

STAFF UPDATE FROM PRESIDENT PAUL CARLSEN – April 16, 2020

Team LTC,

Earlier this afternoon the Governor extended the Safer at Home Order [through May 25th](#). We had been anticipating this extension, so it will have no impact on the plans we have made for the spring and summer semesters. It feels nice to be one step ahead for once.

As a college, we have always budgeted conservatively. We have made difficult budget decisions when they needed to be made. We never took chances, kicked the can, or spent money we did not have. This conservative approach can be challenging since it meant certain travel was denied, or vacant positions were not filled, or our health insurance plan changed, or subscriptions were cancelled, or pay raises were not as high as we would have liked. But years of conservative budgeting results in a fiscally-sound organization and is the very reason we were able to guarantee everyone would be compensated through June 30, 2020.

Next fiscal year's budget will go into effect on July 1, 2020. It seems like forever ago, but we started the planning process for that budget back in July 2019. The Leadership Team, members of the finance and HR teams, the deans, a faculty representative, and a support staff representative met every two weeks to devise strategies to best allocate resources. The team worked hard and they did great work generating sound budgeting strategies to be evaluated in the future. Unfortunately, the anticipated financial impact of the COVID-19 pandemic has taken us back to the drawing board for next year's budget.

We do not know what the coming months will bring, but it is incumbent on us to make reasonable, educated forecasts regarding our revenue streams. Based on conversations with colleges across the state, colleges outside of the state, and folks in Madison, we are now assuming the following for next fiscal year:

1. **Decreased enrollments:** Based on the unknowns regarding when we can resume in-person courses and the psychological impact of this pandemic, we are anticipating a 50% decrease in summer enrollments, a 25% decrease in fall enrollments, and no change to spring enrollments. Current enrollments for summer and fall are already behind.
2. **Decreased revenue:** Based on decreased enrollments and decreased economic activity (which results in the state collecting fewer tax dollars), we are anticipating a revenue decrease of approximately \$620,000.

We will weather this storm together. We will absorb the decreases in enrollments and revenue, but it will require all of us to adapt. Three necessary changes will be made to the 2020-21 budget:

1. **There will be no compensation increases in July (i.e., no across the board raises or CPI adjustments).** This will save us \$372,300. I know this will disappoint some folks. Some might even look at inflation and increases in our health insurance premiums, and interpret this as a pay cut. Know this expense is being postponed for the good of the college during an uncertain economy, and at a time when many in our community are losing their jobs. In the event we find our budget assumptions were too conservative *and* the broader economy begins performing well, we will revisit this in January, 2021.

2. We have all come to learn that virtual meetings can be the norm, not the exception. **Accordingly, we will adhere to a moratorium on travel and external professional development.** Will there be exceptions? Yes, and guidance will be forthcoming, such as honoring any commitments to present or to serve on state and national boards. But those exceptions will be few. This will save us \$248,000.
3. **Health insurance premiums will increase 11.4%.** This increase is determined by actuaries and is a direct result of our claims history. There will be no changes to our plan design.

The flexibility, commitment, and genuine care you have demonstrated for our students over the last few weeks is inspiring. In these uncertain times, I am certain this team and this college will emerge from this challenge better than ever.

As such, we cannot hunker down. We must begin looking beyond next fiscal year. While this pandemic is likely the largest crisis our college has faced, our students face crisis all the time. Even in a booming economy, our students are laid off, they care for loved ones, they struggle to pay rent, they amass medical bills. We all know this – we have all heard heartbreaking stories from our students. We worry about the students in front of us, and we worry equally about those in crisis who never walk through our doors.

We have learned we can teach and support students virtually, and we will build off the momentum we have gained in these last few weeks. **Starting this fall, or when we are able to resume face-to-face instruction, all face-to-face courses that can be offered online will be offered online via dual delivery models allowing students flexibility to attend online and/or face-to-face.** Under this “iFlex” delivery model, face-to-face instruction would meet weekly, not to exceed 50% (hybrid delivery mode) of total course hours of a traditional delivery format. Students would have required, identical, online components (assessments and lecture materials are the same, whether sitting in the classroom or learning online), with lecture content recorded and available online. Students will have the ability to migrate between the two delivery modes. **As we pivot in this strategic direction, we will be redesigning our Organizational Development Center (ODC) to a Teaching and Learning Center focused on supporting students and faculty with online learning, as well as providing meaningful professional development opportunities on campus for our faculty.** This Teaching and Learning Center will also continue to provide internal professional development opportunities to all team members.

This crisis has also shed light on the flexibility competency based education (CBE) can afford students. Under a CBE delivery model, students who decide to drop mid-semester, or who are impacted by a course cancellation, would not have to retake an entire course when they re-enroll – they would pick up right where they left off. **Accordingly, we will begin transitioning programs that can be delivered under a competency-based model to begin the planning process.** This will be a long process, and we will start the journey today

I am sure our faculty have many questions about this new direction, and Jim Lemerond, our Vice President of Instruction, will be hosting a BlueJeans session in the near future to answer those questions.

There is a lot to take in with this email, but we have an exciting future. Making the future a reality will take a lot of work and an all-hands-on-deck approach. Our future might not be what some of you signed up for, so I am sharing this information with you prior to distributing contracts for next fiscal year (which

I anticipate will occur by May 1st). I ask you to reflect on our future and your willingness to embrace it. If you decide not to continue on after this fiscal year, I totally understand. We will be temporarily expanding our [Early Notification of Separation Policy](#) as follows:

- Anyone who qualifies under the policy as of June 30, 2020 and retires/resigns with an effective date of June 30, 2020 will receive a \$3,000 early notification payment. You must notify Human Resources of your intent to retire/resign under the expansion of this policy by May 8th.

With that being said, be assured all support staff, managers, and faculty who want to carry us into the future will have the opportunity to do so – our conservative budgeting has made that so. I am proud to work with all of you. We will all carry our college into this next chapter.

Thanks, Paul