



Committee: Directly to Council

Committee Review: N/A

Staff: Nicole Rodriguez-Hernandez, Legislative Analyst

Purpose: To introduce agenda item – no vote expected

Keywords: #MCPS

AGENDA ITEM #2A

October 27, 2020

Introduction

SUBJECT

Supplemental Appropriation to the FY21 Operating Budget, Montgomery College, \$4,497,874 for the Institutional Portion of the Higher Education Emergency Relief Fund Formula Grant (Source of Funds: Federal Grant)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Introduction – No Council vote required

DESCRIPTION/ISSUE

The Council will introduce a supplemental appropriation to the FY21 Operating Budget, Montgomery College, \$4,497,874 for the Institutional Portion of the Higher Education Emergency Relief Fund Formula Grant. The source of funds is the Coronavirus Aid, Relief, and Economic Security (CARES) Act-Coronavirus Relief Fund.

SUMMARY OF KEY DISCUSSION POINTS

- The Board of Trustees requested this appropriation on October 13, 2020. The County Executive recommended approval on October 22, 2020.
- Montgomery College was awarded \$10,995,749 in CARES Act funds for direct relief to students and/or institutional purposes related to COVID-19 impacts; \$5,497,875 is allocated to provide emergency relief to students. In May, the Council approved a \$1 million appropriation in CARES funding for institutional purposes. The College is requesting approval to utilize the remaining \$4,497,874 for institutional purposes.
- Montgomery College plans to use these grant funds to support technology access for students, faculty and staff; student assessment, placement and advising; specialized equipment and technology for students needing disability support services; training faculty for structured remote teaching and; development of online and remote labs and activities.
- The Council is tentatively scheduled to hold a public hearing and consider action on this supplemental appropriation on November 10, 2020.

This report contains:

County Executive Recommendation (October 22, 2020)

©1

Draft Supplemental Appropriation Resolution

©2-3

Board of Trustees Request (October 13, 2020)

©4-9

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OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Marc Elrich
County Executive

MEMORANDUM

October 22, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive *Marc Elrich*

SUBJECT: Supplemental Appropriation #21-494 to the FY21 Operating Budget
Montgomery College
CARES Act Higher Education Emergency Relief Funding, \$4,497,874

I am recommending a supplemental appropriation to the FY21 Operating Budget of Montgomery College in the amount of \$4,497,874 for funds disbursed through the United States Department of Education (USDE) directly to the College under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This appropriation will provide funds to Montgomery College for costs incurred, beginning March 13, 2020, related to the change in the delivery of instruction because of this public health crisis.

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

I recommend that the County Council approves this supplemental appropriation in the amount of \$4,497,874 and specify the source of funds as USDE.

I appreciate your prompt consideration of this action.

ME:rpm

Attachments: Montgomery College CARES FY21 appropriation request to County Executive and County Council

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

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #21-494 to the Fiscal Year 2021 Operating Budget
Montgomery College
CARES Act Higher Education Emergency Relief Funding, \$4,497,874

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY21 Operating Budget appropriation increases for Montgomery College

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$4,497,874	\$4,497,874	USDE

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

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

Action

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

A supplemental appropriation to the FY21 Operating Budget of the Montgomery College is approved as follows:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$4,497,874	\$4,497,874	USDE

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



OFFICE OF THE PRESIDENT

October 13, 2020

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

The Honorable Sidney Katz
President, Montgomery County Council
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Elrich and Mr. Katz:

Montgomery College seeks an FY21 supplemental appropriation of \$4,497,874 to the FY21 current fund budget to spend the Coronavirus Aid, Relief, and Economic Security (CARES) Act funds for institutional purposes.

As you may know, the College was awarded \$10,995,749 in CARES Act funds. The United States Department of Education (USDE) disburses funds directly to the College.

At least fifty percent of these funds, or \$5,497,875, must provide emergency relief to students. We began the distribution of CARES Act emergency relief funds directly to students in May, providing much-needed financial relief. To date, we have distributed \$2,843,600. Funds will continue to be disbursed to students this fall through an application process in an effort to adhere to USDE guidance as to which students are eligible for this support.

The funds, under statute and the additional guidance from USDE, must provide direct relief to our students, as noted above, *and/or* for institutional purposes to defray certain operational costs related to changes in the delivery of instruction related to the COVID-19 public health crisis. In June, the County Council approved a \$1,000,000 FY20 supplemental appropriation to spend CARES Act funds for institutional purposes.

The College now seeks an appropriation for the balance of the CARES Act funds in the amount of \$4,497,874 for institutional purposes. This action will increase the FY21 current fund appropriation to \$272,663,534.

The College has evaluated and determined several costs that meet the eligibility criteria for the institutional portion of the CARES Act. Funds will be used to support access to technology for students, faculty, and staff; student assessment, placement, and advising; specialized equipment and technology for students needing disability support services; training faculty for structured remote teaching, and; development of online and remote labs and activities. To date,

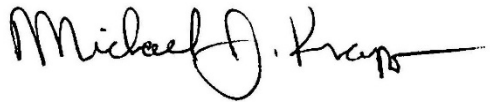
approximately \$2,000,000 of the awarded funds have been committed. The College continues to evaluate other costs for eligibility. The funding for this request will be from the institutional portion of the Higher Education Emergency Relief Fund Formula Grants authorized by Section 18004(a)(1) of the CARES Act.

With the approval of this appropriation, the College will proceed in expending all funds provided under the CARES Act totaling \$10,995,749 by September 2021.

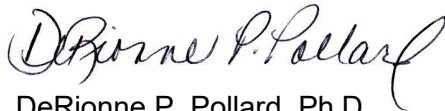
An appropriation request for Governor's Emergency Education Relief (GEER) Fund use for scholarships, technology, and institutional support will be forthcoming.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, reading "Michael J. Knapp". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael J. Knapp
Chair, Board of Trustees

A handwritten signature in black ink, reading "DeRionne P. Pollard". The signature is cursive and elegant, with a large initial 'D'.

DeRionne P. Pollard, Ph.D.
President

Attachment: Montgomery College Board of Trustees Resolution 20-06-069

cc: The Honorable Richard Madaleno, Chief Administrative Officer, Montgomery County
Mr. Rafael Murphy, Fiscal & Policy Analyst, Office of Management and Budget
Mr. Craig Howard, Deputy Director, Montgomery County Council

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

Agenda Item Number: 12
June 22, 2020

SUPPLEMENTAL APPROPRIATION REQUEST FOR THE FY21 CURRENT FUND BUDGET

BACKGROUND

On June 22, 2020, the Board of Trustees will adopt a budget in the amount of \$268,165,660 for the current fund. Prior to the adoption of the current fund budget, on March 5, 2020, the governor of the state of Maryland proclaimed a state of emergency and health emergency to control and prevent the spread of the COVID-19 virus within the state. On March 11, 2020, the president of the College issued a memorandum detailing the College's response plan to the COVID-19 virus. The plan called for the College to begin providing instruction remotely, including counseling and support services, as well as to require all non-essential employees to work remotely. Effective March 30, 2020, a stay-at-home order was proclaimed for all residents within the state of Maryland.

The College is steadfastly committed to strategically and assertively meeting the challenges presented by the COVID-19 pandemic as the College continues into the next phase of teaching, learning, and working remotely. During the transition to remote learning and work, the College has incurred unexpected expenses and will continue to do so in the upcoming year. Our students are also feeling the effects of the COVID-19 as the country transitioned to stay at home orders which caused significant economic hardship to them and their families. Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, to address the economic and financial burden for students and educational institutions due to the COVID-19 pandemic in the United States. The US Department of Education notified Montgomery College that the total funds available to the College is \$10,995,749. Of that amount, not less than 50 percent, or \$5,497,875, must be expended for emergency student assistance. The College has completed the certification process for these student emergency funds and began awarding the funds the first week of May. The College has one year from the date of certification to award these funds.

The balance of the funds, or \$5,497,874, are available to the College through a similar certification process for the institutional costs borne by the College or to be incurred by the College from March 13, 2020, for significant changes to the delivery of instruction due to the coronavirus. The College has one year to expend these funds.

The College identified \$1,000,000 of allowable expenditures pursuant to the institutional portion of the CARES Act. On May 18, 2020, the board unanimously approved this amount as a supplemental to the FY20 current funds budget. In order to pursue and expend the residual balance of the CARES Act institutional funds of \$4,497,894 in the upcoming FY21 current fund year, the College has to request a supplemental appropriation to the county council to address the increase in expenditures due to significant changes to the delivery of instruction because of the coronavirus.

RECOMMENDATION

It is recommended that the Board approve and support a supplemental appropriation request to the Montgomery County Council in the amount of \$4,497,874 for the FY21 current fund. This action will increase the FY21 current fund appropriation to \$272,663,534. The funding for this request will be the Institutional Portion of the Higher Education Emergency Relief Fund Formula Grants Authorized by Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act

BACKUP INFORMATION

Board Resolution

RESPONSIBLE SENIOR ADMINISTRATOR

Ms. Schena

Mr. Sears

RESOURCE PERSON

Ms. Greaney

Ms. Garvin Aquilino

BOARD OF TRUSTEES
MONTGOMERY COLLEGE
Rockville, Maryland

Resolution Number: **20-06-069**
Adopted on: **6/22/2020**

Agenda Item Number: 12
June 22, 2020

Subject: Supplemental Appropriation Request for the FY21 Current Fund Budget

WHEREAS, On June 22, 2020, the Board of Trustees will adopt a budget in the amount of \$268,165,660 for the current fund; and

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

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

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

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

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

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

WHEREAS, The College identified \$1,000,000 of allowable expenditures pursuant to the institutional portion of the CARES Act and on May 18, 2020, the board unanimously approved this amount as a supplemental to the FY20 current funds budget; and

Resolved, That the Board of Trustees approves and supports a supplemental appropriation request to the Montgomery County Council pursuant to the CARES Act in the amount of \$4,497,874 for the FY21 current fund; and be it further

Resolved, That this action will increase the FY21 current fund appropriation to \$272,663,534; and be it further

Resolved, That the functional totals for the FY21 operating budget will be in the amounts listed in the following table;

		<i>Current Fund</i>	<i>Supplemental</i>	<i>Current Fund</i>
10	Instruction	\$ 89,823,861		\$ 89,823,861
40	Academic Support	\$ 44,710,311	\$ 3,497,874	\$ 48,208,185
50	Student Services	\$ 34,590,480	\$ 1,000,000	\$ 35,590,480
60	Operations/Maintenance of Plant	\$ 43,832,058		\$ 43,832,058
70	Institutional Support	\$ 49,094,804		\$ 49,094,804
80	Scholarships & Fellowships	\$ 6,114,146		\$ 6,114,146
	TOTAL	\$ 268,165,660	\$ 4,497,874	\$ 272,663,534

and be it further

Resolved, That the estimated budgeted source of funds projected by the Board of Trustees to fund the College's operating budget during FY21 are in the amounts listed in the table below, subject to county council action in July 2020.

	<i>Current Fund</i>	<i>Supplemental</i>	<i>Current Fund</i>
County Contribution	\$ 145,149,696		\$ 145,149,696
State Aid	\$ 41,848,829		\$ 41,848,829
CARES Federal grant		\$ 4,497,874	\$ 4,497,874
Tuition and Fees	\$ 76,747,199		\$ 76,747,199
Miscellaneous	\$ 2,000,000		\$ 2,000,000
Fund Balance	\$ 1,919,936		\$ 1,919,936
Net Transfers	\$ 500,000		\$ 500,000
Total	\$ 268,165,660	\$ 4,497,874	\$ 272,663,534