistent with the *Handbook for Periodic Review Reports (2011)* and generated charge questions to address MSCHE requirements. In coordination with the Office of the Vice President for Planning and Institutional Effectiveness (VPPIE), the working groups assembled all necessary documents, including institutional profiles, audited financial statements, budgeting documents, institutional planning documents, and outcomes assessment plans. They also conducted interviews to robustly address the requirements of the PRR. During the fall of 2011, several presentations/feedback sessions were conducted for Montgomery College's various constituent groups. All input was reviewed and vetted for relevance to the PRR process. The findings were compiled into the initial draft of the PRR during the fall of 2011 and reviewed by the PRRCC. The draft was placed on the Montgomery College internal website for review by all constituent groups at the College and online responses were recorded and collected. This procedure was repeated in the spring and fall semesters of 2012. Modifications were made to the report based on feedback, newly created institutional initiatives, and updates to ongoing initiatives. During the fall of 2012, the PRR co-chairs utilized the College's newly adopted governance system and visited every constituency council throughout the system to share the final PRR draft.

Highlights of the Periodic Review Report

The five years since the successful completion of Montgomery College's self-study have been fruitful. In August of 2010, Dr. DeRionne Pollard assumed presidential leadership of Montgomery College following a national search. During Dr. Pollard's initial year, she outlined priorities for the College which have resulted in significant changes and accomplishments in certain areas. These include:

- Standard 1 – Montgomery College Mission and Vision Statement – In June of 2011, Montgomery College adopted a new mission and vision statement that captured the vitality and promise of the College and surrounding community.
- Standard 2 – *Montgomery College 2020* – Montgomery College has completed and ratified a new strategic plan, *Montgomery College 2020*. This forward-thinking strategic planning document will better allow the College to respond to the dynamic climate of higher education and surrounding community by linking it to measurable outcomes to track both the growth and development of students and Montgomery College as a whole (see chapter 6).
- Standard 3 – Employee Classification Study and Cost-to-Educate Budgeting Model– Montgomery College completed an exhaustive study and process of staff reclassification to permit job descriptions to be consistent with emerging employment expectations and areas of expertise. The cost-to-educate budgeting model will better link enrollment trends with ongoing financial projections.
- Standard 4 – Governance Structure – A new participatory and inclusive system of collegewide governance was ratified by the Academic Assembly and put in place in the fall of 2012.
- Standard 5 – Creation of Senior Vice Presidents for Student Services and Academic Affairs Positions – In order to adjust to the needs and responsibilities of program coordination and oversight, the position of executive vice president for academic and student services was restructured into two senior vice president positions.
- Standard 6 – The Office of Compliance – To better ensure that Montgomery College is adhering to local, state, and federal directives and laws, the College has created an Office of Compliance that reports directly to the College president.
- Standard 7 and 14 – College Area Review (CAR) and Student Learning Outcomes Assessment (OA) – The CAR, the collegewide review of all administrative and academic units, permits the College to better link the results of ongoing internal review to data driven decision-making. OA provides faculty and programs with objective data that serve to inform decisions concerning pedagogy and learning. These processes are now synchronized.
- Standard 8 and 9 – The Common Student Experience Task Force – In an effort to standardize student experiences and procedures, Montgomery College has instituted the Collegewide Common Student Experience under the aegis of the senior vice president for student services.
- Standard 10 – Faculty Accomplishments and Recognition – Montgomery College faculty have been recognized regionally and nationally for their innovative excellence in teaching and scholarship.
- Standard 11 – Curricular Redesign – Based on Montgomery College's ongoing process of academic assessment and curricular review, the College has restructured the curricula in the areas of

developmental mathematics, English, and chemistry. Montgomery College is also completing the process of revising the business and general studies programs (see chapter 2 for details regarding the revision of these degree programs).

- Standard 12 – General Education – Montgomery College is currently implementing a revised General Education Program Assessment Plan to ensure that all students have a rigorous and comprehensive educational experience regardless of their majors or areas of study.
- Standard 13 – Expansion of Online Educational and Workforce Development & Continuing Education (WD&CE) – Distance Education (DE) continues to grow as disciplines ensure that student learning outcomes are identical in DE and face-to-face courses. WD&CE continues to expand course offerings to reflect emerging trends in the local and national labor force, including programs in teacher certification, English education, and “green” technology.

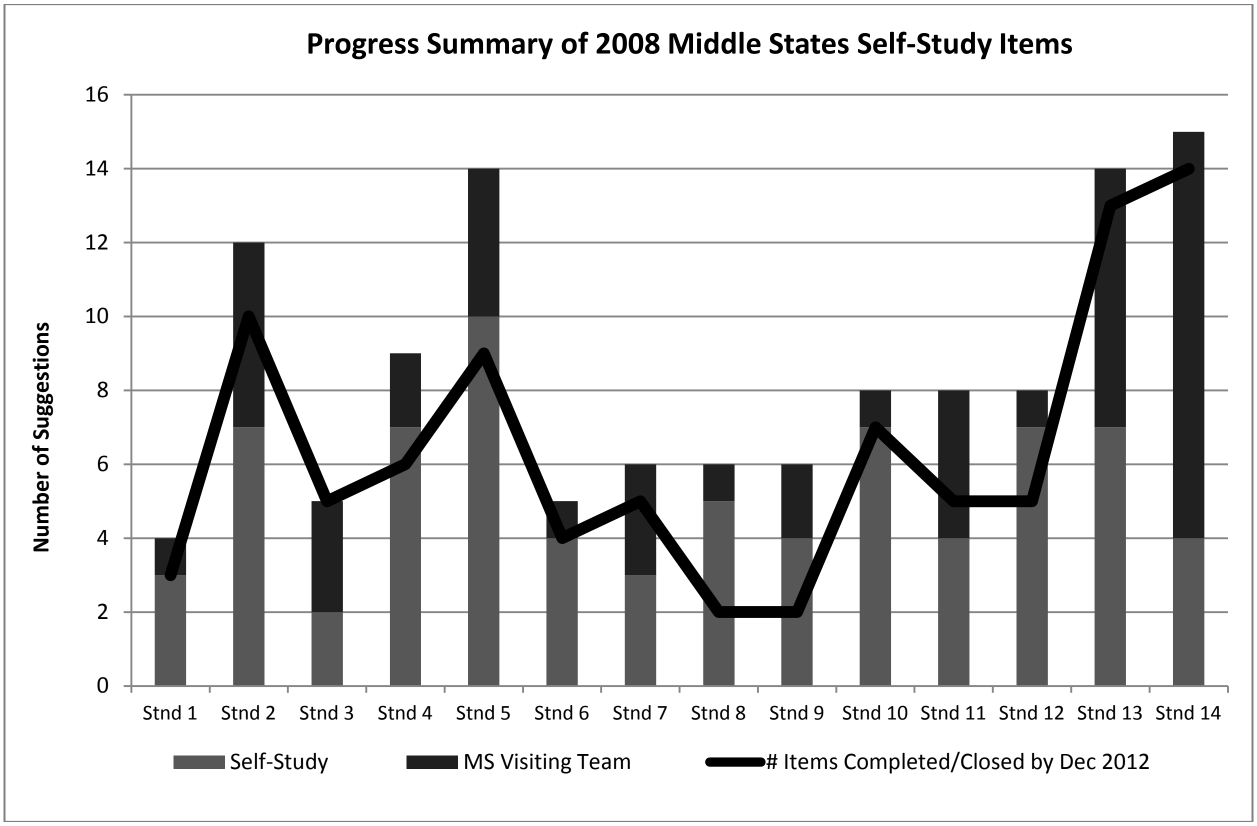
One of the most significant challenges affecting Montgomery College since its *2008 Middle States Self-Study Report* has been the downturn in the national, state, and local economies. The report outlines the ways in which the College has successfully responded to this challenge by using this financial situation as an opportunity to become more efficient and effective in the manner in which it fulfills its educational mission to both the students and the surrounding community. Montgomery College has been able to accomplish this while embracing feedback from both the Montgomery County community and the Middle States Commission on Higher Education.

With the installation of a new president, the College has moved to create processes that have allowed it to link educational decisions and allocation of resources through a continuous process of objective, institution-wide analysis. This has created the opportunity to incorporate a climate of data-driven decision making that supports and informs “best practices.” Montgomery College has worked to support its completion agenda by aligning student learning outcomes with results and statistical analysis of student performance, and also by fostering a common student experience and institution-wide governance structure that permit the College to respond to developing issues and trends that affect higher education and labor force preparation.

Chapter 2
Response to Recommendations from the Previous Evaluation

Montgomery College's 2008 Middle States Self-Study Report contained a total of 120 recommendations that the College made for internal improvement. While the visiting team endorsed many of these and made suggestions of its own, the team, under the direction of Dr. Sean Fanelli, made no recommendations and the College was honored to receive a commendation from the commission regarding the quality of the document. Montgomery College has taken the self-study recommendations and suggestions to heart and has endeavored to use them as a blueprint for improvement. Following the team visit, the Office of the Vice President for Planning and Institutional Effectiveness (OVPPIE) created a process for documenting and tracking progress toward each of the internal recommendations and each of the team's suggestions (see Appendix 2.1, Summary Report of Annual Progress Updates for the 2008 Self-Study Suggestions and Annual Progress Report Tables). The report documents activity regarding each self-study recommendation and/or visiting team suggestion from 2008 until January 2013. As of December 2012, 73.3 percent of the recommendations from the self-study have been implemented, 25 percent are in progress, and 1.7 percent have been shelved or discontinued for reasons noted in the comments sections of the report.

Table 2.1



Annual progress charts from 2009 to 2012 may also be found in Appendix 2.1. The following is a narrative summary of actions and the status of recommendations by standard. Further details may be found in the appendix.

Standard 1: Mission and Goals

All three of the self-study recommendations have been met with the articulation of a new mission statement in spring of 2011 through a highly inclusive process. Communication with constituencies regarding the student-centeredness of the College's mission continues and the new statements are prominently displayed collegewide. In addition, the Performance Canvas in the latest College strategic plan, *Montgomery College 2020*, provides periodic assessment data and serves as the decision-making platform to determine the completeness of goals and objectives as they relate to mission.

Standard 2: Planning, Resource Allocation, and Institutional Renewal

College goals and objectives have been reviewed annually. The new strategic plan developed in AY 2011–12 and implemented in AY 2012–13 (see chapter 6) assures satisfactory progress on several self-study recommendations. Participation in the planning process has been broadened and planning processes have been evaluated and coordinated through the OVPPIE. The effort to clarify the connection among strategic planning, tactical planning, and implementation of plans is ongoing. An initiative to revise the Academic Master Plan, which will follow the model that the College used for the strategic planning process, is anticipated (see the Strategic Planning website). Following the established model of the collegewide strategic plan, the new academic master plan will include a set of performance indicators and an annual assessment process. Status updates are to be collected annually regarding the progress of the academic master plan to determine the effectiveness of the plan and whether changes are needed. The College also reviews the institution's goals and objectives annually to ensure that they remain strategic and measurable. Regular communication regarding budget decisions has been implemented and is coordinated among the offices of Institutional Planning; Budget; Human Resources, Development, and Engagement; and Audit/Business Process Management. This process also includes ongoing input from the Office of the President, the Office of Government Relations, and the Board of Trustee's Budget Committee. Finally, the TracDat system is in use for tracking recommendations for institutional renewal.

Standard 3: Institutional Resources

In the area of human resources, a classification study that began following the self-study underwent significant revision in spring of 2012, and a new classification system was implemented in July of 2012 (see chapter 3). With regards to the self-study's recommendation to pursue alternative sources of funding, the Montgomery College Foundation successfully completed a $25 million capital campaign in 2009 and the Office of Institutional Advancement continues to work with faculty to aggressively pursue grants and other sources of outside funding (see Appendix 2.2, Grants Received, 2008–12).

Standard 4: Leadership and Governance

The Board of Trustees now annually conducts a comprehensive written self-assessment, both at the individual level and the board level, which is modified periodically to ensure appropriate alignment of assessment criteria and board objectives. A new governance structure that ensures participation from all constituencies was implemented in 2012 (see chapter 3) and the role of faculty in governance has been incorporated into new faculty orientations. A review of academic committees was completed by the Academic Assembly and considered in the development of the new governance structure. The College communications plan continues to evolve. In 2011, the President's Executive Council (PEC) adopted a communications strategy that includes utilizing coordinated multiple channels of communication (see Appendix 2.3, Communications Strategy). At the time of the Middle States visit, the College had a number of academic efforts organized under the auspices of the Learning College. Since that time, those initiatives and structures have been reviewed and incorporated into general academic and student development areas without continuing the administrative structure of the Learning College as a formal entity. Students were identified to participate in the MyMC advisory group for the College intranet, and, as a result, a student portal was created to ensure that students had a means to provide input and feedback. Since 2008, students have been given a broader role on important committees (e.g., The Instructional Materials Affordability Task Force, the Student Services Restructuring Task Force, and the Common Student Experience Task Force), and this will continue under the new governance model.

Standard 5: Administration

The use of faculty for nonacademic administrative work was reviewed. Owing in part to fiscal constraints, the College eliminated the majority of administrative associate positions that had been filled by full-time faculty. Academic reporting structures at the executive level were realigned with the separation of academic and student services into two senior level units (see chapter 3) and in fall 2012, the senior vice president for academic affairs established an Academic Reorganization Committee to examine the current academic organization and make recommendations for its academic restructuring to the president. Academic and administrative reporting structures in general continue to be reviewed and changes have been implemented (see chapter 3). The job classification study has been completed, positions have been reclassified, and employees have been notified of the results. To ensure that the classification system remains relevant and equitable, a five-year maintenance review cycle has been established as well as an annual opportunity for staff to request a classification review. Efforts to formulate a plan to address the creation of additional administrative positions are ongoing. A survey of the administrative review process was completed in 2011 and changes incorporated through the use of the new talent management system (Taleo) program. Key vacancies in the area of human resources were successfully filled. A compensation policy was instituted following the implementation of the new classification system. The Classification Steering Committee was charged with recommending a comprehensive salary structure for administrators and staff and reviewed salary structures that included pay-for-performance options. The Committee also recommended that the current salary range and increment (formerly known as 'merit') be retained with a few key enhancements. In August 2012, the president adopted the committee's recommendations. A consideration of cost, benefit, and percent of budget per student when conducting evaluations of special programs is being undertaken as part of the implementation of the cost-to-educate budgeting model that the College has adopted (see chapter 4). Members of the college community continue to infuse the one-college concept at every level, and this concept is a presidential priority. The use of technological avenues of communication continues to expand and includes an automated e-mail-blast solution.

Standard 6: Integrity

The Office of the General Counsel continues to monitor the College's compliance in every area and an Office of Compliance has been established (see chapter 3). Faculty have been actively engaged in discussions surrounding the definition of plagiarism and have created and/or disseminated tools and techniques, including a comprehensive library guide and a Digital Copyright Guide, that speak to this issue. Cases of academic dishonesty are now captured in a collegewide database. The OVPPIE has undertaken several initiatives that make assessment information readily available to the public. These include the development of a periodic Institutional Effectiveness report; the publication of semi-annual assessment newsletters regarding College Area Review and Learning Outcomes Assessment posted on the public web site and announced to the college community, and the posting of public information on the OIRA website. This public information includes the *College Fact Book*, *Performance Accountability Reports*, *Student Profiles*, results from Community College Survey of Student Engagement, student success reports, graduation and transfer reports, and finance reports. Finally, a unified assessment web site is under development to consolidate and serve as a central web portal of the assessment initiatives of the College.

Standard 7: Institutional Assessment

The College has effectively streamlined many assessment processes and established guidelines for consistency under the College Area Review (CAR) process. An institutional assessment plan document with periodic reports is an integral component of the CAR initiative. The College continues to work toward the seamless coordination of assessment processes and practices and has successfully integrated the use of online database tools (TracDat) for managing the process. In addition, the hiring of a director of assessment in spring 2013 represents a significant step in coordinating collegewide assessment. The OVPPIE continues to improve the communication of the goals, objectives, and results of assessments through various websites and the use of the internal daily electronic newsletter *Inside MC Online* (see chapter 5). The chart of accounts discipline based accounting system has been revised and was implemented in July 1, 2012 establishing some collegewide guidelines for consistency as programs and areas are assessed. It supports consistency in terms of reporting as well as program evaluation. Finally, the Institutional Effectiveness Report, comprising the Performance Canvas, assessment results of the collegewide strategic plan, and other relevant institutional data is accessible on the web site and announced through collegewide e-mail.

Standard 8: Student Admissions and Retention

The College has made progress toward developing a process for students to reassess their goals on a continuing basis and toward identifying ways to collect and report accurate student goals. Goals are identified at admission, clarified during Montgomery Advising Program sessions, and may be reassessed through individual counseling and advising, student development courses, workshops, and events, as well as through online resources and workshops. In addition, students who are suspended from financial aid eligibility because they do not meet the College's standards for financial aid satisfactory academic progress must appeal their suspension to regain their aid eligibility. Part of the appeal process is developing a long-range academic plan with an academic adviser. There is no mandatory comprehensive or individual advisement or goal assessment currently in place for all students. Nevertheless, the majority of incoming students attend group advising sessions. Efforts to evaluate and improve advising and registration processes are ongoing and are a fundamental component of the Common Student Experience initiative and the College's recently adopted principles articulated in the 7 Truths for a Common Student Experience. These efforts constitute a primary focus of the student success team (see chapter 3).

In the summer of 2008, The *Enrollment Management Plan* was finalized following the team's visit, presented to all constituencies, and adopted collegewide. The College's Enrollment Management team worked with the marketing team in developing student recruitment processes. The plan was further reviewed in spring 2012 and the latest collegewide strategic plan, *Montgomery College 2020*, and the new academic master plan will drive the enrollment and recruitment strategies going forward (see chapter 4). The College continues to refine and develop programs and services to support retention and success, most recently with its participation in initiatives that support the nation's community college completion agenda. Particular attention is paid to Hispanic and African American students through initiatives such as the College's Boys to Men mentoring program and Latino outreach efforts (see chapter 3).

Standard 9: Student Support Services

The recommendations from the College's 2006 Disability Support Services Report were reviewed and many were implemented. A new collegewide tracking system, StarFish, has been purchased. Initiatives are underway to improve student access to counseling, testing, and tutoring services through an increase in online services. Welcome Centers will be created on each campus beginning in the fall of 2013. The Advising Steering Group has researched national models and best practices and conducted an advising survey to guide improvement. Preferred advising hours are now advertised in the spring for continuing student fall registration, leaving the busy summer months for new students. Special registration fairs and aggressive marketing have also been used to attract students to an earlier timeframe. Assessment centers and advising departments have part-time or temporary funding to supplement staffing during peak periods. Collegewide student support services and responsibilities in these areas have been realigned as part of this initiative. A complete page on "How to Get Help" has been added to the *Student Insider's Guide* (student handbook) to make grievance and complaint procedures more easily accessible to students.

Standard 10: Faculty

The full implementation of the Taleo recruitment system has helped streamline faculty hiring processes; it has also increased the efficiency of the part-time recruitment processes. Tuition benefits have been negotiated for part-time faculty, and the evaluation of these faculty members has been standardized collegewide. Revised evaluation forms have been developed for full-time faculty and counselors and take into consideration nonteaching roles such as committee service. A formal process to evaluate chairs is under discussion. Approval was negotiated for each faculty member to be able to use up to $500 of professional development funds for long-distance travel over a two-year period. In 2012, the senior vice president for academic affairs approved a plan to allocate $600 for each full-time faculty member and for professional staff for long-distance travel. The deans' group has also made annual recommendations to utilize more full-time faculty in disciplines in which it is difficult to find part-time faculty.

Standard 11: Educational Offerings

Course outcomes and objectives for winter session and online course offerings are identical to those of traditional offerings and are effectively monitored by academic departments. Student success rates in these offerings compare well to those in traditional offerings. A comprehensive list of the College's accreditations has been updated and published in the *Catalog* and on the College website. Aggressive advocacy with county and state legislatures for both operating and capital funds continues. Institutional support for initiatives that build on the premise that all knowledge interconnects remains in several areas (learning communities, honors programs, interdisciplinary programs), in spite of fiscal constraints. The College has actively developed methods to relieve some of the constraints due to physical capacity limitations, including alternative class scheduling (winter session), distance education in the form of online and blended offerings, and the offering of off-campus classes. The College has also implemented multiple parts of term in course scheduling and adopted a new schedule management software package, CollegeNET, in order to more effectively organize classroom offerings, improve classroom space utilization, and offer additional classes to support enrollment increases. The College continues to offer linked courses in the form of learning communities, many of which pair general education and non-general education courses. The organization and reporting structure of the libraries has been reviewed and the libraries now report to the academic administration. The College is currently reviewing operating policies and procedures in the tutoring/learning center programs to ensure consistency of operation across all three campuses as part of the one-college initiative, and in support of the College's commitment to the 7 Truths for a Common Student Experience.

Standard 12: General Education

The review of the general education program has been completed, and two new "Areas of Proficiency" have been added: 1) Arts and Aesthetic Awareness and 2) Personal, Social, and Civic Responsibility. General education courses are designated as such in the course schedule, and general education outcomes information is a required component of class syllabi. A resource and communication plan to increase awareness about the general education program is underway, and includes web materials for students and faculty, and general education assessment workshops for faculty. General education advising continues to be a component of individual advising and general advising sessions. A member of the general education committee had been officially included in the outcomes assessment team as suggested, but this work was subsequently assumed under the aegis of the curriculum committee. Work is ongoing on a transfer agreements website that has been designed to allow students to search existing agreements. These specify how general education courses will transfer. A revised timeline and plan for the assessment of the general education program has been finalized and implemented (see chapter 5).

Standard 13: Related Educational Activities

Placement instruments for non-native speakers are reviewed periodically. Although national standardized test development in this area has not been robust and none has been identified as appropriate, faculty will continue to monitor the availability of appropriate instruments. Faster tracks for advanced American English Language Program students to enroll in credit courses are under consideration, with a pilot in mathematics beginning in the spring 2013 semester. The description and marketing of certificate programs have been enhanced through advertising as well as through the state initiative "Skills2Compete." Efforts are ongoing to create closer connections between credit and noncredit offerings. The appeals processes for placement have been reviewed to ensure fairness and appropriate placements, and these processes are now communicated more frequently and effectively to the College community. The College's *Policies and Procedures Manual* has been updated accordingly. The *Catalog* now includes information about the Assessment of Prior Learning, as suggested by the visiting team.

In the area of Workforce Development & Continuing Education (WD&CE), co-listed course enrollments are now tracked in real time showing credit and noncredit enrollments. WD&CE found the present departmental judgment on the number of co-listed seats to be appropriate. WD&CE courses are designed to meet external benchmarks of industry certifications, licensing requirements, or stated outcomes, as described in course materials. In 2011, the College launched Career Coach, an online tool that presents both credit and noncredit program offerings linked to occupations. Co-listed course enrollments are now tracked in real time showing credit and noncredit enrollments. The Business, Information, Technology, and Safety area now meets quarterly to discuss marketing and business outreach, resulting in the development of course offerings and the identification of student internships. Outcome assessment activities are underway in all program areas.

In the area of distance education, the Middle States team's suggestions and the self-study recommendations have been followed closely. In an effort to ensure that all constituencies were involved in decisions regarding distance education contracted services, the Distance Education Advisory Committee (DEAC) participated in the selection of a new course management system in conjunction with the Office of Distance Education and Learning Technologies and the Office of Information Technology. A research plan that includes the creation of a Fact Book that tracks enrollment and retention data has been created and is updated annually. In addition, the College has adopted the Quality Matters (QM) Peer Review process and followed a rigorous implementation plan to assure its success. To date, 69 full-time and part-time faculty, staff, and administrators have received QM training. The College has worked to meet the team's suggestion to build faculty and counselor engagement with distance education by including a dean of student services, instructional faculty, and counselors on the DEAC. An online assessment tool to determine student readiness for online learning, READI, was adopted in 2009. Student learning outcomes for distance education courses are identical to those of face-to-face offerings and are administered and monitored by the disciplines. Work on outcomes for the Office of Distance Education and Learning Technologies continues. Outreach to students who register for distance classes includes electronic communication advising them of the student services available to distance learners.

Standard 14: Assessment of Student Learning

A procedure has been developed to clearly link, track, and disseminate recommendations through TracDat, and the College has streamlined the system's follow-up and processing of data (see chapter 5). The Outcomes Assessment (OA) cadre works with disciplines and programs to develop and implement further reliability studies and assessment pilots. In addition, communications plans for assessment have been developed and are ongoing, although progress was slowed by the fact that the administrative coordinator position for this initiative was frozen due to budget constraints (see chapter 5). The plan to ensure appropriate implementation of OA-driven change has been carried out primarily through training and follow-up through the OA cadre, which reports increasing compliance. While the team suggested that the OA process for all courses be expanded, resources to do so were not available, so the decision was made to continue course-level assessment in highly enrolled courses so that the assessment loop could be closed in those offerings and results used for improvement. Subsequently, the focus has shifted to program assessment and assessment of general education. Course syllabi are audited by departments to ensure that student learning outcomes are formally communicated in all courses. Assessment training opportunities are extended to discipline chairs and deans through OA and CAR orientation processes. Direct measures of student learning are now incorporated within the CAR following completion of the OA assessment cycle. The timing of OA with CAR processes has been synchronized. Following the two-year OA review, results are incorporated in the CAR discipline review and both are reviewed by the appropriate executive team and tracked in TracDat. Regular external review has not been incorporated into the CAR due to fiscal constraints. A section regarding student learning assessment has been added to the *Montgomery College Faculty Handbook* and the *Catalog*. The Student Learning Outcome Assessment Report (SLOAR) 2011 has been completed as required by the Maryland Higher Education Commission. The collegewide assessment plan was revised in the summer of 2012 and includes the updated general education assessment plan as well as OA and CAR assessment timelines and processes (see chapter 5). The College has reviewed tracking and communication processes for student learning assessment results via TracDat. A student representative has not been included on the College Area Review Committee, although formal student input is actively sought as part of the process. The College has completed a curriculum mapping project for the assessment of discipline/program outcomes, and programs are developing measures for assessing these according to schedule.

Montgomery College has been diligent in following its own recommendations in the self-study as well as the team's thoughtful and collegial suggestions for improvement. The College will strive to bring these efforts toward completion as it moves toward investigation and reporting for the decennial review in 2018.

Response to Commission Actions

In response to the Commission's request for information documenting the knowledge, skills, and/or competencies that constitute the key program-level learning outcomes of the programs in the associate of arts in general studies, the associate of arts in business, and implementation of an organized and sustained process to assess and improve student achievement of those outcomes, including direct evidence of student learning, Montgomery College acted immediately and decisively.

The senior vice president for academic and student services appointed one task force to redesign the associate of arts in business to include program-level outcomes and assessment strategies. Another was also appointed to articulate a new program of study for the associate of arts in general studies that reflected the need for breadth, depth, and rigor. Since the March 1, 2012 letter to the commission, the redesign of the degree in business has been completed and the key program-level outcomes of the program have been fully documented. The redesign includes a comprehensive evaluation plan for student learning outcomes and as of spring 2013 data collection has begun (see Appendix 2.4, Business Administration Program Outcomes).

Regarding the general studies program, the College has taken two actions. First, in response to the question of rigor, the College has implemented a graduation requirement of 15 credits at the 200 level for all general studies majors. Secondly, the senior vice president for academic affairs has tasked the General Studies Program Review and Assessment Committee with making additional recommendations for the general studies program structure, which is scheduled for final approval by the Collegewide Curriculum Committee in fall 2013. The degree is designed to promote academic cohesion, intentional learning, and synthesis of knowledge and skills and outlines clearly articulated pathways for completion. The General Studies Program Review and Assessment Committee is comprised of instructional faculty from a wide range of disciplines, counseling faculty, and faculty from the Collegewide Outcomes Assessment Team. The degree is to undergo full program assessment as outlined in chapter five and as articulated by the review committee. The full program structure and assessment plan may be found in Appendix 2.5, General Studies Degree Program and Assessment Plan. At the same time, the College's Collegewide Outcomes Assessment Team (COAT) has refined ongoing processes and instituted new ones to assure that every student graduating from Montgomery College will have appropriately demonstrated general education, course, and program goals through a systematic and sustainable process of assessment whose results are utilized to improve and enhance student learning (see chapter 5 for a thorough discussion of this topic).

Chapter 3
Accomplishments, Challenges, and Opportunities

Since the Middle States team visit in 2008, Montgomery College has experienced numerous changes and developments that touch upon virtually every one of the 14 standards articulated in the Middle States Commission on Higher Education's *Characteristics of Excellence in Higher Education*. While many of these changes have been referenced earlier in this document, this chapter will attempt to provide a comprehensive overview of the most significant changes and developments at Montgomery College and the accomplishments, challenges, and opportunities they present for the institution.

Mission and Goals (Standard 1)

Accomplishments related to mission are several since the previous self-study. The College has crafted a revised mission and vision statement that was adopted by the Board of Trustees in June 2011. The previous mission statement had been adopted in 2000. In 2011, as charged by the president, Dr. DeRionne Pollard, the College community followed a rigorous and inclusive process to successfully update and articulate these statements (see Mission and Vision Review Task Force website). The statements have served to position the College from a strategic perspective.

Challenges include the continuous need to effectively communicate the statements throughout the College community (both internally and externally) to ensure widespread understanding of and familiarity with the mission and to develop measures to appropriately evaluate the effectiveness and scope of the newly crafted statements.

Opportunities exist inasmuch as there is broad acceptance of the mission and vision statements as a point of departure for further initiatives, including the articulation of a strategic plan (see the Strategic Planning website and chapter 6). The new statements provide an important opportunity to align the articulation of all major planning documents with mission and vision, as well as with budgeting (see chapter 6), thereby linking resource allocation to the strategic foci of Montgomery College.

Planning and Resources (Standards 2 and 3)

Accomplishments associated with these standards come in many forms. A significant development has been the creation of a new strategic plan, *Montgomery College 2020*, that explicitly derives from the College's new mission statement and integrates collegewide strategies, assessments, and budget requests to link planning and budgeting (see chapter 6). Other ongoing planning processes and initiatives include Workforce Development & Continuing Education (WD&CE), information technology, capital improvements, and facilities (see Appendix 3.1, FY12 Strategic Plan: Academic and Student Services – Workforce Development & Continuing Education, and links to the Office of Information Technology (OIT) Strategic Plan and Technology Infrastructure Program Plan, and Facilities Master Plan 2006–2016.) Noteworthy accomplishments in facilities and technology have been achieved within the last five years as well, including the continued expansion of the Takoma Park/Silver Spring Campus, the implementation of a new Network Operations Center, the construction of the Science Center at the Rockville Campus that received LEED Gold certification, the planning and design of a new bioscience building at the Germantown Campus, and the approval of a unique partnership with Holy Cross Hospital to build a new hospital on the grounds of the Germantown Campus. For a complete listing of projects and accomplishments, see the Facilities Master Plan 2006 – 2016.

Regarding human resources, several developments may be cited. The challenge to appropriately classify staff in keeping with updated expectations, given developments in the nature of work since the College's previous classification, has been met and a new classification system was implemented in July 2012 (see the Classification Study website). In addition to numerous awards and accomplishments noted in Appendix 3.2, Human Resources, Development, and Engagement Accomplishments 2008–13, the College created an

Employee Engagement and Labor Relations unit to more effectively address employee concerns. The area integrated with Human Resources to become the Office of Human Resources, Development, and Engagement. Internal assessment regarding human resources was enhanced by the establishment of an Employee Engagement Advisory Group (EEAG). Results of annual EEAG surveys, the recommendations endorsed by the president, and an explanation of implementation efforts may be found on the Employee Engagement Survey website.

In terms of financial resources, several accomplishments are worthy of note. Communication to the College on budget information and financial resources has been ongoing and thorough. In spring of 2010, the interim president, Dr. Hercules Pinkney, convened a Budget Review Advisory Committee to cope with the impact of budget shortfalls at the state and county level. The work of the task force resulted in a series of cost-reduction measures that resulted in significant savings and enabled the College to endure three rounds of major budget cuts without sacrificing academic quality. While there were furloughs in FY11, the institution has balanced the budget without layoffs, was able to offer a modest salary enhancement in AY 2011-12 (see Appendix 3.3, Authorization of One-time Payments and Succession Planning Incentive), and has successfully negotiated salary enhancements for the 2013-2014 academic year. Furthermore, the College continues to receive unqualified yearly audits (see chapter 4).

Challenges have been exacerbated by the ongoing problematic fiscal climate. In terms of resources in general, from FY10 to FY13, the College's funding from Montgomery County has decreased by $12 million (11 percent) and total state aid has decreased by $2.6 million (6.7 percent). Financial resources and constraints continue to present a significant challenge, especially considering the fact that enrollments have grown (see chapter 4). For this reason, budgetary realignment and reallocation efforts are currently underway to ensure that appropriate resources are targeted to core mission activities.

Challenges in the area of planning include the need to continue to coordinate more fully all planning processes and documents as well as to continually update and integrate plans. Significant efforts are underway to further synchronize budgeting and planning processes following the adoption of a new strategic plan and a revised budgeting model (see chapters 4 and 6). Finally, because funding amounts and sources remain uncertain for the foreseeable future (see chapter 4), the implementation of developed plans, including the maintenance of current facilities and technological infrastructure, together with the need to provide the personnel necessary to implement plans and maintain services present an ongoing challenge. This uncertainty also presents challenges with regard to rectifying ongoing deficits in staffing during a time of enrollment growth. Funds are also required to maintain appropriate full- to part-time faculty ratios as well as student-faculty ratios. Furthermore, the annual computation of space needs also shows deficits on all three campuses (see Appendix 3.4, Computation of Space Needs).

Opportunities for the College going forward, however, are numerous. With the articulation of new mission, vision, and values statements and a new strategic plan, the College will now more effectively link planning processes with fiscal resources. The multi-year nature of the College's strategic plan, *Montgomery College 2020* (see chapter 6), provides the basis for transitioning to a long-term budget process tied directly to the strategic plan. At the same time, the College is exploring opportunities to seek new and innovative sources of funding to meet the challenge of uncertain allocations from county and state sources. The Office of Institutional Advancement is aggressively pursuing private and grant funding opportunities for scholarships, faculty development, curriculum enhancement, facilities, equipment, and programs. Faculty, in cooperation with the Office of Institutional Advancement, have been active in pursuing funding for innovative practices, particularly those involving course redesign, to enhance student goal identification and completion (see below). Most recently, the College was awarded three grants totaling $2.7 million to strengthen the pipeline of students entering science, technology, engineering, and mathematics (STEM) careers from the National Science Foundation, and $490,000 from the National Endowment for the Humanities Challenge Grant for the creation of an Institute for Global Humanities Initiatives. The annual Innovation Fund overseen by the Office of Institutional Advancement also provides faculty and staff with unique internal opportunities to improve learning and teaching.

Leadership and Governance (Standard 4)

Accomplishments, challenges, and opportunities in this area must be framed within the context of institutional history since the self-study in 2008. Since that time, Montgomery College has experienced significant changes both in leadership at the executive level as well as within the governing body of the institution. In 2009, following a vote of no confidence by the faculty, with subsequent follow-up by the Board of Trustees, Dr. Brian K. Johnson stepped down as president. The Board of Trustees appointed a long-time, well respected member of the Montgomery College community, Dr. Hercules Pinkney, former vice president and provost of the Germantown Campus, as interim president. Dr. Pinkney acted quickly and decisively to restore an atmosphere of mutual trust among internal and external constituencies at the College and effectively guided operations while the Board of Trustees, with the assistance of an outside search firm, conducted an exhaustive national search for a new president that was broadly inclusive, with representation from both internal and external constituencies (see the Presidential Search website). In August of 2010, Dr. DeRionne Pollard began her tenure as the ninth president of Montgomery College, with Dr. Pinkney serving as chair of a collegewide presidential transition committee.

Accomplishments in the area of leadership and governance since the last self-study, particularly from the perspective of the Board of Trustees, began with the successful completion of the search and hiring of Dr. Pollard as president, a development that the board viewed as the first step in restoring the internal and external communities' faith in the College. (Interview with Steven Kaufman, Chair, Montgomery College Board of Trustees, December 6, 2011.) In spring of 2012, Montgomery College was named a finalist in the Exemplary CEO/Board category in the inaugural Awards of Excellence, sponsored by the American Association of Community Colleges (AACC). A further accomplishment in the area of leadership and governance is the development and implementation of a new internal participatory governance structure at the College (see the Montgomery College Governance website). In spring of 2011, Dr. Pollard, following the passage of the Board of Trustees' Policy on Governance (see Appendix 3.5, Policy on Governance 11004), commissioned a Task Force on Governance to examine the current governance system, propose an appropriate model for the College, and devise an evaluation plan for that model to assess its effectiveness going forward. Task force members included representatives from constituencies across the institution. Possible models were circulated for comment at open forums on the campuses as well as through a survey instrument and updates were provided via the Task Force on Governance website. The model for Montgomery College was publicized in the fall of 2011 and constitutions, bylaws, election processes, and council memberships were established in the spring of 2012 with full implementation of the new governance structure taking place in fall of 2012. Strengths of the new model include greater inclusiveness in that all constituencies are represented; the delineation of the linkages between and among functional and constituent groups, which underscores the distinction between management and governance; the creation of a separate constituent body for faculty; and the inclusion of a built-in mechanism for assessment of the model's effectiveness. The new structure calls for high levels of participation across the College's constituencies.

Challenges presented by the departure of a president under difficult circumstances, the naming of an interim president, and the search for and selection of a new president have essentially been met. Restoring stability and confidence is a continuing concern for the Board of Trustees and the College as a whole. At the same time, some continue to view communication as an ongoing challenge as the board strives to be responsive to both the internal and external communities. Unexpected turnover in the Board of Trustees in recent years presents a challenge as well. The board intends to meet the challenge to provide professional development and mentoring to new board members in order to maintain consistency in policy and has established this as an important priority going forward.

The new governance structure may present a challenge in terms of staffing the councils and committees, given the levels of participation noted above. Furthermore, the full implementation of the structure requires a comprehensive revision of related sections in the College's *Policies and Procedures Manual*. Work has begun on this revision and is ongoing (see *Montgomery College Policies and Procedures Manual*).

Opportunities going forward are numerous. The presence of a new president along with new members of the Board of Trustees has afforded the College a unique opportunity to incorporate new ideas and broaden the perspectives of the governing body and the institution as a whole. The new governance structure offers an opportunity for all constituency groups at the College to have a voice while maintaining the appropriate distinction between governance and management. Ongoing assessment of the structure will allow modifications to be made to assure the continuing health of participatory governance at Montgomery College.

Administration (Standard 5)

Accomplishments in the area of administration, in spite of administrative change at the College since the last self-study, demonstrate the institution's resilience and determination to move forward under new leadership and to focus on its primary mission. At the time of the self-study, the areas of academic affairs and student services reported to a single executive vice president. A restructuring effort of upper-level administration began in 2009 to separate the areas and enhance the focus of each. As part of the College's efforts to promote the completion agenda, the new structure permits more dedicated attention to instruction and academics as well as to student services. In the fall of 2011, Dr. Beverly Walker-Griffea, the senior vice president for student services, began her tenure. The senior vice president for academic affairs, Dr. Donald Pearl, began his tenure in spring of 2012. A new chief of staff/chief strategy officer, Dr. Stephen Cain, was hired in fall of 2011 to improve communication among the Board of Trustees, the president, external constituencies, and the College as a whole. Several key positions, including the vice president for planning and institutional effectiveness, Ms. Kathy Wessman, and the vice president for human resources, development, and engagement, Ms. Sarah Espinosa, were moved from interim to permanent status. In the fall of 2011, in a memo to the College community, the president announced initiatives to realign administrative areas, and a task force has been formed to research and propose a revised academic structure (see Appendix 3.6, Improved Administrative Alignments). In an effort to meet increasing demands on a variety of fronts, the area of fiscal services was restructured in fall of 2011. In response to findings from the Employee Engagement Survey and as a result of feedback Dr. Pollard received in her initial listening tours, a campaign—"Service-Outreach-Support (SOS)"—has been undertaken to assure that Central Services are more responsive to the needs of front line units. An example of an SOS initiative is the fact that central staff and administrators are now deployed to the campuses to assist on the first day of classes.

Challenges have also been presented as the College has experienced additional shifts in leadership and upper management due to retirements and administrative restructuring. As part of a collegewide effort to improve and more effectively develop and deliver quality academic offerings, enhance administrative and fiscal efficiencies, maintain compliance, and focus on student completion, many areas—academic administration, student services, and financial and fiscal services—have either undergone or are in the process of undergoing restructuring initiatives.

Other challenges for the administration of the College are articulated in findings from the employee engagement surveys conducted in 2010 and 2011. Concerns highlighted touch upon the organizational structure and its link with lines of authority, decision-making processes, and communication; the fact that the pace and scope of changes have created a climate of uncertainty; that staffing levels across the College are inconsistent; and that the role of the department chairs and full-time faculty is not sufficiently defined. The Employee Engagement Advisory Group made specific recommendations and the president accepted the group's recommendations. Her response to each of those may be found at Appendix 3.7, Employee Engagement Advisory Group Recommendations. Succession planning continues to be a challenge given the fact that 44 percent of the Montgomery College workforce will be eligible to retire within the next five years. As a result, a new initiative is underway to assure the effective transfer of institutional knowledge. Incentives to retiring personnel include a caveat that they will train new personnel during a period of transition.

Opportunities for the College to incorporate new ideas and broaden its perspectives also arise from the presence of new personnel in key leadership positions. There are opportunities to operate more efficiently and effectively under a restructured administration. Furthermore, the employee engagement initiative, referenced above, is in a unique position to address and track responses to employee concerns as restructuring initiatives come to fruition.

Integrity (Standard 6)

Accomplishments in this area since the 2008 self-study include policy changes that demonstrate the board's commitment to preserving and enhancing the integrity of the institution. The Board of Trustees' swift action when questions arose surrounding prior presidential spending is a demonstration of board members' commitment to assure continued compliance with this standard. An example of the changes in procedure may be found in Appendix 3.8, Corporate Card Program Guidelines Comparison Table. These changes were highlighted in an *Inside Higher Ed* article, "Making Constructive Changes," in May of 2011 as a possible model for other institutions. An ongoing accomplishment in the area of integrity is represented by the fact that the College has continued to receive unqualified audits (see chapter 4) and provides strong evidence of the institution's ongoing commitment to acting as a diligent steward of its resources. Finally, the College has recently created the position of chief compliance officer to continue to assure that the institution maintains integrity in all areas of operation, and that federal, state, and local requirements are satisfied.

A **challenge** going forward is to maintain compliance with rapidly changing regulations at all levels of government.

The **opportunity** exists for the College going forward to continue to espouse the highest levels of institutional integrity through strengthened evaluation processes at every level. There is increased accountability of the board and the president, as demonstrated through the new evaluation processes and documents referenced above, providing further opportunity for the College to continue to assure institutional integrity.

Institutional Assessment and Assessment of Student Learning (Standards 7 and 14)

Accomplishments in the area of institutional effectiveness and the assessment of student learning since the self-study are several. Increased accountability is a hallmark of the new mission, vision, and strategic plan and has driven restructuring efforts at the College as well. The collegewide self-evaluative process, the College Area Review (CAR), for all administrative units and academic areas is embedded in the culture of the College, and assessment results are utilized to drive productive change. See chapter 5 for a full description of the process, together with a discussion of recommendations and changes made in all areas. Assessment of student learning is ongoing and has moved from the course to the program level, and the vast majority of academic programs have completed the mapping of outcomes (see chapter 5). All syllabi are required to list both student learning outcomes and general education competencies as applicable. Student learning outcomes and assessment are identical in face-to-face and distance offerings and are monitored by the academic departments.

Challenges to effective institutional assessment are due, in part, to the multi-campus structure of Montgomery College. The College continues the effort to align all assessment activities and to integrate assessment processes with the College's strategic and academic plans. A lack of funding has impeded the implementation of some strategies to strengthen assessment processes, particularly in the areas of technical support, human resources, and funding for external peer reviews—a suggestion from the last self-study. The fact that academic assessment has been centralized has presented a challenge to the Collegewide Outcomes Assessment Team (COAT), both in terms of resources and workload (see chapter 5). A further challenge is to extend systematic college area review to the work of standing committees at the College. The challenges that the College's Middle States liaison noted in spring of 2011 regarding the assessment of the general education program as well as the assurance that distance education offerings meet institution-wide standards for quality of instruction, articulated expectations of student learning, academic rigor, and educational effectiveness have been addressed (see chapters 2 and 5).

Opportunities abound to strengthen all assessment processes by better aligning assessment initiatives through an assessment director, which would allow for academic assessment to coordinate directly with the Office of the Senior Vice President for Academic Affairs. The restructuring of the academic and student services areas to a collegewide model will better ensure the uniformity of assessment across campuses and divisions through collegewide discipline-based leadership. There is an opportunity to strengthen the process through which assessment results are tracked and systematically used to promote institutional and educational improvement in a more timely fashion. The COAT has actively embraced the opportunity to strengthen the assessment of the general education program and has developed a plan to assure its viability going forward (see chapter 5).

Student Admission, Retention, and Support Services (Standards 8 and 9)

Accomplishments related to Standards 8 and 9 at Montgomery College have been numerous. With the creation of a new executive position to lead this area, Montgomery College has committed significant resources and attention to student services and development. The restructuring of counseling, advising, and student support areas has focused on the “7 Truths” identified by the Common Student Experience Task Force (see Appendix 3.9, Student Services Restructuring Presentation). Under the new structure, collegewide responsibilities are assigned to the deans of student services.

Additional accomplishments in these areas may be attributed to an increased use of technology to enhance accuracy and efficiency (see Appendix 3.10, Technology in Student Services and Development for a listing of these developments). Other accomplishments are related to direct attention to services for a diverse student population. This includes a recent initiative, Achieving Collegiate Excellence and Success (ACES), to facilitate articulation from area high schools to Montgomery College and then to four-year universities. Academic coaches employed by Montgomery College will follow students as they move from Montgomery County Public Schools to the College and beyond. Examples of additional initiatives in this area may be found in Appendix 3.11, Services for Diverse Student Populations. Administrative accomplishments may also be cited, including the assignment of “M” numbers (for both students and employees) in place of social security numbers and the establishment of an Enrollment Services Group to improve communication and processes.

The College has developed and implemented a behavior-intervention process that allows students, faculty, and staff to report student behaviors of concern. Teams have been established on each campus, and constituencies across the College have been briefed on the process. Details may be found on the Behavior Intervention Team website.

Retention initiatives and the resources allocated to these efforts continue to grow. The First Year Experience Program (FYE), which began in 2006, has been effective (see Appendix 3.12, First Year Experience Retention Rates). Other retention efforts include Service Learning and Volunteerism, the TRIO Support Services grant, and Academic Coaching for Excellence. These efforts are complemented by several retention and success initiatives in academic areas (see Educational Offerings below).

An accomplishment in the area of services for the transfer student population is evidenced by enhanced transfer coordination and an increase in articulation agreements (see Appendix 3.13, Transfer and Articulation Agreements.) Under the new structure cited above, transfer coordination has become a responsibility of the senior vice president for academic affairs.

Challenges in these areas have come in many forms. The fact that students did not experience the same services in the same manner following the same processes across all campuses led to the creation of the new structure referenced above. The financial situation and budget cutbacks have led to understaffing in some areas as positions have been frozen, and hiring has been delayed even as enrollment and demand for financial aid have increased. The challenge exists to complete restructuring initiatives, both in academic and student services. Policies in key areas such as mandatory advising and standards for responding to student inquiries continue to undergo review and refinement.

The lack of appropriate physical space to house all of student services in one location at the Germantown and Rockville campuses is a concern. Capital plans are in place to address the issue (see below). The need for continual improvement and maintenance of electronic systems, including electronic forms, the degree audit system, and the student tracking system, is ongoing. In addition, some processes are in need of improvement. For example, the online degree audit is not easily understandable, and advisers find that the College website should be more user-friendly.

Opportunities exist going forward to build a unified team for student services. The restructuring of the area will allow for more even distribution of resources and bring increased focus and attention to the area. The

College’s focus on the Completion Agenda (see chapter 1 and the discussion of academic programs below) presents the opportunity to improve student success. Initiatives to develop a more robust advising system will translate into greater resources in this area and result in improved advising policies and procedures. Several reallocated positions have been transferred to student services and increased funding has been given for faculty advising collegewide. Operational funds have been allocated to replace grant funds in the Early Alert program for developmental math and to support advising tied to developmental coursework. Following the model already in existence at the Takoma Park/Silver Spring Campus, the construction of a new student services building at the Rockville Campus, scheduled to begin in FY15, provides the opportunity to house all student services units in one area. Grant-supported opportunities for retention and support for curricular redesign (see the discussion of Educational Offerings below) also promise to enhance student success.

Faculty (Standard 10)

Accomplishments and recognitions of faculty since 2008—institutionally, regionally, nationally, and internationally—are numerous. These accomplishments include recognitions for excellence in teaching, scholarship, and service (see Appendix 3.14, Sample of Faculty Recognitions). In addition, as noted in chapter 2, faculty have been actively involved in the acquisition of many grants (see Appendix 2.2, Grants Received, 2008-12). Faculty at Montgomery College have been continuously involved in the process of curriculum updates and renewal and have provided the leadership in curricular redesign and assessment efforts (see below). Additional innovative practices in the classroom are referenced in the *President’s 2012 Report to the Community* under the section “Innovation in the Classroom.” In-house professional development opportunities for faculty abound through increased offerings through the Center for Professional & Organizational Development, the Distance Education and Learning Technologies Office, and the recently reorganized Center for Teaching and Learning.

Following the last self-study, the College officially recognized a part-time faculty union, the first in the state of Maryland, in 2008 (see the Labor Relations website for a link to the Collective Bargaining Agreement between Montgomery College and the Service Employees International Union, Local 500, CtW. The full-time faculty Collective Bargaining Agreement may also be found at this site). Part-time faculty members are also formally invited to serve on departmental, campus, and collegewide task forces, councils and committees and have increased opportunities for professional development.

Challenges to faculty are mirrored in those of the institution as a whole. Funding challenges have made it difficult to hire more full-time faculty to meet growing enrollments and to maintain appropriate ratios. Faculty have been challenged to do more with less and to sustain the level of quality instruction that Montgomery College students expect and deserve. Faculty strive to maintain currency with academic, disciplinary, and educational innovations, including and especially those involving technology and course redesign, to enhance student achievement. Particularly challenging for faculty was a cutback in professional development travel funds, although that funding is to be restored in FY14. There is also a need to mentor and develop new faculty so that they can fully participate in governance.

Opportunities exist for the faculty role in the areas of transfer articulation and approval of curricula. The restructuring of the student services area, which resulted in a shift in responsibility for transfer coordination to the senior vice president for academic affairs, provides an opportunity for faculty to more closely align Montgomery College curricula with those at transfer institutions. The new governance structure reaffirms faculty responsibility for curriculum in a way that aligns even more closely with the fundamental elements of standards 10, 11, and 12, which assign to faculty the primary accountability for curriculum. Under the new system, there is an opportunity for the curriculum committee to report directly to the faculty council with functional reporting through appropriate levels of academic administration for approval of actions and recommendations.

Educational Offerings, General Education, and Related Educational Activities (Standards 11, 12, and 13)

Accomplishments in these areas result from the fact that faculty have initiated curriculum updates and renewal initiatives, and that administrative support for these efforts has been strong. Such renewal reflects changes in the disciplines, the emergence of new disciplines and technologies, institutional response to business and workforce needs, and the imperative to enhance student success. Montgomery College has a well-developed process for credit-course and program development and approval (see the Collegewide Curriculum Committee website) and has approved numerous curriculum actions since the 2008 self-study. Status reports on curriculum actions are also maintained on the curriculum committee website. The Collegewide Curriculum Committee (CCC) regularly sets annual work topics and modifies procedures and manuals. Program development and implementation in WD&CE remain more flexible in order to be responsive to community and workforce needs. Dozens of programs have been implemented. Notable accomplishments in this area include the College's participation in the MI-Best programs to build continuity from noncredit to credit offerings (see Appendix 3.15, Montgomery College MI-Best Program), programmatic partnerships with industry and workforce partners, and the successful assumption of adult education offerings previously administered by Montgomery County Public Schools. Distance education continues to expand, and the College's distance education credit courses have grown substantially (see chapter 4) since the previous self-study, although it represents under six percent of the enrollment.

Several significant accomplishments in terms of modifications to existing credit programs have resulted as a direct response to internal assessment. These include the following:

- The development and implementation of a completely redesigned, both in sequencing and delivery, developmental math program and evaluation plan (see Appendix 3.16, The Developmental Math Task Force: Outcomes and Evaluation).
- The creation of a new pilot developmental English sequence and evaluation plan (see Appendix 3.17 English Discipline Program Redesign 1 Year Report).
- Revision of the associate of arts in general studies (see below).
- Revision of the associate of arts in business (see below).
- Refined definition of general education competencies and outcomes at the course and program level and assessment of such competencies and outcomes (see chapter 5).
- Refined definition of 100- and 200-level course naming and sequencing planned for AY 2013-2014.

Additional redesign initiatives have been undertaken in chemistry, physical education, and women's studies.

The College has had substantive change petitions approved by the Middle States Commission on Higher Education since the last self-study as follows: to include the online associate of arts in general studies and associate of arts in business within the scope of the institution's accreditation, and to approve the accreditation of Montgomery College as one college. Several accomplishments may be attributed to the challenge presented by the commission upon review of the College's petition for substantive change approval in spring of 2011. While the approvals were granted, the commission liaison noted shortcomings in the articulation and evaluation of these degree programs as well as in the evaluation of the general education program that supports these and other degrees. The commission's response to these developments requested an update in this report (see chapter 2).

Challenges relating to these standards are several. Implementing the new general studies program, in part because of the numbers of students involved, will present challenges in terms of the administration of the degree program, the advising structure for general studies students, and the assessment of student learning outcomes (see chapter 5). In addition, the sustained process to assess student learning at the program level and in general education requires careful monitoring. While the College has well defined curriculum processes and is able to effect curricular change, the functioning of the committees charged with approving such matters (the Collegewide Curriculum Committee and previously the General Education Committee) has not been systematically evaluated. In addition, the General Education Committee, which reported to the Curriculum Committee, was disbanded in the summer of 2012 and its functions were reassigned to the Curriculum Committee. There is a need to establish a formal evaluation plan to assess the workflow processes of the

Collegewide Curriculum Committee and the corresponding curriculum groups within WD&CE. The fact that credit curriculum processes can be confusing and cumbersome also presents a challenge. Being responsive and relevant in terms of students' academic needs requires a process that is both flexible and expeditious while maintaining rigor and assuring that faculty continue to exercise appropriate oversight of general education (Standard 12) and educational offerings (Standard 11).

With some notable exceptions, such as the American English Language Program, there is sometimes a lack of coherence and communication between credit and noncredit program offerings, although efforts are underway to improve this situation. In general, there is likely to be increased crossover between credit and noncredit offerings in the future as WD&CE develops high-end certification programs for business and industry. The building of robust academic and administrative links between the two areas presents a challenge going forward, particularly as rapid change in workplace needs and expectations becomes the norm. The College will also face challenges as a result of recent rules regarding gainful employment that affect programs and curricula in technical areas. In addition, there is a need to plan deliberately and systematically for the expansion of distance education offerings (interview with Paula Matuskey, interim senior vice president for academic affairs, 10/13/11).

Opportunities for positive developments are many. The creation of an Office of Compliance provides an opportunity to address changing federal and state rules and standards. With the College's commitment to the national Completion Agenda and its active participation in the Voluntary Framework for Accountability and the Complete College America initiatives, Montgomery College is uniquely poised to design and successfully deliver effective program offerings. Going forward, there will be increased opportunities for bridging noncredit to credit offerings. The fact that there is support from upper-level administration for curriculum redesign and innovation provides many opportunities for academic programs to redesign and update curricula to enhance completion. The acquisition of a software package, CurricUNET, presents an opportunity to streamline the curriculum process and to further encourage innovation in academic programs. Finally, new partnerships, such as the one with Holy Cross Hospital and the recent agreements with the Wadhwani Foundation and Jindal Education Initiatives in India (see Appendix 3.18, Press Release, Montgomery College Partners with Indian Nonprofits to Develop Instructor Training and Build Capacity, and Appendix 3.19, Memo, Building International Cooperation, Diplomacy, and Education in India) provide exciting opportunities for the College.

PERIODIC REVIEW REPORT

Chapter 4
Enrollment and Finance Trends and Projections

Montgomery College has been successful in providing a high quality educational experience by proactively integrating Montgomery County Public Schools (MCPS) matriculation trends, county workforce/labor needs, and statewide higher education issues into the formulation of enrollment and finance projections. The College has been successful in meeting the educational and workforce training needs of Maryland and Montgomery County while operating in a climate of continued state and county fiscal austerity. Enrollment management and financial planning at Montgomery College are linked by the strategic plan, *Montgomery College 2020*, and are measured in terms of relevant objective, subjective, and cognitive indicators (see *Montgomery College 2020*, pp. 18-19). Assumptions for enrollment and finance projections are based on emerging Montgomery County educational, economic development, and fiscal trends that are consistent with the relevant expectations and standards of accreditation discussed in both the *Characteristics of Excellence in Higher Education* (2006) and the *Handbook for Periodic Review Reports* (2011).

In the fall of 2009, the Office of Planning and Institutional Effectiveness, the Office of Institutional Research and Analysis (OIRA), and the Office of Business Services undertook a joint project to develop a discipline-cost financial planning model that captures direct instructional costs and direct tuition revenue. Beginning in the fall of 2011, the Office of Business Services began the process of developing and implementing a broader “cost-to-educate” model based on the previous work and assumptions of the discipline-cost model that enhanced the College’s ability to utilize cost information to link planning, budgeting, and outcomes in support of the College’s mission. The resulting cost-to-educate model, delineated below, is intended to effectively link Montgomery College’s enrollment trends with ongoing financial projections.

Enrollment Trends and Projections

Credit Student Enrollment

The enrollment for unduplicated students at Montgomery College has increased at an average rate of 3.2 percent annually since the fall of 2008 (see Table 4.1, Enrollment by Campus Fall 2008–12). Overall, enrollment has increased 12.6 percent since the fall of 2008.

Table 4.1 - Enrollment by Campus Fall 2008–12

Enrollment	Germantown	Rockville	Takoma Park/ Silver Spring	Off-Campus/ Distance Learning	Collegewide/ Unduplicated
2008	6,009	15,816	6,586	3,110	24,452
2009	6,571	17,028	7,148	3,458	26,147
2010	6,819	16,682	7,207	4,335	26,015
2011	7,154	17,292	7,449	4,746	26,996
2012	7,739	17,495	7819	5,167	27,453
% Change 2011–2012	*8.2%*	*1.2%*	*5.0%*	*8.9%*	*1.7%*
% Change 2008–2012	*28.8%*	*10.6%*	*18.7%*	*66.1%*	*12.6%*

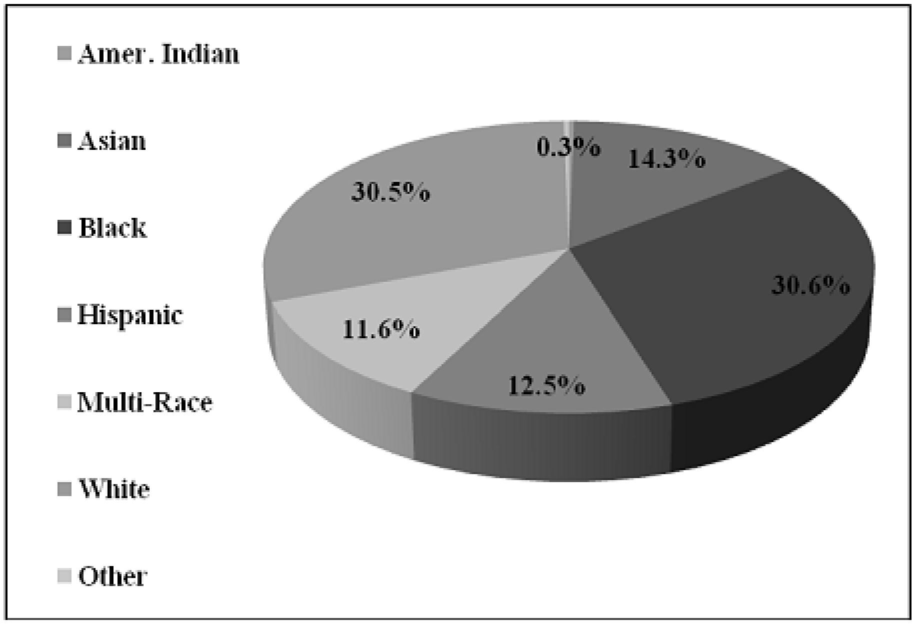
All three campuses showed increases in enrollment since the fall of 2008. Germantown increased by 28.8 percent, Rockville increased by 10.6 percent, and Takoma Park/Silver Spring increased by 18.7 percent since 2008. The number of younger students continues to increase and the average age of the student body has dropped to 25.6 years in the fall of 2012 down from 25.8 years the previous fall. As of fall 2012, 36 percent of students attend full-time (12 or more semester hours). The average course load for a student at Montgomery College is 9.13 hours, which has remained unchanged from the previous fall. Approximately 61.2 percent of the student body is enrolled in transfer programs (see Appendix 4.1, Summary of Fall Semester Credit Students at Montgomery College, Fall 2009 - 2012). According to the Montgomery College Fall 2012 Enrollment Profile for Credit Students (see Appendix 4.2), of the students enrolled in transfer programs, 55.6 percent are enrolled in the general studies program. The majority of students only attend class during the day (62 percent).

While credit student enrollment increased at the College by 1.7 percent from fall 2011 to fall 2012, the number of students receiving some form of financial aid increased by 7.9 percent (see Appendix 4.3, Financial Aid Recipients at Montgomery College), and the percentage of students receiving financial aid increased from 34.6 percent to 36.8 percent. Even more dramatic than the increase in the number of aid recipients was the increase in financial aid dollars awarded. The amount of financial aid awarded increased by approximately 25 percent ($23.7 million to $29.6 million). The largest increase in the number of students receiving some form of financial aid was in the grants category. The number of Pell Grant recipients increased by 17 percent and the dollar amount awarded in Pell Grants increased 15.3 percent. The analysis of students receiving student loans at Montgomery College has yielded interesting trends. The number of students receiving loans has increased by 11.7 percent, while the dollar amount nearly doubled, resulting in a 95.1 percent increase ($5.6 million). At the same time the number of students receiving grants and loans was increasing, the number of students receiving scholarships decreased by 18.8 percent, and the amount of scholarship dollars decreased by 27.5 percent.

Steady increases in tuition, coupled with a troubled economy and changing Montgomery County demographic patterns, appear to have resulted in substantial increases in the number of students needing financial aid to pursue their academic experience at Montgomery College. Two trends that warrant attention are the decrease in the amounts of scholarship monies that have been awarded and the sizable increases in the dollar amounts of loans taken out by students. The number of students receiving loans and the amount of their loan indebtedness upon leaving the College (plus the risk of increased loan default rates) are of concern for Financial Aid and other Student Support Services staff. Enhancing efforts and resources to increase scholarship support and providing services to counsel and assist students in financing their academic pursuits must be at the forefront of College strategic and tactical planning activities.

Non-white students represent 69.5 percent of the Montgomery College student body (see Figure 4.1, Enrollment by Race/Ethnicity–Fall 2012). Hispanic, white, and multiracial students are experiencing significant changes in enrollment rates (see Appendix 4.1, Summary of Fall Semester Credit Students at Montgomery College, Fall 2009 - 2012). The number of non-Hispanic white students has decreased. According to the Montgomery County Public Schools FY2013-18 Capital Improvements Program, this decrease in non-Hispanic white enrollment appears largely due to decreasing birth rates of this group in Montgomery County. The total number of Hispanic students at Montgomery College has decreased by approximately 1.5 percent since fall 2008, while the number of students who self-identify as multiracial has increased 237.2 percent. Beginning in the fall 2007, new students at Montgomery College could select more than one racial designator. Of the students self-identifying as multiracial, approximately 80 percent identify themselves as Hispanic and an additional racial group. According to Montgomery College's internal analysis, the addition of the new racial designator appears to account for the decrease. In addition, Montgomery College has identified that the enrollment of Hispanic students has not been consistent with Hispanic student registration in MCPS, where approximately 26 percent of students are self-identified as Hispanic (Montgomery County Public Schools FY2013-18 Capital Improvements Program). This difference may also be due to the College's adherence to federal guidelines in reporting student demographic data, which are calculated differently for MCPS.

Figure 4.1 - Enrollment by Race/Ethnicity–Fall 2012



Montgomery College and MCPS have instituted a number of programs to facilitate enrollment and matriculation consistent with county-wide demographic trends. Many of these initiatives are intended to address under-represented groups at Montgomery College (see Appendix 4.4, Spotlighting the Partnership between Montgomery College and Montgomery County Public Schools).

Credit Enrollment Projections

The Montgomery College student body is made up of subpopulations that have varying degrees of effect on the total enrollment. These components fall into three main categories: residents of Montgomery County, residents of other Maryland counties, and nonresidents of Maryland. The first category is by far the largest contributor to the total enrollment at the College (see Appendix 4.5, Official Fall 2012 Enrollment Data). This category is segmented in three subcategories: new entrants who graduated from Montgomery County high schools within the previous three years, returning students from previous semesters, and new entrants who are older Montgomery County residents. The College has historical and projected data concerning the size of the populations from which all of the components are drawn as well as trend data for enrollment from each of these populations. That data generates subpopulation enrollment estimates for each fall semester. Enrollment projections appear in aggregate form in Table 4.2 Montgomery College Enrollment Projections for Fall Semesters 2013-16. Enrollment and finance projections have traditionally been constructed very conservatively (see Appendix 4.6, Calculation of Enrollment Projections). Based upon prevailing countywide and Montgomery Public Schools demographic trends, Montgomery College is expecting enrollments to remain relatively stable through this period.

Table 4.2 – Montgomery College Enrollment Projections for Fall Semesters 2013-16

	Projected			
Fall Semester	**2013**	**2014**	**2015**	**2016**
Total Students	27,719	27,721	27,621	27,650
Total Credit Hours	252,975	252,993	252,080	252,345

Distance Education Enrollment

Currently distance education enrollments constitute 5.7 percent of the total enrollment at Montgomery College and this continues to trend upward. Enrollment in distance education courses has increased 58.1 percent since the fall of 2008, from 4,422 enrollments to 6,990 enrollments in the fall of 2012. 100 percent online course enrollment has increased 61.8 percent from 3,181 enrollments in the fall of 2008 to 5,146 enrollments in the fall of 2012. Blended course enrollments increased 48.6 percent from 1,241 in 2008 to 1,908 in 2012 (see Appendix 4.7, Montgomery College Distance Education Course Enrollment Growth by Calendar Year).

Noncredit Enrollment Projections

Noncredit enrollment continues to be strong. Since the *2008 Montgomery College Self-Study*, the number of student enrollments in Workforce Development & Continuing Education (WD&CE) programs has decreased slightly, but the number of total FTE's has increased by 9.8 percent from FY08 to FY12, as shown in Table 4.3, Noncredit Enrollment Trends and Projections. Student enrollments and FTE are projected to grow through FY16.

Table 4.3 - Noncredit Enrollment Trends and Projections

Fiscal Year	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Projected	2014 Projected	2015 Projected	2016 Projected
Enrollments	46,807	45,774	45,434	44,189	45,999	46,202	47,126	48,806	49,030
Total FTE	3,955	3,979	4,129	4,217	4,286	4,412	4,522	4,635	4,727

WD&CE services are provided through six instructional and support service areas. WD&CE has seen strong growth in certification in its health sciences programs, contract training, and information technology courses due to strong partnerships with MCPS and a significant increase in grant activity. Current and future trends, including county demographics, employment conditions, technology, and economic conditions, are monitored for purposes of planning and resource allocation. Opportunities arising within a budget cycle are explored and incorporated as appropriate.

Financial Trends and Projections

Enrollment demands and projections have significant impact on the scope and direction of the budget for Montgomery College. Given the projected enrollment figures and financial assets available over the next several years, the College has sufficient resources to manage current and projected student enrollment. However, the uncertain nature of county, state, and federal budgeting is an obvious area of concern. Because of the current economic downturn, the College, like many other institutions, anticipates future budget tightening as a result of constricted government resources. Significant commitments include, but are not limited to, infrastructure and facility expansion, collective bargaining agreements and employee compensation, and an expanding focus on student retention and matriculation (i.e. The Completion Agenda and other initiatives). Nevertheless, the College continues to fulfill its mission and meet the needs of the programs and initiatives to which it is committed.

Financial Reporting and Foundations

Montgomery College's overall financial condition as of June 30, 2012 is healthy, and fiscal management is strong (see Appendix 4.8 A-E, Audited Financial Statements 2008–12). Since the last self-study, the College continues to receive unqualified audits.

As of June 30, 2012, the College has two component units in its financial statements: the Montgomery College Foundation, Inc. and the Montgomery College Life Sciences Park Foundation, Inc. (LSF). The Montgomery

College Foundation is a legally separate, tax-exempt organization established to enhance the College's mission through fundraising that benefits the College and its programs. Discrete financial statements for the Montgomery College Foundation are presented within the College's financial statements. In FY12, the Board of Trustees authorized the creation of the Montgomery College Life Sciences Park Foundation, Inc. to oversee the management of the Science and Technology Park, which is located in Germantown, Maryland adjacent to the Germantown Campus. The mission of this entity is to support the educational mission of the College through revenues, internships, and programs generated by partnerships and relationships with the LSF tenants. The new entity is to manage the leases in the Life Sciences Park, coordinate actions associated with meeting College obligations in those leases, and develop new leases for the park. The LSF will have an operations agreement with the College to address general matters such as staffing, work products, and the relationship with the Montgomery College Foundation (see Appendix 4.9, Board of Trustees Resolution 04-45). The activities of both component units are reported in compliance with Governmental Accounting Standards Board Statement No. 39, which requires that all component units of the College be evaluated for inclusion in the audited financial statements. Specifically, the LSF financial statements are consolidated with the College's financial statements and significant inter-organization balances and transactions have been eliminated in this consolidation as required by accepted accounting principles.

County and State Appropriation Trends (Non-Operating Revenue)

Since 2008, the local and state economies of Montgomery County and Maryland have shown signs of significant fiscal stress, which has affected budgetary allocations and annual appropriations to Montgomery College from state and local agencies. State appropriations decreased from FY09 to FY10 by $498,572. State funding levels were decreased again from FY10 to FY11 by $3.6 million. In FY12 state funding remained unchanged at $3.6 million. In addition, county support declined by $8.4 million in FY11 and another $3.7 million in FY12 (see Appendix 4.8 A-E, Audited Financial Statements 2008–12, as indicated in the Statements of Revenues, Expenses, and Changes in Net Assets). In response to county and state funding reductions, the College implemented significant cost containment measures such as reducing expenditures and instituting revenue enhancements (see Appendix 4.10, Cost Containment Measures and Revenue Enhancements).

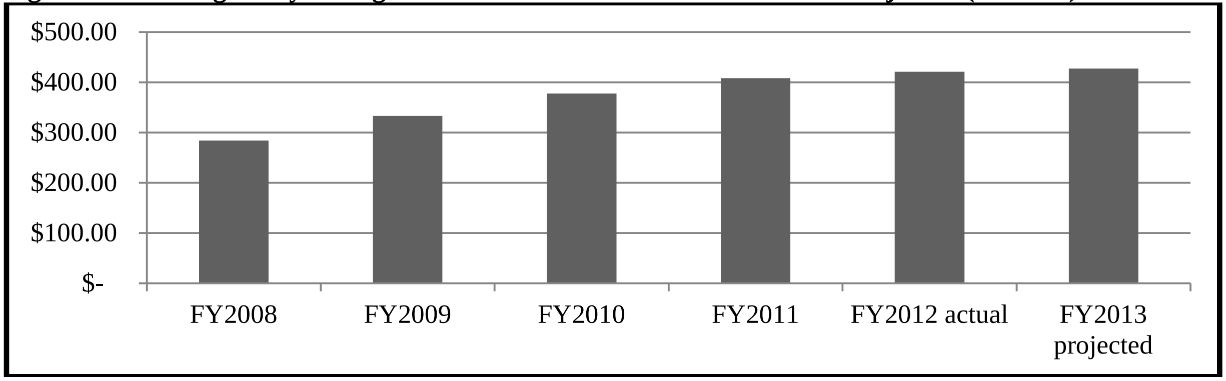
Trends in Total Assets

Between June 30, 2011 and June 30, 2012 the College's financial position continued to show growth with an asset total of $526.1 million reflecting a 6.5 percent increase over FY11 (see Appendix 4.8 E, Audited Financial Statement 2012). Between June 30, 2010 and June 30, 2011, assets totaled $494.1 million, an increase of $27.4 million or 5.8 percent. These changes resulted primarily from growth in short-term investments and capital assets.

Changes in Net Assets

Net Assets increased 48 percent from FY08 to FY12 and are projected to be $427.5 million in FY13.This increase was due primarily to growth in cash and short-term investments and an increase of 8.9 percent in capital assets (see Figure 4.2, Montgomery College Growth in Net Asset Value FY08-13 Projected [millions]).

Figure 4.2 - Montgomery College Growth in Net Asset Value FY08-13 Projected (millions)



In FY12, the College experienced negative growth in unrestricted net assets of $6.8 million due primarily to decreases in local and county appropriations coupled with an increase in deferred revenue and long term liabilities which resulted from operating leases on the Goldenrod and Holy Cross Hospital buildings on the Germantown Campus. Net assets increased $30.4 million or 8.1 percent in FY11 compared to FY10. The College experienced positive growth in its unrestricted net assets in 2011, gaining $5.4 million since FY10. Unrestricted net assets from 2009 to 2010 increased $10.2 million or 15.7 percent. This growth appears primarily due to Montgomery College's account managers adopting a judicious approach to spending, a key aspect of Montgomery College's proactive fiscal management philosophy. For additional information, see Appendix 4.8 A-E, Audited Financial Statements 2008–12.

Operating Revenue Trends

Despite the fiscal challenges, operating revenues showed steady growth between 2008 and 2012 (Table 4.4, Operating Revenue Trends by Source – FY 08–FY12). Significant increases in grants and contracts, as well as tuition revenue, contributed to this steady growth, particularly over the past three years. Grants and contracts increased $5.3 million in FY12, $6.3 million in FY11, and $5.8 million in FY10. Tuition revenue grew from FY11 to FY12 due to a 1.4 percent increase in FTE enrollment compared to a 0.4 percent FTE enrollment increase in FY11.

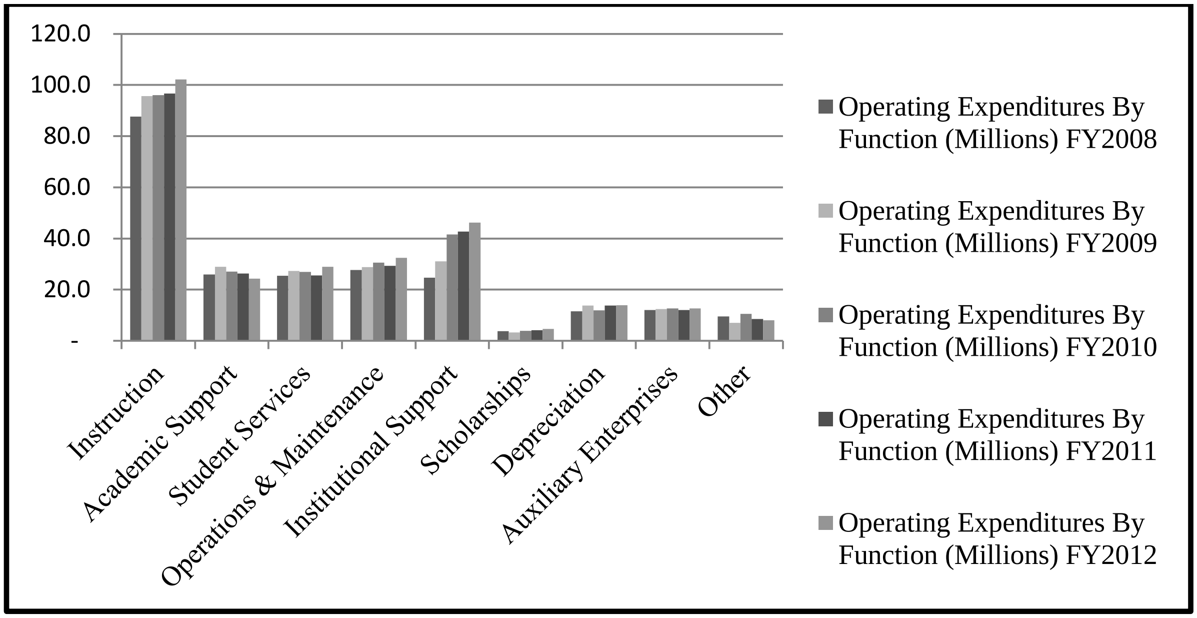
Table 4.4 - Operating Revenue Trends by Source–FY08–FY12

SOURCE	2008	2009	2010	2011	2012
Student Tuition and Fees	58,083,353	60,257,629	62,947,084	62,144,609	63,972,768
Grants and Contracts	24,678,041	26,467,651	32,267,883	38,574,284	42,079,442
Auxiliary Enterprises	13,509,623	13,825,550	13,546,012	13,212,947	12,845,548
Other Operating Revenue	1,017,284	2,070,969	1,197,439	1,484,668	1,848,708
Total Operating Revenue	97,288,301	102,621,799	109,958,418	115,416,508	120,746,466

Operating Expenditure Trends

As expected in the current economic climate, the overall rate of growth for functional expenditures has remained relatively flat for the period FY08 through FY12 (see Table 4.5, Operating Expenditure Trends by Function–FY09–FY12). In FY12 operating expenses increased $14.4 million over FY11 (an increase of 5.3 percent). Instructional and academic support represented an average of 45 percent of expenditures. College operating expenditures totaled $285.6 million in 2012; $271.2 million in 2011 as compared to $272.6 million in 2010, and $257.8 million in 2009 (see Appendix 4.8 A-E, Montgomery College Financial Statements – 2008–2012).

Table 4.5 - Operating Expenditure Trends by Function – FY08-FY12



Long-Range Budgeting Projection Plan (FY14-FY16)

Budgeting and projections are done on a multi-year basis taking into consideration funding sources, expenditures to meet projected enrollment demand, and anticipated economic conditions. Montgomery College's current operating budget and long-range financial projections are presented in Table 4.6, Operating Budget Long-Range Financial Projection (Current Fund Only). The following is a summary of the assumptions incorporated in developing the FY14-16 budget plan projections for the current fund:

Revenue assumptions FY14-FY16:

- Tuition and fee increases will be kept to a minimum ($1/$2/$3) in order to enhance revenue flow and to curtail negative future enrollment impact
- State revenue is projected to increase $305,800 over the period FY14-16
- County funding has also been declining but is expected to increase slightly based on their revenue projections.

Expenditure assumptions FY14-FY16:

- Salaries are projected to increase slightly
- Benefits are projected to increase six percent annually
- Operating costs will include the new Germantown Bioscience Education Center, which is scheduled to open in FY15, and renovations for existing buildings at the Rockville and Takoma Park/Silver Spring campuses
- There will be additional expenditures of $1 million in FY15 and $1.5 million in FY16 for new initiatives
- Credit hours are projected to decrease 0.4 percent

Table 4.6 - Operating Budget Long-Range Financial Projection (Current Fund Only)

	FY13 Budgeted	FY14 Projection	FY15 Projection	FY16 Projection	Change FY13–FY16
Revenues by Funding Source					
County	94,768,755	101,913,648	104,971,057	106,020,768	*11.9%*
State	30,268,787	30,511,374	30,663,931	30,817,250	*1.8%*
Students	87,063,152	87,253,251	88,125,784	91,649,159	*5.3%*
Other	5,935,905	9,852,226	7,666,500	6,683,166	*12.6%*
Total Revenues	218,036,599	229,530,499	231,427,272	235,170,343	*7.9%*
Expenditures					
Salaries and Benefits	173,625,661	182,806,651	183,972,524	184,892,387	*6.5%*
New Buildings	-	935,071	5,557,682	6,411,301	
All Other	44,410,938	45,788,777	41,897,066	43,866,655	*-1.2%*
Total Expenditures	218,036,599	229,530,499	231,427,272	235,170,343	*7.9%*

Workforce Development & Continuing Education Budget

As detailed in the Final Operating Budget – FY 2013 (see Appendix 4.11), the WD&CE budget for FY13 is $16.1 million, which is the same as FY12. State aid is $5,729,766 which is a 10.3 percent increase over the prior year. The increase for FY13 is based on the number of state funded FTE’s. Enrollment is projected to increase at approximately two percent per fiscal year. State funding, tuition and fees, and contract revenue associated with program activity are anticipated to increase consistent with this projected growth trend. Operating expenses and overhead costs, including leased space in two buildings, are covered by operating revenue and state funding generated via noncredit program activity. The current budget level allows for expansion of programs throughout the fiscal year as well as contract and lease amendments as needed for providing instruction in a wide variety of programs.

Capital Funding Trends

The College has been successful in securing capital funding through the established process of submitting a Maryland State Bond Bill to the Maryland Higher Education Commission (MHEC) for review and approval. Montgomery County matches the approved state funding by 50 percent. Table 4.7, Five-Year Capital Funding Trends, provides the capital funding support trend over the most recent five-year period, FY09–FY13.

Table 4.7 - Five-Year Capital Funding Trends

Capital Funding Trend Over Last 5 Years					
Funding Source	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**
County	72,387,000	59,085,000	20,611,000	41,039,000	29,784,000
State	29,801,000	33,178,000	4,244,000	12,195,000	8,028,000
Revenue Bonds	14,500,000			16,000,000	
Other	5,224,143	263,000	165,072		
Total	**121,912,143**	**92,526,000**	**25,020,072**	**69,234,000**	**37,812,000**

Montgomery College has completed construction on a number of projects including: the $74 million Rockville Science Center (2011 open), the Takoma Park Garage (2010 open), the Takoma Park Commons Renovation (2010 open), and the Takoma Park Cultural Arts Center (2009 open). Additional construction projects include the Germantown Bioscience Education Center, the Germantown Childcare Center, and the renovation of the Science East and Science West Buildings on the Rockville Campus.

The College also receives 100 percent county funding for level-of-effort capital projects that are funded on an ongoing basis. These projects address site improvements, Americans with Disabilities Act compliance, planned lifecycle asset replacements, capital renewal, facility planning, energy conservation, planning, design, construction, roof replacement, and elevator modernization. There is also 100 percent county funding for information technology projects that support infrastructure, IT equipment, and support systems.

Long-term Debt Philosophy and Practice

The College practices sound fiscal planning and oversight when entering into long-term obligations or debt. These initiatives are undertaken in adherence with the College's strategic plan (*Montgomery College 2020*) which links information technology, academic, and facilities master plans, all of which are integral components of all significant increases in obligations of fiscal resources. The College maintains a healthy credit rating, and payments are made on obligations in a timely manner. Revenue, enrollment, and sound fiscal arrangements with the Montgomery College Foundation contribute to the College's ability to meet its payment obligations into the future.

The College's debt consists of capital lease agreements and lease payments associated with facilities expansion. Because unearned revenue is reflected as a liability until the service is provided, in FY12 current liabilities increased one percent ($.3 million), due primarily to an increase in unearned revenue for a land lease agreement with Holy Cross Hospital. Noncurrent liabilities increased 36.3 percent due to long-term debt associated with the lease payment of the Goldenrod Building on the Germantown Campus.

Revenue bonds were issued to provide funding for significant capital projects in partnership with the Montgomery College Foundation. The first two bond issuances were financed by pledged fees and the most recent bond issuance was funded by general operating funds. The third issuance of bonds in FY12 provided funds for the Goldenrod Building at the Germantown Campus. The purchase of the Goldenrod Building served to address significant growth in upper-county educational needs. The cost was substantially equal to the cost of renting the building for the previous five years. All the leases were funded in the Montgomery College budget.

In FY11, non-current liabilities decreased two percent which resulted from a $1.1 million dollar decrease in long-term liabilities. The reason for the decline is connected to long-term debt associated with lease payments for the Takoma Park/Silver Spring Parking Deck and the Morris and Gwendolyn Cafritz Foundation Arts Center, which became current debt obligations. By comparison, the variance in noncurrent liabilities between FY10 and FY09 equaled an increase of $15.2 million, or 38.8 percent, due to the recognition of capital obligations tied to the College's Takoma Park/Silver Spring parking complex.

Economic or Regulatory Factors/Challenges

While the College's financial condition is healthy, several economic and regulatory conditions could significantly impact the College's ability to expand programs, undertake new initiatives, and meet ongoing operational needs. Slowing economic growth in the region continues, and the unemployment rate in the state of Maryland has been at seven percent or higher since July 2009 (see Appendix 4.8 A-E, Audited Financial Statements 2008–12). To date, the College has been proactive in planning and implementing cost curtailment practices in spending, debt/lease obligations, facilities growth, and investment management. Strong partnerships within the state and county governments provide significant support for the College in managing anticipated fiscal downturns and strategizing for the best use of resources to mitigate the impact of possible future reductions or additional draws on resources. In addition, the College has maintained and utilized fund balance reserves according to policy and planning when necessary to cover specific institutional needs.

Improvements and Efficiencies

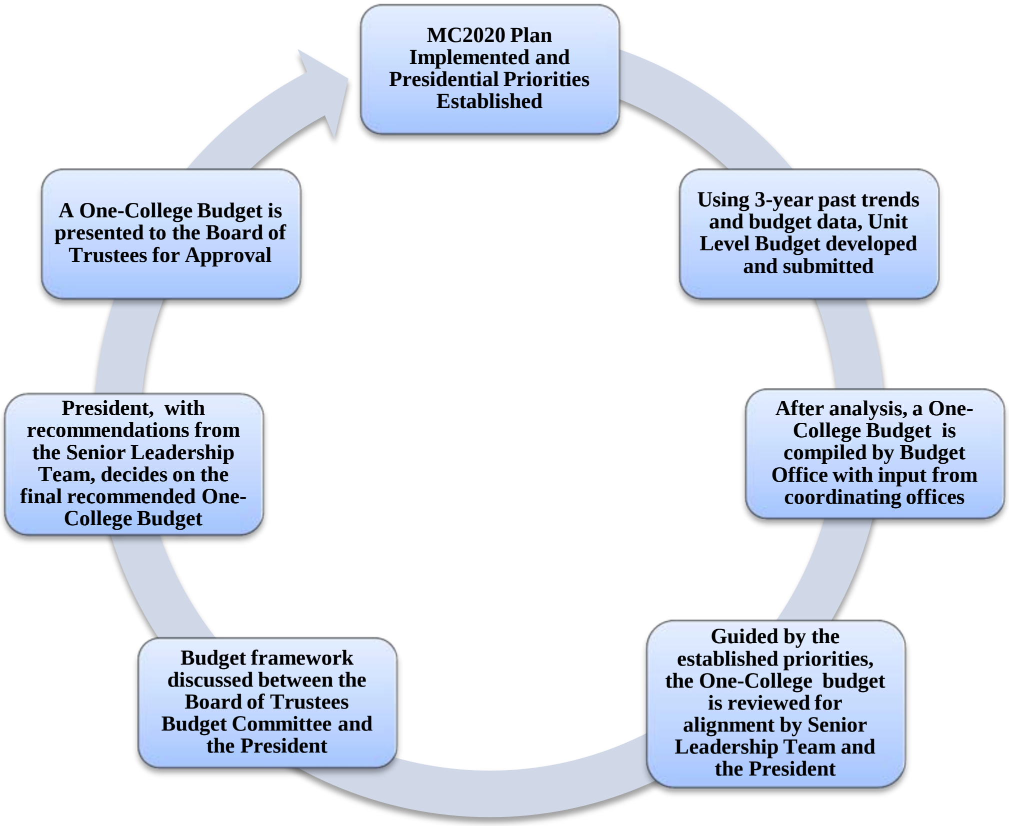
The Office of Enrollment Management has instituted a number of practices and policies promoting greater operational efficiencies. Moving to a primarily web-based student registration process and eliminating the printed schedule have generated a savings of $33,337 (see Appendix 4.12, Discontinuing Paper Schedules). Furthermore, this is consistent with collegewide green initiatives. In addition, Montgomery College has initiated a systematic process for deleting students for nonpayment of tuition, which has resulted in a decrease of $1.1 million in outstanding student accounts (see Appendix 4.13, Savings as a Function of Revised Waitlist

Practice). Finally, the College is undergoing a collegewide organizational restructuring to better align academic services, student services, and business processes with the institutional goals and initiatives as articulated in the strategic plan. The restructuring is intended to achieve efficiencies in budgeting, resources and planning, reporting, and decision-making. The administrative and fiscal services unit has restructured due to changes in reporting requirements, data collection, and decision-making requirements.

Finally, as noted above, Montgomery College is currently in the process of implementing a "cost-to-educate" model of budgeting. The cost-to-educate model is a financial model that better links planning, budgeting, and outcomes. The annual data input to the model includes: enrollment levels within each academic program, revenues generated by this level of enrollment, and the direct costs incurred to deliver the program at the level of enrollment. Each year, the Board of Trustees, working with the president, determines the strategic direction of the College in light of the College's mission and strategic plan. Guided by the strategic plan, each unit's master plan (academic, student services, technology, and facilities) is updated. These plans drive annual strategic initiatives for the current and next two years. These initiatives are then assigned costs to implement, and these costs are captured in the budget of the appropriate year. At the end of the year, each program budget and actual amounts are analyzed by comparing enrollment, revenue, and budgeted costs to actual costs. The net of revenue minus direct costs is divided by the program enrollment to determine the cost to educate a student within a given program. Each year's outcomes are to be compared to the previous year's to determine the effect of the initiative on each program (e.g., increased or decreased costs, increased/decreased enrollment, retention rates, cost efficiencies, etc.). Once analyzed, the process begins again for the next year and follows the "plan, do, check, adjust" cycle.

Consistent with the implementation of the cost-to-educate model, beginning in the fall of 2012 a new budget development process began which emphasizes multi-year ongoing budgeting (see chapter 6, Linked Planning and Budgeting). This new budget development process better links the College's strategic plan, Montgomery College 2020, with budgeting and resource allocation toward building a FY14 collegewide budget. Individual units prepare and submit budgets based on three-year past trend data and those budget submissions align with the strategic plan. Summarized in Figure 4.3, Montgomery College's Budget Development and Approval Process, below is a visual model of the new budget development and approval process.

Figure 4.3 - Montgomery College's Budget Development and Approval Process



Fiscal Management Trend Forecast

The College continues to experience growth in enrollment and funding sources and manages its budgeting and expenditure activity accordingly. Early projections from the county anticipate a $71 million budget gap going into FY14 due to downturns in the economy and other expenses. Nevertheless, fiscal oversight of Montgomery College remains strong due to sound leadership and proactively planning for delivery, growth, and expansion of instructional services throughout the county.

Chapter 5
Assessment Processes and Plans

Organized and Sustained Processes to Assess Institutional Effectiveness and Student Learning

Since the last self-study, Montgomery College has continued to institutionalize the culture of assessment. The conscious inclusion of assessment ranges from the College mission to the analysis of student learning outcomes in individual courses. As an example, Montgomery College's new strategic plan, *Montgomery College 2020*, has integrated carefully articulated strategic themes and their planned assessment. The five themes that comprise the MC 2020 strategic plan derive directly from the core mission elements, allowing the College to assess both strategic theme attainment and mission success. Each theme in the plan has its own set of institutional-level key indicators of progress tied directly to measuring achievement of the theme. As part of the College Area Review (CAR) process, all academic areas and administrative units are asked to match their recommendations to these themes. These will serve as the overall institutional measures of success (see chapter 6 for a thorough discussion of strategic themes and indicators).

Assessment initiatives at Montgomery College ensure that assessment practices reach every corner of the institution. The CAR process is systematic, comprehensive, and on-going. This self-evaluative process is planned, useful, organized, and inclusive of all academic areas and administrative units at the College (see Appendix. 5.1, College Area Review Ten Year Overview Report). The process engages administrators, vice presidents and provosts, deans, faculty, staff, and students. In addition, the College Area Review Committee, consisting of 20 college stakeholders, serves as a cross-sectional review team to the CAR process. The Outcomes Assessment process, which specifically addresses student learning outcomes, is coordinated by a faculty-led team, the Collegewide Outcomes Assessment Team (COAT), which works to ensure that courses and programs are assessed appropriately and monitored for improvements to teaching and learning. The primary goal of this process is to ensure assessment practices yield both institutional and student learning improvements that align with the College's mission and resources.

Collegial suggestions for improvement from the visiting team in 2008 in the area of assessment have been taken into account in developing and refining institutional processes and practices. Internal feedback and suggestions are gathered yearly to further refine and adjust these processes to ensure that they are effective and reasonable. As situations and College mandates change, there is still work to be done.

Developments Specific to Standard 7 (Institutional Assessment) Since 2008

In terms of institutional assessment, the team report in 2008 concluded that Montgomery College demonstrated characteristics of "an institution moving toward developing a culture of assessment that is consistent with the essence of Standard 7." Institutional assessment at Montgomery College is integrated in the CAR process, which began in the 2002–03 academic year reviewing all academic areas, special programs, and student services. In 2007, the process expanded to include all administrative units. That effort continues and assessment has become an essential component of initiatives across the institution. Collegewide standing committees are discussing ways of including self-assessment as an integral part of their activities. As an example, see the initial charge for the Task Force on Governance in chapter 2.

The CAR process continues to solicit involvement from all College stakeholders as well as a review of institutional data. For the academic areas, key benchmark data regarding faculty/student ratios, full-time/part-time faculty ratios, faculty release time, student enrollments, program awards, and transfer summaries are provided to each discipline. The review process includes the examination of academic areas' curricula, assessment activities, licensure, articulation agreements, advisory committees, enrollment in courses and degrees, faculty needs, and the strengths and opportunities of each discipline. All administrative units are asked to engage in self-assessment to determine the alignment of their unit's goals, mission, and functions with the College's mission and goals. Administrative units also examine the strengths, challenges, and opportunities, determine the resources needed to function as a unit, and provide benchmarks for unit effectiveness (see Appendix 5.2, College Area Review Administrative Area Review Report). At the conclusion of each academic and administrative review, recommendations for improvements are approved and implemented within a five-year review cycle.

Regular reviews have resulted in the implementation of recommendations that have led to institutional improvements and enhanced student learning. Examples of implemented recommendations include the Math Redesign Project, the College Printing Cost Initiative, and the alignment of the American English Language Program with Workforce Development & Continuing Education offerings. Appendix 5.3 provides the College Area Review Master Plan, showing the collegewide schedule for all academic and administrative units. Highlights of College Area Review implemented recommendations by year are available in Appendix 5.4. On the CAR website, a full description of the CAR process is available for the general public, and the recommendations for academic areas and administrative units are available to the College community on a secure site that can be reached from the CAR website.

Current Practices/Ongoing Initiatives—Processes and Findings

Since 2008, there has been a greater emphasis on the review of the data to generate improved assessments of academic areas and administrative units that permit the areas and units to link new and ongoing initiatives to objective information. Summary data reports are provided to all academic units. The administrative units are asked to submit assessment benchmarks and measures of unit effectiveness. The College has also initiated a customer service feedback survey to assess the effectiveness of administrative units. Academic areas and administrative units are encouraged to limit the number of recommendations to those that are of the highest priority, that are measurable, and that can be implemented within the given five-year period. Greater emphasis is placed on monitoring all recommendations to completion, and yearly status updates are requested. Starting in 2012, updates have been entered into MC's assessment database.

CAR student participation continues via the CAR Student Course survey. From fall 2005 to fall 2010, more than 24,000 students have had the opportunity to participate in the College Area Review process by commenting on the course content of selected courses as it relates to general education competencies. Although student response rates have not exceeded 20 percent over the five-year period, faculty have reported that the students' perspective provides information about their concerns. CAR survey results are available in Appendix 5.5, College Area Review Student Survey Results.

In order to further assess institutional effectiveness, the College administers the Community College Survey of Student Engagement (CCSSE) every two years and results are shared with the College community. Results from the 2010 CCSSE formed the backbone of data for the College's Common Student Experience Taskforce that met during the 2011-12 academic year. A copy of the final recommendations from the task force is attached as Appendix 5.6, Recommendations for Montgomery College's 7 Truths for a Common Student Experience. In addition, Montgomery College participated in the pilot of the Voluntary Framework for Accountability administered by the American Association of Community Colleges, which is developing common assessment measures unique to community colleges.

In 2010, the CAR Summary Report became a part of the CAR process. This report documents the final disposition of a particular academic area based on the comprehensive review of discipline reports and related institutional data. In 2012-13, this report is being further modified, and the CAR process plans to recognize disciplines that meet certain key criteria for their outstanding compliance.

Both CAR and OA are working on better aligning all assessment processes and ensuring the congruence with strategic and educational plans. Montgomery College has shifted its focus on student learning outcomes from course outcomes to program outcomes. This shift has created a greater opportunity for CAR and OA to work together. Starting with the 2011-12 review cycle, discipline faculty, deans, and other college staff participating in the CAR process have addressed the alignment of course and program outcomes by completing curriculum mapping matrices. The full program assessment is conducted by the faculty and coordinated by the Collegewide Outcomes Assessment Team and is discussed below as part of the assessment of student learning.

Developments Specific to Standard 14 (Assessment of Student Learning) Since 2008

Course Assessment

Montgomery College has made significant progress in building a culture of assessment around student learning. Originally, the College's efforts for the assessment of student learning were focused on courses with the largest collegewide enrollments. The rationale was that strengthening and improving these courses would provide Montgomery College with the greatest return on investment on resources allocated to assessment. The initial centralization of assessment efforts was deemed necessary because learning expectations varied widely from instructor to instructor, a fact that was and is compounded by the College's multi-campus structure and large number of full- and part-time faculty. The strong need for consistent academic experiences led to the formal articulation of collegewide common course outcomes applicable to all sections regardless of the place, time, and mode of delivery.

From 2008 until 2011, each highly enrolled course had a workgroup appointed by the lead dean that followed a four-semester cycle where planning, piloting, full implementation, and recommendations each took a full fall or spring semester. Each course workgroup was assigned a faculty cadre member to be the contact with the COAT. Recommendations had to be specific and measurable and tied to the results of the assessment and the course outcomes. After completing recommendations, course workgroups annually updated the Outcomes Assessment team on the status of the recommendations. Many disciplines report continuing to use the common course assessments created through this initial process. Starting in the fall 2011 semester, the cycle was shortened to a three-semester process by eliminating the piloting semester. In total, 55 courses participated in Outcomes Assessment from 2008 to 2012.

In addition, the college regularly reports to the Maryland Higher Education Commission via the Student Learning Outcomes Assessment Report (SLOAR). For the most recent SLOAR from June 2011, see Appendix 5.7.

The structure of the COAT has been an important part of the success of the assessment of student learning at the College. Under the direction of the vice president for planning and institutional effectiveness (VPPIE), the COAT has remained a faculty-led body with one or two faculty coordinators supported by a faculty cadre drawn from multiple disciplines, members of the Office of Institutional Research and Analysis, and staff from the VPPIE's office. At the time of the *2008 Montgomery College Self-Study*, the COAT had designated administrative support which it shared with the College governance groups until the position was vacated. Lack of administrative support for the Outcome Assessment process has hampered efforts to expand and grow. In addition, assessment processes continue to be challenged by recent limitations on funding for technology needs, such as the adoption of an e-portfolio system, as well as for technical and staffing support and external peer reviews. The College has created a position for a director of student learning outcomes assessment, but due to an unsuccessful search the position remains unfilled. Once filled, this position will still be supported by a team of faculty, staff, and administrators who will advise and help lead outcomes assessment efforts.

Current Practices/Ongoing Initiatives—Processes and Findings

All course syllabi at the College are required to list both student learning outcomes and general education competencies as applicable. For distance education courses, the Office of Distance Education and Learning Technologies has adopted the Quality Matters peer review process to assure the quality of all online offerings at Montgomery College. All student learning outcomes and the assessment of these outcomes are identical regardless of the modality of the offering and are monitored by the academic departments.

As the College shifted its focus and resources to the assessment of programs and general education competencies, the previous assessment process of focusing solely on high enrollment classes ceased at the end of the 2011-12 academic year. These courses now participate in outcomes assessment as general education courses or as courses that support program outcomes.

Program Assessment

A process to move beyond the assessment of individual courses to the assessment of programs was already underway at the time of the June 2011 visit from the Middle States Commission on Higher Education liaison. One of the tasks for the College community following the self-study was to move toward establishing systemic program assessment. The first necessary step was to ensure that learning outcomes were appropriately articulated for all degrees, certificates, and letters of recognition. This task is complete. These program outcomes are shared widely, most notably being published alongside each degree, certificate, and letter of recognition in the college catalog.

One area of concern is the need to expand program assessment to encompass other academic areas that do not offer degrees, or in which a degree is not the objective. Some programs are easily identified and assessed, such as developmental education and the American English Language Program. These areas are already captured as special programs by the CAR process and will work with the COAT to establish measurable program outcomes and assessment plans going forward.

During the 2010-11 academic year, all disciplines offering degrees, certificates, and letters of recognition were asked to complete a mapping of program outcomes to the courses in the programs. Over 90 percent of the program mappings have been completed to date. As part of the revamped CAR process, workgroups are tasked with completing a more detailed alignment of course outcomes with program outcomes.

After completing this alignment, the faculty in the disciplines work with the COAT to create and implement an assessment plan for their program outcomes and collect data on outcomes in subsequent years. The discipline will create recommendations based on their data and implement them before they come up again in the five-year CAR cycle. This will be the same process followed by programs that do not lead to a credential or degree, with their first step being the creation and approval of program outcomes. This structure maintains the distinct identities of the CAR and OA processes while allowing them to work in tandem on a common cycle. Appendix 5.8 contains a sample of the program and course matrix.

Even without the formalized process in place, assessment of programs has been happening at Montgomery College. As an example, as part of the CAR for the math discipline, a taskforce was created and charged with assessing the developmental mathematics program. This taskforce used data and research on best practices to make recommendations back to the math discipline, which then implemented the recommendations, significantly changing the developmental program. Now, the program is reviewed annually and recommendations for further improvement are made to the math discipline (see Appendix 3.16, The Developmental Math Task Force: Outcomes and Evaluation, referenced in chapter 3).

General Education Assessment

A concern expressed in the self-study referenced the assessment of the general education program. The general education core is comprised of five competencies and two areas of proficiency. The courses are split into four foundation areas and four distribution areas. The Montgomery College general education program is outlined on the website at http://www.montgomerycollege.edu/gened and is in full compliance with the Maryland Higher Education Commission's requirements for general education and with the Code of Maryland regulations specific to general education in Maryland's post-secondary institutions. The program also meets the fundamental elements outlined in Standard 12 in the *Characteristics of Excellence.*

Since the self-study, the College has undergone a review of its general education program and discipline faculty applied to have courses reviewed in order to receive general education status. In the application process, the faculty were asked to identify the two competencies (or one competency and one area of proficiency) primary to each course. After the information was collected from the application process, it was found that two competencies, information literacy and technological competency, were underrepresented. Therefore, in the fall of 2011, a new survey was conducted in which faculty responsible for each general education course were asked to identify to what extent each of the five general education competencies and two areas of proficiency were integrated into the curriculum of the course and whether they were assessed in the course.

As a result of the fall 2011 General Education Survey, each area has been assigned four competencies that must be taught and assessed in all courses in that area (see Appendix 5.9 for a listing of the competencies by foundation/distribution area). As reported to Middle States in the March 2012 Progress Report, a sustainable approach to general education assessment is now in place and is fully articulated.

Until 2010, general education courses that participated in the outcomes assessment cycle created their own assessment of at least one general education competency. Most courses chose to assess critical analysis and reasoning as their general education competency. Faculty and administrators overseeing assessment and general education were concerned about the lack of consistent standards for this competency and how it could be assessed. Therefore, the outcomes assessment team has worked with faculty teaching general education courses to create collegewide rubrics for all five general education competencies based on the American Association of Colleges and Universities value rubrics. The rubrics for written and oral communication and critical analysis and reasoning were piloted in fall 2011, with a collection of 10 courses that had originally identified these two competencies to be the primary competencies. All future assessments of general education competencies and areas of proficiencies will be required to use these rubrics. Faculty workgroups will have the flexibility to determine how to apply the rubrics to their assessments, but everyone will be using the same categories and measures. Montgomery College's general education rubrics can be found at the outcomes area of the General Education website.

The COAT and the General Education Committee (GEC) were tasked with creating an assessment plan by which Montgomery College could assess all general education competencies and courses and, at the same time, create a review process by which general education courses would undergo periodic review. As of the spring 2012 semester, College constituencies have agreed on a revised assessment plan and data collection process that would ensure all students receive exposure to and have multiple opportunities to practice the general education competencies. Data collection in all foundation areas under the new plan, as well as in the arts distribution areas, began in fall 2012. The data collected is tied to individual students so that the College can perform a detailed analysis. In particular, it is hoped that analysis of each of the competencies by the number of general education credits taken will reveal that students who are further along in the program will have greater success than those just beginning. In the spring of 2013, the COAT initiated a calibration and reliability study using student artifacts from the fall 2012 general education assessments.

With the dissolution of the GEC in the summer of 2012, the task of creating a review cycle now falls to the Collegewide Curriculum Committee. This change has also generated collaboration between the curriculum committee and the outcomes assessment team to align current initiatives.

Professional Development and Assessment

In-house professional development for faculty at Montgomery College is handled by the Center for Teaching and Learning (CTL). The COAT and CTL have a close relationship, with members of the COAT serving in advisory roles for CTL on all three campuses. See the CTL website for offerings, including the new faculty professional development program. In January of 2013, an Assessment and Learning Marketplace was held that gave faculty and staff across the College the opportunity to share assessment practices, materials, and results to highlight current assessment activities and enhance Montgomery College's culture of assessment.

External professional development has been limited by budgetary limitations; however, the College has recognized a need for professional development in the area of assessment and has paid for webinars and sent a larger contingent to the Middle States Commission on Higher Education annual meeting in December 2011. Additionally, a group of faculty and administrators working on general education assessment attended the February 2012 American Association of Colleges and Universities conference on general education assessment. Furthermore, the community colleges in the state of Maryland have created an affinity group of assessment personnel, and Montgomery College has been an eager participant in these groups as well as in statewide completion summits.

Workforce Development & Continuing Education

The Workforce Development & Continuing Education (WD&CE) unit participates in the College Area Review process, which includes a review of student and program outcomes. Course offerings and activities are evaluated, and adjustments are made to program, curriculum, and related activities by faculty, program directors, and/or program staff as a result of recommendations stemming from the review and evaluations.

Some programs offered through WD&CE, such as CPR and Microsoft certifications, use certification-yielding instruments for the assessment of the program. Ongoing guidance, resources, and support for these assessments are available from the external certifying agencies. In other WD&CE programs, assessments are used as instruments for student placement, pre-testing, targeted instruction, and to document student course progression and completion. Some examples include the use of CASAS (Comprehensive Adult Student Assessment Systems) Employability tests, which are used as a pre-test in the Entry Health Sciences Career Training programs, including the areas of EKG, dialysis, phlebotomy tech, pharmacy tech, physical therapy and occupational therapy tech. CASAS listening, reading, and math tests are also used for student placement, progression, and completion in the Adult English for Speakers of Other Languages & Literacy - GED (AELG) Program. Programs also employ assessment instruments developed in-house for student placement and for documentation of student learning.

Communication

In 2008, the visiting team suggested that the goals, objectives, and results of assessment be communicated in a manner that can be more fully understood by the entire College community. The institution has made progress in this area. Communication of assessment efforts is periodic and ongoing. Both Outcomes Assessment and the College Area Review (CAR) have robust websites where the broad picture for assessment at the College is available to the public. In addition, each website has a login-restricted section in which any faculty or staff member at the College can see all assessment documentation: CAR reports and recommendations, data information for CAR, outcomes assessment plans, data reports from outcomes assessment projects, and outcomes assessment recommendations. Additionally, regular electronic newsletters are distributed to the College community (see Appendix 5.10 for samples of the CAR and OA Newsletters). Dean and faculty assessment focus group sessions and meetings also serve as a means to communicate MC’s assessment practices.

Conclusion

While assessment efforts at Montgomery College have been hampered by a lack of financial and logistical support in difficult budgetary times, it is anticipated that the hiring of a full-time director of assessment with administrative support will alleviate some of the problems. The College will continue to address the need for accountability in all areas of assessment and across all constituencies as assessment practices become further embedded in the institutional culture. Continued collaboration between CAR, OA, the research office, strategic planning, and budgeting is a must. Through the CAR and OA, processes are in place to generate meaningful, measurable recommendations and action items for improvements. As MC moves forward with the assessment agenda, greater focus will be on development and implementation of recommendations and action items for institutional improvements.

Chapter 6
Linked Institutional Planning and Budgeting Process

FY10-FY12 Strategic Planning

At the time of the last Middle States reaccreditation visit, Montgomery College had just initiated the process of reviewing the previous strategic plan (see Appendix 6.1, Collegewide Goal and Objective Selection FY07, FY08, and FY09 Planning) and implementing a new, three-year strategic plan (see Appendix 6.2, Montgomery College 2010 and Beyond) that would guide the College from FY10 through FY12. In August of 2007, administrators, faculty, staff, and students met to review data from an internal SWOT analysis that was combined with an external environmental scan (see Appendix 6.3, Strategic Goals 2010-2012) and to participate in a facilitated process to identify five to six goals as priorities for fiscal years 2010 to 2012 and draft two to three outcomes for each goal (see Appendix 6.4, Montgomery College Strategic Plan 2010-2012, FY 2012 Planning Priorities). After the meeting, a core group of 15 members composed of administrators, faculty, and staff consolidated, refined, clarified, and organized the information into three collegewide goals. The end result of this process was a narrower and more tightly focused set of three goals, outcomes, and strategies that were tied directly to the three mission mandates and mapped to Performance Accountability Report (PAR) indicators and MSCHE standards and suggestions (see Appendix 6.5, Three Year Plan Mapped to PAR and MSCHE).

At collegewide planning retreats in early 2008 and 2009, groups of faculty, staff, and administrators met to collaborate and develop a shared academic and supporting administrative vision for the FY10 and FY11 planning cycles. The primary outcome of these meetings was the creation of three common academic strategic actions and supporting administrative strategic actions that each campus and administrative unit plan would address. These common actions were tied directly to the collegewide goals and formed the academic and administrative core of the FY10-12 Strategic Plan. Each campus and administrative unit was asked to develop additional strategic actions that fit their own internal planning priorities and would also help meet the institution’s collegewide goals. Shortly after Dr. DeRionne Pollard became president in 2010, the College held an FY12 Strategic Thinking and Planning Meeting. The planning meeting served as a culmination of the various, smaller academic and administrative meetings held between the president and the College community during her initial transition. Forty participants representing faculty, staff, and administrators attended the half-day meeting to review the FY12 Collegewide Strategic Planning Priorities (see Appendix 6.4) identified by the president for each goal. Large and small group discussions centered on how best to fund and implement these priorities for the FY12 planning cycle. Each campus and administrative unit was then asked to develop and submit specific action plans, resource needs, and assessments for each of these priorities, where appropriate.

FY10-12 Linked Budgeting, Planning, and Assessment

In order to link planning, assessment, and budgeting more effectively, the New Budget Request Worksheets (see Appendix 6.6, New Budget Request Worksheet) were revised to include a new column that captured any new budget requests connected to the strategic plan, the CAR, and the OA process, providing a more systematic way of tracking and mapping requests. All budget requests were compiled and sent to the appropriate units for additional costing information. The requests were then reviewed and prioritized by the campus vice president/provosts or unit chief and submitted for final review and approval to the appropriate senior vice president for inclusion in the budget. The Strategic Planning Database was then updated with notations on which items were approved, budgeted, and funded, allowing end users to modify their plans accordingly. A calendar (see Appendix 6.7) for plan submission, budget submission, plan modifications, and assessment data entry was widely distributed. Yearly assessment reports were produced from user-entered data and distributed collegewide, along with a newly developed Planning Tool Kit (see Appendix 6.8, FY10 Resource Tool Kit) which tracked trends in discipline costs, faculty equivalent semester hour workload measurement, credit hour enrollment, student/faculty ratios, the 30 highest and 30 lowest enrolled classes, and number of degrees granted. Assessment data and the tool kit information were to be used in the development of yearly plans and budgets. The assessment results were also summarized in the Highlights of FY 2010 Strategic Planning Achievement Report and included in the following year's strategic plan update.

Montgomery College 2020 Strategic Planning

In the fall of 2010, the College began laying the groundwork for an internal and external review of the mission statement (see chapter 2). The mission review project was timed to coincide with the end of the FY10-FY12 Strategic Plan to form the basis for developing a new strategic plan beginning in FY13.

Environmental scanning in anticipation of developing the plan began in January 2011 with the Mission and Vision Review Task Force, and continued throughout the spring, summer, and early fall. As part of this effort, internal and external community focus groups were asked to state what they saw as the most important challenges and opportunities facing the College in the next 10 years. This information was then collected, summarized, and reviewed by the Mission and Vision Task Force for use in future planning. Shortly following completion of the mission and vision review, the Montgomery College Board of Trustees developed the basic framework for what it saw as the most important and critical elements that should be addressed by the next long-range strategic plan. This document, *Board Perspectives on Strategic Planning* (see Appendix 6.9, Board Perspectives), served as the guiding framework in developing the strategic plan.

In the summer of 2011, the College established a Strategic Planning Steering Committee (see Appendix 6.10) comprised of a cross-sectional representation of faculty, staff, administrators, and students. The task force, chaired by the president, was charged with the following:

- Reviewing environmental scanning data and SWOT Analysis
- Developing the seven-year goals that would form Montgomery College's Strategic Plan
- Reviewing relevant institutional and county-level data to establish benchmarks for each goal
- Establishing fiscal-year collegewide strategic initiatives and assigning responsibility for their implementation to a Collegewide Strategic Initiative Team
- Making recommendations to the President's Executive Committee, which would advise the president on those budget allocations that should go forward in the College budget
- Reviewing and monitoring the collegewide strategic initiatives to determine progress and necessary revisions
- Updating the College community on a regular basis regarding progress on the College's Strategic Plan.

On August 25, 2011, more than 160 faculty, staff, administrators, students, and invitees from the community gathered for the Montgomery College Strategic Planning Conference, which consisted of a regional data presentation, an educational panel, a workforce panel, and a series of smaller participant-led break-out sessions with questions provided to participants to guide them in identifying the opportunities and challenges facing Montgomery College. The result of this conference was the development of an environmental scan, a SWOT analysis, and the identification of a set of critical strategic issues and themes that were used by the Strategic Planning Steering Committee throughout the fall 2011 semester to develop a framework for the College's Strategic Plan (see Appendix 6.11, Mission, Wheel and, Themes). The work of the Strategic Planning Steering Committee was then reviewed by senior administrators, the President's Executive Council, and the Board of Trustees.

Montgomery College 2020, approved by the Board of Trustees in spring of 2012, includes five themes (or goals) with specific strategies aimed at achieving the desired future state. As outlined above, the plan was the result of a year-long, participatory process that included representatives from all members of the College's internal and external community.

Montgomery College 2020 — Five Theme Areas

1. **EDUCATIONAL EXCELLENCE**
   Montgomery College will be a national leader for the quality and relevancy of its academic programs.

2. **ACCESS, AFFORDABILITY, AND SUCCESS**
   Montgomery College will provide affordable access for its communities and ensure student success and completion.

3. **ECONOMIC DEVELOPMENT**
   Montgomery College will promote and support economic development by ensuring that rigorous and relevant regional and national workplace competencies are reflected in programs and curricula.

4. **COMMUNITY ENGAGEMENT**
   Montgomery College will foster community building, civic responsibility, and intercultural understanding, and serve as the place for neutral public dialog to advance social justice and enrich the life of the community.

5. **ASSESSMENT AND INSTITUTIONAL EFFECTIVENESS**
   Montgomery College will ensure institutional effectiveness and sustainability through ongoing assessment and responsible stewardship.

Montgomery College 2020 Assessment

To assess and track the progress of the strategic plans, a performance canvas (see Appendix 6.12) of 36 categorical indicators has been established. These include:

- Objective indicators (based on numbers and value-added activities, including credit and noncredit headcount, retention, graduation, transfer, and student success rates)
- Subjective indicators (representing rankings and ratings that reflect the College's standing or position, including enrollment growth, dollars raised, and national/state rankings)
- Cognitive indicators (reflecting the feelings and beliefs about the College and the value that individuals assign to the College based on impressions formed through interaction, including awards, employee philanthropy, student/employee satisfaction, and media representations)

The performance canvas represents the primary means by which *Montgomery College 2020* will be measured and assessed. Each indicator is mapped to one of the five themes (or goals) and includes (where appropriate) establishing a "current performance" benchmark represented by FY11 data, the FY20 performance goal (or target), and the existing gap between the benchmark and target. Progress on the performance canvas indicators will be reported annually and the results used to strengthen initiatives or modify FY20 performance goals.

Montgomery College 2020 Tactical Planning and Budget Alignment

For year one of *Montgomery College 2020*, the Strategic Planning Committee established a set of collegewide FY13 strategic initiatives for each theme (goal). Each *Montgomery College 2020* theme was assigned to an initiative team leader who then developed the first set of tactical strategic actions and assessments for each initiative in consultation with the appropriate academic and administrative units and using appropriate internal and external data.

The College formed a budget subcommittee consisting of the following steering committee members to identify funds and ensure appropriate budget allocations for all collegewide strategic initiatives:

- Senior vice presidents (3)
- Chief budget officer

- Vice president for planning and institutional effectiveness
- Chief business services officer
- Faculty representative

The budget subcommittee was charged with the following:

- Reviewing and revising the current collegewide budget and accounting system to support collegewide initiative funding
- Reviewing relevant institutional data to identify funds and ensure appropriate budget allocation for all collegewide initiatives and campus/unit plans
- Reviewing plans and making recommendations to the full steering committee on those initiatives and campus/unit plans that should move forward to the President's Executive Council

The FY13 tactical plans were reviewed by the Budget Subcommittee for funding feasibility and prioritization (see Appendix 6.13, Strategic Planning Budget Subcommittee). The recommendations of the Budget Subcommittee were then reviewed by the President's Executive Council who made the final recommendations and prioritizations to the president for approval. For the first year of the new plan (FY13) only those initiatives from the five strategic initiative teams were considered by the Budget Subcommittee and the Strategic Planning Steering Committee. The college budget for FY13 had been created prior to the completion of *Montgomery College 2020*; however, monies had been set aside to fund strategic initiatives linked to the President's FY13 budget priorities.

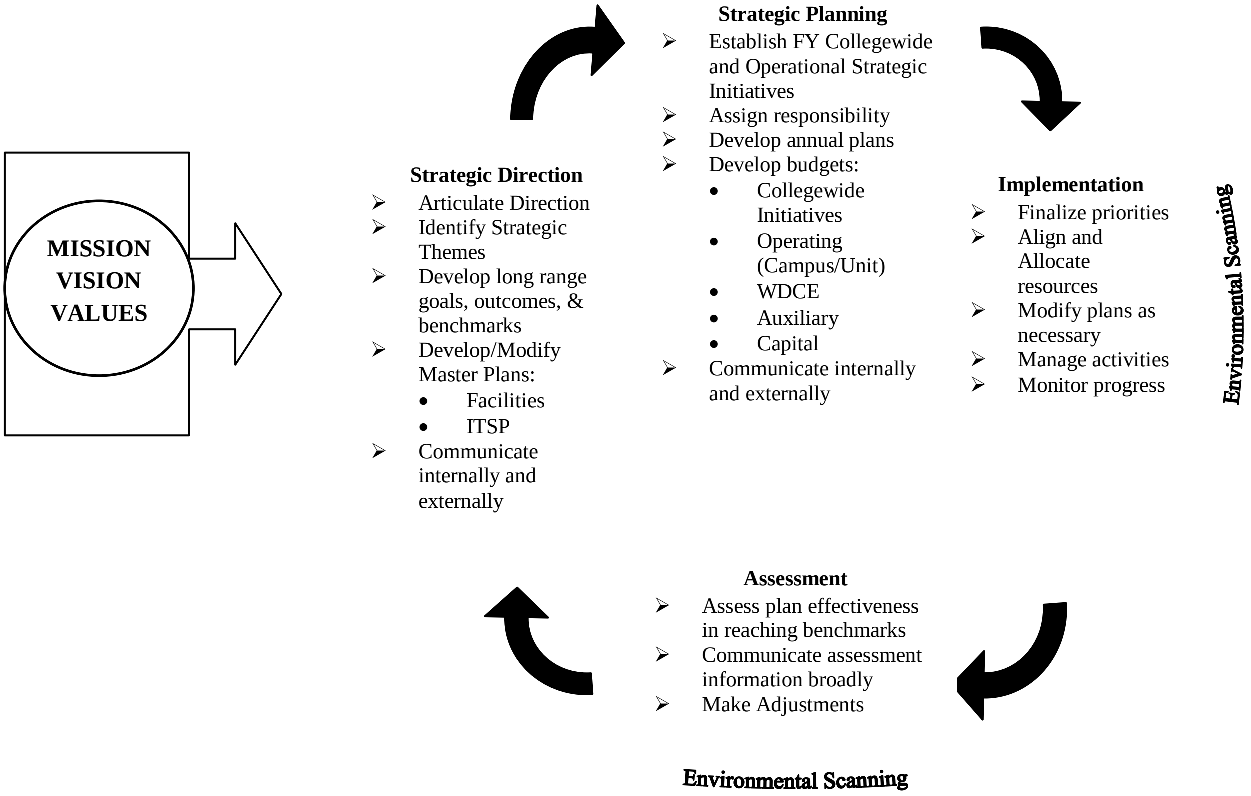
The FY13 Initiatives were included in a report to the Board of Trustees for their approval and available funding was set aside for their implementation starting in July 2012. Initiative team leaders continue to monitor implementation of their initiatives and submit quarterly assessment reports charting their progress. This approach differs dramatically from previous years due to the one-college nature of the initiatives. It also differs based on the quarterly report approach as opposed to the traditional year-end reporting. Future tactical plans at the campus, unit, or discipline level will depend on the outcome of the academic realignment plan. Starting in FY14, planning oversight and recommendations to the President's Executive Council for action and funding will be managed through the new participatory governance system.

All FY Initiatives, strategic actions, and associated assessments are aligned and mapped to one of the overarching themes. Some assessments directly inform and support indicators found in the *Montgomery College 2020* performance canvas, while others complement or indirectly support the performance canvas indicators. All FY Tactical Plans are developed using a new standardized template (see Appendix 6.14 FY CWSP Form) and each unit plan is mapped to an institutional priority, a presidential priority, an MC 2020 Theme, and/or a collegewide FY initiative. The template also provides a direct link to budget allocations, and includes an assessment component and improvement plan that allow for an integrated means of linking planning, budgeting, assessment, and improvement.

Tactical plan assessment and monitoring is conducted using TracDat, an institutional database that allows users to report periodic summaries and narrative progress reports. The data are entered and maintained by the Office of Planning and Institutional Effectiveness, while updates and results are completed electronically by the Initiative Team Leaders. The multi-level hierarchy of TracDat permits the tracking and reporting of individual strategic action assessments as well as their contribution to the themes and broader Performance Canvas indicators.

Ongoing Planning Activities

Ongoing environmental scanning for external trends and the collection and dissemination of appropriate internal data is performed by the Office of Planning and Institutional Effectiveness and Office of Institutional Research. Labor market and demographic data are updated quarterly and posted on the MC 2020 Environmental Scanning Data webpage, along with special reports and requested analysis. Internal data are provided via the Planning Tool Kit, which is released annually and includes discipline cost data, program graduation trends, and enrollment trends. This data, combined with strategic planning assessment results, performance canvas results, and other institutional performance metrics, form the basis for the annual Institutional Effectiveness Report.



MISSION VISION VALUES

Strategic Direction
- Articulate Direction
- Identify Strategic Themes
- Develop long range goals, outcomes, & benchmarks
- Develop/Modify Master Plans:
  - Facilities
  - ITSP
- Communicate internally and externally

Strategic Planning
- Establish FY Collegewide and Operational Strategic Initiatives
- Assign responsibility
- Develop annual plans
- Develop budgets:
  - Collegewide Initiatives
  - Operating (Campus/Unit)
  - WDCE
  - Auxiliary
  - Capital
- Communicate internally and externally

Implementation
- Finalize priorities
- Align and Allocate resources
- Modify plans as necessary
- Manage activities
- Monitor progress

Environmental Scanning

Assessment
- Assess plan effectiveness in reaching benchmarks
- Communicate assessment information broadly
- Make Adjustments

Environmental Scanning

Linked Planning and Budgeting

While the College has made strides in directly linking the planning and budgeting processes, to date, there is a need to fully “close the loop” in formally integrating assessment-based planning and budgeting. This is due largely to external circumstances. The momentum gathered in the 2008-09 academic year, with the Strategic Planning Meeting attendees reviewing and recommending prioritized funding for staff hiring and a variety of collegewide initiatives, was diminished greatly in the face of the economic and financial crisis. Throughout the 2010–12 academic years, the President’s Executive Council and senior leadership focused its planning on potential cost reduction scenarios. Although program and unit-level planning, assessment, and budgeting continued during this period, the circumstances necessitated the freezing of discretionary hires and budget items, thus limiting the momentum gained in linking budgeting and planning. However, budget items were still prioritized and linked to the College’s goals and initiatives. These measures did allow the College to weather the circumstances and to emerge in sound financial shape.

In preparation for the first year of *Montgomery College 2020*, three major issues had to be addressed. First, the budget for Montgomery College, as a whole, had been somewhat disconnected from College planning and priorities, except during times when new money was available. Additionally, each campus submitted its own budget, which was rolled into the College’s overall budget request from the county. As each campus was organized differently in terms of grouping the disciplines under a specific dean, it was difficult to ascertain the exact discipline and program costs for the College as a whole. As the College entered into a period of reallocation with no new funding during the FY10-12 academic years, there was little to no explicit connection between mission and goals, and budget reallocation except for high priority initiatives. It should be noted that improvements in the amount, quality, and timeliness of institutional research and analysis available to decision-makers continued throughout this period, but the disconnection between the College and campus budgets created a situation where data generation had not been relied upon to determine relative effectiveness of each discipline, program, or area.

Several initiatives were begun in FY12 to address these issues. First, the Office of Business Services completed work on a new chart of accounts (COA) project. Prior to this project, programs were aggregated in the financial system by deans. For example, if math, science, and engineering all reported to one dean, these programs were treated as if they were one account. This methodology did not allow the College to determine the specific revenue or expenses generated by each individual program. The COA project breaks each programmatic area into individual units correcting the problem and allowing for improved tracking of expenditures and the development of a new cost-to-educate model that will better capture direct instructional costs and revenues. Moving forward with unit and campus tactical plans, the new COA and administrative computing (Banner) modifications will provide the ability to include data fields that can tie directly to initiatives and strategies within *Montgomery College 2020*, allowing for real-time budget tracking of strategic plan allocations.

Second, the Office of Human Resources, Development, and Engagement has begun a personnel allocation project. Currently, salaries are associated with a particular campus and benefits are not allocated at all. This does not allow a program to develop the true total direct cost associated with the program nor does it allow the program to determine if costs are being driven by faculty with longevity versus the cost of supplies, contracts, etc. (e.g., costs other than personnel). This project will assign personnel and their associated benefits to a program area. The project is currently in its infancy. Documentation regarding the effectiveness of this effort should be robust by the time of the decennial self-study.

Third, the College recognizes that the previous absence of a multi-year ongoing budget has resulted in an over emphasis on single fiscal year requests. The senior vice president for administrative and fiscal services, the Office of Business Services, and the Office of Budget and Management have implemented a three-year budget process for the College that will anticipate revenues and expenditures based on the new COA and personnel allocation project and allow the College to set aside a part of the budget to fund *Montgomery College 2020*.

The data derived from these three projects will allow the College to determine the revenues and total expenses associated with each programmatic offering. Once the data have been accumulated in this manner, the direct cost to educate a student in math, English, developmental studies, etc. can be determined. This information can then be linked to the Academic Master Plan to determine the changes needed (format, delivery methodology, sun-setting, etc.) to bring it in-line with the plan. These priority changes, together with the facilities and information technology master plans, will drive the budget allocations or reallocations. By comparing the cost to educate students year after year, the College can assess academic priorities and develop new strategies. This will further link mission to budget, to master plans, to outcomes, to assessment, and ultimately back to mission (see Appendix 6.15 Planning and Budget Lifecycle).

PERIODIC REVIEW REPORT

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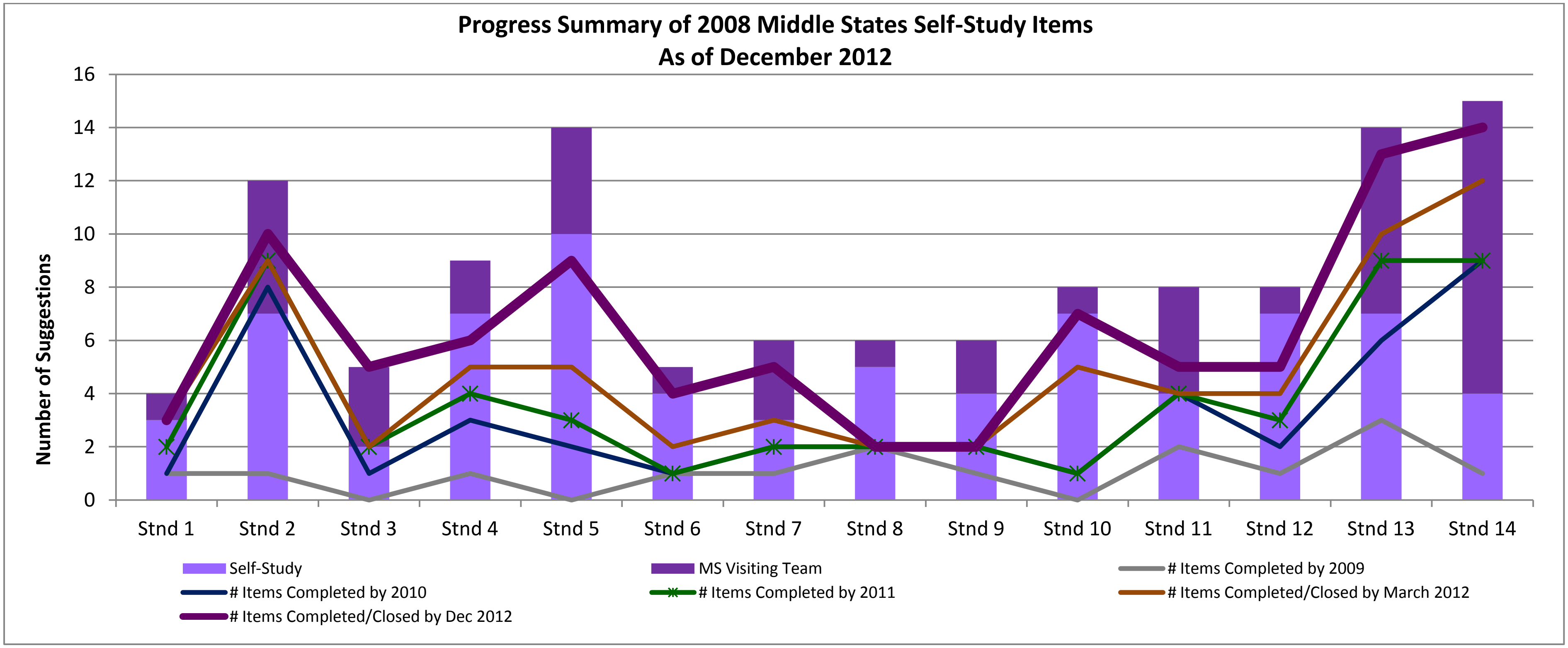
Required Documents

Current Montgomery College Catalog
Institutional Financial Plan – see Appendix 4.11, Final Operating Budget – FY13 and Table 4.6, Operating Budget Long-Range Financial Projection (Current Fund Only)
Actual Enrollment – See Table 4.1 - Enrollment by Campus Fall 2008–12
Projected Enrollment – See Table 4.2, Montgomery College Enrollment Projections for Fall Semesters 2013-16
Audited Financial Statements – see Appendix 4.8 A-E, Audited Financial Statements 2008–12
IPEDS Reports 2008-2012 (attached following appendices, Required Documents 1-4)
Assessment Plans – Appendix 5.3 College Area Review Master Plan, Appendix 5.7, Maryland Higher Education Commission Student Learning Outcomes Assessment Report (SLOAR) 2011,
Appendix 5.9, 2012 Montgomery College Outcomes Assessment Overview
Institutional Planning Documents – see Appendix 3.1, FY12 Strategic Plan: Academic and Student Services – Workforce Development & Continuing Education, Appendix 6.2, Montgomery College 2010 and Beyond, Appendix 6.4, Montgomery College Strategic Plan 2010-2012, FY 2012 Planning Priorities, Appendix 6.5, Three Year Plan Mapped to PAR and MSCHE, and links to the College's strategic plan, Montgomery College 2020, the Office of Information Technology (OIT) Strategic Plan and Technology Infrastructure Program Plan, and the Facilities Master Plan 2006–2016.

Appendix 2.1, Summary Report of Annual Progress Updates for the 2008 Self-Study Suggestions and Annual Progress Report Table

Summary Report of Annual Progress Updates for the 2008 Self-Study Suggestions

In June 2008, the Middle States Commission of Higher Education (MSCHE) reaffirmed the accreditation of Montgomery College (MC) after a successful and detailed assessment on 14 standards in the institution's self-study. A total of 120 recommendations were made for internal improvement, including 74 recommendations put forward by the internal self-study teams and 46 suggestions by the Middle States visiting team. Middle States strongly encourages the College to implement those identified internally in the self-study process but does not require actions on the visiting team suggestion items. Nonetheless, since the 2008 self-study, the College has continuously strived to implement all suggestions and provide annual updates on their progress. By December 2012, almost five years after the reaccreditation, 73.3% of recommendations were completed, 25% in progress, and 1.7% shelved (or closed). The following chart shows the latest implementation progress and the number of completed/closed Suggestions.



Completion Progress of Self-Study Suggestions by Standard:

Middle States Standard (in 2008)	**2008 Self-Study**	**MSCHE Visiting Team**	**Combined count**	**Dec 2012 % Completion**	**Mar 2012 % Completion**	**Mar 2011 % Completion**	**Mar 2010 % Completion**	**Mar 2009 % Completion**
Standard 1: Mission and Goals	3	1	4	75%	75%	50%	25%	25%
Standard 2: Planning, Resource Allocation, and Inst Renewal	7	5	12	83%	75%	75%	67%	8%
Standard 3: Institutional Resources	2	3	5	100%	40%	40%	20%	0%
Standard 4: Leadership and Governance	7	2	9	67%	56%	44%	33%	11%
Standard 5: Administration	10	4	14	64%	36%	21%	14%	7%
Standard 6: Integrity	4[†]	1	5	80%	40%	20%	20%	20%
Standard 7: Institutional Assessment	3	3	6	83%	50%	33%	33%	17%
Standard 8: Students Admissions and Retention	5	1	6	33%	33%	33%	33%	33%
Standard 9: Student Support Services	4	2	6	33%	33%	33%	33%	17%
Standard 10: Faculty	7	1	8	88%	63%	13%	13%	0%
Standard 11: Educational Offerings	4	4	8	63%	50%	50%	50%	25%
Standard 12: General Education	7	1	8	63%	50%	38%	25%	13%
Standard 13: Related Educational Activities	7	7	14	93%	71%	64%	43%	21%
Standard 14: Assessment of Student Learning	4	11	15	93%	80%	60%	60%	7%
Total	**74**[†]	**46**	**120**	**75%**	**56.7%**	**44.2%**	**37%**	**13%**

[†] One internal improvement recommendation from Standard 6 was not part of the official Self-Study report and thus, is excluded from this summary report.

Summary Report of Annual Progress Updates for 2008 Self-Study

Standard 1: Mission and Goals

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Continue initiatives to communicate the student-centeredness of the College's mission. **[Completed]**	The Office of Institutional Advancement continues to communicate the student-centeredness of the College's mission. In a recent multi-media presentation for advocacy with state and local elected officials, the students told their own stories of why Montgomery College is important to them. Upcoming movie theater ads focus on three students and what any given student will experience at Montgomery College. From small private events to public events like commencement, students are engaged in telling their stories. In addition, as budget cuts are made, Advancement remains committed to priority projects that are dedicated to student enrollment and completion. In one sense, this is a never-ending initiative, but the office is satisfied everything possible is being done with the resources available.
Assure prominent display of the College's mission statement. **[Completed]**	Prior to 2008, the Office of Communications distributed mission statements collegewide to key offices in anticipation of the Middle States visit. A new mission statement was adopted by the Board of Trustees in June of 2011 and over the 2011-12 academic year the new mission was communicated and posted widely throughout the College.
Revisit the current mission statement, particularly regarding the following: **a. More clearly relate goals and objectives to the principle of "Our Spirit."** **b. Develop a clear objective under Goal 1 to address the educational needs of specific sectors of the county community, particularly with respect to access to college and academic success (AMP 14, 20, 21), community outreach, and customer service.** **[Completed]**	In spring 2011, the Office of Planning and Institutional Effectiveness led the Mission and Vision review process that involved a 32-member collegewide Mission Review Committee chaired by Dr. Pollard. The process also included a series of external and internal open forums to gather community feedback. The revised Mission and a new Vision statement were approved by the Board of Trustees in June 2011. The principle of "Our Spirit" was restated by a set of six values in the new Mission-Vision-Values statement. These values are the underlying principles of all the goals and work of the College. Following the revision of the Mission-Vision statement, the College has also established five seven-year strategic theme areas (or goals) to address the self-study item. The College's Strategic Plan, *Montgomery College 2020*, includes an updated Academic Master Plan, an ongoing economic environmental scan, and an aggressive community engagement plan. 1. Educational Excellence 2. Access, Affordability, and Success 3. Economic Development

* Suggestions prefixed with "MSCHE" originated from the Middle States Visiting Team. Others were recommendations that originated from the internal Self-Study review.

	4. Community Engagement 5. Assessment and Institutional Effectiveness
***(MSCHE Suggestion) The College should continue to periodically review its goals and objectives to ensure their clarity and completeness.** **[In Progress]**	In fall 2011, the Office of Planning and Institutional Effectiveness led a 40-member collegewide strategic planning committee to develop a set of long-range college goals with three-, five-, and seven-year benchmarks. In Spring 2012, five collegewide strategic themes, or goals, were presented to the Board of Trustees, and Initiative Teams were tasked to develop tactical plans to support them. Those tactical plans were discussed and revised by the President's Executive Council in early March 2012. The Council also reviews and allocates resource requests to support the implementation of these tactical plans. In addition, those goals, initiatives, and annual tactical plans are reviewed annually by the Senior Administrative Leadership Team. The Performance Canvas in the latest College strategic plan, *Montgomery College 2020*, provides periodic assessment data and serves as the decision-making platform to determine the completeness of the goals and objectives.

Standard 2: Planning, Resource Allocation, and Institutional Renewal

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Explore additional ways to expand participation in and understanding of the planning process. [Completed] ****(MSCHE Suggestion) The College needs to continue to explore ways to expand participation in and understanding of the planning process.***	The planning process at Montgomery College now involves participation from faculty, staff, administrators, students, unit leaders, and all governance groups. The common goals developed are communicated to College community via the College's online newsletter, *Inside MC Online*, and documented on the College website. All units and academic areas are required to submit an annual tactical plan supporting the collegewide common goals. The planning office meets with individual units to clarify and discuss the process and outcomes.
Continue and expand efforts to streamline and formally evaluate planning processes and documents. **[Completed]** ****(MSCHE Suggestion)* The College**	The planning process continues to undergo review for improvement and streamlining. The College has adopted a three-year planning cycle with common academic and administrative goals. Each unit and academic area is required to develop their tactical plans and targets to align with the common goals. Planning forms and database fields are modified and synchronized to provide clarity and consistency and to enhance understanding. The goals, plans, and their annual assessment results are documented in a centralized database with reporting capabilities.

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needs to continue efforts to streamline the planning process.	An annual survey is conducted to assess the planning processes and documents at the annual collegewide retreat and individual unit meetings. The College community can also e-mail feedback to the Office of Planning and Institutional Effectiveness mailbox.
Clarify the connection between strategic planning, tactical planning, and implementation of plans. **[Completed]**	Regular communication to the entire College community is now conducted via the College's online newsletter, *Inside MC Online*. Regarding the collegewide strategic plan, a *Strategic Planning Report* is published periodically to update the college community on the planning process and result. The planning team reviews the strategic plans with individual units annually to assist with the development of tactical plans.
Institute a feedback loop that includes the unit and departmental level to explain what is and is not funded. **[Completed]** ***(MSCHE Suggestion)* The College needs to continue efforts to provide information consistently to all members of the college community concerning planning and budget considerations, decisions, and progress.**	Subsequent to units and departments submitting their budgets, the Budget Office prepares a budget for the president and Board of Trustees to approve. Once the budget is approved within the College, it goes before the county executive and County Council for approval. Leading up to county approval, the Budget Office makes budget presentations to various groups and organizations within the College informing them of the College's budget request. Once the College receives county approval of the budget in May, the vice president for budget and fiscal analysis informs the units and departments of what items were funded or not funded via e-mail. As a result of the collaboration between the Budget Office and the Office of the President, communications on budget decisions and progress have been consistent, informative, and widely distributed to internal and external constituents. Internally, office memos, emails, budget presentations, and presidential speeches consistently address the budget issues. Externally, the community is informed via press releases, speeches, e-mail updates, etc.
Establish a formal evaluation of the Academic Master Plan. **[In Progress]** ***(MSCHE Suggestion)* The College needs to establish a process to systematically update the Academic Master Plan and assess its effectiveness.**	In spring 2012, the collegewide strategic planning committee developed five collegewide strategic themes or goals. The committee also suggested the revised Academic Master Plan be one of the outcomes for Theme 1 (or Goal 1), Education Excellence. Theme I is overseen by the senior vice president for academic affairs. After the development of the new College strategic plan, *Montgomery College 2020*, the Senior Vice President for Academic Affairs established a Task Force in Fall 2012 to craft the academic master plan. Following the established model of the collegewide strategic plan, the new academic master plan will include a set of performance indicators and an annual assessment process. Status updates are to be collected annually regarding the progress of the academic master plan to determine the effectiveness of the plan and whether changes are needed.

* Suggestions prefixed with "MSCHE" originated from the Middle States Visiting Team. Others were recommendations that originated from the internal Self-Study review.

Continue the review of College goals and objectives to ensure they are strategic and measurable. **[Completed]** ***(MSCHE Suggestion)* The College needs to establish a process to systematically review College goals and objectives.**	The review of college goals and objectives began in summer 2011 with the collegewide planning conference attended by over 250 participants. An environmental scan was conducted and in fall 2011, the new seven-year collegewide strategic plan, *Montgomery College 2020*, was developed. There are five collegewide themes, or goals, in the plan and each goal is supported by a set of three-, five-, and seven-year benchmarks to measure those goals. Each goal is supported by initiatives that are overseen by college leadership teams. The Office of Planning and Institutional Effectiveness routinely reviews all the goals and objectives and provides feedback to the initiative teams how to improve how these may be better assessed and to better align the tactical plans with the strategic goals. College goals and objectives are reviewed annually with participation from faculty, staff, administration, and governance groups. Information supporting the annual review includes the strategic planning report, the *Performance Accountability Report* (PAR), internal and external surveys, budgetary reports, trustees' reports, and various academic reports. Every three years going forward, the College goals and objectives will undergo a comprehensive review in light of additional data such as SWOT analyses, education trends, community focus groups, and county demographic data.
Complete the implementation of the TracDat system, and assess its effectiveness in tracking recommendations for institutional renewal. **[Completed]**	Since 2008, the College has been using a customized online application to capture the strategic goals and annual assessment results. The flexibility of a customized application is more suited for the changing planning process and requirements.

Standard 3: Institutional Resources

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Examine position classifications and descriptions to assure alignment, especially of positions requiring technological skills. **[Completed]**	Through the Classification Steering Committee, the Office of Human Resources, Development, and Engagement (OHRDE) has: 1.) established a completed classification renewal 2.) recommended a compensation structure for staff and administrators to the College president; 3.) recommended an ongoing evaluation and assessment process for the classification system, including a process to consider individual reclassification requests; 4.) recommended title changes for staff and administrators with the goal of providing organizational clarity; 5.) considered and recommended a procedure for placement of new hires within the chosen compensation system, which ensures internal equity among existing employees; and 6.) captured decisions and recommended updates to College Policy and Procedure

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	35001/35001CP, compensation programs, and/or related policies.
Aggressively continue the pursuit of alternate sources of funding to support new construction and renovation of existing space. [Completed]	This effort continues as suggested. For example, in December 2009, the Montgomery College Foundation completed its four-year $25M capital campaign. As part of the campaign, an art gallery was renovated through a $500,000 gift of the Silberman family. The Cafritz Foundation donated $3M to renovate an old bakery into the College's Morris and Gwendolyn Cafritz Foundation Arts Center. In addition, the Foundation has played a creative role in bond projects for that center and a Takoma Park/Silver spring campus parking garage. The foundation is in the process of assisting with the funding of the purchase of the Goldenrod building at Germantown as well. When the president and board of trustees prioritize specific construction and renovations to be funded via philanthropy, the foundation pursues these in its next comprehensive capital campaign cycle.
***(MSCHE Suggestion) In the current economic climate, public funding for new capital construction and renovation is rarely sufficient for the pressing needs of public higher education. Montgomery College should continue to use its well articulated planning protocols for linking high impact needs with available funding.** [Completed]	Facilities planning is continually reviewed, assessed, and modified based upon budget availability and college focus.
***(MSCHE Suggestion) Use of any portion of the unrestricted fund balance to support the annual operating budget should be limited in order to assure that reserves are not systematically reduced or depleted. The current underlying strength of the college's financial structure should be guarded by assuring that annual budgetary costs remain in balance with annually recurring revenues.** [Completed]	The Board of Trustees has established an unreserved fund balance policy for financial liquidity to meet normal operating and contingency obligations and to address orderly adjustments to changes resulting from possible declines in revenue sources. All requests of fund balance must be approved by the senior vice president for administrative and fiscal services or the president prior to usage. Usage is tracked through a monthly report, *Use of Lapse Funds*, and it is reviewed with the president monthly. The College must also be in compliance with to Montgomery County's minimal fund balance maintenance requirement.

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***(MSCHE Suggestion) Continue to monitor costs with due care that assures mission critical services are funded in balance with resource limitations.**	In 2011-12, the College's Budget Review Advisory Committee (BRAC) completed its work and the College implemented several recommendations including changes in ancillary fees, reductions in contracts, and revenue enhancements. In addition, the College has instituted a cost-analysis-by-discipline approach that addresses strategic allocation or reallocation of resources on an ongoing basis. Through this process, the College links mission critical initiatives with resource limitations.

Standard 4: Leadership and Governance

Recommendation/ *MSCHE Suggestion	**Summary of Annual Progress Updates (March 2009 – March 2012)**
Fully implement the procedure for the periodic, objective assessment of the Board of Trustees to meet stated governing body objectives, including Middle States Commission, Maryland Higher Education Commission, and other federal and local government agencies. **[In Progress]**	An assessment procedure has been established. In June 2011, the Board of Trustees conducted a self-reflection survey. The self-reflection provided an opportunity to focus on the board's performance, practices, processes, and overall effectiveness. Most of the 20 statements and questions were indicators of the board's multi-year goals and objectives, which were established in 2010. The goals and objectives were: (a) advance board operations; (b) promote board development; (c) promote resource stewardship and alignment; (d) advance board advocacy, external leadership roles, and communication stewardship; (e) advance participatory governance agenda and process; and (f) promote and strengthen the board and CEO relationship. Survey results were aggregated and summarized. At the board's open meeting on January 9, 2012, the chair made a report on the results and noted that there was unanimity for most of the responses and the evaluation showed a cohesive group that works well together. The Board of Trustees will continue the assessment process.
Ensure that the Academic Assembly fulfills the charge of identifying all academic committees and that it complete its review of governance structure. [Completed] ***(MSCHE Suggestion)* The review of the governance processes by the Academic Assembly should continue and its findings should be carefully considered by the College community.**	The Academic Assembly has completed its charge in reviewing the academic committees. In early 2011, a comprehensive task force of full-time faculty, part-time faculty, students, staff, and administrators was established and charged with examining the existing system of governance at the College and with developing a set of recommendations for restructuring it into a system that it is inclusive and participatory. The task force was also tasked with developing a set of procedures that is in support of and consistent with board policy and could also be used as guidelines for implementing the restructured system. In addition, the group was also asked to identify a set of criteria that could be used to assess the effectiveness of the system. The result of this collegewide, collaborative, and cross-constituency effort was the development of a governance system replacing the existing structure. The new system brings every constituency group at

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	the College to the table and that creates a broader mechanism for collaboration. The system recognizes all collegewide constituencies and gives voice to all.
Create and monitor effective communication and feedback procedures (including a comprehensive communications plan) in the development and implementation of major academic initiatives, following the model of the student e-mail initiative and the Middle Sates Self-Study. **[In Progress]** ***(MSCHE Suggestion)* The College should formalize a communications plan to improve the flow between and among faculty and staff and the governance structures.**	The director of communications and members of the Office of Communications are responsible for collegewide communication strategies and they direct and advise institutional leadership, faculty, and staff. Each major College initiative is required to submit a communication plan that is aligned with those collegewide communication strategies. The College utilizes various communications channels to reach out to its diverse audiences on major collegewide initiatives. Among the channels coordinated by the Office of Communications are: *It's Friday*, a weekly e-mail to the College Board of Trustees; monthly reports to the board; *Three Things to Know*, a weekly communication to county and state leaders; the College website; Facebook and Twitter; student blogs; *Inside MC Online*, a daily online newsletter for faculty and staff; *Insights*, a semi-annual publication for alumni and friends; *Foundation Focus*, a quarterly newsletter to donors and friends; and an online calendar of events. Many of these communications channels offer a built-in feedback loop, allowing the College community the opportunity to comment and share their input and ideas. Other coordinated communications channels coordinated by offices include the College educational cable television station; MyMC, an internal web portal for students, faculty, and staff; meetings and forums; and regular e-mail and memorandum correspondence. In addition, special committees with representative membership allow additional opportunities for the College community to provide feedback. The College continues to build upon the previously adopted communications plan in an effort to improve communications between and among faculty, staff, governance bodies, and the president. In the newly launched redesign of *Inside MC Online*, the daily online newsletter for faculty and staff, the College created a daily e-mail to better inform its community and to encourage greater engagement. The Office of the President, working with the Office of Communications, continues to post the president's public schedule on *Inside MC Online* and on the president's webpage. In addition, the president participates in a weekly video blog, alternating her messages to faculty/staff and to students. The blogs are posted on the front page of the College website, the president's webpage, and on YouTube. Through memoranda, the president and senior leadership of the institution continue to inform faculty and staff about important news and information. With major initiatives, the information is supplemented with open forums that allow for feedback and questions, as well as webpages or *Inside MC Online* articles.

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Continue the review of the Learning College, its related initiatives, and administrative structures. Include all College stakeholders in the review process. **[Completed]**	This initiative has been completed. The practices that were given collegewide visibility under the umbrella of the Learning College, such as First Year Experience, Service Learning, and Learning Communities, have become institutionalized in various departments throughout the College. Additionally, those unique activities that fully engage students as collaborators in the learning enterprise, the Student Excellence Expo (SEE), and the Student Leadership Summit have been incorporated into annual College programs, such as Career and Academic Fairs and the Student Leadership Conference.
Include sessions on shared governance and the role of faculty members in this process in the faculty professional development program. **[Completed]**	Shared governance and the role of faculty in this process are incorporated within the New Faculty Orientation offered each August and January to full-time faculty. In addition, the role of faculty is a key topic for the Center for Teaching and Learning, and the Center for Professional & Organizational Development, professional development units at the College.
Include collegewide student participation in the advisory group for MyMC. **[Completed]**	The office of Information Technology identified several students for participation in an advisory group for MyMC and has encouraged students to work with them.
Ensure that student publications, orientation sessions, and web resources inform students who wish to be heard on ways to provide input and feedback. **[Completed]**	The Office of Information Technology created a student portal on MyMC. *The Advocate*, the Rockville campus student newspaper, is available to students online. Students have created a Facebook page and have published a Blog. The Offices of Student Life on each campus offer orientation sessions each semester.

Standard 5: Administration

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Evaluate the effectiveness of using faculty for nonacademic administrative work. **[Completed]**	This recommendation has been reviewed and the nature of assignments has been restricted. The number of positions of administrative associates, faculty who receive release time for full-time administrative duties, has been scaled back dramatically. All faculty who held those positions have returned to their previous academic duties.

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Review the academic management and reporting structures between faculty and deans. **[In Progress]** ***(MSCHE Suggestion)* There should be a continuing review of the administrative organization across the College including reporting capacity, the role and function of the academic chairs, and allocation of support staff.**	In Fall 2012, the Senior Vice President for Academic Affairs established an Academic Reorganization Committee to examine the current academic organization and made recommendations for its academic restructuring to the President. The Committee will continue the work throughout FY13. This work includes a consideration of the reporting structures between faculty and deans. Several instructional deans are members of the steering committee for academic restructuring. Based upon the recommendations of the 2010 Subcommittee on Organizational and Administrative Function and 2011 institutional priorities as determined by the president and the senior administrative leadership team, an organizational restructuring of the College was implemented. In particular, the academic/student services organization, which had originally been one entity, was separated into two separate units, each under the leadership of a senior vice president reporting directly to the president of the College. This important organizational shift allowed for concentrated focus on each of these important service areas in order to ensure the highest quality experience for students. Furthermore, there were several levels of changes in the reporting lines of units: the libraries were moved from the Office of Information Technology to the Academic Affairs unit; a new Office of Compliance was launched in 2011, and the Office of Human Resources, Development and Engagement was restructured to combine two previous units and their functions into one entity.
Accelerate the hiring process of staff. **[In Progress]**	Preliminary assessments of the Office of Human Resources, Development, and Engagement's Taleo recruitment system's recruitment and on-boarding capabilities have resulted in a more streamlined approach to the hiring process for staff. Limited use of electronic notifications in Taleo over the past year has proven to enhance the approval process. Where the hardcopy manual process took days, the electronic approval process can be done in hours, if not minutes. The office offers training classes and online tutorials to help hiring managers and search committee members learn how to navigate the Taleo recruitment system. Moving forward, hiring managers and search committee members can take more control of their search process by allowing the *Affirmative Action Recruitment & Selection Report* (AARSR) and other supporting documentation to be attached to the requisition. The electronic on-boarding process delivered through the Taleo system since 2011 has helped to engage new employees sooner. Newly hired employees now have access to an online portal that includes a welcome message from the vice president of human resources, development, and engagement and a welcome message from the president. The portal also includes employment paperwork and specific policies and procedures that require their attention and acknowledgement upon hire.

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Develop and implement a plan to review the entire job classification system. **[Completed]**	As of August 2012, the classification renewal process was complete. In completing the project, classifiers examined all class specifications and the Office of Human Resources, Development, and Engagement collected updated position descriptions for each position at the College. To ensure that the classification system remains relevant and equitable, a five-year maintenance review cycle has been established as well as an annual opportunity for staff to request a classification review. [See also Standard 3 Suggestion.]
Create a systematic, inclusive plan to address the creation of additional administrative positions. Create and fill positions utilizing consistent hiring processes and procedures. [Completed] ***(MSCHE Suggestion)* The College community should be notified of changed or added administrative positions. This will strengthen the understanding and rationale of various administrative structures throughout the College.**	All administrative positions must now be approved by the Personnel Issues Committee, which currently includes the senior vice president for administrative and fiscal services; the senior vice president for student services; the senior vice president for academic affairs; the vice president for planning and institutional effectiveness; and the vice president for human resources, development, and engagement. The Personnel Issues Committee, in accordance with applicable procedures, conducts a recruitment to permanently fill a position, or in certain cases, where an individual has served for more than one year in an interim or acting capacity, the committee may elect to appoint the acting individual into the position permanently. With the adoption of Taleo's complete talent management system, the Office of Human Resources, Development, and Engagement can pursue further objectives to integrate a comprehensive succession plan that will help to identify an internal talent pool to assist with fulfilling future administrative position vacancies. With all senior leadership vacancies filled, this recommendation is complete. Moreover, as institutional restructuring occurs, the College community will continue to be informed of crucial decisions leading to improved administrative alignments.
Review the current administrator evaluation process to ensure it is efficient, consistent, and objective. **[Completed]**	In 2011, a survey on the Administrator Performance Review Process, which included an assessment of the associated *Administrator Performance Review Manual*, revealed that roughly 61% of the survey participants consider the current administrator performance review process effective. Of the 46% of administrators who responded, a substantial number of participants noted that the process could be enhanced by requiring consistency in how the process is carried out among administrators. The survey revealed that 94% of respondents categorized the Annual Performance Review Form useful in some capacity. Additionally, 83.3% of respondents consider the Feedback Form useful to some degree. Looking forward, capabilities associated with the Taleo Performance Management System make the process more efficient, consistent, and objective by providing a mechanism for sharing insightful and timely feedback. The Taleo system is said to incorporate an integrated desktop productivity tool that enables employees and managers to provide assessments pertaining to assigned activities and performance goals at opportune times throughout the year. Through automation and configurable review

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	templates, employees submit self assessments while managers provide mentoring notes and solicit feedback from employees' peers, subordinates, colleagues, and customers pertaining to employees' productivity, skills, competencies, and relationships. An additional feature will focus on results with access to reporting metrics that consolidate, compare, and measure employee achievement. Further, a proposal is underway to maximize the integration between performance management and talent management.
Explore the use of staff salary increases related to levels of performance. **[Completed]**	The Classification Steering Committee (CSC) has been charged with recommending a comprehensive salary structure for administrators and staff. In 2012 the Committee reviewed salary structures that included pay for performance options. Furthermore, the Committee recommended that the current salary range and increment (formerly known as 'merit') be retained with a few key enhancements. In August 2012, the President adopted the Committee's recommendations.
Include a consideration of cost, benefit, and percent of budget per student when conducting administrative evaluations of special programs. **[Completed]**	The College is strengthening its "cost to educate" model, which looks at programmatic/strategic initiative revenues and direct costs, The net result can then be allocated across programmatic enrollment or initiative participation to determine a per student/participant cost. This data can then be used when determining program modification or whether or not to continue an initiative. By 2013 the tracking of cost per discipline by student will be fully implemented.
Refine the infusion of the "One College" concept across the institution. **[In Progress]** **_*(MSCHE Suggestion)_ The importance and significance of the "One College" concept should be reinforced in particular with reference to the current and future allocation of resources throughout the College.**	The College continues to further align academic programs and curricula in order to provide for more consistency in faculty, staff, and resource allocations and improve the student experience. In 2011 the College hired a full-time senior vice president for student services (SVPSS) in order to provide the needed daily focus and leadership for the One College initiative for the College. A special task force committee made up of institutional representatives from across the constituencies was created and charged with examining the existing student services structure at the College and with developing recommendations for ensuring a "One College" environment, and a common student experience at all campuses. The All Administrators team examined collegewide institutional attributes in 2011 that were then refined and adopted as three strategic guiding principles to direct collegewide operations. One of the major goals established from these principles was for the administrative team members to work in concert within their units and as a whole to further advance the "One College" concept. As an example, in 2011 the new SVPSS developed a restructuring plan for the student services area with the goal of achieving a common student experience throughout the College and ensuring equity and parity of the collegewide student support services. Additionally, after changes were made to the NJCAA rules, the entire collegewide athletics program was redesigned to eliminate redundancy of teams at campuses and to unify the athletic

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	program across the College through the creation of one mascot for all athletic teams and a unified color scheme. As in the past, the College continues to advocate for and promote the “One College” concept as an institutional priority for the Board of Trustees and the president. Under the direction of the Board of Trustees, as part of the College president's 2012 Presidential Priorities and after closely examining collegewide operations and resource allocations, the president charged the interim senior vice president for academic affairs and the senior vice president for student services with leading a collegewide effort to examine the current organizational structure in the Academic Affairs and Student Services units. This examination included other collegewide student services supporting activities and led to a realignment that would further reinforce the “One College” concept and improve the overall student experience. As a result of that work, a series of recommended action items were subsequently linked to budget and integrated into the institution’s out-year strategic plan with the goal of further promoting and enhancing the unified one college student experience. The College has made significant progress during the past year in enhancing its one-college operations through the creation of “common student experience” principles to be applied at all campuses. These “Seven Truths” of what every student should expect from Montgomery College are over-arching principles intended to drive changes to collegewide planning, budgeting, and other operational processes and practices that directly impact the student experience.
Develop a plan and guidelines for the use of technology to improve communication. **[Completed]**	The Office of Institutional Advancement has created guidelines and standards in several key areas of communications. A standard has been created for the use of the e-mail blast solution that was implemented in fall 2011. In addition, the marketing area of Advancement has created social media standards to improve communications using social media tools. Furthermore, the Office of Communications developed a plan to improve the use of *Inside MC Online*, the College’s online newsletter, by planning, creating and implementing an *Inside MC Digest* as an e-mail to drive MC employees to read more of the stories on *Inside MC Online*. The Office of Communications has also worked with the Office of Facilities and the Office of Information Technology to enhance emergency communications to better comply with the Clery Act. Subscribers to MC Alert, the College’s text messaging outlet, are also at an all-time high. In the FY13 plans, Advancement will address: 1) plans for the continuing coordination with MCTV on marketing, communications and stewardship efforts; 2) plans to increase the number of alumni e-mail addresses and businesses in the Banner system to improve communications to that constituency; 3) plans to use technology such as Stars Online to improve communications to students about the Foundation scholarship application process; 4) plans to examine how to better use translation technology for use with the MC homepage; and 5) plans for how to better

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	use technology to improve communications with respect to the management of federal grants.
***(MSCHE Suggestion) The institution should attempt to fill all vacancies within the Department of Human Resources.** **[Completed]**	The director of employee engagement vacancy is now filled, along with two human resources specialists and a senior administrative aide.

Standard 6: Integrity

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Continue ongoing review to ensure that the College is compliant with best practices and legal obligations. **[Completed]**	The Office of the General Counsel is working diligently with the College community to ensure all the policies and procedures are aligned with current legal requirements. In spring 2012, the College established the Office of Compliance to oversee the coordination of compliance activities and requirements among various units.

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Continue discussion among faculty of all disciplines to develop both definitions for plagiarism and instructional techniques to enable all students to meet the expectations of American research and scholarship. **[Completed]** ***(MSCHE Suggestion)* Members of the College community should continue to promote integrity in student research and scholarship by developing and publicizing both the definitions of plagiarism and the instructional techniques that will enable students to ethically meet College approved research standards.**	An Academic, Integrity, Research, and Scholarship group was convened and has developed an internet guide to copyright for faculty at http://libguides.montgomerycollege.edu/copyright.
Explore alternatives for making more assessment information available to the public. **[In Progress]**	The Office of Planning and Institutional Effectiveness has several initiatives that make assessment information readily available to the public. 1) The Office has developed a periodic Institutional Effectiveness report. 2) The Office has semi-annual assessment newsletters of College Area Review and Learning Outcomes Assessment. These newsletters are posted on the public web site and announced to the college community. 3) An internal education process begins with distributing a discipline-based assessment package (toolkit) to the deans and provosts annually for their review. Information includes student-faculty ratio, enrollment and graduation data, and operation cost. 4) In Spring 2013, the Office is hosting the College's first annual 'Learning Marketplace' in which disciplines and programs will share their assessment results and experience. 5) All public information is available on the Office of Institutional Research and Analysis website, such as the *College Fact Book*, *Performance Accountability Report*, *Student Profile*, results from the Community College Survey of Student Engagement, student success reports, graduation and transfer reports, and finance reports. 6) An unified assessment web site is in development to consolidate and serve as a central web portal of the assessment initiatives of the College.

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Standard 7: Institutional Assessment

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Continue the effort to streamline assessment processes under the new College Area Review process, reviewing the links of responsibility for various College units and academic programs. **[Completed]**	Streamlining of the assessment processes has been completed. A lead dean has been identified for each discipline and is responsible for overseeing all the College Area Review activities for that discipline across the three campuses. The lead deans are also accountable for the implementation and the annual status updates for all recommendations.
Establish guidelines for consistency, while recognizing that campuses may have good reasons for differing implementation of programs. **[Completed]**	The College advanced this item through two concurrent initiatives: 1) The Chart-of-Accounts has been revised and was implemented on July 1, 2012, allowing for collegewide discipline-based finance tracking. It supports consistency in terms of reporting and program evaluation. 2) With the reorganization of the academic structure, discipline-based management will replace the current campus-based management to strengthen the consistency of operation and implementation of programs across campuses.
Enhance data reporting by fully implementing online database tools for managing the College Area Review process. In addition, make use of online tools for managing the development and analysis of unit plans with systematic links to College goals and objectives. [Completed]	College Area Review is managed by an online database application, TracDat. The Discipline Report, Program Report, and the Course Report have been submitted online for the past two years. Recommendations and status updates are also captured in TracDat. The TracDat system provides functionality that links CAR recommendations to College Goals.
***(MSCHE Suggestion) The College needs to devote more attention to the coordination of assessment processes**	All the major assessment surveys and activities have been streamlined to maximize participants' attention. In spring 2012, both the College's College Area Review and Outcomes Assessment processes had the same deadline for annual status updates collection. An academic program assessment plan was

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and practices. **[In Progress]**	implemented in fall 2011 and an effort was made to coordinate the workflow among the various assessment processes. In FY12, the Office of Planning and Institutional Effectiveness requested a dedicated full-time assessment director position to coordinate assessment processes. The position is undergoing a recruitment process for the second time after the first attempt failed to hire a qualified person.
***(MSCHE Suggestion) The goals, objectives, and results should be communicated in a manner that can be more fully understood by the entire college community. [Completed]**	An assessment highlights document was distributed through *Inside MC Online*, the College's online newsletter. The Office of the Vice President for Planning and Institutional Effectiveness also compiled and disseminated an annual *Strategic Plan Assessment Report* complete with visual charts in a variety of formats and venues accessible to the entire College community.
***(MSCHE Suggestion) It is recommended that the College develop an institutional assessment plan document with periodic progress reports for distribution to the College community.** **[Completed]**	An academic program assessment plan has been developed to systematically assess program outcomes, including general education competencies. The plan, implemented in fall 2011, utilizes the existing College Area Review, Outcomes Assessment, and General Education Committee processes to manage the various assessment activities. In addition, the Office of Planning and Institutional Effectiveness has developed a periodic Institutional Effectiveness report, comprising the Performance Canvas, assessment results of the collegewide strategic plan, and other relevant institutional data. The report is accessible on the web site and announced through collegewide email.

Standard 8: Student Admissions and Retention

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Develop a process for students to reassess their goals on an ongoing basis. **[In Progress]** **Consider ways to collect and report accurate goals and students' support**	A tracking system (AdvisorTrac) was purchased by the College to collect goals and record advising visits. However, lack of technical support from the company led to the College abandoning the project. New efforts have emerged to purchase a better system with presentations and research by a core group of counselors whose goal is to purchase and implement the tracking system Starfish. The Applications Advisory Committee has approved the product and it is now being considered at more senior levels. Lack of a tracking system does not prevent advisers, counselors, or admissions personnel from collecting goals at entrance, but it does limit the recording and follow-up of those goals throughout a person's

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needs.	educational career. Likewise, lack of an electronic education plan and user-friendly degree audit system limits the way in which students can access and understand their degree progress. Both of these needs have emerged through various task forces as key to a renewed advising system and movement in support of the completion agenda. Another step forward in the fulfillment of this self-recommendation comes through new requirements for financial aid that include the development of an education plan. The Office of Student Financial Aid, working with counseling faculty in each of the campus' Counseling and Advising Departments, developed a system for referring students on financial aid suspension to advisers for academic plans. This was a new requirement from the U.S. Department of Education as of July 1, 2011. Students who are suspended from financial aid eligibility because they do not meet the College's standards for financial aid satisfactory academic progress must appeal their suspension to regain their aid eligibility. Part of the appeal process is developing a long-range academic plan with an academic adviser. A collegewide committee of financial aid staff and faculty will monitor the success of each student's plan in subsequent semesters. This provides students with targeted academic advising to help them maintain their financial aid eligibility and improves overall success completing degree and certificates. Finally, the First Year Experience team is working on an interactive, online tutorial about "How to Develop an Education Plan." The educational portfolio and its components are available online at: www.montgomerycollege.edu/fye and are used in most DS 107 and 104 First Year Seminar classes. It is also available in the student handbook, the *Student Insider's Guide*.
Evaluate and make improvements in the advising and registration process. **[In Progress]**	There have been several recent improvements in the enrollment process. The assignment of M-numbers instead of the use of students' social security numbers is a major accomplishment. The use of technology has increased to ensure better accuracy and efficiency. There is more student use of MyMC, online registration, the redesigned College website, an electronic waitlist function," how to" podcasts, and the online schedule (no paper copy). An electronic version of IMAP, the College's test placement evaluation for international students, is under development. Training modules for adviser training are under development. There is a growing use of technology and MyMC that can be used to disseminate and finalize information about financial aid awards. The College has also implemented multiple parts of term in course scheduling to organize classroom offerings, improve classroom space utilization, and offer more classes to support enrollment increases. Development of the EMAP, an online version of the student test placement evaluations, can expand the use of technology and flexibility in the advising process while the electronic version of IMAP sessions is under construction. The College has more content on its website and more staff and faculty at the College are using the web

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	as a tool to assist and serve students. The College also added a second monitor for financial aid counselors to provide access to Image Now documents and Banner simultaneously.
Finalize the updated Strategic Enrollment Management Plan and ensure the continued coordination between enrollment management and marketing. **[Completed]** ***(MSCHE Suggestion)* The College should finalize and implement its Enrollment Management plan.**	In the summer of 2008, The *Enrollment Management (EM) Plan* was finalized, presented to all constituencies, and adopted collegewide. The College's Admissions and Enrollment Management team worked with the Marketing team in the student recruitment process. The plan was further reviewed in spring 2012 and the latest collegewide strategic plan, *Montgomery College 2020*, and the new Academic Master Plan will drive the enrollment and recruitment strategies. All activities are now jointly discussed and evaluated.
Continue to offer programs and services to support retention and success, with a renewed focus on Hispanic and African American students. **[In Progress]**	In the spring of 2011, the various College's annual student academic ethnic awards were combined for the first time to offer students a celebration of academic achievement as an entire college. Three key outreach publications were published in Spanish. The Response Center added an additional line for Spanish speakers. The part-time coordinator of admissions recruitment position that is responsible for Hispanic outreach was made into a full-time position. The Spanish-speaking part-time information referral specialist position was made into a full-time position. A Spanish-focused website is being created by the College's marketing team to complement the current website. The Offices of the Dean of Student Development at each campus continue to contact students on restriction and suspension, offering counseling, advising, and other support services. As a pilot, the Germantown Campus made an extra effort to reach out to Academic Alert students – those students with a cumulative grade point average below 2.0 – during the spring of 2012. A website was designed to house success strategies for at-risk students, and students received e-mail blasts that informed them of their options to see counselors and advisers. Several grants are being pursued that would serve at-risk students. The Education Opportunity Center at MC, which is grant-funded, received a successful proposal renewal, and a team is looking at a Science, Technology, Engineering, and Mathematics Upward Bound Grant for MC. Target populations have improved services through efforts such as the College's Combat to College initiative for veterans. There is better communication with student visa holders through Atlas software. Programs like Boys to Men, which aids in the retention of African American male students at Rockville,

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	have also grown. Assessment Centers now administer the Test of Essential Academic Skills, which is used for admission to Health Sciences programs. The centers also administer Ability-To-Benefit testing for both English as a first-language and second-language students. The senior vice president for student services has energized student services at the College by working with several targeted groups (Student Services Restructuring, Advising Strategic Planning, and the Common Student Experience) to develop goals and objectives with regard to student access, engagement, and success. Recommendations from these groups should provide the foundation for the work ahead.

Standard 9: Student Support Services

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Review and implement the recommendations of the 2006 DSS report. **[Completed]**	A director of ADA compliance was hired in November 2009. An assistive technology (AT) specialist was made permanent during 2009. An optical scanning project was started summer 2009 (to scan documentation). Cross-campus meetings of DSS counselors began in February of 2010 to coordinate and standardize services. A draft policy for providing services and appeal procedures has been written and is out for review. An AT budget of $60,000 was obtained FY10.
Continue budget initiatives for a collegewide tracking system to conduct meaningful, collegewide outcomes studies for student development areas. **[In Progress]**	During the pilot stage of the previously selected student development tracking system application, AdvisorTrac, it was determined that the application did not fully meet the College’s requirements. The Office of Information Technology continues to work with the project team and counselors at all three campuses to identify an alternative software solution. The project team completed a review and reassessment of the functional/business requirements during the fourth quarter of 2011. A new Request for Proposal (RFP) is being prepared to go out to potential vendors. Once a new vendor is selected, the project team members and counselors will pilot and evaluate the application to ensure that it meets the College’s student development tracking system requirement that the institution conduct meaningful collegewide outcomes studies for student development areas. The current expectation is that a student development tracking system will be in place by the spring 2013 semester. The College’s Health Sciences disciplines have successfully implemented the Typhon Clinical Tracking

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	System. It is currently being used to log and track clinical learning experiences, student demographic data, electronic student portfolios, and clinical instructor evaluations. In addition, procedures and clinical case requirements for graduation are loaded in the system and tracked. Students in the College's Diagnostic Medical Sonography (DMS) Program are currently using the tool to track their clinical experiences in order to build a portfolio that outlines the type of exam and number of ultrasounds performed, along with the number of clinical hours completed in relationship to specific exams. This resume and portfolio tool allows students to present their two years of clinical training in a measurable way that relates clinical experiences to employers who require evidence of experience as entry-level benchmarks for employment upon graduation. The DMS Program has also integrated the use of iPad technology for tracking students at clinical rotations. The iPads are used by clinical faculty as they visit their students onsite and as they review clinical data and clinical studies. This technology allows for student evaluation in the clinical setting, and it allows faculty to track and discuss clinical outcomes with the students and other clinical instructors. Finally, as the College continues toward a more robust culture of data-informed decision making, a data warehouse and analytical reporting solution, Blackboard Analytics, has been identified. The Blackboard Analytics solution supports multiple options that allow data to be accessed through industry standard reporting tools. This solution delivers a data warehouse consisting of several pre-built data marts for Student, Financial Aid, Finance, HR, and Advancement. Execution of this system, along with the various other tracking and reporting systems, will support the College's goal of providing tangible measurements of student progress and institutional outcomes.
Investigate ways to improve student access to counseling, testing, and tutoring services during peak periods. **[In Progress]**	Efforts have been made to test and provide other services as early as possible to avoid increased volume during peak registration periods. For example, preferred advising hours are advertised in the spring for continuing student fall registration, leaving the busy summer months for new students. Special registration fairs and aggressive marketing have also been used to attract students to an earlier timeframe. Assessment centers and advising departments have part-time or temporary funding to supplement staffing during these peak periods. The College has purchased a tracking system and Counseling/Advising will be the first collegewide unit to implement it. Counselors are working on setting it up (fall 2012) and it will be used on a limited basis during the spring semester 2013. Finally, plans are being made to open 'Welcome Centers' at each campus location in fall 2013. The

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	purpose of the Welcome Center will be to assist new students in the enrollment process, thus alleviating the simple front-line type customer services from the assessment centers and advising departments to allow more time for student counseling and advising.
Conduct an examination of the collegewide advising system to ensure that students who need advising receive it appropriately and that advising practices are assessed in relation to current national advising pedagogy. **[In Progress]** ***(MSCHE* Suggestion) Examine the collegewide advising system to ensure that students who need advising receive it appropriately and that advising practices are assessed in relation to current national advising pedagogy.**	The College's Advising Steering Group (ASG) meets on a regular basis to discuss advising issues common to all campuses. Examples of issues include early alert, counselor/adviser training, early placement/under-age students, and advising during peak periods. Advising has been added as a part of the College's strategic plan and a subgroup of faculty, staff, and students met during the early part of 2012 and developed advising objectives. This group was chaired by the senior vice president for student services. During these meetings and also during the Common Student Experience task force meetings, advising emerged as an important topic. It has been agreed that additional resources and attention need to go into a comprehensive advising process that would include tracking, degree audit, additional faculty involvement, and advising points of contact. The ASG started by looking at various advising models and reviewing the results of the advising survey that measured the advising learning outcomes of students at the 15-, 30-, and 45–credit mark. The ASG also looked at the 2006 and 2008 Community College Survey of Student Engagement results. The College has purchased a tracking system and Counseling/Advising will be the first collegewide unit to implement it. Counselors are working on setting it up (fall 2012) and it is to be used on a limited basis during the spring semester 2013. With the reorganization of student services, a student services dean was assigned the responsibility of evaluating and improving the advising system. A core group of counselors met during the fall of 2012 to develop overall principles that will guide this development. They have researched advising models and are planning an external advising audit. The Senior Vice President for Student Services approved additional funds for FY13 for each campus to grow its faculty cadre. Faculty have been identified and are being trained in preparation for the spring registration and summer registration periods.
***(MSCHE Suggestion) The College should more prominently and widely publish its existing statement regarding student complaints or grievances to ensure that they are easily accessible to students.** **[Completed]**	A full page on "How to Get Help" was added to the student handbook, the *Student Insider's Guide*, which is available to every new student. It is also on the First Year Experience website. In addition, the policies are available on the College website.

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Standard 10: Faculty

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Streamline full-time faculty hiring processes as well as the hiring committee's workload. **[Completed]**	While the introduction of Taleo's recruitment system is designed to streamline the full-time faculty hiring process, statistics pertaining to time-to-fill are still being gathered and assessed. In an effort to accommodate the hiring committee's workload, the Office of Human Resources, Development, and Engagement's recruitment team is developing online tutorials to provide hiring committees 24/7 access to recruitment training. Such training will be made available in addition to traditional training methods.
Increase formal and informal part-time faculty recruitment to assure that part-time faculty are available to staff the growing numbers of course sections. Proactively recruit applicants and routinely provide applications to departments for review. **[In Progress]**	The Taleo recruitment system has allowed for immediate accessibility to part-time faculty applications. Online access makes it possible for departments to have shared access to applications across campuses. Taleo features a prescreening tool that provides a more concise way to filter out candidates who lack minimum requirements. It also quickly identifies applicants who meet the minimum qualifications and, thus, provides department chairs easy access to the most qualified candidates in the pool. Further, faculty recruiters leverage numerous advertising resources to ensure a substantial part-time faculty applicant pool.
Increase current unit professional development/distant travel monies or broaden the scope of Educational Assistance Program funding to cover distant travel in order to facilitate increased faculty participation in conferences and off-campus meetings. **[Completed]**	A new procedure was agreed upon and adopted by the College administration and the faculty unions in 2011. "In order to foster faculty professional development opportunities, Montgomery College shall provide Educational Assistance Program reimbursement of expenses related to travel for approved professional development conferences in the faculty member's discipline. Such reimbursements shall be made on the following schedule: the maximum benefit payable under the program in FY12 and FY13 years shall be equal to up to $500 per faculty member for one approved conference requiring travel within two academic years provided that the total benefits payable under this section shall not exceed $75,000 in FY12 and $75,000 in FY13. Funds must be approved and encumbered prior to attendance at the conference." Funding for distant travel is to be restored to former levels in the FY14 budget.
Subsidize the tuition for part-time faculty to take classes at Montgomery College. [Completed]	Effective, July 1, 2011, in order to foster part-time faculty professional development opportunities, Montgomery College began to offer part-time faculty members access to a professional development fund that may be used for the payment of reasonable costs associated with pre-approved professional

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	development activities relevant to the faculty member's discipline or teaching responsibilities and may also be used for Montgomery College credit course tuition when requested.
Fully implement the formal process to assess department chairs, including peer evaluation as well as dean evaluation. **[Completed]**	A modified faculty performance evaluation process was implemented in November 2011 with a separate Form D for department chair review. The evaluation process includes a two-member peer review group as well as the dean's final evaluation.
Consider revisions to the full-time faculty evaluation format, especially to take into account the evaluation of nonteaching roles, such as that of administrative associate. **[Completed]**	The revised faculty evaluation policy was implemented in November 2011 and included the following nonteaching duties: (1) Individual and unit responsibilities; (2) Advising (academic and/or activity) responsibilities; (3) Other responsibilities and activities, such as curriculum development, textbook review and selection, outreach activities, and program accreditation; (4) Interpersonal relations; (5) Professional growth and development; (6) Professional contributions and achievement; (7) Service to students and the College and, as appropriate, community; (8) Progress on individual annual objectives; (9) Submission of non-instructional assessment data (College Area Review and Outcomes Assessment) in accordance with established deadlines.
Develop a collegewide template and timeline for the part-time faculty evaluation process. **[Completed]**	Policy and Procedure 36001 sets the guidelines for employee evaluation, including part-time faculty. The part-time faculty evaluation packet has been developed, reviewed, and is in use. Information is available on the web site of Office of Human Resources, Development, and Engagement.
***(MSCHE Suggestion) A plan for utilizing more full-time faculty should be developed to address the difficulty in finding adjunct faculty in some departments.** **[Completed]**	Reductions in budget and the lack of new faculty positions have delayed this recommendation. The deans' working group continues to advocate for additional full-time faculty positions and has an established process in place to advocate for and prioritize positions that have moved forward through the strategic planning process.

Standard 11: Educational Offerings

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Continue to monitor the winter session and other alternative course	Assessment of winter session and other alternative course formats has been institutionalized. Student performance in the accelerated winter session continues to be assessed and analyzed and the results show

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formats for consistency in course outcomes and objectives. **[Completed]**	that the course outcomes and objectives were met. A review of student performance in the accelerated winter session continues to show that students' academic performance is high. For instance, A) Comparing winter session student success rate: 93% of the students in winter 2012 completed courses with a C or better as compared to 91% in winter 2010. B) Comparing winter-to-spring student retention and success rate: Of the 1,298 students who were enrolled during winter 2012 and continued through the subsequent spring 2012, 87.2% achieved a C or above, as compared to 776 students with 84.5% completing with a C or above in spring 2009. C) Comparing course-to-course performance (fall vs. winter), student performance was higher in the winter session. Specifically, the grade distribution comparisons (fall 2011 vs. winter 2012) were: 31.9% vs. 53.4% - A; 30.5% vs. 26.4% - B; 19.3% vs. 13% - C; 6.5% vs. 3% - D; and 11.8% vs.4% - F. This student success comparison is consistent with the baseline data established in fall 2009 vs. winter 2010, in which the grade distribution comparisons (fall vs. winter) were: 29% vs. 53% - A; 26% vs. 28% - B; 18% vs. 10% - C; 6% vs. 3% - D; and 14% vs. 3% - F.
Create a comprehensive listing of the College's accreditation memberships in a format that is accessible to the College community. **[Completed]**	The list of the College's accreditation memberships has been updated. The revised list appears in the College web *Catalog* where it can be accessed by the entire College community.
Continue to advocate at the county and state level for full funding of proposed capital improvement projects. **[In Progress]**	The College continues to advocate at the county and state for the necessary resources to support the mission. Those include operating budget support and funding of proposed capital improvement projects. Advocacy may also include supporting or opposing legislation that impacts the College and our students. Legislative interactions include representing the College at relevant policy briefings and responding to legislative inquiries. [See additional comments at Standard 3.]
Continue funding support and institutional encouragement for initiatives which build on the premise that all knowledge interconnects. **[Completed]**	This recommendation is considered as an underlying component of the strategic planning and budgeting process to ensure that learning-centered initiatives are included in the budget. The five-year cyclic program review and annual resource allocation processes are conducted to assess and provide equitable funding among all academic programs. Funding continues for specific academic initiatives that underscore the premise that all knowledge interconnects, such as Women's Studies, Interdisciplinary Studies, Learning Communities, Innovation Grants, and paired courses.

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	In July 2012, the cost-to-educate decision model was implemented. This model strengthens the College's budgetary process. Each unit's initiatives, programs, resources and budgets align with the College's 2020 strategic plan for the educational mission of the college. For example, the Achieving Collegiate Excellence & Success (ACES) program was funded beginning in FY13. This innovative program will successfully coach students in high schools through and to a four-year degree. This partnership program between the public school system, the College, and the Maryland universities provides a pathway for underrepresented students to complete the college degree. Montgomery College is the axis point and the coordinator of the program.
***(MSCHE Suggestion) The College should investigate whether creative applications of class scheduling, distance education, and/or College calendaring could relieve some of the educational programming constraints being experienced because of physical capacity limitations.** **[Completed]**	The College continues to be creative in scheduling winter sessions that have steadily increased enrollment in recent years. Enrollment in online credit courses continues to grow. The number of blended courses, as well as the number of classes offered at off-campus locations, has continued to increase. In addition, a new scheduling software program, CollegeNET, has been implemented to enhance course and room scheduling in order to maximize the physical capacity.
***(MSCHE Suggestion) When the General Education curriculum revision is completed, the College may wish to consider whether to expand learning communities or linked-courses offerings in the delivery of general education in order to increase the likelihood of student success.** **[In Progress]**	The College continues to offer linked and learning community courses at all three campuses, pairing general education courses with other general education and/or non-general education classes.
***(MSCHE Suggestion) It is suggested that the organization and reporting structure for the libraries be reviewed to determine whether some organizational modification could facilitate integrating the library's instructional support function into the academic mainstream of the College.** **[Completed]**	The reporting structure for the libraries was reviewed. Since 2011, the library has been reporting to the senior vice president for academic affairs to better support the academic programs of the College.

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***(MSCHE Suggestion) The College should review operating policies and procedures in the tutoring/learning center programs to ensure consistency of operation across all three campuses.** **[In Progress]**	The Common Student Experience workgroup is addressing the consistency of operation in all student-related areas at all three campuses and in Workforce Development & Continuing Education. In addition, there is a workgroup of personnel who work in the learning centers that meets regularly to address procedures and common issues.

Standard 12: General Education

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Continue to pursue the creation of additional competencies or areas of proficiency. [Completed]	At the recommendation of the General Education Committee, the faculty voted to update the language of two of the five general education competencies and added two new Areas of Proficiency. These areas cover abilities that students will acquire that were not previously addressed in the general education program. The new areas are: "Arts and Aesthetic Awareness" and "Personal, Social, and Civic Responsibilities."
Identify general education courses in the Schedule of Classes, and include general education outcomes information in the syllabus. **[Completed]**	The General Education Program Description and Course List had appeared since summer/fall 2010 in the printed schedule of classes. On the web schedule and college web site, a link to the General Education Program Course List appears in a variety of places online, including advising pages and within a separate General Education Information page. General education courses are also identified as such within individual course descriptions found in the online schedule of classes and on course syllabi.
Develop a general education resource and communication plan for faculty and students. **[In Progress]**	The General Education Committee and subsequent committees charged with oversight of the general education program continue to develop methods to clearly communicate the goals of the general education program to students and to faculty as well as to ensure that faculty fully understand the requirements of a general education course with regard to assessing competencies and areas of proficiency. To that end, the general education program also has a dedicated web site providing many resources to faculty and students, including distribution listing, course selection, and a tracking form for students' academic progress.

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Develop an aggressive advising program for general education. **[Completed]**	General education courses are listed in the *Catalog*, the *Student Insider's Guide* student handbook, and are part of each advising session. Advising strategies for general education are undergoing revision in the Common Student Experience initiative.
Include a member of the General Education Committee on the Outcomes Assessment Team. **[Completed]**	As of Fall 2012, General Education Committee was dissolved. Although there is no longer a General Education Committee, each faculty cadre on the Outcomes Assessment Team teaches general education courses and, as a result, strengthens the support of student learning outcomes assessment in general education areas. The Outcomes Assessment cadre also attended the AACC conference on general education competency assessment. Several cadre members also lead internal faculty professional development workshops on developing general competency assessment plans.
Pursue additional general education transfer articulation agreements. **[In Progress]**	The articulation office under the Senior Vice President for Academic Affairs is expanding the number of transfer agreements and building the infrastructure for a new transfer program called Terp Track. Terp Track is designed for students from the College to seamlessly transfer to the University of Maryland programs that reside at the University System of Maryland's Universities at Shady Grove in three discipline areas: criminal justice, biology, and communications. The program is scheduled to be launched in spring 2013.
Continue to pursue a revision of the general education program. **[Completed]**	The review of the general education program was completed in 2009. The revised general education program consists of five general education competencies and two areas of proficiency. The five competencies are: written and oral communication, scientific and quantitative reasoning, critical analysis and reasoning, technological competency, and information literacy. The two areas are: "Arts and Aesthetic Awareness" and "Personal, Social, and Civic Responsibilities."
***(MSCHE Suggestion) Montgomery College should make every effort to adhere to the Gen Ed Assessment Plan timeline.** **[In Progress]**	General education competencies were assessed at the course-level beginning in fall 2005. In 2011-12, the General Education Committee, in conjunction with the College Outcomes Assessment Team reviewed and revised the general education assessment plan. General education competencies assessment begins data collection in fall 2012 according to the revised assessment plan.

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Standard 13: Related Educational Activities

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Develop suitable curriculum and placement instruments for non-native students; continue to investigate placement instruments for speaking tests, including appropriate hardware. **[Closed/Shelved]**	Faculty were in preliminary discussions with a test developer to ascertain the feasibility of a partnership to develop a new, more effective placement instrument. However, no new placement instruments have been developed by test makers. It is not feasible for the College to develop a standardized placement test on its own. This initiative will no longer be actively pursued. Whenever faculty become aware of new placement instruments, they will investigate them and reactivate this recommendation.
Facilitate faster tracks for advanced American English Language Program students to take credit courses. **[In Progress]**	A two-semester learning community pilot was implemented. Unfortunately, not very many students participated in the second semester. Discipline faculty have indicated that they are committed to redesigning courses and the program once they finish developing a collegewide grading and placement process for the writing sample. No additional pilots will be considered pending the redesign work, which has as a stipulation that attention be given to ways to accelerate student progress through the program or early exit when they have achieved the necessary outcomes.
Enhance the description and marketing of certificate programs and explore ways to make closer connections between credit and noncredit areas. **[Completed]**	Significant achievements have been made in the collaboration between credit and noncredit programs which provide a continuum of opportunities for students to access services throughout a lifetime of learning interests. As referenced through the yearly updates, credit program coordinators are increasingly expanding program offerings in noncredit formats to address the interest areas of students in pre- or post-degree studies. A significant milestone in linking credit and noncredit programs within an integrated marketing format was the fall 2012 launching of Career Coach which is a web-based resource for the community that very easily shows local employment trends, real time employment opportunities, rates of pay, earnings projections, and educational requirements, while linking prospective students to the continuum of program offerings provided by Montgomery College. Examples that continue to strengthen linking opportunities between noncredit and credit programs in particular career fields are: 1) Every discipline in Applied Technologies at the Rockville Campus has co-listed courses; 2) Chief Science Officer training on the Germantown Campus provides linkages between campus science programs, working researchers, and a noncredit training program; 3) There are noncredit test preparation offerings available to help students prepare for the Test of Essential Academic Skills

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	(TEAS) administered to the students in Health Sciences.
Review the policy of limiting noncredit enrollments in co-listed courses and establish systematic procedures for evaluating all noncredit offerings. **[Completed]**	This recommendation has been implemented. Since this recommendation was put in place, the co-listing course tracking system has been completed. A single report now combines credit and noncredit enrollments together in real time for the area course management process. Workforce Development & Continuing Education went through the College Area Review process in fall 2010. This rigorous program review drew on a modified Strengths, Weaknesses/Limitations, Opportunities, and Threats process and included a strong environmental scan activity as well. Many (30+) recommendations for program services resulted from this self-study. Standard noncredit course evaluation systems continue to include end-of-course student evaluation of instruction, an indication of whether the students' objectives for the course were met, and level of satisfaction with the learning environment and surrounding student services. Additionally, low enrollment courses are eliminated routinely. Each year, 10% of the courses are new.
Examine the appeals processes for all students to ensure fairness and appropriate placements. **[Completed]**	The Collegewide Assessment, Placement, and Developmental Issues subcommittee reviewed appeals processes for all students to ensure fairness and appropriate placements. The recommendations of this group include updates in the section of the Policies and Procedures that deal with assessment and placement to reflect current practice and a suggestion that the senior vice president for academic affairs send out a collegewide memorandum regarding the appeals processes for initial placement.
Create a process more closely involving all constituencies in decisions regarding distance learning contracted services: fill gaps such as online tutoring in online student services. **[Completed]**	For the past year the Office of Distance Education and Learning Technologies (DELT) has worked closely with the Office of Informational Technology (OIT) to secure a contract and training services for the Blackboard Course Management System. DELT has also worked with OIT on contracted help desk services and with academic disciplines on specific technology and training needs. DELT also works closely with disciplines to train faculty and to develop functions to facilitate online student services. In addition, beginning in fall 2012, all first-time distance students have access to a password-protected online learning orientation. Contents of the orientation include Blackboard 101, an introduction to the College's course management system, and success tips for distance students.
Develop a unified research and data plan that quantifies key factors affecting distance learning students, particularly regarding attrition in courses offered at a distance. **[Completed]**	The Office of Distance Education and Learning Technologies (DELT) has worked closely with the Office of Institutional Research and Analysis (OIRA) to gather as much data as possible to help make informed decisions. Recent data comparing grades of distance classes to grades of on-campus classes show almost no difference in success. In addition, the data show that students are withdrawing from distance classes at about the same percentage as those withdrawing from on-campus classes. DELT compiles an annual fact book with the most recent enrollment data. In addition, OIRA provides a statistical breakdown each semester that highlights how distance courses compare with face-to-face

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	courses in attrition and success rates. DELT also created a student focus group that examined distance learning at Montgomery College and the characteristics that contribute to a quality distance course based on the Quality Matters standards. The fact book and the data serve as a foundation for recommendations related to attrition in courses offered at a distance.
***(MSCHE Suggestion) The College should develop measures for the assessment of certificate program outcomes.** **[Completed]**	Every certificate now is required to include an assessment plan as the program overseeing the certificate goes through the College Area Review.
***(MSCHE Suggestion) The College should consider organizing information about Assessment of Prior Learning in the College *Catalog* in one place, perhaps cross-referencing appropriate departments as needed, for ease of understanding by staff and potential students.** **[Completed]**	Since 2009-10, the College has organized information about the Assessment of Prior Learning in the *Catalog* in one place. This information explains transfer of credits from other postsecondary institutions, Advanced Placement and International Baccalaureate examinations, the College Level Examination Program (CLEP), as well as credit by examination for courses with a CE designator in the *Catalog*, and credit by learning assessment through the Portfolio Development Program.
***(MSCHE Suggestion) Develop a regular opportunity for individuals in the College with responsibility for business outreach to meet and exchange information and plans to better coordinate the College's relationships with area businesses.** **[Completed]**	The Business, Information Technology, & Safety (BITS) area now convenes a quarterly meeting with Institutional Advancement (IA) in regard to marketing to businesses, business development partnership projects, contract training, and business trends. These discussions lead to additional open enrollment courses tailored to meet these emerging business needs. BITS and IA also identify areas to develop for contract training opportunities and provide an environmental scan of ever-changing business needs. Additionally, through these discussions additional paid and unpaid internship opportunities were identified. A significant new project of the BITS team is partnering with the Montgomery County Chamber of Commerce and the Montgomery County Arts and Humanities Council on training partnerships that are being broadcast in routine e-mail blasts to their members as well as affiliated chambers and community groups.
***(MSCHE Suggestion) Continue to build faculty and counselor engagement with Distance Learning.** **[Completed]**	At least one of the campus deans of student development is a member of the Distance Education Advisory Program, providing insight on distance education from a counseling point of view. In addition, six faculty members are also on the committee. DELT staff meet regularly with faculty to build a strong working relationship.
***(MSCHE Suggestion) Develop a better assessment tool to determine student readiness for online learning.** **[Completed]**	The previous distance learning readiness survey for Montgomery College was based on the model used by the College of the Air (consortium of community colleges that offered telecourses). This model became outdated with the emphasis on online learning and the needs and attributes of students studying online. The Office of Distance Learning has now implemented a web-based assessment tool that helps

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	determine a student's readiness to take an online course. READI examines a student's preferred learning style and technical, typing, and reading skills. The current tool was built in-house, using factors known to contribute to success in online learning, e.g., time management, motivation, setting goals, etc. Every semester hundreds of students take the pre-assessment tool, whether directed to by instructors after registration, or by finding it on their own on the distance education website. The average score has been consistent since the tool was adopted – about 24.9 (out of 29). The test is optional, unless faculty request a copy of the feedback. Upon request, students receive feedback that displays their strengths and weaknesses along factors known to contribute to success and failure in online learning.
***(MSCHE Suggestion) Strengthen outreach to students who demonstrates difficulties with online learning early in the courses.** **[Completed]**	The Office of Distance Education and Learning Technologies emails all first-time distance students alerting them to the support services available. Campus distance education orientations and a drop-in question-and-answer session were held prior to the start of the semester to further prepare students. In addition, beginning in fall 2012, all first-time distance students have access to a password-protected online learning orientation. Contents of the orientation include Blackboard 101, an introduction to the College's course management system, and success tips for distance students.
***(MSCHE Suggestion) Develop outcomes and assessment for Office of Distance Learning.** **[Completed]**	Student Learning Outcomes are developed by the academic discipline for courses that are offered in distance format. The Office of Distance Education and Learning Technologies needs to develop outcomes that reflect that nature of the work it does, such as training. Outcomes were developed during Summer 2012 for the Office of Distance Education. Assessment is being conducted in FY13 and annual data collection is to begin in spring 2013.

Standard 14: Assessment of Student Learning

Recommendation/ *MSCHE Suggestion	Summary of Annual Progress Updates (March 2009 – March 2012)
Develop a procedure for clearly linking, tracking, disseminating recommendations, and follow-up with planning and outcomes, and investigate ways to streamline the processing of the data generating by	All the analytic data, reports, and course recommendations generated from the Outcomes Assessment process are incorporated in the Academic Area Review discipline/area review process.

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Academic Area Reviews. **[Completed]**	
Implement further reliability studies and assessment pilots and encourage disciplines to norm assessments, as appropriate, to encourage consistency of scoring. **[Completed]**	As part of the Outcomes Assessment (OA) fall orientation workshop, these measures are covered. The OA Cadre also works with faculty workgroups to implement these measures.
Develop a communications plan that articulates the purpose of various assessment efforts at the institution and that includes procedures for centralizing assessment responsibilities and for disseminating results and gathering feedback. **[Completed]**	The Outcomes Assessment office maintains a comprehensive website and puts out regular communications to the College community.
Develop a plan to ensure appropriate implementation of Outcomes Assessment-driven change, including training and professional development for part-time faculty. **[Completed]**	This is a primary concern for Montgomery College (and many other colleges). Outcomes Assessment training for part-time faculty is included as disciplines require. There is a solid process now for tracking recommendations at the discipline level via TracDat,.
***(MSCHE Suggestion) The Outcomes Assessment process for all courses should be expanded.** **[Completed]**	To meet the standard of the Middle States Commission for Higher Education, the College is now focused on program outcomes assessment, including general education outcomes assessment. The resources to expand Outcomes Assessment to all courses at the College have not been available; however, all courses that offer 10 sections or more have been part of the mandatory assessment process. All sections of general education courses will now be required participate in assessment via the upcoming general education review process. Additionally, the faculty involved in other courses are encouraged to volunteer their courses for participation.
***(MSCHE Suggestion) Course syllabi should be audited to ensure that student learning outcomes are formally communicated in all courses.**	Course syllabi are reviewed by deans or associate deans when faculty are undergoing performance reviews. Syllabi of adjuncts are reviewed annually. In addition, as a part of the College Area Review process, each academic discipline is reviewed in a five-year cycle. As part of that process, course syllabi are monitored and reviewed by the departments and academic areas to determine that student learning

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[Completed]	outcomes are included on all course syllabi. College Area Review specifically addresses this concern and discipline faculty members have consistently indicated that they include the collegewide common core student learning outcomes in their syllabus.
***(MSCHE Suggestion) Assessment training opportunities should extend to discipline chairs and deans.** [In Progress]	All deans are invited to every training offered by the Collegewide Outcomes Assessment Team. Department chairs are trained on an as-needed basis. The faculty assessment coordinator attends chairs meetings when issues arise that require the input of the chairs. Experts in each discipline are needed for handling Outcomes Assessment-related issues, but it is not clear that the department chairs are the correct people to serve in those roles as many chairs oversee multiple disciplines in which they may not have expertise.
***(MSCHE Suggestion) Direct measures of student learning should be incorporated within the Academic Area Review process. Outcomes Assessment results should be utilized in conjunction with direct assessment of discipline outcomes.** [Completed]	Each Outcomes Assessment (OA) course is required to assess three student learning outcomes, including general education competency wherever appropriate. By the end of the two-year OA process, the analysis results and the recommendations from the OA courses are consistently incorporated as part of the Academic Area Review discipline course data report.
***(MSCHE Suggestion) By synchronizing the timing of Outcomes Assessment with Academic Area Review in a logical manner, assessment processes will be implemented more effectively and efficiently.** [Completed]	There is continual effort to synchronize the Outcomes Assessment (OA) and Academic Area Review (AAR). The academic assessment plan begins with Academic Area Review where disciplines conduct curriculum review and mapping for their programs. Immediately after the AAR, these programs undergo program learning outcomes assessment with OA. Both OA and AAR recommendations are reviewed and approved by the same Executive Team at the end of fall semester. The approved recommendations are tracked in TracDat and status updates are collected annually at the spring semester.
***(MSCHE Suggestion) The College should incorporate regular external review in the Academic Area Review.** [Closed/Shelved]	The College strives to comply with this suggestion whenever funding is available.
***(MSCHE Suggestion) A section regarding student learning assessment should be included in the Montgomery College *Faculty Handbook* and the college catalog.** [Completed]	Both the Montgomery College *Faculty Handbook* and the *College Catalog* have been updated to include a section regarding Student Learning Assessment activities.

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***(MSCHE Suggestion) The College 2005 Assessment Plan should be updated to include the proposed general education, Outcomes Assessment, and College Area Review processes. [Completed]**	The Assessment Plan was updated in 2008. As the assessment procedures have been radically changed, the Assessment Plan and manual was revised over the summer of 2012.
***(MSCHE Suggestion) The College should review tracking and communication processes for student learning assessment results via TracDat or a similar program for possible improvements. [Completed]**	The College tracks the process of student learning assessment results via TracDat and annual status progress reports are collected. The assessment results are distributed to discipline lead deans and are also accessible on the College intranet. Each semester, an outcomes assessment newsletter is published and accessible to the public. The outcomes assessment personnel are working with Nuventive and the College's Office of Information Technology to improve the system. There have also been conversations about looking at other software products.
***(MSCHE Suggestion) The inclusion of a student representative on the College Area Review Committee should be considered. [Completed]**	The College has taken the suggestion under consideration. Student input is included in the College Area Review process by conducting a student survey each review cycle of selected general education courses. In addition, presentations were made to the Student Senates on two of the three campuses to inform them of the process and gather their input.
***(MSCHE Suggestion) The College should develop measures for the assessment of discipline/program outcomes. [Completed]**	In spring of 2011 all programs participated in a curriculum-mapping project to match program outcomes to individual courses. The Collegewide Outcomes Assessment Team reviewed them and made recommendations. After that, programs were asked to develop an assessment plan for the program outcomes as they go through their next scheduled College Area Review. The CAR and Outcomes Assessment teams coordinated this effort and streamlined the process. Some non-degree programs, including the American English Language Program and the developmental math, reading, and English programs, still need to create program outcomes.

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Appendix 2.2 - Grants Received 2008-12

Note, for multi-year awards, the total is included in the first year the grant was awarded.

Name	**Funder**	**Total**	**Fiscal Year**
Adult ESOL - GED (ABECC) FY2008-FY2010	USDE	$35,500	2008
Arts Program	MSAC	$10,000	2008
Biomedical Scholars Program Round III	NIH	$117,563	2008
Civics-English Language & Civics Education for Legal Permanent Residents in Mont. & PG Counties FY08	MSDHR	$52,445	2008
Consolidated Adult Education & Literacy Services (AELG)	MSDE	$1,735,326	2008
DCTAL - Division of Career Technology & Adult Learning Perkins Program FY08	MSDE	$471,394	2008
Educational Opportunity Center (TRIO) - FY2008-FY2011	USDE	$906,400	2008
ESL FY08. English as a Second Language & the Strengthening of Refugee Job Retention Skill.	MSDHR	$245,884	2008
Governor's Community College Initiative for Students with Learning Disabilities	MD Dept of Disabilities	$55,000	2008
MathBench Modules: Mathematics for all Biology Undergraduates. FY2008-FY2009	NSF via UMD	$56,441	2008
Nursing Faculty Fellowship Round I. FY2008-FY2010	MHEC	$80,000	2008
Ocean Computer Gaming I - 9/1/07-12/31/07	NOAA	$4,000	2008
Ocean Computer Gaming 2 - 1/1/08-6/30/08	NOAA via ERT	$4,000	2008
Performing Arts Center Improvement	AHCMC	$69,540	2008
SURF - Summer Undergraduate Research Fellowship (Note, $3,315 was for housing allowance)	NIST	$7,315	2008
TAP FY2008 Training for Legal Refugees and Political Asylees	MSDHR. Pass-through via HHS	$547,104	2008
Tobacco Use Prevention and Cessation Program	Mont County HHS	$7,500	2008
Adult Education Literacy Grant FY2009 AELG	DLLR	$35,155	2009
Americorps VISTA FY09 Michelle Scott	CNCS		2009
Americorps VISTA FY09 James Walters	CNCS		2009
Biomedical Scholars Program Round IV FY2009-FY2013	NIH	$984,645	2009
Bridging the Expert - Novice Problem-Solving Gap. CCLI FY2009-FY2010	NSF via GWU	$37,284	2009
Chesapeake College Project Security Blanket	MSDE via Chesapeake College	$5,245	2009
Child Care Career and Professional Development Scholarships CCCPD FY2009-FY2010	MSDE	$114,754	2009
Consolidated Adult Education and Literacy Services AELG	MSDE	$1,735,326	2009
DCTAL - Division of Career Technology and Adult Learning Perkins Program	MSDE	$539,369	2009
Emissions Repair Assistance	MD Dept of Environment	$56,500	2009
ESL FY2009 Training for Legal Refugees and Political Asylees in Montgomery County	MSDHR	$260,884	2009
Governor's Community College Initiative for Students w/Learning Disabilities FY09	MD Dept of Disabilities	$55,000	2009
GT Biotech Earmark DOE FY2009-FY2013	DOE	$1,435,000	2009
GT Biotech Earmark MEDAAF FY2009-FY2013	MD Dept of Business & Economic Development	$1,500,000	2009
GT Biotech Earmark SBA. FY2009-FY2010	SBA	$282,000	2009

Head Start Before & After Care Wrap Around Services FY09	Mont. County HHS	$55,000	2009
Head Start Program FY09	U.S. HHS via Mont County HHS	$159,967	2009
International Rescue - ESL Instruction	U.S. HHS via IRC	$23,685	2009
Maryland Model for School Readiness	MSDE	$10,800	2009
NSF AED ATE FY2009 Graduate Programs Outcome Study	NSF via Academy for Educational Development		2009
NSF UMD CCLI Host Pathogen Interaction (HPI)	NSF	$53,935	2009
Nursing Faculty Fellowship Round 2. FY2009-FY2011	MHEC	$70,000	2009
Nursing Program MACC Congressional Earmark	MACC	$201,154	2009
Ocean Computer Gaming 3A	NOAA	$4,000	2009
Ocean Computer Gaming 3B	NOAA	$4,000	2009
Performing Arts Center AHCMC FY09	AHCMC	$82,776	2009
Performing Arts Center MSAC FY09	MSAC	$22,188	2009
Portraits of Life FY09	AHCMC	$10,000	2009
S-STEM - Access Engineering. Rockville FY2009-FY2012	NSF	$600,000	2009
SURF - Summer Undergraduate Research Fellowship	NIST	$4,000	2009
TAP FY09 for Legal Refugees and Political Asylees in Montgomery & PG Counties	US HHS via MSDHR	$592,047	2009
Carnegie - NSF ATE DC Biotech	NSF via ATE	$17,860	2010
Child Care Access Means Parents in School Programs (CCAMPIS) FY2010-FY2013	USDE	$464,400	2010
Consolidated Adult Education (AELG) FY10	DLLR	$1,614,564	2010
DCTAL Division of Career Technology & Adult Learning, Title I, Part C, Carl D. Perkins FY10	MSDE	$554,686	2010
Equipment for Biotechnology Laboratories FY2010-FY2014	HRSA	$706,860	2010
ESL Training for Legal Refugees/Asylees in Montgomery County FY2010	MD State Dept of HR	$320,145	2010
GT Biotech Earmark - SBAII. FY2010-FY2011	SBA	$165,072	2010
Head Start Program (includes ARRA funding)	U.S. DHHS via Mont. Co. DHHS	$167,805	2010
Health Personnel Shortage Incentive Grant	MHEC	$20,988	2010
Nursing Faculty Fellowship Round III FY2010-FY2012	MHEC	$40,000	2010
Nursing Support Program (NSP) II Phase 4 FY2010-FY2014	MHEC	$1,795,127	2010
Ocean Computer Gaming 4A	NOAA via ERT	$4,000	2010
Ocean Computer Gaming 4B	NOAA via ERT	$4,000	2010
Paul Peck Humanities Institute One Maryland Essay Contest	MD Humanities Council	$275	2010
Performing Arts Center - AHCMC	AHCMC	$74,712	2010
Performing Arts Center - MSAC	MSAC	$21,845	2010
Portraits of Life II FY10	AHCMC	$9,000	2010
TAP	US DHHS via MSDHR	$590,535	2010
Troops to Teachers - Enhancing Mobility (MAAPP Pilot Minigrant)	MSDE	$1,000	2010
Child Care Career and Professional Development FY2011	MSDE	$61,218	2011
Citizenship & Integration Services FY2011	DHS	$100,000	2011
Consolidated Adult Education (AELG) FY2011	DLLR	$2,203,169	2011

DCTAL Division of Career Technology & Adult Learning, Title I, Part C, Carl D. Perkins FY2011	MSDE	$584,626	2011
Energy Efficiency & Conservation Block Grant (EEBCG) ARRA	DOE	$211,000	2011
ESL Training for Legal Refugees & Political Asylees in Montgomery County	MSDHR/MONA	$348,761	2011
Global Climate Change Education (GCCE) Research Experiences, Teaching & Learning FY2011-FY2013	NASA via Dickerson College	$36,151	2011
Head Start Program FY2011	HHS	$167,805	2011
Health Care & Other Facilities (HCOF) FY2011-FY2015	HRSA	$544,500	2011
JHU M-FAST FY2011-FY2012	MHEC via JHU	$15,000	2011
NSP II Phase 5 FY2011-FY2013	MHEC	$403,182	2011
Nursing Faculty Fellowship Round 4 FY11-13	MHEC	$120,000	2011
Performing Arts Center - AHCMC	AHCMC	$64,999	2011
Performing Arts Center - MSAC	MSAC	$22,869	2011
Student Support Services - TRIO Rockville (FY2011-FY2015)	USDE	$1,192,480	2011
Targeted Assistance Program (TAP) - Training for Legal Refugees & Political Asylees in Mont & PG's Counties	HHS/MONA	$502,979	2011
Transforming Boundaries (India)	DOS (Dept of State)	$10,920	2011
Carl D. Perkins Program FY2012	USDE via MSDE	$440,959	2012
Child Care Career & Professional Development (CCCPD) FY2012	USDE via MSDE	$58,154	2012
Citizenship is for You! FY2012-FY2013	DHS	$149,576	2012
Consolidated Adult Education (AELG)	MD DLLR	$2,211,837	2012
CyberWatch	NSF via PGCC	$58,000	2012
Educational Opportunity Center (EOC) FY2012-FY2016	USDE	$1,150,000	2012
ESL Refugee Program	HHS via MSDHR	$279,009	2012
FLC Scholarships for Chief Science Officer Course	Federal Laboratory Consortium	$1,000	2012
Head Start Program	HHS via DHHS	$167,805	2012
Health Personnel Shortage Incentive Grant (HPSIG)	MHEC	$19,561	2012
Making Sense of the American Civil War	NEH via ALA	$3,000	2012
MD College Access Challenge Grant	MHEC	$63,245	2012
Maryland Integrated Basic Education & Skills Training (MI-BEST II)	MD DLLR via MWC	$30,161	2012
Nursing Support Program (NSP) II Phase 6 (Success Through Simulation) FY2012-FY2014	MHEC	$525,195	2012
Performing Arts Center (PAC)	AHCMC	$64,882	2012
Performing Arts Center (PAC)	MSAC	$24,375	2012
Summer Undergraduate Research Fellowship (SURF)	NIST	$5,500	2012
Targeted Assistance Program (TAP)	HHS via MSDHR	$531,135	2012
AHCMC Performing Arts Center	AHCMC	$57,220	2013
Carl D. Perkins Program FY2013	USDE via MSDE	$292,022	2013
Child Care Career Professional Development (CCCPD)	MSDE	$50,158	2013
Consolidated Adult Education & Family Literacy Services Grant (AELG)	DLLR	$2,284,200	2013

ESL Refugee Program	HHS via MSDHR	$299,892	2013
FLC Scholarships for Chief Science Officer Course	FLC	$1,000	2013
Graduate & Transfer STEM Talent Expansion Program (GT STEP) FY2013 - FY2017	NSF	$1,800,000	2013
MC Project Aware FY2013-FY2015	HHS	$280,079	2013
MSAC Performing Arts Center	MSAC	$20,000	2013
NEH Challenge FY2013-FY2017	NEH	$490,000	2013
Nursing Support Program II Phase 7 Model for Dual Enrollment FY2013-FY2014	MHEC	$161,313	2013
On Ramp to STEM (S-STEM) Proposal	NSF	$599,999	2013
Robert Noyce Teacher Scholarship FY2013-FY2014	NSF	$300,000	2013
Targeted Assistance Program (TAP)	MSDHR MORA	$339,064	2013

Appendix 2.3 - Communications Strategy

1. The College continues to build upon the previously adopted communications plan in an effort to improve communications between and among faculty, staff, governance, and the president. In the newly launched redesign of *Inside MC Online*, the daily online newsletter for faculty and staff, the College created a daily email to better inform its community and to encourage greater engagement. The Office of the President, working with the Office of Communications, continues to post the president's public schedule on *Inside MC Online* and on the president's web page. In addition, the president participates in a weekly video blog, alternating her messages to faculty/staff and to students. The blogs are posted on the front page of the College website, the president's web page, and on YouTube.

Through memorandums, the president and senior leadership of the institution continue to inform faculty and staff about important news and information. With major initiatives, the information is supplemented with open forums that allow for feedback and questions, as well as web pages or *Inside MC Online* articles.

2. Following well-established communications strategies, the College utilizes various communications channels to reach out to its diverse audiences on major collegewide initiatives. The director of communications and other members of the Office of Communications are seen as resources by the College community, and they will direct and advise institutional leadership, faculty, and staff. This has resulted in individualized communications plans for major College initiatives. Among the channels coordinated by the Office of Communications are: *It's Friday*, a weekly email to the College Board of Trustees; monthly reports to the board; *Three Things to Know*, a weekly communication to county and state leaders; the College website; Facebook and Twitter; student blogs; *Inside MC Online*, a daily online newsletter for faculty and staff; *Insights*, a biannual publication for alumni and friends; *Foundation Focus*, a quarterly newsletter to donors and friends; an online calendar of events; and MCTV, the College's education public access channel. Many of these communications channels offer a built-in feedback loop, allowing the College community the opportunity to comment and share their input and ideas. Other coordinated communications channels coordinated by offices include MyMC, an internal web portal for students, faculty, and staff; meetings and forums; and regular email and memorandum correspondence. In addition, special committees with representative membership allow additional opportunities for the College community to provide feedback.

Appendix 2.4 – Business Administration Program Outcomes

Report from the A.A.in Business Task Force Work
December 15, 2011

In response to a directive from the Middle States Commission regarding the revision of the program outcomes in the A.A. in Business (and the A.A. in International Business), the Sr. VP for Academic Services charged me with establishing a task force of faculty representatives from all disciplines that form the core of the degree program in business to revise the program outcomes.

Members of Task Force: Patricia Bartlett, Lead Dean for Business, William Talbot (R-Accounting), Jim Baisey (TPSS – Accounting), Sherry Mirbod (G-Accounting),Rupa Das (TP/SS-Economics),Bruce Madariaga (G-Economics), Padma Venkatachalam (R-Economics), Brian Kotz (G-Business Statistics and Math Statistics), Padma Venkatachalam (R-Business Statistics), Charles Holland (TPSS-Business), Charlotte Jacobsen (R-Business), Jacqueline Middleton (G-Business), Karen Penn de Martinez (R – Computer Applications), and Eric Benjamin – representing MC's Periodic Review Committee for Middle States.

People selected for the task force were the campus representatives to AAR and OA workgroups. I sent a personal invitation to each person telling them of the importance of the task force and everyone responded positively.The kickoff meeting of the task force was held on August 22, 2011 with the following charges to the committee:

- ➢ Revise the program outcomes to make them more complete, capable of being measured, and assure that the outcomes can be met in the distance education classes as well as in face-to-face classes.
- ➢ Provide some documentation as to how we have used the course outcomes assessments to improve student learning/success
- ➢ List additional outcomes assessments that need to be done in fall 2011or spring 2012
- ➢ Show other evidence to demonstrate that students are making progress toward the degree
- ➢ Create a timeline for our work

The first task focused on examining current outcomes and formulating new ones:

- o review program outcomes for A.A. in Business currently approved and noting missing information and the abilityto assess the program outcomes.
- o reviewprogram outcomes as articulated by the national accrediting agency for community college business programs
- o review 100+ community college business program outcomes from across the country

The Task Force discussed whether CA 120 (Introduction to Computer Applications) should be included in the program outcomes discussion. Initially, the Task Force believed that CA 120 provided important skills for the program but would not be included in the program outcomes. Upon reflection, CA 120 was brought into the discussion. After some initial conversation regarding the outcomes gathered from various sources, each discipline subgroup (economic, accounting, business administration, computer applications, business statistics [including MA 116]) was charged with analyzing its contribution to a business program and to refine or write new program outcomes with an eye on specific ways by which the outcomes can be assessed. Subgroups were also instructed to assure that outcomes can be measured in distance education classes as well as in face-to-face classes.

After the submissions from the subgroups, negotiations ensued between the subgroup and Task Force leader and among all members of the Task Force. In early October, the program outcomes were finalized. Each discipline subgroup confirmed that outcomes submitted were measurable and would be measured. Because the program outcomes for A.A. International Business were aligned with the A.A. in Business, the Task Force recommended all program outcomes for the business program be the same for the international business program, with the exception that international business would have an additional outcome related to the six credits of a world language requirement. Note: the business discipline plans to revisit the international business program regarding the efficacy of maintaining it as a separate program, but in the interest of time, we have revised its program outcomes, as well. Plans for curriculum actions regarding the combining of the two business programs are underway.

Revised program outcomes for the A.A. in Business were submitted to the Collegewide Curriculum Committee and approved by the Committee on December 2, 2011:

- Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business decision making
- Assess local, national, and international economic-related conditions and government policies and their impact on the economy
- Apply microeconomic principles to make profit-maximizing business decisions
- Apply basic statistical tools and techniques to business decisions and situations
- Demonstrate an understanding of basic ethical principles applicable to businesses
- Identify key features related to significant business functions
- Use appropriate technological tools and computer software to support business processes.

Before the outcomes were sent to the Curriculum Committee, a final check was done to determine that key course outcomes were aligned directly to the program outcomes. The following chart shows the alignment.

Alignment of Program Outcomes and Course Outcomes

Program Outcomes	Course	Course Outcomes
Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business/managerial decision making	AC 201 Accounting I	• Analyze, interpret, and evaluate the income statement, statement of retained earnings and the balance sheet with respect to liquidity, solvency, and profitability • Analyze, interpret, evaluate, and record basic financial transactions and identify their impact on the financial statements
Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business/managerial decision making	AC 202 Accounting II	• Determine the costs of products • Prepare, analyze, and evaluate budgetary reporting • Prepare, analyze, and interpret statement of cash flows • Prepare, analyze, and make decisions about internally generated financial reports to facilitate management decision making.
Assess local, national, and international economic-related conditions and government policies and their impact on the economy	EC 201 Principles of Economics I (Macroeconomics)	• Describe the primary purposes, limitations, and controversies regarding their use of fiscal and monetary policies • Explain the concept of globalization and its impact on the domestic economy • Use the model of aggregate supply and demand to explain how unemployment and inflation may occur and how they can be mitigated by government policy
Apply microeconomic principles to	EC 202	• Describe the concept and types of

make profit-maximizing business decisions	Principles of Economics II (Microeconomics)	market structures and the effect of market structure on business behavior and profits • Explain how economic principles can be used to help make basic business decisions such as what price to charge, how much to sell, and how many employees to hire to maximize profits
Apply basic statistical tools and techniques to business decisions and situations	BA 210* Statistics for Business and Economics	• Ascertain the appropriate use of and be able to calculate various measures of central tendency and dispersion • Develop and apply regression and correlation models • Make inferences based upon large as well as small samples through the development of one-tailed and two-tailed tests of hypotheses pertaining to population parameters
Apply basic statistical tools and techniques to business decisions and situations	MA 116* Elements of Statistics	• Calculate and interpret confidence interval estimates of population parameters (proportions and means) • Formulate and conduct tests of significance for populations parameters (proportions and/or means) and interpret the results in the original context
Demonstrate an understanding of basic ethical principles applicable to businesses	BA 101 Introduction to Business	• Define social responsibility and examine corporate responsibility to various stakeholders
Identify key features related to significant business functions	BA 101 Introduction to Business	• Define marketing and explain how the marketing concept applies in both for-profit and nonprofit organizations • Describe the importance of finance and financial management to an organization • Explain the importance of human resource management and describe current issues in managing human resources
Use appropriate technological tools and computer software to support business processes.	CA 120 Introduction to Computer Applications	• To create a basic presentation using a presentation software application • To create and modify text and graphic objects within a presentation • Organize information by inputting and updating data in a relational database • Apply file management skills such as create, save, copy, move, rename,

		delete, and organize data files

*Students enrolled in the associate of arts in business program may take either BA 210 or MA 116

Following action by the Collegewide Curriculum Committee, the senior vice president for academic affairs must approve.

Assessment Progress and Plans

Since the Task Force could not meet until late August, it was too late for disciplines to schedule outcomes assessment activities for fall semester, unless they had already planned to do so. AC 201 was on the schedule to undergo assessment in the fall. However, other discipline subgroups reviewed their outcomes assessment data and made plans for the nextround of outcomes assessment. AC 202, BA 101, and EC 201 and 202 are to undergo assessments in the spring semester, with careful attention to the course assessments aligning with the program outcomes.

AC 201 and AC 202'sprevious outcomes assessments are aligned with the program outcomes and students have met the college's benchmarks.

BA 101'sprevious outcomes assessment have not yielded student success rate evenly across the three campuses and between courses taught by full- and part-time faculty. There is more work to be done on its outcomes assessment (discussed in the next section). BA 101 has not previously assessed its students on the course/program outcome related to ethics. Given that it is a part of the program outcomes, the faculty subgroup decided to assess it in spring 2012.

EC 201 will assess several of its outcomes that are directly aligned with program outcomes in spring 2012:

- Apply basic economic concepts such as scarcity, opportunity cost, marginal analysis, etc. to everyday life situations
- Use the model of supply and demand to explain how prices and quantities of goods, services, and resources are determined and change.

Spring 2012 will be the first time EC 202 has undergone outcomes assessment, and the faculty plan to measure student success on this outcome:

- Explain how economic principles can be used to help make basic business decisions (such as what price to charge, how much to sell, how many employees to hire, etc.) to maximize profits.

Use of data from previous outcomes assessment to foster greater student learning and success

Discipline subgroups were also asked to provide information regarding measures taken as a result of previous outcomes assessment and following is the report from each subgroup:

> AC 201 and AC 202 – While accounting is meeting its outcomes assessment goals, the faculty continually seek ways to help students succeed.
>
> The accounting faculty revised the emphasis of content regarding some of the chapters, based on the feedback from the students' less successful online homework. The areas that students were having trouble understanding were emphasized more in the classroom. The homework management system also allows students to participate as a class in solving new problems. Instructors can tailor their lectures based on how the students understand concepts assigned prior to class. The homework

management system gives the students immediate feedback on up to five attempts controlled by the instructor.

To help students gain a greater understanding of the content, students were required to prepare journal entries for a multi-step income statement in AC 201.

In AC 202, to help students gain greater facility in applying concepts, students are required to prepare labor and material variances, compute breakeven points, and prepare a cost of goods manufactured schedule.

BA 101 – as a result of the last outcomes assessment and academic review, it was discovered that there was little agreement among professors of BA 101 concerning the core topics to be covered. During the summer 2011, instructors in BA 101 met with the lead dean and came to an agreement of the core topics to be covered in each class section of BA 101. Coordinators were charged with disseminating the topics to all full-time and adjunct instructors. The business lead dean will check each semester with the business coordinators at each campus to ensure that the agreed upon topics will be covered.

The area that scored the lowest in the last outcomes assessment (management) was discussed among the instructors of BA 101. Because the topic is broad, faculty agreed about the important components of management that all should cover. Coordinators of BA 101 at the three campuses will inform faculty on these components every semester.

In the January 2012 discipline meeting, faculty teaching BA 101 will discuss the discrepancies among student successes in the last round of outcomes assessment among the campuses and among the full-time faculty versus adjunct faculty.

EC 201 **-** During the last round of outcomes assessments for EC 201, instructors found that many students did not understand the concept of aggregate supply and demand model of our economy. The economics subgroup members plan to give guidance to the economics instructors and distribute an online tutorial to help them teach this model.

During the Task Force meetings, members discussed other ongoing activities that contribute to the completion agenda, such as

- Continue to offer tutoring to AC 201 and 202 students
- Continue to assist students individually during instructor office hours
- Work with the Business and Economics Club at Rockville and the Economics Club at TP/SS to present interesting programs for all business students
- Remind students of presentations made by Accenture’s top management personnel (Accenture has a partnership with MC for these programs)
- Invite students to join Students in Free Enterprise at Rockville
- Provide more specific training in advising for all business faculty to serve as advisers to business students
- Encourage students who plan to study business to file for a major in business with the Admissions and Enrollment Office

In conclusion, the following shows our completed work, timeline for work to be completed, and the responsible parties.

Completed: New program outcomes approved by College Curriculum	Task Force members under the leadership of Dean Bartlett; Task Force member, Dr. Padma Venkatachalam, served as the proposer of curriculum changes	December 2, 2011

Committee		
In progress: New program outcomes approved by Sr. V.P. for Academic Affairs	Senior Vice President for Academic Affairs	Awaiting action - Spring 2012
In progress: Fall outcomes assessments	AC campus coordinators	Expected December 27, 2011
In progress: Spring outcomes assessments	campus coordinators	Expected May 18, 2012
In progress: Plans for increasing student success, using outcomes assessment data	Campus coordinators of AC 201 and 202, BA 101, EC 201 and 202	Expected AY 2012-2013
In progress: Combining A.A. in business and A.A. in International business into one degree	Lead dean of business and faculty teaching core courses in business program	Spring 2012 with proposal to Collegewide Curriculum Committee no later than fall 2012
In progress: Training for all faculty in business to advise students	Lead dean of business, assisted by faculty members currently serving as advisers	Fall 2012

Respectfully submitted,

Patricia M. Bartlett, Ph.D.
Lead Dean for Business

Appendix 2.4 – Business Administration Program Outcomes
Addendum Progress made since December 15, 2011
January 8, 2013

Business A.A. Program revised outcomes were approved by the Collegewide Curriculum Committee and approved by the Sr. Vice President for Academic Affairs during Spring 2012. They are now in the current catalog.

Already scheduled to undergo course outcomes assessments for accounting in fall 2011, the accounting program completed assessments and has incorporated what was learned into Business A.A. Program outcomes that can be measured in the two accounting courses.

In spring 2012, Professor William Johnstone was appointed to lead the Business Program review. The lead dean of Business, Dr. Patricia Bartlett, and Professor Johnstone met with all faculty members who teach in the Business program in May 2012, discussing with them the planned program assessment and their potential roles and contributions to the program assessment activities.

Since the accounting discipline was already scheduled for followup of its spring 2012 outcomes assessment, the decision was made to proceed with assessing the following program outcome in spring 2013:

- Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business/managerial decision making.

Other program assessments will follow in the coming semesters.

In addition, all coordinators of business, accounting, and economics have identified strategies for increasing student success in their courses and in the business program. For instance, the instructors in BA 101 Introduction to Business have a core set of topics that will be covered in every section of the course. Each campus coordinator regularly communicates with part-time instructors about the core topics. The business discipline faculty members have agreed to establish an online group to share teaching and learning strategies that help students be successful. The coordinators of accounting have decided to incorporate “mini case studies” in their instruction more frequently whereby students will be able to apply concepts studied more regularly. Economics discipline faculty members are examining ways to assess students that will require critical thinking and reasoning. Furthermore, the business programs at all three campuses have participated in planning and implementing seminars, career panels in conjunction with two local business partners: Discovery Communications and Accenture, and business students were invited to the presentations.

The International Business A.A. program in business that basically duplicated the Business A.A. program has been deleted. Collegewide Curriculum Committee approval and approval by the Sr. Vice President of Academic Affairs were secured in Fall 2012.

Plans are being developed to inform students who are interested in international business that they may major in business and choose elective courses in world languages and other appropriate courses to prepare them to transfer into an international business program at a four-year college/university.

Business faculty members, with support of the dean, are planning ways to increase their advising skills so that they may be more effective advisers of business students. More focused advising is scheduled to begin in Fall 2013 semester.

Patricia Bartlett, PhD
Lead Dean for Business
January 8, 2013

Appendix 2.5 – General Studies Degree Program and Assessment Proposal

General Studies Degree Program and Assessment Proposal

The General Studies Program Revision and Assessment committee was convened by Dr. Donald Pearl, senior vice president for academic affairs, to further refine Montgomery College's response to questions raised about our general studies degree by our accrediting agency, the Middle States Commission on Higher Education. The concerns raised about the degree include questions of rigor, academic cohesion, and assessment. This committee was charged with developing a recommendation for a general studies program that provides a clear pathway for students to reach their educational goals, meets Middle States accreditation expectations, avoids substantially replicating existing degrees, and encourages student degree completion. Specifically, the committee was asked to develop a statement of purpose and clearly articulated goals aligned with student learning outcomes that include degree completion and assessment of student learning; a curriculum with a program outcome/course map, an implementable assessment plan, an implementation plan, and any associated recommendations.

The committee includes:

Sarah Campbell, World Languages Faculty
Tim Fuss, Nursing Faculty
Jennifer Haydel, Political Science Faculty
Michael LeBlanc, English Faculty
Julie Levinson, Counseling Faculty
Jennifer Polm, Mathematics Faculty
Samantha Streamer-Veneruso, English Faculty, Chair
Kathy Wessman, Resource Member
Raquel Bunai, Resource Member

The committee is presenting the following program goals, outcomes and structure as well as assessment options.

Background

There are multiple influences that have shaped our thinking in developing this proposal for the general studies associate of arts degree. These include the original Middle States concerns, recent developments relating to federal financial aid restrictions, SB 740 legislation, Completion Agenda initiatives and best practices highlighted by the American Association of Colleges and Universities (AACU). These sources created a framework of required assumptions and ideal values.

In June 2011, Montgomery College received a letter from our accrediting agency, Middle States Commission on Higher Education. Key concerns were raised in the letter regarding our general studies associate of arts degree program. The College was charged to respond to those concerns by revising the degree program and developing an assessment plan. Specifically noted in this letter are concerns relating to compliance with Middle States Standards 11 Educational Offerings and 14 Assessment of Student learning relating to General Studies.

In a formal letter to Montgomery College on behalf of Middle States, Linda Suskie states, "One program specifically discussed…was the general studies AA. It consists of Montgomery College's general education curriculum plus free electives, which students may choose without faculty or advisor input nor an articulated plan. Such a program fails to comply with this standard [Standard 11] in two ways. First it is entirely possible for a student to complete the program without taking any 200-level courses—a level of rigor inappropriate for an associate's degree. Second, the program lacks the coherence, integration and synthesis that the Commission expects."

Ms. Suskie notes that Standard 11 explicitly requires:

- "The institution's educational offerings display academic content, rigor, and coherence that are appropriate to its higher education mission. The institution identifies student learning goals and objectives, including knowledge and skills, for its educational offerings."
- 'Educational offerings…conducted at levels of rigor appropriate to the programs or degrees offered"
- "Formal…programs—leading to a degree or other recognized higher education credential—designed to foster a coherent student learning experience and to promote synthesis of learning."
- "Assessment of student learning and program outcomes relative to goals and objectives of the undergraduate programs and the use of the results of improve student learning and program effectiveness."

Additionally, Ms. Suskie states that the general studies program does not comply with Standard 14 which explicitly requires:

- "Assessment of student learning demonstrates that at graduation or other appropriate points students have knowledge skills, and competencies consistent with institutional and higher education goals."
- "Clearly articulated statements of expected student learning outcomes at all levels (institution, degree/program, course) and for all programs that aim to foster student learning and development that are appropriately integrated with one another."
- Assessment results that provide sufficient, convincing evidence that students are achieving key institutional and program learning outcomes."
- "Evidence that student learning assessment information is shared and discussed with appropriate constituents and is used to improve teaching and learning"

In the interim, several other developments have occurred that influence the consideration of how to revise this degree. Those include restriction of federal financial aid to courses that are required for a major, Maryland Higher Education Commission restrictions on degree replication, and the SB 740 legislation.

Assumptions for the Revision- Required

Our general studies program structure <u>must</u>:

- Have a plan and process for assessing program outcomes and using that information to improve student learning;
- Require students to take 200 level courses (a curriculum proposal for a requirement of 15 credits at the 200 level was approved before this group began working.)
- Promote academic cohesion, intentional learning and synthesis of knowledge and skills;
- Not allow students to substantially duplicate an existing degree;
- Explicitly list degree requirements so that students can use financial aid to pay for them;
- Provide a clear pathway to completing the degree**.**

Assumptions for the Revision- Ideal

Our general studies program <u>should</u>:

- Allow students to explore a variety of content areas
- Allow students with specific transfer requirements to fulfill those requirements

Who is the General Studies Degree designed for?

The general studies degree is designed to allow students to explore personal, professional and academic areas of interest while setting up a program that supports transfer to a 4 year institution.
This degree is designed to serve the student who:

1. Is undecided on a major focus on entry to college
2. Has transfer plans that are not met in another AA degree program
3. Has specific interests and academic goals which are not met by any existing AA degree programs

The general studies degree does not replace academic degrees in specific discipline or career areas. It should allow a student to explore an area or areas of interest as indentified by the student in collaboration with counseling and advising faculty.

General Studies Degree Program Revision Draft Goals and Outcomes

The general studies degree is designed to allow students to explore personal, professional and academic areas of interest while setting up a program that supports transfer to a four-year institution.

1. The general studies degree is a flexible curriculum that fosters intentional exploration of academic and career goals through academic course work and supportive developmental advising.

    a. Students will be able to articulate a plan for their-educational and career development that relates their coursework to their goals.
    b. Students will be able to identify available resources related to their ongoing educational and professional development.

2. Using interdisciplinary application of practical and intellectual skills like critical analysis and reasoning, written and oral communication, scientific and quantitative reasoning, information literacy, technological competency, arts and aesthetic awareness and personal social and civic responsibility, the general studies program creates a flexible framework that encourages students to engage in complex problems related to their chosen path of study while promoting enhanced application of general education competencies.

   a. Students will be able to apply critical thinking, quantitative reasoning, and/or scientific reasoning skills by articulating, analyzing, and evaluating problems and scenarios across discipline areas.
   b. Students will be able to find, evaluate, use, and synthesize information needed to address increasingly complex problems and scenarios.
   c. Students will be able to use technology effectively to accomplish a variety of general and discipline specific activities.
   d. Students will be able to communicate effectively in writing and orally appropriately across disciplines.

3. The general studies program promotes a sense of academic cohesion asking students to make intentional choices and connections in their course of study and fostering integrative learning, personal responsibility and civic engagement by fostering connections among academic knowledge.

   a. Students will be able to make and articulate the connections within their course of study.

4. The general studies program promotes personal responsibility and civic engagement by providing an academic framework in which students explore contemporary and enduring questions, integrate learning across disciplines, and develop knowledge, skills, and motivation which allows them to frame issues and questions presented in the academic experience in the context of a broader community.

   a. Students will be able to explain the relevance of their course work to their participation in the community.
   b. Students will be able to recognize course work connects to how we live our lives, the choices we make and our obligations to the community.

Note about Goal #4 and Outcomes 4A and 4B

Promoting personal, civic, and social responsibility and global citizenship are key values held by the Montgomery College community as evidenced in our self-identified general education area of proficiency, and through our investment in programs promoting diversity, equality, social justice, global citizenship and multiculturalism. However, as an academic program, we do not have an overarching academic framework that supports this goal beyond general education. Our committee feels that students are exposed to content and ideas and skills that prepare them to be well educated global citizens, and through the General Studies program we hope to provide integrated academic experiences that explicitly give students opportunities to explore their understanding of, and connection to, the broader community.

We are invested in the goal of fostering personal, civic, social responsibility through the general studies degree at Montgomery College because we think it represents the values of the Montgomery College community, and we feel that it reflects the needs of students in 21st century. Education does not exist in a social vacuum, and this goal promotes student awareness of this fact. This goal asks students to connect their education to the significant and relevant issues in the world around them, whether those issues are civic, global, or ethical. Providing an academic experience that gives students ethical and civic frameworks for thinking about our global community should foster broader engagement in the world.

General Studies Degree Requirements

EN 101*	3 Credits
Gen Ed Core	32-34 Credits
General Studies Concentration Core**	12 Credits
General Studies Electives***	12 Credits
Total required credits****:	60-63 credits

* If necessary, if not required, select an alternate elective
** A minimum of 3 credits at the 200 level in the concentration core is required.
***General studies elective courses are selected from any concentration core to support the student's academic, personal, professional goals and interests
****Total credit count must be at minimum of 60 credits with a minimum of 15 credits of 200 level courses

All students are required to create and maintain an academic plan kept on file with the College. Students are required to complete EN and MA foundation requirements within completion of the first 24 credits of college level work. Students are recommended to complete all general education foundation requirements within completion of 30 credits of college level credits.

NOTE: The General Studies Concentration Core and General Studies elective courses should be considered courses that are in addition to courses taken to fulfill General Education Requirements.

General Studies Concentration Cores

Core 1- Studies in Humanities and Arts

Core 1 allows students to explore Humanities and Arts disciplines. Students are required to take a minimum of 12 credits, with a minimum of 3 credits at the 200 level. Generally students will take at least 4 courses in core 1 discipline areas, with a recommendation of at least 2 courses at the 200 level in addition to courses meeting general education requirements. Students may take more than 12 credits of courses from Core 1 concentration courses. It is recommended that students take a minimum of two courses from the same discipline designator.

The **Core 1** concentration includes courses with the following designators: AR, CG, DN, EN*, FL, GD, HS, ID, LG, MU, PL, SP, TH, WS, Any World Language course [AB, CN, FR, GR, IT, JN, KR, LT, PL, PU, RU, SL, SN]

Additionally, the following individual courses also qualify as core 1 concentration courses: **TBD**- Individual courses to be selected from A.S. and A.A.S disciplines based on transferability and external program requirements.

*EN 101, EN 102 and EN 109 are excluded from Core 1 choices.

Note: This concentration core is not designed to replace an existing degree concentrating on a specific academic discipline. This course is intended for students to pursue an exploratory focus in humanities and arts disciplines.

Core 2- Studies in Sciences and Mathematics

Core 2 concentration allows students to explore a combination of mathematics and science disciplines. Students are required to take a minimum of 12 credits, with a minimum of 3 credits at the 200 level. Generally students will take at least 3 courses in SCMA discipline areas, with a recommendation of at least 2 courses at the 200 level in addition to courses meeting general education requirements. Many science and math courses are 4 or 5 credit hours, so as in planning the core 2 concentration, total credit counts need to be considered. It is recommended that students take a minimum of two courses from the same discipline designator.

Core 2 concentration includes all courses with the designators: AS, BI, CH, CS, MA*, ME, PC, PH, SC

*Courses taken to satisfy MA and NSLD/NSND requirements may not be counted toward the SCMA concentration core.

Additionally, the following individual courses also qualify as core 2 concentration courses: **TBD**. Individual courses to be selected from A.S. and A.A.S disciplines based on transferability and external program requirements.

Note: This concentration core is not designed to replace an existing degree concentrating on a specific academic discipline. Core 2 is intended for students to pursue an exploratory focus in sciences and mathematics.

Core 3- Studies in Behavioral and Social Sciences, Business, and Health

Core 3 allows students to explore traditional behavioral and social science disciplines as well as business, accounting, health and physical education courses. It allows students to explore any combination of these areas. Students are required to take a minimum of 12 credits, with a minimum of 3 credits at the 200 level. Generally students will take at least 4 courses from the core 3 concentration, with a recommendation of at least 2 courses at the 200 level in addition to courses meeting general education requirements. It is recommended that students take a minimum of two courses from the same discipline designator.

Core 3 concentration includes courses with the following designators: AC, AN, BA, EC, HE, HM, PE, PS, PY, SO

Additionally, the following individual courses also qualify as core 3 concentration courses: **TBD**. Individual courses to be selected from A.S. and A.A.S disciplines based on transferability and external program requirements.

*Courses taken to satisfy BSSD requirements are not counted toward the Core 3 concentration core.

Note: This concentration core is not designed to replace an existing degree concentrating on a specific academic discipline. This course is intended for students to pursue an exploratory focus in Behavioral or Social Sciences, Business, and Health disciplines.

Core 4- Integrated Studies (IS)

Core 4 includes all courses designated in the concentration cores, and it allows a student to explore a unique combination of disciplines. Students are expected to select a minimum of 18 credits from each of two different concentration cores (at least 9 credits from each concentration core). The IS concentration core allows students to explore any combination of identified concentration areas. Students are required to take a minimum of 18 credits in two concentration cores, with a minimum of 3 credits at the 200 level. Generally students will take at least 6 courses selected from two different concentrations areas, with a recommendation of at least 2 courses at the 200 level in addition to courses meeting general education requirements. It is recommended that students take a minimum of two courses for each core from the same discipline designator.

Limited Appeal Process

Recognizing that there may be some rare occasions where a student needs a course that is not included in one of the concentration core lists to transfer to another institution, we recommend an appeal process that would allow students to petition for the inclusion of specific courses for their degree plan. The appeal would be based on the transferability of the course and the student’s rationale for wanting to take the course. In general, the student should file for an appeal as part of an academic planning process, not as at the end of the degree program.

Assessment Options

Direct assessment of student learning at various points in the completion of the curriculum is a requirement of all programs; fundamentally, we must demonstrate that students are achieving the outcomes of the program as set forth, and we must use information from assessment of student learning to improve our practices. Direct assessment of student performance is required. Further, Montgomery College is committed course embedded assessment, which reflects the best practices in assessment because it reflects the authentic link between assessment and learning. As with the delivery and administration of the degree program, the assessment of the general studies degree program will require regular collaboration among faculty, staff and administrators representing student services and academics.

The following assessment options are being considered:

Direct Assessment Options

Option #1- Signature Assignments/courses- assignments embedded into specific courses or modules attached to high enrollment courses. Signature assignments would address application of general education competencies to more complex assignments appropriate for students who have completed general education requirements. Additionally, signature assignments would ask students to integrate learning and reflect on how their learning connects them to a global community. Signature assignments would be designed by faculty, based on a common set of requirements. Selected assignments would be scored by a general studies assessment group (to be formed) using developed rubrics and would be part of an ongoing cycle of assessment.

(Note: this option might be implemented through general studies modules attached to courses high enrollment upper level courses in the concentrations. This could be similar to honors modules structure.)

Option #2- Embedded Portfolio- Students would compile examples of their work throughout their time at Montgomery College that demonstrate their achievement of the general studies outcomes in electronic portfolios; students would own and maintain the portfolios throughout their time at MC. Students could be guided to complete e-portfolio through regular course work and co-curricular support networks (libraries, academic learning centers or a new support framework). Portfolios would be assessed by a General Studies assessment group (to be formed) on a cyclical basis. Portfolio completion is a requirement for graduation, but portfolio work is graded as part of the student’s regular course work.

Option #3- Hybrid Signature Portfolio (Signature Assignments with portfolio) This option combines options 1 and 2 giving students clearly identified courses that would provide students signature assignments that can be incorporated into an eportfolio- can be course modules or embedded assignments in regular course options in addition to students being able to use examples from regular course work. This option would still require a support network, but is enhanced by clearly identified learning opportunities which they can select to enroll in to complete portfolios.

Indirect Assessment Options

Additional indirect assessment methods we under consideration, in addition to direct assessment measures:

- Academic Plan audits (random)
- Graduation Survey (possibly administered as part of graduation application)
- Graduate Survey (possibly administered to General Studies students when they accumulate 54-60 credits)
- Advising Survey (administered after advising contact)

Useful Definitions

Academic cohesion- On a program level, academic cohesion exists when a group of courses are specifically chosen based on the content and outcomes of the courses to reach a broader set of goals and when they are planned to create a cohesive learning experience with explicit links in the content. The learning in that program of study connects and builds leading the student to the desired outcomes. However, academic cohesion can also exist at the course level when instructors help students identify how their learning fits together. Students can create academic cohesion themselves by having a clear set of goals and intentionally selecting learning experiences and activities that work together to reach an identified goal. Academic cohesion enhances far transfer of skills and knowledge as well as deep learning.

Direct Assessment- Direct assessment is the measurement of student performance on specific learning. Direct assessment measures student knowledge, skills or attitudes in response to a specifically designed assessment. Examples of direct assessment instruments include tests, research papers, projects, portfolios or any other type of student produced assignment that allows the instructor to directly measure how the student is performing on a particular student learning outcome.

Integrative learning- From the AACU Value Rubric on Integrative Learning, ‘Integrative learning is an understanding and a disposition that a student builds across the curriculum and co-curriculum, from making simple connections among ideas and experiences to synthesizing and transferring learning to new, complex situations within and beyond the campus… Fostering students’ abilities to integrate learning—across courses, over time, and between campus and community life—is one of the most important goals and challenges for higher education. Initially, students connect previous learning to new classroom learning. Later, significant knowledge within individual disciplines serves as the foundation, but integrative learning goes beyond academic boundaries. Indeed, integrative experiences often occur as learners address real-world problems, unscripted and sufficiently broad, to require multiple areas of knowledge and multiple modes of inquiry, offering multiple solutions and benefiting from multiple perspectives. Integrative learning also involves internal changes in the learner. These internal changes, which indicate growth as a confident, lifelong learner, include the ability to adapt one's intellectual skills, to contribute in a wide variety of situations, and to understand and develop individual purpose, values and ethics. Developing students’ capacities for integrative learning is central to personal success, social responsibility, and civic engagement in today’s global society. Students face a rapidly changing and increasingly connected world where integrative learning becomes not just a benefit...but a necessity…Integrative assignments foster learning between courses or by connecting courses to experientially-based work… Integrative learning, whatever the context or source, builds upon connecting both theory and practice toward a deepened understanding.”

Intentional learner/learning- Intentional learning is characterized by learners making conscious, informed educational choices including the courses they take and the content they explore. Rather than being driven entirely by scheduling options, instructor reputation, transfer or some other unconscious criteria, intentional learners also consider the content of a course and how it fits into their educational goals. Their motivation for selecting a course is deliberate and related their educational journey. Further, the student can articulate his or her reasoning for selecting a course.

Indirect Assessment- Indirect assessment may indicate that learning has taken place but indirect assessment measures do not directly measure student performance. Indirect assessment measures can include surveys, interviews, course evaluations, retention rates, grades, or other broad measures of student performance. Indirect assessment is important as it can help verify the validity of direct assessment or can help target points were direct assessment is necessary.

Sample General Studies Curriculum Pathway Planning Worksheet

Course Selection Notes:
1. Select from courses listed in General Education and Concentration Core lists
2. Degree requires minimum of 60 Credits
3. Degree requires minimum of 15 Credits at 200 level

Category	**Course**	**Credits**
EN 101*		3
General Education Foundation Requirements		
• EN Foundation		3
• MA Foundation		3
• HE Foundation		1-3
• SP Foundation		3
En 101 and Foundation Requirement Total Credits		**13-15**
** if required; alternate General Studies elective, if not*		
General Education Distribution Courses		
• Arts Distribution		3
• Humanities Distribution		3
• Arts or Humanities Distribution		3
• Behavioral Social Science Distribution (Discipline 1)		3
• Behavioral Social Science Distribution (Discipline2)		3
• Natural Sciences Distribution with Lab		4
• Natural Sciences Distribution with or without Lab		3-4
Total General Education Distribution Electives		**22-23**
Concentration Core (Select One- Core 1 (Humanities and Arts), Core 2 (Sciences and Mathematics), Core 3 (Behavioral or Social Sciences, Business and Health) or Core 4* (Integrated Studies) Courses Selected from One Concentration		
Total Concentration Core Courses (min 12)		**(12)**
** See alternate Integrated Studies Grid*		
General Studies Electives (selected from any Concentration)		
Total General Studies Elective Courses (# needed to make up 60 credits)		**(12)**
Total Minimum Credits		**60**

Alternate Integrated Studies Core		
Concentration Core I (Select from HUAR, SCMA, or BSS)		
Total IS Concentration Core I (minimum 9)		**(9)**
IS Concentration Core II (Select from HUAR, SCMA or BSS)		

Total IS Concentration Core II (minimum 9)		**(9)**
Total Integrated Studies Concentration		**(18)**
General Education Concentration Electives (# needed to make up 60)		
		(6)
Total Integrated Studies and Electives		**24**

Sample Student Pathways- The following are examples of how a student could use the General Studies Model based on real life examples. They are not intended as advising pathways or requirements.

Sample General Studies- Core 3 Behavioral or Social Sciences, Business and Health- Criminal Justice UMCP transfer

Category	**Course**	**Credits**
EN 101	En 101	3
EN Found	EN 102	3
MA Found	MA 110	3
HE Found	HE 100	1
SP Found	SP 108	3
		13
ARTD	AR 101	3
HUMD	HS 201	3
ARTS or HUMD	EN 190	3
BSSD	SO 101	3
BSSD	PY 102	3
NSLD	BI 101	4
NSND or NSLD	AN 105	3
		22
Core 3 Concentration		
BSS I	BA 210	3
BSS II	SO 107	3
BSS III	CJ 110 *	3
BSS IV	CJ 221*	3
		12
GS Elective		
GSE I	PY 213	3
GSE II	PY 211	3
GSE III	HS 202	3
GSE IV	HS 219	3
GSE	PE 172	1
		13
		60

* These Criminal Justice courses, since they are transferable, would be part of the Core 3 concentration list.

Sample General Studies- Core 2 Studies in Sciences and Mathematics- Kinesiology

Category	**Course**	**Credits**
EN 101	En 101	3
EN Found	EN 102	3
MA Found	MA 160	3
HE Found	HE 107	1
SP Found	SP 108	3
		13
ARTD	AR 107	3
HUMD	HS 118	3
ARTS or HUMD	EN 201	3
BSSD	SO 101	3
BSSD	PY 102	3
NSLD	BI 107	4
NSND or NSLD	NF103	4
		23
SCMA Concentration Core		
SCMA I	BI 204	4
SCMA II	BI 205	4
SCMA III	CH 101	4
		12
GS Elective		
GSE I	PE 202	3
GSE II	PE 230	3
GSE III	PE 237	3
GSE IV	PE 165	1
GSE	PE 186	1
GSE	PE 183	1
		12
		60

Sample General Studies- Core 3- Behavioral or Social Sciences, Business and Health- Political Science

Category	**Course**	**Credits**
EN 101	En 101	3
EN Found	EN 102	3
MA Found	MA 116	3
HE Found	HE 100	1
SP Found	SP 108	3
		13
ARTD	AR 103	3
HUMD	HS 201	3
ARTS or HUMD	HS 202	3
BSSD	PS 101	3
BSSD	PY 102	3
NSLD	BI 105	4
NSND or NSLD	AN 105	3
		22
BSS Concentration Core		
BSS I	PS 201	3
BSS II	PS 203	3
BSS III	PS 241	3
BSS IV	PS 250	3
		12
GS Elective		
GSE I	SN 101	3

GSE II	SN 102	3
GSE III	SN 201	3
GSE IV	HS 151	3
GSE	PE 172	1
		13
		60

Sample General Studies- Core 3- Behavioral or Social Sciences, Business and Health Psychology Shady Grove

Category	**Course**	**Credits**
EN 101	En 101	3
EN Found	EN 102	3
MA Found	MA 116	3
HE Found	HE 200	3
SP Found	SP 108	3
		15
ARTD	AR 103	3
HUMD	EN 208	3
ARTS or HUMD	HS 151	3
BSSD	SO 101	3
BSSD	PY 102	3
NSLD	BI 105	4
NSND or NSLD	AN 105	3
		22
BSS Concentration Core		
BSS I	PY 215	3
BSS II	PY 204	3
BSS III	PY 221	3
BSS IV	SO 105	3
		12
GS Elective		
GSE I	SO 108	3
GSE II	SN 102	3
GSE III	SN 201	3
GSE IV	EN 190	3
		12
		61

Sample General Studies- Core 1- Humanities and Arts- Spanish

Category	**Course**	**Credits**
EN 101	En 101	3
EN Found	EN 102	3
MA Found	MA 116	3
HE Found	HE 230	3
SP Found	SP 108	3
		15
ARTD	MU 111	3
HUMD	SN 101	3
ARTS or HUMD	SN 102	3
BSSD	SO 101	3
BSSD	PY 102	3
NSLD	CH 101	4
NSND or NSLD	CH 102	4
		23
HUAR Concentration Core		

HUAR I	SN 201	3
HUAR II	SN 202	3
HUAR III	SN 215	3
HUAR IV	SN 216	3
		12
GS Elective		
GSE I	SO 208	3
GSE II	SO 240	3
GSE III	AN 206	3
GSE IV	HS 138	3
		12
		61

Sample General Studies- Core 1- Humanities and Arts – English

Category	**Course**	**Credits**
EN 101	En 101	3
EN Found	EN 102	3
MA Found	MA 116	3
HE Found	HE 204	3
SP Found	SP 108	3
		15
ARTD	AR 108	3
HUMD	HS 201	3
ARTS or HUMD	PG 161	3
BSSD	SO 101	3
BSSD	PY 102	3
NSLD	AS 101	4
NSND or NSLD	BI 207	4
		23
HUAR Concentration Core		
HUAR I	EN 190	3
HUAR II	EN 231	3
HUAR III	EN 208	3
HUAR IV	EN 211	3
		12
GS Elective		
GSE I	EN 212	3
GSE II	PY 207	3
GSE III	EN 210	3
GSE IV	WS 101	3
		12
		61

Dated: May 16, 2013

Appendix 3.1 - FY12 Strategic Planning for Academic and Student Services - Workforce Development and Continuing Education
Requested By: Kevin Long
Generated: Wednesday, November 02, 2011 - 4:29:28 PM

Goal 1: Maximize access, retention, and student success.
Strategic Outcome: The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.
College Wide Strategy: Assess and adapt programs, processes, and services to respond to the needs of all students.
Strategic Actions:

Strategic Action 1: Promote expansion of student life college wide.

- No action plans found

Strategic Action 2: Promote institution-wide student success and establish recommendations for the new achievement goals as part of President Obama's Completion Agenda as well as to support the MD state education initiatives.

Action Plans:

Action Plan 1: Meet the metrics of the Governor's Skills2Compete initiative for the three noncredit PAR indicators **Resources:** - No resources.	**Assessments:** 1. Monitor PAR indicators **Target:** Specified on MHEC/ GDU tracking pages **Indicator:** PAR indicators **Interval:** Annual **Responsible Unit:** Unit assumes responsibilty **Results:** *None*
Action Plan 2: Expand open-enrollment vocational ESL/ABE/GED course offerings **Resources:** - No resources.	**Assessments:** 1. Provide additional open enrollment courses of this nature in our schedule of classes **Target:** Six additional sections per year **Indicator:** Number of additional sections per year **Interval:** Annual **Responsible Unit:** Unit assumes responsibilty **Results:** Six vocational ESL courses were delivered
Action Plan 3: Complete 40% of the 2010 WD&CE CAR recommendatins regarding access, retention, and student success **Resources:** - No resources.	**Assessments:** 1. The CAR self-study identified a number of such initiatives that will be completed over a five year period **Target:** By the end of the second year (FY2012) 40% of these activities or more will have been completed **Indicator:** Percentage of CAR items completed **Interval:** Annual **Responsible Unit:** Unit assumes responsibilty **Results:** *None*

Strategic Action 3: Undertake an aggressive and in-depth review of student achievement, retention, and completion by race, socio-economic background, gender, placement levels, age and other characteristics.

Action Plans:

Action Plan 1: Initiate a student tracking or follow-up mechanism to determine post-course credential attainment as requested by the VFA
Resources:

- No resources.

Assessments:

1. Either through grant funding or through a collaborative project with a third party we will identify a mechanism to obtain this data from our former students
   Target: Have a system in place during FY12
   Indicator: System is in place
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Goal 2: Strengthen and enhance internal and external collaboration and partnerships.
Strategic Outcome: The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.
College Wide Strategy: Collaborate internally and externally to implement and support College priorities and initiatives, especially those related to communication, social responsibility, and economic development.
Strategic Actions:

Strategic Action 1: Further the "one college" organizational model.

Action Plans:

Action Plan 1: Continue to expand credit and noncredit campus partnering projects
Resources:

- No resources.

Assessments:

1. Six new collaborative projects linking noncredit options to credit programs as either pre or post degree opportunities for students
   Target: Six new collaborations
   Indicator: New collaboration projects
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Action Plan 2: Continue to add noncredit to credit linkages for students to continue toward credit programs after starting in noncredit
Resources:

- No resources.

Assessments:

1. Each service area adds two such linkages each year
   Target: Two per area - five areas
   Indicator: Total number of new linkages annually
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Action Plan 3: Third full year of noncredit Career Path Scholarship program
Resources:

- No resources.

Assessments:

1. Continued refinement of this scholarship program with awards no less than prior year
   Target: Modest increase in scholarship awards
   Indicator: Dollar volume of scholarships awarded and number of awards
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Strategic Action 2: Strengthen advocacy and partnership effort with community, county and state official and entities.

Action Plans:

Action Plan 1: Continue to expand community, county and state partnering projects which build a relationship prior to a request for advocacy
Resources:

- No resources.

Assessments:

1. Each area establishes two new partnering projects
   Target: Five areas, two projects each
   Indicator: Number of new partnering projects
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Action Plan 2: Increase partnering projects with social service agencies to leverage resources and strengths of each partner
Resources:

- No resources.

Assessments:

1. Each service area partners with at least one social service program in the delivery of program services
   Target: One social service agency per area (5)
   Indicator: Number of social service agencies in collaborative projects
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Strategic Action 3: Promote College's effort to expand and obtain sustainable grants.

Action Plans:

Action Plan 1: Continue to apply and administer grant funded projects as a means to diversify our funding base and to provide services that would otherwise not be available to our students
Resources:

- No resources.

Assessments:

1. % of enrollment driven by grant-funded programs
   Target: 30% of enrollment is driven by grant-funded resources
   Indicator: % of enrollment driven by grant funded resources
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Goal 3: Promote excellence, accountability, and continuous learning.
Strategic Outcome: All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.
College Wide Strategy: Advance and support a consistent atmosphere of improvement, accountability, and recognition.
Strategic Actions:

Strategic Action 1: Promote faculty-driven curriculum redesign and staff and faculty driven process improvements.

Action Plans:

Action Plan 1: Implement 40% of the 2010 WD&CE CAR recommendations regarding process improvements, course innovation, and outcome assessment driven curricular redesign
Resources:

- No resources.

Assessments:

1. 40% of the CAR work plan is completed
   Target: 40% of the CAR work plan is completed
   Indicator: 40% of the CAR work plan is completed
   Interval: Annual
   Responsible Unit: Unit assumes responsibilty
   Results: *None*

Strategic Action 2: Develop, contribute and participate in onsite professional development opportunities for continuous learning.

Action Plans:

Action Plan 1: Continue the process of each staff member having a professional development plan, use professional development leave, and participate in courses or conferences each year **Resources:** - No resources.	**Assessments:** 1. Each staff member has a professional development plan **Target:** Each staff member has a professional development plan **Indicator:** Each staff member has a professional development plan **Interval:** Annual **Responsible Unit:** Unit assumes responsibilty **Results:** *None*

FY12 Strategic Planning for Academic and Student Services - Workforce Development and Continuing Education
Requested By: [pull from session]
Generated: Wednesday, November 02, 2011 - 4:29:29 PM

Appendix 3.2 - Human Resources, Development, and Engagement Accomplishments 2008-13

Awards

- Workplace Excellence Award, 2008, 2009, 2010, 2011, 2012 (Alliance for Workplace Excellence)
- Health and Wellness Trailblazer Award, 2008, 2009, 2010, 2011, 2012 (Alliance for Workplace Excellence)
- Diversity and Inclusion Award 2012 (Alliance for Workplace Excellence)
- Flu Fighter Award 2012 (LifeWork Strategies, Inc.)
- Workplace Champion – 2010 Brain Health Week (Alzheimer's Association)
- Special Recognition 2008 (The Chair Academy)

Accomplishments

- Implemented a New Classification System for staff and administrators that entails:
    - an updated **compensation structure** that recognizes exceptional performance;
    - a new **maintenance review cycle** and process to consider individual reclassification requests;
    - a **procedure for the placement of new hires** within the compensation structure that ensures internal equity with existing employees;
    - the introduction of a **degree attainment – salary enhancement** to recognize individual employees who earn progressively higher degrees from a regionally accredited institution;
    - **title changes for staff and administrators** designed to provide organizational clarity;
    - **updates to College policies and procedures** impacted by the new classification system; and
    - **ensured transparency** by providing collegewide access to all job class specifications and position descriptions

- Introduced a Talent Management System – Taleo
    - Implemented the recruitment and onboarding modules of Taleo to help streamline the hiring and onboarding process
    - Began the planning and implementation stages of the performance management module of Taleo, which will enable all performance reviews to be managed online beginning in 2013

- Introduced The JobWizard – an interactive online database tool designed to store all position descriptions and interface with the classification and performance review functions of HR.

Appendix 3.3 - Authorization of One-time Payments and Succession Planning Incentive

MONTGOMERY COLLEGE
Office of the President

December 20, 2011

MEMORANDUM

To: Montgomery College Colleagues

From: Dr. DeRionne P. Pollard, President

Subject: Authorization of One-time Payments and Succession Planning Incentive

As we prepare for winter break, I want to thank all of you for your dedication, support, and shared sacrifice during continued budgetary challenges. Your efforts ensure that we remain committed to serving our students and our community.

I believe that our institutional strength comes from our talented faculty, staff, and administrators. Therefore, I'd like to share an important plan that recognizes the value of all employees at our institution.

First, the Board of Trustees recently approved all collective bargaining agreements and a resolution authorizing one-time lump sum payments at the December 12 meeting. These one-time payments total two percent (2%) of the base salary for all full-time faculty, staff, administrators, and part-time faculty.

Regarding full-time faculty, staff, and administrators, a payment of one-half of one percent (.5%) payment will be included in the payroll check dated December 30, 2011. The payment amount will be listed on the pay stub as "bonus." Next year, a second payment of one and one half percent (1.5%) will be paid to all employees no later than June 30, 2012.

For part-time faculty, the payment will be made as a one-time, lump sum payment of two percent (2%) and is scheduled for no later than March 15, 2012.

Because of all your efforts, the College is able to authorize these one-time payments as a result of savings derived from fiscal austerity measures, which have been in place for several years, and by continuing prudent fiscal stewardship. However, due to continuing fiscal constraints, there are no compensation increases anticipated in FY13.

Should you have any questions concerning the one-time payments, please contact Jacia Smith, interim director of employee engagement and labor relations, at 7-5361.

After returning from break, we will share additional information concerning the development of a new succession planning incentive, as part of an overall talent management strategy for the College. As you have heard me mention before, as of next July 1, 2012, there will be nearly 500 employees eligible to retire out of our approximately 1,800 staff, full-time faculty, and administrators. By offering an incentive to consider retirement, the College will then have the opportunity to effectively plan for the orderly transition of our workforce.

The initial outline of this plan would allow employees who are already eligible to retire to choose to apply for this incentive and then elect an irrevocable retirement date in the future fiscal year. If granted, the employee would then enter into a knowledge transfer contract, which will help to ensure the successful transition of essential knowledge to others prior to their retirement. Employees accepting this incentive would not be eligible for rehire, with the exception of possibly returning as part-time faculty members. The succession planning incentive also supports the College's efforts to remain relevant by allowing for an appropriate and timely evaluation of the positions as they become vacant, based on the strategic plan and future needs of the College.

The development of this incentive plan will include discussions with AAUP and AFSCME, and it will be contingent upon the review of the Board of Trustees and Montgomery County.

In closing, I want to thank all of you for your hard work and dedication toward bringing another semester to a successful close. It is my sincere hope that the coming winter break will provide you with an opportunity to relax and rejuvenate your spirit, while enjoying the company of friends and family. Please know that I look forward to working together with all of you in the coming New Year.

Appendix 3.4 - Computation of Space Needs

COLLEGE NAME: Montgomery College - Germantown Campus
July 1, 2011

HEGIS CODE	HEGIS CATEGORY	Need Current	Inventory Current	Surplus/ (Deficit)	Need 10 Years	Inventory 10 Years	Surplus/ (Deficit)
100 (110-115)	**CLASSROOM**	**39,522**	**25,168**	**(14,354)**	**45,648**	**32,104**	**(13,544)**
200	**LABORATORY**	**100,691**	**44,300**	**(56,391)**	**127,708**	**99,183**	**(28,525)**
210-15	Class Laboratory	90,468	36,079	(54,389)	115,801	86,264	(29,537)
220-25	Open Laboratory	10,223	8,221	(2,002)	11,907	12,919	1,012
250-55	*No Allowance*						
300	**OFFICE**	**51,559**	**48,170**	**(3,389)**	**60,558**	**57,675**	**(2,883)**
310-15	Office/ Conf. Room	49,592	45,484	(4,108)	58,390	54,989	(3,401)
320-25	Testing/Tutoring	1,967	2,686	719	2,168	2,686	519
350-55	*Included w/ 310*						
400	**STUDY**	**27,475**	**15,219**	**(12,256)**	**32,039**	**17,280**	**(14,759)**
410-15	Study	15,213	4,737	(10,476)	17,719	6,058	(11,661)
420-30	Stack/Study	8,759	10,035	1,276	10,229	10,535	306
440-55	Processing/Service	3,504	447	(3,057)	4,091	687	(3,404)
500	**SPECIAL USE**	**46,687**	**31,271**	**(15,416)**	**51,018**	**31,471**	**(19,547)**
520-23	Athletic	43,340	27,798	(15,542)	47,350	27,798	(19,552)
530-35	Media Production	2,347	1,329	(1,018)	2,668	1,229	(1,439)
580-85	Greenhouse	1,000	2,144	1,144	1,000	2,444	1,444
600	**GENERAL USE**	**41,894**	**18,738**	**(23,156)**	**46,093**	**26,727**	**(19,366)**
610-15	Assembly	13,868	9,983	(3,885)	14,670	9,983	(4,687)
620-25	Exhibition	1,967	0	(1,967)	2,168	0	(2,168)
630-35	Food Facility	13,903	5,258	(8,645)	16,218	6,308	(9,910)
640-45	*No Allowance*						
650-55	Lounge	4,089	1,944	(2,145)	4,770	2,383	(2,387)
660-65	Merchandising	2,067	1,553	(514)	2,268	1,553	(715)
670-75	*No Allowance*						
680-85	Meeting Room	6,000	0	(6,000)	6,000	6,500	500
700	**SUPPORT**	**19,353**	**12,633**	**(6,720)**	**21,609**	**15,926**	**(5,683)**
710-15	Data Processing	2,500	289	(2,211)	2,500	489	(2,011)
720-25	Shop/ Storage	12,601	11,521	(1,080)	14,813	13,821	(992)
730-35	*Included w/ 720*						
740-45	*Included w/ 720*						
750-55	Central Service	4,000	668	(3,332)	4,000	1,368	(2,632)
760-65	Hazmat Storage	252	155	(97)	296	248	(48)
800	**HEALTH CARE**	**687**	**0**	**(687)**	**767**	0	**(767)**
900	***No Allowance***						
050-090	***No Allowance***						
	Total NASF:	**327,867**	**195,499**	**(132,368)**	**385,440**	**280,366**	**(105,074)**

ONLY ON CAMPUS
PERMANENT SPACE SHOULD
BE INCLUDED ON THIS TABLE

SEE "SPACE ALLOCATION
GUIDELINES" SHEET FOR
FORMULAS AND DEFINITIONS

ENROLLMENT/
EMPLOYMENT
STATISTICS

	ACTUAL	PROJECTED
	Fall 2010	Fall 2020-MHEC
FTDE-C	2,434	2,835
FTDE-N		
FTDE-T	2,434	2,835
WSCH-Lec-C	26,348	30,432
WSCH-Lec-N		
WSCH-Lec-T	26,348	30,432
WSCH-Lab-C	12,924	16,543
WSCH-Lab-N		
WSCH-Lab-T	12,924	16,543
FTE	3,304	3,835
BVE	87,588	102,286
FT-Fac	86	101
FT-Libr		0
PT-Fac	156	188
FTEF	125	148
FT-Staff	167	197
PHC-T	1,363	1,590
	ACTUAL	PROJECTED
	Fall 2010-MHE	Fall 2020-MHEC
Headcount	6,819	7,876

N/A = ▨

Hard Data = 🟥

7/1/11 CC

Formulas =

Appendix 3.5 - Policy on Governance 11004

POLICY Board of Trustees - Montgomery College 11004

I. The Board of Trustees has the responsibility for governing Montgomery College. The Board of Trustees is committed to the collegial principle of governance that serves as the means and actions by which the Board and the College as a collective entity engage in a participatory decision-making process to decide matters of policy, oversight, operations, and strategy. The Board of Trustees is the ultimate authority in regard to and accountable for an inclusive and effective governance system. The Board may delegate to the President portions of that authority at times deemed appropriate by the Board.

II. The Board of Trustees believes that effective governance is achieved in the spirit of cooperation, collaboration, civility, respect and collegiality, and involves all levels of the College including students. It promotes inclusiveness and gives opportunity for a unified effort in ensuring the achievement of the College’s vision and mission through sound and current policies and operating procedures. The Board of Trustees further believes that students’ educational experiences are made more lasting and relevant in a collegial environment of communication, collaboration, civility, respect and professionalism that studies have shown can be enhanced by an effective institutional governance structure.

III. The governance structure at Montgomery College shall be guided by the following general principles:

1. All decision-making is based on a shared understanding and recognition that Montgomery College exists to support the comprehensive mission of student success at all levels.
2. All constituent groups within the College have a vested interest and a role in ensuring that the College fulfills the mission under the authority and direction of the Board of Trustees and under the leadership of the President.
3. Participatory governance is a method of organized and collegial interaction in which faculty, staff, students, and administrators participate in thoughtful deliberation and the decision-making process, leading to recommendations made to the College President, who represents the administration of the College as an agent of the Board of Trustees.
4. Mutual agreement is the goal to be achieved through active participation and collegial interaction by all constituent groups.
5. The most effective means of developing policies and procedures is to provide opportunity for involvement by the constituent groups affected by the implementation of these policies and procedures.
6. Representatives of constituent groups involved in the participatory governance process have the responsibility of keeping their respective groups informed of the proceedings and recommendations of governance groups.
7. Individuals not serving as representatives have the opportunity to share concerns with the elected representatives of their constituent groups, with the anticipation that their views will be represented in governance councils, committees, and task forces.

IV. The President is authorized to develop procedures to implement this policy.

Board Approval: December 13, 2010.

Appendix 3.6 – Improved Administrative Alignments

MONTGOMERY COLLEGE
Office of the President

December 7, 2011

MEMORANDUM

TO: Montgomery College Colleagues

FROM: Dr. DeRionne P. Pollard, President

SUBJECT: Improved Administrative Alignments

One of my presidential priorities this year is to address issues of institutional "architecture." Specifically, I have been reviewing organizational structure as well as considering the leaders I need to support our collective efforts to build a better future for Montgomery College. Senior administrators have worked with me to develop some important changes in our administrative alignment.

Aligning our organizational structure to better meet our current needs is an important first step in strengthening the entire organization. These changes will serve to enhance and increase the effectiveness of specific units, more clearly articulate and define their collective purpose, and improve existing reporting lines and responsibilities. In every case, I have asked the senior vice presidents to first communicate changes within their units. Over the next weeks and months, the senior vice presidents will make collegewide announcements regarding the administrative alignments within their respective areas. There also will be announcements regarding the future leadership of the newly formed Montgomery College Life Sciences Park Foundation.

In most cases, appointments to any new positions will be made through either the search process or by appointing a qualified internal individual to serve on an interim basis. In cases of organizational restructuring, an individual already in charge of that major responsibility may be made the permanent appointee. In addition, in certain cases, existing job titles will be modified to provide organizational clarity and to reflect the position scope of responsibility.

Another important aspect of organizational design is succession planning, which addresses both the present and future of an organization. It is important to create depth in the leadership pool, not only for the purpose of administering our current work, but to prepare the institution for the future. Where appropriate, positions will be designated to provide a strong supporting role for an office to help sustain the organization.

With this background in mind, I want to share important information regarding positions in units of the president's office. First, the reorganization of the Office of Information Technology has provided opportunities to reallocate staff into the new Office of Compliance. Vicki Duggan, current deputy chief information officer, will serve as interim chief compliance officer. Ms. Duggan has extensive experience in organizing and managing complex projects, skills necessary for this new office. In addition to Ms. Duggan, two staff will be assigned to the Office of Compliance: a project manager and an administrative aide. The project manager will be identified through an existing position realignment, and a search will be conducted for the administrative aide.

In the Office of the President, Dr. Brian Baker, current special assistant to the president, will become the deputy chief of staff and strategy, and work directly with Dr. Stephen Cain, chief of staff/chief strategy officer. In this role, Dr. Baker will provide leadership for various aspects of the duties of the chief of staff/chief strategy officer. His professional background in communications and education bring a valuable perspective to this role.

Please join me in congratulating and supporting these administrators in their new roles, which begin on January 1, 2012. I am confident that they will continue to serve our institution well.

As we continue to examine how to create the most relevant community college, each future decision will be the result of a thoroughly deliberative process aimed at bringing the utmost benefit to the entire institution. As in the past, I will continue to engage the College community in discussions regarding our administrative architecture, and where appropriate, there will be broad representative committees working to provide input.

Thank you for your continued support, and best wishes for a successful conclusion to the semester.

Appendix 3.7 – Employee Engagement Advisory Group Recommendations

MONTGOMERY COLLEGE
Office of the President

June 7, 2012

MEMORANDUM

To: Montgomery College Colleagues

From: Dr. DeRionne P. Pollard, President

Subject: Employee Engagement Advisory Group Recommendations

Last month, I met with the members of the Employee Engagement Advisory Group (EEAG) to discuss their 2012 engagement recommendations. The EEAG is composed of faculty, staff, and administrative leaders who reviewed the results of the third annual collegewide engagement survey conducted last October.

The employee engagement initiative began almost three years ago, with the intention of enhancing employee engagement. Faculty, staff, and administrators are engaged when they understand how their work contributes to achieving the College's mission, and further understand that the College recognizes and appreciates those contributions.

The survey results have been reviewed annually by the EEAG and recommendations receive serious attention. Some of the actions stemming from previous engagement recommendations include mandatory training for supervisors and administrators; the annual internal customer service satisfaction survey (designed to gauge satisfaction with internal service providers); revision of the non-bargaining staff grievance procedure; the supervisor accountability metric; outstanding service awards for part-time faculty; the posting of staff voluntary transfer opportunities as recruitments; and changes to alternate work schedule and telework procedures for staff and administrators (which were announced on Friday, June 1). To review past survey results and recommendations, visit the employee engagement initiative website.

I am pleased to share with you the 2012 engagement recommendations and my responses.

EEAG Recommendation One: To ensure that resource priorities are aligned with the mission of the institution and given the existing and projected fiscal constraints, hire an established outside consultant with a demonstrated expertise in higher education. Task the consultant with examining the structure of the organization to make recommendations to re-align the structure, as needed, to promote accountability, efficient utilization of resources, and improved communication. To increase the level of transparency and employee trust in the organization, post the cost and findings of the consultant and actions taken as a result of the findings, including periodic updates.

> **Adopted in part.** A number of reorganizations have occurred since the EEAG first made this recommendation in 2010. As such, I plan to task senior leaders with identifying a consultant to assess the effectiveness of the reorganizations which have occurred in Administrative and Fiscal Services units as well as in Student Services. Further, in the event that Dr. Donald Pearl, senior vice president for academic affairs, determines the assistance of a consultant would be of benefit to the work of the academic affairs reorganization, such will be provided.

EEAG Recommendation Two: Support efforts to redesign the Montgomery College website to improve functionality for our students, community, faculty, and staff.

Adopted. The website is an important tool for our students, community, faculty, and staff. I will task senior leaders to work with the appropriate governance councils to further this important effort.

EEAG Recommendation Three: Develop strategies to better engage administrators in utilizing the results of the employee engagement survey, including the establishment of threshold engagement levels and, based on survey data collected by work location, requiring unit heads to engage in organizational development efforts.

Adopted. I will charge the Office of Human Resources, Development, and Engagement with comparing the unit specific data collected in the 2011 engagement survey as well as the data that will be collected in the October 2012 engagement survey and developing and implementing strategies to assist administrators and, where appropriate, facilitating unit specific organizational development efforts.

EEAG Recommendation Four: Enhance communication and encourage improved participation by:

1. utilizing a variety of means to solicit and organize input from the employee population–MC Online, e-mail, bulletin boards, focus groups, town hall meetings, survey instruments;
2. explaining, at the time the input is first solicited, how the information will be utilized, making it clear what issues are up for discussion and what decision have already been made, clarifying the process by which a decision will be made and who will make the decision, and informing as to the time line for decision making;
3. seeking input from employee leaders prior to making the decision;
4. informing employees by issuing status updates and outcomes on a regular and timely basis whenever input has been solicited;
5. informing committees which made recommendations of decisions before announcing such decisions;
6. announcing decisions by including in the communication how the decision is consistent with the mission of Montgomery College, the process followed in arriving at the decision, and an explanation as to why other alternatives were not selected. If and when a committee's recommendations are not adopted, explain why; and
7. assigning compliance responsibility to ensure that implementation of these guidelines is consistent and developing an assessment metric to monitor and measure success.

Adopted in part. With increased participation in our new governance system, it is my expectation that some of the communication challenges experienced in the past will be alleviated, and I will forward these recommendations for the councils' consideration in communication with constituents. Additionally, because the issue of effective communication is of great importance, I will task senior leaders to find an expert to conduct a communication audit in the spring semester, with the goal of identifying any communication gaps that may be occurring and offering solutions to correct them.

EEAG Recommendation Five: In building upon the improvements to professional development and career opportunities adopted and implemented as a result of the 2011 engagement recommendations, develop and implement a professional growth system and succession plan for Montgomery College.

Adopted. I will task the Office of Human Resources, Development, and Engagement with working toward these goals. The work in process on the classification system will help set the foundation to build both a professional growth system and succession plan.

In conclusion, I wish to thank all the members of the FY12 EEAG:

- the president and past president of the AAUP, Rick Penn and Rose Sachs;
- the president and vice president of AFSCME, Liz Brandenburg and Carl Shorter;
- the former staff senate chair and former staff senator, Julie Foster and Amanda McIntosh;

- the two most recent Academic Assembly chairs, JoAnne Carl and Robin Flanary; and
- two administrators, Terry Evelyn and Angie Pickwick.

I appreciate their time and commitment to this process and to the College. Their efforts have been important in advancing the goals of employee engagement for the College community and will have a lasting impact.

CORPORATE CARD PROGRAM GUIDELINES COMPARISON TABLE

<table>
<tr><th>Current Corporate Card Program Guide</th><th>New Corporate Card Program Guide</th></tr>
<tr><td colspan="2">Overview/Introduction</td></tr>
<tr><td>Notes that card is governed by BOT policies and College Travel Procedures</td><td>Adds additional information:
1. Corporate Card is used exclusively for reimbursable College related travel and/or other College business-related expenses
2. Card is not transferrable and may only be used by the individual to whom it is issued
3. Card is surrendered upon transfer of duties to that which no longer supports the need for a Corporate Card, placement on administrative leave, or termination of employment at the College
The College adheres to the MD Public Information Act for all requests for information. Participants in the Corporate Card Program may have transaction activity shared as part of the MPIA</td></tr>
<tr><td colspan="2">Criteria for Issuing Corporate Card</td></tr>
<tr><td>Criteria:
1. Frequency of travel
2. Frequency of need to incur business-related expenditures
3. Frequency of development and fund-raising activities
4. Other unique circumstances</td><td>Defines criteria:
1. At least one of the following requirements:
✓ Frequency of travel (greater than 3 business trips per year) or,
✓ Frequency of need to incur business-related expenditures (at least 500 per year) or,
✓ Other unique circumstances as authorized by the Senior Vice President for Administrative and Fiscal Services, and
2. Participants in the program must be permanent, full time employees of the College, recommended by the Senior Vice President for Administrative and Fiscal Services, approved by the President (Attachment 1), and must sign a Corporate Card Program Cardholder Agreement (Attachment 2).</td></tr>
<tr><td colspan="2">Training and Review</td></tr>
<tr><td>N/A</td><td>Stipulates that participants must review the Corporate Card Program Guidelines with the Senior Vice President for Administrative and Fiscal Services and sign the Corporate Card Program, Cardholder Agreement prior to receiving the card.</td></tr>
</table>

CORPORATE CARD PROGRAM
GUIDELINES COMPARISON TABLE

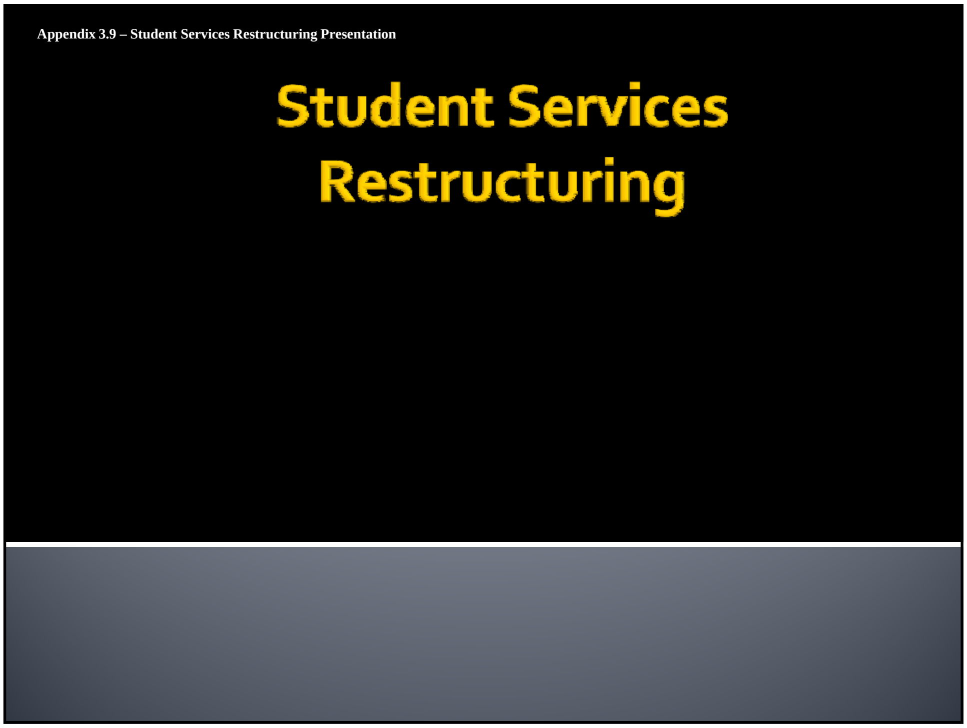
Current Corporate Card Program Guide	New Corporate Card Program Guide
Cardholder Responsibilities	
✓ Retain receipts and submit with billing statement ✓ Pay in full any personal expenses inadvertently charged to the Corporate Card	Further clarifies cardholders responsibilities: ✓ Statement review ✓ Receipt retention List of documents for submission to Accounts Payable: ✓ Expense Reports ✓ Original receipts ✓ Bank Statement Pay any personal expenses inadvertently charged to the Corporate Card Retain copy of documents for record
Usage Guidelines	
Lists acceptable and unacceptable uses of card	Adds acceptable use, business-related telephone, fax, or Internet connection charges corresponding to business travel. Adds unacceptable use, gasoline for personal vehicle; traveler's checks; travel insurance; and travel expenses for non-employees. New guide also adds information on misuse of corporate card, indicating that the determination of misuse or violation, and corresponding consequences for misuse will be made by the Senior Vice President for Administrative and Fiscal Services.
Supervisor Roles	
No supervisor roles defined	Define supervisory roles within the program. Notes that Cardholder transaction activity *must* be reviewed and approved by their supervisor. Cardholder may not review his/her own transactions. **Exception: The President's transactions are reviewed by the Senior Vice President for Administrative and Fiscal Services.**

REV. 8/9/2010: Procurement Office

CORPORATE CARD PROGRAM
GUIDELINES COMPARISON TABLE

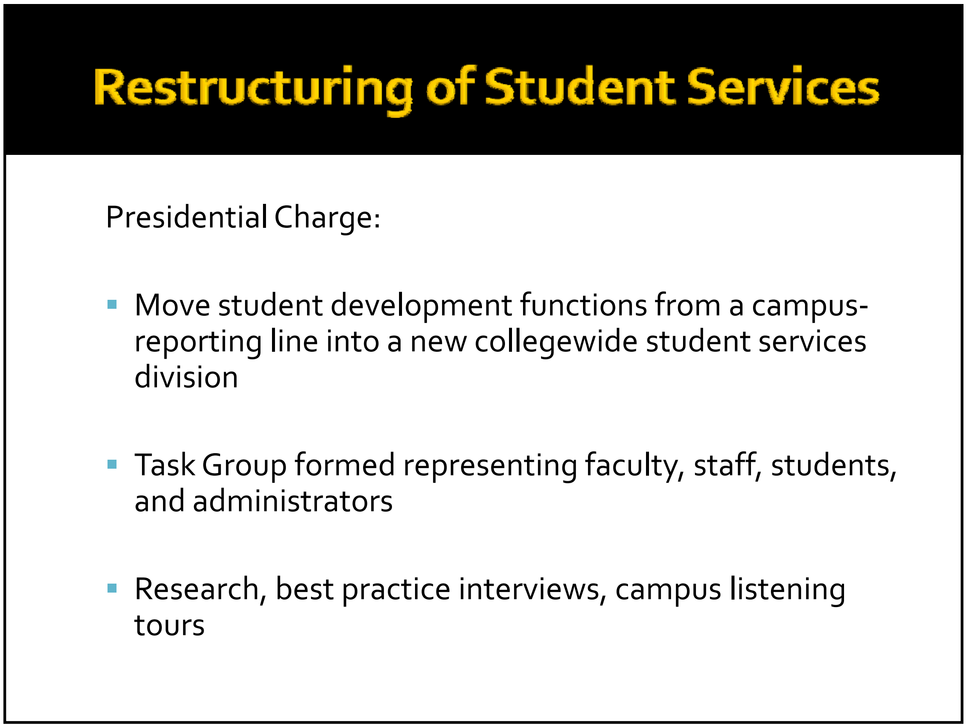
Current Corporate Card Program Guide	**New Corporate Card Program Guide**
Misuse/Violations of the Corporate Card	
N/A	States Corporate Cardholders are responsible for adhering to procedures set forth in guidelines. Noncompliance may result in suspension or revocation of card privileges or recommendation of termination of employment. Such disciplinary actions are invoked at the discretion of the Senior Vice President for Administrative and Fiscal Services. Violations include but are not limited to: 1. Inappropriate or insufficient documentation 2. Failure to submit expense report 3. Repeated use of the card outside of the program guidelines or College policy Consequences include but are not limited to: 1. Payment in full by the cardholder for any non-allowable or personal expense 2. Suspension or revocation of Corporate Card privileges 3. Recommendation of disciplinary action up to and including termination of employment.
Administration	
Brief notation of Program Administrator and who to contact for questions regarding payment or P&P	Clearly defines roles of Corporate Card administrators and provides corresponding contact information
Cardholder Agreement	
Standard agreement terms	Clause added: Participation in the Corporate Card Program will be terminated when the cardholder is no longer employed by the College, no longer needs the Corporate Card, or fails to comply with the Corporate Card guidelines. Requirement added: Date and initials required by Senior Vice President for Administrative and Fiscal Services attesting to program review with cardholder.
Expense Report	
Itemized listing of transactions. Cardholder Supervisor signature	Modifies expense report: 1. Column for description of business related purpose for each transaction. 2. Separate signature lines for account manager and supervisor.

REV. 8/9/2010: Procurement Office



Appendix 3.9 – Student Services Restructuring Presentation

Student Services Restructuring



Restructuring of Student Services

Presidential Charge:

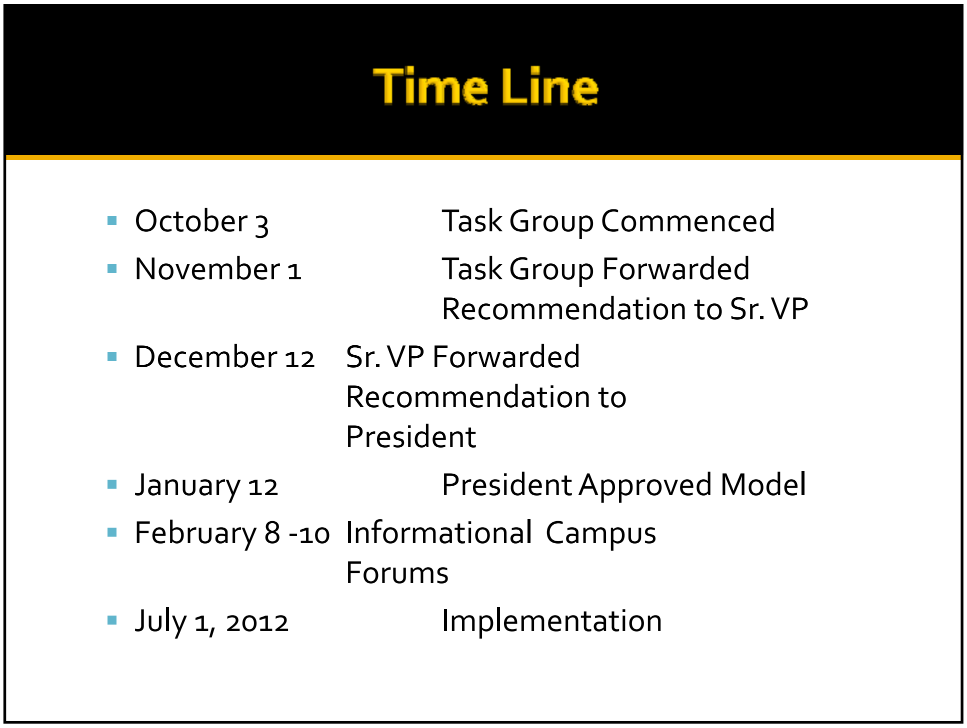
- Move student development functions from a campus-reporting line into a new collegewide student services division
- Task Group formed representing faculty, staff, students, and administrators
- Research, best practice interviews, campus listening tours

Restructuring of Student Services

- Tenets derived from Task Group
  - Ensure that we don't have bureaucratic layers
  - Establish centers at campuses for several student populations to improve student success
  - Improve student access from the moment that students enter our campus by creating a welcome center concept on all campuses

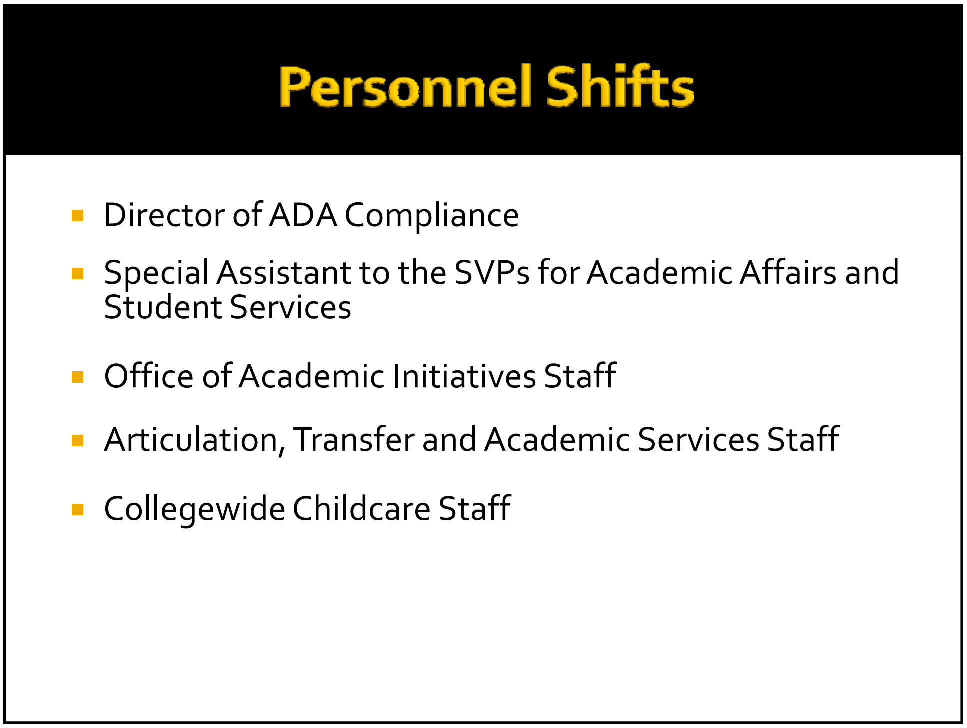
Restructuring of Student Services

- Tenets derived from Task Group Cont'd
  - Provide symmetry for departmental reporting structures
  - Ensure that Student Services administrative leadership is aligned appropriately with other division's structures
  - Provide Student Services with resources needed to impact student completion



Time Line

October 3	Task Group Commenced
November 1	Task Group Forwarded Recommendation to Sr. VP
December 12	Sr. VP Forwarded Recommendation to President
January 12	President Approved Model
February 8 -10	Informational Campus Forums
July 1, 2012	Implementation



Personnel Shifts

- Director of ADA Compliance
- Special Assistant to the SVPs for Academic Affairs and Student Services
- Office of Academic Initiatives Staff
- Articulation, Transfer and Academic Services Staff
- Collegewide Childcare Staff

Positions Changed in Scope

- Director of Student Employment Services to Director of Career Services (Combining Employment Services and Career Centers)

Positions Changed in Scope

- Deans of Student Development at (Campus) to:
  Collegewide Dean of Student Access and (Campus) Student Services
  Collegewide Dean of Student Success and (Campus) Student Services
  Collegewide Dean of Student Engagement and (Campus) Student Services

Newly Defined Role for Deans

- Collegewide responsibility for student access, student success and student engagement
- Day to Day responsibility for student services on their campuses which includes:

B.I.T./Student Discipline
Assessment Centers
Welcome Centers

Newly Defined Role for Deans

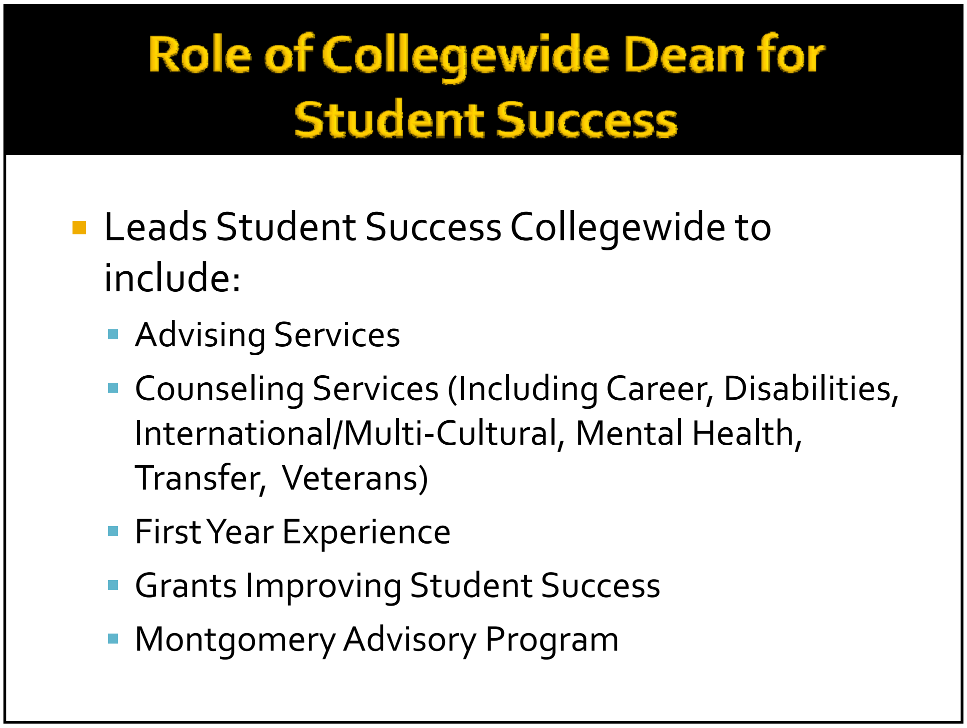
Recruitment
Counseling and Advising Services (Including Career, Disabilities, International/Multi-Cultural, Mental Health, Transfer, Veterans
First Year Experience
Grants
International/Multi-Cultural Centers

Newly Defined Role for Deans

Montgomery Advisory Program
Career Services
Athletics
Veterans Centers
Student Life
Parent/Family Services
Adult Services
New Student Orientation

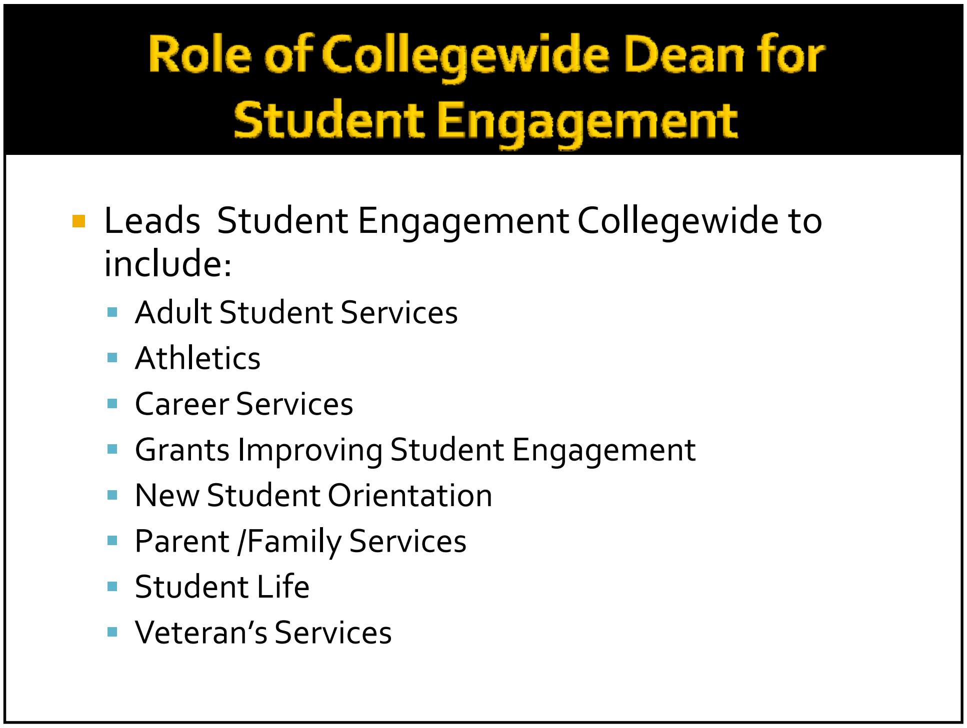
Role of Collegewide Dean for Student Access

- Leads Student Access Collegewide to include:
  - Assessment Centers
  - Grants Improving Access (Upward Bound)
  - Welcome Centers
  - Response Center
  - Recruitment



Role of Collegewide Dean for Student Success

- Leads Student Success Collegewide to include:
  - Advising Services
  - Counseling Services (Including Career, Disabilities, International/Multi-Cultural, Mental Health, Transfer, Veterans)
  - First Year Experience
  - Grants Improving Student Success
  - Montgomery Advisory Program



Role of Collegewide Dean for Student Engagement

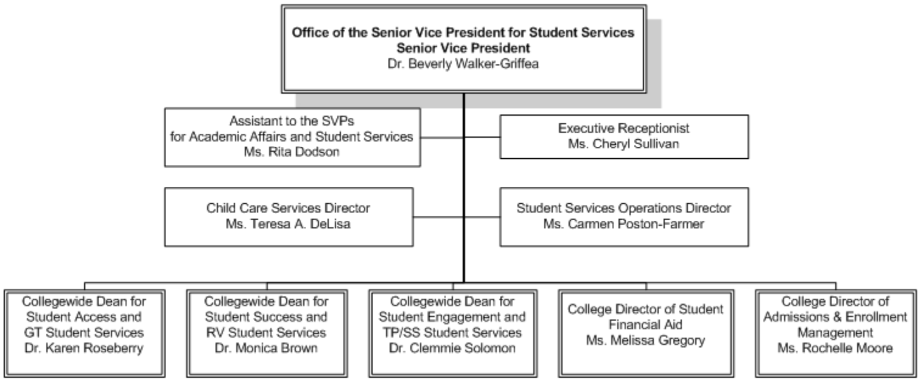
- Leads Student Engagement Collegewide to include:
  - Adult Student Services
  - Athletics
  - Career Services
  - Grants Improving Student Engagement
  - New Student Orientation
  - Parent /Family Services
  - Student Life
  - Veteran's Services

New Student Support Areas

- MC Upward Bound Math and Science Office
- Welcome Centers On All Campuses
- Mental Health Counseling On All Campuses
- Student Support Services TRiO Offices for Germantown and Takoma Park/Silver Spring
- International/Multi-Cultural Center at Rockville
- Veteran's Centers On All Campuses

New Student Support Areas

- Adult Student Services On All Campuses
- Parent/Family Services On All Campuses



Office of the Senior Vice President for Student Services
Senior Vice President
Dr. Beverly Walker-Griffea

Assistant to the SVPs
for Academic Affairs and Student Services
Ms. Rita Dodson

Executive Receptionist
Ms. Cheryl Sullivan

Child Care Services Director
Ms. Teresa A. DeLisa

Student Services Operations Director
Ms. Carmen Poston-Farmer

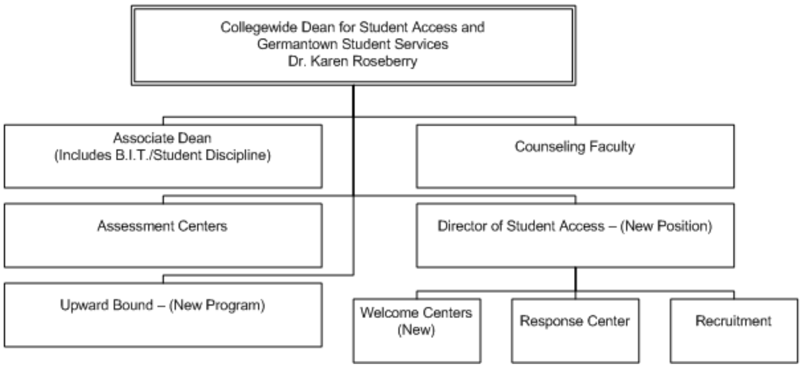
Collegewide Dean for
Student Access and
GT Student Services
Dr. Karen Roseberry

Collegewide Dean for
Student Success and
RV Student Services
Dr. Monica Brown

Collegewide Dean for
Student Engagement and
TP/SS Student Services
Dr. Clemmie Solomon

College Director of Student
Financial Aid
Ms. Melissa Gregory

College Director of
Admissions & Enrollment
Management
Ms. Rochelle Moore



Collegewide Dean for Student Access and
Germantown Student Services
Dr. Karen Roseberry

Associate Dean
(Includes B.I.T./Student Discipline)

Counseling Faculty

Assessment Centers

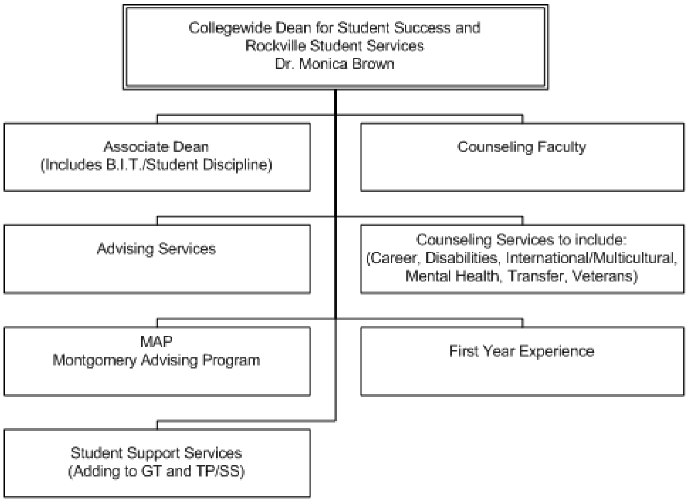
Director of Student Access – (New Position)

Upward Bound – (New Program)

Welcome Centers
(New)

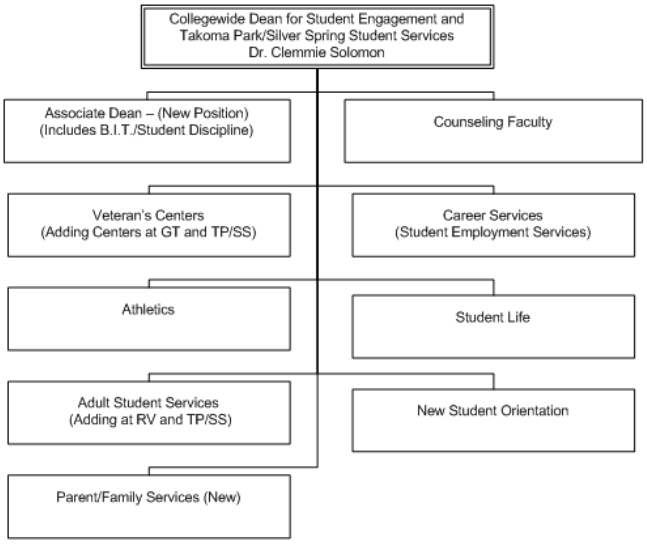
Response Center

Recruitment



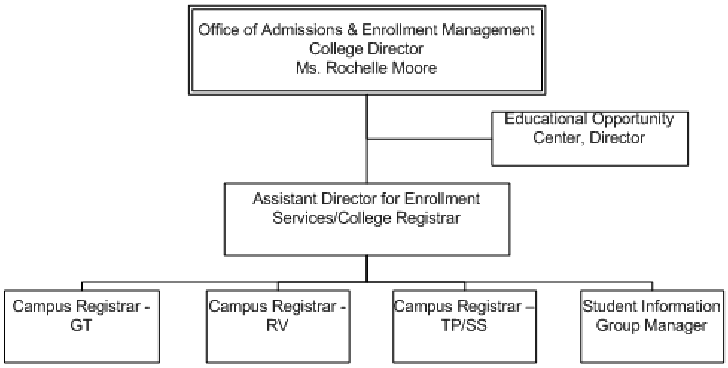
Collegewide Dean for Student Success and
Rockville Student Services
Dr. Monica Brown

- Associate Dean
  (Includes B.I.T./Student Discipline)
- Counseling Faculty
- Advising Services
- Counseling Services to include:
  (Career, Disabilities, International/Multicultural, Mental Health, Transfer, Veterans)
- MAP
  Montgomery Advising Program
- First Year Experience
- Student Support Services
  (Adding to GT and TP/SS)



Collegewide Dean for Student Engagement and
Takoma Park/Silver Spring Student Services
Dr. Clemmie Solomon

- Associate Dean – (New Position)
  (Includes B.I.T./Student Discipline)
- Counseling Faculty
- Veteran's Centers
  (Adding Centers at GT and TP/SS)
- Career Services
  (Student Employment Services)
- Athletics
- Student Life
- Adult Student Services
  (Adding at RV and TP/SS)
- New Student Orientation
- Parent/Family Services (New)



Office of Admissions & Enrollment Management
College Director
Ms. Rochelle Moore

Educational Opportunity Center, Director

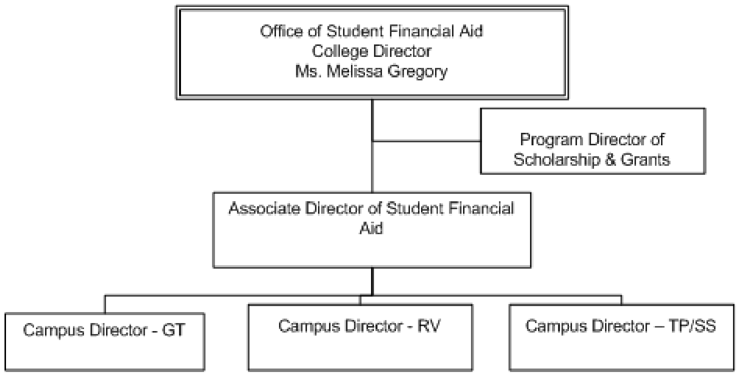
Assistant Director for Enrollment Services/College Registrar

Campus Registrar - GT

Campus Registrar - RV

Campus Registrar – TP/SS

Student Information Group Manager



Office of Student Financial Aid
College Director
Ms. Melissa Gregory

Program Director of Scholarship & Grants

Associate Director of Student Financial Aid

Campus Director - GT

Campus Director - RV

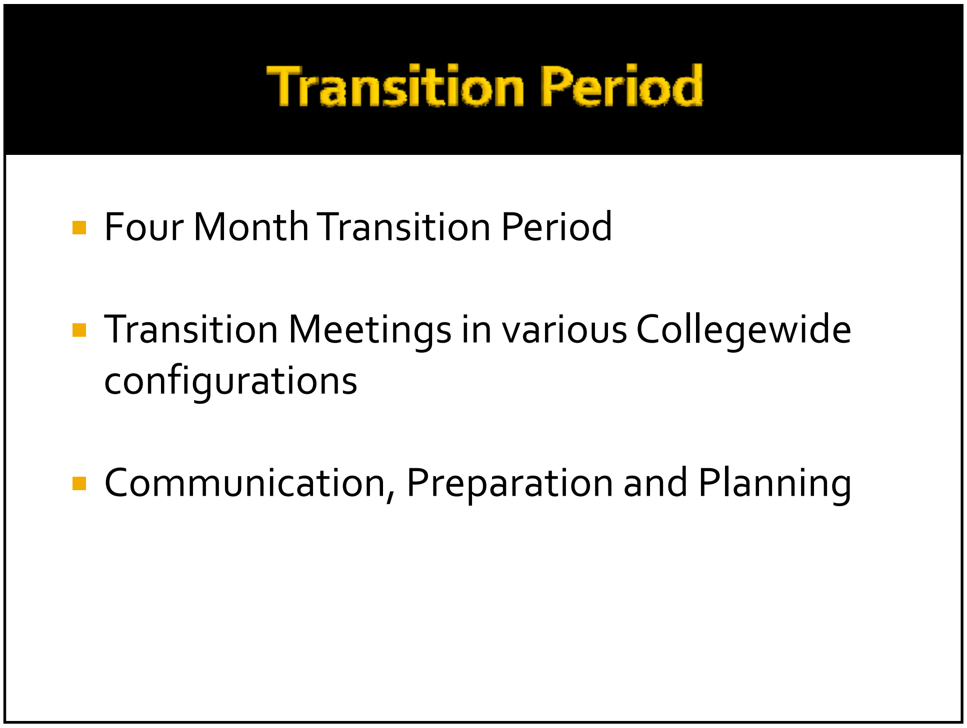
Campus Director – TP/SS

Reallocation for New Positions

- Director of Student Access
- Associate Dean
- Welcome Center Personnel
- Upward Bound Personnel (Grant Funded)
- International/Multi-Cultural Personnel
- Mental Health Personnel
- Student Support Services Personnel (Grant Funded)
- Veteran's Personnel

Reallocation for New Positions

- Athletics Personnel
- Adult Student Services Personnel
- Parent/Family Services Personnel
- Financial Aid Personnel
- Admissions and Enrollment Personnel



Transition Period

- Four Month Transition Period
- Transition Meetings in various Collegewide configurations
- Communication, Preparation and Planning

Appendix 3.10 – Technology in Student Services and Development

These include nearly 100% of students utilizing online registration, the development of an electronic waitlist function, the dissemination of “how to” podcasts, an exclusively online schedule and alternate scheduling patterns, the implementation of multiple parts of term in course scheduling to meet the demands of growing enrollments, the full implementation of an online orientation session, the use of social media and Web sites to enhance the First Year Experience, the increased usage of the internal portal (MyMC) to disseminate information about financial aid to students, and enhancements to financial aid counselors’ workstations to allow simultaneous access to archives and databases.

New products that have been implemented include Image Now, fsaAtlas, and Scheduling 25. In addition, there are new functionalities in self-service Banner, including the implementation of and online graduation application process in October 2012 and expanded services for transcript requests via MyMC. Additional functionalities in desk-top Banner include the improved utilization of the Transfer Articulation System.

Appendix 3.11 – Services for Diverse Student Populations

- Combat2College
- Boys to Men (BTM) Mentoring Program,
- Addition of Spanish-speaking admissions and financial aid counselors
- Atlas software package to better communicate with student-visa holders
- Addition of a telephone line for Spanish speakers in the telephone response center
- Publication of several key outreach publications in Spanish (name and provide links).

Appendix 3.12 –First Year Experience Retention Rates

During the spring of 2011 (for fall 2010 students), the retention rate for all new students at Montgomery College was 58.9 percent,while students who enrolled and completed a DS 107 or DS 104 (both First Year Experience courses) was 76.3 percent.

Appendix 3.13 – Transfer and Articulation Agreements

Since 2008, the College has developed and revised approximately 17 transfer agreements. The following is a listing of institutions/organizations and majors by year:

2009

1. Arts Institute of Washington (Communication Arts)
2. Dickinson College (Honors Program)
3. University of Maryland College Park/USG (Criminology/Criminal Justice -- revised)
4. University of Maryland College Park/USG (Public Health Science)
5. Associated Builders & Contractors of Metro Washington (Building Trades -- revised)
6. Local 26 International Brotherhood of Electrical Workers (Building Trades -- revised)
7. Air Conditioning Contractors of America (Building Trades -- revised)
8. Independent Electrical Contractors Inc. ((Building Trades -- revised)
9. Local 669 Joint Sprinkler Fitters (Building Trades -- revised)
10. Local 602 Joint Steamfitters (Building Trades – revised)

2010

1. Catholic University – Metropolitan School of Professional Studies (Business)
2. Morgan State University (Social Work)
3. National Labor College (general)
4. Towson University (Cybersecurity)

2011

1. Holy Cross Hospital (Radiologic Technology)
2. Shepherd University (Transfer Opportunities Program)
3. University of Maryland Baltimore County/USG (Management of Aging Studies)

2012

- Salisbury University (Health and Fitness/Exercise Science)
- Stevenson University (Biology)
- Stevenson University (Biotechnology)
- Frostburg State University (Engineering)

There are approximately four transfer agreements currently pending.

Appendix 3.14 – Sample of Faculty Awards and Recognitions

SAMPLE OF FACULTY AWARDS AND RECOGNITIONS

Dawn Avery	Music	Maryland Professor of the Year	2011	• Carnegie Foundation for the Advancement of Teaching • Council for the Advancement and Support of Education
Glenda Hernández Baca	Education	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Nawal Benmouna	Physics	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Susan Bontems	Chemistry	Maryland Professor of the Year	2009	• Carnegie Foundation for the Advancement of Teaching • Council for the Advancement and Support of Education
Marcia Bronstein	English	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Christina Devlin	English	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Sharon Ahern Fechter	Spanish	AATSP Teacher of the Year, Two-Year Colleges	2009	• American Association of Teachers of Spanish and Portuguese
Jason Fuller	Biology	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Raymond Gonzales	American English Language Program	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
John Hamman	Mathematics	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Susan Hoffman	Theatre	Montgomery County Education Award	2008	• Montgomery County Executive’s Awards for Excellence in the Arts and Humanities
Tonya Mason	Counseling	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Tammy Peery	English	Distance Educator of the Year in Higher Education	2010	• Maryland Distance Learning Association

Rose Piskapas	Speech	NISOD Excellence Award	2013	• National Institute for Staff and Organizational Development
Deborah Stearns	Psychology	Maryland Professor of the Year	2010	• Carnegie Foundation for the Advancement of Teaching • Council for the Advancement and Support of Education
Karen Thomas	Health	NISOD Excellence Award	2012	• National Institute for Staff and Organizational Development
Charlotte Twombly	Sociology	NISOD Excellence Award	2012	• National Institute for Staff and Organizational Development

Montgomery College MI-BEST Program

Campus Need:

Montgomery College annually serves nearly 60,000 students with nearly 38,000 noncredit workforce enrollees, coming from more than 170 countries. Montgomery County is home to one of the largest non-English speaking communities in Maryland. An estimated 279,841 residents over 5 are foreign born, with 50.1% speaking English less than well and 23.6% having less than a high school diploma. (U.S. Census Bureau, 2006-2007 *American Community Survey*). Montgomery College has a robust workforce development with 37 noncredit programs. Despite the region's large immigrant population and evident need for English language instruction, there is a significant gap in services with respect to vocational training appropriate to the needs of English language learners. The current model for educating English language learners at Montgomery College is sequential. Typically students must take a significant number of English classes prior to transitioning to vocational training.

Program Snapshot:

The Montgomery College Technology for Office Professionals (TOP) program delivers technology and English language instruction, preparing students with skills in information technology utilizing Windows XP, Microsoft Office applications and basic Internet skills. The program provides students training around business office English, customer service skills, American office workplace behaviors, technology for the office, and professional communications. Offering intensive student support services including college and career systems navigation, the TOP program helps shorten the time needed for English language acquisition, preparing students for entry-level office jobs and additional training in three target areas: general office administration; bookkeeping and accounting assistant; and health care.

Student Profile:

Total # Of Students	20		
Gender	Females: 15 – 75%		
	Males: 5-25%		
Average Age	25-44	8 (40%)	
	45-59	12 (60%)	
Racial/Ethnic Breakdown	Asian	3 (15%)	
	Black or African American	6 (30%)	
	Hispanic or Latino	11 (55%)	
Total # of Students w/Dependents	15		
Average Age of dependents	0-5 yrs	6-13 yrs	14-21 yrs
	9	13	11
NRS National Reporting Service Adult Education Level	ESL Level	ESL High Intermediate	5
		ESL Advanced	15

Montgomery College (MC) MI-BEST Program

Career Pathway:

Industry: Office Administration

Pathway:
Students who complete the TOP program gain training in office skills and English that can lead to immediate employment as a receptionist or information clerk. Following completion of the TOP program, students are also eligible to enroll in noncredit courses in accounting, Quickbooks, Health Care Unit Clerk, and a new Electronic Health Records Specialist program that is in development. Students can pursue additional training that can lead to Microsoft certification, information technology or database systems certificates, or associates degrees in computer systems training, health information management or paralegal studies. Other careers on this path include medical secretaries, administrative assistants and executive secretaries.

Labor Demand:

According to the Washington-Baltimore-Northern Virginia National Compensation Survey, April 2010, published by the Bureau of Labor Statistics, hourly salaries for entry-level administrative and office support professionals ranged from $11.69 - $12.89 per hour. The median hourly salary for administrative assistants in Maryland is $14.61, according to Payscale.com. In addition, the International Association of Administrative Professionals reports that certification as a Microsoft Office Specialist may add 11% to the salary.

The projection for new and replacement administrative position for the 2006-2016 period is strong. According to the Maryland Department of Labor, Licensing and Regulation's, the following position titles have strong potential for our students within the next six years:

- Office and Administrative Support Occupations (6,980 new jobs, 16,175 replacement jobs)
- Information and Record Clerks (2,275 new jobs, 5,135 replacement jobs)
- Secretaries and Administrative Assistants (1,335 new jobs, 2,210 replacement jobs)

Appendix 3.16, The Developmental Math Task Force: Outcomes and Evaluation

MONTGOMERY COLLEGE
August 9, 2012

THE DEVELOPMENTAL MATH TASK FORCE:

OUTCOMES AND EVALUATION

Ken Weiner, PhD

Executive Summary

I. Brief History

In July, 2009 a Collegewide Developmental Math Task Force was formed and charged with reforming the developmental math program on a collegewide basis. The goal of the initiative was to increase the percentage of students starting at the developmental level who go on to successfully complete a college level math course (and eventually a degree), and to provide students the opportunity to reduce the time needed to accomplish this than had been the case previously. The Task Force made the following recommendations:

1. Combine/Integrate MA 090 (PreAlgebra) and MA091 (Elementary Algebra) into one "Developmental Math" course anticipated to take two semesters.
2. Implement an *emporium-style* course redesign model for the new "Developmental Math" course.
3. Create a 5-hour MA116A integrating MA101 (currently MA 097) and MA116 (Elementary Statistics.
4. Eliminate MA 101 (Intermediate Algebra for Liberal Arts)
5. Offer only one college-level survey course.

II. Status of the Recommendations

Recommendations 1 and 2 were successfully implemented in the form of "Mathematics Prep" (MA 094) which was offered for the first time in fall 2011. Approximately 5200 students across the College enrolled in the course during the 2011-12 academic year. Key features of the new course are:

- Students are required to be actively engaged in MA 094 a minimum 225 minutes per week - 75 minutes in a weekly classroom meeting with their instructor and the remaining 150 minutes in the dedicated open developmental math lab on their campus.
- Students work at their own pace.
- Students must achieve a mastery level of 80 % on each test before they can move on to new material.
- The instructional delivery system, MyLabsPlus by Pearson Learning Solutions, is a comprehensive, web-based platform that includes instructional videos and PowerPoint presentation, learning aids, and all homework and tests and can be accessed by students wherever there is internet capability.
- Faculty work one-one-one with students, as a tutor, mentor, and advisor in both the classroom and the developmental lab.
- Students who need additional(s) to complete the curriculum continue from where they left off in the previous semester, provided there is no more than one year between enrollments.

Recommendations 3, 4 and 5, which dealt with intermediate algebra and the college level math requirement for liberal arts majors have been only partially implemented at the time of this report. MA 116A will be offered for the first time in fall 2012, but development of the a new single survey course and it's "A" version was stalled due to recent changes in the degree requirements by UMUC which will impact transferability of the new course. The Task Force also altered its initial recommendation to eliminate MA 101 (now MA 097), opting instead to significantly reduce the number of sections offered.

III. First Year MA 094 Outcomes

The primary intended outcome for MA 094 was to increase in the percentage of students starting at the first year developmental level who succeed in intermediate algebra or a hybrid intermediate algebra/college level math course, i.e. MA 115A or MA 116A. Data is presented below which assesses the degree to which this outcome has been achieved to date. It is critical to note, however, that given the magnitude of change implemented, as well as the availability of only one semester of post-MA 094 data, any conclusions in this regard are preliminary at best.

MA 094 - Major Findings:

PreAlgebra Students:

- In AY 2011-12, slightly more than half as many MA 094 students who started at the beginning of PreAlgebra completed the PreAlgebra content in one semester as did PreAlgebra students in AY 2009-10.
- Students who completed PreAlgebra in MA 094 in fall 2011 performed significantly better on the Elementary Algebra content than did their counterparts in fall 2009.
- In AY 2011-12, 159 students were able to complete both the PreAlgebra and Elementary Algebra content in one semester, thus realizing significant savings in time and tuition.
- Only 14% of students who did not complete the MA 094 PreAlgebra content MA 094 in fall 2011, completed one semester's worth of material after reenrolling in the spring.

Elementary Algebra Students:

- 39.2% of MA 094 students who started at the beginning of Elementary Algebra in AY 2011-12, completed this content in one semester as compared to 51.8% of students who enrolled in MA 091/A in AY 2009-10.
- 19.6% of students who started at the beginning of Elementary Algebra in fall 2011 completed intermediate algebra by the end of the spring semester as compared to 28.9% of the MA 091/A students in fall 2009.
- Students were slightly more successful in intermediate algebra after passing MA 094 in fall 2011 than were there students who attempted intermediate algebra after passing MA 091/A/D in fall 2009.
- 41.5% of students who did not complete the MA 094 Elementary Algebra content in fall 2011 completed the course after reenrolling in the spring.

Student Effort:

- Only 1 in 3 students had logged onto MyLabsPlus more than 40 hours during the first 11 weeks of the fall and spring semesters. At that point in the semester, the typical student should have at been logged on at least 55 hours in order to progress at a reasonable pace.

Discussion and Conclusions:

The rationale for the change to a self-paced, technology based format for first year developmental mathematics remains sound and feedback from students and faculty reinforce the discipline's decision to move in this new direction. That said, the percentage of MA 094 students who managed to complete one semester's material in a semester was unacceptably low. This was particularly true for students starting at the beginning of the PreAlgebra.

The high academic standard in MA 094 was a factor in the lower than anticipated one semester completion rates. Students had to have 100 % on all homework before being allowed to take a test and then had to pass all tests with a score of 80 % or higher before moving on to new material. However, mastery level component of MA 094 also resulted in the positive outcome of drastically reducing the percentage of students who earn a marginal passing grade of C and then continue onto the next math level with a low probability of success. This was particularly true of the MA 094 PreAlgebra students – those that earned the right to move on to Elementary Algebra did significantly better than in fall 2009, the comparison semester for this report.

However, an analysis of student effort in MA 094 strongly suggests that the primary reason behind the low completion rates was the great majority of students who simply did not devote enough time to the course to be successful. Furthermore, the overwhelming majority of students who did not devote sufficient time to the course to avoid a grade of U or W in their first semester of MA 094 exhibited that same behavior when they enrolled for the second time.

Recommendations:
1. Provide the students with hard deadlines that have consequences when not met.
2. Experiment with offering some sections in a classroom setting only.
3. Consider lowering the mastery level.
4. Provide students with a more comprehensive orientation to the course.
5. Provide more focused assistance for students who fail to pass a test by the 3rd attempt.
6. Establish an intervention program for students who fail to make significant progress in their second semester of MA 094.
7. Seek greater involvement and input from discipline faculty in how to improve success rates.
8. Resolve issues associated with the format, content, and use of the student workbook without increasing the course demands on the student.
9. Significantly improve advising for MA 097 and MA 099.
10. Resolve the transferability issues that have stalled implementation of a single college level survey course

Full Report

I. Brief History

In July, 2009 a Collegewide Developmental Math Task Force was formed and charged with reforming the developmental math program on a collegewide basis. The goal of this initiative was to increase the percentage of students starting at the developmental level who go on to successfully complete a college level math course (and eventually a degree), and to provide students the opportunity to reduce the time needed to accomplish this than had been the case previously. The Task Force, comprised of current and former math faculty from all three campuses, met more than 30 times until completing its work at the end of the spring 2012 semester.

The Task Force's first year of work focused on gathering and analyzing developmental math outcomes data from prior years and researching best practices around the nation. In addition, input was sought from students, colleagues in developmental reading, math and English, counselors, administrators, and representatives from MCPS, as well as from the business community. By year's end, this effort resulted in the following five recommendations, leading to a sea change in the Developmental Mathematics Program at Montgomery College:

1. **Combine/Integrate MA 090 (PreAlgebra) and MA091 (Elementary Algebra) into one "Developmental Math" course anticipated to take two semesters** to complete address the lack of continuity in early developmental coursework and facilitate the self-paced approach in Recommendation 2.
2. **Implement an *emporium-style*[1] course redesign model for the new "Developmental Math" course** to address the lack of student engagement, time on task, and mastery of basic math and the inconsistent academic standards.
3. **Create a 5-hour MA116A integrating MA101 (**currently MA 097**) and MA116 (**Elementary Statistics) to shorten the path from developmental to college level math for liberal arts majors. The structure of the new course would be analogous to MA115A – Mathematical Ideas.
4. **Eliminate MA 101** (Intermediate Algebra for Liberal Arts) to address the continuity of math coursework and shorten the path from developmental to college level math for liberal arts majors. Students who completed the combined MA090/MA091 course or who placed into MA101 would enroll in MA116A or MA115A or the equivalent new survey course resulting from Recommendation 5.
5. **Offer only one college-level survey course** to eliminate unnecessary confusion for students in deciding which course to take and the need to create a second hybrid survey math course which includes intermediate algebra.

Year 2 of the Task Force's work was devoted to implementation of the above recommendations, particularly Recommendations 1 and 2. Combining and integrating the first two developmental math courses, which previously had been offered in both three and five contact hour one-semester versions, into one self-paced course to be completed within two semesters – students reenroll in the second semester but continue from where they left off - represented an undertaking never before been attempted at the College. The creation of Mathematics Prep (MA 094) required approvals from both the Curriculum and Academic Regulations Committees – the latter for the use of a new and unique grading system - and support from nearly every major area

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[1] An Emporium-style course redesign model makes use of a self-paced, technology based instructional delivery system and a large, open, dedicated developmental math lab staffed by faculty (and possibly student tutors.) Students are required to spend a specified amount of time each week in the lab working on and learning the course content. Montgomery College eventually adopted a hybrid emporium model in which students met once a week in a classroom with the same instructor and were also required to work on course content a specified number of hours in the developmental lab each week.

of the College, including Financial Aid, Athletics, Counseling and Advising, the Banner Team, Advancement, Facilities, and Information Technology. After careful evaluation, the Task Force selected Pearson Learning Solution's "My Labs Plus" as the software platform for the course, and also oversaw the creation of the course within My Labs Plus, training of the faculty in their new role in this technology based learning environment, and the development of a student workbook to supplement the software. Furthermore, more than $300,000 in grant funding was secured from Pearson, the Cafritz Foundation, and the Maryland Higher Education Commission to help fund the implementation and further development of this innovative approach to first year developmental mathematics,

Concurrently, non-Task Force math faculty were recruited for two committees charged respectively with developing MA 116A and a new single college-level math survey course, the latter to be offered in both a 3 credit and a 5 credit "A" version that incorporated MA 097 (formerly MA 101) intermediate algebra concepts for liberal arts.

MA 094 or Math Prep was successfully launched in fall 2011, the Task Force's final year, and nearly 2700 students enrolled in the course that semester. While work continued as well on the development and approval of MA 116A and a new single college level survey math course, almost all of the Task Force's energy in the third year was understandably focused on monitoring and making necessary adjustments to the totally new course structure and instructional approach inherent to MA 094.

II. Status of the Recommendations

Recommendations 1 and 2 were successfully implemented and approximately 5200 students across the College enrolled in MA 094 in the 2011-12 academic year. Key characteristics of the newly redesigned course include:

- Course structure: In general, students register for a 75 minute class meeting with the same instructor once a week and are expected to spend an additional 2 ½ hours weekly in a newly created or expanded dedicated developmental math lab on each campus. The lab is staffed by math faculty and additional instructional staff to provide continuity of coverage in the labs. (Evening and Saturday classes on all campuses were structured somewhat differently and Rockville students met a second scheduled 75 minute period with their designated instructor in the lab each week.)
- Self-paced learning: This permits students to learn first year developmental material at their own pace, spending less time on concepts that they already know or can absorb quickly and more on concepts that take longer for them to understand and master.
- Time on task: Students spend more time working math problems than was the case in a lecture-based setting.
- Mastery level learning: Students must demonstrate mastery level of key concepts and skills by scoring at 80% or higher on each of the 11 tests before moving on to new material.
- A comprehensive web-based instructional delivery system: Instructional videos and power points on all course topics, extensive problem sets, and tests are incorporated within the My Labs Plus software and, except for the tests, can be accessed anywhere where there is internet capability.

- One-on-one attention from faculty: Faculty work one-on-one with students in the classroom and the lab, mentoring, advising, answering questions, and providing additional explanations of the material.
- Continued forward progress: Students who do not complete the course in a given semester can re-enroll and continue from where they left off, provided they do so within one year.

Considering the magnitude of the change and the number of students and faculty involved, the launch of the new course went remarkably smoothly.

Recommendations 3,4 and 5, which dealt with intermediate algebra and the college level math requirement for liberal arts majors have been only partially implemented at the time of this report . A new hybrid MA 116A was developed and approved by the Curriculum Committee in spring 2012 and will be offered for the first time in fall 2012. A curriculum for a new single college level survey course was also developed, but progress on this front was stalled due to recent changes in the math requirement for liberal arts majors at University of Maryland , University College (UMUC), an important transfer institution for many Montgomery College students. As of this report, plans are for a small contingent of discipline faculty to meet with the Chair of the UMUC math department in hopes of resolving the issue. In the meantime the number of MA 115A sections offered will be increased staring in fall 2012, thus providing an option for more students coming out of MA 094 to complete their college level math requirement in one semester instead of two.

The Task Force reconsidered its recommendation to eliminate MA 097 (formerly MA 101) from the discipline's offerings, and instead decided to offer a few sections each semester to accommodate those students concerned about attempting a combined intermediate algebra and college level math course in one semester. Additional data is need to determine if this should be a recommended or required path for some students based on their performance in and time to complete MA094.

III. First Year MA 094 Outcomes

The primary intended outcome for MA 094 was to increase in the percentage of students starting at the first year developmental level who succeed in intermediate algebra or a hybrid intermediate algebra/college level math course, i.e. MA 115A or MA 116A. Data is presented below which assesses the degree to which this outcome has been achieved to date. It is critical to note, however, that given the magnitude of change implemented, as well as the availability of only one semester of post-MA 094 data, any conclusions in this regard are preliminary at best. One year is simply not enough time to judge the success or failure of such a major initiative. In fact, most of the outcome benchmarks associated with the Task Force's first year recommendations were timed for fall 2013 or later.

That said, the first year results presented below are instructive and hopefully will provide useful guidance for course modifications that will lead to improved results longer term.

A. Comparison of Outcomes for Fall 2011 MA 094 Students With Fall 2009 First Year Developmental Students

Although course redesign was fully implemented for the first time at Montgomery College with the introduction of MA 094, some redesign principles had previously been piloted at the developmental level in academic year 2010-11 year at the Germantown and Rockville campuses. Therefore, in order to compare the effectiveness of MA 094 with the traditional lecture-based approach used in developmental mathematics courses for many years, students enrolled in MA 090/A and MA 091/A/D in AY 2009-10 were used as a basis of comparison with MA 094 2011-12 students. (The "A" versions of MA 090 and MA 091 were 5 contact hours per week as compared to 3 for the standard version. MA 091D was a 5 contact hour course that combined the PreAlgebra and Elementary Algebra curricula that, in general, attracted a more highly motivated student.)

Since the results below are based on a census approach (all students were included) as opposed to random sampling of the data from the two fall populations, no statistical tests of significance were performed on the data. It is also critical to note that because the grading approach used in MA 094 is vastly different than what was used in MA 090 and MA 091, comparative results should be interpreted with caution. Every student in MA 094 must meet a very high and uniform standard – 80% on all 11 tests and 60% on a comprehensive final exam (with no partial credit available on any questions) -in order to progress and successfully complete the course, whereas grading in previous years was instructor determined and in many cases included a subjective component.

1. Comparison of Outcomes for Students Starting at the PreAlgebra Level

Outcomes for students who started at the PreAlgebra level, i.e. at Test 1 in MA 094, in Fall 2011 were compared to students who enrolled for MA 090, MA 090A, or MA 091D in Fall 2009.

Data Limitations: It is important to note that the number of students who started MA 094 at Test 1 could not be precisely be determined, since, of the 2683 students enrolled, 384 did not attempt a test during the semester. Using Accuplacer scores and prior math grades, however, it was estimated that 162 of these students most likely would have started the course at the PreAlgebra or Test 1 level.

Students who enrolled in MA 091D in Fall 2009 are not included in the Elementary Algebra data in Table 3, because the number of students who had successfully completed the PreAlgebra content during the fall semester could not be determined.

Major Findings:

- Of the students who started at the PreAlgebra level in fall 2009, 51.6% completed the PreAlgebra content within one semester as compared to only 28% of the PreAlgebra level students enrolled in MA 094 in fall 2011 (Table 1).

- Twice as many students (51.0 %) who started at the PreAlgebra level in spring 2010 completed the PreAlgebra content within one semester as compared to the PreAlgebra level students enrolled in MA 094 in spring 2010 (25.4%) (Table 2).

- Students who completed the PreAlgebra content at the required 80% mastery level in MA 094 in fall 2011 performed much better on the Elementary Algebra content (71.4% completed the Elementary Algebra content; 62.2% with an A or B) than did students who completed the PreAlgebra content in MA090/A in fall 2009 (53.7% completed the Elementary Algebra content; 30.9% with an A or B) (Table 3)

- By the end of the spring semester, a higher percentage of fall 2009 MA 091/A/D students had completed Elementary Algebra (27.5%) than fall 2011 MA 094 PreAlgebra level students (21.0%) (Table 1).

- Of the 2318 AY 2011-12 PreAlgebra level (Test 1) students in MA 094, 159 (6.9%) were able to complete both PreAlgebra and Elementary Algebra in one semester. As a result, these students realized a combined tuition savings of about $50,000 (Tables 1 and 2).

Table 1: Comparison of Fall 2011 MA094 PreAlgebra (Test 1) Cohort With Fall 2009 MA90/A and MA091D Cohorts

Students Who Started In:	**N**	**Completed PreAlgebra Content Within One Semester**	**Completed Elementary Algebra (MA091/094) Content in One Semester**	**Completed Elementary Algebra (MA091/094) Content By End of Spring Semester**
MA094 PreAlgebra Level (Test 1) Students	1402*	393 (28.0%)**	99 (7.1%)	295 (21.0%)***
MA090/A (Fall 09)	961	501 (52.1%)	0 (0.0%)	189 (19.7%)
MA091D (Fall 09)	255	126 (49.4%)	126 (49.4%)	146 (57.3%)
All PreAlgebra Level (Fall 09) (Row 2 +Row 3)	1216	627 (51.6%)	126 (10.4%)	335 (27.5%)

*Estimated
**H, A, B, or C grade
***Includes Winter session

Table 2: Comparison of Spring 2012 MA094 PreAlgebra (Test 1) Cohort

With Spring 2010 MA90/A and MA091D Cohorts

Students Who Started In:	N	Completed PreAlgebra Content Within One Semester	Completed Elementary Algebra (MA091/094) Content in One Semester
MA094 PreAlgebra Level (Test 1)	916	233 (25.4%)**	60 (6.6%)
MA090/A (Fall 09)	783	412 (52.6%)	0 (0.0%)
MA091D (Fall 09)	192	85 (44.3%)	85 (44.3%)
All PreAlgebra Level (Fall 09) (Row 2 +Row 3)	975	497 (51.0%)	85 (8.7%)

*Estimated

**H, A, B, or C grade

Table 3: Comparison of Student Performance in Elementary Algebra for Students Who Completed PreAlgebra in the Fall Semester

Students Who:	# Completing PreAlgebra and Continuing With Elementary Algebra	# Completing Elementary Algebra in Fall* or Spring	% Completing Elementary Algebra in Fall* or Spring	% Completing Elementary Algebra in Fall* or Spring With A or B Grade
Completed PreAlgebra in MA 094 in fall 2011 (A,B, C, or H grade)	336	240***	71.4%***	62.2%***
Completed MA090/A in fall 2009 with A,B, or C	356	191	53.7%	30.9%

*Students who earned an A,B,or C in MA 094 in the fall semester completed PreAlgebra and Elementary Algebra in one semester.

**Students who enrolled in MA 091D in Fall 2009 are NOT included in this table, because there was no way to accurately determine how many students had successfully completed the PreAlgebra content during the semester.

***Includes Winter session

2. Comparison of Outcomes for Students Starting At the Elementary Algebra Level

Outcomes for students who started at the Elementary Algebra level, ie. at Test 6 in MA 094 in Fall 2011 were compared to students who enrolled for MA 091 or MA 091A in Fall 2009

Data Limitations : As was the case at the PreAlgebra level, the number of students who started MA 094 at Test 6 could not be precisely be determined, since, of the 2683 students enrolled, 384 students never attempted a test during the semester. Using Accuplacer scores and prior math grades, however, it was estimated that 181 of these students most likely would have started the course at the Elementary Algebra or Test 6 level.

Major Findings:

- 40.6 % of fall 2011 students who started MA 094 at the Elementary Algebra level (Test 6) were able to complete the course in one semester as compared to 53.1% for fall 2009 MA091/A students (Table 4).

- 80% of Elementary Algebra level (Test 6) who passed MA 094 in fall 2011 did so with a grade of A or B as compared to only 60% for those that passed MA 091/A in fall 2009 (data not in the tables).

- 19.6% of fall 2011 students who started MA 094 at the Elementary Algebra level (Test 6) completed intermediate algebra (MA 097/099) by the end of the spring 2012; 28.9% of the fall 2009 MA091/A students completed intermediate algebra (MA 101/103) by the end of spring 2010 (Table 4).

Table 4: Comparison of Fall 2011 MA094 Elementary Algebra (Test 6) Cohort With Fall 2009 MA91/A

Students Who:	**n**	**Completed Elementary Algebra (MA091/094) Within One Semester**	**Completed Elementary Algebra (MA091/094) By End of Spring Semester**	**Completed Inter. Algebra Level** By End of Spring Semester**
MA094 Elementary Algebra Level (Test 6) Students	1226*	498 (40.6%)**	625 (51.0%)***	240 (19.6%)***
MA091/A (Fall 09)	1274	676 (53.1%)	776 (60.9%)	278 (28.9%)

*Estimated

** Includes students who passed MA 115A

***Includes Winter session students and students who completed intermediate algebra in the same semester as MA 094 but did not receive credit for it on their transcript.

3. Comparative Performance in Intermediate Algebra for Students Who Completed Elementary Algebra

Major Findings:

- 68.2% of students who attempted MA 097 after passing MA 094 in fall 2011 successfully completed MA 097 by the end of the following spring semester as compared to 63.2% of students who attempted MA 101 after passing MA 091/A/D in fall 2009 (Table 5).

- 51.2% of students who attempted MA 099 (after passing MA 094 in fall 2011) successfully completed MA 097 by the end of the following spring semester as compared to 46.9% of students who attempted MA 103 after passing MA 091/A/D in fall 2009 (Table 5).

Table 5: Comparison of Spring Semester Student Performance in Intermediate Algebra for Students Who Passed Elementary Algebra in the Fall Semester

Students Who:	**Performance in MA097/101 by End of Spring Semester**			**Performance in MA099/103 By End of Spring Semester**		
	# Attp	# Passed	% Passed	# Attp	# Passed	% Passed
Completed MA094 in Fall 11	173	118	68.2%	258	132	51.2%
Completed MA091/A in Fall 09	231	147	67.4%	262	120	45.8%
Completed MA091D in Fall 09	27	16	59.3%	58	30	51.2%
All MA 091 Fall 09 Completions (Row 2 +Row3)	258	163	63.2%	320	150	46.9%

* Includes students who completed intermediate algebra in the same semester as MA 094 but did not receive credit for it on their transcript.

4. Comparative Full Academic Year Performance of All First Year Fall Enrolled Developmental Students

The outcomes at the end of AY 2011-12 for all students enrolled in MA 094 in fall 2011 were compared to those at the end of AY 2009-10 for students enrolled in all versions of MA 090 and MA 091 in fall 2009.

Data Limitations:
AY 2011-12 included a winter session; AY 2009-10 did not.

PreAlgebra students comprised a slightly larger percentage (53.3%) of first year developmental students in fall 2011 than was the case in fall 2009 (48.8%).

Major Findings:

- 35.2% of the fall 2011 MA 094 cohort was able to complete Elementary Algebra by the end of the following spring semester as compared to 57.0% of the fall 2009 MA 090/MA 091 cohort (Table 6).

- 12.6% of the fall 2011 MA 094 cohort was able to complete Intermediate Algebra by the end of the following spring semester as compared to 12.2% of the fall 2009 MA 090/MA 091 cohort (Table 6).

- 62 students from the fall 2011 MA 094 cohort were able to complete a college level math course by the end of the following spring semester as compared to only 11 from the fall 2009 MA 090/MA 091 cohort (Table 6).

Table 6: Comparison of Fall 2011 MA094 Cohort With Fall 09 MA90/A and MA091/A/D Combined Cohort: A One Year Snapshot

First Year Developmental Students (Fall Semester) Who Started In:	**N**	**Completed Elementary Algebra (MA091/094) By End of Spring Semester**	**Completed Inter. Algebra* By End of Spring Semester**	**Completed College Level Math By End of Spring Semester**
MA094 (Fall11)**	2683	944 (35.2%)	338 (12.6%)**	62 (2.3%)
MA090/A and MA091/A/D (Fall 09)	2490	1419 (57.0%)	305 (12.2%)	11 (0.4%)

*Includes students who passed MA 115A

** Students who completed MA 097 or MA099 during the fall semester but did not receive official credit for those courses are included in this table.

5. Performance of MA 094 Spring 2012 Students

Of the 2479 students enrolled in MA 094 in spring 2012, 1364 (55.0%) were first time MA 094 students and 1115 (45.0%) were continuing students who had enrolled in MA 094 in fall 2011 and started the spring semester from where they had finished in the fall.

Data Limitations:

There were 100 students who did not attempt a test during the semester and consequently their starting point in the course could not be determined.

Major Findings:

- Of 916 students who started at Test 1A, 215 or 23.5 % completed at least the PreAlgebra part of the course (Table 7) .

	Starting Test in Spring 2012									
	T1A	**T2**	**T3**	**T4**	**T5**	**T6**	**T7A**	**T8**	**T9**	**T10**
# of Students*	916	110	135	60	130	712	194	79	36	7
# Completing 6 Tests or the entire curriculum	215	15	18	7	21	262	54	44	29	4
% Completing 6 Tests or the entire curriculum	23.5 %	15.5 %	13.3 %	11.7 %	16.2 %	36.8 %	27.8 %	55.7 %	80.6 %	71.4 %

- 60 (6.6%) of students who started at Test 1A completed both the PreAlgebra and Elementary Algebra parts of the course (not shown in the tables).
- Of 712 students who started at Test 6, 262 or 36.8% completed the course. (Table 7)
- Of 435 students who started at Test 2, 3, 4, or 5, only 61 (14%) completed at least 6 tests, which constitute one semester's worth of content. (Table 7).
- Of 316 students who started at Test 7A, 8, 9, or 10, 131 (41.5%) completed the course. (Table 7).
- A higher percentage of students who earned a U or W in MA 094 in the fall reenrolled in the spring as compared to students who earned those grades in MA 090/A and MA091/A/D in fall 2009 (46.4% vs. 38.7%). However, 80% of these students earned another U or W in their second semester of MA 094 as compared to about half of the 2009 reenrolling students (Table 8).

Table 7: Spring 2012 Student Performance in MA 094

* 70 students who are still included in MLP data, but are no longer officially registered in MA 094 or who had an MLP and MC email address that didn't match, are **not** included in the above table.

Table 8: Spring Semester Performance of Students Who Earned a U or W in the Fall

	# of Students Who Earned a U or W in the Fall Semester*	# (%)of Fall Semester U or W Students Reenrolled in the Spring Semester	#(%) of Fall Semester Students Who Earned a Second U or W in the Spring Semester
MA 094	1477	685 (46.4%)	549 (80.0%)
MA090/A or MA 091/A/D	1098	455 (38.7%)	233 (51.2%)

*Some students earned a U or W in the fall and then attempted a higher level course in the spring. These students are not included in the table.

6. Outcomes by Campus

Unlike at the other two campuses, students on the Rockville Campus were required to register for a specified once a week, 75 minute block of lab time with their classroom instructor in addition to the 75 minute weekly classroom meeting with that same instructor. Because of this arrangement, data for the fall 2011 and spring 2012 semesters were combined in order to determine whether MA 094 outcomes differed by campus.

Major Finding:

- The percentage of students who completed at least a semester's worth of material in one semester was only slightly higher (3 percentage points)for Rockville students than at the other two campuses. (Table 9)

Table 9: Combined Fall 2011 and Spring 2012 Outcomes for MA 094

Campus	N*	% of A,B,C, or H Grades	% of M1 or M2 Grades	% of U Grades	% of W Grades
Distance	114	26.3%	6.1%	54.4%	13.2%
Germantown	1183	29.0%	11.5%	50.5%	8.6%
Rockville	2574	31.9%	10.6%	50.6%	6.8%
TP/SS	1281	28.9%	9.9%	53.4%	7.5%

*Students who audited the course are not included in the table

B. MA 094 Student Satisfaction Surveys

A thirteen question online student survey was conducted in MA 094 during the fall 2011 and spring 2012 semesters. Responses to two key questions were combined for the two semesters and are summarized below.

- Students were asked to estimate the total number of hours, on and off campus, that they spent engaged in MA 094 each week. Of the 1013 responses over the two semesters,

  12.0% were "less than 2 hours"
  45.8% were "between 2 and 4 hours"
  25.6% were "between 4 and 6 hours"
  16.8 % were "more than 6 hours"

- Students were also asked whether learning math was easier in a self-paced, technology based environment or in a traditional, lecture-based environment. Of the 1004 responses to this question over the two semesters,

  56.2% indicated that learning math was easier in a self-paced, technology based environment
  25.0% indicated that learning math was easier in a traditional, lecture-based environment
  18.8% indicated that one environment provided no advantage over the other.

C. Student Effort in MA 094

Students are expected to spend a classroom/lab combined total of at least 225 minutes per week on-campus actively engaged in MA 094. It is widely accepted that in most case, students will need to devote more time to the course than this, regardless of whether they work on or off-campus, if they are to successfully complete one semester's worth of material in one semester. It is important to note that, except for tests, all aspects of the the My Labs Plus instructional software are available to the student anywhere where internet access is available. At a minimum, the typical developmental math student likely will need to spend at least 5 to 6 hours per week working on MA 094 if he/she hopes to complete at least one semester's worth of content in one semester (defined as passing 6 tests at the mastery level.)

Time a student spends working on MA 094 is reflected, for the most part, in the total time a student is logged onto the My Labs Plus software, a statistic that can be captured in the My Labs Plus software. (In fact, for some students, this number likely represents an overestimate of the time actually spent working on MA 094 material, given instances where they take breaks from working on the course while remaining logged on the software.)

Data on total time logged onto My Labs Plus was collected for all students after 11 weeks in the fall 2011 and spring 2012 semesters. Based on the required 225 minutes per week, at that point in the semester students should have been logged onto My Labs Plus for a minimum of 40 hours total; using the 5 to 6 hour per week benchmark noted above, the total logon time should have approximated 55 hours.

<u>Major Findings</u>:

- Only about 1 in 3 students enrolled in MA 094 were logged on My Labs Plus at least 40 hours during the first 11 weeks of the semester of either semester (Tables 10 and 11).

- Fewer than 1 in 5 (18%) were logged on My Labs Plus for at least 60 hours in the fall or 55 hours in the spring semester(Tables 10 and 11).

- There is a strong correlation between the time students spend on homework and their progress in the course (Table 12).

Table 10: Student Effort in MA 094 Through 11 Weeks of Fall 2011 Semester

Total HRs Logged On MLP Since the Start of the Semester	**# of students**	**% of students**	**Cumulative %**
< 20	839	31%	31%
>= 20 and < 40	904	34%	65%
>= 40 and < 60	434	16%	81%
>= 60 and < 80	225	8%	89%
> = 80	281	10%	100%
Total	2683	100%	

Median Time = 29.5 hours

Table 11: Student Effort in MA 094 Through 11 Weeks Of Spring 2012 Semester

Total HRs Logged On MLP Since the Start of the Semester	# of students	% of students	Cumulative %
< 20	945	38%	38%
>= 20 and < 40	721	29%	67%
>= 40 and < 60	375	15%	82%
>= 60 and < 80	212	9%	91%
> = 80	220	9%	100%
Total	2473	100%	100%

Median Time = 27.5 hours

Table 12: Relationship Between Student Progress and Time Spent on Homework in Fall 2011[2]

# of Students	# of Tests Passed	Avg Hrs/Wk on Homework
494	0	1.01
512	1	1.83
388	2	2.45
171	3	2.98
233	4	3.65
677	5	3.75
40	6	4.76
161	6+	5.79

D. MA 094 Faculty Satisfaction Surveys

All faculty teaching MA 094 in the fall and spring semesters were given the opportunity to provide feedback about the course through an online faculty survey. Responses to selected questions were combined for the two semesters and are summarized below.

- Faculty were asked how satisfied they were with the self-paced, technology and mastery learning based approach to teaching pre-algebra and algebra in MA 094. Of the 79 responses,

  30.4% were “extremely satisfied”
  49.4% were “moderately satisfied”

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[2] Data from an analysis of MA 094 by Professor Dina Yagodich, Germantown Campus

- Faculty were asked whether students needed a more extensive orientation for MA 094 than was currently being provided. Of 77 responses, 58% were “yes”.

- In the fall survey only, faculty were asked whether it would be worthwhile for MA 094 faculty to meet as a group once or twice during the semester. Of the 41 responses, 63% were “yes”.

- In the fall survey only, faculty were asked also for their opinion about the 80% mastery level required on each tests. Of the 41 responses,

  9.8% said that the level was “too low”
  75.6% said that the level was “just right”
  14.6 % said that the level was “too high”

E. Discussion and Conclusions: The rationale for the change to a self-paced, technology based format for first year developmental mathematics remains sound and feedback from students and faculty reinforce the discipline’s decision to move in this new direction. Only 1 in 4 students surveyed indicated that they preferred learning mathematics with a traditional lecture based approach, while the majority stated that they found the new methodology more conducive to success in mathematics. Similarly, 80% of faculty respondents claimed to be moderately or extremely satisfied with the change. Therefore, it does not appear that a negative attitude toward the new instructional format by students or faculty contributed to learning outcomes that were not as good as expected.

In fact, the percentage of MA 094 students who managed to complete one semester’s material in a semester was unacceptably low. This was particularly true for students starting at the beginning of MA 094, i.e., at Test 1, where approximately one in four students finished the PreAlgebra course content, with the comparable rate being twice that for PreAlgebra students in fall 2009. Undoubtedly, the high academic standard of an 80% mastery level on all tests (except the comprehensive final exam) was a major contributor to this disparity. This is evidenced by the fact that 19% (data not in the Tables) of the MA 090/A students in fall 2009 passed with a grade of C, whereas no MA 094 student is permitted to move on to the Elementary Algebra content with less than a B average. Historically, students who had earned a marginal passing grade of C in MA 090/A had a low probability of passing MA 091/A, so the fact that so few MA 094 find themselves in that situation is a very welcome note. The value of requiring students to demonstrate mastery of the content before being allowed to move on is further reinforced by the fact that successful MA 094 PreAlgebra students had a much higher completion rate in Elementary Algebra, and with higher grades, than did the MA 090/A students.

Nonetheless, unless the percentage of PreAlgebra level students who complete Test 5 or higher in their first semester of MA 094 is significantly increased, the level of student success envisioned with the redesign of first year developmental mathematics will not be achieved.

Students who started at the Elementary Algebra level fared much better in MA 094 than did PreAlgebra level students. The combined fall and spring semester data shows that approximately two of every five students were able to finish the course in one semester. However, this number still trailed the combined one-semester completion rate of 51.8% of all fall 2009 and spring 2010 MA 091/A students. Again, a likely contributing factor to the disparity in success rates is the significant number of students who, because of the 80% mastery level, were unable to complete MA 094, but who would have completed MA 091/A with a with a marginal passing grade of C. In fact, 21% of fall 2009 MA 091/A students were awarded a grade of C as compared to only 4% of fall 2011 MA 094 students (and even these students actually had a B average for the entire semester, before falling to a C level due to a grade on the final exam that brought their course average below 80%.)

In general, students who passed Elementary Algebra in the fall and continued on in intermediate algebra (either MA097/101 or MA099/103) did perform slightly better in those courses when their preparation was MA 094 as opposed to MA 091/A. Still, the overall percentage of students who started Elementary Algebra in the fall semester and completed an intermediate algebra course by the end of the spring semester was still lower for MA 094 students than it was for MA 091/A students two years earlier.

The opportunity for a student in MA 094 to continue in the next semester from where they left off in the prior semester seemed to encourage a higher percentage of students (46.4%) earning a U or W in the fall to reenroll in the spring than was the case previously. Only 38.7% of developmental students who earned a U or W grade in fall 2009 reenrolled for the same course in the spring semester. This positive data was mitigated, however, by the fact that 80.0% of the reenrolling students in MA 094 earned a second U or W in the spring, as compared to only 51.2% of the reenrolling students in MA 090/A and MA 091/A/D in spring 2010. The performance of students who started the second semester of MA 094 at Test 2, 3, 4, or 5 was particularly dismal in this respect. The simple, yet distressing conclusion is that the overwhelming majority of students who did not devote sufficient time to the course to avoid a grade of U or W in their first semester of MA 094 exhibited that same behavior when they enrolled for the second time.

The self-paced structure of MA 094 offers the serious student the opportunity to accelerate through the developmental program, and over the two semesters 159 students took advantage of this by completing both the PreAlgebra and Elementary Algebra parts of the course. It must be noted, however, that this number was still lower than expected, given that in fall 2009 211 students were able to accomplish this in MA 091D (albeit not all at the mastery level required in MA 094), a course that enrolled a relatively small percentage of all PreAlgebra students, many of whom who were advised to take the course based on their placement test scores and motivation. A very bright MA 094 outcome was the fact that 66 first year developmental students from fall 2011 completed their college level math requirement in just two semesters, as opposed to only 11 from the fall 2009 cohort.

In summary, the one semester completion rates (grade or A, B, C, or H) in this initial year of MA 094 were significantly lower than anticipated, although, in general, those students who completed PreAlgebra and/or Basic Algebra performed better at the next level of mathematics than had been the case in prior years. Although the high academic standards in the course - 80% mastery level on tests and 100% on homework - were a contributing factor to the low completion rates, the primary reason for this outcome was that most students devoted considerably less time to the course than was needed to progress at a satisfactory rate. This is strongly evidenced by the data showing that the median number of hours that students logged onto MyLabsPlus was about half of what was expected and that there was a strong correlation between time spent on homework and the number of tests passed during the semester. In other words, and not surprisingly, time on task matters greatly.

IV. Recommendations:

As noted at the outset of this report, a one year follow-up is insufficient time to draw definitive conclusions about the success of the instructional delivery approach embodied in MA 094. Not enough data is available to confidently assess how students perform in their next math course(s) and certainly more time is required to create a culture of success in this vastly different learning environment for both students and faculty. Similarly, discipline faculty need more time to master their non-lecture role, and the MA 094 Course Oversight Committee, which will continue the work of the Task Force, needs time to respond to issues that could not have been foreseen when the course was being designed. In fact, the Task Force has already made a number of modifications, starting with the spring 2012 semester, including:

- splitting Tests 1 and 7, which covered too material, into two tests each (Tests 1A, 1B, 7A and 7B),
- eliminating some topics from the curriculum that were not deemed essential
- introducing a point system to reward student steady progress and penalize lack of attendance in the classroom sessions

Nonetheless, the first year data points to the need for additional new strategies, particularly ones that will encourage students to consistently spend more time actively engaged in the course than is currently the case.

1. Provide the students with hard deadlines that have consequences when not met. Offering developmental math in a self-paced format is a double-edged sword, for while it permits students to spend as much time as they need on concepts and skills that are difficult for them to grasp, it also plays into one of their greatest weaknesses –a lack of academic discipline. (In fact, it's not unreasonable to believe that many of these students are at the developmental level primarily because of they lack this behavior.)

In MA 094's current format, other than the final grade at the end of the semester, there are no hard deadlines in the course that students must meet – it is 100% self-paced. The following true story about the behavior of one particular student, Carlos (not the student's real name), demonstrates the unintended consequence of allowing the developmental level student to completely determine their rate of progress in the course.

Carlos enrolled in MA 094 in fall 2011, starting at the beginning of Part II; in other words, the first test he would have to complete at the mastery level was Test 6. Carlos did not even attempt

Test 6 until 6 weeks into the semester, but fortunately was able to pass it on the first try with an 86. However, he did not attempt another test for the rest of the semester and consequently was awarded a grade of U. Carlos re-enrolled in MA 094 in the spring, starting from where he left off. Yet once again, he attempted only one test, Test 7A, in the first 10 weeks, which he passed on his second try with a score of 96. Fortunately, Carlos finally came to the realization that he quickly needed to start applying himself if he was to avoid a third semester for what was supposed to be a one-semester experience. In the next 4 weeks, after taking 24 weeks of class to pass two tests, Carlos attempted and passed Tests 7B, 8, 9, and the Final Exam and finished the course with a solid B average.

Although this anecdotal evidence involves the behavior of only one student, the data in Tables 8 and 9 strongly suggest that, like Carlos, the approach many developmental students take towards mathematics is best described by one word - avoidance. And currently it's just too easy for the MA 094 student to take long breaks from doing something they don't enjoy or have confidence with, and delude themselves into thinking that there's plenty of time to catch up later.

Providing students with mileposts that have deadlines will not change behavior in all cases, but it would afford many the course structure they need to make sufficient and steady progress during the semester. As one example, students might be required to *complete* 3 tests by midterm, and should they fail to do so, they would be blocked from My Labs Plus until they meet with their instructor to discuss the situation. If this meeting did not occur within some specified period of time, say 1 week, the student should expect to be dropped from the class.

Except in rare instances, there should be no reason that students could not meet this type of requirement. One of the great benefits of the MA 094 course design is that students no longer need worry about falling behind the learning pace of an entire class, as is the case in a lecture based model. Instead, every student has the opportunity to put in as much time as he/she needs to master the material, and to take advantage of plenty of individual faculty support to help them do so. In other words, the self-paced format of MA 094 gives them full control of and responsibility for their success in the course.

2. Experiment by offering some sections in a classroom setting only. Given the avoidance mentality of many in this population, the current scheduling format of MA 094 provides them with too much flexibility and freedom. Students meet in a classroom setting with their instructor only once a week and are expected to work an addition 2 ½ hours in the lab *at their own convenience*. (Rockville students had less freedom in scheduling their lab time than students at the other two campuses, as they were required to meet a second time with their instructor for 75 minutes each week, albeit in a sectioned off area of the lab.) Furthermore, there was no effective system for monitoring lab attendance, making it even easier for students not to take their 2 ½ hour weekly lab requirement seriously.

As soon as feasible, the discipline should begin offering some sections that meet all 225 minutes per week in a classroom with the same instructor; for example, M, W, F for 75 minutes each, in order to see whether a more prescribed class schedule leads to greater student. In fact, data from this past year points to this outcome, since the one semester completion rate (A,B, C or H grade) for Rockville students, who had less flexibility in scheduling their lab time, was 3 percentage points higher than at the other two campuses (This equates to a success rate that was approximately 10% higher at Rockville.)

The discipline may also want to consider the possibility of *requiring* who fail to complete 6 tests over two semesters to enroll in a section in which all sessions are held in a classroom with the same instructor and is also linked to a DS 102 (Study Habits Development) class.

3. Consider lowering the mastery level. The compelling reason for requiring a mastery level of 80% on all tests (except the final exam) and 100% on the assignments leading up to these tests was the disappointing past performance in intermediate algebra of students who had passed Elementary Algebra (MA 091/A/D). But as seen in the data earlier in this report, students who completed MA 094 succeeded in MA 097 and MA 099 (formerly MA 101 and 103 respectively) at only a slightly higher rate than before.

Requiring students to achieve 80% on each test before they are permitted to move on to new material represents a high benchmark, particularly since no partial credit is awarded for any test questions. In fact, most, if not all, schools that have implemented redesign in developmental math have set their mastery level at 70 or 75 %.

The downside of maintaining a higher than necessary mastery level is that it keeps some students from making more steady progress in the course than they otherwise might.

For example, an M1 or M2 grade is currently awarded to students who "make significant progress" during the semester, defined as completing 5 tests instead of the minimum 6 required to earn an H, A, B or C grade. An analysis of the 241 students who earned an M1 or M2 grade in fall 2011 indicates that 103 scored between 75 and 80 on at least one test that they attempted. In each instance, -and there were students who were in this situation more than once - the student had to complete a set of test corrections and then retake the test. Given a 75% mastery level, it's possible that many of these students would have completed one more test and earned either an A,B,C, or H for the semester. Notwithstanding the fact that students should be able to find the time to meet the current conditions for moving forward in the course, there should be solid evidence that the mastery level is necessary to successfully progress to new material and that it also leads to higher success rates in the math courses that follow.

Since the data shows that successful MA 094 PreAlgebra students performed significantly better in Elementary Algebra than in years previous, one option to consider is maintaining the 80% mastery level in the first half of the course, particularly with respect to critically important topics such as operations with signed numbers, but lowering it in the second half of the course or when assessing topics that may carry less weight, such as factoring quadratic expressions.

***4*. Provide students with a more comprehensive orientation to the *course*.** It is worth noting that 58% of the faculty respondents to the fall semester survey stated that students require a more extensive orientation to the course than they are currently given. The class structure, course format, and grading system used in MA 094 are all totally new to students (and to faculty teaching the course for the first time) and it is essential that students fully understand how the course functions and the level of responsibility required to progress and succeed. It's particularly critical that they understand that *to be successful they must put in whatever time is necessary for them to stay on or ahead of the suggested test schedule*. Of course, they need to understand what "staying on schedule" means, since some students may think that when the posted suggested test schedule indicates a date for a specific test, they need only have *attempted* Test 3 by that date to be on schedule. Unfortunately, if they do not achieve the 80% mastery level on the first attempt, as many don't, they are behind schedule. In fact, data from fall 2011 semester show that students averaged 2.5 attempts per test.

Students should also be exposed to prior MA 094 outcomes data, not as a discouraging message, but rather to impress upon them how critically important it is for them to invest whatever time is necessary on a consistent week in, week out basis to not fall behind schedule.

5. Provide more focused assistance for students who fail to pass a test by the 3rd attempt. As note earlier, a significant number of students require multiple attempts to achieve the 80% mastery level on a test. For example, in fall 2011, of the 948 students who eventually passed Test 2, 28.8% required 3 or more attempts and 13.3% required at least 4 attempts. On Test 8, those percentages were 39.8% and 18.7% respectively and on Test 9, they were 42.9% and 22.7%. The consequence of requiring repeated attempts to pass a test is a diminished likelihood of completing the course in a reasonable amount of time. In addition, the frustration experienced from repeated attempts on the same test is discouraging to the student and, in some instances, may well lessen their motivation to keep working. When a student fails to pass a test on the 2nd or 3rd attempt, their instructor should proactively intervene to determine why that student is satisfactorily completing all the work necessary to sit for the test, but yet is repeatedly unable to pass it. One available option is to use the course workbook that students are required to purchase to provide additional work with a slightly different approach.

6*. *Establish an intervention program for students who fail to make significant progress in their second semester of MA 094. There will always be a significant number of students who, because they lack sufficient responsibility, maturity, or motivation at this point in their lives, will perform poorly in developmental mathematics, regardless of the instructional delivery system or level of support from faculty. Currently, the College does not intervene in any systematic or consistent way, and many of these students either drop out of school or blindly continue on the same academic path based on advice to simply "work harder. They would be better served if a faculty member or counselor had an "honest conversation" with them about their current direction and about positive alternative paths, such as a certificate program in a career specialty, that might match their interests and abilities, provide them with tangible employment options, and put them on a more successful academic and life course.

7. Seek greater involvement and input from discipline faculty in how to improve success rates. In the fall 2011 faculty survey, 63% of the respondents saw value to meeting once or twice a semester as a group. Such meetings would promote a greater sense of involvement for those who teach the course, by encouraging possible solutions to addressing the lower than desired rate of progress for most of the students. They would also ensure that all faculty understand the complicated new grading and student progress/attendance point systems and the importance of proactive intervention with students who do not log sufficient time on My Labs Plus and fall behind.

8. Resolve issues associated with the format, content, and use of the student workbook without increasing the course demands on the student. There was significant dissatisfaction with first edition of the workbook, as well as confusion about its integration into the course; more specifically, what student work to check and when it should be checked. The Task Force spent considerable time discussing these issues, including whether the workbook should be used to encourage greater quantitative reasoning in the course or as a summary review of the key concepts and skills in the course, or both. While no recommendation is made here on the specific content or use of the workbook, given the already high academic standards in the course and the fact that many students are already struggling to complete it time expect, any modifications to the content of the workbook and its use should be made in ways that *do not* increase the course demands on the student.

9. ***Significantly improve advising for MA 097 and MA 099.*** MA 099 (formerly MA 103) is the significantly more demanding of the two intermediate algebra courses offered at the College and is intended for students who need MA 130, MA 160 or MA 180 for their major. Not surprisingly, the success rate for students who attempt MA 099 (formerly MA 103) after completing Elementary Algebra is significantly worse than the success rate for students who attempt MA 097 (formerly MA 101). What is surprising is that many students who require MA 097 for their major are being mistakenly advised (or are making the decision on their own) to enroll in MA 099 instead. For example, 53% of the 274 students who passed MA 091/A/D in Fall 2009 and subsequently completed MA 103, then registered for MA 110, MA 115, or MA 116, and never attempted MA 130, MA 160, or MA 180. Based on this data, it's reasonable to infer that many of the students who *unsuccessfully* attempted MA 099, should have enrolled in MA 097 instead. Remedying this situation would likely improve the percentage of developmental students who successfully complete their college math requirement, and certainly would save many students the frustration and extra tuition associated with having to take intermediate algebra more than once.

10. Resolve the transferability issues that have stalled implementation of a single college level survey course (Recommendation # 5 of the Task Force). The rationale for this Task Force recommendation remains intact. Liberal Arts students do not have a sound basis for deciding whether to enroll in MA 110 or MA 115, and unless the discipline is willing to create a 5 credit version of MA 110 that integrates intermediate algebra topics into the curriculum as it has with MA 115A, many students unnecessarily will need an additional semester to complete their college level math requirement.

Members of the Task Force invested a tremendous amount of time, energy, and thought into leading the reform of the developmental math program at Montgomery College. Although the first year of MA 094 yielded some disappointing results, the goal they envisioned – a higher percentage of students completing developmental math and a first level college math course in the same or less time than before – remains realistic and achievable. This will require, however, a commitment by the newly formed MA 094 Course Oversight Committee to monitor results and make course adjustments accordingly, particularly ones which will lead students to change their work ethic and behavior with respect to studying mathematics.

Appendix 3.17 – English Discipline Program Redesign 1 Year Report

In April 2010, the English Discipline held a retreat to discuss how we can improve the retention and success of students in the English composition program. As a result of that retreat, the following 5 goals were identified as ways of improving student success in the English Composition program:

- **Goal 1**: Identify a plan to accelerate students who place reading exempt, but in EN 002, to college level
- **Goal 2**: Consider ways of incorporating technology into our courses to enhance instruction
- **Goal 3**: Develop scaffolding models and examples to enhance our instructional practices
- **Goal 4**: Develop classroom community and motivation through integration of resources into the classroom
- **Goal 5**: ID at risk students to instructors and identify intervention plans

In order to work on these goals, we also determined that we needed to take a close look at our current course descriptions, outcomes, requirements, and assessments first to ensure that our course sequences align thoughtfully and are clearly articulated. This is a foundation to being able to address the goals the discipline identified, so the following goals were added to the list:

- **Goal 6**- Realign the English Composition sequence in terms of benchmark skills, outcomes, assessments, and minimum requirements in a programmatic view
- **Goal 7**-Incorporate more reading, critical thinking and information literacy skills across the all composition courses
- **Goal 8**-Consider ways of implementing a program assessment process for the English Composition Sequence

Some of the identified benefits of looking closely at our practices and our sequence included:

- Improved student performance, retention and academic success
- More consistency in student performance at each level
- More transparent sequence of courses
- Better alignment with statewide outcomes, transfer institutions and other disciplines
- Clearer goals and rationale for our sequence
- An argument for lower class sizes
- Better working relationships with Reading, AELP, Academic Disciplines

During Fall 2011 and Spring 2012, four discipline workgroups worked to accomplish the program articulation and alignment. While there are multiple goals for this review, in primarily, we are looking to increase the number of students who successfully complete the English composition program, with an emphasis on finding ways to increase the number of developmental students who successfully complete the entire English composition program. In the first stage of our project, we wanted to ensure that our program is of the highest quality by establishing consistent, clearly articulated, and aligned student learning outcomes, requirements and course assessments. We also wanted to ensure that our course requirements are in line with the expectations of our partner institutions so that we are adequately preparing our students for their further academic endeavors.

The initial products of our redesign include:

1. Revised course outcomes, requirements, titles and descriptions for all of our composition courses – ***in final draft stage***. (**Goal 6 and Goal 7)**
2. Common, college-wide assessments and rubrics for En 001, En 002, En 101/A- ***complete***. (**Goal 6 and Goal 7**)
3. En 102 and En 109 have completed General Education Assessment Plans that will be implemented beginning in Fall 2012. (**Goal 6 and Goal 7**)
4. A clearer articulation of the expectations for En 101A- ***complete***. (**Goal 6 and Goal 7**)
5. Advancement to College English (ACE) is currently being piloted on all three campuses. (**Goal 1**)
6. An En 101/A Handbook in development in Summer 2012. (**Goal 3**)
7. Revision of En 102 and developmental syllabi, assessment rubrics and other supporting material are in development for implementation in Fall 2012. (**Goal 3**)

The work for our redesign is on-going with the following tasks still in progress:

1. **Program Assessment**- we need to develop a program assessment plan that will allow us to look at our sequence of courses and ensure that we are using the best practices we can to ensure student success. (**Goal 8**)
2. The Developmental Task Group has identified several goals to continue working on that will enhance student success and retention including:
    a. alternate placement and sequence ideas,
    b. clearer ways of communicating with students,
    c. better alignment with developmental reading
    d. better partnership with AELP
    e. acceleration models
    f. ways of integrating more student support in the classroom including use of technology
    g. better ways of supporting students with disabilities
3. The ACE group is continuing enhance the ACE model by (**Goal 1**)
    a. working with counseling, the assessment centers and developing materials to ensure that eligible students are quickly identified and informed of the ACE option
    b. working with instructors to develop the instructional and support materials/model needed for this model
    c. submitting an innovation grant to develop a comprehensive resource manual and support faculty going to an On Course workshop

Appendix 3.29 – English Discipline Program Redesign 1 Year Report

Goal 1- Advancement to College English Pilot

The Advancement to College English pilot uses Accuplacer EN (80-89) and RD (79 or higher) scores and a writing sample to place qualified developmental students who are in special sections of En 101A. The ACE sections have a reduced class size (18), an integrated tutor (15 hours for the semester) and an emphasis on student success skills and motivation in addition to the regular content of En 101A. The ACE sections contain 10 seats for students who would traditionally place into EN 101A (from developmental classes, AELP or self-selected) and 8 seats for the reading exempt developmental En 002 students. The ACE students are also eligible to register for other college level courses once they have registered for their En 101A class. We monitor their enrollment to ensure that they stay enrolled in the ACE class. The goal is to accelerate this population's access to college level classes while providing them support so that they can be successful at the college level.

We have 16 ACE sections across the three campuses in Fall 2012, our second pilot semester; we anticipate a smaller population of qualified students in Spring 2013, so we will have approximately 10 sections Collegewide. Currently, we have ______number of students who have submitted the ACE writing sample for Fall 2012, with _____ placing into the program. We expect to have ______ of students registered in ACE sections in Fall 2012.

Our overall goal is to increase the number of developmental students who successfully complete En 102 or En 109, the transfer level writing courses; this program is one strategy we are using to reach that goal. However, in measuring the success of the ACE program, we also expect to see that the ACE placed students will be successful at the college level with the En 101A . We will measure success for our Fall pilot in multiple ways:

Assessment	Target Rate	
Course Grades or Success rates (C or better in En 101A)	ACE students rate of passing will equate with non-ACE En 101A students	
Overall GPA	ACE students overall GPA will equate or exceed non-ACE En 101A students	
Semester Retention	ACE students will complete EN 101A in the same percentage as non ACE EN	

	101A students and EN 002 students.	
Semester to Semester Retention	80% of ACE students will return to take class in the subsequent semester	
Success in En 102 and En 109	A greater percentage of ACE students will complete En 102 and EN 109 than students who start in developmental	
Student Satisfaction Survey	Students will demonstrate an increase confidence in writing and academic success skills . Students will self-report increased application of academic success and motivation skills.	
Faculty/Tutor Perception survey		

Appendix 3.18 – Press Release, Montgomery College Partners with Indian Nonprofits to Develop Instructor Training and Build Capacity

Date: December 12, 2011
Media Contacts: Marcus Rosano, 240-567-4022; Elizabeth Homan 240-567-7970

Montgomery College Partners with Indian Nonprofits to Develop Instructor Training and Build Capacity

Memorandum of Understanding Signed with Wadhwani Foundation, Jindal Education Initiatives During Maryland Trade Mission to India

Attention Editors: For an image to accompany this release, click here.

Montgomery College, a public two-year community college in Montgomery County, Maryland, signed a memorandum of understanding (MOU) with the Wadhwani Foundation and Jindal Education Initiatives to strengthen vocational education and instructor capacity in India. The goal of the collaboration is to develop, implement, monitor, and evaluate an instructor training program—the India Vocational Faculty Development Center for Excellence (IVFDCE)—and instructional materials in automotive technology, construction trades, and emerging technologies.

Montgomery College President DeRionnne P. Pollard signed the agreement in Delhi during Maryland Governor Martin O'Malley's economic trade mission to India. Dr. Pollard and Dr. Sanjay Rai, vice president and provost of the College's Germantown Campus, accompanied the governor as members of the state delegation.

As part of the MOU, Montgomery College will share its expertise in curricula, pedagogy, and learning environments. The partnership will train India's trainers who will, in turn, prepare India's burgeoning population for careers in today's global, knowledge economy. It is expected that IVFDCE will become a major instructor development center in India with its centers across the country, designed to educate prepare instructors to meet the national workforce demands and respond to rapid technological advances.

With over 500 million of India's population under 25, India is in need of an accessible, affordable and market-driven post-secondary education model. Community colleges serve as a natural basis for a model that could potentially address India's need in higher education.

"The egalitarian notion of community colleges with their commitment to access resonates in India," said Dr. DeRionne P. Pollard, president of Montgomery College. "Indeed, the American community college model may indeed be Maryland's most valued export to India."

The MOU is the result of relationships forged during Montgomery College's grant-funded educational trip to India earlier this year. The Bureau of South and Central Asian Affairs at the U.S. Department of State awarded Montgomery College a $195,000 grant to coordinate a national community college symposium in Delhi, develop a faculty exchange program, and create a program to promote faculty development. The U.S. India Educational Foundation (USIEF) Fulbright Commission helped with grant implementation.

For more information about Montgomery College and its ongoing India initiative, visit www.montgomerycollege.edu/indiainitiative and click on the Reflections link.

Jindal Education Initiatives, a philanthropic initiative of Jindal Steel and Power Limited, has opened O.P. Jindal University, a nonprofit global university established by the Haryana Private Universities (Second Amendment) Act of 2009, and O.P. Jindal Community College of Technology and Skills, which seeks to develop a skilled workforce by empowering competency-based, skill-oriented technical and vocational training. JSPL also runs four ITIs, which are adopted under the public/private partnership initiative of the government of India. For more information, visit www.opjcc.org.

The Wadhwani Foundation, founded by IT entrepreneur Dr. Romesh Wadhwani, seeks to accelerate economic development in India and other emerging economies through large-scale job creation and skill development. The philanthropic foundation works across the higher education spectrum, leveraging government resources and market forces to achieve scale. For more information, visit www.wadhwani-foundation.org.

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Montgomery College is a public, open admissions community college with campuses in Germantown, Rockville, and Takoma Park/Silver Spring, plus workforce development/continuing education centers and off-site programs throughout Montgomery County, Md. The College serves nearly 60,000 students a year, through both credit and noncredit programs, in more than 100 areas of study.

If you would rather not receive future communications from Montgomery College, let us know by clicking here.
Montgomery College, 900 Hungerford Dr, Rockville, MD 20850 United States

Appendix 3.19 – Memo, Building International Cooperation, Diplomacy, and Education in India

MONTGOMERY COLLEGE
Office of the President

November 10, 2010

MEMORANDUM

To: The Montgomery College Community

From: Dr. DeRionne P. Pollard, President

Subject: Building International Cooperation, Diplomacy and Education in India

I am thrilled to share the news that the U.S. India Educational Foundation (USIEF) Fulbright Commission has awarded Montgomery College a $195,000 grant to build international cooperation, diplomacy and education in India. As a result of the College's 2008 efforts in Haryana, India with the Montgomery County Department of Economic Development, the U.S. State Department requested the assistance of Montgomery College to enhance the community college model and technical education sector in India. A team of Montgomery College faculty, staff, and administrators drafted a successful proposal for the State Department. As a result, USIEF selected the College to coordinate a two-day national symposium on community colleges to take place in New Delhi next March. The grant will cover 100 percent of the College's expenses.

What I find most exciting about the USIEF grant is that Montgomery College has a unique opportunity to share the community college mission and influence an emerging global economy in a significant way. I believe that changing lives and enriching our community does not stop at the borders of our campuses, at the county line, or our own country. Through the efforts of faculty, staff, and administrators, we can enrich the education of people in India.

Under the terms of the grant, Montgomery College is responsible for (1) developing a faculty and student exchange program with three partner institutions in India, (2) creating a program to promote faculty development, and (3) coordinating a national community college symposium in New Delhi.

The benefits to Montgomery College are numerous and significant. The grant provides professional development for faculty, staff, and administrators to engage in academic dialogue with educators, industry leaders, and government officials from both the U.S. and India. These discussions will provide opportunities to explore the community college mission in greater depth, expand the College's current efforts to internationalize the curriculum, and introduce our faculty and students to another cultural perspective. By positioning Montgomery College as a thought leader in international higher education, we will also be more competitive for future grants, and more attractive to international students.

Additionally, Montgomery College will help India build capacity in teaching, student affairs, and support systems. We will teach Indian education, industry and government leaders how to align vocational education and technical programs with local and emerging industries. We will help Indian partners and stakeholders understand the community college role in economic and workforce development and address the current disparity between gender and social equity.

The grant award provides full funding for a travel team from Montgomery College to conduct the national symposium in March. Not only will all of the costs be covered, but doors will be opened to future revenue enhancing opportunities. This is an important new venture for Montgomery College and I appreciate the leadership demonstrated by Dr. Sanjay Rai, Ed Roberts, and Miriam Carter to bring this effort to fruition.

More information will be forthcoming about the team of faculty, staff, and administrators who will represent Montgomery College in India and the plans we have to leverage this unique opportunity for the benefit of Montgomery College students. Among the ideas being considered are daily blogs and video chats from India to allow the team to share the experience in real time with the College community. I welcome your ideas about how to further expand the learning that this grant represents.

To further understand the significance of Montgomery College's efforts in India, I recommend the following articles, which explore the recent evolution of American higher education in India. The articles linked below are from the Chronicle of Higher Education, which has written extensively on the topic.

In India: No Foreign Colleges Need Apply. February 2008

India Appoints Reform-Minded Official to Oversee Higher Education. June 2009

Higher-Education Agreement Between U.S. and India Faces Questions of Control. June 2010

Indian Businessman to Start $22-Million Information-Technology University. October 2010

Appendix 4.1 - Summary of Fall Semester Credit Students at Montgomery College, Fall 2009-12

Summary of Fall Semester Credit Students at Montgomery College, Fall 2009 - 2010 - 2011 - 2012

Note: demographic data for fall 2012 is "preliminary" at 10-5-2012

	Fall 2009		**Fall 2010**		**Fall 2011**		**Fall 2012**	
	number	**percent**	**number**	**percent**	**number**	**percent**	**number**	**percent**
Total Students	26,147		26,015		26,996		27,453	
Total Credits	242,381		240,470		246,464		250,509	
Average Load	9.27		9.24		9.13		9.13	
Full-Time	10,379	39.7%	10,056	38.7%	9,728	36.0%	9,888	36.0%
Part-Time	15,768	60.3%	15,959	61.3%	17,268	64.0%	17,565	64.0%
Female	14,048	53.7%	13,944	53.6%	14,363	53.2%	14,559	53.0%
Male	12,099	46.3%	12,071	46.4%	12,633	46.8%	12,892	47.0%
Amer. Indian	77	0.3%	73	0.3%	79	0.3%	79	0.3%
Asian	3,981	15.2%	3,954	15.2%	3,951	14.6%	3,917	14.3%
Black	7,599	29.1%	7,442	28.6%	8,042	29.8%	8,405	30.6%
Hispanic	3,375	12.9%	3,205	12.3%	3,547	13.1%	3,425	12.5%
Multi-Race	1,848	7.1%	2,383	9.2%	2,714	10.1%	3,183	11.6%
White	9,249	35.4%	8,927	34.3%	8,635	32.0%	8,365	30.5%
Other/Unknown	18	0.1%	31	0.1%	28	0.1%	79	0.3%
International	2,219	8.5%	2,092	8.0%	2,198	8.1%	2,063	7.5%
New-to-College	5,355	20.5%	5,465	21.0%	5,207	19.3%	5,285	19.3%
Age								
Mean	25.8		25.8		25.8		25.6	
Median	21		21		21		21	
Under 21	11,029	42.2%	10,752	41.3%	11,025	40.8%	11,031	40.2%
21-24	5,986	22.9%	6,099	23.4%	6,487	24.0%	6,798	24.8%
25 - 29	3,351	12.8%	3,452	13.3%	3,570	13.2%	3,644	13.3%
30 - 39	2,845	10.9%	2,862	11.0%	3,080	11.4%	3,220	11.7%
40 - 49	1,578	6.0%	1,505	5.8%	1,526	5.7%	1,539	5.6%
50 - 59	780	3.0%	784	3.0%	751	2.8%	745	2.7%
60 or Older	575	2.2%	561	2.2%	557	2.1%	476	1.7%
unknown	3	0.0%	0	0.0%	0	0.0%	0	0.0%
Transfer programs	14,808	56.6%	14,749	56.7%	16,181	59.9%	16,805	61.2%
Career programs	4,904	18.8%	4,902	18.8%	5,265	19.5%	5,347	19.5%
Undecided/Undeclared	6,435	24.6%	6,364	24.5%	5,550	20.6%	5,301	19.3%
Germantown								
Students	6,571	25.1%	6,819	26.2%	7,154	26.5%	7,739	28.2%
Hours	46,597	19.2%	48,814	20.3%	49,779	20.2%	52,548	21.0%
Rockville								
Students	17,028	65.1%	16,682	64.1%	17,292	64.1%	17,495	63.7%
Hours	140,089	57.8%	136,535	56.8%	140,103	56.8%	139,325	55.6%
Takoma Park / SS								
Students	7,148	27.3%	7,207	27.7%	7,449	27.6%	7,819	28.5%
Hours	55,695	23.0%	55,121	22.9%	56,582	23.0%	58,636	23.4%

Appendix 4.2 – Montgomery College Fall 2012 Enrollment Profile for Credit Students

Program Type	2008		2009		2010		2011		2012	
	N	%	N	%	N	%	N	%	N	%
Transfer	**13,509**	**55.2%**	**14,808**	**56.6%**	**14,749**	**56.7%**	**16,181**	**59.9%**	**16,805**	**61.2%**
General Studies	*7,348*	*54.4%*	*8,314*	*56.1%*	*8,075*	*54.7%*	*8,975*	*55.5%*	*9,342*	*55.6%*
All Others	*6,161*	*45.6%*	*6,494*	*43.9%*	*6,674*	*45.3%*	*7,206*	*44.5%*	*7,463*	*44.4%*
Career/Technology	**4,495**	**18.4%**	**4,904**	**18.8%**	**4,902**	**18.8%**	**5,265**	**19.5%**	**5,347**	**19.5%**
Undecided Non-degree	**6,448**	**26.4%**	**6,435**	**24.6%**	**6,364**	**24.5%**	**5,550**	**20.6%**	**5,301**	**19.3%**
Total	**24,452**	**100.0%**	**26,147**	**100.0%**	**26,015**	**100.0%**	**26,996**	**100.0%**	**27,453**	**100.0%**

Appendix 4.3 – Financial Aid Recipients at Montgomery College

	Fall 2011		Fall 2012			Changes Fall 2012 vs Fall 2011			
						Students		Dollars	
Aid Category	Students	Dollars	Students	Dollars		n	percent	n	percent
Grants (totals)	**6,594**	**13,870,238**	**7,525**	**15,252,377**		**931**	**14.1%**	**1,382,139**	**10.0%**
Pell Grants	5,922	11,431,699	6,931	13,178,621		1,009	17.0%	1,746,922	15.3%
Institutional Grants	1,658	729,952	1,970	830,030		312	18.8%	100,078	13.7%
Loans (totals)	**1,995**	**5,876,844**	**2,229**	**11,467,175**		**234**	**11.7%**	**5,590,331**	**95.1%**
Stafford (subsidized)	1,786	3,603,508	2,013	7,104,875		227	12.7%	3,501,367	97.2%
Stafford (unsubsidized)	995	2,130,487	1,132	4,193,039		137	13.8%	2,062,552	96.8%
Scholarships (totals)	**2,763**	**3,708,959**	**2,243**	**2,687,518**		**-520**	**-18.8%**	**-1,021,441**	**-27.5%**
Institutional	837	949,023	823	913,977		-14	-1.7%	-35,046	-3.7%
Other Private	735	1,212,207	712	992,791		-23	-3.1%	-219,416	-18.1%
Senior Citizen Tuit.Waiver	705	823,820	397	208,393		-308	-43.7%	-615,427	-74.7%
College Work-Study	**161**	**234,382**	**151**	233,558	**	**-10**	**-6.2%**	**-824**	**-0.4%**
				**estimated					
Totals	**9,351**	**23,690,423**	**10,091**	**29,640,628**		**740**	**7.9%**	**5,950,205**	**25.1%**
Total MC Credit Students	**26,996**		**27,453**			**457**	**1.7%**		
Aid Recipients as Pct. of Total	**34.6%**		**36.8%**						

Note:

College work-study dollars awarded are estimates at 11-15-2012

Appendix 4.4 – Spotlighting the Partnership between Montgomery College and Montgomery County Public Schools

Spotlighting the Partnership between Montgomery College and Montgomery County Public Schools

Montgomery County Public Schools (MCPS) and Montgomery College (MC) have a collective interest in producing citizens who have the knowledge and skills to be competitive in a global economy. It is a shared belief that all students matter and are entitled to the opportunity to access rigorous educational opportunities. To that end, each institution is committed to innovative reform initiatives designed to raise the level of student achievement and overall academic performance. The expectations for educational excellence in Montgomery County require expansive pathways to postsecondary education. This document is designed to share with you a sampling of the multiple ways in which the two partnering institutions are collaborating on behalf of our students.

By supporting specialized early college programs in addition to unique scholarship opportunities, Montgomery County prides itself on catering to the needs of a wide range of students. Ethnic and linguistic minority students, those with disabilities, as well as budding scientists and mathematicians are being given rare opportunities in the classroom and in extracurricular settings to achieve their potential as future citizens of the world.

College Institute

African American and Hispanic/Latino students make up well over 50 percent of the student body at three of the four schools served by College Institute. Currently, the program is offered at Gaithersburg, Kennedy, Seneca Valley, and Thomas S. Wootton high schools. High achieving seniors earn college credits by taking college courses taught by Montgomery College faculty during the regular school day. The program extends opportunities beyond Advanced Placement level and allows students to earn up to 30 college credits at their high schools.

Gateway to College Program

This program offers students a second chance to earn a high school diploma while earning college credits at Montgomery College. Students receive personal counseling and guidance, assistance with problem solving, and time and stress management. The program provides students at risk of not graduating with the opportunity to earn a high school diploma while transitioning to a college campus. Students may simultaneously accumulate high school and college credits, earning their high school diploma while progressing toward an associate degree or certificate. Over 60 percent of the students served in this program are minority students. Funded initially through a Bill and Melinda Gates Foundation Grant, the Gateway to College Program at Montgomery College is the only program of its kind in the state of Maryland.

Montgomery College Early Placement Programs

One early placement model is a capstone experience to support high school academies that are developed around career clusters. MCPS adopted the smaller learning community model for several of its programs. Smaller learning communities (academies) are programs that support the development of small, safe, and focused learning environments within large high schools. The academy programs integrate academic and specific career-related instruction to prepare students for postsecondary education and employment through the personalized learning environment of a small, focused learning community. Some of the academy programs are national programs, such as the National Academy of Finance and the National Academy of Information Technology. Academy programs have specific requirements for graduation: academy students must take rigorous courses at their high schools, and many must take a college-level course as a capstone experience. Students can fulfill this requirement by attending a college-level class on a Montgomery College campus, although the partnership does offer courses for academy students at the high school.

Institute for Global and Cultural Studies

The Institute for Global and Cultural Studies (IGCS) is a unique collaboration between Montgomery College and Montgomery County Public Schools (Wheaton High School. It is located in one of the most impacted schools in Montgomery County; 87.4 percent of the student population at Wheaton High School is African American and/or Hispanic/Latino. IGCS is designed to create and sustain an early college high school model. IGCS is a humanities-based pathway to higher education that provides students access to a rigorous program of study, relevant experiential enrichment opportunities, and academic support through a network of relationships and explicit connections to college resources and programs.

Project Lead the Way

Project Lead the Way (PLTW) is a national academy that has developed a four-year sequence of courses which, when combined with college preparatory mathematics and science courses in high school, introduces students to the scope, rigor and discipline of engineering and engineering technology prior to entering college. Wheaton High School is currently in year five of offering the PLTW program. Montgomery College supports the program by offering the ES 100 course as a capstone experience. Wheaton High School (with a student body that is 87% African American or Hispanic/Latino) has more than 300 students enrolled in this highly successful program.

Salto al Futuro

Salto al Futuro, located at John F. Kennedy High School (77 percent African American and Hispanic/Latino population), provides academic support and mentoring to prospective first generation college students. The program's goals are to ensure that participating students graduate from high school "college ready," as determined by the Accuplacer/LOEP placement test and continue their education at Montgomery College or other postsecondary institutions of higher education. The Salto al Futuro program also is designed to increase student/parent knowledge of high school graduation requirements, MCPS system resources, career opportunities, higher education programs of study, the college application process, and financial aid opportunities.

STAR Scholarships

STAR Scholarships are designed to encourage African American students to continue to excel academically through their high school careers and onto college. The awards are based on merit and the competition is intense. African-American and black high school students can compete annually for scholarships in the ninth, tenth, and eleventh grades, giving them the potential to earn up to $3,000 toward their education, by winning the scholarship for three consecutive years. When a student wins a scholarship, the money is held in trust by the STAR Scholarship Foundation until the student enrolls in an accredited college or trade school.

Transition Training for Independence Program

The Transition Training for Independence Program is a collaborative program between Montgomery County Public Schools (MCPS) and the Workforce Development & Continuing Education Division of Montgomery College (MC). It is designed to provide students with developmental disabilities (ages 19 to 20) an opportunity to complete their public education on the college campus. Students continue to address their individual goals and develop lifelong learning routines in an academic setting with their same age peers.

Guiding the Pathways to Success (GPS) to College

Is a one-week precollege summer program, developed in partnership with leaders from Montgomery County Public Schools, Montgomery College and the Universities at Shady Grove. The goal of the program is to enable first-generation, academically able, and underrepresented minority students to navigate the college admissions and application processes and successfully apply and enter a postsecondary institution upon high school graduation. During summer 2011, twenty-five students (one from each of the County's high schools) received a full scholarship to participate. Parents were asked to attend an orientation, an evening financial aid session, and the closing ceremony.

Clarice A. Somersall
Special Assistant to the Senior Vice Presidents for Academic Affairs and Student Services
Montgomery College
September 13, 2011

Appendix 4.5 - Official Fall 2012 Enrollment Data

Parameters:

Term Code: 201320
Report Date: 09/27/2012

Office of Institutional Research & Analysis
Official Fall 2012 Enrollment Data as of
September 27, 2012

9/27/2012

		FALL 2012 (201320)			% Change 2011 -2012	FALL 2011 (201220)		
		Projected*	Actual	%		Official	Actual^	%
GERMANTOWN								
On-Campus	(Students)	6,131	6,690	109%	6.3%	6,055	6,295	104%
	(Credits)	45,824	48,123	105%	4.1%	45,065	46,206	103%
Off-Campus	(Students)	71	88	124%	25.7%	70	70	100%
	(Credits)	247	315	127%	29.6%	243	243	100%
Distance Learning	(Students)	1,037	1,238	119%	20.9%	1,024	1,024	100%
	(Credits)	3,386	4,110	121%	23.4%	3,330	3,330	100%
Total Germantown	**(Unduplicated Students)**	**7,244**	**7,739**	**107%**	8.2%	**7,154**	**7,154**	**100%**
	(Credits)	**50,617**	**52,548**	**104%**	5.6%	**49,779**	**49,779**	**100%**
ROCKVILLE								
On-Campus	(Students)	16,139	16,028	99%	0.2%	15,994	15,994	100%
	(Credits)	134,009	131,203	98%	-1.1%	132,623	132,623	100%
Off-Campus	(Students)	226	229	101%	2.2%	224	224	100%
	(Credits)	716	711	99%	0.3%	709	709	100%
Distance Learning	(Students)	1,913	2,112	110%	11.4%	1,896	1,896	100%
	(Credits)	6,842	7,411	108%	9.5%	6,771	6,771	100%
Total Rockville	**(Unduplicated Students)**	**17,449**	**17,495**	**100%**	1.2%	**17,292**	**17,292**	**100%**
	(Credits)	**141,567**	**139,325**	**98%**	-0.6%	**140,103**	**140,103**	**100%**
TAKOMA PARK / SILVER SPRING								
On-Campus	(Students)	6,864	7,096	103%	4.8%	6,769	6,769	100%
	(Credits)	54,269	55,349	102%	3.5%	53,491	53,491	100%
Off-Campus	(Students)	34	31	90%	-8.8%	34	34	100%
	(Credits)	104	93	89%	-8.8%	102	102	100%
Distance Learning	(Students)	988	1,047	106%	7.5%	974	974	100%
	(Credits)	3,032	3,194	105%	6.9%	2,989	2,989	100%
Total Takoma Pk.	**(Unduplicated Students)**	**7,553**	**7,819**	**104%**	5.0%	**7,449**	**7,449**	**100%**
	(Credits)	**57,405**	**58,636**	**102%**	3.6%	**56,582**	**56,582**	**100%**
TOTAL COLLEGE								
Students	*(Unduplicated)*	27,348	27,453	100%	1.7%	26,996	26,996	100%
Credits	On-Campus	234,102	234,675	100%	1.0%	231,179	232,320	100%
	Off-Campus	1,067	1,119	105%	6.2%	1,054	1,054	100%
	Dist. Learning	13,260	14,715	111%	12.4%	13,090	13,090	100%
Total	**(Unduplicated Students)**	**27,348**	**27,453**	**100%**	1.7%	**26,996**	**26,996**	**100%**
	(Credits)	**249,589**	**250,509**	**100%**	1.6%	**246,464**	**246,464**	**100%**
RESIDENCE								
Montgomery County	(Students)	24,636	24,660	100%	1.4%	24,319	24,319	100%
	(Credits)	223,442	223,601	100%	1.3%	220,644	220,644	100%
Maryland	(Students)	1,290	1,404	109%	10.3%	1,273	1,273	100%
	(Credits)	11,764	12,722	108%	9.5%	11,617	11,617	100%
Non Maryland Resident	(Students)	1,422	1,389	98%	-1.1%	1,404	1,404	100%
	(Credits)	14,383	14,186	99%	-0.1%	14,203	14,203	100%
Total	**(Students)**	**27,348**	**27,453**	**100%**	1.7%	**26,996**	**26,996**	**100%**
	(Credits)	**249,589**	**250,509**	**100%**	1.6%	**246,464**	**246,464**	**100%**

^ Figures are for September 22, 2011 (the comparable date). Official = Enrollment at 20% of term.

*** Projections are those in the approved FY 2013 Budget**

Appendix 4.6 – Calculation of Enrollment Projections

ENROLLMENT PROJECTIONS

Enrollment Projections at Montgomery College are based on historical and projected data for the following three components:

1) Montgomery County residents including:
- New students from MCPS high schools, recent graduates and those who delay entry up to 3 years after high school graduation,
- New students from Montgomery County private and parochial schools, recent graduates and those who delay entry up to 3 years after high school graduation,
- New adult students who graduated high school more than 3 years ago
- Returning students who are Montgomery County residents

2) Out of County, Maryland residents, and
3) Out of State students.

The current enrollment projections for FY2014 and beyond are based on the following observations and assumptions:

Total credit hour enrollment is projected to increase by about 1% in FY2014. Innovative class scheduling, both distance and on campus, “Completion Agenda initiatives” and facilities expansions and renovations support this expected increase.

Projections are based on the following:

- The draw rate for recent MCPS and private/parochial schools graduates attending Montgomery College increased to 24.5% in fall 2012, up from 23.7% in fall 2011.

- Distance education credit hours for fall 2012 increased by 8.6% from fall 2011, to over 20,000 credit hours. Since fall 2007, distance education credit hours have more than doubled.

- There was a small increase in the number of late start (after 3rd week) classes across the college.

Appendix 4.7 – Montgomery College Distance Education Course Enrollment Growth by Calendar Year

Montgomery College Distance Education Course Enrollment Growth by Calendar Year

Enrollments and Hours in Blended and 100% Online Distance Education Courses, Fall 2008 through Fall 2012

	Fall 2008		Fall 2009		Fall 2010		Fall 2011		Fall 2012	
Type of Distance Course	Enrolled	Hours	Enrolled	Hours	Enrolled	Hours	Enrolled	Hours	Enrolled	Hours
Elluminate+WebCT					77	248	102	366	98	350
Online not WebCT	59	212	168	497	160	476	158	467	162	531
Online WebCT	3,122	8,992	3,672	10,586	3,815	10,910	4,296	12,202	4,886	13,799
Subtotal 100% Online	**3,181**	**9,204**	**3,840**	**11,083**	**4,052**	**11,634**	**4,556**	**13,035**	**5,146**	**14,680**
							Change Fall 08 - Fall 12 -->		61.8%	59.5%
Blended Online + On-Campus	70	276	11	33	14	28	24	96		
Blended Online+On-Campus WebCT	1,070	3,094	1,368	4,160	1,625	5,085	1,884	5,540	1,844	5,488
Web+TV blended	101	265								
Subtotal - Blended	**1,241**	**3,635**	**1,379**	**4,193**	**1,639**	**5,113**	**1,908**	**5,636**	**1,844**	**5,488**
							Change Fall 08 - Fall 12 -->		48.6%	51.0%
Totals -- All Distance Education	**4,422**	**12,839**	**5,219**	**15,276**	**5,691**	**16,747**	**6,464**	**18,671**	**6,990**	**20,168**
							Change Fall 08 - Fall 12 -->		58.1%	57.1%
Total MC Hours of Enrollment		223,461								250,509
Distance Hours as Percent of Total MC Hours of Enrollment		5.7%								8.1%

OPE ID No. 00691100

Montgomery College

Financial Statements

For the Years Ended June 30, 2008 and 2007

BOND BEEBE
ACCOUNTANTS & ADVISORS

MONTGOMERY COLLEGE
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FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

MONTGOMERY COLLEGE
BOARD OF TRUSTEES AND SECRETARY-TREASURER TO THE BOARD OF TRUSTEES
JUNE 30, 2008

BOARD OF TRUSTEES

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Dr. Michael C. Lin, First-Vice Chair
Mr. Stephen Z. Kaufman, Second-Vice Chair
Mr. Gene W. Counihan
Ms. Georgette W. Godwin
Dr. Jong-on Hahm
Mr. Reginald Felton
Dr. Owen D. Nichols
Dr. Sylvia W. Crowder
Mr. Gabriel Spiro, Student

SECRETARY-TREASURER TO THE BOARD OF TRUSTEES

Dr. Brian K. Johnson, Secretary-Treasurer and President of Montgomery College

Montgomery College

MONTGOMERY COLLEGE

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

In connection with the attached Annual Financial Statements of Montgomery College, we hereby certify that:

1. The attached Annual Report is true, complete, and correct in all material respects, and the financial statements therein have been prepared in accordance with accounting principles generally accepted in the United States of America.
2. The information set forth herein, and on each of the schedules hereto, is complete and accurate in all material respects and contains full and complete disclosure of all pertinent information in connection with the operations of the College. Based on our knowledge, the Report does not contain any untrue statement of a material fact or omit a material fact.
3. We have designed such internal controls and procedures to ensure that material information relating to the College, including component units is made known to us and have established an effective system of internal control.
4. Based upon the above, we certify that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the College.
5. There has been no material adverse change in operations since the date these statements were prepared to the date of the Certification.

Brian Johnson Date: 9/30/08
Brian K. Johnson, Ed. D.
President

Marshall Moore Date: September 30, 2008
Marshall Moore
Senior Vice President for Administrative
and Fiscal Services

240-567-5000 ■ www.montgomerycollege.edu

Central Administration
900 Hungerford Drive
Rockville, MD 20850

Germantown Campus
20200 Observation Drive
Germantown, MD 20876

Rockville Campus
51 Mannakee Street
Rockville, MD 20850

Takoma Park/Silver Spring Campus
7600 Takoma Avenue
Takoma Park, MD 20912

Workforce Development
& Continuing Education
51 Mannakee Street
Rockville, MD 20850

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Montgomery College
Rockville, MD 20850

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Montgomery College, a component unit of Montgomery County, Maryland, as of June 30, 2008 and 2007 and for the years then ended, which comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Montgomery College as of June 30, 2008 and 2007 and the results of its operations, changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated September 30, 2008 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis presented on Pages 4 - 18 is not a required part of the basic financial statements but is supplemental information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2008

The objective of management's discussion and analysis is to help readers of Montgomery College's financial statements better understand the financial position and operating activities for the fiscal year ended June 30, 2008, with comparative information for the year ended June 30, 2007. The financial statements are presented in three columns: Montgomery College, Montgomery College Foundation, and a Total column. The following discussion and analysis provides an overview of the College's financial activities. This discussion and analysis should be read in conjunction with the financial statements and notes to the financial statements.

Starting with the June 30, 2004 financial statements, the College implemented GASB Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This statement addresses the conditions under which institutions should include associated fund-raising or research foundations as component units in their financial statements. Under the previous accounting standards, the College had no component units. Under the new standards, the Montgomery College Foundation, Inc. (the Foundation) meets criteria qualifying it as a component unit. The Foundation is included in the accompanying financial statements in a separate column. However, the following discussion and analysis does not include the Foundation's financial condition and activities.

On July 1, 2007 the College implemented GASB Statement Number 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* The College established an irrevocable trust on June 16, 2008 to account for the plan. The College had actuarial valuations performed for the plan as of June 30, 2008 to determine the employer's Annual Required Contribution (ARC). The College's annual Other Postemployment Benefit (OPEB) cost of $4,877,660 was equal to the ARC for fiscal year ended June 30, 2008.

The College implemented Financial Accounting Standards Board (FASB) Statement Number 106, *Employers ' Accounting for Postretirement Benefits Other Than Pensions,* on July 1, 1993 and for several fiscal years the College was funding FAS 106. As of June 30, 2007, the College had accumulated $23,072,058 for funding purposes. With the implementation of GASB 43 and 45 during fiscal year 2008, the College included these funds in the funding effort for GASB 45. The College's Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets include the following:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio
June 30, 2007	$ 0	$ 0	$ 62,263,511	$ 23,072,058	$ 39,191,453	37.06%
June 30, 2008	$ 4,877,660	$ 25,459,619	$ 52,188,571	$ 25,459,619	$ 26,728,952	48.78%

During September, 2007 the College occupied the completed Morris and Gwendolyn Cafritz Foundation Arts Center. This renovation project started in October 2005 and was completed in September 2007. This renovation was financed through a lease agreement with the Montgomery College Foundation whereby the rental payments by the College to the Foundation would be used to pay the debt service for $33,000,000 of Montgomery County Revenue Authority Lease Revenue Bonds for which the Montgomery College Foundation is responsible for the repayment. This lease arrangement was setup because the College cannot borrow funding. Since the Morris and Gwendolyn Cafritz Foundation Arts Center building will revert back to the College at the end of the lease period, this lease arrangement was classified as a capital lease by the College and the building and the lease obligation were recorded in the College's fiscal year 2008 financial statement. The schedule below shows the first eight years of lease payments and the corresponding reduction in debt service on the Revenue Bonds:

Date	Annual Lease Payment	Interest on Unpaid Obligation	Reduction of Lease Liability	Carry Amount of Lease
				$ 33,000,000
2008	$ 2,352,356	$ 1,482,356	$ 870,000	$ 32,130,000
2009	$ 2,352,556	$ 1,447,556	$ 905,000	$ 31,225,000
2010	$ 2,351,356	$ 1,411,356	$ 940,000	$ 30,285,000
2011	$ 2,348,756	$ 1,373,756	$ 975,000	$ 29,310,000
2012	$ 2,349,756	$ 1,334,756	$ 1,015,000	$ 28,295,000
2013	$ 2,349,156	$ 1,294,156	$ 1,055,000	$ 27,240,000
2014	$ 2,351,956	$ 1,251,956	$ 1,100,000	$ 26,140,000
2015	$ 2,352,956	$ 1,207,956	$ 1,145,000	$ 24,995,000

Financial and Enrollment Highlights

- The College's financial position continued to show growth as assets totaled $358.74 million at June 30, 2008, an increase of $68.31 million or 23.52% over June 30, 2007. This resulted primarily from a $62.46 million increase in capital assets. Net assets increased $49.43 million or 21.08% in fiscal year 2008.

	2008	2007	$ Change	% Change
Total assets	$ 358,739,246	$ 290,431,637	$68,307,609	23.52%
Total liabilities	$ 74,791,426	$ 55,913,893	$18,877,533	33.76%
Total net assets	$ 283,947,820	$ 234,517,744	$49,430,076	21.08%
Capital assets-net of related debt	$ 228,943,381	$ 198,615,632	$30,327,749	15.27%

- Operating revenues increased $8.94 million or 10.12% as a result of increases in tuition rates, enrollment increases, auxiliary enterprises and grants.

- Non-operating and Other revenues (net of interest expense and disposals) increased $39.03 million or 25.61% as a result of increased County support.

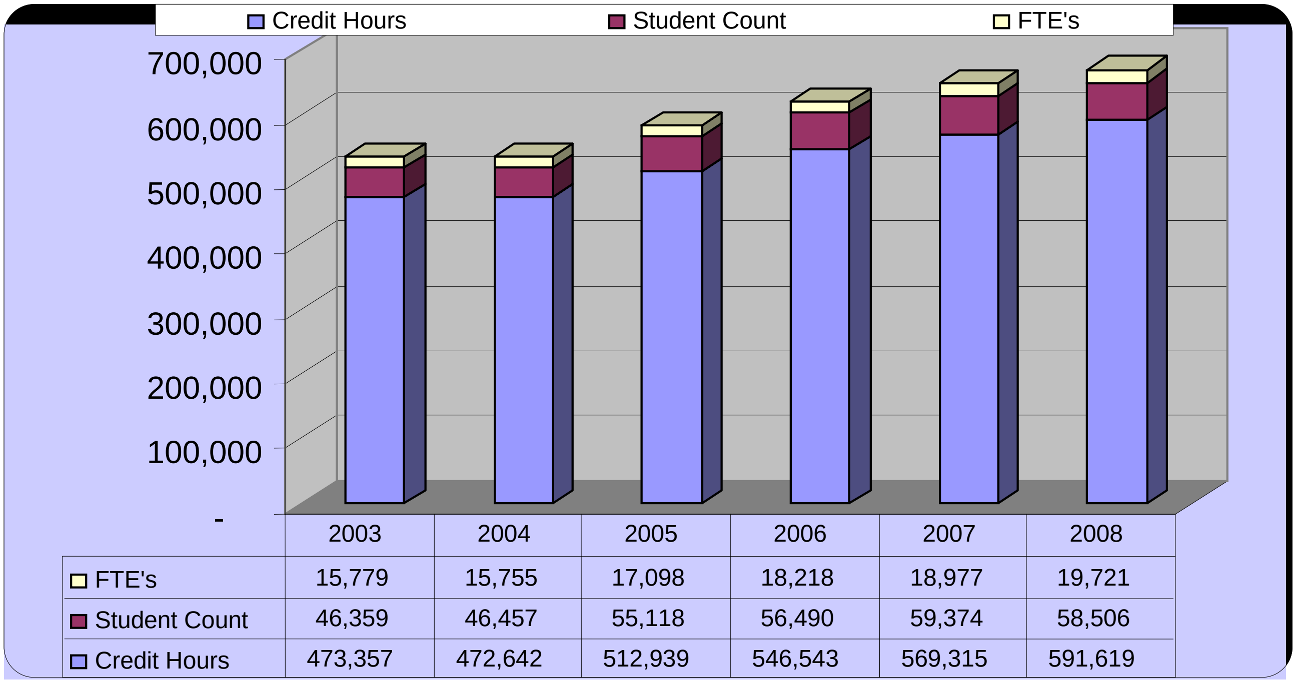
- Operating expenses increased $5.18 million or 2.23% as a result of across the board increases in all but one expense category.

	2008	2007	$ Change	% Change
Total operating revenues	$ 97,288,301	$ 88,347,092	$ 8,941,209	10.12%
Total operating expenses	$ 237,100,760	$ 231,919,653	$ 5,181,107	2.23%
Operating income (loss)	$ (139,812,459)	$ (143,572,561)	$ 3,760,102	2.62%
Non-operating activity	$ 189,242,535	$ 149,359,449	$ 39,883,086	27.70%
Increase in net assets	$ 49,430,076	$ 5,786,888	$ 43,643,188	754.17%

- Salaries and benefits were 78.11% of Educational and General total expenditures of $206,949,294. Except for Scholarships and Depreciation where there are no salary and benefit charges, salaries and benefits range from 47.33 % to 115.12 % of each functional category.

Function/ Object Class	Salaries & Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	% of Salary & Benefits
Instruction	$ 77,916,745	$ 5,974,116	$ 2,186,181				$ 1,617,113	88.85%
Academic Support	$ 21,626,176	$ 2,252,080	$ 955,428				$ 1,170,857	83.16%
Student Services	$ 20,587,783	$ 3,520,311	$ 529,154				$ 799,457	80.94%
Operation of Plant	$ 13,112,045	$ 7,181,218	$ 1,266,118		$ 5,579,652		$ 562,964	47.33%
Institutional Support	$ 28,410,662	$ 5,059,077	$ 538,565				$ (9,329,207)	115.12%
Scholarships	$ -			$ 3,831,036				0.00%
Depreciation	$ -					$ 11,601,765		0.00%
Total	$ 161,653,411	$ 23,986,802	$ 5,475,446	$ 3,831,036	$ 5,579,652	$ 11,601,765	$ (5,178,816)	78.11%
	78.11%	11.59%	2.65%	1.85%	2.70%	5.61%	-2.50%	

- Enrollment based on FTEs (full time equivalent students) increased for 2008. FTEs for 2007 were 18,977, while FTEs for 2008 were 19,721, an increase of 3.92%.

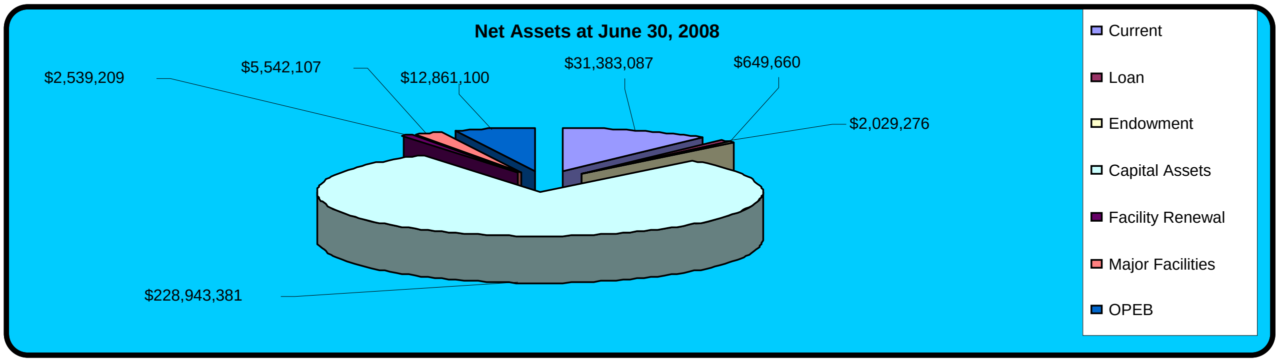


	2003	2004	2005	2006	2007	2008
FTE's	15,779	15,755	17,098	18,218	18,977	19,721
Student Count	46,359	46,457	55,118	56,490	59,374	58,506
Credit Hours	473,357	472,642	512,939	546,543	569,315	591,619

Statement of Net Assets

This Statement of Net Assets presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College using the accrual basis of accounting which is similar to the accounting methods used by most private sector institutions. Net assets measures the difference between assets and liabilities and is one way to measure the financial health of the College. A summarized comparison of the College's assets, liabilities, and net assets at June 30, 2008 and 2007 is as follows:

	2008	2007	$ Change	%Change
Current assets				
Cash & short term investments	$ 51,254,157	$ 72,751,676	$ (21,497,519)	-29.55%
Receivables	$ 20,455,269	$ 15,428,082	$ 5,027,187	32.58%
Inventory, prepaid expenses, other	$ 3,421,162	$ 1,837,711	$ 1,583,451	86.16%
Total current assets	$ 75,130,588	$ 90,017,469	$ (14,886,881)	-16.54%
Non-current assets				
Long term receivables	$ 1,841,667	$ 1,637,648	$ 204,019	12.46%
Capital assets	$ 261,073,381	$ 198,615,632	$ 62,457,749	31.45%
Other	$ 20,693,610	$ 160,888	$ 20,532,722	12762.12%
Total non-current assets	$ 283,608,658	$ 200,414,168	$ 83,194,490	41.51%
Total assets	$ 358,739,246	$ 290,431,637	$ 68,307,609	23.52%
Current liabilities				
Accounts payable & accrued liabilities	$ 29,141,110	$ 18,793,442	$ 10,347,668	55.06%
Deferred revenue	$ 4,972,835	$ 4,744,678	$ 228,157	4.81%
Compensated absences-current portion	$ 566,232	$ 480,964	$ 85,268	17.73%
Other	$ 853,771	$ 841,385	$ 12,386	1.47%
Total current liabilities	$ 35,533,948	$ 24,860,469	$ 10,673,479	42.93%
Non-current liabilities				
Compensated absences-non-current portion	$ 7,720,896	$ 7,570,679	$ 150,217	1.98%
Long term liabilities	$ 31,536,582	$ 23,482,745	$ 8,053,837	34.30%
Total non-current liabilities	$ 39,257,478	$ 31,053,424	$ 8,204,054	26.42%
Total liabilities	$ 74,791,426	$ 55,913,893	$ 18,877,533	33.76%
Net Assets				
Invested in capital assets	$ 228,943,381	$ 198,615,632	$ 30,327,749	15.27%
Restricted	$ 2,029,276	$ 1,986,805	$ 42,471	2.14%
Unrestricted	$ 52,975,163	$ 33,915,307	$ 19,059,856	56.20%
Total net assets	$ 283,947,820	$ 234,517,744	$ 49,430,076	21.08%
Total liabilities & net assets	$ 358,739,246	$ 290,431,637	$ 68,307,609	23.52%



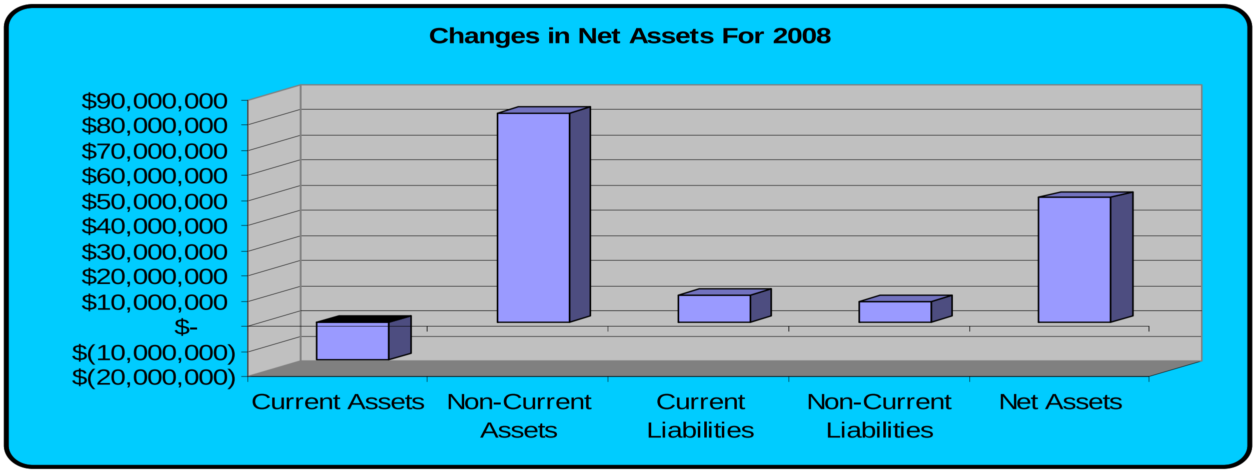
As of June 30,	2008	2007	$ Change	% Change
Assets				
Current assets	$ 75,130,588	$ 90,017,469	$ (14,886,881)	-16.54%
Non-current assets	$ 283,608,658	$ 200,414,168	$ 83,194,490	41.51%
Total assets	$ 358,739,246	$ 290,431,637	$ 68,307,609	23.52%
Liabilities and net assets				
Current liabilities	$ 35,533,948	$ 24,860,469	$ 10,673,479	42.93%
Non-current liabilities	$ 39,257,478	$ 31,053,424	$ 8,204,054	26.42%
Total liabilities	$ 74,791,426	$ 55,913,893	$ 18,877,533	33.76%
Net assets	$ 283,947,820	$ 234,517,744	$ 49,430,076	21.08%
Total liabilities and net assets	$ 358,739,246	$ 290,431,637	$ 68,307,609	23.52%

- Net current asset decreases of -16.54% consist primarily of the following items: cash and short term investments (decrease of -29.55%); student loan receivables (decrease of -42.75%); and other receivables (decrease of -11.87%).

- Non-current assets increased 41.51% on the strength of increased capital assets (increased 31.45%); and the recognition of 'Other Postemployment Benefits' (OPEB) over funding (increased 100.00%). With the current construction of new buildings for the Takoma Park/Silver Spring Campus expansion, capital assets increased $62.46 million. The College implemented GASB 45 for fiscal year 2008. Because of the funding by the College on this issue (OPEB), with the recognition of the current 'Annual Required Contribution' (ARC) equal to $4.88 million, the College was in an over-funded status for $20.58 million.

- Current liabilities increased 42.93% due mainly to increases of vendor payables and accrued liabilities of 55.06% which includes the $7.72 million of OPEB funds to be transferred to the trust account and the increase in the current portion of compensated absences of 17.73%.

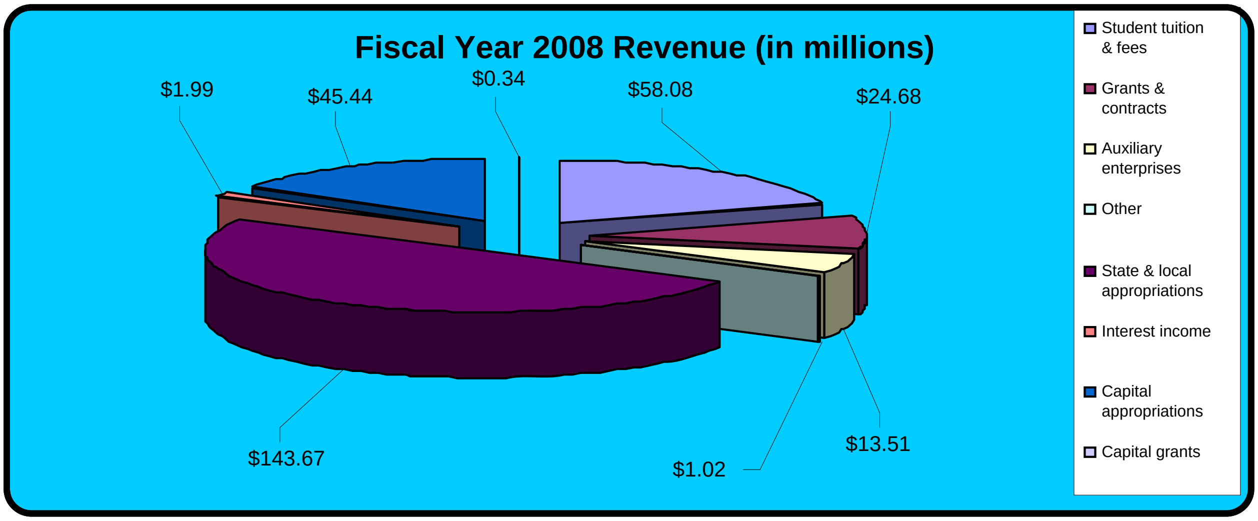
- Non-current liabilities increased 26.42% which resulted from a 34.30% or $8.05 million dollar increase in long-term liabilities resulting mainly from the recognition of a capital lease for the Cafritz Foundation Arts Center.



Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the operating results of the College, as well as the non-operating revenues and expenses. Annual County and State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles as detailed by GASB No. 35, even though these appropriated funds are used to support operating activities. A summarized comparison of the College's revenues, expenses and changes in net assets for the years ended June 30, 2008 and 2007 is presented below:

	2008	2007	$ Change	% Change
Revenues				
Operating Revenue				
Student tuition & fees	$ 58,083,353	$ 54,861,598	$ 3,221,755	5.87%
Grants & contracts	24,678,041	20,708,706	3,969,335	19.17%
Auxiliary enterprises	13,509,623	11,780,922	1,728,701	14.67%
Other operating revenues	1,017,284	995,866	21,418	2.15%
Total operating revenues	$ 97,288,301	$ 88,347,092	$ 8,941,209	10.12%
Expenses				
Operating Expenses				
Educational & general	$ 206,949,294	$ 205,720,279	$ 1,229,015	.60%
Auxiliary enterprises	12,061,179	11,375,710	685,469	6.03%
Other expenditures	9,564,052	7,632,591	1,931,461	25.31%
State retirement appropriations	8,526,235	7,191,073	1,335,162	18.57%
Total operating expenses	$ 237,100,760	$ 231,919,653	$ 5,181,107	2.23%
Operating income (loss)	$ (139,812,459)	$ (143,572,561)	$ 3,760,102	2.62%
Non-Operating revenues (expenses)				
State & local appropriations	$ 143,666,589	$ 127,421,844	$ 16,244,745	12.75%
Interest income & rebates	1,994,457	2,775,415	(780,958)	-28.50%
Interest expense	(1,497,431)	(17,588)	(1,479,843)	8413.94%
Net non-operating revenues	$ 144,163,615	$ 130,179,671	$ 13,983,944	10.74%
Income (loss) before other revenues & expenses	$ 4,351,156	$ (13,392,890)	$ 17,744,046	132.49%
Capital appropriations	45,439,650	21,284,329	24,155,321	113.49%
Capital grants, contracts & gifts	338,065	629,325	(291,260)	-46.28%
Disposals of capital assets	(698,795)	(3,029,135)	2,330,340	76.93%
Other revenue	0	295,259	(295,259)	100.00%
Total other revenues	$ 45,078,920	$ 19,179,778	$ 25,899,142	135.03%
Increase in net assets	$ 49,430,076	$ 5,786,888	$ 43,643,188	754.17%
Net assets				
Net assets-beginning of year	$ 234,517,744	$ 228,730,856	$ 5,786,888	2.53%
Net assets-end of year	$ 283,947,820	$ 234,517,744	$ 49,430,076	21.08%



- The graphic illustration above of revenue by source includes both operating and non-operating for the year ended June 30, 2008. Revenue from all sources increased $47.97 million in FY2008.

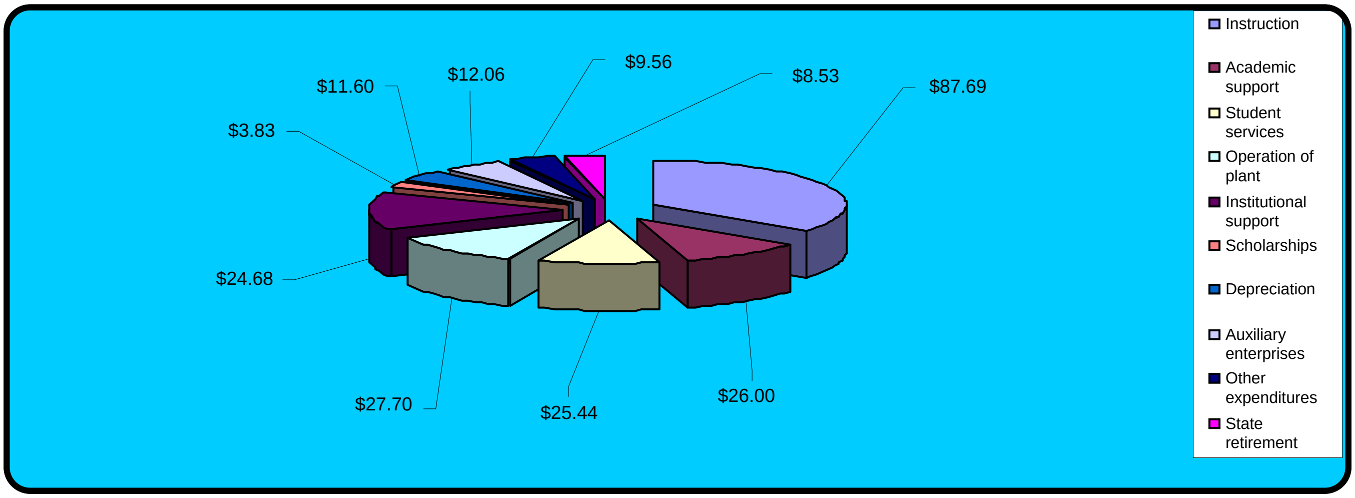
- Tuition and fees, net of scholarship allowances, makes up 20.12% of the total revenue for the College and resulted in a $3.22 million increase for FY2008.

- State and local appropriations makes up the largest contribution, 49.76%, of the total revenue and resulted in a $16.24 million increase for FY2008.

- Capital appropriations for land, building, and some equipment are also from governmental funds. This category makes up 15.74% of the total revenue and resulted in a $24.16 million increase for FY2008.

- Capital grants, contracts, and gifts are those category items where a major component of the category was for the purchase of capital assets. This category makes up .12% of the total revenue and resulted in a $291 thousand decrease in FY2008.

Operating Expenses by Functional Classification (in millions)



- Due to the current economic climate, the rate of growth for expenses for all of the functional categories continued to grow at a 2.23% overall growth rate. College operating expenditures total $237.10 million.

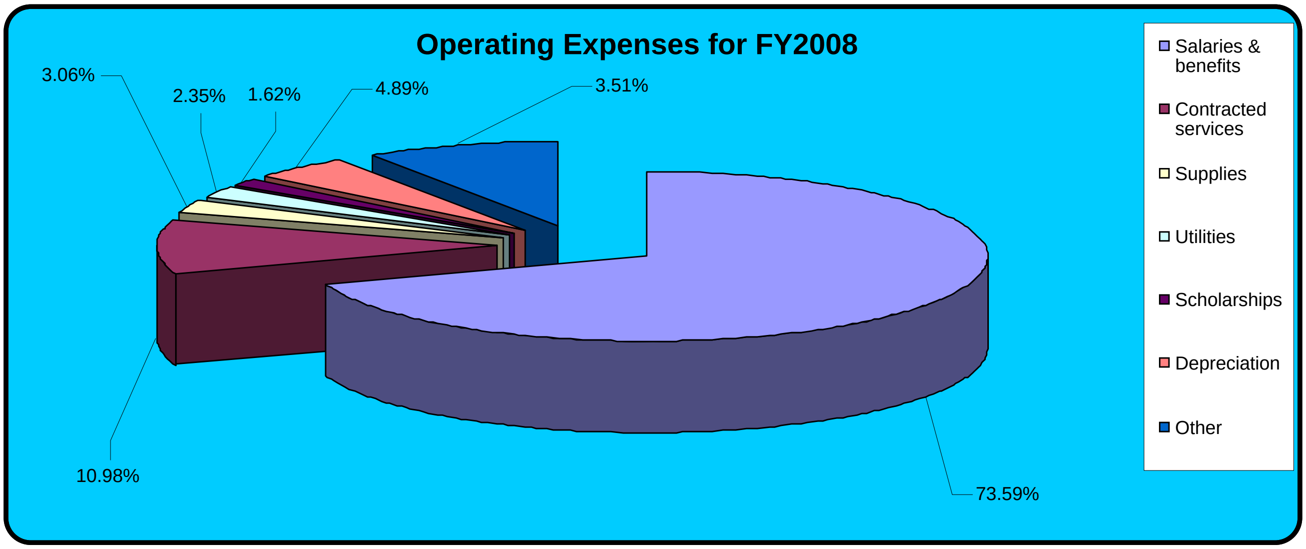
- Total College operating expenditures (Institutional support function) have been reduced in FY2008 by $12.86 million in conjunction with the implementation of GASB 45 by having a portion of the funds set aside with the implementation of FASB 106 (started July 1, 1993). During fiscal year 2008, the College had accumulated $25.46 million dollars towards the obligation resulting from the GASB 45 implementation. Of this amount $17.74 million had been transferred to an OPEB Trust Fund. The balance of $7.72 million will be transferred to the OPEB Trust during fiscal year 2009 as those investments mature (those funds are still reported within the College Statement of Net Assets). The amount transferred to the OPEB Trust Fund ($17.74 million) less the current OPEB Annual Required Contribution (ARC) amount of $4.88 million, equals the $12.86 million.

- Instructional expenditures represent 36.65% of the total College FY2008 expenses and resulted in an increase of $5.17 million of the total College increase of $4.33 million. Instructional expenditures total $87.69 million. With the reduction noted in the bulleted item above, Institutional Support function expenditures decreased $10.51 million or a decrease of 29.87% from fiscal year 2007.

- Salaries and benefits continue to be the major component of all functional categories, except scholarships, depreciation and disposals which contain no salary expenses. Salaries and benefits account for 73.59% of all College operating expenditures. College salary and benefit expenditures total $174.49 million (including State paid retirement costs). This is a $15.25 million increase over FY2007 or 9.58%.

- Scholarships and related expenses include only that portion of student aid which was paid to the student and not used to offset tuition and fees. Scholarship expenditures in the amount of $16.14 million were offset against tuition and fee income.

Operating Expenses (by natural classification)



- Salaries and benefits clearly represent the largest single operating expense, increased by additional positions and annual pay increases. Salary expenses appear throughout every functional category, except scholarships and depreciation, which do not have operating functional classifications. Total salaries and benefits increased in FY2008 by $15.25 million or 9.58% (including State paid retirement costs).

- Scholarships represent financial aid expenses less the scholarship allowance. The scholarship allowance is that portion of financial aid applied directly to tuition and fees. Net scholarships increased $.68 million or 21.43%. The scholarship allowance increased by $1.85 million which means more financial aid dollars were applied directly to the payment of tuition and fees.

- In an attempt to restrict the increases in salaries, benefits, and costs overall, some services were outsourced. Outsourced services increased $.89 million or 3.56%.

- Even with conservation efforts by the College, utility costs have increased by $432,327 or 8.40%. This was due primarily to rate increases. This increased cost also resulted from the addition of more buildings in use.

- 'Other' includes travel, communications, non-capitalized capital additions, and the College's contribution to the self-insurance fund. This category is normally higher since fiscal year 2006 when the College's threshold for capitalization of equipment significantly increased. During fiscal year 2006, that threshold was increased from a $2,500 unit cost to a $5,000 unit cost. 'Other' has been reduced by $12.86 million in fiscal year 2008 as noted in the bulleted item referencing GASB 45 implementation.

Operating Expenses Natural Classification	**FY2008 Expense**	**FY2008 % Of Total**	**FY2007 Expense**	**FY2007 % Of Total**	**Percentage Increase**
Salaries & benefits	$174,493,280	73.59%	$159,241,235	68.66%	9.58%
Contracted services	$ 26,026,200	10.98%	$ 25,131,219	10.84%	3.56%
Supplies	$ 7,251,364	3.06%	$ 7,523,688	3.24%	-3.62%
Utilities	$ 5,579,652	2.35%	$ 5,147,325	2.22%	8.40%
Scholarships	$ 3,831,036	1.62%	$ 3,154,944	1.36%	21.43%
Depreciation	$ 11,601,765	4.89%	$ 10,628,140	4.58%	9.16%
Other	$ 8,317,463	3.51%	$ 21,093,102	9.10%	-60.57%
Total	$237,100,760	100.00%	$231,919,653	100.00%	2.23%

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flow and its ability to meet obligations as they come due. This statement of cash flows represents the significant sources and uses of cash.

	2008	2007	$ Change	% Change
Cash received from operations	$ 96,874,309	$ 88,033,030	$ 8,841,279	10.04%
Cash expended from operations	$(225,930,911)	$(210,260,575)	$ (15,670,336)	7.45%
Net cash provided (used) by operating activities	$(129,056,602)	$(122,227,545)	$ (6,829,057)	5.59%
Net cash provided (used) by investing activities	$ (13,695,775)	$ 25,643,753	$ (39,339,528)	-153.41%
Cash flows from capital financing activities	$ (1,860,628)	$ 1,867,344	$ (3,727,972)	-199.64%
Net cash provided (used) by non-capital financing activities	$ 114,148,873	$ 120,138,815	$ (5,989,942)	-4.99%
Increase (decrease) in cash & cash equivalents	$ (30,464,132)	$ 25,422,367	$(55,886,499)	-219.83%
Cash & cash equivalents-beginning of year	$ 47,034,150	$ 21,611,783	$ 25,422,367	117.63%
Cash & cash equivalents-end of year	$ 16,570,018	$ 47,034,150	$ (30,464,132)	-64.77%

- The College's cash and cash equivalents decreased $55.89 million from June 30, 2007 to June 30, 2008 due to funds used in operating activities of -$6.83 million. Net cash used by non-capital financing activities increased -$5.99 million. Net cash used in investing activities decreased by - $39.34 million and cash used for capital financing activities of -$3.73 million.

	2008	2007	$ Change	%Change
Cash flows from operating activities				
Tuition and fees	$ 57,936,996	$ 54,914,914	$ 3,022,082	5.50%
Grants and contracts	$ 23,608,643	$ 20,674,047	$ 2,934,596	14.19%
Payments for E & G expenses	$(225,661,375)	$(209,886,130)	$(15,775,245)	7.52%
New loans to students, net of collections	$ (100,852)	$ (79,815)	$ (21,037)	-26.36%
Auxiliary enterprises	$ 13,509,623	$ 11,780,922	$ 1,728,701	14.67%
Other receipts	$ 1,650,363	$ 368,517	$ 1,281,846	347.84%
Net cash provided (used) by operating activities	$(129,056,602)	$(122,227,545)	$ (6,829,057)	5.59%
Cash flows from non-capital financing activities				
State and local appropriations	$ 134,718,446	$ 120,063,928	$ 14,654,518	12.21%
OPEB trust	$ (20,581,959)	$ 0	$ (20,581,959)	100.00%
Student organization agency transactions, net	$ 12,386	$ 74,887	$ (62,501)	-83.46%
Net cash provided (used) by non-capital financing activities	$ 114,148,873	$ 120,138,815	$ (5,989,942)	-4.99%
Cash flows from capital financing activities				
Capital appropriations & grants	$ 42,265,111	$ 18,016,408	$ 24,248,703	134.59%
Purchase of capital assets	$ (42,628,308)	$ (16,131,476)	$ (26,496,832)	164.26%
Interest expense	$ (1,497,431)	$ (17,588)	$ (1,479,843)	8413.94%
Net cash provided (used) by capital financing activities	$ (1,860,628)	$ 1,867,344	$ (3,727,972)	-199.64%
Cash flows from investing activities				
Net investment purchases & maturities	$ (16,657,471)	$ 21,748,439	$ (38,405,910)	-176.59%
Interest income from investments	$ 2,961,696	$ 3,895,314	$ (933,618)	-23.97%
Net cash provided (used) by investing activities	$ (13,695,775)	$ 25,643,753	$ (39,339,528)	-153.41%
Increase (decrease) in cash & cash equivalents	$ (30,464,132)	$ 25,422,367	$ (55,886,499)	-219.83%
Cash & cash equivalents-beginning of year	$ 47,034,150	$ 21,611,783	$ 25,422,367	117.63%
Cash & cash equivalents-end of year	$ 16,570,018	$ 47,034,150	$ (30,464,132)	-64.77%

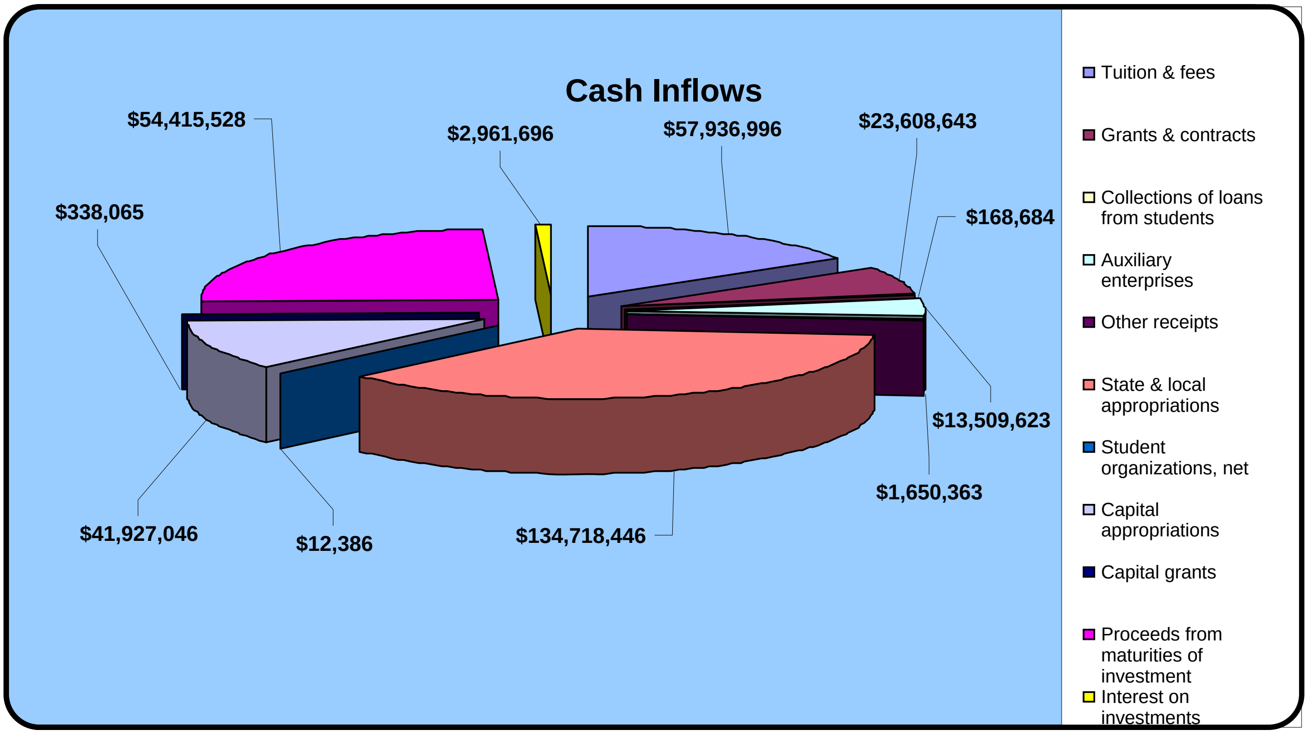
- The primary source of cash receipts from operating activities consists of tuition and fees, which were 17.49% of total cash receipts; auxiliary enterprises, which were 4.08% of total cash receipts; and grants and contracts, which were 7.13% of total cash receipts.

- State and local appropriations are the primary sources of non-capital financing at 40.67% of total cash receipts. Accounting standards require that this source of revenue be non-operating even though the College depends on this source to continue its current level of operations.

- The main activity included in 'Capital appropriations and grants' is the College's continued renovation and construction of new buildings, which makes up 12.76% of total cash receipts.

- Investment activities for fiscal year 2008 resulted with year-end securities in the College's portfolio which were 90 days or greater in length of maturity. Investment securities in the amount of $54,415,528 matured during fiscal year 2008. This was 16.43% of the total cash receipts.

Investing Activities Summary	2008	2007	$ Change	% Change
Investment securities purchased	$ (71,072,999)	$ (86,357,684)	$ 15,284,685	-17.70%
Investment securities matured	$ 54,415,528	$ 108,106,123	$(53,690,595)	-49.66%
Interest earned on investments	$ 2,961,696	$ 3,895,314	$ (933,618)	-23.97%
Cash provided (used) by investing activities	$ (13,695,775)	$ 25,643,753	$ (39,339,528)	-153.41%

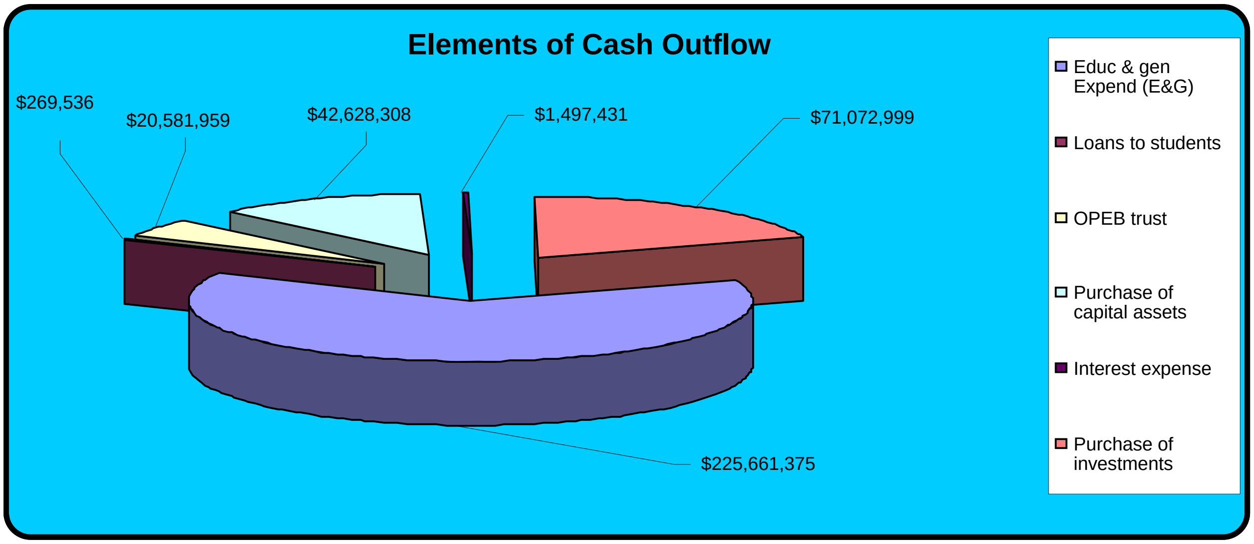


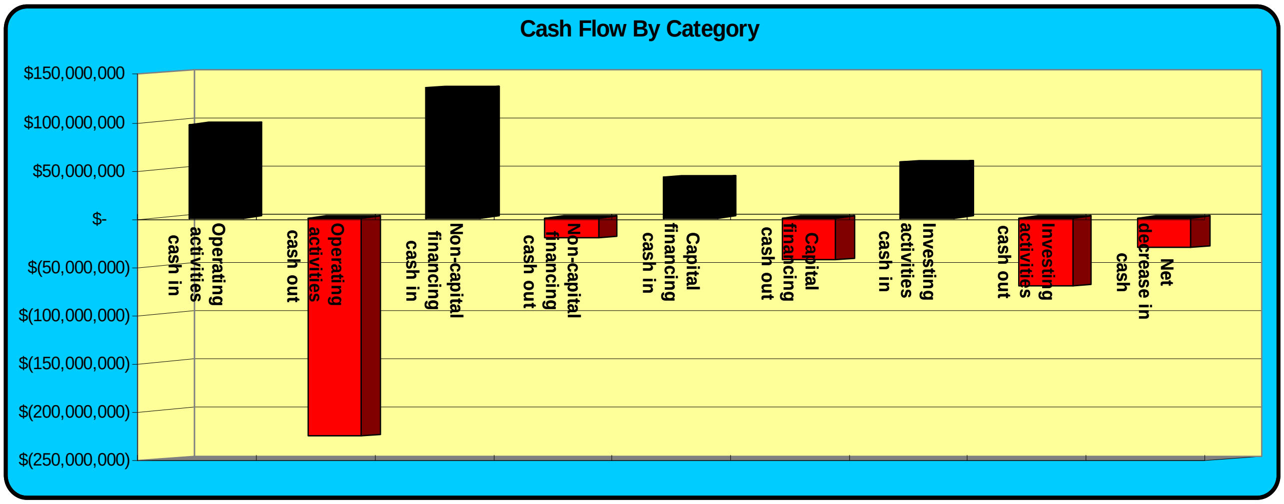
- Major elements of cash outlay consist of education and general expenses, which were 62.39% of the total fiscal year 2008 cash outlay. Salaries and benefits account for the major portion of this element.

- Purchases of capital assets, consisting of land, building construction and renovation, equipment and library books, is 11.79% of the fiscal year 2008 cash outlay.

- Purchases of investment securities in the amount of $71,072,999, greater than 90 days to maturity at time of purchase, were 19.65% of the fiscal year 2008 cash outlay.

During fiscal year 2005, the College implemented GASB 40, *Deposit and Investment Risk Disclosures*. This statement establishes and modifies disclosure requirements related to investment and deposit risks (see financial statement note number 3).





- In summary, cash operating activities for fiscal year 2008 over 2007 decreased a net of $6.83 million or -5.59%. Capital cash activities decreased a net of $3.73 million, while net investment activities decreased $39.34 million over fiscal year 2007. This activity plus a decrease of $5.99 million in non capital cash for 2008 resulted in a net overall decrease for fiscal year 2008 over 2007 of $55.89 million.

Economic Factors That Will Affect the Future

Listed below are significant challenges that will impact the future of Montgomery College:

- While the economy has 'slowed' in growth over the previous fiscal years, closely managed fiscal responsibility with the expenditure of College resources is now more critical. The financial condition of the College is closely tied to that of the County and State governments. The County and State governments provide vital resources to the College's Operating Budget as noted in the statement of cash flows at $134.72 million. Therefore, the level of State and Local support, compensation increases, and student tuition and fee increases will impact the College's ability to expand programs, undertake new initiatives, and meet core mission and on-going operational needs.
- A growing and diverse public school populace that increasingly looks to Montgomery College for its education will also make demands on our resources unlike any we have seen in the past. New programs are being developed with local and grant resources to prepare the diverse public school population for College entry.
- Major new adult education and literacy programs which started in fiscal year 2006 continued this fiscal year with Federal and State grant resources, as well as local financial assistance.
- The need to continue to address priority needs and requirements for deferred maintenance, new technology, repairs and maintenance, equipment replacement, and new construction projects are also a major challenge facing the College in the years to come.
- In July 2001, the College purchased the Giant Bakery site for $6 million. In November 2002, the College prepared a Request for Proposal which dealt with the redevelopment of the property. In October 2005, the Montgomery County Revenue Authority issued Series 2005 "A" bonds with a total face value of $33,000,000 for the redevelopment of this property. Because the College cannot borrow money, the College has reached an agreement with the Foundation to lease the property. The semi-annual lease payments from the College to the Foundation are calculated to be at least equal to scheduled debt service on the bonds. The redevelopment of this site was completed in September 2007. This building was opened for the fall 2007 session for the combined art programs of the Takoma Park/Silver Spring Campus and The School of Art and Design thereby activating capital lease payments in fiscal year 2008. These capital lease payments run through fiscal year 2030.
- In February 2003, the College purchased a 20-acre site adjacent to the current Germantown Campus for $6 million. Plans call for this 20-acre site plus 20 acres existing within the Germantown Campus to support the development of a 40 acre Life Sciences and Technology Park. In January 2004, the College issued a Request for Proposal for an 'at-risk developer' to construct and operate the Montgomery College Life Sciences and Technology Park. In fiscal year 2006, a developer was selected and plans are being developed to proceed with the Science and Technology Park. In addition to the developed park, College plans call for the construction of a 126,900 square foot Bioscience Education Center for approximately $68.4 million. $3.4 million of planning and design funds for this building were included in the College's FY2007 Capital Budget with an additional $6.1 million included in the FY2009 Capital Budget.

- In June 2006, the Board authorized the President to negotiate and execute documents required to lease, with an option to purchase, the property and the 67,619 square foot building adjacent to the Germantown Campus on Goldenrod Lane. This building will open on October 20, 2008. Initial plans call for the County to lease the second floor of this building for an interim Technology Incubator. The second floor of this building will be called 'The Germantown Innovation Center' and is the County's fifth incubator facility. 'The Germantown Innovation Center' features wet labs, clean rooms, and offices designed for start-up companies specializing in biotechnology, science, and engineering. This building highlights an expanding partnership between Montgomery County and Montgomery College. $4.6 million of Capital Budget funds were budgeted in the fiscal year 2007 for building renovations of the first floor which will be for College use and called the 'Goldenrod Academic Center' and includes new 'smart' classrooms, computer labs, faculty and administrative space.
- In January 2004, a new 98,000 square foot Health Sciences Center was opened for classes at the Takoma Park/Silver Spring Campus. In addition, a new 99,600 square foot Student Services Center was constructed at the Takoma Park/Silver Spring Campus and opened in June of 2006.
- In February 2005, contracts for architectural and engineering services were approved for a 45,050 gross square foot Cultural Arts Center at the Takoma Park/Silver Spring Campus. On January 16, 2007, the Montgomery College Board of Trustees awarded contracts for $24.4 million for construction of this facility.
- $6.2 million in design funds have been approved for a new 135,000 square foot Rockville Campus Science Center. $59 million were approved in the FY2009 Capital Budget for the construction of the building.
- Future plans call for a new parking garage on each of three college sites. The first of these new parking garages will be at the Takoma Park/Silver Spring Campus and preliminary plans call for bid openings in the fall of 2008.
- Renovation funds totaling $8.8 million were included in the College's approved FY2007 and FY2008 Capital Budget (with cumulative appropriations totaling $252.4 million for all Capital Budget projects) for the Commons Building at the Takoma Park/Silver Spring Campus. The FY2009 Capital budget included new appropriations of $102.19 million for capital improvement programs (with cumulative appropriations totaling $233.53 million).
- With the addition of these new buildings and other activities, added financial demands will be made on the operating budget to pay for increased staffing, utilities, and operating costs to maintain the operating conditions of the buildings.
- The Sarbanes-Oxley Act of 2002, which was signed into law on July 30, 2002, subjects public companies in the United States to additional governance and other requirements. While non-profit entities such as Montgomery College are not subject to this legislation, the College's Board of Trustees and senior management determined that it is in the best interest of the College to comply voluntarily with key provisions of the Act because these provisions make sense and are likely to be viewed as "best practices". The key provisions adopted by the College address external auditor independence, the Audit Committee role and responsibility, College leadership prohibitions in the audit process, prohibitions governing records destruction or alteration, and annual audited financial statement certifications. These practices were the most relevant for the College to adopt, and as our Board of Trustees indicated, comply with the "spirit of the Act".

The College is fiscally responsible and is always vigilant about the factors, both external and internal, that have the potential to impact its ability to conduct its financial business and fulfill its mission. With the help of our public and private partners, and through the extraordinary talent of our faculty and staff, we resolve to meet these challenges so the College will continue to move forward.

FINANCIAL STATEMENTS

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
Current assets			
Cash and cash equivalents	$ 16,570,018	$ 4,730,594	$ 21,300,612
Short-term investments	34,684,139	334,853	35,018,992
CIP receivable	11,268,115	-	11,268,115
Student accounts receivable	3,424,347	-	3,424,347
Student loans receivable	168,675	-	168,675
Grants and contracts receivable	1,971,135	-	1,971,135
Governmental appropriations receivable	1,950,127	-	1,950,127
Pledges receivable	-	2,039,150	2,039,150
Other receivables	1,672,870	-	1,672,870
Inventory	1,683,043	-	1,683,043
Other assets	-	77,522	77,522
Prepaid expenses	1,738,119	91,138	1,829,257
Total current assets	75,130,588	7,273,257	82,403,845
Non-current assets			
Student loans, net	1,841,667	-	1,841,667
Pledges receivable	-	1,929,703	1,929,703
Deposits	111,651	-	111,651
Investments	-	16,988,514	16,988,514
Assets held in charitable remainder trusts	-	707,961	707,961
OPEB asset value	20,581,959	-	20,581,959
Capital assets - net	261,073,381	37,772,025	298,845,406
Total non-current assets	283,608,658	57,398,203	341,006,861
TOTAL ASSETS	$ 358,739,246	$ 64,671,460	$ 423,410,706
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 29,141,110	$ 716,350	$ 29,857,460
Compensated absences	566,232	-	566,232
Deferred revenue	4,972,835	36,300	5,009,135
Due to other organizations	853,771	-	853,771
Total current liabilities	35,533,948	752,650	36,286,598
Non-current liabilities			
Compensated absences	7,720,896	-	7,720,896
Long-term liabilities	31,536,582	33,174,258	64,710,840
Annuities payable from charitable remainder trusts	-	1,170,938	1,170,938
Total non-current liabilities	39,257,478	34,345,196	73,602,674
TOTAL LIABILITIES	74,791,426	35,097,846	109,889,272
NET ASSETS			
Invested in capital assets - net of related debt	228,943,381	-	228,943,381
Restricted for			
Nonexpendable			
Endowment principal	-	13,198,479	13,198,479
Annuity principal	-	42,604	42,604
Expendable	-	-	-
Student loan programs	2,029,276	-	2,029,276
Scholarships	-	2,911,654	2,911,654
Capital projects	-	-	-
Designated programs	-	4,548,321	4,548,321
Other	-	-	-
Unrestricted	52,975,163	8,872,556	61,847,719
TOTAL NET ASSETS	283,947,820	29,573,614	313,521,434
TOTAL LIABILITIES AND NET ASSETS	$ 358,739,246	$ 64,671,460	$ 423,410,706

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
Current assets			
Cash and cash equivalents	$ 47,034,150	$ 9,788,746	$ 56,822,896
Short-term investments	25,717,526	1,482,418	27,199,944
CIP receivable	7,755,511	-	7,755,511
Student accounts receivable	3,049,834	-	3,049,834
Student loans receivable	294,630	-	294,630
Grants and contracts receivable	901,737	-	901,737
Governmental appropriations receivable	1,528,219	-	1,528,219
Pledges receivable	-	1,712,933	1,712,933
Other receivables	1,898,151	4,629	1,902,780
Inventory	1,401,526	3,999	1,405,525
Other assets	-	51,755	51,755
Prepaid expenses	436,185	119,800	555,985
Total current assets	90,017,469	13,164,280	103,181,749
Non-current assets			
Student loans, net	1,637,648	-	1,637,648
Pledges receivable	-	3,025,112	3,025,112
Deposits	160,888	-	160,888
Investments	-	17,580,568	17,580,568
Assets held in charitable remainder trusts	-	941,309	941,309
Capital assets - net	198,615,632	39,021,198	237,636,830
Total non-current assets	200,414,168	60,568,187	260,982,355
TOTAL ASSETS	$ 290,431,637	$ 73,732,467	$ 364,164,104
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 18,793,442	$ 5,425,940	$ 24,219,382
Compensated absences	480,964	-	480,964
Deferred revenue	4,744,678	46,940	4,791,618
Due to other organizations	841,385	-	841,385
Total current liabilities	24,860,469	5,472,880	30,333,349
Non-current liabilities			
Compensated absences	7,570,679	-	7,570,679
Long-term liabilities	23,482,745	34,210,712	57,693,457
Annuities payable from charitable remainder trusts	-	1,046,097	1,046,097
Total non-current liabilities	31,053,424	35,256,809	66,310,233
TOTAL LIABILITIES	55,913,893	40,729,689	96,643,582
NET ASSETS			
Invested in capital assets - net of related debt	198,615,632	-	198,615,632
Restricted for			
Nonexpendable			
Endowment principal	-	11,085,328	11,085,328
Annuity principal	-	77,456	77,456
Expendable			
Student loan programs	1,986,805	-	1,986,805
Scholarships	-	3,560,927	3,560,927
Capital projects	-	2,521,680	2,521,680
Designated programs	-	2,285,617	2,285,617
Other	-	5,794,576	5,794,576
Unrestricted	33,915,307	7,677,194	41,592,501
TOTAL NET ASSETS	234,517,744	33,002,778	267,520,522
TOTAL LIABILITIES AND NET ASSETS	$ 290,431,637	$ 73,732,467	$ 364,164,104

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues			
Student tuition and fees, net of scholarship allowance of $16,139,107	$ 58,083,353	$ -	$ 58,083,353
Federal grants and contracts	17,035,113	-	17,035,113
State grants and contracts	3,918,546	-	3,918,546
Local grants and contracts	3,724,382	-	3,724,382
Nongovernmental grants and contracts	-	-	-
Gifts and contributions	-	1,653,719	1,653,719
Auxiliary enterprises	13,509,623	-	13,509,623
Other operating revenues	1,017,284	205,858	1,223,142
Total operating revenues	97,288,301	1,859,577	99,147,878
Operating expenses			
Educational and general			
Instruction	87,694,155	-	87,694,155
Academic support	26,004,541	-	26,004,541
Student services	25,436,705	210,166	25,646,871
Operation of plant	27,701,997	-	27,701,997
Institutional support	24,679,095	-	24,679,095
Scholarships and related expenses	3,831,036	1,090,262	4,921,298
Depreciation expense	11,601,765	-	11,601,765
Student and faculty support	-	3,656,069	3,656,069
Administrative and resource development	-	539,386	539,386
Auxiliary enterprises	12,061,179	-	12,061,179
Other expenditures	9,564,052	-	9,564,052
State retirement appropriations	8,526,235	-	8,526,235
Total operating expenses	237,100,760	5,495,883	242,596,643
OPERATING INCOME (LOSS)	(139,812,459)	(3,636,306)	(143,448,765)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	143,666,589	-	143,666,589
Investment and interest income	1,994,457	(144,538)	1,849,919
Interest expense	(1,497,431)	(1,476,616)	(2,974,047)
NON-OPERATING REVENUES	144,163,615	(1,621,154)	142,542,461
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	4,351,156	(5,257,460)	(906,304)
Capital appropriations	45,439,650	-	45,439,650
Capital grants, contracts and gifts	338,065	-	338,065
Additions to permanent endowments	-	1,828,296	1,828,296
Disposal of capital assets	(698,795)	-	(698,795)
Other revenue	-	-	-
INCREASE (DECREASE) IN NET ASSETS	49,430,076	(3,429,164)	46,000,912
NET ASSETS AT BEGINNING OF YEAR	234,517,744	33,002,778	267,520,522
NET ASSETS AT END OF YEAR	$ 283,947,820	$ 29,573,614	$ 313,521,434

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues			
Student tuition and fees, net of scholarship allowance of $14,351,003	$ 54,861,598	$ -	$ 54,861,598
Federal grants and contracts	14,914,083	-	14,914,083
State grants and contracts	2,933,061	-	2,933,061
Local grants and contracts	862,067	-	862,067
Nongovernmental grants and contracts	1,999,495	-	1,999,495
Gifts and contributions	-	5,507,243	5,507,243
Auxiliary enterprises	11,780,922	-	11,780,922
Other operating revenues	995,866	273,448	1,269,314
Total operating revenues	88,347,092	5,780,691	94,127,783
Operating expenses			
Educational and general			
Instruction	82,525,372	-	82,525,372
Academic support	24,828,449	-	24,828,449
Student services	24,756,690	37,377	24,794,067
Operation of plant	25,118,536	-	25,118,536
Institutional support	35,188,405	-	35,188,405
Scholarships and related expenses	2,674,687	998,408	3,673,095
Depreciation expense	10,628,140	-	10,628,140
Student and faculty support	-	946,069	946,069
Administrative and resource development	-	502,458	502,458
Auxiliary enterprises	11,375,710	-	11,375,710
Other expenditures	7,632,591	-	7,632,591
State retirement appropriations	7,191,073	-	7,191,073
Total operating expenses	231,919,653	2,484,312	234,403,965
OPERATING INCOME (LOSS)	(143,572,561)	3,296,379	(140,276,182)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	127,421,844	-	127,421,844
Investment and interest income	2,775,415	3,602,392	6,377,807
Interest expense	(17,588)	-	(17,588)
NON-OPERATING REVENUES	130,179,671	3,602,392	133,782,063
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(13,392,890)	6,898,771	(6,494,119)
Capital appropriations	21,284,329	-	21,284,329
Capital grants, contracts and gifts	629,325	-	629,325
Additions to permanent endowments	-	2,529,373	2,529,373
Disposal of capital assets	(3,029,135)	-	(3,029,135)
Other revenue	295,259	-	295,259
INCREASE IN NET ASSETS	5,786,888	9,428,144	15,215,032
NET ASSETS AT BEGINNING OF YEAR	228,730,856	23,574,634	252,305,490
NET ASSETS AT END OF YEAR	$ 234,517,744	$ 33,002,778	$ 267,520,522

MONTGOMERY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 57,936,996	$ 54,914,914
Grants and contracts	23,608,643	20,674,047
Payments to suppliers	(14,364,114)	(13,176,765)
Payments for utilities	(4,626,264)	(5,147,325)
Payments to employees	(136,192,483)	(127,832,838)
Payments for benefits	(27,412,943)	(23,425,728)
Payments for scholarships	(3,831,036)	(2,674,686)
Payments for contracted services	(21,508,579)	(21,727,507)
Payments for non-capitalized equipment	(10,687,410)	(5,621,094)
Payments for other services	(7,038,546)	(10,280,187)
Loans issued to students	(269,536)	(374,445)
Collection of loans from students	168,684	294,630
Auxiliary enterprises	13,509,623	11,780,922
Other receipts	1,650,363	368,517
Net cash used by operating activities	(129,056,602)	(122,227,545)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State and local appropriations	134,718,446	120,063,928
OPEB Trust	(20,581,959)	-
Federal Family Education Loans lending receipts	6,376,724	4,853,892
Federal Family Education Loans lending disbursements	(6,376,724)	(4,853,892)
Student organization agency transactions - net	12,386	74,887
Net cash provided by non-capital financing activities	114,148,873	120,138,815
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	41,927,046	17,387,083
Capital grants	338,065	629,325
Purchase of capital assets	(42,628,308)	(16,131,476)
Interest	(1,497,431)	(17,588)
Net cash provided by capital and related financing activities	(1,860,628)	1,867,344
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	54,415,528	108,106,123
Interest on investments	2,961,696	3,895,314
Purchase of investments	(71,072,999)	(86,357,684)
Net cash provided (used) by investing activities	(13,695,775)	25,643,753
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(30,464,132)	25,422,367
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	47,034,150	21,611,783
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 16,570,018	$ 47,034,150
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (139,812,459)	$ (143,572,561)
Adjustment to reconcile operating loss to net cash from (used by) operating activities		
Depreciation expense	11,601,765	10,628,140
Governmental non-exchange	8,526,235	7,191,073
OPEB benefit cost	(4,877,660)	-
(Increase) decrease in assets:		
Receivables - net	(1,169,403)	(447,922)
Inventory	(281,517)	(201,215)
Loans to students - net	(100,852)	(75,680)
Other assets	(1,301,933)	(45,569)
Increase (decrease) in liabilities:		
Accounts payable	(2,104,420)	4,154,218
Deferred revenue	228,158	(160,770)
Compensated absences	235,484	302,741
NET CASH USED BY OPERATING ACTIVITIES	$ (129,056,602)	$ (122,227,545)

NOTE 1: REPORTING ENTITY (MC & MCF)

Reporting Entity

Montgomery College (the College or MC) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State).

The College is governed by a ten member Board of Trustees, nine of whom are appointed for six-year terms by the Governor of Maryland with the advice and consent of the State Senate, and one of whom is a student appointed by the Governor to serve a one-year term.

The College's budget is subject to approval by the Montgomery County Council (the County). The Annotated Code of Maryland states that 'in order for a board (College) to receive an increase in the State share of support, the County share, in the aggregate, that supports the community college shall be equal to or exceed the aggregate amount of operating fund appropriations made to the board by the County in the previous fiscal year'. State funding is based on enrolled eligible full-time equivalent students (marginal cost component) and a fixed cost component (see Note 13 for additional information on State and County funding).

Montgomery College Foundation (the Foundation or MCF) is a legally separate, tax-exempt organization established to enhance the College's mission through fund-raising that benefits the College and its programs. The twenty-two member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the years ending June 30, 2008 and 2007, the Foundation distributed $3,476,274 and $2,400,390, respectively, to the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained by writing to the Financial Director, Montgomery College Foundation, Inc., 900 Hungerford Drive, Rockville, MD 20850.

Although the College is not a County agency, as a result of the College's relationship with the County, the College's financial statements are considered component unit statements and are properly included in the Comprehensive Annual Financial Report of the County, in accordance with generally accepted accounting principles. Transactions with the County relate primarily to appropriations for operations and capital improvements.

As detailed in Note 18, the College implemented both GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (MC & MCF)

In June 1999, The Governmental Accounting Standards Board (GASB) approved GASB No. 34, entitled *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*; followed by GASB No. 35, entitled *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

GASB Statement No. 34 identified three types of special-purpose governments (SPG): 1) those engaged only in governmental activities, 2) those engaged only in business-type activities, and 3) those engaged in both governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities, on the other hand, are financed in whole or in part by fees charged to external parties for goods and services. Given the importance of tuition, fees and other exchange-type transactions in financing higher education, the College adopted the financial reporting model required of SPG's engaged in business-type activities (BTA). Colleges reporting as BTA's follow GASB standards applicable to proprietary (enterprise) funds. Prior to June 30, 2002, while following the AICPA report model, the financial statements of the College were issued as a fund-type financial statement. The BTA model requires the following financial statement components:

- Management's Discussion and Analysis
- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal contractual obligation to pay. The statements are intended to report the public institution as an economic unit that includes all measurable assets and liabilities, financial and capital, of the institution. The College's financial statements are prepared using the format of a special-purpose government engaged only in business-type activities with an economic resources measurement focus and the accrual basis of accounting.

The statement of revenues, expenses, and changes in net assets for special-purpose governments engaged in business-type activities (BTA) requires an operating/nonoperating format to be used. The College has elected to report its operating expenses by functional classification. The statement of cash flows is presented as the direct method which depicts cash flows from operating activities and a reconciliation of operating cash flows to operating income.

Colleges engaged in business-type activities (BTA) and reporting as BTAs follow GASB standards applicable to proprietary (enterprise) funds. GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended by GASB Statement No. 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities* permits such entities to apply all those Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 that are developed for business enterprises except for those that conflict with or contradict GASB pronouncements. The College has elected not to implement FASB pronouncements issued after that date for any proprietary fund type activity.

One of the primary purposes of financial reporting is to account for resources received and used, as well as accounted for and reported. In certain situations, both restricted and unrestricted net assets may be available to cover an expense incurred. In those few cases, as long as the expense meets all of the requirements of the restricted net assets, restricted resources would be applied first.

The College's tuition and fees revenue is reported net of any scholarship allowance. A scholarship allowance is defined as the difference between the stated charge for tuition, goods, and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The scholarship allowance represents the amount of dollars the College receives as tuition from outside resources such as the Title IV Federal Grant Program, restricted grants, and the College's own Board of Trustees grants. Funds received for tuition costs from outside resources are reported in the appropriate revenue classification. Certain aid such as loans and third party payments are credited to the student's account as if the student made the payment. For fiscal year 2008 and 2007, the College netted student aid expense in the amount of $16,615,469 and $14,765,813 against tuition revenue of $16,139,107 and $14,351,003 and auxiliary enterprises revenue of $476,362 and $414,810, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

	Ledger Balance	Less Federal Title IV	Less College Grants	Less Tuition Waivers	Reported Amount
Scholarship Allowance for FY 2008					
Revenue					
Tuition and fees	$ 74,222,460	$ (10,909,059)	$ (3,872,781)	$ (1,357,267)	$ 58,083,353
Auxiliary enterprises	$ 13,985,985	$ (476,362)	$ -	$ -	$ 13,509,623
Expenses					
Student aid	$ 20,446,505	$ (11,385,421)	$ (3,872,781)	$ (1,357,267)	$ 3,831,036
Scholarship Allowance for FY 2007					
Revenue					
Tuition and fees	$ 69,212,601	$ (9,394,108)	$ (3,738,582)	$ (1,218,313)	$ 54,861,598
Auxiliary enterprises	$ 12,195,732	$ (414,810)	$ -	$ -	$ 11,780,922
Expenses					
Student aid	$ 17,440,500	$ (9,808,918)	$ (3,738,582)	$ (1,218,313)	$ 2,674,687

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Limited presentation modifications have been made to the Foundation's financial statement format included in the College's financial statements.

Federal Financial Assistance Programs (MC)

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Perkins Loan programs. Federal programs are audited in accordance with the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the Compliance Supplement.

Operating and Non-Operating Components (MC & MCF)

Financial statement operating components include all transactions and other events that are not defined as capital and related financing, noncapital financing or investing activities. The College's principle ongoing operations determine operating flow activities. Ongoing operations of the College include, but are not limited to, providing intellectual, cultural and social services through two-year associate degree programs, continuing education programs and continuous learning programs. Operating revenues of the College consists of tuition and fees, grants and contracts, and auxiliary enterprises revenues.

Financial statement non-operating components include transactions and other events that are defined as non-capital financing activities, capital financing activities, and investing activities. Non-capital financing activities include borrowing money for purposes other than to acquire, construct or improve capital assets and repaying those amounts borrowed, including interest. Also included are certain interfund and intergovernmental receipts and payments such as state appropriations, Federal Family Education loans, and student organization agency transactions. Capital financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit. Investing activities includes acquiring and disposing of debt or equity instruments.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Encumbrances (MC)

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials and services not received during the year. Encumbrances at year-end were approximately $46,519,427, which represents the estimated amount of expense ultimately to result if unperformed obligations are completed. Encumbrances outstanding at June 30, 2008 do not constitute expenses or liabilities and are not reflected in these financial statements.

Net Assets (MC)

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance". Net assets are classified according to external restrictions or availability of assets for satisfaction of College obligations. Restricted net assets are reported as either expendable or nonexpendable. The unrestricted net assets for the years ended June 30, 2008 and 2007 consisted of the following:

	2008	2007
Reserve for encumbrances	$ 10,716,284	$ 8,563,485
Reserve for emergency repairs and maintenance	437,984	442,966
Reserve for major facility projects	8,081,316	9,848,040
Reserve for OPEB contribution	12,861,101	-
Quasi-endowment	649,660	672,029
Other purposes	20,228,818	14,388,787
	$ 52,975,163	$ 33,915,307

Expenditures of quasi-endowment funds require approval by the Board of Trustees.

Net Assets (MCF)

Net assets, which result from contributions or other inflows of assets from donors, are reported as unrestricted or restricted based on stipulations of the donor. Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations on their use. Temporarily restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. Permanently restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the Foundation.

Temporarily restricted net assets of $7,465,975 and $14,162,800 as of June 30, 2008 and 2007, respectively, consisted of funds restricted for scholarship purposes and other specified programs. Net assets released from restrictions were funds restricted for scholarship purposes and other specified programs whose restrictions were satisfied. Permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support the general obligations of the Foundation and to provide scholarships.

Restricted Net Assets - Expendable and Nonexpendable (MC)

The College's restricted net assets have constraints placed upon them either: (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As such, GASB No. 34 requires the College's restricted net assets to be delineated on the financials as either expendable or nonexpendable. Nonexpendable net assets are required to be maintained in perpetuity. Expendable net assets, for which there are externally imposed constraints, are obligated or expended within the condition(s) of the constraints.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents (MC & MCF)

Cash equivalents are items that are readily convertible to cash while carrying an insignificant risk of change in value. Cash equivalents have original maturities at date of purchase of three months or less. Short-term investments with original maturities of less than 90 days have been included as cash and cash equivalents and consist of banker's acceptances, U.S. government agency and sponsored instruments and the Maryland Local Government Investment Pool. All such short-term investments are carried at amortized cost.

Current and Non-Current (MC & MCF)

Current asset is used to designate cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or consumed during a normal operating cycle of business, usually one year or less, without interfering with the normal business operation. They can consist of cash, inventories, accounts receivable, notes receivable, marketable securities, and prepaid expenses which meet the conditions stated above. Current liabilities are defined as obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. Other assets and liabilities which extend past the one year period are classified as non-current.

Inventories (MC)

Inventories, consisting principally of bookstore merchandise and supplies, are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market. The cost is recorded as an expense as the inventory is consumed.

Deferred Revenue (MC)

Tuition and fee revenues received and related to the period after June 30, 2008 have been deferred.

Investment in Capital Assets (MC)

Capital assets are long-lived tangible assets which includes real property (land and buildings) and personal property (equipment, library books, art works). This class of assets will benefit future periods as an asset rather than being treated as an expense in the period that the expenditure occurs. Capital assets are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and other tangible assets that have initial useful lives extending beyond a single reporting period. Normally, a dollar threshold is established for each item in this class prior to being classified as a capital asset. Prior to fiscal year 2006 this threshold was $2,500. Effective for fiscal year 2006, this threshold was increased by a change in College policy to $5,000, with the implementation of a new integrated fixed asset system which captures capital assets in the payment process. The College has elected to depreciate the capital assets under $5,000 in the old system in lieu of a significant purge and disposal of prior assets with a value of less than $5,000.

The basis of valuation for assets constructed or purchased is cost, while assets acquired by gift are their fair market values. The College records depreciation on all capital assets in accordance GASB Statement No, 35, except for land and art works, and is not allocated to the functional expenditure categories. Expenditures for construction in progress are capitalized as incurred. Depreciation is computed on a straight-line basis over estimated useful lives as noted below (depreciation starts in the first full year after the year of acquisition):

Buildings (including infrastructures, alterations, renovations, and renewals and replacements)	35 years
Library books	10 years
Furniture and equipment - acquired prior to July 1, 2005	7 years
Furniture and equipment - acquired subsequent to July 1, 2005 as follows:	
Computer equipment	3 years
Computer infrastructure	5 years
Equipment	3-7 years
Vehicles	7 years
Instructional equipment	7 years

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Valuation of Investments (MCF)

Investments are stated at fair value as determined by quoted market price. Both realized and unrealized gains and losses in fair value are reflected in the statement of activities.

Pledges (MCF)

Legally enforceable pledges are recorded as support in the year the pledges are made. Payments to be received in periods beyond one year are reflected at their present value based on a risk-free discount rate.

Non-cash Contributions (MCF)

Non-cash contributions are recorded at their fair value on the date of receipt. Certain non-cash items received are donated to the College for educational support.

NOTE 3: CASH AND INVESTMENTS (MC & MCF)

Montgomery College Cash, Cash Equivalents and Investments

As of June 30, 2008 and 2007, the College's carrying amount of cash, cash equivalents, and short-term investments consisted of the following:

	2008	2007
Cash	$ 3,135,500	$ 909,765
Cash equivalents	13,434,518	46,124,385
Short-term investments	34,684,139	25,717,526
	$ 51,254,157	$ 72,751,676

The College's bank balances at year-end are classified below in the three categories of credit risk: (1) insured or collateralized with securities held by the College or by its agent in the College's name; (2) collateralized with securities held by the pledging financial institution's trust department or agent in the College's name; and (3) uncollateralized, including any bank balance that is collateralized with the securities held by the pledging financial institution, or by its trust department or agent but not in the College's name.

The carrying amount for College deposits was $3,030,706 and $752,739 as of June 30, 2008 and 2007, respectively. Petty cash and cashier's change funds of $104,794 and $157,026 as of June 30, 2008 and 2007, respectively, are excluded from these amounts. Actual bank statement balances totaled $9,538,141 and $4,324,314 at the end of fiscal years 2008 and 2007, respectively. Pledged holdings at The Bank of New York with a current book value of $24,822,745 and $11,772,616 were received as collateral as of June 30, 2008 and 2007, respectively. Collateral was maintained during the year to secure all deposits and investments as specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.

	Category			Bank
	1	2	3	Balance
Cash				
2008	$ 357,448	$ 9,180,693	$ -	$ 9,538,141
2007	$ 243,771	$ 4,080,543	$ -	$ 4,324,314

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

Article 95, Section 22 and Section 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland authorizes, and the College's adopted investment policy authorizes, the College to invest surplus cash in U.S. Treasury obligations, U.S. governmental agencies and instrumentalities securities, collateralized certificates of deposit, repurchase agreements, the Maryland Local Government Investment Pool, and bankers' acceptances. In the opinion of management, the College is in compliance with all provisions of the Annotated Code of Maryland and the College's investment policy.

During the year, the College invested in bankers' acceptances and U. S. Government agency and instrumentalities securities with no maturities extending past December 16, 2008. The College also invested in the Maryland Local Government Investment Pool (MLGIP) with collateral being held for the pool consisting of U.S. Government and agency securities, bankers' acceptances, commercial paper, and corporate bonds. The MLGIP is managed by PNC Bank under contract with the State of Maryland. Collateral was held at the Bank of New York in the College's name. The collateral balance was maintained throughout the year in sums in excess of any single day bank balance.

The longest length to maturity at time of purchase of any one investment was one year. These investments are reported in the College's balance sheet at amortized cost. The College also invests funds in the MLGIP, an external investment pool, a "2a-7 like pool". All securities in the MLGIP are valued daily by MLGIP on an amortized basis. In conformance with the implementation of GASB 31 entitled *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, these assets are carried at an amortized basis in the College's balance sheet.

The College's investments as of June 30, 2008 and 2007 in MLGIP consists of the following:

	Unrestricted	Restricted	Other Post Employment Benefits	Total
June 30, 2008				
Cash equivalents	$ 19,640,783	$ 1,454,153	$ 476	$ 21,095,412
Accrued interest	56,795	2,811	358	59,964
	$ 19,697,578	$ 1,456,964	$ 834	$ 21,155,376
June 30, 2007				
Cash equivalents	$ 35,961,967	$ 1,394,483	$ 222,669	$ 37,579,119
Accrued interest	126,964	5,945	949	133,858
	$ 36,088,931	$ 1,400,428	$ 223,618	$ 37,712,977

The College has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment to GASB Statement No. 3. This Statement establishes and modifies disclosure requirements related to investment and deposit risks:

- Credit Risk
- Custodial Credit Risk
- Concentrations of Credit Risk
- Interest Rate Risk
- Foreign Currency Risk

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

As of June 30, 2008, the College had the following investments and maturities.

		Investment Maturities (in Months)			
Investment Type	Fair Value	Less Than 6	7 - 12	13 - 18	19 - 24
U.S. agency - FHLB 2.88% coupon	$ 5,059,896	$ 5,000,000	$ -	$ -	$ -
U.S. agency - FHLB discount note	3,991,071	3,975,806	-	-	-
U.S. agency - Farmer Mac discount note	9,957,944	9,942,369	-	-	-
U.S. agency - Fed Farm Credit Bureau discount note	2,980,793	2,969,421	-	-	-
Bankers acceptances	12,868,655	12,796,543	-	-	-
Local Government Investment Pool	21,155,376	21,155,376	-	-	-
	$ 56,013,735	$ 55,839,515	$ -	$ -	$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the College's investment policy limits the maturity length to one year with special approval required to purchase a security not to exceed two years.

Credit Risk. The College's investment policy does not allow investments in commercial paper nor corporate bonds. The College's investment policy does allow investments in Money Market Treasury Funds. These funds must be operated in accordance with Rule 2a-7 and have the highest possible rating from at least one NRSRO as designated by the SEC. The MLGIP functions as a U.S. Treasury Money Market Fund and is under contract with the State of Maryland Treasurer's Office. The MLGIP was rated AAAm by Standard & Poor's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party, because the securities are not insured and are not registered in the College's name and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name. During the year ended June 30, 2008, the College did not invest in any repurchase agreements. The College's investment policy requires all collateral be held by an independent third party with whom the College has a current custodial agreement in a segregated account with a clearly marked evidence of ownership and a safekeeping receipt supplied to the College.

As of June 30, 2008 the College's investments (listed at Original Principal Cost) were comprised of the following:

Security Description	Principal Cost	Percent of Total
Bankers acceptance - Wachovia Bank (3 Separate)	$ 5,937,459	10.63 %
Bankers acceptance - J P Morgan/Chase (4 Separate)	6,859,084	12.28
U.S. agency - FHLB discount note	3,975,806	7.12
U.S. agency - Fed Farm Credit Bureau discount note	2,969,421	5.32
U.S. agency - FHLB 2.88% coupon	5,000,000	8.95
U.S. agency - Farmer Mac discount note	9,942,369	17.81
Local Government Investment Pool	21,155,376	37.89
	$ 55,839,515	100.00 %

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

Concentrations of Credit Risk. GASB 40 requires the identification, by amount and issuer, of investments in any one issuer that represents 5% or more of total investments. The College's investment policy allows the following diversification by instrument at time of purchase:

U.S. Treasury obligations	100 %
U.S. government agency & sponsored instrumentalities	50 %
Repurchase agreements	50 %
Collateralized certificates of deposits	50 %
Bankers acceptances	50 %
Maryland Local Government Investment Pool	60 %

Security types noted above are further diversified by issuing institution:

Approved security dealers	50 %
Maryland Local Government Investment Pool	60 %
Bankers' acceptances by issuing institution	15 %
Commercial banks	30 %

Foreign Currency Risk. In accordance with section IX, Diversification in Authorized and Suitable Investments, the College is restricted to banks (financial institutions) chartered in the State of Maryland and bankers acceptances of domestic banks. Repurchase agreements must be backed by obligations of the United States, its agencies or instrumentalities. The College, by Procedure 61003CP, Chapter 'Fiscal and Administrative Affairs', Subject 'Bank Services', Section VI is limited to 'banks located within the County' for depository services.

Custodial Credit Risks. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized; collateralized with the securities held by the pledging bank; collateralized with securities held by the pledging bank's trust department or agent but not in the College's name.

As of June 30, 2008, the College had a Tri-Party Collateral agreement between the College, Wachovia Bank N.A. and The Bank of New York to collateralize deposits of the College. As of that date the following collateral was in a segregated account on the College's behalf as follows:

CUSIP	Description	Par Value	Market Value
31388CVK3	FNMA FGPC 8.00% 07/01/30	$ 100,000	$ 5,991
31389EDD4	FNMA FNMS 7.00% 10/01/31	17,705,093	3,379,743
31390WUU4	FNMA FNMS 4.50% 11/01/18	325,000	193,465
31400WP20	FNMA FNMS 5.00% 04/01/18	2,050,000	725,584
31401BYG4	FNMA FNMS 5.00% 02/01/18	4,225,000	1,514,533
31401JSE9	FNMA FNMS 4.50% 05/01/18	342,503	159,720
31402NBX5	FNMA FNMS 5.50% 09/01/33	1,123,661	526,932
31402QH87	FNMA FNMS 4.00% 08/01/18	3,631,781	1,921,837
31402QYZ8	FNMA FNMS 5.50% 02/01/35	4,587,360	2,770,423
31402R6R5	FNMA FNMS 4.00% 08/01/18	2,769,613	1,397,858
31402RMD8	FNMA FNMS 4.94% 07/01/35	9,501,852	6,226,066
31403B3B7	FNMA FNMS 4.00% 09/01/18	2,700,000	1,342,770
31404ATM6	FNMA FNMS 7.00% 05/01/33	2,900,000	178,441
31404JHP3	FNMA FNMS 4.50% 03/01/19	225,000	126,356
31404QWN5	FNMA FNMS 4.50% 05/01/19	7,725,000	3,743,961
31405CRK7	FNMA FNMS 5.00% 06/01/19	150,000	75,416
31407CGD3	FNMA FNMS 4.00% 07/01/20	508,328	399,951
31407FA59	FNMA FNMS 4.50% 07/01/20	200,000	133,698
			$ 24,822,745

Actual bank statement balances for Wachovia accounts totaled $9,538,141 at the end of fiscal year 2008.

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

Montgomery College Foundation Investments

As of June 30, 2008 and 2007, investments at fair value consisted of the following:

	2008	2007
Mutual funds		
Growth Fund of America	$ 4,176,324	$ 4,407,883
Davis New York Venture fund	2,414,393	2,803,287
Edgar Lomax fund	1,695,054	2,104,810
Goldman Sachs Mid Cap Value fund	2,658,497	2,940,492
Lord Abbett All Value fund	978,499	1,051,221
The Torray fund	756,039	948,667
	12,678,806	14,256,360
U.S. Treasury note	2,025,189	1,952,807
Equities	-	5,025
UBS Investment equities account	1,099,266	1,143,332
Chevy Chase Bank Trust	1,048,053	-
Certificates of deposit	472,053	1,705,462
	$ 17,323,367	$ 19,062,986

Net investment income (loss) for the years ended June 30, 2008 and 2007 was as follows:

Interest and dividends	$ 1,410,215	$ 1,713,875
Unrealized gain on investments	(2,713,770)	1,888,517
	$ (1,303,555)	$ 3,602,392

Net investment income is included in investment and interest income and additions to permanent endowments in the Statement of revenue, expenses, and change in net assets.

NOTE 4: ACCOUNTS RECEIVABLE (MC)

Accounts receivable relates to transactions involving student tuition and fee billings, governmental appropriations, student loans, grants and contracts, and financial aid. Receivables are shown net of any allowance for doubtful accounts.

	2008	2007
Capital improvement program (CIP)	$ 11,268,115	$ 7,755,511
Tuition and fees - student receivable	3,106,563	2,742,559
Tuition and fees - contracts	317,784	307,275
Loans receivable - current portion	168,675	294,630
Financial aid	1,236,127	139,557
Governmental appropriations	2,685,135	2,290,400
Auxiliary enterprises	710,479	384,993
Accrued interest	172,336	360,029
Montgomery College Foundation	80,987	1,081,699
Other accounts receivable	709,067	71,429
Current asset portion	20,455,268	15,428,082
Loans receivable - non-current portion	1,841,667	1,637,648
Total accounts receivable	$ 22,296,935	$ 17,065,730

Tuition and fees receivables are recorded net of allowance for doubtful accounts of $8,904,802 and $8,181,444 at June 30, 2008 and 2007, respectively.

NOTE 4: ACCOUNTS RECEIVABLE (MC) - continued

The College currently participates in the Federal Perkins Loan Program (Perkins) and the Nursing Student Loan Program (NSLP). At June 30, 2008 and 2007, the balance of the Perkins receivables included in the loan funds' notes receivable was $2,377,020 and $2,276,159, respectively, less an allowance for doubtful receivables of $366,678 and $343,881, respectively. As of June 30, 2008 and 2007, the balance of the NSLP receivables included in the loan funds' notes receivable was $4,783 and $4,792 less an allowance doubtful receivables of $4,783 and $4,792, respectively.

NOTE 5: CHARITABLE REMAINDER TRUSTS (MCF)

The Foundation has been designated as remainder interest beneficiary under certain split-interest agreements contracted with donors. The agreements call for specified distributions/annuity payments to be paid to designated lead interest beneficiaries during their lives. The Foundation holds and invests the assets of the split-interest agreements and assures that the specified distributions are made to the lead interest beneficiaries. The assets held and the liability for annuities payable are reflected on the statement of financial position.

Upon commencement of such agreements, the Foundation records the fair value of the assets received and records the estimated present value of future payments to the lead interest beneficiaries as a liability for annuities payable from split-interest agreements. The liability is established by estimating future payments based on the beneficiaries life expectancy and discounting those payments to their present value. The excess of the assets received over the liability incurred is recognized on the statement of activities as contributions under split-interest agreements.

At the end of each year, assets held in split-interest agreements are adjusted to their fair value and the liability for annuities payable, which is increased by investment earnings and decreased by annuity payments during the year, is adjusted to its current estimated present value. Present value adjustments to the liability are reflected on the statement of activities as changes in the value of split-interest agreements.

At times, for certain split interest agreements, the estimated present value of the liability to the lead interest beneficiary exceeds the value of the related assets. When this occurs, the deficit is considered a reduction of unrestricted net assets.

As of June 30, 2008 and 2007, the assets, obligations and net assets related to charitable remainder trusts were classified as follows:

	2008				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2007 Total
Assets held for charitable gift annuities	$ 604,708	$ 7,157	$ 96,096	$ 707,961	$ 941,309
Annuities payable from charitable gifts	1,113,458	3,988	53,492	1,170,938	1,046,096
Net assets	$ (508,750)	$ 3,169	$ 42,604	$ (462,977)	$ (104,787)

During the year ended June 30, 2008, there were no new split-interest agreements created. Three split-interest agreements matured during the year ended June 30, 2008. The $22,762 market value of the agreements were endowed at that time, and the $20,499 present value payable liability for those agreements were extinguished. The total number of split-interest agreements stands at thirteen at the end of the year.

NOTE 6: CAPITAL ASSETS AND DEPRECIATION (MC)

The following tables represent the changes in the capital asset categories (including depreciation) for fiscal years 2008 and 2007, respectively.

	Balance at 7-1-07	Additions	Disposals/Lease Retirements	Balance at 6-30-08
Capital assets as of June 30, 2008				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Buildings	213,922,300	38,361,720	-	252,284,020
Equipment	51,160,301	3,924,320	(3,665,379)	51,419,242
Library books	6,325,120	327,268	(446,597)	6,205,791
Capital lease	-	32,130,000	-	32,130,000
Art works	144,955	15,000	-	159,955
	308,297,263	74,758,308	(4,111,976)	378,943,595
Accumulated depreciation as of June 30, 2008				
Buildings	73,587,924	6,494,928	-	80,082,852
Equipment	31,767,062	4,802,588	(3,087,060)	33,482,590
Library books	4,326,645	304,249	(326,122)	4,304,772
	109,681,631	11,601,765	(3,413,182)	117,870,214
Capital assets, net	$ 198,615,632	$ 63,156,543	$ (698,794)	$ 261,073,381

	Balance at 7-1-06	Additions	Retirements	Balance at 6-30-07
Capital assets as of June 30, 2007				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Buildings	201,426,980	12,495,320	-	213,922,300
Equipment	55,953,671	3,566,333	(8,359,703)	51,160,301
Library books	6,232,966	392,552	(300,398)	6,325,120
Art works	144,955	-	-	144,955
	300,503,159	16,454,205	(8,660,101)	308,297,263
Accumulated depreciation as of June 30, 2007				
Buildings	68,220,380	5,367,544	-	73,587,924
Equipment	32,193,069	4,957,968	(5,383,975)	31,767,062
Library books	4,243,538	302,628	(219,521)	4,326,645
	104,656,987	10,628,140	(5,603,496)	109,681,631
Capital assets, net	$ 195,846,172	$ 5,826,065	$ (3,056,605)	$ 198,615,632

Capital assets are presented net of accumulated depreciation of $117,870,214 and $109,681,631 as of June 30, 2008 and 2007, respectively and includes current provisions for depreciation of $11,601,765 and $10,628,140 in the years ended June 30, 2008 and 2007, respectively. See Note 2 - Investment in Capital Assets for capitalization policy.

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (MC)

Accounts payable and accrued liabilities represent amounts due at June 30, 2008 and 2007, respectively for goods and services received prior to the end of the fiscal year.

	2008	2007
Salaries and wages	$ 5,145,221	$ 4,923,106
Benefits	907,000	1,028,000
Services and supplies	12,853,634	11,618,450
Payroll withholding	1,132,750	891,276
Unclaimed checks	196,559	120,196
Student refunds	19,880	31,084
Montgomery College Foundation	21,863	1,381
Post employment funds	7,720,858	-
Lease obligation	905,000	-
Other	238,345	179,949
	$ 29,141,110	$ 18,793,442

NOTE 8: LONG-TERM LIABILITIES (MC)

Long-term liability activity for the year ended June 30, 2008 is as follows:

	Long-Term Liabilities				
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Post employment funds	$ 23,072,058	$ 2,387,561	$ (17,738,761)	$ 7,720,858	$ 7,720,858
Aetna supplemental retirement funds	35,687	-	(24,105)	11,582	-
Lease obligations	-	33,000,000	(870,000)	32,130,000	905,000
Montgomery County	450,000	-	(75,000)	375,000	75,000
	$ 23,557,745	$ 35,387,561	$ (18,707,866)	$ 40,237,440	$ 8,700,858

NOTE 9: NOTES PAYABLE - MONTGOMERY COUNTY REVENUE AUTHORITY (MCF)

In October 2005, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds (King Street Art Center Project) Series 2005 A" bonds (the Bonds), with a total face value of $33,000,000. A loan agreement, evidenced by a promissory note, was entered into between the Authority and the Foundation, to effectively transfer all obligations of the bond issue to the Foundation. Principal and interest payments required by the note are scheduled to coincide with the scheduled payments due on the Bonds. The proceeds of the bond issue were used 1) for developing and constructing a multi-purpose educational building designated as the Morris and Gwendolyn Cafritz Foundation Arts Center, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, and 4) to pay a portion of the issuance costs of the Bonds. The Bonds, issued in denominations of $5,000, are dated October 20, 2005, and have annual serial maturity dates from May 1, 2008 through May 1, 2030. Stated interest rates vary with the maturity date of each group of Bonds. The Bonds were issued at a net premium totaling $493,620.

The College has entered into a lease agreement with the Foundation, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the Bonds. This lease agreement was pledged as security for the Bonds.

NOTE 9: NOTES PAYABLE - MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) - continued

Maturity dates and stated interest rates of the Bonds are as follows:

Maturity May 1	Principal Amount	Interest Rate	Term (in years)
2009	905,000	4.000 %	3.5
2010	940,000	4.000 %	4.5
2011	975,000	4.000 %	5.5
2012	1,015,000	4.000 %	6.5
2013	1,055,000	4.000 %	7.5
2014	1,100,000	4.000 %	8.5
2015	1,145,000	5.000 %	9.5
2016	1,200,000	4.000 %	10.5
2017	1,250,000	4.000 %	11.5
2018	1,300,000	5.000 %	12.5
2019	1,365,000	5.000 %	13.5
2020	1,430,000	5.000 %	14.5
2021	1,505,000	4.250 %	15.5
2022	1,565,000	4.375 %	16.5
2023	1,635,000	4.375 %	17.5
2024	1,705,000	4.500 %	18.5
2025	1,785,000	4.500 %	19.5
2026	1,865,000	4.500 %	20.5
2027	1,950,000	5.000 %	21.5
2028	2,045,000	5.000 %	22.5
2029	2,150,000	4.625 %	23.5
2030	2,245,000	4.625 %	24.5
	$ 32,130,000		

The Bonds maturing prior to May 1, 2016 are not subject to redemption prior to their maturities. The Bonds maturing on or after May 1, 2016 are subject to optional redemption by the Authority in whole or in part prior to maturity on any date beginning May 1, 2015 at a redemption price of par plus accrued interest thereon to the date set for redemption.

Interest is due semi-annually, each May 1 and November 1. Proceeds from the bond issue were used to pay interest through October 2007. Interest paid through the completion of the construction of the Morris and Gwendolyn Cafritz Foundation Arts Center was capitalized as part of the construction in progress. Since the completion of construction, interest has been expensed as incurred.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC)

Other than the specific agreements described below, the College had no open installment agreements at June 30, 2008. All payments due on prior agreements were paid in full during the year ended June 30, 2008. Generally, these agreements terminate automatically on July 1 of each year and are renewable one year at a time, provided the Board of Trustees appropriates sufficient funds to meet rental payments.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

On March 3, 1999, the College entered into a five-year lease agreement with Wheaton Plaza Regional Shopping Center, LLP for the lease of approximately 2,243 rentable square feet of office space in the South Office Building of Wheaton Plaza. Effective November 1, 2000, the College amended its lease agreement to increase its leased space in the building to 3,596 rentable square feet and extend the term five years from November 1st. On March 7th, 2002, the College entered into an agreement to lease an additional 7,197 rentable square feet of office space as well as extend the duration of all prior lease agreements to the year 2012. During the year ended June 30, 2008, $286,144 in rent payments were made.

On August 14, 2000, the College entered into an eight-year lease agreement with Colesville Joint Venture, LLP for the lease of approximately 9,545 rentable square feet of office space in the Fenton Building. Commencement of the lease began on March 1, 2001. Effective May 19, 2008, the College extended its lease agreement for sixteen months under the same terms and conditions. During the year ended June 30, 2008, $304,061 in rent payments were made.

On June 13, 2001, the College entered into a ten-year lease agreement with Longacre II, LLC for the lease of approximately 14,747 rentable square feet of office space in the Olde Town Gaithersburg Office II. Commencement of the lease began on August 1, 2001. During the year ended June 30, 2008, $517,807 in rent payments were made.

On February 10, 2006 the College entered into a ten year lease agreement with SYN-ROCK, LLC for the lease of approximately 20,084 rentable square feet of office space in Rockville within close proximity to the Rockville campus. Effective April 23, 2007, the College amended its lease agreement to increase its leased space in the building to 25,577 rentable square feet. The lease term will remain the same. On April 22, 2008, the College entered into a third amendment with SYN-ROCK, LLC to lease an additional 20,084 square feet of space with the College taking possession in July 2008. The new lease term is for eight years and all other lease terms remain the same. During the year ended June 30, 2008, $542,438 in rent payments were made.

On August 2, 2006 the College entered into a memorandum of understanding to the lease of approximately 67,619 rentable square feet of office space near the Germantown campus. The memorandum provides the option after a two month initial lease to lease the said property for 5 years beginning December 1, 2006 with an option to buy. The College commenced the 5 year lease on December 1, 2006. During the year ended June 30, 2008, $1,114,378 in rent payments were made.

On January 23, 2008 the College entered into a ten year lease with Metro Park III, LLC for the lease of approximately 86,982 rentable square feet of office space in the Metro Park North Building in Rockville, MD. Commencement of the lease begins on July 1, 2008. During the year ended June 30, 2008 no payments were made.

At June 30, 2008, payments are due for the six (real property) lease agreements in the following amounts for the next five years:

2009	$ 5,543,570
2010	5,544,983
2011	5,461,494
2012	4,284,967
2013	3,110,130
	$ 23,945,144

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

The College has entered into contracts for the purchase of computer information system technical consulting, programming and support services for the maintenance of the fully integrated administrative system; contracts to provide help desk operations and support of college computer equipment and project engineer services; contracts for the outsourcing of the library cataloging; contracts for high speed internet access services and disaster recovery, contracts for professional development and Human Resource services; photocopier and printing service; contracts for medical coverage and a prescription drug program; contracts for radio advertisement; contracts for trust & investment services; contracts for museum based learning; and contracts for security infrastructure. At June 30, 2008 and 2007, potential payments for the contract agreements and purchase agreements for the next 5 years are as follows:

2009	20,943,199
2010	21,073,198
2011	10,924,566
2012	5,686,423
2013	683,333
	59,310,719

As of June 30, 2008 and 2007, there were uncompleted contracts amounting to $15,726,388 and $45,432,400, respectively, for construction activity at all campuses. Retainage on construction contracts is not included in this amount, but is shown in the financial statements as an accounts payable.

On July 1, 2001, the College purchased the 'Giant Bakery' site (renamed 'King Street Property') for the appraised price of $7,250,000. This purchase called for a cash settlement of $6,000,000 and a non-cash donation of the balance $(1,250,000) to the Foundation by owners of the property. The Foundation provided a letter to the owners of the property reflecting this donation. Initially, the County funded the entire $6,000,000 cash price through the College's Capital budget appropriation. At that time there was an agreement made that the College would repay $2,250,000 of the cash purchase price. While the College is responsible for the entire $2,250,000 repayment, the Foundation agreed through fund-raising to accept responsibility for $1,500,000 of the $2,250,000. This leaves the College with direct responsibility for $750,000. A 'Memorandum of Understanding' (MOU) was finalized which details a ten-year term of repayment plus interest at 3.35%. The $750,000 liability created as a result of this MOU was accrued as a long-term liability. The current balance at June 30, 2008 was $375,000 and is included in accounts payable for the current portion of $75,000 and $300,000 as a long-term liability for the balance.

On November 4, 2002, the College did a Request for Proposal (RFP) for the redevelopment of the King Street Property. During fiscal year 2004, a number of firms which responded to the RFP were given the opportunity to present their proposals for the redevelopment of the property. In order to fund this project, bonds were sold through the Montgomery Country Revenue Authority. The College, however, cannot borrow money so therefore, the College has reached an agreement with the Foundation to lease the King Street Property.

In September 2006, the Board of Trustees officially changed the name of the King Street Art Center Project to "The Morris and Gwendolyn Cafritz Foundation Arts Center".

The College has entered into a lease agreement with the Foundation (approved by the Board of Trustees on June 21, 2004), with semi annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the Bonds. This lease agreement was pledged as security for the Bonds. The lease commenced on July 17, 2007 the date construction was substantially complete and a Use and Occupancy Certificate issued. The Project Lease will terminate December 31, 2031. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of the The Morris and Gwendolyn Cafritz Foundation Arts Center.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

Title to the Morris and Gwendolyn Cafritz Foundation Arts Center will transfer to the College upon completion of the lease. For this reason, the Project Lease is deemed a capital lease. The original cost of assets acquired under this capital lease is $33,000,000 and the accumulated amortization totals $942,857 at June 30, 2008. The College paid the Foundation $2,346,616 during the year ended June 30, 2008, as stipulated in the Project Lease. As of June 30, 2008, future payments to be paid by the College under this capital lease for the years ended June 30 are:

2009	$ 2,352,556
2010	2,351,356
2011	2,348,756
2012	2,349,756
2013	2,349,156
Thereafter	39,974,513
	51,726,093
Imputed interest	(19,596,093)
	$ 32,130,000

The land on which The Morris and Gwendolyn Cafritz Foundation Arts Center is being built is owned by the College. The Foundation has entered into a lease agreement with the College whereby the land is leased to the Foundation for thirty years for a fee of $5,000.

In February 2003, the Montgomery County Council appropriated $6,100,000 to purchase a 20 acre tract next to the Germantown Campus of Montgomery College. Plans called for this 20 acre site plus 20 acres existing within the Germantown Campus to support the development of a 40 acre Life Sciences and Technology Park. In January 2004 the College issued a Request of Proposal for an 'at risk developer' to construct and operate the Montgomery College Life Sciences and Technology Park. In addition to the park, the College plans for a 126,900 gross square feet academic Bioscience Education Center on the Germantown Campus at a total estimated cost of $64 million. This facility could supply trained personnel for the park. As part of the College's fiscal year 2007 Capital Budget, $3,400,000 was appropriated for planning and design of the BioScience Education Center; construction has not started pending funding from the State and County.

Initial plans for the Germantown Development Project entails three related projects: The Goldenrod Academic Center, The Bioscience Education Center, and the Science and Technology Park. On June 19, 2006 by Board of Trustees Resolution Number 06-06-072, the Board authorized the President to negotiate and execute all documents required to lease, with an option to purchase, the property and a 67,619 square foot building adjacent to the Germantown Campus. Initial plans call for the County to lease approximately half of the building for use as interim space for the Germantown Technology Incubator. Renovations of this facility known as the Goldenrod Academic Center will be completed and ready for occupancy in September 2008.

On December 21, 2007, the College entered into a sublease with Montgomery County wherein the County would lease the second floor of the Goldenrod Academic Center. The lease requires the County pay fifty percent (50%) of the amount the College pays for base rent commencing October 1, 2007. The sublease further provides that the County will reimburse the College for improvement work for the County premises and fifty percent (50%) of the amounts charged for incurred improvement work for the common areas of the premises performed by or through the College on behalf of the County. The County shall be responsible for demolition, design and construction of improvements in its County premises. The County further agrees to pay and/or reimburse the College for work completed on behalf of the County, according to the following contracts: $297,945 for design work under the Group Goetz Architects contract; $215,570 minus a yet to be agreed upon deduct charge order from CDCI, Inc. for demolition on the 2nd floor; and $6,149 for permitting fees paid to date. In 2007 and 2008 the College entered into contracts with CDCI for $1,400,000 for Phase I; $1,600,000 for Phase II; and $3,000,000 for Phase III of the project to renovate the Goldenrod Building.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

On May 10, 2004 the Montgomery College Board of Trustees delegated authority to the Foundation to create a subsidiary organization to manage and oversee the interest of the College relative to the College Life Sciences and Technology Park.

On January 16, 2007, the Montgomery College Board of Trustees approved awards of multiple construction trade contracts of $24,427,747 for the construction of the Cultural Arts Center as part of the Takoma Park/Silver Spring Campus Expansion project and $1,744,499 for the theater performance, audio systems and seating. These project awards received State of Maryland Board of Public Works approval in March of 2007. The Cultural Arts Center will be a 57,243 gross square foot building and include a five hundred seat house, a black box theater, classrooms, a dance studio and support facilities. Construction began in the spring of 2007.

On March 17, 2008, the Montgomery College Board of Trustees approved an award of contract for $5,955,899, contingent upon Maryland State Board of Public Works approval, for the Commons Building Renovation on the Takoma Park/Silver Spring Campus. The project received State of Maryland Board of Public Works approval on April 30, 2008. Construction started in the summer of 2008.

The College is currently the defendant in several lawsuits, including a tort action and an alleged employment discrimination suit. It is the opinion of the College's management, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the College's financial position.

NOTE 11: EXPENSES BY NATURAL CLASSIFICATIONS (MC)

The following table shows a classification of expenses for the years ending June 30, 2008 and 2007; both by function as listed in the statement of revenue, expenses and changes in net assets and by natural classification, which is the basis for amounts shown in the statement of cash flows.

	Salaries and Wages	Fringe Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	Total
June 30, 2008									
Instruction	$ 66,759,439	$ 11,157,306	$ 5,974,116	$ 2,186,181	$ -	$ -	$ -	$ 1,617,113	$ 87,694,155
Academic support	19,131,774	2,494,402	2,252,080	955,428	-	-	-	1,170,857	26,004,541
Student services	17,994,416	2,593,367	3,520,311	529,154	-	-	-	799,457	25,436,705
Operation of plant	10,506,640	2,605,405	7,181,218	1,266,118	-	5,579,652	-	562,964	27,701,997
Institutional support	21,149,158	7,261,503	5,059,077	538,565	-	-	-	(9,329,208)	24,679,095
Scholarships and related expense	-	-	-	-	3,831,036	-	-	-	3,831,036
Depreciation	-	-	-	-	-	-	11,601,765	-	11,601,765
Auxiliary enterprises	2,471,360	502,691	891,216	206,161	-	-	-	7,989,751	12,061,179
Other	1,120,911	218,672	1,148,182	1,569,757	-	-	-	5,506,530	9,564,052
	$139,133,698	$ 26,833,346	$ 26,026,200	$ 7,251,364	$ 3,831,036	$ 5,579,652	$ 11,601,765	$ 8,317,464	$228,574,525
June 30, 2007									
Instruction	$ 61,212,250	$ 9,949,260	$ 5,804,716	$ 2,456,281	$ 462,407	$ -	$ -	$ 2,640,458	$ 82,525,372
Academic support	17,383,817	2,214,118	2,834,341	958,416	-	-	-	1,437,757	24,828,449
Student services	16,763,924	2,304,284	4,085,308	641,244	-	-	-	961,930	24,756,690
Operation of plant	9,653,972	2,332,661	5,705,629	1,533,639	-	5,124,325	-	768,310	25,118,536
Institutional support	19,767,673	6,267,027	4,900,146	529,381	17,850	-	-	3,706,328	35,188,405
Scholarships and related expense	-	-	-	-	2,674,687	-	-	-	2,674,687
Depreciation	-	-	-	-	-	-	10,628,140	-	10,628,140
Auxiliary enterprises	2,613,625	476,601	938,114	196,249	-	23,000	-	7,128,121	11,375,710
Other	926,433	184,517	862,965	1,208,478	-	-	-	4,450,198	7,632,591
	$128,321,694	$ 23,728,468	$ 25,131,219	$ 7,523,688	$ 3,154,944	$ 5,147,325	$ 10,628,140	$ 21,093,102	$224,728,580

NOTE 12: RETIREMENT PLANS (MC)

The College participates in four statewide retirement plans: the Teachers' Retirement System and the Employees' Retirement System (the Retirement System), and the Teachers' Pension System and the Employees' Pension System (the Pension System), administered by the Maryland State Retirement System (MSRS), a cost-sharing multiple-employer retirement system (PERS). Aetna, the College's own plan, serves as a supplement to the MSRS plans. Certain employees may elect to participate in the Maryland State Optional Retirement Plan (ORP) instead of the Maryland State Pension System. The State has approved four providers for the ORP which include the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), AIG VALIC, and Fidelity. An employee can participate in only one plan at a time and will have the opportunity to change providers during one open enrollment period a year.

The State systems were established in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland. Responsibility for the administration and operation of the systems is vested in a 15-member Board of Trustees (the Trustees). The Trustees also have the authority to establish and amend the respective benefit provisions. The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to system members and beneficiaries.

The College's total current payroll for the fiscal year ended June 30, 2008 for all employees (including $219,270 from Agency funds) was $139,352,968. The approximate current year covered payroll under each of the plans, which includes employees eligible under multiple plans, is as follows:

	Covered Payroll	Percent of Total Salary
MSRS	$ 65,120,117	46.73 %
Optional retirement plan	$ 45,990,265	33.00 %
Aetna	$ 3,500,912	2.51 %

The following is a general description of the plan benefits available to the participants of each of the above named plans.

The Retirement System MSRS

Participants in the Retirement System may retire with full benefits after attaining the age of 60, or completion of 30 years of creditable service regardless of age. However, participants may retire with reduced benefits after completing 25 years of creditable service regardless of age.

The Pension System - MSRS

Participants in the Pension System may retire with full benefits after completing 30 years of creditable service regardless of age, or at age 62 or older with specified years of creditable service. However, participants may retire with reduced benefits after attaining age 55 and completing 15 years of creditable service.

The MSRS Optional Retirement Plan (ORP)

The ORP is a defined contribution "money purchase" plan under which the benefit is determined by the accumulated State contributions plus accrued investment earnings. Contributions are made to one of four providers approved by the State. Participants may receive their annuity income at any time after leaving the College.

The Aetna Plan

The College has a single employer, defined benefit pension plan with Aetna. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement and pension plans. Full-time employees who have been employed by the College prior to 1980 and contribute to an MSRS plan, are eligible to participate in this plan established under the authority of the College's Board of Trustees.

NOTE 12: RETIREMENT PLANS (MC) - continued

Benefits under all systems, except the ORP, vest after five years of service and are based on years of creditable service and salary rates.

The "unfunded actuarial accrued liability" is the result of applying the actuarial funding method to the present value of pension benefits, adjusted to the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employees' service to date. The actuarial funding method is intended to help users assess the Systems' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The MSRS does not make separate measurements of assets and liabilities for individual employers. However, the College's supplemental plan (Aetna) actuarial valuation is determined separately.

Listed below is information about the employees' benefit retirement and pension plans of the MSRS, as a whole, as of June 30, 2007, the latest date such information is available, and the Aetna Plan as of July 1, 2008.

	MSRS	Aetna
Actuarial accrued liability	$ 49,306,374,577	$ 12,256,446
Actuarial value of assets (at fair market value)	(37,886,935,596)	(11,097,452)
Unfunded actuarial accrued liability (assets in excess of obligation)	$ 11,419,438,981	$ 1,158,994

Additional information about the MSRS is presented in the State of Maryland's June 30, 2007 Comprehensive Annual Financial Report and in the 2007 Consolidated Annual Report of the Maryland State Retirement and Pension System. That report may be obtained by writing to the State Retirement Agency of Maryland, 301 W. Preston Street, Baltimore Maryland, 21201.

In accordance with GASB No. 24, entitled *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College recognized expenditures for the various State retirement and pension plans made on behalf of its employees by the State to the extent revenue is recognized. The amount recognized includes amounts contributed by the State and amortization of past service costs over forty years for the year ended June 30, 2008 as follows:

	State	College	Total
MSRS	$ 5,304,542	$ 1,231,637	$ 6,536,179
MSRS-ORP	3,221,693	-	3,221,693
Aetna	-	1,143,869	1,143,869
	$ 8,526,235	$ 2,375,506	$ 10,901,741

The College's Defined Benefit Pension Plan (Aetna)

Effective July 1, 1996, the College implemented GASB No. 27, entitled *Accounting for Pensions by State and Local Governmental Employers*, with respect to the College's Aetna Plan.

Plan Description - The Aetna plan is a single employer, defined benefit pension plan. Full-time employees who were employed by the College prior to 1980 and contribute to an MSRS plan are eligible to participate in this plan established under the authority of the College's Board of Trustees. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement plans. The Aetna Retirement Plan issues a separate report that contains the results of the valuation of the College Retirement Plan as of July 1, 2007. That report may be obtained by writing to the Montgomery College Benefits Office, 900 Hungerford Drive, Rockville Maryland, 20850.

NOTE 12: RETIREMENT PLANS (MC) - continued

Funding Policy - Plan members are required to contribute 5% of their earnable compensation. Contributions to this plan are offset by contributions to the Maryland Teachers' Retirement System or the Maryland State Retirement System. Contributions for year 2008 are based on the plan as amended most recently as of January 1, 1980. Interest on employee contributions is credited at a rate of 4% per year. The College will attempt to fund the net periodic cost of $265,507 from current revenues in the year ended June 30, 2009. The College's Board of Trustees has the authority to establish and amend benefit provisions of the plan.

Actuarial Cost Method and Valuation of Assets - The Entry Age Normal Actuarial Cost Method was used to determine the Normal Cost and Actuarial Accrued Liability in accordance with generally accepted actuarial principles. Plan assets are listed at fair market value as determined by the Aetna Insurance Company. The Actuarial Accrued Liability is based on a prorated portion of the present value of benefits earned to date and expected to be earned in the future.

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-02	$ 11,112,761	$ 9,948,471	(1,164,290)	111.7 %	$ 6,241,381	(18.7)%	0.00
6-30-03	$ 10,703,128	$ 10,063,999	(639,129)	106.4 %	$ 6,225,191	(10.3)%	0.00
6-30-04	$ 10,603,353	$ 10,059,963	(543,390)	105.4 %	$ 5,661,590	(9.6)%	0.00
6-30-05	$ 10,374,787	$ 10,238,200	(136,587)	101.3 %	$ 4,827,815	(2.8)%	0.00
6-30-06	$ 10,151,587	$ 10,427,914	276,327	97.4 %	$ 4,722,309	5.9 %	102,378
6-30-07	$ 10,316,110	$ 12,216,821	1,900,711	84.4 %	$ 3,967,274	47.9 %	369,394
6-30-08	$ 11,097,452	$ 12,256,446	1,158,994	90.5 %	$ 3,500,912	33.1 %	182,204

The actuarial valuation for the fiscal year ended June 30, 2008 includes these significant assumptions which have not been changed from the prior year:

1) Investment return: 6.0% compounded annually
2) Salary increases: 4.5% compounded annually
3) Retirement age: Ages varying from 57 years to 65 and over
4) Turnover: Rates varying from no turnover to 9%
5) Mortality: The RP-2000 Mortality Table for healthy males and females
6) Discount rate: 6.25%

The actuarial assumptions are chosen by the actuary after a study of both current financial conditions and the population covered by the plan as to salary increases, number of terminations annually, etc. These assumptions are reviewed periodically, and if appropriate, changes are made.

Population Covered by the Plan	Number of Persons	Compensation (if applicable)
Participants		
Currently receiving payments	298	N/A
Active with vested benefits	38	3,500,912
Terminated with deferred vested benefits	9	N/A
Active without vested benefits	0	0
Inactives electing bifurcated benefits	3	N/A

NOTE 13: STATE AND COUNTY EXPENDITURES (MC)

The County issues general obligation bonds, the proceeds from which are transferred to the College for the purpose of financing acquisition of land, buildings, and equipment. For the years ended June 30, 2008 and 2007, the County made principal payments of $4,636,903 and $4,040,935, respectively, and interest payments of $3,072,004 and $2,774,212, respectively, on these bonds. In addition to the County expenditures, the State of Maryland pays the employer's portion of pension contributions on the salary for certain College employees eligible to belong to the State pension and retirement systems. For the years ended June 30, 2008 and 2007, the State expended $5,304,542 and $4,235,601, respectively, for the pension and retirement contributions. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The State of Maryland also reimburses the College for the employer's share of contributions to the ORP for eligible employees. The total amount reimbursed for the years ended June 30, 2008 and 2007 was $3,221,693 and $2,955,472, respectively. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The Capital Improvements Program (CIP) for the College is approved biannually by the County. The approval of some projects includes funding from other governmental agencies. All funds transferred to the College for CIP expenditures come directly from the County, with governmental reimbursements being made directly by those organizations back to the County for their share of project costs. The amount listed under the Current Asset designation as CIP receivable as of June 30, 2008 and 2007 is due to the following organizational participation in CIP expenditures:

	2008	2007
Montgomery County	$ 8,497,201	$ 7,736,299
State of Maryland	2,770,914	19,212
Total	$ 11,268,115	$ 7,755,511

NOTE 14: TUITION WAIVER (MC)

The College waives tuition charges for its programs for any resident of Maryland who is 60 years old or older, when course space is still available, and only during the three days following the end of regular registration. Additionally, the College has a 50% waiver of tuition for eligible Maryland National Guard members and up to 100% for eligible foster care students. Tuition is also waived for any resident of Maryland who is retired or disabled as defined by the Social Security or Railroad Retirement Act and who enrolls in any class at the College which is eligible under Maryland Annotated Code Section 16-403 for State support; and for eligible College employees who can enroll in credit only courses which are outside of the individual's normal working hours. During the year ended June 30, 2008, the College waived $771,437 in credit and $585,830 in non-credit tuition for senior, disabled, foster care and National Guard students. During the year ended June 30, 2007, the College waived $704,822 in credit and $513,490 in non-credit tuition for senior, disables, foster care and National Guard students. Starting in FY2000, the College implemented a tuition waiver program whereby the College waives credit tuition for dependents of eligible College employees. For FY2008, the College waived $326,782 for its employees and their dependents. The total tuition amount waived for the College for FY2008 is $1,684,049. For FY2007, the College waived $331,243 for its employees and their dependents. The total tuition amount waived for the College for FY2007 is $1,549,555.

NOTE 15: INCOME TAX STATUS (MC & MCF)

The College is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code, except as to unrelated business income. No provision for income taxes has been accrued since the College anticipates no tax liability for the years ended June 30, 2008 and 2007.

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related state statutes.

NOTE 16: RISK MANAGEMENT - SELF-INSURANCE (MC)

The College, as a component unit of the County, participates in the County's self-insurance risk pool for liability and property coverage and maintains its own self-insurance pool for health and dental benefits. The College and the County account for risk financing activities in accordance with GASB No. 10, entitled *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

The Montgomery County Self-Insurance Program is maintained for liability and property coverage under which participants share workers' compensation, comprehensive general, automobile and professional liability, fire and theft, and other selected areas which require coverage. There have been no significant reductions in this insurance coverage from the previous year. Commercial coverage is purchased for claims in excess of coverage by the self-insurance fund and for other risks not covered by the fund. Settled claims have not exceeded commercial coverage in fiscal years 2008 and 2007. Other program participants are qualifying County government agencies. An inter-agency insurance panel is responsible for overseeing the program. This program offers overall risk management and cost sharing for all participants. In the event that the program's trust or escrow funds fall into a deficit, the program panel shall determine a method to fund the deficit. The program can assess additional premiums to each deficit-year participant. Premiums are charged to the appropriate College fund with no provision made for any additional liability in addition to premiums, unless assessed by the program. As of June 30, 2008, there was no deficit in the trust or escrow funds and no additional assessments have been made.

The College is self-insured for health and dental benefits provided to its employees. To protect itself against significant losses, the College has stop-loss policies in place for individual participant claims in excess of $125,000 per year and aggregate annual participant claims in excess of $12,986,000. The College has a contract with an administrative service provider to process participant claims under these programs. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balance of claims payable relative to the health and dental self-insurance fund for the years ended June 30, 2008 and 2007 are as follows:

Balance July 1, 2006	$ 771,000
Claims and changes in estimates	8,565,826
Claims payments	(8,308,826)
Balance June 30, 2007	1,028,000
Claims and changes in estimates	10,065,302
Claims payments	(10,186,302)
Balance June 30, 2008	$ 907,000

NOTE 17: COMPENSATED ABSENCES (MC)

Employees of the College earn annual leave (vacation) and sick leave as provided by College policies and procedures. In the event of termination, employees with accumulated annual leave and at least 30 days of employment are reimbursed for 100% of accumulated annual leave, up to a maximum of 26 days. In addition, in the event of termination, employees who started employment prior to December 31, 1992 and who have five or more years of service, are reimbursed for 25% of not more than 180 days of accumulated sick leave. Earned but unused annual and vested sick leave is accounted for in the statement of net assets as a current liability for that portion which is expected to be paid out during the next twelve months. The balance is listed as non-current. Both current and non-current portions are valued based on the salary scale in effect at June 30, 2008 and 2007.

NOTE 17: COMPENSATED ABSENCES (MC) - continued

Employees of the College had earned $7,698,213 and $7,479,464 in annual and sick leave subject to termination payoff at June 30, 2008 and 2007, respectively. In accordance with GASB No. 16, entitled *Accounting for Compensated Absences*, related FICA and Medicare costs have been calculated on the amount due at termination in the amount of $588,915 for fiscal year 2008. This amount has been included in the total compensated absences liability of $8,287,128 for fiscal year 2008.

For the years ended June 30, 2008 and 2007, the total annual leave and sick leave earned has been recognized as an expense.

NOTE 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC)

On July 1, 1993, the College implemented GASB Statement No. 12, entitled *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers.*

On July 1, 2007, the College implemented GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.* The College provides postemployment health care, dental and life insurance benefits for retired employees through a defined benefit plan. The plan is accounted for as a trust fund and an irrevocable trust was established on June 16, 2008 to account for the plan.

The contribution requirements of the College are established and may be amended by the Board of Trustees. The College currently pays 40% of health care premiums for employees who meet certain eligibility criteria and who retire with 5 but less than 10 years of service, 60% of premiums for those that retire after 10 years of service, and 20% for certain retirees prior to 1974. A smaller contribution to life insurance premiums is also provided for eligible retirees. The remaining costs of these benefits are borne by the participants.

In order to be considered "eligible", the retiree must have been enrolled in the College's group insurance program for 5 years prior to retirement and commence receipt of pension/annuity benefits from an MSRS or ORP plan immediately upon termination from the College. ORP annuitants must meet the same age and service retirement eligibility criteria as MSRS participants. The College's authority to contribute to other postemployment benefit provisions and obligations is established by the Board of Trustees. For the fiscal years ended June 30, 2008 and 2007, the College contributed $1,805,236 and $1,660,134, respectively, and the retirees contributed $1,291,326 and $1,250,699, respectively, in premiums. In total the College contributed for fiscal year ended June 30, 2008 $4,877,660. The College also advance funded the costs of benefits in the amount of $12,136,507 in FY2008.

Membership

At June 30, 2008 and 2007 membership consisted of:

	2008	2007
Retirees and beneficiaries currently receiving benefits	601	543
Terminated employees entitled to benefits but not yet receiving them	-	-
Active employees - vested	1,598	1,547
Active employees - non vested	-	-
	2,199	2,090

NOTE 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) - continued

The College had an actuarial valuation performed for the plan as of June 30, 2008 to determine the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2008. The College's annual OPEB cost (expense) of $4,877,660 was equal to the ARC for the fiscal year ended June 30, 2008. The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 and 2007 was as follows:

	2008	2007
Annual OPEB cost	$ 4,877,660	$ -
Employer contribution	25,459,619	-
Net OPEB obligation	$ -	$ -
% of annual OPEB cost contributed	522 %	- %

The net OPEB obligations (NOPEBO) as of June 30, 2008 and 2007 are recorded in OPEB asset value on the statement of net assets and were calculated as follows:

Annual Required Contribution (ARC)	$ 4,877,660	$ -
Interest on net OPEB obligation	-	-
Adjustment to ARC	-	-
Annual OPEB cost	4,877,660	-
Contributions made	25,459,619	-
Increase (decrease) in net OPEB obligation	(20,581,959)	-
Net OPEB obligation at beginning of year	-	-
	$ (20,581,959)	$ -

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions as to current claims cost, projected increases in health care costs, morbidity, turnover, and interest discount. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) - continued

In the June 30, 2008 and 2007 actuarial valuations the projected unit credit actuarial cost method was used. The actuarial assumptions included an 8.00% investment rate of return (net of administrative expenses) and an annual healthcare and dental cost trend rate of 10% for retirees younger than 65 and 9.00% for retirees 65 and older. In 2007 the trend rate was 8%. Both rates are inclusive of general inflation. The actuarial value of assets was determined by using the market value of the assets. The plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The remaining amortization period as of June 30, 2008 was 29 years.

Required Supplementary Information

Schedule of Funding Progress for Montgomery College

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-07	$ 23,072,058	$ 62,263,511	39,191,453	37.06 %	$ 96,333,866	40.68 %
6-30-08	$ 25,459,619	$ 52,188,571	26,728,952	48.78 %	$ 104,590,815	25.56 %

NOTE 19: LONG-TERM DEBT (MC)

The College had no outstanding bonded long-term debt at June 30, 2008 and 2007.

NOTE 20: RESTATEMENT (MCF)

During the year ended June 30, 2008, management determined that there were errors in previously issued financial statements of the component unit Montgomery College Foundation in regard to the classification of net assets. As a result of the implementation, certain amounts in 2007 have been restated to reflect these changes. This restatement did not change total net assets as previously reported.

NOTE 21: PLEDGES RECEIVABLE (MCF)

Pledges receivable at June 30, 2008 and 2007 include amounts due in:

	2008	2007
Less than one year	$ 2,039,150	$ 1,712,933
One to five years	1,396,794	2,655,719
More than five years	1,291,026	1,299,992
	4,726,970	5,668,644
Present value discount	(758,117)	(930,596)
	$ 3,968,853	$ 4,738,048

No provision for uncollectible pledges has been established as management believes all pledges are collectible. Any pledges deemed to be uncollectible are written off at the time of such determination. A discount rate of 3% was used in the present value calculation on long-term receivables.

During 2001, the Foundation was named remainder interest beneficiary of a charitable remainder unitrust where the Foundation is not the trustee and does not exercise control over the assets contributed to the trust. The Foundation recorded the agreement as a pledge receivable and a contribution at the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments are made to the receivable on a yearly basis to reflect the accretion of the discount, and revaluation of the present value of the estimated future payments. As of June 30, 2008 and 2007, the pledge receivable balance was $483,415 and $373,359, respectively.

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Trustees
Montgomery College
Rockville, MD 20850

Our audits of the financial statements of Montgomery College for the years ended June 30, 2008 and 2007 were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2008

MONTGOMERY COLLEGE
BALANCE SHEET
JUNE 30, 2008 AND 2007

ASSETS

	2008	2007
CURRENT FUNDS - UNRESTRICTED		
Cash and short-term investments	$ 58,925,505	$ 72,713,786
Receivables		
Student tuition and fees - net of allowance for doubtful accounts	3,106,563	2,742,559
Governmental appropriations	1,950,127	1,529,536
Other	1,870,922	1,098,882
Inventories	1,680,192	1,398,192
Prepaid expenses	468,381	515,173
TOTAL CURRENT FUNDS - UNRESTRICTED	68,001,690	79,998,128
CURRENT FUNDS - RESTRICTED		
Receivables		
Governmental appropriations	1,971,135	901,737
Other and prepaid expenses	107,362	1,134,795
Inventories	2,852	3,334
TOTAL CURRENT FUNDS - RESTRICTED	2,081,349	2,039,866
TOTAL CURRENT FUNDS	$ 70,083,039	$ 82,037,994
LOAN FUNDS		
Cash and short-term investments	$ 49,510	$ 37,890
Receivables		
Notes receivable	2,010,342	1,932,278
Due from other funds	-	20,425
Other	391	391
TOTAL LOAN FUNDS	$ 2,060,243	$ 1,990,984
AGENCY FUNDS		
Other	$ -	$ 72
Due from other funds	$ 1,299,293	$ 1,324,175
Prepaid expenses	250	-
TOTAL AGENCY FUNDS	$ 1,299,543	$ 1,324,247
ENDOWMENT AND SIMILAR FUNDS		
Due from other funds	$ 650,915	$ 672,029
TOTAL ENDOWMENT AND SIMILAR FUNDS	$ 650,915	$ 672,029

LIABILITIES AND FUND BALANCE

	2008	2007
CURRENT FUNDS - UNRESTRICTED		
Accounts payable and accrued expenses	$ 19,245,179	$ 34,650,936
Compensated absences payable	8,287,128	8,051,643
Deferred revenue	4,609,596	4,102,818
Due to other funds	4,101,700	9,347,493
Fund balances		
Reserved for encumbrances	10,716,284	8,563,485
Reserved for budgets 2007 - 2008	9,097,275	7,006,276
Reserved for designated programs	186,978	176,099
Reserved for repayment to County	375,000	450,000
Allocated for auxiliary enterprises	5,043,744	3,998,539
Allocated for continuing education	5,900,822	3,207,873
Allocated for emergency plant maintenance and repair	437,984	442,966
TOTAL CURRENT FUNDS - UNRESTRICTED	68,001,690	79,998,128
CURRENT FUNDS - RESTRICTED		
Accounts payable and accrued expenses	382,800	677,291
Deferred revenue	360,210	638,831
Due to other funds	1,338,339	723,744
TOTAL CURRENT FUNDS - RESTRICTED	2,081,349	2,039,866
TOTAL CURRENT FUNDS	$ 70,083,039	$ 82,037,994
LOAN FUNDS		
Accounts payable and accrued expenses	$ 2,799	$ 1,161
Deferred revenue	3,018	3,018
Due to other funds	25,150	-
Fund balance	2,029,276	1,986,805
TOTAL LOAN FUNDS	$ 2,060,243	$ 1,990,984
AGENCY FUNDS		
Accounts payable and accrued expenses	$ 445,772	$ 482,862
Due to other organizations	853,771	841,385
TOTAL AGENCY FUNDS	$ 1,299,543	$ 1,324,247
ENDOWMENT AND SIMILAR FUNDS		
Accounts payable and accrued expenses	$ 1,255	$ -
Quasi-endowment - unrestricted	649,660	672,029
TOTAL ENDOWMENT AND SIMILAR FUNDS	$ 650,915	$ 672,029

BALANCE SHEET

ASSETS

	2008	2007
PLANT FUNDS - UNEXPENDED		
Receivables		
Governmental appropriations	$ 69,311,541	$ 84,511,350
Other	73,504	-
Prepaid expenses	1,279,177	-
TOTAL PLANT FUNDS - UNEXPENDED	70,664,222	84,511,350
PLANT FUNDS - RENEWAL AND REPLACEMENT		
Receivables		
Due from other funds	2,531,653	1,981,266
Other receivables	7,556	-
TOTAL PLANT FUNDS - RENEWAL AND REPLACEMENT	2,539,209	1,981,266
PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS		
Receivables		
Due from other funds	5,509,225	7,814,904
Other receivables	32,882	51,870
TOTAL PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS	5,542,107	7,866,774
PLANT FUNDS - INVESTMENT IN PLANT		
Land	36,744,587	36,744,587
Building and improvements	204,331,169	140,334,376
Furniture and equipment	17,936,649	19,393,239
Library books	1,901,021	1,998,475
Artwork	159,955	144,955
TOTAL PLANT FUNDS - INVESTMENT IN PLANT	261,073,381	198,615,632
TOTAL PLANT FUNDS	$ 339,818,919	$ 292,975,022

LIABILITIES AND FUND BALANCE

	2008	2007
PLANT FUNDS - UNEXPENDED		
Accounts payable and accrued expenses	$ 8,094,887	$ 6,013,937
Due to other funds	4,525,898	2,205,197
Deferred revenue	11	11
Fund balance	22,240,284	30,859,805
Reserved for encumbrances	35,803,142	45,432,400
TOTAL PLANT FUNDS - UNEXPENDED	70,664,222	84,511,350
PLANT FUNDS - RENEWAL AND REPLACEMENT		
Fund balance	2,539,209	1,981,266
TOTAL PLANT FUNDS - RENEWAL AND REPLACEMENT	2,539,209	1,981,266
PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS		
Fund balance	5,542,107	7,866,774
TOTAL PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS	5,542,107	7,866,774
PLANT FUNDS - INVESTMENT IN PLANT		
Capital lease payable	32,130,000	-
Net investment in plant	228,943,381	198,615,632
TOTAL PLANT FUNDS - INVESTMENT IN PLANT	261,073,381	198,615,632
TOTAL PLANT FUNDS	$ 339,818,919	$ 292,975,022

MONTGOMERY COLLEGE
STATEMENT OF CURRENT FUNDS REVENUE, EXPENDITURES AND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2008, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007

	2008			2007
	Unrestricted	Restricted	Total	Total
REVENUE AND OTHER				
Education and general				
Student tuition and fees	$ 71,090,442	$ 82,890	$ 71,173,332	$ 66,359,663
Governmental appropriations	135,140,354	7,830,754	142,971,108	127,720,423
Federal, state, local, private gifts, grants, contributions	-	17,185,352	17,185,352	13,848,379
Interest income	1,525,140	-	1,525,140	2,256,384
Other sources	1,001,539	-	1,001,539	994,667
Sales and services of auxiliary enterprises	13,985,986	-	13,985,986	12,195,732
State appropriations	8,526,235	-	8,526,235	7,191,073
TOTAL REVENUE AND OTHER	231,269,696	25,098,996	256,368,692	230,566,321
EXPENDITURES AND OTHER				
Instruction	82,301,089	5,881,727	88,182,816	82,767,985
Academic support	25,817,667	552,532	26,370,199	25,446,325
Student services	23,713,036	1,745,567	25,458,603	24,826,262
Operation and maintenance of physical plant	27,514,612	554,359	28,068,971	25,370,882
Institutional support	37,459,107	169,602	37,628,709	35,263,386
Scholarships and fellowships	5,397,491	15,038,968	20,436,459	17,435,327
Auxiliary enterprises	12,141,872	-	12,141,872	11,408,786
Capitalized plant expenditures	-	577,064	577,064	-
State appropriations	8,526,235	-	8,526,235	7,191,073
TOTAL EXPENDITURES AND OTHER	222,871,109	24,519,819	247,390,928	229,710,026
TRANSFERS				
Mandatory transfers	(410,738)	365,738	(45,000)	-
Non-mandatory transfers	-	(944,915)	(944,915)	(1,055,086)
TOTAL TRANSFERS	(410,738)	(579,177)	(989,915)	(1,055,086)
NET INCREASE (DECREASE) IN FUND BALANCE	$ 7,987,849	$ -	$ 7,987,849	$ (198,791)

MONTGOMERY COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Current		Loan Funds	Endowment and Similar Funds	Plant Funds			
	Unrestricted	Restricted			Unexpended	Renewal and Replacement	Investment in Plant	Major Facilities Capital Projects
REVENUE AND OTHER								
Student tuition and fees	$ 71,090,442	$ 82,890	$ -	$ -	$ -	$ 3,049,128	$ -	$ -
Federal, state, local, private gifts, grants, contributions	-	17,185,352	-	-	-	-	-	-
Governmental appropriations	135,140,354	7,830,754	-	-	26,727,237	-	-	-
Interest income	1,525,140	-	4,618	26,677	-	127,859	-	310,162
Other	1,001,539	-	15,747	-	-	-	-	-
Expended for plant facilities	-	-	-	-	-	-	42,628,308	-
Sales and services of auxiliary enterprises	13,985,986	-	-	-	-	-	-	-
State appropriation	8,526,235	-	-	-	-	-	-	-
TOTAL REVENUE AND OTHER	231,269,696	25,098,996	20,365	26,677	26,727,237	3,176,987	42,628,308	310,162
EXPENDITURES AND OTHER								
Educational and general	202,203,002	23,942,755	-	49,046	-	-	-	-
Auxiliary enterprises	12,141,872	-	-	-	-	-	-	-
State appropriations	8,526,235	-	-	-	-	-	-	-
Loan cancellations and collection costs	-	-	22,894	-	-	-	-	-
Non-capitalized plant expenditures	-	-	-	-	9,541,157	-	-	-
Capitalized plant expenditures	-	577,064	-	-	39,744,922	870,000	-	-
Depreciation of plant assets	-	-	-	-	-	-	11,601,765	-
Interest expense	-	-	-	-	-	1,482,358	-	-
Disposal of plant and facilities	-	-	-	-	-	-	698,794	-
TOTAL EXPENDITURES AND OTHER	222,871,109	24,519,819	22,894	49,046	49,286,079	2,352,358	12,300,559	-
TRANSFERS								
Mandatory transfers	(410,738)	365,738	45,000	-	-	-	-	-
Non-mandatory transfers	-	(944,915)	-	-	3,846,430	(266,686)	-	(2,634,829)
TOTAL TRANSFERS	(410,738)	(579,177)	45,000	-	3,846,430	(266,686)	-	(2,634,829)
NET INCREASE (DECREASE) IN FUND BALANCE	7,987,849	-	42,471	(22,369)	(18,712,412)	557,943	30,327,749	(2,324,667)
FUND BALANCE AT BEGINNING OF YEAR	23,845,238	-	1,986,805	672,029	76,755,840	1,981,266	198,615,632	7,866,774
County repayment	(75,000)	-	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	$ 31,758,087	$ -	$ 2,029,276	$ 649,660	$ 58,043,428	$ 2,539,209	$ 228,943,381	$ 5,542,107

MONTGOMERY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA Number	Federal Grant Number/Pass through Grantors, Grantors Number	7/1/2007 to 6/30/2008 Expenditures
U.S DEPARTMENT OF EDUCATION			
Student Financial Aid - Cluster			
Federal Pell Grant (1)	84.063		$ 12,466,196
Academic Competitiveness Grant	84.375		11,375
Federal Supplemental Educational Grant (2)	84.007		513,973
Federal Work Study	84.033		667,431
Federal Perkins Loan (3) (4)	84.038		269,536
Federal Family Education Loan (4)	84.032		6,376,724
Total Student Financial Aid - Cluster			20,305,235
TRIO - Cluster			
DOE Student Support Services Program	84.042A	PO42A50862-07	31,797
DOE Student Support Services Program	84.042A	PO42A50862-06	171,965
DOE Educational Opportunity Centers Program	84.066A	PO66A070309	194,147
DOE Educational Opportunity Centers Program	84.066A	PO66A020174-06	30,422
Total TRIO - Cluster			428,331
DOE CCAMPIS Application	84.335A	P335A050045-07	96,495
DOE FIPSE - Comprehensive Program	84.116B	P116B060280	93,797
DOE FIPSE - Comprehensive Program	84.116B	P116B060280-07	98,575
Pass-through Programs from:			
Maryland State Department of Education			
Consolidated Adult Education & Family Literacy	84.002A	800560	1,270,046
Title II Tech Prep Education	84.243	801520	45,543
Title IC Program Improvement	84.048	801520	264,908
Title IC Program Improvement	84.048	700879	73,156
Troops to Teacher Mobility	84.955	602004	22,785
TOTAL U.S. DEPARTMENT OF EDUCATION			22,698,871
NATIONAL SCIENCE FOUNDATION			
NSF Montgomery Bioscience Park	47.041	IIP-0332687	130,368
NSF SENCER	47.076	0618431	28
NSF VIP K-16 (pass-through Univ of Maryland)	47.076	EHR-0227325	2,490
NSF Science Learning Community	47.076	DUE-0324101	39,517
NSF CyberWatch	47.076	DUE-0501828	52,103
NSF MathBench Modules	47.076	SA-Z300701/DUE-0736975	16,150
TOTAL NATIONAL SCIENCE FOUNDATION			240,656
CNCS (pass-through College of Southern Maryland)			
Learn & Serve - College of Southern Maryland	94.005	03LHHMD001	19,378
NATIONAL INSTITUTES OF HEALTH			
Biomedical Scholars Program	93.859	3 R25 GM063993-04S1	78,003
Biomedical Scholars Program	93.859	5 R25 GM063993-04	43,929
TOTAL NATIONAL INSTITUTES OF HEALTH			121,932
U.S. DEPARTMENT OF ENERGY			
Construction Grant	81.049	DE-FG02-06CH11429	153,061

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

U.S. DEPARTMENT OF COMMERCE			
Summer Undergraduate Research Fellowship-BFRL	11.609	70NANB8H8049	3,527
Pass-through programs from NOAA / NDS			
NOAA Collaboration	11		4,000
NOAA Collaboration - Earth Resources Tech	11	SA-8102-S006	3,869
TOTAL U.S. DEPARTMENT OF COMMERCE			11,396
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Head Start Program Community Based Program	93.600	PO8644330101	87,195
Head Start Program - Extended Child Care	93.600	PO8644330129	120,150
MONA - Refugee TAP	93.584	CSA/TAP-07-441	214,836
MONA - Refugee TAP	93.584	CSA/TAP-08-461	351,966
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			774,147
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 24,019,441

(1) Includes 2007 Pell award amounts.
(2) Includes prior year recoveries.
(3) Represents adjustment of loans for the previous year plus new loans made during the year.
(4) Loan programs excluded from base in determining major programs.

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Montgomery College during the year ended June 30, 2008 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2: LOANS OUTSTANDING

As of the year ended June 30, 2008, the Federal Perkins Loan Program, Federal CFDA# 84.038, had an outstanding loan balance of $2,377,020. The outstanding balance is not included in the federal expenditures presented in the schedule.

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Montgomery College
Rockville, MD 20850

We have audited the financial statements of Montgomery College (the College) as of and for the year ended June 30, 2008 and have issued our report thereon dated September 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance which appears to be contrary to legal guidance issued by the Attorney General of the State of Maryland. As required under *Government Auditing Standards*, this instance is described in the accompanying schedule of findings as item 08-1.

This report is intended for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2008

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Montgomery College
Rockville, MD 20850

Compliance

We have audited the compliance of Montgomery College (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2008

MONTGOMERY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

	Unqualified	Qualified	Adverse	Disclaimer
Financial statements				
Type of auditors' report issued	☒	☐	☐	☐

	Yes	No	None Reported
Internal control over financial reporting			
Material weakness(es) identified?	☐	☒	
Significant deficiencies identified that are not considered to be material weakness(es)?	☐	☒	☐
Noncompliance material to financial statements noted?	☒	☐	
Internal control over major programs?(Federal awards)			
Material weakness(es) identified?	☐	☒	
Significant deficiencies identified that are not considered to be material weaknesses?	☐	☒	☐

	Unqualified	Qualified	Adverse	Disclaimer
Type of auditor's report issued on compliance for major programs	☒	☐	☐	☐

	Yes	No	None Reported
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A133, Section .510(a)?	☐	☒	☐

Identification of Major Programs	
CFDA Numbers	Name of Federal Program or Cluster
84.063, 84.375, 84.007, 84.033, 84.038, 84.032	U.S. Dept. of Education - Student Financial Aid Cluster
84.002A	Consolidated Adult Education & Family Literacy
93.584	MONA-Refugee TAP

Dollar threshold used to distinguish between Type A and Type B programs: $521,195

	Yes	No
Auditee qualified as low-risk auditee?	☒	☐

SECTION II - FINANCIAL STATEMENT FINDINGS:

Finding Number:

08-1

Criteria:

On May 4, 2006, the Attorney General of the State of Maryland issued an opinion on whether the Board of Trustees of a community college has discretion to offer in-county tuition rates absent authorization from the General Assembly. The opinion was rendered specifically in reference to a class of students described as undocumented aliens. Based on references to Title 16 of the Education Article of the Annotated Code of Maryland, the Attorney General expressed the following conclusion.

> *In our opinion, the Board lacks the authority to waive the out-of-county tuition rates for undocumented aliens. Maryland law allows the Board to charge a student in-county tuition rates only in specified circumstances, and does not afford the Board the discretion to determine whether to charge such rates in this situation. This conclusion holds true even if the Board were to decide to forgo certain State funding for such students by not counting such a student as a full-time equivalent.*

Condition:

It is the policy of the College to offer in-county tuition rates to certain students who cannot otherwise meet the requirements for in-county domicile and residence. These include individuals who: 1) graduated from a public secondary school in the County; and 2) applied to attend the College within three years after that graduation. The College does not include these students when computing full-time equivalent students for the purpose of determining State funding.

Effect:

The College has offered in-county tuition rates to undocumented aliens, and effectively waived out-of-county tuition rates for these students, absent authorization from the General Assembly. According to reports generated by the College, such students accounted for approximately 13,000 credit hours during the year under audit.

Cause:

The College has applied the policy stated above, and offered in-county tuition rates, to students who are undocumented aliens if they qualify under the two stated criteria of the policy.

Recommendation:

According to the opinion of the Attorney General of Maryland, as expressed on May 4, 2006, the present tuition policy of the College results in a situation that is contrary to State law. We therefore recommend that the Board of Trustees consider whether the current policy should be revised or whether the College should seek specific authorization of this program from the General Assembly.

SECTION II - FINANCIAL STATEMENT FINDINGS - continued

Finding Number:

08-1

Management's Response:

The Auditor misunderstands the context of the cited Attorney General's opinion, its non-binding effect and its inapplicability to the tuition policy for high school graduates followed by Montgomery College. The Auditor's finding relates to a non-binding opinion rendered by a former Attorney General[1] to another Community College (Prince George's County Community College) in the State ("PGCC") on a separate question regarding that school's tuition policy[2]; the issue addressed by the Attorney General in his opinion is distinctly different and separate from the policy followed by Montgomery College. Furthermore, the Attorney General has no jurisdiction over community colleges and such opinions do not have any legal effect and are "advisory only"; however, the State administrative body that does have jurisdiction over the Community Colleges, the Maryland Higher Education Commission ("MHEC"), has issued directives and advice to the Community College's (unaffected and unchanged by the issuance of the Attorney General's opinion) that are directly contrary to quoted language of the opinion above and is directly supportive of the policy of Montgomery College.[3] Finally, the auditor's note utilizes flawed logic in arriving at the conclusions and recommendation, not only relying on incorrect factual conclusions regarding the opinion, but a false tautology[4] with respect to applicability to Montgomery College's policy.[5] The Board of Trustees has been fully advised regarding the Attorney General's opinion and the current tuition policy of Montgomery College, and has not directed any change to the current tuition policy to date.

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[1] A new Attorney General, Doug Gansler, was elected to replace Attorney Joe Curran (who issued the referenced opinion) in November 2006.

[2] The referenced Opinion of the Attorney General was issued to "V. Daniel Polwnbo, Esquire, Board of Trustees of Prince George's County Community College." The opinion requested was "...whether the Board of Trustees of Prince George's County Community College may lawfully offer in-county tuition rates to certain students who are neither citizens of the United States nor lawfully admitted to the United States..." Thus, the opinion addressed a policy proposed by PGCC that specifically limited a benefit (waiver of out-of-county rates) to a specific and limited class ("undocumented aliens"). Note that the opinion limits its conclusion to "this situation" which is neither the situation nor the policy at issue for Montgomery College.

[3] **The Administrative Policy on Tuition Waivers Eligible Under the John A. Cade State Aid to Community Colleges**, issued by the Maryland Higher Education Commission in June 2003, and unchanged to the present date, states as follows:

> *"The board of trustees of community colleges have the authority to grant tuition waivers for students except where prohibited by law...The community colleges also provide tuition waivers to other categories of students [other than those specifically addressed in State law]...Other potential FTEs [for purposes of State aid] generated by boards of trustees' policies are not eligible for State aid [but are still legal waivers] unless the Commission [MHEC] has declared them eligible."*

This is contrary to the language in the opinion that indicates only specific waivers authorized by State law specifically may be granted by the Community Colleges.

[4] The False tautology is as follows:

1. **Major Premise**: As the Attorney General's Opinion addressed, a policy limited to conveying in-county tuition benefits to undocumented aliens is illegal;
2. **Minor Premise**: Montgomery College's policy conveys an in-county tuition benefit to all persons, a portion of which includes undocumented aliens;
3. **(False) Conclusion**: Montgomery College's policy is illegal. (sufficient but not necessary)

SECTION II - FINANCIAL STATEMENT FINDINGS - continued

Finding Number: 08-1	[5] It should be noted that the PGCC proposed policy suffers from a deficiency that is not present in the Montgomery College policy - it proposed to offer a tuition waiver benefit to undocumented aliens that is not available to citizens of the United States, contrary to the Immigration Reform Act of 1996 (IIRIRA). See page 95, 91 Op. Att. Gen. 92 - the opinion cited by the auditor. On the other hand, the Montgomery College policy is applicable to all persons, equally, and includes all citizens as well as undocumented aliens consistent with the requirements of the IIRIRA.	

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

Reference Number		Questioned Costs
	None	

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No significant deficiencies or findings and questioned costs were disclosed during the audit of the major federal award programs of Montgomery College for the year ended June 30, 2007.

OPE ID No. 00691100

Montgomery College

Financial Statements

For the Years Ended June 30, 2009 and 2008

BOND BEEBE
ACCOUNTANTS & ADVISORS

MONTGOMERY COLLEGE
TABLE OF CONTENTS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

MONTGOMERY COLLEGE
BOARD OF TRUSTEES AND SECRETARY-TREASURER TO THE BOARD OF TRUSTEES
JUNE 30, 2009

BOARD OF TRUSTEES

Ms. Roberta Shulman, Chair
Dr. Michael C. Lin, First-Vice Chair
Mr. Stephen Z. Kaufman, Second-Vice Chair
Mr. Gene W. Counihan
Mr. Reginald Felton
Ms. Georgette W. Godwin
Dr. Owen D. Nichols
Mr. Gabriel Spiro, Student

SECRETARY-TREASURER TO THE BOARD OF TRUSTEES

Dr. Brian K. Johnson, Secretary/Treasurer and President of Montgomery College

MONTGOMERY COLLEGE

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

In connection with the attached Annual Financial Statements of Montgomery College, we hereby certify that:

1. The attached Annual Report is true, complete, and correct in all material respects, and the financial statements therein have been prepared in accordance with accounting principles generally accepted in the United States of America.

2. The information set forth herein, and on each of the schedules hereto, is complete and accurate in all material respects and contains full and complete disclosure of all pertinent information in connection with the operations of the College. Based on our knowledge, the Report does not contain any untrue statement of a material fact or omit a material fact.

3. We have designed such internal controls and procedures to ensure that material information relating to the College, including component units is made known to us and have established an effective system of internal control.

4. Based upon the above, we certify that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the College.

5. There has been no material adverse change in operations since the date these statements were prepared to the date of the Certification.

Hercules Pinkney Date: 9/30/09
Hercules Pinkney
Interim President

Marshall Moore Date: 9/30/09
Marshall Moore
Senior Vice President for Administrative
and Fiscal Services

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Montgomery College
Rockville, MD 20850

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Montgomery College, a component unit of Montgomery County, Maryland, as of June 30, 2009 and 2008 and for the years then ended, which comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Montgomery College as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows of its business-type activities and changes in net assets of its discretely presented component unit, where applicable, thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2009 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis presented on Pages 4 - 20 is not a required part of the basic financial statements but is supplemental information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2009

The objective of management's discussion and analysis is to help readers of Montgomery College's financial statements better understand the financial position and operating activities for the fiscal year ended June 30, 2009, with comparative information for the year ended June 30, 2008. The financial statements are presented in three columns: Montgomery College, Montgomery College Foundation, and a Total column. The following discussion and analysis provides an overview of the College's financial activities. This discussion and analysis should be read in conjunction with the financial statements and notes to the financial statements.

Starting with the June 30, 2004 financial statements, the College implemented GASB Statement Number 39, *Determining Whether Certain Organizations are Component Units*. This statement addresses the conditions under which institutions should include associated fund-raising or research foundations as component units in their financial statements. Under the previous accounting standards, the College had no component units. Under the new standards, the Montgomery College Foundation, Inc. (the Foundation) meets criteria qualifying it as a component unit. The Foundation is included in the accompanying financial statements in a separate column. However, the following discussion and analysis does not include the Foundation's financial condition and activities.

On July 1, 2007 the College implemented GASB Statement Number 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* The College established an irrevocable trust on June 16, 2008 to account for the plan. The College had actuarial valuations performed for the plan as of June 30, 2009 to determine the employer's Annual Required Contribution (ARC). The College's annual Other Postemployment Benefit (OPEB) cost (AOC) of $3,567,792 was greater than the ARC of $3,484,480 for fiscal year ended June 30, 2009.

The College implemented Financial Accounting Standards Board (FASB) Statement Number 106, *Employers ' Accounting for Postretirement Benefits Other Than Pensions*, on July 1, 1993 and for several fiscal years the College was funding SFAS No. 106. As of June 30, 2007, the College had accumulated $23,072,058 for funding purposes. With the implementation of GASB 43 and 45 during fiscal year 2008, the College included these funds in the funding effort for GASB 45. The College's Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets include the following:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio
June 30, 2007	$ 0	$ 0	$ 62,263,511	$ 23,072,058	$ 39,191,453	37.06%
June 30, 2008	$ 4,877,660	$ 25,459,619	$ 52,188,571	$ 25,459,619	$ 26,728,952	48.78%
June 30, 2009	$ 3,567,792	$ 3,200,000	$ 61,627,035	$ 20,632,100	$ 40,994,935	33.48%

During September, 2007 the College occupied the completed Morris and Gwendolyn Cafritz Foundation Arts Center. This renovation project started in October 2005 and was completed in September 2007. This renovation was financed through a lease agreement with the Montgomery College Foundation whereby the rental payments by the College to the Foundation would be used to pay the debt service for $33,000,000 of Montgomery County Revenue Authority Lease Revenue Bonds for which the Montgomery College Foundation is responsible for the repayment. This lease arrangement was set up because the College cannot borrow funding. Since the Morris and Gwendolyn Cafritz Foundation Arts Center building will revert back to the College at the end of the lease period, this lease arrangement was classified as a capital lease by the College and the building and the lease obligation were recorded in the College's fiscal year 2008 financial statement. The schedule below shows the first eight years of lease payments and the corresponding reduction in debt service on the Revenue Bonds:

Date	Annual Lease Payment	Interest on Unpaid Obligation	Reduction of Lease Liability	Carry Amount of Lease
				$ 33,000,000
2008	$ 2,352,356	$ 1,482,356	$ 870,000	$ 32,130,000
2009	$ 2,352,556	$ 1,447,556	$ 905,000	$ 31,225,000
2010	$ 2,351,356	$ 1,411,356	$ 940,000	$ 30,285,000
2011	$ 2,348,756	$ 1,373,756	$ 975,000	$ 29,310,000
2012	$ 2,349,756	$ 1,334,756	$ 1,015,000	$ 28,295,000
2013	$ 2,349,156	$ 1,294,156	$ 1,055,000	$ 27,240,000
2014	$ 2,351,956	$ 1,251,956	$ 1,100,000	$ 26,140,000
2015	$ 2,352,956	$ 1,207,956	$ 1,145,000	$ 24,995,000

Financial and Enrollment Highlights

- The College's financial position continued to show growth as assets totaled $402.89 million at June 30, 2009, an increase of $44.15 million or 12.31% over June 30, 2008. This resulted primarily from a $37.24 million increase in capital assets. Net assets increased $49.02 million or 17.27% in fiscal year 2009.

	2009	2008	$ Change	%Change
Total assets	$402,888,782	$358,739,246	$44,149,536	12.31%
Total liabilities	$69,916,215	$74,791,426	($4,875,211)	-6.52%
Total net assets	$332,972,567	$283,947,820	$49,024,747	17.27%
Capital assets-net of related debt	$266,184,371	$228,943,381	$37,240,990	16.27%

- Operating revenues increased $5.33 million or 5.48% as a result of increases in tuition rates, enrollment increases, and grants.

- Non-operating and Other revenues (net of interest expense and disposals) increased $14.37 million or 7.51% as a result of increased County support.

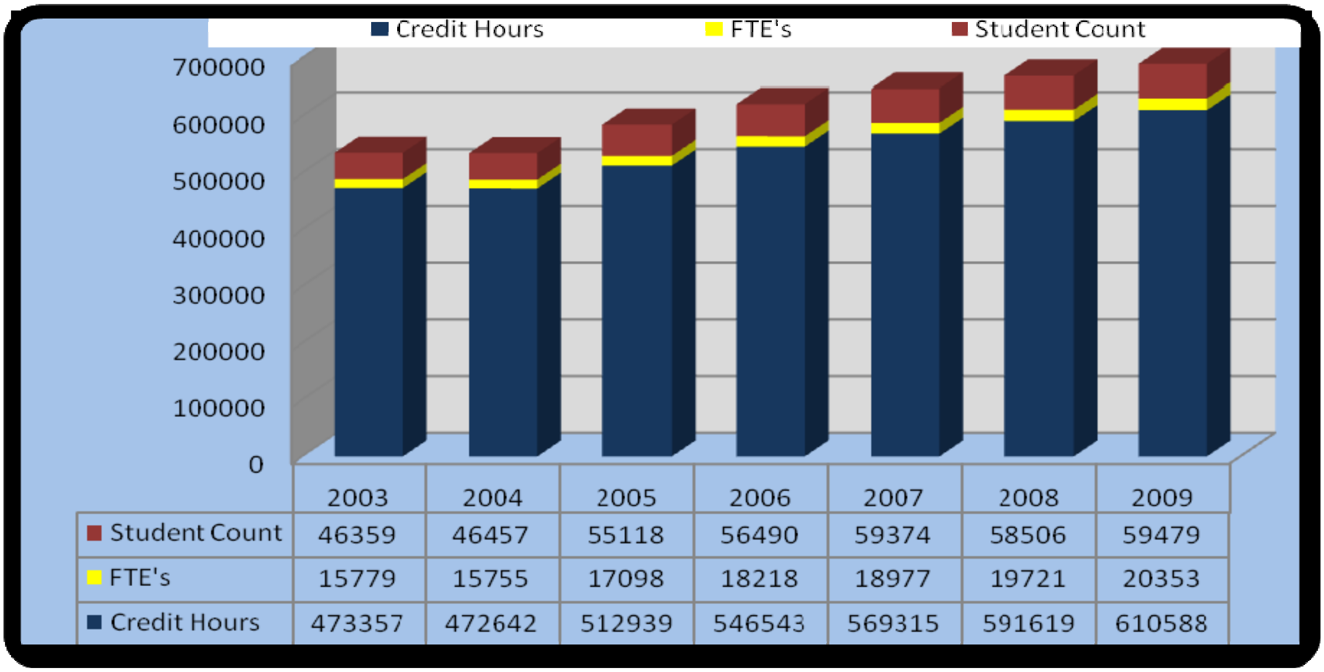
- Operating expenses increased $20.72 million or 8.74% as a result of salary increases ($12.30 million), fringe benefit increases ($4.69 million), contracted services ($1.13 million), depreciation ($2.18 million), and other college expenses ($.42 million).

	2009	2008	$ Change	% Change
Total operating revenues	$102,621,799	$97,288,301	$5,333,498	5.48%
Total operating expenses	$257,817,238	$237,100,760	$20,716,478	8.74%
Operating income (loss)	($155,195,439)	($139,812,459)	($15,382,980)	-11.00%
Non-operating activity	$204,220,186	$189,242,535	$14,977,651	7.91%
Increase in net assets	$49,024,747	$49,430,076	($405,329)	-0.82%

- Salaries and benefits were 77.46% of Educational and General total expenditures of $228,759,836. Except for Scholarships and Depreciation where there are no salary and benefit charges, salaries and benefits range from 51.54 % to 88.95 % of each functional category. The Institutional Support function was reduced to reflect the transfer of $7.72 million to the OPEB trust fund in fiscal year 2009 (resulting in the negative amount shown in the 'other' column). Without this adjustment salaries & benefits would have been 81.91% of this function.

Function/ Object Class	Salaries & Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	% of Salary & Benefits
Instruction	$85,002,030	$5,763,924	$2,311,548				$2,484,493	88.95%
Academic Support	$22,990,930	$3,760,074	$955,841				$1,185,552	79.57%
Student Services	$22,613,016	$3,442,137	$501,649				$813,200	82.62%
Operation of Plant	$14,822,980	$5,807,327	$1,332,385		$6,253,985		$543,724	51.54%
Institutional Support	$31,759,617	$5,607,839	$445,648	$17,660			($6,776,343)	102.27%
Scholarships				$3,339,845			$35	0.00%
Depreciation						$13,780,740		0.00%
Total	$177,188,573	$24,381,301	$5,547,071	$3,357,505	$6,253,985	$13,780,740	($1,749,339)	77.46%
	77.46%	10.66%	2.42%	1.47%	2.73%	6.02%	-0.76%	

- Enrollment based on FTEs (full time equivalent students) increased for 2009. FTEs for 2008 were 19,721, while FTEs for 2009 were 20,353, an increase of 3.20%.

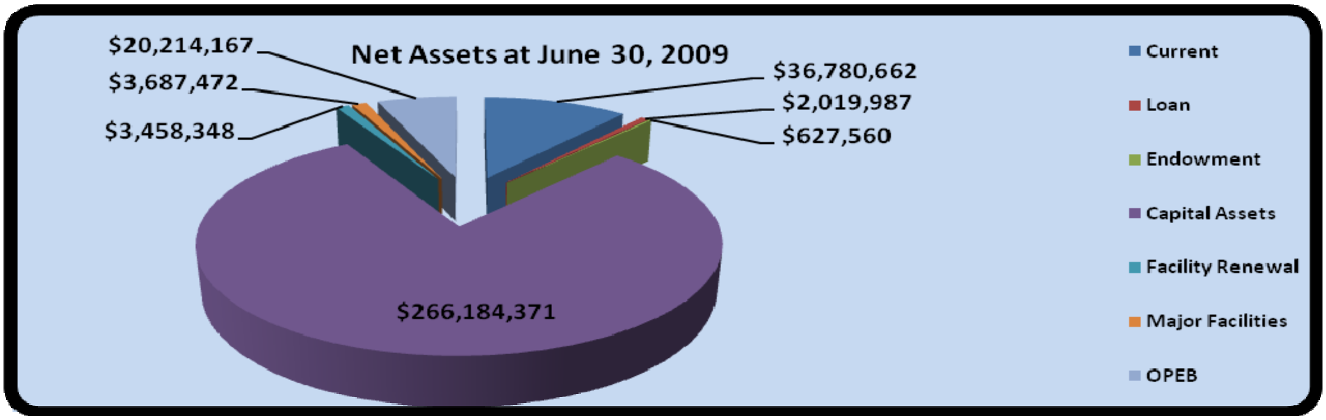


	2003	2004	2005	2006	2007	2008	2009
Student Count	46359	46457	55118	56490	59374	58506	59479
FTE's	15779	15755	17098	18218	18977	19721	20353
Credit Hours	473357	472642	512939	546543	569315	591619	610588

Statement of Net Assets

This Statement of Net Assets presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College using the accrual basis of accounting which is similar to the accounting methods used by most private sector institutions. Net assets measures the difference between assets and liabilities and is one way to measure the financial health of the College. A summarized comparison of the College's assets, liabilities, and net assets at June 30, 2009 and 2008 is as follows:

	2009	2008	$ Change	%Change
Current assets				
Cash & short term investments	$55,607,322	$51,254,157	$4,353,165	8.49%
Receivables	$24,634,434	$20,455,269	$4,179,165	20.43%
Inventory, prepaid expenses, other	$3,154,858	$3,421,162	($266,304)	-7.78%
Total current assets	$83,396,614	$75,130,588	$8,266,026	11.00%
Non-current assets				
Long term receivables	$1,868,630	$1,841,667	$26,963	1.46%
Capital assets	$297,409,371	$261,073,381	$36,335,990	13.92%
Other	$20,214,167	$20,693,610	($479,443)	-2.32%
Total non-current assets	$319,492,168	$283,608,658	$35,883,510	12.65%
Total assets	$402,888,782	$358,739,246	$44,149,536	12.31%
Current liabilities				
Accounts payable & accrued liabilities	$24,570,286	$29,141,110	($4,570,824)	-15.69%
Deferred revenue	$4,863,890	$4,972,835	($108,945)	-2.19%
Compensated absences-current portion	$284,401	$566,232	($281,831)	-49.77%
Other	$1,080,887	$853,771	$227,116	26.60%
Total current liabilities	$30,799,464	$35,533,948	($4,734,484)	-13.32%
Non-current liabilities				
Compensated absences-non-current portion	$8,589,549	$7,720,896	$868,653	11.25%
Long term liabilities	$30,527,202	$31,536,582	($1,009,380)	-3.20%
Total non-current liabilities	$39,116,751	$39,257,478	($140,727)	-0.36%
Total liabilities	$69,916,215	$74,791,426	($4,875,211)	-6.52%
Net Assets				
Invested in capital assets	$266,184,371	$228,943,381	$37,240,990	16.27%
Restricted	$2,019,987	$2,029,276	($9,289)	-0.46%
Unrestricted	$64,768,209	$52,975,163	$11,793,046	22.26%
Total net assets	$332,972,567	$283,947,820	$49,024,747	17.27%
Total liabilities & net assets	$402,888,782	$358,739,246	$44,149,536	12.31%



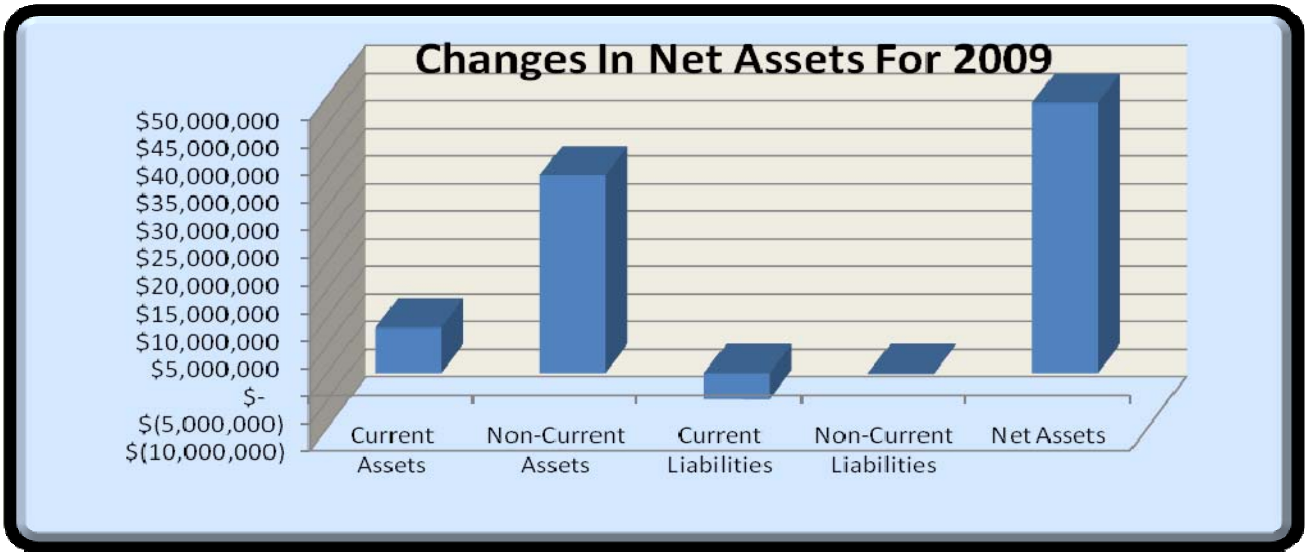
As of June 30,	2009	2008	$ Change	% Change
Assets				
Current assets	$83,396,614	$75,130,588	$8,266,026	11.00%
Non-current assets	$319,492,168	$283,608,658	$35,883,510	12.65%
Total assets	$402,888,782	$358,739,246	$44,149,536	12.31%
Liabilities and net assets				
Current liabilities	$30,799,464	$35,533,948	($4,734,484)	-13.32%
Non-current liabilities	$39,116,751	$39,257,478	($140,727)	- 0.36%
Total liabilities	$69,916,215	$74,791,426	($4,875,211)	-6.52%
Net assets	$332,972,567	$283,947,820	$49,024,747	17.27%
Total liabilities and net assets	$402,888,782	$358,739,246	$44,149,536	12.31%

- Net current asset increases of 11.00% consist primarily of the following items: cash and short term investments (increase of 8.49%); CIP receivable (increase of 49.52%); and governmental appropriations receivable (increase of 14.92%).

- Non-current assets increased 12.65% on the strength of increased capital assets (increased 13.92%). With the current construction of new buildings for the Takoma Park/Silver Spring Campus expansion, capital assets increased $36.34 million. The College implemented GASB 45 for fiscal year 2008. Because of the funding by the College on this issue (OPEB), with the recognition of the current 'Annual Required Contribution' (ARC) equal to $3.57 million in fiscal year 2009, the College was in an over-funded status of $20.21 million.

- Current liabilities decreased -13.32% due mainly to decreases of vendor payables and accrued liabilities of -15.69% which includes the transfer of $7.72 million of OPEB funds to the outside trust account and the decrease in the current portion of compensated absences (-49.77%).

- Non-current liabilities decreased - .36% which resulted from a -3.20% or $ 1.01 million dollar decrease in long-term liabilities resulting mainly from the recognition of capital lease payments for the Cafritz Foundation Arts Center.

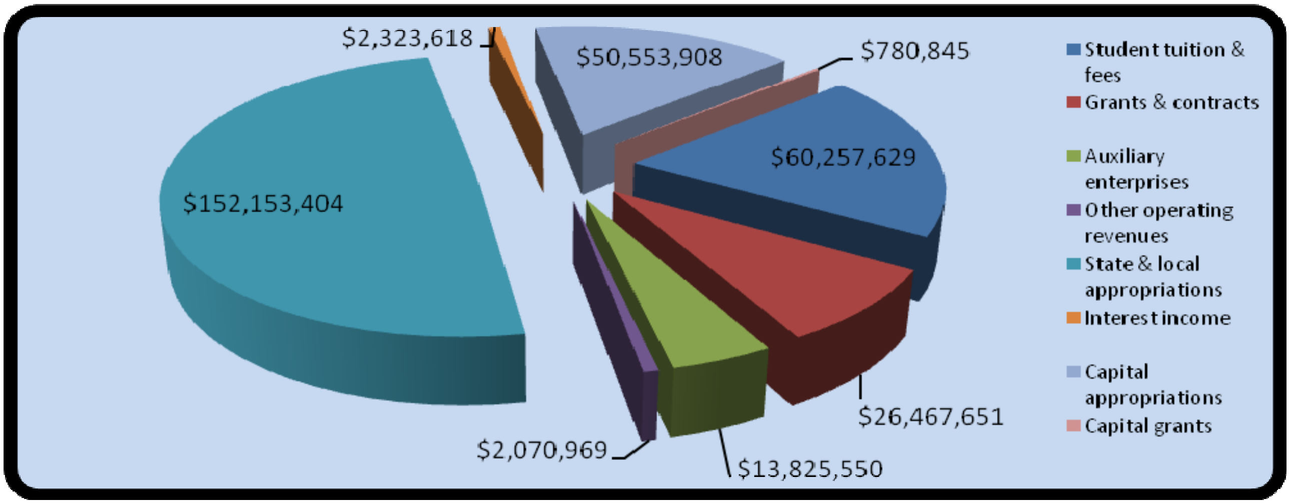


Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. Annual County and State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles as detailed by GASB No. 35, even though these appropriated funds are used to support operating activities. A summarized comparison of the College’s revenues, expenses and changes in net assets for the years ended June 30, 2009 and 2008 is presented below:

	2009	2008	$ Change	% Change
Revenues				
Operating Revenue				
Student tuition & fees	$60,257,629	$58,083,353	$2,174,276	3.74%
Grants & contracts	26,467,651	24,678,041	$1,789,610	7.25%
Auxiliary enterprises	13,825,550	13,509,623	$315,927	2.34%
Other operating revenues	2,070,969	1,017,284	$1,053,685	103.58%
Total operating revenues	$102,621,799	$97,288,301	$5,333,498	5.48%
Expenses				
Operating Expenses				
Educational & general	$228,759,835	$206,949,294	$21,810,541	10.54%
Auxiliary enterprises	12,419,000	12,061,179	$357,821	2.97%
Other expenditures	7,115,895	9,564,052	($2,448,157)	-25.60%
State retirement appropriations	9,522,508	8,526,235	$996,273	11.68%
Total operating expenses	$257,817,238	$237,100,760	$20,716,478	8.74%
Operating income (loss)	($155,195,439)	($139,812,459)	($15,382,980)	-11.00%
Non-Operating revenues (expenses)				
State & local appropriations	$152,153,404	$143,666,589	$8,486,815	5.91%
Interest income & rebates	2,323,618	1,994,457	$329,161	16.50%
Interest expense	-1,491,344	-1,497,431	$6,087	0.41%
Net non-operating revenues	$152,985,678	$144,163,615	$8,822,063	6.12%
Income (loss) before other revenues & expenses	($2,209,761)	$4,351,156	($6,560,917)	-150.79%
Capital appropriations	50,553,908	45,439,650	$5,114,258	11.26%
Capital grants, contracts & gifts	780,845	338,065	$442,780	130.97%
Disposals of capital assets	-100,245	-698,795	$598,550	85.65%
Total other revenues	$51,234,508	$45,078,920	$6,155,588	13.66%
Increase in net assets	$49,024,747	$49,430,076	($405,329)	-0.82%
Net assets				
Net assets-beginning of year	$283,947,820	$234,517,744	$49,430,076	21.08%
Net assets-end of year	$332,972,567	$283,947,820	$49,024,747	17.27%

Fiscal Year 2009 Total Revenues:



- The graphic illustration above of revenue by source includes both operating and non-operating for the year ended June 30, 2009. Revenue from all sources increased $19.71 million in FY2009.

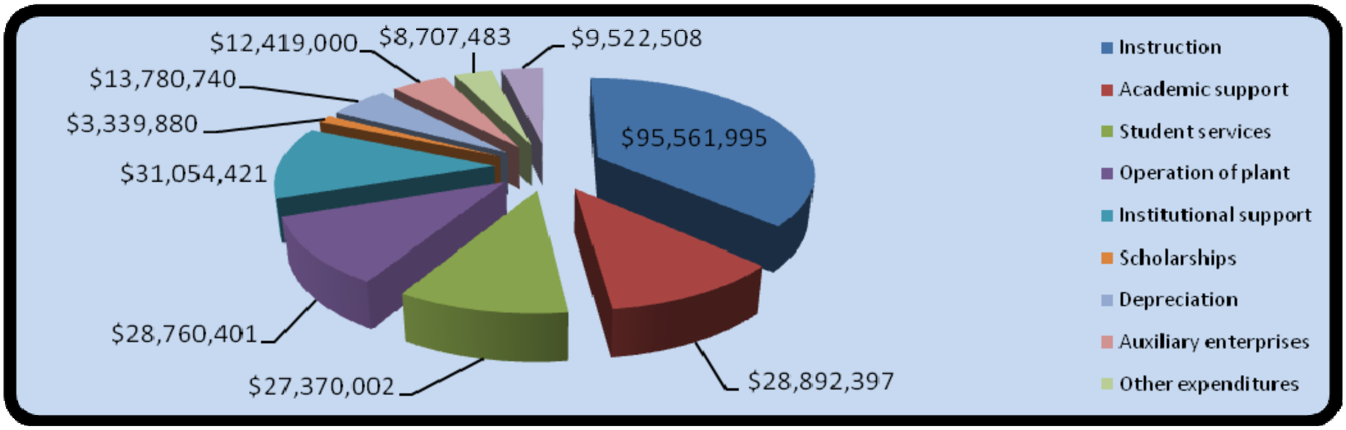
- Tuition and fees, net of scholarship allowances, makes up 19.54% of the total revenue for the College and resulted in a $2.17 million increase for FY2009.

- State and local appropriations makes up the largest contribution, 49.33%, of the total revenue and resulted in an $8.49 million increase for FY2009.

- Capital appropriations for land, building, and some equipment are also from governmental funds. This category makes up 16.39% of the total revenue and resulted in a $5.11 million increase for FY2009.

- Capital grants, contracts, and gifts are those category items where a major component of the category was for the purchase of capital assets. This category makes up .25% of the total revenue and resulted in a $443 thousand decrease in FY2009.

Fiscal Year 2009 Expenses by Functional Classification



- Due to the current economic climate, the rate of growth for expenses for all of the functional categories continued to grow at an 8.40% overall growth rate. College operating expenditures total $257.82 million, plus $1.59 million in non-operating and other classifications.

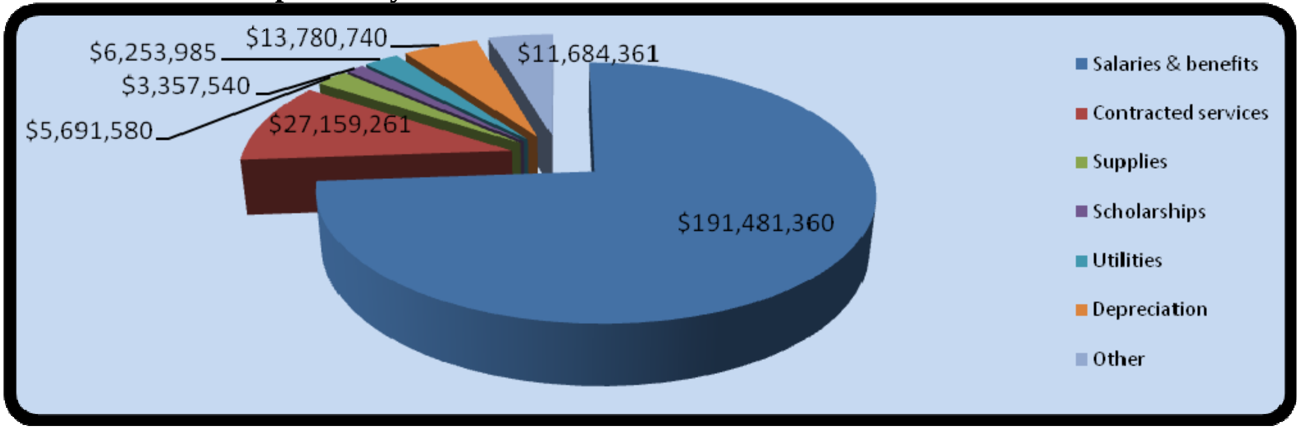
- Total College operating expenditures (institutional support function) have been reduced in FY2009 by $7.72 million in conjunction with the implementation of GASB 45 by having a portion of the funds set aside with the implementation of SFAS No. 106 (started July 1, 1993). During fiscal year 2008, the College had accumulated $25.46 million dollars towards the obligation resulting from the GASB 45 implementation. Of this amount $17.74 million had been transferred to an OPEB Trust Fund. The balance of $7.72 million was transferred to the OPEB Trust during fiscal year 2009 as those investments matured.

- Instructional expenditures represent 36.84% of the total College FY2009 expenses and resulted in an increase of $7.87 million of the total College increase of $20.11 million. Instructional expenditures total $95.56 million. With the reduction noted in the bulleted item above, Institutional Support function expenditures increased $6.38 million or an increase of 25.83% from fiscal year 2008.

- Salaries and benefits continue to be the major component of all functional categories, except scholarships, depreciation and disposals which contain no salary expenses. Salaries and benefits account for 73.81% of all College expenditures. College salary and benefit expenditures total $191.48 million (including State paid retirement costs). This is a $16.99 million increase over FY2008 or 9.74%.

- Scholarships and related expenses include only that portion of student aid which was paid to the student and not used to offset tuition and fees. Scholarship expenditures in the amount of $18.32 million were offset against tuition and fee income.

Fiscal Year 2009 Expenses by Natural Classification



- Salaries and benefits clearly represent the largest single operating expense, increased by additional positions and annual pay increases. Salary expenses appear throughout every functional category, except scholarships and depreciation, which do not have operating functional classifications. Total salaries and benefits increased in FY2009 by $16.99 million or 9.74% (including State paid retirement costs).

Total College Expenditures (Operating & Non-Operating)

	Sal & Benefits	Contr Serv	Supplies	Scholarships	Utilities	Depreciation	Other	% of Salary & Benefits	Total $
June 30, 2009									
Instruction	$ 85,002,030	$ 5,763,924	$ 2,311,548	$	$	$	$ 2,484,493	88.95%	$95,561,995
Academic Support	$ 22,990,930	$ 3,760,074	$ 955,841	$	$	$	$ 1,185,552	79.57%	$28,892,397
Student Services	$ 22,613,016	$ 3,442,137	$ 501,649	$	$	$	$ 813,200	82.62%	$27,370,002
Operation of Plant	$ 14,822,980	$ 5,807,327	$ 1,332,385	$	$6,253,985	$	$ 543,724	51.54%	$28,760,401
Institutional Support	$ 31,759,617	$ 5,607,839	$ 445,648	$ 17,660	$	$	$(6,776,343)	102.27%	$31,054,421
Scholarships	$	$	$	$ 3,339,845	$	$	$ 35	0.00%	$ 3,339,880
Depreciation	$	$	$	$	$	$ 13,780,740	$	0.00%	$13,780,740
Auxiliary Enterprises	$ 3,272,162	$ 881,888	$ 144,509	$ 35			$ 8,120,406	26.35%	$12,419,000
Other	$ 1,498,117	$ 1,896,072					$ 5,313,294	17.20%	$ 8,707,483
State retirement	$ 9,522,508								$ 9,522,508
Total	$ 191,481,360	$ 27,159,261	$ 5,691,580	$ 3,357,540	$6,253,985	$ 13,780,740	$11,684,361	73.81%	$259,408,827
% of total	73.81%	10.47%	2.19%	1.29%	2.41%	5.31%	4.50%		100.00%

- Scholarships represent financial aid expenses less the scholarship allowance. The scholarship allowance is that portion of financial aid applied directly to tuition and fees. Net scholarships decreased $.47 million or -12.36%. This is a result of the scholarship allowance increasing (from $16.62 million to $18.97 million) by $2.35 million (14.16%) which means more financial aid dollars were applied directly to the payment of tuition and fees.

- In an attempt to restrict the increases in salaries, benefits, and costs overall, some services were outsourced. Outsourced services increased $1.13 million or 4.35%.

- Even with conservation efforts by the College, utility costs have increased by $674,333 or 12.09%. This was due primarily to rate increases. This increased cost also resulted from the addition of more buildings in use.

- 'Other' includes travel, communications, non-capitalized capital additions, and the College's contribution to the self-insurance fund. This category is normally higher since fiscal year 2006 when the College's threshold for capitalization of equipment significantly increased. During fiscal year 2006, that threshold was increased from a $2,500 unit cost to a $5,000 unit cost. 'Other' has been reduced by $7.35 million in fiscal year 2009 (compared to a reduction of $12.86 million in fiscal year 2008) as noted in the bulleted item referencing GASB 45 implementation. This results from the implementation of GASB 43 and 45 during fiscal year 2008. The reduction in fiscal year 2008 reflects the net amount of asset transfer to an irrevocable trust with the remaining amount transferred in fiscal year 2009 as funds invested by the college matured. For fiscal year 2009, the category shows a net increase of $1.17 million or 11.13%.

Operating & Non-Operating Expenses: By Natural Classification	2009 Expense	2009 % Of Total	2008 Expense	2008 % Of Total	Dollar Change	Percentage Change
Salaries & Benefits	$ 191,481,360	73.81%	$ 174,493,279	72.92%	$ 16,988,081	9.74%
Contracted Services	$ 27,159,261	10.47%	$ 26,026,200	10.88%	$ 1,133,061	4.35%
Supplies	$ 5,691,580	2.19%	$ 7,251,364	3.03%	$ (1,559,784)	-21.51%
Scholarships	$ 3,357,540	1.29%	$ 3,831,036	1.60%	$ (473,496)	-12.36%
Utilities	$ 6,253,985	2.41%	$ 5,579,652	2.33%	$ 674,333	12.09%
Depreciation	$ 13,780,740	5.31%	$ 11,601,765	4.85%	$ 2,178,975	18.78%
Other	$ 11,684,361	4.50%	$ 10,513,690	4.39%	$ 1,170,671	11.13%
Total	$ 259,408,827	100.00%	$ 239,296,986	100.00%	$ 20,111,841	8.40%

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flow and its ability to meet obligations as they come due. This statement of cash flows represents the significant sources and uses of cash.

	2009	2008	$ Change	% Change
Cash received from operations	$ 104,331,786	$ 96,874,309	$ 7,457,477	7.70%
Cash expended from operations	($238,936,722)	($225,930,911)	($13,005,811)	-5.76%
Net cash provided (used) by operating activities	($134,604,936)	($129,056,602)	($ 5,548,334)	-4.30%
Net cash provided (used) by investing activities	($ 5,914,354)	($ 13,695,775)	$ 7,781,421	56.82%
Cash flows from capital financing activities	($ 5,952,973)	($ 1,860,628)	($ 4,092,345)	-219.94%
Net cash provided (used) by non-capital financing activities	$ 142,567,128	$ 114,148,873	$ 28,418,255	24.90%
Increase (decrease) in cash & cash equivalents	($ 3,905,135)	($ 30,464,132)	$ 26,558,997	87.18%
Cash & cash equivalents-beginning of year	$ 16,570,018	$ 47,034,150	($30,464,132)	-64.77%
Cash & cash equivalents-end of year	$ 12,664,883	$ 16,570,018	($ 3,905,135)	-23.57%

- The College's cash and cash equivalents decreased by $3.91 million for fiscal year 2009. This was due mainly to an increase in cash use of $5.55 million over fiscal year 2008 for operating activities and an increase in cash use of $4.09 million over fiscal year 2008 for capital financing activities. Non-capital financing activities provided a $28.42 million increase in cash over fiscal year 2008.

- A large portion of the increase provided by non-capital financing activities is a result of the implementation of GASB 43 and 45 in fiscal year 2008 and the financial statement recognization of accumulated funds from prior fiscal years set aside for funding purposes. See page one of this MD & A for other information.

- Funds used in investing activities decreased from a net total in fiscal year 2008 of $13.69 million to a net total in fiscal year 2009 of $5.91 million resulting in a net dollar change of $7.78 million. This is a result of more securities maturing this fiscal period than last fiscal period.

	2009	2008	$ Change	% Change
Cash flows from operating activities				
Tuition and fees	$60,080,473	$57,936,996	$2,143,477	3.70%
Grants and contracts	$27,353,069	$23,608,643	$3,744,426	15.86%
Payments for E & G expenses	($238,825,122)	($225,661,375)	($13,163,747)	5.83%
New loans to students, net of collections	$36,640	($100,852)	$137,492	-136.33%
Auxiliary enterprises	$13,825,550	$13,509,623	$315,927	2.34%
Other receipts	$2,924,454	$1,650,363	$1,274,091	77.20%
Net cash provided (used) by operating activities	($134,604,936)	($129,056,602)	($5,548,334)	4.30%
Cash flows from non-capital financing activities				
State and local appropriations	$142,340,012	$134,718,446	$7,621,566	5.66%
OPEB trust	$ 0	($20,581,959)	$20,581,959	-100.00%
Student organization agency transactions, net	$227,116	$12,386	$214,730	1733.65%
Net cash provided (used) by non-capital financing activities	$142,567,128	$114,148,873	$28,418,255	24.90%
Cash flows from capital financing activities				
Capital appropriations & grants	$45,755,345	$42,265,111	$3,490,234	8.26%
Purchase of capital assets	($50,216,974)	($42,628,308)	($7,588,666)	17.80%
Interest expense	($1,491,344)	($1,497,431)	$6,087	- 0.41%
Net cash provided (used) by capital financing activities	($5,952,973)	($1,860,628)	($4,092,345)	-219.94%
Cash flows from investing activities				
Net investment purchases & maturities	($8,258,301)	($16,657,471)	$8,399,170	50.42%
Interest income from investments	$2,343,947	$2,961,696	($617,749)	-20.86%
Net cash provided (used) by investing activities	($5,914,354)	($13,695,775)	$7,781,421	56.82%
Increase (decrease) in cash & cash equivalents	($3,905,135)	($30,464,132)	$26,558,997	87.18%
Cash & cash equivalents-beginning of year	$16,570,018	$47,034,150	($30,464,132)	-64.77%
Cash & cash equivalents-end of year	$12,664,883	$16,570,018	($3,905,135)	-23.57%

- The primary source of cash receipts from operating activities consists of tuition and fees, which were 57.59% of total operating cash receipts; auxiliary enterprises, which were 13.25% of total operating cash receipts; and grants and contracts, which were 26.22% of total operating cash receipts.

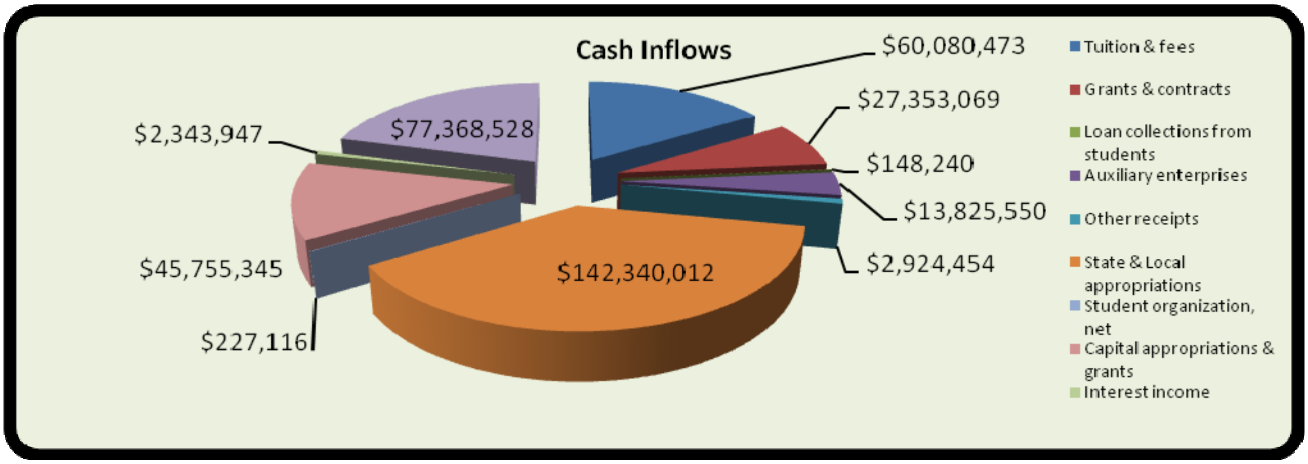
- State and local appropriations are the primary sources of non-operating cash receipts at 74.65% of total cash receipts. Accounting standards require that this source of revenue be non-operating even though the College depends on this source to continue its current level of operations.

- The main activity included in 'Capital appropriations and grants' is the College's continued renovation and construction of new buildings, which makes up 25.23% of total non-operating cash receipts.

- Investment activities for fiscal year 2009 resulted with year-end securities in the College's portfolio which were 90 days or greater in length of maturity. Investment securities in the amount of $77,368,528 matured during fiscal year 2009. This was a 42.18% increase over fiscal year 2008. Purchases of investment securities used 22.76% of all cash outflows in fiscal year 2009.

Investing Activities Summary	2009	2008	$ Change	% Change
Investment securities purchased	($85,626,829)	($71,072,999)	($14,553,830)	20.48%
Investment securities matured	$77,368,528	$54,415,528	$22,953,000	42.18%
Interest earned on investments	$2,343,947	$2,961,696	($617,749)	-20.76%
Cash provided (used) by investing activities	($5,914,354)	($13,695,775)	$7,781,421	56.82%

- **Cash Received from Operating & Non-Operating Activities**



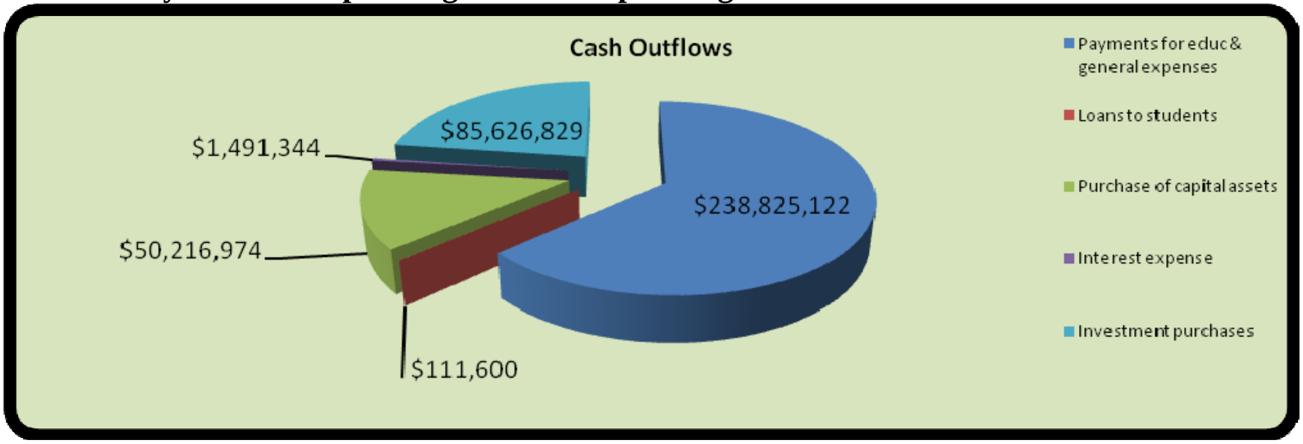
- Major elements of cash outlay consist of education and general expenses, which were 63.47% of the total fiscal year 2009 cash outlay. Salaries and benefits account for the major portion of this element.

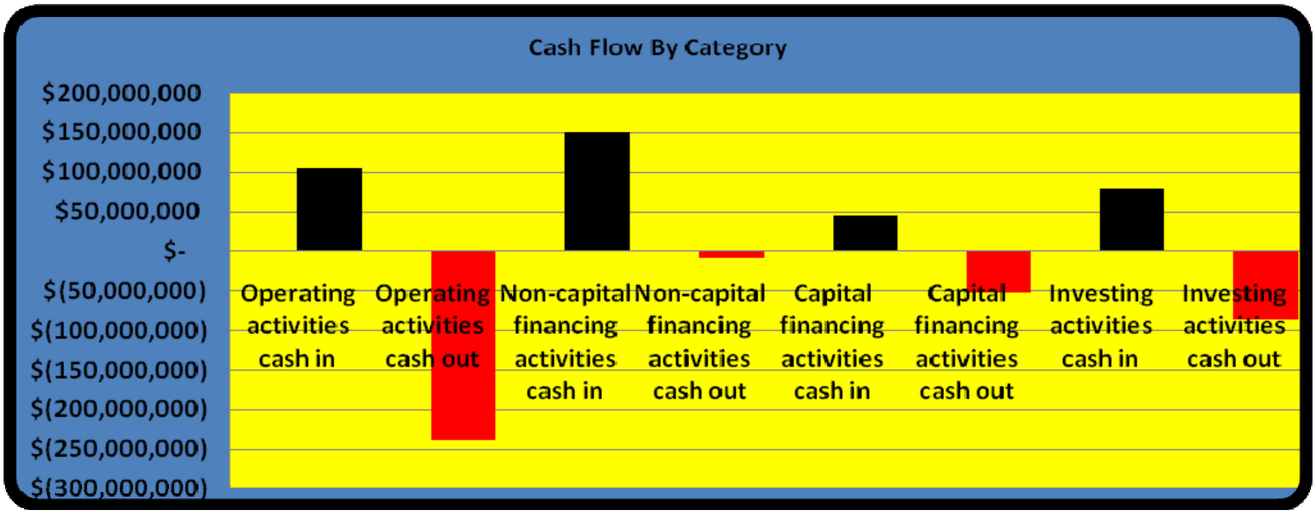
- Purchases of capital assets, consisting of land, building construction and renovation, equipment and library books, is 13.35% of the fiscal year 2009 cash outlay.

- Purchases of investment securities in the amount of $85,626,829, greater than 90 days to maturity at time of purchase, were 22.76% of the fiscal year 2009 cash outlay.

During fiscal year 2005, the College implemented GASB 40, *Deposit and Investment Risk Disclosures*. This statement establishes and modifies disclosure requirements related to investment and deposit risks (see financial statement note number 3).

- **Cash Payments for Operating and Non-Operating Activities**





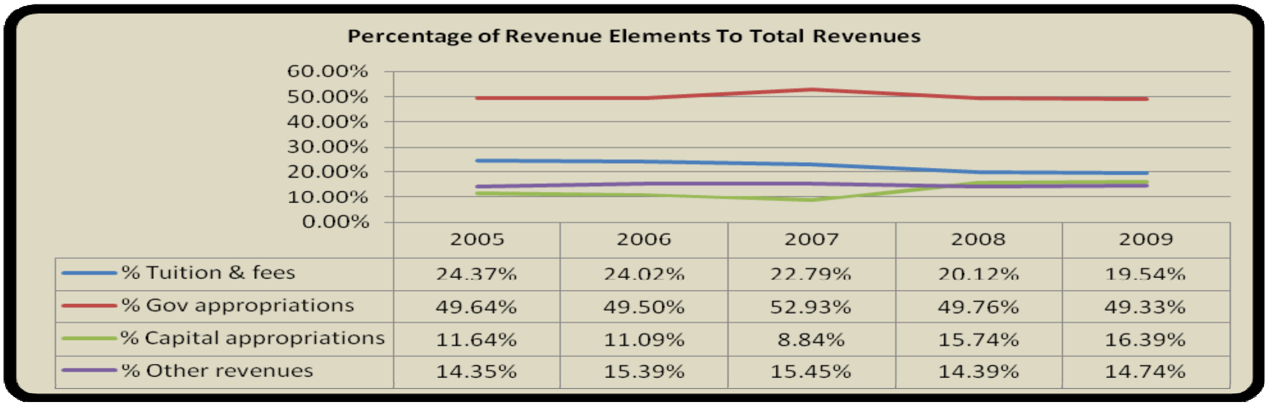
- In summary: (1) operating activities for fiscal year 2009 resulted in a net cash used of -$134.60 million; (2) capital financing activities resulted in a net cash used of -$5.95 million; (3) investment activities resulted in a net cash use of -$5.91 million; and (4) non-capital financing activities provided a net cash of $142.56 million for 2009. All four categories resulted in a net use of cash of -$3.90 million for fiscal year 2009.

Economic Factors That Will Affect the Future

Listed below are significant challenges that will impact the future of Montgomery College:

- While the economy has 'slowed' in growth over the past several fiscal years, closely managed fiscal responsibility with the expenditure of College resources is now more critical. The financial condition of the College is closely tied to that of the County and State governments. The County and State governments provide vital resources to the College's operating budget as noted in the statement of cash flows at $142.34 million. Therefore, the level of State and Local support, compensation increases, and student tuition and fee increases will impact the College's ability to expand programs, undertake new initiatives, and meet core mission and on-going operational needs.

- Data for the chart below was taken from Statement of Revenues**,** Expenses, and Changes in Net Assets for each of the fiscal years noted.

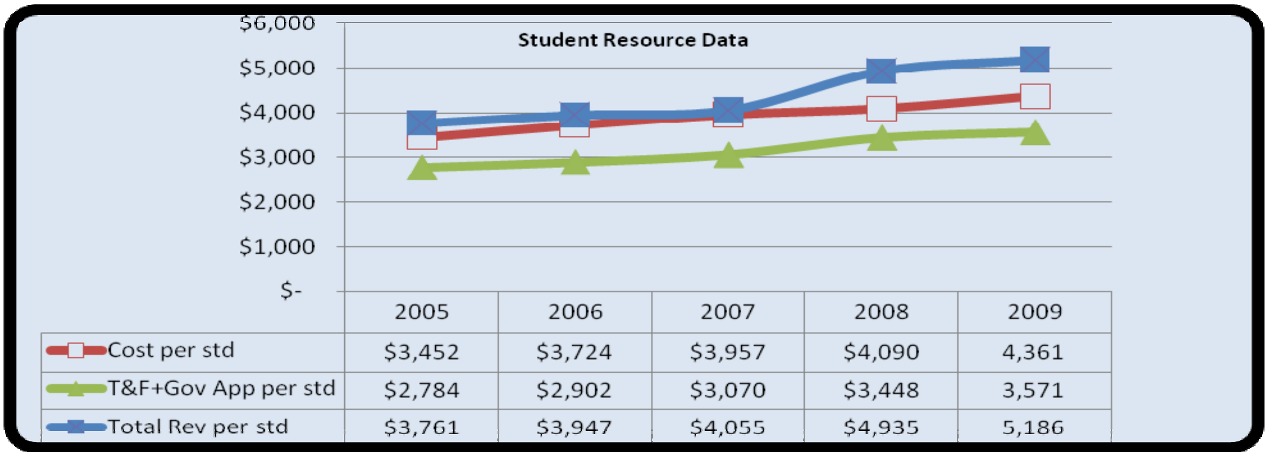


	2005	2006	2007	2008	2009
% Tuition & fees	24.37%	24.02%	22.79%	20.12%	19.54%
% Gov appropriations	49.64%	49.50%	52.93%	49.76%	49.33%
% Capital appropriations	11.64%	11.09%	8.84%	15.74%	16.39%
% Other revenues	14.35%	15.39%	15.45%	14.39%	14.74%

- A growing and diverse public school populace that increasingly looks to Montgomery College for its education will also make demands on our resources unlike any we have seen in the past. New programs are being developed with local and grant resources to prepare the diverse public school population for College entry.

- Major new adult education and literacy programs which started in fiscal year 2006 continued this fiscal year with Federal and State grant resources, as well as local financial assistance.

- As noted in the line chart on the previous page, governmental appropriations and capital appropriations (governmental appropriations of a different nature) account for 65.72% of the total revenues for fiscal year 2009.



	2005	2006	2007	2008	2009
Cost per std	$3,452	$3,724	$3,957	$4,090	4,361
T&F+Gov App per std	$2,784	$2,902	$3,070	$3,448	3,571
Total Rev per std	$3,761	$3,947	$4,055	$4,935	5,186

- The need to continue to address priority needs and requirements for deferred maintenance, new technology, repairs and maintenance, equipment replacement, and new construction projects are also a major challenge facing the College in the years to come.

- Except for fiscal year 2008, the cost per student for the past four fiscal year periods (2006, 2007 and 2009) have increased 7.87%, 6.28%, and 6.63% respectively. For fiscal year 2008 the cost per student slowed to a 3.35% increase.

- Also, as noted in the line chart above, tuition & fees plus governmental appropriations covered 80.01% and 79.52% of the total college expenditures for fiscal years 2008 and 2009, respectively.

- In July 2001, the College purchased the Giant Bakery site for $6 million. In November 2002, the College prepared a Request for Proposal which dealt with the redevelopment of the property. In October 2005, the Montgomery County Revenue Authority issued Series 2005 "A" bonds with a total face value of $33,000,000 for the redevelopment of this property. Because the College cannot borrow money, the College has reached an agreement with the Foundation to lease the property. The semi-annual lease payments from the College to the Foundation are calculated to be at least equal to the scheduled debt service on the bonds. The redevelopment of this site was completed in September 2007. This building was opened for the fall 2007 session for the combined art programs of the Takoma Park/Silver Spring Campus and The School of Art and Design thereby activating capital lease payments in fiscal year 2008. These capital lease payments run through fiscal year 2030.

- In February 2003, the College purchased a 20-acre site adjacent to the current Germantown Campus for $6 million. With this additional acreage, the College determined that the Germantown Campus could support the development of a Life Sciences and Technology Park comprised of approximately 40 acres. In January 2004, the College issued a Request for Proposal for an 'at-risk developer' to construct and operate the Montgomery College Life Sciences and Technology Park. In fiscal year 2006, a developer was selected and plans are being developed to proceed with the Science and Technology Park. Currently, Holy Cross Hospital is in the process of obtaining the necessary governmental agency approvals to locate a hospital in the Life Sciences and Technology Park. In addition to the developed park, College plans call for the construction of a 126,900 square foot Bioscience Education Center for approximately $64.3 million. $3.4 million of planning and design funds for this building were included in the College's FY2007 Capital Budget with an additional $6.1 million included in the FY2009 Capital Budget. $64.3 million were appropriated in the College's fiscal year 2010 capital budget for a total appropriation of $73.87 million for this project.

- In June 2006, the Board authorized the President to negotiate and execute documents required to lease, with an option to purchase, the property and the 67,619 square foot building adjacent to the Germantown Campus on Goldenrod Lane. This building was opened in fiscal year 2009. Initial plans call for the County to lease the second floor of this building for an interim Technology Incubator. The second floor of this building will be called 'The Germantown Innovation Center' and is the County's fifth incubator facility. 'The Germantown Innovation Center' features wet labs, clean rooms, and offices designed for start-up companies specializing in biotechnology, science, and engineering. This building highlights an expanding partnership between Montgomery County and Montgomery College. $4.6 million of Capital Budget funds were budgeted in the fiscal year 2007 for building renovations of the first floor which will be for College use and called the 'Goldenrod Academic Center' and includes new 'smart' classrooms, computer labs, faculty and administrative space.

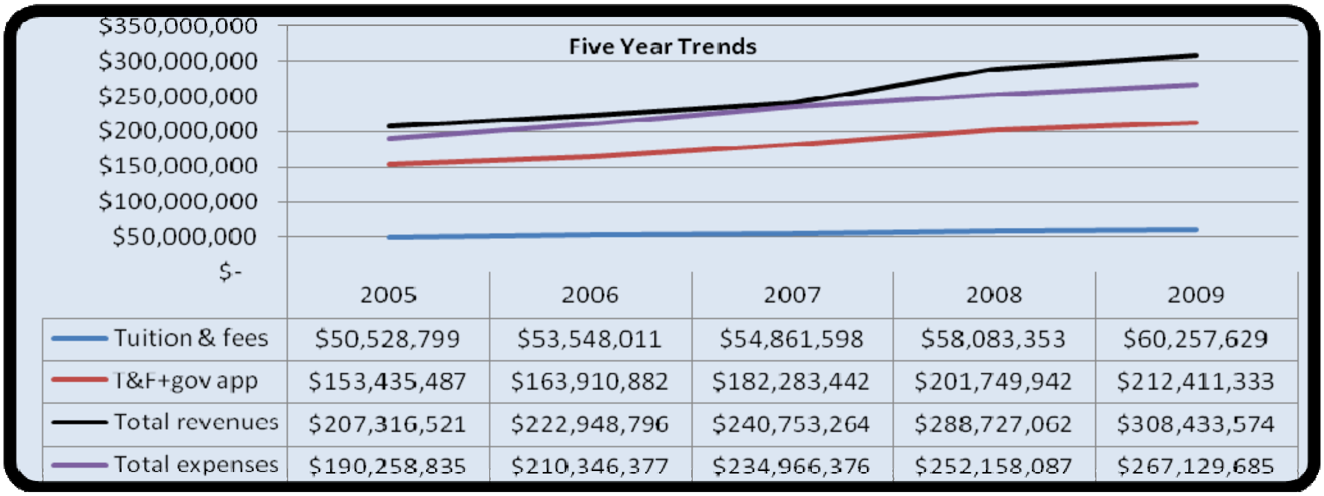
- In February 2005, contracts for architectural and engineering services were approved for a 45,050 gross square foot Cultural Arts Center at the Takoma Park/Silver Spring Campus. On January 16, 2007, the Montgomery College Board of Trustees awarded contracts for $24.4 million for construction of this facility. This building is scheduled to open during fiscal year 2010.

- $6.2 million in design funds have been approved for a new 135,000 square foot Rockville Campus Science Center. $59 million were approved in the FY2009 Capital Budget for the construction of the building.

- Future plans call for a new parking garage on each of three college sites. The first of these new parking garages will be at the Takoma Park/Silver Spring Campus which is currently under construction. During November, 2008 $16.825 million of Montgomery County Revenue Bonds were sold to cover this facility. This facility is scheduled to open in the fall of 2009 under a lease agreement with the Foundation.

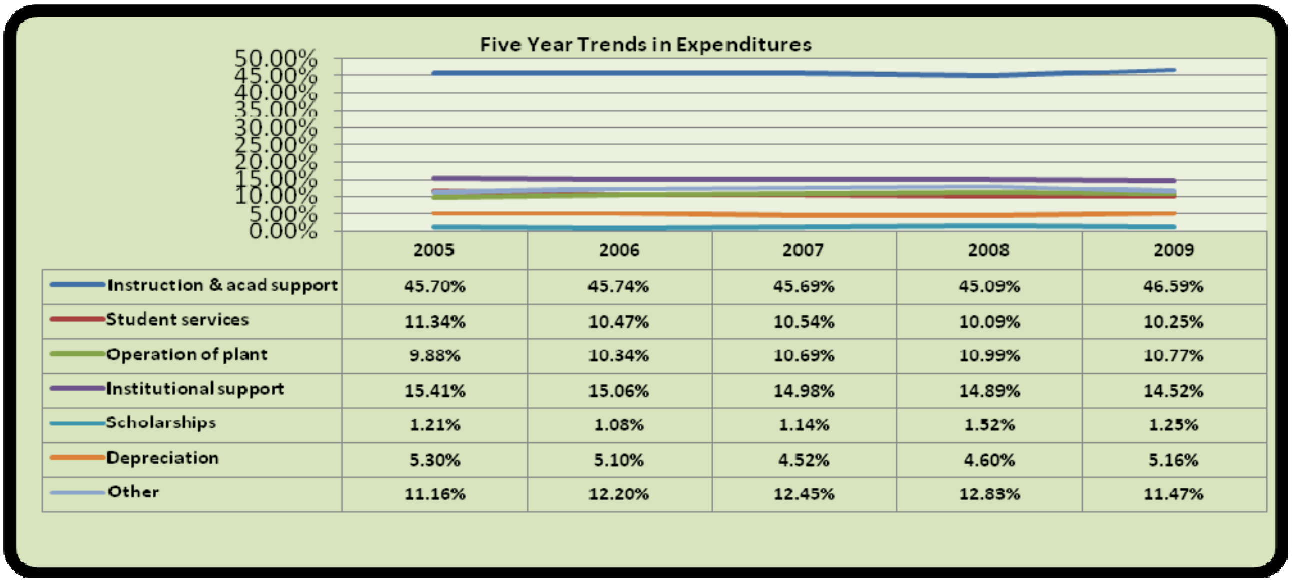
- With the addition of these new buildings and other activities, added financial demands will be made on the operating budget to pay for increased staffing, utilities, and operating costs to maintain the operating conditions of the buildings.

- The Sarbanes-Oxley Act of 2002, which was signed into law on July 30, 2002, subjects public companies in the United States to additional governance and other requirements. While non-profit entities such as Montgomery College are not subject to this legislation, the College's Board of Trustees and senior management determined that it is in the best interest of the College to comply voluntarily with key provisions of the Act because these provisions make sense and are likely to be viewed as "best practices". The key provisions adopted by the College address external auditor independence, the Audit Committee role and responsibility, College leadership prohibitions in the audit process, prohibitions governing records destruction or alteration, and annual audited financial statement certifications. These practices were the most relevant for the College to adopt, and as our Board of Trustees indicated, comply with the "spirit of the Act".



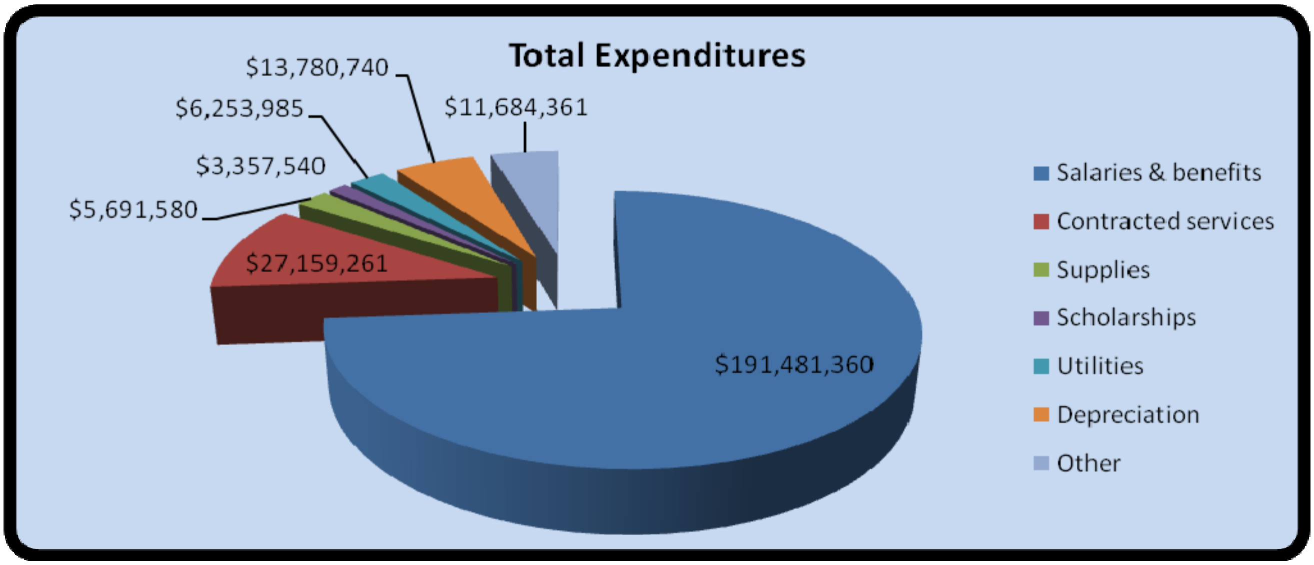
	2005	2006	2007	2008	2009
Tuition & fees	$50,528,799	$53,548,011	$54,861,598	$58,083,353	$60,257,629
T&F+gov app	$153,435,487	$163,910,882	$182,283,442	$201,749,942	$212,411,333
Total revenues	$207,316,521	$222,948,796	$240,753,264	$288,727,062	$308,433,574
Total expenses	$190,258,835	$210,346,377	$234,966,376	$252,158,087	$267,129,685

- As shown in the chart above for the five year period of fiscal year 2005 through 2009, the college has increased its net assets each fiscal period by having 'total revenues' exceed 'total expenses'.



	2005	2006	2007	2008	2009
Instruction & acad support	45.70%	45.74%	45.69%	45.09%	46.59%
Student services	11.34%	10.47%	10.54%	10.09%	10.25%
Operation of plant	9.88%	10.34%	10.69%	10.99%	10.77%
Institutional support	15.41%	15.06%	14.98%	14.89%	14.52%
Scholarships	1.21%	1.08%	1.14%	1.52%	1.25%
Depreciation	5.30%	5.10%	4.52%	4.60%	5.16%
Other	11.16%	12.20%	12.45%	12.83%	11.47%

- Direct Instructional and Academic support functions account for 46.59% of all fiscal year 2009 expenditures.



- Total direct salaries and fringe benefits account for 73.81% of all expenditures in fiscal year 2009, while making up 86.77 % of Instructional and Academic support functions.

The College is fiscally responsible and is always vigilant about the factors, both external and internal, that have the potential to impact its ability to conduct its financial business and fulfill its mission. With the help of our public and private partners, and through the extraordinary talent of our faculty and staff, we resolve to meet these challenges so the College will continue to move forward.

FINANCIAL STATEMENTS

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
Current assets			
Cash and cash equivalents	$ 12,664,883	$ 10,901,152	$ 23,566,035
Short-term investments	42,942,438	13,060,493	56,002,931
CIP receivable	16,847,523	-	16,847,523
Student accounts receivable	3,492,560	-	3,492,560
Student loans receivable	148,240	-	148,240
Grants and contracts receivable	1,085,717	-	1,085,717
Governmental appropriations receivable	2,241,011	-	2,241,011
Pledges receivable	-	1,052,102	1,052,102
Other receivables	819,384	-	819,384
Inventory	1,705,223	-	1,705,223
Other assets	-	85,421	85,421
Prepaid expenses	1,449,635	89,075	1,538,710
Total current assets	83,396,614	25,188,243	108,584,857
Non-current assets			
Student loans - net	1,805,133	-	1,805,133
Pledges receivable	-	1,827,488	1,827,488
Deposits	63,497	-	63,497
Investments	-	12,570,428	12,570,428
Assets held in charitable remainder trusts	-	409,569	409,569
OPEB asset value	20,214,167	-	20,214,167
Capital assets - net	297,409,371	40,377,497	337,786,868
Total non-current assets	319,492,168	55,184,982	374,677,150
TOTAL ASSETS	$ 402,888,782	$ 80,373,225	$ 483,262,007
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 24,570,286	$ 5,045,605	$ 29,615,891
Compensated absences	284,401	-	284,401
Deferred revenue	4,863,890	10,100	4,873,990
Due to other organizations	1,080,887	-	1,080,887
Total current liabilities	30,799,464	5,055,705	35,855,169
Non-current liabilities			
Compensated absences	8,589,549	-	8,589,549
Long-term liabilities	30,527,202	47,448,490	77,975,692
Annuities payable from charitable remainder trusts	-	1,248,002	1,248,002
Total non-current liabilities	39,116,751	48,696,492	87,813,243
TOTAL LIABILITIES	69,916,215	53,752,197	123,668,412
NET ASSETS			
Invested in capital assets - net of related debt	266,184,371	-	266,184,371
Restricted for			
Nonexpendable			
Endowment principal	-	13,741,983	13,741,983
Annuity principal	-	3,157	3,157
Expendable			
Student loan programs	2,019,987	-	2,019,987
Scholarships	-	1,418,641	1,418,641
Designated programs	-	5,132,102	5,132,102
Unrestricted	64,768,209	6,325,145	71,093,354
TOTAL NET ASSETS	332,972,567	26,621,028	359,593,595
TOTAL LIABILITIES AND NET ASSETS	$ 402,888,782	$ 80,373,225	$ 483,262,007

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
Current assets			
Cash and cash equivalents	$ 16,570,018	$ 4,730,594	$ 21,300,612
Short-term investments	34,684,139	334,853	35,018,992
CIP receivable	11,268,115	-	11,268,115
Student accounts receivable	3,424,347	-	3,424,347
Student loans receivable	168,675	-	168,675
Grants and contracts receivable	1,971,135	-	1,971,135
Governmental appropriations receivable	1,950,127	-	1,950,127
Pledges receivable	-	2,039,150	2,039,150
Other receivables	1,672,870	-	1,672,870
Inventory	1,683,043	-	1,683,043
Other assets	-	77,522	77,522
Prepaid expenses	1,738,119	91,138	1,829,257
Total current assets	75,130,588	7,273,257	82,403,845
Non-current assets			
Student loans - net	1,841,667	-	1,841,667
Pledges receivable	-	1,929,703	1,929,703
Deposits	111,651	-	111,651
Investments	-	19,521,114	19,521,114
Assets held in charitable remainder trusts	-	707,961	707,961
OPEB asset value	20,581,959	-	20,581,959
Capital assets - net	261,073,381	35,239,425	296,312,806
Total non-current assets	283,608,658	57,398,203	341,006,861
TOTAL ASSETS	$ 358,739,246	$ 64,671,460	$ 423,410,706
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	$ 29,141,110	$ 716,350	$ 29,857,460
Compensated absences	566,232	-	566,232
Deferred revenue	4,972,835	36,300	5,009,135
Due to other organizations	853,771	-	853,771
Total current liabilities	35,533,948	752,650	36,286,598
Non-current liabilities			
Compensated absences	7,720,896	-	7,720,896
Long-term liabilities	31,536,582	33,174,258	64,710,840
Annuities payable from charitable remainder trusts	-	1,170,938	1,170,938
Total non-current liabilities	39,257,478	34,345,196	73,602,674
TOTAL LIABILITIES	74,791,426	35,097,846	109,889,272
NET ASSETS			
Invested in capital assets - net of related debt	228,943,381	-	228,943,381
Restricted for			
Nonexpendable			
Endowment principal	-	13,198,479	13,198,479
Annuity principal	-	42,604	42,604
Expendable			
Student loan programs	2,029,276	-	2,029,276
Scholarships	-	2,911,654	2,911,654
Designated programs	-	4,548,321	4,548,321
Unrestricted	52,975,163	8,872,556	61,847,719
TOTAL NET ASSETS	283,947,820	29,573,614	313,521,434
TOTAL LIABILITIES AND NET ASSETS	$ 358,739,246	$ 64,671,460	$ 423,410,706

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues			
Student tuition and fees, net of scholarship allowance of $18,318,603	$ 60,257,629	$ -	$ 60,257,629
Federal grants and contracts	19,840,626	-	19,840,626
State grants and contracts	4,658,593	-	4,658,593
Local grants and contracts	1,968,432	-	1,968,432
Gifts and contributions	-	2,965,994	2,965,994
Auxiliary enterprises	13,825,550	-	13,825,550
Other operating revenues	2,070,969	170,780	2,241,749
Total operating revenues	102,621,799	3,136,774	105,758,573
Operating expenses			
Educational and general			
Instruction	95,561,995	-	95,561,995
Academic support	28,892,397	-	28,892,397
Student services	27,370,002	38,927	27,408,929
Operation of plant	28,760,401	-	28,760,401
Institutional support	31,054,421	-	31,054,421
Scholarships and related expenses	3,339,880	1,206,632	4,546,512
Depreciation expense	13,780,740	-	13,780,740
Student and faculty support	-	816,541	816,541
Administrative and resource development	-	455,768	455,768
Auxiliary enterprises	12,419,000	-	12,419,000
Other expenditures	7,115,894	-	7,115,894
State retirement appropriations	9,522,508	-	9,522,508
Total operating expenses	257,817,238	2,517,868	260,335,106
OPERATING INCOME (LOSS)	(155,195,439)	618,906	(154,576,533)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	152,153,404	-	152,153,404
Investment and interest income	2,323,618	(2,601,519)	(277,901)
Interest expense	(1,491,344)	(1,466,628)	(2,957,972)
NON-OPERATING REVENUES	152,985,678	(4,068,147)	148,917,531
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(2,209,761)	(3,449,241)	(5,659,002)
Capital appropriations	50,553,908	-	50,553,908
Capital grants, contracts and gifts	780,845	-	780,845
Additions to permanent endowments	-	496,655	496,655
Disposal of capital assets	(100,245)	-	(100,245)
INCREASE (DECREASE) IN NET ASSETS	49,024,747	(2,952,586)	46,072,161
NET ASSETS AT BEGINNING OF YEAR	283,947,820	29,573,614	313,521,434
NET ASSETS AT END OF YEAR	$ 332,972,567	$ 26,621,028	$ 359,593,595

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues			
Student tuition and fees, net of scholarship allowance of $16,139,107	$ 58,083,353	$ -	$ 58,083,353
Federal grants and contracts	17,035,113	-	17,035,113
State grants and contracts	3,918,546	-	3,918,546
Local grants and contracts	3,724,382	-	3,724,382
Gifts and contributions	-	1,653,719	1,653,719
Auxiliary enterprises	13,509,623	-	13,509,623
Other operating revenues	1,017,284	205,858	1,223,142
Total operating revenues	97,288,301	1,859,577	99,147,878
Operating expenses			
Educational and general			
Instruction	87,694,155	-	87,694,155
Academic support	26,004,541	-	26,004,541
Student services	25,436,705	210,166	25,646,871
Operation of plant	27,701,997	-	27,701,997
Institutional support	24,679,095	-	24,679,095
Scholarships and related expenses	3,831,036	1,090,262	4,921,298
Depreciation expense	11,601,765	-	11,601,765
Student and faculty support	-	3,656,069	3,656,069
Administrative and resource development	-	539,386	539,386
Auxiliary enterprises	12,061,179	-	12,061,179
Other expenditures	9,564,052	-	9,564,052
State retirement appropriations	8,526,235	-	8,526,235
Total operating expenses	237,100,760	5,495,883	242,596,643
OPERATING INCOME (LOSS)	(139,812,459)	(3,636,306)	(143,448,765)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	143,666,589	-	143,666,589
Investment and interest income	1,994,457	(144,538)	1,849,919
Interest expense	(1,497,431)	(1,476,616)	(2,974,047)
NON-OPERATING REVENUES	144,163,615	(1,621,154)	142,542,461
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	4,351,156	(5,257,460)	(906,304)
Capital appropriations	45,439,650	-	45,439,650
Capital grants, contracts and gifts	338,065	-	338,065
Additions to permanent endowments	-	1,828,296	1,828,296
Disposal of capital assets	(698,795)	-	(698,795)
INCREASE (DECREASE) IN NET ASSETS	49,430,076	(3,429,164)	46,000,912
NET ASSETS AT BEGINNING OF YEAR	234,517,744	33,002,778	267,520,522
NET ASSETS AT END OF YEAR	$ 283,947,820	$ 29,573,614	$ 313,521,434

MONTGOMERY COLLEGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 60,080,473	$ 57,936,996
Grants and contracts	27,353,069	23,608,643
Payments to suppliers	(16,420,938)	(14,364,114)
Payments for utilities	(7,636,839)	(4,626,264)
Payments to employees	(152,815,388)	(136,192,483)
Payments for benefits	(11,854,618)	(27,412,943)
Payments for scholarships	(3,339,880)	(3,831,036)
Payments for contracted services	(29,003,252)	(21,508,579)
Payments for non-capitalized equipment	(15,165,089)	(10,687,410)
Payments for other services	(2,589,118)	(7,038,546)
Loans issued to students	(111,600)	(269,536)
Collection of loans from students	148,240	168,684
Auxiliary enterprises	13,825,550	13,509,623
Other receipts	2,924,454	1,650,363
Net cash used by operating activities	(134,604,936)	(129,056,602)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State and local appropriations	142,340,012	134,718,446
OPEB Trust	-	(20,581,959)
Federal Family Education Loans lending receipts	7,928,676	6,376,724
Federal Family Education Loans lending disbursements	(7,928,676)	(6,376,724)
Student organization agency transactions - net	227,116	12,386
Net cash provided by non-capital financing activities	142,567,128	114,148,873
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	44,974,500	41,927,046
Capital grants	780,845	338,065
Purchase of capital assets	(50,216,974)	(42,628,308)
Interest	(1,491,344)	(1,497,431)
Net cash used by capital and related financing activities	(5,952,973)	(1,860,628)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	77,368,528	54,415,528
Interest on investments	2,343,947	2,961,696
Purchase of investments	(85,626,829)	(71,072,999)
Net cash used by investing activities	(5,914,354)	(13,695,775)
DECREASE IN CASH AND CASH EQUIVALENTS	(3,905,135)	(30,464,132)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,570,018	47,034,150
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 12,664,883	$ 16,570,018
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (155,195,439)	$ (139,812,459)
Adjustment to reconcile operating loss to net cash from (used by) operating activities		
Depreciation expense	13,780,740	11,601,765
Governmental non-exchange	9,522,508	8,526,235
OPEB benefit cost	367,792	(4,877,660)
(Increase) decrease in assets:		
Receivables - net	1,670,691	(1,169,403)
Inventory	(22,180)	(281,517)
Loans to students - net	36,640	(100,852)
Other assets	336,638	(1,301,933)
Increase (decrease) in liabilities:		
Accounts payable	(5,580,204)	(2,104,420)
Deferred revenue	(108,944)	228,158
Compensated absences	586,822	235,484
NET CASH USED BY OPERATING ACTIVITIES	$ (134,604,936)	$ (129,056,602)

NOTE 1: REPORTING ENTITY (MC & MCF)

Reporting Entity

Montgomery College (the College or MC) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State).

The College is governed by a ten member Board of Trustees, nine of whom are appointed for six-year terms by the Governor of Maryland with the advice and consent of the State Senate, and one of whom is a student appointed by the Governor to serve a one-year term.

The College's budget is subject to approval by the Montgomery County Council (the County). The Annotated Code of Maryland states that 'in order for a board (College) to receive an increase in the State share of support, the County share, in the aggregate, that supports the community college shall be equal to or exceed the aggregate amount of operating fund appropriations made to the board by the County in the previous fiscal year'. State funding is based on enrolled eligible full-time equivalent students (marginal cost component) and a fixed cost component (see Note 13 for additional information on State and County funding).

Montgomery College Foundation (the Foundation or MCF) is a legally separate, tax-exempt organization established to enhance the College's mission through fund-raising that benefits the College and its programs. The twenty-three member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the years ending June 30, 2009 and 2008, the Foundation distributed $1,647,106 and $3,476,274, respectively, to the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained by writing to the Financial Director, Montgomery College Foundation, Inc., 900 Hungerford Drive, Rockville, MD 20850.

Although the College is not a County agency, as a result of the College's relationship with the County, the College's financial statements are considered component unit statements and are properly included in the Comprehensive Annual Financial Report of the County, in accordance with generally accepted accounting principles. Transactions with the County relate primarily to appropriations for operations and capital improvements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (MC & MCF)

In June 1999, The Governmental Accounting Standards Board (GASB) approved GASB No. 34, entitled *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*; followed by GASB No. 35, entitled *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.*

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

GASB Statement No. 34 identified three types of special-purpose governments (SPG): 1) those engaged only in governmental activities, 2) those engaged only in business-type activities, and 3) those engaged in both governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities, on the other hand, are financed in whole or in part by fees charged to external parties for goods and services. Given the importance of tuition, fees and other exchange-type transactions in financing higher education, the College adopted the financial reporting model required of SPG's engaged in business-type activities (BTA). Colleges reporting as BTA's follow GASB standards applicable to proprietary (enterprise) funds. Prior to June 30, 2002, while following the AICPA report model, the financial statements of the College were issued as a fund-type financial statement. The BTA model requires the following financial statement components:

- Management's Discussion and Analysis
- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal contractual obligation to pay. The statements are intended to report the public institution as an economic unit that includes all measurable assets and liabilities, financial and capital, of the institution. The College's financial statements are prepared using the format of a special-purpose government engaged only in business-type activities with an economic resources measurement focus and the accrual basis of accounting.

The statement of revenues, expenses, and changes in net assets for special-purpose governments engaged in business-type activities (BTA) requires an operating/non-operating format to be used. The College has elected to report its operating expenses by functional classification. The statement of cash flows is presented as the direct method which depicts cash flows from operating activities and a reconciliation of operating cash flows to operating income.

Colleges engaged in business-type activities (BTA) and reporting as BTAs follow GASB standards applicable to proprietary (enterprise) funds. GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended by GASB Statement No. 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities* permits such entities to apply all those Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989 that are developed for business enterprises except for those that conflict with or contradict GASB pronouncements. The College has elected not to implement FASB pronouncements issued after that date for any proprietary fund type activity.

One of the primary purposes of financial reporting is to account for resources received and used, as well as accounted for and reported. In certain situations, both restricted and unrestricted net assets may be available to cover an expense incurred. In those few cases, as long as the expense meets all of the requirements of the restricted net assets, restricted resources would be applied first.

The College's tuition and fees revenue is reported net of any scholarship allowance. A scholarship allowance is defined as the difference between the stated charge for tuition, goods, and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The scholarship allowance represents the amount of dollars the College receives as tuition from outside resources such as the Title IV Federal Grant Program, restricted grants, and the College's own Board of Trustees grants. Funds received for tuition costs from outside resources are reported in the appropriate revenue classification. Certain aid such as loans and third party payments are credited to the student's account as if the student made the payment. For fiscal year 2009 and 2008, the College netted student aid expense in the amount of $18,968,487 and $16,615,469 against tuition revenue of $18,318,603 and $16,139,107 and auxiliary enterprises revenue of $649,884 and $476,362, respectively.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

	Ledger Balance	Less Federal Title IV	Less College Grants	Less Tuition Waivers	Reported Amount
Scholarship Allowance for FY 2009					
Revenue					
Tuition and fees	$ 78,576,232	$ (13,595,519)	$ (2,910,270)	$ (1,812,814)	$ 60,257,629
Auxiliary enterprises	$ 14,475,434	$ (649,884)	$ -	$ -	$ 13,825,550
Expenses					
Student aid	$ 22,308,366	$ (14,245,402)	$ (2,910,270)	$ (1,812,814)	$ 3,339,880
Scholarship Allowance for FY 2008					
Revenue					
Tuition and fees	$ 74,222,460	$ (10,909,059)	$ (3,872,781)	$ (1,357,267)	$ 58,083,353
Auxiliary enterprises	$ 13,985,985	$ (476,362)	$ -	$ -	$ 13,509,623
Expenses					
Student aid	$ 20,446,505	$ (11,385,421)	$ (3,872,781)	$ (1,357,267)	$ 3,831,036

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Limited presentation modifications have been made to the Foundation's financial statement format included in the College's financial statements.

Federal Financial Assistance Programs (MC)

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Perkins Loan programs. Federal programs are audited in accordance with the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the Compliance Supplement.

Operating and Non-Operating Components (MC & MCF)

Financial statement operating components include all transactions and other events that are not defined as capital and related financing, non-capital financing or investing activities. The College's principle ongoing operations determine operating flow activities. Ongoing operations of the College include, but are not limited to, providing intellectual, cultural and social services through two-year associate degree programs, continuing education programs and continuous learning programs. Operating revenues of the College consists of tuition and fees, grants and contracts, and auxiliary enterprises revenues.

Financial statement non-operating components include transactions and other events that are defined as non-capital financing activities, capital financing activities, and investing activities. Non-capital financing activities include borrowing money for purposes other than to acquire, construct or improve capital assets and repaying those amounts borrowed, including interest. Also included are certain interfund and intergovernmental receipts and payments such as state appropriations, Federal Family Education loans, and student organization agency transactions. Capital financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit. Investing activities includes acquiring and disposing of debt or equity instruments.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Encumbrances (MC)

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials and services not received during the year. Encumbrances at year-end were $27,895,798, which represents the estimated amount of expense ultimately to result if unperformed obligations are completed. Encumbrances outstanding at June 30, 2009 do not constitute expenses or liabilities and are not reflected in these financial statements.

Net Assets (MC)

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance". Net assets are classified according to external restrictions or availability of assets for satisfaction of College obligations. Restricted net assets are reported as either expendable or nonexpendable. The unrestricted net assets for the years ended June 30, 2009 and 2008 consisted of the following:

	2009	2008
Reserve for encumbrances	$ 9,736,508	$ 10,716,284
Reserve for emergency repairs and maintenance	598,146	437,984
Reserve for major facility projects	7,145,820	8,081,316
Reserve for OPEB contribution	20,214,167	12,861,101
Quasi-endowment	627,560	649,660
Other purposes	26,446,008	20,228,818
	$ 64,768,209	$ 52,975,163

Expenditures of quasi-endowment funds require approval by the Board of Trustees.

Net Assets (MCF)

Net assets, which result from contributions or other inflows of assets from donors, are reported as unrestricted or restricted based on stipulations of the donor. Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations on their use. Temporarily restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. Permanently restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the Foundation.

Temporarily restricted net assets of $6,550,743 and $7,465,975 as of June 30, 2009 and 2008, respectively, consisted of funds restricted for scholarship purposes and other specified programs. Net assets released from restrictions were funds restricted for scholarship purposes and other specified programs whose restrictions were satisfied. Permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support the general obligations of the Foundation and to provide scholarships.

Restricted Net Assets - Expendable and Nonexpendable (MC)

The College's restricted net assets have constraints placed upon them either: (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As such, GASB No. 34 requires the College's restricted net assets to be delineated on the financials as either expendable or nonexpendable. Nonexpendable net assets are required to be maintained in perpetuity. Expendable net assets, for which there are externally imposed constraints, are obligated or expended within the condition(s) of the constraints.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents (MC & MCF)

Cash equivalents are items that are readily convertible to cash while carrying an insignificant risk of change in value. Cash equivalents have original maturities at date of purchase of three months or less. Short-term investments with original maturities of less than 90 days have been included as cash and cash equivalents and consist of banker's acceptances, U.S. government agency and sponsored instruments and the Maryland Local Government Investment Pool. All such short-term investments for the College are carried at amortized cost. Short-term investments held by the Foundation classified as cash and cash equivalents are carried at fair value.

Current and Non-Current (MC & MCF)

Current asset is used to designate cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or consumed during a normal operating cycle of business, usually one year or less, without interfering with the normal business operation. They can consist of cash, inventories, accounts receivable, notes receivable, marketable securities, and prepaid expenses which meet the conditions stated above. Current liabilities are defined as obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. Other assets and liabilities which extend past the one year period are classified as non-current.

Inventories (MC)

Inventories, consisting principally of bookstore merchandise and supplies, are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market. The cost is recorded as an expense as the inventory is consumed.

Deferred Revenue (MC)

Tuition and fee revenues received and related to the period after June 30, 2009 have been deferred.

Investment in Capital Assets (MC)

Capital assets are long-lived tangible assets which includes real property (land and buildings) and personal property (equipment, library books, art works). This class of assets will benefit future periods as an asset rather than being treated as an expense in the period that the expenditure occurs. Capital assets are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and other tangible assets that have initial useful lives extending beyond a single reporting period. Normally, a dollar threshold is established for each item in this class prior to being classified as a capital asset. Prior to fiscal year 2006 this threshold was $2,500. Effective for fiscal year 2006, this threshold was increased by a change in College policy to $5,000, with the implementation of a new integrated fixed asset system which captures capital assets in the payment process. The College has elected to depreciate the capital assets under $5,000 in the old system in lieu of a significant purge and disposal of prior assets with a value of less than $5,000.

The basis of valuation for assets constructed or purchased is cost, while assets acquired by gift are their fair market values. The College records depreciation on all capital assets in accordance GASB Statement No, 35, except for land and art works, and is not allocated to the functional expenditure categories. Expenditures for construction in progress are capitalized as incurred. Depreciation is computed on a straight-line basis over estimated useful lives as noted below (depreciation starts in the first full year after the year of acquisition):

Buildings (including infrastructures, alterations, renovations, and renewals and replacements)	35 years
Library books	10 years
Furniture and equipment - acquired prior to July 1, 2005	7 years
Furniture and equipment - acquired subsequent to July 1, 2005 as follows:	
Computer equipment	3 years
Computer infrastructure	5 years
Equipment	3-7 years
Vehicles	7 years
Instructional equipment	7 years

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Valuation of Investments (MCF)

Investments are stated at fair value as determined by quoted market price. Both realized and unrealized gains and losses in fair value are reflected in the statement of activities.

Pledges (MCF)

Legally enforceable pledges are recorded as support in the year the pledges are made. Payments to be received in periods beyond one year are reflected at their present value based on a risk-free discount rate.

Non-cash Contributions (MCF)

Non-cash contributions are recorded at their fair value on the date of receipt. Certain non-cash items received are donated to the College for educational support.

Reclassification

Certain amounts as of and for the year ended June 30, 2008 have been reclassified to be in conformity with the presentation at June 30, 2009. These reclassifications had no impact on net assets.

NOTE 3: CASH AND INVESTMENTS (MC & MCF)

Montgomery College Cash, Cash Equivalents and Investments

As of June 30, 2009 and 2008, the College's carrying amount of cash, cash equivalents, and short-term investments consisted of the following:

	2009	2008
Cash	$ (321,276)	$ 3,135,500
Cash equivalents	12,986,159	13,434,518
Short-term investments	42,942,438	34,684,139
	$ 55,607,321	$ 51,254,157

The College's bank balances at year-end are classified below in the three categories of credit risk: (1) insured or collateralized with securities held by the College or by its agent in the College's name; (2) collateralized with securities held by the pledging financial institution's trust department or agent in the College's name; and (3) uncollateralized, including any bank balance that is collateralized with the securities held by the pledging financial institution, or by its trust department or agent but not in the College's name.

The carrying amount for College deposits was $(449,356) and $3,030,706 as of June 30, 2009 and 2008, respectively. Petty cash and cashier's change funds of $128,080 and $104,794 as of June 30, 2009 and 2008, respectively, are excluded from these amounts. Actual bank statement balances totaled $645,274 and $9,538,141 at the end of fiscal years 2009 and 2008, respectively. Pledged holdings at The Bank of New York with a current book value of $18,163,169 and $24,822,745 were received as collateral as of June 30, 2009 and 2008, respectively. Collateral was maintained during the year to secure all deposits and investments as specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.

	Category			Bank
	1	2	3	Balance
Cash				
2009	$ 400,000	$ 245,274	$ -	$ 645,274
2008	$ 357,448	$ 9,180,693	$ -	$ 9,538,141

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

Article 95, Section 22 and Section 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland authorizes, and the College's adopted investment policy authorizes, the College to invest surplus cash in U.S. Treasury obligations, U.S. governmental agencies and instrumentalities securities, collateralized certificates of deposit, repurchase agreements, the Maryland Local Government Investment Pool, and bankers' acceptances. In the opinion of management, the College is in compliance with all provisions of the Annotated Code of Maryland and the College's investment policy.

During the year, the College invested in bankers' acceptances and U. S. Government agency and instrumentalities securities with no maturities extending past April 14, 2010. The College also invested in the Maryland Local Government Investment Pool (MLGIP) with collateral being held for the pool consisting of U.S. Government and agency securities, bankers' acceptances, commercial paper, and corporate bonds. The MLGIP is managed by PNC Bank under contract with the State of Maryland. Collateral was held at the Bank of New York in the College's name. The collateral balance was maintained throughout the year in sums in excess of any single day bank balance.

The longest length to maturity at time of purchase of any one investment was one year. These investments are reported in the College's balance sheet at amortized cost. The College also invests funds in the MLGIP, an external investment pool, a "2a-7 like pool". All securities in the MLGIP are valued daily by MLGIP on an amortized basis. In conformance with the implementation of GASB 31 entitled *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, these assets are carried at an amortized basis in the College's balance sheet.

The College's investments as of June 30, 2009 and 2008 in MLGIP consists of the following:

	Unrestricted	Restricted	Other Post Employment Benefits	Total
June 30, 2009				
Cash equivalents	$ 10,499,475	$ 1,476,927	$ 846	$ 11,977,248
Accrued interest	8,928	628	-	9,556
	$ 10,508,403	$ 1,477,555	$ 846	$ 11,986,804
June 30, 2008				
Cash equivalents	$ 19,640,783	$ 1,454,153	$ 476	$ 21,095,412
Accrued interest	56,795	2,811	358	59,964
	$ 19,697,578	$ 1,456,964	$ 834	$ 21,155,376

The College has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment to GASB Statement No. 3. This Statement establishes and modifies disclosure requirements related to investment and deposit risks:

- Credit Risk
- Custodial Credit Risk
- Concentrations of Credit Risk
- Interest Rate Risk
- Foreign Currency Risk

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

As of June 30, 2009, the College had the following investments and maturities.

		Investment Maturities (in Months)			
Investment Type	Fair Value	Less Than 6	7 - 12	13 - 18	19 - 24
U.S. agency - FHLB coupon	$ 17,171,538	$ 17,100,279	$ -	$ -	$ -
U.S. agency - FHLB discount note	10,687,029	10,628,703	-	-	-
U.S. agency - Farmer Mac discount note	2,990,250	999,355	1,982,561	-	-
U.S. agency - Fed Farm Credit Bureau coupon	2,004,064	-	2,000,000	-	-
U.S. agency - Fed Farm Credit Bureau discount note	1,990,996	-	1,986,738	-	-
Bankers acceptances	9,257,277	9,244,158	-	-	-
Local Government Investment Pool	11,986,804	11,986,804	-	-	-
	$ 56,087,958	$ 49,959,299	$ 5,969,299	$ -	$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the College's investment policy limits the maturity length to one year with special approval required to purchase a security not to exceed two years.

Credit Risk. The College's investment policy does not allow investments in commercial paper nor corporate bonds. The College's investment policy does allow investments in Money Market Treasury Funds. These funds must be operated in accordance with Rule 2a-7 and have the highest possible rating from at least one NRSRO as designated by the SEC. The MLGIP functions as a U.S. Treasury Money Market Fund and is under contract with the State of Maryland Treasurer's Office. The MLGIP was rated AAAm by Standard & Poor's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party, because the securities are not insured and are not registered in the College's name and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name. During the year ended June 30, 2009, the College did not invest in any repurchase agreements. The College's investment policy requires all collateral be held by an independent third party with whom the College has a current custodial agreement in a segregated account with a clearly marked evidence of ownership and a safekeeping receipt supplied to the College.

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

As of June 30, 2009 the College's investments (listed at Original Principal Cost) were comprised of the following:

Security Description	Principal Cost	Percent of Total
U.S. agency - FHLB coupon (7 separate)	$ 17,100,279	30.58 %
U.S. agency - FHLB discount notes (5 separate)	10,628,703	19.00
U.S. agency - Farmer Mac discount notes (2 separate)	2,981,916	5.33
U.S. agency - Fed Farm Credit Bureau coupon	2,000,000	3.58
U.S. agency - Fed Farm Credit Bureau discount note	1,986,738	3.55
Bankers acceptances - JP Morgan Chase (11 separate)	9,244,158	16.53
Local Government Investment Pool	11,986,804	21.43
	$ 55,928,598	100.00 %

Concentrations of Credit Risk. GASB 40 requires the identification, by amount and issuer, of investments in any one issuer that represents 5% or more of total investments. The College's investment policy allows the following diversification by instrument at time of purchase:

U.S. Treasury obligations	100 %
U.S. government agency & sponsored instrumentalities	50 %
Repurchase agreements	50 %
Collateralized certificates of deposits	50 %
Bankers acceptances	50 %
Maryland Local Government Investment Pool	60 %

Security types noted above are further diversified by issuing institution:

Approved security dealers	50 %
Maryland Local Government Investment Pool	60 %
Bankers' acceptances by issuing institution	15 %
Commercial banks	30 %

Foreign Currency Risk. In accordance with section IX, Diversification in Authorized and Suitable Investments, the College is restricted to banks (financial institutions) chartered in the State of Maryland and bankers acceptances of domestic banks. Repurchase agreements must be backed by obligations of the United States, its agencies or instrumentalities. The College, by Procedure 61003CP, Chapter 'Fiscal and Administrative Affairs', Subject 'Bank Services', Section VI is limited to 'banks located within the County' for depository services.

Custodial Credit Risks. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized; collateralized with the securities held by the pledging bank; collateralized with securities held by the pledging bank's trust department or agent but not in the College's name.

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

As of June 30, 2009, the College had a Tri-Party Collateral agreement between the College, Wachovia Bank N.A. and The Bank of New York to collateralize deposits of the College. As of that date the following collateral was in a segregated account on the College's behalf as follows:

CUSIP	Description	Par Value	Market Value
31287M4H0	FMAC FGPC 5.5% 01/01/26	$ 1,426,197	$ 339,351
3128C6R92	FMAC FGPC 5.5% 11/01/37	1,327,786	1,111,113
3128MJAL4	FMAC FGPC 5.5% 09/01/34	620,484	303,922
3128MSAF7	FMAC FGPC 5.5% 08/01/34	1,402,094	274,780
3128MSFT2	FMAC FGPC 5.5% 04/01/36	342,169	320,510
3128MSSW1	FMAC FGPC 5.5% 06/01/35	506,422	275,461
3128MTR83	FMAC FGPC 5.5% 02/01/36	411,470	252,306
3128MTRC4	FMAC FGPC 5.5% 02/01/36	371,590	256,265
31292HZN7	FMAC FGPC 5.5% 10/01/33	352,709	128,898
31296PCC4	FMAC FGPC 5.5% 10/01/33	792,665	288,616
31296PUP5	FMAC FGPC 5.5% 10/01/33	777,805	251,416
31296PUQ3	FMAC FGPC 5.5% 10/01/33	15,379,290	4,956,113
31296Q6W5	FMAC FGPC 5.5% 12/01/33	746,398	301,750
31296QHQ6	FMAC FGPC 5.5% 11/01/33	640,323	253,772
31296QRW2	FMAC FGPC 5.5% 11/01/33	4,900,087	1,443,234
31296RG51	FMAC FGPC 5.5% 12/01/33	1,009,830	261,501
31296RKY3	FMAC FGPC 5.5% 12/01/33	543,159	281,567
31296RYV4	FMAC FGPC 5.5% 12/01/33	726,565	338,986
31296SKK1	FMAC FGPC 5.5% 01/01/34	7,491,881	2,285,560
31296SNX0	FMAC FGPC 5.5% 10/01/34	777,959	274,481
31296SQT6	FMAC FGPC 5.5% 01/01/34	770,157	295,414
31296TPP3	FMAC FGPC 5.5% 02/01/34	525,799	246,185
31296TR63	FMAC FGPC 5.5% 02/01/34	728,382	294,356
31296U4Z1	FMAC FGPC 5.5% 03/01/34	458,718	245,602
31296UGG0	FMAC FGPC 5.5% 02/01/34	808,613	267,738
31297BST0	FMAC FGPC 5.5% 07/01/34	468,466	256,015
31297BZL9	FMAC FGPC 5.5% 07/01/34	453,097	260,951
31297DMP0	FMAC FGPC 5.5% 08/01/34	551,731	295,350
31388CVK3	FMAC FGPC 8.0% 07/01/30	100,000	5,887
31402QTS0	FMAC FGPC 6.0% 11/01/34	1,225,000	434,676
31404ATM6	FMAC FGPC 7.0% 05/01/33	2,900,000	182,596
31413VT49	FMAC FGPC 7.0% 12/01/37	1,598,634	1,178,797
			$ 18,163,169

Actual bank statement balances for Wachovia accounts totaled $264,705 at the end of fiscal year 2009.

As of June 30, 2009, the College had a Federal Reserve Bank pledge with PNC Bank to collateralize deposits of the College. As of that date the following collateral was in a segregated account on the College's behalf as follows:

CUSIP	Description	Par Value	Market Value
31371LHF9	FNMA FNMS 5.5% 12/01/23	$ 4,000,000	$ 1,472,339
31371LH77	FNMA FNMS 4.0% 12/01/10	1,100,000	306,933
31393Q2J0	FNMA FGRM 2594QP 03/15/33	5,170,000	1,787,557
31395KYP2	FNMA FRGM 2926AC 01/15/19	12,000,000	4,588,164
31409H3W2	FNMA FNMS 7.0% 08/01/36	4,100,000	1,211,621
31412PGL9	FNMA FNMS 4.0% 04/01/24	3,400,000	3,344,732
			$ 12,711,346

NOTE 3: CASH AND INVESTMENTS (MC & MCF) - continued

Montgomery College Foundation Investments

As of June 30, 2009 and 2008, investments at fair value consisted of the following:

	2009	2008
Mutual funds		
Growth Fund of America	$ 3,057,322	$ 4,176,324
Davis New York Venture Fund	1,746,623	2,414,393
Edgar Lomax Fund	1,250,946	1,695,054
Goldman Sachs Mid Cap Value Fund	1,834,719	2,658,497
Lord Abbett All Value Fund	768,756	978,499
The Torray Fund	-	756,039
	8,658,366	12,678,806
U.S. Treasury note	-	2,025,189
UBS Investment account	871,871	1,099,266
Chevy Chase Bank Trust	734,212	1,048,053
Certificates of deposit	12,833,872	472,053
Land	2,532,600	2,532,600
	$ 25,630,921	$ 19,855,967

Net investment loss for the years ended June 30, 2009 and 2008 was as follows:

	2009	2008
Interest and dividends	$ 326,941	$ 1,410,215
Realized and unrealized losses on investments	(4,040,009)	(2,713,770)
	$ (3,713,068)	$ (1,303,555)

Net investment income is included in investment and interest income and additions to permanent endowments in the statement of revenue, expenses, and changes in net assets.

NOTE 4: ACCOUNTS RECEIVABLE (MC)

Accounts receivable relates to transactions involving student tuition and fee billings, governmental appropriations, student loans, grants and contracts, and financial aid. Receivables are shown net of any allowance for doubtful accounts.

	2009	2008
Capital improvement program (CIP)	$ 16,847,523	$ 11,268,115
Tuition and fees - student receivable	3,343,327	3,106,563
Tuition and fees - contracts	149,233	317,784
Loans receivable - current portion	148,240	168,675
Financial aid	133,611	1,236,127
Governmental appropriations	3,192,317	2,685,135
Auxiliary enterprises	368,419	710,479
Accrued interest	115,894	172,336
Montgomery College Foundation	21,551	80,987
Other accounts receivable	314,319	709,067
Current asset portion	24,634,434	20,455,268
Loans receivable - non-current portion	1,805,133	1,841,667
Total accounts receivable	$ 26,439,567	$ 22,296,935

Tuition and fees receivables are recorded net of allowance for doubtful accounts of $10,440,780 and $8,904,802 at June 30, 2009 and 2008, respectively.

NOTE 4: ACCOUNTS RECEIVABLE (MC) - continued

The College currently participates in the Federal Perkins Loan Program (Perkins) and the Nursing Student Loan Program (NSLP). At June 30, 2009 and 2008, the balance of the Perkins receivables included in the loan funds' notes receivable was $2,340,380 and $2,377,020, respectively, less an allowance for doubtful receivables of $387,007 and $366,678, respectively. As of June 30, 2009 and 2008, the balance of the NSLP receivables included in the loan funds' notes receivable was $4,783 and $4,783 less an allowance doubtful receivables of $4,783 and $4,783, respectively.

NOTE 5: CHARITABLE REMAINDER TRUSTS (MCF)

The Foundation has been designated as remainder interest beneficiary under certain charitable gift annuity agreements contracted with donors. The agreements call for specified distributions/annuity payments to be paid to designated lead interest beneficiaries during their lives. The Foundation holds and invests the assets of the charitable gift annuity agreements and assures that the specified distributions are made to the lead interest beneficiaries. The assets held and the liability for annuities payable are reflected on the statement of financial position.

Upon commencement of such agreements, the Foundation records the fair value of the assets received and records the estimated present value of future payments to the lead interest beneficiaries as a liability for annuities payable from charitable gift annuity agreements. The liability is established by estimating future payments based on the beneficiaries' life expectancy and discounting those payments to their present value. The excess of the assets received over the liability incurred is recognized on the statement of activities as contributions under charitable gift annuity agreements.

At the end of each year, assets held in split-interest agreements are adjusted to their fair value and the liability for annuities payable is adjusted to its current estimated present value. Present value adjustments to the liability are reflected on the statement of activities as changes in the value of charitable gift annuity agreements.

At times, for certain charitable gift annuity agreements, the estimated present value of the liability to the lead interest beneficiary exceeds the value of the related assets. When this occurs, the deficit is considered a reduction of unrestricted net assets.

As of June 30, 2009 and 2008, the assets, obligations and net assets related to charitable remainder trusts were classified as follows:

	2009				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2008 Total
Assets held for charitable gift annuities	$ 353,457	$ 4,215	$ 51,897	$ 409,569	$ 707,961
Annuities payable from charitable gifts	1,195,334	3,928	48,740	1,248,002	1,170,938
Net assets	$ (841,877)	$ 287	$ 3,157	$ (838,433)	$ (462,977)

During the year ended June 30, 2009, no split-interest agreements were created or terminated. Three split-interest agreements matured during the year ended June 30, 2008. The $22,762 market value of the agreements were endowed at that time, and the $20,499 present value payable liability for those agreements was extinguished. The total number of split-interest agreements stands at thirteen at June 30, 2009.

NOTE 6: CAPITAL ASSETS AND DEPRECIATION (MC)

The following tables represent the changes in the capital asset categories (including depreciation) for fiscal years 2009 and 2008, respectively.

	Balance at 7-1-08	Additions	Disposals/Lease Retirements	Balance at 6-30-09
Capital assets as of June 30, 2009				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Buildings	252,284,020	41,110,289	-	293,394,309
Equipment	51,419,242	8,795,492	(1,593,399)	58,621,335
Library books	6,205,791	289,342	(276,042)	6,219,091
Capital lease	32,130,000	-	-	32,130,000
Art works	159,955	21,850	-	181,805
	378,943,595	50,216,973	(1,869,441)	427,291,127
Accumulated depreciation as of June 30, 2009				
Buildings	80,082,852	6,113,702	-	86,196,554
Capital lease	-	942,857	-	942,857
Equipment	33,482,590	6,417,891	(1,566,860)	38,333,621
Library books	4,304,772	306,290	(202,338)	4,408,724
	117,870,214	13,780,740	(1,769,198)	129,881,756
Capital assets, net	$ 261,073,381	$ 36,436,233	$ (100,243)	$ 297,409,371

	Balance at 7-1-07	Additions	Retirements	Balance at 6-30-08
Capital assets as of June 30, 2008				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Buildings	213,922,300	38,361,720	-	252,284,020
Equipment	51,160,301	3,924,320	(3,665,379)	51,419,242
Library books	6,325,120	327,268	(446,597)	6,205,791
Capital lease	-	32,130,000	-	32,130,000
Art works	144,955	15,000	-	159,955
	308,297,263	74,758,308	(4,111,976)	378,943,595
Accumulated depreciation as of June 30, 2008				
Buildings	73,587,924	6,494,928	-	80,082,852
Equipment	31,767,062	4,802,588	(3,087,060)	33,482,590
Library books	4,326,645	304,249	(326,122)	4,304,772
	109,681,631	11,601,765	(3,413,182)	117,870,214
Capital assets, net	$ 198,615,632	$ 63,156,543	$ (698,794)	$ 261,073,381

Capital assets are presented net of accumulated depreciation of $129,881,756 and $117,870,214 as of June 30, 2009 and 2008, respectively, and includes current provisions for depreciation of $13,780,740 and $11,601,765 in the years ended June 30, 2009 and 2008, respectively. See Note 2 - Investment in Capital Assets for capitalization policy.

NOTE 7: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (MC)

Accounts payable and accrued liabilities represent amounts due at June 30, 2009 and 2008, respectively for goods and services received prior to the end of the fiscal year.

	2009	2008
Salaries and wages	$ 6,272,878	$ 5,145,221
Benefits	1,107,000	907,000
Services and supplies	14,087,507	12,853,634
Payroll withholding	1,091,146	1,132,750
Unclaimed checks	267,859	196,559
Student refunds	385	19,880
Montgomery College Foundation	-	21,863
Post employment funds	-	7,720,858
Lease obligation	940,000	905,000
Other	803,511	238,345
	$ 24,570,286	$ 29,141,110

NOTE 8: LONG-TERM LIABILITIES (MC)

Long-term liability activity for the year ended June 30, 2009 is as follows:

	Long-Term Liabilities				
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Post employment funds	$ 7,720,858	$ -	$ (7,720,858)	$ -	$ -
Aetna supplemental retirement funds	11,582	5,620	-	17,202	-
Lease obligations	32,130,000	-	(905,000)	31,225,000	940,000
Montgomery County	375,000	-	(75,000)	300,000	75,000
	$ 40,237,440	$ 5,620	$ (8,700,858)	$ 31,542,202	$ 1,015,000

NOTE 9: NOTES PAYABLE - MONTGOMERY COUNTY REVENUE AUTHORITY (MCF)

In October 2005, the Montgomery County Revenue Authority (the Authority) issued “Montgomery County Revenue Authority Lease Revenue Bonds (King Street Art Center Project) Series 2005 A” bonds (the 2005 Bonds), with a total face value of $33,000,000. A loan agreement, evidenced by a promissory note (the 2005 Notes), was entered into between the Authority and the Foundation, to effectively transfer all obligations of the bond issue to the Foundation. Principal and interest payments required by the note are scheduled to coincide with the scheduled payments due on the 2005 Bonds. The proceeds of the 2005 Notes were used 1) for developing and constructing a multi-purpose educational building designated as the Morris and Gwendolyn Cafritz Foundation Arts Center, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, and 4) to pay a portion of the issuance costs of the 2005 Bonds. The 2005 Bonds, issued in denominations of $5,000, are dated October 20, 2005, and have annual serial maturity dates from May 1, 2008 through May 1, 2030. Stated interest rates vary with the maturity date of each group of 2005 Bonds. The 2005 Bonds were issued at a net premium totaling $493,620.

The College has entered into a lease agreement with the Foundation, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2005 Notes. This lease agreement was pledged as security for the 2005 Notes.

NOTE 9: NOTES PAYABLE - MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) - continued

Maturity dates and stated interest rates of the 2005 Notes are as follows:

Maturity May 1	Principal Amount	Interest Rate	Term (in years)
2010	$ 940,000	4.000 %	4.5
2011	975,000	4.000 %	5.5
2012	1,015,000	4.000 %	6.5
2013	1,055,000	4.000 %	7.5
2014	1,100,000	4.000 %	8.5
2015	1,145,000	5.000 %	9.5
2016	1,200,000	4.000 %	10.5
2017	1,250,000	4.000 %	11.5
2018	1,300,000	5.000 %	12.5
2019	1,365,000	5.000 %	13.5
2020	1,430,000	5.000 %	14.5
2021	1,505,000	4.250 %	15.5
2022	1,565,000	4.375 %	16.5
2023	1,635,000	4.375 %	17.5
2024	1,705,000	4.500 %	18.5
2025	1,785,000	4.500 %	19.5
2026	1,865,000	4.500 %	20.5
2027	1,950,000	5.000 %	21.5
2028	2,045,000	5.000 %	22.5
2029	2,150,000	4.625 %	23.5
2030	2,245,000	4.625 %	24.5
	$ 31,225,000		

The 2005 Notes maturing prior to May 1, 2016 are not subject to redemption prior to their maturities. The 2005 Notes maturing on or after May 1, 2016 are subject to optional redemption by the Authority in whole or in part prior to maturity on any date beginning May 1, 2015 at a redemption price of par plus accrued interest thereon to the date set for redemption.

Interest is due semi-annually, each May 1 and November 1. Proceeds from the 2005 Notes issue were used to pay interest through October 2007. Interest paid through the completion of the construction of the Morris and Gwendolyn Cafritz Foundation Arts Center was capitalized as part of the construction in progress. Since the completion of construction, interest has been expensed as incurred.

In November 2008, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds (Silver Spring/Takoma Park parking garage project) Series 2008A" bonds (the 2008 Bonds), with a total face value of $16,825,000. A loan agreement, evidenced by a promissory note (the 2008 Notes), was entered into between the Authority and the Foundation, to effectively transfer all obligations of the 2008 Bonds issue to the Foundation. Principal and interest payments required by the 2008 Notes are scheduled to coincide with the scheduled payments due on the 2008 Bonds. The proceeds of the 2008 Notes issue are to be used 1) for developing and constructing a parking garage structure designated as the Silver Spring/Takoma Park parking garage, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, 4) to pay a portion of the issuance costs of the 2008 Bonds. The 2008 Bonds, issued in denominations of $5,000, are dated November 20, 2008, and have annual serial maturity dates from November 1, 2010 through November 1, 2033. Stated interest rates vary with the maturity date of each group of 2008 Bonds. The 2008 Bonds were issued at a net discount totaling $129,494.

NOTE 9: NOTES PAYABLE - MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) - continued

The College has entered into a lease agreement with the Foundation, beginning on the date that the project is substantially complete, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2008 Notes. This lease agreement was pledged as security for the 2008 Notes.

The 2008 Notes proceeds and uses are as follows:

Proceeds	
Par amount	$ 16,825,000
Net original issue discount	(129,494)
	$ 16,695,506
Uses	
Project Fund	$ 14,440,645
Debt Service Reserve Fund	1,193,169
Capitalized Interest Fund	740,484
Cost of issuance	230,843
Underwriter's discount	128,508
Equity contributions	(38,143)
	$ 16,695,506

Maturity dates and stated interest rates of the 2008 Notes are as follows:

Maturity November 1	Principal Amount	Interest Rate	Term (in years)
2010	415,000	3.25 %	2
2011	425,000	3.50 %	3
2012	440,000	3.50 %	4
2013	455,000	3.50 %	5
2014	475,000	4.00 %	6
2015	495,000	4.00 %	7
2016	515,000	4.00 %	8
2017	535,000	4.00 %	9
2018	560,000	4.13 %	10
2019	580,000	4.38 %	11
2020	610,000	4.60 %	12
2021	635,000	4.63 %	13
2022	670,000	4.75 %	14
2023	700,000	4.75 %	15
2024	735,000	4.75 %	16
2025	770,000	5.00 %	17
2026	810,000	5.00 %	18
2027	855,000	5.10 %	19
2028	895,000	5.10 %	20
2029	945,000	5.13 %	21
2030	995,000	5.13 %	22
2031	1,045,000	5.20 %	23
2032	1,105,000	5.25 %	24
2033	1,160,000	5.25 %	25
	$ 16,825,000		

NOTE 9: NOTES PAYABLE - MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) - continued

The 2008 Notes maturing prior to November 1, 2018 are not subject to redemption prior to their maturities. The 2008 Notes maturing on or after November 1, 2018 are subject to optional redemption by the Authority in whole or in part, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price equal to par plus accrued interest to the date fixed for redemption, without premium.

Interest is due semi-annually, each May 1 and November 1, beginning May 1, 2009. Proceeds from the 2008 Notes issue will be used to pay interest through October 2010. Interest paid through the completion of the construction of the parking garage will be capitalized as part of the construction in progress. Once the construction is complete, interest will be expensed as incurred.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC)

Other than the specific agreements described below, the College had no open installment agreements at June 30, 2009. All payments due on prior agreements were paid in full during the year ended June 30, 2009. Generally, these agreements terminate automatically on July 1 of each year and are renewable one year at a time, provided the Board of Trustees appropriates sufficient funds to meet rental payments.

On March 3, 1999, the College entered into a five-year lease agreement with Wheaton Plaza Regional Shopping Center, LLP for the lease of approximately 2,243 rentable square feet of office space in the South Office Building of Wheaton Plaza. Effective November 1, 2000, the College amended its lease agreement to increase its leased space in the building to 3,596 rentable square feet and extend the term five years from November 1st. On March 7th, 2002, the College entered into an agreement to lease an additional 7,197 rentable square feet of office space as well as extend the duration of all prior lease agreements to the year 2012. During the year ended June 30, 2009, $289,344 in rent payments were made.

On August 14, 2000, the College entered into an eight-year lease agreement with Colesville Joint Venture, LLP for the lease of approximately 9,545 rentable square feet of office space in the Fenton Building. Commencement of the lease began on March 1, 2001. Effective May 19, 2008, the College extended its lease agreement for sixteen months under the same terms and conditions. During the year ended June 30, 2009, $325,975 in rent payments were made.

On June 13, 2001, the College entered into a ten-year lease agreement with Longacre II, LLC for the lease of approximately 14,747 rentable square feet of office space in the Olde Town Gaithersburg Office II. Commencement of the lease began on August 1, 2001. During the year ended June 30, 2009, $549,056 in rent payments were made.

On February 10, 2006 the College entered into a ten year lease agreement with SYN-ROCK, LLC for the lease of approximately 20,084 rentable square feet of office space in Rockville within close proximity to the Rockville campus. Effective April 23, 2007, the College amended its lease agreement to increase its leased space in the building to 25,577 rentable square feet. On April 22, 2008, the College entered into a third amendment with SYN-ROCK, LLC to lease an additional 20,084 square feet of space with the College taking possession in July 2008. The new lease term is for eight years and all other lease terms remain the same. During the year ended June 30, 2009, $1,090,838 in rent payments were made.

On August 2, 2006 the College entered into a memorandum of understanding to the lease of approximately 67,619 rentable square feet of office space near the Germantown campus. The memorandum provides the option after a two month initial lease to lease the said property for 5 years beginning December 1, 2006 with an option to buy. The College commenced the 5 year lease on December 1, 2006. During the year ended June 30, 2009, $1,027,166 in rent payments were made.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

On January 23, 2008 the College entered into a ten-year lease with Metro Park III, LLC for the lease of approximately 86,982 rentable square feet of office space in the Metro Park North Building in Rockville, MD. Commencement of the lease began on July 1, 2008. During the year ended June 30, 2009, $1,074,240 in rent payments were made.

At June 30, 2009, payments are due for the six (real property) lease agreements in the following amounts for the next five years:

2010	$ 3,410,737
2011	3,263,219
2012	2,020,738
2013	1,318,079
2014	1,357,621
	$ 11,370,394

The College has entered into contracts for the purchase of computer information system technical consulting, programming and support services for the maintenance of the fully integrated administrative system; contracts to provide help desk operations and support of college computer equipment and project engineer services; contracts for the outsourcing of the library cataloging; contracts for high speed internet access services and disaster recovery, contracts for professional development and Human Resource services; photocopier and printing service; contracts for medical coverage and a prescription drug program; contracts for radio advertisement; contracts for trust and investment services; contracts for museum based learning; contracts for security infrastructure; contract for a commercial drivers license training program; contract for summer science enrichment program; and a contract for a GSA proposal development services. At June 30, 2009, potential payments for the contract agreements and purchase agreements for the next five years are as follows:

2010	$ 16,660,338
2011	9,524,706
2012	7,251,563
2013	1,583,723
2014	221,656
	$ 35,241,986

As of June 30, 2009 and 2008, there were uncompleted contracts amounting to $18,159,291 and $15,726,388, respectively, for construction activity at all campuses. Retainage on construction contracts is not included in this amount, but is shown in the financial statements as an accounts payable.

On July 1, 2001, the College purchased the 'Giant Bakery' site (renamed 'King Street Property') for the appraised price of $7,250,000. This purchase called for a cash settlement of $6,000,000 and a non-cash donation of the balance ($1,250,000) to the Foundation by owners of the property. The Foundation provided a letter to the owners of the property reflecting this donation. Initially, the County funded the entire $6,000,000 cash price through the College's Capital budget appropriation. At that time there was an agreement made that the College would repay $2,250,000 of the cash purchase price. While the College is responsible for the entire $2,250,000 repayment, the Foundation agreed through fund-raising to accept responsibility for $1,500,000 of the $2,250,000. This leaves the College with direct responsibility for $750,000. A 'Memorandum of Understanding' (MOU) was finalized which details a ten-year term of repayment plus interest at 3.35%. The $750,000 liability created as a result of this MOU was accrued as a long-term liability. The current balance at June 30, 2009 was $300,000 and is included in accounts payable for the current portion of $75,000 and $225,000 as a long-term liability for the balance.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

On November 4, 2002, the College did a Request for Proposal (RFP) for the redevelopment of the King Street Property. During fiscal year 2004, a number of firms which responded to the RFP were given the opportunity to present their proposals for the redevelopment of the property. In order to fund this project, bonds were sold through the Montgomery Country Revenue Authority. The College, however, cannot borrow money so therefore, the College has reached an agreement with the Foundation to lease the King Street Property.

In September 2006, the Board of Trustees officially changed the name of the King Street Art Center Project to "The Morris and Gwendolyn Cafritz Foundation Arts Center".

The College has entered into a lease agreement with the Foundation (approved by the Board of Trustees on June 21, 2004), with semi annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the Bonds. This lease agreement was pledged as security for the Bonds. The lease commenced on July 17, 2007 the date construction was substantially complete and a Use and Occupancy Certificate issued. The Project Lease will terminate December 31, 2031. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of the The Morris and Gwendolyn Cafritz Foundation Arts Center.

Title to the Morris and Gwendolyn Cafritz Foundation Arts Center will transfer to the College upon completion of the lease. For this reason, the Project Lease is deemed a capital lease. The original cost of assets acquired under this capital lease is $33,000,000 and the accumulated amortization totals $1,885,714 at June 30, 2009. The College paid the Foundation $2,352,556 during the year ended June 30, 2009, as stipulated in the Project Lease. As of June 30, 2009, future payments to be paid by the College under this capital lease for the years ended June 30 are:

2010	$ 2,351,356
2011	2,348,756
2012	2,349,756
2013	2,349,156
2014	2,351,956
Thereafter	37,622,558
	49,373,538
Imputed interest	(18,148,538)
	$ 31,225,000

The land on which The Morris and Gwendolyn Cafritz Foundation Arts Center was built is owned by the College. The Foundation has entered into a lease agreement with the College whereby the land is leased to the Foundation for thirty years for a fee of $5,000.

In February 2003, the Montgomery County Council appropriated $6,100,000 to purchase a 20 acre tract next to the Germantown Campus of Montgomery College. Plans called for this 20 acre site plus 20 acres existing within the Germantown Campus to support the development of a 40 acre Life Sciences and Technology Park. In January 2004 the College issued a Request of Proposal for an 'at risk developer' to construct and operate the Montgomery College Life Sciences and Technology Park. In addition to the park, the College plans for a 126,900 gross square feet academic Bioscience Education Center on the Germantown Campus at a total estimated cost of $64 million. This facility could supply trained personnel for the park. As part of the College's fiscal year 2009 Capital Budget, $6,146,000 was appropriated for planning and design of the BioScience Education Center; construction has not started pending funding from the State and County.

NOTE 10: COMMITMENTS AND CONTINGENCIES (MC) - continued

Initial plans for the Germantown Development Project entails three related projects: The Goldenrod Academic Center, The Bioscience Education Center, and the Science and Technology Park. On June 19, 2006 by Board of Trustees Resolution Number 06-06-072, the Board authorized the President to negotiate and execute all documents required to lease, with an option to purchase, the property and a 67,619 square foot building adjacent to the Germantown Campus. Initial plans call for the County to lease approximately half of the building for use as interim space for the Germantown Technology Incubator. The Goldenrod Academic Center was completed and ready for occupancy in September 2008.

On December 15, 2008, the Board authorized contracting with a third party developer, Foulger-Pratt Companies, to assist with the development of the Park and to assume certain risks associated with the Park. Foulger-Pratt has negotiated general terms for a sub-lease of the ground needed in the Park to Holy Cross Hospital, subject to several conditions including but not limited to the execution of a ground lease between the College and Foulger-Pratt for the hospital site and an agreement in the form of a memorandum of understanding between the Hospital and the College that provides for the desired program support for the College.

On May 10, 2004 the Montgomery College Board of Trustees delegated authority to the Foundation to create a subsidiary organization to manage and oversee the interest of the College relative to the College Life Sciences and Technology Park.

On November 19, 2008, the Montgomery College Board of Trustees approved an award of contract for $51,639,000, contingent upon Maryland State Board of Public Works approval, for the construction of the Rockville Campus Science Center. The project received State of Maryland Board of Public Works approval on January 12, 2009. Construction began February 27, 2009.

On March 17, 2009, the Montgomery College Board of Trustees approved an award of contract for $2,025,352 for customary design reimbursable and supplemental services expenses and an award for $621,207 for architectural and engineering design services for the Science West Building renovation.

The College is currently the defendant in a lawsuit for breach of contract related to health insurance coverage and an alleged employment discrimination suit. It is the opinion of the College's management, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the College's financial position.

On December 10, 2007, the Board of Trustees adopted an omnibus resolution, Resolution Number 07-12-151, authorizing the lease transaction for a separate facility adjacent to the Morris and Gwendolyn Cafritz Foundation Arts Center , to improve access roads thereto, to improve a separate parking lot located nearby and to construct a chilling facility as part of the parking facility on its Takoma Park/Silver Spring campus in Silver Spring, Maryland. The Project Lease Agreement was signed on November 18, 2008, wherein the College will lease the Project upon its completion and after a Use and Occupancy Certificate has been issued from the Foundation, and act as the Foundation's construction agent during the construction of the Project. The Project is estimated to be completed November 1, 2009 and rents will be paid in semi-annual installment payments that are calculated to be at least equal to the scheduled debt service payments made by the Foundation on the Notes with a total face value of $16,825,000 (payments are due May 1 and November 1).

NOTE 11: EXPENSES BY NATURAL CLASSIFICATIONS (MC)

The following table shows a classification of expenses for the years ending June 30, 2009 and 2008; both by function as listed in the statement of revenue, expenses and changes in net assets and by natural classification, which is the basis for amounts shown in the statement of cash flows.

	Salaries and Wages	Fringe Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	Total
June 30, 2009									
Instruction	$ 72,550,121	$ 12,451,909	$ 5,763,924	$ 2,311,548	$ -	$ -	$ -	$ 2,484,493	$ 95,561,995
Academic support	20,241,867	2,749,063	3,760,074	955,841	-	-	-	1,185,552	28,892,397
Student services	19,710,978	2,902,038	3,442,137	501,649	-	-	-	813,200	27,370,002
Operation of plant	12,011,628	2,811,352	5,807,327	1,332,385	-	6,253,985	-	543,724	28,760,401
Institutional support	22,991,083	8,768,534	5,607,839	445,648	17,660	-	-	(6,776,343)	31,054,421
Scholarships and related expense	-	-	-	-	3,339,845	-	-	35	3,339,880
Depreciation	-	-	-	-	-	-	13,780,740	-	13,780,740
Auxiliary enterprises	2,669,073	603,089	881,888	144,509	35	-	-	8,120,406	12,419,000
Other	1,257,785	240,332	1,896,072	-	-	-	-	3,721,705	7,115,894
	$151,432,535	$ 30,526,317	$ 27,159,261	$ 5,691,580	$ 3,357,540	$ 6,253,985	$ 13,780,740	$ 10,092,772	$248,294,730
June 30, 2008									
Instruction	$ 66,759,439	$ 11,157,306	$ 5,974,116	$ 2,186,181	$ -	$ -	$ -	$ 1,617,113	$ 87,694,155
Academic support	19,131,774	2,494,402	2,252,080	955,428	-	-	-	1,170,857	26,004,541
Student services	17,994,416	2,593,367	3,520,311	529,154	-	-	-	799,457	25,436,705
Operation of plant	10,506,640	2,605,405	7,181,218	1,266,118	-	5,579,652	-	562,964	27,701,997
Institutional support	21,149,158	7,261,503	5,059,077	538,565	-	-	-	(9,329,208)	24,679,095
Scholarships and related expense	-	-	-	-	3,831,036	-	-	-	3,831,036
Depreciation	-	-	-	-	-	-	11,601,765	-	11,601,765
Auxiliary enterprises	2,471,360	502,691	891,216	206,161	-	-	-	7,989,751	12,061,179
Other	1,120,911	218,672	1,148,182	1,569,757	-	-	-	5,506,530	9,564,052
	$139,133,698	$ 26,833,346	$ 26,026,200	$ 7,251,364	$ 3,831,036	$ 5,579,652	$ 11,601,765	$ 8,317,464	$228,574,525

NOTE 12: RETIREMENT PLANS (MC)

The College participates in four statewide retirement plans: the Teachers' Retirement System and the Employees' Retirement System (the Retirement System), and the Teachers' Pension System and the Employees' Pension System (the Pension System), administered by the Maryland State Retirement System (MSRS), a cost-sharing multiple-employer retirement system (PERS). Aetna, the College's own plan, serves as a supplement to the MSRS plans. Certain employees may elect to participate in the Maryland State Optional Retirement Plan (ORP) instead of the Maryland State Pension System. The State has approved four providers for the ORP which include the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), AIG VALIC, and Fidelity. An employee can participate in only one plan at a time and will have the opportunity to change providers during one open enrollment period a year.

The State systems were established in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland. Responsibility for the administration and operation of the systems is vested in a 15-member Board of Trustees (the Trustees). The Trustees also have the authority to establish and amend the respective benefit provisions. The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to system members and beneficiaries.

The College's total current payroll for the fiscal year ended June 30, 2009 for all employees (including $184,616 from Agency funds) was $151,432,535. The approximate current year covered payroll under each of the plans, which includes employees eligible under multiple plans, is as follows:

	Covered Payroll	Percent of Total Salary
MSRS	$ 54,379,468	35.91 %
Optional retirement plan	$ 50,232,146	33.44 %
Aetna	$ 3,461,892	2.31 %

NOTE 12: RETIREMENT PLANS (MC) - continued

The following is a general description of the plan benefits available to the participants of each of the above named plans.

The Retirement System MSRS

Participants in the Retirement System may retire with full benefits after attaining the age of 60, or completion of 30 years of creditable service regardless of age. However, participants may retire with reduced benefits after completing 25 years of creditable service regardless of age.

The Pension System - MSRS

Participants in the Pension System may retire with full benefits after completing 30 years of creditable service regardless of age, or at age 62 or older with specified years of creditable service. However, participants may retire with reduced benefits after attaining age 55 and completing 15 years of creditable service.

The MSRS Optional Retirement Plan (ORP)

The ORP is a defined contribution "money purchase" plan under which the benefit is determined by the accumulated State contributions plus accrued investment earnings. Contributions are made to one of four providers approved by the State. Participants may receive their annuity income at any time after leaving the College.

The Aetna Plan

The College has a single employer, defined benefit pension plan with Aetna. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement and pension plans. Full-time employees who have been employed by the College prior to 1980 and contribute to an MSRS plan, are eligible to participate in this plan established under the authority of the College's Board of Trustees.

Benefits under all systems, except the ORP, vest after five years of service and are based on years of creditable service and salary rates.

The "unfunded actuarial accrued liability" is the result of applying the actuarial funding method to the present value of pension benefits, adjusted to the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employees' service to date. The actuarial funding method is intended to help users assess the Systems' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The MSRS does not make separate measurements of assets and liabilities for individual employers. However, the College's supplemental plan (Aetna) actuarial valuation is determined separately.

Listed below is information about the employees' benefit retirement and pension plans of the MSRS, as a whole, as of June 30, 2008, the latest date such information is available, and the Aetna Plan as of July 1, 2009.

	MSRS	Aetna
Actuarial accrued liability	$ 50,244,047,207	$ 12,189,427
Actuarial value of assets (at fair market value)	(39,504,284,202)	(11,274,825)
Unfunded actuarial accrued liability	$ 10,739,763,005	$ 914,602

Additional information about the MSRS is presented in the State of Maryland's June 30, 2008 Comprehensive Annual Financial Report and in the 2008 Consolidated Annual Report of the Maryland State Retirement and Pension System. That report may be obtained by writing to the State Retirement Agency of Maryland, 301 W. Preston Street, Baltimore Maryland, 21201.

NOTE 12: RETIREMENT PLANS (MC) - continued

In accordance with GASB No. 24, entitled *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College recognized expenditures for the various State retirement and pension plans made on behalf of its employees by the State to the extent revenue is recognized. The amount recognized includes amounts contributed by the State and amortization of past service costs over forty years for the year ended June 30, 2009 as follows:

	State	College	Total
MSRS	$ 5,996,219	$ 1,217,010	$ 7,213,229
MSRS-ORP	3,526,289	-	3,526,289
Aetna	-	1,633,232	1,633,232
	$ 9,522,508	$ 2,850,242	$ 12,372,750

The College's Defined Benefit Pension Plan (Aetna)

Effective July 1, 1996, the College implemented GASB No. 27, entitled *Accounting for Pensions by State and Local Governmental Employers*, with respect to the College's Aetna Plan.

Plan Description - The Aetna plan is a single employer, defined benefit pension plan. Full-time employees who were employed by the College prior to 1980 and contribute to an MSRS plan are eligible to participate in this plan established under the authority of the College's Board of Trustees. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement plans. The Aetna Retirement Plan issues a separate report that contains the results of the valuation of the College Retirement Plan as of July 1, 2008. That report may be obtained by writing to the Montgomery College Benefits Office, 900 Hungerford Drive, Rockville Maryland 20850.

Funding Policy - Plan members are required to contribute 5% of their earnable compensation. Contributions to this plan are offset by contributions to the Maryland Teachers' Retirement System or the Maryland State Retirement System. Contributions for year 2009 are based on the plan as amended most recently as of January 1, 1980. Interest on employee contributions is credited at a rate of 4% per year. The College will attempt to fund the net periodic cost of $138,484 from current revenues in the year ended June 30, 2010. The College's Board of Trustees has the authority to establish and amend benefit provisions of the plan.

Actuarial Cost Method and Valuation of Assets - The Entry Age Normal Actuarial Cost Method was used to determine the Normal Cost and Actuarial Accrued Liability in accordance with generally accepted actuarial principles. Plan assets are listed at fair market value as determined by the Aetna Insurance Company. The Actuarial Accrued Liability is based on a prorated portion of the present value of benefits earned to date and expected to be earned in the future.

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-02	$ 11,112,761	$ 9,948,471	(1,164,290)	111.7 %	$ 6,241,381	(18.7)%	0.00
6-30-03	$ 10,703,128	$ 10,063,999	(639,129)	106.4 %	$ 6,225,191	(10.3)%	0.00
6-30-04	$ 10,603,353	$ 10,059,963	(543,390)	105.4 %	$ 5,661,590	(9.6)%	0.00
6-30-05	$ 10,374,787	$ 10,238,200	(136,587)	101.3 %	$ 4,827,815	(2.8)%	0.00
6-30-06	$ 10,151,587	$ 10,427,914	276,327	97.4 %	$ 4,722,309	5.9 %	102,378
6-30-07	$ 10,316,110	$ 12,216,821	1,900,711	84.4 %	$ 3,967,274	47.9 %	369,394
6-30-08	$ 11,097,452	$ 12,256,446	1,158,994	90.5 %	$ 3,500,912	33.1 %	182,204
6-30-09	$ 11,274,825	$ 12,189,427	914,602	92.5 %	$ 3,461,892	26.4 %	138,484

NOTE 12: RETIREMENT PLANS (MC) - continued

The actuarial valuation for the fiscal year ended June 30, 2009 includes these significant assumptions which have not been changed from the prior year:

1) Investment return: 6.0% compounded annually
2) Salary increases: 4.5% compounded annually
3) Retirement age: Ages varying from 57 years to 65 and over
4) Turnover: Rates varying from no turnover to 9%
5) Mortality: The RP-2000 Mortality Table for healthy males and females
6) Discount rate: 6.25%

The actuarial assumptions are chosen by the actuary after a study of both current financial conditions and the population covered by the plan as to salary increases, number of terminations annually, etc. These assumptions are reviewed periodically, and if appropriate, changes are made.

Population Covered by the Plan	Number of Persons	Compensation (if applicable)
Participants		
Currently receiving payments	289	N/A
Active with vested benefits	36	3,461,892
Terminated with deferred vested benefits	9	N/A
Active without vested benefits	0	0
Inactives electing bifurcated benefits	2	N/A

NOTE 13: STATE AND COUNTY EXPENDITURES (MC)

The County issues general obligation bonds, the proceeds from which are transferred to the College for the purpose of financing acquisition of land, buildings, and equipment. For the years ended June 30, 2009 and 2008, the County made principal payments of $4,625,521 and $4,636,903, respectively, and interest payments of $3,286,935 and $3,072,004, respectively, on these bonds. In addition to the County expenditures, the State of Maryland pays the employer's portion of pension contributions on the salary for certain College employees eligible to belong to the State pension and retirement systems. For the years ended June 30, 2009 and 2008, the State expended $5,996,219 and $5,304,542, respectively, for the pension and retirement contributions. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The State of Maryland also reimburses the College for the employer's share of contributions to the ORP for eligible employees. The total amount reimbursed for the years ended June 30, 2009 and 2008 was $3,526,289 and $3,221,693, respectively. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The Capital Improvements Program (CIP) for the College is approved biannually by the County. The approval of some projects includes funding from other governmental agencies. All funds transferred to the College for CIP expenditures come directly from the County, with governmental reimbursements being made directly by those organizations back to the County for their share of project costs. The amount listed under the Current Asset designation as CIP receivable as of June 30, 2009 and 2008 is due to the following organizational participation in CIP expenditures:

	2009	2008
Montgomery County	$ 12,266,234	$ 8,497,201
State of Maryland	4,581,289	2,770,914
Total	$ 16,847,523	$ 11,268,115

NOTE 14: TUITION WAIVER (MC)

The College waives tuition charges for its programs for any resident of Maryland who is 60 years old or older, when course space is still available, and only during the three days following the end of regular registration. Additionally, the College has a 50% waiver of tuition for eligible Maryland National Guard members and up to 100% for eligible foster care students. Tuition is also waived for any resident of Maryland who is retired or disabled as defined by the Social Security or Railroad Retirement Act and who enrolls in any class at the College which is eligible under Maryland Annotated Code Section 16-403 for State support; and for eligible College employees who can enroll in credit only courses which are outside of the individual's normal working hours. During the year ended June 30, 2009, the College waived $802,441 in credit and $596,986 in non-credit tuition for senior, disabled, foster care and National Guard students. During the year ended June 30, 2008, the College waived $771,437 in credit and $585,830 in non-credit tuition for senior, disables, foster care and National Guard students. Starting in FY2000, the College implemented a tuition waiver program whereby the College waives credit tuition for dependents of eligible College employees. For FY2009, the College waived $413,387 for its employees and their dependents. The total tuition amount waived for the College for FY2009 is $1,812,814. For FY2008, the College waived $326,782 for its employees and their dependents. The total tuition amount waived for the College for FY2008 is $1,684,049.

NOTE 15: INCOME TAX STATUS (MC & MCF)

The College is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code, except as to unrelated business income. No provision for income taxes has been accrued since the College anticipates no tax liability for the years ended June 30, 2009 and 2008.

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related state statutes, except as to unrelated business income. The Foundation had no unrelated business income for the years ended June 30, 2009 and 2008.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109*. This interpretation provides guidance on recognition, classification and disclosure concerning uncertain tax liabilities. The evaluation of a tax position requires disclosure of a tax liability if it is more likely than not that it will not be sustained upon examination by the Internal Revenue Service. Management has analyzed the Foundation's tax positions for purposes of implementing FIN 48, and has concluded that as of June 30, 2009, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements.

NOTE 16: RISK MANAGEMENT - SELF-INSURANCE (MC)

The College, as a component unit of the County, participates in the County's self-insurance risk pool for liability and property coverage and maintains its own self-insurance pool for health and dental benefits. The College and the County account for risk financing activities in accordance with GASB No. 10, entitled *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

The Montgomery County Self-Insurance Program is maintained for liability and property coverage under which participants share workers' compensation, comprehensive general, automobile and professional liability, fire and theft, and other selected areas which require coverage. There have been no significant reductions in this insurance coverage from the previous year. Commercial coverage is purchased for claims in excess of coverage by the self-insurance fund and for other risks not covered by the fund. Settled claims have not exceeded commercial coverage in fiscal years 2009 and 2008. Other program participants are qualifying County government agencies. An inter-agency insurance panel is responsible for overseeing the program. This program offers overall risk management and cost sharing for all participants. In the event that the program's trust or escrow funds fall into a deficit, the program panel shall determine a method to fund the deficit. The program can assess additional premiums to each deficit-year participant. Premiums are charged to the appropriate College fund with no provision made for any additional liability in addition to premiums, unless assessed by the program. As of June 30, 2009, there was no deficit in the trust or escrow funds and no additional assessments have been made.

NOTE 16: RISK MANAGEMENT - SELF-INSURANCE (MC) - continued

The College is self-insured for health and dental benefits provided to its employees. To protect itself against significant losses, the College has stop-loss policies in place for individual participant claims in excess of $125,000 per year and aggregate annual participant claims in excess of $14,685,000. The College has a contract with an administrative service provider to process participant claims under these programs. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balance of claims payable relative to the health and dental self-insurance fund for the years ended June 30, 2009 and 2008 are as follows:

Balance July 1, 2007	$ 1,028,000
Claims and changes in estimates	10,065,302
Claims payments	(10,186,302)
Balance June 30, 2008	907,000
Claims and changes in estimates	12,105,487
Claims payments	(11,905,487)
Balance June 30, 2009	$ 1,107,000

NOTE 17: COMPENSATED ABSENCES (MC)

Employees of the College earn annual leave (vacation) and sick leave as provided by College policies and procedures. In the event of termination, employees with accumulated annual leave and at least 30 days of employment are reimbursed for 100% of accumulated annual leave, up to a maximum of 26 days. In addition, in the event of termination, employees who started employment prior to December 31, 1992 and who have five or more years of service, are reimbursed for 25% of not more than 180 days of accumulated sick leave. Earned but unused annual and vested sick leave is accounted for in the statement of net assets as a current liability for that portion which is expected to be paid out during the next twelve months. The balance is listed as non-current. Both current and non-current portions are valued based on the salary scale in effect at June 30, 2009 and 2008.

Employees of the College had earned $8,243,335 and $7,698,213 in annual and sick leave subject to termination payoff at June 30, 2009 and 2008, respectively. In accordance with GASB No. 16, entitled *Accounting for Compensated Absences*, related FICA and Medicare costs have been calculated on the amount due at termination in the amount of $630,615 for fiscal year 2009. This amount has been included in the total compensated absences liability of $8,873,950 for fiscal year 2009.

For the years ended June 30, 2009 and 2008, the total annual leave and sick leave earned has been recognized as an expense.

NOTE 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC)

On July 1, 1993, the College implemented GASB Statement No. 12, entitled *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers*.

On July 1, 2007, the College implemented GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The College provides postemployment health care, dental and life insurance benefits for retired employees through a defined benefit plan. The plan is accounted for as a trust fund and an irrevocable trust was established on June 16, 2008 to account for the plan.

NOTE 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) - continued

The contribution requirements of the College are established and may be amended by the Board of Trustees. The College currently pays 40% of health care premiums for employees who meet certain eligibility criteria and who retire with 5 but less than 10 years of service, 60% of premiums for those that retire after 10 years of service, and 20% for certain retirees prior to 1974. A smaller contribution to life insurance premiums is also provided for eligible retirees. The remaining costs of these benefits are borne by the participants.

In order to be considered "eligible", the retiree must have been enrolled in the College's group insurance program for 5 years prior to retirement and commence receipt of pension/annuity benefits from an MSRS or ORP plan immediately upon termination from the College. ORP annuitants must meet the same age and service retirement eligibility criteria as MSRS participants. The College's authority to contribute to other postemployment benefit provisions and obligations is established by the Board of Trustees. For the fiscal years ended June 30, 2009 and 2008, the College contributed $1,987,603 and $1,805,236, respectively, and the retirees contributed $1,327,927 and $1,291,326, respectively, in premiums. In total the College contributed for fiscal years ended June 30, 2009 and 2008 $3,200,000 and $4,877,660, respectively. The College also advance funded the costs of benefits in the amount of $1,212,397 and $12,136,507 in FY2009 and FY2008, respectively.

Membership

At June 30, 2009 and 2008 membership consisted of:

	2009	2008
Retirees and beneficiaries currently receiving benefits	451	435
Terminated employees entitled to benefits but not yet receiving them	-	-
Active employees - vested	1,752	1,702
Active employees - non vested	-	-
	2,203	2,137

The College had an actuarial valuation performed for the plan as of June 30, 2008 to determine the employer's annual required contribution (ARC) for the fiscal years ended June 30, 2009 and 2008. The College's annual OPEB cost (expense) of $3,567,792 was equal to the ARC for the fiscal year ended June 30, 2009. The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2008 was as follows:

Annual OPEB cost	$ 3,567,792	$ 4,877,660
Employer contribution	3,200,000	25,459,619
Net OPEB obligation	$ 367,792	$ -
% of annual OPEB cost contributed	90 %	522 %

NOTE 18: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) - continued

The net OPEB obligations (NOPEBO) as of June 30, 2009 and 2008 are recorded in OPEB asset value on the statement of net assets and were calculated as follows:

	2009	2008
Annual Required Contribution (ARC)	$ 3,484,480	$ 4,877,660
Interest on net OPEB obligation	262,946	-
Adjustment to ARC	(179,634)	-
Annual OPEB cost	3,567,792	4,877,660
Contributions made	3,200,000	25,459,619
Increase (decrease) in net OPEB obligation	367,792	(20,581,959)
Net OPEB obligation at beginning of year	(20,581,959)	-
	$ (20,214,167)	$ (20,581,959)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions as to current claims cost, projected increases in health care costs, morbidity, turnover, and interest discount. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 and 2008, the projected unit credit cost actuarial method was used. The actuarial assumptions included an 8.00% investment rate of return (net of administrative expenses) and an annual healthcare and dental cost trend rate of 10% for retirees younger than 65 and 9.00% for retirees 65 and older. Both rates are inclusive of general inflation. The actuarial value of assets was determined by using the market value of the assets. The plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on a closed basis. The remaining amortization period as of June 30, 2009 was 28 years.

Required Supplementary Information

		Schedule of Funding Progress for Montgomery College				
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-08	$ 25,459,619	$ 52,188,571	26,728,952	48.78 %	$ 104,590,815	25.56 %
6-30-09	$ 20,632,100	$ 61,627,035	40,994,935	33.48 %	$ 113,812,228	36.02 %

NOTE 19: LONG-TERM DEBT (MC)

The College had no outstanding bonded long-term debt at June 30, 2009 and 2008.

NOTE 20: TRANSFERS (MCF)

During the year ended June 30, 2009, management of the Foundation was instructed by one of its donors to endow a gift which originally was received with only temporary restriction. A transfer, reflected on the statement of activities, has been recorded to correct this classification as of July 1, 2008. This transfer did not change total net assets as previously reported.

NOTE 21: PLEDGES RECEIVABLE (MCF)

Pledges receivable at June 30, 2009 and 2008 include amounts due in:

	2009	2008
Less than one year	$ 1,052,102	$ 2,039,150
One to five years	1,059,614	1,396,794
More than five years	1,796,226	1,291,026
	3,907,942	4,726,970
Present value discount	(1,028,352)	(758,117)
	$ 2,879,590	$ 3,968,853

No provision for uncollectible pledges has been established as management believes all pledges are collectible. Any pledges deemed to be uncollectible are written off at the time of such determination. A discount rate of 3% was used in the present value calculation on long-term receivables.

During 2001, the Foundation was named remainder interest beneficiary of a charitable remainder unitrust where the Foundation is not the trustee and does not exercise control over the assets contributed to the trust. The Foundation recorded the agreement as a pledge receivable and a contribution at the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments are made to the receivable on a yearly basis to reflect the accretion of the discount, and revaluation of the present value of the estimated future payments. As of June 30, 2009 and 2008, the pledge receivable balance was $600,306 and $483,415, respectively.

During 2009, the Foundation was named remainder interest beneficiary of another charitable remainder unitrust where the Foundation is not the trustee and does not exercise control over the assets contributed to the trust. The Foundation recorded the agreement as a pledge receivable and a contribution at the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments will be made to the receivable on a yearly basis to reflect the accretion of the discount, and revaluation of the present value of the estimated future payments. As of June 30, 2009, the pledge receivable balance was $120,150.

NOTE 22: FAIR VALUE (MCF)

The Foundation adopted Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements* as of July 1, 2008. SFAS 157 applies to all financial instruments that are being measured and reported on a fair value basis. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a fair value reporting hierarchy and defines three broad levels of inputs (the assumptions that market participants would use in pricing the asset or liability) as noted below:

Level 1

Inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets may include securities that are traded in an active exchange market or actively traded over-the-counter markets.

NOTE 22: FAIR VALUE (MCF) - continued

Level 2

Valuation is based on directly or indirectly observable inputs other than quoted prices included within Level 1 such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs other than quoted prices that are observable or can be corroborated to observable market data for substantially the full term of the asset or liability.

Level 3

Valuation is based on unobservable inputs for the asset or liability. Level 3 assets may include financial instruments whose value is determined using pricing models with internally developed assumptions, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

As of June 30, 2009, all of the Foundation's financial instruments have quoted prices in active markets for identical assets, that the reporting entity has the ability to access at the measurement date. The only level 3 asset is a tract of land owned by the Foundation. The MCAD property is valued at $2,532,600, which is its 2004 appraised value. Since this property, as of June 30, 2009, has an open, contingent sales contract in effect for substantially more than its 2004 appraised value, management believes its carrying amount of $2,532,600 does not need to be adjusted at this time.

As of June 30, 2009, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total Fair Value
Money market funds	$ 226,621	$ -	$ -	$ 226,621
Certificates of deposit	12,833,872	-	-	12,833,872
Mutual funds	9,866,353	-	-	9,866,353
Equity securities	581,044	-	-	581,044
Land	-	-	2,532,600	2,532,600
	$ 23,507,890	$ -	$ 2,532,600	$ 26,040,490

The table below represents a reconciliation for the year ended June 30, 2009 of assets measured at fair value on a recurring basis using Level 3 inputs.

Beginning balance	$ 2,532,600
Total gains or losses (realized/unrealized)	-
Ending balance	$ 2,532,600

NOTE 23: ENDOWMENT (MCF)

The Foundation's endowment consists of 160 individual funds (the Funds) established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 23: ENDOWMENT (MCF) - continued

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(a) The duration and preservation of the fund
(b) The purposes of the Foundation and the donor-restricted endowment fund
(c) General economic conditions
(d) The possible effect of inflation and deflation
(e) The expected total return from income and the appreciation of investments
(f) Other resources of the Foundation
(g) The investment policies of the Foundation

The Foundation had the following changes in the endowment net assets during the year ended June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 421,236	$ 2,945,960	$ 13,241,083	$ 16,608,279
Contributions	-	-	536,102	536,102
Appropriation of endowment assets for expenditure	(47,164)	(342,994)	-	(390,158)
Endowment net assets after contributions and expenditures	374,072	2,602,966	13,777,185	16,754,223
Investment return				
Investment income	1,033	22,353	-	23,386
Net appreciation (depreciation) realized and unrealized	(143,803)	(3,112,263)	(39,447)	(3,295,513)
Net asset reclassification to restore deficiencies	-	1,301,581	-	1,301,581
Endowment net assets after reclassification	231,302	814,637	13,737,738	14,783,677
Other changes				
Donor requested endowment of previously unendowed gift	-	-	7,402	7,402
Endowment net assets at end of year	$ 231,302	$ 814,637	$ 13,745,140	$ 14,791,079

NOTE 23: ENDOWMENT (MCF) - continued

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $1,301,581 as of June 30, 2009. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Trustees
Montgomery College
Rockville, MD 20850

Our audits of the financial statements of Montgomery College for the years ended June 30, 2009 and 2008 were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules (Balance Sheets, Statement of Current Funds Revenue, Expenditures and Transfers and Statement of Changes in Fund Balances) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2009

MONTGOMERY COLLEGE
BALANCE SHEETS
JUNE 30, 2009 AND 2008

ASSETS	2009	2008
CURRENT FUNDS - UNRESTRICTED		
Cash and short-term investments	$ 55,502,429	$ 58,925,505
Receivables		
Student tuition and fees - net of allowance for doubtful accounts	3,343,327	3,106,563
Governmental appropriations	2,241,011	1,950,127
Other	881,609	1,870,922
Inventories	1,702,195	1,680,192
Prepaid expenses	613,215	468,381
TOTAL CURRENT FUNDS - UNRESTRICTED	64,283,786	68,001,690
CURRENT FUNDS - RESTRICTED		
Receivables		
Governmental appropriations	1,085,717	1,971,135
Other and prepaid expenses	84,974	107,362
Inventories	3,029	2,852
TOTAL CURRENT FUNDS - RESTRICTED	1,173,720	2,081,349
TOTAL CURRENT FUNDS	$ 65,457,506	$ 70,083,039
LOAN FUNDS		
Cash and short-term investments	$ 104,893	$ 49,510
Receivables		
Notes receivable	1,953,373	2,010,342
Due from other funds	2,363	-
Other	391	391
TOTAL LOAN FUNDS	$ 2,061,020	$ 2,060,243
AGENCY FUNDS		
Other	$ 45,329	$ -
Due from other funds	2,061,790	1,299,293
Prepaid expenses	20,216,152	250
TOTAL AGENCY FUNDS	$ 22,323,271	$ 1,299,543
ENDOWMENT AND SIMILAR FUNDS		
Due from other funds	$ 630,675	$ 650,915
Other	518	-
TOTAL ENDOWMENT AND SIMILAR FUNDS	$ 631,193	$ 650,915

LIABILITIES AND FUND BALANCE	2009	2008
CURRENT FUNDS - UNRESTRICTED		
Accounts payable and accrued expenses	$ 13,508,312	$ 19,245,179
Compensated absences payable	8,873,950	8,287,128
Deferred revenue	4,639,313	4,609,596
Due to other funds	181,548	4,101,700
Fund balances		
Reserved for encumbrances	9,736,508	10,716,284
Reserved for budgets 2008 - 2009	10,323,758	9,097,275
Reserved for designated programs	211,096	186,978
Reserved for repayment to County	300,000	375,000
Allocated for auxiliary enterprises	7,951,259	5,043,744
Allocated for continuing education	7,959,896	5,900,822
Allocated for emergency plant maintenance and repair	598,146	437,984
TOTAL CURRENT FUNDS - UNRESTRICTED	64,283,786	68,001,690
CURRENT FUNDS - RESTRICTED		
Accounts payable and accrued expenses	428,910	382,800
Deferred revenue	170,652	360,210
Due to other funds	574,158	1,338,339
TOTAL CURRENT FUNDS - RESTRICTED	1,173,720	2,081,349
TOTAL CURRENT FUNDS	$ 65,457,506	$ 70,083,039
LOAN FUNDS		
Accounts payable and accrued expenses	$ 4,127	$ 2,799
Deferred revenue	3,018	3,018
Due to other funds	33,888	25,150
Fund balance	2,019,987	2,029,276
TOTAL LOAN FUNDS	$ 2,061,020	$ 2,060,243
AGENCY FUNDS		
Accounts payable and accrued expenses	$ 1,028,217	$ 445,772
Due to other organizations	21,295,054	853,771
TOTAL AGENCY FUNDS	$ 22,323,271	$ 1,299,543
ENDOWMENT AND SIMILAR FUNDS		
Accounts payable and accrued expenses	$ 3,633	$ 1,255
Quasi-endowment - unrestricted	627,560	649,660
TOTAL ENDOWMENT AND SIMILAR FUNDS	$ 631,193	$ 650,915

BALANCE SHEETS

ASSETS	2009	2008
PLANT FUNDS - UNEXPENDED		
Receivables		
Governmental appropriations	$ 126,525,041	$ 69,311,541
Other	12,439	73,504
Prepaid expenses	813,032	1,279,177
TOTAL PLANT FUNDS - UNEXPENDED	127,350,512	70,664,222
PLANT FUNDS - RENEWAL AND REPLACEMENT		
Receivables		
Due from other funds	3,439,868	2,531,653
Other receivables	18,480	7,556
TOTAL PLANT FUNDS - RENEWAL AND REPLACEMENT	3,458,348	2,539,209
PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS		
Receivables		
Due from other funds	3,930,204	5,509,225
Other receivables	9,775	32,882
TOTAL PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS	3,939,979	5,542,107
PLANT FUNDS - INVESTMENT IN PLANT		
Land	36,744,587	36,744,587
Building and improvements	238,376,043	204,331,169
Furniture and equipment	20,296,569	17,936,649
Library books	1,810,367	1,901,021
Artwork	181,805	159,955
TOTAL PLANT FUNDS - INVESTMENT IN PLANT	297,409,371	261,073,381
TOTAL PLANT FUNDS	$ 432,158,210	$ 339,818,919

LIABILITIES AND FUND BALANCE	2009	2008
PLANT FUNDS - UNEXPENDED		
Accounts payable and accrued expenses	$ 8,599,287	$ 8,094,887
Due to other funds	9,022,799	4,525,898
Deferred revenue	50,907	11
Fund balance	91,518,228	22,240,284
Reserved for encumbrances	18,159,291	35,803,142
TOTAL PLANT FUNDS - UNEXPENDED	127,350,512	70,664,222
PLANT FUNDS - RENEWAL AND REPLACEMENT		
Fund balance	3,458,348	2,539,209
TOTAL PLANT FUNDS - RENEWAL AND REPLACEMENT	3,458,348	2,539,209
PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS		
Fund balance	3,939,979	5,542,107
TOTAL PLANT FUNDS - MAJOR FACILITIES CAPITAL PROJECTS	3,939,979	5,542,107
PLANT FUNDS - INVESTMENT IN PLANT		
Capital lease payable	31,225,000	32,130,000
Net investment in plant	266,184,371	228,943,381
TOTAL PLANT FUNDS - INVESTMENT IN PLANT	297,409,371	261,073,381
TOTAL PLANT FUNDS	$ 432,158,210	$ 339,818,919

MONTGOMERY COLLEGE
STATEMENT OF CURRENT FUNDS REVENUE, EXPENDITURES AND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2009, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	2009			2008
	Unrestricted	Restricted	Total	Total
REVENUE AND OTHER				
Education and general				
Student tuition and fees	$ 75,242,816	$ 131,945	$ 75,374,761	$ 71,173,332
Governmental appropriations	142,630,896	8,516,904	151,147,800	142,971,108
Federal, state, local, private gifts, grants, contributions	-	18,231,592	18,231,592	17,185,352
Interest income	2,146,267	-	2,146,267	1,525,140
Other sources	1,603,792	-	1,603,792	1,001,539
Sales and services of auxiliary enterprises	14,475,434	-	14,475,434	13,985,986
State appropriations	9,522,508	-	9,522,508	8,526,235
TOTAL REVENUE AND OTHER	245,621,713	26,880,441	272,502,154	256,368,692
EXPENDITURES AND OTHER				
Instruction	89,823,920	6,610,129	96,434,049	88,182,816
Academic support	28,787,687	448,491	29,236,178	26,370,199
Student services	25,316,098	2,053,903	27,370,001	25,458,603
Operation and maintenance of physical plant	29,064,028	206,929	29,270,957	28,068,971
Institutional support	40,370,774	145,731	40,516,505	37,628,709
Scholarships and fellowships	4,503,322	17,804,810	22,308,132	20,436,459
Auxiliary enterprises	12,446,246	-	12,446,246	12,141,872
Capitalized plant expenditures	-	-	-	577,064
State appropriations	9,522,508	-	9,522,508	8,526,235
TOTAL EXPENDITURES AND OTHER	239,834,583	27,269,993	267,104,576	247,390,928
TRANSFERS				
Mandatory transfers	(389,552)	389,552	-	(45,000)
Non-mandatory transfers	-	-	-	(944,915)
TOTAL TRANSFERS	(389,552)	389,552	-	(989,915)
NET INCREASE IN FUND BALANCE	$ 5,397,578	$ -	$ 5,397,578	$ 7,987,849

MONTGOMERY COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	Current				Plant Funds			
	Unrestricted	Restricted	Loan Funds	Endowment and Similar Funds	Unexpended	Renewal and Replacement	Investment in Plant	Major Facilities Capital Projects
REVENUE AND OTHER								
Student tuition and fees	$ 75,242,816	$ 131,945	$ -	$ -	$ -	$ 3,201,471	$ -	$ -
Federal, state, local, private gifts, grants, contributions	-	18,231,592	-	-	500,000	-	-	-
Governmental appropriations	142,630,896	8,516,904	-	-	102,188,000	-	-	-
Interest income	2,146,267	-	12,806	9,057	-	70,224	-	85,264
Other	1,603,792	-	10,931	-	456,246	-	-	-
Expended for plant facilities	-	-	-	-	-	-	51,121,975	-
Sales and services of auxiliary enterprises	14,475,434	-	-	-	-	-	-	-
State appropriation	9,522,508	-	-	-	-	-	-	-
TOTAL REVENUE AND OTHER	245,621,713	26,880,441	23,737	9,057	103,144,246	3,271,695	51,121,975	85,264
EXPENDITURES AND OTHER								
Educational and general	217,865,829	27,269,993	-	31,157	-	-	-	-
Auxiliary enterprises	12,446,246	-	-	-	-	-	-	-
State appropriations	9,522,508	-	-	-	-	-	-	-
Loan cancellations and collection costs	-	-	33,026	-	-	-	-	-
Non-capitalized plant expenditures	-	-	-	-	7,082,868	-	-	-
Capitalized plant expenditures	-	-	-	-	46,367,184	905,000	-	-
Depreciation of plant assets	-	-	-	-	-	-	13,780,740	-
Interest expense	-	-	-	-	-	1,447,556	-	-
Disposal of plant and facilities	-	-	-	-	-	-	100,245	-
TOTAL EXPENDITURES AND OTHER	239,834,583	27,269,993	33,026	31,157	53,450,052	2,352,556	13,880,985	-
TRANSFERS								
Mandatory transfers	(389,552)	389,552	-	-	-	-	-	-
Non-mandatory transfers	-	-	-	-	1,687,392	-	-	(1,687,392)
TOTAL TRANSFERS	(389,552)	389,552	-	-	1,687,392	-	-	(1,687,392)
NET INCREASE (DECREASE) IN FUND BALANCE	5,397,578	-	(9,289)	(22,100)	51,381,586	919,139	37,240,990	(1,602,128)
FUND BALANCE AT BEGINNING OF YEAR	31,758,087	-	2,029,276	649,660	58,043,428	2,539,209	228,943,381	5,542,107
County repayment	(75,000)	-	-	-	-	-	-	-
FUND BALANCE AT END OF YEAR	$ 37,080,665	$ -	$ 2,019,987	$ 627,560	$ 109,425,014	$ 3,458,348	$ 266,184,371	$ 3,939,979

MONTGOMERY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CFDA Number	Federal Grant Number/Pass through Grantors, Grantors Number	6/30/2008 to 6/30/2009 Expenditures
U.S DEPARTMENT OF EDUCATION			
Student Financial Aid - Cluster			
Federal Pell Grant (1)	84.063		$ 15,309,768
Academic Competitiveness Grants	84.375		102,625
Federal Supplemental Educational Grant (2)	84.007		496,405
Federal Work Study	84.033		729,453
Federal Perkins Loan (3) (4)	84.038		111,600
Federal Family Education Loan (4)	84.032		7,928,676
Total Student Financial Aid - Cluster			24,678,527
TRIO - Cluster			
DOE Student Support Services Program	84.042A	P042A050862-08	213,096
DOE Student Support Services Program	84.042A	P042A050862-09	28,876
DOE Educational Opportunity Centers Program	84.066A	PO66A070309-09	196,089
DOE Educational Opportunity Centers Program	84.066A	PO66A070309-08	32,453
Total TRIO - Cluster			470,514
DOE CCAMPIS Application	84.335A	P335A050045-07,8	112,676
DOE FIPSE - Comprehensive Program	84.116B	P116B060280-09	34,112
DOE FIPSE - Comprehensive Program	84.116B	P116B060280-08	45,370
DOE - Federal Nursing Grant	84.116Z	P116Z080033	201,154
Pass-through Programs from:			
Maryland State Department of Education			
Consolidated Adult Education & Family Literacy	84.002A	900382	1,262,171
Consolidated Adult Education & Family Literacy	84.002A	800560	135
Title II Tech Prep Education	84.243	900959	50,100
Title IC Program Improvement	84.048	900959	402,698
Title IC Program Improvement	84.048	801520	130,867
Child Care & Professional Development Fund	93.575	900717	7,959
TOTAL U.S. DEPARTMENT OF EDUCATION			27,396,283
NATIONAL SCIENCE FOUNDATION			
NSF Montgomery Bioscience Park	47.041	IIP-0332687	53,389
NSF CCLI Physics	47.076	DUE-0837046	7,768
NSF ACCESS Engineering	47.076	DUE-0806921	56,656
Carnegie Institution of Washington	47.076	DUE-0603415	7,872
NSF CyberWatch	47.076	DUE-0501828	42,742
NSF MathBench Modules	47.076	SA-Z300701/DUE-0736975	1,292
NSF UMD Host Pathogen Interactions	47.076	DUE-0837315	32,324
TOTAL NATIONAL SCIENCE FOUNDATION			202,043
NATIONAL INSTITUTES OF HEALTH			
Biomedical Scholars Program	93.859	2R25GM063933-05A1	39,541
Biomedical Scholars Program	93.859	3R25GM063993-04S1	10,904
TOTAL NATIONAL INSTITUTES OF HEALTH			50,445
U.S. DEPARTMENT OF ENERGY			
Construction Grant	81.049	DE-FG02-06CH11429	206,929

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

U.S. DEPARTMENT OF COMMERCE			
Summer Undergraduate Research Fellowship-BFRL	11.609	DE-FG02-06CH11429	5,750
Pass-through programs from NOAA / NDS			
NOAA Collaboration - Earth Resources Technology	11	8211-S-009	7,862
TOTAL U.S. DEPARTMENT OF COMMERCE			13,612
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Head Start Program	93.600	8643510062-AA	150,550
International Rescue Committee	93.576	90RU014/01	1,938
MONA - Refugee TAP	93.584	CSA/TAP-08-461	164,549
MONA - Refugee TAP	93.584	FIA/TAP-09-467	387,646
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			704,683
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 28,573,995

(1) Includes 2008 Pell award amounts.
(2) Includes prior year recoveries.
(3) Represents adjustment of loans for the previous year plus new loans made during the year.
(4) Loan programs excluded from base in determining major programs.

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Montgomery College during the year ended June 30, 2009 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 2: LOANS OUTSTANDING

As of the year ended June 30, 2009, the Federal Perkins Loan Program, Federal CFDA# 84.038, had an outstanding loan balance of $2,340,380. The outstanding balance is not included in the federal expenditures presented in the schedule.

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Montgomery College
Rockville, MD 20850

We have audited the financial statements of Montgomery College (the College) as of and for the year ended June 30, 2009 and have issued our report thereon dated September 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance which appears to be contrary to legal guidance issued by the Attorney General of the State of Maryland. As required under *Government Auditing Standards*, this instance is described in the accompanying schedule of findings as item 09-1.

We noted certain matters that we reported to management of the College in a separate letter dated September 30, 2009.

The College's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the College's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2009

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Montgomery College
Rockville, MD 20850

Compliance

We have audited the compliance of Montgomery College (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 09-2.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-2 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed above, we identified one deficiency in internal control over compliance that we consider to be a significant deficiency.

The College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bond Beebe

A Professional Corporation
Bethesda, MD
September 30, 2009

MONTGOMERY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

	Unqualified	Qualified	Adverse	Disclaimer
Financial statements				
Type of auditors' report issued	☒	☐	☐	☐

	Yes	No	None Reported
Internal control over financial reporting			
Material weakness(es) identified?	☐	☒	
Significant deficiencies identified that are not considered to be material weakness(es)?	☐	☒	☐
Noncompliance material to financial statements noted?	☒	☐	
Internal control over major programs?(Federal awards)			
Material weakness(es) identified?	☐	☒	
Significant deficiencies identified that are not considered to be material weaknesses?	☒	☐	☐

	Unqualified	Qualified	Adverse	Disclaimer
Type of auditor's report issued on compliance for major programs	☒	☐	☐	☐

	Yes	No	None Reported
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A133, Section .510(a)?	☒	☐	☐

Identification of Major Programs

CFDA Numbers	Name of Federal Program or Cluster
84.063, 84.375, 84.007, 84.033, 84.038, 84.032	U.S. Dept. of Education - Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $616,012

	Yes	No
Auditee qualified as low-risk auditee?	☒	☐

SECTION II - FINANCIAL STATEMENT FINDINGS:

Finding Number:

Criteria:

On May 4, 2006, the Attorney General of the State of Maryland issued an opinion on whether the Board of Trustees of a community college has discretion to offer in-county tuition rates absent authorization from the General Assembly. The opinion was rendered specifically in reference to a class of students described as undocumented aliens. Based on references to Title 16 of the Education Article of the Annotated Code of Maryland, the Attorney General expressed the following conclusion.

> *In our opinion, the Board lacks the authority to waive the out-of-county tuition rates for undocumented aliens. Maryland law allows the Board to charge a student in-county tuition rates only in specified circumstances, and does not afford the Board the discretion to determine whether to charge such rates in this situation. This conclusion holds true even if the Board were to decide to forgo certain State funding for such students by not counting such a student as a full-time equivalent.*

Condition:

It is the policy of the College to offer in-county tuition rates to certain students who cannot otherwise meet the requirements for in-county domicile and residence. These include individuals who: 1) graduated from a public secondary school in the County; and 2) applied to attend the College within three years after that graduation. The College does not include these students when computing full-time equivalent students for the purpose of determining State funding.

Effect:

The College has offered in-county tuition rates to undocumented aliens, and effectively waived out-of-county tuition rates for these students, absent authorization from the General Assembly. According to reports generated by the College, such students accounted for approximately 11,600 credit hours during the year under audit.

Cause:

The College has applied the policy stated above, and offered in-county tuition rates, to students who are undocumented aliens if they qualify under the two stated criteria of the policy.

Recommendation:

According to the opinion of the Attorney General of Maryland, as expressed on May 4, 2006, the present tuition policy of the College results in a situation that is contrary to State law. We therefore recommend that the Board of Trustees consider whether the current policy should be revised or whether the College should seek specific authorization of this program from the General Assembly.

09-1

SECTION II - FINANCIAL STATEMENT FINDINGS - continued

Finding Number:

Management's Response:

The Auditor misunderstands the context of the cited Attorney General's opinion, its non-binding effect and its inapplicability to the tuition policy for high school graduates followed by Montgomery College. The Auditor's finding relates to a non-binding opinion rendered by a former Attorney General[1] to another Community College (Prince George's County Community College) in the State ("PGCC") on a separate question regarding that school's tuition policy[2]; the issue addressed by the Attorney General in his opinion is distinctly different and separate from the policy followed by Montgomery College. Furthermore, the Attorney General has no jurisdiction over community colleges and such opinions do not have any legal effect and are "advisory only"; however, the State administrative body that does have jurisdiction over the Community Colleges, the Maryland Higher Education Commission ("MHEC"), has issued directives and advice to the Community College's (unaffected and unchanged by the issuance of the Attorney General's opinion) that are directly contrary to quoted language of the opinion above and is directly supportive of the policy of Montgomery College.[3] Finally, the auditor's note utilizes flawed logic in arriving at the conclusions and recommendation, not only relying on incorrect factual conclusions regarding the opinion, but a false tautology[4] with respect to applicability to Montgomery College's policy.[5] The Board of Trustees has been fully advised regarding the Attorney General's opinion and the current tuition policy of Montgomery College, and has not directed any change to the current tuition policy to date.

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[1] A new Attorney General, Doug Gansler, was elected to replace Attomey Joe Curran (who issued the referenced opinion) in November 2006.

[2] The referenced Opinion of the Attomey General was issued to "V. Daniel Polwnbo, Esquire, Board of Trustees of Prince George's County Community College." The opinion requested was "...whether the Board of Trustees of Prince George's County Community College may lawfully offer in-county tuition rates to certain students who are neither citizens of the United States nor lawfully admitted to the United States..." Thus, the opinion addressed a policy proposed by PGCC that specifically limited a benefit (waiver of out-of-county rates) to a specific and limited class ("undocumented aliens"). Note that the opinion limits its conclusion to "this situation" which is neither the situation nor the policy at issue for Montgomery College.

[3] **The Administrative Policy on Tuition Waivers Eligible Under the John A. Cade State Aid to Community Colleges**, issued by the Maryland Higher Education Commission in June 2003, and unchanged to the present date, states as follows:

> *"The board of trustees of community colleges have the authority to grant tuition waivers for students except where prohibited by law...The community colleges also provide tuition waivers to other categories of students [other than those specifically addressed in State law]...Other potential FTEs [for purposes of State aid] generated by boards of trustees' policies are not eligible for State aid [but are still legal waivers] unless the Commission [MHEC] has declared them eligible."*

This is contrary to the language in the opinion that indicates only specific waivers authorized by State law specifically may be granted by the Community Colleges.

[4] The False tautology is as follows:

1. **Major Premise**: As the Attorney General's Opinion addressed, a policy limited to conveying in-county tuition benefits to undocumented aliens is illegal;
2. **Minor Premise**: Montgomery College's policy conveys an in-county tuition benefit to all persons, a portion of which includes undocumented aliens;
3. **(False) Conclusion**: Montgomery College's policy is illegal. (sufficient but not necessary)

09-1

SECTION II - FINANCIAL STATEMENT FINDINGS - continued

Finding Number: 09-1	[5] It should be noted that the PGCC proposed policy suffers from a deficiency that is not present in the Montgomery College policy - it proposed to offer a tuition waiver benefit to undocumented aliens that is not available to citizens of the United States, contrary to the Immigration Reform Act of 1996 (IIRIRA). See page 95, 91 Op. Att. Gen. 92 - the opinion cited by the auditor. On the other hand, the Montgomery College policy is applicable to all persons, equally, and includes all citizens as well as undocumented aliens consistent with the requirements of the IIRIRA.	

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

Reference Number		Questioned Costs
09-2	**Student Financial Aid Cluster** **Criteria:** For a student who withdraws without providing notification to the College, the College must determine the withdrawal date no later than 30 days after the end of the earliest of the (1) payment period or period of enrollment (as appropriate), (2) academic year or (3) academic program. The College is then required to return funds to either the program or lenders within 45 days of the date a student officially withdraws or the institution determines that a student has unofficially withdrawn in accordance with 34 CFR 668.22(j). **Condition:** It is the policy of the College to send attendance confirmation requests to instructors for students who have not successfully completed their coursework , resulting from an unofficial withdrawal, non-attendance or due to poor performance. **Effect:** During our testing of the College's compliance on Special Tests & Provisions, we noted four instances where we believe the College was not compliant in the timely identification of students who unofficially withdrew from the College. As a result, the return of Title IV funds was not made in a timely manner. **Cause:** The College was basing its determination date upon receipt of confirmation from instructors. As a result, the determination and subsequent Return of Title IV funds exceeded the allotted timeframes. **Recommendation:** We recommend that the College consider the use of an "administrative" F. The use of this unique letter grade may minimize the administrative burden placed upon the department and should assist in the department's determination of students who have unofficially withdrawn from the College. Alternatively, if the College elects not to implement this alternate grade method, we recommend that grades be posted in a timely manner relative to the end of the semester to ensure that the determination of students who unofficially withdraw can be performed in a timely manner.	

SECTION II - FINANCIAL STATEMENT FINDINGS - continued

09-2	**Management's Response:** Montgomery College returns federal student aid funds to the appropriate programs or lenders within 45 days of determining students unofficially withdraw. Students who may have unofficially withdrawn from school are identified and notified within 30 days of the end of each semester by checking their final grades. The College contacts instructors for students who may have unofficially withdrawn within 30 days of the end of each semester. However, the College is not able to determine students' final withdrawal dates until instructors respond to the inquiry. The financial aid office will begin removing students' financial aid within 30 days of the end of each semester when we suspect students may have unofficially withdrawn. When instructors respond to the attendance inquiry, the financial aid office will reinstate aid where possible. Depending on the date of the instructor's response, it may not be possible to reinstate all financial aid. The "administrative" F would allow the College to immediately, upon grade posting, start the process of notifying the student and returning funds without supplemental contact with instructors. In addition to posting an "administrative" F, posting the last date students attended class would be beneficial in determining the amount of aid to be returned. The amount of aid to return is based on students' last date of attendance. If students attend past the 60% point in the 15 week semester, they can keep all their aid. Without a date, the College is required to use the midpoint, calculating at 50%. This could cause students to lose aid they are eligible for and create higher receivables for the College. The alternative recommended is needed along with the "administrative" F. The alternative alone still requires the financial aid office to contact each instructor for each student and each class, receive the responses, make the determination withdrawal date determination, notify the student, and return the funds within the allotted 30 day time frame.	

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No significant deficiencies or findings and questioned costs were disclosed during the audit of the major federal award programs of Montgomery College for the year ended June 30, 2008.

MONTGOMERY COLLEGE
Rockville, Maryland

FINANCIAL STATEMENTS
June 30, 2010 and 2009

TABLE OF CONTENTS

MONTGOMERY COLLEGE
BOARD OF TRUSTEES
AND SECRETARY-TREASURER TO THE BOARD OF TRUSTEES
June 30, 2010

BOARD OF TRUSTEES

Dr. Michael C. Lin, Chair
Stephen Z. Kaufman, First-Vice Chair
Georgette W. Godwin, Second-Vice Chair
Gloria A. Blackwell
Roberta F. Shulman
Dr. Kenneth J. Hoffman
Reginald M. Felton
Dr. Leslie S. Levine
Kenneth Massada, Student
Marsha S. Smith

SECRETARY-TREASURER TO THE BOARD OF TRUSTEES

Dr. Hercules Pinkney, Secretary-Treasurer and Interim President of Montgomery College

MONTGOMERY COLLEGE

CERTIFICATION OF
ANNUAL FINANCIAL STATEMENTS

In connection with the attached Annual Financial Statements of Montgomery College, we hereby certify that:

1. The attached Annual Report is true, complete, and correct in all material respects, and the financial statements therein have been prepared in accordance with accounting principles generally accepted in the United States of America.
2. The information set forth herein, and on each of the schedules hereto, is complete and accurate in all material respects and contains full and complete disclosure of all pertinent information in connection with the operations of the College. Based on our knowledge, the Report does not contain any untrue statement of a material fact or omit a material fact.
3. We have designed such internal controls and procedures to ensure that material information relating to the College, including component units is made known to us and have established an effective system of internal control.
4. Based upon the above, we certify that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the College.
5. There has been no material adverse change in operations since the date these statements were prepared to the date of the Certification.

Date: 9/29/10

DeRionne Pollard
President

Marshall Moore

Date: September 28 2010

Marshall Moore
Senior Vice President for Administrative
and Fiscal Services

Independent Auditor's Report

Board of Trustees
Montgomery College
Rockville, Maryland

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit and each major fund of Montgomery College (the College), a component unit of Montgomery County, Maryland, as of and for the year ended June 30, 2010, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the College as of June 30, 2009 were audited by other auditors whose report dated September 30, 2009, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College as of June 30, 2010 and 2009, and respective changes in financial position and cash flows of its business-type activities and changes in net assets of its discretely presented component unit, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September __, 2010 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, as listed in the table of contents, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Board Of Trustees And Secretary-Treasurer To The Board Of Trustees as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Baltimore, Maryland
DATE

MONTGOMERY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010 and 2009

The objective of management's discussion and analysis is to help readers of Montgomery College's (the College) financial statements better understand the financial position and operating activities as of and for the fiscal years ended June 30, 2010 and 2009, with comparative information as of and for the year ended June 30, 2008. The financial statements are presented in three columns: Montgomery College, Montgomery College Foundation, and a Total column. The following discussion and analysis provides an overview of the College's financial activities. This discussion and analysis should be read in conjunction with the financial statements and notes to the financial statements.

In 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and Statement No. 35 *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* which established a new reporting model for public institutions. The College has presented the statements in compliance with this reporting model.

In addition, the College has implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement addresses the conditions under which institutions should include associated fund-raising or research foundations as component units in their financial statements. Under the previous accounting standards, the College had no component units. Under the new standards, the Montgomery College Foundation, Inc. (the Foundation) meets criteria qualifying it as a component unit. The Foundation is included in the accompanying financial statements in a separate column. However, the following discussion and analysis does not include the Foundation's financial condition and activities.

Overview of the Financial Statements

The College's financial statements consist of three basic financial statements and the notes that provide information on the accounting alternatives used, and explanatory information and detail on certain financial statement elements. The three basic financial statements are the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

The *Statement of Net Assets* presents information on the College's assets, liabilities and net assets, all as of the end of the reporting period. Net assets represents the difference between assets and liabilities, and is detailed into classifications that help readers understand the constraints that the College must consider in making decisions on expending assets. Over time, changes in net assets can help in understanding whether the financial condition of the College is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information on the changes in net assets during the year. All changes in net assets are reported as soon as the underlying event takes place, regardless of the timing of the related cash flows. Thus, revenues and expenses are recorded for some items that will result in cash flows in future fiscal years (for example tuition and fees owed by students, or vacation earned by employees but not used at year-end).

The *Statement of Cash Flows* presents information on sources and uses of cash during the year. This statement details the changes in cash and cash equivalents from the amounts reported at the end of the preceding year, to the amounts reported in the Statement of Net Assets as of the end of the current year. Sources and uses are organized into operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

The emphasis of this Management's Discussion and Analysis is on the College itself. Reference should be made to the separately audited financial statements of the component unit for additional information.

Financial and Enrollment Highlights

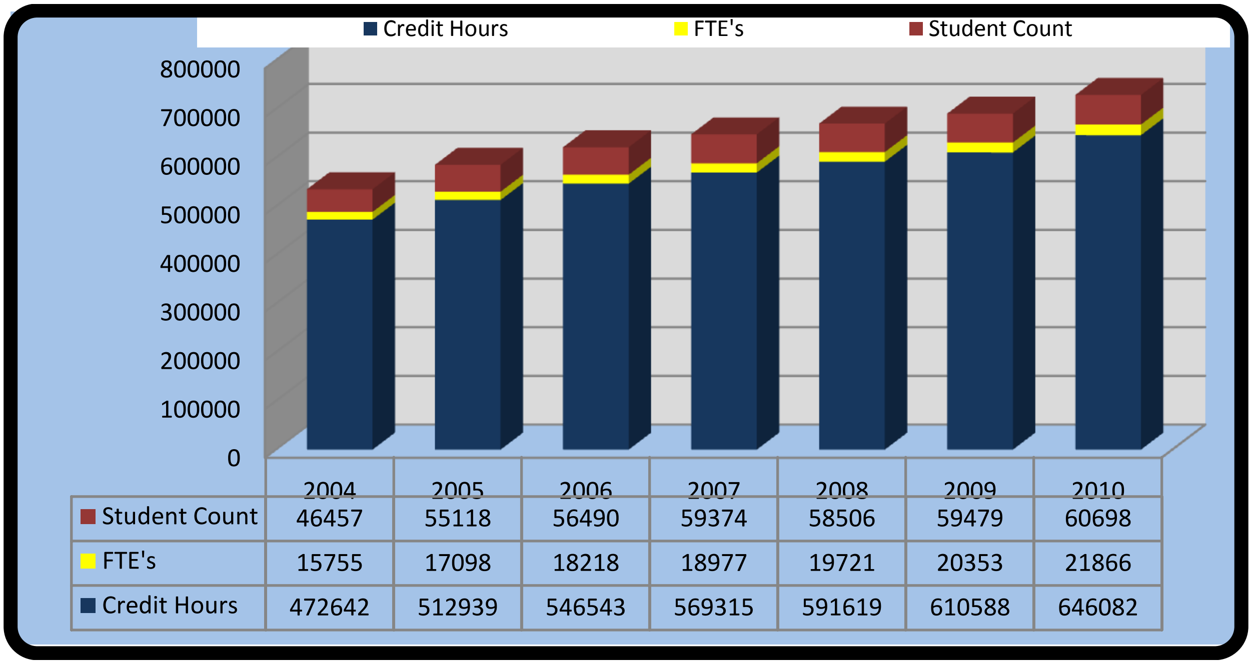
- The College's financial position continued to show growth as assets totaled $465.55 million at June 30, 2010, an increase of $62.66 million or 15.55% over June 30, 2009. This resulted primarily from a $50.54 million increase in capital assets. Net assets increased $44.84 million or 13.47% in fiscal year 2010. This contrasts with the increase in total assets of $44.15 million at June 30, 2009 compared to the prior year ending June 30, 2008. The change in net assets from June 30, 2008 to June 30, 2009 equaled $49.02 million.

- Operating revenues increased $7.34 million or 7.15% as a result of increases in tuition rates, enrollment increases, and grants. By comparison, operating revenues in 2009 increased $5.33 million or 5.48% over the prior year 2008, a result of increases in tuition rates, enrollment increases, and grants.

- Net non-operating revenues decreased $510,979 or -0.33% as a result of decreased interest income. By contrast, net non-operating revenues increased $8.82 million or 6.12% from 2008 to 2009 primarily as a result of increased County appropriations.

- Operating expenses increased $14.82 million or 5.7% from June 30, 2009 to June 30, 2010 as a result of salary increases ($0.850 million) and employee benefit increases ($1.850 million) and Contractual Services ($1.71 million) within Institutional Support. Depreciation expenses were down $1.862 million and $1.807 respectively, while other college expenses were up ($3.54 million) due to an increase in non capitalized equipment.

- Enrollment based on FTEs (full time equivalent students) increased 1,513 FTE to 21,866 or by 7.43% for 2010. FTEs for 2008 and 2009 were 19,721 and 20,353, an increase of 632 students or 3.20% respectively.



	2004	2005	2006	2007	2008	2009	2010
Student Count	46457	55118	56490	59374	58506	59479	60698
FTE's	15755	17098	18218	18977	19721	20353	21866
Credit Hours	472642	512939	546543	569315	591619	610588	646082

Statement of Net Assets

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College using the accrual basis of accounting which is similar to the accounting methods used by most private sector institutions. Net assets measures the difference between assets and liabilities and is one way to measure the financial health of the College. A summarized comparison of the College's assets, liabilities, and net assets at June 30, 2010, 2009, and 2008 is as follows:

As of June 30,	**2010**	**2009**	**2008**
Assets			
Current assets	$ 98,853,498	$83,396,614	$75,130,588
Non-current assets	366,693,191	$319,492,168	$283,608,658
Total assets	$465,546,689	$402,888,782	$358,739,246
Liabilities and net assets			
Current liabilities	$33,430,268	$30,799,464	$35,533,948
Non-current liabilities	54,304,184	$39,116,751	$39,257,478
Total liabilities	87,734,452	$69,916,215	$74,791,426
Net assets	$377,812,237	$332,972,567	$283,947,820
Total liabilities and net assets	$465,546,689	$402,888,782	$358,739,246

- Net current assets increased 18.53%, consisting primarily of the following items: cash and short term investments (increase of 28.03%), while receivables decreased 4.34% and inventories decreased 3.75% respectively. By contrast, the changes in net current assets from 2008 to 2009 showed cash and short term investments increasing by 8.49%, while CIP receivables reflected an increase of 49.52% and governmental appropriations receivables increased 14.92%.

- Non-current assets increased to $366.69 million from $319.49 million or 14.77% on the strength of increased capital assets (increased 16.99%). With the current construction of new buildings for the Takoma Park/Silver Spring Campus expansion and the Rockville Science center, capital assets increased $50.5 million. By comparison, non-current assets increased 12.65% from 2008 to 2009 on the strength of increased capital assets, an increase of 13.92%. Also, new building construction on the Takoma Park/Silver Spring Campus in 2009 increased capital assets by $36.34 million over the prior year ending June 30, 2008.

- Current liabilities increased by $2.63 million or 8.54% in 2010 due mainly to a 10.29% increase of vendor payables and accrued liabilities amounting to $2.53 million. By comparison, current liabilities in 2009 decreased -13.32% over 2008 mainly due to decreases of vendor payables and accrued liabilities of -15.69% , which included the transfer of $7.72 million of OPEB funds to an outside trust account along with the decrease in the current portion of compensated absences (-49.77%).

- Non-current liabilities increased 38.83% which resulted from a 50.32% or $15.36 million dollar increase in long-term liabilities resulting mainly from the recognition of capital lease payments from the Takoma Park Parking deck. By comparison, non-current liabilities declined - 0.36% when 2009 financial results were measured against 2008 actuals. This result came from a $1.01 million dollar decrease in long-term liabilities, primarily due to the recognition of capital lease payments tied to the Cafritz Foundation Arts Center.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. Annual County and State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles as detailed by GASB No. 35, even though these appropriated funds are used to support operating activities. A summarized comparison of the College's revenues, expenses and changes in net assets for the years ended June 30, 2010, 2009 and 2008 is presented on the following page:

Operating Revenues and Expenses	**2010**	**2009**	**2008**
Total operating revenues	$ 109,958,424	$ 102,621,799	$ 97,288,301
Total operating expenses	272,640,562	257,817,238	237,100,760
Operating income (loss)	$ (162,682,138)	$ (155,195,439)	$ (139,812,459)
Non-Operating revenues (expenses)			
Net non-operating revenues	152,474,698	152,985,678	144,163,615
Income (loss) before other revenues & expenses	(10,207,440)	($2,209,761)	4,351,156
Total other revenues	55,047,111	51,234,508	45,078,920
Increase in net assets	44,839,671	49,024,747	49,430,076
Net assets-beginning of year	332,972,567	283,947,820	234,517,744
Net assets-end of year	$ 377,812,238	$ 332,972,567	$283,947,820

Fiscal Years 2008 through 2010 - Total Revenues

	2010		**2009**		**2008**	
Student tuition & fees	$ 62,947,088	57.25%	$ 60,257,629	58.72%	$ 58,083,353	59.70%
Grants & contracts	32,267,884	29.35%	26,467,651	25.79%	24,678,041	25.37%
Auxiliary enterprises	13,546,012	12.32%	13,825,550	13.47%	13,509,623	13.89%
Other operating revenues	1,197,440	1.09%	2,070,969	2.02%	1,017,284	1.05%
Operating Revenue	$ 109,958,424		$ 102,621,799		$ 97,288,301	
State & local appropriations	$ 155,543,398	73.42%	$ 152,153,404	73.93%	$ 143,666,589	75.05%
Interest income and rebates	157,716	0.07%	2,323,618	1.13%	1,994,457	1.04%
Capital appropriations	55,834,834	26.35%	50,553,908	24.56%	45,439,650	23.74%
Capital grants	321,432	0.15%	780,845	0.38%	338,065	0.18%
Non operating and other Revenue	$ 211,857,380		$ 205,811,775		$ 191,438,761	

- The table above showing revenue by source includes both operating and non-operating revenues for the year ended June 30, 2010. Revenue from all sources increased $13.38 million or 4.34% in FY2010. By comparison, revenue from all sources increased by $19.7 million in 2009, up 6.83% from the prior year ending June 30, 2008.

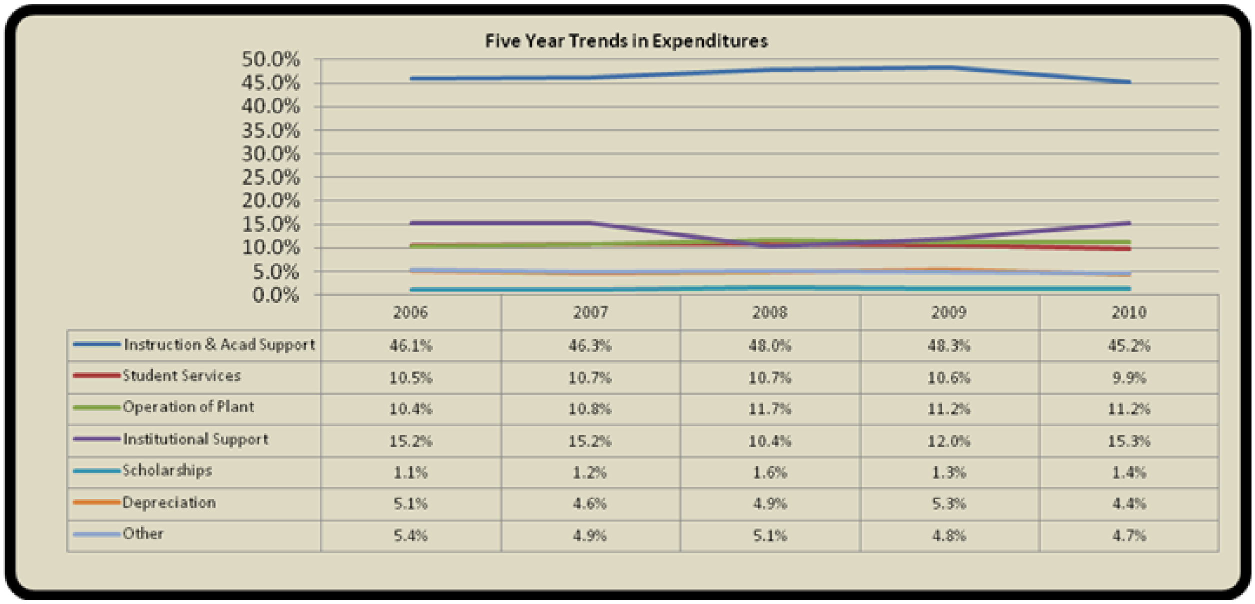
- Tuition and fees, net of scholarship allowances, makes up 57.25%, 58.72% and 59.70% of the total operating revenue for the College for the years 2010, 2009 and 2008 respectively. While the percentage dropped slightly each year it resulted in a $2.69 million increase for FY2010. By comparison the increase in this revenue category from 2008 to 2009 amounted to $2.17 million.

- Grants and Contracts makes up a significant portion of the college operating revenue (29.35% in FY2010 and 25.79% in FY2009), for an increase of $5.8 million and $1.8 million in FY2010 and FY2009, respectively.

- State and local appropriations makes up the largest contribution, 73.42%, 73.93% and 75.05% for the years 2010, 2009, and 2008 respectively. The total non operating revenue resulted in a $3.4 million increase for FY2010 and $8.5 million in FY2009. As a percentage of revenue, State and Local Appropriations have dropped by 1.4% since FY2008.

- Capital appropriations for land, building, and some equipment are also from governmental funds. This category makes up 26.35% of the non operating revenue and resulted in a $5.3 million increase for FY2010. Similar results also are reflected in FY2009, where the increase in this revenue category rose $5.1 million over the prior year, FY2008.

Expenses by Functional Classification



	2006	2007	2008	2009	2010
Instruction & Acad Support	46.1%	46.3%	48.0%	48.3%	45.2%
Student Services	10.5%	10.7%	10.7%	10.6%	9.9%
Operation of Plant	10.4%	10.8%	11.7%	11.2%	11.2%
Institutional Support	15.2%	15.2%	10.4%	12.0%	15.3%
Scholarships	1.1%	1.2%	1.6%	1.3%	1.4%
Depreciation	5.1%	4.6%	4.9%	5.3%	4.4%
Other	5.4%	4.9%	5.1%	4.8%	4.7%

- Due to the current economic climate, the rate of growth for expenses for all of the functional categories continued to grow at a 5.8% overall growth rate. College operating expenditures total $272.6 million.

- Instruction and academic support expenditures represent 45.18% of the total College FY2010 expenses and resulted in a decrease of $1.27 million of the total College increase of $14.8 million. For FY2009 instruction and academic support expenditures represent 44.5% and 47.9% for FY2008. Instructional expenditures total $ 96 million, an increase of $0.45 million and academic support total of $27.2 million. a decrease of $1.7 million. Institutional Support function expenditures increased $10.56 million or an increase of 34.0% from fiscal year 2009. As a percentage of total operating expenses, Institutional support was 15.3% for FY2010, 15.0% for FY2009 and 12% for FY2008.

- Salaries and benefits continue to be the major component of all functional categories, except scholarships, depreciation and disposals which contain no salary expenses. Salaries and benefits account for 74.1% of all College expenditures. College salary and benefit expenditures total $194.1 million (including State paid retirement costs). This is a $2.7 million increase over FY2009 or 1.4%. In FY 2009 College salary and benefit expenditures total $191.5 million (including State paid retirement costs), a $16 million increase over FY2008 or 9.1%.

- Scholarships and related expenses include only that portion of student aid which was paid to the student and not used to offset tuition and fees. Scholarship expenditures in the amount of $25.2 million were offset against tuition and fee income.

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flow and its ability to meet obligations as they come due. This statement of cash flows represents the significant sources and uses of cash.

	2010	2009	2008
Net cash provided by (used in) operating activities	$ (121,355,340)	$ (134,604,936)	$ (129,056,602)
Net cash provided by (used in) investing activities	(8,219,653)	(5,952,973)	(13,695,775)
Cash flows from capital financing activities	9,970,945	(5,914,354)	(1,860,628)
Net cash provided by (used in) non-capital financing activities	$ 145,006,773	$ 142,567,128	$ 114,148,873
Increase (decrease) in cash and cash equivalents	$ 25,402,725	$ (3,905,135)	$ (30,464,132)
Cash and cash equivalents, beginning of year	12,664,883	16,570,018	47,034,150
Cash and cash equivalents, end of year	$ 38,067,608	$ 12,664,883	$ 16,570,018

- The College's cash and cash equivalents increased by $27.4 million for fiscal year 2010. This was due mainly to a decrease in cash use of $13.2 million over fiscal year 2009 for operating activities compared to an increase in cash use of $5.5 million over fiscal year 2008 for capital financing activities. Non-capital financing activities provided a $2.4 million increase in cash compared to $28.4 in fiscal year 2008.

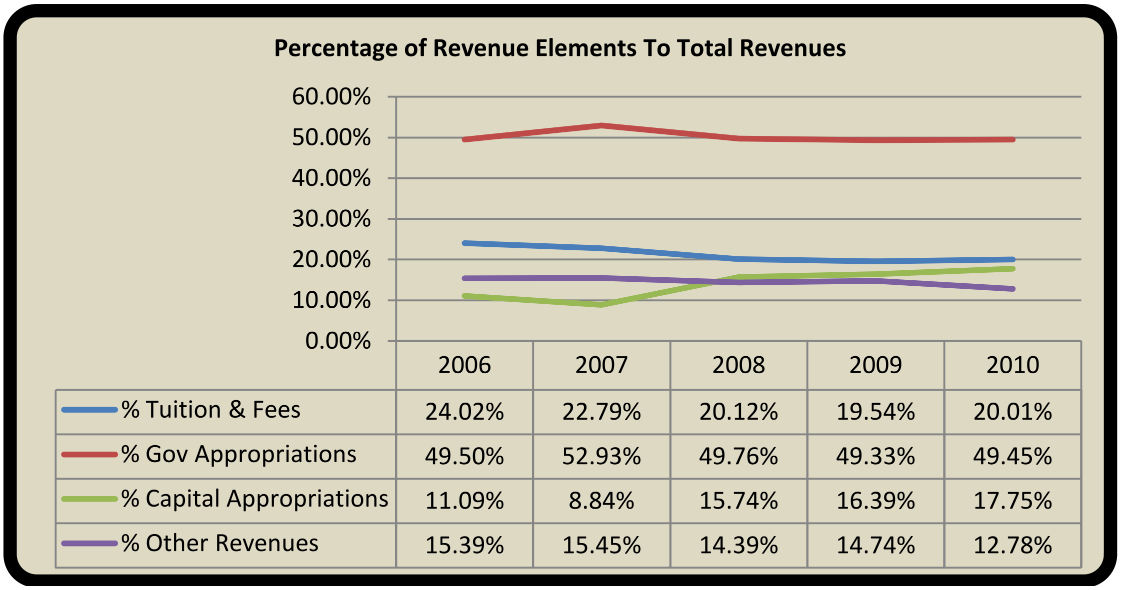
- A large portion of the increase provided by capital financing activities is a result of the number of large construction projects the current fiscal year funded through Capital appropriations. The next largest increase is from operations from an increase in tuition followed by grants and contracts revenue and a decrease in payments to vendors over Fiscal 2009.

Economic Factors That Will Affect the Future

Listed below are significant challenges that will impact the future of Montgomery College:

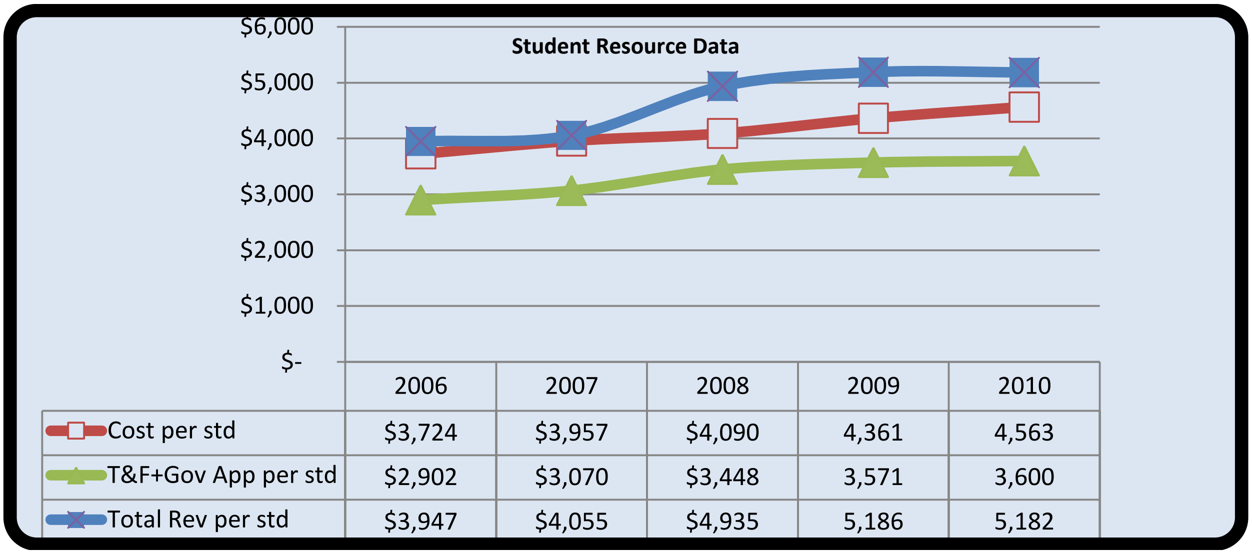
- While the economy has 'slowed' in growth over the past several fiscal years, closely managed fiscal responsibility with the expenditure of College resources is now more critical. The financial condition of the College is closely tied to that of the County and State governments. The County and State governments provide vital resources to the College's operating budget as noted in the statement of cash flows at $144.8 million. Therefore, the level of State and Local support, compensation increases, and student tuition and fee increases will impact the College's ability to expand programs, undertake new initiatives, and meet core mission and on-going operational needs.

- Data for the chart below was taken from Statement of Revenues**,** Expenses, and Changes in Net Assets for each of the fiscal years noted.



	2006	2007	2008	2009	2010
% Tuition & Fees	24.02%	22.79%	20.12%	19.54%	20.01%
% Gov Appropriations	49.50%	52.93%	49.76%	49.33%	49.45%
% Capital Appropriations	11.09%	8.84%	15.74%	16.39%	17.75%
% Other Revenues	15.39%	15.45%	14.39%	14.74%	12.78%

- A growing and diverse public school population that increasingly looks to Montgomery College for its education will also make demands on our resources unlike any we have seen in the past. New programs are being developed with local and grant resources to prepare the diverse public school population for College entry.



	2006	2007	2008	2009	2010
Cost per std	$3,724	$3,957	$4,090	4,361	4,563
T&F+Gov App per std	$2,902	$3,070	$3,448	3,571	3,600
Total Rev per std	$3,947	$4,055	$4,935	5,186	5,182

- The need to continue to address priority needs and requirements for deferred maintenance, new technology, repairs and maintenance, equipment replacement, and new construction projects are also a major challenge facing the College in the years to come.

- Also, as noted in the line chart on the preceding page, tuition & fees plus governmental appropriations, covered 81.88% and 78.9% of the total college expenditures for fiscal years 2009 and 2010, respectively.

- In February 2003, the College purchased a 20-acre site adjacent to the current Germantown Campus for $6 million. With this additional acreage, the College determined that the Germantown Campus could support the development of a Life Sciences and Technology Park comprised of approximately 40 acres. In January 2004, the College issued a Request for Proposal for an 'at-risk developer' to construct and operate the Montgomery College Life Sciences and Technology Park. In fiscal year 2006, a developer was selected and plans are being developed to proceed with the Science and Technology Park. Currently, Holy Cross Hospital is in the process of obtaining the necessary governmental agency approvals to locate a hospital in the Life Sciences and Technology Park. In addition to the developed park, College plans call for the construction of a 126,900 square foot Bioscience Education Center for approximately $64.3 million. $3.4 million of planning and design funds for this building were included in the College's FY2007 Capital Budget with an additional $6.1 million included in the FY2009 Capital Budget. $64.3 million were appropriated in the College's fiscal year 2010 capital budget for a total appropriation of $73.87 million for this project.

The College is fiscally responsible and is always vigilant about the factors, both external and internal, that have the potential to impact its ability to conduct its financial business and fulfill its mission. With the help of our public and private partners, and through the extraordinary talent of our faculty and staff, we resolve to meet these challenges so the College will continue to move forward.

Contacting the College's Financial Management

The financial report is designed to provide interested parties with a general overview of Montgomery College's finances. If you have questions about this report or require additional financial information, contact Montgomery College, Administration Office, 900 Hungerford Drive, Rockville, Maryland 20850.

FINANCIAL STATEMENTS

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
June 30, 2010

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
ASSETS			
Cash assets:			
Cash and cash equivalents:	$ 38,067,610	$ 6,663,800	$ 44,731,410
Short-term investments	33,125,002	-	33,125,002
CIP receivable	14,380,410	-	14,380,410
Student accounts receivable	4,308,987	-	4,308,987
Student loans receivable	177,439	-	177,439
Grants and contracts receivable	1,170,661	-	1,170,661
Governmental appropriations receivable	2,120,760	-	2,120,760
Pledges receivable	-	800,813	800,813
Other receivables	1,405,930	-	1,405,930
Inventory	1,641,351	-	1,641,351
Other assets	-	-	-
Prepaid expenses	2,455,348	95,761	2,551,109
Total current assets	98,853,498	7,560,374	106,413,872
Non-current assets:			
Student loans - net	1,732,494	-	1,732,494
Pledges receivable	-	1,914,850	1,914,850
Deposits	63,497	-	63,497
Investments	-	18,358,415	18,358,415
Assets held in charitable remainder trusts	-	374,209	374,209
OPEB asset value	16,950,982	-	16,950,982
Capital assets - net	347,946,218	49,155,620	397,101,838
Total non-current assets	366,693,191	69,803,094	436,496,285
TOTAL ASSETS	$ 465,546,689	$ 77,363,468	$ 542,910,157
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities**:**			
Accounts payable and accrued expenses	$ 27,098,469	$ 678,448	$ 27,776,917
Compensated absences	480,681	-	480,681
Deferred revenue	4,548,397	8,500	4,556,897
Due to other organizations	1,302,721	-	1,302,721
Total current liabilities	33,430,268	686,948	34,117,216
Non-current liabilities:			
Compensated absences	8,415,192	-	8,415,192
Long-term liabilities	45,888,992	47,852,216	93,741,208
Annuities payment from charitable remainder trusts	-	1,155,291	1,155,291
Total non-current liabilities	54,304,184	49,007,507	103,311,691
TOTAL LIABILITIES	87,734,452	49,694,455	137,428,907
NET ASSETS			
Invested in capital assets - net of related debt	300,853,138	-	300,853,138
Restricted for:			
Nonexpendable			
Endowment principal	-	14,533,081	14,533,081
Annuity principal	-	-	-
Expendable			
Student loan programs	2,022,556	-	2,022,556
Scholarships	-	1,662,534	1,662,534
Designated programs	-	5,085,307	5,085,307
Unrestricted	74,936,543	6,388,091	81,324,634
TOTAL NET ASSETS	377,812,237	27,669,013	405,481,250
TOTAL LIABILITIES AND NET ASSETS	$ 465,546,689	$ 77,363,468	$ 542,910,157

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
June 30, 2009

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
ASSETS			
Cash assets:			
Cash and cash equivalents	$ 12,664,883	$ 10,901,152	$ 23,566,035
Short-term investments	42,942,438	13,060,493	56,002,931
CIP receivable	16,847,523	-	16,847,523
Student accounts receivable	3,492,560	-	3,492,560
Student loans receivable	148,240	-	148,240
Grants and contracts receivable	1,085,717	-	1,085,717
Governmental appropriations receivable	2,241,011	-	2,241,011
Pledges receivable	-	1,052,102	1,052,102
Other receivables	819,384	-	819,384
Inventory	1,705,223	-	1,705,223
Other assets	-	85,421	85,421
Prepaid expenses	1,449,635	89,075	1,538,710
Total current assets	83,396,614	25,188,243	108,584,857
Non-current assets:			
Student loans - net	1,805,133	-	1,805,133
Pledges receivable	-	1,827,488	1,827,488
Deposits	63,497	-	63,497
Investments	-	12,570,428	12,570,428
Assets held in charitable remainder trusts	-	409,569	409,569
OPEB asset value	20,214,167	-	20,214,167
Capital assets - net	297,409,371	40,377,497	337,786,868
Total non-current assets	319,492,168	55,184,982	374,677,150
TOTAL ASSETS	$ 402,888,782	$ 80,373,225	$ 483,262,007
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities**:**			
Accounts payable and accrued expenses	$ 24,570,286	$ 5,045,605	$ 29,615,891
Compensated absences	284,401	-	284,401
Deferred revenue	4,863,890	10,100	4,873,990
Due to other organizations	1,080,887	-	1,080,887
Total current liabilities	30,799,464	5,055,705	35,855,169
Non-current liabilities:			
Compensated absences	8,589,549	-	8,589,549
Long-term liabilities	30,527,202	47,448,490	77,975,692
Annuities payment from charitable remainder trusts	-	1,248,002	1,248,002
Total non-current liabilities	39,116,751	48,696,492	87,813,243
TOTAL LIABILITIES	69,916,215	53,752,197	123,668,412
NET ASSETS			
Invested in capital assets - net of related debt	266,184,371	-	266,184,371
Restricted for:			
Nonexpendable			
Endowment principal	-	13,741,983	13,741,983
Annuity principal	-	3,157	3,157
Expendable			
Student loan programs	2,019,987	-	2,019,987
Scholarships	-	1,418,641	1,418,641
Designated programs	-	5,132,102	5,132,102
Unrestricted	64,768,209	6,325,145	71,093,354
TOTAL NET ASSETS	332,972,567	26,621,028	359,593,595
TOTAL LIABILITIES AND NET ASSETS	$ 402,888,782	$ 80,373,225	$ 483,262,007

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2010

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues:			
Student tuition and fees, net of scholarship allowance of $24,101,334	$ 62,947,084	$ -	$ 62,947,084.00
Federal grants and contracts	26,188,029	-	26,188,029
State grants and contracts	4,092,455	-	4,092,455
Local grants and contracts	1,987,399	-	1,987,399
Gifts and contributions	-	1,718,287	1,718,287
Auxiliary enterprises	13,546,012	-	13,546,012
Other operating revenues	1,197,439	168,350	1,365,789
Total operating revenues	109,958,418	1,886,637	111,845,055
Operating expenses:			
Educational and general			
Instruction	96,011,817	-	96,011,817
Academic support	27,171,916	-	27,171,916
Student services	27,086,110	76,153	27,162,263
Operation of plant	30,657,968	-	30,657,968
Institutional support	41,617,082	-	41,617,082
Scholarships and related expenses	3,893,616	1,033,672	4,927,288
Depreciation expense	11,973,317	714,531	12,687,848
Student and faculty support	-	-	-
Administrative and resource development	-	713,559	713,559
Auxiliary enterprises	12,690,577	-	12,690,577
Other expenditures	10,659,446	-	10,659,446
State paid benefits	10,878,709	-	10,878,709
Total operating expenses	272,640,558	2,537,915	275,178,473
OPERATING INCOME (LOSS)	**(162,682,140)**	**(651,278)**	**(163,333,418)**
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	155,543,398	-	155,543,398
Investment and interest income	157,716	2,783,560	2,941,276
Interest expense	(3,226,415)	(1,947,838)	(5,174,253)
NON-OPERATING REVENUES	152,474,699	835,722	153,310,421
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(10,207,441)	184,444	(10,022,997)
Capital appropriations	55,834,834	-	55,834,834
Capital grants, contracts and gifts	321,431	-	321,431
Additions to permanent endowments	-	863,541	863,541
Disposal of capital assets	(1,109,154)	-	(1,109,154)
	55,047,111	863,541	55,910,652
INCREASE (DECREASE) IN NET ASSETS	44,839,670	1,047,985	45,887,655
NET ASSETS, BEGINNING OF YEAR	332,972,567	26,621,028	359,593,595
NET ASSETS, END OF YEAR	$ 377,812,237	$ 27,669,013	$ 405,481,250

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2009

		Component Unit	Combined
		Montgomery	Totals
	Montgomery	College	Memorandum
	College	Foundation	Only
OPERATING REVENUES AND EXPENSES			
Operating revenues:			
Student tuition and fees, net of scholarship allowance of $18,318,603	$ 60,257,629	$ -	$ 60,257,629
Federal grants and contracts	19,840,626	-	19,840,626
State grants and contracts	4,658,593	-	4,658,593
Local grants and contracts	1,968,432	-	1,968,432
Gifts and contributions	-	2,965,994	2,965,994
Auxiliary enterprises	13,825,550	-	13,825,550
Other operating revenues	2,070,969	170,780	2,241,749
Total operating revenues	102,621,799	3,136,774	105,758,573
Operating expenses:			
Educational and general			
Instruction	95,561,995	-	95,561,995
Academic support	28,892,397	-	28,892,397
Student services	27,370,002	38,927	27,408,929
Operation of plant	28,760,401	-	28,760,401
Institutional support	31,054,421	-	31,054,421
Scholarships and related expenses	3,339,880	1,206,632	4,546,512
Depreciation expense	13,780,740	-	13,780,740
Student and faculty support	-	816,541	816,541
Administrative and resource development	-	455,768	455,768
Auxiliary enterprises	12,419,000	-	12,419,000
Other expenditures	7,115,894	-	7,115,894
State paid benefits	9,522,508	-	9,522,508
Total operating expenses	257,817,238	2,517,868	260,335,106
OPERATING INCOME (LOSS)	(155,195,439)	618,906	(154,576,533)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	152,153,404	-	152,153,404
Investment and interest income	2,323,618	(2,601,519)	(277,901)
Interest expense	(1,491,344)	(1,466,628)	(2,957,972)
NON-OPERATING REVENUES	152,985,678	(4,068,147)	148,917,531
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(2,209,761)	(3,449,241)	(5,659,002)
Capital appropriations	50,553,908	-	50,553,908
Capital grants, contracts and gifts	780,845	-	780,845
Additions to permanent endowments	-	496,655	496,655
Disposal of capital assets	(100,245)	-	(100,245)
INCREASE (DECREASE) IN NET ASSETS	49,024,747	(2,952,586)	46,072,161
NET ASSETS, BEGINNING OF YEAR	283,947,820	29,573,614	313,521,434
NET ASSETS, END OF YEAR	$ 332,972,567	$ 26,621,028	$ 359,593,595

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 61,815,168	$ 60,080,473
Grants and contracts	32,182,940	27,353,069
Payments to suppliers	(12,117,068)	(16,420,938)
Payments for utilities	(5,123,144)	(7,636,839)
Payments to employees	(155,025,361)	(152,815,388)
Payments for benefits	(25,531,342)	(11,854,618)
Payments for scholarships	(3,893,616)	(3,339,880)
Payments for contracted services	(20,676,484)	(29,003,252)
Payments for non-capitalized equipment	(2,181,356)	(15,165,089)
Payments for other services	(5,009,628)	(2,589,118)
Loans issued to students	(133,000)	(111,600)
Collection of loans from students	180,645	148,240
Auxiliary enterprises	13,546,012	13,825,550
Other receipts	610,894	2,924,454
Net cash provided by (used in) operating activities	(121,355,340)	(134,604,936)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State and local appropriations	144,784,939	142,340,012
Federal Family Education Loans lending receipts	9,193,533	7,928,676
Federal Family Education Loans lending disbursements	(9,193,533)	(7,928,676)
Student organization agency transactions - net	221,834	227,116
Net cash provided by (used in) non-capital financing activities	145,006,773	142,567,128
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	58,301,947	44,974,500
Capital gains	321,432	780,845
Purchase of capital assets	(63,616,615)	(50,216,974)
Interest	(3,226,417)	(1,491,344)
Net cash provided by (used in) capital and related financing activities	(8,219,653)	(5,952,973)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	61,577,910	77,368,528
Interest on investments	153,509	2,343,947
Purchase of investments	(51,760,474)	(85,626,829)
Net cash provided by (used in) investing activities	9,970,945	(5,914,354)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,402,725	(3,905,135)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,664,883	16,570,018
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 38,067,608	$ 12,664,883
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (162,682,137)	$ (155,195,439)
provided by (used in) operating activities:		
Depreciation expense	11,973,317	13,780,740
Governmental non-exchange	10,878,709	9,522,508
OPEB benefit cost	3,263,185	367,792
Effects of changes in operating assets and liabilities:		
Receivables - net	(1,487,918)	1,670,691
Inventory	63,872	(22,180)
Loans to students - net	47,645	36,640
Other assets	791,641	336,638
Accounts payable	16,089,914	(5,580,204)
Deferred revenue	(315,493)	(108,944)
Compensated absences	21,925	586,822
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ (121,355,340)	$ (134,604,936)

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF PLAN NET ASSETS
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	$ 2,563,139	$ 15,130,552
Interest and dividends receivable	80,832	9,419
Investments, at fair value:		
Mutual Funds - Equity	5,603,465	3,657,444
Mutual Funds - Fixed Income	4,135,086	1,834,685
US Government Issues	9,577,653	-
Total investments	19,316,204	5,492,129
Total assets	$21,960,175	$ 20,632,100
Liabilities	-	-
Net assets held in trust for other postemployment benefits	$21,960,175	$ 20,632,100

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF CHANGES IN PLAN NET ASSETS
Years Ended June 30, 2010 and 2009

	2010	2009
Additions		
Employer contributions	$ 549,538	$ 8,687,103
Investment income		
Net appreciation in fair value of investments	615,579	(6,242,022)
Interest	44,272	29,102
Dividends	239,118	519,939
Total Investment income	898,969	(5,692,981)
Total additions	1,448,507	2,994,122
Deductions		
Administrative expense	120,432	84,950
Net increase	1,328,075	2,909,172
Net assets held in trust for other postemployment benefits		
Beginning of year	20,632,100	17,722,928
End of year	$ 21,960,175	$ 20,632,100

The accompanying notes are an integral part of the financial statements.

NOTE 1 – Reporting Entity (MC & MCF)

Reporting Entity

Montgomery College (the College) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State).

The College is governed by a ten member Board of Trustees, nine of whom are appointed for six-year terms by the Governor of Maryland with the advice and consent of the State Senate, and one of whom is a student appointed by the Governor to serve a one-year term.

The College's budget is subject to approval by the Montgomery County Council (the County). The Annotated Code of Maryland states that 'in order for a board (College) to receive an increase in the State share of support, the County share, in the aggregate, that supports the community college shall be equal to or exceed the aggregate amount of operating fund appropriations made to the board by the County in the previous fiscal year'. State funding is based on enrolled eligible full-time equivalent students (marginal cost component) and a fixed cost component (see Note 13 for additional information on State and County funding).

Montgomery College Foundation (the Foundation or MCF) is a legally separate, tax-exempt organization established to enhance the College's mission through fund-raising that benefits the College and its programs. The twenty-two member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Complete financial statements for the Foundation can be obtained from the administrative office listed below:

Montgomery College Foundation, Inc.
Director of Finance
900 Hungerford Drive, Suite 200
Rockville, Maryland 20850

During the years ended June 30, 2010 and 2009, the Foundation distributed $1,589,239 and $1,647,106, respectively, to the College for both restricted and unrestricted purposes.

Although the College is not a County agency, as a result of the College's relationship with the County, the College's financial statements are considered component unit statements and are properly included in the Comprehensive Annual Financial Report of the County, in accordance with generally accepted accounting principles. Transactions with the County relate primarily to appropriations for operations and capital improvements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (MC & MCF)

In June 1999, The Governmental Accounting Standards Board (GASB) approved GASB No. 34, entitled *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*; followed by GASB No. 35, entitled *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

GASB Statement No. 34 identified three types of special-purpose governments (SPG): 1) those engaged only in governmental activities, 2) those engaged only in business-type activities, and 3) those engaged in both governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities, on the other hand, are financed in whole or in part by fees charged to external parties for goods and services. Given the importance of tuition, fees and other exchange-type transactions in financing higher education, the College adopted the financial reporting model required of SPG's engaged in business-type activities (BTA). Colleges reporting as BTA's follow GASB standards applicable to proprietary (enterprise) funds. Prior to June 30, 2002, while following the AICPA report model, the financial statements of the College were issued as a fund-type financial statement. The BTA model requires the following financial statement components:

- Management's Discussion and Analysis
- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statements

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal contractual obligation to pay. The statements are intended to report the public institution as an economic unit that includes all measurable assets and liabilities, financial and capital, of the institution. The College's financial statements are prepared using the format of a special-purpose government engaged only in business-type activities with an economic resources measurement focus and the accrual basis of accounting.

The Statement of Revenues, Expenses, and Changes in Net Assets for special-purpose governments engaged in business-type activities (BTA) requires an operating/nonoperating format to be used. The College has elected to report its operating expenses by functional classification. The statement of cash flows is presented as the direct method which depicts cash flows from operating activities and a reconciliation of operating cash flows to operating income.

Colleges engaged in business-type activities (BTA) and reporting as BTAs follow GASB standards applicable to proprietary (enterprise) funds. GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended by GASB Statement No. 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities* permits such entities to apply all those Financial Accounting Standards Board (FASB) Statements and

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (MC & MCF) (continued)

Interpretations issued after November 30, 1989 that are developed for business enterprises except for those that conflict with or contradict GASB pronouncements. The College has elected not to implement FASB pronouncements issued after that date for any proprietary fund type activity.

One of the primary purposes of financial reporting is to account for resources received and used, as well as accounted for and reported. In certain situations, both restricted and unrestricted net assets may be available to cover an expense incurred. In those few cases, as long as the expense meets all of the requirements of the restricted net assets, restricted resources would be applied first.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Limited presentation modifications have been made to the Foundation's financial statement format and included in the College's financial statements.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Scholarship Allowances (MC)

The College's tuition and fees revenue is reported net of any scholarship allowance. A scholarship allowance is defined as the difference between the stated charge for tuition, goods, and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The scholarship allowance represents the amount of dollars the College receives as tuition from outside resources such as the Title IV Federal Grant Program, restricted grants, and the College's own Board of Trustees grants. Funds received for tuition costs from outside resources are reported in the appropriate revenue classification. Certain aid such as loans and third party payments are credited to the student's account as if the student made the payment. For fiscal year 2010 and 2009, the College netted student aid expense in the amount of $25,151,435 and $18,968,487 against tuition revenue of $24,101,334 and $18,318,603 and auxiliary enterprises revenue of $1,050,100 and $649,884, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Allowances (MC) (continued)

	Ledger Balance	Less Federal Title IV	Less College Grants	Less Tuition Waivers	Reported Total
Scholarship Allowance for FY 2010					
Revenue					
Tuition and fees	$ 87,048,423	$ (19,242,145)	$ (2,996,378)	$ (1,862,812)	$ 62,947,088
Auxiliary enterprises	14,596,113	(1,050,101)	-	-	13,546,012
Expenses					
Student aid	29,045,052	(20,292,246)	(2,996,378)	(1,862,812)	3,893,616
Scholarship Allowance for FY 2009					
Revenue					
Tuition and fees	$ 78,576,232	$ (13,595,519)	$ (2,910,270)	$ (1,812,814)	$ 60,257,629
Auxiliary enterprises	14,475,434	(649,884)	-	-	13,825,550
Expenses					
Student aid	22,308,366	(14,245,402)	(2,910,270)	(1,812,814)	3,339,880

Revenue Recognition (MC)

Revenue is recognized on an accrual basis with the establishment of corresponding accounts receivable. Tuition receivables are uncollateralized obligations of students resulting from course registrations. Accounts receivable also include transactions involving governmental appropriations, student loans, grants and contracts, and financial aid. The allowance method for accounts receivable is used to measure bad debts. The allowance for doubtful accounts is determined based upon aging analysis and management's estimation of collectability of such accounts.

Federal Financial Assistance Programs (MC)

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Perkins Loan programs. Federal programs are audited in accordance with the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Non-Operating Components (MC & MCF)

Financial statement operating components include all transactions and other events that are not defined as capital and related financing, non-capital financing or investing activities. The College's principle ongoing operations determine operating flow activities. Ongoing operations of the College include, but are not limited to, providing intellectual, cultural and social services through two-year associate degree programs, continuing education programs and continuous learning programs. Operating revenues of the College consists of tuition and fees, grants and contracts, and auxiliary enterprises revenues.

Financial statement non-operating components include transactions and other events that are defined as non-capital financing activities, capital financing activities, and investing activities. Non-capital financing activities include borrowing money for purposes other than to acquire, construct or improve capital assets and repaying those amounts borrowed, including interest. Also included are certain interfund and intergovernmental receipts and payments such as state appropriations, Federal Family Education loans, and student organization agency transactions. Capital financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit. Investing activities includes acquiring and disposing of debt or equity instruments.

Encumbrances (MC)

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials and services not received during the year. Encumbrances at year-end were approximately $42,137,167, which represents the estimated amount of expense ultimately to result if unperformed obligations are completed. Encumbrances outstanding at June 30, 2010 do not constitute expenses or liabilities and are not reflected in these financial statements.

Net Assets (MC)

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance". Net assets are classified according to external restrictions or availability of assets for satisfaction of College obligations. Restricted net assets are reported as either expendable or nonexpendable. The unrestricted net assets for the years ended June 30, 2010 and 2009 consisted of the following:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (MC) (continued)

	2010	2009
Reserve for encumbrances	$17,516,142	$ 9,736,508
Reserve for emergency repairs and maintenance	552,322	598,146
Reserve for major facility projects	7,914,986	7,145,820
Reserve for OPEB contribution	16,942,482	20,214,167
Quasi-endowment	618,446	627,560
Other purposes	31,381,666	26,446,008
Total	$74,926,044	$64,768,209

Expenditures of quasi-endowment funds require approval by the Board of Trustees.

Net Assets (MCF)

Net assets, which result from contributions or other inflows of assets from donors, are reported as unrestricted or restricted based on stipulations of the donor. Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations or their use. Temporarily restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. Permanently restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the Foundation.

Temporarily restricted net assets of $6,747,841 and $6,550,743 as of June 30, 2010 and 2009, respectively, consisted of funds restricted for scholarship purposes and other specified programs. Net assets released from restrictions were funds restricted for scholarship purposes and other specified programs whose restrictions were satisfied. Permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support the general obligations of the Foundation and to provide scholarships.

Restricted Net Assets - Expendable and Nonexpendable (MC)

The College's restricted net assets have constraints placed upon them either: (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As such, GASB No. 34 requires the College's restricted net assets to be delineated on the financials as either expendable or nonexpendable. Nonexpendable net assets are required to be maintained in perpetuity. Expendable net assets, for which there are externally imposed constraints, are obligated or expended within the condition(s) of the constraints.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (MC & MCF)

Cash equivalents are items that are readily convertible to cash while carrying an insignificant risk of change in value. Cash equivalents have original maturities at date of purchase of three months or less. Short-term investments with original maturities of less than 90 days have been included as cash and cash equivalents and consist of banker's acceptances, U.S Government Agency and Sponsored Instruments, and the Maryland Local Government Investment Pool. All such short-term investments for the College are carried at amortized cost. Short-term investments held by the Foundation classified as cash and cash equivalents are carried at fair value.

Current and Non-Current (MC & MCF)

Current asset is used to designate cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or consumed during a normal operating cycle of business, usually one year or less, without interfering with the normal business operation. They can consist of cash, inventories, accounts receivable, notes receivable, marketable securities, and prepaid expenses which meet the conditions stated above. Current liabilities are defined as obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. Other assets and liabilities which extend past the one year period are classified as non-current.

Unamortized Interest Adjustment (MCF)

Notes payable between the Foundation and the Montgomery County Revenue Authority (the Authority) are funded by bonds issued by the Authority. These bonds have been sold at a premium or discount to their par value. The Foundation received the proceeds from these bond issues net of the costs to issue the bonds and reduced for or increased by the discount or premium on the bonds. The discount or premium has been recorded as an interest adjustment that is being amortized over the life of the note to interest expense.

Inventories (MC)

Inventories, consisting principally of bookstore merchandise and supplies, are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market. The cost is recorded as an expense as the inventory is consumed.

Deferred Revenue (MC)

Tuition and fee revenues received and related to the period after June 30, 2010 have been deferred.

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Capital Assets (MC)

Capital assets are long-lived tangible assets which includes real property (land and buildings) and personal property (equipment, library books, art works). This class of assets will benefit future periods as an asset rather than being treated as an expense in the period that the expenditure occurs. Capital assets are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and other tangible assets that have initial useful lives extending beyond a single reporting period. Normally, a dollar threshold is established for each item in this class prior to being classified as a capital asset. Prior to fiscal year 2006 this threshold was $2,500. Effective for fiscal year 2006, this threshold was increased by a change in College policy to $5,000, with the implementation of a new integrated fixed asset system which captures capital assets in the payment process. The College has elected to depreciate the capital assets under $5,000 in the old system in lieu of a significant purge and disposal of prior assets with a value of less than $5,000.

The basis of valuation for assets constructed or purchased is cost, while assets acquired by gift are their fair market values. The College records depreciation on all capital assets in accordance with GASB Statement No. 35, except for land and art works, and is not allocated to the functional expenditure categories. Land is not depreciated as it is considered to have an indefinite useful life. Expenditures for construction in progress are capitalized as incurred. Depreciation is computed on a straight-line basis over estimated useful lives as noted below (depreciation starts in the first full year after the year of acquisition):

Buildings (including infrastructures, alterations, renovations, and renewals and replacements)	35 years
Library books	10 years
Furniture and equipment - acquired prior to July 1, 2005	7 years
Furniture and equipment - acquired subsequent to July 1, 2005 as follows:	
Computer equipment	3 years
Computer infrastructure	5 years
Equipment	3-7 years
Vehicles	7 years
Instructional equipment	7 years

Land (MCF)

Land has been recorded at its appraised value upon receipt of the donation to the Foundation. The land is held primarily for use by the College in support of its operations. Expenditures for any maintenance of the land are borne by the College.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land (MCF) (CONTINUED)

Management reviews the carrying value of the land asset for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such review indicates that the asset is impaired, given that the carrying amount of the asset exceeds its fair value as of the measurement date, the asset's carrying amount is written down to fair value. Long-lived assets to be disposed of are written down to the lower of cost or fair value, less estimated costs to sell. There were no indicators of impairment during the years ended June 30, 2010 and 2009.

Valuation of Investments (MCF)

Investments are stated at fair value as determined by quoted market price. Both realized and unrealized gains and losses in fair value are reflected in the statement of activities.

Pledges (MCF)

Legally enforceable pledges are recorded as support in the year the pledges are made. Payments to be received in periods beyond one year are reflected at their present value based on a risk-free discount rate. Pledges deemed uncollectible are charged directly against gift and contribution revenue and pledges receivable is reduced. The current allowance for uncollectible pledges is 3%.

Contributions of temporarily restricted net assets that are received and expended in the same fiscal year are treated as temporarily restricted revenue and net assets released from restriction in that year.

Permanently Restricted Contributions – Contributions subject to donor-imposed stipulations that must be maintained in perpetuity by the Foundation are included in permanently restricted net assets. Generally, the donors of these assets permit the Foundation to use all or part of the income earned and capital gains on related investments, if any, for general or specific purposes.

Temporarily Restricted Contributions – Contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time are included in temporarily restricted net assets.

Unrestricted Contributions – Contributions not subject to donor-imposed stipulations, or whose restrictions have been satisfied, are recorded as unrestricted net assets.

Non-cash Contributions (MCF)

Non-cash contributions are recorded at their fair value on the date of receipt. Certain non-cash items received are donated to the College for educational support.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk (MCF)

The Foundation maintains its cash, cash equivalents and investments in accounts which may exceed federally insured limits. Cash in bank as of June 30, 2010 and 2009 was $6,785,430 and $11,120,357, respectively. The Foundation has not experienced any losses on such accounts and management does not believe that it is exposed to any significant financial risk.

Reclassification (MC& MCF)

Certain amounts as of and for the year ended June 30, 2009 have been reclassified to be in conformity with the presentation at June 30, 2010. These reclassifications had no impact on net assets.

NOTE 3– CASH AND INVESTMENTS (MC & MCF)

Montgomery College Cash, Cash Equivalents and Investments

As of June 30, 2010 and 2009, the College's carrying amount of cash, cash equivalents, and short-term investments consisted of the following:

	2010	2009
Cash	$ (969,777)	$ (321,276)
Cash equivalents	39,037,387	12,986,159
Short-term investments	33,125,002	42,942,438
Total	$71,192,612	$55,607,321

The College's bank balances at year-end are classified below in the three categories of credit risk: (1) insured or collateralized with securities held by the College or by its agent in the College's name; (2) collateralized with securities held by the pledging financial institution's trust department or agent in the College's name; and (3) uncollateralized, including any bank balance that is collateralized with the securities held by the pledging financial institution, or by its trust department or agent but not in the College's name.

The carrying amount for College deposits was $(1,084,973) and $(449,356) as of June 30, 2010 and 2009, respectively. Petty cash and cashier's change funds of $115,198 and $128,080 as of June 30, 2010 and 2009, respectively, are excluded from these amounts. Actual bank statement balances for accounts at PNC and Wachovia totaled $357,215 and $645,274 at the end of fiscal years 2010 and 2009, respectively. Pledged holdings at The Bank of New York with a current book value of $0 and $18,163,169 were received as collateral as of June 30, 2010 and 2009, respectively. Collateral was maintained during the year to secure all deposits and investments as specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

	Category			
	Level 1	**Level 2**	**Level 3**	**Balance**
Cash				
2010	$ 357,215	$ -	$ -	$ 357,215
2009	$ 400,000	$ 245,274	$ -	$ 645,274

Article 95, Section 22 and Section 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland authorizes, and the College's adopted investment policy authorizes, the College to invest surplus cash in U.S. Treasury obligations, U.S. governmental agencies and instrumentalities securities, collateralized certificates of deposit, repurchase agreements, the Maryland Local Government Investment Pool, and bankers' acceptances. In the opinion of management, the College is in compliance with all provisions of the Annotated Code of Maryland and the College's investment policy.

During the year, the College invested in bankers' acceptances, Certificates of Deposit and U. S. Government agency and instrumentalities securities with no maturities extending past April 29, 2011. The College also invested in the Maryland Local Government Investment Pool (MLGIP) with collateral being held for the pool consisting of U.S. Government and agency securities, bankers' acceptances, commercial paper, and corporate bonds. The MLGIP is managed by PNC Bank under contract with the State of Maryland. Collateral was held at the Bank of New York in the College's name. The collateral balance was maintained throughout the year in sums in excess of any single day bank balance.

The longest length to maturity at time of purchase of any one investment was one year. These investments are reported in the College's balance sheet at amortized cost. The College also invests funds in the MLGIP, an external investment pool, a "2a-7 like pool". All securities in the MLGIP are valued daily by MLGIP on an amortized basis. In conformance with the implementation of GASB 31 entitled *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, these assets are carried at an amortized basis in the College's balance sheet.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

The College's investments as of June 30, 2010 and 2009 in MLGIP consist of the following:

	Unrestricted	Restricted	Other Post Employment Benefits	Total
June 30, 2010				
Cash equivalents	$10,094,770	$ -	$ 849	$10,095,619
Accrued interest	2,716	-	-	2,716
	$10,097,486	$ -	$ 849	$10,098,335
June 30, 2009				
Cash equivalents	$10,499,475	$ 1,476,927	$ 846	$11,977,248
Accrued interest	8,928	628	-	9,556
	$10,508,403	$ 1,477,555	$ 846	$11,986,804

The College implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment to GASB Statement No. 3. This Statement establishes and modifies disclosure requirements related to investment and deposit risks:

- Credit Risk
- Custodial Credit Risk
- Concentrations of Credit Risk
- Interest Rate Risk
- Foreign Currency Risk

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, 2010 the College had the following investments and maturities.

		Investment Maturities (in Months)			
Investment Type	**Fair Value**	**Less than 6**	**7 – 12**	**13 – 18**	**19 – 24**
U.S. Agency:					
FHLB coupon	$ 5,026,519	$ -	$ 5,017,000	$ -	$ -
FHLB discount note	16,989,901	13,985,514	2,995,713	-	-
Farmer Mac coupon	3,000,000	-	3,000,000	-	-
Fed Farm Credit Bureau coupon	6,101,244	-	6,059,340	-	-
Fed Farm Credit Bureau discount note	8,989,137	2,998,388	5,984,247	-	-
Bankers acceptances	14,030,673	14,023,852	-	-	-
Certificates of Deposit	8,000,000	-	8,000,000	-	-
Total	$$62,137,474	$ 31,007,754	$ 31,056,300	$ -	$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the College's investment policy limits the maturity length to one year with special approval required to purchase a security not to exceed two years.

Credit Risk. The College's investment policy does not allow investments in commercial paper nor corporate bonds. The College's investment policy does allow investments in Money Market Treasury Funds. These funds must be operated in accordance with Rule 2a-7 and have the highest possible rating from at least one NRSRO as designated by the SEC. The MLGIP functions as a U.S. Treasury Money Market Fund and is under contract with the State of Maryland Treasurer's Office. The MLGIP was rated AAAm by Standard & Poor's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party, because the securities are not insured and are not registered in the College's name and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name. During the year ended June 30, 2010, the College did not invest in any repurchase agreements. The College's investment policy requires all collateral be held by an independent third party with whom the College has a current custodial agreement in a segregated account with a clearly marked evidence of ownership and a safekeeping receipt supplied to the College.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, 2010, the College's investments (listed at Original Principal Cost) were comprised of the following:

	Principal Cost	**Percent of Total**
U.S. Agency:		
FHLB coupon (7 separate)	$ 5,017,000	8.08
FHLB discount notes (5 separate)	16,981,229	27.36
Farmer Mac discount notes (2 separate)	3,000,000	4.83
Fed Farm Credit Bureau coupon	6,059,340	9.76
Fed Farm Credit Bureau discount note	8,982,634	14.47
Bankers acceptances – JP Morgan/Chase (11 separate)	14,023,852	22.60
Certificates of Deposit	8,000,000	12.90
Total	$ 62,064,055	100.00

Concentrations of Credit Risk. GASB 40 requires the identification, by amount and issuer, of investments in any one issuer that represents 5% or more of total investments. The College's investment policy allows the following diversification by instrument at time of purchase:

U.S. Treasury obligations	100%
U.S. Government agency & sponsored instrumentalities	50%
Repurchase agreements	50%
Collateralized certificates of deposits	50%
Bankers' acceptances	50%
Maryland Local Government Investment Pool	60%

Security types noted above are further diversified by issuing institution:

Approved security dealers	50%
Maryland Local Government Investment Pool	60%
Bankers' acceptances by issuing institution	15%
Commercial banks	30%

Foreign Currency Risk. In accordance with section IX, Diversification in Authorized and Suitable Investments, the College is restricted to banks (financial institutions) chartered in the State of Maryland and bankers acceptances of domestic banks. Repurchase agreements must be backed by obligations of the United States, its agencies or instrumentalities. The College, by Procedure 61003CP, Chapter 'Fiscal and Administrative Affairs', Subject 'Bank Services', Section VI is limited to 'banks located within the County' for depository services.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Custodial Credit Risks. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized; collateralized with the securities held by the pledging bank; collateralized with securities held by the pledging bank's trust department or agent but not in the College's name.

As of June 30, 2010, the College had a Federal Reserve Bank pledge with PNC Bank to collateralize deposits of the College. As of that date, the following collateral was in a segregated account on the College's behalf as follows:

CUSIP	**Description**	**Par Value**	**Market Value**
31409H3W2	FNMA 30 YR 7%, 8/1/2036	539,475	594,958
31413MNA1	FNMA 15 YR 4.5%, 8/1/2022	1,025,501	1,085,386
31371LHF9	FNMA 20 YR 5.5%, 12/1/2023	1,557,661	1,686,448
31413MNA1	FNMA 15 YR 4.5%, 8/1/2022	560,352	593,076
31416NXP2	FNMA 15 YR, 4%, 4/1/2024	3,727,080	3,885,139
31416NYT3	FNMA 15 YR, 4.0% 03/01/2024	192,548	200,714
		$ 7,602,617	$ 8,045,721

Montgomery College Foundation Investments

The investments of the Foundation are carried at fair value and summarized at June 30 as follows:

	2010		**2009**	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Mutual funds	$17,403,099	$13,280,466	$ 9,914,880	$ 8,658,366
U.S. Treasury note	5,031	5,031	-	-
UBS Investment account	-	-	871,871	871,871
Chevy Chase Bank trust	-	-	734,212	734,212
Certificates of deposit	3,572,918	3,572,918	384,961	384,961
Land held for investment	2,532,600	1,000,000	2,532,600	2,532,600
Total	$23,513,648	$17,858,415	$14,438,524	$13,182,010

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Net investment loss for the years ended June 30, 2010 and 2009 was as follows:

Interest and dividends	$ 350,630	$ 326,941
Realized and unrealized losses on investments	567,412	(4,040,009)
	$ 918,042	$ (3,713,068)

Net investment income is included in investment and interest income and additions to permanent endowments in the Statement of Revenue, Expenses, and Changes in Net Assets.

NOTE 4 – ACCOUNTS RECEIVABLE (MC)

	2010	2009
Capital improvement program (CIP)	$14,380,410	$16,847,523
Tuition and fees – student receivable	4,036,587	3,343,327
Tuition and fees – contracts	272,400	149,233
Loans receivable – current portion	177,439	148,240
Financial aid	441,340	133,611
Governmental appropriations	2,813,752	3,192,317
Auxiliary enterprises	399,583	368,419
Accrued interest	21,704	115,894
Montgomery College Foundation	25,087	21,551
Other accounts receivable	995,617	314,319
Current asset portion	23,563,919	24,634,434
Loans receivable – non-current portion	1,732,494	1,805,133
Total accounts receivable	$25,296,413	$26,439,567

Tuition and fees receivables are recorded net of allowance for doubtful accounts of $11,930,958 and $10,440,780 at June 30, 2010 and 2009, respectively.

The College currently participates in the Federal Perkins Loan Program (Perkins) and the Nursing Student Loan Program (NSLP). At June 30, 2010, the balance of the Perkins receivables included in the loan funds' notes receivable was $2,292,735 and $2,340,380, respectively, less an allowance for doubtful receivables of $386,006 and $387,007, respectively. As of June 30, 2010 and 2009, the balance of the NSLP receivables included in the loan funds' notes receivable was $4,783 and $4,783 less an allowance for doubtful receivables of $1,577 and $4,783, respectively.

NOTE 5 – PLEDGES RECEIVABLE (MCF)

Pledges receivable at June 30 include amounts due in:

	2010	2009
Less than one year	$ 800,813	$ 1,052,102
One to five years	1,497,091	1,059,614
More than five years	1,791,128	1,796,226
	4,089,032	3,907,942
Pledges deemed uncollectible	(72,162)	-
Present value discount	(1,301,207)	(1,028,352)
Total	$ 2,715,663	$ 2,879,590

The discount rate used on long-term promises to give was 3% in both 2010 and 2009 which approximates the risk free rate as evidenced by the 5-year Treasury bill rate. Pledges deemed uncollectible are 3% of total unconditional promises to give at June 30, 2010 as determined by a review of individual current year pledges.

During 2001, the Foundation was named remainder interest beneficiary of a charitable remainder unitrust where the Foundation is not the trustee and does not exercise control over the assets contributed to the trust. The Foundation recorded the agreement as a pledge receivable and a contribution at the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments are made to the receivable on a yearly basis to reflect the accretion of the discount and revaluation of the present value of the estimated future payments. As of June 30, 2010 and 2009, the pledge receivable balance was $412,790 and $600,306, respectively.

During 2009, the Foundation was named remainder interest beneficiary of another charitable remainder unitrust where the Foundation is not the trustee and does not exercise control over the assets contributed to the trust. The Foundation recorded the agreement as a pledge receivable and a contribution at the present value of the estimated future benefits to be received when the trust assets are distributed. Adjustments are made to the receivable on a yearly basis to reflect the accretion of the discount and revaluation of the present value of the estimated future payments. As of June 30, 2010 and 2009, the pledge receivable balance was $58,637 and $120,150, respectively.

NOTE 6 – CHARITABLE REMAINDER TRUSTS (MCF)

The Foundation has been designated as remainder interest beneficiary under certain split-interest agreements contracted with donors. The agreements call for specified distributions/annuity payments to be paid to designated lead interest beneficiaries during their lives. The Foundation holds and invests the assets of the split-interest agreements and assures that the specified distributions are made to the lead interest beneficiaries. The assets held and the liability for annuities payable are reflected on the statement of financial position.

NOTE 6 – CHARITABLE REMAINDER TRUSTS (MCF) (CONTINUED)

Upon commencement of such agreements, the Foundation records the fair value of the assets received and records the estimated present value of future payments to the lead interest beneficiaries as a liability for annuities payable from split-interest agreements. The liability is established by estimating future payments based on the beneficiaries life expectancy and discounting those payments to their present value. The excess of the assets received over the liability incurred is recognized on the statement of activities as contributions under split-interest agreements.

At the end of each year, assets held in split-interest agreements are adjusted to their fair value and the liability for annuities payable is adjusted to its current estimated present value. Present value adjustments to the liability are reflected on the Statement of Activities as changes in the value of charitable gift annuity agreements.

At times, for certain split-interest agreements, the estimated present value of the liability to the lead interest beneficiary exceeds the value of the related assets. When this occurs, the deficit is considered a reduction of unrestricted net assets.

As of June 30, 2010 and 2009, the assets, obligations and net assets related to charitable remainder trusts were classified as follows:

	2010			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Assets held for charitable gift annuities	$ 370,112	$ 4,097	$ -	$ 374,209
Annuities payable from charitable gifts	1,151,624	3,667	-	1,155,291
Net assets	$ (781,512)	$ 430	$ -	$ (781,082)

	2009			
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Assets held for charitable gift annuities	$ 353,457	$ 4,215	$ 51,897	$ 409,569
Annuities payable from charitable gifts	1,195,334	3,928	48,740	1,248,002
Net assets	$ (841,877)	$ 287	$ 3,157	$ (838,433)

NOTE 6 – CHARITABLE REMAINDER TRUSTS (MCF) (CONTINUED)

During the years ended June 30, 2010 one annuity's funds matured and the liability terminated. In 2009, no split-interest agreements were created or terminated. The total number of split-interest agreements as of June 30, 2010 and 2009 are twelve and thirteen, respectively.

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (MC)

The following tables represent the changes in the capital asset categories (including depreciation) for fiscal years 2010, respectively.

	Balance at July 1, 2009	Additions	Disposals/ Lease Retirements	Balance at June 30, 2010
Non-depreciable assets				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Construction in progress-Buildings	60,940,709	43,622,172	(1,953,945)	102,608,936
Construction in progress-Equipment	7,392,517	1,024,196	(4,940,143)	3,476,570
Total non-depreciable assets	105,077,813	44,646,368	(6,894,088)	142,830,093
Depreciable assets				
Building	232,453,600	2,650,291	-	235,103,891
Equipment	51,228,818	6,024,730	(50,013)	57,503,535
Library books	6,219,091	349,595	(625,926)	5,942,760
Capital lease	32,130,000	16,825,00	-	48,955,000
Art works	181,805	-	-	181,805
Total depreciable assets	322,213,314	25,849,616	(675,939)	347,386,991
Less accumulated depreciation				
Buildings	86,196,554	7,295,840	-	93,492,394
Capital lease	942,857	942,857	-	1,885,714
Equipment	38,333,621	4,399,998	(70,873)	42,662,746
Library books	4,408,724	286,952	(465,665)	4,230,011
Total accumulated depreciation	129,881,756	12,925,647	(536,538)	142,270,865
Depreciable assets, net	192,331,558	12,923,969	(139,401)	205,116,126
Capital assets, net	$297,409,371	$57,570,337	$ (7,033,489)	$347,946,219

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (MC) (CONTINUED)

	Balance at July 1, 2008	Additions	Disposals/ Lease Retirements	Balance at June 30,
Non-depreciable assets				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Construction in progress-Buildings	28,391,257	32,549,452	-	60,940,709
Construction in progress-Equipment	2,285,916	5,106,601	-	7,392,517
Total non-depreciable assets	67,421,760	37,656,053	-	105,077,813
Depreciable assets				
Building	223,892,763	8,560,837	-	232,453,600
Equipment	49,133,326	3,688,891	(1,593,399)	51,228,818
Library books	6,205,791	289,342	(276,042)	6,219,091
Capital lease	32,130,000	-	-	32,130,000
Art works	159,955	21,850	-	181,805
Total depreciable assets	311,521,835	12,560,920	(1,869,441)	322,213,314
Less accumulated depreciation				
Buildings	80,082,852	6,113,702	-	86,196,554
Capital lease	-	942,857	-	942,857
Equipment	33,482,590	6,417,889	(1,566,858)	38,333,621
Library books	4,304,772	306,290	(202,338)	4,408,724
Total accumulated depreciation	117,870,214	13,780,738	(1,769,196)	129,881,756
Depreciable assets, net	193,651,621	(1,219,818)	(100,245)	192,331,558
Capital assets, net	$261,073,381	$36,436,235	$ (100,245)	$297,409,371

NOTE 8 – CONSTRUCTION IN PROGRESS (MCF)

In November 2008, the Foundation began construction on the Silver Spring/Takoma Park parking garage, a parking structure on the land adjacent to the Morris and Gwendolyn Cafritz Foundation Arts Center, for use by the College. Total development costs are estimated to aggregate approximately $15,000,000, by the time of the completion of the project which was originally estimated to be November 1, 2009. Construction was still being performed during the current fiscal year and the final construction invoice was received in July 2010. During the construction process, development costs are being capitalized as construction in progress.

NOTE 9– ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (MC)

Accounts payable and accrued liabilities represent amounts due at June 30, 2010 and 2009, respectively, for goods and services received prior to the end of the fiscal year.

	2010	2009
Salaries and wages	$ 8,656,954	$ 6,272,878
Benefits	1,013,000	1,107,000
Services and supplies	13,917,333	14,087,507
Payroll withholding	1,193,492	1,091,146
Unclaimed checks	289,623	267,859
Student refunds	13,783	385
Montgomery College Foundation	95,425	-
Other	1,918,859	1,743,511
Total	$27,098,469	$24,570,286

NOTE 10 – LONG-TERM LIABILITIES (MC)

Long-term liability activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Post employment funds	$ -	$ -	$ -	$ -	$ -
Aetna supplemental retirement funds	17,202	1,791	-	18,993	-
Lease obligations	31,225,000	16,825,000	(940,000)	47,110,000	1,390,000
Montgomery County	300,000	-	(75,000)	225,000	75,000
Total long-term liabilities	$31,542,202	$16,826,791	$ (1,015,000)	$47,353,993	$ 1,465,000

Long-term liability activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Post employment funds	$ 7,720,858	$ -	$ (7,720,858)	$ -	$ -
Aetna supplemental retirement funds	11,582	5,620	-	17,202	-
Lease obligations	32,130,000	-	(905,000)	31,225,000	940,000
Montgomery County	375,000	-	(75,000)	300,000	75,000
Total long-term liabilities	$40,237,440	$ 5,620	$ (8,700,858)	$31,542,202	$ 1,015,000

NOTE 11 – NOTE PAYABLE - MONTGOMERY COUNTY (MCF)

In August 2004, the College signed a "Memorandum of Understanding" with Montgomery County, Maryland (the County) to repay the County for certain financing relating to the purchase of the former Giant Bakery site in Takoma Park, Maryland. The total amount that the College is responsible to reimburse the County's General Fund is $2,250,000, of which the Foundation committed to cover $1,500,000, through fundraising efforts on behalf of the Takoma Park Campaign. The interest payments related to that purchase are reflected as grants to the College, but the payments toward principal are not reflected on the statement of activities. Those payments, also paid through the Takoma Park Campaign revenues, were $150,000 for each of the years ended June 30, 2010 and 2009. The monies are to be paid over a 10-year period. In addition to the base repayment amount, the Foundation is to pay a supplemental repayment amount representing interest to the County based upon a rate of 3.35% per annum on the outstanding and unpaid amount of the base repayment amount. Listed below are the future minimum payments payable by the Foundation (exclusive of the supplemental repayment amount) as of June 30, 2010 , and for the years ended June 30:

2011	$ 150,000
2012	150,000
2013	150,000
Total	$ 450,000

NOTE 12 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF)

In October 2005, the Montgomery County Revenue Authority (the Authority) issued “Montgomery County Revenue Authority Lease Revenue Bonds (King Street Art Center Project) Series 2005 A” bonds (the Bonds), with a total face value of $33,000,000. A loan agreement, evidenced by a promissory note, was entered into between the Authority and the Foundation, to effectively transfer all obligations of the bond issue to the Foundation. Principal and interest payments required by the Note are scheduled to coincide with the scheduled payments due on the Bonds. The proceeds of the Note issue were used 1) for developing and constructing a multi-purpose educational building designed as the Morris and Gwendolyn Cafritz Foundation Arts Center, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, and 4) to pay a portion of the issuance costs of the Bonds. The Bonds, issued in denominations of $5,000, are dated October 20, 2005, and have annual serial maturity dates from May 1, 2008 through May 1, 2030. Stated interest rates vary with the maturity dates of each group of Bonds. The Bonds were issued at a net premium totaling $493,620.

NOTE 12 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

The College has entered into a lease agreement with the Foundation, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2005 Notes. This lease agreement was pledged as security for the 2005 Notes.

Maturity dates and stated interest rates of the 2005 Notes are as follows:

Maturity May 1	Principal Amount	Interest Rate	Term (in years)
2011	$ 975,000	4.000%	5.5
2012	1,015,000	4.000%	6.5
2013	1,055,000	4.000%	7.5
2014	1,100,000	4.000%	8.5
2015	1,145,000	5.000%	9.5
2016	1,200,000	4.000%	10.5
2017	1,250,000	4.000%	11.5
2018	1,300,000	5.000%	12.5
2019	1,365,000	5.000%	13.5
2020	1,430,000	5.000%	14.5
2021	1,505,000	4.250%	15.5
2022	1,565,000	4.375%	16.5
2023	1,635,000	4.375%	17.5
2024	1,705,000	4.500%	18.5
2025	1,785,000	4.500%	19.5
2026	1,865,000	4.500%	20.5
2027	1,950,000	5.000%	21.5
2028	2,045,000	5.000%	22.5
2029	2,150,000	4.625%	23.5
2030	2,245,000	4.625%	24.5
Total	$ 30,285,000		

The 2005 Notes maturing prior to May 1, 2016 are not subject to redemption prior to their maturities. The 2005 Notes maturing on or after May 1, 2016 are subject to optional redemption by the Authority in whole or in part prior to maturity on any date beginning May 1, 2015 at a redemption price of par plus accrued interest thereon to the date set for redemption.

Interest is due semi-annually, each May 1 and November 1. Proceeds from the 2005 Notes issue were used to pay interest through October 2007. Interest paid through the completion of the construction of the Morris and Gwendolyn Cafritz Foundation Arts Center was capitalized as part of the construction in progress. Since the completion of construction, interest has been expensed as incurred totaling $1,405,090 and $1,441,523 for the years ended June 30, 2010 and 2009, respectively.

NOTE 12 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

In November 2008, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds (Silver Spring/Takoma Park parking garage project) Series 2008A" bonds (the 2008 Bonds), with a total face value of $16,825,000. A loan agreement, evidenced by a promissory note (the 2008 Notes), was entered into between the Authority and the Foundation, to effectively transfer all obligations of the 2008 Bonds issue to the Foundation. Principal and interest payments required by the 2008 Notes are scheduled to coincide with the scheduled payments due on the 2008 Bonds. The proceeds of the 2008 Notes issue are to be used 1) for developing and constructing a parking garage structure designated as the Silver Spring/Takoma Park parking garage, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, and 4) to pay a portion of the issuance costs of the 2008 Bonds. The 2008 Bonds, issued in denominations of $5,000, are dated November 20, 2008, and have annual serial maturity dates from November 1, 2010 through November 1, 2033. Stated interest rates vary with the maturity date of each group of 2008 Bonds. The Bonds were issued at a net discount totaling $129,494.

The College has entered into a lease agreement with the Foundation, beginning on the date that the project is substantially complete, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2008 Notes. This lease agreement was pledged as security for the 2008 Notes.

The 2008 Notes proceeds and uses are as follows:

Proceeds:	
Par amount	$16,825,000
Net original issue discount	(129,494)
Total proceeds	$16,695,506
Uses:	
Project Fund	$14,440,645
Debt Service Reserve Fund	1,193,169
Capitalized Interest Fund	740,484
Cost of issuance	230,843
Underwriter's discount	128,508
Equity contributions	(38,143)
Total uses	$16,695,506

NOTE 12 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

Maturity dates and stated interest rates of the 2008 Notes are as follows:

Maturity Date	Principal Amount	Interest Rate	Term (in years)
2011	$ 425,000	3.50%	3
2012	440,000	3.50%	4
2013	455,000	3.50%	5
2014	475,000	4.00%	6
2015	495,000	4.00%	7
2016	515,000	4.00%	8
2017	535,000	4.00%	9
2018	560,000	4.13%	10
2019	580,000	4.38%	11
2020	610,000	4.60%	12
2021	635,000	4.63%	13
2022	670,000	4.75%	14
2023	700,000	4.75%	15
2024	735,000	4.75%	16
2025	770,000	5.00%	17
2026	810,000	5.00%	18
2027	855,000	5.10%	19
2028	895,000	5.10%	20
2029	945,000	5.13%	21
2030	995,000	5.13%	22
2031	1,045,000	5.20%	23
2032	1,105,000	5.25%	24
2033	1,160,000	5.25%	25
Total	$ 16,410,000		

The 2008 Notes maturing prior to November 1, 2018 are not subject to redemption prior to their maturities. The 2008 Notes maturing on or after November 1, 2018 are subject to optional redemption by the Authority in whole or in part, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price amount equal to par plus accrued interest to the date fixed for redemption, without premium.

Interest is due semi-annually, each May 1 and November 1, beginning with May 1, 2009. Proceeds from the Notes issue were used to pay interest through October 2009. Interest paid through the completion of the construction of the parking garage will be capitalized as part of the construction in progress. Once the construction is complete, interest will be expensed as incurred. Interest incurred, capitalized and expensed during the year ended June 30, 2010 was $787,306, $262,435, and $524,871, respectively. Interest incurred, capitalized and expensed during the year ended June 30, 2009 was $483,319, $483,319, and $0, respectively.

NOTE 13 – RESTRICTED ASSETS (MCF)

Temporarily Restricted

Temporarily restricted net assets as of June 30, 2010 and 2009 were $6,747,841 and $6,550,743, respectively. Temporarily restricted net assets represent funds restricted by donors for scholarships, student athletics, student and faculty support, resource and development and other college initiatives. For fiscal years ending June 30, 2010 and 2009, temporarily restricted net assets released from restriction were used for the following:

	2010	2009
General use programs	$ 651,255	$ 573,920
Scholarships	939,989	1,206,182
Student athletics	76,155	38,927
Total	$ 1,667,399	$ 1,819,029

As of June 30 net assets were temporarily restricted for the following:

	2010	2009
General use programs	$ 5,021,161	$ 5,047,191
Scholarships	1,662,534	1,418,641
Student athletics	64,146	84,911
Total	$ 6,747,841	$ 6,550,743

Permanently Restricted

Permanently restricted net assets as of June 30, 2010 and 2009 were $14,533,081 and $13,745,140, respectively. Permanently restricted net assets represent perpetual endowment funds that are required to be retained permanently by explicit donor stipulation. As of June 30, 2010 and 2009, earnings from permanently restricted net assets were restricted for the following:

NOTE 13 – RESTRICTED ASSETS (MCF) (CONTINUED)

	2010	2009
Scholarships	$ 8,235,317	$ 7,714,561
General use programs	6,276,022	6,006,248
Student and faculty support	21,742	21,174
Annuity funds	-	3,157
Total	$14,533,081	$13,745,140

NOTE 14 – COMMITMENTS AND CONTINGENCIES (MC)

Other than the specific agreements described below, the College had no open installment agreements at June 30, 2010. All payments due on prior agreements were paid in full during the year ended June 30, 2009. Generally, these agreements terminate automatically on July 1 of each year and are renewable one year at a time, provided the Board of Trustees appropriates sufficient funds to meet rental payments.

On March 7th, 2002, the College entered into an agreement to lease an additional 7,197 rentable square feet of office space as well as extend the duration of all prior lease agreements to the year 2012. During the year ended June 30, 2010, $ 296,976 in rent payments were made.

On June 13, 2001, the College entered into a ten-year lease agreement with Longacre II, LLC for the lease of approximately 14,747 rentable square feet of office space in the Olde Town Gaithersburg Office II. Commencement of the lease began on August 1, 2001. During the year ended June 30, 2010, $391,862 in rent payments were made.

On February 10, 2006, the College entered into a ten-year lease agreement with SYN-ROCK, LLC for the lease of approximately 20,084 rentable square feet of office space in Rockville within close proximity to the Rockville campus. Effective April 23, 2007, the College amended its lease agreement to increase its leased space in the building to 25,577 rentable square feet. The lease term will remain the same. On April 22, 2008, the College entered into a third amendment with SYN-ROCK, LLC to lease an additional 20,084 square feet of space with the College taking possession in July, 2008. The new lease term is for eight years and all other lease terms remain the same. During the year ended June 30, 2010, $864,171 in rent payments were made.

On August 2, 2006, the College entered into a memorandum of understanding to the lease of approximately 67,619 rentable square feet of office space near the Germantown campus. The memorandum provided the option after a two month initial lease to lease the said property for five years beginning December 1, 2006 with an option to buy. The College commenced the five-year lease on December 1, 2006. During the year ended June 30, 2010, $1,143,910 in rent payments were made.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

On January 23, 2008, the College entered into a ten-year lease agreement with Metro Park III, LLC for the lease of approximately 86,982 rentable square feet of office space in the Metro Park North Building in Rockville, MD. Commencement of the lease began on July 1, 2008. During the year ended June 30, 2010, $1,164,535 in rent payments were made.

At June 30, 2010, payments are due for the six (real property) lease agreements in the following amounts for the next five years:

2011	$ 3,111,585
2012	2,500,192
2013	2,075,210
2014	2,137,466
2015	803,240
Total	$10,627,693

The College has entered into contracts for the purchase of computer information system technical consulting, programming and support services for the maintenance of the fully integrated administrative system; contracts to provide help desk operations and support of college computer equipment, contracts for security infrastructure and project engineer services; contracts for the outsourcing of the library cataloging; contracts for high speed internet access services and disaster recovery; contracts for professional development and Human Resource services; contracts for medical coverage and a prescription drug program; contracts for radio advertisement; contracts for museum based learning; contract for a commercial drivers license training program; contract for summer science enrichment program; contract for employment and case management services for refugees; contract for the maintenance of ultrasound units; contract for the purchase, hosting and implementing of a talent management system; a contract for Novell software and services; and a contract for external audit services . At June 30, 2010, potential payments for the contract agreements and purchase agreements for the next five years are as follows:

2011	$11,153,477
2012	8,839,958
2013	3,152,843
2014	539,823
2015	20,173
Total	$23,706,274

As of June 30, 2010 and 2009, there were uncompleted contracts amounting to $24,621,05 and $18,159,291, respectively, for construction activity at all campuses. Retainage on construction contracts is not included in this amount, but is shown in the financial statements as an accounts payable.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

On July 1, 2001, the College purchased the 'Giant Bakery' site (renamed 'King Street Property') for the appraised price of $7,250,000. This purchase called for a cash settlement of $6,000,000 and a non-cash donation of the balance $(1,250,000) to the Foundation by owners of the property.

Initially, the County funded the entire $6,000,000 cash price through the College's Capital budget appropriation. At that time there was an agreement made that the College would repay $2,250,000 of the cash purchase price. While the College is responsible for the entire $2,250,000 repayment, the Foundation agreed through fund-raising to accept responsibility for $1,500,000 of the $2,250,000. A 'Memorandum of Understanding' (MOU) was finalized which details a ten-year term of repayment plus interest at 3.35%. The current balance at June 30, 2010 was $225,000 and is included in accounts payable for the current portion of $75,000 and $150,000 as a long-term liability for the balance.

On November 4, 2002, the College did a Request for Proposal (RFP) for the redevelopment of the King Street Property. During fiscal year 2004, a number of firms which responded to the RFP were given the opportunity to present their proposals for the redevelopment of the property. In order to fund this project, bonds were sold through the Montgomery County Revenue Authority. The College, however, cannot borrow money so therefore, the College has reached an agreement with the Foundation to lease the King Street Property.

In September 2006, the Board of Trustees officially changed the name of the King Street Art Center Project to the “The Morris and Gwendolyn Cafritz Foundation Arts Center”.

The College has entered into a project lease agreement with the Foundation (approved by the Board of Trustees on June 21, 2004), with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the Bonds. Under a Deed of Trust, the Foundation pledged this lease agreement along with its ownership of the Project and its long-term leasehold in the project site to secure the Foundation’s obligation to repay the Bonds. The lease commenced on July 17, 2007, the date construction was substantially complete and a Use and Occupancy Certificate issued. The Project Lease will terminate December 31, 2031. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of The Morris and Gwendolyn Cafritz Foundation Arts Center.

For accounting purposes, the Project Lease is deemed a capital lease. The original cost of assets acquired under this capital lease is $33,000,000 and the accumulated amortization totals $2,715,000 at June 30, 2010. The College paid the Foundation $2,351,356 during the year ended June 30, 2010, as stipulated in the Project Lease. As of June 30, 2010, future payments to be paid by the College under this capital lease for the years ended June 30 are:

NOTE 14 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

2011	$ 2,348,756
2012	2,349,756
2013	2,349,156
2014	2,351,956
2015	2,352,957
Thereafter	35,269,600
Imputed interest	(16,737,181)
Total	$30,285,000

The land on which the Morris and Gwendolyn Cafritz Foundation Arts Center is being built is owned by the College. The Foundation has entered into a lease agreement with the College whereby the land is leased to the Foundation for eighty years for a fee of $5,000.

In February 2003, the Montgomery County Council appropriated $6,100,000 to purchase a 20 acre tract next to the Germantown Campus of Montgomery College. Plans called for this 20 acre site plus 20 acres existing within the Germantown Campus to support the development of a 40 acre Life Sciences and Technology Park. In January 2004, the College issued a Request of Proposal for an 'at risk developer' to construct and operate the Montgomery College Life Sciences and Technology Park. In addition to the park, the College plans for a 126,900 gross square feet academic Bioscience Education Center on the Germantown Campus at a total estimated cost of $64 million. As part of the College's fiscal year 2009 Capital Budget, $6,146,000 was appropriated for planning and design of the BioScience Education Center. Construction has not started pending funding from the State and County.

Initial plans for the Germantown Development Project entails three related projects: the Goldenrod Academic Center, the Bioscience Education Center, and the Science and Technology Park. On June 19, 2006, by Board of Trustees Resolution Number 06-06-072, the Board authorized the President to negotiate and execute all documents required to lease, with an option to purchase, the property and a 67,619 square foot building adjacent to the Germantown Campus. Initial plans call for the County to lease approximately half of the building for use as interim space for the Germantown Technology Incubator. The Goldenrod Academic Center was completed and ready for occupancy in September, 2008.

On December 15, 2008, the Board authorized contracting with a third party developer, Foulger-Pratt Companies, to assist with the development of the Park and to assume certain risks associated with the Park. Foulger-Pratt has negotiated general terms for a sub-lease of the ground needed in the Park to Holy Cross Hospital, subject to several conditions including but not limited to the execution of a ground lease between the College and Foulger-Pratt for the hospital site and an agreement in the form of a memorandum of understanding between the hospital and the College that provides for the desired program support for the College.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

On November 19, 2008, the Montgomery College Board of Trustees approved an award of contract for $51,639,000, contingent upon Maryland State Board of Public Works approval, for the construction of the Rockville Campus Science Center. The project received State of Maryland Board of Public Works approval on January 12, 2009. Construction began February 27, 2009 and is estimated to be completed the summer of 2011.

On March 17, 2009, the Montgomery College Board of Trustees approved an award of contract for $2,025,352 for customary design reimbursable and supplemental services expenses and an award for $621,207 for architectural and engineering design services for the Science West Building renovation. As part of the College's fiscal year 2009 Capital Budget, $3,062,000 was appropriated for planning and design and construction is planned to begin in 2013.

The College is currently the defendant in a lawsuit for negligence and violation of ADA with respect to the Rockville campus. It is the opinion of the College's management, after conferring with legal counsel, that the liability, if any, which might arise from the lawsuit would not have a material adverse effect on the College's financial position.

On December 10, 2007, the Board of Trustees adopted an omnibus resolution, Resolution Number 07-12-151, authorizing the lease transaction for a separate facility adjacent to the Morris and Gwendolyn Cafritz Foundation Arts Center, to improve access roads thereto and a separate parking lot located nearby, and to construct a chilling facility as part of the parking facility on its Takoma Park/Silver Spring campus in Silver Spring, Maryland. The Project is owned by the Foundation and leased to the College. The Project Lease Agreement was signed on November 18, 2008, wherein the College will lease the Project upon its completion and after a Use and Occupancy Certificate has been issued from the Foundation, and act as the Foundation's construction agent during the construction of the Project. The Project was completed in January, 2010 with the lease commencing on that date. Rents will be paid in semi-annual installment payments that are calculated to be at least equal to the scheduled debt service payments made by the Foundation on the Notes with a total face value of $16,825,000 (payments are due May 1 and November 1). For accounting purposes, the Project Lease is deemed a capital lease. The College paid $393,653 to the Foundation during the year ended June 30, 2010. Future payments to be paid by the College are:

2011	$ 1,195,562
2012	1,191,381
2013	1,191,244
2014	1,190,581
2015	1,193,119
Thereafter	22,664,951
Imputed interest	(11,801,838)
Total	$16,825,000

The land on which the parking garage is built is partially owned by the College. The Foundation has entered into a lease agreement with the College whereby the land that is owned by the College is leased to the Foundation for eighty years for a fee of $500.

NOTE 15 – EXPENSES BY NATURAL CLASSIFICATIONS (MC)

The following table shows a classification of expenses for the years ending June 30, 2010 and 2009; both by function as listed in the statement of revenue, expenses and changes in net assets and by natural classification, which is the basis for amounts shown in the statement of cash flows.

	Salaries and Wages	Fringe Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	Total
June 30, 2010									
Instruction	$ 75,413,834	$ 11,548,647	$ 5,671,630	$ 2,390,750	$ 20	$ -	$ -	$ 986,936	$ 96,011,817
Academic support	19,965,198	2,579,531	3,316,147	839,242	10,000	-	-	461,798	27,171,916
Student services	20,308,933	2,730,162	2,875,591	501,026	7,472	-	-	662,926	27,086,110
Operation of plant	12,570,346	3,375,801	5,789,088	1,379,483	-	6,900,146	-	643,103	30,657,967
Institutional support	23,941,107	6,919,369	3,899,737	374,539	500	-	-	6,481,830	41,617,082
Scholarships and related expenses	-	-	-	-	2,464,077	-	-	1,429,540	3,893,617
Depreciation	-	-	-	- -	-	-	11,973,317	-	11,973,317
Auxiliary enterprises	3,152,718	747,698	967,069	129,982	-	18,000	-	7,675,110	12,690,577
Other	-	-	-	-	-	-	-	10,659,447	10,659,447
Total	$155,352,136	$ 27,901,208	$22,519,262	$ 5,615,022	$ 2,482,069	$ 6,918,146	$ 11,973,317	$ 29,000,690	$ 261,761,850
June 30, 2009									
Instruction	$ 72,550,121	$ 12,451,909	$ 5,763,924	$ 2,311,548	$ -	$ -	$ -	$ 2,484,493	$ 95,561,995
Academic support	20,241,867	2,749,063	3,760,074	955,841	-	-	-	1,185,552	28,892,397
Student services	19,710,978	2,902,038	3,442,137	501,649	-	-	-	813,200	27,370,002
Operation of plant	12,011,628	2,811,352	5,807,327	1,332,385	-	6,253,985	-	543,724	28,760,401
Institutional support	22,991,083	8,768,534	5,607,839	445,648	17,660	-	-	(6,776,343)	31,054,421
Scholarships and related expenses	-	-	-	-	3,339,845	-	-	35	3,339,880
Depreciation	-	-	-	-	-	-	13,780,740	-	13,780,740
Auxiliary enterprises	2,669,073	603,089	881,888	144,509	35	-	-	8,120,406	12,419,000
Other	1,257,785	240,332	1,896,072	-	-	-	-	3,721,705	7,115,894
Total	$151,432,535	$ 30,526,317	$ 27,159,261	$ 5,691,580	$ 3,357,540	$ 6,253,985	$ 13,780,740	$ 10,092,772	$ 248,294,730

NOTE 16 – RETIREMENT PLANS (MC)

The College participates in four statewide retirement plans: the Teachers' Retirement System and the Employees' Retirement System (the Retirement System), and the Teachers' Pension System and the Employees' Pension System (the Pension System), administered by the Maryland State Retirement System (MSRS), a cost-sharing multiple-employer retirement system (PERS). Aetna, the College's own plan, serves as a supplement to the MSRS plans. Certain employees may elect to participate in the Maryland State Optional Retirement Plan (ORP) instead of the Maryland State Pension System. The State has approved four providers for the ORP which include the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), AIG, VALIC, and Fidelity. An employee can participate in only one plan at a time and will have the opportunity to change providers during one open enrollment period a year.

The State systems were established in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland. Responsibility for the administration and operation of the systems is vested in a 15-member Board of Trustees (the Trustees). The Trustees also have the authority to establish and amend the respective benefit provisions. The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to system members and beneficiaries.

NOTE 16 – RETIREMENT PLANS (MC) (CONTINUED)

The College's total current payroll for the fiscal year ended June 30, 2010 for all employees (including $221,672 from Agency funds) was $155,352,136. The approximate current year covered payroll under each of the plans, which includes employees eligible under multiple plans, is as follows:

	Covered Payroll	Percent of Total Salary
MSRS	$72,083,647	46.40%
Optional retirement plan	54,998,214	35.40%
Aetna	2,603,425	1.68%

The following is a general description of the plan benefits available to the participants of each of the above named plans.

The Retirement System MSRS

Participants in the Retirement System may retire with full benefits after attaining the age of 60, or completion of 30 years of creditable service regardless of age. However, participants may retire with reduced benefits after completing 25 years of creditable service regardless of age.

The Pension System - MSRS

Participants in the Pension System may retire with full benefits after completing 30 years of creditable service regardless of age, or at age 62 or older with specified years of creditable service. However, participants may retire with reduced benefits after attaining age 55 and completing 15 years of creditable service.

The MSRS Optional Retirement Plan (ORP)

The ORP is a defined contribution "money purchase" plan under which the benefit is determined by the accumulated State contributions plus accrued investment earnings. Contributions are made to one of four providers approved by the State. Participants may receive their annuity income at any time after leaving the College.

The Aetna Plan

The College has a single employer, defined benefit pension plan with Aetna. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement and pension plans. Full-time employees who have been employed by the College prior to 1980 and contribute to an MSRS plan, are eligible to participate in this plan established under the authority of the College's Board of Trustees.

Benefits under all systems, except the ORP, vest after five years of service and are based on years of creditable service and salary rates.

NOTE 16 – RETIREMENT PLANS (MC) (CONTINUED)

The "unfunded actuarial accrued liability" is the result of applying the actuarial funding method to the present value of pension benefits, adjusted to the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employees' service to date. The actuarial funding method is intended to help users assess the Systems' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The MSRS does not make separate measurements of assets and liabilities for individual employers. However, the College's supplemental plan (Aetna) actuarial valuation is determined separately.

Listed below is information about the employees' benefit retirement and pension plans of the MSRS, as a whole, as of June 30, 2009, the latest date such information is available, and the Aetna Plan as of July 1, 2010.

	MSRS	Aetna
Actuarial accrued liability	$52,729,171,330	$11,616,520
Actuarial value of assets (at fair market value)	(34,284,568,617)	(11,932,952)
Unfunded actuarial accrued liability (assets in excess of obligations)	$18,444,602,713	$ (316,432)

Additional information about the MSRS is presented in the State of Maryland's June 30, 2009 Comprehensive Annual Financial Report and in the 2009 Consolidated Annual Report of the Maryland State Retirement and Pension System. That report may be obtained by writing to the State Retirement Agency of Maryland, 301 W. Preston Street, Baltimore Maryland, 21201.

In accordance with GASB No. 24, entitled *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College recognized expenditures for the various State retirement and pension plans made on behalf of its employees by the State to the extent revenue is recognized. The amount recognized includes amounts contributed by the State and amortization of past service costs over forty years for the year ended June 30, 2010 as follows:

	State	College	Total
MSRS	$ 7,252,866	$ 1,457,187	$ 8,710,053
MSRA-ORP	3,625,843	-	3,625,843
AETNA	-	1,016,770	1,016,770
	$10,878,709	$ 2,473,957	$13,352,666

NOTE 16 – RETIREMENT PLANS (MC) (CONTINUED)

The College's Defined Benefit Pension Plan (Aetna)

Effective July 1, 1996, the College implemented GASB No. 27, entitled *Accounting for Pensions by State and Local Governmental Employers*, with respect to the College's Aetna Plan.

Plan Description - The Aetna plan is a single employer, defined benefit pension plan. Full-time employees who were employed by the College prior to 1980 and contribute to an MSRS plan are eligible to participate in this plan established under the authority of the College's Board of Trustees. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement plans. The Aetna Retirement Plan issues a separate report that contains the results of the valuation of the College Retirement Plan as of July 1, 2008. That report may be obtained by writing to the Montgomery College Benefits Office, 900 Hungerford Drive, Rockville Maryland, 20850.

Funding Policy - Plan members are required to contribute 5% of their earnable compensation. Contributions to this plan are offset by contributions to the Maryland Teachers' Retirement System or the Maryland State Retirement System. Contributions for year 2010 are based on the plan as amended most recently as of January 1, 1980. Interest on employee contributions is credited at a rate of 4% per year. The College will attempt to fund the recommended contribution of $138,484 from current revenues in the year ended June 30, 2011. The College's Board of Trustees has the authority to establish and amend benefit provisions of the plan.

Actuarial Cost Method and Valuation of Assets – The Entry Age Normal Actuarial Cost Method was used to determine the Normal Cost and Actuarial Accrued Liability in accordance with generally accepted actuarial principles. Plan assets are listed at fair market value as determined by the Aetna Insurance Company. The Actuarial Accrued Liability is based on a prorated portion of the present value of benefits earned to date and expected to be earned in the future.

NOTE 16 – RETIREMENT PLANS (MC) (CONTINUED)

Required Supplementary Information

Schedule of Funding Progress and Employer Contributions

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-03	$ 10,703,128	$ 10,063,999	$ (639,129)	106.4%	$6,225,191	(10.3)%	-
6-30-04	10,603,353	10,059,963	(543,390)	105.4%	5,661,590	(9.6)%	-
6-30-05	10,374,787	10,238,200	(136,587)	101.3%	4,827,815	(2.8)%	-
6-30-06	10,151,587	10,427,914	276,327	97.4%	4,722,309	5.9%	102,378
6-30-07	10,316,110	12,216,821	1,900,711	84.4%	3,967,274	47.9%	369,394
6-30-08	11,097,452	12,256,446	1,158,994	90.5%	3,500,912	33.1%	182,204
6-30-09	11,274,825	12,189,427	914,602	92.5%	3,461,892	26.4%	138,484
6-30-10	11,932,952	11,616,520	(316,432)	102.7%	2,603,425	(12.2)%	282,860

The actuarial valuation for the fiscal year ended June 30, 2010 includes these significant assumptions which have not been changed from the prior year:

1) Investment return: 6.0% compounded annually
2) Salary increases: 4.5% compounded annually
3) Retirement age: Ages varying from 57 years to 70 and over
4) Turnover: Rates varying from no turnover to 9%
5) Mortality: The RP-2000 Mortality Table for healthy males and females
6) Discount rate: 6.0%

The actuarial assumptions are chosen by the actuary after a study of both current financial conditions and the population covered by the plan as to salary increases, number of terminations annually, etc. These assumptions are reviewed periodically, and if appropriate, changes are made.

	Number of Persons	Compensation (if applicable)
Population Covered by the Plan		
Participants:		
Currently receiving payments	286	N/A
Active with vested benefits	28	2,603,412
Terminated with deferred vested benefits	9	N/A
Active without vested benefits	0	0
Inactives electing bifurcated benefits	2	N/A

NOTE 17 – STATE AND COUNTY EXPENDITURES (MC)

The County issues general obligation bonds, the proceeds from which are transferred to the College for the purpose of financing acquisition of land, buildings, and equipment. For the years ended June 30, 2010 and 2009, the County made principal payments of $5,643,638 and $4,625,521, respectively, and interest payments of $3,734,326 and $3,286,935, respectively, on these bonds. In addition to the County expenditures, the State of Maryland pays the employer's portion of pension contributions on the salary for certain College employees eligible to belong to the State pension and retirement systems. For the years ended June 30, 2010 and 2009, the State expended $7,252,866 and $5,996,219, respectively, for the pension and retirement contributions. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The State of Maryland also reimburses the College for the employer's share of contributions to the ORP for eligible employees. The total amount reimbursed for the years ended June 30, 2010 and 2009 was $3,625,843 and $3,526,289, respectively. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The Capital Improvements Program (CIP) for the College is approved biannually by the County. The approval of some projects includes funding from other governmental agencies. All funds transferred to the College for CIP expenditures come directly from the County, with governmental reimbursements being made directly by those organizations back to the County for their share of project costs. The amount listed under the Current Asset designation as CIP receivable as of June 30, 2010 and 2009 is due to the following organizational participation in CIP expenditures:

	2010	2009
Montgomery County	$7,066,263	$12,266,234
State of Maryland	7,314,148	4,581,289
Total	$14,380,411	$16,847,523

NOTE 18 – TUITION WAIVER (MC)

The College waives tuition charges for its programs for any resident of Maryland who is 60 years old or older, when course space is still available, and only during the three days following the end of regular registration. Additionally, the College has a 50% waiver of tuition for eligible Maryland National Guard members and up to 100% for eligible foster care students. Tuition is also waived for any resident of Maryland who is retired or disabled as defined by the Social Security or Railroad Retirement Act and who enrolls in any class at the College which is eligible under Maryland Annotated Code Section 16-403 for State support; and for eligible College employees who can enroll in credit only courses which are outside of the individual's normal working hours. During the year ended June 30, 2010, the College waived $825,690 in credit and $603,850 in non-credit tuition for senior, disabled, foster care and National Guard students.

NOTE 18 – TUITION WAIVER (MC) (CONTINUED)

During the year ended June 30, 2009, the College waived $802,441 in credit and $596,986 in non-credit tuition for senior, disabled, foster care and National Guard students. Starting in FY2000, the College implemented a tuition waiver program whereby the College waives credit tuition for dependents of eligible College employees. For FY2010, the College waived $433,272 for its employees and their dependents. The total tuition amount waived for the College for FY2010 was $1,862,812. For FY2009, the College waived $413,387 for its employees and their dependents. The total tuition amount waived for the College for FY2009 is $1,812,814.

NOTE 19 – INCOME TAX STATUS (MC & MCF)

The College is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code, except as to unrelated business income. No provision for income taxes has been accrued since the College anticipates no tax liability for the years ended June 30, 2010 and 2009.

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related state statutes, except as to unrelated business income. The Foundation had no unrelated business income for the years ended June 30, 2010 and 2009.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109.* This interpretation provides guidance on recognition, classification and disclosure concerning uncertain tax liabilities. The evaluation of a tax position required disclosure of a tax liability if it is more likely than not that it will not be sustained upon examination by the Internal Revenue Service. Management has analyzed the Foundation’s tax positions for purposes of implementing FIN 48, and has concluded that as of June 30, 2010, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements.

NOTE 20 – RISK MANAGEMENT – SELF-INSURANCE (MC)

The College, as a component unit of the County, participates in the County's self-insurance risk pool for liability and property coverage and maintains its own self-insurance pool for health and dental benefits. The College and the County account for risk financing activities in accordance with GASB No. 10, entitled *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

The Montgomery County Self-Insurance Program is maintained for liability and property coverage under which participants share workers' compensation, comprehensive general, automobile and professional liability, fire and theft, and other selected areas which require coverage. There have been no significant reductions in this insurance coverage from the previous year. Commercial coverage is purchased for claims in excess of coverage by the self-insurance fund and for other risks not covered by the fund. Settled claims have not exceeded commercial coverage in fiscal years 2010 and 2009. Other program participants are

NOTE 20 – RISK MANAGEMENT – SELF-INSURANCE (MC) (CONTINUED)

qualifying County government agencies. An inter-agency insurance panel is responsible for overseeing the program. This program offers overall risk management and cost sharing for all participants. In the event that the program's trust or escrow funds fall into a deficit, the program panel shall determine a method to fund the deficit. The program can assess additional premiums to each deficit-year participant. Premiums are charged to the appropriate College fund with no provision made for any additional liability in addition to premiums, unless assessed by the program. As of June 30, 2010, there was no deficit in the trust or escrow funds and no additional assessments have been made.

The College is self-insured for health and dental benefits provided to its employees. To protect itself against significant losses, the College has stop-loss policies in place for individual participant claims in excess of $150,000 per year and aggregate annual participant claims in excess of 125% of premium. The College has a contract with an administrative service provider to process participant claims under these programs. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balance of claims payable relative to the health and dental self-insurance fund for the years ended June 30, 2010 and 2009 are as follows:

Balance – July 1, 2008	$ 907,000
Claims and changes in estimates	12,105,487
Claims payments	(11,905,487)
Balance – June 30, 2009	1,107,000
Claims and changes in estimates	12,751,177
Claims payments	(12,845,177)
Balance – June 30, 2010	$ 1,013,000

NOTE 21 – COMPENSATED ABSENCES (MC)

Employees of the College earn annual leave (vacation) and sick leave as provided by College policies and procedures. In the event of termination, employees with accumulated annual leave and at least 30 days of employment are reimbursed for 100% of accumulated annual leave, up to a maximum of 26 days. In addition, in the event of termination, employees who started employment prior to December 31, 1992 and who have five or more years of service, are reimbursed for 25% of not more than 180 days of accumulated sick leave. Earned but unused annual and vested sick leave is accounted for in the statement of net assets as a current liability for that portion which is expected to be paid out during the next twelve months. The balance is listed as non-current. Both current and non-current portions are valued based on the salary scale in effect at June 30, 2010 and 2009.

NOTE 21 – COMPENSATED ABSENCES (MC) (CONTINUED)

Employees of the College had earned $8,263,701 and $8,243,335 in annual and sick leave subject to termination payoff at June 30, 2010 and 2009, respectively. In accordance with GASB No. 16, entitled *Accounting for Compensated Absences*, related FICA and Medicare costs have been calculated on the amount due at termination in the amount of $632,173 for fiscal year 2010. This amount has been included in the total compensated absences liability of $8,895,874 for fiscal year 2010.

For the years ended June 30, 2010 and 2009, the total annual leave and sick leave earned has been recognized as an expense.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC)

On July 1, 2007, the College implemented GASB Statements No. 43*, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The College provides postemployment health care, dental and life insurance benefits for retired employees through a defined contribution plan. The plan is accounted for as a trust fund and an irrevocable trust was established on June 16, 2008 to account for the plan.

The contribution requirements of the College are established and may be amended by the Board of Trustees. The College currently pays 40% of health care premiums for employees who meet certain eligibility criteria and who retire with 5 but less than 10 years of service, 60% of premiums for those that retire after 10 years of service, and 20% for certain retirees prior to 1974. A smaller contribution to life insurance premiums is also provided for eligible retirees. The remaining costs of these benefits are borne by the participants.

In order to be considered "eligible", the retiree must have been enrolled in the College's group insurance program for 5 years prior to retirement and commence receipt of pension/annuity benefits from an MSRS or ORP plan immediately upon termination from the College. ORP annuitants must meet the same age and service retirement eligibility criteria as MSRS participants. The College's authority to contribute to other postemployment benefit provisions and obligations is established by the Board of Trustees. For the fiscal years ended June 30, 2010 and 2009, the College contributed $1,962,502 and $1,987,603, respectively, and the retirees contributed $1,430,488 and $1,327,927, respectively, in premiums. In total, the College contributed for fiscal year ended June 30, 2010 and 2009, $1,962,502 and $3,200,000. The College also advance funded the costs of benefits in the amount of $0 and $1,212,397 in FY2010 and FY2009, respectively.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) (CONTINUED)

Membership

As of June 30, 2010 and 2009 membership consisted of:

	2010	2009
Retirees and beneficiaries currently receiving benefits	403	451
Terminated employees entitled to benefits but not yet receiving them	-	-
Active employees – vested	1,771	1,752
Active employees – non vested	-	-
Total	2,174	2,203

The College had an actuarial valuation performed for the plan as of June 30, 2009 to determine the employer's annual required contribution (ARC) for the fiscal years ended June 30, 2010 and June 30, 2009. The College's annual OPEB cost (expense) of $5,225,687 was equal to the ARC for the fiscal year ended June 30, 2010. The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and 2009 were as follows:

	2010	2009
Annual OPEB cost	$ 5,225,687	$ 3,567,792
Employer contribution	1,962,502	3,200,000
Net OPEB obligation	$ 3,263,185	$ 367,792
% of annual OPEB cost contributed	38%	90%

The net OPEB obligations (NOPEBO) as of June 30, 2010 and 2009 are recorded in OPEB asset value on the Statement of Net Assets and were calculated as follows:

	2010	2009
Annual Required Contribution (ARC)	$ 5,128,754	$ 3,484,480
Interest on net OPEB obligation	305,934	262,946
Adjustment to ARC	(209,001)	(179,634)
Annual OPEB cost	5,225,687	3,567,792
Less Contributions made	1,962,502	3,200,000
Increase (decrease) in net OPEB obligation	3,263,185	367,792
Net OPEB obligation – beginning of year	(20,214,167)	(20,581,959)
Net OPEB obligation – end of year	$16,950,982)	$(20,214,167)

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) (CONTINUED)

Membership (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions as to current claims cost, projected increases in health care costs, morbidity, turnover, and interest discount. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In June 30, 2010 and 2009, the projected unit credit actuarial cost method was used. The actuarial assumptions included an 8.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.5% for fiscal year ended 6/30/09 grading up to 5.0% for fiscal year ending 6/30/19. The actuarial value of assets was determined by using the market value of the assets. The plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll assumed to grow 4% per year. The remaining amortization period as of June 30, 2010 was 27 years.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for Montgomery College

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-09	$20,632,100	$61,627,035	$40,994,935	33.48%	$113,812,228	36.02%
6-30-10	21,960,175	69,049,415	47,089,240	31.80%	117,804,463	39.97%

NOTE 23 – LONG-TERM DEBT (MC)

The College had no outstanding bonded long-term debt at June 30, 2010 and 2009.

NOTE 24 – TRANSFERS (MCF)

During the year ended June 30, 2009, management of the Foundation was instructed by one of its donors to endow a gift which originally was received with only temporary restrictions. A transfer, reflected on the Statement of Activities, has been recorded to correct this classification as of July 1, 2008. This transfer did not change total net assets as previously reported.

NOTE 25 – FAIR VALUE (MCF)

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. ASC 820-10 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1
Inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets may include securities that are traded in an active exchange market or actively traded over-the-counter markets.

Level 2
Valuation is based on directly or indirectly observable inputs other than quoted prices included with Level 1, such as: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or input other than quoted prices that are observable or can be corroborated to observable market data for substantially the full term of the asset or liability.

Level 3
Valuation is based on unobservable inputs for the asset or liability. Level 3 assets may include financial instruments whose value is determined using pricing models with internally developed assumptions, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value require significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 25 – FAIR VALUE (MCF) (CONTINUED)

As of June 30, 2010 and 2009, all of the Foundation's financial instruments have quoted prices in active markets for identical assets, that the reporting entity has the ability to access at the measurement date. Equity securities and mutual funds are valued at fair value based on quoted market prices at year-end. The fair value of certificates of deposit approximate cost. The only level 3 asset is a tract of land (MCAD property) owned by the Foundation. At June 30, 2009 the MCAD property was valued at $2,532,600, which is its 2004 appraised value. Since the property, as of June 30, 2009, had an open, contingent sales contract in effect for substantially more than its 2004 appraised value, management believed that its carrying amount of $2,532,600 did not need to be adjusted at the time. At June 30, 2010, the MCAD property is valued at $1,500,000, which is based on its current tax assessed value adjusted for changes in market prices through June 30, 2010. The property currently is not under contract.

As of June 30, assets measured at fair value on a recurring basis are summarized by level with the fair value hierarchy as follows:

	2010			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Money market funds	$ -	$ -	$ -	$ -
Certificates of deposit	-	3,572,919	-	3,572,919
Mutual funds	13,280,466	-	-	13,280,466
Equity securities	5,031	-	-	5,031
Land	-	-	1,500,000	1,500,000
	$13,285,497	$ 3,572,919	$ 1,500,000	$18,358,416

	2009			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Money market funds	$ 226,621	$ -	$ -	$ 226,621
Certificates of deposit	-	12,833,872	-	12,833,872
Mutual funds	9,866,353	-	-	9,866,353
Equity securities	581,044	-	-	581,044
Land	-	-	2,532,600	2,532,600
	$10,674,018	$ 12,833,872	$ 2,532,600	$26,040,490

NOTE 25 – FAIR VALUE (MCF) (CONTINUED)

The table below represents a reconciliation for the year ended June 30, 2010 of assets measured at fair value on a recurring basis using Level 3 inputs.

	2010	2009
Beginning balance	$ 2,532,600	$ 2,532,600
Total unrealized loss	(1,032,600)	-
Ending balance	$ 1,500,000	$ 2,532,600

Assets held for charitable gift annuities are classified at June 30 as follows:

	2010			
	Level 1	Level 2	Level 3	Total Fair Value
Money market funds	$ 36,597	$ -	$ -	$ 36,597
Certificates of deposit	-	337,612	-	337,612
	$ 36,597	$ 337,612	$ -	$ 374,209

	2009			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	$ 409,569	$ -	$ -	$ 409,569

NOTE 26 – ENDOWMENT (MCF)

The Foundation’s endowment consists of 160 individual funds (the Funds) established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 26 – ENDOWMENT (MCF) (CONTINUED)

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Foundation, Inc. and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Foundation
7) The investment policies of the Foundation.

NOTE 26 – ENDOWMENT (MCF) (CONTINUED)

The Foundation had the following changes in the endowment net assets for the fiscal year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (1,070,279)	$ 814,637	$ 13,745,140	$ 13,489,498
Contributions	-	-	851,144	851,144
Appropriations of endowment assets for expenditures	(1,884)	(257,290)	-	(259,174)
Endowment net assets after contributions and expenditures	(1,072,163)	557,347	14,596,284	14,081,468
Investment return:				
Investment income	70,060	1,684,637	-	1,754,697
Net unrealized appreciation/ (depreciation)	766,647	(1,030,472)	12,399	(251,428)
Endowment net assets, after reclassification	(235,456)	1,211,512	14,608,681	15,584,737
Other changes:				
Donor requested return of previously endowed gift	-	10,966	(100,600)	(89,634)
Donor requested endowment of previously unendowed gift	-	-	25,000	25,000
Endowment net assets, beginning of year	$ (235,456)	$ 1,222,478	$ 14,533,083	$ 15,520,103

NOTE 26 – ENDOWMENT (MCF) (CONTINUED)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 421,236	$ 2,945,960	$ 13,241,083	$ 16,608,279
Contributions	-	-	536,102	536,102
Appropriations of endowment assets for expenditures	(47,164)	(342,994)	-	(390,158)
Endowment net assets after contributions and expenditures	374,072	2,602,966	13,777,185	16,754,223
Investment return:				
Investment income	1,033	22,353	-	23,386
Net depreciation realized and unrealized	(1,445,384)	(1,810,682)	(39,447)	(3,295,513)
Endowment net assets, after reclassification	(1,070,279)	823,637	13,737,738	13,491,096
Other changes:				
Donor requested endowment of previously unendowed gift	-	-	7,402	7,402
Endowment net assets, beginning of year	$ (1,070,279)	$ 823,637	$ 13,745,140	$ 13,489,498

For one endowment, the donor has specifiied all earnings are unrestricted for general Foundation operations. Accumulated unrestricted earnings at June 30, 2010 and 2009 are $288,944 and $231,302, respectively.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $524,400 and $1,301,581 as of June 30, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

NOTE 26 – ENDOWMENT (MCF) (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund’s average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 27 – PROGRAM SERVICE DESCRIPTIONS (MCF)

Scholarships

Scholarships are established by donors' contributions and endowments and are awarded to students who have met the donors' imposed restrictions.

Student Athletics

The Student Athletics program is a designated program established for use by the College's athletic department. The program reimburses the athletic department for certain expenses incurred during the year.

NOTE 27 – PROGRAM SERVICE DESCRIPTIONS (MCF) (CONTINUED)

Student and Faculty Support

The Student and Faculty Support program distributes grants and awards to deserving individuals and academic programs. This program also includes non-cash donations received which are subsequently given to the College. Non-cash donations for fiscal years 2010 and 2009 were valued at $41,132 and $99,754, respectively.

NOTE 28 – RELATED PARTY TRANSACTIONS (MCF)

Leases

In October 2005, the Foundation entered into a Project Lease Agreement (the Project Lease) with the College, under which the College leases the Morris and Gwendolyn Cafritz Foundation Arts Center. The lease commenced on July 17, 2007, and will terminate on December 31, 2031. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of the Morris and Gwendolyn Cafritz Foundation Arts Center.

The Project Lease is deemed a capital lease, and the Foundation's asset has been shown as a net investment in capital lease on the statement of financial position since construction has been completed. The College paid the Foundation $2,352,556 during each of the years ended June 30, 2010 and 2009 as stipulated in the Project Lease. As of June 30, 2010, future payments to be received by the Foundation under this capital lease for the years ended June 30 are:

2011	$ 2,348,756
2012	2,349,756
2013	2,349,156
2014	2,351,956
2015	2,352,956
Thereafter	35,269,600
	47,022,180
Imputed interest	(16,737,180)
Total	$30,285,000

The land on which the Morris and Gwendolyn Cafritz Foundation Arts Center stands is owned by the College. The Foundation has entered into a lease agreement with the College whereby the land is leased to the Foundation for eighty years for a fee of $5,000.

NOTE 28 – RELATED PARTY TRANSACTIONS (MCF)(CONTINUED)

Leases (continued)

In November 2008, the Foundation entered into a Project Lease Agreement (the Project Lease) with the College, under which the College leases the Takoma Park/Silver Spring Parking Garage. The lease commenced on January 22, 2010 (delayed from the target date of November 1, 2009, due to weather), and will terminate on December 31, 2039. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of the Takoma Park/Silver Spring Parking Garage.

The Project Lease is deemed a sales-type lease, and the Foundation's asset will be shown as net investment in sales-type lease on the statement of financial position after construction is completed. Title to the Takoma Park/Silver Spring Parking Garage will transfer to the College upon completion of the lease. The College paid the Foundation $393,653.13 during the year ended June 30, 2010, as stipulated in the Project Lease. As of June 30, 2010, future payments to be received by the Foundation under this lease for the years ended June 30 are:

2011	$ 1,195,563
2012	1,191,381
2013	1,191,244
2014	1,190,581
2015	1,193,119
Thereafter	22,664,950
	28,626,838
Imputed interest	(11,801,838)
Subtotal	16,825,000
Less unspent bond proceeds	(1,322,943)
Total expended	$15,502,057

NOTE 29 – CONTINGENT LIABILITIES

In September 2004, as part of a transfer agreement between the College and the Maryland College of Art and Design, the Foundation received land appraised at $2,532,600. As part of an agreement between the College and the Foundation, the Foundation agreed to lease the property to the College for use as an educational facility for $1 per month, and agreed to appoint the College as its agent for negotiating a sale of the property. Upon sale of the land, the Foundation is to receive the net cash proceeds, and agrees to place the first $100,000 received into a specific scholarship fund.

NOTE 30 – TRANSFERS (MCF)

On March 17, 2010 the Foundation board voted to return gifts to three donors as the criteria for these gifts were no longer consistent with the core mission of the Foundation. These gifts reduced temporarily and permanently restricted net assets by $23,893 and $100,600, respectively.

On January 16, 2010 management was instructed by one of its donors to endow a gift which originally was received with only temporary restrictions. A transfer of $15,000, reflected on the statement of activities, has been recorded to change this classification.

On April 16, 2010 management was instructed by one of its donors to endow a gift which originally was received with only temporary restrictions. A transfer of $10,000, reflected on the statement of activities, has been recorded to change this classification.

NOTE 31 – SUBSEQUENT EVENTS (MCF)

Management evaluated subsequent events through__________, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2010, but prior to ____________ that provided additional evidence about conditions that existed at June 30, 2010, have been recognized in the consolidated financial statements for the year ended June 30, 2010. Events or transactions that provided evidence about conditions that did not exist at June 30, 2010 but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2010.

MONTGOMERY COLLEGE
Rockville, Maryland

FINANCIAL STATEMENTS
June 30, 2011 and 2010

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MONTGOMERY COLLEGE
LISTING OF BOARD OF TRUSTEES
AND SECRETARY-TREASURER TO THE BOARD OF TRUSTEES
June 30, 2011 and 2010

BOARD OF TRUSTEES

Michael C. Lin, PhD, Chair
Stephen Z. Kaufman, First-Vice Chair
Georgette W. Godwin, Second-Vice Chair
Gloria A. Blackwell
Christina Cieplak, Student
Reginald M. Felton
Kenneth J. Hoffman, M.D.
Leslie S. Levine, PhD
Roberta F. Shulman
Marsha S. Smith

DeRionne P. Pollard, PhD, Secretary-Treasurer and President of Montgomery College

Montgomery College

Office of Business Services
(240) 567-4119

MONTGOMERY COLLEGE

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

In connection with the attached Annual Financial Statements of Montgomery College, we hereby certify that:

1. The attached Annual Report is true, complete, and correct in all material respects, and the financial statements therein have been prepared in accordance with accounting principles generally accepted in the United States of America.

2. The information set forth herein, and on each of the schedules hereto, is complete and accurate in all material respects and contains full and complete disclosure of all pertinent information in connection with the operations of the College. Based on our knowledge, the Report does not contain any untrue statement of a material fact or omit a material fact.

3. We have designed such internal controls and procedures to ensure that material information relating to the College, including component units is made known to us and have established an effective system of internal control.

4. Based upon the above, we certify that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the College.

5. There has been no material adverse change in operations since the date these statements were prepared to the date of the Certification.

Date: 9/30/11

DeRionne Pollard
President

Date: September 30, 2011

Cathy Jones
Senior Vice President for Administrative
and Fiscal Services

Central Administration
900 Hungerford Drive
Rockville, MD 20850
240-567-5000

Germantown Campus
20200 Observation Drive
Germantown, MD 20876
240-567-7700

Rockville Campus
51 Mannakee Street
Rockville, MD 20850
240-567-5000

Takoma Park Campus
7600 Takoma Park Ave.
Takoma Park, MD 20912
240-567-1300

Continuing Education
51 Mannakee Street
Rockville, MD 20850
240-567-5188

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Clifton Gunderson LLP
Certified Public Accountants & Consultants

Independent Auditor's Report

Board of Trustees
Montgomery College
Rockville, Maryland

We have audited the accompanying financial statements of the business-type activities, each major fund, and the discretely presented component unit of Montgomery College (the College), a component unit of Montgomery County, Maryland, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller general of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit, and each major fund of the College as of June 30, 2011 and 2010, and respective changes in financial position and cash flows of its business-type activities and changes in net assets of its discretely presented component unit, where applicable, thereof, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report September 30, 2011 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Member of HLB International

The Management's Discussion and Analysis, Schedules of Funding Progress and Employer Contributions for Defined Benefit Retirement Plan, and Schedules of Funding Progress and Contributions for Other Post Employment Benefit Plan, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Listing of Board of Trustees and Secretary-Treasurer to the Board of Trustees as listed in the table of contents have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Baltimore, Maryland
September 30, 2011

The objective of Management's Discussion and Analysis is to help readers of Montgomery College's (the College) financial statements better understand the financial position and operating activities as of and for the fiscal years ended June 30, 2011 and 2010, with comparative information as of and for the year ended June 30, 2009. The financial statements are presented in three columns: Montgomery College, Montgomery College Foundation, and a Total column. The following discussion and analysis provides an overview of the College's financial activities. This discussion and analysis should be read in conjunction with the financial statements and notes to the financial statements.

In 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and Statement No. 35 *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* which established a new reporting model for public institutions. The College has presented the statements in compliance with this reporting model.

In addition, the College has implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement addresses the conditions under which institutions should include associated fund-raising or research foundations as component units in their financial statements. Under the previous accounting standards, the College had no component units. Under the new standards, the Montgomery College Foundation, Inc. (the Foundation) meets criteria qualifying it as a component unit. The Foundation is included in the accompanying financial statements in a separate column. However, the following discussion and analysis does not include the Foundation's financial condition and activities.

Overview of the Financial Statements

The College's financial statements consist of three basic financial statements and the notes that provide information on the accounting alternatives used, and explanatory information and detail on certain financial statement elements. The three basic financial statements are the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

The *Statement of Net Assets* presents information on the College's assets, liabilities and net assets, all as of the end of the reporting period. A net asset represents the difference between assets and liabilities, and is detailed into classifications that help readers understand the constraints that the College must consider in making decisions on expending assets. Over time, changes in net assets can help in understanding whether the financial condition of the College is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information on the changes in net assets during the year. All changes in net assets are reported as soon as the underlying event takes place, regardless of the timing of the related cash flows. Thus, revenues and expenses are recorded for some items that will result in cash flows in future fiscal years (for example tuition and fees owed by students, or vacation earned by employees but not used at year-end).

The *Statement of Cash Flows* presents information on sources and uses of cash during the year. This statement details the changes in cash and cash equivalents from the amounts reported at the end of the preceding year, to the amounts reported in the Statement of Net Assets as of the end of the current year. Sources and uses are organized into operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

The emphasis of this Management's Discussion and Analysis is on the College itself. Reference should be made to the separately audited financial statements of the component unit for additional information.

Financial and Enrollment Highlights

- The College's financial position continued to show growth as assets totaled $493.7 million at June 30, 2011, an increase of $27.0 million or 5.8% over June 30, 2010. This resulted primarily from a $30.6 million increase in short term investments, and a $24.2 million increase in capital assets. In 2010 assets totaled $466.7 million compared to 2009 where assets totaled $402.9 million, a change of $63.8 million or 15.8%. This increase was due primarily to growth in cash and short term investments, small declines in College receivables and inventories, and an 8.9% increase in capital assets. Net assets increased over that of fiscal year 2010, $30.4 million or 8.1% in fiscal year 2011. The change in net assets from June 30, 2009 to June 30, 2010 equaled $44.8 million.

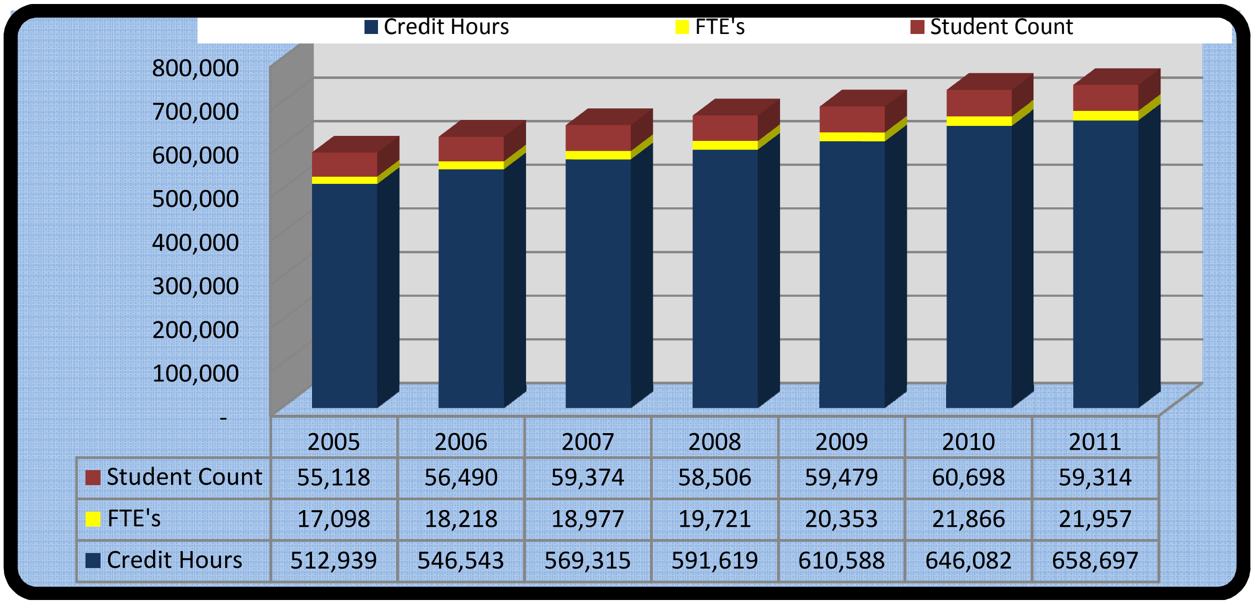
- Operating revenues increased $5.5 million or 5.0% as a result of an increase in grants and contracts. By comparison, operating revenues in 2010 increased $7.3 million or 7.2% over the prior year 2009, a result of increases in tuition rates, enrollment increases, and grants and contracts.

- Net non-operating revenues decreased $7.6 million or 5.0% as a result of decreased State and Local Appropriations and interest income. By comparison, net non-operating revenues in 2010 decreased $0.5 million or 0.3% over the prior year 2009 as a result of an increase in State & Local Appropriations, a decrease in interest income and an increase in interest expenses.

- Overall operating expenses for fiscal year 2011 decreased $1.1 million or 0.4% in 2011 as a result of net changes in spending which included: increases in instruction $0.7 million or 0.8%; institutional support $1.1 million or 2.7%, scholarships $0.3 million or 6.5%; depreciation $1.8 million or 15.0%; and state benefits $1.4 million or 12.7%. Decreased spending occurred in the areas of: academic support $0.8 million or 3.0%; student services $1.5 million or 5.5%; plant operations $1.3 million or 4.4%; auxiliary enterprises $0.6 million or 4.8% and other expenses $2.1 million or 19.5%. By comparison, 2010 operating expenses increased $14.8 million or 5.8% as a result of net changes in spending which included: increases in instruction $0.4 million or 0.5%, plant operations $1.9 million or 6.6%, institutional support $10.6 million or 34.0%, scholarships $0.6 million or 16.6%, auxiliary enterprises $0.3 million or 2.2%, other expenses $3.5 million or 49.8% and state benefits $1.4 million or 14.2%. The significant spending increase in the function of institutional support was due to OPEB allocations (Other Post Employment Benefits) for retiree health care. Decreased spending occurred in areas of:

academic support $1.7 million or 6.0%, student services $0.3 million or 1.0%, and depreciation $1.8 million or 13.1%.

- Enrollment based on FTEs (full time equivalent students) increased 91 FTEs to 21,957 or by 0.4% for 2011. FTEs for 2009 and 2010 were 20,353 and 21,866 an increase of 1,513 students or 7.4% respectively. This student FTE information is shown graphically on the following page.



	2005	2006	2007	2008	2009	2010	2011
🟥 Student Count	55,118	56,490	59,374	58,506	59,479	60,698	59,314
🟨 FTE's	17,098	18,218	18,977	19,721	20,353	21,866	21,957
🟦 Credit Hours	512,939	546,543	569,315	591,619	610,588	646,082	658,697

Statement of Net Assets

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College using the accrual basis of accounting which is similar to the accounting methods used by most private sector institutions. The statement of net assets measures the difference between assets and liabilities and is one way to measure the financial health of the College. A summarized comparison of the College's assets, liabilities, and net assets at June 30, 2011, 2010, and 2009 is listed in the table below:

Statement of Net Assets

As of June 30,	2011	2010	2009
Assets			
Current assets	$ 106,652,148	$ 100,013,528	$ 83,396,614
Non-current assets	387,052,325	366,693,191	319,492,168
Total Assets	$ 493,704,473	$ 466,706,719	$ 402,888,782
Liabilities and Net Assets			
Liabilities			
Current liabilities	$ 32,256,224	$ 34,590,298	$ 30,799,464
Non-current liabilities	53,210,332	54,304,184	39,116,751
Total Liabilities	85,466,556	88,894,482	69,916,215
Net Assets			
Invested in capital assets - net of related debt	325,884,635	300,853,138	266,184,371
Restricted for:			
Expendable - student loan program	2,025,648	2,022,556	2,019,987
Unrestricted	80,327,634	74,936,543	64,768,209
Total Net Assets	408,237,917	377,812,237	332,972,567
Total Liabilities and Net Assets	$ 493,704,473	$ 466,706,719	$ 402,888,782

- The College experienced positive growth in its unrestricted net assets in 2011, gaining $5.4 million, and was due primarily to account managers adopting a judicious approach to spending, a key aspect of MC's proactive fiscal management philosophy. Comparatively, the change in unrestricted net assets from 2009 to 2010 equaled $10.2 million or 15.7%, also due to account managers adopting a judicious approach to spending.

- Current assets increased 6.6% in 2011, consisting primarily of cash, short-term investments, and CIP receivables. From a liquidity perspective, current assets cover current liabilities 3.3 times, an indicator of excellent liquidity and ability to withstand short term demands for working capital. This rate of coverage increased from 2.9 times last year. Current assets cover 4.7 months of total operating expenses, including depreciation. For 2011, one month of operating expenses is approximately $22.6 million. For purposes of comparison, the change in current assets from 2009 to 2010 equaled $16.6 million or 19.9%, due primarily to substantial increases in cash and short term investments of 30.1%, while receivables decreased 4.3% and inventories decreased 3.7% respectively.

- Non-current assets increased to $387.1 million in 2011 from $366.7 million in 2010 on the strength of increased capital assets which grew by 6.9%. With the construction and furnishing of the Science Center on the Rockville Campus, capital assets increased $24.2 million. By comparison, non-current assets increased 14.8% from 2009 to 2010 on the strength of increased capital assets, which increased $50.5 million or 17.0%. New building construction on the Takoma Park/Silver Spring Campus in 2009 accounted for this prior year surge in capital assets.

- Current liabilities decreased by $2.3 million or 6.7% in 2011 due mainly to a 17.1% decrease of vendor payables and accrued liabilities amounting to $4.4 million. By comparison, current liabilities in 2010 increased 12.3% over 2009 mainly due to increase of vendor payables and accrued liabilities amounting to $2.1 million.

- Non-current liabilities decreased 2.0% which resulted from a $1.1 million dollar decrease in long-term liabilities. The reason for the decline is connected to long term debt, associated with lease payments for the Takoma Park Parking Deck and the Cafritz Cultural Arts Center, which became a current debt obligation. In addition, approximately $500,000 in copier leases were capitalized which adjusted the Statement of Net Assets for the College. By comparison, the variance in non-current liabilities between 2010 and 2009 equaled an increase of $15.2 million or 38.8% due to the recognition of capital obligations tied to the College's Takoma Park Parking.

Statement of Revenues, Expenses and Changes in Net Assets

A summary Statement of Revenues, Expenses and Changes in Net Assets is listed on page 10 and presents the operating results of the College, as well as non-operating revenues and expenses, and other revenues for the years ended June 30, 2011, 2010, and 2009.

Annual County and State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles as detailed by pronouncements issued by the Governmental Accounting Standards Board (GASB) Statement Nos. 34 & 35, even though these appropriated funds are used to support operating activities. Consequently, the College reflects an operating loss of $156.2 million before the appropriation of these crucial revenue streams. Adding these non-operating resources, which equaled $144.9 million in FY2011, offsets the vast majority of the operating loss, and results in an adjusted loss amount of $11.3 million. This provides a more accurate picture of the College's scale and results of operations.

Statement of Revenues, Expenses and Changes in Net Assets

	FY2011	FY2010	FY2009
Operating Revenue			
Student Tuition/Fees	$ 62,144,609	$ 62,947,084	$ 60,257,629
Grants & Contracts	38,574,284	32,267,883	26,467,651
Auxiliary Enterprises	13,212,947	13,546,012	13,825,550
Other Operating Revenue	1,484,668	1,197,439	2,070,969
Total Operating Revenue	115,416,508	109,958,418	102,621,799
Operating Expenses	271,581,690	272,640,558	257,817,238
Operating Loss	(156,165,182)	(162,682,140)	(155,195,439)
Non-Operating Revenue			
State/Local Appropriation	146,831,103	155,543,398	152,153,404
Interest Income	201,062	157,716	2,323,618
Interest Expense	(2,154,318)	(3,226,415)	(1,491,344)
Total Non-Operating Revenue	144,877,847	152,474,699	152,985,678
Loss Before Other Revenues (Expenses)	(11,287,335)	(10,207,441)	(2,209,761)
Other Revenue (Expenses)			
Capital Appropriation	41,189,215	55,834,834	50,553,908
Capital Grants/Gifts	628,185	321,431	780,845
Disposal of Capital Assets	(104,385)	(1,109,154)	(100,245)
Total Other Revenue (Expenses)	41,713,015	55,047,111	51,234,508
Change in Net Assets	30,425,680	44,839,670	49,024,747
Beginning Net Assets	377,812,237	332,972,567	283,947,820
Ending Net Assets	$ 408,237,917	$ 377,812,237	$ 332,972,567

Operating revenues grew $5.5 million or 5.0% in 2011, while the change between 2009 and 2010 was even greater since the College saw operating revenues jump by $7.3 million or 7.1% during that period.

- Tuition and fees, net of scholarship allowances, equaled $62.1 million in 2011, a slight decline (1.3%) from the 2010 total, though it is $1.9 million more than recorded for 2009. As a percentage of total operating revenues, this revenue category equals 53.8% of the total. Over the last 3 years, as a percentage of total operating revenues, this revenue category has trended downward (57.2% in 2010 and 58.7% in 2009) because tuition revenue is not growing as fast as the growth in total operating revenue.

- Grants and Contracts makes up a significant portion of the College operating revenue ($38.6 million or 33.4% in FY2011 and $32.2 million or 29.3% in FY2010), showing an increase of $6.3 million and $5.8 million in FY2011 and FY2010, respectively. Funding for Federal Pell Grants which equaled $27.6 million in 2011, has proven to be significant in both the number of students served as well as the positive effects it has generated in terms of student success.

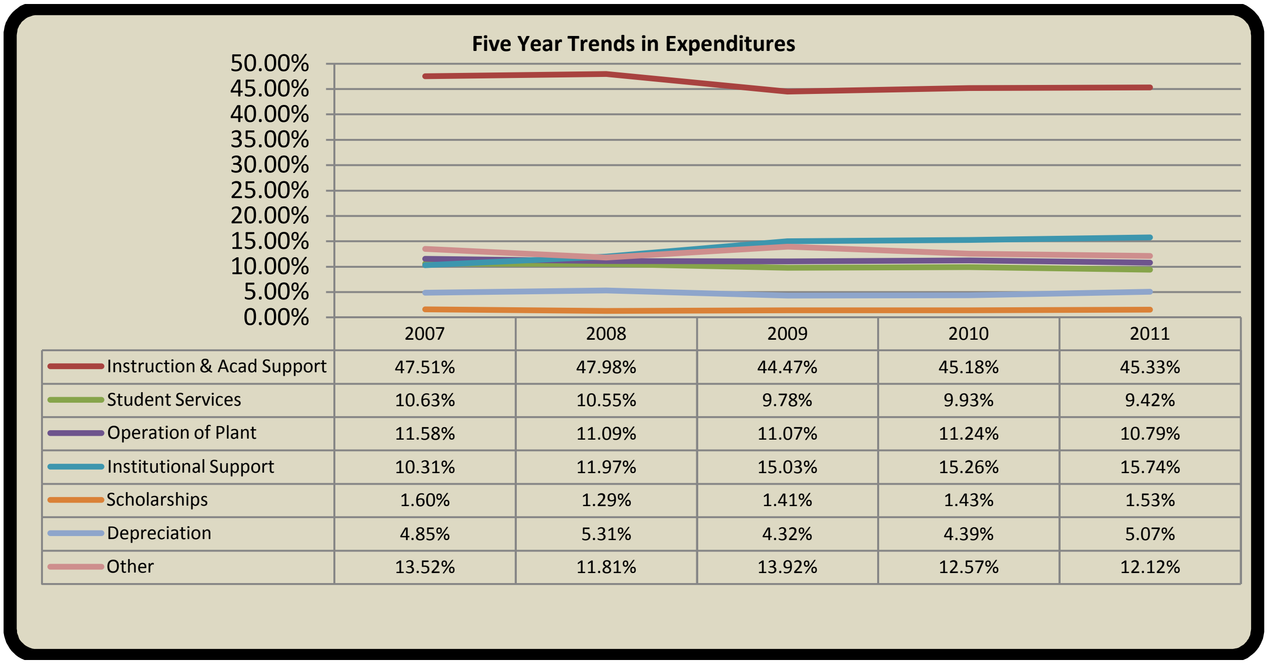
- In terms of non-operating revenues, state and local appropriations is the key variable in the table and from a budgetary perspective, this revenue category accounted for 45.6%, 49.1%,and 49.5% of the College's operating budget over the last three fiscal years respectively. The downward trend is indicative of the tough fiscal climate that has gripped the local, state, and national economies since 2008.

- Other revenues, primarily capital appropriations for land, construction, and equipment also originate from governmental sources. This category also showed a decline in 2011, a drop of $14.6 million or 26.2% for FY2011. This change reflected decisions made at the local and state level for allocations associated with the College's Master Facilities Plan. In 2010, the College recorded $55.8 million in this category and in 2009 the capital appropriation value stood at $50.5 million, which indicates strong support for the College and reflects the need to support students with appropriate classroom spaces.

Expenses by Functional Classification

The graphic below shows College spending in terms of percentages for the seven standard reporting classifications has remained relatively flat. Given the nature of incremental budgeting in use by governmental entities, including Montgomery College, this pattern should is not unusual.

- Due to the current economic climate, the rate of growth for expenses for all of the functional categories declined $1.1 million or 0.4% and College operating expenditures totaled $271.6 million in 2011 as compared to $272.6 million in 2010 and $257.8 million in 2009. The increased spending of $14.8 million or 5.7% between 2009 and 2010 is reflective of increased costs tied to state-paid benefits and the previously mentioned increase in funding allocations for the OPEB obligation.


Five Year Trends in Expenditures

	2007	2008	2009	2010	2011
Instruction & Acad Support	47.51%	47.98%	44.47%	45.18%	45.33%
Student Services	10.63%	10.55%	9.78%	9.93%	9.42%
Operation of Plant	11.58%	11.09%	11.07%	11.24%	10.79%
Institutional Support	10.31%	11.97%	15.03%	15.26%	15.74%
Scholarships	1.60%	1.29%	1.41%	1.43%	1.53%
Depreciation	4.85%	5.31%	4.32%	4.39%	5.07%
Other	13.52%	11.81%	13.92%	12.57%	12.12%

- Instructional and academic support expenditures represented $123 million or 45.3% of total College expenses in 2011, reflecting a marginal spending decrease of $89 thousand. For 2010 and 2009 instructional and academic support expenditures represented 45.2% and 48.3%, respectively of total operating expenses.

- Salaries and benefits continue to be the major component of all functional categories, except scholarships, depreciation and disposals which contain no salary expenses. In 2011, salaries and benefits accounted for 73% of all College expenditures and these employee compensation costs totaled $198.1 million (including State paid retirement costs). This represents a $4.0 million or 2.1% increase over FY2010. In FY 2010 and 2009, College salary and benefit expenditures (including State paid retirement costs), equaled $194.1 and $191.5 respectively.

- Spending in the classification Institutional Support in 2011 increased to $42.8 million from $41.6 million in 2010, a change of $1.1 million or 2.7 %. The factors associated with this change include increased cost of salaries and employee benefits. However, from 2009 to 2010, the increase in spending jumped $10.6 million, an increase of 34.0%. This significant change was due to an adjustment for OPEB in 2009.

- Scholarships and related expenses include only that portion of student aid which was paid to the student and not used to offset tuition and fees. Scholarship expenditures in the amount of $29.5 million were offset against tuition and fee income. In 2011, spending for this function equaled $4.1 million, a 6.5% increase over 2010. In 2010, spending for scholarships equaled $3.9 million, an increase of 16.6% over the 2009 spending level of $3.3 million.

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flow and its ability to meet obligations as they come due. This Statement of Cash Flows represents the significant sources and uses of cash.

	2011	2010	2009
Net cash used in operating activities	$ (128,400,880)	$ (136,080,310)	$ (133,699,936)
Net cash provided by non-capital financing activities	135,264,800	145,006,773	142,567,128
Net cash provided by (used in) capital and related financing activities	8,166,130	7,665,349	(6,857,973)
Net cash provided by (used in) investing activities	(30,485,430)	9,970,945	(5,914,354)
Increase (decrease) in cash and cash equivalents	(15,455,380)	26,562,757	(3,905,135)
Cash and cash equivalents, beginning of year	39,227,640	12,664,883	16,570,018
Cash and cash equivalents, end of year	$ 23,772,260	$ 39,227,640	$ 12,664,883

- The College's cash and cash equivalents decreased by $15.4 million for fiscal year 2011. This change reflected in 2011 was due mainly to a decrease in cash used for operating activities of $7.7 million over fiscal year 2010. In addition, cash flows for the purchase of investments decreased $40.4 million while cash flows from non-capital financing activities declined by $9.7 million due to reductions that occurred during the budgetary process concerning annual appropriations to the College. By contrast, the College's cash and cash equivalents increased by $26.6 million in 2010. This change from 2009 to 2010 was due to an increase in cash flows from non-capital financing activities of $2.4 million, net cash increases from investment activities, and net cash increases provided by capital and related financing activities, primarily an increase of $14.5 million in capital appropriations.

- A large portion of the increase provided by capital financing activities is a result of the number of large construction projects funded in 2011 through capital budget appropriations. The next largest increase is from operations due to an increase in tuition.

Economic or Regulatory Factors that Can Affect the Future of the College

Listed below are significant challenges that can impact the future of Montgomery College:

- Slow economic growth over the past several fiscal years continues to affect local and state resources and budgetary allocations to the College, which directly affects the financial condition of the College. In 2011, the County and State governments provided $134.9 million to support the College as noted in the Statement of Cash Flows on page 22. As such, the level of state and local support, employee and marketplace demand for compensation increases, and student tuition and fee increases will affect our institutional ability to expand programs, undertake new initiatives, and meet on-going operational needs of the College.

- The unemployment rate in Maryland in July, 2009, July, 2010, and July, 2011 was 7.3%, 7.4%, and 7.2% respectively. This is better than the national rate which stood at 9.1% as of August, 2011 and has been at that level or higher for about the last three years. While the unemployment rate has been trending lower for Montgomery County, the ill effects of this single factor will continue to impact the budgetary picture for months or years to come since it affects so many different governmental tax structures, revenue pools, and fiscal planning initiatives.

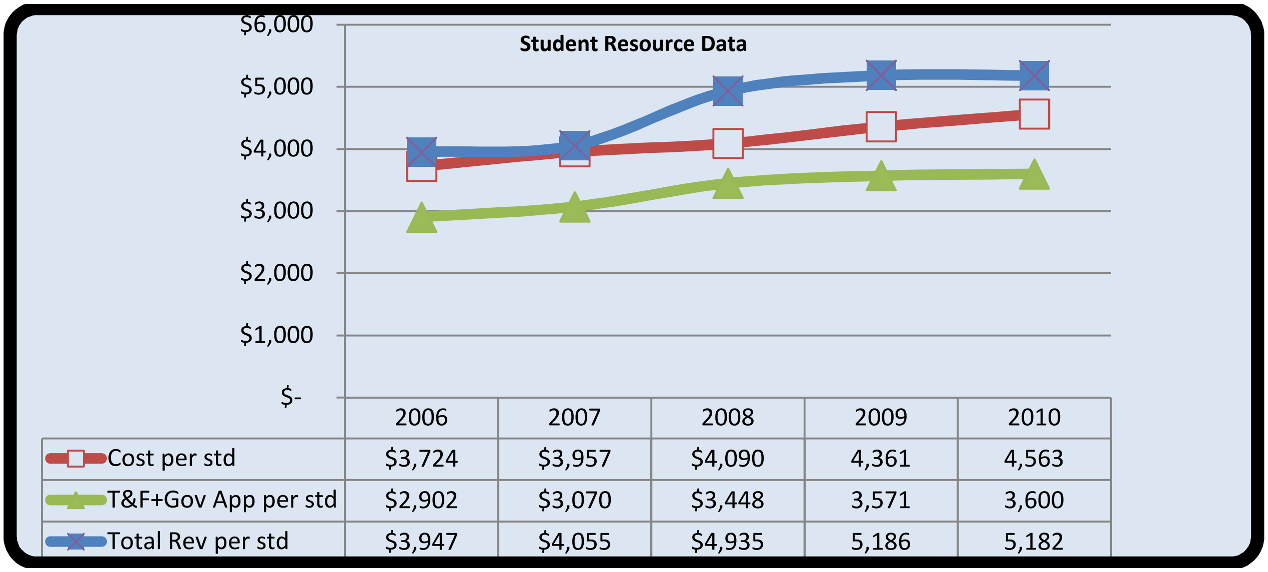
- **Other Post Employment Benefits (OPEB) financial requirements.** The County recently established an OPEB trust as a mechanism to pay for other post employment benefits, primarily health care.

- **The Montgomery County Council regarding the recently issued Office of Legislative Oversight (OLO) report "Achieving a Structurally Balanced Budget in Montgomery County."** Any number of changes could result from actions taken at the local government level which could affect the College, specifically its current revenue allocation for both operating and capital projects.

- **The Montgomery County Organizational Reform Commission.** The Commission was appointed on July 20, 2010, with the express purpose of examining how county government and its affiliated agencies are organized and spend local tax dollars. Departmental organizational structure, reporting lines of authority, and ways to streamline decision making are elements under.

- A growing and diverse public school population that increasingly looks to Montgomery College for its education will also make demands on our resources. New programs are being developed with local and grant resources to prepare this diverse public school population for College entry.

- As indicated in the graphic below, the cost per student metric continues to rise, up 22.5% in five years. Similarly, total revenues per student also show an upward trend, rising 31.3% over the last five years. The fact that the revenue to cost is a positive variance reflects well on the College’s due diligence in spending.



	2006	2007	2008	2009	2010
Cost per std	$3,724	$3,957	$4,090	4,361	4,563
T&F+Gov App per std	$2,902	$3,070	$3,448	3,571	3,600
Total Rev per std	$3,947	$4,055	$4,935	5,186	5,182

- **The effects of social media technology (SMT) on teaching and learning.** Rapid advances in the way students communicate, interact, and learn is likely to have a dramatic impact on our existing instructional delivery. Training and staff development costs could escalate and mobile technology standards are constantly evolving. Steps to ensure faculty remain ahead of the technology curve always will increase costs.

- The pressure to address high priority needs, contingencies and requirements for deferred maintenance, new technology, repairs and maintenance, replacement equipment, and new construction projects are major challenges facing the College.

- **Pressure on the operating budget due to the growth in capital construction projects.** For every new building that comes on-line, such as the Science Center at the Rockville Campus (2011), Germantown Bioscience Education Center (2013), Rockville Science East & West Renovations (2013 & 2015) and Germantown Science & Applied Studies Renovation (2014), creates associated operating costs. These costs create budgetary pressure.

In conclusion, the College remains fiscally responsible and always vigilant about internal and external factors that have the potential to affect the College's ability to conduct financial business and fulfill its mission. The College resolves to meet these challenges.

Contacting the College's Financial Management

The financial report is designed to provide interested parties with a general overview of Montgomery College's finances. If you have questions about this report or require additional financial information, contact Montgomery College, Office of Business Services, 900 Hungerford Drive, Rockville, Maryland 20850.

FINANCIAL STATEMENTS

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
June 30, 2011

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
ASSETS			
Cash assets:			
Cash and cash equivalents:	$ 23,772,260	$ 3,035,240	$ 26,807,500
Short-term investments	63,744,560	4,243,833	67,988,393
CIP receivable	6,889,919	-	6,889,919
Student accounts receivable	3,622,323	-	3,622,323
Student loans receivable	217,443	-	217,443
Grants and contracts receivable	1,998,214	-	1,998,214
Governmental appropriations receivable	1,782,474	-	1,782,474
Pledges receivable	-	684,548	684,548
Other receivables	1,571,086	-	1,571,086
Inventory	1,679,744	-	1,679,744
Prepaid expenses and other assets	1,374,125	155,431	1,529,556
Total current assets	106,652,148	8,119,052	114,771,200
Non-current assets:			
Student loans receivable - net	1,636,613	-	1,636,613
Pledges receivable	-	1,255,690	1,255,690
Deposits	47,819	-	47,819
Investments	-	21,024,694	21,024,694
Assets held in charitable remainder trusts	-	350,786	350,786
OPEB asset value	13,268,057	-	13,268,057
Deferred financing costs	-	703,367	703,367
Net investment in capital lease	-	45,720,000	45,720,000
Capital assets - net	372,099,836	2,750,000	374,849,836
Total non-current assets	387,052,325	71,804,537	458,856,862
TOTAL ASSETS	$ 493,704,473	$ 79,923,589	$ 573,628,062
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities**:**			
Accounts payable and accrued expenses	$ 21,239,378	$ 538,801	$ 21,778,179
Overdrafts	2,534,082	-	2,534,082
Compensated absences	452,884	-	452,884
Unearned revenue	4,747,128	1,179,911	5,927,039
Due to other organizations	1,656,834	-	1,656,834
Current portion of long-term liabilities	1,625,918	1,590,000	3,215,918
Total current liabilities	32,256,224	3,308,712	35,564,936
Non-current liabilities:			
Compensated absences	8,433,389	-	8,433,389
Long-term liabilities	44,776,943	44,824,896	89,601,839
Annuities payment from charitable remainder trusts	-	1,195,590	1,195,590
Total non-current liabilities	53,210,332	46,020,486	99,230,818
TOTAL LIABILITIES	85,466,556	49,329,198	134,795,754
NET ASSETS			
Invested in capital assets - net of related debt	325,884,635	-	325,884,635
Restricted for:			
Expendable- student loan programs	2,025,648	-	2,025,648
Unrestricted	80,327,634	7,178,330	87,505,964
Temporarily restricted	-	8,364,251	8,364,251
Permanently restricted	-	15,051,810	15,051,810
TOTAL NET ASSETS	408,237,917	30,594,391	438,832,308
TOTAL LIABILITIES AND NET ASSETS	$ 493,704,473	$ 79,923,589	$ 573,628,062

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
June 30, 2010

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
ASSETS			
Cash assets:			
Cash and cash equivalents:	$ 39,227,640	$ 3,095,982	$ 42,323,622
Short-term investments	33,125,002	4,188,824	37,313,826
CIP receivable	14,380,410	-	14,380,410
Student accounts receivable	4,308,987	-	4,308,987
Student loans receivable	177,439	-	177,439
Grants and contracts receivable	1,170,661	-	1,170,661
Governmental appropriations receivable	2,120,760	-	2,120,760
Pledges receivable	-	800,813	800,813
Other receivables	1,405,930	-	1,405,930
Inventory	1,641,351	-	1,641,351
Prepaid expenses and other assets	2,455,348	95,761	2,551,109
Total current assets	100,013,528	8,181,380	108,194,908
Non-current assets:			
Student loans receivable - net	1,732,494	-	1,732,494
Pledges receivable	-	1,914,850	1,914,850
Deposits	63,497	-	63,497
Investments	-	17,737,410	17,737,410
Assets held in charitable remainder trusts	-	374,209	374,209
OPEB asset value	16,950,982	-	16,950,982
Deferred financing costs	-	737,697	737,697
Net investment in capital lease	-	30,285,000	30,285,000
Capital assets - net	347,946,218	18,252,057	366,198,275
Total non-current assets	366,693,191	69,301,223	435,994,414
TOTAL ASSETS	$ 466,706,719	$ 77,482,603	$ 544,189,322
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities**:**			
Accounts payable and accrued expenses	$ 25,633,469	$ 678,448	$ 26,311,917
Overdrafts	1,160,030	-	1,160,030
Compensated absences	480,681	-	480,681
Unearned revenue	4,548,397	8,500	4,556,897
Due to other organizations	1,302,721	-	1,302,721
Current portion of long-term liabilities	1,465,000	1,540,000	3,005,000
Total current liabilities	34,590,298	2,226,948	36,817,246
Non-current liabilities:			
Compensated absences	8,415,192	-	8,415,192
Long-term liabilities	45,888,992	46,431,350	92,320,342
Annuities payment from charitable remainder trusts	-	1,155,291	1,155,291
Total non-current liabilities	54,304,184	47,586,641	101,890,825
TOTAL LIABILITIES	88,894,482	49,813,589	138,708,071
NET ASSETS			
Invested in capital assets - net of related debt	300,853,138	-	300,853,138
Restricted for:			
Expendable- student loan programs	2,022,556	-	2,022,556
Unrestricted	74,936,543	6,388,089	81,324,632
Temporarily restricted	-	6,747,843	6,747,843
Permanently restricted	-	14,533,082	14,533,082
TOTAL NET ASSETS	377,812,237	27,669,014	405,481,251
TOTAL LIABILITIES AND NET ASSETS	$ 466,706,719	$ 77,482,603	$ 544,189,322

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues:			
Student tuition and fees, net of scholarship allowance of $29,461,248	$ 62,144,609	$ -	$ 62,144,609
Federal grants and contracts	32,902,114	-	32,902,114
State grants and contracts	3,902,560	-	3,902,560
Local grants and contracts	1,769,610	-	1,769,610
Gifts and contributions	-	2,358,477	2,358,477
Auxiliary enterprises	13,212,947	-	13,212,947
Other operating revenues	1,484,668	269,912	1,754,580
Total operating revenues	115,416,508	2,628,389	118,044,897
Operating expenses:			
Educational and general			
Instruction	96,747,148	-	96,747,148
Academic support	26,347,329	-	26,347,329
Student services	25,587,120	58,512	25,645,632
Operation of plant	29,310,179	-	29,310,179
Institutional support	42,750,553	-	42,750,553
Scholarships and related expenses	4,148,304	1,248,298	5,396,602
Depreciation expense	13,766,562	-	13,766,562
Student and faculty support	-	817,857	817,857
Administrative and resource development	-	689,482	689,482
Auxiliary enterprises	12,083,879	-	12,083,879
Other expenditures	8,581,915	-	8,581,915
State paid benefits	12,258,701	-	12,258,701
Total operating expenses	271,581,690	2,814,149	274,395,839
OPERATING LOSS	(156,165,182)	(185,760)	(156,350,942)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	146,831,103	-	146,831,103
Investment and interest income	201,062	5,284,481	5,485,543
Interest expense	(2,154,318)	(2,173,344)	(4,327,662)
NON-OPERATING REVENUES	144,877,847	3,111,137	147,988,984
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(11,287,335)	2,925,377	(8,361,958)
Capital appropriations	41,189,215	-	41,189,215
Capital grants, contracts and gifts	628,185	-	628,185
Disposal of capital assets	(104,385)	-	(104,385)
	41,713,015	-	41,713,015
INCREASE IN NET ASSETS	30,425,680	2,925,377	33,351,057
NET ASSETS, BEGINNING OF YEAR	377,812,237	27,669,014	405,481,251
NET ASSETS, END OF YEAR	$ 408,237,917	$ 30,594,391	$ 438,832,308

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2010

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues:			
Student tuition and fees, net of scholarship allowance of $24,101,334	$ 62,947,084	$ -	$ 62,947,084
Federal grants and contracts	26,188,029	-	26,188,029
State grants and contracts	4,092,455	-	4,092,455
Local grants and contracts	1,987,399	-	1,987,399
Gifts and contributions	-	2,581,828	2,581,828
Auxiliary enterprises	13,546,012	-	13,546,012
Other operating revenues	1,197,439	168,351	1,365,790
Total operating revenues	109,958,418	2,750,179	112,708,597
Operating expenses:			
Educational and general			
Instruction	96,011,817	-	96,011,817
Academic support	27,171,916	-	27,171,916
Student services	27,086,110	76,153	27,162,263
Operation of plant	30,657,968	-	30,657,968
Institutional support	41,617,082	-	41,617,082
Scholarships and related expenses	3,893,616	1,033,672	4,927,288
Depreciation expense	11,973,317	-	11,973,317
Student and faculty support	-	714,531	714,531
Administrative and resource development	-	713,559	713,559
Auxiliary enterprises	12,690,577	-	12,690,577
Other expenditures	10,659,446	-	10,659,446
State paid benefits	10,878,709	-	10,878,709
Total operating expenses	272,640,558	2,537,915	275,178,473
OPERATING INCOME (LOSS)	(162,682,140)	212,264	(162,469,876)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	155,543,398	-	155,543,398
Investment and interest income	157,716	2,783,560	2,941,276
Interest expense	(3,226,415)	(1,947,838)	(5,174,253)
NON-OPERATING REVENUES	152,474,699	835,722	153,310,421
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(10,207,441)	1,047,986	(9,159,455)
Capital appropriations	55,834,834	-	55,834,834
Capital grants, contracts and gifts	321,431	-	321,431
Disposal of capital assets	(1,109,154)	-	(1,109,154)
	55,047,111	-	55,047,111
INCREASE IN NET ASSETS	44,839,670	1,047,986	45,887,656
NET ASSETS, BEGINNING OF YEAR	332,972,567	26,621,028	359,593,595
NET ASSETS, END OF YEAR	$ 377,812,237	$ 27,669,014	$ 405,481,251

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 63,030,003	$ 61,815,168
Grants and contracts	37,592,853	32,182,940
Payments to suppliers	(53,587,819)	(60,098,990)
Payments to employees	(185,942,885)	(180,290,363)
Payments for scholarships	(4,148,304)	(3,893,616)
Loans issued to students	(98,500)	(133,000)
Collection of loans from students	221,313	180,645
Auxiliary enterprises	13,212,947	13,546,012
Other receipts	1,319,512	610,894
Net cash used in operating activities	(128,400,880)	(136,080,310)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State and local appropriations	134,910,688	144,784,939
Federal Family Education Loans lending receipts	-	9,193,533
Federal Family Education Loans lending disbursements	-	(9,193,533)
Student organization agency transactions - net	354,112	221,834
Net cash provided by non-capital financing activities	135,264,800	145,006,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	48,679,706	58,301,947
Capital gains	628,185	321,432
Purchase of capital assets	(37,439,927)	(46,791,615)
Payments for capital lease	(1,547,516)	(940,000)
Interest	(2,154,318)	(3,226,415)
Net cash provided by capital and related financing activities	8,166,130	7,665,349
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	62,105,307	61,577,910
Interest on investments	134,128	153,509
Purchase of investments	(92,724,865)	(51,760,474)
Net cash provided by (used in) investing activities	(30,485,430)	9,970,945
INCREASE IN CASH AND CASH EQUIVALENTS	(15,455,380)	26,562,757
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,227,640	12,664,883
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 23,772,260	$ 39,227,640
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (156,165,182)	$ (162,682,140)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	13,766,561	12,904,647
Governmental non-exchange	12,258,701	10,878,709
OPEB benefit cost	3,682,924	3,263,185
Effects of changes in operating assets and liabilities:		
Receivables - net	(1,299,873)	(1,487,918)
Inventory	(38,393)	63,872
Loans to students - net	122,811	47,645
Other assets	1,167,462	791,645
Accounts payable	(2,085,022)	433,615
Unearned revenue	198,731	(315,493)
Compensated absences	(9,600)	21,923
NET CASH USED IN OPERATING ACTIVITIES	$ (128,400,880)	$ (136,080,310)
SUPPLEMENTAL DISCLOSURE OF NON-CASH ITEMS		
Capital assets acquired under capital lease	$ 594,637	$ 16,825,000

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF FIDUCIARY NET ASSETS
OPEB TRUST FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and short-term investments	$ 53,857	$ 2,563,139
Interest and dividends receivable	71,580	80,832
Investments, at fair value:		
Mutual Funds - equity	10,860,629	5,603,465
Mutual Funds - fixed income	5,897,092	4,135,086
US Government Issues	7,580,470	9,577,653
Total investments	24,338,191	19,316,204
Total assets	24,463,628	21,960,175
Liabilities	-	-
Net assets held in trust for other post-employment benefits	$ 24,463,628	$ 21,960,175

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
OPEB TRUST FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Additions		
Employer contributions	$ 102,778	$ 549,538
Investment income:		
Net appreciation in fair value of investments	1,866,238	615,579
Interest	310,523	44,272
Dividends	362,662	239,118
Total investment income	2,539,423	898,969
Total additions	2,642,201	1,448,507
Deductions		
Administrative expense	138,748	120,432
Net increase	2,503,453	1,328,075
Net assets held in trust for other post-employment benefits		
Beginning of year	21,960,175	20,632,100
End of year	$ 24,463,628	$ 21,960,175

The accompanying notes are an integral part of the financial statements.

NOTE 1 – REPORTING ENTITY (MC & MCF)

Reporting Entity

Montgomery College (the College) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State).

The College is governed by a ten member Board of Trustees, nine of whom are appointed for six-year terms by the Governor of Maryland with the advice and consent of the State Senate, and one of whom is a student appointed by the Governor to serve a one-year term.

The College's budget is subject to approval by the Montgomery County Council (the County). The Annotated Code of Maryland states that in order for a board (College) to receive an increase in the State share of support, the County share, in the aggregate, that supports the community college shall be equal to or exceed the aggregate amount of operating fund appropriations made to the board by the County in the previous fiscal year'. State funding is based on enrolled eligible full-time equivalent students (marginal cost component) and a fixed cost component.

Montgomery College Foundation (the Foundation or MCF) is a legally separate, tax-exempt organization established to enhance the College's mission through fund-raising that benefits the College and its programs. The twenty-two member board of the Foundation is self-perpetuating and consists of alumni and friends of the College. The majority of resources that the Foundation holds and invests are restricted to the activities of the College by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Complete financial statements for the Foundation can be obtained from the administrative office listed below:

Montgomery College Foundation, Inc.
Director of Finance
900 Hungerford Drive, Suite 200
Rockville, Maryland 20850

During the years ended June 30, 2011 and 2010, the Foundation distributed $1,703,699 and $1,589,239, respectively, to the College for both restricted and unrestricted purposes.

Although the College is not a County agency, as a result of the College's relationship with the County, the College's financial statements are considered component unit statements and are properly included in the Comprehensive Annual Financial Report of the County, in accordance with generally accepted accounting principles. Transactions with the County relate primarily to appropriations for operations and capital improvements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (MC & MCF)

The College follows the reporting and disclosure requirements for special purpose governments involved in business-type activities as outlined in Governmental Accounting Standards Board (GASB) Statements Nos. 34, 35 and 38. This provides an entity-wide perspective in the financial statement presentation. These standards require capitalization of assets, recording of depreciation, presentation of management's discussion and analysis, required supplementary information and presentation of a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Limited presentation modifications have been made to the Foundation's financial statement format and included in the College's financial statement.

Basis of Accounting (MC)

The College's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when a liability is incurred.

Use of Estimates in Preparing Financial Statements (MC & MCF)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Scholarship Allowances (MC)

The College's tuition and fees revenue is reported net of any scholarship allowance. A scholarship allowance is defined as the difference between the stated charge for tuition, goods, and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The scholarship allowance represents the amount of dollars the College receives as tuition from outside resources such as the Title IV Federal Grant Program, restricted grants, and the College's own Board of Trustees grants. Funds received for tuition costs from outside resources are reported in the appropriate revenue classification. Certain aid such as loans and third party payments are credited to the student's account as if the student made the payment. For fiscal year 2011 and 2010, the College netted student aid expense in the amount of $30,726,615 and $25,151,434 against tuition revenue of $29,461,248 and $24,101,334 and auxiliary enterprises revenue of $1,267,367 and $1,050,100, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (MC)

Revenue is recognized on an accrual basis with the establishment of corresponding accounts receivable. Tuition receivables are uncollateralized obligations of students resulting from course registrations. Accounts receivable also include transactions involving governmental appropriations, student loans, grants and contracts, and financial aid. The allowance method for accounts receivable is used to measure bad debts. The allowance for doubtful accounts is determined based upon aging analysis and management's estimation of collectability of such accounts.

Federal Financial Assistance Programs (MC)

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Loans and Perkins Loan programs. Federal programs are audited in accordance with the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement*.

Operating and Non-Operating Components (MC & MCF)

Financial statement operating components include all transactions and other events that are not defined as capital and related financing, noncapital financing or investing activities. The College's principle ongoing operations determine operating flow activities. Ongoing operations of the College include, but are not limited to, providing intellectual, cultural and social services through two-year associate degree programs, continuing education programs and continuous learning programs. Operating revenues of the College consists of tuition and fees, grants and contracts, and auxiliary enterprises revenues.

Financial statement non-operating components include transactions and other events that are defined as non-capital financing activities, capital financing activities, and investing activities. Non-capital financing activities include borrowing money for purposes other than to acquire, construct or improve capital assets and repaying those amounts borrowed, including interest. Also included are certain interfund and intergovernmental receipts and payments such as state appropriations, Federal Family Education loans, and student organization agency transactions. Capital financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) long-term borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit. Investing activities includes acquiring and disposing of debt or equity instruments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrances (MC)

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials and services not received during the year. Encumbrances at year-end were approximately $40,808,590, which represents the estimated amount of expense ultimately to result if unperformed obligations are completed. Encumbrances outstanding at June 30, 2011 do not constitute expenses or liabilities and are not reflected in these financial statements.

Net Assets (MC)

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance". Net assets are classified according to external restrictions or availability of assets for satisfaction of College obligations. Restricted net assets are reported as either expendable or nonexpendable. The unrestricted net assets for the years ended June 30, 2011 and 2010 was earmarked for:

	2011	2010
Encumbrances	$ 27,069,366	$ 17,516,142
Emergency repairs and maintenance	665,960	552,322
Reserve for major facility projects	8,095,555	7,914,986
Reserve for OPEB contribution	13,268,057	16,942,482
Quasi-endowment	597,548	618,446
Other purposes	30,631,148	31,392,165
Total	$ 80,327,634	$ 74,936,543

Expenditures of quasi-endowment funds require approval by the Board of Trustees.

Net Assets (MCF)

Net assets, which result from contributions or other inflows of assets from donors, are reported as unrestricted or restricted based on stipulations of the donor. Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations or their use. Temporarily restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. Permanently restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the Foundation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (MCF) (CONTINUED)

Temporarily restricted net assets of $8,364,251 and $6,747,843 as of June 30, 2011 and 2010, respectively consisted of funds restricted for scholarship purposes and other specified programs. Net assets released from restrictions were funds restricted for scholarship purposes and other specified programs whose restrictions were satisfied. Permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support the general obligations of the Foundation and to provide scholarships.

Restricted Net Assets - Expendable and Nonexpendable (MC)

The College's restricted net assets have constraints placed upon them either: (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As such, GASB No. 34 requires the College's restricted net assets to be delineated on the financials as either expendable or nonexpendable. Nonexpendable net assets are required to be maintained in perpetuity. The College had no nonexpendable net assets at June 30, 2011 or 2010. Expendable net assets, for which there are externally imposed constraints, are obligated or expended with the condition(s) of the constraints. Expendable net assets represent amounts in the Perkins revolving loan fund.

Cash and Cash Equivalents (MC & MCF)

Cash equivalents are items that are readily convertible to cash while carrying an insignificant risk of change in value. Cash equivalents have original maturities at the date of purchase of three months or less.

Short-term Investments (MC & MCF)

Short-term investments with maturities of less than 90 days on June 30, 2011 have been included as cash and cash equivalents and consist of banker's acceptances, U.S. Government Agency and Sponsored Instruments, and the Maryland Local Government Investment Pool. All such short-term investments for the College are carried at amortized cost. Short-term investments held by the Foundation classified as cash and cash equivalents are carried at fair value.

Current and Non-Current (MC & MCF)

Current assets include cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or consumed during a normal operating cycle of business, usually one year or less, without interfering with the normal business operation. They can consist of cash, inventories, accounts receivable, notes receivable, marketable securities, and prepaid expenses which meet the conditions stated above. Current liabilities are defined as obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. Other assets and liabilities which extend past the one year period are classified as non-current.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unamortized Interest (MCF)

Notes payable between the Foundation and the Montgomery County Revenue Authority (the Authority) are funded by bonds issued by the Authority. These bonds have been sold at a premium or discount to their par value. The Foundation received the proceeds from these bond issues net of the costs to issue the bonds and reduced for or increased by the discount or premium on the bonds. The discount or premium has been recorded as an interest adjustment that is being amortized over the life of the note to interest expense.

Inventories (MC)

Inventories, consisting principally of bookstore merchandise and supplies, are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market. The cost is recorded as an expense as the inventory is consumed.

Unearned Revenue (MC)

Tuition and fee revenues received and related to the period after June 30, 2011 have been deferred.

Investment in Capital Assets (MC)

Capital assets are long-lived tangible assets which include real property (land and buildings) and personal property (equipment, library books, art works). This class of assets will benefit future periods as an asset rather than being treated as an expense in the period that the expenditure occurs. Capital assets are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and other tangible assets that have initial useful lives extending beyond a single reporting period. Normally, a dollar threshold is established for each item in this class prior to being classified as a capital asset. The College’s policy limit for capitalization is $5,000.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Capital Assets (MC) (CONTINUED)

The basis of valuation for assets constructed or purchased is cost, while assets acquired by gift are their fair market values. The College records depreciation on all capital assets in accordance GASB Statement No. 35, except for land and art works, and it is not allocated to the functional expenditure categories. Land is not depreciated as it is considered to have an indefinite useful life. Expenditures for construction in progress are capitalized as incurred. The entire library collection is recorded and valued at cost or estimated cost as a unit without regard to individual item cost. Depreciation is computed on a straight-line basis over estimated useful lives as noted below (depreciation starts in the first full year after the year of acquisition):

Buildings (including infrastructures, alterations, renovations, and renewals and replacements)	35 years
Library books	10 years
Furniture and equipment - acquired prior to July 1, 2005	7 years
Furniture and equipment - acquired subsequent to July 1, 2005 as follows:	
Computer equipment	3 years
Computer infrastructure	5 years
Equipment	3-7 years
Vehicles	7 years
Instructional equipment	7 years

Land (MCF)

Land is recorded at its appraised value upon receipt of the donation to the Foundation. The land is held primarily for use by the College in support of its operations. Expenditures for any maintenance of the land are paid by the College.

Management reviews the carrying value of the land asset for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be coverable. If such review indicates that the asset is impaired, given that the carrying amount of the asset exceeds its fair value as of the measurement date, the asset's carrying amount is written down to fair value. Long-lived assets to be disposed of are written down to the lower of cost or fair value, less estimated costs to sell. Impairment was recognized in the amounts of $0 and $1,032,600 for years ended June 30, 2011 and 2010, respectively, and is included in capital assets on the Statement of Net Assets. The impairment in 2010 was due to the decline in market value.

Valuation of Investments (MCF)

Investments are stated at fair value as determined by quoted market price. Both realized and unrealized gains and losses in fair value are reflected in the Statement of Activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges (MCF)

Legally enforceable pledges are recorded as support in the year the pledges are made. Payments to be received in periods beyond one year are reflected at their present value based on the five year treasury bill rate of 3%. Pledges deemed uncollectible are charged directly against gift and contribution revenue and pledges receivable is reduced. The current allowance for uncollectible pledges is 3%.

Contributions of temporarily restricted net assets that are received and expended in the same fiscal year are treated as temporarily restricted revenue and net assets released from restriction in that year.

Permanently restricted Contributions – Contributions subject to donor-imposed stipulations that must be maintained in perpetuity by the Foundation are included in permanently restricted net assets. Generally, the donors of these assets permit the Foundation to use all or part of the income earned and capital gains on related investments, if any, for general or specific purposes.

Temporarily Restricted Contributions – Contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time are included in temporarily restricted net assets.

Unrestricted Contributions – Contributions are subject to donor-imposed stipulations, or whose restrictions have been satisfied, or are recorded as unrestricted net assets.

Non-cash Contributions (MCF)

Non-cash contributions are recorded at their fair value on the date of receipt. Certain non-cash items received are donations to the College for educational support.

Concentration of Credit Risk (MCF)

The Foundation maintains its cash, cash equivalents and investments in accounts which are insured by the FDIC up to specified limits and may, at times, exceed the federally insured limits. Cash in bank as of June 30, 2011 and 2010 was $7,383,673 and $6,785,430, respectively. The Foundation has not experienced any losses on such accounts and management does not believe that it is exposed to any significant financial risk.

Reclassifications (MC & MCF)

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF)

Montgomery College Cash, Cash Equivalents and Investments

As of June 30, 2011 and 2010, the College's carrying amount of cash, cash equivalents, and short-term investments consisted of the following:

	2011	2010
Cash	$ 478,004	$ 190,253
Cash equivalent - MLGIP	22,624,375	10,098,334
Cash equivalent - investments	669,881	28,939,053
Total cash and cash equivalents	23,772,260	39,227,640
Short-term investments	63,744,560	33,125,002
Total	$ 87,516,820	$ 72,352,642

Custodial Credit Risks. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized; collateralized with the securities held by the pledging bank; collateralized with securities held by the pledging bank's trust department or agent but not in the College's name.

The carrying amount for College deposits was $304,061 and $75,057 as of June 30, 2011 and 2010, respectively. Petty cash and cashier's change funds of $173,942 and $115,198 as of June 30, 2011 and 2010, respectively, are excluded from these amounts. Actual bank statement balances totaled $1,434,579 and $357,215 at the end of fiscal years 2011 and 2010, respectively. Collateral was maintained during the year to secure all deposits and investments as specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.

Article 95, Section 22 and Section 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland authorizes, and the College's adopted investment policy authorizes, the College to invest surplus cash in U.S. Treasury obligations, U.S. governmental agencies and instrumentalities securities, collateralized certificates of deposit, repurchase agreements, the Maryland Local Government Investment Pool (MLGIP), and bankers' acceptances. In the opinion of management, the College is in compliance with all provisions of the Annotated Code of Maryland and the College's investment policy.

During the year, the College invested in bankers' acceptances, Certificates of Deposit and U. S. Government agency and instrumentalities securities with no maturities extending past June 5, 2012. The College also invested in the MLGIP with collateral being held for the pool consisting of U.S. Government and agency securities, bankers' acceptances, commercial paper, and corporate bonds. The MLGIP is managed by PNC Bank under contract with the State of Maryland. Collateral was held at the Bank of New York in the College's name. The collateral balance was maintained throughout the year in sums in excess of any single day bank balance.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Montgomery College Cash, Cash Equivalents and Investments (CONTINUED)

The longest length to maturity at time of purchase of any one investment was one year. These investments are reported in the College's balance sheet at amortized cost. The College also invests funds in the MLGIP, an external investment pool, a "2a-7 like pool". All securities in the MLGIP are valued daily by MLGIP on an amortized basis. In conformance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, these assets are carried at an amortized basis in the College's balance sheet.

The College's investments as of June 30, 2011 and 2010 in MLGIP consist of the following:

	Unrestricted	Other Post Employment Benefits	Total
June 30, 2011			
Cash equivalents	$ 22,621,435	$ 848	$ 22,622,283
Accrued interest	2,092	-	2,092
	$ 22,623,527	$ 848	$ 22,624,375
June 30, 2010			
Cash equivalents	$ 10,094,770	$ 849	$ 10,095,619
Accrued interest	2,716	-	2,716
	$ 10,097,486	$ 849	$ 10,098,335

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, establishes and modifies disclosure requirements related to investment and deposit risks:

- Credit Risk
- Custodial Credit Risk
- Concentrations of Credit Risk
- Interest Rate Risk
- Foreign Currency Risk

NOTE 3 – CASH AND INVESTMENTS (MC & MCF)

As of June 30, 2011 the College had the following investments and maturities.

		Investment Maturities (in Months)			
Investment Type	**Total**	**Less than 6**	**7-12**	**13 - 18**	**19-24**
U.S. Agency:					
FHLB coupon	$ 5,999,500	$ -	$ 5,999,500	$ -	$ -
FHLB discount note	8,989,594	5,997,136	2,992,458	-	-
Farmer Mac discount note	16,969,565	4,997,628	11,971,937	-	-
Fed Farm Credit Bureau coupon	3,000,000	-	3,000,000	-	-
Fed Farm Credit Bureau discount note	7,987,271	-	7,987,271	-	-
Bankers acceptances	3,468,511	3,468,511	-	-	-
Certificates of deposit	18,000,000	-	18,000,000	-	-
Local Government Investment Pool	22,624,375	22,624,375	-	-	-
Total	$ 87,038,816	$ 37,087,650	$ 49,951,166	$ -	$ -

As of June 30, 2010 the College had the following investments and maturities.

		Investment Maturities (in Months)			
Investment Type	**Total**	**Less than 6**	**7-12**	**13 - 18**	**19-24**
U.S. Agency:					
FHLB coupon	$ 5,017,000	$ -	$ 5,017,000	$ -	$ -
FHLB discount note	16,981,227	13,985,514	2,995,713	-	-
Farmer Mac coupon	3,000,000	-	3,000,000	-	-
Fed Farm Credit Bureau coupon	6,059,340	-	6,059,340	-	-
Fed Farm Credit Bureau discount note	8,982,636	2,998,388	5,984,248	-	-
Bankers acceptances	14,023,852	14,023,852	-	-	-
Certificates of deposit	8,000,000	-	8,000,000		
Local Government Investment Pool	10,098,334	10,098,334	-	-	-
Total	$ 72,162,389	$ 41,106,088	$ 31,056,301	$ -	$ -

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, the College’s investments were rated as follows:

	2011			2010		
Investment Type	**S&P**	**Moody's**	**Fitch**	**S&P**	**Moody's**	**Fitch**
U.S. Agency:						
FHLB coupon	AAA	AAA	AAA	AAA	AAA	AAA
FHLB discount note	AAA	AAA	AAA	AAA	AAA	AAA
Farmer Mac DNS	AAA	AAA	AAA	AAA	AAA	AAA
Fed Farm Credit Bureau coupon	AAA	AAA	AAA	AAA	AAA	AAA
Fed Farm Credit Bureau discount note	AAA	AAA	AAA	AAA	AAA	AAA
Bankers acceptances - JP Morgan Chase	AA-	Aa1	AA	AA-	Aa1	AA
Certificates of deposit	A+	A1	AA-	A+	Aa2	A+

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the College's investment policy limits the maturity length to one year with special approval required to purchase a security not to exceed two years.

Credit Risk. The College's investment policy does not allow investments in commercial paper nor corporate bonds. The College's investment policy does allow investments in Money Market Treasury Funds. These funds must be operated in accordance with Rule 2a-7 and have the highest possible rating from at least one NRSRO as designated by the SEC. The MLGIP functions as a U.S. Treasury Money Market Fund and is under contract with the State of Maryland Treasurer's Office. The MLGIP was rated AAAm by Standard & Poor's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party, because the securities are not insured and are not registered in the College's name and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name. During the years ended June 30, 2011 and 2010, the College did not invest in any repurchase agreements. The College's investment policy requires all collateral be held by an independent third party with whom the College has a current custodial agreement in a segregated account with a clearly marked evidence of ownership and a safekeeping receipt supplied to the College.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, 2011, the College's investments (listed at Original Principal Cost) were comprised of the following:

	Principal Cost	Percent of Total
U.S. Agency		
FHLB coupon (3 separate)	$ 5,999,500	9.31%
FHLB discount notes (4 separate)	8,989,594	13.96%
Farmer Mac discount notes (4 separate)	16,969,565	26.34%
Fed Farm Credit Bureau coupon	3,000,000	4.66%
Fed Farm Credit Bureau discount note	7,987,271	12.40%
Bankers acceptances - JP Morgan/Chase (8 separate)	3,468,511	5.39%
Certificates of deposit	18,000,000	27.94%
Total	$ 64,414,441	100.00%

As of June 30, 2010, the College's investments (listed at Original Principal Cost) were comprised of the following:

	Principal Cost	Percent of Total
U.S. Agency		
FHLB coupon (7 separate)	$ 5,017,000	8.08%
FHLB discount notes (5 separate)	16,981,229	27.36%
Farmer Mac discount notes (2 separate)	3,000,000	4.83%
Fed Farm Credit Bureau coupon	6,059,340	9.76%
Fed Farm Credit Bureau discount note	8,982,634	14.47%
Bankers acceptances - JP Morgan/Chase (11 separate)	14,023,852	22.60%
Certificates of deposit	8,000,000	12.90%
Total	$ 62,064,055	100.00%

Concentrations of Credit Risk. GASB 40 requires the identification, by amount and issuer, of investments in any one issuer that represents 5% or more of total investments. The College's investment policy allows the following diversification by instrument at time of purchase:

U.S. Treasury obligations	100%
U.S. Government agency & sponsored instrumentalities	50%
Repurchase agreements	50%
Collateralized certificates of deposits	50%
Bankers' acceptances	50%
Maryland Local Government Investment Pool	60%

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Security types noted above are further diversified by issuing institution:

Approved security dealers	50%
Maryland Local Government Investment Pool	60%
Bankers' acceptances by issuing institution	15%
Commercial banks	30%

Foreign Currency Risk. In accordance with section IX, Diversification in Authorized and Suitable Investments, the College is restricted to banks (financial institutions) chartered in the State of Maryland and bankers acceptances of domestic banks. Repurchase agreements must be backed by obligations of the United States, its agencies or instrumentalities. The College, by Procedure 61003CP, Chapter VI 'Fiscal and Administrative Affairs', Subject 'Bank Services', Section VI is limited to 'banks located within the County' for depository services.

As of June 30, 2011, the College had a Federal Reserve Bank pledge with BB&T Bank to collateralize deposits of the College. As of that date, the following collateral was in a segregated account on the College's behalf as follows:

Description	Par Value	Market Value
FHLMC REMIC 3736 QJ 2.25%, 4/15/2034	$ 3,068,551	$ 3,099,996
FHLMC REMIC 3748 ND, 2.13%, 6/15/2034	1,911,761	1,923,246
FNMA REMIC 10-99 DP, 3%, 8/25/2039	2,799,164	2,862,705
FHLMC REMIC 3711 PA, 2%, 3/15/2040	5,161,470	5,145,247
FHLMC REMIC 3745 HF, 1.19%, 10/15/2040	4,334,971	4,353,063
FNMA REMIC 10-109 BF, 1.19%, 10/25/2040	1,745,278	1,754,131
	$ 19,021,195	$ 19,138,388

As of June 30, 2011, the College had a Federal Reserve Bank pledge with PNC Bank to collateralize deposits of the College. As of that date, the following collateral was in a segregated account on the College's behalf as follows:

Description	Par Value	Market Value
FNMA 15 YR 4.5%, 8/1/2022	$ 714,163	$ 757,460
FNMA 20 YR 5.5%, 12/1/2023	1,167,364	1,280,300
FNMA 15 YR 4.5%, 8/1/2022	390,231	413,890
FNMA 15 YR 4.0% 3/1/2024	178,058	185,606
	$ 2,449,816	$ 2,637,256

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, 2010, the College had a Federal Reserve Bank pledge with BB&T Bank to collateralize deposits of the College. As of that date, the following collateral was in a segregated account on the College's behalf as follows:

Description	Par Value	Market Value
FNMA PL 930903 4%, 4/1/2024	$ 6,992,454	$ 7,293,868
FNMA POOL 931193 4%, 5/1/2024	1,801,770	1,876,621
	$ 8,794,224	$ 9,170,489

As of June 30, 2010, the College had a Federal Reserve Bank pledge with PNC Bank to collateralize deposits of the College. As of that date, the following collateral was in a segregated account on the College's behalf as follows:

Description	Par Value	Market Value
FNMA 30 YR 7%, 8/1/2036	$ 539,475	$ 594,958
FNMA 15 YR 4.5%, 8/1/2022	1,025,501	1,085,386
FNMA 20 YR 5.5%, 12/1/2023	1,557,661	1,686,448
FNMA 15 YR 4.5%, 8/1/2022	560,352	593,076
FNMA 15 YR 4%, 4/1/2024	3,727,080	3,885,139
FNMA 15 YR 4.0%, 3/1/2024	192,548	200,714
	$ 7,602,617	$ 8,045,721

Montgomery College Foundation Investments

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	$ 15,339,666	$ 16,885,734	$ 12,059,276	$ 13,280,466
U.S. Treasury note	-	-	5,031	5,031
Certificates of deposit	2,635,000	2,638,960	2,951,913	2,951,913
Land held for investments	2,532,600	1,500,000	2,532,600	1,500,000
Total	$ 20,507,266	$ 21,024,694	$ 17,548,820	$ 17,737,410

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Net investment gains for the years ended June 30, 2011 and 2010 was as follows:

	2011	2010
Interest and dividends	$ 454,682	$ 350,630
Realized and unrealized losses on investments	2,739,202	567,412
Change in value of charitable gift annuities	(63,722)	60,509
Interest from investment in capital lease	2,154,319	1,805,009
Total	$ 5,284,481	$ 2,783,560

Net investment income is included in investment and interest income and additions to permanent endowments in the Statement of Revenue, Expenses, and Changes in Net Assets.

NOTE 4 – ACCOUNTS RECEIVABLE (MC)

Tuition and fees receivables are recorded net of allowance for doubtful accounts of $12,426,270 and $11,930,958 at June 30, 2011 and 2010, respectively.

The College currently participates in the Federal Perkins Loan Program (Perkins) and the Nursing Student Loan Program (NSLP). At June 30, 2011 and 2010, the balance of the Perkins receivables included in the student loans receivable was $2,169,922 and $2,292,735, respectively, less an allowance for doubtful receivables of $319,735 and $386,006, respectively. As of June 30, 2011 and 2010, the balance of the NSLP receivables included in the student loans receivable was $4,783 and $4,783 less an allowance for doubtful receivables of $914 and $1,575, respectively.

NOTE 5 – PLEDGES RECEIVABLE (MCF)

Pledges receivable at June 30 include amounts due in:

	2011	2010
Less than one year	$ 684,548	$ 800,813
One to five years	879,096	1,497,091
More than five years	1,786,725	1,791,128
	3,350,369	4,089,032
Pledges deemed uncollectible	(82,171)	(72,162)
Present value discount	(1,327,960)	(1,301,207)
Total	$ 1,940,238	$ 2,715,663

NOTE 5 – PLEDGES RECEIVABLE (MCF) (CONTINUED)

The discount rate used on long-term promises to give was 3% in both 2011 and 2010 which approximates the risk free rate as evidenced by the 5-year Treasury bill rate. Pledges deemed uncollectible are 3% of total unconditional promises to give at June 30, 2011 as determined by a review of individual current year pledges.

The Foundation was named remainder interest beneficiary of two charitable remainder unitrusts where the Foundation is not the trustee and does not exercise control over the assets contributed to the trusts. The Foundation recorded the agreements as pledge receivable and contributions at the present value of estimated future benefits to be received when the trust assets are distributed. Adjustments are made to the receivables on a yearly basis to reflect the accretion of the discounts and revaluation of the present value of the estimated future payments. As of June 30, 2011 and 2010, the amount included in the pledge receivable balance was $405,609 and $471,427 respectively.

NOTE 6 – CHARITABLE REMAINDER TRUSTS (MCF)

The Foundation has been designated as remainder interest beneficiary under certain split-interest agreements contracted with donors. The agreements call for specified distributions/annuity payments to be paid to designated lead interest beneficiaries during their lives. The Foundation holds and invests the assets of the split-interest agreements and assures that the specified distributions are made to the lead interest beneficiaries. The assets held and the liability for annuities payable are reflected on the statement of financial position.

Upon commencement of such agreements, the Foundation records the fair value of the assets received and records the estimated present value of future payments to the lead interest beneficiaries as a liability for annuities payable from split-interest agreements. The liability is established by estimating future payments based on the beneficiaries life expectancy and discounting those payments to their present value. The excess of the assets received over the liability incurred is recognized on the statement of activities as contributions under split-interest agreements.

Assets held in split-interest agreements are adjusted to their fair value and the liability for annuities payable is adjusted to its current estimated present value. Present value adjustments to the liability are reflected on the Statement of Activities as changes in the value of charitable gift annuity agreement. When the estimated present value of the liability to the lead interest beneficiary exceeds the value of the related assets occurs, the deficit is considered a reduction of unrestricted net assets.

NOTE 6 – CHARITABLE REMAINDER TRUSTS (MCF) (CONTINUED)

As of June 30, 2011 and 2010, the assets, obligations and net assets related to charitable remainder trusts were classified as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2011				
Assets held for charitable gift annuities	$ 301,362	$ -	$ 49,424	$ 350,786
Annuities payable from charitable gifts	1,164,027	-	31,563	1,195,590
Net assets	$ (862,665)	$ -	$ 17,861	$ (844,804)
2010				
Assets held for charitable gift annuities	$ 370,112	$ 4,097	$ -	$ 374,209
Annuities payable from charitable gifts	1,151,624	3,667	-	1,155,291
Net assets	$ (781,512)	$ 430	$ -	$ (781,082)

During the year ended June 30, 2011, there were no split-interest agreements extinguished, but two new split-interest agreements were created. There was one unrestricted asset with a $10,000 market value and a $3,397 present value payable liability, and one permanently restricted asset with a $50,619 market value and a $31,563 present value payable liability.

During the year ended June 30, 2010 there were no new split-interest agreements created, but two split interest agreements were extinguished. The $22,762 market value of the agreements was endowed at that time, and the $20,499 present value payable liability for those agreements was extinguished. The total number of split-interest agreements stands at fourteen and twelve as of June 30, 2011 and 2010, respectively.

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (MC)

The following tables represent the changes in the capital asset categories (including depreciation) for fiscal years 2011 and 2010, respectively.

	Balance at July 1, 2010	Additions	Disposals / Lease Retirements	Balance at June 30, 2011
Non-depreciable assets				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Construction in progress - buildings	102,608,936	5,084,004	(85,089,961)	22,602,979
Construction in progress - equipment	3,476,569	7,942,774	-	11,419,343
Total non-depreciable assets	142,830,092	13,026,778	(85,089,961)	70,766,909
Depreciable assets				
Buildings	235,103,891	104,665,060	-	339,768,951
Equipment	57,203,535	3,117,243	(98,516)	60,222,262
Library books	5,942,760	350,382	(469,821)	5,823,321
Capital lease	48,955,000	594,637	-	49,549,637
Capital software	-	1,375,408	-	1,375,408
Art works	181,805	5,000	-	186,805
Total depreciable assets	347,386,991	110,107,730	(568,337)	456,926,384
Less accumulated depreciation				
Buildings	93,492,394	6,898,896	-	100,391,290
Equipment	42,662,746	5,164,019	(88,534)	47,738,231
Library books	4,230,011	280,075	(355,434)	4,154,652
Capital lease	1,885,714	1,423,571	-	3,309,285
Total accumulated depreciation	142,270,865	13,766,561	(443,968)	155,593,458
Depreciable assets, net	205,116,126	96,341,169	(124,369)	301,332,926
Capital assets, net	$ 347,946,218	$ 109,367,947	$ (85,214,330)	$ 372,099,835

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (MC) (CONTINUED)

	Balance at July 1, 2009	Additions	Disposals / Lease Retirements	Balance at June 30, 2010
Non-depreciable assets				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Construction in progress - buildings	60,940,709	43,622,172	(1,953,945)	102,608,936
Construction in progress - equipment	7,392,517	1,024,196	(4,940,144)	3,476,569
Total non-depreciable assets	105,077,813	44,646,368	(6,894,089)	142,830,092
Depreciable assets				
Buildings	232,453,600	2,650,291	-	235,103,891
Equipment	51,228,818	6,024,730	(50,013)	57,203,535
Library books	6,219,091	349,595	(625,926)	5,942,760
Capital lease	32,130,000	16,825,000	-	48,955,000
Art works	181,805	-	-	181,805
Total depreciable assets	322,213,314	25,849,616	(675,939)	347,386,991
Less accumulated depreciation				
Buildings	86,196,554	7,295,840	-	93,492,394
Equipment	38,333,621	4,378,998	(49,873)	42,662,746
Library books	4,408,724	286,952	(465,665)	4,230,011
Capital lease	942,857	942,857	-	1,885,714
Total accumulated depreciation	129,881,756	12,904,647	(515,538)	142,270,865
Depreciable assets, net	192,331,558	12,944,969	(160,401)	205,116,126
Capital assets, net	$ 297,409,371	$ 57,591,337	$ (7,054,490)	$ 347,946,218

NOTE 8 – CAPITAL ASSETS (MCF)

The following tables represent the changes in the capital asset categories for fiscal years June 30, 2011 and 2010, respectively.

	Balance at July 1, 2010	Additions	Disposals / Lease Retirements	Balance at June 30, 2011
Non-depreciable assets				
Land	$ 2,750,000	$ -	$ -	$ 2,750,000
Construction in progress	15,502,057	-	(15,502,057)	-
Capital assets, net	$ 18,252,057	$ -	$ (15,502,057)	$ 2,750,000

NOTE 8 – CAPITAL ASSETS (MCF) (CONTINUED)

	Balance at July 1, 2009	Additions	Disposals / Lease Retirements	Balance at June 30, 2010
Non-depreciable assets				
Land	$ 2,750,000	$ -	$ -	$ 2,750,000
Construction in progress	5,754,782	9,747,275	-	15,502,057
Capital assets, net	$ 8,504,782	$ 9,747,275	$ -	$ 18,252,057

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (MC)

Accounts payable and accrued liabilities represent amounts due at June 30, 2011 and 2010, respectively, for goods and services received prior to the end of the fiscal year.

	2011	2010
Salaries and wages	$ 9,272,004	$ 8,656,954
Benefits	1,039,000	1,013,000
Services and supplies	8,028,027	13,917,333
Payroll withholding	1,734,785	1,193,492
Unclaimed checks	348,132	289,623
Student refunds	68	13,783
Montgomery College Foundation	1,800	95,425
Other	815,562	453,859
Total	$ 21,239,378	$ 25,633,469

NOTE 10 – LONG-TERM LIABILITIES (MC)

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Aetna supplemental retirement funds	$ 18,992	$ 1,748	$ -	$ 20,740	$ -
Lease obligations - 2005 (see Note 13)	30,285,000	-	(975,000)	29,310,000	1,015,000
Lease obligations - 2008 (see Note 13)	16,825,000	-	(415,000)	16,410,000	425,000
Copier Leases	-	594,637	(82,516)	512,121	110,918
Montgomery County	225,000	-	(75,000)	150,000	75,000
Total	$ 47,353,992	$ 596,385	$ (1,547,516)	$ 46,402,861	$ 1,625,918

NOTE 10 – LONG-TERM LIABILITIES (MC) (CONTINUED)

Long-term liability activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Aetna supplemental retirement funds	$ 17,202	$ 1,790	$ -	$ 18,992	$ -
Lease obligations - 2005 (see Note 13)	31,225,000	-	(940,000)	30,285,000	975,000
Lease obligations - 2008 (see Note 13)	-	16,825,000	-	16,825,000	415,000
Montgomery County	300,000	-	(75,000)	225,000	75,000
Total	$ 31,542,202	$ 16,826,790	$ (1,015,000)	$ 47,353,992	$ 1,465,000

NOTE 11 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF)

In October 2005, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds (King Street Art Center Project) Series 2005 A" bonds (the Bonds), with a total face value of $33,000,000. A loan agreement, evidenced by a promissory note, was entered into between the Authority and the Foundation, to effectively transfer all obligations of the bond issue to the Foundation. Principal and interest payments required by the Note are scheduled to coincide with the scheduled payments due on the Bonds. The proceeds of the Note issue were used 1) for developing and constructing a multi-purpose educational building designed as the Morris and Gwendolyn Cafritz Foundation Arts Center, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, and 4) to pay a portion of the issuance costs of the Bonds. The Bonds, issued in denominations of $5,000, are dated October 20, 2005, and have annual serial maturity dates from May 1, 2008 through May 1, 2030. Stated interest rates vary with the maturity dates of each group of Bonds. The Bonds were issued at a net premium totaling $493,620.

The College has entered into a lease agreement with the Foundation, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2005 Note. This lease agreement was pledged as security for the 2005 Note.

NOTE 11 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

Maturity dates and stated interest rates of the 2005 Notes are as follows:

Maturity May 1	**Principal Amount**	**Interest Rate**	**Term (in years)**
2012	1,015,000	4.00%	6.5
2013	1,055,000	4.00%	7.5
2014	1,100,000	4.00%	8.5
2015	1,145,000	5.00%	9.5
2016	1,200,000	4.00%	10.5
2017	1,250,000	4.00%	11.5
2018	1,300,000	5.00%	12.5
2019	1,365,000	5.00%	13.5
2020	1,430,000	5.00%	14.5
2021	1,505,000	4.25%	15.5
2022	1,565,000	4.38%	16.5
2023	1,635,000	4.38%	17.5
2024	1,705,000	4.50%	18.5
2025	1,785,000	4.50%	19.5
2026	1,865,000	4.50%	20.5
2027	1,950,000	5.00%	21.5
2028	2,045,000	5.00%	22.5
2029	2,150,000	4.63%	23.5
2030	2,245,000	4.63%	24.5
	$ 29,310,000		

The bonds maturing prior to May 1, 2016 are not subject to redemption prior to their maturities. The bonds maturing on or after May 1, 2016 are subject to optional redemption by the Authority in whole or in part prior to maturity on any date beginning May 1, 2015 at a redemption price of par plus accrued interest therein to the date set for redemption.

Interest is due semi-annually, each May 1 and November 1. Proceeds from the 2005 Notes issue were used to pay interest through October 2007. Interest paid through the completion of the construction of the Morris and Gwendolyn Cafritz Foundation Art Center was capitalized as part of the construction in progress. Interest incurred and expensed was $1,379,514 and $1,405,090 for the years ended June 30, 2011 and 2010, respectively.

In November 2008, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds Series 2008A" bonds (the 2008 Bonds), with a total face value of $16,825,000. A loan agreement, evidenced by a promissory note (the 2008 Notes), was entered into between the Authority and the Foundation, to effectively transfer all obligations of the 2008 Bonds issue to the Foundation. Principal and interest payments required by the 2008 Notes are scheduled to coincide with the scheduled payments due on the 2008 Bonds. The proceeds of the 2008 Notes issue are to be used 1) for developing

NOTE 11 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

and constructing a parking garage structure designated as the Silver Spring/Takoma Park parking garage, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, 4) to pay a portion of the issuance costs of the 2008 Bonds. The 2008 Bonds, issued in denominations of $5,000, are dated November 20, 2008, and have annual serial maturity dates from November 1, 2010 through November 1, 2033. Stated interest rates vary with the maturity date of each group of 2008 Bonds. The Bonds were issued at a net discount totaling $129,494.

The College has entered into a lease agreement with the Foundation, beginning on the date that the project is substantially complete, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2008 Notes. This lease agreement was pledged as security for the 2008 Notes.

Maturity dates and stated interest rates of the 2008 Notes are as follows:

Maturity Date	Principal Amount	Interest Rate	Term (in years)
2011	$ 425,000	3.50%	3
2012	440,000	3.50%	4
2013	455,000	3.50%	5
2014	475,000	4.00%	6
2015	495,000	4.00%	7
2016	515,000	4.00%	8
2017	535,000	4.00%	9
2018	560,000	4.13%	10
2019	580,000	4.38%	11
2020	610,000	4.60%	12
2021	635,000	4.63%	13
2022	670,000	4.75%	14
2023	700,000	4.75%	15
2024	735,000	4.75%	16
2025	770,000	5.00%	17
2026	810,000	5.00%	18
2027	855,000	5.10%	19
2028	895,000	5.10%	20
2029	945,000	5.13%	21
2030	995,000	5.13%	22
2031	1,045,000	5.20%	23
2032	1,105,000	5.25%	24
2033	1,160,000	5.25%	25
	$ 16,410,000		

NOTE 11 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

The bonds maturing prior to November 1, 2018 are not subject to redemption prior to their maturities. The bonds maturing on or after November 1, 2018 are subject to optional redemption by the Authority in whole or in part, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price amount equal to par plus accrued interest to the date fixed for redemption, without premium.

Interest is due semi-annually, each May 1 and November 1, beginning with May 1, 2009. Proceeds from the 2008 Notes issue were used to pay interest through October 2009. Interest paid through the completion of the construction of the parking garage was capitalized as part of the construction in progress. As construction was completed in July 2010, interest is now being expensed as incurred. Interest incurred and expensed during the year ended June 30, 2011 was $793,830. Interest incurred, capitalized and expensed during the year ended June 30, 2010 was $787,306, $262,435, and $524,871, respectively.

NOTE 12 – Restricted Assets (MCF)

Temporarily Restricted

Temporarily restricted net assets represent funds restricted by donors for scholarships, student athletics, student and faculty support, resource and development and other college initiatives.

As of June 30 net assets were temporarily restricted for the following:

	2011	2010
General use programs	$ 5,361,234	$ 5,021,161
Scholarships	2,904,995	1,662,534
Student athletics	98,022	64,148
Total	$ 8,364,251	$ 6,747,843

For fiscal years ending June 30, 2011 and 2010, temporarily restricted net assets released from restriction were used for the following:

	2011	2010
General use programs	$ 965,929	$ 651,255
Scholarships	1,248,298	939,989
Student athletics	58,513	76,155
Total	$ 2,272,740	$ 1,667,399

NOTE 12 – Restricted Assets (MCF) (CONTINUED)

Permanently Restricted

Permanently restricted net assets represent perpetual endowment funds that are required to be retained permanently by explicit donor stipulation. As of June 30, 2011 and 2010, earnings from permanently restricted net assets were restricted for the following:

	2011	2010
Scholarships	$ 8,780,424	$ 8,235,317
General use programs	6,231,781	6,276,022
Student and faculty support	21,744	21,743
Annuity funds	17,861	-
Total	$ 15,051,810	$ 14,533,082

NOTE 13 – COMMITMENTS AND CONTINGENCIES (MC)

The College is obligated under several non-cancelable operating leases for office space expiring in various years through 2016. Net rent expense under these operating leases, included in occupancy expenses, was $3,880,857 and $3,484,204 for the years ended June 30, 2011 and 2010, respectively. The projected minimum lease payments under the terms of the leases at June 30, 2011 are as follows:

2012	$ 2,500,192
2013	2,075,210
2014	2,137,466
2015	803,240
2016	827,358
Total	$ 8,343,466

The College has entered into contracts for the purchase of computer information system technical consulting, programming and support services for the maintenance of the fully integrated administrative system; contracts to provide help desk operations and support of college computer equipment, contracts for security infrastructure and project engineer services; contracts for high speed internet access services and disaster recovery; contracts for professional development and Human Resource services; contracts for medical coverage and a prescription drug program; contracts for radio advertisement; contracts for museum based learning; contract for a commercial drivers license training program; contract for summer science enrichment program; contract for employment and case management services for refugees; contract for the maintenance of ultrasound units; contract for the purchase, hosting and implementing of a talent management system; a contract for elevator maintenance; and a

NOTE 13 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

contract for external audit services. At June 30, 2011, payments for the contract agreements and purchase agreements for the next five years are as follows:

2012	$ 13,428,553
2013	7,509,552
2014	4,818,901
2015	3,354,929
2016	3,056,596
Total	$ 32,168,531

As of June 30, 2011 and 2010, there were uncompleted contracts amounting to $13,735,928 and $24,621,050, respectively, for construction activity at all campuses. Retainage on construction contracts is not included in this amount, but is shown in the financial statements within accounts payable.

On July 1, 2001, the College purchased the 'Giant Bakery' site (renamed 'King Street Property') for the appraised price of $7,250,000. This purchase called for a cash settlement of $6,000,000 and a non-cash donation of the balance $(1,250,000) to the Foundation by owners of the property.

Initially, the County funded the entire $6,000,000 cash price through the College's Capital budget appropriation. At that time there was an agreement made that the College would repay $2,250,000 of the cash purchase price. While the College is responsible for the entire $2,250,000 repayment, the Foundation agreed through fund-raising to accept responsibility for $1,500,000 of the $2,250,000. A 'Memorandum of Understanding' (MOU) was finalized which details a ten-year term of repayment plus interest at 3.35%. The current balance at June 30, 2011 was $150,000 and is included in accounts payable for the current portion of $75,000 and $75,000 as a long-term liability for the balance.

The College has entered into a lease agreement with the Foundation (approved by the Board of Trustees on June 21, 2004), with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the Bonds. Under a Deed of Trust, the Foundation pledged this lease agreement along with its ownership of the Project and its long-term leasehold in the project site to secure the Foundation’s obligation to repay the Bonds. The lease commenced on July 17, 2007, the date construction was substantially complete and a Use and Occupancy Certificate issued. The Project Lease will terminate December 31, 2031. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of the Morris and Gwendolyn Cafritz Foundation Arts Center.

For accounting purposes, the Project Lease is deemed a capital lease. The original cost of assets acquired under this capital lease is $33,000,000 and the accumulated amortization totals $3,690,000 and $2,715,000 at June 30, 2011 and June 30, 2010, respectively. The College paid the Foundation $2,348,756 and $2,351,356 during the years ended June 30, 2011 and

NOTE 13 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

June 30, 2010, respectively, as stipulated in the Project Lease. As of June 30, 2011, future payments to be paid by the College under this capital lease for the year ended June 30 are:

2012	$ 2,349,756
2013	2,349,156
2014	2,351,956
2015	2,352,957
2016	2,350,706
2017-2021	11,760,531
2022-2026	11,752,725
2027-2030	9,405,638
	44,673,425
Imputed interest	(15,363,425)
Total	$ 29,310,000

The land on which the Morris and Gwendolyn Cafritz Foundation Arts Center is being built is owned by the College. The Foundation has entered into a lease agreement with the College whereby the land is leased to the Foundation for thirty years for a fee of $5,000.

On December 10, 2007, the Board of Trustees adopted an omnibus resolution, Resolution Number 07-12-151, authorizing the lease transaction for a separate facility adjacent to the Morris and Gwendolyn Cafritz Foundation Arts Center, to improve access roads thereto, to improve a separate parking lot located nearby and to construct a chilling facility as part of the parking facility on its Takoma Park/Silver Spring campus in Silver Spring, Maryland. The Project is owned by the Foundation and leased to the College. Rents will be paid in semi-annual installment payments that are calculated to be at least equal to the scheduled debt service payments made by the Foundation on the Notes with a total face value of $16,825,000 (payments are due May 1 and November 1). For accounting purposes, the Project Lease is deemed a capital lease. The Title to the Parking Garage will transfer to the College upon completion of the lease. The College paid $1,195,562 and $393,653 to the Foundation during the years ended June 30, 2011 and 2010, respectively. Future payments to be paid by the College are:

2012	$ 1,191,381
2013	1,191,244
2014	1,190,581
2015	1,193,119
2016	1,193,719
2017-2021	5,966,651
2022-2026	5,963,128
2027-2031	5,965,014
2032-2034	3,576,439
	27,431,276
Imputed interest	(11,021,276)
Total	$ 16,410,000

NOTE 13 – COMMITMENTS AND CONTINGENCIES (MC) (CONTINUED)

The land on which the parking garage is built is partially owned by the College. The Foundation has entered into a lease agreement with the College whereby the land that is owned by the College is leased to the Foundation for eighty years for a fee of $500.

The College is currently the defendant in a workmen's compensation suit. It is the opinion of the College's management, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the College's financial position.

NOTE 14 – EXPENSES BY NATURAL CLASSIFICATIONS (MC)

The following table shows a classification of expenses for the years ending June 30, 2011 and 2010; both by function as listed in the statement of revenue, expenses and changes in net assets and by natural classification, which is the basis for amounts shown in the Statement of Cash Flows.

	Salaries and Wages	Fringe Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	Total
June 30, 2011									
Instruction	$ 77,030,718	$ 12,367,798	$ 4,413,921	$ 2,215,474	$ -	$ -	$ -	$ 719,237	$ 96,747,148
Academic support	19,211,932	2,608,605	3,097,667	735,108	-	-	-	694,017	26,347,329
Student services	19,535,444	2,779,830	2,469,110	358,107	-	-	-	444,629	25,587,120
Operation of plant	11,835,198	3,113,255	5,383,689	1,370,237	-	7,496,019	-	111,781	29,310,179
Institutional support	26,363,564	7,285,949	3,554,523	387,501	-	-	-	5,159,016	42,750,553
Scholarships and related expenses	-	-	-	-	3,167,200	-	-	981,104	4,148,304
Depreciation	-	-	-	-	-	-	13,766,562	-	13,766,562
Auxiliary enterprises	2,964,946	780,054	1,426,277	93,322	-	17,034	-	6,802,246	12,083,879
State paid benefits	-	12,258,701	-	-	-	-	-	-	12,258,701
Other	-	-	-	-	-	-	-	8,581,915	8,581,915
Total	$ 156,941,802	$ 41,194,192	$ 20,345,187	$ 5,159,749	$ 3,167,200	$ 7,513,053	$ 13,766,562	$ 23,493,945	$ 271,581,690
June 30, 2010									
Instruction	$ 75,413,834	$ 11,548,647	$ 5,671,630	$ 2,390,750	$ 20	$ -	$ -	$ 986,936	$ 96,011,817
Academic support	19,965,198	2,579,531	3,316,147	839,242	10,000	-	-	461,798	27,171,916
Student services	20,308,933	2,730,162	2,875,591	501,026	7,472	-	-	662,926	27,086,110
Operation of plant	12,570,346	3,375,801	5,789,088	1,379,483	-	6,900,146	-	643,103	30,657,967
Institutional support	23,941,107	6,919,369	3,899,737	374,539	500	-	-	6,481,830	41,617,082
Scholarships and related expenses	-	-	-	-	2,464,077	-	-	1,429,540	3,893,617
Depreciation	-	-	-	-	-	-	11,973,317	-	11,973,317
Auxiliary enterprises	3,152,718	747,698	967,069	129,982	-	18,000	-	7,675,110	12,690,577
State paid benefits	-	10,878,709	-	-	-	-	-	-	10,878,709
Other	-	-	-	-	-	-	-	10,659,446	10,659,446
Total	$ 155,352,136	$ 38,779,917	$ 22,519,262	$ 5,615,022	$ 2,482,069	$ 6,918,146	$ 11,973,317	$ 29,000,689	$ 272,640,558

NOTE 15 – RETIREMENT PLANS (MC)

The College participates in four statewide retirement plans: the Teachers' Retirement System and the Employees' Retirement System (the Retirement System), and the Teachers' Pension System and the Employees' Pension System (the Pension System), administered by the Maryland State Retirement System (MSRS), a cost-sharing multiple-employer retirement system (PERS). Aetna, the College's own plan, serves as a supplement to the MSRS plans. Certain employees may elect to participate in the Maryland State Optional Retirement Plan (ORP) instead of the Maryland State Pension System. The State has approved four providers for the ORP which include the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), AIG, VALIC, and Fidelity. An employee can participate in only one plan at a time and will have the opportunity to change providers during one open enrollment period a year.

The State systems were established in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland. Responsibility for the administration and operation of the systems is vested in a 15-member Board of Trustees (the Trustees). The Trustees also have the authority to establish and amend the respective benefit provisions. The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to system members and beneficiaries.

The College's total current payroll for the fiscal year ended June 30, 2011 for all employees (including $160,054 from Agency funds) was $156,941,802. The approximate current year covered payroll under each of the plans, which includes employees eligible under multiple plans, is as follows:

	Covered Payroll	Percent of Total Salary
MSRS	$ 71,926,206	56.93%
Optional retirement plan	51,990,324	41.14%
Aetna	2,434,170	1.93%

The following is a general description of the plan benefits available to the participants of each of the above named plans.

The Retirement System MSRS

Participants in the Retirement System may retire with full benefits after attaining the age of 60, or completion of 30 years of creditable service regardless of age. However, participants may retire with reduced benefits after completing 25 years of creditable service regardless of age.

The Pension System - MSRS

Participants in the Pension System may retire with full benefits after completing 30 years of creditable service regardless of age, or at age 62 or older with specified years of creditable service. However, participants may retire with reduced benefits after attaining age 55 and completing 15 years of creditable service.

NOTE 15 – RETIREMENT PLANS (MC) (CONTINUED)

The MSRS Optional Retirement Plan (ORP)

The ORP is a defined contribution "money purchase" plan under which the benefit is determined by the accumulated State contributions plus accrued investment earnings. Contributions are made to one of four providers approved by the State. Participants may receive their annuity income at any time after leaving the College.

The Aetna Plan

The College has a single employer, defined benefit pension plan with Aetna. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement and pension plans. Full-time employees, who have been employed by the College prior to 1980 and contribute to an MSRS plan, are eligible to participate in this plan established under the authority of the College's Board of Trustees.

Benefits under all systems, except the ORP, vest after five years of service and are based on years of creditable service and salary rates.

The "unfunded actuarial accrued liability" is the result of applying the actuarial funding method to the present value of pension benefits, adjusted to the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employees' service to date. The actuarial funding method is intended to help users assess the Systems' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The MSRS does not make separate measurements of assets and liabilities for individual employers. However, the College's supplemental plan (Aetna) actuarial valuation is determined separately.

Listed below is information about the employees' benefit retirement and pension plans of the MSRS, as a whole, as of June 30, 2010, the latest date such information is available, and the Aetna Plan as of July 1, 2011.

	MSRS	Aetna
Actuarial accrued liability	$ 54,085,081,118	$ 11,841,559
Actuarial value of assets (at fair market value)	(34,688,345,696)	(13,626,929)
Unfunded actuarial accrued liability (assets in excess of obligations)	$ 19,396,735,422	$ (1,785,370)

Additional information about the MSRS is presented in the State of Maryland's June 30, 2010 Comprehensive Annual Financial Report and in the 2010 Consolidated Annual Report of the Maryland State Retirement and Pension System. That report may be obtained by writing to the State Retirement Agency of Maryland, 301 W. Preston Street, Baltimore Maryland, 21201.

NOTE 15 – RETIREMENT PLANS (MC) (CONTINUED)

In accordance with GASB No. 24, entitled *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College recognized expenditures for the various State retirement and pension plans made on behalf of its employees by the State to the extent revenue is recognized. The amount recognized includes amounts contributed by the State and amortization of past service costs over forty years for the year ended June 30, 2011 as follows:

	State	College	Total
MSRS	$ 8,569,802	$ 1,000,000	$ 9,569,802
MSRS-ORP	3,688,899	-	3,688,899
Aetna	-	2,053,393	2,053,393
Total	$ 12,258,701	$ 3,053,393	$ 15,312,094

The College's Defined Benefit Pension Plan (Aetna)

Effective July 1, 1996, the College implemented GASB No. 27, entitled *Accounting for Pensions by State and Local Governmental Employers*, with respect to the College's Aetna Plan.

Plan Description - The Aetna plan is a single employer, defined benefit pension plan. Full-time employees who were employed by the College prior to 1980 and contribute to an MSRS plan are eligible to participate in this plan established under the authority of the College's Board of Trustees. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement plans. The Aetna Retirement Plan issues a separate report that contains the results of the valuation of the College Retirement Plan as of July 1, 2011. That report may be obtained by writing to the Montgomery College Benefits Office, 900 Hungerford Drive, Rockville Maryland, 20850.

Funding Policy - Plan members are required to contribute 5% of their earnable compensation. Contributions to this plan are offset by contributions to the Maryland Teachers' Retirement System or the Maryland State Retirement System. Contributions for year 2011 are based on the plan as amended most recently as of January 1, 1980. Interest on employee contributions is credited at a rate of 6% per year. There is no recommended contribution for 2011-2012. The College's Board of Trustees has the authority to establish and amend benefit provisions of the plan.

Actuarial Cost Method and Valuation of Assets – The Entry Age Normal Actuarial Cost Method was used to determine the Normal Cost and Actuarial Accrued Liability in accordance with generally accepted actuarial principles. Plan assets are listed at fair market value as determined by the Aetna Insurance Company. The Actuarial Accrued Liability is based on a prorated portion of the present value of benefits earned to date and expected to be earned in the future.

NOTE 15 – RETIREMENT PLANS (MC) (CONTINUED)

Schedule of Funding Progress and Employer Contributions

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-10	$ 11,932,952	$ 11,616,520	$ (316,432)	102.7%	$ 2,603,425	-12.2%	$ 282,860
6-30-11	13,626,929	11,841,559	(1,785,370)	115.1%	2,434,170	-83.3%	129,144

The actuarial valuation for the fiscal year ended June 30, 2011 includes these significant assumptions which have not been changed from the prior year:

1) Investment return: 6.0% compounded annually
2) Salary increases: 4.5% compounded annually
3) Retirement age: Ages varying from 57 years to 70 and over
4) Turnover: Rates varying from no turnover to 9%
5) Mortality: The RP-2000 Mortality Table for healthy males and females
6) Discount rate: 6.0%

The actuarial assumptions are chosen by the actuary after a study of both current financial conditions and the population covered by the plan as to salary increases, number of terminations annually, etc. These assumptions are reviewed periodically, and if appropriate, changes are made.

	Number of Persons	Compensation (if applicable)
Population covered by the Plan		
Participants:		
Currently receiving payments	279	N/A
Active with vested benefits	26	$ 2,434,170
Terminated with deferred vested benefits	9	N/A
Active without vested benefits	0	$ -
Inactives electing bifurcated benefits	2	N/A

NOTE 15 – RETIREMENT PLANS (MC) (CONTINUED)

The net pension obligation as of June 30, 2011 and 2010 are as follows:

	2011	2010
Annual Required Contribution (ARC)	$ (145,598)	$ 138,484
Interest on net pension obligation	(100,530)	(52,836)
Amortization of net pension obligation	375,242	197,212
Annual Pension Cost (APC)	129,114	282,860
Less contributions made	2,120,000	1,077,776
Increase in net pension obligation	(1,990,886)	(794,916)
Net pension obligation - beginning of year	(1,675,497)	(880,581)
Net pension obligation - end of year	$ (3,666,383)	$ (1,675,497)

NOTE 16 – STATE AND COUNTY EXPENDITURES (MC)

The County issues general obligation bonds, the proceeds from which are transferred to the College for the purpose of financing acquisition of land, buildings, and equipment. For the years ended June 30, 2011 and 2010, the County made principal payments of $5,900,783 and, $5,643,638, respectively, and interest payments of $5,012,112 and $3,734,326, respectively, on these bonds. In addition to the County expenditures, the State of Maryland pays the employer's portion of pension contributions on the salary for certain College employees eligible to belong to the State pension and retirement systems. For the years ended June 30, 2011 and 2010, the State expended $8,569,802 and $7,252,866, respectively, for the pension and retirement contributions. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The State of Maryland also reimburses the College for the employer's share of contributions to the ORP for eligible employees. The total amount reimbursed for the years ended June 30, 2011 and 2010 was $3,688,899 and $3,625,843, respectively. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

NOTE 16 – STATE AND COUNTY EXPENDITURES (MC) (CONTINUED)

The Capital Improvements Program (CIP) for the College is approved biannually by the County. The approval of some projects includes funding from other governmental agencies. All funds transferred to the College for CIP expenditures come directly from the County, with governmental reimbursements being made directly by those organizations back to the County for their share of project costs. The amount listed under the Current Asset designation as CIP receivable as of June 30, 2011 and 2010 is due to the following organizational participation in CIP expenditures:

	2011	2010
Montgomery County	$ 3,157,390	$ 7,066,263
State of Maryland	3,732,529	7,314,148
Total	$ 6,889,919	$ 14,380,411

NOTE 17 – TUITION WAIVER (MC)

The College waives tuition charges for its programs for any resident of Maryland who is 60 years old or older, when course space is still available, and only during the three days following the end of regular registration. Additionally, the College has a 50% waiver of tuition for eligible Maryland National Guard members and up to 100% for eligible foster care students. Tuition is also waived for any resident of Maryland who is retired or disabled as defined by the Social Security or Railroad Retirement Act and who enrolls in any class at the College which is eligible under Maryland Annotated Code Section 16-403 for State support; and for eligible College employees who can enroll in credit only courses which are outside of the individual's normal working hours. During the year ended June 30, 2011, the College waived $823,321 in credit and $654,420 in non-credit tuition for senior, disabled, foster care and National Guard students.

During the year ended June 30, 2010, the College waived $825,690 in credit and $603,850 in non-credit tuition for senior, disabled, foster care and National Guard students. Starting in FY2000, the College implemented a tuition waiver program whereby the College waives credit tuition for dependents of eligible College employees. For FY2011, the College waived $445,368 for its employees and their dependents. The total tuition amount waived for the College for FY2011 is $1,923,109. For FY2010, the College waived $433,272 for its employees and their dependents. The total tuition amount waived for the College for FY2010 was $1,862,812.

NOTE 18 – INCOME TAX STATUS (MC & MCF)

The College is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code, except as to unrelated business income. No provision for income taxes has been accrued since the College anticipates no tax liability for the years ended June 30, 2011 and 2010.

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related state statutes, except as to unrelated business income. The Foundation had no unrelated business income for the years ended June 30, 2011 and 2010.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109.* This interpretation provides guidance on recognition, classification and disclosure concerning uncertain tax liabilities. The evaluation of a tax position required disclosure of a tax liability if it is more likely than not that it will not be sustained upon examination by the Internal Revenue Service. Management has analyzed the Foundation’s tax positions for purposes of implementing FIN 48, and has concluded that as of June 30, 2011, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements.

NOTE 19 – RISK MANAGEMENT – SELF-INSURANCE (MC)

The College, as a component unit of the County, participates in the County's self-insurance risk pool for liability and property coverage and maintains its own self-insurance pool for health and dental benefits. The College and the County account for risk financing activities in accordance with GASB No. 10, entitled *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

The Montgomery County Self-Insurance Program is maintained for liability and property coverage under which participants share workers' compensation, comprehensive general, automobile and professional liability, fire and theft, and other selected areas which require coverage. There have been no significant reductions in this insurance coverage from the previous year. Commercial coverage is purchased for claims in excess of coverage by the self-insurance fund and for other risks not covered by the fund. Settled claims have not exceeded commercial coverage in fiscal years 2011 and 2010. Other program participants are qualifying County government agencies. An inter-agency insurance panel is responsible for overseeing the program. This program offers overall risk management and cost sharing for all participants. In the event that the program's trust or escrow funds fall into a deficit, the program panel shall determine a method to fund the deficit. The program can assess additional premiums to each deficit-year participant. Premiums are charged to the appropriate College fund with no provision made for any additional liability in addition to premiums, unless assessed by the program. As of June 30, 2011, there was no deficit in the trust or escrow funds and no additional assessments have been made.

NOTE 19 – RISK MANAGEMENT – SELF-INSURANCE (MC) (CONTINUED)

The College is self-insured for health and dental benefits provided to its employees. To protect itself against significant losses, the College has stop-loss policies in place for individual participant claims in excess of $150,000 per year and aggregate annual participant claims in excess of 125% of premium. The College has a contract with an administrative service provider to process participant claims under these programs. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balance of claims payable relative to the health and dental self-insurance fund for the years ended June 30, 2011 and 2010 are as follows. Claims liabilities are included in accounts payable and accrued expenses on the Statements of Net Assets.

Balance - June 30, 2009	$ 1,107,000
Claims and changes in estimates	12,751,177
Claims payments	(12,845,177)
Balance - June 30, 2010	1,013,000
Claims and changes in estimates	14,049,866
Claims payments	(14,023,866)
Balance - June 30, 2011	$ 1,039,000

NOTE 20 – COMPENSATED ABSENCES (MC)

Employees of the College earn annual leave (vacation) and sick leave as provided by College policies and procedures. In the event of termination, employees with accumulated annual leave and at least 30 days of employment are reimbursed for 100% of accumulated annual leave, up to a maximum of 26 days. In addition, in the event of termination, employees who started employment prior to December 31, 1992 and who have five or more years of service are reimbursed for 25% of not more than 180 days of accumulated sick leave. Earned but unused annual and vested sick leave is accounted for in the Statement of Net Assets as a current liability for that portion which is expected to be paid out during the next twelve months. The balance is listed as non-current. Both current and non-current portions are valued based on the salary scale in effect at June 30, 2011 and 2010.

NOTE 20 – COMPENSATED ABSENCES (MC) (CONTINUED)

Employees of the College earned $8,254,783 and $8,263,701 in annual and sick leave subject to termination payoff at June 30, 2011 and 2010, respectively. In accordance with GASB No. 16, entitled *Accounting for Compensated Absences*, related FICA and Medicare costs have been calculated on the amount due at termination in the amount of $631,491 and $632,173 for fiscal years 2011 and 2010, respectively. This amount has been included in the total compensated absences liability of $8,886,273 and $8,895,873 for fiscal years 2011 and 2010, respectively.

For the years ended June 30, 2011 and 2010, the total annual leave and sick leave earned has been recognized as an expense.

NOTE 21 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC)

On July 1, 2007, the College implemented GASB Statements No. 43*, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The College provides postemployment health care, dental and life insurance benefits for retired employees through a defined contribution plan. The plan is accounted for as a trust fund and an irrevocable trust was established on June 16, 2008 to account for the plan.

The contribution requirements of the College are established and may be amended by the Board of Trustees. The College currently pays 40% of health care premiums for employees who meet certain eligibility criteria and who retire with 5 but less than 10 years of service, 60% of premiums for those that retire after 10 years of service, and 20% for certain retirees prior to 1978. The College contributes 80% of the cost of retiree life insurance. The remaining costs of these benefits are borne by the participants.

In order to be considered "eligible", the retiree must have been enrolled in the College's or another employer’s group insurance program for 5 years prior to retirement and commence receipt of pension/annuity benefits from an MSRS or ORP plan immediately upon termination from the College. ORP annuitants must meet the same age and service retirement eligibility criteria as MSRS participants. The College's authority to contribute to other post employment benefit provisions and obligations is established by the Board of Trustees. For the fiscal years ended June 30, 2011 and 2010, the College contributed $2,196,122 and $1,962,502, respectively, and the retirees contributed $1,603,258 and $1,430,488, respectively, in premiums. In total the College contributed $2,196,122 and $1,962,502 for fiscal year ended June 30, 2011 and 2010, respectively. The College did not advance fund the costs of benefits in fiscal years 2011 and 2010.

NOTE 21 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) (CONTINUED)

Membership

As of June 30, 2011 and 2010 membership consisted of:

	2011	2010
Retirees and beneficiaries currently receiving benefits	$ 418	$ 403
Terminated employees entitled to benefits but not yet receiving them	-	-
Active employees - vested	1,756	1,771
Active employees - non vested	-	-
Total	$ 2,174	$ 2,174

The College had actuarial valuations performed for the plan as of June 30, 2011 and 2010 to determine the employer's annual required contribution (ARC) for the fiscal years ended June 30, 2011 and June 30, 2010. The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and 2010 were as follows:

	2011	2010
Annual OPEB cost	$ 5,473,871	$ 5,225,687
Employer contribution	2,196,122	1,962,502
Net OPEB obligation	$ 3,277,749	$ 3,263,185
% of annual OPEB cost contributed	40%	38%

The net OPEB obligations (NOPEBO) as of June 30, 2011 and 2010 are recorded in OPEB asset value on the Statement of Net Assets and were calculated as follows:

	2011	2010
Annual Required Contribution (ARC)	$ 5,696,322	$ 5,128,754
Interest on net OPEB obligation	576,704	305,934
Adjustment on ARC	(393,980)	(209,001)
Annual OPEB cost	5,879,046	5,225,687
Less contributions made	2,196,121	1,962,502
Interest in net OPEB obligation	3,682,925	3,263,185
Net OPEB asset - beginning of year	(16,950,982)	(20,214,167)
Net OPEB asset - end of year	$ (13,268,057)	$ (16,950,982)

NOTE 21 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) (CONTINUED))

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions as to current claims cost, projected increases in health care costs, morbidity, turnover, and interest discount. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In June 30, 2011 and 2010, the projected unit credit actuarial cost method was used. The actuarial assumptions included an 8.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10.5% for fiscal year ended 6/30/11 grading up to 5.0% for fiscal year ending 6/30/19. The actuarial value of assets was determined by using the market value of the assets. The plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll assumed to grow 4% per year. The remaining amortization period as of June 30, 2011 was 26 years.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-10	$ 21,960,175	$ 69,046,415	$ 47,086,240	31.80%	$ 117,804,463	39.97%
6-30-11	24,463,628	75,206,285	50,742,657	32.53%	122,516,462	41.42%

NOTE 22 – TRANSFERS (MCF)

On March 17, 2010, the Foundation Board voted to return gifts to three donors as the criteria for these gifts were no longer consistent with the core mission of the Foundation. These gifts reduced temporarily and permanently restricted net assets by $23,893 and $100,600, respectively.

On January 16, 2010, management was instructed by one of its donors to endow a gift which originally was received with only temporary restriction. A transfer of $15,000, reflected on the Statement of Activities, has been recorded to change this classification.

On April 16, 2010, management was instructed by one of its donors to endow a gift which originally was received with only temporary restriction. A transfer of $10,000, reflected on the Statement of Activities, has been recorded to change this classification.

NOTE 23 – FAIR VALUE (MCF)

ASC 820-10 establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets of liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following describes the three levels of the fair value hierarchy under ASC 820-10:

Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active that the Foundation has the ability to access at the measurement date.

Level 2
Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than observable quoted prices for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset of liability.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 23 – FAIR VALUE (MCF) (CONTINUED)

Equity securities and mutual funds are valued at fair value based on quoted market prices at year-end. The fair values of certificates of deposit held by brokers approximate par value. The only Level 3 asset is a tract of land (MCAD property; see Note 15) owned by the Foundation. At June 30, 2011, the land is valued at $1,500,000, which is based on its current tax assessed value adjusted for changes in market prices through June 30, 2011. The property is not currently under contract.

As of June 30, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total Fair Value
2011				
Certificates of deposit	$ 2,638,960	$ -	$ -	$ 2,638,960
Mutual funds	16,885,734	-	-	16,885,734
Land	-	-	1,500,000	1,500,000
Total	$ 19,524,694	$ -	$ 1,500,000	$ 21,024,694
2010				
Certificates of deposit	$ 2,951,913	$ -	$ -	$ 2,951,913
Mutual funds	13,280,466	-	-	13,280,466
Equity securities	5,031	-	-	5,031
Land	-	-	1,500,000	1,500,000
Total	$ 16,237,410	$ -	$ 1,500,000	$ 17,737,410

The table below represents a reconciliation for the year ended June 30, 2011 and 2010 of assets measured at fair value on a recurring basis using Level 3 inputs.

	2011	2010
Beginning balance	$ 1,500,000	$ 2,532,600
Total unrealized loss	-	(1,032,600)
Ending balance	$ 1,500,000	$ 1,500,000

NOTE 23 – FAIR VALUE (MCF) (CONTINUED)

Liabilities at Fair Value

Annuity obligations – the fair value of the Foundation's annuity obligations is based on the net present value of the anticipated benefit. As benefit payments are made, the liability is adjusted based on an amortization schedule.

Assets and liabilities held for charitable gift annuities are classified at June 30 as follows:

	Level 1	Level 2	Level 3	Total Fair Value
2011				
Money market funds	$ 16,767	$ -	$ -	$ 16,767
Certificates of deposit	334,019	-	-	334,019
Total	$ 350,786	$ -	$ -	$ 350,786
Liabilities:				
Annuity obligations, at fair value		$ 1,195,590		$ 1,195,590
2010				
Money market funds	$ 36,597	$ -	$ -	$ 36,597
Certificates of deposit	337,612	-	-	337,612
Total	$ 374,209	$ -	$ -	$ 374,209
Liabilities:				
Annuity obligations, at fair value		$ 1,155,291		$ 1,155,291

NOTE 24 – ENDOWMENT (MCF)

The Foundation's endowment consists of 172 individual funds (the Funds) established for a variety of purposes. As required by generally accepted principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 24 – ENDOWMENT (MCF) (CONTINUED)

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Foundation, Inc. and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Foundation
7) The investment policies of the Foundation.

The Foundation had the following changes in the endowment net assets for the fiscal year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (235,456)	$ 1,222,478	$ 14,533,082	$ 15,520,104
Contributions	-	-	518,728	518,728
Appropriations of endowment assets for expenditures	(10,512)	(600,557)	-	(611,069)
Endowment net assets after contributions and expenditures	(245,968)	621,921	15,051,810	15,427,763
Net investment income	640,162	2,385,765	-	3,025,927
Endowment net assets, end of year	$ 394,194	$ 3,007,686	$ 15,051,810	$ 18,453,690

NOTE 24 – ENDOWMENT (MCF) (CONTINUED)

The Foundation had the following changes in the endowment net assets for the fiscal year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (1,070,279)	$ 814,637	$ 13,745,140	$ 13,489,498
Contributions	-	-	851,144	851,144
Appropriations of endowment assets for expenditures	(35,183)	(178,381)	-	(213,564)
Endowment net assets after contributions and expenditures	(1,105,462)	636,256	14,596,284	14,127,078
Net investment income	859,040	586,222	12,398	1,457,660
Endowment net assets, after reclassification	(246,422)	1,222,478	14,608,682	15,584,738
Other changes:				
Donor requested return of previously endowed gift	10,966	-	(100,600)	(89,634)
Donor requested endowment of previously unendowed gift	-	-	25,000	25,000
Endowment net assets, end of year	$ (235,456)	$ 1,222,478	$ 14,533,082	$ 15,520,104

For the general endowment, the donors have specified all earnings are unrestricted for general Foundation operations. Accumulated unrestricted earnings at June 30, 2011 and 2010 are $398,071 and $288,944, respectively.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $3,877 and $524,400 as of June 30, 2011, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets

NOTE 24 – ENDOWMENT (MCF) (CONTINUED)

consist of those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 25 – PROGRAM SERVICE DESCRIPTIONS (MCF)

Scholarships

Scholarships are established by donors' contributions and endowments and are awarded to students who have met the donors' imposed restrictions.

Student Athletics

The Student Athletics program is a designated program established for use by the College's athletic department. The program reimburses the athletic department for certain expenses incurred during the year.

Student and Faculty Support

The Student and Faculty Support program distributes grants and awards to deserving individuals and academic programs. This program also includes non-cash donations received which are subsequently given to the College. Non-cash donations for fiscal years 2011 and 2010 were valued at $117,060 and $41,132, respectively.

NOTE 26 – CONTINGENT LIABILITIES (MCF)

In September 2004, as part of a transfer agreement between the College and the Maryland College of Art and Design, the Foundation received land originally appraised at $2,532,600. As part of an agreement between the College and the Foundation, the Foundation agreed to lease the property to the College for use as an educational facility for $1 per month, and agreed to appoint the College as its agent for negotiating a sale of the property. Upon sale of the land, the Foundation is to receive the net cash proceeds, and agrees to place the first $100,000 received in to a specific endowed scholarship fund.

NOTE 27 – SUBSEQUENT EVENTS (MCF)

In August 2011, the Authority issued “Montgomery County Revenue Authority Lease Revenue Bonds (Montgomery College Project) Series 2011 bonds (the 2011 Bonds) with a total face value of $15,870,000. The Authority and the Foundation entered into a loan agreement to effectively transfer all obligations of the 2011 Bonds issue to the Foundation. The proceeds of the 2011 Bonds were used 1) for the purchase of the Goldenrod Building (a 68,826 gross square foot office building located on 4.62 acres located adjacent to the Germantown Campus of the College), 2) to pay real estate closing costs associated with the building purchase, 3) to pay issuance costs of the 2011 Bonds. The 2011 Bonds have annual maturity dates from May 1, 2012 to May 1, 2036 and were issued at a premium of $257,814.

The College entered into a lease agreement with the Foundation, beginning on September 1, 2011, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2011 Bonds. This lease agreement was pledged as security for the 2011 Bonds.

Management evaluated subsequent events through September 30, 2011, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2011, but prior to September 30, 2011 that provided additional evidence about conditions that existed at June 30, 2011, have been recognized in the consolidated financial statements for the year ended June 30, 2011. Events or transactions that provided evidence about conditions that did not exist at June 30, 2011 but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2011.

REQUIRED SUPPLEMENTAL INFORMATION

MONTGOMERY COLLEGE
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS FOR DEFINED BENEFIT RETIREMENT PLAN
JUNE 30, 2011

The following required supplementary information is provided in accordance with GASB No. 27. The plan has an actuarial valuation performed each year and the schedule below presents information for the past ten plan years. Please refer to Note 15 of the Notes to the Financial Statements on pages 55-57 for a more detailed description of Montgomery College's reporting of the College's Defined Benefit Pension Plan for FY 2011.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-02	$ 11,112,761	$ 9,948,471	$ (1,164,290)	111.7%	$ 6,241,381	-18.7%	$ -
6-30-03	10,703,128	10,063,999	(639,129)	106.4%	6,225,191	-10.3%	-
6-30-04	10,603,353	10,059,963	(543,390)	105.4%	5,661,590	-9.6%	-
6-30-05	10,374,787	10,238,200	(136,587)	101.3%	4,827,815	-2.8%	-
6-30-06	10,151,587	10,427,914	276,327	97.4%	4,722,309	5.9%	102,378
6-30-07	10,316,110	12,216,821	1,900,711	84.4%	3,967,274	47.9%	369,394
6-30-08	11,097,452	12,256,446	1,158,994	90.5%	3,500,912	33.1%	182,204
6-30-09	11,274,825	12,189,427	914,602	92.5%	3,461,892	26.4%	138,484
6-30-10	11,932,952	11,616,520	(316,432)	102.7%	2,603,425	-12.2%	282,860
6-30-11	13,626,929	11,841,559	(1,785,370)	115.1%	2,434,170	-83.3%	129,144

Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost	Actual Contribution	Percentage Contributed
6-30-09	$ 182,204	$ 1,002,627	550%
6-30-10	282,860	1,016,770	359%
6-30-11	129,114	2,000,000	1549%

MONTGOMERY COLLEGE
SCHEDULES OF FUNDING PROGRESS AND CONTRIBUTIONS FOR OTHER POST EMPLOYMENT BENEFIT PLAN
JUNE 30, 2011

The following required supplementary information is provided in accordance with GASB No. 45. The plan has an actuarial valuation performed each year and the schedule below presents information for the past five plan years. Information will continue to accumulate until ten years of data becomes available. Please refer to Note 21 of the Notes to the Financial Statements on pages 60-62 for a more detailed description of Montgomery College's reporting of Other Postemployment Benefits (OPEB) for FY 2011.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-07	$ 23,072,058	$ 62,263,511	$ 39,191,453	37.06%	$ 96,333,866	40.68%
6-30-08	25,459,619	52,188,571	26,728,952	48.78%	104,590,815	25.56%
6-30-09	20,632,100	61,627,035	40,994,935	33.48%	113,812,228	36.02%
6-30-10	21,960,175	69,046,415	47,086,240	31.80%	117,804,463	39.97%
6-30-11	24,463,628	75,206,285	50,742,657	32.53%	122,516,462	41.42%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Amount Contributed	Percentage Contributed
6-30-08	$ 4,877,660	$ 25,459,619	522%
6-30-09	3,567,792	3,200,000	90%
6-30-10	5,225,687	1,962,502	38%
6-30-11	5,879,046	2,196,122	37%

MONTGOMERY COLLEGE
Rockville, Maryland

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2012 and 2011

TABLE OF CONTENTS

MONTGOMERY COLLEGE
LISTING OF BOARD OF TRUSTEES
AND SECRETARY-TREASURER TO THE BOARD OF TRUSTEES
June 30, 2012 and 2011

BOARD OF TRUSTEES

Stephen Z. Kaufman, Chair
Reginald M. Felton, First-Vice Chair
Marsha S. Smith, Second-Vice Chair
Gloria A. Blackwell
Jonathan Jayes-Green, Student
Kenneth J. Hoffman, M.D.
Leslie S. Levine, PhD
Michael C. Lin, PhD
Michael J. Knapp
Michael Priddy

DeRionne P. Pollard, PhD, Secretary-Treasurer and President of Montgomery College

Montgomery College

Office of Business Services
240-567-4119

MONTGOMERY COLLEGE

CERTIFICATION OF ANNUAL FINANCIAL STATEMENTS

In connection with the attached Annual Financial Statements of Montgomery College, we hereby certify that:

1. The attached Annual Report is true, complete, and correct in all material respects, and the financial statements therein have been prepared in accordance with accounting principles generally accepted in the United States of America.
2. The information set forth herein, and on each of the schedules hereto, is complete and accurate in all material respects and contains full and complete disclosure of all pertinent information in connection with the operations of the College. Based on our knowledge, the Report does not contain any untrue statement of a material fact or omit a material fact.
3. We have designed such internal controls and procedures to ensure that material information relating to the College, including component units is made known to us and have established an effective system of internal control.
4. Based upon the above, we certify that the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the College.
5. There has been no material adverse change in operations since the date these statements were prepared to the date of the Certification.

Donald M Pearl
for D Pollard Date: 9-28-12
DeRionne Pollard
President

Cathy Jones Date: 9/28/12
Cathy Jones
Senior Vice President for Administrative
and Fiscal Services

Central Administration	Germantown Campus	Rockville Campus	Takoma Park Campus	Continuing Education
900 Hungerford Drive Rockville, MD 20850 240-567-5000	20200 Observation Drive Germantown, MD 20876 240-567-7700	51 Mannakee Street Rockville, MD 20850 240-567-5000	7600 Takoma Park Ave. Takoma Park, MD 20912 240-567-1300	51 Mannakee Street Rockville, MD 20850 240-567-5188

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www.cliftonlarsonallen.com

Independent Auditor's Report

Board of Trustees
Montgomery College
Rockville, Maryland

We have audited the accompanying consolidated financial statements of the business-type activities, each major fund, and the discretely presented component unit of Montgomery College (the College), a component unit of Montgomery County, Maryland, as of and for the years ended June 30, 2012 and 2011, which collectively comprise the College's basic consolidated financial statements as listed in the table of contents. These consolidated financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit, and each major fund of the College as of June 30, 2012 and 2011, and respective changes in financial position and cash flows of its business-type activities and changes in net assets of its discretely presented component unit, where applicable, thereof, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report October 1, 2012 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Funding Progress and Employer Contributions for Defined Benefit Retirement Plan, and Schedule of Funding Progress and Employer Contributions for Other Post-Employment Benefit Plan, as listed in the table of contents. be presented to supplement the basic consolidated financial statements, such information although not a part of the basic consolidated financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Listing of Board of Trustees and Secretary-Treasurer to the Board of Trustees as listed in the table of contents have not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, accordingly, we express no opinion on them.

CliftonLarsonAllen LLP

Baltimore, Maryland
October 1, 2012

The objective of Management's Discussion and Analysis is to help readers of Montgomery College's (the College) financial statements better understand the financial position and operating activities as of and for the fiscal years ended June 30, 2012 and 2011, with comparative information as of and for the year ended June 30, 2010. The financial statements are presented in three columns: Montgomery College, Montgomery College Foundation, and a Total column. The following discussion and analysis provides an overview of the College's financial activities. This discussion and analysis should be read in conjunction with the financial statements and notes to the financial statements.

In 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and Statement No. 35 *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* which established a new reporting model for public institutions. The College has presented the statements in compliance with this reporting model.

In addition, the College has implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement addresses the conditions under which institutions should include associated fund-raising or research foundations as component units in their financial statements. Under the previous accounting standards, the College had no component units. Under the new standards, the Montgomery College Foundation, Inc. (the Foundation) and the Montgomery College Life Sciences Park Foundation, Inc. (LSF) meet criteria for qualifying as component units. The Foundation is included in the accompanying financial statements in a separate column and the LSF is consolidated with the College's reporting. However, the following discussion and analysis does not include the Foundation's and LSF's financial condition and activities.

Overview of the Financial Statements

The College's financial statements consist of three basic financial statements and the notes that provide information on the accounting alternatives used, and explanatory information and detail on certain financial statement elements. The three basic financial statements are the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows.

The *Statement of Net Assets* presents information on the College's assets, liabilities with the difference between the two reported as "net assets". Net assets represents the difference between assets and liabilities, and is detailed into classifications that help readers understand the constraints that the College must consider in making decisions on expending assets. Over time, changes in net assets can help in understanding whether the financial condition of the College is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information on the changes in net assets during the year. All changes in net assets are reported as soon as the underlying event takes place, regardless of the timing of the related cash flows. Thus, revenues and expenses are recorded for some items that will result in cash flows in future fiscal years (for example tuition and fees owed by students, or vacation earned by employees but not used at year-end).

The *Statement of Cash Flows* presents information on sources and uses of cash during the year. This statement details the changes in cash and cash equivalents from the amounts reported at the end of the preceding year, to the amounts reported in the Statement of Net Assets as of the end of the current year. Sources and uses are organized into operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

The emphasis of this Management's Discussion and Analysis is on the College itself. Reference should be made to the separately audited financial statements of the component unit for additional information.

Financial and Enrollment Highlights

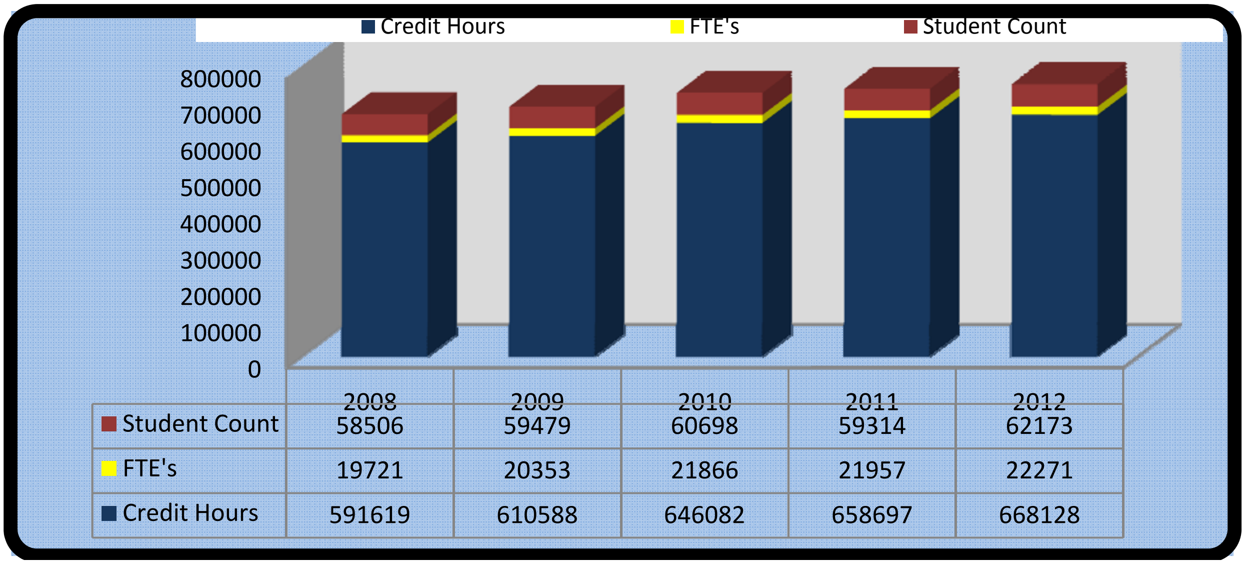
- The College's financial position continued to show growth as assets totaled $526.1 million at June 30, 2012, an increase of $32 million or 6.5% over June 30, 2011. This resulted primarily from a $33.1 million increase in capital assets. In 2011 assets totaled $494.1 million compared to 2010 when assets totaled $466.7 million, a change of $27.4 million or 5.8%. This increase was due primarily to growth in short term investments and capital assets. Net assets increased over that of fiscal year 2011 by $12.4 million or 3.0% in fiscal year 2012. The change in net assets from June 30, 2010 to June 30, 2011 equaled $30.8 million.

- Operating revenues increased $5.3 million or 4.6% as a result of an increase in federal grants and contracts. By comparison, operating revenues in 2011 increased $5.5 million or 5.0% over the prior year 2010, also as a result of an increase in grants and contracts.

- Net non-operating revenues decreased $4.0 million or 2.7% as a result of decreased State and Local Appropriations. By comparison, net non-operating revenues in 2011 decreased $7.6 million or 5.0% over the prior year 2010 as a result of decreased State and Local Appropriations and interest income.

- Overall operating expenses for fiscal year 2012 increased $14.4 million when compared to FY2011 or 5.3% as a result of net changes in spending which included: increases in instruction $5.5 million or 5.6%; institutional support $3.9 million or 9.2%, scholarships $0.4 million or 10%; student services $3.5 million or 13.6%; operations of plant $3.2 million or 11%; depreciation $0.1 million or 0.9%; and auxiliary enterprise $0.6 million or 4.9%. Spending decreased in the areas of: academic support $2.1 million or 7.8%; state retirement $0.3 million or 2.1%; and other expenses $0.4 million or 5.2%. By comparison, 2011 operating expenses decreased $1.5 million or 0.5% over FY2010 as a result of net changes in spending which included: increases in instruction $0.7 million or 0.8%; institutional support $0.7 million or 1.7%, scholarships $0.3 million or 6.5%; depreciation $1.8 million or 15.0%; and state benefits $1.4 million or 12.7%. Decreased spending occurred in the areas of: academic support $0.8 million or 3.0%; student services $1.5 million or 5.5%; plant operations $1.3 million or 4.4%; auxiliary enterprises $0.6 million or 4.8% and other expenses $2.1 million or 19.5%.

- Enrollment based on FTEs (full time equivalent students) increased 314 FTEs to 22,271 or by 1.4% for 2012. FTEs for 2010 and 2011 were 21,866 and 21,957, an increase of 91 FTE's or .4% respectively. This student FTE information is shown graphically below.



Statement of Net Assets

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College using the accrual basis of accounting which is similar to the accounting methods used by most private sector institutions. The Statement of Net Assets measures the difference between assets and liabilities and is one way to measure the financial health of the College. A summarized comparison of the College's assets, liabilities, and net assets at June 30, 2012, 2011, and 2010 is listed in the table below:

Statement of Net Assets

As of June 30,	2012	2011	2010
Assets			
Current assets	$ 109,110,934	$ 106,652,148	$ 100,013,528
Non-current assets	417,021,268	387,457,501	366,693,191
Total Assets	$ 526,132,202	$ 494,109,649	$ 466,706,719
Liabilities and Net Assets			
Liabilities			
Current liabilities	$ 32,603,490	$ 32,256,224	$ 34,590,298
Non-current liabilities	72,527,174	53,210,332	54,304,184
Total Liabilities	105,130,664	85,466,556	88,894,482
Net Assets			
Invested in capital assets - net of related debt	345,066,291	325,884,635	300,853,138
Restricted for:			
Expendable - student loan program	2,025,388	2,025,648	2,022,556
Unrestricted	73,909,859	80,732,810	74,936,543
Total Net Assets	421,001,538	408,643,093	377,812,237
Total Liabilities and Net Assets	$ 526,132,202	$ 494,109,649	$ 466,706,719

- The College experienced negative growth in its unrestricted net assets in 2012, a decrease of $6.8 million, due primarily to a decrease in local and county appropriations coupled with an increase in deferred revenue and long term liabilities as a result of the Goldenrod and Holy Cross operating leases. Comparatively, the change in unrestricted net assets from 2010 to 2011 increased $5.8 million or 7.7%, due to account managers adopting a judicious approach to spending.

- Current assets increased 2.3% in 2012, due to an increase in prepaid expenses and CIP receivables. From a liquidity perspective, current assets cover current liabilities 3.4 times, an indicator of excellent liquidity and ability to withstand short term demands for working capital. This rate of coverage increased slightly from 3.3 times last year. Current assets cover 4.6 months of total operating expenses, including depreciation. For 2012, one month of operating expenses is approximately $24 million. For purposes of comparison, the change in current assets from 2010 to 2011 equaled $6.6 million or 6.6%, due primarily to increases in cash, short term investments and CIP receivables.

- Non-current assets increased to $417 million in 2012 from $387.5 million in 2011 due to an increase in capital assets which grew by 8.9%, due to the acquisition of the Goldenrod Building on the Germantown Campus. By comparison, non-current assets increased 5.7% from 2010 to 2011 due to increase in capital assets, which increased $24.2 million or 6.9%.

- Current liabilities increased by $0.3 million or 1.0% in 2012 due mainly to a 17.1% increase in unearned revenue for the land lease agreement with Holy Cross Hospital on the Germantown Campus. By comparison, current liabilities in 2011 decreased 6.7% over 2010 due mainly to a 17.1% decrease of vendor payables and accrued liabilities amounting to $4.4 million.

- Non-current liabilities increased 36.3% which resulted from a $19.3 million increase in long-term liabilities. The reason for the increase is connected to the long term debt associated with the lease payments of the Goldenrod Building on the Germantown Campus. By comparison, the variance in non-current liabilities between 2011 and 2010 equaled a decrease of $1.1 million or 2.0% due to reduction in lease payments for the Takoma Park Parking Deck and Cafritz Cultural Arts Center.

Statement of Revenues, Expenses and Changes in Net Assets

A summary Statement of Revenues, Expenses and Changes in Net Assets is listed on page 10 and presents the operating results of the College, as well as non-operating revenues and expenses, and other revenues for the years ended June 30, 2012, 2011, and 2010.

Annual County and State appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles as detailed by pronouncements issued by the Governmental Accounting Standards Board (GASB) Statement Nos. 34 & 35, even though these appropriated funds are used to support operating activities. Consequently, the College reflects an operating loss of $164.8 million before the appropriation of these crucial revenue streams. Adding these non-operating resources, which equaled $140.9 million in FY2012, offsets the vast majority of the operating loss, and results in an adjusted loss amount of $23.9 million. This provides a more accurate picture of the College's scale and results of operations.

Statement of Revenues, Expenses and Changes in Net Assets

	FY2012	FY2011	FY2010
Operating Revenue			
Student Tuition/Fees	$ 63,972,768	$ 62,144,609	$ 62,947,084
Grants & Contracts	42,079,442	38,574,284	32,267,883
Auxiliary Enterprises	12,845,548	13,212,947	13,546,012
Other Operating Revenue	1,848,708	1,484,668	1,197,439
Total Operating Revenue	120,746,466	115,416,508	109,958,418
Operating Expenses	285,573,114	271,176,514	272,640,558
Operating Loss	(164,826,648)	(155,760,006)	(162,682,140)
Non-Operating Revenue (Expense)			
State/Local Appropriation	142,829,008	146,831,103	155,543,398
Interest Income	173,830	201,062	157,716
Interest Expense	(2,101,137)	(2,154,318)	(3,226,415)
Total Non-Operating Revenue	140,901,701	144,877,847	152,474,699
Loss Before Other Revenues (Expenses)	(23,924,947)	(10,882,159)	(10,207,441)
Other Revenue (Expenses)			
Capital Appropriation	35,603,210	41,189,215	55,834,834
Capital Grants/Gifts	773,184	628,185	321,431
Disposal of Capital Assets	(93,002)	(104,385)	(1,109,154)
Total Other Revenue (Expenses)	36,283,392	41,713,015	55,047,111
Change in Net Assets	12,358,445	30,830,856	44,839,670
Beginning Net Assets	408,643,093	377,812,237	332,972,567
Ending Net Assets	$ 421,001,538	$ 408,643,093	$ 377,812,237

Operating revenues grew $5.4 million or 4.6% in 2012, while the change between 2010 and 2011 was slightly greater as the College saw an increase in operating revenues of $5.5 million or 5.0%.

- Tuition and fees, net of scholarship allowances, equaled $64.0 million in 2012, an increase of 3.0% from the 2011 total, and it is $1 million more than recorded for 2010. As a percentage of total operating revenues, this revenue category equals 53% of the total. Over the last 3 years, as a percentage of total operating revenues, this revenue category was 53.8% in 2011 and 57.2% in 2010 due to an increase in enrollment and an increase in tuition rates.

- Grants and contracts makes up a significant portion of the College operating revenue $42 million or 35% in FY2012 and $38.6 million or 33.4% in FY2011, showing an increase of $3.4 million and $6.3 million in FY2012 and FY2011, respectively. Funding for Federal Pell Grants which equaled $30.4 million in 2012, has proven to be significant in both the number of students served as well as the positive effects it has generated in terms of student success.

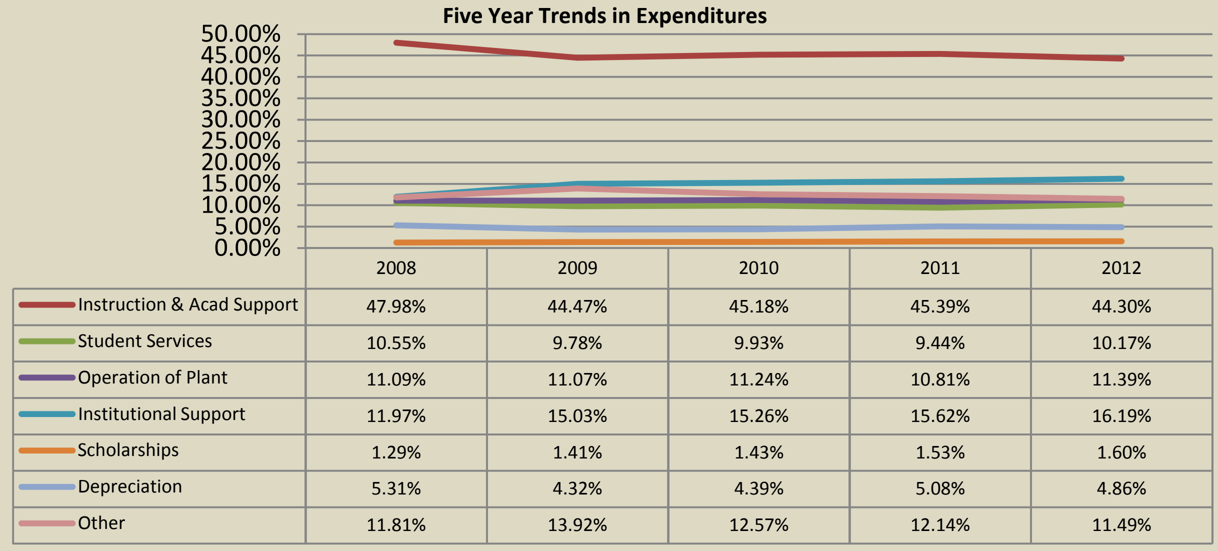
- State and local appropriations is the key variable in the table and from a budgetary perspective, this revenue category accounted for 47.9%, 48.6% and 49.1% of the College's operating budget over the last three fiscal years respectively. The non-operating revenue resulted in decreases of $3.9 million, $7.5 million and $0.5 million for years 2012, 2011 and 2010 respectively. State and local appropriations have dropped 6.1% since FY2009. The downward trend is indicative of the tough fiscal climate that has gripped the local, state, and national economies since 2008.

- Other revenue, primarily capital appropriations for land, construction, and equipment is funded from governmental sources. This category shows a decline in 2012, a drop of $5.6 million or 13.6% for FY2012 compared to a decrease in FY2011 of $14.6 million or 26.2%. Montgomery College continues to concentrate on the renewal and enhancement to physical infrastructure, including buildings, offices, and classrooms. Montgomery College's goal is to provide a safe, clean and secure classroom and workplace environment for students and employees.

Expenses by Functional Classification

The graph below shows College spending in terms of percentages for the seven standard reporting classifications has remained relatively flat. Given the nature of incremental budgeting in use by governmental entities, including Montgomery College, this pattern is not unusual.

- Due to the current economic climate and increased enrollment, the rate of growth for expenses for all of the functional categories showed an increase of $14.4 million or 5.3%. College operating expenditures totaled $285.6 million in 2012 as compared to $271.2 million in 2011 and $272.6 million in 2010. The decreased spending of $1.4 million or 0.5% between 2010 and 2011 is reflective of austerity measures implemented by the College.


Five Year Trends in Expenditures

	2008	2009	2010	2011	2012
Instruction & Acad Support	47.98%	44.47%	45.18%	45.39%	44.30%
Student Services	10.55%	9.78%	9.93%	9.44%	10.17%
Operation of Plant	11.09%	11.07%	11.24%	10.81%	11.39%
Institutional Support	11.97%	15.03%	15.26%	15.62%	16.19%
Scholarships	1.29%	1.41%	1.43%	1.53%	1.60%
Depreciation	5.31%	4.32%	4.39%	5.08%	4.86%
Other	11.81%	13.92%	12.57%	12.14%	11.49%

- Instructional and academic support expenditures represented $126.5 million or 44.3% of total College expenses in 2012, reflecting a spending increase of $3.4 million. For 2011 and 2010 instructional and academic support expenditures represented 45.4% and 45.2%, respectively of total operating expenses.

- Salaries and benefits continue to be the major component of all functional categories, except scholarships, depreciation and disposals which contain no salary expenses. In 2012, salaries and benefits accounted for 71.2% of all College expenditures and these employee compensation costs totaled $203.3 million (including State paid retirement costs). This represents a $5.2 million or 2.6% increase over FY2011. In FY2011 and 2010, College salary and benefit expenditures (including State paid retirement costs), equaled $198.1 and $194.1 respectively.

- Spending for Institutional Support in 2012 increased to $46.2 million from $42.3 million in 2011, a change of $3.9 million or 9.1%. The factors associated with this change include increased cost of salaries and employee benefits. From 2010 to 2011, the increase in spending was $0.7 million, an increase of 1.8%.

- Scholarships and related expenses include only that portion of student aid which was paid to the student and not used to offset tuition and fees. Scholarship expenditures in the amount of $31.7 million were offset against tuition and fee income. In 2012, spending for this function equaled $4.5 million, a 10.0% increase over 2011. In 2011, spending for scholarships equaled $4.1 million, an increase of 6.5% over the 2010 spending level of $3.9 million.

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flow and its ability to meet obligations as they come due. This Statement of Cash Flows represents the significant sources and uses of cash.

	2012	2011	2010
Net cash used in operating activities	$ (97,274,667)	$ (128,400,880)	$ (136,080,310)
Net cash provided by non-capital financing activities	137,667,020	135,264,800	145,006,773
Net cash provided by capital and related financing activities	176,394	8,166,130	7,665,349
Net cash provided by (used in) investing activities	(19,438,016)	(30,485,430)	9,970,945
Increase (decrease) in cash and cash equivalents	21,130,731	(15,455,380)	26,562,757
Cash and cash equivalents, beginning of year	23,772,260	39,227,640	12,664,883
Cash and cash equivalents, end of year	$ 44,902,991	$ 23,772,260	$ 39,227,640

- The College's cash and cash equivalents increased by $21.1 million for fiscal year 2012. This change reflected in 2012 was due mainly to a decrease in cash used for operating activities of $31.1 million over fiscal year 2011. In addition, cash flows used in investing activities increased $11 million while cash flows from non-capital financing activities increased by $2.4 million due to monies received from Holy Cross Hospital for the land lease agreement in Germantown. By contrast, the College's cash and cash equivalents decreased by $15.4 million in 2011. This change from 2010 to 2011 was due mainly to a decrease state and local appropriations of $9.6 million.

- A large portion of the decrease provided by capital financing activities is a result of the reduction in the number of large construction projects funded in 2012 through capital budget appropriations.

Economic or Regulatory Factors that Can Affect the Future of the College

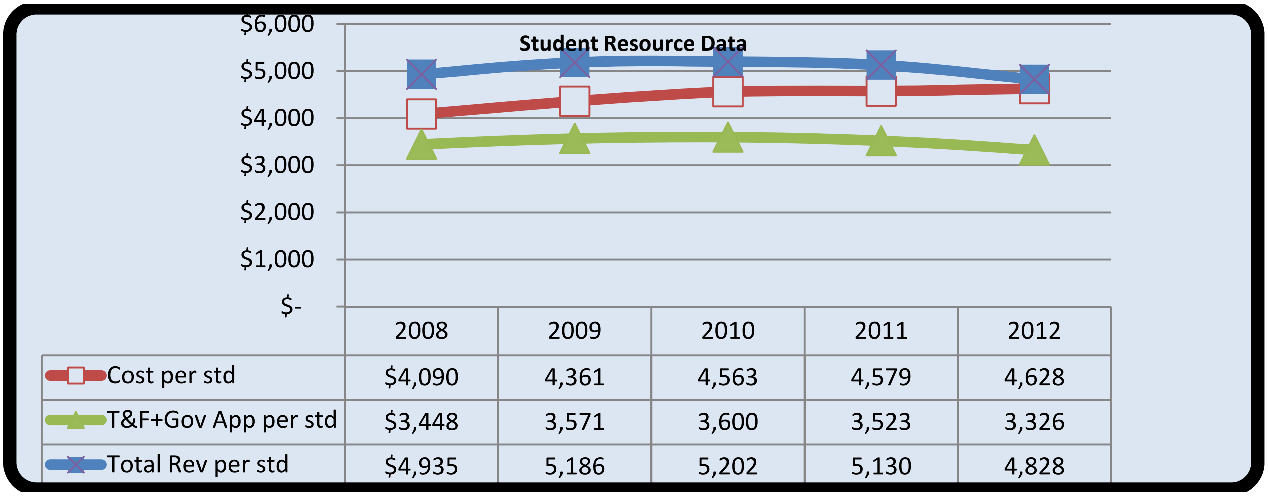
Listed below are significant challenges that can impact the future of Montgomery College:

- Montgomery County and the State of Maryland provide significant resources to the College and as such, the economic condition of the state and local region has a major bearing on the future economic health of the College. Even though the State ended fiscal 2012 with general fund revenues higher than projected, there is continued uncertainty about the economic recovery. Early projections from the County are showing a $71 million budget gap going into fiscal 2014 due to the economy and other expenses. Therefore, the level of State and Local support, compensation increases, and student tuition and fee increases will impact the College's ability to expand programs, undertake new initiatives, and meet core mission and on-going operational needs.

- The unemployment rate in Maryland in July 2012, July 2011 and July 2010 was 7.0%, 7.3%, and 7.4% respectively. This is better than the national rate which stood at 8.3% for July, 2012 and has been steadily improving over the last year from 9.1% a year ago. While the unemployment rate has been trending lower for Montgomery County, the ill effects of this single factor will continue to impact the budgetary picture for months or years to come since it affects so many different governmental tax structures, revenue pools and fiscal planning initiatives.

- Montgomery College's enrollment is budgeted to be 22,705 in full-time equivalent (FTE) students next year. The College continues to see a growth in enrollment as credit students opt for a more economical means to achieve an education compared to the first two years of a four year institution and other students are being faced with a need for retraining and other workforce development options.

- As indicated in the graphic below, the cost per student metric continues to rise, up 15.3% in five years. Due to reductions in State and County aid, total revenue per student declined in FY2012.



	2008	2009	2010	2011	2012
Cost per std	$4,090	4,361	4,563	4,579	4,628
T&F+Gov App per std	$3,448	3,571	3,600	3,523	3,326
Total Rev per std	$4,935	5,186	5,202	5,130	4,828

- The effects of social media technology (SMT) on teaching and learning can impact the costs of delivering educational services to our students. Rapid advances in the way students communicate, interact, and learn is likely to have a dramatic impact on our existing instructional delivery. Training and staff development costs could escalate and mobile technology standards are constantly evolving. Steps to ensure faculty remain ahead of the technology curve always will increase costs.

- There are three major capital projects that will affect the future financial position of Montgomery College. One is the design and construction of the Bioscience Education Center on the Germantown campus. The second is the renovation of the Science East and Science West Buildings on the Rockville campus. The third is the construction of a new student services center on the Rockville campus.

In conclusion, the College remains fiscally responsible and always vigilant about internal and external factors that have the potential to affect the College's ability to conduct financial business and fulfill its mission. The College resolves to meet these challenges.

Contacting the College's Financial Management

The financial report is designed to provide interested parties with a general overview of Montgomery College's finances. If you have questions about this report or require additional financial information, contact Montgomery College, Office of Business Services, 900 Hungerford Drive, Rockville, Maryland 20850.

CONSOLIDATED FINANCIAL STATEMENTS

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
June 30, 2012

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
ASSETS			
Cash assets:			
Cash and cash equivalents:	$ 44,902,991	$ 4,173,973	$ 49,076,964
Short-term investments	44,124,438	4,066,248	48,190,686
CIP receivable	7,803,699	-	7,803,699
Student accounts receivable	3,858,631	-	3,858,631
Student loans receivable	134,158	-	134,158
Grants and contracts receivable	1,072,465	-	1,072,465
Governmental appropriations receivable	1,343,644	-	1,343,644
Pledges receivable	-	463,195	463,195
Other receivables	1,605,680	-	1,605,680
Inventory	1,609,561	-	1,609,561
Prepaid expenses and other assets	2,655,667	208,646	2,864,313
Total current assets	109,110,934	8,912,062	118,022,996
Non-current assets:			
Student loans receivable - net	1,825,376	-	1,825,376
Pledges receivable	-	1,090,633	1,090,633
Deposits	47,589	-	47,589
Investments	-	18,857,338	18,857,338
Assets held in charitable remainder trusts	-	241,566	241,566
OPEB asset value	9,966,286	-	9,966,286
Deferred financing costs	-	916,618	916,618
Net investment in capital lease	-	59,705,000	59,705,000
Capital assets - net	405,182,017	2,750,000	407,932,017
Total non-current assets	417,021,268	83,561,155	500,582,423
TOTAL ASSETS	$ 526,132,202	$ 92,473,217	$ 618,605,419
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 20,162,447	$ 738,940	$ 20,901,387
Overdrafts	2,551,153	-	2,551,153
Unearned revenue	5,561,098	1,128,610	6,689,708
Due to other organizations	1,770,435	-	1,770,435
Current portion of long-term liabilities	2,558,357	2,070,000	4,628,357
Total current liabilities	32,603,490	3,937,550	36,541,040
Non-current liabilities:			
Unearned revenue	6,192,810	-	6,192,810
Long-term liabilities	66,334,364	58,410,943	124,745,307
Annuities payment from charitable remainder trusts	-	1,335,681	1,335,681
Total non-current liabilities	72,527,174	59,746,624	132,273,798
TOTAL LIABILITIES	105,130,664	63,684,174	168,814,838
NET ASSETS			
Invested in capital assets - net of related debt	345,066,291	-	345,066,291
Restricted for:			
Expendable- student loan programs	2,025,388	-	2,025,388
Unrestricted	73,909,859	6,172,285	80,082,144
Temporarily restricted	-	6,805,358	6,805,358
Permanently restricted	-	15,811,400	15,811,400
TOTAL NET ASSETS	421,001,538	28,789,043	449,790,581
TOTAL LIABILITIES AND NET ASSETS	$ 526,132,202	$ 92,473,217	$ 618,605,419

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF NET ASSETS
June 30, 2011

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
ASSETS			
ASSETS			
Cash assets:			
Cash and cash equivalents:	$ 23,772,260	$ 3,035,240	$ 26,807,500
Short-term investments	63,744,560	4,243,833	67,988,393
CIP receivable	6,889,919	-	6,889,919
Student accounts receivable	3,622,323	-	3,622,323
Student loans receivable	217,443	-	217,443
Grants and contracts receivable	1,998,214	-	1,998,214
Governmental appropriations receivable	1,782,474	-	1,782,474
Pledges receivable	-	684,548	684,548
Other receivables	1,571,086	-	1,571,086
Inventory	1,679,744	-	1,679,744
Prepaid expenses and other assets	1,374,125	155,431	1,529,556
Total current assets	106,652,148	8,119,052	114,771,200
Non-current assets:			
Student loans receivable - net	1,636,613	-	1,636,613
Pledges receivable	-	1,255,690	1,255,690
Deposits	47,819	-	47,819
Investments	-	21,024,694	21,024,694
Assets held in charitable remainder trusts	-	350,786	350,786
OPEB asset value	13,673,233	-	13,673,233
Deferred financing costs	-	703,367	703,367
Net investment in capital lease	-	45,720,000	45,720,000
Capital assets - net	372,099,836	2,750,000	374,849,836
Total non-current assets	387,457,501	71,804,537	459,262,038
TOTAL ASSETS	$ 494,109,649	$ 79,923,589	$ 574,033,238
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	$ 21,239,378	$ 538,801	$ 21,778,179
Overdrafts	2,534,082	-	2,534,082
Unearned revenue	4,747,128	1,179,911	5,927,039
Due to other organizations	1,656,834	-	1,656,834
Current portion of long-term liabilities	2,078,802	1,590,000	3,668,802
Total current liabilities	32,256,224	3,308,712	35,564,936
Non-current liabilities:			
Long-term liabilities	53,210,332	44,824,896	98,035,228
Annuities payment from charitable remainder trusts	-	1,195,590	1,195,590
Total non-current liabilities	53,210,332	46,020,486	99,230,818
TOTAL LIABILITIES	85,466,556	49,329,198	134,795,754
NET ASSETS			
Invested in capital assets - net of related debt	325,884,635	-	325,884,635
Restricted for:			
Expendable- student loan programs	2,025,648	-	2,025,648
Unrestricted	80,732,810	7,152,437	87,885,247
Temporarily restricted	-	8,390,144	8,390,144
Permanently restricted	-	15,051,810	15,051,810
TOTAL NET ASSETS	408,643,093	30,594,391	439,237,484
TOTAL LIABILITIES AND NET ASSETS	$ 494,109,649	$ 79,923,589	$ 574,033,238

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2012

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues:			
Student tuition and fees, net of scholarship allowance of $31,676,150	$ 63,972,768	$ -	$ 63,972,768
Federal grants and contracts	35,501,265	-	35,501,265
State grants and contracts	4,617,317	-	4,617,317
Local grants and contracts	1,960,860	-	1,960,860
Gifts and contributions	-	2,359,035	2,359,035
Auxiliary enterprises	12,845,548	-	12,845,548
Other operating revenues	1,848,708	177,661	2,026,369
Total operating revenues	120,746,466	2,536,696	123,283,162
Operating expenses:			
Educational and general			
Instruction	102,207,179	-	102,207,179
Academic support	24,295,193	-	24,295,193
Student services	29,055,977	95,645	29,151,622
Operation of plant	32,530,588	-	32,530,588
Institutional support	46,233,274	-	46,233,274
Scholarships and related expenses	4,562,049	1,429,722	5,991,771
Depreciation expense	13,886,304	-	13,886,304
Student and faculty support	-	1,067,736	1,067,736
Administrative and resource development	-	790,508	790,508
Auxiliary enterprises	12,672,361	-	12,672,361
Other expenditures	8,134,476	-	8,134,476
State paid benefits	11,995,713	-	11,995,713
Total operating expenses	285,573,114	3,383,611	288,956,725
OPERATING LOSS	(164,826,648)	(846,915)	(165,673,563)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	142,829,008	-	142,829,008
Investment and interest income	173,830	1,643,578	1,817,408
Interest expense	(2,101,137)	(2,602,011)	(4,703,148)
NON-OPERATING REVENUES (EXPENSES)	140,901,701	(958,433)	139,943,268
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(23,924,947)	(1,805,348)	(25,730,295)
Capital appropriations	35,603,210	-	35,603,210
Capital grants, contracts and gifts	773,184	-	773,184
Disposal of capital assets	(93,002)	-	(93,002)
	36,283,392	-	36,283,392
INCREASE (DECREASE) IN NET ASSETS	12,358,445	(1,805,348)	10,553,097
NET ASSETS, BEGINNING OF YEAR	408,643,093	30,594,391	439,237,484
NET ASSETS, END OF YEAR	$ 421,001,538	$ 28,789,043	$ 449,790,581

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year Ended June 30, 2011

	Montgomery College	Component Unit Montgomery College Foundation	Combined Totals Memorandum Only
OPERATING REVENUES AND EXPENSES			
Operating revenues:			
Student tuition and fees, net of scholarship allowance of $29,461,248	$ 62,144,609	$ -	$ 62,144,609
Federal grants and contracts	32,902,114	-	32,902,114
State grants and contracts	3,902,560	-	3,902,560
Local grants and contracts	1,769,610	-	1,769,610
Gifts and contributions	-	2,358,477	2,358,477
Auxiliary enterprises	13,212,947	-	13,212,947
Other operating revenues	1,484,668	269,912	1,754,580
Total operating revenues	115,416,508	2,628,389	118,044,897
Operating expenses:			
Educational and general			
Instruction	96,747,148	-	96,747,148
Academic support	26,347,329	-	26,347,329
Student services	25,587,120	58,512	25,645,632
Operation of plant	29,310,179	-	29,310,179
Institutional support	42,345,377	-	42,345,377
Scholarships and related expenses	4,148,304	1,248,298	5,396,602
Depreciation expense	13,766,562	-	13,766,562
Student and faculty support	-	817,857	817,857
Administrative and resource development	-	689,482	689,482
Auxiliary enterprises	12,083,879	-	12,083,879
Other expenditures	8,581,915	-	8,581,915
State paid benefits	12,258,701	-	12,258,701
Total operating expenses	271,176,514	2,814,149	273,990,663
OPERATING LOSS	(155,760,006)	(185,760)	(155,945,766)
NON-OPERATING REVENUES (EXPENSES)			
State and local appropriations	146,831,103	-	146,831,103
Investment and interest income	201,062	5,284,481	5,485,543
Interest expense	(2,154,318)	(2,173,344)	(4,327,662)
NON-OPERATING REVENUES	144,877,847	3,111,137	147,988,984
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(10,882,159)	2,925,377	(7,956,782)
Capital appropriations	41,189,215	-	41,189,215
Capital grants, contracts and gifts	628,185	-	628,185
Disposal of capital assets	(104,385)	-	(104,385)
	41,713,015	-	41,713,015
INCREASE IN NET ASSETS	30,830,856	2,925,377	33,756,233
NET ASSETS, BEGINNING OF YEAR	377,812,237	27,669,014	405,481,251
NET ASSETS, END OF YEAR	$ 408,643,093	$ 30,594,391	$ 439,237,484

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$ 64,513,411	$ 63,030,003
Grants and contracts	43,005,191	37,592,853
Payments to suppliers	(35,375,608)	(53,587,819)
Payments to employees	(179,438,540)	(185,942,885)
Payments for scholarships	(4,562,049)	(4,148,304)
Loans issued to students	(251,781)	(98,500)
Collection of loans from students	138,028	221,313
Auxiliary enterprises	12,845,548	13,212,947
Other receipts	1,851,133	1,319,512
Net cash used in operating activities	(97,274,667)	(128,400,880)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State and local appropriations	131,272,125	134,910,688
Holy Cross Land lease	6,281,294	-
Student organization agency transactions - net	113,601	354,112
Net cash provided by non-capital financing activities	137,667,020	135,264,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations	34,691,753	48,679,706
Capital gains	773,183	628,185
Purchase of capital assets	(31,191,487)	(37,439,927)
Payments for capital lease	(1,995,918)	(1,547,516)
Interest paid	(2,101,137)	(2,154,318)
Net cash provided by capital and related financing activities	176,394	8,166,130
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	104,066,331	62,105,307
Interest income on investments	182,106	134,128
Purchase of investments	(123,686,453)	(92,724,865)
Net cash used in investing activities	(19,438,016)	(30,485,430)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,130,731	(15,455,380)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	23,772,260	39,227,640
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 44,902,991	$ 23,772,260
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (164,826,648)	$ (155,760,006)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	13,886,304	13,766,562
Governmental non-exchange	11,995,713	12,258,701
OPEB benefit cost	5,007,882	3,277,749
Effects of changes in operating assets and liabilities:		
Receivables - net	2,932,465	(1,299,873)
Inventory	70,183	(38,393)
Loans to students - net	113,753	122,811
Other assets	1,636,537	1,167,462
Accounts payable	25,009,874	(2,085,024)
Unearned revenue	7,095,265	198,731
Compensated absences	(195,995)	(9,600)
NET CASH USED IN OPERATING ACTIVITIES	$ (97,274,667)	$ (128,400,880)
SUPPLEMENTAL DISCLOSURE OF NON-CASH ITEMS		
Capital assets acquired under capital lease	$ 15,870,000	$ 594,637

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF FIDUCIARY NET ASSETS
OPEB TRUST FUND
June 30, 2012 and 2011

	2012	2011
Assets		
Cash and short-term investments	$ 43,802	$ 53,857
Interest and dividends receivable	38,715	71,580
Investments, at fair value:		
Mutual Funds - equity	13,877,614	10,860,629
Mutual Funds - fixed income	7,720,033	5,897,092
US Government Issues	3,032,194	7,580,470
Total investments	24,629,841	24,338,191
County receivable	1,000,000	
Total assets	25,712,358	24,463,628
Liabilities	-	-
Net assets held in trust for other post-employment benefits	$ 25,712,358	$ 24,463,628

The accompanying notes are an integral part of the financial statements.

MONTGOMERY COLLEGE
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
OPEB TRUST FUND
Years Ended June 30, 2012 and 2011

	2012	2011
Additions		
Employer contributions	$ -	$ 102,778
County contributions	1,000,000	-
Investment income:		
Net appreciation in fair value of investments	(424,998)	1,866,238
Interest	222,023	310,523
Dividends	597,508	362,662
Total investment income	1,394,533	2,539,423
Total additions	1,394,533	2,642,201
Deductions		
Administrative expense	145,803	138,748
Net increase	1,248,730	2,503,453
Net assets held in trust for other post-employment benefits		
Beginning of year	24,463,628	21,960,175
End of year	$ 25,712,358	$ 24,463,628

The accompanying notes are an integral part of the financial statements.

NOTE 1 – REPORTING ENTITY (MC & MCF)

Reporting Entity

Montgomery College (the College or MC) is considered a "body politic" under Maryland state law as an instrumentality of the State of Maryland (the State).

The College is governed by a ten member Board of Trustees, nine of whom are appointed for six-year terms by the Governor of Maryland with the advice and consent of the State Senate, and one of whom is a student appointed by the Governor to serve a one-year term.

The College's budget is subject to approval by the Montgomery County Council (the County). The Annotated Code of Maryland states that in order for a board (College) to receive an increase in the State share of support, the County share, in the aggregate, that supports the community college shall be equal to or exceed the aggregate amount of operating fund appropriations made to the board by the County in the previous fiscal year. State funding is based on enrolled eligible full-time equivalent students (marginal cost component) and a fixed cost component.

The College's financial statements include the accounts of the Montgomery College Life Sciences Park Foundation Inc. (LSF). In 2011, the Board of Directors of the College formed the Montgomery College Life Sciences Park Foundation Inc. (LSF) for the purpose of supporting the mission of the College or its successor institution and to promote the advancement of education by fostering and expanding educational and research opportunities for faculty and students of the College or its successor institution. Accordingly, the accounts of LSF have been consolidated herein, as required by generally accepted accounting principles. All significant interorganization balances and transactions were eliminated in consolidation.

Montgomery College Foundation (the Foundation or MCF) is a legally separate, tax-exempt organization established to enhance the College's mission through fund-raising that benefits the College and its programs. The twenty-two member board of the Foundation is self-perpetuating and consists of alumni and friends of the College. The majority of resources that the Foundation holds and invests are restricted to the activities of the College by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Complete financial statements for the Foundation can be obtained from the administrative office listed below:

Montgomery College Foundation, Inc.
Director of Finance
40 West Gude Drive, Suite 220
Rockville, Maryland 20850

NOTE 1 – REPORTING ENTITY (MC & MCF) (CONTINUED)

During the years ended June 30, 2012 and 2011, the Foundation distributed $2,140,385 and $1,703,699, respectively, to the College for both restricted and unrestricted purposes.

Although the College is not a County agency, as a result of the College's relationship with the County, the College's financial statements are considered component unit statements and are properly included in the Comprehensive Annual Financial Report of the County, in accordance with generally accepted accounting principles. Transactions with the County relate primarily to appropriations for operations and capital improvements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation (MC & MCF)

The College follows the reporting and disclosure requirements for special purpose governments involved in business-type activities as outlined in Governmental Accounting Standards Board (GASB) Statements Nos. 34, 35 and 38. This provides an entity-wide perspective in the financial statement presentation. These standards require capitalization of assets, recording of depreciation, presentation of management's discussion and analysis, required supplementary information and presentation of a Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows.

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-For-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Limited presentation modifications have been made to the Foundation's financial statement format and included in the College's financial statement.

Basis of Accounting (MC)

The College's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when a liability is incurred.

Use of Estimates in Preparing Financial Statements (MC & MCF)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Scholarship Allowances (MC)

The College's tuition and fees revenue is reported net of any scholarship allowance. A scholarship allowance is defined as the difference between the stated charge for tuition, goods, and services provided by the College and the amount that is paid by the student and/or third parties making payments on behalf of the student. The scholarship allowance represents the amount of dollars the College receives as tuition from outside resources such as the Title IV Federal Grant Program, restricted grants, and the College's own Board of Trustees grants. Funds received for tuition costs from outside resources are reported in the appropriate revenue classification. Certain aid such as loans and third party payments are credited to the student's account as if the student made the payment. For fiscal year 2012 and 2011, the College netted student aid expense in the amount of $33,314,338 and $30,726,615 against tuition revenue of $31,676,150 and $29,461,248 and auxiliary enterprises revenue of $1,638,188 and $1,267,367 respectively.

Revenue Recognition (MC)

Revenue is recognized on an accrual basis with the establishment of corresponding accounts receivable. Tuition receivables are uncollateralized obligations of students resulting from course registrations. Accounts receivable also include transactions involving governmental appropriations, student loans, grants and contracts, and financial aid. The allowance method for accounts receivable is used to measure bad debts. The allowance for doubtful accounts is determined based upon aging analysis and management's estimation of collectability of such accounts.

Federal Financial Assistance Programs (MC)

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Loans and Perkins Loan programs. Federal programs are audited in accordance with the U.S. Office of Management and Budget Revised Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement*.

Operating and Non-Operating Components (MC & MCF)

Financial statement operating components include all transactions and other events that are not defined as capital and related financing, noncapital financing or investing activities. The College's principle ongoing operations determine operating flow activities. Ongoing operations of the College include, but are not limited to, providing intellectual, cultural and social services through two-year associate degree programs, continuing education programs and continuous learning programs. Operating revenues of the College consist of tuition and fees, grants and contracts, and auxiliary enterprises revenues.

Financial statement non-operating components include transactions and other events that are defined as non-capital financing activities, capital financing activities, and investing activities. Non-capital financing activities include borrowing money for purposes other than to acquire, construct or improve capital assets and repaying those amounts borrowed, including interest.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating and Non-Operating Components (MC & MCF) (CONTINUED)

Also included are certain interfund and intergovernmental receipts and payments such as state appropriations, Federal Family Education loans, and student organization agency transactions. Capital financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) long-term borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit. Investing activities include acquiring and disposing of debt or equity instruments.

Encumbrances (MC)

The College maintains an encumbrance system for tracking outstanding purchase orders and other commitments for materials and services not received during the year. Encumbrances at year-end were approximately $25,238,665, which represents the estimated amount of expense ultimately to result if unperformed obligations are completed. Encumbrances outstanding at June 30, 2012 do not constitute expenses or liabilities and are not reflected in these financial statements.

Net Assets (MC)

GASB Statement No. 34 reports equity as "net assets" rather than "fund balance". Net assets are classified according to external restrictions or availability of assets for satisfaction of College obligations. Restricted net assets are reported as either expendable or nonexpendable. The unrestricted net assets for the years ended June 30, 2012 and 2011 was earmarked for:

	2012	2011
Encumbrances	$ 25,238,665	$ 27,069,366
Emergency repairs and maintenance	865,201	665,960
Reserve for major facility projects	8,905,769	8,095,555
Reserve for OPEB contribution	9,966,286	13,268,057
Quasi-endowment	599,144	597,548
Other purposes	28,334,794	30,631,148
Total	$ 73,909,859	$ 80,327,634

Expenditures of quasi-endowment funds require approval by the Board of Trustees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (MCF)

Net assets, which result from contributions or other inflows of assets from donors, are reported as unrestricted or restricted based on stipulations of the donor. Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor stipulations or their use. Temporarily restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that can be removed by the passage of time or action of the Foundation pursuant to those stipulations. Permanently restricted net assets are the portion of net assets whose use is limited by donor-imposed stipulations that cannot be removed by the passage of time or action of the Foundation. Expenditures which meet the specific purposes of temporarily restricted net assets are released from temporarily restricted net assets prior to being expensed from unrestricted net assets.

Temporarily restricted net assets of $6,805,358 and $8,390,144 as of June 30, 2012 and 2011, respectively, consisted of funds restricted for scholarship purposes and other specified programs. Net assets released from restrictions were funds restricted for scholarship purposes and other specified programs whose restrictions were satisfied. Permanently restricted net assets are restricted in perpetuity, the income from which is expendable to support the general obligations of the Foundation and to provide scholarships.

Restricted Net Assets - Expendable and Nonexpendable (MC)

The College's restricted net assets have constraints placed upon them either: (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As such, GASB No. 34 requires the College's restricted net assets to be delineated on the financials as either expendable or nonexpendable. Nonexpendable net assets are required to be maintained in perpetuity. The College had no nonexpendable net assets at June 30, 2012 and 2011. Expendable net assets, for which there are externally imposed constraints, are obligated or expended with the condition(s) of the constraints. Expendable net assets represent amounts in the Perkins revolving loan fund.

Cash and Cash Equivalents (MC & MCF)

Cash equivalents are items that are readily convertible to cash while carrying an insignificant risk of change in value. Cash equivalents have original maturities at the date of purchase of three months or less.

Short-term Investments (MC & MCF)

Short-term investments with maturities of less than 90 days on June 30, 2012 and 2011 have been included as cash and cash equivalents and consist of banker's acceptances, U.S. Government Agency and Sponsored Instruments, and the Maryland Local Government Investment Pool (MLGIP). All such short-term investments for the College are carried at amortized cost. Short-term investments held by the Foundation classified as cash and cash equivalents are carried at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and Non-Current (MC & MCF)

Current assets include cash and other assets or resources commonly identified as those which are reasonably expected to be realized in cash or consumed during a normal operating cycle of business, usually one year or less, without interfering with the normal business operation. They can consist of cash, inventories, accounts receivable, notes receivable, marketable securities, and prepaid expenses which meet the conditions stated above. Current liabilities are defined as obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets, or the creation of other current liabilities. Other assets and liabilities which extend past the one year period are classified as non-current.

Unamortized Interest (MCF)

Notes payable between the Foundation and the Montgomery County Revenue Authority (the Authority) are funded by bonds issued by the Authority. These bonds have been sold at a premium or discount to their par value. The Foundation received the proceeds from these bond issues net of the costs to issue the bonds and reduced for or increased by the premium or discount on the bonds. The premium or discount has been recorded as unamortized bond premium or discount that is being amortized over the life of the note to revenue or expense, respectively.

Inventories (MC)

Inventories, consisting principally of bookstore merchandise and supplies, are determined on the first-in, first-out (FIFO) method and are stated at the lower of cost or market. The cost is recorded as an expense as the inventory is consumed.

Unearned Revenue (MC)

Tuition and fee revenues received and related to the period after June 30, 2012 and 2011 have been recognized as unearned revenue.

Investment in Capital Assets (MC)

Capital assets are long-lived tangible assets which include real property (land and buildings) and personal property (equipment, library books, art works). This class of assets will benefit future periods as an asset rather than being treated as an expense in the period that the expenditure occurs. Capital assets are defined as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and other tangible assets that have initial useful lives extending beyond a single reporting period. Normally, a dollar threshold is established for each item in this class prior to being classified as a capital asset. The College’s policy limit for capitalization is $5,000 per individual asset.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Capital Assets (MC) (Continued)

The basis of valuation for assets constructed or purchased is cost, while assets acquired by gift are their fair market values. The College records depreciation on all capital assets in accordance GASB Statement No. 35, except for land and art works, and it is not allocated to the functional expenditure categories. Land is not depreciated as it is considered to have an indefinite useful life. Expenditures for construction in progress are capitalized as incurred. The entire library collection is recorded and valued at cost or estimated cost as a unit without regard to individual item cost. Depreciation is computed on a straight-line basis over estimated useful lives as noted below (depreciation starts in the first full year after the year of acquisition):

Buildings (including infrastructures, alterations, renovations, and renewals and replacements)	35 years
Library books	10 years
Furniture and equipment - acquired prior to July 1, 2005	7 years
Furniture and equipment - acquired subsequent to July 1, 2005 as follows:	
Computer equipment	3 years
Computer infrastructure	5 years
Equipment	3-7 years
Vehicles	7 years
Instructional equipment	7 years

Land (MCF)

Land has been recorded at its appraised value upon receipt of the donation to the Foundation. The land is held primarily for use by the College in support of its operations. Expenditures for any maintenance of the land are borne by the College.

Management reviews the carrying value of the land asset for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If such review indicates that the asset is impaired, given that the carrying amount of the asset exceeds its fair value as of the measurement date, the asset's carrying amount is written down to fair value. Long-lived assets to be disposed of are written down to the lower of cost or fair value. Impairment was recognized in the amounts of $360,000 and $0 for years ended June 30, 2012 and 2011, respectively, and is included in capital assets on the Statement of Net Assets.

Valuation of Investments (MCF)

Investments are stated at fair value as determined by quoted market price. Both realized and unrealized gains and losses in fair value are reflected in the Statements of Activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges (MCF)

Legally enforceable pledges are recorded as support in the year the pledges are made. Payments to be received in periods beyond one year are reflected at their present value based on a risk-free discount rate. Pledges deemed uncollectible are charged directly against gift and contribution revenue and pledges receivable is reduced. The current allowance for uncollectible pledges is 3%.

Contributions of temporarily restricted net assets that are received and expended in the same fiscal year are treated as temporarily restricted revenue and net assets released from restriction in that year.

Permanently restricted Contributions – Contributions subject to donor-imposed stipulations that must be maintained in perpetuity by the Foundation are included in permanently restricted net assets. Generally, the donors of these assets permit the Foundation to use all or part of the income earned and capital gains on related investments, if any, for general or specific purposes in accordance with the Foundation's spending policy.

Temporarily Restricted Contributions – Contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time are included in temporarily restricted net assets.

Unrestricted Contributions – Contributions are subject to donor-imposed stipulations, or whose restrictions have been satisfied, or are recorded as unrestricted net assets.

Non-cash Contributions (MCF)

Non-cash contributions are recorded at their fair value on the date of receipt. Certain non-cash items received are donations to the College for educational support.

Concentration of Credit Risk (MCF)

The Foundation maintains its cash, cash equivalents and investments in accounts which are insured by the FDIC up to specified limits and may, at times, exceed the federally insured limits. Cash in bank as of June 30, 2012 and 2011 was $8,269,171 and $7,383,673, respectively. The Foundation has not experienced any losses on such accounts and management does not believe that it is exposed to any significant financial risk.

Reclassifications (MC)

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF)

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, establishes and modifies disclosure requirements related to investment and deposit risks:

- Credit Risk
- Custodial Credit Risk
- Concentrations of Credit Risk
- Interest Rate Risk
- Foreign Currency Risk

Montgomery College Cash, Cash Equivalents and Investments

As of June 30, 2012 and 2011, the College's carrying amount of cash, cash equivalents, and short-term investments consisted of the following:

	2012	**2011**
Cash	$ 7,163,301	$ 478,004
Cash equivalent - MLGIP	37,066,048	22,624,375
Cash equivalent - investments	673,642	669,881
Total cash and cash equivalents	44,902,991	23,772,260
Short-term investments	44,124,438	63,744,560
Total cash and short-term investments	89,027,429	87,516,820
OPEB Trust cash and short term investments	43,802	53,857
OPEB Trust investments, at fair value	24,629,841	24,338,191
Total OPEB Trust cash and investments	24,673,643	24,392,048
Total	$113,701,072	$111,908,868

Custodial Credit Risks. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized; collateralized with the securities held by the pledging bank; collateralized with securities held by the pledging bank's trust department or agent but not in the College's name.

The carrying amount for the College and Montgomery College Life Sciences Park Foundation, Inc. deposits was $6,743,991 and $304,061 as of June 30, 2012 and 2011, respectively. Petty cash and cashier's change funds of $151,095 and $173,942 as of June 30, 2012 and 2011, respectively, are excluded from these amounts. Actual bank statement balances totaled $1,619,834 and $1,434,579 at the end of fiscal years 2012 and 2011, respectively. Collateral was maintained during the year to secure all deposits and investments as specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Montgomery College Cash, Cash Equivalents and Investments (Continued)

Article 95, Section 22 and Section 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland authorizes, and the College's adopted investment policy authorizes, the College to invest surplus cash in U.S. Treasury obligations, U.S. governmental agencies and instrumentalities securities, collateralized certificates of deposit, repurchase agreements, the Maryland Local Government Investment Pool (MLGIP), and bankers' acceptances. In the opinion of management, the College is in compliance with all provisions of the Annotated Code of Maryland and the College's investment policy.

During the year, the College invested in bankers' acceptances, Certificates of Deposit and U. S. Government agency and instrumentalities securities with no maturities extending past June 5, 2012. The College also invested in the MLGIP with collateral being held for the pool consisting of U.S. Government and agency securities, bankers' acceptances, commercial paper, and corporate bonds. The MLGIP is managed by PNC Bank under contract with the State of Maryland. Collateral was held at the Bank of New York in the College's name. The collateral balance was maintained throughout the year in sums in excess of any single day bank balance.

The longest length to maturity at time of purchase of any one investment was one year. These investments are reported in the College's balance sheet at amortized cost. The College also invests funds in the MLGIP, an external investment pool, a "2a-7 like pool". All securities in the MLGIP are valued daily by MLGIP on an amortized basis. In conformance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, these assets are carried at an amortized basis in the College's balance sheet.

The College's investments as of June 30, 2012 and 2011 in MLGIP consist of the following:

	Unrestricted	Other Post Employment Benefits	Total
June 30, 2012			
Cash equivalents	$ 37,058,705	$ 850	$ 37,059,555
Accrued interest	6,493	-	6,493
	$ 37,065,198	$ 850	$ 37,066,048
June 30, 2011			
Cash equivalents	$ 22,621,435	$ 848	$ 22,622,283
Accrued interest	2,092	-	2,092
	$ 22,623,527	$ 848	$ 22,624,375

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, 2012 the College had the following investments and maturities.

		Investment Maturities (in Months)			
Investment Type	**Total**	**Less than 6**	**7-12**	**13 - 18**	**19-24**
U.S. Agency:					
FHLB coupon	$ 10,002,523	$ -	$ 10,002,523	$ -	$ -
FHLB discount note	9,990,356	4,996,656	4,993,700	-	-
Farmer Mac discount note	7,988,754	998,276	6,990,478	-	-
Fed Farm Credit Bureau discount note	1,997,667	-	1,997,667	-	-
Bankers acceptances	1,818,780	1,818,780	-	-	-
Certificates of deposit	13,000,000	2,000,000	11,000,000	-	-
Local Government Investment Pool	37,066,048	37,066,048	-	-	-
Total	$ 81,864,128	$ 46,879,760	$ 34,984,368	$ -	$ -

As of June 30, 2011 the College had the following investments and maturities.

Investment Type	**Total**	**Less than 6**	**7-12**	**13 - 18**	**19-24**
U.S. Agency:					
FHLB coupon	$ 5,999,500	$ -	$ 5,999,500	$ -	$ -
FHLB discount note	8,989,594	5,997,136	2,992,458	-	-
Farmer Mac discount note	16,969,565	4,997,628	11,971,937	-	-
Fed Farm Credit Bureau coupon	3,000,000	-	3,000,000	-	-
Fed Farm Credit Bureau discount note	7,987,271	-	7,987,271	-	-
Bankers acceptances	3,468,511	3,468,511	-	-	-
Certificates of deposit	18,000,000	-	18,000,000	-	-
Local Government Investment Pool	22,624,375	22,624,375	-	-	-
Total	$ 87,038,816	$ 37,087,650	$ 49,951,166	$ -	$ -

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

As of June 30, the College's investments were rated as follows:

	2012			2011		
Investment Type	**S&P**	**Moody's**	**Fitch**	**S&P**	**Moody's**	**Fitch**
U.S. Agency:						
FHLB coupon	AAA	AAA	AAA	AAA	AAA	AAA
FHLB discount note	AAA	AAA	AAA	AAA	AAA	AAA
Farmer Mac DNS	AAA	AAA	AAA	AAA	AAA	AAA
Fed Farm Credit Bureau coupon	AAA	AAA	AAA	AAA	AAA	AAA
Fed Farm Credit Bureau discount note	AAA	AAA	AAA	AAA	AAA	AAA
Bankers acceptances - JP Morgan Chase	AA-	Aa1	AA	AA-	Aa1	AA
Certificates of deposit	A+	A1	AA-	A+	A1	AA-

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from interest rates, the College's investment policy limits the maturity length to one year with special approval required to purchase a security not to exceed two years.

Credit Risk. The College's investment policy does not allow investments in commercial paper or corporate bonds. The College's investment policy does allow investments in Money Market Treasury Funds. These funds must be operated in accordance with Rule 2a-7 and have the highest possible rating from at least one NRSRO as designated by the SEC. The MLGIP functions as a U.S. Treasury Money Market Fund and is under contract with the State of Maryland Treasurer's Office. The MLGIP was rated AAAm by Standard & Poor's.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College would not be able to recover the value of its investment or collateral securities that are in the possession of an outside party, because the securities are not insured and are not registered in the College's name and are held by either the counterparty or the counterparty's trust department or agent but not in the College's name. During the years ended June 30, 2012 and 2011, the College did not invest in any repurchase agreements. The College's investment policy requires all collateral be held by an independent third party with whom the College has a current custodial agreement in a segregated account with a clearly marked evidence of ownership and a safekeeping receipt supplied to the College.

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Concentrations of Credit Risk. GASB 40 requires the identification, by amount and issuer, of investments in any one issuer that represents 5% or more of total investments. The College's investment policy allows the following diversification by instrument at time of purchase:

U.S. Treasury obligations	100%
U.S. Government agency & sponsored instrumentalities	50%
Repurchase agreements	50%
Collateralized certificates of deposits	25%
Bankers' acceptances	50%
Maryland Local Government Investment Pool	50%
Money Market Funds	25%

Security types noted above are further diversified by issuing institution:

Approved security dealers	25%
Maryland Local Government Investment Pool	50%
Bankers' acceptances by issuing institution	10%
Commercial banks	10%
Money Market Funds by Fund	25%
U.S. Government Agencies by Agency	20%

Foreign Currency Risk. In accordance with section IX, Diversification in Authorized and Suitable Investments, the College is restricted to banks (financial institutions) chartered in the State of Maryland and bankers acceptances of domestic banks. Repurchase agreements must be backed by obligations of the United States, its agencies or instrumentalities. The College, by Procedure 61003CP, Chapter VI 'Fiscal and Administrative Affairs', Subject 'Bank Services', Section VI is limited to 'banks located within the County' for depository services.

As of June 30, the College had federal agency securities held in the name of the College with BB&T & PNC Banks to collateralize deposits of the College.

Montgomery College Foundation Investments

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	$ 16,919,399	$ 17,373,274	$ 15,339,666	$ 16,885,734
Certificates of deposit	343,000	344,064	2,635,000	2,638,960
Land held for investments	2,532,600	1,140,000	2,532,600	1,500,000
Total	$ 19,794,999	$ 18,857,338	$ 20,507,266	$ 21,024,694

NOTE 3 – CASH AND INVESTMENTS (MC & MCF) (CONTINUED)

Montgomery College Foundation Investments (CONTINUED)

Net investment gains for the years ended June 30, 2012 and 2011 was as follows:

	2012	2011
Interest and dividends	$ 436,831	$ 454,682
Realized and unrealized losses on investments	(1,054,361)	2,739,202
Change in value of charitable gift annuities	(249,311)	(63,722)
Interest from investment in capital lease	2,510,419	2,154,319
Total	$ 1,643,578	$ 5,284,481

Net investment income is included in investment and interest in the Statement of Revenue, Expenses, and Changes in Net Assets.

NOTE 4 – ACCOUNTS RECEIVABLE (MC)

Tuition and fees receivables are recorded net of allowance for doubtful accounts of $12,639,422 and $12,426,270 at June 30, 2012 and 2011, respectively.

The College currently participates in the Federal Perkins Loan Program (Perkins) and the Nursing Student Loan Program (NSLP). At June 30, 2012 and 2011, the balance of the Perkins receivables included in the student loans receivable was $2,283,676 and $2,169,922, respectively, less an allowance for doubtful receivables of $328,011 and $319,735, respectively. As of June 30, 2012 and 2011, the balance of the NSLP receivables included in the student loans receivable was $4,783 less an allowance for doubtful receivables of $914 for both years.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION (MC)

The following tables represent the changes in the capital asset categories (including depreciation) for fiscal years 2012 and 2011, respectively.

	Balance at July 1, 2011	Additions	Disposals / Lease Retirements	Balance at June 30, 2012
Non-depreciable assets				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Construction in progress - buildings	22,602,979	24,811,433	-	47,414,412
Construction in progress - equipment	11,419,343	2,484,391	(7,404,627)	6,499,107
Construction in progress - software	-	981,000	-	981,000
Art works	186,805	-	-	186,805
Total non-depreciable assets	70,953,714	28,276,824	(7,404,627)	91,825,911
Depreciable assets				
Buildings	339,768,953	291,438	(870,000)	339,190,391
Equipment	60,222,262	9,678,361	(104,345)	69,796,278
Library books	5,823,321	349,491	(285,219)	5,887,593
Capital lease - building	48,955,000	16,740,000	-	65,695,000
Capital lease - copiers	594,637	-	-	594,637
Capital software	1,375,408	-	-	1,375,408
Total depreciable assets	456,739,581	27,059,290	(1,259,564)	482,539,307
Less accumulated depreciation				
Buildings	100,391,291	6,018,380	-	106,409,671
Equipment	47,738,231	4,193,304	(80,045)	51,851,490
Library books	4,154,652	277,365	(216,517)	4,215,500
Capital lease	3,309,285	2,938,785	-	6,248,070
Software	-	458,470	-	458,470
Total accumulated depreciation	155,593,459	13,886,304	(296,562)	169,183,201
Depreciable assets, net	301,146,122	13,172,986	(963,002)	313,356,106
Capital assets, net	$ 372,099,836	$ 41,449,810	$ (8,367,629)	$ 405,182,017

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION (MC) (CONTINUED)

	Balance at July 1, 2010	Additions	Disposals / Lease Retirements	Balance at June 30, 2011
Non-depreciable assets				
Land	$ 36,744,587	$ -	$ -	$ 36,744,587
Construction in progress - buildings	102,608,936	5,084,004	(85,089,961)	22,602,979
Construction in progress - equipment	3,476,569	7,942,774	-	11,419,343
Art works	181,805	5,000	-	186,805
Total non-depreciable assets	143,011,897	13,031,778	(85,089,961)	70,953,714
Depreciable assets				
Buildings	235,103,891	104,665,062	-	339,768,953
Equipment	57,203,535	3,117,243	(98,516)	60,222,262
Library books	5,942,760	350,382	(469,821)	5,823,321
Capital lease	48,955,000	594,637	-	49,549,637
Capital software	-	1,375,408	-	1,375,408
Total depreciable assets	347,205,186	110,102,732	(568,337)	456,739,581
Less accumulated depreciation				
Buildings	93,492,394	6,898,897	-	100,391,291
Equipment	42,662,746	5,164,019	(88,534)	47,738,231
Library books	4,230,011	280,075	(355,434)	4,154,652
Capital lease	1,885,714	1,423,571	-	3,309,285
Total accumulated depreciation	142,270,865	13,766,562	(443,968)	155,593,459
Depreciable assets, net	204,934,321	96,336,170	(124,369)	301,146,122
Capital assets, net	$ 347,946,218	$ 109,367,948	$ (85,214,330)	$ 372,099,836

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (MC)

Accounts payable and accrued liabilities represent amounts due at June 30, 2012 and 2011, respectively, for goods and services received prior to the end of the fiscal year.

	2012	2011
Salaries and wages	$ 5,995,375	$ 9,272,004
Benefits	1,031,387	1,039,000
Services and supplies	9,398,516	8,028,027
Payroll withholding	2,620,931	1,734,785
Unclaimed checks	471,492	348,132
Student refunds	4,320	68
Montgomery College Foundation	20,933	1,800
Other	619,493	815,562
Total	$ 20,162,447	$ 21,239,378

NOTE 7 – LONG-TERM LIABILITIES (MC)

Long-term liability activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Aetna supplemental retirement funds	$ 20,740	$ 500	$ -	$ 21,240	$ -
Lease obligations - 2005	29,310,000	-	(1,015,000)	28,295,000	1,055,000
Lease obligations - 2008	16,410,000	-	(425,000)	15,985,000	440,000
Lease obligations - 2012	-	15,870,000	(445,000)	15,425,000	425,000
Copier Leases	512,121	-	(110,917)	401,204	116,593
Compensated absences	8,886,273	251,068	(447,064)	8,690,277	446,764
Montgomery County	150,000	-	(75,000)	75,000	75,000
Total	$ 55,289,134	$ 16,121,568	$ (2,517,981)	$ 68,892,721	$ 2,558,357

NOTE 7 – LONG-TERM LIABILITIES (MC) (CONTINUED)

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Aetna supplemental retirement funds	$ 18,992	$ 1,748	$ -	$ 20,740	$ -
Lease obligations - 2005	30,285,000	-	(975,000)	29,310,000	1,015,000
Lease obligations - 2008	16,825,000	-	(415,000)	16,410,000	425,000
Copier Leases	-	594,637	(82,516)	512,121	110,918
Compensated absences	8,895,874	443,584	(453,185)	8,886,273	452,884
Montgomery County	225,000	-	(75,000)	150,000	75,000
Total	$ 56,249,866	$ 1,039,969	$ (2,000,701)	$ 55,289,134	$ 2,078,802

a) Lease Obligations – 2005

The College has entered into a lease agreement with the Foundation (approved by the Board of Trustees on June 21, 2004), with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the Bonds. Under a Deed of Trust, the Foundation pledged this lease agreement along with its ownership of the Project and its long-term leasehold in the project site to secure the Foundation's obligation to repay the Bonds. The lease commenced on July 17, 2007, the date construction was substantially complete and a Use and Occupancy Certificate issued. The Project Lease will terminate December 31, 2031. The Project Lease is a triple net lease, with the College responsible for all operating costs, as well as insurance, taxes, and costs of repairs and general maintenance of the Morris and Gwendolyn Cafritz Foundation Arts Center.

For accounting purposes, the Project Lease is deemed a capital lease. The original cost of assets acquired under this capital lease is $33,000,000 and the accumulated depreciation totals $4,705,000 and $3,690,000 at June 30, 2012 and June 30, 2011, respectively. The College paid the Foundation $2,349,756 and $2,348,756 during the years ended June 30, 2012 and June 30, 2011, respectively, as stipulated in the Project Lease. As of June 30, 2012, future payments to be paid by the College under this capital lease for the year ended June 30 are:

NOTE 7 – LONG-TERM LIABILITIES (MC) (CONTINUED)

a) Lease Obligations – 2005 (Continued)

2013	$ 2,349,156
2014	2,351,956
2015	2,352,956
2016	2,350,706
2017	2,352,706
2018-2022	11,756,819
2023-2027	11,756,750
2028-2031	7,052,619
	42,323,668
Imputed interest	(14,028,668)
Total	$ 28,295,000

The land on which the Morris and Gwendolyn Cafritz Foundation Arts Center is being built is owned by the College. The Foundation has entered into a lease agreement with the College whereby the land is leased to the Foundation for thirty years for a fee of $5,000.

b) Lease Obligations – 2008

On December 10, 2007, the Board of Trustees adopted an omnibus resolution, Resolution Number 07-12-151, authorizing the lease transaction for a separate facility (Takoma Park Parking Garage) adjacent to the Morris and Gwendolyn Cafritz Foundation Arts Center. The Project is owned by the Foundation and leased to the College. Rents will be paid in semi-annual installment payments that are calculated to be at least equal to the scheduled debt service payments made by the Foundation on the Notes with a total face value of $16,825,000 (payments are due May 1 and November 1). For accounting purposes, the Project Lease is deemed a capital lease. The Title to the Parking Garage will transfer to the College upon completion of the lease. The College paid $1,191,381 and $1,195,562 to the Foundation during the years ended June 30, 2012 and 2011, respectively.

Future payments to be paid by the College are:

2013	$ 1,191,244
2014	1,190,581
2015	1,193,119
2016	1,193,719
2017	1,193,519
2018-2022	5,963,732
2023-2027	5,964,706
2028-2032	5,963,919
2033-2035	2,385,356
	26,239,895
Imputed interest	(10,254,895)
Total	$ 15,985,000

NOTE 7 – LONG-TERM LIABILITIES (MC) (CONTINUED)

b) Lease Obligations – 2008 (Continued)

The land on which the parking garage is built is partially owned by the College. The Foundation has entered into a lease agreement with the College whereby the land that is owned by the College is leased to the Foundation for eighty years for a fee of $500.

On September 19, 2001, the Board of Trustees adopted Resolution Number 11-09-122, authorizing the president of the College to create a 501(c)(3) organization to support the establishment of a Science and Technology Park (STP) at the Germantown Campus. The STP will enhance educational and economic opportunities for our students and contribute towards the economic development goals of the County. The STP is expected to enter into leases and agreements, including land and other leases, with various science and technology related organizations.

c) Lease Obligations - 2012

On August 17, 2011, the Montgomery County Revenue authority (MCRA) sold its Lease Revenue bonds Series 2011A and 2011B on behalf of the Montgomery College Foundation. The funds acquired for the Bonds will be used to acquire the Goldenrod Building to be used in the Science and Technology Park. The Project is owned by the Foundation and leased to the College. Rents will be paid in semi-annual installment payments that are calculated to be at least equal to the scheduled debt service payments made by the Foundation on the Bonds with a total face value of $15,870,000 (payments are due May 1 and November 1). The College paid $854,282 in June 30, 2012.

Future payments to be paid by the College are:

2013	$ 1,030,023
2014	1,031,523
2015	1,032,823
2016	1,028,923
2017	1,029,923
2018-2022	5,151,863
2023-2027	5,147,318
2028-2032	5,156,125
2033-2036	4,123,600
	24,732,121
Imputed interest	(9,307,121)
Total	$ 15,425,000

NOTE 7 – LONG-TERM LIABILITIES (MC) (CONTINUED)

d) Copier Leases

The College has entered into several copier leases which expire in 2016. At June 30, 2012, payments for the contract agreements and purchase agreements are as follows:

2013	$ 116,593
2014	122,558
2015	128,828
2016	33,225
Total	$ 401,204

e) Compensated Absences

Employees of the College earned $8,072,694 and $8,254,783 in annual and sick leave subject to termination pay-off at June 30, 2012 and 2011, respectively. In accordance with GASB No. 16, entitled *Accounting for Compensated Absences*, related FICA and Medicare costs have been calculated on the amount due at termination in the amount of $617,584 and $631,491 for fiscal years 2012 and 2011, respectively. This amount has been included in the total compensated absences liability of $8,690,277 and $8,886,273 for fiscal years 2012 and 2011, respectively.

For the years ended June 30, 2012 and 2011, the total annual leave and sick leave earned has been recognized as an expense.

NOTE 8 – DEFERRED REVENUE (MC)

In 2012, the Life Science Fund (LSF) received land lease rental income in the amount of $6.3 million for the Montgomery College – Germantown Campus, 20200 Observation Drive, Germantown, Maryland 20816. The revenue will be amortized over the life of the land lease. The initial payment was included in unearned revenue in the Statement of Net Assets and the balance as of June 30, 2012 is $6,192,810.

NOTE 9 – EXPENSES BY NATURAL CLASSIFICATIONS (MC)

The following table shows a classification of expenses for the years ending June 30, 2012 and 2011; both by function as listed in the statement of revenue, expenses and changes in net assets and by natural classification, which is the basis for amounts shown in the Statement of Cash Flows.

	Salaries and Wages	Fringe Benefits	Contracted Services	Supplies	Scholarships	Utilities	Depreciation	Other	Total
June 30, 2012									
Instruction	$ 82,083,564	$ 12,250,097	$ 4,202,985	$ 2,514,111	$ -	$ -	$ -	$ 1,156,422	$ 102,207,179
Academic support	16,371,905	2,316,106	3,639,991	940,809	-	-	-	1,026,382	24,295,193
Student services	22,106,060	2,902,628	2,600,446	355,516	-	-	-	1,091,327	29,055,977
Operation of plant	12,755,593	3,152,862	7,615,045	1,454,024	-	7,372,027	-	181,037	32,530,588
Institutional support	25,674,964	7,680,375	4,658,906	433,769	-	-	-	7,785,260	46,233,274
Scholarships and related expenses	4,969	-	-	7,122	3,201,495	-	-	1,348,462	4,562,049
Depreciation	-	-	-	-	-	-	13,886,304		13,886,304
Auxiliary enterprises	3,213,071	827,779	1,529,492	112,804	-	-	-	6,989,215	12,672,361
State paid benefits	-	11,995,713	-	-	-	-	-		11,995,713
Other	-	-	-	-	-	-	-	8,134,476	8,134,476
Total	$ 162,210,126	$ 41,125,560	$ 24,246,865	$ 5,818,155	$ 3,201,495	$ 7,372,027	$ 13,886,304	$ 27,712,581	$ 285,573,114
June 30, 2011									
Instruction	$ 77,030,718	$ 12,367,798	$ 4,413,921	$ 2,215,474	$ -	$ -	$ -	$ 719,237	$ 96,747,148
Academic support	19,211,932	2,608,605	3,097,667	735,108	-	-	-	694,017	26,347,329
Student services	19,535,444	2,779,830	2,469,110	358,107	-	-	-	444,629	25,587,120
Operation of plant	11,835,198	3,113,255	5,383,689	1,370,237	-	7,496,019	-	111,781	29,310,179
Institutional support	26,363,564	7,285,949	3,554,523	387,501	-	-	-	4,753,840	42,345,377
Scholarships and related expenses	-	-	-	-	3,167,200	-	-	981,104	4,148,304
Depreciation	-	-	-	-	-	-	13,766,562	-	13,766,562
Auxiliary enterprises	2,964,946	780,054	1,426,277	93,322	-	17,034	-	6,802,246	12,083,879
State paid benefits	-	12,258,701	-	-	-	-	-	-	12,258,701
Other	-	-	-	-	-	-	-	8,581,915	8,581,915
Total	$ 156,941,802	$ 41,194,192	$ 20,345,187	$ 5,159,749	$ 3,167,200	$ 7,513,053	$ 13,766,562	$ 23,088,769	$ 271,176,514

NOTE 10 – RETIREMENT PLANS (MC)

The College participates in four statewide retirement plans: the Teachers' Retirement System and the Employees' Retirement System (the Retirement System), and the Teachers' Pension System and the Employees' Pension System (the Pension System), administered by the Maryland State Retirement System (MSRS), a cost-sharing multiple-employer retirement system (PERS). Aetna, the College's own plan, serves as a supplement to the MSRS plans. Certain employees may elect to participate in the Maryland State Optional Retirement Plan (ORP) instead of the Maryland State Pension System. The State has approved four providers for the ORP which include the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), AIG, VALIC, and Fidelity. An employee can participate in only one plan at a time and will have the opportunity to change providers during one open enrollment period a year.

The State systems were established in accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland. Responsibility for the administration and operation of the systems is vested in a 15-member Board of Trustees (the Trustees). The Trustees also have the authority to establish and amend the respective benefit provisions. The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to system members and beneficiaries.

NOTE 10 – RETIREMENT PLANS (MC) (CONTINUED)

The College's total current payroll for the fiscal year ended June 30, 2012 for all employees (including $ 249,838 from Agency funds) was $162,210,126. The approximate current year covered payroll under each of the plans, which includes employees eligible under multiple plans, is as follows:

	Covered Payroll	Percent of Covered Payroll
MSRS	$ 70,097,597	55.23%
Optional retirement plan	54,481,618	42.93%
Aetna	2,336,720	1.84%

The following is a general description of the plan benefits available to the participants of each of the above named plans.

The Retirement System MSRS

Participants in the Retirement System may retire with full benefits after attaining the age of 60, or completion of 30 years of creditable service regardless of age. However, participants may retire with reduced benefits after completing 25 years of creditable service regardless of age.

The Pension System - MSRS

Participants in the Pension System may retire with full benefits after completing 30 years of creditable service regardless of age, or at age 62 or older with specified years of creditable service. However, participants may retire with reduced benefits after attaining age 55 and completing 15 years of creditable service.

The MSRS Optional Retirement Plan (ORP)

The ORP is a defined contribution "money purchase" plan under which the benefit is determined by the accumulated State contributions plus accrued investment earnings. Contributions are made to one of four providers approved by the State. Participants may receive their annuity income at any time after leaving the College.

NOTE 10 – RETIREMENT PLANS (MC) (CONTINUED)

The Aetna Plan

The College has a single employer, defined benefit pension plan with Aetna. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement and pension plans. Full-time employees, who have been employed by the College prior to 1980 and contribute to an MSRS plan, are eligible to participate in this plan established under the authority of the College's Board of Trustees.

Benefits under all systems, except the ORP, vest after five years of service and are based on years of creditable service and salary rates.

The "unfunded actuarial accrued liability" is the result of applying the actuarial funding method to the present value of pension benefits, adjusted to the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employees' service to date. The actuarial funding method is intended to help users assess the Systems' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The MSRS does not make separate measurements of assets and liabilities for individual employers. However, the College's supplemental plan (Aetna) actuarial valuation is determined separately.

Listed below is information about the employees' benefit retirement and pension plans of the MSRS, as a whole, as of June 30, 2011, the latest date such information is available, and the Aetna Plan as of July 1, 2012.

	MSRS	Aetna
Actuarial accrued liability	$ 55,917,542,812	$ 12,683,486
Actuarial value of assets (at fair market value)	(36,177,655,993)	(13,321,425)
Unfunded actuarial accrued liability (assets in excess of obligations)	$ 19,739,886,819	$ (637,939)

Additional information about the MSRS is presented in the State of Maryland's June 30, 2011 Comprehensive Annual Financial Report and in the 2011 Consolidated Annual Report of the Maryland State Retirement and Pension System. That report may be obtained by writing to the State Retirement Agency of Maryland, 301 W. Preston Street, Baltimore Maryland, 21201.

NOTE 10 – RETIREMENT PLANS (MC) (CONTINUED)

In accordance with GASB No. 24, entitled *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the College recognized expenditures for the various State retirement and pension plans made on behalf of its employees by the State to the extent revenue is recognized. The amount recognized includes amounts contributed by the State and amortization of past service costs over forty years for the year ended June 30, 2012 as follows:

	State	College	Total
MSRS	$ 8,316,203	$ 2,314,037	$ 10,630,240
MSRS-ORP	3,679,510	-	3,679,510
Total	$ 11,995,713	$ 2,314,037	$ 14,309,750

The College's Defined Benefit Pension Plan (Aetna)

Effective July 1, 1996, the College implemented GASB No. 27, entitled *Accounting for Pensions by State and Local Governmental Employers*, with respect to the College's Aetna Plan.

Plan Description - The Aetna plan is a single employer, defined benefit pension plan. Full-time employees who were employed by the College prior to 1980 and contribute to an MSRS plan are eligible to participate in this plan established under the authority of the College's Board of Trustees. The plan provides for benefits to be paid to eligible employees at retirement, in conjunction with the other College retirement plans. The Aetna Retirement Plan issues a separate report that contains the results of the valuation of the College Retirement Plan as of July 1, 2011. That report may be obtained by writing to the Montgomery College Benefits Office, 900 Hungerford Drive, Rockville Maryland, 20850.

Funding Policy - Plan members are required to contribute 7% of their earnable compensation. Contributions to this plan are offset by contributions to the Maryland Teachers' Retirement System or the Maryland State Retirement System. Contributions for year 2012 are based on the plan as amended most recently as of January 1, 1980. Interest on employee contributions is credited at a rate of 6% per year. There was no recommended contribution for 2011-2012. The College's Board of Trustees has the authority to establish and amend benefit provisions of the plan.

Actuarial Cost Method and Valuation of Assets – The Entry Age Normal Actuarial Cost Method was used to determine the Normal Cost and Actuarial Accrued Liability in accordance with generally accepted actuarial principles. Plan assets are listed at fair market value as determined by the Aetna Insurance Company. The Actuarial Accrued Liability is based on a prorated portion of the present value of benefits earned to date and expected to be earned in the future.

NOTE 10 – RETIREMENT PLANS (MC) (CONTINUED)

Schedule of Funding Progress and Employer Contributions

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-11	$ 13,626,929	$ 11,841,559	$ (1,785,370)	115.1%	$ 2,434,170	-83.3%	$ 129,144
6-30-12	13,321,425	12,683,486	(637,939)	105.0%	2,336,720	-27.3%	-

The actuarial valuation for the fiscal year ended June 30, 2012 includes these significant assumptions which have not been changed from the prior year:

1) Investment return: 5.0% compounded annually
2) Salary increases: 4.5% compounded annually
3) Retirement age: Ages varying from 57 years to 70 and over
4) Turnover: Rates varying from no turnover to 9%
5) Mortality: The RP-2000 Mortality Table for healthy males and females
6) Discount rate: 6.0%

The actuarial assumptions are chosen by the actuary after a study of both current financial conditions and the population covered by the plan as to salary increases, number of terminations annually, etc. These assumptions are reviewed periodically, and if appropriate, changes are made.

	Number of Persons	Compensation (if applicable)
Population covered by the Plan		
Participants:		
Currently receiving payments	265	N/A
Active with vested benefits	25	$ 2,336,720
Terminated with deferred vested benefits	9	N/A
Active without vested benefits	-	$ -
Inactives electing bifurcated benefits	2	N/A
	301	

NOTE 10 – RETIREMENT PLANS (MC) (CONTINUED)

The net pension obligation as of June 30, 2012 and 2011 are as follows:

	2012	2011
Annual Required Contribution (ARC)	$ (660,219)	$ (145,598)
Interest on net pension obligation	(219,983)	(100,530)
Amortization of net pension obligation	821,119	375,242
Annual Pension Cost (APC)	(59,083)	129,114
Less contributions made	-	2,120,000
Increase in net pension obligation	(59,083)	(1,990,886)
Net pension obligation - beginning of year	(3,666,383)	(1,675,497)
Net pension obligation - end of year	$ (3,725,466)	$ (3,666,383)

NOTE 11 – STATE AND COUNTY EXPENDITURES (MC)

The County issues general obligation bonds, the proceeds from which are transferred to the College for the purpose of financing acquisition of land, buildings, and equipment. For the years ended June 30, 2012 and 2011, the County made principal payments of $7,964,542 and, $5,900,783, respectively, and interest payments of $5,580,046 and $5,012,112, respectively, on these bonds. In addition to the County expenditures, the State of Maryland pays the employer's portion of pension contributions on the salary for certain College employees eligible to belong to the State pension and retirement systems. For the years ended June 30, 2012 and 2011, the State expended $8,316,203 and $8,569,802, respectively, for the pension and retirement contributions. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

The State of Maryland also reimburses the College for the employer's share of contributions to the ORP for eligible employees. The total amount reimbursed for the years ended June 30, 2012 and 2011 was $3,679,510 and $3,688,899, respectively. This appropriation by the State has been recorded as a non-operating revenue item and the expenditure is listed as an operating expense.

NOTE 11 – STATE AND COUNTY EXPENDITURES (MC) (CONTINUED)

The Capital Improvements Program (CIP) for the College is approved biannually by the County. The approval of some projects includes funding from other governmental agencies. All funds transferred to the College for CIP expenditures come directly from the County, with governmental reimbursements made directly by those organizations back to the County for their share of project costs. The amount listed under the Current Asset designation as CIP receivable as of June 30, 2012 and 2011 is due to the following organizational participation in CIP expenditures:

	2012	2011
Montgomery County	$ 6,354,717	$ 3,157,390
State of Maryland	30,767	3,732,529
Total	$ 6,385,484	$ 6,889,919

NOTE 12 – TUITION WAIVER (MC)

The College waives tuition charges for its programs for any resident of Maryland who is 60 years old or older, when course space is still available, and only during the three days following the end of regular registration. Additionally, the College has a 50% waiver of tuition for eligible Maryland National Guard members and up to 100% for eligible foster care students. Tuition is also waived for any resident of Maryland who is retired or disabled as defined by the Social Security or Railroad Retirement Act and who enrolls in any class at the College which is eligible under Maryland Annotated Code Section 16-403 for State support; and for eligible College employees who can enroll in credit only courses which are outside of the individual's normal working hours. During the year ended June 30, 2012, the College waived $729,150 in credit and $619,333 in non-credit tuition for senior, disabled, foster care and National Guard students.

During the year ended June 30, 2011, the College waived $823,321 in credit and $654,420 in non-credit tuition for senior, disabled, foster care and National Guard students. Starting in FY2000, the College implemented a tuition waiver program whereby the College waives credit tuition for dependents of eligible College employees. For FY2012, the College waived $457,239 for its employees and their dependents. The total tuition amount waived for the College for FY2012 is $1,805,722. For FY2011, the College waived $445,368 for its employees and their dependents. The total tuition amount waived for the College for FY2011 was $1,923,109.

NOTE 13 – INCOME TAX STATUS (MC & MCF)

The College is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code, except as to unrelated business income. No provision for income taxes has been accrued since the College anticipates no tax liability for the years ended June 30, 2012 and 2011.

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and related state statutes, except as to unrelated business income. The Foundation had no unrelated business income for the years ended June 30, 2012 and 2011. Returns for the fiscal years 2009, 2010 and 2011 remain subject to examination by federal and state tax jurisdictions.

The Foundation follows Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109.* This interpretation provides guidance on recognition, classification and disclosure concerning uncertain tax liabilities. The evaluation of a tax position requires disclosure of a tax liability if it is more likely than not that it will not be sustained upon examination by the Internal Revenue Service. Management has analyzed the Foundation’s tax positions for purposes of implementing FIN 48, and has concluded that as of June 30, 2012, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements.

NOTE 14 – RISK MANAGEMENT – SELF-INSURANCE (MC)

The College, as a component unit of the County, participates in the County's self-insurance risk pool for liability and property coverage and maintains its own self-insurance pool for health and dental benefits. The College and the County account for risk financing activities in accordance with GASB No. 10, entitled *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.*

The Montgomery County Self-Insurance Program is maintained for liability and property coverage under which participants share workers' compensation, comprehensive general, automobile and professional liability, fire and theft, and other selected areas which require coverage. There have been no significant reductions in this insurance coverage from the previous year. Commercial coverage is purchased for claims in excess of coverage by the self-insurance fund and for other risks not covered by the fund. Settled claims have not exceeded commercial coverage in fiscal years 2012 and 2011. Other program participants are qualifying County government agencies. An inter-agency insurance panel is responsible for overseeing the program. This program offers overall risk management and cost sharing for all participants. In the event that the program's trust or escrow funds fall into a deficit, the program panel shall determine a method to fund the deficit. The program can assess additional premiums to each deficit-year participant. Premiums are charged to the appropriate College fund with no provision made for any additional liability in addition to premiums, unless assessed by the program. As of June 30, 2012, there was no deficit in the trust or escrow funds and no additional assessments have been made.

NOTE 14 – RISK MANAGEMENT – SELF-INSURANCE (MC) (CONTINUED)

The College is self-insured for health and dental benefits provided to its employees. To protect itself against significant losses, the College has stop-loss policies in place for individual participant claims in excess of $150,000 per year and aggregate annual participant claims in excess of 125% of premium. The College has a contract with an administrative service provider to process participant claims under these programs. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balance of claims payable relative to the health and dental self-insurance fund for the years ended June 30, 2012 and 2011 are as follows. Claims liabilities are included in accounts payable and accrued expenses on the Statements of Net Assets.

Balance - June 30, 2010	$ 1,013,000
Claims and changes in estimates	14,049,866
Claims payments	(14,023,866)
Balance - June 30, 2011	1,039,000
Claims and changes in estimates	14,446,486
Claims payments	(14,454,486)
Balance - June 30, 2012	$ 1,031,000

NOTE 15– POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC)

The College has implemented the guidance found in GASB Statements No. 43*, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The College provides postemployment health care, dental and life insurance benefits for retired employees through a defined contribution plan. The plan is accounted for as a trust fund and an irrevocable trust was established on June 16, 2008 to account for the plan.

The contribution requirements of the College are established and may be amended by the Board of Trustees. The College currently pays 40% of health care premiums for employees who meet certain eligibility criteria and who retire with 5 but less than 10 years of service, 60% of premiums for those that retire after 10 years of service, and 20% for certain retirees prior to 1978. The College contributes 80% of the cost of retiree life insurance. The remaining costs of these benefits are borne by the participants.

In order to be considered "eligible", the retiree must have been enrolled in the College's or another employer’s group insurance program for 5 years prior to retirement and commence receipt of pension/annuity benefits from an MSRS or ORP plan immediately upon termination from the College. ORP annuitants must meet the same age and service retirement eligibility criteria as MSRS participants. The College's authority to contribute to other post-employment benefit provisions and obligations is established by the Board of Trustees. For the fiscal years ended June 30, 2012 and 2011, the College contributed $2,091,789 and $2,196,122, respectively, and the retirees contributed $1,707,890 and $1,603,258, respectively, in premiums.

Membership

As of June 30, 2012 and 2011 membership consisted of:

	2012	**2011**
Retirees and beneficiaries currently receiving benefits	402	418
Active employees - vested	1,779	1,756
Total	2,181	2,174

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) (CONTINUED)

The College had actuarial valuations performed for the plan as of June 30, 2012 and 2011 to determine the employer's annual required contribution (ARC) for the fiscal years ended June 30, 2012 and June 30, 2011. The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and 2011 were as follows:

	2012	2011
Annual OPEB cost	$ 5,798,736	$ 5,473,871
Employer contribution	(2,091,789)	(2,196,122)
Net OPEB obligation	$ 3,706,947	$ 3,277,749
% of annual OPEB cost contributed	40%	40%

The net OPEB obligations (NOPEBO) as of June 30, 2012 and 2011 are recorded in OPEB asset value on the Statement of Net Assets and were calculated as follows:

	2012	2011
Annual Required Contribution (ARC)	$ 6,145,316	$ 5,696,322
Interest on net OPEB obligation	(1,093,859)	576,704
Adjustment on ARC	747,279	(799,155)
Annual OPEB cost	5,798,736	5,473,871
Less contributions made	2,091,789	2,196,122
Interest in net OPEB obligation	3,706,947	3,277,749
Net OPEB asset - beginning of year	(13,673,233)	(16,950,982)
Net OPEB asset - end of year	$ (9,966,286)	$ (13,673,233)

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (OPEB) (MC) (CONTINUED))

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions as to current claims cost, projected increases in health care costs, morbidity, turnover, and interest discount. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past exceptions and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In June 30, 2012 and 2011, the projected unit credit actuarial cost method was used. The actuarial assumptions included an 8.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10.5% for fiscal year ended June 30, 2011 grading up to 5.0% for fiscal year ending June 30, 2019. The actuarial value of assets was determined by using the market value of the assets. The plan's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll assumed to grow 4% per year. The remaining amortization period as of June 30, 2011 was 26 years.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-11	$ 24,463,628	$ 75,206,285	$ 50,742,657	32.53%	$ 122,516,462	41.42%
6-30-12	24,712,358	84,564,758	59,852,400	29.22%	122,176,794	48.99%

NOTE 16 – COMMITMENTS AND CONTINGENCIES (MC)

The College is obligated under several non-cancelable operating leases for office space expiring in various years through 2021. Net rent expense under these operating leases, included in occupancy expenses, was $3,319,271 and $3,880,857 for the years ended June 30, 2012 and 2011, respectively. The projected minimum lease payments under the terms of the leases at June 30, 2012 are as follows:

2013	$ 2,348,067
2014	2,137,466
2015	803,240
2016	827,338
2017	852,158
2018-2021	2,656,204
Total	$ 9,624,473

The College has entered into several multi-purpose contracts that improve and support the operational and infrastructure functionality of the College expiring in 2020. At June 30, 2012, payments for the contract agreements and purchase agreements for the next five years are as follows:

2013	$ 8,803,011
2014	6,112,360
2015	5,494,296
2016	4,229,789
2017	6,840
Total	$ 24,646,296

As of June 30, 2012 and 2011, there were uncompleted contracts amounting to $13,428,553 and $13,735,928, respectively, for construction activity at all campuses. Retainage on construction contracts is not included in this amount, but is shown in the financial statements within accounts payable.

The College is currently the defendant in a workmen's compensation suit. It is the opinion of the College's management, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the College's financial position.

NOTE 17 – PLEDGES RECEIVABLE (MCF)

Pledges receivable at June 30 include amounts due in:

	2012	2011
Less than one year	$ 463,195	$ 684,548
One to five years	703,036	879,096
More than five years	1,787,776	1,786,725
	2,954,007	3,350,369
Pledges deemed uncollectible	(49,021)	(82,171)
Present value discount	(1,351,158)	(1,327,960)
Total	$ 1,553,828	$ 1,940,238

The discount rate used on long-term promises to give was 3% in both 2012 and 2011. Pledges deemed uncollectible are approximately 3% of discounted unconditional promises to give at June 30, 2012 and 2011 as determined by a review of individual current year pledges.

The Foundation was named remainder interest beneficiary of two charitable remainder unitrusts where the Foundation is not the trustee and does not exercise control over the assets contributed to the trusts. The Foundation recorded the agreements as pledge receivable and contributions at the present value of estimated future benefits to be received when the trust assets are distributed. Adjustments are made to the receivables on a yearly basis to reflect the accretion of the discounts and revaluation of the present value of the estimated future payments. As of June 30, 2012 and 2011, the amount included in the pledge receivable balance was $369,253 and $405,609 respectively.

NOTE 18 – FAIR VALUE (MCF)

ASC 820-10 establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets of liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following describes the three levels of the fair value hierarchy under ASC 820-10:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active that the Foundation has the ability to access at the measurement date.

NOTE 18 – FAIR VALUE (MCF) (CONTINUED)

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than observable quoted prices for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset of liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

Equity securities and mutual funds are valued at fair value based on quoted market prices at year-end. The fair values of certificates of deposit held by brokers approximate par value. The only Level 3 asset is a tract of land (MCAD property; see Note 25) owned by the Foundation. At June 30, 2012, the land was valued at $1,140,000, which was based on current sales contract price for the property. The contract is subject to approval by The Maryland-National Capital Park and Planning Commission.

As of June 30, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total Fair Value
2012				
Certificates of deposit	$ 344,064	$ -	$ -	$ 344,064
Mutual funds	17,373,274	-	-	17,373,274
Land	-	-	1,140,000	1,140,000
Total	$ 17,717,338	$ -	$ 1,140,000	$ 18,857,338
2011				
Certificates of deposit	$ 2,638,960	$ -	$ -	$ 2,638,960
Mutual funds	16,885,734	-	-	16,885,734
Land	-	-	1,500,000	1,500,000
Total	$ 19,524,694	$ -	$ 1,500,000	$ 21,024,694

NOTE 18 – FAIR VALUE (MCF) (CONTINUED)

The table below represents a reconciliation for the year ended June 30, 2012 and 2011 of assets measured at fair value on a recurring basis using Level 3 inputs.

	2012	2011
Beginning balance	$ 1,500,000	$ 1,500,000
Total unrealized loss	(360,000)	-
Ending balance	$ 1,140,000	$ 1,500,000

Liabilities at Fair Value

Annuity obligations – the fair value of the Foundation's annuity obligations is based on the net present value of the anticipated benefit. As benefit payments are made, the liability is adjusted based on an amortization schedule.

Assets and liabilities held for charitable gift annuities are classified at June 30 as follows:

	Level 1	Level 2	Level 3	Total Fair Value
2012				
Money market funds	$ 6,849	$ -	$ -	$ 6,849
Certificates of deposit	234,717	-	-	234,717
Total	$ 241,566	$ -	$ -	$ 241,566
Liabilities:				
Annuity obligations, at fair value	$ -	$ 1,335,681	$ -	$ 1,335,681
2011				
Money market funds	$ 16,767	$ -	$ -	$ 16,767
Certificates of deposit	334,019	-	-	334,019
Total	$ 350,786	$ -	$ -	$ 350,786
Liabilities:				
Annuity obligations, at fair value	$ -	$ 1,195,590	$ -	$ 1,195,590

NOTE 19 – CHARITABLE REMAINDER TRUSTS (MCF)

The Foundation has been designated as remainder interest beneficiary under certain charitable gift-annuity agreements contracted with donors. The agreements call for specified distributions (annuity payments) to be paid to designated lead interest beneficiaries during their lives. The Foundation holds and invests the assets of the charitable gift annuity agreements and ensures that the specified distributions are made to the lead interest beneficiaries. The assets held and annuities payable are reflected on the Statements of Financial Position.

Upon commencement of such agreements, the Foundation records the fair value of the assets received and records the estimated present value of future payments to the lead interest beneficiaries as a liability for annuities payable from charitable gift annuity agreements. The liability is established by estimating future payments based on the beneficiary's life expectancy and discounting those payments to their present value. The excess of the assets received over the liability incurred is recognized on the Statements of Activities as contributions under charitable gift annuity agreements.

Assets held in split-interest agreements are adjusted to their fair value and the liability for annuities payable is adjusted to its current estimated present value on a recurring basis. Adjustments to the liability are reflected on the Statements of Activities as changes in the value of gift annuity agreements. When the estimated present value of the liability exceeds the value of the related assets, the deficit is a reduction of unrestricted net assets.

As of June 30, the assets, obligations and net assets related to charitable gift annuities were classified as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2012				
Assets held for charitable gift annuities	$ 196,810	$ -	$ 44,756	$ 241,566
Annuities payable from charitable gifts	1,301,069	-	34,612	1,335,681
Net assets	$ (1,104,259)	$ -	$ 10,144	$ (1,094,115)
2011				
Assets held for charitable gift annuities	$ 301,362	$ -	$ 49,424	$ 350,786
Annuities payable from charitable gifts	1,164,027	-	31,563	1,195,590
Net assets	$ (862,665)	$ -	$ 17,861	$ (844,804)

During the year ended June 30, 2012, no split-interest agreements were extinguished or created. During the year ended June 30, 2011, no split-interest agreements were extinguished and two new agreements were created. There were 14 split-interest agreements in effect at both June 30, 2012 and 2011.

NOTE 20 – CAPITAL ASSETS (MCF)

The following tables represent the changes in the capital asset categories for fiscal years June 30, 2012 and 2011, respectively.

	Balance at July 1, 2011	Additions	Disposals / Lease Retirements	Balance at June 30, 2012
Non-depreciable assets				
Land	$ 2,750,000	$ -	$ -	$ 2,750,000
Capital assets, net	$ 2,750,000	$ -	$ -	$ 2,750,000

	Balance at July 1, 2010	Additions	Disposals / Lease Retirements	Balance at June 30, 2011
Non-depreciable assets				
Land	$ 2,750,000	$ -	$ -	$ 2,750,000
Construction in progress	15,502,057	-	(15,502,057)	-
Capital assets, net	$ 18,252,057	$ -	$ (15,502,057)	$ 2,750,000

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF)

In October 2005, the Montgomery County Revenue Authority (the Authority) issued “Montgomery County Revenue Authority Lease Revenue Bonds (King Street Art Center Project) Series 2005 A” bonds (the 2005 Bonds), with a total face value of $33,000,000. A loan agreement, evidenced by a promissory note, was entered into between the Authority and the Foundation, to effectively transfer all obligations of the bond issue to the Foundation. Principal and interest payments required by the 2005 Note are scheduled to coincide with the scheduled payments due on the 2005 Bonds. The proceeds of the 2005 Bonds were used 1) for developing and constructing a multi-purpose educational building designed as the Morris and Gwendolyn Cafritz Foundation Arts Center, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, and 4) to pay a portion of the issuance costs of the Bonds. The 2005 Bonds, issued in denominations of $5,000, are dated October 20, 2005, and have annual serial maturity dates from May 1, 2008 through May 1, 2030. Stated interest rates vary with the maturity dates of each group of bonds. The 2005 Bonds were issued at a net premium totaling $493,620.

The College has entered into a lease agreement with the Foundation, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2005 Note. This lease agreement was pledged as security for the 2005 Note.

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

Maturity dates and stated interest rates of the 2005 Notes are as follows:

Maturity May 1	**Principal Amount**	**Interest Rate**	**Term (in years)**
2013	$ 1,055,000	4.00%	7.5
2014	1,100,000	4.00%	8.5
2015	1,145,000	5.00%	9.5
2016	1,200,000	4.00%	10.5
2017	1,250,000	4.00%	11.5
2018	1,300,000	5.00%	12.5
2019	1,365,000	5.00%	13.5
2020	1,430,000	5.00%	14.5
2021	1,505,000	4.25%	15.5
2022	1,565,000	4.38%	16.5
2023	1,635,000	4.38%	17.5
2024	1,705,000	4.50%	18.5
2025	1,785,000	4.50%	19.5
2026	1,865,000	4.50%	20.5
2027	1,950,000	5.00%	21.5
2028	2,045,000	5.00%	22.5
2029	2,150,000	4.63%	23.5
2030	2,245,000	4.63%	24.5
	$ 28,295,000		

The bonds maturing prior to May 1, 2016 are not subject to redemption prior to their maturities. The bonds maturing on or after May 1, 2016 are subject to optional redemption in whole or in part, on any date on or after May 1, 2015, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium.

Interest is due semi-annually, each May 1 and November 1. Proceeds from the 2005 Bonds were used to pay interest through October 2007. Interest paid through the completion of the construction of the Morris and Gwendolyn Cafritz Foundation Art Center was capitalized as part of the construction in progress. Interest incurred and expensed was $1,327,990 and $1,379,514 for the years ended June 30, 2012 and 2011, respectively.

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

In November 2008, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds Series 2008A" bonds (the 2008 Bonds), with a total face value of $16,825,000. A loan agreement, evidenced by a promissory note (the 2008 Note), was entered into between the Authority and the Foundation, to effectively transfer all obligations of the 2008 Bond issue to the Foundation. Principal and interest payments required by the 2008 Note are scheduled to coincide with the scheduled payments due on the 2008 Bonds. The proceeds of the 2008 Notes issue are to be used 1) for developing and constructing a parking garage structure designated as the Takoma Park/Silver Spring Parking Garage project, 2) to fund a Debt Service Reserve Fund, 3) to fund a Capitalized Interest Fund, 4) to pay a portion of the issuance costs of the 2008 Bonds. The 2008 Bonds, issued in denominations of $5,000, and dated November 20, 2008, have annual serial maturity dates from November 1, 2010 through November 1, 2033. Stated interest rates vary with the maturity date of each group of 2008 Bonds. The Bonds were issued at a net discount totaling $129,494.

The College has entered into a lease agreement with the Foundation, beginning on the date that the project is substantially complete, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2008 Note. This lease agreement was pledged as security for the 2008 Note.

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

Maturity dates and stated interest rates of the 2008 Notes are as follows:

Maturity Nov. 1	Principal Amount	Interest Rate	Term (in years)
2012	$ 440,000	3.50%	4
2013	455,000	3.50%	5
2014	475,000	4.00%	6
2015	495,000	4.00%	7
2016	515,000	4.00%	8
2017	535,000	4.00%	9
2018	560,000	4.13%	10
2019	580,000	4.38%	11
2020	610,000	4.60%	12
2021	635,000	4.63%	13
2022	670,000	4.75%	14
2023	700,000	4.75%	15
2024	735,000	4.75%	16
2025	770,000	5.00%	17
2026	810,000	5.00%	18
2027	855,000	5.10%	19
2028	895,000	5.10%	20
2029	945,000	5.13%	21
2030	995,000	5.13%	22
2031	1,045,000	5.20%	23
2032	1,105,000	5.25%	24
2033	1,160,000	5.25%	25
	$ 15,985,000		

The bonds maturing prior to November 1, 2018 are not subject to redemption prior to their maturities. The Bonds maturing on or after November 1, 2019 are subject to optional redemption in whole or in part, on any date on or after November 1, 2018, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium.

Interest is due semi-annually, each May 1 and November 1. Proceeds from the 2008 Bonds were used to pay interest through October 2009. Interest paid through the completion of the construction of the parking garage was capitalized as part of the construction in progress. Interest incurred and expensed during the years ended June 30, 2012 and 2011 was $763,902 and $793,830, respectively.

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

In August 2011, the Montgomery County Revenue Authority (the Authority) issued "Montgomery County Revenue Authority Lease Revenue Bonds (Montgomery College Project) Series 2011A and Series 2011B bonds (the 2011 Bonds) with a total face value of $15,870,000. A loan agreement, evidenced by a promissory note (the 2011 Note), was entered into between the Authority and the Foundation, to effectively transfer all obligations of the 2011 Bond issue to the Foundation. The proceeds of the 2011 Bonds were used 1) for the purchase of the Goldenrod Building (a 68,826 gross square foot office building located on 4.62 acres located adjacent to the Germantown Campus of the College), 2) to pay real estate closing costs associated with the building purchase, 3) to pay issuance costs of the 2011 Bonds. The 2011 Bonds have annual maturity dates from May 1, 2012 to May 1, 2036 and were issued at a premium of $257,814.

The College entered into a lease agreement with the Foundation, beginning on September 1, 2011, with semi-annual payments to the Foundation that are calculated to be at least equal to the scheduled debt service payments on the 2011 Bonds. This lease agreement was pledged as security for the 2011 Bonds.

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

Maturity dates and stated interest rates of the 2011 Bonds are as follows:

Maturity May 1	Principal Amount		Interest Rate	Term (in years)
	Series A	Series B		
2013	$ -	$ 425,000	2.00%	0.5
2014	-	435,000	2.00%	1.5
2015	-	445,000	2.00%	2.5
2016	-	450,000	2.00%	3.5
2017	-	460,000	2.25%	4.5
2018	-	470,000	3.00%	5.5
2019	-	485,000	4.00%	6.5
2020	-	505,000	4.00%	7.5
2021	-	525,000	4.00%	8.5
2022	-	545,000	4.00%	9.5
2023	-	565,000	4.15%	10.5
2024	-	590,000	4.30%	11.5
2025	-	615,000	4.40%	12.5
2026	-	645,000	4.50%	13.5
2027	-	670,000	4.60%	14.5
2028	-	705,000	4.75%	15.5
2029	-	50,000	4.75%	16.5
2029	690,000	-	4.00%	
2030	765,000	.	5.00%	17.5
2031	805,000	-	5.00%	18.5
2032	845,000	-	4.00%	19.5
2033	880,000	-	4.00%	20.5
2034	915,000	-	4.00%	21.5
2035	950,000	-	4.10%	22.5
2036	990,000	-	4.13%	23.5
	$ 6,840,000	$ 8,585,000		

The Series 2011A Bonds are subject to optional redemption in whole or in part on any date commencing May 1, 2021, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium.

The Series 2011B Bonds maturing on or after May 1, 2022 are subject to optional redemption in whole or in part on any date commencing May 1, 2021, and shall be so redeemed by the Authority in the event and to the extent the Foundation shall exercise its option to prepay the payments for the Project under Section 9.01(a) of the Loan Agreement at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the date fixed for redemption, without premium.

NOTE 21 – NOTES PAYABLE – MONTGOMERY COUNTY REVENUE AUTHORITY (MCF) (CONTINUED)

The Series 2011B Bonds maturing by their terms prior to May 1, 2022 are not subject to optional redemption.

Interest is due semi-annually, each May 1 and November 1. Interest is being expensed as incurred. Interest incurred and expensed during the years ended June 30, 2012 and 2011 was $510,119 and $0, respectively.

NOTE 22 – Restricted Assets (MCF)

Temporarily Restricted

Temporarily restricted net assets represent funds restricted by donors for scholarships, student athletics, student and faculty support, resource development and other college initiatives. Net assets released from restriction include management fees charged to the temporarily restricted earnings portion of endowment funds.

As of June 30 net assets were temporarily restricted for the following:

	2012	2011
General use programs	$ 4,745,040	$ 5,371,088
Scholarships	2,003,739	2,921,034
Student athletics	56,579	98,022
Total	$ 6,805,358	$ 8,390,144

For fiscal years ending June 30, 2012 and 2011, temporarily restricted net assets released from restriction were used for the following:

	2012	2011
General use programs	$ 937,113	$ 956,075
Scholarships	1,352,641	1,232,259
Student athletics	95,645	58,513
Total	$ 2,385,399	$ 2,246,847

NOTE 22 – Restricted Assets (MCF) (CONTINUED)

Permanently Restricted

Permanently restricted net assets represent perpetual endowment funds that are required to be retained permanently by explicit donor stipulation. As of June 30, 2012 and 2011, earnings from permanently restricted net assets were restricted for the following:

	2012	2011
Scholarships	$ 9,027,571	$ 8,780,424
General use programs	6,751,304	6,231,781
Student and faculty support	22,381	21,744
Annuity funds	10,144	17,861
Total	$ 15,811,400	$ 15,051,810

NOTE 23 – ENDOWMENT (MCF)

The Foundation's endowment consists of 182 individual funds (the Funds) established for a variety of purposes. As required by generally accepted principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Foundation, Inc. and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Foundation
7) The investment policies of the Foundation.

NOTE 23– ENDOWMENT (MCF) (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were $42,610 and $3,877 as of June 30, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets consist of those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the investment return objective is to attain an average annual total return of CPI plus 5% (nominal return net of investment management fees) over the long term (up to a rolling five-year period). The goal is to combine various asset classes to achieve diversification and at the same time balance the risk and return. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund’s average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at a moderate annual rate. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 23 – ENDOWMENT (MCF) (CONTINUED)

The Foundation had the following changes in the endowment net assets for the fiscal year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (3,877)	$ 3,002,744	$ 15,051,810	$ 18,050,677
Contributions	-	-	752,307	752,307
Appropriations of endowment assets for expenditures	(11,616)	(728,455)	-	(740,071)
Endowment net assets after contributions and expenditures	(15,493)	2,274,289	15,804,117	18,062,913
Net investment income	(27,117)	(226,462)	-	(253,579)
Subtotal	(42,610)	2,047,827	15,804,117	17,809,334
Other changes				
Change in gift annuity value	-	-	(7,717)	(7,717)
Donor requested endowment of previously unendowed gift	-	-	15,000	15,000
Endowment net assets, end of year	$ (42,610)	$ 2,047,827	$ 15,811,400	$ 17,816,617

The Foundation had the following changes in the endowment net assets for the fiscal year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (524,400)	$ 1,222,478	$ 14,533,082	$ 15,231,160
Contributions	-	-	518,728	518,728
Appropriations of endowment assets for expenditures	(10,512)	(600,557)	-	(611,069)
Endowment net assets after contributions and expenditures	(534,912)	621,921	15,051,810	15,138,819
Net investment income	531,035	2,380,823	-	2,911,858
Endowment net assets, end of year	$ (3,877)	$ 3,002,744	$ 15,051,810	$ 18,050,677

NOTE 24 – PROGRAM SERVICE DESCRIPTIONS (MCF)

Scholarships

Scholarships are established by donors' contributions and endowments and are awarded to students who have met the donors' imposed restrictions.

Student Athletics

The Student Athletics program is a designated program established for use by the College's athletic department. The program reimburses the athletic department for certain expenses incurred during the year.

Student and Faculty Support

The Student and Faculty Support program distributes grants and awards to deserving individuals and academic programs. This program also includes non-cash donations received which are subsequently given to the College. Non-cash donations for fiscal years 2012 and 2011 were valued at $136,494 and $117,060, respectively.

NOTE 25 – CONTINGENT LIABILITIES (MCF)

In September 2004, as part of a transfer agreement between the College and the Maryland College of Art and Design (MCAD), the Foundation received land originally appraised at $2,532,600. As part of an agreement between the College and the Foundation, the Foundation agreed to lease the property to the College for use as an educational facility for $1 per month, and agreed to appoint the College as its agent for negotiating a sale of the property. Upon sale of the land, the Foundation is to receive the net cash proceeds, and agrees to place the first $100,000 received into a specific endowed scholarship fund.

NOTE 26– SUBSEQUENT EVENTS (MCF)

Management evaluated subsequent events through October 1, 2012, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2012, but prior to October 1, 2012 that provided additional evidence about conditions that existed at June 30, 2012, have been recognized in the consolidated financial statements for the year ended June 30, 2012. Events or transactions that provided evidence about conditions that did not exist at June 30, 2012 but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2012.

REQUIRED SUPPLEMENTAL INFORMATION

MONTGOMERY COLLEGE
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS FOR DEFINED BENEFIT RETIREMENT PLAN
JUNE 30, 2012

The following required supplementary information is provided in accordance with GASB No. 27. The plan has an actuarial valuation performed each year and the schedule below presents information for the past ten plan years. Please refer to Note 10 of the Notes to the Financial Statements on pages 47-50 for a more detailed description of Montgomery College's reporting of the College's Defined Benefit Pension Plan for FY2012.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Annual Required Employer Contributions
6-30-03	$ 10,703,128	$ 10,063,999	$ (639,129)	106.4%	$ 6,225,191	-10.3%	$ -
6-30-04	10,603,353	10,059,963	(543,390)	105.4%	5,661,590	-9.6%	-
6-30-05	10,374,787	10,238,200	(136,587)	101.3%	4,827,815	-2.8%	-
6-30-06	10,151,587	10,427,914	276,327	97.4%	4,722,309	5.9%	102,378
6-30-07	10,316,110	12,216,821	1,900,711	84.4%	3,967,274	47.9%	369,394
6-30-08	11,097,452	12,256,446	1,158,994	90.5%	3,500,912	33.1%	182,204
6-30-09	11,274,825	12,189,427	914,602	92.5%	3,461,892	26.4%	138,484
6-30-10	11,932,952	11,616,520	(316,432)	102.7%	2,603,425	-12.2%	282,860
6-30-11	13,626,929	11,841,559	(1,785,370)	115.1%	2,434,170	-83.3%	129,144
6-30-12	13,321,425	12,683,486	(637,939)	105.0%	2,336,720	-27.3%	-

Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost	Actual Contribution	Percentage Contributed
6-30-10	$ 282,860	$ 1,016,770	359%
6-30-11	129,114	2,000,000	1549%
6-30-12	-	-	0%

MONTGOMERY COLLEGE
SCHEDULES OF FUNDING PROGRESS AND CONTRIBUTIONS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN
JUNE 30, 2012

The following required supplementary information is provided in accordance with GASB No. 45. The plan has an actuarial valuation performed each year and the schedule below presents information for the past six plan years. Information will continue to accumulate until ten years of data becomes available. Please refer to Note 15 of the Notes to the Financial Statements on pages 54-56 for a more detailed description of Montgomery College's reporting of Other Postemployment Benefits (OPEB) for FY2012. The plan has a net OPEB asset. The College is utilizing that asset as part of the funding plan.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6-30-07	$ 23,072,058	$ 62,263,511	$ 39,191,453	37.06%	$ 96,333,866	40.68%
6-30-08	25,459,619	52,188,571	26,728,952	48.78%	104,590,815	25.56%
6-30-09	20,632,100	61,627,035	40,994,935	33.48%	113,812,228	36.02%
6-30-10	21,960,175	69,046,415	47,086,240	31.80%	117,804,463	39.97%
6-30-11	24,463,628	75,206,285	50,742,657	32.53%	122,516,462	41.42%
6-30-12	24,712,358	84,564,758	59,852,400	29.22%	122,176,794	48.99%

This schedule represents years one through six and will accumulate each year until ten years of data becomes available.

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Amount Contributed	Percentage Contributed
6-30-10	$ 5,225,687	$ 1,962,502	38%
6-30-11	5,879,046	2,196,122	37%
6-30-12	5,798,736	2,091,789	36%

BOARD OF TRUSTEES
MONTGOMERY COLLEGE
Rockville, Maryland

Agenda Item Number: 15
September 19, 2011

AUTHORIZATION TO CREATE A SEPARATE NON-PROFIT ENTITY TO MANAGE AND OPERATE THE SCIENCE AND TECHNOLOGY PARK AT THE GERMANTOWN CAMPUS

BACKGROUND

Montgomery College has long been a leader in the development of partnerships with the business community and County and State government agencies that meet academic, economic, and workforce development needs. In that spirit, in 2001, the College committed to Montgomery County that it would develop a Science and Technology Park (STP) at the Germantown Campus.

In 2004, the Board of Trustees authorized, in resolution 04-45, the creation of a new 501 (c) (3) foundation within our existing Montgomery College Foundation, Inc., to manage the STP operations. Progress toward realizing the STP has included identifying land at the Germantown Campus for this purpose; procuring a developer’s services to identify and recruit potential tenants; entering into a land lease with an anchor tenant (Holy Cross Hospital); and securing numerous approvals and permits from various state and local agencies.

Recent research into the legal and tax implications through consultation with advice from third party accounting and taxation experts has confirmed the need for a new foundation to operate and manage the STP. However, the third party experts’ review concludes that new 501 (c) (3) foundation should be a separate and distinct entity from the existing Montgomery College Foundation, Inc.

Therefore, the College is now prepared to create a new 501 (c) (3) foundation for the purposes of operating and managing the STP at the Germantown Campus. The mission of this entity is to support the educational mission of the College through revenues, internships, and programs generated by partnerships and relationships with the STP tenants. This new entity will have an operating agreement with the College to address general matters such as staffing, work products, as well as the relationship with MCF.

RECOMMENDATION

It is recommended that the Board of Trustees endorse the proposal of the President to create a separate and distinct non-profit entity under the College to manage the interests of the College relative to the Science and Technology Park at the Germantown Campus.

BACK-UP INFORMATION

Board Resolution

RESPONSIBLE SENIOR ADMINISTRATOR

Dr. Cain

RESOURCE PERSONS

Ms. Jones
Dr. Rai
Mr. Sears
Mr. Sorrell

BOARD OF TRUSTEES
MONTGOMERY COLLEGE
Rockville, Maryland

Resolution Number:	Agenda Item Number: 15
Adopted on:	September 19, 2011

Subject: Authorization to create a separate non-profit entity to operate and manage the Science and Technology Park at the Germantown Campus

WHEREAS, the College has committed to establish a Science and Technology Park (STP) at the Germantown Campus to enhance educational and economic opportunities for our students and to further the economic development goals of the County; and

WHEREAS, science- and technology-related businesses and organizations are expected to enter into leases and agreements, including land and other leases, to operate in the STP; and

WHEREAS, STP tenants will provide opportunities for College faculty, staff, and students to engage in activities that enhance the educational mission of the College; and

WHEREAS, the Board of Trustees approved a resolution in 2004 to create a new 501 (c) (3) foundation for the purpose of managing the STP and related activities; and

WHEREAS, research into current legal and tax implications for managing the STP, including advice from third party accounting and taxation experts, led to the conclusion that, while a new 501 (c) (3) foundation such as that approved in 2004 remains an appropriate vehicle, it should be a separate and distinct entity from the current Montgomery College Foundation, Inc., and should be subject to appropriate direct controls of the College; and

WHEREAS, the College needs a separate and distinct entity to market, coordinate development, and engage tenants of the Science and Technology Park to enhance and maximize educational benefits to students, staff and faculty from tenants of the STP, including but not limited to creation, enhancement and oversight of implementation of agreements with tenants to provide such programs as internships, experiential learning, employment, adjunct faculty, speakers and other educational resources, enhancements of continuing education programs, advice on curriculum alignment with “real world” and current scientific and business requirements, scholarships, in-kind donations of equipment and other resources, and other educational support and enhancements; and

WHEREAS, the College needs a capable and responsible separate and distinct entity to manage the assets and revenue of the STP on its behalf, and to assure performance of the parties’ obligations under the various leases and agreements, through appropriate operating agreements between the College and this entity, and with assistance of the College, including suitable use of College resources and personnel; and

WHEREAS, Maryland law requires that the structure of the relationship between community colleges and their affiliated foundations be clearly delineated and stress the separate identities of the entities; and

WHEREAS, the President of the College recommends the following action; now therefore be it

Resolved, That the Board of Trustees of Montgomery College authorizes the President of the College to create a 501(c)(3) organization or other entity for the purposes set forth in the above recitations; and be it further

Resolved, That the President is authorized to develop and file all documents necessary to create this entity, including but not limited to corporate and taxation documents, regulatory documents, operating and agency agreements between the College and this entity, and to do and accomplish all other actions necessary to enable this entity to function as envisioned in the recitations above, including but not limited to receipt of funds from tenants and performance of all contractual and lease requirements of the College; and be it further

Resolved, That in connection with these actions, the President is authorized to engage outside consultants and experts to assist in the timely creation and filing of all documents, and the taking of all actions, necessary to accomplish the actions authorized by this resolution; and be it further

Resolved, That the Chair of the Board of Trustees of Montgomery College, if and when required, and the President, and their respective designees, are each hereby authorized, severally, to execute any and all documents necessary or appropriate to accomplish the actions authorized by this resolution; and be it further

Resolved, That to the extent that there is any conflict or variance between any prior resolution or other action of this Board of Trustees of Montgomery College and this resolution, such prior resolution or action is hereby superseded and amended by this resolution.

Appendix 4.10 – Cost Containment Measures and Revenue Enhancements

- Implemented a hiring delay, and then a hiring freeze, for all vacant positions except for those positions deemed most critical. Due to the fact that a large portion of our funding comes from the public indirectly through state and county government appropriations and directly through tuition, when the economy changed, Montgomery College worked with the state and county to actively control its single largest cost— personnel. In FY09 through today, the college has delayed hiring except for mission critical positions. Beginning in FY09 salary increases for administrators were delayed and all staff increases were stopped in FY10 and FY11. In addition, Montgomery College implemented a furlough program in FY11. While no raises were budgeted in FY12, the pressure to change these cost constraint practices in FY13 is growing. Continued austerity in the area of salary poses a risk to retaining and motivating competent and experienced staff which may result in added pressure to the budget.
- Reduced all other non-salary expenditures including long distance travel, non-academic supplies, furniture and equipment and deferring all major purchases (Estimated cost savings: $3 million)
- Modified some of the provisions of the medical and Rx plans for CY2010; achieved total (College and employee) savings of approximately $450,000
- Cancelled a $600,000 distance learning contract and moved those positions to regular College positions. (Cost savings $250,000)
- Negotiated a new ten year lease for off-campus commercial office and classroom space for the WD&CE Gaithersburg Training Center. The lease rate was renegotiated along with a lease extension resulting in a savings of approximately $317,000 over the remaining two years of the original ten year lease
- Received $52,037 credit from the City of Rockville for excessive emergency water usage stemming from a water main rupture on the Rockville Campus
- Completed the process for FEMA/MEMA grant (reimbursement) for costs associated with the December 2009 snowstorm, and as a result, the College will receive $101,917
- Renegotiated the service contract with SunGard resulting in a savings of $405,743. This was done by eliminating two on-site contractors
- Lowered the annual maintenance costs associated with the SunGard modifications contract by moving to an annual major upgrade. This results in a net savings of $35,132
- Reduced the service level for the Turnitin software license, providing a net savings of $19,066
- Eliminated a Web Graphic designer contractor position by using an existing position resulting in an $80,000 savings
- Reduced a Web developer contractor position resulting in a net savings of $110,741
- Renegotiated the Gartner Services contract resulting in a net savings of $43,000.

COMBINED COLLEGE SUMMARY BY FUND AND PROGRAM

Current Fund	**FY 2013 Budget**	**FY 2012 Budget**	**FY 2011 Actual**
Instruction	$79,455,384	$84,772,373	$79,552,647
Academic Support	31,756,917	26,413,479	28,299,523
Student Services	28,712,424	27,358,270	25,700,998
Operation and Maintenance of Plant	32,236,452	33,116,463	33,126,712
Institutional Support	42,384,922	42,196,716	42,445,753
Scholarships/Fellowships	3,490,500	3,397,475	3,109,717
Total	218,036,599	217,254,776	212,235,350
Workforce Development and Continuing Education			
Instruction	7,898,000	16,036,583	11,892,018
Academic Support	3,048,000		
Student Services	3,870,500		
Operation and Maintenance of Plant	1,200,000		
Scholarships/Fellowships	120,000	100,000	57,247
Total	16,136,500	16,136,583	11,949,265
Auxiliary Services - Auxilary Expenditures	6,359,564	6,451,173	4,288,805
Cable Television Academic Support	1,244,850	1,230,000	1,268,947
Emergency, Plant, Maintenance and Repair Fund			
Operation and Maintenance of Plant	350,000	350,000	136,589
Tranportation Fund - Auxiliary Expenditures	2,500,000	2,500,000	2,025,202
50th Anniversary Endowment Fund			
Grants and Endowment Expenditures	263,000	250,000	14,322
Major Facilities Reserve Fund			
Operation and Maintenance of Plant	2,400,000	2,400,000	2,348,756
Grants and Contracts*	20,563,000	21,433,000	8,947,526
Total All Funds	$267,853,513	$268,005,532	$243,214,762

* Includes Spending Affordability Tax-supported grants.

Appendix 4.12 – Discontinuing Paper Schedules

Cost Comparison Chart, Printing			
Edition	Page Count	Quantity	Cost
Winter/Spring 2010	96	23,000 (charged). Because of press over-runs we received 3,000 extra schedules for free totaling 26,000 on hand. We used 21,850.	$9,969
Summer/Fall 2010	144	15,500	$18,256
Winter/Spring/Summer 2011 (expected)	32 (expected)	7,000	$2,429
AY 2011-12	32 (expected)	10,000	$2,683

Appendix 4.13 – Savings as a Function of Revised Waitlist Policy

As of	6/30/2007	Total for AY
Fall 2006	$1,020,507.28	
Spring 2007	$1,322,072.96	$2,342,580.24
As of	6/30/2008	
Fall 2007	$1,117,701.66	
Spring 2008	$1,522,782.66	$2,640,484.32
As of	6/30/2009	
Fall 2008	$1,320,693.08	
Spring 2009	$1,935,723.05	$3,256,416.13
As of	6/30/2010	
Fall 2009	$1,635,364.16	
Spring 2010	$2,308,725.34	$3,944,089.50
As of	**6/30/2011**	
Fall 2010	**1,078,195.36**	
Spring 2011	**1,729,757.95**	**2,807,953.31**

COLLEGE AREA REVIEW

Ten Year Overview

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General Overview

Montgomery College utilizes two primary assessment activities, student learning assessment of courses, programs, and general education and program review of academic areas and administrative units. College Area Review (CAR) is a self evaluative program review process for all academic areas and administrative units at Montgomery College. CAR provides critical college wide information for academic and administrative planning, establishes priorities for resource allocation, and measures overall institutional effectiveness. The CAR process is systematic, comprehensive, and ongoing. The Office of the Vice President of Institutional Effectiveness is responsible for the CAR process as well as all assessment activity at the College, including both the College Area Review process and the Outcomes Assessment process.

Montgomery College began reviewing all academic areas during the 2002-2003 academic year. In 2007, administrative units were added, changing the name from Academic Area Review to College Area Review. The process involves all College stakeholders; administrators, vice presidents, unit managers and directors, deans, faculty, staff, and students. Students in selected courses participating in the review receive an online survey soliciting input regarding their course work. The College Area Review Committee, a collegewide standing committee, provides a cross-sectional review of all the reports and recommendations. Budget permitting, CAR solicits input from external peer reviewers for designated disciplines. CAR operates on a five year cycle, reviewing on an average 15 academic units each academic year and three administrative units each calendar year. CAR solicits feedback yearly from all stakeholders and revises this assessment process accordingly.

To comply with standard seven of the Middle States Commission of Higher Education (MSCHE) Accreditation Standards, the College Area Review process contributes to the issues and resolution of institutional effectiveness at Montgomery College. Currently, as public funding and resources are limited and global competiveness is paramount; accountability and assessment measures and student learning outcomes are most important to demonstrate that our students are learning, succeeding, and completing their educational goals. The College uses institutional data and results from the College Area Review process to help drive and document institutional improvements.

Academic Areas

Every existing set of academic activities, including disciplines, learning centers, student development, and special programs is engage in CAR. Program review enhances the quality of an academic program and provides recommendations for targeted allocation of resources and discipline improvements. For the academic areas, key benchmark data regarding faculty/student ratios, ft/pt faculty ratios, faculty release time, student enrollments, program awards, and transfer summaries are provided to each discipline. The review process includes the examination of academic areas' curriculum, assessment activities, licensure, articulation agreements, advisory committee, enrollment, faulty needs and the strengths and opportunities of each discipline. At the conclusion of the review, recommendations for academic improvements are approved and implemented within a five year review cycle. As budgets will allow, external peer reviewers are invited to participate in the process.

Administrative Units

All administrative units engage in the CAR process to assess the alignment of their unit's goals, mission, and functions with the College's mission and goals. Administrative units also examine the strengths, challenges, and opportunities, the resources need to function as a unit, and provide benchmarks for unit effectiveness. The CAR process encourages all members of an administrative unit are to participate. At the conclusion of the review, recommendations for unit improvements are approved and implemented within a five year review cycle.

CAR and Data

With assessment and accountability at the forefront of higher educational issues, Montgomery College proactively includes data in our program review process. Since the inception of the current CAR process in 2003, disciplines and all academic areas use a standard set of data when conducting their review. The Office of Institutional Research and Analysis (OIRA) provides relevant data to all academic units at the beginning of their review process. The standard data includes information about the discipline and related programs, such as student enrollment measures, credit hours, program awards, program retention rates, summarized program transfer data, student faculty ratios, and full time to part time faculty ratios. CAR encourages disciplines to solicit additional data for OIRA when warranted. Listed below are the key data benchmarks used in the review:

Data Benchmarks	
• Full-time to part-time faculty ratio	55FT:45PT
• Student/Faculty Ratio	20:1
• Proportion of annual ESH spent on direct instruction for full time faculty	80%
• Program enrollment over the last three years has not decreased by more than….	20%
• Number of class sections cancelled (by course)	9%
• Number of low enrollment sections in course per semester	11%
• Percentage of students who dropped or withdrew from course	10%
• Percentage of program award in the last three years	At least 5 students per yr

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CAR and Student Input

From fall 2005 to fall 2010, more than 24,000 students have had the opportunity to participate in the College Area Review process by commenting on the course content of selected courses. Although student response rates have not exceeded 20 percent over the five year period, the students' perspective is vital to preparation of instructional materials and delivery. This survey keeps the student at the center of our focus and emphasizes our culture of learning and assessment at Montgomery College.

Four or five courses were selected to participate in the survey. The courses surveyed have high enrollments, are taught on all three campuses, and are part of the general education curriculum. The CAR Student survey is designed to address certain general education competencies, including oral and written communication, critical thinking, information literacy and subject matter knowledge. The survey questions are listed below:

1) Why are you taking this course? *(Check any that apply)*

☐ Interested in the subject matter or for enrichment
☐ Required in my major
☐ Met a General Education requirement
☐ Required prerequisite or second in a sequence of courses
☐ Tested into this course

2) Which of the following activities have you participated in during this course? *(Check any that apply)*

☐ Contributed to class discussion and made class presentation
☐ Worked with classmates on course projects
☐ Tutored or taught other students (paid or voluntary)
☐ Participated in a community–based project
☐ Conversed with students who are of a different ethnicity

3) To what extent does this course (*including labs, if applicable*) help you to better comprehend the subject matter?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

4) To what extent does this course help you to improve your communication skills (i.e., reading/writing/listening/speaking)?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

5) To what extent does this course help you to develop your critical thinking and problem solving skills?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

6) Course materials (*including labs, if applicable*) and resources are useful and/or relevant to my being successful in this course.

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

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7) To what extent does this course provide opportunities for you to explore world issues?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

8) This course requires me to do one or more assignments using the following: (*Check any that apply)*

☐ MS Word
☐ MS Excel
☐ MS Power Point
☐ Internet Research/MyMC/Library Database
☐ Graphing Calculator or Online Course Software

9) How are you currently using technology in your learning as a student? (Check all that apply)

☐ I read my syllabus and other class materials online.
☐ I use chat rooms/discussion lists for assignments.
☐ I use selections from audio and/or video resources.
☐ I use Podcasting and/or iPod.
☐ I use videoconferencing with my instructors or classmates.

10) This space is provided for you to express any other issues or concerns about this course other than the instructor. *Note: This survey addresses the course only; please do not comment on the instructor.*

Each year the survey continues to generate valuable student comments about each course. The comments provide insights of the student's impression of course content, textbook selection, course online offerings, and course rigor. Survey results and comments are shared with all academic areas. Starting in 2005, with assistants from the Office of Information Technology, we used the Banner Web Survey tool to offer the first online survey, with eight questions. In 2007, we began collecting student demographic information. In 2009 and 2010, we awarded four students $25.00 gift certificates, compliments of the Office of Auxiliary Services. In 2010, we added a question related to the Community College Survey of Student Engagement (CCSSE) regarding student participation. In 2011, we added a question about technology at the request of distance education. Below is a listing of course per year and student response rates. For additional information about the CAR Student Survey, please refer to the CAR Website.

CAR Student Survey Results

Year	Courses	Student Enroll	Completed Survey	Response Rates
2005	BI 101, BI 107, CH 101, PY 102, SO 101	5389	649	12%
2006	FM 103, HS 201, PC 101, PH 203, WS 101	1261	257	20%
2007	AR 107, BA 101, CA 120, ES 100, PS 101	2616	526	20%
2008	DS 107, EL 104, EN 102, MA 116, RD 099	5652	712	13%
2009	AC 201, AC 202, EC 201, PL 201	2437	249	10%
2010	BI 107, HI 125, PY 102, SO 101, SP 108	6809	1196	18%

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CAR Committee

The College Area Review Committee (CARC) is a standing College committee and serves as a cross sectional review team providing additional input. The CARC consists of six faculty representatives, three from the faculty council and three from the academic assembly, the four campus vice presidents, three academic deans, two administrators from the Office of the Senior Vice President of Administrative and Fiscal Services, and a representative from Staff Senate, OIRA, OIT, OPIE, and the CAR Coordinator. The CARC meets as a full committee twice a year, once during the fall semester and once during the spring semester. The CARC is divided into smaller sub-workgroups to facilitate a more thorough, in-depth review of all the reports, data and recommendations made by the discipline faculty workgroups. Faculty can serve a rotating term of three years and no more than six, if they chose to serve two terms. To date over 20 faculty have served on the committee. A listing of all persons participating on the committee or sub-committee is below:

College Area Review Committee Participation			
Faculty Representation	Monique Alston–Davis	Michael Gurevitz	Abby Spero
	Nelson Bennett	Lori Kelman	Harvey Stempel
	Molly Clay	Sharyn Neuwirth	Gray Thai
	Cinder Cooper	Sharon Piper	Usha Venkatesh
	Betty Dauda	Elizabeth Ridings	Page Whittenburg
	Roxanne Davidson	Nora Ryan	Linda Zanin
	Doug Gleason	Jim Sniezek	Kenneth Weiner
Staff Representation	Lynette Evans (2008), Kevin Schramm (2009), Anne Bunai (2010), Eric Myren (2010-2012)		
OSVPAFS	Donna Dimon (2009), Tom Sheeran (2010), Lynda Von Bargen (2009-2012)		
OIT	Lloyd Case, Vicki Duggan , Donna Schena		
OPIE	Mona Levine, Kathy Wessman		
Deans	Karen Roseberry, Angie Pickwick, Patti Bartlett		
OIRA	Bob Lynch, Debbie Morris,		
CAR Coordinator	Clevette Ridguard		

As the College institutes the new governance model in 2012, the CAR Coordinator will work with the Governance Coordinator to solicit staff, faculty, and student participation and representation on the CAR Committee.

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CAR Process

The basic process entails members of the academic areas or administrative units to meet and discuss the review of the unit, examine the necessary data, and make actionable recommendations for implementation within the given five year time frame. The review process starts from the bottom-up, including all members of the area or unit, and receives a cross sectional review by deans, Vice Presidents and Provosts, administrators, and CARC members. The Executive Team (ET) performs the final review and approval for all recommendations. The ET team is comprised of the Senior Vice Presidents for Administrative and Fiscal Services, Student Services, Academic Affairs, and the College President. At the conclusion of their review, the Executive Team meets with the administrative unit head and the Vice Presidents and Provost to report back to them final CAR approved recommendations. These persons are responsible to share final results of the process with the individual units and academic areas. The recommendations from both administrative units and the academic areas are monitored until implementation. CAR requests yearly status updates on all recommendations. Chart 1 illustrates the overall process, institutional data review is included when the faculty or unit meet and discuss.

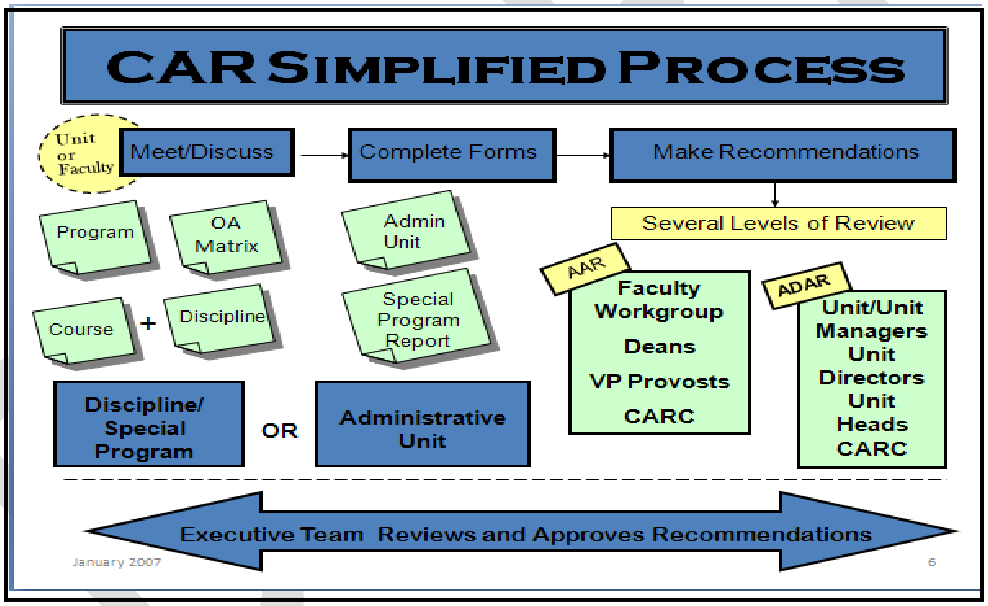

Chart 1: CAR Overall Process

CAR Timelines for Academic Areas and Administrative Units

There are two cyclical processes of review, the academic areas, which follows the academic calendar from the beginning of fall semester until the end of spring semester, and the administrative units, which follows the fiscal calendar.

College Area Review

Academic Areas (AA) General Timeline

August	CAR Faculty Orientation Meeting
Sept-- January	Faculty Workgroups conduct College Area Review for their particular academic area
February	Lead Deans and Lead Vice Presidents and Provosts conducts review
Spring Semester	External Peer Review Visits (when invited)
February	Lead Vice Presidents and Provosts complete CAR Recommendations and submits to CARC
March	CARC Workgroup Meetings and CAR Action Plan Status Reports are due
April	Full CAR Committee Meeting to review academic areas
April	CAR Reports are due to Executive Team
April	Executive Team meets, reviews and approves CAR Recommendations
May	Vice Presidents and Provosts share approved recommendations to deans, chairs, and disciplines. Other academic areas receive approved recommendations from Vice President and Provost and Lead Dean concerning their Special Program review. This closes the loop and informs faculty workgroups and academic areas of approved recommendations.

College Area Review

Administrative Units (ADAR) General Timeline

February-March	Unit Orientation Meeting
March-June	Unit workgroups conduct review, completes report and makes recommendations
June-July	Unit Supervisors/Managers review documents and prepare one unit report and comments on recommendations
July	Unit Head reviews final report and comments on unit recommendations and provides consolidation of report and recommendations
September 15	CAR unit report and recommendations are due to the College Area Review Coordinator
September	CARC Workgroup Meetings
October	Fall CARC Meeting to review administrative units
	CAR- ADAR Unit Action Plan Status Reports are due
November	CAR-ADAR reports are due to Executive Team. Executive Team review and approves CAR Recommendations
December	CAR Recommendations are reported back to individual units

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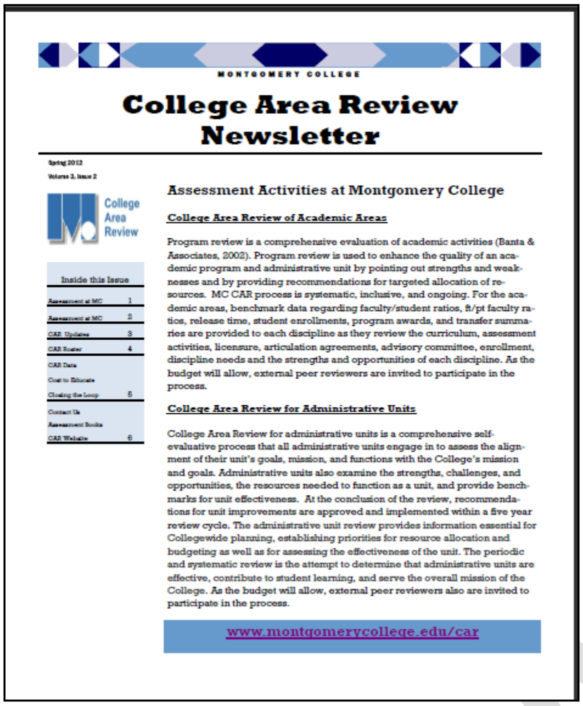
CAR Newsletters

In the fall of 2010, we started issuing a CAR Newsletter to inform the CAR Committee and the College at large of changes and developments with the CAR process. Since that time, we have produced three newsletters. Complete copies of the CAR Newsletters are found on the CAR Website.

The newsletters contain information about due dates, process changes and articles of interest to the committee and the College at large. They welcome new Committee members, reported on the CAR Student Survey, talked about the outcomes assessment program for program assessment and provided a list of recent books about assessment. The CAR Coordinator produces the CAR Newsletters.



MONTGOMERY COLLEGE

College Area Review Newsletter

Spring 2012

Volume 3, Issue 2

College Area Review

Inside this Issue

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CAR Updates	3
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Contact Us Assessment Books CAR Website	6

Assessment Activities at Montgomery College

College Area Review of Academic Areas

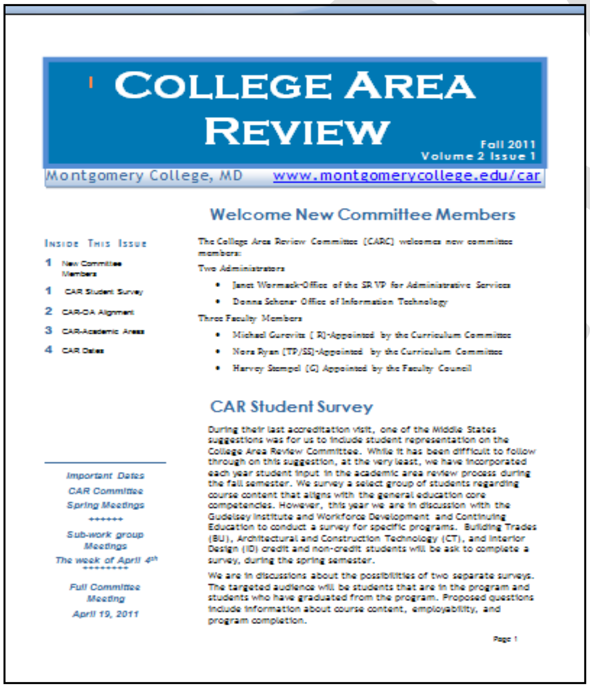
Program review is a comprehensive evaluation of academic activities (Banta & Associates, 2002). Program review is used to enhance the quality of an academic program and administrative unit by pointing out strengths and weaknesses and by providing recommendations for targeted allocation of resources. MC CAR process is systematic, inclusive, and ongoing. For the academic areas, benchmark data regarding faculty/student ratios, ft/pt faculty ratios, release time, student enrollments, program awards, and transfer summaries are provided to each discipline as they review the curriculum, assessment activities, licensure, articulation agreements, advisory committee, enrollment, discipline needs and the strengths and opportunities of each discipline. As the budget will allow, external peer reviewers are invited to participate in the process.

College Area Review for Administrative Units

College Area Review for administrative units is a comprehensive self-evaluative process that all administrative units engage in to assess the alignment of their unit's goals, mission, and functions with the College's mission and goals. Administrative units also examine the strengths, challenges, and opportunities, the resources needed to function as a unit, and provide benchmarks for unit effectiveness. At the conclusion of the review, recommendations for unit improvements are approved and implemented within a five year review cycle. The administrative unit review provides information essential for Collegewide planning, establishing priorities for resource allocation and budgeting as well as for assessing the effectiveness of the unit. The periodic and systematic review is the attempt to determine that administrative units are effective, contribute to student learning, and serve the overall mission of the College. As the budget will allow, external peer reviewers also are invited to participate in the process.

www.montgomerycollege.edu/car

Figure 1: Spring 2012 Newsletter



COLLEGE AREA REVIEW

Fall 2011
Volume 2 Issue 1

Montgomery College, MD www.montgomerycollege.edu/car

INSIDE THIS ISSUE

1	New Committee Members
1	CAR Student Survey
2	CAR-OA Alignment
3	CAR-Academic Areas
4	CAR Dates

Welcome New Committee Members

The College Area Review Committee (CARC) welcomes new committee members:

Two Administrators

- Janet Wormack-Office of the SR VP for Administrative Services
- Donna Schena- Office of Information Technology

Three Faculty Members

- Michael Gurevitz (R)-Appointed by the Curriculum Committee
- Nora Ryan (TP/SS)-Appointed by the Curriculum Committee
- Harvey Stempel (G) Appointed by the Faculty Council

CAR Student Survey

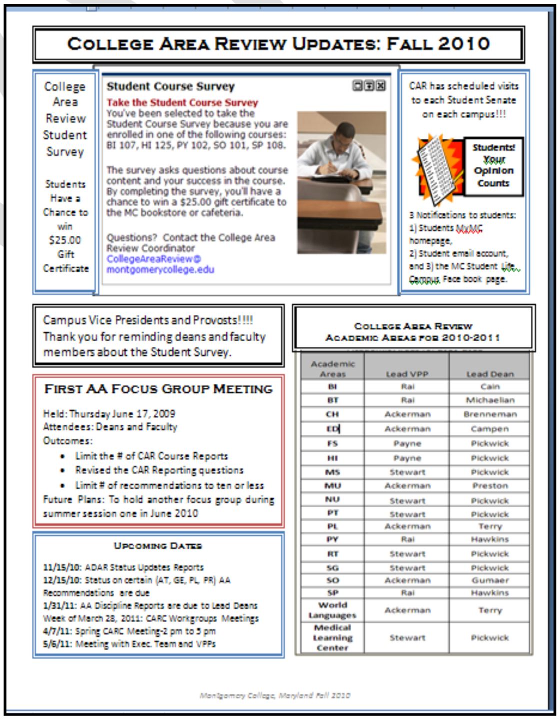
During their last accreditation visit, one of the Middle States suggestions was for us to include student representation on the College Area Review Committee. While it has been difficult to follow through on this suggestion, at the very least, we have incorporated each year student input in the academic area review process during the fall semester. We survey a select group of students regarding course content that aligns with the general education core competencies. However, this year we are in discussion with the Gudelsky Institute and Workforce Development and Continuing Education to conduct a survey for specific programs. Building Trades (BU), Architectural and Construction Technology (CT), and Interior Design (ID) credit and non-credit students will be ask to complete a survey, during the spring semester.

We are in discussions about the possibilities of two separate surveys. The targeted audience will be students that are in the program and students who have graduated from the program. Proposed questions include information about course content, employability, and program completion.

Important Dates
CAR Committee
Spring Meetings
++++++
Sub-work group Meetings
The week of April 4th
++++++++
Full Committee Meeting
April 19, 2011

Page 1

Figure 2: Fall 2010 Newsletter



COLLEGE AREA REVIEW UPDATES: FALL 2010

College Area Review Student Survey

Students Have a Chance to win $25.00 Gift Certificate

Student Course Survey

Take the Student Course Survey
You've been selected to take the Student Course Survey because you are enrolled in one of the following courses: BI 107, HI 125, PY 102, SO 101, SP 108.

The survey asks questions about course content and your success in the course. By completing the survey, you'll have a chance to win a $25.00 gift certificate to the MC bookstore or cafeteria.

Questions? Contact the College Area Review Coordinator CollegeAreaReview@montgomerycollege.edu

CAR has scheduled visits to each Student Senate on each campus!!!

3 Notifications to students:
1) Students MyMC homepage,
2) Student email account,
and 3) the MC Student Life Campus Face book page.

Campus Vice Presidents and Provosts!!!! Thank you for reminding deans and faculty members about the Student Survey.

FIRST AA FOCUS GROUP MEETING

Held: Thursday June 17, 2009
Attendees: Deans and Faculty
Outcomes:

- Limit the # of CAR Course Reports
- Revised the CAR Reporting questions
- Limit # of recommendations to ten or less

Future Plans: To hold another focus group during summer session one in June 2010

UPCOMING DATES

11/15/10: ADAR Status Updates Reports
12/15/10: Status on certain (AT, GE, PL, PR) AA Recommendations are due
1/31/11: AA Discipline Reports are due to Lead Deans
Week of March 28, 2011: CARC Workgroups Meetings
4/7/11: Spring CARC Meeting-2 pm to 5 pm
5/6/11: Meeting with Exec. Team and VPPs

COLLEGE AREA REVIEW ACADEMIC AREAS FOR 2010-2011

Academic Areas	Lead VPP	Lead Dean
BI	Rai	Cain
BT	Rai	Michaelian
CH	Ackerman	Brenneman
ED	Ackerman	Campen
FS	Payne	Pickwick
HI	Payne	Pickwick
MS	Stewart	Pickwick
MU	Ackerman	Preston
NU	Stewart	Pickwick
PT	Stewart	Pickwick
PL	Ackerman	Terry
PY	Rai	Hawkins
RT	Stewart	Pickwick
SG	Stewart	Pickwick
SO	Ackerman	Gumaer
SP	Rai	Hawkins
World Languages	Ackerman	Terry
Medical Learning Center	Stewart	Pickwick

Montgomery College, Maryland Fall 2010

Figure 3: Fall 2010 Newsletter

CAR and External Peer Reviewers

AELP, Math, GITE Special Programs, Printing, Computer Applications, Computer Science, Networking, Microcomputers, Information Technology Institute, Education, Distance Learning, and American Sign Language all benefited from an external peer review visit. Middle States Commission of Higher Education encourages institutions conducting program review to engage external peer reviewers. However, due to budget constraints visits from peer reviewers have been limited. Details reports can be obtained by contacting the CAR Coordinator. Below is a list of the external peer reviewers by discipline:

College Area Review External Peer Reviewer		
2004	AELP	Dr. Judy Paiva, Professor, Northern Virginia Community College
2004	MATH	Judy H. Williams, Associate Professor of Mathematics, Tidewater Community College
2005	GITE Special Programs	Tom Gregory, Dean of Construction and Design Technologies, Pennsylvania College of Technology
2005	Printing	Jack W. Nuckols, Professor and Chair, Department of Printing, West Virginia University Institute of Technology
2005	Computer Related Disciplines (CA, CS, NW, MT, ITI)	Dr. Sydney Rogers, Vice President, Community and Economic Development, Nashville State Community College
2005	Computer Related Disciplines (CA, CS, NW, MT, ITI)	Jandelyn Plane, Instructor and Academic Advisor, Computer Science Department, University of Maryland
2005	Computer Related Disciplines (CA, CS, NW, MT, ITI)	Kathleen Happ, Dean, School of Business, Computing and Technical Studies and Interim Dean, School of Health Professions, Wellness and Physical Education, Anne Arundel Community College
2006	Education	Dr. Diane Lee, Dean and Vice Provost of Undergraduate Education, University of Maryland Baltimore County
2006	Distance Education	Dr. Eugene D. Rubin, Program Director, Master of Distance Education, Graduate School of Management and Technology, University of Maryland University College
2008	American Sign Language	Professor Jami Fisher, Program Coordinator of American Sign Language, Penn Language Center, University of Pennsylvania

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CAR and Outcomes Assessment

One of the recommendations from the last Middle States accreditation visit in 2008, was to create a more integrated process of OA and CAR. Increased efforts are needed to facilitate a smoother and more streamlined workload for the faculty. One step toward integration of the processes was the collection of the Outcomes Matrix form for program assessment. A major component of our student learning assessment is to ensure that program outcomes align with course outcomes and the appropriateness of all outcomes. This is important because of the heightened emphasis on the completion of degrees and certificates. We need faculty to review all program and course outcomes for congruency. To facilitate this activity, each discipline involved in the College Area Review process will be given an **Outcomes Matrix** (Program-Course Outcomes Alignment Form) to complete and submit with their College Area Review. This form contains all the related course titles, course outcomes, related program outcomes, and the general education outcomes (competencies) for each program within a particular department.

The Outcomes Matrix form is intended to become a standard part of the assessment process at Montgomery College. As disciplines engage in the CAR process, eventually all program and course outcomes will be reviewed for alignment. Upon completion of the CAR process, a designated faculty workgroup will conduct program assessment using the course(s) identified on the Outcomes Matrix form.

CAR Summary Reports

The purpose of the CAR Summary Report is to document the appropriate disposition of an academic area. Given the current budgetary constraints and resource allocation, the CAR Committee makes recommendations to the Executive Team who make the final decision based on a thorough and comprehensive review of all the related reports and institutional data provided. CAR Committee is encouraged to based their recommendation on the following criteria: a) This discipline exhibits evidence of reviewing the given data and addressing any discrepancies in the CAR documents and b) the discipline presents thoughtful and appropriate recommendations for discipline improvements since last CAR review.

CAR Category Listings

Once the CAR recommendations for academic areas are approved by the Senior Vice Presidents, these recommendations are categorized annually by departments that may have direct or indirect involvement. Using their original numbering, these recommendations are shared with internal departments throughout the College for informational planning purposes. Academic areas are responsible for full implementation and have five years to complete this task. All the CAR approved recommendations organized by disciplines are available on the College Area Review website at www.montgomerycollege.edu/car.

CAR Status Updates

CAR Action Plan Status Update Reports provide updates on all recommendations which are monitored and track until full implementations. Recommendations and comments are review carefully for clarity to document institutional improvements and results to the process. All updates are reviewed by the Executive Team.

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COLLEGE AREA REVIEW

AAR	Year	# of Academic Areas	Total Recommendations	Completed Recommendations	Pending Recommendations	% Complete
First Five Year Cycle	2003	7	55	55	0	100%
	2004	24	294	266	28	90%
	2005	16	128	108	20	84%
	2006	15	145	139	6	96%
	2007	18	166	150	4	90%
Subtotal		**80**	**788**	**718**	**58**	**91%**
Second Five Year Cycle	2008	17	142	116	26	82%
	2009	15	111	58	55	52%
	2010	19	130	83	47	64%
	2011	18	124	20	95	16%
	2012	17	134			
Subtotal		86	641	277	223	
Totals		**166**	**1429**	**995**	**281**	70%

ADAR	Year	ADAR	Total Recommendations	Completed Recommendations	Pending Recommendations	% Complete
	2007	IT	22	4	18	18%
		IA	40	0	40	0%
	2008	Aux. Svr	16	13	3	81%
		Grants	12	9	3	75%
		E&D	5	1	4	20%
	2009	AEM	10	6	4	60%
		Facilities	6	0	6	0%
	2010	Budget Office	6	3	3	50%
		OBS	11	0	11	0%
	2011	HR	11	*Collecting status updates in fall 2012*		0%
		OFA	5			0%
	2012	OA				
		OPIE				
Subtotal			**144**	**36**	**92**	25%

Note: Academic areas and administrative units have five years to implement recommendations. Due to budget constraints or change in area or unit focus, not all the recommendations are implemented.

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CAR Recommendations and Results for Academic Areas

Below is a list of a sampling of the recommendations from 2008 to present and their implemented results and or progress. Many of the recommendations have college wide broad base implications for student success.

Academic Areas	Recommendations	Results
2008		
Art	Develop college wide discipline committees to address programmatic issues.	During the 2011/2012 academic year, all discipline faculty participated in working groups that undertook a significant re-structuring of the Art degree offerings, course revisions, and new course development, with the goal of reducing the number of degree offerings, reducing degree credit requirements, eliminating Studio Art AFA degree differences between SA&D and the rest of the Art program, and developing course content with a more contemporary focus to better prepare students for transfer to a wide range of four year schools.
	Work to coordinate discipline offerings and syllabi college-wide while taking into account student needs and facilities at each campus.	A curriculum action to make all degrees college-wide has been completed. College-wide collaboration on outcomes issues on specific courses has aided the overall process of creating more universal syllabi and content for courses.
Computer Applications	Develop a “core-course” model for CA272 with content and discussion board available for all CA272 instructors.	In 2009-2010, CA272 has undergone some dramatic changes in order to keep up with the current Web standards and programming practices. To that end, CA272 course textbook, culminating activity and “essential” skills have been updated. A Web curriculum repository using a popular free Web 2.0 application called PBWiki has been created. This repository contains example syllabi, course objectives, in-class notes and exercises, homework assignments and more. All full- and part-time faculty have full access to this repository.
Computer Science	Continue our efforts to standardize syllabi, projects, final exams and textbooks across all platforms and all sections in the core classes.	We have standardized the syllabi (outcomes), projects, final exams and textbooks for CS103 and CS204. We have standardized the syllabi (outcomes), textbooks and final exams across all sections at Rockville for CS140. We will expand our efforts to ensure standard textbooks, final exams and project subjects for all CS140 classes collegewide. We have established a department standard for grading: final – 20%, projects – 40%, discretion of the professor – 40%.
Engineering Science	Coordinate offerings collegewide to produce schedule of classes.	The course offering are being coordinated with the other two campuses to facilitate collaborative scheduling.
Political Science	Focus on outcomes assessment measures for PS 101, taking into account results from previous cycle. Share with departmental colleagues. Complete the form, “OA Campus Observations and	The PS101 OA team identified Student Learning Outcomes, created a pilot assessment instrument, and submitted all required OA documents to the COAT team for review. In spring 2009, slight changes were incorporated into the pilot instrument, in accordance with recommendations from the COAT team. The PS team is working to improve communications and response-times to deadlines as it continues with the Outcomes Assessment process for PS101. (Update 2010: The OA process is on track; the

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	Recommendations" that was due on 12/1/07. The three campus representatives must meet with the outcomes assessment coordinators to obtain needed assistance in refining the identified outcomes.	assessment took place and OA recommendations will be completed by end of spring 2010.) Update 2012: The Outcomes process is still on track. The PS101 workgroup has created a MyMC page to enable faculty to communicate teaching ideas and has met all deadlines for updating the COAT team on implementation of recommendations.
2009		
Mathematics	Research the success rates in all math courses and the effectiveness of the courses in preparing students for subsequent courses. Utilize the data obtained to make relevant curriculum decisions.	Discipline is in the process of determining which data should be collected. We are preparing a report comparing success rates in 090/91 to 094 as well as success in subsequent courses.
	Offer at least one 200-level course at each campus every semester and coordinate the scheduling across all campuses to insure they are offered on a regular schedule.	All three campuses offer MA 280, 282, and 284 during an academic year. In addition, MA has taken steps to encourage growth in enrollment, to actively involved advising in order to help students, and to broaden counselors' understanding of upper level math options.
	Explore and introduce new technology to enhance classroom learning experiences.	Collegewide faculty members have begun using the Virtual Computer Lab (VCL) in our upper level courses to give students access to Matlab and similar software from any computer via the internet.
	Convene college wide task force on developmental mathematics issues with the goal of reviewing best practices in developmental mathematics and developing a comprehensive plan to systematically, and on a college wide basis, improve the success rate in developmental mathematics courses by 20% to bring it over 60%.	The taskforce recommendations and the Math Design project for developmental Math has been successfully implemented.

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Reading	Improve outcomes assessment for RD 095 and RD099. Enhance the rigor of the Outcomes Assessment instrument for RD099. The results of RD095 Outcomes Assessment were encouraging and demonstrate that the instrument was appropriate.	The reading discipline is planning on modifying the outcomes assessment questions for RD099 that were too easy or too difficult. The discipline is satisfied with the assessment instrument and outcomes for RD095.
AELP	Institute syllabus sharing between courses in various tracks, preferably electronically, and develops additional strategies for strengthening skill proficiencies across tracks, such as integration of the Academic Word List across all course sequences.	Materials and information have been placed on the "I" drive, allowing access to the content by all AELP faculty members.
	Use one non-instructional duty day per year to hold AELP retreat. This would allow the entire program (SP, RD and EL) to discuss new initiatives and best practices.	The annual meeting of the AELP disciplines continues. Additionally, 20 faculty members and the instructional dean attended the TESOL annual meeting and conference in Philadelphia, PA.
	Discipline needs to review college credit for AELP courses because institutional credit affects students' GPAs.	This recommendation came from the Executive Team. The Institutional Credit Alternatives Committee has been charged with gathering, substantiating and assessing the various perspectives on the issue of credit for AELP courses from stakeholder groups, including current and former AELP students, WDCE students in the pre-academic ESL program, AELP faculty, counseling faculty, and administrators. Based on this research, the committee will develop alternatives to the current AELP credit structure which, after being vetted by the AELP discipline, will be submitted to the SVP for Academic Affairs by May 18. The ICA Committee – composed of ten faculty AELP members representing all three campuses, the three AELP deans, and the senior program director of WDCE's pre-academic ESL program – has made significant progress toward achieving its goals within the challenging timeframe noted above.

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		• This fourteen-member committee has met on six occasions, with additional meetings scheduled over the next two months. • We have developed survey instruments designed to ascertain the interests and perspectives of current and former AELP students, WDCE students in the pre-academic ESL program, AELP faculty, and counseling faculty. We will begin analyzing the data immediately after spring break. In addition, a separate, informal survey was sent to selected administrators in late December. • We have initiated a “literature review” of recent studies dealing with the relationship between grades with impact (i.e., course grades that are counted in the GPA) and student motivation and success. • We have continued to assess trends in our field – both regionally and nationally – with respect to credit for EAP (English for Academic Purposes) programs. Toward this end, we have been analyzing course catalogs from our sister institutions in Maryland and from around the country, and a number of committee members will follow up on these efforts at the national TESOL conference later this month in Philadelphia. • We have requested additional student success data from OIRA. Specifically, in the previous institutional credit committee, we had received OIRA data from which we were able to make conclusions about the impact of institutional credit on student GPA and about similarities and differences across campuses. To confirm these conclusions, the current ICA Committee has requested that the same data be pulled for a new cohort of students. • We have established a group page on MyMC that serves as a clearinghouse for the data we have gathered, as well as for meeting minutes and for ongoing message board discussions of our various initiatives. • A representative of the committee presented at the College-wide Counseling Retreat on March 1. The presentation covered the ongoing work of the ICA Committee and, specifically, the forthcoming ICA survey to counseling faculty. • A college-wide AELP discussion of the results of the ICA Committee’s presented their report and recommendations to the SVP of Academic Affairs July 2012. •
	2010	
Criminal Justice	Expand the department’s distance	After further evaluation, our discipline decided not to offer the CJ222 (Criminal Evidence) course online. Currently we

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	education opportunities for students (Administration of Justice and Criminal Law (CJ221) are currently online. We will be adding Evidence in 2010-2011.)	only offer one face-to-face section each academic year. We felt an on-line offering would have the effect of splitting the enrollment numbers in this elective course. During the fall 2010 enrollment period, we discovered that the enrollment in our online courses filled at a much slower rate than our face-to-face course sections. This influenced our decision to postpone the offering. We have increased our face-to-face and online offerings for CJ221 (Criminal Law) and SO107 (Criminology) as these courses are highly sought after by Criminal Justice, Paralegal, and General Studies students seeking to transfer to the University of Maryland's Criminal Justice Program.
	Create and maintain a course specific library research guide with the assistance of the Rockville library staff for the CJ110 Administration of Justice course. We will work in conjunction with the library staff to create a research port that focuses the students' research to professional journal articles and substantive research materials.	The library staff created a research port specifically designed for the CJ110 course writing assignment. The port will continue to be updated as new research materials become available.
	Re-establish an active Criminal Justice Advisory Board to provide faculty with contact resources in the community.	The department is currently working with MCPS- the Law, Government, Public Safety and Administration Advisory Board. The advisory board met in March to discuss potential joint projects with MCPS and MC under the Perkins Grant.
Mental Health	Reappoint and convene a Career Advisory Committee for the Mental Health Program to meet regularly throughout the academic year.	The advisory committee has convened and this recommendation is complete.
	Organize a series of workshops for part-time faculty teaching in the Mental Health program to review "best practices" and keep them informed about the program. Possibly invite a member of the Career Advisory Committee for	Discipline organized workshops each semester this past year.

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	Mental Health to serve as a guest speaker at these workshops.	
Student Development	Provide in-service to instructional faculty on how to integrate DS skills into other academic areas; collaborate with instruction as appropriate.	Some training has been done in this area. As an example, the early alert counselors had a training session for the developmental math faculty at Germantown. Advising training sessions were held last year through CTL and attended by faculty. Some DS courses tied to instructional courses. DS + biology and there is a plan to pilot 5 sections of MA 094 to DS 102 for fall 2012. There are many more opportunities for this in the future.
	Ensure that MC advising move towards a developmental model of advising that would provide multiple contacts with students	The one “required” contact is with new students. Contacts thereafter are in different formats, such as walk-in advising or through a DS course. Counselors aim for a developmental model but during peak registration it is almost impossible to provide enough time. New efforts have been made to get students to come in early, such as stating preferred advising periods in the (electronic) schedule of classes. An advising group was established by SVPSS to provide advising goals for MC. Cadre advising will be increased in FY 13.
	Require new students to have a contact with an advisor	MAP, IMAP, or eMAP new student advising sessions are mandatory for all students. Those new students that need an individual meeting with a counselor can do so. Other mandatory contacts include: restricted students, suspended students, 3rd attempt students, early placement students, and students seeking overload or any exceptions. Completed-These categories of students are required to see an advisor and are blocked by Banner until they do so.
	Advised students before they register for their 16th credit	This is currently accomplished through group MAP, IMAP, or e-MAP sessions. Staffing levels do not permit mandatory individual meetings. Completed through MAPS, IMAPS, e-MAP, and follow-up individual advising.
	Students should receive an official degree audit and an invitation to see an advisor before they reach their 30th credit	An official degree audit is not available to students. An unofficial check-list is available on the web under “advising tools” or MyMC Banner degree audit which is largely unreadable. Counselors continue to request a more user-friendly degree audit and IT has been researching it. However, This recommendation is dependent on IT’s ability to provide a readable and understandable degree audit. IT has been to the Advising Steering Group (A.S.G.) several times to explain why this can’t be done at this time.
	Identify what needs to happen to achieve consistent advising outcomes at each of the campuses.	The Advising Steering Group continues to seek inconsistencies and address them one by one. Last year A.S.G. focused on early placement/early admissions and the various forms and processes that exist. This has been unified and there is a standard written procedures. A.S.G. or another group with advising as the main focus should be reactivated through the restructuring.
	Work with IT to ensure	The “advising tools” and “transfer” site on the college

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	that the College website materials for advising are easy to access for students, advisors, and other college employees.	website has numerous materials for advising students and for students themselves to use. It is continually updated.
Workforce Development and Continuing Education	Expand, increase, and improve internal and external partnerships and relevant advisory boards. External partnerships are inclusive of but not limited to chamber of commerce, industry leaders, local and state government agencies. Internal partnership include working with deans, discipline chairs, OIRA, IT and HR. Involve partnership in exploring off site class locations. ***NOTE: WDCE has done an outstanding job with follow-up on the recommendations, to view a complete list visit the CAR Website.***	• The Citizenship Program has expanded its relationship with the USCIS Community Relations Officer for MD and hosted information sessions for residents of Montgomery County. The program also partners with CASA de MD and refers students to them for pro-bono legal advice regarding the N-400 application for Citizenship. • Partnerships with Montgomery General Hospital and H.O.C. have been developed and expanded, and Pre and GED classes are now offered. • The AELG Program continues to pursue internal partnerships, particularly in the development of the MI-BEST program. Internal partners key to this project include the noncredit Information Technology Institute, IT, and Student Employment Services. • Unit staffs are participating in a wider range of college-wide committees, including the Governance Task Force and the ESL Institutional Credit Workgroup and Behavior Intervention Team. • The Refugee Center continues to have partnerships with Lutheran Social Services; Montgomery Works; The Washington Suburban Resettlement Center; the Maryland Office of Refugees and Asylees; Montgomery County DHHS, Arbor, and other refugee resettlement agencies • New partnership with MCPS for Green Garden Educator. • New partnership with NIH, Fed Lab Consortium, Human Workflows for CSO training • New partnership with Hughes Network Systems for project management and technology • New partnership with King's Farm property management for Green Biz Certification along with ten businesses including Aronson, Avendra, Ingelside • New partnership with PGCC, CCDC, NOVA for grant app. • New partnership with county and Activate program for grant app and programming. • New partnership with Montgomery Works to provide classroom site and scholarships for LEED Green Associate training. • New partnership with Conflict Resolution Center of MC to roll out expanded conflict and mediation courses. • New partnership with county corrections and PRC for digital literacy training. • The Lifelong Learning Institute is partnering with AARP, our local chapter of SHRM, and USG in offering a program on September 19th entitled "Managing a Multi-Generational Workforce" designed to address the needs and issues of employing senior citizens. • The Nonprofit Leadership Institute has partnered with local nonprofit Executive Directors to learn and respond to the

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		training needs of their organization staff. Based on needs voiced at focus groups with the EDs, the NLI developed and is currently offering a Nonprofit Management Boot Camp in partnership with Maryland Nonprofits . Future focus groups are planned to further expand the offering under the Nonprofit Leadership Institute. • Expanded upon already existing partnership with Montgomery County General Hospital where we offer general ESL, and pronunciation courses and intercultural communication workshops. • Continued Partnership with the Suburban Maryland Welcome Back Center to help foreign trained nurses increase their English communication skills in order to pass the licensure exam (the NCLEX and the OPI - Oral Proficiency Interview), interview successfully for a job and practice successfully as nurses, interacting with patients and coworkers, etc.). • WDCE (BITS and CEELS) began collaboration with Health and Human Services to develop linkages and courses as well as to spur enrollment. It provided online video and information and participated in an online, real time program for HHS employees throughout the US.
2011		
Biotechnology	Review data on degree holders and non-degree holders who enroll in the program to determine whether degree or certificate completion is the appropriate goal of most students and then determine who to market and what the appropriate degree/certificate completion goals are.	Completed – the split is about 50:50 and our conclusion is that marketing needs to focus on both groups
Chemistry	Review the content and pedagogy of chemistry courses to ensure that the curriculum is current and aligns with chemistry courses at transfer institutions so that MC students are fully prepared for further study when they transfer.	Done as part of Gates Planning grant with UMBC. Also, CH135 developed and now offered in response to a similar course at UMCP. Course allows MC engineering program students to complete their chemistry requirement for transfer to UMCP.
Radiologic Technology	Design an articulation agreement to assist hospital based program students in obtaining an AAS in radiologic technology by taking	Articulation agreement between Washington Hospital Center and Washington Advent is almost completed. Articulation agreement between Mont. College and Holy Cross completed.

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	general education classes at Montgomery College.	
Health Information	Develop a 100% online program. Create more online activity options that will not require students to come to campus. Replace the number of online sessions with sessions presented using Elluminate.	Added online option for PPE courses. Used Elluminate to deliver lectures in several courses.
Diagnostic Medical Sonography	It is recommended that the DMS program and its curriculum be offered to students at other Maryland Community Colleges.	In discussion with 2 Maryland Community Colleges to begin this initiative.
	The DMS Program offers online hybrid courses. It is recommended that all the DMS courses meet the national standards set by Quality Matters for the online delivery of the course material.	8 additional courses are up for QM review in 2012. Courses will be pre-reviewed by MC then forwarded to QM for formal review.

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Assessment of the CAR Process at Montgomery College

A. CAR Feedback from College Participants

Each year a small team consisting of the Vice President of institutional Effectiveness, the CAR Coordinator, and Senior Research Analysts from the Office of Institutional Research examine the CAR process for improvements and modifications. Collegewide feedback is invaluable. Sample questions for the feedback are listed below:

1) Do you feel the CAR orientation was helpful for you and your workgroup? How could we improve the orientation for the faculty members in the future? Was enough information given about timelines and due date? Did you have a clear understanding of the expectation of the workgroup as a result of attending the orientation?
2) How many hours have you spent participating in the CAR process for your discipline the academic year?
3) Was the OIRA data helpful and useful? Did you need additional data and or additional explanation to understand the data provided?
4) Were the CAR Reporting Forms easy to complete? Were the instructions and explanations provided on the forms clear and understandable?

5) How did the faculty workgroup share information or otherwise communicate with other faculty members in your discipline to get their input into the College Area Review process? How can we better help you to get the information out to your discipline?
6) List any suggestions (specific or general) for making the process better.
7) Please provide any additional comments that you may have below.

Some Feedback comments over the years…..

2003	"We now know that a common syllabus is not being used not only College wide but within the departments and we have discovered that courses using technology vary from area to area. We are more familiar with the classes that are working and the ones that are not, plus we have information to begin making the non-working classes work better." "I think the review process is a great because it is an opportunity to look at discipline and programs and make the necessary adjustments for a changing community. I also feel that the review team did a good job in putting the process together. We just happened to be on different learning curves. This initial review was like a pilot that will assist in making the next review process better." "I hope something useful will result from our efforts."
2006	"I must admit that I have no suggestions for making the process better. I was a bit concerned when the process was first described. Once you go through it once as lead dean, it makes a lot of sense. The difficulties I experienced with AAR were not because of the process, but the people involved." "I think overall this process has improved over the years and become quite efficient." "I think the timelines and process is fine. I know that some Deans had problems with faculty participation on the discipline committees. Not all folks like potential change."
2010	"The orientation is very clear and helpful." "I was still unclear after the orientation, but I have no suggestions. I think it takes going through the process in order to understand the procedures." "I probably spend a total of approximately four to six hours on each CAR for which I am lead dean. This includes analyzing data, analyzing reports and recommendations, communicating with faculty, and communicating with fellow deans. " "We met as a large group and then we met as a smaller group a few times. The work was divided and emailed to the team." "Strengths occur when discipline faculty, deans and VPPs take the process seriously and then follow through on approved recommendations. Not everyone takes the process seriously and there don't appear to be consequences. People do not adhere to timelines." "Strengths – the administration of the review from the CAR office. Well organized and communicated. Weakness – long term tracking for trends among all the similar reviews (academic, administrative)."
2012	"The process compelled us to review our programs and classes and make informed, analytical decisions." "To keep faculty on tracks with meeting compliance within the discipline and for optimum communication between/among campuses" "The first time we did the CAR had more impact on our discipline. This time it was more looking at the changes we had made." "As always there were faculty who did not do anything but there is nothing that a chair can do about it. Until there are consequences for not participating this will not change." "We met twice during the process to go over data and to confirm that my responses included the points of view of all three FT faculty. " "Develop a means to check the amount of individual faculty participation and have consequences for lack of effort. Also there needs to be consequences if faculty do not help in making changes to improve the curriculum and instruction."

In addition to the collection of the survey feedback in June 2009, CAR conducted a focus group inviting deans and faculty to discuss the CAR addressing forms, process, data, and other

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general concerns. As a result of candid feedback from the surveys and the focus group, we have modified the CAR process by adjusting the timelines and reporting forms to better facilitate faculty discussions and participation. Also, we provided additional historical information from past discipline reviews and data on the CAR Website.

B. Assessment using Scholarly Benchmarks

Using four set of benchmark criteria, a small team consisting of the CAR Coordinator, the Vice President for Planning and Institutional Effectiveness, and two Senior Research Analysts from the Office of Institutional Research conducted an assessment of the CAR process at Montgomery College. The four sets of criteria used were:

1) Western Association of Schools and Colleges Accrediting Commission for Community and Junior Colleges, Rubric for Evaluating Institutional Effectiveness of Program Review (Beno, 2012)
2) Creating and Sustaining a Culture of Assessment (Ndoye and Parker, 2010)
3) Program Review: A Tool for Continuous Improvement of Academic Programs (Pitter, 2007-*Association of Institutional Research*)
4) Seven Indicators of Program Review Assessment (Clowes, 1981)

The internal assessment of our CAR process concluded that we are meeting certain benchmarks (Clowes, 1981; Beno, 2012). We have a well established process that is a normal (routine), internal activity, connecting institutional mission and activities to our academic areas and administrative units which “acknowledges the process as well as the product” (Clowes, 1981). The model and structure of the process is cyclical (Pitter, 2007).CAR is flexible and transparent and includes an orderly process of scheduled and frequent review. Formative and summative evaluation takes place both to create institutional improvements and in decision making. CAR provides feedback to faculty, staff, students, and administrators and the process includes a standing committee of College stakeholders. The process is a cyclical review that includes institutional research, data benchmarks, and guidelines. We have a central repository from information, data collection and analysis, a very useful and user-friendly CAR Website.

Based on the WASC rubric for program review, we range in the proficiency category (Beno, 2012). Collegewide awareness exists regrading program review and a developed plan is implemented annually. However, more proficiency is needed in the area information sharing and communication (Ndoye and Parker, 2010) by offering workshops and building relationships with key persons in and among the College Area Review and the Outcomes Assessment processes. We have done enough to adequately showcase examples of successful program review or assessment projects. (Plans are underway and guidelines are drafted to recognize disciplines who conduct an exemplary CAR.) We produce a CAR Newsletter yearly and presented to the Student Senate about assessment and program review and how it impacts them. Additionally, we obtain student input using s Student Course Survey in the process. We can improve the linkage of using this process to support/document and improve student success and student learning outcomes.

Greater proficiency is need in being able to integrate CAR recommendations into institutions-wide planning for improvement and informed decision-making. The dialogue about

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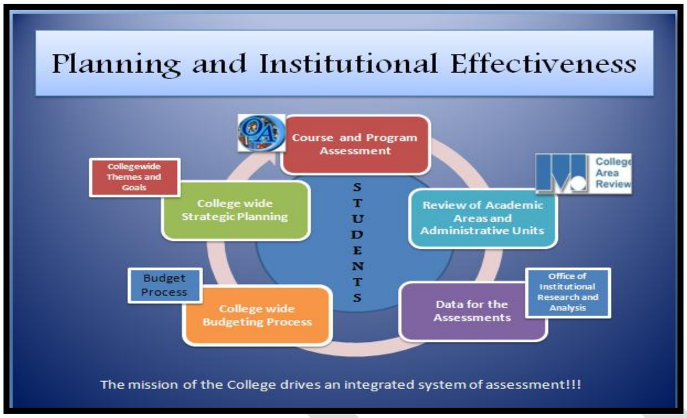
the results of all program review should be more pronounced throughout the institution as part of the discussion about institutional effectiveness. Over the ten years, the sampling of recommendations and results provided here indicate that strides have been made to create sustainable continuous quality improvements. Montgomery College has processes in place whereas the mission of the College drives an integrated system of assessment.



Planning and Institutional Effectiveness

Course and Program Assessment
Collegewide Themes and Goals
College wide Strategic Planning
STUDENTS
College Area Review
Review of Academic Areas and Administrative Units
Budget Process
College wide Budgeting Process
Data for the Assessments
Office of Institutional Research and Analysis

The mission of the College drives an integrated system of assessment!!!

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College
Area
Review

COLLEGE AREA REVIEW
ADMINISTRATIVE AREA REVIEW REPORT_12

NAME OF UNIT: **DATE:**

Instructions: This form is designed to facilitate the analytical evaluation of administrative units at Montgomery College. There are four sections to the report. It is most advantageous that you present the breadth and depth of your unit in a concise and understandable fashion. You may adjust spacing where necessary however, limit your report to 10 pages. Any additional documentation may be added in the appendix; however, the appendix should be limited to 5 pages.

SECTION ONE: UNIT OVERVIEW AND MISSION

1. What is the unit's mission and goals and how do they correlate with the overall mission and goals of the College?

2. What are the **major** functions or services of the unit?

3. How have these functions or services changed over the last five yearǎ?

4. To whom does the unit provide services (students, faculty, staff, donors, external constituents, others)? Please include an organizational chart as an attachment to this report.

5. Given the College's mission, how does your unit interact with other academic and non-academic College units?

Appendix 5.3 - College Area Review Master Plan Cycle

COLLEGE AREA REVIEW

Master Plan Cycle

ACADEMIC AREA REVIEW (AAR)

AY 2003 – Year 1		AY 2004 – Year 2		AY 2005 – Year 3		AY 2006 – Year 4		AY 2007- Year 5	
2008 -Year 6		2009 -Year 7		2010 -Year 8		2011 -Year 9		2012 -Year 10	
2013		2014		2015		2016		2017	
Area	*Title*	*Area*	*Title*	*Area*	*Tilte*	*Area*	*Title*	*Area*	*Title*
AR	Art	DN	Dance	AC	Accounting	BI	Biology	BU	Building Trades
BA	Business Admin	DS	Student Development	AN	Anthropology	BT	Biotech	CT	Construction Tech
CA	Comp. Applications	EL	English Language	AS	Astronomy	CH	Chemistry	FM/HM	Food and Hospitality Mangt
CG	Computer Graphics	EN	English	AT	Automotive Tech	ED	Education	HS	History
CS	Computer Science	FL	Film	CJ	Criminal Justice	FS	Fire Science	ID	Interior Design
ES	Engineering Science	HE	Health	EC	Economics	FL	World Languages	LN	Landscape Tech
GD	Graphic Design	MA	Mathematics	GE	Geography	HI	Health Inform.	PG	Photography
MG	Management	RD	Reading	GL	Geology	MS	Medical Sonog.	PC	Physical Science
NW	Networking	TH	Theatre	LA	Legal Studies	NU	Nursing	PH	Physics
PS	Political Science	*	*AELP*	ME	Meteorology	PT	Phys.Therapy Asst.	PE	Physical Education
*	*Bus/Mgt/Info Sci Ctr*	*	*Career and Transfer Ctr*	MH	Mental Health	RT	Rad. Tech	SL	Sign Language
*	*Humanities Institute*	*	*Developmental Education*	MU	Music	SG	Surg. Tech	TR	TV-Radio
*	*International Ed*	*	*DSS Support Centers*	PL	Philosophy	PY	Psychology	*	*Distance Education*
*	*Macklin Bus Institute*	*	*Honors Program*	PR	Printing Trades	SP	Speech	*	*MC/MCPS College Institue*
*	*Math/Science Ctrs*	*	*Montgomery Scholars*	*	*Gudelsky Institute*	SO	Sociology	*	*MC/MCPS Gateway*
*	*SS Computer Ctr*	*	*Pathways*	*	*Gen Studies*	*	Medical Learning Ctr	*	*MC Arts Institute*
*	*Writing/Reading Ctrs*	*	*Renaissance Scholars*	*	*Gen Ed*			WS	*Women's Studies*
				*	*WDCE*				

ADMINSTRATIVE UNITS REVIEW (ADAR)

	<u>2008 (2013)</u>		<u>2009 (2014)</u>		<u>2010(2015)</u>		<u>2011(2016)</u>		<u>2012 (2007)</u>
	Aux Services		Facilities		Budget		HRDE		IA
	Equity and Diversity		Admissions and Records		Business Services		Financial Aid		OPIE
	IT				OIRA		Office of Compliance		
Key	* Special Programs							*Updated*	*8/17/2012 9:58*

SECTION TWO: UNIT COST, RESOURCES, AND VITALITY

6. Staffing: List the number of employees in your unit that are classified as:
    a. Administrative
    b. Full time Staff
    c. Temporary with Benefits Staff
    d. Part-time Staff
    e. Temporary Staff
    f. Other

7. How are budgeting and resource allocation decisions made within this unit?

8. Do you have sufficient resources, authority, and flexibility to accomplish the unit's objectives? *(Please review and refer to your individual unit budget.)*

9. How could resources within your unit be used more efficiently to address the unit's objectives/outcomes?

SECTION THREE: FUTURE DIRECTION AND COMPREHENSIVE ACTION PLAN

10. What are the strengths and weaknesses of the unit?

11. What obstacles or problems impede the success of the unit?

12. What are the most significant opportunities facing the unit in the next 5 years? How will these opportunities affect the future direction of this unit?

13. List any risks, needs, and demands for services that the unit cannot currently meet and explain how do they relate to the College's mission and goals? What do you recommend to address these items?

14. In your opinion, what MC College policies or procedures impacting this unit are inefficient, ineffective, or need improvement? Please explain.

15. What internal or external benchmarks/indicators does the unit use to measure your effectiveness? What types of data does the unit use to monitor its effectiveness? How does the unit determine its effectiveness to the College community?

SECTION FOUR: OTHER COMMENTS

Note: *From all of the above information, recommendations should be made that would move your unit forward as a vital part of the college's ability to perform its stated mission. These recommendations should be a natural progression from the substance and justification of the documentation that has been provided for the questions above. Submit your recommendations on the CAR Recommendations Report form.*

College
Area
Review

COLLEGE AREA REVIEW HIGHLIGHTS

College Area Review (CAR) is a comprehensive self evaluative process of all academic areas and administrative units. CAR provides critical college-wide information for strategic planning, assists in establishing priorities for resource allocation, and measures overall institutional effectiveness. College Area Review is assigned to the Office of the Vice President of Institutional Effectiveness, who is the lead administrator for all assessment activity at the College, including both the College Area Review process and the Outcomes Assessment process.

Montgomery College began the current system of reviewing of academic areas during the 2002-2003 academic year. In 2007, administrative units were added to the review process, changing the name from Academic Area Review to CAR. CAR solicits feedback yearly from all stakeholders and revises this assessment process accordingly. The process involves all College stakeholders; administrators, vice presidents, unit managers, unit directors, deans, faculty, staff, and students. Students in selected courses that are participating in CAR receive an online survey soliciting input regarding their course work. Budget permitting, CAR solicits input from external peer reviewers for designated disciplines. CAR operates on a five year cycle, reviewing on an average ~~15~~ academic units each academic year and three administrative units each calendar year.

With assessment and accountability at the forefront of higher educational issues, Montgomery College uses a proactive approach to include data in ~~our~~ program review process. The Office of Institutional Research and Analysis (OIRA) provides relevant data to all academic units at the beginning of their review process. The standard data includes; student enrollment measures, credit hours, program awards, program retention rates, summarized program transfer data, student faculty ratios, and full time to part time faculty ratios. CAR encourages disciplines to solicit additional data for OIRA when needed. CAR encourages all administrative units to review, discuss, and address their strategic plans in this review process.

The College Area Review Committee (CARC) is a standing College committee and serves as a cross sectional review team providing additional input. The CARC consists of six faculty representatives, three from faculty council and three from academic assembly, the four campus vice presidents, three academic deans, two administrators from the Office of the Senior Vice President of Administrative and Fiscal Services, and a representative from Staff Senate, OIRA, OIT, OPIE, and the CAR Coordinator.

Once the review is completed by all stakeholders, the Executive Team (ET) makes the final approval for all recommendations. The ET team is comprised of the Senior Vice Presidents for Administrative and Fiscal Services, Student Services, Academic Affairs, and the College President. Recommendations from both administrative units and the academic areas are monitored until implementation. CAR requests yearly status updates on all recommendations. Disciplines and administrative units have up to five years for full implementation. Additional information is available on the CAR Website at http://www.mcinfonet.org/car/

ACADEMIC AREAS REVIEW HIGHLIGHTS

2003	• Begin Academic Areas Review Process: 7 Disciplines reviewed • Creation of College Area Review Committee
	• **Recommendation Highlights:** ○ More explicitly specify objectives and outcomes for all BA courses ○ Requested for new Science Building by Engineering discipline ○ Established of collegewide Engineering Coordinator ○ Ensured common learning outcomes are indentified on all course syllabi and use of Collegewide syllabi template (BA, BU, EE, HS, MG, PS) ○ Established collegewide scheduling for History and Political Science courses ○ Reviewed all discipline programs and appropriate courses for transferability (BU, BA, HS, PS) ○ Reviewed discipline articulation agreements (BA, EE,PS) ○ Defined and listed student learning outcomes in all courses(BA, BU, EE, HS, MG, PS) ○ Developed plan for course offerings via distance education (BA,EE, HS,)
2004	• 24 academic areas reviewed: External Peer Review of Math and AELP • All computer related disciplines reviewed; resulted in consolidation of computer disciplines
	• **Recommendation Highlights:** ○ Established collegewide Honors Coordinator and Committee ○ Established collegewide Information Technology dean ○ Recommended a comprehensive advising plan for all students (Gen Ed) ○ Recommended that First year experience (FYE) should be a requirement for all students (Gen Ed) ○ Integration of reading and writing for all AELP courses collegewide (AELP) ○ Realignment of all computer related programs (CA, CS, MT, NW,ITI)
2005	• 16 academic areas reviewed: External Peer Review of GITE, PR, and Computer Programs (CA, CS, NW, MT, ITI) • Administered First CAR Student Survey for students enrolled in BI 101, BI 107, CH 101, PY 102, & SO 101
	• **Recommendation Highlights:** ○ Ensured collegewide consistent course objectives in the Economics discipline ○ Conducted a collegewide room and lab utilization study ○ Ensured better scheduling and course coordination in IA, EC, GE, PY ○ Ensured better tracking of student success in AC ○ Continued to foster internal collaboration with all areas teaching Art courses ○ Established task force to examined better coordination and overlap of CA, CS, AA, CG, PR
2006	• 15 academic areas reviewed: External Peer Review of Education and Distance Learning • Administered Second CAR Student Survey: FM 103, HS 201, PC 101, PH 203, & WS 101
	• **Recommendation Highlights:** ○ Ensured use of common syllabus objectives and outcomes for all disciplines reviewed this review cycle ○ Established collegewide Coordinator of World Languages ○ Encouraged increase course offerings via distance education for SO, PY, ED and WL ○ Renamed Fire Science to Fire Science and Emergency Science Program to meet industries needs ○ Collaboration with counselor and discipline faculty for better advising (ED) ○ Increased support services for nursing students (NU) ○ Developed learning communities and increase service learning in Psychology courses (PY)
2007	• 18 academic areas reviewed : Change Name from Academic Area Review to College Area Review reflective of Academic Areas and Administrative Units • First review of Administrative Units (ADAR); 2 units reviewed: OIT and OIA • Administered Third CAR Student Survey: AR 107, BA 101, CA 120, ES 100, & PS 101

	• **Recommendation Highlights:** o Updated PC courses, programs, and discipline in accordance with new curriculum format o Improved scheduling, course objectives, and course/program outcomes in ASL, BU, CT, & PE o Standardization of Chemistry labs across all campuses o Improved quality of Distance Education offerings in several disciplines o Recommended Humanities retreat for course offerings and alignments o Recommended Women's Studies retreat for course offerings and alignment
2008	• 17 academic areas reviewed: External Peer Review for ASL and IT/Libraries • 4 Administrative Units reviewed: Auxiliary Services, Grants, and Equity and Diversity • Administered Fourth CAR Student Survey: DS 107, EL 104, EN 102, MA 116, & RD 099
	• **Recommendation Highlights:** o Reviewed of all center leaning centers and labs: Math, Business, Science, Reading, Writing, and Social Science o Established collegewide committee to discuss programmatic issues including outcomes in Art discipline o Ensured collegewide common core learning outcomes exist for all courses PS, CG, ES o Collegewide standardization of syllabi, final exams, and projects in core course in CS discipline o Strengthen articulation agreements for all CA, Gaming and Web program degrees and tracks to transfer o Establish CS department standards for grading, textbooks, syllabi and outcomes o Established collegewide coordination of outcomes for all courses (Art and HE) o Recommended collegewide investigation and development of means to curve printing cost o Recommended to create direct measure of student learning outcomes for all learning centers o Recommended to develop common automated tracking system of student usage for all learning centers o Recommended expansion of MBI from one to two years student experience
2009	• 15 academic areas reviewed and 2 ADAR units: Admission and Enrollment Management and Office of Facilities • Administered Fifth CAR Student Survey: AC 201, AC 202, EC 201, & PL 201
	• **Recommendation Highlights:** o Standardization of course requirements for high demand English courses o Recommended a convening of the collegewide task force for developmental math and math redesign o Recommended better alignment with MC/MCPS for math and English skills for transferability and College preparedness o Recommended better alignment of all AELP offerings o Recommend a members of honors' faculty be on the transfer scholarship committee
2010	• 19 academic areas reviewed and 3 Administrative Units: Business Services, Budget, and OIRA • Administered Sixth CAR Student Survey: BI 107, PY 102, SO101, SP 108, HI 125 & HI 125
	• **Recommendation Highlights:** o Recommended CJ & MH disciplines greater emphasizes on partnering with local industries via career advisory groups o Alignment of curricula with "Green" technology (GITE) o Established better outcomes, create a website, more articulation agreements (General Education) o Reviewed of all non-credit courses and offerings; explore co-listing more courses; expand partnership (WD&CE) o All aspects of Student Development participated in CAR process
2011	• 18 academic areas reviewed and 2 Administrative Units: Office of Student Financial Aid and Office of Human Resources • Plan to administer WDCE Student Survey in spring 2012
	• **Recommendation Highlights:** o Collegewide faculty committee to review of Biology discipline o Collegewide collaboration on scheduling of courses (PL, ED, WS, SO, SP, WL) o Increased online offerings in disciplines (HI, DM, PL, PY, RT, SO, WL) o Need student tracking system in Medical Leaning Center o Recommendation to focus on student success and completion (ED, PL, SO, SP)

ADMINISTRATIVE AREA REVIEWS
SAMPLE OF RECOMMENDATIONS AND OUTCOMES

Common need for all administrative units	• Develop an evaluation system to solicit input regarding internal customer service satisfaction. • Solution: Customer Service Survey administered by the Office of Employment Engagement
Office of Auxiliary Services	Completed key recommendations included: • Exploring methods of making operations more cost effective and efficient. • Developing an Auxiliary Services culture that encourages individuals and groups of people to contribute creative ideas for new and improved ways to upgrade services and generate revenue. Provide resources and support for exploration and implementation of these ideas. • Implementing the Auxiliary Services reorganization plan.
Office of Admissions and Enrollment Management	Expand communication efforts to: • Increase communications within the A&EM units. • Include the Response Center (MC information line) in college-wide communication loop. This will ensure the most current information is disseminated to MC callers. • Coordinate and communicate long-range unit plans related to IT products with Student Information System team.
The Budget Office	Recommendations call for better collaboration and support: • Between Business Services and the Budget Offices, particularly as it relates to the projections for the County and budget savings programs • Increased involvement between OPIE and the Budget Office with the creation and results of the strategic planning process. • Better training and back-up to support our Access budget database.
Office of Business Development and Grants	Completed Recommendations • Implemented Institutional Review Board (Draft charter and procedures are in legal office awaiting review)
Office of Business Services	Recommendations call for: • An organizational assessment of the unit • Review organizational structure to examine economy of scale and shared staffing across the organization

COLLEGE AREA REVIEW

Student Survey Results

Over the past six year period, fall 2005 to fall 2010, more than 24,000 students had the opportunity to participate in the College Area Review process by commenting on the course content of selected courses. Having the students' input provides for a richer program review and a means to inform our delivery of instructions and instructional materials. This effort keeps the students at the center of our focus, which emphasizes our culture of learning and assessment at Montgomery College.

Courses are selected based on high enrollments, courses that are taught on all three campuses and courses that are part of the general education curriculum. The CAR Student survey is designed to address certain general education competencies, including communication, critical thinking, information literacy, and subject matter knowledge. The short survey consist of eight questions listed below:

1) Why are you taking this course? *(Check any that apply)*

☐ Interested in the subject matter or for enrichment
☐ Required in my major
☐ Met a General Education requirement
☐ Required prerequisite or second in a sequence of courses
☐ Tested into this course

2) Which of the following activities have you participated in during this course? *(Check any that apply)*

☐ Contributed to class discussion and made class presentation
☐ Worked with classmates on course projects
☐ Tutored or taught other students (paid or voluntary)
☐ Participated in a community–based project
☐ Conversed with students who are of a different ethnicity

3) To what extent does this course (*including labs, if applicable*) help you to better comprehend the subject matter?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

4) To what extent does this course help you to improve your communication skills (i.e., reading/writing/listening/speaking)?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

5) To what extent does this course help you to develop your critical thinking and problem solving skills?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

6) Course materials (*including labs, if applicable*) and resources are useful and/or relevant to my being successful in this course.

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

7) To what extent does this course provide opportunities for you to explore world issues?

☐ To a great extent
☐ To a moderate extent
☐ Very little
☐ Not at all

8) This course requires me to do one or more assignments using the following: (*Check any that apply)*

☐ MS Word
☐ MS Excel
☐ MS Power Point
☐ Internet Research/MyMC/Library Database
☐ Graphing Calculator or Online Course Software

9) How are you currently using technology in your learning as a student? (Check all that apply)

☐ I read my syllabus and other class materials online.
☐ I use chat rooms/discussion lists for assignments.
☐ I use selections from audio and/or video resources.
☐ I use Podcasting and/or iPod.
☐ I use videoconferencing with my instructors or classmates.

10) This space is provided for you to express any other issues or concerns about this course other than comments about the instructor. *Note: This survey addresses the course only; please do not provide comments about the instructor.*

There is one open-ended question for comments about the course only. Each year the survey continues to generate valuable student comments about each course. The comments provide insights of the student's impression of course content, textbook selection, course online offerings, and course rigor; but not about the instructor. Survey results and comments are shared with all academic areas.

Most of the content of the survey remains the same from year to year. Starting in 2005, with assistants from the Office of Information Technology, we used the Banner Web Survey tool to offer this online survey. Using this Banner tool in 2007, we begin collecting student demographic information. In 2009 and 2010, we awarded four students $25.00 gift certificate compliments of the Office of Auxiliary Services. In 2010, we added a question related to the CCSSE survey regarding student participation. In 2011, we added a question about technology at the request of distance education. For additional information about the CAR Student Survey, please refer to the CAR Website. Below is a listings of courses that participated in the CAR Student

AY05-06

AAR Student Course Survey Fall 2005			
Courses	***Enrollments***	***Completed Survey***	***Rate***
BI 101	890	79	9%
BI 107	678	129	19%
CH 101	605	86	14%
PY 102	1748	242	14%
SO 101	1468	113	8%
Totals	**5389**	**649**	**12%**

AY 06-07

AAR Student Course Survey Fall 2006			
Courses	***Enrollments***	***Completed Survey***	***Rate***
FM 103	445	76	17%
HS 201	435	72	17%
PC 101	87	38	44%
PH 203	204	44	22%
WS 101	90	27	30%
Totals	**1261**	**257**	**20%**

AY 07-08

CAR Student Course Survey Fall 2007			
Courses	***Enrollment***	***Completed Survey***	***Rate***
AR107	299	30	**10%**
BA101	846	120	**14%**
CA120	915	228	**25%**
ES100	249	79	**32%**
PS101	307	69	**22%**
Totals	**2616**	**526**	**20%**

AY 08-09

CAR Student Course Survey Fall 2008			
Course	***Enrollments***	***Completed Survey***	***Rate***
DS 107	1370	144	11%
EL 104	627	143	23%
EN 102	1911	225	12%
MA 116	911	100	11%
RD 099	833	100	12%
Totals	**5652**	**712**	**13%**

AY 09-10			
CAR Student Course Survey Fall 2009			
Courses	***Enroll***	***Completed Survey***	***Rate***
AC 201	806	80	10%
AC 202	371	34	9%
EC 201	892	100	11%
PL 201	368	35	10%
Total	**2437**	**249**	**10%**

AY 10-11			
CAR Student Course Survey Fall 2010			
Courses	***Enroll***	***Completed Survey***	***Rate***
BI 107	1129	231	21%
H1 125	149	41	28%
PY 102	2274	312	14%
SO 101	1727	295	17%
SP 108	1530	317	21%
Totals	**6809**	**1196**	**18%**

Appendix 5.6 – Recommendations for Montgomery College's Seven Truths for a Common Student Experience

Seven Truths for a Common Student Experience

by the Common Student Experience Task Group: Judy Ackerman, Serge Amouzou, Lois Anderson, Isaiah Ayafor, Brian Baker, Eric Benjamin, Debra Bright, Deborah Brown, Monica Brown, Horace Burrell, David Capp, Melissa Cowansage, Mark Crutchfield, Eduardo Cunningham, Ana Maria DeJesus, Dinesh Dave, Donald Day, Rita Dodson, Gale Erskine, Lorena Gimenez, Evelyn Gonzalez-Mills, Joan Gough, Melissa Gregory, Joan Hawkins, Yuancan Jiang, Raymond Kimball, Tim Kirkner, Lucy Laufe, Beatrice Lauman, Barbara Leurig, Robert Lynch, Patrick Machogu, Mireille Makambira, Joseph Marciano, Tracee Matthias, Paula Matuskey, Rochelle Moore, Tsholofelo Motshwane, Katie Mount, Christopher Moy, Eric Myren, George Payne, David Phillips, Angie Pickwick, Carmen Poston-Farmer, Steve Prince, Miguel Resendiz, Jason Rivera, Karen Roseberry, Michael Russell, Camille Scott, Ruby Sherman, Jacia Smith, Clemmie Solomon, James Stascavage, Brad Stewart, Jackson Trana, Hui-Mei Tseng, Dorothy Umans, Kathleen Wessman, Margo Woodward–Barnett, Janet Wormack
Facilitated by Beverly Walker-Griffea

Montgomery College recognizes the importance of supporting the national and state challenge to not only increase access for our communities, but also to promote student success. We have a proud history of welcoming students from diverse backgrounds and supporting student success. Through our excellent academic and student services programs, workforce development training and continuing education opportunities, Montgomery College helps students pursue and complete their goals. Montgomery College's 7 Truths for a Common Student Experience were developed by faculty, staff, administrators and students to serve as a guide for how we can provide a successful student experience from the first connection with the College through the completion of a student's desired goals. These seven truths will support a common Montgomery College student experience that integrates students into the fabric of campus life while empowering them to change their lives and enrich our communities.

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1. Start Smart

Montgomery College will help students start smart with a successful introduction to college work. By providing maximum accessibility, Montgomery College will ensure all students—the prepared and the underprepared, the supported and the unsupported—have minimum barriers to class enrollment. All students will be able to progress through the enrollment process in a timely fashion and in a welcoming, respectful environment. The College will provide every student with simple, step-by-step enrollment information in language that is clear and understandable, with a knowledgeable point-of-contact for questions and troubleshooting. This includes timely access to assessment and advising options and clear signage to enrollment locations and parking.

The College will focus its outreach efforts on helping Montgomery County communities understand how students can attend college and access appropriate supportive resources, especially financial resources. Affordability guides student decisions on whether to attend college, how many credit hours to pursue and whether or not to purchase textbooks. College personnel will educate students and family members about college expectations and financial options.

2. Maintain a Foundation of Support Opportunities

Montgomery College will support student success by ensuring that College faculty and staff provide a foundation of the best possible support opportunities to students, by demonstrating the following traits:

- Welcoming, friendly and respectful
- Knowledgeable and up-to-date on College programs and information
- Experienced and well-trained to provide assistance in support labs, classrooms and offices
- Proficient in the use of hardware and software needed by students
- Montgomery College will provide students with the necessary resources and facilities to improve their collegiate experience using the principles of universal design. These principles will allow all students to experience the classroom environment without the need for additional adaptation or specialized design. The resources and facilities include:
- An informative and user-friendly website
- Updated technology and software that meet both educational and industry requirements
- Wi-fi technology across 100 percent of the College’s campuses
- User-friendly and accessible online library resources and services
- User-friendly online college forms, processes and payment mechanisms
- Swipe card access for College information, activities and services
- Fully accessible and operational virtual computer labs
- Quiet and clean spaces for students to study, collaborate or relax
- Affordable and healthy food options provided in clean, comfortable and environmentally friendly eating areas

3. Get Connected

Montgomery College will encourage students to get connected by engaging in the college experience and utilizing the wealth of resources available. Meaningful engagement—an investment of time and effort in academic *and* co-curricular opportunities—promotes student success. Diverse engagement opportunities, such as leadership and service programs, athletics, clubs and organizations and educational and community-building programs, will support students’ connection to the College *before* they are enrolled and *throughout* the completion of their academic goals.

To ensure that Montgomery College students have easy access to engagement opportunities, the College will provide adequate resources and services to support and promote deep and sustained involvement by students. Montgomery College has a crucial responsibility to provide engagement opportunities that complement academic programs and allow students to develop as whole persons, explore careers, practice and refine social and leadership skills, develop self-advocacy, make healthy decisions, engage in wellness activities and understand the importance of service to others. When Montgomery College does its best work, student engagement opportunities will be synergized among courses, student clubs and organizations, families and community agencies to allow students to fully experience and benefit from the power of connection.

4. Build Community

Montgomery College will build community by ensuring students experience an equitable, respectful, inclusive and caring environment, where everyone matters. The College community shares the responsibility of encouraging academic excellence and providing students with diverse learning experiences and comprehensive student support efforts that include targeted programs, resources and a wide range of interventions. Other efforts will feature comprehensive academic planning and advising and an early alert system that will support at-risk students and other populations as they work to complete their academic goals. Collecting data and monitoring the persistence, transfer and completion of students will be the cornerstone of our efforts.

Montgomery College recognizes the urgent need to close the achievement gap for Hispanic/Latino and African American students. Particular attention will be given to African American males, who have the lowest persistence rate among ethnic and racial groups. We will identify and develop specific strategies, collect data, examine best practices and monitor student progress to support the persistence and completion of these students.

5. Enhance the Classroom Experience

Montgomery College will enhance the classroom experience—whether in a non-traditional or traditional classroom setting—to ensure all students receive the best possible education. The “classroom” is the heart of the teaching and learning process. Faculty members educate students about College and classroom expectations, facilitate the development of proficient skill levels and provide opportunities to help students feel connected and supported.

Students are seeking a “classroom” experience that transcends the physical environment and fosters greater learning. Students will be empowered to learn and engage in the “classroom” experience, based on their preferred learning style. They will become engaged in the educational process through the effective use of technology, collaborative peer-to-peer learning experiences, support services both in and outside of the “classroom” and guidance from faculty. Montgomery College also will ensure that students understand the significance of their courses to their program of study and career goals.

Montgomery College recognizes the imperative value of comfort to a successful traditional classroom environment. Research has shown that it is difficult to learn when a person is uncomfortable. Students will experience traditional instructional spaces planned with the principles of universal design. This will allow all students to experience the traditional classroom environment without the need for additional adaptation or specialized design.

6. Encourage Student Success Every Step of the Way

Montgomery College will encourage student success at every step of the student’s educational journey. Often students are not sure of their career or academic goals when they enter and they need to explore and embrace key support services such as advising, transfer, career and educational planning to select and achieve their goals. Students who have a plan succeed!

Montgomery College will provide the tools to assist students in understanding the direct impact their assessment scores have on their course enrollment, goal completion and financial resources. Students who understand the importance of assessment testing tend to have better success because they have prepared ahead of time and have taken advantage of practice tests and sample questions.

Montgomery College will offer a variety of mandatory new student orientation programs that will provide students with comprehensive information in a timely manner and will address the diverse needs and goals of

students. Students benefit from counseling and advising that provides expertise in a student’s major and/or career goals.
Students will be expected to participate in the First Year Experience program to build a solid foundation for their Montgomery College experience. Montgomery College will offer courses that give students the motivation, encouragement and support to succeed. Montgomery College will help students be successful every step of the way.

7. Plan to Cross the Finish Line

Montgomery College will help students develop their own plans to cross the finish line and complete college. Research has proven that academic planning ensures student success. Therefore, students will engage in and receive guidance from a comprehensive advising program that includes the development of an educational plan with advising from faculty counselors and faculty advising cadre members that assists in the development of identifying career, transfer and academic goals.

Montgomery College students will have the necessary tools and resources to explore options and make good decisions about their personal, academic and career goals. Articulated programs with four-year institutions, partnerships with employers as well as efficient and effective technology to monitor student progress are essential to crossing the finish line. Curriculum information will also be provided with a sequential and realistic semester-by-semester format.

Accountability is shared equally by the student and Montgomery College. College personnel will delineate processes and procedures for students to receive advising services at transition points during their collegiate career at Montgomery College. New students will utilize advising services and students that achieve 24 credits will meet with faculty counselors or faculty advising cadre members in their programs of study. Students who have not updated their academic plans after two semesters of college-level courses will be required to receive advising by a faculty counselor or faculty advising cadre member. A system of alerts and user-friendly technology will help students to monitor their progress, while also allowing faculty counselors and faculty advising cadre members to facilitate interventions that promote student progress.

High-achieving students will be encouraged to take advantage of academic and career programs such as honors programs and internships. Additionally, Montgomery College will expand opportunities for all students to receive internships and assistance with job search efforts.

Conclusion

Montgomery College’s 7 Truths for a Common Student Experience has emerged from data analysis, critical discourse, student perception and personal reflection. We have found in order to make these truths real for our students we must work as a College family both collaboratively and collegially. To that end, we believe that **Montgomery College’s 7 Truths for a Common Student Experience** is the essential element to support our students toward student success and completion of their goals.

Appendix 5.7 – Maryland Higher Education Commission Student Learning Outcomes Assessment Report (SLOAR) 2011

Maryland Higher Education Commission
Student Learning Outcomes Assessment Report (SLOAR) 2011

Instructions: Each institution should use this template to report on its key student learning assessment activities. Part One should provide a summary of all institutional assessment activities in which your institution is currently engaged. Part Two should describe key student learning outcomes assessment activities for each of the four major competency areas. Part Two also provides space in which to highlight up to three additional institution-specific competency areas. Part Three should summarize modifications and adjustments to your institutional assessment activities since 2007. The template can be expanded, if necessary. The body of this report should not exceed 20 pages. Up to 5 pages of appendices may also be included.

Part One: Summary of Assessment Activities

Provide a summary of all institutional assessment activities and guidelines used. Part I should highlight your institution's activities that align with Middle States standard 7, 12 and 14. Include the organizational structure and institutional leadership for assessment activities. Limit to two pages.

Montgomery College's primary Student Learning Outcomes Assessment process is a faculty driven, course based approach that emphasizes authentic, course embedded assessments and college-wide participation. The College-wide Outcomes Assessment team(COAT), under the auspices of the Office of Planning and Institutional Effectiveness, oversees and guides the course assessment processes, but discipline faculty are responsible for determining which student learning outcomes (SLO's) to assess and developing assessment instruments as well as determining recommendations and action plans to use assessment data. The COAT is comprised of a faculty coordinator, a faculty committee drawn from each campus and a variety of disciplines, the Vice-President for Planning and Institutional Effectiveness and support members of her staff which include members from the Office of Institutional Research and Analysis (OIRA).

Our established assessment procedure currently requires courses with the largest enrollments, including any course that has 10 or more sections per semester, to participate in assessment at least every five years. At the current time the five year assessment schedule includes 81 courses from 28 different disciplines. In the average semester, these 81 courses comprise approximately 60% of all course enrollments (62.4% in Fall 2010 and 59.9% in Spring 2011). Additionally, we invite courses to repeat assessments more frequently or to volunteer to participate in the assessment cycle if they are not currently required.

Currently, the typical assessment cycle takes place over a two year time frame including a planning semester, a pilot semester, an implementation semester and a recommendations semester. This cycle allows for participation and conversations across the three campuses and the entire discipline. Discipline workgroups are charged with working collaboratively with the discipline, and all faculty teaching the course including part-time faculty, with determining what to assess, how to assess it and how to utilize the assessment data. In the Fall of 2011, we are eliminating the planning semester and thus shortening the assessment process to 3 semesters.

Courses typically complete a direct assessment of student performance on three SLO's and sometimes include indirect assessment of other important issues relating to student performance in the course. General Education courses which are part of the required assessment cycle are required to assess their two primary general education competencies, selected by the discipline, as part of their SLO assessment. During the implementation semester, all sections of a course are expected to participate using the common assessment and scoring instrument. If a course does not have a threshold of 85% sections participating, the course will repeat the implementation semester. Once the assessment is complete, the discipline develops specific, action oriented recommendations based on the student performance data submitted by the discipline.

The COAT provides support and guidance throughout this process by helping the discipline develop assessment plans and instruments, providing specific feedback on the assessment plans submitted by the disciplines, and providing feedback and guidance during the recommendation process. The OIRA group compiles the data and provides some analysis of the student performance including comparisons of student performance and final grades, enrollment patterns and other standard data points. OIRA also provides expertise and guidance on interpretation of data. Assessment plans and recommendations are approved by the discipline lead dean; lead Vice-President/ Provost and the Senior Vice President for Academic and Student Services.

Under the guidance of the Middle States standards 7, 12 and 14, we are currently working with the General Education committee to expand our assessment process to include all courses with General Education designation. The General Education assessment expansion is under development and will be incorporated into the General Education course review process. In this assessment process, courses which do not fall into the current required course assessment cycle will be expected to complete course embedded assessments of their selected primary competencies using college-wide rubrics. Student performance data based on this assessment will be incorporated into the General Education course review process and will be compiled and reported based on each competency on a five year cycle.

Currently, the specifics of the General Education assessment and review process are being finalized. After the College revised it General Education program 2 years ago, all courses were asked to reapply for General Education status and indicate which two competencies (or one competency and one area of proficiency) the course primarily incorporates. An analysis of the results of the General Education reapplication process indicated that three of the competencies, Critical Analysis and Reasoning, Scientific and Quantitative Reasoning ,and Effective Communication were over represented, and two, Information Literacy and Technological competency, were underrepresented in the program. As a result, the COAT and the General Education Committee are working together to collect a more accurate picture of the extent to which each General Education course addresses each competency. This information will be used to develop an assessment and review cycle that will allow the College to assess students' performance on all the competencies.

Ultimately all General Education courses, regardless of enrollment, will be required to design and implement an assessment instrument to assess the General Education competencies in their course. College-wide rubrics have been developed for Written and Oral Communication as well as Critical Analysis and Reasoning. All courses will be using the same rubrics (and thus the same categories and scoring guidelines) so that we can compare students across the College in a variety of courses using the same rubrics. In the Fall of 2011, 8 courses from a variety of disciplines will be piloting the rubrics and process.

In addition to course based outcomes assessment, we are implementing procedures for program outcomes assessment. Outcomes for all programs are available in the College catalog. Over the past year, each degree, certificate, and letter of recognition was asked to match their outcomes to the required courses in the program. We are using our College Area Review process to create a venue for the development of programmatic outcomes assessment.

College Area Review is a comprehensive self-evaluative process of all academic areas and administrative units. The overarching goal of CAR is to provide critical college-wide information for strategic planning, assist in establishing priorities for resource allocation, and measure overall institutional effectiveness. The process involves all College stakeholders; administrators, vice presidents, unit managers, unit directors, deans, faculty, staff and students. In addition, an online survey is administered to selected students to solicit their input regarding their course work. As our budget allows, we have also solicited input from external peer reviewers in particular disciplines. CAR operates on a five year cycle, reviewing on average fifteen academic units per academic year and three administrative units per calendar year.

In the next College Area Review cycle, each program that offers a degree will develop a plan for program assessment that best fits its program. In the year subsequent to the College Area Review, the College-wide Outcomes Assessment Team will coordinate with the program to implement the program assessment that has been developed.

The information obtained through assessment activities is shared college-wide with faculty workgroups, deans, chairs, Vice-Presidents/Provosts. We continue to examine ways to engage and inform the College community about institutional effectiveness and assessment activities.

Part Two: Four Major Competency Areas

For each of the four competency areas listed below, discuss the institution's current activities. Space is provided for three additional competencies, if applicable. Part Two, including additional competencies, should not exceed 12 pages.

I. Written and Oral Communication

A. Institution's definition of competency

Competency in written and oral communication includes the ability to communicate effectively in verbal and written language, the ability to use a variety of modern information resources and supporting technologies, the ability to differentiate content from style of presentation, and the ability to suit content and style to the purpose of communication.

B. Level(s) at which the competency is assessed (e.g., department, program, course)

This competency is assessed at the course and program level. Many courses in our full outcomes assessment cycle have Written and Oral Communication as their primary competency, including our English foundation courses (EN102 and EN109) and speech foundation course (SP108).

Additionally, all 9 courses that are piloting our General Education assessment in the Fall of 2011 have chosen Written and Oral Communication as one of their competencies.

C. Process(es) used to evaluate competency (i.e., methods, measures, instruments)

In the past, we have let courses develop their own communication assessments. We have now developed rubrics for written communication and oral communication to be used in all General Education assessments, although each course will determine an appropriate assessment instrument. Written communication will be assessed for Content, Organization, Style and Expression, Grammar and Mechanics and Academic Integrity. Oral Communication will be assessed for Content, Organization, Delivery, Interpersonal Skills and Listening Behavior. The collegewide rubrics were developed in collaboration with the faculty and adapted from various sources including the Association of American Colleges and Universities' Rubrics, the Washington State Critical Thinking Rubric and Sinclair Community College's Oral Communication rubric. Course based faculty, in collaboration with the COAT, can adapt the descriptive language of the collegewide rubric to better reflect the assessment instrument, but the measures must remain the same. The collegewide rubrics are appended to this report.

D. Describe the results of the assessment work related to this competency.
Detail results of assessment efforts, and where possible, provide data which demonstrate the assessment outcomes.

The last major assessment of college level writing and oral communication skills at Montgomery College took place in the 2006 academic year and was reported in our last SLOAR report.

Over the past two years, all of our ESOL and developmental reading and writing courses have started the assessment process. Some courses were in the recommendations semester in the Spring of 2011, while others are in the pilot stage.

In the Fall of 2011, our English foundation courses will be starting the assessment cycle and will be developing an assessment tool to be used college-wide.

Additionally, Montgomery College requires a Speech foundation course, and both courses that satisfy this requirement SP108 (Intro to Human Communication) and SP112 (Business and Professional Communication) will be starting the assessment process in the Fall of 2011 and collecting data during the 2012 academic year.

Montgomery College has an extensive Writing in the Disciplines program. In December 2008, a survey of College faculty was administered with 182 respondents. Sixty percent of faculty indicated that they “frequently” assign writing and about 30% said they “usually” do. About 70% of respondents provide grading criteria and/or rubrics for writing assignments and direct students to College support services for writing. Additionally, more than 35% said that students tend to plagiarize. More than 80% of Business and Computer Science faculty report that plagiarism presents challenges for writing in their courses. Montgomery College has been using Turnitin.com for several semesters. It has been used as a teaching tool to educate students about plagiarism.

II. Scientific and Quantitative Reasoning

A. Institution’s definition of competency

Competency in scientific and quantitative reasoning includes the ability to locate, identify, collect, organize, analyze and interpret data, and the ability to use mathematics and the scientific method of inquiry to make decisions, where appropriate.

B. Indicate level(s) at which the competency is assessed (e.g., institutional, program, course)

This competency is assessed at the course and program level. All of the mathematics foundation courses and science distribution courses have selected Scientific and Quantitative reasoning as one of their primary competencies.

C. Process(es) used to evaluate competency (i.e., methods, measures, instruments)

The Outcomes Assessment team is in the process of developing a college-wide rubric for Scientific and Quantitative Reasoning and we hope to have a draft in place by the end of the Fall 2011 semester.

In the interim, courses that assess this competency develop their own assessments and scoring guidelines.

D. Describe the results of the assessment work related to this competency.
Detail results of assessment efforts, and where possible, provide data which demonstrate the assessment outcomes.

In the past 3 years, the only course that has assessed Scientific and Quantitative Reasoning is our MA110 course, Survey of College Mathematics. Students were presented with a linear programming problem that they had to analyze and translate into mathematical terminology by defining the variables, making a table, writing the objective function, and writing all constraint inequalities. Students were most successful in making a table summarizing the data (90% success rate) and the other 3 tasks all had success rates between 60 and 70%. Additionally, students of full-time instructors fared better than students of part-time instructors.

As a result, the discipline proposed that they provide more support/structure for adjunct faculty teaching MA 110. They determined they needed to create and maintain a resource center web -site(s) for MA 110 instructors. This could feature sample tests as well as other resources and ideas on how to present the course material.

III. Critical Analysis and Reasoning

A. Institution's definition of competency

Critical analysis and reasoning include the application of higher order analytic and creative cognitive processes to arrive at reasoned and supportable conclusions, to synthesize and apply knowledge within and across courses and disciplines, and to develop creative solutions.

B. Indicate level(s) at which the competency is assessed (e.g., institutional, program, course)

This competency is assessed at the course and program level. Most of our General Education courses, 203 out of 216 (94%), list Critical Analysis and Reasoning as either their primary or secondary competency.

C. Process(es) used to evaluate competency (i.e., methods, measures, instruments)

In the past, we have let courses develop their own Critical Analysis assessments. We have now developed a Collegewide rubric for Critical Analysis to be used in all future General Education assessments, although each course will determine an appropriate assessment instrument. Critical Analysis will be assessed for Identification and Explanation of issues, Analysis and Evaluation, and Interpretation and Drawing Conclusions. The Collegewide rubrics were developed in collaboration with the faculty and adapted from various sources including The Foundation for Critical Thinking's definitions and rubrics for critical thinking, Peter Falcione's *Holistic Critical Thinking Rubric*, Washington State University's *Critical Thinking Project,* and the Association of American Colleges and Universities' *Critical Thinking VALUE Rubric*. Course based faculty, in collaboration with the COAT, can adapt the descriptive language of the Collegewide rubric to better reflect the assessment instrument, but the measures must remain the same. The Collegewide rubrics are appended to this report.

D. Describe the results of the assessment work related to this competency.
Detail results of assessment efforts, and where possible, provide data which demonstrate the assessment outcomes.

Up until Fall of 2011, workgroups were allowed to develop their own Critical Analysis and Reasoning activities with guidance from the College-wide Outcomes Assessment Team. Because almost all General Education courses have this competency as either their primary or secondary competency, many courses have chosen to assess this competency. A notable project involving critical analysis and reasoning is Montgomery College's partnering with other schools in piloting the SCALE UP model for teaching non-engineering physics and introductory chemistry courses. SCALE UP (Student-Centered Active Learning Environment in Undergraduate Programs) is a national program to engage students more thoughtfully in the critical reasoning process. Students are instructed in the techniques critical analysis and problem solving and then expected to work in small groups of 3-4 students daily on "tangibles" and "ponderables."

IV. Technological Competency

A. Institution’s definition of competency

Technological competency includes the ability to use computer technology and appropriate software applications to produce documentation, quantitative data presentations and functional graphical presentations appropriate to various academic and professional settings.

B. Indicate level(s) at which the competency is assessed (e.g., institutional, program, course)

This competency is assessed at the course and program level. Technological competency is the most underreported competency at Montgomery College. Only 2 General Education classes have indicated that it is one of their top 2 competencies. As indicated previously, faculty are being asked in the spring and Summer of 2011 to identify all of the competencies addressed in their General Education courses so that we can more properly assess this dimension of the General Education program.

C. Process(es) used to evaluate competency (i.e., methods, measures, instruments)

The Outcomes Assessment team is in the process of developing a rubric for Technological Competency and we hope to have a draft in place by the end of the Fall 2011 semester.

D. Describe the results of the assessment work related to this competency.
Detail results of assessment efforts, and where possible, provide data which demonstrate the assessment outcomes.

In the Fall of 2009, Introduction to Engineering Design (ES100) began the Outcomes Assessment Cycle. This is one of the courses that indicated the technological competency area as one of its main focuses. The course workgroup chose to assess the outcome of demonstrating knowledge of the operation of a parametric computer-aided design system (Pro/Engineer) and use it to create parts, assemblies, and drawings. A project was selected in which the students created a drawing of a Rocket Car using Pro/Engineer software.

In the Fall of 2010, the assessment tool was used in all ES100 classes, and data was collected about the performance of 269 students. The faculty workgroup indicated in their recommendations that expectations for this project were met by the students. In order to continue to meet expectations, the faculty are going to create an online textbook and search for ways to better share information among instructors of the course.

Additional Competencies
Because institutional mission and goals differ, institutions may wish to report on assessment activities beyond the four major competency areas. However, this is not mandatory; institutions may report on up to three additional competencies.

V. Information Literacy

A. Institution's definition of competency

Information literacy includes the ability to identify, locate and effectively use information from various print and electronic sources.

B. Indicate level(s) at which the competency is assessed (e.g., institutional, program, course)

This competency is assessed at the course and program level. Our English foundation courses list Information Literacy as their secondary competency. In addition one speech foundation course, nine health foundation courses, and 3 behavioral and social science distribution courses list information literacy as one of their top 2 competencies. We expect that in the review process undertaken in the Spring and Summer of 2011 we will find out that almost all General Education courses will indicate that they incorporate some instruction on information literacy.

C. Process(es) used to evaluate competency (i.e., methods, measures, instruments)

In the 2008 academic year, the Outcomes Assessment team undertook a project to solidify the Information Literacy standard. A group of faculty and staff, including a librarian, developed a draft version of Information Literacy standards which was then vetted with the College community through the governance structure. We are now in the process of taking these standards and developing a rubric for Information Literacy.

D. Describe the results of the assessment work related to this competency.
Detail results of assessment efforts, and where possible, provide data which demonstrate the assessment outcomes.

In the 2007 SLOAR, assessment work for Information Literacy was presented. Since that time, the Outcomes Assessment group has been focused on refining the standards and doing education on Information Literacy in multiple ways.

In the Spring Semester of 2008 and again in the Fall of 2008, a series of faculty workshops was offered on Information Literacy in conjunction with the Montgomery College Center for Teaching and Learning.

After the development of the Information Literacy Rubric, we anticipate doing more direct assessment in the Fall of 2012.

Part Three: Evolution of Assessment Activities

Provide concrete examples of how your institution's assessment activities have impacted and/or improved teaching and learning. Also, describe how the assessment of the major competency areas has been integrated into the structure of the institution.

Mathematics

Over the past several years, the Mathematics discipline has developed a plan for overhauling the developmental math curriculum based on student progress outcome and student learning outcomes results.

The current sequence of developmental math coursework has two separate courses for Prealgebra (MA 090) and Elementary Algebra (MA 091). The success rate in both classes is around 50%, and students have been ill-prepared for the next courses. For example, students who passed MA091 with a B were subsequently successful in their next course only 40% of the time, and students who earned a C were only successful in their next course 25% of the time.

Beginning Fall 2011, students will take one course, Mathematics Prep (MA094) which covers the learning outcomes for both courses and is based on a self-paced mastery learning model. Students will be allowed to work at their own pace in a laboratory setting with instructors providing support. Planning for this new approach has been two years in development.

In addition, based on the success of another project undertaken at Montgomery College students will have more options for completing a college level math course. In 2006, in response to state direction to find alternative paths for students to complete their mathematics foundation requirement, a course was created that combined a developmental Intermediate Algebra course and a Mathematical Ideas course into a one semester, 5 hour, course. Students were more successful in this course than either of the courses individually. As part of the math redesign, that course will be offered more widely, and a similar course combining Intermediate Algebra and Statistics into one semester is being developed.

In the 2012 academic year, students who are placed into the developmental math sequence will be able to complete 2 courses in what used to take a minimum of 4 courses to achieve.

Recommendations

At the conclusion of each assessment cycle, course workgroups are asked to write recommendations based on their findings. These recommendations are then approved by the College-wide Outcomes Assessment Team, Lead Dean, Lead Vice -President/Provost and Senior Vice President for Academic and Student Services.

At one year intervals after submitting recommendations, course workgroups are asked to supply information about the status of their recommendations. These status updates are then reviewed by the team, deans, and senior administrators to address concerns and needs raised by the recommendation updates.

What follows is a partial Listing of recommendations and updates submitted over the past 3 years by courses in our outcomes assessment cycle.

Course	Recommendations	Update
EC201 – Principles of Econ I (Macroeconomics)	1. More attention (class time, homework assignments, etc.) should be given to help students learn how to apply the Aggregate Supply and Demand model to explain how unemployment and inflation may occur and how government policy could mitigate these problems. We do not recommend that more time be allocated to the general topic of Aggregate Supply and Demand. Rather, we recommend that more emphasis be placed on the application of the model and less on the theoretical underpinnings of the model. 2. We should ensure that all faculty teaching EC 201 are covering the basic model of supply and demand with a primary intent being to help students understand the more advanced Aggregate Supply and Demand model addressed later in the course.	Instructors at Germantown are now employing a student friendly online tutorial that helps teach the Aggregate Supply and Demand (AD/AS) model. This tutorial has been shared with the other campuses.

Course	Recommendations	Update
PH 203 – General Physics I (non-engineering)	1. Continue to use the laboratory reports and quizzes to gauge students understanding of the core concepts. 2. Continue to keep the part-time faculty aware of the course objectives and how they relate to the overall outcomes assessment process.	1. We continued to use laboratory reports and quizzes to assess the students understanding of the core concepts. The results from the reports and quizzes allowed us to identify students whot were not performing up to expectations. The students were given the opportunity to practice with the equipment that they were expected to use in future laboratories. 2. Our part-time faculty come to our regularly scheduled department meetings. We remain in contact with them throughout the semester to assure that everyone is aligned with the course objectives.
BI204 – Human Anatomy and Physiology I	1. Full-time and part-time BI 204 faculty will meet/communicate prior to semester start to share pedagogical strategies and support for improving SLOs. 2. Continue to include critical analysis and reasoning activities in BI 204 curriculum and share critical analysis and reasoning activities among full and part-time A&P faculty.	1. Full-time faculty are meeting with adjuncts at the start of the semester to discuss implementation of the OA process and the importance of recording and reporting results. Strategies to improve student outcomes are discussed. In addition, an explanatory email reviewing the process is sent to each instructor along with an Excel spreadsheet designed to facilitate record keeping. 2. Faculty are encouraged to present BI 204 topics in a way that fosters discussion and helps students develop analytical and reasoning skills. The inclusion of critical thinking questions on all exams is strongly promoted and coordinators are reviewing exams of new adjuncts to verify their use and to offer constructive critiques. Case studies are increasingly being used in lecture to stimulate discussion and promote critical thinking. In lab, exercises that challenge students to apply the information they have learned are becoming an increasingly important focus.

As described previously, we are currently undertaking a project to assess all General Education courses rather than just the large classes that we focus on now. In the Fall of 2010, there were 37,623 enrollments in General Education courses. Of those enrollments, 70% were in the high enrollment General Education courses currently served by our assessment cycle.

In addition, all courses will have to use the developed rubrics to perform their General Education assessment. The data collected in this way will be shared with the entire college community as well as the General Education and Curriculum Committees that oversee this area.

Since our last SLOAR report, the college has undergone a revision to the General Education program as well as requiring all courses to reapply for General Education status. All courses will now have to periodically reapply to keep their status. When applying, faculty will indicate at least 2 General Education competencies covered by the course.

In the Spring of 2011, all degrees, certificates and letters of recognition (182 programs in all) were required to submit documentation of how their courses aligned with their program outcomes. Specifically, faculty were asked to identify in which courses each program outcome was introduced, practiced, or mastered. Using this information going forward, each program will be required to submit an assessment plan indicating in which course or courses in the last semesters of their program they will assess their program outcomes. The outcomes assessment team will then assist the faculty in implementing the assessment plan, collecting the data, analyzing the assessment results, and writing recommendations based on the results of the assessment.

We will be implementing the program outcome assessment piece with each program as it comes up through the College’s program review process, CAR, in which all programs and areas are evaluated at least once every 5 years.

Appendix A – Information Literacy Standards

Information Literacy- Draft Standards and Expectations

Information Literacy involves a series of skills and abilities that take a lifetime to learn, and Montgomery College and the State of Maryland recognize these skills as essential for a well educated student. The following standards and indicators have been adapted from the Association of College and Research Libraries' (ACRL) "Information Literacy Competency Standards for Higher Education" to reflect the Montgomery College expectations. Students will have the opportunity to develop Information Literacy skills by taking both General Education designated courses and non-Gen Ed courses that give students the opportunity to learn and practice Information Literacy skills.

Standard 1: **Know**

The information literate student determines the nature and extent of the information needed, so the student will be able to

- develop and revise a plan of action to complete a research assignment or activity, including a realistic time frame.
- articulate a research question appropriate for the assignment or activity.
- determine the availability of, and gather, the appropriate source materials.
- identify and use strategies, such as a log or journal, to organize and maintain information and source materials throughout the project.
- identify and develop new skills, such as technology and research skills, when needed to complete a research assignment or activity.

Standard 2: **Access**

The information literate student is able to access needed information effectively and efficiently, so the student will be able to:

- identify appropriate types and formats of source material needed to complete a research assignment or activity.
- employ efficient and effective approaches for collecting source material.
- identify gaps in his or her knowledge, skills, or resources and refine research strategies and/or develops new skills, as necessary.

Standard 3: **Evaluate**

The information literate student evaluates information and sources critically and incorporates selected information into his or her knowledgebase and value system, so the student will be able to:

- critically evaluate information for currency, objectivity, and validity of source content.
- analyze and interpret information to determine validity and relevance to the research question.
- seek critical feedback for ideas from peers and instructors.
- determine whether his or her research question is relevant to the assignment or activity, valid, and effective and revise the question as needed.

Standard 4: **Use**

The information literate student, individually, or as a member of a group, uses information effectively to accomplish a specific purpose, so the student will be able to:

- summarize information and identify concepts to be paraphrased or quoted.
- select and integrate new and prior information, including the use of quotations and paraphrases, in a manner that supports the purposes of the assignment or activity.
- use appropriate supplemental information, including graphics or data, in a manner that supports the purpose of the assignment or activity.

Standard 5: **Ethics**

The information literate student understands many of the economic, legal, and social issues surrounding the use of information and accesses and uses information ethically and legally, so the student will be able to:

- correctly identify documents and resources that are protected by copyright or are otherwise considered to be intellectual property.
- understand what constitutes plagiarism and not use resources or materials without proper attribution.
- accept responsibility for the ideas presented in and the quality and origin of the final product.

Appendix B – Written and Oral Communication Rubrics

Montgomery College General Education Assessment Rubric: Effective Communication, Writing

Montgomery College's Effective Communication, Writing Rubric is based on the Montgomery College General Education Writing Standards, the State of Maryland's expectations for a "C" paper, Washington State University's Integrated Critical Thinking Rubric, and the Association of American Colleges and Universities' *Written Communication VALUE Rubric*.

Effective Communication: **includes the ability to communicate effectively in verbal and written language, the ability to use a variety of modern information resources and supporting technologies, the ability to differentiate content from style of presentation, and the ability to suit content and style to the purpose of the communication**.

General Education Written Communication includes	**Skillful Written Communication (3)**	**Satisfactory Written Communication (2)**	**Unsatisfactory Written Communication(1)**	**Not Applicable (0)**
Content	☐ Uses appropriate, relevant, and compelling content to illustrate mastery of the subject, conveying the writer's understanding, and shaping the whole work, and ☐ Exceeds the discipline and assignment expectations, meeting all specified requirements, such as subject, organization, and length and ☐ Integrates and responds to alternate points of view while accurately presenting and fully attributing sources of information, as appropriate.	☐ Uses appropriate and relevant content to develop and explore ideas through most of the work, and ☐ Fulfills the discipline and assignment expectations, meeting all specified requirements, such as subject, organization, and length; ☐ Accurately presents and fully attributes sources of information	☐ Uses limited content to develop and explore simple ideas, and ☐ May not fulfill the discipline and assignment expectations, meeting all specified requirements, such as subject, organization, and length; ☐ May present inaccurate information, or inaccurately present and/or fail to attribute sources of information	☐ Assessment task does not reflect these characteristics for student performance.

Organization	☐ May exceed discipline and assignment expectations for organization; ☐ Uses an advanced organizational pattern that maintains focus and unity throughout the text while furthering the central idea and skillfully using the following organizational devices to connect ideas throughout the text: thesis statement, topic sentences, opening and closing paragraphs and transitions throughout the assignment.	☐ Follows the discipline and assignment expectations for organization; ☐ Maintains focus and unity throughout the assignment; while supporting a central idea, or thesis, using some of the following organizational devices to connect ideas throughout the text: thesis statement, topic sentences, opening and closing paragraphs, and transitions throughout most of the assignment.	☐ May not follow the discipline or assignment expectations for organization; ☐ May not have a clear central idea or thesis or may lack focus and unity and may include irrelevant and unrelated ideas; ☐ May lack organizational devices such as a central idea, topic sentences, opening and closing paragraphs or transitions which results in a lack of connection among ideas or focus.	☐ Assessment task does not reflect these characteristics for student performance
Style and Expression	☐ Uses a superior style (tone, word choice, sentence patterns) for the discipline, assignment, audience and purpose, and ☐ Clearly communicates ideas and may be nuanced or eloquent.	☐ Consistently uses effective style (tone, word choice, sentence patterns) for its discipline, assignment, audience, and purpose; ☐ Clearly communicates ideas.	☐ Uses a style (tone, word choice, and sentence patterns) that is not appropriate for discipline, assignment, audience or purpose and may be inconsistent; ☐ Fails to communicate ideas effectively and may obscure meaning.	☐ Assessment task does not reflect these characteristics for student performance
Grammar and Mechanics	☐ Follows conventions of standard written U.S English and is free of errors in grammar, mechanics, punctuation and usage.	☐ Follows the conventions of standard written U.S. English and is generally free of errors (grammar, mechanics, punctuation, and usage) that impede meaning or distract the reader.	☐ Work has persistent errors in grammar, mechanics, punctuation and usage that impede meaning.	☐ Assessment task does not reflect these characteristics for student performance

Academic Integrity	☐ Reflects current academic practices for use of sources and documentation established by professional associations, such as the Modern Language Association, the American Psychological Association or other discipline specific professional organization.	☐ Reflects current academic practices for use of sources and documentation established by professional associations, such as the Modern Language Association, the American Psychological Association or other discipline specific professional organization.	☐ Does not reflect current academic practices of use of sources and documentation established by professional associations, such as the Modern Language Association, the American Psychological Association or other discipline specific professional organization.	☐ Assessment task does not reflect these characteristics for student performance

Montgomery College General Education Assessment Rubric: Effective Communication, Oral Communication

Montgomery College's Effective Communication, Oral Communication Rubric is based on the Association of American Colleges and Universities' *Oral Communication VALUE Rubric,* and Sinclair Community College's Oral Communication rubric.

Effective Communication: includes the ability to communicate effectively in verbal and written language, the ability to use a variety of modern information resources and supporting technologies, the ability to differentiate content from style of presentation, and the ability to suit content and style to the purpose of the communication.

General Education Oral Communication includes	**Skillful Oral Communication (3)**	**Satisfactory Oral Communication (2)**	**Unsatisfactory Oral Communication(1)**	**Not Applicable (0)**
Content	☐ Has a compelling and well developed (precisely stated, appropriately repeated, memorable, and strongly supported) central message and purpose ☐ Includes a variety of types of materials (explanations, examples, illustrations, statistics, analogies, quotations from relevant authorities) that make appropriate reference to information or analysis which significantly supports the central message or establishes the presenter's credibility/authority on the topic.	☐ Has a clear and understandable central message and purpose. ☐ Includes supporting materials (explanations, examples, illustrations, statistics, analogies, quotations from relevant authorities) that make appropriate reference to information or analysis which generally supports the presentation or establishes the presenter's credibility/authority on the topic.	☐ Has a central message and purpose that is difficult to be deduced, and may not be explicitly clear or developed in the presentation ☐ Includes supporting materials (explanations, examples, illustrations, statistics, analogies, quotations from relevant authorities) which insufficiently reference information or analysis and minimally support the presentation or establish the presenter's credibility/authority on the topic.	☐ Assessment task does not reflect this characteristic for student performance
Organization	☐ Uses an organizational pattern (specific introduction and conclusion, sequenced material within the body, and transitions) that is clearly and consistently observable and is skillful and makes the content of the presentation cohesive.	☐ Uses an organizational pattern (specific introduction and conclusion, sequenced material within the body, and transitions) that is clearly and consistently observable within the presentation.	☐ Uses an organizational pattern (specific introduction and conclusion, sequenced material within the body, and transitions) that is intermittently observable or not observable within the presentation.	☐ Assessment task does not reflect this characteristic for student performance.
Delivery	☐ Uses verbal and non-verbal delivery techniques (posture, gesture, eye contact, and vocal expressiveness) that make the presentation compelling, and make the speaker appear polished and confident.	☐ Uses verbal and non-verbal delivery techniques (posture, gesture, eye contact, and vocal expressiveness) that make the presentation interesting, and make the speaker appear comfortable.	☐ Uses verbal and non-verbal delivery techniques (posture, gesture, eye contact, and vocal expressiveness) that detract from the understandability of the presentation, and make the	☐ Assessment task does not reflect this characteristic for student performance

	☐ Uses visual aids that provide significant impact in making key points.	☐ Uses visual aids that enhance and provide emphasis in making key points.	speaker appear uncomfortable. ☐ Uses visual aids that are unimaginative and/or distracting	
Interpersonal Skills	☐ Consistently demonstrates effective and appropriate interpersonal skills (questioning, paraphrasing, descriptive language, empathy, negotiation, conflict management, supporting non-verbal cues).	☐ Occasionally demonstrates effective and appropriate interpersonal skills (questioning, paraphrasing, descriptive language, empathy, negotiation, conflict management, supporting non-verbal cues).	☐ Rarely demonstrates effective and appropriate interpersonal skills (questioning, paraphrasing, descriptive language, empathy, negotiation, conflict management, supporting non-verbal cues).	☐ Assessment task does not reflect this characteristic for student performance
Listening Behaviors	☐ Consistently uses attentive, respectful listening behaviors in oral communication situations.	☐ Uses some effective listening behaviors in oral communication situations.	☐ Fails to consistently use effective listening behaviors in oral communication situations.	☐ Assessment task does not reflect this characteristic for student performance

Appendix B – Critical Analysis and Reasoning Rubrics

Montgomery College General Education Assessment Rubric: Critical Analysis

Montgomery College's Critical Analysis and Reasoning Rubric is adapted from The Foundation for Critical Thinking's definitions and rubrics for critical thinking, Peter Falcione's *Holistic Critical Thinking Rubric*, Washington State University's *Critical Thinking Project*, and the Association of American Colleges and Universities' *Critical Thinking VALUE Rubric*.

Critical analysis and reasoning: the application of higher order analytic and creative cognitive processes to arrive at reasoned and supportable conclusions, to synthesize and apply knowledge within and across courses and disciplines, and to develop creative solutions.

Critical Analysis and Reasoning Includes:	**Skillful Critical Analysis and Reasoning (3)**	**Emergent Critical Analysis and Reasoning (2)**	**No Demonstrated Critical Analysis and Reasoning (1)**	**Not Applicable**
Identification and explanation of issues	☐ Poses relevant and insightful questions ☐ Accurately identifies and provides a well-developed summary of the problem or question including context ☐ Identifies and uses appropriate sources which reflect a range of positions regarding the problem or question.	☐ Poses appropriate question, ☐ Identifies the problem or questions, but does not provide sufficient context ☐ Identifies and uses a limited range of sources relating to the problem or question.	☐ Fails to pose an appropriate question ☐ Does not identify or explain the problem or questions, and/or fails to summarize or explain the context ☐ Represents the issues inaccurately ☐ Does not identify appropriate sources,	☐ Assessment task does not reflect these characteristics for student performance.

			and/or sources reflect bias or only one perspective on the issue.	
Analysis and evaluation	☐ Responds to sources impartially, with thoughtful analysis and evaluation of content and context ☐ Demonstrates an advanced ability to analyze and evaluate information including distinguishing between fact and opinion and acknowledging alternative points of view ☐ Recognizes and avoids logical fallacies ☐ Justifies key results and procedures, explains assumptions and reasons.	☐ Responds to sources impartially, with thoughtful analysis and evaluation of content and context ☐ Demonstrates ability to analyze and evaluate information including distinguishing between fact and opinion and acknowledging alternative points of view, but analysis and evaluation may be superficial or flawed ☐ Recognizes and avoids logical fallacies ☐ Does not provide a completely accurate justification of results and procedures and/or does not fully explain assumptions and reasons.	☐ Evaluation and analysis of sources is superficial and/or reflect bias ☐ Does not recognize or avoid logical fallacies ☐ Does not provide a completely accurate justification of results and procedures and/or does not fully explain assumptions and reasons.	☐ Assessment task does not reflect these characteristics for student performance
Interpretation/Drawing Conclusions	☐ Takes risks by questioning sources and/or generates alternate or novel explanations supported by evidence as appropriate ☐ Synthesizes ideas; makes connections or identifies connections within sources in an advanced way ☐ Avoids oversimplification ☐ Presents a thoughtful, nuanced, reasonable and factually accurate conclusion based on sound logic, information and evidence at hand ☐ Demonstrates open-mindedness and self-awareness	☐ Takes limited risk by questioning sources and/or generates alternate or novel explanations supported by evidence, as appropriate ☐ Provides limited synthesis or ideas, may only summarize source information; makes few connections within sources ☐ Generally avoids oversimplification ☐ Presents reasonable and factually accurate conclusion based on sound logic, information and evidence at hand	☐ Accepts sources without questioning ☐ Summarizes sources information ☐ Does not make or identify connections within sources ☐ May oversimplify ☐ May only present a summary of sources ☐ Conclusion may be simplistic or logically flawed or based on limited evidence ☐ Conclusion reflects excessive bias, close mindedness and/or lack	☐ Assessment task does not reflect these characteristics for student performance

	☐ Recognizes the limits of conclusions.	☐ Demonstrates some open-mindedness and self-awareness ☐ Generally, recognizes the limits of conclusions.	of self-awareness ☐ Does not recognize the limits of conclusions.	

Identification and Explanation of Issues (Describes "Satisfactory"): This dimension refers to the student's overall ability to understand and articulate a problem or a question and develop a response based on more than the student's own ideas; to evaluate this dimension, look for the student to identify and summarize the problem or question and/or pose an appropriate question, as well as to explain the context of a problem including multiple perspectives.

Analysis and Evaluation (Describes "Satisfactory"): This dimension refers to the student's overall ability to understand, analyze and evaluate information and ideas; to evaluate this dimension, look for the student to accurately analyze and evaluate information, ideas and sources—distinguishing between fact and opinion, relevance to the issue and acknowledging a variety of viewpoints, and make logical and, factually accurate conclusions based on sound evidence and information available.

Interprets and Draws Conclusions (Describes "Satisfactory"): This dimension refers to the student's overall ability to interpret information and develop sound conclusions; to evaluate this dimension look for the student to demonstrate some evidence of rethinking or refinement of ideas; interpret information in the context of the question or problem; synthesize ideas and/or make connections between ideas in sources, and recognize the limits of their conclusions.

Program - Course Outcomes Alignment Form

Discipline: Business

Degree/Certificate : Business A.A. 006

Required Courses and Course Outcomes	Credit	Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business decision making.	Assess local, national, and international economic-related conditions and government policies and their impact on the economy.	Apply microeconomic principles to make profit-maximizing business decisions.	Apply basic statistical tools and techniques to business decisions and situations.	Demonstrate an understanding of basic ethical principles applicable to businesses.	Identify key features related to significant business functions.		Optional Comment
		Business A.A. 006: **Program Outcomes**							
AC 201 Accounting I	**4**								
Analyze, interpret, and evaluate the income statement, statement of retained earnings and the balance sheet with respect to liquidity, solvency, and profitability.									
Engage in appropriate sociolinguistic behaviors as he/she develops linguistic ability in Arabic.									
Prepare and interpret the income statement, statement of retained earnings, and the balance sheet.									
AC 202 Accounting II	**4**								
Determine the costs of products.									
Prepare, analyze, and evaluate budgetary reporting.									
Prepare, analyze, and interpret statement of cash flows.									
Prepare, analyze, and make decisions about internally generated financial reports to facilitate management decision making.									
BA 101 Introduction to Business	**3**								
Define marketing and explain how the marketing concept applies in both for-profit and nonprofit organizations.									
Define social responsibility and examine corporate responsibility to various stakeholders.									
Describe the importance of finance and financial management to an organization and outline the financial planning process.									
Explain capitalism and how free markets work in regard to businesses.									
Explain how the changes that are occurring in the business, technical, and global environments impact the way businesses operate and affect the management function.									
Explain the importance of entrepreneurship and entrepreneurs to the growth and wealth of an economy.									

	Credit	*Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business decision making.*	*Assess local, national, and international economic-related conditions and government policies and their impact on the economy.*	*Apply microeconomic principles to make profit-maximizing business decisions.*	*Apply basic statistical tools and techniques to business decisions and situations.*	*Demonstrate an understanding of basic ethical principles applicable to businesses.*	*Identify key features related to significant business functions.*		
Required Courses and Course Outcomes		***Business A.A. 006:*** **Program Outcomes**							**Optional Comment**
Explain the importance of human resource management and describe current issues in managing human resources.									
Explain the importance of planning in business.									
Explain the various issues involved in structuring organizations.									
EC 201 Principles of Economics I (BSSD)	**3**								
Apply basic economic concepts such as scarcity, opportunity cost, and comparative advantage to everyday life situations.									
Describe the factors that affect economic growth and the challenges facing both developed and less developed countries as they pursue economic growth.									
Describe the primary purposes, limitations, and controversies regarding the use of fiscal and monetary policies.									
Describe what the gross domestic product (GDP) of a country represents, the components of GDP, the different approaches to calculating GDP, and the shortcomings of GDP as a measure of quality of life.									
Explain how the macroeconomic problems of unemployment and inflation are defined and measured.									
Explain the basic structure of capitalism and contrast this system with alternative economic systems.									
Explain the concept of globalization and its impact on the domestic economy.									
Explain what money is, how it is created, and how the U.S. banking system operates.									
Use the market model to explain how prices and quantities are bought and sold and how resources are allocated.									
Use the model of aggregate supply and demand to explain how unemployment and inflation may occur and how they can be mitigated by government policy.									
BA 210 Statistics for Business and Economics									
Ascertain the appropriate use of and be able to calculate various measures of central tendency and dispersion.									
Ascertain the appropriate use of various discrete as well as continuous probability distributions.									

	Credit	*Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business decision making.*	*Assess local, national, and international economic-related conditions and government policies and their impact on the economy.*	*Apply microeconomic principles to make profit-maximizing business decisions.*	*Apply basic statistical tools and techniques to business decisions and situations.*	*Demonstrate an understanding of basic ethical principles applicable to businesses.*	*Identify key features related to significant business functions.*		
Required Courses and Course Outcomes		***Business A.A. 006:*** **Program Outcomes**							**Optional Comment**
Calculate and distinguish between various types of probability for one or more events									
Describe data using measures of central tendency and dispersion as well as coefficients of skewness and/or kurtosis.									
Develop and apply a time series model for the purpose of forecasting.									
Develop and apply regression and correlation models.									
Evaluate probabilistic statements for discrete as well as continuous probability distributions.									
Make inferences based upon large as well as small samples through the development of one-tailed and two-tailed tests of hypotheses pertaining to population parameters.									
Organize and present data in a tabular as well as a graphical format.									
MA 116 Elements of Statistics*	**3**								
Calculate and interpret confidence interval estimates of population parameters (proportions and/or means).									
Demonstrate an understanding of the importance that random sampling and randomization play in producing data that allow one to draw conclusions about the underlying populations.									
Explain that statistical procedures have specific requirements necessary for their application and verify that the fulfillment of these requirements has been satisfied for the situation with which the student is dealing.									
Express in clearly written form, and always in the context of the particular problem situation, the results of statistical investigations and analyses.									
Formulate and conduct tests of significance for population parameters (proportions and/or means) and interpret the results in the original context.									
Use a variety of graphical and numeric tools to explore and summarize categorical and quantitative data, including linear models of associations between two quantitative variables.									
Use statistical software (computer- or calculator-based) to explore and analyze data and interpret the results produced by that software in context.									

	Credit	Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business decision making.	Assess local, national, and international economic-related conditions and government policies and their impact on the economy.	Apply microeconomic principles to make profit-maximizing business decisions.	Apply basic statistical tools and techniques to business decisions and situations.	Demonstrate an understanding of basic ethical principles applicable to businesses.	Identify key features related to significant business functions.		
Required Courses and Course Outcomes		***Business A.A. 006:*** **Program Outcomes**							**Optional Comment**
Use the results of the central limit theorems for sample proportions and sample means to predict the long-term patterns of variation of those statistics under repeated sampling based on an understanding of the normal distribution.									
CA 120 Introduction to Computer Applications	**3**								
Analyze, synthesize and evaluate numerical data with spreadsheet applications									
Apply file management skills such as: create, save, copy, move, rename, delete, and organize data files									
Create a relational database, table structure, queries, reports, and forms									
Incorporate various types of visual elements such as images, tables, charts, audio, or video for effective communication									
Organize information by inputting and updating data in a relational database									
Utilize real-world models and examples to create, format, edit, and print professionally-formatted word-processed documents, spreadsheets, presentations, and databases									
EC 202 Principles of Economics II	**3**								
Apply basic economic concepts such as scarcity, opportunity cost, and marginal analysis to everyday life situations.									
Define basic business cost, production, and profit concepts.									
Describe the concept and types of market structures and the effect of market structure on business behavior and profits.									
Describe the situations where free unregulated markets fail to promote the best interests of society and the potential role of government to correct these market failures.									
Explain how economic principles can be used to help make basic business decisions such as what price to charge, how much to sell, and how many employees to hire to maximize profits.									
Explain the concept of elasticity and why it matters to certain business pricing and public policy decisions.									
Explain why government price and quantity controls generally lead to economic inefficiency.									

	Credit	*Identify, apply, analyze, summarize, interpret, and evaluate financial information to facilitate business decision making.*	*Assess local, national, and international economic-related conditions and government policies and their impact on the economy.*	*Apply microeconomic principles to make profit-maximizing business decisions.*	*Apply basic statistical tools and techniques to business decisions and situations.*	*Demonstrate an understanding of basic ethical principles applicable to businesses.*	*Identify key features related to significant business functions.*		
Required Courses and Course Outcomes		***Business A.A. 006:*** **Program Outcomes**							**Optional Comment**
Use the model of supply and demand to explain how prices and quantities of goods, services, and resources are determined and change.									
MG 201 Business Law or elective **	**3**								
Define and apply the process of civil litigation.									
Distinguish between a tort and a crime.									
List the elements of a contract.									
Summarize international law concepts and list the elements of Internet contracts.									
	26								

Please state below which one *or* two courses that address the most program outcomes for this program.

Core Program Course #1 : ____________________

Core Program Course #2 : ____________________

Please indicate whether the discipline is planning to take any Curriculum Actions for:

Revising Program Outcomes

Revising Course Outcomes

Name(s) of person(s) Completing the Spreadsheet

____

2012 Montgomery College Outcomes Assessment Overview

General Education and Program Assessment Plans

Montgomery College Collegewide Outcomes Assessment Team
Dr. Benjamin P. Nicholson and Professor Samantha Streamer-Veneruso

Outcomes Assessment at Montgomery College- 2012

Executive Overview

Montgomery College's formal student learning outcomes assessment program began in 2004. Throughout that time, it has expanded and evolved to enhance the learning experiences of students throughout the College. Our assessment approach supports the core principle of the College Mission, "We are Accountable for our results." It also is grounded in and guided by the College's values of Excellence, Integrity, Innovation, Stewardship and Sustainability.

Montgomery College's outcomes assessment processes are guided by the following key principles:

1. **Faculty Driven**- Faculty are best suited to determine the intended educational outcomes of their academic programs and activities, how to assess these outcomes, and how to use the results for program development and improvement. Discipline faculty should be accountable for the student learning, and all faculty teaching a course should participate in the assessment process to ensure that assessment is meaningful and useful to a discipline. Additionally, faculty should be involved in guiding and planning student learning assessment activities at the College.
2. **Course Embedded, Meaningful Assessment**- Assessment activities should be integrated learning activities that fit seamlessly into the course. Assessment data should be collected on meaningful student learning activities, so that the assessment data is useful to the faculty and the students.
3. **Sustainable**- Although the collection and reporting of data will take some additional effort, it should not be excessively burdensome to the faculty, staff or College. Assessment activities may result in changes in instructional activities, and may require time and resources for faculty to implement, but those activities should be educationally beneficial to students. Assessment should not be done in a way that that the assessment activity has no value beyond the collection of data about student performance. Assessment processes should be based on encouraging ongoing assessment, periodic data collection, and meaningful data that is used to improve student learning.
4. **Consistent, reliable results**- All courses should have common course outcomes and similar expectations for student learning. Assessment activities should use common scoring and similar assessment instruments. Assessment data is not used to evaluate individual faculty. The College will support and encourage reliability activities such as norming and reliability studies.

We use these principles to guide assessment processes that result in useful and meaningful data that are used to continue and replicate excellent instructional practices, improve student learning, and make decisions that strengthen programs and help students reach their goals. Our approach to outcomes assessment encourages innovation, integrity, good use of resources, accountability, transparency, and faculty ownership and oversight of curriculum and instruction while keeping students at the center of our attention.

Moving forward in 2012, Montgomery College's student learning assessment program will have three primary strands:

1. **General Education Course Assessment**- As part of the General Education course and program review process, all General Education courses will be responsible for implementing a Gen Ed competency assessment plan.
2. **Academic and Instructional Program Assessment**- All programs leading to a degree, certificate, or letter, and academic programs which have a required sequence of courses, will develop and implement assessment plans.
3. **Optional, Voluntary Course Assessment**- Faculty can use our assessment processes to formally assess student performance in selected courses.

2012 Montgomery College General Education Assessment Plan

The 2012 revision of Montgomery College's General Education Assessment Plan was developed by a General Education Committee (GEC) and Collegewide Outcomes Assessment Team(COAT) subgroup. The GEC/COAT subgroup used information submitted by disciplines for the2008 General Education course reapplication and the General Education survey submitted in Fall 2011 to assign competencies to distributions for instructional emphasis and assessment. The Gen Ed course assessment plan process is designed toensure that students are given repeated and appropriate opportunities to practice and masterMontgomery College's General Education competencies and areas of proficiency and that student performance data is used to improve instruction in General Education courses. This plan also makes the coverage and assessment of the competencies and areas of proficiency explicit and transparent.

First, the plan reflects a concerted approach to ensure the quality and rigor of Montgomery College's General Education Program. This plan reflects the integral relationship between assessment of student learning and quality education experiences. It also reflects the understanding that the skills, knowledge, and attitudes reflected in the General Education competencies and areas of proficiency are complex skills that require repeated, embedded, interdisciplinary opportunities to develop.

Second, it reflects the need to make explicit to students where and how they are exposed to the competenciesand proficiencies,thereby creating a foundation to encourage intentional learning. Our approach to General Education Assessment makes it clearto students where they can expect have repeated exposure to the Gen Ed competencies and areas of proficiency, ensures that they have authentic opportunities to apply the competencies and proficiencies in the context of their courses, ensures they receive regular feedback on their performance of the competencies and proficiencies, and, finally, highlights the value we place on the competencies and proficiencies.

Next, this assessment plan encourages a shared responsibility and understanding of the General Education competencies throughout the College, which will contribute to the overall quality of our General Education program. It reflects the belief that the General Education program is a core to all academic and career programs at the College.

The General Education course assessment process is a foundation of the General Education Program Review process. The Gen Ed Assessment course process is as follows:

1. Every General Education course will develop an assessment plan that incorporates opportunities to practice, as well as assess, the College assigned competencies and any other discipline selected competencies or proficiencies.
2. General Education Course Assessment plans will reflect discipline agreement on how the competencies are incorporated and assessed every semester, in every section of the course. (*Ongoing assessment*)
3. Beginning in Fall 2012, based on a cyclical distribution schedule, assessment data will be collected every three years using the Collegewide General Education Rubrics or discipline adaptations (*periodic data collection*).
4. Every section of a course participates in the data collection.
5. Disciplines will be expected to use assessment data to improve General Education courses by creating recommendation/action plans based on General Education assessment process and data. Discipline action plans will be updated yearly.
6. Assessment Plans will be reviewed and revised as necessary, by the discipline, every six years.
7. Assessment plans, data and recommendations/action plans will be incorporated into theGeneral Education Course Review.
8. Each distribution and foundation area will be expected to emphasize and assess theCritical Thinking and Technological competencies, as well as two additional competencies and/or proficiencies.
9. The Technology competency rubric reflects a straightforward, easily embedded technology competency assessment rubric.
10. The Areas of Proficiency will be mandated for assessment in two competency areas, Health and Arts, and will be strongly encouraged for individual course groups within each distribution area where it is appropriate.

11. Student Performance Data on the competencies and proficiencies, General Education Course Assessment Plans, and Gen Ed Course Review Portfolios will be used by the General Education Committee to improve the General Education Program.

The Collegewide Outcomes Assessment Team (COAT) will provide leadership and support for the General Education Assessment process by:

12. Facilitating review and feedback sessions for Gen Ed Course Assessment plans, data reports, and discipline recommendation/action plans.
13. Maintaining and updating the College General Education Rubrics.
14. Providing general support for the General Education Course Assessment Process.
15. Providing professional development opportunities for faculty and staff relating to Gen Ed CourseAssessment in coordination with the Center For Teaching and Learning (CTL) including topics like:
    a. Using General Education Rubrics for Learning
    b. Developing Gen Ed Course Assessment Plans
    c. Embedding General Education Competencies into Courses
    d. Using Assessment For Learning
    e. Focus Groups on Competencies
16. Facilitating Norming and Reliability Studies.
17. Providing Data Reports for Disciplines and guidance, as needed, for interpreting and using data reports.
18. Providing General Education Competency Data to the College and the General Education Committee and making suggestions based on the general competency and proficiency reports.

General Education Coverage and Assessment Matrix

Distribution Area / Competency	EN Foun	SP Foun	HE Foun	MA Foun	ARTS	HUMD	BSSD	NSLD	NSND
Critical Analysis and Reasoning	*All General Education Courses emphasize and assess Critical Thinking.*								
Technological Competency	*Use of general software application, discipline specific software application or discipline specific technology tool.*								
Written and Oral Communication	✓	✓	✓	✓		✓	✓		
Information Literacy	✓	✓			✓	✓	✓	✓	✓
Scientific and Quantitative Reasoning				✓				✓	✓
Arts and Aesthetic Awareness					✓				
Personal, Social and Civic Responsibilities			✓						

Assessment Cycles

Cycle A Courses- EN Foundation, SP Foundation, HE Foundation, MA Foundation, ARTS Distribution
Cycle B Courses- HUM Distribution
Cycle C Courses- BSS Distribution, NS Lab Distribution, NS Non-Lab Distribution

Each cycle of courses will be on a staggered six-year cycle with data collection every three years. Course Assessment plans will be reviewed and revised, as needed, every 6 years. Assessment is ongoing; data collection is periodic.

Six Year Cycle

Year 1- Data Collection/reporting
Year 2- **Review data and develop action plan***
Year 3- Implement action plan
Year 4-Data collection/reporting
Year 5- **Review Data, update action plan***
Year 6 Update action plan, review and update course assessment plan

* Courses will be scheduled to participate in the General Education Course Review Process after either the first or second data collection period.

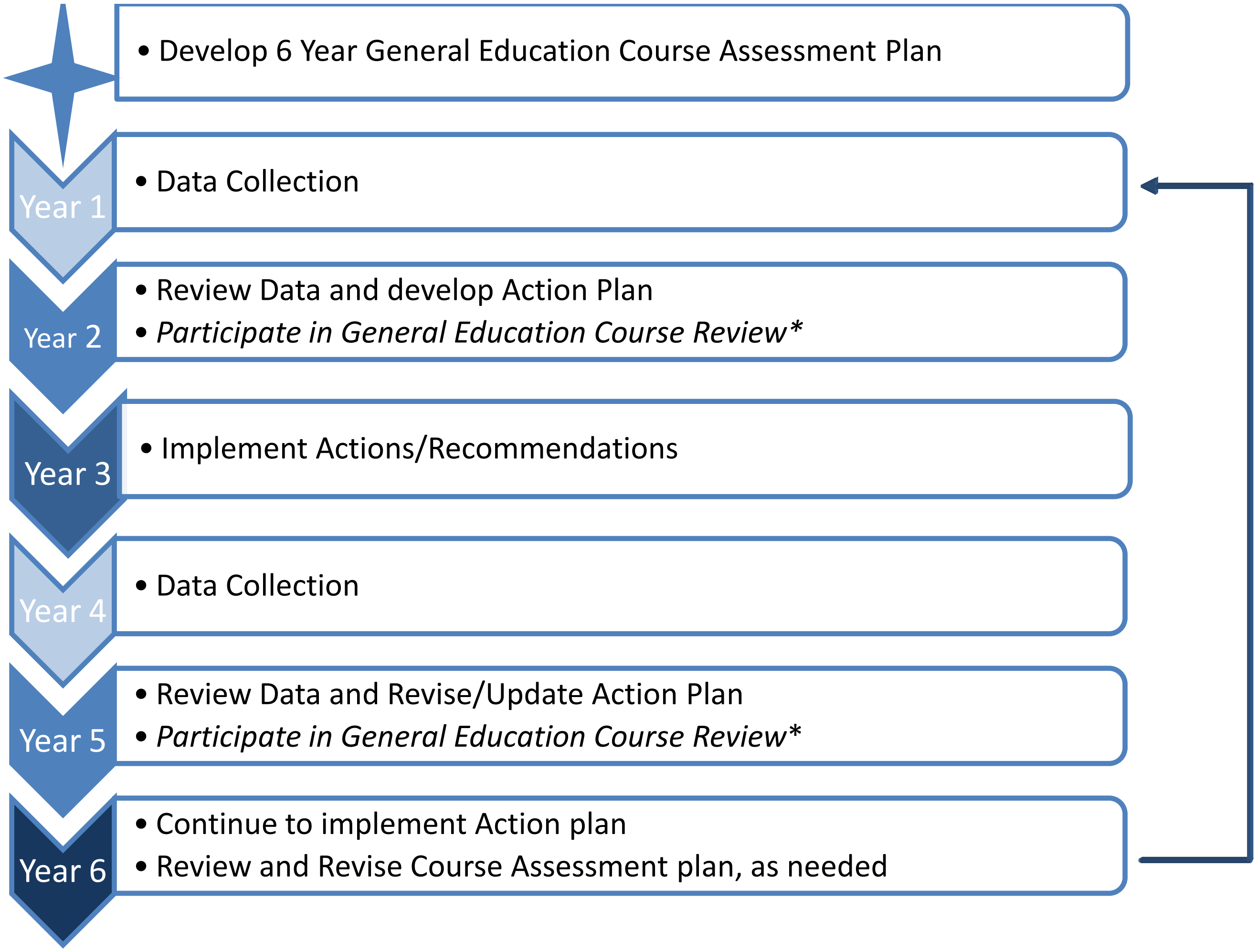
General Education Assessment Cycle- Detailed Chart

Cycle/Year	**Cycle A/ Foundations +ARTS**	**Cycle B/ HUMD**	**Cycle C- BSSD/NSLD/NSND**	**Competency Data Collection By Year**
Spring 2012	*Develop Course Assessment Plan*			
AY 2012-2013 (Year 1)	Data Collection/Reporting *1	*Develop and implement Course Assessment Plan*	*Develop Course Assessment Plan*	ALL
AY 2013-2014 (Year 2)	Review Data and develop action plan*2	Data Collection/Reporting *1	*Develop and Implement Course Assessment Plan*	Critical Analysis, Info Lit, Written and Oral
AY 2014-2015 (Year 3)	Implement action plan	Review data and develop action plan*2	Data Collection/Reporting *1	Critical Analysis, Information Literacy, Scientific and Quant. Reasoning
AY 2015-2016 (Year 4)	Data Collection/Reporting	Implement action plan	Review data and develop action plan*2	ALL
AY 2016-2017 (Year 5)	Review Data, update action plan *2	Data Collection/Reporting	Implement Recommendations	Critical Analysis, Info Lit, Written and Oral
AY 2017-2018 (Year 6)	*Update action plan, review and update course assessment plan*	Review Data, update action plan*2	Data Collection/Reporting	Critical Analysis, Information Literacy, Scientific and Quant. Reasoning
AY 2018-AY 2019	*Data Collection/Reporting*	*Update action plan, review and update course assessment plan*	*Review Data, update action plan*2*	ALL
Ay 2019-2020	*Review Data and develop action plan*	*Data Collection/Reporting*	*Update action plan, review and update course assessment plan*	Critical Analysis, Info Lit, Written and Oral
AY 2020-2021	*Implement action plan*	*Review Data and develop action plan*	*Data Collection/Reporting*	Critical Analysis, Information Literacy, Scientific and Quant. Reasoning
AY 2021-2022	*Data Collection/Reporting*	*Implement action plan*	*Review Data and develop action plan*	ALL
AY 2022-2023	*Review Data, update action plan*	*Data Collection/Reporting*	*Implement action plan*	Critical Analysis, Info Lit, Written and Oral
AY 2023-2024	*Update action plan, review and update course assessment plan*	*Review Data, update action plan*	*Data Collection/Reporting*	Critical Analysis, Information Literacy, Scientific and Quant. Reasoning

*1- Courses with 7 or more sections in at least one semester collect data for 1 semester; courses with fewer than 7 sections in the fall and spring semesters, individually, collect data two semesters. Infrequently offered classes (1 or 2 or fewer sections per year) will collect data more frequently.

*2- General Education Review Portfolios will be developed on a schedule based on data return and recommendations semesters.

Montgomery College General Education Assessment Process Visual
6 Year Cycle



- Develop 6 Year General Education Course Assessment Plan

Year 1
- Data Collection

Year 2
- Review Data and develop Action Plan
- *Participate in General Education Course Review**

Year 3
- Implement Actions/Recommendations

Year 4
- Data Collection

Year 5
- Review Data and Revise/Update Action Plan
- *Participate in General Education Course Review**

Year 6
- Continue to implement Action plan
- Review and Revise Course Assessment plan, as needed

** Tentatively, courses will participate in General Education Course Review Process in one of the semesters when they are reviewing data and developing recommendations.*

Assessment Data Collection Cycle A ENF, MAF, HEF, SPF, ARTS by Discipline

(1st Data Collection AY 2012-2013)

EN Discipline	MA Discipline	HE Discipline
EN 102 SP	MA 115/115A FA	HE 101 FA
EN 109 SP	MA 160 FA	HE 109 FA
EN 218 FA + SP	MA 180 FA	HE 111FA
EN 220 FA + SP	MA 181 FA	HE 100 SP
EN 223 FA + SP	MA 110 SP	HE 107 SP
	MA 116 SP	HE 108 SP
SP Discipline	MA 182 SP	HE 112 FA +SP
SP 108 FA	MA 113 FA + SP	HE 120 FA +SP
SP 112 SP	MA 130 FA +SP	HE 130 FA +SP
	MA 131 FA + SP	HE 150 FA +SP
	MA 132 FA + SP	HE 200 FA +SP
		HE 201 FA + SP
		HE 202 FA + SP
		HE 204 FA +SP
		HE 205 FA +SP
		HE 230 FA +SP

AR	CG	TR
AR 101 FA	CG 120 FA	TR 104 FA +SP
AR 103 FA		
AR 105 FA	**DN**	**TH**
AR 121 FA	DN 100 FA +SP	TH 109 FA
AR 107 SP		TH 108 FA +SP
AR 127 SP	**FL**	
AR 108 SP	FL 110 FA + SP	**PG**
AR 112 FA + SP		PG 161 SP
AR 123 FA + SP	**ID**	PG 150 FA +SP
AR 130 FA + SP	ID 211 FA +SP	
AR 203 FA + SP	ID 212 FA +SP	
AR 208 FA + SP		
AR 209 FA + SP	**IS**	
AR 210 FA + SP	IS 273 FA +SP	
AR 213 FA + SP		
AR219 FA + SP	**MU**	
AR 220 FA + SP	MU 136 SP	
AR 227 FA + SP	MU 110 SP	
AR 231 FA + SP	MU 111 FA +SP	
AR235 FA + SP	MU 133 FA +SP	

Courses Scheduled for Cycle A of General Education Assessment As of June 2012

Assessment Data Collection Cycle B- Humanities Distribution by Discipline

(1st Data Collection AY 2013-2014)

EN Discipline	World Languages Discipline	HS Discipline
EN 201 FA + SP	AB 101 FA	HS 110 FA + SP
EN 202 FA + SP	AB 102 FA + SP	HS 112 FA + SP
EN 204 FA + SP	CN 102 FA + SP	HS 113 FA + SP
EN 208 FA + SP	CN 101 FA + SP	HS 114 SP
EN 209 FA + SP	CN 201 FA + SP	HS 116 FA + SP
EN 210 FA + SP	CN 202 FA + SP	HS 117 FA + SP
EN 211 FA + SP	FR 101 FA	HS 118 FA + SP
En 212 FA + SP	FR 102 FA + SP	HS 120 FA + SP
EN 213 FA + SP	FR 201 FA + SP	HS 129 FA
EN 214 FA + SP	FR 202 FA + SP	HS 130 FA + SP
En 215 FA + SP	FR 207 FA + SP	HS 136 FA + SP
EN 216 FA + SP	FR 208 FA + SP	HS 137 FA + SP
EN 221 FA + SP	GR 101 FA + SP	HS 138 FA + SP
EN 226 FA + SP	GR 102 FA + SP	HS 151 FA + SP
EN 227 FA + SP	GR 201 FA + SP	HS 161 FA + SP
EN 230 FA + SP	KR 101 FA + SP	HS 186 FA + SP
EN 231 FA + SP	KR 102 FA + SP	HS 201 FA
	RU 101 FA + SP	HS 202 SP
	RU 102 FA + SP	HS 203 FA + SP
	RU 201 FA + SP	HS 207 FA + SP
	RU 202 FA + SP	HS 210 FA + SP
	SN 101 SP	HS 214 FA + SP
	SN 102 SP	HS 217 FA + SP
	SN 103 FA + SP	HS 218 FA + SP
	SN 201 FA + SP	HS 219 FA + SP
	SN 202 FA + SP	HS 226 FA + SP
	SN 215 FA + SP	HS 229 FA + SP
	SN 216 FA + SP	HS 230 FA + SP

PL	IT	SL
PL 190 SP	IT 101 FA	SL 100 SP
PL 180 FA + SP	IT 102 FA + SP	SL 110 FA + SP
PL 201 SP	**LG**	
PL 202 FA	LG 200 FA + SP	
PL 203 FA + SP		
PL 205 FA + SP	**LT**	
PL 208 FA + SP	LT 101 FA + SP	**WS**
	LT 102 FA + SP	WS 101 SP

Courses scheduled for Cycle B- Humanities Distribution as of June 2012

2012 Montgomery College Program Assessment Plan

Montgomery College began developing a program assessment process in 2009 with a Collegewide effort to ensure that all programs have created and published program outcomes. All existing programs with degrees, certificates, and letters now have program outcomes and a course map articulation of courses to program outcomes. As part of the initial project to ensure that programs have established program outcomes, the curriculum process for approving new programs or for revising existing programs was adjusted to ensure that program outcomes exist for every program that leads to a degree, letter or certificate. To streamline and integrate the program assessment process, the College Area Review Process was adjusted to initiate the development of program assessment plans. Programs that do not lead to degrees, certificates, or letters will also be asked to develop program assessment plans when they complete the College Area Review process.

The guiding principles behind the Montgomery College Program Assessment plan are accountability, flexibility, and sustainability. Programs are asked to critically assess each program outcome and to respond to results,both positive andnegative. We will use assessment to celebrate our successes, correct our shortcomings, and build for the future. Flexible program assessment means allowing the faculty involved with the program to determine the assessment tools and the appropriate means in which to utilize them. Program assessment at Montgomery College is built on a foundation of direct and authentic assessment of student learning. Although useful in some instances, program assessment should never rely entirely on indirect measures of student achievement such as graduation rates and satisfaction surveys.

The Program Assessment process is as follows:

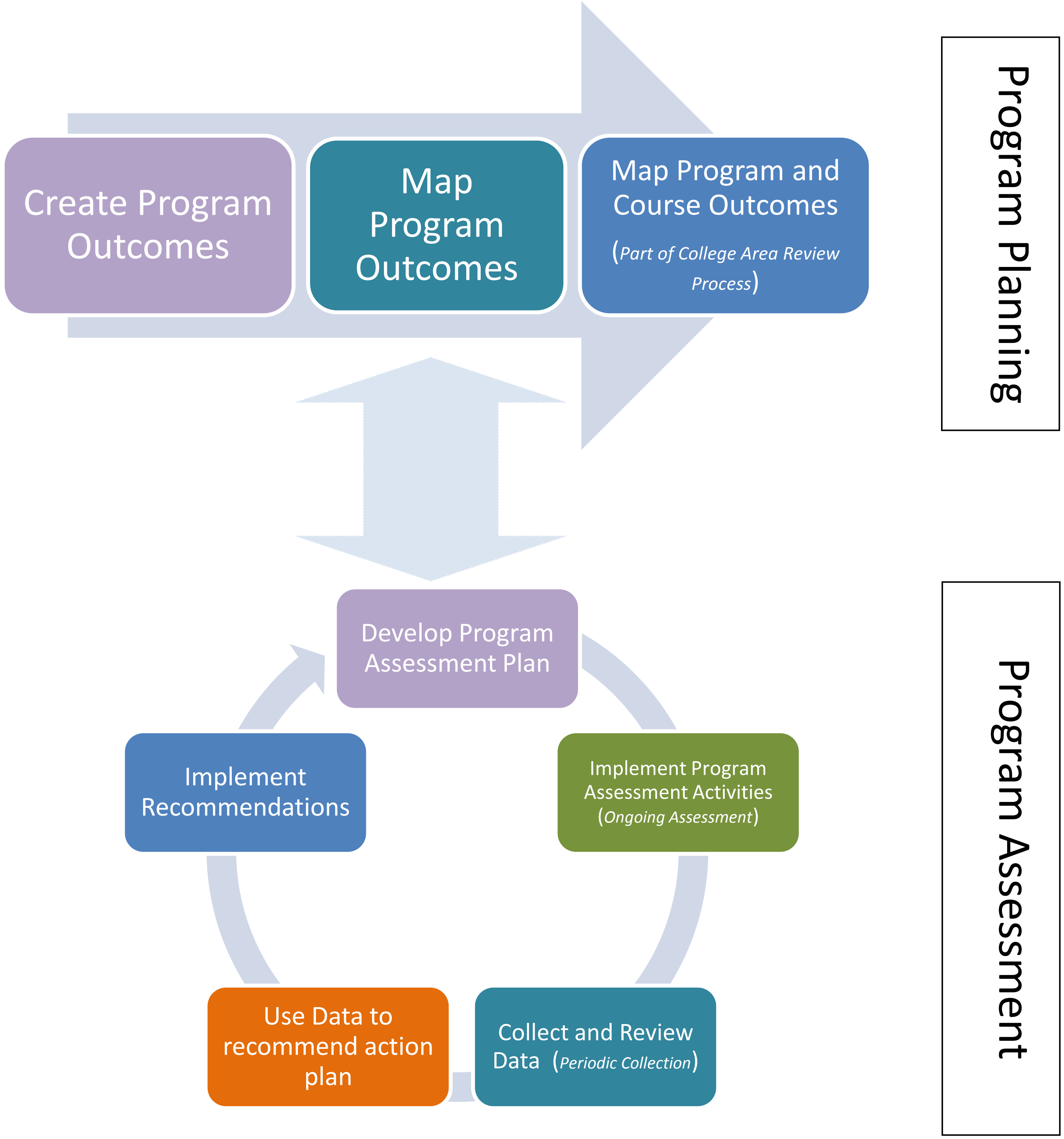
1. As part of the College Area Review (CAR) cycle, program representatives (workgroups) will complete a mapping of program outcomes to the course outcomes for courses required in the program.
2. At the conclusion the CAR process, a faculty workgroup will create an assessment plan for the assessment of all program outcomes.
3. Assessment Plans will be submitted to the Collegewide Outcomes Assessment Team (COAT) for review and feedback.
4. Each degree, certificate and letter in a program must have an assessment plan although there may be some overlap among the plans.
5. Assessment plans will reflect discipline agreement on how the program outcomes are incorporated and assessed in identified courses, every semester. (*On-going assessment*)
6. Assessment plans will indicate a schedule for collecting data periodically in the 5 year CAR cycle. Data will be collected for each program outcome at least once in the 5 year cycle although data can be collected more frequently if chosen. (*periodic data collection*)
7. The Collegewide Outcomes Assessment Team (COAT) will facilitate the data collection and return of data reports.
8. Programs will be expected to use assessment data to create recommendation/action plans. Action plans will be updated annually.
9. Assessment Plans will be reviewed and revised, as necessary, after the program completes the 5 year review cycle.

The COAT will provide leadership and support for Program Assessment process by:

10. Facilitating review and feedback sessions for Program Assessment plans, data reports, and recommendation/action plans.
11. Providing general support for the Program Assessment Process.
12. Providing professional development opportunities for faculty and staff relating to Program Assessment in coordination with the Center For Teaching and Learning (CTL) including topics like:
    a. Portfolio creation
    b. Direct and indirect assessment
    c. Closing the Loop

13. Providing Data Reports for programs and guidance, as needed, for interpreting and using data reports.

Program Assessment at Montgomery College



Program Assessment Plan Schedule- 2011-2016

2011-2012 Planning	2012-2013 Planning	2013-2014 Planning	2014-2015 Planning	2015-2016 Planning
Building Trades Tech	Art	Dance	Accounting	Biology
Architectural/Construction Tech	Business Administration	*Student Development*	Anthropology	Biotechnology
Food and Hospitality Management	Computer Applications	*English Language*	Astronomy	Chemistry
Liberal Arts & Sciences (HS)	Computer Graphics	*English*	Automotive	Education
Interior Design	Computer Science	Film	Criminal Justice	Fire Science
Landscape Tech	Engineering Science	Health	Economics	World Languages
Physical Education	Graphic Design	Mathematics	Geography	Health Inform.
Photography	Management	*Reading*	Geology	Medical Sonog.
Physics	Networking	*AELP*	Legal Studies	Nursing
American Sign Language	Political Science	*Developmental Education*	Meteorology	Phys.Therapy Asst.
Communication & Broadcasting Tech			Mental Health	Rad. Tech
Women's Studies			Music	Surg. Tech
			Philosophy	Psychology
			Printing Trades	Speech
			General Studies	Sociology
			General Education	

MONTGOMERY COLLEGE

College Area Review Newsletter

Spring 2012

Volume 3, Issue 2

College Area Review

Inside this Issue

Assessment Activities at Montgomery College

College Area Review of Academic Areas

Program review is a comprehensive evaluation of academic activities (Banta & Associates, 2002). Program review is used to enhance the quality of an academic program and administrative unit by pointing out strengths and weaknesses and by providing recommendations for targeted allocation of resources. MC CAR process is systematic, inclusive, and ongoing. For the academic areas, benchmark data regarding faculty/student ratios, ft/pt faculty ratios, release time, student enrollments, program awards, and transfer summaries are provided to each discipline as they review the curriculum, assessment activities, licensure, articulation agreements, advisory committee, enrollment, discipline needs and the strengths and opportunities of each discipline. As the budget will allow, external peer reviewers are invited to participate in the process.

College Area Review for Administrative Units

College Area Review for administrative units is a comprehensive self-evaluative process that all administrative units engage in to assess the alignment of their unit's goals, mission, and functions with the College's mission and goals. Administrative units also examine the strengths, challenges, and opportunities, the resources needed to function as a unit, and provide benchmarks for unit effectiveness. At the conclusion of the review, recommendations for unit improvements are approved and implemented within a five year review cycle. The administrative unit review provides information essential for Collegewide planning, establishing priorities for resource allocation and budgeting as well as for assessing the effectiveness of the unit. The periodic and systematic review is the attempt to determine that administrative units are effective, contribute to student learning, and serve the overall mission of the College. As the budget will allow, external peer reviewers also are invited to participate in the process.

www.montgomerycollege.edu/car

Assessment Activities at Montgomery College (con't)

Outcomes Assessment

Outcomes assessment focuses on student learning outcomes. Do our students acquire the knowledge, proficiencies, and skills we intend them to have? What are we doing well and why? What can we do better and how? Student learning outcome processes at Montgomery College are designed to ascertain the answers to these questions. There are two major categories of assessment:

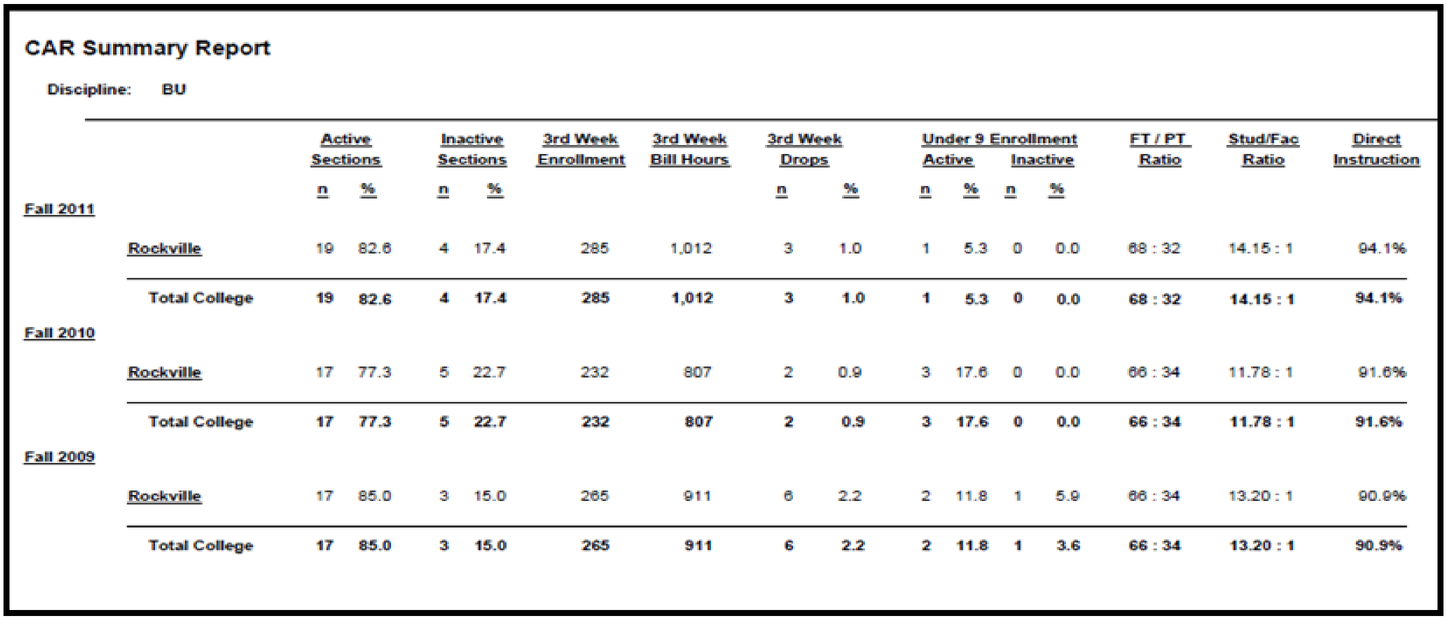
Formative Assessment-the assessment of student learning and progress while the student is engages in the learning activity be it in the course, certificate or degree program *(Maki, 2010).*

Summative Assessment-the knowledge, skills, habits that students take with them as a result of successfully completing a course, certificate, or program *(Suskie, 2004).*

Program Assessment

Program assessment is assessment of student learning outcomes for a given program which includes all certificates and degrees. Program assessment is extremely important because of the current focus on college completion and student success. In order for America to maintain its global competiveness, national benchmarks are in place at the state level to increase the number of college completers by 2025. The goal in the state of Maryland is 55% residents, ages 25 to 64 will hold an associate's or bachelor's degree by 2025. In 2012, MC shifted its primary focus to program assessment and began to collect assessment matrices that aligned course outcomes with program outcomes. Disciplines are developing program assessment plans and identifying courses to assess these program outcomes. At the same time, our general education program is involved in the assessment of our five competencies and two proficiencies. Refer to www.montgomerycollege.edu/outcomes for details.

CAR **News Updates**



CAR Summary Report

Discipline: BU

		Active Sections		Inactive Sections		3rd Week Enrollment	3rd Week Bill Hours	3rd Week Drops		Under 9 Enrollment Active		Under 9 Enrollment Inactive		FT / PT Ratio	Stud/Fac Ratio	Direct Instruction
		n	%	n	%			n	%	n	%	n	%			
Fall 2011																
	Rockville	19	82.6	4	17.4	285	1,012	3	1.0	1	5.3	0	0.0	68 : 32	14.15 : 1	94.1%
	Total College	**19**	**82.6**	**4**	**17.4**	**285**	**1,012**	**3**	**1.0**	**1**	**5.3**	**0**	**0.0**	**68 : 32**	**14.15 : 1**	**94.1%**
Fall 2010																
	Rockville	17	77.3	5	22.7	232	807	2	0.9	3	17.6	0	0.0	66 : 34	11.78 : 1	91.6%
	Total College	**17**	**77.3**	**5**	**22.7**	**232**	**807**	**2**	**0.9**	**3**	**17.6**	**0**	**0.0**	**66 : 34**	**11.78 : 1**	**91.6%**
Fall 2009																
	Rockville	17	85.0	3	15.0	265	911	6	2.2	2	11.8	1	5.9	66 : 34	13.20 : 1	90.9%
	Total College	**17**	**85.0**	**3**	**15.0**	**265**	**911**	**6**	**2.2**	**2**	**11.8**	**1**	**3.6**	**66 : 34**	**13.20 : 1**	**90.9%**

CAR Happenings!!!

CAR and the Middle States Periodic Review Report

Submitted report and working with PRR team on Chapter 5

CAR and Outcomes Assessment

Working together on program assessment and more integrated processes

New Data for CAR

OIRA provided grade distributions for fall semesters 2011 and 2012

New and improved CAR Data Summary Sheets (see above)

CAR Summary Form has been revised and new categories added.

CAR provided orientation session for two administrative units in early spring.

Fall 2012...

College Area Review Committee will review two administrative units: the Office of Planning and Institutional Effectiveness and the Office of Institutional Advancement.

Welcome New College Area Review Committee Member!!!

Cinder Cooper

TK/SS Faculty Council Representative

Mark Your Calendar!!!

The Executive Team meets with the Vice Presidents and Provosts

May 7, 2012

10:00 am to 12:00 pm

MKE/Room 335

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MAY 2012

End of the Spring Semester

The lead Vice President and Provost shares with the lead dean and/or faculty discipline, the approved CAR recommendations in May 2012 before the end of the semester. This communication usually happens at the closing spring discipline meetings or via email.

College Area Review Roster for 2011-2012

Area	Discipline Title	Lead VP	Lead Dean	Workgroup Leader	Faculty Workgroup Members
BU	Building Trades	Payne	Roberts	John Phillips	John Phillips, Peter McNally, Gerald Williamson
CT	Architectural & Construction Technology	Payne	Roberts	Mario Parcan Randy Steiner	Randy Steiner, Mario Parcan, Lewis Corfman, Joseph Smith, Shorieh Talaat
FM/HM	Food Management/ Hospitality Management	Ackerman	Bartlett	Alyson Escobar	Alyson Escobar, Janet Saros, Peter Stein, Sara Ducey
HS	History	Stewart	Campen	Shuping Wan	Joe Thompson
ID	Interior Design	Payne	Roberts	Chantal Sheppard	Chantal Sheppard, Pamela Gragg
LN	Landscape Technology	Rai	Michaelian	Steve Dubik	Steve Dubik
PC	Physical Science	Stewart	Sniezek	Diane McDaniel	Max Nam, Carrie Fitzgerald, Diane McDaniel
PE	Physical Education	Stewart	Pickwick	Karen Thomas	Maureen Edwards, Jon Kreissig, Tonya Seed
PG	Photography	Rai	Preston	Brian Jones	Jon Goell
PH	Physics	Rai	Chang	Nawal Benmouna	Kristine Lui, Nawal Benmouna, Max Nam
SL	Sign Language	Ackerman	Terry Redmond	Pauline Laster	Sharon Fechter, Pauline Laster
TR	Television/Radio	Ackerman	Preston	Joanne Carl	Joanne Carl, Leroy Froom, Chris Koch
DE	Distance Education	Rai	Mills	Charlotte Twombly	Jack Sallie, Charlotte Twombly, Mary Staley
	MC Arts Institute	Ackerman	Preston	David Phillips	Lincoln Mudd, Dawn Avery, David Carter
	MC/MCPS Partnership (College Institute)	Somersall	Saenz	Akima Rogers	Akima Rogers, Jean Cox, Janet Johnson
	MC/MCPS Partnership (Gateway Program)	Somersall	Saenz	Amy Crowley	William Coe, David Lemmond, Yvonne Hu-Cotto
WS	Women's Studies	Rai	Terry	Genevieve Carminati	Genevieve Carminati, Melissa McCeney, Heather Satrom

CAR **Data Guidelines**

Full-time to part-time faculty ratio	**55FT:45PT**
Student/Faculty Ratio	**20:1**
Proportion of annual ESH spent on direct instruction for full time faculty	**80%**
Program enrollment over the last three years has not decreased by more than….	**20%**
Number of class sections cancelled (by course)	**9%**
Number of low enrollment sections in course per semester	**11%**
Percentage of students who dropped or withdrew from course	**10%**
Percentage of program award in the last three years	**At least 5 students per yr**

Montgomery College's New "Cost to Educate Model"

Montgomery College is adopting and implementing a budget "Cost to Educate" model , effective July 1, 2012 for fiscal year 2013. Using our existing Banner system, this model links planning, budgeting, and outcomes. The model determines cost and generates reports about each academic program, including special programs, based on enrollment levels, revenues generated by enrollment levels, and direct delivery costs of these programs. This additional data will be extraordinarily useful to the College Area Review process.

Dr. Janet Wormack, *Interim Associate Senior Vice President for Administrative and Fiscal Services*

Closing the Loop....

Below are a few examples of approved College Area Review recommendations that are a part of college initiatives that have been implemented.

1. Pay for Print *(Collegewide Learning Centers and Labs, 2008)*
2. The developmental math re-design project *(MA, 2009)*
3. The new Science Center *(EE, 2003)*
4. Employee Satisfaction Survey *(Administrative Unit Reviews, 2007-2010)*
5. Collegewide Coordinator for Engineering, World Language, Honors, and Information Technology *(03-09)*

Planning and Institutional Effectiveness

The mission of the College drives an integrated system of assessment!!!

CAR Status Updates

Due May 4, 2012

Each year approved CAR recommendations are monitored for updates and progress on recommendations until completion. Request for status updates were sent out in March, 2012. These status updates are due May 4th. Yearly status updates are reviewed by the lead dean, lead vice president and provosts, and the executive team. This year disciplines are asked to submit status information in the TracDat assessment database. Should you have any questions, please email collegeareareview@montgomerycollege.edu or call 240-567-5343.

Coming in June 2012

There are over 125 CAR recommendations. Many of the recommendations have implications for other departments and units at the College. Look for a CAR category listings of these recommendations that may involve your unit. Information will be posted to the CAR Website and forward to the unit administrator for informational purposes and to collaborate with academic disciplines and other departments where needed and appropriate.

Common Themes of 2011-2012 Proposed Recommendations

- Outcomes Assessment related recommendations
- Review program degrees and certificates for completers and numbers of awards.
- Revise, review, investigate, and implement articulation agreements
- Explore, offer, or increase distance education offerings

College Area Review

Phone: 240-567-5343
email: collegeareareview@montgomerycollege.edu
adminstrativeareareview@montgomerycollege.edu

Contact Us

Ms. Kathleen Wessman

Vice President for Planning and Institutional Effectiveness

(240) 567-7971

Kathleen.Wessman@montgomerycollege.edu

Ms. Clevette Ridguard

CAR Coordinator

Office of the Vice President for Planning and Institutional Effectiveness

(240) 567-5343

Clevette.Ridguard@montgomerycollege.edu

Ms. Debbie Morris

Office of Institutional Research and Analysis

Senior Research Analyst

(240) 567-7312

Deborah.Morris@montgomerycollege.edu

Current Books on Assessment

Banta, T. W. & Associates. (2002). *Building a Scholarship of Assessment.* San Francisco, CA: Jossey-Bass.

Bresciani, M. J. (2006). *Outcomes-Based Academic and Co-Curricular Program Review.* Sterling, VA: Stylus Publishing.

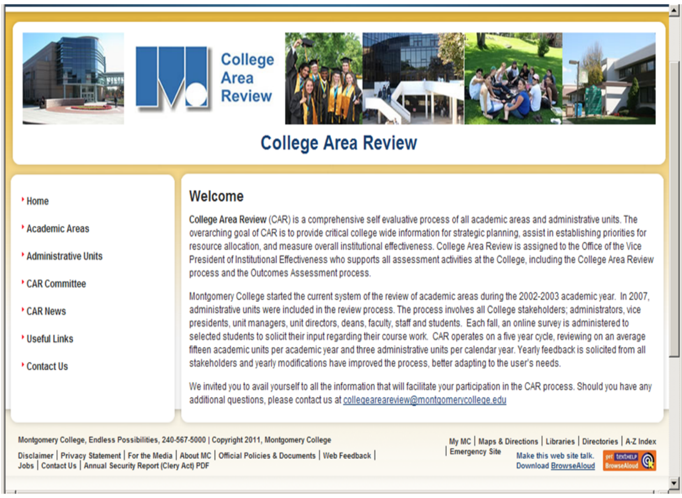
Kramer, G.L. & Swing, R. L. (2010) *Higher Education Assessments.* New York, NY: Rowman & Littlefield Publishers, Inc.

Maki, P.L. (2004). *Assessing for Learning: Building a sustainable commitment across the institution.* Sterling, VA: Stylus.

Seybert, J. A. (2006). *Benchmarking: An Essential Tools for Assessment, Improvement, and Accountability.* New Directions for Community Colleges.

Suskie, L. (2004) *Assessing Student learning: A common sense guide.* Boston, MA: Anker Publishing.

FIND US ONLINE: CAR Website: www.montgomerycollege.edu/car



Welcome

College Area Review (CAR) is a comprehensive self evaluative process of all academic areas and administrative units. The overarching goal of CAR is to provide critical college wide information for strategic planning, assist in establishing priorities for resource allocation, and measure overall institutional effectiveness. College Area Review is assigned to the Office of the Vice President of Institutional Effectiveness who supports all assessment activities at the College, including the College Area Review process and the Outcomes Assessment process.

Montgomery College started the current system of the review of academic areas during the 2002-2003 academic year. In 2007, administrative units were included in the review process. The process involves all College stakeholders; administrators, vice presidents, unit managers, unit directors, deans, faculty, staff and students. Each fall, an online survey is administered to selected students to solicit their input regarding their course work. CAR operates on a five year cycle, reviewing on an average fifteen academic units per academic year and three administrative units per calendar year. Yearly feedback is solicited from all stakeholders and yearly modifications have improved the process, better adapting to the user's needs.

We invited you to avail yourself to all the information that will facilitate your participation in the CAR process. Should you have any additional questions, please contact us at collegeareareview@montgomerycollege.edu

Bo Chan, CAR Webmaster (bo.chan@montgomerycollege.edu)

Academic Areas

Click on 'Academic Areas' Link on the left.

Scroll down to the bottom of the page and login to the MyMC secure site.

Look under Current Year 2011-2012 and click on Detailed Reports 2011-2012.

Administrative Units

Click on 'Administrative Units' Link on the left.

Scroll down to the bottom of the page and login to the MyMC secure site.

View all the historical recommendations and reports.

CAR News

Current CAR Summary Reports

Useful Links

OPIE, Outcomes Assessment, Planning, OIRA, Middle States

3.9.2012

Montgomery College

Spring 2012

Outcomes Assessment Update

INSIDE THIS ISSUE:

General Education Course Assessment

The College's accreditation agency, the Middle States Commission on Higher Education, noted last year that it has been possible for a Montgomery College student to fulfill all general education requirements and graduate without having achieved all general education competencies. In order to bring the College into full compliance with Standard 12 of the Middle States Commission on Higher Education, the College's General Education Committee and Collegewide Outcomes Assessment Team have reviewed the general education program and have instituted changes to address the issue and to ensure that our general education program is designed so that every student, regardless of whatever general education courses are selected, will achieve general education competency by the time of graduation. Thus, in fall 2012, Montgomery College will implement a revised general education course assessment process. The revised process will ensure that general education competencies are integrated in all general education courses and will provide a systematic structure to demonstrate that the College is assessing and improving student performance in all the competencies.

Beginning in fall 2012, all Foundation and Arts Distribution courses will collect data based on course assessment plans being developed this spring. The other distribution areas will begin developing course assessment plans with data collection coming up over the next three years.

For more information about the revised General Education Assessment plan, including competency coverage, rubrics and data collection schedule, please visit: http://cms.montgomerycollege.edu/outcomes/gened. Contact Samantha Veneruso, Nawal Benmouna, or email outcomes@montgomerycollege.edu for any discipline specific questions.

Spring 2012 OA Courses

I.	**Planning phase**	69 General education courses - Foundation and Arts distribution courses Programs and their core courses (more on pg. 4)
II.	**Assessment phase**	11 courses - AC 202, BA 101, EC 201, EC 202, EL 102, EL 110, SP 108, FR 101, GR 101, IT 101, SN 101
III.	**Analysis and Recommendation phase**	12 courses - AC 201, MA116, RD 095, RD 099, AR 101, AN 101, CH100A, EL 101, EL102, HE101, HE 107, MA101
IV.	**Recommendation Implementation**	18 courses - AR 103, BA 101, BI 107, BI 204, EC 201, EL 103, EL 104, FM 103, MA 110, MA 160, MA 182, MU 110, PS 101, PY 102, PY 203, RD 099, RD 103, SO 101

Questions? E-mail: Outcomes@ montgomerycollege.edu

OA Made Simple

1. *Determine learning outcomes*
2. *Align instruction*
3. *Assess outcomes*
4. *Review data*
5. *Recommend changes based on assessment*

More OA information on: www.montgomerycollege.edu/ Outcomes

Update on General Studies AA

Currently, the general studies A.A. consists of the College's general education requirements plus free electives, which students could choose without an articulated academic plan. Middle States Commission on Higher Education stated that such a program fails to comply with Standard 11 in two ways.

First, it is entirely possible for a student to complete the program without taking any 200-level courses—a level of rigor inappropriate for an associate's degree. Second, the program lacks the coherence, integration, and synthesis that the commission expects. Middle States was also concerned that it appeared that there was no process to assess the general studies A.A. learning goal that students make connections between what they have learned in the program and their academic plans.

Thus, in fall 2011, the general studies A.A. task force represented by faculty from various disciplines and convened by Dean Carolyn Terry has been designated to lead the review of the program and recommend curriculum changes in order to meet Standard 11 requirements. There is still ongoing discussion regarding the curriculum design, assessment details and the implementation of the revised program. Stay tuned!

Outcomes Assessment…A Blessing or a Curse?

What's your story?

"I hate outcomes assessment!", "Outcomes is a pain in my %*#!", "Why the hell do I have to do this?", "All I want to do is teach and now I *have* to put *these* questions in my exam? Ugh!", "Are they going to fire me because my students did poorly?" These are things that some faculty have thought, heard someone say, or even said themselves. Well, outcomes assessment is here to stay and you *are* required or will be required to do it!

Whether you are teaching a general education class or a class required in a degree program, you care about how your students are performing, but more importantly you care about your effectiveness in the classroom.

Outcomes assessment provides a wonderful platform to enhance our instructive abilities by forcing us to recognize our shortcomings and also celebrate our accomplishments. It provides the opportunity to see how effective we are at doing what we do. It facilitates discussion amongst colleagues in hopes of making us as individuals better but, more importantly, our institution as a whole.

I write this in effort to solicit comments, suggestions, concerns, whatever you want to throw at us. Send your letters to myself cory.newman@montgomerycollege.edu or to the outcomes assessment mailbox outcomes@montgomerycollege.edu.

Outcomes assessment is here to stay and will become more integral in the future. Let's take advantage of any and all opportunities to become better in our professions. Much more importantly, be the best instructor that you can be for both your students and yourself!

- Cory Newman, OA Cadre,
November 2011

Your OA Recommendations: From Words to Actions

Over the past several years since OA started at MC, the OA process has involved (a) developing an assessment plan, (b) implementing that plan to collect data, (c) analyzing that data, and (d) generating recommendations to update aspects of courses and maximize instructional effectiveness. Course groups consider such issues as instructional methods, teaching materials, final exams, and other instructional issues based on OA data and discussion by instructors in participating course groups. However, the next crucial step - acting on recommendations - has been the weakest part of the process. Previously, there was little or no documented evidence of actions taken based on recommendations, or at least, no actions that programs took were shared publicly. In the past few years, however, documented progress reports became part of the process. TracDat became this part of the OA process last year, and now, many reports are accessible online.

Unfortunately, the perceived lack of documented follow-through is still a potentially serious problem for our college. Middle States' evaluation of our assessment process has been less than generous. Lack of demonstrated actions based on recommendations is a critical issue that threatens our college's accreditation.

We need to change Middle States' perception. At this point in OA history at MC, we are expected to document what progress we have made concerning the recommendations, to show our college is in the process of improving teaching and learning. These reports need not be lengthy descriptions, but they must show some attempt at improving our instructional programs. Acting on recommendations and documenting that activity naturally require time beyond teaching and departmental duties. Yet it does not have to—and should not—take too much time. Below are some approaches taken by programs acting on their recommendations.

1. GENERAL INFORMATION SHARING: All faculty in departments must know up front what the OA recommendations are and what impact they could or should have on their classrooms. Information sharing can happen briefly at departmental and course group meetings, through individual discussions, and through short emails. CC'ing colleagues at other campuses is also necessary.
2. COURSE GROUP DISCUSSION: Course group meetings with both full-time and part-time instructors are times for all to contribute ideas as to how to act on the recommendations.
3. SURVEYS: It can be helpful to utilize anonymous surveys, such as the free online Survey Monkey, to ask faculty how faculty are or are not acting on recommendations. Surveys collect information from faculty, but they also share information with respondents. Resulting statistics and comments from faculty can be easily added to OA progress report documentation.
4. NOTES AND JOURNALS: Notes can be gradually collected. This information can be touched up, used as the core of OA documentation, and shared with departments.
5. UPDATES: At departmental meetings, faculty can discuss recommendations and provide updates on actions taken. Again, this should involve faculty at all campuses.

Separately, each method takes little time, but cumulatively, they can help programs accomplish their goals and satisfy their responsibilities to the college. Some faculty must take initiative to do this, but considering how important this is to our college's accreditation, hopefully, those who do so will receive support from colleagues.

As educators, we are doing what we should: check on student progress, advance student learning, and contribute to higher education and the mission of our college. We are in a position to help our college maintain professional accreditation, with obvious implications for our jobs. It is clearly beneficial to act on our recommendations and document that professional progress.

- Mark J. Alves, OA cadre, Feb 2012

2011-12 Status update for OA recommendation is due on May 4, 2012.

Faculty Coordinator for Outcomes Assessment

Ben Nicholson –
MA, RV (x75222)

OA Cadre

Mark Alves –
AELP, RV (x77442)

Nawal Benmouna –
PH, RV (x75240)

Cory Newman –
CH, TP/SS (x71413)

Greg Ryan –
PY, GT (x77759)

Samantha Veneruso –
EN, RV (x77940)

Administrator

Kathleen Wessman -
VP for Planning and
Institutional Effectiveness
(OPIE) (x77971)

Resource Members

Raquel Bunai -
Sr. Administrative Aide
(x75349)

Bo Chan (editor) –
Sr. Policy and Planning
Analyst (x74067)

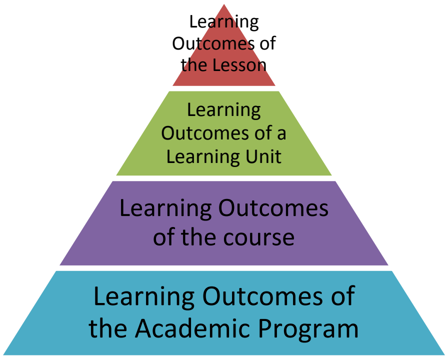
Shannon Kahle –
Sr. Research Analyst
(x77313)

Deborah Morris –
Sr. Research Analyst
(x77312)

Clevette Ridguard -
CAR Coordinator (x75343)

Questions? E-mail:
Outcomes@
montgomerycollege.edu

Program Outcomes Assessment



In fall 2011, 42 degrees and certificates programs completed a Program-Course Outcomes Alignment Form as required by the College Area Review (CAR) process. This form contains all the program outcomes, program courses, course outcomes, and the general education competencies for each program. Three steps were required to complete the form:

1. Review course outcomes and program outcomes and take any needed curriculum actions
2. Align course outcomes to program outcomes.
3. Identify 1 to 2 core courses that support the program outcomes.

In Spring 2012, the lead deans will appoint faculty workgroups responsible for the courses' assessment identified by on the Outcomes Alignment Form. The faculty workgroup will then conduct OA assessment process for the program outcomes in the following year.

2011-12 disciplines and their lead deans are:

1. Building Trades: Dean Roberts
2. Construction: Dean Roberts
3. Food and Hospitality Management: Dean Bartlett
4. History: Dean Campen
5. Interior Design: Dean Roberts
6. Landscape Technology: Dean Michaelian
7. Physical Education: Dean Pickwick
8. Photography: Dean Preston
9. Physics: Dean Chang
10. American Sign Language: Dean Terry
11. TV-Radio: Dean Preston
12. Women's Studies: Dean Terry

Be proactive in the program outcomes assessment process. Contact the lead deans to join a faculty workgroup.

Professional Development Opportunities

Assessment Expo at Stevenson University, Owing Mills on Friday, March 23. Ms. Linda Suskie is the keynote speaker.

Also, the following professional development opportunities are available via CTL:

- Arts and Aesthetic Awareness Forums
- Personal, Civic, and Social Responsibility Forums
- Developing a General Education Course Assessment Plan
- Using the Montgomery College General Education Rubrics for Learning

Go to CTL webpage at http://cms.montgomerycollege.edu/ctl/gened/ to learn more about these opportunities and sign up this spring!

Appendix 6.1 - Collegewide Goal and Objective Selection FY07, FY08, and FY09 Planning

Collegewide Goal and Objective Selection FY07, FY08, and FY09 Planning

College Wide Goal and Objective	Number of Times Selected in FY07	Number of Times Selected in FY08	Number of Times Selected in FY09
Goal I: Maximize access, retention, and student success in a learning-centered culture.	**70**	**57**	**22**
A. Offer academic and support programs that empower students to successfully attain their educational goals.	53	32	17
B. Identify and maintain multiple pathways of access to higher education and to alternate instructional delivery.	6	7	2
C. Increase outreach and on-site support to Montgomery County Public Schools.	3	6	2
D. Provide a comprehensive collegewide student orientation experience to prepare all first-time students to successfully navigate in a postsecondary environment.	2	5	1
E. Develop and market specific programs for adults to gain new competencies, additional credentials, or engage in intellectual and creative experiences.	3	3	0
F. Deliver services and training for local employers to upgrade the competencies of the workforce through professional development and training.	3	4	0

Goal II: Refine an outcomes-based educational environment that fosters intentional learning in attaining goals.	**8**	**21**	**6**
A. Articulate a General Education program that advances critical thinking (1), effective communication (2), problem solving (3), ethical decision making (4), cross-cultural understanding (5) and fundamental technological expertise (6).	0	1	5
B. Further develop and integrate interrelated content, concepts, and competencies as articulated in the General Education program into courses, disciplines, and programs that prepare students for further education or career entry.	0	1	0
C. Review, revise, create, and apply assessment measures that evaluate the contributions of courses, programs, and units in fulfilling learning objectives.	1	2	1
D. Identify and initiate actions to improve course and program articulation and ease student transition to four-year institutions.	2	3	0
E. Use Academic Area Review results and related data to guide decision making, strengthen curriculum, and make changes in courses, programs and services, including expansion, relocation, and elimination.	4	6	0
F. Expand the engagement of College and community representatives in addressing issues of public policy and economic/social justice and in promoting scientific, artistic and cultural initiatives.	1	8	0

Goal III: Develop and replicate models that promote achievement for all students and professional growth for faculty and staff.	**23**	**27**	**9**
A. Identify, share, and replicate effective faculty and instructional staff practices.	5	5	8
B. Apply identified "best practices" to foster the high achievement of students of diverse ethnicities, learning styles, and educational backgrounds.	4	2	0
C. Analyze elements of successful academic and student development programs and adapt them for wider use.	1	1	0
D. Support and enhance the development of learning communities and service learning programs.	3	5	1
E. Provide a comprehensive approach in implementing faculty and staff professional development and succession (workforce) planning.	10	14	0

Goal IV: Create physical, social, and working environments that facilitate learning.	**54**	**51**	**39**
A. Plan, build, and maintain facilities to accommodate student, faculty, staff, instructional, laboratory, and special event needs.	9	11	3
B. Develop campus environments that promote intellectual, cultural, and social interaction among students, faculty, staff, and community members.	2	4	6
C. Provide state-of-the-market information technology resources that facilitate communication and support our learning organization.	16	20	10
D. Engage all administrative and support service units in fostering continuous improvement, adaptive, and flexible work environments, creative and entrepreneurial approaches to problem solving, and outcomes assessment.	27	16	20

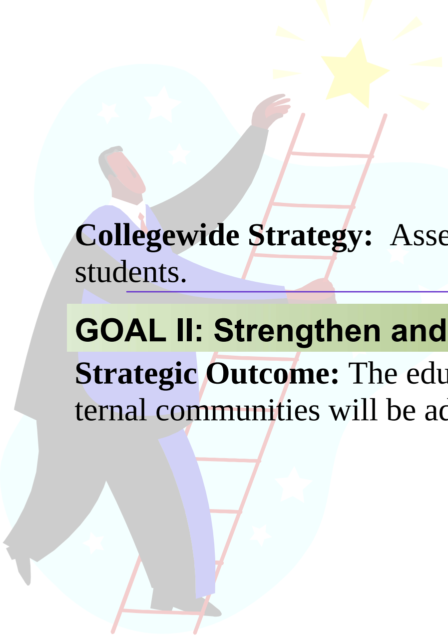
Goal V: Increase capacity to support the growing student enrollment.	**21**	**21**	**12**
A. Enlarge instructional delivery through alternate time and methods to ensure use of all available space and time schedules, especially Fridays and weekends.	3	1	1
B. Explore the feasibility of a three-semester system, expanded distance learning and other options to accommodate student needs.	0	1	1
C. Expand recruitment and retention of high-quality, diverse faculty and staff.	7	7	2
D. Investigate options for additional off-campus sites, acquisition of contiguous property, or development of a fourth campus.	1	0	0
E. Increase partnerships with the business, educational, civic, and governmental sectors to support education in Montgomery County.	10	12	8

Goal VI: Increase financial efficiencies, reallocate resources, and seek additional funding sources to support the learning college.	**13**	**7**	**10**
A. Use planning and budgeting processes to guide decisions that promote student learning and opportunity within a fiscally responsible context.	5	2	7
B. Ensure that the College’s public relations, fund raising, and advocacy efforts reflect a consistent theme and message about our goals and objectives to a broad range of decision makers.	2	2	1
C. Maximize public funding by aggressively pursuing federal appropriations that match College priorities.	3	2	1
D. Plan and implement a unified, multi-year, one-College private fundraising campaign.	3	1	1
E. Redirect savings from existing operations toward developing the learning college.	0	0	0

Montgomery College: 2010 and Beyond

FY 2010-12 Strategic Goals, Outcomes & Strategies

GOAL I: Maximize access, retention, and student success



Strategic Outcome: The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

Maximize Access
Student Success and Retention
General Education
Resources and Capacity

Collegewide Strategy: Assess and adapt programs, processes, and services to respond to the needs of all students.

GOAL II: Strengthen and enhance internal and external collaboration and partnerships

Strategic Outcome: The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.

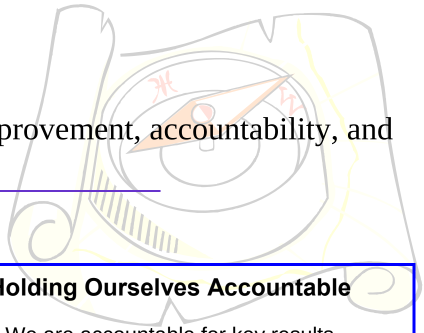
Social Responsibility
Workforce Development
Enhance Internal & External Communication
Internal & External Partnerships

Collegewide Strategy: Collaborate internally and externally to implement and support College priorities and initiatives, especially those related to communication, social responsibility, and workforce development.

GOAL III: Promote excellence, accountability, and continuous learning

Strategic Outcome: All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

Institutional Assessment & Effectiveness
Institutional Accountability
Excellence and Continuous Learning



Collegewide Strategy: Advance and support a consistent atmosphere of improvement, accountability, and recognition.

Our Mission

Changing Lives	Enriching Our Community	Holding Ourselves Accountable
We are in the business of changing lives. Students are the center of our universe. We encourage continuous learning for our students, our faculty, our staff, and our community.	We are the community's college. We are the place for intellectual, cultural, social, and political dialogue. We serve a global community.	We are accountable for key results centered around learning. We will be known for academic excellence by every high school student and community member. We inspire intellectual development through a commitment to the arts and sciences. We lead in meeting economic and Work Force development needs.

STRATEGIC GOALS 2010—2012 …. THE ROADMAP TO EXCELLENCE

Montgomery College:
2010 and Beyond

Three Year Strategic Plan for Fiscal Years 2010—2012

Pre-reading material

February 21, 2008
University of Maryland at Shady Grove

Montgomery College:
2010 and Beyond

Three Year Strategic Plan for
Fiscal Years 2010—2012

Pre-reading material

February 21, 2008
University of Maryland at Shady Grove

Content:

STRATEGIC GOALS 2010—2012 .... THE ROADMAP TO EXCELLENCE

Mission Statement
for
Montgomery College

Our Mission

Changing Lives

We are in the business of changing lives.
Students are the center of our universe.
We encourage continuous learning
for our students, our faculty, our staff,
and our community.

Enriching Our Community

We are the community’s college.
We are the place for intellectual, cultural, social,
and political dialogue.
We serve a global community.

Holding Ourselves Accountable

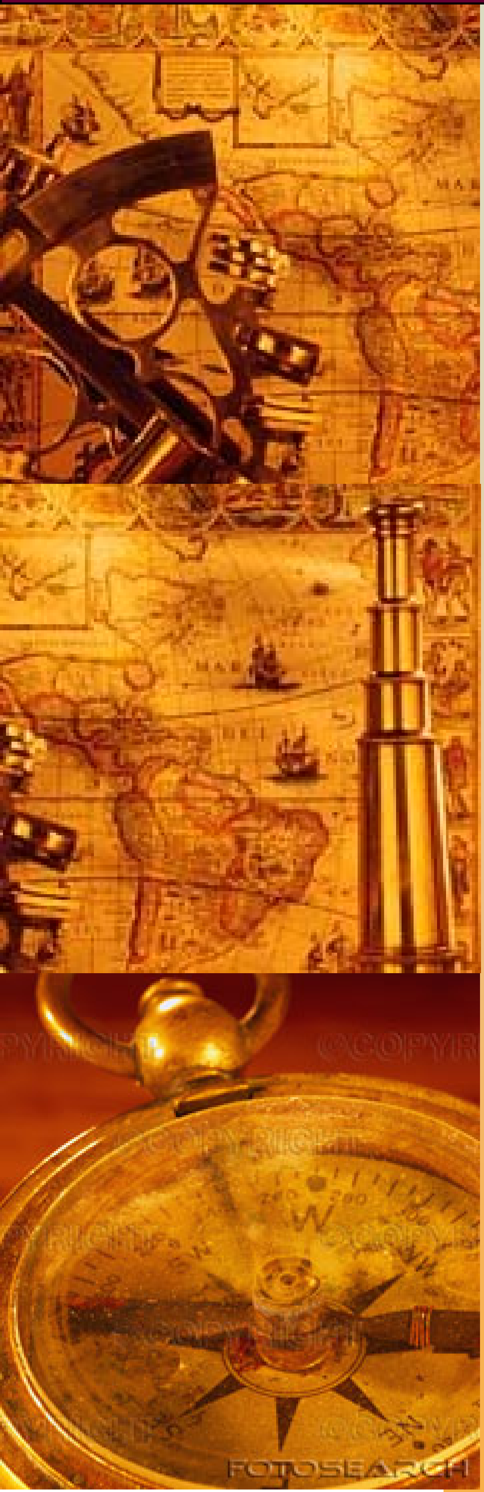
We are accountable for key results
centered around learning.
We will be known for academic excellence by
every high school student
and community member.
We inspire intellectual development through
a commitment to
the arts and sciences.
We lead in meeting economic and
Work Force development needs.

We Will Tend to Our Internal Spirit.

STRATEGIC GOALS AND OUTCOMES FORMULATION PROCESS

Each of the three Montgomery College's 2010—2012 Strategic Goals is built around the College's mission.

On August 28, 2007, the college community attended a discussion forum titled "Montgomery College: 2010 and Beyond" at Universities of Shady Grove. On that day, close to one hundred college community members, including administrators, faculty, staff, and students, learned about the President's desire to update Montgomery College's goals. During the whole-day event, attendees participated in a discussion process to identify 5-6 goals in priority for fiscal years 2010 to 2012 and drafted 2-3 outcomes for each goal. After the meeting, a core group of fifteen members composed of administrators, faculty, and staff consolidated, refined, clarified, and organized the information into three collegewide goals with eleven focuses. The first draft of the 3-year strategic goals was revealed in a collegewide meeting on October 11, 2007. The goals and outcomes continued to undergo fine-tuning based on suggestions and comments. The strategic goals for 2010 to 2012 are now endorsed by the President's office, the office of Executive Vice President for Academic and Student Affairs, and the office of Vice President for Administrative and Fiscal Affairs.



FY 2010-12 Strategic Goals

GOAL I

Maximize access, retention, and student success

Mission Mandate: Changing Lives

Strategic Outcome: The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

Maximize Access
Student Success and Retention
General Education
Resources and Capacity

GOAL II

Strengthen and enhance internal and external collaboration and partnerships.

Mission Mandate: Enriching Our Community

Strategic Outcome: The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.

Social Responsibility
Economic Development
Enhance Internal and External Communication
Internal and External Partnerships

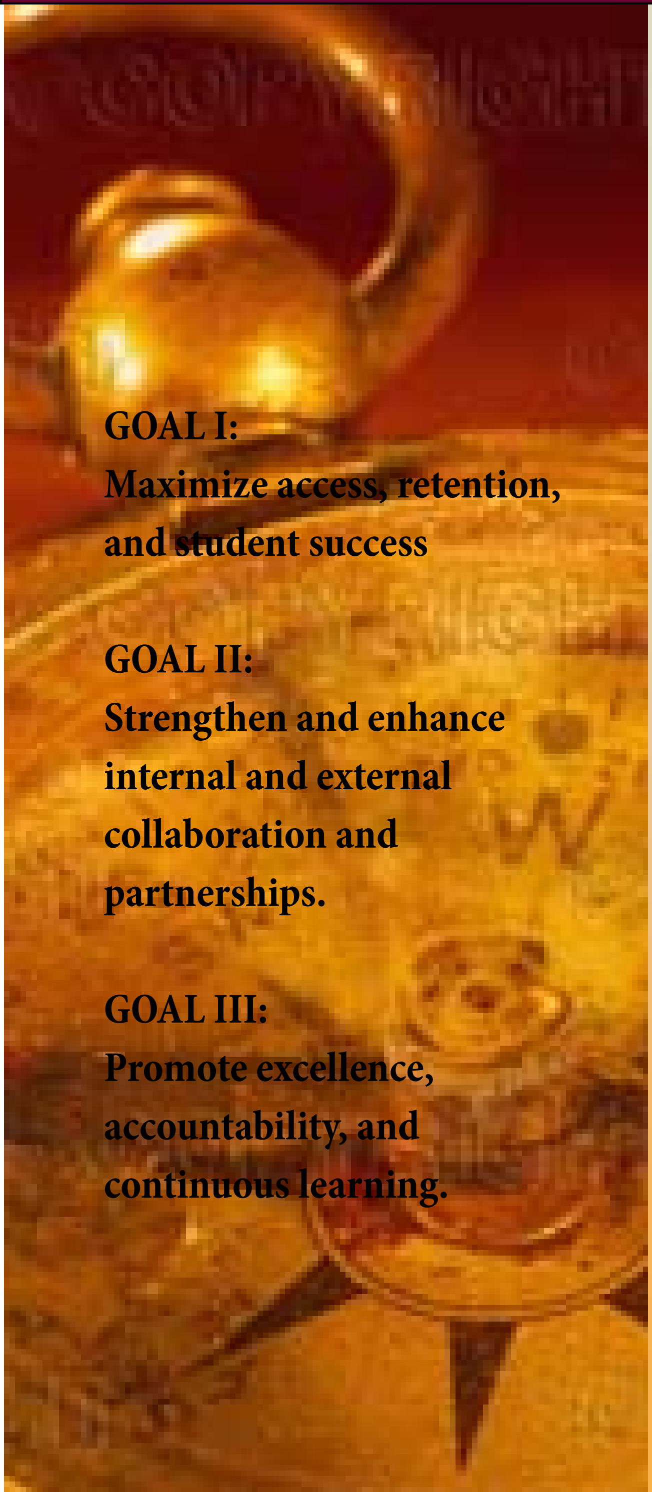
GOAL III

Promote excellence, accountability, and continuous learning.

Mission Mandate: Holding Ourselves Accountable

Strategic outcome: All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

Institutional Assessment & Effectiveness
Institutional Accountability
Excellence and Continuous Learning



GOAL I:
Maximize access, retention, and student success

GOAL II:
Strengthen and enhance internal and external collaboration and partnerships.

GOAL III:
Promote excellence, accountability, and continuous learning.

Mission Mandate: Changing Lives

GOAL I: Maximize access, retention, and student success.

Strategic Outcome:
The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

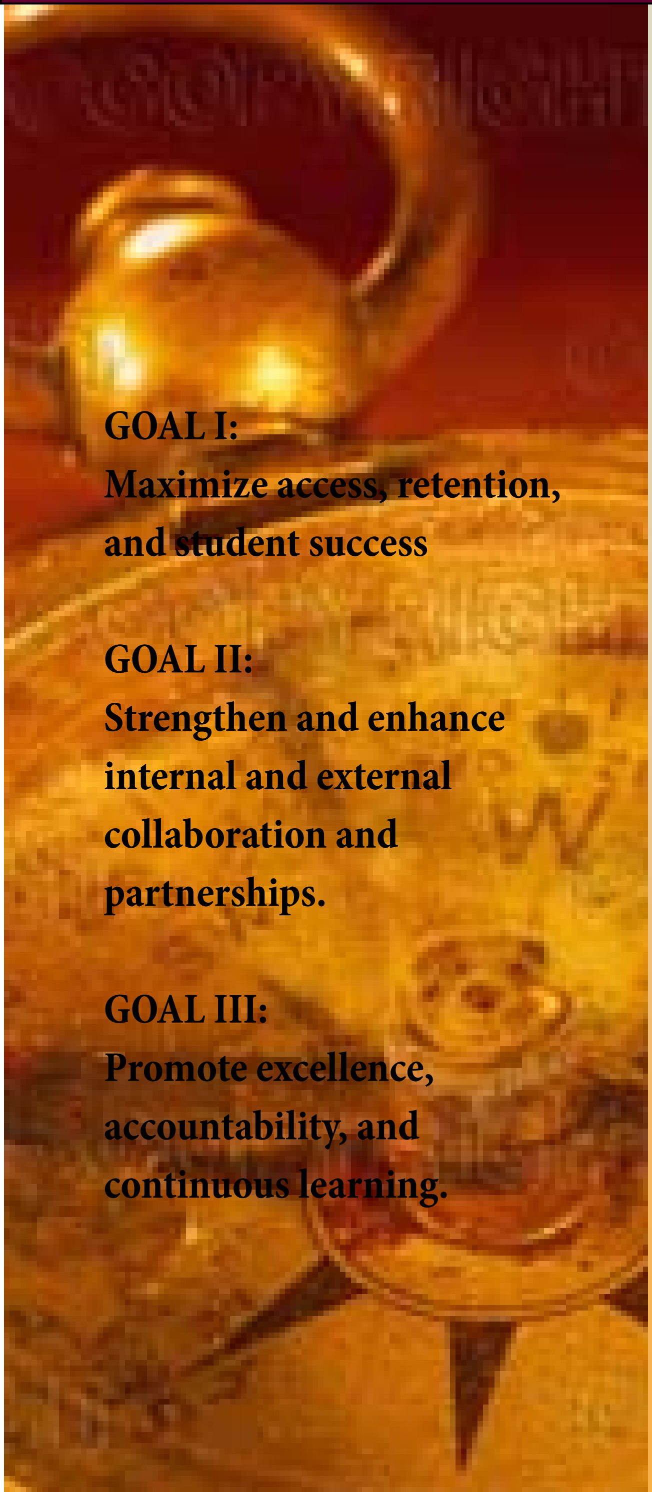
Focus:
Maximize Access
Student Success and Retention
General Education*
Resources and Capacity

Collegewide Strategies For Fiscal Years 2010—2012:
To be determined on February 21, 2008.

Sample Collegewide Strategies:

- Enhance existing and aggressively seek new funding opportunities.
- Improve early intervention and maintain strategies designed to identify and support students' success.

*Strategy for General Education will be discussed after Gen-Ed committee puts forth its final recommendation later this semester.



GOAL I:
Maximize access, retention, and student success

GOAL II:
Strengthen and enhance internal and external collaboration and partnerships.

GOAL III:
Promote excellence, accountability, and continuous learning.

Mission Mandate: Enriching Our Community

GOAL II: Strengthen and enhance internal and external collaboration and partnerships.

Strategic Outcome:
The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.

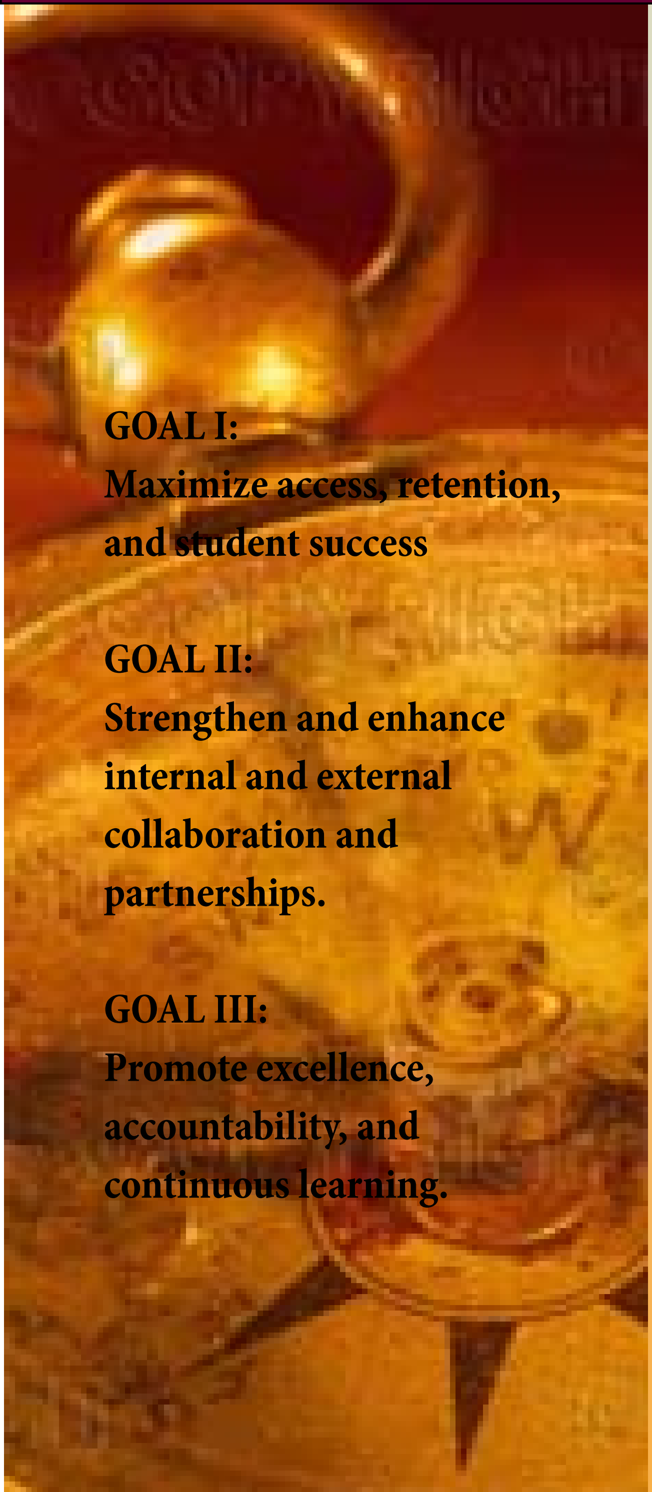
Focus:
Social Responsibility*
Economic Development*
Enhance Internal and External Communication*
Internal and External Partnerships

Collegewide Strategies For “Internal and External Partnerships” For Fiscal Years 2010—2012:
To be determined on February 21, 2008.

Sample Collegewide Strategy:

- Provide cultural and educational programming, and partner with the community to respond to needs.

*Strategies for other focuses will be forthcoming from the President's Office.



GOAL I:
Maximize access, retention, and student success

GOAL II:
Strengthen and enhance internal and external collaboration and partnerships.

GOAL III:
Promote excellence, accountability, and continuous learning.

Mission Mandate: Holding Ourselves Accountable

GOAL III: Promote excellence, accountability, and continuous learning.

Strategic Outcome:

All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

Focus:
Institutional Effectiveness and Assessment
Institutional Accountability
Excellence and Continuous Learning

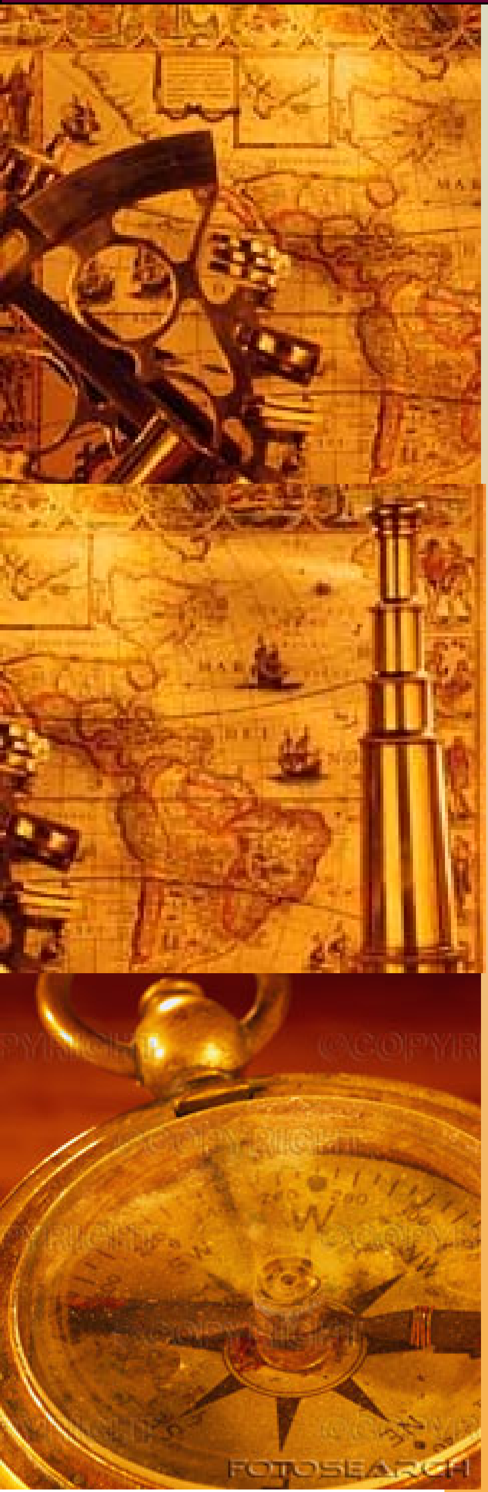
Collegewide Strategies For Fiscal Years 2010—2012:

To be determined on February 21, 2008.

Sample Collegewide Strategy:

- Strengthen the equity and alignment of resource allocation to meet changing college needs.

STRATEGIC GOALS 2010—2012 …. THE ROADMAP TO EXCELLENCE



The following pages provides the background information per focus area per strategic goal for the discussion during the meeting.

The background information includes the following (when available):

- **recommendations from 2008 Middle States Self-study Report**
- **2007 Performance Accountability Indicators Report**
- **2007 SWOT (strengths-weaknesses-opportunities-threats) survey result**
- **Montgomery County demographic information**
- **2007 Staff Senate survey result.**

STRATEGIC GOALS 2010—2012 …. THE ROADMAP TO EXCELLENCE

GOAL I: Maximize access, retention, and student success.

Strategic Outcome:

The College’s resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

Focus: **Maximize Access**

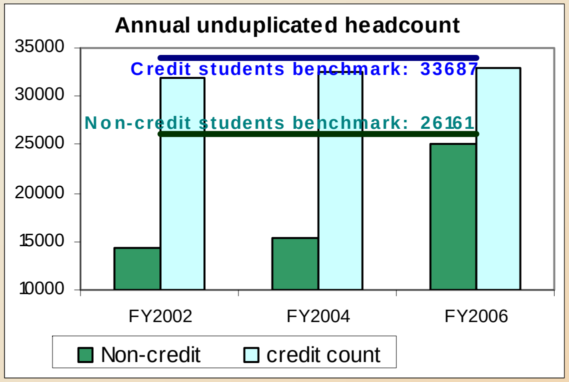
- Presidential Reaffirmation #1 – Commitment to Access

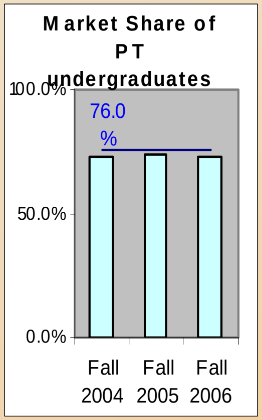
“*Montgomery College’s commitment to access receives a resounding reaffirmation*, as does the College’s commitment to broad and rigorous General Education requirements.” – Presidential Memo, October 18, 2007

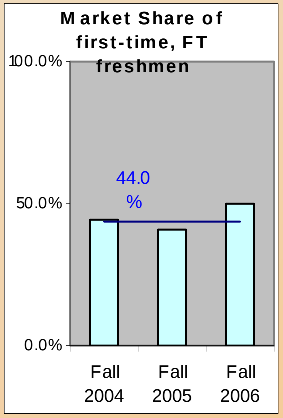
- MSA Standard: Student Admissions and Retention

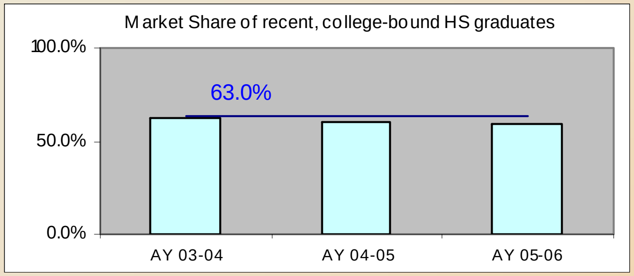
Finalize the updated Strategic Enrollment Plan and ensure the continued coordination between enrollment management and marketing.

- **Performance Accountability Report Indicators**









Enrollment in online courses.

	FY03	FY04	FY05	FY06	Benchmark 2010-2011
Credit	4,014	5,219	6,438	7,971	**13,017**
Non-credit	633	590	406	328	**600**

Tuition and fees as a percent of tuition and fees at Maryland public four-year institutions.

FY04	FY05	FY06	FY07	Benchmark 2010-2011
54.1%	55.2%	53.9%	53.9%	**56%**

- **SWOT ANALYSIS**

GREATEST STRENGTHS
Tuition Affordability
Access
GREATEST THREATS
Ability to Meet Financial Aid Needs
Changes in Economic Conditions
Students Requiring Financial Aid

County Population Growth by Age 2007-2012

Age	2007	2012	Change	% Growth
Under 15 years	196,905	206,708	9,803	5%
15-24 years	122,273	123,552	1,279	1%
25-44 years	253,713	246,373	-7,340	-3%
45-64 years	263,754	283,948	20,194	8%
65+ years	115,225	137,562	22,337	19%
TOTALS	**951,871**	**998,142**	**46,271**	**5%**

County High School Graduation Rates by Ethnicity 2007-2012

Demographic	2007 Graduations	2012 Graduations	Change	% Change
White, Non-Hispanic	5,874	5,654	-220	-3.75%
Hispanic	1,575	1,773	198	12.57%
Black or African American	2,197	2,087	-110	-5.01%
Asian	1,669	1,921	253	15.14%
Two or more races	339	380	41	12.03%
TOTALS	**11,690**	**11,854**	**164**	**1.41%**

County Educational Attainment for Age 25+ Population 2007-2012

Education	2007 Pop	2012 Pop	Change	% Change
Less Than 9th Grade	24,141	25,686	1,545	6%
9th Grade to 12th Grade	27,731	29,035	1,305	5%
High School Diploma	81,124	81,217	93	0%
Some College	95,272	95,927	655	1%
Associate's Degree	25,639	25,596	-44	-0%
Bachelor's Degree	183,974	198,104	14,130	8%
Graduate Degree and Higher	194,811	212,318	17,506	9%
TOTALS	**632,693**	**667,883**	**35,190**	**6%**

STRATEGIC GOALS 2010—2012 …. THE ROADMAP TO EXCELLENCE

GOAL I: Maximize access, retention, and student success.

Strategic Outcome:

The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

Focus: **Student Success and Retention**

MSA Standard: Integrity

Continue discussion among faculty of all disciplines to develop both definitions for plagiarism and instructional techniques to enable all students to meet the expectations of American research and scholarship.

MSA Standard: Student Admissions and Retention

Evaluate and make improvements in the advising and registration process.

Consider ways to collect and report accurate goals and student support needs.

MSA Standard: Student Support Services

Investigate ways to improve student access to counseling, testing, and tutoring services during peak periods.

MSA Standard: Related Educational Activities

Facilitate faster tracks for advanced AELP students to begin taking credit courses.

Examine the appeals process for all students in order to ensure fairness and appropriate placements.

Develop a unified research and data plan that quantifies key factors affecting distance learning students, particularly regarding attrition in courses offered at a distance.

MSA Standard: Assessment of Student Learning

Implement further reliability studies and assessment pilots, and encourage disciplines to norm assessments, as appropriate, to encourage consistency of scoring.

♦ **Performance Accountability Report Indicators:**

Graduate satisfaction with educational goal achievement

Alumni Survey 1998	Alumni Survey 2000	Alumni Survey 2002	Alumni Survey 2005	**Benchmark 2010-2011**
97%	99%	97%	93%	**92%**

Non-returning student satisfaction with educational goal achievement

Spring 2001 Cohort	Spring 2003 Cohort	Spring 2005 Cohort	Spring 2007 Cohort	**Benchmark 2010-2011**
72%	79%	82%	82%	**85%**

Student satisfaction with transfer preparation.

Alumni Survey 1998	Alumni Survey 2000	Alumni Survey 2002	Alumni Survey 2005	**Benchmark 2010-2011**
79%	79%	88%	91%	**92%**

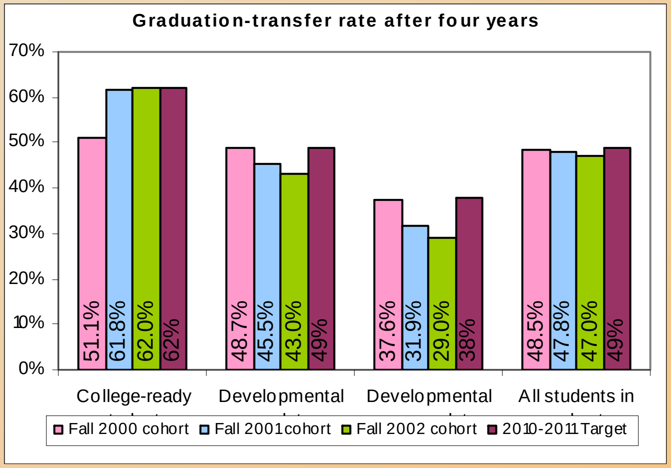
Student satisfaction with job preparation.

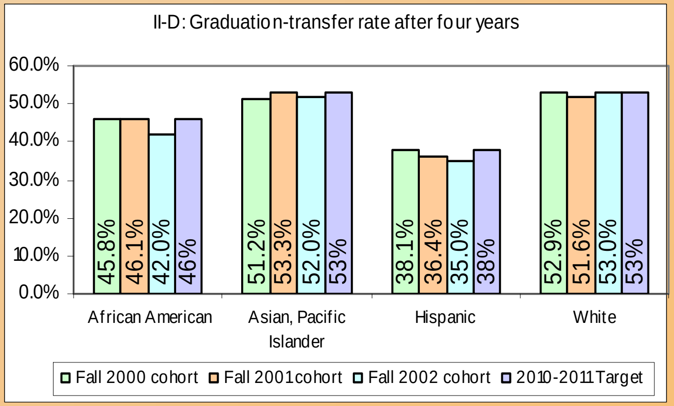
Alumni Survey 1998	Alumni Survey 2000	Alumni Survey 2002	Alumni Survey 2005	**Benchmark 2010-2011**
93%	76%	79%	89%	**92%**

♦ **SWOT ANALYSIS**

GREATEST STRENGTHS
Quality of Academics
Academic Support Services
Transferability of Courses
Faculty/Staff
Commitment to Students
Ability to Meet Student Needs
GREATEST THREATS
Entering Developmental Students
Increase in Under Prepared Students

(more at the next page)





Performance at transfer institutions.

	AY 02-03	AY 03-04	AY 04-05	AY 05-06	**Benchmark 2010-2011**
Percent with cumulative GPA after first year of 2.0 or above	82.0%	83.5%	79.8 %	81.1%	**83%**
Mean GPA after first year	2.69	2.69	2.68	2.82	**2.75**

GOAL I: Maximize access, retention, and student success.

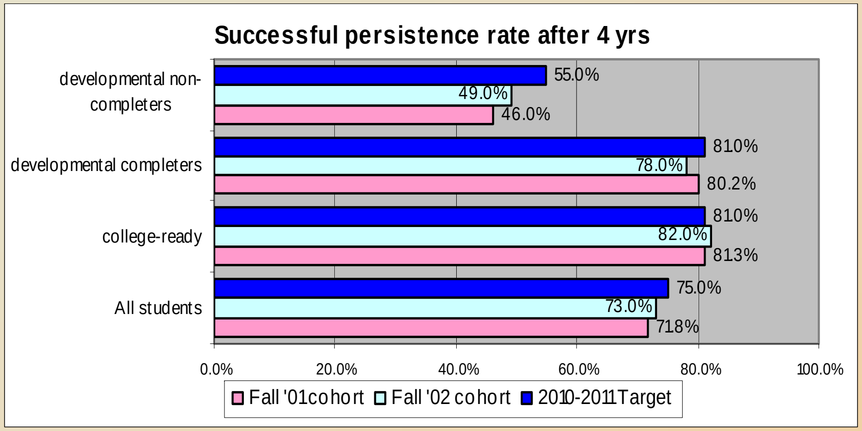
Strategic Outcome:

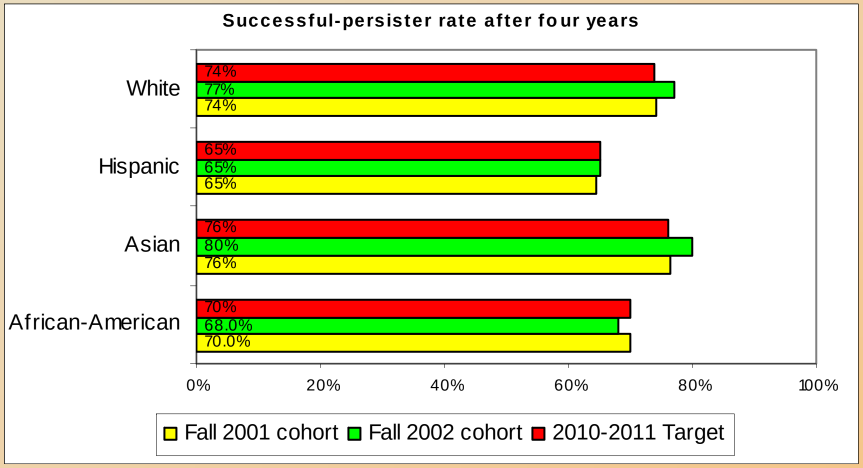
The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

Focus: **Student Success and Retention** (cont…)

- **Performance Accountability Report Indicators (cont….) :**

Developmental completers after four years.			
Fall 2000 Cohort	Fall 2001 Cohort	Fall 2002 Cohort	**Benchmark 2010-2011**
50.7%	42.7%	48.0%	**51%**





Percent of career program graduates employed full-time in a related field.				
Alumni Survey 1998	Alumni Survey 2000	Alumni Survey 2002	Alumni Survey 2005	**Benchmark 2010-2011**
83%	74%	78%	82%	**85%**

Occupational program Associate degrees and credit certificates awarded by program area.

	FY03	FY04	FY05	FY06	**Benchmark 2010-2011**
Business	194	234	232	195	**240**
Data Processing	207	146	128	94	**135**
Engineering Technology	81	46	83	64	**91**
Health Sciences	163	161	208	200	**235**
Natural Sciences	22	22	32	18	**35**
Public Service	135	112	86	126	**80**

Licensure/certification exam pass rates.

	FY03	FY04	FY05	FY06	**Benchmark 2010-2011**
Radiologic Technology	100%	100%	100%	100%	**90%**
Number of Candidates	9	15	17	20	
Nursing	85%	80%	78%	87%	**90%**
Number of Candidates	88	98	97	102	
Physical Therapy	100%	100%	75%	100%	**90%**
Number of Candidates	4	4	11	11	

GOAL I: Maximize access, retention, and student success.

Strategic Outcome:

The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

Focus: **Resources and Capacity**

MSA Standard: Institutional Resources

Aggressively continue the pursuit of alternative sources of funding to support new construction and renovation of existing space.

MSA Standard: Educational Offerings

Continue to advocate at the county and state level for full funding of proposed capital improvement projects.

◆ **Performance Accountability Report Indicators:**

Effective Use of Public Funding

Percentage of expenditures on instruction.

FY03	FY04	FY05	FY06	**Benchmark 2010-2011**
43.4%	41.1%	41.0%	41.0%	**43%**

Percentage of expenditures on instruction and selected academic support.

FY03	FY04	FY05	FY06	**Benchmark 2010-2011**
53.0%	51.3%	51.5%	51.3%	**53%**

◆ **SWOT ANALYSIS**

GREATEST STRENGTHS
- Use/Integration of Technology
- Resource Availability

GREATEST WEAKNESSES
- Low Enrollment Course Elimination
- Enrollment Projections Aligned with Capacity
- Inadequate Facilities/Capacity
- Resource Allocation

TOO CLOSE TO CALL/DON'T KNOW
- Resource/Enrollment Align
- Cost to Operate Programs
- Room Utilization
- Facilities Maintenance
- Resource Allocation/Needs

GREATEST OPPORTUNITIES
- Ability to Attract Donations/External Funding
- Update/Expand Facilities
- Changes in Technology
- Align Programs with Demographics
- Expand Courses/Programs

GREATEST THREATS
- Reduction/Inadequate Funding
- Faculty/Staff Turnover
- Inadequate Facilities
- Ability to Attract/Retain Faculty and Staff
- Rising Costs of Operation
- Resource/Enrollment Misalignment

GOAL II: Strengthen and enhance internal and external collaboration and partnerships.

Strategic Outcome:

The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.

Focus: **Internal & External Partnerships**

◆**Performance Accountability Report Indicators:**

Community Outreach and Impact

Enrollment in noncredit community service and lifelong learning courses.					
	FY03	FY04	FY05	FY06	**Benchmark 2010-2011**
Unduplicated annual headcount	NA	NA	8.939	10,914	**12,000**
Annual course enrollments	NA	NA	13,817	17,929	**19,000**

Enrollment in noncredit basic skills and literacy courses.					
	FY03	FY04	FY05	FY06	**Benchmark 2010-2011**
Unduplicated annual headcount	NA	1,996	3,765	6,330	**6,400**
Annual course enrollments	NA	3,284	5,401	10,549	**11,000**

◆ SWOT ANALYSIS

GREATEST STRENGTHS
Reputation in Community
Community Relations
GREATEST OPPORTUNITIES
Articulation/Partnership Agreements
New Work Force Partners
Expanded/Improved Partnerships
Build New Community Relationships

STRATEGIC GOALS 2010—2012 …. THE ROADMAP TO EXCELLENCE

GOAL III: Promote excellence, accountability, and continuous learning.

Strategic Outcome:

All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

Focus: **Institutional Effectiveness and Assessment**

MSA Standard: Mission and Goals

Revisit the current mission statement, particularly regarding the following: a) More clearly relate goals and objectives to the principle of "our spirit"; b) Develop a clear objective under Goal I to address the educational needs of specific sectors of the county community, particularly with respect to access to college and academic success (AMP 14, 20, 21), community outreach, and customer service.

MSA Standard: Institutional Resources

Examine position classifications and descriptions to ensure alignment, especially those with technological skills.

MSA Standard: Leadership and Governance

Ensure that the Academic Assembly fulfills the charge of identifying all academic committees and that it complete its review of the governance structure.

MSA Standard: Administration

Evaluate the effectiveness of using faculty versus hiring administrative staff for nonacademic administrative work.

Review the academic management structure and the reporting structure between faculty and deans.

Develop and implement a plan to review the entire job classification system.

Include a cost, benefit, and percent of budget per student when conducting administrative evaluations on special programs.

MSA Standard: Planning, Resource Allocation, and Institutional Renewal

1. Complete the implementation of the TracDat system, and assess its effectiveness in tracking recommendations for institutional renewal.

MSA Standard: Integrity

Explore alternatives for making assessment information available to the public.

Continue ongoing review to ensure that the College is compliant with best practices and legal obligations.

MSA Standard: Assessment of Student Learning

Develop a communications plan that articulates the purpose of the various assessment efforts at the institution and that includes procedures for centralizing assessment responsibilities, disseminating results, and gathering feedback.

Develop a plan to ensure appropriate implementation of OA-driven change; include training and professional development for part-time faculty.

♦Performance Accountability Report Indicators:

Diversity

Minority student enrollment compared to service area population.

	FY03	FY04	FY05	FY06	Benchmark 2010-2011
Percent non-white enrollment	52.2%	52.6%	52.8%	53.5%	**55%**

Percent minorities of full-time faculty.

FY03	FY04	FY05	FY06	Benchmark 2010-2011
25.6%	26.4%	26.6%	25.2%	**30%**

Percent minorities of full-time administrative and professional staff.

FY03	FY04	FY05	FY06	Benchmark 2010-2011
30.3%	34.1%	35.6%	38.6%	**39%**

Staff Senate Survey

13% “Poor Reward and Recognition”
8% “Favoritism & Inequitable Treatment”
7% “Lack of Merit Pay”
5% “Pay and/or Grade Inequity”

♦ SWOT ANALYSIS

GREATEST STRENGTHS
Working Environment
Administrative Leadership
Faculty Leadership
Staff Leadership
Diversity
GREATEST WEAKNESSES
Coordination Across Campuses
“One College” Practices
Ability to Manage Change
Administrative Structure/Processes
Resistance to Change
Hiring Process
Use of Assessment Data
TOO CLOSE TO CALL/DON’T KNOW
Administrative Area Review
Resource/Enrollment Align
Cost to Operate Programs
Room Utilization
Resource Allocation/Needs
GREATEST OPPORTUNITIES
Change in College Leadership
Organizational Realignment
GREATEST THREATS
Wage and Salary Costs
Cost of Benefits/Employee Programs
Faculty/Staff Turnover
Rising Costs of Operations
Resource/Enrollment Misalignment

GOAL III: Promote excellence, accountability, and continuous learning.

Strategic Outcome:

All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

Focus: **Institutional Accountability**

MSA Standard: Leadership and Governance

Fully implement the procedure for the periodic, objective assessment of the BOT to meet stated governing body objectives.

MSA Standard: Administration

1. Review the current administrator evaluation process to ensure it is efficient, consistent, and objective.
2. Explore the use of staff salary increases related to levels of performance.

MSA Standard: Faculty

1. Fully implement the formal process to assess department chairs, including peer evaluation as well as dean evaluation.
2. Consider revisions to the full-time faculty evaluation format to more deliberately take into account the evaluation of nonteaching roles, such as that of administrative associate.
3. Develop a Collegewide template and timeline for the part-time faculty evaluation process.

♦ **SWOT ANALYSIS**

GREATEST WEAKNESSES
Accountability (administrators)
Accountability (faculty)
TOO CLOSE TO CALL/DON’T KNOW
Accountability (Staff)

GOAL III: Promote excellence, accountability, and continuous learning.

Strategic Outcome:

All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

Focus: **Excellence and Continuous Learning**

MSA Standard: Faculty

1. Increase current unit professional development/ distant travel monies or broaden the scope of Educational Assistance Program funding to cover distant travel in order to facilitate increased faculty participation in conferences and meetings off campus.

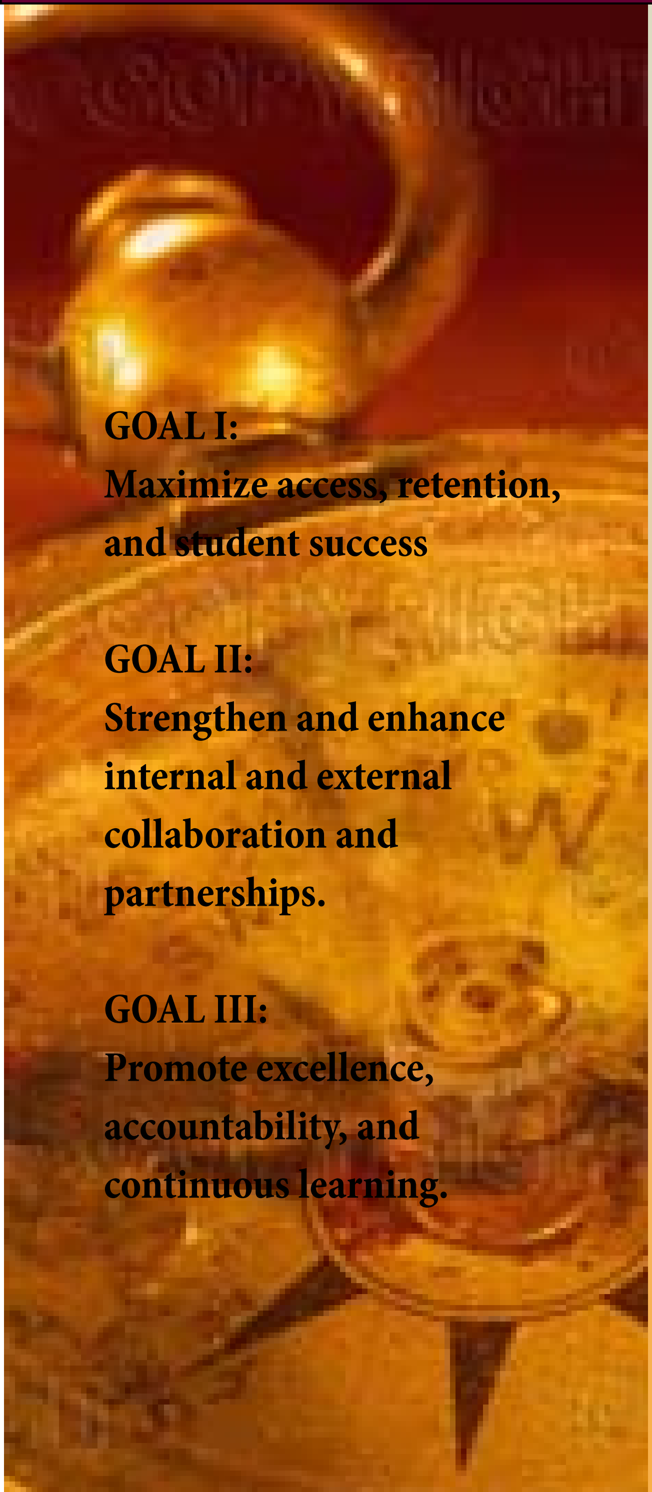
2. Subsidize the tuition for part-time faculty to take classes at Montgomery College.

- **SWOT ANALYSIS**

GREATEST STRENGTHS
Professional Development
Ability to Retain Best People
GREATEST THREATS
Ability to Attract/Retain Faculty and Staff

Staff Senate Survey Results

5% listed “Lack of Professional Development and Growth Opportunities”
5% listed “Poor Promotion Opportunity”



GOAL I:
Maximize access, retention, and student success

GOAL II:
Strengthen and enhance internal and external collaboration and partnerships.

GOAL III:
Promote excellence, accountability, and continuous learning.

Terminology:

Planning: A system for achieving goals:
- ►Goals – “The Direction”
- ►Outcomes – “The Benefit”
- ►Collegewide Strategy – “The How”
- ►Assessments – “The Measure”

Goals: action statements derived from the institution’s mission that describe the direction the institution will move toward achieving its mission. Goals should contain action verbs such as “maximize,” “attract,” “strengthen,” and “support elevate goal statements to policy level. SMART goal is a goal that is specific, measurable, attainable, realistic, and timely.

Outcomes: the intended benefits or “thing” you expect to occur as a result of meeting your goals. Outcomes may relate to knowledge or skills gained, attitudes, values, or behaviors changed, or condition or status improved. Outcomes should be something that you can define and measure.

Collegewide Strategy: answers the question of how an outcome will be realized by creating a link to unit actions. Strategy states who is going to do what and the precise actions that will be taken. It articulates aspects of the outcome, the intended audience, timeframe, and priorities. Strategy provides the basis for articulating assessments.

Assessments: a comparison of results achieved related to the outcomes intended; answers the question of "how are we doing" by identifying specific methods of how you will measure outcome achievement, identifying specific indicators that you will use to measure success, determining the targeted change you expect to see, and how often you will measure.

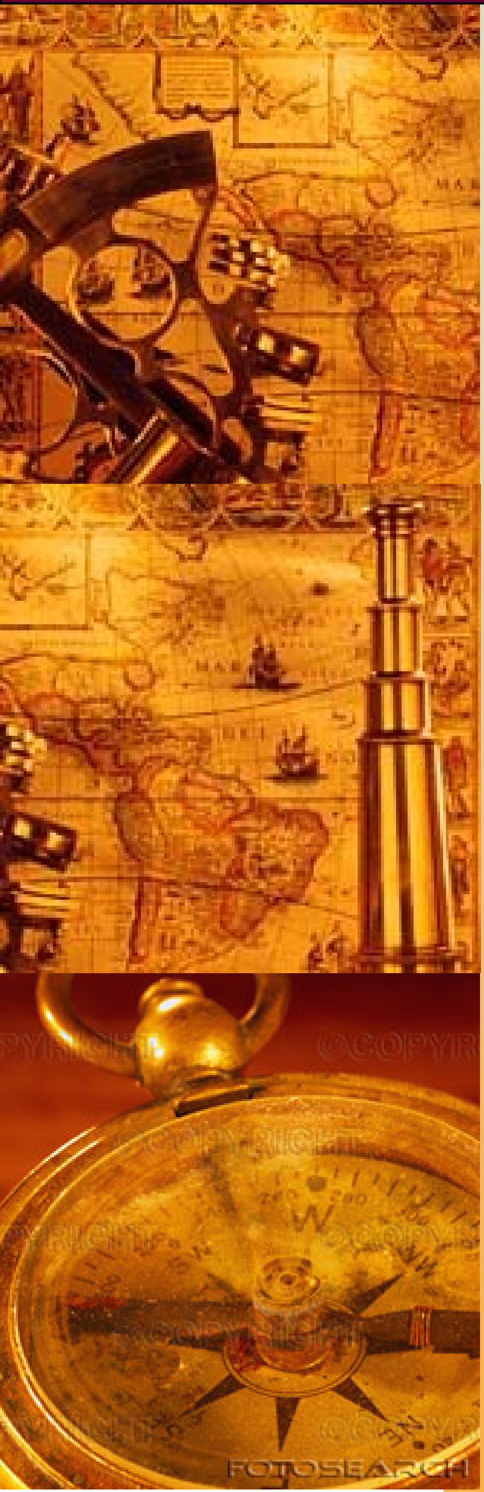
Collegewide Planning Retreat
Thursday, February 21, 2008
8:00 a.m. – 4:30 p.m.
Universities of Maryland at Shady Grove, Building II

Desired Outcomes—By the end of this session, participants will have:

1. Been presented with enrollment, and facilities-related forecasts.
2. Reviewed the content and the formulation process of Montgomery College's strategic goals and outcomes for 2010 - 2012.
3. Developed collegewide "strategies" for each strategic goal and outcome.
4. Provided input and discussion on the strategic priorities for 2010 - 2012.

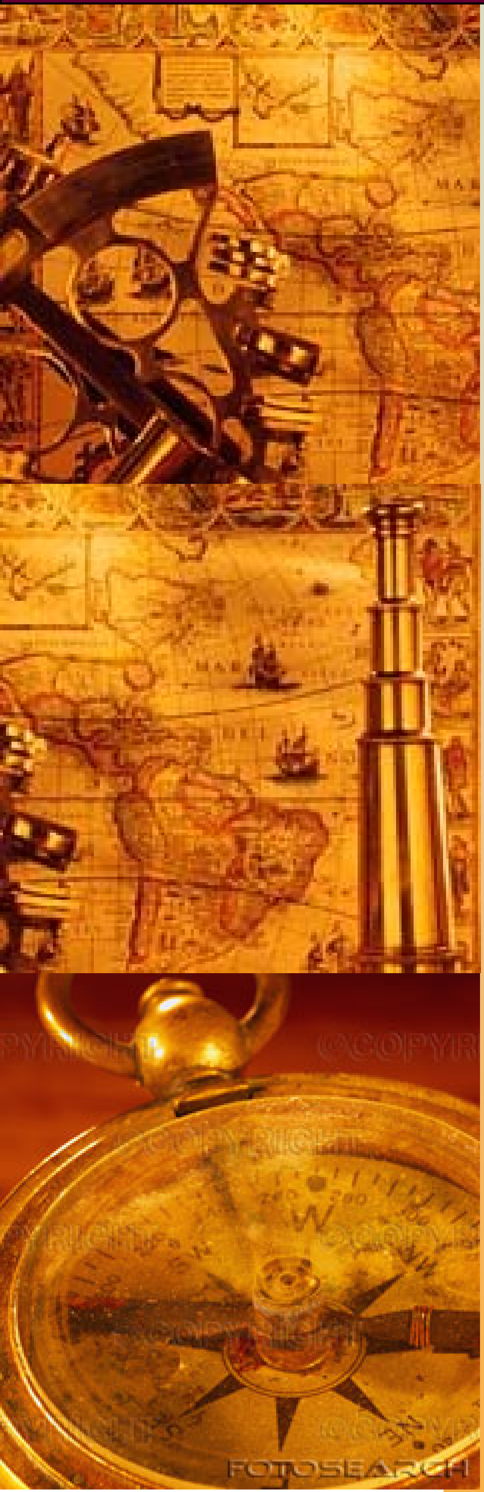
Agenda:

Topic	**Process**	**Leader**	**Time**
Continental Breakfast			**8:00 – 8:30**
Welcome **Opening Remarks**		Dr. Brian Johnson Dr. Mary Kay Shartle-Galotto Mr. Marshall Moore Ms. Kathy Wessman	**8:30 – 9:00**
Enrollment Projections	Present, clarify	Office of VP for Planning and Institutional Effectiveness (VPPIE)	**9:00 – 9:15**
Facilities Presentation	Present, clarify	VPPIE	**9:15 – 9:30**
CCSSE Presentation/PAR	Present, clarify	VPPIE	**9:30 – 9:45**
2010 – 2012 Planning Presentation	Present, clarify	VPPIE	**9:45 – 10:00**
BREAK			**10:00 – 10:15**
Morning Group Exercise	Explain exercise Group work – develop strategies	Small Group Facilitators	**10:15 – 11:15**
Groups Report Out	Post and read Clarify Narrow	All VPPIE	**11:15 – 12:30**
LUNCH	Enjoy lunch!	All	**12:30 - 1:30**
Discussion of Strategies	Tables take initial individual votes	All	**1:30 – 2:00**
Table Voting	Tabulate votes Project Results	All VPPIE	**2:00 – 2:30**
BREAK			**2:30 – 2:45**
Identify Top Priorities	Review, clarify Agree	VPPIE	**2:45 – 3:30**
Next Steps and Closing Remarks	Evaluation Closing Remarks	Dr. Mary Kay Shartle-Galotto Mr. Marshall Moore Ms. Kathleen Wessman	**3:30 – 4:30**



Collegewide Planning Retreat
Thursday, February 21, 2008
8:00 a.m. – 4:30 p.m.
Building II
University of Maryland at Shady Grove
9640 Gudelsky Drive, Rockville, MD 20850

http://www.shadygrove.umd.edu/about/directions/parking.cfm



**For more information regarding the meeting, please contact
Ms. Julie Shackelford at (240) 567-7971 or
email: planning@montgomerycollege.edu.**

We Thank You for Your Time and Participation.

**Office of Vice President for Planning and Institutional Effectiveness
http://www.montgomerycollege.edu/planning**

Appendix 6.4 - Montgomery College Strategic Plan 2010-2012, FY 2012 Planning Priorities

Montgomery College Strategic Plan 2010-2012

FY 2012 Planning Priorities

FY 2010-2012 Action Plans *What we want to focus our resources on for the FY.*	**Collegewide Strategic Actions:** - Promote expansion of student life college wide. - Promote institution-wide student success and establish recommendations for new achievement goals as part of President Obama's Completion Agenda as well as to support the MD State education initiatives. - Undertake an aggressive and in-depth review of student achievement, retention, and completion by race, socio-economic background, gender, placement levels, age and other characteristics.	**Collegewide Strategic Actions:** - Further the "one college" organizational model. - Strengthen advocacy and partnership effort with community, county, and state officials and entities. - Promote College's efforts to expand and obtain sustainable grants.	**Collegewide Strategic Actions:** - Promote faculty-driven curriculum redesign and staff and faculty driven process improvements. - Develop, contribute, and participate in onsite professional development opportunities for continuous learning.
Collegewide Strategies *How we want to get there.*	**Adapt academic programs, administrative processes, and College services to respond to the needs of all students.**	**Collaborate internally and externally to implement and support College priorities and initiatives.**	**Advance and support a consistent atmosphere of improvement, accountability, and recognition.**
FY 2010—2012 Strategic Goals and Outcomes *Where we want to go and what we expect to achieve when we get there.*	**GOAL I: Maximize access, retention, and student success** **Strategic Outcome:** The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.	**GOAL II: Strengthen and enhance internal and external collaboration and partnerships** **Strategic Outcome:** The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.	**GOAL III: Promote excellence, accountability, and continuous learning** **Strategic Outcome:** All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.
Our Mission *Why we exist.*	**Changing Lives** We are in the business of changing lives. Students are the center of our universe. We encourage continuous learning for our students, our faculty, our staff, and our community.	**Enriching Our Community** We are the community's college. We are the place for intellectual, cultural, social, and political dialogue. We serve a global community.	**Holding Ourselves Accountable** We are accountable for key results centered around learning. We will be known for academic excellence by every high school student and community member. We inspire intellectual development through a commitment to the arts and sciences. We lead in meeting economic and Work Force development needs.

Visit our web site http://www.montgomerycollege.edu/planning

GOAL I: Maximize access, retention, and student success.

OUTCOME: The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

STRATEGY: Adapt academic programs, administrative processes, and College services to respond to the needs of all students.

PAR Category	PAR Indicator	MSCHE Standard	MSCHE Recommendation
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	Maintain or exceed 92% graduate satisfaction rate for educational goal achievement.	Insitutional Resources	Aggressively continue the pursuit of alternative sources of funding to support new construction and renovation of existing space.
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	Maintain or exceed 85% non-returning student satisfaction rate for educational goal achievement.	Leadership and Governance	Develop and monitor effective communication and feedback procedures (including a comprehensive communications plan) in the development and implementation of major academic initiatives, following the model of the First Year Experience Program and the Middle States Self-Study.
Economic Growth and Vitality, Workforce Development	Maintain or exceed occupational program Associate degrees and credit certificates awarded by program area as follows: • Business = 240 • Data Processing = 135 • Engineering Technology = 91 • Health Sciences = 235 • Natural Sciences = 35 • Public Service = 80	Integrity	Continue discussion among faculty of all disciplines to develop both definitions for plagiarism and instructional techniques to enable all students to meet the expectations of American research and scholarship.
Economic Growth and Vitality, Workforce Development	Maintain or exceed 90% licensure/certification exam pass rates for Nursing, Radiological Tech, and Physical Therapy	Student Admissions and Retention	Evaluate and make improvements in the advising and registration process.
Economic Growth and Vitality, Workforce Development	85% of career and program graduates will be employed full-time in a related field.	Student Admissions and Retention	Finalize the updated Strategic Enrollment Plan and ensure the continued coordination between enrollment management and marketing.
Economic Growth and Vitality, Workforce Development	Maintain or exceed 92% student satisfaction with job preparation.	Student Admissions and Retention	Consider ways to collect and report accruate goals and student support needs.
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	Maintain or exceed graduation-transfer rates after four years for the following: • College-ready students = 62% • Developmental completers = 49% • Developmental non-completers = 38% • All Students in cohort = 49%	Student Support Services	Investigate ways to improve student access to counseling, testing, and tutoring services during peak periods.
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	80% of Montgomery College transfers will have a GPA of 2.0 or above after their first year with a mean GPA of 2.75.	Educational Offerings	Continue to monitor the winter session and other alternative course formats for consistency in course outcomes and objectives.
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	Maintain or exceed 92% student satisfaction with transfer preparation.	Educational Offerings	Continue to advocate at the county and state level for full funding of proposed capital improvement projects.

GOAL I: Maximize access, retention, and student success.

OUTCOME: The College's resources will accommodate the diverse needs of students in their pursuit of educational and career goals.

STRATEGY: Adapt academic programs, administrative processes, and College services to respond to the needs of all students.

PAR Category	PAR Indicator	MSCHE Standard	MSCHE Recommendation
Diversity	Maintain or exceed graduation-transfer rates after four years for the following: • African American = 49% • Asian, Pacific Islander = 53% • Hispanic = 45% • White = 53%	General Education	Identify general education courses in the Schedule of Classes, and include general education outcomes information in the syllabus.
Diversity	Maintain or exceed persistence rates after four years for the following: • African American = 73% • Asian, Pacific Islander = 76% • Hispanic = 70% • White = 74%	General Education	Develop a general education resources and communication plan for faculty and students.
Accessibility and Affordability	Maintain or decrease tuition and fees as percent of tuition and fees at Maryland public four-year institutions at 56%.	General Education	Develop an aggressive advising program for general education.
Accessibility and Affordability	Maintain or exceed a credit enrollment of 13,017 and a non-credit enrollment of 600 in online courses.	General Education	Continue to pursue a revision of the general education program.
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	Maintain or exceed 51% developmental completers after four years.	Related Educational Activities	Facilitate faster tracks for advanced AELP students to begin taking credit courses.
Quality and Effectiveness: Student Satisfaction, Progress, and Achievement	Maintain or exceed successful persistence rate after four years for the following: • College-ready students = 81% • Developmental completers = 81% • Developmental non-completers = 55% • All Students in cohort = 75%	Related Educational Activities	Examine the appeals process for all students in order to ensure fairness and appropriate placements.
Effective Use of Public Funding	Maintain or exceed expenditure rate of 43% on instruction.	Related Educational Activities	Develop a unified research and data plan that quantifies key factors affecting distance learning students, particularly regarding attrition in courses offered at a distance.
Effective Use of Public Funding	Maintain or exceed expenditure rate of 53% on instruction and selected academic support.	Assessment of Student Learning	Implement further reliability studies and assessment pilots, and encourage disciplines to norm assessments, as appropriate, to encourage consistency of scoring.

GOAL II: Strengthen and enhance internal and external collaboration and partnerships.

OUTCOME: The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.

STRATEGY: Collaborate internally and externally to implement and support College priorities and initiatives.

PAR Category	PAR Indicator	MSCHE Standard	MSCHE Recommendation
Accessibility and Affordability	Maintain or exceed a 44% market share of first-time, full-time freshmen.	Leadership and Governance	Include collegewide student participation in the advisory group for MyMC.
Accessibility and Affordability	Maintain or exceed a 76% market share of part-time undergraduates.	Leadership and Governance	Ensure that student publications, orientation sessions, and Web resources inform students who wish to be heard on ways to provide input
Accessibility and Affordability	Maintain or exceed a 63% market share of recent, college-bound high school graduates.	Educational Offerings	Create a comprehensive listing of the College's accreditation memberships in a format that is accessible to the College community.
Economic Growth and Vitality, Workforce Development	Maintain or exceed an unduplicated headcount of 12,000 and an annual course enrollment of 18,000 in noncredit workforce development courses.	General Education	Include a member of the General Education Committee on the Outcomes Assessment team.
Economic Growth and Vitality, Workforce Development	Maintain or exceed an unduplicated headcount of 4,500 and an annual course enrollment of 6,500 in contract training courses.	General Education	Pursue and develop additional general education articulation agreements.
Community Outreach and Impact	Maintain or exceed an unduplicated headcount of 12,000 and an annual course enrollment of 19,000 in noncredit community service and lifelong learning courses.	Related Educational Activities	Enhance the description and marketing of certificat programs, and explore ways to make closer connections between credit and noncredit areas.
Community Outreach and Impact	Maintain or exceed an unduplicated headcount of 6,400 and an annual course enrollment of 11,000 in noncredit basic skills and literacy courses.	Related Educational Activities	Create a process that more closely involves all constituencies in decisions regarding distance learning contracted services, and fill the gaps in online student services,
Economic Growth and Vitality, Workforce Development	Maintain or exceed 92% employer satisfaction with job preparation.		
Economic Growth and Vitality, Workforce Development	70 business organizations will be provided training and services under contract annually.		
Economic Growth and Vitality, Workforce Development	Maintain or exceed 92% employer satisfaction with contract training.		
Diversity	Maintain or exceed minority student enrollment compared to service area population as follows: Percent non-white = 55% Percent non-white service area population 18 or older = 45%		
Diversity	Maintain or exceed 30% full-time faculty minority rate.		

GOAL II: Strengthen and enhance internal and external collaboration and partnerships.

OUTCOME: The educational, economic, social, and cultural needs of the College's internal and external communities will be addressed.

STRATEGY: Collaborate internally and externally to implement and support College priorities and initiatives.

PAR Category	PAR Indicator	MSCHE Standard	MSCHE Recommendation
Diversity	Maintain or exceed 39% full-time administrative and professional staff minority rate.		
Economic Growth and Vitality, Workforce Development	Maintain or exceed unduplicated headcount of 8,000 and annual course enrollments of 13,500 in Continuing Professional Education leading to government or industry-required certification or licensure.		

GOAL III: Promote excellence, accountability, and continuous learning.

OUTCOME: All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

STRATEGY: Advance and support a consistent atmosphere of improvement, accountability, and recognition.

PAR Category	PAR Indicator	MSCHE Standard	MSCHE Recommendation
		Mission and Goals	Revisit the current mission statement, particularly regarding the following: a) More clearly relate goals and objectives to the principle of "our spirit"; b) Develop a clear objective under Goal I to address the educational needs of specific sectors of the county community, particularly with respect to access to college and academic success (AMP 14, 20, 21), community outreach, and customer service.
		Planning, Resource Allocation, and Institutional Renewal	Institute a feedback loop that includes the unit and department level to explain what is and is not funded.
		Planning, Resource Allocation, and Institutional Renewal	Complete the implementation of the TracDat system, and assess its effectiveness in tracking recommendations for institutional renewal.
		Institutional Resources	Examine position classifications and descriptions to assure alignment, especially those with technological skills.
		Leadership and Governance	Fully implement the procedure for the periodic, objective assessment of the BOT to meet stated governing body objectives.
		Leadership and Governance	Ensure that the Academic Assembly fulfill the charge of identifying all academic committees and that it complete its review of the governance structure.
		Administration	Evaluate the effectiveness of using faculty versus hiring administrative staff for nonacademic administrative work.
		Administration	Review the academic management structure and the reporting structure between faculty and deans.
		Administration	Develop and implement a plan to review the entire job classification system.
		Administration	Review the current administrator evaluation process to ensure it is efficient, consistent, and objective.
		Administration	Explore the use of staff salary increases related to levels of performance.
		Administration	Include a consideration of cost, benefit, and percent of budget per student when conducting administrative evaluations on special programs.
		Administration	Develop a plan and guidelines to ensure the optimal use of technologies to improve communications.
		Integrity	Continue ongoing review to ensure that the College is compliant with best practices and legal obligations.
		Integrity	Explore alternatives for making assessment information available to the public.

GOAL III: Promote excellence, accountability, and continuous learning.

OUTCOME: All areas and employees of the College will facilitate innovation, implement best practices, and foster improvement utilizing assessment and continuous learning.

STRATEGY: Advance and support a consistent atmosphere of improvement, accountability, and recognition.

PAR Category	PAR Indicator	MSCHE Standard	MSCHE Recommendation
		Faculty	Increase current unit professional development/distant travel monies or broaden the scope of Educational Assistance Program funding to cover distant travel in order to facilitate increased faculty participation in conferences and meetings off-campus.
		Faculty	Subsidize the tuition for part-time faculty to take classes at Montgomery College.
		Faculty	Fullly implement the formal process to assess department chairs, including peer evaluation as well as dean evaluation.
		Faculty	Consider revisions to the full-time faculty evaluation format to more deliberately take into account the evaluation of nonteaching roles, such as that of administrative associate.
		Faculty	Develop a collegewide template and timeline for the part-time faculty evaluation process.
		Assessment of Student Learning	Develop a communications plan that articulates the purpose of the various assessment efforts at the institution and that includes procedures for centralizing assessment responsibilities, disseminating results, and gathering feedback.
		Assessment of Student Learning	Develop a plan to ensure appropriate implementation of OA-driven change; include training and professional development for part-time faculty.

New Budget Request Worksheet

INSTRUCTIONS for Completing Budget Requests Worksheet

A Printed Copy of Instructions will be helpful while completing budget worksheet.

Please use separate sheets for Collegewide and Campus requests. Completed Requests should be sent **electronically** to Ron Liss, Director of Academic and Student Services.

Priority: After you have completed all budget items request, please rank them in order of priority with the number 1 being the highest. This step should be completed last. FACULTY SHOULD NOT BE PRIORITIZED POSITIONS.

CMP (Campus): Please indicate your campus. i.e. G for Germantown or C for Central Administration.

Budget Unit Head: Please indicate the responsible administrator of budget. i.e. John Smith, Dean

Short Description: Please give a brief and precise description of the item request. i.e. position, event, activity, scholarship funds, transportation for Athletic dept., etc. Please give appropriate title of item.

One Time Expense?: Indicate if request is a one time expense by responding either Yes or No.

FTEs: If applicable, indicate whether this item is a fulltime (1) or halftime (.50) position.

ESH: If applicable, indicate the unit number for ESH. You may opt to insert the dollar amount in the budget amount section or leave it blank. If left blank, the dollar amount will be computed for you.

Grade: If applicable, indicate the position grade. You may leave the budget amount section blank. It will be computed for you.

Budget Amount: Indicate dollar amount/cost of request/item.

IT: If applicable, please indicate IT (Information Technology) for items.

Facility: If applicable, please indicate F (Facility) for items

Justification: Give a good, but brief statement, to indicate need for request. If applicable, please state if request is a part of Strategic Plan and identify Objective and Strategy # that it supports.

Strategic Plan?: This section is an extension of the previous block, please indicate with Yes or No if request is a part of the Strategic Plan.

Assessment Priority: Please indicate whether this item is associated with Academic Area Review (AAR), Administrative Area Review (ADAR), Outcomes Assessment (OA), or Middle States (MS)

Type*: Please indicate with a letter of A, B, C, D, or E if request is in response to one of the following. *Note: Each request should meet one of the following.*

A. New Operating Item

B. Moving Temp With Benefits (TWB) position from Lapse fund budget to Operating fund budget

New Budget Request Worksheet

INSTRUCTIONS for Completing Budget Requests Worksheet

C. Moving TWB position to Regular Status (NO COST)

D. Funded from Lapse in FY 07 and FY 08, move to Operating budget

E. Funded with/by Other means for FY 08, move to Operating budget

Remember to rank you items according to priority. FACULTY SHOULD NOT BE PRIORITIZED POSITIONS.

IT and Facilities Budget Item Prioritization Process

1. *Budget requests submitted to IT or Facilities for costing out*
2. *IT and/or Facilities return budget sheets with items costed out*
3. *EVPs work with VP/Provosts and Chiefs to determine priorities.*
4. *List of priorities sent to IT and Facilities for use in planning and budgeting.*
5. *IT and Facilities will fund requests in priority order or provide information on why priorities cannot be met*

New Budget Request Worksheet

Priority	**CMP**	**Budget Unit Head**	**Short Description**	Is this a **one** time Expense?	**FTEs** if Applicable	# of **ESH** if Applicable	Position **Grade** if Applicable	**Budget Amount**	**IT**	**Facility**	**Justification** *(if part of Strategic plan, please indicate Objective, Strategy)*	**Strategic Plans?**	**Assessment Priority**	**Type ***

New Budget Request Worksheet

Priority	CMP	Budget Unit Head	Short Description	Is this a **one** time Expense?	**FTEs** if Applicable	# of **ESH** if Applicable	Position **Grade** if Applicable	Budget Amount	IT	Facility	**Justification** *(if part of Strategic plan, please indicate Objective, Strategy)*	Strategic Plans?	Assessment Priority	Type *

FY12 STRATEGIC PLANNING IMPORTANT DATES

March 28, 2011	All FY12 Strategic Plans are due and should be entered into the Collegewide Strategic Planning Database
April, 2011	FY12 Strategic Plans are Reviewed
May 27, 2011	FY12 Strategic Plan Modifications (where necessary) are due
June 30, 2011	All FY11 Strategic Plan Assessments are due and should be entered into the Collegewide Strategic Planning Database. Those administrative units who need additional time due to year-end closing requirements should contact the Office of Planning and Institutional Research to request additional time.

The FY12 Strategic Planning Priorities have been posted and are available for downloading.

All of the FY12 Strategic Planning Forms have been posted on the "Strategic Planning Website" and are available for downloading.

Additional training for the use of the Collegewide Strategic Planning Database will be provided, where necessary. Please contact the Office of Planning and Institutional Effectiveness at (240) 567-7971 or via email (planning@montgomerycollege.edu) to schedule and sign up for the training.

FY10 Resource Tool Kit

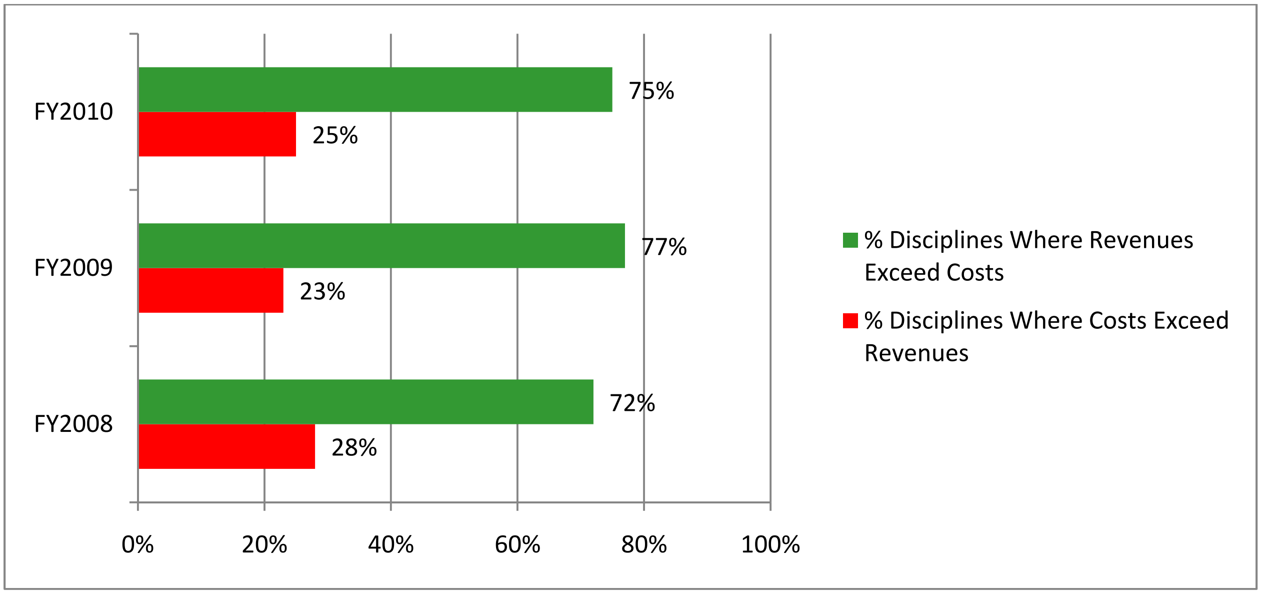
1. **Discipline Cost Data**
2. **Student Faculty Ratios**
3. **Top/Bottom 30 Courses**
4. **Number of Degrees Granted**
5. **ESH Report**

I. Discipline Cost Data

Germantown Discipline Costs v. Revenue – FY08 – FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010	Difference
ALL	Student Load	86,349	90,942	99,529	13,180
	Number of Sections	1,609	1,642	1,773	164
	FTE	2878	3,031	3,318	439
	Faculty ESH	4,547	4,678	5,096	549
	Student-Faculty Ratio	19.0	19.4	19.5	1
	FT-PT Ratio [percent FT]	55.8%	56.0%	54.3%	-1.5%
	Instructor Costs	$8,230,082	$8,218,125	$8,826,464	$596,382
	Tuition Revenue	$9,472,485	$10,258,258	$11,664,799	$2,192,314
	Cost per FTE	**$2,859**	**$2,711**	**$2,660**	-$199
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**	$225
	Revenue Minus Cost per FTE	**$432**	**$673**	**$856**	$424

Campus Costs v. Revenues FY08-FY10

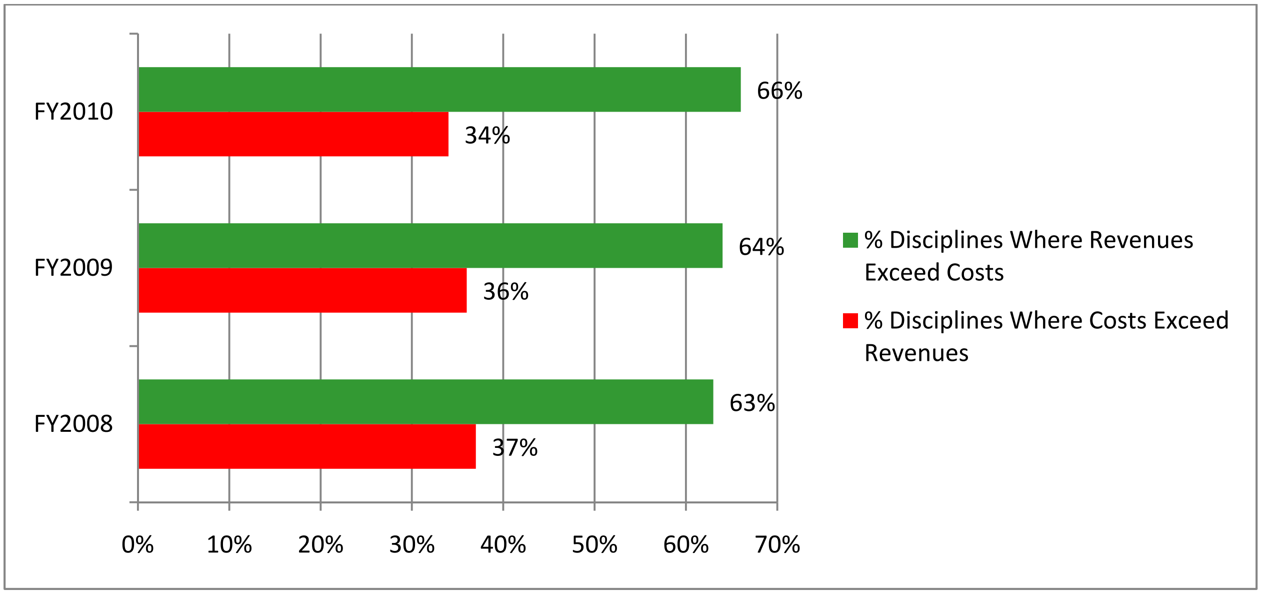


Least/Most Expensive per FTE - FY08			**Least/Most Expensive per FTE - FY09**			**Least/Most Expensive per FTE - FY10**		
Music	**Cost per FTE**	**$900**	Geography	**Cost per FTE**	**$989**	Geography	**Cost per FTE**	**$1,032**
	Revenue per FTE	**$3,291**		**Revenue per FTE**	**$3,384**		**Revenue per FTE**	**$3,516**
	Revenue minus Cost	**$2,391**		**Revenue minus Cost**	**$2,395**		**Revenue minus Cost**	**$2,584**
Biotech	**Cost per FTE**	**$7,892**	Biotech	**Cost per FTE**	**$7,565**	Biotech	**Cost per FTE**	**$6,743**
	Revenue per FTE	**$3,291**		**Revenue per FTE**	**$3,384**		**Revenue per FTE**	**$3,516**
	Revenue minus Cost	**-$4,601**		**Revenue minus Cost**	**-$4,181**		**Revenue minus Cost**	**-$3,227**

Rockville Discipline Costs v. Revenue – FY08 – FY10

Discipline	**Measures**	**FY 2008**	**FY 2009**	**FY 2010**	**Difference**
ALL	Student Load	283,758	290,901	308,979	25,222
	Number of Sections	5,325	5,451	5,513	188
	FTE	9459	9,697	10,299	841
	Faculty ESH	14,720	15,043	16,017	1,296
	Student-Faculty Ratio	19.3	19.3	19.3	0.0
	FT-PT Ratio [percent FT]	56.6%	57.6%	56.6%	0.0%
	Instructor Costs	$26,460,133	$26,938,008	$28,896,845	$2,436,712
	Tuition Revenue	$31,128,198	$32,813,633	$36,212,339	$5,084,141
	Cost per FTE	**$2,797**	**$2,778**	**$2,806**	$8
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**	$225
	Revenue Minus Cost per FTE	**$494**	**$606**	**$710**	$217

Campus Costs v. Revenues FY08-FY10

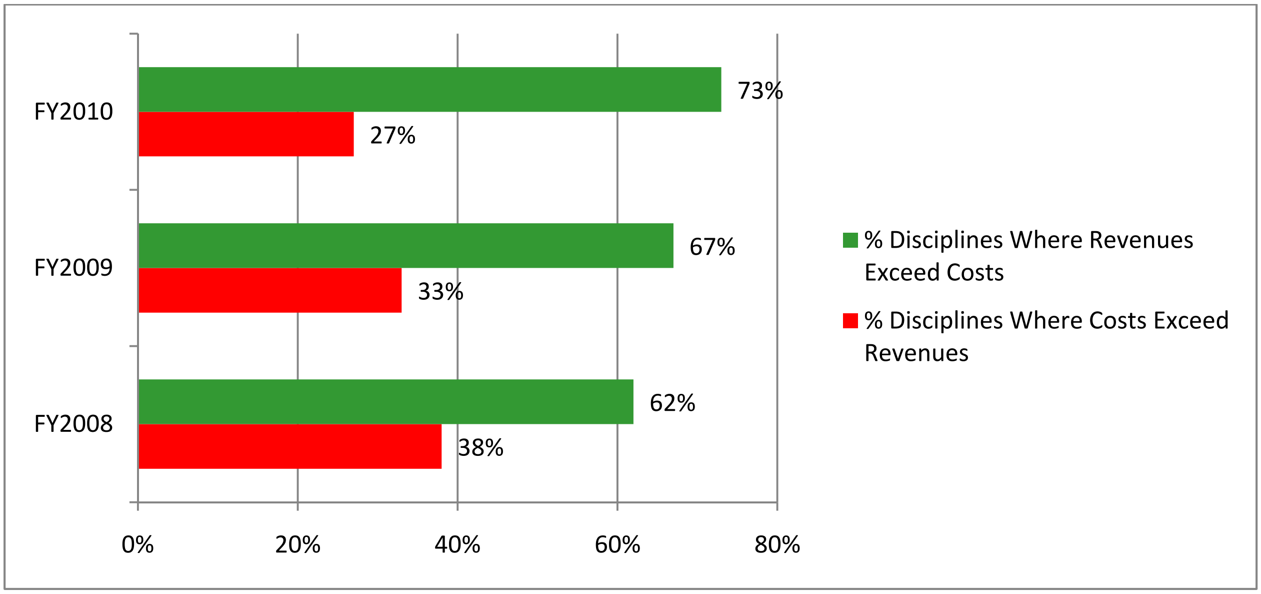


Least/Most Expensive per FTE - FY08			**Least/Most Expensive per FTE - FY09**			**Least/Most Expensive per FTE - FY10**		
Korean	**Cost per FTE**	**$810**	**Japanese**	**Cost per FTE**	**$1,115**	**Korean**	**Cost per FTE**	**$1,116**
	Revenue per FTE	**$3,291**		**Revenue per FTE**	**$3,384**		**Revenue per FTE**	**$3,516**
	Revenue minus Cost	**$2,481**		**Revenue minus Cost**	**$2,269**		**Revenue minus Cost**	**$2,400**
Honors Program	**Cost per FTE**	**$6,827**	**Printing Tech.**	**Cost per FTE**	**$7,553**	**Honors Program**	**Cost per FTE**	**$8,565**
	Revenue per FTE	**$3,291**		**Revenue per FTE**	**$3,384**		**Revenue per FTE**	**$3,516**
	Revenue minus Cost	**$3,536**		**Revenue minus Cost**	**-$4,169**		**Revenue minus Cost**	**-$5,049**

Takoma Park/Silver Spring Discipline Costs v. Revenue – FY08 – FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010	Difference
ALL	Student Load	105,570	111,620	122,963	17,393
	Number of Sections	2,111	2,255	2,755	644
	FTE	3519	3,721	4,099	580
	Faculty ESH	6,587	7,101	7,591	1,004
	Student-Faculty Ratio	16.0	15.7	16.2	0.2
	FT-PT Ratio [percent FT]	59.1%	59.2%	56.6%	-2.5%
	Instructor Costs	$12,605,340	$12,806,046	$13,708,884	$1,103,544
	Tuition Revenue	$11,581,029	$12,590,736	$14,411,264	$2,830,235
	Cost per FTE	**$3,582**	**$3,442**	**$3,345**	-$237
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**	$225
	Revenue Minus Cost per FTE	**-$291**	**-$58**	**$171**	$462

Campus Costs v. Revenues FY08-FY10

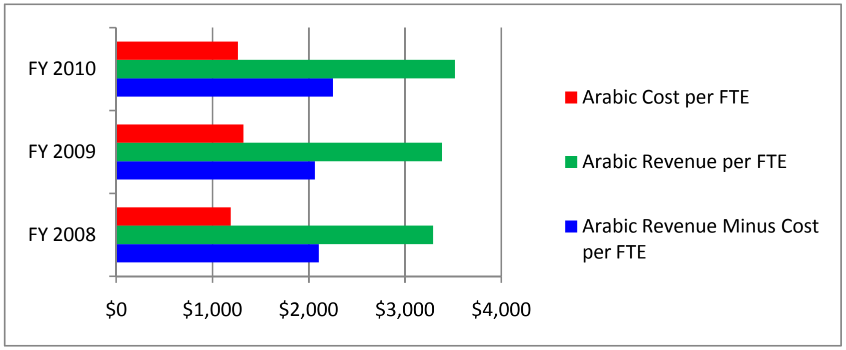


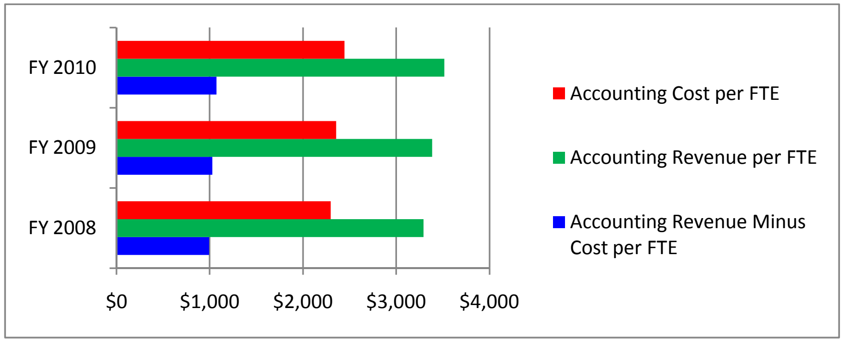
Least/Most Expensive per FTE - FY08			**Least/Most Expensive per FTE - FY09**			**Least/Most Expensive per FTE - FY10**		
Dance	**Cost per FTE**	**$900**	**Anthropology**	**Cost per FTE**	**$1,005**	**Anthropology**	**Cost per FTE**	**$1,107**
	Revenue per FTE	**$3,291**		**Revenue per FTE**	**$3,384**		**Revenue per FTE**	**$3,516**
	Revenue minus Cost	**$2,391**		**Revenue minus Cost**	**$2,379**		**Revenue minus Cost**	**$2,409**
Nursing	**Cost per FTE**	**$17,410**	**Nursing**	**Cost per FTE**	**$15,076**	**Nursing**	**Cost per FTE**	**$15.074**
	Revenue per FTE	**$3,291**		**Revenue per FTE**	**$3,384**		**Revenue per FTE**	**$3,516**
	Revenue minus Cost	**-$14,119**		**Revenue minus Cost**	**-$11,692**		**Revenue minus Cost**	**-$11,558**

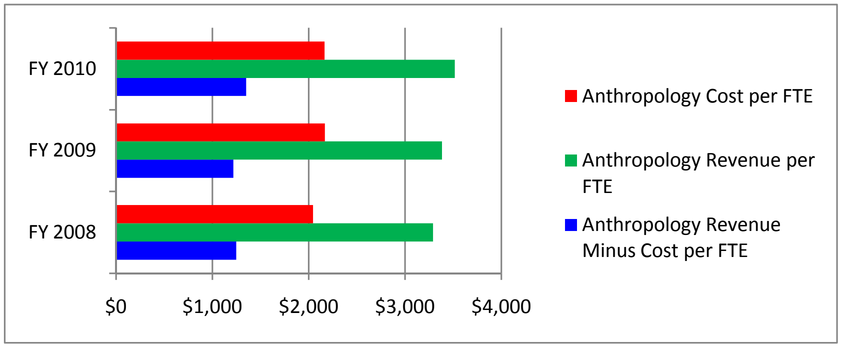
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Arabic	Student Load [total hours]	715	1,000	1,260
	Number of Sections	7	11	13
	FTE	24	33	42
	Faculty ESH	35	55	61
	Student-Faculty Ratio	20.4	18.2	20.7
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Cost	$28,350	$44,007	$53,079
	Tuition Revenue	$78,436	$112,800	$147,672
	Cost per FTE	**$1,190**	**$1,320**	**$1,264**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$2,101**	**$2,064**	**$2,252**
Accounting	Student Load [total hours]	13,066	13,317	13,262
	Number of Sections	139	142	145
	FTE	436	444	442
	Faculty ESH	538	554	569
	Student-Faculty Ratio	24.3	24.0	23.3
	FT-PT Ratio [percent FT]	66.0%	63.4%	62.6%
	Instructor Cost	$1,000,699	$1,045,345	$1,080,565
	Tuition Revenue	$1,433,340	$1,502,158	$1,554,306
	Cost per FTE	**$2,298**	**$2,355**	**$2,444**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$993**	**$1,029**	**$1,072**
Anthropology	Student Load [total hours]	3,531	3,768	4,238
	Number of Sections	60	61	69
	FTE	118	126	143
	Faculty ESH	173	178	201
	Student-Faculty Ratio	20.4	21.2	21.3
	FT-PT Ratio [percent FT]	29.0%	55.9%	46.2%
	Instructor Cost	$240,659	$272,282	$305,910
	Tuition Revenue	$387,351	$425,030	$501,381
	Cost per FTE	**$2,045**	**$2,168**	**$2,165**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,246**	**$1,216**	**$1,351**

3-Year Trend



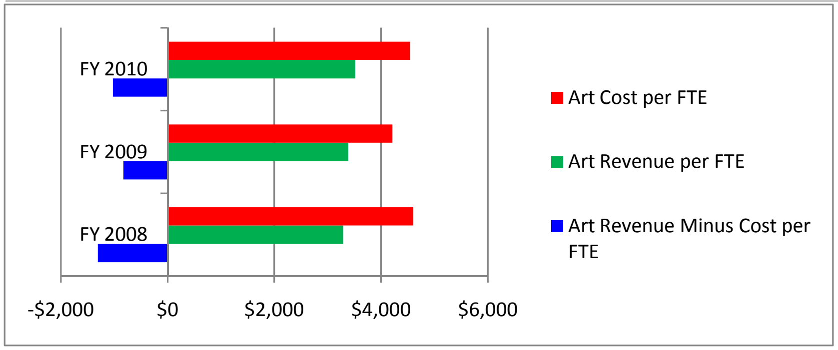


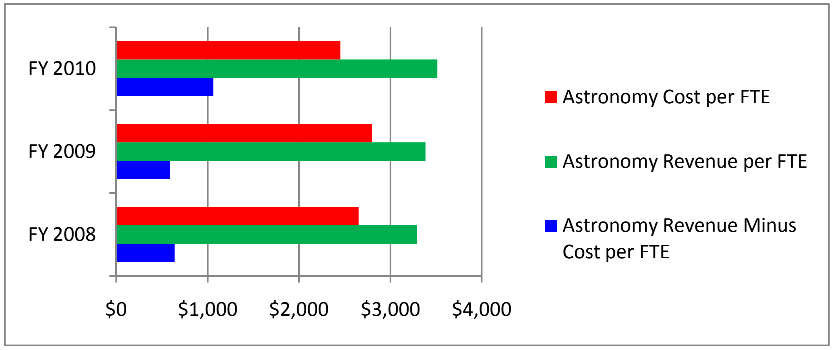


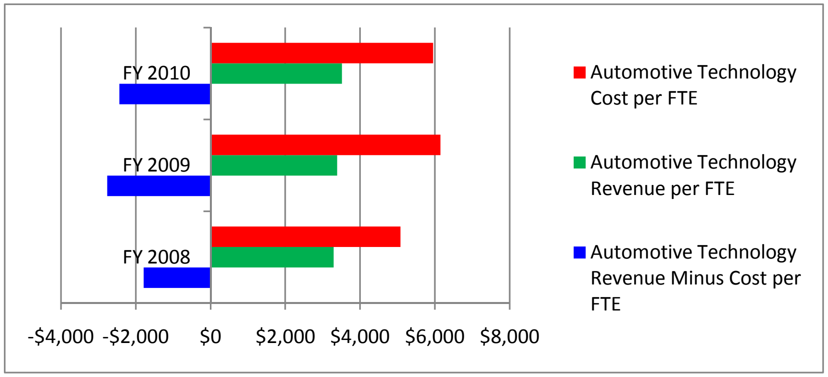
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Art	Student Load [total hours]	17,393	18,112	19,130
	Number of Sections	469	477	374
	FTE	580	604	637
	Faculty ESH	1,410	1,481	1,639
	Student-Faculty Ratio	12.3	12.2	11.7
	FT-PT Ratio [percent FT]	50.0%	52.0%	52.4%
	Instructor Cost	$2,666,376	$2,542,437	$2,896,132
	Tuition Revenue	$1,908,012	$2,043,034	$2,242,036
	Cost per FTE	**$4,599**	**$4,211**	**$4,542**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,308**	**-$827**	**-$1,026**
Astronomy	Student Load [total hours]	1,168	1,356	1,360
	Number of Sections	42	47	48
	FTE	39	45	46
	Faculty ESH	74	82	94
	Student-Faculty Ratio	15.8	16.6	14.4
	FT-PT Ratio [percent FT]	48.0%	6.4%	35.6%
	Instructor Cost	$103,284	$126,338	$111,257
	Tuition Revenue	$128,130	$152,957	$159,392
	Cost per FTE	**$2,653**	**$2,795**	**$2,454**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$638**	**$589**	**$1,062**
Automotive Technology	Student Load [total hours]	2,269	2,320	2,568
	Number of Sections	94	100	105
	FTE	76	77	86
	Faculty ESH	182	191	203
	Student-Faculty Ratio	12.5	12.1	12.7
	FT-PT Ratio [percent FT]	72.0%	84.6%	82.6%
	Instructor Cost	$384,033	$475,676	$509,364
	Tuition Revenue	$248,909	$261,696	$300,970
	Cost per FTE	**$5,078**	**$6,151**	**$5,951**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,787**	**-$2,767**	**-$2,435**

3-Year Trend



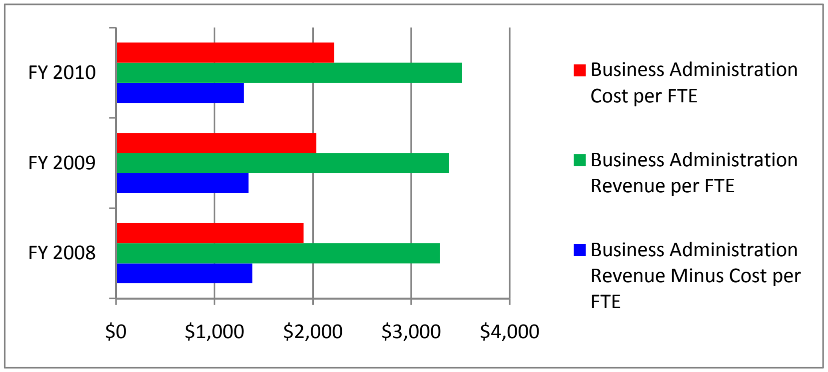


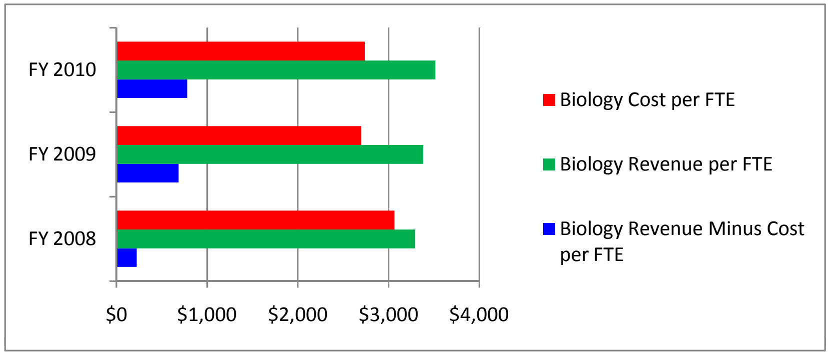


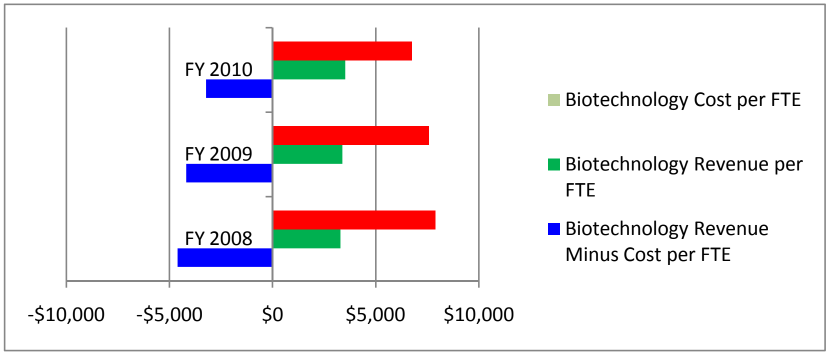
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Business Administration	Student Load [total hours]	7,338	7,434	7,452
	Number of Sections	101	112	107
	FTE	245	248	249
	Faculty ESH	303	306	322
	Student-Faculty Ratio	24.2	24.3	23.1
	FT-PT Ratio [percent FT]	38.0%	44.1%	46.0%
	Instructor Cost	$466,308	$504,662	$551,131
	Tuition Revenue	$804,979	$838,555	$873,375
	Cost per FTE	**$1,906**	**$2,037**	**$2,219**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,385**	**$1,347**	**$1,297**
Biology	Student Load [total hours]	30,838	34,824	39,184
	Number of Sections	751	786	854
	FTE	1028	1,161	1,306
	Faculty ESH	1,227	1,934	2,158
	Student-Faculty Ratio	25.1	18.0	18.2
	FT-PT Ratio [percent FT]	53.0%	55.6%	54.7%
	Instructor Cost	$3,152,199	$3,130,840	$3,574,610
	Tuition Revenue	$3,382,929	$3,928,147	$4,592,365
	Cost per FTE	**$3,067**	**$2,697**	**$2,737**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$224**	**$687**	**$779**
Biotechnology	Student Load [total hours]	566	588	778
	Number of Sections	30	26	31
	FTE	19	20	26
	Faculty ESH	67	60	73
	Student-Faculty Ratio	8.4	9.8	10.7
	FT-PT Ratio [percent FT]	79.0%	89.2%	73.4%
	Instructor Cost	$148,903	$148,274	$174,860
	Tuition Revenue	$62,090	$66,326	$91,182
	Cost per FTE	**$7,892**	**$7,565**	**$6,743**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$4,601**	**-$4,181**	**-$3,227**

3-Year Trend



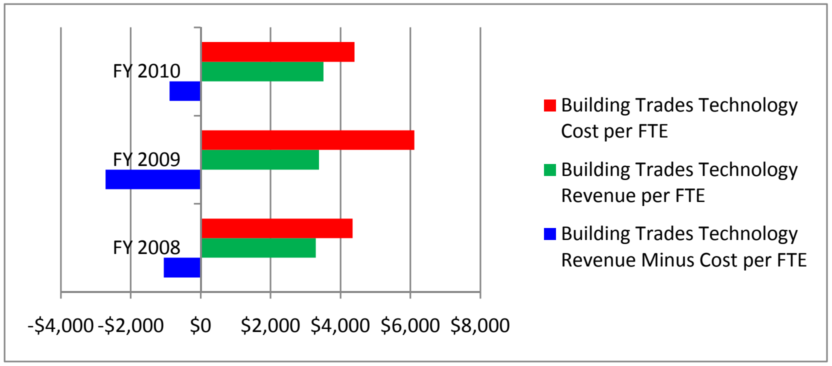


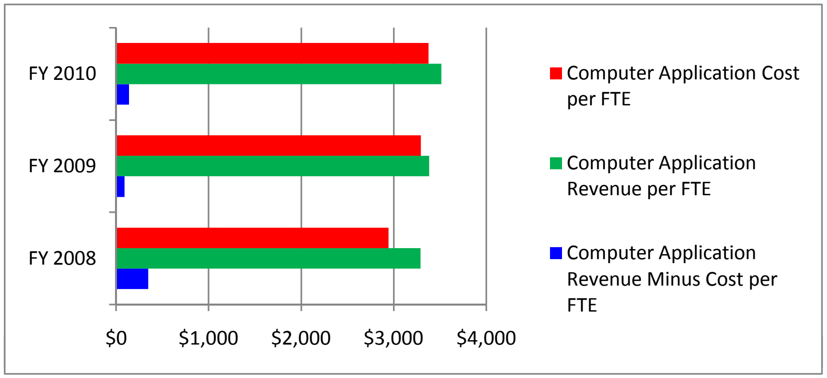


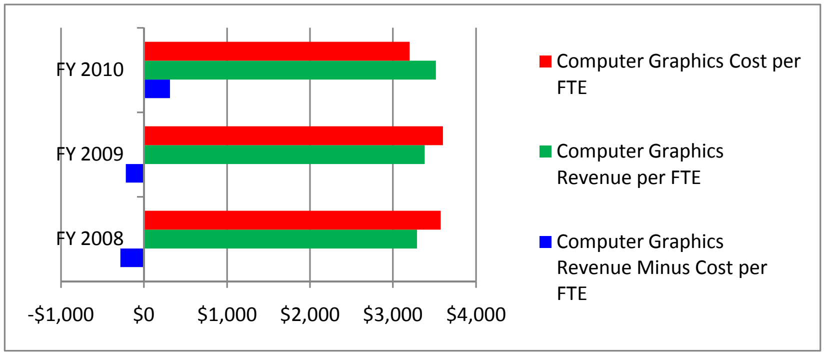
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Building Trades Technology	Student Load [total hours]	1,169	1,083	1,641
	Number of Sections	54	56	53
	FTE	39	36	55
	Faculty ESH	128	127	131
	Student-Faculty Ratio	9.1	8.5	12.6
	FT-PT Ratio [percent FT]	38.0%	63.8%	67.8%
	Instructor Cost	$169,445	$220,557	$240,848
	Tuition Revenue	$128,239	$122,162	$192,325
	Cost per FTE	**$4,348**	**$6,110**	**$4,403**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,057**	**-$2,726**	**-$887**
Computer Application	Student Load [total hours]	11,855	12,638	13,431
	Number of Sections	205	223	233
	FTE	395	421	448
	Faculty ESH	604	654	694
	Student-Faculty Ratio	19.6	19.3	19.4
	FT-PT Ratio [percent FT]	66.0%	70.4%	68.3%
	Instructor Cost	$1,162,738	$1,386,833	$1,511,277
	Tuition Revenue	$1,300,494	$1,425,566	$1,574,114
	Cost per FTE	**$2,942**	**$3,292**	**$3,376**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$349**	**$92**	**$140**
Computer Graphics	Student Load [total hours]	2,540	2,496	2,516
	Number of Sections	76	72	64
	FTE	85	83	84
	Faculty ESH	173	169	160
	Student-Faculty Ratio	14.7	14.8	15.7
	FT-PT Ratio [percent FT]	54.0%	47.6%	43.8%
	Instructor Cost	$302,644	$299,674	$268,554
	Tuition Revenue	$278,638	$281,549	$294,875
	Cost per FTE	**$3,575**	**$3,602**	**$3,202**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$284**	**-$218**	**$314**

3-Year Trend



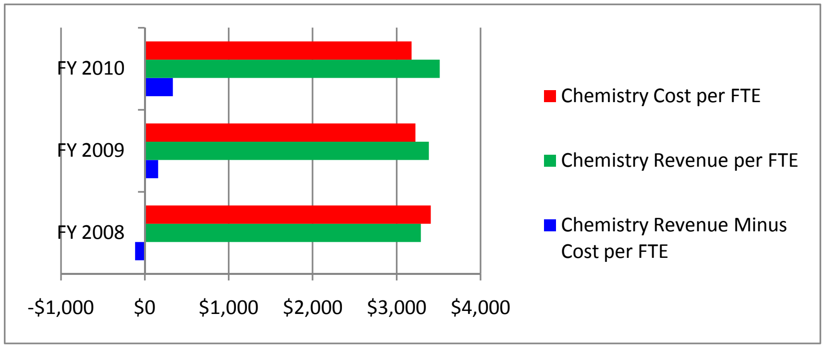


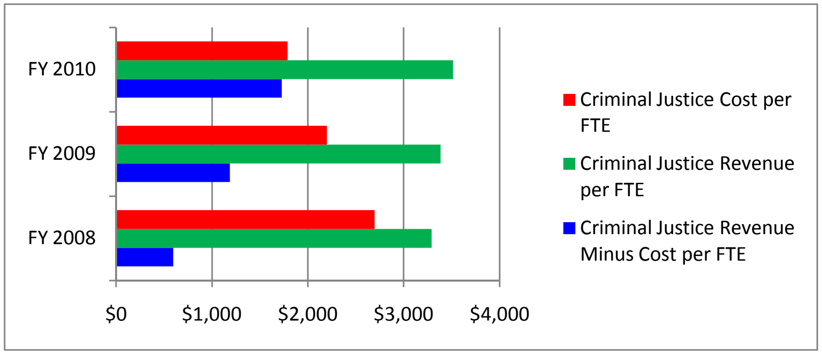


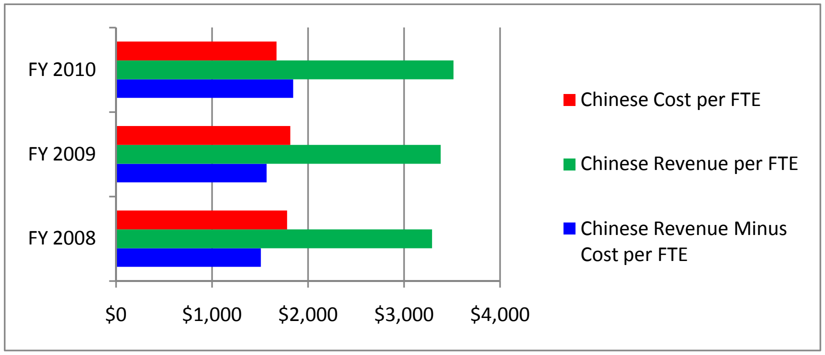
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Chemistry	Student Load [total hours]	17,241	16,689	18,031
	Number of Sections	474	486	527
	FTE	575	556	601
	Faculty ESH	1,087	1,106	1,159
	Student-Faculty Ratio	15.9	15.1	15.6
	FT-PT Ratio [percent FT]	55.0%	57.3%	53.4%
	Instructor Cost	1,958,938	$1,794,799	$1,911,623
	Tuition Revenue	1,891,338	$1,882,519	$2,113,233
	Cost per FTE	**$3,409**	**$3,226**	**$3,181**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$118**	**$158**	**$335**
Criminal Justice	Student Load	4,098	3,951	4,770
	Number of Sections	64	61	62
	FTE	137	132	159
	Faculty ESH	179	173	180
	Student-Faculty Ratio	22.8	22.9	26.4
	FT-PT Ratio [percent FT]	54.8%	56.6%	50.1%
	Instructor Costs	$368,268	$289,358	$284,043
	Tuition Revenue	$449,551	$445,673	$559,044
	Cost per FTE	**$2,696**	**$2,197**	**$1,786**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$595**	**$1,187**	**$1,730**
Chinese	Student Load	725	680	870
	Number of Sections	9	10	11
	FTE	24	23	29
	Faculty ESH	45	50	55
	Student-Faculty Ratio	16.1	13.6	15.8
	FT-PT Ratio [percent FT]	11.0%	0.0%	0.0%
	Instructor Costs	$43,091	$41,117	$48,472
	Tuition Revenue	$79,533	$76,704	$101,964
	Cost per FTE	**$1,783**	**$1,814**	**$1,671**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,508**	**$1,570**	**$1,845**

3-Year Trend



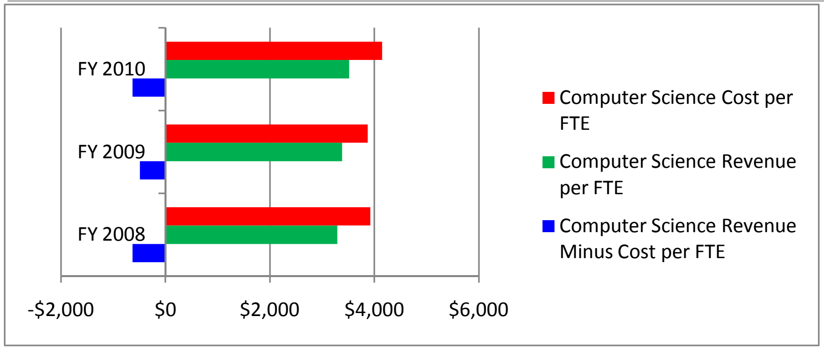


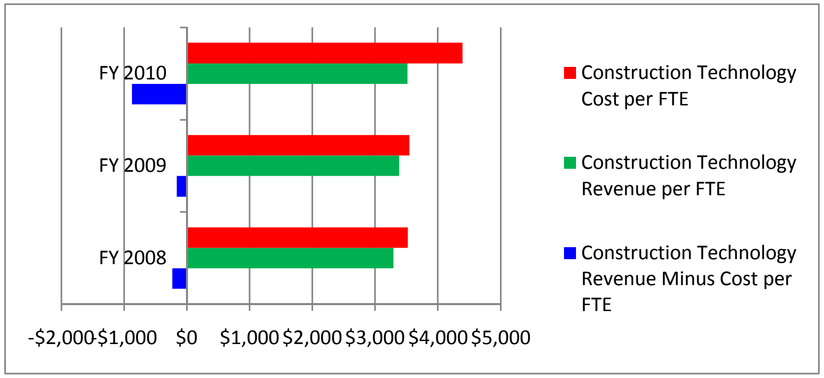


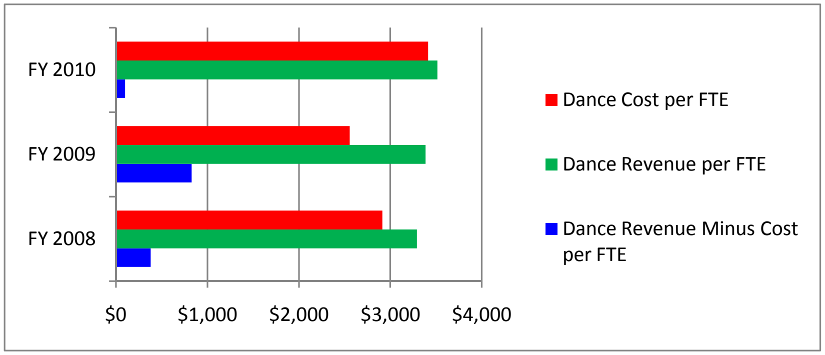
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Computer Science	Student Load	3,504	4,035	4,576
	Number of Sections	62	66	77
	FTE	117	135	153
	Faculty ESH	182	197	236
	Student-Faculty Ratio	19.3	20.5	19.4
	FT-PT Ratio [percent FT]	100.0%	95.4%	93.6%
	Instructor Costs	$457,778	$520,895	$632,812
	Tuition Revenue	$384,389	$455,148	$538,307
	Cost per FTE	**$3,919**	**$3,873**	**$4,149**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$628**	**-$489**	**-$633**
Construction Technology	Student Load	3,861	3,854	3,414
	Number of Sections	125	126	125
	FTE	129	128	114
	Faculty ESH	255	254	253
	Student-Faculty Ratio	15.1	15.1	13.5
	FT-PT Ratio [percent FT]	52.0%	54.1%	61.5%
	Instructor Costs	$453,186	$455,513	$499,937
	Tuition Revenue	$423,552	$434,731	$400,121
	Cost per FTE	**$3,521**	**$3,546**	**$4,393**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$230**	**-$162**	**-$877**
Dance	Student Load	1,153	1,256	1,264
	Number of Sections	37	40	33
	FTE	38	42	42
	Faculty ESH	74	94	95
	Student-Faculty Ratio	15.6	13.4	13.4
	FT-PT Ratio [percent FT]	35.0%	10.6%	28.6%
	Instructor Costs	$111,906	$107,060	$143,876
	Tuition Revenue	$126,484	$141,677	$148,140
	Cost per FTE	**$2,912**	**$2,557**	**$3,415**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$379**	**$827**	**$101**

3-Year Trend



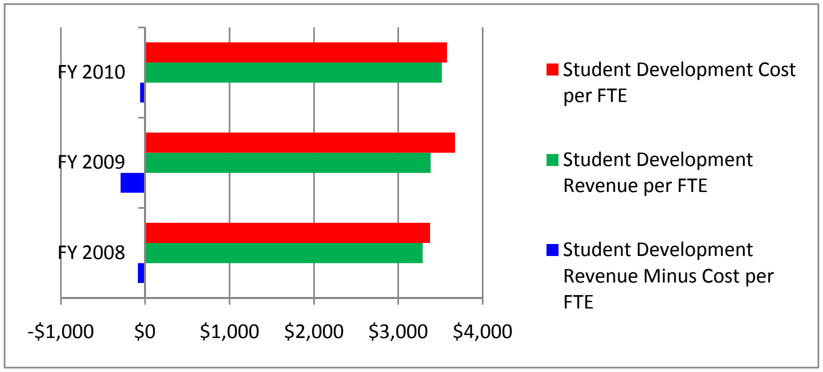


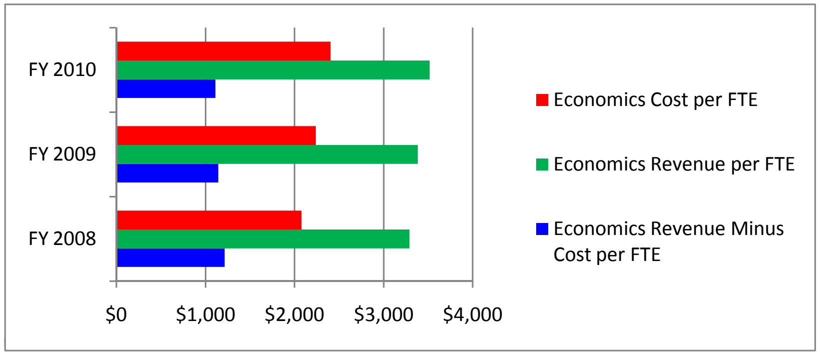


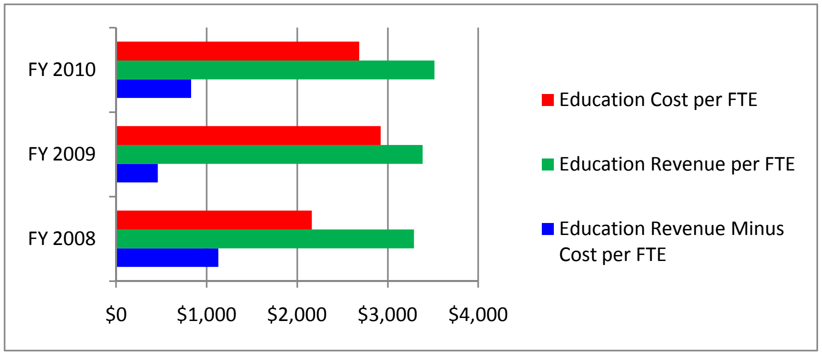
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Student Development	Student Load	4,068	4,948	5,096
	Number of Sections	206	210	223
	FTE	136	165	171
	Faculty ESH	241	276	286
	Student-Faculty Ratio	16.9	18.0	17.8
	FT-PT Ratio [percent FT]	79.3%	83.2%	75.3%
	Instructor Costs	$458,102	$606,097	$607,739
	Tuition Revenue	$446,260	$558,134	$597,251
	Cost per FTE	**$3,378**	**$3,675**	**$3,578**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$87**	**-$291**	**-$62**
Economics	Student Load	9,624	9,105	9,105
	Number of Sections	136	130	130
	FTE	321	304	318
	Faculty ESH	388	374	385
	Student-Faculty Ratio	24.8	24.3	24.8
	FT-PT Ratio [percent FT]	54.0%	61.5%	62.6%
	Instructor Costs	$666,251	$679,935	$729,920
	Tuition Revenue	$1,055,753	$1,027,044	$1,118,087
	Cost per FTE	**$2,077**	**$2,240**	**$2,405**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,214**	**$1,144**	**$1,111**
Education	Student Load	5,054	5,618	6,635
	Number of Sections	116	131	147
	FTE	168	187	221
	Faculty ESH	324	371	406
	Student-Faculty Ratio	15.6	15.1	16.4
	FT-PT Ratio [percent FT]	25.4%	54.0%	46.3%
	Instructor Costs	$364,343	$547,490	$594,132
	Tuition Revenue	$554,424	$633,710	$777,622
	Cost per FTE	**$2,163**	**$2,924**	**$2,686**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,128**	**$460**	**$830**

3-Year Trend



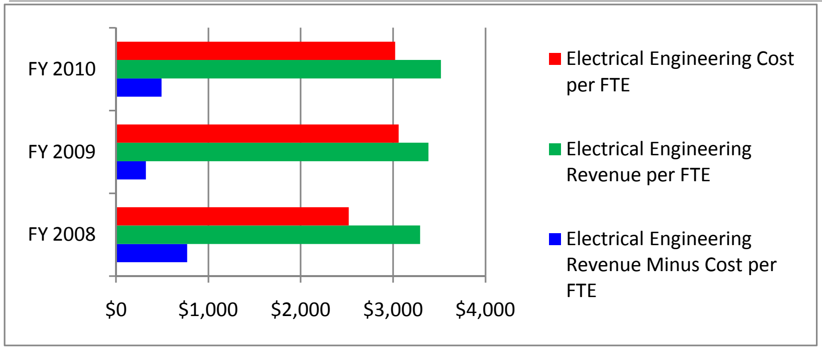


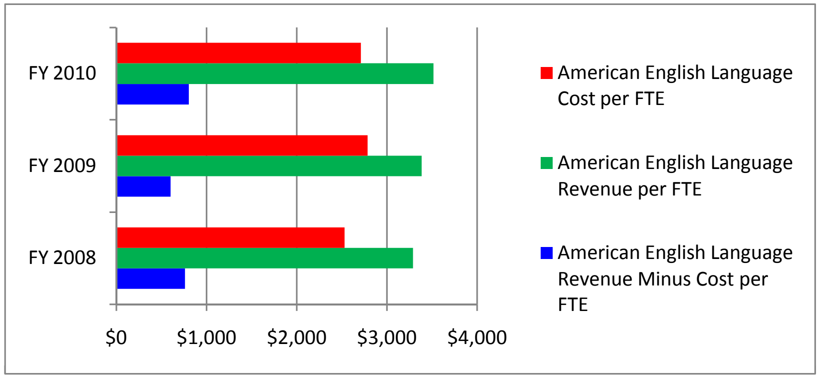


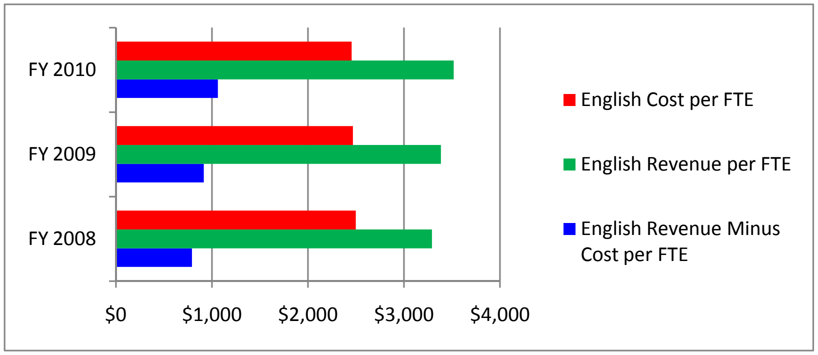
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Electrical Engineering	Student Load	760	768	768
	Number of Sections	18	18	20
	FTE	25	26	26
	Faculty ESH	43	43	42
	Student-Faculty Ratio	17.9	18.1	18.2
	FT-PT Ratio [percent FT]	64.7%	85.9%	78.1%
	Instructor Costs	$63,822	$78,341	$77,400
	Tuition Revenue	$83,372	$86,630	$90,010
	Cost per FTE	**$2,519**	**$3,060**	**$3,023**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$772**	**$324**	**$493**
American English Language	Student Load	26,700	26,465	26,055
	Number of Sections	292	291	285
	FTE	890	882	868
	Faculty ESH	1,455	1,455	1,413
	Student-Faculty Ratio	18.4	18.2	18.4
	FT-PT Ratio [percent FT]	50.4%	50.9%	48.8%
	Instructor Costs	$2,252,830	$2,456,237	$2,355,151
	Tuition Revenue	$2,928,990	$2,985,252	$3,053,646
	Cost per FTE	**$2,531**	**$2,784**	**$2,712**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$760**	**$600**	**$804**
English	Student Load	64,096	62,991	67,801
	Number of Sections	833	871	946
	FTE	2137	2,100	2,259
	Faculty ESH	2,814	2,957	3,206
	Student-Faculty Ratio	22.8	21.3	21.1
	FT-PT Ratio [percent FT]	59.2%	61.3%	56.1%
	Instructor Costs	$5,337,615	$5,182,505	$5,548,280
	Tuition Revenue	$7,031,331	$7,105,385	$7,956,277
	Cost per FTE	**$2,498**	**$2,468**	**$2,455**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$793**	**$916**	**$1,061**

3-Year Trend



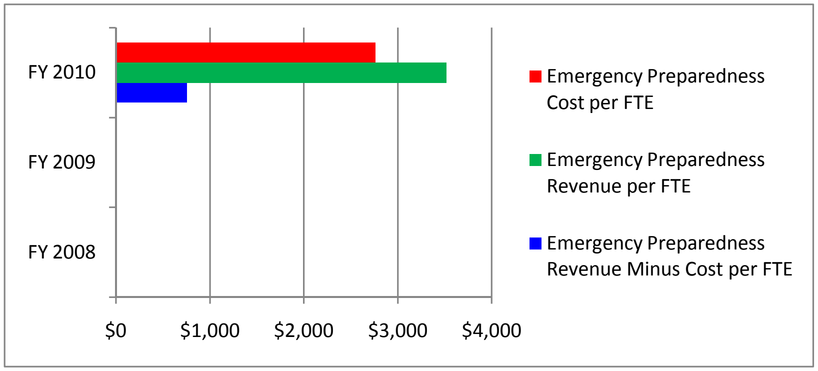


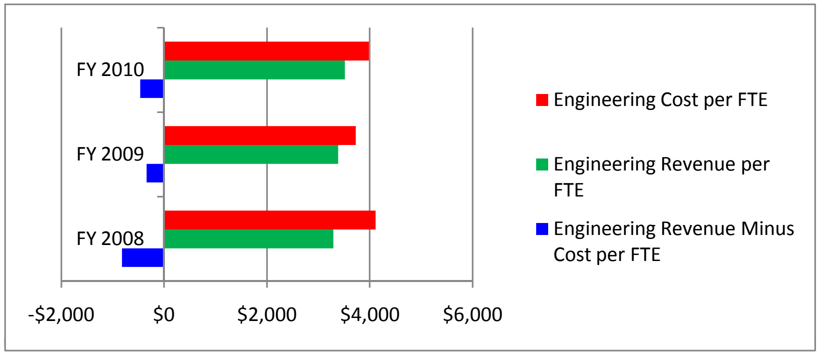


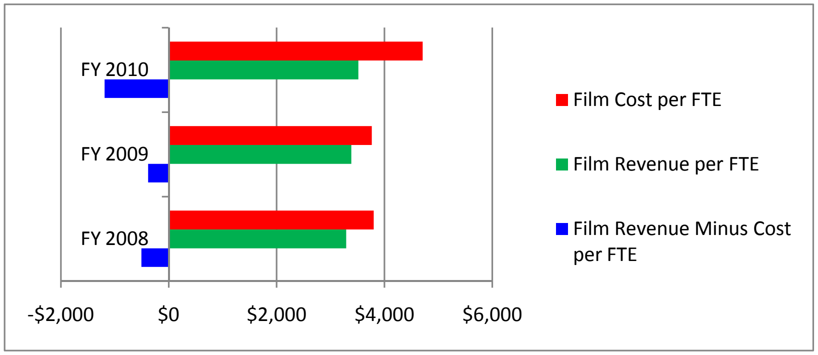
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Emergency Preparedness	Student Load			111
	Number of Sections			2
	FTE			4
	Faculty ESH			6
	Student-Faculty Ratio			18.5
	FT-PT Ratio [percent FT]			50.0%
	Instructor Costs			$10,216
	Tuition Revenue			$13,009
	Cost per FTE			**$2,761**
	Revenue per FTE			**$3,516**
	Revenue Minus Cost per FTE			**$755**
Engineering	Student Load	2,481	2,862	3,219
	Number of Sections	77	80	96
	FTE	83	95	108
	Faculty ESH	159	161	194
	Student-Faculty Ratio	15.6	17.8	16.6
	FT-PT Ratio [percent FT]	81.8%	79.8%	72.9%
	Instructor Costs	$340,036	$355,625	$427,022
	Tuition Revenue	$272,166	$322,834	$377,267
	Cost per FTE	**$4,112**	**$3,728**	**$3,980**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$821**	**-$344**	**-$464**
Film	Student Load	492	450	438
	Number of Sections	16	13	14
	FTE	16	15	15
	Faculty ESH	31	26	29
	Student-Faculty Ratio	15.9	17.6	15.4
	FT-PT Ratio [percent FT]	46.8%	72.5%	75.4%
	Instructor Costs	$62,311	$56,523	$68,712
	Tuition Revenue	$53,972	$50,760	$51,334
	Cost per FTE	**$3,799**	**$3,768**	**$4,706**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$508**	**-$384**	**-$1,190**

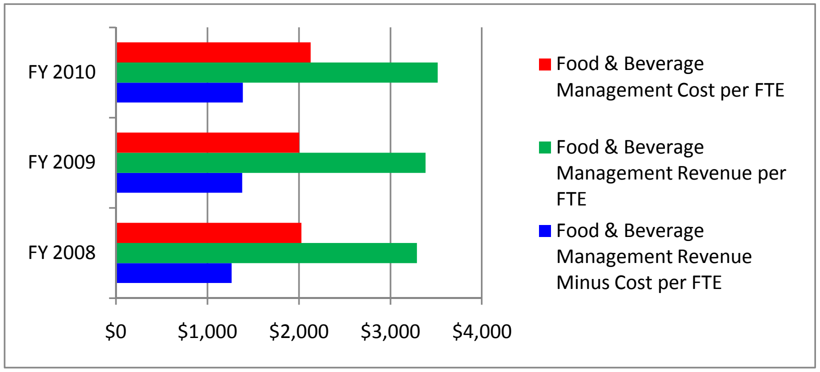
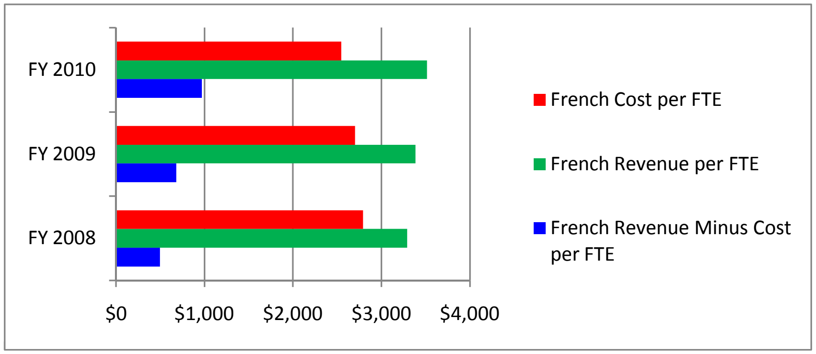
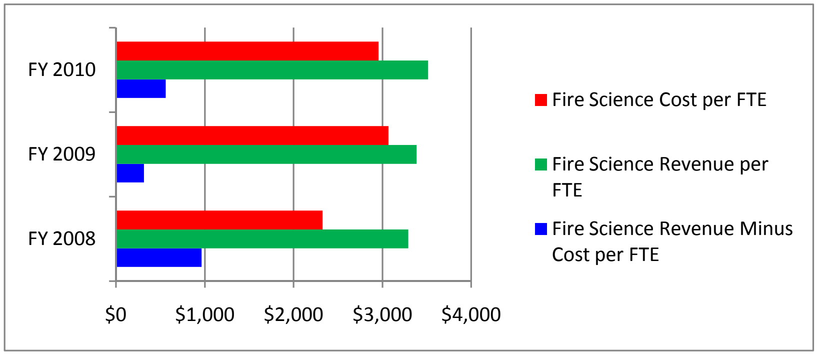
3-Year Trend







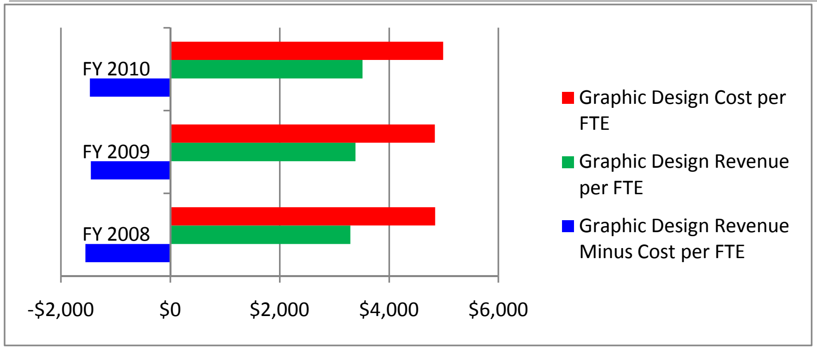
Collegewide Discipline Costs - FY08 - FY10

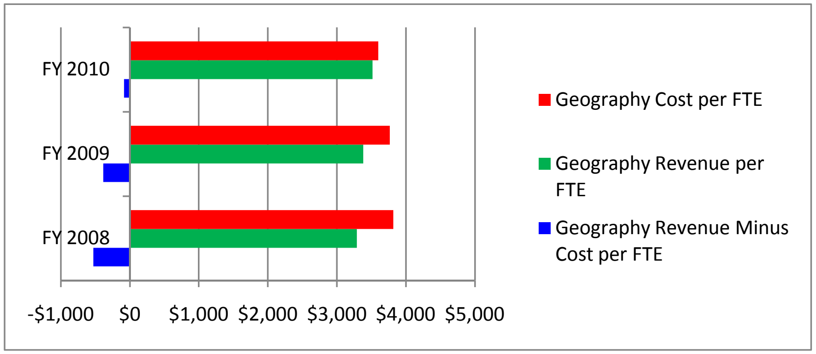
Discipline	Measures	FY 2008	FY 2009	FY 2010	3-Year Trend
Food & Beverage Management	Student Load	3,456	3,736	4,070	
	Number of Sections	60	58	66	
	FTE	115	125	136	
	Faculty ESH	153	157	175	
	Student-Faculty Ratio	22.7	23.9	23.3	
	FT-PT Ratio [percent FT]	41.6%	41.2%	40.3%	
	Instructor Costs	$233,596	$249,448	$288,776	
	Tuition Revenue	$379,123	$421,421	$477,004	
	Cost per FTE	**$2,028**	**$2,003**	**$2,129**	
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**	
	Revenue Minus Cost per FTE	**$1,263**	**$1,381**	**$1,387**	
French	Student Load	2,544	2,604	2,835	
	Number of Sections	50	55	55	
	FTE	85	87	94	
	Faculty ESH	150	165	165	
	Student-Faculty Ratio	17.0	15.8	17.2	
	FT-PT Ratio [percent FT]	30.8%	30.9%	29.1%	
	Instructor Costs	$236,901	$234,535	$240,474	
	Tuition Revenue	$279,077	$293,731	$332,261	
	Cost per FTE	**$2,794**	**$2,702**	**$2,545**	
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**	
	Revenue Minus Cost per FTE	**$497**	**$682**	**$971**	
Fire Science	Student Load	795	740	903	
	Number of Sections	22	16	22	
	FTE	27	25	30	
	Faculty ESH	58	56	63	
	Student-Faculty Ratio	13.8	13.2	14.3	
	FT-PT Ratio [percent FT]	19.2%	41.9%	39.6%	
	Instructor Costs	$61,675	$75,721	$88,951	
	Tuition Revenue	$87,212	$83,472	$105,832	
	Cost per FTE	**$2,327**	**$3,070**	**$2,955**	
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**	
	Revenue Minus Cost per FTE	**$964**	**$314**	**$561**	

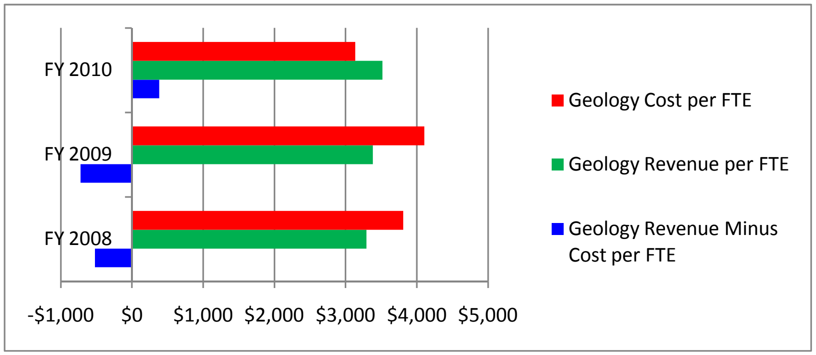
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Graphic Design	Student Load	2,625	2,878	3,308
	Number of Sections	105	113	108
	FTE	88	96	111
	Faculty ESH	200	217	253
	Student-Faculty Ratio	13.1	13.3	13.1
	FT-PT Ratio [percent FT]	71.7%	66.4%	67.3%
	Instructor Costs	$423,789	$464,000	$550,053
	Tuition Revenue	$287,963	$324,638	$387,698
	Cost per FTE	**$4,843**	**$4,837**	**$4,988**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,552**	**-$1,453**	**-$1,472**
Geography	Student Load	1,602	1,826	2,045
	Number of Sections	46	45	47
	FTE	53	61	68
	Faculty ESH	108	111	117
	Student-Faculty Ratio	14.8	16.5	17.5
	FT-PT Ratio [percent FT]	62.0%	65.6%	61.1%
	Instructor Costs	$203,908	$229,280	$245,480
	Tuition Revenue	$175,739	$205,973	$239,674
	Cost per FTE	**$3,819**	**$3,767**	**$3,601**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$528**	**-$383**	**-$85**
Geology	Student Load	1,004	880	1,080
	Number of Sections	25	25	27
	FTE	33	29	36
	Faculty ESH	65	65	68
	Student-Faculty Ratio	15.5	13.5	16.0
	FT-PT Ratio [percent FT]	83.8%	79.3%	61.1%
	Instructor Costs	$127,554	$120,465	$112,879
	Tuition Revenue	$110,139	$99,264	$126,577
	Cost per FTE	**$3,811**	**$4,107**	**$3,136**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$520**	**-$723**	**$380**

3-Year Trend



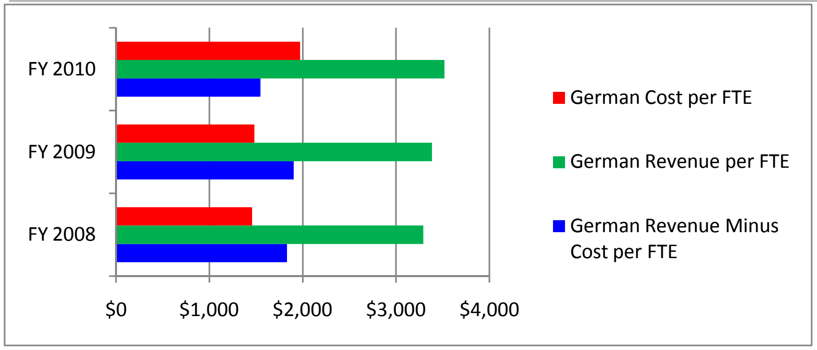


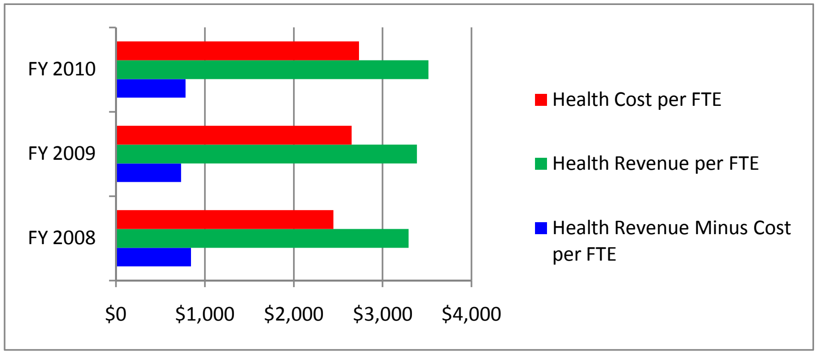


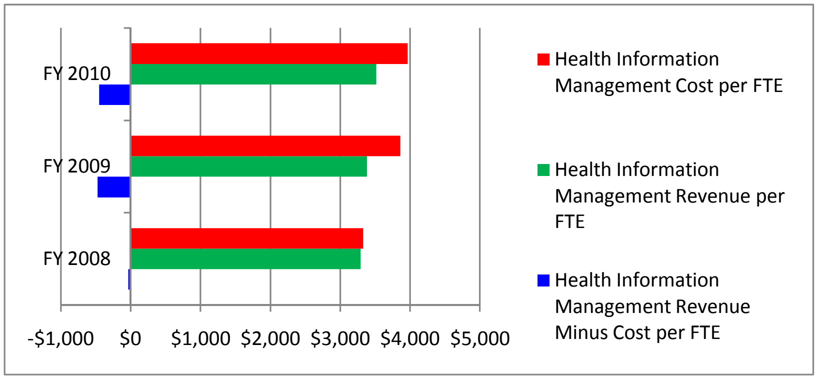
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
German	Student Load	357	390	450
	Number of Sections	7	8	11
	FTE	12	13	15
	Faculty ESH	21	24	33
	Student-Faculty Ratio	17.0	16.3	13.6
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$17,370	$19,254	$29,559
	Tuition Revenue	$39,163	$43,992	$52,740
	Cost per FTE	**$1,460**	**$1,481**	**$1,971**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,831**	**$1,903**	**$1,545**
Health	Student Load	10,015	10,757	11,605
	Number of Sections	222	242	258
	FTE	334	359	386
	Faculty ESH	458	510	548
	Student-Faculty Ratio	21.9	21.1	21.2
	FT-PT Ratio [percent FT]	62.4%	64.2%	67.0%
	Instructor Costs	$816,654	$950,883	$1,057,607
	Tuition Revenue	$1,098,646	$1,213,390	$1,360,106
	Cost per FTE	**$2,446**	**$2,652**	**$2,734**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$845**	**$732**	**$782**
Health Information Management	Student Load	1,493	1,559	1,569
	Number of Sections	43	46	49
	FTE	50	52	52
	Faculty ESH	75	85	87
	Student-Faculty Ratio	20.0	18.4	18.1
	FT-PT Ratio [percent FT]	81.2%	81.1%	79.2%
	Instructor Costs	$165,613	$200,516	$207,414
	Tuition Revenue	$163,782	$175,855	$183,887
	Cost per FTE	**$3,328**	**$3,859**	**$3,966**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$37**	**-$475**	**-$450**

3-Year Trend



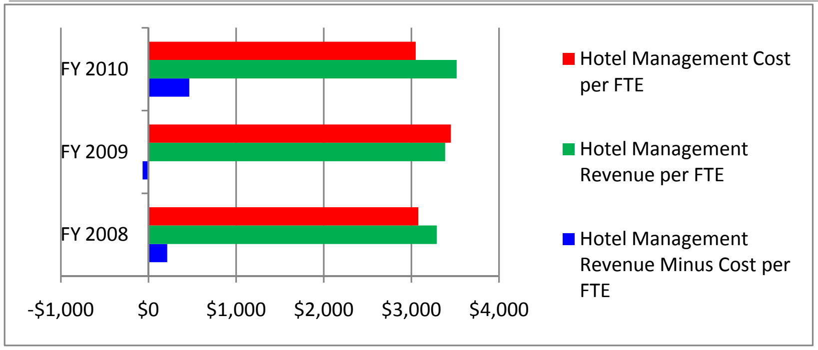


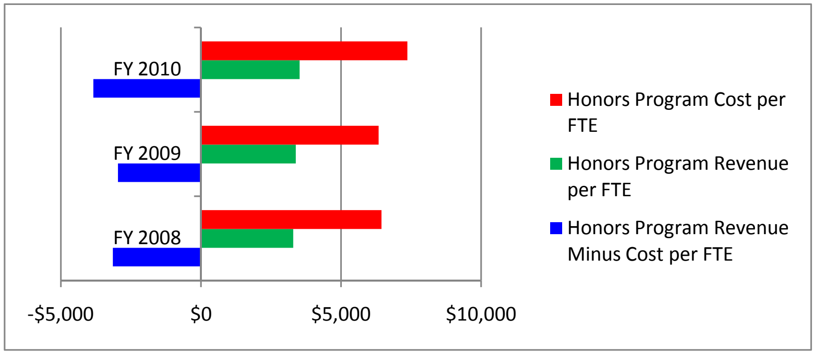


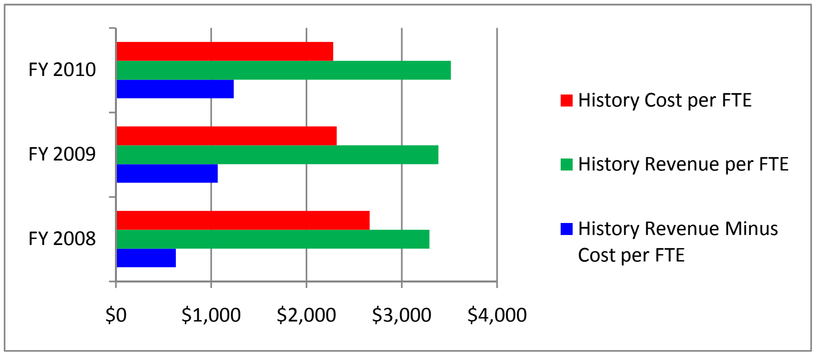
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Hotel Management	Student Load	926	910	997
	Number of Sections	16	15	16
	FTE	31	30	33
	Faculty ESH	36	35	43
	Student-Faculty Ratio	25.7	26.0	23.2
	FT-PT Ratio [percent FT]	83.3%	91.4%	72.1%
	Instructor Costs	$94,956	$104,670	$101,375
	Tuition Revenue	$101,582	$102,648	$116,848
	Cost per FTE	**$3,076**	**$3,451**	**$3,050**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$215**	**-$67**	**$466**
Honors Program	Student Load	558	500	387
	Number of Sections	48	37	44
	FTE	19	17	13
	Faculty ESH	55	44	40
	Student-Faculty Ratio	10.2	11.4	9.7
	FT-PT Ratio [percent FT]	94.5%	97.8%	95.0%
	Instructor Costs	$119,629	$105,682	$94,944
	Tuition Revenue	$61,158	$56,400	$45,336
	Cost per FTE	**$6,437**	**$6,341**	**$7,360**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$3,146**	**-$2,957**	**-$3,844**
History	Student Load	12,176	13,674	14,886
	Number of Sections	194	204	217
	FTE	406	456	496
	Faculty ESH	498	572	611
	Student-Faculty Ratio	24.4	23.9	24.4
	FT-PT Ratio [percent FT]	73.9%	69.7%	64.6%
	Instructor Costs	$1,080,270	$1,056,150	$1,131,371
	Tuition Revenue	$1,335,707	$1,542,427	$1,744,640
	Cost per FTE	**$2,662**	**$2,317**	**$2,280**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$629**	**$1,067**	**$1,236**

3-Year Trend



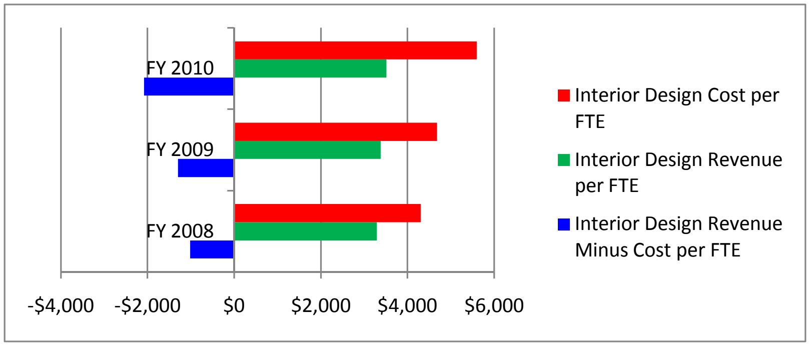


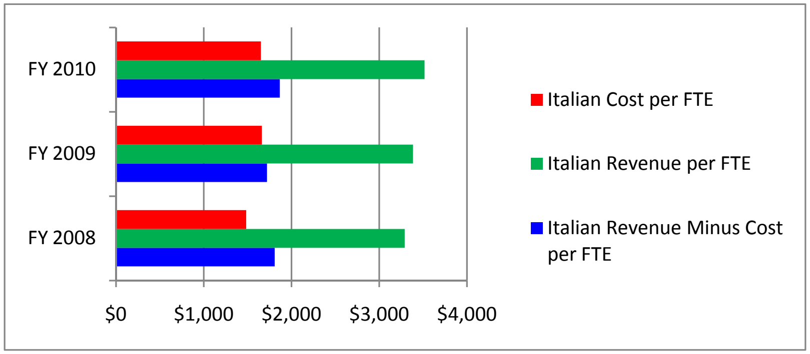


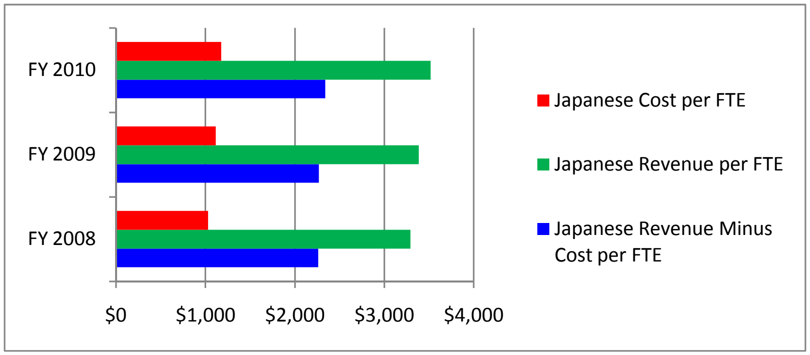
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Interior Design	Student Load	1,817	1,808	1,385
	Number of Sections	71	71	60
	FTE	61	60	46
	Faculty ESH	154	157	132
	Student-Faculty Ratio	11.8	11.5	10.5
	FT-PT Ratio [percent FT]	65.1%	42.9%	64.6%
	Instructor Costs	$260,871	$282,012	$258,502
	Tuition Revenue	$199,325	$203,942	$162,322
	Cost per FTE	**$4,307**	**$4,679**	**$5,599**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,016**	**-$1,295**	**-$2,083**
Italian	Student Load	702	693	807
	Number of Sections	14	15	16
	FTE	23	23	27
	Faculty ESH	42	45	48
	Student-Faculty Ratio	16.7	15.4	16.8
	FT-PT Ratio [percent FT]	0.0%	0.0%	6.3%
	Instructor Costs	$34,732	$38,406	$44,377
	Tuition Revenue	$77,009	$78,170	$94,580
	Cost per FTE	**$1,484**	**$1,663**	**$1,650**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,807**	**$1,721**	**$1,866**
Japanese	Student Load	297	270	279
	Number of Sections	4	4	4
	FTE	10	9	9
	Faculty ESH	12	12	12
	Student-Faculty Ratio	24.8	22.5	23.3
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$10,200	$10,036	$10,933
	Tuition Revenue	$32,581	$30,456	$32,699
	Cost per FTE	**$1,030**	**$1,115**	**$1,176**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$2,261**	**$2,269**	**$2,340**

3-Year Trend



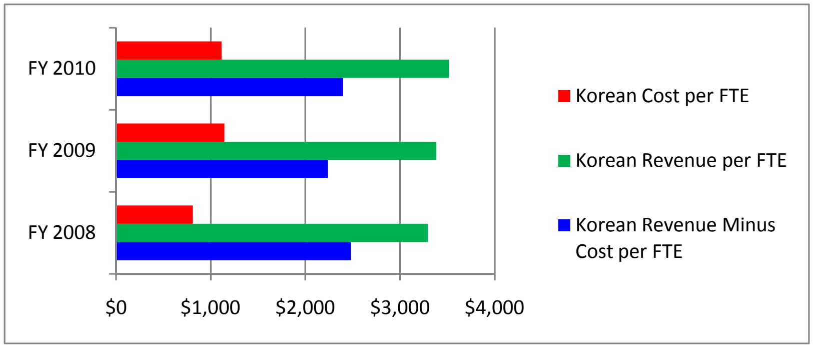


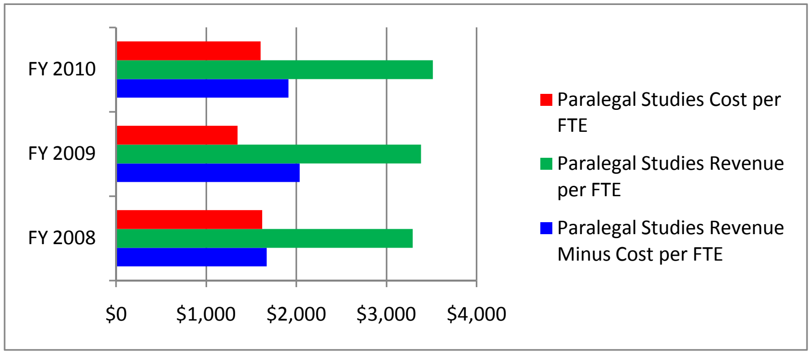


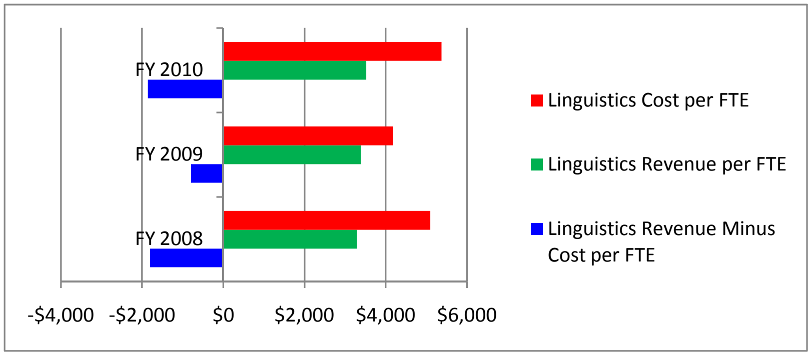
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Korean	Student Load	180	315	351
	Number of Sections	3	5	5
	FTE	6	11	12
	Faculty ESH	6	15	15
	Student-Faculty Ratio	30.0	21.0	23.4
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$4,860	$12,034	$13,052
	Tuition Revenue	$19,746	$35,532	$41,137
	Cost per FTE	**$810**	**$1,146**	**$1,116**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$2,481**	**$2,238**	**$2,400**
Paralegal Studies	Student Load	1,401	1,720	1,485
	Number of Sections	30	31	29
	FTE	47	57	50
	Faculty ESH	90	93	87
	Student-Faculty Ratio	15.6	18.5	17.1
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$75,660	$77,228	$79,388
	Tuition Revenue	$153,690	$194,016	$174,042
	Cost per FTE	**$1,620**	**$1,347**	**$1,604**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,671**	**$2,037**	**$1,912**
Linguistics	Student Load	177	234	189
	Number of Sections	4	4	4
	FTE	6	8	6
	Faculty ESH	12	12	12
	Student-Faculty Ratio	14.8	19.5	15.8
	FT-PT Ratio [percent FT]	100.0%	100.0%	100.0%
	Instructor Costs	$30,051	$32,600	$33,833
	Tuition Revenue	$19,417	$26,395	$22,151
	Cost per FTE	**$5,093**	**$4,180**	**$5,370**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,802**	**-$796**	**-$1,854**

3-Year Trend



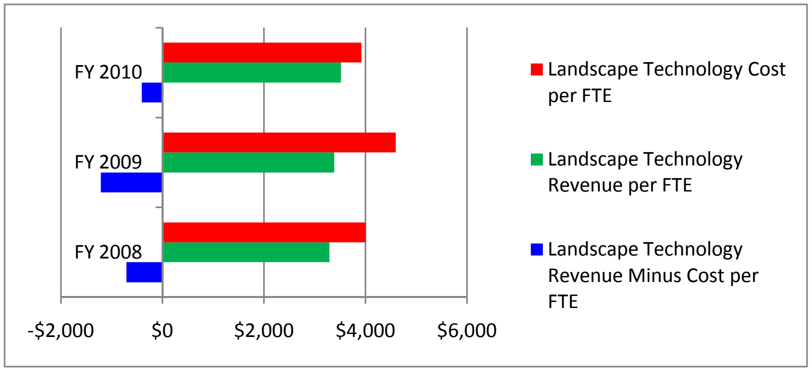


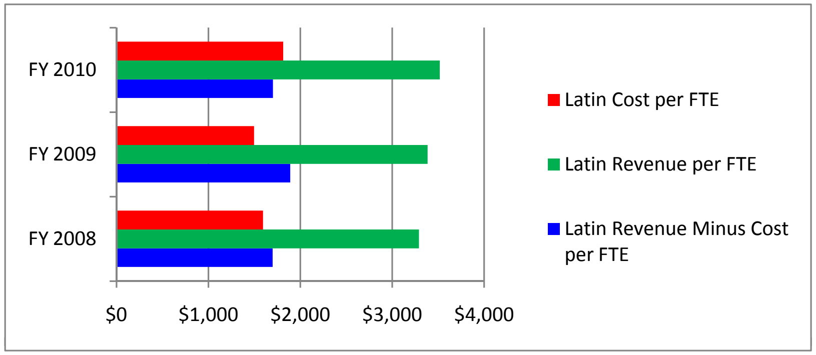


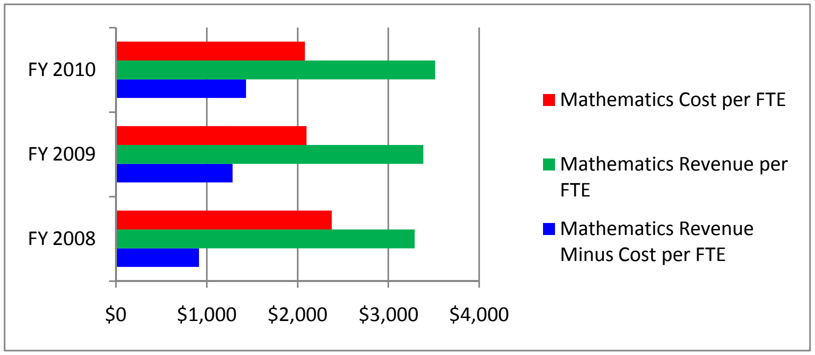
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Landscape Technology	Student Load	797	689	768
	Number of Sections	32	29	29
	FTE	27	23	26
	Faculty ESH	54	50	50
	Student-Faculty Ratio	14.8	13.8	15.4
	FT-PT Ratio [percent FT]	62.9%	67.5%	61.9%
	Instructor Costs	$106,300	$105,547	$100,388
	Tuition Revenue	$87,431	$77,719	$90,010
	Cost per FTE	**$4,001**	**$4,596**	**$3,921**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$710**	**-$1,212**	**-$405**
Latin	Student Load	183	192	216
	Number of Sections	4	4	5
	FTE	6	6	7
	Faculty ESH	12	12	15
	Student-Faculty Ratio	15.3	16.0	14.4
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$9,720	$9,569	$13,052
	Tuition Revenue	$20,075	$21,658	$25,315
	Cost per FTE	**$1,593**	**$1,495**	**$1,813**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,698**	**$1,889**	**$1,703**
Mathematics	Student Load	68,256	71,631	78,915
	Number of Sections	797	837	918
	FTE	2275	2,388	2,630
	Faculty ESH	2,818	2,947	3,250
	Student-Faculty Ratio	24.2	24.3	24.3
	FT-PT Ratio [percent FT]	56.4%	56.2%	53.2%
	Instructor Costs	$5,406,703	$5,012,239	$5,477,068
	Tuition Revenue	$7,487,683	$8,079,977	$9,248,837
	Cost per FTE	**$2,376**	**$2,099**	**$2,082**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$915**	**$1,285**	**$1,434**

3-Year Trend



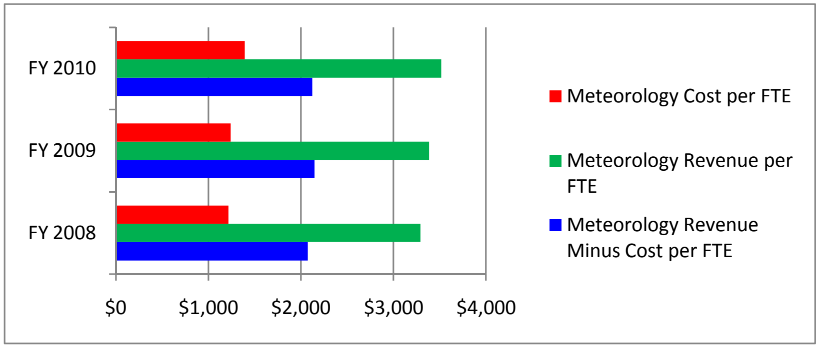


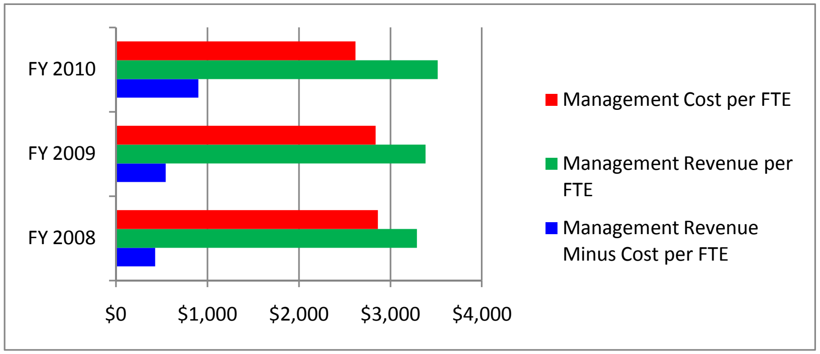


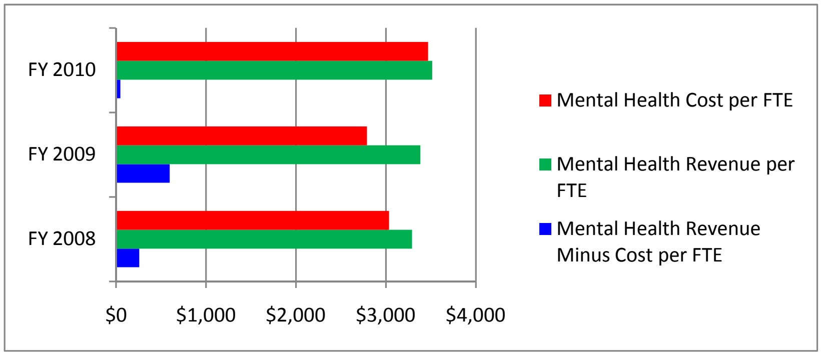
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Meteorology	Student Load	610	683	671
	Number of Sections	11	13	13
	FTE	20	23	22
	Faculty ESH	29	35	35
	Student-Faculty Ratio	20.9	19.8	19.4
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$24,743	$28,205	$31,172
	Tuition Revenue	$66,917	$77,042	$78,641
	Cost per FTE	**$1,217**	**$1,239**	**$1,394**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$2,074**	**$2,145**	**$2,122**
Management	Student Load	3,900	3,144	3,558
	Number of Sections	67	55	57
	FTE	130	105	118
	Faculty ESH	199	159	171
	Student-Faculty Ratio	19.6	19.8	20.8
	FT-PT Ratio [percent FT]	51.6%	45.3%	66.7%
	Instructor Costs	$372,211	$297,642	$310,321
	Tuition Revenue	$427,830	$354,643	$416,967
	Cost per FTE	**$2,863**	**$2,840**	**$2,617**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$428**	**$544**	**$899**
Mental Health	Student Load	990	1,002	1,026
	Number of Sections	22	21	24
	FTE	33	33	34
	Faculty ESH	67	62	72
	Student-Faculty Ratio	14.8	16.1	14.3
	FT-PT Ratio [percent FT]	31.1%	30.1%	35.7%
	Instructor Costs	$100,129	$93,172	$118,624
	Tuition Revenue	$108,603	$113,026	$120,247
	Cost per FTE	**$3,034**	**$2,790**	**$3,469**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$257**	**$594**	**$47**

3-Year Trend



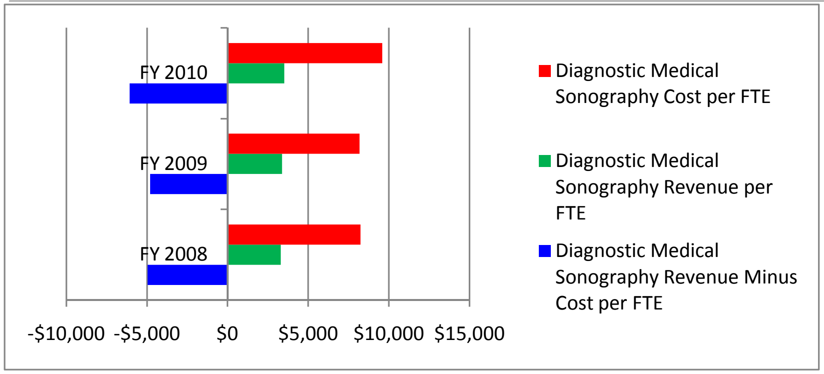


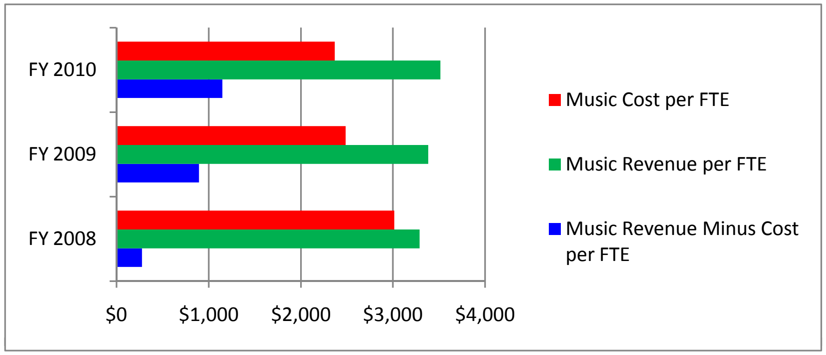


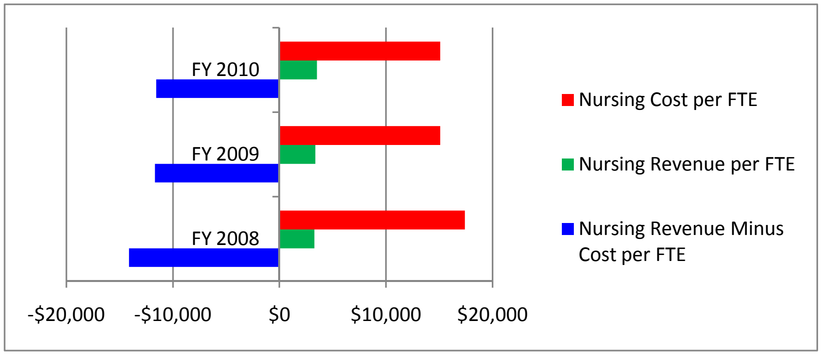
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Diagnostic Medical Sonography	Student Load	931	1,075	877
	Number of Sections	69	77	123
	FTE	31	36	29
	Faculty ESH	154	174	164
	Student-Faculty Ratio	6.1	6.2	5.3
	FT-PT Ratio [percent FT]	62.3%	55.5%	50.9%
	Instructor Costs	$255,922	$293,221	$280,227
	Tuition Revenue	$102,131	$121,260	$102,784
	Cost per FTE	**$8,247**	**$8,183**	**$9,586**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$4,956**	**-$4,799**	**-$6,070**
Music	Student Load	8,266	8,539	9,960
	Number of Sections	270	274	175
	FTE	276	285	332
	Faculty ESH	484	432	496
	Student-Faculty Ratio	17.1	19.8	20.1
	FT-PT Ratio [percent FT]	45.5%	55.6%	50.3%
	Instructor Costs	$830,464	$708,158	$786,426
	Tuition Revenue	$906,780	$963,199	$1,167,312
	Cost per FTE	**$3,014**	**$2,488**	**$2,369**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$277**	**$896**	**$1,147**
Nursing	Student Load	5,441	5,750	5,848
	Number of Sections	188	245	541
	FTE	181	192	195
	Faculty ESH	1,192	1,246	1,245
	Student-Faculty Ratio	4.6	4.6	4.7
	FT-PT Ratio [percent FT]	78.2%	82.8%	77.9%
	Instructor Costs	$3,157,522	$2,889,474	$2,938,395
	Tuition Revenue	$596,878	$648,600	$685,386
	Cost per FTE	**$17,410**	**$15,076**	**$15,074**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$14,119**	**-$11,692**	**-$11,558**

3-Year Trend



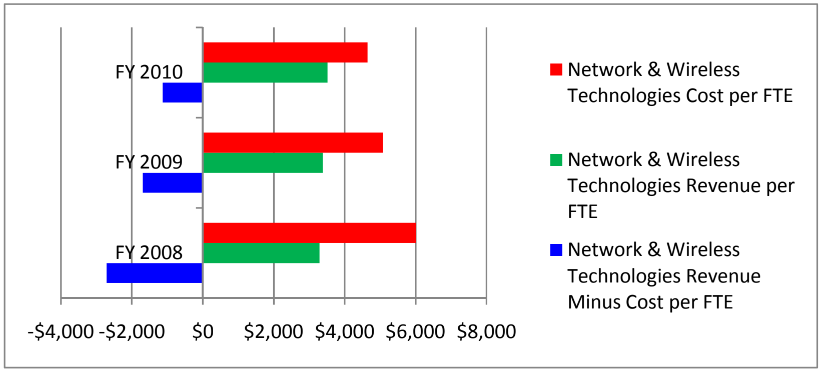


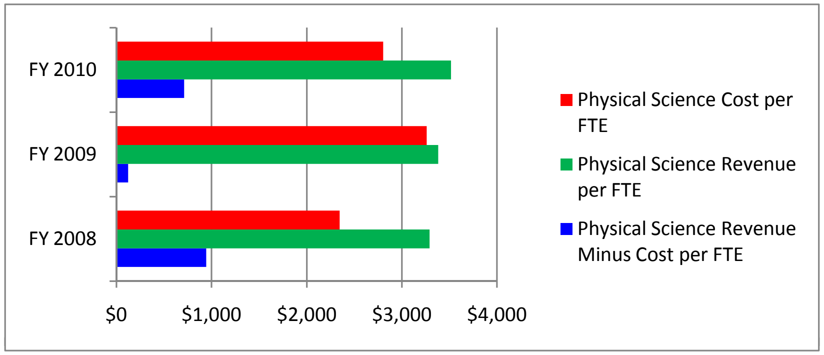


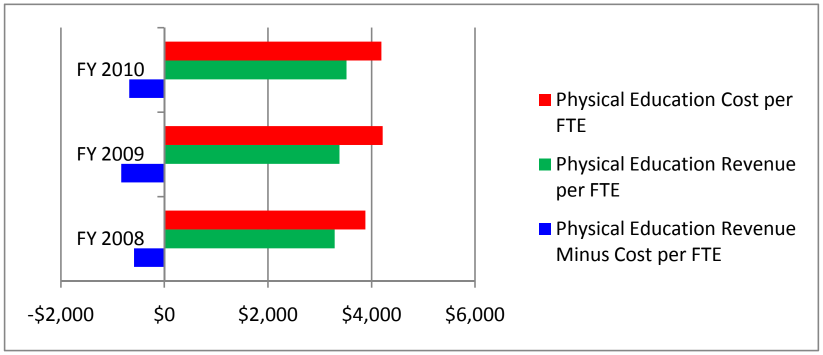
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Network & Wireless Technologies	Student Load	1,734	2,104	2,393
	Number of Sections	58	60	63
	FTE	58	70	80
	Faculty ESH	150	146	151
	Student-Faculty Ratio	11.5	14.4	15.8
	FT-PT Ratio [percent FT]	76.0%	76.9%	76.0%
	Instructor Costs	$347,081	$356,228	$370,817
	Tuition Revenue	$190,220	$237,331	$280,460
	Cost per FTE	**$6,005**	**$5,079**	**$4,649**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$2,714**	**-$1,695**	**-$1,133**
Physical Science	Student Load	1,073	804	1,088
	Number of Sections	40	33	39
	FTE	36	27	36
	Faculty ESH	68	55	70
	Student-Faculty Ratio	15.8	14.6	15.5
	FT-PT Ratio [percent FT]	39.7%	45.5%	38.5%
	Instructor Costs	$83,973	$87,375	$101,701
	Tuition Revenue	$117,708	$90,691	$127,514
	Cost per FTE	**$2,348**	**$3,260**	**$2,804**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$943**	**$124**	**$712**
Physical Education	Student Load	4,262	4,042	4,420
	Number of Sections	232	224	194
	FTE	142	135	147
	Faculty ESH	328	311	322
	Student-Faculty Ratio	13.0	13.0	13.7
	FT-PT Ratio [percent FT]	55.6%	55.9%	64.2%
	Instructor Costs	$551,203	$568,259	$617,657
	Tuition Revenue	$467,541	$455,938	$518,024
	Cost per FTE	**$3,880**	**$4,218**	**$4,192**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$589**	**-$834**	**-$676**

3-Year Trend



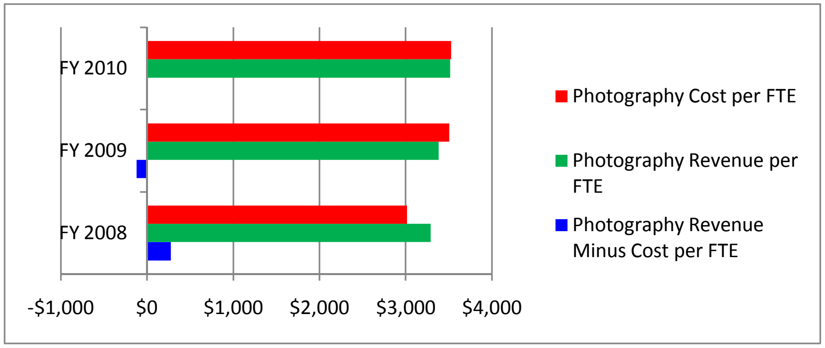


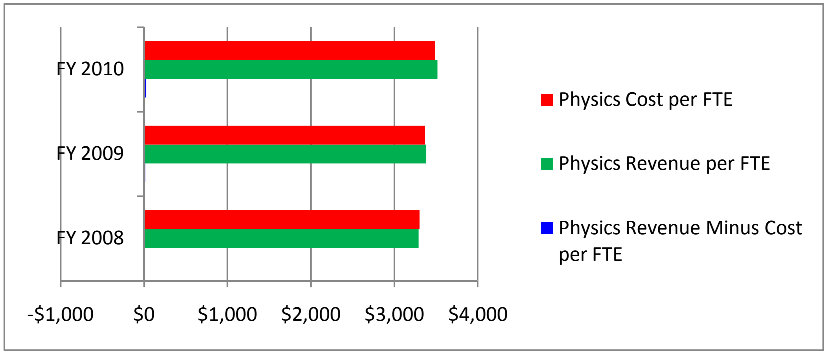


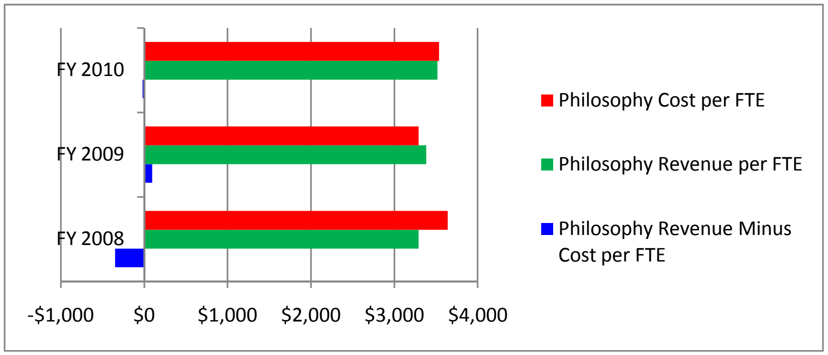
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Photography	Student Load	2,022	2,128	2,298
	Number of Sections	79	86	86
	FTE	67	71	77
	Faculty ESH	140	146	162
	Student-Faculty Ratio	14.5	14.6	14.2
	FT-PT Ratio [percent FT]	38.7%	47.1%	40.5%
	Instructor Costs	$203,334	$248,608	$270,074
	Tuition Revenue	$221,813	$240,038	$269,326
	Cost per FTE	**$3,017**	**$3,505**	**$3,526**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$274**	**-$121**	**-$10**
Physics	Student Load	5,276	5,756	6,201
	Number of Sections	180	190	210
	FTE	176	192	207
	Faculty ESH	349	368	435
	Student-Faculty Ratio	15.1	15.6	14.3
	FT-PT Ratio [percent FT]	59.5%	56.9%	61.6%
	Instructor Costs	$580,711	$646,335	$721,037
	Tuition Revenue	$578,777	$649,277	$726,757
	Cost per FTE	**$3,302**	**$3,369**	**$3,488**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$11**	**$15**	**$28**
Philosophy	Student Load	4,403	4,636	4,875
	Number of Sections	90	83	94
	FTE	147	144	162
	Faculty ESH	241	220	274
	Student-Faculty Ratio	18.2	21.1	17.8
	FT-PT Ratio [percent FT]	76.1%	68.9%	73.9%
	Instructor Costs	$533,957	$475,062	$574,616
	Tuition Revenue	$482,954	$488,650	$571,351
	Cost per FTE	**$3,639**	**$3,290**	**$3,536**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$348**	**$94**	**-$20**

3-Year Trend



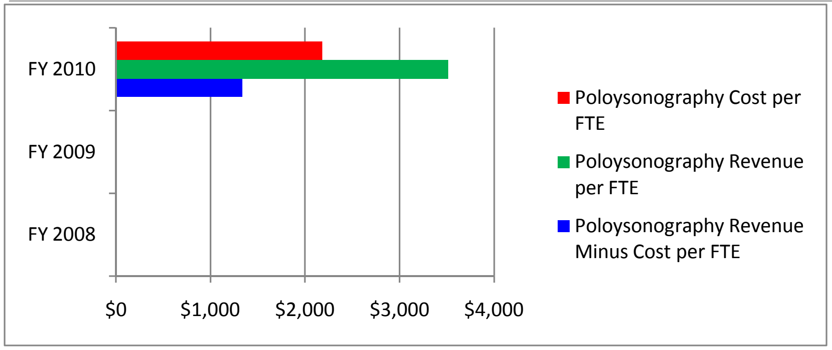


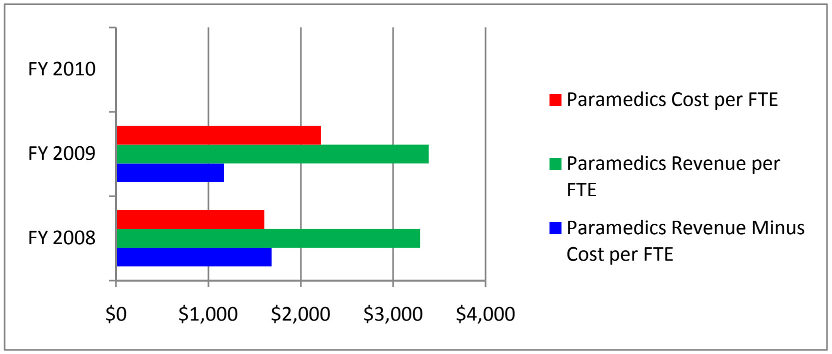


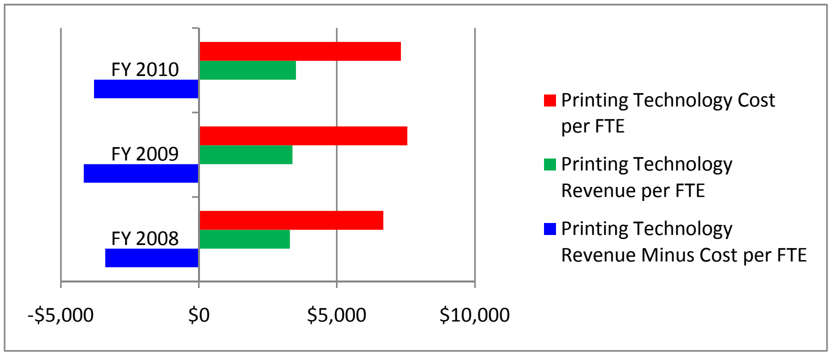
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Poloysonography	Student Load			332
	Number of Sections			10
	FTE			11
	Faculty ESH			28
	Student-Faculty Ratio			12.0
	FT-PT Ratio [percent FT]			0.0%
	Instructor Costs			$24,147
	Tuition Revenue			$38,910
	Cost per FTE			**$2,182**
	Revenue per FTE			**$3,516**
	Revenue Minus Cost per FTE			**$1,334**
Paramedics	Student Load	161	133	
	Number of Sections	2	1	
	FTE	5	4	
	Faculty ESH	9	10	
	Student-Faculty Ratio	17.9	13.2	
	FT-PT Ratio [percent FT]	16.7%	9.9%	
	Instructor Costs	$8,614	$9,827	
	Tuition Revenue	$17,662	$15,002	
	Cost per FTE	**$1,605**	**$2,217**	
	Revenue per FTE	**$3,291**	**$3,384**	
	Revenue Minus Cost per FTE	**$1,686**	**$1,167**	
Printing Technology	Student Load	459	358	431
	Number of Sections	20	15	17
	FTE	15	12	14
	Faculty ESH	52	39	48
	Student-Faculty Ratio	8.8	9.3	9.1
	FT-PT Ratio [percent FT]	80.8%	85.7%	77.9%
	Instructor Costs	$102,299	$90,138	$105,144
	Tuition Revenue	$50,352	$40,382	$50,513
	Cost per FTE	**$6,686**	**$7,553**	**$7,319**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$3,395**	**-$4,169**	**-$3,803**

3-Year Trend



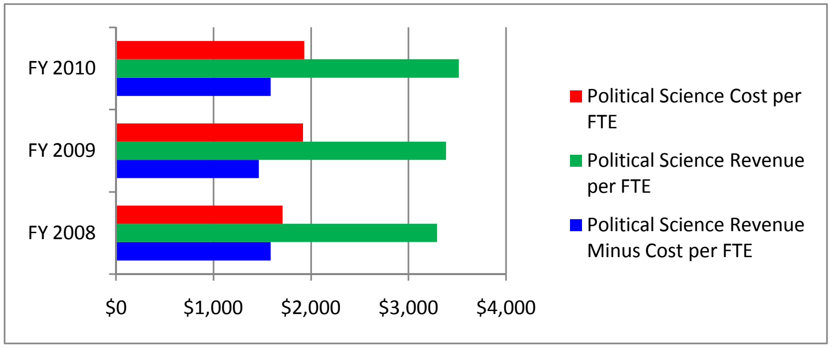


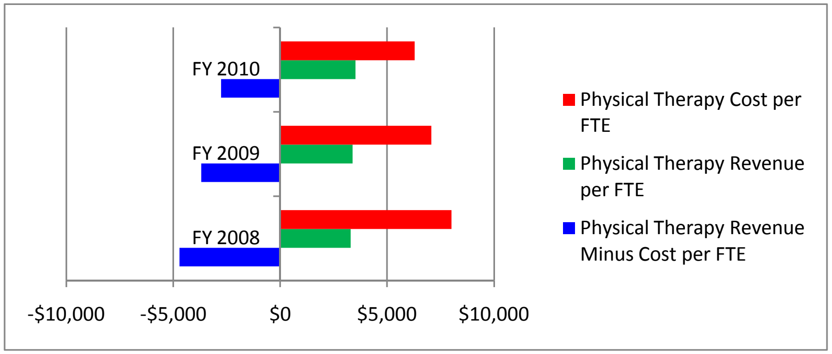


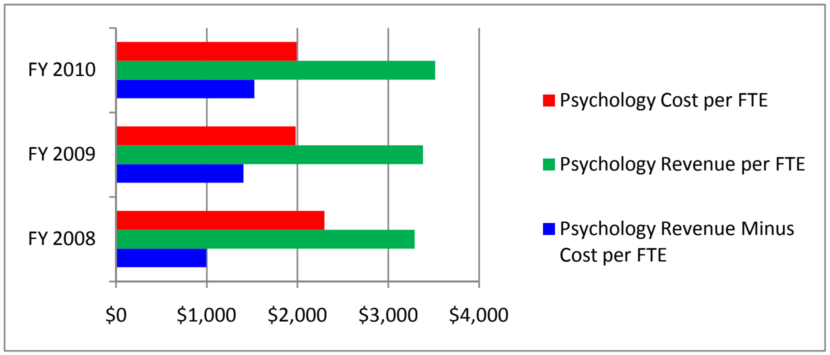
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Political Science	Student Load	4,454	5,580	6,282
	Number of Sections	70	82	93
	FTE	148	186	210
	Faculty ESH	198	233	265
	Student-Faculty Ratio	22.5	23.9	23.7
	FT-PT Ratio [percent FT]	39.2%	64.0%	59.3%
	Instructor Costs	$253,297	$356,943	$404,157
	Tuition Revenue	$488,549	$629,424	$736,250
	Cost per FTE	**$1,706**	**$1,919**	**$1,930**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,585**	**$1,465**	**$1,586**
Physical Therapy	Student Load	529	735	668
	Number of Sections	23	28	42
	FTE	18	25	22
	Faculty ESH	62	65	77
	Student-Faculty Ratio	8.6	11.3	8.6
	FT-PT Ratio [percent FT]	72.3%	82.0%	41.5%
	Instructor Costs	$141,055	$173,187	$139,929
	Tuition Revenue	$58,031	$82,908	$78,290
	Cost per FTE	**$7,999**	**$7,069**	**$6,284**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$4,708**	**-$3,685**	**-$2,768**
Psychology	Student Load	20,034	20,766	23,313
	Number of Sections	285	281	308
	FTE	668	692	777
	Faculty ESH	839	826	919
	Student-Faculty Ratio	23.9	25.1	25.4
	FT-PT Ratio [percent FT]	55.0%	51.7%	55.6%
	Instructor Costs	$1,533,841	$1,369,683	$1,546,488
	Tuition Revenue	$2,197,730	$2,342,405	$2,732,284
	Cost per FTE	**$2,297**	**$1,979**	**$1,990**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$994**	**$1,405**	**$1,526**

3-Year Trend



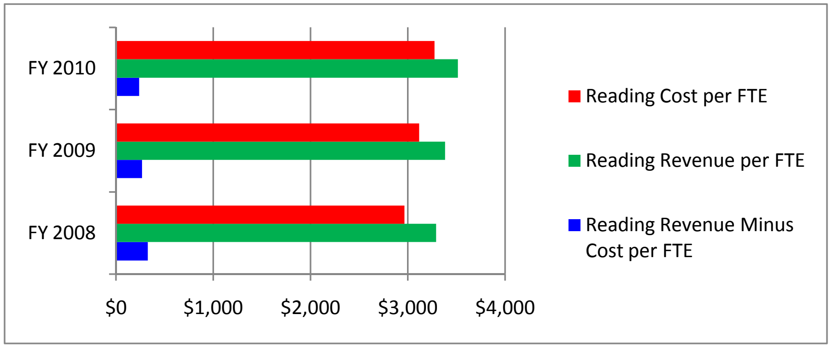


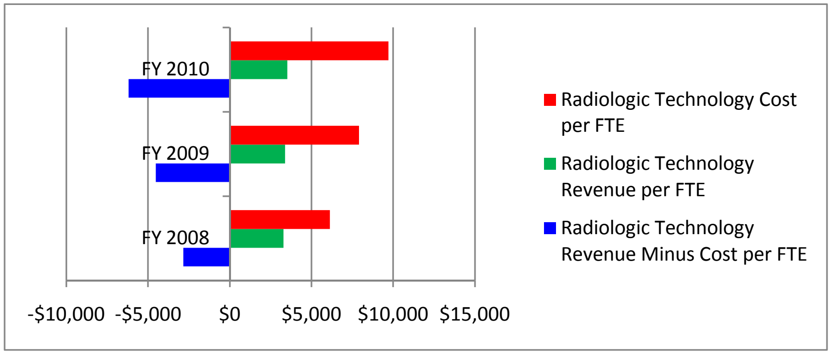


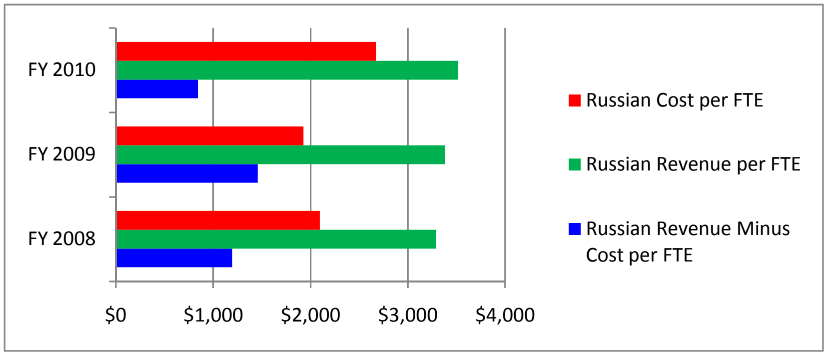
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Reading	Student Load	23,138	23,760	24,365
	Number of Sections	294	296	314
	FTE	771	792	812
	Faculty ESH	1,288	1,285	1,337
	Student-Faculty Ratio	18.0	18.5	18.2
	FT-PT Ratio [percent FT]	58.7%	60.8%	60.8%
	Instructor Costs	$2,286,696	$2,468,687	$2,660,738
	Tuition Revenue	$2,538,239	$2,680,128	$2,855,578
	Cost per FTE	**$2,965**	**$3,117**	**$3,276**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$326**	**$267**	**$240**
Radiologic Technology	Student Load	1,165	1,037	840
	Number of Sections	40	39	81
	FTE	39	35	28
	Faculty ESH	116	126	119
	Student-Faculty Ratio	10.0	8.2	7.1
	FT-PT Ratio [percent FT]	87.9%	87.3%	88.6%
	Instructor Costs	$238,083	$273,210	$271,788
	Tuition Revenue	$127,801	$116,974	$98,448
	Cost per FTE	**$6,131**	**$7,904**	**$9,707**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$2,840**	**-$4,520**	**-$6,191**
Russian	Student Load	189	246	255
	Number of Sections	5	6	8
	FTE	6	8	9
	Faculty ESH	15	18	24
	Student-Faculty Ratio	12.6	13.7	10.6
	FT-PT Ratio [percent FT]	0.0%	0.0%	0.0%
	Instructor Costs	$13,200	$15,803	$22,726
	Tuition Revenue	$20,733	$27,749	$29,886
	Cost per FTE	**$2,095**	**$1,927**	**$2,674**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,196**	**$1,457**	**$842**

3-Year Trend



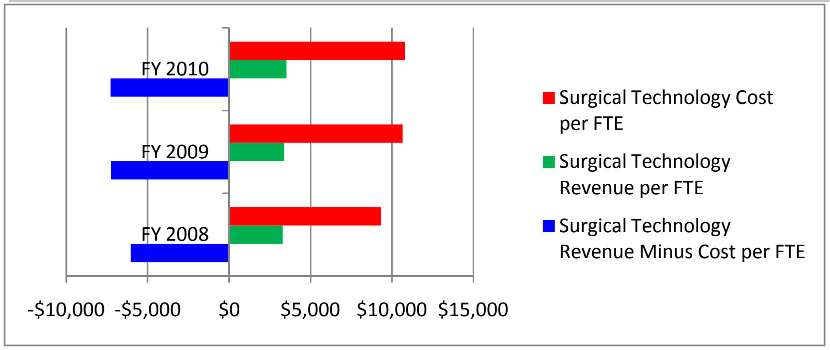


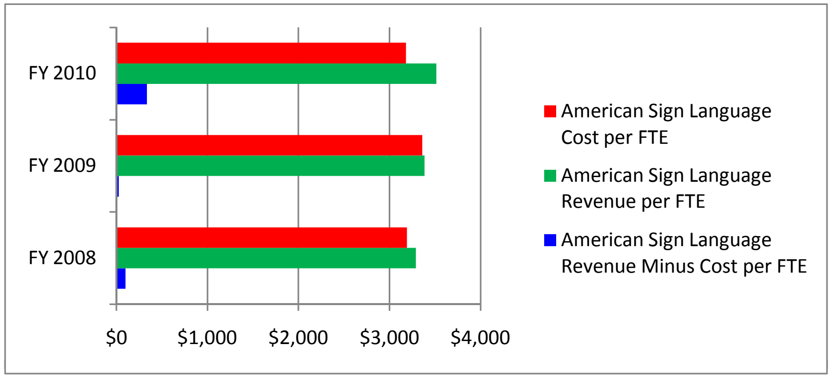


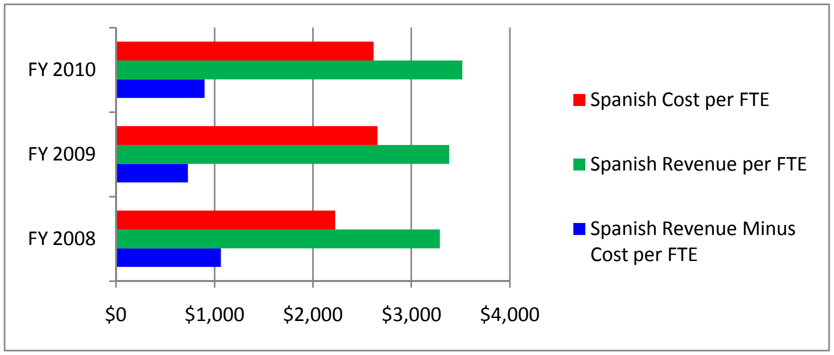
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Surgical Technology	Student Load	525	494	434
	Number of Sections	21	18	25
	FTE	18	16	14
	Faculty ESH	82	95	74
	Student-Faculty Ratio	6.4	5.2	5.9
	FT-PT Ratio [percent FT]	87.8%	63.8%	80.2%
	Instructor Costs	$163,159	$175,320	$156,100
	Tuition Revenue	$57,593	$55,723	$50,865
	Cost per FTE	**$9,323**	**$10,647**	**$10,790**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$6,032**	**-$7,263**	**-$7,274**
American Sign Language	Student Load	868	764	907
	Number of Sections	28	25	27
	FTE	29	25	30
	Faculty ESH	78	65	73
	Student-Faculty Ratio	11.1	11.8	12.4
	FT-PT Ratio [percent FT]	41.0%	46.7%	43.2%
	Instructor Costs	$92,328	$85,527	$96,203
	Tuition Revenue	$95,220	$86,179	$106,300
	Cost per FTE	**$3,191**	**$3,358**	**$3,182**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$100**	**$26**	**$334**
Spanish	Student Load	7,380	7,529	7,767
	Number of Sections	139	151	151
	FTE	246	251	259
	Faculty ESH	404	441	446
	Student-Faculty Ratio	18.3	17.1	17.4
	FT-PT Ratio [percent FT]	50.2%	53.0%	50.7%
	Instructor Costs	$547,429	$666,383	$677,553
	Tuition Revenue	$809,586	$849,271	$910,292
	Cost per FTE	**$2,225**	**$2,655**	**$2,617**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,066**	**$729**	**$899**

3-Year Trend



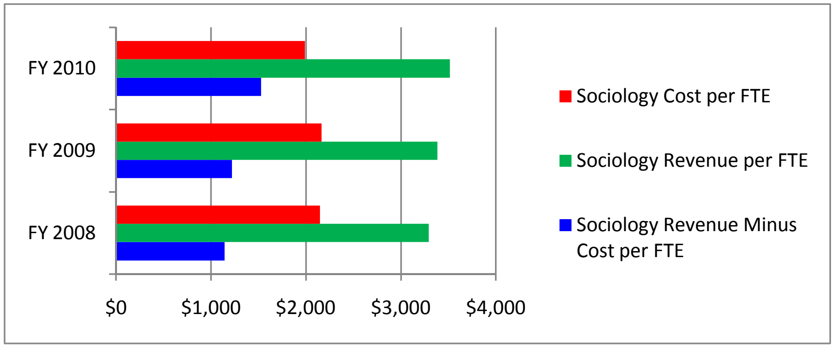


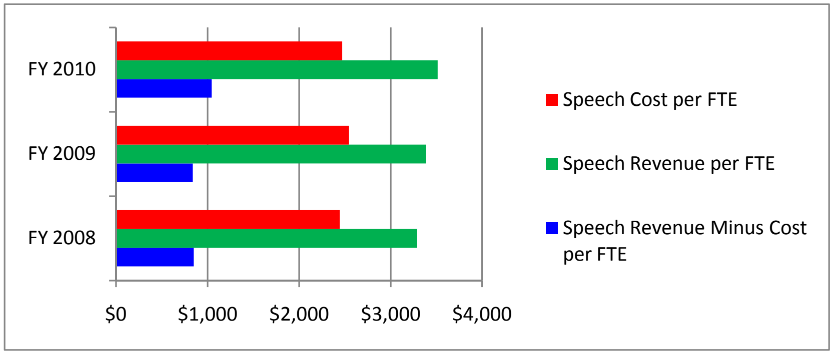


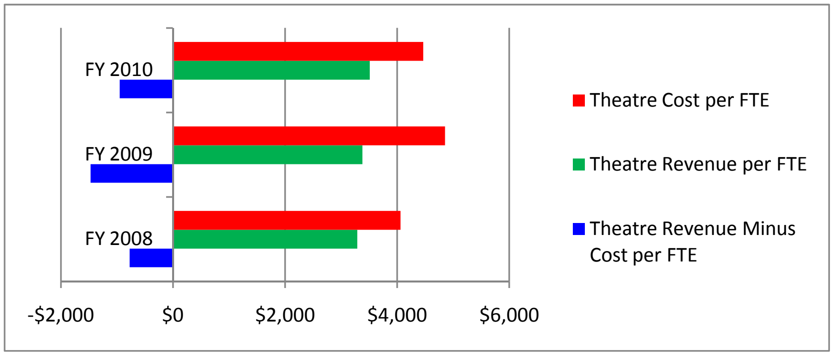
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Sociology	Student Load	12,072	12,201	14,043
	Number of Sections	167	165	175
	FTE	402	407	469
	Faculty ESH	482	478	516
	Student-Faculty Ratio	25.0	25.5	27.2
	FT-PT Ratio [percent FT]	72.8%	57.5%	71.5%
	Instructor Costs	$863,701	$880,277	$931,454
	Tuition Revenue	$1,324,298	$1,376,273	$1,645,840
	Cost per FTE	**$2,146**	**$2,164**	**$1,990**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$1,145**	**$1,220**	**$1,526**
Speech	Student Load	13,528	14,232	14,606
	Number of Sections	221	230	233
	FTE	451	474	487
	Faculty ESH	694	712	737
	Student-Faculty Ratio	19.5	20.0	19.8
	FT-PT Ratio [percent FT]	50.1%	46.2%	51.8%
	Instructor Costs	$1,101,407	$1,207,197	$1,203,342
	Tuition Revenue	$1,484,022	$1,605,370	$1,711,824
	Cost per FTE	**$2,443**	**$2,545**	**$2,472**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$848**	**$839**	**$1,044**
Theatre	Student Load	1,521	1,455	1,343
	Number of Sections	45	48	42
	FTE	51	49	45
	Faculty ESH	107	108	94
	Student-Faculty Ratio	14.2	13.4	14.3
	FT-PT Ratio [percent FT]	71.9%	76.9%	71.2%
	Instructor Costs	$206,050	$235,503	$199,927
	Tuition Revenue	$166,854	$164,124	$157,400
	Cost per FTE	**$4,064**	**$4,856**	**$4,466**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$773**	**-$1,472**	**-$950**

3-Year Trend



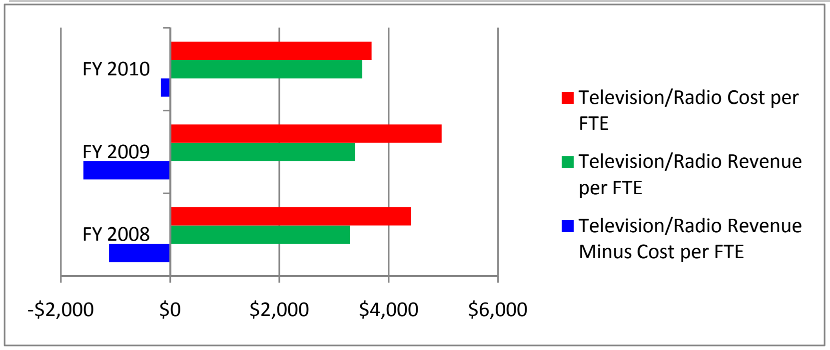


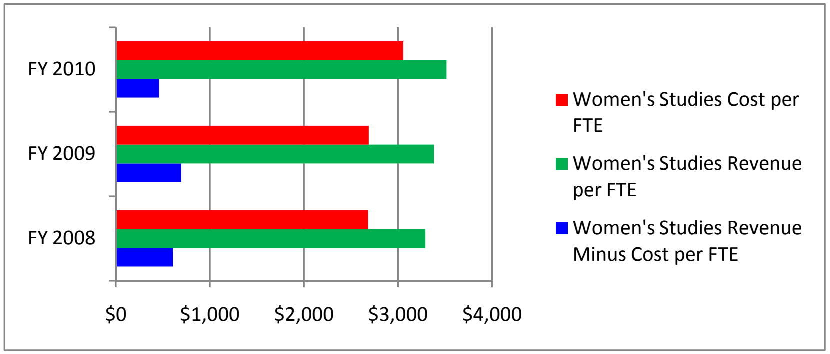


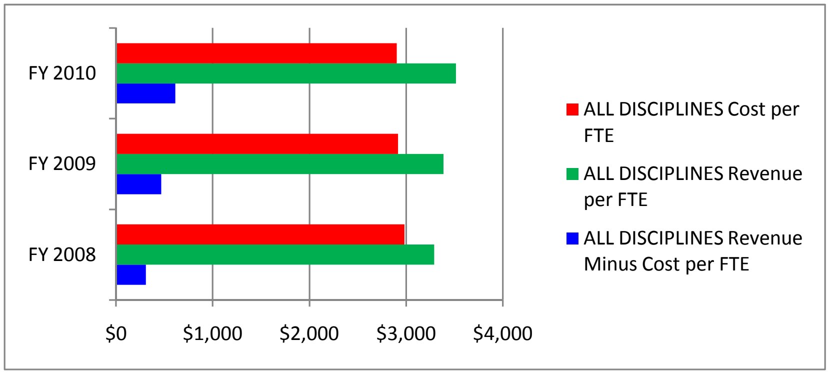
Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010
Television/Radio	Student Load	2,472	2,365	2,545
	Number of Sections	73	74	69
	FTE	82	79	85
	Faculty ESH	181	176	168
	Student-Faculty Ratio	13.7	13.4	15.1
	FT-PT Ratio [percent FT]	69.3%	74.1%	54.7%
	Instructor Costs	$363,543	$391,752	$312,729
	Tuition Revenue	$271,178	$266,772	$298,274
	Cost per FTE	**$4,412**	**$4,969**	**$3,686**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**-$1,121**	**-$1,585**	**-$170**
Women's Studies	Student Load	609	1,002	1,293
	Number of Sections	16	22	30
	FTE	20	33	43
	Faculty ESH	40	54	80
	Student-Faculty Ratio	15.2	18.4	16.2
	FT-PT Ratio [percent FT]	40.0%	66.7%	46.7%
	Instructor Costs	$54,478	$89,812	$131,721
	Tuition Revenue	$66,807	$113,026	$151,540
	Cost per FTE	**$2,684**	**$2,689**	**$3,056**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$607**	**$695**	**$460**
ALL DISCIPLINES	Student Load	475,677	493,463	531,471
	Number of Sections	9,045	9,348	10,041
	FTE	15,856	16,449	17,716
	Faculty ESH	25,854	26,822	28,704
	Student-Faculty Ratio	18.4	18.4	18.5
	FT-PT Ratio [percent FT]	57.1%	57.8%	57.2%
	Instructor Costs	$47,295,555	$47,962,178	$51,432,193
	Tuition Revenue	$52,181,712	$55,662,626	$62,288,401
	Cost per FTE	**$2,983**	**$2,916**	**$2,903**
	Revenue per FTE	**$3,291**	**$3,384**	**$3,516**
	Revenue Minus Cost per FTE	**$308**	**$468**	**$613**

3-Year Trend







Collegewide Discipline Costs - FY08 - FY10

Discipline	Measures	FY 2008	FY 2009	FY 2010	3-Year Trend

NOTES:

1. Student Load is the student enrollment in a course multiplied by the bill hours for the course
2. FTE (full-time equivalent) is the student load divided by 30
3. Student -Faculty Ratio is the Student Load hours divided by the Total Faculty ESH
4. Percent Full-Time (often referred to as Full-Time/Part-Time Ratio) is the percent of ESH taught by Full-Time faculty
5. Instructor Cost is the sum of the salaries and an estimate of fringe benefits for faculty, using 120% of salary for FT and 107.65% for PT faculty
6. Tuition Revenue is calculated at 90% of Student Load using in-county tuition rates, 4% using out-of-county tuition rates; 6% using out-of-state rates
7. Disciplines CE (coop-ed), IS (independent study), and LR (library) were excluded from this analysis
8. All numbers may not add up to 100% due to rounding.
9. Collegewide totals represent all disciplines across all campuses.

II. Student Faculty Ratios

FY 2010 Disciplines with Student-Faculty Ratio of 20.0 + +

Collegewide		Germantown		Rockville		Takoma Park / SS	
Subject	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**
FS	27.8	GE	27.0	FS	29.5	SO	28.5
SO	27.2	SO	26.9	SO	26.8	MA	26.3
CJ	26.4	MU	24.4	PY	26.8	AN	25.7
PY	25.4	HS	24.3	CJ	26.8	PY	25.3
EC	25.0	PY	23.5	EC	26.8	PS	24.7
HS	24.5	HE	22.9	BA	25.0	HS	24.4
MA	24.3	PS	22.6	MA	24.6	EC	24.1
PS	24.0	EC	22.6	HS	24.5	WS	24.0
KR	23.4	MA	22.1	AC	24.3	AC	23.0
BA	23.4	HI	22.0	PS	24.2	SP	22.3
AC	23.3	AC	21.5	KR	23.4	PL	21.9
JN	23.3	BA	21.1	JN	23.3	FR	21.7
HM	23.2	SP	20.3	HM	23.2	BA	21.5
FM	22.8	MG	20.3	FM	22.8	EN	21.3
EN	21.5	EN	20.2	IS	22.4	CA	20.5
AN	21.3	AN	20.0	EN	22.2	MU	20.3
HE	21.2			MG	21.7		
MG	20.7			AB	21.4		
AB	20.7			AN	21.4		
SP	20.2			HE	21.2		

FY 2010 Disciplines with Student-Faculty Ratio Below 10.0

Collegewide		Germantown		Rockville		Takoma Park / SS	
Subject	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**
NU	4.6			HP	7.3	NU	4.6
SG	6.3			PR	9.0	SG	6.3
HP	8.1					HP	6.8
PR	9.0						

Cross-Listed WDCE enrollments for PR are not included. In past years, this has raised the student-faculty ratio to 15

FY 2010 Disciplines with Student-Faculty Ratios Between 10.0 and 19.9

Collegewide		Germantown		Rockville		Takoma Park / SS	
Subject	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**	**Subject**	**Stu-Fac Ratio**
ME	19.4	CA	19.7	CS	19.6	SN	19.9
CS	19.4	CS	19.0	ME	19.4	RD	19.8
CA	19.3	RD	18.8	SP	19.4	EL	19.6
IS	19.1	CG	18.6	CA	18.9	MG	19.4
PL	19.0	EL	18.2	BI	18.7	HE	19.1
MU	18.7	BI	18.2	PL	18.7	DS	18.7
EL	18.7	PL	18.1	DS	18.4	CS	18.5
EP	18.5	LA	17.9	EL	18.2	EP	18.5
RD	18.5	DS	17.7	EE	18.2	IS	18.5
DS	18.3	CJ	17.0	PC	18.2	AB	18.4
EE	18.2	WS	16.5	MU	18.0	DN	18.3
BI	18.2	AS	16.3	RD	17.8	HI	18.0
HI	18.1	SN	16.2	GL	17.2	PC	17.6
GE	17.5	AR	16.1	GE	17.1	BI	17.5
SN	17.4	NW	15.8	ED	17.1	AS	17.1
FR	17.2	LN	15.3	PH	17.0	GL	16.8
LA	17.1	IS	15.3	ES	16.9	TH	16.2
IT	16.8	ES	15.0	SN	16.9	LA	16.1
PC	16.7	ED	14.8	IT	16.8	CH	15.8
AS	16.7	FR	14.8	AS	16.7	FL	15.4
ES	16.6	CH	14.7	FR	16.4	RT	15.2
ED	16.4	PC	14.6	CH	16.2	ES	15.1
WS	16.2	PE	14.5	CN	15.8	ED	15.1
GL	15.9	PH	14.3	WS	15.8	MH	14.9
CN	15.8	HP	12.5	LG	15.8	PT	14.8
NW	15.8	GL	11.9	TR	15.4	GE	14.0
CH	15.8	BT	10.7	CG	14.7	PH	13.0
LG	15.8	TH	10.0	LT	14.4	GD	12.3
CG	15.6			TH	14.3	FS	12.0
FL	15.4			GR	13.6	PO	12.0
TR	15.4			PE	13.6	LR	11.0
PH	15.3			CT	13.5	PE	10.8
LN	15.3			PG	13.3	AR	10.7
RT	15.2			GD	12.8	MS	10.1
MH	14.9			AT	12.7		
PT	14.8			BU	12.6		
LT	14.4			SL	12.3		
TH	14.3			AR	10.6		
GR	13.6			RU	10.6		
CT	13.5			DN	10.6		
PE	13.3			ID	10.4		
PG	13.3						
GD	12.7						
AT	12.7						
BU	12.6						
DN	12.5						
SL	12.3						
PO	12.0						
AR	11.2						
LR	11.0						
BT	10.7						
RU	10.6						
ID	10.4						
MS	10.1						

III. Top/Bottom 30 Courses

Courses with the Largest Number of Student Enrollments --
The Top 30 at each Campus -- FY 2010

Collegewide		Germantown		Rockville		Takoma Park / SS	
Course	**Students**		**Students**	**Students**		**Students**	
EN102	5310	PY102	1478	EN102	2822	EN102	1137
PY102	4984	EN102	1351	EN101	2654	PY102	1131
EN101	4865	EN101	1123	PY102	2375	SO101	1110
SO101	3985	MA103	917	MA103	2108	EN101	1088
MA103	3729	SP108	876	SO101	2101	SP108	890
SP108	3637	MA116	800	SP108	1871	BI107	727
MA116	2667	SO101	774	MA091	1506	MA103	704
EN101A	2602	MA091	655	EN101A	1422	MA116	632
MA091	2498	BI107	568	CA120	1278	EN101A	628
BI107	2362	EN101A	552	HE100	1270	DS107	591
CA120	2273	MA101	500	MA116	1235	NU230	573
HE100	2107	BI101	481	MA101	1153	NU233	567
MA101	2069	EC201	460	FM103	1149	CA120	548
BI101	1998	DS107	449	BI101	1138	BI205	545
DS107	1898	CA120	447	BI107	1067	AR101	544
EC201	1894	MA110	436	BA101	1059	PY203	529
SN101	1772	BI204	407	AC201	1021	EC201	515
BA101	1734	HE100	403	SN101	964	BI204	512
AC201	1678	MA090	369	EL104	956	SN101	512
NU110	1674	AC201	366	MA180	939	EN001	509
RD099	1634	BA101	344	EC201	919	NU123	498
EL104	1604	HS202	328	RD099	915	EL103	487
MA180	1523	BI205	322	MA110	868	RD103	486
AR101	1517	EN001	304	MA090	867	EL104	464
EN001	1472	EN002	300	DS107	858	EN002	441
RD103	1464	SN101	296	RD103	828	RD099	438
MA090	1457	EC202	294	CJ110	812	HE100	434
CH101	1397	RD099	281	MA181	809	MA101	416
EL103	1383	HS201	271	CH101	789	NU234	395
MA110	1377	AC202	270	AN101	768	BI101	379

Courses with the Lowest Enrollment - FY 2010 -- 3-Bill Hour Courses
excluding Internships, Practicums, Independent Study, Tutorials, and Seminars

Collegewide		Germantown		Rockville		Takoma Park / SS	
Course & Enrollment		Course & Enrollment		Course & Enrollment		Course & Enrollment	
HP264 - GRAECO-ROMAN CULTURE	1	ES221 - DYNAMICS	3	HP264 - GRAECO-ROMAN CULTUR	1	FL120 - HISTORY OF INTL FILM TO 195	5
TH208 - DRAFT/PAINT:PERFORM ARTS	2	LA212 - IMMIGRATION LAW	5	TH208 - DRAFT/PAINT:PERFORM A	2	MS219 - VASCULAR SONOGRAPHY II	5
EN214 - SURVEY OF BRIT LIT II	4	CS216 - UNIX/LINUX OPERATING SYSTE	7	EN214 - SURVEY OF BRIT LIT II	4	EN208 - WOMEN IN LITERATURE	6
FS226 - FIRE INVESTIGATION II	4	NW274 - ADV WIRELESS COMMUNICATI	7	FS226 - FIRE INVESTIGATION II	4	MS216 - VASCULAR SONOGRAPHY I	6
EN213 - SURVEY OF BRIT LIT I	5	NW229 - WIRELESS COMMUNICATIONS	8	EN213 - SURVEY OF BRIT LIT I	5	MS211 - PEDIATRIC ECHOCARDIOGRA	7
FL120 - HISTORY OF INTL FILM TO 1950	5	NW253 - CISCO NETWORKING 3	8	FS104 - FIRE & EMERGENCY SERV	5	MS218 - ADULT ECHOCARDIOGRAPHY	8
FS104 - FIRE & EMERGENCY SERVICE ADMIN	5	NW254 - CISCO ROUTER CONFIG & MGM	8	GR201 - INTER GERMAN I	5	AR127 - ART APPRECIATION	9
GR201 - INTER GERMAN I	5	AR115 - FIGURE DRAWING I	9	GR202 - INTER GERMAN II	5	AR123 - CRAFTS	10
GR202 - INTER GERMAN II	5	CH109A - CHEMISTRY AND SOCIETY	9	LT102 - ELEMENTARY LATIN II	5	EN212HC - SURVEY OF AMER LIT II-HO	10
LT102 - ELEMENTARY LATIN II	5	ED200 - CHILDREN'S LITERATURE	10	SL110 - CONVERSL AMER SIGN LA	5	FL220 - BASIC MOVIE PRODUCTION	10
MS219 - VASCULAR SONOGRAPHY II	5	EN216 - THE AMERICAN NOVEL	10	AN202 - ARCHAEOLOGICAL INVEST	6	HS202HC - US HIST 1865-PRES-HONO	10
SL110 - CONVERSL AMER SIGN LANG II	5	LN130 - LANDSCAPE DESIGN	10	AN206 - WORLD ETHNOLOGY	6	MS215 - ADULT ECHOCARDIOGRAPHY	10
AN202 - ARCHAEOLOGICAL INVESTIGATION	6	NW253 - CISCO ROUTER CONFIG & MGM	10	EN245 - NEWS WRITING	6	AR235 - ITALIAN RENAISSANCE ART	11
AN206 - WORLD ETHNOLOGY	6	NW254 - CISCO NETWORKING 4	10	PL207 - WOMEN IN PHILOSOPHY I	6	HI220 - ADV CODING AND REIMBURSE	11
EN245 - NEWS WRITING	6	NW270 - INFORMATION SECURITY CAPS	10	SL226 - SEMANTICS/COMMUNICAT	6	LA104 - INTERPERSONAL COMMUNICA	11
MS216 - VASCULAR SONOGRAPHY I	6	TH108 - INTRO TO THEATRE	10	MA161 - ELEM APPLIED CALCULUS	7	PS282 - POLITICS OF THE THIRD WOR	11
PL207 - WOMEN IN PHILOSOPHY I	6	BI222 - PRINCIPLES OF GENETICS	11	MG120 - MGNG DIVERSITY IN WRK	7	SG101 - SURGICAL TECHNOLOGIST I	11
SL226 - SEMANTICS/COMMUNICATION IN ASL	6	EN212 - SURVEY OF AMER LIT II	11	SL102 - STRUCTRL AMER SIGN LA	7	SG102 - SURGICAL TECHNOLOGIST II	11
GD269D - GRAPHIC DESIGN	7	EN215 - MASTERPIECES OF ASIAN LIT	11	SL210 - ASL IV	7	AR221 - SCULPTURE I	12
MA161 - ELEM APPLIED CALCULUS II	7	EN240 - ORGN/DEV TECH DOCUMNT	11	CA277 - XML AND ITS APPLICATIO	8	CA252 - SPREADSHEET APPLICATION	12
MG120 - MGNG DIVERSITY IN WRKPLACE	7	AC214 - FEDERAL INCOME TAX II	12	CA288 - ADV WEB APPS W COLDF	8	GE101 - INTRO TO GEOGRAPHY	12
MS211 - PEDIATRIC ECHOCARDIOGRAPHY	7	AR108 - ART HISTORY: 1400 TO PRESEN	12	FR207 - READINGS FRENCH LIT I	8	HI200 - ICD CODING	12
NW274 - ADV WIRELESS COMMUNICATIONS	7	MA282 - DIFFERENTIAL EQUATIONS	12	FS214 - FIRE TACTICS & STRATEG	8	PO201 - POLYSOMNOGRAPHY II	12
SL102 - STRUCTRL AMER SIGN LANG II	7	NW245 - HARDENING THE INFRASTRUC	12	MG102 - PRINC OF SUPERVISION	8	SG201 - SURGICAL TECHNOLOGIST III	12
SL210 - ASL IV	7	EN208 - WOMEN IN LITERATURE	13	PL205 - PHILOSOPHY IN LITERATU	8	BA211 - PERSONAL FINANCE	13
CA277 - XML AND ITS APPLICATIONS	8	HE204 - WOMENS HEALTH	13	PS210 - RACE & ETHNICITY U.S. PO	8	EN209 - THE BIBLE AS LITERATURE	13
CA288 - ADV WEB APPS W COLDFUSION	8	HS208 - MODERN ASIA	13	SL200 - CONVERSL AMER SIGN LA	8	EN221 - THE SHORT STORY	13
FS214 - FIRE TACTICS & STRATEGY	8	CH203HM - ORGANIC CHEMISTRY I-HON	14	SL207 - ASL TRANSLATION/INTERP	8	LA116 - REAL PROPERTY	13
MG102 - PRINC OF SUPERVISION	8	EC105 - BASIC ECONOMICS	14	CA276 - DYNAMIC HTML WITH JAV	9	MS212 - ABDOMINAL SONOGRAPHY II	13
MS218 - ADULT ECHOCARDIOGRAPHY II	8	EN125 - TECH OF PROOFREAD/EDITNG	14	CN201 - INTERMEDIATE CHINESE I	9	MS213 - OB/GYN SONOGRAPHY II	13

IV. Number of Degrees Granted

MC Awards in FY 2008, 2009, 2010 - by Award and Program of Study

Award & Program of Study	FY 2008	FY 2009	FY 2010	3-Year Totals
Associate of Applied Science - AAS	**302**	**341**	**379**	**1022**
Accounting (AA & AAS)	20	15	15	50
American Sign Language (AAS)	2	3	1	6
Applied Geography (AA & AAS)	3	5	5	13
Architectural & Construction Tech (AA & AAS)	39	32	42	113
Automotive Technology (AA & AAS)	11	5	6	22
Biotechnology (AA & AAS)	7	9	8	24
Building Trades Technology (AA & AAS)	4	3	3	10
Commun & Broadcasting Tech (AA & AAS - All Tracks)	16	18	15	49
Computer Applications (AA & AAS)	16	21	12	49
Computer Science & Technologies (AA - All Tracks)		1	1	2
Criminal Justice (AA & AAS)	21	22	18	61
Diagnostic Medical Sonography (AA & AAS)	12	36	29	77
Early Childhood Education (AA & AAS)	12	12	5	29
Fire Science (AA & AAS)	1	3	5	9
General Studies (AA - All Tracks)			1	1
Graphic Design (AA, AAS, & AFA - All Tracks)	19	10	21	50
Health Information Management (AA & AAS)	5	10	17	32
Hospitality Management (AA & AAS)	15	22	15	52
Information Systems Security (AAS)			5	5
Interior Design - PreProfessional (AAS)	6	8	18	32
Landscape Technology (AA & AAS)	1	1	2	4
Management (AA & AAS - All Tracks)	2	1	1	4
Mental Health Associate (AA & AAS)	18	16	12	46
Microcomputer Technician (AA & AAS)	17	15	17	49
Network Engineering (AAS)	1	1		2
Paralegal Studies (AA & AAS)	11	8	19	38
Photography (AA & AAS)		9	5	14
Physical Therapist Assistant (AAS)	2	19	19	40
Printing Management (AA & AAS)	2	1		3
Radiologic (X-Ray) Technology (AA & AAS)	21	22	44	87
Surgical Technologist (AAS)	11	7	9	27
Web Careers (AAS)	7	6	9	22
Associate of Arts - AA	**1217**	**1200**	**1266**	**3683**
Arts & Sciences Transfer (AA - All Tracks)	82	68	55	205
Business / International Business (AA)	331	331	354	1016
Computer Gaming & Simulation (AA - All Tracks)	6	9	18	33
Computer Science & Technologies (AA - All Tracks)	19	19	35	73
Criminal Justice (AA & AAS)	1			1
General Studies (AA - All Tracks)	778	773	804	2355
Associate of Arts in Teaching - AAT	**39**	**40**	**46**	**125**
Education / Teacher Education (AA & AAT)	39	40	46	125
Associate of Fine Arts - AFA	**14**	**18**	**26**	**58**
Graphic Design (AFA) - School of Art & Design	4	5	8	17
Studio Art (AFA)	5	10	10	25
Studio Art (AFA) - School of Art & Design	5	3	8	16
Associate of Science -- AS	**169**	**180**	**208**	**557**
Engineering Science (AA & AS - All Tracks)	36	33	38	107
Nursing (AA & AAS)	116	129	105	350
Science (AS - All Tracks)	17	18	65	100

MC Awards in FY 2008, 2009, 2010 - by Award and Program of Study

Award & Program of Study	FY 2008	FY 2009	FY 2010	3-Year Totals
Certificate	**299**	**293**	**278**	**870**
Accounting (CT)	29	24	19	72
Administrative Support Tech (CT)	2	1		3
American Sign Language (CT)	1	2		3
Arts & Sciences Transfer (CT)	22	16	20	58
Automotive Technology (CT)	43	14	22	79
Biotechnology (CT)	5	5	9	19
Building Trades Technology (CT)	8	6	6	20
Cartography & Geographic Ed / Info Sys (CT)	10	18	11	39
Commun & Broadcasting Tech (CT)	23	15	13	51
Computer Applications (CT)	9	14	13	36
Computer Graphics / Graphic Design (CT)	15	20	21	56
Computer Science - Computer Programming (CT)	3	4	8	15
Computer Science - Software Developer (CT)		1		1
Diagnostic Medical Sonography (CT)	4	3		7
Early Childhood Education (CT)	9	4	9	22
Ethnic Studies (CT)			1	1
Exercise Sci - Personal Trainer (CT)	3	1	1	5
Fire Science (CT)		6	3	9
Hospitality Management (CT)	8	9	6	23
Interior Design (CT)	5	22	9	36
Landscape Technology (CT)	1	1	2	4
Management (CT)	12	8	5	25
Management of Construction (CT)	28	25	23	76
Medical Coder/Abstractr/Biller (CT)	13	17	11	41
Microcomputer Technician (CT)	2	7	1	10
Network Engineer/Administration (CT)		3	6	9
Paralegal Studies (CT)	20	25	23	68
Photography (CT)	6	5	13	24
Printing Management (CT)	4	2	5	11
Specialized Art Transfer (CT)	3	5	4	12
Surgical Technology (CT)	4	3	9	16
Technical Writing (CT)	1	1	1	3
Web Careers (CT)	6	6	4	16
Letter of Recognition	**88**	**54**	**48**	**190**
A+ Microcomputer Certification Qualification (LR)		13	8	21
Building Trades Technology (LR)	27	9	30	66
Cmptr Prog - Oracle Database Fundamentals (LR)			1	1
Ethnic Social Studies (LR)		1	1	2
Fire Science (LR)	50	16		66
Hospitality Management (LR)	2	2		4
Management (LR)	6	2		8
Paralegal Studies - Legal Analysis (LR)	3	11	7	21
All Awards	**2128**	**2126**	**2251**	**6505**

V. ESH Report

Alternate Time ESH -- by Category, FY 2010

	Amount of ESH	Equivalence FTE (ESH / 30)
All "Alternate Time"	**3,841.4**	**128.0**
Department Chair & Coordinator	**1,217.9**	**40.6**
Campus Department Coordinator	587.8	19.6
Department Chair	630.2	21.0
		0.0
Other Alternate Assignments	**2,623.5**	**87.4**
AAUP	26.0	0.9
Academic Assembly	31.0	1.0
Academic Regs	6.0	0.2
Administrative Associate	23.0	0.8
Advising	68.1	2.3
Advising Cadre Coordinator	4.0	0.1
American Film Institute	6.0	0.2
Art Gallery	14.8	0.5
Art Institute	4.5	0.2
Art Slide Library	9.0	0.3
Bio-medical Scholars	22.0	0.7
CAPDI Tutoring	147.3	4.9
Chair of Chairs	6.0	0.2
Coaching (Athletes)	8.0	0.3
Coaching (Performing)	82.8	2.8
College Access Program	23.0	0.8
Common Course - Distance	44.0	1.5
Coordinator	22.5	0.7
CTL Associate	86.5	2.9
CTL Fellows	30.0	1.0
Curriculum (Chair and CAPs)	9.0	0.3
Curriculum Development	3.0	0.1
Department Tutoring	362.1	12.1
Director of Athletics	27.0	0.9
Disability Leave	15.0	0.5
Discipline Program Coordinator	35.7	1.2
Dist. Learning Course Develop.	73.0	2.4
Distance Learning Fellows	9.0	0.3
Evening/Weekend Coordinator	18.0	0.6
Faculty Council	18.0	0.6
Faculty Issues	3.0	0.1
Gateway to College	2.5	0.1
General Education	9.0	0.3
Grant	78.6	2.6
Honors Instruction	8.9	0.3
Honors Program Collegewide	22.5	0.8
Honors Program Local	25.5	0.9
Humanities Institute	8.5	0.3
International Education	15.4	0.5
Internationalize the Curric.	1.0	0.0
ITV	0.4	0.0
Learning Communities	76.3	2.5
Leave Without Pay	30.0	1.0
Lifelong Learning Institute	3.0	0.1
Literary Magazine	7.0	0.2

Alternate Time ESH -- by Category, FY 2010

	Amount of ESH	Equivalence FTE (ESH / 30)
All "Alternate Time"	**3,841.4**	**128.0**
Load Adjustment	40.7	1.4
Macklin Business Institute	13.0	0.4
Macklin Business Program	2.0	0.1
Marriott Hospitality Coord.	16.0	0.5
Math Center Coordinator	3.0	0.1
MC/MCPS partnerships	2.0	0.1
Millennium Scholars Germantown	9.0	0.3
Montgomery Scholars Honors	58.5	2.0
Music Events	5.0	0.2
Non-Classroom Duties	2.5	0.1
One-time Instruct. Improvement	52.3	1.7
Other	2.5	0.1
Outcomes Assessment	33.0	1.1
Overload	3.0	0.1
Paul Peck Institute	55.5	1.9
Paul Peck Institute Director	36.0	1.2
Perkins	16.3	0.5
PTK local	6.0	0.2
Reduced Workload	17.6	0.6
Sabbatical Leave	134.5	4.5
School of Education	72.0	2.4
Sick Leave	205.8	6.9
Smithsonian Coordinator	11.0	0.4
Smithsonian Fellows	66.0	2.2
Special Governance Assignments	6.0	0.2
Special Project	67.5	2.2
Speech Lab	3.3	0.1
Sr VP for Academic Services	2.0	0.1
Student Publications Advisor	12.0	0.4
Summer Jazz Institute	1.0	0.0
Symphony Orchestra	6.0	0.2
Takoma Park Scholars	10.5	0.4
The Potomac Review	23.5	0.8
Theatre Costume Design	1.0	0.0
Transfer Scholarship Coordinat	6.0	0.2
Web maintenance	3.0	0.1
Will Power/Poetry Slam	5.0	0.2
Women in Engr, Science & Tech	3.0	0.1
Women;s Studies	28.0	0.9
World Music Program	6.0	0.2
Writing Center Coordinator	13.0	0.4
Writing Disciplines	38.0	1.3

BOARD PERSPECTIVES

Strategic Thinking and Strategic Planning

Prepared By Montgomery College Board of Trustees • June 2011

Montgomery College
endless possibilities

Montgomery College Board of Trustees

Dr. Michael C. Lin
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Ms. Marsha Suggs Smith

Dr. DeRionne P. Pollard
Secretary-Treasurer,
Board of Trustees
President,
Montgomery College

Introduction

A constant priority of the Board of Trustees is ensuring a stable and sustainable future for Montgomery College. During the past twelve months, strategic thinking and strategic planning for the College's future have been the cornerstones of the Board's goals and objectives. Beginning with the presidential transition and culminating with the presidential search for and inauguration of the College's ninth president — Dr. DeRionne Pollard, the Board has demonstrated its commitment to strategic planning. Moreover, the Board established strategic planning as one of the presidential goals and objectives and a focus of their ongoing conversations with Dr. Pollard, senior leadership and internal and external College constituents, which included faculty, staff, students, alumni, the Foundation Board and elected officials.

Upon concluding an introspective process to identify effective governance practices and promote engaged stewardship, the Board also took actions to restructure its monthly meetings, participate in trustee development, and develop its retreat agendas to be deliberative, to better define their role in the strategic planning process, and to authentically discuss institutional strategic priorities and planning. Collectively these actions coupled with Dr. Pollard's presidential priorities and activities have been critical for the Board gaining perspective to provide the president with a global view and context to engage in institutional planning. One outcome of these actions was the review and revision of the College mission statement, which now includes a vision and core values statement. A current and relevant mission, vision, and core values statement is the foundation for successful strategic planning.

The Board recognizes that a well developed process for planning is essential to documenting the College's view of its strengths, providing indicators of weaknesses and challenges, and addressing opportunities. It is the responsibility of the Board to charge the chief executive of the College with the task of leading the strategic planning process at the College. The role of the Board is to monitor progress of the plan development, approve the final Strategic Plan prepared by the President, and to ensure Plan updates as appropriate.

This report identifies the Board's role in institutional strategic planning and provides a set of broad goals for developing the College strategic plan.

Board of Trustees' Role and Responsibility in Strategic Planning

The Board of Trustees determined that its primary role in the strategic planning process is to establish the broad goals for the process of developing the College plan. As a trustee governance practice, this entails:

- Articulating a conceptual framework for strategic planning that defines and shapes the institution's future course;

- Charging the president with the responsibility for leading the strategic planning process;
- Engaging in the development, review, and approval of the College mission, vision and core values;
- Monitoring the strategic plan development process;
- Reviewing and approving the strategic plan;
- Adopting policies to set parameters for effective planning;
- Aligning policy decisions with the strategic plan; and
- Ensuring and adopting a budget that supports the plan.

As directed by the Board, institutional planning should be led by the president and facilitated through an appropriately collaborative and inclusive process. As such, the Board has administratively and operationally delegated authority and responsibility to the president and other College staff to facilitate the process for developing the plan. These responsibilities encompass:

- Anticipating, identifying, and articulating future trends, challenges, and opportunities;
- Leading a visionary strategic planning process;
- Ensuring that the plan responds to the current and future educational needs of the community;
- Developing an innovative, entrepreneurial, and future-focused plan;
- Ensuring that College operations, priorities, and budgets are aligned with the plan; and
- Keeping the Board informed, through discussions at critical junctures, about institutional progress toward accomplishing the goals and objectives of the plan.

Board of Trustees' Goals for Developing the Strategic Plan

The Board of Trustees identified four broad goals for the College to accomplish in developing the strategic plan. These goals provide philosophical and practical criteria for the President to engage in long-range institutional planning. Principally the intent of the goals are to (a) establish essential parameters for the plan and (b) ensure that strategic planning is informed by environmental scanning and data on the social, economic, and political impacts and implications the College must consider in proactively preparing for the future.

The ultimate purpose of the strategic plan is to define and shape the future course of the College, and to provide a framework for allocating annual budget and other resources; to serve as an over-arching plan guiding and supporting other institutional plans; and for identifying strategic priorities, based upon relevant data and information upon which current and new College initiatives can be justified. Therefore, the plan must clarify the College's future priorities. The specific goals are:

1. Conduct an environmental scan and a strengths, weaknesses, opportunities and threat (SWOT) analysis of the College to inform planning. The SWOT analysis should include projections of:

    - Demands on the college (e.g., types of students, workforce needs, needs for non-credit courses, growth of the workforce and growth within different parts of the County);
    - Some assessment of the success and lack of success in various College programs;
    - College resources needs (e.g., classroom and lab space, likely State and County financing, other sources of funds); and
    - Broad opportunities and threats (e.g., traffic, growth of technological solutions, availability of skilled faculty and staff). The analyses should be sensitive to relevant distinctions in thinking about remedial/developmental education programs, general education requirements and STEM course offerings.

2. Identify a set of five broad strategic goals that define the ways in which the College envisions itself evolving by 2020.

3. Address, in particular, what the College will do to pursue and ensure institutional innovation, entrepreneurialism, and other untapped opportunities.

4. Develop a multi-year strategic plan, which identifies specific strategies to reach those goals. This will serve as the primary document that defines the College's priorities going forward.

Final Board Perspective

While this report reflects the Board of Trustees' perspectives and goals regarding institutional planning, it is also our hope that the entire Montgomery College community will engage in strategic, innovative, and future-focused thinking. With a sense of urgency for the future, we encourage you to participate in planning to develop tactical strategies that will position Montgomery College as a national model of educational excellence, opportunity, and student success.

Collegewide Strategic Planning Steering Committee

1.	President (Chair)	DeRionne Pollard
2.	Chief of Staff/Chief Strategy Officer	Stephen Cain
3.	SVP of Administrative & Fiscal Services	Cathy Jones
4.	SVP of Academic Affairs	Paula Matuskey
5.	SVP of Student Services	Beverly Walker-Griffea
6.	VP/Provost (Germantown)	Sanjay Rai
7.	VP/Provost (Rockville)	Judy Ackerman
8.	VP/Provost (TP/SS)	Brad Stewart
9.	VP (WDCE)	George Payne
10.	VP of Institutional Advancement	Dave Sears
11.	VP of Planning & Institutional Effectiveness	Kathy Wessman
12.	Chief Budget & Management Studies Officer	Donna Dimon
13.	Chief Business Officer	Janet Wormack
14.	Chief Diversity Officer	Michelle Scott
15.	Chief Government Relations Officer	Susan Madden
16.	Chief Human Resources Officer	Vivian Lawyer
17.	Chief Information Officer	Mike Russell
18.	Director of Auxiliary Services	Kathi Carey-Fletcher
19.	Director of Employee Engagement	Sarah Espinosa
20.	Director of Financial Aid	Melissa Gregory
21.	Associate VP/College Facilities	Dave Capp
22.	Chair of Academic Assembly	Joanne Carl
23.	Dean Convener	Deborah Preston
24.	Faculty Chair Representative (Germantown)	Tammy Peery
25.	Faculty Chair Representative (Rockville)	Sharon Fechter
26.	Faculty Chair Representative (TP/SS)	Robert Giron
27.	Faculty Council (Germantown)	Margaret Birney
28.	Faculty Council (Rockville)	Aggie Harrell
29.	Faculty Council (TP/SS)	Bette Daudu
30.	Part-Time Collegewide Faculty Representative	Shashikant Bhandari
31.	Staff Representative	Kimberly McManus
32.	Staff Representative	Harriet Beasley
33.	Staff Representative	Matt Wilson
34.	AAUP Representative	Rose Sachs
35.	AFSCME Representative	Liz Brandenburg
36.	SEIU Representative	Terilee Edwards
37.	Staff Senate Representative	Bo Chan
38.	Student Representative (Germantown)	Meghan Hughes
39.	Student Representative (Rockville)	Kabura Wanjeri
40.	Student Representative (TP/SS)	Karen Natalie Urrutia

Appendix 6.11 - Mission, Wheel, and Themes

Empower Students

Stay current, relevant and be responsive to student needs

Why?

Student Success

What?

Programs

- Academic
- Career
- Enrichment

What?

Support

- Advising/Counseling (aptitudes)
- Infrastructure
- Financial Aid

Planning Themes

1. Educational Excellence
2. Access, Affordability, and Success

Hold Ourselves Accountable

Operational Prioritization and Resource Alignment

Why?

Institutional Success

What?

Assessment

- Student Achievement
- Programs & Services
- Resource Allocation
- Planning

What?

Innovation

- Curriculum
- Entrepreneurship
- Intrapreneurship
- Resource Acquisition & Deployment

Planning Themes

6. Assessment and Institutional Effectiveness

Enrich Our Community

Stay current, relevant and be responsive to changes in the community

Why?

Community Success

What?

Service Alignment

- Workforce
- K-20
- Demographics
- Economic Development

What?

Collaboration

- Business
- Educational
- Governmental
- Social/Cultural

Planning Themes

4. Economic Development
5. Community Engagement

Appendix 6.12 - Performance Canvas

PERFORMANCE CANVAS

MONTGOMERY COLLEGE

	INDICATOR		PERFORMANCE BASE (FY11)	PERFORMANCE GOAL (FY20)	GAP	THEME
OBJECTIVE	**NUMBERS**					
	Credit annual headcount enrollment		37,391	41,130	3,739	II
	Credit fall headcount enrollment		26,996	29,696	2,700	II
	Noncredit headcount enrollment		23,624	25,986	2,362	II
	Fall-to-fall credit retention		75%	85%	10%	II
	Graduation rate		14%	20%	6%	II
	Transfer rate		52.9%	60%	7.1%	II
	Facilities utilization	Classrooms	69.9%	62.2%	(7.7%)	V
		Labs	72.2%	60%	(12.2%)	
	Affordability		56.7%	55%	1.7%	II
	Public support		61.7%	66.7%	5%	V
	VALUE ADDED					
	Student success		75%	80%	5%	I
	Students demonstrating skills specific to predetermined outcomes		◉			I
	Licensure and certification test pass rate	Nursing	95.2%	100%	4.8%	I
		Physical therapy	83%	90%	7%	
		Radiologic Technology	94%	100%	6%	
	Career program success		87%	90%	3%	I
	Transfer student success		2.73	2.8	.07	I
	Professional development opportunities for faculty and staff		4,328	4,760	432	V
	Economic impact		◉			III
SUBJECTIVE	**WINNING**					
	Annual fall-to-fall enrollment growth		3.8%	5%	1.2%	II
	Percentage of high school students enrolling in MC		25.8%	27%	1.2%	II

	INDICATOR		PERFORMANCE BASE (FY11)	PERFORMANCE GOAL	GAP	THEME
SUBJECTIVE (continued)	**WINNING** (continued)					
	Media articles featuring MC		◉			IV
	Athletic conference championships		3		N/A	II
	Grant dollars raised		$9.1 million	$15 million	$6 million	IV
	Foundation dollars raised		$3.58 million	$25–30 million between 2013 and 2020	$22–27 million	IV
	Entrepreneurial dollars earned		$50,000	$250,000	$200,000	IV
	RANKINGS					
	National rank on associate degrees and certificates produced		68th	Top 50		I
	State rank by size of undergraduate enrollment		1st	1st		II
COGNITIVE	**AWARDS AND RECOGNITIONS**					
	Recognitions by foundations and government agencies		◉			IV
	Granting agency selection		30	40	10	IV
	Awards for academic excellence		◉			I
	General recognitions for excellence		◉			IV
	Recognitions received by faculty and staff		◉			I
	Employee philanthropy		240	325	85	IV
	VALUATION					
	Student satisfaction		◉			II
	Student goal attainment		◉			II
	Community perceptions		◉			IV
	Media tone		◉			IV
	Employee engagement	Mission	94%	100%	6%	V
		Appreciated	45%	100%	55%	
	Employee and student involvement in the community		◉			V

◉ Baseline values to be measured as the plan proceeds. No base value to report in the initial year.

Strategic Planning Budget Subcommittee

March 21, 2012 11:00 a.m. – 12:00 noon

Summary of PEC review results

On March 6, 2012, PEC met to discuss the FY 2013 Initiatives, their related actions and resource requests. While selective Goal-Initiative language needs to be revised, most of the initiatives and their resource requests were approved.

Outcomes of the budget subcommittee meeting on March 21, 2012:

By the end of this meeting, the Strategic Planning Subcommittee will have:

1. Reviewed FY 2013 Initiatives, their related actions and resource requests
2. Discussed and recommended how the initiatives will be funded
3. Agreed upon when the next meeting will be to discuss strategies to meet Middle States mandates:
    a. Alignment of strategic planning and budgeting (particularly with regard to the campus/unit plans in FY 2014)
    b. 3-year budget planning

Meeting material:

- Budget Subcommittee Charge
- FY 2013 Goal-Initiatives-Actions-Resource Requests Summary
- Goal 1 detail
- Goal 2 detail
- Goal 3 detail
- Goal 4 detail
- Goal 5 detail
- Goal 6 detail

Strategic Planning Budget Subcommittee

MC 2020 - Strategic Planning Budget Subcommittee

The Budget Subcommittee reports directly to the Strategic Planning Steering Committee and make recommendations regarding resource allocation and budget authority related to all FY collegewide strategic initiatives. In fall semester, the Budget Subcommittee will review fiscal year initiatives, campus/unit plans, and budget requests. Once the budget is approved, the Subcommittee will meet regularly (2-3 times each semester) to review the current budget and address the budget for the next three years.

Membership

A Budget Subcommittee consisting of the following Strategic Planning Steering Committee Members.:

- Dr. DeRionne P. Pollard, President
- Ms. Paula Matuskey, SVP for Academic Affairs
- Dr. Beverly Walker-Griffea, SVP for Student Services
- Ms. Cathy Jones, SVP for Administrative and Fiscal Services
- Ms. Donna Dimon, Vice President of Budget and Fiscal Analysis
- Ms. Ruby Sherman, Interim Vice President of Finance/Chief Financial Officer
- MS. Kathleen Wessman Vice President for Planning and Institutional Effectiveness

Charge

1. Review and suggest revisions for the current collegewide budget and accounting system to support collegewide Initiatives Funding
2. Review collegewide strategic plans and make recommendations to the full Strategic Planning Steering Committee on those initiatives and campus/unit plans that should move forward to the PEC for approval
3. Review relevant institutional data to identify funds and ensure appropriate budget allocation for college initiatives and unit plans that relate to the strategic plan.

March 7, 2012

FY 2013 Strategic Planning Goal-Initiative Resource Requests Summary *(3/19/12)*

	Convener	Total Est. Number of Positions	FY 2013 Initiative	FY 2013 Action	Resources to implement the Action
Goal 1 Educational Excellence	Ms. Matuskey	0	1. Program Assessment and Alignment	☐ 1.1.1 Convene an Academic Affairs Organizational Structure Task Group to recommend the academic affairs organizational structure	☐ none
				☐ 1.1.2 Create an Academic Renewal Task Group to renew its academic programming	
Goal 2 Access and Opportunities	Drs. Ackerman, Rai, and Stewart	7	1. Innovative Course Design, Scholarships, and Scheduling	☐ 2.1.1 Strengthen developmental education curriculum-Accelerate English (ACE)	☐ Faculty project coordinator – 3 ESH ☐ 24 Tutoring ESH ☐ Institutional support from Assessment Center and OIRA
				☐ 2.1.2 Strengthen developmental education curriculum-Refine development Math course redesign	☐ CAPDI ESH ☐ Pearson Grant – proposed ESH ☐ Faculty ESH to support lab staffing ☐ **3 FT support staff** (one at each campus) ☐ Institutional support from Assessment Center and OIRA
				☐ 2.1.3 Strengthen collegewide STEM curriculum through innovative curriculum design for Chemistry discipline	☐ 22 ESH ☐ Institutional support from Assessment Center, OIRA, and OIT for Blackboard
				☐ 2.1.4 Strengthen collegewide STEM curriculum through the implementation of CAR Recommendations for Biology	☐ 18 ESH
			2. Pathway to the Baccalaureate Partnership	☐ 2.2.1 Implement Phase I of the Pathway to the Baccalaureate (PTB) Partnership	☐ **4 staff** ☐ operating budget $30,000 ☐ scholarship $50,000

*Estimated ESH is based on the average FY 2013 full-time faculty salary $76,000 (or ~$2,550 per ESH)

		Total Est. number of Positions	FY 2013 Initiative	FY 2013 Action	Resources to implement the Action
Goal 3 **Student Success**	Dr. Walker-Griffea	To be determined	1. Start smart	☐ 3.1.1 Convene a leadership team to ➢ improve the Montgomery College web-site ➢ design and outline resources and staffing needs to develop a comprehensive new student orientation. ➢ review and develop a new registration policy and enhance a late starting session. ➢ develop and implement collegewide welcome centers.	☐ $50,000 annually + others deem appropriate
			2. Maintain a Foundation of Support Opportunities	☐ 3.2.1 Convene a team of individuals to recommend the appropriate technology needed to improve Academic Advising, Enrollment, Financial Aid, and other Student Services areas.	☐ $100,000; $25,000
				☐ 3.2.2 Develop and implement cross training opportunities related to advising.	
			3. Build Community	☐ 3.3.1 Convene a team to review and access the need, requirements and resources to explore the need for weekend and evening childcare.	☐ To be determined
			4. Get Connected	☐ 3.4.1 Determine scope, space and resources needed to develop collegewide services and centers for veterans, international-multicultural, adults, parents and student family populations.	☐ To be determined
			5. Enhance the Classroom Experience	☐ 3.5.1 Convene a team to review the outcomes of the General Studies curriculum annually for successful transfer and completion	☐ none
				☐ 3.5.2 Convene a team to review, and if needed, change the process to cancel and add courses before a session begins.	
			6. Encourage Student Success Every Step of the Way	☐ 3.6.1 Develop a faculty cadre advising plan	☐ $25,000 for annual training ☐ Other resources needs to be determined
				☐ 3.6.2 Develop and implement a collegewide developmental advising approach for Montgomery College.	
			7. Plan to Cross the Finish Line	☐ 3.7.1 Convene a team to develop a computerized student profile like “Life Map” to be integrated into the student’s academic work.	☐ To be determined
				☐ 3.7.2 Convene a team to study and recommend a plan to improve the Banner Degree Audit System for students, faculty and staff use.	

*Estimated ESH is based on the average FY 2013 full-time faculty salary $76,000 (or ~$2,550 per ESH)

		Total Est. number of Positions	FY 2013 Initiative	FY 2013 Action	Resources to implement the Action
Goal 4 Economic Development	Mr. Payne	0	1: Identify workforce needs by conducting ongoing environmental scans and surveys to respond to workforce needs.	☐ 4.1.1 Use EMSI labor market data programs to conduct environment scans	☐ Institutional support from Planning Office and OIRA
				☐ 4.1.2 Subscribe Career Coach to increase the utilization of labor market data	☐ Career Coach software subscription $20,000
				☐ 4.1.3 Infuse 'career pathway' thinking	☐ none
Goal 5 Community Engagement	Mr. Sears	7 + upgrade 2 PT to FT	1: Organize and Advertise—develop cultural outreach and engagement events that bring the community to the College and the College to the community	☐ 5.1.1 Create an Office of Community Relations and Engagement	☐ Office of Community Relations and Engagement: ☐ **3 Staff** – Director, Asst Dir, support staff ☐ Operating budget $100K -$125K ☐ Office space, equipment ☐ Web space
				☐ 5.1.2 Develop and implement web-based Community Engagement Directory for Montgomery College	
				☐ 5.1.3 Create, implement, and maintain a Collegewide Community Engagement Calendar	
				☐ 5.1.4 Development of a Community Engagement Online Newsletter	☐ **Upgrade 2 PT to FT staff/writers** ☐ **1 designer** ☐ **1 Community Relations staff**
			2. Community Building – develop collaborations for hosting broad-based discussions on local and national policy issues	☐ 5.2.1 Develop plans for cultural outreach and engagement events that bring the community to the College	☐ **1 Community Relations staff**
				☐ 5.2.2 Faculty engagement to increase the tie-in of academic component with community engagement	☐ **1 Community Relations staff** ☐ Stipend, Faculty ESH
Goal 6 Institutional Effectiveness and	Ms Wessman	2	1: Support System for Institutional Effectiveness—develops a "one college" model that aligns data, systems, and institutional planning.	☐ 6.1.1 Devise the Cost Analysis System	☐ none
				☐ 6.1.2 Identify, Capture, and Communicate Data	☐ **1 Support staff**
				☐ 6.1.3 Align the multi-year budget plan with strategic planning elements timely and effectively	☐ none
				☐ 6.1.4 Establish a Collegewide Assessment Office to coordinate the new academic program assessment plan	☐ **FT Assessment Director**

*Estimated ESH is based on the average FY 2013 full-time faculty salary $76,000 (or ~$2,550 per ESH)

Appendix 6.14 - FY 13 Strategic Plan Template

FY 13 Strategic Plan - Unit Name

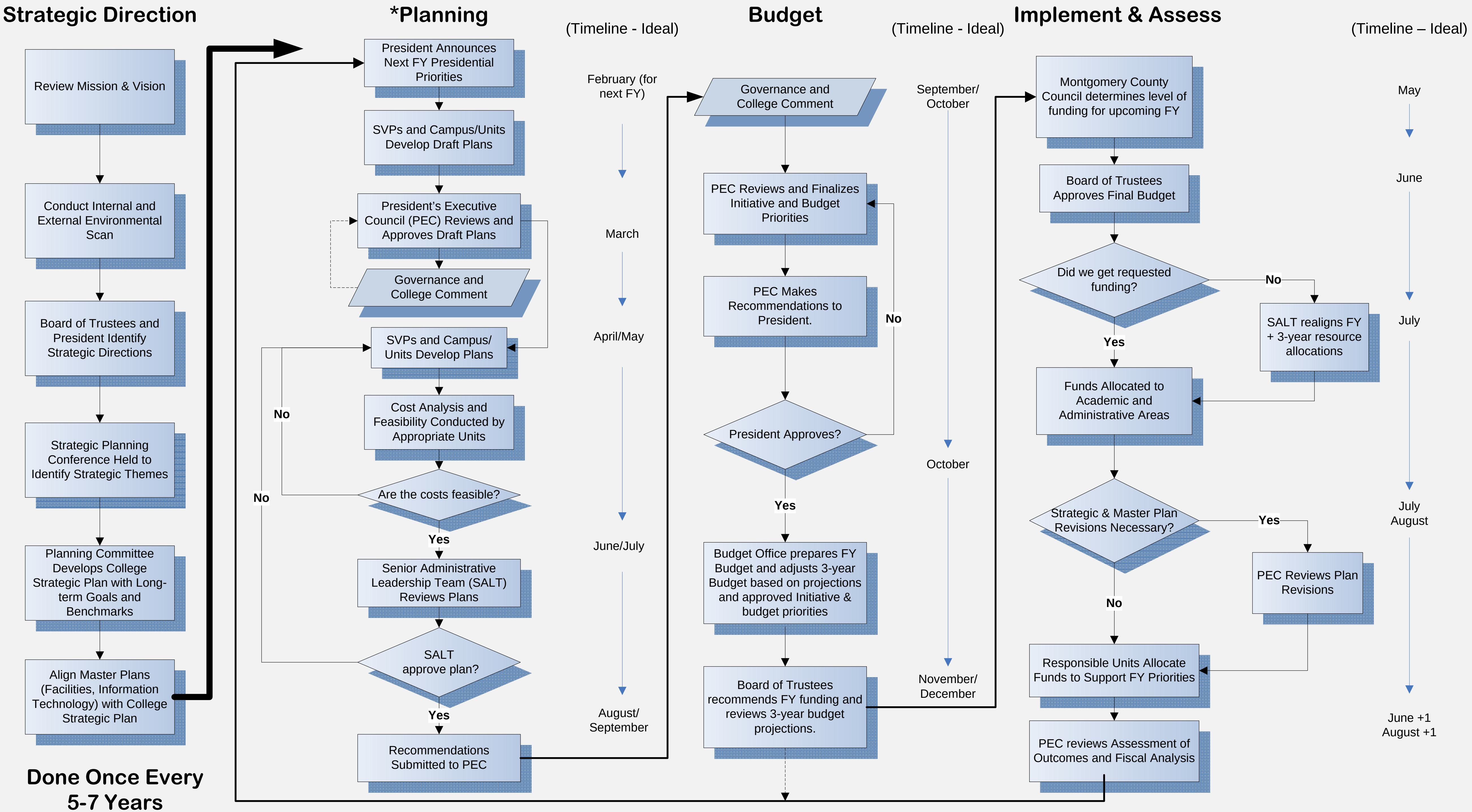
STRATEGIC PLAN THEMES

Theme I: Educational Excellence
Theme II: Access, Affordability, and Success
Theme III: Economic Development
Theme IV: Community Engagement
Theme V: Assessment and Institutional Effectiveness

Institution/Presidential Priority	**Priority**	**MC 2020 Theme**	**FY 13 Strategic Initiative**	**Leadership Coordination**	**FY 13 Budgeted?** Yes or No	If applicable, **budget amount**	**Method of Assessment** (How will you measure success?)	**Indicator** (What will you measure?)	**Success Criteria** (What will success look like? What will change and by how much?)	**Mid-Year** Assessment Results	**End-of-Year** Assessment Results	Improvement Statement based on "Assessment Results" (How will you use the results to improve?)

Appendix 6.15 - Planning and Budget Lifecycle

Montgomery College Planning & Budget Lifecycle*



Strategic Direction

Review Mission & Vision

Conduct Internal and External Environmental Scan

Board of Trustees and President Identify Strategic Directions

Strategic Planning Conference Held to Identify Strategic Themes

Planning Committee Develops College Strategic Plan with Long-term Goals and Benchmarks

Align Master Plans (Facilities, Information Technology) with College Strategic Plan

*Planning

(Timeline - Ideal)

President Announces Next FY Presidential Priorities — February (for next FY)

SVPs and Campus/Units Develop Draft Plans

President's Executive Council (PEC) Reviews and Approves Draft Plans — March

Governance and College Comment

SVPs and Campus/ Units Develop Plans — April/May

Cost Analysis and Feasibility Conducted by Appropriate Units

Are the costs feasible? — No / Yes

Senior Administrative Leadership Team (SALT) Reviews Plans — June/July

SALT approve plan? — No / Yes

Recommendations Submitted to PEC — August/ September

Budget

(Timeline - Ideal)

Governance and College Comment — September/ October

PEC Reviews and Finalizes Initiative and Budget Priorities

PEC Makes Recommendations to President.

President Approves? — No / Yes — October

Budget Office prepares FY Budget and adjusts 3-year Budget based on projections and approved Initiative & budget priorities

Board of Trustees recommends FY funding and reviews 3-year budget projections. — November/ December

Implement & Assess

(Timeline – Ideal)

Montgomery County Council determines level of funding for upcoming FY — May

Board of Trustees Approves Final Budget — June

Did we get requested funding? — No: SALT realigns FY + 3-year resource allocations — Yes — July

Funds Allocated to Academic and Administrative Areas

Strategic & Master Plan Revisions Necessary? — Yes: PEC Reviews Plan Revisions — No — July August

Responsible Units Allocate Funds to Support FY Priorities

PEC reviews Assessment of Outcomes and Fiscal Analysis — June +1 August +1

Done Once Every 5-7 Years

Currently on a 7-year plan.

* To better align with budget process, planning for the next FY should precede the development of the next FY Budget.

Yearly Activities Within the Planning Cycle

Office of Planning and Institutional Effectiveness, May 3, 2013

Required Document #1

IPEDS Finance Report 2008-09 (next 21 pages)

Institution: Montgomery College (163426) User ID: P81634261

Finance - Public institutions

Reporting Standard

Please indicate which reporting standards are used to prepare your financial statements:

● GASB (Governmental Accounting Standard Board), using standards of GASB 34 & 35

○ FASB (Financial Accounting Standard Board)

Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.

Form Version

Finance - Public Institutions

The survey for GASB has been realigned to improve commonality and comparability of the finance data, however reporting in the new format is OPTIONAL for Fiscal Year 2007-08. Please indicate in which version you will report finance data:

● GASB, using standards of GASB 34 & 35

○ Aligned GASB, using standards of GASB 34 & 35 (OPTIONAL in Fiscal Year 2007-08)

Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.

Finance - Public institutions

General Information

Finance - Public Institutions (unaligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statement (GPFS). Please refer to the instructions specific to each page of the survey for detailed instruction and references.

1. Fiscal Year calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2008.)

Beginning: month/year (MMYYYY) Month: 7 Year: 2007

And ending: month/year (MMYYYY) Month: 6 Year: 2008

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

● Unqualified ○ Qualified ○ Don't know

3. GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution ?

● Business Type Activities

○ Governmental Activities

○ Governmental Activities with Business-Type Activities

4. If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

● Auxiliary enterprises

○ Student services

○ Does not participate in intercollegiate athletics

○ Other (specify in box below)

5. Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

● Yes - (report endowment assets)

○ No

6. Component Units

Each discretely presented component unit should be reported in the same manner and amounts as included on the face of the institution's GPFS. There should be one Finance Survey component unit form (Part F or G) completed for each column on the face of the GPFS **other than the institution itself**, whether that column represents a single component unit or a combination of component units.

0 Number of component unit columns on GPFS using FASB standards

1 Number of component unit columns on GPFS using GASB standards

You may use the space below to provide context for the data you've reported above.

Part A - Statement of Net Assets

Fiscal Year 2008

Report in whole dollars only

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total Current Assets	75,130,588	90,017,469
	Noncurrent Assets		
02	Capital assets - depreciable (gross)	378,943,595	308,297,263
03	Accumulated depreciation (enter as a positive amount)	117,870,214	109,681,631
31	Capital assets Net of depreciation	261,073,381	
04	Other noncurrent assets **(CV)** **CV**=[A05-(A02-A03)]	22,535,277	1,798,536
05	Total noncurrent assets	283,608,658	200,414,168
06	Total assets **(CV)** **CV**=(A01+A05)	358,739,246	290,431,637
	Current Liabilities		
7	Long-term debt, current portion	8,700,858	75,000
08	Other current liabilities **(CV)** **CV**=(A09-A07)	26,833,090	24,785,469
09	Total current liabilities	35,533,948	24,860,469
	Noncurrent Liabilities		
10	Long-term debt	31,525,000	375,000
11	Other noncurrent liabilities **(CV)** **CV**=(A12-A10)	7,732,478	30,678,424
12	Total noncurrent liabilities	39,257,478	31,053,424
13	Total liabilities **(CV)** **CV**=(A09+A12)	74,791,426	55,913,893
	Net Assets		
14	Invested in capital assets, net of related debt	228,943,381	198,615,632
15	Restricted-expendable	2,029,276	1,986,805
16	Restricted-nonexpendable	52,975,163	0
17	Unrestricted **(CV)** **CV**=[A18-(A14+A15+A16)]	0	33,915,307
18	Total Net assets **(CV)** **CV**=(A06-A13)	283,947,820	234,517,744

CV= Calculated Value

ou may use the space below to provide context for the data you've reported above.

Part A - Plant, Property, and Equipment

Fiscal Year 2008

Report in whole dollars only

Line No.	Description	Beginning balance	Additions	Retirements (CV)	Ending balance
	Plant, Property, and Equipment				
21	Land & land improvements	36,744,587	0	0	36,744,587
22	Infrastructure	0	0	0	0
23	Buildings	203,454,244	20,527,108	0	223,981,352
24	Equipment	51,160,301	3,924,320	3,665,379	51,419,242
25	Art and library collections	6,470,075	342,268	446,597	6,365,746
26	Property obtained under capital leases (if not included in equipment)	0	32,130,000	0	32,130,000
27	Construction in progress	10,468,056	17,834,612	0	28,302,668
28	Accumulated depreciation	109,681,631	11,601,765	3,413,182	117,870,214

CV = (Beginning Balance + Additions - Ending Balance)

You may use the space below to provide context for the data you've reported above.

Part B - Revenues and Other Additions

Fiscal Year 2008

Report in whole dollars only

Line No.	Source of Funds	Current year amount	Prior year amount
	Operating Revenues		
01	Tuition & fees, after deducting discounts & allowances	58,083,353	54,861,598
	Grants and contracts - operating		
02	Federal operating grants and contracts	4,557,542	14,914,083
03	State operating grants and contracts	3,918,546	2,933,061
04	Local/private operating grants and contracts	3,724,382	2,861,562
05	Sales & services of auxiliary enterprises, after deducting discounts & allowances	13,509,623	11,780,922
08	Other sources - operating **(CV)** **CV**=[B09-(B01+ ....+B07)]	13,494,855	995,866
09	Total operating revenues	97,288,301	88,347,092

Part B - Revenues and Other Additions

Fiscal Year 2008

Report in whole dollars only

Line No.	Source of funds	Current year amount	Prior year amount
	Nonoperating Revenues		
10	Federal appropriations		**0**
11	State appropriations	43,616,229	**35,937,329**
12	Local appropriations, education district taxes, & similar support	100,050,360	**91,484,515**
	Grants-nonoperating		
13	Federal nonoperating grants	12,477,571	**0**
14	State nonoperating grants	0	**0**
15	Local nonoperating grants	0	**0**
16	Gifts, including contributions from affiliated organizations	⚠ 0	**0**
17	Investment income	1,994,457	**2,775,415**
18	Other nonoperating revenues **(CV)** **CV**=[B19-(B10+...+B17)]	0	**0**
19	Total nonoperating revenues	158,138,617	**130,197,259**

Part B - Revenues and Other Additions

Fiscal Year 2008

Report in whole dollars only

Line No.	Resource of funds	Current year amount	Prior year amount
	Other Revenues and Additions		
20	Capital appropriations	45,439,650	21,284,329
21	Capital grants & gifts	338,065	629,325
22	Additions to permanent endowments	0	0
23	Other revenues & additions **(CV)** **CV**=[B24-(B20+...+B22)]	0	295,259
24	Total other revenues and additions	45,777,715	22,208,913
25	Total all revenues and other additions **(CV)** **CV**=(B09+B19+B24)	301,204,633	240,753,264

CV = Calculated Value

You may use the space below to provide context for the data you've reported above.

16. College does not receive gifts.

Part C - Expenses and Other Deductions

Fiscal Year 2008

Report in whole dollars only

Line No.	Description	1 Current year total	2 Salaries & wages	3 Employee fringe benefits	4 Depreciation	5 All other
	Operating Expenses					
01	Instruction	87,694,155	66,759,439	11,157,306	0	9,777,410
02	Research	0	0	0	0	0
03	Public service	0	0	0	0	0
05	Academic support	26,004,541	19,131,774	2,494,402	0	4,378,365
06	Student services	25,436,705	17,994,416	2,593,367	0	4,848,922
07	Institutional support	24,679,095	21,149,158	3,529,937	0	0
08	Operation & maintenance of plant	27,701,997	10,506,640	2,605,405	0	14,589,952
09	Depreciation	11,601,765			11,601,765	0
10	Scholarships and fellowships expenses, excluding discounts & allowances (do not include work study here)	3,831,036				3,831,036
11	Auxiliary enterprises	12,061,179	2,471,360	502,691	0	9,087,128
14	Other expenses & deductions **(CV)** **CV**=[C15-(C01+...+C13)]	9,564,052	1,120,911	3,950,238	0	4,492,903
15	Total operating expenses	228,574,525	139,133,698	26,833,346	11,601,765	51,005,716
	Prior year amount	**224,728,580**	**128,321,694**	**23,728,468**	**10,628,140**	**62,050,278**

Part C - Expenses and Other Deductions

Fiscal Year 2008

Report in whole dollars only

Line No.	Description	1 Current year total	2 Salaries & wages	3 Employee fringe benefits	4 Depreciation	5 All other
	Nonoperating Expenses and Deductions					
16	**Interest**	1,497,431				1,497,431
17	**Other nonoperating expenses & deductions (CV)** CV=(C18-C16)	9,225,030	0	0	0	9,225,030
18	Total nonoperating expenses & deductions **(CV)** CV=(C19-C15)	10,722,461	0	0	0	10,722,461
19	Total expenses & deductions	239,296,986	139,133,698	26,833,346	11,601,765	61,728,177
	Prior year amount	**234,966,376**	**128,321,694**	**30,919,541**	**10,628,140**	**65,097,001**

CV = Calculated Value

You may use the space below to provide context for the data you've reported above.

Part D - Summary of Changes In Net Assets

Fiscal Year 2008

Line No.	Description	Current year amount	Prior year amount
01	Total revenues & other additions **(from B25)**	301,204,633	**240,753,264**
02	Total expenses & deductions **(from C19)**	239,296,986	**234,966,376**
03	Change in net assets during year **(CV)** **CV**=(D01-D02)	61,907,647	**5,786,888**
04	Net assets beginning of year	234,517,744	**228,730,856**
05	Adjustments to beginning net assets **(CV)** **CV**=[D06-(D03+D04)]	-12,477,571	**0**
06	Net assets end of year **(from A18)**	283,947,820	**234,517,744**

CV = Calculated Value

You may use the space below to provide context for the data you've reported above.

Part E - Scholarships and Fellowships

Part E - Scholarships and Fellowships
Fiscal Year 2008

Report in whole dollars only

Line No.	Source	Current year amount	Prior year amount
	Institutional Expenses and Discounts & Allowances		
	Gross Scholarships and Fellowships (no loans included)		
01	Pell grants (federal)	12,477,571	10,427,409
02	Other federal grants	739,787	620,299
03	Grants by state government	936,715	824,718
04	Grants by local government	0	0
05	Institutional grants from restricted resources	734,325	349,781
06	Institutional grants from unrestricted resources **(CV)** **CV**=[E07-(E01+...+E05)]	5,558,107	5,218,293
07	Total gross scholarships and fellowships	20,446,505	17,440,500
	Discounts and Allowances		
08	Discounts & allowances applied to tuition & fees	16,139,107	14,351,003
9	Discounts & allowances applied to sales & services of auxiliary enterprises **(CV)** **CV**= (E10-E08)	476,362	414,810
10	Total Discounts & Allowances **(CV)** **CV**=(E07-E11)	16,615,469	14,765,813
11	Net scholarships and fellowships expenses after deducting discount & allowances **(from C10)**	3,831,036	2,674,687

CV = Calculated Value

You may use the space below to provide context for the data you've reported above.

Part G - Component Unit that Uses GASB Standards

Part G - GASB Component Unit that uses GASB Standards
Fiscal Year 2008

Names of entities included: Montgomery College Foundati

Primary nature of unit(s): To enhance College's Mission

Report in whole dollars only

Line No.		Current year amount
	Statement of Net Assets	
01	Total **current assets**	7,273,257
02	Total **non-current assets (CV)** **CV**=(G03-G01)	57,398,203
03	Total **Assets**	64,671,460
04	Total **current liabilities**	752,650
5	Total noncurrent liabilities **(CV)** **CV**=(G06-G04)	34,345,196
06	Total **liabilities (CV)** **CV**=(G3-G11)	35,097,846
	Net Assets	
07	**Invested in capital assets, net of related debt**	0
08	**Restricted-expendable**	7,459,975
09	**Restricted-nonexpendable**	13,241,083
10	**Unrestricted (CV)** **CV**=[G11-(G07+...+G09)]	8,872,556
11	Total net assets	29,573,614

Part G - Component Unit that Uses GASB Standards

Part G - GASB Component Unit that uses GASB Standards
Fiscal Year 2008

Report in whole dollars only

Line No.		Current year amount
	Statement of revenues, expenses, and Changes in Net Assets	
12	Total operating **revenues**	1,859,577
13	Total operating **expenses**	5,495,883
	13a Expenses paid to institution **(included in G13)**	2,619,515
14	Net **operating** revenues (Expenses) **(CV)** **CV**=(G12-G13)	-3,636,306
15	Total **nonoperating** revenues	0
16	Total nonoperating expenses **(CV)** **CV**=[(G14+G15)-G17]	1,621,154
17	Net income before other revenues, expenses, gains, or losses	-5,257,460
8	Total **other additions & deductions (CV)** **CV**=(G19-G17)	1,828,296
19	**Change in net assets**	-3,429,164
20	Net assets -- beginning of year	33,002,778
21	**Adjustments to beginning net assets** (CV) [G22-(G19+G20)]	0
22	Net assets -- end of year **(from G11)**	29,573,614

CV = Calculated value

You may use the space below to provide context for the data you've reported above.

Part H - Details of Endowment Assets

Fiscal Year 2008

Report in whole dollars only

Line No.	Value of Endowment Assets	Market Value	Prior Year Amounts
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	15,377,754	10,083,720
02	Value of endowment assets at the end of the fiscal year	115,375,509	15,377,754

Part J - Revenue Data for Bureau of Census

Part J - Revenues (Census Bureau)
Fiscal Year 2008

		Amount				
	Source and type	Total for all funds and operations (includes endowment funds, but excludes component units) (1)	Education and general/independent operations (2)	Auxiliary enterprises (3)	Hospitals (4)	Agriculture extension/experiment services (5)
01	Tuition and fees	74,222,460	74,222,460			
02	Sales and services	13,985,985	0	13,985,985		0
03	Federal grants/contracts (excludes Pell Grants)	4,557,542	4,557,542	0	0	0
	Revenue from the state government:					
04	State appropriations, current & capital	48,742,194	48,742,194	0	0	0
05	State grants and contracts	3,918,546	3,918,546	0	0	0
	Revenue from local governments:					
06	Local appropriation, current & capital	140,364,045	140,364,045	0	0	0
07	Local government grants/contracts	467,288	467,288	0	0	0
08	Receipts from property and non-property taxes	0				
09	Gifts and private grants, including capital grants	338,065				
10	Interest earnings	1,994,457				
11	Dividend earnings	0				
12	Realized capital gains	0				

You may use the space below to provide context for the data you've reported above.

Part K - Expenditure Data for Bureau of Census

Part K - Expenditures
Fiscal Year 2008

			Amount		
Category	Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/ independent operations	Auxiliary enterprises.	Hospitals	Agriculture extension/ experiment services
	(1)	(2)	(3)	(4)	(5)
01 Salaries and wages	139,133,698	136,662,338	2,471,360		0
02 Employee benefits, total	26,833,346	26,330,655	502,691		0
03 Payment to state retirement funds (maybe included in line 02 above)	8,526,235	8,526,235	0	0	0
04 Current expenditures other than salaries	47,174,680	38,087,552	9,087,128	0	0
Capital outlay:					
05 Construction	38,361,720	38,361,720	0	0	0
06 Equipment purchases	3,924,320	3,771,263	153,057		
07 Land purchases	0	0	0	0	0
08 Interest on debt outstanding, all funds & activities	0				
09 Scholarships/fellowships	20,446,505	20,446,505			

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 1

Part L - Debt and Assets
Fiscal Year 2008

Debt

	Category	Amount
01	Long-term debt outstanding at beginning of fiscal year	0
02	Long-term debt issued during fiscal year	0
03	Long-term debt retired during fiscal year	0
04	Long-term debt outstanding at end of fiscal year	0
05	Short-term debt outstanding at beginning of fiscal year	0
06	Short-term debt outstanding at end of fiscal year	0

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 2

Part L - Debt and Assets (page 2)
Fiscal Year 2008

Assets

Category	Amount
07 Total cash and security assets held at end of fiscal year in sinking or debt service funds	0
08 Total cash and security assets held at end of fiscal year in bond funds	0
09 Total cash and security assets held at end of fiscal year in all other funds	51,254,157

You may use the space below to provide context for the data you've reported above.

Explanation Report

Number	Source	Location	Description	Severity	Accepted
Screen: Form 1 Part 1					
1	Row 21 Column 4	Screen Entry	This number should be greater than zero. Please explain.	Explanation	Yes
Reason:	The land on which the capital asset listed inthe Compneunt Unit section of the financial statement is owned by the college. The Foundation entered into a lease agreement with the college whereby the land is leased to the Foundation of thirty years. The foundation entered into a project lease agreement with the college, under which the college will lease the building on the land. this lease will terminate in 26 years. The Montgomery County Revenue Authority series 2005 "a" bonds with a face value of $33,000,000 were sold. A loan agreement between the Authority and the foundation effectively transfer the obligation of the bond issue to the Foundation. These bonds are to be used to totally renovate the building that resides on the land. Lease fees by the College to the Foundation for the building will be used to pay off the bonds.				

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Required Document #2

IPEDS Finance Report 2009-10 (next 17 pages)

Finance 2009-10

Institution: Montgomery College (163426)

User ID: P91634261

Finance - Public institutions

Reporting Standard

Please indicate which reporting standards are used to prepare your financial statements:

● GASB (Governmental Accounting Standards Board), using standards of GASB 34 & 35

○ FASB (Financial Accounting Standards Board)

Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.

Institution: Montgomery College (163426) User ID: P91634261

Finance - Public institutions

Form Version

Finance - Public Institutions

The survey for GASB has been realigned to improve commonality and comparability of the finance data, however reporting in the new format is OPTIONAL for Fiscal Year 2008-09. Please indicate in which version you will report finance data:

○ GASB, using standards of GASB 34 & 35

● Aligned GASB, using standards of GASB 34 & 35 (OPTIONAL in Fiscal Year 2008-09)

Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.

Finance - Public institutions

General Information

GASB-Reporting Institutions (aligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2009.)

Beginning: month/year (MMYYYY) Month: 7 Year: 2008

And ending: month/year (MMYYYY) Month: 6 Year: 2009

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

● Unqualified ○ Qualified (Explain in box below) ○ Don't know (Explain in box below)

3. Reporting Model

GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution ?

- ● Business Type Activities
- ○ Governmental Activities
- ○ Governmental Activities with Business-Type Activities

4. Intercollegiate Athletics

If [illegible] institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

- ● Auxiliary enterprises
- ○ Student services
- ○ Does not participate in intercollegiate athletics
- ○ Other (specify in box below)

5. Endowment Assets

Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

- ● Yes - (report endowment assets)
- ○ No

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426) User ID: P91634261

Part A - Statement of Net Assets

Fiscal Year 2009

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total current assets	83,396,614	**75,130,588**
	Noncurrent Assets		
31	Depreciable capital assets, net of depreciation	297,409,371	**261,073,381**
04	Other noncurrent assets **CV**=[A05-A31]	22,082,797	**22,535,277**
05	Total noncurrent assets	319,492,168	**283,608,658**
06	Total assets **CV**=(A01+A05)	402,888,782	**358,739,246**
	Current Liabilities		
07	Long-term debt, current portion	1,015,000	**8,700,858**
08	Other current liabilities **CV**=(A09-A07)	29,784,464	**26,833,090**
09	Total current liabilities	30,799,464	**35,533,948**
	Noncurrent Liabilities		
10	Long-term debt	30,527,202	**31,525,000**
11	Other noncurrent liabilities **CV**=(A12-A10)	8,589,549	**7,732,478**
12	Total noncurrent liabilities	39,116,751	**39,257,478**
13	Total liabilities **CV**=(A09+A12)	69,916,215	**74,791,426**
	Net Assets		
14	Invested in capital assets, net of related debt	266,184,371	**228,943,381**
15	Restricted-expendable	2,019,987	**2,029,276**
16	Restricted-nonexpendable	0	**52,975,163**
17	Unrestricted **CV**=[A18-(A14+A15+A16)]	64,768,209	**0**
18	Total net assets **CV**=(A06-A13)	332,972,567	**283,947,820**

You may use the space below to provide context for the data you've reported above.

Part A - Statement of Net Assets (Page 2)

Fiscal Year 2009

Line No.	Description	Ending balance	Prior year Ending balance
	Capital Assets		
21	Land & land improvements	36,744,587	36,744,587
22	Infrastructure	0	0
23	Buildings	264,486,155	223,981,352
32	Equipment, including art and library collections	65,022,231	57,784,988
27	Construction in progress	61,038,154	28,302,668
	Total for Plant, Property and Equipment **CV** = (A21+ .. A27)	427,291,127	378,943,595
28	Accumulated depreciation	129,881,756	117,870,214
33	Intangible assets, net of accumulated amortization	297,409,371	
34	Other capital assets		

You may use the space below to provide context for the data you've reported above.

Part B - Revenues and Other Additions

Fiscal Year 2009

Report in whole dollars only

Line No.	Source of Funds	Current year amount	Prior year amount
	Operating Revenues		
01	Tuition & fees, after deducting discounts & allowances	60,257,629	58,083,353
	Grants and contracts - operating		
02	Federal operating grants and contracts	4,428,233	4,557,542
03	State operating grants and contracts	4,658,593	3,918,546
04	Local government/private operating grants and contracts	1,968,432	3,724,382
	04a Local government operating grants and contracts	492,776	
	04b Private operating grants and contracts	1,475,656	
05	Sales & services of auxiliary enterprises, after deducting discounts & allowances	13,825,550	13,509,623
26	Sales & services of educational activities	0	
08	Other sources - operating **(CV)** **CV**=[B09-(B01+ ....+B07)]	2,070,969	13,494,855
09	Total operating revenues	87,209,406	97,288,301

Part B - Revenues and Other Additions

Fiscal Year 2009

Line No.	Source of funds	Current year amount	Prior year amount
	Nonoperating Revenues		
10	Federal appropriations	0	0
11	State appropriations	47,098,851	43,616,229
12	Local appropriations, education district taxes, & similar support	106,376,153	100,050,360
	Grants-nonoperating		
13	Federal nonoperating grants	15,412,393	12,477,571
14	State nonoperating grants	0	0
15	Local government nonoperating grants	0	0
16	Gifts, including contributions from affiliated organizations		0
17	Investment income	1,002,018	1,994,457
18	Other nonoperating revenues **CV**=[B19-(B10+...+B17)]	0	0
19	Total nonoperating revenues	169,889,415	158,138,617

Part B - Revenues and Other Additions

Fiscal Year 2009

Line No.	Source of funds	Current year amount	Prior year amount
	Other Revenues and Additions		
20	Capital appropriations	50,553,908	**45,439,650**
21	Capital grants & gifts	780,845	**338,065**
22	Additions to permanent endowments		**0**
23	Other revenues & additions **CV**=[B24-(B20+...+B22)]	0	**0**
24	Total other revenues and additions	51,334,753	**45,777,715**
25	Total all revenues and other additions **CV**=(B09+B19+B24)	308,433,574	**301,204,633**

You may use the space below to provide context for the data you've reported above.

Part C - Expenses and Other Deductions

Fiscal Year 2009

eport in whole dollars only

Line No.	Description	1 Total amount	2 Salaries & wages	3 Employee fringe benefits	4 Operation and maintenance of plant	5 Depreciation	6 Interest	7 All other
	Expenses and Deductions							
01	Instruction	118,909,116	72,550,121	12,451,909	19,612,592	3,734,529		10,559,965
02	Research							0
03	Public service							0
05	Academic support	34,806,976	20,241,867	2,749,063	4,329,959	1,584,620		5,901,467
06	Student services	32,507,167	19,710,978	2,902,038	4,570,905	566,260		4,756,986
07	Institutional support	36,582,788	22,991,083	1,992,191	3,137,834	2,390,533		6,071,147
08	Operation & maintenance of plant (see instructions)	0	12,011,628	2,811,352	-31,651,290	2,890,889		13,937,421
10	Scholarships and fellowships expenses, excluding iscounts & lowances	3,339,880						3,339,880
11	Auxiliary enterprises	12,684,491	2,669,073	603,089		265,491		9,146,838
14	Other expenses & deductions **CV**=[C19-(C01+...+C13)]	9,464,312	1,257,785	240,332	0	2,348,418	59,331,481	-53,713,704
19	Total expenses & deductions	248,294,730	151,432,535	23,749,974	0	13,780,740	59,331,481	0
	Prior year amount	**239,296,986**	**139,133,698**	**26,833,346**		**11,601,765**		**61,728,177**

You may use the space below to provide context for the data you've reported above.

Part D - Summary of Changes In Net Assets

Fiscal Year 2009

Line No.	Description	Current year amount	Prior year amount
01	Total revenues & other additions **(from B25)**	308,433,574	**301,204,633**
02	Total expenses & deductions **(from C19)**	248,294,730	**239,296,986**
03	Change in net assets during year **CV**=(D01-D02)	60,138,844	**61,907,647**
04	Net assets beginning of year	283,947,820	**234,517,744**
05	Adjustments to beginning net assets **CV**=[D06-(D03+D04)]	-11,114,097	**-12,477,571**
06	Net assets end of year **(from A18)**	332,972,567	**283,947,820**

You may use the space below to provide context for the data you've reported above.

Part E - Scholarships and Fellowships

Fiscal Year 2009

Line No.	Source	Current year amount	Prior year amount
01	Pell grants (federal)	15,412,393	12,477,571
02	Other federal grants	636,709	739,787
03	Grants by state government	847,138	936,715
04	Grants by local government	0	0
05	Institutional grants from restricted resources	753,678	734,325
06	Institutional grants from unrestricted resources **CV**=[E07-(E01+...+E05)]	4,658,448	5,558,107
07	Total gross scholarships and fellowships	22,308,366	20,446,505
	Discounts and Allowances		
08	Discounts & allowances applied to tuition & fees	18,318,602	16,139,107
09	Discounts & allowances applied to sales & services of auxiliary enterprises **CV**= (E10-E08)	649,884	476,362
10	Total discounts & allowances **CV**=(E07-E11)	18,968,486	16,615,469
11	Net scholarships and fellowships expenses after deducting discount & allowances **(from C10)**	3,339,880	3,831,036

You may use the space below to provide context for the data you've reported above.

```
01 - Pell Grants reported as non-operating revenue
```

Part H - Details of Endowment Assets

Fiscal Year 2009

	Value of Endowment Assets	Market Value	Prior Year Amounts
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	115,375,509	15,377,754
02	Value of endowment assets at the end of the fiscal year	14,791,079	115,375,509

Part J - Revenue Data for Bureau of Census

Fiscal Year 2009

		Amount				
	Source and type	Total for all funds and operations (includes endowment funds, but excludes component units) (1)	Education and general/independent operations (2)	Auxiliary enterprises (3)	Hospitals (4)	Agriculture extension/experiment services (5)
01	Tuition and fees	78,576,231	78,576,231			
02	Sales and services	14,475,434		14,475,434		
03	Federal grants/contracts (excludes Pell Grants)	4,428,234	4,428,234			
	Revenue from the state government:					
04	State appropriations, current & capital	59,308,680	59,308,680			
05	State grants and contracts	4,658,593	4,658,593			
	Revenue from local governments:					
06	Local appropriation, current & capital	144,720,232	144,720,232			
07	cal government grants/contracts	492,776	492,776			
08	Receipts from property and non-property taxes	0				
09	Gifts and private grants, including capital grants	2,256,501				
10	Interest earnings	1,002,018				
11	Dividend earnings	0				
12	Realized capital gains	0				

You may use the space below to provide context for the data you've reported above.

Part K - Expenditure Data for Bureau of Census

Fiscal Year 2009

Category	Total for all funds and operations (includes endowment funds, but excludes component units) (1)	Education and general/ independent operations (2)	Auxiliary enterprises (3)	Hospitals (4)	Agriculture extension/ experiment services (5)
	Amount				
01 Salaries and wages	151,432,535	148,763,462	2,669,073		
02 Employee benefits, total	30,526,317	29,923,228	603,089		
03 Payment to state retirement funds (maybe included in line 02 above)	9,522,508	9,522,508			
04 Current expenditures other than salaries	49,215,258	40,068,420	9,146,838		
Capital outlay:					
05 Construction	41,110,289	41,110,289			
06 Equipment purchases	8,792,492	8,768,246	24,246		
07 Land purchases	0				
08 Interest on debt outstanding, all funds & activities	0				
09 Scholarships/fellowships	22,308,366	22,308,366			

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 1

Fiscal Year 2009

	Category	Amount
01	Long-term debt outstanding at beginning of fiscal year	0
02	Long-term debt issued during fiscal year	0
03	Long-term debt retired during fiscal year	0
04	Long-term debt outstanding at end of fiscal year	0
05	Short-term debt outstanding at beginning of fiscal year	0
06	Short-term debt outstanding at end of fiscal year	0

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 2

Fiscal Year 2009

A s

Category	Amount
07 Total cash and security assets held at end of fiscal year in sinking or debt service funds	0
08 Total cash and security assets held at end of fiscal year in bond funds	0
09 Total cash and security assets held at end of fiscal year in all other funds	55,607,321

You may use the space below to provide context for the data you've reported above.

Explanation Report

Number	Source	Location	Description	Severity	Accepted
Screen: Part 2					
1	Row 25 Column 3	Screen Entry	This field should not be left blank. Please explain.	Explanation	Yes
Reason:	No gifts received.				

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Required Document #3

IPEDS Finance Report 2010-11 (next 20 pages)

Institution: Montgomery College (163426)
User ID: P1634261

Overview

Finance Overview

Purpose

The purpose of the IPEDS Finance component is to collect basic financial information from items associated with the institution's General Purpose Financial Statements.

Resources:

To download the survey materials for this component: Survey Materials

To access your prior year data submission for this component: Reported Data

If you have questions about completing this survey, please contact the **IPEDS Help Desk at 1-877-225-2568**.

Institution: Montgomery College (163426)
User ID: P1634261

Finance - Public institutions

Reporting Standard

Please indicate which reporting standards are used to prepare your financial statements:

● GASB (Governmental Accounting Standards Board), using standards of GASB 34 & 35

○ FASB (Financial Accounting Standards Board)

Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.

Institution: Montgomery College (163426)
User ID: P1634261

Finance - Public institutions

General Information
GASB-Reporting Institutions (aligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2010.)

Beginning: month/year (MMYYYY)	Month: 7	Year: 2009
And ending: month/year (MMYYYY)	Month: 6	Year: 2010

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

● Unqualified ○ Qualified (Explain in box below) ○ Don't know (Explain in box below)

3. Reporting Model

GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution ?

● Business Type Activities

○ Governmental Activities

○ Governmental Activities with Business-Type Activities

4. Intercollegiate Athletics

If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

● Auxiliary enterprises

○ Student services

○ Does not participate in intercollegiate athletics

○ Other (specify in box below)

5. Endowment Assets

Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

● Yes - (report endowment assets)

○ No

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part A - Statement of Net Assets

Fiscal Year: July 1, 2009 - June 30, 2010

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total current assets	98,853,498	83,396,614
	Noncurrent Assets		
31	Depreciable capital assets, net of depreciation	347,946,218	297,409,371
04	Other noncurrent assets **CV**=[A05-A31]	18,746,973	22,082,797
05	Total noncurrent assets	366,693,191	319,492,168
06	Total assets **CV**=(A01+A05)	465,546,689	402,888,782
	Current Liabilities		
07	Long-term debt, current portion	1,465,000	1,015,000
08	Other current liabilities **CV**=(A09-A07)	31,965,268	29,784,464
09	Total current liabilities	33,430,268	30,799,464
	Noncurrent Liabilities		
10	Long-term debt	45,888,992	30,527,202
11	Other noncurrent liabilities **CV**=(A12-A10)	8,415,192	8,589,549
12	Total noncurrent liabilities	54,304,184	39,116,751
13	Total liabilities **CV**=(A09+A12)	87,734,452	69,916,215
	Net Assets		
14	Invested in capital assets, net of related debt	300,853,138	266,184,371
15	Restricted-expendable	2,022,556	2,019,987
16	Restricted-nonexpendable	0	0
17	Unrestricted **CV**=[A18-(A14+A15+A16)]	74,936,543	64,768,209
18	Total net assets **CV**=(A06-A13)	377,812,237	332,972,567

You may use the space below to provide context for the data you've reported above.

Part A - Statement of Net Assets (Page 2)

Fiscal Year: July 1, 2009 - June 30, 2010

Line No.	Description	Ending balance	Prior year Ending balance
	Capital Assets		
21	Land & land improvements	36,744,587	**36,744,587**
22	Infrastructure		**0**
23	Buildings	284,058,891	**264,486,155**
32	Equipment, including art and library collections	63,328,100	**65,022,231**
27	Construction in progress	106,085,505	**61,038,154**
	Total for Plant, Property and Equipment **CV** = (A21+ .. A27)	490,217,083	**427,291,127**
28	Accumulated depreciation	142,270,865	**129,881,756**
33	Intangible assets, net of accumulated amortization	347,946,218	**297,409,371**
34	Other capital assets	0	**0**

You may use the space below to provide context for the data you've reported above.

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2009 - June 30, 2010

Report in whole dollars only

Line No.	Source of Funds	Current year amount	Prior year amount
	Operating Revenues		
01	Tuition & fees, after deducting discounts & allowances	62,947,084	**60,257,629**
	Grants and contracts - operating		
02	Federal operating grants and contracts	4,438,792	**4,428,233**
03	State operating grants and contracts	4,092,455	**4,658,593**
04	Local government/private operating grants and contracts	1,987,399	**1,968,432**
	04a Local government operating grants and contracts	462,056	**492,776**
	04b Private operating grants and contracts	1,525,343	**1,475,656**
05	Sales & services of auxiliary enterprises, after deducting discounts & allowances	13,546,012	**13,825,550**
26	Sales & services of educational activities	0	**0**
08	Other sources - operating **(CV)** **CV**=[B09-(B01+ ....+B07)]	1,197,440	**2,070,969**
09	Total operating revenues	88,209,182	**87,209,406**

Institution: Montgomery College (163426)
User ID: P1634261

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2009 - June 30, 2010

Line No.	Source of funds	Current year amount	Prior year amount
	Nonoperating Revenues		
10	Federal appropriations	0	**0**
11	State appropriations	47,544,137	**47,098,851**
12	Local appropriations, education district taxes, & similar support	107,999,261	**106,376,153**
	Grants-nonoperating		
13	Federal nonoperating grants	21,749,237	**15,412,393**
14	State nonoperating grants	0	**0**
15	Local government nonoperating grants	0	**0**
16	Gifts, including contributions from affiliated organizations	0	**0**
17	Investment income	157,716	**1,002,018**
18	Other nonoperating revenues **CV**=[B19-(B10+...+B17)]	0	**0**
19	Total nonoperating revenues	177,450,351	**169,889,415**
27	Total operating and nonoperating revenues **CV**=[B19+B09]	265,659,533	**257,098,821**
28	**12-month Student FTE from E12** **CV**=[B28a+B28b]	17,737	
	28a Undergraduates	17,737	
	28b Graduates		
29	Total operating and nonoperating revenues per student FTE **CV**=[B27/B28]	14,978	

Institution: Montgomery College (163426)
User ID: P1634261

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2009 - June 30, 2010

Line No.	Source of funds	Current year amount	Prior year amount
	Other Revenues and Additions		
20	Capital appropriations	55,834,834	**50,553,908**
21	Capital grants & gifts	321,431	**780,845**
22	Additions to permanent endowments	0	**0**
23	Other revenues & additions **CV**=[B24-(B20+...+B22)]	0	**0**
24	Total other revenues and additions	56,156,265	**51,334,753**
25	Total all revenues and other additions **CV**=[B09+B19+B24]	321,815,798	**308,433,574**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part C - Expenses and Other Deductions

Fiscal Year: July 1, 2009 - June 30, 2010

Report in whole dollars only

		1	2	3	4	5	6	7	8
Line No.	Description	Total amount	Salaries & wages	Employee fringe benefits	Operation and maintenance of plant	Depreciation	Interest	All other	PY Total Amount
	Expenses and Deductions								
01	Instruction	105,179,258	75,413,834	11,548,647	9,834,469	3,244,724	587,398	4,550,186	**118,912,116**
02	Research	0	0	0	0	0	0	0	**0**
03	Public service	0	0	0	0	0	0	0	**0**
05	Academic support	29,465,987	19,965,198	2,579,531	1,507,340	1,376,788	99,532	3,937,598	**34,806,976**
06	Student services	29,126,043	20,308,933	2,730,162	2,734,208	491,992	64,599	2,796,149	**32,507,167**
07	Institutional support	47,739,525	23,941,107	6,919,369	6,145,842	2,077,001	710,906	7,945,300	**36,582,788**
08	Operation & maintenance of plant (see instructions)	0	12,570,346	3,375,801	-20,221,859	2,511,732	1,763,980	0	
10	Scholarships and fellowships expenses, excluding discounts & allowances	3,893,617						3,893,617	**3,339,880**
11	Auxiliary enterprises	12,921,247	3,152,718	747,698	0	230,670	0	8,790,161	**12,684,491**
14	Other expenses & deductions **CV**=[C19-(C01+...+C13)]	48,650,451	0	10,878,709	0	2,040,410	0	35,731,332	**44,517,960**
19	Total expenses & deductions	276,976,128	155,352,136	38,779,917	0	11,973,317	3,226,415	67,644,343	**283,351,378**
	Prior year amount	**283,351,378**	**151,432,535**	**33,272,482**		**13,780,740**	**59,431,726**	**25,433,895**	
20	**12-month Student FTE from E12** **CV**=[C20a+C20b]	17,737							
	20a Undergraduates	17,737							
	20b Graduates								
21	Total expenses and deductions per student FTE **CV**=[C19/C20]	15,616							

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part D - Summary of Changes In Net Assets

Fiscal Year: July 1, 2009 - June 30, 2010

Line No.	Description	Current year amount	Prior year amount
01	Total revenues & other additions **(from B25)**	321,815,798	**308,433,574**
02	Total expenses & deductions **(from C19)**	276,976,128	**283,351,378**
03	Change in net assets during year **CV=**(D01-D02)	44,839,670	**25,082,196**
04	Net assets beginning of year	332,972,567	**283,947,820**
05	Adjustments to beginning net assets and other gains or losses **CV=**[D06-(D03+D04)]	0	**23,942,551**
06	Net assets end of year **(from A18)**	377,812,237	**332,972,567**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part E - Scholarships and Fellowships

Fiscal Year: July 1, 2009 - June 30, 2010

Line No.	Source	Current year amount	Prior year amount
01	Pell grants (federal)	21,749,237	**15,412,393**
02	Other federal grants	792,981	**636,709**
03	Grants by state government	991,996	**847,138**
04	Grants by local government	0	**0**
05	Institutional grants from restricted resources	750,602	**753,678**
06	Institutional grants from unrestricted resources **CV**=[E07-(E01+...+E05)]	4,760,235	**4,658,448**
07	Total gross scholarships and fellowships	29,045,051	**22,308,366**
	Discounts and Allowances		
08	Discounts & allowances applied to tuition & fees	24,101,334	**18,318,602**
09	Discounts & allowances applied to sales & services of auxiliary enterprises **CV**= (E10-E08)	1,050,100	**649,884**
10	Total discounts & allowances **CV**=(E07-E11)	25,151,434	**18,968,486**
11	Net scholarships and fellowships expenses after deducting discount & allowances **(from C10)**	3,893,617	**3,339,880**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part H - Details of Endowment Assets

Fiscal Year: July 1, 2009 - June 30, 2010			
Line No.	**Value of Endowment Assets**	**Market Value**	**Prior Year Amounts**
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	14,791,079	**115,375,509**
02	Value of endowment assets at the end of the fiscal year	15,520,104	**14,791,079**

You may use the space below to provide context for the data you've reported above.

Part J - Revenue Data for Bureau of Census

Fiscal Year: July 1, 2009 - June 30, 2010					
Source and type	Amount				
	Total for all funds and operations (includes endowment funds, but excludes component units) (1)	Education and general/independent operations (2)	Auxiliary enterprises (3)	Hospitals (4)	Agriculture extension/experiment services (5)
01 Tuition and fees	87,048,418	87,048,418			
02 Sales and services	14,596,112		14,596,112		
03 Federal grants/contracts (excludes Pell Grants)	4,438,792	4,438,792			
Revenue from the state government:					
04 State appropriations, current & capital	65,034,892	65,034,892			
05 State grants and contracts	4,092,455	4,092,455			
Revenue from local governments:					
06 Local appropriation, current & capital	146,343,640	146,343,640			
07 Local government grants/contracts	462,056	462,056			
08 Receipts from property and non-property taxes	0				
09 Gifts and private grants, including capital grants	1,846,774				
10 Interest earnings	157,716				
11 Dividend earnings					
12 Realized capital gains					

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part K - Expenditure Data for Bureau of Census

Fiscal Year: July 1, 2009 - June 30, 2010						
Category		Amount				
		Total for all funds and operations (includes endowment funds, but excludes component units)	Education and general/ independent operations	Auxiliary enterprises	Hospitals	Agriculture extension/ experiment services
		(1)	(2)	(3)	(4)	(5)
01	Salaries and wages	158,504,854	155,352,136	3,152,718		
02	Employee benefits, total	28,648,906	27,901,208	747,698		
03	Payment to state retirement funds (maybe included in line 02 above)	10,878,709	10,878,709			
04	Current expenditures other than salaries	62,641,572	53,851,411	8,790,161		
	Capital outlay:					
05	Construction	46,272,463	46,272,463			
06	Equipment purchases	7,048,926	7,042,931	5,995		
07	Land purchases	0				
08	Interest on debt outstanding, all funds & activities	0				
09	Scholarships/fellowships	29,045,051	29,045,051			

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 1

Fiscal Year: July 1, 2009 - June 30, 2010

Debt

Category		Amount
01	Long-term debt outstanding at beginning of fiscal year	0
02	Long-term debt issued during fiscal year	0
03	Long-term debt retired during fiscal year	0
04	Long-term debt outstanding at end of fiscal year	0
05	Short-term debt outstanding at beginning of fiscal year	0
06	Short-term debt outstanding at end of fiscal year	0

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part L - Debt and Assets, page 2

Fiscal Year: July 1, 2009 - June 30, 2010

Assets

Category		Amount
07	Total cash and security assets held at end of fiscal year in sinking or debt service funds	0
08	Total cash and security assets held at end of fiscal year in bond funds	0
09	Total cash and security assets held at end of fiscal year in all other funds	71,192,612

You may use the space below to provide context for the data you've reported above.

Summary

Finance Survey Summary

IPEDS collects important information regarding your institution. All data reported in IPEDS survey components become available in the IPEDS Data Center and appear as aggregated data in various Department of Education reports. Additionally, some of the reported data appears specifically for your institution through the College Navigator website and is included in your institution's Data Feedback Report (DFR). The purpose of this summary is to provide you an opportunity to view some of the data that, when accepted through the IPEDS quality control process, will appear on the College Navigator website and/or your DFR. College Navigator is updated approximately three months after the data collection period closes and Data Feedback Reports will be available through the ExPT and sent to your institution's CEO in November 2011.

Please review your data for accuracy. If you have questions about the data displayed below after reviewing the data reported on the survey screens, please contact the IPEDS Help Desk at: 1-877-225-2568 or ipedshelp@rti.org.

Core Revenues

Revenue Source	Reported values	Percent of total core revenues	Core revenues per FTE enrollment
Tuition and fees	$62,947,084	20%	$3,549
Government appropriations	$155,543,398	50%	$8,769
Government grants and contracts	$30,742,540	10%	$1,733
Private gifts, grants, and contracts	$1,525,343	0%	$86
Investment income	$157,716	0%	$9
Other core revenues	$57,353,705	19%	$3,234
Total core revenues	$308,269,786	100%	$17,380
Total revenues	$321,815,798		$18,144

Core revenues include tuition and fees; government appropriations (federal, state, and local); government grants and contracts; private gifts, grants, and contracts; investment income; other operating and nonoperating sources; and other revenues and additions. Core revenues exclude revenues from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

Core Expenses

Expense function	Reported values	Percent of total core expenses	Core expenses per FTE enrollment
Instruction	$105,179,258	40%	$5,930
Research	$0	0%	$0
Public service	$0	0%	$0
Academic support	$29,465,987	11%	$1,661
Institutional support	$47,739,525	18%	$2,692
Student services	$29,126,043	11%	$1,642

Core Expenses

Other core expenses	$52,544,068	20%	$2,962
Total core expenses	$264,054,881	100%	$14,887
Total expenses	$276,976,128		$15,616

Core expenses include expenses for instruction, research, public service, academic support, institutional support, student services, operation and maintenance of plant, depreciation, scholarships and fellowships expenses, other expenses, and nonoperating expenses.

	Calculated value
FTE enrollment	17,737

The full-time equivalent (FTE) enrollment used in this report is the sum of the institution’s FTE undergraduate enrollment and FTE graduate enrollment (as calculated from or reported on the 12-month Enrollment component). FTE is estimated using 12-month instructional activity (credit and/or contact hours). All doctor’s degree students are reported as graduate students.

Explanation Report

Number	Source	Location	Description	Severity	Accepted
Screen: Part B - Revenues and Other Additions					
1	Row: 33 Col: 3	Perform Edits	This number should not be zero or blank. Please explain.	Explanation	Yes
Reason:	the college does not have an endowment				
Screen: Part C - Expenses and Other Deductions					
2	Row: 26 Col: 8	Screen Entry	The number entered, 3,226,415, has an expected range of between 29,715,863 and 89,147,589 based on last year's amount. Please explain this difference.	Explanation	Yes
Reason:	Changes occurred after original submission. Interest expense for 2009 should be $1,491,344. Interest expense for 2010 was $3,226,415. This increase is due to an additional capital lease of comparable value.				

Required Document #4

IPEDS Finance Report 2011-12 (next 20 pages)

Institution: Montgomery College (163426)
User ID: P1634261

Overview

Finance Overview
Purpose
The purpose of the IPEDS Finance component is to collect basic financial information from items associated with the institution's General Purpose Financial Statements.
Resources: To download the survey materials for this component: Survey Materials
To access your prior year data submission for this component: Reported Data

If you have questions about completing this survey, please contact the **IPEDS Help Desk at 1-877-225-2568**.

Finance - Public institutions

Reporting Standard	
Please indicate which reporting standards are used to prepare your financial statements:	
●	GASB (Governmental Accounting Standards Board), using standards of GASB 34 & 35
○	FASB (Financial Accounting Standards Board)

Please consult your business officer for the correct response before saving this screen. Your response to this question will determine the forms you will receive for reporting finance data.

Institution: Montgomery College (163426)
User ID: P1634261

Finance - Public institutions

General Information
GASB-Reporting Institutions (aligned form)

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2011.)

Beginning: month/year (MMYYYY)	Month:	7	Year:	2010
And ending: month/year (MMYYYY)	Month:	6	Year:	2011

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

● Unqualified ○ Qualified (Explain in box below) ○ Don't know (Explain in box below)

3. Reporting Model

GASB Statement No. 34 offers three alternative reporting models for special-purpose governments like colleges and universities. Which model is used by your institution ?

● Business Type Activities
○ Governmental Activities
○ Governmental Activities with Business-Type Activities

4. Intercollegiate Athletics

If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?

● Auxiliary enterprises
○ Student services
○ Does not participate in intercollegiate athletics
○ Other (specify in box below)

5. Endowment Assets

Does this institution or any of its foundations or other affiliated organizations own endowment assets ?

● Yes - (report endowment assets)
○ No

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part A - Statement of Net Assets

Fiscal Year: July 1, 2010 - June 30, 2011

Line no.		Current year amount	Prior year amount
	Current Assets		
01	Total current assets	106,652,148	**98,853,498**
	Noncurrent Assets		
31	Depreciable capital assets, net of depreciation	372,099,836	**347,946,218**
04	Other noncurrent assets **CV**=[A05-A31]	14,952,489	**18,746,973**
05	Total noncurrent assets	387,052,325	**366,693,191**
06	Total assets **CV**=(A01+A05)	493,704,473	**465,546,689**
	Current Liabilities		
07	Long-term debt, current portion	1,550,918	**1,465,000**
08	Other current liabilities **CV**=(A09-A07)	30,705,306	**31,965,268**
09	Total current liabilities	32,256,224	**33,430,268**
	Noncurrent Liabilities		
10	Long-term debt	44,776,943	**45,888,992**
11	Other noncurrent liabilities **CV**=(A12-A10)	8,433,389	**8,415,192**
12	Total noncurrent liabilities	53,210,332	**54,304,184**
13	Total liabilities **CV**=(A09+A12)	85,466,556	**87,734,452**
	Net Assets		
14	Invested in capital assets, net of related debt	325,884,635	**300,853,138**
15	Restricted-expendable	2,025,648	**2,022,556**
16	Restricted-nonexpendable		**0**
17	Unrestricted **CV**=[A18-(A14+A15+A16)]	80,327,634	**74,936,543**
18	Total net assets **CV**=(A06-A13)	408,237,917	**377,812,237**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part A - Statement of Net Assets (Page 2)

Fiscal Year: July 1, 2010 - June 30, 2011

Line No.	Description	Ending balance	Prior year Ending balance
	Capital Assets		
21	Land & land improvements	36,744,587	**36,744,587**
22	Infrastructure		**0**
23	Buildings	388,723,951	**284,058,891**
32	Equipment, including art and library collections	66,827,025	**63,328,100**
27	Construction in progress	34,022,322	**106,085,505**
	Total for Plant, Property and Equipment **CV** = (A21+ .. A27)	526,317,885	**490,217,083**
28	Accumulated depreciation	155,593,458	**142,270,865**
33	Intangible assets, net of accumulated amortization	1,375,408	**347,946,218**
34	Other capital assets	0	**0**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2010 - June 30, 2011

Report in whole dollars only

Line No.	Source of Funds	Current year amount	Prior year amount
	Operating Revenues		
01	Tuition & fees, after deducting discounts & allowances	62,144,609	**62,947,084**
	Grants and contracts - operating		
02	Federal operating grants and contracts	5,007,508	**4,438,792**
03	State operating grants and contracts	3,902,560	**4,092,455**
04	Local government/private operating grants and contracts	1,769,610	**1,987,399**
	04a Local government operating grants and contracts	485,203	**462,056**
	04b Private operating grants and contracts	1,284,407	**1,525,343**
05	Sales & services of auxiliary enterprises, after deducting discounts & allowances	13,212,947	**13,546,012**
26	Sales & services of educational activities		**0**
08	Other sources - operating **(CV)** **CV**=[B09-(B01+ ....+B07)]	1,484,668	**1,197,440**
09	Total operating revenues	87,521,902	**88,209,182**

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2010 - June 30, 2011

Line No.	Source of funds	Current year amount	Prior year amount
	Nonoperating Revenues		
10	Federal appropriations		**0**
11	State appropriations	47,241,173	**47,544,137**
12	Local appropriations, education district taxes, & similar support	99,589,930	**107,999,261**
	Grants-nonoperating		
13	Federal nonoperating grants	27,894,606	**21,749,237**
14	State nonoperating grants		**0**
15	Local government nonoperating grants		**0**
16	Gifts, including contributions from affiliated organizations	0	**0**
17	Investment income	201,062	**157,716**
18	Other nonoperating revenues **CV**=[B19-(B10+...+B17)]	0	**0**
19	Total nonoperating revenues	174,926,771	**177,450,351**
27	Total operating and nonoperating revenues **CV**=[B19+B09]	262,448,673	**265,659,533**
28	**12-month Student FTE from E12** **CV**=[B28a+B28b]	17,740	
	28a Undergraduates	17,740	
	28b Graduates		
29	Total operating and nonoperating revenues per student FTE **CV**=[B27/B28]	14,794	

Institution: Montgomery College (163426)
User ID: P1634261

Part B - Revenues and Other Additions

Fiscal Year: July 1, 2010 - June 30, 2011

Line No.	Source of funds	Current year amount	Prior year amount
	Other Revenues and Additions		
20	Capital appropriations	41,189,215	**55,834,834**
21	Capital grants & gifts	628,185	**321,431**
22	Additions to permanent endowments	0	**0**
23	Other revenues & additions **CV**=[B24-(B20+...+B22)]	0	**0**
24	Total other revenues and additions	41,817,400	**56,156,265**
25	Total all revenues and other additions **CV**=[B09+B19+B24]	304,266,073	**321,815,798**

You may use the space below to provide context for the data you've reported above.

The College does not have an endowment

Institution: Montgomery College (163426)
User ID: P1634261

Part C - Expenses and Other Deductions

Fiscal Year: July 1, 2010 - June 30, 2011

Report in whole dollars only

Line No.	Description	1 Total amount	2 Salaries & wages	3 Employee fringe benefits	4 Operation and maintenance of plant	5 Depreciation	6 Interest	7 All other	8 PY Total Amount
	Expenses and Deductions								
01	Instruction	104,640,499	77,030,718	12,367,798	9,337,555	5,127,278	777,150	0	**105,179,258**
02	Research							0	**0**
03	Public service							0	**0**
05	Academic support	24,442,881	19,211,932	2,608,605	1,431,177	1,072,052	119,115	0	**29,465,987**
06	Student services	26,808,077	19,535,444	2,779,830	2,596,055	1,680,682	216,066	0	**29,126,043**
07	Institutional support	41,896,502	26,363,564	7,285,949	5,835,906	1,925,370	485,713	0	**47,739,525**
08	Operation & maintenance of plant (see instructions)	0	11,835,198	3,113,255	-19,200,693	3,695,966	556,274	0	0
10	Scholarships and fellowships expenses, excluding discounts & allowances	4,148,304						4,148,304	**3,893,617**
11	Auxiliary enterprises	12,083,879	2,964,946	780,054		265,214		8,073,665	**12,921,247**
14	Other expenses & deductions **CV**=[C19-(C01+...+C13)]	59,820,251	0	12,258,701	0	0	0	47,561,550	**48,650,451**
19	Total expenses & deductions	273,840,393	156,941,802	41,194,192	0	13,766,562	2,154,318	59,783,519	**276,976,128**
	Prior year amount	**276,976,128**	**155,352,136**	**38,779,917**		**11,973,317**	**3,226,415**	**67,644,343**	
20	**12-month Student FTE from E12** **CV**=[C20a+C20b]	17,740							
	20a Undergraduates	17,740							
	20b Graduates								
21	Total expenses and deductions per student FTE **CV**=[C19/C20]	15,436							

You may use the space below to provide context for the data you've reported above.

Part D - Summary of Changes In Net Assets

Fiscal Year: July 1, 2010 - June 30, 2011

Line No.	Description	Current year amount	Prior year amount
01	Total revenues & other additions **(from B25)**	304,266,073	**321,815,798**
02	Total expenses & deductions **(from C19)**	273,840,393	**276,976,128**
03	Change in net assets during year **CV=**(D01-D02)	30,425,680	**44,839,670**
04	Net assets beginning of year	377,812,237	**332,972,567**
05	Adjustments to beginning net assets and other gains or losses **CV=**[D06-(D03+D04)]	0	**0**
06	Net assets end of year **(from A18)**	408,237,917	**377,812,237**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part E - Scholarships and Fellowships

Fiscal Year: July 1, 2010 - June 30, 2011

Line No.	Source	Current year amount	Prior year amount
01	Pell grants (federal)	27,894,606	**21,749,237**
02	Other federal grants	828,766	**792,981**
03	Grants by state government	737,016	**991,996**
04	Grants by local government		**0**
05	Institutional grants from restricted resources	618,317	**750,602**
06	Institutional grants from unrestricted resources **CV**=[E07-(E01+...+E05)]	4,798,214	**4,760,235**
07	Total gross scholarships and fellowships	34,876,919	**29,045,051**
	Discounts and Allowances		
08	Discounts & allowances applied to tuition & fees	29,461,248	**24,101,334**
09	Discounts & allowances applied to sales & services of auxiliary enterprises **CV=** (E10-E08)	1,267,367	**1,050,100**
10	Total discounts & allowances **CV**=(E07-E11)	30,728,615	**25,151,434**
11	Net scholarships and fellowships expenses after deducting discount & allowances **(from C10)**	4,148,304	**3,893,617**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part H - Details of Endowment Assets

Fiscal Year: July 1, 2010 - June 30, 2011

Line No.	Value of Endowment Assets	Market Value	Prior Year Amounts
	Include not only endowment assets held by the institution, but any assets held by private foundations affiliated with the institution.		
01	Value of endowment assets at the beginning of the fiscal year	15,520,104	**14,791,079**
02	Value of endowment assets at the end of the fiscal year	18,453,690	**15,520,104**

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part J - Revenue Data for Bureau of Census

Fiscal Year: July 1, 2010 - June 30, 2011					
Source and type	Amount				
	Total for all funds and operations (includes endowment funds, but excludes component units) (1)	Education and general/independent operations (2)	Auxiliary enterprises (3)	Hospitals (4)	Agriculture extension/experiment services (5)
01 Tuition and fees	91,605,857	91,605,857			
02 Sales and services	14,480,314		14,480,314		
03 Federal grants/contracts (excludes Pell Grants)	5,007,508	5,007,508			
Revenue from the state government:					
04 State appropriations, current & capital	65,079,384	65,079,384			
05 State grants and contracts	3,902,560	3,902,560			
Revenue from local governments:					
06 Local appropriation, current & capital	122,940,934	122,940,934			
07 Local government grants/contracts	485,203	485,203			
08 Receipts from property and non-property taxes					
09 Gifts and private grants, including capital grants	1,912,592				
10 Interest earnings	201,062				
11 Dividend earnings					
12 Realized capital gains					

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part K - Expenditure Data for Bureau of Census

Fiscal Year: July 1, 2010 - June 30, 2011

Category	Amount				
	Total for all funds and operations (includes endowment funds, but excludes component units) (1)	Education and general/ independent operations (2)	Auxiliary enterprises (3)	Hospitals (4)	Agriculture extension/ experiment services (5)
01 Salaries and wages	156,941,802	153,976,856	2,964,946		
02 Employee benefits, total	28,935,491	28,155,437	780,054		
03 Payment to state retirement funds (maybe included in line 02 above)	12,258,701	12,258,701			
04 Current expenditures other than salaries	47,571,552	47,571,552			
Capital outlay:					
05 Construction	109,749,064	109,749,064			
06 Equipment purchases	11,060,017	11,046,092	13,925		
07 Land purchases	0				
08 Interest on debt outstanding, all funds & activities					
09 Scholarships/fellowships	34,876,919	34,876,919			

You may use the space below to provide context for the data you've reported above.

Institution: Montgomery College (163426)
User ID: P1634261

Part L - Debt and Assets, page 1

Fiscal Year: July 1, 2010 - June 30, 2011

Debt

Category		Amount
01	Long-term debt outstanding at beginning of fiscal year	
02	Long-term debt issued during fiscal year	
03	Long-term debt retired during fiscal year	
04	Long-term debt outstanding at end of fiscal year	
05	Short-term debt outstanding at beginning of fiscal year	
06	Short-term debt outstanding at end of fiscal year	

You may use the space below to provide context for the data you've reported above.

Part L - Debt and Assets, page 2

Fiscal Year: July 1, 2010 - June 30, 2011

Assets

Category		Amount
07	Total cash and security assets held at end of fiscal year in sinking or debt service funds	
08	Total cash and security assets held at end of fiscal year in bond funds	
09	Total cash and security assets held at end of fiscal year in all other funds	87,516,820

You may use the space below to provide context for the data you've reported above.

Summary

Finance Survey Summary

IPEDS collects important information regarding your institution. All data reported in IPEDS survey components become available in the IPEDS Data Center and appear as aggregated data in various Department of Education reports. Additionally, some of the reported data appears specifically for your institution through the College Navigator website and is included in your institution’s Data Feedback Report (DFR). The purpose of this summary is to provide you an opportunity to view some of the data that, when accepted through the IPEDS quality control process, will appear on the College Navigator website and/or your DFR. College Navigator is updated approximately three months after the data collection period closes and Data Feedback Reports will be available through the ExPT and sent to your institution’s CEO in November 2012.

Please review your data for accuracy. If you have questions about the data displayed below after reviewing the data reported on the survey screens, please contact the IPEDS Help Desk at: 1-877-225-2568 or ipedshelp@rti.org.

Core Revenues

Revenue Source	Reported values	Percent of total core revenues	Core revenues per FTE enrollment
Tuition and fees	$62,144,609	21%	$3,503
Government appropriations	$146,831,103	50%	$8,277
Government grants and contracts	$37,289,877	13%	$2,102
Private gifts, grants, and contracts	$1,284,407	0%	$72
Investment income	$201,062	0%	$11
Other core revenues	$43,302,068	15%	$2,441
Total core revenues	$291,053,126	100%	$16,407
Total revenues	$304,266,073		$17,151

Core revenues include tuition and fees; government appropriations (federal, state, and local); government grants and contracts; private gifts, grants, and contracts; investment income; other operating and nonoperating sources; and other revenues and additions. Core revenues exclude revenues from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

Core Expenses

Expense function	Reported values	Percent of total core expenses	Core expenses per FTE enrollment
Instruction	$104,640,499	40%	$5,899
Research	$0	0%	$0
Public service	$0	0%	$0
Academic support	$24,442,881	9%	$1,378
Institutional support	$41,896,502	16%	$2,362
Student services	$26,808,077	10%	$1,511

Core Expenses

Other core expenses	$63,968,555	24%	$3,606
Total core expenses	$261,756,514	100%	$14,755
Total expenses	$273,840,393		$15,436

Core expenses include expenses for instruction, research, public service, academic support, institutional support, student services, operation and maintenance of plant, depreciation, scholarships and fellowships expenses, other expenses, and nonoperating expenses.

	Calculated value
FTE enrollment	17,740

The full-time equivalent (FTE) enrollment used in this report is the sum of the institution’s FTE undergraduate enrollment and FTE graduate enrollment (as calculated from or reported on the 12-month Enrollment component). FTE is estimated using 12-month instructional activity (credit and/or contact hours). All doctor’s degree students are reported as graduate students.

Edit Report

Finance

Institution: Montgomery College (163426)

Source	Description	Severity	Resolved	Options
Screen: Part 3				
Screen Entry	This number should not be zero or blank. Please verify. (Error #5231)	Confirmation	Yes	Back to survey data
Related Screens:	Part 3			