Group Project: Final Budget

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Managing Financial Resources

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Introduction

The purpose of this paper is to create a final budget for Schoolcraft College as part of the Doctorate in Community College Leadership “Managing Financial Resources” class (IDSL 855). The Final Budget provides a summary of the overall financial status of Schoolcraft College including how well Schoolcraft is strategically responding to the changing financial climate and assessment of the effectiveness of the financial planning and budgeting process. Any sources beyond that contained in the proposed budget are information in Appendices A, B, C and D, as well as several sources cited in the reference section at the end of this paper. This paper develops a narrative overview strategic plan alignment, expenditure justification, and budget planning process insight for Schoolcraft College (SC).

Schoolcraft College Financial Setting and Context

Schoolcraft’s main campus is located in Livonia Michigan with an enrollment of more than 13,000 students annually. Schoolcraft College offers classes, certificates and associate degrees in more than 130 different academic programs. Many programs are designed to lead students directly to employment opportunities while others support students that plan to transfer to a four-year college or university. Schoolcraft offers a variety of course scheduling and options, including online to match your lifestyle. Credits easily transfer to four-year colleges and universities in Michigan and elsewhere, with many university transfer agreements in place that make it easy to transfer to further study.

Livonia serves southeastern Michigan with an aging population dominated by white 55-64-year-olds with a median income of $75K to $99.9K, where homes are predominantly owner occupied, and education level is predominantly high school with some college/university degrees. Job and industry make up is mostly manufacturing, healthcare, retail, and services related. The community relationship with Schoolcraft College is very good as college programs and partnerships draw people to campus and serve the community. Schoolcraft College's programs and community engagement strategy is well placed and functioning as planned (Turner, 2019).

One of the biggest challenges facing Schoolcraft currently is the projected 15% fall enrollment decline as a result of the impact of COVID. Most institutions were grappling with the impact of declining face-to-face enrollment prior to the pandemic. Schoolcraft was not immune to that issue and unfortunately while the institution was technologically adept and prepared to make the switch to completely online instruction the students were not completely ready to adapt to an all online or remote schedule. The College has adapted outreach strategies to ensure students have the technology including enabling the parking lots with Wi-Fi nevertheless, some students feel more comfortable in a brick and mortar classroom setting. Ironically, this has disproven the "Black Swan" argument in many cases that COVID would be the downfall of the traditional classroom setting (Blumenstyk, 2020). The feedback colleges are receiving from students through student surveys is that overwhelmingly students want to be back on campus and though they appreciate the online flexibility, they also crave the face-to-face interaction and the didactic learning opportunities.

Revenue					
REVENUE SOURCE	2019-20 Total Dollars In Dollars	% Change projected (+ for increase, -	Total Projected change in Dollars 2020-21	% Change	Notes
State Funding	$ 13,972,008	$ (698,600)	$ 13,273,408	-5.00%	Mandated change due to COVID
Local Property Tax	$ 32,629,674	$ 815,742	$ 33,445,416	2.50%	Property Taxes will increase 2-3% by approx. rate of inflation
Tuition (projection should incorporate enrollment projections & tuition increase)	$ 30,239,253	$ 855,771	$ 31,095,024	2.83%	We incres. tuition fees
Fees To Students	$ 9,374,886	$ (468,744)	$ 8,906,142	-5.00%	Fees Remain Flat but enrollment down 5%
Other (List all sources that provide 5% or >)	$ 1,476,500	$ 1,476,500	$ 2,953,000	100.00%	Fitness ctr memberships, WSU SC2U partnership, Trinity Urgent Care lease, Livonia Transition Program lease, interest income, all are sources > 5%
Transfer from Bookstore	$ 250,000	$ -	$ 250,000	0.00%	Called out separately because it's our only college auxiliary activity that makes money (Food Service and Children's Center both get subsidized by the General Fund because they lose money every year).
Foundation	$ 782,411	$ 718,645	$ 1,501,056	91.85%	$1M Goal. Took hit due to COVID caused cancelled fundraising events, else over goal
Bond issue	$ -	$ -	$ -		
Covid Cares Act Money	$ 4,600,000	$ (4,600,000)	$ -	-100.00%	COVID Cares we got $4.6M. Per fed mandate, ½ went directly to students. ½ to offsetting significant declines in revenue for CEPD classes cancelled, VisTaTech Event Center / American Harvest / Main Street Café / Henry's / Brewpub / JC Coffee / Dome Café / Bookstore all being closed. Not distributed to anyone, just to offsetting the crippling loss of revenue due to everything being completely shut down.
Total	$ 93,324,732	$ 2,699,313	$ 91,424,045		
					Credit hours
Cost per credit hour.			Per STIS reports		201,706
if resident	$ 144.00	$ 5.00	$ 149.00		Tuition rate inc $5, fees remain flat
Enrollment	201,706	(10,085)	191,621	-5%	Projected 5% decrease in 20/21

Schoolcraft College Revenue Justification/Rationale

Schoolcraft College's "actual" Revenues for fiscal year 2019-2020 was obtained via communication with the Schoolcraft College Controller and Director of Finance, John Lamb; who provided actual revenue and projected changes for fiscal year 2020-2021 with change rationale.

Details regarding budget revenue first includes state appropriation funding. Michigan colleges have received mixed messages from Lansing. Governor Gretchen Witmer and Michigan State legislators have, at different times, indicated that colleges could expect 5% decrease in funding across the board, period, then subsequently said, an eleven percent cut would be made across the board, but would be returned to colleges as more CARES Act money was made available. The difference would be that use of CARES Act funds are much more restricted, and not an even swap (Jeffress, 2020). We chose to go with the 5% cut as it would be the most conservative.

Property Taxes will increase 2-3% by approximately the rate of inflation. Tuition increase reflects that proposed to, and approved by, the Board of Trustees but is decreased by the expected decrease in enrollment. The “other” category of revenue includes, fitness center memberships, Jeffress Center space leased by Wayne State University Center (Dubbed: SC-2-U: Schoolcraft College 2 University) partnership, as well as the Trinity Urgent Care lease, rounded out by Livonia Transition Program lease, and interest income. All these sources are less 5% of revenue.

The revenue from the Bookstore is called out separately because it’s Schoolcraft’s only college auxiliary activity that makes money. The Food Service and Children’s Center both get subsidized by the Schoolcraft General Fund because they lose money every year. The foundation had a FY 19-20 goal of $1M which fell short due to COVID caused cancelled fundraising events; but was trending to be much higher than the goal. The FY 20-21 projection was maintained as projected in FY 19-20 at $1.5M. The last revenue category, not expected to repeat in FY 20-21 was the COVID related CARES Act funding. Schoolcraft was awarded $4.6M which was dispersed per federal mandate, half went directly to students distributed to any that qualified for Pell. The remaining half was used, as permitted by federal rules, to offset significant declines in revenue for Continuing Education and Professional Development (CEPD) classes cancelled, and the VisTaTech Event Center / American Harvest restaurant / Main Street Café / Henry’s / Brewpub / JC Coffee / Dome Café / Bookstore all being closed. So that money was not distributed to any college budget, is just used to offsetting the crippling loss of revenue due to everything being completely shut down. The above justification was based on information provided by Mr. Lamb.

While interviewing Dr. Conway Jeffress, Schoolcraft President, he commented, Schoolcraft revenue did not drop substantially due to COVID in FY 2019-2020 compared to projections. The primary reason is Schoolcraft IT systems were scalable and faculty were able to pivot to online within days. If this would not have been the case, then a revenue a drop up to 30% could reasonably have been expected. Most issues were external to the college that would have the largest impact to the college, requiring loss make up. Planning the teaching mode for new fall classes is impacted by student acceptance to the online model. Many other colleges looked at losses and opted to furlough, or laid off, or cut salaries. Schoolcraft continued to pay Food Service, Support, and Event Services; everyone. Most Facilities staff worked constantly during the COVID peak – so at contract negotiations we treated them well in comparison to other colleges. Schoolcraft participates in pattern bargaining, so, other contracts will have the same total dollar value perhaps spread differently (Jeffress, 2020).

Schoolcraft College Resource Allocation

Schoolcraft required minimal funds and resource reallocation given the profit position in the FY 2019-2020 financial situation. In the table below, the savings from the new Internet contract is moved from the Utilities budget category to the IT Department budget category. Personnel whose jobs were displaced when campus was closed down were re-allocated to the role of Building Monitors to assure compliance with COVID screening for essential workers and the few students let in buildings to attend a small number of lab classes. No budget category changes were made as this was a strategy to continue to pay displaced workers.

Reallocated Funds					
Currently Funded items	2019-20 Total Dollars	% Change projected (+ for increase, -	Total Projected change in Dollars 2020-21	% Change	Notes
Dept Budget saving from Internet	$ 10,000	$ -	$ 10,000	0.0%	Re-allocate to the IT Budget.
Covid Related compensation re-allocation.	$ -			0.0%	Food Service, Support, and Events, etc that have no work re-assined as Building Monitors (Budget Categories do not change)

Over the last several years Schoolcraft College's enrollment, and therefore revenue, has been on a decline resulting in the college posting year-over-year losses and a decreasing general fund. Therefore, reversing this declining enrollment and revenue trend has become a focus for the College. Failure to reverse this trend has become a strategic issue of fiscal sustainability. Next, background is provided for a possible strategic initiative to help reverse this trend, building a new dormitory, and analysis via Bryson's tool, in Appendix D, shows the issue and proposed initiative is strategic vs. operational. Leveraging the organization's internal strengths with external opportunities and threats establishes the foundations for strategic goal planning, see Appendix A, and can expose strategic issues such as the opportunity to increase enrollment and revenue by expanding the reach of course delivery to an expanded population of students.

Dr. Glenn Cerny, from Schoolcraft, shared the idea of property development and described how Schoolcraft College purchased property and started developing and renting property to many of the local businesses in the area. Expanding beyond the ground-leasing model Schoolcraft has extended their 501c3 organizations that include building partnerships with local business and health organizations. Examples of these partnerships include their successful sports dome that is operated seven days a week and provides signage along the highway providing free advertising for the institution while also generating revenue. The Trinity Health medical center is a 125,000 square ft. outpatient center that generates revenue along with clinical space for students, and an outreach opportunity for the community. This will generate $780,000 year for seventeen years then $2.5M a year each year after for the college. The most envious aspect of this accomplishment is that Schoolcraft Community College has achieved this creative feat without hiring additional staff to manage these projects. The fitness center staff manages the sports dome and Dr. Cerny manages the health center projects (Kostic, 2020 & Turner, 2020).

Schoolcraft College Fixed Expenses

Fixed (relatively) Expenses

EXPENSE CATEGORY	2019-20 Total Dollars	% Change projected (+ for increase, - for Decrease	Total Projected change in Dollars 2020-21	% Change	Calc. Rate	Notes	Percentage of Total	Projected from Column D
Employee Salaries	$ 45,443,807	$ 454,431	$ 45,898,238	1.0%		1% raises across the college	51.67%	51.99%
Employee Health Insurance	$ 4,568,477	$ -	$ 4,568,477	0.0%		Will remain flat	5.19%	5.17%
Contribution to Employee Retirement	$ 9,746,325	$ 97,463	$ 9,843,788	1.0%		Will go up with salaries	11.08%	11.15%
Facilities Maintenance and repairs	$ 2,733,303	$ (136,665)	$ 2,596,638	-5.0%		-5% Small decr. - defer'd maint. Non-salaries/benefits expenses only	3.11%	2.94%
Utilities	$ 2,090,261	$ (108,694)	$ 1,981,567	-5.2%		Remove low-use Cable in Dorms	2.38%	2.24%
FICA	$ 3,476,451	$ 34,765	$ 3,511,216	1.0%		FICA needs to = 7.65% of salaries, by formula	3.95%	3.98%
Dept. Budgets	$ 18,100,571	$ -	$ 18,100,571	0.0%			20.58%	20.50%
Marketing	$ 735,265	$ -	$ 735,265	0.0%			0.84%	0.83%
Prof. Development	$ 547,861	$ -	$ 547,861	0.0%			0.62%	0.62%
Reserves	$ 500,000	$ -	$ 500,000	0.0%			0.57%	0.57%
Other	$ -	$ -	$ -	0.0%			0.00%	0.00%
Total Budget	$ 87,942,321	$ 341,300	$ 88,283,621				100.00%	100.00%
	$ 87,942,321		$ 3,140,423			Add to Reserves (if calc is positive)		

Schoolcraft College's "actual" Fixed Expenses for fiscal year 2019-2020 were obtained via communication with the Schoolcraft College Controller and Director of Finance, John Lamb. Mr. Lamb provided actual revenue and expenses as well as projections for 2020-2021 and the rationale for the changes. Salaries are the largest component of budgeted expenses at 57.67% in FY 10-20 and Employees will be provided a one percent across the board increase. This expense increase will drive a similar increase for contribution to employee retirement plans and social security funding (FICA). Facilities maintenance repairs will be reduced five percent by deferring long term maintenance on the college physical plant. Further savings will be obtained by removing the seldom used cable television in the dorm as students prefer and transition to streaming services. The remaining budget categories will be flat and include: department budgets, marketing, professional development, and reserves, unobligated revenue can be invested in the new dormitory project and COVID related expenses.

Schoolcraft College New or Increase Expenses in Support of Strategic Initiatives and Response to the COVID Pandemic

New or Increased Expenses in Support of Strategic Inititives and Response to Covid Pandemic

Expense	2019-20 Total Dollars	% Change projected (+ for increase, - for Decrease	Total Projected change in Dollars 2020-21	% Change	Notes
Work from Home	$ 200,000	$ (160,000)	$ 40,000	-80.0%	100 Laptops, 200 Webcams, etc.
Student Support	$ 130,000	$ (104,000)	$ 26,000	-80.0%	Laptops, Parking Lot WiFi, Laptop Kiosk, etc.
Subsidy to build Dorm	$ 1,500,000	$ (1,500,000)	$ -	-100.0%	Invest from Profits
Covid Related*	$ 93,000	$ (46,500)	$ 46,500	-50.0%	Zoom, Adobe Sign, Screent App, Cleaning
Covid Cares Act to Student	$ 2,300,000	$ (2,300,000)	$ -	-100.0%	Per fed mandate, ½ went directly to students.
Internet Related	$ 40,000	$ (40,000)	$ -	-100.0%	Switches and Routers
Total of Additional Expense:	**$ 4,263,000**		**$ 112,500**		
Covid Related*	$ 14,000	Zoom – $14,000 annually for 18,000 licenses – 3 year contract			
	$ 10,000	Adobe Sign™ Enterprise Ed. - $10,000 Annual – 5000 docs ($2/unit), Unlim. users.			
	$ 4,000	Covid Self-Screening App Devel - $4000			
	$ 20,000	Cleaning, Keyboard & Mouse Covers, UV-C Sanitizer, Wipes, Hand Sanitizer, UV-C Floor Cleaner			
	$ 30,000	Touchless Infra-Red Temperature Scanner (Crowd)			
	$ 15,000	Full Room UV-C Desanitizer			
	$ 93,000				

This crisis raises new questions as we grapple with an uncertain future, but colleges and universities have an opportunity to help create a new system of higher education that is more equitable and improves outcomes for all students. Creating this new system requires radically rethinking the structures and practices of colleges and universities and adapting them in a way that prepares institutions not only to survive but also succeed. By acting proactively, colleges and universities can respond to this pandemic and adapt in ways that balance institutional priorities with the needs of students they serve (Inside Higher ED, 2020).

Schoolcraft College has not been exempted from the perils and challenges that our being faced by the current COVID global pandemic. However, the institution has responded to the needs of the community, students, faculty and staff by embracing and adhering to the following strategic objectives and values that are in place, see Appendix C:

Schoolcraft Initiative of: “Strategically leverage technology” and the following three Schoolcraft Strategic Objectives:

- Provide College stakeholders with the technological tools and applications necessary to address the College’s mission.
- Establish systems to assure technology services, products and applications are at their optimal functioning levels.
- Provide reliable and accurate computer services to appropriate constituent groups.

Schoolcraft College Values:

- We recognize that students are our reason for existence and that student success is paramount to our mission.
- We pledge to follow ethical practices in the classroom, boardroom, business operations, and all other areas of the College.

In support of Schoolcraft strategic initiatives, the institutions responses to the COVID pandemic has included equipping our workforce with the necessary technology to safely work from home; providing students with technological support and financial aid using Cares Act funding. Additionally, Schoolcraft has invested in Zoom™ licensees, Adobe Sign™, touchless infra-red scanners, PPE, cleaning supplies, and disinfectants. These are some examples of the measures that Schoolcraft has taken to keep all of their various stakeholders safe during this time of uncertainty and to continue to assure student success, see Appendix B.

Another potential new and increased expense for Schoolcraft is hosted in the consideration of accepting a $2M designated gift toward the construction and operation of a new student dormitory. The total cost of construction for this new dorm is projected at $3.5M, creating a new initial expense of $1.5M for Schoolcraft to be absorbed into budget costs. This cost would be funded by the FY 2019-2020 profit; however, there are several ancillary costs factors projected to emerge with the adoption of this new dorm initiative as well as opportunities for positive revenue that may offset costs and ease budgetary constraints.

There will be added projected costs associated with employing additional labor to manage and maintain the dorm. This additional labor brings with it the legacy costs of healthcare, and retirement benefit contributions. Operating costs for budget-line item areas such as utilities and maintenance will also proportionately increase. However, it’s important to note that these costs will be offset with the projected revenue from student rental income.

Though the expenses incurred in this new dormitory project are significant, it is important to remain cognizant of the strategic initiatives they support. The increased dormitory capacity that this initiative will provide aligns with Schoolcraft's values of: Recognizing that students are our reason for existence and that student success is paramount to our mission. Valuing diversity in our students, staff, and programming is a core belief that higher education should be accessible to the greatest number of our constituents. Unfortunately, many available housing opportunities in the local community’s private-sector offerings for housing are not equipped to meet the ADA requirements for many of our students with special needs. The construction of a 120-room dormitory could provide that opportunity and solution for this important demographic group. Adding this dorm will also allow Schoolcraft to expand access to students with accessibility needs. Additionally, a new dormitory facilitates the opportunity for students to come from well outside the college’s service district area with the accommodations necessary to attend the programs and courses offered.

Schoolcraft is committed to promoting and providing diversity through a positive learning environment. A new dormitory hosts this environment in the social engagement that would provide greater diversity of learning opportunities for the students. The values espoused through the strategic initiatives of Schoolcraft are cleanly reflected in the tangible proof of adherence through the construction of a new dorm, provident a capacity increase of 120 rooms that could accommodate a wide diversity of student demographics.

New or increased expenses related to the COVID Pandemic comes in several categories. To support employees working from home, $200K was spent on laptops and webcams. To support students who cannot come to campus to used campus computer labs, internet, etc. $130K was spent on laptops, extending Wi-Fi into the parking lots, and purchasing a loaner-laptop kiosk for short term loans to students. To support faculty, staff, and, students, distance learning, and teleconferencing, additional funding was required. A total of $93K was spent on an enterprise license for Zoom teleconferencing, Adobe Sign™ to transform and automate an existing paper-based approval process to a completely electronic environment. This includes a custom COVID self-screening web application for employees, students, and guests coming to campus, and cleaning supplies like keyboard and mouse covers, UV-C light disinfecting devices, gloves, disinfecting wipes, and more. Additionally, $30K was spent for a COVID Touchless Infra-Red Temperature Scanner (Crowd) and $15K for A COVID Full Room UV-C disinfecting system. Finally, $40K was spent on upgraded network hardware to support the new redundant Internet circuit capacity.

Over 90% of the expenses incurred related to COVID in FY 19-20 were one-time expenses indicated in the table above, with some projected FY 20-21 funds needed to maintain or resupply items. Therefore, much less of this expense will carry over to FY 20-21.

Conclusion

Through the development of a comprehensive budget it is clearly apparent that the issues managed by a community college CFO are daunting ones. As evidenced through several CFO interviews, many issues managed by the CFO are well outside the normal day-to-day operations of the college. The college's mission is to facilitate the proper pedagogy and educate the future workforce of its community. The mission statement does not forecast the need to navigate antiquated and failing state pension systems, or cope with diminishing state appropriations, handle declines in enrollment due to changing demographics of aging populations, or address a global pandemic, forcing a pivot to 95%+ remote and online learning, or address the needed adaptations to constantly seek wildly varying alternative revenue sources that align with the college's mission and secure its sustainability. These are the unadvertised demands that fall within the charge of the CFOs and the budgets they manage.

It is clear that, from several perspectives, community colleges are in a time of crisis. The demand for sound fiscal management and strategic planning are critical to the financial survival of the educational environment. However, through intentional, thoughtful, and thorough strategic planning, effective prioritized financial planning can drive budgeting at all levels in the exercise of fiscal stewardship, especially in times of crisis, see Appendix C. Focusing on the core functions of the college's business, seeking competitive opportunities, partnerships, and funding alignment with the community college mission, helps to gain financial stability and sustainability and move forward. Mullin (2015) stated that "an institution can articulate its purpose is by developing a strategic plan based on prior performance and short-term tactics to meet long-term strategic objectives. This helps communicate the purpose and direction of the college to internal and external stakeholders, while providing a framework for action" (p. 166). Sound financial planning and efficacious budgeting is the binding agent for this action.

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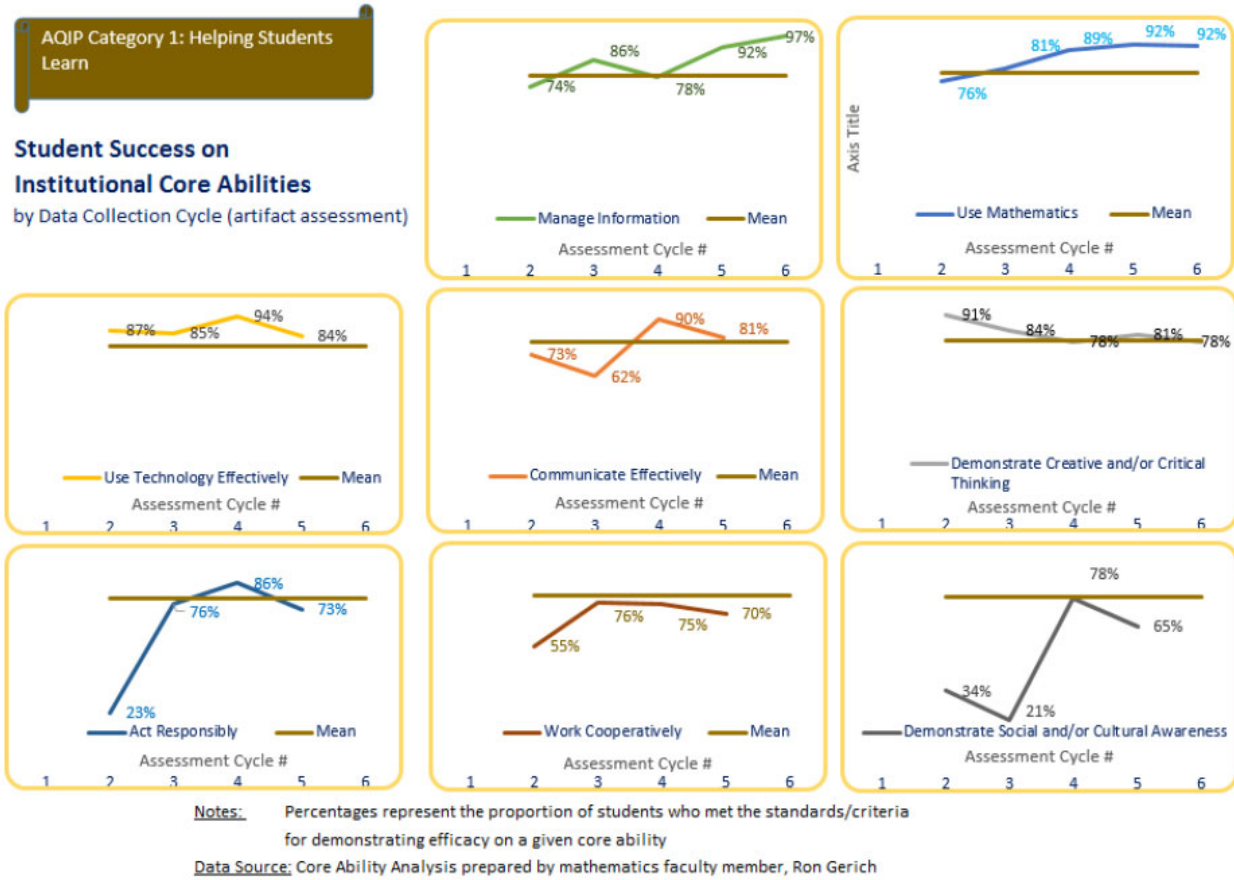
Appendix A – Schoolcraft College Strategic Planning Process Flow Chart (Adapted to HCC)

(Schoolcraft College, 2019-1, p. 3)

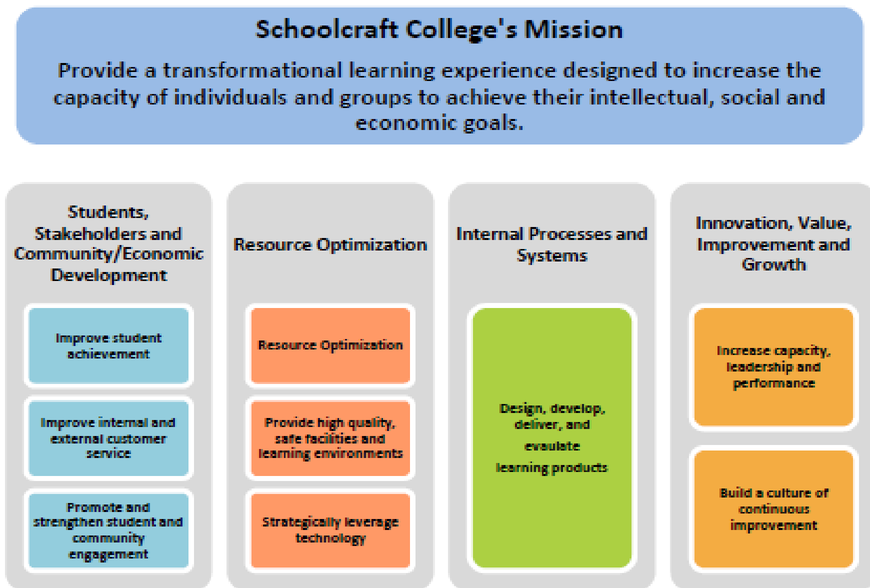
Appendix B – Schoolcraft College Example KPI's for Student Success



(Schoolcraft College, 2019-2)

Appendix C – Schoolcraft College Example Results from the Strategic Planning Process

Schoolcraft College Strategic Objectives 2019-2020



Students, Stakeholders and Community/Economic Development

Goal: Be the provider of choice for educational offerings, economic growth and personal enrichment

Improve student achievement

1. Objective: Provide leadership and support for the implementation of the College's Guided Pathways.
2. Objective: Improve success KPI metrics: graduation rates and transfer rates so that we meet or exceed national averages (KPI indexed).
3. Objective: Increase student retention KPIs next term.
4. Objective: Strengthen student performance on Institutional Core Abilities.
5. Objective: Increase the number of student employees for retention purposes.

Improve internal and external customer service

1. Objective: Continue designing and implementing plans to decrease student loan debt. (Cost to produce a quality credit hour will be the standard).
2. Objective: Increase student/customer relationships with best-in-class service (KPIs Student Satisfaction Category Scores and Student Campus Climate Survey Category).
3. Objective: Enhance teaching and learning spaces to strengthen student engagement (KPI Student Engagement and Benchmark score).

Promote and strengthen community engagement

1. Objective: Strengthen working relationships with schools, students, parents, workforce partners and community members emphasizing pathways to careers, transfer, retraining and physical wellness opportunities, within the College.
2. Objective: Increase key stakeholders economic growth. Primarily through business development activity.

Resource Optimization

Goal: The College continues to be an effective steward of financial resources.

Ensure fiscal stability

1. Objective: Strengthen fiscal stability for the College (Composite Financial Index, General Fund and Designated Fund Revenues vs Expenditures and net position KPIs)
2. Objective: Increase facility use. (Average building use KPI)

Provide high quality, safe facilities and learning environments

1. Objective: Prioritize and schedule infrastructure projects, including classroom improvements. (Deferred maintenance and facility condition index KPIs)
2. Objective: Maintain a safe campus. (Student Satisfaction and Student Campus Climate KPIs and also including crime reports such as Clery)
3. Objective: Continue work on capital outlay project and manufacturing center within established timelines.

Strategically leverage technology

1. Objective: Provide College stakeholders with the technological tools and applications necessary to address the College's mission.
2. Objective: Establish systems to assure technology services, products and applications are at their optimal functioning levels.
3. Objective: Provide reliable and accurate computer services to appropriate constituent groups.

Internal Processes and Systems

Goal: The College provides state-of-the art learning opportunities to meet the learning needs of their stakeholders.

Design, develop, deliver, and evaluate learning products

1. Objective: Evaluate academic programs/courses to ascertain if they still meet the needs of students/stakeholders.
2. Objective: Identify new learning opportunities to address transfer and workforce needs.
3. Objective: Sustain existing and develop new business partner relationships, which permit the College to strengthen programs or acquire capital investment.
4. Objective: Sustain the Applied Science, Dome, Physical Therapy and Tech Center project timelines, meeting construction and program objectives.

(Schoolcraft College, 2019-3)

Innovation, Value, Improvement and Growth

Goal: The College is focused on providing the talent and leadership to successfully carry out its mission.

Increase employee capacity, leadership and effectiveness

1. Objective: Encourage leadership development across all levels of the College. (KPI – Employee Climate Perceptions; Development/training expenditures)
2. Objective: Development of faculty members to address learners changing needs (KPI – Employee Climate Perceptions; Development/training expenditures)
3. Objective: Development of College employees to work efficiently, effectively and safely. (KPI – Employee Climate Perceptions; Development/training expenditures)

Build a culture of continuous improvement

1. Objective: Educate College stakeholders on using data analytics for data-driven strategic planning and quality improvement initiatives. (KPI – Employee Climate Perceptions; Development/training expenditures)
2. Objective: Sustain operational agility in all agency categories as the transition occurs in the federal and state levels.

Appendix D – Schoolcraft College Example Results from the Strategic Planning Process

Operational Vs. Strategic (Adapted from Bryson, Creating Your Strategic Plan, 2011) (Bryson, 2018)

	Operational	→	Strategic
1. Would this issue make it on to the agenda of the policy board?	No		Yes Union Contract
2. Is the issue on the agenda of the College's chief executive?	No		Yes – New Business Model
3. When will the strategic issue's challenge or opportunity confront you?	Right now	Next year Ongoing	Two or more years from now
4. How broad an impact will the issue have?	Single unit or division		Entire organization
5. How large is your College's financial risk/opportunity?	Minor (10% of budget)	Moderate (10-15% of budget)	Major (25% of budget)
6. Will strategies for issue resolution likely require:			
a. Changes in mandates or other rules governing the organization?	No		Yes
b. Changes in mission?	No		Yes
c. Changes in institutional design?	No		Yes
d. Development of new or elimination of existing service goals and programs?	No		Yes
e. Significant changes in revenue sources or amounts?	No		Yes Hospitality
f. Major facility additions or modifications?	No	Maybe	Yes
g. Significant staff expansion or retraction?	No		Yes
h. Important changes in stakeholder relations?	No		Yes
i. Major changes in technology?	No		Yes
j. Significant new learning?	No		Yes
k. Changes in the way strategy delivery is controlled?	No		Yes
l. Development of significant future capabilities?	No	Some	Yes
7. How apparent is the best approach for issue resolution?	Obvious, ready to implement	Broad parameter, few details	Wide open
8. What is the lowest level of management to deal with this issue?	Line staff		Department Directors; VPs
9. What are the probable consequences of not addressing this issue?	Inconvenience, inefficiency	Signifiant service disruption, Financial losses	Major long-term service disruption and large cost or revenue setbacks
10. How many other groups are affected by this issue and must be involved in resolution?	None	1-2	3 or more
11. How sensitive or "charged" is the issue relative to College values?	Benign	Touchy	Dynamite