OHIO AUDITOR OF STATE
KEITH FABER

Lakeland Community College

Performance Audit

April 2024

OHIO AUDITOR OF STATE
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OHIO AUDITOR OF STATE
KEITH FABER

To the Lakeland Community College Board of Trustees and Lake County Community:

The Auditor of State's Office recently completed a performance audit of Lakeland Community College (the College). This service to the College and to the taxpayers of Lake County is being provided to pursuant to the Ohio Revised Code § 117.46.

This audit report contains recommendations, supported by detailed analysis, to enhance the overall efficiency, effectiveness, and transparency of the College. This report has been provided to the College and its contents have been discussed with the appropriate staff and leadership. The College is reminded of its responsibilities for public comment, implementation, and reporting related to this performance audit per the requirements outlined under Ohio Revised Code § 117.461 and § 117.464. In future compliance audits, the Auditor of State will monitor implementation of the recommendations contained in this report, pursuant to the statutory requirements.

It is my hope that the College will use the results of the performance audit as a resource for improving transparency, operational efficiency, and overall effectiveness. The analysis contained within are intended to provide leadership with information to consider while making decisions about the College's operations.

This performance audit report can be accessed online through the Auditor of State's website at http://www.ohioauditor.gov and choosing the "Search" option.

Sincerely,

Keith Faber
Auditor of State
Columbus, Ohio

April 16, 2024

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Lakeland Community College

Performance Audit Summary

WHAT WE LOOKED AT

Lakeland Community College (LKCC or the College) is located in Northeastern Ohio and primarily serves the residents of Lake County, just east of Cleveland. LKCC is a two-year institution offering a variety of Associate Degree programs as well as professional certifications and continuing education opportunities. In the 2022 Fall Semester, the College had approximately 5,000 students enrolled. This included full-time students, part-time students, and high school students attending college through the College Credit Plus program.

After reaching peak enrollment figures around 2012, the College has seen steady declines in the number of students it educates. This is a common occurrence across Ohio as the number of college-aged residents has declined. In addition to declining enrollment, new technology and the availability of online learning methods present both challenges and opportunities to the College. As LKCC continues to seek to meet the needs of the local community and provide positive educational opportunities to the public, an independent review of operational effectiveness, efficiency, and transparency can be an important tool for decision making purposes. Our performance audit reviewed the College's operational efficiency, effectiveness, and transparency in the areas of financial management, academic offerings, collective bargaining agreements, facilities utilization, and Information Technology.

WHAT WE FOUND

Many key operational decisions regarding faculty, programs, and facilities, date back to the early 2010s during a time of peak enrollment. Since that point in time, the College has seen enrollment decline by nearly 50 percent, but the administration has not made decisions to reflect the changes in operations. Staffing has not been significantly reduced, new facilities have been acquired, and courses are being held with minimal enrollment. Based on projected population trends, it is highly unlikely to see significant increases in enrollment over the next decade. Due to this, the Board of Trustees is at a point in time where key operational decisions should be made to guide the college into the next decade.

The College has historically maintained low fund balances, opting to use available funds on direct student services. This policy does not provide a significant cushion to weather times of difficulty, such as incurring unforeseen expenses or sudden declines in revenue. We found that, in recent years, without federal relief funds due to the COVID-19 pandemic, the College would have had an operating deficit and been more reliant on fund balances for general expenditures.

Overall, we found that LKCC leadership, both the Board of Trustees and the administration, will need to come together and make strategic management decisions to ensure the continued operations of the College. When informed with critical information identified within the report, these individuals will be in a better position to make key strategic decisions.

KEY OBSERVATIONS

Key Observation 1: The College relies on public funds – local property taxes and state funding – for the majority of its operational revenue. As such, the Board and Administration must work to be good stewards of public resources and ensure decisions are made to reflect the changing landscape of higher education and the local area. We found that the College has failed to make major operational adjustments as enrollment has steadily declined over the past decade. As a result, based on current enrollment, the college is overstaffed, burdened with debt related to facilities that are significantly underutilized, and is offering hundreds of course sections that do not meet minimum enrollment thresholds each semester.

Key Observation 2: During the engagement, members of the Board of Trustees reported that they were unaware of the deteriorating financial condition of the College. Additionally, the Board lacked insight into key operational decisions. As the main governance body for LKCC, the Board must obtain appropriate information from the administration to understand the current status of the College's operations. Further, it must identify proactive solutions that can help to align operations with the current market conditions of Lake County.

Key Observation 3: As enrollment declines, revenue from student tuition and state funding will also likely decline, which will lead to potential budget issues if expenditures are also not reduced in a similar manner. However, while other community colleges have seemingly reacted to changes in enrollment trends, the administration at LKCC has not similarly adapted its operations. As such, the student to teacher ratio at LKCC is significantly lower than the statewide community college average.

Key Observation 4: The college has a total of 4,476 seats on the campus in various classroom and laboratory settings. During the 2023 Spring semester, the total student enrollment dropped below this number. Further, one third of students attended courses exclusively online and did not require any classroom space. Considering that the entire student body would never be attending classes at the same time due to scheduling, the number of classroom and laboratory spaces maintained by the College greatly exceeds the demand of the student body.

Key Observation 5: Based on our analysis, nearly half of the classroom and laboratory space at LKCC is considered underutilized based on industry standard criteria. The buildings on the main campus are interconnected with each other. This building design makes the elimination or mothballing of existing space challenging. Despite this low utilization rate, declining enrollment, and shift to online learning, the College recently broke ground on a 16,000-foot expansion on the main campus. Choosing to expand its campus outwards rather than addressing the existing space that is underutilized may further exacerbate issues related to maintaining excessive classroom and facilities space.

Key Observation 6: The Holden University Center was purchased by LKCC in 2014 for $13.5 million through the issuance of bonds. The purpose of the building was to host programs offered by four-year institutions. During the course of the audit, the Holden Building was mothballed by the College, meaning that it is no longer in use and any programs being held were moved to facilities on the main campus. While the College will eliminate some expenditures related to the operation of the Holden University Center there is still outstanding debt related to the purchase of the building, which will be fully paid in 2039. The building is separated from the main campus by a major roadway, and the College should consider options related to the sale or lease of this building.

Key Observation 7: Because of the choices that were, or were not made, over the past decade, the College finds itself at the precipice of fiscal watch, and in fact had to institute a reduction in force during the engagement. The Board and Administration have the opportunity to work together to make decisions to align operations to meet current demand for services and guide the College over the next decade. Difficult choices regarding staffing levels, program offerings, and other operations may need to be made during this process but will ultimately help to ensure the sustainability of the College into the future.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: Revise General Fund Minimum Balance Policy. The reserve fund balance within a college's General Fund accounts for a significant portion of the SB 6 score that is tracked by ODHE. As such, having an adequate fund balance will positively impact an institution's score. LKCC currently has a financial reserve policy for the General Fund which requires it to maintain a balance of at least 10 percent of the previous year's operating expenditures and transfers in the General Fund. This is well below the average of other community colleges and falls below industry minimum standards as identified by the Government Finance Officers Association (GFOA). LKCC should revise its reserve fund balance policy to encourage financial practices that would improve the SB 6 score and maintain balances that would help to address future unforeseen budgetary issues.

Recommendation 2: Develop and Implement Low-Enrollment Course Cancellation Policy. The Board has no policy or strategic process to monitor the use of low enrollment courses. The College's CBA has a provision which provides the option for the Administration to cancel a course section if fewer than 12 students are enrolled. Historically, this provision has not been consistently exercised. We found that in the Fall 2022 and Spring 2023 semesters, more than half of course sections met the definition of low enrollment contained in the CBA. The Board should formalize a policy for the cancellation of course sections that meet specified low enrollment criteria. Once this policy is in effect, the Board can then adjust faculty staffing accordingly, which could save the College between $1.9 and $6.3 million annually in salary and benefit expenses.

Recommendation 3: After the College determines how it will optimize its course offerings, it should develop a strategy for defining and reviewing low enrolled programs that considers the financial impact to the College. The College conducts routine department and program reviews on a rolling five-year basis. This is done, in part, to comply with accreditation standards set by the Higher Learning Commission. In addition, the College is required to submit a report on low enrolled courses and programs to ODHE on a three-year basis along with proposed action steps for these programs. While LKCC officials are meeting minimum standards relating to these requirements, it does not include a detailed analysis of revenues and expenditures on a program level in the review materials. By requiring a detailed financial analysis on a program level, the Board of Trustees can better understand the impact of programs on the overall operations of the College. Further, this information is necessary for the Board to have as it makes decisions to ensure the College continues to fulfill its mission and meets the needs of the community.

Recommendation 4: Ensure the administration is communicating KPIs that allow the Board to proactively steward Lakeland's operational health. This should include, at minimum, SB 6 scores, trends on student enrollment to staff ratios, method of instruction for credit hours, and data on the prevalence of low enrolled programs and courses. Like many institutions of higher education in the United States, LKCC has seen significant changes in recent years regarding its overall enrollment and specific measures of fiscal well-being. Historically, the Board and Administration have focused on the College's overall financial condition, including a broad look at elements such as revenues, expenditures, and the cost of tuition. However, during the last decade, as enrollment has declined and as general macro conditions for colleges have changed, key datapoints, such as the prevalence of low enrolled courses and the declining SB 6 score, have not been emphasized during regular communications. Strategically highlighting key datapoints and trends can help the Board quickly make decisions and set policies to meet the challenges of an ever-changing higher education landscape.

Recommendation 5: Reduce Health Insurance Expenditures. The College offers multiple health insurance options that exceed similar institutions in their plan designs. Further, the health insurance plans are more expensive than the peer average while the employee contribution rate is well below the peer average. This results in the College spending more on insurance related expenses than the peer average. Adjusting the insurance offerings and contribution rates would result in significant cost savings to the College.

Recommendation 6: Renegotiate Faculty Salary Schedule. At LKCC, faculty salaries are based on educational attainment and years of service. In this analysis, we compared only peers with salary schedules of similar structure. For each level of educational attainment, LKCC has a higher starting pay level compared to the peer average. Step increases are also higher than the peer average, which results in the highest ending salaries among peers. Additionally, the College offers employees longevity pay, which is not a common practice amongst peer community colleges. While we found LKCC's academic year to be 5 days longer than the average, higher compensation offered by LKCC is not offset by increased workdays for faculty. LKCC should work to renegotiate these salary schedules to be more in-line with what is offered by other community colleges to reduce expenditures and maintain fiscal stability.

Recommendation 7: Renegotiate Faculty Summer Pay Rate. The College has a CBA for full-time faculty which outlines a number of provisions related to employee requirements and compensation. While most provisions within the CBA align with those of peers, one provision we assessed diverged from peers in structure and related cost. The College's summer pay provision is based on a percentage of salary rather than a fixed rate per workload unit or credit hour. This provision results in higher and less predictable summer pay compared to the peers. Renegotiating this provision could result in cost savings and more budgeting foresight for the College.

Recommendation 8: Identify Options to Improve Facility Utilization. The majority of buildings at LKCC were initially constructed more than 30 years ago. More recently, the College has planned expansion or renovation projects during times of peak enrollment around 2010. However, due to declining overall enrollment over the past decade and changes to teaching methods, the College now has more facilities space than is necessary to meet the needs of the student population. LKCC should review how existing space is used and identify opportunities to improve utilization rates. This should be done prior to taking on new debt for the renovation or addition of facility spaces. In addition, the College should seek to reduce expenditures where possible, particularly in relation to buildings that are not connected to the main campus area.

Recommendation 9: Improve Cybersecurity Internal Controls. There are multiple standards for IT security that include the development of formalized internal controls. While LKCC follows many of these practices, it is reliant on the institutional knowledge of current employees rather than formal, written policies and procedures. LKCC should formalize and strengthen internal controls around monitoring cybersecurity best practices and continue to work towards complete implementation of an industry recognized security standard.

Recommendation 10: Maintain Accurate IT Inventory. LKCC does not have a consolidated inventory of IT hardware that includes the date of purchase or first use. Because of this, the College cannot enforce its own IT Lifecycle Policy. LKCC should maintain an inventory of unique computer assets that includes a proper date of purchase, or date of first use, for each machine in order to enforce their IT purchasing policy relating to hardware lifecycles.

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Introduction

Higher education, and obtaining a post-secondary degree, has been associated with increased professional opportunities and lifetime earnings. In Ohio, access to public education at all levels has been a priority. A commitment to ensuring access to public universities was important to early state leaders, and the first public university, Ohio University, was established less than one year after Ohio was declared a state. In the mid-20th century, in part due to rapid population growth and the need for a more educated workforce, Governor Rhodes spearheaded efforts to ensure higher education was accessible to all Ohioans. This led to the creation of public two-year colleges that provided technical and paraprofessional education as well as the opportunity to pursue a two-year transfer program.

Lakeland Community College (LKCC or the College) was conceived in 1964 by the citizens of Lake County. The creation of a community college was approved by a vote of the community on November 2nd, 1965, and approved by the State of Ohio in 1966. The citizens of Lake County approved an operating levy, thereby giving final approval to the opening and operating of the community college district in 1967. The College is located in Lake County, just east of Cleveland, and offers 59 associate degrees, 80 certificates, and transfer modules to other colleges and universities located all over the country.

Ohio Public Higher Education Institution Types

In Ohio, there are both 4-year and 2-year institutions of public education. Within the 2-year institutions, there are three different types of colleges that are allowed under Ohio Revised Code.

Technical College: A two-year institution that historically offered Associate of Applied Science degree programs to students, which prepares graduates to immediately enter a new career upon completion.

Community College: A two-year institution offering baccalaureate-oriented programs, technical education programs, and adult continuing education programs. Unlike a state community college, this type of institution can levy property taxes.

State Community College: A two-year institution offering baccalaureate-oriented programs, technical education programs, and adult continuing education programs. These institutions are reliant primarily on state funding or tuition for operational purposes.

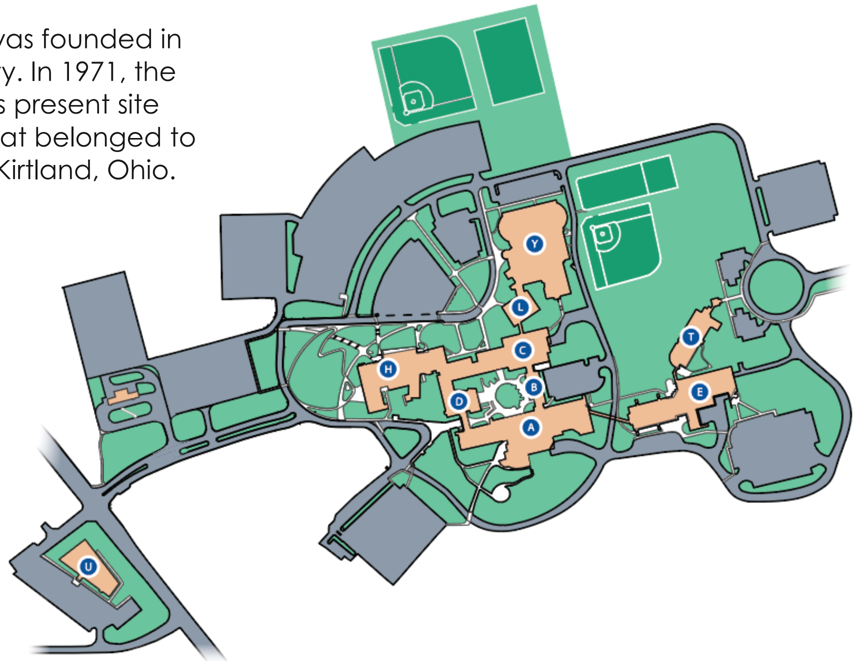
Historically, the differences between these types of institution related to funding and educational offerings. Today, after changes in law occurred, each type of two-year college has similar programmatic offerings. The remaining difference is the ability of Community Colleges to levy local property taxes for operating purposes. As a Community College, Lakeland Community College is one of six institutions of higher education in Ohio with this ability.

The creation, approval, and governance of LKCC is prescribed under ORC 3354.01 through 3354.18, which includes broad definitions of a community college and lays out special rules for governance and funding. The College is governed by a total of nine trustees, all of whom are appointed to five-year terms. The Board of Trustees (the Board) is responsible for hiring administrative officers, faculty, and staff; establishing the curriculum; and setting tuition and fees, accept gifts and grants on behalf of the College and request voters to approve a levy to use for operating and capital expenses.

Lakeland CC at a Glance - Fall 2022

Lakeland Community College was founded in 1967 by a vote of the community. In 1971, the community college moved to its present site with approximately 400 acres that belonged to the Edward W. Moore estate in Kirtland, Ohio.

- 10 Buildings
- 156 Classrooms / Labs



A Student Service Center
B B-Building
C Library
D Performing Arts Center
E E-Building
H H-Building
L Teaching Learning Center
T T-Building
U Holden University Center
Y Athletic & Fitness Center

Full-Time Cost
Per Semester
$4,312

Cost
Per Credit Hour
$123

Headcount of Non-CCP Students	**3,409**
Headcount of CCP Students	**1,324**
Total Headcount	**4,733**

Recent Campus Updates

2014 – Purchased Holden University Center which houses established partnership programs with Ohio four-year colleges and universities.

2018 – Completed renovations and construction of an additional 80,000 sq ft of space for Health Technologies Center, building H. Building also houses the "HIVE", a makerspace, and has LEED gold certification. For more information regarding energy usage, **see Appendix E**.

2024 – Engineering Technologies, Building E, will soon be renovated as well have an additional 16,772 square feet for new programming with local workforce support.

% of Students
Older than 24
30.7%

% of Students
Part-Time
73.6%

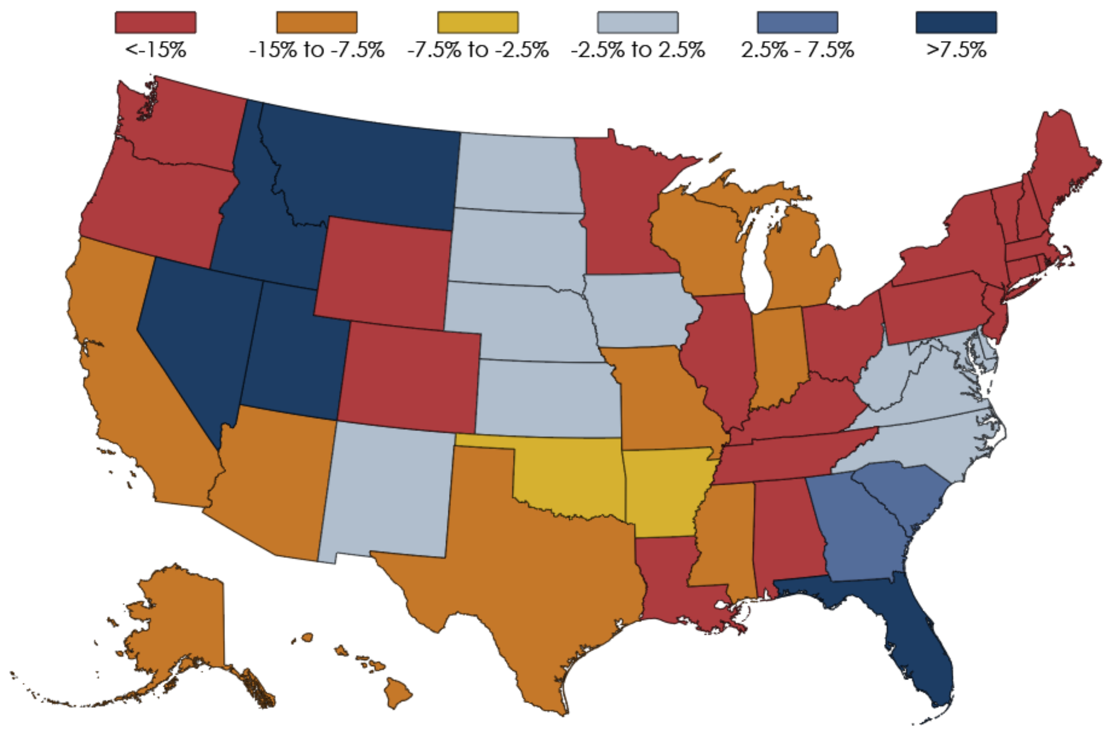
% of Students
Online
28.0%

Student to Teacher Ratio
10:1

Higher Education Overview

Today, higher education faces new challenges. The overall population in Ohio has remained relatively flat over the past 10 years, but the number of college-aged individuals has declined. The map below shows the nationwide projected change in the college-aged population, 18-year-olds, between 2018 and 2035. The map shows that Ohio is expected to see a decrease in college-aged population by more than 15 percent between 2018 and 2035. This decrease in potential students presents an inherent challenge for Ohio's institutions of higher education.

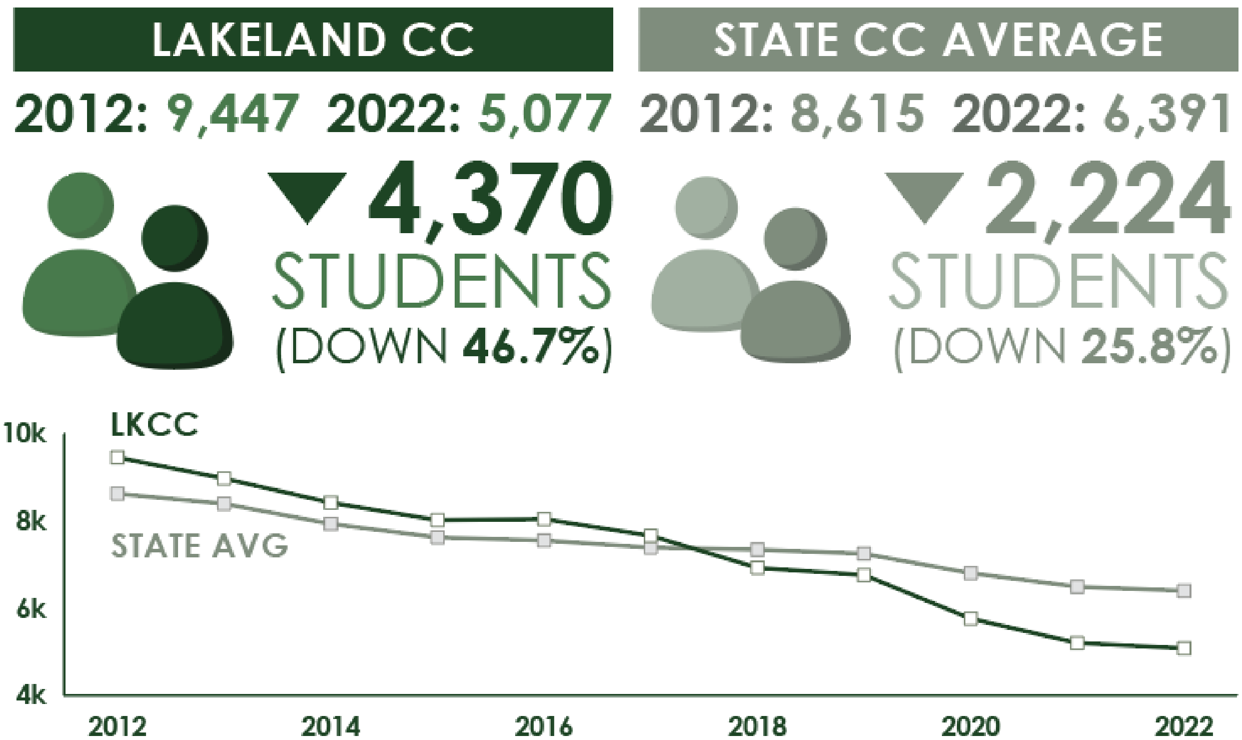
Forecasted Growth/Decline in College-going Students, 2018-2035



Source: Nathan D. Grawe & Carleton College

An aging population and declining enrollment have presented a significant challenge to institutions of higher education across the United States. Furthermore, new technology, and the availability of online learning methods also require strategic planning on the part of those in charge of guiding these public institutions into the future. The type and quantity of classroom facilities and other physical buildings on campuses may need to change based on the types of programs that are in-demand.

In Ohio, after reaching peak enrollment in approximately 2012, Community Colleges have seen steady declines in enrollment. While the trend is impacting all institutions, LKCC has seen a sharper decrease in students than the Ohio community college average. The visual on the following page shows the drop in the number of students enrolled at LKCC compared to the statewide average of community colleges. Notably, the College's student population has dropped nearly twice as much compared to the statewide average decline in enrollment.



Source: ODHE

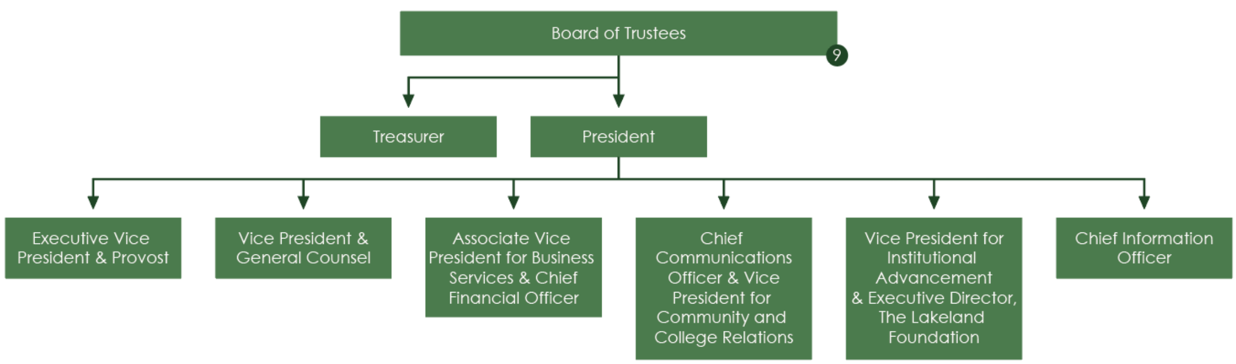
In addition to declining total enrollment, the student body has shifted away from attending courses on campus. The adoption of hybrid or on-line learning practices provides more flexibility to both the student and the College, but also presents challenges related to facility and space utilization. Facilities that were designed and built in the second half of the 20th century may not fit the needs of today's classroom or student. Additional information regarding the decline and shift in enrollment trends can be found in **Appendix B**.

As colleges continue to seek to meet the needs of the local community and provide positive educational opportunities to the public, an independent review of operational effectiveness, efficiency, and transparency can be an important tool for decision making purposes. The Ohio Auditor of State, through its Ohio Performance Team (OPT), is required by Ohio Revised Code (ORC) 117.46 to complete at least four performance audits[1] of state agencies or, at its discretion, institutions of higher education during each biennium. In 2023, OPT initiated an audit of LKCC based on the College's declining enrollment and signs of declining fiscal sustainability. The information contained in this report can be used to both guide decisions and educate key stakeholders regarding the choices made by the Board.

[1] Performance audits are conducted using to Generally Accepted Government Auditing Standards, see **Appendix A** for more details.

Lakeland Community College

Lakeland Community College (LKCC or the College) was established in 1965 through a popular vote in Lake County. The graphic below shows the College's organizational structure. Pursuant to ORC 3354.05, the College is governed by a Board of Trustees (The Board). Three of the trustees are appointed by the Governor with the advice and consent of the senate, and the remaining six trustees are appointed by the Lake County Commissioners. The Board appoints a president who is responsible for the day-to-day administration of LKCC. The Board also appoints a treasurer that is responsible for the College's financial management. Additionally, as the graphic below illustrates, the College's organizational chart includes five vice presidents (VPs) and the Chief Information Officer (CIO), each of which assists the president in day-to-day administration. It should be noted that the individual who holds the treasurer position answers to the Board in his role as treasurer and to the president in his role as Associate Vice President for Business Services and Chief Financial Officer.[2]



Source: Lakeland Community College

While the organization of the College has been long established, there are several key members of the College's leadership team who are either new to their roles or expected to transition during 2024. The current Treasurer officially took over his position in July of 2023, the current president is expected to retire in the summer of 2024, and the Board of Trustees has welcomed six new members since the beginning of 2022. The new members of the Board and Administration may provide an opportune time for the College to review its current state and consider options for the future.

[2] While we did not find this to be an uncommon practice, the Treasurer role was designed to be a co-equal role to the President, providing advice and guidance to the Board on the fiscal health of the institution. Merging these two roles and having the Treasurer also report to the President may have an impact on how these interactions occur.

Under the oversight of the various executives identified on the organizational chart, LKCC employs 809 people, as of 2022, in a variety of positions including administrators, full-time faculty, adjunct faculty, general support staff, and student employees.

139 Programs

59 Associates Degrees

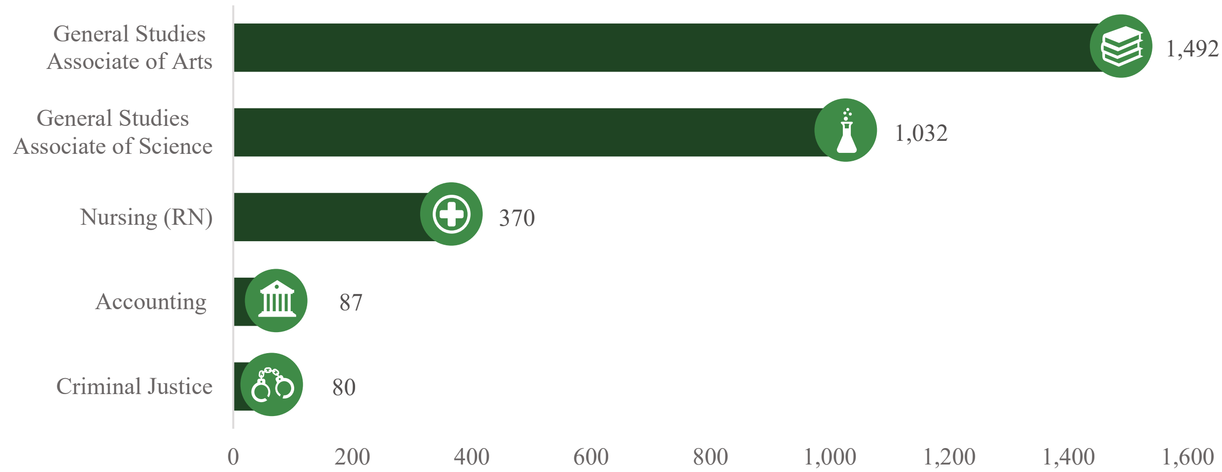
80 Certificates

The primary function of LKCC is to provide educational opportunities to the community. The College is accredited by the Higher Learning Commission and offers 139 associate degree and technical certificate programs. In addition to coursework that provides academic credit, the College also offers workforce and professional development courses throughout the year. The programs offered by LKCC focus in areas of engineering-related technologies, health professions, business, computer information sciences, and precision production. In the Fall 2022 and Spring 2023 semesters, LKCC offered more than 400 unique courses and over 1,000 sections[3] for courses, including both online and in-person offerings.

Of these programs, the areas of study including engineering technologies, health professions, business, computer information sciences, and precision production have the most program offerings. In FY 2023, just over 4,700 students enrolled at LKCC with approximately 58 percent of students taking advantage of at least some online course offerings, and 28 percent of students taking courses exclusively online. The programs with the highest enrollment in Fall of 2023 are shown in the chart on the following page and include General Studies associate degree programs, Registered Nursing, Accounting, and Criminal Justice.

[3] A section is a unique weekday, time, and location of a particular course.

Top Five Most Enrolled Associate Degree Programs | Fall 2023



Source: Lakeland Community College

The two programs with the highest enrollment, the General Studies Associate of Arts and General Studies Associate of Science, are two-year degrees. While not all students obtaining this degree would go on to study further at a four-year institution, the two-year associate degree is designed as a transfer program within Ohio public institutions of higher education. Student data is reported to the Integrated Postsecondary Education Data System (IPEDS)[4] on an annual basis. IPEDS tracks cohorts of students based on the initial date of enrollment. For those pursuing a two-year degree, completion data is reported after the third year. The 2022 cohort at LKCC includes 380 students, which are those that entered the institution during Fall 2019 semester enrolled in credits toward a degree/certificate. Of that cohort, 16 percent of the cohort completed a degree or certificate program within those three years, 17 percent have transferred out to another institution of higher education, 14 percent are still enrolled at LKCC, and 53 percent are no longer enrolled.[5] By comparison, the Ohio community college average for the same cohort had a 26.9 percent program completion rate, 16.1 percent transfer rate, 10.4 percent still enrolled rate, and a 46.6 percent no longer enrolled rate.

Those individuals completing programs at LKCC are then able to continue on to four-year programs to complete a bachelor's degree., or they can opt to seek out employment. The programs that LKCC currently offer are relevant to many of the jobs that are identified as in-demand and attainable with an associates degree by the Ohio Department of Job and Family Services (ODJFS). In their projections to 2030, occupations such as occupational therapy and physical therapy assistants are expected to have the most growth in Northeast Ohio. LKCC provides degrees in support of those occupations.

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[4] IPEDS is a system of annual surveys managed by the National Center for Education Statistics within the United States Department of Education.
[5] No longer enrolled includes students who dropped out as well as those who completed in greater than 150 percent of normal time (3 years).

Financials

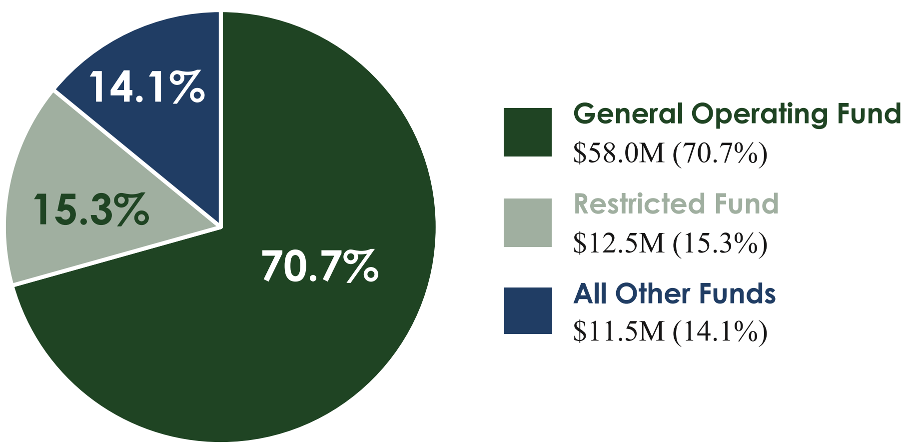
As a public entity, the College receives taxpayer funding. The Board, in its oversight capacity, is expected to ensure these funds are spent responsibly. In addition to routine financial audits, the fiscal health of LKCC is monitored by ODHE. Ensuring the long-term fiscal health of the College is important to ensure that it continues to provide educational opportunities to the community.

Revenue

The College receives funding from a number of sources. From the State, the College receives operational funding through the State Share of Instruction (SSI) and, at times, may receive funding for building projects or other large-scale expenditures through the State's capital budget.[6] The College also receives funding through a local property tax levy, tuition and fees, grants, and sales for services. Tuition and fees are received both from traditional students and from participants in the College Credit Plus program, an Ohio initiative that allows K-12 students to take college level coursework. This revenue is then divided into separate funds for use by the Board for operational purposes. The majority of funding is placed into the General Operating Fund, which is used for general operations.

FY 2023 Total Revenue Among All Funds

Total: $82.0M



Source: Lakeland Community College

Note: Other Funds includes Plant Fund Debt, Auxiliary Fund, Restricted Plant Fund, Net Investment Plant Fund, Unrestricted Plant Fund, Plant Fund Agency Fund, Loan Fund, and Endowment Fund.

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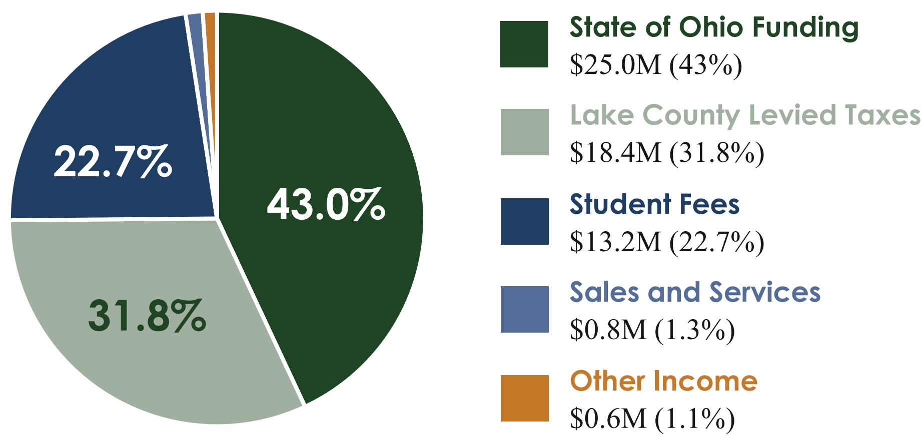
[6] Public colleges and universities receive funding from the state through the State Share of Instruction (SSI) for the education of Ohioans. This funding is based on a complex formula that takes into account student enrollment and academic outcomes. Each public college and university reports detailed cost information to ODHE within the Higher Education Information (HEI) system, and that data serves as the basis for the SSI calculations.

In Fiscal Year (FY) 2023, the College projected approximately $58 million in total revenue in its General Operating Fund budget, as seen in the chart below. This funding was generated through a combination of state and local support along with student tuition and fees.

FY 2023 Total General Operating Fund Revenue

Total: $58.0M



Source: Lakeland Community College

Note: Other Income includes Investment Income, Miscellaneous Income, Interest and Fees, and Outside Funding.

Note: Funds from federal COVID-19 stimulus funding are included in the State of Ohio Funding category.

State support, obtained through SSI, is the largest portion of funding that the College projected. SSI is funding that is allocated by the General Assembly to ODHE for distribution to all Ohio public institutions of higher education. A set amount of funding is provided for all Community Colleges and then distributed by ODHE based on an allocation formula that uses a variety of student outcomes such as course completions, degree completions, certificate completions, transfers to four-year institutions, and student progress metrics known as Success Points. Because the total SSI funding is limited by the General Assembly's allocation, LKCC must outperform other community colleges in specific areas to grow the SSI funding it receives.

In addition to state funding, the College also generates revenue through two property tax levies. LKCC is one of only six community colleges[7] in the state that have a property tax levy. A 10-year, 1.5 mill levy was renewed in 2021 and generates approximately $8.4 million annually. The College also has a continuing tax levy of 1.7 mills and was projected to generate approximately $9.5 million in FY 2023.

Finally, the College charges tuition and fees to students based on the number of credit hours enrolled and the home address of the student. These charges are governed, in part, by the General

[7] Under ORC 3354.12, Cuyahoga Community College, Lorain Community College, Lakeland Community College, Sinclair Community College, Rio Grande Community College, and Eastern Gateway Community College can levy local taxes.

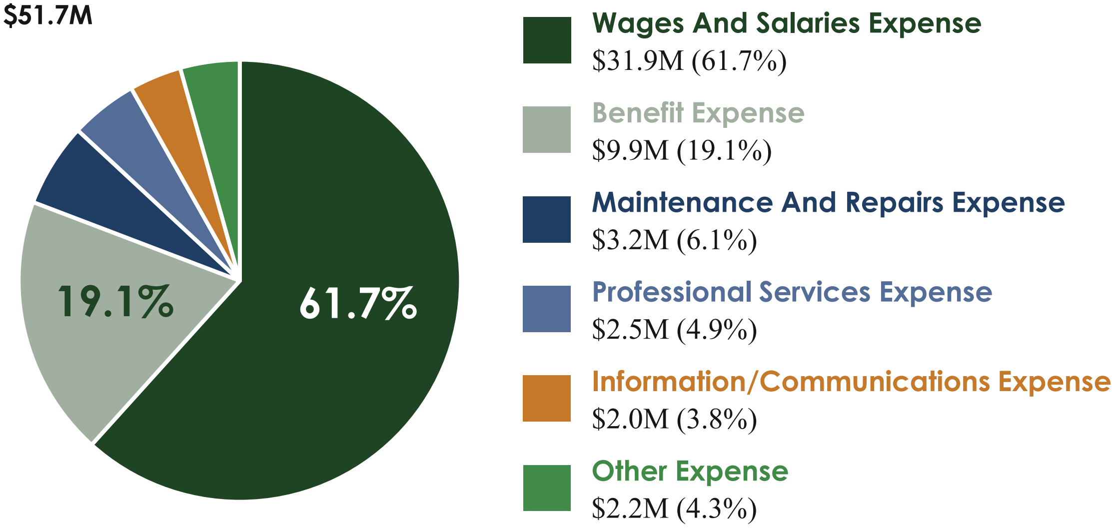
Assembly. In the budget for FY 2022 and FY 2023, the General Assembly set restrictions on the amount a community college could increase tuition and general fees. Additionally, the Chancellor of Higher Education must approve any increases in existing fees or creation of new fees specific to a program, such as laboratory fees. In FY 2023, LKCC charged in-County students $4,312.50 in annual tuition for individuals that were enrolled full-time[8] and $122.75 per credit hour for individuals that were not enrolled full-time.[9] In FY 2023, the total tuition and fees Lakeland collected was approximately $13.2 million, $2.1 million of which came from participants in the College Credit Plus program.

Expenditures

In FY 2023, LKCC had approximately $51.7 million in total expenditures from the General Operating Fund. The majority of these expenditures, $41.8 million, or 81 percent, were for employee compensation, which includes salaries, wages, and benefits. The remaining expenditures were for operations, such as the purchase of supplies and materials, contracted services, and maintenance along with transfers out to other funds used for specific purposes by the College, such as debt service.

FY 2023 Total General Operating Fund Expenditures

Total: $51.7M



Source: Lakeland Community College

Note: Other Expenses includes Supplies Expense, Miscellaneous Expense, Prof Development/Travel Expense, and Cost of Goods Bookstore.

[8] The annual charge for out of district students is $5,161.50 and for out of state students is $11,350.50

[9] The average annual tuition cost for full-time, in-district students at all 2-year public institutions of higher education in Ohio was $5,273.32 in FY 2023.

SB 6 Score

In addition to meeting the needs of students and the community, Community Colleges and other Ohio public institutions of higher education are subject to oversight from the Ohio Department of Higher Education (ODHE). In 1997, Senate Bill 6 (SB 6) of the 122nd General Assembly was enacted into law and created ORC 3345.72 to ORC 3345.78. These laws require ODHE to monitor the fiscal health of all public institutions of higher education using specific standards and methods as well establish rules for fiscal watch and determination of a warranted conservator for institutions of higher education placed in fiscal watch. To meet the legislative intent of SB 6, ODHE computes three ratios that are then used to generate four scores, one of which is a composite score based on a scale of 0 to 5, with 5 being the highest score. If an institution has a composite score at or below 1.75 for two consecutive years, it may be placed in fiscal watch by ODHE. The composite score is known as the SB 6 Score. The three ratios used by ODHE are Viability, Primary Reserve, and Net Income. These ratios are given a score and weighted to determine the Composite, or SB 6, Score for an institution.

Viability Ratio assesses how strategically the institution's financial resources, including debt, are managed to advance the institution's mission. Specifically, it examines the availability of expendable net assets to cover its debt should those debts need to be settled by dividing expendable net assets by plant-related debt.

Primary Reserve Ratio measures the financial strength of the institution by comparing expendable net assets to total expenses. It provides a financial snapshot of the institution's reserves and an indication of how long the institution could operate using its expendable reserves.

Net Income Ratio reveals whether the institution is living within its available resources by comparing revenues to expenditures. This score relates to the other scores in that a large surplus or a large deficit directly impacts the amount of an institution's available funds.

There is a weight applied to the ratios to determine the **Composite Score**. Typically, weights are applied as follows: 30 percent to Viability Ratio, 50 percent to Primary Reserve Ratio, and 20 percent to Net Income Ratio.[10] It is important to note that expendable net assets, which is largely the fund balance of an institution, is effectively 80 percent of the composite score, due to it being the numerator for both the viability and primary reserve ratio. The highest possible composite score an institution can earn is 5.00 and a composite score of, or below, 1.75 for two consecutive years would result in an institution being placed in fiscal watch.[11]

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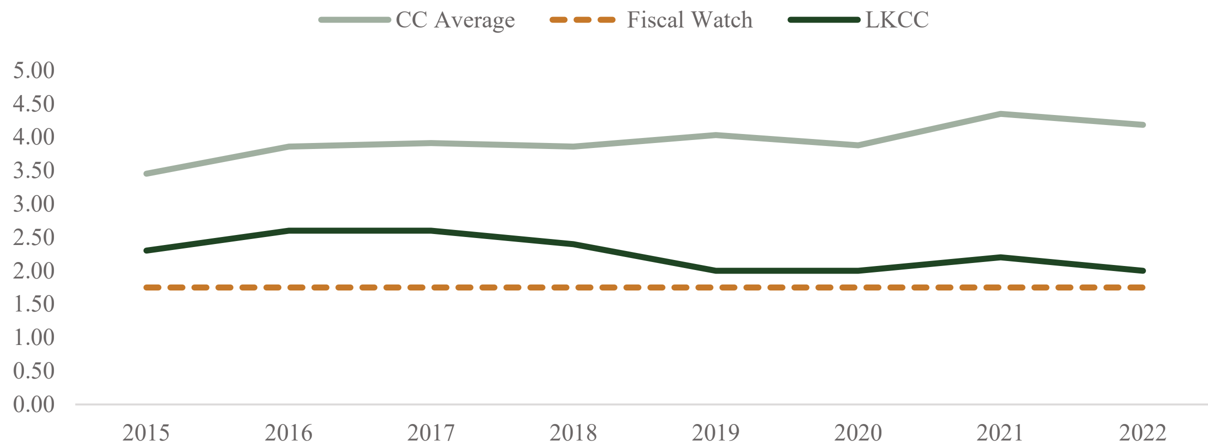
[10] The Viability Ratio only is applied if the plant debt is greater than $50,000. When the Viability Ratio is not applicable, 80 percent of the score is applied to the Primary Reserve Score and 20 percent to the Net Income Score.
[11] Per OAC 126:3-1-01, once declared under fiscal watch, the board of trustees shall adopt a financial recovery plan to end fiscal watch within three years. The Auditor of State shall provide a written report outlining the nature of

The chart below shows the SB 6 score for LKCC between FY 2015 and FY 2022. As shown, LKCC continues to run significantly closer to the SB 6 fiscal watch line than the average community college in Ohio. LKCC has previously expressed a preference for maintaining lower reserves in order to have more money to invest directly in student-facing services and activities.

Historical SB 6 Composite Score



Source: ODHE

Despite a stated preference for focusing on investments in services and activities that directly impact students, maintaining low reserve balances can be risky. Because the College operates on small margins, if unexpected expenses arise, or if revenues decline sharply, there are less resources to deal with unforeseen circumstances when they arise. Operating with larger margins ultimately gives a college more time and flexibility to manage financial difficulties.

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financial accounting and reporting problems. The college will establish a process of monthly reviews of finances and approve monthly levels of expenditures.

Summary of Audit Results

Our audit reviewed several operational areas and analyzed the College's policies and procedures and compared them to best practices, industry standards, and peer averages. For the purposes of this audit, a select number of community colleges in Ohio were chosen as peers. These colleges were picked based on being community colleges with collective bargaining agreements for faculty. Specific areas of review for this audit included overall program offerings, personnel expense and staffing levels, facilities usage, Information Technology (IT) security, and fund balance policies.

We found that the College is at a point in time where difficult decisions regarding future operations will need to be made. The Board made major decisions regarding faculty, programs, and facilities in the early 2010s, when the College experienced peak enrollment. These decisions and plans were made for a world that no longer exists. The combination of declining enrollment and the advent of online learning has resulted in the College having facilities that are vastly underutilized and a significant portion of classes that do not meet minimum enrollment thresholds. Due to these factors, the College now faces fiscal sustainability concerns. The Board will need to make several operational decisions in the near future to ensure appropriate changes are made that allow for continued efficient and effective operations at LKCC.

Our audit identified 10 recommendations across two broad areas that can assist the Board in making these decisions. The recommendations are based on a combination of industry standards, peer comparisons, and best practices. Many of these recommendations can assist the Board in reducing overall expenditures at the College while also improving overall efficiency and effectiveness. The audit, and the associated recommendations, also provides transparency to the residents of Lake County who provide funding to the College through their local property taxes.

Strategic Management

Ensuring an organization has sustainable planning is a critical responsibility of leadership. At LKCC, the Board of Trustees is responsible for hiring individuals that oversee the day-to-day operations and management of the College, ultimately the long-term success and future falls on the Board. The College has seen declines in enrollment, losing nearly half of its student body over the past decade. The changing demographics will require the Board to consider making changes to operations in the near future. Our analysis found that the College's strategic management could be improved and made four recommendations in this area to help guide future Board decision making processes.

Recommendation 1: Revise General Fund Minimum Balance Policy. The reserve fund balance within a college's General Fund accounts for a significant portion of the SB 6 score that is tracked by ODHE. As such, having an adequate fund balance will positively impact an institution's score. LKCC currently has a financial reserve policy for the General Fund which requires it to maintain a balance of at least 10 percent of the previous year's operating expenditures and transfers in the General Fund. This is well below the average of other community colleges and falls below industry minimum standards as identified by the Government Finance Officers Association (GFOA). LKCC should revise its reserve fund balance policy to encourage financial practices that would improve the SB 6 score and maintain balances that would help to address future unforeseen budgetary issues.

Recommendation 2: Develop and Implement Low-Enrollment Course Cancellation Policy. The Board has no policy or strategic process to monitor the use of low enrollment courses. The College's CBA has a provision which provides the option for the Administration to cancel a course section if fewer than 12 students are enrolled. Historically, this provision has not been consistently exercised. We found that in the Fall 2022 and Spring 2023 semesters, more than half of course sections met the definition of low enrollment contained in the CBA. The Board should formalize a policy for the cancellation of course sections that meet specified low enrollment criteria. Once this policy is effective, the Board can then adjust faculty staffing accordingly, which could save the College between $1.9 and $6.3 million annually in salary and benefit expenses.

Recommendation 3: After the College determines how it will optimize its course offerings, it should develop a strategy for defining and reviewing low enrolled programs that considers the financial impact to the College. The College conducts routine department and program reviews on a rolling five-year basis. This is done, in part, to comply with accreditation standards set by the Higher Learning Commission. In addition, the College is required to submit a report on low enrolled courses and programs to ODHE on a three-year basis along with proposed action steps for these programs. While LKCC officials are meeting minimum standards relating to these requirements, it does not include a detailed analysis of revenues and expenditures on a program level in the review materials. By requiring a detailed financial analysis on a program level, the Board of Trustees can better understand the impact of programs on the overall operations of the College. Further, this information is necessary for the Board to have as it makes decisions to ensure the College continues to fulfill its mission and meets the needs of the community.

Recommendation 4: Ensure the administration is communicating KPIs that allow the Board to proactively steward Lakeland's operational health. This should include, at minimum, SB 6 scores and data on the prevalence of low enrolled programs and courses. Like many institutions of higher education in the United States, LKCC has seen significant changes in recent years regarding its overall enrollment and specific measures of fiscal well-being. Historically, the Board and Administration have focused on the College's overall financial condition, including a broad look at elements such as revenues, expenditures, and the cost of tuition. However, during the last decade, as enrollment has declined and as general macro conditions for colleges have changed, key datapoints, such as the prevalence of low enrolled courses and the declining SB 6 score, have not been emphasized during regular communications. Strategically highlighting key datapoints and trends can help the Board quickly make decisions and set policies to meet the challenges of an ever-changing higher education landscape.

Operations

The day-to-day operations are also critical for the success of the College. We reviewed LKCC's existing faculty Collective Bargaining Agreement (CBA), facilities utilization, and Information Technology policies. These three areas, which impact overall operations, were reviewed and analyzed to find opportunities to increase their efficiency and effectiveness. Further, we identified any potential cost savings that the college may be able to realize through successful negotiations or altered operational decisions. Our analysis identified six recommendations that will assist the Board and the Administration as they make future operational decisions for the College.

Recommendation 5: Reduce Health Insurance Expenditures. The College offers multiple health insurance options that exceed similar institutions in their plan designs. Further, the health insurance plans are more expensive than the peer average while the employee contribution rate is well below the peer average. This results in the College spending more on insurance related expenses than the peer average. Adjusting the insurance offerings and contribution rates would result in significant cost savings to the College.

Recommendation 6: Renegotiate Faculty Salary Schedule. At LKCC, faculty salaries are based on educational attainment and years of service. In this analysis, we compared only peers with salary schedules of similar structure. For each level of educational attainment, LKCC has a higher starting pay level compared to the peer average. Step increases are also higher than the peer average, which results in the highest ending salaries among peers. Additionally, the College offers employees longevity pay, which is not a common practice amongst peer community colleges. While we found LKCC's academic year to be 5 days longer than the average, higher compensation offered by LKCC is not offset by increased workdays for faculty. LKCC should work to renegotiate these salary schedules to be more in-line with what is offered by other community colleges to reduce expenditures and maintain fiscal stability.

Recommendation 7: Renegotiate Faculty Summer Pay Rate. The College has a CBA for full-time faculty which outlines a number of provisions related to employee requirements and compensation. While most provisions within the CBA align with those of peers, one provision we assessed diverged from peers in structure and related cost. The College's summer pay provision is based on a percentage of salary rather than a fixed rate per workload unit or credit hour. This provision results in higher and less predictable summer pay compared to the peers. Renegotiating this provision could result in cost savings and more budgeting foresight for the College.

Recommendation 8: Identify Options to Improve Facility Utilization. The majority of buildings at LKCC were initially constructed more than 30 years ago. More recently, the College has planned expansion or renovation projects during times of peak enrollment around 2010. However, due to declining overall enrollment over the past decade and changes to teaching methods, the College now has more facilities space than is necessary to meet the needs of the student population. LKCC should review how existing space is used and identify opportunities to improve utilization rates. This should be done prior to taking on new debt for the renovation or addition of facility spaces. In addition, the College should seek to reduce expenditures where possible, particularly in relation to buildings that are not connected to the main campus area.

Recommendation 9: Improve Cybersecurity Internal Controls. There are multiple standards for IT security that include the development of formalized internal controls. While LKCC follows many of these practices, it is reliant on the institutional knowledge of current employees rather than formal, written policies and procedures. LKCC should formalize and strengthen internal controls around monitoring cybersecurity best practices and continue to work towards complete implementation of an industry recognized security standard.

Recommendation 10: Maintain Accurate IT Inventory. LKCC does not have a consolidated inventory of IT hardware that includes the date of purchase or first use. Because of this, the College cannot enforce its own IT Lifecycle Policy. LKCC should maintain an inventory of unique computer assets that includes a proper date of purchase, or date of first use, for each machine in order to enforce their IT purchasing policy relating to hardware lifecycles.

Strategic Management

Management of an organization should be strategic to help to ensure overall achievement of mission and vision of the organization in the most efficient, effective, and transparent use of resources to achieve that mission. At LKCC, the Board of Trustees (the Board) is tasked with the governance and oversight of the College, which includes making strategic management decisions. To be successful, the Board requires sufficient financial and operational data from the administration of the College. The information that is presented to the Board informs key decisions regarding the operations at the College.

The primary function of a community college is to provide education and training to the local community. As such, it is important for a community college to respond to changing conditions within the local economy. In particular, the administrators at a community college must be able to make decisions with foresight and consideration of ongoing changes within the community, taking into account changing economic conditions, demographics, and workforce demands.

While the College has seen enrollment decline by more than 50 percent over the past decade, the faculty staffing levels have not declined at the same rate, dropping by approximately 11 percent over the same time frame. Because of this, the student to faculty ratio has dropped from 21:1 in 2012 to 10:1 in 2022. This falls well below the 2022 community college average student to faculty ratio of 16:1.

As a public institution that relies on tax dollars for operations, LKCC must balance meeting the needs of the community with ensuring good stewardship of its resources, particularly given that they are a levy funded institution. At times, this can require the ability to respond quickly to external factors, such as shifting teaching methods during the COVID-19 pandemic. It can also require deliberate, and often difficult, decisions regarding changes to overall operations in the face of shifting demographics and community needs. At LKCC, many of the operational decisions regarding program offerings, faculty staffing, and facilities management have not been regularly reviewed or adjusted, and current offerings are based on a status quo that has shifted dramatically in the timeframe since. The College finds itself in a position today where it is operating excess course sections with excess faculty, in underutilized facilities. As it moves forward, LKCC will need to make strategic management decisions including those regarding financial management, course section scheduling, and program offerings. This section of the report offers recommendations related to the strategic management of the College which would promote efficient, effective, or more transparent operations as they work to fulfill the mission of the institution.

Recommendation 1: The Board should revise General Fund Minimum Balance Policy

The reserve fund balance within a college's General Fund accounts for a significant portion of the SB 6 score that is tracked by ODHE. As such, having an adequate fund balance will positively impact an institution's score. LKCC currently has a financial reserve policy for the General Fund which requires it to maintain a balance of at least 10 percent of the previous year's operating expenditures and transfers in the General Fund. This is well below the average of other community colleges and falls below industry minimum standards as identified by the Government Finance Officers Association (GFOA). LKCC should revise its reserve fund balance policy to encourage financial practices that would improve the SB 6 score and maintain balances that would help to address future unforeseen budgetary issues.

Impact

LKCC's current policy requires a minimum of 10 percent of annual operating expenditures and transfers to be maintained as a reserve balance within its General Fund, which is lower than the GFOA standard guideline. As a result, along with other factors, LKCC's composite score is the lowest among community colleges in Ohio. Increasing the reserve fund balance to be in-line with industry guidelines would improve LKCC's SB 6 score and improve the overall fiscal health of the College. The practical benefits of an increased reserve fund balance include less risk of insufficient cash flow to meet short-term obligations, better solvency in the face of unexpected downturns in enrollment or other revenue streams, and more favorable lending terms in the credit markets. A fiscal watch designation entails more reporting requirements and at a monthly frequency for the college and board of trustees. Beyond fiscal watch, if serious failure was determined or if a college has been under fiscal watch for three full consecutive years, the chancellor has the ability to appoint a conservator and the college loses some amount of control and autonomy.

Methodology

After reviewing the College's financial information from FY 2018 through FY 2023 to understand the financial health of LKCC, we obtained and reviewed applicable financial policies and procedures. Because the General Fund reserve balance is a component of two portions of the SB 6 score, we reviewed the College's reserve balance policy and compared it to both GFOA standards and Moody's Investor Service[12] best practices. Further, the General Fund reserve balance was compared to that of other community colleges throughout Ohio to understand how the College compares to its peers. Finally, we calculated projections based on LKCC adopting a

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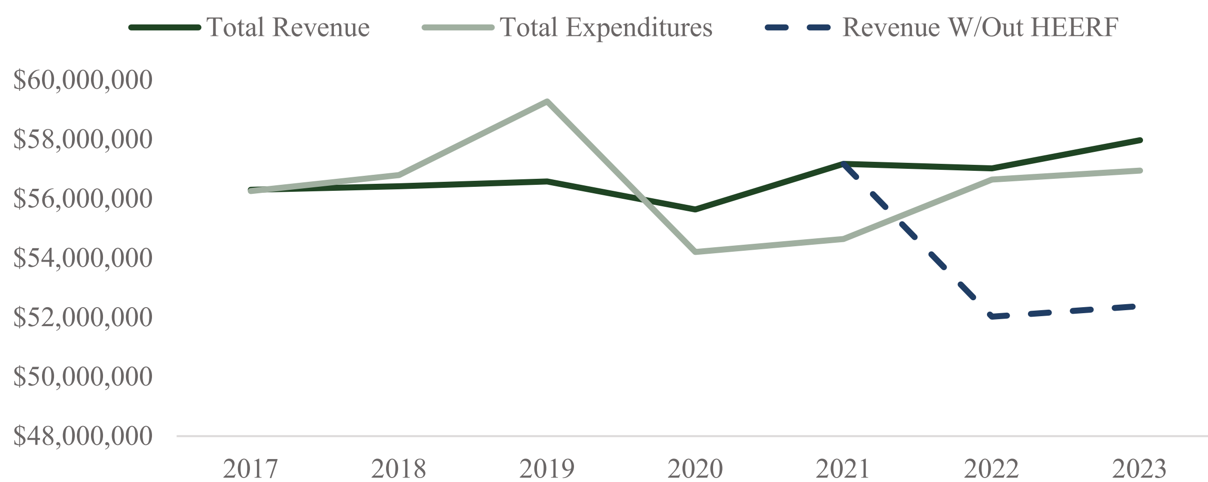
[12] Moody's Investors Service provides credit ratings for private companies and governments. Factors such as the financial health of an entity, including cash flow, debt ratios, and economic conditions, are considered in assigning a credit rating. Credit ratings are assigned using a scale ranging from the highest rating, Aaa, to the lowest rating, C.

policy in alignment with industry standards to determine the potential outcome on the College's future SB 6 scores.

Analysis

Lakeland Community College has a General Fund balance policy that requires the fund to maintain a balance of at least 10 percent of annual operating expenditures and transfers. Using prior year expenditure data, this amounts to a minimum balance of approximately $5.7 million. The College has historically maintained a balance that exceeds its internal policy. LKCC's general operating fund balance grew from $9.1 million to $12.7 million between FY 2017 and FY 2023. As a percentage of total operating expenditures and transfers, the College's fund balance grew from 16.2 percent to 22.2 percent over the same period. On average, during the period we reviewed, LKCC's general fund operating balance was approximately $4.3 million above the policy's required minimum fund balance. It should be noted that in the past two years, deficit spending was avoided with the assistance of the Higher Education Emergency Relief Fund (HEERF),[13] COVID relief dollars provided by the federal government, in the amounts of $5.0 million and $6.5 million for FY 2022 and FY 2023, respectively, as shown below. Otherwise, the general fund balance may not have increased to their current levels.

Impact of HEERF on General Fund Finances



Source: Lakeland Community College

The emergency relief dollars provided by the federal government to assist with the financial impact of COVID-19 were able to be broadly applied to College expenses. These funds

[13] The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress in March 2020. This bill was to provide economic aid to those negatively impacted by the COVID-19 pandemic. Of that money, $14 billion was given to the Federal Office of Postsecondary Education as the Higher Education Relief Fund. HEERF can be used for student grants and institutional expenses associated with coronavirus including lost revenue, technology costs, faculty, and payroll.

temporarily masked the impact of stagnating revenue growth along with rising expenditures. Without these funds, the prior underlying enrollment and operational trends at Lakeland Community College will continue. Due to this, the College needs to make efficient use of resources, including reserves.

GFOA Standards

Local governments are expected to maintain a sizable reserve by "industry standards," and by bond rating agencies. GFOA's *Fund Balance Guidelines for the General Fund* recommends that, at a minimum, general-purpose governments, regardless of size, maintain unrestricted budgetary fund balances in their general fund of no less than two months, or 16.7 percent, of regular operating revenues or expenditures. For LKCC, this equates to approximately $9.4 million. In comparison to the GFOA criteria, on average between FY 2017 and FY 2023, LKCC's general fund operating balance was $525,974 higher than the GFOA recommended amount. However, while the College is currently maintaining fund balances that exceed the GFOA minimum standard, it must be noted that the internal policy allows LKCC to have a minimum balance that falls well below this guideline.

Moody's Investors Service

Moody's Investors Service, (Moody's), is a well-known and respected agency that provides credit ratings for business and governmental organizations. These ratings are then used to determine the creditworthiness of an organization seeking to borrow funds, such as a governmental organization issuing bonds. While it is important to understand that fund balances are only one of many factors that are considered by a bond rating agency, Moody's looks for fund balances of more than 35 percent of annual revenue to provide the highest rating (Aaa) for general obligation debt. This methodology was used for general governments, which includes community colleges. While Moody's does have a methodology for higher education which differs, it includes investments. The focus of this analysis was on the general fund and its impact on the SB 6 composite score. Investments are not factored into the SB 6 score and therefore the general government methodology was applied. If LKCC met this standard, it would require a reserve fund balance of approximately $19.9 million. Using the College's average fund balance, we found that it was approximately $10 million below the Moody's recommended balance levels.

Improved bond ratings can potentially translate to lower interest rates on debt. Moody's Investor Services is an agency that rates debt based on risk.[14] Between 2016 and 2023, LKCC issued debt four times, with issues rated between a low of A2 in 2016 and a high of Aa2 in 2023. While there are many factors that Moody's considered when evaluating risk, a reserve fund balance is one factor. In the long term, a higher reserve fund balance could help LKCC obtained a higher

[14] Moody's rates on a scale ranging from aaa1, which is the lowest risk, to C3, which is the highest risk.

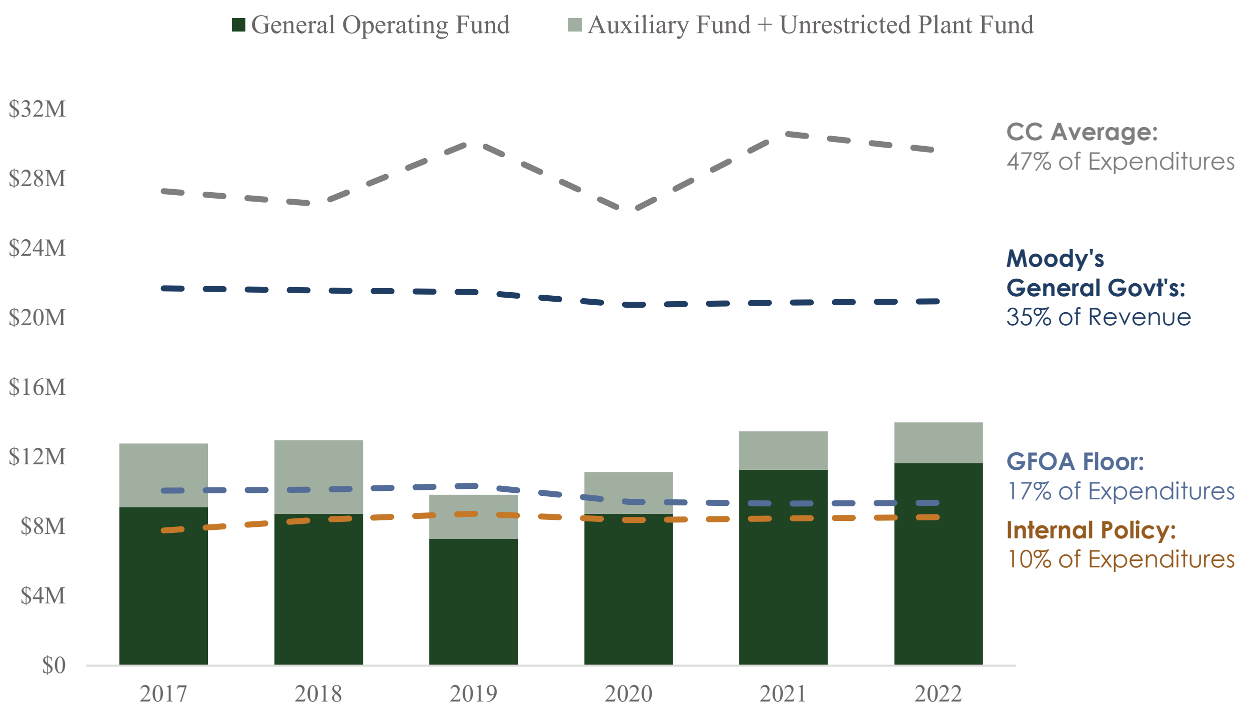
Moody's rating and therefore a more favorable interest rate. This could have a positive impact on LKCC given the higher amounts of plant debt associated with the College.

Community College Average

The SB 6 score includes a calculation of the **Primary Reserve Ratio**, which is net expendable assets over annual expenditures. Using available SB 6 data, we found that the other community colleges in Ohio had an average Primary Reserve Ratio of 46.5 percent between FY 2017 and FY 2022.

Using these three guidelines, we determined the level of reserve balance LKCC would need to maintain to be in-line with each. In the chart below, the dashed lines represent the fund balance needed to match the percentage of each standard.

Lakeland's Unrestricted Fund Balances and Criteria



Source: Lakeland Community College

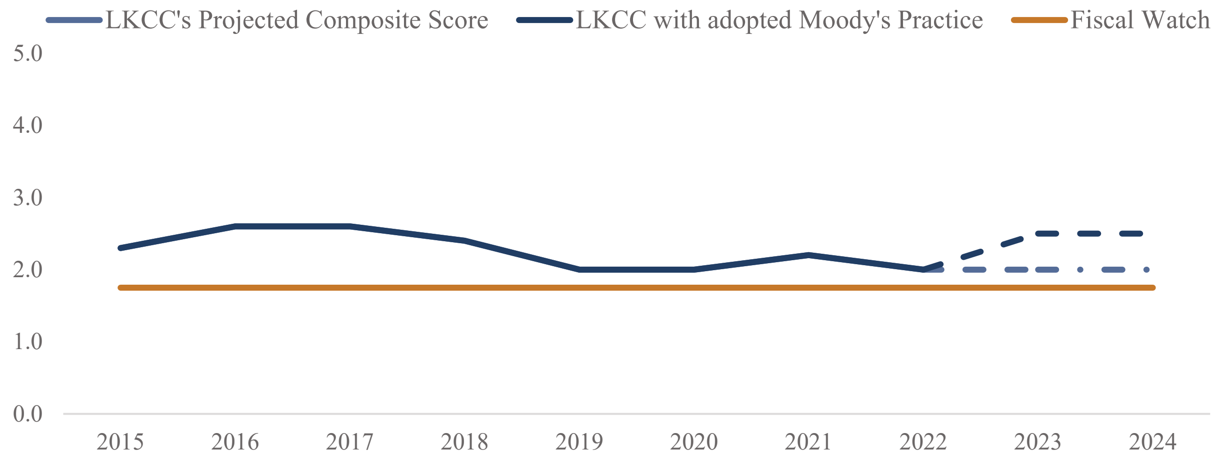
Note: Internal policy also includes at least 5 percent of the auxiliary fund and 2 percent of investment in plant within the unrestricted plant fund.

Impact on SB 6 Score

Among each SB 6 score element, the primary reserve ratio score carries the most weight in the overall composite score, accounting for 50 percent of the overall score. In looking at community colleges, LKCC has consistently been among the lowest scoring of community colleges with an average score of 3.0 in this category from FY 2015 through FY 2022, compared to the community college average of approximately 4.0 over the same period. LKCC's primary reserve ratio ranges from 10 percent to 20 percent coverage of annual expenditures with net expendable assets compared to an average of 47 percent for all community colleges. LKCC had the second lowest average primary reserve ratio over this period at 16 percent and the lowest ratio in FY 2022, at 14 percent. This is lower than the FY 2022 peer average by 31 percent.

LKCC projections for FY 2023 and FY 2024 are currently showing an SB 6 composite score of 2.0 for each year. If LKCC had adopted the Moody's fund balance recommendation and maintained that size of a reserve balance, while holding all else constant with current projections, the primary reserve score would be increased to 4.0 and the composite score would be 2.5 in those years.

Impact of Increased Reserve Policy on SB 6 Composite Score



Source: Lakeland Community College

The visual above only considers the impact of increasing the general fund reserve balance on the composite score. However, in order to increase the fund balance, efficiencies would need to be made within the College in regard to expenditures. This report offers several potential options for reducing future expenditures. Future decreases in expenditures would lead to an improved Net Income Score with the composite score. From FY 2017 to FY 2022, LKCC has scored on average a Net Income Score of 2.1. If LKCC were to improve their condition by having a five percent increase in annual net assets, a Net Income Score of 5.0, their composite score paired with the increased fund balance would result in a composite score of 3.3. Such a score would be more in line with other community colleges and put the College at lesser risk of increased oversight from ODHE.

Conclusion

LKCC should revise their reserve fund balance policy to align with industry recommended amounts. After revising the policy, LKCC should take the opportunity to increase reserves as the opportunity presents itself. Due to the College's significant level of plant debt, LKCC could particularly benefit from adopting the reserve level recommended by Moody's in order to improve its bond rating, which could translate to better positioning for refinancing debt for lower interest rates and savings.

Recommendation 2: The Board should develop and Implement a Low-Enrollment Course Cancellation Policy

The Board has no policy or strategic process to monitor the use of low enrollment courses. The College's CBA has a provision which provides the option for the Administration to cancel a course section if fewer than 12 students are enrolled. Historically, this provision has not been consistently exercised. We found that in the Fall 2022 and Spring 2023 semesters, more than half of course sections met the definition of low enrollment contained in the CBA. The Board should formalize a policy for the cancellation of course sections that meet specified low enrollment criteria. Once this policy is effective, the Board can then adjust faculty staffing accordingly, which could save the College between $1.9 and $6.3 million annually in salary and benefit expenses.

Impact

Developing a policy around low-enrolled course sections could lead to a variety of changes. It would likely result in the cancellation of several course sections based on historic enrollment trends. This would allow the College to more efficiently schedule course section offerings in the future to more accurately reflect the current course demand of its students. Further, once course section offerings are optimized, the College will have the opportunity to right-size faculty levels to be in-line with programmatic needs. This could yield average savings between $1.9 and $6.3 million on an annual basis for the College, which would help address fund balance issues identified in **Recommendation 1**. The range of savings would be dependent on how the College decides to implement changes to course section scheduling, along with the type of faculty positions eliminated and their respective tenure.

Methodology

Our review of the College's CBA found a provision that allows the Provost, Associate Provosts, or Deans to cancel course sections if fewer than 12 students are enrolled. Based on our classroom enrollment data and conversations with College leadership, we determined that this provision was not being regularly exercised, leading to multiple course sections being held despite meeting the definition of low-enrollment. We also reviewed the College's formal internal policies and determined that no additional guidance on course section cancellation existed.

We reviewed the peer community college policies and procedures in this area to gain a greater understanding of how other governing bodies handle the need to set some level of minimum enrollment standards while also providing criteria for case-by-case exceptions. We also attempted to identify any best practices or leading industry standards in this area.

To provide college leadership with a better understanding of the impact of developing and implementing a formal policy, we identified three possible scenarios to determine when a course section should be cancelled:

- **Section Capacity:** This scenario used the College's maximum number of students allowed in each section. Using scheduling software, the College could strategically open new sections as existing sections fill with enrollment.
- **Direct Instructional Cost:** This scenario used a calculation to determine the number of students needed to enroll in a section to cover the expected faculty salary and benefits associated with teaching the course. The College could create a policy to cancel sections that fall below the calculated enrollment but may need to negotiate a change in the CBA provision for courses with a threshold above 12.
- **Adherence to CBA Provision:** This scenario used the existing CBA provision which provides certain administrators the option to cancel sections with less than 12 students enrolled. The College could create a policy to cancel sections that fall below the established value.

In each scenario, at least one section of each course is retained in each semester in which it was offered previously. Specialized sections with intentionally low enrollment, like practicums or independent studies, were also retained. This was done to minimize any potential disruptions to program offerings. Further, courses that have maximum enrollment values below 12, like studios or labs where the designed course capacity is intentionally limited, were held to a standard of full enrollment, if more than one section was offered in the same semester.

Our analysis included a reduction in workload based on the elimination of course sections in each scenario and an associated cost savings related to the reduction of direct instructional cost. This was calculated using estimates based on FY 2022 salary and benefit data. The estimated financial impacts for full-time faculty reductions were calculated based on the average employee cost for a faculty member with a PhD enrolled in the family insurance plan. This equates to approximately $155,000 annually. This demographic was chosen because it represents the most common full-time faculty member profile. The estimated financial impacts for adjunct faculty were calculated using the median adjunct workload of 6 units of instruction per adjunct at a cost of $792 per unit, for an adjunct employee cost of $4,752 annually. The actual amount of savings will vary based on a variety of factors, which the College should calculate and be aware of as they are making decisions. Consolidation of course sections may have a negative impact on enrollment with less flexible offerings and must be considered as well.

Analysis

LKCC does not have a formal policy regarding cancellation of sections that are deemed to be below a minimum enrollment threshold. While the current CBA includes a provision which allows the Provost, Associate Provost, or Dean to cancel a course section if fewer than 12 individuals are enrolled, the provision has not historically been exercised by the current administration to carry out course cancellations. During the Fall 2022 and Spring 2023 semesters, between 55 and 60 percent of sections met the contractual definition of low-enrollment, and more than half of the in-person or hybrid sections offered had fewer than 10 students.

Several community colleges in Ohio have either a policy or procedure in place for the review of course sections that meet specific low-enrollment criteria.

- **Columbus State Community College** considers 8 students to be a minimum class size, but reviews instances where lab or equipment restrictions may require fewer students.
- **Central Ohio Technical College** reviews any course with fewer than 5 students enrolled for potential cancellation but does offer some courses under that threshold to ensure individuals are able to finish degree programs.
- **Terra State Community College** does not have a policy which cancels courses. However, for courses that fall below a minimum enrollment threshold, faculty salary is reduced. This is done to allow for students to finish programs in a timely manner.

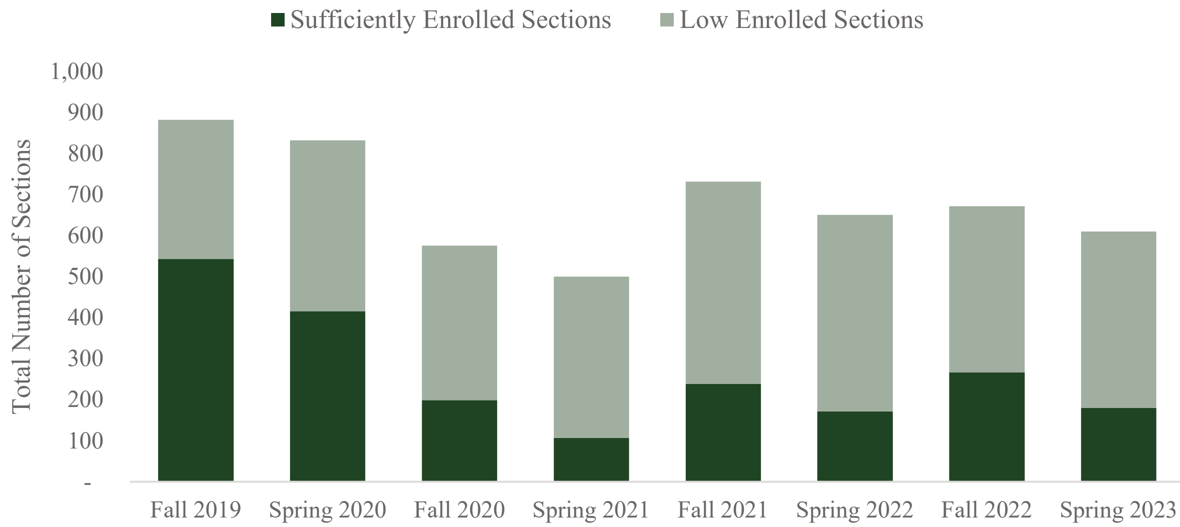
Several common policy components are found in the peer practices along with other colleges and universities. These include, but are not limited to, the following:

- Set minimum enrollment standards based on internal criteria, such as ODHE guidelines.
- Define exceptions to canceling low-enrolled course based on the degree of impact on student graduation or program completion.
- Identify a date to review course section enrollment data and make a determination regarding cancellation.
- Work with students to identify other courses or other sections as viable alternatives.

The College is required, under ORC 3345.35, to report to ODHE on courses and programs with low enrollment on a three-year basis. Under this law, low enrollment is defined by the Chancellor of Higher Education as 20 percent more than the threshold set by each college. The College reports their threshold as 12, meaning they are required to report on courses and programs with enrollment below 14. In this report, the College is required to provide a summary of recommended actions relating to the low enrollment. In a recent report to ODHE, the College generally elected to take no action, stating there are no additional costs associated due to the crossover with other programs. However, depending on the distribution of enrollment among course sections, our analysis shows cost reductions could be possible.

While making necessary course offerings available to a wide range of student needs is critical to ensuring students are able to obtain educational goals, the College must do so in a strategic manner. The College's quantity of low-enrolled courses has been consistently high in recent semesters. The visual below shows the number of sections that were held with less than 12 students, noting fewer overall sections held on campus during Fall 2020 and Spring 2021 semesters due to COVID-19. As discussed in **Recommendation 1**, the College could benefit from increasing reserve fund balances. Reducing expenditures associated with low-enrolled course sections would help to build a larger fund balance and improve the overall financial health of LKCC.

Low Enrolled Sections on Campus, Fall 2019 – Spring 2023



Source: Lakeland Community College

Policy Scenario Analysis

In the following scenarios, we identified the number of course sections that could potentially be consolidated or eliminated through the implementation of a low-enrollment policy. Once the number of potential section reductions were identified, we calculated an estimated financial impact using information from the College's current CBA along with salary and benefit data.

Faculty at LKCC are measured using workload units. A full-time professor works a minimum of 30 units a year, comprised of teaching responsibilities and elected administrative responsibilities; units above 30 are compensated as overtime. Therefore, one Full Workload Equivalent (FWE) is defined as 30 workload units in this analysis. Teaching workload units generally align with credit hours per course and include the expectation of grading or preparation. Administrative workload units are for non-teaching responsibilities and range by duty; for example, fewer workload units are assigned for coordinating equipment than leading a department. Each faculty member's assigned workload units are recorded by course section or specific duty for each semester. We used these records for Fall 2022 and Spring 2023 in our analysis of financial impact. Our scenarios identify the possible reductions in FWEs based on course section reductions, taking into account course subjects as workloads cannot be realistically split across areas of expertise. The excess workloads were then converted to a corresponding number of full-time and adjunct positions, based on the median workloads of current faculty and the current ratio of full-time to adjunct faculty of 60 to 40. This ratio was held constant due to a provision in the current CBA.

Section Capacity

The College could optimize scheduling based on course enrollment and section capacity, holding just enough courses to meet student demand. For example, if 85 students enroll in a course with a capacity of 25 students per section, a total of four sections would be sufficient to meet the operational need. In the current state, the College is offering more than four sections of the course, creating total capacities well over current student demand. This option would have an impact on the current scheduling model, requiring a change in planning and system function in order to only open new sections when all seats are full.

Using this method, we determined that if sections of the same course were consolidated, there would be nearly 300 sections in the Fall 2022 and Spring 2023 semester offerings which could be eliminated while retaining enough course capacity for enrollment levels. This represents approximately 12 percent of all sections offered in these semesters. With 12 percent fewer sections, the staffing need would change from 247.1 FWEs to 221.4 FWEs, a 10 percent reduction of workload. Holding to the CBA mandated 60 to 40 full time to adjunct ratio, this workload reduction could be achieved by reducing 11 full-time faculty and 52 adjunct faculty, which could save the College an estimated $1.9 million in personnel costs per year. It should be noted that in this scenario, due to the data available to conduct this analysis, low enrolled online courses are not considered. If LKCC were to adopt a policy based on this method, the College should work to find other means to analyze and assess whether courses conducted in the online format are conducted only when supported by appropriate enrollments.

Direct Instructional Costs

A variety of considerations must be made when considering the cost of offering a section at the College. One easily identified cost is the salary and benefits of the faculty teaching. Using available data, we determined the average faculty cost per credit hour for each course. This was then divided by the amount of revenue generated by SSI and tuition per credit hour. The resulting figure represents a rough estimate of the level of student enrollment in a section necessary to cover the direct cost of faculty salary and benefits. If LKCC elected to adopt a policy based on this method, we estimated that 549 sections, or 23 percent of its most recent Fall and Spring offerings, could be reduced.

With the possible 23 percent reduction in sections, the staffing need would change from 247.1 FWEs to 201.70 FWEs, a 20 percent reduction of workload. Holding to the CBA mandated 60 to 40 full-time to adjunct ratio, this workload reduction could be achieved by reducing 21 full-time faculty and 90 adjunct faculty, which could save the College an estimated $3.7 million in personnel costs per year. This option would require a new policy, and potential CBA negotiation to allow for the cancelation of courses in which the student enrollment needed to meet faculty expenditures is above 12. In our analysis, 23 of the 549 sections that could be reduced would require this negotiation.

Adherence to CBA Provision

If LKCC were to exercise its ability to cancel sections with less than 12 enrolled students in accordance with the CBA, section offerings from the most recent Fall and Spring semesters could be reduced by 902 sections, or 37 percent of section offerings. With the possible 37 percent section reductions, the staffing need would change from 247.1 FWEs to 167.60 FWEs, a 32 percent reduction of workload. Holding to the CBA required 60 to 40 full time to adjunct ratio, this workload reduction could be achieved by reducing 36 full-time faculty and 161 adjunct faculty, which could save the College an estimated $6.3 million in personnel costs per year. These reductions, as with each scenario, retain at least one section of any course in each semester that it was offered during the academic year analyzed.

Further Considerations

LKCC has some courses with maximum seat capacity below 12. These reductions hold courses with specified maximum enrollment of less than 12 to a standard of 100 percent capacity to retain the section, unless it is the only section offered. However, LKCC should address that some courses are designed to specifically run under the negotiated low enrollment value and create policy for such exceptions.

With any of the staffing options presented in this analysis, LKCC would need to be mindful of accreditation requirements within individual programs. This analysis did not take into consideration retaining certain staff to preserve accreditation of programs. Reducing sections and right-sizing staff may require difficult decisions to be made about the necessity to retain certain programs and therefore hold accreditation requirements in these areas. Program considerations are discussed in **Recommendation 3**.

As sections are reduced, the College could consider the potential reduction of administrative workload necessary to support programs. In this analysis, all administrative faculty workload units, like program chairs and coordinators, were retained under the assumption that these workloads were necessary to run the current programs and course section offerings. Of the 247.1 FWEs in the current staffing need, 22.0 FWEs are administrative workload units. The College also has 29 support staff within programs, like Deans and Assistants, whose positions are not measured in workload units. There is currently a support staff headcount to faculty headcount ratio of 0.05 to 1. The College could consider maintaining this ratio of support staff through proportional reductions in faculty and staff related to running programs. This reduction and its related financial implications are dependent on the actual faculty reductions made after all considerations.

Conclusion

LKCC does not have a formal policy regarding section cancellation and has historically elected not to exercise its contractual ability to cancel low-enrolled courses. Because of this, the College offers a significant portion of course sections with low levels of enrollment, which causes excess use of faculty at a cost of $1.9 to $6.3 million in salaries and benefits, depending on the method used to identify unnecessary course sections. LKCC should develop and implement a policy that reasonably meets the demand for courses while allowing the College to make fiscally responsible decisions. Once such a policy is implemented, it is likely that the College will be able to reduce course offerings and eliminate expenditures relating to faculty salaries and benefits. This will allow LKCC to improve overall fund balances and increase its SB 6 score, as discussed in **Recommendation 1**.

Recommendation 3: After the College determines how it will optimize its course offerings, it should develop a strategy for defining and reviewing low enrolled programs that considers the financial impact to the College.

The College conducts routine department and program reviews on a rolling five-year basis. This is done, in part, to comply with accreditation standards set by the Higher Learning Commission. In addition, the College is required to submit a report on low enrolled courses and programs to ODHE on a three-year basis along with proposed action steps for these programs. While LKCC officials are meeting minimum standards relating to these requirements, it does not include a detailed analysis of revenues and expenditures on a program level in the review materials. By requiring a detailed financial analysis on a program level, the Board of Trustees can better understand the impact of programs on the overall operations of the College. Further, this information is necessary for the Board to have as it makes decisions to ensure the College continues to fulfill its mission and meets the needs of the community.

Impact

As the College works to align course section offerings with student demand, it has an opportunity to improve its program review process. By including a robust analysis that considers both the revenue generated by a program with the expenditures related to the program, the Board of Trustees will have a better understanding of each program's financial impact on College operations. The financial impact of programs is one component of a holistic program review that should be conducted on a routine basis to ensure the appropriate allocation of limited resources.

Methodology

We reviewed the College's program offerings to confirm they aligned with labor market demands of the region. Because we identified issues with course sections meeting minimum enrollment thresholds, we also reviewed the College's program enrollment. To do this, we reviewed the most recent low enrollment report that was submitted to ODHE to identify what action steps the College took for self-identified low enrolled programs. We also reviewed the College's internal program review policy and compared it to identified standard practices within academic reviews.

Analysis

As a public community college, LKCC is supposed to provide quality learning opportunities to the community that meet the economic needs of the area. One way to ensure this happens is to align program offerings to the education and skills necessary to meet projected workforce needs.

Our analysis in this area indicated that the College offers programs that meet the most in-demand jobs that require a two-year degree.

It is possible that through a focused review of particularly low enrolled programs, the College may identify program offerings that no longer meet the needs of the community. In this instance, LKCC may determine it is appropriate to discontinue or pause the program. However, the goal of a comprehensive program review should not be for an isolated group to identify programs for elimination. Instead, it should involve multiple stakeholder groups including faculty, administrators, students, and the public and it should seek out ways to improve the overall impact of the College's programs. In instances where fiscal stability is a concern, rather than cutting programs, an institution may be able to identify creative cost sharing solutions through the program review process.

ODHE Low-Enrolled Program Report

In addition to providing learning opportunities to the community, the Board of Trustees must balance the appropriate and judicious allocation of limited public funds. Under ORC 3345.35, the Board is required to conduct a review of all courses and programs on a three-year basis. This law also requires that the Board submit a report to ODHE outlining any programs that are identified as low enrolled, based on the College's internal criteria. The report must identify any recommended actions that the College takes regarding those programs. LKCC submitted its most recent report in 2022, where it identified 28 programs as low enrolled and recommended that 2 be discontinued.

Department and Program Review

The College conducts an internal review of programs on a rolling basis, so that every program will be reviewed at least once every five years. In its internal review, LKCC considers enrollment, in addition to labor market considerations, graduation rates, and student satisfaction. Among the stated purposes of this review are to identify areas for improvement, demonstrate accountability, and facilitate decision making based on accurate data. This review is primarily conducted by department deans and involves other administrative staff along with the College's Provosts. The Board is not directly involved in the routine Department and Program Review process.

Academic program reviews are a common practice within institutions of higher education and are generally tied to the reaccreditation process. There is no universal best practice for conducting a program review, but there are several commonly accepted practices. One such practice is based on Dickeson's Prioritization Model,[15] which identifies 10 criteria to assist with prioritization:

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[15] Robert Dickeson, *Prioritizing Academic Programs and Services: Reallocating Resources to Achieve Strategic Balance,* Jossey Bass Publishers, San Francisco, 2010.

1. History, Development, and expectations of the program;
2. External demand for the program;
3. Internal demand for the program;
4. Quality of program inputs and processes;
5. Quality of program outcomes;
6. Size, scope, and productivity of the program;
7. Revenue and other resources generated by the program;
8. Costs and other expenses associated with the program
9. Impact, justification, and overall essentiality of the program; and,
10. Opportunity analysis of the program

While the College's internal program review process does consider some of these elements, it does not expressly consider the revenue and costs associated with programs being reviewed. Further, the review process is largely contained to the College's administration, with minimal oversight from the Board of Trustees. Due to the number of courses that the College has identified as low enrolled in reports to ODHE and the overall fiscal condition of LKCC, it is important for the Board to have this level of detailed information so that it can make informed decisions regarding the strategic allocation of limited financial resources.

Conclusion

In its most recent report to ODHE, the College identified 28 programs as low enrolled. Furthermore, as of Fall Semester, 2023, 22 associate degree programs, or approximately 39 percent of all associate degree programs, did not meet the College's internal enrollment criteria. While the administration conducts program reviews on a rolling five-year basis, this review is limited in the participants and does not expressly include financial considerations. The Board should require a regular report from the administration that includes information contained in the regular program review and data on the revenue and costs associated with offering programs. This information will allow the Board to make informed decisions regarding the allocation of financial resources in the future to best meet the needs and goals of the College.

Recommendation 4: The Board should ensure the administration is collecting and communicating KPIs that allow the Board to proactively steward Lakeland's operational health.

Like many institutions of higher education in the US, LKCC has seen significant changes in recent years regarding its overall enrollment and specific measures of fiscal well-being. Historically, the Board and Administration have focused on the College's overall financial condition, including a broad look at elements such as revenues, expenditures, and the cost of tuition. However, during the last decade, as enrollment has declined and as general macro conditions for colleges have changed, key datapoints, such as the prevalence of low enrolled courses and the declining SB 6 score, have not been emphasized during regular communications. Strategically highlighting key datapoints and trends can help the Board quickly make decisions and set policies to meet the challenges of an ever-changing higher education landscape.

Impact

Without specific information on key indicators of the College's short, medium, and long-term fiscal health, and the identification of trends in important operational factors, the Board may have a difficult time knowing when strategic changes are needed. This audit identified that SB 6 scores and course fiscal sustainability are two key metrics to focus on in the short to medium-term. SB 6 scores contain crucial information for evaluating the near-term financial trajectory of the College, and the score itself also contains governance implications if the College were to enter fiscal watch or emergency status. Individual course sections are the key economic unit driving the College's fiscal health and sustainability. In the future, the administration and Board could also work together to identify additional KPIs that help guide the strategic direction of the College. If the Board was more aware of Lakeland's deteriorating SB 6 score and the prevalence of low enrolled courses over the last few years, it may have elected to develop a policy more frequently exercise the option in an existing CBA provision that allows the College to cancel low enrolled courses, as well as place a higher priority on right-sizing operations to better meet existing student demand.

Background

ORC 3354.05 outlines specific laws around the governance of Lakeland. ORC 3354.05 (A) specifies that the college will be governed by a total of nine trustees, all of whom are appointed to five-year terms. Three of the nine are appointed by the Governor of the State of Ohio, with the advice and consent of the Senate, and the remaining six trustees are appointed by the Lake County Commissioners.

In addition, ORC 3354.06 specifically requires the Board to appoint a Treasurer of the college. Furthermore, ORC 3354.06 also states that the Treasurer will be the fiscal officer and will receive, and at the direction of the Board, disburse funds.

Finally, ORC 3354.09 (J) specifically empowers the Board to "Prescribe rules for the effective operation of a community college and exercise such other powers as are necessary for the efficient management of such college...".

Good data is essential for effective and timely decision making. In order for the Board and Administration to have a clear understanding of the challenges facing the College, key data points will need to be collected and presented at regular intervals. The availability of key data will help the Board make more effective decisions in the future.

Methodology

This recommendation is the result of the totality of work performed in the Strategic Management and Operations sections of this report. Speaking broadly, questions regarding the number of course sections, type of academic programs, and number and size of facilities are all questions where the Board may need to weigh in with official policy that will help guide day-to-day administration for the College.

For this section, we reviewed the information that has been historically presented to the Board and further researched leading practices regarding the development and presentation of key performance indicators (KPIs). We considered examples from other institutions of higher education, and also broadly researched best practices for relationships between boards and executives in both the higher education and private sectors.

Analysis

The other sections of this report help highlight several strategic and operational challenges that Lakeland faces. In many cases, there are easily trackable and detectable data that would have shown leading indicators of these challenges. If they had been detected and shared earlier, the Board and Administration could have worked together to make key changes. Below are examples of issues that were identified in each section of this report and what data may have helped identify and address the respective issue:

- **Strategic Management** – SB 6 scores (**Recommendation 1**); the number of low enrolled courses and student to faculty ratios (**Recommendation 2**); and Program specific costs and revenue (**Recommendation 3**).
- **Operations –** Comparisons between peer colleges and LKCC's pay and benefits (**Recommendation 5, Recommendation 6,** and **Recommendation 7**); and percent of classrooms reserved (**Recommendation 8**).
- **IT** – Percent of IT policies fully codified (**Recommendation 9**).

This list represents examples of relatively easily quantifiable factors that could be used to develop KPIs that could be tracked by the Board and Administration and used for strategic decision making.

In the near term, LKCC is already required to report SB 6 scores and to compile and submit a list of low enrolled courses to ODHE. Because these KPIs are already collected, low enrolled courses and SB 6 scores are a logical point to begin KPI reporting.

The monitoring of low enrolled courses is an especially impactful metric, as individual course sections comprise the base economic unit of the College. Course sections that cannot generate enough revenue to cover their direct classroom instructional expenses place a strain on LKCC's overall financial sustainability, which requires covering not just instructor compensation but also institutional indirect, support, and overhead expenses.

In addition to the KPIs explicitly named in prior report sections, literature on industry best practices identifies several indicators the Board could use to monitor Lakeland's performance and help stage timely interventions. Dickenson's 1999 publication, *Prioritizing Academic Programs and Services: Reallocating Resources to Achieve Strategic Balance,* is one such widely cited work in the area of program review. Several KPIs within this publication could provide actionable data if reported to the Board, including:

- **The ratio of students to faculty** – Faculty are the mission critical front-line employees of a college. If the ratio of students to faculty is declining, it indicates the college is serving fewer students than it previously did per unit of staffing expense.
- **Fully allocated costs per full-time student –** Dividing the total institutional expenditures in a given year by the number of full-time students provides a rough, high- level measure of the costs to serve a single "customer." This ratio could be benchmarked against peer institutions, or it could be used to analyze Lakeland's internal trend across time.
- **The marginal cost of programs –** Cost accounting exercises could be undertaken to allocate expenses to the level of individual programs. Knowing which programs are more costly than others is essential to inform a college's overall strategy on which programs to offer students and for departmental budgeting.
- **Graduate satisfaction metrics** – As students are the core constituents of LKCC and colleges in general, it is important to establish some form of quantitative benchmark to measure performance over time. A declining satisfaction metric would have implications across many facets of the College's strategy.

The above metrics are not meant to be comprehensive, but rather represent ideas to begin developing a standard reporting template that allow LKCC's Board to drill down a level below the College's top-line financials. Such KPIs would allow the Board to more critically assess operational drivers and root causes underlying the College's performance, and potentially intervene before operational shortcomings negatively impact LKCC's financial position.

The Baldrige Performance Excellence Program (Baldridge) is a public-private partnership that focuses on sharing information that can improve management practices in government, education, and the private sector. Baldridge provides generalized rules for KPI development that could be used to create additional metrics beyond those explicitly identified so far in the performance audit report. Baldridge recommends that educational institutions assess results along the following dimensions:

- **Levels –** What is your current performance on a meaningful measurement scale?
- **Trends –** Are the results improving, staying the same, or getting worse?
- **Comparisons –** How does your performance compare with that of competitors, or with benchmarks or industry leaders?
- **Integration –** Are you tracking results that are important to your organization? Are you using the results in decision making?

The table below shows an example of what a Baldrige style KPI report might look like, based on current conditions. As shown, this example focuses on the student-to-faculty ratio, the SB 6 score, and the transfer rate.[16] Furthermore, this KPI report also shows that the College is trending down in two out of three of these areas, meaning that the College's performance is getting worse over time, whereas the College has seen a slight increase graduation or transfers, as indicated by the green arrow pointing "up". Finally, this example provides a comparison to community college averages in Ohio, and, again, shows that for each benchmark the College is currently below the community college average.

Example of Possible Baldridge Style KPIs at Lakeland

Benchmarks	Levels (Current Year)	3-year Average	Trend	Comparison (CC Average)
Student-to-faculty ratio	10:1	12:1	▼	16:1
SB 6 Composite Score	2.0	2.1	▼	4.2
Graduation Rate and Transfer Rate	34.0%	33.6%	▲	43.2%

Source: Lakeland and ODHE

While none of the data points provided in the example table tells the whole story of the College, considering these types of datapoints together can uncover broad trends that may need to be addressed via new strategies on the part of the Board and Administration. This example is not meant to show exclusively the exact datapoints that the College should focus on; instead, this table represents a concept for how a KPI report might be organized for regular presentation at Board meetings or on the College's public facing website.

[16] Institution's mission may include providing preparation for students to enroll in another institution without having completed a program and so transfer rates is a metric that is tracked along with completion rates as a measure of student success.

A review of the previous Lakeland Treasurer's reports showed that, while there is mention of reserve fund balances and enrollment, neither the SB 6 score nor the prevalence of low enrolled courses are specifically highlighted. Furthermore, the College does have a public facing dashboard, but the current dashboard contains only raw enrollment data and is not useful for making at-a-glance performance assessments. Using industry standard methods to highlight these key datapoints, as well as developing additional KPIs, could help the Board stay better informed about the overall fiscal health of the College. In addition to assistance with regular Board meetings and strategic decision-making, a well-designed KPI report could also play a crucial role in succession planning. Since 2022, the College has onboarded a new Treasurer and six new Board members. Furthermore, the College expects the sitting president to retire in the summer of 2024. Having standardized KPIs identified, collected, and displayed in an easily readable format could help new members of the Board and Administration get up to speed on the College's current conditions and recent trends.

Conclusion

The ORC makes the Board the body most directly responsible for establishing policies for the effective operation of the College. Historically, the College focused on broad information about College revenues and expenses but there has not been a focus on developing and sharing KPI that provide insight into key data points, such as the College's SB 6 score low enrolled courses, and how the key trends are moving over time. Furthermore, a strong Board policy to guide the collection of KPIs that are identified by the Board and Administration could help with succession planning when the College experiences transition with new Board members and administrators. To properly steward the College's finances and strategy, however, the Board must also keep abreast of the key economic drivers below the top-line financials. Having more up to date information about key data points will help the Board proactively improve decision-making and policy setting in the future.

Operations

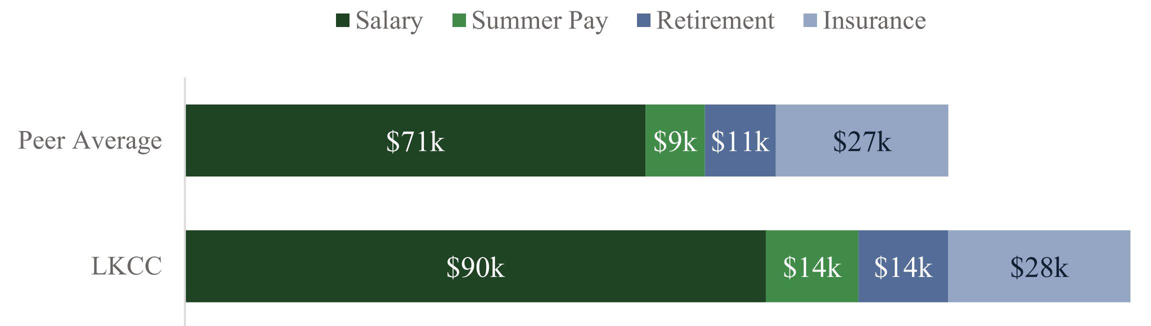
Operating an institution of higher education relies on a variety of supporting decisions to ensure people and systems are in place to sustain the delivery of course instruction. People are a particularly critical portion of operating in educational settings where the primary function of an institution is to provide direct services to students. Institutions also need physical spaces for both staff and student facing activities. In today's digital world secure information systems are also needed to facilitate a variety of activities, like scheduling, communication, and education itself. This section analyzes aspects of these key operational areas.

Human Resources

Because human resources typically encompass the majority of organizational expenditures at institutions of higher education, it is an area that management may be able to more easily identify potential cost savings measures. With any organization, employees seek competitive salaries, benefits, paid time off, training, and other forms of compensation. At LKCC and many other community colleges, the terms of compensation and work requirements for faculty are subject to negotiation and governed by a Collective Bargaining Agreement (CBA). Our analysis in this section reviewed contract provisions that were selected for their opportunity in yielding operational savings. These included salaries, insurance, leave, severance, workload requirements, summer compensation, and other benefits. While many CBA provisions aligned with the terms negotiated at peer community colleges, those relating to pay rates, insurance, and voluntary summer instruction were found to be more costly at the College than peers and are addressed in recommendations below. Other analysis not yielding recommendations can be found in **Appendix D**.

At LKCC, employee wages and benefits account for nearly 80 percent of total general operating expenditures. More than half of the College's payroll expense is for faculty. As shown below, the overall compensation, including salary, summer pay, retirement, and insurance, for LKCC's most common faculty profile shows faculty are receiving more total compensation value than peer faculty of the same profile in FY23. The wage values in this chart are based on a mid-career, PhD holding faculty member who instruct the average number of summer courses, which is 7 units. The retirement benefits are based on SERS Retirement Contributions and Medicare contributions of the salary shown. Insurance benefits represent a Family PPO plan, as it is the most common at LKCC. While this chart depicts the most common faculty profile, the same can be said for faculty at other levels of educational attainment or insurance elections. This is the combined result of higher salaries, more expensive insurance, and atypical contract terms for summer pay.

Total Annual Compensation Comparison – Full-Time PhD Faculty



Note: Compensation comparison is based on a mid-career full-time professor with a PhD instructing 7 units during summer term and enrolled in a family health insurance plan.
Source: Lakeland Community College and Peers

In the chart above, the green portion of the bar represents wages earned by the faculty member while the blue portion represents benefits. At both LKCC and the peer community colleges, retirement benefits are paid based on a percentage of salary. LKCC also uses a percentage basis to calculate pay for summer workloads. Because the base salary, represented in dark green, is higher at LKCC compared to the peer average, the other portions of compensation that are based on that base salary are also higher.

Facilities

To house staff and student activities, the College has 10 facilities, eight of which contain classrooms and labs for hosting courses. The majority of these facilities are centralized and interconnected with walkways. In addition, the College maintains a building known as Holden University Center which is across Ohio State Route 306 from the main campus buildings is used for programs offered by four-year institutions in partnership with LKCC. In recent years the footprint of LKCC facilities has increased, including ongoing plans to renovate and expand a building dedicated to engineering programs. Given enrollment trends and increased presence of online learning, the utilization of current facilities has been consistently low.

Information Technology

IT infrastructure and systems are complex and essential for operations in today's higher education environment. In addition to expenses related to equipment purchasing, software licensing, wireless networking, data management, data storage, and cybersecurity there are IT personnel costs. At LKCC, an average of 7.4 percent of operating expenditures are for IT, at approximately 4.1 million dollars annually. While maintaining these systems can be costly, the risk of data breaches, ransomware attacks, or lost productivity can be equally, if not more, costly to institutions in terms of lost data and reduced credibility. In contrast, a well-managed, secure IT environment has significant benefits in protection and continuity of operations across the organization.

This section of the report contains recommendations on LKCC's CBA offerings, including health insurance, salaries, and summer pay. Overall, we found that LKCC's current CBA exceeds peer averages in several key areas. Negotiating CBA sections to more closely resemble peer averages could help LKCC reduce expenditures. We also reviewed facilities utilization and Information Technology policies and procedures. In total, we identified six recommendations that, if implemented, would improve the efficiency and effectiveness of the College's overall operations.

Recommendation 5: Reduce Health Insurance Expenditures

The College offers multiple health insurance options that exceed similar institutions in their plan designs. Further, the health insurance plans are more expensive than the peer average while the employee contribution rate is well below the peer average. This results in the College spending more on insurance related expenses than the peer average. Adjusting the insurance offerings and contribution rates would result in significant cost savings to the College.

Impact

Aligning employer costs with the State Employee Relations Board (SERB) regional average would reduce expenditures and result in average annual savings of up to approximately $558,000. This could be accomplished by consolidating plan offerings, increasing employee contributions, or both.

Background

The College is part of the Lake County Schools Council Health Care Benefits Program, an organization which provides insurance to participating members. LKCC offers four insurance plans for medical coverage:

- Preferred Provider Organization (PPO) Plan 1;
- PPO Plan 2;
- High Deductible Health Plan (HDHP); and,
- MedFlex Plan.

Within each plan there are four options for coverage: single, single and child, single and spouse, and family. The College also offers dental and vision insurance.

At the time of analysis, LKCC had 163 enrollees in PPO Plan 1, 100 enrollees in PPO Plan 2, 25 enrollees in the HDHP plan, and 7 enrollees in the MedFlex plan. PPO Plan 1 is offered to full-time administrative, supervisory, professional, and staff employees, while PPO Plan 2 is offered to faculty. Prescription coverage is included in the medical plans. The College also had 312 enrollees in the dental plan and 311 enrollees in the vision plan.

Methodology

We compared the College's medical, dental, and vision insurance premiums to the SERB regional average. We selected Northeast Ohio public colleges and universities' plans that offer similar insurance plans for the SERB regional comparison. For the list of public institutions of higher education in the SERB regional comparison see **Appendix C**. The College's insurance plans were compared to Northeast Ohio public colleges and universities for this analysis as it is the closest representation of the regional market for LKCC. Peer information was obtained through the FY 2023 SERB survey with rates effective as of January 2023.

The College's medical plans, dental plans, and vision plans were compared to the 9 Northeast Ohio public colleges and universities.

Analysis

The College offers combined medical and prescription, dental, vision, and life insurance coverage to its full-time employees. The insurance premium, or cost of obtaining insurance, is split between the College and employee on a percentage basis. Contribution rates vary based on which of the four medical plans an employee is enrolled in.

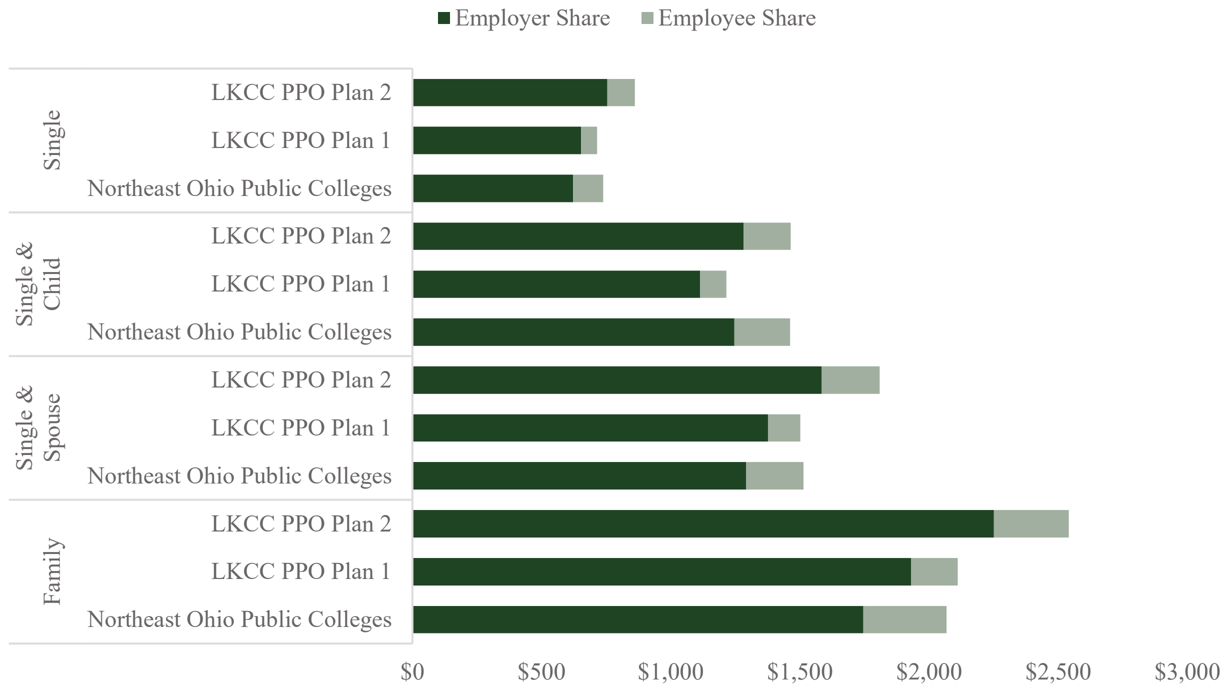
LKCC covers approximately 91 percent of the insurance premium for PPO Plan 1, approximately 88 percent of the premium for PPO Plan 2, and 100 percent of the premium for the HDHP plan. The MedFlex plan was not selected for further analysis due to its limited enrollment and narrow focus on university hospitals. Dental and vision insurance is offered to certificated employees by LKCC. The College covers the entire amount of the dental and vision insurance premiums.

Historically, the College has received insurance premium holidays from the Lake County Schools Council Health Care Benefits Program. These holidays are instances where the insurer has collected revenue that exceeds actual insurance related expenditures in a given year. These holidays are not guaranteed; however, the College projects one holiday for each year between FY 2024 through FY 2027. As such, we took this into consideration for our analysis by calculating monthly savings using an 11-month period, rather than 12 months.

Medical Insurance

We compared the College's PPO plan options for single, single and spouse, single and child, and family coverage to the average PPO plan cost for Northeast Ohio public colleges and universities. Based on the total cost of the College's PPO plans compared to the peer average, LKCC's PPO plan 1 total premium cost is less than the peer average for all coverages except family coverage. While LKCC's PPO plan 2 has a higher cost than the peer average in all coverages by $124 and $474 a month for single and family coverages respectively. The comparison of the PPO plans to the peer average for each coverage can be viewed in the following graphic.

PPO Plan Monthly Cost Comparison



Source: Lakeland Community College and SERB

Generally, for both PPO plans offered by LKCC, the employee contribution rate is less than the peer averages for each enrollment option, regardless of the total plan cost. The peer average employee contribution rate is approximately 15 percent while for LKCC the employee contribution rate is 9 percent and 12 percent for PPO Plan 1 and PPO Plan 2 respectively.

We also compared the College's HDHP plan options for single and family coverage to the average HDHP plan cost for Northeast Ohio public colleges and universities. Under the current HDHP plan, LKCC pays less than the peer average for single and family coverage.

However, the employee contribution rate for the HDHP plan is less than all peer averages for each enrollment option since there is no employee contribution rate. The same is true for vision and dental insurance with no employee contribution rate. See **Appendix D** for additional information on dental and vision insurance comparisons.

Because the College's PPO plans and HDHP plan have benefits that are, in most cases, in-line with the regional peer average, it is unlikely that it would be able to adjust the plan design to lower costs. As a result, shifting an additional portion of the premium to the employee and/or consolidating PPO plans are more feasible options to reduce medical insurance related expenditures.

Using the number of employees enrolled in each insurance plan, we identified potential cost savings associated with bringing insurance costs in-line with the Northeast Ohio public colleges and universities regional peer average, as well as consolidating plan offerings. Aligning the employee contributions to the College's medical, dental, and vision insurance premiums with the regional peer average would result in average annual savings of approximately $460,000.

Since PPO Plan 2 is the most expensive plan offered by LKCC, if the College were to only offer PPO Plan 1 and the HDHP plan, the College could see average annual savings of approximately $258,000, assuming all PPO Plan 2 participants would shift to PPO Plan 1. An additional $300,000 in savings could be applied if the College increased the employee contribution rate from 8.5 percent to the regional peer average rate.

Conclusion

LKCC should work to bring its insurance premium costs for medical, dental, and vision more in-line with the SERB regional average. Doing so could result in average annual savings of up to approximately $558,000. These savings can be realized by reducing the College's contributions towards premium costs, consolidating plans, or both.

During the course of the audit, Lakeland Community College negotiated a new collective bargaining agreement with their faculty that removes the PPO Plan 2 and will increase the employee contribution rate for the PPO Plan 1 from 9 percent to 14 percent by FY 2026.

Recommendation 6: Renegotiate Faculty Salary Schedule

At LKCC, faculty salaries are based on educational attainment and years of service. In this analysis, we compared only peers with salary schedules of similar structure. For each level of educational attainment, LKCC has a higher starting pay level compared to the peer average. Step increases are also higher than the peer average, which results in the highest ending salaries among peers. Additionally, the College offers employees longevity pay, which is not a common practice amongst peer community colleges. While we found LKCC's academic year to be 5 days longer than the average, higher compensation offered by LKCC is not offset by increased workdays for faculty. LKCC should work to renegotiate these salary schedules to be more in-line with what is offered by other community colleges to reduce expenditures and maintain fiscal stability.

Impact

The current salary schedule results in higher spending compared to the peers that use a similar salary schedule structure. If the College could negotiate a reduced salary schedule for new hires, it would be able to reduce expenditures over a period of time as existing faculty retire and are replaced by new employees.

Methodology

In order to assess the appropriateness of the College's salary schedule, we compared faculty salaries to the peer group, where salary structures were comparable. Specifically, six community colleges that have faculty CBAs that tie salary to education and years of service were used for comparison purposes. We compared starting salary, step increases, long-term pay, and additional increases across the three educational levels the College indicates in their step schedule.

Analysis

The College's salary structure includes an entry-level base salary with annual step increases for the each of the three degree levels of Bachelors (BA), Masters (MA), and Doctorate (PhD). For example, an individual with a Master's degree would start at a lower entry-level salary and could have different annual increases, compared to an individual with a Doctorate degree. In addition, employees are eligible for longevity pay at certain years of service. The College's longevity is a combination of a percentage of base pay and a flat amount that is added to the annual salary, giving a three and a half percent increase after three years at the top of the salary schedule with $500 additions at 23 and 25 total years of service. Peers with a similar pay structure also include an entry-level base salary with annual step increases. The three degree levels from LKCC's salary schedule were used for the comparisons, although some peers utilize additional increases between degrees. Only two of six peers utilize longevity pay, each using a different method than the College. Due to the limited use of longevity pay among peers, this analysis compares the base salary and annual increases of all peers excluding longevity in the primary comparisons.

We found, as shown in the charts below, that LKCC's starting salary is 9.6 percent to 15 percent higher than the peer average for each of its schedules. Further, the College's pay increases with each additional year of service at a rate 0.6 to 0.8 percent higher than the peer average. This results in individuals earning between 35.9 and 40.1 percent more than the peer average when late-career salaries of the same step are compared. Early career, mid-career, and late career salaries are all key considerations in terms of overall compensation. The College should consider how compensation packages impact overall strategic goals regarding faculty recruitment and retention.

FY23 Starting Faculty Salary (Step 0)

	BA	MA	PhD
LKCC	$48,459.00	$53,450.00	$64,935.00
Peer Average	$43,667.19	$48,749.98	$56,463.80
$ Difference	$4,791.81	$4,700.02	$8,471.20
% Difference	11.0%	9.6%	15.0%

FY23 Average Yearly Step Increase, Over 30 Years

	BA	MA	PhD
LKCC	2.0%	2.2%	2.0%
Peer Average	1.3%	1.4%	1.4%
% Difference	0.7%	0.8%	0.6%

FY23 Ending Faculty Salary (Step 29)

	BA	MA	PhD
LKCC	$87,617.08	$101,310.13	$117,108.37
Peer Average	$64,461.82	$73,873.41	$83,564.57
$ Difference	$23,155.26	$27,436.72	$33,543.80
% Difference	35.9%	37.1%	40.1%

Source: Lakeland Community College and Peer CBAs

During the course of the audit, the College settled on a new CBA agreement through FY26. The following base salary increases were negotiated or already existent in peer CBAs for these upcoming fiscal years.

FY24 to FY26 Salary Increases

	FY24	FY25	FY26
Lakeland	+1.50%	+1.50%	+2.00%
Tri-C	+2.00%	+1.00%	Negotiation
Southern State	+2.00%	+3.00%	Negotiation
North Central State	+1.00%, 1.00% stipend	Negotiation	-
Hocking College	2.00% stipend, 1.00% stipend	Negotiation	-
Cincinnati State	+3.25%	+3.00%	+2.75%
Northwest State	+7.10%	+4.60%	+4.60%

Source: Lakeland Community College and Peer CBAs

Conclusion

While LKCC's current CBA was recently adopted and will not be up for regular negotiations until 2026, College officials should be mindful that the current salary structure far outpaces the community college peer averages in regard to career earnings. Renegotiating its salary structure can help the College to avoid overly costly financial liabilities in the future.

Recommendation 7: Renegotiate Faculty Summer Pay Rate

The College has a CBA for full-time faculty which outlines a number of provisions related to employee requirements and compensation. While most provisions within the CBA align with those of peers, one provision we assessed diverged from peers in structure and related cost. The College's summer pay provision is based on a percentage of salary rather than a fixed rate per workload unit or credit hour. This provision results in higher and less predictable summer pay compared to the peers. Renegotiating this provision could result in cost savings and more budgeting foresight for the College.

Impact

Because the College's faculty are paid for summer workloads based on a percentage of their annual salary, LKCC may struggle to appropriately plan for these expenditures. In addition, more tenured faculty receive preference when choosing to teach summer courses. This can result in the College having higher expenditures for summer courses than the peer average. By renegotiating the summer salary pay rate, the College would have more control over the budgeting process and likely reduce overall expenditures.

Methodology

We identified 14 Ohio community colleges, including LKCC, that had a CBA for certificated, or faculty employees. Our analysis reviewed a selection of contract provisions that were selected for their opportunity in yielding operational savings. These included leave, severance, workload requirements, fringe benefits, and summer compensation. We reviewed the College's CBA provisions in these areas and compared them to the peers for similar provisions. Where provisions diverged from the peers, we estimated the financial impact of adjusting the provision.

To compare summer pay rates with various structures we converted each rate of pay stated in a CBA to a per unit value. For the pay rates dependent on salary, we used the average salary of the highest degree or teaching position for the calculation. For example, if an institution's pay scale was based on rank we used the average pay listed in the CBA for Full Professors and if an institution's pay scale was based on education we used the average pay listed in the CBA for PhD faculty. The highest level was chosen because at LKCC more senior faculty get first priority in electing to instruct summer courses, and therefore, PhD faculty are the most common full-time faculty instructing these courses. These salary calculations were made for 4 peer institutions, while 6 peer institutions use a flat per unit pay rate regardless of faculty rank or education.

Analysis

LKCC's summer pay rate is based on a percentage of annual salary while many peers use a flat rate for summer pay. Our pay rate comparisons were made at the PhD level as the most senior faculty get preference on instructing summer courses, and PhD faculty are the most common full-time faculty instructing summer courses at the College.

The College's summer pay rate is 48 percent of a faculty member's salary, on a per unit basis, for the first 9 workload units and 42 percent for any additional workload units, up to the maximum voluntary units of 18. Workload units generally equate to the credit hours of a course and include the expectation of planning and grading. Of the 12 peer colleges only 4 other institutions use percentage of salary to calculate summer pay, only 1 of which has a similar pay structure to LKCC, as mentioned in **Recommendation 6**. The majority of peers use a flat rate for summer pay, meaning every instructor of summer courses is paid the same per unit rate, regardless of education or years of academic service.

Based on the average pay of a PhD faculty member, summer pay for LKCC PhD is approximately $1,800 per workload unit, which is well above the peer average of approximately $1,100 per workload unit. Isolating peers with a similar pay structure, based on educational level, produced a similar average. The average is driven up by institutions, like LKCC, that base summer pay rates on a percentage of salary. The average summer pay per unit among institutions using a flat rate is $888. Due to high wages mentioned in **Recommendation 6**, the College's average summer pay rate is also above the average percentage-based pay rate of $1,500.

In 2022, faculty at the College worked a total of 598 units during the summer semester for a total salary cost of nearly $1.3 million. It should be noted 58.7 percent of summer courses in this same time period were considered low-enrolled based on LKCC's own definition. The College could elect a number of options to reduce the cost of summer instruction including adjustments of summer pay rate, the number of summer units taught, or a combination of the two.

LKCC could change the summer pay rate structure to a flat rate that closer aligns to the peer average summer pay rate. Negotiating a flat rate, like most institutions with a similar base pay structure, could make summer pay expenditures more predictable. Reducing the risk of variable costs for summer instruction is important for an institution running with low reserves. Additionally, reducing overall summer instructional costs through lower pay rates and/or fewer summer courses would reduce LKCC's overall expenditures.

Conclusion

The structure of the College's summer pay rate, being a percentage of salary, causes the rate to be higher than the peer average. Additionally, because the summer pay rate is based on the salary of the instructor, there is some added difficulty in budgeting properly for summer courses. Adopting a flat pay rate policy at a value more in-line with peers would allow for better and more consistent planning in regard to summer course expenditures.

Due to the timing of contract negotiations, it is likely that the College would not be able to effectively implement this recommendation until 2026.

Recommendation 8: Identify Options to Improve Facility Utilization

The majority of buildings at LKCC were initially constructed more than 30 years ago. More recently, the College has planned expansion or renovation projects around 2010 during times of peak enrollment. However, due to declining overall enrollment occurring over the past decade and changes to teaching methods, the College now has more facilities space than is necessary to meet the needs of the student population. LKCC should review how existing space is used and identify opportunities to improve utilization rates. This should be done prior to taking on new debt for the renovation or addition of facility spaces. In addition, the College should seek to reduce expenditures where possible.

Impact

The College's existing facility space falls well below industry utilization standards. Identifying ways to use this space more efficiently prior to taking on capital projects to build new facilities may help the College to avoid unnecessary debt.

In addition, the College maintains a building known as Holden University Center which is separated from the main campus buildings. Holden University Center is used for programs offered by four-year institutions in partnership with LKCC. At the time of the audit, the building was rarely used. Ceasing operations at this facility could result in average annual savings of approximately $174,000. If the College were able to sell or lease the building, it may achieve additional financial benefits.

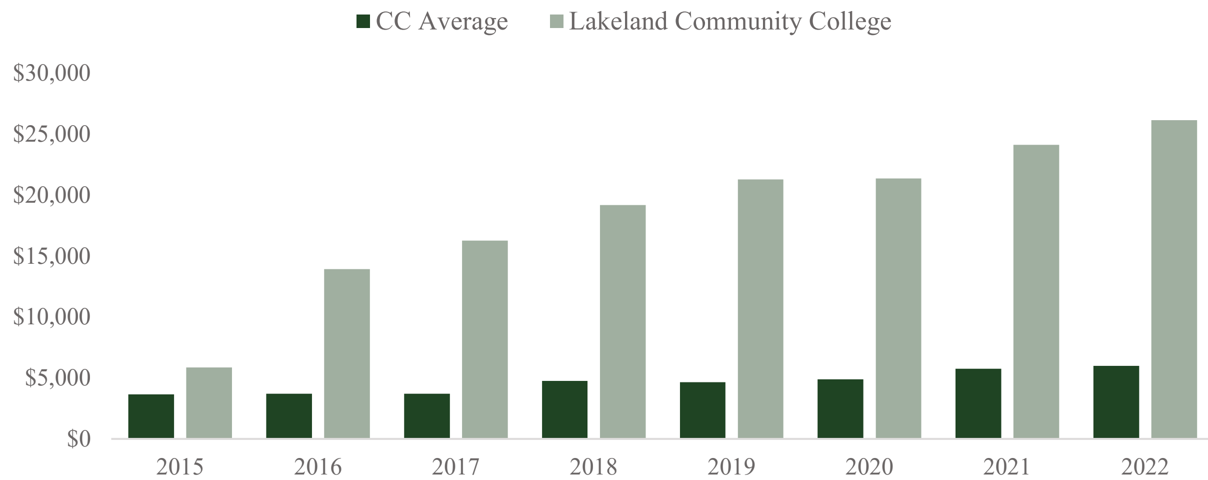
Background

The College's campus is comprised of ten buildings, with classrooms and laboratories in eight of the buildings. Most of the buildings are centrally located on the campus. Within the eight educational buildings there are 86 classrooms and 70 laboratories. Classrooms on campus have an average seat capacity of 34 seats while laboratories have an average seat capacity of 22 seats. Within all educational spaces, there are 4,476 seats on campus.

Holden University Center was purchased by LKCC in 2014 for $13.5 million with the purpose of hosting university partnerships in the building. These partnerships were initiated prior to the widespread implementation of remote learning and were intended to create opportunities for the Lake County community to access four-year degree programs more conveniently. Courses for LKCC students are not scheduled at Holden University Center. The building is used exclusively for partnerships with universities.

In the past decade, the campus at Lakeland Community College has seen investments into the facilities. Along with these investments, LKCC has taken on higher amounts of plant debt, which is debt incurred for the purpose of either the construction or renovations of facilities. The amount of plant debt per student has grown since 2015, putting LKCC within the top five Ohio community colleges with the highest amount of plant debt per student. Among community colleges with plant debt, the average amount of plant debt per student in 2022 was about $6,000. In 2022, LKCC had about $26,000 in plant debt per student, which is about $18,000 higher than the community college average.

Plant Debt per Student



Source: ODHE

While investments in facilities have grown, overall student enrollment at LKCC has been simultaneously declining for the past decade. Since 2018, decreasing enrollment has impacted facility usage. The proportion of students attending college exclusively through online courses has also increased. In the most recent academic year, approximately 30 percent of students attended exclusively online compared to 16 percent in the 2019 academic year. Only the 2018 and 2019 academic years had more in-person students than seats during a given semester.

Methodology

We obtained data on room reservations for academic and non-academic events, classroom, laboratory, and office space, as well as enrollment. The Ohio Department of Higher Education provided information on Ohio community college facilities, for purposes of peer comparisons, current as of the 2022 academic year.

Using criteria from the Utah State Board of Regents, we analyzed classroom and laboratory space. For fall 2019 to spring 2023, we analyzed the number of rooms reserved every half hour of the day, including evening hours, out of the total classrooms and laboratories available for booking. The total hours a room was reserved during the course of a week, excluding Saturday and Sunday, was taken for each room, on average, during a semester.

We also analyzed enrollment as it relates to seat capacity. The seat capacity used was the maximum number of students allowed to attend a section of a course rather than the actual physical seat capacity. This was to account for COVID-19 restrictions which have occurred within the last few years of data. Lastly, the finances for the Holden University Center were analyzed since the building was an outlier in space utilization at the College. The systematic approach to closing a building by the National Clearinghouse for Educational Facilities (NCEF) was applied to the building's financial data in order to gauge the financial savings of closing the building, while also considering debt.

Analysis

The room reservation data analyzed includes bookings for academic and non-academic purposes. Out of all room reservations, 80 percent is dedicated to academic purposes. Out of total academic hours, 44 percent of rooms are reserved in the morning, 34 percent are reserved in the afternoon, and 22 percent are reserved in the evening. The evening hours are more concentrated with laboratory classes.

The utilization rate of Lakeland's classrooms and laboratories were calculated by dividing the number of classrooms or laboratories in use by the total classrooms or laboratories. The utilization rate was calculated in half-hour increments to determine usage throughout the day. Industry best practices for the utilization of higher education facilities suggest that a classroom is in use for at least 75 percent of its available daytime hours. To account for the extended setup and clean-up times required for laboratories, and because some laboratories have specialized equipment for certain courses which limit their scheduling flexibility, best practices suggest that a laboratory is in use for at least 50 percent of its available daytime hours.

Using available data we determined that at no time between the 2019 Fall semester and the 2023 Spring semester did the College hit the industry standard for classroom utilization or laboratory utilization. Using half-hour increments, we identified that the 2019 Fall semester had the peak classroom utilization rate. This occurred on Monday mornings when 63 percent of classrooms campus-wide were in use. Classroom utilization has decreased over the past several years and in the 2023 Spring semester, the peak utilization rate for classrooms was 48 percent on Mondays. Similarly, during the timeframe of our analysis, peak laboratory utilization occurred in the 2019 Fall semester with 49 percent on Wednesdays. In the 2023 Spring semester, the peak utilization dropped to 44 percent on Tuesdays.

Building by Building Analysis

After determining that the College did not meet utilization standards on a campus-wide basis, we reviewed utilization on a building-by-building basis. This was done to determine if there were any opportunities to increase efficient and effective facility utilization at the building level. In the chart on the following page, the building-by-building analysis is laid out in half hour increments. Because classroom usage drops off in the evening hours, our analysis focused on the hours of 8:00 am through 5:00 pm Monday through Friday.

The chart uses a grayscale to show utilization rates, with darker shades indicating higher rates of utilization. When a building hits the utilization rate metric of 75 percent for any given half-hour, it is noted in green. In the chart for classroom utilization, only two buildings hit the metric, Building A and Building C both have instances where classroom utilization is greater than 75 percent.

Spring 2023 Classroom Utilization Percentage by Building

		8:00 AM	8:30 AM	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	3:30 PM	4:00 PM	4:30 PM	5:00 PM
Building H	M	16	16	46	50	59	55	54	63	47	38	33	31	24	11	5	5	11	9	16
	T	23	24	49	49	52	52	46	32	26	33	45	57	69	52	38	24	35	34	35
	W	12	13	31	30	35	36	36	38	48	47	48	47	40	32	19	19	17	15	16
	R	26	28	44	42	49	48	46	26	26	34	28	39	38	31	22	16	16	17	27
	F	12	12	16	16	17	16	16	16	16	14	4	4	3	3	2	2	2	1	0
Building A	M	30	30	39	61	78	78	67	63	61	47	51	51	17	9	9	4	4	4	4
	T	17	17	22	61	61	61	65	69	61	43	52	52	38	38	44	31	15	7	4
	W	31	31	39	61	76	76	69	65	57	45	51	51	19	15	16	9	9	4	4
	R	18	18	19	49	46	46	54	53	57	43	52	52	28	32	28	19	8	0	0
	F	0	0	0	4	11	11	7	3	0	0	0	0	0	0	0	0	0	0	0
Building C	M	30	30	30	40	60	60	80	70	59	47	47	38	16	8	8	8	0	0	0
	T	10	10	10	20	30	30	48	48	37	59	59	50	10	10	10	0	10	10	10
	W	30	30	30	40	60	60	80	70	50	38	38	38	16	8	8	8	0	0	0
	R	11	11	11	21	41	41	59	59	39	49	40	40	1	1	1	1	9	9	9
	F	11	11	11	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Building T	M	13	13	24	30	45	45	46	40	37	25	31	31	13	6	0	0	0	0	0
	T	9	9	12	31	31	31	38	38	31	31	31	31	6	6	6	0	0	0	6
	W	13	13	19	25	33	33	39	33	30	13	25	25	13	6	0	0	1	1	1
	R	10	10	11	29	32	32	32	32	25	24	25	25	7	6	6	0	0	0	6
	F	0	0	0	0	6	6	6	0	0	0	0	0	0	0	0	0	0	0	0
Building U	M	4	4	10	10	10	10	10	11	5	4	4	4	5	5	5	5	10	10	6
	T	10	10	10	10	13	13	12	10	10	5	5	5	5	4	4	4	4	4	1
	W	4	4	10	10	11	11	11	11	5	5	5	5	5	5	5	5	11	11	8
	R	12	13	13	13	13	13	13	14	13	10	12	8	8	5	5	4	4	5	1
	F	3	3	3	3	3	3	3	3	3	3	1	1	1	1	1	1	1	1	0

Source: Lakeland Community College

The building-by-building analysis for laboratory usage is similar to the classroom analysis. However, in this instance the utilization rate is 50 percent. The chart below shows the results of the analysis using grayscale to indicate those time periods where the utilization metric is not met. The green boxes indicate half-hour increments in Building A and Building H where the utilization metric is met.

Spring 2023 Lab Utilization Percentage by Building

		8:00 AM	8:30 AM	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	3:30 PM	4:00 PM	4:30 PM	5:00 PM
Building H	M	15	30	41	41	49	56	49	56	49	42	53	53	53	30	23	23	15	0	0
	T	16	35	43	47	47	47	46	43	42	34	31	31	24	8	8	12	19	11	19
	W	15	23	27	27	42	42	34	42	42	34	40	40	38	23	15	15	8	0	0
	R	11	28	43	43	44	44	44	44	42	27	21	21	21	6	2	5	4	4	4
	F	0	8	8	8	8	8	8	8	8	8	8	8	8	0	0	1	1	1	1
Building A	M	8	8	25	37	37	37	37	29	17	25	25	25	50	50	50	50	33	0	0
	T	42	46	71	71	71	46	46	37	25	42	58	58	42	42	42	25	8	8	8
	W	33	33	50	71	71	46	46	54	33	42	58	42	25	33	38	22	8	8	0
	R	33	37	46	47	47	30	30	31	18	34	35	26	17	18	10	9	1	1	0
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building C	M	6	6	13	15	31	31	31	32	31	35	18	23	17	17	17	6	6	0	0
	T	0	0	11	23	40	42	41	30	24	24	18	19	33	33	33	11	11	0	0
	W	6	6	11	17	33	33	33	33	28	28	17	23	23	22	22	11	11	6	0
	R	0	0	6	13	30	30	24	19	19	22	11	16	31	27	27	11	11	0	0
	F	0	0	6	11	17	17	11	11	6	6	10	10	10	10	4	0	0	0	0
Building E	M	37	37	37	37	37	37	42	42	42	37	37	37	37	37	0	5	5	10	10
	T	42	42	37	42	42	42	42	42	42	37	37	42	42	42	5	11	11	10	15
	W	37	37	37	37	37	37	42	42	42	37	37	37	37	37	0	5	5	10	10
	R	41	41	37	41	41	41	42	42	42	37	37	42	42	42	5	10	10	10	15
	F	37	37	37	37	37	37	37	37	37	37	37	37	37	37	0	0	0	0	0
Building U	M	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	T	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	W	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	R	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: Lakeland Community College

The building-by-building utilization comparison shows that during the Spring 2023 semester, two of the buildings analyzed met the utilization metric indicated by the green cells for classrooms and two buildings met the utilization metric indicated by the green cells for labs. Generally, between the hours of 8 a.m. to 5 p.m., the buildings do not hit the targets throughout the week. However, Building U, the Holden University Center is the furthest from hitting the benchmark relative to the other academic buildings. In terms of the count of rooms, Holden University Center's had at most 2 classrooms in use during a half hour interval of time during the Spring semester.

While the majority of buildings on campus are interconnected, Holden University Center is detached and located in a different area of the campus grounds. Because of this, the College may have more options available in determining how to use this building moving forward. At a minimum level, the building could be "mothballed" in that it is closed for operations but maintained for safety purposes. This option would save the College approximately $174,000 annually on operational costs, such as utilities, cleaning, and general maintenance. The College could also consider selling the building which would result in a one-time cash benefit to offset outstanding liabilities.

Apart from Holden University Center, the College should investigate rooms identified as being underutilized and consider best practices when evaluating space. These practices include:

- Using telepresence technology to allow students to join a live classroom remotely and work collaboratively with others;
- Creating open lab learning opportunities or consider creating variable credit courses in underutilized classroom spaces to allow students extra time to master skills;
- Using Fridays for opportunities to promote career exploration and college access events, host career fairs and campus tours, and increase K-12 partnerships to have opportunity to boost enrollment in future years;
- Converting academic space to non-academic space such as student lounges or student group space; and
- Allowing outside groups to use campus space in partnerships with organizations with similar missions such as adult or alternative learning centers.

In addition, taking into consideration the decline in enrollment over the past decade and future enrollment projections, the College should consider alternatives to taking on additional debt to finance new facility spaces. While such expenditures may be unavoidable, the College must be aware of the financial impact of such a decision.

Conclusion

LKCC currently has more classroom and laboratory space than is necessary to meet the needs of the student population. In particular, the Holden University Center is rarely used. Given population trends and projections, it is unlikely that the College will see spikes in enrollment that will require additional classroom or laboratory space. Because of this, the College should consider how to best utilize existing facilities before taking on additional debt to finance new buildings. Further, the College should consider options to repurpose existing space so that it is used efficiently and effectively. Due to its location and intended purpose, the College should first look to determining how to proceed with Holden University Center. At minimum, mothballing the building would result in cost savings from the avoidance of supplies, maintenance, and utility expenditures. It is possible that the College could see additional revenue benefits through the successful lease or sale of the property.

During the course of the audit, the College made the decision to close the Holden University Center and move existing programs into other facilities on campus.

Recommendation 9: Improve Cybersecurity Internal Controls

There are multiple standards for IT security that include the development of formalized internal controls. While LKCC follows many of these practices, it is reliant on the institutional knowledge of current employees rather than formal, written policies and procedures. LKCC should formalize and strengthen internal controls around monitoring cybersecurity best practices and continue to work towards complete implementation of an industry recognized security standard.

Impact

By formalizing and strengthening cybersecurity internal controls, LKCC could improve the sustainability of existing practices and be in a better position to identify areas that can continue to improve.

Choosing to use an industry recognized system, like CIS CSAT (Center for Internet Security Controls Self-Assessment Tools), could help to monitor both policy and implementation. Building controls within an industry recognized system could also reduce the risk of gaps in continuous knowledge in a fast-moving industry. Continuing to work towards the complete implementation of an industry standard, like CIS or NIST (National Institute of Standards and Technology), will increase LKCC's cyber protection into the future.

Internal Controls in Performance Audits

Internal controls in performance audits refer to plans, policies, procedures and actions that help an organization achieve its goals, objectives, mission and/or legislative intent. These differ from the narrow definition of internal controls used in financial audits and can be wide ranging and encompass a broad range of activities. In performance audits, we look at both the design of the controls and how those controls function within the organization.

Some examples of organizations' internal controls that might be examined in a performance audit include outcome metrics, program protocols, time and productivity tracking, and methods of measuring customer satisfaction.

Organizations with strong internal controls have a greater likelihood of meeting their objectives and desired outcomes. On the other hand, organizations with weak, faulty, poorly designed or nonexistent internal controls may struggle to meet basic program outcomes.

Background

In higher education, the federal government sets a standard expectation for data security to protect students. The Family Educational Rights Privacy Act (FERPA) includes requirements for safeguarding student information. Additionally, the Gramm-Leach-Bliley Act (GLBA) Safeguards Rule requires certain security measures be taken to protect data at financial institutions.

The National Institute of Standards and Technology (NIST) maintains a set of recommendations and highly technical standards for security controls that are used throughout the IT industry. The Center for Internet Security (CIS) is a globally recognized non-profit known for its publications and products that make internet security accessible to organizations in the public and private sectors that are based on NIST standards and tied to leading practices.

At LKCC, expenses related to IT comprise 7.4 percent of total operating expenditures. The IT systems maintain critical operational information and confidential personal information regarding both employees and students. In addition to maintaining these systems to ensure efficient operations, the College must also ensure compliance with federal laws regarding information security.

Methodology

We reviewed LKCC's IT security policies, procedures, and implementation and benchmarked them against GLBA requirements for federal cybersecurity compliance and the CIS Controls (version 8) for industry cybersecurity best practices. We utilized a self-assessment tool to facilitate the collection of cybersecurity data. This tool is provided by CIS to entities seeking to assess internal cyber security controls. The results of the assessment shared back with the auditors were corroborated through interviews with the CIO and the IT staff.

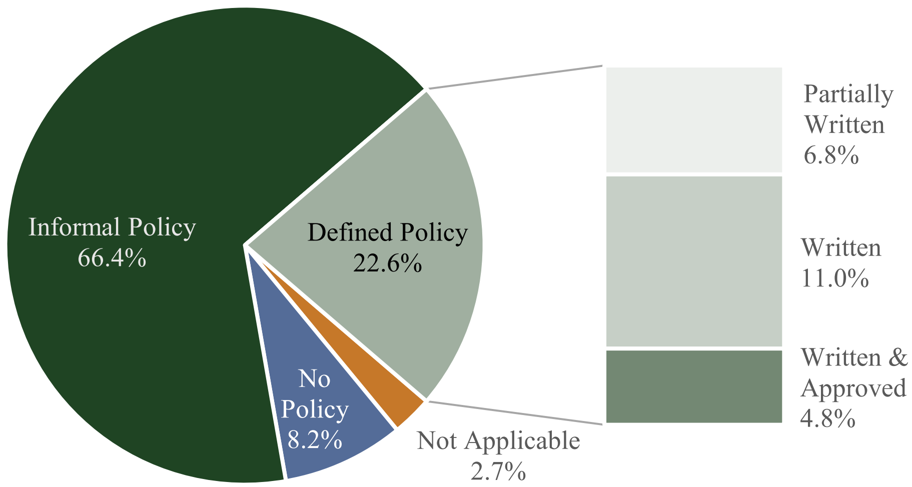
Analysis

We found that, based on our analysis, that the College is in compliance with the GLBA requirements. While LKCC has not yet provided the Board with a written update on the College's GLBA requirement, it has plans to do so prior to the June 2024 deadline.

While LKCC is in compliance with GLBA requirements, we found that, overall, it could improve cybersecurity internal controls. CIS provides a self-assessment tool that allows an entity to evaluate its progress on the implementation of 146 controls. The CIS Controls are separated into three levels of controls which build on each other. The suggested control level for a given IT department is based on the characteristics of an entity and nature of its data. Institutions of higher education are generally considered part of Implementation Group 3 (IG3) due to their handling of large amounts of private identifying information. While all IG3 controls should be the implementation goal at these entities, the 56 Implementation Group 1 (IG1) controls, known as Cyber Hygiene, should be prioritized and fully implemented at a minimum.

The CIS self-assessment tool requires an entity to select, for each CIS Control, responses for four control traits: Policy Defined, Control Implemented, Control Automated, and Control Reported. The possible responses range from no policy to approved written policy, or not implemented/automated/reported to implemented/automated/reported on all systems. Each trait has the option for Not Applicable as well. The results of LKCC's full self-assessment can be seen in the graphic below.

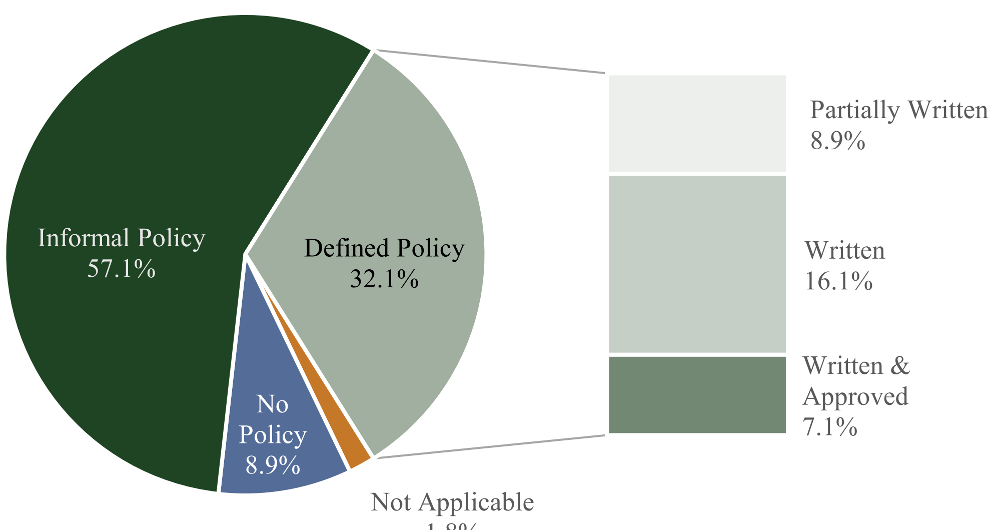
All Controls (IG3) Level of Policy Definition



Source: Lakeland Community College

While the College indicated that it has policies or procedures in place for nearly 90 percent of all control standards, the majority of these are informal procedures or policies. Only 22.6 percent of all policies are formally defined by LKCC. It was noted in interviews that many of the College's practices are based on the institutional knowledge from the current CIO. However, as there are few written policies, the College has weak internal controls in this area that could be resolved through better documentation of security standards.

Cyber Hygiene Controls (IG1) Level of Policy Definition



Source: Lakeland Community College

Regarding the foundational Cyber Hygiene (IG1) controls, LKCC's policy condition is similar. For this subset, LKCC has policies for nearly 90 percent of controls. Only 32.1 percent of Cyber Hygiene controls are formally defined. This set of controls should be prioritized in LKCC's efforts to improve documentation of cybersecurity policies. To assist with the formalization and implementation of security standards, LKCC could consider the development of an information system for tracking purposes. Industry supported systems exist that could help to monitor policy and implementation. Such a system could help to reduce the risk of knowledge gaps in the fast-moving cyber security industry. Further, such a system would help to minimize the loss of institutional knowledge as employees transition to other roles.

Conclusion

LKCC has a number of informal policies surrounding IT cybersecurity. Because these policies are not written, the College is reliant on institutional knowledge and the actions of the current CIO. To resolve this weakness, the college must work toward developing formal, written policies and procedures related to IT security. The College should continue to work towards the complete implementation of industry standard controls to increase cybersecurity protection. An industry supported information system could assist the College in monitoring policies and tracking the implementation of these standards. Further, an industry supported system would help to resolve gaps in knowledge due to the fast-paced nature in which changes are made.

Recommendation 10: Maintain Accurate IT Inventory

LKCC does not have a consolidated inventory of IT hardware that includes the date of purchase or first use. Because of this, the College cannot enforce its own IT Lifecycle Policy. LKCC should maintain an inventory of unique computer assets that includes a proper date of purchase, or date of first use, for each machine in order to enforce their IT purchasing policy relating to hardware lifecycles.

Impact

Based on the partial data available for analysis, it is possible that approximately 10 percent of LKCC's current employee and student IT machines could be beyond their stated useable life. Without complete machine and date information this could be understated. Using machines that are beyond their useful life can negatively impact the effectiveness of the machine. By maintaining better inventory of computer assets, LKCC will be able to better manage its purchasing practices and improve the asset identification element of GLBA that was marked as needing improvements.

Methodology

We compared LKCC's general IT purchasing processes and policies to the policies the Ohio Department of Administrative Services (DAS) holds state agencies accountable to, as a standard for best practice. Our analysis focused on computer lab inventory equipment, employee computers, server equipment, and mobile computer cart equipment.

To check LKCC's compliance with its own policy, we compared current machine ages to their purchasing policy. Because computer inventory and purchasing date information was incomplete, we added a step to estimate a full inventory with approximate machine ages, using partial data sets. This was then used to calculate the number of machines before, within, or beyond their end of life ranges according to LKCC's lifecycle replacement policy.

Analysis

LKCC has a replacement policy for IT hardware that is based on the type of equipment. This policy provides a targeted timeline for replacement but notes that replacement is largely dependent on use of the equipment. This policy, while written, has not been board approved. When we attempted to review existing inventory for compliance with the written lifecycle policy, we found that the College does not maintain a centralized data set with all IT hardware inventory. Instead, information is maintained in multiple datasets that record various information on the hardware owned by LKCC. These datasets are siloed, and it was not possible to combine the information in a manner that would provide a single master list of all IT hardware.

It was noted in interviews that LKCC employees stopped taking individual inventory of computer assets based on the understanding that this information was not necessary for accounting purposes. The existing inventory data is primarily a byproduct of security and management software and not an intentional inventory that is maintained by the College.

Using the best estimated inventory and considering the different lifecycles for Classroom Desktops, Classroom Laptops, Employee Desktops, and Employee Laptops, LKCC has an estimated 162 computers (10 percent of all computers) beyond their lifecycle replacement policy.

Detailed data on hardware is necessary for effective inventory management. To properly comply with the written lifecycle replacement policy, LKCC's IT Department must be aware of the age and status of all hardware devices owned by the College. This level of understanding is necessary to properly plan IT purchases along with the deployment of resources. For example, during the audit, LKCC officials stated that the closure of computer labs was being considered. While this could be an efficient method of reducing machines beyond end of life, and therefore not losing cost on retiring assets, without a full understanding of existing inventory and the age of each machine it is difficult to make an informed decision on this matter. Without this data LKCC could retire machines with remaining useable life.

Conclusion

Because LKCC does not have a consolidated hardware inventory that includes the date of purchase or first use the College's ability to accurately enforce its own Lifecycle Policy is limited. Using the partial data available for analysis, we estimated that at least 10 percent of LKCC's current employee and student machines could be beyond their stated useable life. Better inventory of computer assets will improve the asset identification element of GLBA that was marked as needing improvements and allow the College to enforce its IT hardware lifecycle policy.

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Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The following letter is the College's official statement in regards to this performance audit. Throughout the audit process, staff met with College officials to ensure substantial agreement on the factual information presented in the report. When the College disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.

Lakeland
COMMUNITY COLLEGE

President's Office

7700 Clocktower Drive • Kirtland, Ohio 44094-5198 • 440.525.7177 or 440.525.7118 FAX: 440.525.7011

March 15, 2024

The Honorable Keith Faber
Auditor of State
88 E. Broad St.
Columbus, OH 43215

Dear Auditor Faber:

We sincerely appreciate the work of the Auditor of State, specifically the Ohio Performance Team, on its recently completed Performance Audit of Lakeland Community College.

As a public institution of higher education, we are always looking for ways to increase efficiency and reduce expenses. We look forward to incorporating your recommendations into our strategies and policies as we move forward.

The following are the college's general responses to recommendations included in the Performance Audit Report.

Reserve Fund Balance

In November 2023, Moody's maintained Lakeland's A1 issuer rating reflecting the college's regional role as a low-cost community college provider with a predictable operating environment and stable financial position. Of the nine Ohio two-year colleges rated by Moody's, Lakeland is tied as carrying the third best underlying issuer credit rating. Moving forward, Lakeland will fully implement the Performance Audit recommendations that include increasing its unrestricted reserves, by board policy, to improve its SB6 ratios and composite score.

Low Enrolled Courses and Programs

Lakeland recognizes that cancelling low enrolled courses is a balance between providing students with the courses they need to earn degrees and workforce ready certificates and covering the cost of instructional expenses. Lakeland is committed to complying with state and federal regulations and college board policies regarding cancellation of low enrolled courses, in compliance with the college's Collective Bargaining Agreement.

Health Insurance Costs

Lakeland has taken steps to reduce the growing costs of health insurance benefits that include eliminating the top tier Plan 2 and increasing employee contributions. Lakeland's participation in the Lake County Schools council health care consortium allows us to benefit from lower annual healthcare premium increases. Going forward, the college will continue to address reducing its net healthcare costs.

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Full-time Faculty Compensation

As noted in the Performance Audit, the current Collective Bargaining Agreement with the Lakeland Faculty Association was recently adopted and will not be up for regular negotiations until 2026. As recommended in the report, the college will work toward renegotiating a faculty salary structure and summer pay rate that are more in line with peer institutions.

Facility Space Usage

Lakeland has mothballed its Holden University Center building, resulting in utility, custodial and maintenance savings of about $40,000 this spring and summer, until a decision is made about the future of the facility. The Holden University Center partnership Programs have been relocated to the main campus, increasing utilization of those spaces. Lakeland will continue to identify options to improve facility utilization.

IT Internal Controls

As noted in the report, Lakeland complies with Gramm-Leach-Bliley Act (GLBA) requirements to safeguard sensitive financial information. The college provided its annual submission to the board of trustees Feb. 14, 2024. The college tracks computer inventory through Microsoft Active Directory, which provides data used to rotate out older equipment that no longer meets minimum requirements to support platforms. Lakeland will pursue a gap analysis to ensure that collegewide IT internal controls are addressed formally in the college's policies and procedures.

Thank you for the opportunity to provide this response. We appreciate the work of the Ohio Performance Team in making these recommendations and look forward to our continuing partnership.

Sincerely,

Morris W. Beverage Jr., EDM
President

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide the College with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Strategic Management	
How does the College's reserve fund balance policies and practices compare to industry standards or other best practices?	**R.1** and **R.4**
What opportunities exist for the College to better align overall academic programs to current macro conditions?	**R.3**

What opportunities exist for the College to improve staffing efficiency and effectiveness?	**R.2**
Operations	
Are the College's insurance costs appropriate in comparison to other similar public governmental entities and within the local market?	**R.5**
How does the College's collective bargaining agreement compare to peer institutions?	**R.6** and **R.7**
What opportunities exist for the College to gain efficiency in space utilization?	**R.8**
How do the College's IT security practices compare to leading practices?	**R.9**
How do the College's IT purchasing policies and practices compare to leading practices?	**R.10**

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives[17]:

- Control environment
  - We assessed the College's exercise of oversight responsibilities in regards to detecting improper payroll reporting and benefits administration.
- Risk Assessment
  - We considered the College's activities to assess fraud risks.
- Information and Communication
  - We considered the College's use of quality information in relation to its financial, enrollment, staffing, facilities, course, and IT data.
- Control Activities
  - We considered the College's compliance with applicable laws and contracts.

An internal control issue related to IT security was identified and discussed in **Recommendation 9**.

[17] We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of College's operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer Colleges;
- Industry Standards;
- Leading Practices;
- Statues; and,
- Policies and Procedures.

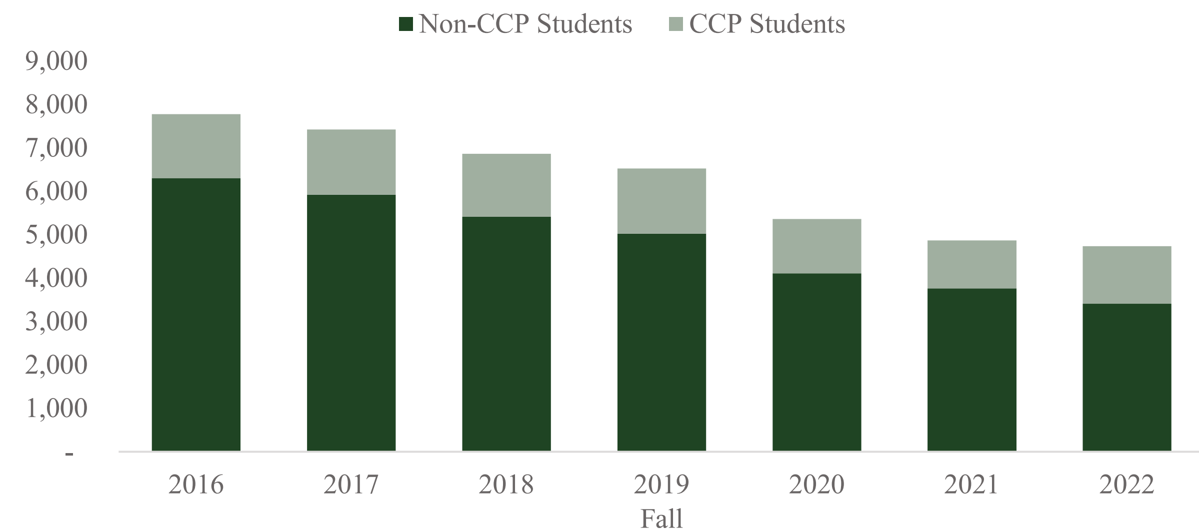
We select community colleges for comparisons, where appropriate, contained in this report. Colleges were selected based on their collective bargaining agreement. Public colleges and universities were also selected based on their health insurance plan offerings. These colleges and universities are identified as necessary and appropriate within the section where they were used.

Appendix B: Course and Program Considerations

Enrollment Trends

College Credit Plus (CCP) is Ohio's dual-enrollment program that allows students in seventh through twelfth grade to earn college and high school credits simultaneously by taking courses from Ohio colleges or universities at little or no cost. CCP was established in 2015 and participation has increased dual enrollment participation across Ohio.

College Credit Plus of Total Enrollment Headcount

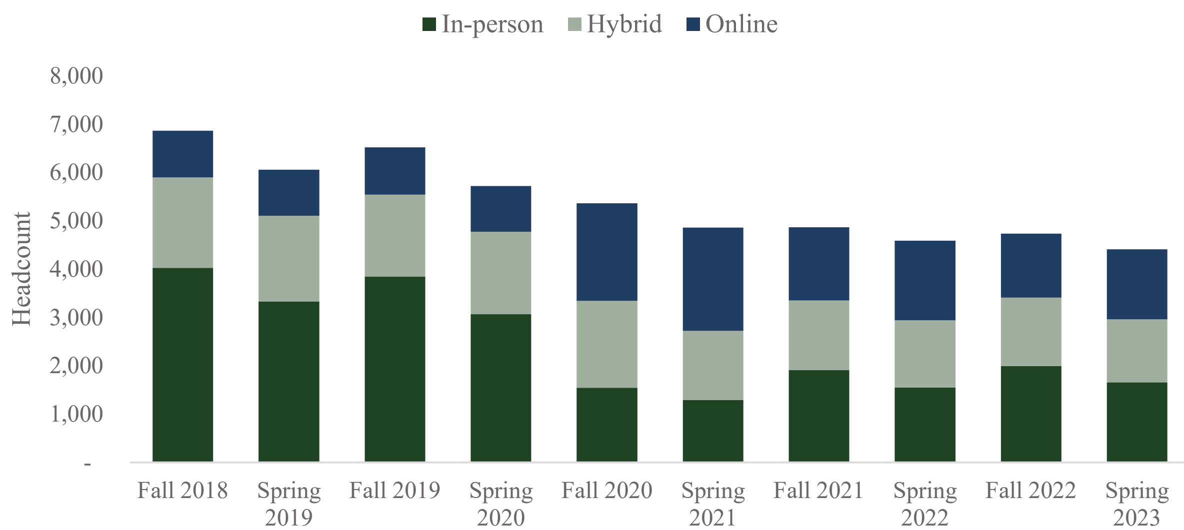


Source: Lakeland Community College

While CCP enrollment statewide has increased, at LKCC the total headcount for CCP participation declined between 2016 and 2022; from 1,468 students to 1,324 students. However, because the decline in CCP enrollment was less than the decline in regular enrollment, the percentage of the student body comprised of CCP increased over the same period; from 19 percent to 28 percent.

In addition to declining total enrollment, the student body has shifted away from attending courses on campus. The graph below shows a headcount of students who attend only in-person compared to students who attend only online.

Semester Enrollment by Attendance Type



Source: Lakeland Community College

As shown on the chart above, the proportion of students attending online only has shifted from 14.1 percent in the fall of 2018 to 32.9 percent in the spring of 2023. The adoption of hybrid or on-line learning practices provides more flexibility to both the student and the College, but also presents challenges related to facility and space utilization. Facilities that were designed and built in the second half of the 20th century may not fit the needs of today's classroom or student. In other words, the trend of declining enrollment paired with the shift towards on-line learning specifically impacts the student's footprint or utilization of campus space.

Courses

As noted before, financial concerns are one of several components that would be considered in an overall program review. We created a formula to compare the costs and benefits of providing course sections by using the cost per credit hour, comprised of faculty salary and benefits, divided by the revenue per credit hour, comprised of tuition and SSI funding. This calculation renders a number of students needed to cover the direct instructional cost for a course section.

$$Students\ Needed\ for\ Direct\ Instructional\ Cost = \frac{\begin{matrix} Cost\ per\ Credit\ Hour \\ (Salary + Benefits) \end{matrix}}{\begin{matrix} Revenue\ per\ Cedit\ Hour \\ (Tuition + SSI\ Funding) \end{matrix}}$$

Sections were analyzed by reviewing current staffing of sections, both full-time and adjunct faculty, and grouping the information by subject, e.g. accounting courses. Our calculation divided the cost per credit hour by the revenue per credit hour. The revenue per credit hour is a combination of the tuition and fees per credit hour and 75 percent of State Share of Instruction

(SSI) funding per credit hour. A fraction of SSI was used as it is an estimate for how much of the funding is driven by enrollment at Lakeland Community College. The result of this calculation is the break-even number of students required in a course section for it cover the direct instructional cost.

Generally, three students are needed to cover the instructional cost of an adjunct faculty member of a given course while 9 to 12 students are needed on average for full-time faculty members with a bachelor's degree and doctorate's degree, respectively. The variation among different subjects in the sustainable enrollment number largely arises from the differing composition of lower paid adjunct versus higher paid full-time faculty.

We conducted analysis on 76 course subjects to determine the number of students that would be needed for each to cover direct instructional costs. As shown in the table below, this ranges from 3 students to 19 students based on the course and the instructor. This table uses staffing data from Fall 2022 and Spring 2023 along with tuition rates and SSI funding from the same timeframe. Because this is a point-in-time analysis, the number of students needed to cover direct instructional costs is subject to change based on faculty composition, changes to tuition fees, or the SSI funding awarded by the state.

Section Direct Instructional Cost Analysis by Subject

Subject	Subject Name	Weighted Average Cost per Credit Hour	Students Needed for Direct Instructional Cost
REST	Real Estate	$914.36	3
EENG	Electrical Engineering	$914.36	3
FREN	French	$914.36	3
EMGT	Emergency Mgmt Planning Adm	$947.02	3
THEA	Theatre	$1,072.85	4
FIRE	Fire Prevention	$1,077.64	4
ELEC	Electronic Technology	$1,092.51	4
PHOT	Photography	$1,092.66	4
PARL	Paralegal	$1,117.56	4
CIVT	Civil Engineering Technology	$1,183.13	4
NUET	Nuclear Engineering Tech	$1,191.87	4
QENT	Quality Engineering Tech	$1,270.97	4
PEHR	Physical Education	$1,300.37	4
WELD	Welding	$1,359.63	4
POLY	Polysomnography	$1,394.82	5
CPET	Computer Engineering Tech	$1,423.36	5
EMTS	Emergency Medical Technology	$1,553.12	5
NUCL	Nuclear Engineering	$1,682.43	5
POLS	Political Science	$1,730.99	6
PSYC	Psychology	$1,748.24	6

PHIL	Philosophy	$1,763.41	6
PARA	Paralegal	$1,777.93	6
PSCI	Physical Science	$1,787.49	6
MUSC	Music	$1,821.22	6
GRDS	Graphic Design	$1,841.75	6
COMM	Communication Studies	$1,849.51	6
CRMJ	Criminal Justice	$1,935.92	6
ASLI	American Sign Language	$1,962.72	6
ARTS	Art	$2,012.42	6
ENGL	English	$2,027.51	6
BUSM	Business Management	$2,031.22	6
CIMN	Computer Integrated Mfg	$2,216.36	7
GEOG	Geography	$2,274.21	7
HUMX	Humanities	$2,291.85	7
ACCT	Accounting	$2,354.16	7
MDIA	Media Technology	$2,369.76	7
MDLT	Medical Laboratory Tech	$2,461.71	8
HSTY	Histotechnology	$2,478.67	8
GEOL	Geology	$2,494.88	8
HIST	History	$2,504.13	8
HMSV	Human Services	$2,505.44	8
HLTH	Health Care Services	$2,600.43	8
SPAN	Spanish	$2,630.46	8
MATH	Mathematics	$2,708.25	8
DAST	Dental Assisting	$2,743.09	8
ECED	Early Childhood Education	$2,800.77	9
SOCY	Sociology	$2,822.18	9
BIOS	Bioscience Technology	$2,948.43	9
PTAS	Physical Therapist Assistant	$3,009.65	9
BIOL	Biology	$3,071.26	9
PHYS	Physics	$3,118.94	10
DNHY	Dental Hygiene	$3,162.55	10
MECT	Mechanical Engineering Tech	$3,231.84	10
MDAS	Medical Assisting	$3,318.39	10
HIMT	Health Information Mgmt Tech	$3,378.53	10
EDUC	Education	$3,391.48	10
OTAS	Occupational Therapy Assistant	$3,434.07	10
CNET	Cisco Networking Technology	$3,460.85	11
ECON	Economics	$3,649.00	11
JRNL	Journalism	$3,684.27	11
CHEM	Chemistry	$3,755.41	11

SURG	Surgical Technology	$3,810.42	12
NURS	Nursing	$3,891.40	12
ENGR	Engineering	$3,956.77	12
ITIS	ITIS Information Systems	$4,122.06	12
CADT	CAD Technology	$4,138.44	13
FYEX	First Year Experience	$4,186.16	13
RADT	Radiologic Tech	$4,620.56	14
ANTH	Anthropology	$4,917.97	15
URST	Urban Studies	$4,917.97	15
RESP	Respiratory Therapy	$5,632.72	17
ITCS	ITCS Computer Science	$5,925.89	18
COUN	Counseling Services	$6,153.67	18
ITON	ITON Operating Sys/Networking	$6,174.94	18
ENGS	Engineering Science	$6,235.68	19
ITDB	ITDB Database	$6,343.13	19

Source: Lakeland Community College

The table above does reflect current staffing and pay structures at Lakeland Community College. Should any of those factors change in the future, these calculations would change as well. It is notable that the number of students necessary to cover direct instructional cost can vary, even within similar areas of study.

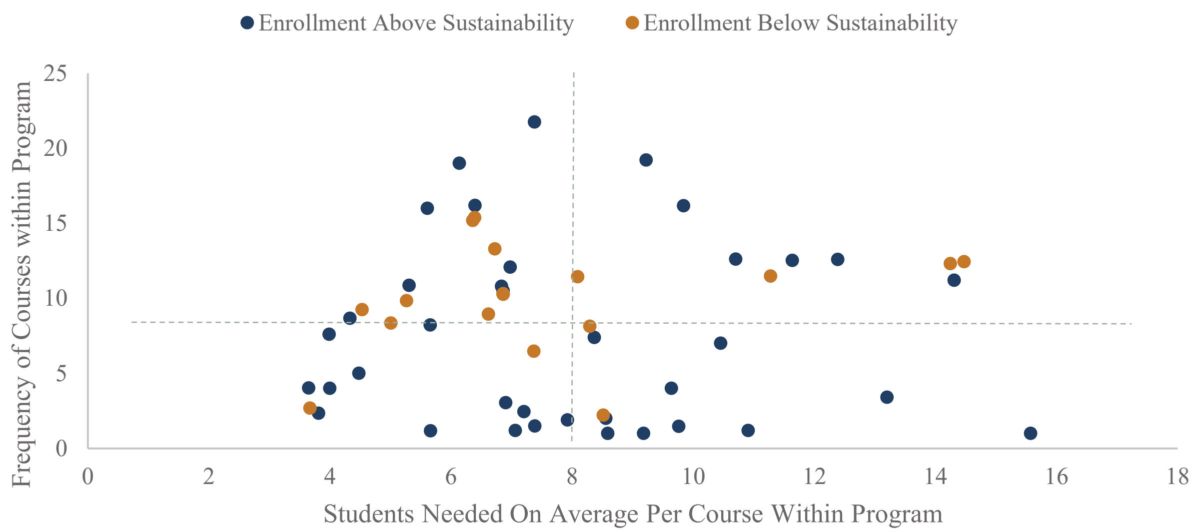
Programs

We conducted further review of financial components of program offerings at LKCC. We used the direct instructional cost analysis used for courses and built it out to a program level based on courses that were identified as being required for completion of a program. In total, we reviewed programs by combining the following factors:

- **Fall 2019 – Fall 2023 Enrollment:** The annual number of students enrolled in the program. This number was compared to the average minimum number of students needed per section or course.
- **Average Cost of Courses**: Using subject level data, calculating the average cost per course. For example, a Nursing program may have a combination of math, science, English, and health courses – these are weighted based on the percentage of each subject and then used to calculate an average cost per course for the program.
- **Isolation/Interconnectedness**: This measure considered how often courses in one program may be taken by students in other programs. For example, basic math courses may be taken by individuals in multiple programs, whereas a technical lab class may appear in only one or two programs.

This information was used to identify, at a high-level, those courses that may not have enough students enrolled to cover the direct instructional costs of offering the program. The matrix below shows, based on our analysis, a scatter plot of associate programs offered by the College. The matrix shows the number of students needed for a program to cover direct instructional costs along with an analysis of the isolation of the program's required courses.

Associate Programs Assessment Matrix



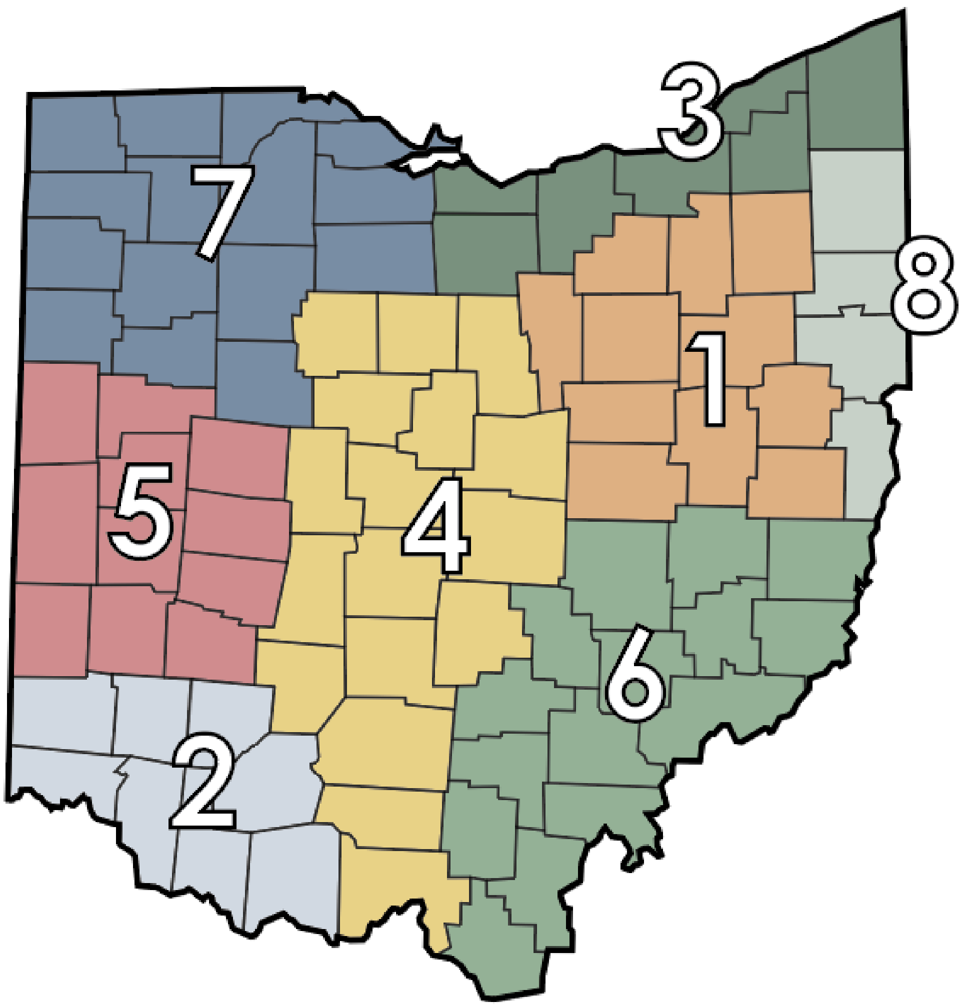
Source: Lakeland Community College

The chart above shows the composition of the factors used to assess each associate program. The y-axis shows the frequency of courses within programs and measures the number of programs where a course may count towards completion requirements. This means that the lower on the y-axis a program is, the more isolated the program is, or the fewer number of programs it impacts. The x-axis shows the average number of enrolled students needed per program to cover direct instructional costs. The further to the right a program is on the x-axis, the more students needed to cover direct instructional costs. The quadrants presented in the matrix are made up of the average for each factor among the associate programs. The third factor in this assessment is the historical performance of the program in regard to enrollment. In the chart, programs that are labeled orange indicate that average enrollment in the past five years has been below the calculated threshold. Notably, these programs occur in each of the four quadrants of the matrix.

Appendix C: Insurance

We compared the College's medical, dental, and vision insurance premiums to the SERB regional average. We selected Northeast Ohio public colleges and universities' plans that offer similar insurance plans for the SERB regional comparison. The information used in the audit comes from the State Employment Relations Board (SERB) Health Insurance Report. The regions consists of several county groupings, which SERB's Bureau of Mediation originally developed for the purpose of developing fact finder and conciliation panels. For the purpose of defining northeast Ohio, regions 1, 3, and 8 were chosen.

SERB Regional Map



Source: SERB

Within those regions, the following public universities and colleges offer a PPO and/or HDHP medical plans that were used in the SERB regional average:

- Akron University
- Cleveland State University
- Cuyahoga Community College
- Eastern Gateway Community College
- Kent State University
- Lorain Community College
- Northeast Ohio Medical College
- Stark State College
- Youngstown Community College

Dental

Under the current dental insurance plan, as shown in the following table, the College's total monthly premium for dental insurance is lower than the regional peer group for all coverages, but has a lower employee contribution rate. The employer share of the premium exceeds the Northeast Ohio public colleges and universities peer average by $8.89 for single coverage and $5.85 for family coverage. LKCC employees do not contribute to the dental premium.

2022 Monthly Medical Insurance Costs – Dental

		LKCC		Northeast Ohio College Average		LKCC Adjustment to Average Rate	
		Costs	**% Share**	**Costs**	**% Share**	**Costs**	**% Share**
Single Dental	LKCC	$31.72	100.0%	$22.83	62.7%	$19.88	62.7%
	Employee	$0.00	0.0%	$13.60	37.3%	$11.84	37.3%
Family Dental	LKCC	$80.78	100.0%	$74.93	63.0%	$50.91	62.7%
	Employee	$0.00	0.0%	$43.97	37.0%	$29.87	37.3%

Source: Lakeland Community College and SERB

Elements of the College's dental plan design are either in-line with, or more comprehensive than, the peer averages, specifically for out-of-network deductibles and annual maximum benefit. Since LKCC contributes the entire dental insurance premium, the College could reduce expenditures through requiring employees to pay a portion of the premium, equal to that of the peer average, rather than seeking out alternative insurance plan options.

Vision

Under the current vision insurance plan, as shown in the following table, the College pays more on a monthly basis than the regional peer groups for single coverage but is generally in-line with the peer average monthly premium for family coverage. The employer share of the premium exceeds the Northeast Ohio public colleges and universities peer average by $0.46 for single coverage but is below the peer average by $5.08 for family coverage. LKCC employees do not contribute to the vision premium.

2022 Monthly Medical Insurance Costs – Vision

		LKCC		Northeast Ohio College Average		LKCC Adjustment to Average Rate	
		Costs	**% Share**	**Costs**	**% Share**	**Costs**	**% Share**
Single Vision	LKCC	$9.36	100.0%	$0.88	9.9%	$0.92	9.9%
	Employee	$0.00	0.0%	$8.02	90.1%	$8.44	90.1%
Family Vision	LKCC	$20.20	100.0%	$2.77	11.0%	$2.21	11.0%
	Employee	$0.00	0.0%	$22.51	89.0%	$17.99	89.0%

Source: Lakeland Community College and SERB

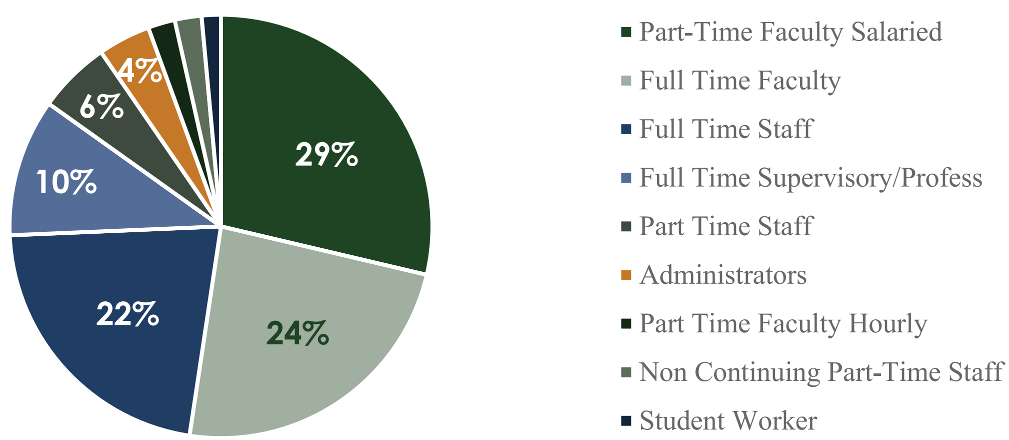
LKCC could reduce expenditures by requiring employees to pay a portion of the vision insurance premium.

Appendix D: Collective Bargaining Agreements

The College negotiates terms of employment with its certificated employees, or faculty in a Collective Bargaining Agreement (CBA). The agreement is in place for three fiscal years. At the onset of the audit the most current CBA covered August 16, 2020 through August 15, 2023. For all analyses comparisons used provisions active during FY23, as it was the most recent completed fiscal year. Upon the expiration of the former agreement, the College was in negotiations during the course of the audit. A new agreement was signed in 2023 and runs through 2026. LKCC does not have any CBA with classified, or non-faculty, employees.

As seen in the chart below, more than half of LKCC's employees are faculty. Because employee compensation is the primary component of expenditures for the College, we reviewed further how this expense is broken down by employee type. More than half of the College's payroll expense is for this group of employees, which includes both full-time and part-time faculty. The pay rates for both full-time and part-time faculty are defined within the CBA, although full-time faculty are the only members of the collective bargaining unit. The part-time pay rate is included in the contract in points of reference and is equally legally binding.

Lakeland Community College Staffing



Source: Lakeland Community College

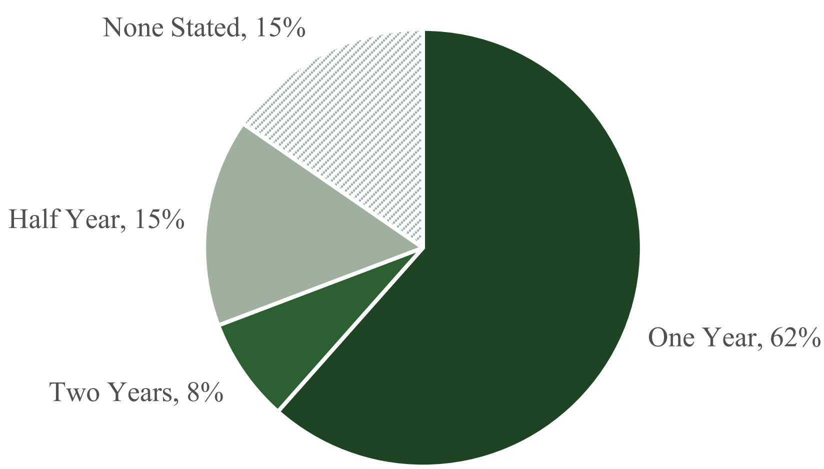
Of the 22 Ohio community colleges, 14 have certificated CBAs and 8 have additional CBAs for groups of classified staff. We used the other community colleges with certificated CBAs to compare various provisions based on their opportunity for fiscal or operational impact. These were leave, severance, academic year, work requirements, and certain fringe benefits like tuition reimbursement, tenure, and elective summer pay. The provisions we compared are not comprehensive of all terms within LKCC's CBA.

LKCC's terms were in-line with peers across most provisions. Details are shown for each in the following subsections. Terms with significant differences from peers can be found in **Recommendations 5 and 6**.

Leave

It is common for institutions of higher education to offer sabbatical. This is leave from typical duties for the purpose scholarly enrichment, teaching improvement, curricular development, creative growth, and/or research opportunity. Terms of the sabbatical often include years of service to be eligible, a service commitment after returning, maximum length of leave, and regular compensation adjustments. We compared each of these terms among LKCC and the peers with certificated CBAs. LKCC offers a maximum of one year sabbatical after 7 years of service to the College, and employees must remain employed with the College for one year after sabbatical. Peers offer similar opportunities with an average eligibility after 6 years, and a one year post-leave commitment. The maximum length of sabbatical and terms of pay presented some variation among peers, which are presented below. In LKCC's first semester of leave, pay is not reduced while second semester pay is 50% of the faculty's regular base pay. This is within the normal range of peer sabbatical pay structures.

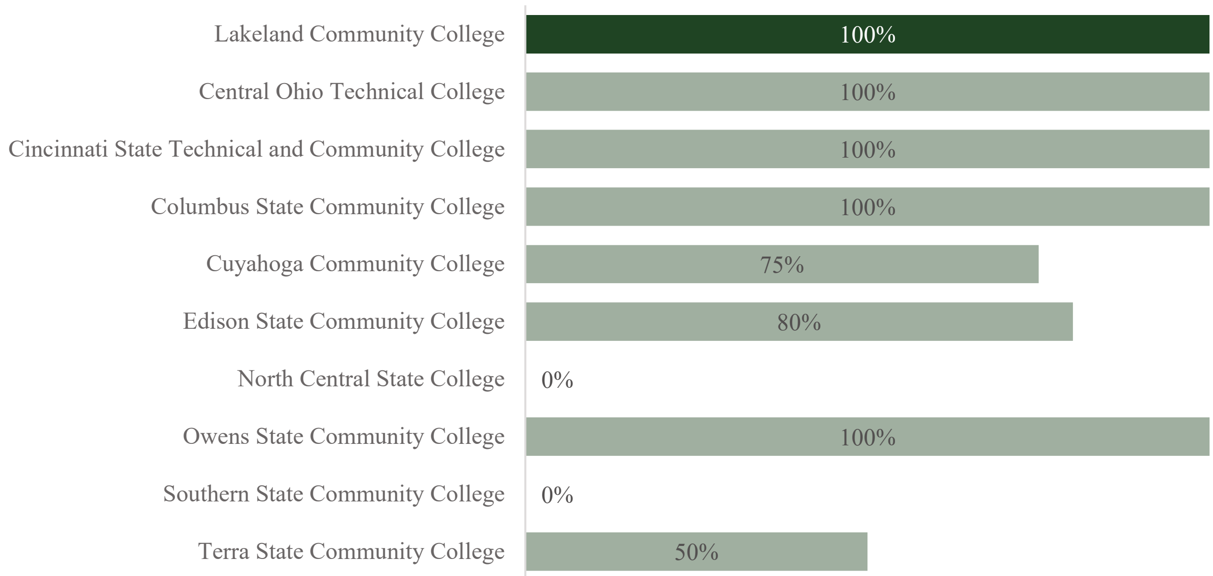
Available Sabbatical Length



Source: Lakeland Community College and Peer CBAs

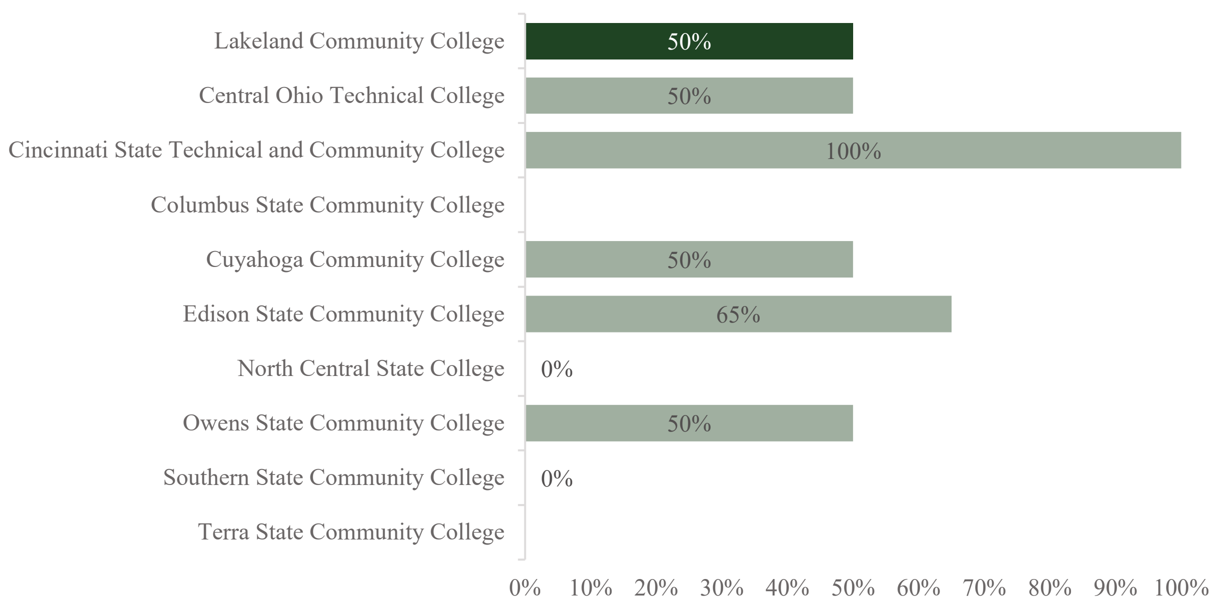
In the following charts, institutions with 0% offer unpaid sabbatical leave for that semester. Institutions with no data in the second semester chart offer a maximum of one semester sabbatical leave, as shown in the chart above.

First Sabbatical Semester Percent of Regular Base Pay



Source: Lakeland Community College and Peer CBAs

Second Sabbatical Semester Percent of Regular Base Pay



Source: Lakeland Community College and Peer CBAs

Sick Leave

As is standard among all organizations, sick leave and personal leave benefits are offered to LKCC faculty within the CBA. While the College does not limit sick leave accrual, there are limitations on the use of sick leave among all institutions compared. Because an unlimited value is not comparable to a number of days, we compared the count of peers with the same provision. It should be noted that the peer average cap is a value that provides little restriction in practice. This, in addition to LKCC's limitations on sick leave pay out led to our determination to not yield a recommendation on this term. While LKCC does offer 2 personal days in excess of the peer average, the College also limits the use of personal days and they must be approved.

Sick and Personal Leave Terms Comparison

	Sick Leave Annual Accrual	Sick Leave Cap	Personal Leave Days
Lakeland Community College	15	Unlimited	5
Peer Average	14.7	223.75	3.2
Amt Over (Under) Peer Average	0.3	N/A	1.8
Count of Same Provision		4	
Count of Less Generous Provision		8	
Count of More Generous Provision		N/A	

Source: Lakeland Community College and Peer CBAs

Severance

Unused sick leave days are converted to a severance payment. These payments often have terms like minimum years of service for eligibility, maximum number of days paid out, and the percentage of regular base paid out per day. State law does define limitations for each of these terms. An institution may require a maximum of 10 years of service for severance eligibility, and a minimum of 30 days must be paid out at a minimum of 25 percent pay. The following chart compares the College's severance terms to peers and ORC limits. The peer average days paid out were inflated by 3 of 12 peers with excess of 200 day maximums. For this reason we include a comparison to the median. While LKCC's severance is less generous than peers, it is well in line with ORC and fiscally responsible in their financial state.

Severance Terms Comparison

	Min Years of Service	Max Days Payout	Payout %
Lakeland Community College	0	30	25%
Ohio Code	10	30	25%
Peer Average	9.2	91.8	27%
Peer Median	10	45	25%
Amt Over (Under) Ohio Code	**10**	**0**	**0%**
Amt Over (Under) Peer Average	9.2	-61.8	-2%
Amt Over (Under Peer Median	10	15	0%

Source: Lakeland Community College and Peer CBAs

Work Requirements

Each CBA outlines academic and administrative work requirements for faculty. These include instructional units or other equivalents to credit hours, office hours, and planning or administrative responsibilities. These tasks are generally defined on an annual or per semester basis, however, workload units roughly translate to weekly hours. For example, if faculty instruct 3 units it is likely they are spending 3 hours per week instructing that course for the semester. The chart below shows LKCC faculty are expected to instruct 15 units per semester and hold 10 office hours per week. We calculated the percent of weekly student facing activity using instructional units and office hours divided by a 40 hour week. The College requires 8% more student facing activity from their faculty in the form of 3.2 office hours above average.

Estimated Weekly Student Facing Workload

	Instructional	Office	% Student Facing
Lakeland Community College	15.0	10.0	62.5%
Peer Average	15.5	6.8	54.5%

Source: Lakeland Community College and Peer CBAs

Tuition Reimbursement

Often, employees at institutions of higher education are offered discounts on education from the institution, and in many cases this benefit is extended to direct family members of the employee. LKCC offers full tuition reimbursement to employees and family members, excluding fee coverage like lab or out of county charges. LKCC's employees are eligible after 4 years of service to the College, which is the most common years of service among peers as well. We compared LKCC's terms to peer provisions, or institution policies if the terms were not included in the CBA. Of the 12 peers, 11 offer tuition reimbursement or waivers. Of the peers that do not exclude fees, there were caps on fees or overall reimbursement, which we considered as a similar term. The distinction is included in the chart below which shows the count of peers with each term in LKCC's provision.

Tuition Reimbursement Terms Comparison

	Count of Peers
Offering Tuition Reimbursement	11
100% Reimbursement Rate	10
Extended to Family	10
Limit Fees Covered	7
Limit Either Fees or Dollar Amounts*	11

Source: Lakeland Community College and Peer CBAs

Compensation

For salary comparisons, there are two common structures to pay scales found in these 14 CBAs. One pay structure utilizes the faculty member's level of attained education in combination with years of service to place the employee on a step schedule, with regular increases. The other pay structure uses designated position titles, commonly known in higher education as Rank, sometimes in combination with other factors. A pay scale based on educational attainment is not inherently comparable to one based on rank. Of the 14 community colleges with certificated CBAs, 6 have pay scales based on educational attainment and years of service, like the College. This subset was used for salary comparisons.

The College's pay scale is split by three levels of educational attainment, which are Bachelors, Masters, and Doctoral degrees. Some of the other institutions have additional partial steps between complete degrees, often based on credit hours completed or major educational milestones. The following depicts the educational steps in each of the pay scales.

Salary Schedule Education Levels by Community College

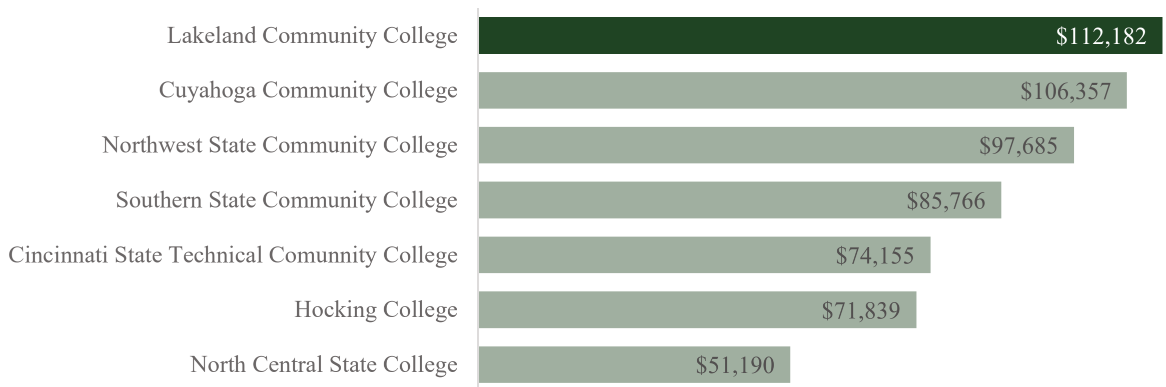
	LKCC	CCC	SSCC	NCSC	CSTC	HC	NSCC
No Degree				✓			
Associates Degree				✓		✓	
Bachelors (BA)	✓	✓	✓	✓	✓	✓	✓
BA + 15 Semester		✓					✓
BA + 30 Semester		✓					
Market Impacted Discipline				✓			
Masters (MA)	✓	✓	✓	✓	✓	✓	✓
MA + 15 Semester		✓					✓
MA + 20 Semester			✓				
MA + 30 Semester		✓	✓			✓	
MA + 45 Semester		✓					
Market Impacted Discipline				✓			
All But Dissertation (ABD)							✓
Doctorate (PhD)	✓	✓	✓	✓	✓	✓	✓
PhD + 15 Semester							
PhD + 30 Semester							
Market Impacted Discipline				✓			

Source: Lakeland Community College and Peers

Note: Market Impacted Discipline is a separate salary schedule for instructors in certain industries which are defined and updated in the CBA to reflect more competitive program areas.

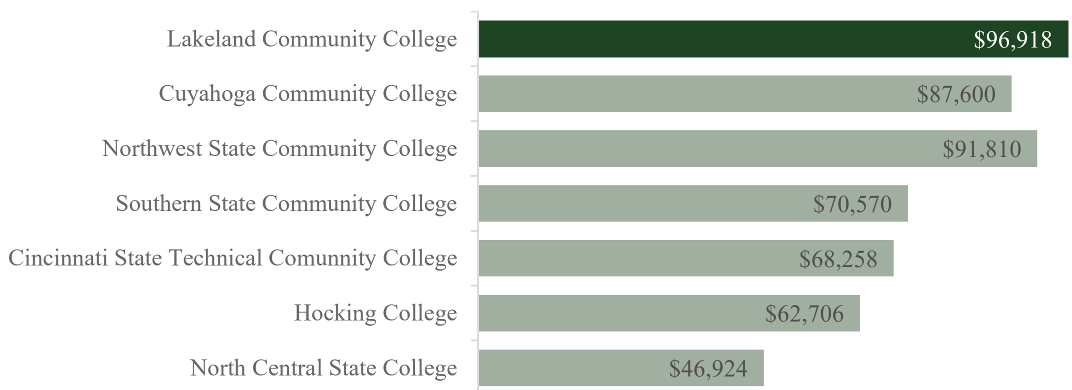
As discussed in **Recommendation 6**, the College's above average base salaries and higher than average step increases result in higher than average late-career compensation. The following charts depict the pay for each level of educational attainment at the 29th step of the pay schedule, which starts at step 0, effectively giving a 30 year compensation look. Faculty are often hired at steps above 0, therefore steps are compared rather than years of service. The following charts detail that LKCC has the highest compensation at step 29 of the schedule among each peer, with the exception of Bachelor's holding faculty at Northwest State Community College. It should be noted that this peer does not outpace the College in Bachelor's level pay until the 29th and 30th steps of the schedule.

PhD Faculty Pay at Schedule Step 29



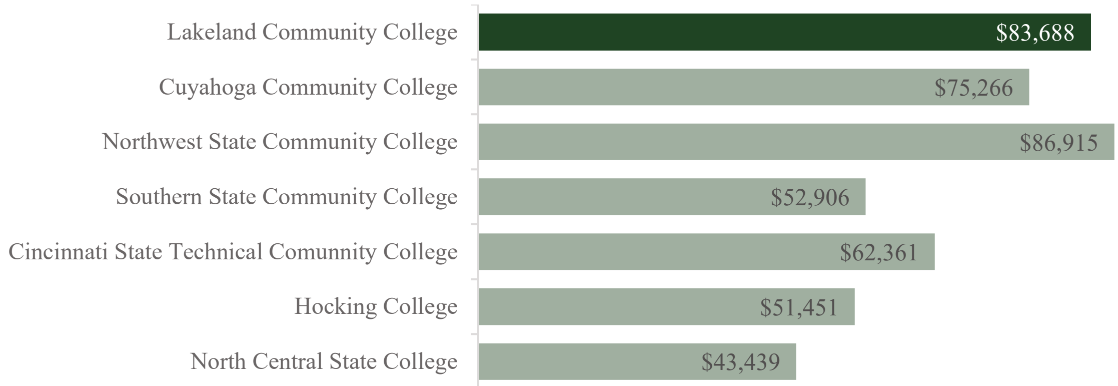
Source: Lakeland Community College and Peers

Master's Faculty Pay at Schedule Step 29



Source: Lakeland Community College and Peers

Bachelor's Faculty Pay at Schedule Step 29



Source: Lakeland Community College and Peers

Required working days, and often the number of these days which must be student facing are defined within most of the CBAs. Administrative days are typically required before and after each semester and may have defined purposes, such as attending commencement ceremonies or participating in all faculty meetings or trainings. LKCC's total academic year has 160 instructional days, near the peer average of 161 instructional days. However, the College's total academic year length is 178 days, which is 5 days longer than the peer average of 173 days. This difference can be attributed to LKCC having 18 administrative days, 6 more than the peer average of 12 administrative days.

To understand if LKCC's higher compensation rates were offset by the additional required working days, we assessed the daily value of LKCC's salaries compared to peers. As shown in the chart below, the additional 5 working days, an increase of 3%, did not explain the difference in compensation per day in the academic year, an increase of 23% to 29% depending on the educational level of the faculty.

Compensation Normalized by Academic Year Length

		LKCC	Peer Average	Difference	% Difference
Days in Academic Year		178	173	5	3%
BA	Average Base Salary	$72,375.16	$56,824.57	$15,550.59	27%
	Per Day Rate	$406.60	$328.47	$78.14	24%
MA	Average Base Salary	$81,171.60	$64,105.16	$17,066.44	27%
	Per Day Rate	$456.02	$370.55	$85.47	23%
PhD	Average Base Salary	$96,931.01	$72,748.54	$24,182.47	33%
	Per Day Rate	$544.56	$420.51	$124.04	29%

Source: Lakeland Community College and Peer CBAs

The base compensation above encompasses the standard academic semesters of Fall and Spring. Full-time faculty at LKCC may volunteer to instruct summer sections for additional compensation. All but one peer institution utilizes additional compensation for summer semesters. The format of this pay is either a percentage of faculty's regular base salary or a flat rate, each typically standardized by the units or credit hours elected. As mentioned in **Recommendation 7**, we utilized the average pay of the highest level of faculty and normalized all rates to a per unit basis. This comparison is an estimate, as actual rate of pay for the institutions using a percentage is largely dependent on where each individual faculty is placed on their respective pay scale. The highest level of faculty was utilized because LKCC's most senior faculty have first right to instruct summer courses, resulting in over half of the courses in Summer 2022 being taught by PhD level faculty.

2022 Summer Pay Comparison

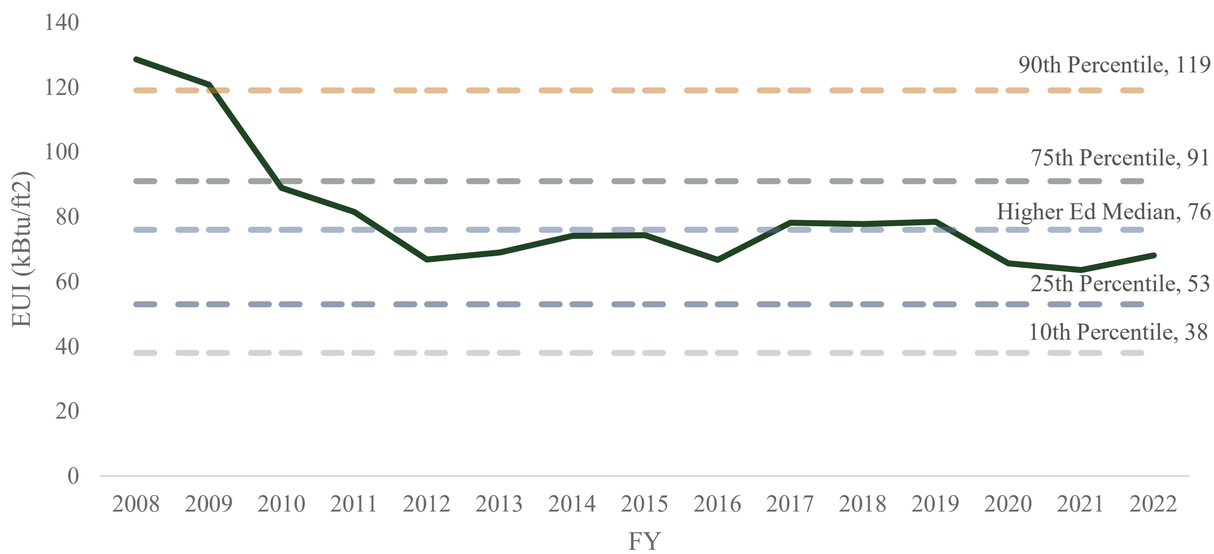
	Summer 2022 Actual	Unit Reduction	Pay Rate Reduction	Units + Pay Reduction
Units	598	351	598	351
Average Pay Per Unit	$2,182.46	$2,182.46	$1,122.17	$1,122.17
Total Pay	$1,258,541.77	$766,216.69	$671,158.66	$393,970.13
$ Impact		$492,325.08	$587,383.11	$864,571.64
% Impact		(39%)	(47%)	(69%)

Source: Lakeland Community College

Appendix E: Facilities

Energy Efficiency

Lakeland Community College has made efforts toward energy efficiency and sustainability on their campus. Leadership in Energy and Environmental Design is a widely used green building rating system. Building H, the Health Technologies Building, has LEED gold certification which is the second highest certification. Sustainability initiatives as demonstrated with the health technologies building are reflected in LKCC's overall energy consumption on the campus annually. Energy use intensity (EUI) is a metric that is the total energy consumption, regardless of source (Natural gas, electricity, etc.), divided by the square footage of the property. EUI is displayed in units of kBtu/ft^2. The visual below shows LKCC's energy use intensity from 2008 to 2022 compared to 2023 Associate's Colleges percentiles from Energy Star Higher Education Initiative (HEBI).



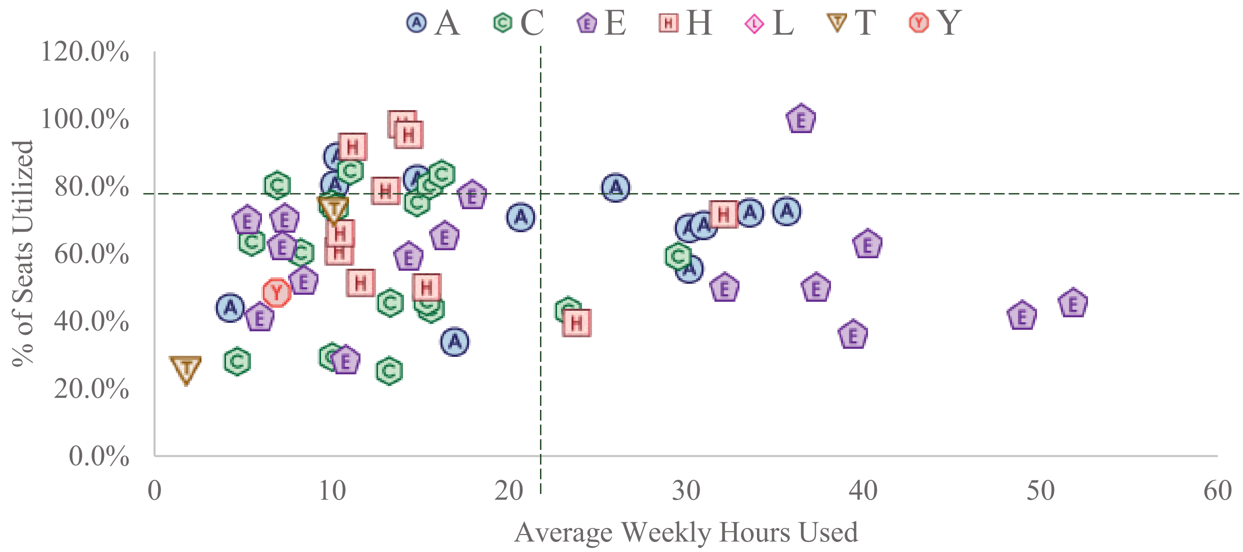
Source: Lakeland Community College and Energy Star

Campus Space Utilization

The Utah State Board of Regents adopted space utilization standards for higher education institutions' classrooms and laboratories in the state. There are two utilization metrics used: room utilization rate (RUR) and seat/station occupancy rate (SOR). RUR is how many hours a room is scheduled for use and SOR is the percent of seats/stations that are occupied compared to the total capacity. Per the criteria, the RUR for classrooms is 33.75 hours per week and the RUR for laboratories is 22.50 hours per week. The SOR for classrooms is 66.7 percent and the SOR for laboratories is 80 percent.

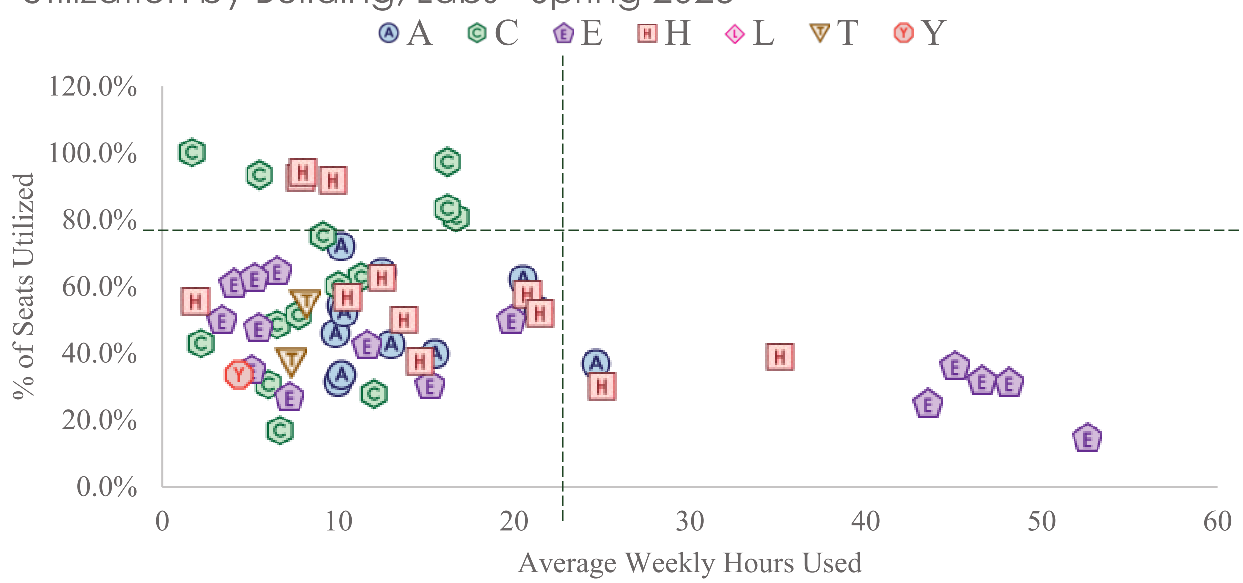
Using the Utah State Board of Regents' criteria, we analyzed LKCC's education space utilization for each semester. The weekly room hours used are an average of total weekly hours across a semester and capacity utilization was for space utilized for academic purposes. The following shows each room in the seven buildings with classrooms and labs. The visuals are split between classrooms and class laboratories for Fall 2019 and Spring 2023 semesters.

Utilization by Building, Labs - Fall 2019



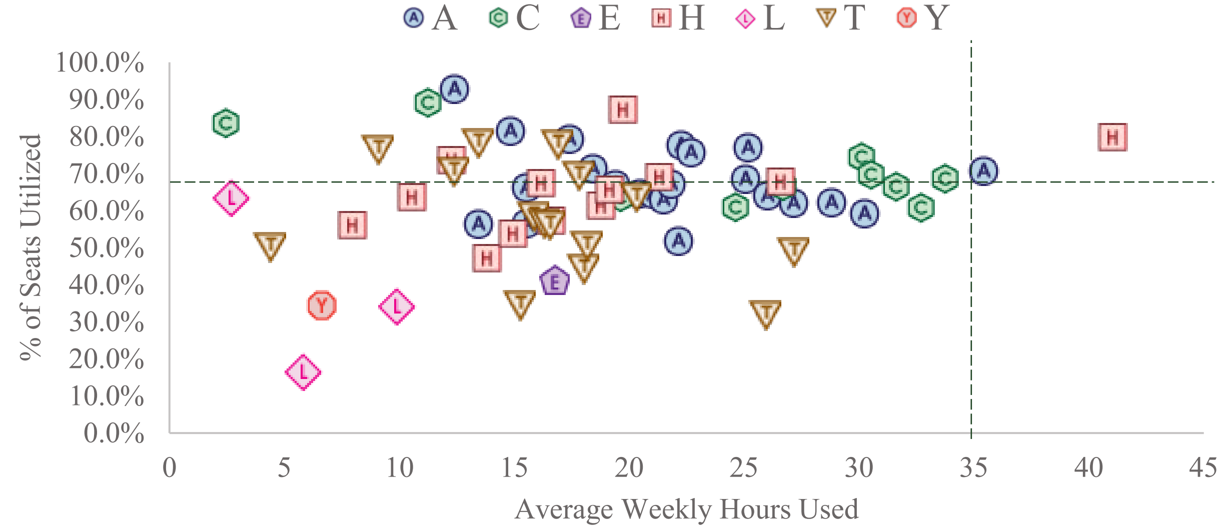
Source: Lakeland Community College

Utilization by Building, Labs - Spring 2023



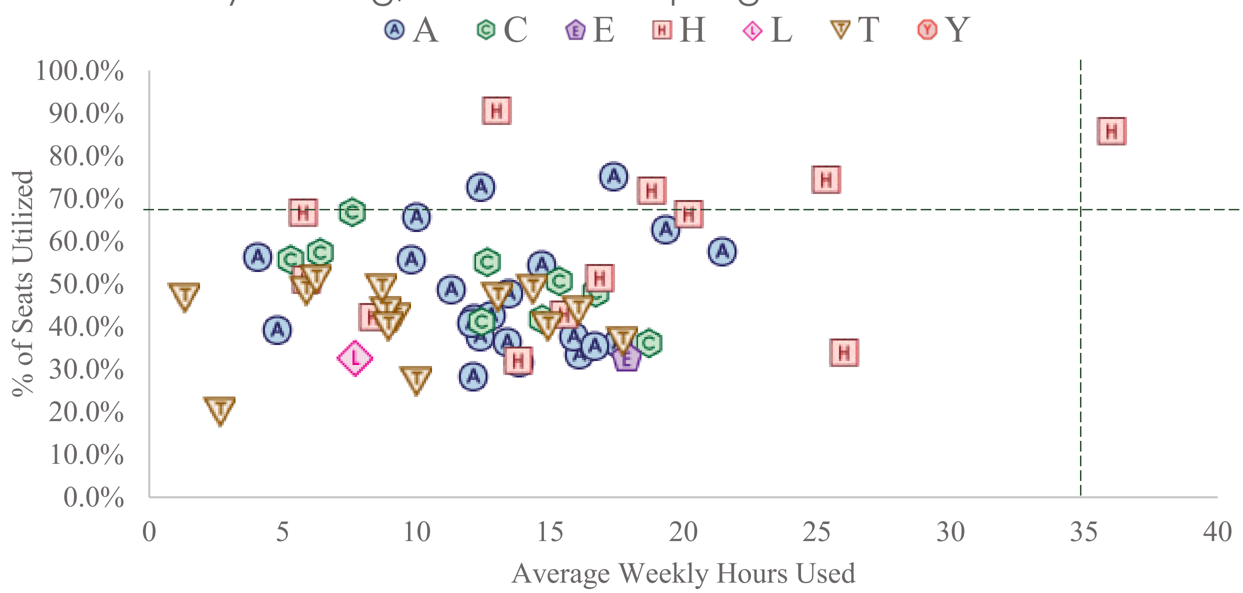
Source: Lakeland Community College

Utilization by Building, Classrooms - Fall 2019



Source: Lakeland Community College

Utilization by Building, Classrooms - Spring 2023



Source: Lakeland Community College

The College's classroom and laboratory scheduling from fall 2019 to spring 2023 was compared to the total classrooms and laboratories available on campus for every half hour. Time slots were grouped into morning (8:00 a.m. to 12:00 p.m.), afternoon (12:30 p.m. to 6:00 p.m.), and evening

(6:30 p.m. to 9:30 p.m.). Fall 2019 to Fall 2022 and Spring 2020 to Spring 2023 are the semesters shown below for classrooms and then class laboratories.

The utilization rate of Lakeland's classrooms and laboratories were calculated by dividing the number of classrooms or laboratories in use at any given half hour by the total classrooms or laboratories. Industry best practices for the utilization of higher education facilities suggest that a classroom is in use for at least 75 percent of its available daytime hours. To account for the extended setup and clean-up times required for laboratories, and because some laboratories have specialized equipment for certain courses which limit their scheduling flexibility, best practices suggest that a laboratory is in use for at least 50 percent of its available daytime hours. OPT adapted these criteria for conditional formatting of the analyses at hand; the benchmark in these analyses is that 75 percent of any institution's classrooms and 50 percent of its laboratories are in use at any given half hour.

Classroom Utilization, Fall 2019 to Fall 2022

Classroom Total: 86

	Fall 2019					Fall 2020					Fall 2021					Fall 2022				
	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F
8:00 AM	28%	30%	26%	28%	5%	20%	18%	18%	17%	4%	22%	21%	23%	22%	3%	23%	21%	21%	20%	3%
8:30 AM	28%	31%	26%	29%	5%	20%	20%	19%	18%	4%	24%	22%	25%	23%	3%	26%	23%	24%	22%	4%
9:00 AM	41%	35%	39%	34%	12%	26%	23%	28%	20%	4%	36%	27%	33%	26%	6%	37%	29%	31%	25%	6%
9:30 AM	53%	51%	49%	48%	10%	31%	27%	32%	26%	4%	46%	47%	40%	44%	4%	45%	42%	39%	36%	6%
10:00 AM	60%	57%	58%	51%	16%	36%	28%	35%	23%	8%	50%	50%	43%	46%	7%	50%	44%	46%	37%	6%
10:30 AM	60%	57%	58%	51%	17%	36%	28%	35%	23%	8%	49%	50%	42%	44%	7%	50%	44%	46%	37%	6%
11:00 AM	63%	57%	59%	53%	16%	34%	32%	33%	27%	7%	53%	45%	46%	40%	7%	45%	40%	39%	38%	7%
11:30 AM	57%	55%	54%	52%	14%	33%	32%	31%	27%	6%	49%	45%	44%	40%	5%	42%	40%	37%	37%	6%
12:00 PM	52%	51%	47%	48%	6%	29%	22%	26%	22%	5%	45%	39%	40%	34%	4%	39%	39%	31%	34%	5%
12:30 PM	48%	50%	43%	46%	5%	24%	20%	20%	20%	3%	40%	30%	36%	27%	4%	40%	31%	36%	28%	5%
1:00 PM	47%	50%	43%	46%	2%	19%	17%	20%	17%	1%	41%	33%	40%	30%	2%	41%	30%	37%	26%	3%
1:30 PM	45%	50%	42%	46%	2%	19%	17%	20%	17%	1%	40%	33%	40%	30%	1%	41%	29%	37%	26%	2%
2:00 PM	28%	35%	25%	32%	3%	7%	12%	12%	9%	2%	19%	21%	17%	19%	2%	15%	20%	12%	14%	2%
2:30 PM	22%	32%	20%	29%	2%	7%	12%	12%	9%	2%	13%	19%	14%	19%	2%	10%	17%	10%	12%	2%
3:00 PM	19%	28%	21%	27%	2%	9%	9%	13%	9%	1%	10%	15%	15%	14%	1%	8%	13%	10%	11%	2%
3:30 PM	7%	17%	8%	15%	2%	6%	6%	8%	8%	1%	4%	12%	7%	9%	1%	7%	11%	6%	8%	2%
4:00 PM	12%	14%	14%	13%	1%	8%	5%	9%	7%	0%	8%	9%	11%	8%	0%	9%	10%	11%	9%	1%
4:30 PM	11%	15%	13%	14%	1%	6%	5%	9%	7%	0%	9%	12%	12%	11%	0%	8%	10%	11%	10%	0%
5:00 PM	11%	9%	13%	12%	1%	4%	2%	7%	6%	0%	11%	8%	13%	8%	0%	13%	10%	13%	9%	1%
5:30 PM	11%	9%	12%	11%	1%	4%	3%	6%	6%	0%	8%	7%	11%	7%	0%	8%	11%	10%	8%	1%
6:00 PM	31%	27%	30%	25%	1%	14%	13%	15%	11%	0%	17%	18%	20%	12%	0%	17%	19%	21%	11%	1%
6:30 PM	33%	33%	33%	26%	1%	16%	13%	15%	11%	0%	18%	20%	22%	16%	0%	20%	20%	23%	11%	1%
7:00 PM	24%	27%	25%	18%	1%	12%	8%	12%	6%	0%	12%	14%	17%	12%	0%	16%	14%	18%	9%	0%
7:30 PM	23%	25%	24%	18%	1%	10%	9%	11%	8%	0%	11%	12%	16%	11%	0%	14%	13%	14%	9%	0%
8:00 PM	14%	16%	13%	10%	1%	7%	6%	4%	5%	0%	5%	9%	6%	5%	0%	5%	9%	4%	5%	0%
8:30 PM	10%	14%	9%	7%	1%	5%	4%	4%	3%	0%	3%	8%	4%	5%	0%	2%	9%	3%	4%	0%
9:00 PM	6%	5%	5%	3%	1%	2%	1%	1%	1%	0%	2%	3%	1%	2%	0%	2%	2%	1%	3%	0%
9:30 PM	3%	0%	1%	1%	0%	1%	0%	0%	1%	0%	1%	1%	1%	0%	0%	1%	1%	1%	1%	0%

Classroom Utilization, Spring 2020 to Spring 2023

Classroom Total: 86

	Spring 2020					Spring 2021					Spring 2022					Spring 2023				
	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F
8:00 AM	29%	27%	26%	26%	5%	13%	11%	15%	13%	3%	21%	14%	19%	14%	8%	18%	14%	18%	16%	4%
8:30 AM	30%	28%	26%	27%	5%	15%	13%	15%	13%	3%	22%	16%	19%	15%	8%	18%	14%	18%	16%	4%
9:00 AM	41%	42%	38%	37%	9%	20%	20%	22%	19%	3%	29%	27%	29%	24%	8%	28%	20%	25%	19%	5%
9:30 AM	54%	51%	51%	46%	5%	24%	25%	23%	22%	3%	37%	38%	38%	34%	6%	37%	35%	33%	31%	5%
10:00 AM	59%	55%	54%	48%	9%	30%	26%	29%	22%	3%	44%	39%	43%	35%	6%	48%	38%	42%	35%	8%
10:30 AM	59%	54%	54%	48%	9%	29%	25%	27%	22%	3%	44%	36%	43%	34%	6%	48%	38%	42%	35%	8%
11:00 AM	48%	55%	44%	49%	8%	28%	23%	27%	24%	3%	42%	36%	42%	35%	5%	47%	41%	43%	39%	7%
11:30 AM	44%	53%	40%	47%	6%	24%	22%	25%	22%	3%	38%	34%	38%	33%	5%	45%	39%	40%	34%	4%
12:00 PM	41%	45%	39%	41%	3%	21%	16%	22%	17%	2%	35%	28%	35%	27%	4%	39%	33%	36%	32%	4%
12:30 PM	37%	45%	34%	41%	2%	17%	20%	17%	18%	1%	28%	33%	26%	32%	4%	30%	31%	28%	30%	3%
1:00 PM	37%	54%	39%	46%	2%	13%	20%	14%	20%	1%	30%	37%	30%	36%	2%	31%	36%	33%	31%	1%
1:30 PM	37%	54%	39%	46%	2%	13%	22%	14%	21%	1%	29%	38%	30%	37%	2%	30%	36%	33%	32%	1%
2:00 PM	28%	29%	33%	26%	2%	6%	11%	8%	10%	1%	19%	22%	20%	20%	2%	14%	25%	18%	17%	1%
2:30 PM	22%	24%	28%	21%	2%	6%	11%	7%	11%	0%	11%	18%	14%	18%	2%	7%	22%	13%	16%	1%
3:00 PM	22%	21%	28%	19%	1%	5%	10%	8%	9%	0%	7%	17%	11%	18%	1%	5%	22%	9%	14%	1%
3:30 PM	10%	11%	15%	10%	1%	4%	4%	7%	5%	0%	4%	7%	9%	11%	1%	4%	15%	8%	11%	1%
4:00 PM	11%	7%	16%	6%	1%	4%	6%	6%	2%	0%	5%	9%	9%	6%	1%	5%	14%	9%	8%	1%
4:30 PM	10%	6%	16%	7%	0%	4%	6%	7%	2%	0%	5%	8%	8%	5%	1%	5%	12%	7%	6%	1%
5:00 PM	8%	4%	10%	5%	0%	4%	5%	5%	4%	0%	6%	8%	6%	5%	0%	5%	12%	7%	9%	0%
5:30 PM	7%	6%	10%	6%	1%	3%	5%	5%	4%	1%	6%	9%	7%	6%	0%	4%	11%	8%	8%	0%
6:00 PM	26%	24%	30%	23%	1%	4%	13%	11%	13%	1%	11%	19%	16%	14%	0%	14%	16%	16%	12%	0%
6:30 PM	28%	27%	32%	25%	1%	4%	14%	12%	14%	1%	12%	20%	18%	16%	0%	15%	17%	19%	14%	0%
7:00 PM	21%	20%	25%	18%	1%	4%	9%	11%	11%	1%	8%	13%	13%	10%	0%	12%	12%	15%	9%	0%
7:30 PM	17%	22%	19%	19%	1%	3%	10%	9%	11%	1%	6%	11%	12%	10%	0%	10%	11%	11%	10%	0%
8:00 PM	8%	14%	7%	10%	0%	1%	5%	3%	6%	0%	4%	4%	8%	6%	0%	6%	5%	6%	6%	0%
8:30 PM	7%	10%	5%	5%	0%	1%	4%	3%	3%	0%	3%	4%	7%	4%	0%	2%	4%	5%	4%	0%
9:00 PM	5%	3%	3%	1%	0%	1%	1%	0%	2%	0%	1%	2%	2%	2%	0%	1%	2%	2%	3%	0%
9:30 PM	3%	1%	2%	0%	0%	1%	1%	0%	1%	0%	1%	1%	2%	1%	0%	1%	1%	1%	2%	0%

Source: Lakeland Community College

Class Laboratories Utilization, Fall 2019 to Fall 2022

Class Laboratory Total: 70

	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F
8:00 AM	22%	21%	20%	23%	14%	5%	9%	7%	12%	1%	16%	21%	17%	23%	10%	18%	25%	20%	21%	16%
8:30 AM	24%	25%	24%	26%	17%	8%	12%	9%	15%	1%	19%	24%	22%	26%	10%	23%	31%	23%	25%	16%
9:00 AM	32%	36%	35%	35%	18%	16%	21%	20%	19%	2%	27%	29%	30%	28%	13%	35%	38%	36%	26%	17%
9:30 AM	38%	39%	41%	39%	19%	18%	22%	25%	21%	2%	32%	35%	35%	32%	14%	36%	39%	39%	29%	19%
10:00 AM	42%	43%	46%	42%	21%	21%	21%	28%	21%	2%	38%	37%	40%	35%	14%	44%	44%	44%	34%	21%
10:30 AM	45%	44%	49%	44%	20%	23%	21%	27%	19%	2%	41%	36%	42%	33%	13%	42%	37%	39%	32%	21%
11:00 AM	40%	42%	45%	43%	21%	20%	21%	25%	19%	2%	34%	34%	34%	31%	13%	39%	36%	40%	32%	21%
11:30 AM	40%	44%	49%	46%	20%	20%	20%	27%	21%	2%	31%	33%	33%	30%	13%	36%	34%	40%	33%	19%
12:00 PM	39%	39%	45%	38%	17%	16%	16%	18%	16%	1%	24%	30%	27%	27%	13%	34%	35%	37%	30%	19%
12:30 PM	37%	32%	43%	31%	17%	16%	11%	18%	13%	1%	27%	24%	30%	25%	13%	34%	28%	38%	27%	19%
1:00 PM	36%	35%	38%	29%	16%	17%	18%	21%	16%	1%	26%	26%	29%	22%	11%	29%	32%	36%	26%	19%
1:30 PM	38%	36%	39%	29%	16%	18%	18%	21%	15%	1%	29%	29%	30%	24%	11%	32%	35%	37%	27%	19%
2:00 PM	26%	22%	23%	16%	2%	17%	18%	21%	14%	0%	29%	32%	30%	26%	10%	36%	35%	34%	27%	16%
2:30 PM	20%	19%	18%	15%	2%	17%	16%	18%	12%	0%	30%	28%	32%	22%	10%	36%	30%	34%	26%	16%
3:00 PM	22%	22%	19%	17%	1%	18%	13%	18%	12%	0%	23%	20%	25%	17%	0%	27%	22%	26%	20%	2%
3:30 PM	17%	17%	16%	13%	1%	17%	9%	18%	9%	0%	21%	17%	23%	15%	0%	24%	16%	23%	15%	2%
4:00 PM	15%	15%	13%	10%	0%	14%	6%	13%	4%	0%	19%	17%	19%	13%	0%	16%	11%	17%	12%	2%
4:30 PM	10%	11%	12%	9%	0%	9%	4%	9%	4%	0%	9%	9%	9%	8%	0%	13%	11%	17%	12%	1%
5:00 PM	8%	9%	9%	7%	0%	9%	5%	9%	5%	0%	8%	9%	6%	8%	0%	12%	11%	14%	10%	1%
5:30 PM	12%	19%	13%	18%	2%	8%	17%	8%	16%	2%	11%	13%	9%	12%	1%	12%	14%	12%	14%	2%
6:00 PM	32%	40%	38%	32%	5%	18%	34%	22%	28%	2%	26%	31%	28%	22%	1%	27%	31%	29%	27%	4%
6:30 PM	32%	39%	40%	31%	5%	15%	31%	21%	26%	2%	27%	31%	26%	22%	1%	24%	32%	27%	28%	4%
7:00 PM	32%	36%	38%	29%	5%	16%	31%	22%	26%	2%	26%	31%	26%	22%	1%	22%	31%	25%	26%	4%
7:30 PM	30%	36%	37%	31%	5%	15%	29%	19%	25%	2%	22%	27%	24%	21%	1%	25%	26%	28%	23%	4%
8:00 PM	22%	30%	26%	26%	5%	13%	24%	16%	19%	2%	21%	24%	20%	18%	1%	26%	22%	29%	20%	4%
8:30 PM	21%	24%	25%	22%	5%	11%	21%	15%	18%	2%	18%	20%	19%	15%	1%	21%	18%	24%	18%	4%
9:00 PM	11%	15%	14%	13%	4%	5%	10%	6%	8%	2%	6%	10%	7%	7%	1%	9%	10%	9%	9%	4%
9:30 PM	8%	14%	8%	11%	4%	1%	6%	1%	4%	1%	4%	8%	6%	4%	0%	7%	7%	7%	6%	3%
	Fall 2019					Fall 2020					Fall 2021					Fall 2022				

Class Laboratories Utilization, Spring 2020 to Spring 2023

Class Laboratory Total: 70

	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F	M	T	W	R	F
8:00 AM	15%	16%	15%	14%	6%	6%	10%	7%	10%	0%	17%	20%	20%	19%	11%	17%	23%	21%	20%	11%
8:30 AM	16%	19%	16%	16%	7%	6%	13%	7%	13%	0%	19%	23%	22%	22%	13%	20%	27%	23%	24%	13%
9:00 AM	24%	25%	23%	20%	8%	12%	14%	18%	14%	0%	29%	29%	31%	28%	14%	27%	36%	29%	29%	14%
9:30 AM	26%	30%	27%	24%	7%	15%	16%	24%	19%	0%	32%	36%	35%	32%	14%	29%	41%	34%	32%	16%
10:00 AM	30%	33%	33%	30%	11%	20%	22%	28%	20%	2%	37%	40%	39%	35%	16%	36%	44%	42%	37%	17%
10:30 AM	30%	34%	34%	31%	11%	20%	22%	28%	20%	2%	37%	38%	37%	32%	16%	37%	42%	38%	34%	17%
11:00 AM	27%	33%	31%	32%	11%	15%	19%	24%	18%	2%	34%	34%	35%	29%	16%	38%	40%	38%	32%	16%
11:30 AM	27%	34%	32%	34%	11%	17%	17%	23%	19%	2%	30%	33%	32%	28%	16%	38%	35%	40%	31%	16%
12:00 PM	25%	28%	29%	27%	11%	16%	15%	19%	16%	2%	28%	30%	32%	30%	15%	34%	31%	35%	28%	14%
12:30 PM	28%	25%	32%	24%	10%	20%	11%	23%	13%	2%	34%	24%	37%	26%	15%	34%	31%	34%	28%	14%
1:00 PM	29%	24%	28%	20%	10%	16%	10%	19%	10%	2%	32%	28%	33%	24%	15%	30%	32%	34%	24%	15%
1:30 PM	29%	27%	28%	20%	10%	16%	13%	19%	10%	2%	32%	30%	33%	25%	15%	31%	34%	33%	25%	15%
2:00 PM	25%	23%	21%	16%	4%	18%	14%	19%	13%	2%	31%	32%	33%	28%	15%	34%	34%	29%	28%	15%
2:30 PM	21%	19%	18%	13%	4%	13%	13%	13%	10%	2%	28%	28%	29%	24%	13%	30%	31%	28%	24%	14%
3:00 PM	21%	24%	18%	20%	0%	13%	16%	13%	10%	0%	17%	19%	18%	14%	0%	17%	19%	16%	10%	1%
3:30 PM	18%	21%	16%	17%	0%	10%	16%	10%	11%	0%	14%	18%	13%	10%	0%	16%	13%	11%	8%	0%
4:00 PM	12%	18%	11%	14%	0%	9%	14%	9%	10%	0%	10%	18%	9%	10%	0%	11%	11%	8%	7%	0%
4:30 PM	7%	14%	9%	12%	0%	7%	9%	7%	8%	0%	5%	13%	5%	8%	0%	3%	8%	6%	5%	0%
5:00 PM	4%	14%	4%	10%	0%	8%	8%	9%	8%	0%	6%	11%	6%	8%	1%	4%	11%	5%	6%	0%
5:30 PM	12%	18%	12%	15%	1%	10%	11%	11%	11%	2%	9%	18%	8%	14%	4%	8%	12%	8%	9%	0%
6:00 PM	28%	37%	29%	29%	3%	23%	24%	24%	20%	1%	19%	33%	23%	26%	5%	17%	23%	18%	19%	0%
6:30 PM	28%	37%	32%	29%	3%	24%	27%	27%	23%	2%	19%	34%	23%	28%	5%	18%	25%	21%	20%	0%
7:00 PM	26%	34%	29%	26%	3%	22%	24%	24%	20%	2%	18%	27%	23%	23%	5%	18%	22%	21%	19%	0%
7:30 PM	26%	38%	32%	30%	3%	24%	25%	24%	21%	2%	21%	27%	25%	24%	5%	21%	25%	24%	22%	0%
8:00 PM	20%	31%	26%	27%	3%	23%	23%	22%	19%	2%	19%	25%	22%	22%	5%	18%	18%	18%	16%	0%
8:30 PM	16%	27%	22%	24%	3%	19%	22%	19%	17%	2%	15%	22%	16%	19%	5%	13%	12%	11%	13%	0%
9:00 PM	11%	18%	16%	15%	3%	13%	12%	12%	10%	1%	13%	13%	11%	9%	4%	11%	5%	8%	6%	0%
9:30 PM	7%	13%	9%	10%	3%	6%	7%	1%	5%	0%	7%	9%	4%	5%	4%	6%	2%	3%	3%	0%
	Spring 2020					Spring 2021					Spring 2022					Spring 2023				

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Further, a similar analysis was conducted for each building separately for classrooms and laboratories. The same conditional formatting based on the aforementioned standards was applied to the visuals. Below shows the classroom utilization for Fall 2019 and Spring 2023 to show two points in time.

Classroom Utilization by Building, Fall 2019

		8:00 AM	8:30 AM	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	3:30 PM	4:00 PM	4:30 PM	5:00 PM	5:30 PM	6:00 PM	6:30 PM	7:00 PM	7:30 PM	8:00 PM	8:30 PM	9:00 PM	9:30 PM
Building H	Monday	28%	29%	70%	63%	73%	74%	73%	49%	42%	54%	45%	44%	44%	22%	11%	12%	14%	11%	28%	28%	34%	34%	24%	20%	8%	7%	7%	7%
	Tuesday	22%	25%	52%	57%	53%	52%	44%	36%	36%	31%	46%	50%	46%	40%	47%	40%	28%	22%	20%	20%	33%	32%	32%	30%	16%	15%	0%	0%
	Wednesday	18%	19%	50%	43%	60%	60%	51%	38%	19%	20%	20%	18%	19%	12%	17%	17%	27%	26%	36%	30%	34%	32%	32%	30%	2%	2%	1%	1%
	Thursday	22%	24%	44%	48%	38%	38%	29%	22%	20%	14%	29%	30%	30%	23%	21%	22%	16%	16%	27%	25%	31%	31%	21%	20%	6%	0%	0%	0%
	Friday	15%	15%	17%	10%	28%	30%	32%	23%	21%	13%	5%	5%	11%	9%	8%	8%	0%	0%	2%	2%	2%	2%	1%	3%	3%	2%	2%	0%
Building A	Monday	30%	30%	43%	83%	92%	92%	88%	88%	91%	70%	83%	83%	51%	42%	33%	7%	13%	13%	4%	4%	32%	32%	24%	28%	17%	4%	4%	4%
	Tuesday	43%	43%	48%	91%	91%	91%	87%	87%	91%	74%	74%	74%	46%	37%	33%	16%	22%	22%	9%	4%	35%	35%	27%	22%	9%	4%	0%	0%
	Wednesday	26%	26%	48%	87%	91%	92%	83%	78%	83%	65%	83%	83%	53%	44%	40%	9%	11%	11%	5%	5%	27%	27%	18%	22%	13%	0%	0%	0%
	Thursday	42%	42%	48%	87%	87%	87%	87%	86%	91%	73%	74%	74%	52%	44%	41%	23%	21%	17%	9%	5%	23%	23%	14%	10%	1%	0%	0%	0%
	Friday	0%	0%	11%	11%	16%	16%	13%	13%	6%	7%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Building C	Monday	80%	80%	70%	40%	75%	75%	75%	65%	25%	85%	85%	85%	30%	30%	40%	20%	45%	45%	25%	25%	50%	50%	40%	30%	10%	10%	10%	0%
	Tuesday	75%	75%	65%	45%	90%	90%	90%	90%	60%	70%	70%	70%	61%	61%	61%	30%	10%	10%	10%	10%	50%	50%	30%	40%	15%	5%	0%	0%
	Wednesday	80%	80%	70%	40%	75%	75%	75%	65%	25%	85%	85%	85%	30%	30%	40%	20%	45%	45%	25%	25%	50%	50%	40%	30%	10%	10%	10%	0%
	Thursday	76%	76%	66%	45%	89%	89%	89%	88%	57%	71%	71%	71%	58%	58%	59%	20%	13%	13%	11%	11%	50%	50%	31%	39%	15%	6%	1%	0%
	Friday	15%	15%	25%	15%	25%	25%	25%	15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building T	Monday	25%	25%	42%	73%	72%	72%	85%	85%	81%	50%	35%	28%	13%	13%	13%	0%	0%	0%	10%	10%	22%	22%	3%	10%	6%	6%	6%	6%
	Tuesday	25%	25%	25%	56%	56%	56%	69%	69%	63%	75%	59%	59%	19%	19%	13%	7%	7%	7%	0%	0%	7%	32%	26%	26%	26%	26%	25%	0%
	Wednesday	25%	25%	40%	65%	63%	63%	85%	84%	81%	58%	40%	33%	21%	15%	14%	2%	2%	2%	12%	12%	29%	42%	23%	26%	23%	23%	19%	6%
	Thursday	20%	20%	27%	58%	57%	57%	70%	70%	64%	75%	56%	55%	15%	14%	14%	8%	8%	8%	1%	1%	15%	22%	14%	20%	19%	13%	13%	6%
	Friday	3%	3%	13%	13%	19%	19%	19%	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building U	Monday	1%	1%	2%	2%	1%	1%	1%	1%	2%	2%	2%	2%	3%	3%	3%	1%	2%	2%	1%	0%	20%	32%	32%	25%	25%	25%	0%	0%
	Tuesday	6%	6%	7%	6%	5%	7%	9%	7%	4%	10%	8%	8%	8%	8%	9%	3%	2%	14%	13%	13%	14%	25%	25%	25%	25%	25%	0%	0%
	Wednesday	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	3%	3%	2%	2%	2%	2%	2%	2%	0%	0%	20%	26%	26%	20%	20%	20%	0%	0%
	Thursday	3%	3%	3%	3%	1%	2%	2%	2%	2%	8%	7%	7%	7%	7%	7%	1%	1%	12%	11%	12%	15%	20%	20%	19%	19%	18%	0%	0%
	Friday	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Lakeland Community College

Classroom Utilization by Building, Spring 2023

		8:00 AM	8:30 AM	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	3:30 PM	4:00 PM	4:30 PM	5:00 PM	5:30 PM	6:00 PM	6:30 PM	7:00 PM	7:30 PM	8:00 PM	8:30 PM	9:00 PM	9:30 PM
Building H	Monday	16%	16%	46%	50%	59%	55%	54%	63%	47%	38%	33%	31%	24%	11%	5%	5%	11%	9%	16%	9%	15%	15%	13%	7%	0%	0%	0%	0%
	Tuesday	23%	24%	49%	49%	52%	52%	46%	32%	26%	33%	45%	57%	69%	52%	38%	24%	35%	34%	35%	35%	35%	29%	27%	13%	0%	0%	0%	0%
	Wednesday	12%	13%	31%	30%	35%	36%	36%	38%	48%	47%	48%	47%	40%	32%	19%	19%	17%	15%	16%	22%	28%	28%	28%	14%	0%	0%	0%	0%
	Thursday	26%	28%	44%	42%	49%	48%	46%	26%	26%	34%	28%	39%	38%	31%	22%	16%	16%	17%	27%	21%	30%	29%	29%	18%	7%	0%	0%	0%
	Friday	12%	12%	16%	16%	17%	16%	16%	16%	16%	14%	4%	4%	3%	3%	2%	2%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building A	Monday	30%	30%	39%	61%	78%	78%	67%	63%	61%	47%	51%	51%	17%	9%	9%	4%	4%	4%	4%	4%	13%	13%	13%	9%	4%	0%	0%	0%
	Tuesday	17%	17%	22%	61%	61%	61%	65%	69%	61%	43%	52%	52%	38%	38%	44%	31%	15%	7%	4%	4%	4%	9%	4%	4%	0%	0%	0%	0%
	Wednesday	31%	31%	39%	61%	76%	76%	69%	65%	57%	45%	51%	51%	19%	15%	16%	9%	9%	4%	4%	4%	9%	9%	9%	4%	0%	0%	0%	0%
	Thursday	18%	18%	19%	49%	46%	46%	54%	53%	57%	43%	52%	52%	28%	32%	28%	19%	8%	0%	0%	0%	5%	9%	5%	4%	0%	0%	0%	0%
	Friday	0%	0%	0%	4%	11%	11%	7%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building C	Monday	30%	30%	30%	40%	60%	60%	80%	70%	59%	47%	47%	38%	16%	8%	8%	8%	0%	0%	0%	0%	20%	30%	10%	20%	10%	0%	0%	0%
	Tuesday	10%	10%	10%	20%	30%	30%	48%	48%	37%	59%	59%	50%	10%	10%	10%	0%	10%	10%	10%	10%	10%	10%	10%	10%	0%	0%	0%	0%
	Wednesday	30%	30%	30%	40%	60%	60%	80%	70%	50%	38%	38%	38%	16%	8%	8%	8%	0%	0%	0%	0%	20%	30%	10%	20%	10%	0%	0%	0%
	Thursday	11%	11%	11%	21%	41%	41%	59%	59%	39%	49%	40%	40%	1%	1%	1%	1%	9%	9%	9%	9%	1%	2%	1%	1%	1%	0%	0%	0%
	Friday	11%	11%	11%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Building T	Monday	13%	13%	24%	30%	45%	45%	46%	40%	37%	25%	31%	31%	13%	6%	0%	0%	0%	0%	0%	6%	25%	25%	19%	19%	19%	13%	6%	6%
	Tuesday	9%	9%	12%	31%	31%	31%	38%	38%	31%	31%	31%	31%	6%	6%	6%	0%	0%	0%	6%	6%	32%	38%	18%	25%	18%	12%	6%	0%
	Wednesday	13%	13%	19%	25%	33%	33%	39%	33%	30%	13%	25%	25%	13%	6%	0%	0%	1%	1%	1%	7%	25%	25%	18%	12%	12%	12%	6%	6%
	Thursday	10%	10%	11%	29%	32%	32%	32%	32%	25%	24%	25%	25%	7%	6%	6%	0%	0%	0%	6%	7%	20%	25%	7%	18%	18%	12%	12%	6%
	Friday	0%	0%	0%	0%	6%	6%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building U	Monday	4%	4%	10%	10%	10%	10%	10%	11%	5%	4%	4%	4%	5%	5%	5%	5%	10%	10%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Tuesday	10%	10%	10%	10%	13%	13%	12%	10%	10%	5%	5%	5%	5%	4%	4%	4%	4%	4%	1%	2%	2%	2%	2%	2%	1%	1%	0%	0%
	Wednesday	4%	4%	10%	10%	11%	11%	11%	11%	5%	5%	5%	5%	5%	5%	5%	5%	11%	11%	8%	1%	2%	10%	9%	9%	9%	9%	0%	0%
	Thursday	12%	13%	13%	13%	13%	13%	13%	14%	13%	10%	12%	8%	8%	5%	5%	4%	4%	5%	1%	3%	3%	2%	2%	2%	2%	2%	0%	0%
	Friday	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Lakeland Community College

The total amount of classrooms associated with the visuals above are the following for each building:

- Building H: 15
- Building A: 23
- Building C: 10
- Building T: 16
- Building U: 16

Below shows the class laboratories utilization for Fall 2019 and Spring 2023 to show two points in time.

Class Laboratory Utilization by Building, Fall 2019

		8:00 AM	8:30 AM	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	3:30 PM	4:00 PM	4:30 PM	5:00 PM	5:30 PM	6:00 PM	6:30 PM	7:00 PM	7:30 PM	8:00 PM	8:30 PM	9:00 PM	9:30 PM
Buidling H	Monday	1%	16%	31%	31%	31%	31%	31%	31%	31%	31%	39%	31%	31%	31%	31%	24%	16%	16%	16%	1%	16%	16%	16%	16%	8%	8%	8%	8%
	Tuesday	8%	24%	32%	32%	32%	32%	32%	32%	25%	24%	28%	28%	28%	20%	28%	19%	15%	7%	7%	15%	26%	26%	22%	22%	22%	22%	14%	11%
	Wednesday	0%	15%	31%	31%	31%	31%	31%	38%	38%	38%	38%	31%	23%	24%	24%	23%	15%	15%	23%	8%	16%	16%	16%	16%	16%	15%	15%	8%
	Thursday	7%	23%	31%	31%	38%	38%	38%	46%	31%	31%	28%	28%	21%	21%	21%	13%	7%	7%	8%	14%	25%	25%	21%	21%	21%	21%	13%	11%
	Friday	4%	12%	12%	13%	14%	14%	14%	14%	14%	14%	6%	6%	3%	3%	2%	2%	1%	1%	2%	2%	9%	9%	9%	9%	9%	9%	8%	8%
Building A	Monday	42%	42%	58%	67%	67%	75%	50%	58%	42%	42%	50%	50%	67%	42%	42%	42%	25%	17%	8%	17%	50%	42%	42%	42%	42%	42%	8%	0%
	Tuesday	33%	33%	67%	67%	67%	67%	42%	58%	50%	50%	58%	50%	42%	25%	50%	42%	25%	25%	25%	17%	50%	50%	42%	42%	50%	50%	17%	8%
	Wednesday	42%	42%	58%	75%	75%	83%	58%	75%	50%	50%	58%	50%	50%	33%	33%	33%	17%	25%	8%	17%	58%	58%	58%	58%	58%	58%	25%	8%
	Thursday	42%	42%	66%	75%	67%	68%	51%	59%	42%	42%	51%	34%	34%	26%	41%	33%	17%	25%	16%	17%	51%	51%	43%	51%	51%	51%	17%	8%
	Friday	0%	0%	8%	8%	8%	8%	8%	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building C	Monday	6%	6%	6%	17%	36%	43%	44%	38%	39%	33%	16%	29%	26%	26%	26%	17%	17%	0%	0%	0%	22%	28%	28%	28%	22%	22%	17%	11%
	Tuesday	0%	3%	15%	24%	37%	43%	51%	43%	40%	18%	21%	27%	26%	31%	20%	15%	15%	9%	0%	3%	55%	55%	53%	53%	39%	28%	22%	22%
	Wednesday	0%	6%	23%	29%	51%	57%	58%	58%	53%	46%	19%	31%	33%	27%	26%	19%	18%	1%	0%	0%	39%	45%	39%	45%	23%	23%	11%	6%
	Thursday	0%	1%	12%	19%	31%	37%	46%	41%	35%	14%	2%	9%	15%	15%	14%	7%	6%	0%	0%	0%	24%	24%	23%	29%	22%	17%	11%	11%
	Friday	0%	6%	7%	7%	13%	13%	13%	13%	6%	7%	7%	7%	7%	7%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building E	Monday	42%	42%	42%	47%	47%	47%	47%	47%	47%	47%	47%	47%	0%	0%	5%	5%	11%	16%	13%	24%	47%	47%	47%	39%	24%	24%	14%	14%
	Tuesday	42%	42%	50%	53%	53%	53%	47%	53%	53%	47%	47%	53%	11%	11%	11%	11%	16%	11%	6%	42%	47%	42%	42%	42%	26%	16%	16%	16%
	Wednesday	42%	42%	42%	47%	47%	47%	47%	47%	47%	47%	47%	47%	0%	0%	5%	5%	11%	16%	13%	24%	47%	47%	47%	39%	24%	24%	13%	13%
	Thursday	42%	42%	49%	52%	52%	52%	47%	52%	52%	47%	47%	52%	10%	10%	10%	10%	15%	11%	6%	41%	48%	42%	42%	41%	30%	20%	18%	18%
	Friday	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	0%	0%	0%	0%	0%	0%	0%	8%	13%	13%	13%	13%	13%	13%	11%	8%
Building U	Monday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Tuesday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Wednesday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Thursday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Friday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Lakeland Community College

Class Laboratory Utilization by Building, Spring 2023

		8:00 AM	8:30 AM	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM	2:30 PM	3:00 PM	3:30 PM	4:00 PM	4:30 PM	5:00 PM	5:30 PM	6:00 PM	6:30 PM	7:00 PM	7:30 PM	8:00 PM	8:30 PM	9:00 PM	9:30 PM
Buidling H	Monday	15%	30%	41%	41%	49%	56%	49%	56%	49%	42%	53%	53%	53%	30%	23%	23%	15%	0%	0%	8%	15%	15%	15%	15%	15%	8%	15%	15%
	Tuesday	16%	35%	43%	47%	47%	47%	46%	43%	42%	34%	31%	31%	24%	8%	8%	12%	19%	11%	19%	23%	23%	30%	14%	22%	22%	18%	18%	11%
	Wednesday	15%	23%	27%	27%	42%	42%	34%	42%	42%	34%	40%	40%	38%	23%	15%	15%	8%	0%	0%	8%	15%	15%	15%	15%	15%	8%	8%	8%
	Thursday	11%	28%	43%	43%	44%	44%	44%	44%	42%	27%	21%	21%	21%	6%	2%	5%	4%	4%	4%	7%	15%	22%	14%	22%	22%	17%	17%	11%
	Friday	0%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	0%	0%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building A	Monday	8%	8%	25%	37%	37%	37%	37%	29%	17%	25%	25%	25%	50%	50%	50%	50%	33%	0%	0%	0%	8%	8%	8%	17%	17%	17%	8%	8%
	Tuesday	42%	46%	71%	71%	71%	46%	46%	37%	25%	42%	58%	58%	42%	42%	42%	25%	8%	8%	8%	0%	33%	33%	33%	33%	33%	0%	0%	0%
	Wednesday	33%	33%	50%	71%	71%	46%	46%	54%	33%	42%	58%	42%	25%	33%	38%	22%	8%	8%	0%	0%	25%	25%	25%	33%	33%	17%	8%	8%
	Thursday	33%	37%	46%	47%	47%	30%	30%	31%	18%	34%	35%	26%	17%	18%	10%	9%	1%	1%	0%	0%	9%	9%	9%	10%	10%	1%	1%	1%
	Friday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building C	Monday	6%	6%	13%	15%	31%	31%	31%	32%	31%	35%	18%	23%	17%	17%	17%	6%	6%	0%	0%	0%	11%	17%	17%	17%	11%	6%	6%	0%
	Tuesday	0%	0%	11%	23%	40%	42%	41%	30%	24%	24%	18%	19%	33%	33%	33%	11%	11%	0%	0%	0%	6%	6%	6%	6%	0%	0%	0%	0%
	Wednesday	6%	6%	11%	17%	33%	33%	33%	33%	28%	28%	17%	23%	23%	22%	22%	11%	11%	6%	0%	0%	6%	11%	11%	11%	6%	6%	6%	0%
	Thursday	0%	0%	6%	13%	30%	30%	24%	19%	19%	22%	11%	16%	31%	27%	27%	11%	11%	0%	0%	0%	10%	10%	10%	10%	6%	6%	6%	5%
	Friday	0%	0%	6%	11%	17%	17%	11%	11%	6%	6%	10%	10%	10%	10%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building E	Monday	37%	37%	37%	37%	37%	37%	42%	42%	42%	37%	37%	37%	37%	37%	0%	5%	5%	10%	10%	21%	31%	31%	36%	41%	33%	26%	21%	5%
	Tuesday	42%	42%	37%	42%	42%	42%	42%	42%	42%	37%	37%	42%	42%	42%	5%	11%	11%	10%	15%	26%	41%	41%	41%	47%	31%	31%	5%	0%
	Wednesday	37%	37%	37%	37%	37%	37%	42%	42%	42%	37%	37%	37%	37%	37%	0%	5%	5%	10%	10%	21%	31%	36%	41%	46%	28%	20%	15%	0%
	Thursday	41%	41%	37%	41%	41%	41%	42%	42%	42%	37%	37%	42%	42%	42%	5%	10%	10%	10%	15%	26%	41%	41%	41%	47%	31%	30%	6%	0%
	Friday	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Building U	Monday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Tuesday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Wednesday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Thursday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Friday	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Lakeland Community College

The total amount of class laboratories associated with the visuals above are the following for each building:

- Building H: 13
- Building A: 12
- Building C: 18
- Building E: 19
- Building U: 2

OHIO AUDITOR OF STATE
KEITH FABER

LAKELAND COMMUNITY COLLEGE

LAKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 4/16/2024

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370