June 15, 2026

Lansing Community College
Fiscal Year 2027 Proposed Budget Narrative

Introduction

The FY 2027 budget development process began in late January 2026 when the Financial Services division invited all college employees to attend the *"LCC Financial Briefing"* and "*FY 2027 Budget Launch"* session offered both in person and via Webex. Over 100 employees attended the session, reflecting the College's commitment to a transparent and inclusive budget process. The session included two components: the *"LCC Financial Briefing"* which provided an overview of the College's revenue sources and types of expenses to increase awareness of the College's finances and the "*FY 2027 Budget Launch"* which outlined the process, timelines, and requirements for developing the FY 2027 budget. Copies of both presentations were made available at the session, the budget development SharePoint site, and upon request.

Employees were encouraged to actively engage in the budget process within their respective divisions. The Chief Financial Officer and Office of Budget and Financial Analysis (OBFA – formerly the Financial Planning, Analysis, and Review) team also met with individual members of the Executive Leadership Team (ELT) and others to provide additional support during the budget development process. Following the "*FY 2027 Budget Launch"* meeting, ELT members, in collaboration with their teams, submitted budget requests in late February, including Labor Changes, Services and Supplies Changes, Additional Financial Resources, and Capital Equipment.

On February 17, 2026, the Chief Financial Officer presented a high-level two-year financial forecast to the Board which projected a balanced budget for FY 2027 and included a $2 increase in the College's in-district tuition rate. The Board also approved changes to course fees for the AY 2027 at the January meeting and the tuition rate increase at the March meeting. Based upon currently available information, the College will remain as the sixth lowest in-district tuition rate for Michigan community colleges.

A budget workshop for the Board of Trustees was held on May 27, 2026, led by the President and Chief Financial Officer. Also present at the workshop were ELT members and additional members of the Financial Services Division. The workshop provided an update on the proposed FY 2027 budget, including key changes from the February financial forecast. The budget presented reflects information available as of the third week of May.

Significant new information became available during the last week of May. State appropriations continue to use the Governor's recommendations for community college appropriation, however, the estimated appropriations for Replacement Tax and MPSERS revenues were increased by $450 thousand based upon more current information.

Property tax levy information was also received in late May. Although the levy amount was slightly lower than used for the workshop, the estimated uncollectible property taxes are lower than the estimates used for the workshop. This resulted in a net increase of $171 thousand. Tuition and fees were adjusted based upon an updated review of current tuition and fee revenue and an adjustment was made to decrease the revenue by $341 thousand. Lastly, Other Revenues were reviewed and resulted in a $37 thousand increase. The net change in total General Fund revenues resulted in a net increase of $317 thousand.

Based upon discussion between the President and the Chief Financial Officer the following adjustments were made to expenses and transfers:

- Scholarships were increase by $14 thousand
- Campus Master Plan Funding was increased by $300 thousand
- Contingency was increased by $3 thousand to match the increase in revenue

Summary of General Fund Budget

Lansing Community College's FY 2027 proposed budget is presented to the Board of Trustees in summary form with supporting documentation. The Administration respectfully requests adoption as proposed.

Revenues

Total revenues are projected to be approximately $150.2 million (see Attachment 4 - Exhibit A - General Fund Operating Revenues, Expenses & Transfers: Proposed Budget FY 2027).

Summary of Fiscal Year 2027 General Fund Revenues

General Fund Revenues					
Total Revenues	**2024 Actual**	**2025 Actual**	**2026 Adopted Budget**	**2027 Proposed**	**Percent change 2025 to 2026**
State Appropriations	$ 39,478,637	$ 40,359,928	$ 40,609,000	$ 40,766,000	0.4%
Property Taxes	$ 51,553,499	$ 54,633,090	$ 58,557,000	$ 60,159,000	2.7%
Tuition and Fees	$ 38,005,268	$ 41,285,342	$ 40,618,000	$ 43,653,000	7.5%
Other Revenue	$ 6,851,499	$ 6,966,063	$ 5,614,000	$ 5,623,000	0.2%
Total	**$135,888,903**	**$143,244,423**	**$145,398,000**	**$150,201,000**	**3.3%**

State Appropriations – State appropriations for FY 2027 remain uncertain due to ongoing development of the state budget. Accordingly, the proposed budget is based on currently available information (as described above) and incorporates conservative assumptions based on the May 2026 Consensus Revenue Estimating Conference and

the current fiscal and political environment. The State's FY 2027 total appropriations to Lansing Community College are budgeted to increase by 0.4% consistent with the budget recommended by the Governor. Budget negotiations are underway between the Governor, House and Senate. Current information indicates that the State of Michigan budget may not be adopted until after June 30th.

Property Taxes – Net property tax revenue for FY 2027 is projected to increase by 2.7%, driven by a 4.7% increase in total taxable values across the College's district. This growth is partially offset by an estimated 5.0% reduction for uncollectible taxes and tax refunds, reflecting recent trends in tax tribunal activity. In addition, the College's millage rate decreased slightly from 3.7611 to 3.7550 mills.

Tuition and Fees – The budget of $43.7 million in tuition and fees includes a $2 increase in in-district tuition rate with no changes in mandatory student fees as approved by the Board at the March 2026 meeting. Course fee adjustments were approved by the Board at the January 2026 meeting. For FY 2027, billable hours are assumed to remain consistent with FY 2026, although enrollment levels continue to present an ongoing area of uncertainty.

Other Revenues – Other revenues include the College's contracts with the Eaton Regional Educational Services Agency, High School Advantage contracts, interest income, rental income, and other miscellaneous revenues. The College projects a 0.2% increase in Other Revenue for FY 2027. This increase is based upon a review of current revenue trends.

Operating Budgets

Salaries, Wages, and Benefits – Salaries and benefits are projected to comprise 67.8% of total General Fund expenses and transfers in FY 2027, consistent with the FY 2026 Adopted Budget.

Services and Supplies – Services and Supplies are projected to increase 5% over the FY 2026 Adopted Budget, reflecting ongoing inflationary pressures, which continue to impact operating costs. However, a thorough review of all Services and Supplies budgets was done with an emphasis on reducing Institutional Expenses and reallocating resources to support the College's strategic plan. (See Attachment 4 - Exhibit B – General Fund Operating Expenses).

Student Financial Support – The FY 2027 budget for institutional student scholarships totals $2.9 million, representing a 3.0% increase to support enrollment growth. These funds support a range of programs, including Board of Trustees, Honors, divisional, athletic, childcare, and other institutionally funded scholarships.

Transfer Budgets

Grant Match – The FY 2027 budget is $925 thousand, consistent with FY 2026.

Capital Equipment – The FY 2027 budget is $900 thousand, consistent with FY 2026.

Debt Service – In the FY 2027 budget, $6.6 million is budgeted for principal and interest payments on debt, based upon the College's current debt service obligations (see Attachment 4 - Exhibit F – Bonded Debt Amortization Schedule).

Physical Plant Improvement – The FY 2027 budget is proposed at $3.5 million to support the ongoing maintenance and upkeep of the College's facilities and minimize deferred maintenance. This investment reflects the needs of approximately 2.1 million square feet of space owned and maintained by the College.

Technology Infrastructure – The FY 2027 budget is proposed at $2.8 million to support the continued need for up-to-date technology for students and employees.

Technology Fee – The FY 2027 budget is proposed at $224 thousand reflecting anticipated levels of enrollment.

Campus Master Plan - $1.9 million will be transferred to the Plant Fund to continue implementation of recommendations from the campus master planning process developed with an independent third-party consultant. This a $300 thousand increase from FY 2026.

Michigan New Jobs Training Program – The FY 2027 budget of $75 thousand is based on the anticipated volume for these training agreements.

Contingency

Contingency – The Contingency budget for FY 2027 is $1.5 million, and is equal to 1% of budgeted revenues. This Contingency is necessary to provide resources for significant unanticipated expenses.

LANSING COMMUNITY COLLEGE

General Fund

Operating Revenues, Expenses & Transfers: Proposed Budget Fiscal Year 2027

Comparison of Fiscal Years 2024 Actual, 2025 Actual, 2026 Budget to 2027 Proposed Budget

Line Ref #	Operating Budget Line Item	FY2024 Actual	FY2025 Actual	FY2026 Adopted Budget	Increase (Decrease)	FY2027 Proposed Budget	% Change
	Revenues						
1	State Appropriations	$ 39,478,637	$ 40,359,928	$ 40,609,000	$ 157,000	$ 40,766,000	0.4%
2	Property Taxes, Net of Estimated Uncollectible	$ 51,553,499	$ 54,633,090	$ 58,557,000	$ 1,602,000	$ 60,159,000	2.7%
3	Tuition and Fees, Net of Estimated Uncollectible	$ 38,005,268	$ 41,285,342	$ 40,618,000	$ 3,035,000	$ 43,653,000	7.5%
4	Other Revenues	$ 6,851,499	$ 6,966,063	$ 5,614,000	$ 9,000	$ 5,623,000	0.2%
	Total Revenues	**$ 135,888,903**	**$ 143,244,423**	**$ 145,398,000**	**$ 4,803,000**	**$ 150,201,000**	**3.3%**
	Salary & Benefit Expenses						
5	Salaries and Wages	$ 61,391,107	$ 65,890,989	$ 66,808,600	$ 3,547,300	$ 70,355,900	5.3%
6	Employee Benefits	$ 28,758,330	$ 30,421,885	$ 31,728,300	$ (504,700)	$ 31,223,600	(1.6)%
7	Compensated Absences	$ 4,328,178	$ 665,529	$ -	$ -	$ -	0.0%
	Total Salaries and Benefits	**$94,477,615**	**$96,978,403**	**$ 98,536,900**	**$ 3,042,600**	**$ 101,579,500**	**3.1%**
	Other Operating Expenses						
8	Services and Supplies	$ 26,134,435	$ 26,212,898	$ 26,135,100	$ 1,311,400	$ 27,446,500	5.0%
	Total Operating Expenses	**$ 120,612,050**	**$ 123,191,301**	**$ 124,672,000**	**$ 4,354,000**	**$ 129,026,000**	**3.5%**
	Student Financial Support Expenses						
9	Institutional Student Scholarships	$ 2,364,522	$ 2,412,348	$ 2,790,000	$ 84,000	$ 2,874,000	3.0%
	Total Expenses	**$ 122,976,572**	**$ 125,603,649**	**$ 127,462,000**	**$ 4,438,000**	**$ 131,900,000**	**3.5%**
	Transfers (In)/Out						
10	Grant Match	$ 864,841	$ 915,960	$ 925,000	$ -	$ 925,000	0.0%
11	Capital Equipment	$ 400,000	$ 600,000	$ 900,000	$ -	$ 900,000	0.0%
12	Debt Service	$ 6,600,000	$ 6,600,000	$ 6,600,000	$ -	$ 6,600,000	0.0%
13	Physical Plant Improvement	$ 3,400,000	$ 3,400,000	$ 3,525,000	$ -	$ 3,525,000	0.0%
14	Technology Infrastructure	$ 2,800,000	$ 2,800,000	$ 2,800,000	$ -	$ 2,800,000	0.0%
15	Technology Fee	$ 196,008	$ 210,817	$ 207,000	$ 17,000	$ 224,000	8.2%
16	Prefund FY2026 Tuition Rate Freeze	$ -	$ 800,000	$ -	$ -	$ -	0.0%
17	Campus Master Plan	$ -	$ 800,000	$ 1,600,000	$ 300,000	$ 1,900,000	18.8%
18	Board Designated Funds	$ 2,200,000	$ -	$ -	$ -	$ -	0.0%
19	Michigan New Jobs Training Program	$ (168,176)	$ (254,318)	$ (75,000)	$ -	$ (75,000)	0.0%
	Total Transfers	**$ 16,292,673**	**$ 15,872,459**	**$ 16,482,000**	**$ 317,000**	**$ 16,799,000**	**1.9%**
20	**Contingency**	**$ -**	**$ -**	**$ 1,454,000**	**$ 48,000**	**$ 1,502,000**	**3.3%**
	Total Revenues	$ 135,888,903	$ 143,244,423	$ 145,398,000	$ 4,803,000	$ 150,201,000	3.3%
	Total Expenses, Transfers and Contingency	$ 139,269,245	$ 141,476,108	$ 145,398,000	$ 4,803,000	$ 150,201,000	3.3%
	Net Change in Unrestricted Fund Balance	**$ (3,380,342)**	**$ 1,768,315**	**$ -**	**$ -**	**$ -**	**0.0%**
21	Unrestricted General Fund Balance Beginning of Period	$ 35,647,752	$ 32,267,410	$ 34,035,725	N/A	$ 34,035,725	N/A
	Unrestricted General Fund Balance End of Period	**$ 32,267,410**	**$ 34,035,725**	**$ 34,035,725**	**N/A**	**$ 34,035,725**	**N/A**

LANSING COMMUNITY COLLEGE

General Fund

Operating Expenses: Proposed Budget Fiscal Year 2027

Comparison of Fiscal Years 2024 Actual, 2025 Actual, 2026 Budget to 2027 Proposed Budget

Line Ref #	Operating Division/Account	FY2024 Actual	FY2025 Actual	FY2026 Adopted Budget	Increase (Decrease)	FY2027 Proposed Budget	% Change
	Operating Expenses - Divisions						
1	Academic Affairs *	$ 8,606,197	$ 9,143,217	$ 8,993,200	$ 810,100	$ 9,803,300	9.0%
2	Administrative Services	$ 14,050,908	$ 15,041,368	$ 15,406,300	$ 671,700	$ 16,078,000	4.4%
3	Advancement and External Affairs *	$ 1,305,297	$ 1,349,594	$ -	$ -	$ -	0.0%
4	Arts and Sciences	$ 24,035,346	$ 25,623,858	$ 24,772,600	$ 422,300	$ 25,194,900	1.7%
5	Board of Trustees	$ 308,162	$ 300,975	$ 395,300	$ 8,800	$ 404,100	2.2%
6	Business Operations *	$ 5,183,787	$ 4,816,382	$ 5,449,500	$ 351,800	$ 5,801,300	6.5%
7	Community Education and Workforce Development	$ 3,816,016	$ 4,076,470	$ 4,265,600	$ (119,800)	$ 4,145,800	(2.8)%
8	Executive Office *	$ 1,731,264	$ 1,908,741	$ 2,812,500	$ (65,700)	$ 2,746,800	(2.3)%
9	Financial Services *	$ 6,312,644	$ 6,494,764	$ 6,831,700	$ 69,700	$ 6,901,400	1.0%
10	Health and Human Services	$ 10,205,684	$ 10,444,009	$ 11,316,400	$ 109,200	$ 11,425,600	1.0%
11	Human Resources *	$ 2,454,171	$ 2,133,235	$ 2,390,200	$ 113,300	$ 2,503,500	4.7%
12	Information Technology Services *	$ 14,336,199	$ 15,232,122	$ 16,283,800	$ 1,054,400	$ 17,338,200	6.5%
13	Office of Empowerment	$ 758,798	$ 1,187,127	$ 1,400,200	$ (62,700)	$ 1,337,500	(4.5)%
14	Student Affairs	$ 12,024,684	$ 12,903,532	$ 12,213,600	$ 556,200	$ 12,769,800	4.6%
15	Technical Careers	$ 11,154,716	$ 11,870,378	$ 12,141,100	$ 434,700	$ 12,575,800	3.6%
16	Compensated Absences	$ 4,328,178	$ 665,529	$ -	$ -	$ -	0.0%
	Total all Divisions	**$ 120,612,050**	**$ 123,191,301**	**$ 124,672,000**	**$ 4,354,000**	**$ 129,026,000**	**3.5%**
	Operating Expenses - Accounts						
17	Full-Time Administrator	$ 11,740,191	$ 12,470,839	$ 12,274,200	$ 1,268,200	$ 13,542,400	10.3%
18	Full-Time Professional Technical	$ 12,408,284	$ 13,352,776	$ 14,075,600	$ 636,800	$ 14,712,400	4.5%
19	Part-Time Professional Technical	$ 759,529	$ 679,745	$ 784,800	$ (57,500)	$ 727,300	(7.3)%
20	Full-Time Faculty	$ 17,130,644	$ 18,090,857	$ 17,449,300	$ 375,900	$ 17,825,200	2.2%
21	Part-Time Faculty	$ 8,414,571	$ 9,567,023	$ 9,499,500	$ 352,900	$ 9,852,400	3.7%
22	Full-Time Support	$ 9,148,856	$ 9,553,749	$ 10,224,100	$ 965,200	$ 11,189,300	9.4%
23	Part-Time Support	$ 1,194,403	$ 1,417,608	$ 1,813,600	$ (242,400)	$ 1,571,200	(13.4)%
24	Student	$ 594,628	$ 758,391	$ 687,500	$ 248,200	$ 935,700	36.1%
	Total Salaries and Wages	**$ 61,391,107**	**$ 65,890,989**	**$ 66,808,600**	**$ 3,547,300**	**$ 70,355,900**	**5.3%**
25	**Employee Benefits**	**$ 28,758,330**	**$ 30,421,885**	**$ 31,728,300**	**$ (504,700)**	**$ 31,223,600**	**(1.6)%**
26	**Compensated Absences**	**$ 4,328,178**	**$ 665,529**	**$ -**	**$ -**	**$ -**	**0.0%**
27	Institutional Expenses	$ 1,730,859	$ 1,796,245	$ 2,070,300	$ (1,900)	$ 2,068,400	(0.1)%
28	Utilities	$ 3,650,412	$ 3,902,722	$ 3,479,200	$ 102,400	$ 3,581,600	2.9%
29	Professional Services	$ 1,751,032	$ 865,413	$ 1,256,800	$ 100,300	$ 1,357,100	8.0%
30	Purchased Services	$ 5,224,649	$ 5,026,556	$ 4,941,800	$ 101,600	$ 5,043,400	2.1%
31	Rental Expense	$ 1,011,202	$ 909,503	$ 666,100	$ 9,400	$ 675,500	1.4%
32	Repair and Maintenance	$ 1,816,412	$ 2,033,070	$ 2,077,400	$ (110,000)	$ 1,967,400	(5.3)%
33	Supplies and Non-Capital Equipment	$ 9,421,918	$ 10,073,014	$ 9,728,200	$ 966,000	$ 10,694,200	9.9%
34	Travel, Training and Conferences	$ 1,527,951	$ 1,606,375	$ 1,915,300	$ 143,600	$ 2,058,900	7.5%
	Total Services and Supplies	**$ 26,134,435**	**$ 26,212,898**	**$ 26,135,100**	**$ 1,311,400**	**$ 27,446,500**	**5.0%**
	Total Division Operating Expenses	**$ 120,612,050**	**$ 123,191,301**	**$ 124,672,000**	**$ 4,354,000**	**$ 129,026,000**	**3.5%**

* Restated FY2026 Division Adopted Budgets to conform with FY2027 Proposed Budgets