

R95C00
Baltimore City Community College

Operating Budget Data

(\$ in Thousands)

	FY 04	FY 05	FY 06	FY 05-06	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Funds	\$29,460	\$30,425	\$33,629	\$3,204	10.5%
Other Unrestricted Funds	20,657	19,438	20,081	643	3.3%
Total Unrestricted Funds	50,118	49,863	53,710	3,847	7.7%
Restricted Funds	<u>21,758</u>	<u>22,187</u>	<u>22,406</u>	<u>219</u>	<u>1.0%</u>
Total Funds	\$71,876	\$72,050	\$76,116	\$4,066	5.6%
Contingent & Back of Bill Reductions			-1,629	-1,629	
Adjusted Total	\$71,876	\$72,050	\$74,487	\$2,437	3.4%

- General funds for Baltimore City Community College (BCCC) increase \$3.2 million in accordance with its funding formula. The Governor has proposed a \$1.6 million reduction in general funds contingent on legislation. The action is being proposed by the Governor to maintain BCCC's increase in State aid consistent with those afforded to other community colleges.
- The fiscal 2006 increase in other unrestricted funds primarily reflects an increase in tuition and fees due to enrollment growth.

Personnel Data

	FY 04	FY 05	FY 06	FY 05-06
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	544.00	544.00	553.00	9.00
Contractual FTEs	<u>306.86</u>	<u>300.93</u>	<u>288.99</u>	<u>-11.94</u>
Total Personnel	850.86	844.93	841.99	-2.94

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	11.89	2.15%
Positions Vacant as of 12/31/04	63.00	11.39%

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

For further information contact: Henriot St. Gerard

Phone: (410) 946-5530

- As of February 8, 2005, BCCC had 53 vacancies.
- The allowance supports the addition of nine new regular positions. The positions consist of credit and non-credit faculty to assist in meeting an increase in student enrollment.

Analysis in Brief

Major Trends

High Dropout Rates Continue to Plague BCCC: BCCC students are more likely than other community college students to drop out, and the college has done little to study the cause of this occurrence. **The Department of Legislative Services recommends that BCCC explain the factors that prevent students from achieving relative to their community college counterparts.**

Issues

Maryland Higher Education Commission Audit Recommends Changes at BCCC: In August 2004, the Maryland Higher Education Commission (MHEC) performed an evaluation of BCCC and made recommendations to address mismanagement and other deficiencies. **BCCC should comment on the MHEC evaluation and discuss the steps it is taking to rectify and address the issues highlighted in the audit.**

BCCC Still Searching for Permanent President: There has been no report on the status of BCCC's search for a permanent president. **BCCC should comment on the status of the hiring of a permanent college president. The hiring of a permanent president is a signal that the college is committed to a stable administration and staff. BCCC should discuss what steps it has taken in finding a new president.**

Effect of BCCC Enrollment Growth on Capital Needs Uncertain: BCCC and other community colleges have argued that additional facilities are required to address projected enrollment growth over the next 10 years. **BCCC should discuss its capacity needs and the factors used to determine additional needs at the college.**

Recommended Actions

	<u>Funds</u>
1. Reduce general funds for the Baltimore City Community College.	\$ 815,556
Total Reductions	\$ 815,556

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Baltimore City Community College

Operating Budget Analysis

Program Description

Baltimore City Community College (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 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 towards achieving the following goals:

- improve retention of students to graduation or transfer to a baccalaureate-granting college or university;
- improve responsiveness to Baltimore's workforce needs;
- promote community outreach and service; and,
- ensure affordability for Baltimore City residents.

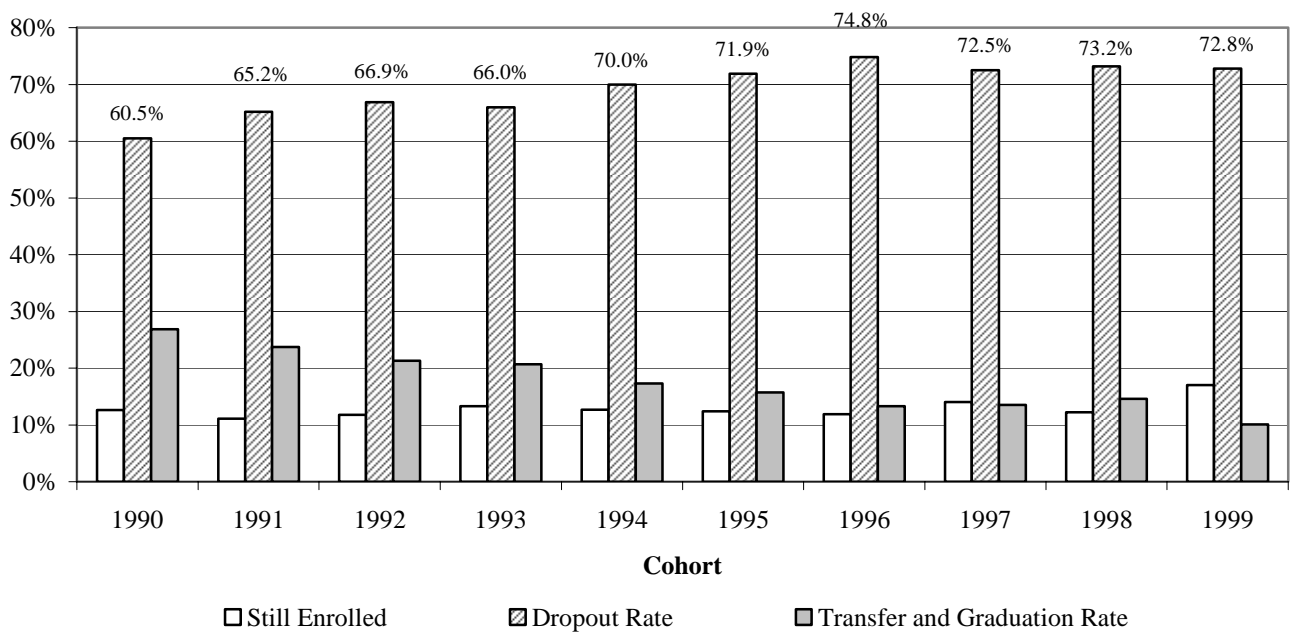
Performance Analysis: High Dropout Rates Continue to Plague BCCC

BCCC's Managing for Results (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 for full-time students increased by 20% between the entering classes of 1990 and 1998. Over the same period, the four-year transfer and graduation rate decreased by 62.5%. BCCC has decreased its goal of an 18% transfer and graduation rate to 15%. Despite the change in forecast, the current graduation and transfer rate is significantly below its estimate, and the actual graduation and transfer rate of 26.9% achieved in the 1990 cohort.

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Exhibit 1 shows the outcomes for all first-time full-time BCCC students from the entering classes of 1990 through 1999. As shown in Exhibit 1, the transfer and graduation rate has dropped each year from 26.9% in 1990 to the current figure of 10.1%. Similarly, the dropout rate has remained above 70% in the past six years. For the 1999 cohort, the dropout rate decreased slightly to 72.8% from 73.2% in 1998, and the number of students still enrolled increased from 12.2% to 17%. Despite these gains, the transfer and graduation rate remains 5 percentage points below the goal of 15%.

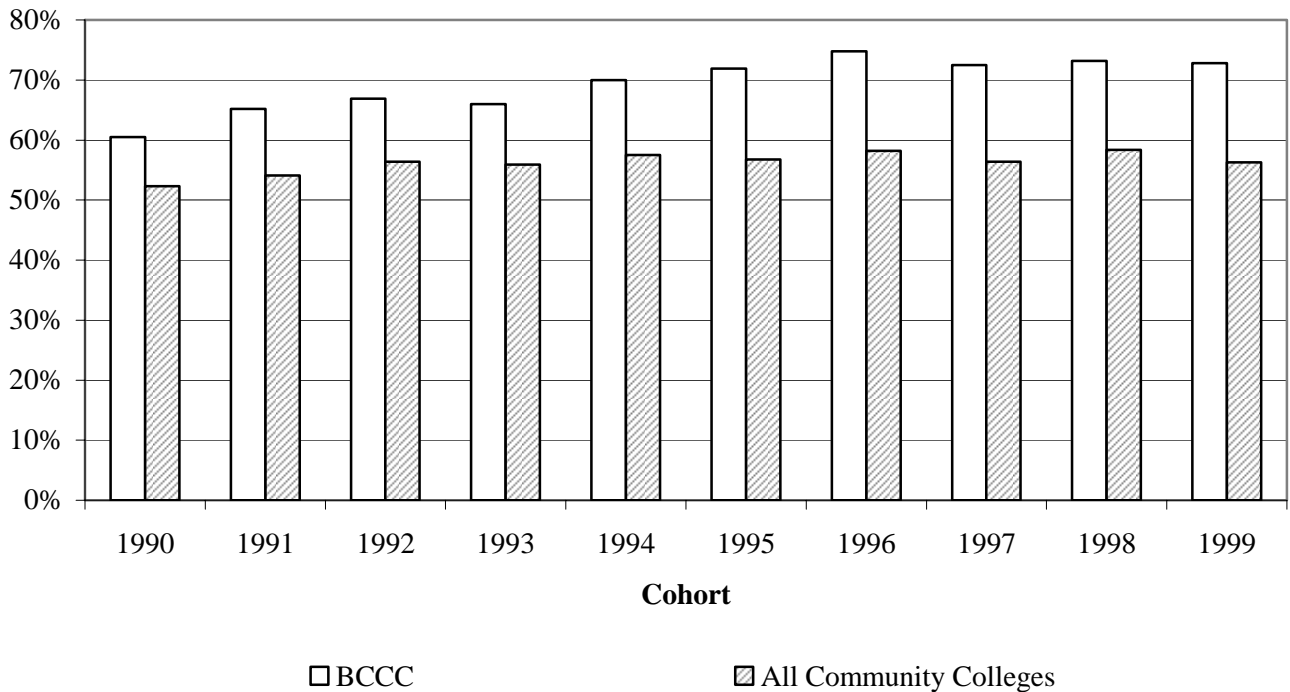
Exhibit 1
Transfer and Graduation Rates of All First-time Full-time BCCC Students
Cohorts from 1990 – 1999



Source: Maryland Higher Education Commission, Retention, Graduation, and Transfer Rates at Maryland Community Colleges, 2004

Students at BCCC are also more likely to drop out than their counterparts at other community colleges. **Exhibit 2** shows the disparity in dropout rates for BCCC students as compared to all community colleges students. Over the cohorts from 1990 through 1999, BCCC's dropout rate increased by 20.3%, as compared to a 7.6% increase for all community college students.

Exhibit 2
Dropout Rate at BCCC vs. Other Community Colleges
Cohorts from 1990 – 1999

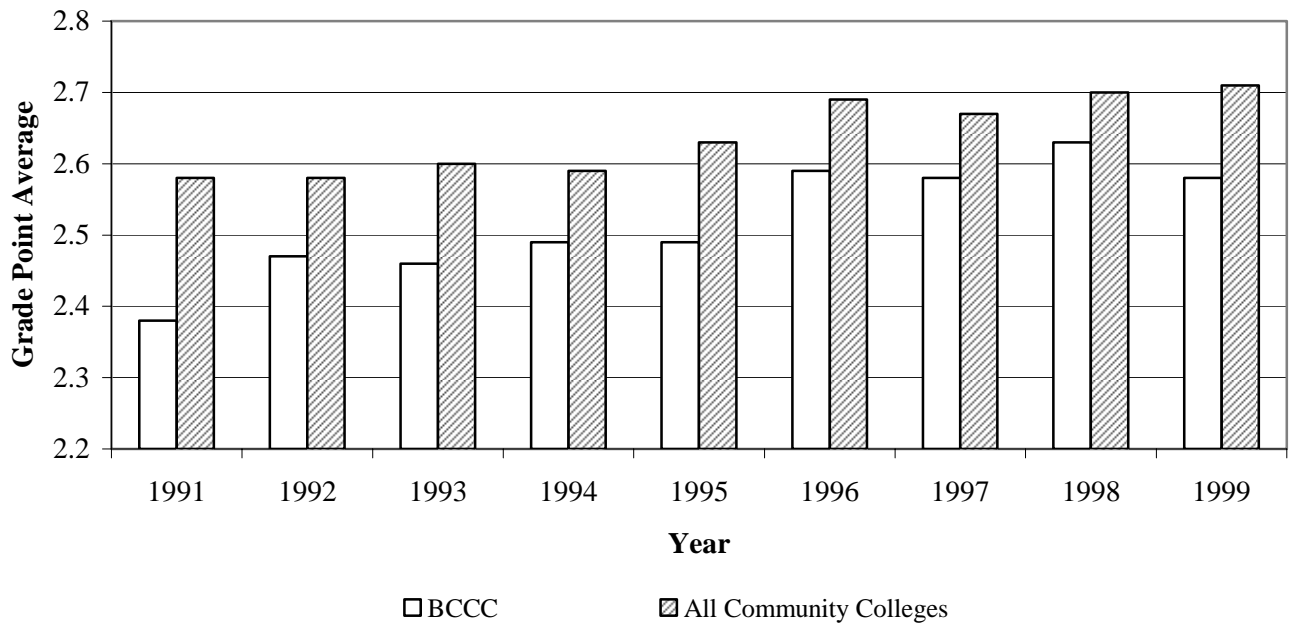


Source: Maryland Higher Education Commission, Retention, Graduation, and Transfer Rates at Maryland Community Colleges, 2004

Student Performance at Maryland Public Four-year Institutions after Transfer Significantly below Performance of Other Community Colleges

BCCC also includes an objective to improve the grade point average (GPA) of students who transfer to a Maryland public four-year institution to 2.70. As shown in **Exhibit 3**, BCCC students have a lower GPA one year after transferring than their counterparts at other community colleges. For the 1999 cohort, BCCC students had a 2.58 GPA compared to all community college students at 2.71. The 2.58 GPA for BCCC students is a decrease from the 1998 figure of 2.63.

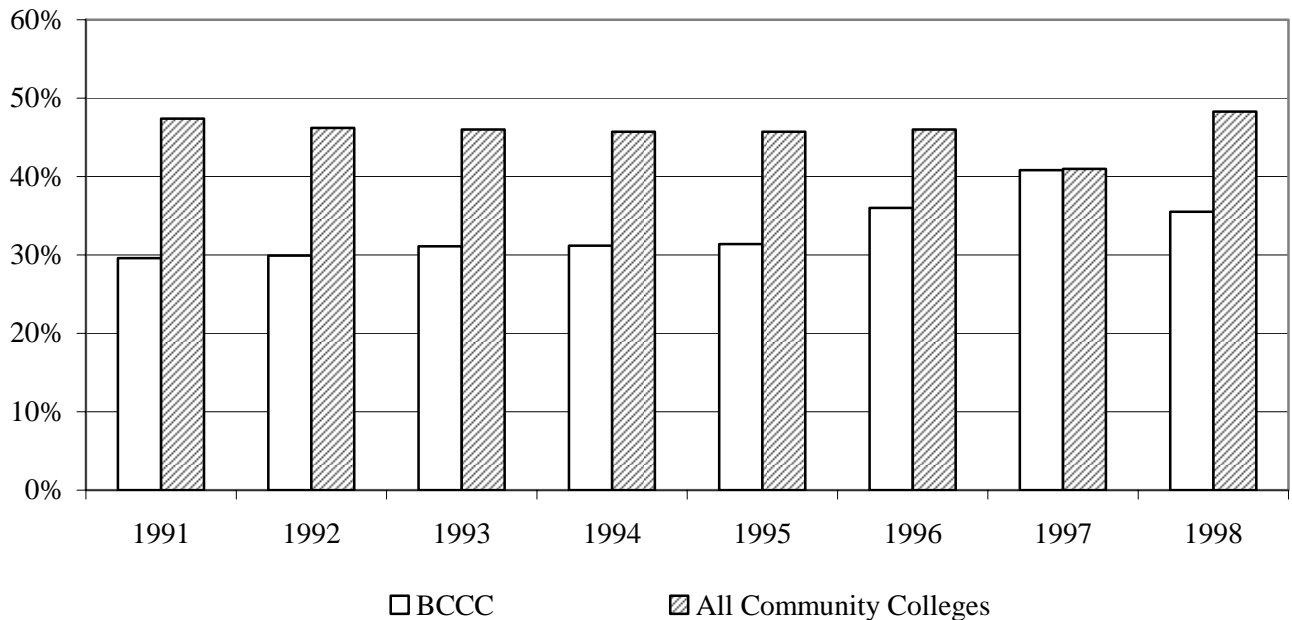
Exhibit 3
GPA of BCCC vs. Other Community Colleges
One Year after Transfer to Maryland Public Four-year Institution



Source: Maryland Higher Education Commission

Another measure that tracks the movement of students after they transfer from BCCC is graduation rates. **Exhibit 4** compares the percentage of BCCC students who transfer and graduate with a Bachelors degree from a four-year Maryland public institution to all community college students from 1991 through 1998. As with Exhibit 3, BCCC students lag behind their community college counterparts. The percentage of all community college students graduating has consistently remained above 40%, while BCCC students have only achieved 40% in 1997, when BCCC students almost equaled their community college counterparts.

Exhibit 4
Transfer Students Earning Bachelor Degrees Four Years after Transfer
BCCC vs. Other Community Colleges
1991 – 1998



Source: Maryland Higher Education Commission

BCCC students drop out at a considerably higher rate and perform below their community college counterparts after transferring to a public four-year institution. **The Department of Legislative Services (DLS) recommends that BCCC explain the factors that prevent students from achieving relative to their community college counterparts. The college should be prepared to explain why students drop out at such a high rate and perform below their community college counterparts once they transfer from the college. Furthermore, BCCC should include dropout rates in its MFR submission. Data measuring the dropout rate over time will provide a clearer picture of how BCCC students are moving through higher education.**

Governor's Proposed Budget

As shown in **Exhibit 5**, the Governor's fiscal 2006 adjusted allowance increases by approximately \$2.4 million, or 3.4%. General funds increase by 10.5% and are consistent with full formula funding at 66%. The fiscal 2006 proposed contingent reduction reduces the allowance by \$1.6 million to bring the formula funding increase to a level consistent with the increase for other community colleges. The adjusted allowance results in a general fund increase of \$1.6 million, or 5.2%. Due to the increase in formula funding, BCCC will not receive any of the funds budgeted with the Department of Budget and Management for a 2% cost-of-living increase for State employees.

Exhibit 5
Governor's Proposed Budget
Baltimore City Community College
(\$ in Thousands)

How Much It Grows:	General Fund	Other Unrestricted Fund	Total Unrestricted Fund	Restricted Fund	Total
2005 Working Appropriation	\$30,425	\$19,438	\$49,863	\$22,187	\$72,050
2006 Governor's Allowance	33,629	20,081	53,710	22,406	76,116
Contingent & Back of Bill Reductions	<u>-1,629</u>	<u>0</u>	<u>-1,629</u>	<u>0</u>	<u>-1,629</u>
Adjusted Allowance	\$32,000	\$20,081	\$52,081	\$22,406	\$74,487
Amount Change	\$1,575	\$643	\$2,218	\$219	\$2,437
Percent Change	5.2%	3.3%	4.4%	1.0%	3.4%

Where It Goes:

Personnel Expenses

Nine new regular positions	\$660
Increments and other compensation	676
Employee and retiree health insurance	330
Turnover adjustments	-69

Other Changes

Addition of adjunct faculty	643
Software acquisition and maintenance agreements to meet student technology needs	548
Special payments payroll	-394
Other fringe benefit adjustments	43

Total **\$2,437**

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

BCCC's Funding Formula Again Altered by Budget Reconciliation Action

Chapters 568 and 569, Acts of 1998 established a funding formula for BCCC to compensate for the lack of local funding. Under the formula, State support per full-time equivalent student (FTES) for BCCC was set at 60.0% of the prior year State appropriation per FTES at selected public four-year 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, the General Assembly reduced the percentage from 66.0 to 60.9% for fiscal 2003 and 2004, 63.4% in fiscal 2005, and 66.0% in fiscal 2006 and every year thereafter.

The fiscal 2006 allowance includes a reduction in BCCC's funding of \$1,628,829, contingent on enactment of budget reconciliation legislation. The reductions bring the increase in State aid for BCCC to the same rate of increase as all other community colleges under the Cade formula. **Exhibit 6** demonstrates how BCCC's funding will be affected by fiscal 2006 budget reconciliation legislation.

Exhibit 6 BCCC State Formula Funding, Budget Reconciliation Adjustments, and Governor's Allowance Fiscal 2006

State Formula Aid per FTES at BCCC

Fiscal 2004 aid per FTES at selected four-year public institutions	\$7,621.00
Formula percentage	66.0%
BCCC aid per FTES	\$5,030

State Formula Aid for BCCC

Aid per FTES	\$5,030
Audited Fiscal 2004 FTES	6,586
Total State Aid to BCCC according to formula	\$33,129,100

Adjustments

English for Speakers of Other Languages annual grant	\$500,000
Governor's Fiscal 2006 allowance	\$33,629,100

Budget Reconciliation Adjustments

Reduce increase to same percentage as the Cade formula	-\$1,628,829
Revised Governor's Fiscal 2006 allowance	\$32,000,271

Source: Department of Budget and Management

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BCCC's funding formula, found in §16-512 of the Education Article, states that the Governor's allowance for BCCC must not be less than the prior year's appropriation. As modified by the Budget Reconciliation and Financing Act of 2004 (Chapter 430), this language is now consistent with other funding formulas affecting higher education institutions, which also require that the allowance be at least the prior year's appropriation.

The Governor's general fund allowance for BCCC adjusted for the contingent reduction increases by 5.18% over the fiscal 2005 appropriation. Excluding contingent actions, the allowance increases 10.53% from the prior year. Per FTES funding is also lower once the contingent reduction is taken from the appropriation. Fiscal 2006 per FTES funding totals \$5,030 prior to the reduction and totals \$4,783 per FTES after the reduction.

Other Community Colleges Percent Increase

As shown in **Exhibit 7**, the percentage change in per FTES funding from fiscal 2002 to 2006 almost mirrors the percentage change of all community colleges without the Governor's contingent reduction. With the reduction, the change in BCCC's per FTES funding from fiscal 2002 to 2006 decreases from -12.7 to -17.0%. In contrast, per FTES funding for all community colleges decreases -12.3% during the same time period.

Exhibit 7
Funding Per FTES
BCCC versus Cade Formula for Other Community Colleges

	<u>FY 2002</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>%Change</u> <u>FY 02-06</u>	<u>%Change</u> <u>FY 05-06</u>
BCCC*	\$5,762	\$4,592	\$5,030	-12.7%	9.5%
Revised for Contingent Reduction			4,783	-17.0%	4.2%
Other Community Colleges**	\$2,216	\$1,886	\$1,944	-12.3%	3.1%

*Excluding ESOL grant.

**Excluding ESOL, reciprocity grants, and statewide and regional programs.

Source: Maryland Budget Books

Per Credit-hour Tuition Remains Unchanged

Tuition and fees at BCCC have remained among the lowest of all Maryland community colleges. Per credit-hour resident tuition remained unchanged at \$69 between fiscal 2004 and 2005, and BCCC plans to maintain the \$69 per credit-hour tuition rate moving forward to fiscal 2006 and 2007.

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Exhibit 8 shows that there have been increases in student fees. As shown in Exhibit 8, annual tuition for fiscal 2004 and 2005 has remained unchanged while student fees have increased over 58%. Overall, tuition and fees have increased 3.20% from fiscal 2004 to 2005.

Exhibit 8
Resident Tuition and Fees
Fiscal 2004 – 2005

	<u>FY 2004</u>	<u>FY 2005</u>	<u>% Change</u>
Full-time Tuition	\$2,070	\$2,070	
Fees	120	190	58.33%
Total	\$2,190	\$2,260	3.20%

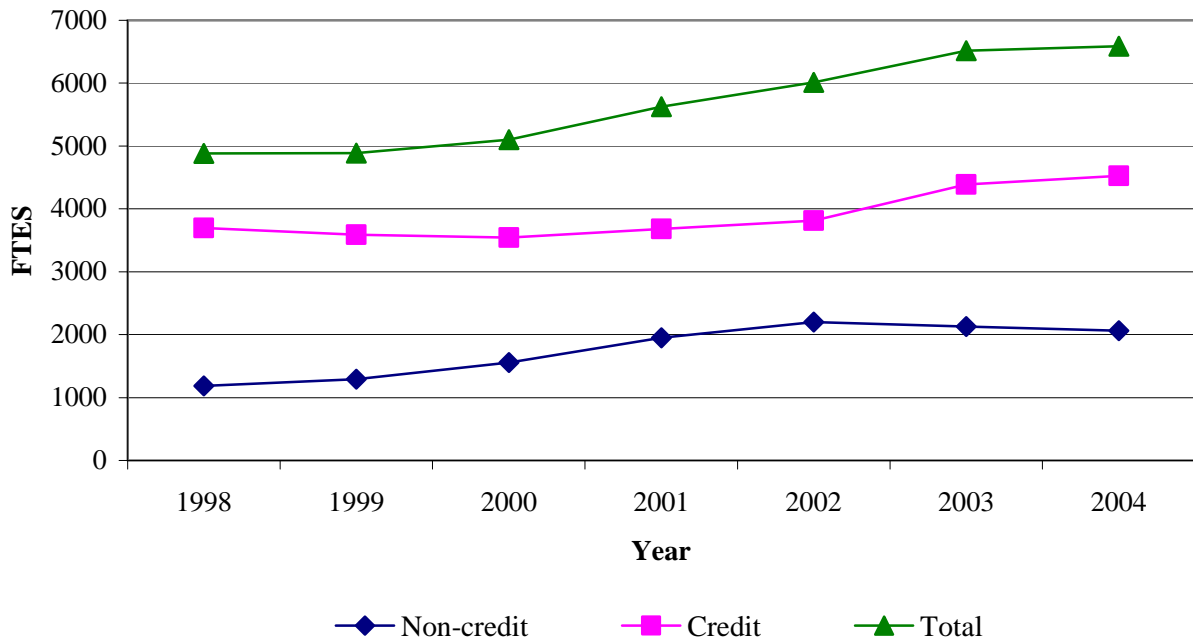
Source: Maryland Higher Education Commission

Anticipated Increases Primarily Funding Staff to Support Expected Enrollment

BCCC will use \$642,862 of the increase in the allowance to fund additional contractual personnel. BCCC has been using contractual or adjunct faculty members instead of regular salaried faculty as a cost containment measure.

BCCC indicates it is adding this additional faculty and staff primarily to support increased enrollment. BCCC has been experiencing enrollment growth for the past five years. Total enrollment has increased by almost 35% since fiscal 1999 but only increased by 1.05% in fiscal 2004. Trends in credit and non-credit enrollment vary. Non-credit enrollment has decreased in fiscal 2004, but total growth for the period was 74%. **Exhibit 9** demonstrates total enrollment growth as well as credit and non-credit enrollment trends from 1998 to 2004. BCCC projects fiscal 2006 total enrollment will exceed actual fiscal 2004 enrollment by 5.5%.

**Exhibit 9
BCCC Total Enrollment
1998 – 2004**



Note: Includes full-time equivalent credit and noncredit enrollment eligible for State aid.

Source: Baltimore City Community College

Unrestricted Funds

Exhibit 10 shows the changes in unrestricted funds by program assuming there is no reduction in general funds. General funds account for more than 60% of BCCC’s unrestricted revenue while tuition and fees generate about a quarter of the revenue. Most of the revenue growth in fiscal 2006 is dedicated to instruction and student services.

Exhibit 10
Baltimore City Community College
Budget Changes for Current Unrestricted Funds by Program
Fiscal 2005 – 2006
(\$ in Thousands)

	<u>FY 2005</u> <u>Working</u>	<u>FY 2006</u> <u>Allowance</u>	<u>FY 05-06</u> <u>% Change</u>
Expenditures			
Instruction	\$19,031	\$21,146	11.1%
Academic Support	2,829	2,970	5.0%
Student Services	5,113	5,836	14.1%
Institutional Support	11,829	12,354	4.4%
Operation and Maintenance of Plant	6,389	6,842	7.1%
Scholarships and Fellowships	197	197	0.0%
Subtotal Education and General	\$45,388	\$49,345	8.7%
Auxiliary Enterprises	\$4,475	\$4,365	-2.5%
Total	\$49,863	\$53,710	7.7%
Revenues			
Tuition and Fees	\$13,364	\$13,957	4.4%
General Funds*	30,425	33,629	10.5%
Other	593	625	5.4%
Subtotal	\$44,382	\$48,211	8.6%
Auxiliary Enterprises	5,480	5,499	0.3%
Total	\$49,862	\$53,710	7.7%

* Does not reflect contingent reduction.

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

Source: Governor's Budget Books, fiscal 2006

Issues

1. Maryland Higher Education Commission Audit Recommends Changes at BCCC

In August 2004 the Maryland Higher Education Commission (MHEC) performed an evaluation of BCCC to determine whether the college was compliant with *Minimum Requirements for Degree-granting Institutions* as stated in the *Code of Maryland Regulations* (COMAR) 13B.02.02. The review followed numerous complaints that the college was not managed properly by the Board of Trustees and that progress in the search for a college president was slow.

Prior to the review, BCCC was taking steps to address some of the issues. The college hired Dr. Richard M. Turner, III, as interim president in August 2004. A college council was also created and measures were taken to improve communication throughout the college. In addition, the Governor appointed three new members to the Board of Trustees and a new chairman was elected.

Meeting Minimum Requirements under COMAR 13B.02.02

The rules and requirements governing all public institutions of higher learning are contained in Section 13B.02.02 of the COMAR. The section contains specific language that spells out requirements that institutions must adhere to in order to be recognized by the State. Section 13B.02.02.13 of the COMAR defines the role of an institution's board of trustees and administration, and the conditions that must be met in order to meet *Minimum Requirements for Degree-granting Institutions*. As it is stated in the section:

“An institution shall design its organization to bring together the institution's total resources in an effectively coordinated effort that will accomplish the institution's stated objectives. The institution shall inform all individuals in the organization of their responsibilities and of those of the other principal administrative positions.”

Under this section of COMAR, the duty of an institution's governing board is to uphold the foundation and purpose of the institution. The governing board is responsible for establishing policy and long-range planning, appointing and evaluating the chief executive officer, developing financial resources, and developing external relations. Governing boards are to concentrate on policy matters and avoid concerning themselves with administrative functions.

Section 13B.02.02.13 clearly defines the duties of the Chief Executive Officer as the one solely responsible for oversight and management of the administrative staff. COMAR delegates all operational functions to the Chief Executive Officer and defines the role as a liaison between the board and the administrative staff of the institution.

The COMAR further defines the roles of the Chief Academic Officer, the Chief Business Officer, and the administrative staff. Any and all deviations from the COMAR declassify an institution as meeting *Minimum Requirements for Degree-granting Institutions*.

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It should be noted that in 1990, the State transformed BCCC into a State institution under Senate Bill 381, giving the college and its Board of Trustees more extensive authority than that of trustees of other Maryland public institutions of higher learning. In some cases, these powers granted to BCCC exceed *Minimum Requirements for Degree-granting Institutions* in the COMAR that prohibit trustees from interfering in the day-to-day operations of the college.

MHEC Evaluation Finds BCCC Not Meeting All Minimum Requirements

The MHEC review panel determined that certain areas of operation at BCCC did not meet all *Minimum Requirements for Degree-granting Institutions* of COMAR 13B.02.02. Many of the recommended actions centered on limiting BCCC's Board of Trustees from interfering with the operational functions and management of the college. While most of the Board of Trustees actions were in line with the statutory powers vested by the State, the MHEC review panel found that they nevertheless violated Section 13B.02.02.13 of the COMAR and were not keeping with good management practices. The powers exerted by the Board of Trustees could be traced back to May 2004, following the resignation of BCCC's president which resulted in a breakdown of authority and high turnover in the administration. BCCC's board, in turn, took over all operations of the college following this episode.

To remedy the Board of Trustees exercise of power beyond the duties outlined in the *Minimum Requirements for Degree-granting Institutions* under COMAR, the MHEC panel recommended the following actions:

- refrain from interfering in the operations of BCCC by the Board of Trustees and allow the interim president to exercise his/her duties as stated in the COMAR;
- begin a national search for a permanent president of the college; and
- contact an outside consulting group to provide training to the board in best practices and to identify and define the roles, responsibilities, and expectations of the Board of Trustees and its members.

The MHEC panel further suggested that action be taken by the General Assembly to prevent further abuses by the Board of Trustees. The recommended actions suggest that the General Assembly consider language to limit the authority of BCCC's Board of Trustees so as to be consistent with the authority vested in other Maryland community colleges and public four-year boards of trustees and in compliance with good management practices as stated in the *Minimum Requirements for Degree-granting Institutions* in COMAR.

The panel made other recommendations that also address bringing BCCC up to minimum standards under the COMAR. These recommendations include:

- development of an academic master plan and strategic plan – this would then be followed by the completion of master plans for facilities and information technology;

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- submission of an official mission statement adopted by the Board of Trustees by July 1, 2005;
- safeguarding student records through best practices – the MHEC panel recommended fireproof storage cabinets and storage files on CD-ROM or microfilm; and
- production of an official college publication reflecting up-to-date information on class offerings and schedules.

BCCC Requested to Follow Up on Status of MHEC Recommendations

MHEC included in its audit report a request that BCCC provide a status report and plan to rectify identified deficiencies and recommendations by January 31, 2005. The status report and plan was provided to MHEC and summarizes the progress that the college has made in addressing each of the deficiencies and recommendations noted in the MHEC audit and the college's plan to completely rectify all deficiencies. In addition, BCCC was required to share with MHEC all materials, documents, and reports relevant to continued Middle States accreditation. MHEC plans on assigning staff to visit the college with the next Middle States Association team scheduled for April 2005.

BCCC should comment on its status report to MHEC and discuss the steps it has taken to rectify and address the issues highlighted in the audit. The college should also be prepared to update the committees on its status with the Middle State accreditation.

2. BCCC Still Searching for Permanent President

Prior to the appointment of Dr. Richard M. Turner, III as interim president, BCCC had experienced constant turmoil and instability in its administration. After 12 years of stable administration under one president, BCCC's administration faced a two-year period of uncertainty. A new president arrived in August 2002 and resigned in May 2004, after only 21 months. This president began a reorganization of the administration that was the precursor to a climate of instability, mismanagement, and lack of direction, as described in the MHEC review panel's report.

As of August 2004, most academic department chairs, program coordinators, and directors of administrative offices reported that they had not received operating budgets for the 2004-2005 academic year. Academic department chairs reported that they had not been given an instructional budget permitting them to hire adjunct faculty for the coming semester. Many of these and other issues stemmed from the absence of vital administrative staff and a faculty fearful of termination.

The appointment of Dr. Turner has established some form of normalcy at the college. While an MHEC audit pointed out many issues within the administration, many of these findings were in place prior to the appointment of Dr. Turner. The college has taken steps to alleviate issues plaguing the administration since the arrival of Dr. Turner, yet little has been said about the status of the search for a permanent president. **BCCC should comment on the status of hiring a permanent college**

president. The hiring of a permanent president is a signal that the college is committed to a stable administration and staff. BCCC should discuss what steps it has taken in finding a new president.

3. Effect of BCCC Enrollment Growth on Capital Needs Uncertain

BCCC recently began its second phase in the renovation of the Liberty Campus Main Building which was constructed in 1965. The renovation project is seen as an important step to address five-year enrollment projections requiring an additional 90,000 square feet of campus wide space. Renovations are expected to cost approximately \$60 million and will be completed over a nine-year period.

As with other community colleges, BCCC has cited increasing enrollment over the next 10 years to justify the need for additional space capacity. DLS has performed analyses on all higher education institutions to test whether increasing enrollments translate into additional building needs. A look into how BCCC compares to other community colleges provides some useful information.

BCCC Projected to Experience Tremendous Growth over the Next 10 Years

As shown in **Exhibit 11**, full-time equivalent credit enrollment at BCCC is projected to increase by 26% over the next 10 years. This increase exceeds projected growth at the State's other community colleges, which are expected to grow 18% over the same period. The exhibit shows that enrollment increases from 5,287 in fiscal 2005 to 6,652 in fiscal 2014, leveling off in fiscal 2012 and 2013 before again increasing slightly in 2014. Non-credit State-funded enrollment is projected to increase only 6% from fiscal 2004 to 2013.

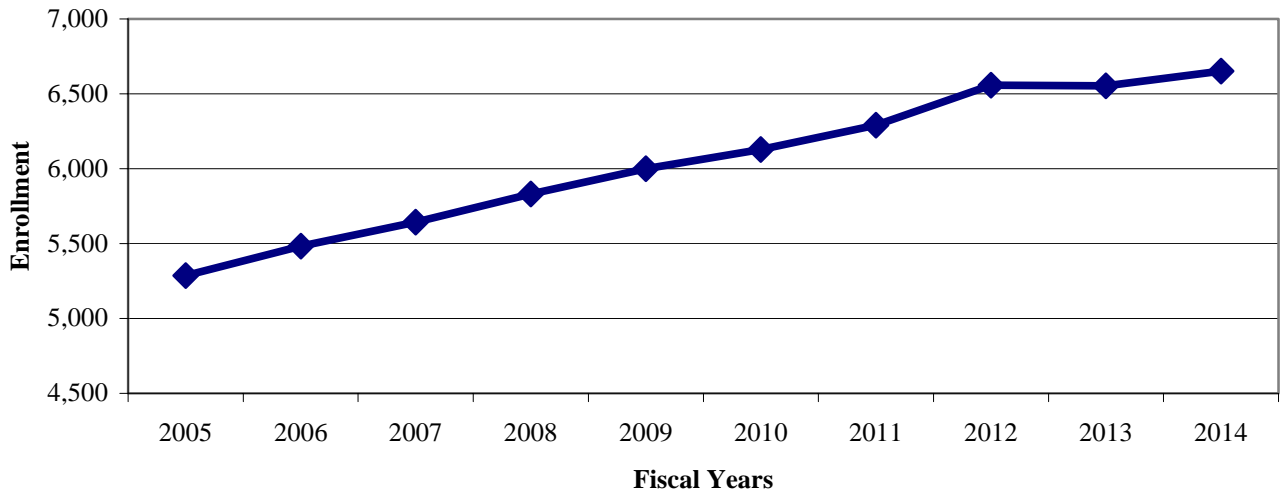
Space Needs Well Covered Now; Greatest Need in Future

Exhibit 12 looks at BCCC's academic space inventory and indicates that the college had 106.9% of its need covered in fiscal 2004, compared to 82.6% for all community colleges. Academic space includes classrooms, teaching labs, academic offices, and study/stack space.

Projections for 2014 indicate that the percent of need covered declines for all academic space. BCCC drops to slightly below average for all community colleges. Classroom space, arguably the most important type of space for student learning, remains well above 100% covered. As with other community colleges, laboratory and office space are the main drivers behind the percentage change in need covered.

BCCC should discuss its capacity needs and its projections for additional needs in the foreseeable future. The college should also discuss and update the committee on the status of the renovation of the Liberty Campus.

**Exhibit 11
Credit Enrollment
Full-time Equivalent Projections
Fiscal 2005 – 2014**



Source: Maryland Higher Education Commission

**Exhibit 12
Academic Net Square Foot Inventory
Percent of Need Covered per Full-time Equivalent Student
Fiscal 2004 and 2014**

	<u>Classroom</u>	<u>Laboratory</u>	<u>Office</u>	<u>Study/Stack</u>	<u>Total</u>
Inventory	10.6	12.7	19.3	5.4	48.0
Need 2004	8.2	11.3	20.6	4.8	44.9
Surplus/Deficiency 2004	2.4	1.4	-1.3	0.6	3.1
2004 % Need Covered	129.4%	112.4%	93.7%	112.1%	106.9%
2014 % Need Covered	106.8%	78.3%	73.4%	113.3%	83.8%
2004 % Need Covered All CCs	119.3%	70.0%	77.1%	91.9%	82.6%
2014 % Need Covered All CCs	120.1%	80.6%	78.3%	84.0%	86.5%

Note: Based on buildings funded for design or construction as of the fiscal 2004 *Capital Improvement Program*.

Source: Maryland Higher Education Commission (net square foot data base self-reported by institutions), June 2004 enrollment projections

Recommended Actions

	<u>Amount Reduction</u>
1. The proposed reduction brings the growth in per pupil general fund support in line with the spending affordability limit of 6.7%.	\$ 815,556 UF
Total Unrestricted Fund Reductions	\$ 815,556

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Other Unrestricted Fund</u>	<u>Total Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Fiscal 2004					
Legislative Appropriation	\$31,243	\$15,901	\$47,144	\$25,793	\$72,937
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	5,408	5,408	-751	4,657
Cost Containment	-1,783	0	-1,783	0	-1,783
Reversions and Cancellations	0	-651	-651	-3,284	-3,935
Actual Expenditures	\$29,460	\$20,658	\$50,118	\$21,758	\$71,876
Fiscal 2005					
Legislative Appropriation	\$30,425	\$19,823	\$50,248	\$25,691	\$75,939
Budget Amendments	0	-385	-385	-3,504	-3,889
Working Appropriation	\$30,425	\$19,438	\$49,863	\$22,187	\$72,050

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

R95C00 – Baltimore City Community College

Fiscal 2004

Budget amendments increased other unrestricted funds by \$3,624,748. BCCC used \$2 million of the increase for the purchase of software, furniture and biology lab equipment, renovation of the administrative and laboratory facilities, and the leasing additional office space. The remaining \$1,624,748 was tuition and fee revenues available due to an increase in credit enrollment.

A fiscal 2004 appropriation for a planned central stores auxiliary proposal that was not implemented decreased other unrestricted funds by \$651,000.

Significant restricted fund cancellations of note include \$700,000 in unrealized funds for the Sierra Military Grant, \$1.5 million in unrealized funds for the MAGNA Project grant, and \$280,000 in the reduction of Baltimore City's Office of Economic Development grant. Remaining restricted fund reversions are due to unused grant monies.

Fiscal 2005

A budget amendment decreased other unrestricted funds by \$384,688 due to a planned central stores auxiliary proposal that was not implemented.

Budgets amendments decreased restricted funds by \$3,504,390 due to grants that did not materialize. Unused MAGNA grants make up \$1.5 million of the total, and \$216,000 are unused Office of Educational Development grants. The balance of restricted funds is various other unused grants.

Audit Findings

Audit Period for Last Audit:	July 1, 1998 – June 30, 2001
Issue Date:	January 2002
Number of Findings:	8
Number of Repeat Findings:	2
% of Repeat Findings:	25%
Rating: (if applicable)	

- Finding 1:** Collections were not properly verified to deposit or deposited timely.
- Finding 2:** Certain college income was improperly deposited with the affiliated foundation instead of being deposited in the State Treasury as required by law.
- Finding 3:** Control over access to and support of critical computer resources needs improvement.
- *Finding 4:** Proper controls were not established over student grade files.
- Finding 5:** Financial aid awards were not adequately reviewed and approved.
- Finding 6:** Delinquent accounts receivable were not forwarded to the Department of Budget and Management’s Central Collection Unit.
- Finding 7:** Internal control over the processing of non-cash credit adjustments was inadequate.
- Finding 8:** Proper controls were not established over the college’s capital equipment.

* Bold denotes item repeated in full or part from preceding audit.

**Object/Fund Difference Report
Baltimore City Community College**

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	544.00	544.00	553.00	9.00	1.7%
02 Contractual	306.86	300.93	288.99	-11.94	-4.0%
Total Positions	850.86	844.93	841.99	-2.94	-0.3%
Objects					
01 Salaries and Wages	\$ 28,765,111	\$ 32,466,201	\$ 35,118,722	\$ 2,652,521	8.2%
02 Technical & Spec Fees	10,191,139	10,036,138	10,253,938	217,800	2.2%
03 Communication	503,235	502,960	513,911	10,951	2.2%
04 Travel	421,511	406,316	409,672	3,356	0.8%
06 Fuel & Utilities	887,647	887,647	1,066,539	178,892	20.2%
07 Motor Vehicles	31,920	31,920	48,386	16,466	51.6%
08 Contractual Services	5,149,590	4,024,884	4,591,146	566,262	14.1%
09 Supplies & Materials	4,530,917	4,200,192	4,193,467	-6,725	-0.2%
10 Equip - Replacement	369,742	355,736	355,736	0	0%
11 Equip - Additional	3,204,580	1,453,240	1,501,050	47,810	3.3%
12 Grants, Subsidies, and Contributions	16,096,028	16,011,834	16,261,834	250,000	1.6%
13 Fixed Charges	1,238,326	1,204,281	1,332,603	128,322	10.7%
14 Land & Structures	486,078	468,873	468,873	0	0%
Total Objects	\$ 71,875,824	\$ 72,050,222	\$ 76,115,877	\$ 4,065,655	5.6%
Funds					
40 Unrestricted Fund	\$ 50,117,699	\$ 49,863,324	\$ 53,709,915	\$ 3,846,591	7.7%
43 Restricted Fund	21,758,125	22,186,898	22,405,962	219,064	1.0%
Total Funds	\$ 71,875,824	\$ 72,050,222	\$ 76,115,877	\$ 4,065,655	5.6%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

**Fiscal Summary
Baltimore City Community College**

<u>Program/Unit</u>	<u>FY04 Actual</u>	<u>FY05 Wrk Approp</u>	<u>FY06 Allowance</u>	<u>Change</u>	<u>FY05 - FY06 % Change</u>
01 Instruction	\$ 22,722,404	\$ 24,054,214	\$ 26,132,539	\$ 2,078,325	8.6%
03 Public Service	1,189,249	1,290,000	1,295,000	5,000	0.4%
04 Academic Support	2,546,929	2,829,349	2,970,291	140,942	5.0%
05 Student Services	5,142,850	5,112,998	5,836,527	723,529	14.2%
06 Institutional Support	12,146,448	11,829,261	12,354,483	525,222	4.4%
07 Operation and Maintenance of Plant	7,574,189	6,389,234	6,841,886	452,652	7.1%
08 Auxillary Enterprises	4,604,055	4,474,665	4,364,650	-110,015	-2.5%
17 Scholarships and Fellowships	15,949,700	16,070,501	16,320,501	250,000	1.6%
Total Expenditures	\$ 71,875,824	\$ 72,050,222	\$ 76,115,877	\$ 4,065,655	5.6%
Unrestricted Fund	\$ 50,117,699	\$ 49,863,324	\$ 53,709,915	\$ 3,846,591	7.7%
Restricted Fund	21,758,125	22,186,898	22,405,962	219,064	1.0%
Total Appropriations	\$ 71,875,824	\$ 72,050,222	\$ 76,115,877	\$ 4,065,655	5.6%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.