

COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

2018 Legislative Session

Legislative Day No. 13

Resolution No. 63-2018

Introduced by: The President of the Council.

A RESOLUTION TO APPROVE THE WOR-WIC COMMUNITY COLLEGE EXPENDITURE BUDGET BY FUNCTION FOR FISCAL YEAR 2019.

WHEREAS, Section 16-301 of the Education Article of the Annotated Code of Maryland provides that each year, the board of trustees and the president of each community college shall prepare and submit to the county governing body an operating budget, capital budget and long-term capital improvement program; and

WHEREAS, Section 16-301 further provides that the county governing body shall review and approve the budget of the community college and may reduce it; and

WHEREAS, Section 16-304 of the Educational Article provides that the county governing body shall make appropriations by major functions; and

WHEREAS, transfers of appropriations between major functions shall be submitted in writing and approved by the county governing body; and

WHEREAS, transfers of appropriation within major functions may be made at the direction of the board of trustees and the county governing body shall be notified within 30 days of the transfer; and

WHEREAS, the Board of Trustees and the President of Wor-Wic Community College have submitted the "Wor-Wic Community College Expenditure by Function FY 2019", attached as Exhibit "A", for approval by the county governing body.

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Wicomico County, Maryland, that the Wor-Wic Community College Expenditure Budget by Function FY 2019, attached as Exhibit A, is hereby approved.

Done at Salisbury, Maryland, this 14th day of June, 2018.

ATTEST:

Laura Hurley, Council Administrator

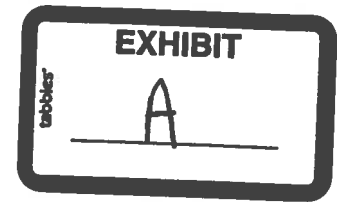
COUNTY COUNCIL OF WICOMICO COUNTY, MARYLAND

John T. Cannon, Council President

CERTIFICATION

This Resolution was Adopted [checked], Adopted with Amendments ____, Failed ____, Withdrawn ____ by the County Council on June 14, 2018.

Certified by Laura Hurley, Council Administrator



**WOR-WIC COMMUNITY COLLEGE
EXPENDITURE BUDGET BY FUNCTION
FY 2019**

	<u>AMOUNT</u>
<u>INSTRUCTION</u> This category includes expenditures for all activities that are part of the institution's instructional program, including credit and continuing education courses.	\$ 9,849,721
<u>INSTITUTIONAL SUPPORT</u> This category includes expenditures for administrative office activities including fiscal operations, information technology, institutional research, publications and resource development.	\$ 5,897,382
<u>ACADEMIC SUPPORT</u> This category includes expenditures for library services, academic administration and support services for instruction.	\$ 5,017,484
<u>PLANT</u> This category includes expenditures for the operation and maintenance of the physical plant and public safety.	\$ 3,790,736
<u>STUDENT SERVICES</u> This category includes expenditures for the offices of admissions, financial aid, registrar, counseling, recruitment, retention, student engagement and the vice president for enrollment management and student services.	\$ 2,188,910
<u>SCHOLARSHIPS</u> This category includes expenditures for scholarships and tuition waivers.	\$ <u>277,000</u>
TOTAL OPERATING BUDGET	\$ <u>27,021,233</u>
<u>MAINTENANCE AND REPAIR</u>	<u>\$ 547,100</u>

Note: County budget approval is by major function. Maintenance and repair is considered a major function.



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MEMORANDUM

TO: Laura Hurley
CC: Bob Culver
FROM: Ray Hoy
DATE: June 4, 2018
RE: FY 2019 Budget Proposal Follow-up

This memorandum is in response to your notification of the possible budget reduction in the amount of \$213,000 to Wor-Wic Community College's FY 2019 budget request. As you are aware, any reduction by Wicomico County impacts Worcester County's funding to the college as well. Just for clarification, the original budget request was increased by \$212,370 and was included in County Executive Bob Culver's initial budget submission to you. Your note states that the Council is willing to fund the original budget request. Assuming that is the actual dollar figure that our budget will be reduced (\$212,370), Worcester's responsibility for the budget would be decreased by \$87,630, for a total reduction in support county funding of \$300,000.

You are also aware, but it bears reminding, that if one county approves their budget appropriation and the other does not, the tuition increases for residents from the county that does not provide a full appropriation. Any tuition increase above the \$2.00 increase included in our budget, would also cause us to lose \$53,272 of State money from the Governor's tuition stabilization grant.

So, there are several scenarios that could play out if you reduce the budget as proposed.

- 1. Wicomico reduces the county budget appropriation and Worcester

BOARD OF TRUSTEES

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Dr. Murray K. Hoy

does not. The college would have to make up \$265,642 (\$212,370 + \$53,272) by increasing tuition to Wicomico residents only by an additional \$7.00 per credit hour.

-  2. Wicomico and Worcester both reduce the county appropriation and college spending authority. The Board would have to decide where to cut \$300,000 from the budget.
-  3. Wicomico and Worcester both reduce their county appropriation but approve college spending authority at the budgeted level. The Board of Trustees could increase tuition to in-county residents up to an additional \$6.00 per credit hour to make up the \$300,000 reduction plus the \$53,272 tuition stabilization grant.

The Board has not had an opportunity to consider any options at this point and I cannot speculate on how they would strike a revised budget if both counties reduce their budget appropriation. I do know that they would want me to remind you that local funding per student (FTE) is the lowest in the State. In FY 2017 (last available audited figures), local funding per FTE was \$2,622, while the average of local funding among all 7 small community colleges was \$4,514 per FTE. Carroll Community College receives \$3.3 million more from their local government for an institution with 31 fewer FTEs than Wor-Wic, and Cecil College receives \$3.3 million more local funding for an institution with 868 fewer FTEs than Wor-Wic. We have been and continue to be the most efficiently-operated community college in Maryland.

I realize that most departments do not have the ability to increase their revenue when they have to absorb a budget cut. The college can increase tuition to make up the shortfall. It is just unfortunate that students from our region, which are among the most economically disadvantaged, have to shoulder the burden, when our counties are already offering the lowest level of funding.

If you have to reduce your appropriation, I hope that you will authorize our spending authority at the budgeted level, which you approve by function, and leave the decision up to the Board of Trustees to determine how to balance the budget.

Thank you for your consideration.