



**Wednesday, February 18, 2026 – 4:30 p.m.
Conference Center (E126AB)**

Zoom Option:

<https://frederick-edu.zoom.us/j/85723592711?pwd=Iwv8S2n4pBD43fcuzknOpGtehrqSWy.1>

Call-in Option:

Phone Number: 301-715-8592 | Webinar ID: 857 2359 2711 | Passcode: 125821

I. Call to Order

II. Declaration of Conflict of Interest

III. Board & CEO Comments

IV. Public Comment

Public comment at Board meetings is limited to addressing items on that meeting's agenda. Public comment is limited to a maximum of five (5) speakers, three (3) minutes per person. The order of speakers will be on a first-come, first-served basis. Individuals are required to complete the sign-in sheet prior to the opening of the meeting.

V. Consent Agenda

- A. January 21, 2026 Regular Meeting Minutes (**Enclosure 1**)

VI. Required Approvals Agenda

- A. Approval of Navigate360 Contract Renewal and Expansion (**Enclosure 2**)
- B. Approval of Award of RFB 26-TLSS-01 for Biotechnology Lab Equipment (**Enclosure 3**)
- C. Approval of Piggyback Contract with Blackwood Inc. for Firewalls and Related Services (**Enclosure 4**)

VII. Information/Discussion Items

- A. Ownership Linkage Updates
- B. Fiscal YTD Financial Report through December 31, 2025 (**Enclosure 5**)
- C. Monitoring Board Performance

Policy Survey Results:

1. GP-12 Handling Operational Complaints (**Enclosure 6**)
2. GP-13 Handling Alleged Policy Violations (**Enclosure 7**)

Policy Review:

3. GP-0 Global Governance Commitment (**Enclosure 8**)
4. GP-8 Governing Style (**Enclosure 9**)
5. BCD-6 President Compensation (**Enclosure 10**)

VIII. Action Items

- A. Board Direction on Legislative Testimony Regarding SB 534/HB 839
- B. Approval of Contract Renewal with SB & Company for Professional Auditing Services for FY 2026 (**Enclosure 11**)
- C. Approval of Joint Request for Proposals (RFP) with FCC, FCPS, and Frederick County for Professional Auditing Services Beginning FY 2027 (**Enclosure 12**)
- D. Approval of FY 2027 Credit Tuition and Fees (**Enclosure 13**)
- E. Approval of FY 2027 Auxiliary Enterprise Bookstore Budget (**Enclosure 14**)
- F. Approval of FY 2027 Proposed Operating Budget to be Submitted to the County Executive (**Enclosure 15**)
- G. Approval of Revisions to Policy GP-5 Board Linkage with Ownership (**Enclosure 16**)
- H. Approval of Revisions to Policy GP-11 Special Rules of Order (**Enclosure 17**)

IX. Meeting Content Review (Enclosure 18**)**

Consideration of areas for meeting content improvement: This item on the agenda provides the Board the opportunity to give the Board Chair and the President feedback on the quality of the content provided during this Board Meeting. We would appreciate receiving suggestions wherein you would like to see changes made to future Board meetings.

X. Adjournment

NEXT MEETING: Wednesday – March 18, 2026

▪ 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.

Minutes for January 21, 2026 Regular Meeting

Context: The January 21, 2026 minutes are being presented to the Board for approval via the Consent Agenda. Minutes of the proceedings of every Board meeting shall be prepared by the College President (or the President's designee) with all motions accurately and completely recorded, noting the names of those who make motions, the nature of the motion, and those who vote 'yea' and 'nay.' The minutes of the prior Board Meeting will be provided to and considered by the Board as part of the subsequent board Meeting materials.

Board Policy Reference: [Bylaws of the Board of Trustees of Frederick Community College](#)

Background: The Board of Trustees held a regular meeting on January 21, 2026.

Attachment: Minutes of the January 21, 2026 regular meeting

**BOARD OF TRUSTEES
FREDERICK COMMUNITY COLLEGE**

**January 21, 2026
Regular Meeting**

The Board of Trustees of Frederick Community College met in regular session on Wednesday, January 21, 2026 in the Conference Center (E126AB). A virtual option to participate was provided. Participating in person were: Trustees Theodore Luck, Chair; Carolyn Kimberlin, Vice Chair; Jan H. Gardner; Dr. Carmen R. Hernandez; Tracey McPherson; Dr. William Reid; and Myrna Whitworth. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Janice Spiegel, Special Projects Manager/Budget Office Frederick County Government; and Edmund O'Meally, PK Law, College legal counsel.

CALL TO ORDER

The meeting was called to order by Chair Luck at 4:30 p.m.

APPROVAL OF MINUTES

Chair Luck called for approval of the minutes of the November 19, 2025 regular meeting.

On a motion made by Trustee Gardner, the Board unanimously approved the November 19, 2025 regular meeting minutes, as presented.

Chair Luck called for approval of the minutes of the December 3, 2025 and December 4, 2025 board retreat.

On a motion made by Trustee Hernandez, the Board unanimously approved the December 3, 2025 and December 4, 2025 board retreat minutes, as presented.

Chair Luck called for approval of the minutes of the January 8, 2026 special meeting.

On a motion made by Vice Chair Kimberlin, the Board unanimously approved the January 8, 2026 special meeting minutes, as presented.

DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest expressed by Trustees.

BOARD & CEO COMMENTS

Chair Luck wished everyone a happy new year. He then shared appreciation for Spring Convocation, noting the impact of hearing directly from students who spoke highly of faculty and staff. He commended faculty, staff, and administration for their work.

Trustee McPherson echoed comments on Spring Convocation and described the event as inspiring.

Trustee Reid agreed and emphasized that students have access to multiple supports when challenges arise.

Vice Chair Kimberlin shared she had the same thoughts on Spring Convocation. She then reported on representing the Board at the January 9, 2026 ribbon cutting for the newly renovated electrical trades lab, acknowledged Rowan Digital's investment for the renovation, and expressed appreciation for the FCC Foundation's role in securing the contribution.

Trustee Whitworth observed a strong sense of community evident at Spring Convocation and noted that students clearly experience a shared sense of purpose.

Trustee Hernandez noted that December was a celebratory month at FCC, highlighted attendance at the surgical technology and nursing pinning ceremonies and the Iris/American Sign Language interpreting graduation ceremony, commended leadership for the Holiday Luncheon, referenced the December Board retreat as supporting continued development in Policy Governance®, and reported attending an Ownership Linkage session with the Frederick County Chamber of Commerce.

Trustee Gardner highlighted the December retreat and special meeting, noted the value of discussions on strategic foresight and the importance of regularly reviewing Ownership Linkage feedback, expressed interest in further discussion of Institute for the Future work at a spring retreat, and highlighted that in attending the pinning ceremonies, most of the surgical technology and nursing graduates had already secured employment. She then requested that future agenda materials more clearly identify funding sources in the approval memos, citing the Building M renovation item as an example.

President Cheek reported the release of the second issue of *FCC Connects*, noting the impressive continuous improvement quality. She then announced the launch of the inaugural FCC *Foundations of Leadership* cohort, consisting of 19 employees from across the institution, which includes approximately 40 hours of leadership development focused on decision-making, teamwork, collaboration, and leadership practice, with participants eligible for a digital badge upon completion. President Cheek reported strong enrollment momentum ahead of the Spring semester, with enrollment nearing 7,000 students, approximately 95 percent of forecast and nearly four percent higher than the same time last year, and full-time equivalent enrollment also up nearly four percent year over year,

representing the strongest post-pandemic Spring enrollment at this point in the cycle. She then reported a recent community partnership milestone, noting that on January 16, 2026 FCC entered into a formal Memorandum of Understanding with the Washington Freedom cricket team and Infinite Computer Solutions to expand experiential learning and workforce development opportunities for students through exclusive internships across a range of professional areas, including information technology, sports marketing, cybersecurity, game-day operations, and business administration.

President Cheek introduced the *Future in Focus* segment and provided context for the Innovation and Technology Center, noting that the project originates from the College's ten-year Facilities Master Plan, has been included in the Board-approved Capital Improvement Program since 2023, was prioritized in 2024 due to workforce demand and facility constraints, and represents a \$64 million investment involving a two-story addition and renovation of Catoctin Hall to address instructional and lab space needs aligned with high-demand career fields.

Dr. Anne Davis, Provost and Vice President of Teaching, Learning and Student Success presented an overview of the proposed Innovation and Technology Center, describing its alignment with regional workforce needs in biotechnology, information technology, and advanced manufacturing. She reported that the project addresses identified instructional and laboratory space deficits and includes flexible, technology-enabled, and interdisciplinary learning environments. The Center supports student success, workforce development, and regional economic vitality. A *Trustee Takeaway* was provided to the Board.

CONSENT AGENDA

There were no items.

REQUIRED APPROVALS AGENDA

On a motion made by Trustee McPherson, the Board unanimously approved the following items, as presented:

- Piggyback Contract with Datatelligent for Construction of a Cloud-Based Data Warehouse
- Contract Amendment with Dustin Construction for Guaranteed Maximum Price (GMP) #2 for the Renovation of Building M
- Contract Modification with M&M Welding and Fabrication Inc. for the Central Plant Optimization Project Phase 2B

INFORMATION/DISCUSSION ITEMS

Ownership Linkage Updates – The Board reflected on Ownership Linkage sessions conducted in 2025 with the Frederick County Public Schools Board of Education, Frederick Health, and the Frederick County Chamber of Commerce. Trustees who participated shared observations from the sessions and reflected on the value of these engagements in identifying community values to inform future Board deliberation on desired institutional outcomes. Trustees noted recurring themes across the sessions, including the importance of critical thinking, communication, collaboration, teamwork, problem-solving, emotional intelligence, and adaptability in a changing workforce and community environment.

Trustees also discussed the role of Ownership Linkage input in informing Ends policy deliberation over time rather than driving immediate changes.

FY 2027 Budget Development Update – President Cheek provided the Board with an early preview of the FY 2027 operating and capital budget. She explained that the presentation was intended to offer high-level orientation to assumptions, fiscal pressures, tradeoffs, and timing, and emphasized that no decisions or actions were being requested. She noted that the FY 2027 budget remained a moving target, with several external factors still evolving, including the Governor’s proposed budget and his Budget Reconciliation and Financing Act (BRFA). She reviewed the anticipated budget timeline, including presentation of the budget request to the County Executive to be submitted to the Board in February, release of the County Executive’s proposed budget by April 15, further Board review in April, County Council action by May 31, and final Board action in June, followed by County Council ratification. President Cheek reviewed the four institutional priorities shaping the FY 2027 budget: student success and retention; workforce development and community alignment; institutional capacity and leadership; and technology and operational efficiency. She also summarized the College’s fiscal management philosophy, emphasizing results-oriented spending, long-term financial sustainability, purposeful use of reserves, planning for contingencies, and how the developing FY 2027 budget aligned with Board policy. Scott McVicker, Chief Financial Officer and Vice President for Administration reported a projected \$1.5 million reduction in anticipated state funding associated with the BRFA and noted that balancing the FY 2027 budget would be challenging under all projected scenarios. He reviewed the proposed tuition strategy, including a proposed 3% tuition increase across all residency categories.

Trustees asked clarifying questions regarding tuition assumptions, revenue distribution, and state and county funding conditions. Mr. McVicker discussed strategic reserves as a resource for one-time needs and confirmed that any proposed use of strategic reserves would be brought to the Board for approval in accordance with Executive Limitations. He also provided a high-level overview of the proposed FY 2027 capital budget, including county and state funding components, and noted a reduction in the State Facilities Renewal Grant from \$500,000 to \$327,250.

Review of Proposed Revisions to Policy GP-5 Board Linkage with Ownership –

The Board reviewed the proposed revisions to this policy. There was consensus to remove “and not that of stakeholder or interest groups” from the proposed revision in item 3.1. The revised policy will be considered for approval at the February Board meeting.

Review of Proposed Revisions to Policy GP-11 Special Rules of Order – The Board reviewed the proposed revisions to this policy. There were no further suggested changes. The revised policy will be considered for approval at the February Board meeting.

MONITORING BOARD PERFORMANCE:

Policy Survey Results for BCD-2 Accountability of the President – Chair Luck reported on the results of this survey.

Board Policy Review of GP-12 Handling Operational Complaints – The Board reviewed this policy for currency. There were no suggested revisions.

Board Policy Review of GP-13 Handling Alleged Policy Violations – The Board reviewed this policy for currency. There were no suggested revisions.

ACTION ITEMS

Approval of Revisions to Board of Trustees Bylaws – The Board considered proposed amendments to the Bylaws previously discussed at the January 8, 2026 special meeting. The proposed revisions addressed Article V, Section 8, regarding limited public comment at regular Board meetings, and Article XIII, regarding meeting agendas, including clarification of consent agenda items and required approvals. Mr. O’Meally reviewed the proposed revisions and advised that the public comment provisions are not required under Maryland law but, when permitted, may be subject to reasonable time, place, and manner restrictions. He added that the revisions meet all constitutional and legal requirements related to public comment. Trustees discussed whether public comment should be limited to Frederick County residents. Mr. O’Meally advised against residency restrictions due to potential exclusion of individuals with legitimate College connections and added administrative burden, noting that the proposed limits of five speakers and three minutes each were sufficient. Trustees also discussed adding a provision to review the section on public comment annually.

Vice Chair Kimberlin moved to approve the revisions to the Board of Trustees Bylaws, with an addition to Article V, Section 8, new item 6 “The Board will review this section annually.” The Board approved the revisions 6-1, as amended, with Chair Luck opposed.

Approval of Position on Pending Legislation – The Board considered action related to draft state legislation entitled “Frederick Community College Board of Trustees Meeting and Training Requirements,” sponsored by Senator Karen Lewis Young and

presented at the January 16, 2026 Frederick County Delegation meeting. The proposed legislation would require: (1) an opportunity for public comment at each Board meeting; (2) audio or video recording of Board meetings and public posting of recordings within two business days, to the extent practicable; and (3) Trustee training related to Board governance, structure, responsibilities, and roles at least every two years.

Chair Luck advised that the item was before the Board to allow communication of the Board's position to the Frederick County Delegation at its upcoming meeting on January 23, 2026. It was noted that the proposed legislation was drafted without consultation with the Board or College administration and was described by Senator Lewis Young as being prompted by the administrative decision to close the Children's Center, which was within the President's delegated authority and not a Board action. Chair Luck reviewed each component of the proposed legislation. He noted that the Board approved to provide opportunities for public comment at this meeting; currently provides public access to meetings via Zoom; and participates in comprehensive Trustee onboarding and ongoing professional development. With respect to meeting recordings, he noted that a statutory requirement to post recordings within a fixed timeframe could create additional cost and administrative burden to ensure recordings are complete, accurate, and accessible. There was extensive discussion regarding how best to respond to the proposed legislation.

On a motion made by Trustee Reid, the Board approved to not support the proposed legislation 5-2, with Trustees Gardner and Whitworth opposed.

Acceptance of EL-7 Land Use Monitoring Report – President Cheek summarized the monitoring report for EL-7 Land Use and reported full compliance.

On a motion made by Vice Chair Kimberlin, the Board unanimously found evidence of compliance with a reasonable interpretation of the policy for EL-7 Land Use.

MEETING CONTENT REVIEW

There were no comments.

CLOSED SESSION

At 7:13 p.m., the motion was made by Vice Chair Kimberlin 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)(1) to discuss (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom this public body has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals; 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; Section 3-305(b)(10) to discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans; 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 Board convened in closed session in the Conference Center (E126AB) on January 21, 2026. Attending in person were: Trustees Theodore Luck, Chair; Carolyn Kimberlin, Vice Chair; Jan H. Gardner; Dr. Carmen R. Hernandez; Tracey McPherson; Dr. William Reid; and Myrna Whitworth. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Avis Boyd, Chief of Staff to the President; Dr. Bridgette Cofield, Vice President (VP) for Talent and Culture; Dr. Anne Davis, Provost and VP of Teaching, Learning and Student Success; Pamela Murphy, Labor Relations Specialist; Edmund O'Meally, PK Law, College legal counsel; and Kari Melvin, Recording Secretary.

The Board reviewed closed session minutes from October 15, 2025.

On a motion made by Trustee Whitworth, the Board unanimously approved the October 15, 2025 closed session minutes, as presented.

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

No action was taken.

The Board discussed an update from administration on personnel matters.

No action was taken.

Ms. Murphy and Dr. Davis left the meeting. Scott McVicker, Chief Financial Officer and Vice President for Administration and Dr. Robin Shusko, Chief of Campus Police and Director of Public Safety joined the meeting.

The Board discussed changes in Public Safety operations.

No action was taken.

The meeting adjourned at 9:02 p.m.

NEXT MEETING

The next regular meeting of the Board will be held on Wednesday, February 18, 2026.

Dr. Annesa Payne Cheek
Secretary/Treasurer

Prepared by Kari Melvin
Office of the President
Frederick Community College

Recommendation for Navigate360 Contract Renewal and Expansion

Context: The proposed renewal and expansion of Frederick Community College's contract with EAB for Navigate360 is being presented to the Board for approval via the Required Approvals Agenda. This document summarizes the recommended contract action and is presented to the Board of Trustees by President Cheek, with preparation support provided by Dr. Ed Cabellon, Interim Vice President for Student Experience and Dr. Jerry DeSanto, Chief Information Officer/Vice President for Information Technology.

Board Policy Compliance Monitoring References:

- [E-1 Ends](#)
- [EL-1 Treatment of Students](#)
- [EL-2 Treatment of Employees](#)
- [EL-4 Financial Conditions and Activities](#)
- [EL-9 Asset Protection](#)

Background:

- Pursuant to the Code of Maryland Regulations (COMAR) §21.05.07, the Board is required to approve any procurement over \$100,000.
- This renewal qualifies as a sole source procurement under COMAR §21.05.05.02(A)(1) and (2). EAB Navigate360 is a proprietary platform that integrates directly with the College's existing student success infrastructure. Transitioning to an alternative solution would result in significant operational disruption, data migration risks, and retraining costs.
- Frederick Community College has utilized Navigate360 for the past five years as its primary student engagement, advising, communication, and case management platform. The system is now deeply embedded across advising, early alert, student success campaigns, and faculty progress reporting.
- Example institutional outcomes associated with Navigate360 use include:
 - A 9% increase in success rates for at-risk students who engaged with the tool.
 - A 96% faculty response rate to Progress Report campaigns, significantly exceeding national benchmarks.
 - A 25% increase in the number of students eligible to continue enrollment following suspension or dismissal compared to pre-Navigate360 baselines.
 - A 31% increase in advising appointments and a 4.2% no-show rate, reflecting stronger student engagement.
- Projected expenditures for the new five-year Navigate360 agreement total \$854,303 (\$40,342 for FY26 partial year renewal fee and \$813,961 for FY27-FY31).
- The FY26 partial year renewal fee is included in the approved FY26 operating budget, and the fee for FY27 is included in the FY27 budget request for Information Technology.

Attachment: None

Recommendation for Award to Fisher Science Education for Biotechnology Lab Equipment

Context: The recommended award of Request for Bid (RFB) 26-TLSS-01, Biotechnology Lab Equipment Procurement, to Fisher Science Education is being presented to the Board for approval via the Required Approvals Agenda. This document summarizes the recommended award and is presented to the Board of Trustees by President Cheek, with preparation support provided by Dr. Anne P. Davis, Provost and Vice President for Teaching, Learning, and Student Success.

Board Policy Compliance Monitoring References:

- [E-1 Ends](#)
- [EL-4 Financial Conditions and Activities](#)
- [EL-6 Planning](#)
- [EL-9 Asset Protection](#)

Background:

- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over \$100,000.
- The College recommends awarding RFB No. 26-TLSS-01 to Fisher Science Education, in an amount not to exceed \$171,500, for biotechnology laboratory equipment.
- The equipment will support newly expanded and renovated lab space in Catoctin Hall that increases biotechnology lab capacity by 40% and adds a mock “clean room” that prepares students with hands-on experience in the safety, precision, and quality practices required in modern biotechnology and pharmaceutical manufacturing workplaces.
- The expanded lab space and industry-aligned equipment will strengthen existing biotechnology education and workforce development programs, including short-term training and upskilling.
- This initiative strengthens FCC’s role in meeting the biotechnology workforce needs of this critically important sector in Frederick.
- The equipment is fully funded through the Build Our Future Grant Pilot Program funded by the Maryland Department of Commerce.

Attachment: None

Recommendation for Piggyback Contract with Blackwood Inc.

Context: The piggyback contract with Blackwood Inc. for the purchase of firewalls and related services is being presented to the Board for approval via the Required Approvals Agenda. This document summarizes the recommended piggyback contract and is presented to the Board by President Cheek, with preparation support provided by Dr. Jerry DeSanto, CIO and Vice President for Information Technology.

Board Policy Compliance Monitoring References:

- [EL-4 Financial Conditions and Activities](#)
- [EL-9 Asset Protection](#)

Background:

- Pursuant to the Code of Maryland Regulations §21.05.07, the Board is required to approve any procurement over \$100,000.
- The College's current firewalls are five years old, with vendor support expiring in June 2026. This request is to replace the existing on-campus firewalls with new hardware, security subscriptions, and technical support for firewalls. The firewalls provide critical protection for the College's internet-facing systems, on-campus network, and virtual private network (VPN) connectivity for remote users and external computing environments.
- Maintaining up-to-date security systems supports FCC's stated goals for safety, performance and reliability of all systems and networks, directly aligning with institutional strategic priorities.
- The College recommends entering into a agreement with Blackwood Inc., utilizing the E & I Carahsoft Cloud Solutions & Services Distributor contract for firewalls and services (Contract #EI00063-2021MA) for the term of July 1, 2026 through March 31, 2031.
- The total contract with Blackwood Inc. is \$344,174 to include purchase of the firewalls, installation, maintenance, and support.
- The funding for this purchase is included in the FY 2026 budget.

Attachment: None

Fiscal Year-to-Date Unaudited Financial Report for the Quarter Ending December 31, 2025

Context: Frederick Community College's fiscal year-to-date financial reports are prepared and distributed to the Board of Trustees every quarter. Attached is the fiscal year-to-date financial report, which provides unaudited financial statements through the quarter ending December 31, 2025, for your information and review.

Board Policy Compliance Monitoring Reference:

- [EL-4 Financial Conditions and Activities](#)

Revenues

- With 50% of the fiscal year completed, the College has received 62% of its budgeted revenue, reflecting performance above projections. This outcome is driven primarily by stronger-than-anticipated tuition revenue and enrollment growth.
- Fall semester tuition revenue exceeded projections by \$322,627, reflecting higher enrollment and improved retention.
- Final enrollment data show a 4% year-over-year increase in non-dual enrollment and a 1% increase in dual-enrolled students compared to the prior fall semester.
- Continuing Education tuition and fee revenue has reached 80% of budget, despite only half of the fiscal year having elapsed, indicating sustained demand and strong program engagement.

Expenses

- As of December 31, 2025, total expenditures represent 48% of the adopted annual budget, which is consistent with expectations at the mid-point of the fiscal year.
- All functional areas reported higher spending compared to the same period last year, primarily due to:
 - Enrollment growth, and
 - A 3% cost-of-living adjustment (COLA) for staff salaries approved for FY 2026.
- Additional drivers of increased operating expenses include:
 - A 13% year-over-year increase in fringe benefit costs, and
 - Higher expenditures for course costs, program fees, and computer equipment.
- As of December 31, 2025, \$157,807 (7%) of the \$2.3 million Strategic Reserve allocation for FY27 has been utilized for strategic planning, future-proofing initiatives, and technology projects.

Fund Balance

- As of December 31, 2025, revenues exceeded expenses by \$11.3 million, reflecting enrollment strength and revenue performance above budgeted expectations.

Bookstore Auxiliary

- The College's sole auxiliary enterprise is the Bookstore.
- Year-to-date Bookstore revenues (excluding College subsidy) increased by 8%.
- Cost of Goods Sold decreased slightly, from \$376,580 to \$376,335.
- Operating expenses increased by 2%, driven primarily by rising digital subscription costs. This reflects increased student demand for digital course materials and publishers' accelerated shift to digital-first or digital-only models.
- As of December 31, 2025, the Bookstore required \$40,992 in College subsidy, compared to \$95,186 during the same period in the prior fiscal year.

Balance Sheet Highlights

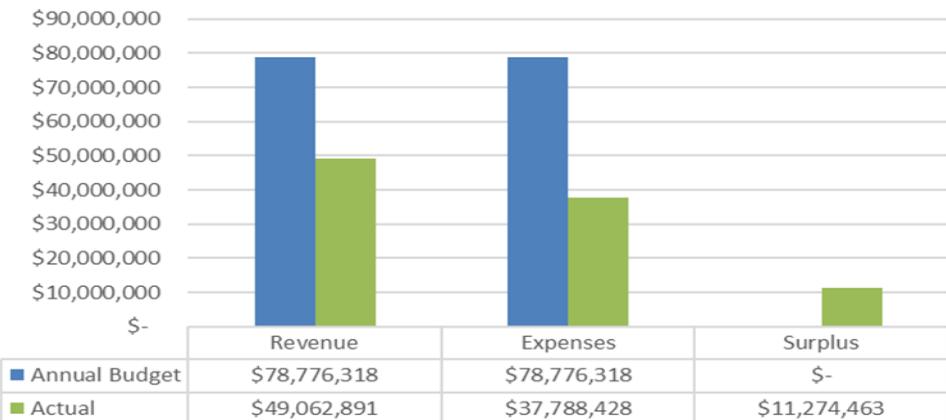
- Cash and Investments: \$46.3 million, reflecting a strong liquidity position and compliance with Board policy requiring reserves equal to 16.6% of budgeted expenditures.
- Accounts Receivable: Student accounts receivable increased by \$5.1 million, primarily related to spring semester registrations under payment plans scheduled for completion in March.
- Current Liabilities: Decreased by \$4.8 million, driven by reductions in accrued salaries, accounts payable, and unearned revenue.
- Long-Term Liabilities: Remain low, with noncurrent bond debt totaling \$4,114,183.
- Net Position: \$145.1 million, inclusive of the year-to-date surplus of revenues over expenses.

The College remains financially strong, with revenues outperforming projections, expenditures well-managed, and reserves exceeding policy requirements. As the fiscal year progresses, the College will continue to closely monitor enrollment trends and remain attentive to potential impacts from federal policy changes and state and county budget conditions that could affect future funding streams.

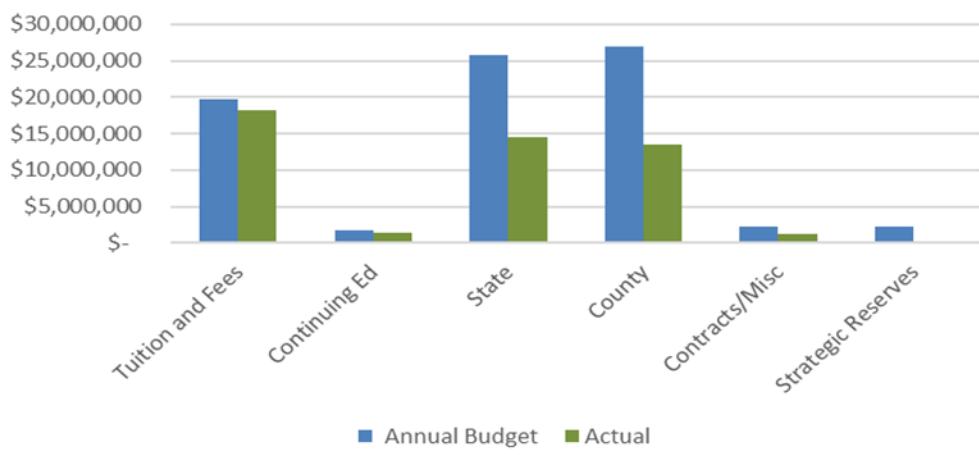
Attachment: Fiscal year-to-date Unaudited Financial Report through the quarter ending December 31, 2025.

FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2025
50% OF THE FISCAL YEAR EXPIRED

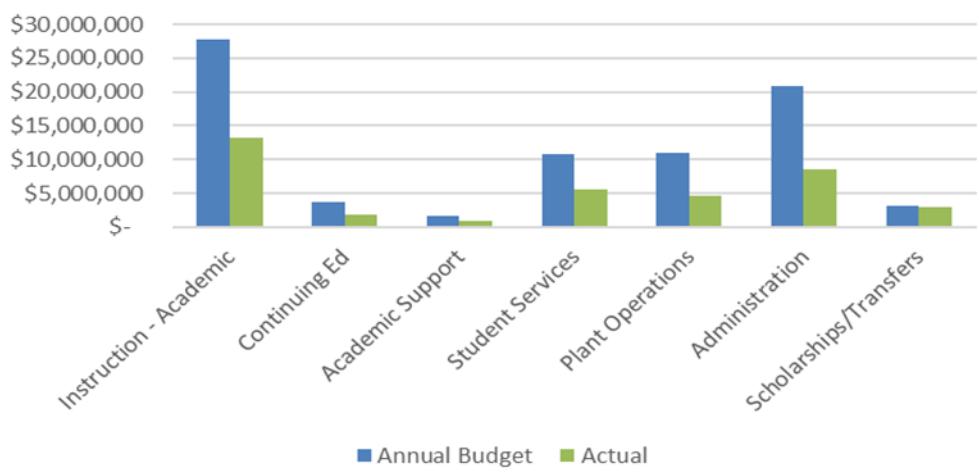
Unrestricted Fund as of December 31, 2025



Revenues as of December 31, 2025

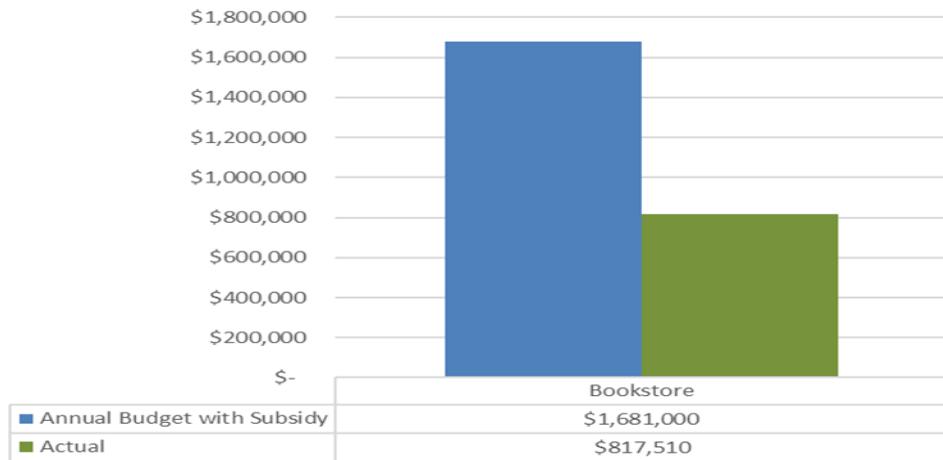


Expenses as of December 31, 2025



FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2025
50% OF THE FISCAL YEAR EXPIRED
 (Expenses Include Cost of Goods Sold and College Contribution)
 (Any variances due to rounding)

Bookstore Revenue as of December 31, 2025



Bookstore Expenses as of December 31, 2025

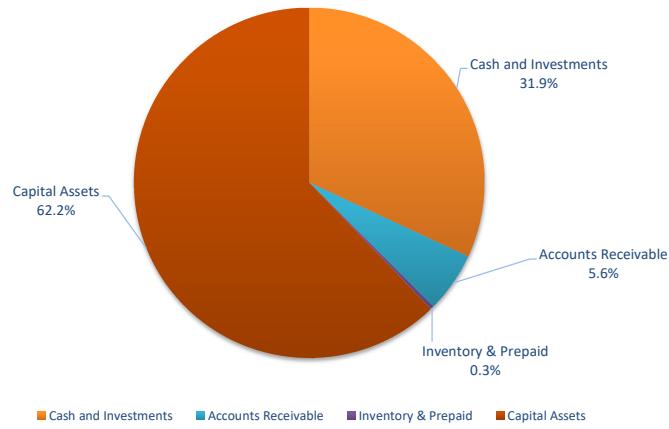


Bookstore Net Gain /(Loss) Before Subsidy as of December 31, 2025



FREDERICK COMMUNITY COLLEGE
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2025
50% OF THE FISCAL YEAR EXPIRED

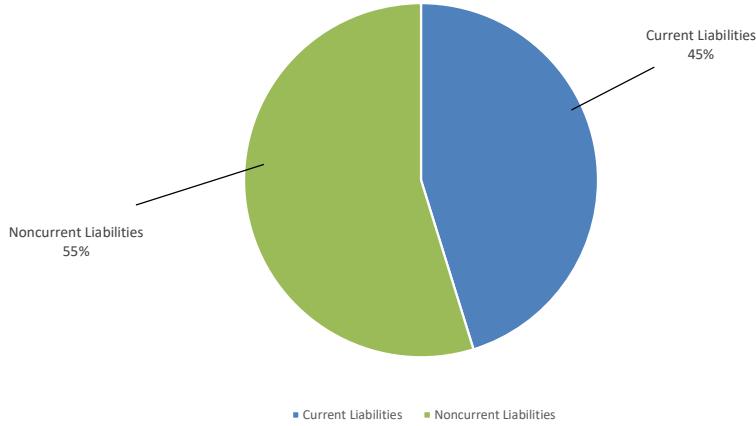
Assets as of December 31, 2025



Assets:

Cash and Investments	\$ 46,298,988
Accounts Receivable	\$ 8,093,469
Inventory & Prepaid	\$ 460,461
Capital Assets	\$ 90,269,454
	<hr/>
	\$ 145,122,372

Liabilities as of December 31, 2025



Liabilities and Net Position:

Current Liabilities	\$ 3,565,321
Noncurrent Liabilities	\$ 4,319,299
Net Position	\$ 137,237,752
	<hr/>
	\$ 145,122,372

Financial Ratios as of December 31, 2025

Current Ratio (current assets/current liabilities)	15.4	A ratio > 1 indicates liquidity is sufficient to meet current obligations.
Debt Ratio (liabilities/assets)	0.05	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, 2025
50% OF THE YEAR EXPIRED

	FY25 PYTD ACTUAL	FY26 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY26 BUDGET	(OVER)UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Tuition and Fees						
Fall Tuition	\$ 7,058,366	\$ 7,560,578	107%	\$ 7,237,951	\$ (322,627)	104%
Spring Tuition	5,694,667	6,355,442	112%	6,993,006	\$ 637,564	91%
Summer Tuition	861,963	1,063,090	123%	2,008,336	945,246	53%
Fees	2,746,275	3,143,018	114%	3,549,570	406,552	89%
Total Academic	16,361,272	18,122,127	111%	19,788,862	1,666,736	92%
Continuing Education	1,248,052	1,432,189	115%	1,800,000	367,811	80%
Total Tuition and Fees	17,609,324	19,554,316	111%	21,588,862	2,034,547	91%
State Aid	13,255,016	14,568,784	110%	25,676,415	11,107,631	57%
County Revenue	12,877,726	13,461,726	105%	26,999,083	13,537,357	50%
Investment Income	729,544	677,425	93%	650,000	(27,425)	104%
Miscellaneous Income	306,723	92,898	30%	200,000	107,102	46%
Contract Revenue	580,430	499,435	86%	1,151,958	652,523	43%
Indirect Cost Recovery	143,500	50,500	35%	210,000	159,500	24%
Strategic Reserves	264,625	157,807	60%	2,300,000	2,142,193	7%
Total Revenue	\$ 45,766,888	\$ 49,062,891	107%	\$ 78,776,318	\$ 29,713,428	62%
Expenses and Transfers						
Instruction						
Academic	\$ 12,556,371	\$ 13,265,922	106%	\$ 27,764,427	14,498,505	48%
Continuing Education	1,680,295	1,895,291	113%	3,719,985	1,824,694	51%
Total Instruction	14,236,667	15,161,213	106%	\$ 31,484,412	16,323,198	48%
Academic Support	848,521	909,090	107%	1,565,631	656,541	58%
Student Services	5,274,345	5,524,144	105%	10,829,018	5,304,874	51%
Plant Operation and Maintenance	4,259,485	4,625,836	109%	11,008,505	6,382,669	42%
Administration	7,762,972	8,613,264	111%	20,795,785	12,182,521	41%
Scholarships and Transfers	3,127,798	2,954,881	94%	3,092,967	138,086	96%
Total Expenses and Transfers	\$ 35,509,787	\$ 37,788,428	106%	\$ 78,776,318	\$ 40,987,889	48%
Fund Balance	\$ 10,257,101	\$ 11,274,463	110%	\$ -	\$ (11,274,462)	
Use of Strategic Reserves						
SR - Strategic Planning & Future-Proofing	\$ 20,902	\$ 575,000	\$ 554,098	4%		
SR - Capital Projects - Building M	-	1,000,000	1,000,000	0%		
SR - Technology Projects	136,905	725,000	588,095	19%		
	\$ 157,807	\$ 2,300,000	\$ 2,142,193	7%		

* 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 not including Strategic Reserves. For FY 2026, this amounts to \$13,076,869

**FREDERICK COMMUNITY COLLEGE
BOOKSTORE**
FINANCIAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2025
50% OF THE YEAR EXPIRED

	FY25 PYTD ACTUAL	FY26 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY26 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
Revenue						
Books	\$ 409,113	\$ 516,035	126%	\$ 950,000	\$ 433,965	54%
Supplies	98,054	87,498	89%	225,000	137,502	39%
Clothing	28,192	46,096	164%	75,000	28,904	61%
Convenience	38,710	42,662	110%	77,000	34,338	55%
Gift	25,050	18,629	74%	35,000	16,371	53%
Non Merchandise	347	842	243%	2,500	1,658	34%
Commissions - Books/gifts	1,226	3,604	294%	7,000	3,396	51%
Dual Enrollment-Slingshot	115,610	61,154	53%	225,000	163,846	27%
College Subsidy	95,186	40,992	43%	84,500	43,508	49%
Total Revenue	811,489	817,510	101%	1,681,000	863,490	49%
Cost of Goods Sold	376,580	376,335	100%	752,000	375,665	50%
Gross Profit	434,909	441,175	101%	929,000	487,825	47%
Operating Expenses						
Compensation						
Admin/Support Staff Compensation	107,658	109,114	101%	222,000	112,886	49%
Auxiliary PT	26,793	19,481	73%	77,500	58,019	25%
Benefits	48,941	48,627	99%	83,000	34,373	59%
Total Compensation	183,391	177,222	97%	382,500	205,278	46%
Contracted Services	11,706	12,677	108%	75,000	62,323	17%
Advertising	1,598	-	0%	2,500	2,500	0%
Supplies	655	4,770	728%	7,500	2,730	64%
Digital Subscription	78,189	129,446	166%	130,000	554	100%
Shipping and Postage	552	495	90%	1,000	505	49%
Telecommunications	228	-	0%	-	-	-
Software	3,950	5,054	128%	25,000	19,946	20%
Travel/Professional Development	1,295	-	0%	-	-	-
Dual Enrollment-Slingshot	101,601	59,763	59%	202,000	142,237	30%
Other Expenses	(7)	-	0%	-	-	-
Deferred Maintenance	1,250	1,250	100%	2,500	1,250	50%
Depreciation	-	-	-	-	-	-
Equipment Under \$5,000	-	-	-	-	-	-
Total Operating Expenses	384,409	390,675	102%	828,000	437,325	47%
Operating Profit (Loss)	\$ 50,500	\$ 50,500	100%	\$ 101,000	\$ 50,500	50%
College Contribution						
Indirect Cost Transfer	50,500	50,500	100%	101,000	50,500	50%
Total College Contribution	50,500	50,500	100%	101,000	50,500	50%
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Gross Profit %	53.6%	54.0%				
Operating Expense % Revenue	47.4%	47.8%				
Net Income % Revenue	0.0%	0.0%				
				55.3%		
				49.3%		
				0.0%		

FREDERICK COMMUNITY COLLEGE
BALANCE SHEET - ALL FUNDS
AS OF DECEMBER 31, 2025

	PRIOR FYE	FY26 ACTUAL	CHANGE	% CHANGE
Assets				
Current Assets				
Cash	\$ 3,335,613	\$ 2,003,268	\$ (1,332,345)	-40%
Investments	39,154,688	44,295,720	5,141,032	13%
Total cash and investments	<u>42,490,301</u>	<u>46,298,988</u>	<u>3,808,687</u>	<u>9%</u>
Accounts Receivable				
Students, net of allowance	659,075	5,784,674	5,125,600	778%
Governmental	1,199,882	858,639	(341,243)	-28%
Other	630,286	1,450,156	819,870	130%
Total accounts receivable	<u>2,489,242</u>	<u>8,093,469</u>	<u>5,604,227</u>	<u>225%</u>
Prepaid expenses	809,668	9,532	(800,136)	-99%
Inventory	217,612	450,929	233,317	107%
Total Current Assets	<u>46,006,823</u>	<u>54,852,918</u>	<u>8,846,095</u>	<u>19%</u>
Noncurrent Assets				
Capital assets, net of accumulated depreciation	92,638,383	90,269,454	(2,368,929)	-3%
Total Noncurrent Assets	<u>92,638,383</u>	<u>90,269,454</u>	<u>(2,368,929)</u>	<u>-3%</u>
Total Assets	<u>\$ 138,645,205</u>	<u>\$ 145,122,372</u>	<u>\$ 6,477,166</u>	<u>5%</u>
Liabilities and Net Position				
Liabilities				
Current Liabilities				
Accrued salaries	\$ 1,009,155	\$ 18,651	\$ (990,504)	-98%
Accounts payable	1,772,792	15,205	(1,757,587)	-99%
Accrued liabilities	574,847	406,184	(168,663)	-29%
Accrued leave	2,239,228	2,252,907	13,679	1%
Bond payable	345,000	345,000	0	0%
SBITA payable	236,614	236,614	0	0%
Unearned revenue	2,180,383	19,892	(2,160,491)	-99%
Deposits held for others	-	270,868	270,868	-
Total Current Liabilities	<u>8,358,019</u>	<u>3,565,321</u>	<u>(4,792,698)</u>	<u>-57%</u>
Noncurrent Liabilities				
Bond payable, net of discount	4,114,183	4,114,183	0	0%
SBITA payable	191,799	191,799	(0)	0%
Accrued leave	26,995	13,317	(13,678)	-51%
Total Noncurrent Liabilities	<u>4,332,977</u>	<u>4,319,299</u>	<u>(13,678)</u>	<u>0%</u>
Total Liabilities	<u>\$ 12,690,996</u>	<u>\$ 7,884,620</u>	<u>(4,806,376)</u>	<u>-38%</u>
Net Position				
Net Position Prior Year Balance (per audit)	120,129,458	125,954,209	5,824,751	5%
Net Income (Loss) - All funds	5,824,751	11,283,543	5,458,792	94%
Total Net Position	<u>\$ 125,954,209</u>	<u>\$ 137,237,752</u>	<u>\$ 11,283,543</u>	<u>9%</u>
Total Liabilities and Net Position	<u>\$ 138,645,205</u>	<u>\$ 145,122,372</u>	<u>\$ 6,477,166</u>	<u>5%</u>



Policy Survey Results: GP-12 Handling Operational Complaints

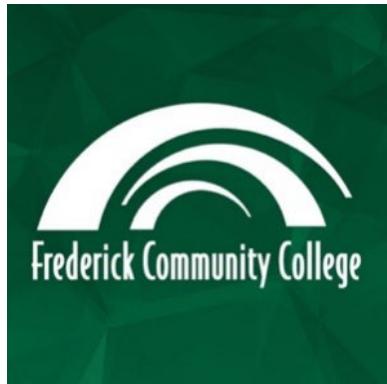
Context: Board Self-Monitoring Survey Results for GP-12 Handling Operational Complaints are being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- If there are no suggested changes, the Board completes a Self-Evaluation Survey specific to that policy and the results are reviewed at the next meeting.
- The Board reviewed *GP-12 Handling Operational Complaints* at the January 21, 2026 meeting and there were no suggested changes.
- The Board Chair will present the survey results to determine compliance with policy statements.

Attachment: Board Self-Monitoring Survey Results GP-12 Handling Operational Complaints



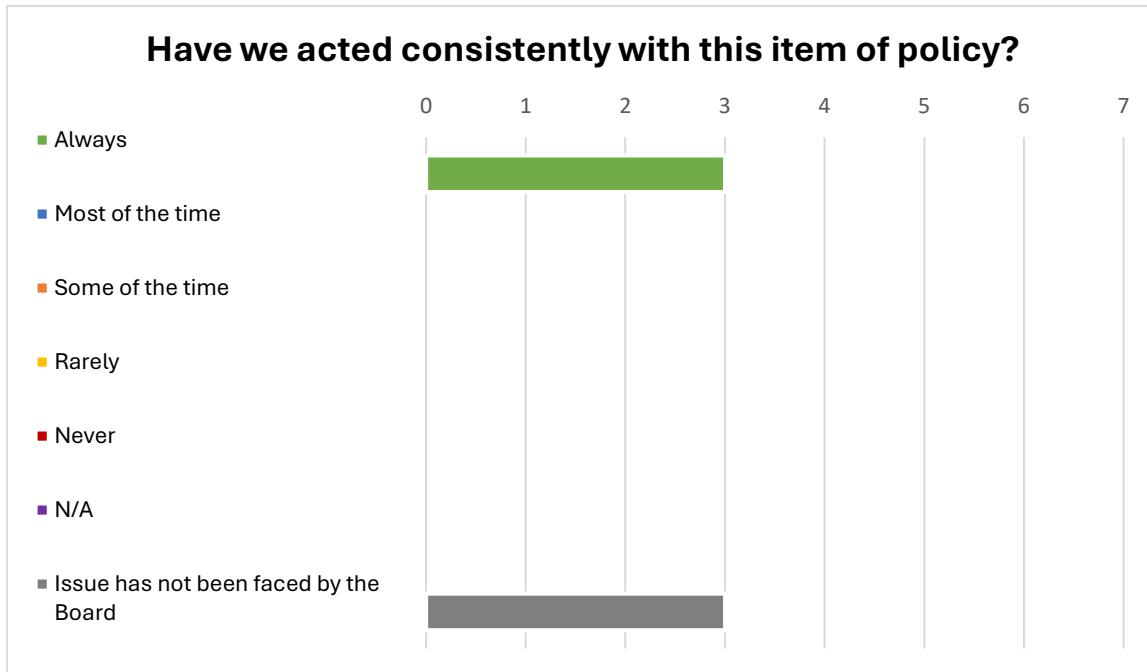
Frederick Community College Board of Trustees

Board Self-Monitoring Survey Results: GP-12 Handling Operational Complaints Date: 2/18/2026

Number of Responses: 6

To ensure that the Frederick Community College Board of Trustees fulfills its accountability to the Ownership, but does not interfere in matters it has delegated to the President, the following process shall be followed in the case of a Trustee receiving a complaint from any individual regarding an operational matter.

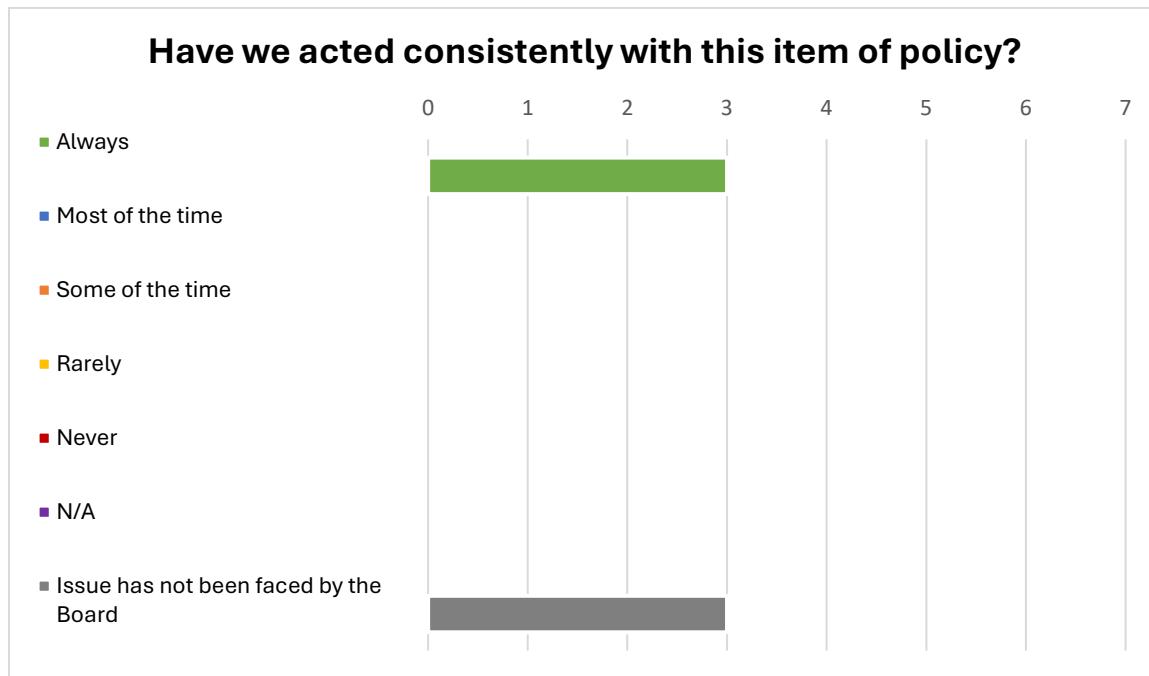
1. The Trustee shall not offer any evaluative comments or solutions to the individual bringing the concern.



Provide specific representative examples to support your above response when applicable.

- I do not recall any complaints brought to Trustees, discussed at our meeting.
- Unaware of any Trustee interfering in an operational matter.
- No one has approached me with a complaint, and I am not aware if any other Trustee has not followed this process.
- I can only speak for myself. I have never responded to any individual regarding a complaint.
- Closing of the child care center, complaints directed to the President/Chair.

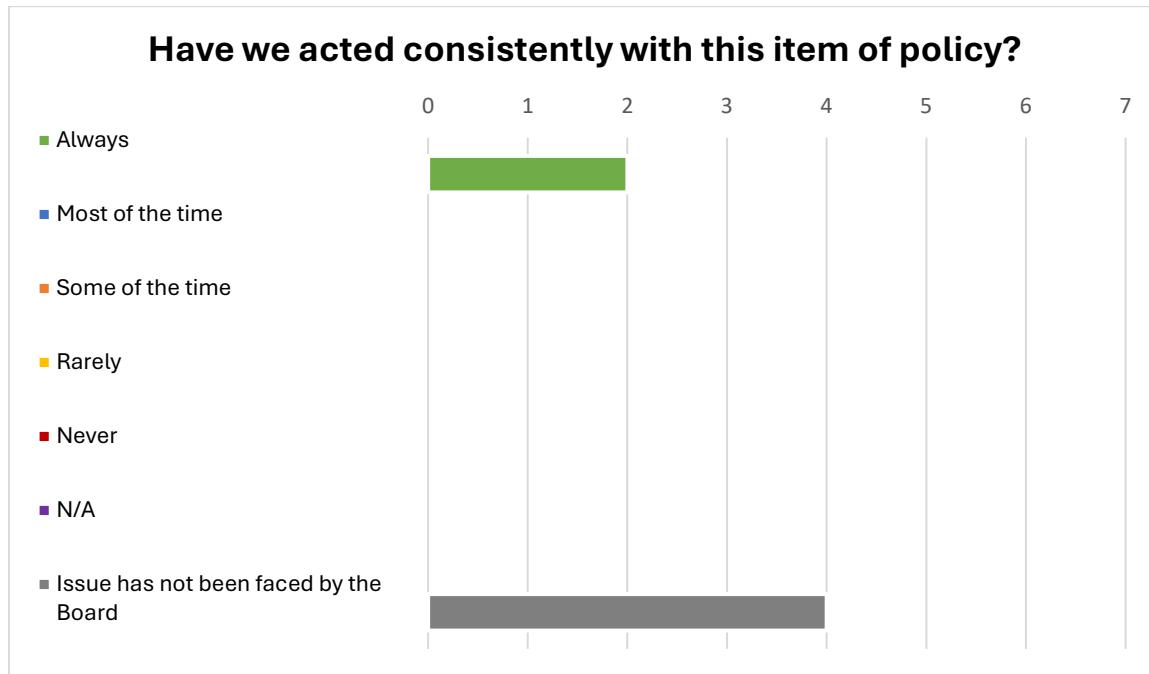
2. The Trustee will direct the complainant to the Office of the President.



Provide specific representative examples to support your above response when applicable.

- I believe there has been no violation to this rule therefore we have been compliant.
- No one has approached me with a complaint, and I am not aware if any other Trustee has not followed this process.
- Yes, but I can only speak for myself.

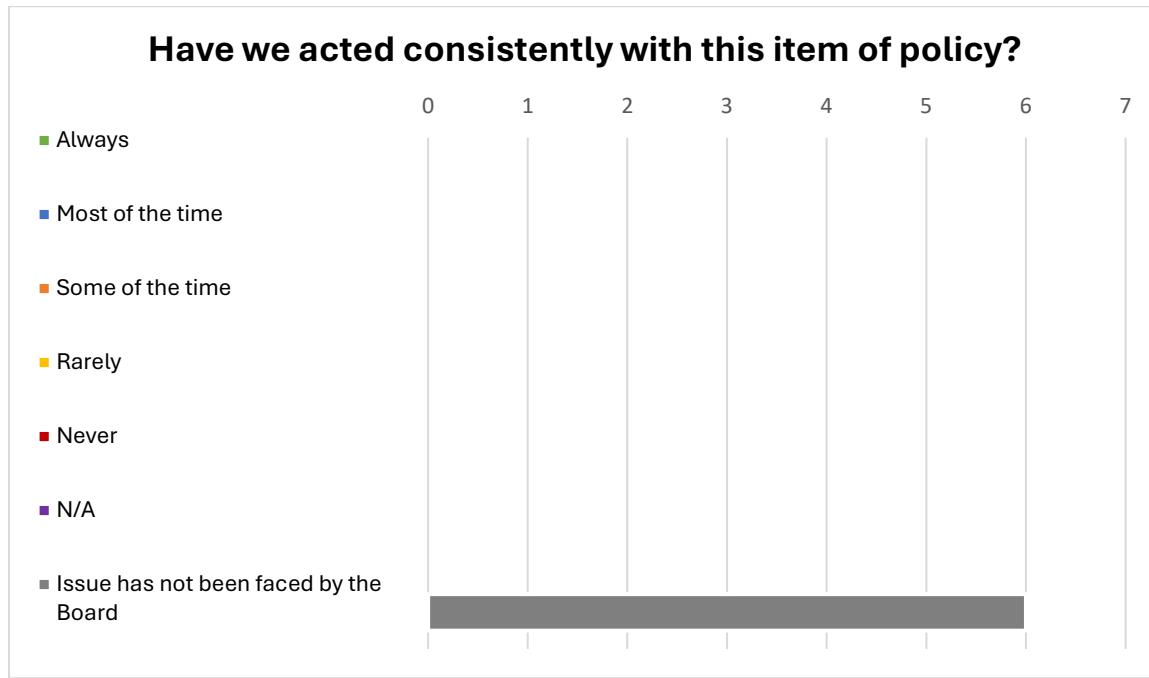
3. The Trustee shall inform the President of the complaint and complainant. The President will follow up with the Trustee regarding the outcome of the matter with the individual.



Provide specific representative examples to support your above response when applicable.

- Not aware of this situation.
- No one has approached me with a complaint, and I am not aware if any other Trustee has not followed this process.
- I believe that any complaints that have been raised to the level of President's office have been shared with the Trustees and the subsequent outcome.

4. If the Trustee believes the complaint rises to the level of a Board policy violation, the Trustee will follow the Board's policy on Handling Alleged Policy Violations.



Provide specific representative examples to support your above response when applicable.

- No one has approached me with a complaint, and I am not aware if any other Trustee has not followed this process.

Policy Survey Results: GP-13 Handling Alleged Policy Violations

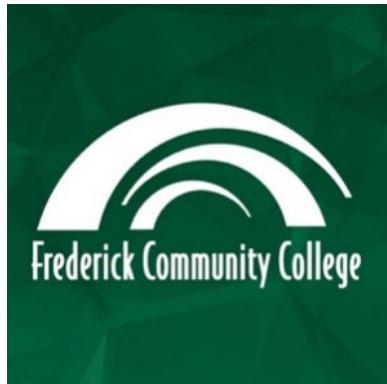
Context: Board Self-Monitoring Survey Results for GP-13 Handling Alleged Policy Violations are being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#).

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- If there are no suggested changes, the Board completes a Self-Evaluation Survey specific to that policy and the results are reviewed at the next meeting.
- The Board reviewed *GP-13 Handling Alleged Policy Violations* at the January 21, 2026 meeting and there were no suggested changes.
- The Board Chair will present the survey results to determine compliance with policy statements.

Attachment: Board Self-Monitoring Survey Results GP-13 Handling Alleged Policy Violations



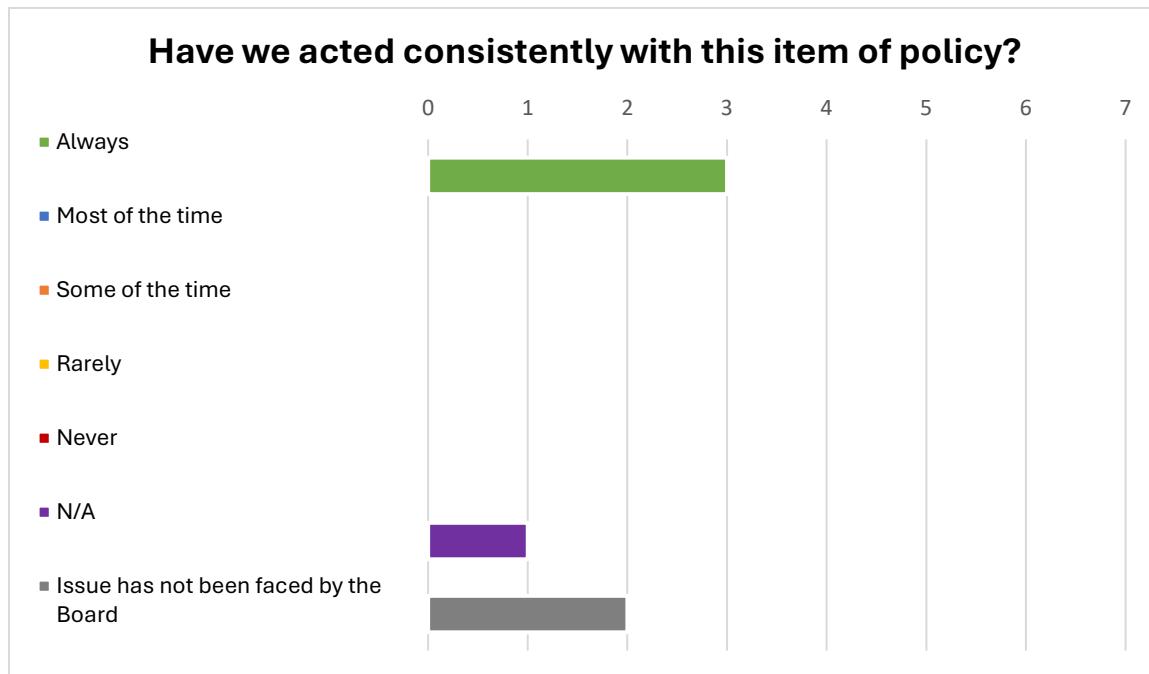
Frederick Community College Board of Trustees

Board Self-Monitoring Survey Results: GP-13 Handling Alleged Policy Violations Date: 2/18/2026

Number of Responses: 6

NOTE: For the purposes of this policy, Board policy violation is defined as the willful and intentional neglect of the policy as interpreted or actions taken or decisions made that are known, or reasonably should be known, to be in violation of policy. Board policy violation should not be confused with the level of policy compliance (full, partial, non-compliance).

The Board has the responsibility to monitor the President's performance on a regular basis. If there is a reasonable appearance of a Board Ends or Executive Limitations policy violation, even though a particular policy is not scheduled for monitoring, the Board may request a monitoring report at any time.

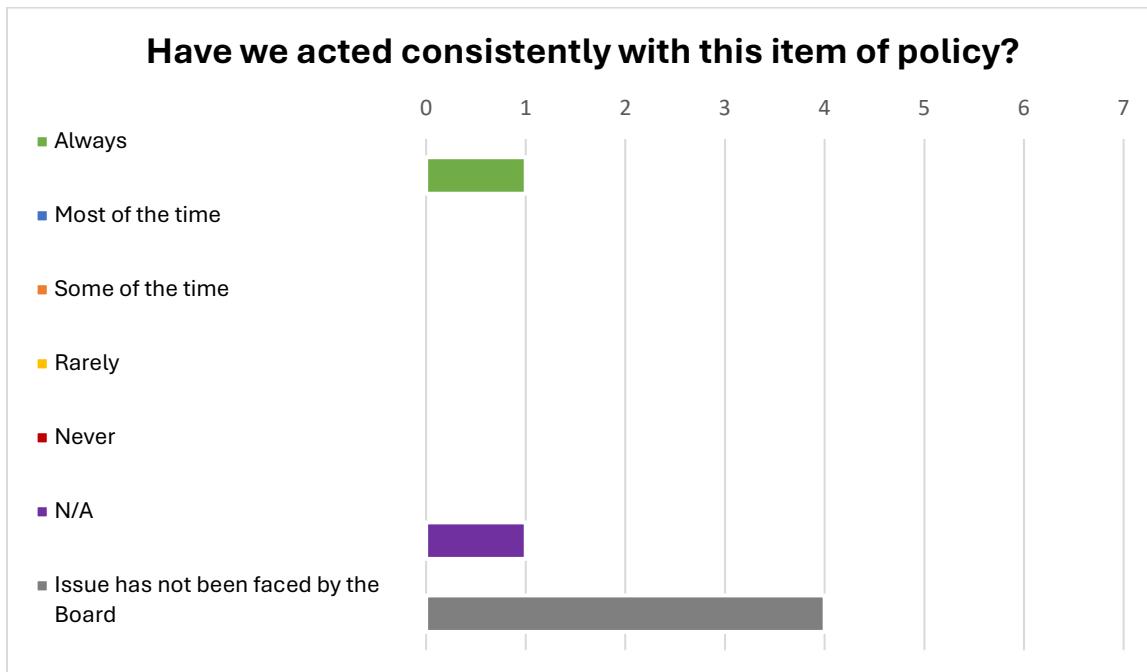


Provide specific representative examples to support your above response when applicable.

- There has not been a Boards Ends or Executive Limitations policy violation therefore we are in compliance. The selection that says "the issue has not been faced by the Board" can also be interpreted as compliance.
- Not aware of any violations having been raised.
- The Board is well aware of requesting monitoring reports at any time if there is a reasonable violation of a particular policy. At this time, there has not been a violation concern.
- I believe that our Board fully appreciates its responsibilities in this area.
- I do not think we have reviewed anything out of sequence.

1. Conditions which may trigger a request for an off-cycle (12-month lookback) monitoring may include:

- 1.1. One or more Trustees receive complaints or become aware of a pattern of similar instances that, taken together, raise questions about Board policy violations.**
- 1.2. A single incident or complaint is of a nature or severity that, regardless of how it is resolved, gives rise to a serious question of Board policy violation.**

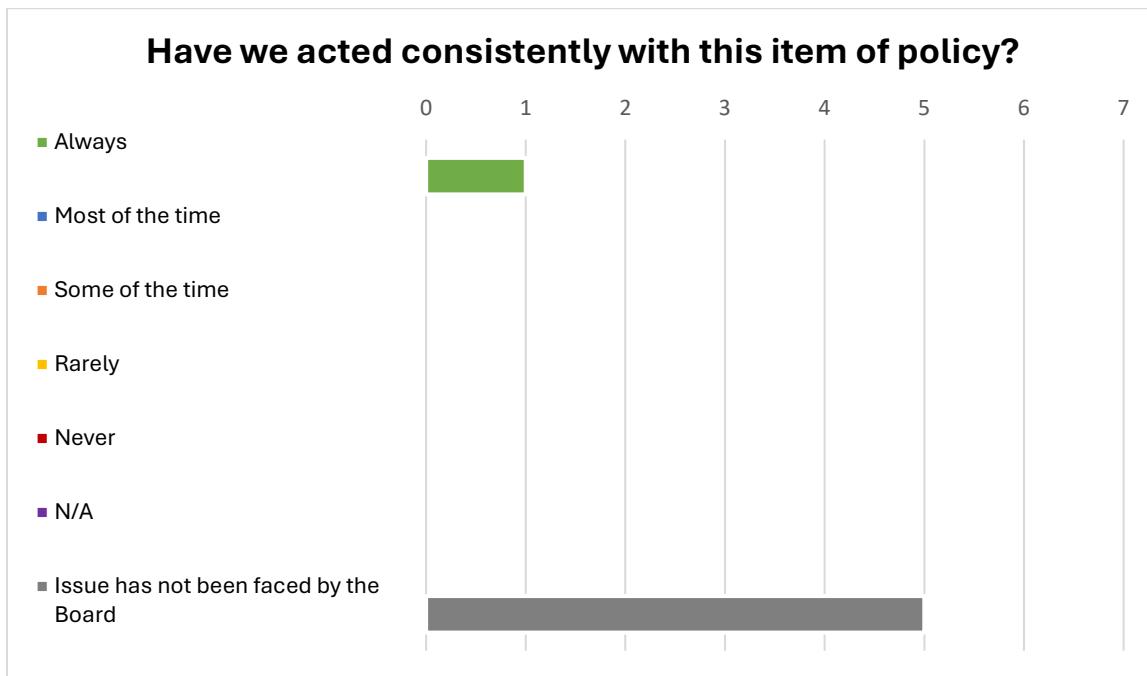


Provide specific representative examples to support your above response when applicable.

- We have not faced this issue.
- While the day care center closure caused a great deal of concern it was never considered a policy violation.

2. If either of the above conditions exist:

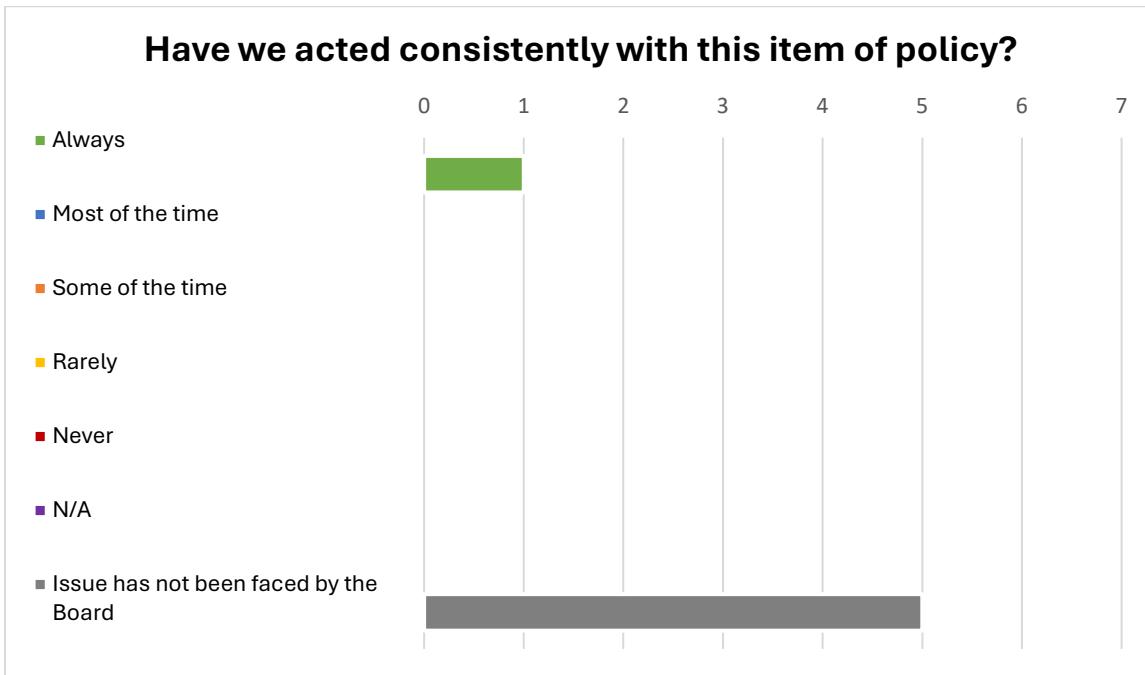
2.1. The Trustee shall inform the Board Chair of the situation. If the alleged situation presents a potential material level of risk to the College, the procedure outlined in Paragraph 3 shall be followed. If the alleged situation does not present a potential material level of risk to the College, the Board Chair shall promptly inform the President.



Provide specific representative examples to support your above response when applicable.

- We have not faced this issue but we have a policy that clearly delineates our course of action should it ever happen.
- I believe our Board fully understands the execution of this policy.

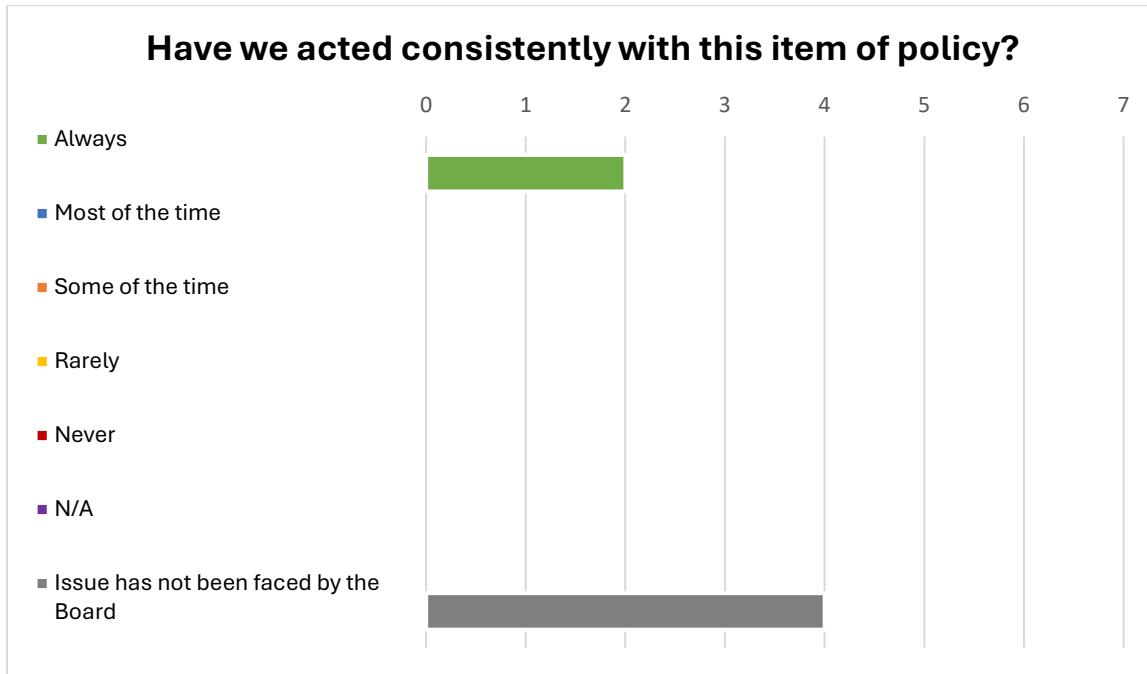
2.2. The Board shall direct the President to submit an off-cycle monitoring report for the Board's review. The Board shall review the report to determine whether the President violated Board policy.



Provide specific representative examples to support your above response when applicable.

- This policy guides us on what the Board should do in the event these scenarios happen. Fortunately, none of these scenarios have taken place. We are in compliance of the knowledge of how we should proceed in case it happens.

2.3. If it is determined that the President did not violate Board policy, the matter shall be concluded by the Board. If the matter came to the attention of the Board by a complaint, the Board Chair shall communicate the decision to the complainant.



Provide specific representative examples to support your above response when applicable.

- Again, this issue has not been faced by the Board but we have a policy that clearly delineates our course of action.

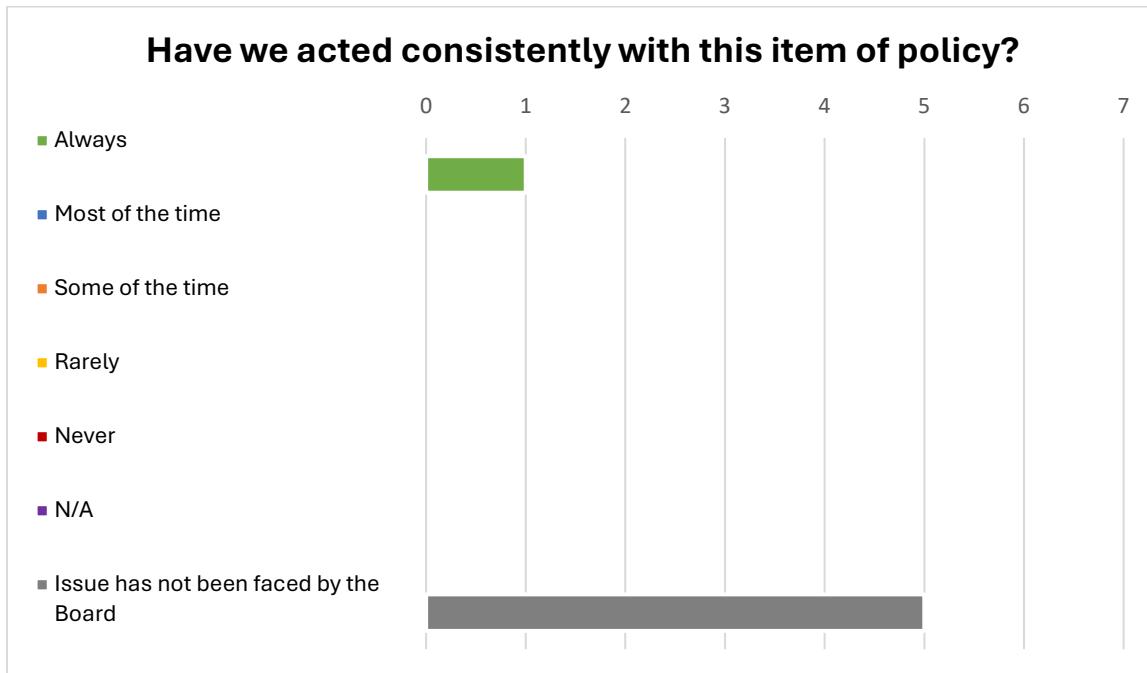
2.4. If a Trustee believes that a policy amendment should be made to prevent a similar situation from recurring, the Board member should ask the Board Chair to put the item on the next agenda.



Provide specific representative examples to support your above response when applicable.

- The Board is encouraged to make policy amendments not necessarily limited to prevent a situation from recurring.

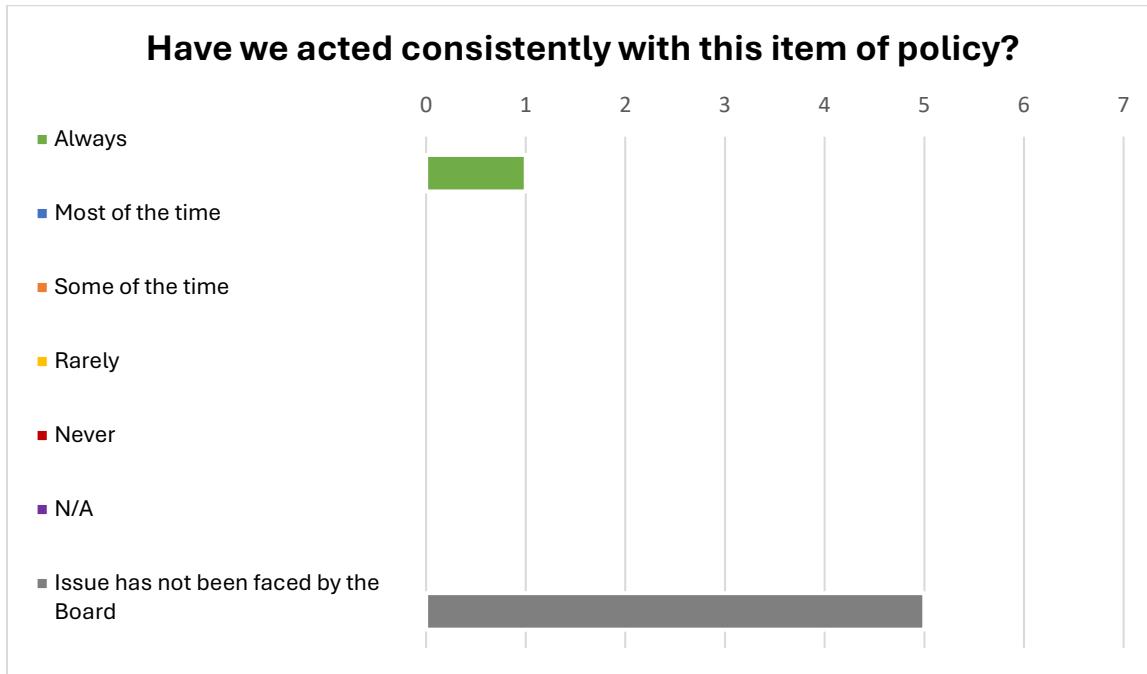
2.4.1. If the Board makes changes to the policy or determines that a new policy is required, the Board will take the steps necessary to amend an existing policy or create a new policy. Once the Board completes its work, the President will be asked to create a new interpretation. The Board will assess whether the interpretation falls within any reasonable interpretation of the policy. Once consensus is achieved as to the interpretation, the monitoring reporting shall return to its normal cycle.



Provide specific representative examples to support your above response when applicable.

- Understood.
- I cannot recall requiring the President to change the interpretation and monitoring report.

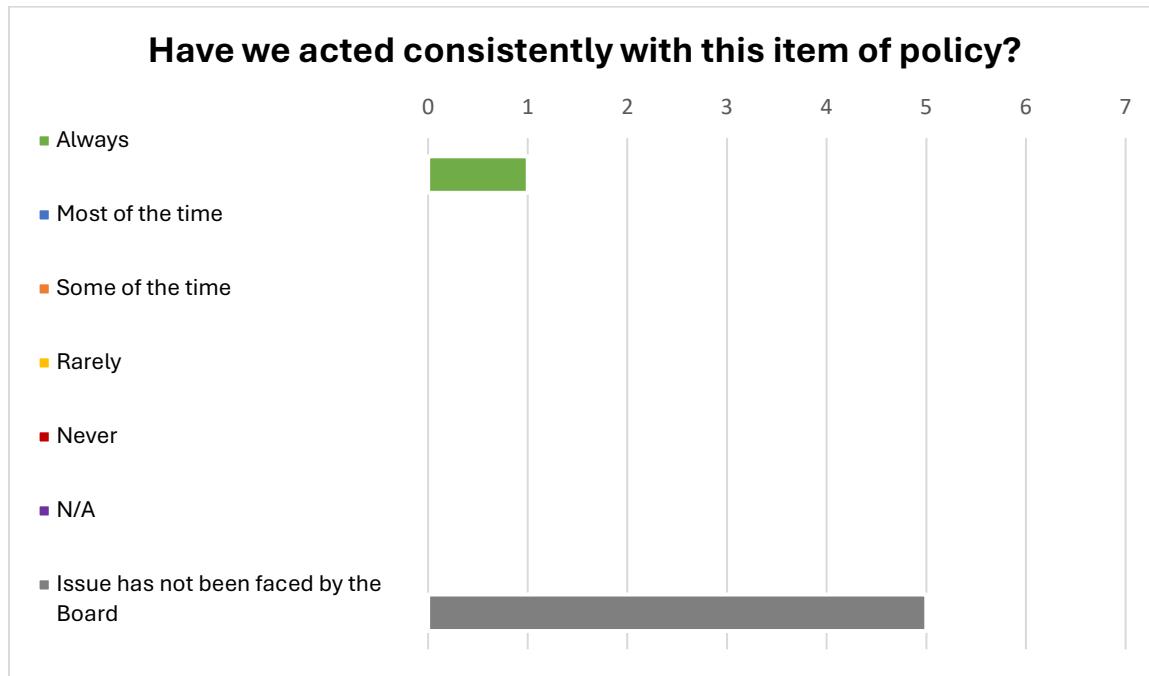
2.5. If it is determined that the President violated or is violating Board policy, the Board, with or without the assistance of counsel, in the Board's discretion, shall determine the degree of seriousness of the issue and address the President regarding performance in a closed session.



Provide specific representative examples to support your above response when applicable.

- We have not faced this issue. This policy provides guidance for how we are supposed to proceed.

3. If the alleged situation presents a material level of risk to the College, the Board Chair and Vice Chair shall meet with legal counsel to review the alleged situation and to determine whether a special meeting of the Board should be called. If it is determined that a special meeting of the Board should be called to address the alleged situation, the Board Chair shall inform the President and call a special meeting of the Board as soon as practical. At the special meeting the Board shall determine if (a) it needs to seek separate outside legal counsel, (b) engage an external, qualified, independent third party, or (c) take such other actions as the Board deems appropriate and warranted.



Provide specific representative examples to support your above response when applicable.

- This procedure is clearly understood. We have not had a situation warranting the exercising of this policy.



Enclosure 8
February 2026

Policy Review: GP-0 Global Governance Commitment

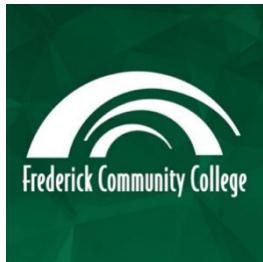
Context: Policy GP-0 Global Governance Commitment is being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#). This policy outlines the Board of Trustees' fundamental purpose to ensure that Frederick Community College achieves appropriate results for its constituents at a reasonable cost, as defined in the Board's Ends policies, and avoids unacceptable actions and situations as specified in its Executive Limitations policies.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- Chair Luck and President Cheek are not recommending any changes at this time.
- The Board Chair will lead discussion at the meeting to consider any amendments to the policy.

Attachment: GP-0 Global Governance Commitment



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: 2.19.2025

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

Policy Review: GP-8 Governing Style

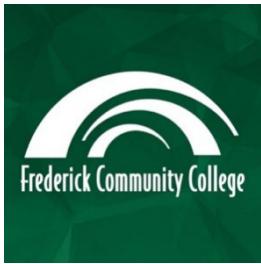
Context: Policy GP-8 Governing Style is being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#). This policy describes the Board's desired governing style as lawful, with an emphasis on outward vision, strategic leadership, collective decision-making, and a proactive, future focus. It explicitly states the Board will not be preoccupied with present or past internal, administrative, or operational details, and encourages group responsibility and self-discipline among Trustees.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- Chair Luck and President Cheek are not recommending any changes at this time.
- The Board Chair will lead discussion at the meeting to consider any amendments to the policy.

Attachment: GP-8 Governing Style



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Governing Style

Policy Number: GP-8

Date Adopted: 5.22.2024

Version: 1.0

Date Last Reviewed: 2.19.2025

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Frederick Community College Board of Trustees will govern lawfully, with an emphasis on outward vision, a commitment to obtaining Ownership input, the encouragement of diversity of viewpoints, strategic leadership, clear distinction of Board and President roles, collective decision-making, and a proactive, future-focus. This means the Board will not be preoccupied with the present or past, or with internal, administrative, or operational detail. The Board, however, should always remain cognizant of and educate new members about present and past milestones to ensure that lessons of the past are not lost as they may and should impact future planning and vision.

1. The Board will cultivate a sense of group responsibility. The Board shall be responsible for excellence in governing. The Board will initiate policy, not merely react to President initiatives. The Board will use the expertise of individual Trustees, and the President to enhance the ability of the Board, as a body, to make policy, rather than to substitute their individual judgments for the group's values.
2. The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Owners' values and perspectives. The Board's major policy focus will be on the intended long-term results to be produced for all stakeholders in the organization, including employees, students and the community the Board serves, and not on the administrative or operational means of attaining those results.
3. Each Trustee shall exercise self-discipline that is needed in order to govern with excellence. Self-discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, Board behavior, regular

self-evaluation, and ensuring the continuity of governance capability. Although the Board can change its governance process policies at any time, it will scrupulously observe those policies currently in force.

4. The Board will not allow any Trustee of the Board to hinder or be an excuse for not fulfilling Board obligations.

Date Of Change	Version	Description of Change	Responsible Party
5.22.2024	1.0	First release following Policy Governance consulting work.	President

Policy Review: BCD-6 President Compensation

Context: Policy BCD-6 President Compensation is being presented for review according to the approved [FY 2026 Board Policy Review & Monitoring Schedule](#). This policy states that the Board determines the President's compensation based on organizational performance (as demonstrated by monitoring reports) and prevailing executive market conditions. The total compensation is expected to be competitive with similar higher education institutions, with a portion of it linked to the achievement of Ends and compliance with Executive Limitations policies. Market value is determined by an outside third-party compensation analysis. The Board may also award a bonus for substantial achievement and compliance.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- Chair Luck and President Cheek are not recommending any changes at this time.
- The Board Chair will lead discussion at the meeting to consider any amendments to the policy.

Attachment: BCD-6 President Compensation



FCC BOARD OF TRUSTEES POLICY

Policy Type: Board-CEO Delegation

Policy Title: President Compensation

Policy Number: BCD-6

Date Adopted: 6.4.2024

Version: 1.0

Date Last Reviewed: 2.19.2025

Responsible Party: President's Office

Reviewing Committee: Board of Trustees

The President's compensation will be decided by the Board and based on organizational performance and executive market conditions.

1. The President's performance is synonymous with organizational performance as revealed by the President's monitoring reports in accordance with Board policy.
2. "Total compensation" encompasses the entire range of salary, benefits, and all other forms of compensation.
3. Total compensation is to be competitive with similar performance within the marketplace while placing some portion of the President's total compensation at risk by tying it to Ends achievement and compliance with Executive Limitations policies. The executive marketplace to be considered is institutions of higher learning of comparable size, challenges and complexities.
 - 3.1. If the President is fully compliant with Ends and Executive Limitations, their total compensation will be set at market value in the marketplace identified above. Market Value will be determined utilizing a compensation analysis conducted by an outside third party experienced in executive compensation. The Chair may establish an ad hoc committee to work with the outside third party and gather additional information to provide options and their implications to the full Board for its consideration and decision.
 - 3.2. The Board may award a bonus to the President when the Board has determined the President has substantially achieved Ends and complied with Executive Limitations.

Date Of Change	Version	Description of Change	Responsible Party
6.4.2024	1.0	First release following Policy Governance consulting work.	President

Recommendation for Renewal of Contract for FY26 Professional Auditing Services

Context: In January 2021, the College, 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 a contract for professional auditing services to SB & Company for the College and the Foundation. 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). This document summarizes the recommendation and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy References:

- [GP-4 Board Job Contributions](#)
- [EL-4 Financial Conditions and Activities](#)
- [EL-9 Asset Protection](#)

Recommendation:

Both Frederick County Government (FCG) and Frederick County Public Schools (FCPS) are recommending a one (1) year contract renewal for FY 2026. This will be the final year of the three (3) renewal years per the contract.

The cost of the services for the FY 2026 audit is \$40,000 and will be funded through the FY 2027 College operating budget.

Attachment: None

Recommendation for Joint Request for Proposals (RFP) for Future Audit Years

Context: The College, Frederick County Public Schools (FCPS), and Frederick County Government (FCG) routinely solicit joint proposals for professional auditing services and did so most recently in 2021. Both FCPS and FCG are recommending another joint solicitation with the College for these services. This document summarizes the recommendation and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy References:

- [GP-4 Board Job Contributions](#)
- [EL-4 Financial Conditions and Activities](#)
- [EL-6 Planning](#)
- [EL-9 Asset Protection](#)

Background:

- SB & Company was selected as the result of a joint solicitation and has been providing auditing services to all three entities since 2011.
- Issuing a joint RFP for auditing services across agencies promotes cost efficiency, strengthens auditor independence, enhances audit quality, and ensures consistent application of standards while reducing administrative duplication.
- This collaborative approach supports transparency, public accountability, and effective stewardship of taxpayer resources, while preserving each agency's operational and governance independence.
- Periodically bidding out auditing services aligns with Governmental Accounting Standards Board® best practices and demonstrates proactive fiduciary oversight under policies like financial conditions, planning, and asset protection.
- It is recommended that the College jointly solicit proposals for professional auditing services with FCPS and FCG this fall for future years.

Attachment: None

Recommendation for FY 2027 Credit Tuition and Fees

Context: The FY 2027 Operating budget proposal includes a 3% increase for in-county, out-of-county and out-of-state tuition and fee rates. In addition, course fees are proposed to offset the rising costs of materials in some programs and to ensure students have the necessary materials at reasonable rates. The proposed FY 2027 credit tuition and fees schedule will be effective for Fall 2026 registration. This document summarizes the recommendation and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy References:

- [EL-1 Treatment of Students](#)
- [EL-3 Communication & Support to the Board](#)
- [EL-4 Financial Conditions and Activities](#)
- [EL-6 Planning](#)
- [EL-8 Access to Education](#)

Background:

- Changes to tuition, both in and out of county and state, including dual enrollment, reflect a 3% increase.
- Increases in program course fees for Culinary Arts and Building Trades HVAC are directly related to increased cost of goods and materials.
- Increased fee for EXSC 180 is due to increased fee for the certification exam.
- The elimination of fee for MEDA 112 is due to the transition of the medical assistant program from credit to non-credit.
- The nursing, respiratory care, physical therapy assisting, and surgery technology course fees are designed to allow students to be first-day ready, where all course materials are provided to the students at the beginning of the semester at a reduced cost.
 - These fees are applied to students' bill upon course registration where financial aid can be applied to cover the balance. These fees cover costs associated with items such as background checks, CPR training, assessment testing fees, simulation costs, and skills packs.
 - By embedding the fees into the tuition and fee schedule, students can apply financial aid or use payment plans to spread out costs. Previously, students paid for these expenses as they arose during the semester.
 - Some health professions' fees increased due to additional consumable supplies and materials used as part of simulation exercises.
 - In other cases, fees were increased due to accommodate a request from Frederick Health for students to repeat their background checks and recertification of CPR in their second year of clinicals.

- In Surgical Technology, a course fee was reassigned from an introductory course (SURG 135) to a higher-level course (SURG 200) to reflect the appropriate use of program resources.
- Tuition and Fees recommended for change are highlighted in the attached Credit Tuition and Fees Schedule.

Attachment: Credit Tuition and Fees Schedule for Fiscal Year 2027

Frederick Community College
Credit Tuition and Fees Schedule for Fiscal Year 2027

	FY26	FY27
TUITION (PER CREDIT)		
IN-COUNTY	\$136.00	\$140.00
OUT-OF-COUNTY	\$297.00	\$306.00
OUT-OF-STATE	\$402.00	\$414.00
DUAL ENROLLMENT-OPEN CAMPUS (not applicable to summer terms)	\$102.00	\$105.00
DUAL ENROLLMENT-HIGH SCHOOL-BASED W/FCPS FACULTY	\$58.48	\$60.20
DUAL ENROLLMENT-HIGH SCHOOL-BASED W/FCC FACULTY	\$102.00	\$105.00
FEES (PER CREDIT)		
CONSOLIDATED SERVICE FEE	\$26.00	\$26.00
STUDENT ACTIVITY FEE PER CREDIT HR.-10 CREDIT MAX PER SEMESTER (INCL SUMMER)	\$3.50	\$3.50
OTHER FEES		
EXTERNAL TEST PROCTORING	\$42.00	\$42.00
EXPEDITED TRANSCRIPTS (through website delivered electronically)	\$8.00	\$8.00
EXPEDITED TRANSCRIPTS (through website delivered via mail)	\$10.50	\$10.50
DEPARTMENTAL EXAM	50% OF TUITION	50% OF TUITION
CREDIT BY PORTFOLIO PER CREDIT	50% OF TUITION	50% OF TUITION
MUSIC PRIVATE LESSONS PER CLASS	\$490.00	\$490.00
PROGRAM AND COURSE FEES		
CULINARY ARTS PER COOKING CLASSES (HCTI 102, 103, 104, 200, 225, 230, 105, 205, 210)	\$135.00	\$149.00
BUILDING TRADES PER HVACR CLASSES (BLDT 212, 113, 110, 111)	\$38.00	\$42.00
BUILDING TRADES PER ELECTRICAL CLASSES (BLDT 140, 241, 242, 143)	\$106.00	\$106.00
BUILDING TRADES PER WELDING CLASSES (BLDT 120, 222, 224, 225, 223)	\$197.00	\$197.00
EMERGENCY MANAGEMENT MODULE EXAM FEE	\$125.00	\$125.00
FEMA FEE PER CREDIT HOUR	\$95.00	\$95.00
ASLS 250: American Sign Language Studies Immersion Experience	\$175.00	\$175.00
Science Lab Fees		
BSCI 100: Fundamentals of Biology	\$20.00	\$20.00
BSCI 150: Principles of Biology I	\$20.00	\$20.00
BSCI 160: Principles of Biology II	\$25.00	\$25.00
BSCI 223: Microbiology for Allied Health	\$40.00	\$40.00
BSCI 263: Elements of Microbiology	\$40.00	\$40.00
BIOT 214: Introduction to Biomanufacturing	\$35.00	\$35.00
BIOT 220: Cell Biology	\$50.00	\$50.00
BIOT 222: Cell Therapy and Flow Cytometry	\$50.00	\$50.00
BIOT 224: Gene Therapy Fundamentals	\$50.00	\$50.00
CHEM 101: General Chemistry I	\$10.00	\$10.00
CHEM 102: General Chemistry II	\$10.00	\$10.00
CHEM 201: Organic Chemistry I	\$15.00	\$15.00
CHEM 202: Organic Chemistry II	\$15.00	\$15.00
Health Science Course Fees		
EXSC 180: Introduction to Health and Exercise Science	\$70.00	\$88.00
MEDA 112: Medical Office Procedures	\$105.00	\$0.00

Frederick Community College
Credit Tuition and Fees Schedule for Fiscal Year 2027

	FY26	FY27
Nursing Course Fees		
NURS 101: Introduction to Clinical Nursing	\$1,035.00	\$1,053.00
NURS 211: Medical-Surgical Nursing I	\$600.00	\$605.00
NURS 212: Medical-Surgical Nursing II	\$590.00	\$753.00
NURS 214: Psychiatric/ Mental Health Nursing	\$0.00	\$10.00
NURS 218: Maternal, Child, and Family Nursing	\$20.00	\$20.00
NURS 231: Medical-Surgical Nursing III	\$750.00	\$750.00
Respiratory Care Course Fees		
RESP 100: Introduction to Respiratory Care	\$260.00	\$262.00
RESP 102: Fundamentals of Respiratory Care	\$150.00	\$168.00
RESP 107: Principles of Mechanical Ventilation	\$10.00	\$20.00
RESP 109: Clinical Practicum I	\$150.00	\$150.00
RESP 201: Cardiac Monitoring and Diagnostics	\$85.00	\$106.00
RESP 202: Neonatal and Pediatric Respiratory Care	\$95.00	\$116.00
RESP 205: Professional Seminar	\$345.00	\$380.00
Physical Therapy Assistant Course Fees		
PTHA 101: Introduction to Physical Therapy Assistant	\$220.00	\$220.00
PTHA 105: Basic Patient Care Skills	\$251.00	\$279.00
PTHA 113: Physical Agents	\$18.00	\$43.00
PTHA 180: Clinical Experience I	\$20.00	\$20.00
PTHA 205: Advanced Patient Care Skills	\$60.00	\$70.00
PTHA 235: Clinical Experience II	\$175.00	\$175.00
Surgical Technology Course Fees		
SURG 120: Surgery Essentials	\$495.00	\$513.00
SURG 125: Fundamentals of Surgical Technology I	\$100.00	\$120.00
SURG 135: Fundamentals of Surgical Technology I	\$250.00	\$0.00
SURG 200: Fundamentals of Surgical Technology III	\$0.00	\$250.00
SURG 205: Fundamentals of Surgical Technology IV	\$20.00	\$20.00

ALL RATES EFFECTIVE BEGINNING WITH FALL SEMESTER 2026

Recommendation for FY 2027 Auxiliary Enterprise Bookstore Budget

Context: Within higher education, an auxiliary enterprise is an entity that exists predominantly to furnish goods or services to students, faculty, or staff and, on occasion, to members of the public. Revenues classified as auxiliary services are generally derived directly from the enterprise's operations. Frederick Community College's lone Auxiliary Enterprise is the bookstore. This document summarizes the recommendation and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy Reference:

- [EL-4 Financial Conditions and Activities](#)

Background:

- Auxiliary enterprises are intended to be self-supporting. However, external forces have made it increasingly difficult for auxiliary enterprises, particularly those at community colleges, to be self-sustaining. College bookstores, often a profit center even for community colleges, have faced increasing competition from online retailers.
- FCC's bookstore business-type activity generates revenue from sales and provides services to the College. All students and employees benefit from these services; however, the College provides a subsidy to balance the bookstore's budget.
- The Bookstore budget also includes indirect expenses incurred for related plant/facilities, administration, and personnel costs. For FY 2027, the College used a formula provided by its auditing firm to calculate anticipated indirect costs.
- The Bookstore's FY 2027 proposed budget reflects a 2.6% increase in revenue compared to the FY 2026 adopted budget. Merchandise and Commissions are the primary drivers of this revenue increase.
- For FY 2027, the College projects to subsidize the Bookstore in the amount of \$75,000, a decrease of 11.2% or \$9,500 from what was budgeted in FY 2026.

Attachment: FY 2027 Auxiliary Enterprise Bookstore Budget

**FREDERICK COMMUNITY COLLEGE
BOOKSTORE
PROPOSED FY 2027 BUDGET**

	FY 2026 APPROVED BUDGET	FY 2025 ACTUALS DECEMBER	FY 2027 PROPOSED BUDGET	Budget FY26 to FY27	
				\$ Change	% Change
Revenue					
Books	\$ 950,000	\$ 516,035	\$ 987,000	\$ 37,000	3.9%
Supplies	225,000	\$ 87,498	\$ 211,000	\$ (14,000)	-6.2%
Clothing	75,000	\$ 46,096	\$ 97,000	\$ 22,000	29.3%
Convenience	77,000	\$ 42,662	\$ 95,000	\$ 18,000	23.4%
Gift	35,000	\$ 18,629	\$ 47,000	\$ 12,000	34.3%
Non Merchandise	2,500	\$ 842	\$ 3,000	\$ 500	20.0%
Commissions - Books/gifts	7,000	\$ 3,604	\$ 9,000	\$ 2,000	28.6%
Dual Enrollment-Slingshot	225,000	\$ 61,154	\$ 200,000	\$ (25,000)	-11.1%
Revenue	1,596,500	\$ 776,520	\$ 1,649,000	\$ 52,500	3.3%
College Subsidy	84,500	\$ 40,992	\$ 75,000	\$ (9,500)	-11.2%
Total Revenue	\$ 1,681,000	\$ 817,512	\$ 1,724,000	\$ 43,000	2.6%
Less Cost of Good Sold (COGS)					
	\$ 752,000	\$ 376,335	\$ 750,000	\$ (2,000)	-0.3%
Gross Profit	\$ 929,000	\$ 441,177	\$ 974,000	\$ 45,000	4.8%
Operating Expenses					
Compensation					
Admin/Support Staff Compensation	\$ 222,000	\$ 109,114	\$ 264,000	\$ 42,000	18.9%
Auxiliary PT	77,500	\$ 19,481	\$ 77,000	\$ (500)	-0.6%
Benefits	83,000	\$ 48,627	\$ 94,000	\$ 11,000	13.3%
Sub-total Compensation	382,500	\$ 177,222	\$ 435,000	\$ 52,500	13.7%
Other Expenses					
Contracted Services	\$ 75,000	\$ 12,677	\$ 55,000	\$ (20,000)	-26.7%
Advertising	2,500		\$ 2,500	\$ -	0.0%
Supplies	7,500	\$ 4,770	\$ 7,000	\$ (500)	-6.7%
Digital Subscription	130,000	\$ 129,446	\$ 230,000	\$ 100,000	76.9%
Shipping and Postage	1,000	\$ 495	\$ 1,000	\$ -	0.0%
Software	25,000	\$ 5,054	\$ 20,000	\$ (5,000)	-20.0%
Dual Enrollment - Slingshot	202,000	\$ 59,763	\$ 120,000	\$ (82,000)	-40.6%
Deferred Maintenance	2,500	\$ 1,250	\$ 2,500	\$ -	0.0%
Total Operating Expenses	\$ 828,000	\$ 390,677	\$ 873,000	\$ 45,000	5.4%
Operating Profit (Loss)	\$ 101,000	\$ 50,500	\$ 101,000	\$ -	0.0%
College Contribution					
Indirect Cost Transfer	\$ 101,000	\$ 50,500	\$ 101,000	\$ -	0.0%
Less Indirect Cost	\$ 101,000	\$ 50,500	\$ 101,000	\$ -	0.0%
Net Income (Loss)	\$ -	\$ -	\$ -	\$ -	-
Gross Profit %	55.3%	54.0%	56.5%		
Operating Expense % Revenue	49.3%	47.8%	50.6%		
Net Income % Revenue	0.0%	0.0%	0.0%		

Recommendation for FY 2027 Proposed Operating Budget to be Submitted to the County Executive

Context: Each February, the Board of Trustees of Frederick Community College reviews and approves a proposed operating budget that includes the College's funding request to Frederick County. This action authorizes the College President to provide testimony at the County Executive's March budget hearing and informs the development of the Executive's proposed budget.

Pursuant to the Frederick County Charter, the County Executive must submit a proposed budget to the Frederick County Council no later than April 15 for the ensuing fiscal year.

Following submission, the County Council conducts budget workshops and public hearings and may make modifications in accordance with the Charter. The Council must adopt a final budget by May 31. If a budget is not adopted by that date, the Executive's proposed budget becomes law.

After the County budget is adopted and the College's allocation is determined, the Board of Trustees approves the College's final operating budget in June. The adopted College budget must then be ratified by the County Council prior to the start of the new fiscal year.

This document summarizes the administration's recommendation and is presented to the Board of Trustees by President Cheek, with preparation support provided by Scott McVicker, CFO and Vice President for Administration.

Board Policy Reference:

- [EL-4 Financial Conditions and Activities](#)

Background:

1. **REVENUES:**

Operating revenues proposed for FY 2027 total \$83,342,191, including \$2,320,000 in Strategic Reserves. This represents an increase of \$4,565,873 (5.5%) over the adopted FY 2026 budget.

- **Tuition and Fees - \$22,993,414 (credit and non-credit)**

The FY 2027 operating budget proposal includes a 3% increase for in-county, out-of-county, and out-of-state tuition rates. A 3% increase was also implemented in FY 2026. The FY 2027 credit tuition and fees schedule will be effective for Fall 2026 registration. Tuition and fee rates for FY 2027 are as follows:

	FY 26 Current Per Credit Hour Rates			FY 27 Proposed Per Credit Hour Rates				
			Tuition + Fees			New Tuition + Fees		Change from FY 26 to FY 27
	Tuition	Fees		Tuition	Fees	\$	%	
In-County	\$136.00	\$29.50	\$165.50	\$140.00	\$29.50	\$169.50	\$4.00	2.4%
Out-of-County	\$297.00	\$29.50	\$326.50	\$306.00	\$29.50	\$335.50	\$9.00	2.8%
Out-of-State	\$402.00	\$29.50	\$431.50	\$414.00	\$29.50	\$443.50	\$12.00	2.8%

*Fees consist of the Consolidated Service Fee and the Student Activity Fee. The Consolidated Service Fee of \$26.00 per credit and the Student Activity Fee of \$3.50 per credit up to 10 credits per term remain unchanged.

Although enrollment has increased, tuition and fees continue to represent the smallest portion of total operating revenues when compared to State and County funding. Maintaining tuition and fees in reasonable proportion to public funding sources remains fiscally prudent. Modest annual adjustments help avoid larger, disruptive increases in future years. The 3% tuition adjustment is projected to generate approximately \$500,000 in additional revenue.

Given recent enrollment growth at the College, the 2% projection over FY 2026 actual enrollment is considered a conservative and responsible planning estimate.

- **State Funding - \$26,654,494 includes \$23,303,494 (Cade funding) and \$3,351,000 (State Benefits).**

Beginning in FY 2025, the Governor's proposed budget "rebased" the Cade funding formula from a 29% funding tie to selected four-year public institutions to 27.2%, effectively reducing formula funding for all Maryland community colleges. The 27.2% funding level continues in FY 2027.

Due to strong enrollment growth, FCC's calculated Cade funding would have increased by 9.5% over FY 2026 levels; however, statutory limitations cap the annual increase at 3%, resulting in FY 2027 Cade funding of \$23,303,494.

Over the past five fiscal years, the State has fully funded the Cade formula only twice—FY 2023 and FY 2024. In FY 2022, the community college funding percentage was reduced from the statutory 29% of four-year public institution funding to 27%, and in FY 2025 and FY 2026 it was funded at 27.2%.

We recognize the many competing priorities facing the State; however, while the annual percentage reductions may appear modest, their combined impact over time has materially affected institutional resources. After adjusting for inflation, the College's state support reflects an estimated \$4 million gap over the past five years. When the projected FY 2027 3% state funding cap is included, that gap grows to approximately \$5.5 million since FY2022.

- **County Funding - \$28,499,083 includes \$27,755,452 (Cash) and \$743,631 (In-Kind).**

A request will be made to the Frederick County Executive for \$1,500,000 above FY 2026 funding levels to support institutional sustainability and address additional costs associated with enrollment growth and inflationary pressures. In-Kind funding includes Interagency Internal Audit Authority (IIAA) services, annual building asset assessments, some IT services, and other items.

Enrollment has grown by an average of 5% over the past two fiscal years. The College's \$1.5 million funding request to the county reflects a proportional investment to support this sustained growth and maintain comparable per-student funding levels.

This request ensures that instructional quality, student services, and operational capacity keep pace with increasing student demand.

- **Other Income - \$2,875,200**

Other income represents a smaller portion of total operating revenues.

Primary sources include:

- Interest income, reflecting favorable balance and rate conditions
- Contract training revenue
- Training proceeds from the Mid-Atlantic Center for Emergency Management and Public Safety (MACEM&PS)

- **Use of Strategic Reserves - \$2,320,000**

In accordance with Board Policy EL-4, Financial Conditions and Activities, which provides that “the President shall not fail to recommend on an annual basis, as appropriate, other Strategic Reserves ... over and above the operating fund balance reserve ... for one-time expenses or projects,” the FY 2027 proposed budget includes the planned use of \$2,320,000 in Strategic Reserves.

These funds are designated exclusively for non-recurring purposes and are not used to support ongoing operating expenses. The proposed allocation supports one-time strategic initiatives, including:

- Student Success and Completion
- Academic Program Initiatives
- Technology Projects
- Strategic Planning and Future-Proofing

The recommended use of reserves is consistent with sound fiscal stewardship, preserves structural balance in the operating budget, and ensures that one-time resources are deployed for one-time needs.

2. EXPENSES:

Operating expenses proposed for FY 2027 total \$83,342,191, including \$2,320,000 in Strategic Reserves designated for strategic, one-time initiatives. This represents an increase of \$4,565,873 over the FY 2026 adopted budget, resulting in a structurally balanced budget.

The proposed expenditure plan reflects enrollment growth, inflationary pressures, workforce investment priorities, and the College's commitment to maintaining operational resilience.

Key expense allocations include:

- Investments in Talent Recruitment and Retention
Continued investment in compensation and workforce stability to attract and retain high-quality faculty and staff in a competitive labor market.
- Health Insurance (12.5% Increase)
Employer health insurance costs are projected to increase by 12.5%. Fringe benefit costs align proportionally with projected salary and wage adjustments.
- Instructional and Programmatic Support
Increased funding for honorariums, course-related costs and program fees, meetings and travel, and enterprise software to support academic quality, student services, and institutional operations.
- Non-Compensation Expenses (13.7% Increase)
Growth in non-compensation expenditures reflects the combined impact of enrollment expansion and sustained inflation across goods and services.
- Operating Contingency – \$844,943 (1.8% Increase)
The operating contingency provides flexibility to address unforeseen expenses and to respond to emerging opportunities that may arise outside the annual planning and budgeting cycle. Maintaining a prudent contingency level supports fiscal stability and responsible risk management.

ATTACHMENT

FY 2027 Proposed Operating Budget – Projection of Revenues and Expenditures.

FREDERICK COMMUNITY COLLEGE

Operating Budget History, Actuals FY22 to FY25, Adopted FY26 Budget, Proposed FY27 Budget

REVENUE

	FY22	FY23	FY24	FY25	FY26	FY27	FY 27 to FY 26 (budget to budget)
	Actual	Actual	Actual	Actual	Budget	Budget	
TUITION/FEE\$							
Summer	1,152,755	1,520,080	1,161,356	1,400,120	2,008,336	2,128,658	120,322
Fall	5,651,105	5,931,704	6,659,614	7,055,659	7,237,951	7,671,261	433,310
January Session	5,127,427	-	-	-	-	-	-
Spring	5,127,427	5,770,320	6,204,347	6,918,596	6,993,006	7,411,774	418,768
TOTAL CREDIT TUITION	11,931,287	13,222,104	14,025,317	15,374,375	16,239,292	17,211,693	972,401
Consolidated Service Fee	2,167,346	2,311,126	2,486,921	2,716,069	2,882,100	2,967,120	85,020
Student Activity Fee	238,736	257,931	275,290	297,382	307,650	310,312	2,662
Instr. Material Fee	-	52	-	-	-	-	-
Course/Program Fees	72,133	96,252	113,653	91,322	282,225	553,140	270,915
Testing Fees	15,667	22,739	58,083	71,881	77,595	79,149	1,554
TOTAL CREDIT FEES	2,493,882	2,688,100	2,933,948	3,176,654	3,549,570	3,909,721	360,151
TOTAL CREDIT TUITION/FEE\$	14,425,169	15,910,204	16,959,265	18,551,029	19,788,862	21,121,414	1,332,552
CEWD TUITION/FEE\$	1,440,489	1,623,211	1,607,035	1,856,126	1,800,000	1,872,000	72,000
TOTAL TUITION/FEE\$	15,865,658	17,533,415	18,566,301	20,407,155	21,588,862	22,993,414	1,404,552
STATE REVENUE							
State Formula Aid	13,283,580	16,429,152	18,548,628	20,743,432	22,625,215	23,303,494	678,279
State Benefits	2,724,048	2,822,038	2,904,986	3,350,946	3,051,200	3,351,000	299,800
TOTAL STATE	16,007,628	19,251,190	21,453,614	24,094,378	25,676,415	26,654,494	978,079
COUNTY REVENUE							
Cash	21,341,502	22,376,502	24,255,452	25,755,452	26,255,452	27,755,452	1,500,000
In-Kind	457,059	241,801	420,026	487,229	743,631	743,631	-
TOTAL COUNTY	21,798,561	22,618,303	24,675,478	26,242,681	26,999,083	28,499,083	1,500,000
OTHER INCOME							
Interest Income	54,847	854,706	1,370,504	1,428,111	650,000	1,200,000	550,000
Contracts	800,098	1,129,371	1,071,520	1,125,200	1,151,958	1,125,200	(26,758)
Indirect Cost Reimbursement	330,527	197,003	364,265	362,871	210,000	350,000	140,000
Other	2,509,835	1,268,720	274,171	409,355	200,000	200,000	-
TOTAL OTHER	3,695,307	3,449,800	3,080,461	3,325,537	2,211,958	2,875,200	663,242
TOTAL REVENUE	57,367,154	62,852,708	67,775,852	74,069,751	76,476,318	81,022,191	4,545,873
USE OF STRATEGIC RESERVES					2,300,000	2,320,000	20,000
TOTAL REVENUES + STRATEGIC RESERVES	57,367,154	62,852,708	67,775,852	74,069,751	78,776,318	83,342,191	4,565,873

EXPENDITURES

	FY22	FY23	FY24	FY25	FY26	FY27	FY 27 to FY 26 (budget to budget)
	Actual	Actual	Actual	Actual	Budget	Budget	
COMPENSATION							
Full-Time Faculty, Administrators, Support Staff, CEWD Instructional Specialist	26,075,027	28,914,410	31,542,880	33,766,239	38,252,770	39,291,923	1,039,153
Clinical/Field Experience Staff	683,641	825,290	872,784	820,030	906,400	855,769	(50,631)
Fee-Based Employees	4,221	15,386	20,041	17,759	20,600	23,115	2,515
Credit Adjunct Faculty	3,376,779	4,014,878	4,215,948	4,507,445	4,276,999	4,296,511	19,512
CEWD Adjunct Faculty	479,982	638,804	613,820	678,504	661,260	781,881	120,621
Coaches	72,008	139,202	104,673	148,353	149,791	152,692	2,901
Student Employment	1,248	13,813	49,759	55,651	64,163	93,042	28,879
Part-Time Variable Schedule (PTVS), LTE and Stipends	687,257	783,366	861,420	1,874,883	1,328,640	1,516,170	187,530
Extra and Overtime Hours	95,539	345,489	580,045	173,792	201,880	216,852	14,972
TOTAL COMPENSATION	31,475,702	35,690,637	38,861,371	42,042,655	45,862,503	47,227,955	1,365,452
FRINGE BENEFITS							
RICA	2,381,419	2,710,836	2,946,654	3,173,413	3,541,254	3,592,943	51,689
Opt-Out Health Insurance	366,976	378,406	407,636	406,632	428,400	430,416	2,016
FCC Tuition waivers for employees	89,403	97,024	111,640	151,214	140,000	149,597	9,597
Retirement	2,877,893	2,993,503	3,120,806	3,568,037	3,789,801	4,283,609	493,808
Life Insurance/ADD	115,350	124,144	138,209	140,653	142,000	152,364	10,364
Health Insurance	3,378,083	3,878,845	4,313,710	5,147,417	5,564,755	6,240,612	675,857
Dental/Vision Insurance	101,703	107,728	116,968	140,724	240,000	151,606	(88,394)
Long-Term Disability Insurance	78,388	84,381	93,626	91,422	94,000	98,983	4,983
Tuition Reimbursement	63,177	62,161	43,993	50,607	52,000	55,664	3,664
Workers Comp Insurance	97,388	84,961	102,773	101,804	145,731	102,116	(43,615)
Unemployment	1,635	9,825	101,000	9,368	200,000	9,800	(190,200)
Leave Expense	(105,725)	153,582	186,497	147,412	187,000	236,768	49,768
Rewards and Recognition	156,418	6,000	6,000	6,000	6,000	5,880	(120)
TOTAL FRINGE BENEFITS	9,602,108	10,691,397	11,689,510	13,134,703	14,530,941	15,510,358	979,417
FRINGE PERCENTAGE (FRINGE/COMP)	31%	30%	30%	31%	32%	33%	
TOTAL COMPENSATION + FRINGE BENEFITS	41,077,810	46,382,034	50,550,881	55,177,359	60,393,444	62,738,313	2,344,869
NON-COMPENSATION COSTS							
Contracted Services	1,823,952	2,358,751	2,865,924	3,822,597	3,122,448	3,820,208	697,760
Honorariums	41,102	37,788	40,738	43,530	81,275	130,700	49,425
In-Kind County Services (Audit/IT/Appraisal)	457,059	241,801	420,026	487,229	743,631	743,631	-
TOTAL CONTRACTED SERVICES	2,322,113	2,638,340	3,326,688	4,353,355	3,947,354	4,694,539	747,185
Supplies and Materials	517,181	564,185	583,916	630,764	788,722	790,247	1,525
Course Costs and Program Fees	335,413	450,672	361,404	373,040	640,753	815,088	174,335
Vehicle Fuel	12,934	18,617	19,392	16,781	33,700	20,000	(13,700)
Shipping and Postage	52,425	42,342	45,430	37,231	55,441	64,801	9,360
Telecommunications	75,018	64,630	72,294	91,302	104,692	99,682	(5,010)
Meetings Travel	70,692	291,492	279,833	357,011	470,872	596,647	125,775
Professional Licenses, Dues, and Conference Fees	242,311	309,439	378,935	443,703	510,028	533,834	23,806
Internal Meetings with Meals	58,743	112,412	151,797	-	-	-	-
Food for Student Events	-	-		77,372	97,900	107,873	9,973
Food for Business Purposes	-	-		92,252	121,170	134,875	13,705
Travel - Local and Non-local without Accommodations	5,862	9,267	16,256	13,387	60,250	57,875	(2,375)
Software and Software Licenses	578,820	1,172,890	739,200	932,468	1,339,601	1,542,676	203,075
Transfers	2,284,666	2,196,969	2,424,036	3,335,554	2,842,967	3,794,873	951,906
Utilities	713,621	823,042	1,105,699	1,095,208	1,258,300	1,200,000	(58,300)
Fixed Charges/Insurance	232,538	261,241	297,398	275,461	421,130	458,000	36,870
Furniture/Equipment	608,166	732,135	856,944	500,819	630,099	565,039	(65,060)
Computer/IT Equipment	207,587	460,545	363,737	421,406	482,200	378,860	(103,340)
Library Collection	35,654	116,561	123,692	131,266	129,905	129,905	-
Tuition Waivers/ Student Aid Expenditures	169,862	197,454	222,323	298,219	250,000	280,000	30,000
Other	260,430	(51,413)	23,679	136,874	48,100	105,000	56,900
Other Contingency Expense	-	-	-	-	830,190	844,943	14,753
New-Strategic Initiatives	-	-	-	-	1,019,500	1,069,121	49,621
							-
SUBTOTAL NON-COMPENSATION	8,784,036	10,410,818	11,392,653	13,613,474	16,082,874	18,283,878	2,201,004
Percentage of Revenue (Non-Compensation/Revenue)	15.32%	16.56%	16.81%	18.38%	21.03%	22.57%	
TOTAL EXPENSES LESS STRATEGIC RESERVES	49,861,846	56,792,852	61,943,534	68,790,833	76,476,318	81,022,191	4,545,873
STRATEGIC RESERVES ALLOCATION					2,300,000	2,320,000	20,000
TOTAL EXPENSES	49,861,846	56,792,852	61,943,534	68,790,833	78,776,318	83,342,191	4,565,873

Revisions to Policy GP-5 Board Linkage with Ownership

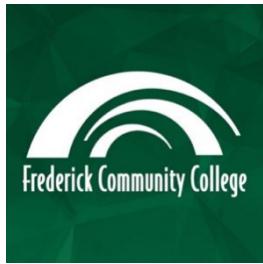
Context: Revisions to Policy GP-5 Board Linkage with Ownership are being presented for approval. This policy defines the "Owners" of Frederick Community College as the residents of Frederick County and states that the Board is accountable to them as a whole. It mandates that Trustees act on behalf of all Owners, not specific interest groups, and actively engage with Owners to understand their values and perspectives, maintaining a three-year linkage planning cycle.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- The Board reviewed this Policy at the October 2025 meeting and revisions were requested.
- The revisions were further discussed at the December 2025 board retreat and the January 21, 2026 regular meeting.
- The revisions insert new items 3.1 and 3.1.1 as follows:
 - 3.1. As a means of supporting its commitment to consistently hear the voice of Ownership, the Board may engage a qualified, neutral professional facilitator to guide Ownership linkage activities.
 - 3.1.1. The role of any facilitator will be to reinforce the Board's focus on Ownership values, balanced representation, and consistency with Policy Governance principles in the design, conduct, and interpretation of linkage sessions.

Attachment: GP-5 Board Linkage with Ownership Policy



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Board Linkage with Ownership

Policy Number: GP-5

Date Adopted: 4.17.2024

Version: 2.0

Date Last Reviewed: 2.18.2026

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Owners of Frederick Community College are defined as the residents of Frederick County. The Frederick Community College Board of Trustees shall be accountable for the organization to its Owners as a whole. Trustees shall act on behalf of the Owners as a whole, rather than being advocates for specific geographic areas, individuals, ethnic groups or other interest groups.

1. When making governance decisions, Trustees shall maintain a distinction between their personal interests and those as fiduciaries and members of the Board, as well as their obligation to speak for others as a representative of the Owners as a whole. As the agent of the Owners, the Board is obligated to identify and know what the Owners want and need.
2. The Board shall educate itself by reviewing available information reflecting the diversity of the Ownership. It shall meet with, gather input from, and otherwise interact with Owners in order to understand the diversity of their values and perspectives.
3. The Board will establish and maintain a three-year Ownership linkage planning cycle, in order to ensure that the Board has intentional and constructive dialogue and deliberation with the Owners, primarily around the organization's Ends. The plan will include selection of representative Owners for dialogue, methods to be used, and questions to be asked of the Owners. The information obtained from this dialogue with Owners will be used to inform the Board's policy deliberations.

- 3.1. As a means of supporting its commitment to consistently hear the voice of Ownership, the Board may engage a qualified, neutral professional facilitator to guide Ownership linkage activities.
 - 3.1.1. The role of any facilitator will be to reinforce the Board's focus on Ownership values, balanced representation, and consistency with Policy Governance principles in the design, conduct, and interpretation of linkage sessions.
- 3.2. All Trustees are accountable to the Board for participating in the linkage with Owners as identified in the plan.

4. The Board will consider its Ownership linkage successful if, to a continually increasing degree:
 - 4.1. When developing or revising Ends, the Board has access to diverse viewpoints that are representative of the Ownership regarding what benefits this organization should provide, for whom, and the relative priority of those benefits.
 - 4.2. The Owners are aware that the Board is interested in their perspective, as Owners and not as customers.
 - 4.3. If asked, the Owners would say that they have had opportunity to let the Board know their views.
 - 4.4. The Owners are made aware of how the Board has used the information they provided.
 - 4.5. The outcomes of the deliberations with the Owners are policy related matters rather than operational or customer-based matters.

Date Of Change	Version	Description of Change	Responsible Party
4.17.2024	1.0	First release following Policy Governance consulting work.	President
2.18.2026	2.0	Add items 3.1 and 3.1.1 regarding use of facilitator	President

Revisions to Policy GP-11 Special Rules of Order

Context: Revisions to Policy GP-11 Special Rules of Order are being presented for approval. This policy establishes rules for the orderly and effective conduct of Board meetings, led by the Board Chair. It covers legal requirements, quorum, adherence to the agenda, decorum, consensus-based decision-making (with voting for specific actions), and the process for discontinuing Policy Governance (requiring a two-thirds vote).

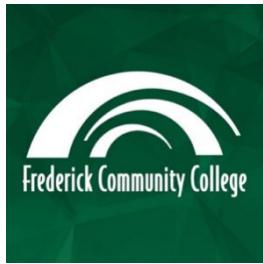
Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board regularly reviews Governance Process and Board-CEO Delegation policies to determine if any updates are needed.
- The Board reviewed this Policy at the November 2025 meeting and revisions were requested related to review of policies. Additionally, the Board identified at its December board retreat the need to establish in policy how Trustees ask questions. The revisions were further discussed at the January 21, 2026 regular meeting.
- The revisions insert new items 5.1 and 5.1.1-5.1.5 as follows:
 - 5.1. Trustees may ask questions for clarification and understanding of matters for discussion or action before the Board. Questions shall be asked in a manner that supports the Board's collective governance role and the orderly conduct of meetings.
 - 5.1.1. Trustee questions shall remain within the Board's role of setting policy, defining outcomes, and ensuring accountability, rather than focusing on operational decision-making delegated to the President.
 - 5.1.2. Questions shall be concise, relevant to the subject under consideration, and intended to enhance shared understanding rather than advocate positions or debate merits.
 - 5.1.3. Questions shall be directed through the Chair, who determines the appropriate respondent and may manage the timing or sequencing of questions to ensure efficient meeting flow.
 - 5.1.4. Trustees may submit complex or data-intensive questions to the Chair or President in advance of the meeting when feasible.
 - 5.1.5. Questions that cannot be reasonably addressed during the meeting, or that require additional analysis or information, may be deferred for follow-up.

- Additionally, item 11 is revised as follows:
 11. Board decisions about policies and revisions to policies will be considered either first by the Board members assigned for pre-review of the policies, or with pre-review by the Board as a whole. Revisions to policies will be discussed by the Board with a Board decision finalized at the following monthly meeting. If approved, a Policy revision has immediate effect, unless the Policy, by its terms, has an implementation or transition schedule or a deferred effective date.

Attachment: GP-11 Special Rules of Order Policy



FCC BOARD OF TRUSTEES POLICY

Policy Type: Governance Process

Policy Title: Special Rules of Order

Policy Number: GP-11

Date Adopted: 5.22.2024

Version: 3.0

Date Last Reviewed: 2.18.2026

Office Responsible: President's Office

Reviewing Committee: Board of Trustees

The Frederick Community College Board of Trustees meetings will be conducted in an orderly, effective process, led and defined by the Board Chair/Chief Governance Officer (CGO).

1. All legal requirements and by-law obligations respecting Board meetings must be satisfied.
2. Board meetings shall be called to order at the time specified in the meeting notice and upon satisfaction of a quorum.
3. Trustees will not present an item for action or discussion at a Board meeting if it is not on the agenda, unless otherwise approved by a majority vote of the Board and if permitted by law.
4. Meeting order and decorum shall be maintained, and all members shall be treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
5. Trustees must keep their comments relevant to the issue under consideration.
 - 5.1. Trustees may ask questions for clarification and understanding of matters for discussion or action before the Board. Questions shall be asked in a manner that supports the Board's collective governance role and the orderly conduct of meetings.

- 5.1.1. Trustee questions shall remain within the Board's role of setting policy, defining outcomes, and ensuring accountability, rather than focusing on operational decision-making delegated to the President.
- 5.1.2. Questions shall be concise, relevant to the subject under consideration, and intended to enhance shared understanding rather than advocate positions or debate merits.
- 5.1.3. Questions shall be directed through the Chair, who determines the appropriate respondent and may manage the timing or sequencing of questions to ensure efficient meeting flow.
- 5.1.4. Trustees may submit complex or data-intensive questions to the Chair or President in advance of the meeting when feasible.
- 5.1.5. Questions that cannot be reasonably addressed during the meeting, or that require additional analysis or information, may be deferred for follow-up.
6. Board meetings will be conducted at a level of informality considered appropriate by the Board Chair.
7. Board decisions will be made based on consensus to the extent possible.
 - 7.1. Where consensus is not possible or where required by law whether or not consensus exists (for instance, procurement decisions), proposals that the Board take action, or decide a particular matter, shall be made by main motion of a Trustee, discussed, and then voted on. Motions do not require a second to proceed to discussion and subsequent vote.
 - 7.2. To the same extent as any Board member, the Chair may make motions, engage in debate, and vote on any matter to be decided.
 - 7.3. A main motion may be amended only once.
 - 7.4. A motion to refer to a committee, postpone, or table may be made regarding a pending main motion. If carried, it shall set the main motion (the initial proposal) aside accordingly.
8. Trustees may speak to a pending motion on as many occasions and at such length as the Chair may reasonably allow.
9. A vote on a motion shall be taken when the discussion ends; however, any Trustee may, during debate, move for an immediate vote (close debate) which, if carried, shall end the discussion, and the vote on the main motion shall then be taken.

10. A decision to discontinue the Board's use of Policy Governance can occur only by a supermajority (i.e., Two-thirds) vote of the entire Board.
11. Board decisions about policies and revisions to policies will be considered either first by the Board members assigned for pre-review of the policies, or with pre-review by the Board as a whole. Revisions to policies will be discussed by the Board with a Board decision finalized at the following monthly meeting. If approved, a Policy revision has immediate effect, unless the Policy, by its terms, has an implementation or transition schedule or a deferred effective date.
12. A motion to adjourn a Board meeting may be offered by any Trustee, or, on the conclusion of all business, the Chair may declare adjournment of the meeting.
13. When the Board is to develop further rules of order, it will consider Robert's Rules of Order for Small Boards & Assemblies as a resource guide.

Date Of Change	Version	Description of Change	Responsible Party
5.22.2024	1.0	First release following Policy Governance consulting work.	President
1.15.2025	2.0	Update to item 10 to remove the example of two-thirds being five Trustees	President
2.18.2026	3.0	Add new items 5.1 and 5.1.1-5.1.5 establishing guidelines for questions; and revise item 11 to add pre-review of policies by Board as a whole and clarify process for revising policies	President

Meeting Content Review

Context: This agenda item provides the Board the opportunity to provide feedback to the Board Chair and the President on the quality of the content (i.e. meeting packet, discussions, etc.) provided during the Board Meeting.

Board Policy Reference: [GP-9 Investment in Governance](#)

Background:

- Per Board policy (GP-9) and in alignment with Policy Governance® practice, the Board evaluates and discusses its own process and performance at each meeting.
- The Board Chair will lead discussion at the meeting for Trustees to reflect on whether the meeting content was focused on governance issues, particularly in relation to the Board's Ends policy, rather than operational or management issues.

Attachment: Policy Governance® Source Document

POLICY GOVERNANCE® SOURCE DOCUMENT

Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Websters)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

What is Policy Governance?

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that boards exist and the nature of board authority, Policy Governance integrates a number of unique principles designed to enable accountable board leadership.

What Policy Governance is NOT!

1. Policy Governance is not a specific board structure. It does not dictate board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

Principles of Policy Governance

1. **Ownership:** The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit corporation.
2. **Position of Board:** The board is accountable to owners that the organization is successful. As such it is not advisory to staff but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.
3. **Board Holism:** The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.
4. **Ends Policies:** The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are means decisions. Hence in Policy Governance, means are simply not Ends.
5. **Board Means Policies:** The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and Board- Management Delegation policies.



POLICY GOVERNANCE® SOURCE DOCUMENT

6. **Executive Limitations Policies:** The board defines in writing its expectations about the means of the operational organization. However, rather than prescribing board-chosen means -- which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those means that would be unacceptable even if they were to work. These are Executive Limitations policies.
7. **Policy Sizes:** The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegatee of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation policies are exhaustive in that they establish control over the entire organization, both board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans and budgets.
8. **Clarity and Coherence of Delegation:** The identification of any delegatee must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.
9. **Any Reasonable Interpretation:** More detailed decisions about Ends and operational means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegatees, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board means, delegation is to the CGO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegatee has the right to use any reasonable interpretation of the applicable board policies.
10. **Monitoring:** The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands board actions inconsistent with Policy Governance, the board should use a 'required approvals agenda' or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance boards live these principles in everything they are, do and say.

Produced by GOVERN for IMPACT in consultation with John and Miriam Carver, 2005 – 2007 – 2011 – 2015 – Feb 2021.

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Reference: Carver Guides, 2nd Edition, 2009

