



**BOARD OF TRUSTEES
Regular Monthly Meeting**

**Wednesday, February 21, 2024 – 4:30 p.m.
Conference Center (E126AB)**

Zoom Option:

<https://frederick-edu.zoom.us/j/89751230253?pwd=ZklFaEJjM2lBL1VQektMeFhkc2NUZz09>

Call-in Option:

Phone Number: 301-715-8592 | Meeting ID: 897 5123 0253 | Passcode: 179447

1. Call to Order

2. Approval of Minutes: January 24, 2024 (Regular Meeting)

3. Board & CEO Comments

4. Consent Agenda

- * A. Approval of Recommendation to Award – RFB 24-CPPM-06 for Asphalt Sealing and Resurfacing to C. William Hetzer Inc. in the amount of \$375,290 plus a 10% contingency of \$37,529 to cover any potential unforeseen or hidden conditions, at a total project cost of \$412,819
- * B. Approval of Recommendation to Award – RFP 24-FS-01 for Grants Consulting Services to Maximus US Services, Inc. in the amount of \$105,000

5. Information/Discussion Items

- * A. Schedule of Expenditures of Federal Awards Together with Reports of Independent Public Accountants (Single Audit Report) for the period ending June 30, 2023
- * B. Fiscal year-to-date Financial Report through the quarter ending December 31, 2023

6. Action Items

- * A. Approval of One-Year Renewal Contract Renewal with SB & Company in the amount of \$38,000 for Professional Auditing Services for the College and the Foundation for FY 2024
- * B. Approval of FY 2025 Proposed Operating Budget to be submitted to the County Executive
- * C. Approval of Revised FY 2025 – FY 2030 Capital Improvement Program (CIP) and County Capital Budget Request
- * D. Approval of Board-CEO Delegation Policy – Monitoring President Performance
- * E. Approval of Executive Limitations Policy – Planning

*Backup documentation is available for this agenda item in the meeting packet.

- * F. Approval of Executive Limitations Policy – Land Use
- * G. Approval of Governance Process Policy – Global Governance Commitment
- * H. Approval of Governance Process Policy – Role of the Board Chair
- * I. Approval of Governance Process Policy – Role of the Vice Chair
- * J. Approval of Governance Process Policy – Board Code of Conduct

7. Closed Session

The Board of Trustees will hold a public vote to meet in closed session in accordance with the Maryland Open Meetings Act, Section 3-305(b)(7) to consult with counsel to obtain legal advice; Section 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; and Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter. The topics are: to obtain legal advice related to potential unionization and collective bargaining strategy and potential positions; and review and approval of closed session minutes from January 24, 2024 pursuant to Section 3-306(c)(3)(ii) of the General Provisions Article of the Maryland Annotated Code.

8. Adjournment

NEXT MEETINGS: **Saturday – March 9, 2024**

- **9:00 a.m. – Board Retreat**

Wednesday – March 20, 2024

- **4:30 p.m. – Regular Monthly FCC Board Meeting**

Under the ADA and Section 504, Frederick Community College (FCC) makes every effort to accommodate individuals with disabilities for College-sponsored events and programs. For FCC employees needing accommodations, including interpreting, please email humanresources@frederick.edu. For students and others with accommodation needs or questions, please call 301-846-2408, or to request sign language interpreter services, please email Interpreting@frederick.edu. Sign language interpreters will not be automatically provided for College-sponsored events without a request for services. Requests must be made at least five workdays before a scheduled event to guarantee accommodations.

*Backup documentation is available for this agenda item in the meeting packet.

**BOARD OF TRUSTEES
FREDERICK COMMUNITY COLLEGE**

**January 24, 2024
Regular Meeting**

The Board of Trustees of Frederick Community College met in regular session on Wednesday, January 24, 2024 in the Conference Center (E126AB). A virtual option to participate was provided. Participating in person were: Trustees Carolyn Kimberlin, Chair; Tom Lynch, Vice Chair; Theodore Luck; Tracey McPherson; Dr. William Reid; and Myrna Whitworth.

Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Adam Konstas, PK Law, College legal counsel; Avis Boyd, Chief of Staff to the President; Dr. Anne Davis, Provost and Vice President (VP) for Teaching, Learning and Student Success; Dr. Bridgette Cofield, VP for Talent and Culture; Dr. Barbara Larson, Interim VP for Finance and Administration; Dr. Benita Rashaw, Interim VP for Student Affairs; Adam Reno, Interim Chief Information Officer (CIO); Dr. Molly Carlson, Associate Vice President (AVP) for Continuing Education and Workforce Development; Dr. Renee Davis, AVP, Center for Teaching and Learning; Lewis Godwin, Chief of Operations; Dr. Vell Lyles, AVP for Strategic Enrollment and Innovation; Pamela Murphy, Labor Relations Specialist; Dr. Sandy McCombe Waller, AVP for Academic Affairs/Dean of Health, Business, Technology & Science; Dr. Brian Stipelman, AVP for Academic Affairs/Dean of Liberal Arts; Jeanni Winston-Muir, Interim AVP for Student Affairs; Kathy Francis, Executive Director of the Mid-Atlantic Center for Emergency Management and Public Safety; Dr. Leslie Puzio, Chair, Faculty Association; Dr. Savita Prabhakar, Assistant Professor, Program Manager, Biotechnology; Kari Melvin, Recording Secretary; and other guests.

Participating virtually were Trustee Dr. John Molesworth; Janice Spiegel, Special Projects Manager/Budget Office Frederick County Government; Dr. Daniel Phelan, Consultant; Dr. Kevin Martin, Administrative Staff Association (ASA) Executive; Esther Slack-Metellus, Support Staff Association (SSA) Executive; Nichole Pollard, Interim AVP for Student Success; and other guests.

CALL TO ORDER

The meeting was called to order by Chair Kimberlin at 4:35 p.m.

APPROVAL OF MINUTES

Chair Kimberlin called for approval of the minutes of the November 15, 2023 regular meeting.

On a motion made by Vice Chair Lynch, the Board unanimously approved the November 15, 2023 regular meeting minutes, as presented.

Chair Kimberlin called for approval of the minutes of the December 1, 2023 board retreat.

On a motion made by Vice Chair Lynch, the Board unanimously approved the December 1, 2023 board retreat minutes, as presented.

BOARD & CEO COMMENTS

FCC student and basketball player Justin Morrissey and members of his family; Interim Director of Athletics Rodney Bennett; Sports Information Coordinator Michael Simone; Head Coach Darryl Whiten; Assistant Coaches Cedrick Jackson, Mario Gill, Shaynon Thompson, and Curtis Jackson; and teammates Jaden Arrington, Bryson Boyd, Richard Burke, Michael Davis Jr., Jean-Claude Dugue, Maxwell Harriday, Solomon Hillman, Randolph Johnson, Cole McKeever, Terrell Neal, Nate Owusu, Will Rodriguez,

Ryan Turner, Mike Williams, and Malik Witherspoon joined for this portion of the meeting.

Chair Kimberlin and President Cheek recognized Justin Morrisey for being named the National Junior College Athletic Association Division II Region 20 Player of the Month for December 2023. Mr. Morrisey shared details about his path to FCC and his future plans. All in attendance applauded.

President Cheek congratulated Dr. Savita Prabhakar, Program Manager and Assistant Professor of Biotechnology for being named a Top 50 Empowered Leader for Frederick County by the Frederick County Office of Economic Development for her innovative work in advancing FCC biotechnology programs. All in attendance applauded.

President Cheek then reported she attended the Frederick County Office of Economic Development Business Insight Forum on January 5, 2024 where results from a business sentiment survey conducted for the Frederick County Office of Economic Development by Salisbury University's Business Economic and Community Outreach Network (BEACON) were shared. Key takeaways include: identified skills gaps when hiring talent are industry specific experience, technical skills, communication, problem solving, and leadership and management skills; nearly 50% of survey respondents believe the labor force will have a negative impact on their businesses short-term growth prospects; and support is needed in workforce training and development programs in the manufacturing sector in particular. She stated that FCC must increase its ability to provide solutions to the challenges being faced by area employers. President Cheek also attended the Maryland Association of Community Colleges (MACC) Trustee Leadership Conference and Legislative Reception in Annapolis with Trustees McPherson, Reid, and Whitworth on January 22, 2024. Trustees Lynch and Molesworth participated virtually. It

was noted that FCC was recognized during a presentation from Dr. Laura Dawson Ullrich, Senior Regional Economist from the Federal Reserve Bank of Richmond, for its work on closing equity gaps. President Cheek announced that Governor Moore's budget was released on January 17, 2024 and includes a Budget Reconciliation and Financing Act (BRFA) that proposes rebasing the Cade Funding formula from 29% to 26.5%, which would cut operating fund support provided to the State's community colleges by nearly \$23M, which is a 5% reduction from FY 2024. Due to FCC's enrollment growth, the College fared better than most in the Governor's proposed budget. She expressed appreciation for Governor Moore's continued support of higher education in Maryland and noted that MACC will be advocating for a return to full Cade funding through the legislative process.

CONSENT AGENDA

The following items were submitted and distributed to the Trustees in their meeting packet:

- **Approval of Recommendation to Award – RFP 24-CPPM-03 for Architectural/Engineering Services for the New Campus Services Building Project to RRMM Architects, PC in the amount of \$799,990**
- **Approval of Recommendation to Award – RFP 24-CPPM-04 for Construction Manager at Risk (CMR) with Guaranteed Maximum Price (GMP) for the New Campus Services Building Project to Dustin Construction, Inc. in the amount of \$100,000 for pre-construction services**
- **Approval of Piggyback Contract with Henley Construction Co., Inc. for Miscellaneous Campus Improvements Projects in the amount of \$489,457, plus a 10% contingency of \$48,946 to cover any potential unforeseen or hidden conditions,**

at a total proposed cost of \$538,403; Piggyback of the Frederick County Public Schools (FCPS) Contract #21MISC3 Qualifications of General Construction Contractors for Minor Construction Projects

- **Approval of Piggyback Contract with GRC General Contractor, Inc. for Construction Services for Renovations for the Monroe Center Baking & Pastry Lab Project in the amount of \$396,194, plus a 10% contingency of \$39,619 to cover any potential unforeseen or hidden conditions, at a total proposed cost of \$435,813; Piggyback of the Frederick County Public Schools (FCPS) Contract #21MISC3 Qualifications of General Construction Contractors for Minor Construction Projects**
- **Approval of Piggyback Contract with Schneider Electric for Design/Build Services for the Visual & Performing Arts Center (Building F) – HVAC Project in the amount of \$893,897; Piggyback of the Omnia Contract #R221504/RFP #22-15 for Energy Solutions**

Chair Kimberlin noted that these items were placed on the Consent Agenda as opposed to Action Items as part of the Board’s transition toward Policy Governance. Any procurements over \$100,000 will continue to come to the Board for approval per Maryland law, but will appear on the consent agenda if they comply with the Ends Policy and Executive Limitations Policies, and are included in the annual operating and capital budgets that the Board has already approved. She asked if any Board member wanted to remove an item from the consent agenda.

There was discussion among Trustees regarding the various procurement methods. President Cheek will provide the current policy and process to Trustees.

It was also questioned and clarified that the contract with Schneider Electric does not have a contingency, but it is at a guaranteed price.

On a motion made by Trustee Luck, the Board unanimously approved the consent items, as presented.

INFORMATION/DISCUSSION ITEMS

Review of Draft Board-CEO Delegation Policy – Monitoring President

Performance – The Board reviewed this policy. There was discussion regarding the evaluation of the President being limited to monitoring organizational performance against Board policies on Ends and on Executive Limitations, without the opportunity for additional information to be considered. It was clarified that the President can only be evaluated based on Board-approved policies. The Board can revise the policies at any time, but must give the President sufficient time to make adjustments. Dr. Phelan will work with President Cheek to provide sample monitoring reports to the Board so they can begin thinking about the framework and context in which their monitoring report exists. No changes were proposed.

Review of Draft Executive Limitations Policy – Planning – The Board reviewed this policy. No changes were proposed.

Review of Draft Executive Limitations Policy – Land Use – The Board reviewed this policy. There was discussion regarding the use of facilities also being in line with the development of facilities. The first paragraph was revised to add “or use” after “The President shall not allow development.” It was also clarified that “joint ventures or partnerships” in item 2 refer to controlling the terms of how something is built on campus that may or may not be independent of the institution.

Review of Draft Governance Process Policy – Global Governance Commitment –

The Board reviewed this policy. It was noted that the Governance Process Policies are those the Board uses for its self-evaluation and that the Board will have to begin thinking about how they do this. No changes were proposed.

Review of Draft Governance Process Policy – Board Job Contributions – The Board reviewed this policy. There was discussion regarding the Board linkage with the Ownership and the Board’s role to represent the community’s needs, gathering information and shaping policies to achieve economic development and workforce development goals. There was also a lengthy discussion regarding the meaning of “worth” in item 2.1 and whether to use “cost” or “value” instead. It was decided to leave it as “worth.” Item 2.3 was revised to replace “task” with “performance of its responsibilities.”

Review of Draft Governance Process Policy – Role of the Board Chair – The Board reviewed this policy. It was noted that the Chair’s role is to articulate the decisions of the Board, not make decisions on behalf of the Board. Item 2.3 was revised from “Therefore, the Board Chair/CGO has no authority to independently supervise or direct the President” to “Therefore, the Board Chair/CGO has no individual authority to supervise or direct the President.”

Review of Draft Governance Process Policy – Role of the Vice Chair – The Board reviewed this policy. No changes were proposed.

Review of Draft Governance Process Policy – Board Code of Conduct – The Board reviewed this policy. There was discussion regarding the Board’s loyalty to the Ownership and possible conflicting views. It was clarified that the Board must prioritize interests and requests based on a preponderance of what they believe are in the best interests of the residents of Frederick County based on the work that they have been doing with the

Owners, ever mindful of the hierarchy of law. There was also discussion regarding the use of the word “legitimacy” in item 9 and the phrase “a perceived violation between Trustees” in item 13. Item 9 was revised to delete “legitimacy and” and item 13 was revised to change “between Trustees” to “by a Trustee(s).”

These policies will be considered for approval at the February Board meeting.

CLOSED SESSION

At 5:49 p.m., the motion was made by Vice Chair Lynch to convene in closed session and unanimously approved by the Board.

This action was taken in accordance with Maryland’s Open Meetings Act, Section 3-305(b)(7) to consult with counsel to obtain legal advice; Section 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; and Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter. Attending in person were: Trustees Carolyn Kimberlin, Chair; Tom Lynch, Vice Chair; Theodore Luck; Tracey McPherson; Dr. William Reid; and Myrna Whitworth. Trustee Dr. John Molesworth had to leave after the regular meeting and was unable to participate. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Adam Konstas, PK Law, College legal counsel; Avis Boyd, Chief of Staff to the President; Dr. Anne Davis, Provost and Vice President (VP) for Teaching, Learning and Student Success; Dr. Bridgette Cofield, VP for Talent and Culture; Dr. Barbara Larson, Interim VP for Finance and Administration; Pamela Murphy, Labor Relations Specialist; and Kari Melvin, Recording Secretary.

The Board reviewed closed session minutes from November 15, 2023.

On a motion made by Trustee Whitworth, the November 15, 2023 closed session minutes were approved 6-0-1, as presented, with Trustee Molesworth absent.

The Board reviewed closed session minutes from December 1, 2023.

On a motion made by Trustee Whitworth, the December 1, 2023 closed session minutes were approved 6-0-1, as presented, with Trustee Molesworth absent.

The Board obtained legal advice on matters related to potential unionization and collective bargaining strategy and potential positions.

On a motion made by Vice Chair Lynch, the Board approved 6-0-1, with Trustee Molesworth absent, to revise the amount the FCC bargaining team can expend up to a specified amount on fiscal items for 2024-25 contained in the collective bargaining agreement with United Academics AFT/AAUP Frederick Community College Chapter, contingent upon the approval of the President.

Provost/VP Davis, VP Cofield, Interim VP Larson, and Labor Relations Specialist Murphy left the meeting.

The Board obtained legal advice on the legal implications of public scholarship programs. No action was taken.

The meeting adjourned at 7:16 p.m.

NEXT MEETING

The next regular meeting of the Board will be held on Wednesday, February 21, 2024.

**Dr. Annesa Payne Cheek
Secretary/Treasurer**



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Dr. Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **CONSENT ITEM:**
Award Recommendation – RFB 24-CPPM-06, Asphalt Sealing and Resurfacing

OVERVIEW:

The College Financial Procedures Manual states that in the purchase of all goods and services, the prices paid by the College will reflect competitive pricing resulting in the lowest reasonable cost with due consideration being made for quantity, quality, the service record of the vendor, and the best interest of the institution. To ensure that the College receives the best value, all purchases that are expected to be \$50,000 or more are competitively solicited through a formal request for bid (RFB) or a request for proposals (RFP), unless another method is authorized.

The College solicited bids from qualified contractors for construction services related to the Asphalt Sealing and Resurfacing project. This project will address deferred and preventative maintenance needs of the College. Sealcoating and mill and overlay (resurfacing) are a critical part of pavement lifecycle maintenance and a best practice. Sealcoating is recommended every 3 to 5 years to extend the life of the pavement while resurfacing extends the lifespan 10 to 15 years.

The project consists of milling and resurfacing the asphalt roadway from the main entrance and loop in front of Linganore Hall, Lot 4 including its driveway, and the campus roadway that extends to the north entrance of the campus totaling approximately 180,000 sq. ft. In addition, the project includes crack sealing, seal coating, and re-striping Lot 5 and the central staff parking area (behind the Athletics Center) totaling approximately 125,000 sq. ft.

The campus will remain open during this work and appropriate traffic controls will be instituted.

The construction phase for the project is May 20-July 31, 2024.

ANALYSIS:

A formal request for bids (RFB) was advertised on eMaryland Marketplace Advantage and posted to the College Bid Board on November 15, 2023. A pre-bid conference was held at the College on November 27, 2023 to review the project scope of work and address questions. Five (5) firms attended the pre-bid conference. A site inspection followed the pre-bid conference.

Nine (9) bids were received by the published due date of January 11, 2024. A public bid opening immediately followed.

The bid results are as follows:

Bid Results	
Firm Name	Bid
C. William Hetzer, Inc	\$375,290
Superior Facilities Management Services, LLC	\$379,606
M.T. Laney Co., Inc.	\$384,233
CJ Miller LLC	\$390,247
Image Asphalt Maintenance, Inc.	\$416,300
Huntzberry Brothers, Inc.	\$417,485
Ross Contracting, Inc.	\$440,157
Pleasants Construction, Inc.	\$443,000
American Asphalt Paving Co., LLC	\$483,970

C. William Hetzer, Inc. provided the lowest total bid.

Funds are available from the Systemics/ Miscellaneous Renovations Capital Improvements Program (CIP) budget (County funding).

RECOMMENDATION:

Recommend the award of RFB 24-CPPM-06 for Asphalt Sealing and Resurfacing to C. William Hetzer, Inc. for \$375,290, plus a 10% contingency fee of \$37,529, for a total award of \$412,819.



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Dr. Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **CONSENT ITEM:**
Award Recommendation – RFP 24-FS-01, Grants Consulting Services

OVERVIEW:

In the College Financial Procedures Manual states that in the purchase of all goods and services, the prices paid by the College will reflect competitive pricing resulting in the lowest reasonable cost with due consideration being made for quantity, quality, the service record of the vendor, and the best interest of the institution. To ensure that the College receives the best value, all purchases that are expected to be \$50,000 or more are competitively solicited through a formal invitation to bid or a request for proposals (RFP), unless another method is authorized.

The College solicited proposals from firms interested in providing Grants Consulting Services. The objective of RFP was to select a qualified firm with extensive higher education experience and familiarity with a variety of grant making agencies and funders to assess the College's institutional grants function and identify strengths and opportunities for improvement. The selected firm will develop a strategic plan for grant seeking and a funding road map to guide future grant seeking efforts.

The tentative project timeline, as stated in the Request for Proposal, is February through June 2024.

ANALYSIS:

A formal request for proposals (RFP) was advertised on eMaryland Marketplace Advantage and posted to the College Bid Board on November 8, 2023. A pre-proposal conference was held at the College on November 15, 2023 to review the project scope of work and address questions. The option to attend virtually was also available. Six (6) firms attended the pre-proposal conference.

Seven (7) technical proposals were received by the published due date of December 11, 2023. An Evaluation Committee scored the technical proposals based on the RFP scoring criteria (responsiveness to the scope of work, experience of key personnel, relevant project experience, understanding of the project, adequacy of personnel, capacity considering

workload, and references). Based on the technical score rankings, four (4) firms were short-listed and selected to present oral presentations and submit a price proposal.

Oral presentations were an opportunity for firms to introduce their key personnel and present their experience, understanding of the project, and their project approach. The Evaluation Committee scored each oral presentation and then proceeded to the final step in the evaluation process, opening and scoring the price proposals.

The overall combined technical, oral, and price scores are as follows:

Overall Combined Score Results				
Firm Name	Technical Proposal (40 Pts. Possible)	Oral Presentation (30 Pts. Possible)	Price Proposal (30 Pts. Possible)	Total Points (Max. 100)
Maximus US Services, Inc.	29.23	28.0	28.2 \$105,000	85.5
BerryDunn	30.4	19.6	29.7 \$99,921	79.7
Huron Consulting Services LLC	29.4	20.0	30.0 \$99,000	79.4
Forvis LLP	28.4	22.8	26.3 \$113,000	77.5

Based on the results of the overall combined scores, the Evaluation Committee recommends that the award be made to Maximus US Services, Inc. with the highest total score of 85.5 points.

Funds for this award are available within the College's Fiscal Year 24 Operating Budget.

RECOMMENDATION:

Recommend the award of RFP 24-FS-01 for Grants Consulting Services to Maximus US Services, Inc. in the amount of \$105,000.



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Dr. Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **INFORMATION ITEM:**
Schedule of Expenditures of Federal Awards Together with Reports of Independent Public Accountants (Single Audit Report) for the period ending June 30, 2023

OVERVIEW:

The Single Audit is conducted to assure that the College has complied with the requirements as described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the College's major Federal Programs for the year ended June 30, 2023. The audit is conducted following the auditing standards generally accepted in the United States of America, Government Auditing Standards, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

What is a Single Audit?

- Single Audits are required from all recipients who expend \$750,000 or more in aggregate federal financial assistance within their fiscal year
- Single Audits are comprised of two main sections:
 - Financial Statements: Audit of a recipient's financial statements, policies, documentation, and system of internal controls
 - Programmatic Compliance Evaluation: Test of a recipient's compliance with the requirements of their federal awards which often assesses the effectiveness of award spending and evaluate performance progress

What are the Objectives of Single Audits?

- Determines if the recipient (i.e., Auditee):
 - Established an accounting system with adequate internal controls that provide full accountability for assets, liabilities, revenues, and expenditures
 - Prepared financial statements which are presented fairly and in accordance with generally accepted accounting principles (GAAP)
 - Submitted financial reports, cash reports, and claims for advances and reimbursements that contain accurate and reliable financial data, and are presented in accordance with the terms and conditions of the financial assistance awards' agreements
 - Expended federal funds in accordance with the terms of award agreements and those provisions of federal law or regulations that could have a material effect on the financial statements or on the financial assistance awards tested

The major federal programs of the College are identified in the Summary of Independent Public Accountants' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirement of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the College.

ANALYSIS:

Attached is the Single Audit Report for the period of July 1, 2022 through June 30, 2023 for information and review. The opinion of the auditor, SB & Co, is that Frederick Community College complied, in all material respects, with the requirements that are applicable to each of its major programs for the year ended June 30, 2023.

<u>Major Programs</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
U.S. Department of Education		
Student Financial Aid Cluster		
PELL	84.063	\$ 4,547,985
S.E.O.G	84.007	96,725
Federal Work Study	84.033	65,669
Direct Loans	84.268	3,036,078
Other		
MD GEER	84.425C	75,938
CARES Funding Institutional	84.425F	1,748,525
Total Major Programs		\$ 9,570,920

RECOMMENDATION:

This item is provided for information only. No action required.

Attachment:

Schedule of Expenditures of Federal Awards Together with Reports of Independent Public Accountants for the period ending June 30, 2023

FREDERICK COMMUNITY COLLEGE

**Schedule of Expenditures of Federal Awards Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2023

FREDERICK COMMUNITY COLLEGE**Schedule of Expenditures of Federal Awards Together with
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees
Frederick Community College

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Frederick Community College (the College), a component unit of Frederick County, Maryland and its discretely presented component unit, the Frederick Community College Educational Foundation Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the College, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The College's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for one year beyond the date the financial statements are available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the



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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 financial statements, and other knowledge we obtained during our audit of the basic 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the College's internal controls 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 solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal controls over financial reporting and compliance.

Owings Mills, Maryland
 September 29, 2023



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
 OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
 ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
 Frederick Community College

We have audited, 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, the financial statements of Frederick Community College (the College) and its discretely presented component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 29, 2023.

The financial statements of the Frederick Community College Foundation (the Foundation) were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal controls over financial reporting (internal controls) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College's internal controls. Accordingly, we do not express an opinion on the effectiveness of College's internal controls.

A deficiency in internal controls 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
September 29, 2023

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Trustees
Frederick Community College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Frederick Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major Federal programs for the year ended June 30, 2023. The College's major Federal programs are identified in the summary of independent public accountant's results section of the accompanying schedule of findings and questioned costs.

The College's basic financial statements include the operations of Frederick Community College Foundation, Inc., its discretely presented component unit. Federal awards received by the discretely presented component unit, if any, are not included in the College's schedule of expenditures of Federal awards during the year ended June 30, 2023. Our audit, described below, did not include the operations of the discretely presented component unit because it did not receive Federal awards.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.



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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal controls over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.



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Report on Internal Controls Over Compliance

A deficiency in internal controls over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Owings Mills, Maryland
January 9, 2024

SB & Company, LLC

FREDERICK COMMUNITY COLLEGE**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing	Grant Number/ Pass Through Grantor's Number	Federal Expenditures	Pass Through to Sub-Recipients
U.S. Department of Education				
Direct Programs				
Student Financial Aid Cluster				
PELL	84.063	N/A	\$ 4,547,985	\$ -
S.E.O.G	84.007	N/A	96,725	-
Federal Work Study	84.033	N/A	65,669	-
Direct Loans	84.268	N/A	<u>3,036,078</u>	<u>-</u>
Total Student Financial Aid Cluster			<u>7,746,457</u>	<u>-</u>
Other Direct Programs				
U.S. Department of Homeland Security Federal Emergency Management Agency (FEMA)				
Homeland Security Nat'l Training Program	97.005	EMW-2019-CA-00044-S01	163,200	-
U.S. Department of Education				
Veterans Education Outreach Program	84.064	N/A	2,897	-
Child Care Access Means Parents in School Program	84.335A	P335A180200	53,563	-
Child Care Access Means Parents in School Program	84.335A	P335A220075	23,511	-
CARES Funding Institutional	84.425F	P425F203687	1,748,525	-
National Science Foundation				
Frederick Community College STEM Scholars	47.076	1833667	136,910	-
Building the Cell Therapy and Flow Cytometry Workforce	47.076	2201621	<u>82,433</u>	<u>-</u>
Total Other Direct Programs			<u>2,211,039</u>	<u>-</u>
Passed Through MD State Department of Education				
Pass Through State Department of Education				
Title IC Program Improvement-Regular	84.048	230157-01	142,493	-
Pass Through State Department of Education				
Title IC Program Improvement-Regular	84.048	220826-01	9,474	-
CTE Reserve Fund	84.048	230078-01	55,768	-
MD. Affiliate for CTE Program in Homeland Security and Emergency Preparedness	84.048	221264-01	23,213	-
MD. Affiliate for CTE Program in Homeland Security and Emergency Preparedness	84.048	231108-01	26,861	-
MD GEER II Fund	84.425C	GEERIIIFund-8	75,938	-
CCDF Cluster				
MD Child Care Stabilization Grant	93.575	Unknown	<u>57,998</u>	<u>-</u>
Total CCDF Cluster			<u>57,998</u>	<u>-</u>
Total Pass Through State Department of Education			<u>391,745</u>	<u>-</u>
Other Pass Through				
U.S. Department of Education				
Pass Through State of Maryland				
Consolidated Adult Education & Literacy Services	84.002A	P00P2600480	428,363	-
National Science Foundation				
Pass Through Mount St. Mary's University				
Collaboration Between Community Colleges and a University to Increase Transfer Student Success in STEM	47.076	2030851	5,447	-
Total Other Pass Through			<u>433,810</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 10,783,051</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

FREDERICK COMMUNITY COLLEGE**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

All Federal grant operations of Frederick Community College (the College) are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit or Uniform Guidance). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent Federal award programs for fiscal year 2023 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Actual coverage is 88% of total cash and non-cash Federal award program expenditures.

Expenditures reported on the Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<u>Major Programs</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
U.S. Department of Education		
Student Financial Aid Cluster		
PELL	84.063	\$ 4,547,985
S.E.O.G	84.007	96,725
Federal Work Study	84.033	65,669
Direct Loans	84.268	3,036,078
Other		
MD GEER	84.425C	75,938
CARES Funding Institutional	84.425F	1,748,525
Total Major Programs		\$ 9,570,920

FREDERICK COMMUNITY COLLEGE**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023****2. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of the College under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

3. LOANS OUTSTANDING

During the year ended June 30, 2023, the College processed the following amount of new loans under the Federal Direct Lending Loan Program. Since this program is administered by outside financial institutions, new loans made during the fiscal year relating to this program are considered current year expenditures in the Schedule.

<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Loan Expenditures</u>
Student Financial Aid - Direct Loans	84.268	<u>\$ 3,036,078</u>

**4. RECONCILIATION OF FINANCIAL STATEMENTS TO THE SCHEDULE OF
FEDERAL AWARDS**

Total expenditures per the Schedule reconciles to the College's financial statements for the year ended June 30, 2023 as follows:

Federal Revenue per Financial Statements	
Grants and Contracts	\$ 4,816,669
Student Aid	4,912,697
Other Revenue	<u>1,000,000</u>
Total Federal Revenue per Financial Statements	10,729,366
Less: State, Local and Other Grants	(2,982,393)
Direct Loans	<u>3,036,078</u>
Federal Expenditures	<u>\$ 10,783,051</u>

FREDERICK COMMUNITY COLLEGE**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023****Section I - Summary of Independent Public Accountants' Results****Financial Statements**

Type of Independent Public Accountants' report issued	Unmodified
Internal controls over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountants' report issued on compliance for major programs	Unmodified
Internal controls over major programs:	
Material weakness identified?	No
Significant deficiency identified?	None Reported
Audit findings disclosed that are required to be reported in accordance with Section 200.516 of Uniform Guidance?	No

Identification of Major Programs:

<u>Major Programs</u>	<u>Federal Assistance Listing</u>	<u>Federal Expenditures</u>
U.S. Department of Education		
Student Financial Aid Cluster		
PELL	84.063	\$ 4,547,985
S.E.O.G	84.007	96,725
Federal Work Study	84.033	65,669
Direct Loans	84.268	3,036,078
Other		
MD GEER	84.425C	75,938
CARES Funding Institutional	84.425F	1,748,525
Total Major Programs		\$ 9,570,920
Threshold for distinguishing between Type A and B programs		\$ 750,000
Did the College qualify as a low risk auditee?		Yes

FREDERICK COMMUNITY COLLEGE

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section II – Financial Statement Findings

None noted.

Section III – Federal Awards Findings and Questioned Costs

None noted.

FREDERICK COMMUNITY COLLEGE

**Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2023**

There were no findings for the year ended June 30, 2022.



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **INFORMATION ITEM:**
Fiscal year-to-date Financial Report through the quarter ending December 31, 2023

OVERVIEW:

Frederick Community College's fiscal year-to-date financial reports are prepared and distributed to the Board of Trustees on a quarterly basis. Attached is the fiscal year-to-date financial report, which provides preliminary financial statements through the quarter ending December 31, 2023, for your information and review.

Please note that we have modified the report's format. Formerly, College finance staff calculated a quarterly budget amount to accompany each quarterly financial report. We estimate that staff spent more than 60 hours per year to determine quarterly budget amounts; they did not use a "one month equals 1/12th of revenues or expenses" calculation. Moreover, the Board of Trustees approves an annual budget, not quarterly budgets. Therefore, the attached reports present year-to-date revenues and expenses compared to the Fiscal Year (FY) 24 adopted budget. The year-over-year comparison is also provided in the analysis, so that Board members can easily see how revenues and expenses through the first half of the fiscal year compare to the same time a year ago.

ANALYSIS:

Current Unrestricted Fund (Operating Budget)

Presented is a draft of the FY 2024 Year-To-Date Financial Statements through the quarter ending December 31, 2023.

Revenues

- With 50% of the fiscal year expired, 62% of budgeted revenues have been received. This is due to Fall semester tuition and much of Spring semester tuition having been recorded, as well as enrollment increases positively affecting tuition and fee revenues.
- Year over year, Fall 2023 tuition revenue represented 111% of Fall 2022 tuition revenue. For Spring 2024 tuition, revenue exceeds Spring 2023 tuition by 30% as of December 31, 2023. Spring tuition revenue will fluctuate prior to the official enrollment census date for Spring enrollment, which occurs on February 11, 2024. As of February 5, 2024, full-time equivalent (FTE) students for Spring 2024 exceeded Spring 2023 FTE by 10%.
- It should be noted that the Student Affairs team was intentional in working with Fall enrolled students to have them register earlier for Spring 2024 semester than in years past. This may also affect year-over-year revenue comparisons.
- The positive enrollment growth also yields increases in student fees. Student fees through December are 18% higher than a year ago.

- Continuing Education tuition and fee revenues are up year over year by 17%. Revenue increases can be attributed to continued enrollment growth, up 10% overall from last year and almost 100% from the Covid low point. Program growth is led by Adult Education (up 34% from last year) and Community Education (up 8%).
- Interest rates remain high and the College's investment income through December 31, 2023, is more than double earnings in the first six months of last fiscal year.
- At the fiscal year midpoint, contract revenue has exceeded the annual budget by \$75,044. This is primarily due to the ongoing Federal Emergency Management Agency (FEMA) Independent Study contract. This international program supports a wide range of individuals earning academic credentials in emergency management and public safety-sector roles, such as firefighters, emergency managers, police officers, public works employees, and more.

Expenses

With 50% of the fiscal year expired, total expenses represent 47% of the adopted annual budget.

- Through December 2023, all functional areas are spending at rates that exceed the prior year to date. Increases are primarily attributable to enrollment growth and to higher salaries and wages as cost-of-living adjustments totaling 5% were approved last year. In Instruction, in addition to wage increases, there has been a higher reliance on adjunct faculty and clinical instructors to meet student demand.
- Other factors driving operating expense increases include credit card fees, as higher enrollments have resulted in more tuition payments accepted via credit card payments (up \$47,000 over the prior year to date) as well as electricity costs, up \$86,500 over the same time a year ago.
- It should be noted that scholarships and transfers, primarily transfers to support college operations from consolidated student fees, are accomplished at the start of the fiscal year. Therefore, Scholarships and Transfers expenses are 99% spent at midway through the fiscal year.

Fund Balance

- Revenue exceeds expenses by \$10.3 million for this fiscal year to date, December 31, 2023, due to higher than anticipated enrollment and other revenue sources exceeding budget, and expenses that are favorable to budget.

Auxiliaries

Overall, Auxiliary Enterprises that include the bookstore, the Carl and Norma Miller Children's Center, and dining services recorded a combined net income loss of \$211,274 as of December 31, 2023. This compares to a loss of \$259,090 through the first six months of last fiscal year.

Bookstore

Total revenues increased by 15% over the prior year to date. The Bookstore is experiencing increased revenue in textbook sales as a result of higher than anticipated enrollment, as well as digital content for classes.

- Cost of goods sold decreased over the same period, from \$431,720 last year to \$374,897 through December, 2023.
- Operating expenses increased over prior year to date by 81%. This is primarily due to salary and benefit increases and Contracted Services, which include credit card fees. Smaller credit card transactions for things like convenience items resulted in higher cost per transaction to the Bookstore but represented significant service to our students.
- Digital Subscription is a new expense line item this fiscal year under operating expenses as these are not inventoried and were moved from Cost of Goods Sold. Dual Enrollment-Slingshot is the 3rd party service provider for dual-enrolled Frederick County Public School (FCPS) students to order textbooks. This expense of \$68,848 will be fully reimbursed by FCPS in January and FCC will earn a 10% commission from Slingshot on these purchases.

- As of December 31, 2023, net income is (\$57,009), compared to net income of (\$16,799) a year ago. However, the Bookstore's transfer back to the College in Indirect Costs, a recognition of services provided to the bookstore by the College, increased to \$40,500, compared to just \$2,925 for the same period last year

Children's Center

At 50% of the year expired, the Children's Center financials reflect increased activity. Just as the College's student enrollment has increased, the Children's Center is serving more children than in the prior year.

- Total revenue increased 34% over the prior year to date with working partnerships for the Maryland Excels program increasing revenue by nearly \$14K.
- Classroom expenses increased by 126% from the prior year to date. This is primarily the result of the implementation of the compensation and classification study, increasing pay and adding benefits for full-time teachers and aides.
- A portion of the prior year to date Classroom Expenses were funded using HEERF grant.

Dining Services

- Total revenues represented 239% of revenues a year ago. However, this includes a college subsidy of \$144,730. Cougar Café sales have been strong at the café and coffee shop, and catering sales are up.
- Operating expenses increased 8% over the prior year to date. This increase is a residual effect of some loss due to a walk-in cooler failure during the month of August.
- At this time, Dining Services is at break even, compared to a net loss of \$208,721 a year ago. Although the analysis includes a subsidy from the College to Dining Services, the subsidy amount is running behind budget, with 40% of the subsidy paid at the midpoint of the fiscal year.
- As is the case with the other Auxiliary enterprises, Dining Services also contributes back to the College for Indirect Costs. The amount is based on services provided to the unit by the College for items such as utilities, custodial and security services, and other overhead services, and is allocated based on the square footage of space provided to the auxiliary unit.

Balance Sheet

- Cash and cash investments are at \$35.0 million, indicating a strong liquid position. The available cash complies with the Board's Financial Conditions and Activities policy requiring 16.6% of Adopted Expenditures available as operating fund balance reserves.
- Accounts receivable (AR) increased by \$3.9 million primarily due to students registering for the spring semester who are on payment plans that will be paid in full in March. As payment is received in the coming months, this Student AR will decrease.
- Current liabilities decreased by \$4.8 million primarily due to decreases in unearned revenue and accounts payable.
- The College continues to maintain very little long-term liabilities with current outstanding bond debt of \$4,931,902 as of December 31, 2023.
- The net position as of December 31, 2023, is \$126.9 million, which includes the quarter-ended revenues over expenses. This will fluctuate as the funds are used to operate in the coming months.

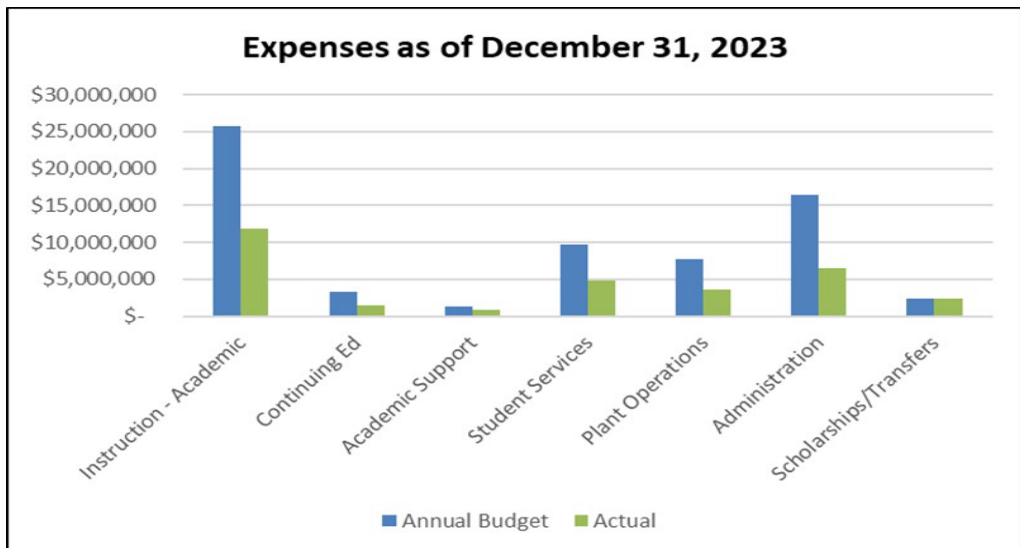
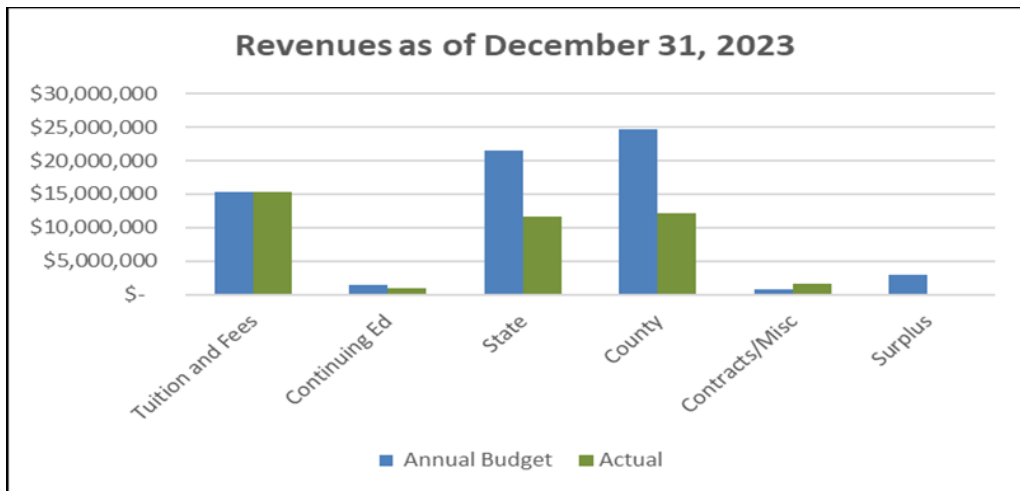
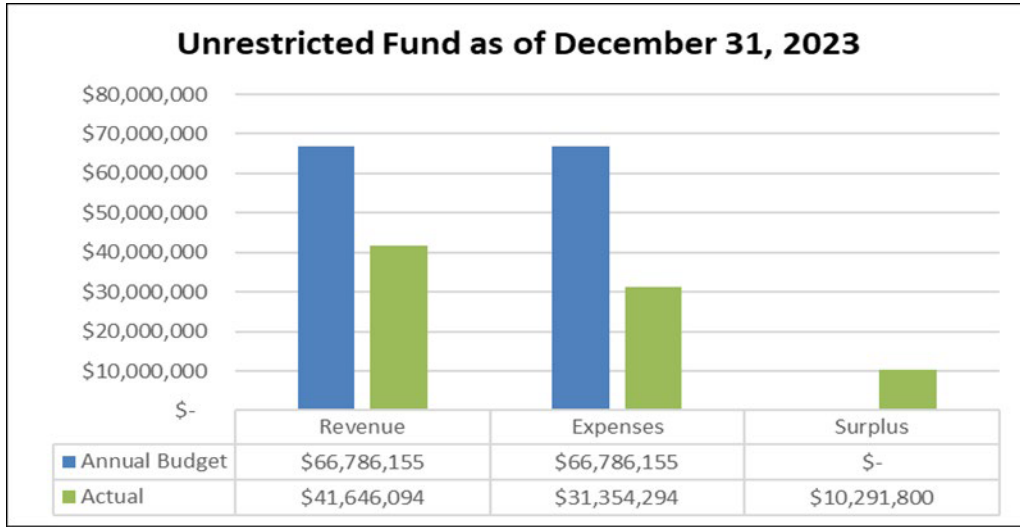
The College is financially strong. Continuing to be mindful of spending and hiring patterns will ensure we remain so.

RECOMMENDATION:

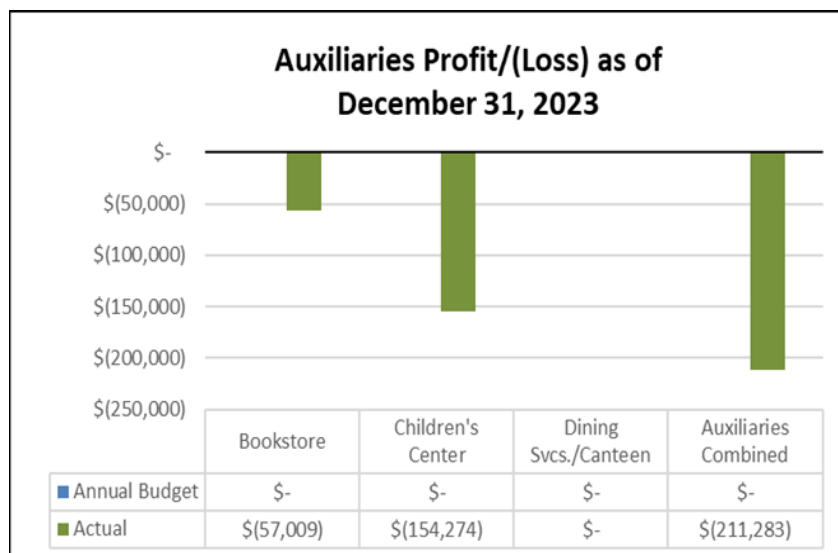
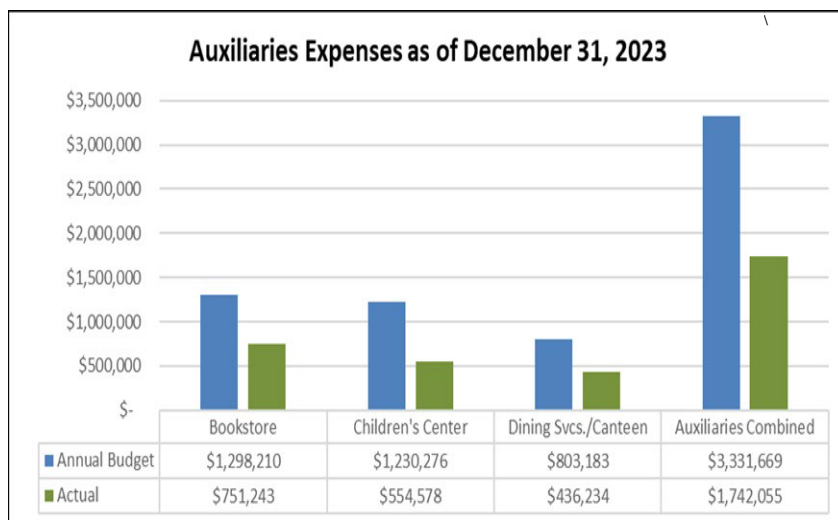
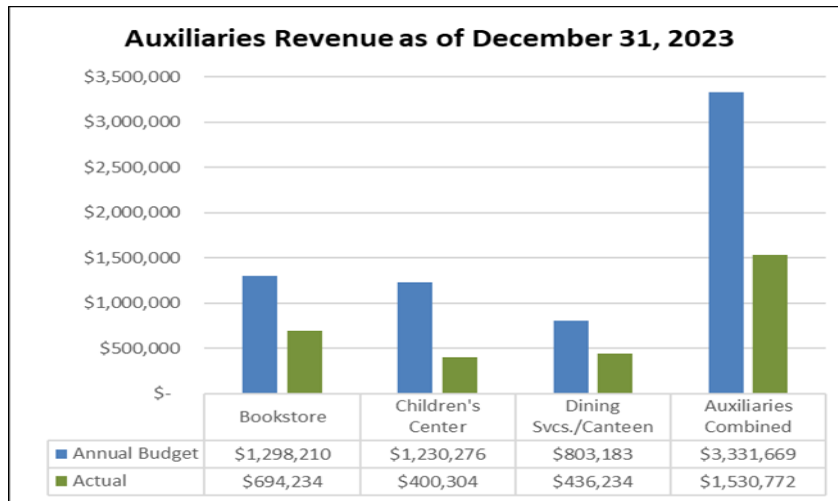
This item is provided for information only. No action required.

FREDERICK COMMUNITY COLLEGE
FINANCIAL REPORT
Fiscal year-to-date through December 31, 2023

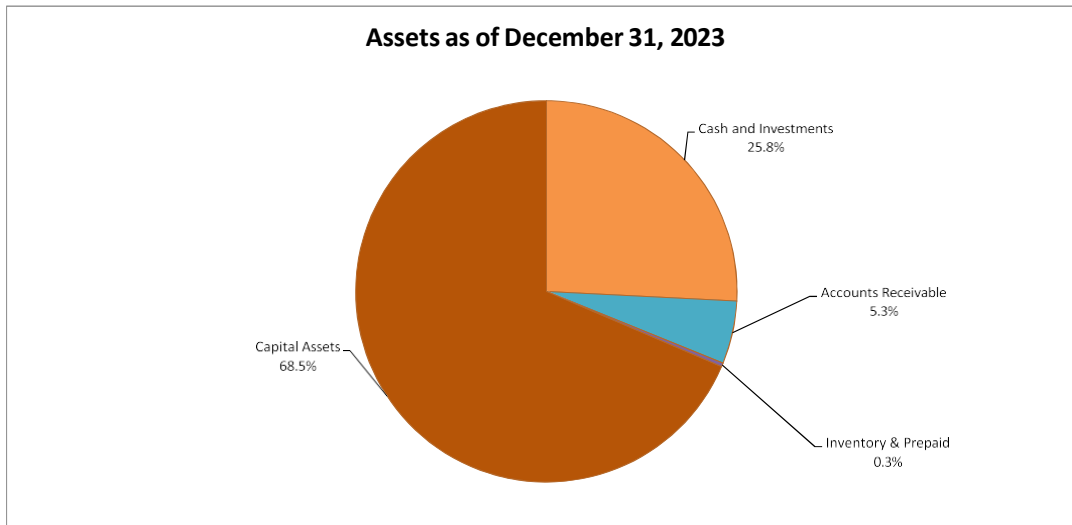
**FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED**



FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED
 (Expenses Include Cost of Goods Sold and College Contribution)
 (Any variances due to rounding)

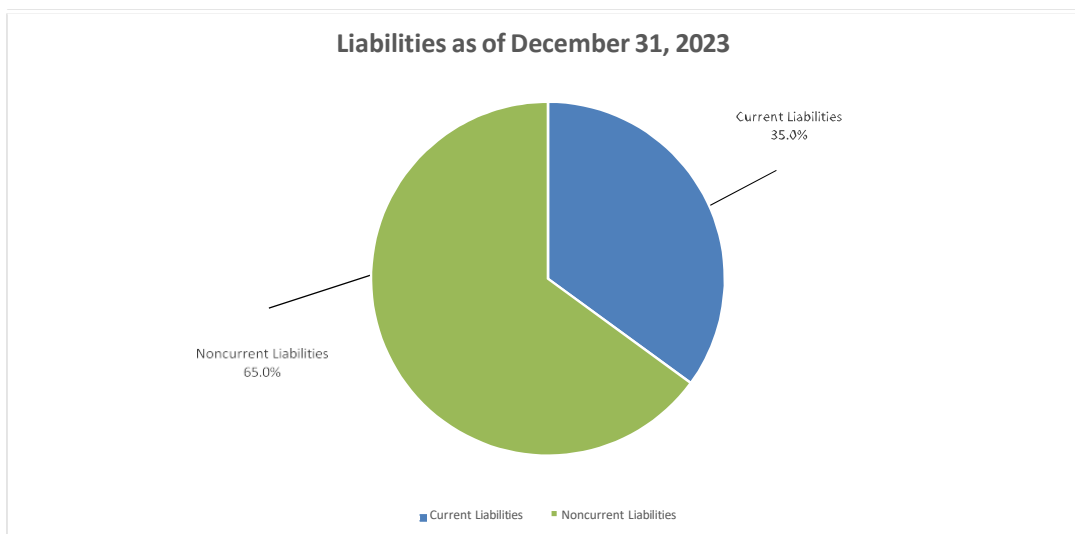


**FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED**



Assets:

Cash and Investments	\$	35,022,578
Accounts Receivable	\$	7,256,945
Inventory & Prepaid	\$	428,658
Capital Assets	\$	93,025,255
	\$	<u>135,733,436</u>



Liabilities and Net Position:

Current Liabilities	\$	3,086,839
Noncurrent Liabilities	\$	5,722,809
Net Position	\$	<u>126,923,788</u>
	\$	135,733,436

Financial Ratios as of December 31, 2023			
Current Ratio	(current assets/current liabilities)	13.8	A ratio > 1 indicates liquidity is sufficient to meet current obligations.
Debt Ratio	(liabilities/assets)	0.06	A low debt ratio (< .5) indicates conservative financing. The College finances most of its assets from net assets (similar to equity).

FREDERICK COMMUNITY COLLEGE
STATEMENTS OF REVENUE, EXPENSES AND TRANSFERS
CURRENT UNRESTRICTED FUND - EDUCATIONAL AND GENERAL
FOR THE PERIOD DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED

	FY23 PYTD ACTUAL	FY24 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY24 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Tuition and Fees						
Fall Tuition	\$ 5,959,345	\$ 6,635,692	111%	\$ 5,630,573	\$ (1,005,119)	118%
Spring Tuition	4,210,622	5,459,438	130%	5,440,129	(19,309)	100%
Summer Tuition	724,592	609,527	84%	1,562,462	952,935	39%
Fees	2,161,930	2,545,998	118%	2,629,434	83,436	97%
Total Academic	13,056,490	15,250,655	117%	15,262,598	11,943	100%
Continuing Education	842,567	989,138	117%	1,506,291	517,153	66%
Total Tuition and Fees	13,899,057	16,239,793	117%	16,768,889	529,096	97%
State Aid	10,579,173	11,678,553	110%	21,499,828	9,821,275	54%
County Revenue	11,188,251	12,127,726	108%	24,735,845	12,608,119	49%
Investment Income	270,442	650,769	241%	50,000	(600,769)	1302%
Miscellaneous Income	257,172	250,708	97%	175,111	(75,597)	143%
Contract Revenue	412,250	575,044	139%	500,000	(75,044)	115%
Indirect Cost Recovery	42,401	123,500	291%	150,527	27,027	82%
Budgeted Surplus*	-	-	-	2,905,955	2,905,955	0%
Total Revenue	\$ 36,648,745	\$ 41,646,094	114%	\$ 66,786,155	\$ 25,140,061	62%
Expenses and Transfers						
Instruction						
Academic	\$ 11,024,037	\$ 11,784,126	107%	\$ 25,784,766	14,000,640	46%
Continuing Education	1,436,837	1,475,808	103%	3,321,814	1,846,006	44%
Total Instruction	12,460,874	13,259,934	106%	29,106,580	15,846,646	46%
Academic Support	702,917	786,173	112%	1,384,290	598,117	57%
Student Services	3,887,520	4,759,358	122%	9,710,893	4,951,535	49%
Plant Operation and Maintenance	3,037,374	3,630,099	120%	7,763,195	4,133,096	47%
Administration	5,764,257	6,497,898	113%	16,377,991	9,880,093	40%
Scholarships and Transfers	2,254,310	2,420,831	107%	2,443,206	22,375	99%
Total Expenses and Transfers	\$ 28,107,251	\$ 31,354,294	112%	\$ 66,786,155	\$ 35,431,861	47%
Fund Balance	\$ 8,541,494	\$ 10,291,800	120%	\$	\$ (10,291,800)	

* Per the Financial Conditions and Activities policy number EL-4, section 5.1, the President shall not allow a combined operating fund balance reserve to be less than the Government Finance Officers Association recommended minimum of 16.6% (two months) of annual operating expenses. For FY 2024, this amounts to \$11,086,502. The Fund Balance reported above represents a point in time for the current fiscal year, not the accumulated fund balance available. The College's operating fund balance reserve meets Board policy.

**FREDERICK COMMUNITY COLLEGE
BOOKSTORE
FINANCIAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED**

	FY23 PYTD ACTUAL	FY24 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY24 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Books	\$ 379,429	\$ 408,334	108%	\$ 750,000	\$ 341,666	54%
Supplies	105,963	89,919	85%	200,000	110,081	45%
Clothing	65,400	40,978	63%	144,000	103,022	28%
Convenience	21,320	31,653	148%	60,000	28,347	53%
Gift	28,449	15,449	54%	58,000	42,551	27%
Non Merchandise	360	338	94%	2,500	2,162	14%
Commissions - Books/gifts	2,316	544	23%	3,000	2,456	18%
Dual Enrollment-Slingshot	-	66,663	-	-	(66,663)	-
College Subsidy	-	40,356	-	80,710	40,354	50%
Total Revenue	603,237	694,234	115%	1,298,210	603,976	53%
Cost of Goods Sold	431,720	374,897	87%	784,660	409,763	48%
Gross Profit	171,517	319,337	186%	513,550	194,213	62%
Operating Expenses						
Compensation						
Admin/Support Staff Compensation	100,893	104,522	104%	210,000	105,478	50%
Auxiliary PT	12,933	22,481	174%	72,000	49,519	31%
Benefits	35,668	44,926	126%	77,000	32,074	58%
Total Compensation	149,494	171,929	115%	359,000	187,071	48%
Contracted Services	13,801	18,853	137%	27,000	8,147	70%
Advertising	-	-	-	5,000	5,000	0%
Supplies	5,517	2,686	49%	7,500	4,814	36%
Digital Subscription	-	59,131	-	-	(59,131)	-
Shipping and Postage	45	33	73%	50	17	66%
Telecommunications	272	278	102%	500	222	56%
Software	12,089	12,243	101%	19,000	6,757	64%
Travel/Professional Development	2,897	585	20%	10,000	9,415	6%
Dual Enrollment-Slingshot	-	68,848	-	-	(68,848)	-
Other Expenses	25	11	42%	-	(11)	-
Deferred Maintenance	1,250	1,250	100%	2,500	1,250	50%
Depreciation	-	-	-	2,000	2,000	0%
Total Operating Expenses	185,391	335,846	181%	432,550	96,704	78%
Operating Profit (Loss)	\$ (13,874)	\$ (16,509)	119%	\$ 81,000	\$ 97,509	-20%
Indirect Cost Transfer	2,925	40,500	1385%	81,000	40,500	50%
Total College Contribution	2,925	40,500	1385%	81,000	40,500	50%
Net Income (Loss)	\$ (16,799)	\$ (57,009)	339%	\$ -	\$ 57,009	-
Gross Profit %	28.4%	46.0%		39.6%		
Operating Expense % Revenue	30.7%	48.4%		33.3%		
Net Income % Revenue	-2.8%	-8.2%		0.0%		

**FREDERICK COMMUNITY COLLEGE
THE CARL & NORMA MILLER CHILDREN'S
CENTER**

**FINANCIAL REPORT FOR THE PERIOD
ENDING DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED**

	FY23 PYTD ACTUAL	FY24 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY24 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Infants/Toddler	\$ 54,841	\$ 65,047	119%	\$ 181,000	\$ 115,953	36%
Two-Year Olds	55,242	63,588	115%	141,000	77,412	45%
Three-Year Olds	40,351	38,088	94%	214,000	175,912	18%
Four-Year Olds	19,554	39,201	200%	214,000	174,799	18%
Preschool/Pre-K/Kindergarten	48,540	52,734	109%	225,000	172,266	23%
Summer Camp	-	2,879	-	-	(2,879)	-
Head Start	-	-	-	8,250	8,250	0%
Other	19,255	23,779	123%	-	(23,779)	-
Excels/Vouchers	-	13,500	-	15,000	1,500	90%
County Contribution	60,223	69,262	115%	130,000	60,738	53%
College Subsidy	-	32,226	-	102,026	69,800	32%
Total Revenue	298,006	400,304	134%	1,230,276	829,972	33%
Classroom Expense						
Auxiliary FT Teacher Compensation	114,328	246,760	216%	575,500	328,740	43%
Auxiliary FT & PT Teacher Benefits	50,086	100,534	201%	150,000	49,466	67%
Auxiliary PT Teacher Compensation	9,486	46,567	491%	126,000	79,433	37%
Total Classroom Expenses	173,900	393,861	226%	851,500	457,639	46%
Gross Profit	124,106	6,443	5%	378,776	372,333	2%
Operating Expenses						
Compensation						
Admin/Support Staff Compensation	74,510	74,055	99%	157,000	82,945	47%
Benefits	26,774	27,045	101%	66,586	39,541	41%
Total Compensation	101,284	101,100	100%	223,586	122,486	45%
Contracted Services	4,807	3,890	81%	24,000	20,110	16%
Advertising	-	-	-	5,000	5,000	0%
Supplies	8,437	11,658	138%	29,000	17,342	40%
Telecommunications	272	278	102%	600	322	46%
Shipping and Postage	13	8	62%	90	82	9%
Professional Dues	-	708	-	2,500	1,792	28%
Course Costs/Field Trips	1,623	1,325	82%	7,000	5,675	19%
Software	2,490	-	0%	3,500	3,500	0%
Deferred Maintenance	1,250	1,250	100%	2,500	1,250	50%
Total Operating Expenses	120,176	120,217	100%	297,776	177,559	40%
Operating Profit (Loss)	3,930	(113,774)	-2895%	81,000	194,774	-140%
College Contribution						
Indirect Cost Transfer	37,500	40,500	108%	81,000	40,500	50%
Total College Contribution	37,500	40,500	108%	81,000	40,500	50%
Net Income (Loss)	(33,570)	(154,274)	460%	-	154,274	-
Gross Profit %	41.6%	1.6%		30.8%		
Operating Expense % Revenue	40.3%	30.0%		24.2%		
Net income % Revenue	-11.3%	-38.5%		0.0%		

FREDERICK COMMUNITY COLLEGE
DINING SERVICES
FINANCIAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED

	FY23 PYTD ACTUAL	FY24 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY24 Budget	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Canteen Revenue						
Café Sales	\$ 92,130	\$ 160,658	174%	\$ 175,560	\$ 14,902	92%
Coffee Shop Sales	-	-		112,500	112,500	0%
Catering Sales	84,849	122,731	145%	120,000	(2,731)	102%
College Revenue						
Vending	5,588	8,114	145%	30,000	21,886	27%
College Subsidy	-	144,730		365,123	220,393	40%
Total Revenue	182,567	436,234	239%	803,183	366,949	54%
Canteen Cost of Goods Sold (COGS)						
Cougar Café & Catering	153,817	140,055	91%	168,469	28,414	83%
Coffee Shop	-	-		50,625	50,625	0%
Subtotal COGS	153,817	140,055	91%	219,094	79,039	64%
Gross Profit	28,750	296,179	1030%	584,089	287,910	51%
Canteen Operating Expenses						
Compensation	166,119	192,605	116%	364,369	171,764	53%
Other Canteen Expenses						
Business Expenses	45,173	35,259	78%	75,262	40,003	47%
College Expenses						
Contracted Services	2,958	2,596	88%	15,000	12,404	17%
Equipment Repair	-	-		5,000	5,000	0%
Total Operating Expenses	214,250	230,460	108%	459,631	229,171	50%
Operating Profit (Loss)	\$ (185,501)	\$ 65,718	-35%	\$ 124,458	\$ 58,740	53%
Contract Fees						
Management Fee	15,000	15,000	100%	30,000	15,000	50%
Admin Fee	8,220	8,220	100%	9,458	1,238	87%
Total Fees	23,220	23,220	100%	39,458	16,238	59%
College Contribution						
Indirect Cost Transfer	-	42,498		85,000	42,502	50%
Total College Contribution	-	42,498		85,000	42,502	50%
Net Income/(Loss)	\$ (208,721)	\$ 0	0%	\$ -	\$ (0)	
Gross Profit %	15.7%	67.9%		72.7%		
Operating Expense % Revenue	117.4%	52.8%		57.2%		
Net Income % Revenue	-114.3%	0.0%		0.0%		

FREDERICK COMMUNITY COLLEGE
BALANCE SHEET - ALL FUNDS
AS OF DECEMBER 31, 2023
50% OF THE FISCAL YEAR EXPIRED

	PRIOR FYE	FY24 ACTUAL	CHANGE	% CHANGE
Assets				
Current Assets				
Cash	\$ 726,139	\$ 1,381,719	\$ 655,580	90%
Investments	30,053,082	33,640,859	3,587,777	12%
Total cash and investments	30,779,221	35,022,578	4,243,357	14%
Accounts Receivable				
Students, net of allowance	315,053	5,302,863	4,987,810	1583%
Governmental	2,631,591	762,546	(1,869,045)	-71%
Other	402,742	1,191,537	788,795	196%
Total accounts receivable	3,349,386	7,256,945	3,907,559	117%
Prepaid expenses	568,611	14,937	(553,674)	-97%
Inventory	205,513	413,721	208,208	101%
Total Current Assets	34,902,731	42,708,181	7,805,450	22%
Noncurrent Assets				
Capital assets, net of accumulated depreciation	95,135,028	93,025,255	(2,109,773)	-2%
Total Noncurrent Assets	95,135,028	93,025,255	(2,109,773)	-2%
Total Assets	\$ 130,037,759	\$ 135,733,436	\$ 5,695,677	4%
Liabilities and Net Position				
Liabilities				
Current Liabilities				
Accrued salaries	\$ 957,072	\$ 39,986	\$ (917,086)	-96%
Accounts payable	1,775,866	18,216	(1,757,650)	-99%
Accrued liabilities	618,239	208,070	(410,169)	-66%
Accrued leave	1,883,269	1,883,269	-	0%
Bond payable	320,000	320,000	-	0%
SBITA payable	345,015	345,015	-	0%
Unearned revenue	1,741,629	22,000	(1,719,629)	-99%
Deposits held for others	250,643	250,283	(360)	0%
Total Current Liabilities	7,891,733	3,086,839	(4,804,894)	-61%
Noncurrent Liabilities				
Bond payable, net of discount	4,931,902	4,931,902	-	0%
SBITA payable	761,737	761,737	-	0%
Accrued leave	29,170	29,170	-	0%
Total Noncurrent Liabilities	5,722,809	5,722,809	-	0%
Total Liabilities	13,614,542	8,809,648	(4,804,894)	-35%
Net Position				
Net Position Prior Year Balance (per audit)	110,951,037	116,423,217	5,472,180	5%
Net Income (Loss) - All funds	5,472,180	10,500,571	5,028,391	92%
Total Net Position	116,423,217	126,923,788	10,500,571	9%
Total Liabilities and Net Position	\$ 130,037,759	\$ 135,733,436	\$ 5,695,677	4%



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Dr. Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **ACTION ITEM:**
Renewal of Contract for Professional Auditing Services

OVERVIEW:

In January 2021, the College, along with Frederick County Public Schools and Frederick County Government, jointly solicited proposals for professional auditing services (RFP# 21MISC7). In March 2021, the College Board of Trustees approved the award of the contract for professional auditing services to be performed for the College and the Foundation to SB & Company. This award was for an initial three (3) year contract (FY 2021 – FY 2023) with the option to renew each year for an additional three years (FY 2024– FY 2026).

ANALYSIS:

Both Frederick County Government (FCG) and Frederick County Public Schools (FCPS) have recommended a one (1) year contract renewal for FY 2023. This will be the first year of the three (3) renewal years per the contract.

The cost of the services for the FY 2024 audit is \$38,000 and will be funded through the FY 2025 College operating budget.

RECOMMENDATION:

Recommend Board approval to award the first one (1) year contract renewal for professional auditing services for FY 2024 for both the College and the Foundation to SB & Company, for the total of \$38,000.



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Dr. Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **ACTION ITEM:**
Fiscal Year (FY) 2025 Proposed Operating Budget to be Submitted to County Executive

OVERVIEW:

Upon approval, the FY 2025 proposed operating budget will be submitted to the Frederick County Executive, Jessica Fitzwater, for consideration.

ANALYSIS:

1. REVENUES:

Operating Revenues proposed for FY 2025 total \$72,403,803, which represent an increase of \$5,617,648 or 8.4% over the FY 2024 adopted budget as follows.

- Tuition and Fees - \$20,095,188 (credit and non-credit)
After three years of holding tuition and fee rates flat, a 2% increase in tuition rates for in-district, out-of-county, and out-of-state is proposed. No increase in student fees is proposed. Under this proposal, tuition and fee rates for FY 2025 are as follows:

FY 25 Proposed Per Credit Hour Rates				
Tuition	Fees (flat)	New Tuition + Fees	Change from FY 24 to FY 25	
			\$	%
\$131.58	29.34	\$160.92	\$2.58	1.6%
\$287.64	29.34	\$316.98	\$5.64	1.8%
\$389.64	29.34	\$418.98	\$7.64	1.9%

Despite enrollment increases, tuition and fees account for the smallest percentage of revenues compared to State and County funding. Keeping tuition and fees in balance and proportion with other revenue sources is necessary. A modest annual adjustment to tuition rates helps avoid the need for large year-over-year adjustments in the future.

The two per credit fees, the consolidated service fee of \$26.00/credit, and the student activity fee of \$3.34/credit, will remain the same. The student activity fee applies to the first ten (10) credits.

The proposed increase in tuition rates will yield approximately \$290,000 in additional revenue, assuming flat enrollments.

The FY 2025 tuition revenue also forecasts a modest 2% enrollment increase over the current academic year. In recent years, Frederick Community College has experienced double-digit enrollment increases, and we believe a 2% enrollment projection over FY 2024 actual enrollment to be a conservative budget forecast.

- State Funding - \$20,209,612 (Cade formula aid) and \$2,951,200 (State Benefits)
The Governor’s proposed budget “rebased” the Cade Funding formula from a 29% funding tie to selected four-year institutions, to 26.5%, effectively reducing Cade Funding to all community colleges. Due to FCC’s strong enrollment growth, the College is one of just three (3) community colleges slated for an increase in the Governor’s proposed budget. \$20,209,612 represents a 9% increase over FY 2024 funding to the College.
 - County Funding - \$26,455,452 (Cash) and \$480,393 (In-Kind)
A request will be made to the Frederick County Executive for an additional \$2,200,000 to ensure institutional sustainability and to help fund additional costs to meet enrollment demand.
 - Allocated prior year fund balance - \$0
In prior years, including for FY 2024, College administration has recommended the use of prior year fund balance as a revenue source to balance the budget and provide an additional cushion to cover projected expenditures. In preparing the FY 2025 budget, the administration has worked diligently to propose a budget that is balanced, and not dependent on prior year fund balances for ongoing operational expenses.
 - Other Income - \$2,211,958
Other income comprises a small portion of proposed operating revenues. The largest revenue sources categorized here include interest income and contract training. The College will continue to benefit from higher interest rates. Contract revenue includes training proceeds from the Mid-Atlantic Center for Emergency Management (MACEM).
 - Use of Strategic Reserves - \$2,442,000
Per the Board Policy, EL-4, Financial Conditions and Activities, “the President shall not fail to recommend on an annual basis, as appropriate, other Strategic Reserves ... over and above the operating fund balance reserve.” The FY 2025 budget recommends the use of \$2,442,000 for one-time initiatives. Funding is recommended for student success initiatives, technology improvements to improve data analysis and processes, innovation and future-proofing. The \$2,442,000 proposed appropriation includes \$1.5 million for capital needs, including the purchase of modular units to support the Children’s Center during a planned renovation in FY 2025.
2. **EXPENSES:**
Operating expenses proposed for FY 2025 total \$72,403,803, an increase of \$5,617,648 over the FY 2024 adopted budget. When Strategic Reserve one-time projects are added, total proposed expenses are \$74,845,803, resulting in a balanced budget.

Key expense allocations include:

- Additional funding to meet enrollment demand. Notable increases include additional credit and non-credit adjunct faculty, as well as clinical instructors for healthcare programs.
- Investments to continue to attract and retain talent.

- Fringe benefit costs correspond to salary and wage projections. The budget includes a 10% increase for health insurance.
- Post-pandemic, the proposed budget includes increased funding for out-of-state professional development.
- Despite enrollment growth and inflationary pressures, the total proposed budget for non-compensation for FY 2025 is up just 4% over the adopted FY 2024 non-compensation budget.
- The non-compensation budget includes a proposed operating contingency of approximately 1% of expenditures, totaling \$725,000 in FY 2025. The contingency is available for unforeseen expenditures or to respond to opportunities that may arise outside of the annual planning and budgeting cycle.
- As noted above, the FY 2025 budget includes the proposed use of \$2,442,000 from Strategic Reserves. These reserves are established per Board policy, and provide opportunities to address strategic, one-time needs. For FY 2025, projects include student success initiatives, technology enhancements, capital needs, and establishing an Executive-in-Residence position (two-year limited term assignment) to assist in identifying innovative partnership and revenue opportunities for the College.

RECOMMENDATION:

Recommend approval of the proposed operating budget for FY 2025 for submission to the County Executive.

Attachment:

FY 2025 Proposed Operating Budget – Projection of Revenues and Expenditures.

FREDERICK COMMUNITY COLLEGE
Operating Budget History, Actuals FY 20 to FY 23, Adopted FY 24 Budget, Proposed FY 25

REVENUES

	FY20 Actual	FY21 Actual	FY22 Actuals	FY23 Actuals	FY24 Budget	FY25 Budget	FY 25 to FY 24 (budget to budget)	Percent Change
TUITION/FEES								
Summer	1,167,897	1,256,232	1,153,059	1,520,080	1,562,462	1,868,251	305,789	19.60%
Fall	6,227,842	6,072,090	5,642,843	5,931,704	5,630,573	6,732,530	1,101,957	19.60%
Spring	5,832,579	5,169,855	5,122,225	5,770,320	5,440,129	6,504,814	1,064,685	19.60%
TOTAL CREDIT TUITION	13,228,318	12,498,177	11,918,127	13,222,104	12,633,164	15,105,595	2,472,431	19.60%
Consolidated Service Fee	2,495,503	2,252,438	2,167,346	2,311,126	2,363,400	2,825,940	462,540	19.60%
Student Activity Fee	293,048	253,747	238,736	257,931	202,404	242,016	39,612	19.60%
Instr. Material Fee	-	-	-	52	-	-	-	
Course/Program Fees	59,222	65,964	72,133	96,252	-	107,995	107,995	
Testing Fees	39,206	17,462	15,667	22,739	63,630	25,513	-38,117	-59.90%
TOTAL CREDIT FEES	2,886,979	2,589,611	2,493,882	2,688,100	2,629,434	3,201,464	572,030	21.80%
TOTAL CREDIT TUITION/FEES	16,115,297	15,087,788	14,412,009	15,910,204	15,262,598	18,307,059	3,044,461	19.90%
CEWD TUITION/FEES	1,311,829	1,042,327	1,440,489	1,623,211	1,506,291	1,788,129	281,838	18.70%
TOTAL TUITION/FEES	17,427,126	16,130,115	15,852,498	17,533,415	16,768,889	20,095,188	3,326,299	19.80%
STATE REVENUE								
State Formula Aid	11,154,005	11,154,005	13,283,580	16,429,152	18,548,628	20,209,612	1,660,984	9.00%
State Benefits	2,716,763	2,755,714	2,724,048	2,822,038	2,951,200	2,951,200	-	0.00%
TOTAL STATE	13,870,768	13,909,719	16,007,628	19,251,190	21,499,828	23,160,812	1,660,984	7.70%
COUNTY REVENUE								
Cash	18,441,502	19,841,502	21,341,502	22,376,502	24,255,452	26,455,452	2,200,000	9.10%
In-Kind	416,477	411,182	457,059	241,801	480,393	480,393	-	0.00%
TOTAL COUNTY	18,857,979	20,252,684	21,798,561	22,618,303	24,735,845	26,935,845	2,200,000	8.90%
OTHER INCOME								
Allocated prior year fund balance	-	-	-	-	2,905,955	-	-2,905,955	-100.00%
Interest Income	199,469	25,404	54,847	854,706	50,000	650,000	600,000	1200.00%
Contracts	632,557	437,781	800,098	1,129,371	500,000	1,151,958	651,958	130.40%
Indirect Cost Reimbursement	414,301	271,040	330,527	197,003	150,527	210,000	59,473	39.50%
Other	239,132	1,603,902	2,510,118	1,268,720	175,111	200,000	24,889	14.20%
TOTAL OTHER	1,485,459	2,338,127	3,695,590	3,449,800	3,781,593	2,211,958	-1,569,635	-41.50%
TOTAL REVENUE	51,641,332	52,630,645	57,354,277	62,852,708	66,786,155	72,403,803	5,617,648	8.40%
USE OF STRATEGIC RESERVES						2,442,000		
TOTAL REVENUES + STRATEGIC RESERVE	51,641,332	52,630,645	57,354,277	62,852,708	66,786,155	74,845,803	8,059,648	12.10%

EXPENDITURES

	FY20	FY21	FY22	FY23	FY24	FY25	FY 25 to FY 24	
	Actual	Actual	Actuals	Actuals	Budget	Budget	(budget to budget)	Percent Change
COMPENSATION								
Full-Time Faculty, Administrators, Support Staff, CEWD Instructional Specialist	26,591,807	26,281,252	26,075,027	28,914,410	34,274,731	36,393,250	2,118,519	6.20%
Clinical/Field Experience Staff	480,217	738,517	683,641	825,290	735,000	1,136,720	401,720	54.70%
Fee-Based Employees	14,675	12,052	4,221	15,386	17,770	16,640	-1,130	-6.40%
Credit Adjunct Faculty	3,802,024	3,338,498	3,376,779	4,014,878	4,095,000	4,754,800	659,800	16.10%
CEWD Adjunct Faculty	459,615	372,143	479,982	638,804	598,500	740,480	141,980	23.70%
Coaches	58,513	62,400	72,008	139,202	94,500	125,840	31,340	33.20%
Student Employment	64,362	80	1,248	13,813	162,725	50,000	-112,725	-69.30%
Part-Time Variable Schedule (PTVS), LTE and Stipends	671,834	373,677	687,257	783,366	1,081,686	1,437,280	355,594	32.90%
Extra and Overtime Hours	245,477	75,143	95,539	345,489	89,250	174,720	85,470	95.80%
Opt-Out Health Insurance	424,659	389,615	366,976	378,406	390,000	390,000	-	0.00%
TOTAL COMPENSATION	32,813,183	31,643,377	31,842,678	36,069,043	41,539,162	45,219,730	3,680,568	8.90%
FRINGE BENEFITS								
FICA	2,446,294	2,358,091	2,381,419	2,710,836	3,177,746	3,449,309	271,563	8.50%
FCC Tuition waivers for employees	115,355	94,537	89,403	97,024	125,000	125,000	-	0.00%
Retirement	2,951,236	2,950,368	2,877,893	2,993,503	3,045,000	3,417,922	372,922	12.20%
Life Insurance/ADD	116,434	114,244	115,350	124,144	126,000	161,541	35,541	28.20%
Health Insurance	3,361,742	4,187,516	3,378,083	3,878,845	4,547,870	5,002,657	454,787	10.00%
Dental/Vision Insurance	120,728	119,170	101,703	107,728	108,120	119,900	11,780	10.90%
Long-Term Disability Insurance	88,614	78,815	78,388	84,381	83,740	289,113	205,373	245.30%
Tuition Reimbursement	81,065	77,371	63,177	62,161	75,316	100,000	24,684	32.80%
Workers Comp Insurance	111,171	102,193	97,388	84,961	179,140	159,872	-19,268	-10.80%
Unemployment	35,594	88,691	1,635	9,825	6,000	12,000	6,000	100.00%
Leave Expense	187,447	147,478	-105,725	153,582	142,758	176,800	34,042	23.80%
Rewards and Recognition	6,000	6,000	156,418	6,000	18,500	18,500	-	0.00%
TOTAL FRINGE BENEFITS	9,621,680	10,324,474	9,235,132	10,312,991	11,635,190	13,032,614	1,397,424	12.00%
FRINGE PERCENTAGE (FRINGE/COMP)	29%	33%	29%	29%	28%	29%	1%	2.90%
TOTAL COMPENSATION + FRINGE BENEFITS	42,434,863	41,967,851	41,077,810	46,382,034	53,174,352	58,252,344	5,077,992	9.50%
NON-COMPENSATION COSTS								
Contracted Services	1,593,085	1,382,565	1,823,952	2,358,751	3,381,373	3,191,583	-189,790	-5.60%
Honorariums	18,801	18,491	41,102	37,788	79,375	78,975	-400	-0.50%
In-Kind County Services (Audit/IT/Appraisal)	416,477	411,182	457,059	241,801	480,393	462,541	-17,852	-3.70%
TOTAL CONTRACTED SERVICES	2,028,363	1,812,238	2,322,113	2,638,340	3,941,141	3,733,099	-208,042	-5.30%
Supplies and Materials	445,139	272,916	517,181	564,185	716,249	713,234	-3,015	-0.40%
Course Costs and Program Fees	255,695	229,451	335,413	450,672	406,467	478,387	71,920	17.70%
Vehicle Fuel	9,778	9,401	12,934	18,617	18,000	33,200	15,200	84.40%
Shipping and Postage	63,022	48,107	52,425	42,342	81,500	83,189	1,689	2.10%
Telecommunications	105,695	122,954	75,018	64,630	97,452	101,312	3,860	4.00%
Professional Conference Fees & Meetings Trav	73,135	21,269	70,692	291,492	308,182	440,289	132,107	42.90%
Professional Licenses, Dues, and Fees	176,150	177,847	242,311	309,439	401,393	438,550	37,158	9.30%
Internal Meetings with Meals	51,943	3,750	58,743	112,412	145,183	223,603	78,420	54.00%
Travel - Local and Non-local without Accommo	95,708	222	5,862	9,267	91,920	78,645	-13,275	-14.40%
Software and Software Licenses	796,961	725,469	578,820	1,172,890	961,099	866,906	-94,193	-9.80%
Transfers	1,993,192	2,002,184	2,284,666	2,196,969	2,213,206	2,974,176	760,970	34.40%
Utilities	731,109	598,644	713,621	823,042	1,140,000	1,100,000	-40,000	-3.50%
Fixed Charges/Insurance	238,307	263,012	232,538	261,241	404,500	414,250	9,750	2.40%
Furniture/Equipment	145,758	157,619	608,166	732,135	539,155	554,066	14,911	2.80%
Computer/IT Equipment	92,300	116,516	207,587	460,545	326,170	330,025	3,855	1.20%
Library Collection	19,645	14,959	35,654	116,561	121,000	126,000	5,000	4.10%
Tuition Waivers/ Student Aid Expenditures	232,340	167,188	169,862	197,454	230,000	230,000	-	0.00%
Other	97,022	132,321	260,430	-51,413	83,075	122,528	39,453	47.50%
Other Contingency Expense					667,862	725,000	57,138	8.60%
New-Strategic Initiatives					718,250	385,000	-333,250	-46.40%
SUBTOTAL NON-COMPENSATION	7,651,262	6,876,067	8,784,036	10,410,818	13,611,803	14,151,459	539,656	4.00%
Percentage of Revenue (Non-Compensation/Revenue)	14.82%	13.06%	15.32%	16.56%	20.38%	19.55%		
TOTAL EXPENSES LESS STRATEGIC RESERVES	50,086,125	48,843,918	49,861,846	56,792,852	66,786,155	72,403,803	5,617,648	8.40%
STRATEGIC RESERVES' ALLOCATION						2,442,000		
TOTAL EXPENSES	50,086,125	48,843,918	49,861,846	56,792,852	66,786,155	74,845,803	8,059,648	12.10%
Net Income	1,555,207	3,786,727	7,492,431	6,059,856	-	-	-	-



February 21, 2024

TO: Dr. Annesa Payne Cheek, President
Frederick Community College Board of Trustees

FROM: Dr. Barbara Larson, Interim Vice President for Finance and Administration

TITLE: **ACTION ITEM:**
Revised FY 2025 – FY 2030 Capital Improvement Program (CIP) and County Capital Budget Request

OVERVIEW:

Each year, the College is required to submit its CIP and six-year budget request to the County for review and approval. In November 2023, the Board of Trustees approved the College's most recent CIP plan for submission to the County. Based on recent meetings with County officials, feedback received from the State, and after considering other internal/external factors that influence the College's long-term facilities planning, College administration re-envisioned the previously proposed Health and Wellness Center and reduced the program scope. The other projects included in the CIP, the Campus Services Building, Innovation and Technology Center, as well as Systemics and Technology projects, remain unchanged from the November 2023 submission.

ANALYSIS:

The FY 2025 – FY 2030 capital improvements program request is based on the College's ten-year Facilities Master Plan which was completed in June 2023 and submitted to the Maryland Higher Education Commission (MHEC) by July 1, 2023.

As submitted in November 2023, a new Health and Wellness Center project involved renovating the existing Athletics Center [Building D, 36,000 Gross Square Feet (GSF)], and adding another 91,500 GSF. As envisioned, the new Health and Wellness Center would not only update and expand the College's current athletics facilities but would add needed instructional space to expand FCC's capacity in health education programs. The building also included significant space for college-wide wellness and recreation activities.

The total proposed cost for the new Health and Wellness Center (as reported in November 2023) was \$95,137,501. The College's request to the County for support was 42.5% of the total cost, or \$40,433,438 over four fiscal years, FY26 through FY29. It should be noted that the proposed FY25 cost of \$95.1 million (in today's dollars), escalates to \$145 million (inflation adjusted dollars) when construction is scheduled to begin in FY27.

The detail that follows now references a *revised* project, the *Health Education and Athletics Center* (also known as Building D, Renovation/Addition), rather than a Health and Wellness Center. The new proposed cost for the total project, renovation plus smaller addition, is

\$65,830,000 (\$29.3 million or 31% less than the original \$95.1 million project cost). To achieve this reduction, building stakeholders worked collaboratively to prioritize those functions that most directly support teaching, learning and student success for enhanced workforce development outcomes.

The building addition was reduced from approximately 91,500 GSF to 43,000 GSF, eliminating most spaces categorized as wellness. The instructional facilities space was modified to include two inter-professional health sciences laboratories and exercise science laboratories. Computer “pop-up” open lab spaces were retained to add needed capacity for workforce programs in the health sciences.

With the proposed changes to the new Health Education and Athletics Center, the College’s six-year funding request to the County has been reduced by \$12.5 million over the next six years. The total CIP request (State and County funding) has been reduced by \$29.3 million, with the six-year total proposed budget for all projects going from \$171.8 million to \$142.4 million.

RECOMMENDATION:

Recommend approval of the revised FY 2025 – FY 2030 CIP and County Capital Budget request.

Frederick Community College
Revised Capital Improvement Program
FY 2025 – FY 2030
February 21, 2024

Frederick Community College (FCC) is pleased to submit its revised (from November 6, 2023) Capital Improvements Program request for FY 2025– FY 2030. The request is based on the College’s ten-year Facilities Master Plan which was completed in June 2023 and submitted to the Maryland Higher Education Commission (MHEC) by July 1, 2023.

As part of the master planning process, a projected Space Needs Assessment for 2030 was conducted utilizing MHEC’s *Space Allocation Guidelines for Community Colleges*. This exercise demonstrated a significant projected need for space, with an overall space deficit of 123,598 net assignable square feet (NASF), more than 40% above the College’s current NASF of 305,354. Additional space needs were identified in almost every category, including academic and academic support spaces.

The College has not built a major building or addition on campus since 2015, but instead has invested in improving existing facilities. While these renovations have brought existing facilities up to current standards, they have not allowed for growth in instructional programs, student services, or support services.

Recognizing that Frederick County is the fastest growing county in the State of Maryland, FCC is increasingly being called on to fulfill and expand its mission of preparing the county’s workforce of today and the future. FCC’s enrollment has rebounded from COVID levels and facility needs in wellness, health care, and workforce development will require the construction of new facilities to meet present and future requirements.

The College’s six-year Capital Improvements Program budget totals \$142.4 million, including County funding of \$77.8 million. The plan includes three buildings to help address the identified space needs, as detailed below:

Campus Services Building - \$16,238,000 (Planning FY24, Construction, Furniture and Equipment FY25-FY26)

The existing Plant Operations building, originally constructed in 1995 with an addition in 2003, is approximately 7,400 GSF and houses work bays and office space for Plant Operations staff.

- In the previous Facilities Master Plan, this building was slated for renovation which was included in prior Capital Improvement Plans. The 2023 Facilities Master Plan recommends a new facility that is outside of the academic core of the campus.
- The existing building is in fair condition but requires deferred maintenance on the exterior skin, interior finishes, and building infrastructure that is at, or beyond, its useful life.
- The existing facility is lacking in staff space, grounds’ storage, and maintenance work areas. In addition, the College lacks a sufficient loading dock and receiving area and there is no warehouse storage for stocked materials, or surplus.

This project replaces the current Plant Operations building and includes all functions now housed in that building and others distributed throughout the campus.

- Functions Include: Plant Services, Workshops, Offices, Repair Spaces, College-wide Receiving, Mail Services, Print Shop, and Storage.
- Site work associated with this project will include a staff and visitor parking lot, limited realignment of the campus loop road at the southwest corner of the Parking Deck, a new access driveway, and fenced 120' x 140' service/storage yard.
- Estimated Size: One to two stories Office & Shops -19,200 GSF, One level Storage Building - 4,800 GSF

Health Education and Athletics Center [Building D Renovation/Addition] - \$65,830,000 (Design FY26-FY27, Construction FY27-FY29, Furniture and Equipment FY27-FY29)

The original proposal for this project was to renovate the approximately 36,000 GSF Athletics Center (Building D), that was constructed in 1969 and construct a modest addition to accommodate new academic needs. This proposed project was developed under the College's last Facilities Master Plan update in 2017. It was approved and scheduled for design beginning in FY 2024 with construction in FY 2025-2026. Since then, we experienced a global pandemic that had a tremendous impact on all higher education institutions, including how we deliver instruction, how we care for our students, the preferred configuration and details of our facilities, the cost of capital projects, and the timelines in which they can be delivered.

- The existing building primarily consists of a large multi-use gymnasium that accommodates large College and community events, and supporting spaces which include locker rooms, coach offices, and two exercise rooms.
- Because of its age, the building has deficiencies as well as aging infrastructure in need of upgrades and replacement.
- The building lacks appropriate instructional spaces and student support spaces.

Subsequently, the 2023-2033 Facilities Master Plan space needs analysis identified next steps in our campus development. With that in mind, a capital project to renovate and add to our Athletics Center (Building D) was merited, several categories of space needs identified, and a Facility Program Part I and Part II was submitted to the Maryland Higher Education Commission (MHEC), in December 2023, as required for inclusion in the FY26 State CIP budget request.

Based on recent meetings with County officials, feedback received from the State, and after considering other internal/external factors that influence the College's long-term facilities planning, College administration re-envisioned the previously proposed Health and Wellness Center and reduced the program scope.

The project includes a reduction of 5,000 GSF in the existing Building D renovation (from 36,000 to 31,000) and 48,500 GSF in the new addition (from 91,500 to 43,000).

The *revised* project totaling 74,000 GSF proposes renovating the existing Athletics Center (Building D), and constructing an addition of approximately 43,000 GSF to accommodate new academic needs in a workforce growth sector for Frederick County and to improve existing athletic functions.

Innovation and Technology Center - \$43,925,760 (Design FY27, Construction FY28-FY30, Furniture and Equipment FY28-FY30)

This project, which will connect with Catoctin Hall (Building C), will provide space for creative development of ideas spawned in other FCC courses and by institutional and business partners in the County.

- Functions Include: Science and Biotechnology labs, an Innovation Center serving the FCC community and other entrepreneurial initiatives, instructional spaces for STEM programs, offices, lecture hall, and support spaces.
- Academic space to be included in the program will also allow for expansion of Continuing Education/Workforce Development programs that are currently only offered at the Monroe Center facility.
- This project will require reconfiguration of Parking Lot 5 and will result in a net loss of parking spaces. The pedestrian axis identified in project 1 will be extended to a landscaped plaza planned for this building.
- Estimated Size: Two Stories, 54,600 GSF

A Facility Program Part I and Part II for this project is currently being developed and will be submitted to the State by March 1, 2024 as required to be included in the FY27 State CIP budget request.

State Facilities Renewal Grant - \$1,500,000 (\$500,000/year FY25, FY27, FY29)

The 2018 Maryland General Assembly, by way of Senate Bill 595/House Bill 403, established the Community College Facilities Renewal Grant (CCFRG) program within the Maryland Higher Education Commission (MHEC) to provide grants for improvements, repairs, and deferred maintenance projects at Maryland community colleges. Grants provided by the program are in addition to and may not supplant funds provided by the Community College Construction Grant Program (CCCGP).

Eligible projects for funding from the CCFRG program include facility improvements, repairs, and maintenance projects with a total estimated cost equal to, or less than \$1.0 million, and that have been submitted to MHEC as part of an annual master plan or ten-year master plan. The Commission may approve up to eight grants in each fiscal year.

Systemics - \$12,450,283 (FY25 - \$4,130,000, FY26 - \$4,206,800, FY27 - \$984,492, FY28 - \$1,013,104, FY29 - \$1,042,669, FY30 - \$1,073,218)

Funding the operation of a college campus is the careful balance of supporting first, the institutional mission needs, and then maintaining the physical assets. Multiple national studies have resulted in a best practices formula supported by higher education professional organizations such as APPA (The Association of Higher Education Facilities Officers) and NACUBO (National Association of College and University Business Officers) and adopted by many campuses as their funding model to address deferred maintenance and capital renewal (systemics). The funding model is based on the college's assets' current replacement value (CRV). The current CRV for FCC is approximately \$227 million.

Based on best practices the FCC Operations Team recommends a deferred maintenance and capital renewal funding request formula to reflect the best practices in education (both K-12 and higher education). It is recommended that the College's asset upkeep be funded with an annual recurring budget of 2.0 to 4.0 % CRV per the following rates:

- (a) Deferred Maintenance (DM) = .5 to 1.5% CRV
- (b) Capital Renewal (R&R) and Building Improvements = 1.5 to 2.5% CRV

The goal of this proposal is to support and enhance student learning environments, improve student success, address maintenance and renovation needs, and promote curb appeal and beautification of the College through the establishment of a best practices model for maintaining College assets. New construction projects will continue to be funded through the traditional request process between the County and the State.

Classroom Technology (Upgrades & Equipment) - \$1,500,000 (\$250,000/year FY25- FY30)

These funds are essential to keeping FCC classrooms updated with innovative technology to support instruction. Without staying current with the latest technology, our students will not be competitive in the workplace.

Technology Upgrade – PeopleSoft Upgrades - \$1,800,000 (\$300,000/year FY25- FY30)

The College utilizes PeopleSoft for Student Registration/Administration, Finance, HR/Payroll, and Time and Labor. To stay in compliance with our PeopleSoft maintenance agreement, our software must utilize the current release.



Revised Capital Improvement Program Request FY2025-2030
February 21, 2024

Combined County and State Capital Funding Request		Total Project	Prior Approval	Total FY25-30	Request FY2025	Request FY2026	Request FY2027	Request FY2028	Request FY2029	Request FY2030
Capital Projects										
County only	Campus Services Building	16,238,000	800,000	15,438,000	7,719,000	7,719,000				
County / State	Health Education and Athletics Center (Building D Renovation/Addition)	65,830,000	0	65,830,000		5,137,000	15,173,250	30,346,500	15,173,250	
County / State	Innovation and Technology Center	43,925,760	0	43,925,760			3,253,760	9,160,000	15,756,000	15,756,000
Systemics			3,290,609	12,450,283	4,130,000	4,206,800	984,492	1,013,104	1,042,669	1,073,218
	Emergency repairs			226,394	35,000	36,050	37,132	38,245	39,393	40,575
	Life Safety Systems and Fire Sprinkler			646,841	100,000	103,000	106,090	109,273	112,551	115,927
	ADA Accessibility repairs / upgrades			485,131	75,000	77,250	79,568	81,955	84,413	86,946
	Roof Systems- repairs / replacements			120,000	20,000	20,000	20,000	20,000	20,000	20,000
	Site Improvements (walkways, roadways, parking)			750,000	500,000	50,000	50,000	50,000	50,000	50,000
	Mechanical / Electrical / Plumbing			300,000	50,000	50,000	50,000	50,000	50,000	50,000
	Building doors, windows, exterior facade			323,420	50,000	51,500	53,045	54,636	56,275	57,964
	Other deferred maintenance / backlog			323,420	50,000	51,500	53,045	54,636	56,275	57,964
	Athletic Fields			1,500,000	500,000	1,000,000	0	0	0	0
	Annapolis Hall Improvements (Student Affairs)			2,000,000	1,000,000	1,000,000	0	0	0	0
	Pedestrian Walkway, Circulation, and Campus Core			1,000,000	500,000	500,000	0	0	0	0
	JBK Theatre Renovation			1,500,000	750,000	750,000	0	0	0	0
	Miscellaneous Renovations			3,275,076	500,000	517,500	535,613	554,359	573,762	593,843
Technology										
County only	Classroom Technology Upgrades - Equipment		250,000	1,500,000	250,000	250,000	250,000	250,000	250,000	250,000
County only	Technology Upgrades - PeopleSoft		300,000	1,800,000	300,000	300,000	300,000	300,000	300,000	300,000
Other										
State only	Facilities Renewal Grant - CCFRGP			1,500,000	500,000		500,000		500,000	
State only	Supplemental Facilities Renewal Funding - CCFRSF		1,000,000		0	0	0	0	0	0
Combined Total County and State Capital Funding Request			5,640,609	142,444,043	12,899,000	17,612,800	20,461,502	41,069,604	33,021,919	17,379,218



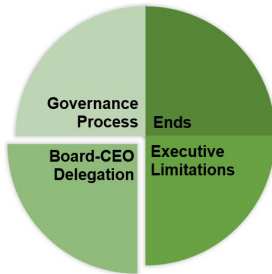
Revised Capital Improvement Program Request FY2025-2030

February 21, 2024

	Total	Prior	Total	Request	Request	Request	Request	Request	Request
		Approval	FY25-30	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
County and State Capital Funding Shares									
County Capital Funding Share	82,475,090	4,640,609	77,834,481	12,399,000	14,659,025	9,365,971	18,353,367	14,737,600	8,319,518
State Capital Funding Share	65,609,562	1,000,000	64,609,562	500,000	2,953,775	11,095,531	22,716,238	18,284,319	9,059,700
Combined Total County and State Capital Funding Request	148,084,652	5,640,609	142,444,043	12,899,000	17,612,800	20,461,502	41,069,604	33,021,919	17,379,218

County Funding Request	Total	Prior	Total	Request	Request	Request	Request	Request	Request
	Project	Approval	FY25-30	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Capital Projects									
Campus Services Building	16,238,000	800,000	15,438,000	7,719,000	7,719,000				
Health Education and Athletics Center (Building D Renovation/Addition)	27,977,750		27,977,750		2,183,225	6,448,631	12,897,263	6,448,631	
Innovation and Technology Center	18,668,448		18,668,448			1,382,848	3,893,000	6,696,300	6,696,300
Systemics		3,290,609	12,450,283	4,130,000	4,206,800	984,492	1,013,104	1,042,669	1,073,218
Emergency repairs			226,394	35,000	36,050	37,132	38,245	39,393	40,575
Life Safety Systems and Fire Sprinkler			646,841	100,000	103,000	106,090	109,273	112,551	115,927
ADA Accessibility repairs / upgrades			485,131	75,000	77,250	79,568	81,955	84,413	86,946
Roof Systems- repairs / replacements			120,000	20,000	20,000	20,000	20,000	20,000	20,000
Site Improvements (walkways, roadways, parking)			750,000	500,000	50,000	50,000	50,000	50,000	50,000
Mechanical / Electrical / Plumbing			300,000	50,000	50,000	50,000	50,000	50,000	50,000
Building doors, windows, exterior facade			323,420	50,000	51,500	53,045	54,636	56,275	57,964
Other deferred maintenance / backlog			323,420	50,000	51,500	53,045	54,636	56,275	57,964
Athletic Fields			1,500,000	500,000	1,000,000	0	0	0	0
Annapolis Hall Improvements (Student Affairs)			2,000,000	1,000,000	1,000,000	0	0	0	0
Pedestrian Walkway, Circulation, and Campus Core			1,000,000	500,000	500,000	0	0	0	0
JBK Theatre Renovation			1,500,000	750,000	750,000	0	0	0	0
Miscellaneous Renovations			3,275,076	500,000	517,500	535,613	554,359	573,762	593,843
Technology									
Classroom Technology Upgrades - Equipment		250,000	1,500,000	250,000	250,000	250,000	250,000	250,000	250,000
Technology Upgrades - PeopleSoft		300,000	1,800,000	300,000	300,000	300,000	300,000	300,000	300,000
Total County Request		4,640,609	77,834,481	12,399,000	14,659,025	9,365,971	18,353,367	14,737,600	8,319,518

State Funding Request	Total	Prior	Total	Request	Request	Request	Request	Request	Request
	Project	Approval	FY25-30	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Capital Projects									
Health Education and Athletics Center (Building D Renovation/Addition)	37,852,250	0	37,852,250		2,953,775	8,724,619	17,449,238	8,724,619	
Innovation and Technology Center	25,257,312	0	25,257,312			1,870,912	5,267,000	9,059,700	9,059,700
Other									
Facilities Renewal Grant - CCFRGP		0	1,500,000	500,000	0	500,000	0	500,000	0
Supplemental Facilities Renewal Funding - CCFRSF		1,000,000	0	0	0	0	0	0	0
Total State Request		1,000,000	64,609,562	500,000	2,953,775	11,095,531	22,716,238	18,284,319	9,059,700



FCC BOARD OF TRUSTEES POLICY

Policy Type: Board-CEO Delegation

Policy Title: Monitoring President Performance

Policy Number: BCD-4

Date Adopted: 2.21.2024

Version: 1.0

Date Last Reviewed: 2.21.2024

Responsible Party: President's Office

Reviewing Committee: Board of Trustees

Monitoring CEO performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of the President's performance, formal or informal, may be derived only from these monitoring data. Systematic and rigorous monitoring of President job performance will be solely against the Board's required President job outputs: organizational accomplishment of the President's reasonable interpretation of Ends policies and organizational performance with the boundaries of the President's reasonable interpretation of Executive Limitations policies.

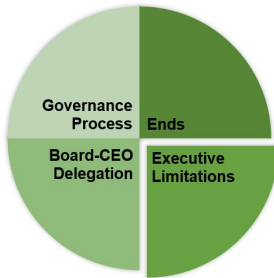
1. The purpose of monitoring is to determine the degree to which Board policies are being fulfilled. Only information which addresses this will be considered to be monitoring.
2. A given policy may be monitored in one or more of three ways:
 - 2.1. Internal report: Disclosure of compliance information by the President, along with his or her explicit interpretation of Board policy, and justification for the reasonableness of interpretation.
 - 2.2. External report: Discovery of compliance information by an external, disinterested third party, who has appropriate qualifications and a suitable level of independence from management, and who is selected by and reports directly to the Board. The President should be notified of this activity.
 - 2.3. Direct Board Inspection: Discovery of compliance information by a Board Member, a committee or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a "reasonable/sound judgment" test of policy compliance. Such an inspection is only undertaken at the instruction of the Board and requires notification to the President.

3. Regardless of the method of monitoring, the standard for compliance shall be any reasonable President interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness, but will always judge with a “reasonable person” test rather than interpretations favored by Board members, the disinterested third party, or even the Board as a whole.
4. Upon the choice of the Board, any policy can be monitored by any of the above methods at any time. For regular monitoring, however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method.
5. A formal evaluation of the President by the Board will occur annually in June, based on the achievement of the Board’s Ends policies and non-violation of its Executive Limitations policies. This formal evaluation will be conducted by cumulating the regular monitoring data provided during the year and the Board’s recorded acceptance or non-acceptance of the reports, and identifying performance trends evidenced by that data.

MONITORING SCHEDULE				
Number	Policy	Method	Frequency	Date
E-1	Ends	Internal Report	Annually	TBD
EL-0	Global Executive Constraint	Internal Report	Annually	TBD
EL-1	Treatment of Students	Internal Report	Annually	TBD
EL-2	Treatment of Employees	Internal Report	Annually	TBD
EL-3	Communication & Support to the Board	Internal Report	Annually	TBD
EL-4	Financial Conditions and Activities	Internal Report	Annually	TBD
EL-5	Organizational Culture	Internal Report	Annually	TBD
EL-6	Planning	Internal Report	Annually	TBD
EL-7	Land Use	Internal Report	Annually	TBD
	Access to Education *	Internal Report	Annually	TBD
	Asset Protection *	Internal Report	Annually	TBD
	Investments *	Internal Report	Annually	TBD
	Compensation and Benefits *	Internal Report	Annually	TBD

* in development

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President



FCC BOARD OF TRUSTEES POLICY

Policy Type: Executive Limitations

Policy Title: Planning

Policy Number: EL-6

Date Adopted: 2.21.2024

Version: 1.0

Date Last Reviewed: 2.21.2024

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

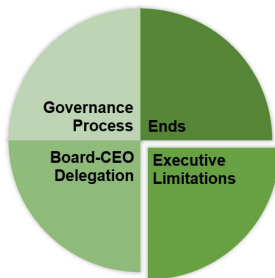
The President shall not permit planning that endangers the fiscal soundness of future years or ignore the organizational capability (people, programs, services, facilities) required to achieve Board Ends in future years.

Accordingly, the President shall not:

1. Operate without a written, multi-year strategy that can be expected to achieve a reasonable interpretation of the Ends.
2. Permit planning that does not explain and justify assumptions and identify relevant environmental factors.
3. Permit planning that omits capital enhancements, replacement, repair or acquisitions necessary to achieve Ends.
4. Permit budgeting for any fiscal period or the remaining part of any fiscal period that is not derived from the multi-year plan.
5. Permit financial planning that does not enable accurate projection of revenues and expenses, separation of capital and operational items, cash flow projections, contingency plans, and disclosure of planning assumptions.
6. Plan for a deficit.
7. Operate without a campus facilities master plan.

8. Operate without succession plans for senior leadership positions, to facilitate smooth operations during key personnel transitions and ensure competent operation of the organization over the long term.
9. Permit the organization to be without sufficient organizational capacity and current information about President and Board issues and processes for the competent operation of the organization to continue in the event of sudden loss of President services.

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President



FCC BOARD OF TRUSTEES POLICY

Policy Type: Executive Limitations

Policy Title: Land Use

Policy Number: EL-7

Date Adopted: 2.21.2024

Version: 1.0

Date Last Reviewed: 2.21.2024

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The President shall not allow development or use of the campus or other College lands in a manner that is inconsistent with the core business of the College, environmentally irresponsible, aesthetically displeasing, or that does not make the most effective use of land.

Further, without limiting the scope of the above statement by the following list, the President shall not:

1. Allow the College to be without an approved Facilities Master Plan that adheres to the Maryland Higher Education Commission's requirements and fosters future development that will avoid infrastructure redundancy and redevelopment costs.
2. Permit joint ventures or partnerships that do not provide for design and construction standards consistent with overall campus design.
3. Permit development that is not energy efficient and to a reasonable extent, minimize adverse environmental impacts and preserve the natural landscape.
4. Permit new development that does not meet at least one of the following criteria:
 - Provision of enhanced learning and ancillary space consistent with Ends achievement.
 - Extending the College's alliances with business, industry, colleges, universities, or other organizationally mission-compatible non-profit organizations.
 - Creation of opportunity to generate new revenue streams.
 - An opportunity to distinguish the College's learning and co-curricular environment.
 - Positioning the College as a leader in new programs targeted at future market opportunities.

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Global Governance Commitment

Policy Number: GP-0

Date Adopted: 2.21.2024

Version: 1.0

Date Last Reviewed: 2.21.2024

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The purpose of the Frederick Community College Board of Trustees, functioning on behalf of the residents of Frederick County, is to ensure that Frederick Community College achieves appropriate results for the appropriate people, and at an appropriate cost, as specified in the Boards Ends policies, and avoids unacceptable actions and situations, as specified in the Board's Executive Limitations policies.

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Role of the Board Chair

Policy Number: GP-1

Date Adopted: 2.21.2024

Version: 1.0

Date Last Reviewed: 2.21.2024

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Frederick Community College Board Chair, who is also designated as the Board's Chief Governance Officer – CGO, is a specially empowered member of the Board, and assures the integrity of the Board's processes and Policy Governance compliance.

1. The assigned result of the Board Chair/CGO's job is that the Board behaves consistently within its own rules and those legitimately imposed upon it from outside the organization.
 - 1.1. Meeting discussion content will include only those issues that, according to Board policy, clearly belong to the Board to decide or monitor.
 - 1.2. Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.
 - 1.3. Deliberation will be timely, fair, orderly, and thorough, but also efficient and kept to the point.
 - 1.4. The Board's Vice-Chair will be sufficiently informed of Board issues and processes to provide continuity in the event of planned or unexpected Board Chair/CGO absences.
2. The authority of the Board Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Delegation, with the exception of (a) employment or termination of a President and (b) instances where the Board specifically delegates portions of this authority to others. The Board Chair/CGO is authorized to use any reasonable interpretation of the provisions in these policies.
 - 2.1. The Board Chair/CGO is empowered to chair Board meetings with all the commonly accepted power of that position, such as ruling and recognizing.

- 2.2. The Board Chair/CGO is authorized to appoint the members of all Board committees.
 - 2.3. The Board Chair/CGO has no authority to make decisions about policies created by the Board within *Ends* and *Executive Limitations* policy areas. Therefore, the Board Chair/CGO has no individual authority to supervise or direct the President.
 - 2.4. The Board Chair/CGO may represent the Board to outside parties in announcing Board-stated positions and in stating the Board Chair/CGO's decisions and interpretations within the area delegated to the Chair.
 - 2.5. The Board Chair/CGO may delegate this authority, but remains accountable for its use.
3. The Board Chair/CGO bears responsibility for annual professional development relative to Policy Governance principles and practices.

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Role of the Vice Chair

Policy Number: GP-2

Date Adopted: 2.21.2024

Version: 1.0



Date Last Reviewed: 2.21.2024

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Frederick Community College Board Vice Chair shall, in the absence of the Board Chair/CGO, preside at all meetings of the Board and have such other duties, powers, and accountabilities as the Board may specify.

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President

FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Board Code of Conduct
Policy Number: GP-3
Date Adopted: 2.21.2024

Version: 1.0
Date Last Reviewed: 2.21.2024
Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Frederick Community College Board of Trustees expects of itself and its members, ethical business-like and lawful conduct. This includes proper use of authority and appropriate decorum when acting as Trustees. This Code of Conduct is intended to set basic rules of conduct for Trustees in order to maintain the Board's integrity and the confidence of the community. This policy applies to all Trustees including the Board Chair.

1. Ever mindful of their responsibilities under State law, Trustees must have loyalty to the Ownership (the residents of Frederick County) that supersedes any loyalties to the appointing authority, the President, College employees, other organizations or any personal interest as a consumer. This accountability also supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs.
2. Trustees are accountable to exercise the powers and discharge the duties of their office honestly and in good faith. Trustees shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
3. Trustees will respect the confidentiality appropriate to issues of a sensitive nature, including at all times the content of legally held, closed meetings of the Board, in perpetuity.
4. Trustees must avoid a conflict of interest with respect to their fiduciary responsibility.
 - 4.1. There must be no self-dealing or any conduct of private business or personal services between any Trustee and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to otherwise "inside" information. Trustees must stay informed on requirements of the State Ethics Law.

- 4.2. Trustees will disclose at the regular monthly meetings any new involvements with other organizations, vendors, or any associations that might be or might reasonably be seen as being a conflict.
- 4.3. When the Board is to decide upon an issue, about which a Trustee has an unavoidable conflict of interest, that Trustee shall recuse themselves without comment, from not only the vote, but also excuse themselves from the physical or virtual deliberation. This absence shall be recorded in the minutes.
- 4.4. Trustees will not use their Board position to furnish services or goods of the College to themselves, family members, associates or organizations upon which a Trustee serves as a Board member.
- 4.5. Trustees will not use their Board position to obtain College employment for themselves, family members, or associates. Should a Trustee become employed by the College, they must resign from the Board before the first day of said employment.
- 4.6. Trustees will maintain impartiality in hiring by neither writing letters of recommendation nor acting as a reference for candidates for any position at the College.
5. Trustees shall not attempt to exercise individual authority over the organization or the President.
 - 5.1. When interacting with College employees, Trustees must recognize that individual Trustees have no authority to instruct or evaluate employees, and no authority to insert themselves into employee operations.
 - 5.2. The Board Chair or designee is the only person authorized to speak to the public, the media or other entities on behalf of the Board. Trustees shall not presume to speak for the Board when interacting with the press or the public. Media inquiries should be directed to the Board Chair.
6. Trustees shall be familiar with the incorporating documents, relevant legislation and regulations, by-laws, governing policies of the organization, issues pertaining to higher education, as well as the rules of procedure and proper conduct of a meeting so that any decision of the Board may be made in an efficient, knowledgeable and expeditious fashion.
7. Trustees will be properly prepared for Board deliberation through the review of all Board meeting materials in advance of Board meetings.
8. Trustees will collaborate with other Trustees and share information on matters of substance related to their governance role so that no one Trustee possesses information that all other Trustees should have. Such collaboration must adhere to legal requirements of board assemblage.

9. Trustees will support the authority of Board decisions, regardless of the member's personal position on the issue.
10. Trustees shall review community college publications and regularly take part in educational activities including state, regional and national meetings and events that will assist them in their ability to serve effectively as a member of the College's governing Board.
11. Trustees are encouraged to communicate the Board's interest and respect for student accomplishments by attending student commencement ceremonies and events.
12. Trustees shall hold themselves and other Trustees accountable for complying with this Code of Conduct.

Handling Violations of the Code of Conduct

13. If there is a perceived violation by a Trustee(s), it is incumbent upon the involved members to attempt to resolve the conflict. If resolution is not reached, members will engage the Chair in an attempt to reach resolution prior to engagement of the Board as a whole.
14. Trustees who are found to have violated the Board's Code of Conduct are subject to a Board review of their actions and a possible formal Board rebuke in the form of a direct criticism noted in the Board minutes.

Date Of Change	Version	Description of Change	Responsible Party
2/21/2024	1.0	First release following Policy Governance consulting work.	President