



Annual Budget

Fiscal year
2012-2013

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Lansing Community College

FY 2012-2013 Strategic Planning & Budget

Lansing, Michigan

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Letter from President Brent Knight:

After months of hard work in each division, earlier today we presented a proposed budget for FY 2013 at a workshop with the Board of Trustees. The trustees will take action on it at their next regular meeting, June 18. The new fiscal year begins July 1.

Difficult economic factors continue to impact our budget. The good news is that the state appropriation to LCC is expected to increase 3.4% over the current year for a total of \$29.6 million. Other revenue streams are declining or flat:

- Property taxes are expected to decline 5%, with 1% of that attributed to potential personal property tax reform.
- The college projects an enrollment decline of 8.8% over the current year, resulting in a reduction in tuition and course fee revenue of 10.5%.
- Other revenue (BCI, UC, ISD contracts, investments, etc) are expected to be flat.

The outlook on expenses is mixed. While health care premiums are declining 1%, our contribution to MPSERS is expected to go up 4.1%. Other benefits are increasing 2.3%.

A budget gap of \$4,471,000 is being closed through the following actions:

- Savings from operating efficiencies - \$1.3 million
- Other net savings (includes efficiencies in services and supplies budget, lower rates for some contracted services, and eliminating approximately 10 vacant positions) – \$2.2 million
- A 2.5% (or \$2 per billable hour) in-district tuition increase (still keeping us below the average for Michigan community college) – just over \$1 million

As noted above, some vacant positions will not be filled. In addition, 6 full- or part-time positions are slated for elimination. In many cases, this is the result of efficiencies in workload.

As recommended and adopted, the budget reflects the priorities set by the Board and follows the principles of AQIP, the Higher Learning Commission's Academic Quality Improvement Program. It continues to focus our efforts on helping students achieve their academic goals.

Brent Knight, President

Source: CAMPUS COMMUNICATION, Lansing Community College, June 8, 2012

Letter from the Chief Financial Officer

To: Stakeholders of Lansing Community College
Citizens of the Lansing Community College Resident Districts and the State of Michigan

Lansing Community College has faced significant fiscal challenges over the last several years. Since the fiscal crisis that began in 2007, the College has seen decreases in State funding and property tax revenue, while at the same time, experiencing significant increases in pension and health care costs. The College has acted decisively, and carefully managed its financial and human resources. Workforce reductions, capped health care expenses, elimination of certain high cost academic programs, identification and implementation of efficiencies, and careful tuition pricing were measures used to stabilize operations and ensure fiscal responsibility. LCC remains the third largest community college in the state, maintains the fourth lowest in-district tuition rate and has one of the highest per capita enrollment levels among the 28 community colleges in Michigan.

Good, sound fiscal management has not been an easy goal to achieve in the current economic climate of decreasing public revenues, high unemployment, increasing demand for services, expanding developmental education needs, and rapid technological changes. A look forward to FY2013 continues to anticipate ongoing financial challenges and requires continued focus on cost containment and smart investment.

Lansing Community College's fiscal year runs from July 1 of one year to June 30 of the following year, that is for FY2013, July 1, 2012 to June 30, 2013. Early on, there were indications of a significant budget gap on the horizon for FY2013. The main factors underlying this significant budget gap include: rising labor costs, uncertain state appropriations; declining property tax revenue and declining enrollment.

Apart from the challenges mentioned above, the College's budget planning and choices are circumscribed by the Board of Trustees' Governance Policies (a) Community Impact – Highly Educated Community, (b) Student Success, (c) Marketing and Communication, and (d) Academic and Workforce Development Excellence. The Finance Division spent a considerable amount of time and effort compiling various versions, scenarios and projections to facilitate the budgetary decisions needed to produce a balanced budget. The Finance Division's efforts and actions expended in this attempt have to be in line with these strategic goals.

The appropriation is a 3.4% increase, which is favorable for LCC, (the first increase since 2008). Due to the housing crisis and ongoing economic challenges gripping the nation, property tax revenue continues to decline at an even faster rate, as a percentage of total operating revenue, than State funding. Property values have not yet bottomed out and are currently projected to decline 5.0%, including the proposed Personal Property Tax reform. As a result, tuition, the third leg of our funding stool, has increased to fill the gap. Had many of the measures mentioned in the opening

paragraph not been implemented, LCC would not have the fourth lowest in-district tuition rate in the state.

Federal regulatory changes, economic conditions, demographic adjustments, and student success policies are causing downward pressure on enrollment and credit hours taken per student. Enrollment began to decline in FY2012 and an additional 8.5% decline in enrollment is expected for FY2013.

Considering the factors above, the projected budget gap to be closed translated to just over \$4.5 million for FY2013. The College engaged in a rigorous review of all programs and services and closed the gap using criteria that prioritized funding for activities that had a direct impact on workforce development, educational quality or those that would produce more revenue than expense. Finally, the remaining gap was closed with a conservative tuition rate increase of 2.5% for in-district students.

The College must confront the fiscal challenges, but not shrink from investing to create a better, more secure LCC for the future. LCC continues to exercise fiscal prudence, maintaining a healthy financial condition, while protecting tax and tuition dollars with a commitment to academic excellence.

Four board policies provided the foundation for FY2013 budget discussions and plans: **Community Impact – Highly Educated Community; Student Success; Marketing and Communication; and Academic and Workforce Development Excellence.** With these policies in mind, the Administration made decisions to ensure that LCC is meeting the needs of its students and area employers, as well as playing a leading role in mid-Michigan's economic diversification and job growth.

The very careful budget planning and the tough fiscal and program decisions made by the Administration and Board of Trustees have put Lansing Community College in a position to face the year ahead with the commitment to continue to provide affordable, high quality educational programs. While our state funding continues to be at risk, property taxes remain unstable and rising health care costs for both current and retired employees is an ongoing concern, we have developed a budget that keeps the needs of students first by maintaining the affordable and high-quality education for which LCC continues to be known. Student success and cost containment remain a priority.

In presenting this FY13 budget, I would like to recognize the hard work and dedication of the budget staff and all those who contributed to the achievement of this balanced budget for FY13.

Respectfully submitted,

Catherine Fisher, CPA
Chief Financial Officer, Financial Services Division

ORGANIZATION

LANSING COMMUNITY COLLEGE

Lansing Community College (LCC) is an urban, public, independent, community college, located in Michigan's capital city, established in 1957 to fulfill growing demand for specialized and technical education opportunities for the Greater Lansing's industrial workforce. The first President, Dr. Philip Gannon opened the doors to 425 students in the Fall Term in 1957.

LCC is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

Lansing Community College is directed and governed by a Board of Trustees, consisting of seven members, elected at large in the community college district on a nonpartisan basis. Elected members retain positions for 6-year terms. Public elections for regular board member positions are held at the end of each 6-year term.

Board of Trustees - July 1, 2012

Larry Meyer, Chairperson
December 31, 2016

Edward Woods III, Vice Chair
December 31, 2014

Robin M. Smith Secretary
December 31, 2012

Jerry Hollister, Treasurer
December 31, 2014

Deborah Canja, Trustee
December 31, 2016

Robert E. Proctor, Trustee
December 31, 2016

Thomas Rasmusson, Trustee
December 31, 2012

Dr. Brent Knight, President, Lansing Community College

LCC is the third largest community college (in enrollment) of 28 in Michigan. The College enrolls over 34,000 students per semester, representing about 65% in-district and 35% out-of-district students. LCC also employs over 550 full-time employees and over 2,500 part-time faculty and staff. The College vision, mission, and guiding principles/values reflect the diversity and potential of its stakeholders.

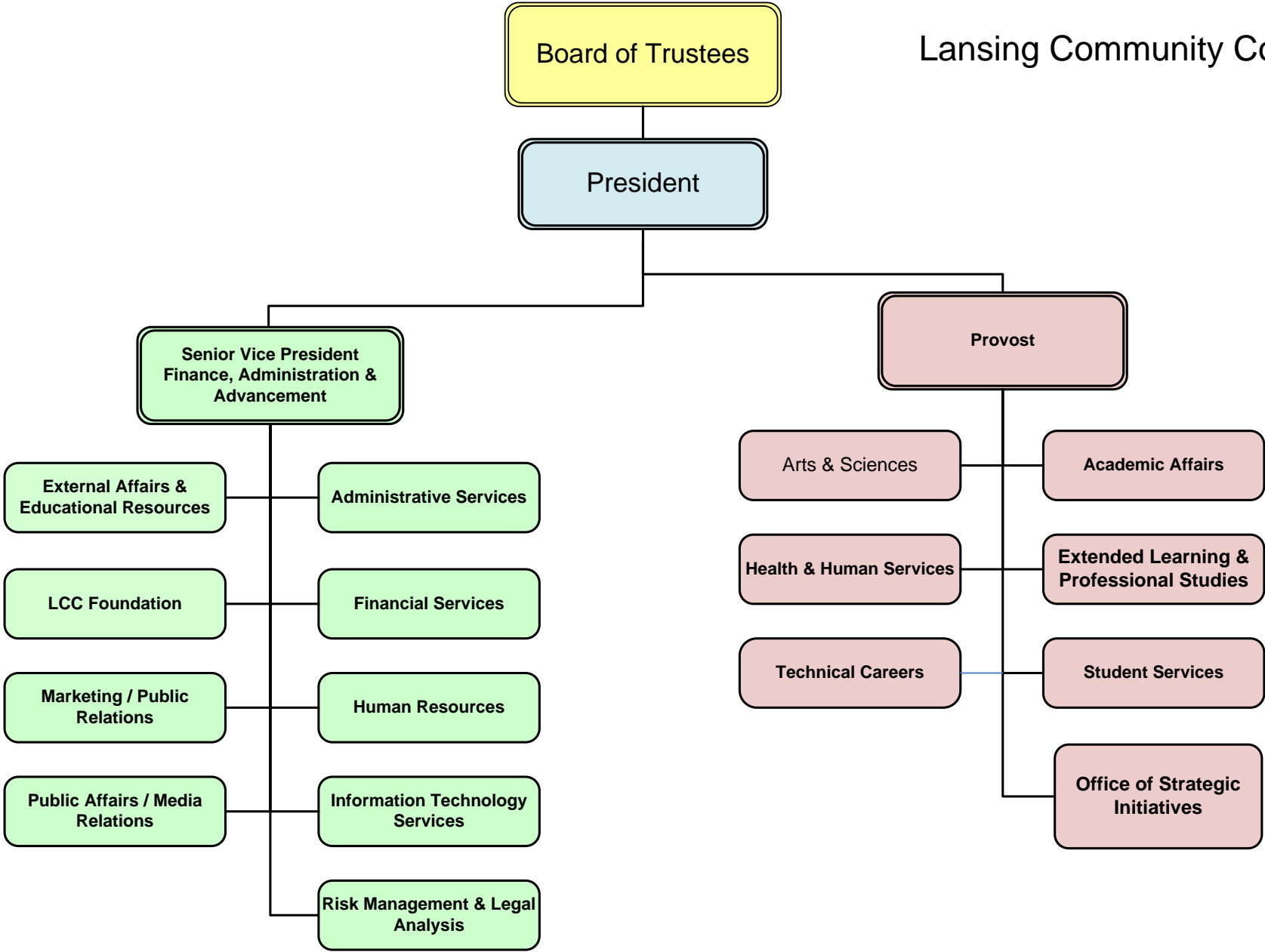
LCC is a one-college, multi-location institution.

The main locations are:

- LCC Downtown Campus, including a newly completed University Center, is a 48-acre campus covering seven city blocks and 1.1 million square feet of building space in downtown Lansing, Michigan
- LCC West in Delta Township, Michigan, comprised of 64 acres of land, houses the Michigan Technical Education Center®
- Aviation Center at the local airport in Mason, Michigan
- Livingston Center at Parker Campus in Howell, Michigan
- Clinton County Center in St. Johns, Michigan
- LCC East in East Lansing, Michigan

The College also offers courses at over 24 learning centers.

The Statistics and the Appendix sections present more LCC statistics, facts and maps.



LANSING COMMUNITY COLLEGE

Academic Divisions

The first guiding principle of the College's mission ensures instruction in four areas, which also align with the Michigan Activity Classification Structure (ACS): career and workforce development, general education, developmental education, and personal enrichment. The College ensures alignment of that principle and learning opportunities in three key ways:

1. Organizing instruction into academic divisions to match the mission
2. Planning coordination of the College strategic plan, its master plans, and its program plans
3. Evaluating performance at the College level

Academic Affairs

The Academic Affairs Office provides leadership for instruction and student support services. The Academic Affairs Office works with departments and programs to ensure that all standards required for accreditation, federal and state compliance and program licensure and certification are maintained. This office is also responsible for partnerships needed to maintain transfer articulation agreements with colleges, universities and other organizations. In addition, the Academic Affairs Office, through the Center for Teaching Excellence and through connections with the Human Resources Office, is responsible for providing training opportunities for instructional and student services faculty and staff to help assure that our students get the highest quality instruction and support.

The goals of the Academic Affairs Office are:

- To promote excellence in academic offerings in curricula, delivery and fiscal responsibilities
- To provide learning and support opportunities for faculty and staff to grow in subject matter expertise, pedagogical knowledge, technology integration, and ability to promote learning within a diverse student population
- To assist in "opening the world" to our stakeholders through internationalizing the curricula and intercultural experiences and opportunities
- To create pathways for student opportunity and success through K-16 articulations and partnerships
- To lead in developing a college-wide culture that values people and promotes cooperation and collaboration, building a team that accomplishes the impossible for the benefit of students and the greater Lansing community

The eLearning Department and Institutional Effectiveness, Research, and Planning (IERP) Department are included in the Academic Affairs Division.

The eLearning Department is committed to student success, supporting efforts to ensure that quality online education and support services are available to a diverse population of learners through a variety of technology resources. This Department also

develops, designs, implements and manages faculty and staff needs surrounding electronically supported education.

IERP is instrumental to Lansing Community College's data-driven decision making models that integrate data and best practices through research and quality. Through the coordination of ad hoc, scheduled, operational, and institutional reporting, the department of Institutional Effectiveness, Research, and Planning has established an institutional standard for data and reporting.

In addition to data extraction and reporting, the department:

- Facilitates program review
- Responds to internal and external data requests
- Manages state and federal reporting (IPEDS, ACS, etc.)
- Designs surveys for both institutional and departmental use

Student Services

The Student Services Division offers student and academic support services which are designed to help students reach their potential as they progress towards their goals.

The Student Services Division has continuing goals that provide avenues for continuous improvement with measurable outcomes. They are:

- Goal 1 - Student Access, Retention and Success - Develop a comprehensive integrated system that contributes to student retention and success.
- Goal 2 - Continuous Quality Improvement - Build a high-performing student and academic support division through continuous quality improvement.
- Goal 3 - Quality Services and Instruction - Develop Convenient, Accessible, Responsive, Effective and Flexible Services and Instruction to students.
- Goal 4 - Community Impact - Enhance the Quality of Community Life.

The Division provides a variety of services which are organized into the following units:

- Admissions, Registration and Records
 - Admissions, Registration and Records are the gateway to the college, processing all records for LCC's student body. In August of 2011, LCC began to disallow late registrations (after classes have begun) as a methodology to improve student success, since each class session is important to the overall understanding of the course content.
- Advising
 - Academic advising is the process whereby advisors and students work together to attain student educational and life goals. The advisor serves as a facilitator of communication, a coordinator of learning experiences, and an agent of referral to other campus departments and services. Developing and implementing electronic Educational Development Plans (EDP) that are stored and retrievable as part of a student record was an action goal realized in FY2011. An EDP is an individualized semester-by-

semester class plan to map out a path to a certificate, degree, or career goal and set a timeline for attaining it. It is a plan influenced by classes offered each semester and the student's individual circumstances, so the student and program advisor should re-evaluate it regularly.

- **Assessment Services**
 - Assessment Services testing activity includes administration of placement tests, proficiency exams, course exams, workforce development tests (such as WorkKeys), processing tests for online courses that are being sent to outside proctors, and certification testing for students and professionals.
- **Athletics**
 - LCC Athletics sponsors nine intercollegiate sports. Fall semester athletes participate in men's and women's cross-country and women's volleyball. Winter sport offerings feature men's and women's basketball. The year's competition concludes in the spring with women's softball, men's baseball and men's and women's outdoor track.
- **Career and Employment Services**
 - Career and Employment Services has experienced advisors to guide students through their job search, help identify marketable skills, prepare an eye-catching resume, practice effective interviewing techniques and to provide other information on looking for the right job. A Web-based job posting system is also maintained.
- **Financial Aid**
 - Financial Aid is responsible for processing all scholarships, grants and loans.
- **Learning Assistance: Library and Tutoring**
 - The "Link to Learning" Library mission is to engage students in learning, link people to resources and give exceptional service to all
 - Tutorial Services assists students in becoming independent learners who can then go on to achieve their personal goals through a supportive, interactive learning experience.
- **Student Activities**
 - The Student Life and Ombudsman Office enhances student success and leadership development in theory and practice; and impacts student and community quality of life by offering involvement in and exposure to diverse educational, cultural and personal experiences and opportunities.
- **Student Compliance**
 - The Student Compliance Office at Lansing Community College exists to enforce the Student General Rules and Guidelines and Student Code of Conduct. Every student attending LCC must abide by these regulations and failing to do so will result in due process. The Student Compliance

Office also assists students in utilizing LCC's appeal process and provides counsel, information and directions for resolving issues.

- Student Recruitment, Outreach and Orientation
 - In an effort to enhance and strengthen the overall educational experience of students and their families, mandatory orientation for new degree-seeking or transfer students was a goal that was instituted in FY2011. Studies have shown that students who attend orientation are more prepared to begin classes and more successful in reaching their academic goals.
- Student Support Services Department
 - Counseling, Non-Traditional and Special Populations Support Services, Returning Adult and Disability Support Services
 - LCC counselors are licensed, experienced professionals with a special interest in working with college students. They provide confidential services, and help most by listening carefully, asking useful questions, and sometimes offering suggestions for consideration.
 - LCC is committed to making accommodations and providing services for persons with disabilities. The College has administrative and faculty specialists who respond to visual, hearing, mobility, and alternative learning needs. The College adheres to the standards and guidelines set forth in the Americans with Disabilities Act.

Extended Learning and Professional Studies

The departments included in the Extended Learning and Professional Studies Division are:

- Business & Community Institute (BCI)
 - The Business & Community Institute of Lansing Community College offers performance solutions training and courses in a variety of topics for various industries. Training can also be customized to meet specific customer needs. BCI courses, programs, and seminars offer credit, non-credit, or continuing education unit (CEU) opportunities to meet the professional development and educational needs of employees in the greater Lansing area. Programs, provided on-site, on-campus, and via the Internet, can be customized to utilize business organization's internal strategic plans, business process, forms, and reports.
- Center for Workforce Transition
 - In cooperation with the State of Michigan Capital Area Michigan Works initiative, LCC operates this center to provide information and assistance to adults transitioning into the workforce. Services include identifying career goals, retraining or gaining new skills, and job search techniques.

- Continuing & Community Education (CCE)
 - Continuing Education Courses are designed to update professional certification, meet continuing education contact hour requirements, provide professional development, or gain additional professional certifications.
- Extension Centers
 - The centers provide convenient learning locations for degree seeking, transfer or personal interest needs.
- Michigan Small Business & Technology Development Center (SBTDC)
 - The mission of the Lansing Community College's SBTDC is to contribute to the promotion of economic development by assisting in the creation of new small business and the retention and expansion of existing small businesses. This mission is achieved by providing technical assistance to prospective and existing business owners and managers in Ingham, Eaton, Clinton, Ionia, Livingston, and Shiawassee counties in the areas of counseling, training and research.
- University Center
 - The University Center is a partnership between Lansing Community College and six four-year universities and is located on LCC's main campus. Our partner universities offer junior and senior level courses leading to over 30 Bachelor's degrees, and several post-baccalaureate certificates and Masters degrees. All community members, as well as current and former LCC students may attend the University Center.

Strategic Initiatives

The Office of Strategic Initiatives (OSI) was created in December of 2010 during the reorganization of the Instructional Divisions. All facets of K-12 Relations, including a new Middle College, the Early College at LCC, are in this unit. The Strategic Initiatives Division offers programs for dual enrollment/special admissions to nearly 1,000 students as a vehicle for preparing high school students for post-secondary education and the workforce. Multiple grants provide much of the funding. Partnerships with local school districts offer numerous options for advanced placement, high school diploma completion and technical preparation and certification courses or transferable college credits up to an associates' degree. The programs included in the Strategic Initiatives area are:

- K-12 Relations
- High School Diploma Completion Initiative (HSDCI)
 - This program targets at-risk students and traditional high school stopouts/dropouts, allowing them the opportunity to get a high school diploma from their district.
- The Early College
 - In FY2012, The Early College (TEC) began with the help of a planning grant awarded by the Michigan Department of Education. Funding from state head count allowances is substantial, but careful enrollment and

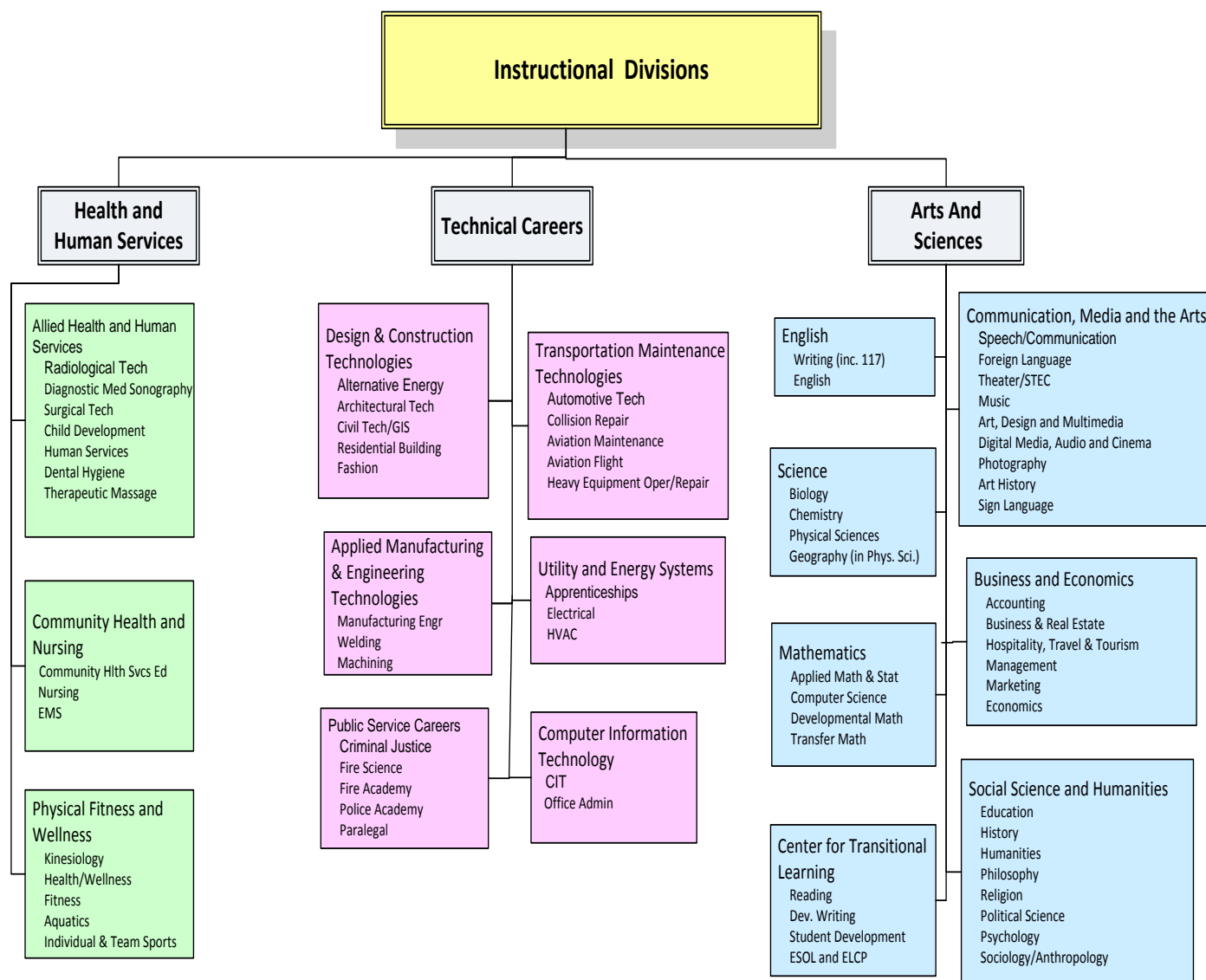
expense management will be required to break even. Over the next 4 fiscal years, TEC is expected to generate adequate revenue to sustain the program. For FY2013, a General Fund subsidy of \$278,735 is included.

TEC provides approximately 100 students annually (who have completed their sophomore year) with alternative, dual enrollment opportunities to compress the time it takes to complete a high school diploma and the first two years of college. During a three year period, students earn their high school diploma and receive a technical certification in a STEM related field or up to 60 credits toward an associate's degree.

The purpose of TEC is to help students become college-ready and career-ready. Each student completes a college-ready credentialing process based on the success skills necessary for post-secondary level work. Once the student is ready, they begin to take college classes with conventional college students. Students also participate in career explorations, four year transition planning and job related activities including resume and cover letter writing, mock interviews, corporate visits, and job shadowing experiences in two of the three years in the program.

For more information on specific grants, see the section titled FY2013 Active Grant Funds Detail, beginning on page 98.

LANSING COMMUNITY COLLEGE Instructional Divisions



At Lansing Community College, instruction is organized into the three areas displayed in the second level of the chart above: Health and Human Services (HHS), Technical Careers (TC) and Arts and Sciences (A & S). In December of 2010, the College announced a reorganization of the academic areas, dissolving the Business Media and Information Technologies Division (BMIT) into the HHS, Technical Careers and Arts and Sciences Divisions to better position the college to pursue its core mission of teaching and learning. BMIT was dissolved, effective in January of 2011, with the new academic term.

The realignment is, in part, a response to the pressures and demands on public educational institutions across the country to do more with less: to facilitate the best learning for students by focusing on our core mission; to pursue excellence through innovation and new forms of intellectual collaboration; and to demonstrate good fiscal stewardship by achieving institutional efficiencies and cost savings. It is designed to enhance student success by solidifying core instructional areas, as well as create new opportunities for collaboration within programs and divisions. This realignment will also work to erode the barriers between transfer-oriented and occupationally-focused programs here at LCC, and allow the institution to realize operational efficiencies in the near and long term.

The decisions were informed by the continuing campus dialogues that engage the question: what can we do to make LCC better for its students, employees and stakeholders? And how can we further leverage our institutional strengths in preparation for the challenges looming on the horizon? Information gathered from campus initiatives such as Envision One LCC and the Program Review process helped inform this decision.

Health and Human Services

This instructional division prepares many health careers workers, childcare workers, and human services workers for higher education or their careers. Its programs are diverse and aligned with national standards. In cooperation with community partners, HHS is committed to offering the best hands-on educational experiences, using clinical, practicum, and skills labs to educate students with real-time teaching and learning methods. The division incorporates the following instructional departments:

- Allied Health and Human Services Department offers courses in:
 - Child Development
 - Dental Hygiene
 - Human Services
 - Radiologic Technology
 - Sonography
 - Surgical Technology
 - Therapeutic Massage
- Nursing and Community Health Careers Department offers courses in:
 - Traditional and Non-traditional Career Ladder Nursing
 - Emergency Medical Services
 - Community Health Service Education
- Physical Fitness and Wellness offers courses in :
 - Aquatics
 - Fitness
 - Health and Wellness
 - Individual and Team Sports

- Kinesiology
- Weight Training

Technical Careers

The mission of the Technical Careers Division is to provide state-of-the-art education and training programs in technology. These programs provide individuals the opportunity to access and develop the knowledge and skills essential for transition to employment, and the opportunity for life-long training and retraining in a constantly changing job market.

Realignment for this division eliminated Department Chairs, using a Program Manager model for the six programs now included in the division:

- Applied Manufacturing and Engineering Technologies
 - Manufacturing and Engineering (MET) Design, MET Machining and Welding are programs in this department
- Computer Information Technology
 - The department includes Office Administration, as well as Computer Information Technology (applications, database, networking, web design and programming)
- Design and Construction Technology
 - Courses in Architectural Technology Alternative Energy Engineering Technology, Civil Technology, Fashion, Geographic Information Systems (GIS), and Residential Building are included in the department
- Public Service Careers
 - This department educates many of society's dedicated servants, such as law enforcement and corrections workers, and fire fighters
- Transportation Maintenance Technology
 - The department includes automotive technology and collision repair, aviation flight maintenance and heavy equipment maintenance
- Utility and Energy Systems
 - Heating Ventilating and Air Conditioning Technology as well as Electrical Technology are taught in this department

The program offerings in each of these programs provide instruction that gives students the specialized skills to secure employment in highly technical occupations.

Arts and Sciences

The Arts & Sciences Division offers courses and programs in the arts and sciences based on traditional and contemporary values, in a climate that fosters respect for learning. These offerings impart knowledge and physical and mental skills which enable students to enrich their intellectual, professional and personal lives. The Arts and Sciences Division's goal is to equip students to compete successfully mentally, physically and emotionally in junior and senior level courses at other colleges and universities.

The Arts & Sciences Division prepares students to transfer to various four-year colleges and universities throughout Michigan. Many of the courses are also accepted as transfer credits throughout the United States. The Division is organized into the following departments:

- Business and Economics
 - Accounting, Economics, Hospitality, Travel and Tourism, Management and Marketing are offered in this department
- Center for Transitional Learning
 - The creation of this department was an action project for FY2011, created during the realignment to better focus efforts leading to student success for developmental learners who are not yet at a college-ready level and students for whom English is a second language. Included in this department are courses in Developmental Writing, English for Speakers of Other Languages, Reading, and Student Development
- Communication, Media and the Arts
 - Art History, Art, Design and Multimedia; Digital Media, Audio and Cinema; Foreign Language, , Music, Photographic Imaging Technologies, Speech/Communication, Stage Technology, Sign Language and Theatre are programs in this department
- English
 - English and Writing are offered in this department. Through the study of literature, whether written in English or translated into English from another language, the department strives to help our students develop an appreciation and understanding of literature's personal, cultural, and historical significance and learn how to understand and analyze its meaning
- Mathematics and Computer Science
 - The department offers a variety of courses in the areas of mathematics, including developmental math, computer science and statistics
- Science
 - This department offers a wide range of courses in the natural sciences for degree completion, transfer to 4-year institutions and personal interest. Biology, Chemistry, Geography and Physical Science programs are in this department
- Social Science and Humanities
 - History, Humanities, Religion, Philosophy, Political Science, Psychology, Sociology/Anthropology and Education Preparation are the programs offered in this department

LANSING COMMUNITY COLLEGE

Non-Academic Divisions

Executive Offices

The Executive Offices include the offices of the President, the Provost, and the Vice President for Finance, Administration and Advancement, as well as the Strategic Initiatives departments. This area exercises executive direction and control over all aspects of the College's activities and operations within policies approved by the Board of Trustees. The President provides leadership, direction, and guidance for the senior administrators; provides administrative focus for the academic programs, student development, community services, and business services of the College; and coordinates strategic planning for the College as a whole.

Advancement and External Affairs

The Advancement and External Affairs Division brings together units responsible for influencing public policy and opinion, strengthening the college's reputation and cultivating key relationships critical to the College for the present and future. It endeavors to establish comprehensive programming to expand and sustain the community's trust in the institution and continue to build a positive relationship between the College and the general public. The major functions units included are listed below. The major functions are:

- School and Community Relations
- Marketing, Public Relations, Broadcasting
- LCC Foundation Office
- Government Relations and Grants

Financial Services

The Financial Services Division handles all the business functions of the College, namely:

- Accounting
- Financial Planning Analysis and Reporting
- Payroll
- Purchasing
- Student Finance

Human Resources

The Human Resources division services the human resource needs of the more than 2,600 employees of Lansing Community College. The goal of the Human Resources Division is to attract, hire, develop and retain the very best talent possible for Lansing Community College. The division works as an integrated team to provide comprehensive, consistent Human Resources services covering all the following areas:

- Compensation and Benefits
- Diversity
- Hiring and Orientation

- Labor Relations
- Performance Management
- Professional Development and Training
- Wellness
- Workforce Planning

Administrative Services

The Administrative Services Division spearheads the implementation of the Facilities Master Plan of the College, and includes several other departments, namely:

- Auxiliary Services
- Fleet Management
- Materials Management
- Physical Plant Operations
- Public Safety Department

Information Technology Services (ITS)

Information Technology Services (ITS) is a division of four departments working together to provide and sustain dependable, accessible, and responsive computing services to the LCC community.

The ITS departments are:

- Enterprise Systems
 - This department is responsible for applications that support the College's administrative operations and management information systems
- Personal Computing, Network, and Telecommunication Services
 - This department provides technical support for those services
- College Technical Support
 - This department is responsible for managing the computer systems
- Instructional and Technology Support Services
 - This area provides the first line of assistance with the Help Desk and all computer lab services to students, faculty and staff

Risk Management and Legal Analysis

Risk Management and Legal Analysis is responsible for managing the financial, physical, and reputational risks of the College. It is also responsible for managing the legal affairs of the college, review in the College's contracts and applications for grants and acting as a liaison between the College's administrators and legal firms. It is a resource for faculty and staff of the College in matters that involve potential liabilities and legal questions.

STRATEGIC PLANNING

LANSING COMMUNITY COLLEGE

Strategic Planning

Background

In 2000, the Lansing Community College's (LCC) Board of Trustees unanimously adopted the College's first strategic plan, which described the College's vision, mission, motto, guiding principles, goals, areas of priority need, and strategic initiatives designed to assure LCC's continued success in serving the learning needs of a changing community. The plan had a seven-year horizon and included a process for periodic renewals. The Board updated the plan in 2003, and engaged in a renewal process in 2005.

The key steps in LCC's strategic planning and renewal process involve:

- obtaining input from LCC's stakeholders, including faculty, staff, students, local employees, four-year institution partners, and community leaders, through surveys, planning workshops, and open forums;
- conducting research and analysis on topics that are relevant to the well-being and improvement of the entire College and/or major divisions within it;
- analyzing financial factors, such as five-year revenue/cost projections; and
- reviewing the College's quality improvement performance. Quality will be the fabric of how Lansing Community College achieves its mission.

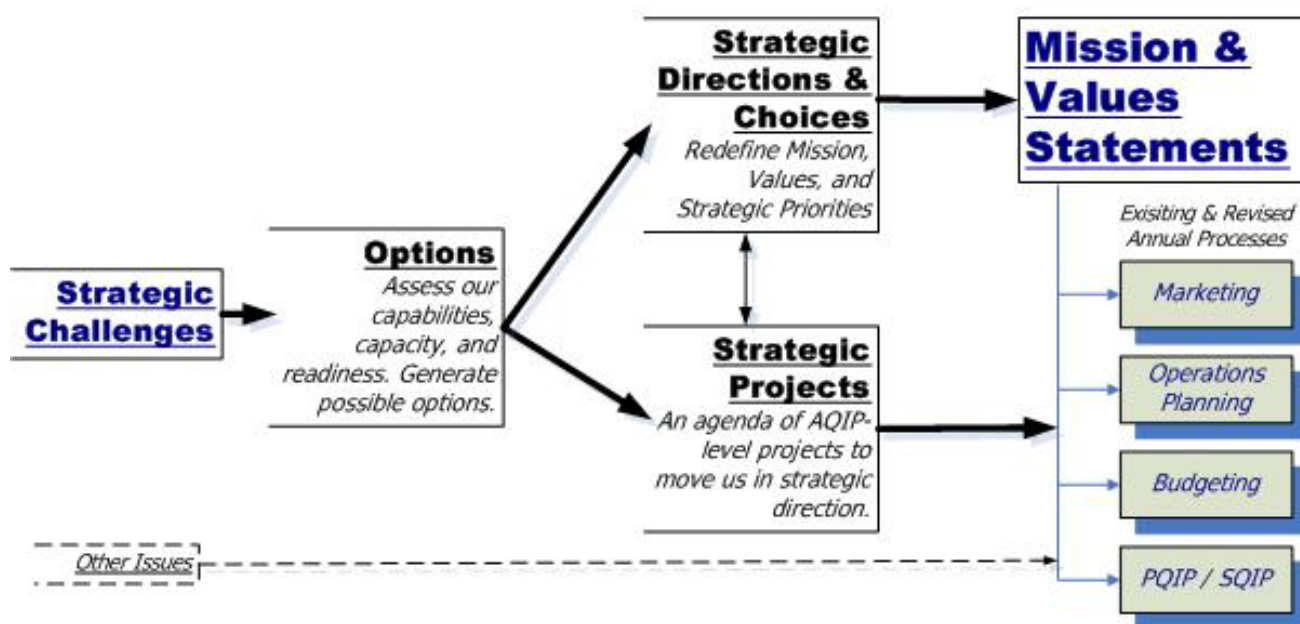
In 2005, over 3,000 stakeholders provided input on the College's existing strategic plan. Additional research and analysis was conducted on LCC's competitive position; the impact of state and federal government policies and proposals, including trends in state funding; 21st Century job skills; student demographic trends and characteristics; priority community needs; the College's quality improvement process, and a number of other areas identified as integral to the College's future success. This qualitative and quantitative information was used to develop the 2006-11 Strategic Plan. At the direction of the President, members of the campus community participated in a strategic goal and objective setting initiative. This Strategic Planning Group created five Strategic Goals for the College and aligned them with 2006-2011 Strategic Plan, its Strategic Drivers, Areas of Priority Need and Strategic Initiatives.

The college's Strategic Plan is currently under review, beginning the process to update it by identifying Strategic Challenges. Since March, 2012, a section of the LCC website has been devoted to strategy. The website offers Strategic Challenge Briefings and a mechanism for conversations about key questions:

- What do you need from LCC?
- What kinds of education or training do you think LCC should provide?
- How do you think LCC should serve the community?
- What do you believe to be the challenges facing higher education?

From mid-March to Early April, 2012, a series of 10 public forums were held to create awareness and facilitate conversations on strategic topics, exploring the changing environment and its implications for LCC.

In the next steps, five or six critical challenges that demand significant change and/or choice will be identified from the briefings and conversations. The challenges will set the stage and provide the input for creative strategies and integrated planning processes. While more specifics will be forthcoming on Strategic Planning Processes after the Strategic Challenges LCC will address are identified, the diagram below displays the process in broad terms:



LCC Strategic Planning Project Diagram

By focusing on identifying and fully understanding Strategic Challenges before creating and evaluating solutions, and by involving the entire constituency up front in the conversations about our challenges, LCC expects to expand our knowledge base and lay the foundation for acceptance and ownership of the strategies we develop.

Achieving the Dream

LCC has been chosen, along with 26 other community colleges nationwide, to participate in the national Achieving the Dream (ATD) initiative. Sponsored by the Lumina Foundation for Education with support from the Kresge Foundation, W. K. Kellogg Foundation and a host of others, ATD assists in identifying challenges that prevent students from succeeding and in making changes in policies, programs and services. Colleges participating in ATD agree to engage faculty, staff and administrators

in a process of using data to identify gaps in student achievement and to implement and improve strategies for closing those gaps. ATD also provides a forum to share promising practices and develop common performance measures that enable benchmarking of state and institutional performance. In accordance with the commitment to provide expert coaching to participating colleges, representatives conduct an annual site visit. For more on ATD performance measures, see pages 29-31.

Program Review

LCC has historically conducted a program review annually. For decades, LCC continued to add new courses and programs while rarely shrinking or eliminating others. Colleges can no longer strive to be all things to all people; rather, they must focus resources on the mission and program excellence in order to assist people find viable work in a rapidly changing economy. In the cases where competitors can offer the same instruction for less, the best investment for taxpayers is to phase out those programs. In December, 2009, the College presented to the Board of Trustees a framework for Program Analysis to provide foundational information about each academic program so that decision-making would be based on sound criteria. Involvement in the national Achieving the Dream (see above) assisted in developing a systematic review process supporting evidence-driven institutional improvement whereby all academic programs are reviewed and rank ordered into quartiles based on a range of factors, including a review of enrollment trends, program offerings, the strategic vision of the Deans' Council and the number of certificates and degrees awarded in those programs. Also weighed is the level of college subsidies needed to support programs; job opportunities and wages for graduates in various disciplines; and in some cases, the need for future capital investments. The programs in the lowest quartile are further analyzed with potential options and outcomes below:

- Maintain – Keep current courses and curricula without significant change
- Shrink and/or simplify - Discontinue some courses or curricula while keeping others
- Grow – Expand the number of offerings into new areas that the college currently does not offer
- Hibernate – Cease offering current curriculum. If curriculum is not offered within three years, then discontinue
- Partner – Partner with other educational institutions to deliver some or all of the content
- Eliminate – Curricula will be discontinued. In some cases, a small amount of content may be merged into a new program
- Restructure – Change the way content is delivered or change actual content
- Merge – Combine with one or more other programs. All Course and curricula may or may not be a part of the new merged program

Traditional approaches, like across-the-board cuts, tend to promote mediocrity for all programs. While challenging economic times are a concern for everyone, many programs – such as nursing, dental hygiene and fire science academy – are costly programs to offer, but fill a critical public need and graduates in these fields earn high wages. After more than a year of reviewing LCC courses and programs to better align the College with pathways to student success, \$771,000 in program savings were incorporated into the FY12 budget. For FY13, some course fees were altered based on Program Review recommendations.

Performance Measures

A key component of strategic planning involves measuring results, evaluating and adjusting strategy. The College focuses on results through performance-based planning; program review; Annual Results Inventories (ARIs) on Access, Financial Responsibility, and Student Learning Outcomes and Stakeholder Satisfaction; the Academic Quality Improvement Program (AQIP) process, and Strategic Management System.

The discussion regarding student success, retention and completion and pertinent performance measures for community colleges has received much attention lately at both federal and state levels. At the federal level, Achieving the Dream and the Lumina Foundation are working to leverage policy areas that support data-driven performance measurement and accountability systems, using robust common measures that enable benchmarking of both state and institutional performances. A concurrent focus is cross-system alignment of expectations, standards and assessments among K-12, community colleges and four-year institutions.

At the state level, Michigan government's commitment was demonstrated by the creation of a Performance Indicators Task Force in 2011. The task force was charged with assisting the state in developing and implementing a formula model that includes three indicator categories and a number of metrics to verify the indicators. This task force provided that it is the intent of the legislature that performance measures be reviewed and more fully implemented for distribution of State funding in future years and that the performance indicators task force review and implement one or more measurable data items for the local strategic value indicator and review and implement one or more measurable data items for an administrative cost formula component, from which appropriation levels are determined. The Michigan Community College Business Officers Association led discussion among the 28 community colleges to agree upon and recommend to the state performance measures that are reasonable, robust and identify gaps related to student success.

For FY13, the state implemented a new community college allocation formula element that includes a performance based allocation using the average number of completions of associate degrees and certificates below baccalaureate in critical skills areas (includes science, technology, engineering, mathematics and health fields). The average was

calculated from the last 3 complete years – FY2009, FY2010 and FY2011. Additionally, the FY13 State budget language requires community colleges to participate in reporting P-20 longitudinal data to the state system. For more information on FY13 state allocation formula see *State Appropriations* pages 46-47 and *Impact on FY13 Budget* pages 50-51; 54-55.

Lansing Community College is engaged in ongoing efforts to evaluate our success data and, through a continuous improvement model grounded in the AQIP/Higher Learning Commission criteria, to implement both process and curricular changes that will improve the student experience. In May of 2012, The Board of Trustees added a monthly agenda item to update them on important student success metrics.

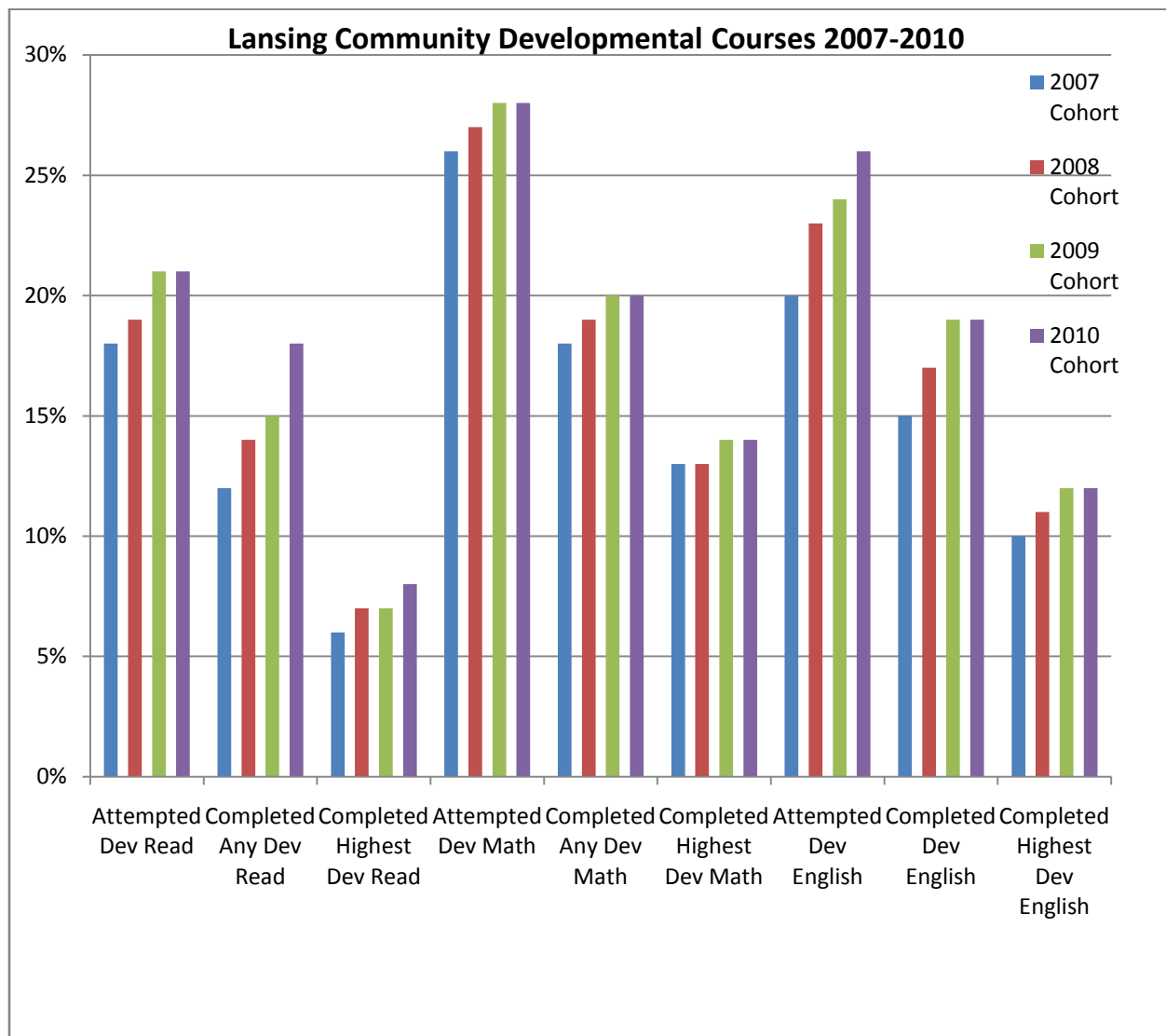
Achieving the Dream Performance Measures

Achieving the Dream colleges use cohort analysis to answer the five key questions related to the initiative's five main student success performance measures for cohorts of entering students - outcomes in developmental courses, outcomes in gatekeeper courses, persistence, and graduation. These datapoints allow institutions to see the pattern of student progression for particular groups of students. The ATD cohort is limited to degree and certificate-seeking students who are new to the College in the Fall semester, a fairly small group. In Fall of 2010, only 21% of LCC's enrollment fit the criteria to be in the ATD cohort. All four cohorts from 2007 through 2010 are comprised of a total of slightly over 16,580 students:

| | |
|---------------|----------------|
| 2007 Cohort - | 3,526 students |
| 2008 Cohort - | 3,825 students |
| 2009 Cohort - | 4,527 students |
| 2010 Cohort - | 4,044 students |

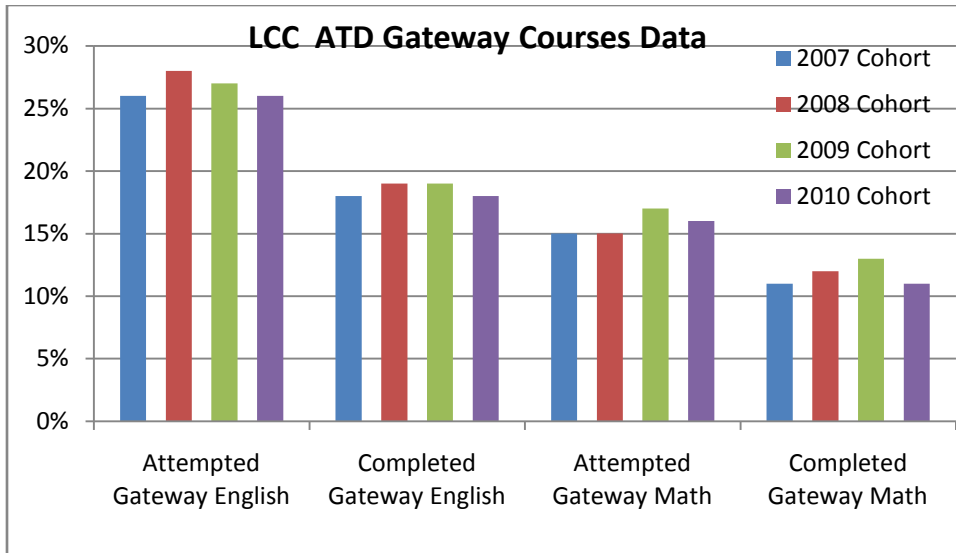
Data on the five main performance measures is shown below:

- Developmental education - ATD looks at three key measures of developmental coursework, students who completed any developmental coursework (including multiple levels below college-ready) and, ultimately, the number of students who completed the highest developmental course-one level below college-ready (see chart below).

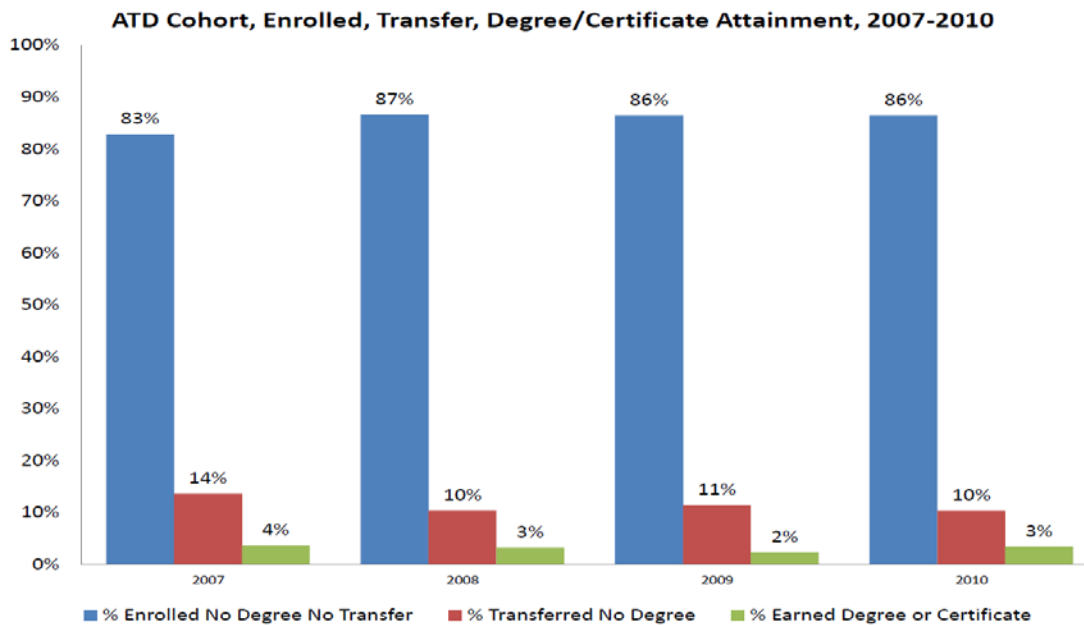


In each successive cohort, the number of first-time degree or certificate-seeking students has required the same or increasing levels of remediation, with fundamentally consistent levels of success in completing the highest level of remediation

- Gateway courses – the number of students who attempt and complete a gateway English or Math course (see chart below)



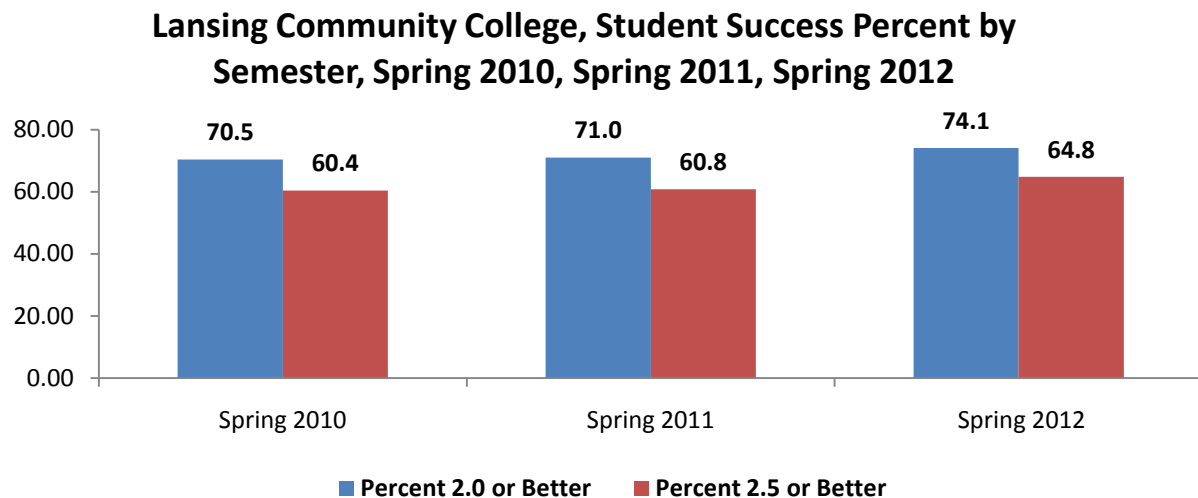
- Cohort enrollment, transfer and degree/certificate attainment – percentage of students who are still enrolled and have not transferred or earned a credential, students who transferred without a credential and students who earned a credential. LCC's data by cohort in this category is shown below:



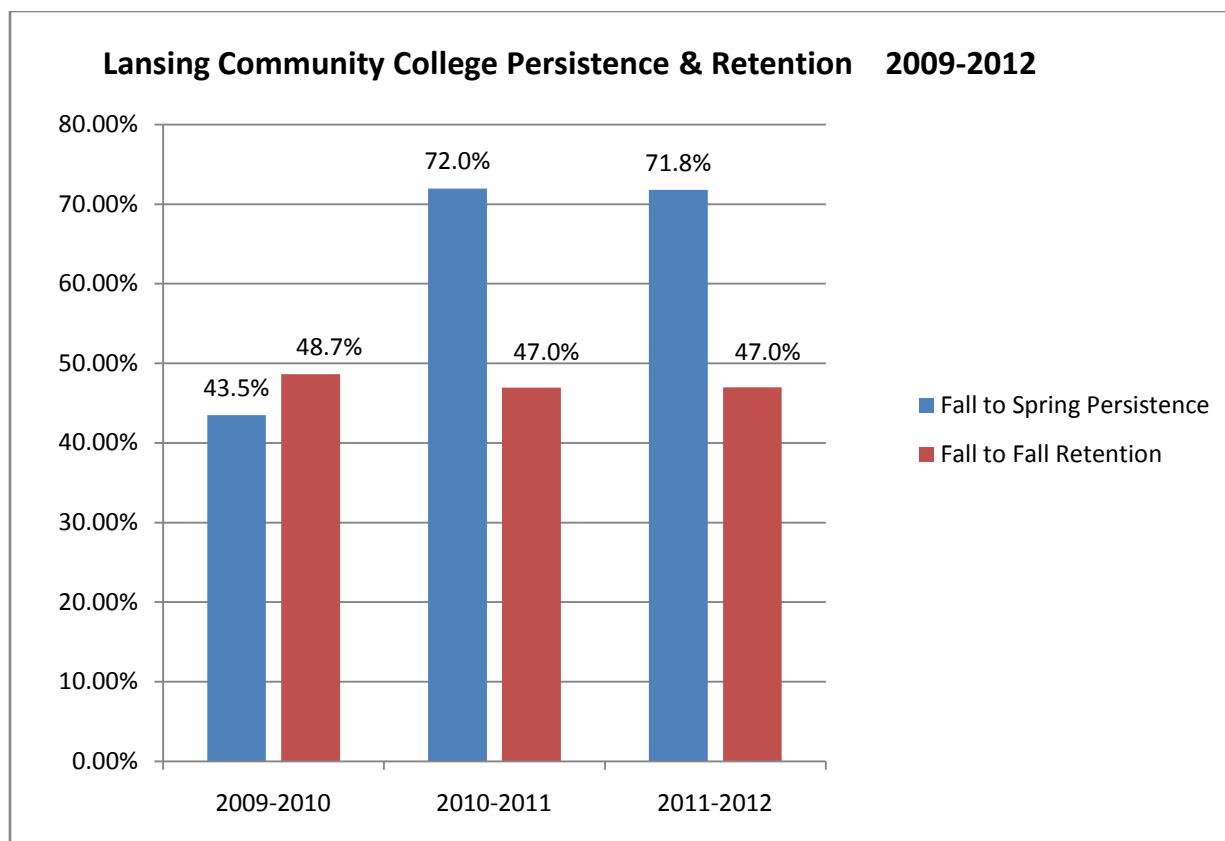
Since the data is cumulative, the highest percentage of transfers is in the 2007 cohort, given that they have had the most time to complete or transfer, and 83% are still enrolled at LCC.

LCC Dashboard

LCC's Institutional Dashboard differs from Achieving the Dream in that it reports datapoints on all credit students. One of the ways that Lansing Community College defines student success is through the definitions provided by ATD, which defines success in any course as a grade of 2.0 or better. The graphic below illustrates, the College's steadily growing percentage of students achieving either a 2.0 or better in each course or a 2.5 or better.

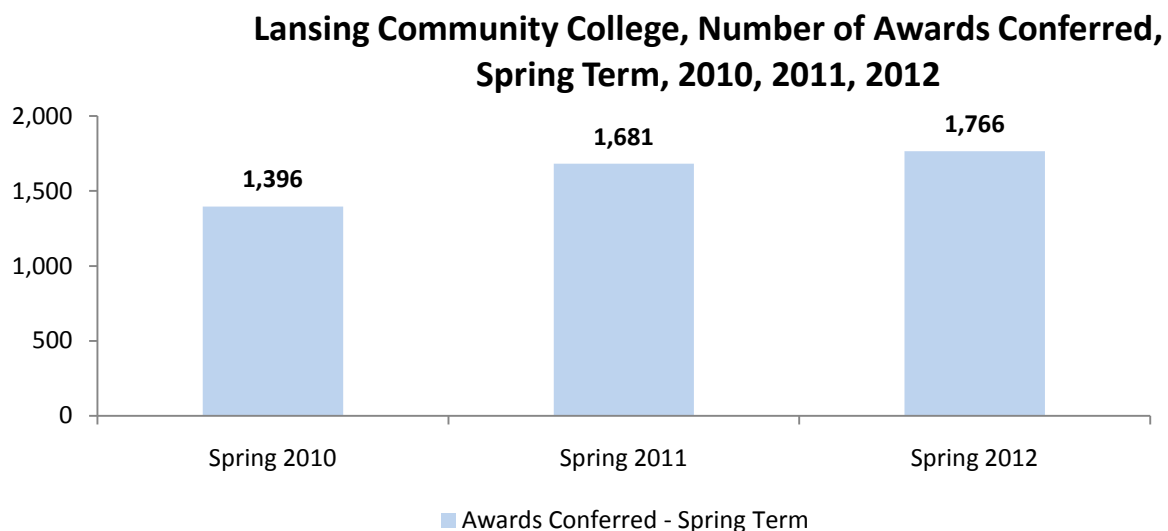


Persistence (students enrolling Fall term and returning the subsequent Spring) and retention (Students enrolling Fall term of one academic year, then returning the next Fall) are important measures for LCC. Data on credit-seeking students for 2009 -2012 is shown below:



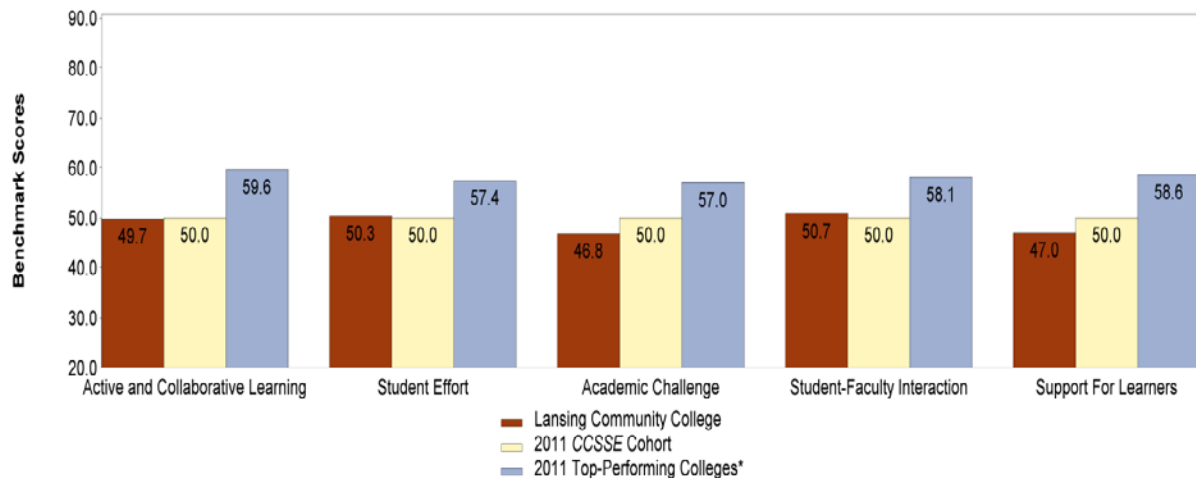
Persistence has decreased less than one percent over the last three Spring semesters, however, this slight decrease in retention has been offset by a substantial increase in the number of awards conferred, 26.5% over the past three Spring semesters. This can be linked to mandatory orientation, the increasing number of Educational Development Plans, and strategic advising.

Similar to the ATD dashboard, the LCC dashboard measures the percentage of students in at least one developmental course, number of awards (degree and certificate) and successful completion or transfer of a six-year cohort (2002-2004). Results as of February, 2012 show a small increase in the students needing developmental courses in FY12, but a 7.3% increase in successful completion in FY11, despite the same level of need for developmental instruction and an increase each year in the number of awards conferred. See Graphs below:

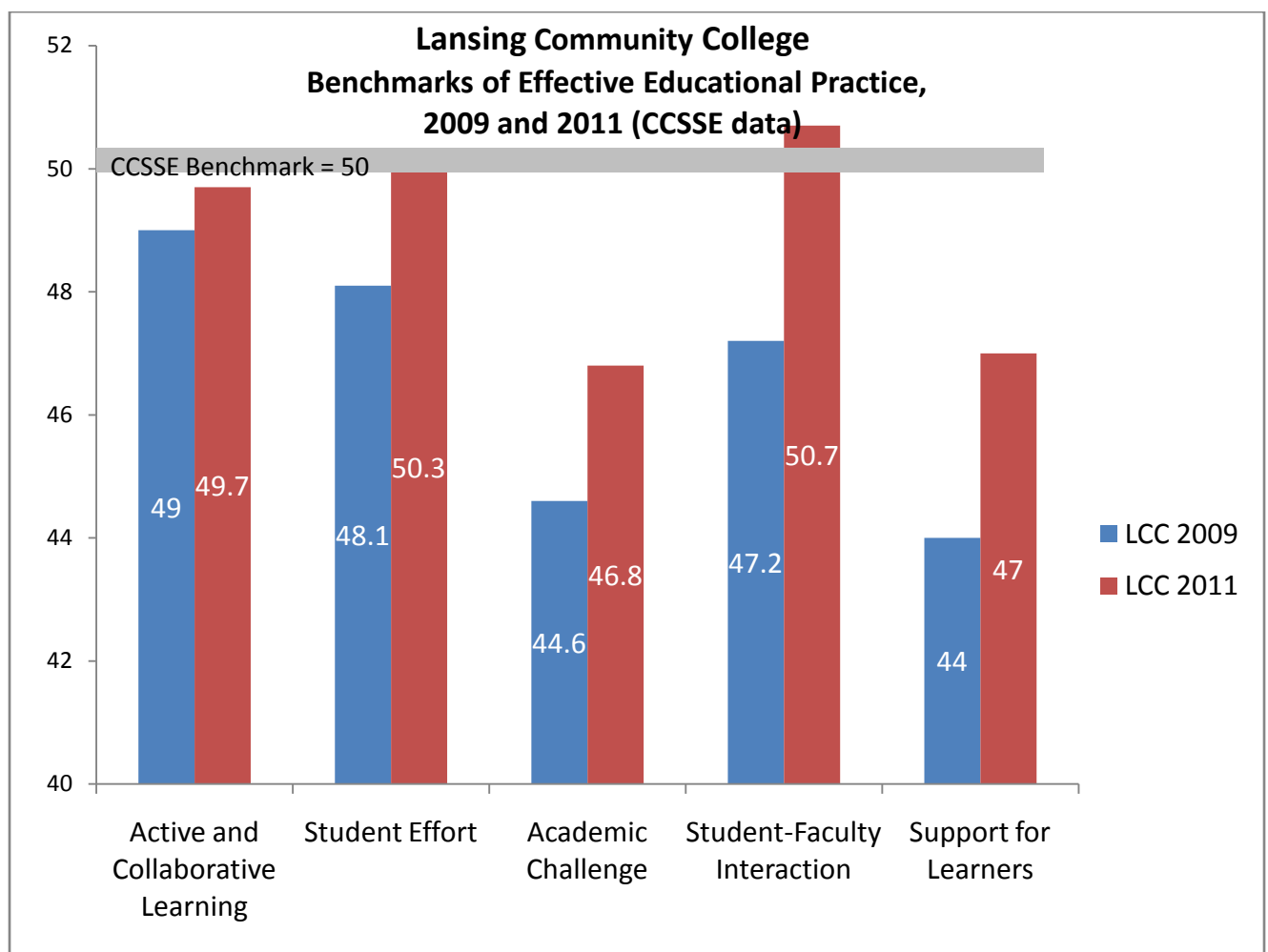


Lansing Community College Survey of Student Engagement

LCC uses student surveys as another method of measuring performance. The chart below shows the 2011 (most recent available) data for Lansing Community College on five benchmarks that are weighted aggregates of several questions on the survey, compared with a cohort and Top-Performing colleges nation-wide from the Community College Survey of Student Engagement (CCSSE):



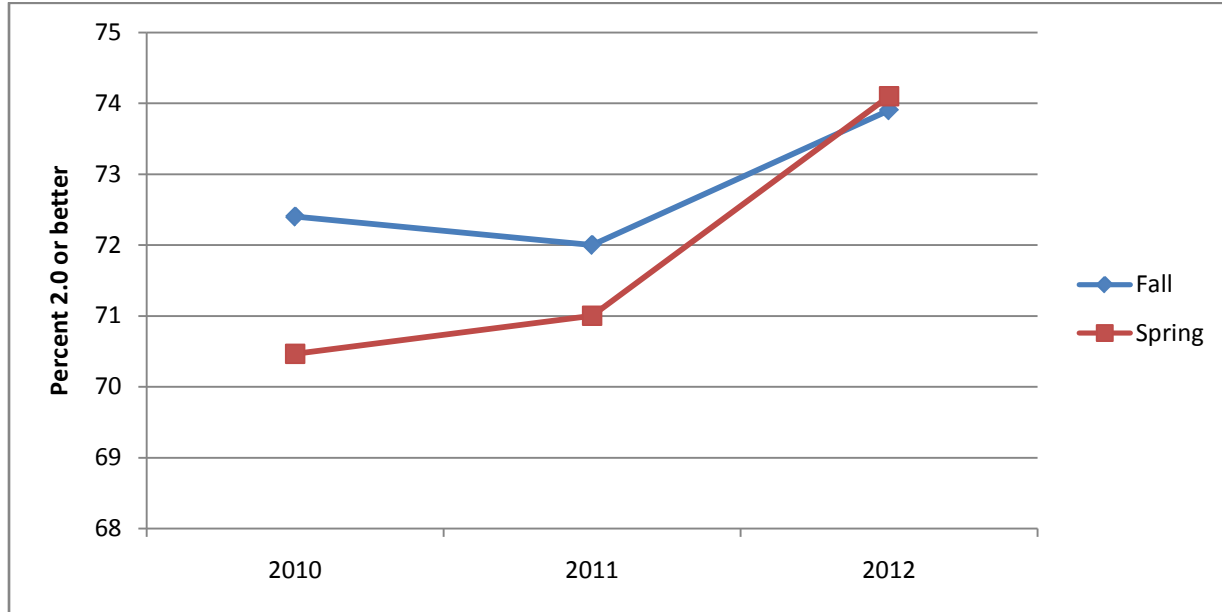
The CCSSE was administered in 669 institutions to over 443,800 students, in random credit courses by time of day. All benchmarks are normed to a mean of 50.0 LCC's improvement from 2009 to 2011 in each of the five Benchmarks is displayed below:



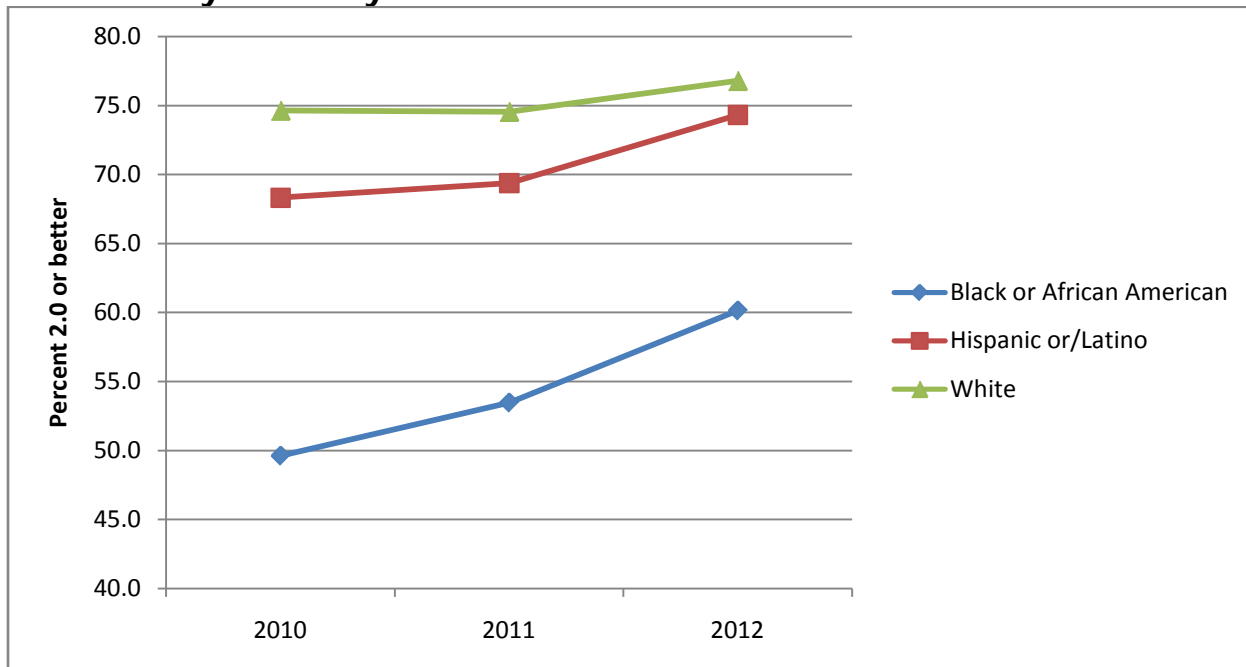
Lansing Community College Course Success 2010-2012

The following set of graphs displays course success, defined as a 2.0 or better in the course. It is important to look at population segments to see where efforts may need to be focused in order to improve student success. LCC is proud to report that there are marked improvements in course success across all the categories.

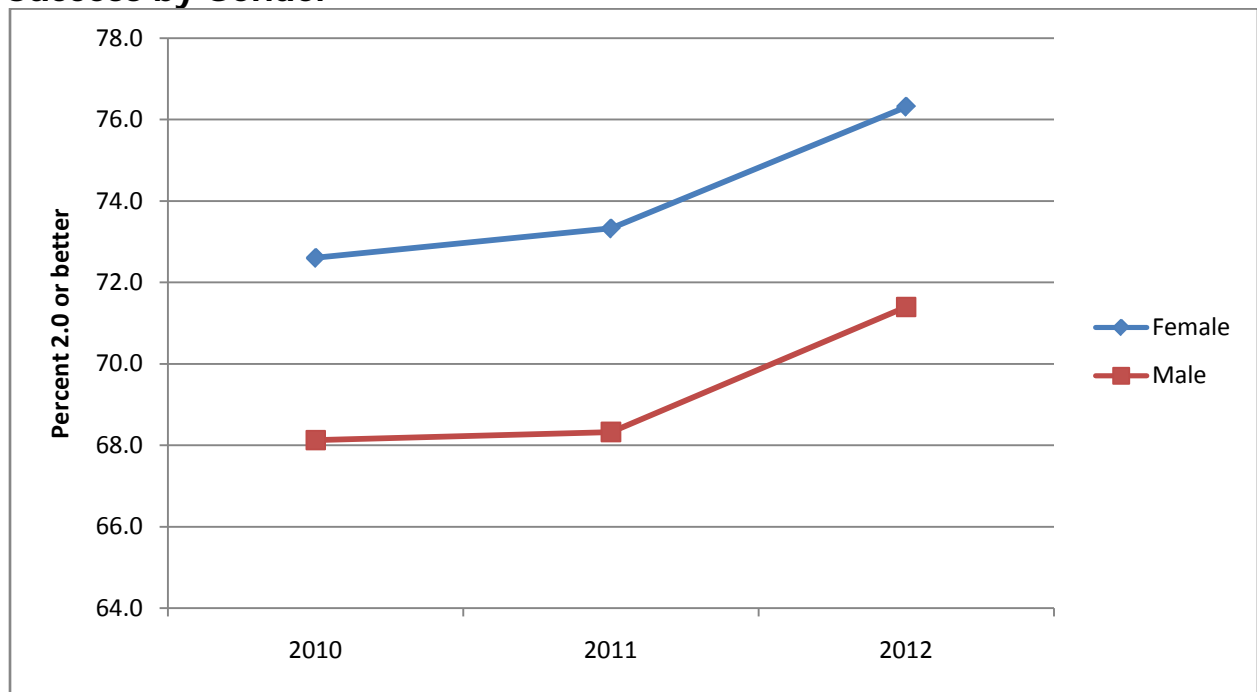
Overall Success



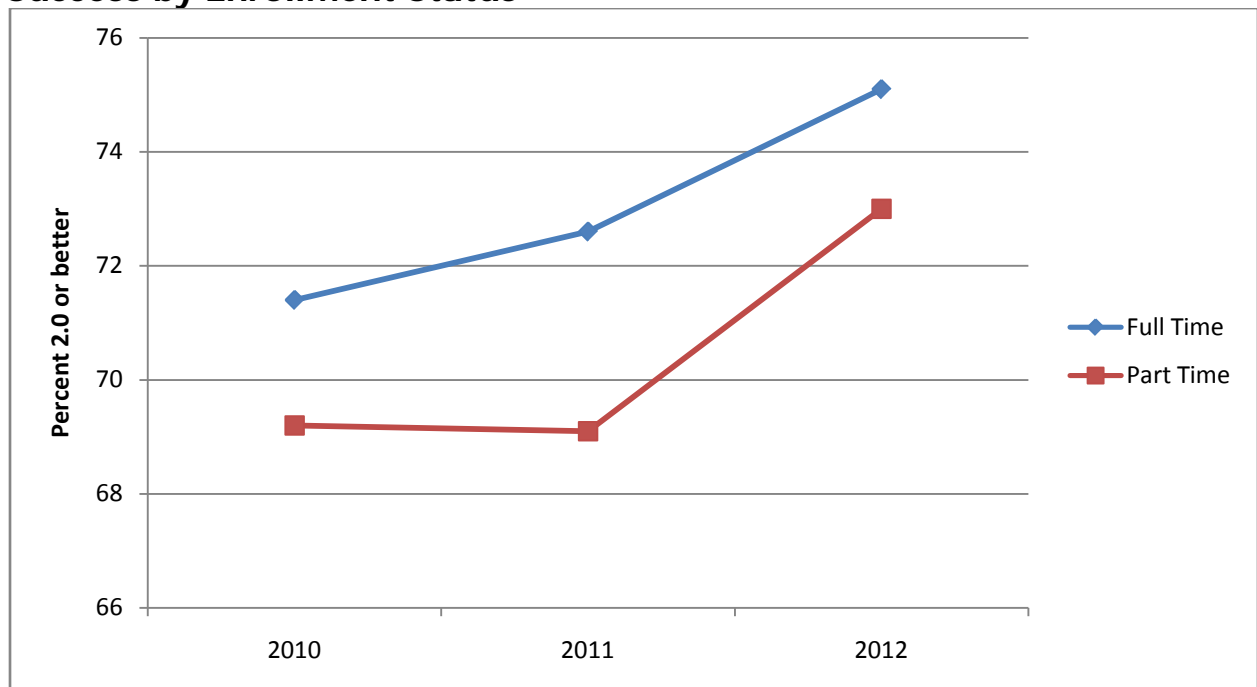
Success by Ethnicity



Success by Gender



Success by Enrollment Status



Strategic Goals

Strategic Planning at Lansing Community College is centered upon continuous quality improvement. The Higher Learning Commission established the Academic Quality Improvement Program (AQIP) as an alternative method to maintain accreditation. AQIP allows an organization to demonstrate that it meets the Higher Learning Commission's Criteria for Accreditation through processes that align with the ongoing activities that characterize organizations striving continuously to improve their performance. The culture of continuous quality improvement at LCC is derived from the following categories established by the Academic Quality Improvement Program (AQIP) through which LCC maintains accreditation:

- Helping Students Learn: LCC will create a learner-centered environment where the entire college focuses on student success;
- Understanding Students' and Other Stakeholders' Needs: LCC will work actively to understand student and other stakeholder needs;
- Valuing People: LCC will commit to the development of faculty, staff, and administrators, since the efforts of all are required for success;
- Leading and Communicating: LCC will build and sustain a learning environment where leadership and communication structures, networks and processes guide us in setting directions, making decisions and seeking future opportunities;
- Supporting Institutional Operations: LCC will support processes that help provide an environment where learning can thrive;
- Measuring Effectiveness: LCC will collect, analyze and use information to manage and drive performance improvement;
- Planning Continuous Improvement: LCC will align planning processes, strategies and action plans that help achieve its mission and vision;
- Building Collaborative Relationships: LCC will build collaborative partnerships and analyze how they contribute to accomplishing our mission.

This culture of quality provides an overarching framework for addressing the College's following strategic planning goals:

Student Success

Lansing Community College will promote student success by providing the programs and services that enable students to meet their educational and career goals.

Objectives:

1. Promote student ownership of their learning
2. Improve student pass rates at course-level
3. Improve student retention rates at course level
4. Align curricula and courses with external standards and/or professional practices
5. Facilitate entry and exit pathways to, from and between programs
6. Broaden integration of globalization and diversity in instruction and services

Community

Lansing Community College will contribute to the economic vitality and quality of life of the region and state.

Objectives:

1. Respond rapidly to existing and changing needs of our workforce/economic development market
2. Expand efforts to partner with the business, education, and community partners in order to lead educational workforce initiatives
3. Increase public awareness of LCC's provision of a wide spectrum of higher education, workforce training, and career development programming
4. Strengthen efforts to develop a culture that embraces arts, diversity and wellness
5. Enhance employer satisfaction with LCC educated students

Accessibility

Lansing Community College will be accessible to students and other stakeholders.

Objectives:

1. Provide affordable educational opportunities
2. Provide efficient, accurate, and consistent service through well-defined and well-communicated processes
3. Provide a seamless transition from K-12 through four-year colleges and/or the work place
4. Effectively communicate college services and programs to internal and external stakeholders
5. Maximize financial aid and scholarship opportunities
6. Provide user-friendly online courses, resources, and services
7. Ensure that campus and learning center environments are accessible

Employees

Lansing Community College values employees as its greatest resource, and strives to be an employer of choice.

Objectives: Develop a strategic human resource plan that will address the following:

1. Recruiting, hiring, retaining, and succession planning that are open, equitable and efficient for all candidates/employees to ensure quality and best fit
2. Providing employee orientation, training/mentoring and professional development opportunities for all employees
3. Collaborating to build and sustain strong and effective labor/management relations
4. Establishing processes for evaluating and developing appropriate staffing ratios
5. Establishing competitive compensation and benefits
6. Attaining and maintaining employee job satisfaction
7. Providing a culture of wellness through a healthy, safe and respectful work environment
8. Developing and maintaining an effective Employee Recognition program

Fiscal Responsibility

Lansing Community College will operate as a fiscally responsible institution.

Objectives:

1. Diversify revenue generating efforts and strategies
2. Design and implement a process to plan and measure long-term fiscal outcomes
3. Achieve and maintain a fund balance that is 10% of the institutional operating budget

AQIP GOALS

AQIP requires that participating organizations have three Action Projects underway at all times and to share information about them. For Academic Year 2012 (August 20, 2011 – August 20, 2012) the AQIP Action Projects are:

1. Program Quality Improvement Process (PQIP) implementation

Goals:

- Improve student success, retention and graduation through broad faculty engagement
- Use the new Data Dashboard to analyze student metrics
- Develop improvement goals and process improvement
- Focus on course metrics and possible reasons for the prevalence of withdrawal and 0.0 grades

2. Student Services Process Redesign

Goals:

- Develop, design and implement a service delivery model using space redesign, staffing and technology to provide well coordinated and integrated academic and student services
- Align the right student support for the right customers using the right tools. Improve student success, retention and graduation through broad faculty engagement

3. Strategic Challenges

Goals:

- Research and analyze the changing environment, trends, needs, and situation. Through discussion, focus on the 4-6 most critical strategic challenges facing the college in coming years
- Communicate the analysis and research to the Board, administration, faculty, staff and larger community to achieve a common understanding of the nature of our challenges and the need for change and innovation

These projects cycle with the academic year and are scheduled to be complete by Fall, 2012. FY13 contains a budget allocation for AQIP projects that will be chosen by a cross-functional team in the new academic year.

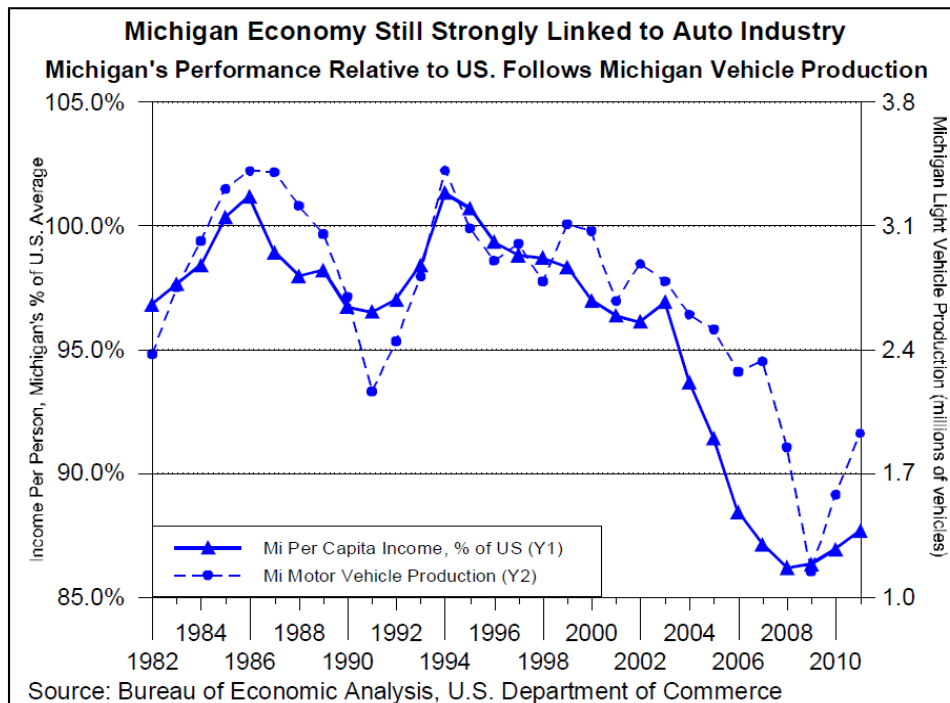
THE BUDGET AND PLANNING CONTEXT

LANSING COMMUNITY COLLEGE THE BUDGET AND STRATEGIC PLANNING CONTEXT

There are several external factors which significantly impact the financial planning of Lansing Community College and its overall strategic planning. These factors range from changes in the economic environment within which the College is located and operates (local, state and national), to rising retirement costs, to changes in student demographics and occupational choices and trends. Given the College's location, the first factor – the economic environment – has taken a far greater significance in recent years. This environment provides a very challenging context for the College's budget and overall strategic planning, affecting the revenues from public sources and the ability to increase tax revenues and tuition.

RECENT MICHIGAN ECONOMIC HIGHLIGHTS

Michigan's economy has spent the 2000-2010 period in recession, largely driven by the same fundamental restructuring that affected manufacturing globally. Manufacturing has experienced a significant surge in productivity, driven by competition in the economy. For Michigan, the effect of productivity improvements has been substantial, particularly given that there was more room for improvement in the durable goods and motor vehicle manufacturing sectors to be implemented than in many other sectors, that Michigan was and remains very disproportionately concentrated in motor vehicle manufacturing (see chart below), and that the motor vehicle industries have become one of the most competitive sectors of the economy. Those factors have been complicated for Michigan as General Motors, Ford, and Chrysler lost market share over the last decade, leaving Michigan to lose employment from both productivity and reduced demand. The impact on the Michigan economy was exacerbated by the rapid and drastic decline in automobile sales in late 2008 and during 2009, reflecting national collapses in sectors such as construction, real estate, and finance.



However, the drag from the manufacturing sector on Michigan's economy appears to have bottomed out and the recovery in vehicle sales nationally has helped Michigan's economic situation. Manufacturing employment in Michigan rose by 88,000 jobs (20.0%) between June 2009, when the U.S. recession ended, and March 2012. Employment in the transportation equipment manufacturing sector increased by 32.3% over that period, accounting for 36,300 of the manufacturing jobs Michigan gained. Michigan employment declined for 12 consecutive months between July 2008 and June 2009, but has risen in 18 of the last 24 months. The unemployment rate declined from a high of 14.1% in August and September of 2009 to 10.3% in March 2011, although a portion of that decline represents the departure of individuals from the labor force.

While over the last 10 years Michigan's employment situation has fared worse than the national average, and, in some cases or time periods within that range, worse than any other state, Michigan's performance is not particularly inconsistent with other states when Michigan's economic composition is considered. Generally, states with higher manufacturing concentrations (particularly in the transportation equipment manufacturing sector) have experienced weaker job performance over the last 10 years, both because of the economic changes occurring in that sector and because of the dependence of other sectors within those states on manufacturing activity. As indicated earlier, productivity gains have made American manufacturing firms more profitable and more competitive, but have reduced the need for hiring additional employees to meet increased demand.

Weak markets for housing, credit and employment, coupled with high energy prices and substantial debt burdens, are expected to exert a dragging force on any increases in demand over the forecast period. Vehicle sales are expected to remain substantially below the levels experienced over the last two decades, although the Detroit 3 share of the sales mix is expected to remain fairly stable. Michigan's economic fortunes historically have been very closely linked with sales of domestically produced light vehicles. Despite the improvement forecasted in vehicle sales, and the renewed profitability of domestic automobile manufacturers, much of the additional demand can be met with existing employees, and low capital costs combined with meaningful productivity growth mean few incentives to increase hiring significantly. As a result, although as of June 2009, Michigan had lost more than two-thirds of the jobs (68.2%, a decline of approximately 241,300 jobs) in transportation equipment manufacturing that existed at the May 2000 peak, the majority of those jobs will never return and any gains in employment in the near future are likely to be muted. As identified in versions of this report prepared for earlier forecasts, even with something approximating normal employment growth in Michigan, it is unlikely that Michigan will reach the level of total employment reported in April 2000 (the pre-recession peak) again for decades.

Weak financial markets and declining housing prices over the last three years have induced consumers to rein in their spending. As a result, the saving rate has been significantly higher over the last 15 quarters. However, consumers will need to save at

a far higher rate than this to offset their losses in home equity and in the stock market. Limited income growth and high debt burdens will impede consumers in their ability to increase saving and/or significantly reduce debt.

During 2012, the U.S. economy is expected to expand at a slightly faster rate than during 2011, while the Michigan economy is expected to grow more slowly than during 2011. Michigan's economy is forecast to exhibit both income and employment growth during 2012, although the improvements will be modest. Employment gains over the forecast will be muted, particularly compared with prior recoveries, because while productivity growth is expected to be less than what was exhibited during the last decade, consumer demand is not likely to grow much more rapidly than productivity. Furthermore, business investment is expected to continue to focus on equipment and software, which generally replaces capital for labor. Continued weakness in the housing and financial markets, combined with weak employment growth, weak income growth, and slowdowns in overseas economies will temper the pace of the U.S. and Michigan recoveries during 2012 and 2013. Improved vehicle sales and stronger profitability in Michigan's vehicle sector will provide stability to the Michigan employment situation as the government sector contracts.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2011-12, FY2012-13, and FY2013-14
May 14, 2012 Senate Fiscal Agency, State of Michigan

CURRENT ECONOMIC ENVIRONMENT

In FY12, the Michigan economy will grow more slowly than in FY11, resulting in slower revenue growth. Inflation-adjusted personal income is projected to increase 0.2% in 2012 and 0.1% in 2013, after rising 1.9% in 2011. Wage and salary employment is predicted to continue growing, increasing 1.4% during 2012, 0.5% in 2013 and 0.6% in 2014. The 1.9% increase in wage and salary employment during 2011 was the first annual expansion since 2000. Michigan's unemployment rate is expected to fall from 8.9% in 2011 to 8.1% in 2012 and 7.6% in 2013.

Inflation is not anticipated to be a concern over the forecast period, despite the assumption of high energy prices and decline in the value of the dollar toward the end of the forecast period. Productivity, weak consumer demand, and substantial weakness in the labor market will help keep labor costs low, with unit labor costs expected to increase 1.7% in 2012, before rising only 0.4% in 2013. However, as with the U.S. unemployment rate, the declines will be dominated by the withdrawal of individuals from the labor force rather than substantial job gains.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2011-12, FY2012-13, and FY2013-14
May 14, 2012 Senate Fiscal Agency, State of Michigan

For each fiscal year 2011 and 2012, in-district tuition increased by \$3 per credit hour, after remaining the same for the three prior academic years. LCC's leadership has remained firm in their stance to keep tuition rates low, in accordance with the mission

to keep education affordable. With tuition and fees accounting for over 43% of the revenue mix and few viable options available to diversify revenue sources, the college finds itself at the intersection of increasing student demand, increasing costs, and decreasing revenue.

As the least expensive post-secondary education option in a community facing a difficult economic situation, LCC is well positioned to attract a diverse group of students. High potential targets include those who are looking for a less-expensive post-secondary education option, those who have recently lost their job and are looking to retool their skill set in order to be productive in what may potentially be a more service-oriented and higher-skill-based economy, and those looking to further their education in order to remain competitive in the job market. Additionally, as the price of four-year institutions continues to rise or remain temporarily steady and cost becomes a preeminent concern, LCC's value proposition to graduating high school students improves. This value is aided by the numerous transfer and articulation agreements LCC maintains with four-year institutions in the state of Michigan as well as the success of their own University Center.

Labor contracts for all but one of LCC's six labor unions expired June 30, 2010, the last day of FY10. On June 30, 2010, employees without current agreements experienced frozen wages. Administrators ratified a contractual agreement in October 24, 2011, expiring June 30, 2013. Faculty, all under one bargaining unit, ratified an agreement May 21, 2012, also expiring June 30, 2013. This contract will impact primarily FY13 and forward, due to the dates of the academic year. Two contractual units (full time and part time support representation) are presently without agreements and, therefore, have not realized wage increases since June, 2010.

Michigan's Revenue Forecast

Michigan continues to experience significant pressure on the state budget and property tax valuations. In fiscal year (FY) 2011-12 General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total \$20.0 billion, down 0.3% from FY2010-11, but \$208.1 million above the January 2012 consensus estimate. Reflecting tax changes enacted during 2011, General Fund/General Purpose revenue is expected to increase 3.1% from the FY2010-11 level to \$9.1 billion, while SAF revenue is projected to decline 3.101% to \$10.9 billion.

Weakness in the housing sector has driven State Education Tax revenue down since FY2006-07. Few housing starts and declining home values will continue to depress State Education Tax revenue in FY2011-12, with collections expected to fall 2.0% to \$1.8 billion. The housing market is expected to stabilize during FY2012-13, resulting in a 1.1% increase in State Education tax revenue.

Several tax policy changes are expected to alter revenue during FY2011-12, with the most significant impacts coming from modifications enacted in 2011 to the individual

income tax with the replacement of the Michigan Business Tax (MBT) with a Corporate Income Tax. Furthermore, despite the repeal of the MBT, several MBT credits enacted in earlier years will begin to reduce revenue during FY2011-12.

Legislation adopted in May 2011 made fundamental alterations to the Michigan individual income tax. The changes included postponing or eliminating scheduled rate reductions, expanding the tax base by eliminating many deductions and exemptions, and repealing or reducing a large number of credits. The combined effect of these changes is expected to increase individual income tax revenue in FY2011-12 by approximately \$523.1 million, of which \$473.0 million is expected to be directed to the General Fund.

Coincidentally with the modifications adopted for the individual income tax, the legislation also repealed the MBT Tax effective January 1, 2012, and replaced it with a Corporate Income Tax which takes a narrower base and fewer firms, and thus is expected to generate substantially less revenue than generated by the MBT. The combined effect of the elimination of the MBT, the new CIT, the increased business tax credits, and the other legislative changes to business taxes is to lower FY2011-12 revenue by \$1.3 billion.

In FY 2012-13, GF/GP and SAF revenue will total an estimated \$20.1 billion, up 0.3% from FY 2011-12 and \$22.0 million below the January 2012 consensus estimate. General Fund/General Purpose revenue will total an estimated \$8.9 billion, a decline of 1.8% from FY 2011-12, while SAF revenue will rise to an estimated \$11.1 billion, a 2.1% increase.

In FY 2013-14, GF/GP and SAF revenue will total an estimated \$20.6 billion. This revised estimate for FY 2013-14 is 2.5% higher than the revised estimate for FY 2012-13. General Fund/General Purpose revenue will total an estimated \$9.2 billion, an increase of 2.6% from FY 2012-13, while SAF revenue will rise to an estimated \$11.4 billion, a 2.5% increase.

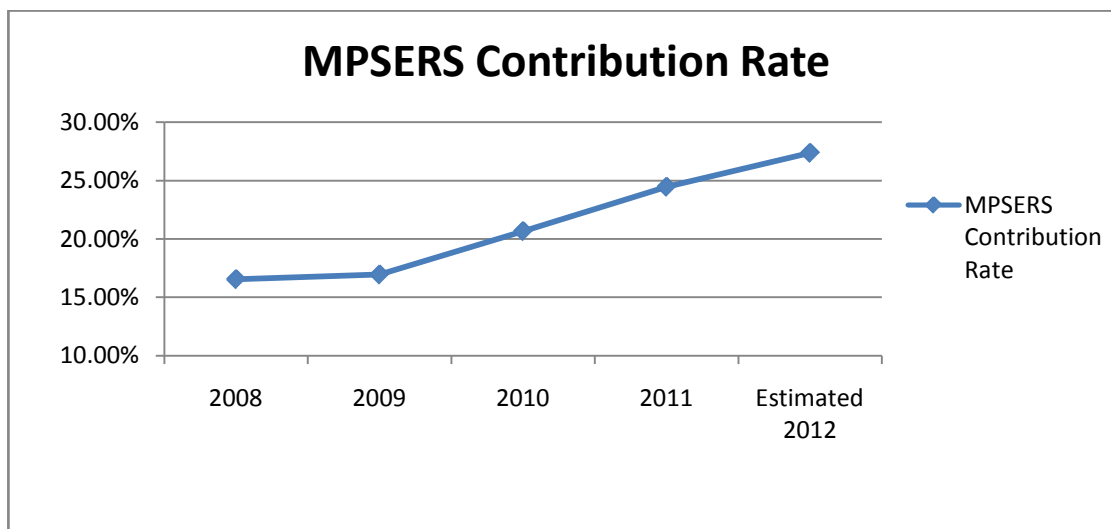
Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2011-12, FY2012-13, and FY2013-14
May 14, 2012 Senate Fiscal Agency, State of Michigan

State Appropriations

Until FY12, the American Recovery and Reinvestment Act of 2009 (ARRA) mitigated the economic situation by the appropriation of \$53.6 billion to states for fiscal relief to the State Fiscal Stabilization Fund. These funds were used to ensure that appropriations through State funding formulas for K-12 school districts, community colleges, and universities in FY09, FY10, and FY11 were at least equivalent to FY08 levels. With this resource coming to an end, the Executive, Senate and House proposed changes to FY12 appropriations that reduced funding by 0% to 20%, finalized with a 3.7% reduction to LCC.

Michigan's economic struggles and uncertainty have increased pressures on already limited resources. Additionally, the increasing desire for accountability and performance measures caused the state to consider tying appropriations to formulas for FY12 that included performance outcome measures, but eventually it was decided to delay that for future implementation. For FY13, the branches of the state again had widely varying proposals for changing appropriations. Finally, a funding formula including a performance-based segment was implemented for community colleges. The funding formula is 50% proportionate to Base; 10% based on student contact hours, 7.5% based on an Administrative cost component, 17.5% based on weighted degrees in critical skills areas and 15% based on Strategic Value (defined as meeting certain best practices). The State has announced intentions to include recognition of successful transfers to four-year colleges and universities in FY14, as well as recalculating measures according to the most recent data.

The increasing unfunded cost of health care for retirees in the Michigan Public School Employees Retirement System (MPERS) has been a concern over the last three years; they have increased steadily since 2008. As demonstrated below, as of Oct 11, 2011, there has been nearly a 48% increase in the employer contribution rate since that time, due to the escalating cost of retiree health care which was not pre-funded.



An appropriation from the School Aid Fund of \$1,733,600 for community colleges was included in the FY13 for the purpose of offsetting the increase in MPERS retirement contributions attributable to the 0.25% increase in retiree health costs. Total state appropriations for LCC netted a 3.4% increase over FY12 (the first increase since 2008).

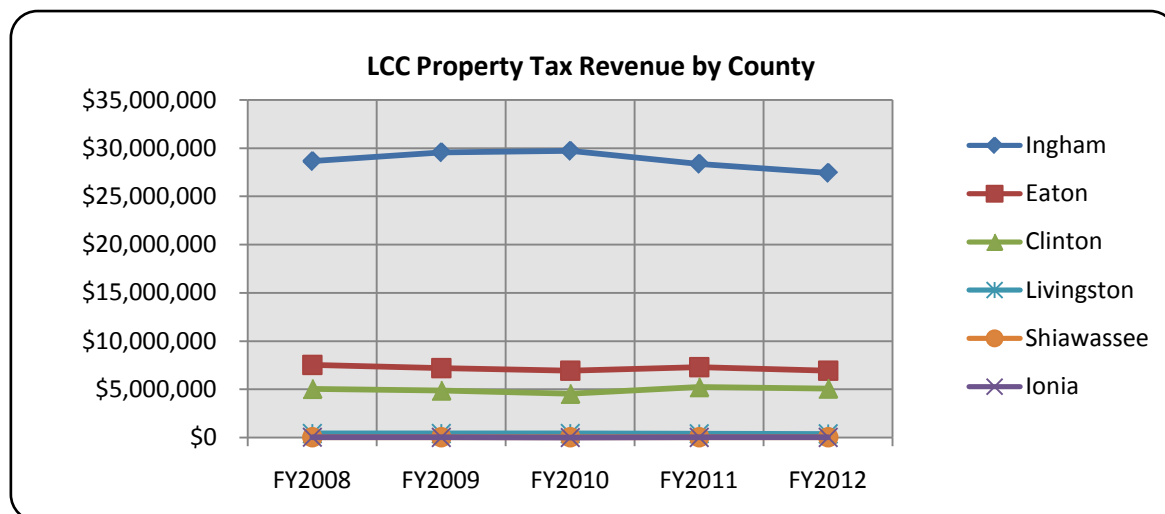
Property Tax Revenue Trends

Lansing Community College derives its property tax revenues from six contiguous counties. Property tax revenues provide a significant portion of the total revenues for the College. Prior to FY07, property tax revenues were higher than any other source of

revenue for the College accounting for 37% of total revenue in FY07. Since then its share of total revenues has steadily declined. Two factors account for this trend. The first is the lack of significant growth in the property tax base. The second is the increase in the percentage of the levy that is deemed uncollectible. The continuous downturn in the Michigan economy and the shift in manufacturing employment continue to have a detrimental impact on the real estate market, to which a national housing crisis has added a slump in property values. The result is a decline in taxable valuation, which in turn results in a decline in property tax revenues. The five-year history of property tax revenues by county clearly shows this trend.

LCC PROPERTY TAX REVENUES BY COUNTY

| COUNTY | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 |
|------------|--------------|--------------|--------------|--------------|--------------|
| Clinton | \$5,050,949 | \$4,877,086 | \$4,543,422 | \$5,232,501 | \$5,078,130 |
| Eaton | \$7,537,277 | \$7,212,018 | \$6,948,801 | \$7,316,087 | \$6,942,495 |
| Ingham | \$28,661,849 | \$29,581,572 | \$29,731,956 | \$28,383,172 | \$27,438,729 |
| Ionia | \$22,628 | \$21,650 | \$6,066 | \$21,844 | \$22,187 |
| Livingston | \$422,183 | \$428,075 | \$420,062 | \$397,209 | \$379,852 |
| Shiawassee | \$27,190 | \$26,726 | \$31,290 | \$29,499 | \$29,275 |
| Total | \$41,722,076 | \$42,147,127 | \$41,681,597 | \$41,380,312 | \$39,890,668 |

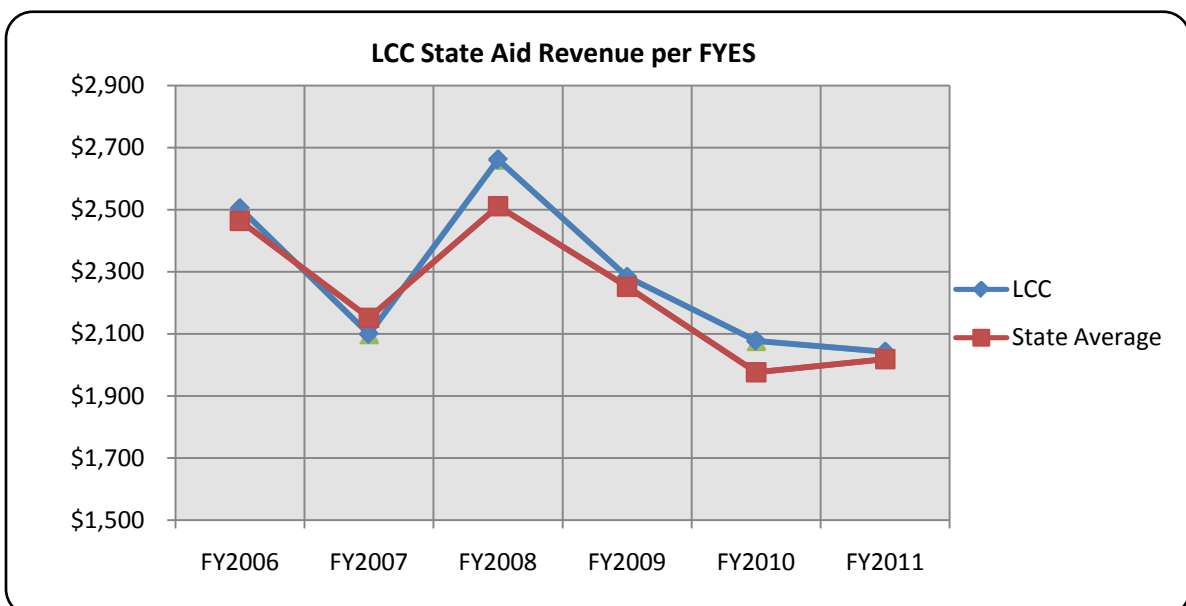
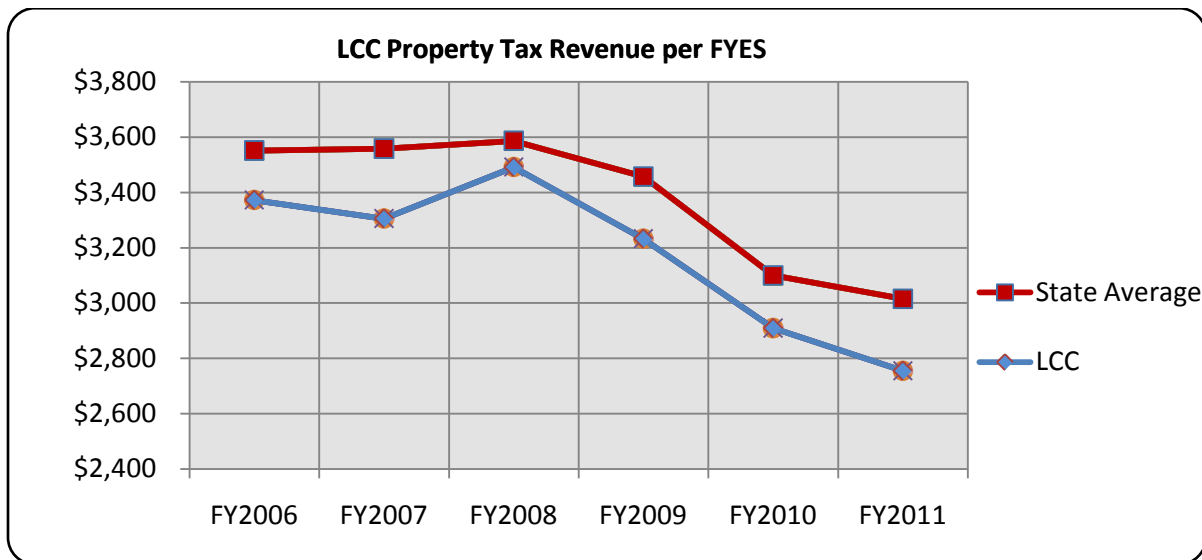


The second factor having a negative impact on the College's revenues derived from property taxes is also related to the economic environment. Until FY07, at least 50% of the outstanding Property Tax at the end of the fiscal year was ultimately collected. After FY07, however, the rate of collection has worsened and since then only 25% of the outstanding prior-year levied taxes is deemed collectible.

Personal Property Tax reform is also being considered by Michigan legislators. The proposed reforms to the personal property tax would exempt around 60% of

commercial and industrial parcels from the personal property tax starting in 2013. The estimated impact of the reform on LCC is a decrease in revenues of \$400,000.

While all community colleges are affected by uncertain, stagnant or declining public revenues per Fiscal Year Equated Student (FYES), Lansing Community College has fared worse than the average community college in Michigan and has remained below the state average over the past decade. The latest available data (ACS 2010-11 Data Book & Companion) show clearly this state of affairs in the following two data charts.



Enrollment

In the decade between 2001-2010, the College's enrollment increased over 28%, nearly double the increase in the State's aggregate community college enrollment over the same period. Lansing Community College has seen an 11% increase in the out-of-district student contact hours over the five year period from FY06-FY10, likely due to increased offerings beyond LCC's downtown campus, including virtual courses and demographic shifts away from the epicenter of the College's district to outlying areas. Currently, the residency of our students is comprised of 64.4% in-district hours and 35.6% out-of-district hours.

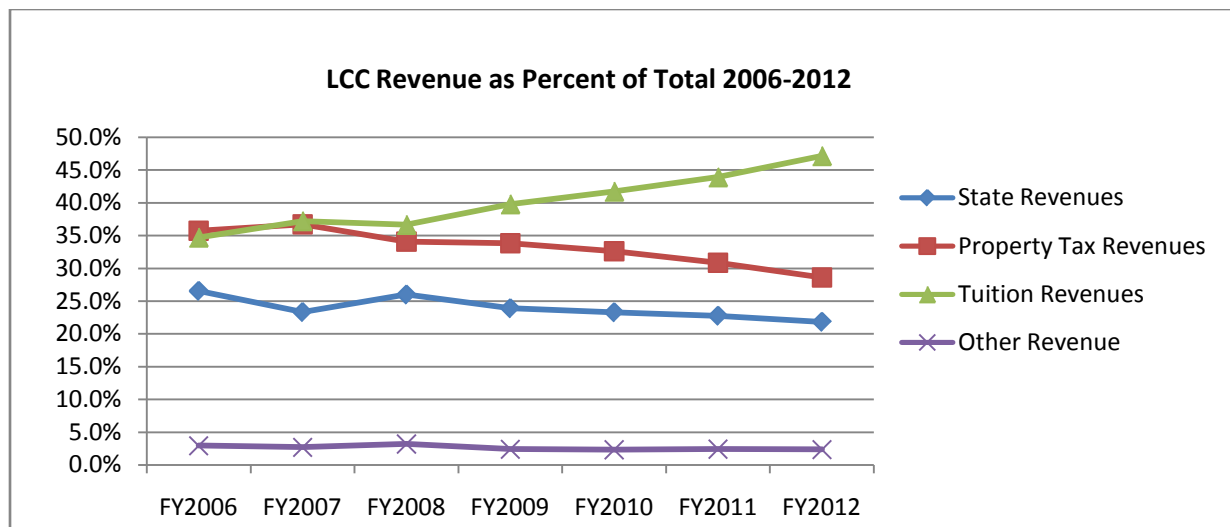
Over the four year period from FY08-FY11, LCC's student credit hours increased 22.6% to some 454,000 (see chart), and the amount of federal aid processed for students has jumped from \$60 million to \$90.5 million. Managing that growth without a comparable increase in the budget has required careful decisions.

| Enrollment | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 |
|-----------------------------------|---------|---------|---------|---------|---------|
| College (unduplicated head count) | 34,067 | 30,620 | 32,024 | 33,442 | 34,413 |
| Full-time Equivalents | 11,919 | 11,953 | 13,039 | 14,328 | 14,649 |
| Total Credit Hours | 369,496 | 370,542 | 404,223 | 444,177 | 454,114 |

Federal regulatory changes, economic conditions, demographic adjustments, and student success policies are causing downward pressure on enrollment and credit hours taken per student. By the end of the first quarter of FY12, 27 of the 28 Michigan community colleges experienced enrollment declines. For the first time in over a decade, a declining trend in tuition and fees revenue is expected to occur at LCC. An unprecedented early budget amendment proposal to reduce FY12's revenue and expenses by \$3.5 million was adopted in November, 2011, to accommodate enrollment decline. A further reduction of a little over \$1 million was proposed and adopted in March, 2012. Preliminary numbers indicate that FY12 has experienced an overall decline in hours of 8.6%. Projections suggest that the decline will continue at a rate near 8.5% for FY13.

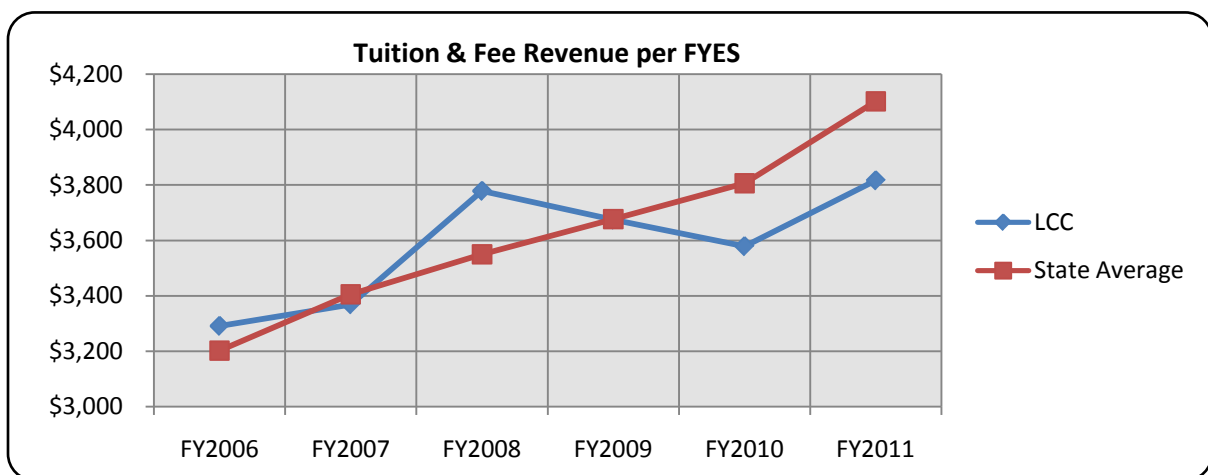
IMPACT ON FY13 BUDGET PLANNING

Prior to FY08, State of Michigan appropriations and property taxes (public revenues) provided more than 60% of the College's revenues. This percentage has fallen to 52.7% for FY12, and is 54.0% in the proposed budget. When coupled with the meteoric rise in MPSERS costs, the result is an even more dramatic decline in State support. The chart below demonstrates the trends for revenue sources at LCC.

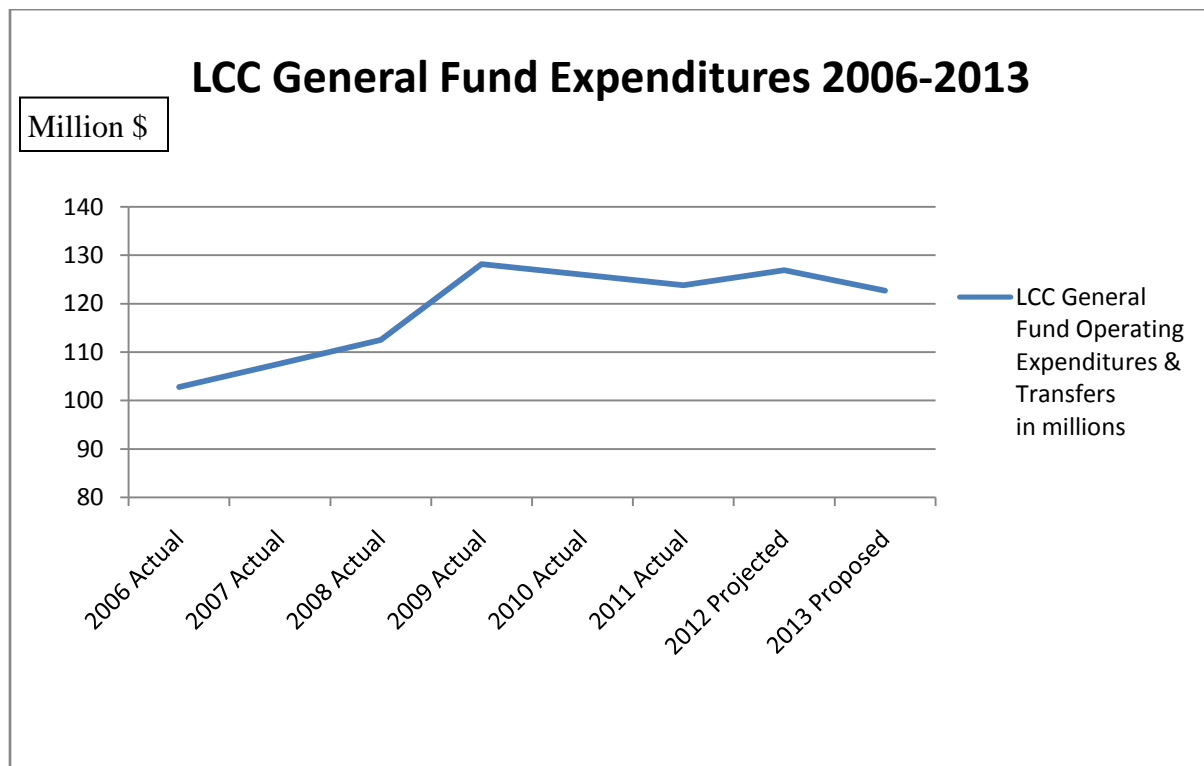


Community colleges are able to increase their property tax revenue above the inflation rate only by raising the millage rate, which requires voter approval. In Michigan, property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

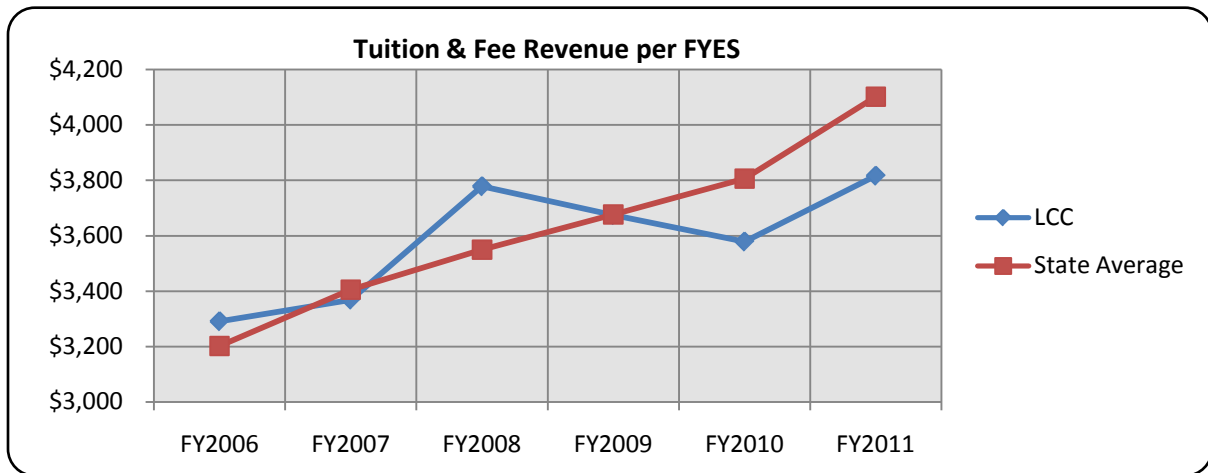
The latest data chart below shows that while public revenues per FYES have been flat or declining, tuition and fee revenue per FYES has been rising steadily, for both LCC and the State average.



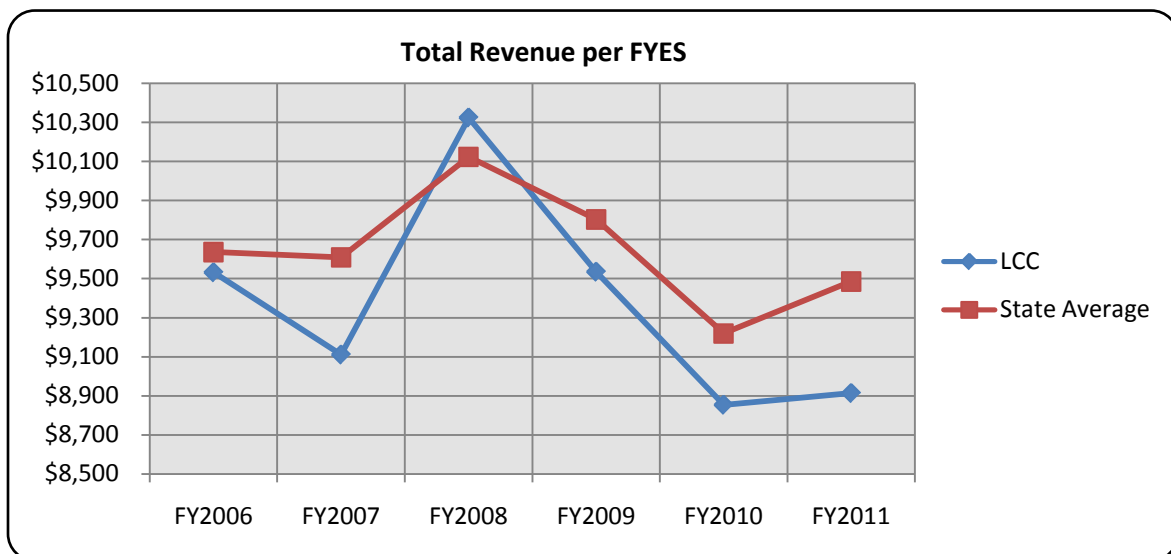
Rising costs, reduced state appropriations, and voter reluctance to increase millage rates leave community colleges with the sole option of raising tuition if they wish to maintain or expand programs. This option has been forced on all the community colleges in Michigan in the past decade. LCC's tuition revenue has gone from being 36.7% of our operating revenue to 44.9% in FY12. Since 2008, measures such as capped health care expenses, elimination of certain high cost academic programs, workforce reductions, implementation of efficiencies and careful tuition pricing have stabilized operations and contained costs to keep LCC's in-district tuition rate the fifth lowest of Michigan's community colleges, while remaining the third largest, with one of the highest per capita enrollment levels among its 28 peer institutions.



The latest data chart below shows that while public revenues per FYES have been flat or declining, tuition and fee revenue per FYES has been rising steadily, for both LCC and the State average.



It appears the community colleges in Michigan have relied on increases in tuition and fees to stabilize their revenues per FYES. As the data chart shows below, combined with stagnant and declining public revenues, the upward trend in tuition and fees revenues has had the effect of preventing total revenue per FYES from declining.



A survey of Michigan's community colleges appears to suggest that many colleges are planning to increase tuition in FY13. The planned increases range from a 2.38% to a 9.09% increase for in-district tuition and from 2.34% to 11.97% for out-of-district tuition, with one college choosing not to raise tuition. See the Michigan Community College Business Officers Association - Tuition and Fees Survey in the Appendix.

However, raising tuition in the current economic environment can have the unfortunate effect of making a community college education less affordable to many in the region, in direct conflict with Lansing Community College's strategic goal of accessibility and the objective to "Provide affordable educational opportunities."

Budget planning for FY13 took place in a very tough economic and fiscal environment. The perennial fiscal crises the State of Michigan has been experiencing worsened significantly with the financial crisis and economic downturn the nation itself was plunged into in the fall of 2008. These changes in the economic environment provided a very challenging framework for the College's budget and overall strategic planning. The college faced the same intense financial pressures facing every educational institution in the state.

As early as February, 2012, the FY13 budget planning process pointed to a significant budget gap in excess of \$6 million on the horizon. The main factors underlying this significant budget gap included: uncertain state appropriations, falling property tax revenues, personal property tax reform, enrollment decline, and rising employer contributions to the Michigan Public School Employee Retirement System (MPSERS). Labor contract negotiations provided another tenuous factor.

The College had no choice but to make very strategic fiscal decisions which necessitated tough reduction in costs college-wide. Budget decisions were made in the context of the cornerstones of budget planning set forth by the Board (see *Additional Governance Policies* pg. 74):

- E-104 Community Impact – Highly Educated Community
- E-105 Student Success
- E-106 Marketing and Communication
- E-107 Academic and Workforce Development Excellence

In FY11, the academic areas of the college was significantly reorganized (see *Academic Divisions*, pp.18-21), in part, to achieve institutional efficiencies and cost saving, as well as enhancing student success. In FY12, LCC contracted with experts to provide an assessment of two divisions, Student Services and Information Technology Services, based on best practices and higher education standards. The results of these studies have not yet been published, but, the administration anticipates some cost savings associated with implementing forthcoming recommendations.

After careful review of historical expenditures and existing budgeted vacant positions, the administration bridged the remaining gap with the following:

- Establish an additional Vacancy Factor (see *Board Policies*, pg. 71E) value and institute a cross-functional Executive Team to control the timing of posting and hiring positions throughout the year, to manage the transition of any staffing change recommendations arising from assessments and to achieve the budgetary objective

- Reduce the contingency factor to 0.5%, rather than 1%
- Implement a modest tuition rate increase of \$2 per billable hour for in-district residents and increases per established formulas for out-district residents

By mid-April, it was clear that there were too many unknowns to finalize a budget proposal at May's regular meeting, per the planning cycle. State appropriations and most of the bargaining unit's labor contract negotiations were not finalized. In May, the Board was updated on these issues and their estimated financial impact of a net \$4.5 million:

- As mentioned in the State Appropriations section above, the branches of state government proposed varying allocations with increases to LCC ranging from 3.3% to 3.7% (\$945 thousand to \$1.06 million)
- Property taxable values are down 4+% (-\$1.5 million)
- Enrollment expected to decline 8.5% from current year levels (-\$6 Million)
- Uncertainty of MPSERS pension reform (+\$500 thousand)
- MESSA group health rates decrease of 1% (-\$791 thousand) for FY13, due to the agreement

The budget workshop and public hearing were delayed until early June. Despite the delay, the state finalized the appropriation just days before the Board voted on the FY13 proposal. LCC's assumptions regarding the allocation were validated, with the exception of MSPSER's reform, which is still not finalized.

On June 8, 2012, the Administration's FY13 Budget proposal was presented in a workshop. At the workshop, the Board and attending public were shown a projected budget gap of \$4.471 million. The attendees were reminded of the numerous ongoing initiatives begun in previous years as well as the reinvestment proposals for new funding. These were affinitized into the four cornerstone categories for the budget process (see *Additional Governance Policies* pg. 74). In addition, the savings proposals were presented by Division and dollar amount.

Efficiency enhancements totaling \$3.8 million and \$0.7 million in revenue enhancements were identified and incorporated into the proposal to assist with closing the gap. Deferring strategic initiatives, further involuntary staff reduction in force or using College unrestricted reserves were considered to balance the budget but not included in the Administration's recommendations.

In the Budget and Strategic Planning Decisions table below, the reinvestment proposals are categorized by Board Governance Policy. The savings recommendations are displayed by College Division and revenue enhancements are shown by category.

| Budget and Strategic Planning Decisions - FY2013 | |
|---|---------------|
| FINANCIAL IMPROVEMENT INITIATIVES | |
| | |
| Expenditures on Reinvestments | Amount |
| E-104: Community Impact - Highly Educated Community | |
| Establish transitional education programs | \$100,000 |
| University Center evening staffing | \$18,000 |
| Establish a Veterans Affairs Director position | \$138,000 |
| Fund LCC outreach events in Arts and Sciences | \$8,000 |
| | |
| E-105: Student Success | |
| Fund Center for Transitional Learning curriculum realignment | \$81,000 |
| Fund bi-Annual board election | \$80,000 |
| Provide program advising in Sign Language program | \$12,000 |
| Enhance student loan default prevention measures | \$87,000 |
| Create internship/apprenticeship opportunities for CIT students | \$25,000 |
| Fund Process Improvement Analysis – Student Services | \$108,000 |
| Improve curriculum in college-level courses to increase student success | \$56,000 |
| | |
| E-106: Marketing and Communication | |
| Restore previous cuts to University Center advertising | \$5,000 |
| Market new Honors and Accelerated General Education Programs | \$6,000 |
| Market Cooley Law School Partnership | \$6,000 |
| Provide computer security and appropriate-use awareness information to students | \$5,000 |
| Replace Emergency Text Alert System | \$24,000 |
| Implement myLCC portal to replace Star Port | \$24,000 |
| | |
| E-107: Academic and Workforce Development Excellence | |
| Create Instructor Coordinator Program in Emergency Medical Services | \$8,000 |
| Expand Military Medic to Paramedic (path to RN) Program | \$42,000 |
| Fund minor equipment and software in Technical Careers | \$55,000 |
| Fund CIT program certification vouchers | \$9,000 |
| Provide professional development for Statistics Pathway curriculum transition | \$22,000 |
| Fund minor equipment and software in Art & Sciences program | \$48,000 |
| Fund college site license for Mathematica software | \$16,000 |
| Convert current face-to-face courses to online | \$14,000 |
| Fund Desire2Learn annual maintenance | \$34,000 |

| | |
|---|--------------------|
| Budget and Strategic Planning Decisions - FY2013 | |
| FINANCIAL IMPROVEMENT INITIATIVES | |
| | |
| Expenditures on Reinvestments continued | Amount |
| E-107: Academic and Workforce Development Excellence continued | |
| Fund ProctorCam pilot for online testing | \$5,000 |
| Upgrade Innovative Interface software for library | \$15,000 |
| Support Achieving the Dream (ATD) | \$10,000 |
| Support Academic Quality Improvement Program | \$10,000 |
| Support grant-writing activities | \$35,000 |
| Complete report writing for data warehouse | \$60,000 |
| Upgrade room scheduling software | \$6,000 |
| Total Expenditures on Reinvestments | \$1,172,000 |
| | |
| Savings Recommendations | |
| Academic Affairs Division | |
| Reduction in non-labor operational expenses | \$16,000 |
| Elimination and reduction of positions | \$230,000 |
| Administrative Services | |
| Reduction in non-labor operational expenses | \$405,000 |
| Elimination and reduction of positions | \$158,000 |
| Advancement & External Affairs Division | |
| Reduction in non-labor operational expenses | \$72,000 |
| Elimination and reduction of positions | \$24,000 |
| Arts & Sciences Division | |
| Discontinuation of culinary courses | \$243,000 |
| Reduction in non-labor operational expenses | \$95,000 |
| Executive Division | |
| Reduction in non-labor operational expenses | \$173,000 |
| Elimination and reduction of positions | \$249,000 |
| Extended Learning & Professional Studies Division | |
| Reduction in non-labor operational expenses | \$14,000 |
| Elimination and reduction of positions | \$108,000 |
| Financial Services Division | |
| Reduction in non-labor operational expenses | \$63,000 |
| Elimination and reduction of positions | \$22,000 |

| Budget and Strategic Planning Decisions - FY2013 | |
|---|--------------------|
| FINANCIAL IMPROVEMENT INITIATIVES (cont'd) | |
| Savings Recommendations continued | Amount |
| Health & Human Services Division | |
| Reduction in non-labor operational expenses | \$40,000 |
| Elimination and reduction of positions | \$341,000 |
| Human Resources Division | |
| Reduction in non-labor operational expenses | \$15,000 |
| Information Technology Services Division | |
| Reduction in non-labor operational expenses | \$296,000 |
| Elimination and reduction of positions | \$112,000 |
| Student Services Division | |
| Reduction in non-labor operational expenses | \$478,000 |
| Elimination and reduction of positions | \$185,000 |
| Technical Careers Division | |
| Reduction in non-labor operational expenses | \$398,000 |
| Elimination and reduction of positions | \$69,000 |
| Total Savings Recommendations | \$3,806,000 |
| | |
| Revenue Enhancements | |
| Existing courses – fee increases | \$685,000 |
| New courses – new course fees | \$32,000 |
| Total Revenue Recommendations | \$717,000 |
| | |
| Total Savings Recommendations & Revenue Enhancements | \$4,523,000 |

After considering all other cuts/savings and revenue generation, the administration proposed a tuition increase as follows:

| Residency | Current Tuition Rate | Proposed Increase Fall 2012 | Proposed Tuition Rate Fall 2012 |
|------------------|-----------------------------|------------------------------------|--|
| In District | \$79 | \$2 | \$81 |
| Out of District | \$158 | \$4 | \$162 |
| Out of State | \$237 | \$6 | \$243 |
| International | \$276 | \$8 | \$284 |

For a summary of how the budget gap was closed, see the chart below:

Current Proposed Budget FY2013 – Closing the Gap

| | |
|--|---------------|
| Projected Budget Gap | (\$4,471,000) |
| Estimated Net Cost of Contract Negotiations | (\$613,000) |
| Projected Reinvestment Proposals | (\$1,172,000) |
| Projected Savings Recommendations | \$3,806,000 |
| Tuition Revenue Loss from Discontinued Programs | (\$667,000) |
| Approved Course Fee Revenue Increases | \$717,000 |
| Anticipated Savings by Vacancy Management & Operating Efficiencies | \$1,379,000 |
| Recommendation for \$2 In-District Tuition Increase | \$1,021,000 |
| Balanced Budget | \$0 |



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On June 18, 2012, a public hearing was held for the FY13 budget immediately prior to the Board of Trustee's regular meeting. The Board adopted the Administration's proposed budget as recommended at their regular meeting, also approving the tuition structure described above.

Campus Master Plan

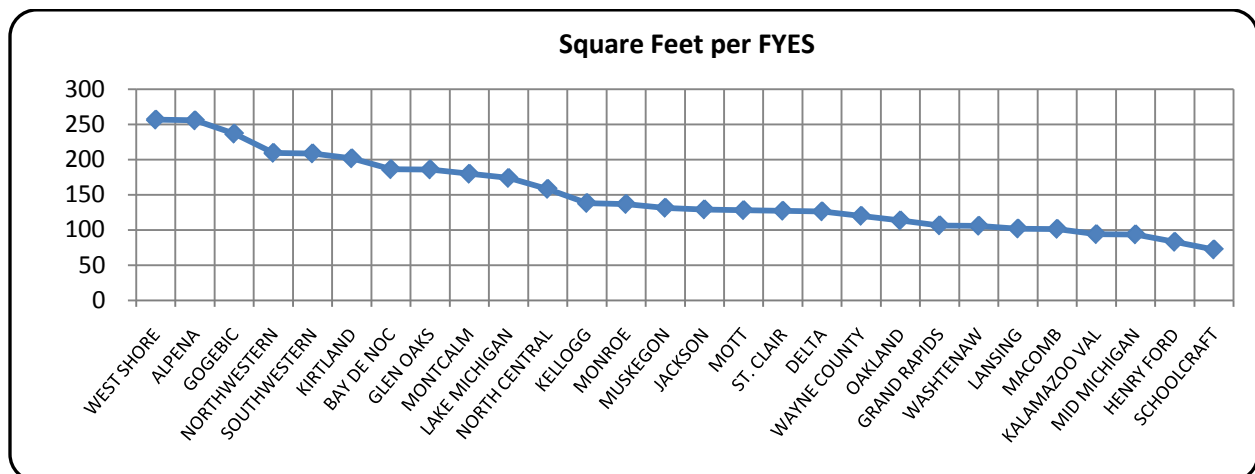
Lansing Community College Campus Master Plan Summary

Executive Summary

Lansing Community College is the third largest community college in the State of Michigan, and has experienced rapid enrollment growth in recent years. In the ten years between 2001 and 2010, LCC's fiscal year equated students (FYES) enrollment climbed over 28%, nearly double the increase in the State's aggregate community college enrollment over the same period. Based in downtown Lansing, Michigan, the College serves nearly 33,000 students on its two campuses, and at 3 learning centers, 5 area schools and 17 specialized facilities located throughout its service district.

The College was established in 1957 as a division of the Lansing Public School system, with eight faculty members and 425 students. It was housed initially in what had once been the Central High School building and offered instruction in technology, practical nursing, and apprenticeship programs. Through private purchase and urban renewal funds, the College not only acquired many buildings that would make up the College's main campus, but led the way in developing the North Washington Square and contributing to a revitalization of downtown Lansing. The average age of all the buildings is 45.5 years old, presenting an ongoing challenge to the College's Physical Plant staff. The age and construction of many of the buildings make it difficult to adapt the facilities to changing programmatic or instructional needs. Renovating these buildings would place a significant burden on the College's budget and still leave the College with insufficient funds.

Lansing Community College has one of the smallest ratios of square feet per fiscal year equated students (FYES) when compared to the space available at Michigan's other 27 community colleges. In 1997, the College ranked last at 96 square feet per FYES. Today, Lansing Community College is still sixth from the last in square feet per fiscal year equated students.



Adopted Strategic Plan Drives Facilities Planning

The College's current strategic plan was updated in 2005 to cover the period from 2006 to 2011. A strategic plan renewal process was initiated in 2011 to validate the strategic direction of the College and update the strategic plan accordingly. The updated strategic plan will be completed in 2012.

The College's strategic plan describes the College's Vision, mission, motto, guiding principles, goals, areas of priority need, and strategic initiatives designed to assure LCC's continued success in serving the learning needs of a changing community. The Board of Trustees updated the plan in 2005 to cover the period from 2006 to 2011.

The key steps in LCC's strategic planning and renewal process involve:

- Obtaining input from LCC's stakeholders, including faculty, staff, students, local employees, four-year institution partners, and community leaders, through surveys, planning workshops, and open forums.
- Conducting research and analysis on topics that are relevant to the well-being and improvement of the entire college and/or major divisions within it.
- Analyzing financial factors, such as five-year revenue/cost projections.
- Reviewing the College's quality improvement performance for instructional programs and operational systems.

In 2005, over 3,000 stakeholders provided input on the College's existing strategic plan. Additional research and analysis was conducted on LCC's competitive position; the impact of the state and federal government policies and proposals, including trends in state funding; 21st century job skills; student demographic trends and characteristics; priority community needs; the College's quality improvement process, and a number of other areas identified as integral to the College's future success. This qualitative and quantitative information was used to develop the 2006-2011 Strategic Plan, which consists of statements of purpose, Strategic Drivers, Areas of Priority Need, Strategic Initiatives, and Results/Metrics.

In 2006-2007, the President led a group of 55 college stakeholders in operationalizing the strategic plan through the identification and implementation of five strategic goals: accessibility, community, employees, fiscal responsibility, and student success. A summary of the strategic drivers and priority needs follows.

The Campus Master Plan is driven by the adoption of the strategic plan and in turn is impacted by the other master plans that fall under the strategic plan umbrella. They include the Academic Services Operational Plan, the Instructional Master Plan, the Distributive Learning Master Plan and the Technology Master Plan. All plans speak to continuous improvement. The Campus Master Plan focuses on maintaining or improving facilities through 2017. Lansing Community College updates the facilities assessment plan annually to assure campus buildings and grounds are proactively being maintained

and buildings systems are repaired or replaced to preclude system failure. This provides the Physical Plant with up to date data and a maintenance and replacement plan that forecast necessary facilities improvements through 2017.

Strategic Drivers

Strategic Drivers are the core of the LCC plan. Strategic Drivers flow from the Statements of Purpose, translating intentions into actions that are supported by resource allocation. Drivers take into account current and projected student demographics, characteristics and needs, skills required for 21st century jobs, as well as many other variables listed in the introduction, above.

Nearly two-thirds of LCC's current and future students were born after 1980. Researchers refer to these students as "Millennials" and characterize them as team oriented, public service prone, diverse and diversity advocates, digital media users, high achievers and college bound.

A study commissioned by the North Central Regional Educational Laboratory on 21st Century job skills identified four major skills: (1) digital-age literacy (scientific and economic, technological, visual and informational, multicultural and global); (2) effective communication (teaming, collaboration, and interpersonal; personal, social and civic responsibility; interactive communication); (3) inventive thinking (adaptability, managing complexity, self direction; curiosity, creativity, risk taking; higher-order thinking and reasoning); and (4) high productivity (prioritize, plan, manage for results; effective use of real world tools; relevant, high-quality products). Based on this watershed research, other research, and stakeholder input, strategic drivers will be the primary forces shaping the College's future direction.

The Strategic Drivers are:

- Team-Based Learning - The College encourages and supports the infusion of team-based learning into College courses wherever feasible.
- Service Learning - The College encourages and supports service learning in order to enhance student learning outcomes and fulfill its commitment to strengthening the community
- Leveraging Technology - To maximize use of existing technology infrastructure capacity, the College supports the development and application of additional applications to meet internal academic and administrative needs, as well as to generate revenue from external sources that would benefit from LCC's technological infrastructure, expertise, and services.
- K-12 Partnerships - The College encourages and supports K-12 transition programs that help prepare primary and secondary school students for post-secondary education and the workforce.
- Future State Funding - The College will continue its aggressive approach in addressing declines in state funding for community colleges.

Areas of Priority Need

Areas of Priority Need are broad programs and services that the College's internal and external stakeholders have identified as having the greatest need. The areas identified by stakeholders have a high level of consistency with the priorities identified through research. The programs and services selected as Areas of Priority Need are to receive priority in planning and the allocation of resources. Five areas of Priority Need were identified:

- Developmental Education
- Health Care
- Math & Science
- Financial Assistance
- Teacher Education (Administrators, counselors, paraprofessionals, teachers)

The Campus Master Plan is driven by the adoption of the strategic plan and in turn is impacted by the other master plans that fall under the strategic plan umbrella. They include the Academic Services Operational Plan, the Instructional Master Plan, the Distributive Learning Master Plan and the Technology Master Plan. All plans speak to continuous improvement. The Campus Master Plan focuses on maintaining or improving facilities through 2015. Lansing Community College updates the facilities assessment plan annually to assure campus buildings and grounds are proactively being maintained and buildings systems are repaired or replaced to preclude system failure. This provides the Physical Plant with up to date data and a maintenance and replacement plan that forecast necessary facilities improvements through 2015.

On-going Initiatives and New Initiatives

Based on planning conducted in past Campus Master Plans, the College has made substantial progress toward improving its facilities, particularly its instructional space. However, not all needs for improved facility space have been met. Based on a review of program needs, several priority concepts have emerged for consideration and/or implementation for facility enhancements. They are:

- Science Classrooms - Lansing Community College is in the process of renovating the Arts & Sciences Building to address the enrollment demand in the general education and science programs. New general education and science classrooms and laboratories will meet demand while providing flexible and adaptable spaces for today's and tomorrow's needs to accommodate emerging curriculum and pedagogical trends. Lansing Community College received a planning authorization from State of Michigan in December 2010 for the College's \$19.95 million Capital Outlay Project Request to address this need. Programming analysis has been completed. The planning documents and schematic design documents will be submitted to State of Michigan Department of Technology, Management, and Budget in October 2011 to request construction authorization so renovations can begin in late summer 2012. The A&S renovation is Lansing

Community College's priority capital outlay request for State of Michigan cost participation.

- Gannon Building – The “One Stop” area on the second floor of the Gannon Building provides enrollment services, registration, financial aid office, advising/counseling services, cash operations, parking and ID Services, and Police & Public Safety requires extensive renovations. To facilitate the A&S renovations, the cafeteria in A&S will be moved to the Gannon Building on the second floor. The cost to make these improvements is estimated at \$8.1 million.
- Parking Supply - Lansing Community College chronically suffers from a parking supply shortage at the downtown campus. Administrators continue to explore solutions for improving parking supply while maintaining the existing parking system. The College has recently executed a five year agreement with Accident Fund Holdings, Inc. to lease 300 additional parking spaces to address the parking supply shortage. Also, the College has completed construction of a new 120 parking space surface lot on the north end of the downtown campus. Despite these efforts, the College continues to experience approximately a 300 space parking supply deficit.
- Academic Programs are being reviewed by the Deans Council during program review to analyze program growth, program sustainability, and program ROI in order to validate and prioritize future capital facility projects. An example of the programs being evaluated for possible capital projects include:
 - HHS Third Floor Fit-Out – the balance of the HSS Third Floor (approximately 5,500 sq. ft.) is planned to provide three general classrooms and additional faculty offices.
 - West Campus Realignment – Due to the recent academic realignment, it is necessary to repurpose area within the West Campus facility to expand the HVAC program and relocate the CIT program from the Downtown Campus. The existing Plumbers & Pipefitters classroom and laboratory will be retrofitted to accommodate these programs.
 - Mackinaw Building – Anticipated growth in The Early College and High School Diploma Completion Initiative will require alterations to this facility to create two additional general education classes in time for fall 2012 classes.
 - Aviation Center – the existing facilities are antiquated requiring extensive repairs and renovations to facilitate program success and growth.
 - Additional storage building for West Campus Technical Career programs.

The implementation of these capital projects are on-hold until funding sources are identified.

Facilities Master Plan Financing

The adoption of the College's Facilities Master Plan in November of 2000 set the course for future construction and renovation at the College through 2007. The building priorities established in the Facilities Master Plan were an important component of the message to voters in the fall of 2001 regarding the need for financial support. With voter approval of one additional mill in November 2001, the College was positioned to sell bonds by February 2002. Including the February 2002 bond sale, the College has sold bonds in three phases to complete the construction plans outlined in November 2000. Two subsequent bond sales, in April 2003 and in March of 2005, have included refinancing of a portion of bonds sold in 1994, and the February 2002 bond sale. The College issued two new 20-year bonds in 2006 and 2007.

As of June, 2011, the College's outstanding bond debt stood as follows:

| Bond Sale | Principal as of June 30, 2011 | Last Payment Year |
|------------------|--------------------------------------|--------------------------|
| 2002 | \$3,150,000 | 2012 |
| 2003 | \$12,160,000 | 2022 |
| 2005 | \$21,185,000 | 2022 |
| 2006 | \$9,235,000 | 2026 |
| 2007 | \$8,975,000 | 2026 |
| Total | \$54,705,000 | |

The terms of all these bond issues were 20 years or less. The College has an excellent bond rating, with insured rates of AAA (S & P), and AAA (Moody's) for the 2007 College Bonds.

The bond issuance planned for the FY2013 capital projects will likely put no additional burden on the College's operating budget or improve it. Favorable Bond and construction markets indicate that re-funding current bond debt with the planned bond issuance will be recommended.

The Campus Master Plan, which in turn is impacted by the other master plans, has focused on improving facilities through 2017, especially those that house foundational programs. All plans speak to continuous improvement, and the financial impact of this commitment requires the expenditure of over \$3 million annually through 2017 as follows:

| Facility Category | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 |
|----------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| <i>Architectural</i> | \$6,893,313 | \$2,230,688 | \$591,500 | \$1,683,000 | \$1,467,500 |
| <i>Electrical</i> | \$3,289,625 | \$1,827,875 | \$672,500 | \$310,000 | \$442,500 |
| <i>Envelope</i> | \$1,164,875 | \$1,367,625 | \$212,500 | \$215,000 | \$285,000 |
| <i>Maintenance</i> | \$266,200 | \$202,100 | \$263,700 | \$147,900 | \$159,000 |
| <i>Mechanical</i> | \$3,069,688 | \$1,554,063 | \$703,000 | \$368,500 | \$380,500 |
| <i>Other</i> | \$45,000 | \$75,000 | \$45,000 | \$45,000 | \$45,000 |
| <i>Roof Repair/Replace</i> | \$425,000 | \$250,000 | \$498,000 | \$161,000 | \$270,000 |
| <i>Site Repairs</i> | \$200,000 | \$165,000 | \$73,000 | \$96,500 | \$6,500 |
| Grand Total | \$15,353,701 | \$7,672,351 | \$3,059,200 | \$3,026,900 | \$3,056,000 |

BUDGET PLANNING AND FINANCIAL POLICIES

LANSING COMMUNITY COLLEGE BUDGET PLANNING AND FINANCIAL POLICIES

Lansing Community College uses the accrual basis of accounting, in accordance with GAAP as applicable to public colleges and universities and as described in Governmental Accounting Standards Board. The College follows the “business-type” activities model of GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. The College’s functional expense classifications are in accordance with the guidance in the *Manual for Uniform Financial Reporting –Michigan Public Community Colleges*.

An accrual basis is used for budgeting, with a modified incremental basis model (For more about this model see the Guidelines for Development of Budget Recommendations for Consideration section on page 78). A baseline budget is established, then, request for adjustments from that baseline are submitted and deliberated upon, with those deemed strategically sound being incorporated into the budget proposal.

Lansing Community College, in line with its strategic goals of (a) operating as a fiscally responsible institution and (b) being accessible to students by providing affordable educational opportunities, utilizes the college budget as a primary tool of financial oversight and monitoring. The College follows well defined policies to plan and monitor financial activities. They are as follows:

COLLEGE POLICIES

Financial Oversight and Monitoring Policy

I. Purpose

The purpose of financial oversight and monitoring is to exercise due diligence by the Board of Trustees over College financial activities through planning and reporting based upon criteria established by the Board as well as other legal requirements and restrictions. This includes budget development, on-going financial monitoring, and compliance with budget and other relevant parameters.

In order to provide better defined policy guidance to the administration and to establish expenditure parameters and define reporting requirements, the College’s Board of Trustees annually reviews and approves a budget for all operations and approved capital projects for the ensuing fiscal year. The Board also has the responsibility for selection of an external auditor who will perform an annual audit of the financial records of the College and to render an opinion to the Board as to the financial records conformance with all applicable financial recording and reporting standards.

II. Scope

The adopted budget serves as a financial plan for the administration as well as a reporting and monitoring mechanism to allow the Board of Trustees, on behalf of the

students and public, to exercise appropriate due diligence over the financial affairs of the College.

To conform with relevant professional guidance for higher education arising from the adoption of Sarbanes-Oxley in 2002, the Board of Trustees must exercise clear and transparent due diligence in its oversight of College financial activities and establish reporting and monitoring requirements necessary to fulfill its fiduciary duties.

III. General

A. Required budget elements

1. Breakdown of anticipated revenues by source with comparative actual revenues for the preceding two fiscal years, and an original budget, amended budget and actual for each.
2. Proposed expenditures for each major category with comparative actual expenditures for the preceding fiscal years, and an original budget, amended budget and actual for the preceding and current fiscal year.

B. Categorical Reporting Requirements

To provide for meaningful budget comparisons and ease of audit comparison, the budget shall subdivide each organizational division, including the number of authorized positions by category by division of the College and also in the following categories:

1. Non Capital Equipment
2. Institutional Expenses
3. Utilities
4. Liability Insurance
5. Professional Services
6. Purchased Services
7. Rental Expense
8. Repair and Maintenance
9. Supplies
10. Travel, Training and Conferences

C. The proposed budget will include presentation arranged by the following Activity Classification Structure (ACS) categories:

1. Instruction
2. Information Technology
3. Public Services
4. Instructional Support
5. Student Services
6. Institutional Administration
7. Operations & Maintenance of plant
8. Foundation operations and fund raising

D. No funds shall be transferred out of reserves/contingency funds without prior approval of the Board of Trustees

- E. The Board of Trustees shall annually set a vacancy factor for overall salaries and benefits to be utilized in budgetary planning. The vacancy factor will serve to limit over budgeting and help keep tuition and fee costs as low as possible.
- F. Any material variances from the adopted revenues or expenditures shall be reported to the Board of Trustees at the next scheduled meeting. Material variances shall be defined as a 5% or greater increase in expected expenditures in a category, or a 2% decline in anticipated revenues in a revenue category. Such report shall identify the reason for such variances, if identifiable, and what actions the administration is taking to address the variances within the adopted budget. The President shall notify the Board if s/he is requesting any amendments to the budget as a result of the expected variances.
- G. The President shall be required annually to certify as to the accuracy and completeness of the financial statements as prepared by the College's Chief Financial Officer, who shall be required to certify to the President as to the same.

The financial statements and management letter from the independent external auditor shall be submitted directly to the Board of Trustees with copies to the President and Chief Financial Officer.

Capital Project Budgeting Policy

I. Purpose

This policy is intended to define purposes, parameters and total expected cost of capital projects undertaken by the college. This is intended to assure that the policy makers, students, faculty, staff and funding bodies have sufficient information to ascertain the financial impact and viability of any proposed capital project.

II. Scope

This policy applies to all proposed capital projects exceeding \$500,000.

III. General

- A. Definitions: a capital project shall be any project over \$500,000 undertaken to build, renovate, or expand any college facility or to acquire new real property for current or future use. The definition of capital project shall also include the acquisition or development of any new system, including technology, telecommunications or other similar personal property on behalf of the College, or major upgrades or modifications to same.
- B. In case of question as to whether any project shall be governed by this policy, the external auditor shall be asked in writing if such a project would or should be considered as a capital project for accounting and reporting purposes.
- C. Budget information to be included with proposal for a capital project:
 - 1. Detail of proposed expenditures for design, construction, equipment, etc.
 - 2. Professional services expected to be utilized in support of the project.
 - 3. Contingencies.

4. Internal staff time and resources which are expected to be required for the project.
5. Proposed operating budget, such as added insurance, utilities, staffing, etc., when the project is completed.

BOARD GOVERNANCE POLICIES

Budgeting and Forecasting

Budgeting for any fiscal year or the remaining part of any fiscal period shall not deviate materially from Board *Ends* priorities and Board budget policy and parameters, risk fiscal jeopardy nor fail to show a generally acceptable level of prudent professional financial foresight.

Accordingly, the President shall present a proposed budget which:

1. Contains sufficient information in accordance with policy direction established by the Board of Trustees, to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of no more funds than are conservatively projected to be received.
3. Presents a budget for the general operating fund which would project fund balance to fall below a reasonable level, with a goal of ten percent of the college's operating budget.
4. Presents a reasonable and prudent plan to assure the fiscal soundness of future years and provides for the building of organizational capability sufficient to achieve ends in future years.
5. Includes consideration of multiple year long-range administrative plans.
6. Presents sufficient comparative financial and enrollment data to allow the Board and others to make accurate and ready comparisons of budget to actual data for prior fiscal years and to assess the reasonableness of projections for the proposed budget.

Financial Condition

With respect to the actual, ongoing condition of the organization's financial health, the President may not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures for Board priorities established in Ends and Budget policies.

Accordingly, the President may not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.
3. Use any long term reserves.

4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues by the end of the fiscal year.
5. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
6. Allow tax payments or other government ordered payments or filings to be overdue or not filed.
7. Allow the College's financial condition to jeopardize long-range financial requirements.
8. Incur financial liabilities, or contingent liabilities, which would otherwise be prohibited if incurred as a current expense. This shall include a prohibition against obligation to pay penalties, damages, severance, or other unbudgeted costs, without Board approval of specific Board policies providing for the same.

Annual Board Planning Cycle

To accomplish its job outputs with a governance style consistent with Board policies, the Board will follow an annual agenda which (a) completes a re-exploration of Ends policies annually and (b) continually improves its performance through attention to Board education and to enriched input and deliberation.

1. The cycle will conclude each year on the last day of December in order that administrative budgeting can be based on accomplishing a one year segment of the most recent Board long-range vision. Long range planning will be addressed annually.
2. Education, input and deliberation will receive paramount attention in structuring the series of meetings and other Board activities during the year.
3. The sequence derived from this process for the Board planning year as follows:

Sept: Tentative agenda for year, proposed community linkages for fiscal year, Board education and development, and Board self evaluation.

Oct: Continuation of September agenda. Review Ends. Facilities Master Plan update. Board self evaluation.

Nov: Organizational Performance Review. Year-end Financial Audit Report. Action on Annual Results Inventory Report – Financial Responsibility. Action on Facilities Master Plan renewal. Board self evaluation.

Dec: Review/adjust monitoring criteria. Board self evaluation.

Jan: Organizational meeting. Hold the first meeting of the Board in January following the date of the regular College District election.

Jan-Apr: Action on President's Contract. Continue to focus on concerns, issues, linkage planning and implementation. The Board shall receive preliminary

information on strategic initiatives, revenues and expenditures. The purpose of this information will be to provide Board members with information that may assist their decision-making prior to the final approval of the budget. Action on Annual Results Inventory Reports – Access, Student Learning Outcomes & Stakeholder Satisfaction. Board self evaluation.

May: Approve property taxes/tuition budget. Board self evaluation.

June: Celebration, review of past year, contemplation of improvement areas, debate on how much and what improvements to focus on for the coming year. Board self evaluation.

Additional Governance Policies

In February, 2010, the Board adopted additional governance policies to help guide the budget planning and development process. They are as follows:

E - 104 Community Impact Highly Educated Community

To fulfill its mission, Lansing Community College will raise the educational level of the community by:

E-104.1 – Preparing prospective and incoming students for college level work.

E-104.2 – Emphasizing foundational skill development to give learners maximum employment flexibility.

E-104.3 – Increasing Outreach to Underrepresented and Underserved Segments of Community.

E – 105 Student Success

To fulfill its mission Lansing Community College will:

E-105.1 – Focus on, invest in, and implement programs and initiatives that will substantially and positively impact student retention and completion.

E – 106 Marketing and Communication

To fulfill its mission Lansing Community College will:

E-106.1 – Increase the effectiveness of internal marketing and communication throughout the College and external marketing and communication through the communities LCC serves.

E – 107 Academic and Workforce Development Excellence

To fulfill its mission Lansing Community College will:

E-107.1 – Promote a spirit of excellence.

Budget Amendments

The President notifies the Board of Trustees if he or she is requesting any amendments to the budget as a result of the expected significant variances due to changes in budget assumptions, realignment or other events that have significant impact on the adopted

budget. The Board of Trustees considers the amendment proposal and approves or rejects the proposed amendment.

Investment Policy

Although investment income is not a major source of other revenue for the College, Lansing Community College seeks continuously to enhance revenue where possible, such as increasing returns on investments. The strategic goal of fiscal responsibility influences the activity of income generation through investments. The foremost objective of Lansing Community College's investment program is the safety of the principal of funds. Investment transactions are undertaken in a manner to ensure the preservation of capital in the overall portfolio, and to conform to the following policy.

All College investments must conform to State statutes governing investment of public funds. The following objectives will serve as a guideline for managing and investing the funds of the College. (1) The primary objective is the preservation of capital and the protection of investment principal. (2) The investment portfolio will be designed to attain the best average rate of return while avoiding undue market risks and taking into account cash flow characteristics of the portfolio. The College will strive to control risks by diversifying its investments in different security types and by investing with more than one financial institution. (3) Investments shall be made to assure that funds are available as required through cash flow projections, maturity planning and maintenance of an adequate cash base.

LANSING COMMUNITY COLLEGE DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Lansing Community College of Lansing, Michigan for its annual budget for the fiscal year beginning July 1, 2011. This The College has received this award for budget presentation since FY2009. In order to receive this award, a budget document must be published that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a one year period. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its suitability for another award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Lansing Community College
Michigan**

For the Fiscal Year Beginning

July 1, 2011

Linda C. Denison Jeffrey P. Egan

President

Executive Director

FY2013 BUDGET ESTABLISHMENT

BUDGET TIMELINE

| | |
|---------|---|
| 2/01/12 | FY13 Budget Baseline completed and distributed. Budget Development Process, Goals and Objectives, Budget forms and instructions presented to ELT |
| 2/06/12 | Budget Office staff will conduct FY13 Budget Process Rollout meeting for all administrative budget managers |
| 3/01/12 | Individual Divisions submit FY13 budget changes (savings proposals and nondiscretionary contractual changes) to Finance (Senior VP's have given approval) for validation and consideration of inclusion in the Administration's proposal to Board of Trustees |
| 3/15/12 | Individual Divisions submit FY13 budget changes (reinvestment proposals) to Finance (Senior VP's have given approval) for validation and consideration of inclusion in the Administration's proposal to Board of Trustees |
| 6/8/12 | Present FY13 budget proposal at Board workshop |
| 6/18/12 | FY13 Budget Public Hearing prior to Board Meeting Present FY13 budget proposal for approval at Board Meeting |

Guidelines for Development of Budget Recommendations for Consideration

1. Begin with the FY13 baseline. A baseline was prepared with the following assumptions
 - a. For enrollment planning purposes, we assume that enrollment decline will continue at an annualized rate of 8.5%
 - b. No increase in authorized FTEs
 - c. Contractual increases in Administrative salaries are included
 - d. 3.4% increase in state appropriations
 - e. 5.0% decline in property taxes
 - f. No inflationary growth in supplies & services, nor in General Fund Capital Budget Transfers
 - g. Contingency Funds will equal 1 percent
2. All Divisions must present, for review, a plan to cut 10% savings from the baseline. Reductions are not expected to be across-the-board and all reduction proposals may not be incorporated into the Budget Proposal
3. Reinvestments, as defined below, are submitted when Divisions submit their budget requests. All costs and program service impacts associated with new initiatives must be included in the submission. Reinvestments may include the following:

- a. Funding for innovation to keep pace with new technology
- b. Funding for student success initiatives
- c. Funding for new revenue sources
- d. Financial improvement initiatives that require investment to increase revenue or decrease expenses in the future
- e. Non discretionary cost increases in services and supplies
- 4. Three-year plans will be developed for:
 - a. Information Technology Replacement
 - b. Media Technology Replacement
 - c. Maintenance & Replacement
 - d. Division Renovations
 - e. Major Equipment
- 5. Decisions resulting from the Academic Program Analysis may be incorporated into the FY13 Budget Recommendation to the Board
- 6. Reinvestments may include the following:
 - f. Funding for innovation to keep pace with new technology
 - g. Funding for student success initiatives
 - h. Funding for new revenue sources
 - i. Financial improvement initiatives that require investment to increase revenue or decrease expenses in the future
 - j. Non discretionary cost increases in services and supplies

BUDGET DETAIL AND FINANCIAL INFORMATION

LANSING COMMUNITY COLLEGE

Fiscal Year 2013 Proposed Budget

Revenues Total revenues are projected to exceed \$122 million.

State Appropriations – The State's FY13 appropriation to Lansing Community College is increased by formula by \$987,000 or 3.4%.

Property Taxes – For FY13, general property tax revenue is estimated to decrease by 4.0%. The College has included a conservative assumption for uncollectible property taxes in both FY12 and FY13. This decrease of 4% compares to a decrease of 3.5% in FY12 and 6.5 % in FY11. The College's millage rate will remain at 3.8072 mills. In addition, a \$400,000 additional decrease in revenue is projected to account for the potential impact of the proposed Personal Property Tax reform legislation. The combination of these two factors results in an overall decrease of 5.0%.

Tuition and Fees – The budget of \$53,185,556 in tuition and fees assumes decreases in enrollment of 8.8% from FY12 Budget Amendment #2 and an increase in tuition rates for in-district, out-of-district, out-of-state and international students of \$2, \$4, \$6 and \$8, respectively. Course fee increases, including those related to Program Analysis, have been previously approved by the Board.

In addition to course related revenue, registration fees, facility fees, On-Line fees, BCI tuition-based contracts and Extension and Community Education (ECE) contribute to total tuition and fee revenue.

Uncollectable tuition in FY11 is projected at 2.4% compared to 2.6% in FY11, 2.6% in FY10, and 2.9% in FY09. This is an offset to Tuition and Fee Revenue.

Other Revenues – Other revenues include contracted training (non-credit) from the Business and Community Institute (BCI), the College's contracts with the Eaton Intermediate School District (EISD) and the Clinton County Regional Educational Services Agency (CCRESA), interest income, University Center income, rental income, sales of miscellaneous items and other miscellaneous revenues and fees (such as graduation fees, summer camps, fitness memberships, etc.). The College projects a 3.3% decrease in Other Revenue for FY13.

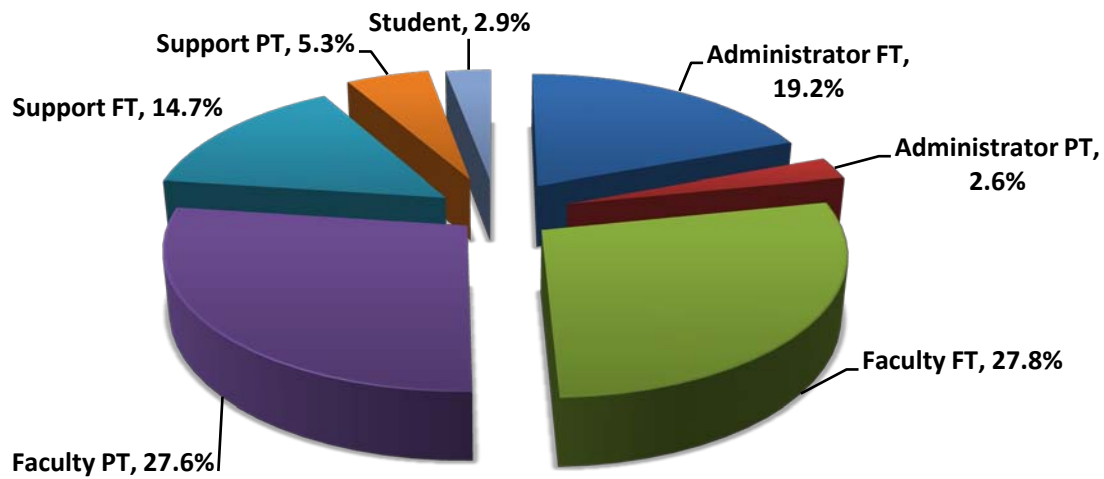
Summary of Fiscal Year 2013 General Fund Revenues

| General Fund Revenues | | | | | |
|-----------------------|---------------|---------------|------------------------|---------------|-----------------------------|
| Total Revenues | 2010 Actual | 2011 Actual | 2012 Budget as Amended | 2013 Proposed | Percent change 2012 to 2013 |
| State Appropriations | \$ 29,762,500 | \$ 29,762,500 | \$ 28,651,900 | \$29,638,900 | +3.44% |
| Property Taxes | \$ 41,681,600 | \$ 40,359,600 | \$ 38,706,600 | \$36,758,000 | -5.03% |
| Tuition and Fees | \$ 53,341,900 | \$ 57,446,200 | \$ 56,360,700 | \$ 53,185,600 | -5.63% |
| Other Revenue | \$ 2,952,500 | \$ 3,155,400 | \$ 3,181,500 | \$ 3,077,000 | -3.28% |
| Total | \$127,738,500 | \$130,723,700 | \$126,900,700 | \$122,659,500 | -3.34% |

Operating Budgets

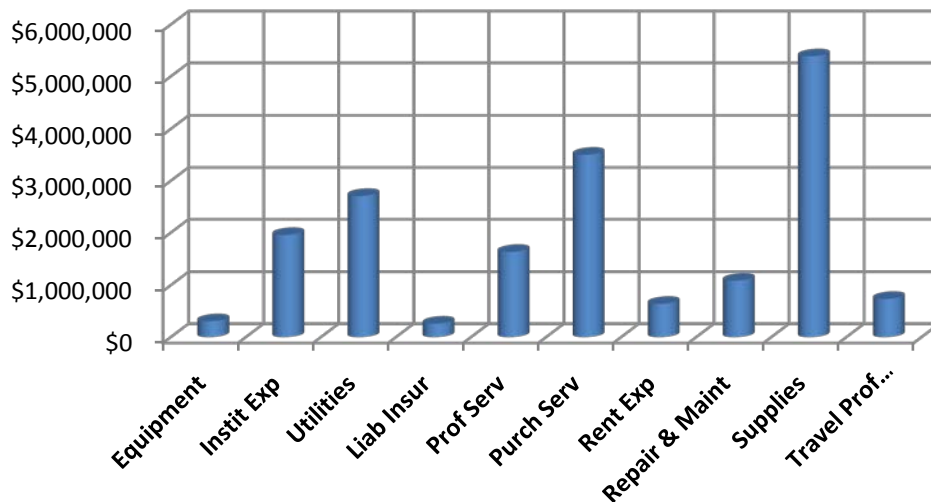
Salaries, Wages, and Benefits – Salaries and benefits will comprise 69.1% of all general fund expenditures in FY13. This is compared to 67.8% in the FY12 amended budget. The College's contribution to the Michigan Public School Employees Retirement System (MPSERS) is assumed to be 24.46% of salaries and wages effective October 2012, based upon the current status of pending pension reform legislation. This is the same rate as the October 2011 rate. Only those full-time administrators and faculty who have chosen the College's optional retirement program (ORP) do not participate in MPSERS. The College pays 12% of salaries for those individuals selecting the ORP. Health care rates are projected to decrease by 1%, based upon the July 1, 2012 renewal rates received from MESSA. Other benefit costs include dental, vision, social security payroll taxes, tuition benefits, life and disability insurance, and workers' compensation.

Salary & Wage Costs by Category FY2013



Services and Supplies – Services and supplies are decreased 4.2% from FY12 amended budget. This includes the projected reinvestment proposals and savings recommendations.

Services & Supply Costs by Category FY2013



Contingency – The proposed Contingency budget for FY13 is \$613,297 or 0.5% of the proposed revenues. This is a recommended deviation from the Board of Trustees policy of 1% of revenues. In order to allow the College adequate opportunity to continue making improvements to its operating efficiency, this is being recommended as a one-

time budgetary adjustment. It is the intent of the College to restore the contingency to 1% of operating revenues for the FY14 budget.

Transfers

Child Care Scholarships - It is anticipated that \$254,142 will be sufficient for FY13. This is the same level as FY12.

Institutional Scholarships - It is proposed that the budget for institutional scholarships be decreased \$400,000 from FY12 to \$976,537 to implement the new "Work-to-Learn/Learn-to-Work" program that utilizes existing student employment budgets. The institutional scholarship budget provides for Board of Trustees, honors, departmental, and athletic scholarships.

Capital Budgets

Major Equipment – The FY12 budget is \$1,134,500, the same as in FY12.

Debt Service - \$7,633,954 is budgeted here for principal and interest payments on existing debt. (See *Debt Amortization Schedule* p.116)

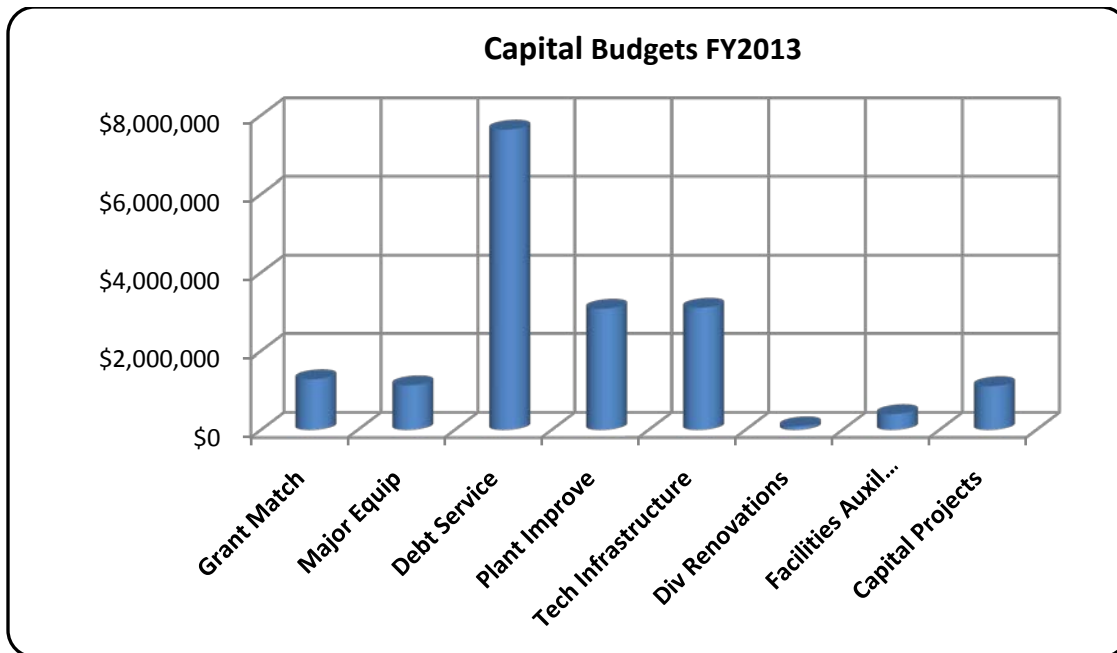
Plant Improvement – The FY13 budget is proposed at the same level as FY12, for a total of \$3,075,000. The College currently owns and maintains approximately 1.7 million square feet of space.

Technology Infrastructure –The FY13 budget is proposed at \$3,100,000. This represents cost savings of \$150,000 due to expansion of the virtual desktop project, reassessment of laptop utilization, and lower market cost for digital projectors

Division Renovations – The FY13 budget maintains this budget at the FY12 level of \$87,125.

Facilities Auxiliary Fund – The FY12 budget is proposed at the same level as FY11, for a total of \$400,000.

Capital Projects - The FY13 budget continues funding for projects approved by the Board of Trustees. These are the Capital Outlay Project Requests for renovation of the Arts & Science (A&S) Building (assuming matching funds from the State of Michigan) and renovations to the Gannon Building that are necessary to complete the renovations to the A&S building.



Tuition Increase Considerations

The College's proposed in-district tuition rate of \$81 is well below the proposed state-wide average. Attachment M titled "MCCBOA Tuition Increase Survey – Spring 2012" shows current and projected tuition for Fall 2012 for 26 of the state's 28 community colleges.

The following table shows a comparison of tuition to state averages (assuming proposed increases for FY13).

| Tuition Rate Comparison | | | |
|-------------------------|----------------|-----------------|-----------------------------------|
| | LCC Current | LCC Proposed | State Average Projected FY2013 |
| In-District | \$79.00 | \$81.00 | \$89.00 |
| Out-of-District | \$158.00 | \$162.00 | \$150.00 |
| Out-of-State | \$237.00 | \$243.00 | \$205.00 |
| International | \$276.00 | \$284.00 | DNA* |

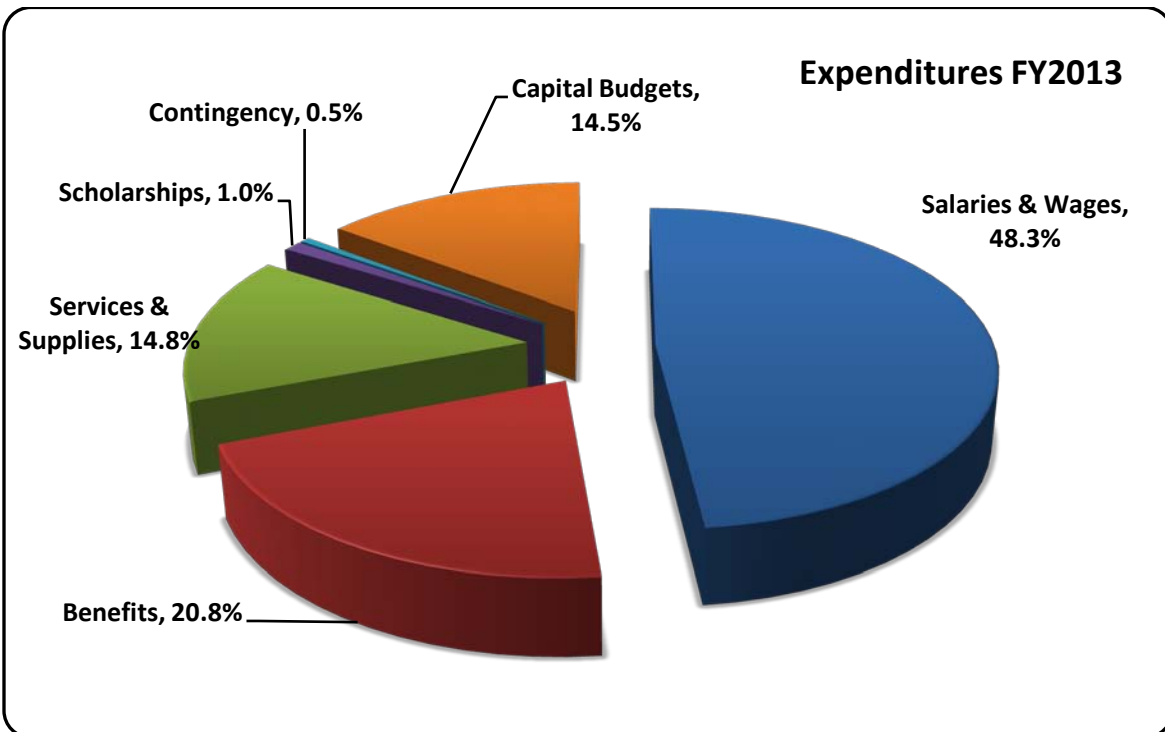
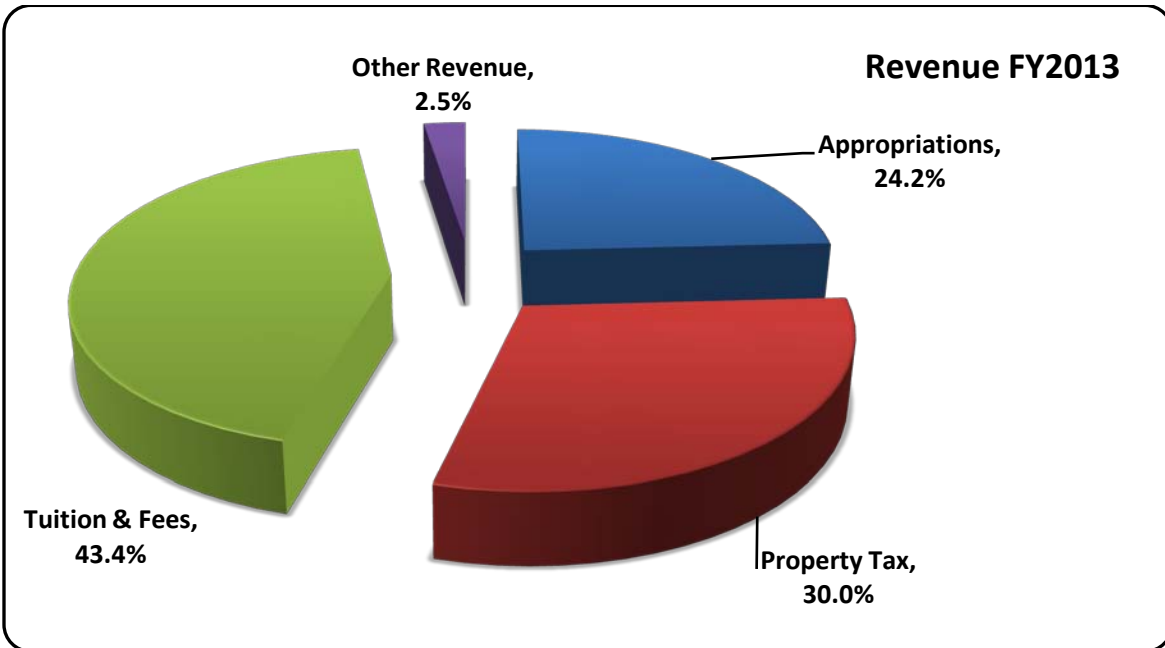
*Data Not Available

LANSING COMMUNITY COLLEGE
Operating and Capital Budgets
Proposed Budget Fiscal Year 2013

| | Total Proposed FY2013 Budget | |
|--|---|-------------------|
| <u>Revenues</u> | | |
| State Appropriations | \$29,638,900 | |
| Property Taxes | \$36,758,000 | |
| Tuition & Fees | \$53,185,556 | |
| Other Revenues | \$3,077,000 | |
| Use of Fund Balance | \$0 | |
| Total Revenues | | \$122,659,456 |
| <u>Operating Budgets</u> | | |
| Salaries & Wages | \$59,241,300 | |
| Employee Benefits | \$25,535,635 | |
| Total Salaries + Benefits | \$84,776,935 | |
| Services & Supplies | \$18,203,363 | |
| General Institutional Scholarships | \$976,537 | |
| Child Care Scholarship | \$254,142 | |
| Total Operating Budgets | | \$104,210,977 |
| Contingency | | \$613,297 |
| Negotiations Contingency | | 0 |
| <u>Capital Budgets</u> | | |
| Grant Match | \$1,291,333 | |
| Major Equipment | \$1,134,500 | |
| Debt Service, all Issues | \$7,633,954 | |
| Plant Improvement | \$3,075,000 | |
| Technology Infrastructure | \$3,100,000 | |
| Division Renovations | \$87,125 | |
| Facilities – Auxiliary Fund | \$400,000 | |
| Capital Projects | \$1,113,270 | |
| Total Capital Budgets | | \$17,835,162 |
| Total Allocation/Expenditures | | \$122,659,456 |
| Change in Net Assets | | \$0 |
| Total change in unrestricted net assets | | \$0 |
| Unrestricted General Fund Beg of Year | | \$17,999,311 |
| Unrestricted General Fund End of Year | | \$17,999,311 |

LANSING COMMUNITY COLLEGE MAJOR SOURCES OF REVENUES AND EXPENDITURES

Proposed Budget
Fiscal Year 2013



LANSING COMMUNITY COLLEGE

Comparison of Proposed FY2013 Budget to FY2012 and FY2011

| | FY 2011 | FY 2012 | Change from | FY 2013 | Percent |
|--|----------------------|----------------------|----------------------|----------------------|----------------|
| | Actual | Projected | FY 2012 | Proposed | Change |
| <u>Revenues</u> | | | | | |
| State Appropriations | 29,762,500 | 28,651,900 | 987,000 | \$29,638,900 | 3.44% |
| Property Taxes | 40,359,554 | 38,706,610 | (1,948,610) | \$36,758,000 | -5.03% |
| Tuition & Fees | 57,446,240 | 56,360,692 | (3,175,136) | \$53,185,556 | -5.63% |
| Other Revenues | 3,155,419 | 3,181,500 | (104,500) | \$3,077,000 | -3.28% |
| Total Revenues | \$130,723,713 | \$126,900,702 | (\$4,241,246) | \$122,659,456 | -3.34% |
| <u>Operating Budgets</u> | | | | | |
| Salaries & Wages | 62,318,528 | 60,291,670 | (1,050,370) | \$59,241,300 | -1.74% |
| Employee Benefits | 23,941,747 | 25,710,705 | (175,070) | \$25,535,635 | -0.68% |
| Total Salaries + Benefits | \$86,260,275 | \$86,002,375 | (\$1,225,440) | \$84,776,935 | -1.42% |
| Services & Supplies | 18,097,003 | 19,001,593 | (798,230) | \$18,203,363 | -4.20% |
| General Institutional Scholarships | 1,287,288 | 1,376,537 | (400,000) | \$976,537 | -29.06% |
| Child Care Scholarship | 251,100 | 254,142 | | \$254,142 | 0.00% |
| Total Operating Budgets | \$105,895,666 | \$106,634,647 | (\$2,423,670) | \$104,210,977 | -2.27% |
| Contingency | | \$993,457 | (380,160) | \$613,297 | -38.27% |
| Negotiations Contingency | | \$22,670 | (22,670) | | -100.00% |
| Total | | \$1,016,127 | (\$402,830) | \$613,297 | -39.64% |
| <u>Capital Budgets</u> | | | | | |
| Grant Match | 1,080,620 | 1,353,075 | (61,742) | 1,291,333 | -4.56% |
| Major Equipment | 1,414,500 | 1,134,500 | | 1,134,500 | 0.00% |
| Debt Service, all Issues | 7,637,958 | 7,642,446 | (8,492) | 7,633,954 | -0.11% |
| Plant Improvement | 3,075,000 | 3,075,000 | | 3,075,000 | 0.00% |
| Technology Infrastructure | 2,500,000 | 3,250,000 | (150,000) | 3,100,000 | -4.62% |
| Division Renovations | 87,125 | 87,125 | | 87,125 | 0.00% |
| Facilities-Auxiliary Fund | 400,000 | 400,000 | | 400,000 | 0.00% |
| Capital Projects | 1,733,087 | 2,307,782 | (1,194,512) | 1,113,270 | -51.76% |
| Total Capital Budgets | \$17,928,290 | \$19,249,928 | (\$1,414,746) | \$17,835,182 | -7.35% |
| Total Revenues | 130,723,713 | 126,900,702 | (4,241,246) | 122,659,456 | -3.34% |
| Total Allocation/Expenditures | 123,823,956 | 126,900,702 | (4,241,246) | 122,659,456 | -3.34% |
| Change in Net Assets | 6,899,757 | \$0 | | \$0 | N/A |
| Use of Designated Funds - change in encumb | 593,754 | | | | N/A |
| Use of Designated Funds – Legal and/or Plant | (7,493,511) | | | | N/A |
| Total change in undesignated net assets | \$0 | \$0 | | \$0 | |
| Undesignated General Fund Beg of Year | \$17,999,310 | \$17,999,310 | | \$17,999,310 | |
| Undesignated General Fund End of Year | \$17,999,310 | \$17,999,310 | | \$17,999,310 | |

Comparison of Proposed FY2013 Budget to FY2012 and FY2011 (continued) Operating Budgets

| | FY 2011 | FY 2012 | Change from | FY 2013 | Percent |
|---|---------------|---------------|----------------|---------------|---------|
| | Actual | Projected | FY 2012 | Proposed | Change |
| <u>Operating Budgets - Divisions</u> | | | | | |
| Academic Affairs | 2,133,084 | 2,174,261 | 189,083 | 2,363,344 | 8.70% |
| Administrative Services | 10,465,638 | 10,657,463 | (604,673) | 10,052,790 | -5.67% |
| Advancement & External Affairs | 2,935,142 | 2,925,230 | 45,527 | 2,970,757 | 1.56% |
| Arts & Sciences | 32,085,786 | 32,002,607 | (745,414) | 31,257,193 | -2.33% |
| Business Media and Info Technologies | 266,893 | 230,958 | 82,650 | 313,608 | 35.79% |
| Executive Offices | 4,492,655 | 3,906,690 | (78,870) | 3,827,820 | -2.02% |
| Extended Learning & Prof. Studies | 3,382,032 | 4,429,591 | 28,956 | 4,458,547 | 0.65% |
| Health & Human Services | 3,076,243 | 3,548,784 | (601,019) | 2,947,765 | -16.94% |
| Human Resources | 11,241,425 | 11,114,018 | 32,196 | 11,146,214 | 0.29% |
| Information Technology Services | 1,409,036 | 1,367,260 | 172,672 | 1,539,932 | 12.63% |
| Liberal Studies/Arts & Science | 8,779,736 | 9,060,305 | 186,567 | 9,246,872 | 2.06% |
| Student Services | 11,848,832 | 12,328,201 | 304,196 | 12,632,397 | 2.47% |
| Technical Careers | 12,240,776 | 11,258,600 | (1,035,541) | 10,223,059 | -9.20% |
| Total all Divisions | \$104,357,278 | \$105,003,968 | (\$2,023,670) | \$102,980,298 | -1.93% |
| <u>Operating Budgets - Account</u> | | | | | |
| Administrator Full Time | 11,224,810 | 11,314,870 | 69,066 | 11,383,936 | 0.61% |
| Administrator Part Time | 1,359,368 | 1,465,780 | 52,381 | 1,518,161 | 3.57% |
| Faculty Full Time | 15,829,364 | 15,850,240 | 603,414 | 16,453,654 | 3.81% |
| Faculty Part Time | 20,254,095 | 18,021,690 | (1,686,180) | 16,335,510 | -9.36% |
| Support Full Time | 8,930,684 | 8,753,140 | (73,002) | 8,680,138 | -0.83% |
| Support Part Time | 3,208,819 | 3,162,050 | (6,389) | 3,155,661 | -0.20% |
| Student | 1,511,388 | 1,723,900 | (9,660) | 1,714,240 | -0.56% |
| Total Salaries and Wages | \$62,318,528 | \$60,291,670 | (\$1,050,370) | \$59,241,300 | -1.74% |
| Employee Benefits | \$23,941,747 | \$25,710,705 | (\$175,070) | \$25,535,635 | -0.68% |
| Non Capital Equipment | 202,810 | 337,743 | (33,987) | 303,756 | -10.06% |
| Institutional Expenses | 2,085,771 | 2,038,195 | (82,294) | 1,955,901 | -4.04% |
| Utilities | 2,783,700 | 2,827,667 | (121,047) | 2,706,620 | -4.28% |
| Liability Insurance | 479,076 | 413,040 | (154,750) | 258,290 | -37.47% |
| Professional Services | 1,685,722 | 1,645,070 | (16,171) | 1,628,899 | -0.98% |
| Purchased Services | 3,585,753 | 3,952,254 | (451,386) | 3,500,868 | -11.42% |
| Rental Expense | 630,473 | 654,485 | (14,440) | 640,045 | -2.21% |
| Repair and Maintenance | 1,197,679 | 1,273,110 | (186,279) | 1,086,831 | -14.63% |
| Supplies | 4,848,381 | 5,094,789 | 292,084 | 5,386,873 | 5.73% |
| Travel, Training and Conferences | 597,638 | 765,240 | (29,960) | 735,280 | -3.92% |
| Total Services and Supplies | \$18,097,003 | \$19,001,593 | (\$798,230) | \$18,203,363 | -4.20% |
| Total Division Operating | \$104,357,278 | \$105,003,968 | (\$2,023,670) | \$102,980,298 | -1.93% |
| General Institutional Scholarships | 1,287,288 | 1,376,537 | (400,000) | 976,537 | -29.06% |
| Childcare Scholarships | 251,100 | 254,142 | | 254,142 | 0.00% |
| | | | | | |
| Total College Operating | \$105,895,666 | \$106,634,647 | (\$2,423,670) | \$104,210,977 | -2.27% |

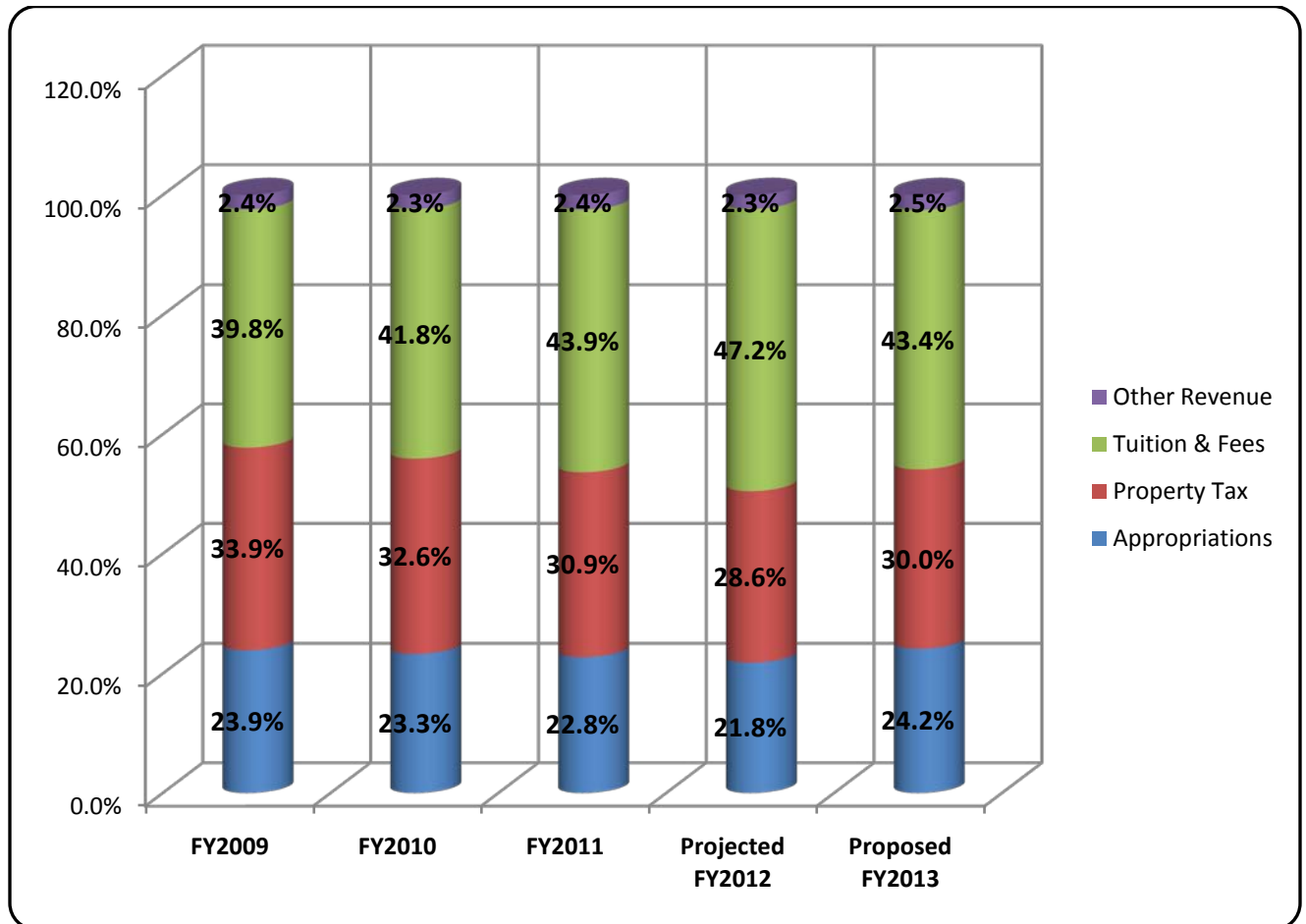
Summary Table of Budgeted Fulltime Positions FY2011 – FY2013

| Division | Job type | FY11 | FY12 Adopted | FY12 Amend #2 | Change from FY12 Amend #2 | FY13 Proposed |
|--|----------------|---------------|-----------------|---------------------|---------------------------------------|------------------|
| Academic Affairs | Administrative | 7.90 | 6.90 | 7.90 | (1.00) | 6.90 |
| | Faculty | 2.50 | 5.50 | 5.50 | 1.00 | 6.50 |
| | Support | 9.00 | 8.00 | 8.00 | 0.00 | 8.00 |
| Academic Affairs Total | | 19.40 | 20.40 | 20.50 | 0.00 | 20.50 |
| Administrative Services | Administrative | 5.00 | 5.00 | 5.00 | 0.00 | 5.00 |
| | Support | 37.75 | 36.75 | 36.75 | (2.00) | 34.75 |
| Administrative Services Total | | 42.75 | 41.75 | 41.75 | (2.00) | 39.75 |
| Advancement & External Affairs | Administrative | 10.75 | 9.75 | 9.75 | 1.00 | 10.75 |
| (Formerly College Advancement) | Support | 9.00 | 9.65 | 7.00 | (1.00) | 6.00 |
| Advancement & External Affairs Total | | 19.75 | 16.75 | 16.75 | 0.00 | 16.75 |
| Arts & Sciences | Administrative | 20.00 | 18.00 | 19.00 | 0.00 | 19.00 |
| (Formerly Liberal Studies) | Faculty | 122.25 | 121.00 | 121.50 | 3.00 | 124.50 |
| | Support | 18.00 | 12.00 | 12.00 | 0.00 | 12.00 |
| BCI/Corporate College Total | | 160.25 | 151.00 | 152.50 | 3.00 | 155.50 |
| Board of Trustees | Administrative | 1.00 | 1.00 | 1.00 | 0.00 | 1.00 |
| Board of Trustees Total | | 1.00 | 1.00 | 1.00 | 0.00 | 1.00 |
| Extended Learning and Professional Studies (ELPS) | Administrative | 13.00 | 14.00 | 14.00 | (1.00) | 13.00 |
| | Support | 8.85 | 7.85 | 8.85 | 1.00 | 9.85 |
| Business Media & Information Technologies Total | | 21.85 | 21.85 | 22.85 | 0.00 | 22.85 |
| Executive Offices | Administrative | 9.35 | 9.64 | 9.64 | (0.49) | 9.15 |
| (Formerly President's Office) | Faculty | 0.25 | 0.50 | 0.75 | (0.25) | 0.50 |
| | Support | 6.65 | 6.65 | 6.65 | 0.35 | 7.00 |
| ELPS Total | | 16.25 | 16.79 | 17.04 | (0.39) | 16.65 |
| Financial Services | Administrative | 10.00 | 10.00 | 10.00 | 0.00 | 10.00 |
| | Support | 18.75 | 18.75 | 18.75 | 0.25 | 19.00 |
| Financial Services Total | | 28.75 | 28.75 | 28.75 | 0.25 | 29.00 |
| Health and Human Services | Administrative | 17.50 | 17.50 | 18.50 | (0.50) | 18.00 |
| | Faculty | 30.43 | 31.43 | 31.43 | 1.00 | 32.43 |
| | Support | 7.00 | 8.00 | 9.00 | 0.00 | 9.00 |
| Health & Human Services Total | | 54.93 | 56.93 | 58.93 | 0.50 | 59.43 |
| Human Resources | Administrative | 7.00 | 7.00 | 7.00 | 0.00 | 7.00 |
| | Support | 4.00 | 4.00 | 4.00 | 0.00 | 4.00 |
| Human Resources Total | | 11.00 | 11.00 | 11.00 | 0.00 | 11.00 |
| Information Technology Services | Administrative | 20.00 | 21.00 | 22.00 | 0.00 | 22.00 |
| | Faculty | 1.00 | 1.00 | 1.00 | (1.00) | 0.00 |
| | Support | 23.00 | 22.00 | 22.00 | 0.00 | 22.00 |
| Information Technology Services Total | | 44.00 | 44.00 | 45.00 | (1.00) | 44.00 |
| Student Services | Administrative | 26.38 | 26.38 | 25.38 | 0.60 | 25.98 |
| | Faculty | 16.27 | 16.77 | 16.77 | 1.00 | 17.77 |
| | Support | 37.69 | 36.69 | 36.69 | (2.00) | 34.69 |
| Student Services Total | | 80.34 | 79.84 | 78.84 | (0.40) | 78.44 |
| Technical Careers | Administrative | 7.00 | 7.00 | 7.00 | 3.00 | 10.00 |
| | Faculty | 52.00 | 48.50 | 48.50 | (5.50) | 43.00 |
| | Support | 7.00 | 8.20 | 8.00 | (1.00) | 7.00 |
| Technical Careers Total | | 66.00 | 63.70 | 63.50 | (4.50) | 59.00 |
| Grand Total | | 566.27 | 553.76 | 558.41 | (4.54) | 553.87 |
| Administrative | | 154.88 | 153.17 | 155.27 | 1.61 | 156.88 |
| Faculty | | 224.7 | 224.7 | 225.45 | (0.75) | 224.70 |
| Support | | 186.69 | 175.89 | 177.69 | (5.40) | 172.29 |

LANSING COMMUNITY COLLEGE **SOURCES OF REVENUE** **Five Year Trend**

| Account Description | FY2009 | FY2010 | FY2011 | FY2012 Projected | FY2013 Proposed |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Appropriations | \$29,762,500 | \$29,762,500 | \$29,762,500 | \$28,651,900 | \$29,638,900 |
| Property Tax | \$42,147,127 | \$41,681,598 | \$40,359,554 | \$37,557,148 | \$36,758,000 |
| Tuition & Fees | \$49,568,717 | \$53,341,935 | \$57,446,240 | \$61,887,722 | \$53,185,556 |
| Other Revenue | \$2,986,480 | \$2,952,461 | \$3,155,419 | \$3,077,000 | \$3,077,000 |
| Total Revenues | \$124,464,824 | \$127,738,494 | \$130,723,713 | \$131,173,770 | \$122,659,456 |

Percent of Total Revenue



**LANSING COMMUNITY COLLEGE
OPERATING AND CAPITAL BUDGETS
Five Year History**

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY2012 | FY2013 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Actual | Actual | Actual | Actual | Projected | Proposed |
| <u>Revenues</u> | | | | | | |
| State Appropriations | \$31,810,203 | \$29,762,500 | \$29,762,500 | \$29,762,500 | \$28,651,900 | \$29,638,900 |
| Property Taxes | \$41,722,075 | \$42,147,127 | \$41,681,598 | \$40,359,554 | \$38,706,610 | \$36,758,000 |
| Tuition & Fees | \$44,867,839 | \$49,568,717 | \$53,341,935 | \$57,446,240 | \$56,360,692 | \$53,185,556 |
| Other Revenues | \$3,919,554 | \$2,986,480 | \$2,952,461 | \$3,155,419 | \$3,181,500 | \$3,077,000 |
| Total Revenues | \$122,319,671 | \$124,464,824 | \$127,738,494 | \$130,723,713 | \$126,900,702 | \$122,659,456 |
| <u>Operating Budgets</u> | | | | | | |
| Salaries & Wages | \$57,047,240 | \$61,805,934 | \$63,174,473 | \$62,318,528 | \$60,291,670 | \$59,241,300 |
| Employee Benefits | \$19,767,699 | \$22,327,950 | \$23,292,389 | \$23,941,747 | \$25,710,705 | \$25,535,635 |
| Total Salaries + Benefits | \$76,814,939 | \$84,133,884 | \$86,466,862 | \$86,260,275 | \$86,002,375 | \$84,776,935 |
| Services & Supplies | \$18,130,668 | \$20,587,201 | \$18,679,619 | \$18,097,003 | \$19,001,593 | \$18,203,363 |
| General Institutional Scholarships | \$1,076,672 | \$1,406,245 | \$1,270,719 | \$1,287,288 | \$1,376,537 | \$976,537 |
| Child Care Scholarship | \$150,313 | \$246,592 | \$259,602 | \$251,100 | \$254,142 | \$254,142 |
| Total Operating Budgets | \$96,172,592 | \$106,373,922 | \$106,676,802 | \$105,895,666 | \$106,634,647 | \$104,210,977 |
| Contingency | | | | | \$1,016,127 | \$613,297 |
| Promise Scholarship Replacement | | | \$952,233 | | | |
| Severance - VRSIP | | \$2,119,440 | \$734,523 | | | |
| Capitalized internal costs | (\$915,088) | | | | | |
| Total | (\$666,630) | \$2,119,440 | \$1,686,756 | | \$1,016,127 | \$613,297 |
| <u>Capital Budgets</u> | | | | | | |
| Grant Match | \$1,048,312 | \$1,045,620 | \$1,058,578 | \$1,080,620 | \$1,353,075 | \$1,291,333 |
| Major Equipment | \$1,380,000 | \$1,614,500 | \$1,414,500 | \$1,414,500 | \$1,134,500 | \$1,134,500 |
| Debt Service, all Issues | \$7,509,902 | \$7,602,455 | \$7,609,684 | \$7,637,958 | \$7,642,446 | \$7,633,954 |
| Plant Improvement | \$3,000,000 | \$3,075,000 | \$3,075,000 | \$3,075,000 | \$3,075,000 | \$3,075,000 |
| Technology Infrastructure | \$2,220,000 | \$3,320,000 | \$3,000,000 | \$2,500,000 | \$3,250,000 | \$3,100,000 |
| Division Renovations | \$85,000 | \$87,125 | \$87,125 | \$87,125 | \$87,125 | \$87,125 |
| Facilities-Auxiliary Fund | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 | \$400,000 |
| Facilities - Auxiliary 2007 | \$400,000 | | | | | |
| Capital Projects | \$248,458 | \$2,527,566 | \$950,996 | \$1,733,087 | \$2,307,782 | \$1,113,270 |
| Plant fund - Banner Capitalized Internal | \$915,088 | | | | | |
| Total Capital Budgets | \$16,958,302 | \$19,094,700 | \$17,595,883 | \$17,928,290 | \$19,249,928 | \$17,835,182 |
| Total Revenues | \$122,319,671 | \$124,464,824 | \$127,738,494 | \$130,723,713 | \$126,900,702 | \$122,659,456 |
| Total Allocation/Expenditures | \$112,464,264 | \$128,165,628 | \$125,959,441 | \$123,823,956 | \$126,900,702 | \$122,659,456 |
| Change in Net Assets | \$9,855,407 | (\$3,700,804) | \$1,779,053 | \$6,899,757 | \$0 | \$0 |
| Use of Desig Funds - Univ. Center | | (\$190,553) | | | | |
| Use of Desig Funds - change in encumb | (\$534,197) | | (\$103,023) | \$593,754 | | |
| Designated Funds -Tuition Stabilization | (\$3,154,654) | | | | | |
| Use of Desig Funds - Tuition Stabilization | | \$3,154,654 | | | | |
| Use of Desig Funds – Legal and/or Plant | | | (\$1,676,030) | (\$7,493,511) | | |
| Total change in undesignated net assets | \$6,166,556 | (\$736,703) | \$0 | \$0 | \$0 | \$0 |
| Undesignated General Fund Beg of Year | \$12,569,458 | \$18,736,014 | \$17,999,310 | \$17,999,310 | \$17,999,310 | \$17,999,310 |
| Undesignated General Fund End of Year | \$18,736,014 | \$17,999,310 | \$17,999,310 | \$17,999,310 | \$17,999,310 | \$17,999,310 |

**LANSING COMMUNITY COLLEGE
OPERATING DETAIL BUDGETS
Five Year History**

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Actual | Actual | Actual | Actual | Projected | Proposed |
| <u>Operating Budgets - Divisions</u> | | | | | | |
| Academic Affairs | \$1,852,163 | \$1,705,494 | \$1,308,385 | \$2,133,084 | \$2,174,261 | \$2,363,344 |
| Administrative Services | \$11,093,233 | \$12,543,166 | \$10,301,594 | \$10,465,638 | \$10,657,463 | \$10,052,790 |
| Advancement & External Affairs | \$242,043 | \$3,502,114 | \$3,460,476 | \$2,935,142 | \$2,925,230 | \$2,970,757 |
| BCI | \$1,617,104 | \$1,600,553 | \$1,926,730 | | | |
| Board of Trustees | \$819,449 | \$465,965 | \$329,980 | \$266,893 | \$230,958 | \$313,608 |
| Business Media and Info Technologies | \$8,753,669 | \$8,913,222 | \$9,196,200 | | | |
| Extended Learning & Professional Studies | | | | \$3,382,032 | \$4,429,591 | \$4,458,547 |
| Financial Services | \$3,111,257 | \$3,642,740 | \$3,578,160 | \$3,076,243 | \$3,548,784 | \$2,947,765 |
| Human Resources | \$1,912,011 | \$1,966,953 | \$1,845,572 | \$1,409,036 | \$1,367,260 | \$1,539,932 |
| Health & Human Services | \$9,184,211 | \$9,939,187 | \$8,913,934 | \$11,241,425 | \$11,114,018 | \$11,146,214 |
| Information Technology Services | \$5,728,338 | \$8,358,572 | \$8,716,077 | \$8,779,736 | \$9,060,305 | \$9,246,872 |
| Liberal Studies/Arts & Science | \$18,589,406 | \$26,169,337 | \$27,697,867 | \$32,085,786 | \$32,002,607 | \$31,257,193 |
| President's Office | \$1,904,650 | \$2,239,040 | \$2,252,626 | \$4,492,655 | \$3,906,690 | \$3,827,820 |
| Quality, Planning & Economic Development | \$826,478 | | | | | |
| Strategic Planning & Partnerships | \$2,760,143 | \$3,588,738 | \$4,124,324 | | | |
| Student Services | \$18,541,807 | \$11,565,831 | \$11,478,861 | \$11,848,832 | \$12,328,201 | \$12,632,397 |
| Technical Careers | \$8,009,645 | \$8,520,174 | \$10,015,696 | \$12,240,776 | \$11,258,600 | \$10,223,059 |
| Total all Divisions | \$94,945,607 | \$104,721,086 | \$105,146,482 | \$104,357,278 | \$105,003,968 | \$102,980,298 |
| <u>Operating Budgets - Account</u> | | | | | | |
| Administrator Full Time | \$10,345,233 | \$11,997,367 | \$11,277,763 | \$11,224,810 | \$11,314,870 | \$11,383,936 |
| Administrator Part Time | \$1,206,378 | \$1,490,835 | \$1,515,012 | \$1,359,368 | \$1,465,780 | \$1,518,161 |
| Faculty Full Time | \$16,505,924 | \$18,202,984 | \$15,992,651 | \$15,829,364 | \$15,850,240 | \$16,453,654 |
| Faculty Part Time | \$15,825,070 | \$15,886,918 | \$20,136,038 | \$20,254,095 | \$18,021,690 | \$16,335,510 |
| Support Full Time | \$8,562,234 | \$9,449,515 | \$9,327,570 | \$8,930,684 | \$8,753,140 | \$8,680,138 |
| Support Part Time | \$3,087,281 | \$3,205,106 | \$3,199,566 | \$3,208,819 | \$3,162,050 | \$3,155,661 |
| Student | \$1,515,120 | \$1,573,209 | \$1,725,873 | \$1,511,388 | \$1,723,900 | \$1,714,240 |
| Total Salaries and Wages | \$57,047,240 | \$61,805,934 | \$63,174,473 | \$62,318,528 | \$60,291,670 | \$59,241,300 |
| Employee Benefits | \$19,767,699 | \$22,327,950 | \$23,292,389 | \$23,941,747 | \$25,710,705 | \$25,535,635 |
| Non Capital Equipment | \$401,810 | \$331,970 | \$191,472 | \$202,810 | \$337,743 | \$303,756 |
| Institutional Expenses | \$1,638,548 | \$2,653,351 | \$2,472,512 | \$2,085,771 | \$2,038,195 | \$1,955,901 |
| Utilities | \$2,006,760 | \$2,708,906 | \$2,442,929 | \$2,783,700 | \$2,827,667 | \$2,706,620 |
| Liability Insurance | \$378,793 | \$417,420 | \$425,940 | \$479,076 | \$413,040 | \$258,290 |
| Professional Services | \$1,401,250 | \$1,667,865 | \$1,902,498 | \$1,685,722 | \$1,645,070 | \$1,628,899 |
| Purchased Services | \$4,408,316 | \$4,512,765 | \$4,010,178 | \$3,585,753 | \$3,952,254 | \$3,500,868 |
| Rental Expense | \$608,599 | \$634,667 | \$663,785 | \$630,473 | \$654,485 | \$640,045 |
| Repair and Maintenance | \$1,351,260 | \$1,266,303 | \$1,155,383 | \$1,197,679 | \$1,273,110 | \$1,086,831 |
| Supplies | \$4,760,211 | \$5,557,150 | \$4,747,426 | \$4,848,381 | \$5,094,789 | \$5,386,873 |
| Travel, Training and Conferences | \$1,175,121 | \$836,804 | \$667,496 | \$597,638 | \$765,240 | \$735,280 |
| Total Services and Supplies | \$18,130,668 | \$20,587,201 | \$18,679,619 | \$18,097,003 | \$19,001,593 | \$18,203,363 |
| Total Division Operating | \$94,945,607 | \$104,721,085 | \$105,146,481 | \$104,357,278 | \$105,003,968 | \$102,980,298 |
| General Institutional Scholarships | \$1,076,672 | \$1,406,245 | \$1,270,719 | \$1,287,288 | \$1,376,537 | \$976,537 |
| Childcare Scholarships | \$150,313 | \$246,592 | \$259,602 | \$251,100 | \$254,142 | \$254,142 |
| Total College Operating | \$96,172,592 | \$106,373,922 | \$106,676,802 | \$105,895,666 | \$106,634,647 | \$104,210,977 |

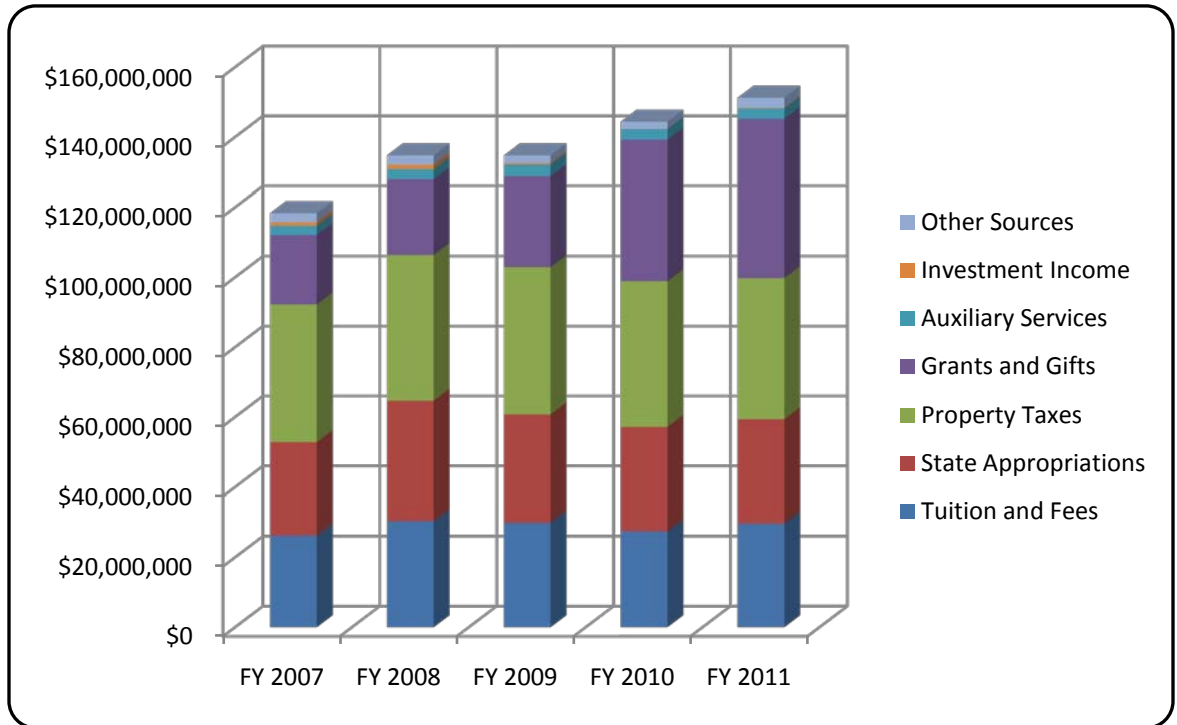
LANSING COMMUNITY COLLEGE REVENUE AND EXPENDITURE BY ACTIVITY – ALL FUNDS FIVE YEAR HISTORY

This table summarizes financial data for all the funds of the College for the past five years, and presents the overall financial position in terms of expenditure by activity type (ACS Category) and the sources of revenue that have funded these activities for the past five years. See the Appendix for description of ACS categories.

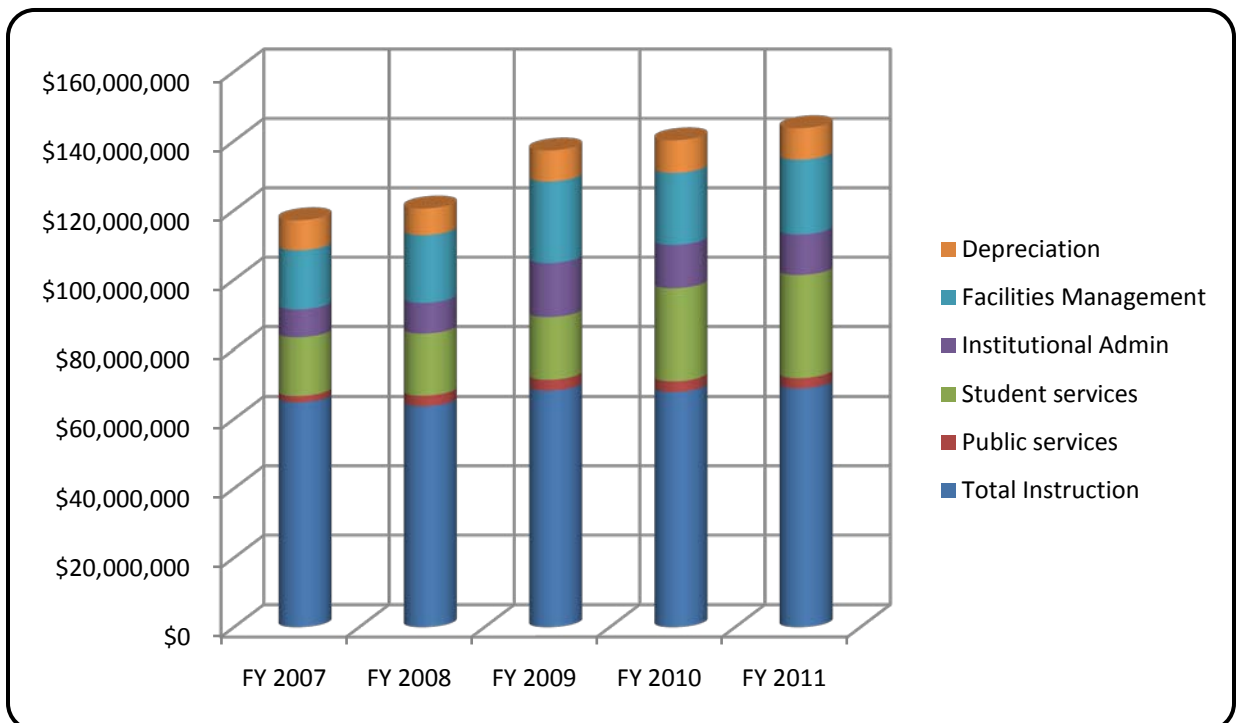
| | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue: | | | | | |
| Tuition and Fees* | \$26,232,399 | \$30,337,889 | \$29,903,915 | \$27,435,867 | \$29,649,088 |
| State Appropriations | \$26,612,106 | \$34,342,343 | \$30,855,236 | \$29,762,500 | \$29,760,498 |
| Property Taxes | \$39,394,072 | \$41,722,075 | \$42,147,127 | \$41,681,996 | \$40,359,554 |
| Grants and Gifts | \$19,893,904 | \$21,536,341 | \$25,907,134 | \$40,398,456 | \$45,438,061 |
| Auxiliary Services | \$2,624,492 | \$2,872,679 | \$3,338,948 | \$2,992,370 | \$2,981,292 |
| Investment Income | \$1,018,574 | \$1,244,354 | \$437,689 | \$82,155 | \$195,154 |
| Other Sources | \$2,583,102 | \$2,717,393 | \$2,147,124 | \$2,043,469 | \$2,868,653 |
| Total Revenue | \$118,358,649 | \$134,773,074 | \$134,737,173 | \$144,396,813 | \$151,252,300 |
| Expenditures: | | | | | |
| Instruction | \$45,659,012 | \$43,283,246 | \$45,855,569 | \$45,724,136 | \$47,627,872 |
| Instructional Support | \$19,147,107 | \$20,447,472 | \$22,343,098 | \$22,090,733 | \$21,211,978 |
| Total Instruction | \$64,806,119 | \$63,730,718 | \$68,198,667 | \$67,814,869 | \$68,839,850 |
| Public services | \$1,842,137 | \$3,022,360 | \$3,134,027 | \$3,066,958 | \$2,980,455 |
| Student services | \$16,774,351 | \$17,729,457 | \$17,902,827 | \$26,679,616 | \$29,539,632 |
| Institutional Admin | \$8,038,973 | \$8,841,886 | \$15,580,830 | \$12,483,400 | \$11,679,996 |
| Facilities Management | \$17,021,870 | \$19,547,376 | \$23,515,345 | \$20,764,960 | \$21,580,775 |
| Depreciation | \$8,678,276 | \$7,680,791 | \$8,949,125 | \$9,414,522 | \$9,091,814 |
| Total Expenditures | \$117,161,726 | \$120,552,588 | \$137,280,821 | \$140,224,325 | \$143,712,522 |
| | | | | | |
| Expenditures and Transfers | \$1,196,923 | \$14,220,486 | (\$2,543,648) | \$4,172,488 | \$7,539,778 |
| | | | | | |
| Beginning Fund Balance | \$113,402,404 | \$114,599,327 | \$128,819,813 | \$126,276,165 | \$130,448,653 |
| | | | | | |
| Ending Fund Balance | \$114,599,327 | \$128,819,813 | \$126,276,165 | \$130,448,653 | \$137,988,431 |

*Tuition and Fee revenues are net of Financial Aid received by students.

REVENUE SOURCES – ALL FUNDS FIVE YEAR TREND



EXPENDITURE BY ACS CATEGORY – ALL FUNDS FIVE YEAR TREND



RESTRICTED FUND REVENUE AND EXPENDITURE BY ACTIVITY FIVE YEAR HISTORY

| | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue: | | | | | |
| Federal Grants/Contracts | \$39,675,395 | \$17,590,681 | \$22,011,024 | \$36,954,676 | \$42,134,974 |
| State Grants/Contracts | \$5,400,777 | \$1,170,917 | \$1,158,988 | \$589,955 | \$308,623 |
| Local Grants/Contracts | \$534,734 | \$329,519 | \$608,205 | \$835,946 | \$1,483,210 |
| Private Gifts/Grants | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Sources | \$131,003 | \$43,858 | \$6,835 | \$152,073 | \$125,301 |
| Total Revenue | \$45,741,909 | \$19,134,975 | \$23,785,052 | \$38,532,650 | \$44,052,108 |
| Expenditures: | | | | | |
| Instruction | \$730,705 | \$0 | \$625,133 | \$779,475 | \$950,440 |
| Instructional support | \$3,897,161 | \$4,293,180 | \$2,864,864 | \$3,127,675 | \$2,445,646 |
| Total Instruction | \$4,627,866 | \$4,293,180 | \$3,489,997 | \$3,907,150 | \$3,396,086 |
| | | | | | |
| Public services | \$523,724 | \$487,793 | \$830,225 | \$778,984 | \$765,243 |
| Student services | \$41,514,979 | \$15,300,720 | \$21,091,732 | \$34,453,125 | \$40,475,116 |
| Information Technology | \$0 | \$20,568 | \$12,122 | \$0 | \$0 |
| Institutional Administration | \$0 | \$0 | (\$924,707) | \$231,430 | \$292,012 |
| Facilities Management | \$252 | \$0 | \$331,303 | \$218,367 | \$203,671 |
| | \$46,666,821 | \$20,102,261 | \$24,830,672 | \$39,589,056 | \$45,132,128 |
| Transfers In (Out): | | | | | |
| Student Services-Match | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | \$924,912 | \$954,161 | \$1,045,620 | \$1,056,406 | \$1,080,020 |
| Total Transfers | \$924,912 | \$954,161 | \$1,045,620 | \$1,056,406 | \$1,080,020 |
| | | | | | |
| Total Expenditures and Transfers | \$45,741,909 | \$19,148,100 | \$23,785,052 | \$38,532,650 | \$44,052,108 |
| Expenditures and Transfers | \$0 | (\$13,125) | \$0 | \$0 | \$0 |
| | | | | | |
| Beginning Fund Balance | \$184,743 | \$184,743 | \$171,618 | \$171,618 | \$171,618 |
| | | | | | |
| Ending Fund Balance | \$184,743 | \$171,618 | \$171,618 | \$171,618 | \$171,618 |

DESIGNATED FUND REVENUE AND EXPENDITURE BY ACTIVITY FIVE YEAR HISTORY

| | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue: | | | | | |
| Grants and Gifts | \$0 | \$0 | \$0 | \$0 | \$0 |
| Corporate Service Fees | \$0 | \$0 | \$0 | \$0 | \$0 |
| Workstudy Co-Op Programs | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Sources | \$1,346,914 | \$1,077,138 | \$1,514,476 | \$1,573,260 | \$1,180,619 |
| Transfers In | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | | | | |
| Total Revenue | \$1,346,914 | \$1,077,138 | \$1,514,476 | \$1,573,260 | \$1,180,619 |
| Expenditures: | | | | | |
| Instruction | \$0 | \$0 | \$28,195 | \$3,245 | \$40 |
| Instructional Support | \$15,190 | \$18,514 | \$85,213 | \$51,325 | \$96,714 |
| Total Instruction | \$15,190 | \$18,514 | \$113,408 | \$54,570 | \$96,754 |
| | | | | | |
| Public services | \$150,140 | \$58,497 | \$143,634 | \$198,676 | \$121,531 |
| Student services | \$822,578 | \$777,439 | \$812,505 | \$670,942 | \$766,501 |
| Information Technology | \$0 | \$3,113 | \$6,533 | \$0 | \$0 |
| Institutional Administration | \$573,265 | \$361,531 | \$61,971 | \$291,659 | \$230,122 |
| Facilities Management | \$1,616 | \$6,091 | \$383,306 | \$282,569 | \$243,018 |
| Transfers Out | \$660 | \$0 | \$0 | \$0 | \$0 |
| | | | | | |
| Total Expenditures | \$1,563,449 | \$1,225,185 | \$1,521,357 | \$1,498,416 | \$1,457,926 |
| Expenditures and Transfers | (\$216,535) | (\$148,047) | (\$6,881) | \$74,844 | (\$277,307) |
| | | | | | |
| Beginning Fund Balance | \$353,852 | \$137,317 | (\$10,730) | (\$17,611) | \$57,233 |
| | | | | | |
| Ending Fund Balance | \$137,317 | (\$10,730) | (\$17,611) | \$57,233 | (\$220,074) |

LANSING COMUNITY COLLEGE FY2013 ACTIVE GRANT FUNDS DETAIL

| Grant Name | Description | Funding Agency | Start Date | End Date | Actual Award |
|---|---|---|------------|-----------|--------------|
| 08-13 EEES Engaging Early Engineering Students | A core goal of this project is to develop a system-wide response in which instructors, administrators, and student leaders, collaborate and work as a team to increase engineering student success in all categories. | MSU | 7/1/2008 | 6/30/2013 | \$498,383 |
| 09-12 CPACE II: Implementation of a Reformed Curriculum | This CPACE II grant proposal involves implementing the findings of the planning grant into our curriculum. Workforce computational skills have been identified. At LCC we plan to integrate more computational problem-solving problems based on industry needs by using technology (Maple and MATLAB) in our calculus sequence and CPSC131 course. We will work with MSU engineering faculty to develop problem sets. | MSU | 9/15/2009 | 8/31/2012 | \$91,199 |
| 09-12 JET Jobs, Education & Training Workfirst | The JET Program is designed to establish and maintain a connection to the labor market for individuals referred from the MI Dept of Human Services while offering educational and training opportunities and Job Sear/Job Readiness activities to increase the participants' income, therefore, reducing or eliminating a family's need for public assistance. | Capital Area MI Works! | 10/1/2009 | 9/30/2012 | \$970,737 |
| 09-13 AMTEC | Create business/industry partnerships in delivering multi-skilled maintenance technical education that meets the high priority needs of automotive manufacturers and suppliers. | Kentucky Community and Technical College System | 9/15/2009 | 6/30/2013 | \$381,275 |
| 09-13 CCAMPIS Childcare Access | Purpose of this grant is to support campus-based child care to increase student retention and completion of college. | US Dept of Education | 10/1/2009 | 9/30/2013 | \$529,1618 |
| 10-12 Burcham Hills Alzheimer's and Dementia Training Program | This grant covers the delivery of training and consulting services to Burcham Hills Retirement Community. | US Dept of Education/Burcham Hills Retirement Community | 9/1/2010 | 8/31/2012 | \$77,140 |
| 10-12 ARRA Midwest Community College HIT Consortium | The Consortium will prepare a workforce for Region C that is prepared to ensure the adoption of Electronic Health Records (EHR), facilitate information exchange across health care providers and public health authorities, and assist in redesigning workflows within health care settings to maximize the quality and efficiency benefits of EHRs, while maintaining privacy and security of health information and records. The Consortium will deliver credit-bearing training programs and curricula throughout Region C. | Cuyahoga Community College District | 4/2/2010 | 3/31/2013 | \$698,882 |

| Grant Name | Description | Funding Agency | Start Date | End Date | Actual Award |
|--|---|---|------------|-----------|--------------|
| 10-12 Carnegie Foundation: American Mathematical Association | The Carnegie Foundation for the Advancement of Teaching has collaborated with the American Mathematical Association of Two-Year Colleges. Carnegie submitted is providing funds that AMTYC will use to reimburse two colleges for involvement by faculty (Jack Rotman) (LCC and one unknown). | Tennessee Community College/Carnegie Foundation | 9/1/2010 | 8/31/2012 | \$13,024 |
| 10-13 ATE Capital Region Info Technology Professional Development Initiative | Continue to provide current and future IT students at LCC with a registered apprenticeship opportunity that will provide them with a real-world practical complement to their more theoretical classroom instruction. Consequently, these students will be better prepared for the high-wage, high-demand IT jobs in the Capital Region area. | National Science Foundation | 7/1/2010 | 6/30/2013 | \$218,294 |
| 11-12 GSRP Great Start Readiness Program | Funding to support costs associated with at-risk, low income children to participating in Early LCC. | MI Dept of Ed | 10/1/2010 | 9/30/2012 | \$102,765 |
| 11-12 HSDCI State Foundation | State funding to support high school recapture program. | Ingham Intermediate School District | 9/1/2011 | 8/31/2012 | \$623,043 |
| 11-12The Early College at LCC State Foundation | State funding to support The Early College program. | Ingham Intermediate School District | 9/1/2011 | 8/31/2012 | \$626,736 |
| 11-12 MDCH Mental Health and Aging Project | To increase the capacity of Michigan's community mental health system to serve older people with serious mental illness, persons with dementia, older adults with developmental disabilities and to support families. | MI Dept of Community Health | 10/1/2011 | 9/30/2012 | \$163,540 |
| 11-12 Motorcycle Safety Training | To provide State of MI Motorcycle Safety training as prescribed by the Motorcycle Safety Foundation for the Lansing-area. | MI Dept of State | 10/1/2011 | 9/30/2012 | \$50,753 |
| 11-13 Advanced Technology Vehicle Curriculum Initiative | Curriculum development/job training initiative focused on alternative automotive technologies. Appropriation through Mark Schauer's Office in 2010 FY. | US Dept of Labor | 4/1/2011 | 3/31/2013 | \$420,000 |
| 11-13 CAMW! Utility Industry Training Services | A project which proposes to deliver utility training to 164 participants in the following areas: Pre-Apprenticeship Line worker Training, Underground Line worker Training, Substation/Engineering Technician Training, Substation Operations Technician Training and Advanced Metering Infrastructure Technician Training. | US Dept of Energy/CAMW! | 7/18/2011 | 6/30/2013 | \$97,243 |
| 11-14 ATE Integrated Career & Educational Pathways in Building Science | LCC and its academic and industry partners will create an integrated grades 9-16 academic-career pathways model to give students the technical and workforce skills needed to become leaders in Michigan's growing green building industry. | National Science Foundation | 7/1/2011 | 6/30/2014 | \$727,348 |

| Grant Name | Description | Funding Agency | Start Date | End Date | Actual Award |
|---|--|--|------------|------------|--------------|
| 11-16 TRIO Student Support Services | The Federal TRIO Programs are educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds. | US Dept of Education | 9/1/2011 | 8/31/2016 | \$1,452,575 |
| 11-17 KCP-MICUP Student Transition Enrichment Program | Michigan College/University Partnership Program with Central Michigan University (CMU). Funding to participate in recruitment efforts for students transferring to CMU. | Central MI University | 10/1/2011 | 9/30/2017 | \$24,000 |
| 12-12 Motorcycle Purchase Grant | Money provided by the State of MI to purchase a motorcycle for the Motorcycle Safety Training grant project. | MI Dept of State | 3/27/2012 | 9/30/2012 | \$12,153 |
| 12-12 Small Business Technology Development Center | Provide counseling, training, and research services at no or low cost to small businesses and potential entrepreneurs in Clinton, Eaton, Ingham, Ionia, Livingston and Shiawassee counties. New business starts, job creation, and capital creation. | US Small Business Administration/Grand Valley State University | 1/1/2012 | 12/31/2012 | \$193,000 |
| 12-14 NSF Collaborative Research: Quantitative Literacy | Project purpose is to develop and pre- and post-test for Quantitative Reasoning. LCC's role would be to participate in field testing the developed instrument. | Michigan State University | 2/15/2012 | 1/31/2014 | \$0 |
| 12-14 HSDCI Mott Foundation | Funding to support the HSDCI initiative which provides high school dropouts with educational opportunities, support systems and wrap-around services. | Mott Foundation | 2/1/2012 | 7/31/2013 | \$150,000 |
| Post 9/11 Veterans Educational Assistance Act 2010 | Money provided yearly to be used for professional development and training in support of our staff working with veterans. | US Veterans Administration | 10/1/10 | 9/30/11 | \$4,447 |

LANSING COMMUNITY COLLEGE CURRENT DEBT OBLIGATIONS

The Community College Act of 1966 limits the debt capacity of Lansing Community College and others in Michigan to 1½% of the first 250,000,000 of taxable valuation plus 1% of the excess over \$250,000,000 of the taxable valuation. At the end of the FY2012 the College's outstanding debt obligations stood at \$49,865,000. The taxable valuation stood at \$10,068,843,104. Lansing Community College is far below its statutory debt capacity, and has no problem meeting its debt obligations.

DEBT AMORTIZATION SCHEDULE

LANSING COMMUNITY COLLEGE

| Year | Bonds | | Siemens Contract | | Totals |
|---------------|-------------------|-------------------|------------------|---------------|-------------------|
| | Principal | Interest | Principal | Interest | |
| FY13 | 5,055,000 | 2,277,324 | 281,709 | 19,921 | 7,633,954 |
| FY14 | 5,285,000 | 2,040,528 | 292,213 | 9,457 | 7,627,198 |
| FY15 | 5,520,000 | 1,793,424 | 99,849 | 761 | 7,414,034 |
| FY16 | 5,800,000 | 1,525,808 | 0 | 0 | 7,325,808 |
| FY17 | 6,065,000 | 1,244,808 | 0 | 0 | 7,309,808 |
| FY18 | 2,830,000 | 952,534 | 0 | 0 | 3,782,534 |
| FY19 | 2,955,000 | 828,722 | 0 | 0 | 3,783,722 |
| FY20 | 3,080,000 | 698,696 | 0 | 0 | 3,778,696 |
| FY21 | 3,205,000 | 562,230 | 0 | 0 | 3,767,230 |
| FY22 | 3,320,000 | 419,498 | 0 | 0 | 3,739,498 |
| FY23 | 1,600,000 | 276,018 | 0 | 0 | 1,876,018 |
| FY24 | 1,650,000 | 210,926 | 0 | 0 | 1,860,926 |
| FY25 | 1,725,000 | 143,602 | 0 | 0 | 1,868,602 |
| FY26 | 1,775,000 | 72,826 | 0 | 0 | 1,847,826 |
| Totals | 54,705,000 | 15,547,760 | 945,591 | 60,149 | 71,258,500 |

STATISTICS AND APPENDIX

LANSING COMMUNITY COLLEGE SELECTED STATISTICS

Since 1957 more than 500,000 people have taken classes at LCC.

LCC is the fifth largest employer in the capital area, with more than 3,000 employees

75 percent of regional allied health professionals were trained at LCC

79 percent of LCC students receive financial aid

LCC's emergency medical technician program is one of only two programs in the state that is nationally accredited and part of the National Registry.

LCC graduates account for a large majority of the region's police and fire personnel

LCC is one of only 142 institutions nationwide to receive CNSS and NSA certification for its computer networking and security curriculum.

LCC offers more than 200 courses online and has 15 associate's degrees and certificates that can be earned by students through online study.

Student Statistics:

Women 55%, Men 45%

Average age 27

400 international students from 65 different countries

Employed full-time 18%; employed part-time 59%, unemployed 23%

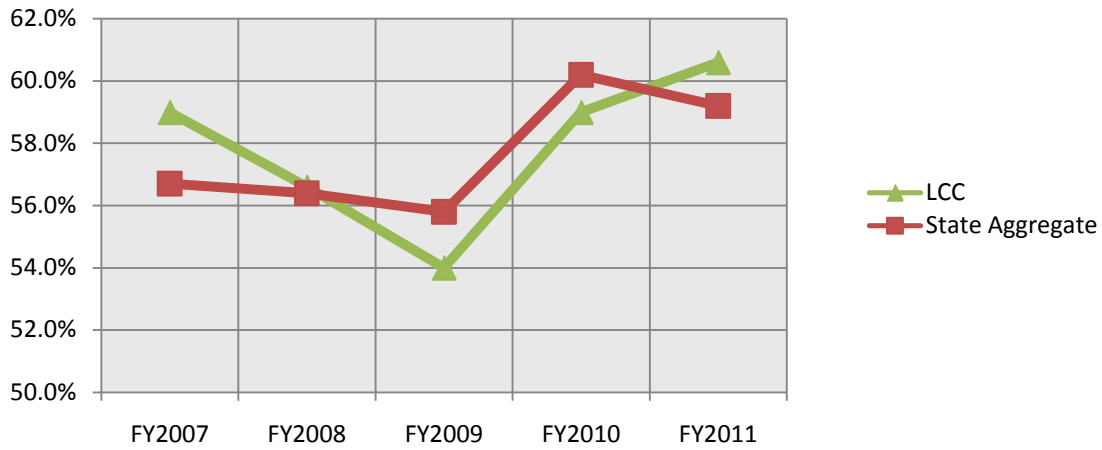
Ethnicity: White 65%, Black 10%, Hispanic 4%, Asian 2%,
American Indian 1%, other/unknown 18%

92.6% own a personal computer; 90.4% have access to the internet from home

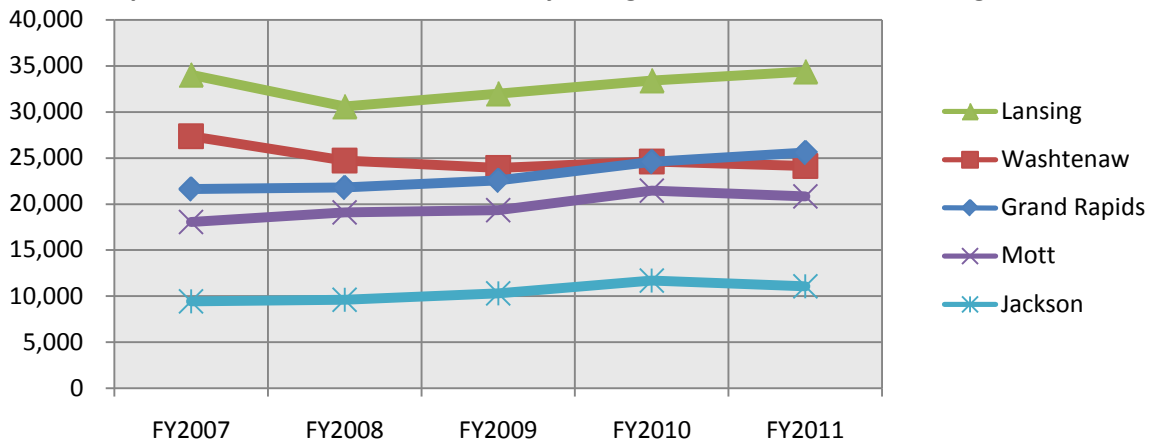
67.2% plan to transfer to another college or university

72.7% plan to earn a degree or certificate at LCC

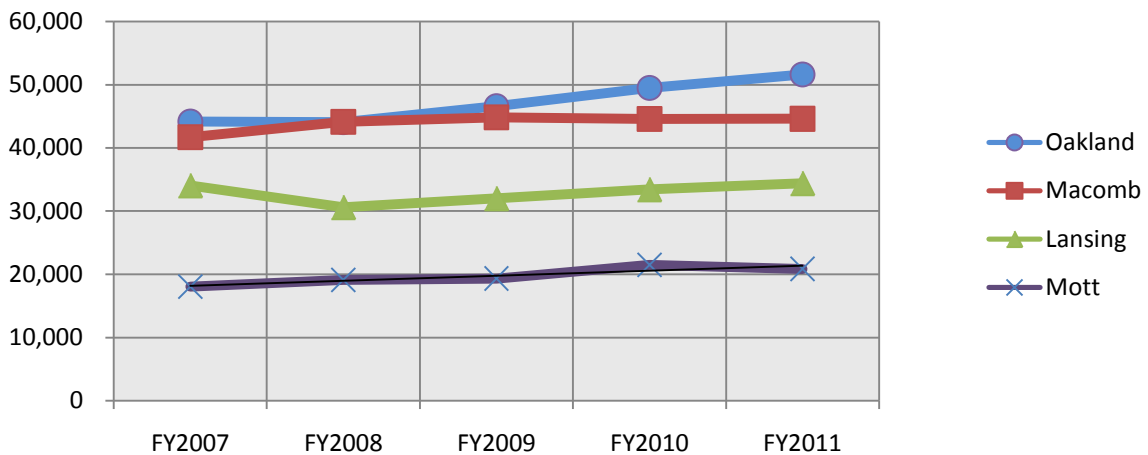
Instruction & Instructional Support as an % of Total Expenses



Unduplicated Head Count of Community Colleges within 75 miles of Lansing



Unduplicated Head Count of Community Colleges Similar to LCC in Enrollment

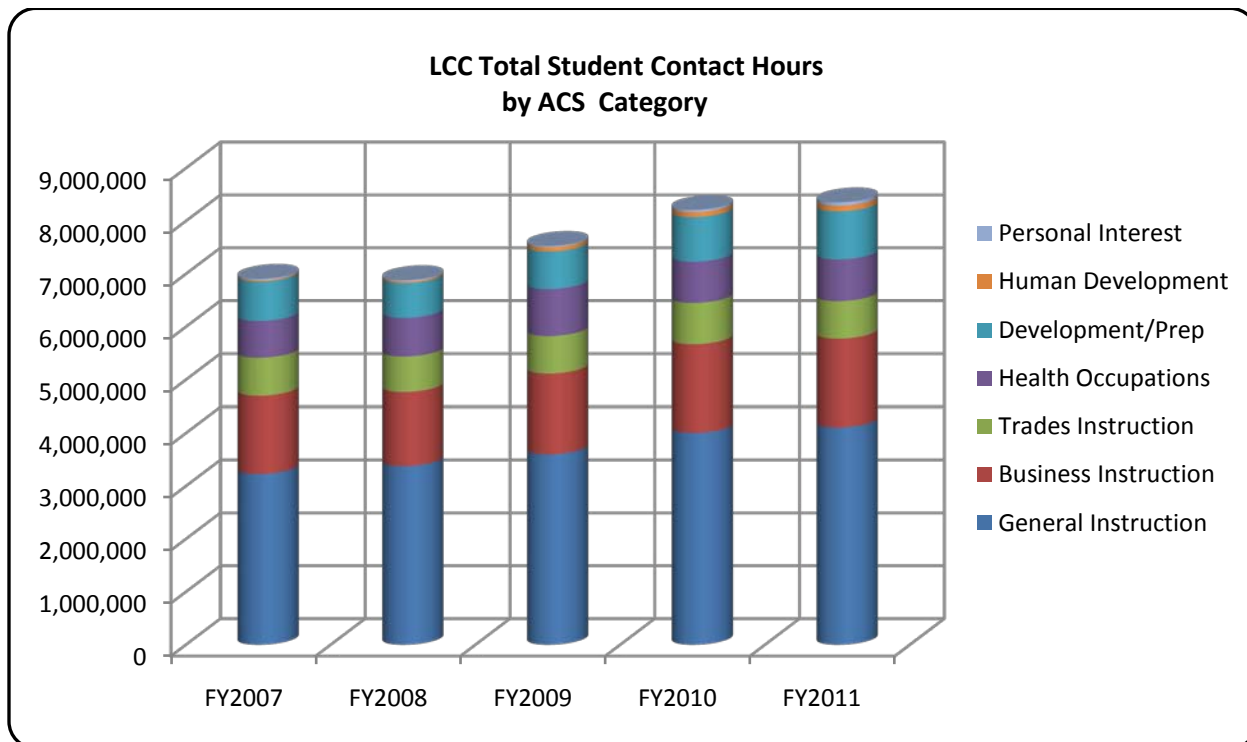


LANSING COMMUNITY COLLEGE

Student Contact Hours by ACS Category

2007 – 2011

| ACS | FY2007 | FY2008 | FY2009 | FY2010 | FY2011 |
|----------------------|------------------|------------------|------------------|------------------|------------------|
| Personal Interest | 24,175 | 25,899 | 25,694 | 43,466 | 62,304 |
| Human Development | 28,112 | 32,224 | 78,928 | 93,280 | 106,208 |
| Development/Prep | 742,760 | 654,104 | 711,704 | 844,408 | 910,304 |
| Health Occupations | 695,189 | 731,241 | 887,713 | 781,041 | 789,145 |
| Trades Instruction | 718,416 | 670,560 | 708,655 | 779,839 | 707,867 |
| Business Instruction | 1,470,207 | 1,390,834 | 1,516,226 | 1,667,283 | 1,669,134 |
| General Instruction | 3,227,034 | 3,376,512 | 3,599,805 | 4,003,153 | 4,107,793 |
| | | | | | |
| TOTAL | 6,905,893 | 6,881,374 | 7,528,725 | 8,212,470 | 8,352,755 |



Source: Michigan Community College Databook 2011

APPENDIX

Expense Account Definitions

| | | |
|-----------------------------------|--|---|
| Non Capital Equipment | | Purchased Services |
| Building/Improvements <\$5,000 | | Commercial Printing/Publication |
| Furniture < \$5,000 | | Current Development/Contracted |
| Equipment < \$5,000 | | Direct Instruction/Contracted |
| Instructional Equipment <\$5,000 | | Equipment Moving |
| Operational Equipment <\$5,000 | | Instructional Support/Contracted |
| Tech Equipment/Computers <\$5,000 | | Service Contracts |
| | | Technical Support |
| Institutional Expenses | | Temporary Help/Agency |
| Bond Administrative Expenses | | Miscellaneous Purchased Services |
| Chargebacks | | |
| Indirect Cost Expense | | Rental Expense |
| Mail | | Building Rentals |
| Property Taxes | | Equipment Rentals |
| Telecommunication | | Other Rentals |
| Bank Service Charges | | Vehicle Rentals |
| Cost Share Expense | | |
| Contributions and Sponsorships | | Repair and Maintenance |
| | | Building Maintenance Contracts |
| Utilities | | Building Repairs |
| Electricity | | Equipment Repairs |
| Gas | | Equipment Service Contracts |
| Steam | | Repair and Maintenance |
| Water | | |
| Cable Television | | Supplies |
| Professional Testing Fees | | Fuel College Vehicles |
| | | Memberships |
| Liability Insurance | | Reference Books |
| | | Software and Site Licenses |
| Professional Services | | Subscriptions |
| Admin/Management Consulting | | Supplies |
| Advertising | | |
| Architect/Engineering Services | | Travel, Training and Conferences |
| Audit Services | | Travel Lodging |
| Election Costs | | Travel Meal Allowance |
| Government Relations Consulting | | Travel Miscellaneous |
| Legal Consultant | | Travel Transportation |
| Collection Fees | | Travel Registration Fees |
| | | Meeting |
| | | Mileage |

ACS CATEGORIES

At Lansing Community College, program financial reporting complies with the activity classification structure (ACS) in The Manual for Uniform Financial reporting (MUFR) Michigan Public Community Colleges established in 1981. This makes it possible for comparisons between LCC and other community colleges in Michigan to be derived from historical data compiled in the annual ACS Data Book and Companion. The general definitions of the elements of this structure are as follows:

DEFINITIONS

INSTRUCTION

The Instruction Activity includes those activities carried out for the express purpose of eliciting some measure of educational change in a learner or group of learners. "Educational change" is defined to include: (1) the acquisition or improved understanding of some portion of a body of knowledge; (2) the adoption of new or different attitudes; and (3) the acquisition or measured mastery of a skill or set of skills. The activities that may be carried out to elicit these educational changes include both teaching activities and facilitating activities. The instruction activity includes both credit and non-credit instructional offerings.

Course offerings are classified into one sub-activity classification on a course level. The determination of the classification of instructional offerings into the appropriate sub-activity is based on the basic and primary institutional reason for offering the courses. Briefly stated, the Activities Classification Structure recommends defining sub-activities on the basis of an aggregation of groups of courses of similar subject matter rather than on the basis of the aggregation of instructional offerings that can be applied toward a particular degree or certificate, or what is commonly called a program. Thus, the subject matter of any course determines its sub-activity classification.

PUBLIC SERVICES

The Public Service Activity includes those activities established to make available to the public the various unique resources and capabilities of the institution for the specific purpose of responding to a community need or solving a community problem. This activity includes the provision of institutional facilities, as well as those services of the faculty and staff that are made available outside the context of the institution's regular instructional program.

INSTRUCTIONAL SUPPORT

The Instructional Support Activity includes those activities carried out in direct support of the instructional program. The activities that should be reported in this activity classification include: (1) activities related to the preservation, maintenance, and display of both the stock of knowledge and educational materials; (2) activities that develop and support instruction; and (3) activities directly related to the administration of instructional programs.

STUDENT SERVICES

The Student Services Activity includes those activities carried out with the objective of contributing to the emotional and physical well being of the students, as well as to their intellectual, cultural, and social development outside the context of the institution's regular instructional program.

INSTITUTIONAL ADMINISTRATION

The Institutional Administration Activity consists of those activities carried out to provide for both the day-to-day functioning and the long-range viability of the institution as an operating organization. The overall objective of the Institutional Administration Activity is to provide for the institution's organizational effectiveness and continuity.

PHYSICAL PLANT OPERATIONS

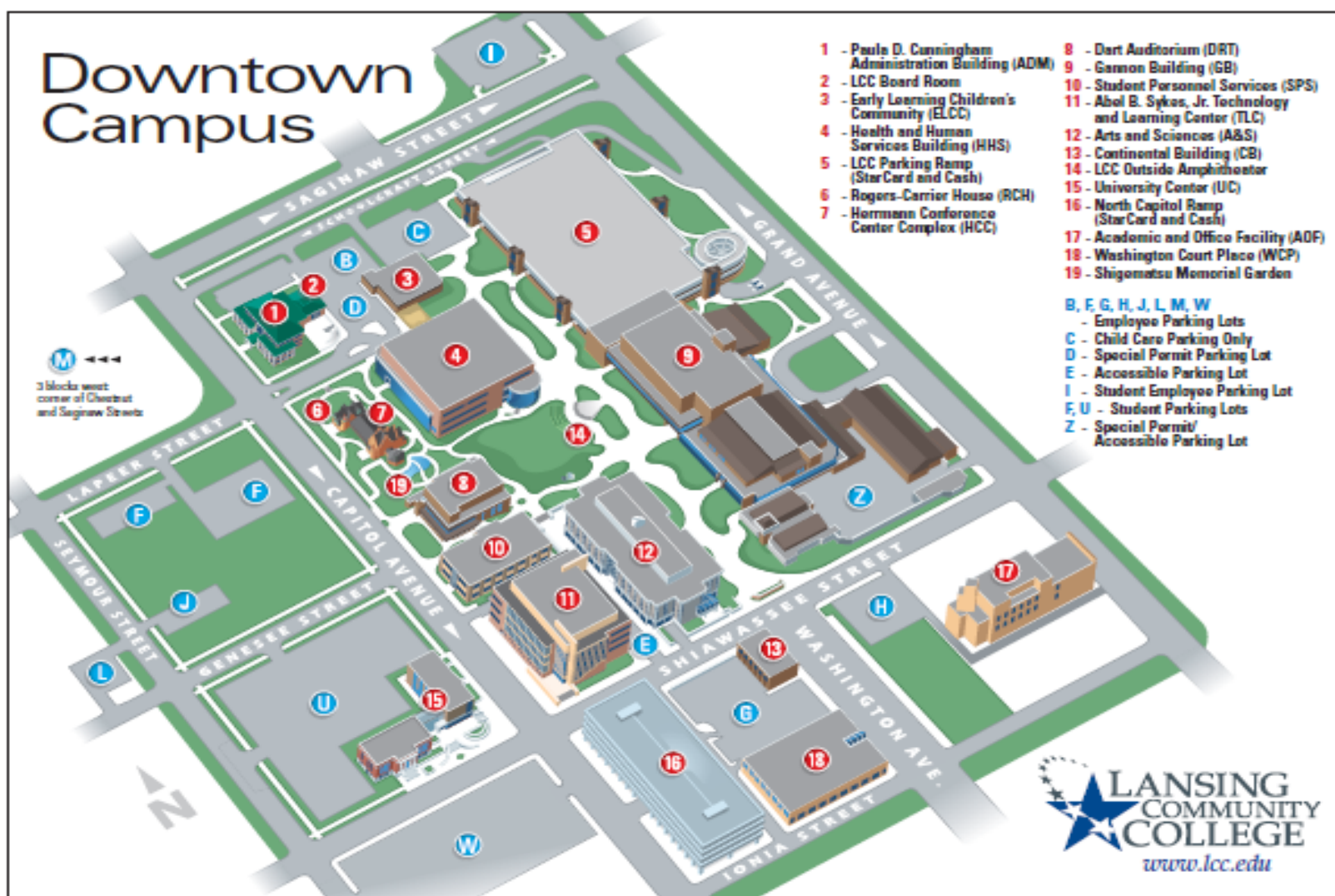
The Physical Plant Operations Activity consists of those activities related to maintaining existing grounds and facilities, providing utility services, planning and designing future plant expansion and modifications, and safety services.

MICHIGAN COMMUNITY COLLEGE BUSINESS OFFICER'S ASSOCIATION

Tuition and Fees Survey - Spring 2012

| | | 2011-12 Rates | | | 2012-13 Proposed Rates | | |
|----|----------------------------------|---------------|--------------|--------------|------------------------|--------------|--------------|
| | COLLEGE | In-Dist | Out-Dist | Out-State | In-Dist | Out-Dist | Out-State |
| 1 | Alpena Community College | \$99 | \$154 | \$184 | 106 | 166 | None |
| 2 | Bay de Noc Community College | 97 | 172 | 209 | DNA | DNA | DNA |
| 3 | Delta College | 84 | 130 | 190 | 86 | 135 | 200 |
| 4 | Glen Oaks Community College | 85 | 165 | None | 90 | 176 | None |
| 5 | Gogebic Community College | 96 | 128 | 158 | 99 | 134 | 166 |
| 6 | Grand Rapids Comm College | 96 | 210 | 299 | 98 | 215 | 322 |
| 7 | Henry Ford Community College | 75 | 135 | 140 | 75 | 135 | 140 |
| 8 | Jackson Community College | 101 | 142 | 201 | 106 | 159 | 212 |
| 9 | Kalamazoo Valley Comm College | 80 | 132 | 177 | 84 | 136 | 184 |
| 10 | Kellogg Community College | 81 | 130 | 193 | 84 | 136 | 194 |
| 11 | Kirtland Community College | 86 | 119 | 198 | 92 | 128 | 212 |
| 12 | Lake Michigan College | 81 | 122 | 159 | 83 | 129 | 169 |
| 13 | Lansing Community College | 79 | 158 | 237 | 81 | 162 | 243 |
| 14 | Macomb Community College | 84 | 128 | 166 | 86 | 131 | 170 |
| 15 | Mid Michigan Comm College | 88 | 161 | 308 | 93 | 172 | 324 |
| 16 | Monroe County Comm College | 77 | 132 | 146 | 84 | 144 | 160 |
| 17 | Montcalm Community College | 83 | 153 | 228 | 87 | 164 | 244 |
| 18 | Mott Community College | 103 | 155 | 203 | 108 | 162 | 216 |
| 19 | Muskegon Community College | 82 | 143 | 196 | 86 | 153 | 210 |
| 20 | North Central Michigan College | 75 | 123 | 159 | 78 | 128 | 165 |
| 21 | Northwestern Michigan College | 82 | 159 | 204 | 85 | 166 | 213 |
| 22 | Oakland Community College | 67 | 113 | 158 | 71 | 125 | 176 |
| 23 | Schoolcraft College | 84 | 123 | 181 | 87 | 127 | 188 |
| 24 | Southwestern Michigan College | 99 | 129 | 140 | 104 | 135 | 147 |
| 25 | St. Clair County Comm College | 91 | 177 | 258 | 95 | 184 | 268 |
| 26 | Washtenaw Community College | 85 | 136 | 179 | 89 | 142 | 187 |
| 27 | Wayne County Comm College | 89 | 110 | 140 | DNA | DNA | DNA |
| 28 | West Shore Community College | 79 | 138 | 185 | 83 | 150 | 200 |
| | AVERAGE | \$86 | \$142 | \$192 | \$89 | \$150 | \$205 |

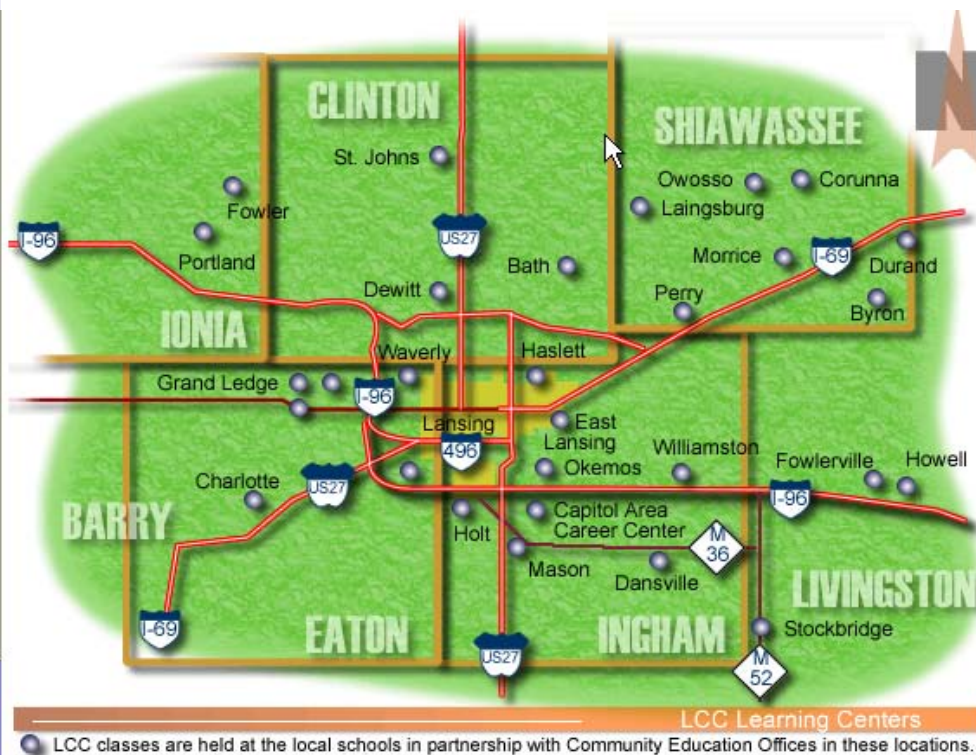
DNA – data not available



LCC Resident Districts and Learning Centers



The following school districts constitute the LCC resident district:
Bath, Dansville, East Lansing, Grand Ledge, Haslett, Holt, Lansing, Leslie, Mason, Okemos,
Stockbridge, Waverly, Webberville, and Williamston.



LCC classes are held at the local schools in partnership with Community Education Offices in these locations.

Glossary of Terms

Academic Quality Improvement Program (AQIP)

An alternative method to maintain accreditation established by the Higher Learning Commission. An organization must demonstrate that it meets the Higher Learning Commission's Criteria for Accreditation through processes that align with the ongoing activities that characterize organizations striving continuously to improve their performance.

Academic Term

An academic term is any period of time in which course work is offered by the institution and for which students seek enrollment. The term may include a regular session or a special session or both. The College uses the semester system, which consists of the summer, fall and spring semesters.

Auxiliary Fund

The Auxiliary Fund accounts for college services where a fee is charged. Each enterprise/service should be accounted for separately using a group of self-balancing accounts within the fund. Examples of accounts in this fund include food service, bookstore, and parking. Only monies over which the institution has complete control should be included in this fund.

BANNER

An enterprise system designed for higher education. LCC has utilized Banner for finance and student system information since 2006.

Benefits

Various benefits, other than salaries and wages provided by the College to employees which include: retirement; health insurance; dental insurance; long term disability insurance; vision insurance; life insurance; earned leave; tuition waivers; etc.

Bond

A bond is a written promise to pay a specific sum of money, called the face value or principle amount, at a specified date (or dates) in the future, called the maturity date, and with periodic interest at a rate specified in the bond. A bond is generally issued for a specific purpose or project, such as construction of a new facility.

Capital Budget

The Capital Budget includes funding for capital assets and infrastructure such as facilities, renovation, and certain equipment.

Contingency

Contingency funds are those appropriations set aside as a reserve for emergencies

or unforeseen expenditures. At Lansing Community College no funds shall be transferred out of reserves/contingency funds without prior approval of the Board of Trustee.

Course

A course is defined as an educational unit within the instructional programs dealing with a particular subject and consisting of instructional periods and one or more instructional delivery systems. Courses are generally classified by the discipline they belong to and the level of instruction. For example, BIOL120 would be a first level (year) biology course and MATH202 would be a second level (year) mathematics course.

Course Credit

The number of credits that will be earned by the student for successful completion of a course is the course credit. At Lansing Community College, it is generally measured in credit hours but varies from institution to institution depending upon the type of academic term system used.

Debt Service

Debt service includes expenditures for the retirement of long term debt and expenditures for interest on the debt.

Designated Fund

The Designated Fund is used to account for funds which are designated for use to finance specific operations at the college. The purpose or designation of the funds is determined by the Board of Trustees and the college administration. Designated Fund includes funds such as the Auxiliary Fund and the Plant Fund.

Educational Development Plan (EDP)

An individualized semester-by-semester class plan for reaching the student's intended educational goal. With this plan, the student can map out a path to a certificate, degree, or career goal and set a timeline for attaining it. Since it is a plan influenced by classes offered each semester and the student's individual circumstances, it should be re-evaluated regularly.

Encumbrance

A claim on an asset that reduces availability due to the obligation, such as a purchase order.

Equipment

Generally, equipment is classified as a free-standing item having an acquisition value of \$5000 or higher, and a normal life expectancy of one year or longer.

Fiscal Year

The fiscal year is the period over which a college budgets its spending. It consists of a period of twelve months, not necessarily concurrent with the calendar year; a period to which appropriations are made and expenditures are authorized and at the end of which accounts are made up and the books are balanced. Lansing Community College's fiscal year is the period July 1 to June 30.

Full-time Equivalent (FTE)

An FTE is equal to 100% of the normal full time work hours per job classification.

Fund

An income source established for the purpose of carrying on specific activities, or attaining certain objectives, in accordance with special regulations, restrictions or limitations. The terms and conditions established by this income source and/or the college must be complied with in making expenditures against the particular account.

Fund Accounting

A method of accounting that separates and tracks financial transactions to meet restrictions and reporting requirements imposed by funding sources and/or the college.

Fund Balance

The balance remaining in each fund account representing the funds available for unforeseen occurrences, such as revenue shortfalls and unanticipated expenditures as well as for future use as the restrictions governing the fund allows.

Fund Group

A high level classification of all fund sources which have similar characteristics.

General Fund

This fund is used to account for all transactions not required to be accounted for in another fund, and is used for all general purpose operating activities of the college.

Grant

Monetary award usually from the federal or state government and its use is restricted to a specific purpose. Each specific grant should be set up as a fund and accounted for separately using a complete group of self-balancing accounts.

Investment Income

Income or revenue derived from investments in securities or other properties in which money is held, either temporarily or permanently, in expectation of obtaining revenues. Legal investments for community college funds are governed by state statute, the Community Colleges Act which allows current operating funds, special funds, interest and sinking funds, and other funds belonging to or in the custody of the College,

including restricted and unrestricted funds, to be invested only in the types of investments permitted by law.

Persistence

A measure of whether students who took a course in the indicated program during Fall of an academic year returned in the following Spring semester. This measure does not indicate whether the student took another course in the same program, only that they returned to the college.

Plant Funds

Funds to be used for the construction, alteration or purchase of physical property of the college e.g., land, buildings, general improvements, equipment and library collections.

Program Quality Improvement Process (PQIP)

A process to provide academic programs with a framework for implementing positive change in an effort to achieve a systemic approach to continuous quality improvement.

Property Taxes

Taxes levied on real and personal property by the college district. The community college millage is levied for the specific purpose of funding college operations.

- **State Equalized Value (SEV):** In Michigan this is 50% of the appraised value of the property.
- **Taxable Valuation:** The value of the property used to determine the property tax. It may or may not be the SEV.

Quartile

A group that represents 25% of the total.

Restricted Fund

The Restricted Fund is used to account for funds that have restrictions on their use. The purpose of the funds is determined by the donors or sponsoring agency. The revenues for the restricted fund come largely from Federal Grants/Contracts, State of Michigan Grants/Contracts, Local Grants/Contracts and Private Gifts/Grants. Each specific grant is accounted for separately using a complete group of self-balancing accounts.

Retention

A measure of whether students who took a course in the indicated program during Fall of an academic year returned to the college for the Fall of the subsequent academic year. This measure does not indicate whether the student took another course in the same program, only that they returned to the college.

Sabbatical Leave

In accordance with the collective bargaining agreement between the College and its faculty, the College grants sabbatical leaves to various full-time faculty members. The

leaves are granted to enhance the professional competence of these instructors, who are required to return to work for the College a period of one year. Compensation is recorded in the fiscal year the leave is taken.

Sections

An individual class unit for each term consisting of a student cohort, a teacher and a regular schedule for each .

Supplies and Services

Any un-capitalized article, material or service that is consumed in use, is expendable or loses its original shape or appearance with use. This category includes the cost of outside or contracted services as well as materials and supplies necessary for the conduct of the College's business.

State Appropriations

Revenue received by the College from the State of Michigan based on a formula.

Student Services

Student services include those activities which provide direct support services to students other than academic support services. These activities include registration and records, financial aid, counseling, placement testing, career placement assistance, health services, and student activities.

Student Tuition and Fees

The student tuition and fees category includes all student tuition and student fees assessed against students for educational and general purposes. Tuition is the amount per billable hour times the number of billable hours charged a student for taking a course at the college. Fees include laboratory fees, application fees, transcript fees, and similar charges not covered by tuition.

Vacancy Factor

A line item, set annually as a percentage of overall compensation, reducing the projected expenditure in an estimation of the value of unspent budget due to lag in position incumbency. The vacancy factor will serve to limit over budgeting and help keep tuition and fee costs as low as possible.