



**BOARD OF TRUSTEES  
Regular Monthly Meeting**

**Wednesday, February 19, 2025 – 4:30 p.m.  
Conference Center (E126AB)**

**Zoom Option:**

<https://frederick-edu.zoom.us/j/81153257147?pwd=Cj9R9ftOJPyenBdKV9ab1bdNZV8AkW.1&from=addon>

**Call-in Option:**

**Phone Number: 301-715-8592 | Meeting ID: 811 5325 7147 | Passcode: 530832**

**I. Call to Order**

**II. Approval of Minutes**

- A. January 15, 2025 Regular Meeting (**Enclosure 1**)

**III. Board & CEO Comments**

**IV. Consent Agenda**

- A. Approval of Award of RFP 25-IT-01, Content Management System (CMS) Procurement, to Modern Campus USA Inc (**Enclosure 2**)

**V. Information/Discussion Items**

- A. Ownership Linkage
- B. Fiscal YTD Financial Report through December 31, 2024 (**Enclosure 3**)
- C. Monitoring CEO Performance
  - 1. Review: EL-8 Access to Education Draft Interpretation (**Enclosure 4**)
  - 2. Review: EL-11 Compensation and Benefits Draft Interpretation (**Enclosure 5**)
- D. Monitoring Board Performance

Policy Survey Review:

- 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**)

**VI. Action Items**

- A. Approval of One-Year Renewal Contract with SB & Company for Professional Auditing Services for the College and the Foundation for FY 2025 (**Enclosure 11**)
- B. Approval of FY 2026 Credit Tuition and Fees (**Enclosure 12**)
- C. Approval of FY 2026 Auxiliary Enterprise Bookstore Budget (**Enclosure 13**)
- D. Approval of FY 2026 Proposed Operating Budget to be Submitted to the County Executive (**Enclosure 14**)
- E. Monitoring CEO Performance
  1. Approval: EL-0 General Executive Constraint Interpretation (**Enclosure 15**)
  2. Approval: EL-5 Organization Culture Interpretation (**Enclosure 16**)
  3. Acceptance: EL-9 Asset Protection Baseline Insight Report (**Enclosure 17**)
  4. Acceptance: EL-10 Investments Baseline Insight Report (**Enclosure 18**)

**VII. Meeting Content Review (Enclosure 19)**

*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.*

**VIII. Closed Session**

The Board of Trustees will hold a public vote to meet in closed session in accordance with the Maryland Open Meetings Act, Section 3-305(b)(7) to consult with counsel to obtain legal advice; Section 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; 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; and Section 3-305(b)(15) to discuss cybersecurity, if the public body determines that public discussion would constitute a risk to (i) security assessments or deployments relating to information resources technology; (ii) network security information, including information that is: 1. related to passwords, personal identification numbers, access codes, encryption, or other components of the security system of a governmental entity; 2. collected, assembled, or maintained by or for a governmental entity to prevent, detect, or investigate criminal activity; or 3. related to an assessment, made by or for a governmental entity or maintained by a governmental entity, of the vulnerability of a network to criminal activity; or (iii) deployments or implementation of security personnel, critical infrastructure, or security devices. The topics are: to obtain legal advice related to collective bargaining strategy and potential positions; review and approval of closed session minutes from January 15, 2025 pursuant to Section 3-306(c)(3)(ii) of the General Provisions

Article of the Maryland Annotated Code; and to receive a briefing of the overall status of FCC's information security program and FCC's compliance with the Gramm-Leach-Bliley Act and material matters related to the information security program, addressing issues such as risk assessment, risk management and control decisions, service provider arrangements, results of testing, security events or violations and management's responses thereto, and recommendations for changes in the information security program.

## **IX. Adjournment**

**NEXT MEETING: Wednesday – March 19, 2025**  
▪ **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](mailto: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](mailto: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.*

**BOARD OF TRUSTEES  
FREDERICK COMMUNITY COLLEGE**

**January 15, 2025  
Regular Meeting**

The Board of Trustees of Frederick Community College met in **regular session** on Wednesday, January 15, 2025 in the Conference Center (E126AB). A virtual option to participate was provided. Participating in person were: Trustees Theodore Luck, Chair; Tom Lynch, Vice Chair; Carolyn Kimberlin; Tracey McPherson; Dr. William Reid; and Myrna Whitworth. Former Trustee Dr. John Molesworth's position is currently vacant. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; and Janice Spiegel, Special Projects Manager/Budget Office Frederick County Government.

Participating virtually were Edmund O'Meally, PK Law, College legal counsel and Dr. Daniel Phelan, Consultant.

**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 16, 2024 board retreat.

*On a motion made by Vice Chair Lynch, the Board unanimously approved the November 16, 2024 board retreat minutes, as presented.*

Chair Luck called for approval of the minutes of the November 20, 2024 regular meeting.

*On a motion made by Vice Chair Lynch, the Board unanimously approved the November 20, 2024 regular meeting minutes, as presented.*

### **BOARD & CEO COMMENTS**

Chair Luck wished everyone a happy new year.

President Cheek also wished everyone a happy new year. She then introduced FCC Counselor Emily Gebhart and FCC's facility dog, Diego. Ms. Gebhart detailed how Diego is having a positive impact on students and the campus community.

President Cheek then reported that Spring Convocation is tomorrow, the Governor's proposed FY26 budget that was released today includes a 4.6% increase (nearly \$19M) in Cade funding for community colleges, and the Maryland Association of Community Colleges Trustee Leadership Congress and Legislative Reception is on January 27, 2025.

### **CONSENT AGENDA**

*On a motion made by Trustee Kimberlin, the Board unanimously approved to remove the item from the Consent Agenda.*

### **ACTION ITEM REMOVED FROM CONSENT**

**Approval of Sole Source Contract with Institute for the Future (ITF)** – President Cheek provided context on how strategic planning has been done in the past and the need to anticipate future challenges and opportunities to promote longer-term adaptability. Dr. Matthew Paushter, Chief Foresight and Decision Support Officer, overviewed the work ITF has done with the College to-date and the deliverables for this engagement. There was lengthy discussion regarding the future of planning and the impact of this work across all organizations in Frederick County.

*On a motion made by Vice Chair Lynch, the Board unanimously approved the sole source with IFTF, as presented.*

## **INFORMATION/DISCUSSION ITEMS**

**Ownership Linkage** – Chair Luck led a discussion regarding the approach to develop the Board’s Ownership Linkage Plan over the next several months.

### **MONITORING CEO PERFORMANCE:**

**Review of Draft Interpretation of EL-0 General Executive Constraint** – The Board reviewed this interpretation. Recommendations were made to indicate how often independent legal review would occur and that the Board will be informed when there is accidental non-compliance.

**Review of Draft Interpretation of EL-5 Organization Culture** – The Board reviewed this interpretation. There were no comments.

### **MONITORING BOARD PERFORMANCE:**

**Board Policy Survey Review: BCD-2 Accountability of the President** – Chair Luck reported on the results of this survey.

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

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

## **ACTION ITEMS**

**Approval of GP-11 Special Rules of Order Revisions** – The Board reviewed this policy during the last regular meeting and the policy has been revised to delete the

example of two-thirds of the entire Board being “(i.e., Five members of the Board)” in item 10.

*On a motion made by Trustee Kimberlin, the Board unanimously approved the revisions to GP-11 Special Rules of Order, as presented.*

**MONITORING CEO PERFORMANCE:**

**Approval of Interpretation for EL-9 Asset Protection** – The Board considered this interpretation, which was reviewed at the meeting last month.

*Trustee Kimberlin moved to approve the Interpretation for EL-9 Asset Protection, as presented. Vice Chair Lynch moved to amend approval with the revision to remove the typo (a hanging “t”) in the reasonableness statement for item 1.1. The Board accepted the amendment and unanimously approved the Interpretation for EL-9 Asset Protection, as revised.*

**Approval of Interpretation for EL-10 Investments** – The Board considered this interpretation, which was reviewed at the meeting last month.

*On a motion made by Trustee Reid, the Board unanimously approved the Interpretation for EL-10 Investments, as presented.*

**Acceptance of Baseline Insight Report for EL-6 Planning** – Chair Luck provided a reminder that the Board agreed to receive baseline insight reports in lieu of monitoring reports as part of the transition to full deployment of the Policy Governance® Model. Areas of compliance will be expected to be maintained and areas of non-compliance will be expected to be addressed prior to the submission of the formal monitoring report next year. President Cheek reported full compliance with the exception of item 8.b.

*On a motion made by Vice Chair Lynch, the Board unanimously approved to accept the Baseline Insight Report for EL-6 Planning, as presented.*

**Acceptance of Baseline Insight Report for EL-7 Land Use** – President Cheek reported full compliance.

*On a motion made by Trustee McPherson, the Board unanimously approved to accept the Baseline Insight Report for EL-7 Land Use, as presented.*

### **MEETING CONTENT REVIEW**

Chair Luck led a discussion for the consideration of areas for meeting content improvement and the effectiveness of the meeting as it adheres to the principles of Policy Governance®. Trustees expressed satisfaction with the meeting and appreciation for the presentation provided by Dr. Paushter on the sole source with IFTF.

### **CLOSED SESSION**

*At 5:46 p.m., the motion was made by Vice Chair Lynch to convene in closed session and unanimously approved by the Board.*

This action was taken in accordance with Maryland's Open Meetings Act, Section 3-305(b)(7) to consult with counsel to obtain legal advice; Section 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; and Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.

The Board convened in closed session in the Conference Center (E126AB) on January 15, 2025. A virtual option to participate was provided. Attending in person were:



Trustees Theodore Luck, Chair; Tom Lynch, Vice Chair; Carolyn Kimberlin; Tracey McPherson; Dr. William Reid; and Myrna Whitworth. Former Trustee Dr. John Molesworth's position is currently vacant. 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 for Teaching, Learning and Student Success; Scott McVicker, Chief Financial Officer (CFO) and VP for Administration; and Kari Melvin, Recording Secretary.

Participating virtually were Pamela Murphy, Labor Relations Specialist and Edmund O'Meally, PK Law, College legal counsel.

The Board reviewed closed session minutes from November 20, 2024.

*On a motion made by Vice Chair Lynch, the Board unanimously approved the November 20, 2024 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 meeting adjourned at 6:21 p.m.*

#### **NEXT MEETING**

The next regular meeting of the Board will be held on Wednesday, February 19, 2025.

Dr. Annesa Payne Cheek  
Secretary/Treasurer



**To:** Board of Trustees Frederick Community College

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Chris Kielt, Interim Chief Information Officer

**Date:** February 19, 2025

**Subject:** **Consent Item**  
Approval of Award to Modern Campus USA Inc. for Content Management System (CMS) (RFP 25-IT-01)

**Board Policy:** EL-4 Financial Conditions and Activities; EL-9 Asset Protection

## **RECOMMENDATION**

Recommend approval of award of RFP 25-IT-01, Content Management System Procurement project, to Modern Campus USA Inc. in the amount of \$117,050, plus a 10% contingency fee of \$11,705, for a total award of \$128,755. Funding for this project is included in the current FY25 budget.

## **OVERVIEW**

The College needs to upgrade its CMS system for the following reasons:

- Current CMS does not have built-in accessibility features to ensure the website complies with Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards, as required by law. Websites for public higher education institutions must comply with WCAG 2.1 Level AA standards by April 2026.
- Current CMS delivers slow page load times leading to a subpar experience for students, employees and the community.
- Current CMS is outdated and not optimized. There is a need for a more intuitive interface, enhanced features, and tools to streamline the process of updating content, making it easier for staff to keep the website current and easier for students to navigate and engage with content.
- A new CMS will offer improved and robust security features that will be utilized to protect FCC's websites in ways that the current CMS does not provide.

- Current CMS requires the use and expense of third-party products. Many of the third-party products would be eliminated in the new CMS while improving features and functionality.
- Current CMS vendor no longer supports the software utilized for FCC websites.
- Current CMS does not provide native responsiveness or mobile-friendliness.
- Current CMS does not specialize in higher education, or education at all.

Frederick Community College accepted proposals from qualified vendors to evaluate the College websites and the Content Management System used to manage them, with the goal of providing a solution to replace and implement a new CMS for the College's public facing websites.

### **ANALYSIS**

A Request for Proposals (RFP) was posted on the College Bid Board on November 14, 2024. Five proposals were received on December 9, 2024 and were evaluated and scored by the project evaluation committee. Three vendors were short-listed and invited for technical presentations held on January 14-15, 2025. Vendors submitted their price proposals at their technical presentations. Both the technical presentations and the price proposals were evaluated and scored.

After combining the scores for the technical proposal, the technical presentation, and the price proposal, it was determined that Modern Campus USA Inc. had the highest total number of points.

### **ATTACHMENT(S)**

No attachments



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Scott McVicker, CFO and Vice President for Finance and Administration

**Date:** February 19, 2025

**Subject:** **Information/Discussion Item**  
Fiscal year-to-date Financial Report through the Quarter Ending  
December 31, 2024

**Board Policy:** EL-4 Financial Conditions and Activities

## **RECOMMENDATION**

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

## **OVERVIEW**

Frederick Community College's fiscal year-to-date financial reports are prepared and distributed to the Board of Trustees every quarter. Attached is the Q2 fiscal year-to-date financial report, which provides unaudited financial statements through the quarter ending December 31, 2024, for your information and review.

## **ANALYSIS**

### **Current Unrestricted Fund (Operating Budget)**

Presented is a draft of the FY 2025 Year-To-Date Financial Statements through the quarter ending December 31, 2024.

#### *Revenues*

- With 50% of the fiscal year expired, 61% of budgeted revenues have been received. This is due, in part, to Fall semester tuition having exceeded budgeted revenues by \$325,836. In addition, a change in the deferred revenue calculation resulted in more Summer 2024 tuition revenue being recognized in the first quarter of FY 2025 instead of the fourth quarter of FY 2024.
- Enrollment growth positively affected tuition and fee revenue, with a year-over-year increase of 8%. Dual-enrolled students increased by 17.9% for the fall semester compared to the prior fiscal year.

- Continuing Education tuition and fee revenues are up year over year by 26%.
- Miscellaneous income increased by 22% over the prior fiscal year due to the receipt of an Aetna insurance rebate of \$219,939.
- Interest rates remain relatively high and the College's investment income through December 31, 2024, increased by 12% compared to the second quarter of last year.

#### *Expenses*

- With 50% of the fiscal year expired, total expenses represent 47% of the adopted annual budget.
- Through December 2024, all functional areas spent at rates that exceeded the prior year to date. Increases are primarily attributable to enrollment growth and to higher salaries and wages as cost-of-living adjustments totaling 3% were approved for fiscal year 2025.
- Other factors driving operating expense increases over the prior year include an 18% increase in fringe benefits primarily related to health/dental insurance and retirement expenses. Contracted services increased over this same time last year due to Achieving the Dream, assessments of grants and public safety, and interim positions.
- Transfers occur at the start of the fiscal year and account for the allocation of revenues (collected via the consolidated services fee) to various restricted funds within the college (e.g., IT, facilities). Scholarships and Transfers expenses are at 91% of the FY 2025 budget.
- As of December 31, 2024, 11% or \$264,625 of the budgeted Strategic Reserves of \$2,442,000 have been spent. Several projects are scheduled to begin in the second half of the fiscal year that will accelerate spending.

#### *Fund Balance*

- Revenue exceeds expenses by \$10.3 million for this fiscal year to date, December 31, 2024, due to higher than anticipated enrollment, other revenue sources exceeding budget, and favorable expenses.

#### **Auxiliaries**

Overall, Auxiliary Enterprises, including the Bookstore, the Carl and Norma Miller Children's Center, and dining services, are all operating at a loss. However, the College has allocated \$455,305 (as of December 31, 2024) from the operating budget to subsidize these operations (as shown on the attached financial reports).

The FY 2025 budgeted subsidy for auxiliaries totals \$874,668 (\$99,500 or 11% to the Bookstore, \$490,710 or 56% to the Children's Center, and \$284,458 or 33% to Dining Services).

*Bookstore*

- Not including the College subsidy, total revenues increased by 10% over the prior year to date. Cost of goods sold increased by .4% over the same period, from \$374,897 through December 2023 to \$376,580 through December 2024.
- Total Operating Expenses increased by 14% over the same period last year. This is primarily due to higher salaries and wages as cost-of-living adjustments totaling 3% were approved for fiscal year 2025.
- The College provides Frederick County Public Schools (FCPS) dual enrollment students with required course materials through a third-party provider called Slingshot. Historically, the cost of course materials for dual enrollment students was recorded under Cost of Goods Sold. Dual Enrollment—Slingshot is now recorded separately and revenues increased by 73% over the prior YTD, primarily due to significant increases in enrollments and course registrations.
- As of December 31, 2024, the College has subsidized operations in the amount of \$95,186.

*Children's Center*

- Not including the College subsidy, total revenues decreased -5% over the prior year to date. Classroom expenses are flat when compared to prior year-to-date and total operating expenses are up 3% compared to the same period last year.
- As of December 31, 2024, the College has subsidized operations in the amount of \$212,689.

*Contracted Dining Services*

- The College contracts with Canteen for dining services.
- Catering sales are up 28% and café sales are up 7% compared to the same period last year. Cost of Goods Sold increased 14% and operating expenses increased 13% compared to the same period in FY24.
- As of December 31, 2024, the College has subsidized operations in the amount of \$147,430.

**Balance Sheet**

- Cash and cash investments are \$38.4 million, indicating a strong liquid position. The available cash complies with the Board's Financial Conditions and Activities policy requiring 16.6% of Adopted Expenditures to be available as operating fund balance reserves.
- Accounts Receivable (AR) increased overall by \$5.5 million. This increase is primarily due to an increase in Student AR for the fall semester and an increase in AR Other for FCPS dual enrollment students for the fall semester.
- Current liabilities decreased by \$5.1 million primarily due to decreases in unearned revenue, accounts payable, and accrued salaries.
- The College continues to maintain little long-term liabilities with the noncurrent outstanding bond debt of \$4,528,050.
- The net position as of December 31, 2024, is \$130.4 million, which includes the fiscal year-to-date net income.

The College is financially strong. Fiscal challenges at the Federal, State, and County level must be monitored closely as they could have financial ramifications for the College.

**ATTACHMENT(S)**

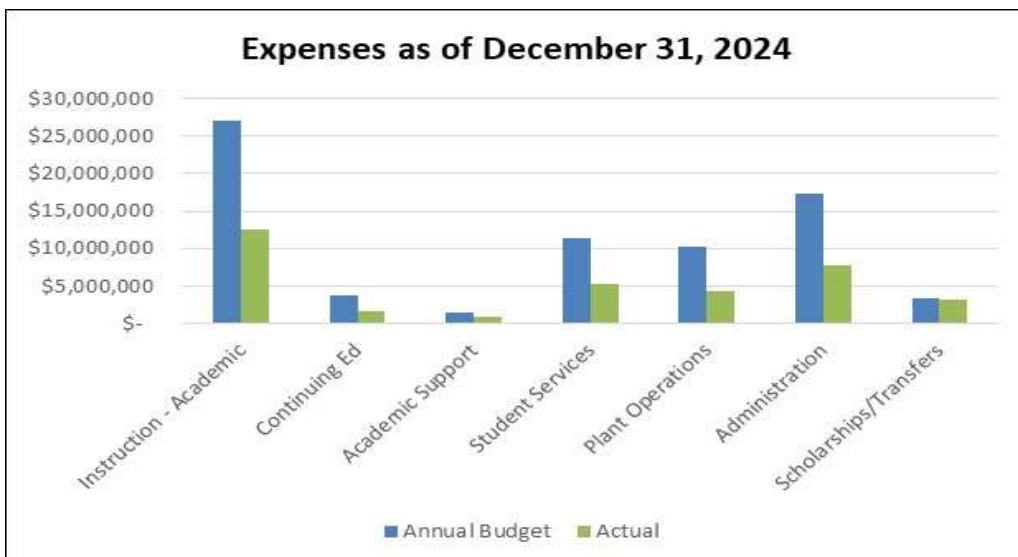
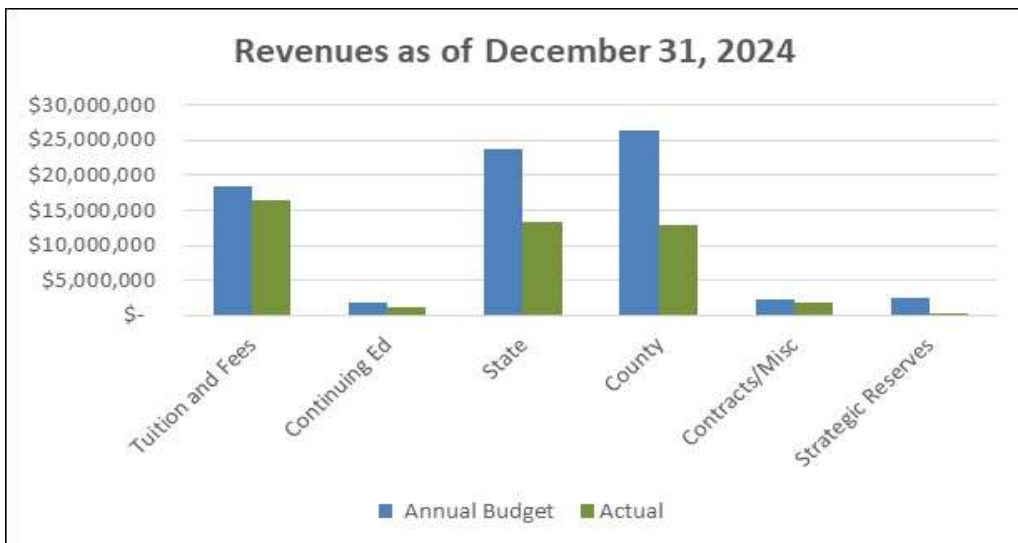
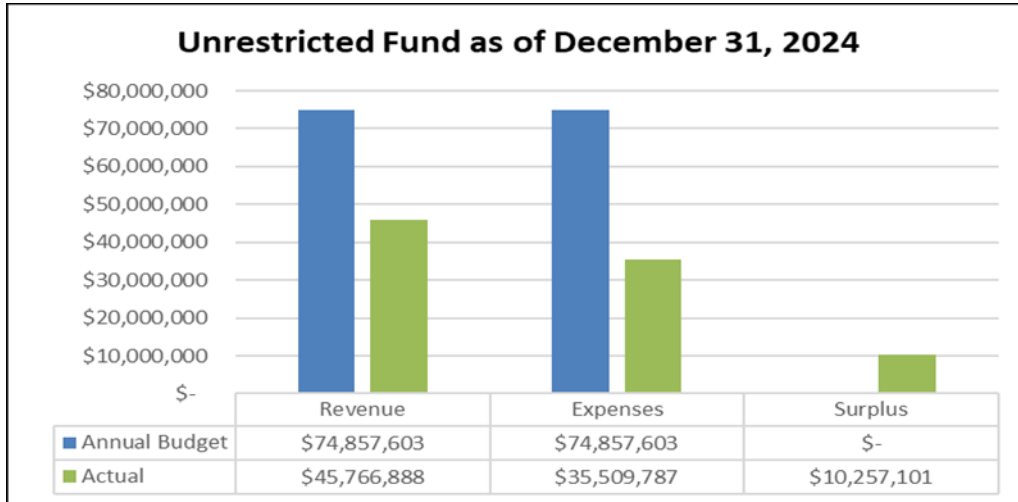
Frederick Community College Financial Report Fiscal year-to-date through December 31, 2024.

**FREDERICK COMMUNITY COLLEGE  
FINANCIAL REPORT**

**Fiscal year-to-date through December 31, 2024**

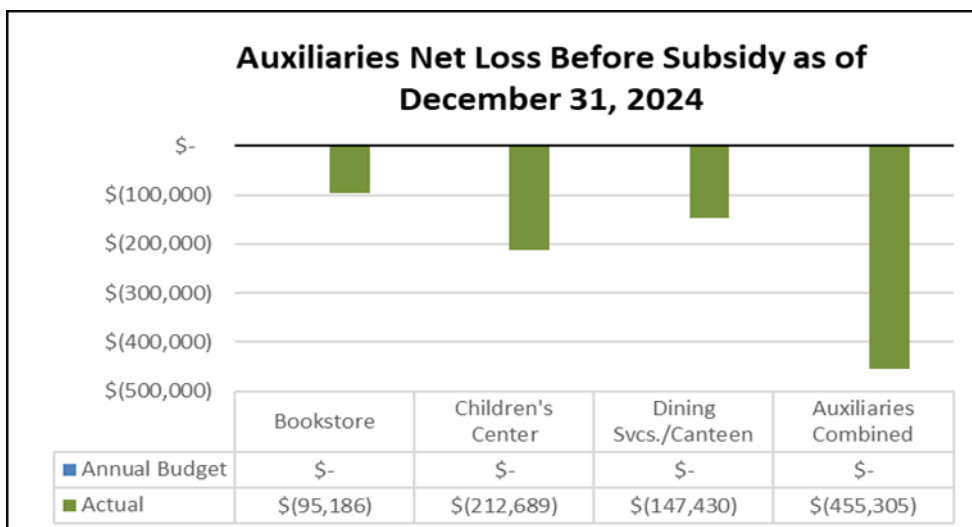
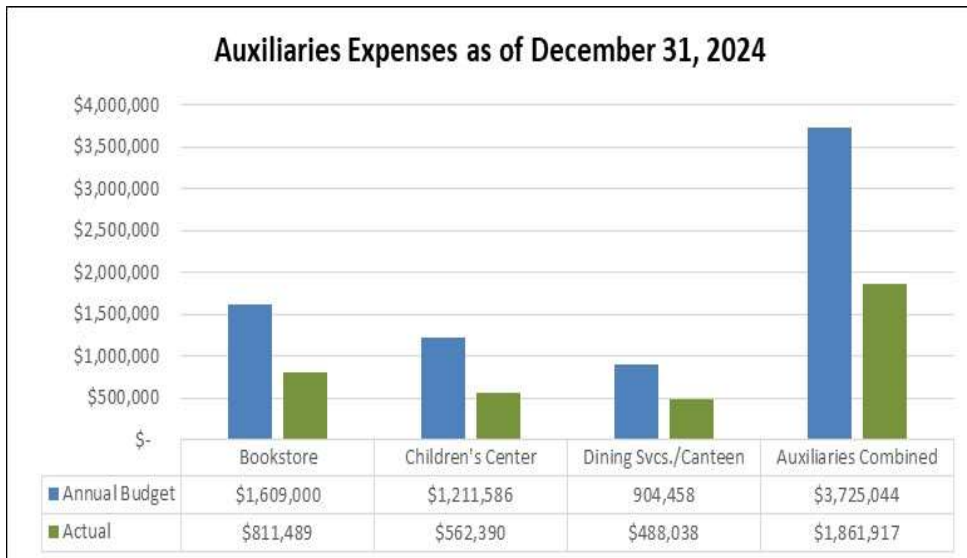
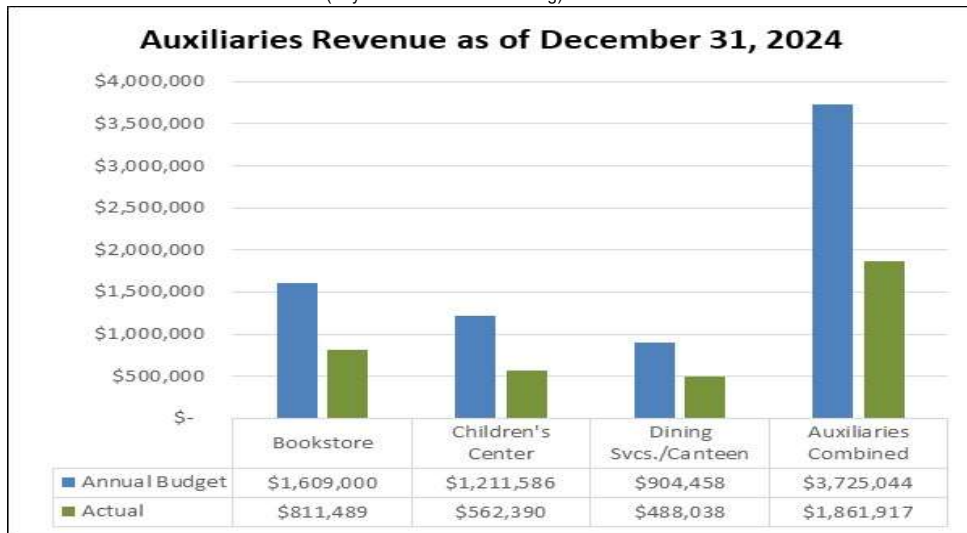


**FREDERICK COMMUNITY COLLEGE  
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2024  
50% OF THE FISCAL YEAR EXPIRED**

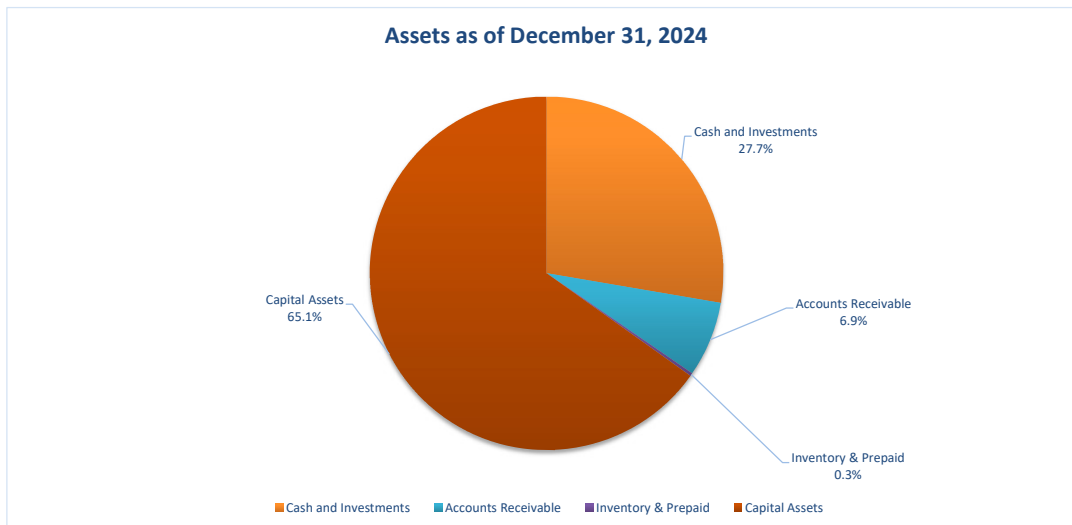


**FREDERICK COMMUNITY COLLEGE  
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2024  
50% OF THE FISCAL YEAR EXPIRED**

(Expenses Include Cost of Goods Sold and College Contribution)  
(Any variances due to rounding)

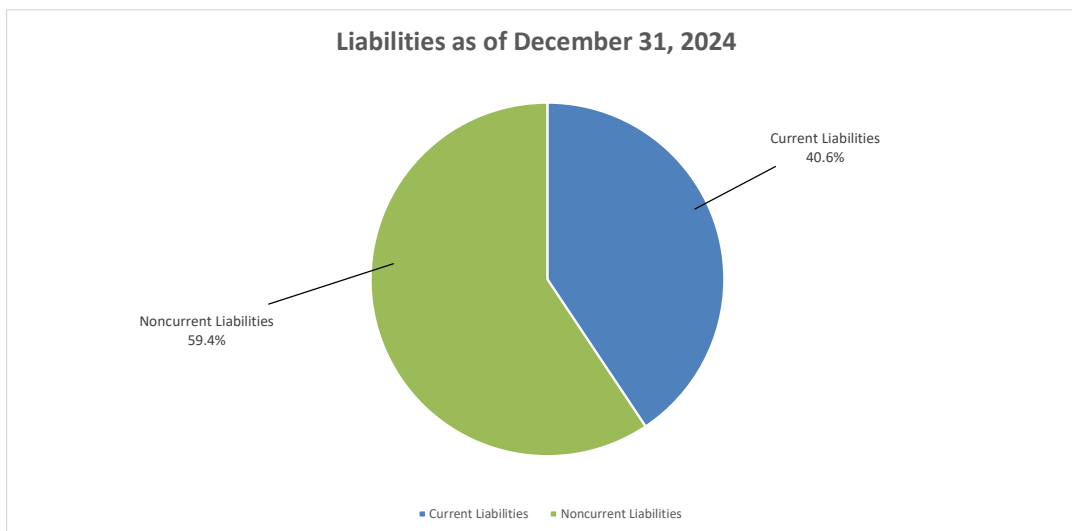


**FREDERICK COMMUNITY COLLEGE  
FINANCIAL STATEMENT ANALYSIS AS OF DECEMBER 31, 2024  
50% OF THE FISCAL YEAR EXPIRED**



**Assets:**

Cash and Investments	\$	38,417,620
Accounts Receivable	\$	9,579,971
Inventory & Prepaid	\$	391,428
Capital Assets	\$	<u>90,360,727</u>
	\$	138,749,746



**Liabilities and Net Position:**

Current Liabilities	\$	3,414,035
Noncurrent Liabilities	\$	4,985,649
Net Position	\$	<u>130,350,062</u>
	\$	138,749,746

<b>Financial Ratios as of December 31, 2024</b>			
Current Ratio	(current assets/current liabilities)	14.2	A ratio > 1 indicates liquidity is sufficient to meet current obligations.
Debt Ratio	(liabilities/assets)	0.06	A low debt ratio (< .5) indicates conservative financing. The College finances most of its assets from net assets (similar to equity).

**FREDERICK COMMUNITY COLLEGE  
STATEMENTS OF REVENUE, EXPENSES AND TRANSFERS  
CURRENT UNRESTRICTED FUND - EDUCATIONAL AND GENERAL  
FOR THE PERIOD DECEMBER 31, 2024  
50% OF THE YEAR EXPIRED**

	FY24 PYTD ACTUAL	FY25 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY25 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
<b>Revenue</b>						
Tuition and Fees						
Fall Tuition	\$ 6,635,692	\$ 7,058,366	106%	\$ 6,732,530	\$ (325,836)	105%
Spring Tuition	5,459,438	5,694,667	104%	6,504,814	810,147	88%
Summer Tuition	609,527	861,963	141%	1,868,251	1,006,288	46%
Fees	2,545,998	2,746,275	108%	3,201,464	455,189	86%
Total Academic	15,250,655	16,361,272	107%	18,307,059	1,945,787	89%
Continuing Education	989,138	1,248,052	126%	1,788,129	540,077	70%
<b>Total Tuition and Fees</b>	<b>16,239,793</b>	<b>17,609,324</b>	<b>108%</b>	<b>20,095,188</b>	<b>2,485,864</b>	<b>88%</b>
State Aid	11,678,553	13,255,016	113%	23,794,631	10,539,615	56%
County Revenue	12,127,726	12,877,726	106%	26,313,826	13,436,100	49%
Investment Income	650,769	729,544	112%	650,000	(79,544)	112%
Miscellaneous Income	250,708	306,723	122%	200,000	(106,723)	153%
Contract Revenue	575,044	580,430	101%	1,151,958	571,528	50%
Indirect Cost Recovery	123,500	143,500	116%	210,000	66,500	68%
Strategic Reserves	-	264,625	-	2,442,000	2,177,375	11%
<b>Total Revenue</b>	<b>\$ 41,646,094</b>	<b>\$ 45,766,888</b>	<b>110%</b>	<b>\$ 74,857,603</b>	<b>\$ 29,090,715</b>	<b>61%</b>
<b>Expenses and Transfers</b>						
Instruction						
Academic	\$ 11,784,001	\$ 12,556,371	107%	\$ 27,108,040	14,551,669	46%
Continuing Education	1,475,808	1,680,295	114%	3,801,660	2,121,365	44%
Total Instruction	13,259,809	14,236,667	107%	30,909,700	16,673,033	46%
Academic Support	786,173	848,521	108%	1,486,044	637,523	57%
Student Services	4,759,358	5,274,345	111%	11,429,816	6,155,471	46%
Plant Operation and Maintenance	3,630,099	4,259,485	117%	10,259,739	6,000,254	42%
Administration	6,497,898	7,762,972	119%	17,324,944	9,561,972	45%
Scholarships and Transfers	2,420,831	3,127,798	129%	3,447,360	319,562	91%
<b>Total Expenses and Transfers</b>	<b>\$ 31,354,169</b>	<b>\$ 35,509,787</b>	<b>113%</b>	<b>\$ 74,857,603</b>	<b>\$ 39,347,816</b>	<b>47%</b>
<b>Fund Balance</b>	<b>\$ 10,291,925</b>	<b>\$ 10,257,101</b>	<b>100%</b>	<b>\$ -</b>	<b>\$ (10,257,101)</b>	

	FY25 ACTUAL	FY25 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % to BUDGET
<b>Use of Strategic Reserves</b>				
SR - Strategic Planning & Future-Proofing	\$ 123,127	\$ 359,000	\$ 235,873	34%
SR - Student Success and Completion	80,649	130,000	49,351	62%
SR - Unplanned Capital Repair & Replacement	17,849	1,500,000	1,482,151	1%
SR - Technology Projects	43,000	453,000	410,000	9%
	<b>\$ 264,625</b>	<b>\$ 2,442,000</b>	<b>\$ 2,177,375</b>	<b>11%</b>

**FREDERICK COMMUNITY COLLEGE  
BOOKSTORE  
FINANCIAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2024  
50% OF THE YEAR EXPIRED**

	FY24 PYTD ACTUAL	FY25 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY25 BUDGET	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
<b>Revenue</b>						
Books	\$ 408,334	\$ 409,113	100%	\$ 925,000	\$ 515,887	44%
Supplies	89,919	98,054	109%	200,000	101,946	49%
Clothing	40,978	28,192	69%	82,000	53,808	34%
Convenience	31,653	38,710	122%	70,000	31,290	55%
Gift	15,449	25,050	162%	27,000	1,950	93%
Non Merchandise	338	347	103%	2,500	2,153	14%
Commissions - Books/gifts	544	1,226	225%	3,000	1,774	41%
Dual Enrollment-Slingshot	66,663	115,610	173%	200,000	84,390	58%
College Subsidy	40,356	95,186	236%	99,500	4,314	96%
<b>Total Revenue</b>	<b>694,234</b>	<b>811,489</b>	<b>117%</b>	<b>1,609,000</b>	<b>797,511</b>	<b>50%</b>
<b>Cost of Goods Sold</b>	<b>374,897</b>	<b>376,580</b>	<b>100%</b>	<b>740,000</b>	<b>363,420</b>	<b>51%</b>
<b>Gross Profit</b>	<b>319,337</b>	<b>434,909</b>	<b>136%</b>	<b>869,000</b>	<b>434,091</b>	<b>50%</b>
<b>Operating Expenses</b>						
<b>Compensation</b>						
Admin/Support Staff Compensation	104,522	107,658	103%	215,000	107,342	50%
Auxiliary PT	22,481	26,793	119%	75,000	48,207	36%
Benefits	44,926	48,941	109%	79,000	30,059	62%
<b>Total Compensation</b>	<b>171,929</b>	<b>183,391</b>	<b>107%</b>	<b>369,000</b>	<b>185,609</b>	<b>50%</b>
Contracted Services	18,853	11,706	62%	75,000	63,294	16%
Advertising	-	1,598	-	2,500	902	64%
Supplies	2,686	655	24%	7,500	6,845	9%
Digital Subscription	59,131	78,189	132%	100,000	21,811	78%
Shipping and Postage	33	552	1676%	1,000	448	55%
Telecommunications	278	228	82%	500	272	46%
Software	12,243	3,950	32%	20,000	16,050	20%
Travel/Professional Development	585	1,295	221%	10,000	8,705	13%
Dual Enrollment-Slingshot	68,848	101,601	148%	180,000	78,399	56%
Other Expenses	11	(7)	-69%	-	7	-
Deferred Maintenance	1,250	1,250	100%	2,500	1,250	50%
Depreciation	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>335,846</b>	<b>384,409</b>	<b>114%</b>	<b>768,000</b>	<b>383,591</b>	<b>50%</b>
<b>Operating Profit (Loss)</b>	<b>\$ (16,509)</b>	<b>\$ 50,500</b>	<b>-306%</b>	<b>\$ 101,000</b>	<b>\$ 50,500</b>	<b>50%</b>
Indirect Cost Transfer	40,500	50,500	125%	101,000	50,500	50%
<b>Total College Contribution</b>	<b>40,500</b>	<b>50,500</b>	<b>125%</b>	<b>101,000</b>	<b>50,500</b>	<b>50%</b>
<b>Net Income (Loss)</b>	<b>\$ (57,009)</b>	<b>\$ 0</b>	<b>0%</b>	<b>0</b>	<b>\$ (0)</b>	<b>-</b>
<b>Gross Profit %</b>	<b>46.0%</b>	<b>53.6%</b>		<b>54.0%</b>		
<b>Operating Expense % Revenue</b>	<b>48.4%</b>	<b>47.4%</b>		<b>47.7%</b>		
<b>Net Income % Revenue</b>	<b>-8.2%</b>	<b>0.0%</b>		<b>0.0%</b>		

**FREDERICK COMMUNITY COLLEGE  
THE CARL & NORMA MILLER CHILDREN'S CENTER  
FINANCIAL REPORT FOR THE PERIOD ENDING DECEMBER 31, 2024  
50% FOR THE YEAR EXPIRED**

	<b>FY24 PYTD ACTUAL</b>	<b>FY25 YTD ACTUAL</b>	<b>ACTUALS TO ACTUALS VARIANCE</b>	<b>FY25 BUDGET</b>	<b>(OVER)/UNDER BUDGET</b>	<b>ACTUAL % OF BUDGET</b>
<b>Revenue</b>						
Infants/Toddler	\$ 65,047	\$ 87,985	135%	\$ 122,808	\$ 34,823	72%
Two-Year Olds	63,588	79,436	125%	96,424	16,988	82%
Three-Year Olds	38,088	55,898	147%	145,010	89,112	39%
Four-Year Olds	39,201	39,902	102%	136,204	96,302	29%
Preschool/Pre-K/Kindergarten	52,735	55,814	106%	157,930	102,116	35%
Summer Camp	2,879	9,920	345%	-	(9,920)	-
Head Start	-	-	-	7,500	-	0%
Other	37,280	20,746	56%	40,000	19,254	52%
Excels/Vouchers	-	-	-	15,000	15,000	0%
County Contribution	69,262	-	0%	-	-	-
College Subsidy	32,226	212,689	660%	490,710	278,021	43%
<b>Total Revenue</b>	<b>400,305</b>	<b>562,390</b>	<b>140%</b>	<b>1,211,586</b>	<b>649,196</b>	<b>46%</b>
<b>Classroom Expense</b>						
Auxiliary FT Teacher Compensation	246,760	228,534	93%	544,170	315,636	42%
Auxiliary FT & PT Teacher Benefits	100,534	113,998	113%	210,000	96,002	54%
Auxiliary PT Teacher Compensation	46,567	47,855	103%	93,267	45,412	51%
<b>Total Classroom Expenses</b>	<b>393,861</b>	<b>390,387</b>	<b>99%</b>	<b>847,436</b>	<b>457,050</b>	<b>46%</b>
<b>Gross Profit</b>	<b>6,444</b>	<b>172,003</b>	<b>2669%</b>	<b>364,150</b>	<b>192,146</b>	<b>47%</b>
<b>Operating Expenses</b>						
<b>Compensation</b>						
Admin/Support Staff Compensation	74,054	80,055	108%	161,000	80,945	50%
Benefits	27,046	29,011	107%	68,000	38,989	43%
<b>Total Compensation</b>	<b>101,100</b>	<b>109,065</b>	<b>108%</b>	<b>229,000</b>	<b>119,935</b>	<b>48%</b>
Contracted Services	3,890	5,543	142%	10,000	4,457	55%
Advertising	-	-	-	-	-	-
Supplies	11,344	6,769	60%	15,000	8,231	45%
Telecommunications	278	274	99%	600	326	46%
Shipping and Postage	8	3	33%	50	48	5%
Professional Dues	708	190	27%	2,500	2,310	8%
Course Costs/Field Trips	1,325	910	69%	5,000	4,090	18%
Software	-	-	-	3,500	3,500	0%
Furniture and Equipment	315	-	0%	-	-	-
Deferred Maintenance	1,250	1,250	100%	2,500	1,250	50%
<b>Total Operating Expenses</b>	<b>120,218</b>	<b>124,003</b>	<b>103%</b>	<b>268,150</b>	<b>144,147</b>	<b>46%</b>
<b>Operating Profit (Loss)</b>	<b>(113,774)</b>	<b>48,000</b>	<b>-42%</b>	<b>96,000</b>	<b>47,999</b>	<b>50%</b>
<b>College Contribution</b>						
Indirect Cost Transfer	40,500	48,000	119%	96,000	48,000	50%
<b>Total College Contribution</b>	<b>40,500</b>	<b>48,000</b>	<b>119%</b>	<b>96,000</b>	<b>48,000</b>	<b>50%</b>
<b>Net Income (Loss)</b>	<b>(154,274)</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Gross Profit %</b>	<b>1.6%</b>	<b>30.6%</b>		<b>30.1%</b>		
<b>Operating Expense % Revenue</b>	<b>30.0%</b>	<b>22.0%</b>		<b>22.1%</b>		
<b>Net income % Revenue</b>	<b>-38.5%</b>	<b>0.0%</b>		<b>0.0%</b>		

**FREDERICK COMMUNITY COLLEGE  
DINING SERVICES  
FINANCIAL REPORT FOR THE PERIOD ENDING December 31, 2024  
50% OF THE FISCAL YEAR EXPIRED**

	FY24 PYTD ACTUAL	FY25 YTD ACTUAL	ACTUALS TO ACTUALS VARIANCE	FY25 Budget	(OVER)/UNDER BUDGET	ACTUAL % OF BUDGET
<b>Canteen Revenue</b>						
Café Sales	\$ 160,658	\$ 171,595	107%	\$ 370,000	\$ 198,405	46%
Catering Sales	122,731	\$ 156,598	128%	230,000	73,402	68%
<b>College Revenue</b>						
Vending	8,114	\$ 12,415	153%	20,000	7,585	62%
College Subsidy	144,730	\$ 147,430	102%	284,458	137,028	52%
Misc. Income	-	\$ -				
<b>Total Revenue</b>	<b>436,233</b>	<b>488,038</b>	<b>112%</b>	<b>904,458</b>	<b>416,420</b>	<b>54%</b>
<b>Canteen Cost of Goods Sold (COGS)</b>						
Cougar Café & Catering	140,055	\$ 159,878	114%	295,000	135,122	54%
<b>Subtotal COGS</b>	<b>140,055</b>	<b>159,878</b>	<b>114%</b>	<b>295,000</b>	<b>135,122</b>	<b>54%</b>
<b>Gross Profit</b>	<b>296,178</b>	<b>328,160</b>	<b>111%</b>	<b>609,458</b>	<b>281,298</b>	<b>54%</b>
<b>Canteen Operating Expenses</b>						
Compensation	192,605	\$ 223,767	116%	390,000	166,233	57%
<b>Other Canteen Expenses</b>		\$ -				
Business Expenses	35,259	\$ 33,747	96%	75,000	41,253	45%
<b>College Expenses</b>						
Contracted Services	2,596	\$ 2,421	93%	15,000	12,579	16%
Equipment Repair		\$ -	-	-	-	-
<b>Total Operating Expenses</b>	<b>230,460</b>	<b>259,936</b>	<b>113%</b>	<b>480,000</b>	<b>220,064</b>	<b>54%</b>
<b>Operating Profit (Loss)</b>	<b>\$ 65,718</b>	<b>\$ 68,224</b>	<b>104%</b>	<b>\$ 129,458</b>	<b>\$ 61,234</b>	<b>53%</b>
<b>Contract Fees</b>						
Management Fee	15,000	\$ 15,002	100%	30,000	14,998	50%
Admin Fee	8,220	\$ 8,222	100%	9,458	1,236	87%
<b>Total Fees</b>	<b>23,220</b>	<b>23,224</b>	<b>100%</b>	<b>39,458</b>	<b>16,234</b>	<b>59%</b>
<b>College Contribution</b>						
Indirect Cost Transfer	42,498	\$ 45,000	106%	90,000	45,000	50%
<b>Total College Contribution</b>	<b>42,498</b>	<b>45,000</b>	<b>106%</b>	<b>90,000</b>	<b>45,000</b>	<b>50%</b>
<b>Net Income/(Loss)</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>-</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>-</b>
<b>Gross Profit %</b>	<b>67.9%</b>	<b>67.2%</b>		<b>67.4%</b>		
<b>Operating Expense % Revenue</b>	<b>52.8%</b>	<b>53.3%</b>		<b>53.1%</b>		
<b>Net Income % Revenue</b>	<b>0.0%</b>	<b>0.0%</b>		<b>0.0%</b>		

**FREDERICK COMMUNITY COLLEGE  
BALANCE SHEET - ALL FUNDS  
AS OF DECEMBER 31, 2024**

	<b>PRIOR FYE</b>	<b>FY25 ACTUAL</b>	<b>CHANGE</b>	<b>% CHANGE</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 1,354,445	\$ 2,915,524	\$ 1,561,079	115%
Investments	34,813,032	35,502,095	689,063	2%
Total cash and investments	36,167,477	38,417,620	2,250,143	6%
<b>Accounts Receivable</b>				
Students, net of allowance	415,656	5,117,761	4,702,105	1131%
Governmental	3,009,358	1,653,355	(1,356,003)	-45%
Other	628,486	2,808,855	2,180,369	347%
Total accounts receivable	4,053,500	9,579,971	5,526,471	136%
Prepaid expenses	808,986	9,991	(798,995)	-99%
Inventory	208,209	381,437	173,228	83%
Total Current Assets	41,238,172	48,389,019	7,150,847	17%
<b>Noncurrent Assets</b>				
Capital assets, net of accumulated depreciation	92,425,798	90,360,727	(2,065,071)	-2%
Total Noncurrent Assets	92,425,798	90,360,727	(2,065,071)	-2%
<b>Total Assets</b>	<b>\$ 133,663,970</b>	<b>\$ 138,749,746</b>	<b>\$ 5,085,776</b>	<b>4%</b>
<b>Liabilities and Net Position</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accrued salaries	\$ 988,957	\$ 8,279	\$ (980,678)	-99%
Accounts payable	1,798,240	13,735	(1,784,506)	-99%
Accrued liabilities	813,607	353,115	(460,492)	-57%
Accrued leave	2,086,078	2,086,078	-	0%
Bond payable	330,000	330,000	-	0%
SBITA payable	333,324	333,324	-	0%
Unearned revenue	1,924,757	13,858	(1,910,899)	-99%
Deposits held for others	273,900	275,646	1,746	1%
Total Current Liabilities	8,548,863	3,414,035	(5,134,828)	-60%
<b>Noncurrent Liabilities</b>				
Bond payable, net of discount	4,528,050	4,528,050	-	0%
SBITA payable	428,413	428,413	-	0%
Accrued leave	29,186	29,186	-	0%
Total Noncurrent Liabilities	4,985,649	4,985,649	-	0%
<b>Total Liabilities</b>	<b>13,534,512</b>	<b>8,399,684</b>	<b>(5,134,828)</b>	<b>-38%</b>
<b>Net Position</b>				
Net Position Prior Year Balance (per audit)	116,423,217	120,129,458	3,706,241	3%
Net Income (Loss) - All funds	3,706,241	10,220,604	6,514,363	176%
<b>Total Net Position</b>	<b>120,129,458</b>	<b>130,350,062</b>	<b>10,220,604</b>	<b>9%</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 133,663,970</b>	<b>\$ 138,749,746</b>	<b>\$ 5,085,776</b>	<b>4%</b>





**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Dr. Anne P. Davis, Provost and Vice President of Teaching, Learning, and Student Success  
Dr. Benita Rashaw, Vice President of Student Experience

**Date:** February 19, 2025

**Subject: Information/Discussion Item**  
President's Interpretation for EL-8 Access to Education

**Board Policy:** BCD-3 Delegation to the President

**RECOMMENDATION**

Review the enclosed interpretation for Policy EL-8 Access to Education and provide feedback for consideration. A final version will be submitted for approval at the March 19, 2025 Board meeting.

**OVERVIEW**

Attached for the Board's feedback is my interpretation for Policy EL-8 Access to Education.

**ANALYSIS**

Per Board-CEO Delegation Policy BCD-3 Delegation to the President:

*The Board will instruct the President through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, i.e., Executive Limitations, allowing the President to use any reasonable interpretation of these policies.*

**ATTACHMENT(S)**

President's Interpretation for Policy EL-8 Access to Education

## **President's Interpretation for EL-8 Access to Education**

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**Note: Board Policy is indicated in bold typeface throughout the report.**

**The President shall not allow conditions that unnecessarily restrict student or potential student access to education.**

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

- 1. Cause or allow the setting of tuition and/or fees that do not provide for a reasonable balance of fiscal responsibility between students and taxpayers, that do not consider County and State appropriations, forecasted enrollment, major strategic initiatives, requirements for total cost recovery, or a contribution to the overhead of the College.**

### INTERPRETATION:

Compliance will be demonstrated when, prior to setting tuition and fees:

- a. The College forecasted billing credit hours based on enrollment projections.
- b. The College estimated state and county appropriations.
- c. The College calculated the financial requirements to meet union contracts.
- d. The College projected costs for obligations, major strategic initiatives, and estimated requirements for total cost recovery.
- e. The College calculated contribution to overhead.
- f. The College completed tuition and fee comparisons against community colleges in Maryland.

This interpretation is reasonable because it ensures an evidence-based process for determining an appropriate tuition and fee structure for the College and is a process used by peer institutions.

- 2. Fail to communicate to students and potential students plans for future tuition and/or fee increases to allow students to do financial planning.**

### INTERPRETATION:

Compliance will be demonstrated when:

- a. The College communicates tuition and fees to students once the rates are approved by the Board of Trustees.

This interpretation is reasonable because it ensures prompt communication to students about tuition and fees allowing them to plan and budget more effectively, which aligns with best practices identified by the National Association of College and University Business Officers (NACUBO).

**President's Interpretation for EL-8 Access to Education**

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- 3. Be without a consistent method that provides for appropriate recognition of prior learning and/or demonstrated competency obtained outside of Frederick Community College provided educational programs.**

**INTERPRETATION:**

Compliance will be demonstrated when:

- a. The College has a procedure in place to recognize and award prior learning and competencies for students, using accepted higher education methods.
- b. The College has a procedure in place to recognize the transfer of credits into the College from other institutions.

This interpretation is reasonable because the College takes into consideration a quality-based recognition of knowledge and competency that has occurred outside of the College's own instructional programs in a manner that is broadly accepted in higher education and is based on frameworks and standards of the national Council for Adult and Experiential Learning (CAEL).

- 4. Permit academically qualified students from historically marginalized backgrounds, those with disabilities, or those with insufficient economic means to be without a supportive environment that enables them to complete their educational programs, while also not compromising academic standards, wherever possible.**

**INTERPRETATION:**

Compliance will be demonstrated when:

- a. The College provides support services for students with financial, mental, physical and other related barriers to ensure they have opportunities for academic success.
- b. The College provides clear communication to students about how they can receive financial aid assistance.
- c. The College leverages additional resources from the College's Foundation, and other sources to assist students with limited means.

This interpretation is reasonable because it is based on research by the Community College Research Center (CCRC) that shows support services enhance success for students who lack supportive environments.

- 5. Permit activities, circumstances, or decisions that jeopardize the ability of students to enroll in and complete available courses, programs, or assessments, or to obtain the instructional hours required to complete their program of study.**

**President's Interpretation for EL-8 Access to Education**

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**INTERPRETATION:**

Compliance will be demonstrated when:

- a. The College has 'teach-out plans' when programs of study are cancelled which ensures that no student is academically/instructionally stranded.
- b. Students are offered alternative courses when a course is cancelled.
- c. The College has policies in place that provide students, with extenuating circumstances, support and guidance to withdraw from classes and/or complete courses.
- d. Prior learning and/or competency assessments are available to students.
- e. The College provides a wide variety of instructional modalities for students, including in-person, online, and hybrid options.

This interpretation is reasonable because it provides options consistent with peer institutions for students on those occasions where learning may be disrupted and is consistent with Maryland Higher Education Commission (MHEC) requirements to provide teach out plans when discontinuing degree and certificate programs.



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Dr. Bridgette Cofield, Vice President for Talent and Culture

**Date:** February 19, 2025

**Subject:** **Information/Discussion Item**  
President's Interpretation for EL-11 Compensation and Benefits

**Board Policy:** BCD-3 Delegation to the President

### **RECOMMENDATION**

Review the enclosed interpretation for Policy EL-11 Compensation and Benefits and provide feedback for consideration. A final version will be submitted for approval at the March 19, 2025 Board meeting.

### **OVERVIEW**

Attached for the Board's feedback is my interpretation for Policy EL-11 Compensation and Benefits.

### **ANALYSIS**

Per Board-CEO Delegation Policy BCD-3 Delegation to the President:

*The Board will instruct the President through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, i.e., Executive Limitations, allowing the President to use any reasonable interpretation of these policies.*

### **ATTACHMENT(S)**

President's Interpretation for Policy EL-11 Compensation and Benefits

## **President's Interpretation for EL-11 Compensation and Benefits**

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**Note: Board Policy is indicated in bold typeface throughout the report.**

**With respect to employment, compensation and benefits for employees, consultants, independent contractors and volunteers, the President shall not cause or allow jeopardy to the College's fiscal integrity or public image.**

### INTERPRETATION:

Compliance will be demonstrated when:

- a. The College has a compensation philosophy that guides the administration of an equitable total compensation program.
- b. Key considerations such as institutional goals, position responsibility, and market information are used in determining employee salaries.
- c. Offers of employment are equitable and fall within compensation classifications and wages as negotiated in a collective bargaining agreement as applicable.

This interpretation is reasonable because internal controls are used for verification, and it fits with best practice in the higher education industry.

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

**1. Change their own compensation and benefits.**

Compliance will be demonstrated when:

- a. The CEO's compensation amount has been verified by the Vice President (VP) for Talent and Culture and matches the approved amounts established by the Board as noted in the CEO's contract.
- b. The CEO's ordinary and necessary expenses match their employment contract as verified by the VP for Talent and Culture and Chief Financial Officer and Vice President for Administration (CFO/VPA).

This interpretation is reasonable because internal controls are used for verification, and it fits with best practices in the higher education industry as benchmarked with College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education.

**2. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed or from the approved budget.**

Compliance will be demonstrated when:

- a. The College conducts a comparison with other community colleges in the State for salaries and benefits annually.

## **President's Interpretation for EL-11 Compensation and Benefits**

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- b. The CEO, the VP for Talent and Culture, and the CFO/VPA annually review secondary salary and compensation data obtained from the College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education which provide normative data from a regional and national perspective.

This interpretation is reasonable because institutional benchmarking is done to provide comparison data, and it fits with best practices in the higher education industry as benchmarked with College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education.

### **2.1. Establish or change compensation and benefits that deviate from the current collective bargaining agreement(s).**

Compliance will be demonstrated when:

- a. The VP for Talent and Culture and CFO/VPA confirm that all employees that are a part of any collective bargaining agreement have been paid consistent with the most recent bargaining unit agreement.

This is reasonable because payment of benefit and salaries are agreed upon within the collective bargaining agreement, and it fits with best practices in the higher education industry as benchmarked with College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education.

### **3. Create obligations over a longer term than revenues can be safely projected.**

#### **INTERPRETATION:**

Compliance will be demonstrated when:

- a. The VP for Talent and Culture and CFO/VPA confirm that compensation and benefits agreed to within employee contracts and obligations created under union agreements do not exceed the forecasted budget for the term of the agreement.

This interpretation is reasonable because there are internal controls in place that are verified by the VP for Talent and Culture and CFO/VPA, and it fits with best practices in the higher education industry financial practices and is benchmarked with College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education.

### **4. Promise or imply permanent or guaranteed employment.**

#### **INTERPRETATION:**

Compliance will be demonstrated when:

- a. All employees are issued an employment agreement for no more than two years.

**President's Interpretation for EL-11 Compensation and Benefits**

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- b. No one has been offered College employment beyond the standard protocol employed by the Talent and Culture/Human Resources department.

This interpretation is reasonable because it fits with best practices in the higher education industry as benchmarked with College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education.

**4.1. No College employee, except for the College President or their official designee, is permitted to extend an offer of employment to any candidate or non-employee.**

INTERPRETATION:

Compliance will be demonstrated when:

- a) Talent and Culture/Human Resources or its designees are the only personnel at the College who extend offers of employment.

This interpretation is reasonable because it fits with best practices in the higher education industry as benchmarked with College and University Professional Association for Human Resources (CUPA-HR) and the Chronicle of Higher Education.



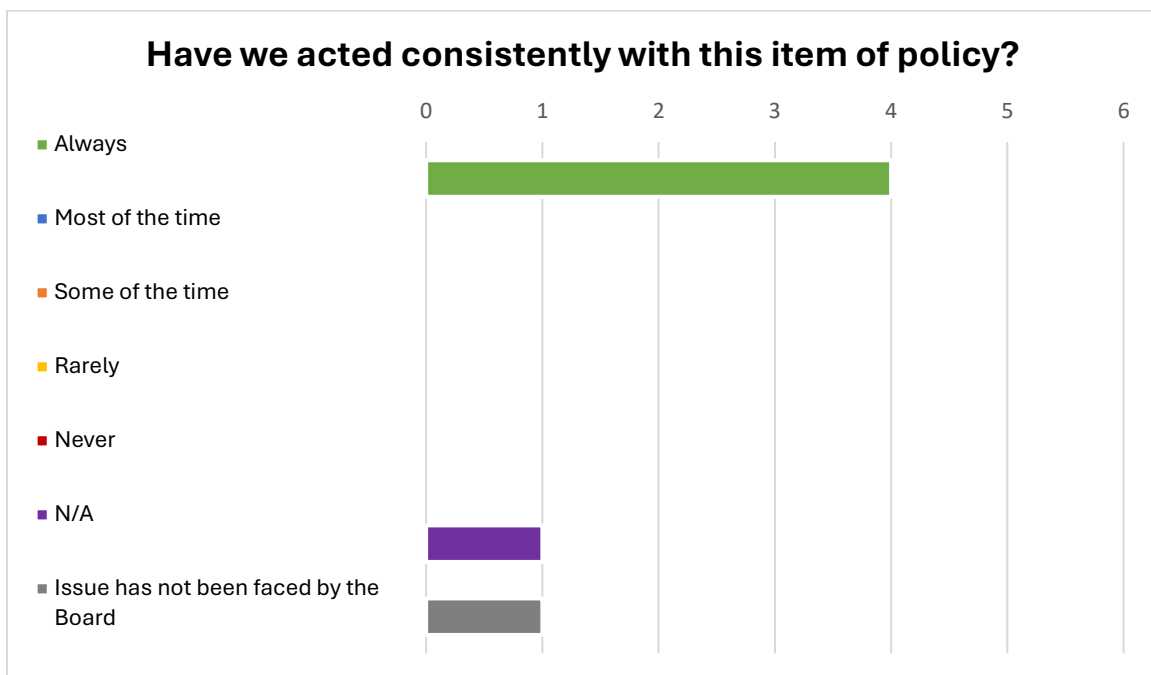


## Frederick Community College Board of Trustees

**Board Self-Monitoring Survey Results:  
GP-12 Handling Operational Complaints  
Date: 2/19/2025**

**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.

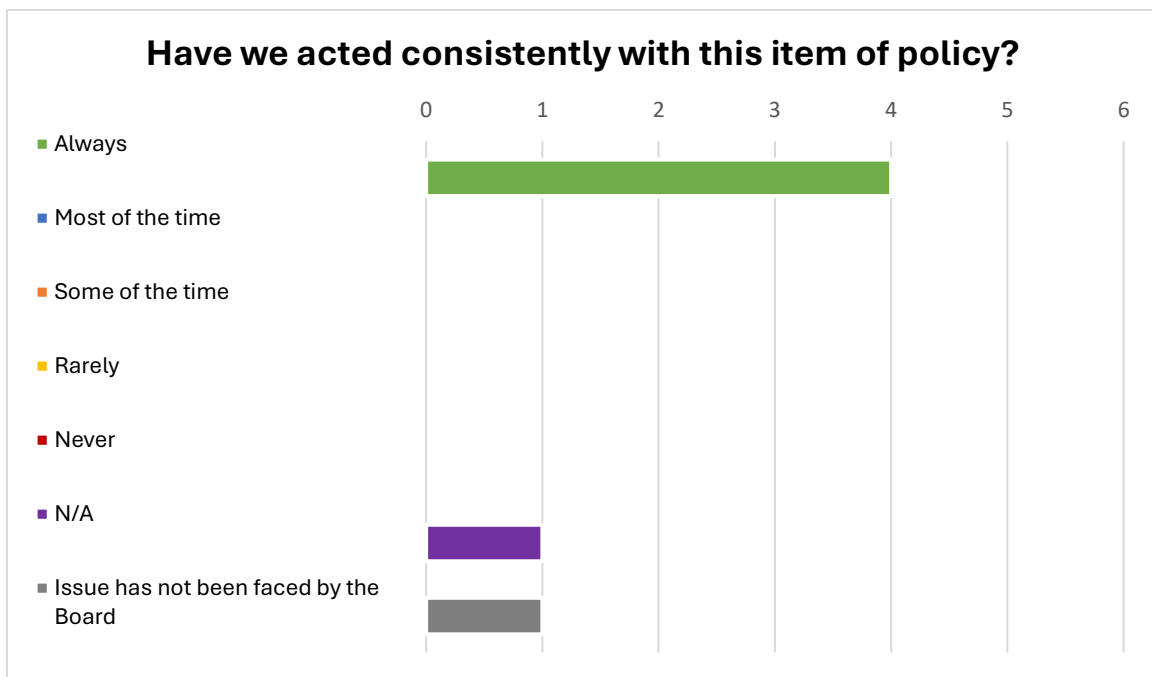


**Provide specific representative examples to support your above response when applicable.**

- On several occasions, members of the community have approached me about issues of concern (e.g. departure of certain personnel from dual enrollment staff) and in every instance, I have brought the issue to the attention of the President.

- I am not aware of any incidents that have occurred from May to current date.
- To my knowledge we have not encountered this situation; however, the Board acknowledges that it has delegated operational matters to the President. If a Trustee should receive an operational complaint, the process is in place for the matter to be handled by the President.
- I am not aware of any complaints to Trustees.
- This is the opening statement, not a question or policy.
- There were no challenges regarding operational matters.

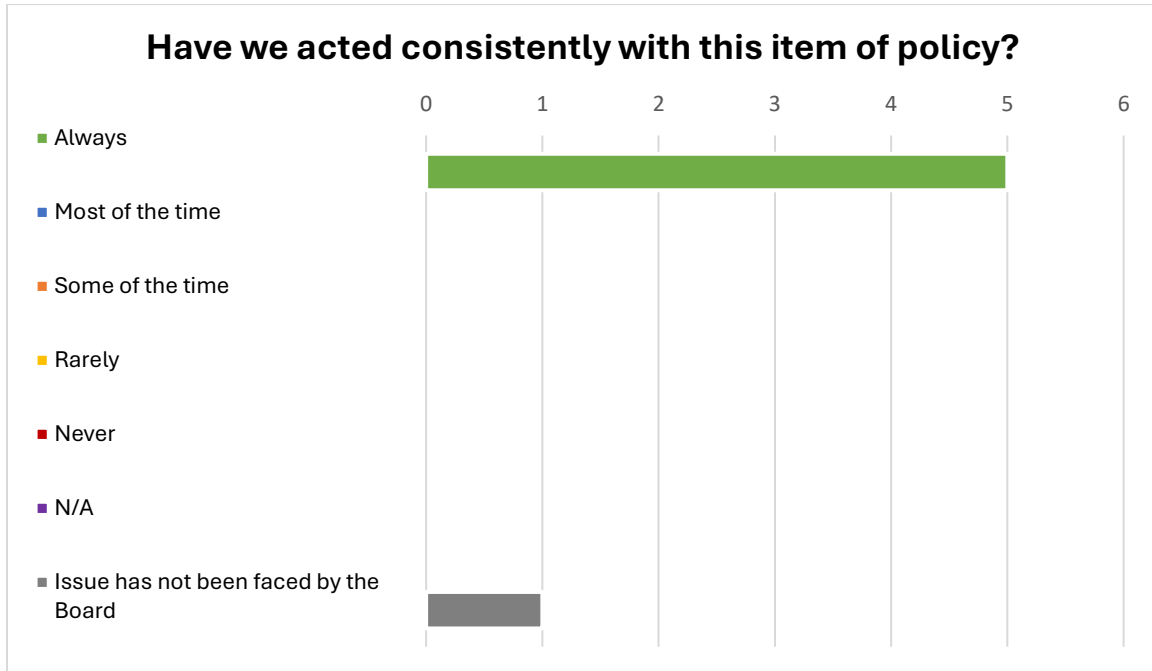
**1. The Trustee shall not offer any evaluative comments or solutions to the individual bringing the concern.**



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

- In instances when I have been approached, I listen attentively and indicated only that I will relay the information to leadership at FCC.
- I am not aware of any Board member being approached by an individual with a complaint.
- This is an operational matter to be addressed by the President.
- Not aware of any instances.
- Any complaints for any individual regarding operational matters are directed to the College President.
- There were evaluative comments made in an evaluative nature.

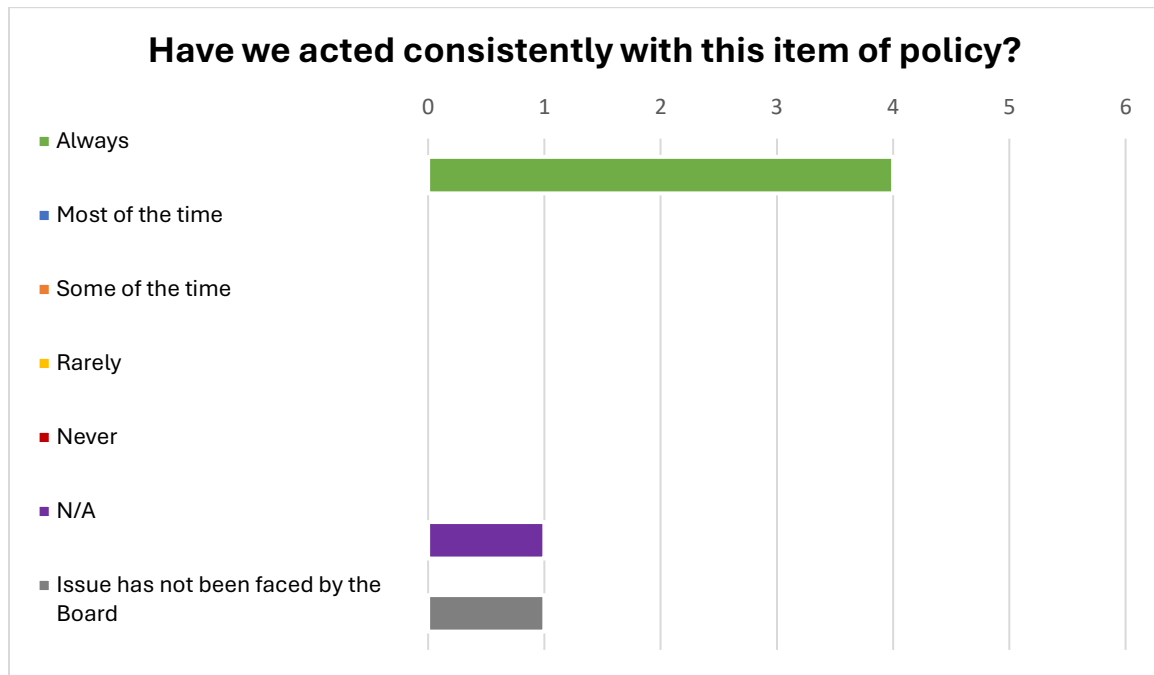
## 2. The Trustee will direct the complainant to the Office of the President.



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

- In instances when I have been approached, I listen attentively and indicated only that I will relay the information to leadership at FCC.
- I am not aware of any board member being approached by an individual with a complaint.
- Not aware of any complainants but we are all aware of the process and I am sure would proceed in accordance with policy.
- Any complaints for any individual regarding operational matters are directed to the College President.
- There were not such scenarios.

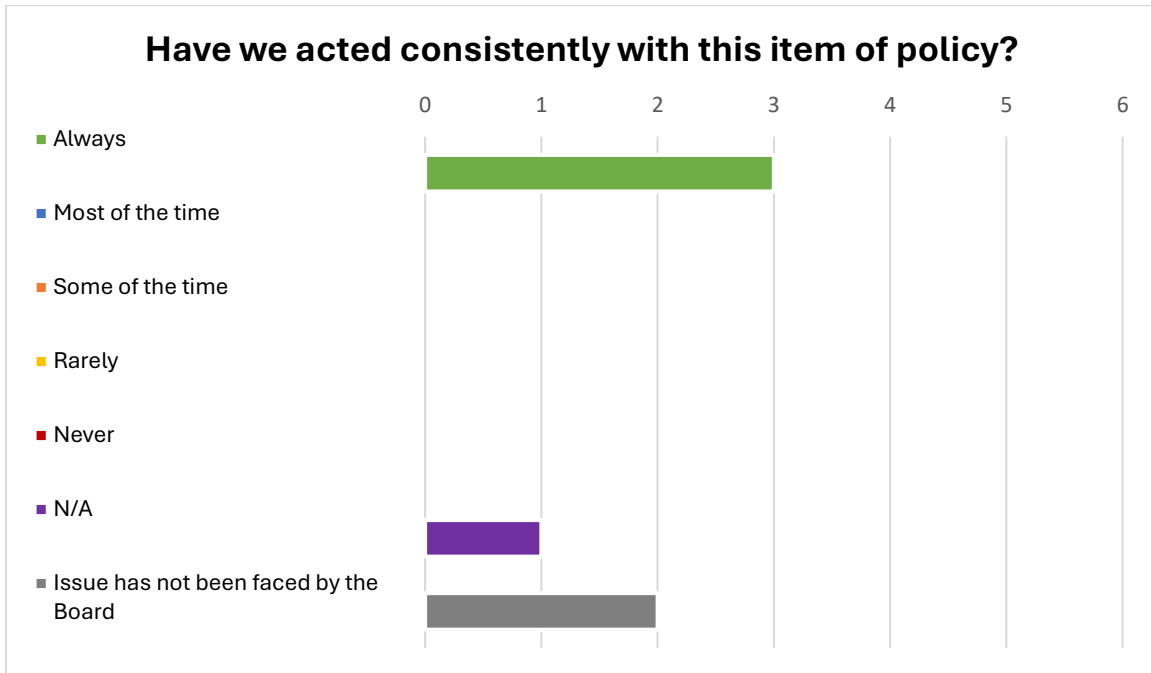
**3. The Trustee shall inform the President of the complaint and complainant. The President will follow up with the Trustee regarding the outcome of the matter with the individual.**



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

- In instances when I have conveyed issues of concern to the President, the President has informed me of steps taken to investigate and, if necessary, address the issue.
- The Trustees are aware of this policy and would not hesitate to direct the complaint to the President.
- The President, with input from her senior staff, has been very responsive to operational requests from the Board. I have every confidence that they will handle any issue regarding a complaint to a Trustee with the same diligence.
- Cannot think of an instance.
- Any complaints for any individual regarding operational matters are directed to the College President, who will inform the Trustee of the outcome. This policy has not been tested as far as I am aware.

**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.**

- At this point, I can think of no issue that rose to this level, but I am confident that the matter would have been addressed as required by the policy depending on the nature of the violation.
- This Board has been made aware of handling Board policy violations.
- We have had no instances where this would be warranted.
- Any complaints for any individual regarding operational matters are directed to the College President, who will inform the Trustee of the outcome. This policy has not been tested as far as I am aware.
- There have been no deviations from policy.



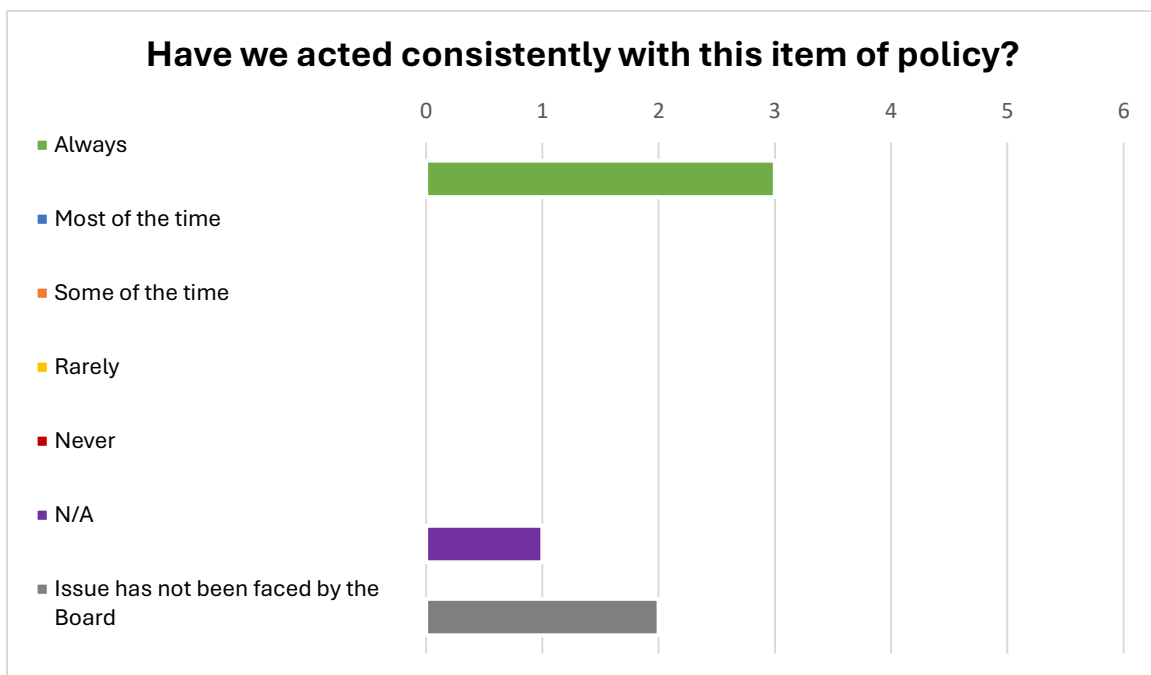
## Frederick Community College Board of Trustees

**Board Self-Monitoring Survey Results:  
GP-13 Handling Alleged Policy Violations  
Date: 2/19/2025**

**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.



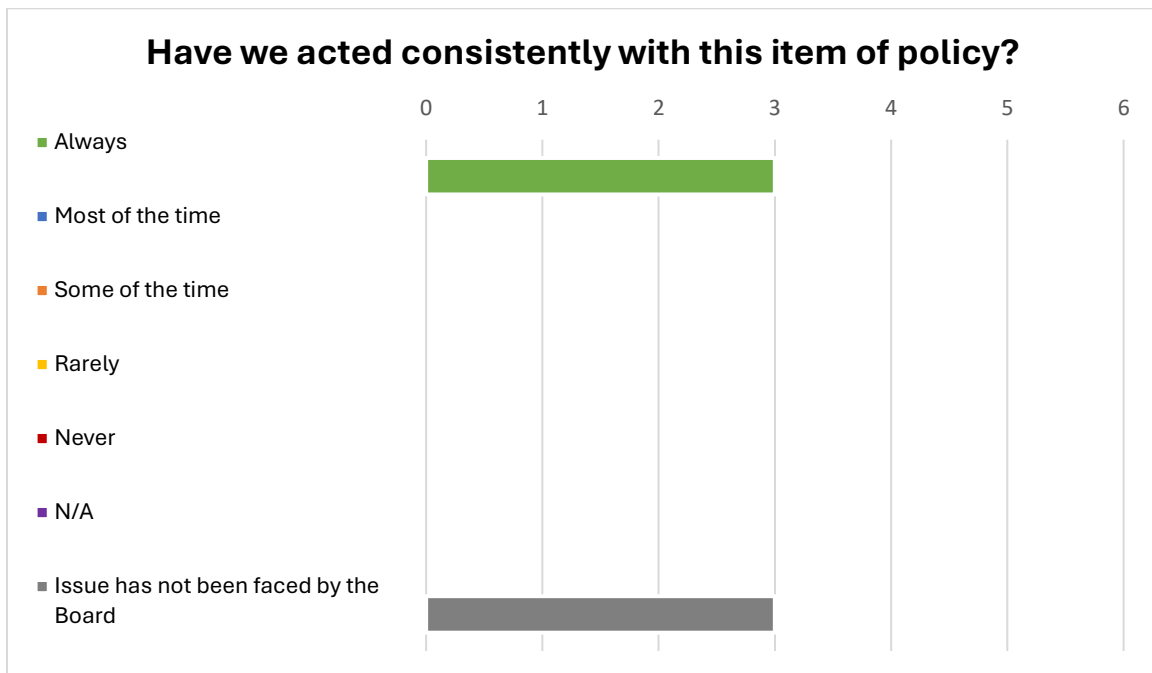
**Provide specific representative examples to support your above response when applicable.**

- At this early stage in the implementation of Policy Governance, no such instance has occurred.
- There has been no cause to request an off-cycle monitoring of the President. And given the guard rails and the adherence to the governance process that are in place, I doubt a problem would elevate to a violation before it was addressed and action taken.
- There have been no instances (or appearance) of Ends or Executive Limitations policy violations.
- This policy has not been tested as far as I am aware.

**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.**

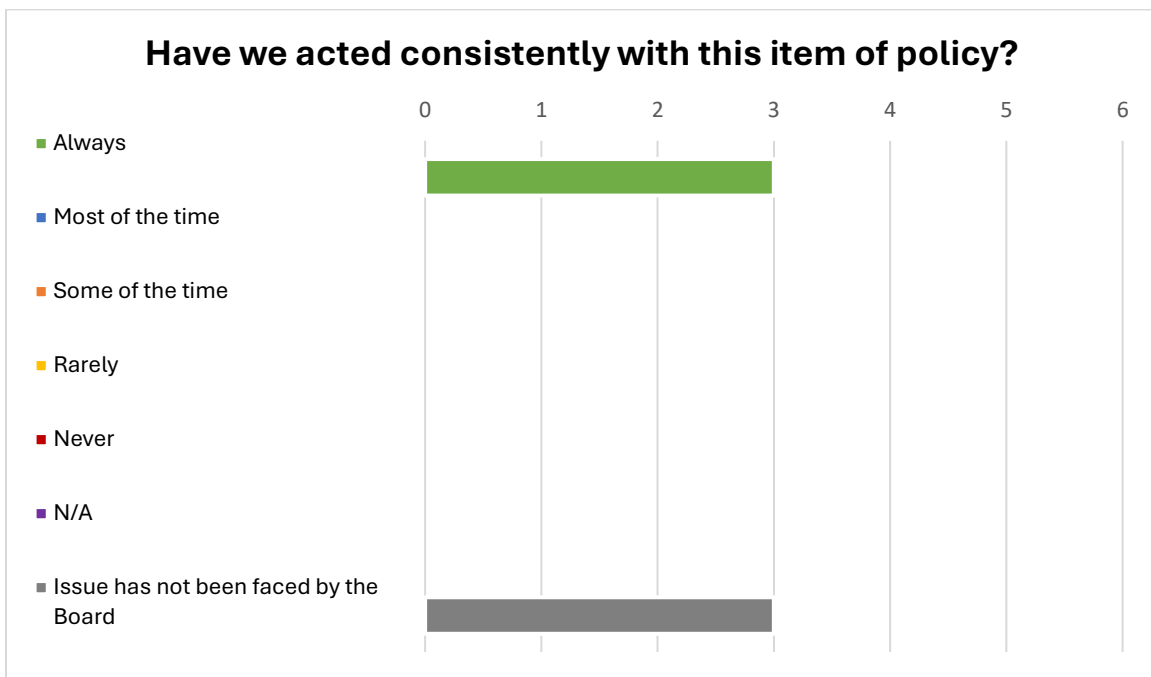


**Provide specific representative examples to support your above response when applicable.**

- No such matter has arisen.
- The President and the Board are aware of their responsibilities under Policy Governance. While it is unlikely, the Board is aware of what actions may trigger a request for off-cycle monitoring.
- This policy has not been tested as far as I am aware.

**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.**

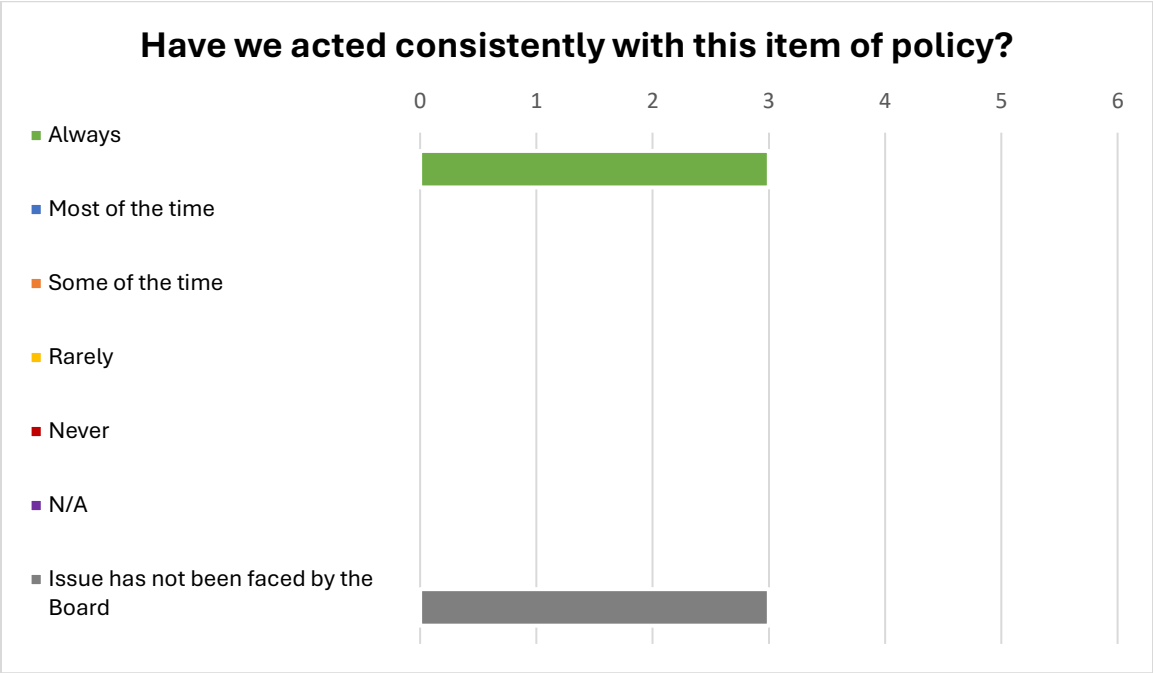


**Provide specific representative examples to support your above response when applicable.**

- Again, no such issue has yet occurred.
- This policy outlines one of the responsibilities of the President and the Board Chair. We are fortunate to have strong representation in both positions which hopefully would preclude negative action.
- This policy has not been tested as far as I am aware.



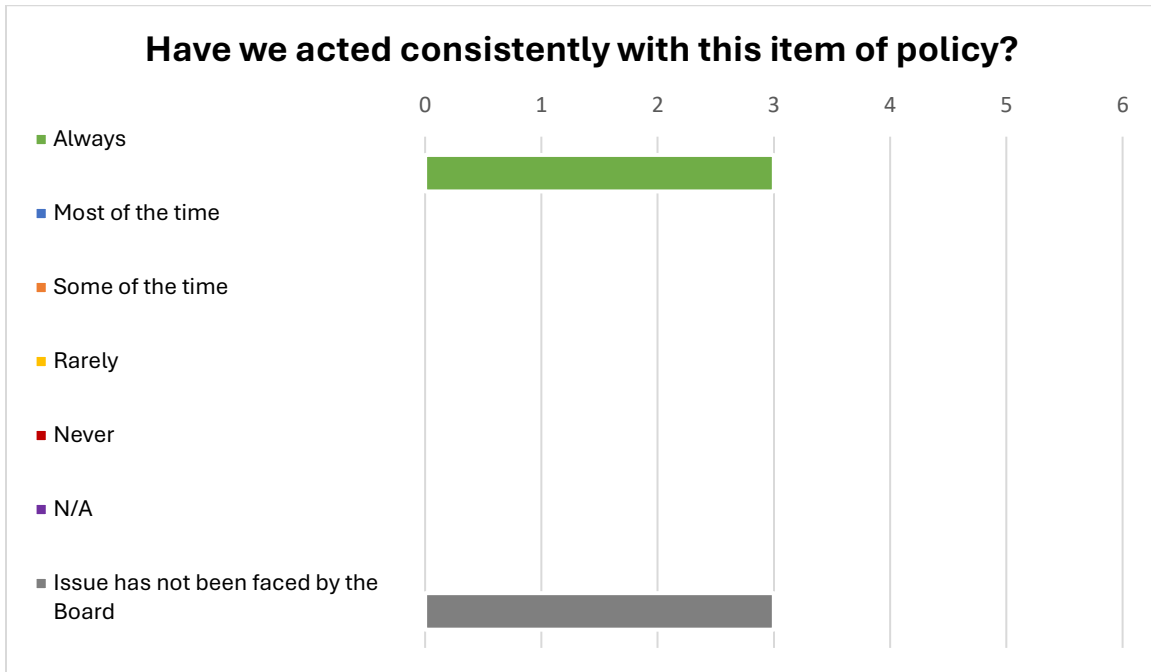
**2.2. The Board shall direct the President to submit an off-cycle monitoring report for the Board’s review. The Board shall review the report to determine whether the President violated Board policy.**



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

- Again, no such issue has yet occurred.
- This policy has not been tested as far as I am aware.

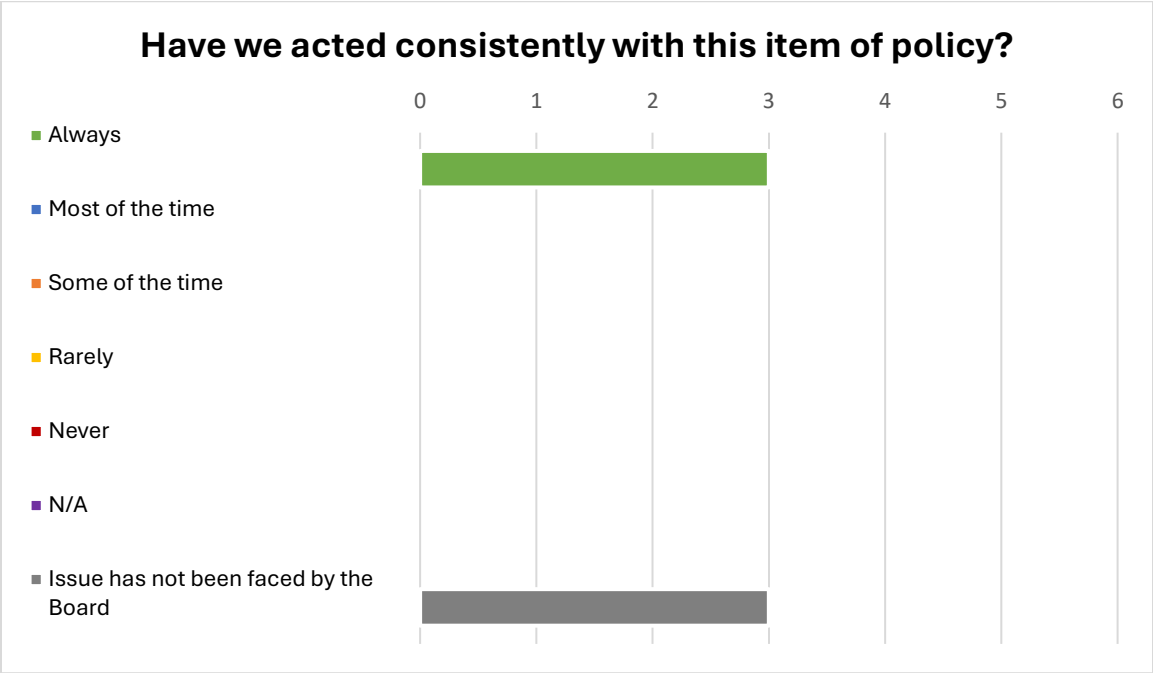
**2.3. If it is determined that the President did not violate Board policy, the matter shall be concluded by the Board. If the matter came to the attention of the Board by a complaint, the Board Chair shall communicate the decision to the complainant.**



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

- As noted above, no such instance has occurred.
- This policy has not been tested as far as I am aware.

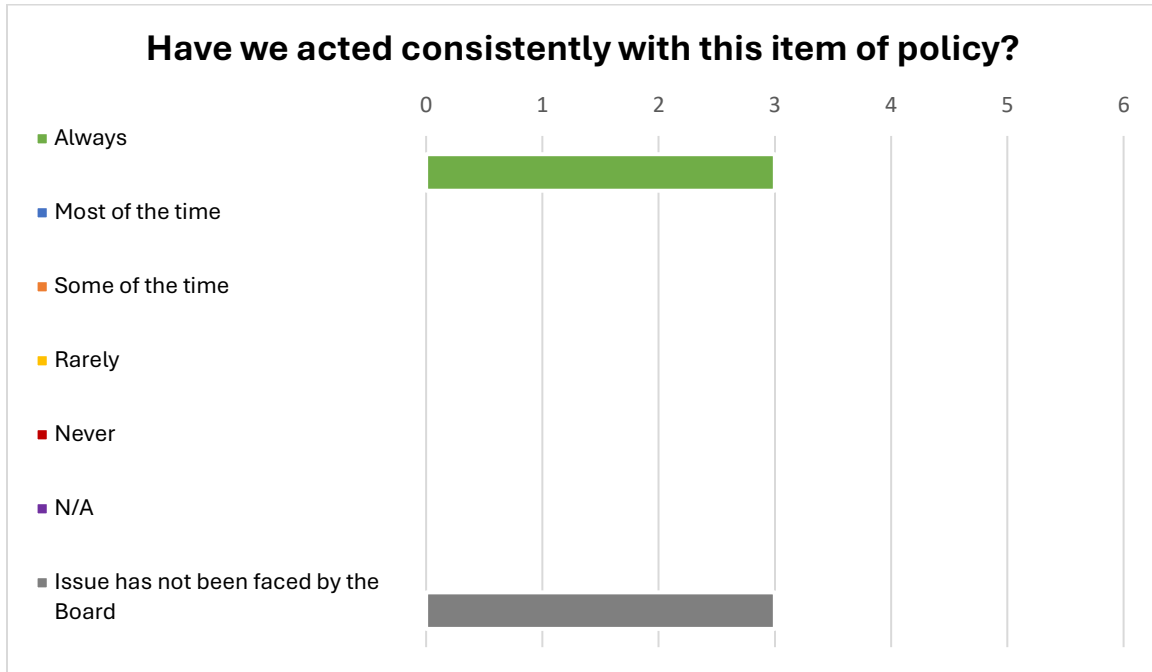
**2.4. If a Trustee believes that a policy amendment should be made to prevent a similar situation from recurring, the Board member should ask the Board Chair to put the item on the next agenda.**



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

- As noted above, no such instance has occurred.
- This policy has not been tested as far as I am aware.

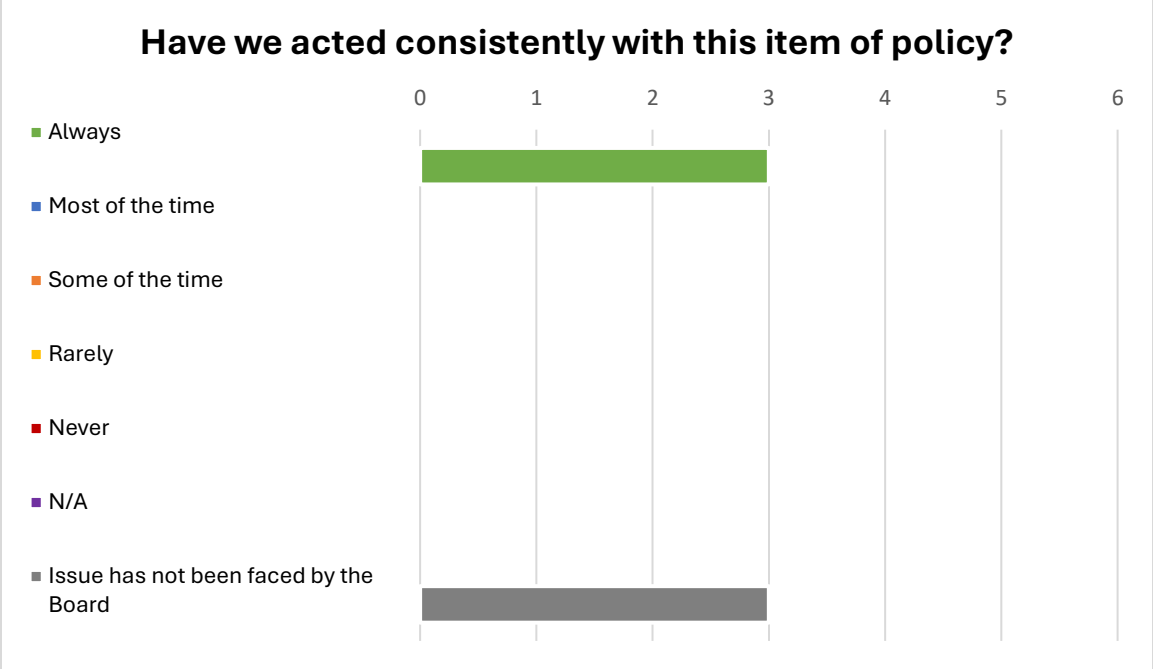
**2.4.1. If the Board makes changes to the policy or determines that a new policy is required, the Board will take the steps necessary to amend an existing policy or create a new policy. Once the Board completes its work, the President will be asked to create a new interpretation. The Board will assess 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.**

- As noted above, no such instance has occurred.
- This policy has not been tested as far as I am aware.
- It is an ongoing practice of the Board of Trustees.

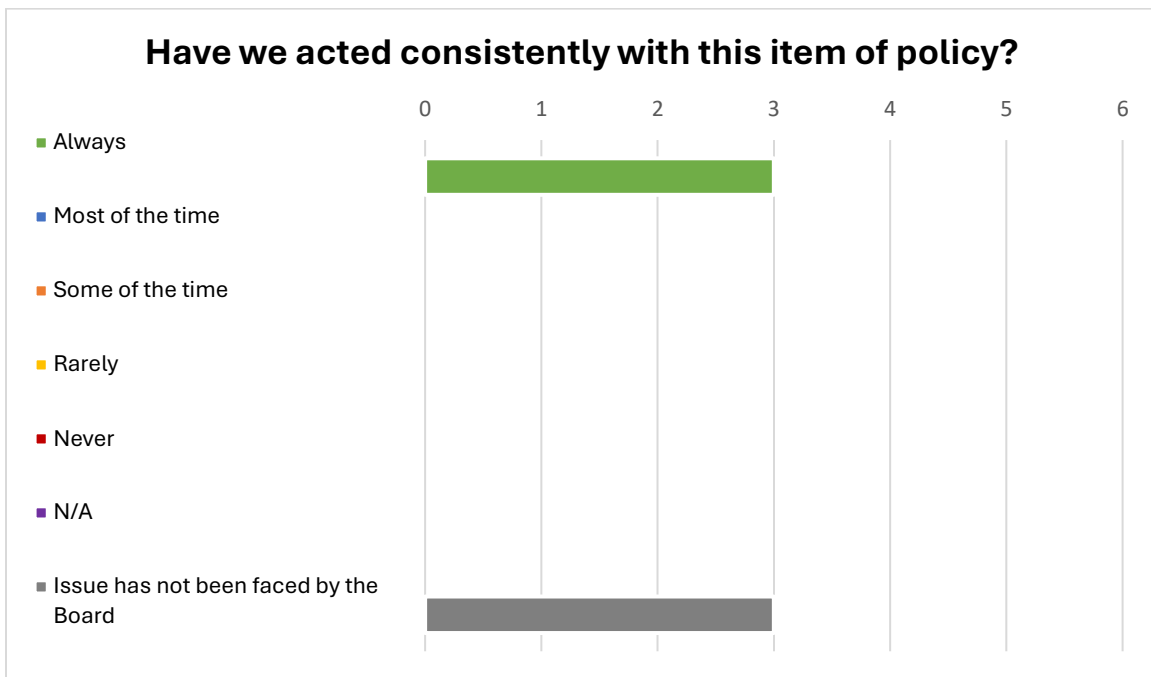
**2.5. If it is determined that the President violated or is violating Board policy, the Board, with or without the assistance of counsel, in the Board’s discretion, shall determine the degree of seriousness of the issue and address the President regarding performance in a closed session.**



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

- Has not occurred.
- This policy has not been tested as far as I am aware.
- The Board of Trustees have a clear understanding of the appropriate policies.

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.**

- We have not had such an instance at this early stage of Policy Governance.
- It is hoped that resolution of potential violations can be accomplished before reaching the level of legal intervention. It is reassuring that we have governance policies in place that will direct us toward resolution before an issue reaches this critical stage. But is it equally reassuring that we have policy guidance in place should we need to go forward.
- This policy has not been tested as far as I am aware.
- The Board Chair and Vice Chair are fully aware of procedures.



**FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Governance Process

**Policy Title:** Global Governance Commitment

**Policy Number:** GP-0

**Date Adopted:** 2.21.2024

**Version:** 1.0

**Date Last Reviewed:** 2.21.2024

**Office Responsible:** President’s Office

**Reviewing Committee:** Board of Trustees

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

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





## 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:** 5.22.2024

**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.

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



## 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:** 6.4.2024

**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.

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



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Scott McVicker, CFO and Vice President for Finance and Administration

**Date:** February 19, 2025

**Subject:** **Action Item**  
Renewal of Contract for Professional Auditing Services

**Board Policy:** EL-4 Financial Conditions and Activities; GP-4 Board Job Contributions

**RECOMMENDATION:**

Recommend Board approval to award the second one (1) year contract renewal for professional auditing services for FY 2025 for both the College and the Foundation to SB & Company, for the total of \$39,000.

**OVERVIEW:**

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 the contract for professional auditing services for the College and the Foundation to SB & Company. This award was for an initial three (3) year contract (FY 2021 – FY 2023) with the option to renew each year for an additional three years (FY 2024– FY 2026). A one-year renewal for FY 2024 was approved by the Board last year.

**ANALYSIS:**

Both Frederick County Government (FCG) and Frederick County Public Schools (FCPS) are recommending a one (1) year contract renewal for FY 2025. This will be the second year of the three (3) renewal years per the contract.

The cost of the services for the FY 2025 audit is \$39,000 and will be funded through the FY 2026 College operating budget.

**ATTACHMENT(S)**

None



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Scott McVicker, CFO and Vice President for Finance and Administration  
Dr. Anne Davis, Provost and Vice President for TLSS

**Date:** February 19, 2025

**Subject:** **Action Item**  
Approval of FY 2026 Credit Tuition and Fees

**Board Policy:** EL-8 Access to Education

## **RECOMMENDATION**

Recommend approval of proposed FY 2026 Credit Tuition and Fees Schedule.

## **OVERVIEW**

The FY 2026 Operating budget proposal includes a 3% increase for in-county, out-of-county and out-of-state tuition and fee rates.

The college offers more than 600 courses in its course catalog. New and increased course fees are proposed for approximately 10% of the course inventory. The fees will help offset the rising costs of program materials and, in some cases, ensure students are provided access to necessary instructional materials, at a reasonable cost. The proposed FY 2026 Credit Tuition and Fees schedule will be effective for Fall 2025 registration.

## **ANALYSIS**

- Increases in Tuition (per credit) and Fees (per credit) are tied to the rising cost of instruction and student services.
- Increases to Program and Course Fees are a function of rising material costs.
- New fees for science labs will offset some of the cost of consumable materials and chemicals used during labs. While FCC has not charged lab fees in the past, it is customary for schools to do so.

- New course fees for health sciences (e.g. nursing, respiratory therapy, physical therapy assistant, etc.) will support a “first day ready” concept where all course materials will be provided to students at the beginning of the semester and at a reduced cost. These fees cover costs associated with items such as background checks, CPR training, assessment testing fees, simulation software costs, and skills packs for clinical simulation experiences.
  - The fees will be applied to students’ bills upon course registration so any available financial aid can be used to cover these costs.
  - In the past, students have paid for these services/materials (often at a higher cost) out of pocket, often causing delay in acquiring necessary course materials. Some students never purchase the services/materials which may negatively impact their learning.
- Recommended tuition and fee changes are highlighted in the attached Credit Tuition and Fees Schedule.

**ATTACHMENT(S)**

Credit Tuition and Fees Schedule for Fiscal Year 2026



**Frederick Community College**  
**Credit Tuition and Fees Schedule for Fiscal Year 2026**

	FY25	FY26
<b>TUITION (PER CREDIT)</b>		
IN COUNTY	\$131.58	\$136.00
OUT-OF-COUNTY	\$287.64	\$297.00
OUT-OF-STATE	\$389.64	\$402.00
DUAL ENROLLMENT - OPEN CAMPUS (not applicable to summer terms)	\$98.68	\$102.00
DUAL ENROLLMENT – HIGH SCHOOL-BASED W/FCPS FACULTY	\$56.57	\$58.48
DUAL ENROLLMENT – HIGH SCHOOL-BASED W/ FCC FACULTY	\$98.68	\$102.00
<b>FEES (PER CREDIT)</b>		
CONSOLIDATED SERVICE FEE	\$26.00	\$26.00
STUDENT ACTIVITY PER CRED. HR. – 10 CREDIT MAX PER SEMESTER (INCL SUMMER)	\$3.34	\$3.50
<b>OTHER FEES</b>		
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
<b>PROGRAM AND COURSE FEES</b>		
CULINARY ARTS PER COOKING CLASSES (HCTI 102, 103,104, 105, 200, 205, 210, 225, 230)	\$121.00	\$135.00
BUILDING TRADES PER HVACR CLASSES (BLDT 110, 111, 113, 143, 212)	\$73.00	\$38.00
BUILDING TRADES PER ELECTRICAL CLASSES (BLDT 140, 143, 241, 242)	\$0.00	\$106.00
BUILDING TRADES PER WELDING CLASSES (BLDT 120, 222, 223, 224, 225)	\$102.00	\$197.00
EMERGENCY MANAGEMENT MODULE EXAM FEE	\$100.00	\$125.00
FEMA FEE PER CREDIT HOUR	\$90.00	\$95.00
ASLS 250: AMERICAN SIGN LANGUAGE STUDIES IMMERSION EXPERIENCE	\$120.00	\$175.00
<b>SCIENCE LAB FEES</b>		
BSCI 100: FUNDAMENTALS OF BIOLOGY	\$0.00	\$20.00
BSCI 150: PRINCIPLES OF BIOLOGY I	\$0.00	\$20.00
BSCI 160: PRINCIPLES OF BIOLOGY II	\$0.00	\$25.00
BSCI 223: MICROBIOLOGY FOR ALLIED HEALTH	\$0.00	\$40.00
BSCI 263: ELEMENTS OF MICROBIOLOGY	\$0.00	\$40.00
BIOT 214: INTRODUCTION TO BIOMANUFACTURING	\$0.00	\$35.00
BIOT 220: CELL BIOLOGY	\$0.00	\$50.00
BIOT 222: CELL THERAPY AND FLOW CYTOMETRY	\$0.00	\$50.00
BIOT 224: GENE THERAPY FUNDAMENTALS	\$0.00	\$50.00
CHEM 101: GENERAL CHEMISTRY I	\$0.00	\$10.00
CHEM 102: GENERAL CHEMISTRY II	\$0.00	\$10.00
CHEM 201: ORGANIC CHEMISTRY I	\$0.00	\$15.00
CHEM 202: ORGANIC CHEMISTRY II	\$0.00	\$15.00
<b>HEALTH SCIENCE COURSE FEES</b>		
EXSC 170: INTRODUCTION TO HEALTH AND EXERCISE SCIENCE	\$0.00	\$70.00
MEDA 112: MEDICAL OFFICE PROCEDURES	\$0.00	\$105.00
<b>NURSING COURSE FEES</b>		
NURS 101: INTRODUCTION TO CLINICAL NURSING	\$480.00	\$1,035.00
NURS 211: MEDICAL-SURGICAL NURSING I	\$480.00	\$600.00
NURS 212: MEDICAL-SURGICAL NURSING II	\$480.00	\$590.00

**Frederick Community College**  
**Credit Tuition and Fees Schedule for Fiscal Year 2026**

	<b>FY25</b>	<b>FY26</b>
NURS 218: MATERNAL, CHILD, AND FAMILY NURSING	\$0.00	\$20.00
NURS 231: MEDICAL-SURGICAL NURSING III	\$480.00	\$750.00
<b>RESPIRATORY THERAPY COURSE FEES</b>		
RESP 100: INTRODUCTION TO RESPIRATORY CARE	\$0.00	\$260.00
RESP 102: FUNDAMENTALS OF RESPIRATORY CARE	\$0.00	\$150.00
RESP 107: PRINCIPALS OF MECHANICAL VENTILATION	\$0.00	\$10.00
RESP 109: CLINICAL PRACTICUM I	\$0.00	\$150.00
RESP 201: CARDIAC MONITORING AND DIAGNOSTICS	\$0.00	\$85.00
RESP 202: NEONATAL AND PEDIATRIC RESPIRATORY CARE	\$0.00	\$95.00
RESP 205: PROFESSIONAL SEMINAR	\$325.00	\$345.00
<b>PHYSICAL THERAPY ASSISTANT COURSE FEES</b>		
PTHA 101: INTRODUCTION TO PHYSICAL THERAPY ASSISTANT	\$220.00	\$220.00
PTHA 105: BASIC PATIENT CARE SKILLS	\$144.00	\$251.00
PTHA 113: PHYSICAL AGENTS	\$0.00	\$18.00
PTHA 180: CLINICAL EXPERIENCE I	\$0.00	\$20.00
PTHA 205: ADVANCED PATIENT CARE SKILLS	\$0.00	\$60.00
PTHA 235: CLINICAL EXPERIENCE II	\$0.00	\$175.00
<b>SURGICAL TECHNOLOGY COURSE FEES</b>		
SURG 120: SURGERY ESSENTIALS	\$425.00	\$495.00
SURG 125: FUNDAMENTALS OF SURGICAL TECHNOLOGY I	\$100.00	\$100.00
SURG 135: FUNDAMENTALS OF SURGICAL TECHNOLOGY II	\$250.00	\$250.00
SURG 205: FUNDAMENTALS OF SURGICAL TECHNOLOGY IV	\$0.00	\$20.00

**ALL RATES EFFECTIVE BEGINNING WITH FALL SEMESTER 2025**



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Scott McVicker, CFO and Vice President for Finance and Administration

**Date:** February 19, 2025

**Subject:** **Action Item**  
Approval of Fiscal Year (FY) 2026 Auxiliary Enterprise Bookstore Budget

**Board Policy:** EL-4 Financial Conditions and Activities

**RECOMMENDATION**

Recommend approval of the FY 2026 Auxiliary Enterprise Bookstore budget, as presented.

**OVERVIEW**

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 in auxiliary services are generally those derived directly from the operation of the enterprise. In traditional two-year institutions, auxiliary enterprise functions include parking operations, bookstores, and dining services.

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.

The Bookstore, a business-type activity, generates revenue from sales and provides services to the College. All students and employees can access these services; however, the College provides a subsidy to balance the Bookstore's budget.

The Bookstore budget includes indirect expenses incurred for related plant/facilities, administration, and personnel costs. For FY 2026, the College used a formula provided by its auditing firm to calculate indirect costs.

**ANALYSIS**

The Bookstore's FY 2026 proposed budget reflects a 4.5% increase in revenue compared to the FY 2025 adopted budget. One factor contributing to the increase in revenue is attributable to Slingshot. Slingshot serves dual enrollment students and delivers digital content on their first day of class. The College charges a nominal fee to provide this service.

For FY 2026, the College projects a Bookstore subsidy in the amount of \$84,500, a decrease of 15.1% or \$15,000 from the FY 2025 budget.

**ATTACHMENT(S)**

FY 2026 Auxiliary Enterprise Bookstore Budget

**FREDERICK COMMUNITY COLLEGE  
BOOKSTORE  
PROPOSED FY 2026 BUDGET**

	FY 2025 APPROVED BUDGET	FY 2025 ACTUALS DECEMBER	FY 2026 PROPOSED BUDGET	Budget FY25 to FY26	
				\$ Change	% Change
<b>Revenue</b>					
Books	\$ 925,000	\$ 409,113	\$ 950,000	\$ 25,000	2.7%
Supplies	200,000	\$ 98,054	225,000	25,000	12.5%
Clothing	82,000	\$ 28,192	75,000	(7,000)	-8.5%
Convenience	70,000	\$ 38,710	77,000	7,000	10.0%
Gift, Non Merchandise, Commissions	32,500	\$ 26,623	44,500	12,000	36.9%
Dual Enrollment-Slingshot	200,000	\$ 115,610	225,000	25,000	12.5%
<b>Revenue</b>	<b>1,509,500</b>	<b>\$ 716,302</b>	<b>1,596,500</b>	<b>87,000</b>	<b>5.8%</b>
<b>College Subsidy</b>	<b>99,500</b>	<b>\$ 95,186</b>	<b>84,500</b>	<b>(15,000)</b>	<b>-15.1%</b>
<b>Total Revenue</b>	<b>\$ 1,609,000</b>	<b>\$ 811,488</b>	<b>\$ 1,681,000</b>	<b>\$ 72,000</b>	<b>4.5%</b>
<b>Less Cost of Good Sold (COGS)</b>	<b>\$ 740,000</b>	<b>\$ 376,580</b>	<b>\$ 752,000</b>	<b>\$ 12,000</b>	<b>1.6%</b>
<b>Gross Profit</b>	<b>\$ 869,000</b>	<b>\$ 434,908</b>	<b>\$ 929,000</b>	<b>\$ 60,000</b>	<b>6.9%</b>
<b>Operating Expenses</b>					
Compensation					
Admin/Support Staff/PT Compensation	\$ 290,000	\$ 134,451	\$ 299,500	\$ 9,500	3.3%
Benefits	79,000	\$ 48,941	83,000	4,000	5.1%
Sub-total Compensation	<b>369,000</b>	<b>\$ 183,392</b>	<b>382,500</b>	<b>\$ 13,500</b>	<b>3.7%</b>
Other Expenses					
Contracted Services	\$ 75,000	\$ 11,699	\$ 75,000	\$ -	0.0%
Advertising	2,500	\$ 1,598	2,500	-	0.0%
Supplies/Shipping & Postage	8,500	\$ 1,207	8,500	-	0.0%
Digital Subscription	100,000	\$ 78,189	130,000	30,000	30.0%
Software/Telecommunications	20,500	\$ 4,178	25,000	4,500	22.0%
Travel/Professional Development	10,000	\$ 1,295		(10,000)	-100.0%
Dual Enrollment - Slingshot	180,000	\$ 101,601	202,000	22,000	12.2%
Deferred Maintenance	2,500	\$ 1,249	2,500	-	0.0%
<b>Less Total Operating Expenses</b>	<b>\$ 768,000</b>	<b>\$ 384,408</b>	<b>\$ 828,000</b>	<b>\$ 60,000</b>	<b>7.8%</b>
<b>Operating Profit (Loss)</b>	<b>\$ 101,000</b>	<b>\$ 50,500</b>	<b>\$ 101,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>College Contribution</b>					
Less Indirect Cost Transfer	\$ 101,000	\$ 50,500	\$ 101,000	\$ -	0.0%
<b>Less Indirect Cost</b>	<b>\$ 101,000</b>	<b>\$ 50,500</b>	<b>\$ 101,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Gross Profit %</b>	<b>54.0%</b>	<b>53.6%</b>	<b>55.3%</b>		
<b>Operating Expense % Revenue</b>	<b>47.7%</b>	<b>47.4%</b>	<b>49.3%</b>		
<b>Net Income % Revenue</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Scott McVicker, CFO and Vice President for Finance and Administration

**Date:** February 19, 2025

**Subject:** **Action Item**  
Fiscal Year (FY) 2026 Proposed Operating Budget to be Submitted to the County Executive

**Board Policy:** EL-4 Financial Conditions and Activities

### **RECOMMENDATION**

Recommend approval of the proposed FY 2026 operating budget for submission to the County Executive.

### **OVERVIEW**

The FCC Board of Trustees approves a proposed operating budget in February, which includes a funding request to the County, in preparation for the College President to provide testimony at the County Executive's March hearing and for her consideration in preparing the County budget. Per the Frederick County Charter, the County Executive shall prepare and submit a proposed budget to the Council for the ensuing fiscal year no later than April 15 of each year.

After the County Executive's submission of a proposed budget in April, the County Council holds workshops and hearings and may make changes per the Frederick County Charter. The Council must adopt a budget no later than May 31, otherwise, the budget, as submitted by the County Executive, becomes law.

Once the County budget is adopted, and the allocation to Frederick Community College is known, the Board of Trustees approves a final operating budget in June. The FCC-approved budget must be ratified by the County Council by the end of June.

### **ANALYSIS**

#### **1. REVENUES:**

Operating revenues proposed for FY 2026 total \$79,291,061 including \$2,000,000 in Strategic Reserves. This represents an increase of \$4,433,458 or 5.96% over the FY 2025 adopted budget.

- **Tuition and Fees - \$21,588,862 (credit and non-credit)**

The FY 2026 operating budget proposal includes a 3% increase for in-county, out-of-county, and out-of-state tuition and fee rates. Tuition and fees were not increased from FY 2022-2024 despite inflationary and enrollment pressures on the College’s budget. A modest 2% increase was implemented in FY 2025. The FY 2026 credit tuition and fees schedule will be effective for Fall 2025 registration. Tuition and fee rates for FY 2026 are as follows:

FY 26 Per Credit Hour Rates					
	Change from FY 25 to FY 26				
	Tuition	Fees (+\$0.16)	New Tuition + Fees	\$	%
In-County	\$136.00	29.50	\$165.50	\$4.58	2.8%
Out-of-County	\$297.00	29.50	\$326.50	\$9.52	3.0%
Out-of-State	\$402.00	29.50	\$431.50	\$12.52	3.0%

\*Fees consist of the Consolidated Service Fee and the Student Activity Fee. The Consolidated Service Fee of \$26.00 remains unchanged, while the Student Activity Fee increases from \$3.34 to \$3.50.

Despite enrollment increases, tuition and fees account for the smallest percentage of revenues compared to State and County funding. Keeping tuition and fees in balance and proportion with other revenue sources is optimal. A modest annual adjustment to tuition rates helps avoid the need for large year-over-year adjustments in the future. The increase in tuition rates yields approximately \$350,000 in additional revenue.

The FY 2026 tuition revenue also forecasts a modest 2% enrollment increase over the current academic year. In recent years, Frederick Community College has experienced enrollment increases, and we believe a 2% enrollment projection over FY 2025 actual enrollment is a conservative budget forecast.

- **State Funding - \$25,676,415 includes \$22,625,215 (Cade funding) and \$3,051,200 (State Benefits).**

Last year, the Governor’s proposed budget “rebased” the Cade Funding formula from a 29% funding tie to selected four-year institutions to 27.2%, effectively reducing Cade Funding to all community colleges. The 27.2% funding level continues for FY 2026. Due to FCC’s strong enrollment growth, \$22,625,215 in Cade funding represents a 9% increase over FY 2025 funding to the College.

- **County Funding - \$27,813,826 includes \$27,255,452 (Cash) and \$558,374 (In-Kind).**

A request will be made to the Frederick County Executive for \$1,500,000 over FY 2025 funding to ensure institutional sustainability and to help fund additional costs to meet enrollment demand. In-Kind funding includes Interagency Internal Audit Authority (IAA) services, annual building asset assessments, some IT services, and other items.

- **Other Income - \$2,211,958**

Other income comprises a small portion of proposed operating revenues. The largest revenue sources categorized here include interest income and contract training. The College expects to benefit from favorable interest rates. Contract revenue includes training proceeds from the Mid-Atlantic Center for Emergency Management and Public Safety (MACEM&PS).

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

Per the Board Policy, EL-4, Financial Conditions and Activities, “the President shall not fail to recommend on an annual basis, as appropriate, other Strategic Reserves ... over and above the operating fund balance reserve...for one-time expenses or projects.” The FY 2026 budget recommends the use of \$2,000,000 for one-time initiatives including technology improvements, unplanned capital repair and replacement, capital projects, and strategic planning and future-proofing.

## 2. **EXPENSES:**

Operating expenses proposed for FY 2026 total \$79,291,061, including \$200,000 allocated to Operating Reserves and \$2,000,000 from Strategic Reserves to address strategic, one-time needs. This is an increase of \$4,433,458 over the FY 2025 adopted budget, resulting in a balanced budget.

Key expense allocations include:

- Investments to continue to attract and retain talent.
- A 17% increase for health insurance. Fringe benefit costs correspond to salary and wage projections.
- Increased funding for software, public safety, and IT equipment, as well as a 14% increase in utilities.
- A 15% increase in non-compensation due to enrollment growth and inflation.
- An operating contingency of approximately 1.3% of expenditures, totaling \$1,000,000. The contingency is available for unforeseen expenses or to respond to opportunities that may arise outside of the annual planning and budgeting cycle.

## **ATTACHMENT(S)**

FY 2026 Proposed Operating Budget – Projection of Revenues and Expenditures.



**FREDERICK COMMUNITY COLLEGE****Operating Budget History, Actuals FY 21 to FY 24, Adopted FY 25 Budget, Proposed FY 26****REVENUE**

	<b>FY21 Actual</b>	<b>FY22 Actual</b>	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Budget</b>	<b>FY26 Budget</b>	<b>FY 26 to FY 25 (budget to budget)</b>	<b>Percent Change</b>
<b>TUITION/FEES</b>								
Summer	1,256,232	1,153,059	1,520,080	1,161,356	1,868,251	2,008,336	140,085	7.5%
Fall	6,072,090	5,642,843	5,931,704	6,659,614	6,732,530	7,237,951	505,421	7.5%
Spring	5,169,855	5,122,225	5,770,320	6,204,347	6,504,814	6,993,006	488,192	7.5%
<b>TOTAL CREDIT TUITION</b>	<b>12,498,177</b>	<b>11,918,127</b>	<b>13,222,104</b>	<b>14,025,317</b>	<b>15,105,595</b>	<b>16,239,292</b>	<b>1,133,697</b>	<b>7.5%</b>
Consolidated Service Fee	2,252,438	2,167,346	2,311,126	2,486,921	2,825,940	2,882,100	56,160	2.0%
Student Activity Fee	253,747	238,736	257,931	275,290	242,016	307,650	65,634	27.1%
Instr. Material Fee	-	-	52	-	-	-	-	
Course/Program Fees	65,964	72,133	96,252	113,653	107,995	282,225	174,230	161.3%
Testing Fees	17,462	15,667	22,739	58,083	25,513	77,595	52,082	204.1%
<b>TOTAL CREDIT FEES</b>	<b>2,589,611</b>	<b>2,493,882</b>	<b>2,688,100</b>	<b>2,933,948</b>	<b>3,201,464</b>	<b>3,549,570</b>	<b>348,106</b>	<b>10.9%</b>
<b>TOTAL CREDIT TUITION/FEES</b>	<b>15,087,788</b>	<b>14,412,009</b>	<b>15,910,204</b>	<b>16,959,265</b>	<b>18,307,059</b>	<b>19,788,862</b>	<b>1,481,803</b>	<b>8.1%</b>
<b>CEWD TUITION/FEES</b>	<b>1,042,327</b>	<b>1,440,489</b>	<b>1,623,211</b>	<b>1,607,035</b>	<b>1,788,129</b>	<b>1,800,000</b>	<b>11,871</b>	<b>0.7%</b>
<b>TOTAL TUITION/FEES</b>	<b>16,130,115</b>	<b>15,852,498</b>	<b>17,533,415</b>	<b>18,566,301</b>	<b>20,095,188</b>	<b>21,588,862</b>	<b>1,493,674</b>	<b>7.4%</b>
<b>STATE REVENUE</b>								
State Formula Aid	11,154,005	13,283,580	16,429,152	18,548,628	20,743,431	22,625,215	1,881,784	9.1%
State Benefits	2,755,714	2,724,048	2,822,038	2,904,986	3,051,200	3,051,200	-	0.0%
<b>TOTAL STATE</b>	<b>13,909,719</b>	<b>16,007,628</b>	<b>19,251,190</b>	<b>21,453,614</b>	<b>23,794,631</b>	<b>25,676,415</b>	<b>1,881,784</b>	<b>7.9%</b>
<b>COUNTY REVENUE</b>								
Cash	19,841,502	21,341,502	22,376,502	24,255,452	25,755,452	27,255,452	1,500,000	5.8%
In-Kind	411,182	457,059	241,801	420,026	558,374	558,374	-	0.0%
<b>TOTAL COUNTY</b>	<b>20,252,684</b>	<b>21,798,561</b>	<b>22,618,303</b>	<b>24,675,478</b>	<b>26,313,826</b>	<b>27,813,826</b>	<b>1,500,000</b>	<b>5.7%</b>
<b>OTHER INCOME</b>								
Interest Income	25,404	54,847	854,706	1,370,504	650,000	650,000	-	0.0%
Contracts	437,781	800,098	1,129,371	1,071,520	1,151,958	1,151,958	-	0.0%
Indirect Cost Reimbursement	271,040	330,527	197,003	364,265	210,000	210,000	-	0.0%
Other	1,603,902	2,510,118	1,268,720	274,171	200,000	200,000	-	0.0%
<b>TOTAL OTHER</b>	<b>2,338,127</b>	<b>3,695,590</b>	<b>3,449,800</b>	<b>3,080,461</b>	<b>2,211,958</b>	<b>2,211,958</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL REVENUE</b>	<b>52,630,645</b>	<b>57,354,277</b>	<b>62,852,708</b>	<b>67,775,852</b>	<b>72,415,603</b>	<b>77,291,061</b>	<b>4,875,458</b>	<b>6.7%</b>
<b>USE OF STRATEGIC RESERVES</b>					<b>2,442,000</b>	<b>2,000,000</b>	<b>(442,000)</b>	<b>-18.1%</b>
<b>TOTAL REVENUES + STRATEGIC RESERVES</b>	<b>52,630,645</b>	<b>57,354,277</b>	<b>62,852,708</b>	<b>67,775,852</b>	<b>74,857,603</b>	<b>79,291,061</b>	<b>4,433,458</b>	<b>5.9%</b>

## EXPENDITURES

	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Budget	FY26 Budget	FY 26 to FY 25 (budget to budget)	Percent Change
<b>COMPENSATION</b>								
Full-Time Faculty, Administrators, Support Staff, CEWD Instructional Specialist	26,281,252	26,075,027	28,914,410	31,542,880	36,101,267	37,639,449	1,538,182	4.3%
Clinical/Field Experience Staff	738,517	683,641	825,290	872,784	1,125,790	906,400	(219,390)	-19.5%
Fee-Based Employees	12,052	4,221	15,386	20,041	16,480	20,600	4,120	25.0%
Credit Adjunct Faculty	3,338,498	3,376,779	4,014,878	4,215,948	4,708,600	4,276,999	(431,601)	-9.2%
CEWD Adjunct Faculty	372,143	479,982	638,804	613,820	733,360	661,260	(72,100)	-9.8%
Coaches	62,400	72,008	139,202	104,673	124,630	149,791	25,161	20.2%
Student Employment	80	1,248	13,813	49,759	90,000	64,163	(25,837)	-28.7%
Part-Time Variable Schedule (PTVS), LTE and Stipends	373,677	687,257	783,366	861,420	1,423,460	1,556,845	133,385	9.4%
Extra and Overtime Hours	75,143	95,539	345,489	580,045	173,040	201,880	28,840	16.7%
Opt-Out Health Insurance	389,615	366,976	378,406	407,636	390,000	412,000	22,000	5.6%
<b>TOTAL COMPENSATION</b>	<b>31,643,377</b>	<b>31,842,678</b>	<b>36,069,043</b>	<b>39,269,007</b>	<b>44,886,627</b>	<b>45,889,387</b>	<b>1,002,760</b>	<b>2.2%</b>
<b>FRINGE BENEFITS</b>								
FICA	2,358,091	2,381,419	2,710,836	2,946,654	3,423,827	3,510,538	86,711	2.5%
FCC Tuition waivers for employees	94,537	89,403	97,024	111,640	125,000	140,000	15,000	12.0%
Retirement	2,950,368	2,877,893	2,993,503	3,120,806	3,417,922	3,708,000	290,078	8.5%
Life Insurance/ADD	114,244	115,350	124,144	138,209	161,541	142,000	(19,541)	-12.1%
Health Insurance	4,187,516	3,378,083	3,878,845	4,313,710	5,225,561	6,102,397	876,836	16.8%
Dental/Vision Insurance	119,170	101,703	107,728	116,968	119,900	240,000	120,100	100.2%
Long-Term Disability Insurance	78,815	78,388	84,381	93,626	95,000	94,000	(1,000)	-1.1%
Tuition Reimbursement	77,371	63,177	62,161	43,993	100,000	52,000	(48,000)	-48.0%
Workers Comp Insurance	102,193	97,388	84,961	102,773	110,001	145,731	35,730	32.5%
Unemployment	88,691	1,635	9,825	101,000	12,000	200,000	188,000	1566.7%
Leave Expense	147,478	(105,725)	153,582	186,497	175,100	187,000	11,900	6.8%
Rewards and Recognition	6,000	156,418	6,000	6,000	18,500	6,000	(12,500)	-67.6%
<b>TOTAL FRINGE BENEFITS</b>	<b>10,324,474</b>	<b>9,235,132</b>	<b>10,312,991</b>	<b>11,281,875</b>	<b>12,984,352</b>	<b>14,527,666</b>	<b>1,543,314</b>	<b>11.9%</b>
<b>FRINGE PERCENTAGE (FRINGE/COMP)</b>	<b>33%</b>	<b>29%</b>	<b>29%</b>	<b>29%</b>	<b>29%</b>	<b>32%</b>		
<b>TOTAL COMPENSATION + FRINGE BENEFITS</b>	<b>41,967,851</b>	<b>41,077,810</b>	<b>46,382,034</b>	<b>50,550,881</b>	<b>57,870,979</b>	<b>60,417,053</b>	<b>2,546,074</b>	<b>4.4%</b>
<b>NON-COMPENSATION COSTS</b>								
Contracted Services	1,382,565	1,823,952	2,358,751	2,865,924	3,200,783	3,122,448	(78,335)	-2.4%
Honorariums	18,491	41,102	37,788	40,738	78,975	81,275	2,300	2.9%
In-Kind County Services (Audit/IT/Appraisal)	411,182	457,059	241,801	420,026	558,374	558,374	-	0.0%
<b>TOTAL CONTRACTED SERVICES</b>	<b>1,812,238</b>	<b>2,322,113</b>	<b>2,638,340</b>	<b>3,326,688</b>	<b>3,838,132</b>	<b>3,762,097</b>	<b>(76,035)</b>	<b>-2.0%</b>
Supplies and Materials	272,916	517,181	564,185	583,916	705,792	788,722	82,930	11.7%
Course Costs and Program Fees	229,451	335,413	450,672	361,404	491,177	640,753	149,576	30.5%
Vehicle Fuel	9,401	12,934	18,617	19,392	33,200	33,700	500	1.5%
Shipping and Postage	48,107	52,425	42,342	45,430	83,189	55,441	(27,748)	-33.4%
Telecommunications	122,954	75,018	64,630	72,294	99,344	104,692	5,348	5.4%
Professional Conference Fees & Meetings Travel	21,269	70,692	291,492	279,833	422,089	470,872	48,783	11.6%
Professional Licenses, Dues, and Fees	177,847	242,311	309,439	378,935	431,790	510,028	78,238	18.1%
Internal Meetings with Meals	3,750	58,743	112,412	151,797	-	-	-	-
Food for Student Events	-	-	-	-	85,563	97,900	-	-
Food for Business Purposes	-	-	-	-	114,540	121,170	-	-
Travel - Local and Non-local without Accommodations	222	5,862	9,267	16,256	77,845	60,250	(17,595)	-22.6%
Software and Software Licenses	725,469	578,820	1,172,890	739,200	864,906	1,339,601	474,695	54.9%
Transfers	2,002,184	2,284,666	2,196,969	2,424,036	3,217,360	3,047,502	(169,858)	-5.3%
Utilities	598,644	713,621	823,042	1,105,699	1,100,000	1,258,300	158,300	14.4%
Fixed Charges/Insurance	263,012	232,538	261,241	297,398	397,750	421,130	23,380	5.9%
Furniture/Equipment	157,619	608,166	732,135	856,944	553,866	630,099	76,233	13.8%
Computer/IT Equipment	116,516	207,587	460,545	363,737	319,885	482,200	162,315	50.7%
Library Collection	14,959	35,654	116,561	123,692	126,000	129,905	3,905	3.1%
Tuition Waivers/ Student Aid Expenditures	167,188	169,862	197,454	222,323	230,000	250,000	20,000	8.7%
Other	132,321	260,430	(51,413)	23,679	122,528	48,100	(74,428)	-60.7%
Other Contingency Expense	-	-	-	-	869,668	1,000,000	130,332	15.0%
New-Strategic Initiatives	-	-	-	-	360,000	1,421,546	1,061,546	294.9%
<b>SUBTOTAL NON-COMPENSATION</b>	<b>6,876,067</b>	<b>8,784,036</b>	<b>10,410,818</b>	<b>11,392,653</b>	<b>14,544,624</b>	<b>16,674,008</b>	<b>2,129,384</b>	<b>14.6%</b>
Percentage of Revenue ( <i>Non- Compensation/Revenue</i> )	13.06%	15.32%	16.56%	16.81%	20.08%	21.57%		
<b>TOTAL EXPENSES LESS OPERATING/STRATEGIC RESERVES</b>	<b>48,843,918</b>	<b>49,861,846</b>	<b>56,792,852</b>	<b>61,943,534</b>	<b>72,415,603</b>	<b>77,091,061</b>	<b>4,675,458</b>	<b>6.5%</b>
<b>OPERATING RESERVE ALLOCATION</b>						200,000	200,000	100.0%
<b>STRATEGIC RESERVES' ALLOCATION</b>					2,442,000	2,000,000	(442,000)	-18.1%
<b>TOTAL EXPENSES</b>	<b>48,843,918</b>	<b>49,861,846</b>	<b>56,792,852</b>	<b>61,943,534</b>	<b>74,857,603</b>	<b>79,291,061</b>	<b>4,433,458</b>	<b>5.9%</b>



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Dr. Bridgette Cofield, Vice President for Talent and Culture

**Date:** February 19, 2025

**Subject:** **Action Item**  
President's Interpretation for EL-0 General Executive Constraint

**Board Policy:** BCD-3 Delegation to the President

**RECOMMENDATION**

Approval of the enclosed interpretation for Policy EL-0 General Executive Constraint.

**OVERVIEW**

Attached for the Board's consideration is my final interpretation for Policy EL-0 General Executive Constraint. A draft was reviewed at the January 15 Board meeting.

**ANALYSIS**

Per Board-CEO Delegation Policy BCD-3 Delegation to the President:

*The Board will instruct the President through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, i.e., Executive Limitations, allowing the President to use any reasonable interpretation of these policies.*

**ATTACHMENT(S)**

President's Interpretation for Policy EL-0 General Executive Constraint

## **President's Interpretation for EL-0 General Executive Constraint**

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**Note: Board Policy is indicated in bold typeface throughout the report.**

**The President shall not cause or allow any practice, activity, decision or organizational circumstance, which is either imprudent, unlawful, or does not adhere to commonly accepted business and professional ethics.**

### INTERPRETATION:

I have thoroughly analyzed the practices, activities, decisions, and organizational circumstances outlined in the Board's Executive Limitations, EL-1 through EL-11, identifying any that are unlawful and must be avoided. Adhering to these policies, along with the ones listed below, will ensure full compliance with EL-0.

The legal environment in which the College operates is intricate and constantly evolving. Consequently, there may be instances where unintentional breaches of the law occur due to factors such as new case law, nuanced interpretations of legal statutes, the litigious nature of society, and the potential for varying interpretations of case situations by the courts, judges, and juries. Thus, Frederick Community College could potentially be found to be non-compliant with the law even without any deliberate wrongdoing by the Board, CEO, or College staff.

More particularly, compliance will be demonstrated when:

- a. Annually, independent legal review of relevant College operations confirms that there has been no violation (accidental or otherwise) of relevant laws as they pertain to EL-1 to EL-11.
- b. There are no material findings discovered in audit reports.

This interpretation is reasonable because it assures that there is objective, third-party review by those with technical and/or legal expertise or knowledge.



**To:** Frederick Community College Board of Trustees

**From:** Dr. Annesa Payne Cheek, President

**Cc:** Dr. Bridgette Cofield, Vice President for Talent and Culture

**Date:** February 19, 2025

**Subject:** **Action Item**  
President's Interpretation for EL-5 Organization Culture

**Board Policy:** BCD-3 Delegation to the President

**RECOMMENDATION**

Approval of the enclosed interpretation for Policy EL-5 Organization Culture.

**OVERVIEW**

Attached for the Board's consideration is my final interpretation for Policy EL-5 Organization Culture. A draft was reviewed at the January 15 Board meeting.

**ANALYSIS**

Per Board-CEO Delegation Policy BCD-3 Delegation to the President:

*The Board will instruct the President through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, i.e., Executive Limitations, allowing the President to use any reasonable interpretation of these policies.*

**ATTACHMENT(S)**

President's Interpretation for Policy EL-5 Organization Culture

## **President's Interpretation for EL-5 Organization Culture**

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**Note: Board Policy is indicated in bold typeface throughout the report.**

**The President shall not permit an organizational culture that lacks a high degree of integrity at all levels of the organization.**

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

- 1. Operate without an enforced internal Code of Conduct, of which all employees are made aware, that clearly outlines the rules of expected behavior for employees.**

### INTERPRETATION:

Compliance will be demonstrated when:

- a. There is evidence that the College has an Employee Code of Conduct policy that is current and accessible.
- b. Employment contracts for active employees include an acknowledgement by the employee to abide by the Employee Code of Conduct policy.

This interpretation is reasonable because it follows industry best practices and aligns with Maryland state law.

- 2. Permit employees and others to be without a mechanism for confidential reporting of alleged or suspected improper activities, without fear of retaliation.**

### INTERPRETATION:

Compliance will be demonstrated when:

- a. There is a mechanism for confidential reporting to the Board Chair, Vice Chair or Board Attorney, of alleged or suspected improper activities that implicate the CEO or a Trustee.
- b. An anonymous reporting system is available to employees for the reporting and investigation of suspected improper activities, which can include financial irregularities, as well as acts that are dishonest, deceitful, fraudulent, or criminal, in addition to other violations of federal and/or state laws. In situations where a conflict arises in a direct-reporting relationship, employees have access to an anonymous reporting system that is independent of the College.
- c. A policy and supporting documentation are in place notifying employees of the consequences of making false claims or allegations that prove to be unsubstantiated, or which prove to have been made maliciously or are knowingly false. These claims shall be viewed as a serious offense and shall be subject to disciplinary action, which may include termination from employment.

## **President's Interpretation for EL-5 Organization Culture**

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- d. A policy and supporting documentation are in place to ensure that no employee will be adversely affected because the employee refuses to carry out a directive which would result in an improper, illegal, immoral, or unethical act.

This interpretation is reasonable because it follows Human Resources and industry best practices.

- 3. Cause or allow research involving either human subjects or animals that does not adhere to generally accepted ethical principles and policy or federal and state regulations.**

### INTERPRETATION:

I interpret "research involving human subjects" to mean research conducted by an investigator (whether professional or student) on living individuals which:

- Obtains information through intervention or interaction with the individual, and uses, studies, or analyzes the information; or
- Obtains, uses, studies, analyzes, or generates identifiable private information.

I interpret "research involving animals" to mean the use of non-living vertebrate animals for examination and/or dissection for teaching and learning purposes.

Compliance will be demonstrated when:

- a. The College has a published policy and guidelines in place to distribute to individuals wishing to conduct research regarding the use of human subjects.
- b. Any animal specimens used for instructional purposes are verified as ethically sourced and disposed of properly.

This interpretation is reasonable because such practices are consistent with common methods employed in the higher education and research community.

- 3.1. Permit potential researchers to be without readily available guidelines for ethical research and assistance in identifying and solving ethical problems.**

### INTERPRETATION:

Compliance will be demonstrated when, in such cases where research is conducted at FCC, prior approval includes submission of ethical guidelines for all research work.

This interpretation is reasonable given this practice is consistent with common methods employed in the higher education and research community.

**President's Interpretation for EL-5 Organization Culture**

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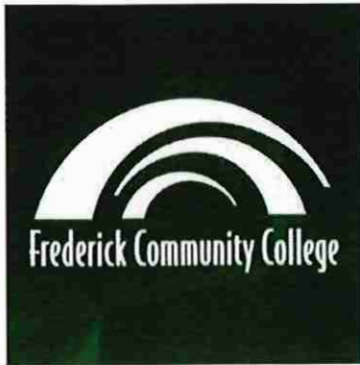
**3.2. Permit research that has not been subject to independent ethical review.**

INTERPRETATION:

Compliance will be demonstrated when the College has an established Institutional Review Board which is used for independent, ethical review of all research work involving humans.

This interpretation is reasonable because it establishes standard higher education and research internal controls to ensure adherence to policy and associated guidelines.





**Frederick Community College  
Board of Trustees**

**President's Baseline Insight Report**

**EL 09 – Asset Protection**

Report Date: 2/19/2025

Compliance Status: F / (P) / N Compliant



**Note: Board Policy is indicated in bold typeface throughout the report.**

I am submitting this baseline insight report to the Frederick Community College Board of Trustees, focusing on the Board's Executive Limitation Policy: "EL-9 Asset Protection." This report is submitted for your review. I confirm that the information provided is accurate and establishes a baseline for compliance with the policy as approved by the Board, unless noted otherwise.

A handwritten signature in blue ink, appearing to read "Annesa Cheek".

2/19/2025

Annesa Cheek, Ed.D.  
President

Date

**Note: Board Policy is indicated in bold typeface throughout the report.**

**The President shall not allow College assets to be unprotected, inadequately maintained or unnecessarily risked.**

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

**1. Permit the organization to have inadequate insurance against property, casualty, and cyber (i.e., data) losses.**

**1.1. Fail to ensure that the organization obtains appropriate and adequate levels of insurance to protect its property and operations against scope of perils, and**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

a. The insurances of the College, including its Umbrella Insurance for disruption of college operations, is consistent with coverage limit standards for an institution our size, type, and scope and as recommended by FCC’s independent insurance broker.

a. On 6/4/2024, the Board of Trustees approved McGriff Insurance Services' recommendation to renew the annual insurance coverages for the College beginning 7/1/2024. These included property, casualty, cyber, umbrella, and international insurance policies.

This interpretation is reasonable because adequate coverage limits for damages are recommended by an independent insurance broker with specific expertise in the higher education industry.

**1.2. Permit the organization to insure its property and operations with inadequate valuation.**

INTERPRETATION:

EVIDENCE:

- Compliance will be demonstrated when:
- a. The College insures its property at the value determined annually by Frederick County.
  - b. The College insures its operations at the value determined annually by a third-party independent insurance consultant.

- a. On 3/1/2024, HCA Asset Management, as commissioned by Frederick County, completed the appraisal of all FCC property. The CFO/VPA confirmed that the College’s insurance coverage is appropriate based on the property valuation.
- b. McGriff Insurance Services utilized the property valuation provided by HCA Asset Management to recommend sufficient coverage for replacement costs. The Board approved McGriff’s insurance coverage recommendations for FY25 on 6/4/2024.

This interpretation is reasonable because the use of County assessors and independent insurance consultants is consistent with higher education industry standards.

**1.2.1. Permit insurance of all buildings and contents to be at less than the cost to replace buildings and contents, with an adequate and appropriate blanket limit of all buildings and contents.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The schedule of property values is updated annually, computing the blanket limit of coverage for buildings and contents, and the College has insurance coverage documentation appropriate for those amounts.

- a. On 3/1/2024, HCA Asset Management, as commissioned by Frederick County, completed the appraisal of all FCC property, including all buildings and contents. The CFO/VPA confirmed that the College’s blanket limit of coverage is appropriate based on the property valuation. On 7/9/24, the CFO/VPA received the FCC Insurance Summary and other documentation from McGriff Insurance Services outlining premiums, deductibles, limits, etc.

This interpretation is reasonable because it is based on insurance industry standards for current replacement blanket insurance on buildings and contents.

**1.2.2. Permit the College to have inadequate insurance or bonding for theft, disappearance or destruction of money, and securities inside or outside the premises.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College has Comprehensive Crime Insurance coverage for criminal acts of employees, such as embezzlement, forgery, or other acts of employee dishonesty.

- a. The appropriate amount of crime insurance coverage (under the casualty policy) was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

This interpretation is reasonable because the assessment of adequate insurance by an independent insurance consultant is an accepted industry standard.

**1.3. Permit the organization to have inadequate privacy/cyber insurance.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The operational and disruptive threat of cyber attacks is mitigated using preventative controls and insurance protections that are consistent with regulatory requirements.
  
- b. Issues identified in the Frederick County Interagency Internal Audit Authority (IIAA) annual audit and annual penetration testing are remediated.

- a. On 2/12/25 the CIO confirmed that the College utilizes preventative controls to mitigate cybersecurity risks. The appropriate amount of cyber insurance coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.
  
- b. On 2/12/25 the CIO confirmed that the College uses appropriate preventive controls to address cybersecurity risk, including annual penetration testing conducted by a qualified third party. Findings are remediated based on risk factors and ratings (e.g. "High" "Medium") as well as contextualized operating requirements in order to address cybersecurity risk. FCC also engages additional third parties (e.g. Microsoft Corporation) to perform technology specific security assessments. Such assessments may also result in recommendations for risk mitigation that are similarly remediated based on risk factors and ratings.

This interpretation is reasonable because the insurer and the IIAA are third-party experts and provide the College with an independent assessment of what adequate insurance is in the current environment and complies with industry standards.

**2. Permit the Board members, College employees, and other individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance. Directors and Officers liability protection shall be obtained with adequate limits given institutional risks.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

a. Liability coverages and limits are set based on the recommendation of an independent insurance broker with specific expertise in the higher education industry, to include Directors and Officers (D & O) liability protection, as well as other liability insurances for employees and related parties.

a. The appropriate amount of D&O, employment practices liability insurance (EPLI), and crime coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

This interpretation is reasonable because the insurer is a third-party expert, and an independent assessment is conducted annually to determine adequate insurance coverages and limits.

**3. Permit individuals traveling out of the United States, on behalf of the College, to have inadequate travel accident insurance.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College has an international travel insurance policy that provides coverage for accidental loss to students, employees, and Trustees traveling abroad on behalf of the College.

- a. The appropriate amount of international insurance coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

This interpretation is reasonable because providing insurance coverage for stakeholders traveling abroad on behalf of the College is consistent with practices employed by other higher education institutions.



**4. Allow the College to have inadequate insurance for theft and crime coverage.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College ensures theft and crime coverages are at a level identified by the College's third-party insurance consultant, as standard for an institution of our type, size, and scope.

- a. The appropriate amount of crime insurance coverage was determined by McGriff Insurance Services and approved by the Board on 6/4/2024.

This interpretation is reasonable because the recommendations for coverage levels are provided by a third-party industry consultant and this is a standard practice in the higher education industry.

**5. Unnecessarily expose the organization, its Board members or College employees to claims of liability.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College has administrative policies, procedures, protocols and plans in place that reduce the risk of institutional liability.

- a. On 1/27/2025, the CFO/VPA confirmed that the College had appropriate policies, procedures, protocols, and plans in place that reduce the risk of institutional liability as recommended by its carriers.

This interpretation is reasonable because said policies, procedures, protocols and plans are required by the United States Department of Education.

**5.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.**

INTERPRETATION:

EVIDENCE:

I interpret “material contract” to mean a contract that requires Board approval. I interpret “material internal human resource documents” to mean an agreement between the College and its employees.

Compliance will be demonstrated when:

- a. All material contracts approved by the Board are reviewed by legal counsel prior to execution.
- b. All material internal human resource documents are reviewed by legal counsel prior to execution.

- a. Prior to November 2024, all material contracts were not reviewed by legal counsel prior to execution. On 1/27/2025, the CFO/VPA confirmed that all material contracts approved by the Board since November 2024, have been reviewed by legal counsel prior to execution. Additionally, this required legal review will be documented in the Financial Procedures Manual by the end of FY2025.
- b. On 1/27/2025, the VP for Talent and Culture confirmed that all material internal human resource documents were reviewed by legal counsel prior to execution.

This interpretation is reasonable because legal review of high-value contracts and internal human resource documents is an industry best practice.

**6. Fail to ensure that the companies chosen to provide insurance coverage are highly rated, well regarded and known for fair claims practices.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The insurance companies identified through an independent insurance broker have an A.M. Best rating of Excellent (A) or better.

- a. On 1/27/2025, the CFO/VPA confirmed with McGriff Insurance Services that all insurance companies chosen to provide insurance coverage had an A.M. Best rating of Excellent (A) or better.

This interpretation is reasonable because the A.M. Best rating is a recognized industry standard for assessing the quality of insurance providers.

**7. Compromise the independence of the Board’s audit or other external monitoring or advice.**

INTERPRETATION:

EVIDENCE:

- Compliance will be demonstrated when:
- a. The College’s Chief Financial Officer and Vice President for Administration solicits auditor services via a competitive bidding process, and the Board provides final contract approval.
  - b. There are no material audit findings that were left unmitigated.

- a. FCC, Frederick County, and Frederick County Public Schools jointly solicited proposals for professional auditing services (RFP#21MISC7). In March 2021, the Board approved the 3-year (FY21-FY23) award to SB & Company with the option to renew each year for an additional 3-years (FY24-FY26). The Board approved the FY24 audit renewal year on 2/21/2024. The FY25 audit renewal year will be presented to the Board on 2/19/2025 for approval.
- b. The FY24 Audited Annual Financial Report was presented to the Board of Trustees on 10/16/2024 and confirmed no material findings.

This interpretation is reasonable as a third-party must annually review and certify the College’s financial statements and it is customary for higher education institutions to engage in a competitive bidding process for financial auditors on a periodic basis to ensure objectivity.

**8. Receive, process, or disburse funds under controls which are insufficient to meet audit standards or inadequate, by industry standards, to detect and prevent fraud.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The external auditors do not find any deficiency in the internal controls process, as part of their annual audit; or
- b. Any deficiency noted in internal controls is corrected within 90 days.

- a. The FY24 Audited Annual Financial Report was presented to the Board of Trustees on 10/16/2024 and confirmed no material deficiencies in the internal controls process.
- b. No deficiencies in internal controls were noted in the latest audit performed for FY24.

This interpretation is reasonable because the use of external third-party auditors to examine, evaluate, and recommend improvements and/or corrections to fraud protection practice is a higher education industry standard.

**9. Make any purchases that do not result in appropriate level of quality, after-purchase service, and value for dollar, or do not provide opportunity for fair competition.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College adheres to purchasing protocols that allow the institution to purchase quality products at a reasonable cost and exhibit overall effective resource management.

- a. On 1/27/25 the CFO/VPA confirmed that the College has and adheres to established purchasing protocols. A random sampling of procurement documents and transactions was tested for adherence to FCC's purchasing policies and was included in the FY24 annual audit presented to the Board on 10/16/2024.

This interpretation is reasonable because it ensures attention to the items below (9.1 and 9.2), conforms to Maryland law, and is consistent with practices employed by other higher education institutions.

**9.1. Make any purchase wherein normally prudent protection has not been evaluated against conflict of interest.**

INTERPRETATION:

EVIDENCE:

- Compliance will be demonstrated when:
- a. Per the College’s Code of Ethics policy, employees decline involvement in decisions or actions regarding the procurement of products or services when the employee, or the employee’s family member, has an interest or financial interest in the product or service, or creates an unfair benefit for a third party.
  - b. The external auditor notes there is no conflict of interest in transactions in the past fiscal year among defined employees or Trustees; and
  - c. Material conflicts are disclosed in the annual audited financial report.

- a. On 2/19/2025, the VP for Talent and Culture confirmed that a review of the Maryland State Ethics Commission annual disclosure reports was conducted. The VP also verified that all active employees agreed to (by signature affixed to their annual employment agreements) abide by FCC’s code of conduct which includes adherence to FCC’s Code of Ethics Policy, Employee Misconduct Policy, and other related FCC policies and procedures.
- b. On 1/27/25 the CFO/VPA confirmed that testing (random sampling) for adherence to FCC’s purchasing policies was part of the FY24 annual audit presented to the Board on 10/16/2024. No conflicts of interest were noted.
- c. On 1/27/25 the CFO/VPA confirmed there were no material conflicts noted in the FY24 annual audited financial report presented to the Board on 10/16/24.

This interpretation is reasonable because an annual review by a third-party auditor of purchasing practices is a higher education industry best practice.



**9.2. Make any purchase that fails to follow the College’s published guidelines and applicable State procurement guidelines for price and quality competition based on price thresholds, unless considered a ‘sole-source.’ Orders shall not be split to avoid procurement requirements or required competition among vendors.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The external auditor conducts a review of a statistically valid sample of purchase order requisitions for policy compliance and confirms that all orders are compliant with the required bid, sole source provider, or piggyback contract documentation.
- b. The administrative procurement procedures are consistent with the Code of Maryland Regulations (COMAR).

- a. The CFO/VPA confirmed on 1/27/2025 that a random sampling of procurement documents and transactions was tested for adherence to FCC’s purchasing policies and was included in the FY24 annual audit presented to the Board on 10/16/2024.
- b. The CFO/VPA confirmed on 1/27/2025 that procurement procedures follow established COMAR regulations and the appropriate procurement documentation is attached to all purchase orders (per College policy).

This interpretation is reasonable because the process validation is conducted by external auditors of the College, which is an industry standard approach.

**10. Endanger the organization’s public image, credibility, or its ability to accomplish Board Ends, in any of the following ways:**

**10.1. Allow non-adherence to guidelines required for institutional and secondary program accreditation.**

INTERPRETATION:

EVIDENCE:

<p>Compliance will be demonstrated when:</p> <p>a. Institutional (e.g. Regional) and program accreditation agencies confirm that all required data and documentation has been provided by required submission dates to maintain accreditation.</p> <p>b. The accrediting agencies report that the College is in good standing.</p>	<p>a. The Provost and VP for Teaching, Learning and Student Success in conjunction with the Chief Foresight and Decision Support Officer confirmed on 2/12/2025 that all required data and documentation has been provided by required submission dates to maintain institutional and program accreditation.</p> <p>b. These accrediting agencies report that the College is in good standing.</p> <ul style="list-style-type: none"> <li>• Middle States Commission on Higher Education (MSCHE) – FCC is currently working through reaccreditation with the official response to the College by November 2025.</li> <li>• Maryland Higher Education Commission (MHEC) – MHEC authorizes FCC to award associate degrees and certificates.</li> <li>• American Culinary Federation Education Foundation Accreditation Commission (ACFEFAC) – expires 12/31/2028.</li> <li>• Commission on Accreditation in Physical Therapy Education (CAPTE) – The year of the next review is before 6/30/2029.</li> <li>• Council for the Accreditation of Emergency Management and Homeland Security Education (CAEMHSE) – The year of the next review is the 2027-28 Academic year.</li> <li>• Maryland Board of Nursing -The year of the next review is before 6/30/2028.</li> </ul>
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**10. Endanger the organization’s public image, credibility, or its ability to accomplish Board Ends, in any of the following ways:**

**10.1. Allow non-adherence to guidelines required for institutional and secondary program accreditation.**

INTERPRETATION:

EVIDENCE:

b. The accrediting agencies report that the College is in good standing. (continued)

- Accreditation Commission for Education in Nursing (ACEN) – The year of the next review is before 6/30/2026.
- Commission on Accreditation for Respiratory Care (CoARC) – The year of the next review is before 7/31/2032.
- Accreditation from the Commission on Accreditation of Allied Health Education Programs (CAAHEP) – The year of the next review is 2025.
- Maryland State Board of Dental Examiners – The year of the next review is 2028.

This interpretation is reasonable because the College’s regional accreditor and secondary program accreditors are external to the College and have defined practices for determining the quality of the College and its program offerings.

**10.2. Accept gifts or grants which obligate the College to make future expenditures or encumber future decision-making or take future actions other than those that are reasonably required by the gift or grant.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College does not accept gifts other than through the Frederick Community College Foundation in accordance with the Foundation Gift Acceptance Procedure.
- b. The College adheres to a written procedure for developing and managing grants that sets forth specific criteria for the application, review and approval process.

- a. The CFO/VPA and the Executive Director for Development and the FCC Foundation confirmed on 1/27/2025 that the College followed the Foundation Gift Acceptance Procedure and did not accept gifts in the past year except through the FCC Foundation.
- b. On 2/12/2025, the CFO/VPA confirmed that the College has a process for developing and managing grants, however the procedure is not currently documented. The procedure will be documented by the end of FY25. On 1/27/2025, the CFO/VPA confirmed that the FY24 Single Audit, presented to the Board of Trustees on 10/16/2024, verified that fund use has been limited to intended purpose.

This interpretation is reasonable because it is an industry best practice to ensure that gifts are properly received, and grant obligations are within current and future budget appropriations.

**10.3. Publicly position the College in support of, or opposition to, any known political organization, or candidate for public office.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:  
 a. Administrative policies, news releases, or any public statements on behalf of the College were politically neutral.

a. The Chief of Staff to the President confirmed on 2/13/2025 that the College's Solicitation Policy prohibits the promotion of a political party or candidate. Administrative policies that will address news releases and public statements on behalf of the College being politically neutral will be developed by July 2025.

This interpretation is reasonable as it is a common best practice in public higher education for organizations to remain politically neutral.

**10.4. Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.**

INTERPRETATION:

EVIDENCE:

I interpret “collaborative relationships” to mean contractual relationships.

Compliance will be demonstrated when:

- a. All collaborative relationships are with organizations whose principles and practices are aligned with the Board Ends, and the Mission, Vision, Values and Strategic Priorities of the College.

- a. The CFO/VPA confirmed on 1/27/2025 that all contractual relationships are with organizations whose principles and practices generally align with the Board Ends and FCC's Mission, Vision, Values, and Strategic Priorities.

This interpretation is reasonable because only members of the College’s Senior Leadership Team and the President are allowed to enter into contractual relationships with organizations.

**10.5. Allow relationships with the Ownership and/or stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College has no owner/stakeholder relations matters that remain unresolved and cooperation between all parties remains productive.

- a. The CFO/VPA confirmed on 1/27/2025 that the College has no owner/stakeholder relations matters that are not either actively being addressed or remain unresolved and cooperation between all parties remains productive.

This interpretation is reasonable because effective stakeholder relations are a best practice in the higher education industry.

**11. Change the organization’s name or substantially alter its identity in the community.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. In the event the College’s name is changed, it is noted by action of the Board of Trustees, as approved and recorded in the minutes; and
- b. Proposed name changes are requested of and approved by the Middle States Commission on Higher Education; and
- c. Proposed name changes are requested of and approved by the Maryland Higher Education Commission; and
- d. Any change in the name, image, and likeness, or positioning of the College identity, is noted by action of the Board of Trustees, as approved and recorded in the minutes.

- a. On 1/27/2025 the CFO/VPA confirmed that the College has maintained its name since it was established in 1957.
- b. The CFO/VPA confirmed on 1/27/2025 that the College has not requested a name change from the Middle States Commission on Higher Education.
- c. The CFO/VPA confirmed on 1/27/2025 that the College has not requested a name change from the Maryland Higher Education Commission.
- d. The CFO/VPA confirmed on 1/27/2025 that no change has occurred in the name, image and likeness or positioning of the College identity.

This interpretation is reasonable because it is a requirement of the aforementioned authorities to advance a name change.



**12. Create or purchase any subsidiary corporation.**

INTERPRETATION:

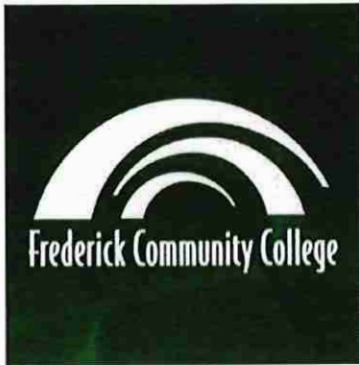
EVIDENCE:

Compliance will be demonstrated when:

- a. The Board’s auditor confirms that there has been no purchase or creation of a subsidiary corporation without prior approval by the Board of Trustees.

- a. On 1/27/2025, the CFO/VPA confirmed that Frederick Community College Foundation, Inc. is a component unit of the College and is included in the annual financial audit completed by SB & Company that was presented to the Board on 10/16/2024.

This interpretation is reasonable because the Board of Trustees retains the authority to purchase a subsidiary corporation and any such action by the Board must be noted as approved recorded in the minutes.



**Frederick Community College  
Board of Trustees**

**President's Baseline Insight Report**

**EL 10 – Investments**

Report Date: 2/19/2025

Compliance Status: (F) / P / N Compliant



**Note: Board Policy is indicated in bold typeface throughout the report.**

I am submitting this baseline insight report to the Frederick Community College Board of Trustees, focusing on the Board's Executive Limitation Policy: "EL-10 Investments." This report is submitted for your review. I confirm that the information provided is accurate and establishes a baseline for compliance with the policy as approved by the Board, unless noted otherwise.

A handwritten signature in blue ink, appearing to read "Annesa Cheek".

2/19/2025

Annesa Cheek, Ed.D.  
President

Date

**Note: Board Policy is indicated in bold typeface throughout the report.**

**The President shall not permit investments that are inconsistent with federal, state or local laws, nor to be managed in a way that is inconsistent with the primary investment objectives of capital preservation and reasonably assured revenue growth.**

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

- 1. Permit investments to be managed without the active involvement of well-qualified investment advisors with a proven track record, and who are independent of any investment fund.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College utilizes well-qualified investment advisors, who are also independent of any investment fund, to make the securities purchases.

- a. On 1/27/2025, the CFO/VPA confirmed that the College maintains money market accounts with Truist Bank (a member of FDIC) and investments in the Maryland Local Government Investment Pool (MLGIP) through PNC Bank, which are both well-qualified and independent investment advisors.

This interpretation is reasonable because the investment of the College's available funds is managed by a bonded, legally accountable administrator, and secondary fund custodian.

**1.1. Permit the advisor to take title to any assets.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The funds held by the asset custodian, and security purchases made by the investment advisor, are held in the College's name only.

- a. On 1/27/2025, the CFO/VPA confirmed that all funds are held in the College's name only.

This interpretation is reasonable because by requiring the asset custodian and investment advisor to align with this practice, the College can clearly demonstrate ownership and control, consistent with its fiduciary duties and regulatory obligations. This approach aligns with the Board's expectation of prudent financial stewardship and risk management.

**1.2. Permit the advisor to withdraw any funds from the accounts except to cover payment of previously agreed-to fees, or at the specific direction of the College’s Chief Financial Officer or President.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The advisor does not withdraw funds from the accounts, unless they are for fees specified in the agreements of the engaged financial and asset management organizations, or as directed by the CFO or President.

- a. On 1/27/2025, the CFO/VPA confirmed that the advisor has not withdrawn any funds from the accounts except to cover previously agreed to fees.

This interpretation is reasonable because by specifying fees in formal agreements, the College can clearly define the costs associated with these services, avoid ambiguity, and ensure that financial management practices are aligned with industry standards and the College’s strategic financial goals.

**2. Permit investments that are insufficiently liquid to meet the organization’s anticipated expenditures without incurring penalties.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. Investment maturity dates are structured to mature at times that meet cash flow needs of the College based upon a planned schedule; and
- b. The actual interest-based revenue return matches the anticipated return without penalties for withdrawal.

- a. On 1/27/2025, the CFO/VPA confirmed that investments are currently maintained in cash or cash equivalent accounts that are available to meet cash flow needs.
- b. On 1/27/2025, the CFO/VPA confirmed that the interest revenue matches the anticipated return and no withdrawals incurred a penalty.

This interpretation is reasonable because it maximizes the return on the investment and liquidity at reduced costs and is compliant with Title 16 – Community Colleges of the Education Article, Maryland Annotated Code.

**3. Permit borrowing money for the sole purposes of investment.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. Borrowing is undertaken solely for the purpose of supporting the College’s educational objectives, such as capital projects, program funding, or other initiatives that support the institution's mission. In cases where borrowing is required, it must be justified by clear, mission-related needs rather than financial speculation.

- a. On 1/27/2025, the CFO/VPA confirmed that the only debt incurred supports FCC’s educational objectives.

This interpretation is reasonable because it demonstrates sound financial stewardship, maintains public trust, and safeguards the College’s resources against risky financial maneuvers that do not directly benefit students or the institution’s educational programs.

**4. Permit the investment of cash accounts (or operating capital) in anything other than those which comply with the applicable sections of the State Finance and Procurement Article of the Maryland Code.**

INTERPRETATION:

EVIDENCE:

Compliance will be demonstrated when:

- a. The College’s participation in investment activities is done via an investment pool composed entirely of investment instruments that are legal for all Maryland community colleges.

- a. Maryland Code, Local Government, §17-101 and the College investment policy (EL-10 Investments) determines the allowable investments the College can make. The College may invest in certificates of deposit with commercial banks in the State of Maryland, direct U.S. obligations, U.S. government agency obligations, repurchase agreements, bankers’ acceptances from approved banks with acceptable credit ratings, commercial paper from entities with an acceptable credit rating, money market funds and the Maryland Local Government Investment Pool (MLGIP). On 1/25/2025, the CFO/VPA confirmed that FCC’s investments are included in the MLGIP.

This interpretation is reasonable because Maryland state law defines what is permissible for a community college’s investments.



# 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.



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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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*The model is available free to all with no royalties or licence fees for its use. The authoritative website for Policy Governance is [www.carvergovernance.com](http://www.carvergovernance.com).*

*Reference: Carver Guides, 2<sup>nd</sup> Edition, 2009*

