

# FY 2024 Operating and Capital Budgets

Presented to the  
Anne Arundel County Council

May 4, 2023

## Accomplishments

The Middle States Evaluation Team visited AACC in March as part of the reaccreditation process. AACC looks forward to hearing their final decision this summer.

- The Middle States reaccreditation process:
- Evaluation Team visited AACC in March.
- AACC has met each of the Standards for Accreditation.
- The Evaluation Team had **no additional recommendations.**
- Final status determination will be announced summer/fall 2023.

## Accomplishments (con't)

- 2023-2024 Gold Military Friendly School for services and resources for military and veteran students and their families.
- No. 1 2023 Registered Nursing (RN) Program in Maryland by RegisteredNursing.org
- No. 1 Associate Degree in Nursing (AND) programs in Maryland by Nursing Schools Almanac.
- No. 1 Associate Degree in Computer Information Systems program, nationally, by Grad Reports
- "Partner of the Year" by the Education Foundation of Anne Arundel County Public Schools
- International 2023 Green GOOD DESIGN® Award for the Health and Life Sciences Building
- No. 1 Best Community College in Maryland by Academic Influence

## Update on FY 2023

- Tuition and Fees revenue tracking slightly above budget
- Operating within a balanced budget
- Fund balance within Board policy

## **FY 2024 Operating & Capital Budgets**

## County Executive Funding Summary Operating Budget

**Increase Requested** **\$5,000,000**

**County Executive Budget** **1,000,000**

**Reduction** **\$4,000,000**

## \$4 Million Reduction Balanced By:

• Tuition & fee revenue	\$ 492,600
• Other Income	500,000
• Transfer from fund balance	1,238,500
• Expenditure reductions	<u>1,768,900</u>
<b>Total</b>	<b>\$4,000,000</b>

## **AACC Request to County Council**

**Restore \$1 million in operating  
funding**



## FY2024 and Beyond

- Competition for faculty & staff (need for competitive compensation)
- Implications of Blueprint for Maryland's Future
- Recurring support for critical programs that train & educate unemployed & underemployed workers (HLSB & Clauson)

## FY 2024 Budget: Operating Summary

<b>General Classification of Expenditure</b>	<b>FY2022 Actuals</b>	<b>FY2023 Original</b>	<b>FY2023 Estimate</b>	<b>FY2024 Proposed</b>	<b>Inc (Dec) From Orig</b>
Instruction	53,660,783	57,487,600	55,530,128	61,401,700	3,914,100
Academic Support	18,042,081	20,736,800	19,893,917	21,873,900	1,137,100
Student Services	11,096,957	13,526,800	13,109,261	14,757,600	1,230,800
Plant Operations	10,782,802	12,169,100	12,070,902	13,098,300	929,200
Institutional Support	18,956,225	20,659,700	19,495,941	21,575,300	915,600
Subtotal Unrestricted	112,538,848	124,580,000	120,100,149	132,706,800	8,126,800
Auxiliary, Enterprise and Restricted	47,757,840	39,526,700	25,256,288	34,460,600	(5,066,100)
Total	160,296,688	164,106,700	145,356,437	167,167,400	3,060,700
<b>Revenue Sources</b>					
Anne Arundel County	46,427,800	47,427,800	47,427,800	48,427,800	1,000,000
VLT Impact Aid Fund	1,700,000	1,700,000	1,700,000	1,700,000	-
State of Maryland	34,142,463	40,988,100	41,041,489	43,963,100	2,975,000
Tuition & Fees	31,621,582	31,700,500	32,153,211	33,858,900	2,158,400
Other College	(1,352,997)	2,763,600	(2,222,351)	4,757,000	1,993,400
Subtotal Unrestricted	112,538,848	124,580,000	120,100,149	132,706,800	8,126,800
Auxiliary, Enterprise and Restricted	47,757,840	39,526,700	25,256,288	34,460,600	(5,066,100)
Anne Arundel County Restricted					-
Total	160,296,688	164,106,700	145,356,437	167,167,400	3,060,700

Source: County Budget Book - Pg 189 (pdf) or 183 (bottom of pg)

## FY 2024 Budget: Highlights

- \$1 million increase in county funding (\$5M increase was requested)
- \$3 million increase in state funding
- Provides partial funding for college's pay package
- \$4 tuition and fee increase (tuition rate increase, and increases in both the student activity and athletics fees)

## Revenue

## FY 2024 Operating Budget: Revenue

	<u>FY 2023 Budget</u>	<u>FY 2024 Budget</u>	<u>Inc (Dec)</u>
State of Maryland	\$ 40,988,100	\$ 43,963,100	\$ 2,975,000
Tuition & Fees	31,700,500	33,858,900	2,158,400
Other College	2,763,600	4,757,000	1,993,400
Anne Arundel County	49,127,800	50,127,800	1,000,000
	<u>\$ 124,580,000</u>	<u>\$ 132,706,800</u>	<u>\$ 8,126,800</u>

## Expenditures

## FY 2024 Operating Budget: Summary

<b>FY 2023 Budget</b>	<b>\$ 124,580,000</b>
Reductions	(318,842)
Compensation Adjustments	8,110,679
Base Adjustments - Non-Comp	110,431
Legal and Regulatory Compliance	96,400
Strategic Initiatives	128,132
<b>FY 2024 Change</b>	<b>8,126,800</b>
<b>Total FY 2024 County Executive's Budget</b>	<b>\$ 132,706,800</b>

## FY 2024 Operating Budget: Reductions

<b>Reductions:</b>	
Reduce Unemployment	\$ (181,300)
Position Eliminations	(87,542)
Eliminate PHA Program	(50,000)
<b>Total Reductions</b>	<b>\$ (318,842)</b>



## FY 2024 Operating Budget: Base Adjustments

<b>Base Adjustments Non-Comp:</b>	
Utilities	\$ 351,813
Miscellaneous Adjustments	(212,363)
Revenue Offsets	(29,019)
<b>Total Base Budget Adjustments</b>	<b>\$ 110,431</b>

## FY 2024 Operating Budget: Compensation Adjustments

<b>Compensation and Benefits Adjustments:</b>	
Salary Change FY 2023 New Hires	\$ (349,228)
Faculty & Staff Compensation Pool	7,961,684
Adjunct Compensation Pool	1,330,650
Faculty & Staff Promotions	123,794
Health Insurance	(289,697)
Retirement	65,041
Turnover Adjustment	(731,565)
<b>Total Compensation and Benefits Adjustments</b>	<b>\$ 8,110,679</b>

## Compensation System - Review

- Board Compensation Policy
- Compensation Systems Updates
  - Faculty
  - Staff
- Staff Performance Evaluation System Update

## Compensation Update: Pay Package Context

- 6.5% inflation (Dec 2022)
- 8.7% COLA Social Security (2023)
- 4.3% wage increase 2023 (*2022-2023 Conference Board Salary Survey*)
- Great Resignation
- Difficult to fill positions (healthcare, technology, skilled trades)

## Compensation Update: Comparison

Year	AACC	Non-Rep	AACPS Teachers	Library
<b>FY2023***</b>	<b>5%</b>	<b>7.5%</b>	<b>6%</b>	<b>7.5%</b>
<b>FY 2022</b>	<b>5%</b>	<b>3% merit and 1.5% COLA</b>	<b>Step Increase 2%- 4%, COLA 1%, Catch up Step 2%- 4%*</b>	<b>3% merit and 1.5% COLA</b>
<b>FY 2021**</b>	<b>\$1,500 one- time payment</b>	<b>\$1,500 one- time payment</b>	<b>Step Increase 2%-4%</b>	<b>\$1,500 one- time payment</b>
<b>FY 2020</b>	<b>3%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>
<b>FY 2019</b>	<b>2.5%</b>	<b>4.5%</b>	<b>3.45%</b>	<b>5%</b>
<b>FY 2018</b>	<b>2%</b>	<b>6%</b>	<b>2.36%</b>	<b>6%</b>

## Staff Compensation

- Market-based system
- Requires annual funding to preserve integrity
- 10% pool fully funds the average market change, responds to significant inflation since the data was collected, and aligns with the faculty and staff compensation committee recommendations

## Average Salaries of Full-Time & Part-Time Faculty

- Board goal to be at least 3<sup>rd</sup> among the 4 large MD community colleges plus Howard CC
- Average full-time faculty salaries
  - 3<sup>rd</sup> Professor and Associate Professor ranks
  - 2<sup>nd</sup> Assistant Professor and Instructor ranks
- Part-time faculty
  - 3<sup>rd</sup> at Level I
  - 2<sup>nd</sup> at Level II & III

## FY 2024 Operating Budget: Legal & Regulatory Compliance

<b>Legal &amp; Regulatory Compliance:</b>	
Legal Expense	\$ 75,000
Institutional Insurance	21,400
<b>Total Legal &amp; Regulatory Compliance</b>	<b>\$ 96,400</b>



## FY 2024 Operating Budget: Strategic & Operational Initiatives

<b>Strategic Initiatives:</b>	
K-12 Partnership and Blueprint for Maryland's Future	\$ 128,132

## FY 2024 Operating Budget: Summary

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## **AACC Request to County Council**

**Restore \$1 million in operating  
funding**

## **FY 2024-2029 Capital Budget**

## **AACC Request to County Council**

**Maintain the County  
Executive's Capital Budget**

## FY 2024 – 2029 Capital Budget

NUMBER	PROJECT	NUMBER	Prior	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	Total
<b>NEW CONSTRUCTION PROJECTS</b>										
1	Health and Life Sciences Building	J5697	\$ 116,952,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,952,000
	Subtotal		\$ 116,952,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,952,000
<b>RENOVATION PROJECTS</b>										
2	Dragun Science Bldg Renovation and Additio	J57860	-	-	4,290,000	35,380,000	6,434,000	-	-	46,104,000
3	Florestano Renovation	J58700	4,990,000	1,440,000	15,130,000	2,270,000	-	-	-	23,830,000
4	GBTC Tutoring Center Renovation	J58750	750,000	-	-	-	-	-	-	750,000
5	Student Services Center Renovation	J58760	-	-	-	-	-	-	898,000	898,000
	Subtotal		\$ 5,740,000	\$ 1,440,000	\$ 19,420,000	\$ 37,650,000	\$ 6,434,000	\$ -	\$ 898,000	\$ 71,582,000
<b>REPAIRS, REPLACEMENTS &amp; IMPROVEMENTS</b>										
6	Campus Improvements	J4412	\$ 16,715,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 20,915,000
7	Walkways, Roads & Parking Lots	J5408	5,750,000	250,000	250,000	250,000	250,000	250,000	250,000	7,250,000
8	Systemics	J5407	12,822,500	1,000,000	-	1,000,000	-	1,000,000	-	15,822,500
9	Information Technology Enhancement	J5510	15,844,000	2,000,000	-	-	-	-	-	17,844,000
10	Technology Fiber Infrastructure	J5877	450,000	450,000						900,000
	Subtotal		\$ 51,581,500	\$ 4,400,000	\$ 950,000	\$ 1,950,000	\$ 950,000	\$ 1,950,000	\$ 950,000	\$ 62,731,500
<b>PROPOSED AACC CAPITAL BUDGET</b>			<b>\$ 174,273,500</b>	<b>\$ 5,840,000</b>	<b>\$ 20,370,000</b>	<b>\$ 39,600,000</b>	<b>\$ 7,384,000</b>	<b>\$ 1,950,000</b>	<b>\$ 1,848,000</b>	<b>\$ 251,265,500</b>

## FY 2024 Capital Budget Priorities

### State Funding Match Supported

- |                          |             |
|--------------------------|-------------|
| 1. Florestano renovation | \$1,440,000 |
| 2. Systemics             | 1,000,000   |

### Deferred Maintenance Request

- |                         |            |
|-------------------------|------------|
| 1. Campus Improvements  | \$ 700,000 |
| 2. Fiber Infrastructure | 450,000    |
| 3. Walkways             | 250,000    |

### College Funded

- |                          |             |
|--------------------------|-------------|
| 1. Info Tech Enhancement | \$2,000,000 |
|--------------------------|-------------|

## Capital Budget Priorities

### **Out-Year Projects** (eligible for up to 50% state funding)

1. Dragun renovation/~~addition~~ \$ 46.1 million  
*(scope adjustment in process)*
2. Student Services renovation 9.7 million  
*(moved out one year)*



The background is a collage of teal-tinted images. On the left, there are tall bookshelves filled with books. In the center, a student is seen reading a book. Below that, a student is sitting at a desk with a laptop. On the right, a student is looking through a microscope in a laboratory setting.

# AACC

*Thank you*