



# Annual Budget



Fiscal Year Ending June 30, 2020

# **Lansing Community College**

## **FY 2019-2020 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 District  
and the State of Michigan

LCC's Strategic Plan 2017-2020 sets the institution's direction and is integrated into the College's planning and budgeting processes to support student success and institutional growth. The key focus areas are: Engaged Learning and Student Success; Leadership, Culture and Communication; Community Engagement; Competitiveness and Innovation; and Resource Management and Fiscal Responsibility. These key focus areas remain consistent with the previous strategic plan.

In Fall of 2017, tuition was increased by \$11 per billing hour, and included a \$4 per billing hour increase to specifically support expanded levels of service in academic success coaching and tutoring. Since that time, providing the economic resources for "wrap-around" services and using best practices to increase student success has been paramount in our planning. Research has shown too many students don't know how to navigate college, don't persist, and fail to complete. In Fall 2017, for the first time, LCC employed a robust academic success coaching team. Since the Fall semester of Academic Year 2018, every new student is automatically assigned to a coach when they begin at LCC. The Early Alert system generates a referral to the Academic Success Coach program so that students can be connected with assistance in a timely manner. Early results clearly indicate that coached students have better retention rates than the general population. A higher percentage of LCC students are utilizing tutoring services and embedded academic support resources.

With the primary goal of reducing educational costs for students, LCC's Open Educational Resources (OER) initiative supports student success by providing free or low-cost materials that are available from day one of a student's class and are customizable to fit their learning needs. Currently, too many students compromise their success by choosing not to buy textbooks because of the cost. OER is encouraged by the administration and has been embraced by the faculty. During the Summer and Fall 2018 semesters, OER saved 3,837 enrolled students a collective \$483,076, compared to the price of new textbooks.

In FY2017, approximately 69% of all new students placed into developmental math, while about 33% of new students placed into developmental reading and writing. Our data mirrored national trends. Leading research suggests that there are better options. Eliminating the traditional developmental pathway in favor of placing students directly into college-level work but requiring additional, embedded academic support improves results. This can include using multiple placement measures to provide equity in determining college-level readiness. In Fall of 2018, the use of multiple measures allowed 81% of first-time enrollees to place directly into college-level math and 82% to

place directly into a college-level English course. Embedded academic supports such as tutoring, intensive refreshers or seminars and supplemental instruction will assist in allowing students to earn college credits their first year.

The use of Guided Pathways clarifies and streamlines students' course maps, enabling them to follow a path where they are more likely to achieve a beneficial outcome and not lose credits or drop out. As a next step, programs are being organized around Career Communities. The Guided Pathways Team is a strong partner in the Embedded Academic Support project.

While much has been accomplished, there is still much to be done. For FY2020, there will be an emphasis on building structure around the embedded academic support initiative, improving student retention and strengthening the partnership between Academic Affairs and Student Affairs to enhance efforts to improve student success. LCC will continue to implement a holistic approach to key, data-informed discipline-driven student support and faculty professional development, assuring continuous improvement in student success outcomes.

Faculty commitment and hard work plays the most important role in the success of our students. With our excellent faculty, focus on student success, guided academic pathways and a cutting-edge teaching and learning environment, LCC is an outstanding value, especially when compared to the first two years at a university. At \$108 per billable hour, LCC's tuition for FY2020 provides the seventh lowest tuition rate among 28 Michigan community colleges, still well below the statewide average of \$117. LCC will continue to be a campus and college like no other, of which the community can be proud.

In presenting this FY2020 budget, we would like to recognize the hard work and dedication of all those who contributed to the achievement of this balanced budget, especially the Executive Leadership Team and the staff of the Financial Planning, Analysis and Review Department.

Respectfully submitted,

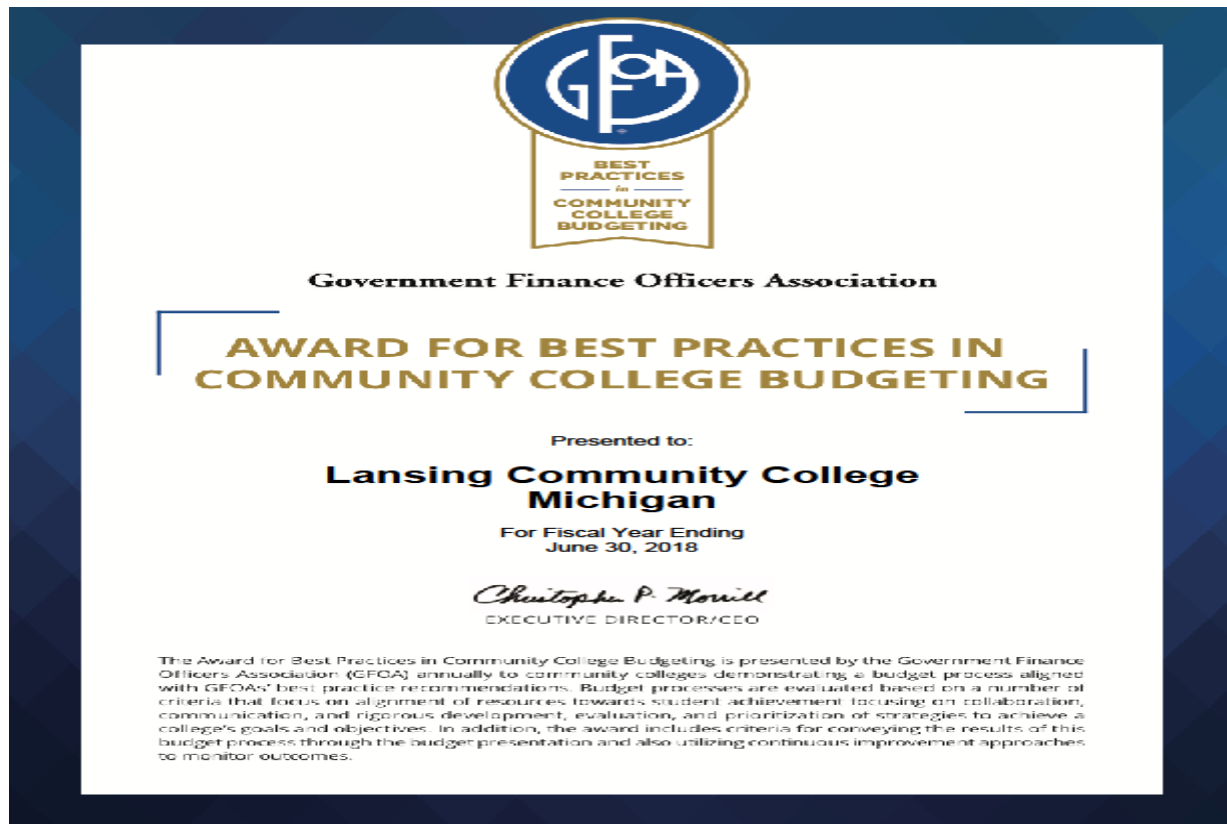
Brent Knight  
President  
Lansing Community College

Donald L. Wilske  
Chief Financial Officer  
Financial Services Division

## **LANSING COMMUNITY COLLEGE GOVERNMENT FINANCE OFFICERS ASSOCIATION of the UNITED STATES and CANADA BUDGET AWARDS**

For budgets from 2009 through 2017, LCC received awards for the GFOA Distinguished Budget Presentation Award program. To qualify for this budgeting award, peer reviewers determine how well an organization meets nationally recognized guidelines designed to assess how well the organization's budget serves as: a policy document; a financial plan; an operations guide; and a communications device. Budget documents must rate "proficient" in all four categories as well as the 14 mandatory criteria within those categories to receive the award.

For FY2018 budgets, The Government Finance Officers Association of the United States and Canada (GFOA) created a new awards program named Best Practices in Community College Budgeting that is limited to Community Colleges. Peer reviewers evaluate budget processes based on a number of criteria that focus on the alignment of resources towards student achievement, centering on collaboration, communication, and rigorous development, evaluation and prioritization of strategies to achieve a college's goals and objectives. LCC received the award for its FY2018 submission (see below), but has not received the completed review (as of this date) for the FY2019 submission.



# **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 almost 23,000 unduplicated students for fiscal year 2017-18.

The Higher Learning Commission of the North Central Association of Colleges and Schools is the accrediting body for LCC and eighteen other institutions in the region. Accreditation validates the quality of an institution as a whole and evaluates multiple aspects of an institution, including its academic offerings, governance and administration, mission, finances, and resources.

Lansing Community College is 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, 2020**

Lawrence Hidalgo, Jr., Chairperson  
*December 31, 2024*

Ryan Buck, Vice Chair  
*December 31, 2022*

Angela Matthews, Secretary  
*December 31, 2022*

Larry Meyer, Treasurer  
*December 31, 2020*

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

Robert E. Proctor, Trustee  
*December 31, 2022*

Samantha Vaive, Trustee  
*December 31, 2024*

Dr. Brent Knight, President

Based on the Michigan Community College Data Inventory Report 2017-18, LCC has the fourth largest Contact-Hour Equated Student enrollment and fifth largest Fiscal-Year Equated Student enrollment of the 28 community colleges in Michigan. The College enrolls almost 23,000 students per fiscal year, made up of about 59% in-district and 41% out-district. LCC employs nearly 2,300 employees. 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:

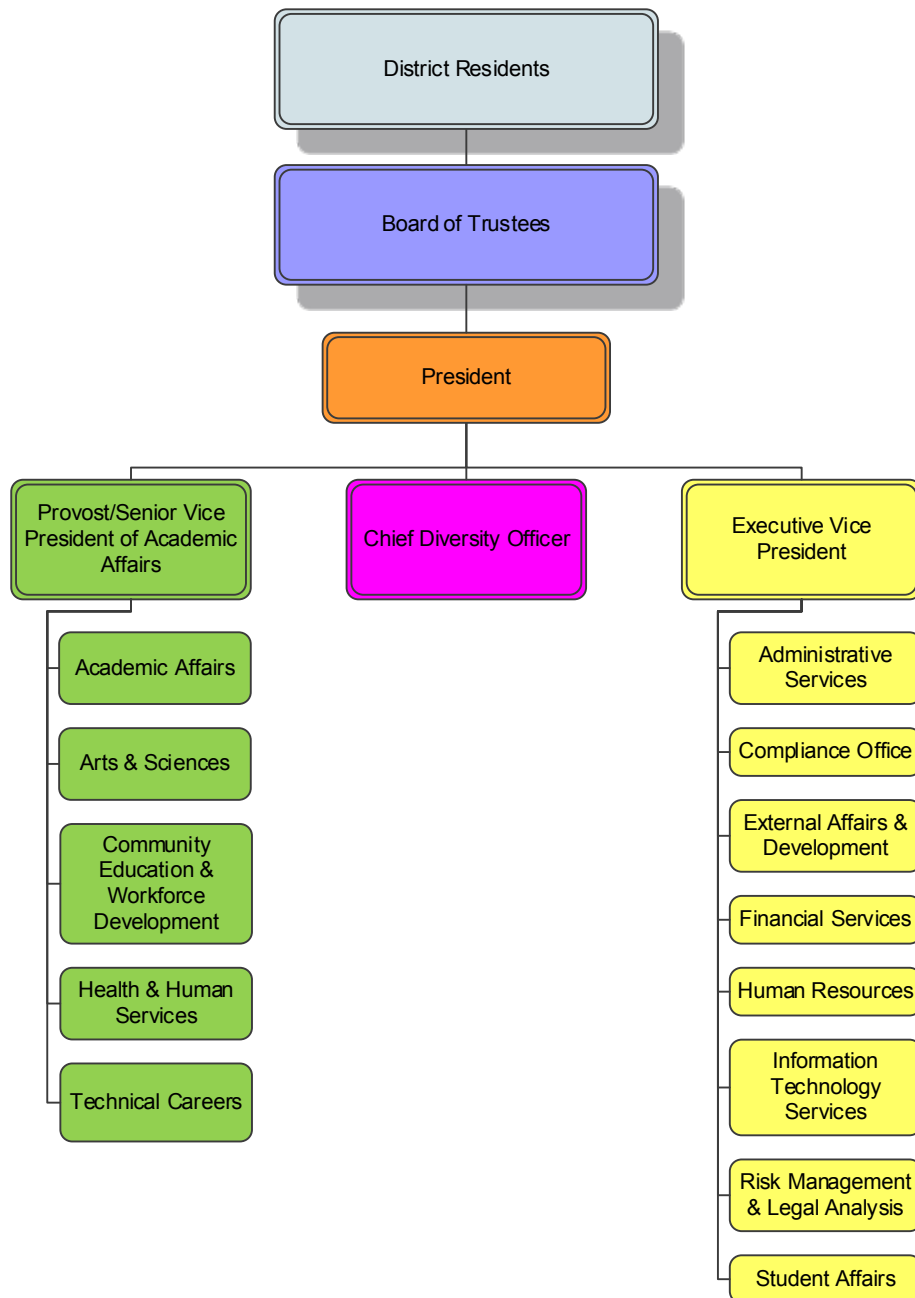
- LCC Downtown Campus, including a University Center (housing classes for partner Universities), is a 48-acre campus covering nine city blocks and 1.516 million square feet of building space in downtown Lansing, Michigan
- LCC West in Delta Township, Michigan which is a 64 acre campus and houses the Michigan Technical Education Center®
- LCC East in East Lansing, Michigan
- Livingston Center at Parker Campus in Howell, Michigan
- Aviation Technology Program Center at the Jewett Airfield in Mason, Michigan.

In addition, there are learning centers in more than 20 communities within the College's service district. 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

## Organizational Chart



## Executive Offices

### Executive Offices

The areas reporting to each executive are shown in the organization chart on the previous page. The Executive Offices include:

- Office of the President
- Office of the Provost/Senior Vice President of Academic Affairs
- Office of the Executive Vice President
- 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 coordinate 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.

The Office of Diversity and Inclusion provides resources that foster awareness as well as empower students with knowledge, tools and experiences that promote global citizenship and a more inclusive campus.

## Instructional Divisions

At Lansing Community College, instruction is organized into the three Divisions under the direction of the Provost/Senior Vice President of Academic Affairs: Arts and Sciences (A & S), Health and Human Services (HHS), and Technical Careers (TC). Each of these divisions incorporate Associate Deans in their structures.

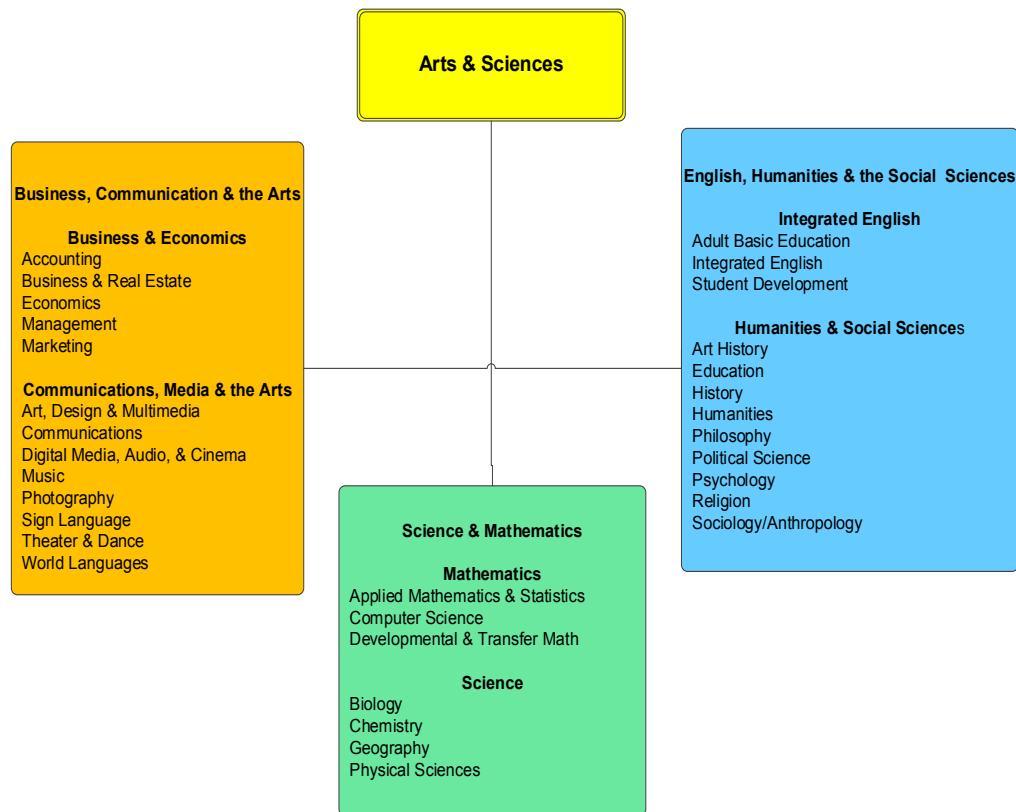
### Arts & Sciences

The Arts & Sciences Division prepares students to transfer to various four-year colleges and universities throughout The United States, as well as providing core courses for degrees and certifications at LCC.

The Arts & Sciences Division is committed to student success and maximizes the potential for student learning by providing:

- Clear and challenging learning outcomes;
- Maximum student-to-faculty interaction and student-to-student interaction;
- An emphasis on cooperation between students;
- Opportunities for active learning;
- Respect for diverse talents and ways of learning;
- Prompt feedback to the learner;
- High expectations for students.

The division is organized into three units with multiple departments under three Associate Deans and Program Directors for each program within those departments (see below). In addition to the Dean, Associate Dean and Program Directors 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.



## Health and Human Services

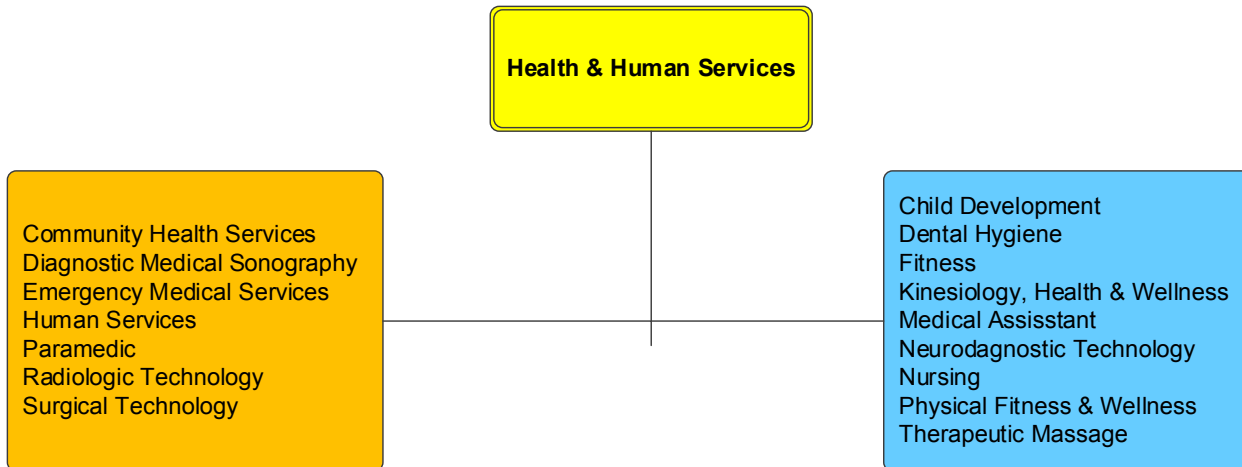
This instructional division prepares many health careers workers, childcare workers, and human services workers for higher education or their careers. Its programs are diverse and aligned with national standards. Powerful education, health care, and business partnerships support LCC's commitment to optimize student success. Students may pursue an associate degree, certificate, or transfer curriculum.

HHS provides each student in every single program and course:

- Clearly defined program outcomes, developed with real-world industry input and aligned with national standards;
- Complete and measurable student learning outcomes in each course;
- Assessment of both course and program outcomes that will result in continuous improvement of both;
- Collaborative, cooperative learning environments to maximize student-to-student and faculty-to-student interaction;

- Up-to-date technology infusion to enable easy access for students and learning that continues beyond class time;
- Respect for each person;
- Commitment to diversity;
- High expectations for learning;
- Prompt, regular feedback to enhance learning.

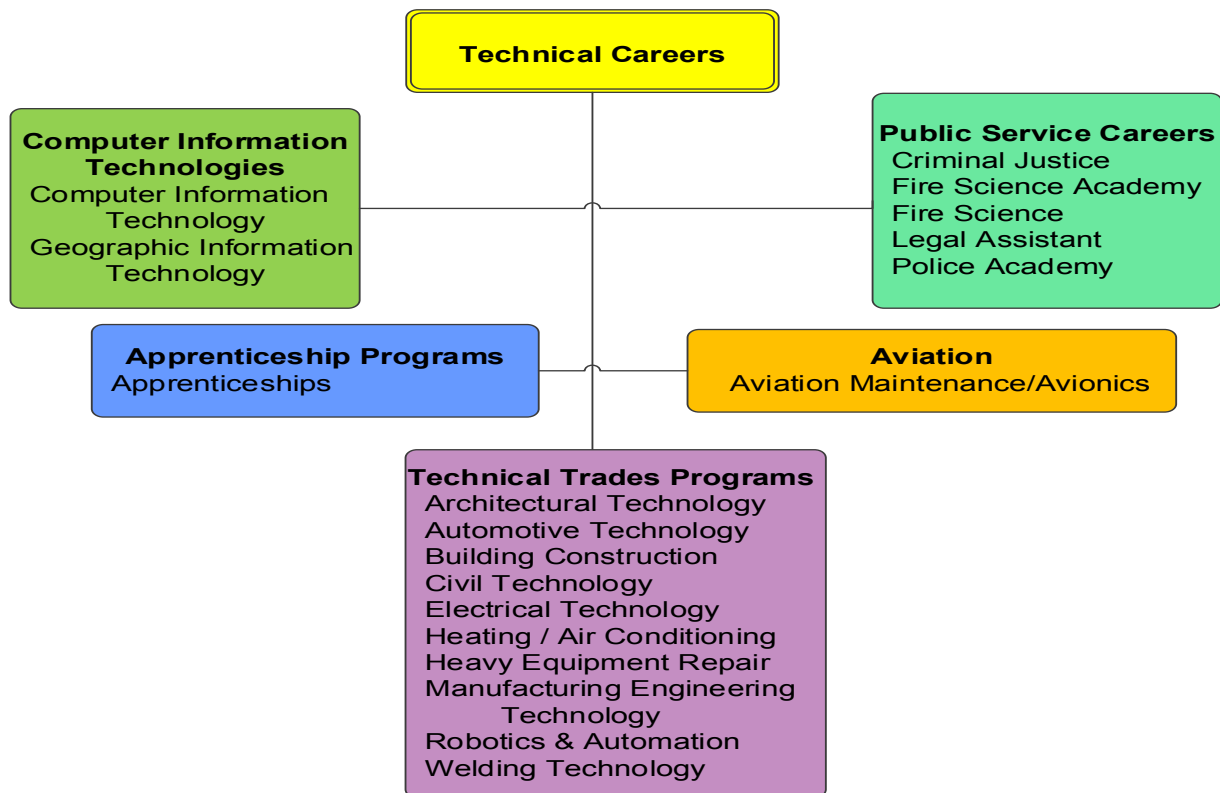
The division is divided into two areas under two Associate Deans as shown below:



### Technical Careers

Technical Careers Division's mission is to provide state-of-the-art education and training programs in Technologies. These programs provide individuals the opportunity to access and develop the knowledge and specialized skills essential for transition to employment in highly technical occupations, as well as the opportunity for life-long training and retraining in a constantly changing job market.

Opened in 2017, the Center for Manufacturing Excellence, a Michigan Technical Education Center (M-TEC), offers training in the fast-growing, high-demand field of advanced manufacturing. With stackable credentials in Computer Automated Design, Robotics & Automation, Welding Technology and Precision Machining, students have the opportunity to earn a certificate in a year or less, or an associate's degree.



## Instructional Support Divisions

### Academic Affairs

Academic Affairs provides leadership for instruction and student support services, working with departments and programs to ensure that all standards required for accreditation, program licensure and certification are maintained. The office is also responsible for partnerships needed to maintain transfer articulation agreements with colleges, universities and other organizations. Additionally, the office, through the Center for Teaching Excellence, the Faculty Institute project (Reframing Inclusion through Scholarship and Education) and connections with HR, is responsible for providing training opportunities for instructional and Student Affairs faculty and staff.

The Center for Data Science is instrumental to Lansing Community College's data-informed decision-making models that integrate data and best practices through research and reporting.

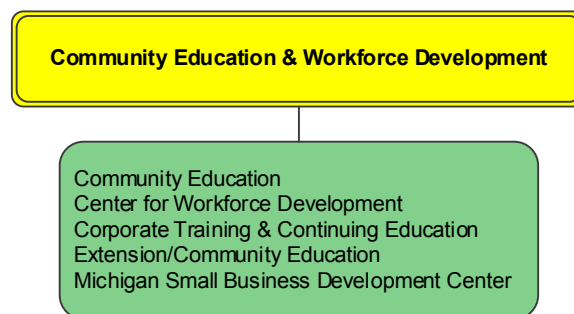
The goals of Academic Affairs are:

- 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.

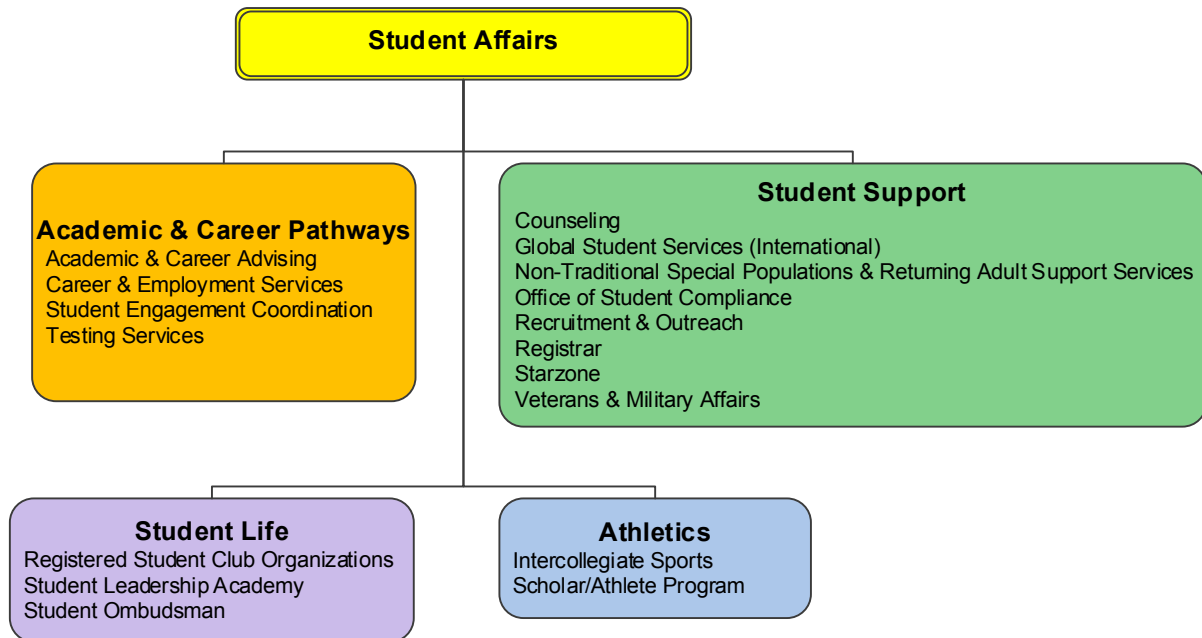
### **Community Education and Workforce Development**

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 non-credit course offerings, this unit provides lifelong educational opportunities to meet a variety of professional development and personal enrichment needs. This division also supports the educational needs in other regions through the Extension Centers by providing facilities to offer credit courses that lead to degree completion and/or transfer. The units of this division are designed to contribute to the economic and workforce development of the region and to foster a highly educated community. The Center for Workforce Transition, in cooperation with the Capital Area Michigan Works! Initiative, provides services to dislocated and otherwise unemployed workers seeking to navigate the job search process. Business & Community Institute utilizes mobile, sustainable training to provide businesses with synergistic innovation solutions through customized programming.



### **Student Affairs**

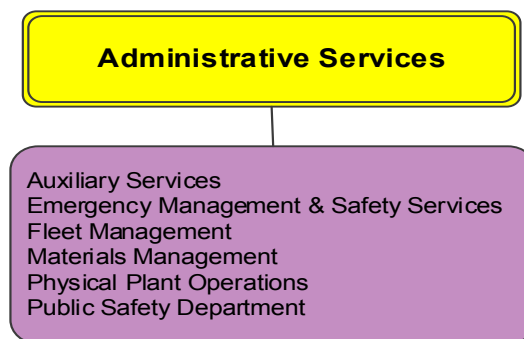
The Student Affairs Division is dedicated to caring, responsive and flexible services to meet the changing needs of Lansing Community College. Among other services, the Division offers orientation, academic advising, academic pathway planning, academic success coaches, and counseling to help students navigate the way throughout their academic journey. There are group-specific services, such as Veterans Affairs, Trio, more than 30 student club organizations, and a Student Leadership Academy. These services are organized under two Associate Deans, shown in the blocks below. The Division also offers nine intercollegiate sports within the Athletics programs.



## Administrative Divisions

### Administrative Services

The Administrative Services Division spearheads the implementation of the Facilities Master Plan of the College, maintains a clean, safe and aesthetically pleasing and positive learning environment, manages facility repair and renovation, maintains and operates the college's fleet and oversees mail, reprographic and print services and the college's receiving and inventory functions. This area includes the college's auxiliary services of dining, conference and parking services.



### Advancement and External Affairs

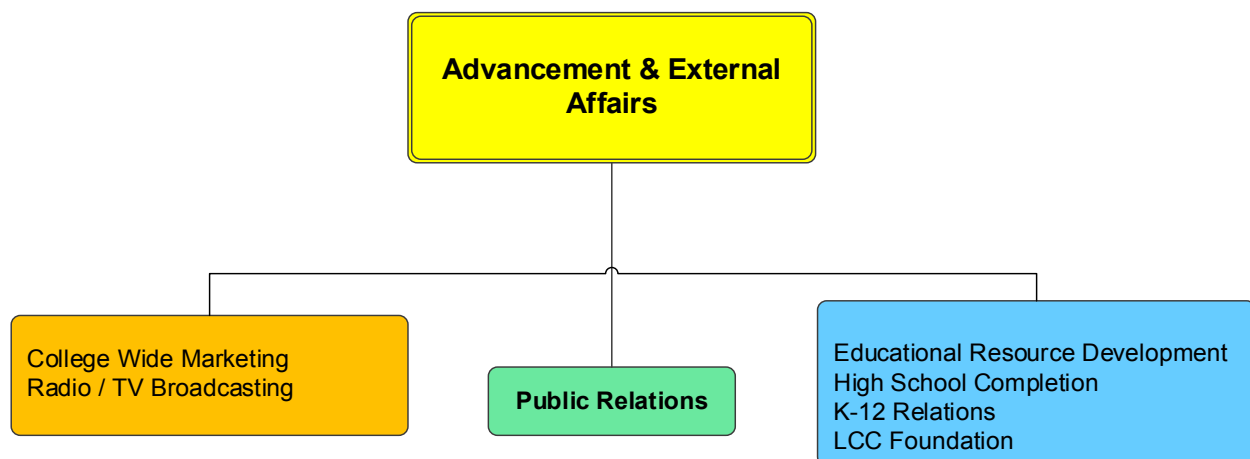
The Advancement and External Affairs Division brings together units responsible for influencing public policy and opinion, strengthening the college's reputation and cultivating key relationships critical to the College for the present and future. It endeavors to establish comprehensive programming to expand and sustain the

community's trust in the institution and continue to build a positive relationship between the College, the public and secondary education providers. K-12 Relations manages articulation agreements and offers dual enrollment/special admissions to nearly 1,000 students as a vehicle for preparing high school students for post-secondary education and the workforce.

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.

Educational Resource Development is responsible for the College's grant processes and cultivates strategic relationships with elected officials, community organizations and leaders, and public, private and corporate funding sources.

The 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 business 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.



## **Human Resources**

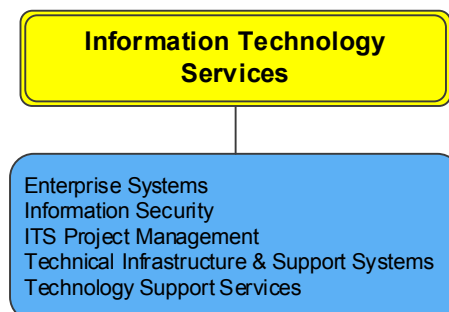
The Human Resources Division addresses the human resource needs of nearly 2,300 employees of the College. The goal of the Human Resources Division is to attract, hire, develop and retain the very best talent possible. The division works as an integrated team to provide comprehensive human resources services covering compensation (including benefits), employee wellness, hiring and orientation, labor relations, performance management and 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.

Enterprise Systems has the primary responsibility for the Development and support of LCC's management information systems, implementation and monitoring of information security policy, management of information technology projects, technical support for computers and telecommunications, and installation and maintenance of college software and hardware.

This division also provides the first line of assistance to students and staff through the Help Desk as well as audio, video and interactive instructional support such as media content creation, classroom technology, the video distribution network, and the College's radio and cable television stations.



# **STRATEGIC PLANNING**

## **LANSING COMMUNITY COLLEGE**

### **Strategic Planning**

#### **Background**

LCC's strategic plan is a culmination of environmental scanning and stakeholder input that identifies the strengths, weaknesses, opportunities, and threats (SWOT) of the institution.

The Strategic Plan drives LCC's planning processes, including the Campus Master Plan, the Academic Operating Plan and the Budget Development Process.

Each unit (division, department, program, etc.) has specific goals that support the mission, vision, strategic plan and Board of Trustee's goals. Academic areas conduct Program Review, leading to an improvement plan that aligns to the LCC Strategic Plan. Units reporting to Academic Affairs have created and periodically updated a 2017-2020 Academic Operating plan that charts activities by focus areas in the Strategic Plan and includes timelines, anticipated outcomes and Key Performance Indicators. The annual budget development process uses the strategic plan as the guiding principle for all budget prioritization decisions. Each request for funding change requires justification with the Strategic Plan.

LCC's strategic and operational planning processes are designed to ensure the college capitalizes on opportunities and strengths as well as counters the impacts of weaknesses and potential threats. This is accomplished utilizing Deming's Plan, Do, Study, Act model for continuous quality improvement.

The mission of LCC is captured in the Mission statement, Vision, Motto, Guiding Principles (values) and the Board of Trustees' Governance End Policies (see [page 81](#)). In summary, LCC is to be a learning-driven, comprehensive community college.

**Mission: Lansing Community College provides high-quality education ensuring that all students successfully complete their educational goals while developing life skills necessary for them to enrich and support themselves, their families, and their community as engaged global citizens.**

**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.

### **LCC’s Strategic Plan 2017-2020**

When the 2013-2016 strategic plan expired, the Administration conducted a needs assessment to develop the next three-year strategic plan. Multiple sources were considered: input from guided strategy sessions with employees and students; LCC Program Reviews and best practices as defined by multiple higher education organizations. The information was used to develop a strategic plan that was adopted at the regular Board of Trustee’s meeting of November, 2017. The key focus areas

remain consistent with the previous strategic plan with the exception of combining Engaged Learning and Student Success. Learning remains at the heart of LCC's efforts.

**Engaged Learning and Student Success** – LCC is an exemplary institution where student achievement and success are realized through relevant and rigorous curricula across all areas of teaching and learning. The college provides excellent student support services that facilitate retention, goal completion, engagement and success.

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

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

**Leadership, Culture and Communication** – LCC is an organization in which personal responsibility, trust, respect for other, 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 government.

**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.

Using the broad outline of goals and outcome established by the Strategic Plan, the college community spent the first part of 2018 thoughtfully designing projects to improve our educational services and our workplace. Thirty of these projects are underway. Countless more await the time and attention of LCC's hardworking employees. At the regular Board of Trustee's meeting of January 22, 2019, a Strategic Plan year-one update was given. The Projects, applicable goals, outcomes and Key Performance Indicators (KPI) for these projects are categorized by focus area below:

Engaged Learning & Student Success (Focus Area 1)				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Guided Pathways:</b> A continuing, national student success initiative created by the American Association of Colleges & Universities.	The Guided Pathways team is a strong partner in the Embedded Academic Support project, ensuring students are set up for success in their chosen program pathway. The team is focused in clarifying and streamlining students' course maps to create strong recommendations for general education coursework without removing student choice. Additionally, the team is developing videos to explain Career Communities to students. Already, videos for manufacturing, child development, radiology, dental hygiene and surgical technology are complete, with more to come. In 2020-2021, the team aims to reduce the number of degrees offered and instead offer a plethora of concentrations within degrees.	A. LCC will integrate relevant and rigorous curricula throughout all areas of teaching and learning. LCC provides excellent student support services that facilitate retention, goal completion, engagement and success.	Enhance guided program pathways to reflect integrated learning. Integrate relevant American Association of Colleges & Universities (AAC&U) - identified high-impact practices throughout all the programs.	Guided program pathways. Percentage of programs of study that integrate at least one AAC&U high-impact practice.

Engaged Learning & Student Success (Focus Area 1) -continued				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Transferability Study:</b> An initiative to examine course transferability in programs across the college. The work began with faculty in psychology, physical science, ENGL121 and ENGL122, but will expand to other programs in the future.	While numerous students leave LCC and go straight into the workforce, many others use LCC as a springboard to further education at a four-year college or university. It is important our students can trust that the classes they take at LCC will seamlessly transfer to their college of choice. Working with faculty across numerous disciplines, The college is gathering information about where students are transferring and how well their LCC coursework is traveling with them. To encourage the long-term continuation of this work, Academic Affairs and the academic divisions are designing an improved process that will fuse transferability studies into the regular Program Review process.	C. LCC will provide relevant high quality learning and instruction.	To improve, by 10%, the percentage of courses within a transfer program that transfer to at least four of the seven highest transfer institutions. Improve quality of content and delivery of course instruction.	Percentage of courses that transfer. Annual Improvement plans and program operating plans to include instructional quality. Response time to student. One hundred percent compliance with syllabi.
<b>Faculty Institute:</b> The Faculty Institute provides LCC faculty with training and an opportunity to learn and apply pedagogical tools of Real Talk and Alternative Lessons, which facilitate student engagement by developing authentic and meaningful connections between students and faculty.	A new work team has formed to continue the momentum created by the original faculty and staff involved in this project. Chief Diversity Officer Tonya Bailey, history faculty Wade Merrill and Center for Teaching Excellence director Megan Lin are creating a proposal for how to best carry forward the intentions of the Faculty Institute and providing it to former institute participants for their feedback. The team intends to begin a new cohort of the Faculty Institute in summer 2019.	C. LCC will provide relevant high quality learning and instruction. D. LCC will ensure continuous quality improvement of programs of study and courses.	C. To improve, by 10%, the percentage of courses within a transfer program that transfer to at least four of the seven highest transfer institutions. Improve quality of content and delivery of course instruction. Syllabus is clear with grading requirements. D. Improve state of college-wide assessment. To improve the quality of online courses.	C. Percentage of courses that transfer. Annual Improvement plans and program operating plans to include instructional quality. Response time to student. D. Program of study alignment from program level student learning outcomes to institutional level student learning outcomes. Student success in online courses. Retention rate of online students. Completion in online courses.
<b>Online Instruction:</b> The Center for Teaching Excellence began a mentoring program for online faculty in AY2019 Spring semester. The mentoring program is open to both adjunct and full-time faculty.	The Center for Teaching Excellence and eLearning are partnering to review and redesign the certification course that prepares faculty to teach online. Online learning presents different challenges - for learners and teachers - compared to a traditional, in-person setting. LCC aims to create a holistic training for faculty to prepare them for the additional hurdles that come with running an online classroom. The newly designed course is expected to be complete in April 2019.	D. LCC will ensure continuous quality improvement of programs of study and courses.	Improve state of college-wide assessment. To improve the quality of online courses.	Program of study alignment from program level student learning outcomes to institutional level student learning outcomes. Student success in online courses. Retention rate of online students.
<b>Embedded Academic Support:</b> An ongoing project dedicated to promoting student success in first-year and developmental courses. It is being led by the Embedded Academic Support Team with input from the Academic Senate and all employees who attend open forums on the topic.	LCC is engaged in a comprehensive effort to support students by embedding academic and non-academic support throughout their higher education journey. The overarching goal is to help students while they are enrolled in college-level courses, rather than preparing students through non-college-level courses. After input from the Academic Senate, leaders of the academic divisions and all employees, the college has implemented the six core principles used nationally as guideposts for redesigning developmental education. The college has also taken first steps to improve equity by supplementing or replacing current student placement methods with multiple measures, allowing incoming students to take gateway English and math courses during their first year, and redeploying employees as appropriate to enable under-prepared students to succeed. New processes also sharply limit late enrollment, allowing students the best opportunity to succeed from day one. Metrics and performance targets to assess progress have been recommended. Steps toward implementation comply with governing principles and commit to causing no loss of employment opportunities or reduction of pay rates for current employees. Critical next steps include assigning college-level gateway course faculty to design EAS models for broad disciplines as well as specific courses, integrating our information technology systems, and improving student "self-help" webpages for friendly design and ease of navigation.	E. LCC will be more effective preparing students that are not fully ready for college-level work.	To improve developmental education.	Percentage of students enrolled in developmental courses. Number of developmental credit hours taken. Students' success in college-level courses after completion of developmental instruction
<b>Data Science, Information Technology and Security Program:</b> LCC is working to develop articulation agreements to sever students with an interest in the fields of data science, information technology and security.	The project team is researching national best practices to ensure LCC students receive a competitive, high-quality education in the growing fields of data science, information technology and security. As part of this research, project lead Matt Fall is participating in the Midwest Big Data Hub, a growing network of partners from 12 states who are exploring challenges and developing actionable knowledge to guide decision-making in the increasingly complex data sciences field. Already, LCC's Math and Computer Science Program are drafting proposals for two new courses to be included in a new Data Science Pathway.	F. Improve Career & Technical Education (CTE) to strengthen alignment between programs offered and high wage labor market needs.	Offer more programs that teach students competencies in areas with high wages.	Number of students securing employment in chosen field for selected programs. Percentage of programs leading to high-wage fields.

Leadership, Culture & Communication (Focus Area 2)				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Project Management Skills:</b> This project will have as one focus increasing employees' project management skills via targeted trainings, tools and technology. It may include learning to use such skills to enhance project documentation, conduct risk assessments and develop succession plans.	Feedback received at the 2018 February Friday sessions indicated some employees feel the college needs to be more direct and purposeful across campus in addressing issues. There is little campus wide consistency in how we carry out project management and communication of progress and conclusions. AS such, many employees need training in project management so all areas can work from the same set of guiding principles.  When the strategic initiative was put into play, we were already investigating how best to bring about a path to project management training in conjunction with the toolsets used on campus. The goal of that investigation is to bring a Project Management Institute-endorsed training group to campus to provide base-level training to start the educational process.  We have been working to identify the types of training that would most benefit the college and to set goals for blending LCC's tools into the project management training. A first training is expected in spring 2019.	A. LCC will be intentional and proactive in our planning processes.	Improve our project management skills.	Percent of administrators and professional support are trained in project management.
<b>Adjunct and Part-time Employees Engagement and Appreciation:</b> Current engagement and appreciation programs will be evaluated to determine how best to design approaches that recognize and address the adjunct and part-time employees' experience at the college.	Using data from the 2018 "Survey of Employment Engagement" to build a profile of LCC's adjuncts and part-time employees, the team is focused on three objectives for spring 2019. +Maintain updated communication information at the college wide level, including MAHE; +Conduct a survey that informs of the wants and needs of adjunct faculty and part-time employees; and; +Create a series of forums or conversations that allow the LCC community to hear the triumphs and challenges of being adjunct faculty and part-time employees at LCC.	B. LCC will continuously improve communication among employees, students and other stakeholders.  C. LCC will create an environment for professional growth to support a sense of community.	B. Increase employee and student satisfaction with communication from the college.  C. Develop a culture of engagement.	B. Improved rating on climate survey, student satisfaction rating from student survey and stakeholder satisfaction rating from community impact survey.  C. Decreased turnover rate. Higher rate of participation in February strategy forums. Improved rating on climate survey.
<b>Applause Awards Program:</b> Applause Awards is an informal recognition program that allows any employee to recognize any other employee at the college, including student employees. Each week, one Applause! Award is featured in the Star employee newsletter.	The review and improvement of this ongoing and institutionalized program has been assigned to a sub-committee of the Experience #Starpower team. This informal recognition process asks employees to recognize their colleagues by submitting a standard form. The program began years ago, but participation slowed dramatically over time. When the Experience #Starpower team took the helm, the program was made digital and published in the Star. Since publication began, the team has received so many submissions it had to begin printing two awards per week. The team is now working on a way to provide the recipient with a hard copy, nicely printed, as a keepsake. This will improve the benefits to employees, hoping to boost engagement and retain employees.	B. LCC will continuously improve communication among employees, students and other stakeholders.  C. LCC will create an environment for professional growth to support a sense of community.	B. Increase employee and student satisfaction with communication from the college.  C. Develop a culture of engagement.	B. Improved rating on climate survey, student satisfaction rating from student survey and stakeholder satisfaction rating from community impact survey.  C. Decreased turnover rate. Higher rate of participation in February strategy forums. Improved rating on climate survey.
<b>Formal Performance Review Program:</b> This program is designed to ensure college employees receive systematic feedback regarding their performance. To facilitate performance reviews, the college has put much effort into utilizing a Learning Management System that allows for an automated approach to conducting the reviews.	This team is providing input to the college's Labor Relations staff in an effort to ensure performance reviews are fair and provide employees with helpful feedback. Already, the groups have worked together to develop a standard performance rating scale that has been adopted by the AFT, EDP, MAHE and PTCTU bargaining units. Additionally, an annual performance review training for administrators has been developed. Initiatives in progress include: +A process for faculty to provide input for their administrators' performance reviews +Publication of periodic report of completed and overdue reviews.	C. LCC will create an environment for professional growth to support a sense of community.	Develop a culture of engagement.	Decreased turnover rate. Higher rate of participation in February strategy forums. Improved rating on climate survey.
<b>Formal Service Awards Recognition Program:</b> An ongoing program devoted to celebrating the longevity of employees at the college. Employees are recognized when they reach 10, 15, 20, 25, 30, 35, 40 and 50 years of service, receiving a physical award as well as a selection from a gift catalog.	The review and improvement of this ongoing and institutionalized program has been assigned to a sub-committee of the Experience #Starpower team. The sub-committee is working to address some shortcomings of the existing programs, such as improving branding strategy of the gifts given to employees as well as expanding recognition to our employees who have worked for the college for five years. Improving branding requires working with our current vendor - or finding a different vendor - to ensure that when an employee receives a gift for a longevity milestone, the gift is marked with the college logo and, when practical, the employees name and number of years of service.	C. LCC will create an environment for professional growth to support a sense of community.	Develop a culture of engagement.	Decreased turnover rate. Higher rate of participation in February strategy forums. Improved rating on climate survey.
<b>Leadership Academy:</b> Known as THRIVE, this academy is designed to elevate the skills of current LCC leaders in the areas of leadership, diversity, communication, teambuilding, change management and ethics. It is comprised of eight sessions over a four-month period.	LCC is set to launch a new Leadership Academy, called THRIVE. In seven sessions over four months, 25 administrators will develop in the areas of leadership, communication, team building, diversity and ethics. Participants are selected through an application process and complete the program in cohorts. Planning for the Academy is running smoothly and the next session is scheduled to begin in February 2019.	B. LCC will continuously improve communication among employees, students and other stakeholders.  C. LCC will create an environment for professional growth to support a sense of community.	B. Increase employee and student satisfaction with communication from the college.  C. Develop a culture of engagement.	B. Improved rating on climate survey, student satisfaction rating from student survey and stakeholder satisfaction rating from community impact survey.  C. Decreased turnover rate. Higher rate of participation in February strategy forums. Improved rating on climate survey.

Leadership, Culture & Communication (Focus Area 2) - continued				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Star Showcase Awards Program:</b> A new program initiated in 2017, the Star Showcase aims to recognize excellence in service to the college. It acknowledges employees nominated by their peers in 10 categories. Award winners are celebrate at a special luncheon and receive an award crafted by employees and students from the Manufacturing Engineering Technology and Welding programs.	The review and improvement of this ongoing and institutionalized program has been assigned to a sub-committee of the Experience #Starpower team. Ideas to expand the ceremony and engagement include an open invitation to a limited number of employees to attend the luncheon, increasing communication of the awards nomination process and event, better promoting streaming of the event, and encouraging department leadership to talk about nominations with employees. The team is also working to attend more departmental meetings to share information and encourage nominations. Nominations for the 2019 awards are open, and kicked off a month earlier than the previous year with an all-employee email from President Brent Knight and an announcement in The Star newsletter.	B. LCC will continuously improve communication among employees, students and other stakeholders. C. LCC will create an environment for professional growth to support a sense of community.	B. Increase employee and student satisfaction with communication from the college. C. Develop a culture of engagement.	B. Improved rating on climate survey, student satisfaction rating from student survey and stakeholder satisfaction rating from community impact survey. C. Decreased turnover rate. Higher rate of participation in February strategy forums. Improved rating on climate survey.
<b>StarTalks Nominations and Form:</b> This program allows for the nomination of any faculty, staff or administrator who has contributed to a positive and innovative LCC culture to share their message with a broad base of employees. The focus is on presentations that offer unique perspectives and inspire others to positive action.	StarTalks will continue in 2019 with presentations from three stellar employees discussing their contributions to a positive and innovative culture at LCC. To widen the potential pool of applicants, the committee plans to expand the criteria and encourage the nomination of at least one person completing their first year at LCC. A campus wide call for nominations will go out in early 2019, with a March 15 deadline. As in the past, the StarTalks will be presented during the May Professional Activity Days.	B. LCC will continuously improve communication among employees, students and other stakeholders.	Increase employee and student satisfaction with communication from the college.	Improved rating on climate survey, student satisfaction rating from student survey and stakeholder satisfaction rating from community impact survey.
<b>Open Student Forum:</b> Through such forums, students have the opportunity to voice concerns, comments and values. An online option can also be considered.	The college is interested in creating an ongoing conversation with students to ensure we are meeting their academic and non-academic needs. To this end, a project team is developing three initiatives to gain student perspectives: 1.) Suggestion Box Lunches (small student forums): Focus on holding student experience lunch forums asking for suggestions to enhance the institution; 2.) Student Feedback Question (monthly question printed in the Lookout and posted on the Student News myLCC webpage): Offer one question per month asking students for suggestions regarding a specific campus improvement; 3.) Student Experience Survey (online survey) - Create an online SurveyMonkey or web form survey asking students about their LCC experience.	B. LCC will continuously improve communication among employees, students and other stakeholders.	Increase employee and student satisfaction with communication from the college.	Improved rating on climate survey, student satisfaction rating from student survey and stakeholder satisfaction rating from community impact survey.
Community Engagement (Focus Area 3)				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Coalition for College and Career Readiness:</b> Use "Classroom in a Minute" videos as a marketing tool to promote LCC classes and programs.	LCC is engaged with our high school and regional partners to ensure students are ready for higher education. The coalition focuses on a number of efforts that have proven successful nationwide, such as creating an academically rigorous core curriculum as well as providing opportunities for students to earn college credit in high school through Advanced Placement, the International Baccalaureate Program and dual enrollment. The secondary market demand in Ingham, Eaton and Clinton counties is for dual enrollment, and providing these opportunities has proven to be a way for LCC to enhance mutually beneficial relationships with our secondary partners. In addition, C3R has become the unifying initiative under which postsecondary credits are tracked for high school students and for creating best practices that can be adapted and used across the tri-county area.	A. LCC will continue to build and enhance mutually beneficial relationships with community partners to identify and respond to the needs of our communities.	Increase the number of Lansing-area graduates who enroll in LCC.	Number of Lansing-area high school graduates who enroll in LCC.
<b>Customer Relations Communication Plan:</b> Preliminary conversations have identified a need to create and implement a communications plan that raises the viability of the college's community engagement activities and the wide range of services and opportunities available to the community.	The Business & Community Institute (BCI) currently has a Customer Relationship Management system in place that will serve as a template for development of an external CRM. This CRM will form the backbone of a customer relations communication plan.	A. LCC will continue to build and enhance mutually beneficial relationships with community partners to identify and respond to the needs of our communities.	Develop, implement, and track principles of good customer relationship management.	Manual for developing, implementing, and tracking principles of good relationship management.
<b>Student Community Engagement Workgroup:</b> Faculty at LCC utilize academic service learning in the classroom. One of the long-term goals is to see academic service learning designed and supported by LCC to promote student service opportunities. There is a centralized and decentralized approach to creating opportunities for students to connect with the community through apprenticeships and internships.		A. LCC will continue to build and enhance mutually beneficial relationships with community partners to identify and respond to the needs of our communities.	Increase the number of service learning opportunities for students. Increase the number of internships and apprenticeships with employers.	Number of service learning opportunities. Number of internships and apprenticeships with employers.

Competitiveness & Innovation (Focus Area 4)				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Grow with Google:</b> Identify Google resources and explore partnership opportunities to expand use of Google tools in academic programs, possibly leading to LCC becoming a Google hub for the area.	LCC and Google have teamed up to provide the community with free digital skills trainings. LCC is deploying the Applied Digital Skills, Get Your Business Online, and IT Professional Support curricula, all of which meet critical Grow with Google goals and contribute valuable learning about how digital skills programs are deployed in communities. The training schedule is set for 2019. It includes two cohorts of an IT Support Certificate program, both filled to capacity, which began in October 2018 and will run through July 2019. The college's partnership with Google began in March 2018 when LCC hosted the company's third event in its nationwide Grow with Google tour.	A. LCC will create an environment for innovation, intelligent risk taking, and organizational agility.	Create academic and workforce programming that meets labor demands	Employer surveys
<b>Open Educational Resources:</b> Develop a three-year plan to move OER from pilot stage to an institutionalized LCC program with robust systems and processes that allow faculty to quickly adopt and rapidly deploy open resources, resulting in significant textbook savings for students.	In 2015, LCC began OER to address textbook cost, which is a common barrier to student success. This successful initiative remains a focus in the 2017-2020 Strategic Plan. OER is freely available, openly licensed teaching and learning material that allow for the reuse, revision, remixing and redistribution of materials to better serve all students. The college has already saved students almost \$2.2 million in textbook costs since OER began. During the summer and fall 2018 semesters, OER was used in 295 sections and 62 courses, saving the 3,837 enrolled students a collective \$483,076 compared to the price of new textbooks. The college also recently signed a three-year contract with Lumen Learning to help scale our OER adoptions. This will be especially beneficial in the math and business programs, since there areas benefit from traditional publisher's value-added services like homework systems, assessment tools and timely feedback. In addition, the college is exploring building an OER publishing platform that will allow our OER materials to be easily shared and downloaded in a variety of formats. This allows the academic community to adapt or adopt our materials, and also provides our students with an easy way to read and download materials on their preferred devices.	A. LCC will create an environment for innovation, intelligent risk taking, and organizational agility.	Improve processes that impact students and external customers.	Reduction of time and steps involved.
<b>Open Learning Lab:</b> Open Learning Lab was a pilot project to test "Domain Of One's Own" and other open learning concepts. The next phase of this project will be to integrate open learning with OER initiatives and ultimately gain wide adoption by faculty.	Openlcc.net is the master domain for LCC faculty, students and teaching initiatives. Of openlcc.net's 35 subdomains, the busiest is elearning.openlcc.net. This provides eLearning's help, information and tutorials for D2L. About 1,000-1,500 visitors hit the site in excess of 141,000 times in a typical month. The eLearning site was recently expanded to include an abundance of web accessibility tools. Voice.openlcc.net, the student collection of sites, typically sees 140-300 visitors and 37,000 hits in a month. This number rises each semester as new students are introduced to blogging. In fall 2019, the Open Learning Lab made significant progress toward institutionalization. It has transitioned from an experimental project under the supervision of a single faculty member to an ongoing part of the Center for Teaching Excellence.	A. LCC will create an environment for innovation, intelligent risk taking, and organizational agility.	Improve processes that impact students and external customers.	Climate survey metrics relating to employee satisfaction.
<b>Program in a Minute:</b> Use "Program in a Minute" videos as a marketing tool to promote LCC classes and programs.	Program in a Minute videos are designed to give prospective students a taste of a class or program before enrolling. They promote the real-world skills and rigorous academics students can expect from their LCC education. The videos are nearing completion and will be available on LCC's website.	A. LCC will create an environment for innovation, intelligent risk taking, and organizational agility.	Improve processes that impact students and external customers.	Reduction of time and steps involved.
Resource Management & Fiscal Responsibility (Focus Area 5)				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Long-term Composite Financial Index (CFI) Improvement Plan:</b> Develop long-term Composite Financial Index (CFI) improvement plan that addresses the four ratios used to calculate the CFI – primary reserve, net operating revenues, viability and return on net assets. These ratios look at the number of months of funding the college has on hand, whether the college is living within its means based on the ratio of the college's deficits and surpluses, how well the college strategically manages long-term debt, and how well the college manages expenses (expected and unexpected).	A committee has developed a draft CFI improvement plan, identifying three primary recommendations for improving LCC's CFI score. Their final recommendations were submitted to the Resource Management and Fiscal Responsibility co-chairs for review at the end of 2018.	A. LCC will continuously strengthen its resources to maintain ongoing operations.	Financial: Improve the College's Composite Financial Index (CFI). Continue to have a strong bond rating. Maintain excellent financial reporting and audit results.	Financial: CFI Bond rating.

Resource Management & Fiscal Responsibility (Focus Area- continued 5)				
Project and Description	Ongoing Activities	Goals	Outcomes	KPI
<b>Employee Mentoring Program:</b> Develop an employee mentoring program..	Mentoring is a new initiative for LCC. The college convened a cross-functional team to develop Impressions, a management academy program that includes employee mentoring. Within Impressions, employees are paired with high-level leaders at the college who do not work in the same area. The mentor relationships are structured to last a year and include regular meetings, trainings and reviews of the mentor relationship. Both participant and mentor will be provided with reading to encourage professional development and improve leadership strategies. The applications for Impressions are open and the program will begin in March 2019.	A. LCC will continuously strengthen its resources to maintain ongoing operations.	Improve employee engagement and satisfaction	Climate surveys, number of employees involved in college activities
<b>Comprehensive Culture of Emergency Preparedness:</b> Develop a strong emergency management system.	The college hired a full-time, dedicated director of emergency management in fall 2018. The director has more than five years of experience working for Michigan State Police in the Emergency Management and Homeland Security Division as the training and exercise manager. Additionally, the college is focused on training the rest of its Incident Command Team, and sent eight members to FEMA training on "Multi-Hazard Emergency Management for Higher Education" in September 2018. The college's 17-member Emergency Preparedness Team also is in the process of updating the College's Emergency Operations Plan.	A. LCC will continuously strengthen its resources to maintain ongoing operations.	Maintain a contemporary, safe and clean learning and work environment	Number of employees trained in emergency, safety, and business continuity processes.
<b>Improve Coordination of Academic and Faculty Planning and Utilization:</b> Develop a five-year capital outlay plan that integrates long-term academic planning, including the addition or deletion of academic programs, instructional delivery methods, and scheduling of course sections.	The college's five-year capital outlay plan was updated and approved by the Board of Trustees in October 2018. To ensure college resources are effectively utilized, a parking taskforce focused on aligning course scheduling. Work from this taskforce resulted in improved parking distribution during the fall 2018 semester, and data from the fall will inform future scheduling. In addition, revisions to the college's academic program review process have been approved by Provost's Cabinet and will support the long-term academic planning needs of the college.	A. LCC will continuously strengthen its resources to maintain ongoing operations.	Maintain a contemporary, safe and clean learning and work environment, Maintain tuition affordability and cost control.	Deferred maintenance, safety reports, Cost per FYES, annual rate of tuition increases.

## Performance Measures

A key component of strategic planning involves measuring results, evaluating results and adjusting strategy. 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. Allowing students to be "weeded out" by failing first and/or second-year college-level and developmental education courses is unacceptable, as it does not promote further study and success.

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. The Voluntary Framework for Accountability (VFA) established by the American Association of Community Colleges is developing a cross-system alignment of expectations, standards and assessments among community colleges. For more information on the VFA, see [pages 33-35](#).

At the state level, Michigan government's commitment has been demonstrated by the inclusion of performance-based metrics in the allocation of appropriations to community colleges since FY2013. Each year, performance measures are recalculated according to the most recent data submissions. Early on, 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. 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 52-53](#) and *Impacts on FY2020 Budget Planning* [pages 56-65](#).

### **The Higher Learning Commission Accreditation**

Lansing Community College is accredited by the Higher Learning Commission (HLC), a regional accreditation agency that accredits degree-granting institutions of higher education located in the 19-state North Central region of the United States. Accreditation validates the quality of an institution as a whole and evaluates multiple aspects of an institution. The HLC uses a largely peer-based review and evaluation process.

In June 2016, LCC underwent a Comprehensive Quality Review from the HLC, resulting in reaffirmation of accreditation for the next ten years. LCC was accredited under the Academic Quality Improvement Program (AQIP) which includes a Systems Portfolio assembled by the institution to answer specific questions. At the end of the AQIP pathway's eight-year cycle, HLC conducts a comprehensive Quality Review as part of a broader comprehensive evaluation to ensure that the institution is meeting accreditation criteria, pursuing continuous improvement and complying with certain U.S. Department of Education (DOE) requirements. The DOE is pressuring HLC to be very stringent during accreditation reviews, in light of the emphasis on performance indicators throughout the nation.

The HLC review team evaluated LCC on five core competencies and found that the core criteria was met in each one with no concerns expressed by HLC on all criteria and core components. The final report states (in part) that: "A culture of Continuous Quality Improvement is most notably demonstrated through a bold plan focused on student persistence, retention, and completion. Campus wide engagement in the plan demonstrates LCC's commitment to creating an experience that promotes each student achieving his/her stated goal." The core competencies are:

- Criterion One: Mission. The institution's mission is clear and articulated publicly, it guides the institution's operations.
- Criterion Two: Integrity, Ethical and Responsible Conduct. The institution acts with integrity, its conduct is ethical and responsible.

- Criterion Three: Teaching and Learning - Quality, Resources and Support. The institution provides high quality education, wherever and however its offerings are delivered.
- Criterion Four: Teaching and Learning - Evaluation and Improvement. The institution demonstrates responsibility for the quality of its educational programs, learning environments, and support services, and it evaluates their effectiveness for student learning through processes designed to promote continuous improvement.
- Criterion Five: Resources, Planning and Institutional Effectiveness. The institution's resources, structures, and processes are sufficient to fulfill its mission, improve the quality of its educational offerings, and respond to future challenges and opportunities.

Since LCC's accreditation in 2016, HLC noted a sharp decrease in the number of institutions choosing to participate in the AQIP pathway. While HLC and its Board of Trustees are fully committed to continuous quality improvement efforts, this situation made it clear that HLC must rethink the way it supports such efforts. Therefore, HLC has begun the process of phasing out the current AQIP Pathway and transitioning current AQIP institutions to other pathways in 2017. Institutions will have individual transition plans during the next two academic years.

For LCC, the accreditation process now requires completing a Systems Portfolio, which was submitted June 2019. From that point, the review of the Portfolio will determine if LCC will be transitioned into the Standard Pathway at year four and be required to undergo a comprehensive visit or have the option to be transitioned into the Open Pathway at year five. Each of the Pathways requires the institution to choose a Quality Initiative Project to develop and implement in years five through nine of a ten-year cycle.

## **Benchmarking**

In addition to benchmarking via the state required Integrated Postsecondary Education Data System (IPEDS) reporting, LCC began participation in the Association of American Colleges & Universities and the Voluntary Framework of Accountability (VFA), providing an opportunity for the College to compare various key institutional metrics with other schools around the nation. Participation allows the College to identify any global effects experienced by other community colleges or other higher education institutions and truly understand if changes are related to specific initiatives or if the changes cannot be separated from national trends.

## **Association of American Colleges & Universities (AAC&U)**

The Association of American Colleges & Universities (AAC&U) membership is comprised of regionally accredited institutions of higher education, college and university system offices, and higher education agencies in the United States, non-degree granting 501(c)(3) organizations with association-compatible missions, and higher education institutions that are authorized to grant degrees by their national government. The membership provides ongoing advocacy and access to resources in areas such as

assessment of key educational outcomes, general education, diversity and inclusive excellence, civic engagement, global learning and social responsibility, integrative learning, institutional change and faculty development.

LCC adopted the AAC&U four essential learning outcomes, listed below, as institutional outcomes:

- Knowledge of human cultures and the physical and natural world;
- Intellectual and practical skills, such as inquiry and analysis, critical and creative thinking written and oral communication, quantitative and information literacy, and teamwork and problem solving;
- Personal and social responsibility; civic knowledge and engagement-local and global, intercultural knowledge and competence, ethical reasoning and action, foundations and skills for lifelong learning;
- Integrative and applied learning.

Educational research suggests that active learning practices mentioned here increase rates of student retention and student engagement. The teaching and learning practices below have been shown to be beneficial for college students from many backgrounds, especially historically underserved students. These practices take on many forms, depending on learner characteristics and on institutional priorities and contexts. LCC's Academic Operating Plans are beginning to look to these practices for program improvement. They are:

- First-Year Experiences
- Common Intellectual Experiences
- Learning Communities
- Writing Intensive Courses
- Collaborative Assignments and Projects
- Undergraduate Research
- Diversity/Global Learning
- ePortfolios
- Service Learning, Community-Based Learning
- Internships
- Capstone Courses and Projects

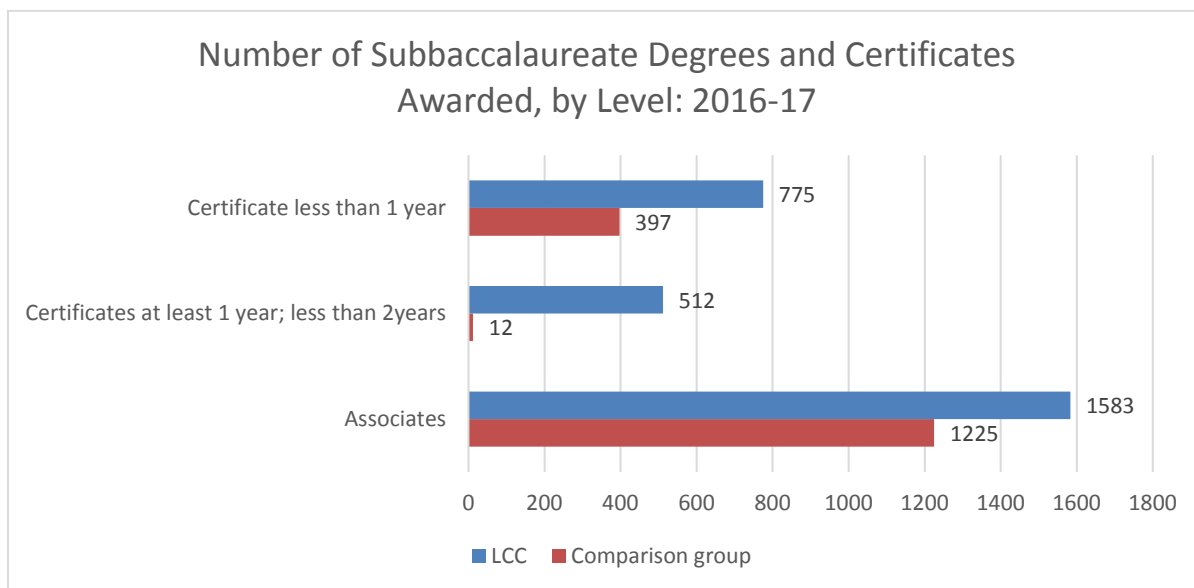
Source: AAC&U <https://www.aacu.org/resources/high-impact-practices>

The Academic Senate at LCC created a standing sub-committee, the Committee for Assessing Student Learning, to support and blend evidence-based decision-making, program improvement and accountability. Recognizing that the design of an integrated assessment system is a long-term endeavor, the committee created an Assessment Plan spanning the three-year period of 2015-2018, utilizing the Balanced Scorecard approach and AAC&U member benchmarks. The report concluded that LCC's programs of study were "within range of target" or "on or over target" in the 2017-2018 academic year related to aligning program-level learning outcomes to institutional-level learning outcomes, requiring moderate level cognition skills and aligning selected methods of

assessment to the program's student outcomes statement . The report also concluded that, while improvement was evident from AY2016-17 to AY2017-18, 41% of those programs of study lacked plans for collecting, analyzing and using student learning outcome evidence.

### National Center for Educational Statistics

For the 2018 report, IPEDS data was used to compare Lansing with 27 colleges with shared characteristics. They include comparable enrollment size, public institutions, Associate's Colleges, Mixed transfer/career and technical, Mixed traditional/nontraditional. Michigan community colleges included in the cohort are Delta College and Wayne County Community College. Two of the key findings from the 2018 annual Data Feedback Report provided to LCC by the National Center for Educational Statistics follow.



- LCC exceeded its comparison group for 2016-17 in the number of sub-baccalaureate credentials awarded in all categories (see chart above).
- LCC's retention rates for both full-time and part-time, first-time degree/certificate seeking students was above that of its comparison group for the 2016 cohort. LCC's full-time retention rate is 64%, compared with 62%; part-time retention rate is 45%, compared with 44%.
- More LCC students (28%) are transferring to four-year institutions than students from the IPEDS national comparison group (17%).

See LCC's fall-to-fall first-time student retention rate trend through the IPEDS data Center below:

**Retention, First Time Students Fall 2012 to Fall 2016 Cohorts**

<b>Full Time Students</b>	<b>Lansing Community College</b>	<b>Comparison Group Median</b>
Fall 2012 to Fall 2013	59%	55%
Fall 2013 to Fall 2014	59%	58%
Fall 2014 to Fall 2015	62%	59%
Fall 2015 to Fall 2016	64%	61%
Fall 2016 to Fall 2017	64%	62%
<b>Part time Students</b>	<b>Lansing Community College</b>	<b>Comparison Group Median</b>
Fall 2012 to Fall 2013	42%	39%
Fall 2013 to Fall 2014	46%	41%
Fall 2014 to Fall 2015	48%	42%
Fall 2015 to Fall 2016	44%	44%
Fall 2016 to Fall 2017	45%	41%

These data points indicate that the percentage of first-time full-time students retained at LCC has increased year over year and has remained above the comparison group, while the retention for first-time part-time students has remained at or above the comparison group, but dropped to be identical to the comparison group for Fall 2015, then rose above the comparison group.

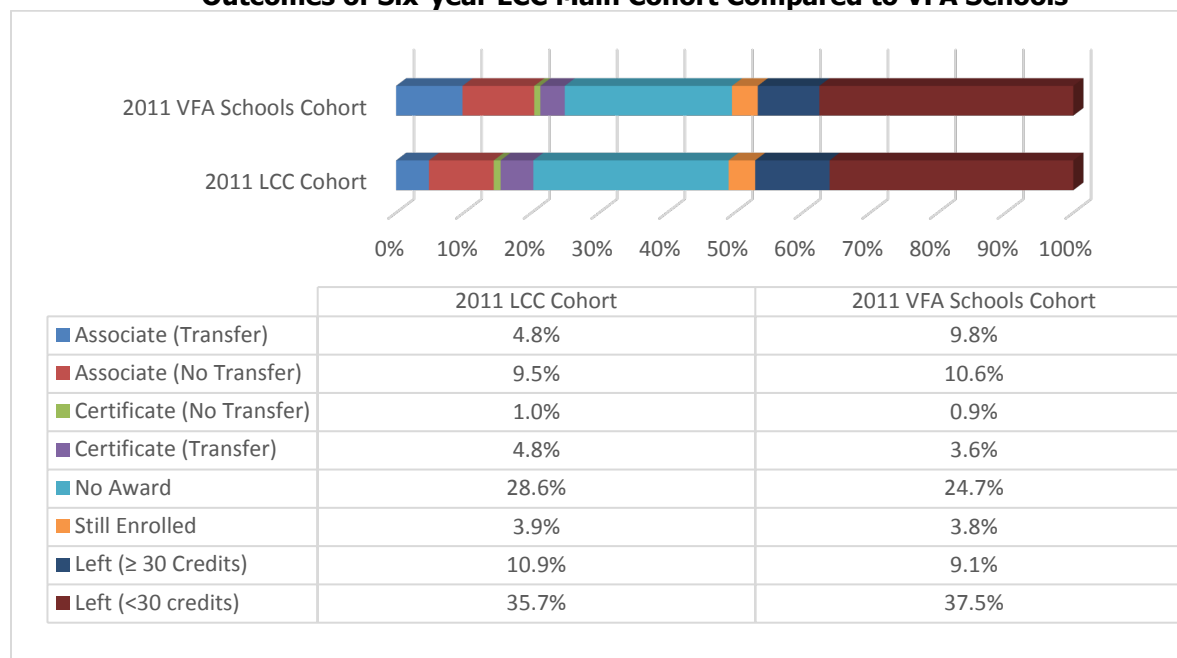
It is important to note that IPEDS bases its metrics only on first-time (new), students. This is problematic for many community colleges because it does not capture the complexity of the student body. Full-time students currently account for about 37% of LCC's student body and many students shift between full- and part-time status from semester to semester. When using IPEDS data to benchmark with other colleges, the system's advantage is that all participants have a clear set of definitions allowing for cleaner comparison of several metrics. Although a particular metric may not tell the story for each school, it is provided relative to similar institutions so each school can see how they compare within these subsets of the population.

### **Voluntary Framework of Accountability (VFA)**

The Voluntary Framework of Accountability was developed and launched by the American Association of Community Colleges (AACC) to create a set of measures that better encompasses and describes 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 relatively new (FY2019 is the sixth year of full-scale national deployment) and typically tracks results in two and six-year outcomes. The newest VFA report has adopted the AACC Guided Pathways scorecard that includes measures for credit momentum, retention, persistence, completion of gateway math and English courses, and a ratio of attempted versus earned credits. These reports allow LCC access to

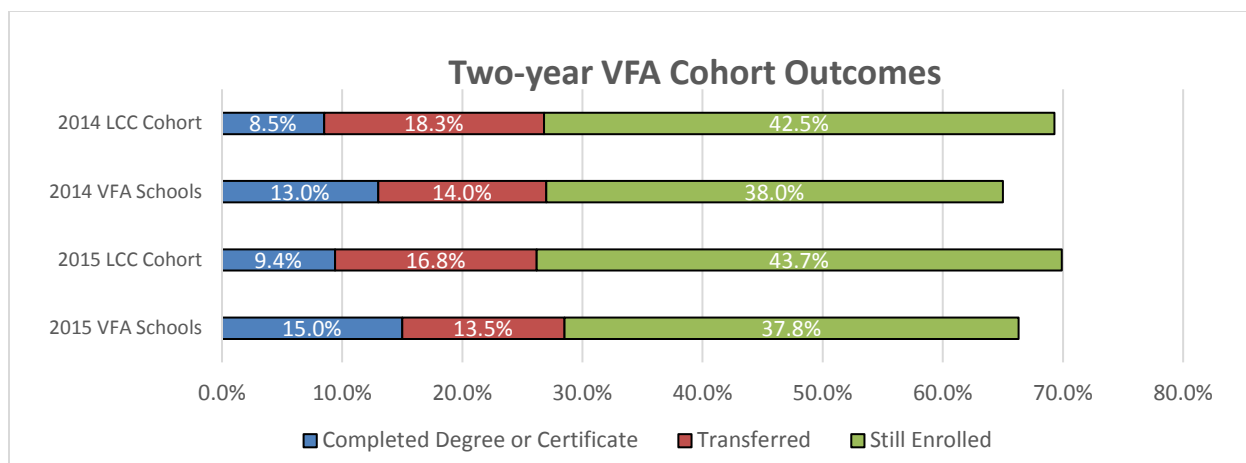
better benchmark data with over 200 schools now participating in VFA reporting. However, the VFA has changed when it collects data from the spring to the fall, resulting in data reports that lag by nearly eight years. For this reason, the college has started using the AACC Guided Pathways scorecard as the primary tool to obtain relevant data for analysis of student success. In addition, the credit momentum and gateway math and English completion metrics have proven to be predictive of students' likelihood to complete a degree or certificate within six years.

**Outcomes of Six-year LCC Main Cohort Compared to VFA Schools**



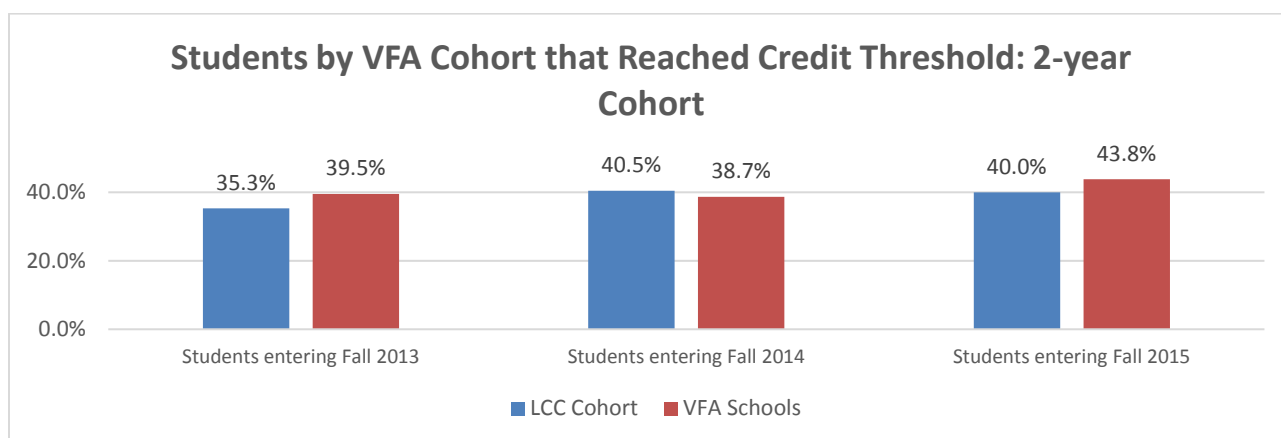
The largest difference between LCC and the rest of the VFA-reporting community colleges appears to be related to students completing a credential before transferring. This may be due to other state systems providing incentives for their community college students to complete a credential prior to transferring to a university.

At many community colleges, the student body is heavily comprised of part-time students and students that may shift repeatedly between part-time and full-time status. The VFA reports cohort outcomes at the six-year mark to allow these part-time students the necessary time to complete their credential. However, the VFA also summarizes award, transfer, and retention data after the cohorts second year to show that cohort's progress towards completion. The two-year progress metrics shown below are unduplicated and can be added together to determine the percentage of students from the original cohort that are either pursuing or have completed their educational goals. LCC has slightly improved outcomes from the 2014 fall-entering cohort to the 2015 fall-entering cohort by 0.3% 69.9% of LCC's fall-entering cohort of students have either earned a credential, transferred, or are still enrolled at the end of their second year compared to an average of 66.3% of VFA reporting community colleges (see below).



- Students are unduplicated – a student is only counted once
- Achieved by the end of two years: tracks a cohort of students starting in a fall semester for two years
- Earned credentials at the reporting college: does not account for credentials (e.g. Bachelor's Degree) earned at other institutions

For two-year cohort success, another important measure is reaching a credit threshold by end of year two of 24 credits (part-time students) or 42 credits (full-time students). The 2014 LCC cohort experienced a significant improvement over the 2013 LCC cohort, which declined slightly for the 2015 LCC cohort (see chart below).



- Students are unduplicated – a student is only counted once
- Achieved by the end of two years: tracks a cohort of students starting in a fall semester for two years
- Earned credentials at the reporting college: does not account for credentials (e.g. Bachelor's Degree) earned at other institutions

## 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** – Student attainment of challenging career and technical proficiencies, including student achievement on technical assessments that are aligned with industry standards, if available and appropriate.

**2P1 Credential, Certificate or Diploma** – Student attainment of an industry-recognized credential, certificate or degree.

**3P1 Student Retention or Transfer** – Student retention post-secondary education or transfer to a baccalaureate institution.






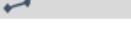
**4P1 Student Placement** – Student placement in military or apprenticeship programs, or placement or retention in employment, including retention in high wage, high skill or high demand occupations or professions.

**5P1 Nontraditional Participation** – Student participation in career and technical education programs that lead to employment in nontraditional fields.

**5P2 Nontraditional Completion** – Student completion of career and technical education programs that lead to employment in nontraditional fields.

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 for the most recent six years are shown below. For all years, LCC met, exceeded or was within 90% of the state's expected level for all categories except 2011-12 5P2 (highlighted in pink).

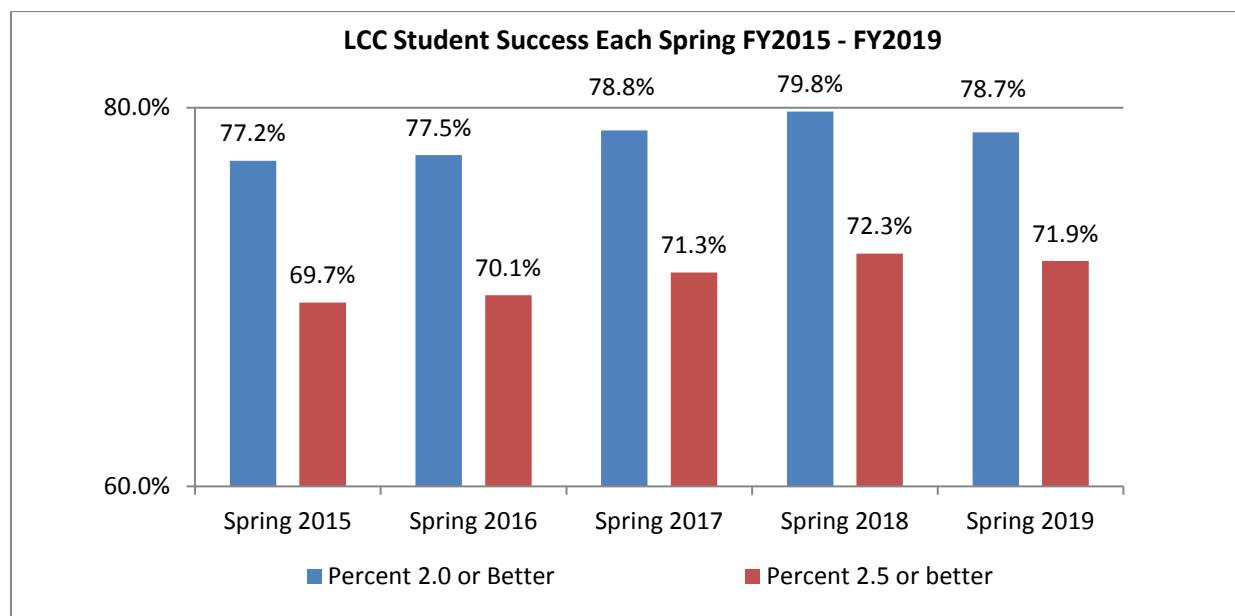
**LCC Perkins Core Indicators (in percentages) and Trend Line 2011-2012 through 2017-2018**

Perkins Core Indicators (Percentages)								
Indicator	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Trend
1P1	94.15	96.41	97.24	92	93.99	95.44	96.1	
2P1	28.22	29.49	31.99	33.45	28.81	37.72	43.3	
3P1	71.58	71.01	72.06	71.95	70.56	68	69.4	
4P1	76.92	81.91	89.51	82.81	83.33	90.53	91.4	
5P1	25.84	25.34	26.3	27.68	27.16	28.37	27.5	
5P2	17.71	18.71	22.19	22.36	22.69	20.47	20.5	

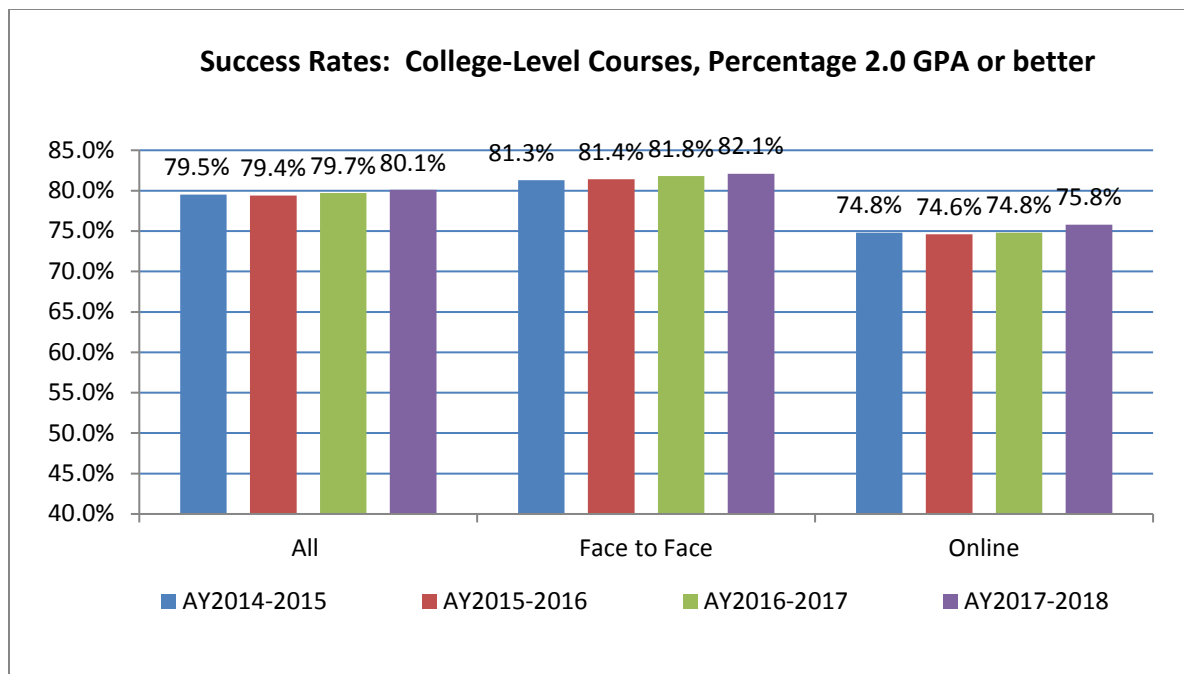
## Other Metrics

Student success is a broad term that, based on context, can have a wide range of definitions. In the graphs below, 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.

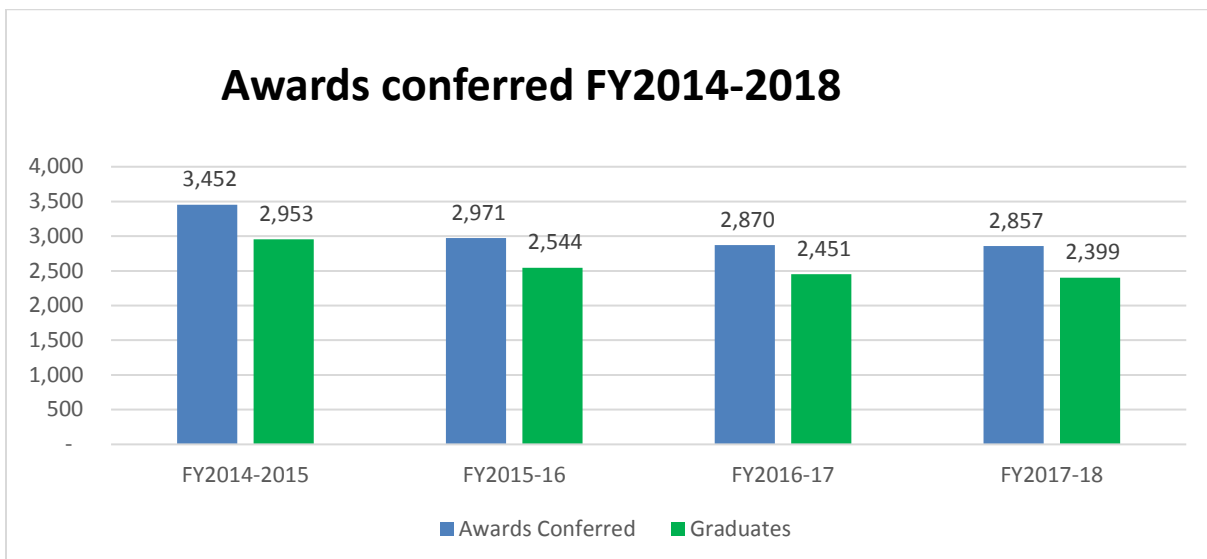
The graph below shows data for Spring semester students for 2015 through 2019. During this time, both categories of achieving a 2.0 or better and a 2.5 or better grade has continued a trend of moderate year-over-year improvement until 2019, where slight decreases occurred in both categories.



Looking at college-level course success rates by delivery mode reveals that success rates have increased since AY2014 in each mode of delivery except online, which shows a slight decrease for AY2016, but increased in AY2017 and AY2018 (see below).



Shown in the graph below are the counts of awards and graduates. Each Fiscal Year (FY) encompasses summer term of the first year indicated in the FY through Spring term of the last year indicated. 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. While many factors can affect the counts, the downward trend in enrollment is definitely a contributing factor in the downward trend in number of awards.

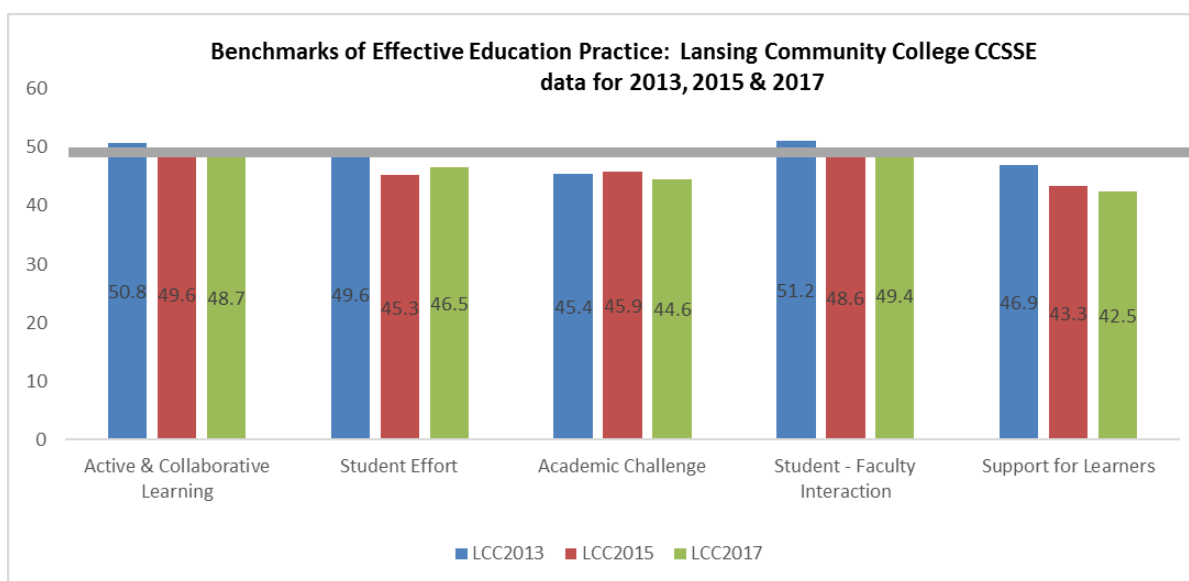


## Community College Survey of Student Engagement

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

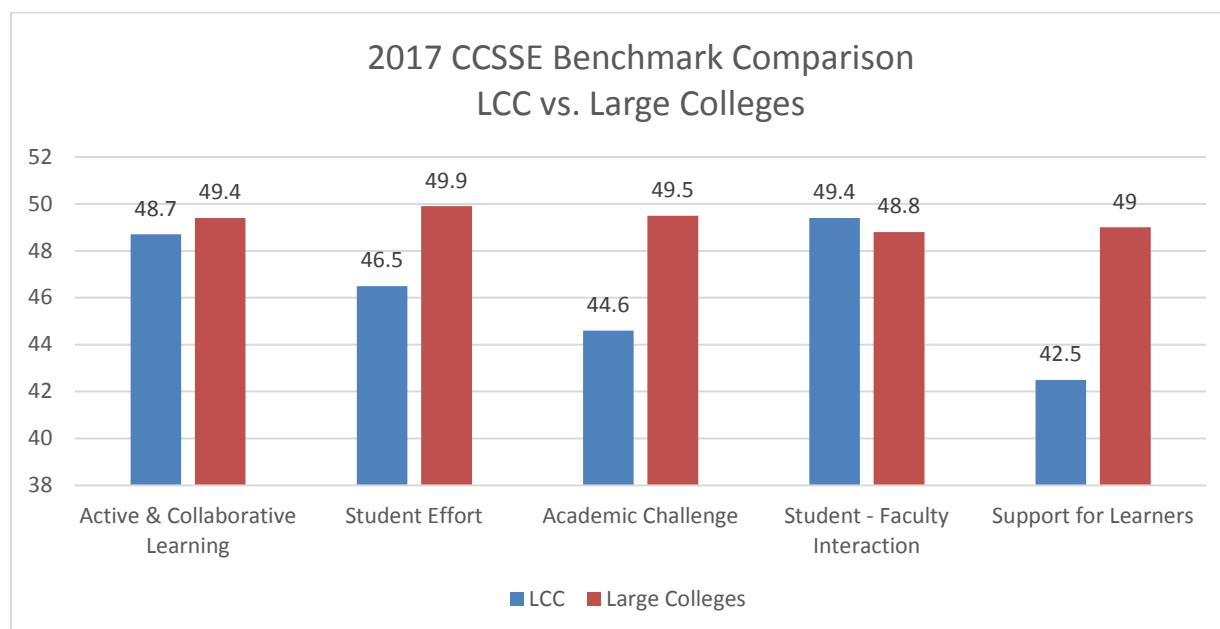
- Active and Collaborative Learning;
- Student Effort;
- Academic Challenge;
- Student-Faculty Interaction;
- Support for Learners.

The CCSSE 2017 Cohort is comprised of 297 institutions, 63 of which are considered large (8,000 – 14,999 credit students). The charts below compare the 2017 (most recent available) data for LCC with previous results and with the large college cohort. 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 falls near the mean score in the area of Active and Collaborative Learning, considered by CCSSE 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 is also near the mean score in Student-Faculty Interaction.



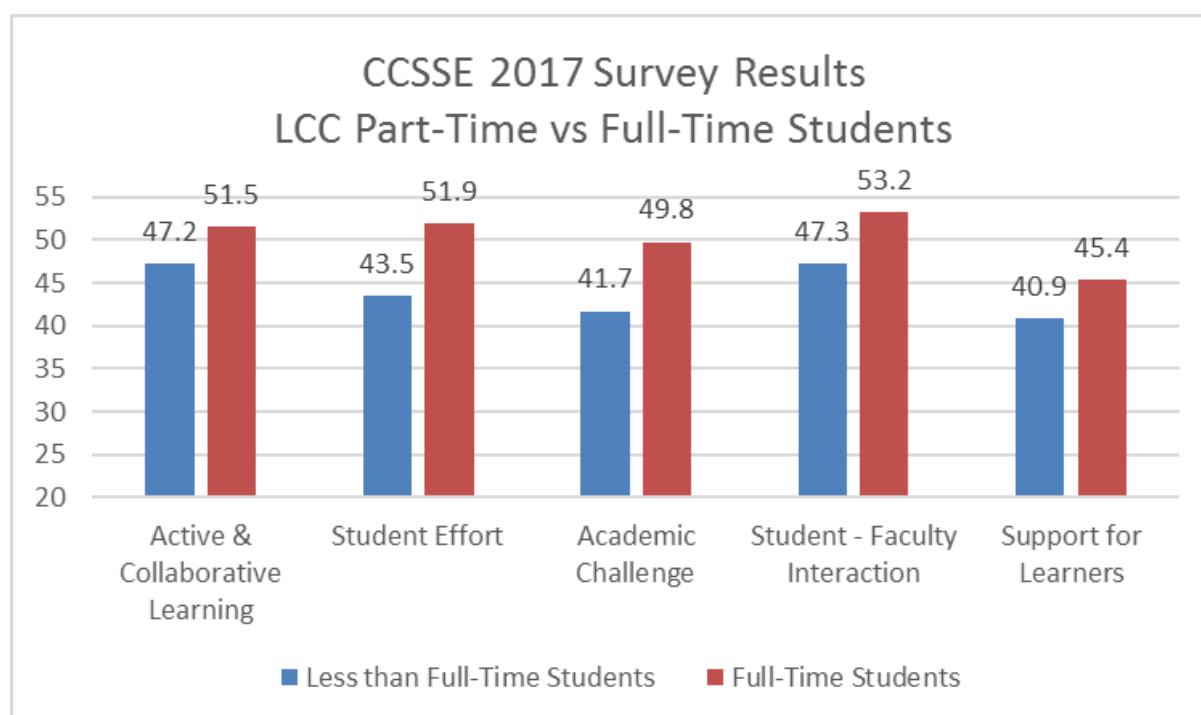
LCC performed most favorably on questions in the area of Active and Collaborative Learning and Student-Faculty Interaction; least favorably on questions in the area of Support for Learners. According to this survey, LCC students are engaging with tutoring services, but not with our academic advisors. This may result from the fact that most of our students are not required to meet with an advisor.

In comparison to other colleges, LCC's relative strength appears to remain Student-Faculty Interaction, with the gap for Active & Collaborative Learning at less than a point (See graph below).



*\*Large College comparison group consists of 63 colleges that have between 8,000 and 14,999 credit students*

When comparing LCC's scores by student enrollment status, Full-Time Students score slightly higher than less than Full-Time Students (see chart below).



## Lansing Community College's Program Review

Program review is a four-year process that explores multiple components of each program of study to provide well-rounded insight into the strengths and opportunities for improvement, including root causes. The program review process requires faculty to reflect on how their program supports the college mission and strategic plan. Reviews include, but are not limited to, surveys of recent graduates, leavers, current students and advisory committees; student success data (retention, graduation/transfer and success rates); and real time job posting and employment data. The process leads to an improvement plan that must align to the self-study and LCC's Strategic Plan. Plans are updated annually by program area Associate Deans and reviewed by the Provost's cabinet. LCC has many different tools to use in root cause analysis. Two major models for analysis are the Adapted Behavior Engineering Model and Force Field Analysis Model (see examples below).

### Adapted Behavior Engineering Model

ENVIRONMENTAL FACTORS THAT INFLUENCE PERFORMANCE	INFORMATION	RESOURCES	INCENTIVES
	<ul style="list-style-type: none"> <li>Do faculty/students know what is expected of them?</li> <li>Are expectations clearly defined?</li> <li>Do faculty/students receive regular performance feedback?</li> <li>Are work processes documented?</li> </ul>	<ul style="list-style-type: none"> <li>Do faculty/students have the tools, resources, &amp; time necessary to perform to expectation?</li> <li>Is written documentation of processes &amp; procedures available to faculty/students?</li> <li>Do the work conditions conducive to the desired performance (e.g. safe, clean, ergonomic, etc.)?</li> </ul>	<ul style="list-style-type: none"> <li>Do faculty/ students have financial &amp; non-financial incentive that reinforce desired performance?</li> <li>Does the work enrich and/or fulfill needs?</li> <li>Do faculty/ student s believe there is an opportunity to succeed?</li> </ul>
INDIVIDUAL FACTORS THAT INFLUENCE PERFORMANCE	KNOWLEDGE/SKILLS	CAPACITY	MOTIVES
	<ul style="list-style-type: none"> <li>Do faculty/students have the necessary knowledge and skills to perform as desired?</li> <li>Do faculty/students have the opportunity to apply their knowledge and skills to the job?</li> </ul>	<ul style="list-style-type: none"> <li>Do faculty/students have the capacity to learn and perform as expected?</li> <li>Are faculty/students in the right position/section/course?</li> <li>Are the right faculty/students recruited for the right positions?</li> </ul>	<ul style="list-style-type: none"> <li>Are individual goals and organizational goals aligned? (indiv goals → course → program → division → LCC)</li> <li>Do faculty/students have the desire to perform as expected?</li> </ul>

### Force Field Analysis (Kurt Lewin 1940)

Driving Force (positive)	Force Strength											Restraining Force (negative)
	+5	+4	+3	+2	+1	0	-1	-2	-3	-4	-5	
Leadership support												Low enrollment
Accessibility to resources												Existing workloads
Well-developed interdepartmental relationships												Staff shortage

Also weighed is the level of college subsidies needed to support programs; and in some cases, the need for future capital investments.

The Program Review process expects the review team to examine the student enrollment, success, retention, persistence and completion data as well as the currency and relevancy of the program and courses within, and methods used to ensure faculty remain current in their discipline. Institutional data is also provided to programs for contextual comparative analysis. The data provided should allow a thorough analysis. Minimally, information is expected on the following:

- Any disparate impact related to gender, race, or age;
- General admissions: year-over-year change in declared program of study enrollment compared to overall college enrollment;
- Discussion on patterns and anomalies;
- Actions that should be taken for continuous improvement, and;
- The programs of study that your program's courses serve (for example, the Biology Program offering a course for nursing students).

During the 2018-2019 program review cycle, the college began using a rubric to assess the quality, completeness, and alignment of program review results and to provide guidance for consistent and meaningful feedback for improvements from the support team. The current cycle serves as a baseline for establishing targets for future program review.

The 2018-2019 academic year was the final year of LCC's participation in the nation-wide initiative Gateways to Completion (G2C), an evidence-based plan for improving teaching, learning and success in historically high-failure rate courses. In order to keep the momentum achieved by LCC's participation, the G2C co-liaisons, in collaboration with the Center for Data Science and the Provost's office, have been planning a transition to an in-house assessment process for continuous improvement for gateway courses. This transition signals an institutionalization of a customized and systematized process to regularly review and improve student success in key/gateway courses through the Program Review process.

# **THE BUDGET AND STRATEGIC PLANNING CONTEXT**

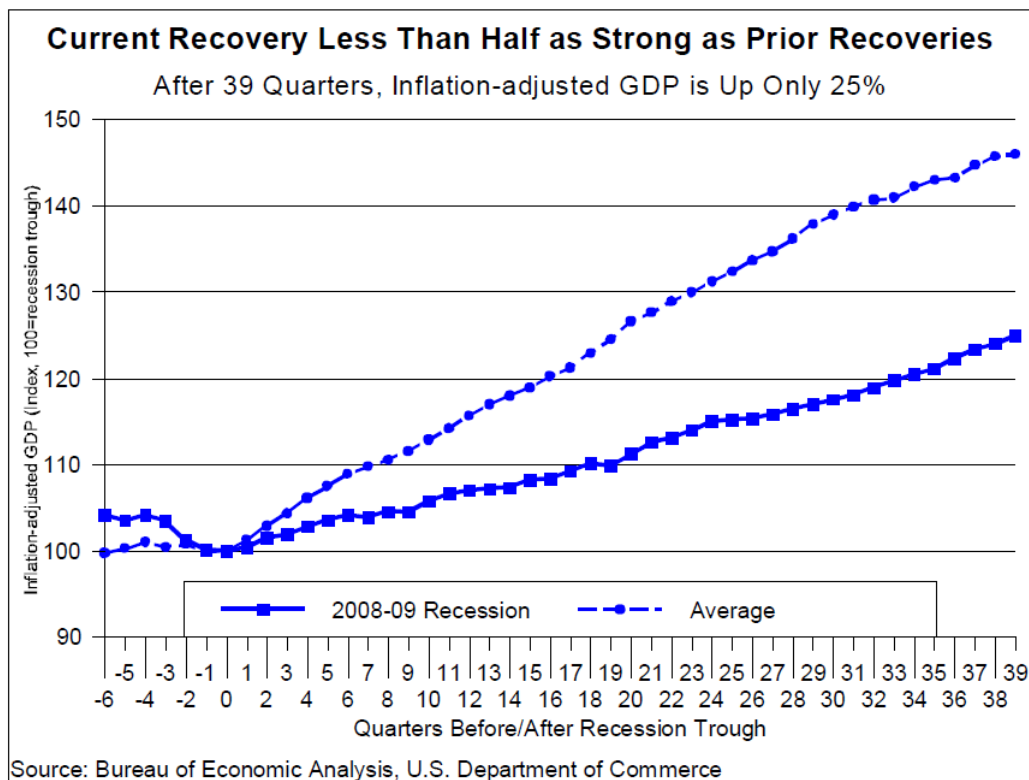
## BUDGET AND STRATEGIC PLANNING CONTEXT

There are multiple external factors which significantly impact the financial planning of Lansing Community College and its overall strategic planning. These factors range from:

- 1) changes in the economic environment within which the College is located and operates (local, state and national);
- 2) rising retirement and health care insurance costs;
- 3) changes in student demographics and occupational choices and trends; and,
- 4) changes in federal and state legislation. This environment provides a very challenging context for the College's budget.

### Recent National Economic Highlights

In 2018, inflation-adjusted gross domestic product increased 2.9%, ranking slightly below the 2015 increase as the most rapid economic growth since 2006. While the 2008-2009 recession represented the most severe economic contraction in more than 70 years, the years following the recession have represented the weakest recovery. As of the first quarter of 2019, the economy had been in recovery for 39 quarters after the recession trough in the second quarter of 2009.



The economy has averaged only 2.3% annual growth since the end of the recession, compared with an average of 4.0% annual growth over the longest recoveries since World War II. Most of the weakness in the recovery has reflected particularly slow

growth through the first quarter of 2014: personal consumption spending (which generally has accounted for two-thirds of economic activity) grew at a rate of 1.7% per year and government sector contracted by 1.9 per year for this timeframe. Since the first quarter of 2014, the government sector has remained relatively flat through the third quarter of 2017, and then grew 1.8% per year between the third quarter of 2017 and the first quarter of 2019, while consumption has consistently grown more rapidly, growing at an average of 3.1% per year. However, the growth in consumption since the first quarter of 2014 has been offset by a marked slowing in business investment from 9.8% growth per year to 4.3%.

Recoveries from recessions caused by a crisis within the financial system often take longer than traditional recoveries, largely because of the increased level of risk aversion both borrowers and lenders exhibit, and the need to rebuild asset values rather than simply having the unemployed obtain jobs. Employment losses continued through February 2010, while housing prices continued to decline through late 2011, both depressing economic activity and delaying any potential recovery. In March 2013, the S&P 500 finally recovered to its prerecession peak, signaling new growth in asset prices; however, payroll employment did not regain its prerecession peak until May 2014. Depending on the price index used, housing prices had recovered to prerecession peaks by either the first or third quarter of 2016. With employment, housing prices, and the stock market all exhibiting an upward trend in the years after early 2014, and in many cases surpassing prerecession levels, consumption returned to relatively normal growth rates.

While economic growth has been stronger since the first quarter of 2014, the growth rates are not sustainable given current economic circumstances. The long run growth of an economy is generally constrained by two factors: population growth and productivity growth. These two factors essentially represent how many people participate in an economy and how effectively they are able to produce goods and services. While short-term deviations inevitably occur, especially as a result of variations in the labor force participation and the number of unemployed workers, the trend growth of an economy (or at least of its maximum potential growth) will tend to equal the sum of the growth rates of these two factors. As a result, a portion of the lower growth experienced during the current recovery can be attributed to slower rates of both population growth and productivity growth.

Productivity, as measured by output per hour in the nonfarm business sector, was flat in 2016, but rose 1.2% in 2017. During the 1985 to 2005 period, productivity grew by approximately 2.3% per year, while productivity averaged 0.8% growth per year since 2010 – the longest and most severe slowdown in productivity experienced since at least World War II. This decline in productivity has occurred despite business investment growing at roughly the same rates as in previous recoveries, at least through mid-2014.

As of April 2019, payroll employment averaged 1.7% annual growth since the February 2010 trough and was up 1.8% from the April 2018 level, essentially the same year-over-year growth that has been exhibited since February 2018.

The combined effect of an improving economy, consistent payroll employment growth, and low productivity on the unemployment rate has been significant, especially given the underlying demographics affecting the labor force. The unemployment rate fell from a peak of 10.0% in October 2009, to 3.6% in April 2019 – the lowest rate since December 1969. 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. Between the December 2009 trough in total employment (as opposed to payroll employment) and September 2014, the labor force averaged 0.3% annual growth. As of September 2014, total employment nationwide had surpassed the prerecession peak of November 2007 and the November 2018 level of total employment set an all-time record. However, labor force participation during 2018 remained at the same 40-year lows experienced since late 2013.

As of the first quarter of 2019, the economy exhibited characteristics of a healthy economy in many respects: low unemployment rates, high consumer sentiment, and low inflation – although inflation rose more rapidly during 2018 than any year since 2011. Vehicle sales remain at historically strong levels, initial unemployment claims are at record lows (especially as a share of the labor force), and housing starts are finally rising at a level consistent with household formation. However, even without considering fiscal policy risks, substantial concerns and uncertainties remain. Although growth in consumer debt has slowed, debt levels remain high and are likely to be more of a burden as interest rates rise; productivity growth remains exceptionally low, inflation-adjusted incomes have remained somewhat stagnant; business investment remains weak; and the gap between short-term and long-term interest rates (often referred to as the “yield curve”) has declined to very low levels and was even briefly negative at the end of March 2019 (a negative gap, or “inversion”, in the curve has been a reliable indicator of recessions).

Housing construction, which counts as residential investment rather than consumption spending, continued to improve in 2018, with housing starts nearing rates consistent with a growing economy, although as a share of GDP residential investment remains substantially below historical norms. Housing starts totaled 1.25 million units in 2018, a 3.9% increase from the 2017 level, marking the ninth consecutive annual increase in starts and the most starts since the 2008-2009 recession. However, the number of starts during 2018 was less than the number in any year during the period of 1993 to 2007, despite the 35.9% increase in the U.S. population between 1993 and 2018.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY2018-19, FY2019-20 and FY2020-21  
May 16, 2019 Senate Fiscal Agency, State of Michigan

## **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. Michigan's manufacturing sector experienced, and continues to experience, a significant surge in productivity driven by increased competition in the economy. 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; thus, Michigan lost jobs as a result of 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.

The drag from the manufacturing sector on Michigan's economy largely bottomed out in 2010 and the recovery in vehicle sales nationally has helped Michigan's economic situation. Manufacturing employment in Michigan rose 34.5% between June 2009, when the U.S. recession ended, and December 2014, or approximately 2,300 jobs per month (an average growth rate of 5.5%). Since December 2014, job growth in manufacturing has slowed with employment gains falling from 3.0% in 2015 to 2.4% in 2016, 1.7% in 2017 and 2.2% in 2018. Employment in the transportation equipment manufacturing sector increased by 65.3% between June 2009 and December 2014, accounting for 69,000 (46.1%) of the manufacturing jobs Michigan gained and 18.2% of the total jobs added in Michigan over that period. Like total manufacturing employment, Michigan transportation equipment manufacturing employment is growing more slowly, with the growth rate slowing from a 10.7% increase in 2011 to a 5.8% increase in 2014 and a projected 2.8% increase in 2018. Similarly, the growth in total Michigan payroll employment has slowed, declining from 1.8% growth in 2016 to a 1.1% growth in both 2017 and 2018. Furthermore, since the end of 2016, most sectors of the Michigan economy have exhibited slower employment growth than the U.S. as a whole, especially during 2018.

The unemployment rate declined from a high of 14.9% in June 2009 to 3.9% in August and September 2018, the lowest level since October 2000. The decline between June 2009 and May 2016 was partially attributable to the departure of approximately 145,100 individuals from the labor force in addition to the employment gain of 360,000 jobs. Almost half of the employment gain, representing 179,850 jobs, occurred during 2013 and 2014. Between September 2018 and March 2019, Michigan employment increased by 34,100 jobs, although the unemployment rate has remained steady at 4.0%.

During 2019, both the U.S. and Michigan economies are expected to expand at a slightly slower rate than during 2018. Although both the U.S. and Michigan economies are forecast to exhibit both income and employment growth during 2019 and later years, Michigan is generally expected to grow more slowly than the nation as a whole. The expansion over the forecast period primarily reflects stable consumption growth and business investment that will partially offset slowing residential investment and exports, the drag on the economy from increased imports, and declining Federal fiscal stimulus attributable to the Bipartisan Budget Act of 2018 and the Tax Cut and Jobs Act of 2017.

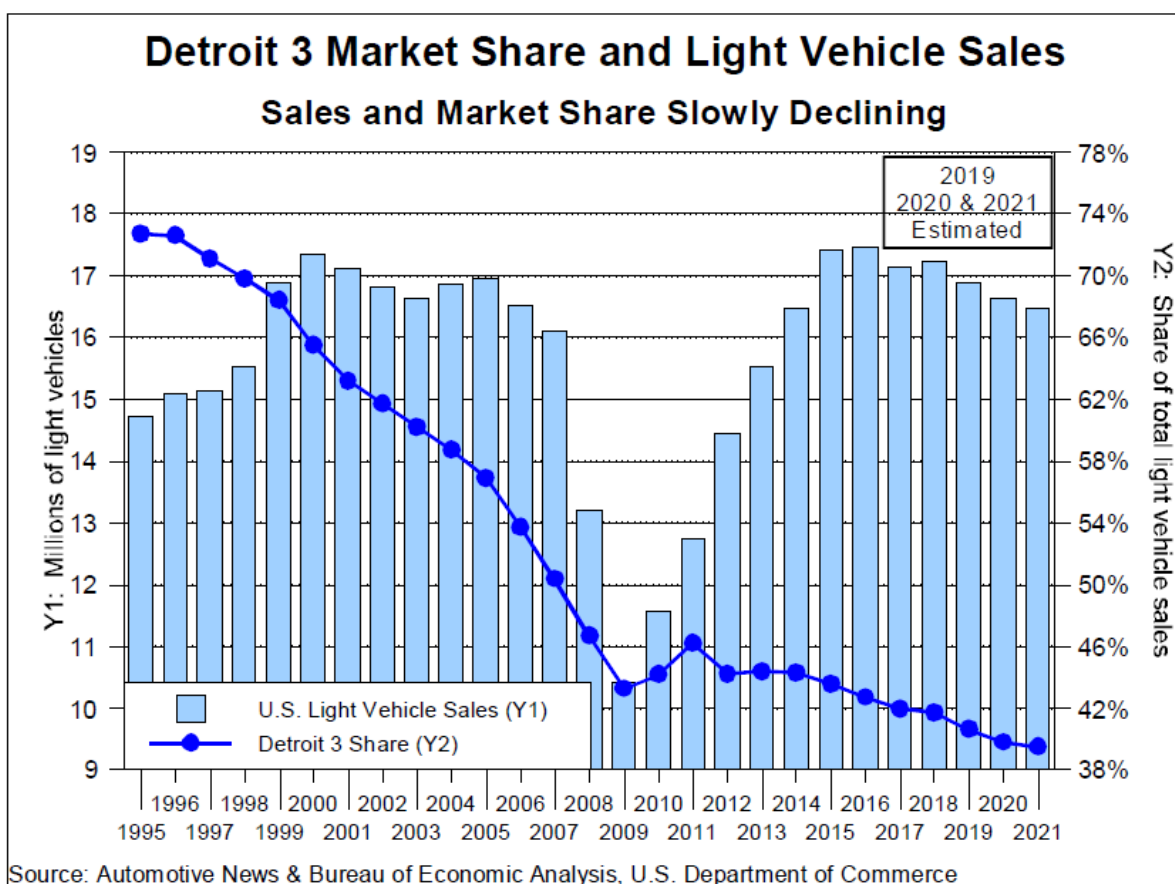
Employment gains over the forecast period will be muted, particularly compared with prior recoveries, because, while productivity growth is expected to be less than what was exhibited during the last decade, consumer demand is not likely to grow much more rapidly than productivity. Furthermore, business investment is expected to continue to focus on equipment and software, which generally replace capital for labor.

In Michigan both job growth and personal income growth are expected to remain below the national averages (despite outperforming the national averages in both 2010 and 2011) and below the historical State average. In Michigan, the relatively high, but declining, level of vehicle sales, stability in the housing market, and the strong national economy are expected to result in the unemployment rate decreasing from 4.1% in 2015, to 4.0% in 2019, but then rising to 4.1% in 2020 and 4.2% in 2021.

While over the 2000-2009 period 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.

Michigan's economic fortunes historically have been very closely linked with sales of domestically produced light vehicles. While that reliance has declined, (for example, in 1998 wages and salaries from transportation equipment manufacturing represented 11.8% of total Michigan wage and salary income, compared to 5.6% in 2017), Michigan is still heavily dependent on manufacturing – particularly motor vehicle manufacturing – and far more dependent than any other state in the country. As a result, when the vehicle market recovered between 2009 and 2016, Michigan generally performed better than other states, particularly those less reliant on the vehicle sector. However, for Michigan's future, both employment gains and improvements in economic growth will

be restrained by stable-to-declining vehicle sales and because the vehicle manufacturing sector is expected to continue to exhibit strong productivity gains. While the level of vehicle sales is quite high and will remain elevated when compared to historical levels, vehicle sales are expected to exhibit a downward trend over the forecast period. The Detroit 3 share of the sales mix is expected to decline somewhat (see below) due to the strong dollar making imported vehicles comparably less expensive, but will generally remain stable.



Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY2018-19, FY2019-20 and FY2020-21  
May 16, 2019 Senate Fiscal Agency, State of Michigan

### Michigan's Revenue Forecast

In fiscal year (FY) 2018-19 General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue is expected to total \$24.4 billion, up 0.2% or \$42.6 million from the preliminary final revenue for FY2017-18 and \$111.0 million above the January 2019 consensus revenue estimate. The projected revenue increase in FY2018-19 reflects continued growth in corporate income tax; sales and individual income taxes, offset by revenue reductions under the 2015 transportation package. Combined, the first year of the earmark of income tax revenue to the Michigan Transportation Fund and increased Homestead Property Tax Credit payments will reduce General Fund revenue by \$469.8 million.

In FY 2019-20, GF/GP and SAF revenue is expected to total \$24.4 billion, a 0.3% or \$80.2 million from the revised estimate for FY2018-19 and \$202.6 million below the January 2019 consensus revenue estimate. The small revenue increase in FY2019-20 reflects Michigan economic activity growing at a slower rate than in FY201-19, and more significant revenue reductions due to the second year of General Fund reduction under the transportation package enacted in 2015. Combined, these reductions will lower General Fund revenue by \$673.8 million.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY2017-18, FY2018-19 and FY2019-20  
May 14, 2018 Senate Fiscal Agency, State of Michigan

### **Current Economic Environment**

Michigan's economy is expected to continue to grow during FY2018-19. Personal income will grow somewhat faster than in FY2017-18 and wage and salary employment will increase at a slightly slower rate than in FY2017-18.

Inflation will be more of a concern over the forecast period than in recent years, but will largely be addressed by the anticipated success the Federal Reserve will have containing inflationary pressures and slowing growth. The U.S. Consumer Price Index is anticipated to increase 1.9% in 2019, followed by increases of 2.1% in 2020 and 3.0% in 2021.

Compared with the January 11, 2018, Consensus Economic Forecast, forecasted U.S. economic growth in both 2018 and 2019 is stronger, while the Michigan forecast is slightly weaker. Both the U.S. and Michigan forecasts predict continued growth, but compared to the January 2018 forecasts, the growth rates diverge due to the geographic distribution of weaker light vehicle sales and slightly higher levels of productivity growth. High vehicle sales levels, although lower than in 2016 and 2017, and stronger profitability in Michigan's vehicle sector, will provide stability to the Michigan employment situation - even if Michigan grows more slowly than the U.S. as a whole.

Source: MICHIGAN'S ECONOMIC OUTLOOK AND BUDGET REVIEW - FY2018-19, FY2019-20 and FY2020-21  
May 16, 2019 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. For over a decade, 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 state average tuition rate for all 28 Michigan community colleges (see graph and chart below and see [page 119](#), Michigan Community College Business Officers Association Tuition and Fees Survey for more information on tuition increases by college).

The table below shows that over the last five fiscal years the college has remained below the in-district statewide average tuition rate. In all but one of the last five years,

the rate of increase was below the statewide average. In FY2017, the increase exceeded the statewide average due to the College's commitment to the Student Success Initiative. In that year, In-district tuition increased by \$11 per billing hour in FY2017 to provide an estimated \$1.8 million for additional staffing for Academic Success coaches and expanded tutoring services. In-District tuition was increased by \$4 per billing hour for FY2018 and \$3 in FY2019, continuing the increased level of service to promote student success.

#### **LCC In-District Tuition Rate 5-year History**

<b>FISCAL YEAR</b>	<b>LCC \$ Increase</b>	<b>LCC In-District Tuition</b>	<b>LCC % Increase</b>	<b>State Avg Increase</b>	<b>State Avg In-District Tuition</b>	<b>State Avg % Increase</b>
2015	\$2	\$85	<b>2.4%</b>	\$4	\$98	<b>4.3%</b>
2016	\$3	\$88	<b>3.5%</b>	\$5	\$103	<b>5.1%</b>
2017	\$11	\$99	<b>12.5%</b>	\$3	\$106	<b>2.9%</b>
2018	\$4	\$103	<b>4.0%</b>	\$5	\$111	<b>4.4%</b>
2019	\$2	\$105	<b>1.9%</b>	\$3	\$114	<b>3.2%</b>

Source: LCC Board of Trustees March 18, 2019 meeting materials - Agenda Item FY2020 Tuition Rates

With tuition and fees accounting for over 36% of the revenue mix and limited options available to diversify revenue sources, the college finds itself at the intersection of decreasing student demand, increasing costs, and decreasing or stagnant revenues.

As an economical post-secondary education option, 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 their field. This value is aided by the numerous transfer and articulation agreements LCC maintains with Baccalaureate-awarding 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 agreement that is effective through June 30, 2020. Full- and part-time support staff have an agreement that also is effective through June 30, 2020. Capital City Labor Program, LCC Chapter members and administrators each have separate agreements that expire June 30, 2021 and MEA Facilities Maintenance Association has an agreement that expires June 30, 2024.

## 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, when a funding formula including a performance-based segment was implemented for community colleges. During FY2016 a Task Force made recommendations regarding performance indicators and identified the most appropriate and reliable metrics available and determined the most efficient methodology for connecting state funding to these indicators. The task force consisted of members of the Michigan legislature, one member from the Michigan Department of Technology, Management and Budget, four presidents of Michigan Community Colleges, and four Michigan Community College CFO's (including LCC's CFO). The Michigan Community College Association selected the Community College representatives.

For FY2020, the allocation is not yet been appropriated at the time of this writing. For FY2017 – FY2019, the Performance Indicators Task Force recommendations shown below were utilized for the appropriations formula regarding performance funding:

- 30% base allocation for sustainability. The model includes a baseline increase for each college that recognizes ongoing costs that each college incurs for operations;
- 30% based on weighted contact hour completions. The metric recognizes course enrollment and establishes a new weighting for health and technology programs (2X that of other programs) that recognizes higher costs for those programs;
- 30% based on Performance/Completions. This component will award 10% each to the following three metrics:
  - ✓ **Performance Improvement** based on improvement in six-year average rates of completions (Completions include certificates, degrees and transfers). Colleges with improved rates receive a share of 20% of the funding from this category, while 80% of the amount is distributed to all 28 colleges based on prior year (across the board);
  - ✓ **Performance Completion Number** based on a college's proportionate share of completers relative to statewide completions, using IPEDS data (Completions include certificates and degrees);
  - ✓ **Performance Completion Rate** based on measuring the college's performance relative to all 28 in Michigan using two cohorts based on six-year completion rates (Completions include certificates, degrees and transfers). Colleges furthest above the average get the largest portion of 20% of the funding from this category, while 80% of the amount is distributed to all 28 colleges, based on prior year (across the board). Colleges at or below the statewide average get none of the 20% shared by those above the average.
- 5% based on Administrative efficiency. Colleges with lower administration costs (represented as a percentage of their operating expenses) receive a larger portion of funding from this category;

- 5% based on Local Strategic Value (defined as meeting four of five defined best practices). Colleges are required to certify how they meet each best practice measure. Strategic value is categorized into:
  - ✓ Economic development and business or industry partnerships;
  - ✓ Educational partnerships;
  - ✓ Community services.

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 unfunded cost of health care for retirees in the Michigan Public School Employees Retirement System (MPERS) has been an ongoing concern, instigating a MPERS employer contribution rate rising from 16.54% in 2008 to 25.30% in 2013. 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. An appropriation from the School Aid Fund of \$1.73 million 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 increase in retiree health costs. Distributions for that year were on an across-the-board basis. Since then, this funding has continued each year, and is distributed in proportion to each college's total MPERS-covered payroll.

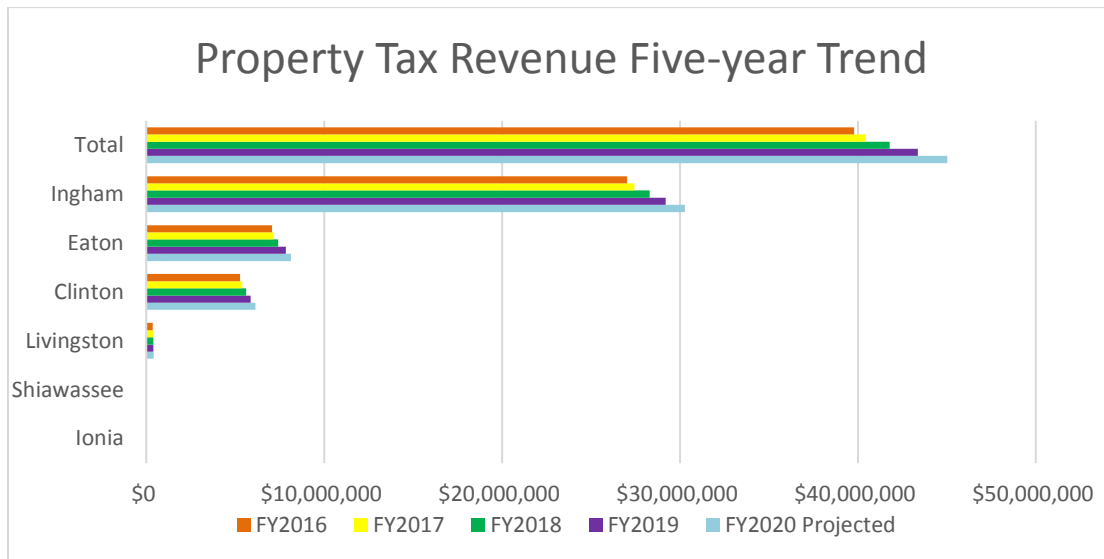
### **Property Tax Revenue Trends**

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. Until recently, the downturn in the Michigan economy and the shift in manufacturing employment had 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 resulted in a decline in property tax revenues until FY2015. 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 steadily declined to 29.5% in FY2015; then began increasing increased slightly to 32.9% in FY2018. This revenue source is currently projected to be 34.2% of General Fund revenues for FY2020.

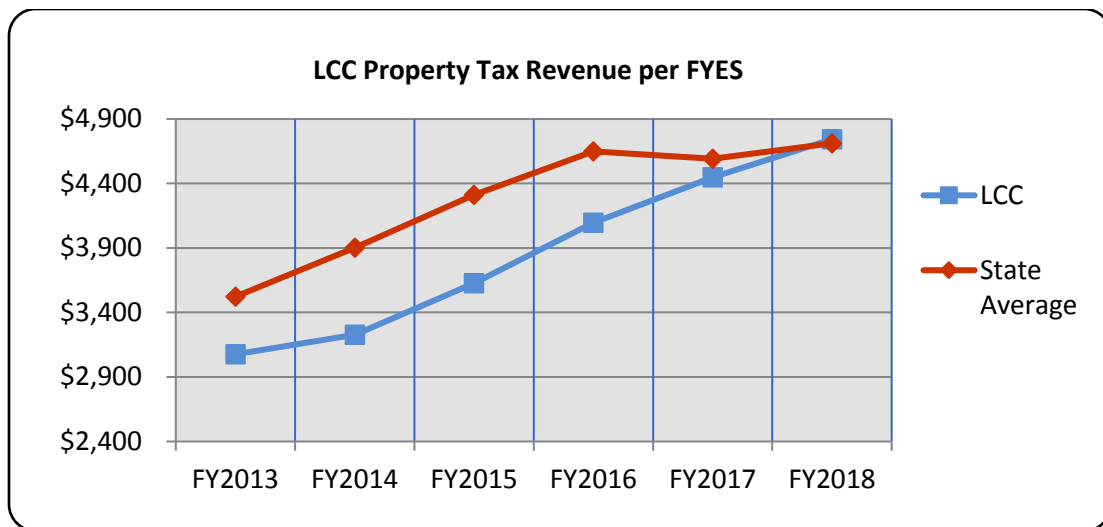
### Property Tax Revenues by County

COUNTY	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 Projected
Ingham	\$26,225,000	\$27,022,200	\$27,436,100	\$28,302,200	\$29,192,500	\$30,274,000
Eaton	\$6,867,500	\$7,066,800	\$7,137,100	\$7,418,600	\$7,852,200	\$8,130,000
Clinton	\$5,078,300	\$5,283,100	\$5,408,500	\$5,610,600	\$5,865,400	\$6,140,000
Livingston	\$351,800	\$370,600	\$381,600	\$393,500	\$405,200	\$424,000
Shiawassee	\$28,800	\$30,000	\$30,500	\$30,800	\$32,000	\$33,000
Ionia	\$22,900	\$23,000	\$23,600	\$24,400	\$25,100	\$26,000
Total	\$38,574,300	\$39,795,700	\$40,417,400	\$41,780,100	\$43,372,400	\$45,027,000

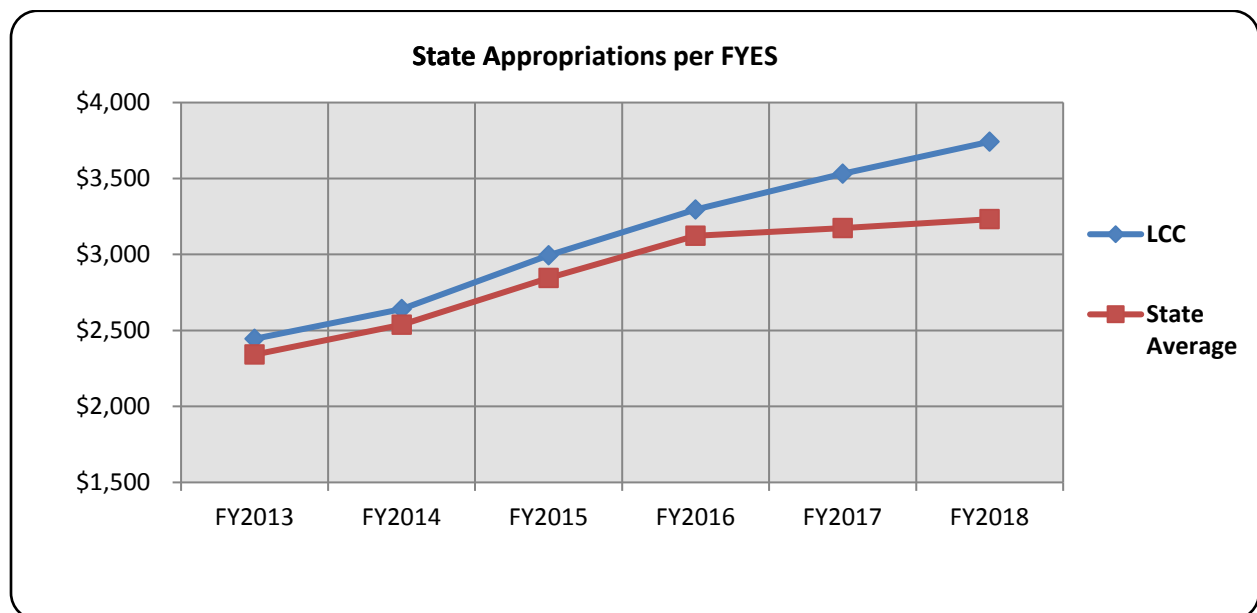
The five-year history of property tax revenues by county in the graph below clearly shows the slight upturn trend in totals from FY2015. This trend is expected to continue through FY2020.



LCC's Property Tax Revenue per FYES fell sharply behind the state average from FY2013 through FY2016. In FY2017, LCC's Property Tax Revenue per FYES was slightly lower than the state average and, in FY2018, LCC's \$4,744 Tax Revenue per FYES was slightly higher than the state average of \$4,712 (see Michigan Postsecondary Data Inventory Report 2017-2018 data below).



Lansing Community College's trend for State Appropriations per FYES mirrored the state average from FY2013 –FY2016. In FY2018, LCC State Aid Revenue per FYES is \$3,742, slightly above the state average of \$3,232. The latest available data (Michigan Postsecondary Data Inventory Report 2017-2018) is represented below:



### Enrollment Trends

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. From FY2013 to FY2019, the College's billable hours have declined by almost 40%. Enrollment in FY2019 is expected

to approximate the same level as FY2018. Currently, the residency of our students is comprised of 65% in-district billable hours. (For more information on LCC's student demographics, see Selected Statistics [page 114](#)). The FY2020 adopted budget assumes a no-growth enrollment from FY2019 levels and a 7.49% decrease in Tuition and Fees revenue from FY2019 budget.

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. Every year since FY2012 has experienced declines in all three measures of enrollment. The table below displays the last five years. Currently available estimates for FY2019 indicate a further decline of 8% in credit hours.

**Five-Year Enrollment Trend 2014-2018**

<b>Enrollment</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
College (unduplicated head count)	27,734	25,574	25,527	23,353	22,928
Fiscal Year Equated Student	11,374	10,313	9,570	8,971	8,639
Total Credit Hours	352,592	319,717	296,678	269,131	259,090

### **Impacts on FY2020 Budget Planning**

In February 2019, a two-year financial forecast (summarized below) was presented to the Board. The forecast projected a balanced budget for FY2020 and included a \$3 increase in the In-District tuition rate for operations and an additional \$4 increase for debt service related to downtown campus parking ramp replacement. The following assumptions underlie these projections:

- State Appropriations: 1.6% increase in FY2020 (based on the Governor's recommendation), 2.0% in FY2021
- Property Taxes: 3.0% increase in FY2020; 2.0% in FY2021, based on slight economic improvement
- Student Fees: \$228,000 increase for FY2020, based on recommended changes
- Enrollment: flat enrollments for FY2020 and FY2021
- In-district Tuition increase: \$7 for FY2020, \$3 increase needed to maintain service levels; \$4 increase for debt service
- Salaries and Benefits: 0.5% increase for FY2020; 2.9% for FY2021
- Services and Supplies: 0.4% decrease for FY2020 (utilities, custodial, insurance and supplies); 3.1% increase in FY2021
- Scholarships, Transfers, and Contingency: 6.0% increase for FY2020; 0.0% in FY2021

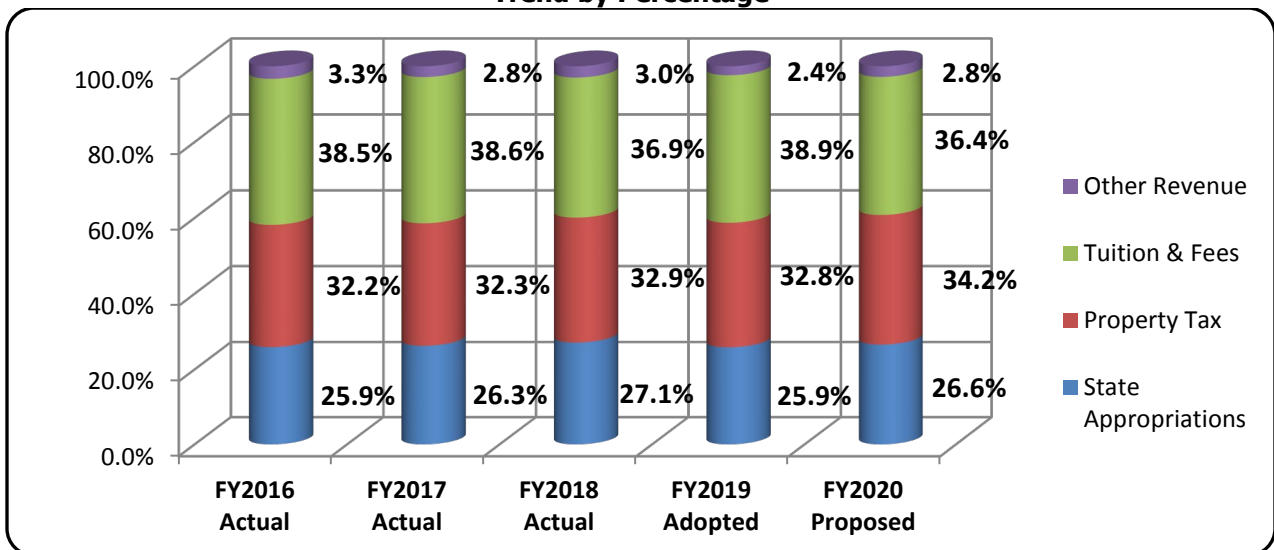
Financial Projections FY2019 and FY2020					
Category	FY2019 Adopted (in thousands)	FY2020 (in thousands)	Change from FY2019	FY2021 (in thousands)	Change from FY2020
State Appropriations	\$ 33,651	\$ 34,205	1.6%	\$ 34,889	2.0%
Property Taxes	\$ 42,671	\$ 43,951	3.0%	\$ 44,830	2.0%
Tuition and Fees	\$ 50,554	\$ 49,588	-1.9%	\$ 49,588	0.0%
Other	\$ 3,080	\$ 3,661	18.9%	\$ 3,661	0.0%
<b>Revenue</b>	<b>\$ 129,956</b>	<b>\$ 131,404</b>	<b>1.1%</b>	<b>\$ 132,968</b>	<b>1.2%</b>
Salaries and Benefits	\$ 88,078	\$ 88,508	0.5%	\$ 91,088	2.9%
Services and Supplies	\$ 23,345	\$ 23,246	-0.4%	\$ 23,957	3.1%
Scholarships, Transfers, and Contingency	\$ 18,533	\$ 19,651	6.0%	\$ 19,666	0.1%
<b>Total Projected Expenses</b>	<b>\$ 129,956</b>	<b>\$ 131,405</b>	<b>1.1%</b>	<b>\$ 134,711</b>	<b>2.5%</b>
<b>Projected Deficit (in thousands)</b>	\$ -	\$ -		<b>(1,743)</b>	

With tuition and fees accounting for 36.4% of the revenue mix and few viable options available to diversify revenue sources, the College finds itself with the challenge to balance changing student demand with increasing costs and declining revenue. LCC is well positioned to attract a diverse group of students, with its fiscal year 2020 \$105 in-district per billing hour rate well below the state average rate of community college in-district tuition at \$114. High potential targets include those who are looking for a less expensive post-secondary education option, those who have recently lost their job and are looking to retool their skill set in order to be productive in what may potentially be a more service-oriented and higher-skill-based economy, and those looking to further their education in order to remain competitive in the job market. Additionally, as the price of institutions continues to rise, cost becomes a preeminent concern and LCC's value proposition to graduating high school students improves. LCC's value is aided by the numerous transfer and articulation agreements LCC maintains with Baccalaureate-awarding institutions in the state of Michigan as well.

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, before beginning to rise in small increments. For FY2020, public revenues comprise 60.7% in the proposed budget. Since FY2013, the appropriation has included a MPSERS rate mitigation element, accounting for the majority of the increase seen since FY2012, when reform decelerated meteoric rises in MPSERS rates. See the charts below for revenue source trends at LCC.

Account Description	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Adopted	FY2020 Proposed	% Change FY2019 to FY2020
State						
Appropriations	\$31,545,505	\$32,464,347	\$33,759,671	\$33,651,000	\$34,204,500	1.6%
Property Tax	\$39,207,101	\$39,910,486	\$40,983,811	\$42,671,000	\$43,951,100	3.0%
Tuition & Fees	\$46,840,847	\$47,626,000	\$45,939,947	\$50,553,500	\$46,802,100	-7.4%
Other Revenue	\$4,017,039	\$3,518,184	\$3,709,594	\$3,080,000	\$3,599,000	16.9%
<b>Total Revenues</b>	<b>\$121,610,492</b>	<b>\$123,519,017</b>	<b>\$124,393,023</b>	<b>\$129,955,500</b>	<b>\$128,556,700</b>	<b>-1.1%</b>

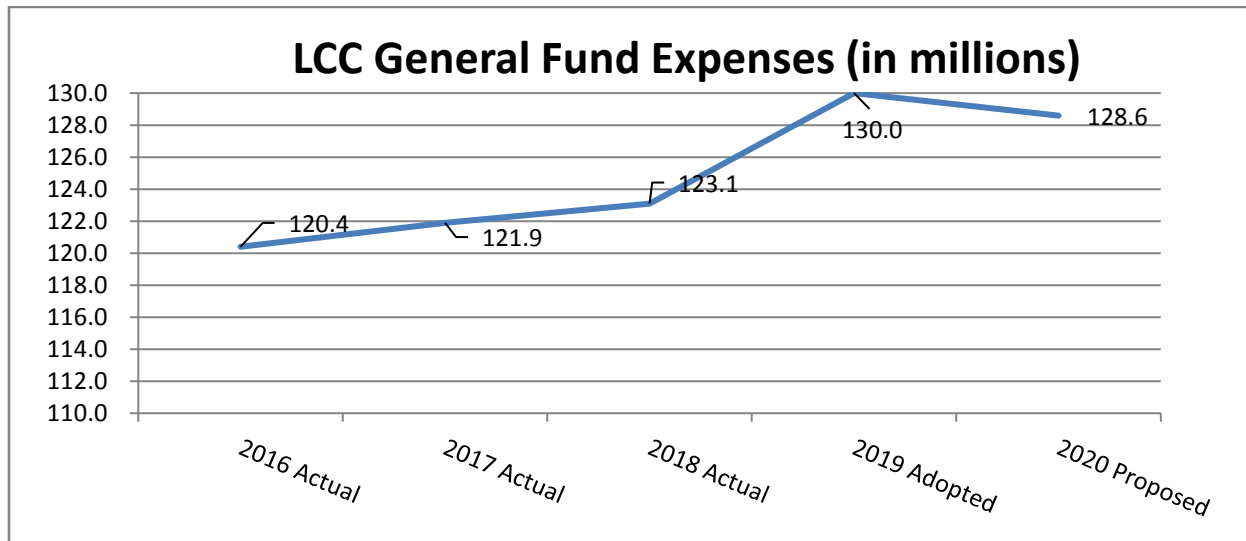
**General Fund Revenue Sources  
Trend by Percentage**



Rising costs, reduced or stagnant state appropriations and voter reluctance to increase millage rates leave community colleges with the sole option of raising tuition if they wish to maintain current service levels or expand programs. This option has been forced on all the community colleges in Michigan over the past decade. During this timeframe, LCC's tuition and fees revenue has gone from being 39.8% of operating revenue in FY2009 to a peak of 44.3% in FY2012. From FY2013 to FY2016, year-over-year declines brought the percentage to 38.5%. The chart above displays revenue sources for the last five years. The proposed budget tuition and fees revenue estimate for FY2020 is 36.4% of total revenues, a decrease from FY2019 adopted and approximating FY2018's actual.

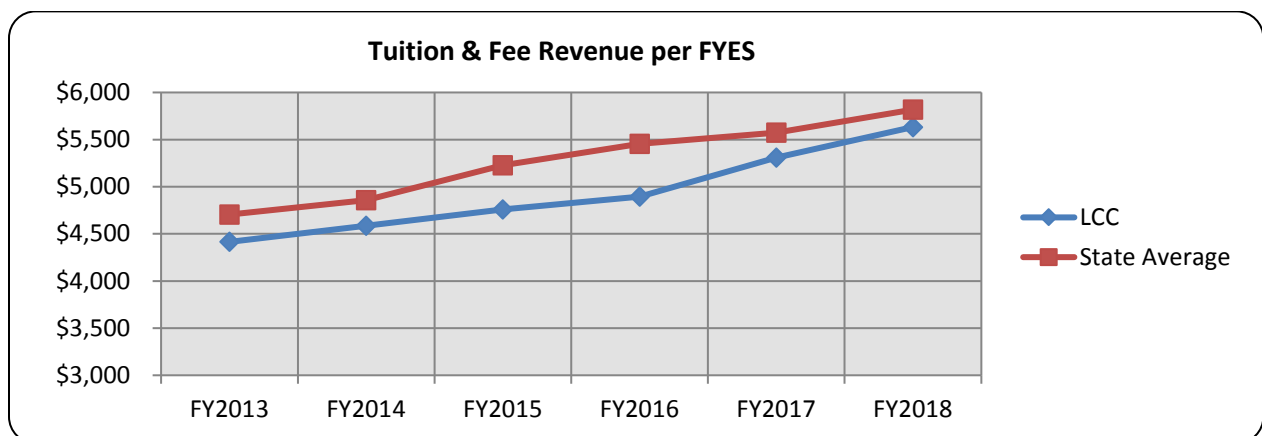
LCC continues to face the prospect of mitigating rising costs that outpace revenues. Since 2008, measures such as capped health care expenses, elimination of certain high cost academic programs, workforce reductions, implementation of efficiencies and careful tuition pricing have stabilized operations and contained costs (see General Fund Expense chart below). This has kept LCC's in-district tuition rate one of the lowest of Michigan's community colleges, while remaining the fourth largest, with one of the highest per capita enrollment levels among its 28 peer institutions.

The chart below shows the five-year trend in total General Fund expenses.



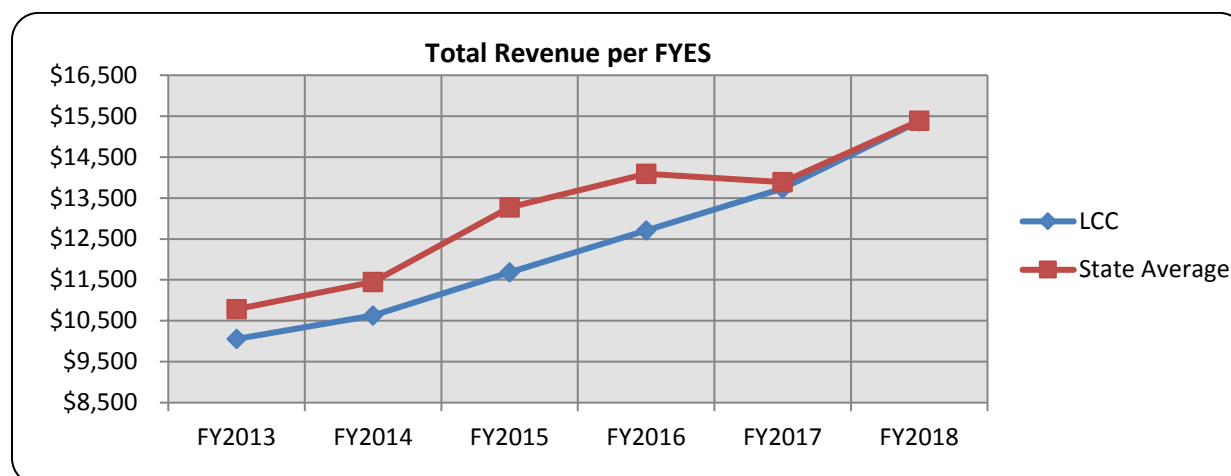
Community colleges are able to increase their property tax revenue above the inflation rate only by raising the millage rate, which requires voter approval. In Michigan, property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the county and equalized under state statute at approximately 50% of the current estimated market value. Annual increases in assessed values are limited to the lesser of 5% or the rate of inflation.

While public revenues per FYES have been relatively flat for the state average, tuition and fee revenue per FYES has been rising steadily, for both LCC and the State average (see chart below).



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 FY2020 budget for Board of Trustees' adoption, a survey of Michigan's community colleges seems to suggest that most colleges are planning to increase tuition in FY2020. The planned changes ranged from a 0% to a 8% increase for in-district tuition. The average in-district projected increase was 2.81%. See the Michigan Community College Business Officers Association - Tuition and Fees Survey in the Appendix ([page 116](#)).

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."

At the February Board of Trustees meeting, the FY2020 financial forecast indicated that a \$7 in-district tuition increase would be needed to generate the necessary revenue to maintain service levels and fund additional debt service capacity for increased parking capacity. The forecast assumed the tuition increase to create a balanced budget for FY2020. Subsequent to the February Board meeting, additional analysis was done based upon updated information. The analysis determined that a \$3 increase in in-district tuition and a \$4 increase in the Student Support Fee will generate the necessary revenue. This pricing approach will save money for In State, Out-of-State and International students because fees are the same for all students regardless of residency status.

The tuition rate increase proposal shown below was presented and approved at the March 18, 2019, regular Board of Trustees meeting:

Residency	Current Tuition Rate	Proposed Tuition Rate Fall 2019	Percentage increase
In-District	\$105	\$108	2.9%
In-State	\$210	\$216	2.9%
Out-of-State	\$315	\$324	2.9%
International	\$367	\$378	3.0%

### Redesign of Developmental Education

In January, 2018, Dr. Kay McClenney came to LCC to consult with the LCC Board of Trustees, LCC Leadership and to speak to the entire college community. Dr. McClenney discussed the shifting understanding of best practices in developmental education. As a result of her visit, the Board of Trustees understood that practices that used to help students get college-ready are no longer working and the coaching system would not be successful if left to be a voluntary process (for the students).

At the January 22, 2018 Board of Trustees meeting, the Board of Trustees adopted a resolution to adopt the *Six Core Principles for Transforming Remediation within a Comprehensive Student Success Strategy*. The Board directed the President to take all steps necessary to implement the six core principles at LCC, with a goal of initiating first implementation steps beginning in August 2018, and achieving substantial completion of implementation by August 2020. Further, the President was directed to take all steps necessary, as expeditiously as possible, to improve equity at LCC by supplementing or replacing current student placement methods with multiple measurements intended to increase the number of incoming students allowed to take gateway English and math courses during their first year of enrollment. Faculty and staff resources were to be redeployed as appropriate to enable under-prepared students to succeed in such courses.

The six core principles from a Joint Statement by Achieving the Dream, American Association of Community Colleges, Charles A. Dana Center of the University of Texas, Complete College America, Education Commission of the States and Jobs for the Future are:

- Principle 1. Every student's postsecondary education begins with an intake process to choose an academic direction and identify the support needed to pass relevant credit-bearing gateway courses in the first year.
- Principle 2. Enrollment in college-level math and English courses or course sequences aligned with the student's program of study is the default placement for the vast majority of students.
- Principle 3. Academic and nonacademic support is provided in conjunction with gateway courses in the student's academic or career area of interest through co-requisite or other models with evidence of success in which supports are embedded in curricula and instructional strategies.

- Principle 4. Students for whom the default college-level course placement is not appropriate, even with mandatory support, are enrolled in rigorous, streamlined remediation options that align with the knowledge and skills required for success in gateway courses in their academic or career area of interest.
- Principle 5. Every student is engaged with content of required gateway courses that is aligned with his or her academic program of study – especially in math.
- Principle 6. Every student is supported to stay on track to a college credential, from intake forward, through the institution's use of effective mechanisms to generate, share and act on academic performance and progression data.

In response, despite the nebulous nature of precisely how implementation of embedded academic supports and equitable placement methods would be manifested, the Administration's FY2019 Budget Proposal included \$1.2 million in funding for the work associated with redesigning developmental education and embedded academic support (predominately pay for faculty to engage in designing a robust model). An additional \$1.6 million over FY2018 funding for tutoring and supplemental instruction personnel was also included in the FY2019 proposal.

During FY2019, a cross-functional, college-wide Embedded Academic Support (EAS) Team was established and continues to implement the plan for change. The following steps to the EAS plan were implemented:

- College has implemented the six core principles used nationally as guideposts for redesigning developmental education.
- Supplementing or replacing current student placement methods with multiple measures, allowing incoming students to take gateway English and math courses during their first year; and redeploying employees as appropriate to enable under-prepared students to succeed.
- New processes also sharply limit late enrollment. Metrics and performance targets to assess progress have been recommended.
- Next steps include continuous quality improvement, assigning college-level gateway course faculty to design EAS models for broad disciplines as well as specific courses, integrating our information technology systems, and improving student "self-help" webpages for friendly design and ease of navigation.
- The Guided Pathways team is a strong partner in the Embedded Academic Support project.

During budget development, the college made strategic fiscal decisions to realign expenses and redirect resources to better support the Strategic Plan, achieve student success, and mitigate the need for tuition increases.

After the first year of focusing on designing and implementing Embedded Academic Supports and Developmental Education Redesign (DER), much has been accomplished. Academic programs have been reorganized around the American Association of Community College's Guided Pathways, and Program Review design now has clear expectations and a feedback rubric. Many EAS models are in place. The FY2020 Budget

line items for EAS implementation and DER were reduced to \$1.7 million to fund continued development and maintain the strides made. Internal discussions continue on the implementation of Embedded Academic Support, the redesign of Developmental Education and the use of multiple measures for assessing incoming students' academic preparation for enrolling in college-level courses, especially Mathematics and English.

Early in FY2019, it was apparent that, for Fall term, enrollment levels were not achieving the 3% increase assumed in the budget's development; rather, enrollment was experiencing a year-over-year decline nearing double digits. At the regular first quarter review in October, Executive Leadership Team (ELT) members were asked to review non-labor budgets to determine where spending might be curtailed, delayed or deemed unnecessary due to decreased enrollments. Some programmatic expenses have a direct correlation with the number of students in the program/course (for example, course fee books). By the start of the Spring term in January, it became clear that enrollment and tuition and fee revenue would not reach the budgeted levels for FY2019. ELT were asked to revisit the work done in October and submit spending estimates based on the most current information. In February, temporary budget adjustments were entered into the Banner Enterprise system that would reflect the savings in services and supplies that had been identified. Of these entries, ELT indicated those that would be sustainable into FY2020 so that those adjustments would be incorporated into the FY2020 baseline for services and supplies. Section management and unanticipated enrollment declines allowed LCC to reduce part-time faculty budgets for FY2020 without eroding service levels. However, after including these changes, a substantial deficit existed. The college began to look at staffing patterns and reduced by 83 FTE, including faculty positions. For more details see [page 98](#) "*Summary Table of Budgeted Non-Student Positions FY2018-FY2020 Proposed.*" Efficiency enhancements and savings totaling \$1.399 thousand were identified by divisions and incorporated into the proposal. A summary chart of the Net changes of funding decisions is below:

FY2019-2020 Net Changes from FY2018-2019 (in thousands)		
Division	Description	Net Change
All	Changes in annual compensation due to contractual obligations for eligible employees net of adjustments for employee turnover.	\$2,609
All	Reduced Adjunct Teaching Faculty compensation based on section management and projected decline in enrollment.	(\$1,225)
All	Adjusted Student Financial Support to 4% of budgeted Tuition and Fees. 4% is a slight increase over the FY2019 percentage.	(\$94)
All	Reduced Transfers based on analysis of projected expense requirements.	(\$544)
Academic Affairs	Staffing adjusted in Faculty Institute due to changes in program focus and Learning Commons restructuring. Student employment increased in Centre for Engaged Inclusion. Establish new full-time position in e-Learning. Reduced Services and Supplies based upon current expense trend.	(\$318)
Administrative Services	Staffing reduced in General Maintenance and Fleet Management due to changes in operational needs. Increased Purchased Services for Early Learning Children's Community and increased Utilities due to rate increases. Reallocated funds to AEA to support new website development position in Marketing.	\$244
Advancement and External Affairs (AEA)	Staffing reduced in Education Resource Development, K-12 Relations Department, and Marketing based upon a reevaluation of operational needs. Established new website development position in Marketing with funds reallocated from ITS and Administrative Services. Reduced Services and Supplies based upon current expense trend.	(\$185)
Arts and Sciences	Non-faculty staffing reduced in science labs due to decreased enrollment and improved section management. Reduced course fee related expenses due to enrollment declines. Reduced Services and Supplies based upon current expense trend.	(\$374)
Board of Trustees	Increased Professional Services, Commercial Printing and Travel, Training and Conferences based upon current expense trend and upcoming activities.	\$184
Community Education and Workforce Development (CEWD)	Staffing reduced in Community Education due to improved operating procedures. Staffing increased in Lifelong Learning & Centralized Services, Center for Workforce Transition and Extension Centers due to changes in operations with funds reallocated from Student Affairs. Establish budget for instructional staff and supplies for non-credit ESOL program. Reduced Services and Supplies based upon current expense trend.	\$120
Executive Office	Adjusted staffing in the Executive Offices to increase capacity for Risk Management and Special Projects. Reduced Services and Supplies based upon current expense trend.	(\$147)
Financial Services	Staffing reduced in Student Finance and Financial Aid due to decreased enrollment and improvements in operating procedures. Reduced Services and Supplies based upon current expense trend.	(\$154)
Health and Human Services	Staffing reduced in Nursing and Divisional Office due to decreased enrollment and improvement in section management and operating procedures. Reduced course fee related expenses due to enrollment declines. Reduced Services and Supplies based upon current expense trend.	(\$370)
Human Resources	Staffing reduced to realign resources to meet current needs. Reduced Services and Supplies based upon current expense trend.	(\$130)
Information Technology Services	Reallocated funds to AEA to fund new website development position in Marketing. Reduced Services and Supplies based upon current expense trend.	(\$35)
Student Affairs	Staffing reduced in Academic Advising, Recruitment & Outreach, Division Office, and Student Life based upon a reevaluation of operating needs. Reallocated expenses between departments to implement a new recruitment model and establish a new position in Student Support for Title IX compliance. Increased Professional Services for commencement speaker, reallocated funds to CEWD for extension center customer service personnel, and reduced Professional Services for real-time captioning services due to decrease in demand.	(\$373)
Technical Careers	Adjusted staffing in Trades Technical Services, Collision Repair, and Division Office based upon a reevaluation of programs and operating needs. Reduced course fee related expenses due to enrollment declines. Reduced Services and Supplies based upon current expense trend.	(\$607)

The Board's regular planning cycle indicates a budget proposal will come before the Board at the regular June meeting. On May 23<sup>rd</sup>, 2019, a budget workshop was held to present a draft of the Administration's proposal to the Board of Trustees. The proposal used the approved tuition rates and compared the proposal elements to the forecast presented in February shown below:

<b>Net Change from FY2019 Adopted Budget</b>		
Description	FY2020 Forecast	FY2020 Proposed Budget
State Appropriations	1.6%	1.6%
Property Taxes	3.0%	3.0%
Student Fees	\$228,000	\$223,000
In-District tuition increase - Operations	\$3	\$3
In-District tuition increase - Debt Service	\$4	\$0
Student Support Fee increase - Debt Service*	\$0	\$4
<b>Total Revenues - Change from FY2019 Adopted Budget</b>	<b>1.1%</b>	<b>-1.1%</b>
Salaries and Benefits	3.6%	3.8%
Services and Supplies	3.6%	3.8%
Scholarships, Grant Match, Transfers, Debt Service & Contingency	0.4%	0.2%
<b>Total Expenses -Change from FY2018 Adopted Budget</b>	<b>2.4%</b>	<b>2.5%</b>

\* NOTE: Forecast included \$4 Tuition increase in General Fund revenue and Transfers. Budget Proposal includes \$4 Support Fee increase in Debt Service Fund

The Board unanimously adopted the Administration's proposed budget as recommended at the regular meeting of June 17, 2019.

# **FIVE-YEAR CAPITAL OUTLAY PLAN**

## **Background**

The College's capital outlay plan is dynamic and is updated on a regular basis to reflect the most recent assessment of all projects required to address the evolving academic programs and services needed. The college completed the *Build Forward* project and established the Center for Manufacturing Excellence in fiscal year 2017. In fiscal year 2018 the Board of Trustees approved a new Strategic Capital Budget, including funding for the renovation of the Teaching and Learning Center, the Health and Human Services building, and West Campus. Tax-exempt bonds were issued in December 2017 to finance these projects. We have remained flexible to provide services efficiently while maintaining our commitment to students. We are encouraged by the continued dedication of our employees and the Board of Trustees to make Lansing Community College an excellent place of higher education. Lansing Community College ~ "*Where Success Begins*".

In fiscal year 2016 Lansing Community College began work to modify and expand overall learning space at West Campus for the Center for Manufacturing Excellence. LCC has modified existing labs and added a significant expansion to increase the overall learning space from 14,000 square feet to nearly 27,000 square feet. With these modifications, LCC has added advanced, high-tech equipment to create a "real world" training environment. A key element to this expansion has been LCC's flexible approach to equipment configuration within the Flexible Manufacturing System (FMS). By mirroring the FMS in use on the factory floors of area manufacturers, the CME provides LCC students direct access to train on some of the most advanced industrial networking systems in Michigan. LCC has tied together the specialties of mechatronics, machining, and welding for a true systems approach, allowing LCC to deliver high-tech education and training with the most advanced automation components and technology that are commercially available today. LCC began training highly skilled workers to fill high-demand, high-wage positions with regional manufacturers in the fall of 2016.

In fiscal year 2018, the Board of Trustees issued a \$12.0 million bond to finance capital projects to support the Strategic Capital Budget projects. These projects will create dynamic and adaptable learning spaces; technology-rich learning environments and infrastructure; inviting environments for attracting and retaining students and enhancing the community; and necessary major maintenance projects to avoid deferred maintenance costs.

Source: Spring Semester Charge Up Remarks January 4, 2018

## **Five-Year Capital Outlay Plan Adopted by the Board of Trustees October, 2018**

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### **Five-Year Capital Outlay Plan Executive Summary Excerpts**

Lansing Community College (LCC) is a major urban community college, situated on 48 acres, in a nine-city block area in downtown Lansing, Michigan. LCC was founded in 1957 by the Lansing Public School system, with eight faculty members and 425

students. It was housed initially in what had once been the Central High School building and offered instruction in technology and practical nursing, in addition to apprenticeship programs. Through private purchase and urban renewal funds, the College not only acquired many buildings that would eventually make up the College's current downtown campus, but also led the way in developing North Washington Square and contributing to a revitalization of downtown Lansing. LCC is now the third largest community college in the state of Michigan.

### **Facilities Assessment**

Lansing Community College is committed to maintaining a physical infrastructure that is reliable, safe, and accessible. Funding for this work is established in the plant fund with a \$3.175 million transfer from the general fund. LCC updates the facilities assessment annually as part of the Campus Master Plan, resulting in a schedule of prioritized maintenance and repairs needs. Larger renovations are strategically planned several years in advance and require a complete environmental assessment. A combination of outside maintenance firms and internal skilled trade staff maintains and repairs major College building systems. In-house staff perform multiple, periodic inspections and repairs according to a formal LCC preventive maintenance program.

In 2017, a five-year \$67 million capital project, *Build Forward*, was completed, transforming many of the facilities on campus to enhance teaching and learning. \$9.975 million was provided by the state of Michigan; \$11.4 million was set aside by LCC, \$1.3 million came from Foundation capital funds and approximately \$45 million was financed with bond issuance.

The core purpose for the project was to upgrade College facilities and environment consistent with our commitment to position LCC as a national leader in community college education. These elements were central to the original plan:

- To provide technology-rich classrooms, laboratories and infrastructure;
- To create student-centered common areas that encourage learning beyond the classroom;
- To develop inviting environments for attracting and retaining students and to enhance campus-community connections.

Many of the classrooms and laboratories are among the best in the nation for teaching freshman and sophomore courses.

LCC's current physical plant consists of 25 owned major buildings and, including leased spaces, totals over 1.8 million square feet of floor space. This includes a parking structure of 318 thousand square feet. The College's currently owned space includes 1.529 million square feet of gross building space. The estimated value of the College buildings exceeds \$400 million dollars. Founded in 1957, LCC will be celebrating its 60th year in 2017. Of the 25 College-owned buildings, six are older than the college itself; these buildings were adapted when downtown Lansing was chosen as a site for the community college. The average age of all buildings is just over 54 years old, which presents an ongoing challenge for Physical Plant personnel to maintain adequately to best serve the College's instructional mission.

It is critical for the college to upgrade facilities continuously to incorporate new educational technologies, supporting infrastructure, and more energy efficient mechanical, electrical and plumbing systems. The aging infrastructure needs updating to provide operational efficiencies while creating indoor learning environments that improve student outcomes.

The College is unable to add computer classrooms without losing general classroom space. Furniture has been installed in two computer classrooms that allow the computer equipment to be concealed in the table to create a lecture environment. The College is working toward having this flexibility in all of the computer classrooms and increasing the number of rooms with computers, but the cost limits how much can be accomplished each year.

### **Parking Deficit**

In the fall of 2014, a parking supply and demand study revealed that the College had an effective parking supply, both owned and leased spaces at the Downtown Campus. Also in Fall 2014, LCC changed its parking practices from using a multi-space parking meter system to paying a \$5 per credit hour fee for defined student-only parking spaces. This change was implemented to encourage students to stay on campus to study, network, and use the available college resources to assist in their successful completion at LCC.

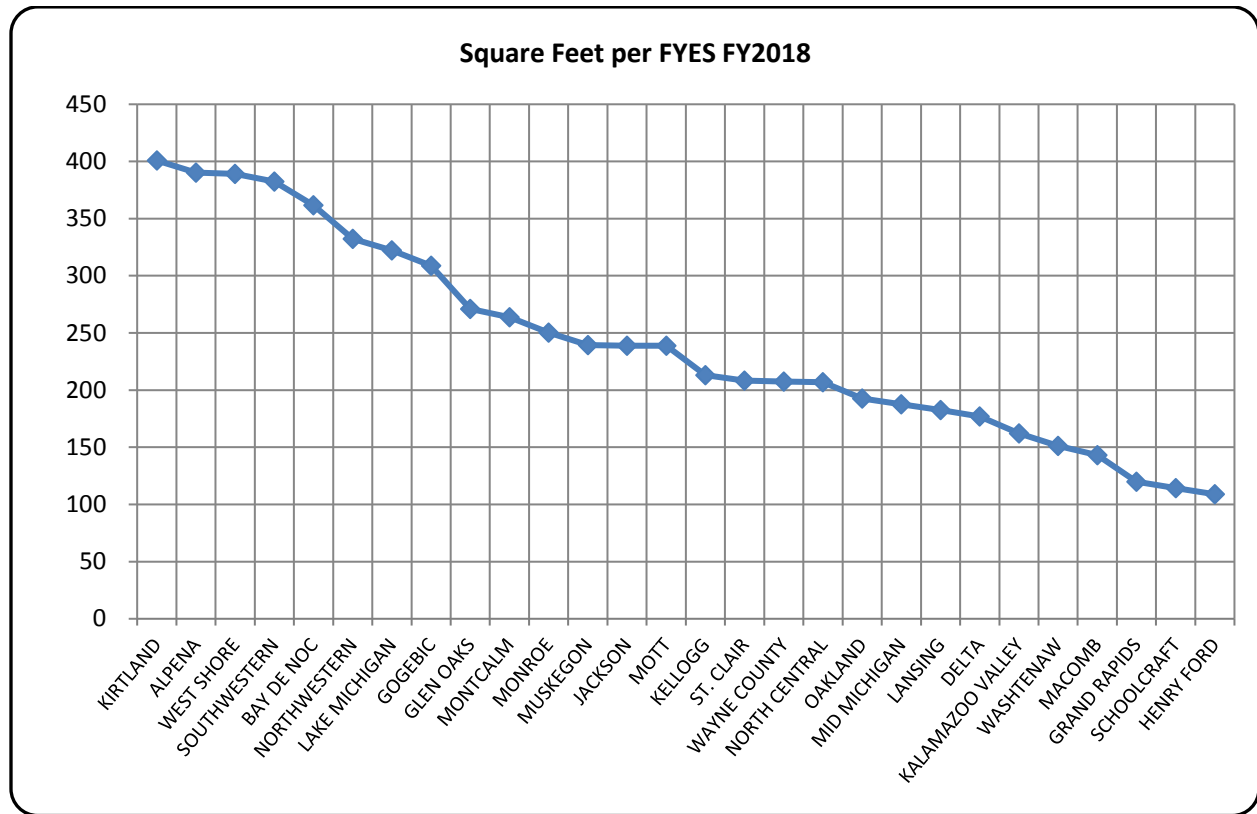
### **2018 Facilities Assessment Data Chart**

<b>Facility Category</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>
Architectural	\$387,000	\$480,000	\$453,000	\$229,000	\$295,000
Electrical	\$693,500	\$453,500	\$249,500	\$357,500	\$344,000
Envelope	\$552,500	\$317,500	\$878,500	\$378,000	\$321,500
Maintenance	\$350,000	\$350,000	\$55,000	\$120,000	\$120,000
Mechanical	\$728,500	\$961,500	\$760,000	\$861,500	\$812,000
Other	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
Roof Repair/Replace	\$361,000	\$263,000	\$485,000	\$975,000	\$1,050,500
Site Repairs	\$152,500	\$96,000	\$97,500	\$42,500	\$22,500
<b>Grand Total</b>	<b>\$3,310,000</b>	<b>\$3,006,500</b>	<b>\$3,063,500</b>	<b>\$3,048,500</b>	<b>\$3,050,500</b>

New and remodeled buildings have relieved some pressure for facilities' maintenance costs and energy costs. The schedule for Architectural and Maintenance costs above shows a dramatic drop in FY2021; then levels out for the next two years. There is a detailed schedule, by building, included in the Five-Year Capital Plan.

Lansing Community College ranks 21st in the ratio of square feet per fiscal year equated students (FYES) when compared to the space available at Michigan's 27 other community colleges (see chart below). In FY17 Data, LCC ranked 16<sup>th</sup>. The changes in status for most schools are predominately driven by decreased enrollments resulting in more space for the remaining students. In the case of LCC, square footage reduction

(due to non-renewal of certain rental agreements) resulted in a reduction per FYES despite enrollment decline.



### LCC Capital Projects

Capital projects are necessary to transform the student experience into dynamic teaching, learning and support environments, positioning LCC as a leader in community college education and to maintain campus facilities to avoid deferred maintenance costs.

A chart showing the funding status of the FY2019 Capital Projects in progress can be seen below.

## Capital Projects Period ending May 31, 2019

	Project Approved Budget	Cumulative Project Expenses	Available Balance
<b>Capital Project: 505 Capitol Avenue Building</b>			
Construction Costs	\$ 2,070,000	\$ -	\$ 2,070,000
Contingency	\$ 230,000	\$ -	\$ 230,000
<b>Totals</b>	<b>\$ 2,300,000</b>	<b>\$ -</b>	<b>\$ 2,300,000</b>
<b>2017-18 Downtown Campus Mall, Grounds, and Underground Fire Main System Improvements</b>			
South Mall Improvements	\$ 382,000	\$ 106,897	\$ 275,103
Sprinkler System Automation	\$ 87,000	\$ 11,835	\$ 75,165
Fire Suppression Service Line Improvements	\$ 67,000	\$ 7,000	\$ 60,000
New Sprinkler System Service Taps	\$ 31,000	\$ -	\$ 31,000
Contingency	\$ 58,000	\$ -	\$ 58,000
<b>Totals</b>	<b>\$ 625,000</b>	<b>\$ 125,732</b>	<b>\$ 499,268</b>
<b>2017-18 Strategic Capital Projects</b>			
Dart & Early Learning Children's Community Mechanical Upgrades	\$ 547,000	\$ 387,250	\$ 159,750
Contingency	\$ 53,000	\$ -	\$ 53,000
TLC Primary Switchgear & Transformer and Main Switchboard	\$ 850,000	\$ 527,097	\$ 322,903
Contingency	\$ 50,000	\$ -	\$ 50,000
West Campus Kitchen Roof Top Units and Storage Area	\$ 700,000	\$ 699,525	\$ 475
Contingency	\$ 50,000	\$ -	\$ 50,000
<b>Totals</b>	<b>\$ 2,250,000</b>	<b>\$ 1,613,872</b>	<b>\$ 636,128</b>
<b>2017 Capital Projects Bond Issue</b>			
Technology and Learning Center	\$ 7,800,000	\$ 94,513	\$ 7,705,488
Contingency	\$ 900,000	\$ -	\$ 900,000
Health and Human Services Building	\$ 1,300,000	\$ 1,267,861	\$ 32,139
Contingency	\$ 100,000	\$ -	\$ 100,000
West Campus	\$ 1,800,000	\$ 1,600,435	\$ 199,565
Contingency	\$ 100,000	\$ -	\$ 100,000
<b>Totals</b>	<b>\$ 12,000,000</b>	<b>\$ 2,962,808</b>	<b>\$ 9,037,192</b>

Source: Board of Trustees Board Meeting Materials June 17, 2019

### LCC 2019 Capital Project Request to the State of Michigan

LCC's Capital Project Request is for the renovation of the building at 505 N. Capitol Avenue. This facility is a former office building that is located on the west side of Capitol Avenue, across the street from Dart Auditorium, at the Downtown campus of LCC. This building was acquired in October 2012 to stabilize the surrounding Lansing neighborhoods and allow for curriculum development of innovative academic programs. Renovation of this facility and the surrounding grounds and parking is intended to provide a technology-rich academic space in a safe and inclusive environment that will enhance student success.

The renovation of the building at 505 N. Capitol Avenue to provide a flexible learning space for all of our students is a prime example of the college's commitment to student success. The space is intended to create a learning environment that is flexible and can easily adapt to the changing student academic needs. The re-imagining of this existing building addresses two critical needs at LCC:

- Providing much needed classrooms that are technology-rich and learner-centered for the development of academic offerings in the Science, Technology, Engineering and Mathematics (STEM) courses of study. The College has made STEM course offerings a priority to provide highly trained workers to support Michigan's growing need. The U.S. Bureau of Labor Statistics projects that employment in Science and Engineering will grow by 18.7% between 2010-2020. Remarkably, STEM-related employment grew as a share of total employment in Michigan during a period when the state's overall employment decreased.
- Creating a Veteran's Resource Center (VRC) to provide the resources that meet the educational needs of LCC's growing population of students who have bravely served in the U.S. Armed Forces. The VRC serves as a welcome center, resource center and support center. Along with other assistance, Veteran students will receive guidance that will ensure that they are receiving the correct benefits and that they are taking the correct classes which will be covered by their VA benefits.

Because this building was built in the 1960s, the College will address the building envelope and systems for energy efficiency. The mechanical and electrical systems will require updating and replacement. The glass on the building envelope will need to be replaced as it is the original 1960's glass/glazing system. Insulation throughout the building will be replaced to remove any asbestos-containing materials and improve energy efficiency. Replacing the building envelope materials will also protect the building infrastructure from any further deterioration. In addition, building accessibility and compliance with ADA regulations will be addressed at all entrances.

The design and renovation of this facility will comply with Leadership in Energy and Environmental Design (LEED) design and construction principles. Campus construction standards will be used during design and will include interior and exterior finishes, systems, and layout for ease of maintenance and operations. Operational plans for the building will incorporate LEED principles to enhance sustainability.

This project will include the creative adaptive re-use of an existing building that is contiguous to the Downtown campus and surrounding neighborhoods. When the building was vacated, LCC was committed to including it into its campus. It is estimated that it will cost \$7,000,000 to properly upgrade and renovate. The LCC Board of Trustees over the last quarter of FY2019 designated an additional \$2.45 million transfer from the General Fund to ensure the college has the matching funds that will be required by the State upon approval of the College's request for capital outlay appropriations. This brings the designated fund to \$3,750,000.

### **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 million of taxable valuation plus 1% of the excess over \$250 million of the taxable valuation. At the end of FY2019, the College's outstanding debt obligations stood at \$86,806,000. The taxable valuation

stood at \$11,826,622,757. Lansing Community College is far below its statutory debt capacity, and has no problem meeting its debt obligations.

The College has an excellent bond rating, with insured rates of AA (S & P), and Aa2 (Moody's) for the 2020 College Bonds issuance. 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 capital projects. The chart below shows the scheduled payment requirements of current bonds and notes payable for years succeeding June 30, 2019:

<b>Lansing Community College Bonded Debt Amortization Schedule</b>	
<b>Year</b>	<b>Total</b>
FY20	6,895,000
FY21	6,197,000
FY22	6,197,000
FY23	6,199,000
FY24	6,196,000
FY25	6,195,000
FY26	6,198,000
FY27	6,099,000
FY28	6,096,000
FY29	6,095,000
FY30	6,097,000
FY31	6,096,000
FY32	6,098,000
FY33	1,229,000
FY34	1,228,000
FY35	1,231,000
FY36	1,231,000
FY37	1,229,000
Total	86,806,000

# **BUDGET PLANNING AND FINANCIAL POLICIES**

## **LANSING COMMUNITY COLLEGE BUDGET PLANNING AND FINANCIAL POLICIES**

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

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 expense 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 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 expenses incurred.

Expenses 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 87](#)). Though information on other funds (Auxiliary, Designated, Grants, Plant, Restricted) is included in the budget proposal, the focus is the General Fund and operating budgets. (For more information on funds, refer to the glossary [pages 121-126](#), and *Active Grants*, [pages 108-109](#)).

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 and practices to plan and monitor financial activities.

## **Financial Oversight and Monitoring Policy**

### **I. Purpose**

The purpose of financial oversight and monitoring by the Board of Trustees is to exercise due diligence 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 expense parameters and define reporting requirements, the College's Board of Trustees annually reviews and approves a budget for General Fund operations for the ensuing fiscal year. The College's Board of Trustees also approves capital projects upon request as outlined in the Capital Projects Policy.

### **II. Scope**

The adopted budget serves as a financial plan for the administration as well as a basis of financial reporting to allow the Board of Trustees, on behalf of the students and public, to monitor and exercise appropriate due diligence over the financial affairs of the College. Sarbanes-Oxley was adopted into law 2002 and applied to publicly traded companies. However, to conform with relevant professional guidance for higher education arising from the adoption of Sarbanes-Oxley and the desire to comply with the spirit of the law, 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**

#### **Required Monthly Financial Reporting**

- A. *Statement of Net Position*: The Statement of Net Assets assesses the balance of the College's *assets* (the resources it can use to provide service and operate the College) against its *liabilities* (its obligations to turn over resources to other organizations or individuals). The difference between the College's assets and its liabilities is called *net position*. Net position is an indicator of the College's *financial position* (its financial standing at a given point in time).

Financial position can be tracked over time to assess whether the College's financial health is improving or deteriorating. To assess the overall health of the College, in addition to the financial position, other non-financial factors, such as the trend in enrollment, student retention, condition of the infrastructure, and the strength of the faculty must be made.

1. Individual line items with variances from the prior year to the current year that exceed +/- \$100,000 and greater than 5% must be identified and the reason for the variance explained.
- B. Statement of Investments: The Statement of Investments summarizes the makeup of the College's short and long-term investments, the anticipated average annual yield, and the estimated annual income. The allowable investments, amounts, and term lengths are subject to the College Investment policy and State of Michigan investment laws for public institutions.
1. Any significant changes in investments and changes from short-term to/from long-term investments will be included within the variance explanations for the Statement of Net Position.
- C. Statement of Revenues, Expenses, and Changes in Net Position: This financial statement presents how the College's finances are changing each fiscal year, which runs from July 1 to June 30. The flow and measurement of the College's revenues and expenses during the fiscal year are reported. The resulting change in net position indicates if the College's funds are increasing or decreasing its financial position.
1. A summary of the current change in financial position for all fund types other than the General Fund is reported in the monthly financial statement report to the Board of Trustees.
- D. General Fund Operating Revenues, Expenses, and Transfers - Adopted Budget and Actual: The General Fund is the College's main accounting fund and records the transactions of the College's operating activities. This financial schedule presents the current year's earned revenues, incurred expenses, and approved transfers as a percentage of the original, or if applicable, amended budget. The current year activity is compared to the prior year's earned revenue, incurred expenses and approved transfer as a percentage of the prior year fiscal year total. The current percentage of budget realized is compared to the rate of revenue earned, expenses incurred, and transfers completed at the same point in time in the prior year.
1. The percentage of current year budgeted revenues recognized by source is compared to the percentage of prior year actual revenues recognized.

Individual revenue sources that the variance is 5 percentage points higher or lower from the prior year must be identified and the reason(s) for the variance explained.

2. The percentage of current year expenses budgeted for each major category is compared to the percentage of prior year actual expenses incurred. Individual expenses that have a variance of 5 percentage points higher or lower from the prior year must be identified and reason(s) for the variance explained.
3. The percentage of current year transfers budgeted is compared to the percentage of prior year actual transfers completed. Individual transfers that the variance is 5 percentage points higher or lower from the prior year must be identified and the reason(s) for the variance explained.

E. *Detail Operating Expenses. Adopted Budget and Actual Expenses - Comparison by Division and by Account:* This financial schedule presents the General Fund total Divisional operating expenses in two methods. First, the budget for each Division within the College and second, the detail operating expense classifications.

1. The percent of budgeted current year expenses incurred for each Division is compared to the percentage of prior year actual expenses incurred. Divisional expenses that the variance is greater than \$100,000 and 5 percentage points higher or lower from the prior year must be identified and reason(s) for the variance explained.
2. The percentage of budgeted current year expenses incurred for each expense classification is compared to the percentage of prior year actual expenses incurred. Individual classifications that the variance is greater than \$100,000 and 5 percentage points higher or lower from the prior year must be identified and reason(s) for the variance explained.

F. Capital Projects – The Capital Projects schedule presents all of the Board approved and in process Board approved capital projects. The statement provides a summary of the approved project budget and the cumulative project expenses from the project's inception and Board approval through the current financial period.

- No funds shall be transferred out of General Fund unrestricted fund balance and no contingency funds may be utilized without prior approval of the Board of Trustees.
- The annual budget shall include a vacancy factor for overall salaries and benefits. The vacancy factor will serve to limit over-budgeting and help keep tuition and fee costs as low as possible.

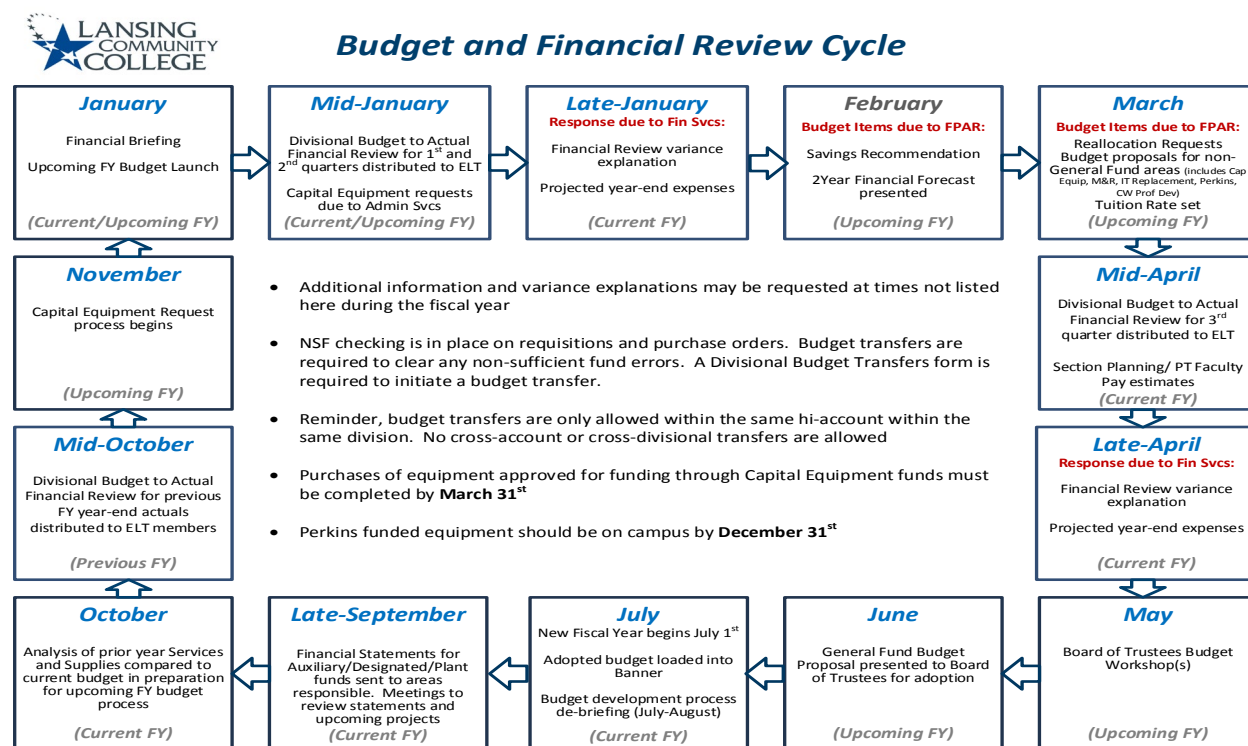
- The administration will report material variances from the adopted budget revenues or expenses as outlined above to the Board of Trustees at the next scheduled meeting. The President shall notify the Board if the administration will present a request for necessary amendments to the budget as a result of the noted variances.
- The external auditor will present the Comprehensive Annual Financial Report, the Single Audit Act Compliance Report, and the Independent Auditors Communication with Those Charged with Governance to the Audit Committee and then submit the reports and communication directly to the Board of Trustees with copies to the President and Chief Financial Officer. The external auditor will present the College's financial audit at a public board meeting.

#### IV. Responsibility

Responsibility for the interpretation and administration of this policy is delegated to the Chief Financial Officer or his/her designee.

### Financial Oversight and Monitoring Practices

Financial statements are monitored monthly by the Board of Trustees guidelines. In addition, the Executive Leadership Team (ELT) regularly monitors their areas of budget authority by the same guideline on a quarterly basis. The Financial Planning, Analysis and Review team monitors budget fluctuations daily and works with the appropriate ELT member to address any variances. The cycle is represented in the flow diagram below.



## **Capital Projects 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, employees 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. The components of the proposed capital project shall be similar in nature. Unrelated items shall not be combined for the sole purpose of meeting the \$500,000 threshold.

B. Information for a proposed capital project shall include the following:

1. Detail of proposed costs for design, construction, and equipment including contingency equal to ten percent of the total requested capital budget;
2. Professional services expected to be utilized in support of the project;
3. Proposed operating budget, including additional costs of insurance, utilities, staffing, etc., when the project is completed.

### **IV. Responsibility**

Responsibility for the interpretation and administration of the policy is delegated to the Executive Vice President or his/her designee.

## **Five-Year Capital Outlay Plan Policy**

### **I. Purpose**

The Five-Year Capital Outlay Plan is intended to capture the institutions facility, infrastructure, and site development needs.

### **II. Scope**

This policy applies to all college-owned properties and facilities.

### **III. General**

The Management and Budget Act, Public Act 431 of 1984, as amended requires community colleges to present a Five-Year Capital Outlay Plan by November 1 of

each year to the State Department of Budget. Prior to submission, the Five-Year Capital Outlay Plan must be approved by Lansing Community College's Board of Trustees. The College's capital outlay plan shall include:

1. The College's Mission Statement.
2. Instructional Programming that provides an overview of current academic programs and major academic initiatives.
3. Staffing and Enrollment which includes staffing and enrollment data and trends.
4. Facility Assessment to identify and evaluate the overall condition of capital facilities under college control. Included in this Assessment is the Information Technology Master Plan.
5. Implementation Plan to identify the schedule by which the institution proposes to address major capital deficiencies.

IV. Responsibility

Responsibility for the interpretation and administration of this policy is delegated to the Executive Director of Administrative Services or his/her designee.

## **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-101 Access**

- Persons shall have maximum feasible access to all college services regardless of their:
  1. Race, color religion, national origin, marital status, pregnancy, height, weight, citizenship, age, gender, ethnicity, sexual orientation, gender identity, gender expression, military or veteran status;
  2. Financial/income status;
  3. Geographical location within the district;
  4. Physical or mental disability;
  5. Parenting status;
  6. Tradition inclination to aspire to education;
  7. Time schedules.

#### **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;
6. Employability Skills;
7. Financial Literacy.

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

As a result of the work of Lansing Community College:

1. The college is a visible and recognized contributor to area and regional problem solving.
2. Training and worker preparation needs of the area are satisfied.
3. Vibrant cultural opportunities are present in the community.
4. LCC is a resource 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:

1. Increasing the percentage of students earning an associate degree or certificate at Lansing Community College by 10% per year.

### **E – 105 Student Success**

To fulfill its mission Lansing Community College will:

1. Partner with school districts within the college's district to prepare prospective students for college level work. Measures of success of this end will include a reduction in the percentage of incoming students who are not prepared for college level work.
2. Increase the persistence/retention rate of students by 10% each year.

### **E – 106 Marketing and Communication**

To fulfill its mission Lansing Community College will:

1. Develop and implement a marketing and communication plan that raises the level of awareness of the residents in the Lansing Community College District of the educational opportunities, programs and services provided by the college by 10% per year.
2. Develop and implement an internal communication plan that shares information, promotes transparency in decision-making, and engages the participation and input of faculty and staff in meaningful ways.

### **E – 107 Academic and Workforce Development Excellence**

A "Spirit of Excellence" is continually developing the skills, abilities and knowledge to become better at our jobs and careers and always raising the bar on our goals and

objectives to achieve new heights. To fulfill its mission Lansing Community College will promote a spirit of excellence by:

1. Personal improvement;
2. Support and involvement to help colleagues improve;
3. Support and initiatives to help the organization improve.

### **Budgeting and Forecasting Policy**

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 not present a proposed budget which:

1. Contains insufficient information, in accordance with policy direction established by the Board of Trustees, to enable the Board and others to make accurate and ready comparisons of prior years' financial and enrollment data, including credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions, to assess the reasonableness of projections for the proposed budget.
2. Plans expenses in any fiscal year of more funds than are conservatively projected to be received.
3. Would project the general fund balance to fall below fifteen percent of the college's operating budget.
4. Fails to present 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. Fails to include consideration of multiple year long-range administrative plans.

### **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 expenses 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.

### **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 for this process for the Board Planning year is as follows:

Month	Activity
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>• Review progress on a Lansing Community College strategic plan area of focus</li> <li>• Conflict of interest statements due</li> <li>• Adopt audit committee meetings calendar</li> <li>• Set schedule for administration's submission of monitoring reports 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>• Administration submits two-year projections for enrollment, revenues, expenses 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>• Review ACCT recognition and presentation opportunities</li> </ul>
March	<ul style="list-style-type: none"> <li>• Approve tuition</li> <li>• Review of President's contract</li> <li>• Budget preview (preparation of estimate of taxes and appropriations deemed necessary for the ensuing fiscal year for the purposes of revenue and expenditure proposals)</li> </ul>
April	<ul style="list-style-type: none"> <li>• Action on President's contract</li> </ul>

Month	Activity
May	<ul style="list-style-type: none"> <li>• Budget review</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 Conference</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>• Facilities Master Plan update review</li> </ul>
October	<ul style="list-style-type: none"> <li>• ACCT Leadership Congress</li> <li>• Receive President's input on evaluation and progress on Lansing Community College's strategic plan and proposed strategic plans for the ensuing year</li> <li>• Receive Fiscal Year-End Financial Audit report</li> <li>• Action on Facilities Master Plan renewal</li> </ul>
November	<ul style="list-style-type: none"> <li>• Begin Board self-evaluation process</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 and Audit Committee meeting calendar</li> <li>• Publish summary of audit in newspaper of general circulation per MCL 389.143</li> </ul>

### **Budget Amendments**

It is the intention of the college to operate within the parameters of the budget as originally approved by the Board of Trustees. However, the President would notify the Board of Trustees if it is necessary to request any official amendment to the budget resulting from significant variances due to changes in budget assumptions, or other unanticipated events that would have significant impact on the approved budget. The Board of Trustees would consider the proposed budget amendment and approve or reject it.

### **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.

## **FY2020 BUDGET ESTABLISHMENT**

### **Timeline for FY2020 Budget Development**

1/29/19 & 2/4/19	Financial Briefings held to provide general information to Deans, Department Heads, support staff and others in the campus community
1/29/19 – 2/4/19	Conduct Budget Launch Meetings to discuss process and distribute Budget Development instructions and baseline Budget Item Detail
2/25/19	FY2020 Divisional Savings Recommendations due to Financial Planning, Analysis and Review (FPAR) after Sr. VP review and concurrence*
2/18/18	Financial Forecast presented to Board of Trustees, including tuition increase to create a balanced budget for FY2020
3/4/19	Savings Recommendations summarized and forwarded to the Executive Budget Committee for deliberation
3/4/19	FY2020 Reallocation Proposals due to FPAR after Sr. VP review and concurrence*
3/19/18	Tuition & Fees increase presented for adoption
3/11/19	Reallocation Proposals summarized and forwarded to the Executive Budget Committee for deliberation
3/18/19	Budgets and plans for various areas due to FPAR*: Capital Equipment, Facilities Maintenance & Renovation, Auxiliary/Designated/Plant Funds, Information Technology Infrastructure Replacement, Perkins Improvement Projects, HR Funded Professional Development Requests
2/20/18- 4/30/18	Executive Budget Committee reviews and prioritizes to develop Budget recommendation
5/23/19	Present FY2020 Budget Proposal at Board Workshop
6/17/19	Administration's FY2020 Budget Proposal presented for adoption at Board Meeting

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

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

1. Begin with the FY2020 baseline. A baseline was prepared with the following assumptions:
  - a. For enrollment planning purposes, enrollment is projected to be at FY2019 levels.
  - b. Agreed-upon non-labor reductions identified by ELT in mid-year analysis from FY2019 Adopted budget are incorporated in the FY2020 baseline
  - c. Known contractual increases are incorporated into the baseline.
  - d. Contingency Funds will be equal to 1% of total revenue.
  - e. Temporary (not Provisional) positions will not be budgeted in the baseline.
2. The Executive Leadership Team members are responsible for ensuring all program department, division, and location needs are represented in the budget.
3. All Divisions will present, for institutional prioritization, proposals to reduce expenses. Reductions are not expected to be across-the-board and all reduction proposals may not be incorporated into the Budget Proposal.
4. Reallocation proposals will be considered only after savings have been identified. Reallocations will net to zero across the college. All costs and program service impacts associated with proposals must be included in the submission. They must support the Strategic Plan and the Board of Trustees Governance Policies.
5. Three-year plans will be developed for:
  - a. Information and Media Technology Replacement
  - b. Major Maintenance & Renovation
  - c. Capital Equipment.
6. The college's Strategic Plan is the driving force for resource prioritization decisions.
7. Final decisions for inclusion in the budget proposal are made by the Executive Budget Committee, which includes the Chief Financial Officer, the Executive Vice President, the Provost/Senior Vice President of Academic Affairs and the Executive Director of Human Resources.

**FY2020 BUDGET  
EXECUTIVE SUMMARY,  
DETAIL  
AND  
FINANCIAL  
INFORMATION**

June 17, 2019

## **Lansing Community College Fiscal Year 2020 Proposed Budget Narrative Introduction**

The FY2020 Budget process started in late January 2019 when the Financial Services division invited all college employees to attend the "*LCC Financial Briefing*" and "*FY2020 Budget Launch*" sessions at the Downtown and West campuses. Over 60 employees attended these sessions. The "*LCC Financial Briefing*" section provided an overview of the College's revenue sources and types of expenses and were intended to engage employees and raise the overall awareness of the College's finances within the College community. The "*FY2020 Budget Launch*" section provided instructions and guidance for the development of the FY2020 budget and answered questions regarding the specific process to be used in the submission of necessary information to develop the FY2020 budget. It was emphasized to those in attendance that from FY2013 to FY2019 the College's billable hours had declined by almost 40% and that would be a challenge in preparing the FY2020. Copies of both presentations were made available at the sessions and upon request.

Employees were encouraged to engage in the budget process within their respective divisions. The Chief Financial Officer and members of the Financial Planning, Analysis and Review (FPAR) team also met with individual members of the Executive Leadership Team (ELT) and others to provide additional support during the budget development process.

Subsequent to the "*FY2020 Budget Launch*" meetings, ELT members, with input from their respective teams, forwarded Savings Recommendations to FPAR in February and Reallocation Requests to FPAR in March.

On February 18, 2019, the Chief Financial Officer presented a high-level two-year financial forecast to the Board. That forecast projected a balanced budget for FY2020 and included a \$3 increase in the in-district tuition rate (from \$105 to \$108). An additional \$4 increase in the in-district tuition rate to provide financial resources for the proposed downtown campus parking ramp replacement was also included in the forecast. It was stated that the new Governor had an additional 30 days to prepare her FY2020 budget recommendations and therefore that information was not available. In addition, the Governor and the two branches of the state legislature were from different political parties which could complicate the state's budget process. Therefore it was unlikely that the state's budget would be adopted before the College was legally required to adopt its budget for FY2020.

In March 2019, the Board of Trustees approved a \$3 increase to in-district tuition, a \$6 increase to in-state tuition, and a \$9 increase to out-state tuition rates. The Board of Trustees also approved a \$4 increase in the Student Support Fee, rather than the \$4

increase in in-district tuition, to provide the financial resources needed for the parking ramp capital project. At the April 2019 meeting the \$51 million parking ramp capital project was approved as was the authorization to issue bonds to fund 90% of the project cost.

Based upon review and acceptance of various Savings Recommendations and Reallocation Requests, a draft FY2020 budget was discussed with the members of the Board of Trustees at a workshop held on May 23<sup>rd</sup>. The draft budget included net savings of \$1,399 thousand. The overall goal of the Savings Recommendations and Reallocation Requests was to direct more resources to the achievement of the Strategic Plan, Student Success, and Embedded Academic Support and to adjust expenses to be consistent with projected enrollment. Two days prior to the May 23<sup>rd</sup> budget workshop with the Board of Trustees, additional information became available relative to Property Taxes. The new information was favorable for LCC. Due to the uncertainty of the financial impact of State of Michigan appropriations, the budget for Property Tax revenue has not been adjusted.

### Summary of General Fund Budgets

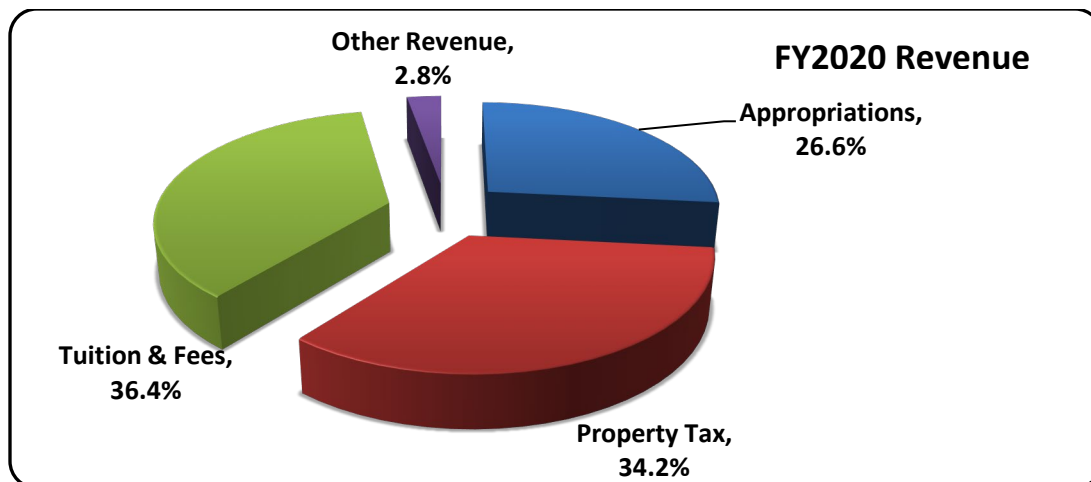
Lansing Community College's FY2020 proposed budget is presented to the Board of Trustees in summary form with supporting documentation. The Administration requests adoption as proposed.

Total revenues are projected to exceed \$128 million.

### Revenues

#### Summary of Fiscal Year 2020 General Fund Revenues

General Fund Revenues					
Total Revenues	2017 Actual	2018 Actual	2019 Adopted Budget	2020 Proposed	Percent change 2019 to 2020
State Appropriations	\$ 32,464,347	\$ 33,759,671	\$ 33,651,000	\$ 34,204,500	1.6%
Property Taxes	\$ 39,910,486	\$ 40,983,811	\$ 42,671,000	\$ 43,951,100	3.0%
Tuition and Fees	\$ 47,626,000	\$ 45,939,947	\$ 50,553,500	\$ 46,802,100	(7.4%)
Other Revenue	\$ 3,518,184	\$ 3,709,594	\$ 3,080,000	\$ 3,599,000	16.9%
Total	\$123,519,017	\$124,393,023	\$129,955,500	\$128,556,700	(1.1%)



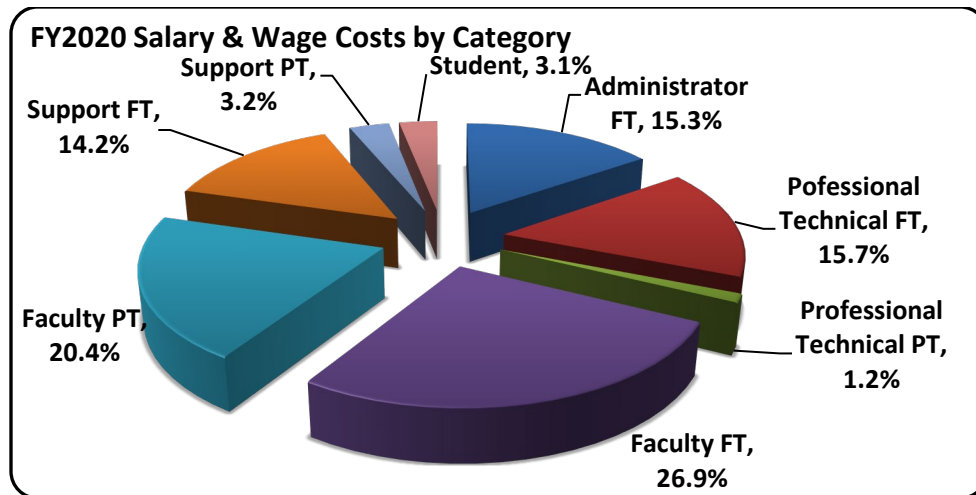
State Appropriations – The State’s FY2020 appropriations to Lansing Community College are budgeted to increase by 1.6%. This increase is based upon an estimated 2% increase in the community college operating appropriation and a net decrease in estimates for Renaissance Zone, Corporate Personal Property Tax Replacement Revenue and Michigan Public Employees Retirement System appropriations.

Property Taxes – For FY2020, net property tax revenue is estimated to increase by 3.0% which also includes an assumption for uncollectible property taxes. This reflects the recent steady increase of the District’s property values after several years of declining values and improved property tax collections due to the recent improvement in the local economy. This increase is partially offset by the loss of corporate personal property tax revenue (see above). The College’s millage rate will remain at 3.8072 mills.

Tuition and Fees – The budget of \$46.8 million in tuition and fees includes the Board approved 2.86% increase in tuition rates for in-district, in-state, out-of-state and international students of \$3, \$6, \$9, and \$11 respectively. Changes in course fees previously approved by the Board are also included. This increase reflects our commitment to maintaining the current level of support for our students. Billable hours are estimated to be 2% lower than actual FY2019 billable hours and 9.8% less than the FY2019 budget.

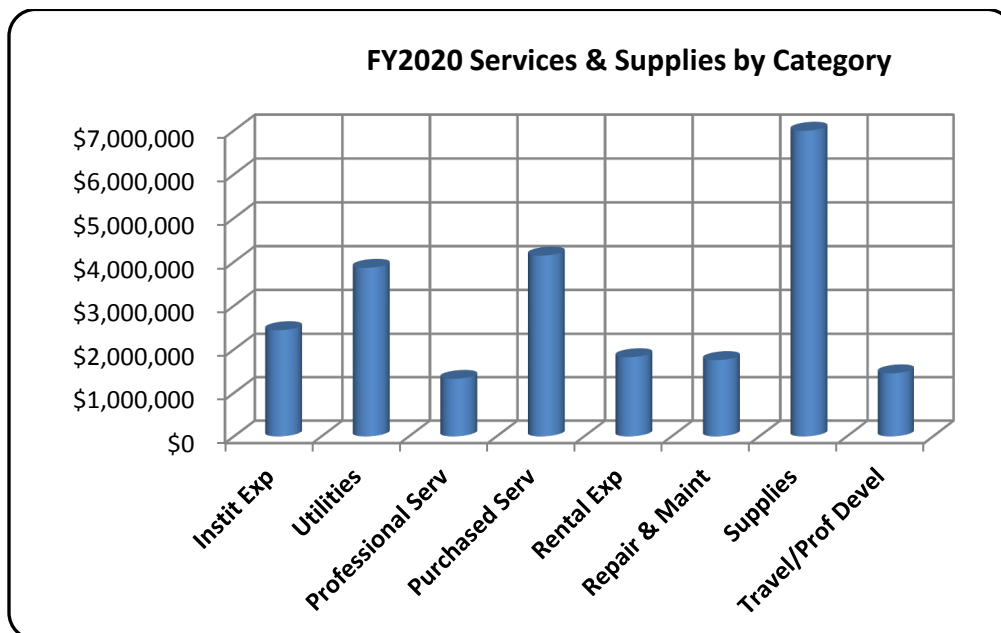
Other Revenues – Other revenues include the College’s contracts with the Eaton and Clinton County Regional Educational Services Agencies, High School Advantage contracts, interest income, University Center income, rental income, and other miscellaneous revenues. The College projects a 16.9% increase in Other Revenue for FY2020.

## Operating Budgets



Salaries, Wages, and Benefits – Salaries and benefits will comprise 67.6% of all General Fund expenses and transfers in FY2020. This is compared to 67.8% in the FY2019 budget. The net budget decrease is primarily related to:

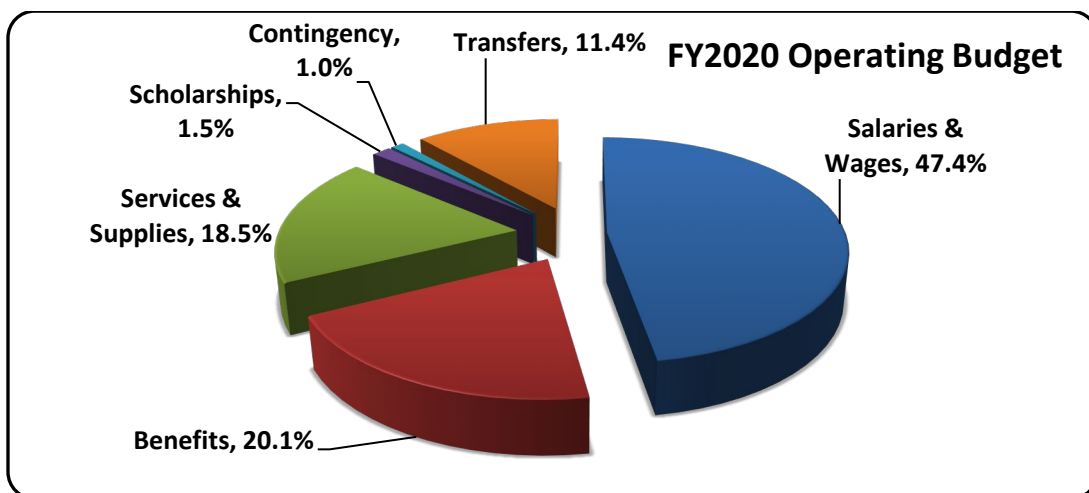
1. contractual obligations in the college's collective bargaining agreements;
2. decrease in adjunct teaching faculty costs due to lower projected enrollment;
3. recalculation of the average effective rates for employee benefits including a 2% increase in the State of Michigan "hard cap" limit on employer contributions to medical insurance.



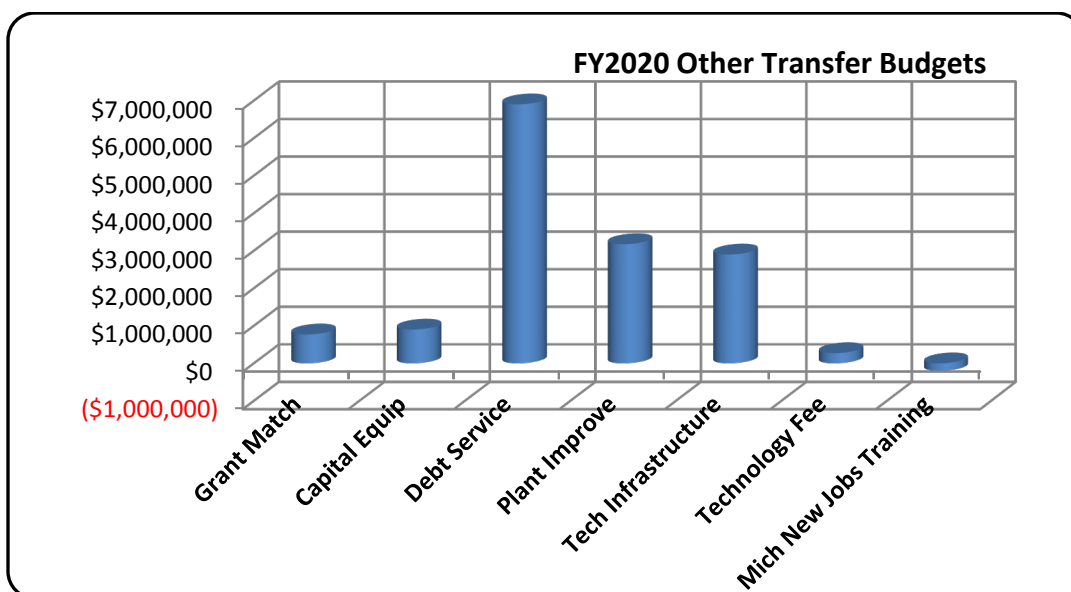
Services and Supplies – Services and supplies are projected to increase 1.9% from the FY2019 budget. This includes increases in operating expenses for Institutional Expenses, Utilities, Rental Expense and Travel, Training and Conferences and decreases in all other categories.

Student Financial Support – The FY2020 budget for tuition and fee scholarships is \$1.45 million. This scholarship budget provides for Board of Trustees, Honors, divisional, athletic, and other scholarships. The FY2020 budget for child care scholarships is \$426 thousand. Student financial support is equal to 4% of budgeted tuition and fee revenue.

Contingency – The proposed Contingency budget for FY2020 is \$1.3 million or 1% of the proposed revenues. This is the College's long-standing standard practice.



## Transfer Budgets



Grant Match – The FY2020 budget is \$770 thousand. This is based on requirements of current and anticipated grant awards.

Capital Equipment – The FY2020 budget is \$900 thousand. The reduction in budget is based upon approved capital equipment requests for FY2020.

Debt Service – \$6.9 million is budgeted for principal and interest payments on debt, based upon the College's current debt service obligations (see Exhibit F – Bonded Debt Amortization Schedule). New debt service to be incurred for the parking lot replacement capital project will be accounted for in the Plant Fund.

Plant Improvement – The FY2020 budget is proposed at \$3.2 million. This increase is based upon the continuing need for major maintenance and renovation for College facilities. The College currently owns and maintains approximately 1.8 million square feet of space.

Technology Infrastructure – The FY2020 budget is proposed at \$2.9 million. This is the same as the FY2019 budget.

Technology Fee – The FY2020 budget is proposed at \$273 thousand reflecting anticipated levels of enrollment

Michigan New Jobs Training Program – The FY2020 budget of \$200 thousand is based upon the anticipated volume for these training agreements.

## **Tuition Rates**

The College's approved in-district tuition rate of \$108 is below the projected state-wide average.

## **Tuition Rates**

The College's proposed in-district tuition rate of \$105 is below the projected state-wide average (see [page 116](#) for a Tuition Comparison with Michigan Community Colleges).

# LANSING COMMUNITY COLLEGE

## General Fund

### Operating Revenues, Expenses and Transfers: Proposed Budget Fiscal Year 2020 Comparison of Fiscal Years 2017 Actual, 2018 Actual & 2019 Adopted Budget to 2020 Proposed Budget

	FY2017 Actual	FY2018 Actual	FY2019 Adopted Budget	FY2020 Proposed Budget	\$ Change	% Change
<b><u>Revenues</u></b>						
State Appropriations	\$ 32,464,347	\$ 33,759,671	\$ 33,651,000	\$ 34,204,500	\$ 553,500	1.6%
Property Taxes, Net of Estimated Uncollectible	\$ 39,910,486	\$ 40,983,811	\$ 42,671,000	\$ 43,951,100	\$ 1,280,100	3.0%
Tuition and Fees, Net of Estimated Uncollectible	\$ 47,626,000	\$ 45,939,947	\$ 50,553,500	\$ 46,802,100	\$ (3,751,400)	-7.4%
Other Revenues	\$ 3,518,184	\$ 3,709,594	\$ 3,080,000	\$ 3,599,000	\$ 519,000	16.9%
<b>Total Revenues</b>	<b>\$123,519,017</b>	<b>\$124,393,023</b>	<b>\$ 129,955,500</b>	<b>\$ 128,556,700</b>	<b>\$ (1,398,800)</b>	<b>-1.1%</b>
<b><u>Expenses</u></b>						
Salaries and Wages	\$ 55,215,008	\$ 57,052,137	\$ 62,287,100	\$ 60,986,100	\$ (1,301,000)	-2.1%
Employee Benefits	\$ 22,429,919	\$ 25,076,143	\$ 25,790,500	\$ 25,895,900	\$ 105,400	0.4%
<b>Total Salaries and Benefits</b>	<b>\$ 77,644,927</b>	<b>\$ 82,128,280</b>	<b>\$ 88,077,600</b>	<b>\$ 86,882,000</b>	<b>\$ (1,195,600)</b>	<b>-1.4%</b>
Services and Supplies	\$ 20,733,899	\$ 21,845,568	\$ 23,345,400	\$ 23,794,100	\$ 448,700	1.9%
<b>Total Operating Expenses</b>	<b>\$ 98,378,826</b>	<b>\$ 103,973,848</b>	<b>\$ 111,423,000</b>	<b>\$ 110,676,100</b>	<b>\$ (746,900)</b>	<b>-0.7%</b>
Tuition and Fees Scholarships	\$ 1,423,000	\$ 1,495,000	\$ 1,524,000	\$ 1,451,000	\$ (73,000)	-4.8%
Child Care Scholarships	\$ 284,867	\$ 418,285	\$ 447,000	\$ 426,000	\$ (21,000)	-4.7%
<b>Total Student Financial Support Expenses</b>	<b>\$ 1,707,867</b>	<b>\$ 1,913,285</b>	<b>\$ 1,971,000</b>	<b>\$ 1,877,000</b>	<b>\$ (94,000)</b>	<b>-4.8%</b>
<b>Total Expenses</b>	<b>\$ 100,086,693</b>	<b>\$ 105,887,133</b>	<b>\$ 113,394,000</b>	<b>\$ 112,553,100</b>	<b>\$ (840,900)</b>	<b>-0.7%</b>
<b><u>Transfers (In)/Out</u></b>						
Grant Match	\$ 977,343	\$ 813,186	\$ 1,000,000	\$ 770,000	\$ (230,000)	-23.0%
Capital Equipment	\$ 1,100,000	\$ 1,135,527	\$ 1,100,000	\$ 900,000	\$ (200,000)	-18.2%
Debt Service	\$ 8,908,000	\$ 6,896,000	\$ 6,897,000	\$ 6,900,000	\$ 3,000	0.0%
Physical Plant Improvement	\$ 6,062,000	\$ 4,062,000	\$ 3,062,000	\$ 3,175,000	\$ 113,000	3.7%
Technology Infrastructure	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ -	0.0%
Technology Fee	\$ 292,109	\$ 280,627	\$ 303,000	\$ 272,600	\$ (30,400)	-10.0%
Michigan New Jobs Training Program	\$ -	\$ -	\$ -	\$ (200,000)	\$ (200,000)	0.0%
Other Transfers	\$ 1,552,306	\$ 1,100,000	\$ -	\$ -	\$ -	0.0%
<b>Total Transfers</b>	<b>\$ 21,791,758</b>	<b>\$ 17,187,340</b>	<b>\$ 15,262,000</b>	<b>\$ 14,717,600</b>	<b>\$ (544,400)</b>	<b>-3.6%</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,299,500</b>	<b>\$ 1,286,000</b>	<b>\$ (13,500)</b>	<b>-1.0%</b>
<b>Total Revenues</b>	<b>\$ 123,519,017</b>	<b>\$ 124,393,023</b>	<b>\$ 129,955,500</b>	<b>\$ 128,556,700</b>	<b>\$ (1,398,800)</b>	<b>-1.1%</b>
<b>Total Expenses, Transfers and Contingency</b>	<b>\$ 121,878,451</b>	<b>\$ 123,074,473</b>	<b>\$ 129,955,500</b>	<b>\$ 128,556,700</b>	<b>\$ (1,398,800)</b>	<b>-1.1%</b>
<b>Net Change in Unrestricted Fund Balance</b>	<b>\$ 1,640,566</b>	<b>\$ 1,318,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
Unrestricted General Fund Balance Beginning of Period	\$ 19,875,194	\$ 21,515,760	\$ 22,834,310	\$ 22,834,310	\$ -	N/A
<b>Unrestricted General Fund Balance End of Period</b>	<b>\$ 21,515,760</b>	<b>\$ 22,834,310</b>	<b>\$ 22,834,310</b>	<b>\$ 22,834,310</b>	<b>\$ -</b>	<b>N/A</b>

# **LANSING COMMUNITY COLLEGE**

## **General Fund**

### **Operating Expenses: Proposed Budget Fiscal Year 2020**

#### **Comparison of Fiscal Years 2017 Actual, 2018 Actual & 2019 Adopted Budget to 2020 Proposed Budget**

	<b>FY2017 Actual**</b>	<b>FY2018 Actual*</b>	<b>FY2019 Adopted Budget</b>	<b>FY2020 Proposed Budget</b>	<b>\$ Change</b>	<b>% Change</b>
<b><u>Operating Expenses - Divisions</u></b>						
Academic Affairs	\$ 2,583,275	\$ 7,129,995	\$ 8,952,800	\$ 8,414,100	\$ (538,700)	-6.0%
Administrative Services	\$ 12,349,803	\$ 12,714,446	\$ 13,118,600	\$ 14,106,200	\$ 987,600	7.5%
Advancement and External Affairs	\$ 2,765,258	\$ 3,171,818	\$ 3,526,400	\$ 3,474,600	\$ (51,800)	-1.5%
Arts and Sciences	\$ 24,901,858	\$ 24,774,002	\$ 27,048,400	\$ 26,091,700	\$ (956,700)	-3.5%
Board of Trustees	\$ 261,228	\$ 250,025	\$ 306,000	\$ 502,600	\$ 196,600	64.2%
Community Education and Workforce Development	\$ 3,491,582	\$ 4,112,395	\$ 4,238,500	\$ 3,980,800	\$ (257,700)	-6.1%
Executive Office	\$ 3,081,817	\$ 3,144,624	\$ 3,345,200	\$ 3,381,100	\$ 35,900	1.1%
Financial Services	\$ 5,292,149	\$ 5,599,442	\$ 5,882,000	\$ 5,951,600	\$ 69,600	1.2%
Health and Human Services	\$ 10,307,036	\$ 10,394,049	\$ 10,635,100	\$ 10,602,000	\$ (33,100)	-0.3%
Human Resources	\$ 1,746,461	\$ 1,903,275	\$ 2,080,100	\$ 2,007,300	\$ (72,800)	-3.5%
Information Technology Services	\$ 9,788,459	\$ 10,703,538	\$ 10,849,800	\$ 11,176,500	\$ 326,700	3.0%
Student Affairs	\$ 7,623,666	\$ 9,887,367	\$ 10,327,300	\$ 10,137,800	\$ (189,500)	-1.8%
Student Success	\$ 4,431,734	\$ -	\$ -	\$ -	\$ -	0.0%
Technical Careers	\$ 9,754,500	\$ 10,188,872	\$ 11,112,800	\$ 10,849,800	\$ (263,000)	-2.4%
<b>Total all Divisions</b>	<b>\$ 98,378,826</b>	<b>\$103,973,848</b>	<b>\$111,423,000</b>	<b>\$110,676,100</b>	<b>\$ (746,900)</b>	<b>-0.7%</b>
<b><u>Operating Expenses - Account</u></b>						
Full-Time Administrator	\$ 14,849,389	\$ 8,425,954	\$ 9,097,400	\$ 9,336,500	\$ 239,100	2.6%
Full-Time Professional Technical	\$ -	\$ 8,393,525	\$ 9,051,400	\$ 9,566,400	\$ 515,000	5.7%
Part-Time Professional Technical	\$ 779,228	\$ 728,647	\$ 729,900	\$ 735,300	\$ 5,400	0.7%
Full-Time Faculty	\$ 14,604,135	\$ 14,935,851	\$ 16,137,400	\$ 16,424,800	\$ 287,400	1.8%
Part-Time Faculty	\$ 12,852,733	\$ 12,557,142	\$ 14,348,400	\$ 12,440,400	\$ (1,908,000)	-13.3%
Full-Time Support	\$ 8,605,781	\$ 8,541,066	\$ 8,852,500	\$ 8,657,200	\$ (195,300)	-2.2%
Part-Time Support	\$ 2,167,325	\$ 1,886,106	\$ 2,194,700	\$ 1,953,900	\$ (240,800)	-11.0%
Student	\$ 1,356,417	\$ 1,583,846	\$ 1,875,400	\$ 1,871,600	\$ (3,800)	-0.2%
<b>Total Salaries and Wages</b>	<b>\$ 55,215,008</b>	<b>\$ 57,052,137</b>	<b>\$ 62,287,100</b>	<b>\$ 60,986,100</b>	<b>\$ (1,301,000)</b>	<b>-2.1%</b>
<b>Employee Benefits</b>	<b>\$ 22,429,919</b>	<b>\$ 25,076,143</b>	<b>\$ 25,790,500</b>	<b>\$ 25,895,900</b>	<b>\$ 105,400</b>	<b>0.4%</b>
Institutional Expenses	\$ 2,018,260	\$ 2,098,392	\$ 2,280,300	\$ 2,441,300	\$ 161,000	7.1%
Utilities	\$ 3,598,514	\$ 3,588,046	\$ 3,615,000	\$ 3,865,000	\$ 250,000	6.9%
Professional Services	\$ 1,658,296	\$ 784,006	\$ 1,331,900	\$ 1,322,500	\$ (9,400)	-0.7%
Purchased Services	\$ 3,517,064	\$ 4,579,908	\$ 4,187,000	\$ 4,145,000	\$ (42,000)	-1.0%
Rental Expense	\$ 847,410	\$ 1,359,923	\$ 1,348,000	\$ 1,821,800	\$ 473,800	35.1%
Repair and Maintenance	\$ 1,570,831	\$ 1,848,262	\$ 1,879,400	\$ 1,754,600	\$ (124,800)	-6.6%
Supplies and Non-Capital Equipment	\$ 6,368,760	\$ 6,529,235	\$ 7,275,700	\$ 6,993,600	\$ (282,100)	-3.9%
Travel, Training and Conferences	\$ 1,154,764	\$ 1,057,796	\$ 1,428,100	\$ 1,450,300	\$ 22,200	1.6%
<b>Total Services and Supplies</b>	<b>\$ 20,733,899</b>	<b>\$ 21,845,568</b>	<b>\$ 23,345,400</b>	<b>\$ 23,794,100</b>	<b>\$ 448,700</b>	<b>1.9%</b>
<b>Total Division Operating Expenses</b>	<b>\$ 98,378,826</b>	<b>\$ 103,973,848</b>	<b>\$ 111,423,000</b>	<b>\$ 110,676,100</b>	<b>\$ (746,900)</b>	<b>-0.7%</b>

\*Restated to conform with FY2020 Presentation

\*\*Fiscal Years as originally reported; not restated for organizational or subsequent Job Classification changes

## Summary Table of Budgeted Non-Student Positions FY2018 – FY2020

Division	Job Classification	FY18 Adopted*	FY19 Adopted *	FY20 Proposed	Change
Academic Affairs	Administrative FT	7.00	10.00	9.00	(1.00)
	Professional Technical FT***	11.00	15.00	18.00	3.00
	Professional Technical PT	1.50	0.90	3.17	2.27
	Faculty FT	7.13	14.13	14.88	0.75
	Faculty PT	0.79	50.79	29.32	(21.47)
	Support FT	6.00	12.50	14.00	1.50
	Support PT	2.15	10.02	2.65	(7.37)
<b>Academic Affairs Total</b>		<b>35.57</b>	<b>113.34</b>	<b>91.02</b>	<b>(22.32)</b>
Administrative Services	Administrative FT	7.30	7.50	7.00	(0.50)
	Professional Technical FT***	2.00	2.00	2.00	0.00
	Professional Technical PT	0.40	0.40	0.00	(0.40)
	Support FT	31.70	35.20	33.27	(1.93)
	Support PT	13.17	12.37	11.52	(0.85)
<b>Administrative Services Total</b>		<b>54.57</b>	<b>57.47</b>	<b>53.79</b>	<b>(3.68)</b>
Advancement and External Affairs	Administrative FT	5.00	5.00	5.00	0.00
	Professional Technical FT***	7.75	7.75	6.75	(1.00)
	Professional Technical PT	1.01	1.01	1.51	0.50
	Faculty PT	0.42	0.10	0.10	0.00
	Support FT	10.00	12.00	11.00	(1.00)
	Support PT	3.65	2.90	2.90	0.00
<b>Advancement and External Affairs Total</b>		<b>27.83</b>	<b>28.76</b>	<b>27.26</b>	<b>(1.50)</b>
Arts and Sciences	Administrative FT	5.00	7.00	7.00	0.00
	Professional Technical FT***	6.00	7.00	8.00	1.00
	Professional Technical PT	1.50	0.75	0.00	(0.75)
	Faculty FT	115.12	118.87	116.12	(2.75)
	Faculty PT	102.48	107.26	82.72	(24.54)
	Support FT	13.00	13.00	12.00	(1.00)
	Support PT	12.24	14.18	13.10	(1.08)
<b>Arts and Sciences Total</b>		<b>255.34</b>	<b>268.06</b>	<b>238.94</b>	<b>(29.12)</b>
Board of Trustees	Administrative FT	1.00	1.00	1.00	0.00
<b>Board of Trustees Total</b>		<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>
Community Education and Workforce Development	Administrative FT	4.00	4.00	4.00	0.00
	Professional Technical FT***	12.00	11.00	11.00	0.00
	Professional Technical PT	0.63	0.63	0.82	0.19
	Faculty PT	4.27	4.04	4.58	0.54
	Support FT	9.88	10.00	10.00	0.00
	Support PT	1.20	1.20	5.23	4.03
<b>CEWD Total</b>		<b>31.98</b>	<b>30.87</b>	<b>35.63</b>	<b>4.76</b>
Executive Offices	Administrative FT	7.00	7.00	7.00	0.00
	Professional Technical FT***	2.00	2.00	4.00	2.00
	Professional Technical PT	0.03	0.02	0.00	(0.02)
	Support FT	5.00	6.00	4.00	(2.00)
<b>Executive Offices Total</b>		<b>14.03</b>	<b>15.02</b>	<b>15.00</b>	<b>(0.02)</b>
Financial Services	Administrative FT	10.00	11.00	11.00	0.00
	Professional Technical FT***	18.00	19.00	19.00	0.00
	Support FT	25.00	27.00	26.00	(1.00)
	Support PT	2.95	2.10	0.00	(2.10)
<b>Financial Services Total</b>		<b>55.95</b>	<b>59.10</b>	<b>56.00</b>	<b>(3.10)</b>

\*Restated to conform with FY2020 Presentation

\*\*Fiscal Years as originally reported; not restated for organizational or subsequent Job Classification changes

\*\*\*New Job Classification reporting category for FY2019

## Summary Table of Budgeted Non-Student Positions FY2018 – FY2020 (continued)

Division	Job Classification	FY18 Adopted*	FY19 Adopted *	FY20 Proposed	Change
Health and Human Services	Administrative FT	10.00	9.00	9.00	0.00
	Professional Technical FT***	11.00	11.00	11.00	0.00
	Professional Technical PT	0.50	0.62	0.62	0.00
	Faculty FT	30.00	31.00	29.00	(2.00)
	Faculty PT	46.44	42.31	37.88	(4.43)
	Support FT	10.00	11.00	10.00	(1.00)
	Support PT	2.85	1.60	1.60	0.00
<b>Health and Human Services Total</b>		<b>110.79</b>	<b>106.53</b>	<b>99.10</b>	<b>(7.43)</b>
Human Resources	Administrative FT	4.00	4.00	4.00	0.00
	Professional Technical FT***	4.00	5.00	5.00	0.00
	Professional Technical PT	0.60	0.28	0.28	0.00
	Faculty FT	0.25	0.25	0.25	0.00
	Support FT	6.00	7.00	6.00	(1.00)
	Support PT	0.00	0.70	0.00	(0.70)
<b>Human Resources Total</b>		<b>14.85</b>	<b>17.23</b>	<b>15.53</b>	<b>(1.70)</b>
Information Technology Services	Administrative FT	10.75	10.75	10.75	0.00
	Professional Technical FT***	23.00	25.15	25.15	0.00
	Professional Technical PT	2.25	1.50	1.50	0.00
	Support FT	19.17	19.67	19.62	(0.05)
	Support PT	17.58	16.92	16.92	0.00
<b>Information Technology Services Total</b>		<b>72.75</b>	<b>73.99</b>	<b>73.94</b>	<b>(0.05)</b>
Student Affairs	Administrative FT	12.60	14.60	13.50	(1.10)
	Professional Technical FT***	9.00	29.00	30.00	1.00
	Professional Technical PT	1.13	1.50	1.50	0.00
	Faculty FT	18.00	17.75	16.75	(1.00)
	Faculty PT	6.50	6.99	3.97	(3.02)
	Support FT	33.50	36.00	36.00	0.00
	Support PT	8.86	8.14	4.81	(3.33)
<b>Student Affairs Total</b>		<b>89.59</b>	<b>113.98</b>	<b>106.53</b>	<b>(7.45)</b>
Student Success	Administrative FT	5.00	0.00	0.00	0.00
	Professional Technical FT***	23.50	0.00	0.00	0.00
	Faculty FT	10.50	0.00	0.00	0.00
	Faculty PT	15.21	0.00	0.00	0.00
	Support FT	8.50	0.00	0.00	0.00
	Support PT	7.23	0.00	0.00	0.00
<b>Student Success Total</b>		<b>69.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Technical Careers	Administrative FT	7.00	7.00	7.00	0.00
	Professional Technical FT***	7.00	7.00	7.00	0.00
	Faculty FT	40.55	40.90	42.00	1.10
	Faculty PT	43.02	50.29	39.41	(10.88)
	Support FT	11.00	11.00	10.00	(1.00)
	Support PT	3.60	3.60	2.85	(0.75)
<b>Technical Careers Total</b>		<b>112.17</b>	<b>119.79</b>	<b>108.26</b>	<b>(11.53)</b>
<b>Grand Total</b>		<b>946.36</b>	<b>1005.14</b>	<b>922.00</b>	<b>(83.14)</b>
<b>Administrative FT</b>		<b>95.65</b>	<b>97.85</b>	<b>95.25</b>	<b>(2.60)</b>
<b>Professional Technical FT***</b>		<b>136.25</b>	<b>140.90</b>	<b>146.90</b>	<b>6.00</b>
<b>Professional Technical PT</b>		<b>9.55</b>	<b>7.61</b>	<b>9.40</b>	<b>1.79</b>
<b>Faculty FT</b>		<b>221.55</b>	<b>222.90</b>	<b>219.00</b>	<b>(3.90)</b>
<b>Faculty PT</b>		<b>219.13</b>	<b>261.78</b>	<b>197.98</b>	<b>(63.80)</b>
<b>Support FT</b>		<b>188.75</b>	<b>200.37</b>	<b>191.89</b>	<b>(8.48)</b>
<b>Support PT</b>		<b>75.48</b>	<b>73.73</b>	<b>61.58</b>	<b>(12.15)</b>
<b>Total</b>		<b>946.36</b>	<b>1005.14</b>	<b>922.00</b>	<b>(83.14)</b>

\*Restated to conform with FY2020 Presentation

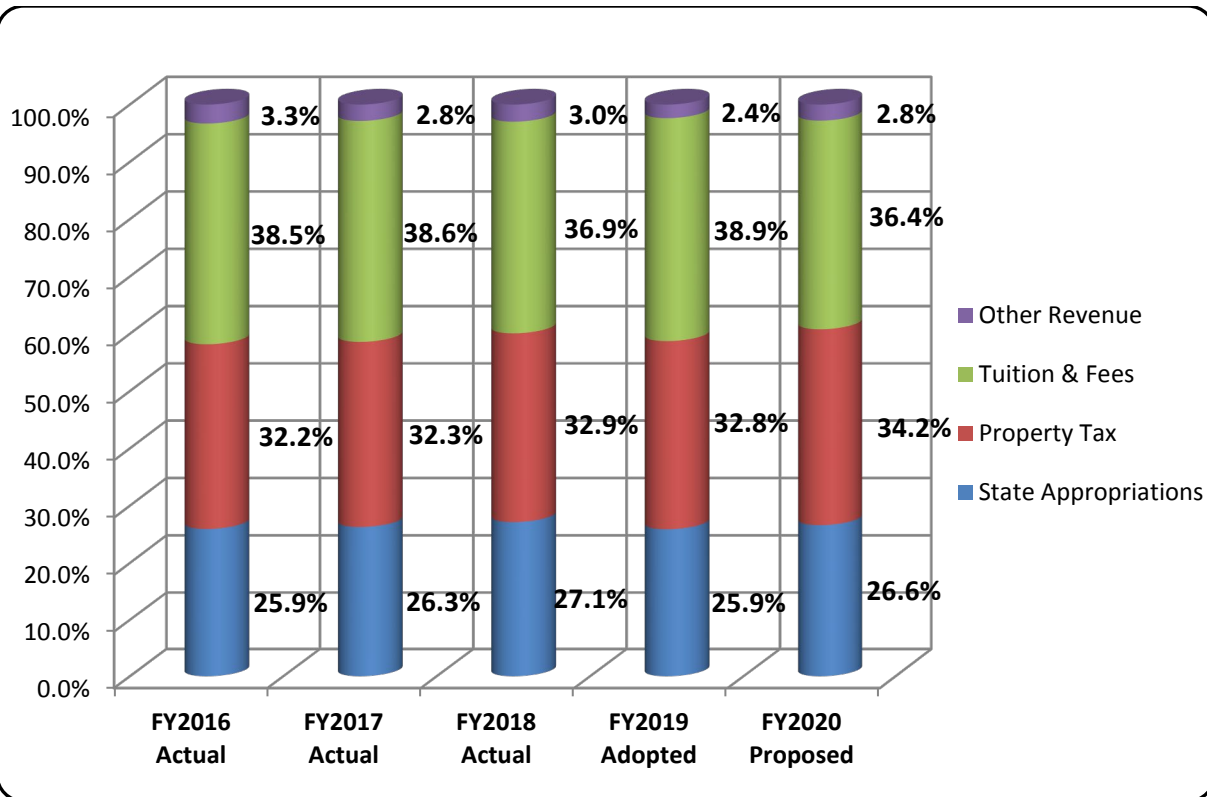
\*\*Fiscal Years as originally reported; not restated for organizational or subsequent Job Classification changes

\*\*\*New Job Classification reporting category for FY2019

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

Account Description	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Adopted	FY2020 Proposed	% Change FY2019 to FY2020
State						
Appropriations	\$31,545,505	\$32,464,347	\$33,759,671	\$33,651,000	\$34,204,500	1.6%
Property Tax	\$39,207,101	\$39,910,486	\$40,983,811	\$42,671,000	\$43,951,100	3.0%
Tuition & Fees	\$46,840,847	\$47,626,000	\$45,939,947	\$50,553,500	\$46,802,100	-7.4%
Other Revenue	\$4,017,039	\$3,518,184	\$3,709,594	\$3,080,000	\$3,599,000	16.9%
<b>Total Revenues</b>	<b>\$121,610,492</b>	<b>\$123,519,017</b>	<b>\$124,393,023</b>	<b>\$129,955,500</b>	<b>\$128,556,700</b>	<b>-1.1%</b>

### Source and Percent of Total Revenue FY2016 – FY2020 Proposed



**LANSING COMMUNITY COLLEGE**  
**General Fund: Operating Revenues, Expenses and Transfers**  
**Five-Year History**

	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Adopted Budget	FY2020 Proposed
<b><u>Revenues</u></b>					
State Appropriations	\$ 31,545,505	\$ 32,464,347	\$ 33,759,671	\$ 33,651,000	\$ 34,204,500
Property Taxes (less est for uncoll)	\$ 39,207,101	\$ 39,910,486	\$ 40,983,811	\$ 42,671,000	\$ 43,951,100
Tuition and Fees (less est for uncoll)	\$ 46,840,847	\$ 47,626,000	\$ 45,939,947	\$ 50,553,500	\$ 46,802,100
Other Revenues	\$ 4,017,039	\$ 3,518,184	\$ 3,709,594	\$ 3,080,000	\$ 3,599,000
<b>Total Revenues</b>	<b>\$121,610,492</b>	<b>\$123,519,017</b>	<b>\$124,393,023</b>	<b>\$129,955,500</b>	<b>\$128,556,700</b>
<b><u>Operating Budgets</u></b>					
Salaries and Wages	\$ 55,330,430	\$ 55,215,008	\$ 57,052,137	\$ 62,287,100	\$ 60,986,100
Employee Benefits	\$ 24,053,176	\$ 22,429,919	\$ 25,076,143	\$ 25,790,500	\$ 25,895,900
<b>Total Salaries + Benefits</b>	<b>\$ 79,383,606</b>	<b>\$ 77,644,927</b>	<b>\$ 82,128,280</b>	<b>\$ 88,077,600</b>	<b>\$ 86,882,000</b>
Services and Supplies	\$ 21,306,928	\$ 20,733,899	\$ 21,845,568	\$ 23,345,400	\$ 23,794,100
<b>Total Operating Expense</b>	<b>\$100,690,534</b>	<b>\$ 98,378,826</b>	<b>\$103,973,848</b>	<b>\$111,423,000</b>	<b>\$110,676,100</b>
Tuition and Fees Scholarships	\$ 1,279,776	\$ 1,423,000	\$ 1,495,000	\$ 1,524,000	\$ 1,451,000
Child Care Scholarships	\$ 235,825	\$ 284,867	\$ 418,285	\$ 447,000	\$ 426,000
<b>Total Student Financial Support Expense</b>	<b>\$ 1,515,601</b>	<b>\$ 1,707,867</b>	<b>\$ 1,913,285</b>	<b>\$ 1,971,000</b>	<b>\$ 1,877,000</b>
<b>Total Expenses</b>	<b>\$102,206,135</b>	<b>\$100,086,693</b>	<b>\$105,887,133</b>	<b>\$113,394,000</b>	<b>\$112,553,100</b>
<b><u>Transfers</u></b>					
Grant Match	\$ 991,539	\$ 977,343	\$ 813,186	\$ 1,000,000	\$ 770,000
Capital Equipment	\$ 1,000,000	\$ 1,100,000	\$ 1,135,527	\$ 1,100,000	\$ 900,000
Debt Service	\$ 8,581,000	\$ 8,908,000	\$ 6,896,000	\$ 6,897,000	\$ 6,900,000
Physical Plant Improvement	\$ 3,262,000	\$ 6,062,000	\$ 4,062,000	\$ 3,062,000	\$ 3,175,000
Technology Infrastructure	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000
Technology Fee	\$ 321,333	\$ 292,109	\$ 280,627	\$ 303,000	\$ 272,600
Michigan New Jobs Training Program	\$ -	\$ -	\$ -	\$ -	\$ (200,000)
Other Transfers	\$ 1,156,735	\$ 1,552,306	\$ 1,100,000	\$ -	\$ -
<b>Total Transfers</b>	<b>\$ 18,212,607</b>	<b>\$ 21,791,758</b>	<b>\$ 17,187,340</b>	<b>\$ 15,262,000</b>	<b>\$ 14,717,600</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,299,500</b>	<b>\$ 1,286,000</b>
<b>Total Revenues</b>	<b>\$ 121,610,492</b>	<b>\$ 123,519,017</b>	<b>\$ 124,393,023</b>	<b>\$ 129,955,500</b>	<b>\$ 128,556,700</b>
<b>Total Expenses, Transfers and Contingency</b>	<b>\$ 120,418,742</b>	<b>\$ 121,878,451</b>	<b>\$ 123,074,473</b>	<b>\$ 129,955,500</b>	<b>\$ 128,556,700</b>
<b>Net Change in Unrestricted Fund Balance</b>	<b>\$ 1,191,750</b>	<b>\$ 1,640,566</b>	<b>\$ 1,318,550</b>	<b>\$ -</b>	<b>\$ -</b>
Unrestricted General Fund Balance Beginning of Period	\$ 18,683,444	\$ 19,875,194	\$ 21,515,760	\$ 22,834,310	\$ 22,834,310
<b>Unrestricted General Fund Balance End of Period</b>	<b>\$ 19,875,194</b>	<b>\$ 21,515,760</b>	<b>\$ 22,834,310</b>	<b>\$ 22,834,310</b>	<b>\$ 22,834,310</b>

**LANSING COMMUNITY COLLEGE**  
**General Fund Operating Expenses**  
**Five-Year History**

	FY2016	FY2017	FY2018	FY2019	FY2020
	Actual **	Actual **	Actual *	Adopted Budget	Proposed
<b><u>Operating Budgets - Divisions</u></b>					
Academic Affairs	\$ 4,256,594	\$ 2,583,275	\$ 7,129,995	\$ 8,952,800	\$ 8,414,100
Administrative Services	\$ 11,863,872	\$ 12,349,803	\$ 12,714,446	\$ 13,118,600	\$ 14,106,200
Advancement and External Affairs	\$ 3,048,011	\$ 2,765,258	\$ 3,171,818	\$ 3,526,400	\$ 3,474,600
Arts and Sciences	\$ 26,264,302	\$ 24,901,858	\$ 24,774,002	\$ 27,048,400	\$ 26,091,700
Board of Trustees	\$ 250,322	\$ 261,228	\$ 250,025	\$ 306,000	\$ 502,600
Community Education and Workforce Development	\$ 3,442,322	\$ 3,491,582	\$ 4,112,395	\$ 4,238,500	\$ 3,980,800
Executive Office	\$ 3,219,871	\$ 3,081,817	\$ 3,144,624	\$ 3,345,200	\$ 3,381,100
Financial Services	\$ 5,229,636	\$ 5,292,149	\$ 5,599,442	\$ 5,882,000	\$ 5,951,600
Health and Human Services	\$ 10,789,777	\$ 10,307,036	\$ 10,394,049	\$ 10,635,100	\$ 10,602,000
Human Resources	\$ 1,722,275	\$ 1,746,461	\$ 1,903,275	\$ 2,080,100	\$ 2,007,300
Information Technology Services	\$ 9,956,757	\$ 9,788,459	\$ 10,703,538	\$ 10,849,800	\$ 11,176,500
Student Affairs	\$ 11,194,749	\$ 7,623,666	\$ 9,887,367	\$ 10,327,300	\$ 10,137,800
Student Success	\$ -	\$ 4,431,734	\$ -	\$ -	\$ -
Technical Careers	\$ 9,452,046	\$ 9,754,500	\$ 10,188,872	\$ 11,112,800	\$ 10,849,800
<b>Total all Divisions</b>	<b>\$ 100,690,534</b>	<b>\$98,378,826</b>	<b>\$103,973,848</b>	<b>\$ 111,423,000</b>	<b>\$110,676,100</b>
<b><u>Operating Budgets - Account</u></b>					
Full-Time Administrator	\$ 13,793,202	\$ 14,849,389	\$ 8,425,954	\$ 9,097,400	\$ 9,336,500
Full-Time Professional Technical ***	\$ -	\$ -	\$ 8,393,525	\$ 9,051,400	\$ 9,566,400
Part-Time Professional Technical	\$ 859,770	\$ 779,228	\$ 728,647	\$ 729,900	\$ 735,300
Full-Time Faculty	\$ 14,518,251	\$ 14,604,135	\$ 14,935,851	\$ 16,137,400	\$ 16,424,800
Part-Time Faculty	\$ 13,942,827	\$ 12,852,733	\$ 12,557,142	\$ 14,348,400	\$ 12,440,400
Full-Time Support	\$ 8,575,699	\$ 8,605,781	\$ 8,541,066	\$ 8,852,500	\$ 8,657,200
Part-Time Support	\$ 2,101,012	\$ 2,167,325	\$ 1,886,106	\$ 2,194,700	\$ 1,953,900
Student	\$ 1,539,669	\$ 1,356,417	\$ 1,583,846	\$ 1,875,400	\$ 1,871,600
<b>Total Salaries and Wages</b>	<b>\$ 55,330,430</b>	<b>\$55,215,008</b>	<b>\$ 57,052,137</b>	<b>\$ 62,287,100</b>	<b>\$ 60,986,100</b>
<b>Employee Benefits</b>	<b>\$ 24,053,176</b>	<b>\$22,429,919</b>	<b>\$ 25,076,143</b>	<b>\$ 25,790,500</b>	<b>\$ 25,895,900</b>
Institutional Expenses	\$ 2,021,498	\$ 2,018,260	\$ 2,098,392	\$ 2,280,300	\$ 2,441,300
Utilities	\$ 3,516,049	\$ 3,598,514	\$ 3,588,046	\$ 3,615,000	\$ 3,865,000
Professional Services	\$ 1,593,100	\$ 1,658,296	\$ 784,006	\$ 1,331,900	\$ 1,322,500
Purchased Services	\$ 3,941,794	\$ 3,517,064	\$ 4,579,908	\$ 4,187,000	\$ 4,145,000
Rental Expense	\$ 853,261	\$ 847,410	\$ 1,359,923	\$ 1,348,000	\$ 1,821,800
Repair and Maintenance	\$ 1,671,033	\$ 1,570,831	\$ 1,848,262	\$ 1,879,400	\$ 1,754,600
Supplies and Non-Capital Equipment	\$ 6,594,500	\$ 6,368,760	\$ 6,529,235	\$ 7,275,700	\$ 6,993,600
Travel, Training and Conferences	\$ 1,115,693	\$ 1,154,764	\$ 1,057,796	\$ 1,428,100	\$ 1,450,300
<b>Total Services and Supplies</b>	<b>\$ 21,306,928</b>	<b>\$20,733,899</b>	<b>\$ 21,845,568</b>	<b>\$ 23,345,400</b>	<b>\$ 23,794,100</b>
<b>Total Division Operating Expenses</b>	<b>\$ 100,690,534</b>	<b>\$98,378,826</b>	<b>\$103,973,848</b>	<b>\$ 111,423,000</b>	<b>\$110,676,100</b>

\*Restated to conform with FY2019 Presentation

\*\*Fiscal Years as originally reported, not restated for organization changes

\*\*\*New reporting category in FY2019

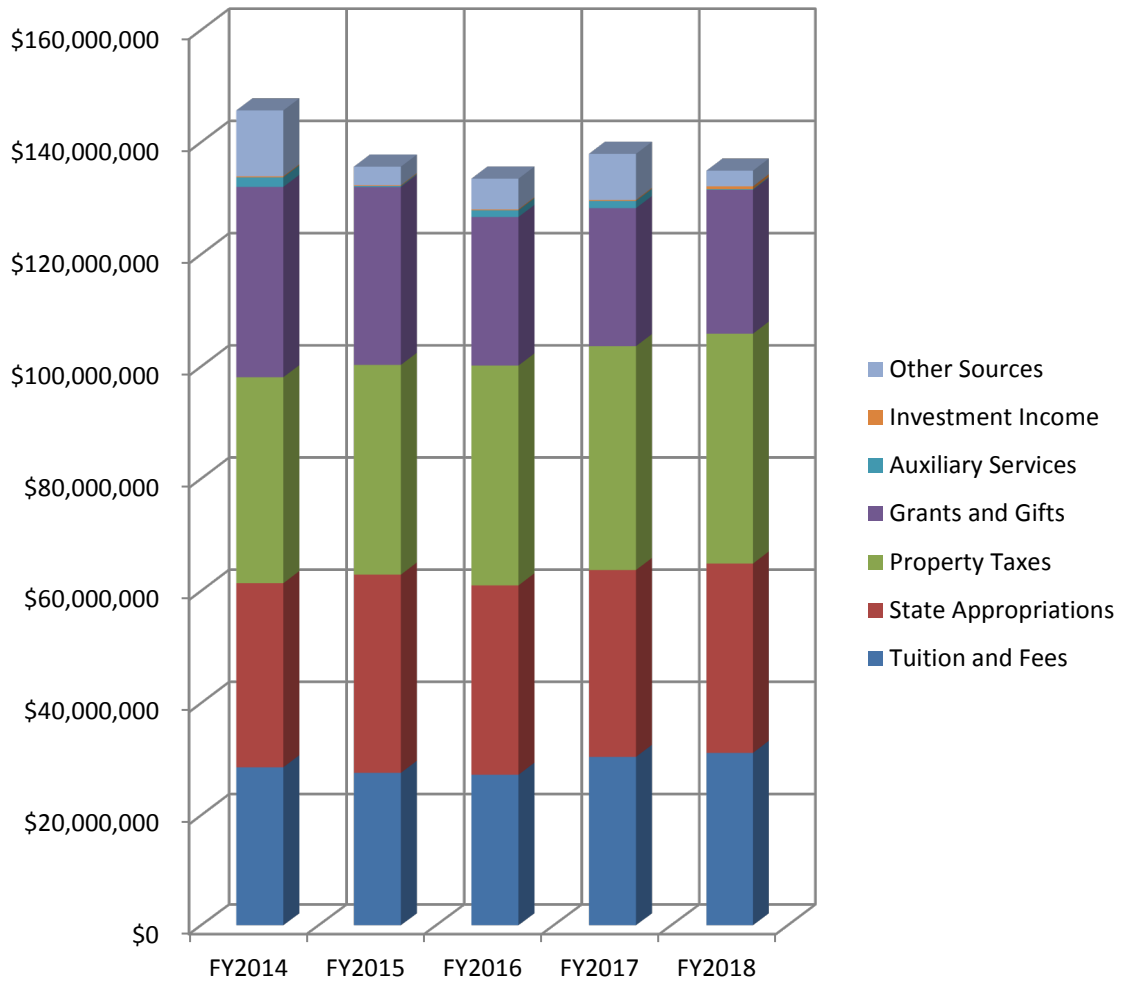
## LANSING COMMUNITY COLLEGE REVENUE AND EXPENSE BY ACTIVITY – ALL FUNDS FIVE-YEAR HISTORY

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.

	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Revenue:</b>					
Tuition and Fees*	\$28,554,591	\$27,560,464	\$27,216,821	\$30,405,367	\$31,112,089
State Appropriations	\$32,824,815	\$35,344,860	\$33,761,131	\$33,317,442	\$33,759,671
Property Taxes	\$36,718,154	\$37,390,260	\$39,207,101	\$39,910,486	\$40,983,811
Grants and Gifts	\$33,935,196	\$31,726,143	\$26,477,439	\$24,616,132	\$25,642,066
Auxiliary Services	\$1,701,672	\$158,246	\$1,200,923	\$1,280,918	\$136,280
Investment Income	\$177,187	\$139,381	\$156,030	\$178,180	\$498,034
Other Sources	\$11,753,573	\$3,317,276	\$5,475,403	\$8,218,830	\$2,798,501
<b>Total Revenue</b>	<b>\$145,665,188</b>	<b>\$135,636,630</b>	<b>\$133,494,848</b>	<b>\$137,927,355</b>	<b>\$134,930,452</b>
<b>Expenditures:</b>					
Instruction	\$47,495,410	\$45,539,843	\$46,417,111	\$36,462,526	\$37,305,679
Instructional Support	\$21,917,746	\$23,323,896	\$24,916,745	\$17,547,370	\$16,502,356
<b>Total Instruction</b>	<b>\$69,413,156</b>	<b>\$68,863,739</b>	<b>\$71,333,856</b>	<b>\$54,009,896</b>	<b>\$53,808,035</b>
Information Tech	\$0	\$0	\$0	\$10,434,438	\$12,258,907
Public Services	\$2,162,257	\$2,015,322	\$2,157,956	\$2,703,721	\$2,754,459
Student Services	\$17,926,228	\$15,240,309	\$13,207,329	\$11,782,303	\$17,352,582
Institutional Admin	\$16,630,435	\$18,125,659	\$20,538,563	\$20,265,334	\$19,835,166
Facilities Management	\$20,660,650	\$21,885,841	\$24,463,429	\$18,673,202	\$18,669,509
Depreciation	\$6,978,813	\$7,262,393	\$7,834,826	\$8,643,040	\$10,090,635
<b>Total Expenditures</b>	<b>\$133,771,539</b>	<b>\$133,393,263</b>	<b>\$139,535,959</b>	<b>\$126,511,934</b>	<b>\$134,769,293</b>
Expenditures and Transfers	\$11,893,649	\$2,243,367	(\$6,041,111)	\$11,415,421	\$161,159
Beginning Net Position	\$148,876,343	\$160,769,992	\$42,733,246	\$36,692,135	\$48,107,556
Implement GASB 68 & 75	\$0	(\$120,280,113)	\$0	\$0	(\$47,368,464)
<b>Ending Net Position</b>	<b>\$160,769,992</b>	<b>\$42,733,246</b>	<b>\$36,692,135</b>	<b>\$48,107,556</b>	<b>\$900,251</b>

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

## REVENUE SOURCES – ALL FUNDS FIVE-YEAR HISTORY



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

	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Revenue:</b>					
Federal Grants/Contracts	\$29,889,468	\$26,699,753	\$22,260,990	\$19,332,618	\$18,874,649
State Grants/Contracts	\$1,202,810	\$1,709,876	\$1,626,922	\$2,039,964	\$2,149,368
Local Grants/Contracts	\$1,315,061	\$1,838,972	\$988,027	\$1,687,971	\$2,521,380
Other Sources	\$3,146,600	\$5,087,713	\$8,181,394	\$7,026,692	\$7,116,022
<b>Total Revenue</b>	<b>\$35,553,939</b>	<b>\$35,336,314</b>	<b>\$33,057,333</b>	<b>\$30,087,245</b>	<b>\$30,661,419</b>
<b>Expenses:</b>					
Instruction	\$1,403,123	\$1,338,000	\$2,062,645	\$582,940	\$1,015,003
Instructional Support	\$3,467,268	\$4,110,619	\$3,428,052	\$2,807,547	\$796,767
<b>Total Instruction</b>	<b>\$4,870,391</b>	<b>\$5,448,619</b>	<b>\$5,490,697</b>	<b>\$3,390,487</b>	<b>\$1,811,770</b>
Information Tech	\$0	\$0	\$0	\$5,812	\$5,347
Public Services	\$425,903	\$367,907	\$554,835	\$2,006,548	\$1,840,655
Student Services	\$28,697,143	\$25,279,792	\$21,335,817	\$18,964,584	\$20,255,345
Institutional Administration	\$2,792,899	\$4,840,488	\$6,256,051	\$6,322,213	\$6,990,299
Facilities Management	\$128,219	\$84,688	\$74,512	\$24,646	\$29,820
<b>Total Expenses</b>	<b>\$36,914,555</b>	<b>\$36,021,494</b>	<b>\$33,711,912</b>	<b>\$30,714,290</b>	<b>\$30,933,236</b>
<b>Transfers In (Out):</b>					
Other	\$1,360,616	\$838,120	\$501,639	\$634,962	\$463,511
<b>Total Transfers</b>	<b>\$1,360,616</b>	<b>\$838,120</b>	<b>\$501,639</b>	<b>\$634,962</b>	<b>\$463,511</b>
<b>Total Expenses and Transfers</b>	<b>\$35,553,939</b>	<b>\$35,183,374</b>	<b>\$33,210,273</b>	<b>\$30,079,328</b>	<b>\$30,469,725</b>
<b>Change in Net Position</b>	<b>\$0</b>	<b>\$152,940</b>	<b>(\$152,940)</b>	<b>\$7,917</b>	<b>\$191,694</b>
<b>Beginning Net Position</b>	<b>\$0</b>	<b>\$0</b>	<b>\$152,940</b>	<b>\$0</b>	<b>\$7,917</b>
<b>Ending Net Position</b>	<b>\$0</b>	<b>\$152,940</b>	<b>\$0</b>	<b>\$7,917</b>	<b>\$199,611</b>

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

	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Revenue:</b>					
Grants and Gifts	\$0	\$0	\$0	\$0	\$0
Corporate Service Fees	\$0	\$0	\$0	\$0	\$0
Work study Co-Op Programs	\$0	\$0	\$0	\$0	\$0
Other Sources	\$0	(\$17,732)	(\$9,160)	(\$4,871)	(\$8,050)
<b>Total Revenue</b>	\$0	(\$17,732)	(\$9,160)	(\$4,871)	(\$8,050)
<b>Expenses:</b>					
Instruction	\$0	\$0	\$0	\$11,641	\$15,758
Instructional Support	\$69,738	\$108,368	\$543,415	\$14,286	\$13,098
<b>Total Instruction</b>	\$69,738	\$108,368	\$543,415	\$25,927	\$28,856
Information Tech	\$0	\$0	\$0	\$7,156	\$255,095
Public Services	\$887	\$171,277	\$0	\$0	\$10,000
Student Services	\$0	\$753,188	\$0	\$0	\$11,764
Institutional Administration	\$53,321	\$250,448	\$25,840	(\$2,584)	\$10,643
Facilities Management	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	\$123,946	\$1,283,281	\$569,255	\$30,499	\$316,358
<b>Transfers In (Out):</b>					
Other	\$387,083	\$1,152,224	\$835,300	\$101,042	(\$473,399)
<b>Total Transfers</b>	\$387,083	\$1,152,224	\$835,300	\$101,042	(\$473,399)
<b>Total Expenses and Transfers</b>	(\$263,137)	\$131,057	(\$266,045)	(\$70,543)	\$789,757
<b>Change in Net Position</b>	\$263,137	(\$148,789)	\$256,885	\$65,672	(\$797,807)
<b>Beginning Net Position</b>	\$1,200,000	\$1,463,137	\$1,314,348	\$1,571,233	\$1,636,905
<b>Ending Net Position</b>	\$1,463,137	\$1,314,348	\$1,571,233	\$1,636,905	\$839,098

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

	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Revenue:</b>					
Tuition and Fees*	\$0	\$1,648,387	\$1,539,921	\$1,412,337	\$1,341,216
Sales & Services Educational activities	\$383,689	\$122,398	\$54	\$0	\$0
Sales & Services Auxiliary activities	\$1,701,672	\$157,892	\$1,200,923	\$1,280,918	\$136,280
Other sources	\$2,400	\$666,009	\$542,721	\$429,808	\$476,323
<b>Total Revenue</b>	<b>\$2,087,761</b>	<b>\$2,594,686</b>	<b>\$3,283,619</b>	<b>\$3,123,063</b>	<b>\$1,953,819</b>
<b>Expenses:</b>					
Instruction	\$88,523	\$79,055	\$19,570	\$18,711	\$19,837
Instructional Support	\$138,481	\$177,796	\$35,734	\$86,898	\$31,663
<b>Total Instruction</b>	<b>\$227,004</b>	<b>\$256,851</b>	<b>\$55,304</b>	<b>\$105,609</b>	<b>\$51,500</b>
Information Tech	\$0	\$0	\$0	(\$476,852)	(\$460,082)
Public Services	\$25,276	\$13,033	\$14,618	\$19,661	\$24,746
Student Services	\$27,415	\$10,509	\$3,685	\$4,450	\$35,765
Institutional Administration	\$953,662	\$466,225	\$1,406,340	\$2,038,268	\$591,988
Facilities Management	\$2,361,934	\$871,753	\$1,050,307	\$872,262	\$449,469
<b>Total Expenses</b>	<b>\$3,595,291</b>	<b>\$1,618,371</b>	<b>\$2,530,254</b>	<b>\$2,563,398</b>	<b>\$693,386</b>
<b>Transfers In (Out):</b>	<b>\$400,000</b>	<b>(\$1,573,049)</b>	<b>\$282,606</b>	<b>(\$271,215)</b>	<b>(\$2,959,844)</b>
<b>Total Expenses &amp; Transfers</b>	<b>\$3,195,291</b>	<b>\$3,191,420</b>	<b>\$2,247,648</b>	<b>\$2,834,613</b>	<b>\$3,653,230</b>
<b>Change in Net Position</b>	<b>(\$1,107,530)</b>	<b>(\$596,734)</b>	<b>\$1,035,971</b>	<b>\$288,450</b>	<b>(\$1,699,411)</b>
<b>Beginning Net Position</b>	<b>\$4,138,079</b>	<b>\$3,030,549</b>	<b>\$2,433,815</b>	<b>\$3,469,786</b>	<b>\$3,758,236</b>
<b>Ending Net Position</b>	<b>\$3,030,549</b>	<b>\$2,433,815</b>	<b>\$3,469,786</b>	<b>\$3,758,236</b>	<b>\$2,058,825</b>

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

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

	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Revenue:</b>					
Sales & Services Educational activities	\$0	\$0	\$0	\$5,965	\$4,645
Other Sources	\$109,352	\$171,335	\$109,944	\$469,864	\$175,216
Capital gifts	\$50,000	\$0	\$0	\$4,400,299	\$599,701
State Appropriation	\$9,366,050	\$0	\$0	\$0	\$0
Investment return and other gains	\$57,300	\$12,000	\$16,689	\$1,630	\$121,358
Interest on Capital Assets (related debt)	(\$3,627,164)	(\$3,396,095)	(\$3,579,459)	(\$2,747,508)	(\$2,624,545)
<b>Total Revenue</b>	\$5,955,538	(\$3,212,760)	(\$3,452,826)	\$2,130,250	(\$1,723,625)
<b>Expenses:</b>					
Instruction	\$0	\$0	\$0	\$0	\$0
Instructional Support	\$91,842	\$208,515	\$3,711	\$61,969	\$0
<b>Total Instruction</b>	\$91,842	\$208,515	\$3,711	\$61,969	\$0
Information Tech	\$0	\$0	\$0	\$1,066,287	\$2,117,548
Public Services	\$0	\$0	\$0	\$0	\$0
Student Services	\$0	\$0	\$0	\$0	\$0
Institutional Administration	\$2,220,844	\$837,521	\$0	\$0	\$0
Facilities Management	\$3,042,083	\$4,996,687	\$6,449,830	\$3,399,423	\$3,573,417
Depreciation	\$6,978,813	\$7,262,393	\$7,834,826	\$8,643,040	\$10,090,635
<b>Total Expenses</b>	\$12,333,582	\$13,305,116	\$14,288,367	\$13,170,719	\$15,781,600
Transfers In (Out):	\$15,764,000	\$26,094,109	\$16,593,062	\$21,326,968	\$20,157,073
<b>Total Expenses &amp; Transfers</b>	(\$3,430,418)	(\$12,788,993)	(\$2,304,695)	(\$8,156,249)	(\$4,375,473)
<b>Change in Net Position</b>	\$9,385,956	\$9,576,233	(\$1,148,131)	\$10,286,499	\$2,651,848
<b>Beginning Net Position</b>	\$119,949,510	\$129,335,466	\$138,911,699	\$137,763,568	\$148,050,067
<b>Ending Net Position</b>	\$129,335,466	\$138,911,699	\$137,763,568	\$148,050,067	\$150,701,915

**LANSING COMMUNITY COLLEGE  
FY2020 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>
15-18 DHS Independent Living Skills Coach	Funding to support 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. Funding extended two years, for an end date of 2/14/2020.	MI Dept of Human Services	2/15/2015	2/14/2020	750,000
16-21 TRIO Student Support Services	Funding to provide intense career and academic support services for a carefully selected group of 200 low-income, first-generation college students to ensure they reach their academic and career goals in spite of the barriers they face.	US Dept of Education	9/1/2016	8/31/2021	1,517,971
18-19 Motorcycle Safety Training	Funding to provide motorcycle safety training.	State of Michigan	10/1/2018	9/30/2019	60,600
18-19 MDCH Mental Health & Aging Project	Provides funds to conduct training and provide resources for those who work with or care for the elderly who are facing mental health-related issues.	MI Dept. of Human Services	10/1/2018	9/30/2019	155,400
19-19 Small Business Development Center	Funding to provide counseling, training, and research services at no or low cost to small businesses and potential entrepreneurs.	US Small Business Administration	1/1/2019	12/31/2019	226,860
17-20 DOL Advance MI Apprenticeships	Funding, through the Advance Michigan Center for Apprenticeship Innovation (AMCAI), to support increased apprenticeships in the area of healthcare and manufacturing.	US Dept of Labor	1/1/2017	9/30/2020	240,000
17-22 NSF ATE National Convergence Technology Center	Funding, through Collin County Community College District, to complete work for the National Center for Convergence Technology.	National Science Foundation	7/1/2017	6/30/2022	79,965
18-19 The Early College State Foundation	State funding to support the Early College.	MI Dept of Education	8/23/2018	8/22/2019	1,351,250
18-19 HSDCI State Foundation	State funding to support high school recapture program.	MI Dept. of Education	9/1/20/18	8/31/2019	393,500

**LANSING COMUNITY COLLEGE  
FY2020 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>
17-23 KCP-MICUP Student Transition Enrichment Program	Letter of Support for Central Michigan University's grant application.	State of Michigan Talent Investment Agency	10/01/2017	09/30/2023	0
19-22 MSU AO Robotics Systems	Partnership with MSU's College of Veterinary Medicine and College of Engineering to design and manufacture robotic tools to improve implant accuracy and patient safety in treating fractures.	Michigan State University	7/1/2019	6/30/2022	45,000
19-21 Michigan Health Endowment Fund	Use of outside evaluator to assess success of the first nursing assistant apprentices and the model's transferability to other high demand healthcare occupations.	Michigan Health Endowment Fund	7/1/2019	6/30/2021	359,200
19-19 MI Board of Nursing Nurse Professionals	Purchase and installation of high quality moulage supplies to create simulated learning experiences for nursing students.	Michigan Department of Licensing and Regulatory Affairs	3/3/2019	8/31/19	12,121
19-20 Perkins Local Annual	Funding to provide vocational-technical education programs and services to youth and adults.	MI Dept of Education	7/1/19	6/30/20	880,443
19-20 Perkins Local Leadership (Pending)	Funding to support time and travel for the College's official Perkins representative.	MI Dept of Education	7/1/19	6/30/20	9,200
19-20 The Early College State Foundation	State funding to support the Early College.	MI Dept of Education	8/23/19	8/22/20	1,437,200
18-19 HSDCI State Foundation	State funding to support high school recapture program.	MI Dept. of Education	8/23/19	8/22/20	332,700
19-20 MDCH Mental Health & Aging Project (Pending)	Provides funds to conduct training and provide resources for those who work with or care for the elderly who are facing mental health-related issues.	MI Dept. of Human Services	10/1/19	9/30/19	119,000
19-20 Motorcycle Safety Training	Funding to provide motorcycle safety training.	State of Michigan	10/1/19	9/30/20	68,800

# **STATISTICS AND APPENDIX**

## LANSING COMMUNITY COLLEGE SELECTED STATISTICS

With 3,200 employees, LCC is the fifth largest employer in the capital area, maintaining both rank and number of employees as in 2008.

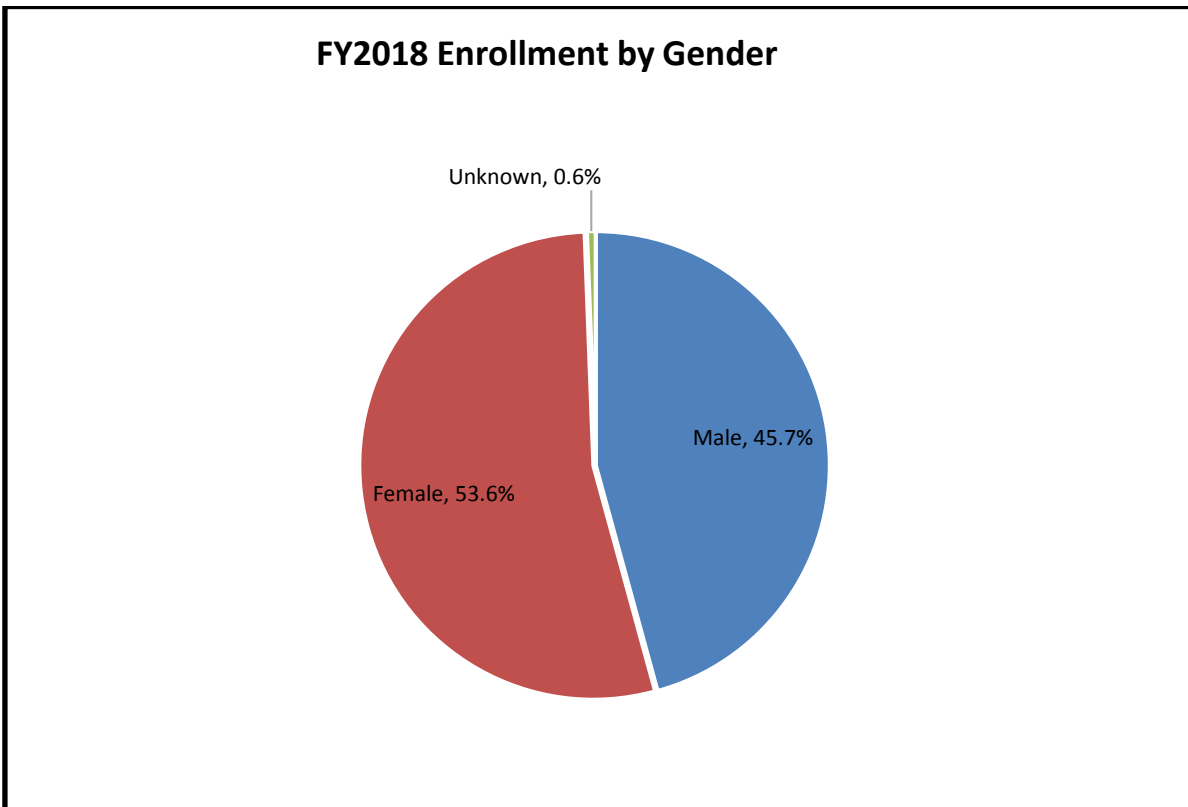
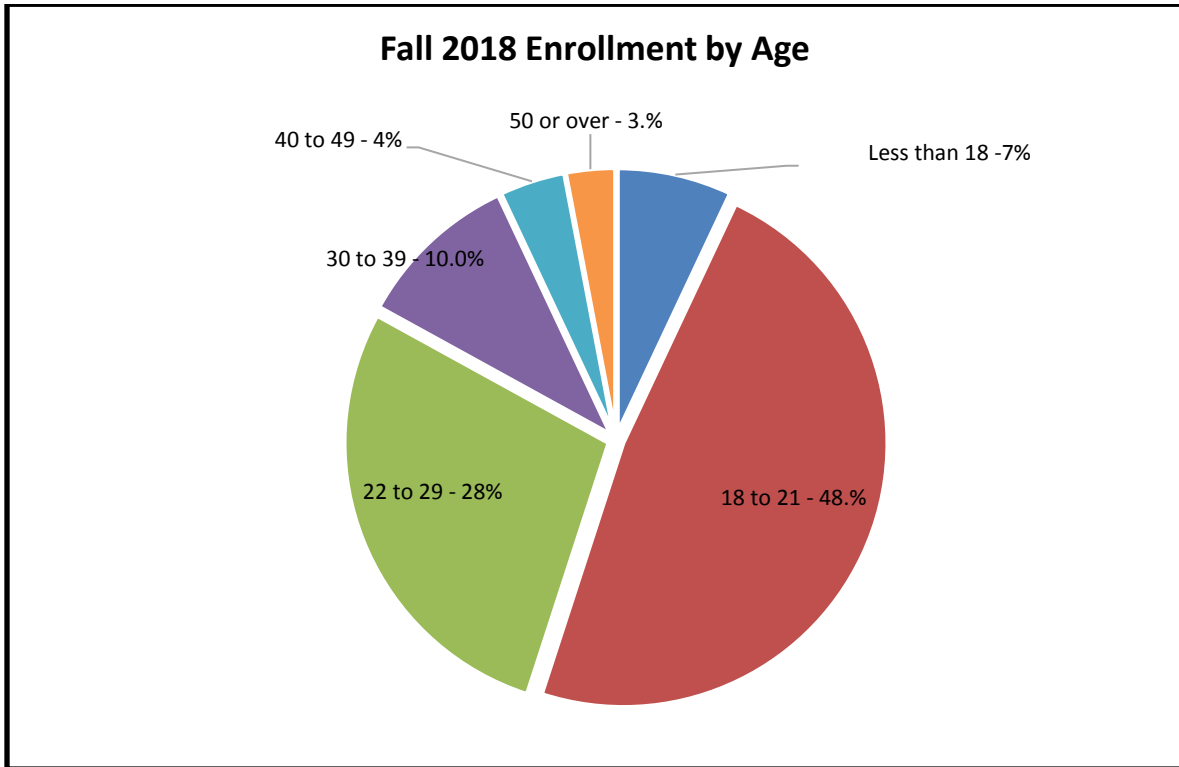
### Top Ten Principal Employers 2018 Compared to 2009

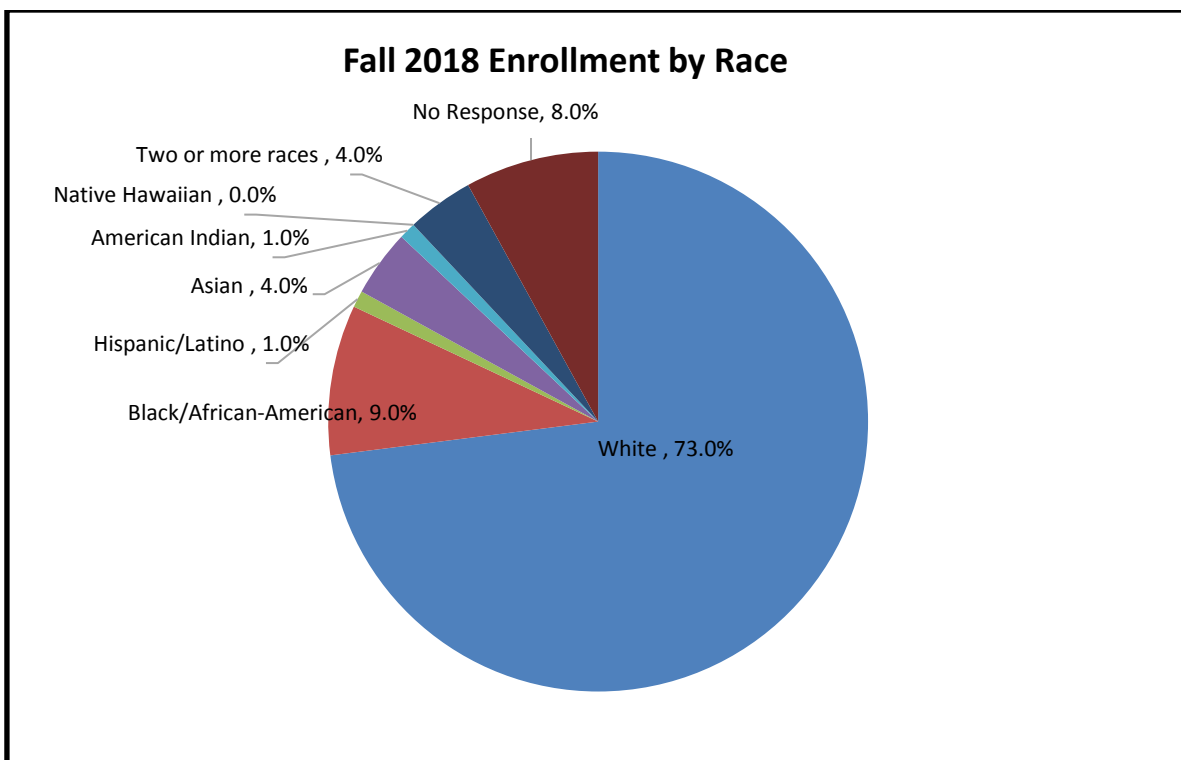
2018				
Employer	Product/Service	Rank	# of Employees	% of Total District Population
State of Michigan	Government	1	14,390	3.60%
Michigan State University	Higher Education	2	12,781	3.20%
Sparrow Health System	Health Care	3	7,000	1.75%
Auto Owners Insurance	Insurance	4	3,700	0.93%
Lansing Community College	Higher Education	5	3,200	0.80%
Ingham Regional Medical Center	Health Care	6	3,000	0.75%
Lansing School District	Education	7	3,000	.075%
General Motors Corporation	Automotive	8	2,614	0.65%
Peckham Industries	Textiles, Auto Parts	9	2,510	.063%
Meijer's, Inc.	Retail	10	2,000	0.5%

2009				
Employer	Product/Service	Rank	# of Employees	% of Total District Population
State of Michigan	Government	1	14,365	3.70%
Michigan State University	Higher Education	2	10,500	2.70%
General Motors Corporation	Automotive	3	6,300	1.62%
Sparrow Health System	Health Care	4	6,000	1.55%
Lansing Community College	Higher Education	5	3,180	0.82%
Ingham Regional Medical Center	Health Care	6	2,500	0.64%
Lansing School District	Education	7	2,106	0.54%
Meijer, Inc.	Retail	8	2,000	0.52%
Auto Owners Insurance	Insurance	9	1,500	0.39%
Peckham Industries	Textiles, Auto Parts	10	1,400	0.36%

Source: Ingham County Economic Development Office

## LCC Student Enrollment Distribution





### Fast Facts

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

LCC offers over 1,000 courses each year in career- and transfer-focused education, workforce development and community education.

400 international students from 46 countries attended LCC in 2017.

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

LCC has transfer agreements with many universities in Michigan, including 3+1 agreements with Ferris State University, Northwood University, Sienna Heights University and Western Michigan University.

### Michigan Per Capita Income

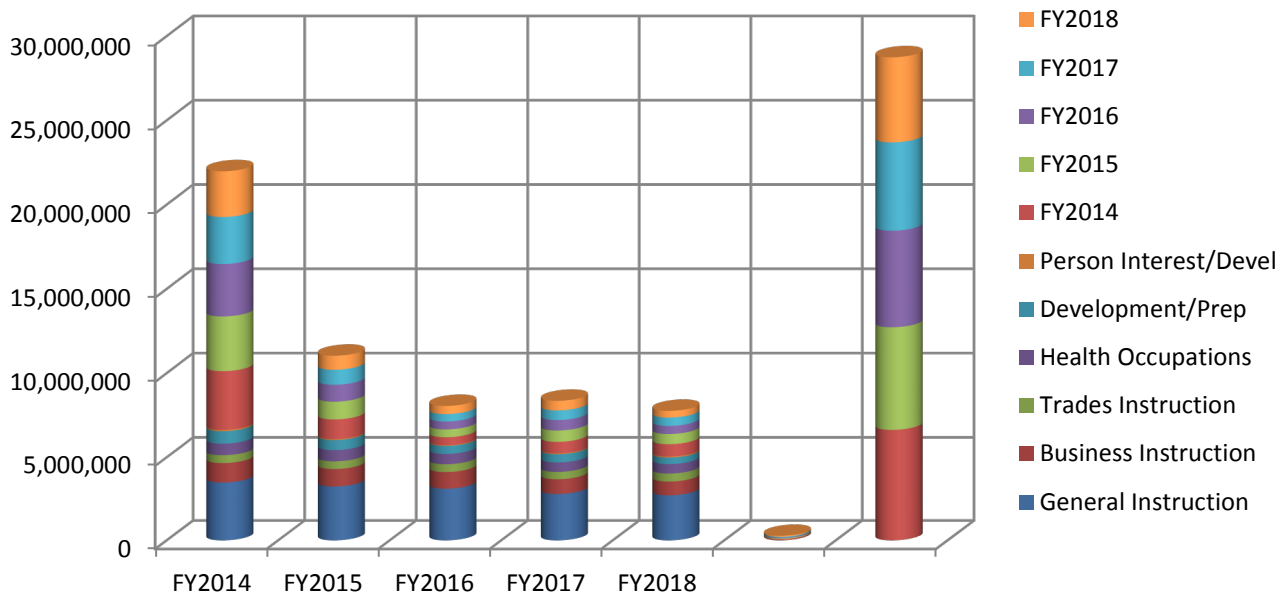
Michigan's population in 2017 was estimated at 9.926 million with a per capita personal income in 2018 of \$47,582, compare to a US per capita income for the same year of \$53,712, Michigan's median household income is \$6,130 lower than the US median income. It ranked 34<sup>th</sup> in the nation in Per Capita Personal Income.

Source: statista.com

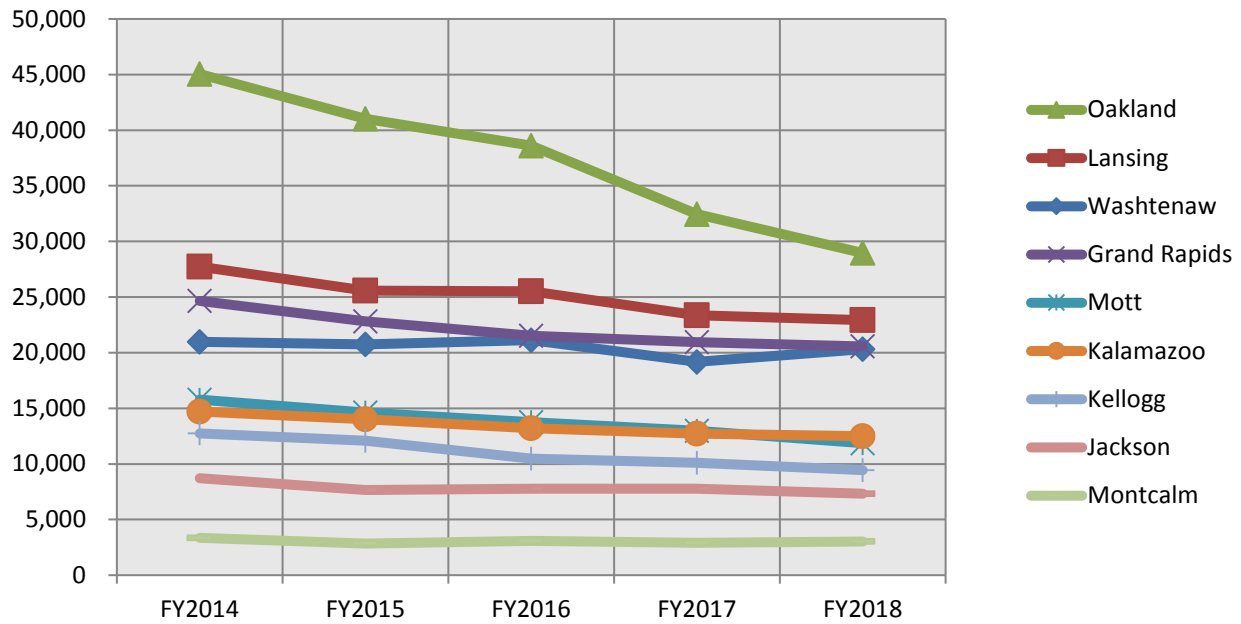
## Student Contact Hours by ACS Category FY2014-FY2018

ACS	FY2014	FY2015	FY2016	FY2017	FY2018
General Instruction	3,485,504	3,245,049	3,111,436	2,791,895	2,712,354
Business Instruction	1,170,990	1,053,612	1,005,454	889,779	830,530
Trades Instruction	473,548	463,411	469,965	441,893	481,338
Health Occupations	691,845	672,211	621,847	571,060	568,112
Development/Prep	738,579	604,870	481,104	496,208	397,152
Person Interest/Devel	78,397	49,353	40,797	47,336	61,513
<b>TOTAL</b>	<b>6,638,863</b>	<b>6,088,506</b>	<b>5,730,603</b>	<b>5,238,171</b>	<b>5,050,999</b>

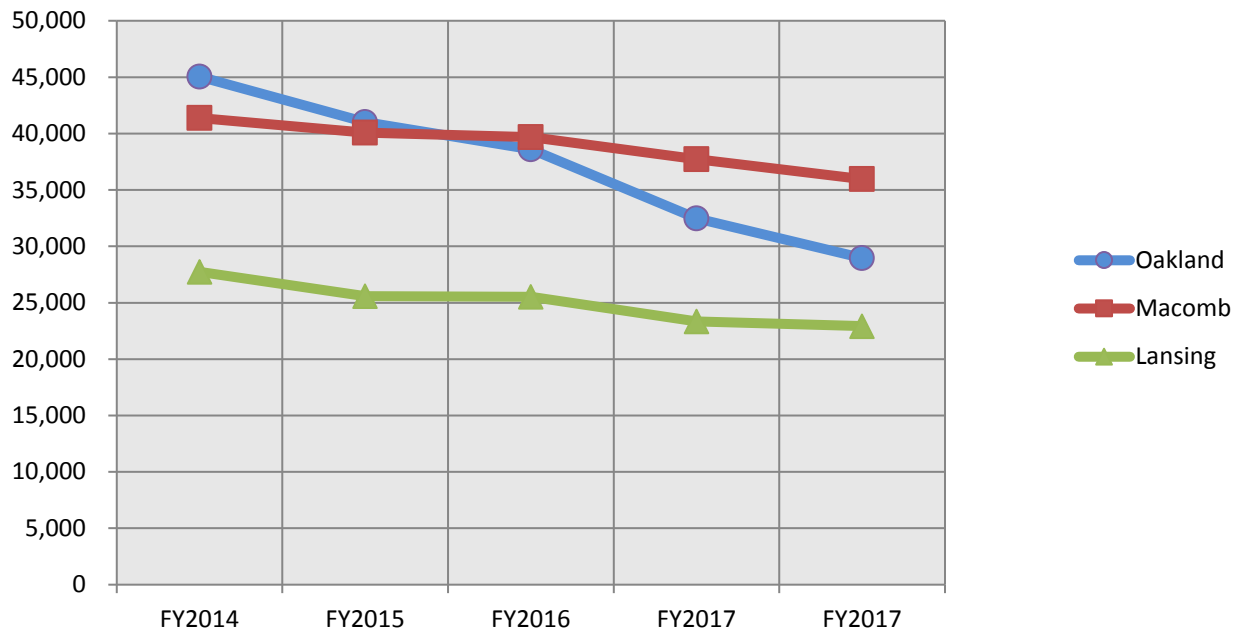
**Total Student Contact Hour  
by ACS Category FY2014-FY2018**



**Unduplicated Head Count of Community Colleges within 75 miles of Lansing  
FY2014 - FY2018**



**Unduplicated Head Count of Community Colleges Similar to LCC in Enrollment  
FY2014-FY2018**



## TUITION SURVEY

### Tuition Comparison with Michigan Community Colleges as of 6/10/19

COLLEGE	FY2019 In-Dist	FY2019 In-State	FY2019 Out- State	FY2020 Source	FY 2020 In-Dist	FY2020 In-Dist % Increase	FY2020 In-State	FY2020 In-State % Increase	FY2020 Out-State	FY2020 Out- State % Increase
Alpena Community College	\$133	\$210	\$210	Website	\$137	3.01%	\$217	3.33%	\$217	3.33%
Bay de Noc Community College	124	213	260	Website	129	4.03%	221	3.76%	270	3.85%
Delta College	112	192	361	Website	115	2.68%	197	2.60%	371	2.77%
Glen Oaks Community College	119	182	216	Website	123	3.36%	187	2.75%	222	2.78%
Gogebic Community College	120	170	199	Website	124	3.33%	175	2.94%	204	2.51%
Grand Rapids Comm College	114	244	362	Website	115	0.88%	245	0.41%	365	0.83%
Henry Ford College	99	172	250	Website	102	2.53%	177	2.91%	257	2.80%
Jackson College	153	229	306	Website	160	4.88%	240	4.88%	321	4.88%
Kalamazoo Valley Comm College	107	184	247	Website	110	2.80%	189	2.72%	254	2.83%
Kellogg Community College	108	175	250	Website	111	3.01%	181	3.14%	258	3.20%
Kirtland Community College	118	175	250	Website	121	2.54%	182	4.00%	260	4.00%
Lake Michigan College	104	166	166	Website	106	1.44%	171	3.02%	171	2.71%
<b>Lansing Community College</b>	<b>105</b>	<b>210</b>	<b>315</b>	<b>Board Approved</b>	<b>108</b>	<b>2.86%</b>	<b>216</b>	<b>2.86%</b>	<b>324</b>	<b>2.86%</b>
Macomb Community College	100	186	237	Website	102	2.00%	190	2.15%	242	2.11%
Mid Michigan Comm College	125	210	210	Website	129	3.20%	217	3.33%	217	3.33%
Monroe County Comm College	110	195	217	Website	112	2.05%	200	2.31%	223	2.53%
Montcalm Community College	108	204	333	Website	110	1.85%	208	1.96%	340	2.10%
Mott Community College	140	183	261	Website	144	2.20%	183	0.00%	261	0.00%
Muskegon Community College	114	212	297	Website	117	2.63%	218	2.83%	306	3.03%
North Central Michigan College	119	198	257	Website	125	5.04%	207	4.55%	269	4.67%
Northwestern Michigan College	106	220	287	Website	109	2.88%	227	3.04%	296	3.06%
Oakland Community College	92	178	178	Website	95	2.72%	183	2.81%	183	2.81%
Schoolcraft College	115	166	245	Website	118	2.61%	171	3.01%	252	2.86%
Southwestern Michigan College	121	158	172	Website	123	1.86%	162	2.22%	176	2.33%
St. Clair County Comm College	122	238	347	Website	131	7.38%	257	7.98%	375	8.07%
Washtenaw Community College	95	161	220	Website	95	0.00%	164	1.86%	227	3.18%
Wayne County Comm College	109	118	149		109	0.00%	118	0.00%	149	0.00%
West Shore Community College	103	165	230	Website	106	2.91%	170	3.03%	240	4.35%
<b>AVERAGE</b>	<b>\$114</b>	<b>\$190</b>	<b>\$251</b>		<b>\$117</b>	<b>2.81%</b>	<b>\$195</b>	<b>2.96%</b>	<b>\$259</b>	<b>3.08%</b>

## APPENDIX

### Expense Account Definitions

<b>Non Capital Equipment</b>		<b>Purchased Services - continued</b>
Building & Improvements <\$5,000		Direct Instruction - Contracted
Furniture < \$5,000		Equipment Moving
Equipment < \$5,000		Instructional Support - Contracted
Instructional Equipment <\$5,000		Service Contracts
Operational Equipment <\$5,000		Technical Support
Tech Equipment & Computers <\$5,000		Temporary Help/Agency
		Miscellaneous Purchased Services
<b>Institutional Expenses</b>		
Bond Administrative Expenses		<b>Rental Expense</b>
Chargebacks		Building Rentals
Indirect Cost Expense		Equipment Rentals
Mail		Other Rentals
Property Taxes		Vehicle Rentals
Telecommunication		
Bank Service Charges		<b>Repair and Maintenance</b>
Cost Share Expense		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
Meeting Presenting Honorarium		Travel - Transportation
		Registration Fees
<b>Purchased Services</b>		Meeting Expense
Advertising		Mileage Expense
Commercial Printing & Publications		Event Expense
Curriculum Development - 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.

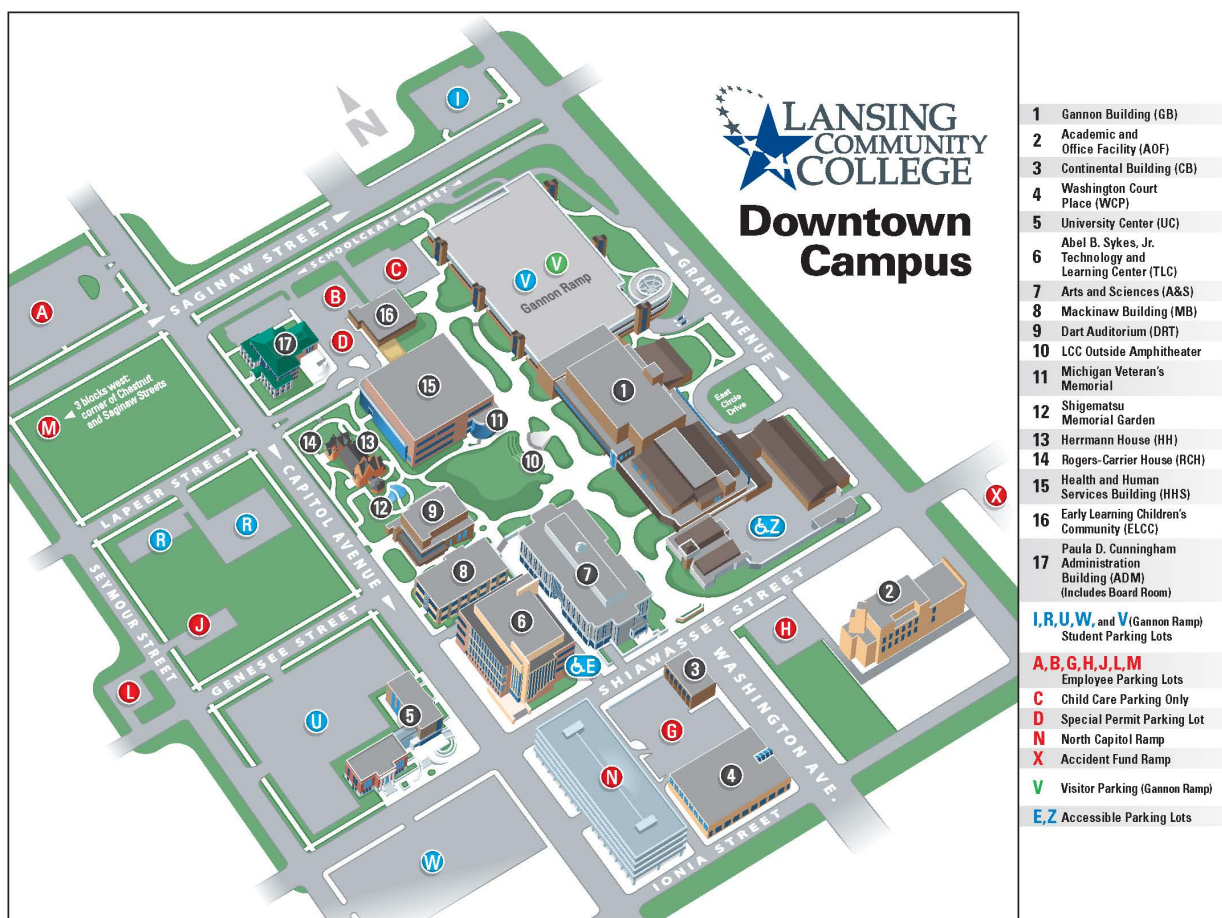
## INSTITUTIONAL ADMINISTRATION

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

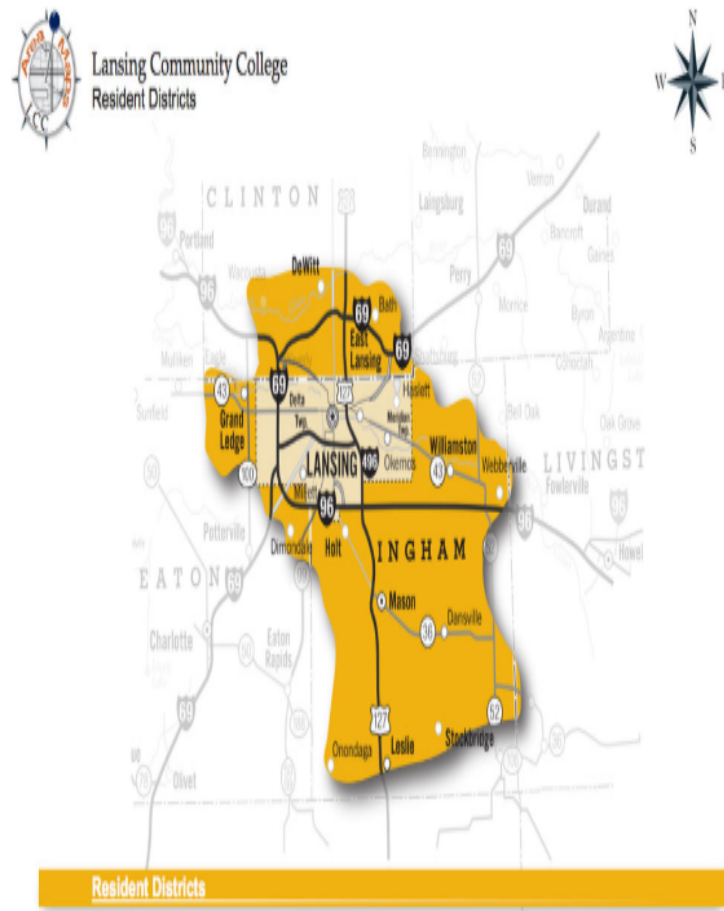
The Physical Plant Operations Activity consists of those activities related to maintaining existing grounds and facilities, providing utility services, planning and designing future plant expansion and modifications, and safety services.

## Maps



## LCC Resident Districts and Learning Centers

- Bath
- Dansville
- DeWitt
- East Lansing
- Grand Ledge
- Haslett
- Holt Public
- Lansing
- Leslie\*
- Mason
- Okemos
- Stockbridge\*
- Waverly
- Webberville
- Williamston



\*Only the portions of the Leslie Public Schools and the Stockbridge Community Schools located in Ingham or Livingston County are part of the Lansing Community College district.

## **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.

### **Balanced Budget**

A budget in which revenues and expenses are equal in value.

### **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; sabbatical leave, 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.

**Deferred Inflow and Deferred Outflow**

Deferred Inflows and Deferred Outflows are resources that the College has expended or received, but the related expense or revenue are for a future period, therefore, the deferral of that expense or revenue is recorded in the Statement of Net Position. Deferred inflows and outflows are not assets or liabilities of the College as the resources are not within the College's control.

**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.

**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.

**Integrated Post-Secondary Education Data System (IPEDS)**

A system of twelve interrelated surveys conducted annually by the National Center for Education Statistics within the United States Department of Education.

**Information Literacy**

Understanding when information is needed and having the ability to locate, evaluate, and effectively use the needed information.

**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.

**Open Education Resources**

Open educational resources (OER) are teaching, learning, and research resources that are copyright-free (public domain) or have been released under an open license that permits others to reuse, revise, remix, retain, and redistribute them. Examples of OER include open textbooks, videos, images, course modules, lectures, homework assignments, quizzes, lab and classroom activities, games, simulations, and other resources contained in digital media collections from around the world.

**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.

**Professional Technical**

A reporting category indicating an employee who is a member of the Administrative Union, either part-time or full-time, who neither supervises one or less full-time employees nor has budget authority. These criteria are part of the Department of Labor criteria used to determine exempt and no-exempt status. A Professional Technical

classification also indicates that a special skill set or advanced training is a job requirement.

### **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.

### **Quantitative Literacy**

Understanding the mathematical concepts and skills that are necessary for everyday life. It include computation, interpretation, inquiry, and application of mathematical concepts that are critical for life in the contemporary world.

### **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.