



Office of the President Sunil Ahuja, Ph.D.

Dear LCC Community,

We have begun the budget development process for FY2026. As you know, the last few years have been very challenging for Lakeland. FY2025 has proven to be a transitional year. Very difficult and necessary decisions have been made to assure that the College operates within its available resources. The College has made progress in rebalancing its resources this fiscal year, but more work needs to be done. We are still heavily resourced in some areas, and not enough in others.

The College will continue to follow the guidance provided by the Auditor of State's special audit released last year. In addition, the Higher Learning Commission's mid-cycle review will also inform our budget process and the allocation of resources. Our priority will continue to be to offer the community a high-quality education at a competitive value, focus on student success and retention, and community engagement.

With that in mind, our most important emphasis is on producing a balanced budget for FY2026. We must live within our means. Balanced budget, however, is only the beginning. The FY2026 budget will also move to increase College reserves, further reduce low-enrolled courses and programs, improve facility utilization, and advance other priorities as envisioned in the newly established Key Performance Indicators for the College.

To provide some historical context, from 2015-2024, our headcount enrollment dropped 44%, student FTE dropped 49%, and total credit hour production dropped 46%. Our enrollment-driven revenue (i.e., tuition and State Share of Instruction) dropped 22% in the same timeframe, from \$39.4 million in FY2015 to \$30.9 million in FY2024. Total revenue fell from \$57.9 million in FY2015 to \$51.3 million in FY2024, as did Lakeland's share of SSI, falling from 4.4% to 3.7% over the same timeframe. The FY2015 revenues were nearly \$25 million higher than FY2024 when adjusted for inflation. Additionally, the College benefitted from about \$14.2 million in federal stimulus funds over the last three years, which are no longer available. At the same time, major expenditures have remained unchanged or even increased. In light of this, last year by the auditor, this year by the accreditor, our path has been laid for the next few years.

Therefore, base budgets will likely remain at FY2025 levels or lower. One focus for the FY2026 budget process will be to review recurring vendor contracts, which will be discussed in the budget meetings. The base budgets should cover all essential goods and services first. If there are additional needs directly related to College priorities, please submit a request to your supervisor and the divisional vice president.

My sincere thanks to David Cummins and Mike Cooper for transparently shepherding the budget development process and for executing responsible stewardship of our limited resources.

Very best regards,

Sunil Ahuja, Ph.D.
President