



# Annual Budget



Fiscal Year 2015-2016



# **Lansing Community College**

## **FY 2015-2016 Strategic Planning & Budget Lansing, Michigan**

# LANSING COMMUNITY COLLEGE

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## **Joint Letter from the President and the Chief Financial Officer:**

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

The one constant within community colleges for the past decade is change, and Lansing Community College differs little from its peers in terms of the need to adapt to change and the number of factors that affect it: enrollment trends, educational and training priorities, and public and political expectations.

Lansing Community College has acted decisively, carefully managing its financial, human and physical resources to mitigate the impact of significant fiscal challenges over the last several years. The College has seen minimal increases in state funding and property tax revenue, while at the same time, experiencing declining enrollment. 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. Other factors affecting our future include potential changes in the way the State of Michigan handles higher education appropriations, including the likelihood of a further shift to performance-based incentives. Each degree conferred by LCC is certainly a personal triumph for a student, but it is also a piece of the foundation upon which our future prosperity and competitiveness will rest. The good news is that the state appropriation to LCC increased 1.3% over FY2015, bringing the appropriation total to almost \$31.6 million.

LCC is also facing significant demographic challenges. Enrollment began to decline in FY2012, and has continued to decline. In FY2016, a further decline of 8.65% is projected. At \$3 per billable hour (3.5%), **LCC's tuition increase for FY2016** ties us for the lowest tuition among Michigan community colleges, well below the state-wide average. Had many of the measures mentioned above not been implemented, LCC would not be able to maintain such a low in-district tuition rate. A look forward to FY2016 anticipates ongoing financial challenges and requires continued focus on cost containment and smart investment.

**The College's budget planning and choices are circumscribed by the Strategic Plan, the Campus Master Plan and the Board of Trustees' Governance End Policies.** We understand that to achieve our goals, we must become more disciplined in the allocation of resources. Our strategy is not to reduce the institution through subtraction, but to enlarge it through rational, planned, and data-informed decisions that allow us to apply what we do best to changing circumstances. Future growth requires the College to expand to new markets for its programs and services while continually monitoring the relevance of its existing programs. We will retain the best of

our traditions while redefining our processes, programs, and products for a more competitive future.

The College, through the Strategic Plan *Learn Forward*, has a vision of what it should become through 2016. Many pieces are in place, and many more must be developed to address our challenges and position ourselves for the future. *Learn Forward* focuses on the core areas of Competitiveness and Innovation; Learning; Student Success; Community Engagement; Leadership, Culture, and Communication; and Resource Management and Fiscal Responsibility. Operation 100% is our comprehensive, systematic approach to defining goals and objectives that implement *Learn Forward* and help us promote student achievement effectively and efficiently.

In presenting this FY2016 budget, we would like to recognize the hard work and dedication of all those who contributed to the achievement of this balanced budget for FY2016, especially the Executive Leadership Team and the staff of the Financial Planning, Analysis and Review Department.

Respectfully submitted,

Brent Knight  
President  
Lansing Community College

Donald L. Wilske  
Chief Financial Officer  
Financial Services Division

## **LANSING COMMUNITY COLLEGE DISTINGUISHED BUDGET PRESENTATION AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) peer reviews submitted budget documents, evaluating for meeting criteria. The document serves as a policy document, as an operations guide, as a financial plan, and as a communication device.

GFOA conferred a Distinguished Budget Presentation Award on Lansing Community College of Lansing, Michigan for its annual budget for the fiscal year beginning July 1, 2014. The College has received this award for budget presentation since FY2009.

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



# **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 industrial workforce. The first president, Dr. Philip Gannon opened the doors to 425 students in the Fall Term in 1957. The most recent data available reports over 27,000 unduplicated students for fiscal year 2013-14.

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, 2015**

Robert E. Proctor, Chairperson  
*December 31, 2016*

Lawrence Hidalgo, Jr., Vice Chair  
*December 31, 2018*

Judith K. Berry, Secretary  
*December 31, 2020*

Larry Meyer, Treasurer  
*December 31, 2016*

Deborah Canja, Trustee  
*December 31, 2016*

Robin Smith, Trustee  
*December 31, 2018*

Andrew P. Abood, Trustee  
*December 31, 2020*

Dr. Brent Knight, President

Based on Michigan Community Colleges Activity Classification Structure (ACS) 2013-14 Data Book & Companion, LCC has the third largest Contact-Hour Equated Student enrollment and the third largest Fiscal-Year Equated Student enrollment of the 28 community colleges in Michigan. The College enrolls over 27,000 students per fiscal year, made up of about 61% in-district and 38% in-state . LCC employs over 500 full-time employees and over 1,800 part-time faculty and staff. The College offers classes year-round, in a three-semester curriculum. The College vision, mission, and guiding principles/values reflect the diversity and potential of its stakeholders.

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

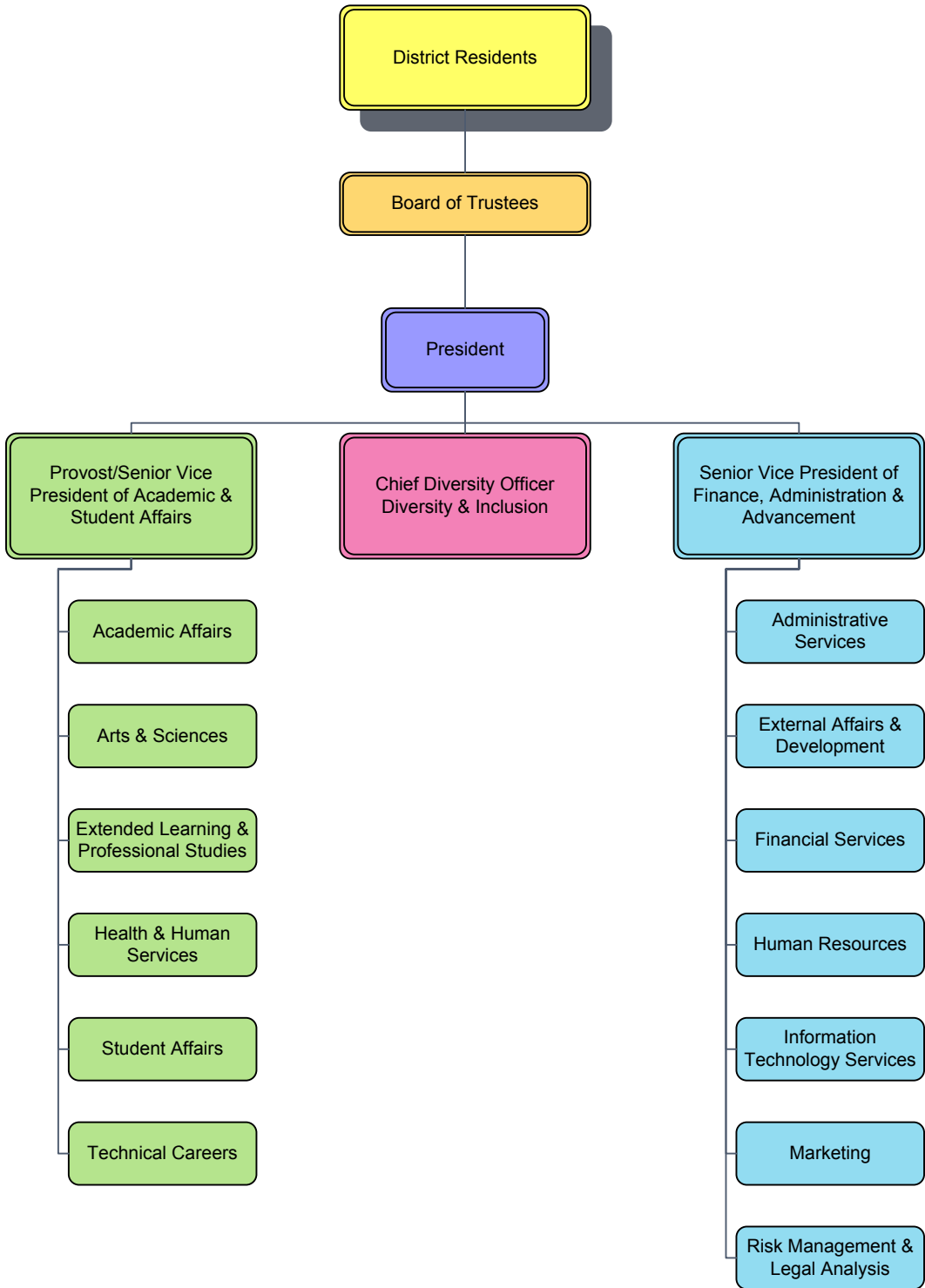
The main locations are:

- LCC Downtown Campus, including a University Center (housing classes for partner Universities), 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 which is a 64 acre campus and houses the Michigan Technical Education Center®
- LCC East in East Lansing, Michigan
- Livingston Center at Parker Campus in Howell, Michigan
- LCC North in St. Johns, Michigan
- Aviation Maintenance Center at the Jewett Airfield in Mason, Michigan
- Livingston County EMS Facilities in Howell, Michigan

**In addition, there are learning centers in more than 20 communities within the College's 30-mile service district. Approximately 22% of all section offerings are on-line. A complete Associate's Degree can be earned on-line.**

The Statistics and Appendix section presents more LCC statistics, facts and maps.

**LANSING COMMUNITY COLLEGE**



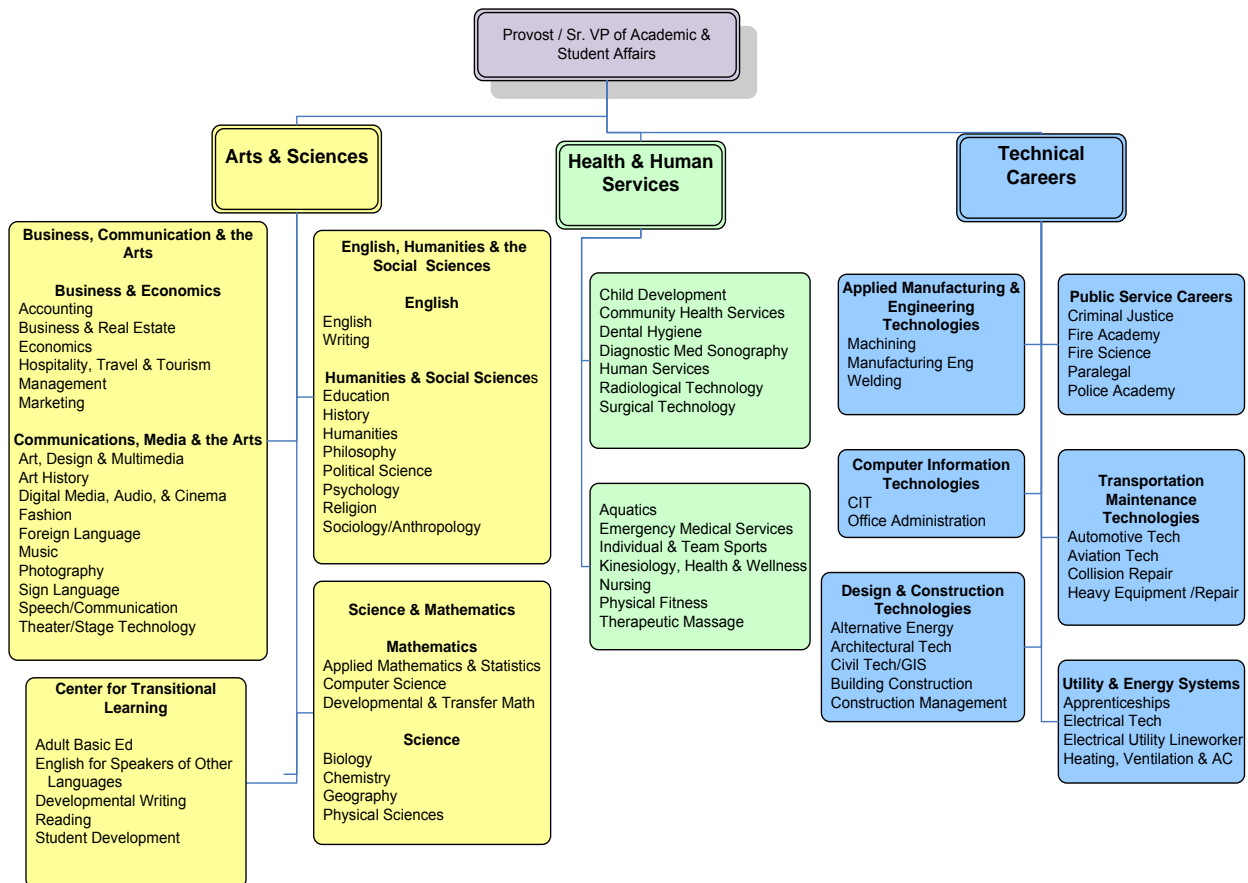
# LANSING COMMUNITY COLLEGE

## 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, master plans, and program plans
3. Evaluating performance at the College level

## Instructional Divisions



At Lansing Community College, instruction is organized into the three Divisions displayed in the chart above: Arts and Sciences (A & S), Health and Human Services (HHS), and Technical Careers (TC).



The Technical Careers Division reorganized in November, 2014, replacing four area-specific Program Directors with two division-wide Associate Deans, who are supported by Academic Coordinators. Program Directors remained for Public Service Careers and Aviation Technologies, due to accreditation requirements.

This staffing model is consistent with the two other Instructional Divisions. For A&S and HHS, the Associate Dean's responsibility are identified in the chart above, while, for TC, the chart reflects areas organized by Program Director responsibility.

## **Arts & Sciences**

The Arts & Sciences Division offers courses and programs in a based on traditional and contemporary values, in a learning environment which nourishes concepts and attitudes that enable students to respond creatively, intelligently, and compassionately to change and diversity within our community and the world. These offerings impart knowledge which enables students to enrich their intellectual, professional and personal lives.

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 three units with multiple departments under three Associate Deans and Program Directors for each program within those departments. In addition to the Dean, Associate Dean and Program Managers or Academic Coordinators, each department has a contingent of Faculty Program Chairs to provide regular input from the faculty perspective in the decision-making processes.

- Business, Communication and the Arts
  - Accounting; Business & Real Estate; Economics; Hotel & Food Service Management; Management and Marketing are offered in the Business department of this unit.
  - Art, Design & Multimedia; Art History; Digital Media, Audio and Cinema; Fashion; Foreign Language; Music; Photographic Imaging Technologies; Sign Language; Speech/Communication; and Theater & Stage Technology are programs in the Communication & Arts department of this area.
- Center for Transitional Learning - This department was created in FY2, to better focus efforts leading to success for developmental learners who are not at a college-ready level, including those students for whom English is a second language. Included in this department are courses in Adult Basic Education, Developmental Writing, English for Speakers of Other Languages, Reading and Student Development.
- English, Humanities and the Social Sciences
  - The English Department offers English and Writing
  - Education Preparation; History; Humanities; Philosophy; Political Science; Psychology; Religion; and Sociology/Anthropology are the programs offered in the Humanities and Social Sciences Department.

- Science and Mathematics
  - Mathematics offers a variety of courses, including Applied Math & Statistics, Computer Science, and Developmental and Transfer Math.
  - The Science department offers a wide range of courses in the natural sciences for degree completion, transfer to four-year institutions or personal interest - Biology, Chemistry, Geography and Physical Science programs are in this department.

## **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. Powerful education, health care, and business partnerships support LCC's commitment to optimize student success. Students may pursue an associate degree, certificate, or transfer curriculum. The division is divided into two areas under two Associate Deans with the following instructional areas:

- Associate Dean 1:
  - Child Development & Early Education
  - Community Health Service Education
  - Dental Hygiene
  - Diagnostic Medical Sonography
  - Human Services
  - Radiologic Technology
  - Surgical Technology
- Associate Dean 2:
  - Aquatics
  - Emergency Medical Services
  - Individual and Team Sports
  - Kinesiology, Health & Wellness
  - Nursing
  - Paramedic
    - Military Medic / Advanced EMT to Paramedic
  - Physical Fitness
  - Therapeutic Massage

## **Technical Careers**

Technical Careers Division provides state-of-the-art education and training programs in technology, giving students the specialized skills to secure employment in highly technical occupations. 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.

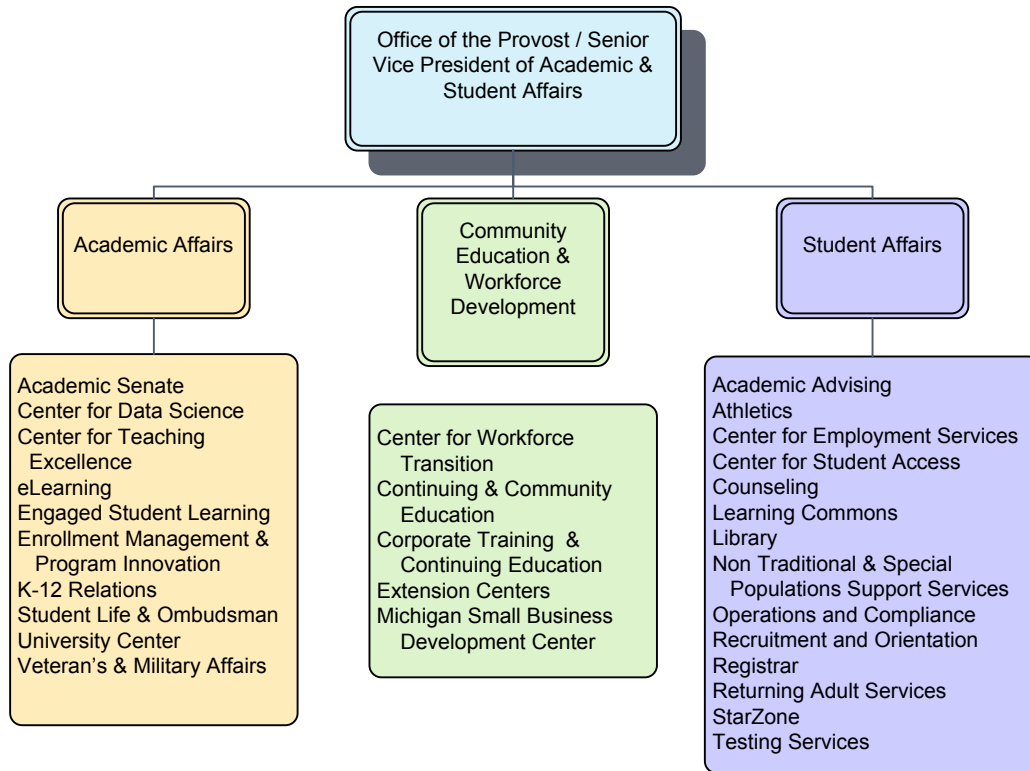
For FY2016 and into FY2017, Technical Careers will be utilizing a \$4.8 million dollar grant (Community College Skilled Trades Equipment Grant), awarded by the State of Michigan, to create a Center for Manufacturing Excellence at the West Campus. The

College must match the grant with \$3.8 million. The funds will rework and expand footage at West Campus and purchase mechatronics equipment. In keeping with the goal of providing state-of-the-art education, the expansion of the mechatronics lab will provide LCC with a full Flexible Manufacturing System. Through the enhancement of our facilities, LCC will be able to increase offerings in at least six industry certifications in addition to a new Associates degree in Applied Science in Mechatronics.

The Division is divided into six programs areas:

- Manufacturing Engineering Technology Design (METD) - The METD program provides students with the diverse manufacturing and CAD skills that global companies demand. Students in this curriculum obtain machining experience coupled with computer aided drafting and design skills. Students who graduate from this program are proficient in drafting and design standards, knowledgeable in two CAD software systems, have working knowledge of GD&T and experience with rapid prototyping (3D printer) - Manufacturing Engineering Technology (MET) Design, MET Machining, MET Systems, Welding and Mechatronics are programs in this department.
- Computer Information Technologies - Provides students with cutting-edge learning opportunities in seven key computer technology areas: applications, databases, foundational software and hardware concepts, networking, programming, support and web environment.
- Design and Construction Technologies - Programs reflect evolving design principles and integrate Alternative Energy, Architectural Technology, Civil Technology/Geographic Information Systems (GIS), Building Construction and Construction Management.
- Public Service Careers - Includes training for Criminal Justice workers, Paralegals, Fire Science, Fire Academy and Police Academy.
- Transportation Maintenance Technologies - Automotive technology and Collision Repair, Aviation Technology and Heavy Equipment Repair are taught in this department.
- Utility and Energy Systems - Includes Apprenticeships, Electrical Technology, Electrical Utility Lineworker and Heating, Ventilating and Air Conditioning Technology.

## Instructional Support Divisions



### Academic Affairs

Academic Affairs provides leadership for instruction and student support services. Academic Affairs 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.

The goals of Academic Affairs 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 following departments are included in Academic Affairs:

- Academic Senate - Chartered in FY2013, the intent of this advisory body is to provide faculty input and advice to the administration concerning issues of College-wide educational philosophy, College-wide academic policy, and priorities in the College-wide deployment of capital or financial resources.
- Center for Data Science (CDS) - CDS is instrumental to Lansing Community College's data-informed decision making models that integrate data and best practices through research and quality. 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
- Center for Teaching Excellence (CTE) - CTE is a department dedicated to supporting the teaching, learning, and instructional technology goals of Lansing Community College educators. Through coordination with Human Resources, training opportunities are provided to help assure that LCC students get the highest quality instruction and support.
- eLearning - The eLearning Department is committed to student success, supporting efforts to ensure a quality online education and meet faculty and staff needs surrounding electronically supported education. The eLearning Department is responsible for the administration of Lansing Community College's Course Management System (CMS), currently Desire2Learn (D2L), which houses all online and hybrid courses as well as providing course shells for those face-to-face instructors who wish to use the CMS to supplement their course.
- Engaged Student Learning - This office was created in FY2015 to oversee the **centralization LCC's various student learning / student success initiatives in order to strengthen the College's ability to succeed with Operation 100%, a** comprehensive, college-wide initiative aimed at achieving maximal excellence in student learning (for more on Operation 100% see pages 37-39).
- Enrollment Management and Program Innovation - This office was created in FY2015 to provide focused leadership to cross-functional teams in academic and student affairs leadership in order to improve managing change efforts in enrollment management, program review and program innovation.
- K-12 Relations - 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. Partnerships with local school districts offer students numerous options for advanced placement, high school diploma completion and technical preparation and certification courses or transferable **college credits up to an associate's degree.**
  - High School Diploma Completion Initiative (HSDCI) program targets at-risk students and traditional high school stopouts/dropouts, allowing them the opportunity to get a high school diploma from their school district.

- University Center - The University Center is a partnership between Lansing Community College and five four-year universities located on LCC's downtown campus. Our partner universities offer junior and senior level college courses **leading to over 30 Bachelor's degrees, several post-baccalaureate certificates and Master's degrees.** All community members, as well as current and former LCC students may attend the University Center.
- **Veteran's and Military Affairs** - **Veteran's Services staff is available to assist** veterans with questions about educational benefits and connect veterans to essential services, including certifying enrollment to the Department of Veterans Affairs.

### **Community Education & Workforce Development**

The Community Education and Workforce Development Division at Lansing Community College helps the College meet its goals to extend learning opportunities in non-traditional ways. Through the offerings of this unit, one can prepare for traditional college activities, can receive both credit and non-credit certifications, go beyond an **associate's** degree to a bachelors, masters and even professional certification. Business owners and would-be entrepreneurs can find the tools and resources needed to grow and thrive. The departments included in the Community Education & Workforce Development Division are:

- Corporate Training & Continuing Education - Offers performance solutions, training and courses in a variety of topics for various industries. 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. Business organization's internal strategic plans, business process, forms, and reports can be used in a customized training experience.
- Center for Workforce Transition - In cooperation with the Capital Area Michigan Works! initiative, LCC operates this center to provide services to dislocated and otherwise unemployed workers seeking to navigate the job finding processes. Services include identifying career goals, retraining or gaining new skills, and job search techniques.
- Community Education and Extension Centers - This department offers a wide range of credit and non-credit courses for learners of all ages seeking personal or professional enhancement. These courses compliment academic programs and promote learning throughout life. Programs targeting youth and those targeting 50 Plus learners, community education and personal and professional enrichment programs are offered. Extension centers are satellite campuses of LCC that offer a wide range of academic and non-credit class offerings in a particular locale or region. These centers include but are not limited to Livingston County Center in Howell, LCC East in East Lansing and LCC North in St Johns.
- Michigan Small Business Development Center (SBDC) - The mission of the Lansing Community College's SBDC 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.

## **Student Affairs**

The Student Affairs Division employees are committed to goal direction, goal support **and goal achievement of LCC's** students, assisting them to reach their potential as they progress towards their goals.

The following goals guide the division:

- Student Access, Retention and Success - Develop a comprehensive integrated system that contributes to student retention and success.
- Continuous Quality Improvement - Build a high-performing student and academic support division through continuous quality improvement.
- Quality Services and Instruction - Develop convenient, accessible, responsive, effective and flexible services and instruction to students.
- Community Impact - Enhance the quality of community life.

The division underwent a third-party review in 2012. A cross-functional committee, Student Visioning, was formed to restructure the division in order to provide superior customer service and enhance student success. Facilities, processes, staffing patterns, etc. were reviewed. Many suggestions from the consultants were incorporated into an implementation plan. One key aspect of the plan was to create a comprehensive one-stop student services center that connects students with the resources they need to achieve their learning goals. The *Build Forward* project included extensive reshaping of spaces to accommodate the vision. Core services, such as advising and registration, provided to students in extension centers were reorganized to be the purview of the Student Affairs personnel to achieve consistency in training and operations.

Another key aspect of the plan, reflected in the FY2016 adopted budget, is to realign staffing patterns to adopt the Associate Dean model that is currently in the instructional units. The division is realigned in the FY2016 budget into the following functional areas under the Dean and three Associate Deans:

- Athletics - LCC Athletics sponsors nine intercollegiate sports
- Associate Dean of Student Success
  - Testing Services
  - Counseling
- Associate Dean of Student Support
  - Center for Student Access
  - Counseling
  - Global Student Services (International)

- Non-Traditional and Special Populations support services
  - Returning Adult Services
- Associate Dean of Academic & Career Pathways
  - Academic & Career Advising
  - Career & Employment Services
  - Experiential Learning
  - Starzone (Admissions & Registration)
  - Registrar
- Learning Assistance
  - Library Services
  - Learning Commons (Tutoring)
- Office of Operations & Compliance



# LANSGING COMMUNITY COLLEGE

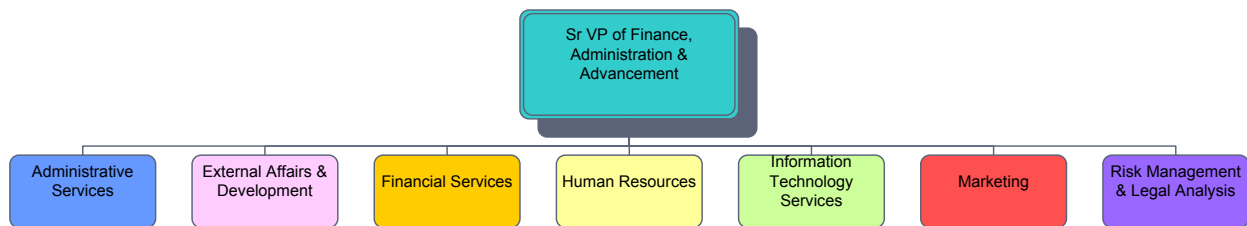
## Administrative Divisions

### Executive Offices

The Executive Offices include:

- Office of the President
- Office of the Provost/Senior Vice President of Academic Affairs and Student Affairs
- Office of the Senior Vice President for Finance, Administration and Advancement
- Office of Diversity and Inclusion

The Executive Offices provide leadership, direction, and guidance for the senior administrators; provide 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. 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.



### Administrative Services

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

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

### External Affairs and Development

The External Affairs and Development 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. It includes the following departments:

- Communications and Marketing serves the college by developing marketing plans, advertising and social networking sites. This area also manages the LCC

websites and promoting and programming for the college radio (WLNZ) and LCC-TV.

- Government Relations and Grant Development (for information on specific grants, see the section titled FY2015 Active Grant Funds Detail, beginning on pages 110-112).
- LCC Foundation Office raises money for critical college programs and for scholarships that help students with financial need while recruiting excellent students, celebrates and reconnects with alumni and helps keep the community and economy strong by supporting education.

### **Financial Services**

The Financial Services Division is responsible for the College and student financial functions of the College, including management of college finances, administration of the financial aid process, long-range forecasting and annual resource allocation process, bi-weekly payroll, administration of college-wide purchasing, and billing and collections on student accounts. This area maintains financial records and collaborates with areas of the college that affect its financial position. The departments are:

- Accounting
- Financial Aid
- Financial Planning, Analysis and Review
- Payroll
- Purchasing
- Student Finance

### **Human Resources**

The Human Resources Division addresses the human resource needs of the more than 2,300 employees of the College. The goal of the Human Resources Division is to attract, hire, develop and retain the very best talent possible. The division works as an integrated team to provide comprehensive human resources services covering the following areas:

- Compensation and Benefits
- Employee Wellness
- Hiring and Orientation
- Labor Relations
- Performance Management
- Organizational Development

### **Information Technology Services (ITS)**

The Information Technology Services (ITS) Division includes five departments working together to provide and sustain dependable, accessible, and responsive computing services to the LCC community. The ITS departments are:

- Enterprise Systems has the primary responsibility for the development and support of **LCC's management information systems as well as for college-wide applications.**

- Information Security is responsible for implementation and monitoring of information security policy and the continued assessment of the security of LCC computer systems to protect the college from internal and external threats.
- Media Services - provides audio, video and interactive instructional support such as media content creation, classroom technology, and the video distribution network.
- Technical Infrastructure Support Services provides technical support for computers and telecommunications as well as installing, upgrading and maintaining college software and hardware.
- Technology Support Services - provides the first line of assistance to students, faculty and staff. The Help Desk and computer labs are in this department.

## **Marketing**

The Marketing Department is dedicated to effective communication of the College's mission and provides a range of services to support departments and programs across campus, including:

- Marketing plan development
- Developing printed collateral materials
- Ad development
- Social networking site development
- Radio promotion via WLNZ
- Television promotion via LCC-TV
- Web management

## **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, reviewing **the College's contracts and applications for grants**, and acting **as a liaison between the College's administrators and legal firms**.

# **STRATEGIC PLANNING**



# **LANSING COMMUNITY COLLEGE**

## **Strategic Planning**

### **Background**

LCC has over 280 programs. Each unit (division, department, program, etc.) has **specific goals that support the mission, vision, strategic plan and Board of Trustees' goals**. During budget deliberations, each request for funding change requires justification using these criteria.

The mission of LCC is captured in the Mission statement, Vision, Motto, Guiding Principles and the **Board of Trustees' Governance** End Policies (see pages 83-86). In summary, LCC is to be a learning-driven, comprehensive community college.

Mission: **LCC exists so that the people it serves have learning and enrichment opportunities to improve their quality of life and standard of living.**

Vision: **Serving the learning needs of a changing community**

Motto: **Where success begins**

Guiding Principles:

- LCC will be a "Comprehensive Community College," focused upon offering learning opportunities in four areas: career and workforce development, general education, developmental education, and personal enrichment.
- LCC will have a careers emphasis and, in support of this, maintain a technology-rich environment, fostering "user-" vs. classroom-level information technology skills.
- LCC will maintain and support a well-qualified, committed, and competitively compensated faculty and staff who use both proven traditional and progressive student-centered learning approaches.
- LCC commits to continuous improvement in its programs and services and will maintain high expectations of its students.
- LCC will be flexible, affordable, and accountable, continuously improving student learning and support services through the assessment of measurable outcomes.
- LCC will strive to be "state of the art" in all that it does, while pursuing a select number of cutting-edge initiatives.
- LCC will have a local emphasis in allocating its resources, while maintaining vital connections to the world, culturally and technologically.
- LCC, within its broader purpose of serving its entire community in diverse ways, recognizes a special responsibility to young adults, those from lower income brackets, and those requiring developmental academic or entry-level career skills

- LCC seeks cooperative relationships with both private and public organizations, pursuing growth not as an end in itself but only when it best serves student and community needs.
- LCC will prepare those it serves to thrive in a diverse world by reflecting that diversity in its student enrollment, staffing, planning, and allocation of resources.
- LCC will manage its finances in a responsible manner; allocating resources and achieving efficiencies to best serve the priority needs of its students and the taxpayers who support its operation.
- LCC is a dedicated community member working for the betterment of all.

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

- Obtaining input from LCC's stakeholders, including faculty, staff, students, local employers, 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 within major divisions;
- Analyzing financial factors; and,
- Reviewing the College's quality improvement performance.

Six critical challenges that demand significant change and/or choice were identified from wide-ranging briefings and conversations with numerous stakeholders. These challenges set the stage and provided input for creative strategies and integrated planning processes.

### ***Learn Forward*— LCC's Strategic Plan and First Year Progress**

The College's three-year Strategic Plan, "*Learn Forward*," was adopted March, 2013 for 2013-2016. The Strategic Plan addresses the rapid changes in higher education and outlines strategies for the college to further its goals in recruitment and enrollment, student completion, and curriculum improvements that prepare graduates for success in their careers and their lives. The Strategic Plan has six areas of Strategic Focus. Specific initiatives designed to meet the challenges and move the College forward are articulated in each area.

Following the adoption of the Strategic Plan, the college formed cross-functional teams comprised of administrators, faculty and staff to implement each of the strategies. In addition, four college-wide Strategy Planning Sessions were held in Spring 2015 to gain input for Strategic Plan projects for the second half of the plan. Brief notes on progress are incorporated into the strategy listings below:

- **Competitiveness and Innovation** - LCC demonstrates its status as a college of choice challenges by delivering superior value, by continuously improving and innovating, and by forecasting and responding to growth opportunities and competitive challenges.

1. We will have a national reputation as a well-run, innovative organization that achieves outstanding student success.

**PROGRESS:** To encourage new ideas, a project was initiated to begin to build a culture of innovation within the institution. That project was "Develop a program to recognize, reward, and celebrate innovation throughout the college, inspiring others to continuously improve methods and systems. Monthly innovation exchanges, *Starscapes: the Student Innovation and Creativity Showcase* and *Start-up Weekend: Maker Edition* are all events arising out of this strategy.

2. We will develop the capacity to identify and respond to institutional opportunities and challenges with confidence and agility.

**PROGRESS:** A need to measure and report progress college-wide was identified. Recommendations to implement an "Are We Making Progress" annual survey (based on Baldrige principles) to be administered to faculty, staff and community members. LCC is developing an electronic dashboard to measure progress on a variety of key institutional metrics.

3. We will develop a plan for sustainable growth built on our strengths that prioritizes student success and community connections.

**PROGRESS:** A Strategic Enrollment Management and Program Innovation Executive Director position was created. This position will focus on innovative programs and offerings designed to improve the College's competitiveness in the marketplace. This position will also collaborate with the Competitiveness and Innovation team.

4. We will identify our unique advantages and use that knowledge to strengthen our relationships with stakeholders and our position among competitors.

**PROGRESS:** LCC's MTEC facilities, faculty and programs are unique competitive advantages. LCC partnered with CATA to provide transportation between the Main and West campuses (where MTEC is housed), offering an affordable option and thereby removing barriers to the student's ability to attend both campuses. LCC hosted a "Maker" event at West Campus to showcase LCC's tech center. Significant press coverage occurred and many in community attended.

5. We will engage in persuasive, data-informed promotion and marketing of our programs and services, especially those related to recruiting and retaining students, student success, alumni and development, and community engagement.

**PROGRESS:** Through data analysis, LCC's is maximizing student recruitment through marketing campaigns that focus on two adult populations, i.e., those 24 to 40 and those 40 to 45. Additionally, a new marketing technique, "Classroom in a Minute" videos, provide a virtual sampling to students and are designed to increase enrollment, reduce Week 1 drops and engage prospective students for whom printed material may no longer be relevant. The LCC Foundation has increased the amount of resources dedicated to campaign-specific marketing and communications.

The Competitiveness and Innovation team has action plans in these areas:

**Innovation Grants** – reassign time for faculty to implement innovative techniques in their classes; then share their innovations with the campus through CTE.

**Open Education Resources (OER)** – investigate options and pilot initiatives in particular areas.

**Media Sandbox** – engage faculty to use the Media Sandbox Room to learn about and explore new technologies for use in teaching.

**Business Process Innovation** - much of the focus on innovation has been related to teaching and learning. In order to stay competitive and to most efficiently utilize resources, business processes can also use innovation and redesign. ITS launched the Service Management initiative, a multi-year project to streamline and improve business

processes. The Student Affairs Technology Project includes the redesign of multiple student services for ease of use by students and more efficient use of staff resources

- **Engaged Learning** - LCC is an exemplary institution where student achievement and success are realized through relevant and rigorous curricula across all areas of teaching and learning.
  1. We will review and update our Academic Master Plan, focusing on nine priority areas:
    - Improving student success and retention
    - Enhancing student ownership of learning
    - Ensuring the quality and academic integrity of courses and curricula
    - Aligning curricula and courses with external standards and professional practices
    - Meeting the changing needs of students through faculty development
    - Strengthening partnerships between the College, area high schools, and area transfer institutions
    - Fostering the use of data-informed decision making
    - Integrating more fully the concepts of globalization and diversity in instruction and services
    - Increasing entry and exit pathways into programs
  - PROGRESS:** *"Transforming Learning Through Teaching" courses* for faculty through LCC's Center for Teaching Excellence and a formal faculty mentoring program are planned. The **Global Competency Task Force and the LCC Academic Senate's Global Learning Committee** have been combined to review study abroad opportunities, globalizing the campus and international student services. LCC has established, as recommended by the committee, an International Support Specialist position and academic advisors dedicated to international students. The Learning Committee aligns all academic initiatives to reduce duplication. Operation 100%, the HLC AQIP Forum outcomes and the Gateways to Completion projects will be aligned in the Academic Master Plan through the Learning Committee.
  2. We will provide students with rigorous, high-quality programs that are aligned with the expectations of transfer institutions and the needs of employers.  
**PROGRESS:** LCC participated in the Michigan Transfer Agreement, which increases the transferability of lower level general education courses **across Michigan's public institutions**. The Academic Affairs Office will review courses applicable to the MTA each fall semester.
  3. We will expand and enhance the Honors College into a robust center of teaching and learning excellence that will attract and retain academically talented students.  
**PROGRESS:** An Honors Task Force was established to create a proposal to expand the Honors Program to an Honors College. A special designation on transcripts would indicate that students had completed additional work in the courses to earn the honors designation.
  4. We will redevelop the general education core curriculum.  
**PROGRESS:** General Education Committee will include representatives from the Academic Senate, the core teaching faculty, and Student Financial Aid.
  5. We will implement a system of continuous improvement and assessment at the course, program, and institutional level.

**PROGRESS:** Program review Pilot took place in summer of 2014 for three programs. The program review process was amended, based on feedback. The amended format was used for five programs in Fall, 2014.

6. We will provide personalized learning opportunities across multiple modes of delivery.

**PROGRESS:** Professional Development Days for faculty (an annual event) will include informing faculty of teaching and learning strategies for multi-generational students. CTE provided courses designed to assist faculty with techniques to reach all levels of learners during the same classroom time using varied approaches.

7. We will develop learning experiences that leverage technology and teach students to think critically and communicate effectively.

**PROGRESS:** The College's online teaching practices have been assessed by an online teaching consultant, who provided a comprehensive report with defined recommendations.

- **Student Success** - LCC provides excellent student support services that facilitate retention, goal completion, engagement, and success.

1. We will collect and respond to student preferences based on students' individual goals and support needs.

**PROGRESS:** As a result of the College's Operation 100% initiative, students will meet with an advisor to create an individualized success plan. New Financial Aid guidelines only allow students to be funded for courses related to their major as outlined on the student's success plan. Students will not be able to deviate from their success plan without speaking to an advisor.

2. We will ensure that students have well-articulated plans that offer clear pathways to help them reach their educational goals.

**PROGRESS:** Plans of study will be available in DegreeWorks and the Constituent Relationship Management system to lay the plan out in a clear automated manner.

3. We will offer a guaranteed course schedule so that students can better plan completion of their programs.

**PROGRESS:** DegreeWorks and College Scheduler will be used to forecast course needs and plan course offerings. LCC will monitor course demand and offer the right classes at the right time, reducing need for waitlists.

4. We will implement waitlisting to respond in a more agile way to student course needs and demands.

**PROGRESS:** The current late enrollment policy allows students to add themselves to a waitlisted course up to three weeks after a course has started.

5. We will use technology, including Web-based and mobile applications, to respond to and anticipate student needs.

**PROGRESS:** "Desire to Learn" mobile apps are available to all students and faculty. "Text message blasts" are a technique LCC is expecting to utilize in the near future.

6. We will implement DegreeWorks to provide students with the ability to create their own educational plans.

**PROGRESS:** Students can perform their own degree audit through DegreeWorks or can consult with an advisor, who can also access the student's progress in CORE requirements, towards their declared major's degree, or compare coursework with requirements of different majors.

7. We will, as part of our *Build Forward* initiative, create a one-stop student services center that connects students with the resources they need to achieve their learning goals. We will also create a welcoming and inspiring

student commons area in the Gannon Building to encourage learning beyond the classroom.

**PROGRESS:** The on-stop student service center opened in June, 2014. In November, 2014, 11 Customer Relations Specialist agents were hired and cross-trained to handle one-stop student needs without sending them to multiple areas. Pay-by-space parking system was removed and replaced with a credit hour fee to encourage students to stay on campus to utilize available resources.

8. We will promote a culture of caring and connectedness that takes into account the changing nature of students' lives.

**PROGRESS:** The Disney model and 212 Degree Service model are used as a guide to train the Customer Relations Specialists and the entire Student Affairs Division.

9. We will develop early and ongoing alert systems, including text message alerts, to follow up with students who may require additional support as part of our efforts to improve retention.

**PROGRESS:** Mobile technology solutions will be identified that allow us to send text messages to students pertaining to important college dates, deadlines, and early alert notifications.

10. We will offer further education and workforce training through the use of sequential, stackable credentials.

**PROGRESS:** A review of current certificates and transfer agreements is underway, with anticipated completion December, 2015.

11. We will provide credit for prior learning experiences and address the needs of the labor market by implementing programs administered by the Council for Adult and Experiential Learning.

**PROGRESS:** Completion of a plan for implementation is expected in 2015.

12. We will innovate new programs in areas of high demand, including the next generation of "Get a Skill, Get a Job," using real-time labor market information.

**PROGRESS:** the Executive Director of Enrollment Management and Program Innovation position has been created. This position has the responsibility for identifying new program opportunities.

13. We will create apprenticeships in new career areas.

**PROGRESS:** Completion of an implementation plan is expected in 2015. LCC is currently pursuing the Michigan Advanced Technician Training Program, an innovative, industry-driven approach to Mechatronics and Information Technology education, based on the German apprenticeship model.

14. We will work to increase both College and Foundation scholarships so that a lack of financial resources will not be an obstacle to access for students wishing to pursue a college education.

**PROGRESS:** Greater efficiencies in the scholarship application and awards process have been realized through the purchase of an online scholarship module. Scholarship funding has increased because the Foundation's endowments have grown substantially through increased giving and investments.

- **Community Engagement** - LCC builds and enhances mutually beneficial relationships with community partners.

1. We will work closely with K-12 districts to improve the college readiness of students within our service district and to enable dual enrollment opportunities.

**PROGRESS:** The inaugural summit of the Coalition for College and Career Readiness took place at LCC's West Campus in 2014, bringing together public school districts, the College, and community to develop efforts that will educate and train students in the skills necessary for success after high school graduation.

2. We will create opportunities for students to connect with the community through activities such as job shadowing, service learning, volunteer opportunities, and internships.

**PROGRESS:** The team is developing a service learning process to meet the goals detailed in the strategy. The Community Service Sub-Committee will plan and undertake several community service projects.

3. We will align community activities to encourage effective collaborative relationships, establish a process for evaluating successful partnerships, and implement principles of good customer relationship management.

**PROGRESS:** An internal engagement survey to determine employee community engagement activity has been developed and completed. The College will synthesize the data to ascertain potential community engagement gaps.

4. We will create and implement a communications plan that raises the visibility of the College's community engagement activities and the wide range of services and opportunities available to the community.

**PROGRESS:** A comprehensive strategic communications plan is being developed. "The Star" is published each Tuesday to employee's email. A community edition of "The Star" is planned to be sent to leaders and stakeholders throughout LCC's five-county service area.

5. We will conduct a baseline survey and regular follow-up surveys to determine LCC's reputation and economic impact within the community and how we can better serve community needs.

**PROGRESS:** An economic-impact survey will be conducted by Economic Modeling Specialists International.

6. We will engage our vast community of alumni in a manner that showcases their success, creates networking opportunities for current students, and inspires their investment in the College through partnerships and philanthropy.

**PROGRESS:** Several initiatives increase networking between students, alumni, and community members. Events to showcase the success of students in specific programs have taken are planned. The Alumni Association works with LCC programs to network alumni with students by bringing successful alumni to campus. The College's #Starpower campaign showcases alumni successes to the Mid-Michigan community.

- **Leadership, Culture and Communication** - LCC is an organization in which personal responsibility, trust, respect for others, openness and excellent customer service are core values. All employees model the values of integrity, honesty, transparency, accountability and good stewardship. The College affirms its commitment to participatory governance.

1. We will empower our employees to deliver excellent customer service to all students, to each other and to the public by providing training opportunities, incorporating customer service expectations into job descriptions and



performance reviews and recognizing individuals and units for exemplary practices.

**PROGRESS:** Language related to specific customer expectations was developed to be incorporated into job descriptions. Two employees were sent to the Disney Institute for training, who subsequently trained 12 others to form the AQIP Customer Service Team. The group is developing training for all employees.

2. We will develop leaders and encourage exemplary leadership behaviors at all levels of the organization through professional development and growth opportunities consistent with academic excellence.

**PROGRESS:** Changing the focus of training new administrators to include the training to include aspiring administrators helps strengthen skill sets, increase awareness of organizational expectations of its leaders, and enhance the candidate pool. A *Speakers' Series* kicked off in September, 2014, with four speakers and the series is continued into 2015. Topics are focused on improving employee competencies and skills related to leadership and professional development and creating opportunities for employees to learn from each other.

3. We will improve organizational climate through focused communications that inform and engage all members of the campus community and provide meaningful opportunities for feedback and dialogue.

**PROGRESS:** Ongoing research and planning has been established between the Academic Senate, Marketing/Communications Subcommittee, and Marketing.

4. We will create and sustain a positive, engaging, and inclusive environment that includes:

- Ensuring that all employees feel valued and able to perform at their best every day.
- Implementing the diversity plan so that the values it expresses become central to our culture.
- Making our physical plant, including buildings and grounds, accessible above and beyond ADA compliance

**PROGRESS:** Changes were implemented to provide more meaningful tokens of recognition for the 2014 Service awards program. "Motivation, Recognition and Engagement" training for new administrators incorporates toolkits for improving morale and encouraging comradery. An Excellence Awards program has been developed consisting of fifteen award categories. A process has been developed for a monthly event highlighting positive, innovative or engaging academic contributions. A draft process and event design were developed for an annual celebratory event honoring individual contributions to culture and innovation, modeled on TED talks. The President's Advisory Committee on Diversity and Inclusion completed and submitted its report to the Board in April 2014, identifying eight areas of focus:

- Supplier inclusion Strategy
- Human Resources and Student Employees
- International students
- Center of Excellence for Diversity and Inclusion Training
- Recruitment of Diverse Students
- Student Services and Success
- Culture of Inclusion
- Disabilities and Current Laws

The Centre for Engaged Inclusion was created to build a community that is inclusive of individuals from diverse perspectives. The Multicultural Committee, LUCERO, Woman's History Month Committee, LGBT, Student Access (Abilities and Disabilities), Native

Americans, Chinese, and Student Parent Accessing Achievement have hosted welcoming receptions at the Centre in 2014.

- **Resource Management and Fiscal Responsibility** – LCC engages in planning activities that support its ability to make data-informed and transparent decisions within a participatory framework at all levels to ensure the health and sustainability of the institution over the long term.
  1. We will coordinate our planning and budgeting processes to ensure that institutional initiatives work together in support of student success.  
**PROGRESS:** All budget initiatives clearly document their impact on student success. Savings Recommendation and Reinvestment Proposal forms used in the budget development process require inclusion of specific references to the Strategic Plan and its areas of focus.
  2. We will evaluate courses and programs on a regular basis to assess student success and enrollment metrics.  
**PROGRESS:** A Program Review process is being developed for annual review.
  3. We will manage our finances in a responsible manner, allocating resources and achieving efficiencies that reflect our goal of providing the highest educational value to students through a combination of high quality and low cost.  
**PROGRESS:** The first two-year financial forecast was presented as a precursor to the detailed FY22015 budget development process.
  4. We will expand and diversify our revenue-generating efforts and strategies.  
**PROGRESS:** The Educational Resource Development Office (ERD) engaged writing consultants to increase competitiveness in submitting and accessing grant funds. The pilot project accomplished an exceptional return and additional funds have been committed by the college. ERD is developing and will conduct workshops on writing successful grant applications.
  5. We will maintain excellent financial reporting practices and audit results.  
**PROGRESS:** LCC received an unmodified (clean) audit opinion for the year ended June 30, 2014.
  6. We will engage individuals and the community in a manner that will facilitate and encourage their philanthropic support .  
**PROGRESS:** Initiatives like electronic giving, planned giving, direct mailings, donor visits and events are growing the number of actual and prospective donors.

### **The Higher Learning Commission and Accreditation through the Academic Quality Improvement Program**

Strategic Planning at Lansing Community College is centered upon continuous quality improvement. The Higher Learning Commission established the Academic Quality Improvement Program (AQIP) as a method to reaffirm accreditation. AQIP is premised on principles of continuous quality improvement. It allows an organization to demonstrate that it meets accreditation criteria **through “action projects” that align with** the ongoing activities of an institution striving continuously to improve its performance. Since 2001, the College has maintained its accreditation through AQIP.

In June of 2014, the Higher Learning Commission changed the AQIP pathway by replacing the four year cycle with an eight year cycle and by revising the AQIP categories. The culture of continuous quality improvement at LCC is derived from the following categories established by AQIP through which LCC maintains accreditation:

1. Helping Students Learn
2. Meeting Student and Other Stakeholder Needs
3. Valuing Employees
4. Planning and Leading
5. Knowledge Management and Resource Stewardship
6. Quality Overview focuses on Quality Improvement

The AQIP process requires that, in addition to submitting a comprehensive portfolio covering all six categories at least every eight years, participating organizations attend strategy forums and have a minimum of three Action Projects underway at all times. Projects must be connected to AQIP categories and information about them must be shared. AQIP Action Projects completed in the last five years are:

- Education Development Plans in Support of Retention and Goal Achievement
- Strategic Alignment Initiative
- Strategic Challenges - Environmental Assessment
- Emergency/Safety Action Plan
- Institutional Data - Closing the Loop
- Addressing the Needs of Adult and Transitional Learners

LCC's current, active AQIP Action Projects are:

### **All AQIP categories: Strategic Plan Implementation**

#### **Timeline: August 2013 – December 2013**

The College's Board of Trustees and campus community believe implementation of the Strategic Plan is the optimal way for the institution to move forward. Following the adoption of the Strategic Plan by the Board of Trustees in March 2013, the College began to design a framework for implementation. Every campus department is involved in the implementation of the Strategic Plan through a series of cross functional work teams defined by the six overarching strategic goals:

- Learning
- Student Success
- Leadership, Culture and Communication
- Community Engagement
- Competitiveness and Innovation
- Resource Management and Fiscal Responsibility

The primary processes which will be addressed in the first phase of the implementation of the Strategic Plan are enrollment management and forecasting. Enrollment management, from the section level up is necessary for the College to manage its

budget and planning processes for long-term fiscal sustainability. Future implementation includes further integration of budget and planning, and the development of a more collaborative and inclusive decision-making model, one key part of which is development of the Academic Senate. **The Academic Senate's first focus is the Academic Master Plan.**

### **Meeting Student and Other Key Stakeholder Needs – Improving Processes and Related Documentation – Phase 1**

**Timeline: January 2015 – May 2015**

LCC desires to become a college with an integrated systematic plan for creating a culture of documentation and key process improvement. The objective of Phase I of this project is: **(1) create a “meta-process”, tool set and procedures for defining and documenting key processes and aligning them with mission; (2) identify an inventory of institutional key processes; and (3) prioritize this inventory and pilot a process review.** The intent of this project is not to create an environment of bureaucracy but rather a workforce that is monitoring and actively prioritizing resources based on measured institutional need.

Phase I of this action project is now complete. During this phase a master key process inventory was created, tools and templates for documenting key processes were established, and two key processes were mapped using the new tools and templates and communicated to stakeholders involved in those processes.

Phase II of this project will focus on documenting other key college-wide processes identified on the master list as well as creating and implementing a cost of quality framework to quantify efficiency and effectiveness gains when documented processes undergo cycles of improvement. In light of many other important initiatives currently underway at the college, keeping resources on this task remains a potential barrier. It will be important to strategically prioritize the key processes to document in the coming year so that they align with the other important initiatives currently underway at the college.

### **Helping Students Learn – Guided Pathways - Phase 1**

**Timeline: August 2015 – May 2016**

Guided Pathways is one of four major projects under the umbrella of Operation 100% - LCC's customized student success initiative. The Guided Pathways project encompasses mapping programs, defining default course sequences and prescribing appropriate general education and elective options, establishing Career Communities (Meta-majors) for survey courses, cohort style orientation sessions, predictable scheduling, contextualized general education, and tracking of student progress.

Most community colleges offer a wide variety of programs and typically provide little guidance to help incoming students. Despite the fact that many new students enroll

without clear goals for college and careers, choosing a program of study and developing a plan for completing it is left in the hands of these unprepared students. Since LCC's students are faced with these issues as well, the Guided Pathways project was introduced to help students get and stay on track, maximizing transfer possibility and achievement of certificates and/or degrees, while being affordable and efficient.

LCC is redesigning academic programs and support services to create more clearly structured and educationally coherent program pathways. To ensure that program learning outcomes are aligned with the requirements for success, LCC has engaged faculty and staff in this redesign process. The following outcomes are expected in Phase I:

Program Outcomes - program faculty to complete a rubric of how program courses support program outcomes, then place program outcomes into a structure that demonstrates flow of outcomes from courses to programs to the institutional outcomes for student achievement.

Program Maps – each program of study at LCC will have a completed program map consisting of the 6 key components: program description, list of careers and salaries, sequences, critical courses, academic and nonacademic milestones and information on baccalaureate transfer and other further education opportunities. Ultimately, a 2-year course schedule will result from this work

Career Communities - Advising in Student Affairs will begin establishing cohort-style orientations based on one of five Career Communities: Arts & Communications, Business, Management & Technology; Engineering/Manufacturing & Industrial Technology; Health & Public Services; or Liberal Arts

### **Gateways to Completion (G2C)**

In November, 2013, Lansing Community College was selected by the John N. Gardner Institute for Excellence in Undergraduate Education to be one of 13 Founding Institutions for the pilot of the Gardner **Institute's Gateways to Completion™ (G2C)** initiative. G2C is a structured, evidenced-based improvement process developed by the student success experts at the John N. Gardner Institute for Excellence in Undergraduate Education with the added insight of a National Advisory Committee comprised of 32 entities (such as higher education organizations, accreditors, policy makers, and scholars). The G2C structured course transformation process will allow faculty and staff at LCC to analyze student and institutional performance in lower-division gateway courses. Focusing on transforming key courses so as to increase the likelihood of student success in them, the G2C initiative seeks to increase graduation rates among American college students. **LCC targeted up to five "Gateway" courses:** foundational, high-risk (non-completion rates 30% or greater) and high enrollment courses.

Gateways to Completion functions in a three-year cycle. In FY2014 (Year 1), five key, foundational gateway courses were selected; self-studies were conducted; and action plans for improving student success were formulated. Listed below are the five key courses and the action plans for improvement that were selected:

- ACCG 210 Principles of Accounting I
  - Provide feedback earlier in the semester to students
  - Increase Access to tutoring and supplemental instruction
- BIOL 121 Biological Foundations for Physiology
  - Align learning outcomes with the Allied Health program
  - Recruit/retain under-represented populations in STEM
- HIST 212 U.S. History: 1877 to Present
  - Ensure consistency through Course Syllabus Review Committee
  - Analyze course assessment data to improve teaching and learning
- MATH 112 Intermediate Algebra
  - Mentor new instructors
  - Update and disseminate Math Library Guide as a resource for faculty and students
- WRIT 121 Composition I
  - Revise learning outcomes and means of assessing them
  - Reexamine course pre-requisites

Improving excellence and student success in these key courses will make an impact on our retention and completion rates, not just these courses, but in all the courses, transfer trajectories, and degrees that those courses impact or influence.

In FY2015 (Year 2), LCC implemented the action plans, monitoring and reporting results. For more on reported results, see pages 46-47, **“Performance Measurements”**.

During FY2016, LCC will further evaluate and refine our implementation, disseminating **our results to the G2C “community of practice”** and considering expansion of our action plans to address additional courses.

### **Operation 100%: Achieving Excellence in Student Learning and Success at Lansing Community College**

The goal for Operation 100%, LCC’s customized student success initiative, is 100% completion for students in degree, certificate, and/or transfer pathways.

Operation 100% is complex and comprehensive. Initial planning has set action plans and timelines that cross fiscal years with those that have already come due showing in the progress notes below.

Four major projects are involved:

1. **Guided Pathways** - LCC program pathways help students get on track and stay on track, maximizing transfer possibility and achievement of certificates and/or degrees. Program pathways are affordable and efficient. **Progress:** LCC degree, certificate and transfer programs are aligned to Career Communities. A timeline has been constructed for key elements such as mapping essential learning outcome to program level outcomes and create predictable schedules.
2. **Web Refresh** – LCC’s public website is intriguing, engaging and helpful. It gets users where they need to go. **Progress:** Phase I is Discovery, during which requirements are gathered and critical questions and issues are identified. An RFP for assistance in content strategy and web refresh was issued and a vendor was selected in April, 2015. Other key actions have been defined and a timeline for achievement has been constructed.
3. **My Academic Pathway** – LCC’s customer service provides students with a customized, personal, keenly attentive learning experience. **Progress:** Degree Works pre-requisites are available for students to view their progress towards their goal. Student Portal requirements have been identified. Other key actions have been defined and a timeline for achievement has been constructed.
4. **Advising** – LCC’s advising system connects students to the Colleges support team that facilitates focused, passionate learning and excellence in student achievement. **Progress:** Academic success plans have been designed for all new degree/certificate/transfer students entering LCC in Fall AY2016. Academic Advising capacity is increased through the approval of four new Academic Advisor positions in the FY2016 budget. Other key actions have been defined and a timeline for achievement has been constructed.

Given the costs of implementing guided pathways, as well as the difficulties inherent in carrying out such an **all-inclusive reform, why would LCC’s leaders choose to undertake** these major changes in college practice? While many college leaders certainly want to increase rates of student success, some who have led guided pathways transformations have also cited the following two factors as reasons to pursue guided pathways transformations despite the costs:

- Increasing restrictions on financial aid - particularly limits on the number of terms students are eligible for Pell grants and stricter rules regarding satisfactory academic progress—are putting pressure on colleges to help students move through college more quickly and to intervene more aggressively to help students at risk of dropping out. Guided Pathways is designed to keep students on track and moving forwards the goal of employment or transfer.

- Performance Funding - The adoption of performance funding in many states reflects the growing desire of policymakers to see colleges improve outcomes. Reforms to discrete programs have not led to significant improvements in institutional performance. Guided Pathways reforms are comprehensive and thus more likely to lead to the sought-for improvements in completion rates.

### **Benchmarking Initiatives**

LCC began participation in two major benchmarking projects during FY2014. The Voluntary Framework of Accountability (VFA) and the National Community College Benchmarking Project (NCCBP) provide an opportunity for the College to compare various key institutional metrics with other similar schools around the nation.

VFA was developed and launched by the American Association of Community College to create a set of measures that better encompass and describe performance towards the broad mission of community colleges. It includes Developmental Education and Technical Education Measures, and Non-credit Workforce Course as measurement categories. This framework is fairly new (FY15 is the second year of full-scale deployment) and typically tracks results in two and six-year outcomes.

NCCBP allows members to create national, regional and peer comparison reports for any year they participate. There are currently 260 two-year institutions. This project will provide the most useful information **three to four years into LCC's participation when** there is enough data to identify system-wide trends.

**While LCC's participation in both initiatives is too new to have generated useful reports,** it will allow the College to identify any global effects experienced by other community colleges and truly understand if changes are related to specific initiative or if the changes cannot be separated from national trends.

### **Performance Measures**

The performance of colleges and universities is under ever-increasing scrutiny. Nowhere is this more evident than in the realm of student success. Public concerns over affordability, the advancement of the Completion Agenda, and policy changes such as performance-based **funding make improving students' academic success** an institutional imperative. Historically, many college-level courses taken predominantly by first- and/or second-year students, as well as developmental education courses, have served to **"weed out" students rather than promote their** further study and success. In the current environment, this model is no longer acceptable.

A key component of strategic planning involves measuring results, evaluating results 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 AQIP



process, the G2C process, Perkins Core Indicators, and the Strategic Management System.

The discussion regarding student success, retention, completion and pertinent performance measures for community colleges receives much attention at both federal and state levels. At the federal level, Achieving the Dream (the Lumina Foundation) and Gateways to Completion (John Gardner Institute) are working to leverage policy areas that support data-informed performance measurement and accountability systems using robust common measures that enable benchmarking of both state and institutional performances. Voluntary Framework for Accountability established by the American Association of Community Colleges and National Community College Benchmarking Project are working on a cross-system alignment of expectations, standards and assessments among community colleges.

The Michigan Community College Business Officers Association led discussions among the 28 community colleges to agree upon and recommend performance measures to the state that are reasonable, robust and identify gaps related to student success. At the state level, **Michigan government's commitment was demonstrated by the** inclusion of performance-based metrics in the allocation of appropriations to community colleges since FY2013. Each year, the allocation formula has been modified slightly and performance measures were recalculated according to the most recent data. Additionally, the State budget language requires community colleges to participate in reporting specific, state defined, longitudinal data to the state system from preschool to high school, college and the workforce. For more information on the state allocation formula see *State Appropriations* pages 59-60 and *Impact on FY2016 Budget Planning* pages 63-66.

Lansing Community College is engaged in ongoing efforts to evaluate our student 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 an ongoing monthly agenda item to update them on important student success metrics.

### **Perkins Core Indicators**

President George W. Bush signed the Carl D. Perkins Vocational and Technical Education Act of 2006 into law on August 12, 2006. The Act calls for an increased focus on the academic achievement of career and technical education (CTE) students who have participated in CTE courses for 240 hours or more (CTE concentrator), strengthening connections between secondary and postsecondary education, and improving state and local accountability.

Under Perkins IV, states are required to report annually on core indicators of performance. The Consolidated Annual Report is submitted by the state each December

to the federal government outlining those activities undertaken with the Perkins funding and how well the state did in meeting its objectives, goals, and expected state levels of performance as outlined under the Act. States are also required to report disaggregated data on the performance of students in special population categories described in the law, as well as gender, race and ethnicity.

The Perkins IV core indicators for post-secondary institutions are:

**1P1 Technical Skills Attainment** - Percentage of CTE Concentrators who have passed technical skill assessments aligned with industry standards during the reporting year.

**2P1 Credential, Certificate or Diploma** – Percentage of CTE Concentrators who have received an industry-recognized credential, a certificate or a degree during the reporting year.

**3P1 Student Retention or Transfer** – Percentage of CTE Concentrators who remain enrolled in their original post-secondary institution or transferred to another 2- or 4-year postsecondary institution and who were enrolled in postsecondary education in the fall of the previous reporting year.

**4P1 Student Placement** – Percentage of CTE Concentrators who were placed or retained in employment, or placed in military service or apprenticeship programs in the 2<sup>nd</sup> quarter following the program year in which they left postsecondary education.

**5P1 Nontraditional Participation** – Percentage of CTE Concentrators from underrepresented gender groups who participated in a program that leads to employment in nontraditional fields during the reporting year.

**5P2 Nontraditional Completion** - Percentage of CTE Concentrators from underrepresented gender groups who completed a program that leads to employment in nontraditional fields during the reporting year.

Any institution failing to meet at least 90% of any of their established performance targets are required to develop and implement an improvement plan to make **substantial progress in meeting the purpose of the Perkins Act**. LCC's performance statistics and the state expected indicator levels for the most recent five years are shown in the chart below. In 2013-2014 (the most recent year for which data is available), LCC performed at or above the expected level for all but 2 indicators; and was within the acceptable 90% of the expected level for 5P2 - Nontraditional Completions and 2P1 – Credential, Certificate or Degree.

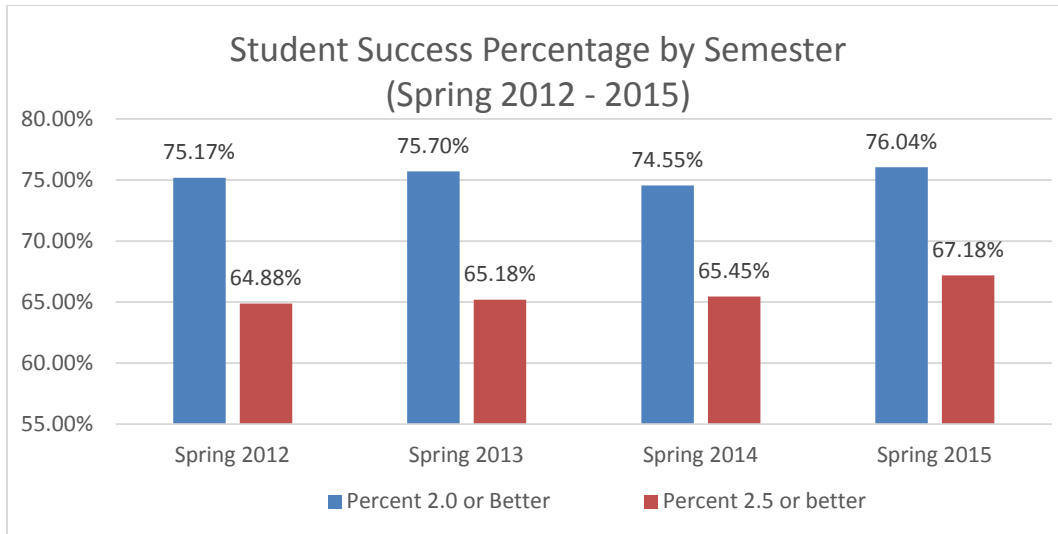
### LCC Perkins Core Indicators and State Expected Level 2008-2009 through 2013-2014

Indicator	LCC Level 2009- 2010	State Expected Level 2009- 2010	LCC Level 2010- 2011	State Expected Level 2010- 2011	LCC Level 2011- 2012	State Expected Level 2011- 2012	LCC Level 2012- 2013	State Expected Level 2012- 2013	LCC Level 2013-14	State Expected Level 2013- 2014
<b>1P1 Technical Skills Attainment</b>	91.26%	91.90%	92.03%	91.50%	94.15%	91.80%	96.41%	92.00%	97.20%	92.00%
<b>2P1 Credential, Certificate or Degree</b>	19.57%	26.97%	20.55%	27.73%	28.22%	28.00%	29.49%	28.00%	29.20%	30.00%
<b>3P1 Student Retention or Transfer</b>	83.09%	71.43%	68.85%	65.55%	71.58%	70.00%	71.01%	71.00%	71.90%	71.00%
<b>4P1 Student Placement</b>	57.76%	71.56%	71.84%	62.27%	76.92%	70.00%	81.91%	71.00%	89.50%	84.00%
<b>5P1 Nontraditional Participation</b>	24.47%	0.24%	25.49%	23.60%	25.25%	23.62%	25.34%	23.70%	25.80%	24.00%
<b>5P2 Nontraditional Completion</b>	15.20%	23.37%	18.41%	20.60%	18.21%	20.65%	18.71%	20.70%	22.30%	21.00%

### Lansing Community College Dashboard

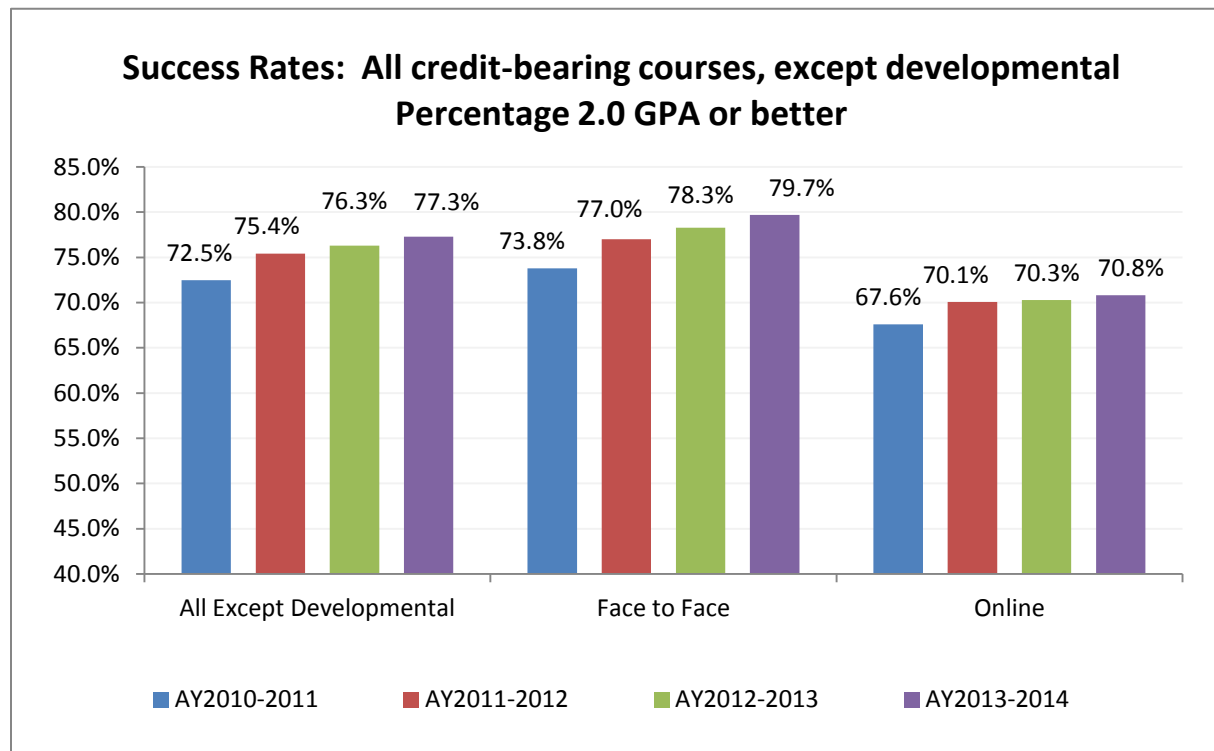
Student success is a broad term that, based on context, can have a wide range of definitions. In this report, a grade of 2.0 or higher is used to calculate the successful completion courses across the college. This is not always the ideal definition as some programs require a higher grade than 2.0 to transfer or progress; however, it does allow the College to use common criteria to gauge successful completion and high-level trends as an institution.

The graph below shows data for Spring semester students for 2012 through 2015. During this time, the College has maintained a consistent 2.0 success rate and the percentage of students achieving a 2.05 or better has continued a trend of moderate year-over-year improvement.

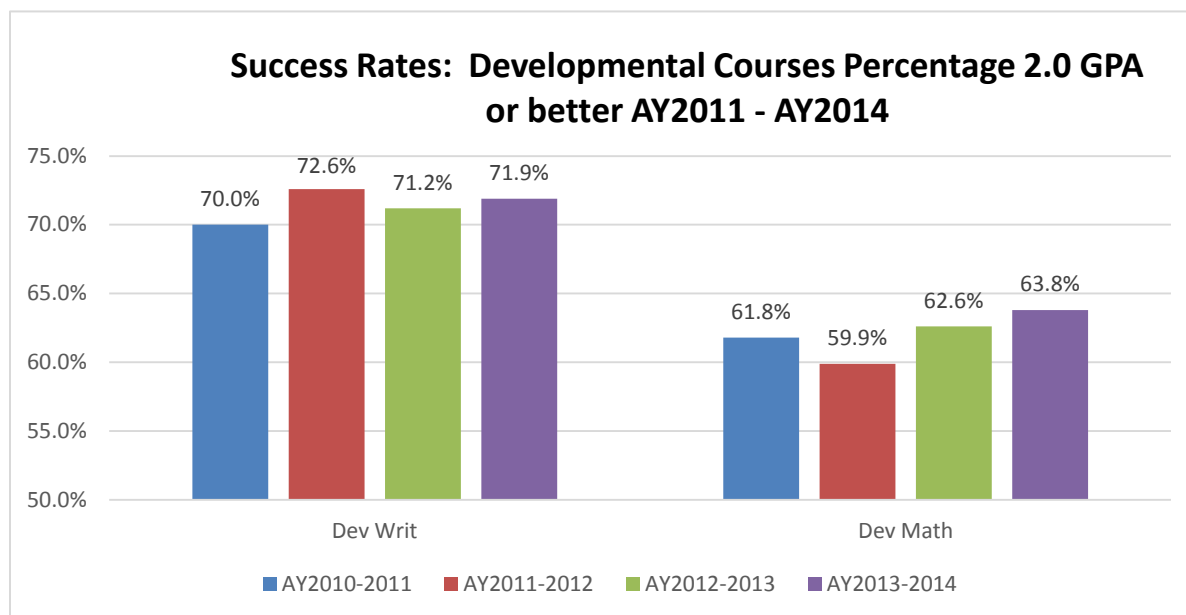


In Fall of 2014, 76.5% of students at LCC earned a grade of 2.0 or greater in all classes, an increase of 4.5% when compared to Fall of 2010. Additionally, the percentage of students earning a 2.5 or better in Fall of 2014 has increased by 5.1% when compared to Fall 2010. Although the year-to-year changes are small, the trend is continuing in a positive direction.

Looking at college level course success rates by delivery mode reveals that success rates in online classes have increased only slightly since AY2011, but face-to-face success rates have increased approximately 6% during the same time period. (see below).

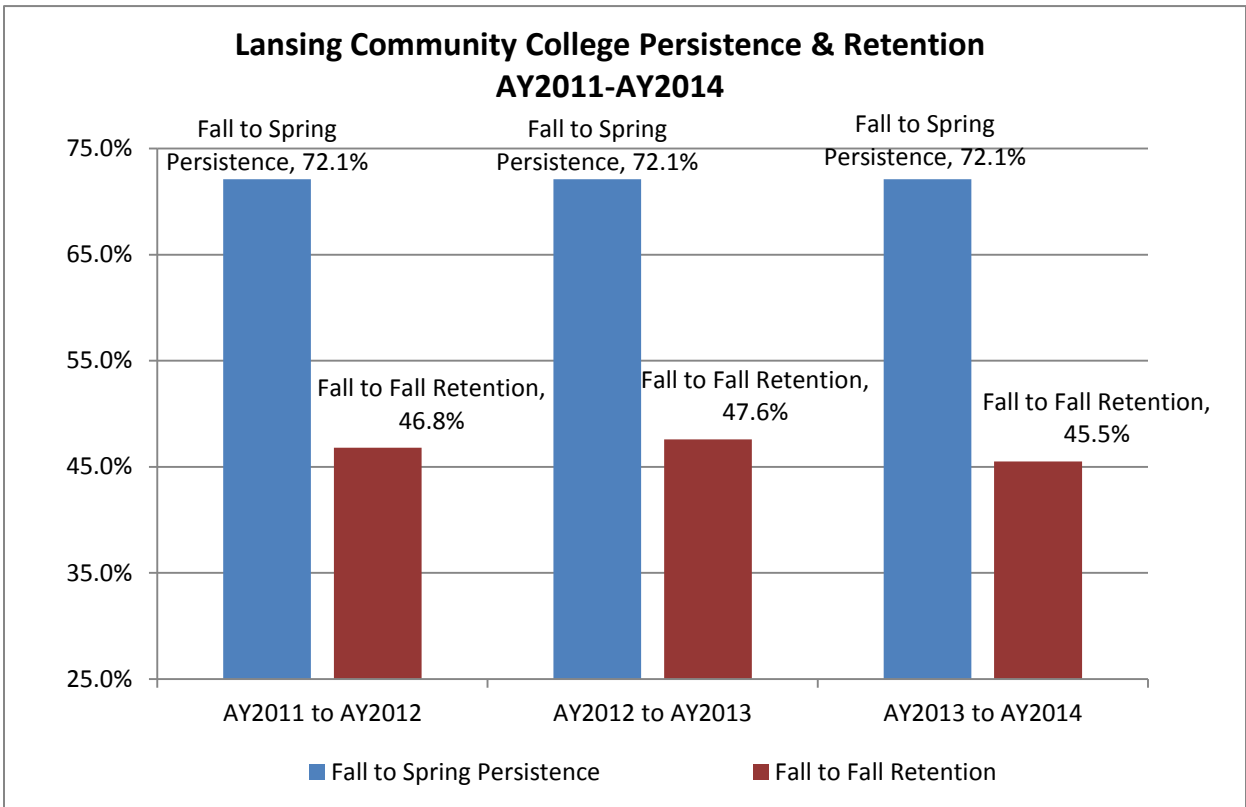


Success in developmental courses represents an ongoing issue for community colleges nationwide. Success rates in Writing and Math developmental courses maintain within one percent of last year (see below).



Developmental Reading is not included in the data presented due to several changes in the reading path. Instead of the students with the lowest reading level sequentially passing READ111, READ114 and READ116, the student now takes READ150. At the end of READ150, a student with a grade of 3.0, a reading level of 4, or the appropriate Nelson Denny score is able to take READ170 and complete the developmental reading track. **If the student's scores do not qualify for admittance to READ170, the student is** able to take READ160, which is the same curriculum as READ170 with two hours of additional practice each week providing the extra needed support. Despite limited data regarding this new track, initial results appear to be positive. In AY2014, 59.6% of students were able to progress from READ150 into their final developmental reading course.

Persistence (students enrolling in 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. This number can be influenced not only by students dropping out of LCC, but also by those students who transfer to another school, or graduate in the spring semester, or students who have not quit, but are not taking classes in the Fall. Persistence and retention have changed only slightly over the last three academic years (see below). Both persistence and retention for all LCC students have remained relatively flat over the last three academic years. Data for AY2015 is not yet available.

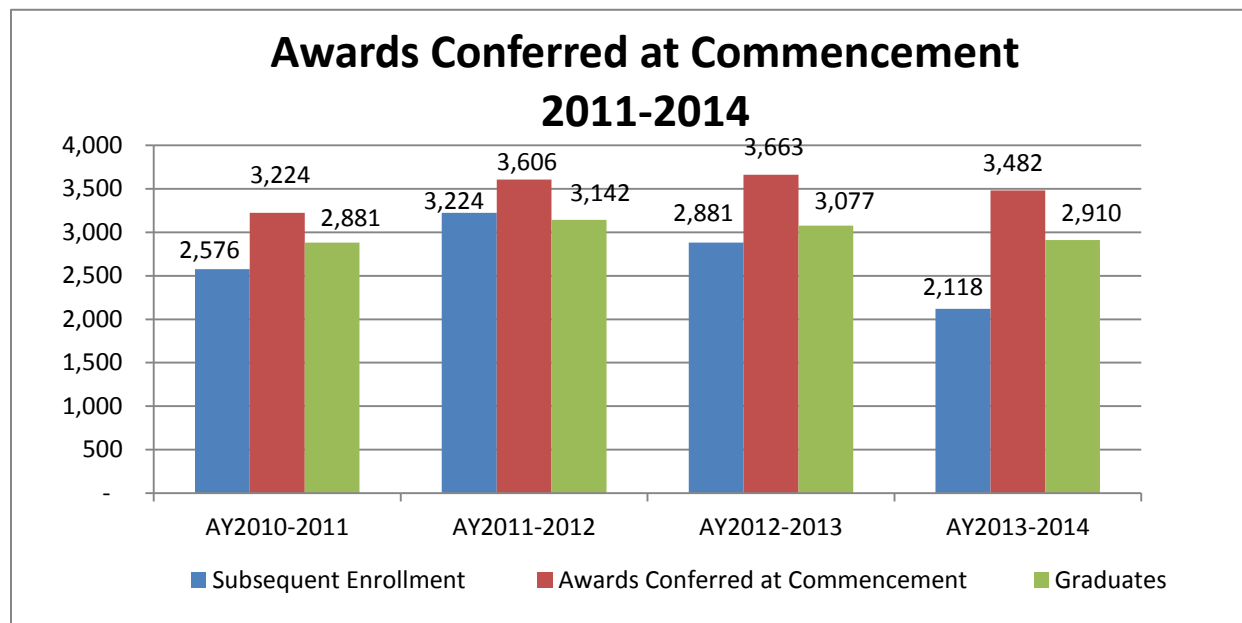


Comparative data is available for fall-to-fall retention rates through the IPEDS data Center (see below). However, the cohort of students focuses only on first time (new) students. **LCC's fall-to-fall retention rates** for Fall 2011 to Fall 2012 and Fall 2012 to Fall 2013 cohorts have outperformed the IPEDS comparison group (comprised of large public 2-year colleges in the Midwestern states) in both full time and part time categories.

Retention, First Time Students Fall 2010 to Fall 2013 Cohorts		
First Time, Full Time Students	LCC	Comparison Group
Fall 2010 to Fall 2011	51%	44%
Fall 2011 to Fall 2012	54%	52%
Fall 2012 to Fall 2013	59%	55%
First Time, Part time Students	LCC	Comparison Group
Fall 2010 to Fall 2011	38%	40%
Fall 2011 to Fall 2012	40%	39%
Fall 2012 to Fall 2013	42%	39%

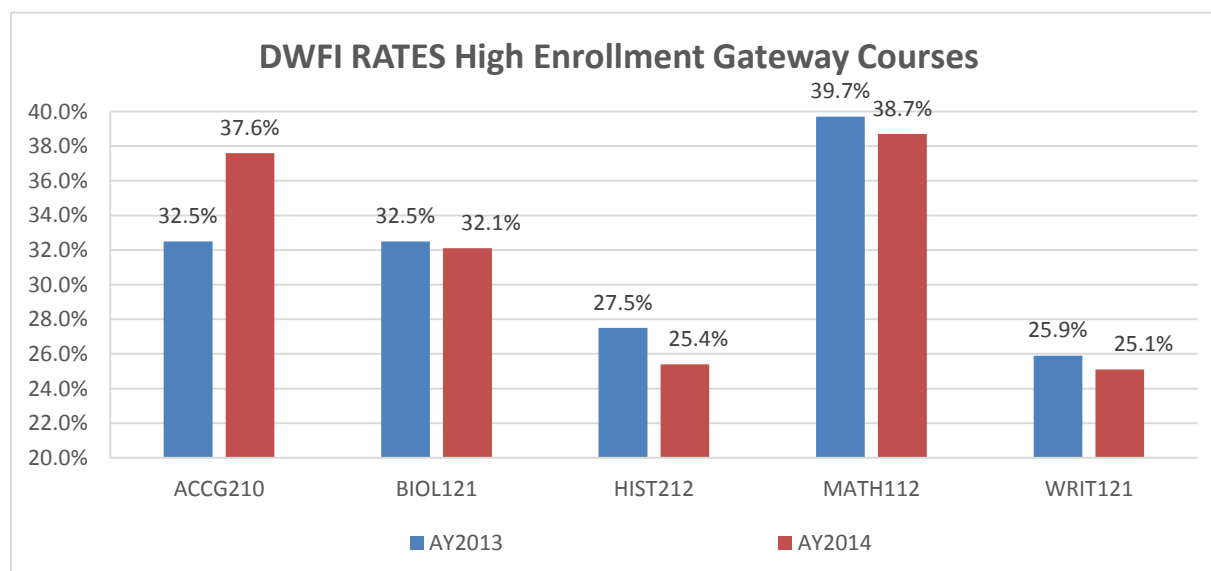
In AY2014, Community College weekly ranked LCC as 54<sup>th</sup> in the nation and first in Michigan for the number of 2-year degrees awarded (in all disciplines). Shown in the graph below are the counts of graduates, awards conferred and the number of students who enrolled at another institution of higher education after earning at least 30 credits

at LCC. These values are left as counts and not percentages because, depending on many factors, a student might be identified in one or more of these categories. The subsequent enrollment measure is not called transfer, because the College has no way of knowing if the student leaving LCC transferred credits. The National Student Clearinghouse provides subsequent enrollment data, based on the last semester a student attended LCC.



### Gateways to Completion

G2C is in its second year of the three-year cycle for LCC. For more information on the G2C improvement process, see page 36. The five selected gateway courses and the results data for Drops, Withdrawals, Failures and Incompletions (DWFI) is displayed in the chart below:

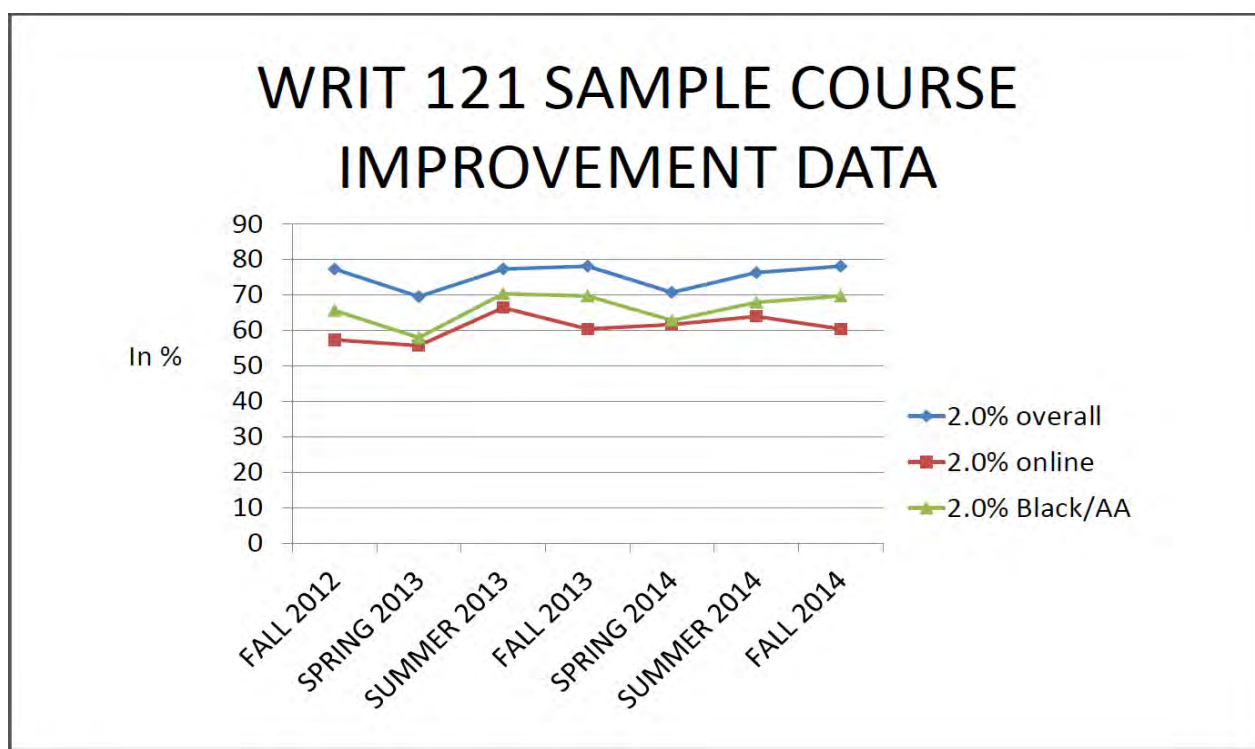


ACCG210 is the only G2C course that experienced an increase (15.8%) in the overall DWFI rate for AY2014 over AY2013. This compares to DWFI rate decreases of 1.12% in BIOL121, 7.54% in HIST212, 2.59% in MATH112 and 3.18% in WRIT121.

Additional population segments were analyzed in ACCG210 and WRIT121.

While ACCG210 experienced a 1.35% overall enrollment decrease from AY2013 to AY2014, Hispanic or Latino enrollment enjoyed an 8.82% increase. The DWFI rate decreased 14.23% for this population in AY2014.

Comparisons of the student in WRIT121 earning 2.0 Grade or better, for Fall 2102 through Fall 2014 are displayed in the graph below by semester.



### Lansing Community College Survey of Student Engagement

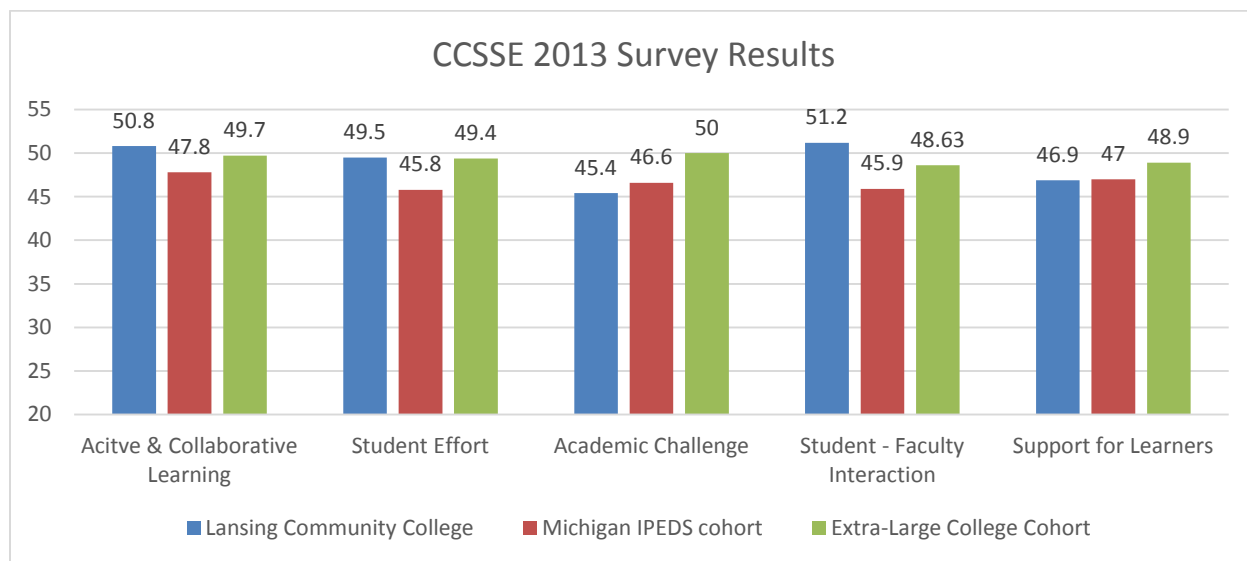
LCC uses the Community College Survey of Student Engagement (CCSSE) as another method of measuring performance on the following five benchmarks:

- Active and Collaborative Learning
- Student Effort
- Academic Challenge
- Student-Faculty Interaction
- Support for Learners

The chart below compares the 2013 (most recent available) data for LCC with Michigan IPEDS and Extra-Large Colleges cohorts. Michigan IPEDS cohort is comprised of



participating similar colleges in Michigan (as identified by IPEDS). The Extra-Large College cohort is comprised of 80 participating institutions with enrollments of 15,000+ credit students. The scores are weighted aggregates of several questions on the survey relating to the five benchmarks. The CCSSE is administered in random credit courses by time of day. All benchmarks are normed to a mean of 50.0.



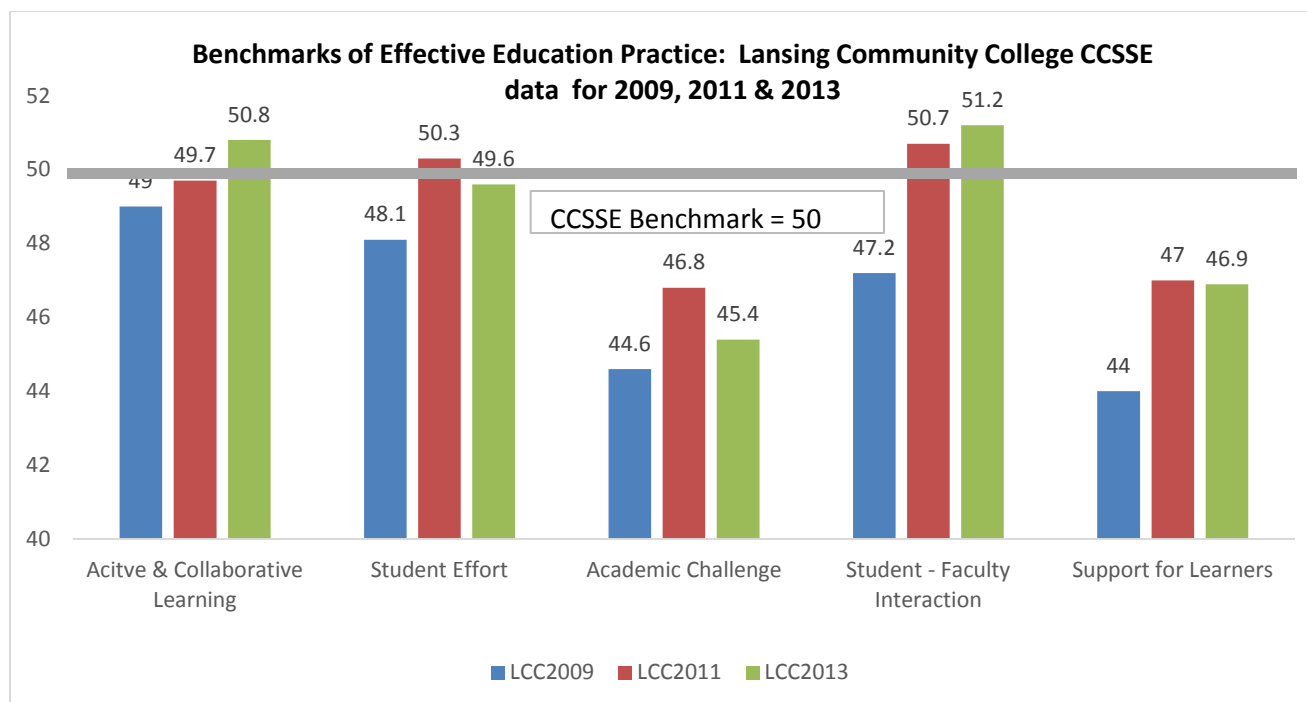
According to the benchmark scores, LCC is outperforming or performing similar to the IPEDS cohort in all but the **Academic Challenge category, measuring the student's** perception of both the difficulty and the quantity of work that a student is assigned.

LCC gained in two areas compared to this cohort: Active and Collaborative Learning and Student-Faculty Interaction. LCC continues to outscore and distance itself from the Michigan IPEDS cohort and the CCSSE Extra-Large College cohort in the area of Active and Collaborative Learning, considered to be by CCSSEE validation research to be, **"the most consistent predictor of student success across studies and across measures..."** Active and collaborative learning is linked with higher grades and course completion measures as well as long-term persistence and degree completion."

LCC scored lower than the Michigan IPEDS cohort and the CCSSE Extra-Large College cohort in the category of Academic Challenge.

LCC scored about the same as the Michigan IPEDS cohort and slightly lower than the CCSSE Extra-Large College Cohort in Support for Learners, measuring the students' perceptions of their college and their use of advising and counseling services.

**LCC's** improvement from 2011 to 2013 in each of the five Benchmarks is displayed below (changes of less than 0.1% were determined to be trivial considering any rounding error):



While LCC declined in only two areas (Student Effort and Academic Challenge), The Michigan IPEDS cohort experienced a decline in four of the five CCSSE benchmark scores in 2013, compared to 2011.

Compared to the CCSSE Extra-Large College Cohort, LCC Active and Collaborative Learning and Student-Faculty Interaction metrics increased at a faster rate in 2013 over 2011 and are both scoring above 50%. Support for Learners category for LCC stayed relatively flat, but both the CCSSE and Michigan cohorts regressed.

# **THE BUDGET AND PLANNING CONTEXT**

## LANSING COMMUNITY COLLEGE THE BUDGET AND 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 and health care insurance costs, to changes in student demographics and occupational choices and trends. This environment provides a very challenging context for the College's budget and implementation of the strategic plan adopted in March, 2013, affecting the revenues from public sources and the ability to increase tax revenues and tuition.

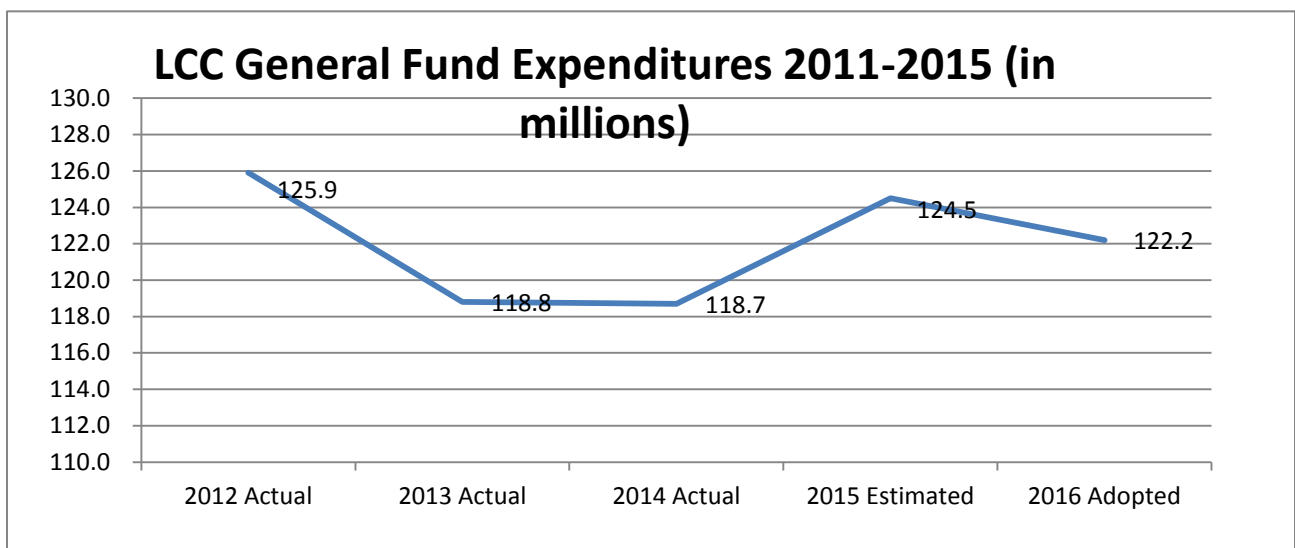
In April, a three-year financial projection (summarized below) was presented to the Board. The forecast incorporated Enrollment projections, based on the following assumptions:

- Unemployment rate held constant through FY2018
- Population participation rates held constant; no significant population shifts
- Average rate for High school pipeline capture

Enrollment decline of 3.7% was projected for FY2016, with minimal increase of 1.1% and 0.4% for FY2017 and FY2018, respectively.

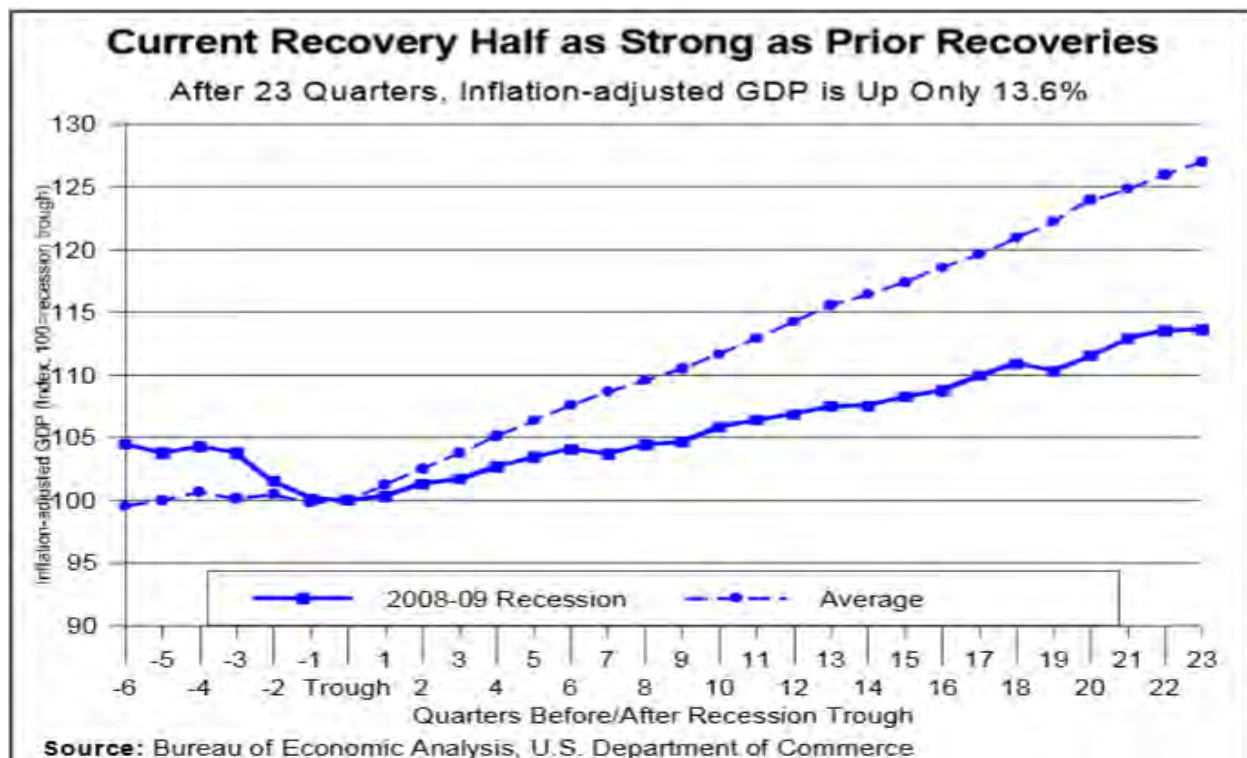
Financial Projections FY2016 to FY2018						
Category	FY2016 (in thousands)	Change from FY2015	FY2017 (in thousands)	Change from FY2016	FY2018 (in thousands)	Change from FY2017
<b>Revenue</b>	<b>\$ 121,096</b>	<b>(2.80)%</b>	<b>\$ 122,528</b>	1.18%	<b>\$123,749</b>	1.00%
Salaries and Benefits	\$ 83,685	<b>(1.00)%</b>	\$85,811	2.54%	\$87,907	1.25%
Services and Supplies	\$ 19,824	1.25%	\$ 19,951	1.25%	\$20,200	1.25%
Scholarships, Match, Capital and Debt Service	\$ 20,586	<b>(1.17)%</b>	\$ 21,114	2.55%	\$18,534	<b>(12.44)%</b>
<b>Total Projected Expenses</b>	<b>\$ 124,095</b>	<b>(0.49)%</b>	<b>\$ 126,876</b>	2.34%	<b>\$126,641</b>	<b>(0.19)%</b>
<b>Projected Deficit (in thousands)</b>	<b>(\$2,999)</b>		<b>(\$4,348)</b>		<b>(\$2,892)</b>	

Despite the prospect of enrollment stabilization after years of declines, LCC still faces the prospect of mitigating rising costs that outpaces revenues. The chart below shows the five-year trend in total General Fund expenses.



### Recent National Economic Highlights

As the U.S. and Michigan economies continue to recover from the 2008-2009 recession, generally regarded as the most severe economic contraction in more than 70 years, the recovery has differed from those of other recessions. Important economic factors remain well below their prerecession peaks, and even factors that have recovered have done so more slowly than during almost any other post-World War II recovery. As of the first quarter of 2015, the economy had been in recovery for 23 quarters after the recession trough in the second quarter of 2009. Four recoveries since World War II have lasted 23 quarters or more, and at this point the current recovery is approximately half as strong as the average of those recoveries.



While the second and third quarters of 2014 posted the strongest consecutive quarters of growth in inflation-adjusted Gross Domestic Product (GDP) since the last two quarters in 2003, growth has been inconsistent, and five quarters since the first quarter of 2011 exhibited growth that was either negative or less than 0.8%. Inflation-adjusted GDP increased at an annual rate of only 0.2% in the first quarter of 2015. As a result, inflation-adjusted GDP in the first quarter of 2015 was only 8.7% above the level during the fourth quarter of 2007, when the recession began, and only 13.6% above the level in the second quarter of 2009, when the economy finished contracting (Figure 1). The economy has averaged only 2.2% annual growth since the end of the recession, compared with an average of 4.2% annual growth over the other four recoveries. Consumption expenditures, which on average account for two-thirds of economic activity, have also exhibited weak growth relative to historical standards, with the current recovery averaging 2.3% annual growth, compared with a historical average of 4.1% growth (Figure 2). Furthermore, consumption growth has been offset by the contracting government sector, which has declined at an average annual rate of 1.2% compared with the historical average of 2.9% growth.

Consumption growth has remained weak for a variety of reasons, and many of the increases have reflected increased purchases of motor vehicles. Consumers have remained risk averse about spending, especially for big-ticket items and nonessential purchases, as employment growth has remained weak and wage increases have been negligible. Motor vehicle purchases have been an exception due to factors ranging from rising fuel costs' (at least through the end of 2014) encouraging the purchase of more fuel-efficient vehicles to the marked increase in the age of the vehicle fleet to greater numbers of vehicle loans made to subprime borrowers. Replacement consumption, where consumers replace durable goods that have simply grown so old that they are no longer considered viable, has accounted for a significant portion of the growth in consumption spending.

The unemployment rate fell from a peak of 10.0% in October 2009, to 5.4% in April 2015. However, through 2013, the labor force grew much more slowly than the working-age population and declines in the unemployment rate often reflected a stagnant or declining labor force as much as increased employment. Since 2008, the labor force averaged 0.2% per year annual growth, with the labor force growing 0.3% during 2014. However, the population averaged 1.0% growth per year, and increased 0.9% in 2014. So, while the labor force is growing, it is not growing as rapidly as the population, and the employment-to-population ratio has remained at levels not seen since the late 1970s and early 1980s. Some data suggest that the way the economy adapts to recessions is changing. In particular, the last three recessions have seen an increasing number of workers, particularly younger workers, choosing not to participate in the labor force. The labor force represents those who are working or actively looking for work. The number of individuals age 55 or older participating in the labor force has shown a steady increase since the 1990 recession, and that increase mostly has been uninterrupted by recession. In contrast, for individuals age 20 to 24, labor force participation has fallen by increasing amounts in each of the last three recessions, and mostly failed to increase during the recovery. In 2013 and 2014, labor force

participation among individuals age 20 to 24 was at the lowest level since 1972. As a result, lower labor force participation rates are being driven not by retiring baby-boomers, but by young workers who are not entering the labor force.

The housing market, which counts as residential investment rather than consumption spending, improved substantially in 2014, although it remains weak by almost any historical measure. Housing starts totaled 1.0 million units in 2014, an increase of 8.5% from 2013 and the fifth consecutive annual increase in starts. However, despite the increases, 2014 will represent the seventh-weakest year of housing starts (based on data available back to 1959), above only the years 2008 through 2013. Housing starts in 2014 also were 51.5% below the prerecession peak of 2.1 million starts in 2005. Furthermore, residential construction as a share of GDP continues to remain at record lows. Between 1995 and 2003, residential investment represented approximately 5.2% of inflation-adjusted GDP. At the recession low for housing starts, in the first quarter of 2009, residential construction comprised 2.8% of GDP, and has averaged only 3.1% of GDP since the beginning of 2014.

### **Recent Michigan Economic Highlights**

Michigan's economy spent the 2000-2010 period in recession, largely driven by the same fundamental restructuring that affected manufacturing globally. Manufacturing experienced, and continues to experience increased competition that will require additional productivity gains. For Michigan, the effect of productivity improvements has been substantial for at least three reasons: 1) there was more room for productivity improvements in the durable goods and motor vehicle manufacturing sectors than in many other sectors, 2) Michigan was, and remains, very disproportionately concentrated in motor vehicle manufacturing, and 3) the motor vehicle industry has become one of the most competitive sectors of the economy. For Michigan, those factors were complicated as General Motors, Ford, and Chrysler lost market share over most of the last decade leaving Michigan to lose employment from both higher 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 110,300 jobs (25.1%) between June 2009, when the U.S. recession ended, and October 2013. However, Michigan manufacturing employment remained essentially unchanged from October 2013 through October 2014. Manufacturing employment rose in the fourth quarter of 2014 but it remains to be seen whether the higher level of employment represents the beginning of a new trend or a new norm.

The unemployment rate declined from a high of 14.2% in August 2009 to 5.6% in March 2015, although the decline was partially attributable to the departure of approximately 163,200 individuals from the labor force in addition to the employment

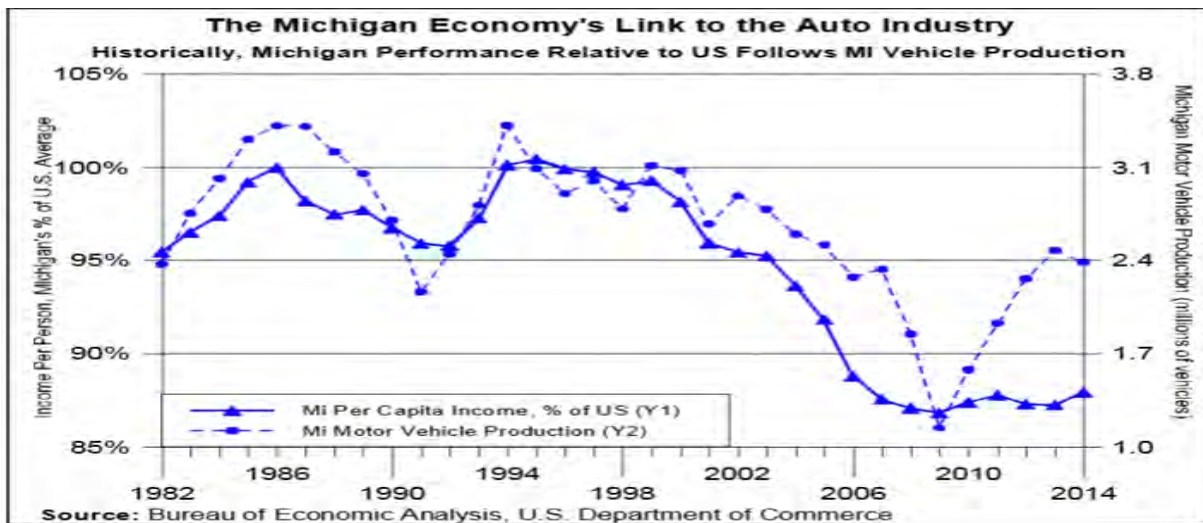
gain of 285,000 jobs. The bulk of the employment gain has occurred since early 2014, with March 2015 employment 139,750 jobs above the level in September 2013.

While the Michigan unemployment rate has declined since 2009, reduced labor market participation has played a greater role in lowering the Michigan unemployment rate than what has occurred in the national rate. Job gains have helped reduce the unemployment rate, but a significant factor causing the unemployment rate to decline over this period has been the withdrawal of individuals from the labor force. Individuals who have a job or are actively seeking work are counted as participating in the labor force, and the unemployment rate reflects the number of individuals who do not have a job and are actively seeking work divided by the size of the labor force. Both nationally and in Michigan, the large number of individuals who have left the labor force represent a factor that may exert a substantial slowing effect on the future growth of the economy. The forecast assumes that the labor force will increase at a slightly greater rate than population, but more slowly than new jobs will be created. As a result, employment gains are anticipated but wage growth is expected to be relatively modest.

While over the last decade Michigan's employment situation fared worse than the national average, and, in some cases or time periods within that range, worse than any other state, Michigan's performance was 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) experienced weaker job performance during the last decade, 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. For Michigan, both employment gains and improvements in economic growth will be restrained by slowing growth in vehicle sales, as little growth is expected beyond replacement demand, the vehicle manufacturing sector is expected to continue to exhibit strong productivity gains, and sales levels are nearing the levels experienced in much of the last decade. On the other hand, compared with the prior decade, 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 (Figure below).





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. Furthermore, light vehicles sales are expected to exhibit much slower growth rates over the forecast period than exhibited during the last five years, limiting the growth in transportation manufacturing employment. While Michigan payroll employment returned to the January 2008 level (the U.S. prerecession peak) in January 2015, and as of March 2015 Michigan had regained 417,900 of the 862,900 jobs lost between April 2000 and March 2010, 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 (Michigan's prerecession peak) again until sometime in the next decade.**

The forecast expects employment levels in the transportation equipment manufacturing sector to increase slightly through 2015, but to remain relatively flat in both 2016 and 2017. Overall employment in Michigan is expected to grow slightly, with virtually all of the growth in private sector employment. However, for both the economy and State tax revenue to improve markedly, more substantial employment gains in the economy as a whole will need to occur. While increased profitability in the vehicle industry has stabilized much of the Michigan economy, significant and sustained growth at both the national and statewide levels is unlikely to occur until the housing industry experiences a meaningful recovery and consumers exhibit improved debt-to-income ratios and growing wages.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2014-15, FY2015-16, and FY2017-18  
May 13, 2015 Senate Fiscal Agency, State of Michigan

## **Current Economic Environment**

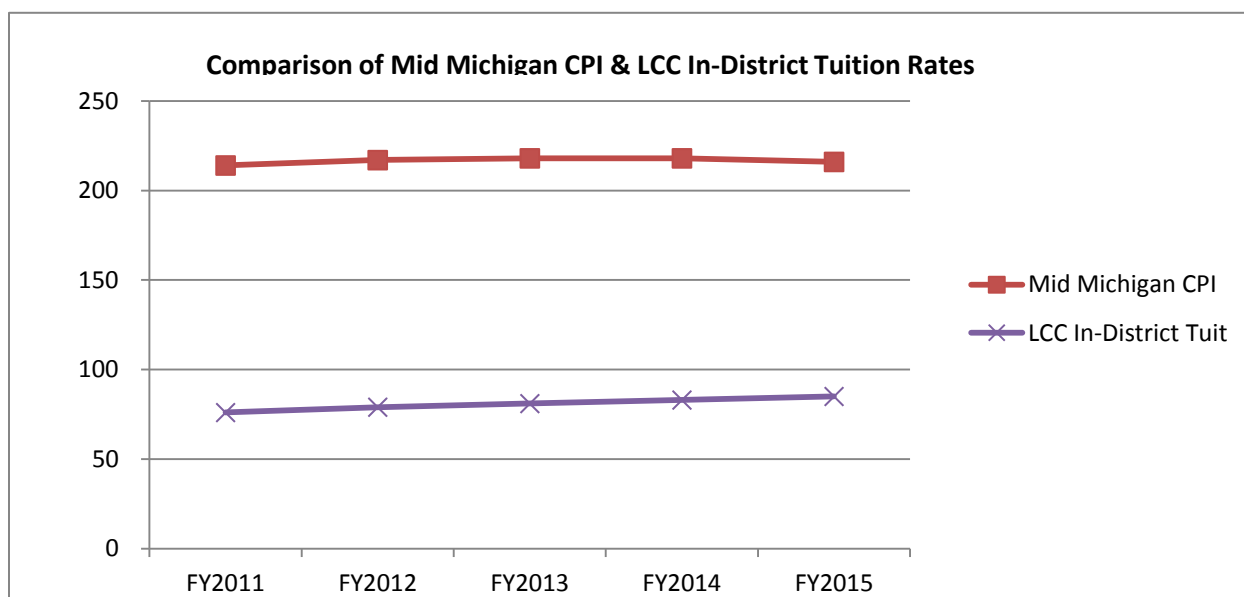
Michigan inflation-adjusted personal income is estimated to grow 5.0% in 2015 (which includes an extra push from a negative inflation rate), 2.6% in 2016, and 1.9% in 2017, after rising 2.9% in 2014. Employment gains over the forecast period will be muted, particularly when compared to prior recoveries, 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 replace capital for labor, although investment in structures, which represents new facilities, also is expected to exhibit significant growth. The US unemployment rate is expected to decrease from 6.2% during 2014, to 5.5% in 2015, 5.4% in 2016, and 5.1% in 2017.

Inflation is not anticipated to be a concern over the forecast period. Despite weak productivity growth, weak domestic consumer demand, and substantial weakness in the labor market will help keep labor costs low.

Compared with the January 16, 2015, Consensus Economic Forecast, both the U.S. and Michigan forecasts are slightly weaker, although the Michigan economy in 2015 is expected to be slightly stronger than forecast in January. Although both the U.S. and Michigan economies will continue to exhibit growth over the forecast period, neither the U.S. nor the Michigan forecast exhibits particularly strong economic growth. Weak employment growth, weak income growth, and slowdowns in overseas economies will temper the pace of the U.S. and Michigan recoveries during the forecast period. However, **improved vehicle sales and stronger profitability in Michigan's vehicle sector** will provide stability to the Michigan employment situation.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2014-15, FY2015-16, and FY2017-18  
May 13, 2015 Senate Fiscal Agency, State of Michigan

**LCC's leadership has remained firm in their stance to keep tuition rates low, in** accordance with the mission to keep education affordable. Tuition increases have remained under the rate of Mid-**Michigan's** (defined as Clinton, Eaton and Ingham Counties by the Department of Labor) CPI increases, and under the rate of tuition increase and under the state average tuition rate for all 28 Michigan community colleges (see graph and chart below and see page 120, Michigan Community College Business Officers Association Tuition and Fees Survey for more information on tuition increases by college).



FISCAL YEAR	LCC In-District Tuition	LCC \$ Increase	LCC % Increase	State Avg	\$ Increase in State Avg	% Increase in State Avg
2012	\$79	\$3	3.9%	\$86	\$5	6.2%
2013	\$81	\$2	2.5%	\$90	\$4	4.7%
2014	\$83	\$2	2.4%	\$94	\$4	4.3%
2015	\$85	\$2	2.4%	\$99	\$5	5.3%
2016	\$88	\$3	3.5%	\$101	\$2	4.2%

Source: 2014 Michigan Community College Business Officer's Association (MCCBOA) ACS Data - ACS Companion Data

With tuition and fees accounting for nearly 42% 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. In the past, community colleges have been able to attract students because of their low cost and accessibility. But today, they have more competition from other institutions (including for-profit colleges), and they are under greater scrutiny by students who are assessing the costs and labor market benefits of attending college. High potential targets include those who are looking for a less-expensive post-secondary education option than four-year institutions, 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. 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 and dual-enrollment programs.

LCC bargaining employees are represented by six labor unions. Faculty, all under one bargaining unit, have an effective agreement through June 30, 2016. Full and part time support staff and administrators each have separate agreements that also expire June 30, 2016. Fraternal Order of Police members ratified a new agreement which expires June 30, 2017 and MEA Facilities Maintenance Association and LCC have an agreement that expires June 30, 2019.

### **Michigan's Revenue Forecast**

In fiscal year (FY) 2015-16 General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue will total an estimated \$ 22.1 billion, a 2.2% increase from FY2014-15 and \$79.6 million above the January 2015 consensus estimate.

In FY 2016-17, GF/GP and SAF revenue is expected to total \$ 22.6 billion, a 2.6% increase from the revised estimate for FY2015-2016 and \$11.1 million less than the January 2015 consensus estimates.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY 2014-15, FY2015-16, and FY2017-18  
May 13, 2015 Senate Fiscal Agency, State of Michigan

### **State Appropriations**

The increasing desire for accountability and performance measures caused the state to tie appropriations to performance formulas for the first time in FY2013. A funding formula including a performance-based segment was implemented for community colleges. In subsequent years, the funding formula was 50% proportionate to Base; the other 50% based on performance measures using an average calculated from the last two complete years. For FY2016, performance the formula used for appropriations is the same as for FY2015:

- 10% based on two-year average number of student contact hours
- 7.5% based on the two-year average of the percentage of Administrative cost
- 17.5% based on the two-year average of weighted completions in critical skills areas (includes science, technology, engineering, mathematics and health fields)
- 15% based on Strategic Value (defined as meeting defined best practices). Colleges are required to certify how they meet each best practice measure

In addition, colleges must actively participate in and submit timely updates to the Michigan Transfer Network in order to receive any performance funding. The Michigan Transfer Network allows students to know how their credits will transfer in and out to other Michigan postsecondary education institutions.

The Governor attempted to modify the performance formula for FY2016 by eliminating the Strategic Value component of the formula and increasing weighted degrees to 32.5% of the formula distribution, but the Senate did not concur, so the change was not included in the adopted budget.

The adopted budget stipulates that a task force to review, evaluate, discuss and make recommendations by January 15, 2016, regarding performance indicators; to identify the most appropriate and reliable metrics available and to determine the most efficient methodology for connecting state funding to these indicators. The task force will consist of:

- the Speaker of the Michigan House of Representatives;
- a member of the Michigan House of Representatives, designated by the House Minority Leader;
- two members of the Michigan Senate, one each designated by the Senate Majority and Senate Minority Leader;
- one representative from the Michigan Department of Technology, Management and Budget, designated by the State Budget Director;
- four representatives of Michigan public community colleges, designated by the Michigan Community College Association.

**LCC's Chief Financial Officer, Donald Wilske, is serving on this task force.**

The increasing unfunded cost of health care for retirees in the Michigan Public School Employees Retirement System (MPERS) has been a concern, **instigating a MPERS's** employer contribution rate rising from 16.54% in 2008 to 25.30% in FY2013. In 2012, legislation was passed to reform MPERS Retirement. Participating employees had to select options regarding health care and level of future benefit, based on their contributions to share in costs. Seven different rates are now possible for current employees. As a result, the overall rate of increase has slowed considerably. In **addition, a \$31.4 million appropriation has been made from the state's community** college budget to transfer funds to the Office of Retirement Services to assist in holding down employer contribution rates.

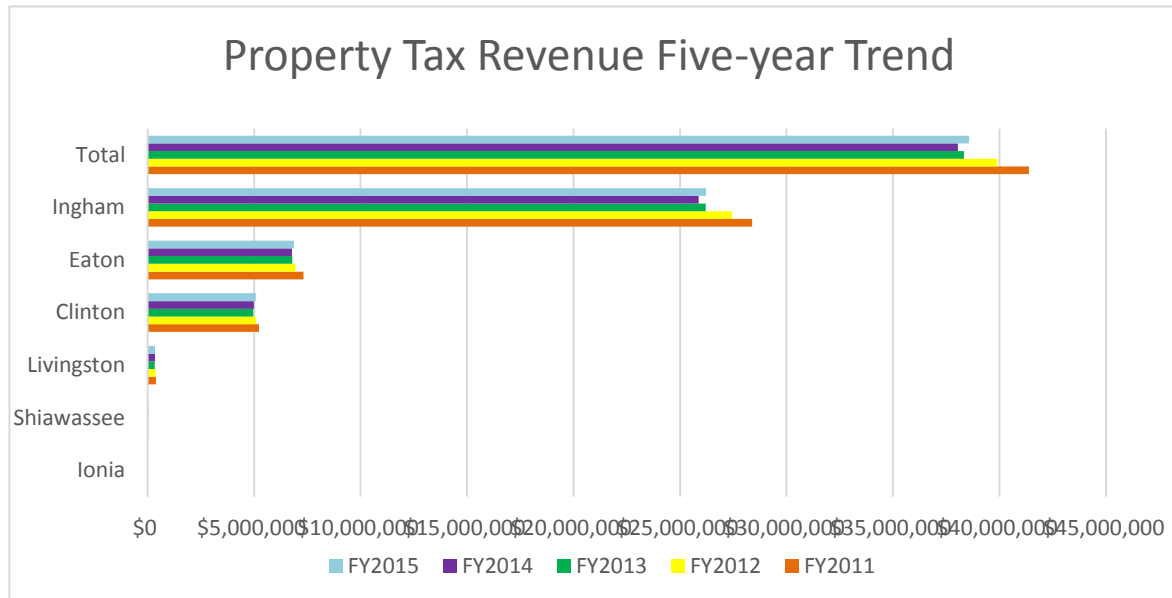
An appropriation from the School Aid Fund of \$1,733,600 for community colleges was included for the first time in FY2013 for the purpose of offsetting the increase in MPERS retirement contributions attributable to the 0.25% increase in retiree health costs. Distributions were on an across-the-board basis. Each year since then, this **funding is continued, but is distributed in proportion to each college's total MPERS-**covered payroll. For FY16, \$31.4 Million has been appropriated from the **state's** community college budget to assist in holding down employer contribution rates.

### **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 FY2007, property tax revenues were higher than any other source of revenue for the College accounting for 37% of total revenue in FY2007. Since then its share of total revenues has steadily declined to approximately 30% in FY2014 and 30.9% in FY2015. 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.

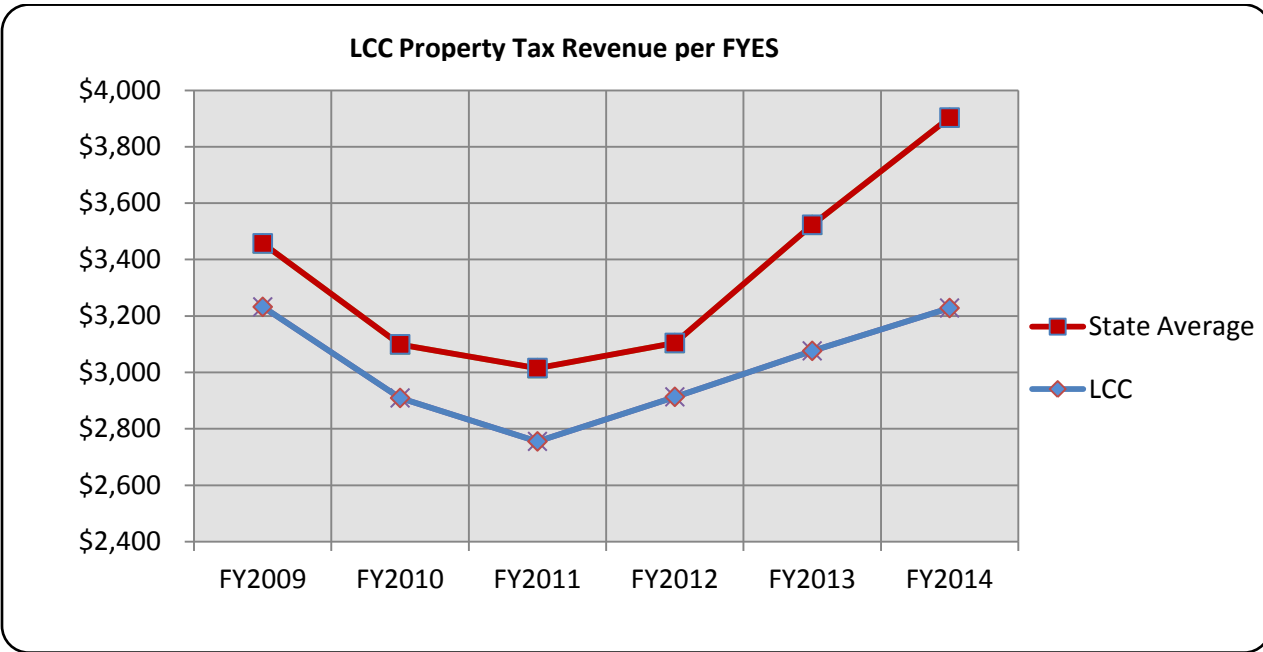
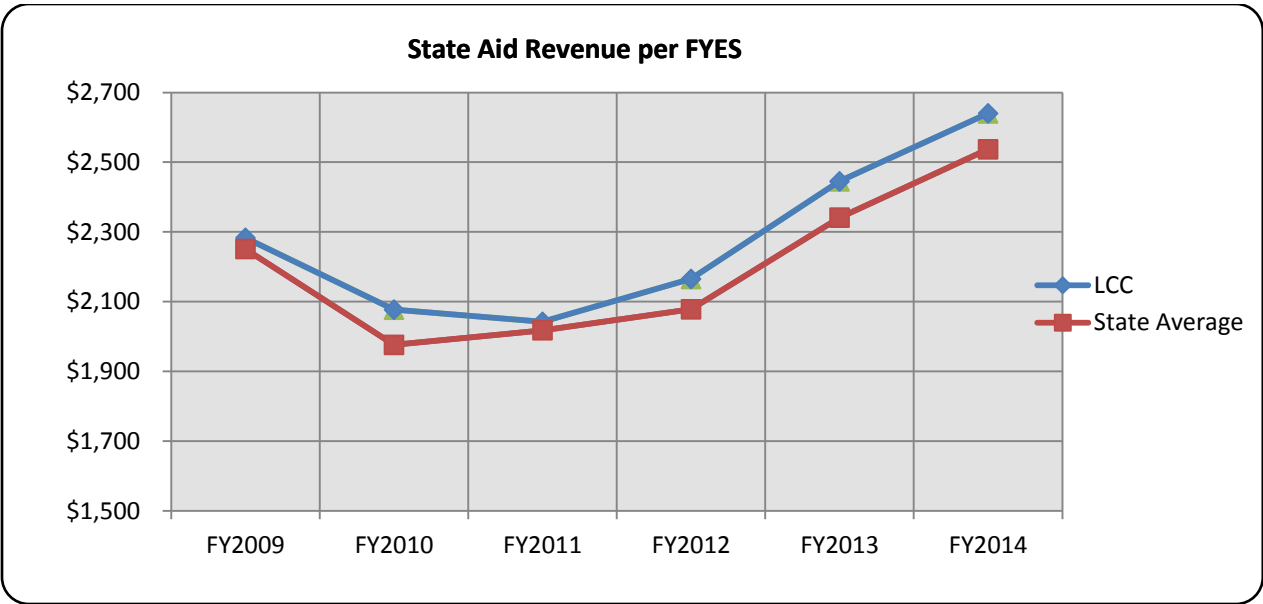
The continuous downturn in the Michigan economy and the shift in manufacturing employment continue to have a detrimental impact on the real estate market, to which a national housing crisis added a slump in property values. The result was a decline in taxable valuation, which in turn results in a decline in property tax revenues until FY2015. The five-year history of property tax revenues by county clearly shows this trend prior to FY2015, with a slight upturn in totals, beginning in FY2015.

COUNTY	FY2011	FY2012	FY2013	FY2014	FY2015
Ingham	\$28,383,172	\$27,438,729	\$26,206,038	\$25,870,508	\$26,224,999
Eaton	\$7,316,087	\$6,942,495	\$6,787,528	\$6,781,220	\$6,867,524
Clinton	\$5,232,501	\$5,078,130	\$4,954,341	\$4,990,639	\$5,078,341
Livingston	\$397,209	\$379,852	\$334,497	\$345,857	\$351,754
Shiawassee	\$29,499	\$29,275	\$28,984	\$28,600	\$28,779
Ionia	\$21,844	\$22,187	\$22,711	\$22,563	\$22,910
Total	\$41,380,312	\$39,890,668	\$38,334,099	\$38,039,387	\$38,574,307



**The second factor having a negative impact on the College's revenues derived from property taxes** is also related to the economic environment. Until FY2007, at least 50% of the outstanding property tax at the end of the fiscal year was ultimately collected. After FY2007, however, the rate of collection has worsened and since then only 25% of the outstanding prior-year levied taxes is deemed collectible.

All community colleges are affected by uncertain, stagnant or declining public revenues per Fiscal Year Equated Student (FYES). Lansing Community College has mirrored the state average since FY2008. In FY2013, LCC State Aid Revenue per FYES is \$2,448, slightly above the state average of \$2,408. The latest available data (ACS 2012-13 Data Book & Companion) is represented 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. Out-of-district student contact hours over the five year period from FY2006-FY2010 increased by 11%, 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 63% in-district hours and 37% out-of-district hours (For more information on LCC's student demographics, see Selected Statistics page XXX). Tuition and fees revenue decreased 3.67% in FY2013 and 4.6% for FY2014. Projections suggest that the decline in revenue will continue to decrease at a rate near 7% for

FY2015. The FY2016 adopted budget assumes an enrollment decrease of 8.65% beyond FY2015's expected rate.

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 FY2012, 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 was experienced at LCC. An unprecedented budget amendment to reduce revenue and expenses by \$4.5 million was adopted in FY2012, to accommodate enrollment decline. The table below shows that FY2014 has experienced declines in all four measures of enrollment. Currently available numbers for FY2016 indicate a further decline in credit hours of 6.5% and 7.1% in billable hours.

#### Five-Year Enrollment Trend 2010-2014

Enrollment	FY2010	FY2011	FY2012	FY2013	FY2014
College (unduplicated head count)	33,442	34,413	31,042	29,245	27,734
Full-time Equivalents	14,328	14,649	13,232	12,124	11,374
Total Credit Hours	444,177	454,114	410,190	375,835	352,592
Billable Hours	487,265	490,596	442,081	413,112	387,706

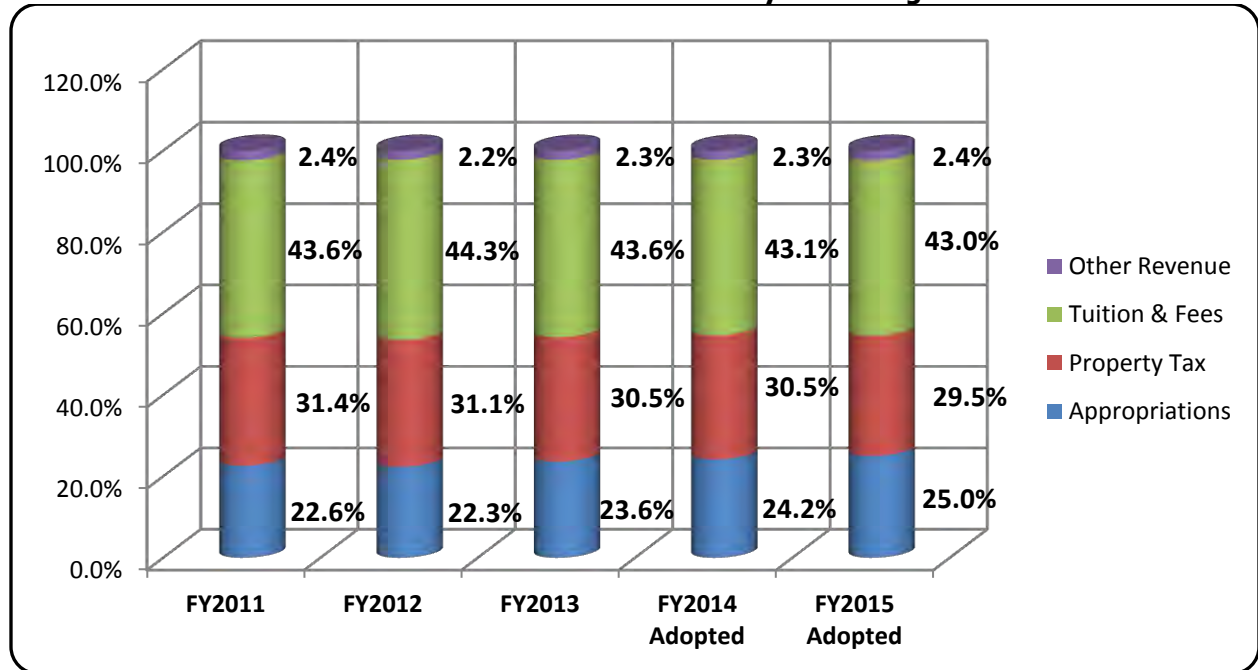
#### Impacts on FY2016 Budget Planning

Prior to FY2008, State of Michigan appropriations and property taxes (public revenues) provided more than 60% of the College's revenues. This percentage fell to 53.5% for FY2013, and is 53.2% in the proposed budget. When coupled with the meteoric rise in MPSERS retirement funding costs, prior to reform in 2012, the result is an even more dramatic decline in State support. Since FY2013, the appropriation has included a MPSERS rate mitigation element, accounting for the majority of the increase seen since FY2012. For FY2016, the adopted budget maintains the ratio of revenue sources to the whole within 1% for each element. See the charts below for revenue source trends at LCC.

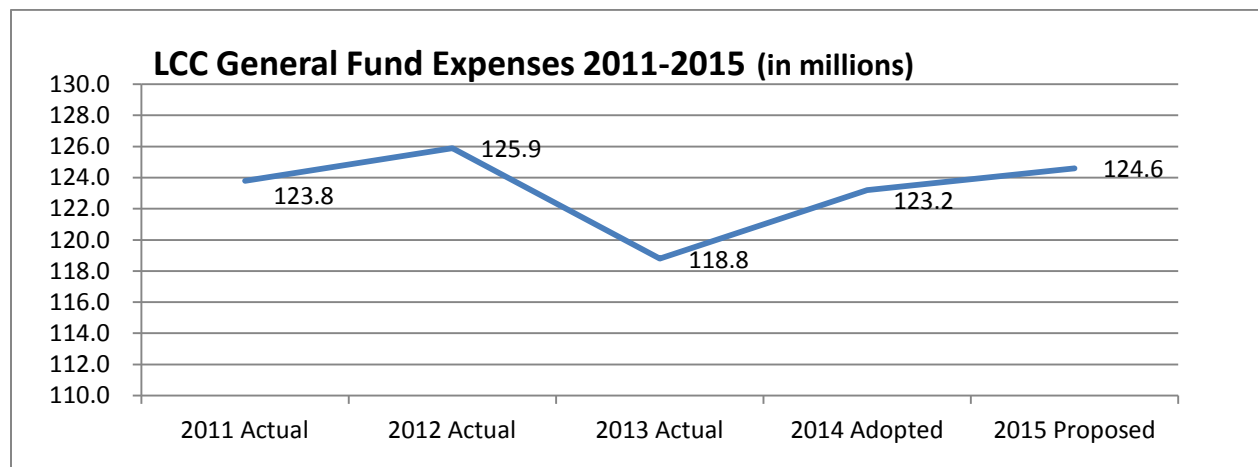
General Fund Revenues					
Total Revenues	2013 Actual	2014 Actual	2015 Adopted Budget	2016 Proposed	Percent change 2016 to 2015
State Appropriations	\$ 29,638,937	\$ 30,303,385	\$ 31,157,000	\$ 31,562,000	+ 1.3%
Property Taxes	\$ 37,294,876	\$ 36,718,154	\$ 36,779,000	\$ 37,147,000	+1.0%
Tuition and Fees	\$ 54,725,618	\$ 52,168,821	\$ 53,765,000	\$ 51,210,000	-4.8%
Other Revenue	\$ 2,784,219	\$ 2,871,718	\$ 2,764,000	\$ 2,242,000	-18.9%
Total	\$124,443,650	\$ 122,062,078	\$ 124,465,000	\$ 122,161,000	-1.9%



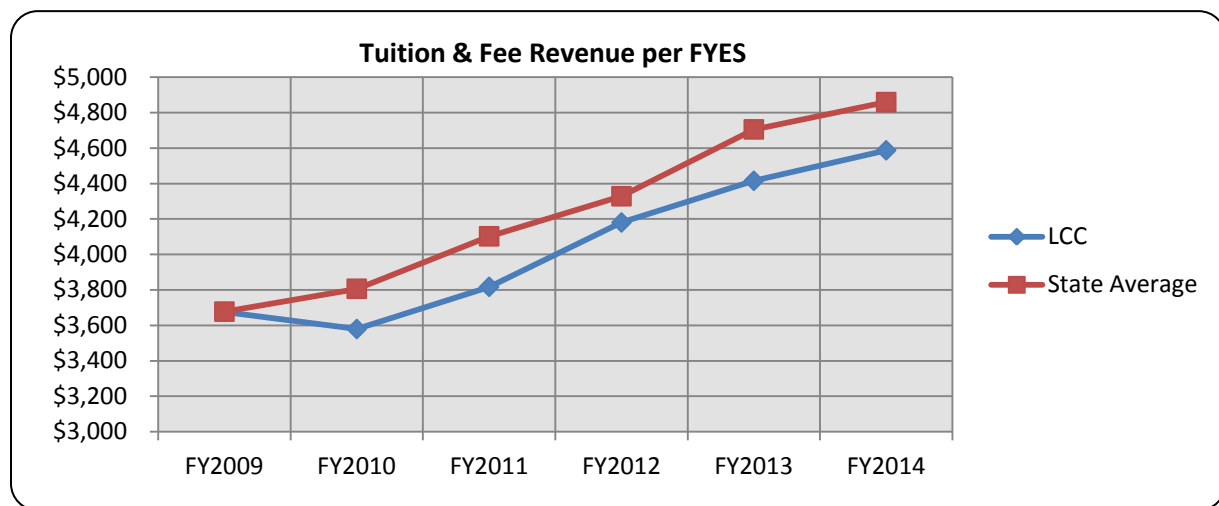
**General Fund Revenue Sources by Percentage**



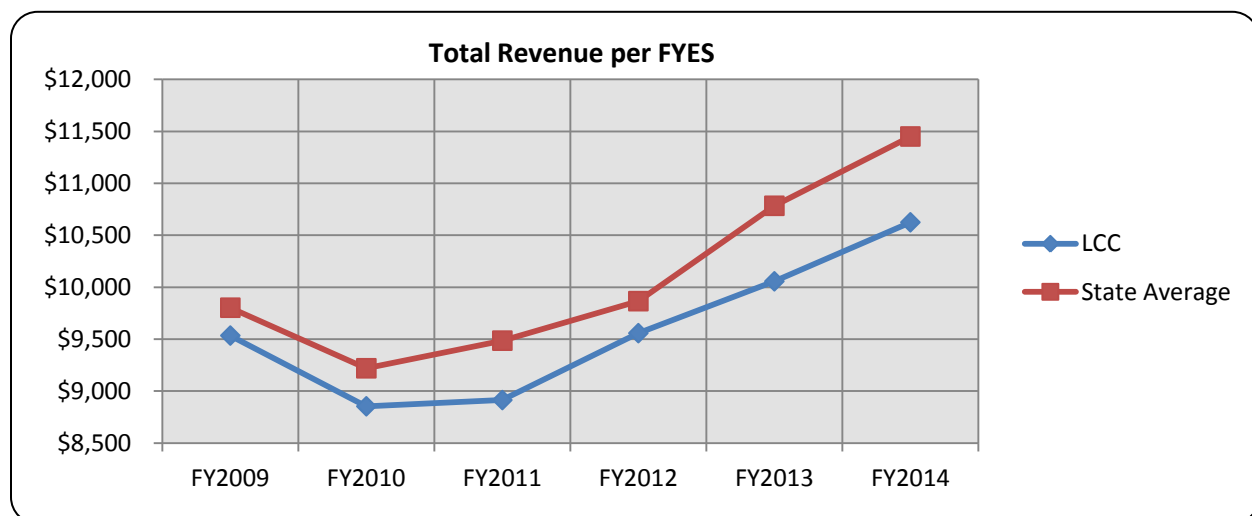
Rising costs, reduced state appropriations and voter reluctance to increase millage rates leave community colleges with the sole option of raising tuition if they wish to maintain or expand programs. This option has been forced on all the community colleges in Michigan in the past decade. LCC's tuition revenue has gone from being 36.7% of operating revenue to a peak of 44.8% in FY2012. For FY2016, the proposed budget estimates tuition and fees revenue at 41.9% of total revenues, a decrease of 1.1% for the FY2015 adopted budget. 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 (see General Fund Expense chart below) to keep LCC's in-district tuition rate one of the two 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.



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.



While public revenues per Fiscal Year Equated Student (FYES) have been flat or declining, tuition and fee revenue per FYES has been rising steadily, for both LCC and the State average (see chart above). 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.



Prior to presenting the FY2016 **budget for Board of Trustee's consideration**, a survey of **Michigan's community colleges** seems to suggest that many colleges are planning to increase tuition in FY2016. The planned changes ranged from a 1.80% to a 28.42% increase for in-district tuition. An updated survey, with FY2016 rates, is included in the appendix. The average in-district projected increase was 4.97%. See the Michigan Community College Business Officers Association - Tuition and Fees Survey in the Appendix (page 120).

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."**

A very challenging framework existed for FY2016 Budget planning. Years of cutting budgets had exhausted easy choices. The college faced the same intense financial pressures facing every educational institution in the state. Early on, the FY2016 budget planning process pointed to a budget gap of \$ 2.999 million.

The College had no choice but to make very strategic fiscal decisions which necessitated tough reductions in costs college-wide and limited the potential for investing in new initiatives. Budget decisions **were made in the context of LCC's 2013-2016 Strategic Plan.**

**The Board's regular planning cycle indicates a budget** proposal will come before the Board at the regular June meeting. On May 11th, at a Board Retreat, a draft budget was presented. On May 26, 2015 a budget workshop was held to present the **Administration's proposal to the Board of Trustees.** The attendees were reminded of and updated on the FY2015 initiatives funded with reinvestments. A projected budget gap of \$2.999 million was shown. Deferring strategic initiatives and further involuntary staff reductions in force were considered to balance the budget but were not included in the **Administration's recommendations.** Efficiency enhancements totaling \$1.3 million were identified and incorporated into the proposal to assist with closing the \$2.999 million gap.

The reinvestment and savings proposals for FY2016 were affinitized into the six Board Goals (see pages 70-72 for a summary of those included in the adopted budget). In addition, the proposals were presented by division and dollar amount. The **Administration's** initial proposal closed the budget gap as displayed in the chart below:

Summary: Closing the Gap – FY2016 Administrative Proposal May 26, 2015	
<b>Projected Budget Gap</b>	<b>(\$2,999,000)</b>
Reduction in Other Revenue Resources	(\$80,000)
Reinvestment Proposals	(\$2,009,000)
Savings Recommendations	\$1,353,000
Increase Scholarships, Contingency and grant match requirements	(\$130,000)
Reduce Technology and Plant Fund Transfers	\$435,000
Adjustment to "true up" expenses, adjust part-time faculty and overall benefit costs	\$1,031,000
Recommended \$5 In-District Tuition Increase	\$2,399,000
<b>Balanced Budget</b>	<b>\$0</b>

The Board did not agree on raising in-district tuition by \$5, asking the Administration to present a balanced budget for consideration at the regular June meeting, utilizing a \$3 in-district tuition increase. During the workshop, the Board asked questions and made suggestions to be included in the FY2016 proposal for adoption at the regular meeting on the 15<sup>th</sup> of June.

Adjustments to the proposed budget were made and the adopted proposal was submitted to the Board at its regular meeting on June 15, 2015. In order to reduce the amount of funding needed to balance the budget with a \$3 tuition increase, the administration eliminated requested budget increases for employee appreciation events and marketing and reduced reinvestments for special events and some strategic planning activities. The Administration also eliminated funding previously included in the original proposal for Technology Infrastructure and Student Services Technology Project.

On June 15<sup>th</sup>, a public hearing was held for the FY2016 budget immediately prior to the **Board of Trustees' regular meeting**.

During the regular meeting, the reasonableness of the proposed tuition increase and **the Administration's savings and reinvestment proposals**, using the unrestricted fund balance or funds previously designated for other purposes to avoid a tuition increase and the wisdom of using one time money for ongoing operational costs were discussed at length.

The adopted proposal closed the budget gap in the following way:

Summary: Closing the Gap – FY2016 Adopted Proposal June 15, 2015	
<b>Projected Budget Gap</b>	<b>(\$2,999,000)</b>
Reduction in Other Revenue Resources	(\$12,000)
Reinvestment Proposals	(\$1,675,000)
Savings Recommendations	\$1,366,000
Eliminate Technology Infrastructure Funding	\$500,000
Increase in Grant Match requirements	(\$19,000)
Reduce Technology and Plant Fund Transfers	\$435,000
Adjustment to "true up" expenses, adjust part-time faculty and overall benefit costs	\$960,000
Recommended \$3 In-District Tuition Increase	\$1,444,000
<b>Balanced Budget</b>	<b>\$0</b>

The Board adopted the Administration's proposed budget as recommended at the Regular Meeting of June 15th, also approving the tuition structure displayed in the chart below:

<b>Residency</b>	<b>Current Tuition Rate</b>	<b>Proposed Increase Fall 2015</b>	<b>Proposed Tuition Rate Fall 2016</b>
In-District	\$85	\$3	\$88
In-State	\$170	\$6	\$176
Out-of-State	\$255	\$9	\$264
International	\$298	\$11	\$309

In FY2013, two academic areas of the college were significantly realigned (see *Academic Divisions*, pages 12-15), in part, to achieve institutional efficiencies and cost savings, as well as enhancing student success. Additionally, the Student Affairs Division underwent a third party assessment from American Association of Collegiate Registrars and Admissions Officers Consulting, based on best practices and higher education standards. Realignment of the Student Affairs Division (which began in FY2015) and Community Education and Workforce Development Division is a significant factor in the position impacts of the FY2016 Adopted Budget. Many of these changes are related to positions being transferred to realign functions to fall under the same divisional authority. Realignments, as well as the impending implementation of the Affordable Care Act diluting the economic advantages of part-time vs full-time staffing, caused general fund position impacts summarized below. 25.5 FTE of positions eliminated were unoccupied, while 6.3 FTE were occupied. Full-time faculty changes include a reduction of 6.0 occupied FTE related to contractual changes requested by Eaton Regional Education Service Agency. Also included is a change for 4.0 FTE from vacant instructional faculty in instructional Divisions to increase Advisors in Student Affairs

Division for Operation 100% (see pages 37-39 for more information on Operation 100%) For more on staffing pattern trends see page 100 *Summary Table of Budgeted Full Time Positions FY2014-FY2016*.

POSITION IMPACT OF FY2016 ADOPTED GENERAL FUND BUDGET PROPOSAL							
DIVISION	FY2015 (SAVINGS) COSTS	Full- time Admin	Full- time Faculty	Full- time Support	Part- time Admin	Part- time Support	Grand Total
Academic Affairs	\$217,500	4.00	(4.25)	1.00	(1.20)	0.00	(0.45)
Administrative Services	(\$115,400)	(0.20)	0.00	(0.75)	0.00	(0.70)	(1.65)
Advancement & External Affairs	\$0	0.00	0.00	0.00	0.00	0.00	0.00
Arts & Sciences	(\$408,800)	(3.00)	(0.50)	0.00	0.00	(0.75)	(4.25)
Community Education & Workforce Development	(\$234,400)	1.00	0.00	0.75	(1.45)	(4.65)	(4.35)
Executive Offices	\$102,300	1.00	(0.50)	0.00	0.75	0.00	1.25
Financial Services	\$84,000	.29	0.00	1.00	0.00	0.00	1.29
Health & Human Services	(\$403,200)	0.00	(5.21)	0.00	0.00	1.12	(4.09)
Human Resources	\$55,300	0.00	0.00	1.00	0.00	0.00	1.00
Information Technology Services	\$75,400	1.00	0.00	1.00	0.00	(1.95)	.05
Student Affairs	\$890,400	3.60	2.00	4.50	(0.81)	( 3.00)	6.29
Technical Careers	(\$437,500)	(2.00)	(2.50)	1.00	0.00	(0.75)	(4.25)
<b>TOTAL</b>	<b>(\$174,400)</b>	<b>5.69</b>	<b>(10.96)</b>	<b>9.50</b>	<b>(2.71)</b>	<b>(10.68)</b>	<b>(9.16)</b>

The Board was given more line item detail on proposals at the workshop and the regular meeting prior to adoption, however, for the sake of conciseness, the proposals have been summarized and presented in the following three pages in a decision matrix. They are categorized by Board Goals and the Strategic Plan focus areas. If a proposal meets multiple Board Goals, it is listed in each goal, with the funding value displayed only the first time it is listed. A key for the Strategic Plan focus area follows:

- A. Competitiveness and Innovation (C&I)
- B. Engaged Learning (EL)
- C. Student Success (SS)
- D. Community Engagement (CE)
- E. Leadership, Culture and Communication (LC&C)
- F. Resource Management and Fiscal Responsibility (RM&FR)

**Budget and Strategic Planning Decisions - FY2016**  
**Financial Improvement Proposals**

Trustee Goal	Description	Strategic Plan						
		A: C&I	B: EL	C: SS	D: CE	E: LC&C	F: RM&FR	Amount Reinvest / (Savings)
<b>2. Community Impact (E-103):</b>	Additional funds to support diversity & inclusion activities	X	X	X		X		\$40,000
<b>3. Student Success (E-105):</b>	Increase resources for College-Wide Marketing special events				X	X		\$50,000
<b>4. Promote a spirit of excellence (E107.1):</b>	Additional cost for high accuracy weather radar system					X	X	\$8,000
	Increase resources for College-Wide Marketing special events				X	X		See 3 above
<b>5. Quality Education (E102):</b>	Student & employee training on Domestic Violence, Sexual Assault, Stalking, Drug & Alcohol Abuse to meet new Clery Act requirements			X		X		\$30,000
	Additional cost for high accuracy weather radar system					X	X	see 4 above
	Increased maintenance cost of Automated External Defibrillators due to additional devices throughout the college					X	X	\$24,000
	Additional utility cost due to increased rates & consumption						X	\$375,000
	Increased costs for property/liability insurance coverage						X	\$16,600
	Change part-time administrative position for Records Management/Retention from temporary to regular status					X	X	\$66,000
	Two Full-time Assistant Business Analysts (FS, HR)						X	\$170,800
	Cost for Medical Locked Storage staffing change (net)					X	X	\$20,100
	Increased annual software & site license costs for Student Services Technology Projects & Information security					X	X	\$361,000
	Increased number of cable & satellite installations					X	X	\$5,800
	Costs for maintaining Fire Science & Legal Assistant program accreditation	X	X	X				\$15,000
<b>Overall</b>	Realign staffing to support new media infrastructure, improve student success, customer relations & support Operation 100% initiative (ITS, SA)	X	X	X		X	X	\$418,700
	Increased costs for library subscriptions based on comprehensive needs analysis		X	X				\$74,000
<b>6. Asset Protection (EL-204):</b>	Eliminate four vacant positions (AA)						X	(\$246,700)

**Budget and Strategic Planning Decisions - FY2016**  
**Financial Improvement Proposals (Continued)**

Trustee Goal	Description	Strategic Plan						
		A: C&I	B: EL	C: SS	D: CE	E: LC&C	F: RM&FR	Amount Reinvest / (\$avings)
<b>6. Asset Protection (EL-204): (Cont'd.)</b>	Replace Vet/Military Affairs Coordinator position with contract with the Michigan College Access Network for Veteran Resource Representative (net)						X	(\$33,200)
	Eliminate two part-time dispatch positions & create one full-time position to improve continuity of service						X	(\$4,000)
	Reduce hours for part-time Materials Management position						X	(\$28,200)
	Reallocate Materials Management support and Parking Enforcement student personnel to Auxiliary Fund to reflect position responsibilities						X	(\$112,100)
	Reduce overtime hours for full-time Police/Public Safety staff to reflect current needs						X	(\$10,800)
	Eliminate Emergency Management Safety Services annual Safety Preparedness Fair						X	(\$4,500)
	Reduce building repairs expense based on service contract needs						X	(\$24,000)
	Reassign keys management from Physical Plant Office to existing personnel in Police Office						X	(\$10,000)
	Reduce part-time administrative support for the division (A&S)						X	(\$20,000)
	Realignment of CEWD staffing to improve customer service and operational efficiencies						X	(\$372,600)
	Non-renewal of LCC's Achieving the Dream membership						X	(\$10,000)
	Reduce costs for legal fees & room rental						X	(\$40,000)
	Reduce Administrative/Management Consulting (AEA & FS)						X	(\$42,000)
	Reduce property tax expense related to property leased to outside entities						X	(\$10,000)
	Reduce facility rental costs due to reduction in golf & tennis section offerings						X	(\$4,500)
	Redesign Child Development instructional delivery model						X	(\$88,700)
	Non-renewal of testing contract with CENA (Competency Evaluated Nurse Aide) due to costs exceeding revenue						X	(\$90,300)
	Expense reduction of Division Office, Information Security, Enterprise Systems, Repairs & Maintenance & Commercial Printing needs						X	(\$76,300)
	Staff savings due to closing library during the Holiday Break and Learning Commons during Spring break						X	(\$19,000)



**Budget and Strategic Planning Decisions - FY2016  
Financial Improvement Proposals (Continued)**

Trustee Goal	Description	Strategic Plan						Amount
		A: C&I	B: EL	C: SS	D: CE	E: LC&C	F: RM&FR	Reinvest / (Savings)
<b>6. Asset Protection (EL-204): (Cont'd.)</b>	Reduce cost for placement testing supplies						X	(\$16,000)
	Reduce cost for key note speaker at College Fair						X	(\$4,900)
	Staff savings due to closing Learning Commons during Spring Break						X	(\$2,000)
	Reduce Collision Repair supplies budget due to enrollment decline (one-time savings)						X	(\$40,000)
	Eliminate vacant part-time support position						X	(\$21,000)
	Various operational efficiencies						X	(\$35,200)
	Eliminate transfer to Student Success Technology Project						X	(\$500,000)
	Reduce Technology and Plant Fund transfers						X	(\$435,000)
<b>Net Impact</b>								(\$754,000)

# **CAMPUS MASTER PLAN SUMMARY**

## **Campus Master Plan**

### **Adopted by the Board of Trustees October, 2014**

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#### **Campus Master Plan Executive Summary**

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 Master Plan, the Instructional Master Plan, the Campus Beautification Plan and the Information Technology Master Plan. All plans speak to continuous improvement.

Lansing Community College is the third largest community college in the State of Michigan. In the ten **years between 2001 and 2010, LCC's fiscal year equated students (FYES) enrollment** climbed more than **28%, nearly double the increase in the State's** aggregate community college enrollment over the same period; however, beginning in 2011, LCC began to experience a decline in enrollment. Based in downtown Lansing, Michigan, the College serves nearly 28,000 students each year at 27 locations, including its downtown campus. When it opened, LCC was housed in what had once been the Central High School building. Through private purchase and urban renewal funds, the College not only acquired many buildings that make up the current downtown campus, but also contributed to a revitalization of downtown Lansing.

#### **Facilities Assessment Summary**

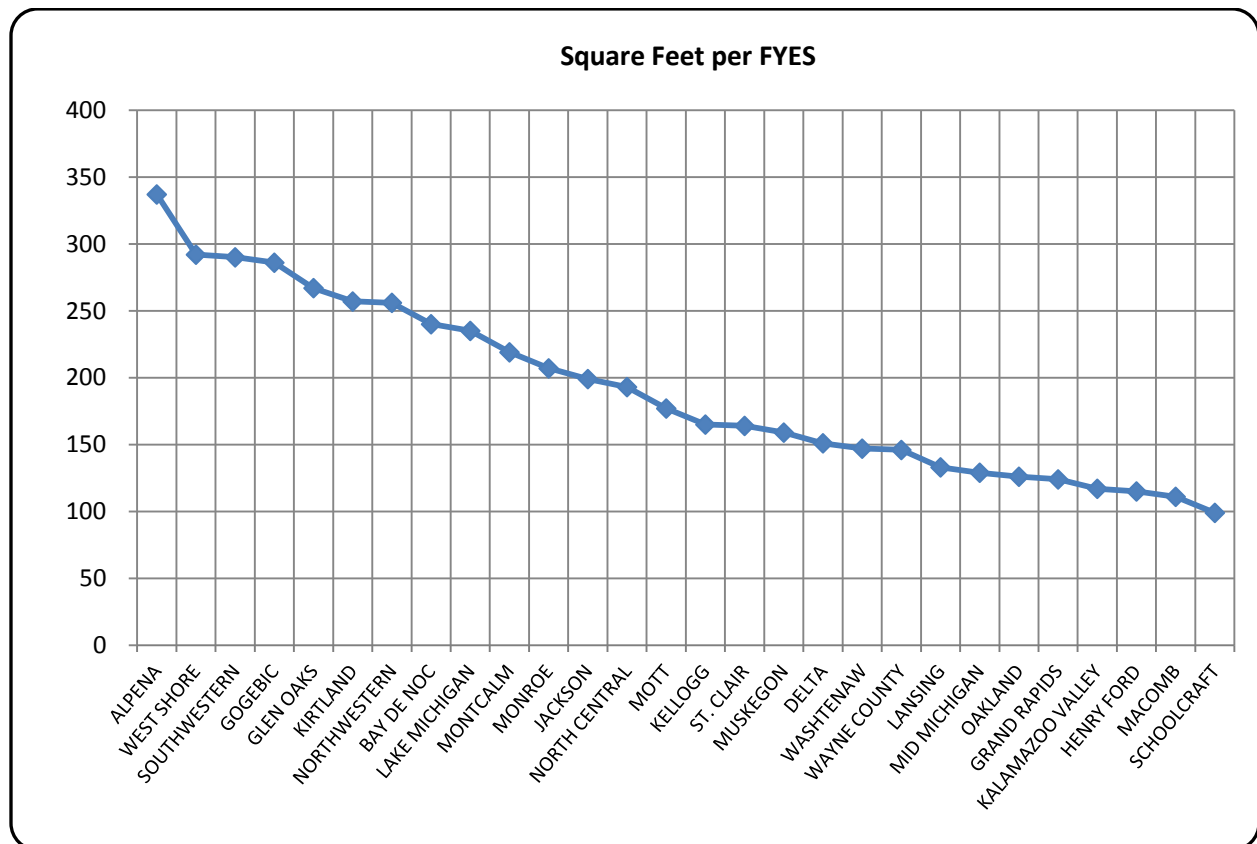
Lansing Community College updates the facilities assessment annually to assure campus buildings and grounds are proactively being maintained and buildings systems are repaired or replaced to preclude system failure. This provides the Physical Plant with up to date data and a maintenance and replacement plan that forecasts necessary facilities improvements through the next 5 years.

LCC celebrated its 50<sup>th</sup> year in 2007. Of the 25 college-owned buildings, six are older than the college itself. The average age of all the buildings is 51.2 years, presenting an **ongoing challenge to the College's Physical** Plant personnel to properly maintain. It is critical to continuously upgrade facilities to incorporate new educational technologies, supporting infrastructure, and more energy efficient mechanical, electrical and plumbing systems. Funding for this work is established in the plant fund with a \$3,075,000 annual transfer from the general fund. The *Build Forward* project relieves some pressure on **the College's architectural, electrical, envelope, mechanical and site repair** funding needs by renovating older buildings. At the end of FY2015, the schedule below shows a decline to \$3.3 million in those categories by FY2021. There is a detailed schedule, by building, included in the Campus Master Plan.

## 2015 Facilities Assessment Summary

Facility Category	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Architectural	\$674,500	\$473,500	\$763,000	\$1,137,000	\$1,171,000	\$528,500
Electrical	\$301,500	\$644,000	\$163,500	\$200,000	\$490,500	\$342,000
Envelope	\$870,000	\$277,500	\$611,000	\$858,500	\$401,000	\$938,500
Maintenance	\$202,100	\$263,700	\$200,000	\$225,000	\$150,000	\$250,000
Mechanical	\$865,500	\$549,500	\$781,000	\$240,000	\$414,500	\$437,000
Other	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
Roof Repair/Replace	\$363,000	\$795,000	\$546,000	\$352,500	\$288,000	\$528,500
Site Repairs	\$118,500	\$218,000	\$86,500	\$153,500	\$145,000	\$155,000
<b>Grand Total</b>	<b>\$3,480,100</b>	<b>\$3,306,200</b>	<b>\$3,236,000</b>	<b>\$3,251,500</b>	<b>\$3,145,000</b>	<b>\$3,264,500</b>

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 27 other community colleges. In 1997, the College ranked last at 96 square feet per FYES. Today, Lansing Community College ranks 21<sup>st</sup> in square feet per FYES (see chart below). While classroom utilization rates can be as high as 100% for some buildings, the overall classroom utilization rates, including weekends, is 79%.



### ***Build Forward Project***

In July 2012, the LCC Board of Trustees approved the *Build Forward* program that has completely transformed many of the facilities on campus to enhance teaching and learning. Many of the classrooms and laboratories are among the best in the nation for teaching freshman and sophomore courses. *Build Forward* has now been completed.

LCC continues to prepare the campus for the development and enhancement of academic initiatives to focus on student success. One such project is the Center for Manufacturing Excellence which will be located at West Campus to provide space for high-tech manufacturing equipment. LCC will create areas that mirror flexible, advanced manufacturing working environments. This new equipment and expansion is critical to **advancing LCC's role in supporting the hiring needs of regional manufacturers.** This project will significantly increase the number of high-skilled graduates capable of filling current and projected high-wage job openings. In this way, LCC will strengthen the ability of area manufacturers to grow operations, while helping to reduce the skills gap of the current workforce.

The Five-Year Capital Outlay Plan, Campus Master Plan provides a framework for implementing **the College's strategic plan** by identifying needed facilities and improvements to support future growth and development. The College is looking ahead to identifying the direction and **trends emerging to best serve LCC student's future** educational needs.

### **2017 CAPITAL PROJECT REQUEST**

#### **Strategic Plan:**

Lansing Community College's Capital Outlay plan will fortify the College's continued community and regional focus on Science, Technology, Engineering, & Mathematics (STEM) education. LCC is in the process of applying to the State of Michigan for matching capital outlay funds. The plan involves a significant upgrade in classrooms as well as provides for state-of-the-art facilities for the recruitment and education of our **United States veterans. Together, they will improve LCC's student-friendly campus environment and will enhance the College's recruitment and retention efforts.** This project will position the college to be a national leader in STEM and technical education for 21st-Century careers.

#### **505 N. Capitol Avenue**

The building at 505 N. Capitol Avenue was a former office building that is located on the west side of Capitol Avenue, across the street from Dart Auditorium, at the Downtown campus. This building was acquired in October 2012 to stabilize the surrounding neighborhoods and allow for curriculum development of needed academic programs. Renovation of this facility and the surrounding grounds is imperative to providing a technology-rich academic curriculum to better prepare our students to compete in a knowledge-based global economy.

Although the building structure is sound, the infrastructure is at or near the end of its lifecycle. The cost of incorporating the replacement of key building systems in a planned and integrated process will eliminate replacement under crisis. Renovation will partner our state-of-the-art classrooms with state-of-the-art facilities and greatly reduce the risk of a building or system failure, which would seriously disrupt the core teaching and learning mission of the College. Replacing infrastructure systems will preempt system outages, improve the preventive maintenance plan, and leverage the current favorable bond and construction markets, all of which contribute to the responsible fiscal stewardship of the institution.

The re-imagining of this building will increase academic offerings in the STEM courses of study for our students and expand the collegiate nature of the campus into the neighboring **community**. **A recent study by Georgetown University's Center on Education and the Workforce STEM State-level Analysis** indicates that Michigan will demand a total of 257,410 STEM jobs by 2018, up from 246,530 in 2008. Improved classrooms will provide on-demand computer access as well as flexible room configurations particularly supportive of active- and team-based learning, group work, student collaboration, and student-instructor interaction.

The Veteran Resource Center (VRC) will be located on the ground floor of the building. This will allow easy access for disabled veterans and give them a centrally located office. The VRC consists of two different areas. Area one involves the administrative and benefit guidance that will ensure that veteran students are receiving the correct benefits and they are taking the correct classes which will be covered by their VA benefits. Area two VRC involves tailored resources that are available for the veteran students. The resource side consists of a quiet study room, a computer lab with desktop computers, academic advising, counseling, a Veteran Resource Representative, a small tutoring room with two computer workspaces, and a veteran lounge area. Within this area, all benefit issues are handled. Veteran students can set up their education benefits for any VA benefit chapter, file their intent forms in order to begin the certification process for their benefits, and register for classes for each semester. Issues involving student debt letters are addressed as well as maintaining student files to ensure they are receiving the appropriate benefits.

## **Current Debt Obligation**

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 FY2014, the **College's outstanding debt obligations stood at \$86,410,755**. The taxable valuation stood at \$10,131,872,904. Lansing Community College is far below its statutory debt capacity, and has no problem meeting its debt obligations.

The College sold bonds in three phases from 2002 to 2005 to complete construction plans outlined in November 2000. Two subsequent bond sales, in April 2003 and in March of 2005, included refinancing of a portion of bonds sold in 1994, and the February 2002 bond sale. Favorable bond and construction markets prompted LCC to

re-fund portions of current bond debt related to the 2003 and 2005 bond issuance with the 2012 bond issuance for the *Build Forward* projects. The chart below shows the scheduled principle and interest requirements of bonds and notes payable for years succeeding June 30, 2014:

Year	Principal	Interest	Total
FY15	\$5,234,848	\$3,521,558	\$8,756,406
FY16	5,215,000	3,365,970	8,580,970
FY17	5,965,000	3,124,520	9,089,520
FY18	3,730,000	2,766,508	6,496,508
FY19	3,905,000	2,594,808	6,499,808
FY20-24	17,945,000	10,587,088	28,532,088
FY25-29	20,975,000	6,536,128	27,511,128
FY30-33	14,985,000	1,522,750	16,507,750
Premium on bonds	8,488,996	0	8,488,996
Discount on bonds	(33,089)	0	(33,089)
Totals	\$86,410,755	\$34,019,330	\$120,430,085

The College has an excellent bond rating, with insured rates of AA (S & P), and Aa2 (Moody's) for the 2012 College Bonds issuance.

# **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*.

Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

To ensure consistency in financial reporting and economy of effort in financial operations and analysis, the College budgets and accounts for its financial operations on the same basis.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement. GASB requires accounting by funds so that limitations and restrictions on resources can be easily accounted for. The College utilizes fund based accounting to record all revenues and expenditures incurred.

Expenditures are generally accounted for using the modified accrual basis of accounting. They are recorded when the related fund liability is incurred. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

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 89). Though information on other funds (Auxiliary, Designated, Grants, Plant, Restricted) is included in the budget proposal, the primary focus is the General Fund and operating budgets. (For more information on funds, refer to the glossary pages 126-130, and *Active Grants*, pages

110-112.)

A baseline budget is established, then, requests for adjustments from that baseline are submitted and deliberated upon, with those deemed strategically sound being incorporated into the budget proposal. Requests for changes in budget require justification and linkages to the Strategic Plan and Board of Trustees's **Goals**.

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 year.
  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. Public Services
  3. Instructional Support
  4. Student Services
  5. Institutional Administration
  6. Operations & Maintenance of Plant
- 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 a 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**

### **Governance Ends Policies**

Ends policies set Board adopted policies that include the College's Mission, Vision, Motto, and other policies that help guide the budget planning and development process. They are as follows:

### **E-102 Quality of Education**

- Students will succeed at accomplishing their own goals, including readiness for higher education
- Students will be employable
- Students will become responsible citizens, capable, upon graduation, of demonstrating competency in the following areas:
  1. Literacy – reading, writing, speaking, and computational
  2. Understanding of governance, political institutions, government policy
  3. Technological/computer literacy
  4. Critical/analytical reasoning skills
  5. Cooperative problem solving and team skills

### **E-103 Community Impact**

As a result of the work of Lansing Community College:

- The college will be a visible and recognized contributor to area and regional problem solving
- Area business training and worker preparation needs are satisfied
- Vibrant cultural opportunities will be present in the community
- LCC will be a model for community organizations attempting to build their adaptive capacity to stay on the cutting edge

### **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

## **Budgeting and Forecasting**

Budgeting for any fiscal year or the remaining part of any fiscal period shall not deviate materially from Board Governance 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 not 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 Governance 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.

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. In December, the Board will develop its agenda for the ensuing one year period.

Education, input and deliberation will receive paramount attention in structuring the series of meetings and other Board activities during the year. To the extent feasible, the Board will identify those areas of education and input needed to increase the level of wisdom and forethought it can give to subsequent choices.

The sequence derived from this process for the Board Planning year is as follows:

January	<ul style="list-style-type: none"> <li>• Organizational meeting held at the first meeting of the Board in January following the date of the regular College District election</li> <li>• Set policy and bylaw review schedule for the year</li> <li>• Overview of progress on a Lansing Community College strategic plan item pursuant to schedule set in December</li> <li>• Conflict of interest statements per bylaw 1.7.7</li> <li>• Administration submits two year projections for enrollment, revenues, expenditures and proposals for strategic initiatives and investments. The purpose of this information is to provide board members with data to assist the board in its budget deliberations</li> <li>• Adopt audit committee meetings calendar</li> <li>• Set <b>schedule for administration's submission of monitoring reports</b> pursuant to governance policies</li> <li>• Set schedule for board retreats</li> </ul>
February	<ul style="list-style-type: none"> <li>• ACCT Legislative Summit</li> <li>• Overview of progress on a Lansing Community College strategic plan pursuant to the schedule set in December</li> <li>• Review ACCT recognition and presentation opportunities</li> </ul>
March	<ul style="list-style-type: none"> <li>• <b>Review of President's contract</b></li> <li>• Budget preview</li> <li>• Overview of progress on a Lansing Community College strategic plan pursuant to the schedule set in December</li> </ul>

April	<ul style="list-style-type: none"> <li>• <b>Action on President's contract</b></li> <li>• Overview of progress on a Lansing Community College strategic plan pursuant to the schedule set in December</li> </ul>
May	<ul style="list-style-type: none"> <li>• Budget review</li> <li>• Overview of progress on a Lansing Community College strategic plan pursuant to the schedule set in December</li> </ul>
June	<ul style="list-style-type: none"> <li>• Public Hearing on proposed budget</li> <li>• Approve property tax rates, tuition, and budget</li> </ul>
July	<ul style="list-style-type: none"> <li>• Board retreat</li> <li>• MCCA Summer Workshop</li> </ul>
August	<ul style="list-style-type: none"> <li>• Board retreat</li> <li>• Fall Semester Kick-off</li> <li>• Board of Trustees luncheon</li> </ul>
September	<ul style="list-style-type: none"> <li>• Overview of progress a Lansing Community College strategic plan pursuant to the schedule set in December</li> <li>• Facilities Master Plan update review</li> </ul>
October	<ul style="list-style-type: none"> <li>• ACCT Leadership Congress</li> <li>• <b>Receive President's input on evaluation, progress on Lansing Community College's strategic plan and proposed strategic plans for the ensuing year</b></li> <li>• Action on Facilities Master Plan renewal</li> <li>• Receive Year-End Financial Audit report</li> </ul>
November	<ul style="list-style-type: none"> <li>• Begin Board self-evaluation process</li> <li>• Review progress on a Lansing Community College strategic plan pursuant to the schedule set in December</li> <li>• Evaluation of President</li> <li>• Review federal agenda and federal grant initiatives in preparation for the ACCT Legislative Summit</li> </ul>
December	<ul style="list-style-type: none"> <li>• Finalize Board self-evaluation</li> <li>• Review/adjust Board self-evaluation criteria</li> <li>• Adopt Board meetings calendar</li> <li>• Publish summary of audit in newspaper of general circulation per MCL 389.143</li> </ul>

### **Budget Amendments**

The President notifies the Board of Trustees when requesting any amendments to the budget resulting from the anticipation of 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, usually at a regular monthly meeting.

### **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 fund**



principals. 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.

## **FY2016 BUDGET ESTABLISHMENT**

### **Timeline for Budget Development**

The following table outlines the timeline followed during the development of the FY2016 budget.

11/10/14 - 11/20/14	Financial Briefings held to provide general information to Deans, Department Heads, support staff and others
1/20/15	<b>Financial Forecast presented to Board of Trustees including financial "gap" for FY2016</b>
1/21/15 – 1/23/15	Conduct Budget Launch Meetings to discuss process and distribute Budget Development instructions and baseline Budget Item Detail
2/16/15	FY2015 Divisional Savings Recommendations due to Chief Financial Officer (CFO)*
2/25/15	Savings Recommendations summarized and forwarded to the Budget Committee
3/9/15	FY2016 Reinvestment Proposals due to CFO*
3/18/15	Reinvestment Proposals summarized and forwarded to the Budget Committee
4/20/15	Two year forecast presented to Board of Trustees
4/27/15	3-Year Technology Replacement, Media Maintenance and Replacement, HR Professional Development Requests, Division Renovation and Major Equipment plans due to CFO
5/11/15	Present draft FY2016 Budget Proposal at Board retreat
5/26/15	Present FY2016 Budget Proposal at Board workshop
6/15/15	Present FY2016 Budget Proposal for approval at Board Meeting

\*Completed proposals include applicable goal(s), alignment with the Strategic Plan and impacts. They are submitted to the CFO through the authority hierarchy.

### **Guidelines for Development of Budget Recommendations for Consideration**

1. Begin with the FY2016 baseline. A baseline was prepared with the following assumptions:
  - a. For enrollment planning purposes, enrollment decline is assumed to be at an annualized rate of 8.65%.
  - b. No increase in authorized FTEs.
  - c. Anticipated contractual increases are incorporated into the baseline.
  - d. Contingency Funds will be equal to 1% of total revenue.
2. All Divisions will present, for institutional prioritization, proposals to reduce expenses to the baseline. Reductions are not expected to be across-the-board and all reduction proposals may not be incorporated into the Budget Proposal.
3. Reinvestment proposals will be considered only after savings have been identified. All costs and program service impacts associated with new initiatives must be included in the submission. They must support the Strategic Plan and the Board of Trustees Governance Policies. Examples of reinvestments 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.
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

**FY2016 BUDGET  
EXECUTIVE SUMMARY,  
DETAIL  
AND  
FINANCIAL  
INFORMATION**

## **Lansing Community College Fiscal Year 2016 Proposed Budget Narrative**

Lansing Community College's Fiscal Year 2016 (FY16) proposed budget is presented to the Board of Trustees in summary form with supporting documentation. The Administration requests adoption as proposed.

Total revenues are projected to exceed \$122 million (see Attachment A - Operating and Capital Budgets).

### **Revenues**

State Appropriations – **The State's FY16** appropriations to Lansing Community College is budgeted to increase by \$405,000 or 1.3%, based upon the Michigan legislature and governor conference committee agreement.

Property Taxes – For FY16, general property tax revenue is estimated to increase by 1.0% which also includes a conservative assumption for uncollectible property taxes. This change is the same as was projected for FY15 but follows a 2.0% decline in FY14. **The College's millage rate will remain at 3.8072 mills.**

Tuition and Fees – The budget of \$51,210,000 in tuition and fees assumes decreases in enrollment of 8.65% from FY15 estimated actual enrollments and a 3.5% increase in tuition rates for in-district, in-state, out-of-state and international students of \$3, \$6, \$9 and \$11, respectively. Increased course fees previously approved by the Board are also included.

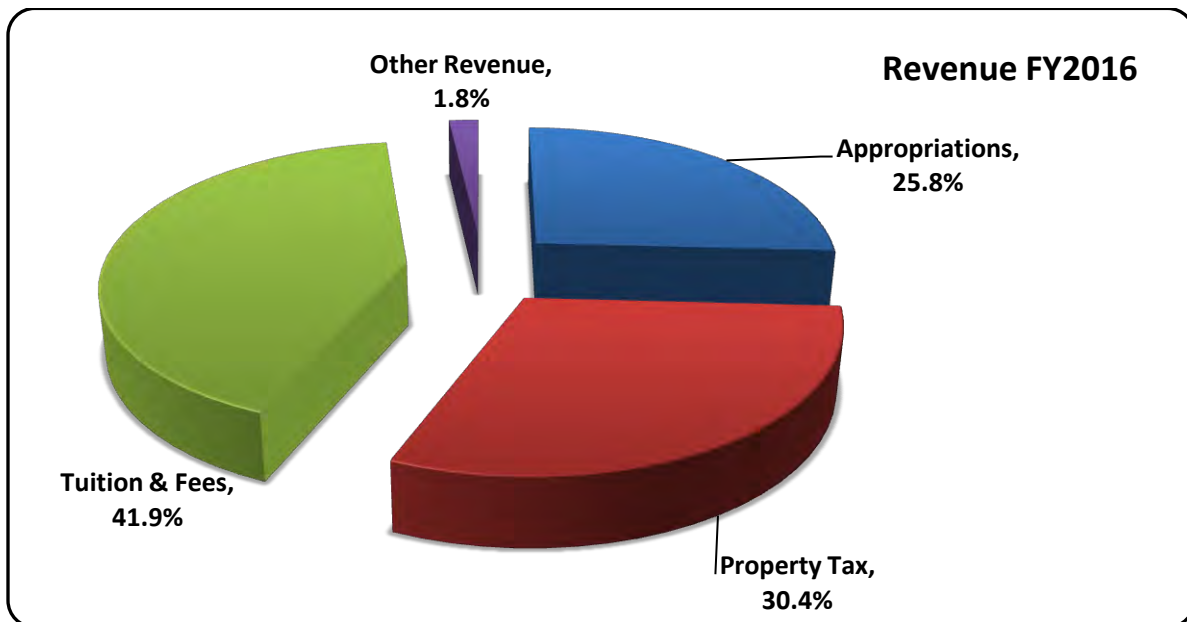
In addition to course related revenue, registration fees, student support fees, online fees, Business and Community Institute (BCI) tuition-based contracts and Community Education and Workforce Development (CEWD) fees contribute to total tuition and fee revenue.

Uncollectable tuition in FY16 is projected at 1.0% compared to 1.0% in FY15 and 1.1% in FY14. This is included as an offset to Tuition and Fee Revenue.

Other Revenues – Other revenues include contracted training (non-credit) from BCI, the **College's contracts with the Eaton and Clinton County Regional Educational Services** Agencies, interest income, University Center income, rental income and other miscellaneous revenues and fees (such as summer camps, fitness memberships, etc.). The College projects an 18.9% decrease in Other Revenue for FY16.

## Summary of Fiscal Year 2016 General Fund Revenues

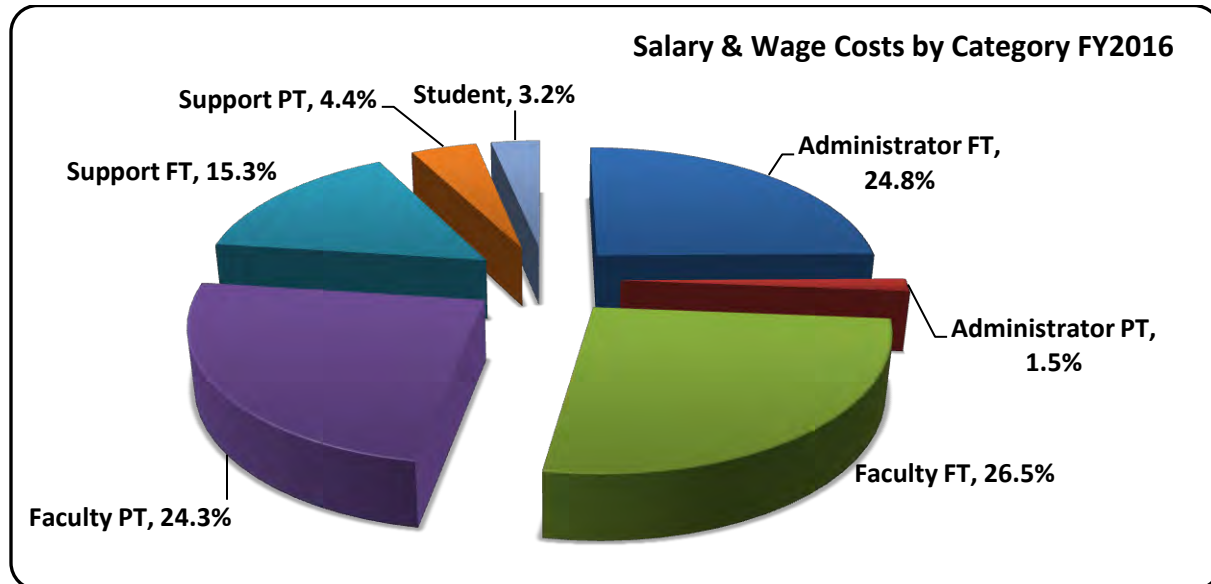
General Fund Revenues					
Total Revenues	2013 Actual	2014 Actual	2015 Adopted Budget	2016 Proposed	Percent change 2015 to 2016
State Appropriations	\$ 29,638,937	\$30,303,385	\$ 31,157,000	\$ 31,562,000	1.3%
Property Taxes	\$ 37,294,876	\$36,718,154	\$ 36,779,000	\$ 37,147,000	1.0%
Tuition and Fees	\$ 54,725,618	\$52,168,821	\$ 53,765,000	\$ 51,210,000	(4.8%)
Other Revenue	\$ 2,784,219	\$ 2,871,718	\$ 2,764,000	\$ 2,242,000	(18.9%)
Total	\$124,443,650	\$122,062,078	\$124,465,000	\$122,161,000	(1.9%)



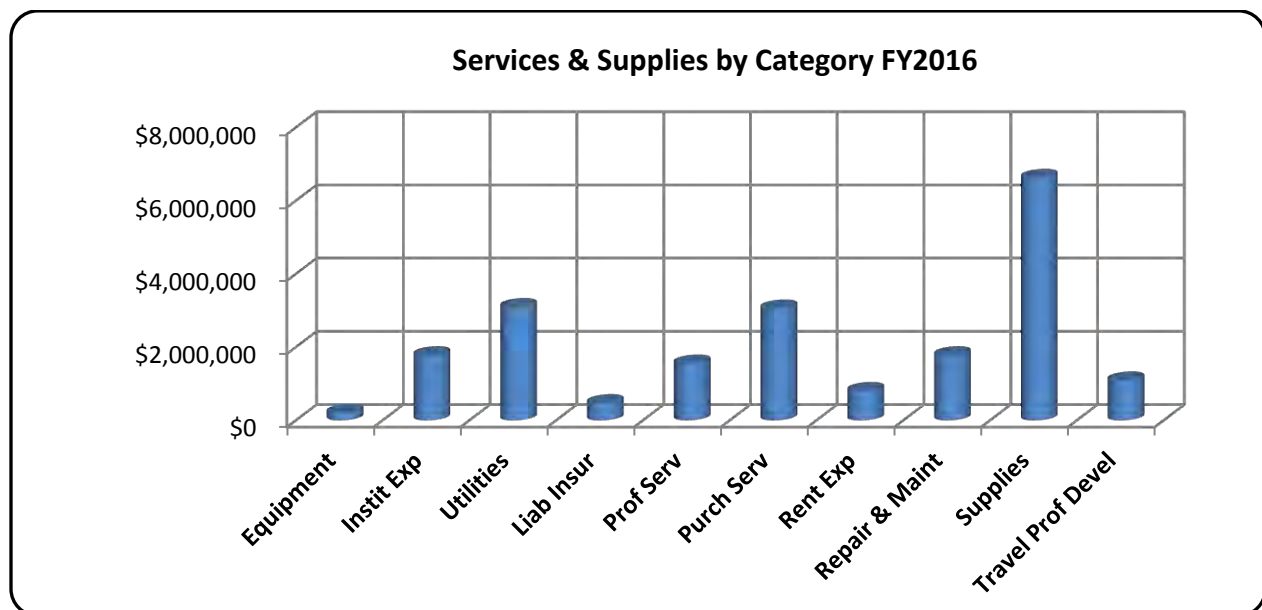
## Operating Budgets

Salaries, Wages, and Benefits – Salaries and benefits will comprise 67.1% of all General Fund expenses and transfers in FY16. This is compared to 67.8% in the FY15 adopted budget. **The College's contribution to the Michigan Public School Employees Retirement System (MPSERS)** is calculated based upon a weighted average of salaries and wages. This weighted average rate is based upon an analysis of individual employee MPSERS pension/health insurance elections, the MPSERS rates in effect on July 1, 2015, and the MPSERS rates to be effective October 1, 2015. Only those full-time administrators and faculty who have chosen **the College's optional retirement program (ORP)** do not participate in MPSERS. For those individuals that have selected the ORP, the College contributes 12% of their salaries into the plan. Health care costs have increased to the extent of the increase **in the State of Michigan employer maximum "hard cap"** amount of 2.3% for FY16 and implementation of the Affordable Care Act for eligible part-time

employees. Other benefit costs include dental and vision group insurance, Social Security and Medicare payroll taxes, tuition benefits, life and disability insurance, and **workers'** and unemployment compensation.



Services and Supplies – Services and supplies are increased 7.0% from FY15 adopted budget. This includes the projected reinvestment proposals, savings recommendations and costs directly associated with increased course fee revenue.



Student Services Technology Project – The FY16 budget is \$0, \$500,000 less than was included in the FY15 adopted budget.

Institutional Scholarships – The FY16 budget is \$1,265,000 which includes an adjustment for proposed tuition rates. The institutional scholarship budget provides for Board of Trustees, Honors, departmental, and athletic scholarships.

Child Care Scholarships – The FY16 budget is \$270,000 which includes an adjustment for approved child care fee increases.

Contingency – The proposed Contingency budget for FY16 is \$1,222,000 or 1% of the proposed revenues. This is at the level prescribed in the Board of Trustees policy.

### **Transfers and Capital Budgets**

Grant Match – The FY16 budget is \$1,094,000, an increase of \$19,000 from FY15. This is based on requirements of current grant awards and applications.

Major Equipment - The FY16 budget is \$1,000,000, a reduction of \$135,000 from FY15.

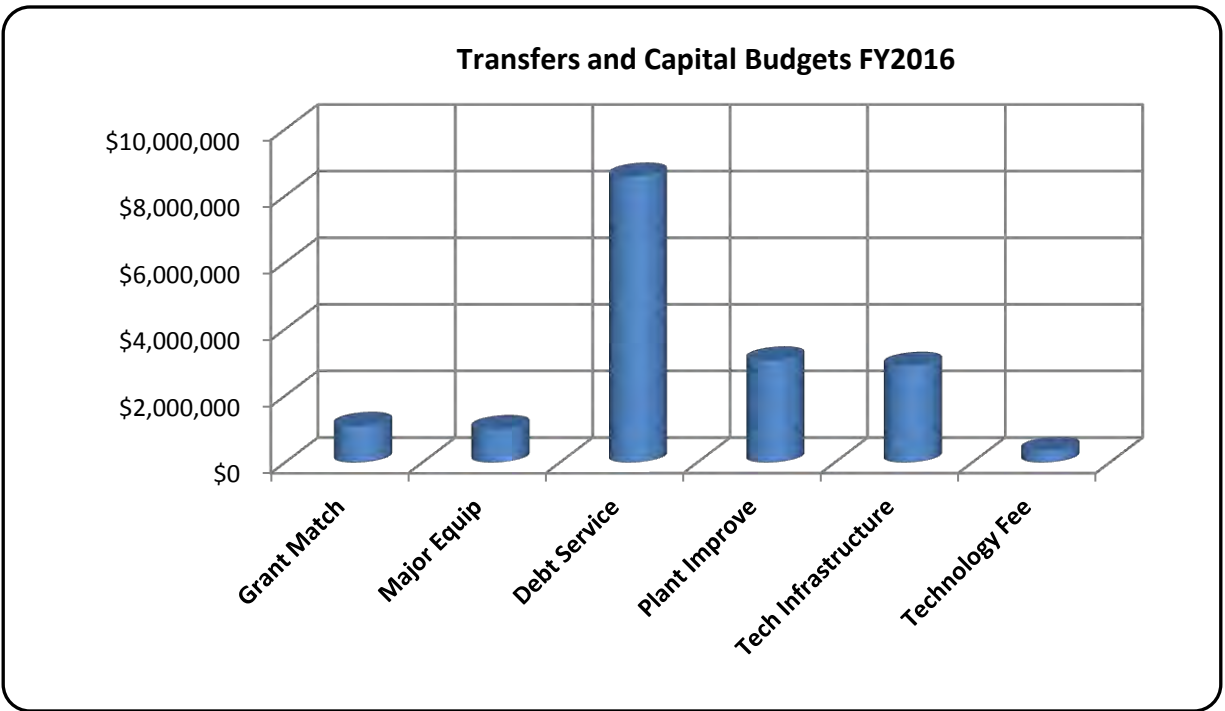
Debt Service - \$8,581,000 is budgeted for required principal and interest payments on existing debt.

Plant Improvement – The FY16 budget is proposed at \$3,062,000, a \$100,000 decrease from FY15. The College currently owns and maintains approximately 1.8 million square feet of space.

Technology Infrastructure – The FY16 budget is proposed at \$2,900,000, a \$200,000 decrease from FY15.

Facilities - Auxiliary Fund – No transfer was incorporated in the FY16 proposed budget. The implementation of the Student Support Fee in FY15 continues to provide funds for this purpose.

Capital Projects – The FY16 budget does not contain funding for specific capital projects as funding for projects approved by the Board of Trustees was included in the August 2012 bond issue.



### Tuition Increase Considerations

The College's proposed in-district tuition rate of \$88 is well below the projected state-wide average. See page 120 in the appendix for the "MCCBOA Tuition Increase Survey – Spring 2015" shows current and projected tuition for Fall 2015 for all of the state's 28 community colleges, including LCC's proposed tuition rates. Based upon this data, LCC will be tied for the lowest community college in-district tuition rate in Michigan.

The following table shows a comparison of tuition to state averages (assuming proposed increases for FY2015).

Tuition Rate Comparison			
	LCC Current	LCC Proposed	State Average Projected FY2016
In-District	\$85	\$88	\$102
In-State	\$170	\$176	\$170
Out-of-State	\$255	\$264	\$232
International	\$298	\$309	DNA*

\*Data Not Available

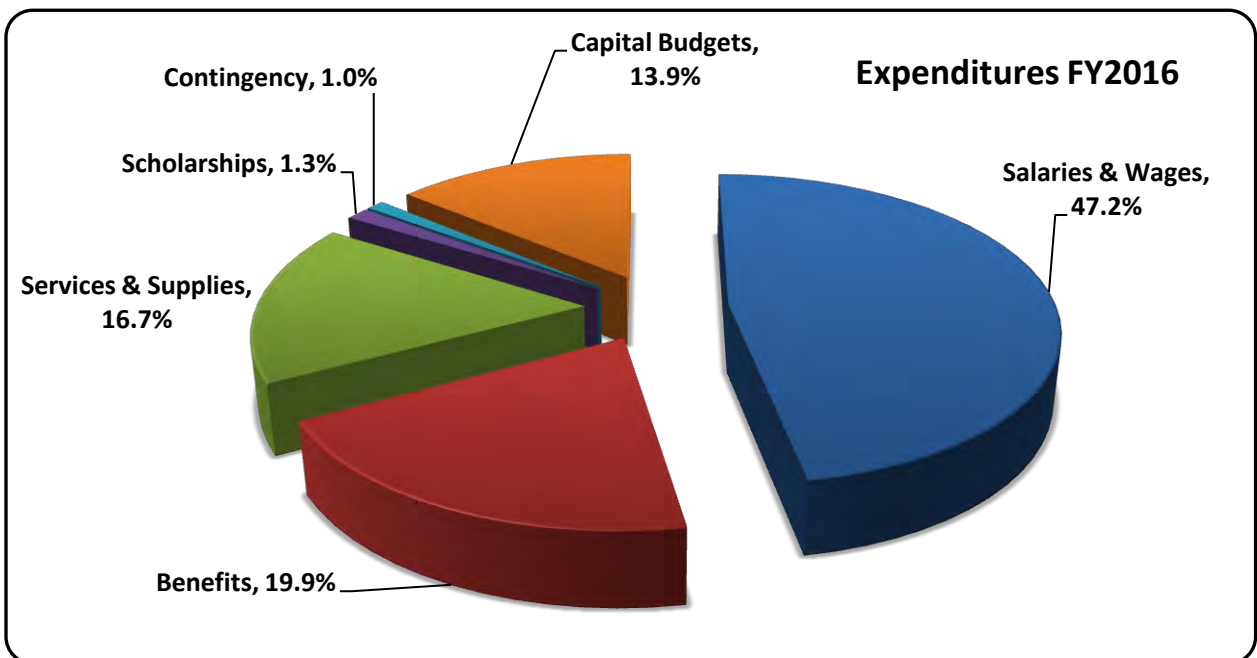
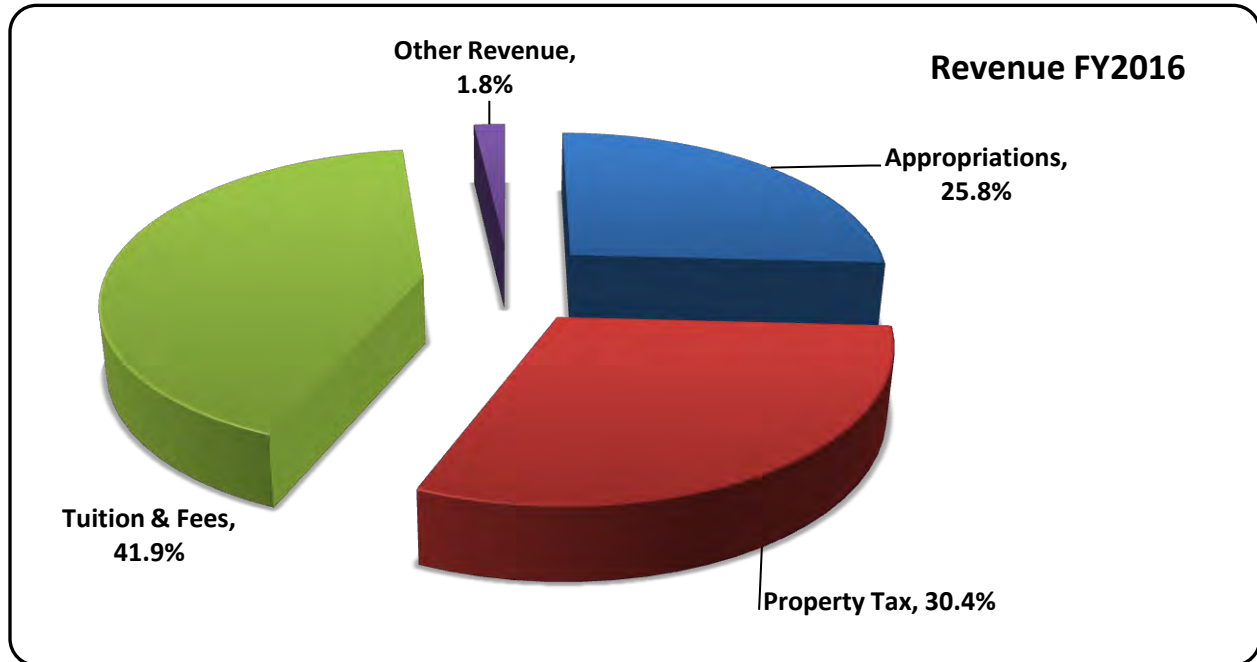


**LANSING COMMUNITY COLLEGE**  
**Operating and Capital Budgets**  
**Proposed Budget Fiscal Year 2016**

	<b>Total Proposed FY2016 Budget</b>	
<b><u>Revenues</u></b>		
State Appropriations	\$31,562,000	
Property Taxes	\$37,147,000	
Tuition & Fees	\$51,210,000	
Other Revenues	<u>\$2,242,000</u>	
Total Revenues		<u>\$122,161,000</u>
<b><u>Operating Budgets</u></b>		
Salaries & Wages	\$57,720,800	
Employee Benefits	<u>\$24,252,000</u>	
Total Salaries & Benefits	\$81,973,000	
Services & Supplies	\$20,446,000	
Student Services Technology Project	\$0	
Institutional Scholarships	\$1,265,000	
Child Care Scholarships	<u>\$270,000</u>	
Total Operating Budgets		\$105,176,000
Contingency		\$1,222,000
<b><u>Transfers</u></b>		
Grant Match	\$1,094,000	
Major Equipment	\$1,000,000	
Debt Service, all Issues	\$8,581,000	
Plant Improvement	\$3,062,000	
Technology Infrastructure	\$2,900,000	
Technology Fee	\$348,000	
Total Transfers		<u>\$16,985,000</u>
<b>Total Expenses/Transfers</b>		<u><b>\$122,161,000</b></u>
<b>Change in Net Assets</b>		<b>\$0</b>
<b>Unrestricted General Fund – Beginning of Year</b>		<b>\$18,740,840</b>
<b>Total Change in Unrestricted Net Assets</b>		<b>\$0</b>
<b>Unrestricted General Fund - End of Year</b>		<b>\$118,740,800</b>

## LANSING COMMUNITY COLLEGE MAJOR SOURCES OF REVENUES AND EXPENSES

Proposed Budget



## LANSING COMMUNITY COLLEGE

### Comparison of Proposed FY2016 Budget to FY2015 and FY2014

	FY2014 Actual	FY2015 Restated	Change from FY2015	FY2016 Adopted	Percent Change
<b><u>Revenues</u></b>					
State Appropriations	\$30,303,385	\$31,157,000	\$405,000	\$31,562,000	1.3%
Property Taxes (less est for uncoll)	\$36,718,154	\$36,779,000	\$368,000	\$37,147,000	1.0%
Tuition & Fees (less est for uncoll)	\$52,168,821	\$53,765,000	(\$2,555,000)	\$51,210,000	-4.8%
Other Revenues	\$2,871,718	\$2,764,000	(\$522,000)	\$2,242,000	-18.9%
<b>Total Revenues</b>	<b>\$122,062,078</b>	<b>\$124,465,000</b>	<b>(\$2,304,000)</b>	<b>\$122,161,000</b>	<b>-1.9%</b>
<b><u>Operating Budgets</u></b>					
Salaries & Wages	\$56,885,631	\$58,519,200	(\$798,400)	\$57,720,800	-1.4%
Employee Benefits	\$23,526,613	\$26,009,500	(\$1,757,300)	\$24,252,200	-6.8%
<b>Total Salaries + Benefits</b>	<b>\$80,412,244</b>	<b>\$84,528,700</b>	<b>(\$2,555,700)</b>	<b>\$81,973,000</b>	<b>-3.0%</b>
Services & Supplies	\$18,961,750	\$19,106,300	\$1,339,700	\$20,446,000	7.0%
Student Services Technology Project	\$0	\$500,000	(\$500,000)	\$0	-100.0%
Institutional Scholarships	\$1,226,489	\$1,222,000	\$43,000	\$1,265,000	3.5%
Child Care Scholarship	\$197,810	\$252,000	\$18,000	\$270,000	7.1%
<b>Total Operating Budgets</b>	<b>\$100,798,293</b>	<b>\$105,609,000</b>	<b>(\$1,655,000)</b>	<b>\$103,954,000</b>	<b>-1.7%</b>
Contingency	\$0	\$1,246,000	(\$24,000)	\$1,222,000	-1.9%
<b>Total</b>	<b>\$0</b>	<b>\$106,855,000</b>	<b>(\$876,700)</b>	<b>\$105,176,000</b>	<b>-1.7%</b>
<b><u>Capital Budgets</u></b>			0		
Grant Match	\$1,360,616	\$1,075,000	\$19,000	\$1,094,000	1.8%
Major Equipment	\$1,135,000	\$1,135,000	(\$135,000)	\$1,000,000	-11.9%
Debt Service, all Issues	\$8,752,000	\$8,756,000	(\$175,000)	\$8,581,000	-2.0%
Plant Improvement	\$3,075,000	\$3,075,000	(\$13,000)	\$3,062,000	-0.4%
Technology Infrastructure	\$2,715,000	\$3,100,000	(\$200,000)	\$2,900,000	-6.5%
Technology Fee	\$387,083	\$382,000	(\$34,000)	\$348,000	-8.9%
Division Renovations	\$87,000	\$87,000	(\$87,000)	\$0	-100.0%
Facilities-Auxiliary Fund	\$400,000	\$0	\$0	\$0	0.0%
<b>Total Capital Budgets</b>	<b>\$17,911,699</b>	<b>\$17,610,000</b>	<b>(\$625,000)</b>	<b>\$16,985,000</b>	<b>-3.5%</b>
<b>Total Revenues</b>	<b>\$122,062,078</b>	<b>\$124,465,000</b>	<b>(\$2,304,000)</b>	<b>\$122,161,000</b>	<b>-1.9%</b>
<b>Total Allocation/Expenditures</b>	<b>\$118,709,992</b>	<b>\$124,465,000</b>	<b>(\$2,304,000)</b>	<b>\$122,161,000</b>	<b>-1.9%</b>
<b>Change in Net Assets</b>	<b>\$3,352,086</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b><u>Change in Fund Balance Before Board Approved Transfers &amp; Designations</u></b>					
Board of Trustee Approved Transfers	\$0	(\$8,200,000)	\$8,200,000	\$0	
<b>Net Change in Unrestricted Fund Balance</b>	<b>\$3,352,086</b>	<b>(\$8,200,000)</b>	<b>\$8,200,000</b>	<b>\$0</b>	
Unrestricted General Fund Balance Beginning of Period	\$23,588,754	\$26,940,840	(\$8,200,000)	\$18,740,840	-17.4%
<b>Unrestricted General Fund Balance End of Period</b>	<b>\$26,940,840</b>	<b>\$18,740,840</b>	<b>\$0</b>	<b>\$18,740,840</b>	
Outstanding Encumbrances	(\$1,330,325)	\$0	\$0	\$0	
<b>Undesignated General Fund Balance End of Period</b>	<b>\$25,610,515</b>	<b>\$18,740,840</b>	<b>\$0</b>	<b>\$18,740,840</b>	

## Comparison of Proposed FY2016 Budget to FY2015 and FY2014 (continued) Operating Budgets

	FY2014 Actual	FY2015 Estimate	Change from FY2015	FY2016 Adopted	Percent Change
<b><u>Operating Budgets - Divisions</u></b>					
Academic Affairs	\$2,803,862	\$4,715,970	\$692,830	\$5,408,800	14.7%
Administrative Services	\$11,568,451	\$10,994,890	(\$70,890)	\$10,924,000	-0.6%
Advancement & External Affairs	\$2,697,872	\$3,132,030	\$2,770	\$3,134,800	0.1%
Arts & Science	\$24,751,302	\$29,074,070	(\$2,807,870)	\$26,266,200	-9.7%
Board of Trustees	\$216,166	\$250,130	\$29,870	\$280,000	11.9%
Community Ed & Workforce Development	\$2,493,154	\$3,745,010	(\$372,810)	\$3,372,200	-10.0%
Executive Office	\$3,532,399	\$3,204,010	(\$72,510)	\$3,131,500	-2.3%
Financial Services	\$4,699,272	\$5,253,050	\$74,350	\$5,327,400	1.4%
Health & Human Services	\$11,571,805	\$11,470,140	\$112,260	\$11,582,400	1.0%
Human Resources	\$1,607,607	\$1,845,540	\$104,960	\$1,950,500	5.7%
Information Technology Services	\$9,250,206	\$9,665,990	\$486,710	\$10,152,700	5.0%
Student Affairs	\$14,550,461	\$10,681,510	\$786,390	\$11,467,900	7.4%
Technical Careers	\$9,631,437	\$9,602,660	(\$182,060)	\$9,420,600	-1.9%
Total all Divisions	\$99,373,994	\$103,635,000	(\$1,216,000)	\$102,419,000	-1.2%
<b><u>Operating Budgets - Account</u></b>					
Administrator Full Time	\$11,987,593	\$13,272,800	\$1,026,000	\$14,298,800	7.7%
Administrator Part Time	\$1,151,071	\$1,058,100	(\$193,800)	\$864,300	-18.3%
Faculty Full Time	\$14,611,073	\$16,165,200	(\$896,800)	\$15,268,400	-5.5%
Faculty Part Time	\$16,560,361	\$14,788,500	(\$739,900)	\$14,048,600	-5.0%
Support Full Time	\$8,402,769	\$8,861,400	(\$38,500)	\$8,822,900	-0.4%
Support Part Time	\$2,395,969	\$2,577,600	(\$32,400)	\$2,545,200	-1.3%
Student	\$1,776,795	\$1,795,600	\$77,000	\$1,872,600	4.3%
Total Salaries and Wages	\$56,885,631	\$58,519,200	(\$798,400)	\$57,720,800	-1.4%
Employee Benefits	\$23,526,613	\$26,009,500	(\$1,757,300)	\$24,252,200	-6.8%
Non Capital Equipment	\$192,874	\$225,070	(\$22,970)	\$202,100	-10.2%
Institutional Expenses	\$1,744,712	\$1,833,660	(\$54,660)	\$1,779,000	-3.0%
Utilities	\$3,241,440	\$2,709,540	\$385,060	\$3,094,600	14.2%
Liability Insurance	\$326,188	\$452,400	\$16,600	\$469,000	3.7%
Professional Services	\$1,512,102	\$1,485,020	\$66,280	\$1,551,300	4.5%
Purchased Services	\$3,667,494	\$3,273,250	(\$217,750)	\$3,055,500	-6.7%
Rental Expense	\$816,802	\$825,790	(\$23,990)	\$801,800	-2.9%
Repair and Maintenance	\$1,060,415	\$1,782,230	(\$3,230)	\$1,779,000	-0.2%
Supplies	\$5,336,346	\$5,476,320	\$1,147,380	\$6,623,700	21.0%
Travel, Training and Conferences	\$1,063,377	\$1,043,020	\$46,980	\$1,090,000	4.5%
<b>Total Services and Supplies</b>	\$18,961,750	\$19,106,300	\$1,339,700	\$20,446,000	7.0%
<b>Total Division Operating</b>	\$99,373,994	\$103,635,000	(\$1,216,000)	\$102,419,000	-1.2%

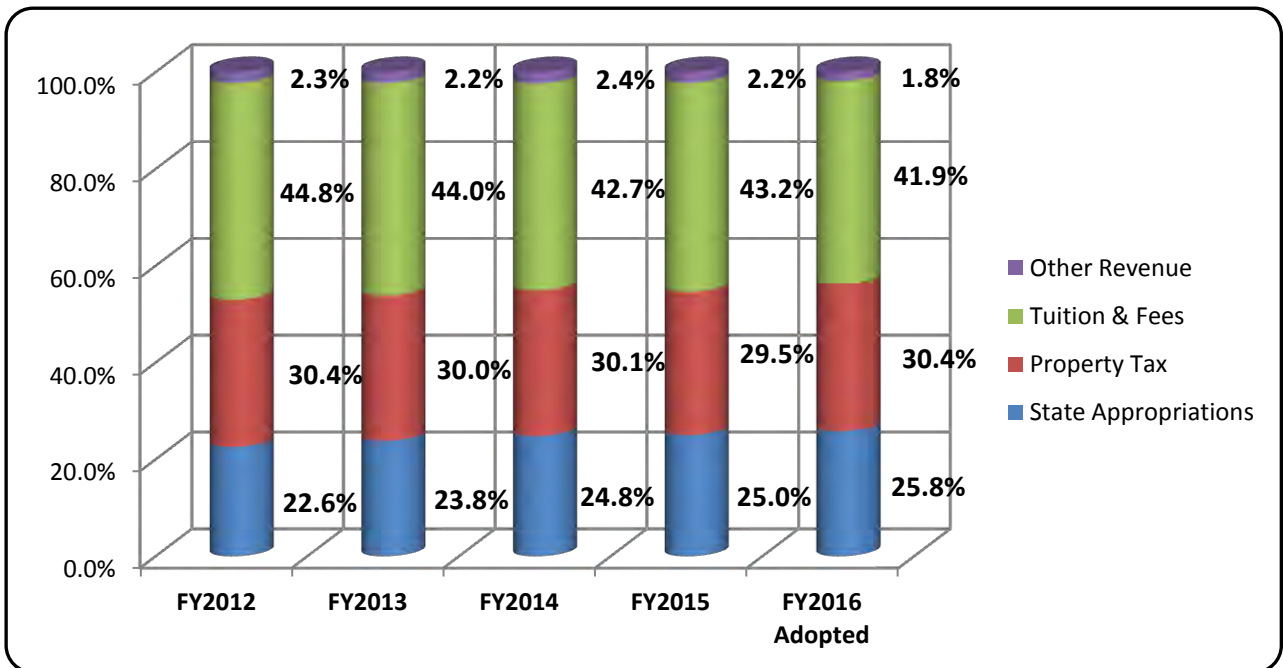
## Summary Table of Budgeted Full-time Positions FY2014 – FY2016

Division	Job type	FY2014	Change	FY2015 Adopted Restated	Change	FY2016 Proposed
Academic Affairs	Administrative	14.00	2.00	16.00	4.00	20.00
	Faculty	8.50	8.00	16.50	(4.25)	12.25
	Support	9.00	0.00	9.00	1.00	10.00
<b>Academic Affairs Total</b>		<b>31.50</b>	<b>(10.00)</b>	<b>41.50</b>	<b>0.75</b>	<b>42.25</b>
Administrative Services	Administrative	7.00	(0.50)	6.50	(0.20)	6.30
	Support	32.00	0.75	32.75	(0.75)	32.00
<b>Administrative Services Total</b>		<b>39.00</b>	<b>0.25</b>	<b>39.25</b>	<b>(0.95)</b>	<b>38.30</b>
Advancement & External Affairs	Administrative	8.75	4.00	12.75	0.00	12.75
	Support	7.00	1.00	8.00	0.00	8.00
<b>Advancement &amp; External Affairs Total</b>		<b>15.75</b>	<b>5.00</b>	<b>20.75</b>	<b>0.00</b>	<b>20.75</b>
Arts & Sciences	Administrative	10.00	3.00	13.00	(3.00)	10.00
	Faculty	107.50	7.00	114.50	(0.50)	114.00
	Support	10.00	1.00	11.00	0.00	11.00
<b>Arts &amp; Sciences Total</b>		<b>127.50</b>	<b>11.00</b>	<b>138.50</b>	<b>(3.50)</b>	<b>135.00</b>
Board of Trustees	Administrative	1.00	0.00	1.00	0.00	1.00
<b>Board of Trustees Total</b>		<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>
Community Education & Workforce Development (CEWD)	Administrative	13.00	0.00	13.00	1.00	14.00
	Support	7.25	0.00	7.25	0.75	8.00
<b>CEWD Total</b>		<b>20.25</b>	<b>0.00</b>	<b>20.25</b>	<b>1.75</b>	<b>22.00</b>
Executive Offices	Administrative	7.00	1.00	8.00	1.00	9.00
	Faculty	0.50	0.00	0.50	(0.50)	0.00
	Support	3.00	1.00	4.00	0.00	4.00
<b>Executive Offices Total</b>		<b>10.50</b>	<b>2.00</b>	<b>12.50</b>	<b>0.50</b>	<b>13.00</b>
Financial Services	Administrative	18.71	3.00	21.71	0.29	22.00
	Support	26.00	2.00	28.00	1.00	29.00
<b>Financial Services Total</b>		<b>44.71</b>	<b>5.00</b>	<b>49.71</b>	<b>1.29</b>	<b>51.00</b>
Health and Human Services	Administrative	19.37	1.00	20.37	0.00	20.37
	Faculty	31.43	1.97	33.40	(5.21)	28.19
	Support	9.00	0.00	9.00	0.00	9.00
<b>Health &amp; Human Services Total</b>		<b>59.80</b>	<b>2.97</b>	<b>62.77</b>	<b>(5.21)</b>	<b>57.56</b>
Human Resources	Administrative	7.00	0.00	7.00	0.00	7.00
	Support	5.00	0.00	5.00	1.00	6.00
<b>Human Resources Total</b>		<b>12.00</b>	<b>0.00</b>	<b>12.00</b>	<b>1.00</b>	<b>13.00</b>
Information Technology Services	Administrative	22.00	3.00	25.00	1.00	26.00
	Support	23.00	0.00	23.00	1.00	24.00
<b>Information Technology Services Total</b>		<b>45.00</b>	<b>3.00</b>	<b>48.00</b>	<b>2.00</b>	<b>50.00</b>
Student Affairs	Administrative	26.00	(4.97)	21.03	3.60	24.63
	Faculty	36.56	(13.00)	23.56	2.00	25.56
	Support	25.79	8.71	34.50	4.50	39.00
<b>Student Affairs Total</b>		<b>88.35</b>	<b>(9.26)</b>	<b>79.09</b>	<b>10.10</b>	<b>89.19</b>
Technical Careers	Administrative	10.00	0.00	10.00	(2.00)	8.00
	Faculty	39.00	1.50	40.50	(2.50)	38.00
	Support	6.00	1.00	7.00	1.00	8.00
<b>Technical Careers Total</b>		<b>55.00</b>	<b>2.50</b>	<b>57.50</b>	<b>(3.50)</b>	<b>54.00</b>
<b>Grand Total (rounded)</b>		<b>550</b>	<b>33</b>	<b>583</b>	<b>4</b>	<b>587</b>
Administrative		164	11	175	6	181
Faculty		223	6	229	(11)	218
Support		163	16	179	9	188

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

Source of Revenue	FY2012	FY2013	FY2014	FY2015 Restated	FY2016 Adopted
State Appropriations	\$28,651,900	\$29,638,937	30,303,385	\$31,157,000	\$31,562,000
Property Tax	\$38,453,630	\$37,294,876	\$36,718,154	\$36,779,000	\$37,147,000
Tuition & Fees	\$56,812,166	\$54,725,619	\$52,168,821	\$53,615,000	\$51,210,000
Other Revenue	\$2,862,783	\$2784,219	\$2,871,718	\$3,034,000	\$2,242,000
<b>Total Revenues</b>	<b>\$126,870,479</b>	<b>\$124,443,650</b>	<b>\$122,062,078</b>	<b>\$124,585,000</b>	<b>\$122,161,000</b>

## **Source and Percent of Total Revenue**



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

	<b>FY2012 Actual</b>	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Estimate</b>	<b>FY2016 Adopted</b>
<b><u>Revenues</u></b>					
State Appropriations	\$28,651,900	\$29,638,937	\$30,303,385	\$31,157,000	\$31,562,000
Property Taxes (less est for uncoll)	\$38,543,630	\$37,294,876	\$36,718,154	\$36,779,000	\$37,147,000
Tuition & Fees (less est for uncoll)	\$56,812,166	\$54,725,618	\$52,168,821	\$53,765,000	\$51,210,000
Other Revenues	\$2,862,783	\$2,784,219	\$2,871,718	\$2,764,000	\$2,242,000
<b>Total Revenues</b>	<b>\$126,870,479</b>	<b>\$124,443,650</b>	<b>\$122,062,078</b>	<b>\$124,465,000</b>	<b>\$122,161,000</b>
<b><u>Operating Budgets</u></b>					
Salaries & Wages	\$61,277,546	\$57,500,986	\$56,885,631	\$58,519,200	\$57,720,800
Employee Benefits	\$25,714,748	\$24,994,426	\$23,526,613	\$26,009,500	\$24,252,200
<b>Total Salaries + Benefits</b>	<b>\$86,992,294</b>	<b>\$82,495,412</b>	<b>\$80,412,244</b>	<b>\$84,528,700</b>	<b>\$81,973,000</b>
Services & Supplies	\$18,035,316	\$16,857,888	\$18,961,750	\$19,106,300	\$20,446,000
Student Services Technology Project	\$0	\$0	\$0	\$500,000	\$0
Institutional Scholarships	\$1,500,712	\$1,227,245	\$1,226,489	\$1,222,000	\$1,265,000
Child Care Scholarship	\$208,434	\$234,662	\$197,810	\$252,000	\$270,000
<b>Total Operating Budgets</b>	<b>\$106,736,756</b>	<b>\$100,815,207</b>	<b>\$100,798,293</b>	<b>\$105,609,000</b>	<b>\$103,954,000</b>
Contingency	\$0	\$0	\$0	\$1,246,000	\$1,222,000
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,246,000</b>	<b>\$1,222,000</b>
<b><u>Capital Budgets</u></b>					
Grant Match	\$1,353,075	\$1,291,333	\$1,360,616	\$1,075,000	\$1,094,000
Major Equipment	\$1,134,500	\$1,134,500	\$1,135,000	\$1,135,000	\$1,000,000
Debt Service, all Issues	\$7,642,446	\$8,751,466	\$8,752,000	\$8,756,000	\$8,581,000
Plant Improvement	\$3,075,000	\$3,075,000	\$3,075,000	\$3,075,000	\$3,062,000
Technology Infrastructure	\$3,250,000	\$3,100,000	\$2,715,000	\$3,100,000	\$2,900,000
Technology Fee	\$0	\$0	\$387,083	\$382,000	\$348,000
Division Renovations	\$87,125	\$87,125	\$87,000	\$87,000	\$0
Facilities-Auxiliary Fund	\$400,000	\$400,000	\$400,000	\$0	\$0
Plant Fund - Chargeback to be Capitalized	(\$47,489)	\$0	\$0	\$0	\$0
Facilities - Auxiliary 2007	\$2,307,782	\$0	\$0	\$0	\$0
Capital Projects	\$0	\$98,040	\$0	\$0	\$0
<b>Total Capital Budgets</b>	<b>\$19,202,439</b>	<b>\$17,937,464</b>	<b>\$17,911,699</b>	<b>\$17,610,000</b>	<b>\$16,985,000</b>
<b>Total Revenues</b>	<b>\$126,870,479</b>	<b>\$124,443,650</b>	<b>\$122,062,078</b>	<b>\$124,465,000</b>	<b>\$122,161,000</b>
<b>Total Allocation/Expenditures</b>	<b>\$125,939,195</b>	<b>\$118,752,671</b>	<b>\$118,709,992</b>	<b>\$124,465,000</b>	<b>\$122,161,000</b>
<b>Change in Net Assets</b>	<b>\$931,284</b>	<b>\$5,690,979</b>	<b>\$3,352,086</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Change in Fund Balance Before Board Approved Transfers &amp; Designations</u></b>					
Board of Trustee Approved Transfers	\$0	(\$2,500,000)	\$0	(\$8,200,000)	\$0
<b>Net Change in Unrestricted Fund Balance</b>	<b>\$931,284</b>	<b>\$3,190,979</b>	<b>\$3,352,086</b>	<b>(\$8,200,000)</b>	<b>\$0</b>
Unrestricted General Fund Balance Beginning of Period	\$19,466,491	\$20,397,775	\$23,588,754	\$26,940,840	\$18,740,840
<b>Unrestricted General Fund Balance End of Period</b>	<b>\$20,397,775</b>	<b>\$23,588,754</b>	<b>\$26,940,840</b>	<b>\$18,740,840</b>	<b>\$18,740,840</b>
Outstanding Encumbrances	(\$1,101,756)	(\$899,134)	(\$1,330,325)	\$0	\$0
<b>Undesignated General Fund Balance End of Period</b>	<b>\$19,296,019</b>	<b>\$22,689,620</b>	<b>\$25,610,515</b>	<b>\$18,740,840</b>	<b>\$18,740,840</b>

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

	<b>FY2012 Actual</b>	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Estimated</b>	<b>FY2016 Adopted</b>
<b><i>Operating Budgets - Divisions</i></b>					
Academic Affairs	\$2,096,528	\$1,722,515	\$2,803,862	\$4,715,970	\$5,408,800
Administrative Services	\$10,823,965	\$10,198,775	\$11,568,451	\$10,994,890	\$10,924,000
Advancement & External Affairs	\$2,582,557	\$2,691,055	\$2,697,872	\$3,132,030	\$3,134,800
Arts & Science	\$31,670,336	\$29,798,942	\$24,751,302	\$29,074,070	\$26,266,200
Board of Trustees	\$215,992	\$176,943	\$216,166	\$250,130	\$280,000
Community Ed & Workforce Development	\$4,520,197	\$4,985,570	\$2,493,154	\$3,745,010	\$3,372,200
Executive Office	\$3,735,710	\$2,314,139	\$3,532,399	\$3,204,010	\$3,131,500
Financial Services	\$3,385,726	\$3,129,091	\$4,699,272	\$5,253,050	\$5,327,400
Health & Human Services	\$11,880,282	\$11,756,031	\$11,571,805	\$11,470,140	\$11,582,400
Human Resources	\$1,375,375	\$1,430,453	\$1,607,607	\$1,845,540	\$1,950,500
Information Technology Services	\$8,599,185	\$8,240,733	\$9,250,206	\$9,665,990	\$10,152,700
Student Affairs	\$12,711,068	\$12,940,412	\$14,550,461	\$10,681,510	\$11,467,900
Technical Careers	\$11,430,689	\$9,968,641	\$9,631,437	\$9,602,660	\$9,420,600
Total all Divisions	\$105,027,610	\$99,353,300	\$99,373,994	\$103,635,000	\$102,419,000
<b><i>Operating Budgets - Account</i></b>					
Administrator Full Time	\$11,308,297	\$11,040,423	\$11,987,593	\$13,272,800	\$14,298,800
Administrator Part Time	\$1,335,117	\$1,210,821	\$1,151,071	\$1,058,100	\$864,300
Faculty Full Time	\$15,868,608	\$15,202,701	\$14,611,073	\$16,165,200	\$15,268,400
Faculty Part Time	\$19,584,811	\$17,322,627	\$16,560,361	\$14,788,500	\$14,048,600
Support Full Time	\$8,589,683	\$8,312,698	\$8,402,769	\$8,861,400	\$8,822,900
Support Part Time	\$2,963,804	\$2,749,735	\$2,395,969	\$2,577,600	\$2,545,200
Student	\$1,627,226	\$1,661,981	\$1,776,795	\$1,795,600	\$1,872,600
Total Salaries and Wages	\$61,277,546	\$57,500,986	\$56,885,631	\$58,519,200	\$57,720,800
Employee Benefits	\$25,714,748	\$24,994,426	\$23,526,613	\$26,009,500	\$24,252,200
Non Capital Equipment	\$204,460	\$283,215	\$192,874	\$225,070	\$202,100
Institutional Expenses	\$1,930,983	\$1,416,500	\$1,744,712	\$1,833,660	\$1,779,000
Utilities	\$2,845,586	\$2,919,378	\$3,241,440	\$2,709,540	\$3,094,600
Liability Insurance	\$413,040	\$299,158	\$326,188	\$452,400	\$469,000
Professional Services	\$1,452,583	\$858,734	\$1,512,102	\$1,485,020	\$1,551,300
Purchased Services	\$3,828,510	\$3,572,241	\$3,667,494	\$3,273,250	\$3,055,500
Rental Expense	\$631,373	\$775,428	\$816,802	\$825,790	\$801,800
Repair and Maintenance	\$1,146,585	\$1,061,869	\$1,060,415	\$1,782,230	\$1,779,000
Supplies	\$4,819,164	\$4,906,081	\$5,336,346	\$5,476,320	\$6,623,700
Travel, Training and Conferences	\$763,032	\$765,284	\$1,063,377	\$1,043,020	\$1,090,000
<b>Total Services and Supplies</b>	\$18,035,316	\$16,857,888	\$18,961,750	\$19,106,300	\$20,446,000
<b>Total Division Operating</b>	\$105,027,610	\$99,353,300	\$99,373,994	\$103,635,000	\$102,419,000



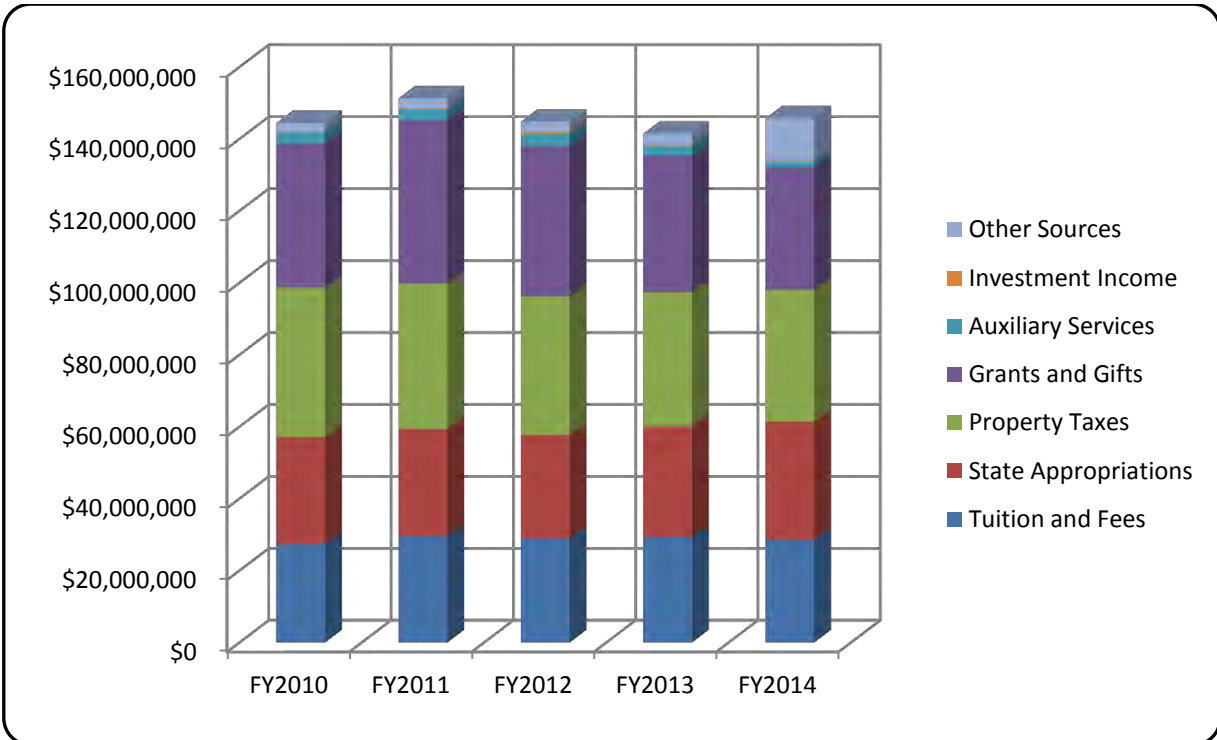
## LANSING COMMUNITY COLLEGE REVENUE AND EXPENSE BY ACTIVITY – ALL FUNDS FIVE-YEAR HISTORY

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 expense 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.

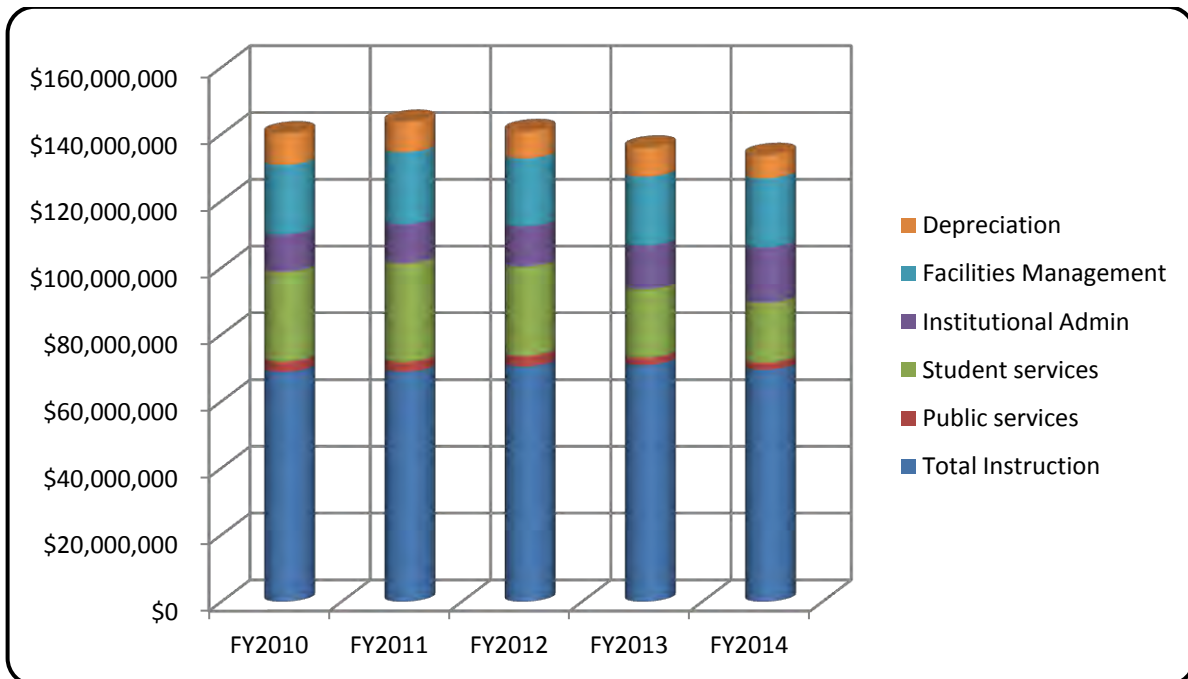
	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Revenue:</b>					
<b>Tuition and Fees*</b>	\$27,265,422	\$29,649,088	\$28,979,245	\$29,363,192	\$28,554,591
<b>State Appropriations</b>	\$29,762,500	\$29,762,500	\$28,651,900	\$30,724,364	\$32,824,815
<b>Property Taxes</b>	\$41,681,996	\$40,359,554	\$38,543,630	\$37,294,876	\$36,718,154
<b>Grants and Gifts</b>	\$39,997,197	\$45,438,061	\$41,908,061	\$38,016,087	\$33,935,196
<b>Auxiliary Services</b>	\$2,992,370	\$2,981,292	\$3,303,012	\$2,641,831	\$1,701,672
<b>Investment Income</b>	\$82,155	\$195,154	\$509,745	\$224,494	\$177,187
<b>Other Sources</b>	\$2,615,173	\$2,866,652	\$2,851,475	\$3,135,003	\$11,753,573
<b>Total Revenue</b>	<b>\$144,396,813</b>	<b>\$151,252,301</b>	<b>\$144,747,068</b>	<b>\$141,399,847</b>	<b>\$145,665,188</b>
<b>Expenditures:</b>					
<b>Instruction</b>	\$46,403,697	\$47,627,872	\$48,921,597	\$48,827,540	\$47,495,410
<b>Instructional Support</b>	\$22,386,779	\$21,211,978	\$21,545,150	\$22,020,718	\$21,917,746
<b>Total Instruction</b>	<b>\$68,790,476</b>	<b>\$68,839,850</b>	<b>\$70,466,747</b>	<b>\$70,848,258</b>	<b>\$69,413,156</b>
<b>Public Services</b>	\$3,094,673	\$2,980,456	\$3,164,438	\$2,196,929	\$2,162,257
<b>Student Services</b>	\$26,913,778	\$29,539,633	\$26,742,055	\$20,559,075	\$17,926,228
<b>Institutional Admin</b>	\$11,245,916	\$11,679,996	\$12,029,791	\$12,999,388	\$16,630,435
<b>Facilities Management</b>	\$20,764,960	\$21,580,777	\$20,331,085	\$20,658,004	\$20,660,650
<b>Depreciation</b>	\$9,414,522	\$9,091,813	\$8,170,195	\$8,726,093	\$6,978,813
<b>Total Expenditures</b>	<b>\$140,224,325</b>	<b>\$143,712,525</b>	<b>\$140,904,311</b>	<b>\$135,987,747</b>	<b>\$133,771,539</b>
<b>Expenditures and Transfers</b>	\$4,172,488	\$7,539,776	\$3,842,757	\$5,412,100	\$11,893,649
<b>Beginning Fund Balance</b>	\$126,276,165	\$130,448,653	\$137,988,429	\$143,464,243	\$148,876,343

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

## REVENUE SOURCES – ALL FUNDS FIVE-YEAR HISTORY



## EXPENSE BY ACS CATEGORY – ALL FUNDS FIVE-YEAR HISTORY



# RESTRICTED FUND REVENUE AND EXPENSE BY ACTIVITY FIVE-YEAR HISTORY

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Revenue:</b>					
Federal Grants/Contracts	\$36,954,676	\$42,134,974	\$37,735,829	\$33,573,434	\$29,889,468
State Grants/Contracts	\$589,955	\$308,623	\$1,236,128	\$1,414,642	\$1,202,810
Local Grants/Contracts	\$835,946	\$1,483,210	\$1,516,465	\$1,650,126	\$1,315,061
Other Sources	\$152,073	\$125,301	\$84,899	\$1,299,224	\$3,146,600
<b>Total Revenue</b>	\$38,532,650	\$44,052,108	\$40,573,321	\$37,937,426	\$35,553,939
<b>Expenditures:</b>					
Instruction	\$779,475	\$950,440	\$1,117,219	\$939,403	\$1,403,123
Instructional Support	\$3,127,675	\$2,445,646	\$1,905,734	\$2,594,148	\$3,467,268
<b>Total Instruction</b>	\$3,907,150	\$3,396,086	\$3,022,953	\$3,533,551	\$4,870,391
Public Services	\$778,984	\$765,243	\$673,406	\$640,766	\$425,903
Student Services	\$34,453,125	\$40,475,116	\$37,595,717	\$33,540,712	\$28,697,143
Institutional Administration	\$231,430	\$292,012	\$416,586	\$1,426,992	\$2,792,899
Facilities Management	\$218,367	\$203,671	\$217,734	\$258,357	\$128,219
<b>Total Expenditures</b>	\$39,589,056	\$45,132,128	\$41,926,396	\$39,400,378	\$36,914,555
<b>Transfers In (Out):</b>					
Other	\$1,056,406	\$1,080,020	\$1,353,075	\$1,291,334	\$1,360,616
<b>Total Transfers</b>	\$1,056,406	\$1,080,020	\$1,353,075	\$1,291,334	\$1,360,616
<b>Total Expenditures and Transfers</b>	\$38,532,650	\$44,052,108	\$40,573,321	\$38,109,044	\$35,553,939
<b>Change in Net Assets</b>	\$0	\$0	\$0	(\$171,618)	\$0
<b>Beginning Fund Balance</b>	\$171,618	\$171,618	\$171,618	\$171,618	\$0
<b>Ending Fund Balance</b>	\$171,618	\$171,618	\$171,618	\$0	\$0

# DESIGNATED FUND REVENUE AND EXPENSE BY ACTIVITY FIVE-YEAR HISTORY

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Revenue:</b>					
Other Sources	\$1,573,260	\$1,180,619	\$937,956	\$0	\$0
<b>Total Revenue</b>	\$1,573,260	\$1,180,619	\$937,956	\$0	\$0
<b>Expenditures:</b>					
Instruction	\$3,245	\$40	\$0	\$0	\$0
Instructional Support	\$51,325	\$96,714	\$5,831	\$0	\$69,738
<b>Total Instruction</b>	\$54,570	\$96,754	\$5,831	\$0	\$69,738
Public Services	\$198,676	\$121,531	\$0	\$0	\$887
Student Services	\$670,942	\$766,501	\$753,209	\$0	\$0
Information Technology	\$0	\$0	\$0	\$0	\$0
Institutional Administration	\$291,659	\$230,122	\$156,037	\$0	\$53,321
Facilities Management	\$282,569	\$243,018	\$1,687	\$0	\$0
<b>Total Expenditures</b>	\$1,498,416	\$1,457,926	\$916,764	\$0	\$123,946
<b>Transfers In (Out):</b>					
Other	\$0	\$0	\$0	\$1,200,000	\$387,083
<b>Total Transfers</b>	\$0	\$0	\$0	\$1,200,000	\$387,083
<b>Total Expenditures and Transfers</b>	\$1,498,416	\$1,457,926	\$916,764	(\$1,200,000)	(\$263,137)
<b>Change in Net Assets</b>	\$74,844	(\$277,307)	\$21,192	\$1,200,000	\$263,137
<b>Beginning Fund Balance</b>	\$181,271	\$256,115	(\$21,192)	\$0	\$1,200,000
<b>Ending Fund Balance</b>	\$256,115	(\$21,192)	\$0	\$1,200,000	\$1,463,137

## AUXILIARY FUND REVENUE AND EXPENSE BY ACTIVITY FIVE-YEAR HISTORY

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Revenue:</b>					
Sales & Services Educational activities	\$0	\$0	\$247,946	\$356,612	\$383,689
Sales & Services Auxiliary activities	\$2,992,370	\$2,981,292	\$3,303,012	\$2,641,831	\$1,701,672
Other sources	\$4,865	\$3,418	\$2,585	\$2,659	\$2,400
<b>Total Revenue</b>	<b>\$2,997,235</b>	<b>\$2,984,710</b>	<b>\$3,553,543</b>	<b>\$3,001,102</b>	<b>\$2,087,761</b>
<b>Expenditures:</b>					
Instruction	\$235,417	\$134,974	\$83,863	\$52,049	\$88,523
Instructional Support	\$235,456	\$193,769	\$358,373	\$377,146	\$138,481
<b>Total Instruction</b>	<b>\$470,873</b>	<b>\$328,743</b>	<b>\$442,236</b>	<b>\$429,195</b>	<b>\$227,004</b>
Public Services	\$343	\$45,546	\$29,599	\$30,264	\$25,276
Student Services	\$15,140	\$13,251	\$15,545	\$22,673	\$27,415
Institutional Administration	\$506,786	\$171,307	\$194,616	\$505,610	\$953,662
Facilities Management	\$1,390,797	\$2,975,864	\$2,781,805	\$2,630,229	\$2,361,934
<b>Total Expenditures</b>	<b>\$2,383,939</b>	<b>\$3,534,711</b>	<b>\$3,463,801</b>	<b>\$3,617,971</b>	<b>\$3,595,291</b>
<b>Transfers In (Out):</b>	<b>(\$148,199)</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$2,532,138</b>	<b>\$3,134,711</b>	<b>\$3,063,801</b>	<b>\$3,217,971</b>	<b>\$3,195,291</b>
<b>Change in Net Assets</b>	<b>\$465,097</b>	<b>(\$150,001)</b>	<b>\$489,742</b>	<b>(\$216,869)</b>	<b>(\$1,107,530)</b>
<b>Beginning Fund Balance</b>	<b>\$3,550,110</b>	<b>\$4,015,207</b>	<b>\$3,865,206</b>	<b>\$4,354,948</b>	<b>\$4,138,079</b>
<b>Ending Fund Balance</b>	<b>\$4,015,207</b>	<b>\$3,865,206</b>	<b>\$4,354,948</b>	<b>\$4,138,079</b>	<b>\$3,030,549</b>

# PLANT FUND REVENUE AND EXPENSE BY ACTIVITY FIVE-YEAR HISTORY

	FY2010	FY2011	FY2012	FY2013	FY2014
<b>Revenue:</b>					
Other Sources	\$38,575	\$50,889	\$60,109	\$36,785	\$109,352
Capital gifts	\$0	\$0	\$0	\$1,300,000	\$50,000
State Appropriation	\$0	\$0	\$0	\$0	\$9,366,050
Investment return and other gains	\$16,024	\$11,009	\$426,563	\$70,353	\$57,300
Interest on Capital Assets (related debt)	(\$2,936,962)	(\$2,725,686)	(\$2,403,409)	(\$3,664,322)	(\$3,627,164)
<b>Total Revenue</b>	<b>(\$2,882,363)</b>	<b>(\$2,663,788)</b>	<b>(\$1,916,737)</b>	<b>(\$2,257,184)</b>	<b>\$5,955,538</b>
<b>Expenditures:</b>					
Instruction	\$679,561	\$702,878	\$849,245	\$0	\$0
Instructional Support	\$296,046	\$306,204	\$329,698	\$194,811	\$91,842
<b>Total Instruction</b>	<b>\$975,607</b>	<b>\$1,009,082</b>	<b>\$1,178,943</b>	<b>\$194,811</b>	<b>\$91,842</b>
Public Services	\$27,715	\$28,665	\$40,773	\$0	\$0
Student Services	\$234,162	\$242,196	\$181,106	\$10,500	\$0
Institutional Administration	\$177,029	\$183,104	\$100,574	\$1,142,859	\$2,220,844
Facilities Management	\$1,124,548	\$2,171,260	\$3,507,986	\$3,805,076	\$3,042,083
Depreciation	\$9,414,522	\$9,091,813	\$8,170,195	\$8,726,093	\$6,978,813
<b>Total Expenditures</b>	<b>\$11,953,583</b>	<b>\$12,726,120</b>	<b>\$13,179,577</b>	<b>\$13,879,339</b>	<b>\$12,333,582</b>
Transfers In (Out):	\$16,687,676	\$16,447,670	\$17,496,853	\$17,546,131	\$15,764,000
<b>Total Expenditures &amp; Transfers</b>	<b>(\$4,734,093)</b>	<b>(\$3,721,550)</b>	<b>(\$4,317,276)</b>	<b>(\$3,666,792)</b>	<b>(\$3,430,418)</b>
<b>Change in Net Assets</b>	<b>\$1,851,730</b>	<b>\$1,057,762</b>	<b>\$2,400,539</b>	<b>\$1,409,608</b>	<b>\$9,385,956</b>
<b>Beginning Fund Balance</b>	<b>\$113,229,871</b>	<b>\$115,081,601</b>	<b>\$116,139,363</b>	<b>\$118,539,902</b>	<b>\$119,949,510</b>
<b>Ending Fund Balance</b>	<b>\$115,081,601</b>	<b>\$116,139,363</b>	<b>\$118,539,902</b>	<b>\$119,949,510</b>	<b>\$129,335,466</b>

**LANSING COMMUNITY COLLEGE  
FY2016 ACTIVE GRANT FUNDS DETAIL**

Grant Name	Description	Originating Funds Agency	Start Date	End Date	Actual Award \$
11-14 NSF 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 /30/2016	727,348
11-16 TRIO Student Support Services	Federal TRIO Programs are educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds.	Department of Education	9 /1/2011	8 /31/2016	1,392,822
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.	State of Michigan Workforce Development Agency	10/1/2011	9 /30/2017	24,000
12-14 Plus 50 Encore Completion Program	To enhance and expand credential completion possibilities for plus 50 students in high-demand, social impact fields of healthcare, education and social/human service.	Deerbrook Charitable Trust	9 /1/2012	10/31/2015	15,000
12-16 H1-B Technical Skills Training Grant-IT	The Tech Knowledge E-Pathways project will focus on meeting the current and future workforce needs of the information technology industry in the Capital Area.	US Department of Labor	1 /4/2012	11/15/2016	1,039,261
12-16 NSF ATE Convergence Technology Center	Funding to support Collin County Community College District and seven partner colleges and universities to extend the work of the Convergence Technology Center.	National Science Foundation	8 /15/2012	7 /31/2016	220,541
13-16 NSF AMTEC	Create business/industry partnerships in delivering multi-skilled maintenance technical education that meets the high priority needs of automotive manufacturers and suppliers.	National Science Foundation	9 /1/2013	3 /31/2016	56,219
13-17 CCAMPIS Childcare Access	Purpose of this grant is to support campus-based child care to increase student retention and completion of college.	Department of Education	10/1/2013	9 /30/2017	1,327,480
13-17 TAA M-CAM	The Michigan Coalition for Advanced Manufacturing (M-CAM) supports training and education in four career pathways: CNC Machining, Welding/Fabrication, Multi-Skilled Technician, and Production Operations.	Department of Labor	10/1/2013	9 /30/2017	2,114,000

**LANSING COMMUNITY COLLEGE  
FY2016 ACTIVE GRANT FUNDS DETAIL**

Grant Name	Description	Originating Funds Agency	Start Date	End Date	Actual Award \$
14-15 GSRP Great Start Readiness Program	To enable recipients to establish or expand high-quality preschool programs designed to improve the readiness and subsequent achievement of children at risk of becoming educationally disadvantaged.	Michigan Department of Education	10/1/2014	9 /30/2015	108,170
14-15 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 /1/2014	10/31/2015	150,000
14-15 HSDCI State Foundation	State funding to support high school recapture program.	MI Dept of Education	9 /1/2014	8 /31/2015	330,613
15-16 The Early College State Foundation	State funding to support the Early College.	MI Dept of Education	8/23/2015	8 /22/2016	1,470,154
14-15 MEDC Career Jump Start Liaison	The Career Liaison program provides for a Career Liaison in each region (10) in the State. The Career Liaison serves as a resource to high school counselors, administrators, parents and teachers to learn about high demand occupations and post-high school training programs that will prepare the students for in-demand occupations.	Michigan Economic Development Corporation	12/1/2014	11/30/2015	53,000
14-15 Motorcycle Safety Training	Funding to provide motorcycle safety training.	State of Michigan	10/1/2014	9 /30/2015	47,454
14-15 The Early College State Foundation	State funding to support the Early College.	MI Dept of Education	8 /23/2014	8 /22/2015	1,361,708
14-16 Project Win-Win	Purpose is to identify former students, no longer enrolled anywhere and never awarded any degree, whose records qualify them for an associate's degree, and get those degrees awarded retroactively.	Kresge and Lumina Foundation	10/1/2014	1 /15/2016	17,500
15-15 Small Business 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	1 /1/2015	12/31/2015	196,860



**LANSING COMMUNITY COLLEGE  
FY2016 ACTIVE GRANT FUNDS DETAIL**

<b>Grant Name</b>	<b>Description</b>	<b>Originating Funds Agency</b>	<b>Start Date</b>	<b>End Date</b>	<b>Actual Award \$</b>
15-16 Perkins Local Annual (Pending)	Funds to help provide vocational-technical education programs and services to youth and adults.	MI Department of Education	7/1/15	6/30/16	867,425
15-16 Perkins Local Leadership (Pending)	Funds support Academic Affairs	MI Department of Education	7/1/15	6/30/16	18,400
15-16 MSF Center for Manufacturing Excellence Equipment Expansion	Grant provides funding to rework and expand square footage at West Campus and purchase equipment for the new Center for Manufacturing Excellence.	State of Michigan	4 /1/2015	8 /31/2016	4,800,000
15-18 DHS Independent Living Skills Coach	Provides funds for Life Skills Coach(es) for students who are attending a community college in the State of Michigan and who are eligible for Youth In Transition funding.	MI Department of Human Services	2 /15/2015	2 /14/2018	450,000

# **STATISTICS AND APPENDIX**

## LANSING COMMUNITY COLLEGE SELECTED STATISTICS

With over 2,400 employees, LCC is the seventh largest employer in the capital area, falling from fifth in 2013. Other employers have increased employees to surpass LCC, rather than LCC reducing substantially.

### Top Ten Principal Employers 2014 Compared to 2005

2014				
Employer	Product/Service	Rank	# of Employees	% of Total District Population
State of Michigan	Government	1	14,249	6.19%
Michigan State University	Higher Education	2	11,100	4.82%
Sparrow Health System	Health Care	3	10,858	4.72%
General Motors Corporation	Automotive	4	5,153	2.24%
Auto Owners Insurance	Insurance	5	3,700	1.61%
Meijer, Inc.	Retail	6	3,500	1.52%
Lansing Community College	Higher Education	7	3,144	1.37%
Peckham	Social Service	8	2,510	1.09%
Lansing School District	Education	9	2,130	0.93%
Ingham Regional Medical Center	Health Care	10	1,900	0.83%

2005				
Employer	Product/Service	Rank	# of Employees	% of Total District Population
General Motors Corporation	Automotive	1	16,000	8.00%
State of Michigan	Government	2	13,517	6.76%
Michigan State University	Higher Education	3	12,200	6.10%
Sparrow Health System	Health Care	4	6,000	3.00%
Meijer, Inc.	Retail	5	3,800	1.90%
Lansing School District	Education	6	3,500	1.75%
Ingham Regional Medical Center	Health Care	7	2,800	1.40%
Lansing Community College	Higher Education	8	2,474	1.24%
U.S. Postal Service	Government	9	1,300	0.65%
City of Lansing	Government	10	1,295	0.65%

## Michigan Per Capita Income

Michigan's population in 2014 was 9.9 million with a median age of 40. It ranked 35<sup>th</sup> in the nation in Per Capita Personal Income.

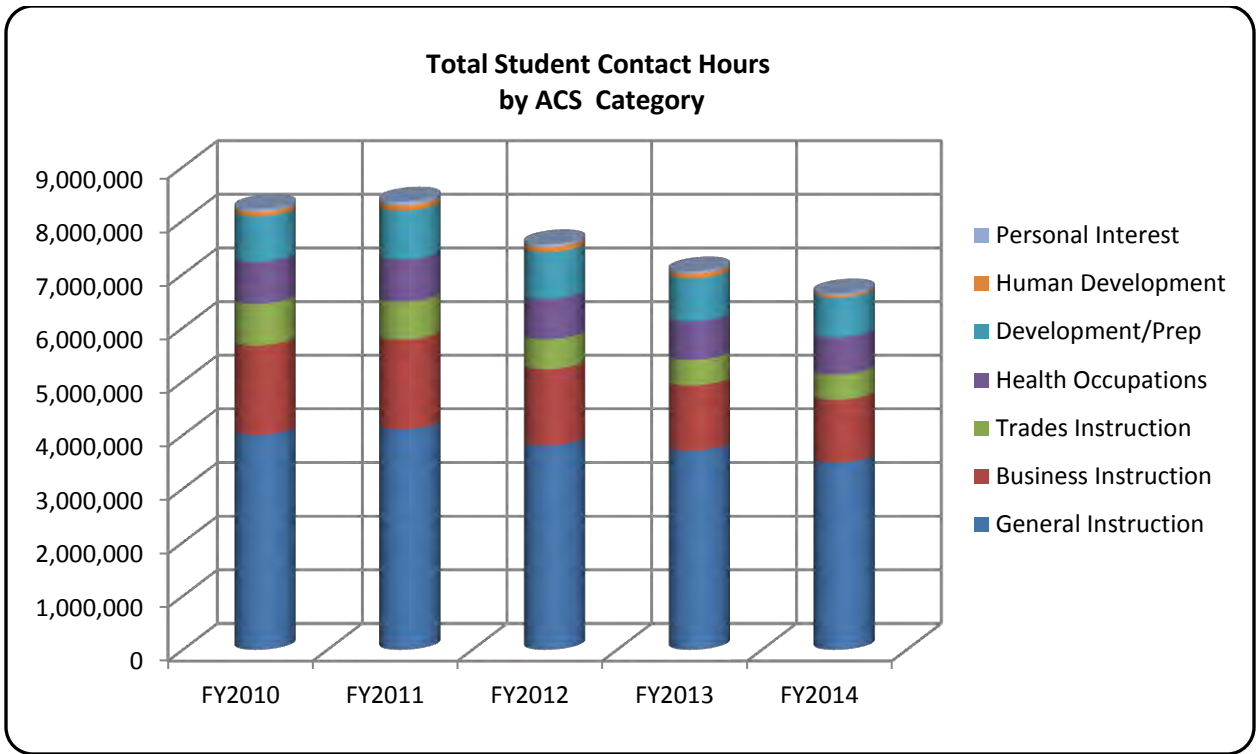
Source: Bureau of Economic Analysis

## Student Age Distribution

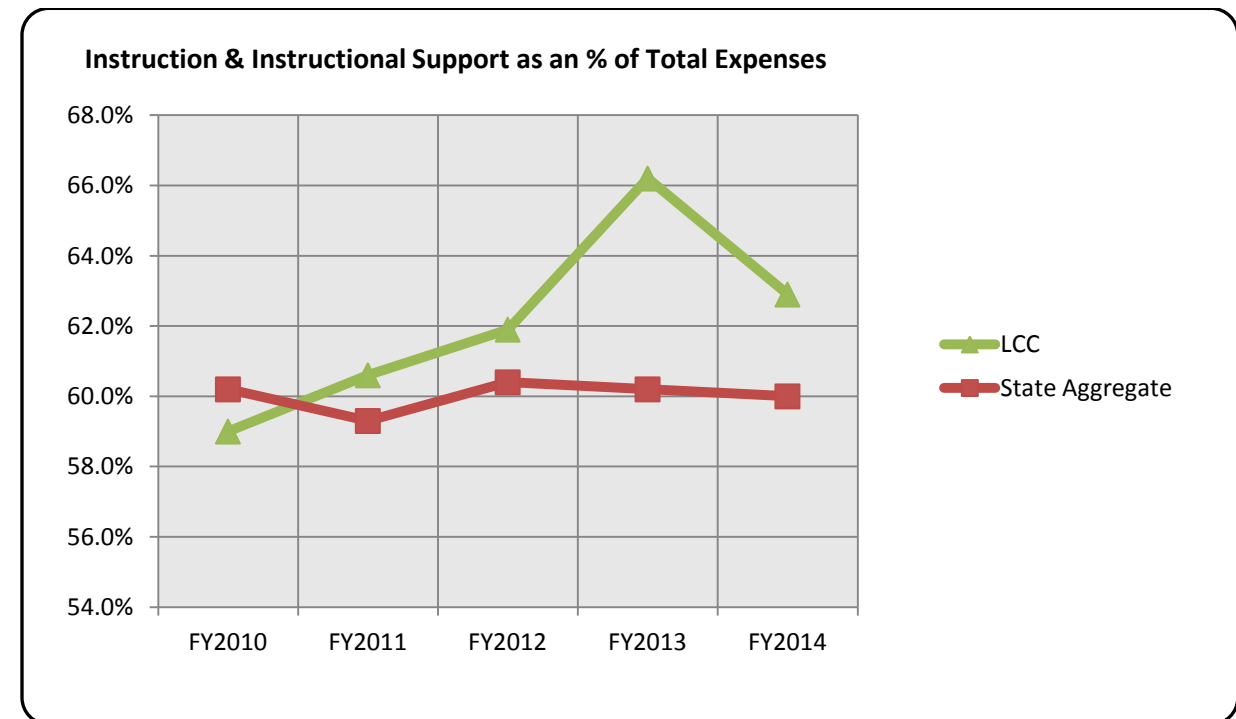
Age group	Percent
Under 18	5
18-21	42
22-29	29
30-39	12
40 -49	7
50 and over	5

## Student Contact Hours by ACS Category FY2009 – FY2013

ACS	FY2010	FY2011	FY2012	FY2013	FY2014
<b>General Instruction</b>	4,003,153	4,107,793	3,805,657	3,710,635	3,485,504
<b>Business Instruction</b>	1,667,283	1,669,134	1,421,839	1,213,571	1,170,990
<b>Trades Instruction</b>	779,839	707,867	557,268	475,734	473,548
<b>Health Occupations</b>	781,041	789,145	750,916	723,324	691,845
<b>Development / Prep</b>	844,408	910,304	875,808	799,316	738,579
<b>Human Development</b>	93,280	106,208	99,072	93,392	47,488
<b>Personal Interest</b>	43,466	62,304	45,850	34,853	30,909
<b>TOTAL</b>	<b>8,212,470</b>	<b>8,352,755</b>	<b>7,556,410</b>	<b>7,050,825</b>	<b>6,638,863</b>



Source: Michigan Community College Databook 2014



Source: Michigan Community College Databook 2014

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

79 percent of LCC students receive financial aid.

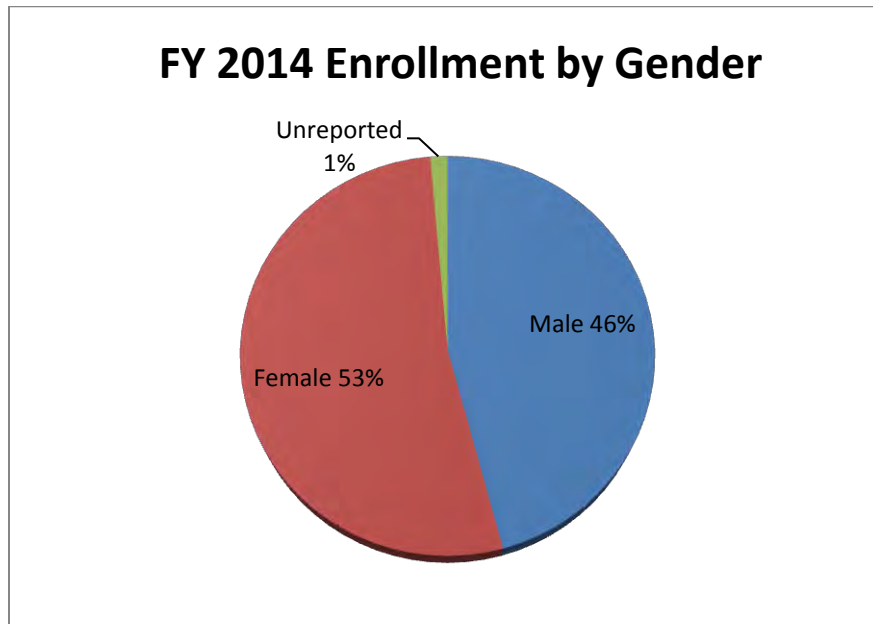
**LCC's emergency medical technician program is one of only two programs in the state that is nationally accredited and part of the National Registry.**

LCC graduates account for a **large majority of the region's police, fire and regional allied health personnel.**

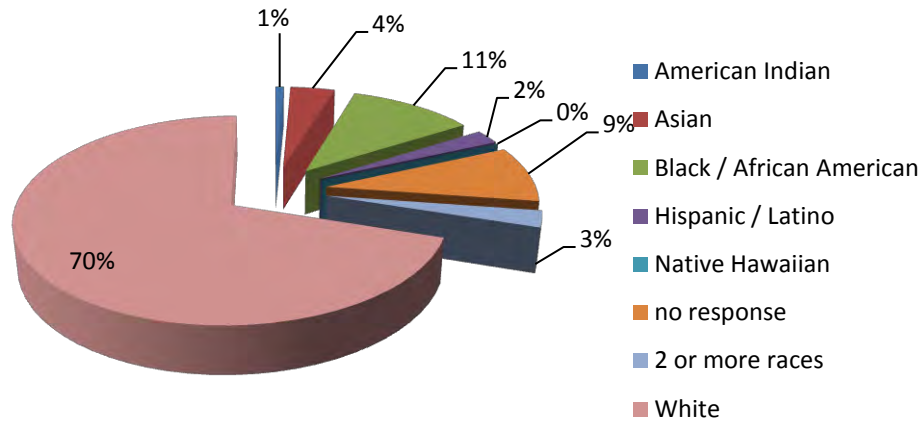
LCC is one of only 142 institutions nationwide to receive CNSS and NSA certification for its computer networking and security curriculum.

LCC offers over 280 associate degree and certificate programs

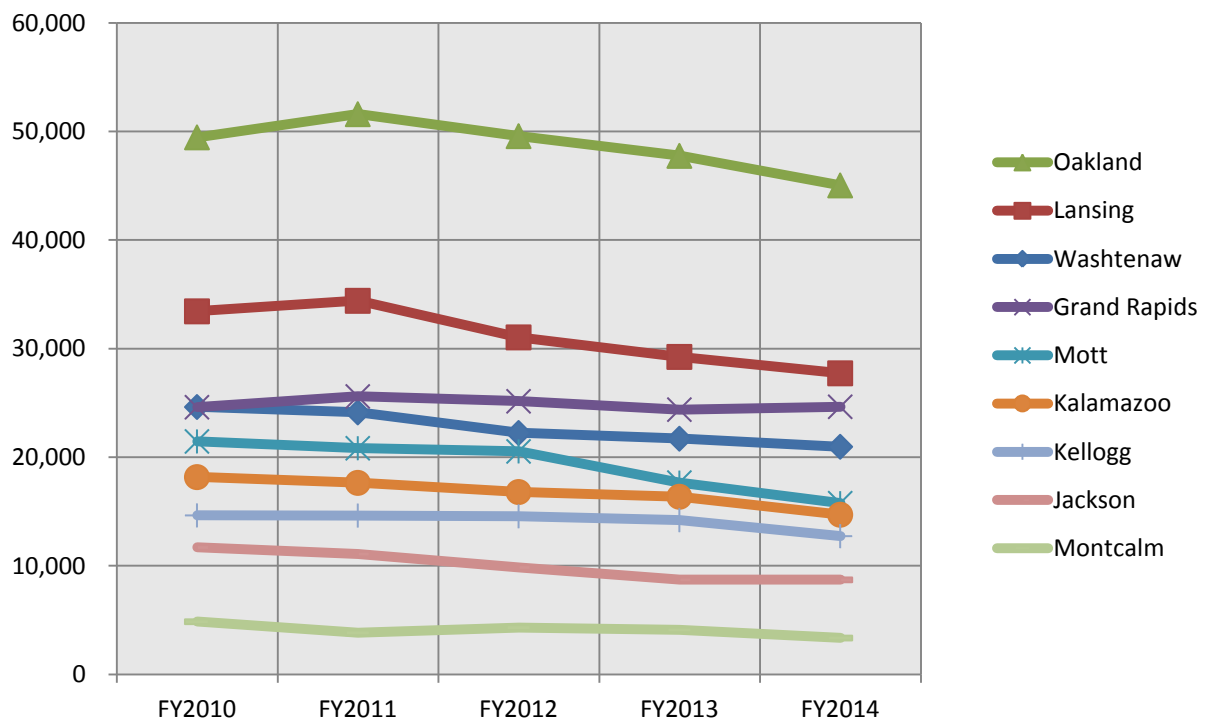
More than 400 international students from 56 countries attended LCC in 2012.



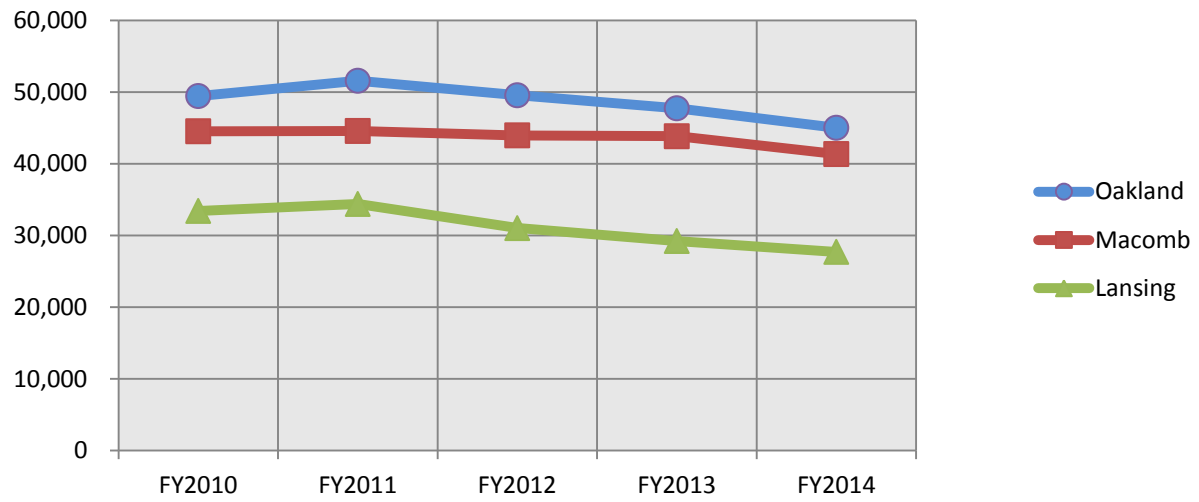
## FY 2014 Enrollment by Race



## Unduplicated Head Count of Community Colleges within 75 miles of Lansing



**Unduplicated Head Count of Community Colleges Similar to LCC in Enrollment**





**MICHIGAN COMMUNITY COLLEGE BUSINESS OFFICER'S ASSOCIATION**  
**Tuition and Fees Survey – Spring 2015**

		<b>2014-15 Rates</b>			<b>2015-16 Adopted Rates</b>		
	<b>COLLEGE</b>	<b>In-Dist</b>	<b>In-State</b>	<b>Out-State</b>	<b>In-Dist</b>	<b>In-State</b>	<b>Out-State</b>
1	Alpena Community College	\$ 115	\$ 181	\$ 181	\$ 120	\$ 189	\$ 189
2	Bay de Noc Community College	\$ 107	\$ 188	\$ 330	\$ 110	\$ 191	\$ 350
3	Delta College	\$ 92	\$ 147	\$ 284	\$ 97	\$ 159	\$ 309
4	Glen Oaks Community College	\$ 98	\$ 158	\$ 191	\$ 103	\$ 166	\$ 200
5	Gogebic Community College	\$ 102	\$ 144	\$ 173	\$ 106	\$ 150	\$ 179
6	Grand Rapids Comm College	\$ 106	\$ 228	\$ 338	\$ 108	\$ 232	\$ 344
7	Henry Ford Community College	\$ 87	\$ 149	\$ 154	\$ 92	\$ 158	\$ 225
8	Jackson Community College	\$ 117	\$ 161	\$ 234	\$ 125	\$ 172	\$ 250
9	Kalamazoo Valley Comm College	\$ 91	\$ 156	\$ 211	\$ 95	\$ 163	\$ 220
10	Kellogg Community College	\$ 97	\$ 157	\$ 224	\$ 100	\$ 161	\$ 231
11	Kirtland Community College	\$ 99	\$ 137	\$ 225	\$ 105	\$ 146	\$ 235
12	Lake Michigan College	\$ 90	\$ 138	\$ 185	\$ 94	\$ 146	\$ 146
<b>13</b>	<b>Lansing Community College</b>	<b>\$ 85</b>	<b>\$ 170</b>	<b>\$ 255</b>	<b>\$ 88</b>	<b>\$ 176</b>	<b>\$ 264</b>
14	Macomb Community College	\$ 92	\$ 140	\$ 181	\$ 94	\$ 160	\$ 206
15	Mid Michigan Comm College	\$ 101	\$ 185	\$ 185	\$ 104	\$ 188	\$ 188
16	Monroe County Comm College	\$ 95	\$ 163	\$ 181	\$ 122	\$ 197	\$ 217
17	Montcalm Community College	\$ 96	\$ 180	\$ 267	\$ 100	\$ 187	\$ 278
18	Mott Community College	\$ 123	\$ 178	\$ 254	\$ 126	\$ 183	\$ 261
19	Muskegon Community College	\$ 96	\$ 178	\$ 244	\$ 99	\$ 183	\$ 256
20	North Central Michigan College	\$ 96	\$ 159	\$ 205	\$ 103	\$ 170	\$ 219
21	Northwestern Michigan College	\$ 91	\$ 180	\$ 235	\$ 96	\$ 191	\$ 249
22	Oakland Community College	\$ 82	\$ 154	\$ 216	\$ 88	\$ 171	\$ 240
23	Schoolcraft College	\$ 93	\$ 135	\$ 199	\$ 96	\$ 139	\$ 205
24	Southwestern Michigan College	\$ 111	\$ 144	\$ 157	\$ 113	\$ 147	\$ 160
25	St. Clair County Comm College	\$ 99	\$ 192	\$ 281	\$ 102	\$ 198	\$ 290
26	Washtenaw Community College	\$ 93	\$ 149	\$ 197	\$ 100	\$ 156	\$ 204
27	Wayne County Comm College	\$ 105	\$ 116	\$ 146	\$ 105	\$ 116	\$ 146
28	West Shore Community College	\$ 89	\$ 160	\$ 210	\$ 91	\$ 160	\$ 215
	<b>AVERAGE</b>	<b>\$ 98</b>	<b>\$ 162</b>	<b>\$ 219</b>	<b>\$ 103</b>	<b>\$ 170</b>	<b>\$ 231</b>

## APPENDIX

### Expense Account Definitions

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

## 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

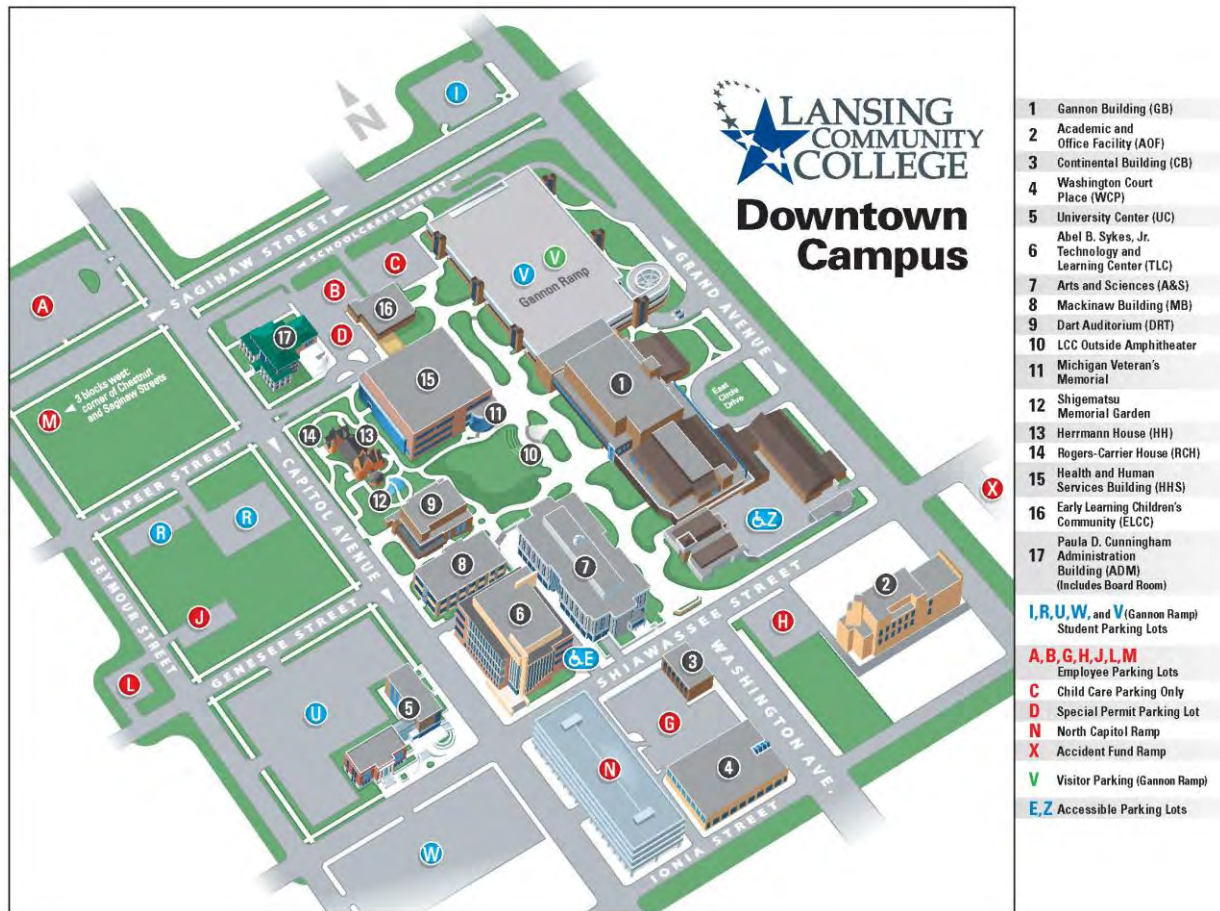
The Student Services Activity includes those activities carried out with the objective of contributing to the emotional and physical well being of the students, as well as to their intellectual, cultural, and social development outside the context of the institution's regular instructional program.

## 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.





### 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.



## **Glossary of Terms**

### **Academic Senate**

An organization comprised of faculty, administrators and students to provide input and advice to the administration concerning issues of college-wide educational philosophy college-wide academic policy, and priorities in the college-wide deployment of capital or financial resources. Student learning is the ultimate goal of this body.

### **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 utilizes Banner for student, finance, financial aid and human resources/payroll.

### **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.

### **Contact Hours Equated Student (CHES)**

A unit of measurement that converts part time student's semester contact hours to compare to full time students. CHES = 496 hours of instruction.

### **Contingency**

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

or unforeseen expenses. 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 expenses for the retirement of long term debt and expenses 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 Capital Projects, 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 expenses 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.



**Fiscal Year Equated Student (FYES)**

A unit of measurement that converts part time student's semester credit hours to compare to full time students. FYES = 31 semester credit hours.

**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 expenses 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 expenses 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, restricted to use for 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.

**Grant Match**

An amount of money provided locally to supplement a grant award. The match may have different restrictions than the grant itself.

**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.

**Mechatronics**

A true “systems approach” to manufacturing that brings many specialties together, adding versatility and flexibility to enhance traditional skilled trades.

**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.

**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.

**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.

**Supplemental Instruction**

An academic support model using peer-assisted study sessions to improve student retention and success within targeted historically difficult courses.

**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.

**Technology Infrastructure Fund**

Part of the Plant Fund that accumulates monies for ongoing technical upgrades and replacements.

**Vacancy Factor**

A line item, set annually as a percentage of overall compensation, reducing the projected expense 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.