

**R95C00**  
**Baltimore City Community College**

***Operating Budget Data***

	(\$ in Thousands)				
	<u>FY 2002</u> <u>Actual</u>	<u>FY 2003</u> <u>Approp.</u>	<u>FY 2004</u> <u>Allowance</u>	<u>FY 03 - 04</u> <u>Change</u>	<u>FY 03 - 04</u> <u>% Change</u>
General Funds	\$29,740	\$31,150	\$33,943	\$2,793	9.0%
FY 2003 Cost Containment	0	-1,090	0	1,090	
Contingent & Back of Bill Reductions	0	-156	-2,510	-2,354	
<b>Adjusted General Funds</b>	<b>\$29,740</b>	<b>\$29,904</b>	<b>\$31,433</b>	<b>\$1,529</b>	<b>5.1%</b>
Other Unrestricted Funds	14,173	15,746	15,711	-35	-0.2%
<b>Total Unrestricted Funds</b>	<b>\$43,913</b>	<b>\$45,650</b>	<b>\$47,144</b>	<b>\$1,495</b>	<b>3.3%</b>
Restricted Funds	22,337	25,567	25,793	226	0.9%
<b>Adjusted Grand Total</b>	<b>\$66,250</b>	<b>\$71,216</b>	<b>\$72,937</b>	<b>\$1,720</b>	<b>2.4%</b>

- Baltimore City Community College's (BCCC) fiscal 2004 allowance represents a \$1.7 million, or 2.4% increase over its fiscal 2003 working appropriation after accounting for fiscal 2003 cost containment measures.
- The Budget Reconciliation and Financing Act of 2003 (BRFA of 2003) would reduce the fiscal 2004 general fund allowance by \$2,510,014, or 7.4% to \$31,433,101. The reduction would leave BCCC with a \$1,529,283 or 5.1% general fund increase over the fiscal 2003 working appropriation after accounting for fiscal 2003 cost containment measures.

***Personnel Data***

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	527.00	541.00	562.00	21.00
Contractual FTEs	283.87	261.59	261.59	0.00
<b>Total Personnel</b>	<b>810.87</b>	<b>802.59</b>	<b>823.59</b>	<b>21.00</b>

***Vacancy Data: Regular Positions***

Budgeted Turnover: FY 04	10.73	1.91%
Positions Vacant as of 12/31/02	55.00	10.17%

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- BCCC is requesting authorization for 21 new regular positions in fiscal 2004. Eleven of these 21 positions will not be filled until BCCC receives anticipated grant funding. (*Please see Governor's Proposed Budget Section for additional detail on the new positions*).
- Additionally, there was a net increase of six new positions between the fiscal 2003 legislative appropriation and the fiscal 2003 working appropriation. The Board of Public Works approved six new full-time positions at a cost of \$193,340 for BCCC's Liberty and Harbor Campus bookstores. (*Please see Update for additional information*).
- Although the budgeted turnover is 1.91%, the vacancy rate as of December 31, 2002, is actually 10.17%. No positions were abolished in fiscal 2003.

## *Analysis in Brief*

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### Major Trends

***Dropout Rates for Community College Students Should Be Included in the MFR:*** BCCC's Managing for Results (MFR) submission includes an objective that measures the transfer and graduation rate of its community college students. However, the MFR does not include the dropout rates. According to an April 2002 Maryland Higher Education Commission (MHEC) report, the four-year dropout rates increased for first-time, full-time students entering community colleges between 1989 and 1997. Although BCCC has adopted many retention efforts, tracking the dropout rate in future years may help the General Assembly in further assisting BCCC with its retention efforts. **The Department of Legislative Services (DLS) recommends BCCC include the dropout rate of community college students in its MFR submission. Data measuring the dropout rate over time will provide a more complete picture of what is happening with the community college student population.**

***BCCC Witnesses Dramatic Growth in Senior Adult Non-Credit Enrollment:*** The number of senior adults enrolled in non-credit courses at BCCC increased by 2,227, or 487.3% between fiscal 2001 and 2002. BCCC's goal is to reach a senior adult non-credit enrollment of 3,000 by fiscal 2005. **DLS recommends BCCC be prepared to address whether the college will be able to accommodate any further demand above a 3,000 senior adult enrollment goal.**

### Issues

***Transfer and Graduation Rates at BCCC Fell:*** BCCC, like many of the State's other community colleges, had declining transfer and graduation rates in past years. Whether it accurately conveys the rate of students who intend to transfer to four-year institutions or graduate will be explored. **DLS recommends BCCC be prepared to discuss these and any other known factors explaining the declining transfer and graduation rates.**

***BCCC Again Faces Reductions under a BRFA:*** The Governor's BRFA of 2003 would reduce BCCC's formula funding by \$2.5 million, or 7.4%. How the BRFAs of 2002 and 2003 have affected and may affect funding, respectively, is examined. **DLS recommends that the General Assembly adopt the BRFA of 2003's proposed \$2.5 million reduction to fiscal 2004 BCCC funding.**

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**Recommended Actions**

	<u>Funds</u>	<u>Positions</u>
1. Add language prohibiting BCCC from filling 11 grant-funded positions until documentation is provided.		
2. Reduce formula funding for Baltimore City Community College.	\$ 2,510,014	
3. Delete funds for tuition waivers.	50,000	
<b>Total Reductions</b>	<b>\$ 2,560,014</b>	

**Updates**

***BCCC Changes Its Bookstore Operations:*** BCCC's contract with a private company to operate its bookstore ended in February 2002. After receiving no bids for a replacement contract, BCCC began operating the bookstore and anticipates generating revenue from the bookstore.

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***Operating Budget Analysis***

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**Program Description**

BCCC is a State-sponsored, two-year degree-granting college on two campuses with more than 80 off-campus community sites throughout Baltimore. BCCC offers both credit and continuing education training programs and courses and extensive outreach for educational opportunities. The college's Business and Continuing Education Center (BCEC) works in partnership with local businesses, government agencies, and institutions offering contract customized training, apprenticeships, and other industry-related programs both on campus and off campus. BCCC provides employee training and other programs contributing to Baltimore's economic development initiatives. The college's administrative and academic control differs from other community colleges in the State since there is minimal local unrestricted funding. Baltimore City must provide at least \$800,000 annually to support education at BCCC. Of this amount, at least \$500,000 must be expended for tuition reimbursement and scholarships.

BCCC works toward achieving the following goals:

- Improving retention of students to graduation or transfer to a baccalaureate-granting college or university;
- Improving responsiveness to Baltimore's workforce needs;
- Promoting community outreach and service;
- Improving infrastructure to provide the finest facilities for students; and
- Ensuring affordability and accessibility for Baltimore City residents.

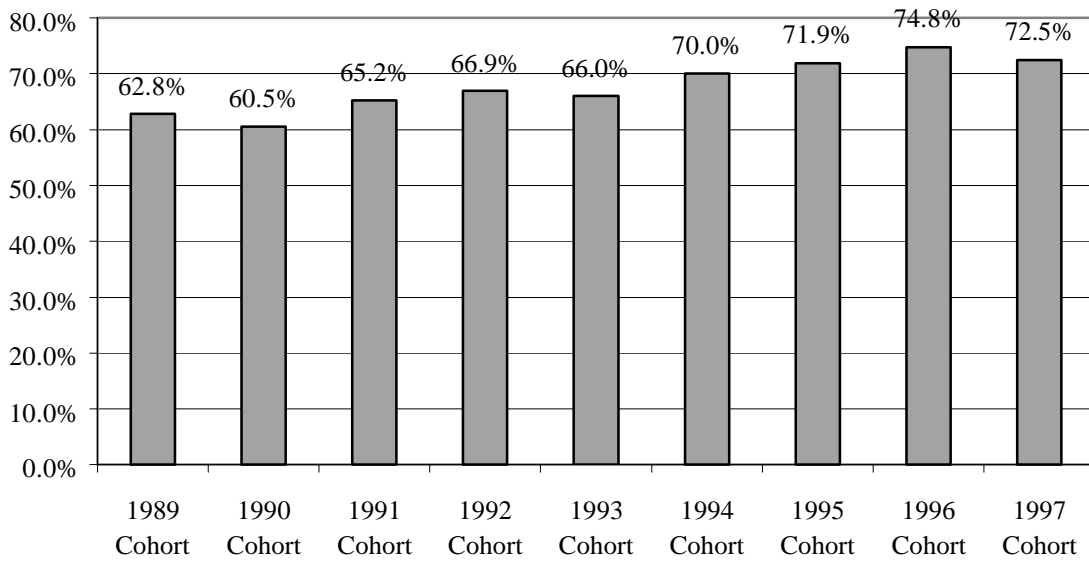
**Performance Analysis: Managing for Results**

BCCC's MFR submission includes an objective that measures the transfer and graduation rates of its community college students. However, the MFR does not include dropout rates. The overall four-year dropout rate increased by 15.4% for all first-time, full-time students entering community colleges between 1989 and 1997. **Exhibit 1** shows the dropout rate at BCCC between the entering classes of 1989 and 1997. The dropout rate over these years averaged 67.8%, ranging from a low of 60.5% for the entering class of 1990 to a high of 74.8% for the entering class of 1996.

**Exhibit 1**

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**Dropout Rates for All First-Time Full-Time BCCC Students**



Source: Maryland Higher Education Commission, *Retention, Graduation and Transfer Rates at Maryland Community Colleges*, April 2002

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BCCC has undertaken many student retention initiatives to lower its dropout rates. However, tracking the dropout rates by including them in the MFR submission may help the General Assembly in further assisting BCCC with its retention efforts. **The Department of Legislative Services (DLS) recommends BCCC include the dropout rate of community college students in its MFR submission. Data measuring the dropout rate over time will provide a more complete picture of what is happening with the community college student population.**

BCCC also is witnessing a growing number of senior adults enrolling in noncredit classes. The number of senior adults enrolled in the classes has soared from 457 in fiscal 2001 to 2,684 in fiscal 2002, a 487.3% increase. BCCC cites an expanded partnership with the Commission on Aging and Retirement Education with creating more learning opportunities for senior adults. Additionally, the college's BCEC now offers courses at seven senior centers in the city.

BCCC's goal is to reach a senior adult enrollment of 3,000 by fiscal 2005. **DLS recommends BCCC be prepared to address whether the college will be able to accommodate any further demand above a 3,000 senior adult enrollment goal.**

## **Fiscal 2003 Actions**

### **Impact of Cost Containment**

Governor Glendening reduced BCCC's fiscal 2003 general fund legislative appropriation by \$1,090,243, or 3.5% to meet his cost containment goals. BCCC costs in its Instruction Division were reduced by \$906,666; costs in its Institutional Support Division were reduced by \$97,108; costs in its Plant Operations Division were reduced by \$48,185; and costs in its Student Services Division were reduced by \$38,284.

Most of the reductions were from savings attributable to the State's hiring freeze. BCCC will, however, transfer \$878,612 from its fund balance to prevent instructional positions from being eliminated and cover salary expenditures. BCCC has indicated that the cost containment measures will impact student programs and services. BCCC also has noted that reducing its fund balance will result in fewer funds available for intended capital improvements and one-time expenditures associated with the start up and expansion of programs. Governor Ehrlich is expected to further reduce BCCC's fiscal 2003 general fund legislative appropriation by \$155,749, or 0.5%. The overall \$1.2 million, or 4.0% reduction will be consistent with the reduction taken for the other 15 community colleges.

### **Governor's Proposed Budget**

As **Exhibit 2** shows, the Governor's allowance contains a \$1,720,478, or 2.4% increase over the fiscal 2003 working appropriation after accounting for fiscal 2003 and 2004 cost containment. This figure includes \$1.1 million funding for new positions offset by \$1.3 million in savings applied to cost containment and increases for health insurance, retirement, and other fringe benefits. **Exhibit 3** shows the salary and fringe benefit costs for the 21 new positions in the allowance.

**Exhibit 2**

**Governor's Proposed Budget  
Baltimore City Community College  
(\$ in Thousands)**

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 03 - 04</u>	<u>FY 03 - 04</u>
	<u>Actual</u>	<u>Approp.</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
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Restricted Funds	22,337	25,567	25,793	226	0.9%
<b>Adjusted Grand Total</b>	<b>\$66,250</b>	<b>\$71,216</b>	<b>\$72,937</b>	<b>\$1,720</b>	<b>2.4%</b>

**Where It Goes:**

**Personnel Expenses**

Costs for 21 new positions .....	\$1,108
Employee and retiree health insurance .....	349
Retirement and other compensation .....	-463

**Other Changes**

Increased financial aid awards .....	500
Student retention initiatives, workforce and community needs such as expansion of the Summer Institute, development of academic program proposals, support for the Council on Student Retention, and expansion of student services at the Harbor campus for a new testing center, welcome center, and other services .....	736
Upgrade of the computer system and supporting software requirements, increased marketing and communications initiatives, and expansion of electronic library services .....	703
Continued deferred maintenance efforts, shuttle bus operations, and security enhancements	41
Other reductions associated with cost containment .....	-1,254

**Total** **\$1,720**

Note: Numbers may not sum to total due to rounding.

**Exhibit 3**

**Salary and Fringe Benefit Costs for 21 New Positions**

<u>Division</u>	<u>Position Title</u>	<u>Salary</u>	<u>Fringe Benefits</u>	<u>Total</u>	<u>Fund Source</u>
Instruction	Adult Basic Education Instructor	\$40,515	\$13,491	\$54,006	Restricted
	ESOL Instructor (2)	81,030	26,982	108,012	Restricted
	Youth Program Director	45,470	15,142	60,612	Restricted
	Case Worker	55,428	18,458	73,886	Restricted
	Retention Specialist	34,014	11,327	45,341	Restricted
	Training and Development Instructors (5)	176,924	58,914	235,838	Restricted
	Associate Professor (2)	91,232	30,380	121,612	Unrestricted
	Administrative Facilitator	30,809	10,259	41,068	Unrestricted
	Institutional Support	Accountant	51,206	17,052	68,258
Plant Operations	Building Guard II (4)	109,164	36,352	145,516	Unrestricted
Academic Support	Motor Vehicle Operator	23,722	7,899	31,621	Unrestricted
	Director of Operations	<u>91,808</u>	<u>30,572</u>	<u>122,380</u>	Unrestricted
<b>Total</b>		<b>\$831,322</b>	<b>\$276,828</b>	<b>\$1,108,150</b>	

Source: Baltimore City Community College

**BCCC's Funding Formula**

Chapters 568 and 569, Acts of 1998 established a funding formula for BCCC to compensate for insufficient local funding. Under the formula, State support per full-time equivalent student (FTES) for BCCC was set at 60.0% of the State appropriation per FTES at selected four-year public colleges for fiscal 1999, 63.0% for fiscal 2000, and 66.0% for every year thereafter. However, under the Budget Reconciliation and Financing Act of 2002 (BRFA of 2002), the General Assembly reduced the percentage from 66.0% to 60.9% for fiscal 2003 and 2004, 63.4% in fiscal 2005, and then 66.0% in fiscal 2006 and every year thereafter. **Exhibit 4** shows how the formula was calculated after applying cost containment and contingency reductions to arrive at the amount of fiscal 2004 funding. The fiscal 2004 formula funding of \$30,933,101 plus the \$500,000 in fiscal 2004 ESOL grants brings total general fund support to \$31,443,101.

**Exhibit 4**

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**BCCC State Formula Funding Level  
Fiscal 2004**

**State Formula Aid per FTES at BCCC**

Fiscal 2003 aid per FTES at selected four-year public institutions <sup>1</sup>	\$8,446.66
Formula percentage	60.9%
BCCC aid per FTES	\$5,144.02

**State Formula Aid for BCCC**

Aid per FTES	\$5,144.02
Audited fiscal 2002 FTES	6,013.39
BCCC State formula funding	\$30,933,101

<sup>1</sup>Reflects revised fiscal 2003 appropriation for four-year institutions.

Note: Numbers may not calculate to total due to rounding.

Source: Department of Budget and Management

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**Revenue Sources**

The fiscal 2004 general fund support increases by 5.1%, offset by a 0.2% decrease in other unrestricted funds, primarily due to a fund balance transfer in fiscal 2002, as shown in **Exhibit 5**. Exhibit 5 also shows that BCCC anticipates only a \$136,006, or 1.3% increase in fiscal 2004 tuition and fees over fiscal 2003. BCCC anticipates increasing its tuition effective for the fall 2004 semester between \$3.00 and \$9.00 per credit hour. The 0.9% increase in restricted funds reflects the additional revenues from scholarships, fellowships, and BCCC's radio station almost entirely offset by decreases in federal, State, and local grants and contracts. The college estimates a fund balance of \$6.8 million.

Exhibit 5

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**Summary of BCCC's Revenue Sources**  
**Fiscal 2003 Working Appropriation v. Fiscal 2004 Allowance**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>Change</u>	<u>Percent Change</u>
Tuition and Fees	\$10,665,399	\$10,801,405	\$136,006	1.3%
State Funding	29,903,818	31,433,101	1,529,283	5.1%
Federal Grants and Contracts	130,000	130,000	0	0.0%
State and Local Grants and Contracts	76,000	76,000	0	0.0%
Auxiliary Enterprises	2,449,427	2,449,427	0	0.0%
Other	2,224,880	2,254,146	29,266	1.3%
Transfer from Fund Balance	200,000	0	-200,000	-100.0%
<b>Total Unrestricted</b>	<b>\$45,649,524</b>	<b>\$47,144,079</b>	<b>\$1,494,555</b>	<b>3.3%</b>
Scholarships and Fellowships	\$15,375,000	\$15,875,000	\$500,000	3.3%
Federal Grants and Contracts	3,095,448	2,947,858	-147,590	-4.8%
State Grants and Contracts	1,197,235	1,096,331	-100,904	-8.4%
Local Grants and Contracts	4,704,106	4,648,523	-55,583	-1.2%
Public Service	1,195,000	1,225,000	30,000	2.5%
<b>Total Restricted</b>	<b>\$25,566,789</b>	<b>\$25,792,712</b>	<b>\$225,923</b>	<b>0.9%</b>
<b>Total Revenue</b>	<b>\$71,216,313</b>	<b>72,936,791</b>	<b>\$1,720,478</b>	<b>2.4%</b>

Source: Baltimore City Community College

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## *Issues*

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### **1. Transfer and Graduation Rates at BCCC Fell**

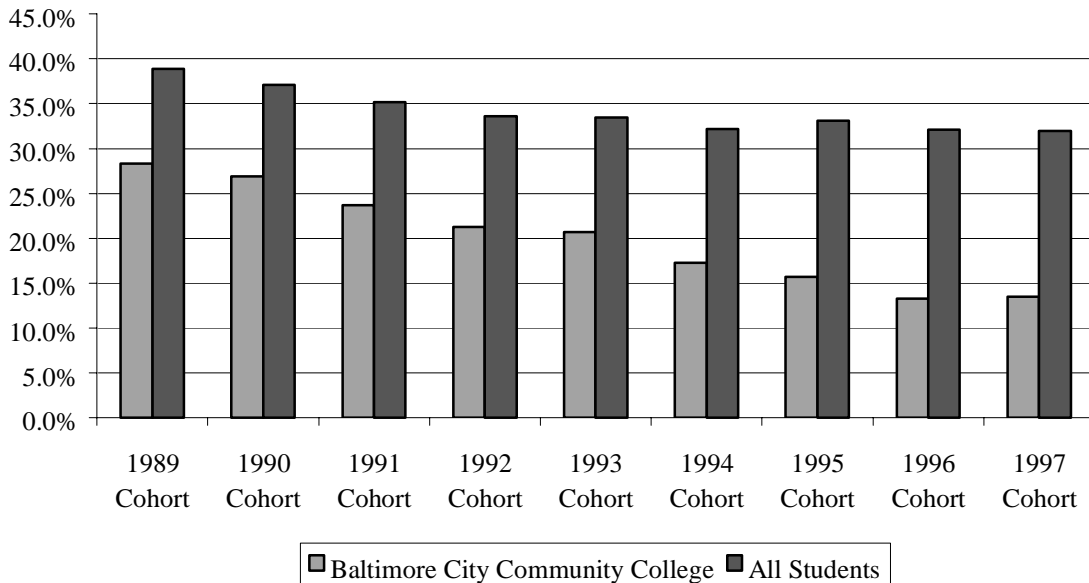
BCCC, like many of the State's other community colleges, had declining transfer and graduation rates in past years. MHEC's April 2002 report found that first-time, full-time BCCC students who entered BCCC in 1997 had a four-year transfer and graduation rate of 13.5%. The report measured students who transferred to a Maryland public four-year institution with or without a degree or certificate. The report also measured students who graduated but did not transfer, defining these students as individuals who graduated from BCCC with an associate degree or a lower division certificate but did not transfer to a Maryland public four-year institution.

The report examined all first-time, full-time students at BCCC. Unlike MHEC's *Performance Accountability Report*, the report does not measure strictly degree-seeking first-time, full-time students. However, the rates are similar. (MHEC indicates that "degree-seeking" may be misleading since students are eligible for student financial aid only if they answer that they are seeking a degree. Therefore, students may not be degree-seeking, but respond that they are to be eligible for financial aid.)

As **Exhibit 6** shows, the four-year transfer and graduation rate fell from 28.3% for the entering class of 1989 to 13.5% for the entering class of 1997. Transfer and graduation rates at all community colleges in the State fell from 38.9% for the entering class of 1989 to 32.0% for the entering class of 1997.

## Exhibit 6

### Transfer and Graduation Rates of All First-Time, Full-Time BCCC Students



Source: Maryland Higher Education Commission, *Retention, Graduation and Transfer Rates at Maryland Community Colleges*, April 2002

### What Factors Maybe Contributing to These Declines?

As noted in the Aid to Community Colleges' analysis, MHEC notes that the following factors may be contributing to these declines:

- The economy. As the economy improves, as it did in the late 1990s, students tend to leave community colleges for jobs and, conversely, as the economy slows down, the percentage of students staying in school to obtain a degree or enrolling in a few courses climbs;
- A growing trend to obtain a few courses to learn or sharpen existing skills rather than earning a certificate or an associate's degree or transferring to a four-year institution. Indicator 16 of the *Performance Accountability Report* provides the college's rating of non-returning student satisfaction with educational goal achievement. The two most recent ratings are 45% for the Spring 2000 cohort and 78% for the Spring 2001 cohort. This data may indicate that, although students may not be getting a certificate, an associate's degree, or transferring to a four-year institution, they may be achieving their intended goal; and

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- The possibility that articulation agreements between the two-year and four-year institutions may not be working as well as they should.

Additionally, BCCC's MFR submission notes that the percent of Baltimore City Public High School college prep graduates requiring remediation in fiscal 2002 in mathematics, English, and reading was 80%, 65%, and 58%, respectively.

**DLS recommends BCCC be prepared to discuss these and any other known factors explaining the declining transfer and graduate rates.**

## **2. BCCC Again Faces Reductions under a BRFA**

The Governor's BRFA of 2003 would reduce BCCC's formula funding by \$2.5 million, or 7.5%.

### **BRFA of 2002 Alters Formula Percentage**

The BRFA of 2002 restructured the percentage used in BCCC's funding formula to help balance the fiscal 2003 budget. The percentage was reduced in fiscal 2003 from 66% of the selected four-year institutions' aid per FTES to 60.9%. The BRFA of 2002 maintains that percentage in fiscal 2004, increases the percentage to 63.4% in fiscal 2005, and returns it to the 66% percentage in fiscal 2006. The percentage reduction, along with the formula being based on a selected four-year fiscal 2002 appropriation that reflects fiscal 2002 cost containment and hiring freeze measures, resulted in a \$4.8 million, or 13.5% reduction under the BCCC formula from the amount BCCC would have received in fiscal 2003 had the formula percentage remained at 66% and no fiscal 2003 cost containment measures been taken.

### **A 4% Cost Containment Reduction Is Expected for BCCC in Fiscal 2003**

As noted earlier, BCCC is expecting another \$155,749, or 0.5% reduction to its fiscal 2003 working appropriation to help balance the fiscal 2003 budget, leaving BCCC with an anticipated total reduction of \$1.2 million, or 4% in fiscal 2003. This reduction would leave BCCC with a fiscal 2003 general unrestricted fund working appropriation that is \$6,943 greater than the fiscal 2002 legislative appropriation.

### **Governor's BRFA of 2003 Incorporates Four-year Institutions' Fiscal 2003 Cost Containment**

In the fiscal 2004 allowance, the Governor provides funding in accordance with BCCC's statutory funding formula. However, the Governor's BRFA of 2003 imposes a \$2.5 million, or 7.5% reduction to fiscal 2004 BCCC formula funding. If enacted as proposed, the reduction will provide BCCC with \$30,933,101 under the formula. Before the BRFA is applied, the formula provides a \$4.0 million, or 13.7% increase over the fiscal 2003 working appropriation after fiscal 2003 cost containment measures. **Exhibit 7** shows how funding under BCCC's formula has been affected by cost containment and BRFAs

since fiscal 2002.

**Exhibit 7**

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**Effects of Cost Containment and BRFAs on BCCC's Formula**

	<b><u>BCCC Formula Funding</u></b>	<b><u>% Change in Funding</u></b>	<b><u>Change over Prior Fiscal Year's Legislative Appropriation</u></b>
<b>FY 02 Appropriation</b>	<b>\$29,407,971</b>		
<b>FY 03 Funding Before Applying the FY 02 Cost Containment to 4-Year Institutions &amp; 02 BRFA</b>	<b>\$35,447,546</b>	20.5%	
Adjustment for FY 02 Cost Containment for 4- Year Institutions	-\$318,827	-0.9%	
2002 BRFA Impact on Formula Percentage	-\$4,467,813	-12.7%	
<b>FY 03 Legislative Appropriation</b>	<b>\$30,660,906</b>		<b>4.3%</b>
FY 03 Cost Containment	-\$1,245,992	-4.0%	
<b>FY 03 Working Appropriation</b>	<b>\$29,414,914</b>		<b>.02%</b>
Increase for FY 04	\$4,028,201	13.7%	
<b>FY 04 Allowance Before Applying 03 BRFA</b>	<b>\$33,443,115</b>		<b>9.1%</b>
Proposed 2003 BRFA Cut	-\$2,510,014	-7.5%	
<b>FY 04 Allowance After Applying 03 BRFA</b>	<b>\$30,933,101</b>		<b>0.9%</b>

Source: Governor's Fiscal 2003 and 2004 Budget Books

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**DLS recommends that the General Assembly adopt the BRFA of 2003's proposed \$2.5 million reduction to fiscal 2004 BCCC funding.**

## ***Recommended Actions***

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1. Add the following language:

Further provided that 11 positions may not be filled until the Baltimore City Community College provides the budget committees with documentation that grant funds to finance the positions have been received.

**Explanation:** This language prohibits BCCC from filling 11 grant-funded positions until the budget committees receive documentation that grant funds are available to finance these positions.

	<b><u>Amount Reduction</u></b>	
2. Reduce formula funding for Baltimore City Community College. This reduction is consistent with the contingent reduction in the Budget Reconciliation and Financing Act of 2003.	\$ 2,510,014	UF
3. Delete funds for tuition waivers. The fiscal condition of the State requires that tuition remission be discontinued.	50,000	UF
<b>Total Unrestricted Fund Reductions</b>	<b>\$ 2,560,014</b>	

## *Updates*

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### **1. BCCC Changes Its Bookstore Operations**

BCCC's contract with a private company to operate its bookstore ended in February 2002. The college's contract to run BCCC's bookstore at its Liberty and Harbor campuses was scheduled to end on February 28, 2001, but was extended by one year. BCCC solicited for a new contract, both with the existing company and other companies. Despite advertisements in the *Maryland Contract Weekly*, the *Afro American Newspaper*, and phone calls to local bookstores, the college was forced to begin self-operating the bookstore in April 2002 and staffed the bookstore with eight full-time positions approved by the Board of Public Works.

BCCC hired a consultant to help set up operations. The consultant anticipates the bookstore will initially break-even or generate modest profits. BCCC believes the bookstore will generate revenue in the future.

## ***Current and Prior Year Budgets***

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### **Current and Prior Year Budgets Baltimore City Community College (\$ in Thousands)**

	<b><u>General Fund</u></b>	<b><u>Other Unrestricted Fund</u></b>	<b><u>Total Unrestricted Fund</u></b>	<b><u>Restricted Fund</u></b>	<b><u>Total</u></b>
<b>Fiscal 2002</b>					
Legislative Appropriation	\$29,868	\$10,955	\$40,823.00	\$17,360	\$58,183
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	4,352	4,352	7,664	12,016
Reversions and Cancellations	-128	-1,134	-1,262	-2,687	-3,949
<b>Actual Expenditures</b>	<b>\$29,740</b>	<b>\$14,173</b>	<b>\$43,913</b>	<b>\$22,337</b>	<b>\$66,250</b>
<b>Fiscal 2003</b>					
Legislative Appropriation	\$31,150	\$11,660	\$42,810	\$23,033	\$65,843
Budget Amendments	0	4,085	4,085	2,534	6,619
Cost Containment	-1,246	0	-1,246	0	-1,246
<b>Working Appropriation</b>	<b>\$29,904</b>	<b>\$15,745</b>	<b>\$45,649</b>	<b>\$25,567</b>	<b>\$71,216</b>

Note: Numbers may not sum to total due to rounding.

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The fiscal 2002 legislative appropriation for general unrestricted funds decreased by \$128,000 due to statewide-imposed cost containment reductions. BCCC absorbed the reduction by deferring \$95,506 in maintenance and reducing the budget for BCCC's Business and Continuing Education Center by \$32,494.

The fiscal 2002 legislative appropriation for unrestricted funds other than general funds increased by \$3.1 million, reflecting a \$4.4 million budget amendment offset by a \$1.1 million cancellation. The \$4.4 million budget amendment included a \$2,704,975 fund balance transfer and \$2,716,420 in higher revenue from tuition fees, allowances for uncollectible revenue and waivers, and other unrestricted revenue sources. The monies from the transfer were used to pay for one-time initiatives such as legal consulting for the Lockwood development on the college's Harbor Campus and web site enhancements. The \$1.1 million cancellation is attributable to deferral until fiscal 2003 of expenditures of fund balance authorizations for projects such as exterior improvements of the Harbor Campus Bard Building (\$100,000), the delayed expansion of Reisterstown Plaza (\$51,800), and greater-than-projected tuition and fee revenues primarily from enrollment increases (\$895,000).

The fiscal 2002 legislative appropriation for restricted funds increased by \$7.7 million but was offset by a \$2.7 million cancellation. The \$7.7 million increase includes a \$5.2 million increase to pay for scholarships, fellowships, and State and local grants and contracts, including significant increases for contract training, the State Work Study Program, and the Baltimore City Office of Economic Development's Youth Practitioner Institute. The institute educates young adults about employment, health and substance abuse issues, career training, job technology, and other work-related areas. The \$7.7 million increase also includes a \$2.5 million increase to provide additional Pell grant disbursements to students. The offsetting \$2.7 million cancellation is due to lower-than-anticipated awards for continuing grants and contracts such as Department of Social Services Employee Training, Second Chance Occupation Training Program, Baltimore City Office of Economic Development Youth Opportunity Community Center, and the Baltimore Regional Health Care Training Partnership.

The fiscal 2003 legislative appropriation for unrestricted funds other than general funds has been increased by \$4.1 million. The increase in the current unrestricted fund includes \$1,641,996 in higher revenue from in-state tuition, noncredit tuition, and fees. The unrestricted fund increase also includes \$2,392,695 in other unrestricted revenue, primarily consisting of increased revenue from the college's bookstore, and a fund balance transfer of \$200,000.

The \$4.1 million in unrestricted fund revenue will be used for the following activities:

- \$2.1 million for the self-operating college bookstore;
- \$552,000 in salary improvements due to annualization of the fiscal 2002 cost-of-living adjustment and step increases;
- \$388,000 for infrastructure needs consisting of \$308,000 for implementing the reengineering of human resources, public safety, and plant operations, and \$80,000 for a risk management program;
- \$367,000 for Harbor Campus lease payments;

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- \$254,000 for student retention activities consisting of \$100,000 to teach additional course sections due to enrollment increases and more course offerings; \$87,000 for arena registration; and \$67,000 for the Health and Wellness Center;
- \$170,000 for expansion of student services at the Harbor Campus and Reisterstown Plaza Center (RPC);
- \$149,000 in workforce needs consisting of \$97,000 to expand continuing studies and current instructional programs, and \$52,000 for the expansion of the RPC;
- \$125,000 for community needs consisting of \$95,000 for seniors programs and \$30,000 for software and licenses for off-campus programs; and
- \$34,000 for augmenting the advertising and marketing budget.

The \$2.5 million in higher current restricted revenue will provide funds for additional Pell Grant awards and Baltimore City Office of Economic Development youth programs.

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Appendix 2

Object/Fund Difference Report  
Baltimore City Community College

Object/Fund	FY02	FY03	FY04	FY03 - FY04	Percent
	<u>Actual</u>	<u>Working Appropriation</u>	<u>Allowance</u>	<u>Amount Change</u>	<u>Change</u>
<b>Positions</b>					
01 Regular	527.00	541.00	562.00	21.00	3.9%
02 Contractual	283.87	261.59	261.59	0	0%
<b>Total Positions</b>	<b>810.87</b>	<b>802.59</b>	<b>823.59</b>	<b>21.00</b>	<b>2.6%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 28,419,200	\$ 31,844,677	\$ 33,227,135	\$ 1,382,458	4.3%
02 Technical & Spec Fees	10,273,757	9,996,541	10,062,892	66,351	0.7%
03 Communication	579,345	594,883	619,513	24,630	4.1%
04 Travel	464,800	533,507	532,768	(739)	(0.1%)
06 Fuel & Utilities	735,913	874,143	794,915	(79,228)	(9.1%)
07 Motor Vehicles	33,537	32,234	31,645	(589)	(1.8%)
08 Contractual Services	4,773,957	4,415,984	5,347,839	931,855	21.1%
09 Supplies & Materials	1,627,168	3,595,089	3,538,726	(56,363)	(1.6%)
10 Equip - Replacement	277,216	401,907	435,538	33,631	8.4%
11 Equip - Additional	2,624,277	2,875,097	2,685,581	(189,516)	(6.6%)
12 Grants,Subsidies,Contr	14,367,219	15,322,133	15,840,289	518,156	3.4%
13 Fixed Charges	1,260,829	1,368,608	1,636,344	267,736	19.6%
14 Land & Structures	812,702	607,502	693,620	86,118	14.2%
<b>Total Objects</b>	<b>\$ 66,249,920</b>	<b>\$ 72,462,305</b>	<b>\$ 75,446,805</b>	<b>\$ 2,984,500</b>	<b>4.1%</b>
<b>Funds</b>					
40 Unrestricted Fund	\$ 43,913,230	\$ 46,895,516	\$ 49,654,093	\$ 2,758,577	5.9%
43 Restricted Fund	22,336,690	25,566,789	25,792,712	225,923	0.9%
<b>Total Funds</b>	<b>\$ 66,249,920</b>	<b>\$ 72,462,305</b>	<b>\$ 75,446,805</b>	<b>\$ 2,984,500</b>	<b>4.1%</b>

Notes: 1. Full-time and contractual positions and salaries are reflected for operating budget programs only

2. Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary

Baltimore City Community College

<u>Unit/Program</u>	FY02		FY03		FY03		FY02 - FY03		FY03 - FY04	
	<u>Actual</u>	<u>Legislative Appropriation</u>	<u>Working Appropriation</u>	<u>Appropriation</u>	<u>% Change</u>	<u>Allowance</u>	<u>% Change</u>			
01 Instruction	\$ 24,300,901	\$ 24,515,552	\$ 27,438,408		12.9%	\$ 28,343,191	3.3%			
03 Public Service	1,008,243	1,195,000	1,195,000		18.5%	1,225,000	2.5%			
04 Academic Support	2,803,891	3,276,273	3,015,465		7.5%	3,274,627	8.6%			
05 Student Services	4,682,355	5,416,850	4,765,933		1.8%	5,036,764	5.7%			
06 Institutional Support	12,058,350	12,582,903	11,659,288		(3.3%)	12,396,183	6.3%			
07 Operation And Maintenance Of Plant	6,449,092	6,511,183	6,660,694		3.3%	6,940,560	4.2%			
08 Auxiliary Enterprises	444,613	335,346	2,202,517		395.4%	2,205,480	0.1%			
17 Scholarships And Fellowships	14,502,475	12,010,016	15,525,000		7.1%	16,025,000	3.2%			
<b>Total Expenditures</b>	<b>\$ 66,249,920</b>	<b>\$ 65,843,123</b>	<b>\$ 72,462,305</b>		<b>9.4%</b>	<b>\$ 75,446,805</b>	<b>4.1%</b>			
Unrestricted Fund	\$ 43,913,230	\$ 42,810,167	\$ 46,895,516		6.8%	\$ 49,654,093	5.9%			
Restricted Fund	22,336,690	23,032,956	25,566,789		14.5%	25,792,712	0.9%			
<b>Total Appropriations</b>	<b>\$ 66,249,920</b>	<b>\$ 65,843,123</b>	<b>\$ 72,462,305</b>		<b>9.4%</b>	<b>\$ 75,446,805</b>	<b>4.1%</b>			

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.