

Jackson College Board of Trustees Meeting

Regular Meeting

November 08, 2021 06:30 PM



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(*) Indicates a roll-call item

JACKSON COLLEGE REINTEGRATION TASK FORCE PROCEDURES

Prior to your arrival to Central Campus but no earlier than the morning of, you will need to complete the **COVID-19 Health Screening**.

Please review the Current Health Screening Questions that would stop you from coming to campus they can be found here:

<https://forms.office.com/r/J4kQdSLPp3>

Once on campus you will be directed to the COVID-19 Health Screening checkpoint:

- You will have your temperature scanned
- We will check to see if you have completed the online Health Screening
- We will check to see if you have completed the mandatory COVID-19 training
- If you have completed the training and passed the Health Screening you will be admitted to campus for your approved areas.
- If you have not completed training, you will be asked to do so prior to entering
- If you have not completed the health screening you will be asked to do so prior to entering
- If you have a fever you will be asked to leave campus and follow up with your physician for clearance.

Once on campus you must wear a mask and have your ID and badge in clear vision for others at all times.

As of 9/13/21

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
1.0 Call to Order & Pledge of Allegiance of the United States
Description:
<p>Board Chairman Barnes will call all Trustees to Order in preparation for the Board Meeting, followed by a recitation of the Pledge of Allegiance.</p> <p>“I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all”.</p>
Resource Impact:
None
Requested Board Action:
Come to order and recite the Pledge of Allegiance
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: November 8, 2021



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
2.0 Consideration of Member Electronic Participation
Description:
<p>As you are aware, the By-Laws of the Jackson College Board of Trustees provides for remote participation by individual members, though there are some caveats for doing so (You can review the By-Laws here). More specifically, in section: [4. Meetings], the following is provided regarding attendance and remote participation: “...All members of the Board should use every reasonable effort to attend all meetings of the Board of Trustees in person. If this is not possible because of extenuating circumstances, participation by conference call or other electronic communication shall be permitted under the following circumstances:</p> <ul style="list-style-type: none"> • A quorum of the Board shall be physically present at the meeting location; • Electronic participation must be approved by the majority of the Board...” <p>That said, the current law in Michigan states that through 12.31.21, public bodies may allow a member to participate and vote remotely only due to military service or to a medical issue, which could include quarantine requirements.</p> <p>The meeting may also be conducted electronically due to a local state of emergency or disaster. Beginning January 1, 2022, the Act will only permit electronic participate by board members due to military duty. Further, such action must be approved by the Board in advance.</p> <p>This item is on the agenda for consideration for any members who wish to make the request.</p>
Resource Impact:
None
Requested Board Action:
Consideration of remote board meeting attendance by Trustees
Action Taken:

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
3.0 Declaration of Conflict of Interest
Description:
<p>Consistent with Board Policy and Bylaws, this item is placed on the agenda for members to formally consider, and disclose, any item on the agenda wherein they may have any apparent or actual conflict of interest.</p> <p>Should a conflict be present, it is requested that the member note the item in question, and abstain from any action concerning said item.</p> <p>A roll call vote is required for this item.</p>
Resource Impact:
None
Requested Board Action:
Roll Call Consideration of any actual or perceived conflict of interest with agenda items.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
Board Meeting Date: November 8, 2021



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
4.0 Adoption of Minutes 4.1 Regular Board Meeting of 10.11.21 4.2 Board Fall Planning Session Meeting of 10.22.21
Description:
Attached are the minutes of the most recent meetings of the Board for your review and consideration for placement into the formal record of the Jackson College Board of Trustees.
Resource Impact:
None
Requested Board Action:
Consideration of the minutes for approval to the formal record of the Board.
Action Taken:



REGULAR MEETING OF THE BOARD OF TRUSTEES

Jackson College

Central Campus, George E Potter Center Board Room

October 11, 2021

The Regular Meeting of the Board of Trustees of Jackson College was held on Monday, October 11, 2021, at the Central Campus of Jackson College, George E Potter Center Board Room.

Board Members Present: Chairman, Sam Barnes; Vice Chairman, John Crist; Trustee, Philip Hoffman; Trustee, Matt Heins; Trustee Donna Lake; Trustee Sheila Patterson; and Trustee Dr. Ed Mathein.

Board Member Excused Absence: None

Others Present: President Phelan, Darrell Norris, Cindy Allen, Jason Valente, Jeremy Frew, Dr. Wayne Rose, Keith Book and Jennifer Dobbs

Chairman Sam Barnes called the meeting to order at 6:30PM Eastern Daylight-Saving Time.

DECLARATION OF CONFLICT OF INTEREST

There were no conflicts of interest expressed by Trustees.

ADOPTION OF MINUTES

The minutes of the Board Meeting of September 13, 2021 were reviewed by the Board. The minutes were moved into the permanent record by Chairman Barnes, on behalf of the Trustees.

OWNERSHIP LINKAGE

No Comments were noted.

BOARD COMMENTS

Trustee Mathein shared positive comments from the public regarding the Potter Center event on Saturday. Specifically, in addition to the zero barrier/ADA compliant entry way, and updated access to the balcony, patrons appreciated the addition of hand rails in the center isles. Dr. Phelan expressed thanks to Vice President Valente and Jim Jones for their work on this project.

Introductions: Dr. Wayne Rose and Keith Book as new employees this month.

Regarding Ownership Linkage, Trustee Lake stated that she would like to revisit results of conversations with owners obtained thus far. Trustee Lake and Trustee Crist will be holding more conversations, bring the information gathered back to the Board, at the Board Planning Session on the 22nd of October.

ITEMS FOR DECISION

EXECUTIVE LIMITATIONS POLICY EL – 05 – Asset Protection: Review of Presidents interpretations, which were included in the Board Pack. Trustee Barnes would like follow-up on the insurance cap and additional information on the aggregate amounts. President Phelan will make sure the cap level is included in the insurance coverage reporting.

Additional information was provided to the Board on Cyber and Accident Insurance. Trustee Hoffman requested copies of the Directors and Liability insurance. President Phelan recommended to the Board an increase in section 5.1.a from \$50,000 in coverage to \$100,000 in coverage as well as an increase in coverage in section 7.2 from \$50,000 in coverage to \$100,000 in coverage. Trustee Barnes provided clarification for section 8.0 that the 3.5% budget set aside be clear as far as providing updates on how that budgeted amount was utilized throughout the year. Trustee Barnes would like updated information on interpretation of section 2 and brought forward for review at the next Board meeting.

GOVERNANCE PROCESS ITEMS Consideration of Fall Planning Session Agenda – President Phelan noted that Quarter One (Q1) budget reporting will be presented at the Board's Fall Planning Session together with HEERF spending updates. Leadership Council members will also each be presenting a 25-minute feature to the Board on topics highlighted in the proposed agenda. In addition, there will also be updates on American College Promise and how that will impact Jackson College, as well as what potential limitations there may be for community colleges in Michigan. The meeting is planned for all day with an end time prior to 3:30pm.

MOTION BY TRUSTEE CRIST TO APPROVE THE FALL PLANNING SESSION AGENDA, ALL TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES, LAKE, MATHEIN, HEINS, PATTERSON, HOFFMAN, CRIST AND BARNES VOTING AYE. MOTION PASSED UNANIMOUSLY.

MONITORING CEO PERFORMANCE EL-05 Asset Protection Monitoring Report
President Phelan reviewed with the Board the evidence for the Asset Protection Monitoring report. Trustee Hoffman requested information regarding if the \$100,000 in proposed coverage is standard. President Phelan reviewed with the Board the history of the protection amounts and how the \$100,000 for Jackson College was agreed upon.

After a review of section 8, routine maintenance, it was decided by the Board that there is no further need to include section 8 in the monitoring report, stating that it should be removed going forward.

Trustee Barnes noted the sections where there is still information forthcoming. The Board will look for informational updates as they become available.

MOTION BY TRUSTEE CRIST TO AFFIRM PARTIAL COMPLIANCE IN THE MONITORING REPORT, ALL TRUSTEES VOTED BY ROLL CALL VOTE: TRUSTEES, LAKE, MATHEIN, HEINS, CRIST, BARNES, PATTERSON AND HOFFMAN VOTING AYE. MOTION PASSED UNANIMOUSLY

SELF-EVALUATION OF GOVERNANCE PROCESS & BOARD PERFORMANCE AT THIS MEETING - Principles of Policy Governance

President Phelan asked the Board if they wished to continue with both the assumptions, as well as the evidence approval considerations on the same agenda. Members asked that the process continue to proceed with assumptions and evidence both being provided at the same meeting.

MEETING CONTENT REVIEW

Trustee Hoffman and Trustee Patterson commented on the boardroom setup and the new structure to keep members safe. President Phelan noted that the physical changes will be made permanent, with additional upgrades to technology to provide for full duplex, remote participation.

ADJOURN

MOTION BY TRUSTEE BARNES "To adjourn." ROLL CALL VOTE: TRUSTEES, HEINS, LAKE, MATHEIN, CRIST, PATTERSON, HOFFMAN AND BARNES VOTING AYE. MOTION PASSED UNANIMOUSLY.

Meeting Adjourned 7:33 pm



FALL PLANNING SESSION OF THE BOARD OF TRUSTEES

Jackson College

Central Campus, George E Potter Center Board Room

October 22, 2021

[DRAFT & UNOFFICIAL]

The Fall Planning Session of the Board of Trustees of Jackson College was held on Friday, October 22, 2021, Via Zoom.

Board Members Present: Chairman, Sam Barnes; Vice Chairman, John Crist; Trustee, Philip Hoffman; Trustee Donna Lake; and Trustee Sheila Patterson.

Board Member Excused Absence: Trustee Matthein, Trustee Heins

Others Present: President Phelan, Darrell Norris, Cindy Allen, Jason Valente, Jeremy Frew, Keith Book, Jennifer Dobbs, Bobby Beauchamp, Dr. Todd Butler, Zak McNit, Jerrimiah Turner, and Kelly Crum.

Chairman Sam Barnes called the meeting to order at 8:00AM Eastern Daylight Saving Time.

CONSIDERATION OF ADDITIONAL ITEMS OVERVIEW OF THE DAY

None

PUBLIC COMMENTS

None

CONTEXT SETTING

President Phelan provided a broad lens on factors impacting administrators and students of higher education: ecosystem-vigilant responsibility, understanding talent reprioritization, mental health and well-being attentiveness, politization of everything, diversity access, anticipating a fungible higher education marketplace, and creating distinctiveness.

He described that unemployment rates have fallen to 5.2% but are nowhere near the February 2020 pre-pandemic level of 3.5%. Year-over-year unemployment rates are down across all levels of educational attainment, with two groups appearing to be significantly affected (i.e., those with less than a high school diploma and those high school graduates with no college).

Unemployment increased across all industries but impacted the mining and oil-gas extraction industry at the highest rate of 10.2%.

As of June 2021, 6.2M people were still unable to return to their place of work. The labor force participation rate remains down and reflects the many people who have permanently left the market. While some industries continue to experience growth relative to February 2020, the majority are still reeling from significant declines in jobs, an indication that things are still nowhere near recovery.

The pandemic plunged students into a period of uncertainty. Overall, 87% were impacted through the various factors. Students faced an unprecedented type of financial insecurity. Persistence dropped by 2%, the lowest level seen since 2012. Nationally, college retention rates fell to 66.2%. Those enrolled in public 2-year institutions alone experienced a drop in retention of 5%. Overall higher education enrollments declined 3.5% in the Spring of 2021. Student Surveys indicate that undergraduates value lower tuition, free courses or higher scholarships and grants as the most attractive offers to expand their enrollment considerations. Students online would prefer a mix of online and classroom. Occupations requiring an Associate's Degree are expected to grow by 10.4% in the next 10 years.

President Phelan described the challenges facing the success of the the tuition-free community college via the America's College Promise Act of 2021, likely not to be passed. At the State level, he reported that Senate Bill 82 and House Bill 4400 were passed and signed by the Governor. He is continuing to work on advancing the BSN.

COLLEGE PROGRAM FEATURES

JASON VALENTE – ADVANCEMENT

Mr. Valente shared that creativity and ingenuity have been required in a transaction-based department, but there are exciting staff additions. Julie Hand is now the Associate VP for Advancement. Foundation assets have hit an all-time high while \$7M of support has been awarded. He described reconnecting with donors in meaningful ways like campus tours that have been reinstated. As retirees are some of the most generous donors, there are hopes to bring back the annual retiree breakfast and reengaging them. Small group campus tours are in the works, as well as blending campus community and stakeholders – bringing faculty and content experts on visits. Regarding the student lens, there has been an overhaul of the scholarship application and award process to remove barriers. Emergency support in place includes the prototyped laptop loaner program, processing emergency aid requests (nearly 375 for food, housing transportation, and other), and internet access (MIFI).

Mr. Valente noted that finding ways to keep students on their path is the main purpose. Building bridges with employees and revisiting innovation grant concepts are also being prioritized.

Chairman Barnes described his appreciation that staff are able to respond to student needs with urgency. Trustee Patterson thanked Mr. Valente for his work and support with the caring and well-being of the students. Chairman Barnes described his support for eliminating barriers for students. Vice-Chairman Crist and Mr. Valente discussed helping students with thank you letters.

JEREMY FREW – CEP PROGRAM

Provost Frew described the CEP program as Jackson College's mission in action and introduced Dr. Todd Butler (Dean, Arts & Sciences) who walked the Board through the history of CEP, with the College returning to prison education in 2012 and the pathways from prison program beginning in 2014. In 2016 there was a Second Chance Pell, and in 2022 the Pell will be restored for all.

Bobby Beauchamp (Director, Jackson College Corrections Education Program) described 8 facilities currently being served and the CEP programming. The distance learning model has now moved to a hybrid distance learning. Zak McNitt (Registrar) described embedding the CEP program into student services allowing a full team effort to positively effect the CEP program, creating more equity for CEP participants and a large culture shift. Sam Fonseca (Student Success Navigator – JCCEP) described the CEP student journey with the navigator's assistance, acting as a total resource asset for the CEP student, as a liaison between them and the various departments.

Bobby Beauchamp shared some student and families of students' success stories, as well as the programs next steps. They provide post release support, letters of recommendations, and pre and post release transfer options.

Chairman Barnes asked where the industry is at with the program data collection. Dr. Butler shared that the study is complete and the program is now fully established. The Pell will become permanent in 2022.

Chairman Barnes asked if CEP students are included in college data. Zak McNitt noted that the information is included but flagged. Trustee Lake congratulated the CEP team and described how moving it is seeing the CEP students graduate. Chairman Barnes added to that.

CINDY ALLEN – HR/TALENT

Ms. Allen (Chief Operating Officer) and Jennifer Dobbs (Coordinator, Administrative Services) who described and shared data regarding the student employment program. She shared the department's pride in the student employee's diversity. 67% of student employees live on campus. 25% of the student employees are out of county students. The current retention rate to next term and to next year is currently 100%.

Ms. Dobbs shared the Fall 2021 student employee stats:

Average GPA = 3.23

Average Credits enrolled = 11.6

Total Credits Enrolled = 604

Total Students = 53
Total Positions = 61
First time Students = 13

She described collaboration with Michigan Works as well benefitting students during and after graduation. The new recruiting methods include updated job descriptions, higher wages (\$14/hour), with matching general funds. Supervisor training is also now in place to help the supervisors with setting goals, communicating, and the hiring process. The current student jobs are spread throughout nearly all college departments. Ms. Dobbs has spoken at two national conferences about the professional development and student success rates with the program. She shared positive current student employee and parent feedback. Coming up will be centralized orientation, virtual and in person, along with professional development collaboration with other departments.

Vice Chairman Crist expressed that Ms. Dobbs is a great asset to the organization. Chairman Barnes and Trustee Hoffman both shared that they were student employees at JC. Trustee lake thanked Ms. Dobbs for the informative presentation.

DARELL NORRIS – STUDENT HOUSING

Mr. Norris (Chief Financial Officer) introduced Jerrimiah Turner (Assistant Director of Resident Life). Mr. Turner described the current occupancy and the hopes to have more residents take advantage of the tiny homes. There are currently 0 confirmed cases of COVID-19. The department has been rebranded to Residence Life to emphasize the academic component of living on campus, with academic performance and success at the core of the housing program. Resident Assistants have been rebranded to Resident Mentors. Academic initiatives are also being implemented. As of July 2021, Residence Life has implemented a new community development model mirroring many components of a Residential Curriculum, including social programs and educational programs. Diversity, equity, and inclusion programs are designed to foster inclusion, respect, and appreciation for others. Community service and responsibility, personal wellness, and life skills development are also emphasized by Resident Mentors. Mr. Turner also described elements of his community development model.

Mr. Turner described that housing is low, effected by mandatory vaccination. Recruiting is in process for Mentors. Multiple diversity and equity initiatives are also being considered.

Trustee Patterson welcomed Mr. Turner and expressed her appreciation for the report.

DIVERSITY, EQUITY & BELONGING

Ms. Cindy Allen provided some staff DEI statistics.
US Census numbers for Jackson County are at 8.1% African American, 2.8% two races, and 3.6% Hispanic.

JC's overall employee groups is over 11% Separately, JC's adjuncts (hired through NEOGOV) are over 10%. JC's overall student demographics is 10% black or African American, 5% Hispanic and 5% more than one race.

Ms. Kelly Crum (Chief Diversity Office/Director of Diversity, Equity & Belonging) presented, beginning with a thank you to Mykayla Giles, her Department Coordinator.

Ms. Crum shared definitions of diversity, equity, and belonging. She described the Diversity Committees on campus:

Committee for Equity Outcomes
Committee for Diversity Equity & Belonging
Committee for Equity Documentation
Committee for Equity Audit.

Ms. Crum also described the Affinity Center on campus. The Affinity Groups are formed around a shared identity or common goal to build community among members of non-dominant groups and to foster an inclusive campus environment. Groups include Faith-based, Elderly, Latin X/Hispanic, East Indian, LGBTQIA+, African American, and Asian.

Ms. Crum also pointed the group to the robust website.

Chairman Barnes provided encouragement and hopes that the staffing is sufficient to meet these important goals. Ms. Crum thanked Ms. Allen for the support that has been provided. Trustee Patterson shared her support of the work and Ms. Crum's efforts.

Trustee Hoffman asked what is being done for the Christmas holiday. Ms. Crum described outreach to the community for students that are still on campus even though the campus will be closed. Trustee Hoffman asked if putting up a Christmas tree would be permissible in the Residence Life, to which Ms. Crum responded it would be permissible observing safety precautions. Chairman Barnes noted that closing the campus for the Christmas holiday is a large display of support of the holiday, to which Trustee Hoffman agreed. Chairman Barnes thanked Ms. Crum for her presentation.

MONITORING REPORT SCHEDULE & PROGRESS TO DATE

This topic will be discussed at the November 8th Board meeting.

FACILITIES REPORT

Mr. Norris described deferred maintenance and that a capital outlay request is being created for McDivitt Hall around \$45M, with half to be potentially matched by the state of Michigan. He also outlined some fiscal Year 2021-22 facility improvements such as athletic field improvements, and astronomy observatory, and the Potter Center.

Chairman Barnes asked Mr. Norris how the indebtedment would be affected by the \$45M investment. President Phelan noted some gifts that Mr. Valente is working on.

Trustee Hoffman noted the wish to be debt-free by 2028. Mr. Norris noted that the debt of CV3 goes past 2028 but opportunities will be investigated to reduce the obligations with the goal to still be debt-free by 2028. Mr. Norris reported for Trustee Hoffman that the total debt is \$31,500,118. He will get the non-voting debt obligations for Trustee Hoffman and this will be added to the November Board meeting.

President Phelan reported that managing internally would be the preference for future developments.

Mr. Norris shared for Trustee Crist and Chairman Barnes the indebtment is targeted to be around 8-9%.

Trustee Crist noted that housing is currently at 31% capacity and discussed the plan going forward. President Phelan described a massive rebranding of the institution and in the workforce development program. He also described a possibility of having artists in residents in the theatre as well. Between a combination of marketing and a mix of students that live in student housing, building inhabitation should trend up. Trustee Crist noted that pre-pandemic numbers were at 80-90% capacity and much of this is gaining comfort in a COVID world with a 2-3 year ramp-up. He also noted that there are currently less students but they stay with the persistence.

OPERATING BUDGET REVIEW

Mr. Norris walked the Board through the FY '22 Budget – Q1 Report, HEERF Funding, and Single Audit Review – Student balances.

Q1 income over expenses very similar to last year

- Revenue: \$17,815,469
- Expenses: \$9,317,303
- Income over expenses: \$8,498,166

Plant fund balance is \$7,391,743. This fund is used to meet the Board policy requirements for major maintenance and technology equipment investments

Cash balance at the end of Q1 was \$24,225,566

The use of the remaining HEERF funds will happen in the current fiscal year and will benefit the financial position of the College. Mr. Norris reported for Trustee Crist how HEERF funds can be used. Jackson College received a finding related to the use of HEERF funds to provide past due balance relief to students. Staff are waiting to receive the written finding from Rehmann. A corrective action plan will be provided, but the College does not plan to have a past due balance relief program in the future as it was a one time use of HEERF funds.

OTHER BOARD ITEMS

President Phelan thanked the Leadership Council (50% of the size it was pre-pandemic) and the Board of Trustees.

Trustee Lake noted that another group of owners will have been met with before the next Board meeting in November in order to share more ownership linkage feedback.

President Phelan asked if the Board would like to have a Christmas Wickwire celebration this year. All present Trustees voted yes to have that gathering.

Chairman Barnes asked if the Board would like to consider the campus footprint, consider possibly consolidating in light of the hybrid attendance. He asked staff to consider what might be needed rather than what Jackson College has and needs to maintain. Trustee Hoffman asked if administration could do an inventory of the current physical assets that could be spun off as excess. President Phelan noted that he has been already working on this and that it will be further discussed at the Leadership Council Retreat in November. He reported that considerations are being made for the Maher campus, the Adrian Campus, as well as a study is being undertaken on deferred maintenance as well.

Chairman Barnes asked if a potential schedule could be put together beyond the Chamber for the next year of meetings by Trustees Lake and Crist.

PLUS/DELTA

Trustee Hoffman shared that he enjoyed the many, but not long, reports that kept his interest. Trustee Lake enjoyed the reports to understand what is going on behind the scenes and what is rarely seen. Trustee Crist liked the reports from the individuals beneath the leadership. Trustee Barnes echoed 100% of what the fellow Trustees said. Trustee Patterson described appreciation for the programs centering around student success.

Trustee Lake described hoping to be in-person for future meetings. Chairman Barnes described hoping that policies will continue to be driven by the most up to date science.

TRUSTEE HOFFMAN MOVED TO ADJOURN. CHAIRMAN BARNES ADJOURNED THE MEETING AT 11:56AM.

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: November 8, 2021



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
5.0 Ownership Linkage 5.1 Public Comments (limit of 5 minutes per person)
Description:
<p>This item is placed on the agenda for any citizen to provide comments to the Board of Trustees. This agenda item represents the only period during the board meeting wherein persons may address the Board directly. Comments are limited to five (5) minutes, unless a significant number of people plan to speak, and, in that instance, the Chair may limit a person's comments to less than five (5) minutes.</p> <p>The Chairman may offer the following statement prior to persons offering comment:</p> <p><i>"When addressing the Board, speakers are asked be respectful and civil. Should speakers who wish to address the Board on matters of an individual, personnel or student nature, are requested to first present such matters to the appropriate College department, in advance of presenting them to the Board."</i></p> <p><i>Be advised that, as an on-going practice, the Board does not respond in this Board Meeting setting when the matter presented concerns personnel, student issues, or matters that are being addressed through the established grievance or legal processes, or otherwise are a subject of review by the Board of Trustees".</i></p>
Resource Impact:
None
Requested Board Action:
Receive comments from persons wishing to address the Board.
Action Taken:



<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
5.0 Ownership Linkage 5.2 Board Comments 5.2.1 Ownership Linkage Update and Schedule Review
Description:
<p>This item is placed on the agenda for both Vice-Chairman Crist and Trustee Lake to provide a review of their work to-date on their Ownership-Linkage, as well as to provide an overview of their meetings going forward.</p> <p>Please see the attachment.</p>
Resource Impact:
None
Requested Board Action:
Receive comments from colleague Trustees wishing to address the Board.
Action Taken:

JACKSON COLLEGE OWNERSHIP LINKAGE FOCUS GROUP

Friday, March 26, 2021

Jackson Chamber of Commerce

1. What do you see as challenges that the community might be facing in the next 5-10 years?

- Recruiting talent is a challenge, a lot of this being in the trades.
- Agreed and said another challenge is legislative leadership in our community.
- Agreed. Has positions that cannot fill right now. We need to focus on recruiting talent for the community.

2. Which, if any, of those challenges do you think Jackson College could play in a role in addressing?

- Jackson needs to a place where you want to live, work and play. It is a big collaboration and the college is one piece of this. The College needs to collaborate with community on how to build and keep talent here.
- How we can build internship and job shadow options? People don't think of non-profits.
- Being at the table where people are thinking that JC is on the list of one of the top places to go to help solve the problem. We need more exposure with businesses.

3. [Based on responses to Q2] What could you see as the purpose of Jackson College?

- We have to tell the story about partnering with businesses and mentors. Those who have went to JC and have gotten a career in Jackson – we need to tell these stories.
- Shared that is able to do job with experience and AA degree. Wants “kids” to know this and that they don't have to have a doctorate to do amazing things in the world. We should raise awareness.
- The positioning of JC has changed a lot from when was in high school. It was thought of as an economical decision and sit in a holding patten for two years. Now the narrative is that coming to JC will help set you up for the future. It feels more professional now. Views going to JC as a business decision.

Where do you get your information on the College?

- Part of the problem...when was younger it was like you were settling. Thinks this has changed, but doesn't know if we have told the story very well. We need to build the brand so folks are proud to have the college in the community.

- In the press, seeing a headline. Did read the quarterly newsletter that comes in the mail. If we are connected to other businesses with social media/connections then that would help.
- Would love to see the community wearing JC athletic gear. We should use this to build the connection.
- Would get exposed if more focus on athletics. Eoesn't think of the theater as the college – it feels separate.

4. What opportunities might there be for Jackson College to make or support positive changes in the community, in professions or trades, in businesses or industry?

- Collaboration and strategic planning meeting with the correct stakeholders. You need the right people in the room to know the issues and the avenues to make a difference.

5. Of the benefits, positive changes or roles you have been talking about, name one or two of those thoughts that you value the most.

- Collaborations. Without these, we will be back in this same space having the same conversations again. This is how we will make real change.
- This is what they are dealing with now working on their Diversity, Equity and Inclusion committee. They discovered they need to talk to the black community to get the answers on what they need. Encouraged us to lay this on the chamber, that is their role. Would love to talk more about how to collaborate and how can they help do this.
- On the story telling front, keeping the story around the student, they are the hero. The buildings are cool and great, but don't make the difference. Also hearing the parents is important as well.

JPEC Board Ownership Meeting June 8, 2020 Summary

Question #1: What is the purpose of JC? Why does JC exist?

- Jackson College is
 - First step into higher education
 - Affordable
 - Has a good Location
 - A community resource
 - Designed to offer a “fast” track to an education
 - Less expensive than four year institutions
 - Accessible to all people
- Jackson College’s purpose
 - Elevate the educational status within our tri-county area
 - College degree or technical certificate
 - JC can take the lead in to help raise the educational status in our tri-county area
 - Provides opportunity to our community at large
 - Low cost
 - Job preparedness
 - People who are educated and ready to go to work
 - To help our students to be able to communicate well with others, to be emotionally strong.
 - Good eye contact, social skills
 - Interpersonal skills
- Questions from the JPEC board members
 - What is the percentage of Jackson County residents that do not have a college degree or certificate? Does JC have this information?
 - How do we help make people ready for the world of work?
 - How does JC make sure that our students are ready for whatever career they are choosing?

Question #2: Are there any particular needs that you would like the college to address?

- A connector for people who do not know how to get on the right path to higher education
- Have a presence in the community
- A resource for first generation students
- We need to mirror our minority population
- African American Hispanic
- Serve our underserved
- Work on outreach
- Too many people are applying for jobs and do not know how to dress appropriately, cannot do basic math , and they are lacking in social skills
- There is a need to bring the county superintendents together with JC so that we are all working together to improve the K-12 education for our students.
- Help students see the service industry as a part of their career path

Question #3: What role should JC play in the community?

- Help our students develop a desire to return to Jackson to live after they go onto a four-year college.
- How do we help students who have grown up without the support and encouragement that many of us grew up with? Many children today are living with one parent or with grandparents. Education is not a part of their growing up. How do we help these students? They need strong mentors.
- How do we get the word out about what JC is doing? Is what you are doing the right way to do it?
- Bring businesses in to find out what their needs are, and what they would like to see from our students.
- Jackson is very blue collar, are we giving them what they need to keep people here in Jackson?

Question #4: What do value most at JC?

- We have great educational programs, so we are the shapers of Jackson's future.
- Access, anyone who wants a degree and further their education, or improve their remedial skills, can find that offered at JC.
- The extra benefit that they can bring to us is to try to be the leader in education with the K-12 schools to bring us all together to work together as a team.
- Try to reach out to the community, in all areas, not just those with kids, like the Easter Egg Hunt, and the Halloween event. Reach out to others without children, we need unity. On-line hinders socialization. They are losing their already hindered social skills

Question#5: What positive changes would you like to see Jackson College make in regards to this community, the professions and industry?

- Make it affordable
- JC goes the extra mile for its students
- We need to educate our community to love life with music and the arts. Having music programs that allow students to participate with great leaders in front of them, to be able to take the stage, or work behind the stage, whatever. It's teaching them that there is more to life than a job. Whether it's an art studio, a pottery class, or a music class, all of those things are valuable.

Ownership Linkage November 8, 2021

Below is a list of the groups we have identified to set up meetings within Jackson County. Do you have any suggestions for the people that we could use as a “go to person” to set up a meeting with any of these groups?

- Farmers:
- Vista Grand:
- City Council:
- County Government
- Teachers: Go school to school, speak to principals
- Technicians:
- Hospital Board:
- Chamber: We have a second meeting scheduled this month
- Churches: what churches?
 - Queens:
 - Lily Baptist:
- Nurses:
- Enterprise Group:
- Township Boards
 - Summit
 - Blackman
 - Liberty
- School Districts Boards and Student Government
 - JPS:
 - Northwest:
 - Jackson Catholic Schools:
 - Vandercook:
 - East Jackson:
- Big Brothers and Big Sisters:
- Rotary:
- Lions:
- Kiwanis:
- United Way, and groups funded by the United Way:
- First Responders
 - Police:
 - Sherif:
 - Fire:
- Jackson Young Professionals:
- Ella Sharp Museum Board:

The following are the questions that we will bring to the groups as we meet with them.

- What do you see as the purpose of Jackson College? Why does it exist?
- What do you believe will be the most significant challenges facing our community in the next 5-10 years?
 - Which of those challenges do you think Jackson College could address? How?
- What opportunities could there be for Jackson College to make or support positive changes in the community, in professions or trades, in business or industry?
 - Of the benefits/positive changes you have identified which one or two do you value most?

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
6.0 Monitoring Board Performance
Description:
No items for consideration for this month.
Resource Impact:
None
Requested Board Action:
N/A
Action Taken:



BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: November 8, 2021

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
7.0 Items for Decision 7.1 Governance Process Items 7.1.1 Monitoring Report Schedule
Included in this section is the the Board's revised schedule for policy review, as defined within GP-03 Board Planning Cycle and Agenda Control.
Resource Impact:
None
Requested Board Action:
None required
Action Taken:



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 01 Treatment of Students	10.12.20	Yes	n/a	n/a	n/a	n/a	
EL – 04 Financial Conditions & Activities	11.9.20	Partial	Item 6. Allow tax payments or other government ordered payments or reports to be overdue or inaccurately filed.	120 days		We received word from the state on 1/7/21 that they will be refunding us for our fine.	
EL – 08 Communication & Support to the Board	11.9.20	Yes	n/a	n/a	n/a	n/a	



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 09 Organization Culture	1.11.21	Partial	<p>Item 1. Operate without an enforced internal Code of Conduct, of which all employees are made aware, that clearly outlines the rules of expected behavior for employees.</p> <p>Item 3. Cause or allow research involving either human subjects or animals that does not adhere to generally accepted ethical principles and policy.</p> <p>Item 3.1. Permit potential researchers to be without readily available guidelines for ethical research and assistance in identifying and solving ethical problems.</p> <p>Items 3.2. Permit research that has not been subject to independent ethical review.</p>	90 days		n/a	



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 07 Compensation and Benefits	1.11.21	Yes	n/a	n/a	n/a	n/a	
EL – 10 Access to Education	2.1.21	Yes	n/a	n/a	n/a	n/a	
EL – 13 Entrepreneurial Activity	3.8.21	Yes	n/a	n/a	n/a	n/a	
EL – 12 Land Use	4.12.21	Partial	Item 1: Allow the College to be without a long-term land use plan for future development that will avoid infrastructure redundancy and redevelopment costs.	Infrastructure plan anticipated completion date by the end of 2021. Master plan anticipated to begin in FY -23.	n/a	n/a	
EL – 06 Investments	5.10.21	Yes	n/a	n/a	n/a	n/a	
EL – 03 Executive Limitations Monitoring Report	9.13.21	Yes	n/a	n/a	n/a	n/a	



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 05 Asset Protection	10.11.21	Partial	<p>Item 2: Interpretation needed.</p> <p>Item 5.1: Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.</p> <p>Item 7.2: Make any purchase of over \$100,000 without having obtained comparative prices and quality from at least three competitive bids. Orders shall not be split to avoid these criteria.</p> <p>Item 7.3: Make any purchase without a stringent method of assuring the: 1) long-term quality 2) cost; 3) Without consideration of the financial support provided to the College by a bidder, and 4) Local vendor preference.</p>	Unavailable data to be provided at a later board meeting.	Item 2 interpretation provided 11.8.21.	Just waiting to get systems in place. As in the past, once these systems are established, CEO will follow-up with the board with a complete compliance report.	



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 05 Asset Protection (continued)			<p>Item 7.4: Allow minority, women and veteran vendors to be without information critical to their receiving equitable consideration in competitive bidding,</p> <p>Item 8: Cause or allow buildings and equipment to be subjected to improper wear and tear or insufficient maintenance.</p> <p>Item 10.1: 1 Allow non-adherence to guidelines required for required institutional and desired supplemental program accreditations.</p> <p>Item 10.3: Publicly position the College in support of, or opposition to, any political party or candidate for public office.</p>				



President/CEO Monitoring Report Compliance

Jackson College

Policy	Date Monitoring Report Presented	Presented as Compliant? Yes/No Partial	Deficient Items?	Expected Date for Full Compliance	Date Deficiencies corrected	Extenuating Circumstances	Board's Formal Judgement
EL – 05 Asset Protection <i>(continued)</i>			Item 10.4: Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.				
E – 01 Board Ends	11.8.21	Partial	Item 1: Students complete degrees and obtain industry recognized credentials of value in the workplace.	Unavailable data to be provided at a later board meeting.		There is no data for three-, four-, five- and six-year success ratings for this monitoring period.	

ANNUAL PLANNING CYCLE: (STARTUP - YEAR 1: 09.20 – 06.22) (YEAR 2: 07.22 – 06.23) (YEAR 3: 07.23 – 06.24)							
Month	Planned Linkage with Owners	Board Education	Ends Decisions	Governance Process & Board-President Delegation Decisions	Executive Limitations Decisions	Board Self-Evaluation (BSE)**	Monitoring Presidential Performance
July	No Board Meeting	MCCA Summer Institute					
August				<u>REVIEW</u> – Board bylaws			<u>Monitor E01 Ends (JEREMY/LEE)</u>
September				<u>Y1</u> <u>CR BMD-03</u> Delegation to President <u>Y2</u> <u>CR BMD-04</u> Monitoring President Performance (y2) <u>Y3</u> <u>CR GP-07</u> Board Committee Principles <u>Review</u> President's Contract	RAA – State Required Best Practices	<u>Y1</u> <u>BSE BMD-03</u> Delegation to President <u>Y2</u> <u>BSE BMD-04</u> Monitoring President Performance <u>Y3</u> <u>CR GP-07</u> Board Committee Principles	<u>Monitor EL-0</u> <u>General Executive Constraint (CINDY)</u> <u>Monitor EL02</u> <u>Treatment of Staff (CINDY)</u>
October				<u>Y1</u> <u>CR BMD-01</u> Unity of Control <u>Y2</u> <u>CR GP-04</u> Role of Vice Chair <u>Y3</u> <u>CR GP-08</u> Board and Committee Expenses		<u>Y1</u> <u>BSE BMD-01</u> Unity of Control <u>Y2</u> <u>BSE GP-04</u> Role of Vice Chair <u>Y3</u> <u>BSE GP-08</u> Board and Committee Expenses	<u>Monitor EL01</u> <u>Treatment of Students (CINDY/JEREMY)</u>
November		Participation at Association of Community College Trustees		Audit Report <u>INFO</u> CEO, CFO Audit Certifications	RAA – Budget Adjustments		<u>Monitor EL04</u> <u>Financial Conditions & Activities (DARRELL)</u> <u>Monitor EL08</u> <u>Communication</u>

Jackson College Board of Trustees Meeting - Items for Decision

							& Support to the Board (CINDY)
December	No Board Meeting						
January				<p>Officer elections (2021)</p> <p>Y1 <u>CR GP07.1</u> Audit Committee Terms of Reference</p> <p>Y2 <u>CR GP-13</u> Special Rules of Order</p> <p>Y3 <u>CR BMD-O2</u> Accountability of the President</p> <p><u>DECISION</u>: Spring planning session date</p> <p><u>DECISION</u>: Distinguished Service Awards</p>		<p>Y1 <u>BSE GP07.1</u> Audit Committee Terms of Reference</p> <p>Y2 <u>BSE GP-13</u> Special Rules of Order</p> <p>Y3 <u>CR BMD-O2</u> Accountability of the President</p>	<p><u>Monitor EL09</u> Organization Culture (CINDY)</p> <p><u>Monitor EL07</u> Compensation & Benefits (CINDY)</p>
February				<p>Y1 <u>CR GP-14</u> Handling Operational Complaints</p> <p>Y2 <u>CR GP-15</u> Handling Alleged Policy Violations</p> <p>Y3 <u>CR GP-11</u> Linkage with Ownership</p> <p>Y3 <u>CR GP-07.2</u> Ownership Linkage Committee ToR</p> <p><u>DECISION</u>: Select presenters for commencement</p> <p><u>DECISION</u>: Distinguished Service Awards</p> <p><u>DECISION</u>: Select Crockett Award recipient</p>		<p>Y1 <u>BSE GP-14</u> Handling Operational Complaints</p> <p>Y2 <u>BSE GP-15</u> Handling Alleged Policy Violations</p> <p>Y3 <u>BSE GP-11</u> Linkage with Ownership</p> <p>Y3 <u>CR GP-07.2</u> Ownership Linkage Committee ToR</p>	<p><u>Monitor EL10</u> Access to Education (JEREMY)</p>
March				<p>Y1 <u>CR GP-01</u> Governing Style</p> <p>Y2 <u>CR BMD-06</u> President Compensation</p> <p>Y3 <u>CR2 GP-00</u> Governance Commitment</p>		<p>Y1 <u>BSE GP-01</u> Governing Style</p> <p>Y2 <u>BSE BMD-06</u> President Compensation</p> <p>Y3 <u>BSE GP-00</u> Governance Commitment</p>	<p><u>Monitor EL11</u> Ends Focus of Grants or Contracts (CINDY/DARRELL)</p> <p><u>Monitor EL13</u> Entrepreneurial Activity (CINDY)</p>

April				<p>INFO Q3 Treasurer's Report?</p> <p>Y1 <u>CR GP-02</u> Board Job Contributions</p> <p>Y1 <u>CR GP-04</u> Role of Board Chair</p> <p>Y2 <u>CR GP-10</u> Investment in Governance</p> <p>Y3 <u>CR BMD-00</u> Global Board Management Delegation</p>		<p>Y1 <u>BSE GP-02</u> Board Job Contributions</p> <p>Y1 <u>BSE GP-04</u> Role of Board Chair</p> <p>Y2 <u>BSE GP-10</u> Investment in Governance</p> <p>Y3 <u>CR BMD-00</u> Global Board Management Delegation</p>	<p><u>Monitor EL-12</u> <u>Land Use</u> <u>(Darrell)</u></p>
May				<p>Y1 <u>CR BMD-05</u> President Succession</p> <p>Y2 <u>CR GP-03</u> Board Planning Cycle & Agenda Control</p> <p>Y3 <u>CR GP-12</u> Board Linkage with Other Organizations</p> <p><u>INFO</u> – State Accountability Report (ACS)</p>		<p>Y1 <u>CR BMD-05</u> President Succession</p> <p>Y2 <u>BSE GP-03</u> Board Planning Cycle & Agenda Control</p> <p>Y3 <u>BSE GP-12</u> Board Linkage with Other Organizations</p>	<p><u>Monitor EL-05</u> <u>Asset Protection</u> <u>(DARRELL)</u></p> <p><u>Monitor EL-06</u> <u>Investment</u> <u>(DARRELL)</u></p>
June				<p>Y1 Y2 Y3 <u>CR GP-10</u> Board Code of Conduct</p> <p><u>DECISION</u>: Select Representatives to MCCA Board of Directors</p> <p><u>DECISION</u>: Fall planning session date</p> <p><u>INFO</u> Administrative Personnel Practices Manual/Compensation</p>	<p><u>RAA</u> Budget Approval</p>	<p>Y1 Y2 Y3 <u>BSE GP-9</u> Board Code of Conduct</p>	<p><u>Monitor EL-03</u> <u>Planning</u> <u>(DARRELL)</u></p>

Date Of Change	Version	Description of Change	Responsible Party
06.08.20	1.0	First release following Policy Governance consulting work.	Chief of Staff
11.08.21	2.0	Modifications to Schedule	President & CEO



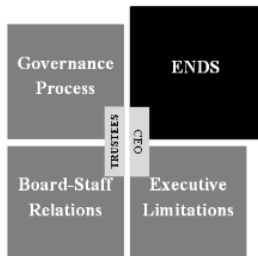
BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: November 8, 2021

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
7.0 Items for Decision 7.1 Governance Process 7.1.2. E-01 Board Ends
Included in this pack, on the subsequent page, are my interpretations of policy E-01 Board Ends and its various components. This is the Board's occasion to affirm those interpretations, or to recommend policy change so as to yield the interpretation with which the board is in agreement.
Resource Impact:
None
Requested Board Action:
Action Taken:



Policy Governance Domains



BOARD OF TRUSTEES POLICY

Policy Type: Ends

Policy Title: Board Ends

Policy Number: E-01

Date Adopted: 8/12/19

Version: 1.0

Date Last Reviewed: 8/12/19

Office Responsible: President's

Reviewing Committee: Board of Trustees

Jackson College exists so that:

Residents of Jackson County and non-chartered Counties have learning opportunities that prepare them to be successful global citizens and contribute to community vitality at a cost that demonstrates wise and sustainable stewardship of resources.

INTERPRETATION:

I have interpreted "learning opportunities that prepare them to be successful global citizens and contribute to community vitality" in the lower levels policy below. Achievement of these, along with the following, will constitute achievement of the Board's Ends policies.

I am interpreting the phrase "wise and sustainable stewardship of resources" to be the continuing low cost of quality education in comparison to State and private four-year institutions, as well as my continued efforts to ensure that our tuition rate does not exceed 50% of the average tuition cost of the most often enrolled regional universities.

Compliance will be demonstrated when:

- a) Cost of achieving a four-year degree offset by two years of Jackson College experience is less than achieving same/similar degree at the four-year State or private institution

EVIDENCE:

1. An increasing number of students complete degrees and obtain industry recognized credentials of value in the workplace.

(Eliminating an increasing number)

INTERPRETATION:

I have interpreted “student’s complete degrees and obtain industry recognized credentials of value in the workplace” in 1.1. Achievement of this along with the following will demonstrate achievement of this End:

- a) The percentage of students who successfully complete degrees in a 2-year period.
- b) Three, four, five, and six-year success ratings of students who complete degrees in 2 years

This is reasonable because it shows how quickly students are able to complete a credential from Jackson College, as well as the percentage that are able to complete the program in the intended two years which helps them realize the benefit of lower cost of education in a community college.

EVIDENCE:

1.1. Graduates have the credentials that lead to employment that provides family-sustainable wages.

INTERPRETATION:

All career related credentials are submitted to the Department of Education and are evaluated to see if they qualify by Gainful Employment Standards. Gainful Employment standards demonstrate alignment with current job market demand that provide a family sustainable wage.

Achievement of this End will be demonstrated when:

In a survey of alumni with a response rate of 20%, 80% of alumni who respond state that they are satisfied or very satisfied with their quality of instruction and their relevance of instruction to their current industry

Survey of alumni after the fact is a reasonable measure and validates the market demand and wage-earning potential. Return rate of 20% is reasonable because historically community colleges have lower response rate to these surveys, which is a reasonable standard for the College’s Institutional Research and Effectiveness (IRE) department.

EVIDENCE:

2. Students seeking to transfer to baccalaureate granting institutions have the requisite qualifications, skills and abilities for success at those institutions.

INTERPRETATION:

I have partially interpreted this policy in policy item 2.1 below. Achievement of that policy, along with the following shall constitute achievement of this End.

Articulation agreements confirm that all transfer academic programs are aligned with four-year baccalaureate programs. Jackson College currently has 45 agreements with 12 different baccalaureate granting institutions.

This is a reasonable measure because articulation agreements spell out the required qualifications and skills. All programs need to be aligned in order to be classified as a transfer program.

EVIDENCE:

2.1. Current and prospective students have accurate information about transfer agreements and opportunities.

INTERPRETATION:

Transfer-related materials are updated frequently throughout the academic year to ensure students have access to accurate transfer information to assist them with making informed educational decisions.

Articulation agreements and transfer-related materials specific to program areas are reviewed and approved by the appropriate academic department, dean, faculty, and Registrar before publishing to the academic catalog and website. The process is consistently followed for any articulation agreements at the time of review for renewal.

Achievement of this End will be demonstrated when:

- a) Transfer Liaison confirms the accuracy of information that is published on the website
- b) Transfer Liaison confirms that all transfer information is evaluated by academic department, academic dean, registrar prior to publishing in catalogue and on web.

This is reasonable because the Transfer Liaison is responsible for all transfer relationships and agreements and the Academic Dean and the Registrar have most current information on programs.

EVIDENCE:

3. Diverse populations of students experience learning and academic success responsive to their unique whole student needs.

INTERPRETATION:

I have fully interpreted “learning and academic success responsive to their unique whole student needs” in policy items #3.1 to #3.3 below. Achievement of the lower level policies will constitute achievement of this End.

EVIDENCE:

3.1. Educational opportunities exist for those that might not otherwise have them.

INTERPRETATION:

Students that might not otherwise have educational opportunities are defined as first generation, students of diverse background, PELL-eligible student

Achievement of this End will be demonstrated when:

- a) College tuition is lower than comparable four year private or state College
- b) Financial aid that lowers price and create additional resources for success is available to any eligible student
- c) Students have access to multiple modalities of delivery, i.e., online, face to face, hybrid, that fits their unique life
- d) Student housing is available to students from other areas to live on campus that enables them to complete programs
- e) Student-parents have housing and are supported with employment services, academic tutoring, part-time campus employment, and student success mentoring.

This is reasonable because it addresses the primary barriers that educators understand are the primary barriers to access to education (i.e., financial and housing, lack of accommodation for life context).

EVIDENCE:

3.2. Students have access to learning and academic support consistent with current technology and research.

INTERPRETATION:

“Current” is defined as meeting the requirements of the academic or professional field of study and student’s academic program. (Note: Faculty are the expert reference for what is required.)

Faculty annually identify equipment or classroom needs, inclusive of technology and academic requirements. This is supported by institutional and Perkins funding.

Achievement of this End will be demonstrated when the annual budget meets the requirements for equipment and classroom identified by faculty and also incorporates identified industry needs. (Note: Industry needs are identified through advisory board, as required by Perkins).

EVIDENCE:

3.3. Students have ancillary support that meet their unique needs.

INTERPRETATION:

Success requires a holistic approach. Students have ancillary support that includes academic and holistic approaches. Elements are based on what research indicates is required to support academic results at the college level.

- a) Students have access to in-person and online tutoring, a writing lab, math lab, and supplemental instruction (SI) support on the academic side of education.
- b) Students have access to, and utilize the health clinic, mental health clinic (i.e., Oasis Center), dental clinic, and food pantry referrals. Whole student health and nutrition directly impacts students’ ability to succeed academically.

EVIDENCE:

4. Students develop life and workplace skills.

INTERPRETATION:

I have fully interpreted life and workplace skills in policy items 4.1 and 4.2 below. Achievement of these policies constitutes achievement of this policy.

EVIDENCE:

4.1. Students experience significant gains in their critical thinking, problem solving and written communication skills.

INTERPRETATION:

Development of critical thinking, problem solving and written communication skills are embedded in all academic programming, as well as, institutional academic outcomes. Outcomes are documented and reviewed by the assessment committee. The assessment committee comprising faculty and administrators collaborated and developed rubrics of general education outcomes and essential competencies. Analysis occurs and changes are reported annually at the core level and every seven years at the contextual level. The assessment committee along with lead faculty review the samples provided and provide written feedback to the lead faculty.

The achievement of this End is validated when:

- a) Rubrics developed by the faculty (and third party) identify the development of these three skills are approved the assessment committee.
- b) Program review done every five years when goals, success data and analysis related to these three skills are shared with the Academic Council and approved by Deans.

EVIDENCE:

4.2. Students have opportunities to develop leadership skills.

INTERPRETATION:

Achievement of this End will be demonstrated when:

- a) Development of leadership skills is part of academic programming educational outcomes
- b) Students have opportunities to develop leadership skills outside the academic program in student government, student organizations, and athletics. Leadership skills include time management, accountability, communication, ownership, prioritization, problem solving, motivation, resilience, and building relationships. This is a reasonable measure as it is generally accepted among Community College administrators that student government, student organizations and athletics opportunities contribute significantly to development of leadership.

EVIDENCE:

5. Economic and social well-being of the region is enhanced.

INTERPRETATION:

I have fully interpreted economic well-being in policy items #5.1 and #5.2 below. Achievement of these lower level Ends will constitute achievement of Ends policy #5.

EVIDENCE:

5.1. Employers have properly qualified people available to meet their needs.

INTERPRETATION:

Perkins funding requires that each Career and Technical Education (CTE) program identifies and maintains an advisory committee. Advisory committees are required to meet, in-person or virtually, not less than twice per year to review program and curriculum outcomes to assure programs meet employers' needs, and provide guidance and insight as to new and emerging trends in workforce needs. Perkins funding requires that Advisory committees are made up of professionals in the fields and all meeting notes are recorded.

Committee membership and meeting minutes are collected and retained on an annual basis. Recommended membership includes representatives from business, industry and healthcare, as well as program graduates and current students,

including special populations. Information provided by advisory committees regarding employer needs is validated by the Comprehensive Local Needs Assessment, a Perkins V required bi-annual survey of the local labor market and Jackson College's alignment with local in-demand industry sectors or occupations. Achievement of this End would be demonstrated by continuing or renewal of Perkins funding.

EVIDENCE:

5.2. Employers have avenues for employee training.

INTERPRETATION:

I have interpreted this item to require a review of, and related data, supporting the College's work regarding workforce training. Relatedly, I wish to ensure that the College's Department of Corporate and Continuing Education (CCE) and Allied Health and Advanced Manufacturing faculty have been working closely with area employers to assess and identify current industry-recognized credentials (IRC) that are in-demand, short-term, and lead to sustainable wages. Further, I interpret the policy to also regularly engage in the vetting of identified programs in demand, and to include in this vetting Michigan Works! Southeast (MWSE) in order to align access to Workforce Investment and Opportunity Act (WIOA) funding and wrap-around supportive services.

Additionally, our IRC certification programs should easily graft into the College's degree certificates. The intentional design of these programs will incorporate WIOA program eligibility of being able to be completed in 12-months or less and concluding with an industry-recognized credential, while also being Federal Financial Aid eligible as a 16-credit or more credit certificate program.

Achievement of this End will be demonstrated when

- a) The College offers credit and noncredit opportunities through Corporate & Continuing Education (CCE) based on employers' requests/needs for industry-recognized credentials.
- b) The College facilitates funding for the employee training with the Michigan New Jobs Training Program (MNJTP).

This is reasonable because it provides employers with the types of training that they need to gain in demand credentials.

EVIDENCE:

5.3. The region has enhanced capacity for entrepreneurial innovation.

INTERPRETATION:

I am interpreting enhanced capacity for entrepreneurial innovation as business owners and potential business developers in the region have opportunities to acquire the necessary theory, practices and applications for starting and sustaining a business.

Compliance will be demonstrated when:

- a) The College offers credit and non-credit small business development and entrepreneurship courses and workshops.
- b) Learning objective and outcomes for business curriculum includes becoming equipped with business analytical skills and tools to enable students with the necessary abilities to start their own business, complete a market plan from an entrepreneurial perspective, and how to financially sustain their business
- c) At least 80% of Business students participating in the rigorous business curriculum who participate in Student Feedback Surveys confirm instructors are (i) concerned for their education (ii) persistently involved in their course activities during the term; . (iii) genuinely concerned about their educational success; and that (iv) they enjoy the project-based and case study classroom atmosphere and (vi) feel prepared for the entrepreneurial workforce environment.

This is reasonable because individuals are more likely be successful if they are equipped with basic foundational tools.

EVIDENCE:

5.4. The region has accessible resources that support civic engagement, community health and well-being, and reduced crime.

INTERPRETATION:

Achievement of this End will be demonstrated when:

- a) Campus events support civic engagement in local, state, and national government.
- b) Health clinic, dental clinic, counselling centre is accessible to, and affordable for students and community.
The College offers a correction education program CEP in the correction facilities within its service area.

The Corrections Education Program is a partnership between Jackson College and the Michigan Department of Corrections. Jackson College is approved by the Department of Education to offer educational programming inside the correctional facilities and allow eligible students to use Federal Financial Aid towards the cost of the tuition. Jackson College has partnered with 8 different institutions within the state of Michigan. As the largest provider of corrections education in the State of Michigan, Jackson College has graduated over 400 students through the Corrections Education Program

Achievement of this End will also be demonstrated when:

- c) Students can pursue an Associate of Arts, Associate of General Studies, and/or Associate of Science degree which will allow them to transfer out to a 4-year baccalaureate institution upon release.
- d) Students can also pursue an Associate of Applied Science in Business Administration, or a Business Management Certificate which will allow the students to pursue employment upon their release
- e) Students are assigned a Student Success Navigator that will work with them as they navigate through the admissions, financial aid, and registration process. Correction Education students are provided with the same student supports as traditional college students on the Jackson College campus.

This is reasonable because research has shown that education contributes to reduced recidivism.

EVIDENCE:

6. Residents have accessible resources to improve their quality of life.

INTERPRETATION:

I have fully interpreted resources to improve quality of life in policy items #6.1 and #6.2. Achievement of these lower-level Ends will constitute achievement of this Ends policy.

EVIDENCE:

6.1. Lifelong learning opportunities are available to residents.

INTERPRETATION:

Achievement of this Ends will be demonstrated when:

- a) Residents of Jackson, Lenawee, Hillsdale and surrounding communities have non-credit and credit opportunities.
- b) Non-credit courses are set at a lower cost to encourage lifelong learning among residents who might not otherwise take courses
- c) Residents have access to the College library.

EVIDENCE:

6.2. Residents have resources for social, cultural, arts and wellness experiences.

INTERPRETATION:

Achievement of this End will be demonstrated when:

- a) The College offers cultural and arts programming at the Potter Centre for Performing Arts building which is accessible to community residents.
- b) Residents can enroll in non-credit courses for arts and wellness
- c) There is access to the gym through enrollment in non-credit courses for arts and wellness as well as fitness-related courses, e.g., walking

This is reasonable because it utilizes the resources of the College to make a range of experiences available to the community.

EVIDENCE:

Date Of Change	Version	Description of Change	Responsible Party
11.11.19	1.0	First release of new Ends policy following Policy Governance consulting work.	Chief of Staff

DRAFT

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
8.0 Consent/Required Approvals Agenda
<p>From time to time we are required to obtain Board approvals that are inconsistent with Policy Governance practice. We recognize these few instances in this agenda item.</p> <p>Community Colleges Local Strategic Value Resolution</p>
Resource Impact:
None
Requested Board Action:
None required at this time.
Action Taken:



Jackson College Best Practices Resolution

Community Colleges Local Strategic Values

Michigan public Act 165 of 2021, originates from an omnibus public education bill passed by the Michigan Legislature that includes appropriations of \$13,256,600 for Jackson College (JC). Among the components of the appropriations for all Michigan community colleges is performance funding based on “local strategic value,” which is defined in terms of three categories as shown below. Each category covers five standards of local strategic value, called “best practices”. The law requires the Jackson College Board of Trustees to pass a resolution certifying that the College meets at least four out of five of the best practice standards under each of the three categories.

Jackson College not only meets, but exceeds the best practice standards required by State appropriations, as the following table demonstrates.

Best Practices by Category	Examples of Adherence
Category A: Economic Development and Business or Industry Partnerships (must meet 4 of 5)	
(i) The community college has active partnerships with local employers including hospitals and health care providers.	<p>Jackson College has several partnerships with Henry Ford Allegiance, the area’s regional community hospital, as well as other health care providers. The Henry Ford Allegiance System supports on-campus health services; provides clinical sites for our nursing and allied health students; and Jackson College staff participate in community collaborative and governance efforts of the health system.</p> <p>Additionally, Jackson College has created an on-campus Health Clinic in partnership with Henry Ford Allegiance. It is used both as a clinical site for our allied health students, as well as a medical clinic for students, employees and their families. The College has a partnership with Family Service and Children’s Aid, a health care organization with Community/Behavioral Health as their primary medical specialization, to provide a wide range of behavioral health services on campus to students and employees in the College-created <i>Oasis Center</i>.</p> <p>Jackson College continues to partner with other local employers and training partners to develop new curricula, training programs, and seek external funding in support of shared initiatives. For example,</p>

Best Practices by Category	Examples of Adherence
	<p>numerous local dentists worked with the College to create a new dental hygiene program and a Dental Hygiene Lab which opened for classes last year. Furthermore, our community is served by our program's Dental Hygiene Clinic, which opened in January 2020. It provides students, employees, as well as citizens of the area the opportunity to have highly discounted teeth cleaning and oral hygienic services.</p> <p>The Dental program graduated the first cohort, June 2020. All of the nine graduates earned employment and passed the licensures exams, earning the licensed dental hygienist credential (RDH)</p> <p>The College is also engaged with many companies that are new to the area, or are expanding, through the Michigan New Jobs Training Program (MNJTP). A sampling of employers being served through various MNJTP training initiatives includes Lifeways CMH, Technique Inc., Brembo North America, PlaneWave Instruments, ACME Graphics, LLC., Commonwealth Associates, Inc., and CF Federal Credit Union.</p> <p>Jackson College is a partner in the Jackson Area College and Career Connection Early/Middle College along with the Jackson County Intermediate School District and the Jackson Area Career Center. The College is also an active collaborator with the Enterprise Group, Inc. (the local economic development organization), Jackson Area Manufacturers Association (JAMA), and several local manufacturers including Miller Tool & Die, Orbitform, Industrial Steel Treating, LeMatic, Petty Machine, Diversified Precision Products, Northwest Tool, Alro Steel, and Lomar.</p> <p>The past two years, the college has collaborated closely with Consumers Energy to ensure our Energy Systems program is in full alignment with their workforce needs.. Also the college has begun working</p>

Best Practices by Category	Examples of Adherence
	<p>with Consumers Energy to develop and deliver a statewide pre-apprentice Line Worker program. Furthermore, all our students in occupational programs require a robust work-based learning experience. The Work-Based Learning Program at Jackson College is an academic program where students earn academic credit and learn to apply classroom skills while establishing professional contacts with employers on the job. These opportunities are offered through collaboration with local business, industry and governmental organizations. This program has strengthened our relations and collaborations with local employers.</p>
(ii) The community college provides customized on-site training for area companies, employees, or both.	<p>On-site and customized training is available to local companies through Jackson College's Corporate and Continuing Education (CCE) office. CCE provides an ongoing catalog of trainings for various occupations including Supervisory, Microsoft Office, Information technology, Manufacturing and Professional Continuing Education and Pre-Licensure trainings. Additionally, customized training services assist employers with developing curriculum, Train the Trainer (T3), and highly customized training outlines to assist the employer with their workforce needs. The College is also been very active in the use of the Michigan New Jobs Training Program (MNJTP), providing diverted tax funding to assist with new worker training and development. Within the college's service area, this results in about \$1 million dollars in new MCJTP training agreements to assist area employers each year.</p>
(iii) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.	<p>Jackson College's Business program offers a certificate, and Associate Degree in Entrepreneurship. This college credit credential provides for introduction to business plan development and prepares students to analyze market potential and devise strategies to creatively meet the needs of clients and communities. The lead faculty for the entrepreneurship program is an active</p>

Best Practices by Category	Examples of Adherence
	<p>member and supporter of the Jackson Inventors Network and the College routinely operates as the host for their monthly meetings. The College recently hired an additional full-time faculty member to support and strengthen our entrepreneurship offerings and services. We have plans to offer targeted seminars and workshops to assist small business owners in the area to aid in the successful operations of their respective businesses. The College also works in partnership with Spring Arbor University, and our local economic development units, in advancing small business development. We are a supporter of Lean RocketLab, a business incubator in downtown Jackson, and share a reserved space there with our Small Business Development Center colleagues. Our lead faculty member serves on its advisory team. In addition, the Business department has added an associate degree in Sports Management focused on the business of sports from ticket sales and event management to sports agents, and certificates in Esport Management and Esport Game Design to meet the growing demands of the Esport industry from marketing and promotion to coaching.</p>
<p>(iv) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.</p>	<p>Jackson College works closely with employer partners to seek external funding collaboratively to increase advanced technology instruction at the College as informed by those in industry. Partnership with Wacker Chemical Corporation in chemical process technology curricula and with several employer members of the Lenawee ISD Advanced Manufacturing Advisory Board in robotics/automation curricula are examples.</p> <p>Jackson College has redesigned and launched new credit-bearing offerings in Advanced Manufacturing Technology which includes open lab and flexible completion options. In addition, Jackson College has partnered with the Jackson Area Manufacturers Association (JAMA), the Enterprise Group, the</p>

Best Practices by Category	Examples of Adherence
	<p>Jackson Area Career Center, and the Jackson County Intermediate School District creating a manufacturing-focused education program known as the Jackson Area College and Career Connection Early/Middle College (JAC³E/MC). Beginning with the students' junior year, participants will simultaneously earn their high school diploma, college credit, and a technical/career credential within three years, with no out-of-pocket tuition costs for the student or the family. It includes company internships and partnerships with area employers. JAC3 has demonstrated significant promise since it's inception in 2017. To date, 38 participants have completed the program with another 13 currently enrolled. Of these total participants, 40 are employed with a variety of the 42 sponsoring companies.</p>
<p>(v) The community college has active partnerships with local or regional workforce and economic development agencies.</p>	<p>Jackson College has strong partnerships with the Jackson Chamber of Commerce (member), Michigan Works South East (MWSE)! the Jackson Area Manufacturer's Association (Articulation agreement for the Academy of Manufacturing Careers), as well as the three primary economic development agencies in the region: The Enterprise Group, Hillsdale Economic Development Partnership, and Lenawee Economic Development Corporation. The colleges Vice President of Instruction and Student services, currently serves on the MWSE! Workforce Development Board. The Jackson College President served as the Chairman of the Enterprise Group Board of Directors, and also served as a board member on the Lenawee Economic Development Corporation Board, and previously served on the SCMW! Board. Additionally, other College employees have served on the boards of the aforementioned organizations. Examples include joint delivery of programs including the Jackson Area College and Career Connection Early/Middle College, assistance in business recruitment, and company training. The College also represents the educational sector for the</p>

Best Practices by Category	Examples of Adherence
	<p>Region 2 Planning Commission's Comprehensive Economic Development Strategy collaborative. In Hillsdale, JC has employee representation on the Economic Development Council. A focus on economic development in the region also is featured in our College's mission documents as a priority for the institution.</p>
Category B: Educational Partnerships (must meet 4 of 5)	
<p>(i) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, concurrent enrollment, direct credit, middle college, or academy programs.</p>	<p>Jackson College has articulation agreements with many area high schools and the Intermediate School Districts in the Tri-County area and beyond. In partnership with the Lenawee Intermediate School District (LISD) Jackson College has established a Middle College. In partnership with the Jackson County Intermediate School District (JCISD) and all Jackson County high schools, JC established the Jackson Area College and Career Connection Early/Middle College. Jackson College also teaches college classes at the JC @ LISD TECH and the LISD sites. Jackson College also partners in the delivery and management of a Middle College on the JC @ LISD TECH site. The College also created a public school academy in 2014, known as the Jackson Preparatory & Early College (JPEC) located on the College's Central Campus, now in its fifth year of operation. There are 102 students currently enrolled at JPEC that are participating in college course work. It is a year-round school and has CEB programming for students grades 6-13 providing a high school diploma and an Associate's Degree at the end of year 13, at no cost to the student or the student's family. As of Fall 2017, Jackson College is offering a county-wide early/middle college program in Hillsdale County, in partnership with all Hillsdale County Superintendents, The Hillsdale County EMC has graduated 18 students, with 848 attempted credits, 817 credits earned, with a 96% successful completion rate and 3.39 college GPA. Currently 73 students are enrolled in this program. Also as of Fall 2018, the</p>

Best Practices by Category	Examples of Adherence
	<p>College partnered with the county high schools to offer a county wide Early College, Jackson County Early College (JCEC) which provides students a pathway to begin their college degree as early as ninth grade and earn an associates by the end of year 13, on the Central Campus. Currently 341 students are enrolled in this program. There are an additional 60 students in the application pipeline of this program.</p> <p>The College also serves all area public schools by making dual credit options available to all high school students. Currently 480 high school students in the tri-county area are participating in dual enrollment with the college.</p> <p>Through all collaborations with local tri-county high schools Jackson College is serving over 1050 high school students.</p> <p>Since January 2020, the CTE division of the College has been working diligently with JAMA, JACC, Northwest Schools, and LISD to align curriculum and instructional equipment to implement new technologies in manufacturing. Driving the alignment are common industry-recognized credentials, such as SACA, MSSC, AWS, SENS and others. A comprehensive strategic plan has been submitted to the Leadership Council as a result of this collaborative work.</p>
(ii) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or science Olympiad.	<p>Jackson College hosts onsite College visits and tours; participates in MCAN's College Application Week, and hosts College Goal Sunday in partnership with other local Institutions of Higher Education (IHEs). Jackson College recruiters make visits to every school district in the tri-county region multiple times throughout the year. Jackson College was the leader on a Reading Summit with Vandercook High School. The College hosts educational theatrical programs for elementary students that provide valuable lessons on</p>

Best Practices by Category	Examples of Adherence
	<p>a wide range of topics such as diversity, bullying and teamwork The College also hosts a number of academic and athletic campus during the summer months. The College has continued their partnership with the Jackson County Career and College Access Center to host tours for all Jackson County juniors, providing them with information about pursuing a post-secondary credential. We hosted over 130 local secondary students for MFG Day last year (2019). Furthermore, Jackson College participated in Careers in Energy Week this year by hosting an open house in October 2019. Consumers Energy will have representatives from different job families to discuss careers and opportunities. We will share information on our associate's degree and the bachelor's degree in Energy Systems. In Hillsdale we host an annual Taste of College event and participate on an ongoing basis with the Hillsdale County Career Access Planning initiative Lastly, we had a Vice President and a Dean serve as judges for the new Jackson FIRST Robotics District event in March 2019.</p> <p>Unfortunately, COVID-19 pre-empted the activities planned for k12 students beginning in March of 2020 and continuing through the 2020-21 academic year. That being said, Jackson College did participate in a community video produced by JTV for Manufacturing Day with high school students as the target audience. The College's President was featured discussing the plethora of new technologies emerging in manufacturing including artificial intelligence, 3D printing production, cybersecurity, among others. The video was widely distributed throughout the community.</p>
(iii) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.	Jackson College has actively supported the creation, development and funding of the Jackson College and Career Access Center, the College President having previously served on that board of directors. Jackson College recruiters make visits to every school district in the tri-county region multiple times each year.

Best Practices by Category	Examples of Adherence
	<p>Jackson College was the lead with Vandercook High School on a Reading Summit.</p> <p>The College also has been successful in obtaining and implementing a number of related national federal and private grants including: Achieving the Dream, TRiO, Veterans' Education Initiative, and others that provide additional supports for student success. The College also actively participates in the Breaking Through Network and the Michigan Center for Student Success to leverage best practice models for implementation across the institution. Finally, the College has developed a Ready-Set Jet summer program to assist students in transitioning academically and behaviorally to campus-based housing.</p>
<p>(iv) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, GED preparation and testing, or recruiting, advising, or orientation activities specific to adults.</p>	<p>Student success supports are available through the TRiO Program, Veteran Education Initiative and in large part through the College's Student Success Navigator advising model. This model is a proactive, relational, customer-based advising approach geared at improving student satisfaction and success as measured by student persistence, retention, and completion. The College's Men of Merit (MOM) Program and Sisters of Strength Program is designed to assist adult minority male and female students in entering college and being successful in same.</p> <p>Jackson College collaborates with Michigan Works! Southeast to offer HSE preparation and/or remedial assistance for our tri-county service areas. We have recently expanded services to offer Ability to Benefit, allowing eligible students to receive financial aid to complete college courses, while working on a High School Diploma or Equivalency. Through this partnership, students also receive employment services assisting with identifying transferable skills relatable to new industries, assessments to assist students with selecting a program of study that aligns</p>

Best Practices by Category	Examples of Adherence
	<p>to their workplace preferences and sense of purpose, and job search resources, such as resume assistance.</p> <p>This partnership expands wrap-around services available to eligible students by braiding WIOA and Federal Financial Aid funding and community resources.</p> <p>Lenawee we partner with MWSE, which holds HSE (e,g, GED) courses onsite at JC @ LISD TECH. In Hillsdale County, we partner with the HCISD and Michigan Rehabilitation Services in providing Transitions Programming for students with IEP's/504's, onsite at the JC LeTarte's Center.</p> <p>In addition, Jackson College was chosen by the Federal Government, together with 68 other institutions of higher education across the country, to provide educational programming and degree completion options for incarcerated individuals in the State of Michigan. Indeed, Jackson was awarded the highest allocation of Pell participants at 1,305 inmates, and is active in educating student-inmates across the state. Further, the College was the first in the nation to provide academic excellence recognition to student-inmates with the Phi Theta Kappa program.</p> <p>Jackson college currently serves 512 (fall 2020) actively enrolled students across eight correctional facilities (one federal and seven state). This is a drop from 667 (fall 2019). However, the through innovative collaboration, Jackson College with support from our partners have been able to develop a Distance Learning Model based on facility needs and technology. The drop from COVID could have been significantly worse if not for our close partnerships and dedication to student success. We have, again, been approached by the Vera Institute to highlight our flexible approach to continue moving our students who are incarcerated forward.</p>

Best Practices by Category	Examples of Adherence
	<p>Options for learning (depending on facility) are recorded lectures viewed on a monitor in a classroom and recorded lectures played through closed circuit tv. Where this becomes innovative is that Jackson College and the MDOC have been able to leverage the JPAY technology, allowing faculty and staff to communicate to students directly. This can be in regards to financial aid, course grades, appeals, scheduling, etc. Jackson College has also, purchased 10 tv's to be used for students incarcerated who could not progress due to the new model if not for the technology.</p> <p>Since, 2018 Fall, Jackson College has awarded 517 credentials to our incarcerated student population. The Fall to Winter persistence rate of our incarcerated students has been 92% over the past two years.</p> <p>Of the Fall 2019 students 679 of the 690 students have a cumulative grade point average above a 2.0. With 519 of the 690 students having between a 3.5 and a 4.0.</p>
(v) The community college has active partnerships with regional 4-year colleges and universities to promote successful transfer, such as articulation, 2+2, or reverse transfer agreements or operation of a university center.	<p>Jackson College has articulation agreements with numerous university and collegiate partners. The college is a part of the MiTransfer Network that recently completed multi-institutional associate to bachelor's degree transfer paths, MiTransfer Pathways. Jackson College's University Center hosts both Siena Heights University and Wayne State University. Recently, the college and Siena Heights University worked to develop six new articulated 3+1 transfer pathways. Within the year, Jackson College has finalized new articulation agreements the following institutions and programs in addition to those with Siena Heights University; Central Michigan University RN-BSN Completion, Eastern Michigan University – Sport Management, Ferris State University – Reparatory Therapy, University of Detroit Mercy – Dental Hygiene, University of Michigan Flint</p>

Best Practices by Category	Examples of Adherence
	<p>– RN-BSN Completion, and more in development. The college also has reverse transfer agreements with the following 4-year institutions; Central Michigan University, Concordia University, Davenport University, Eastern Michigan University, Grand Valley State University, Ferris State University, Michigan State University, Trine University and the University of Michigan - Ann Arbor. Additionally, Jackson College is committed to transfer partnerships and success hosting various transfer events (in-person and virtual) with 4-year institutions to provide transfer information and make the transfer processes as seamless as possible.</p>
Category C: Community Services (must meet 4 of 5)	
(i) The community college provides continuing education programming for leisure, wellness, personal enrichment, or professional development.	<p>Jackson College's Corporate and Continuing Education Office offers life-time learning, continuing education, professional development and leisure programming, easily assessable online or on-campus. Courses range from family development, basic computer skills, real estate, grant writing, personal fitness, teacher SCECHs., wellness and stress management, foreign language and human resources certification. Students may enroll in numerous classes in the arts, including instrumental and voice classes as well as studio arts. Through the college's Health Wise event hosted over the summer, it welcomes nearly 100 community members to campus for free health screenings and to participate in a heart healthy walk around campus.</p>
(ii) The community college operates or sponsors opportunities for community members to engage in activities that promote leisure, wellness, cultural or personal enrichment such as community sports teams, theater or musical ensembles, or artist guilds.	<p>Jackson College operates a multi-stage/auditorium performing arts center; has a fully operational fitness center; and library services operated in conjunction with Jackson District Library. Jackson College offers public access to a wide-range of state-of-the art facilities, athletic fields, and grounds, which provides access to technology and other instructional equipment. Jackson College is host to the Jackson Community Concert Band, the Michigan Shakespeare</p>

Best Practices by Category	Examples of Adherence
	Festival, the Jackson Symphony, and other annual cultural events at Potter Center for the Arts. . As mentioned above, the College hosts a very popular Health Wise event open to the community each summer.
(iii) The community college operates public facilities to promote cultural, educational, or personal enrichment for community members, such as libraries, computer labs, performing arts centers, museums, art galleries, or television or radio stations.	Jackson College has fully operational library services provided in conjunction with Jackson District Library. The College also offers community members' free use of computers located in our Information Commons on campus. Jackson College provides community access to environmental education in cooperation with the Dahlem Center, 300-acre nature park. The College also maintains an art gallery in the College's performing arts building, as well as a "black box" (i.e., experimental theater) on campus. The College also partners with the Michigan Shakespeare Festival (which is held on campus each summer). Additionally, JC is the performance home of the Jackson Symphony Orchestra.
(iv) The community college operates public facilities to promote leisure or wellness activities for community members, including gymnasiums, athletic fields, tennis courts, fitness centers, hiking or biking trails, or natural areas.	Jackson College operates a fully operational fitness center, and athletic facilities that are open to the public and used for lifetime learning and credit courses in fitness, stress management, and wellness. The College also has numerous athletic fields that are routinely used by other external groups. Additionally, the College has an 18-hole disc golf course for use by the public. Newly completed is the Jets Fitness Trail, a 1.2 mile fitness pathway that loops around the Central Campus.
(v) The community college promotes, sponsors, or hosts community service activities for students, staff, or community members.	Student Life, Community Event and Multicultural activities are a staple of the College with a range of activities scheduled annually. A building dedicated to student life, called the Jets Hangar opened on September 14, 2015 and has dedicated student life space for gaming, mailboxes, a Subway, outdoor volleyball and basketball courts, a stage for concerts and other entertainment and a cardio room. Activities include Constitution Day, the Martin Luther

Best Practices by Category	Examples of Adherence
	<p>King Celebration, International Day, Cinco de Mayo, and Welcome Week. Jackson College supports 14 Sports teams and all events are open to the public. The college also is an active participant in Challenge Day providing interactive support and coaching to area 7th graders addressing bullying and working to provide a safe and supportive environment for young people. As in the past, the college will host Challenge Day on its central campus this year. At the LeTarte Center, JC hosts the Hillsdale Area Career Center Reality Store, which offers students with financial realities based upon life scenarios. The College also hosts community programs such as Drug Summits, African-American Male Summits, etc., and also provides space for elected officials to meet with community members. Finally, the College also host a free Easter Egg Hunt in the spring and a Halloween Spooktacular open to the entire community to come and celebrate the holiday with games, candy, and a variety of activities. Twice a year during our Convocation days, all Jackson College employees engage in community service projects ranging from volunteering at local public schools, non-profits, community agencies, and community parks.</p>

NOW, THERFORE, be it resolved that the Jackson College Board of Trustees certifies that the College does meet the best practice standards required for state appropriations under Michigan Public Act 165 of 2021.

PASSED AND APPROVED THIS 8th DAY OF NOVEMBER, 2021.

Sam R. Barnes, Chairperson
Board of Trustees
Jackson College



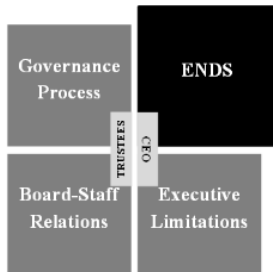
BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: November 8, 2021

TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
9.0 Monitoring CEO Performance 9.1. E-01 Board Ends Monitoring Report
Included herein are both my interpretations, as noted above, as well as the evidentiary statements. As you will note, as with past Monitoring Reports, I am only partially compliant on this first pass, as we are still collecting data. Once I have the additional information, I will bring the Monitoring Report back again for the Board's review.
Resource Impact:
None
Requested Board Action:
Board consideration of, and agreement with the monitoring report with my policy compliance.
Action Taken:



Policy Governance Domains



BOARD OF TRUSTEES POLICY

Policy Type: Ends

Policy Title: Board Ends

Policy Number: E-01

Date Adopted: 8/12/19

Version: 1.0

Date Last Reviewed: 8/12/19

Office Responsible: President's

Reviewing Committee: Board of Trustees

Jackson College exists so that:

Residents of Jackson County and non-chartered Counties have learning opportunities that prepare them to be successful global citizens and contribute to community vitality at a cost that demonstrates wise and sustainable stewardship of resources.

INTERPRETATION:

I have interpreted "learning opportunities that prepare them to be successful global citizens and contribute to community vitality" in the lower levels policy below. Achievement of these, along with the following, will constitute achievement of the Board's Ends policies.

I am interpreting the phrase "wise and sustainable stewardship of resources" to be the continuing low cost of quality education in comparison to State and private four-year institutions, as well as my continued efforts to ensure that our tuition rate does not exceed 50% of the average tuition cost of the most often enrolled regional universities.

Compliance will be demonstrated when:

- a) Cost of achieving a four-year degree offset by two years of Jackson College experience is less than achieving same/similar degree at the four-year State or private institution

EVIDENCE:

Jackson College Tuition Comparison 2019-2020 Academic Year						
4-year Institution Name	4-year Institution Tuition	Jackson College In-County Tuition	Total Tuition Savings	4-year Institution Tuition	Jackson College Out-of-County	Total Tuition Savings
Albion College	\$47,570	\$4,808	\$42,762	\$47,570	\$7,211	\$40,359
Adrian College	\$29,250	\$4,808	\$24,442	\$29,250	\$7,211	\$22,039
Spirng Arbor University	\$29,030	\$4,808	\$24,222	\$29,030	\$7,211	\$21,819
Hillsdale College	\$27,090	\$4,808	\$22,282	\$27,090	\$7,211	\$19,879
Siena Heights University	\$26,558	\$4,808	\$21,750	\$26,558	\$7,211	\$19,347
University of Michigan	\$15,230	\$4,808	\$10,422	\$15,230	\$7,211	\$8,019
Michigan State University	\$14,460	\$4,808	\$9,652	\$14,460	\$7,211	\$7,249
Eastern Michigan University	\$13,125	\$4,808	\$8,317	\$13,125	\$7,211	\$5,914
Ferris State University	\$12,930	\$4,808	\$8,122	\$12,930	\$7,211	\$5,719
Grand Valley State University	\$12,860	\$4,808	\$8,052	\$12,860	\$7,211	\$5,649
Central Michigan University	\$12,510	\$4,808	\$7,702	\$12,510	\$7,211	\$5,299
Baker College	\$12,150	\$4,808	\$7,342	\$12,150	\$7,211	\$4,939
Western Michigan University	\$12,094	\$4,808	\$7,286	\$12,094	\$7,211	\$4,883
Wayne State University	\$11,912	\$4,808	\$7,104	\$11,912	\$7,211	\$4,701

**Based on 2019-2020 tuition for equivalent of 30 semester credit hours annually; undergraduate student. Annual tuition only, does not include fees*

The table listed above provides a tuition comparison snapshot for the 2019-2020 academic year. The table compares Jackson College tuition to four-year public and private institutions. The table shows that the presented four-year public and private institutions are rated most to least costly. Jackson College tuition rates for both in-county and out-of-county are represented in the table as well.

1. Students complete degrees and obtain industry recognized credentials of value in the workplace.

INTERPRETATION:

I have interpreted “students complete degrees and obtain industry recognized credentials of value in the workplace” in 1.1 as achievement of this, as well as the following will demonstrate achievement of this End:

- a) The percentage of students who successfully complete degrees in a 2-year period.

- b) Three-, four-, five-, and six-year success ratings of students who complete degrees in 2 years

This is reasonable because it shows how quickly students are able to complete a credential from Jackson College, as well as the percentage that are able to complete the program in the intended two years which helps them realize the benefit of lower cost of education in a community college.

EVIDENCE:

- a) In the 2020-2021, 684 total students (unduplicated) received an academic award. The chart below shows the past 3 cohorts of incoming students and their 2-year success rating. Though there is a decline in the number of incoming students, there is a positive trend on the number of students who complete in a 2-year period.

Sector Entry Year	Adjusted State Cohort	2- Year Success Rate
2016-17	1,934	15.2%
2017-18	1,884	17.8%
2018-19	1,540	17.8%

- b) There is no data for three-, four-, five- and six-year success ratings for this monitoring period.

1.1. Graduates have the credentials that lead to employment that provides family-sustainable wages.

INTERPRETATION:

All career related credentials are submitted to the Department of Education and are evaluated to see if they qualify by Gainful Employment Standards. Gainful Employment standards demonstrate alignment with current job market demand that provide a family sustainable wage.

Achievement of this End will be demonstrated when:

In a survey of alumni with a response rate of 20%, 80% of alumni who respond state that they are satisfied or very satisfied with their quality of instruction and their relevance of instruction to their current industry

Survey of alumni after the fact is a reasonable measure and validates the market demand and wage-earning potential. Return rate of 20% is reasonable because historically community colleges have lower response rate to these surveys, which is a reasonable standard for the College's Institutional Research and Effectiveness (IRE) department.

EVIDENCE:

Internal review of Graduate/Alumni Follow up survey for 2019/2020.

Survey of alumni on DATE – return rate + percentage

Question asked Satisfied or Very strongly that (a)

Question	# of Respondents	% Agree	% Strongly Agree
Quality of Instruction	202	52%	37%
Relevance of Instruction to Current Job	145	56%	34%

2. Students seeking to transfer to baccalaureate granting institutions have the requisite qualifications, skills and abilities for success at those institutions.

INTERPRETATION:

I have partially interpreted this policy in policy item 2.1 below. Achievement of that policy, along with the following shall constitute achievement of this End.

Articulation agreements confirm that all transfer academic programs are aligned with four-year baccalaureate programs. Jackson College currently has 45 agreements with 12 different baccalaureate granting institutions.

This is a reasonable measure because articulation agreements spell out the required qualifications and skills. All programs need to be aligned in order to be classified as a transfer program.

EVIDENCE:

Internal review on October 18, 2021 verified that all of 45 baccalaureate transfer programs aligned with requisites specified in the transfer agreements.

2.1. Current and prospective students have accurate information about transfer agreements and opportunities.

INTERPRETATION:

Transfer-related materials are updated frequently throughout the academic year to ensure students have access to accurate transfer information to assist them with making informed educational decisions.

Articulation agreements and transfer-related materials, specific to program areas, are reviewed and approved by the appropriate academic department, dean, faculty, and Registrar before publishing to the academic catalog and website. The process is consistently followed for any articulation agreements at the time of review for renewal.

Achievement of this End will be demonstrated when:

- a) Transfer Liaison confirms the accuracy of information that is published on the website; and

- b) Transfer Liaison confirms that all transfer information is evaluated by academic department, academic dean, registrar prior to publishing in catalogue and on web.

This is reasonable because the Transfer Liaison is responsible for all transfer relationships and agreements and the Academic Dean and the Registrar have most current information on programs.

EVIDENCE:

- a) As of October 18th, 2021, the Transfer Liaison at Jackson College confirms that all transfer information on the transfer web page and Jackson College website about transfer-related materials and articulations agreements are correct and up to date for the current academic year.
- b) On October 18, 2021, the Transfer Liaison confirmed that all transfer information requiring review was evaluated by the Academic Deans and the Registrar.

3. Diverse populations of students experience learning and academic success responsive to their unique whole student needs.

INTERPRETATION:

I have fully interpreted “learning and academic success responsive to their unique whole student needs” in policy items #3.1 to #3.3 below. Achievement of the lower-level policies will constitute achievement of this End.

EVIDENCE:

Based on below, we have achieved this End.

3.1. Educational opportunities exist for those that might not otherwise have them.

INTERPRETATION:

Students that might not otherwise have educational opportunities are defined as first generation, students of diverse background, PELL-eligible student

Achievement of this End will be demonstrated when:

- a) College tuition is lower than comparable four year private or state College;
- b) Financial aid that lowers price and create additional resources for success is available to any eligible student;
- c) Students have access to multiple modalities of delivery, i.e., online, face to face, hybrid, that fits their unique life;
- d) Student housing is available to students from other areas to live on campus that enables them to complete programs; and
- e) Student-parents have housing and are supported with employment services, academic tutoring, part-time campus employment, and student success mentoring.

This is reasonable because it addresses the primary barriers that educators understand are the primary barriers to access to education (i.e., financial and housing, lack of accommodation for life context).

EVIDENCE:

- a) Evidence of lower cost is provided page 2 on the chart titled “Jackson College Tuition Comparison 2019-2020 Academic Year.”
- b) On average, about 50% of our student population is Pell-eligible. Between 75 and 80 percent of Pell-eligible students receive some type of financial aid, including Pell, student loans, and state grants or scholarships as confirmed on October 27th by Financial Aid Director and Institutional Research and Effectiveness Department
- c) In the past year, students had access to course sections in a variety of modalities based on student need and demand: online asynchronous, online synchronous (i.e., virtual classroom), hybrid, and fully seated. Seated sections run at Central Campus, JC @ LISD TECH in Lenawee County, and the LeTarte Center in Hillsdale County. The availability of face-to-face classes serves our tri-county area, and our online classes expand our reach throughout the state and across the country. Non-credit computer training courses were offered online through our partnership with Guangdong Polytechnic College in China. All were confirmed on October 20, 2021 by Director of Work Force Training.
- d) Our three housing facilities provided opportunities for students to live and learn on campus confirmed in a review of the College website on October 20, 2021
- e) Jets Village Family Residences can provide housing to for up to 6 families which was confirmed in a review of the College website on October 20, 2021.

3.2. Students have access to learning and academic support consistent with current technology and research.

INTERPRETATION:

“Current” is defined as meeting the requirements of the academic or professional field of study and student’s academic program. (Note: Faculty are the expert reference for what is required herein.)

Faculty annually identify equipment or classroom needs, inclusive of technology and academic requirements. This is supported by institutional, Perkins funding and funding through the Jackson College Foundation.

Achievement of this End will be demonstrated when the annual budget meets the requirements for equipment and classroom identified by faculty and also when it incorporates identified industry needs. (Note: Industry needs are identified though advisory board, as required by Perkins).

EVIDENCE:

The following information was reviewed and confirmed on October 20, 2021 by Dean of Nursing and Allied Health and Occupational Grant and Compliance Reporting Specialist: During the 2020-2021 academic year: Perkins funding in the amount of \$262,657 (61.08% of total funding) was allocated for equipment purchases and capital outlay. All equipment purchased directly supported hands-on student learning in preparation for entering the workforce and promoted the skills needed as identified by advisory committees and workforce partners. Programs supported by the equipment purchases include Dental Hygiene, Medical Assistant, Diagnostic Medical Sonography, Respiratory Care, Radiography, Advanced Manufacturing and Energy Systems.

3.3. Students have ancillary support that meet their unique needs.

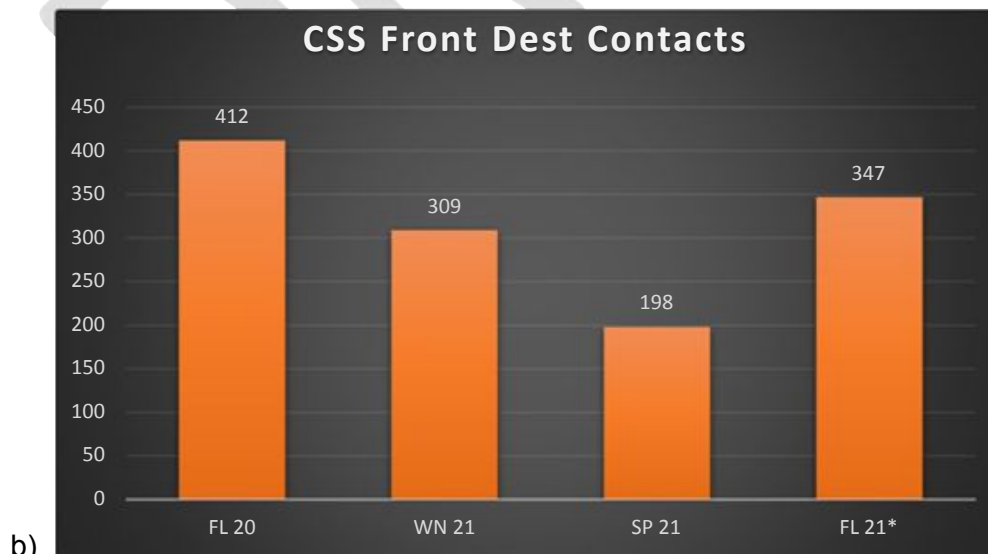
INTERPRETATION:

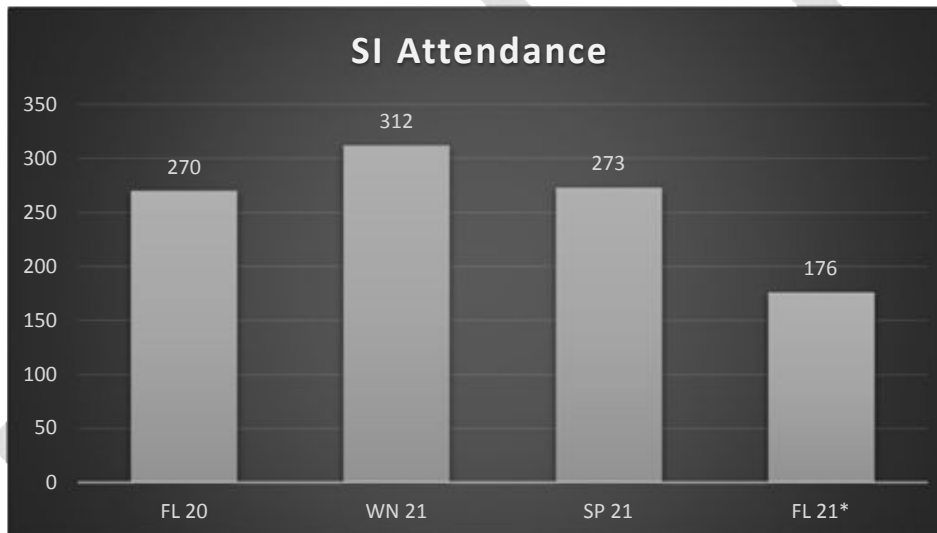
Success requires a holistic approach. Students have ancillary support that includes academic and holistic approaches. Elements are based on what research indicates is required to support academic results at the college level.

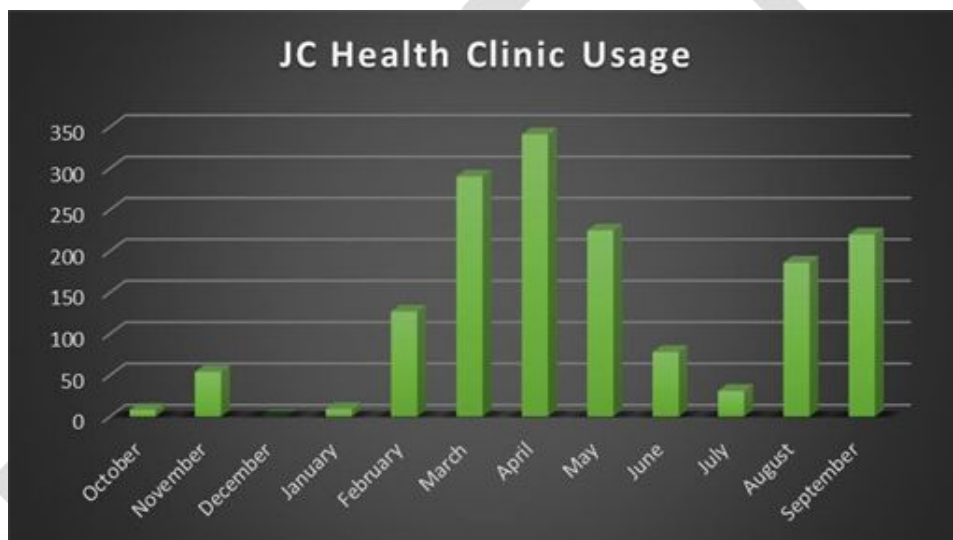
- a) Students have access to in-person and online tutoring, a writing lab, math lab, and supplemental instruction (SI) support on the academic side of education.
- b) Students have access to, and may utilize the health clinic, mental health clinic (Oasis Center), dental clinic, and food pantry referrals. Whole student health and nutrition directly impacts students' ability to succeed academically.

EVIDENCE:

- a) Visits to the areas in the Center for Student Success confirm students use (data) table for each area: Front Desk, Tutoring, Supplemental Instruction, Writing Center, JC Health Clinic, Oasis, Dental Clinic, etc. Annual enrolment on the census date for each of these terms were 2020 Fall 4568 students, 2021 Winter 4159 students, 2021 Spring 2440 students, and 2021 Fall 4642 students.









4. Students develop life and workplace skills.

INTERPRETATION:

I have fully interpreted life and workplace skills in policy items 4.1 and 4.2 below. Achievement of these policies constitutes achievement of this policy.

EVIDENCE:

4.1. Students experience significant gains in their critical thinking, problem solving and written communication skills.

INTERPRETATION:

Development of critical thinking, problem solving and written communication skills are embedded in all academic programming, as well as institutional academic outcomes. Outcomes are documented and reviewed by the assessment committee. The assessment committee comprising faculty and administrators collaborated and developed rubrics of general education outcomes and essential competencies. Analysis occurs and changes are reported annually at the core level and every seven years at the contextual level. The assessment committee along with lead faculty review the samples provided and provide written feedback to the lead faculty.

The achievement of this End is validated when:

- a) Rubrics developed by the faculty (and third party) identify the development of these three skills are approved the assessment committee.
- b) Program review done every five years when goals, success data and analysis related to these three skills are shared with the Academic Council and approved by Deans.

EVIDENCE:

- a) All rubrics below were developed by Faculty.

GEO 1 Write Clearly, Concisely and intelligibly

Outcome	The Student	Assignment/ Measures	Success Criteria	Student Outcomes	Revisions/ Improvements
Process	<ul style="list-style-type: none"> • Uses parts of the recursive process in writing, which may include pre-writing, drafting, revising, editing. • Evaluates sources when used. 			____ of ____ students met the success criteria.	
Rhetorical Situation: Purpose, Audience	<ul style="list-style-type: none"> • Demonstrates appropriate purpose and audience for context. 			____ of ____ students met the success criteria.	
Organization and Development	<ul style="list-style-type: none"> • Demonstrates functional organizational structure appropriate to genre; • Provides examples and details that support 			____ of ____ students met the success criteria.	

	ideas and content; appropriate to genre.				
Meaning/ Understanding	<ul style="list-style-type: none"> Researches and writes for further understanding and additional knowledge. Employs write to learn methods through reflective writing and research for further understanding and additional knowledge. 			____ of ____ students met the success criteria.	
Use of Sources and Documentation	<ul style="list-style-type: none"> Demonstrates ability to find and evaluate credible sources. Demonstrates correct documentation of sources when appropriate. 			____ of ____ students met the success criteria.	
Conventional Grammar and Sentence Structures	<ul style="list-style-type: none"> Correctly uses grammar and mechanics. Demonstrates clear meaning. 			____ of ____ students met the success criteria.	

Geo 4 Demonstrate Scientific Reasoning

Outcome	The Student	Assignment/ Measures	Success Criteria	Student Outcomes	Revisions/ Improvements
Science and Society	<ul style="list-style-type: none"> Describe issues raised by science for contemporary society Distinguish between scientific and other forms of reasoning 			____ of ____ students met the success criteria.	
Basic Concepts and Fundamental Principles	<ul style="list-style-type: none"> Correctly use scientific terminology and explains basic principles, concepts, and theories of the discipline 			____ of ____ students met the success criteria.	

Scientific Inquiry	<ul style="list-style-type: none"> • Evaluates and effectively uses sources of scientific information. • Draws appropriate conclusions from data. • Correctly presents laboratory results and conclusions (where appropriate). 			____ of ____ students met the success criteria.	
Quantitative Reasoning	<ul style="list-style-type: none"> • Interpret charts, graphs, data and tables • Correctly use scientific measurement systems including scientific units, scales and conversions • Understand the difference between cause-and-effect vs. correlation 			____ of ____ students met the success criteria.	

- b) Review of the Academic Council agenda confirms that it regularly includes the following: presentation for approval of biannual goals by each Department Chair, results of program reviews and course reviews conducted with the support of the Academic Deans through workshops and collaborative analysis review.

4.2. Students have opportunities to develop leadership skills.

INTERPRETATION:

Achievement of this End will be demonstrated when:

- Development of leadership skills is part of academic programming educational outcomes
- Students have opportunities to develop leadership skills outside the academic program in student government, student organizations, and athletics. Leadership skills include time management, accountability, communication, ownership, prioritization, problem solving, motivation, resilience, and building relationships. This is a reasonable measure as it is generally accepted among Community College administrators that student government, student organizations and athletics opportunities contribute significantly to development of leadership.

EVIDENCE:

- Review of program outcomes with academic leadership and chairs confirms that educational outcomes include leadership development.

- b) Faculty support for student government and [athletic director and/or coaches] confirmed that programs provide students with the opportunity to take on leadership roles and develop leadership skills such as time management, accountability, communication, ownership, prioritization, problem solving, motivation, resilience, and building relationships.

5. Economic and social well-being of the region is enhanced.

INTERPRETATION:

I have fully interpreted economic well-being in policy items #5.1 and #5.2 below. Achievement of these lower-level Ends will constitute achievement of Ends policy #5.

EVIDENCE:

5.1. Employers have properly qualified people available to meet their needs.

INTERPRETATION:

Perkins funding requires that each Career and Technical Education (CTE) program identifies and maintains an advisory committee. Advisory committees are required to meet, in-person or virtually, not less than twice per year to review program and curriculum outcomes to assure programs meet employers' needs, and provide guidance and insight as to new and emerging trends in workforce needs. Perkins funding requires that Advisory committees are made up of professionals in the fields and all meeting notes are recorded.

Committee membership and meeting minutes are collected and retained on an annual basis. Recommended membership includes representatives from business, industry and healthcare, as well as program graduates and current students, including special populations. Information provided by advisory committees regarding employer needs is validated by the Comprehensive Local Needs Assessment, a Perkins required bi-annual survey of the local labor market and Jackson College's alignment with local in-demand industry sectors or occupations

Achievement of this End would be demonstrated by continuing or renewal of Perkins funding.

EVIDENCE:

The Provost confirms on 12/19/20 renewal of Perkins funding for all CTE programs or all new CTE programs.

5.2. Employers have avenues for employee training.

INTERPRETATION:

I have interpreted this item to require a review of, and related data, supporting the College's work regarding workforce training. Relatedly, I wish to ensure that the College's Department of Corporate and Continuing Education (CCE) and Allied

Health and Advanced Manufacturing faculty have been working closely with area employers to assess and identify current industry-recognized credentials (IRC) that are in-demand, short-term, and lead to sustainable wages. Further, I interpret the policy to also regularly engage in the vetting of identified programs in demand, and to include in this vetting Michigan Works! Southeast (MWSE) in order to align access to Workforce Investment and Opportunity Act (WIOA) funding and wrap-around supportive services.

Additionally, our IRC certification programs should easily graft into the College's degree certificates. The intentional design of these programs will incorporate WIOA program eligibility of being able to be completed in 12-months or less and concluding with an industry-recognized credential, while also being Federal Financial Aid eligible as a 16-credit or more credit certificate program.

Achievement of this End will be demonstrated when

- a) The College offers credit and noncredit opportunities through Corporate & Continuing Education (CCE) based on employers' requests/needs for industry-recognized credentials.
- b) The College facilitates funding for the employee training with the Michigan New Jobs Training Program (MNJTP).

This is reasonable because it provides employers with the types of training that they need to gain in demand credentials.

EVIDENCE:

- a) As of October 28, 2021, Jackson College has served 27 total employers through MNJTP, overseeing 1.5 Million in MNJTP funds spent on training for 382 new positions. Other funding sources made available to employers for training includes Going Pro, OJT, and WIOA, to name a few. Customized WAS PROVIDED TO Technique, Lifeways Community Mental Health, Elm Plating, and Mercer, to name a few. CCE works with area employers to identify state and local funding opportunities, such as Going Pro, the Michigan New Jobs Training Program, Federal Financial Aid, and On the Job Training funds.
- b) Customized was provided to Technique, Lifeways Community Mental Health, Elm Plating, and Mercer, to name a few.
- c) CCE maintains an active catalogue of course offerings, available through a variety of delivery methods. CCE collaborates with Ed2G0 to offer over 700 online 6-week courses or professional certification trainings. CCE cross-list an average of five credit courses each semester based on employer request. Additionally, seminars, workshops, open enrolment, and bootcamp trainings are scheduled regularly: Including, but not limited to, EMT-Basic, Teacher SCECHs, Robotics, Production Technician, and AutoCad. This was reviewed and confirmed on October 29, by the Director of Workforce Development.
- d) As of October 28, 2021, through the Michigan New Jobs Training Program (MNJTP), Jackson College has assisted in providing no-cost training resources for eligible employers, including customized training, apprenticeship training,

company specific curriculum development, and purchase of industry-specific training equipment. Currently, CCE manages twelve active agreements, with a combined total over \$3.5 Million dollars to train 405 eligible positions. As of October 28, 2021, over 100 of these positions have received training.

e)

5.3. The region has enhanced capacity for entrepreneurial innovation.

INTERPRETATION:

I am interpreting enhanced capacity for entrepreneurial innovation as business owners and potential business developers in the region have opportunities to acquire the necessary theory, practices and applications for starting and sustaining a business.

Compliance will be demonstrated when:

- a) The College offers credit and non-credit small business development and entrepreneurship courses and workshops.
- b) Learning objective and outcomes for business curriculum includes becoming equipped with business analytical skills and tools to enable students with the necessary abilities to start their own business, complete a market plan from an entrepreneurial perspective, and how to financially sustain their business
- c) At least 80% of Business students participating in the rigorous business curriculum who participate in Student Feedback Surveys confirm instructors are (i) concerned for their education (ii) persistently involved in their course activities during the term; . (iii) genuinely concerned about their educational success; and that (iv) they enjoy the project-based and case study classroom atmosphere and (vi) feel prepared for the entrepreneurial workforce environment.

This is reasonable because individuals are more likely be successful if they are equipped with basic foundational tools.

EVIDENCE:

- a) The Director of the Coporate and Continuing Education Department has verified that Jackson College offers effective, and well-recieved credit and non-credit programming to encourage and support regional entrepreneurial efforts.
- b) Of the business students surveyed, students identified and made comments about the entrepreneurial skills they've taken from the business course are:
 - Branding equity.
 - Understanding the different entrepreneurial marketing strategies.
 - Encouraging and incentivizing entrepreneurship.
 - Budgeting
 - Communicating the different managerial styles in the entrepreneurial field of work.
 - Differentiating the various business legal systems and business implementation.

- c) Outcomes from credit student surveys were overwhelming with positive reviews that 93.55% of students indicated they “Would not change any of the course content”, “Reflections from course case studies were very helpful toward taking the mid-term and final exams. Multiple recommendations were made by the 124 students surveyed, 93.5% indicated they “Would recommend this course to their peer.” Other responses from the same category, students indicated they encourage peers to review course content and material, and course content and material resources are useful in entrepreneurial workplace and sectors.
- d) The credit Students that participated in the survey were asked recommendations regarding the course material and learning content, and 90.1% indicated “They would not change any of the course content”.
- e) Of the 124 CCE respondents surveyed, 61.65% were between the ages of 42 to 59 years old and 89.04% said the price was just right. There is no data accumulating feedback on all individual CCE classes. However, when asked if they ever plan to take another online course from us, 93.06% answered yes.
- f) Response options for Student Feedback Surveys for the credit courses are do you: (1) strongly agree (2) agree (3) disagree (4) strongly disagree (5) N/A. Of the business students interviewed 85% responded that would “strongly agree and agree” to recommend their peer to take this business courses.
- g) All CCE course completers surveyed between January 1, 2018 to October 28, 2021 for the online 6-week Ed2Go courses, including business-related topics, reported that 26.28% wanted to develop new skills, 22.44% wanted to improve my existing skills and 23.08% wanted to advance in their career. When asked if they ever plan to take another online course from us, 93.06% answered yes. Of the 124 respondents surveyed, 61.65% were between the ages of 42 to 59 years old and 89.04% said the price was just right.
- h)

5.4. The region has accessible resources that support civic engagement, community health and well-being, and reduced crime.

INTERPRETATION:

Achievement of this End will be demonstrated when:

- a) Campus events support civic engagement in local, state, and national government.
- b) Health clinic, dental clinic, counselling center is accessible to, and affordable for students and community.
The College offers a correction education program CEP in the correction facilities within its service area.

The Corrections Education Program is a partnership between Jackson College and the Michigan Department of Corrections. Jackson College is approved by the Department of Education to offer educational programming inside the correctional facilities and allow eligible students to use Federal Financial Aid towards the cost of the tuition. Jackson College has partnered with 8 different institutions within the state

of Michigan. As the largest provider of corrections education in the State of Michigan, Jackson College has graduated over 400 students through the Corrections Education Program

Achievement of this End will also be demonstrated when:

- c) Students can pursue an Associate of Arts, Associate of General Studies, and/or Associate of Science degree which will allow them to transfer out to a 4-year baccalaureate institution upon release.
- d) Students can also pursue an Associate of Applied Science in Business Administration, or a Business Management Certificate which will allow the students to pursue employment upon their release
- e) Students are assigned a Student Success Navigator that will work with them as they navigate through the admissions, financial aid, and registration process. Correction Education students are provided with the same student supports as traditional college students on the Jackson College campus.

This is reasonable because research has shown that education contributes to reduced recidivism.

EVIDENCE:

- a) In 2019, collaborating with the Enterprise Group of Jackson, Jackson College hosted the Jackson Business Roundtable sessions, for area business, government, and community leaders to hear from and interact with dynamic speakers highlighting economic and workforce shifts. Additionally, in March of 2019, Jackson College hosted an Education Roundtable with Governor Gretchen Whitmer and local Jackson community leaders. Additionally, Student Life works with our student body to encourage Voter Registration and understanding of the government system.
- b) Jackson College partnered with Henry Ford Allegiance Health to offer students medical care evaluation and treatment. A licensed nurse practitioner, along with a Medical Office Assistant (a Jackson College graduate), were available for patient visits, diagnosis and assessment, prescribing medications, or referrals. Visits to the health clinic were available for acute care for current JC students and a payment of \$5 was due at the time of service. Consumables such as vaccinations, etc. above the normal supplies were extra.

The clinic offered services similar to other medical clinics including:

- Health care for minor illness and injuries
- Physical exams
- Immunizations/flu vaccines
- Prescriptions
- Women's health services
- Pregnancy testing
- Blood pressure monitoring
- Information and referral assistance

- Mental health assessments and referrals
- Tuberculosis testing
- Glucose monitoring
- Urinalysis
- Sexually transmitted disease counseling, testing and referral
- Smoking cessation
- Eating disorders
- Health care for chronic illness
- COVID-19 testing

Jackson College partnered with Family Services and Children's Aid to provide mental health assistance. Support was available from the Oasis Center to provide short-term assistance and where ongoing support was required, the Oasis Center staff confirmed that it was possible to provide level of required support or assist the individual in securing support through an outside agency.

The Oasis team was available to help students with:

- Stress management
- Test anxiety
- Homesickness
- Life transitions
- Alcohol and drug use
- Suicidal thoughts
- Depression
- Anxiety
- Personal or social problems
- Family challenges
- Relationship issues
- Anger
- Self-esteem, self-acceptance, self-worth, etc.
- Posttraumatic Stress Disorder
- Trauma (i.e.- car accident, medical, robbery, grief and loss, etc.)
- Concerns regarding domestic violence or abuse
- Sexual harassment or dating violence
- Eating disorders
- Conflict with roommates, classmates or others

Community members were able to utilize Jackson College's Dental Hygiene Clinic, which offers dental hygiene services while helping students gain experience. The clinic allows dental hygiene students to complete practice hours required as part of their studies. Students work under the direct supervision of licensed dental hygiene instructors and dentists as they offer the following preventive services:

- Dental Cleanings
- X-rays

- Fluoride Treatments
 - Oral Cancer Screening
 - Blood Pressure Screening
 - Oral Health Instruction
 - Nutritional Advising
- c) Review of CEP on confirmed that it includes Associate of Arts, Associate of General Studies and/or Associate of Science degree.
- d) Review of CEP on confirmed that it was possible to pursue Associate of Applied Science degree.
- e) Review of CEP on confirmed that it was possible to pursue and Associate of Applied Science in Business Administration, or a Business Management Certificate.
- f) CEP records confirm that all enrolled students were assigned a Student Success Navigator and had access to supports available to other students.

6. Residents have accessible resources to improve their quality of life.

INTERPRETATION:

I have fully interpreted resources to improve quality of life in policy items #6.1 and #6.2. Achievement of these lower-level Ends will constitute achievement of this Ends policy.

EVIDENCE:

Achievement of these lower-level Ends will constitute achievement of this Ends policy.

6.1. Lifelong learning opportunities are available to residents.

INTERPRETATION:

Achievement of this Ends will be demonstrated when:

- a) Residents of Jackson, Lenawee, Hillsdale and surrounding communities have non-credit and credit opportunities.
- b) Non-credit courses are set at a lower cost to encourage lifelong learning among residents who might not otherwise take courses
- c) Residents have access to the College library

EVIDENCE:

- a) The Department of Corporate and Continuing Education (CCE) catalog confirmed that a wide selection of non-credit lifelong learning, occupational, and continuing education courses for personal enrichment and general workforce interest were available to the community. A sample of occupational related courses offered over the last few years includes robotics, manufacturing safety, supervisory skills, basic electrical, teacher CEUs, and truck driving training.
- b) CCE offered a non-credit discounted rate for reserved seats in select credit courses to allow individuals to explore credit programs, advance their skill-set, or for employers looking to train a small number of employees. CCE also offered a

wide range of affordable, fun, and convenient non-credit courses in partnership with Ed2Go that increased access and flexibility to lifelong learning courses, . Course topics ranged from family care to professional development, and more. These unique instructor-facilitated courses are designed to fit any schedule and can be completed from home or the office, when and where it's most convenient for the student. Six-week classes start every month started at \$119. CCE also offered affordable professional workshops and a free power-hour workshop monthly for those seeking quick professional development.

- c) Review of the website on October 25, 2021 confirms that library is accessed by students and residents.

6.2. Residents have resources for social, cultural, arts and wellness experiences.

INTERPRETATION:

Achievement of this End will be demonstrated when:

- a) The College offers cultural and arts programming at the Potter Centre for Performing Arts building which is accessible to community residents.
- b) Residents can enroll in noncredit courses for arts and wellness
- c) There is access to the gym through enrollment in non-credit courses for arts and wellness as well as fitness-related courses, (e.g., walking, etc.)

This is reasonable because it utilizes the resources of the College to make a range of experiences available to the community.

EVIDENCE:

Review of the website on October 28th confirms that all of (a), (b), and (c) were offered.

Date Of Change	Version	Description of Change	Responsible Party
11.11.19	1.0	First release of new Ends policy following Policy Governance consulting work.	Chief of Staff

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DRAFT

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
10.0 Information Requested by the Board 10.1 Audit Report
<p>Based upon recommendations of the Board's Audit Committee, the audit documents are being presented to the board for your review. Representatives from the Rehman auditing firm will be present to respond to any questions you may have.</p> <p>Please see the attached hyperlink noted in the agenda.</p>
Resource Impact:
None
Requested Board Action:
Review of the annual audit documents.
Action Taken:



Year Ended
June 30, 2021

Single Audit Act
Compliance

Rehmann

JACKSON COLLEGE

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**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

November 3, 2021

Board of Trustees
Jackson College
Jackson, Michigan

We have audited the financial statements of the business-type activities and the discretely presented component units of **Jackson College** (the "College") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 3, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads 'Rehmann Lohman LLC'.

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JACKSON COLLEGE**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2021

Federal Agency / Cluster / Program Title	Assistant Listing Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Education				
Student Financial Assistance Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	Direct	P007A202021	\$ 417,122
Federal Work-Study Program	84.033	Direct	P033A202021	29,107
Federal Pell Grant Program	84.063	Direct	P063P201638	9,664,047
Federal Direct Student Loans	84.268	Direct	P268K211638	6,613,830
Total Student Financial Assistance Cluster				<u>16,724,106</u>
Trio Cluster:				
TRIO - Student Support Services	84.042A	Direct	P042A200068	<u>226,969</u>
Covid-19 - Higher Education Emergency Relief Fund - Strengthening Institutions Program	84.425M	Direct	P425M200358-20B	524,189
Covid-19 - Higher Education Emergency Relief Fund Institutions of Higher Education - Student Aid	84.425E	Direct	P425E200961	3,533,525
Covid-19 - Higher Education Emergency Relief Fund Institutions of Higher Education - Institutional	84.425F	Direct	P425F201797	5,267,691
				<u>9,325,405</u>
Vocational Education Basic Grant:				
Regional Allocation	84.048A	MDE	213510-2121	430,032
Local Leadership	84.048A	MDE	213250-2125102	9,200
				<u>439,232</u>
Total U.S. Department of Education				<u>26,715,712</u>
U.S. Department of Treasury				
COVID -19 - Coronavirus Relief Fund - FY20	21.019	MDE	AUG2020-JACKSON-CRF	294,585
COVID -19 - Coronavirus Relief Fund - FY21	21.019	MDE	AUG2020-JACKSON-CRF	1,135,015
				<u>1,429,600</u>
U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (CDC)				
Improving Clinical and Public Health Outcomes through National Partnerships to Prevent and Control Emerging and Re-emerging Infectious Disease Threats	93.318	LFI	87728	<u>4,303</u>
Total Expenditures of Federal Awards				<u>\$ 28,149,615</u>

See notes to schedule of expenditures of federal awards.

JACKSON COLLEGE

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Jackson College (the "College") under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the net position, changes in net position, or cash flows of the College.

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 2 to the College's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the College has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

3. PASS-THROUGH ENTITIES

The College receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Entity Abbreviation	Pass-through Entity Name
MDE	Michigan Department of Education
LFI	League for Innovation

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

November 3, 2021

Board of Trustees
Jackson College
Jackson, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component units of **Jackson College** (the "College"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 3, 2021. The financial statements of the Jackson College Foundation and Jackson College Dormitories were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.



**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

November 3, 2021

Board of Trustees
Jackson College
Jackson, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Jackson College** (the "College") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2021. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of the College's compliance.

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Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on the major federal program is not modified with respect to this matter.

The College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lehmann Lohman LLC

JACKSON COLLEGE**Schedule of Findings and Questioned Costs**

For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS**Financial Statements**

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X noSignificant deficiency(ies) identified? yes X none reportedNoncompliance material to financial statements
noted? yes X no**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? yes X noSignificant deficiency(ies) identified? X yes none reported

Any audit findings disclosed that are required
to be reported in accordance with
2 CFR 200.516(a)?

 X yes no

Identification of major programs and type of auditors'
report issued on compliance for each major program:

<u>Assisting Listing Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
21.019	COVID -19 - Coronavirus Relief Fund	Unmodified
84.425	COVID -19 - Higher Education Emergency Relief Fund	Unmodified

Dollar threshold used to distinguish
between Type A and Type B programs:

\$ 844,488

Auditee qualified as low-risk auditee?

 X yes no

JACKSON COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

JACKSON COLLEGE

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-001 - Allowable Costs/Cost Principles

Finding Type. Immaterial Noncompliance/Significant Deficiency in Internal Control over Compliance (Allowable Costs/Cost Principles).

Programs. COVID-19 - Higher Education Emergency Relief Fund; Assisting Listing Number 84.425

Criteria. The College may discharge student debt of students who were enrolled on or after March 13, 2020 to be eligible to be reimbursed with HEERF grant funds.

Condition. Four students were not enrolled in the appropriate time period and had their student debt discharged totaling \$400, and the College was reimbursed with HEERF institutional grant funds.

Cause. When the College compiled a listing of students for allowability of discharge of debt, four students were included in the population in error.

Effect. As a result of this condition, the College did not fully comply with the requirements that all students that had outstanding debt discharged be enrolled on or after March 13, 2020.

Questioned Costs. No costs were required to be questioned as a result of this finding as the amounts did not meet the threshold for reporting.

Recommendation. We recommend that the College return the funds for the four students to the Department of Education.

View of Responsible Officials. Management believes this was an isolated incident and has prepared a Corrective Action Plan.

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JACKSON COLLEGE

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2021

No matters were reported.

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CORRECTIVE ACTION PLAN

The compliance audit identified one finding described in the Schedule of Findings and Questioned Costs. We evaluated the matter as described below and have described our corrective action as a result.

2021-001 – Allowable Costs/Cost Principles

Management Assessment and Planned Corrective Action: The College concurs with the finding regarding the four students who received a discharge of debt but were not enrolled during the appropriate time period and believes this was an isolated error. The College has corrected the discharge of debt entry. The College reduced a future drawdown of funds from the Department of Education by \$400.

Responsible Party: Darrell Norris, Vice President of Finance

Date of Planned Correction Action: The College's review, correction of the entry related to this finding and return of funds, via a reduction in a future drawdown, have been completed.

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Years Ended
June 30,
2021 and 2020

Annual
Financial
Report

Rehmann

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JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Management's discussion and analysis of Jackson College's (the "College") financial statements provides an overview of the College's financial position as of June 30, 2021 and 2020 and its activities for the years then ended. The College's management has prepared and is responsible for the financial statements and the related footnote disclosures, along with the discussion and analysis.

Using the Annual Financial Report

This annual financial report includes this management's discussion and analysis and other required supplementary information, the report of independent auditors, the basic financial statements in the above referred format, and notes to financial statements. Following the basic financial statements and notes are supplementary schedules, consisting of the Combining Statements of Net Position and Combining Statements of Revenues, Expenses, Transfers and Changes in Net Position. These supplementary schedules are required by the State of Michigan. Though Governmental Accounting Standards Board ("GASB") does not require this information for a fair and complete presentation, supplemental schedules do provide additional information regarding the various funds and activities of the College that is not presented in the basic, entity-wide statements.

Financial Highlights

The audited financial statements for Jackson College include the complete presentation of net position and changes therein. However, the traditional emphasis has been on the General Fund, or the portion of the institution primarily concerned with instruction and its support. It is this fund that the State of Michigan uses in its appropriation allocation each year. The following revenues and expenses sections of this analysis detail this portion of our operations, considering its importance to the overall health of the College.

The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position

One of the most important questions asked about the College's finances is, "Is Jackson College as a whole better or worse off from a financial standpoint as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information on the College as a whole and on its activities in a way that attempts to answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. These two statements report the College's net position and changes in them during each fiscal year presented.

The College's net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) is a way to measure the College's health, or financial condition. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating. Many other non-financial factors, such as the trend in College applicants, student retention, condition of the buildings, and strength of the faculty and academic programming need to be considered to assess the overall health of the College.

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited**

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by private-sector institutions.

	Condensed Statements of Net Position	
	June 30,	
	2021	2020
Assets		
Current assets	\$ 19,229,753	\$ 15,798,155
Capital assets, net	76,957,164	70,654,296
Other noncurrent assets	14,434,452	18,379,867
Total assets	110,621,369	104,832,318
Deferred Outflows of Resources		
Deferred charge on refunding	352,978	413,946
Deferred pension amounts	5,598,434	7,822,795
Deferred OPEB amounts	1,826,836	1,793,736
Total deferred outflows of resources	7,778,248	10,030,477
Liabilities		
Current liabilities	11,735,774	11,836,923
Noncurrent liabilities	63,256,983	69,644,766
Total liabilities	74,992,757	81,481,689
Deferred Inflows of Resources		
Deferred pension amounts	3,778,761	4,150,243
Deferred OPEB amounts	4,245,327	3,155,963
Total deferred inflows of resources	8,024,088	7,306,206
Net position		
Net investment in capital assets	42,587,552	43,226,537
Restricted		
Nonexpendable	35,147	29,930
Expendable	361,628	380,898
Unrestricted deficit	(7,601,555)	(17,562,465)
Total net position	\$ 35,382,772	\$ 26,074,900

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited**

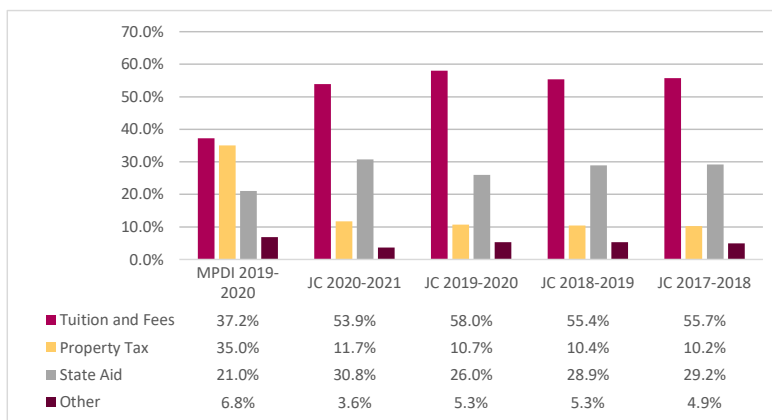
The College's net position increased \$9,307,872 for the June 30, 2021 fiscal year. Excluding the impacts of GASB 75 and GASB 68 contained in the pension and OPEB liability fund and the impact of the COVID-19 relief funds reported in the CARES fund, the College's net position increased by \$7,946,346. The increase was mainly attributable to the plant fund as the College invested in the future maintenance and construction needs by transferring excess revenues over expenditures from the general fund to the plant fund. These excess revenues over expenses were the result of cost reductions due to virtual operations.

Condensed Statements of Revenues, Expenses and Changes in Net Position		
Year Ended June 30,		
	2021	2020
Operating revenues		
Tuition and fees, net	\$ 8,600,320	\$ 14,063,788
Grants and contracts	3,849,746	3,132,463
Potter Center activities	-	296,380
Other operating revenues	2,819,034	3,768,667
Total operating revenues	15,269,100	21,261,298
Operating expenses		
Instruction	13,881,139	16,918,041
Information technology	2,749,327	2,893,653
Public service	505,024	962,647
Academic support	2,280,615	2,470,696
Student services	9,795,149	5,917,218
Administration	4,938,569	5,210,660
Operation and maintenance of plant	5,571,081	5,668,893
Depreciation and amortization	4,543,139	4,728,010
Total operating expenses	44,264,043	44,769,818
Operating loss	(28,994,943)	(23,508,520)
Nonoperating and other revenues		
State appropriations	13,282,008	11,830,467
Local property taxes	5,462,111	5,301,939
Federal Pell grant revenue	8,350,044	9,098,781
Federal HEERF grant revenue	10,136,178	206,000
Federal CRF grant revenue	1,429,600	-
Private gifts and grants	320,016	201,387
Capital gifts and grants	301,704	-
Other	(978,846)	(2,140,354)
Net nonoperating and other revenues	38,302,815	24,498,220
Increase in net position	9,307,872	989,700
Net position, beginning of year	26,074,900	25,085,200
Net position, end of year	\$ 35,382,772	\$ 26,074,900

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited****Revenues**

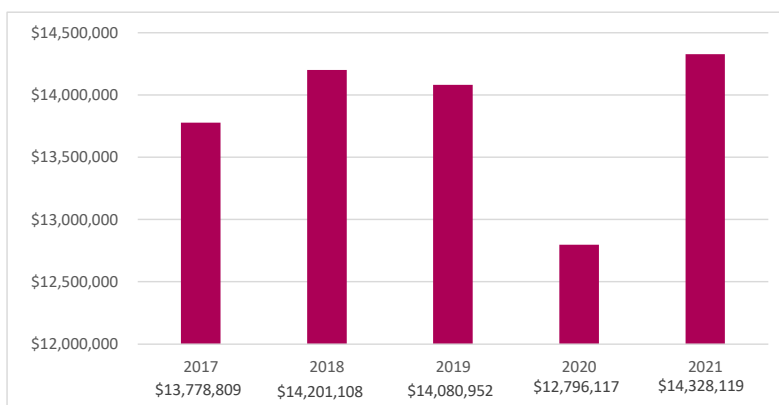
GASB guidelines require State appropriations, property tax revenues and Federal Pell grant revenue to be reported as nonoperating revenues. Management views, and has always viewed, major revenues to the College such as State appropriations, local property taxes and Pell grants as operating revenues. These dollars would not be received by the College to fund operating expenses if educational classes were not offered. Therefore, management believes these revenues should be applied directly to the operating costs that are associated with them for internal analysis purposes.

Each year the 28 Michigan public community colleges are required to submit data that is the basis of the Michigan Postsecondary Data Inventory (MPDI) Data Book. The Community College Appropriations Act assigns primary responsibility for data collection to the Center for Educational Performance and Information. In addition to appropriations, the data in the MPDI Data Book is used to derive comparisons among community colleges on a number of significant issues that relate to institutional concerns. The 2019-20 MPDI Data Book reveals the following state averages for the year. Four years of Jackson College information is included for comparison. These are comparisons of general fund revenues, as these are the numbers used in the State reports. Capital Outlay is not included in the State MPDI reports as these are recorded in Plant Funds and these operational reports only include the General and Designated Funds. The College generated General Fund revenues of \$46,550,020 and \$49,253,608 in 2021 and 2020, respectively.

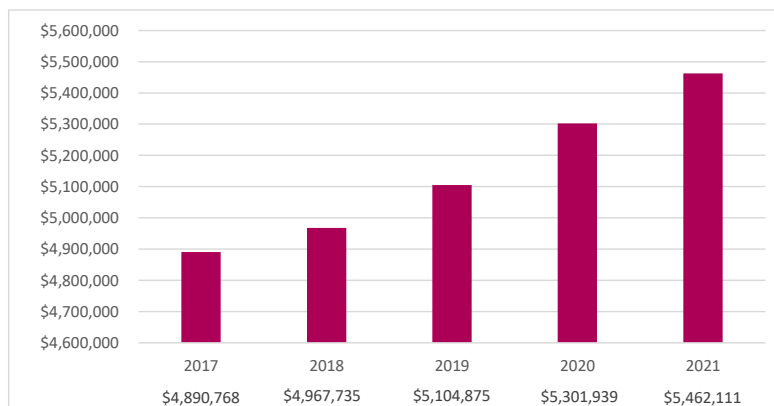
General Fund Revenue Sources: Comparison of JC and Statewide Averages

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited****State Appropriations**

Accounting guidelines issued by the GASB obligate the College to report State Appropriations source as nonoperating income. Generally, the State of Michigan includes the Appropriation to Community Colleges Act in its annual budget, which is approved just prior to the beginning of the State's fiscal year, October 1. The College received \$14,328,119 in fiscal year 2021, of this total, \$1,046,111 was received and paid to the State of Michigan towards the unfunded actuarial accrued liability of the Michigan Public School Employees Retirement System and \$279,862 was received from the State of Michigan as a Personal Property Tax Reimbursement. The graph below reflects the amount of State Appropriations received by the College that were reported as revenue in the general fund. The increase in State Appropriations of approximately \$1.5 million over fiscal year 2020 is a result of the 11% budget cut implemented by the State of Michigan, as a result of the Coronavirus pandemic in 2020.

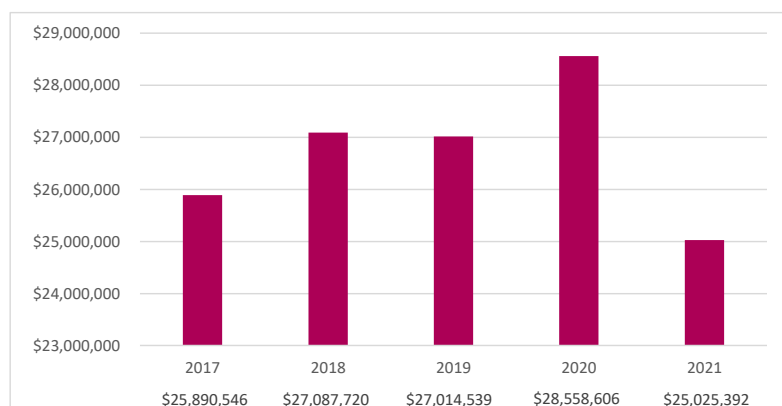
State Appropriations to Jackson College**Property Taxes**

Only 11.7% of MPDI revenues come from property taxes from Jackson County. The other community colleges like JC that depend heavily on State Appropriations also have in common a low percentage of their General Fund revenue being derived from property taxes. The State average is 35%. No new attempt to adjust the voted millage rate was made during the current fiscal year. No millage increase has been approved by the voters of Jackson County since the charter millage of 1.33 in 1964. The current millage rate as adjusted by the Headlee override to 1.1390 is the lowest in the State. Property tax revenues related to real estate have showed an increase as property values begin to slowly increase and past due tax bills get paid. In 2021, the overall property tax revenue increased slightly as property values increased.

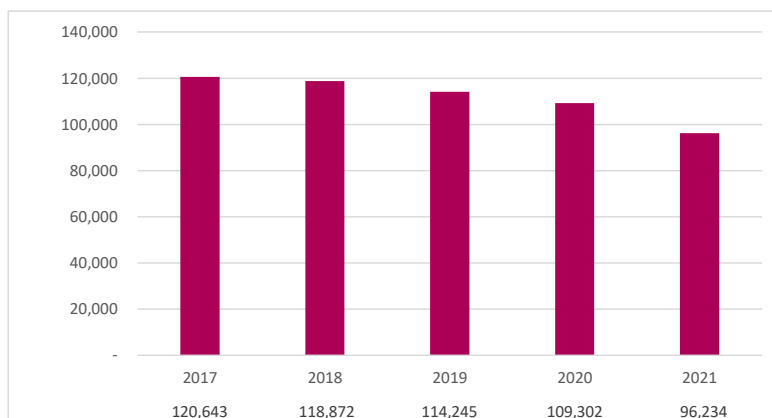
Property Tax Revenues to Jackson College

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited****Tuition and Fees**

\$16,425,072 and \$14,494,818 of scholarship allowances against tuition and fees represent amounts paid by grants, resulting in a "discount rate" of 65.6% and 50.8% for fiscal 2021 and 2020, respectively. The bulk of the scholarship allowance is Federal Pell awards which were \$8,350,044 and \$9,098,781 for fiscal 2021 and 2020, respectively. It is expected that the number of students receiving federal funds may increase over the next year, given the College's involvement with the Second Chance Pell for Prisoners program. For purposes of this analysis, to show trends over time, the following chart presents gross tuition and fees. The College experienced a decrease of 12.4% from this source of revenue in the current year as compared to fiscal 2020. The scholarship allowances increased by \$1,930,254 or 13.32%. This large increase is due to the College using Institutional Higher Education Emergency Relief Funds to provide student scholarships for online course fees while the College offered mainly online courses as well as new State grant programs for students including Futures for Frontliners.

Gross Tuition and Fees Revenues

There was a 11.96% decrease in the amount of billing contact hours generated in 2021. While this is a large decrease, it is close to the originally budgeted BCH for fiscal 2021 and ahead of where the College anticipated finishing the year. The COVID-19 pandemic continues to make enrollment projections challenging, but the College remains conservative in our estimates and focused on our efforts in total commitment to student success. The College began to implement a comprehensive enrollment management plan that focuses on recruitment and retention. The College continues to focus on recruiting students of color, international students, graduating high school seniors and dual enrolled students.

Total Billing Contact Hours by Fiscal Year

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited**

Jackson College Enrollment by Semester and Fiscal Year				
Billing Hours				
	Fall	Winter	Spring	Total
Fiscal Year				
2021	41,477	37,384	17,373	96,234
2020	49,362	45,213	14,727	109,302
2019	49,168	46,014	19,063	114,245
2018	52,464	47,651	18,757	118,872
2017	53,292	50,032	17,319	120,643

Tuition rates continued to rise, offsetting the small millage rate the local tax payers pay. Increases are detailed below.

Jackson College Hourly Tuition Rates				
	In District	Out of District	Out of State	
Fiscal Year				
2021	\$ 163.46	\$ 245.19	\$ 326.91	
2020	\$ 160.25	\$ 240.38	\$ 320.50	
2019	\$ 152.80	\$ 229.20	\$ 305.60	
2018	\$ 145.00	\$ 217.00	\$ 290.00	
2017	\$ 135.00	\$ 195.00	\$ 270.00	

Other Operating Revenues

Potter Center activities, revenue and expenses, decreased significantly due to the cancellation of shows and events as a result of the pandemic. The income classification of seminars, workshops and other income decreased over the prior year as the COVID-19 pandemic limited these activities. Housing revenue was down significantly in fiscal 2021 as the pandemic required the College to limit housing students to maintain social distancing and safety protocols. Contract training revenue decreased significantly in fiscal 2021 as the pandemic limited the amount of training that the College was able to offer. In fiscal year 2021, the College moved to take food service and catering operations in house rather than continuing to contract with an outside vendor. These revenues are recorded in hospitality services and will grow as the College returns to in-person operations.

Expenses

Compared to statewide averages, the College is relatively close to its peers. Please note that the State of Michigan does not include depreciation as an "operating cost". The College continues to increase its attention to the instructional efforts and student services as that is the large part of our total commitment to student success.

JACKSON COLLEGE**Management's Discussion and Analysis - Unaudited**

The expenses under public service are higher than the statewide average due to the cultural affairs program, which includes the music hall events.

Jackson College Expenses Compared to State-Wide MPDI Averages					
	MPDI	Jackson College			
	2019-2020	2020-2021	2019-2020	2018-2019	2017-2018
Instructional	41.1%	41.3%	42.2%	41.5%	43.8%
Informational Technology	7.0%	8.2%	7.3%	6.9%	6.7%
Public Service	1.4%	1.6%	2.5%	2.8%	2.4%
Academic Support	11.7%	5.3%	5.3%	5.9%	6.1%
Student Services	13.0%	18.1%	17.3%	16.8%	16.6%
Administration	14.2%	13.9%	12.7%	12.9%	12.6%
Plant	11.6%	11.7%	12.7%	13.2%	11.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Statements of Cash Flows

Another way to assess the financial health of the College is to look at the Statement of Cash Flows. Its primary purpose is to provide information about the College's cash receipts and cash payments during a fiscal year.

Major sources of cash were tuition and fees (\$9,467,757 in 2021 and \$13,434,380 in 2020), grants and contracts (\$3,306,872 in 2021 and \$2,804,685 in 2020), State appropriations (\$11,918,523 in 2021 and \$13,205,436 in 2020), local property taxes (\$5,462,111 in 2021 and \$5,301,939 in 2020), Federal Higher Education Relief Fund grant revenue (\$6,971,943 in 2021 and \$1,016,773 in 2020) and Pell grant receipts (\$8,350,044 in 2021 and \$9,098,781 in 2020). The single, largest type of disbursement was compensation payments to or on behalf of the College's employees (\$22,265,827 in 2021 and \$27,886,004 in 2020).

Capital Assets

The components of the College's capital assets are as follows as of June 30:

	2021	2020
Land	\$ 1,228,765	\$ 1,313,765
Infrastructure and land improvements	7,905,352	6,854,555
Buildings and improvements	116,331,108	107,400,338
Leasehold improvements	2,247,106	2,247,106
Artwork	6,366,227	6,366,227
Equipment	18,041,208	17,202,386
Construction in progress	639,139	691,740
Total capital assets	152,758,905	142,076,117
Less accumulated depreciation	75,801,741	71,421,821
Capital assets, net	\$ 76,957,164	\$ 70,654,296

Additional information regarding the College's capital assets can be found in the notes to the financial statements.

Long-Term Debt

Information on the College's long-term debt can also be found in the notes to the financial statements.

JACKSON COLLEGE

Management's Discussion and Analysis - Unaudited

Factors That Will Affect Our Future

The economic position of the College is closely tied to that of the State. The COVID-19 pandemic is having a significant effect on the State's finances, which could have a negative effect on State revenues appropriated to the College. Since COVID-19 and pursuant to a series of Executive Orders, the College ceased face-to-face instruction as of March 23, 2020 and only brought it back on a limited scale in fiscal year 2021 for onsite lab courses, clinical courses and resident students. The College began bringing back face-to-face courses for Fall 2021. The College continues to bring courses onto campus in a controlled fashion using common social distancing and personal protection protocols.

The College anticipates that it will be facing continued uncertainty as a result of the COVID-19 pandemic and has planned for modest increases in State appropriations and property tax collections in the fiscal year 2022 budget. Enrollment has also been substantially impacted, so the College has budgeted for a reduction in billing contact hours for fiscal 2022. The College remains in a good cash position but expects to continue to consider reductions of expenses to correlate with actual income until the future cash flow impacts caused by the pandemic are known.

The College continues to make investments in needed infrastructure and housing opportunities for families in our local community. The addition of family housing opening in Fall 2021 and the start of a multi-phase storm water management plan brought a pond to the north west corner of campus. The College also acquired the Campus View Housing 3 building in early fiscal 2021 and is making investments in the George Potter Center building, both exterior improvements to the south entrance and interior improvements to the Music Hall and the athletic fields.

College management continues to watch enrollment trends, local economies, employer needs and will react to changing financial conditions with revenue enhancements and/or expense reductions as necessary to ensure financial stability of the College.

College management is also closely tracking the shifting enrollment mix as initiatives such as prisoner education and the increasing dual enrollment through early college programs which currently make up 25% of the College's billing contact hours.

In an effort to meet local employer needs and demanding career fields, the College will continue to review academic programs to address those needs.



INDEPENDENT AUDITORS' REPORT

November 3, 2021

Board of Trustees
Jackson College
Jackson, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of **Jackson College** (the "College"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the College's discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of ***Jackson College***, as of June 30, 2021 and 2020, and the results of their operations and cash flows, where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefits and the related notes to the schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplementary combining statements identified in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated November 3, 2021, on our consideration of ***Jackson College's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Lehmann Lobman LLC

JACKSON COLLEGE

Statements of Net Position

	June 30,	
	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 10,599,050	\$ 7,907,353
Restricted cash and cash equivalents - unspent bond proceeds	-	2,100,397
Tuition and other receivables, net	1,462,999	2,477,749
State appropriations receivable	3,086,855	1,723,370
Federal and state grants receivable	3,527,069	629,960
Current portion of note receivable	-	33,888
Inventories	28,112	27,430
Prepaid expenses and other assets	525,668	898,008
Total current assets	19,229,753	15,798,155
Noncurrent assets		
Investments	14,434,452	10,429,261
Related party receivable (Note 6)	-	7,927,960
Note receivable, net of current portion	-	22,646
Campus property, plant and equipment, net	76,957,164	70,654,296
Total noncurrent assets	91,391,616	89,034,163
Total assets	110,621,369	104,832,318
Deferred outflows of resources		
Deferred charge on refunding	352,978	413,946
Deferred pension amounts	5,598,434	7,822,795
Deferred other postemployment benefits amounts	1,826,836	1,793,736
Total deferred outflows of resources	7,778,248	10,030,477
Liabilities		
Current liabilities		
Accounts payable	2,233,045	1,895,642
Accrued compensation and other benefits	2,704,610	2,713,399
Current portion of long-term liabilities	3,222,472	3,147,472
Accrued interest	143,529	151,599
Unearned revenue	3,432,118	3,928,811
Total current liabilities	11,735,774	11,836,923
Noncurrent liabilities		
Long-term liabilities, net of current portion	31,500,118	34,722,590
Net pension liability	27,637,401	28,816,038
Net other postemployment benefits liability	4,119,464	6,106,138
Total noncurrent liabilities	63,256,983	69,644,766
Total liabilities	74,992,757	81,481,689
Deferred inflows of resources		
Deferred pension amounts	3,778,761	4,150,243
Deferred other postemployment benefits amounts	4,245,327	3,155,963
Total deferred inflows of resources	8,024,088	7,306,206
Net position		
Net investment in capital assets	42,587,552	43,226,537
Restricted:		
Nonexpendable	35,147	29,930
Expendable	361,628	380,898
Unrestricted deficit (Note 9)	(7,601,555)	(17,562,465)
Total net position	\$ 35,382,772	\$ 26,074,900

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE**Statements of Revenues, Expenses and Changes in Net Position**

	Year Ended June 30,	
	2021	2020
Operating revenues		
Tuition and fees (net of scholarship allowances of \$16,425,072 in 2021 and \$14,494,818 in 2020)	\$ 8,600,320	\$ 14,063,788
Federal grants and contracts	2,430,736	2,808,631
State grants and contracts	1,419,010	323,832
Housing revenue	587,861	967,194
Potter Center activities	-	296,380
Hospitality services	20,462	-
Contract training	27,518	178,005
Seminars, workshops, and other	2,183,193	2,623,468
Total operating revenues	15,269,100	21,261,298
Operating expenses		
Instruction	13,881,139	16,918,041
Information technology	2,749,327	2,893,653
Public service	505,024	962,647
Academic support	2,280,615	2,470,696
Student services	9,795,149	5,917,218
Administration	4,938,569	5,210,660
Operation and maintenance of plant	5,571,081	5,668,893
Depreciation and amortization	4,543,139	4,728,010
Total operating expenses	44,264,043	44,769,818
Operating loss	(28,994,943)	(23,508,520)
Nonoperating revenues (expenses)		
State appropriations	13,282,008	11,830,467
Local property taxes	5,462,111	5,301,939
Federal Pell grant revenue	8,350,044	9,098,781
Federal Higher Education Emergency Relief Fund grant revenue	10,136,178	206,000
Federal Coronavirus Relief Fund grant revenue	1,429,600	-
Private gifts and grants	320,016	201,387
Interest income	8,000	215,843
Gain (loss) on disposal of property and equipment	60,210	(100,214)
Interest expense	(962,056)	(1,127,909)
Transfer of assets to Jackson College Dormitories	-	(1,118,074)
Transfer of assets to Jackson College Foundation	(85,000)	(10,000)
Net nonoperating revenues	38,001,111	24,498,220
Other revenues		
Capital gifts and grants	301,704	-
Increase in net position	9,307,872	989,700
Net position, beginning of year	26,074,900	25,085,200
Net position, end of year	\$ 35,382,772	\$ 26,074,900

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE

Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
Cash flows from operating activities		
Tuition and fees	\$ 9,467,757	\$ 13,434,380
Housing	587,861	967,194
Hospitality services	20,462	-
Grants and contracts	3,306,872	2,804,685
Contract training	87,658	131,037
Payments to vendors	(11,289,434)	(11,281,894)
Payments to or on behalf of employees	(22,265,827)	(27,886,004)
Payments to students	(5,352,209)	(2,396,000)
Potter Center activities	14,945	288,714
Seminars, workshops and other	2,260,366	2,753,957
Net cash used in operating activities	<u>(23,161,549)</u>	<u>(21,183,931)</u>
Cash flows from noncapital financing activities		
State appropriations	11,918,523	13,205,436
Local property taxes	5,462,111	5,301,939
Pell grant receipts	8,350,044	9,098,781
Federal Higher Education Emergency Relief Fund receipts	6,971,943	1,016,773
Federal Coronavirus Relief Fund receipts	1,429,600	-
Gifts and contributions for other than capital purposes	320,016	201,387
Direct loan program receipts	6,613,830	10,716,253
Direct loan program disbursements	(6,613,830)	(10,716,253)
State scholarship and grant receipts	67,813	106,146
State scholarship and grant disbursements	(67,813)	(106,146)
Transfer to Jackson College Foundation	-	(10,000)
Net cash provided by noncapital financing activities	<u>34,452,237</u>	<u>28,814,316</u>
Cash flows from capital and related financing activities		
Capital gift and grant proceeds	301,704	-
Purchases and construction of campus property, plant and equipment, net	(3,028,697)	(3,854,203)
Proceeds from sale of property and equipment	85,860	8,492
Collection (issuance) of note receivable	56,534	(22,169)
Transfer of assets to Jackson College Dormitories	-	(1,118,073)
Proceeds from issuance of capital debt	-	3,520,782
Principal paid on capital debt	(3,147,472)	(4,048,289)
Interest paid on capital debt	(970,126)	(1,129,312)
Net cash used in capital and related financing activities	<u>(6,702,197)</u>	<u>(6,642,772)</u>
Cash flows from investing activities		
Purchase of investments	(4,000,000)	-
Interest and dividends on investments	2,809	46,625
Net cash (used in) provided by investing activities	<u>(3,997,191)</u>	<u>46,625</u>
Net increase in cash and cash equivalents	591,300	1,034,238
Cash and cash equivalents, beginning of year	10,007,750	8,973,512
Cash and cash equivalents, end of year	<u>\$ 10,599,050</u>	<u>\$ 10,007,750</u>
Reconciliation to statement of net position		
Cash and cash equivalents	\$ 10,599,050	\$ 7,907,353
Restricted cash and cash equivalents - unspent bond proceeds	-	2,100,397
	<u>\$ 10,599,050</u>	<u>\$ 10,007,750</u>

continued...

JACKSON COLLEGE**Statements of Cash Flows**

	Year Ended June 30,	
	2021	2020
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (28,994,943)	(23,508,520)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	4,543,139	4,728,010
Change in operating assets and liabilities that provided (used) cash:		
Tuition and other receivables, net	1,014,750	(553,727)
Federal and state grants receivable	267,126	(327,778)
Inventories	(682)	2,995
Prepaid expenses and other assets	372,340	(260,907)
Accounts payable	337,403	340,065
Accrued compensation and other benefits	(8,789)	467,908
Unearned revenue	(496,693)	(1,281,167)
Change in net pension and other postemployment benefits liabilities and deferred amounts	(195,200)	(790,810)
Net cash used in operating activities	<u>\$ (23,161,549)</u>	<u>\$ (21,183,931)</u>
		concluded.

Noncash Transactions

During fiscal 2021, the College transferred ownership of the Wickwire house and thirty acres to the Foundation. The carrying value of this property was \$85,000. During fiscal 2020, the College issued bonds to refund the debt for Jackson College Dormitories and recorded a receivable for the net book value of the building in the amount of \$7,927,960, which was transferred to the College in July 2020 (fiscal 2021).

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE**Foundation - Statements of Financial Position**

	June 30,	
	2021	2020
Assets		
Cash and cash equivalents	\$ 1,489,250	\$ 829,585
Investments	18,082,980	15,276,050
Related party receivable	274	167,742
Accounts receivable	-	103,424
Beneficial interests in remainder trusts	1,095,049	912,884
Cash surrender value of life insurance	114,000	109,000
Prepaid expenses and other assets	-	600
Total assets	\$ 20,781,553	\$ 17,399,285
Liabilities		
Accounts payable	\$ 306,451	\$ 133,922
Annuities payable	104,858	107,909
Total liabilities	411,309	241,831
Net assets		
Without donor restrictions	5,207,426	3,333,711
With donor restrictions	15,162,818	13,823,743
Total net assets	20,370,244	17,157,454
Total liabilities and net assets	\$ 20,781,553	\$ 17,399,285

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE**Foundation - Statements of Activities and Changes in Net Assets**

	Year Ended June 30,	
	2021	2020
Support and revenue		
Gifts	\$ 535,988	\$ 666,006
Net investment income	3,022,914	395,057
Other revenue	229,976	321,570
	<u>3,788,878</u>	<u>1,382,633</u>
Total support and revenue	3,788,878	1,382,633
Grants and expenses		
Grant payments to Jackson College	757,141	397,992
Grant payments to Dahlem Conservancy	71,081	58,909
Management and general expenses	171,882	263,540
	<u>1,000,104</u>	<u>720,441</u>
Total grants and expenses	1,000,104	720,441
Support and revenue in excess of grants and expenses	2,788,774	662,192
Changes in values of interests in remainder trusts and actuarial adjustment of annuities	174,016	(23,525)
Assets transfer from Jackson College at fair value	500,000	10,000
Change in carrying value of investment in real estate	(250,000)	100,000
	<u>3,212,790</u>	<u>748,667</u>
Increase in net assets	3,212,790	748,667
Net assets, beginning of year	<u>17,157,454</u>	<u>16,408,787</u>
Net assets, end of year	\$ 20,370,244	\$ 17,157,454

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE**Dormitories - Statements of Financial Position**

	June 30,	
	2021	2020
Assets		
Cash and cash equivalents	\$ -	\$ 319,739
Accounts receivable	-	18,164
Property and equipment	-	7,927,960
Total assets	\$ -	\$ 8,265,863
Liabilities		
Accounts payable	\$ -	\$ 556,782
Related party payable	-	7,927,960
Total liabilities	-	8,484,742
Net deficit		
Without donor restrictions	-	(218,879)
Total liabilities and net deficit	\$ -	\$ 8,265,863

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE**Dormitories - Statements of Activities and Changes in Net Deficit**

	Year Ended June 30,	
	2021	2020
Revenue		
Housing rental	\$ -	\$ 802,344
Interest income	59	1,254
Transfer of assets from Jackson College	218,820	1,118,073
Total revenue	218,879	1,921,671
Expenses		
Office	-	5,150
Occupancy	-	162,384
Interest and fees	-	671,158
Bond issuance amortization	-	636,185
Depreciation	-	226,513
Total expenses	-	1,701,390
Change in net deficit	218,879	220,281
Net deficit, beginning of year	(218,879)	(439,160)
Net deficit, end of year	\$ -	\$ (218,879)

The accompanying notes are an integral part of these financial statements.

JACKSON COLLEGE

Notes to Financial Statements

1. MISSION

Jackson College (the "College") is a Michigan Community College whose mission is to assist learners in identifying and achieving their educational goals. The College offers four associate degrees, numerous certificate programs, and other educational programs while being accredited by the North Central Association of Colleges and Secondary Schools. The primary education centers for the College are its 500-acre main campus situated six miles south of Jackson, and extension centers located in Hillsdale and Adrian (Lenawee Center).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The College is governed by an elected seven member Board of Trustees. The College has two affiliated organizations that are evaluated in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These organizations are described below:

Jackson College Foundation (the "Foundation") is a legally separate, tax-exempt not-for-profit organization that was formed to solicit, collect, and invest donations made for the promotion of educational activities at and to augment the facilities of the College. The Foundation acts primarily as a fundraising organization to supplement the resources of the College in support of its programs and facilities. As the restricted resources held by the Foundation can be used only by, or for the benefit of, the College, the Foundation is considered a component unit of the College.

Jackson College Dormitories ("JCD") is a legally separate, tax-exempt not-for-profit organization that was formed at beginning of fiscal year 2015 to provide financing for the construction of Campus View 3 to provide 202 additional student housing beds for Jackson College. In July 2020, JCD was dissolved and assets transferred to the College. See note 6.

The College presents the Foundation and JCD as discretely presented component units of the College.

Separate financial statements are issued for the Foundation for fiscal 2021 and 2020 and JCD for fiscal 2020 that are prepared in accordance with the accounting standards established by the Financial Accounting Standards Board. Those separate financial statements may be obtained from the College's Business Office.

Basis of Presentation

The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

The College prepares its annual financial statements in accordance with GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities, an amendment of GASB Statement No. 34*, as described below, and the American Institute of Certified Public Accountants' Audit and Accounting Guide, *Audits of State and Local Governments (GASB 34 Edition)*. The financial statements also consider the provisions of the Michigan Department of Career Development's *Manual for Uniform Financial Reporting - Michigan Public Community Colleges, 2001*.

JACKSON COLLEGE

Notes to Financial Statements

Under the provisions of GASB Statement No. 35, the College is permitted to report as a special purpose government engaged only in business type activities ("BTA"). Business type activities are those that are financed in whole or in part by fees charged to external users in exchange for goods and services. BTA reporting requires the College to present only the basic financial statements and required supplementary information (RSI) for an enterprise fund that includes management's discussion and analysis (MD&A), a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, notes to the financial statements, and other applicable RSI and related notes. Fund financial information is not required for BTA reporting.

Risks and Economic Uncertainties

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Due to the pandemic, Michigan's Governor issued temporary Executive Orders that, among other stipulations, effectively prohibit certain in-person activities while requiring numerous safety measures and protocols to be met in order to resume in person learning, having the effect of suspending or severely curtailing certain operations including on-campus learning during the fiscal year 2021 as well as Winter and Summer 2020 semesters for fiscal year 2020. The extent of the ultimate impact of the pandemic on the College's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on funders, students, employees, and vendors, all of which cannot be reasonably predicted at this time. In response to the pandemic, the College was awarded \$21,231,197 during 2021 from the Relief Supplemental Appropriations Act and American Rescue Plan Act and \$4,972,721 during 2020 from the Coronavirus Aid, Relief, and Economic Security Act. The College recognized revenue from these awards of \$10,136,178 and \$206,000 during 2021 and 2020, respectively. The College was additionally awarded funding in the amount of \$1,429,600 during fiscal year 2021 through the Coronavirus Relief Fund; the College recognized revenue for the full award amount in fiscal 2021. These restricted CARES Act Federal funds were passed through the State as a supplement to help offset the reductions to fiscal 2020 State general appropriations. Additionally, the College transitioned its in-person instruction to an online format and closed its facilities in March 2020. Online instruction continued into fiscal year 2021 with limited in-person instruction. Broader in-person instruction returned in fiscal year 2022. While management reasonably expects the COVID-19 outbreak to negatively impact the College's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Actual results may differ from estimated amounts. Significant estimates include but are not limited to the assumptions based on historical trends and industry standards used in the actuarial valuation of the MPSERS pension and OPEB plans, the accounts receivable allowance for bad debts, and the useful lives of depreciable capital assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, money market accounts, and any certificates of deposit with an original maturity of three months or less, except that such investments purchased with endowment assets are classified as investments.

JACKSON COLLEGE

Notes to Financial Statements

Investments

Investments are generally carried at fair value determined using quoted market prices. Investments in MILAF consist of participation in an external investment pool. In accordance with GASB 79, the College's shares are recorded at amortized cost, which approximates fair value.

The College endowment investment income spending policy is 100% of the realized earnings of each College endowment. The annual spending income allocation cannot reduce the original gift principal. There is no net appreciation on investments of donor-restricted College endowments included in net position at June 30, 2021 or 2020. According to the law of the State of Michigan, the Board of Trustees may appropriate for expenditure for the uses and purposes for which an endowment is established an allocation of the net appreciation, realized and unrealized, in the fair value of the assets of an endowment over the historic dollar value as is prudent under the facts and circumstances prevailing at the time of the action or decision.

Inventories

Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.

Campus Property, Plant and Equipment

Campus property, plant and equipment, consisting of institutional physical properties used in College operations, are recorded at cost or, if acquired by gift, at estimated acquisition cost at the date of acquisition. Building additions and improvements with a cost in excess of \$30,000 are capitalized if the life of the building is extended or square footage is added. Collections, such as works of art, are capitalized if such items are held for public exhibition, education, or research in furtherance of public service. Equipment with a cost in excess of \$1,000 with a useful life of more than one year is capitalized. Expenses for routine maintenance and ordinary repairs are expensed as incurred. Library books are expensed the year of purchase. Certain maintenance and replacement reserves have been established to provide for significant repair and maintenance costs to facilities.

Depreciation, which includes amortization of leasehold improvements, is provided for campus property, plant and equipment on a straight-line basis over the estimated useful life or the term of the lease, if shorter, of the assets as follows:

Classification	Estimated Useful Lives
Buildings	40 years
Infrastructure and land improvements	15 years
Building and leasehold improvements	10 years
Artwork	10 years
Furniture and fixtures	5 years
Computer equipment	3 years

JACKSON COLLEGE

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The College reports a deferred outflow of resources for its deferred charge on bond refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This deferred outflow is amortized over the shorter of the refunded or refunding bonds. The College's inflows of resources relate to certain pension and OPEB related amounts, such as the difference between projected and actual earnings of the pension plan's investment and the pension portion of section 147c state aid revenue received subsequent to the measurement date. More detailed information can be found in Note 7.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The College reports deferred inflows of resources for certain pension and other postemployment benefits (OPEB) related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Note 7.

Pension and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, pension and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Revenue Recognition

Revenue from State appropriations are recognized in accordance with the accounting method described in the *Manual for Uniform Financial Reporting -- Michigan Public Community Colleges, 2001*, which provides that State appropriations are recorded as revenue in the period for which such amounts are appropriated. Student tuition and related revenues and expenses of an academic semester are reported in the fiscal year in which the program is conducted. Property taxes are recorded as revenue when received, which approximates the amounts when levied.

Operating revenues of the College consist of tuition and fees, grants and contracts, housing, sales and services of educational activities and auxiliary enterprise revenues. Transactions related to capital and financing activities, noncapital financing activities, investing activities, State appropriations, property taxes, Federal Higher Education Emergency Relief Fund grant revenue, Federal Coronavirus Relief fund grant revenue, and Federal Pell grant revenue are components of nonoperating and other revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses. For financial reporting purposes, restricted resources are deemed to be utilized first when both restricted and unrestricted resources are available to satisfy an expense.

Revenues received prior to year end that are related to the next fiscal year are recorded as unearned revenues. Unearned revenue relates primarily to student tuition and fees for the spring semester, student deposits and deposits of diverted Michigan income tax withholding from employers contracting with the College under the Michigan New Jobs Training Program to be used for future employee trainings.

JACKSON COLLEGE

Notes to Financial Statements

Sabbatical Leaves

In accordance with the Master Agreement with the Faculty Association, the College grants sabbatical leaves to various full-time instructors. The leaves are granted to enhance the personal and professional competence of the instructors who are required to return to the College for a period of two years. Compensation is accounted for as an expense in the fiscal year the leave is taken.

Other Compensated Absences

Other compensated absences represent the accumulated liability to be paid under the College's current vacation and terminated leave pay policies. As the amounts are due on demand at the time of employee termination, the liability is classified as current (accrued compensation and other benefits) in the accompanying statements of net position.

Reclassification

Certain amounts as reported in the 2020 financial statements have been reclassified to conform with the 2021 presentation.

Net Position

Net position is classified into the following categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation, unspent bond proceeds, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted nonexpendable: Net position whose use by the College is subject to externally imposed constraints that can be fulfilled by actions of the College pursuant to those constraints or that expire by the passage of time. The restricted nonexpendable balance of the College consists of donated endowment funds.

Restricted expendable: Net position whose use by the College is subject to externally imposed constraints that can be fulfilled by actions of the College pursuant to those constraints or that expire by the passage of time. The restricted expendable balance of the College consists primarily of funds restricted for student loans, scholarships, and other purposes.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

3. DEPOSITS AND INVESTMENTS

State of Michigan statutes authorize the College to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper of corporations located in this state rated prime by at least one of the standard rating services. The College is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds comprised of investments as outlined above. The College's investment policy allows for all of these types of investments.

JACKSON COLLEGE**Notes to Financial Statements**

The College's deposits and investments are included on the statements of net position under the following classifications as of June 30:

	2021	2020
Cash and cash equivalents	\$ 10,599,050	\$ 7,907,353
Restricted cash and cash equivalents - unspent bond proceeds	-	2,100,397
Investments	14,434,452	10,429,261
	<u>\$ 25,033,502</u>	<u>\$ 20,437,011</u>

The above amounts are categorized as follows at June 30:

	2021	2020
Bank deposits (checking, savings, cash sweep accounts and certificates of deposit)	\$ 10,596,326	\$ 10,005,026
Michigan Liquid Asset Fund	10,416,479	10,412,535
Petty cash	2,724	2,724
Total deposits	21,015,529	20,420,285
Investment in U.S government bonds	3,996,960	-
Investments in equity securities	21,013	16,726
Total	<u>\$ 25,033,502</u>	<u>\$ 20,437,011</u>

The College utilizes fair value measurements to record fair value adjustments to their investment securities and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis. The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a description of the valuation methodology used for assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

U.S. government obligations: Level 1 fair value measurement is based upon the closing price reported in the active market in which the individual securities are traded.

The nationally recognized statistical rating organization (NRSRO) utilized is primarily Moody's Investor Service. At June 30, 2021, the College's investments subject to credit risk (interest rate fluctuations) held by counterparties consist of Federal Home Loan Bank bonds that possess NRSRO ratings of Aaa and mature on June 30, 2026.

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments. The College's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

JACKSON COLLEGE**Notes to Financial Statements**

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. State law does not require and the College does not have a policy for deposit custodial credit risk. As of June 30, 2021, \$10,241,351 of the College's bank deposits balance of \$10,967,543 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of June 30, 2020, \$7,494,289 of the College's bank deposits balance of \$10,320,378 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments that are in the possession of an outside party. State law does not require and the College does not have a policy for investment custodial credit risk. However, all investments are in the name of the College, and the investments are held in trust accounts with each financial institution from which they were purchased.

4. TUITION AND OTHER RECEIVABLES, NET

Tuition and other receivables result from various revenue sources including student tuition and fee billings, auxiliary enterprise sales and contract training revenues.

Tuition and other receivables, net, consist of the following amounts at June 30:

	2021	2020
Tuition and fees	\$ 2,084,085	\$ 2,948,725
Private grants	10,790	84,777
Reimbursements	57,963	131,465
Bookstore	-	3,094
Employees	10,161	9,688
Total	2,162,999	3,177,749
Less allowances	700,000	700,000
Tuition and other receivables, net	\$ 1,462,999	\$ 2,477,749

JACKSON COLLEGE**Notes to Financial Statements****5. CAMPUS PROPERTY, PLANT AND EQUIPMENT, NET**

The following tables present in summary fashion the changes in the components of campus property, plant and equipment for the years ended June 30:

2021	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets:					
Land	\$ 1,313,765	\$ -	\$ (85,000)	\$ -	\$ 1,228,765
Infrastructure and land improvements	6,854,555	745,525	-	305,272	7,905,352
Buildings and improvements	107,400,338	9,108,490	(177,720)	-	116,331,108
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,366,227	-	-	-	6,366,227
Furniture, fixtures and equipment	17,202,386	849,972	(11,150)	-	18,041,208
Construction in progress	691,740	252,671	-	(305,272)	639,139
Total property and equipment	142,076,117	10,956,658	(273,870)	-	152,758,905
Less accumulated depreciation	71,421,821	4,543,139	(163,219)	-	75,801,741
Campus property, plant and equipment, net	<u>\$ 70,654,296</u>	<u>\$ 6,413,519</u>	<u>\$ (110,651)</u>	<u>\$ -</u>	<u>\$ 76,957,164</u>

JACKSON COLLEGE**Notes to Financial Statements**

2020	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets:					
Land	\$ 1,313,765	\$ -	\$ -	\$ -	\$ 1,313,765
Infrastructure and land improvements	4,583,381	2,228,304	-	42,870	6,854,555
Buildings and improvements	106,924,603	800,699	(352,118)	27,154	107,400,338
Leasehold improvements	2,247,106	-	-	-	2,247,106
Artwork	6,366,227	-	-	-	6,366,227
Furniture, fixtures and equipment	16,926,955	317,555	(42,124)	-	17,202,386
Construction in progress	254,119	507,645	-	(70,024)	691,740
Total property and equipment	138,616,156	3,854,203	(394,242)	-	142,076,117
Less accumulated depreciation	66,979,347	4,728,010	(285,536)	-	71,421,821
Campus property, plant and equipment, net	<u>\$ 71,636,809</u>	<u>\$ (873,807)</u>	<u>\$ (108,706)</u>	<u>\$ -</u>	<u>\$ 70,654,296</u>

Construction in progress consists of primarily construction costs for the Potter Center South Entrance redesign, athletic fields, Jets Village playground, campus signage and Music Hall updates. The projects are expected to be completed during fiscal year 2022 at an additional cost of approximately \$5,007,000.

JACKSON COLLEGE

Notes to Financial Statements

6. LONG-TERM LIABILITIES AND RELATED PARTY TRANSACTION

Long-term liability activity for years ended June 30 was as follows:

2021	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General Bonds - 2014	\$ 7,585,000	\$ -	\$ 525,000	\$ 7,060,000	\$ 520,000
General Bonds - 2015	8,485,000	-	415,000	8,070,000	435,000
General Bonds - 2016	6,300,000	-	995,000	5,305,000	1,015,000
General Bonds - 2017	3,395,000	-	1,090,000	2,305,000	1,130,000
General Bonds - 2020	11,340,000	-	-	11,340,000	-
Total bonds payable	37,105,000	-	3,025,000	34,080,000	3,100,000
Deferred amounts					
Bond premium	820,884	-	126,195	694,689	126,194
Bond discount	(55,822)	-	(3,723)	(52,099)	(3,722)
Total deferred amounts	765,062	-	122,472	642,590	122,472
	<u>\$ 37,870,062</u>	<u>\$ -</u>	<u>\$ 3,147,472</u>	34,722,590	<u>\$ 3,222,472</u>
Less current portion				<u>3,222,472</u>	
Long-term liabilities, net of current portion				<u>\$ 31,500,118</u>	
2020	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General Bonds - 2014	\$ 8,120,000	\$ -	\$ 535,000	\$ 7,585,000	\$ 525,000
General Bonds - 2015	8,885,000	-	400,000	8,485,000	415,000
General Bonds - 2016	7,280,000	-	980,000	6,300,000	995,000
General Bonds - 2017	5,410,000	-	2,015,000	3,395,000	1,090,000
General Bonds - 2020	-	11,340,000	-	11,340,000	-
Total bonds payable	29,695,000	11,340,000	3,930,000	37,105,000	3,025,000
Deferred amounts					
Bond premium	834,152	108,743	122,011	820,884	126,194
Bond discount	(59,544)	-	(3,722)	(55,822)	(3,722)
Total deferred amounts	774,608	108,743	118,289	765,062	122,472
	<u>\$ 30,469,608</u>	<u>\$ 11,448,743</u>	<u>\$ 4,048,289</u>	37,870,062	<u>\$ 3,147,472</u>
Less current portion				<u>3,147,472</u>	
Long-term liabilities, net of current portion				<u>\$ 34,722,590</u>	

JACKSON COLLEGE

Notes to Financial Statements

Bonded Debt

\$9,280,000 General Refunding Bonds, Series 2014

The College issued \$9,280,000 in refunding bonds with an interest rate of 2.00% to 4.25% to refund \$9,300,000 of outstanding 2010 Series Bonds with an interest rate of 4.90% to 6.27%, maturing in 2030. The bonds mature at varying amounts through 2030.

\$9,990,000 General Bonds, Series 2015

Unsecured bonds mature in annual amounts ranging from \$350,000 to \$745,000 through 2035 with interest charged at rates ranging from 3.00% to 3.625% per annum.

\$9,255,000 General Refunding Bonds, Series 2016

The College issued \$9,255,000 in refunding bonds with an interest rate of 2.00% to 3.00% to refund \$9,465,000 of outstanding 2006 Series Bonds with an interest rate of 4.10% to 4.50%, maturing in 2026. The bonds mature at varying amounts through 2026. The net proceeds of \$9,671,752 (after payment of \$77,045 in underwriting fees and other issuance cost) were used to purchase U.S. treasury securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. The refunding resulted in an economic gain of \$1,546,700 and a net present value savings of \$1,413,748. As of June 30, 2016, the 2006 Series Bonds in the amount of \$9,465,000 are considered defeased and the liability has been removed from the statement of net position.

\$8,195,000 General Refunding Bonds, Series 2017

The College issued \$8,195,000 in refunding bonds with an interest rate of 2.00% to 3.00% to refund \$2,910,000 of outstanding 2007 Series Bonds with an interest rate of 4.00% to 4.15%, maturing in 2024 and \$5,385,000 of outstanding 2008 Series Bonds with an interest rate of 3.75% to 4.50%, maturing in 2029. The bonds mature at varying amounts through 2023. The net proceeds of \$8,492,806 (after payment of \$112,140 in underwriting fees and other issuance cost) were used to purchase U.S. treasury securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. The refunding resulted in an economic gain of \$1,500,326 and a net present value savings of \$1,117,578. As of June 30, 2017, \$2,910,000 of the Series 2007 Bonds and \$5,385,000 of the Series 2008 Bonds are considered defeased and the liability has been removed from the statement of net position.

\$11,340,000 General and Refunding Bonds, Series 2020

The College issued \$9,210,000 in refunding bonds and \$2,130,000 of general bonds with an interest rate of 2.00% to 2.625% to refund \$9,725,000 of outstanding 2015 Series Housing Revenue Bonds held by Jackson College Dormitories with an interest rate of 5.00% to 6.75%, maturing in 2047. The bonds mature at varying amounts beginning fiscal 2023 through 2046. Net proceeds of \$9,862,716 (after payment of \$269,868 in underwriting fees and other issuance costs) were used to purchase U.S. treasury securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds and net proceeds of \$2,100,397 were deposited into a construction project account. The refunding resulted in an economic gain of \$6,490,401 and a net present value savings of \$5,706,164 due to the reduction of the interest rate. As of June 30, 2020, the Jackson College Dormitories Series 2015 Housing Revenue Bonds are considered defeased and the liability has been removed from the statement of financial position of JCD. The College has a receivable from Jackson College Dormitories in the amount of \$7,927,960 as of June 30, 2020 equal to the net book value of the Jackson College Dormitories building. In July 2020, title to the building was transferred to the College and Jackson College Dormitories was dissolved.

JACKSON COLLEGE**Notes to Financial Statements**

Scheduled principal and interest requirements of long-term debt for years succeeding June 30, 2021, are summarized below:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 3,100,000	\$ 987,895	\$ 4,087,895
2023	3,555,000	905,045	4,460,045
2024	2,645,000	812,495	3,457,495
2025	2,685,000	747,494	3,432,494
2026	2,770,000	663,594	3,433,594
2027-2031	8,790,000	2,237,246	11,027,246
2032-2036	5,110,000	1,072,003	6,182,003
2037-2041	2,555,000	552,292	3,107,292
2042-2046	2,870,000	224,920	3,094,920
Totals	<u>\$ 34,080,000</u>	<u>\$ 8,202,984</u>	<u>\$ 42,282,984</u>

During fiscal 2004, the College entered into a lease agreement with the State of Michigan as part of the Capital Outlay program offered by the State Building Authority. The State appropriated approximately \$1,500,000 toward the construction of the College's Lenawee Center. During fiscal 2008, the College entered into a similar lease as part of the construction of the new Atkinson Hall building and the renovation of a section of Whiting Hall. The net State contribution amounted to \$7,318,398. Again, in fiscal year 2011, the College entered into another lease with the State of Michigan in connection with the renovation of Whiting Hall and the building of the Health Laboratory Center. The net State contribution amounted to \$10,016,314. In fiscal year 2016, the College entered into another lease with the State of Michigan in connection with the renovation of Bert Walker Hall. The net State contribution amounted to \$7,446,282 once the renovation was complete in fiscal 2017. The appropriations were funded by the issuance of bonds by the State Building Authority. In return, the College has deeded the buildings to the State Building Authority as collateral for the bondholders. The College and the State of Michigan are leasing the buildings from the State Building Authority for the period that the bonds for the buildings are being repaid by the State Building Authority. These lease payments are made out of the State of Michigan general operating budget. The College includes the buildings as part of its total investment in physical plant as capital leases as the College will obtain title to the buildings at the end of the leases. No corresponding obligations have been recorded since there are no payments due by the College under these lease agreements.

JACKSON COLLEGE

Notes to Financial Statements

7. PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLANS

Defined Benefit

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Pension Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

JACKSON COLLEGE

Notes to Financial Statements

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

Other Postemployment Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

JACKSON COLLEGE**Notes to Financial Statements***Contributions*

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2019 valuation will be amortized over a 19-year period beginning October 1, 2019 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2021, which excludes supplemental MPSERS UAAL employer stabilization contributions that are passed through the College to MPSERS based on rates ranging from 12.41% - 14.51% on prior year covered payroll:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	19.41% - 19.78%
Member Investment Plan (MIP)	3.00% - 7.00%	19.41% - 19.78%
Pension Plus	3.00% - 6.40%	16.46% - 16.82%
Pension Plus 2	6.20%	19.59%
Defined Contribution	0.00%	13.39%

Required contributions to the pension plan from the College were approximately \$2,155,000, \$2,239,000 and \$2,356,000 for the years ended June 30, 2021, 2020 and 2019.

The table below summarizes OPEB contribution rates in effect for fiscal year 2021:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.09% - 8.43%
Personal Healthcare Fund (PHF)	0.00%	7.57%

Required contributions to the OPEB plan from the College were \$492,000, \$557,000 and \$561,000 for the years ended June 30, 2021, 2020 and 2019, respectively.

JACKSON COLLEGE**Notes to Financial Statements**

The table below summarizes defined contribution rates in effect for fiscal year 2021:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the years ended June 30, 2021, 2020, and 2019, required and actual contributions from the College for those members with a defined contribution benefit were \$91,055, \$95,806 and \$84,065, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 and 2020, the College reported a liability of \$27,637,401 and \$28,816,038, respectively, for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2019 and 2018, respectively. The College's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2020, the College's proportion was 0.08046%, which was a decrease of 0.00655% points from its proportion measured as of September 30, 2019 of 0.08701%.

For the year ended June 30, 2021, the College recognized pension expense of \$2,768,950. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2021			
Differences between expected and actual experience	\$ 422,277	\$ 58,988	\$ 363,289
Changes in assumptions	3,062,491	-	3,062,491
Net difference between projected and actual earnings on pension plan investments	116,120	-	116,120
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,279	2,673,662	(2,664,383)
	3,610,167	2,732,650	877,517
College contributions subsequent to the measurement date	1,988,267	-	1,988,267
Pension portion of Sec 147c state aid award subsequent to the measurement date	-	1,046,111	(1,046,111)
Total	\$ 5,598,434	\$ 3,778,761	\$ 1,819,673

JACKSON COLLEGE**Notes to Financial Statements**

The \$1,988,267 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The \$1,046,111 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to Sec 147c of the State School Aid Act (PA 94 of 1979), will be recognized as State appropriations revenue for the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	\$ 528,771
2023	308,354
2024	50,095
2025	<u>(9,703)</u>
Total	<u><u>\$ 877,517</u></u>

For the year ended June 30, 2020, the College recognized pension expense of \$2,136,652. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2020			
Differences between expected and actual experience	\$ 129,163	\$ 120,160	\$ 9,003
Changes in assumptions	5,642,201	-	5,642,201
Net difference between projected and actual earnings on pension plan investments	-	923,505	(923,505)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>7,421</u>	<u>2,140,928</u>	<u>(2,133,507)</u>
	5,778,785	3,184,593	2,594,192
College contributions subsequent to the measurement date	2,044,010	-	2,044,010
Pension portion of Sec 147c state aid award subsequent to the measurement date	<u>-</u>	<u>965,650</u>	<u>(965,650)</u>
Total	<u><u>\$ 7,822,795</u></u>	<u><u>\$ 4,150,243</u></u>	<u><u>\$ 3,672,552</u></u>

JACKSON COLLEGE**Notes to Financial Statements*****OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2021 and 2020, the College reported a liability of \$4,119,464 and \$6,106,138, respectively, for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020 and 2019, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019 and 2018, respectively. The College's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020, the College's proportion was 0.07689%, which was a decrease of 0.00818% points from its proportion measured as of September 30, 2019 of 0.08507%.

For the year ended June 30, 2021, the College recognized a reduction to OPEB expense of \$(429,236). At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2021			
Differences between expected and actual experience	\$ -	\$ 3,069,386	\$ (3,069,386)
Changes in assumptions	1,358,269	-	1,358,269
Net difference between projected and actual earnings on OPEB plan investments	34,382	-	34,382
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,800	1,175,941	(1,161,141)
	<u>1,407,451</u>	<u>4,245,327</u>	<u>(2,837,876)</u>
College contributions subsequent to the measurement date	419,385	-	419,385
Total	<u>\$ 1,826,836</u>	<u>\$ 4,245,327</u>	<u>\$ (2,418,491)</u>

The \$419,385 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2022	\$ (770,665)
2023	(722,801)
2024	(593,895)
2025	(425,148)
2026	<u>(325,367)</u>
Total	<u>\$ (2,837,876)</u>

JACKSON COLLEGE**Notes to Financial Statements**

For the year ended June 30, 2020, the College recognized a reduction to OPEB expense of \$(47,725). At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
2020			
Differences between expected and actual experience	\$ -	\$ 2,240,515	\$ (2,240,515)
Changes in assumptions	1,323,077	-	1,323,077
Net difference between projected and actual earnings on OPEB plan investments	-	106,189	(106,189)
Changes in proportion and differences between employer contributions and proportionate share of contributions	380	809,259	(808,879)
	<u>1,323,457</u>	<u>3,155,963</u>	<u>(1,832,506)</u>
College contributions subsequent to the measurement date	<u>470,279</u>	<u>-</u>	<u>470,279</u>
Total	<u><u>\$ 1,793,736</u></u>	<u><u>\$ 3,155,963</u></u>	<u><u>\$ (1,362,227)</u></u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

JACKSON COLLEGE**Notes to Financial Statements**

The total pension and OPEB liabilities in the September 30, 2019 and 2018 actuarial valuations (for the fiscal years ended June 30, 2021 and 2020) were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.80%
Pension Plus plan (hybrid)	6.80%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.95%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 120 (7.5% Year 1 graded to 3.5% Year 12 in 2018)
Mortality	RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.
Other OPEB assumptions:	
Opt out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2020, are based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4892 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 5.9870 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2019, are based on the results of an actuarial valuation date of September 30, 2018, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4977 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 5.7101 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

JACKSON COLLEGE

Notes to Financial Statements

Long-Term Expected Return on Pension Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 and 2019, are summarized in the following tables:

2020	Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
	Domestic equity pools	25.00%	5.29%	1.32%
	Private equity pools	16.00%	8.78%	1.40%
	International equity pools	15.00%	6.98%	1.05%
	Fixed income pools	10.50%	0.47%	0.05%
	Real estate and infrastructure pools	10.00%	4.62%	0.46%
	Absolute return pools	9.00%	3.02%	0.27%
	Real return/opportunistic pools	12.50%	6.23%	0.78%
	Short-term investment pools	2.00%	-0.09%	0.00%
		<u>100.00%</u>		-
				5.33%
	Inflation			2.10%
	Risk adjustment			-0.63%
	Investment rate of return			<u>6.80%</u>
2019	Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
	Domestic equity pools	28.00%	5.50%	1.54%
	Alternative investment pools	18.00%	8.60%	1.55%
	International equity	16.00%	7.30%	1.17%
	Fixed income pools	10.50%	1.20%	0.13%
	Real estate and infrastructure pools	10.00%	4.20%	0.42%
	Absolute return pools	15.50%	5.40%	0.84%
	Short-term investment pools	2.00%	0.08%	0.00%
		<u>100.00%</u>		5.65%
	Inflation			2.30%
	Risk adjustment			-1.15%
	Investment rate of return			<u>6.80%</u>

JACKSON COLLEGE

Notes to Financial Statements

Long-term Expected Return on OPEB Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2020 and 2019, are summarized in the following tables:

2020	Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
	Domestic equity pools	25.00%	5.29%	1.32%
	Private equity pools	16.00%	8.78%	1.40%
	International equity pools	15.00%	6.98%	1.05%
	Fixed income pools	10.50%	0.47%	0.05%
	Real estate and infrastructure pools	10.00%	4.62%	0.46%
	Absolute return pools	9.00%	3.02%	0.27%
	Real return/opportunistic pools	12.50%	6.23%	0.78%
	Short-term investment pools	2.00%	-0.09%	0.00%
		<u>100.00%</u>		5.33%
	Inflation			2.10%
	Risk adjustment			<u>-0.48%</u>
	Investment rate of return			<u>6.95%</u>
2019	Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
	Domestic equity pools	28.00%	5.50%	1.54%
	Private equity pools	18.00%	8.60%	1.55%
	International equity	16.00%	7.30%	1.17%
	Fixed income pools	10.50%	1.20%	0.13%
	Real estate and infrastructure pools	10.00%	4.20%	0.42%
	Absolute return pools	15.50%	5.40%	0.84%
	Short-term investment pools	2.00%	0.08%	0.00%
		<u>100.00%</u>		5.65%
	Inflation			2.30%
	Risk adjustment			<u>-1.00%</u>
	Investment rate of return			<u>6.95%</u>

JACKSON COLLEGE**Notes to Financial Statements*****Rate of Return***

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.37% and 5.24%, respectively. For the fiscal year ended September 30, 2019, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 5.14% and 5.37%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan 6.0% for the Pension Plus 2 plan, both of which are hybrid plans provided through non-university employers only) and a discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan) and 6.95%, respectively. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher as of June 30, 2021:

	1% Decrease (5.80% / 5.80% / 5.00%)	Current Discount Rate (6.80% / 6.80% / 6.00%)	1% Decrease (7.80% / 7.80% / 7.00%)
College's proportionate share of the net pension liability	\$ 35,771,928	\$ 27,637,401	\$ 20,895,692

JACKSON COLLEGE**Notes to Financial Statements**

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan), as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2020:

	1% Decrease (5.80% / 5.80% / 5.00%)	Current Discount Rate (6.80% / 6.80% / 6.00%)	1% Decrease (7.80% / 7.80% / 7.00%)
College's proportionate share of the net pension liability	\$ 37,462,693	\$ 28,816,038	\$ 21,647,663

Sensitivity of College's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Decrease (7.95%)
College's proportionate share of the net OPEB liability	\$ 5,291,920	\$ 4,119,464	\$ 3,132,355

The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2020:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Decrease (7.95%)
College's proportionate share of the net pension liability	\$ 7,490,096	\$ 6,106,138	\$ 4,943,998

JACKSON COLLEGE**Notes to Financial Statements*****Sensitivity of College's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate***

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2021:

	1% Increase (6.0%)	Current Healthcare Cost Trend Rate (7.0%)	1% Increase (8.0%)
College's proportionate share of the net OPEB liability	\$ 3,094,560	\$ 4,119,464	\$ 5,285,166

The following presents the College's proportionate share of the net OPEB liability calculated using the assumed trend rates, as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage higher as of June 30, 2020:

	1% Increase (6.5%)	Current Healthcare Cost Trend Rate (7.5%)	1% Increase (8.5%)
College's proportionate share of the net OPEB liability	\$ 4,894,728	\$ 6,106,138	\$ 7,489,932

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2021, the College reported a payable of \$296,307 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2021. At June 30, 2020, the College reported a payable of \$279,253 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2020.

JACKSON COLLEGE

Notes to Financial Statements

Payable to the OPEB Plan

At June 30, 2021, the College reported a payable of \$48,574 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2021. At June 30, 2020, the College reported a payable of \$46,538 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2020.

Defined Contribution

Effective July 1, 1996, the College established the Jackson College Optional Retirement Program ("JCCORP"), a defined contribution pension plan qualified under Section 414(d) of the Internal Revenue Code. Under this plan, eligible employees as of July 1, 1996 and who are members of MPSERS, may continue their membership in MPSERS or may elect to participate in the plan and retain limited membership in the retirement system. An employee becoming eligible after July 1, 1996 may elect to become a member of MPSERS or to participate in JCCORP. Benefit provisions and contribution requirements are established and may be amended by the College. Required contributions are made by the College and the participants at a rate of 14% and 4% of eligible compensation for Staff and Faculty, respectively, and 15% and 4% of eligible compensation for Administration, respectively. For the years ended June 30, 2021 and 2020, the cost of this plan to the College was approximately \$1,296,000 and \$1,302,000 and participant contributions in the form of payroll deductions were approximately \$363,000 and \$367,000, respectively.

8. RELATED PARTIES

Jackson College Foundation

The College received payments from the Foundation for student scholarships and other support, including capital gifts, totaling \$757,141 and \$397,992 for the years ended June 30, 2021 and 2020, respectively. The College entered into a lease agreement with the Foundation on July 1, 2012 related to its W. J. Maher Campus building. The Foundation charged the College \$225,000 and \$200,000 in rent for fiscal 2021 and 2020. During fiscal year 2021 and 2020, due to the COVID-19 pandemic, the Foundation transferred \$225,000 and \$100,000 of this rent back to the College through scholarships and other support, respectively.

In fiscal year 2021, the College transferred ownership of the Wickwire house and thirty acres to the Foundation. The \$85,000 carrying value of this property is shown as a transfer of assets to the Foundation on the statement of revenues, expenses, and changes in net position.

JACKSON COLLEGE

Notes to Financial Statements

Dahlem Environmental Center

In August 2005, the College spun off its Dahlem Environmental Center (the "Center") operations by entering into an agreement with The Dahlem Conservancy (the "Conservancy"), an independent, nonprofit organization, and the private donor of the Center's property. Under this agreement, the College leases the Center's property to the Conservancy for a term of 30 years at an annual amount of \$1. The agreement also states that any endowment gifts received for the benefit of the Center will be restricted support of the Foundation, and the Foundation annually distribute 5% of the total endowment funds held for the benefit of the Center to the Conservancy in quarterly installments.

Jackson College Dormitories

In August 2014, the College created Jackson College Dormitories (JCD), a separate tax exempt corporation following IRS code 501(c)(3). The creation of JCD was solely to finance and construct Campus View 3. JCD's expenses include depreciation on the building, interest payments on debt, direct utilities and other direct expenses covered by the rental income. The College collected and distributed rents for/to JCD and provides management and cleaning of the building. For the 2020 fiscal year, the College paid JCD \$802,344 in rental revenue.

In July 2020, JCD dissolved and transferred ownership of Campus View 3 to the College. As a part of this transfer and dissolution, the College recognized expense of \$198,820 for unpaid amounts owed by JCD for operational expense reimbursements and \$20,000 for maintenance reserve.

9. UNRESTRICTED DEFICIT

The College, through Board of Trustees action via the budget process, has designated the use of unrestricted net deficit for the following purposes at June 30:

	2021	2020
Major maintenance and equipment replacement	\$ 11,413,858	\$ 3,196,221
Future operations	<u>12,636,486</u>	<u>12,255,258</u>
Total designated	24,050,344	15,451,479
Pension and OPEB liability fund deficit	(32,355,683)	(32,611,851)
CARES Act fund deficit	-	(1,105,358)
Undesignated	<u>703,784</u>	<u>703,265</u>
Total unrestricted net deficit	<u>\$ (7,601,555)</u>	<u>\$ (17,562,465)</u>

10. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended June 30, 2021 and 2020, the College carried commercial insurance to cover all risks of losses. The College has had no settled claims resulting from these risks that exceeded its commercial coverage limits in any of the past three fiscal years.

JACKSON COLLEGE

Notes to Financial Statements

11. COMMITMENTS, UNCERTAINTIES AND OTHER MATTERS

Government Programs

The College conducts certain programs pursuant to grants and contracts funded, and subject to audit, by various federal and state agencies. Amounts questioned as a result of audits, if any, may result in refunds to these governmental agencies. Any liabilities for reimbursements which may arise as the result of these audits is not believed to be material.

Employment Contract

The College is obligated pursuant to the terms of the College President's employment contract to provide housing in which the President is required to reside, maintain the buildings and grounds and pay all utilities furnished for the President's residential housing, annually reimburse certain expenses connected with the Office of the President, and annually provide an agreed upon amount of deferred compensation payable upon termination of the President's tenure. The President's employment agreement is currently scheduled to expire on August 31, 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

**MPSERS COST-SHARING
MULTIPLE-EMPLOYER PLANS**

JACKSON COLLEGE

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net Pension Liability

	Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
College's proportionate share of the net pension liability	\$ 27,637,401	\$ 28,816,038	\$ 27,750,921	\$ 25,076,508	\$ 25,492,530	\$ 25,348,337	\$ 31,557,371
College's proportion of the net pension liability	0.08046%	0.08701%	0.09231%	0.09677%	0.10218%	0.10378%	0.14327%
College's covered payroll	\$ 6,801,890	\$ 7,430,975	\$ 7,602,247	\$ 8,021,049	\$ 8,450,437	\$ 9,132,227	\$ 9,478,260
College's proportionate share of the net pension liability as a percentage of its covered-employee payroll	406.32%	387.78%	365.04%	312.63%	301.67%	277.57%	332.94%
Plan fiduciary net position as a percentage of the total pension liability	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Schedule of College Pension Contributions

	Year Ended June 30,						
	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 2,155,149	\$ 2,238,743	\$ 2,356,478	\$ 2,533,991	\$ 2,340,447	\$ 2,252,429	\$ 3,135,547
Contributions in relation to the statutorily required contribution	(2,155,149)	(2,238,743)	(2,356,478)	(2,533,991)	(2,340,447)	(2,252,429)	(3,135,547)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 6,164,630	\$ 7,224,684	\$ 7,536,546	\$ 7,902,364	\$ 9,003,990	\$ 8,950,325	\$ 12,526,015
Contributions as a percentage of covered employee payroll	34.96%	30.99%	31.27%	32.07%	25.99%	25.17%	25.03%

See notes to required supplementary information.

JACKSON COLLEGE

Required Supplementary Information

Schedule of the College's Proportionate Share of the Net Other Postemployment Benefits Liability

	Year Ended June 30,			
	2021	2020	2019	2018
College's proportionate share of the net OPEB liability	\$ 4,119,464	\$ 6,106,138	\$ 7,097,606	\$ 8,648,302
College's proportion of the net OPEB liability	0.07689%	0.08507%	0.08929%	0.09766%
College's covered payroll	\$ 6,801,890	\$ 7,430,975	\$ 7,602,247	\$ 8,021,049
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	60.56%	82.17%	93.36%	107.82%
Plan fiduciary net position as a percentage of the total OPEB liability	59.44%	48.46%	42.95%	36.39%

Schedule of College Other Postemployment Benefits Contributions

	Year Ended June 30,			
	2021	2020	2019	2018
Statutorily required contribution	\$ 491,560	\$ 557,211	\$ 560,732	\$ 559,662
Contributions in relation to the statutorily required contribution	<u>(491,560)</u>	<u>(557,211)</u>	<u>(560,732)</u>	<u>(559,662)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 6,164,630	\$ 7,224,684	\$ 7,536,546	\$ 7,902,364
Contributions as a percentage of covered payroll	7.97%	7.71%	7.44%	7.08%

See notes to required supplementary information.

JACKSON COLLEGE

Notes to Required Supplementary Information

Pension Information

GASB 68 was implemented in fiscal year 2015. The pension plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the College's Proportionate Share of the Net OPEB Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2019 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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SUPPLEMENTARY COMBINING INFORMATION

Jackson College Board of Trustees Meeting - Information Requested by the Board

JACKSON COLLEGE

■ Combining Statement of Net Position (Unaudited)

June 30, 2021

	General Fund	Designated Fund	Restricted Funds	CARES Act Fund	Pension and OPEB Liability Fund	Endowment Funds	Plant Funds	Combined Total
Assets								
Current assets								
Cash and cash equivalents	\$ 1,417,991	\$ 179,814	\$ (2,411,163)	\$ -	\$ -	\$ 14,134	\$ 11,398,274	\$ 10,599,050
Tuition and other receivables, net	1,425,059	27,150	10,790	-	-	-	-	1,462,999
State appropriations receivable	2,548,656	538,199	-	-	-	-	-	3,086,855
Federal and state grants receivable	6,400	-	3,520,669	-	-	-	-	3,527,069
Inventories	28,112	-	-	-	-	-	-	28,112
Prepaid expenses and other assets	217,855	322	1,652	-	-	-	305,839	525,668
Total current assets	5,644,073	745,485	1,121,948	-	-	14,134	11,704,113	19,229,753
Noncurrent assets								
Investments	2,000,000	12,413,439	-	-	-	21,013	-	14,434,452
Campus property, plant and equipment, net	-	-	-	-	-	-	76,957,164	76,957,164
Total noncurrent assets	2,000,000	12,413,439	-	-	-	21,013	76,957,164	91,391,616
Total assets	7,644,073	13,158,924	1,121,948	-	-	35,147	88,661,277	110,621,369
Deferred outflows of resources								
Deferred charge on refunding	-	-	-	-	-	-	352,978	352,978
Deferred pension amounts	-	-	-	-	5,598,434	-	-	5,598,434
Deferred OPEB amounts	-	-	-	-	1,826,836	-	-	1,826,836
Total deferred outflows of resources	-	-	-	-	7,425,270	-	352,978	7,778,248
Liabilities								
Current liabilities								
Accounts payable	1,475,818	522,438	88,063	-	-	-	146,726	2,233,045
Accrued compensation and benefits	2,691,643	-	12,967	-	-	-	-	2,704,610
Current portion of long-term liabilities	-	-	-	-	-	-	3,222,472	3,222,472
Accrued interest	-	-	-	-	-	-	143,529	143,529
Unearned revenue	2,772,828	-	659,290	-	-	-	-	3,432,118
Total current liabilities	6,940,289	522,438	760,320	-	-	-	3,512,727	11,735,774
Noncurrent liabilities								
Long-term liabilities, net of current portion	-	-	-	-	-	-	31,500,118	31,500,118
Net pension liability	-	-	-	-	27,637,401	-	-	27,637,401
Net OPEB liability	-	-	-	-	4,119,464	-	-	4,119,464
Total noncurrent liabilities	-	-	-	-	31,756,865	-	31,500,118	63,256,983
Total liabilities	6,940,289	522,438	760,320	-	31,756,865	-	35,012,845	74,992,757
Deferred inflows of resources								
Deferred pension amounts	-	-	-	-	3,778,761	-	-	3,778,761
Deferred OPEB amounts	-	-	-	-	4,245,327	-	-	4,245,327
Total deferred inflows of resources	-	-	-	-	8,024,088	-	-	8,024,088
Net position								
Net investment in capital assets	-	-	-	-	-	-	42,587,552	42,587,552
Restricted:								
Nonexpendable	-	-	-	-	-	35,147	-	35,147
Expendable	-	-	361,628	-	-	-	-	361,628
Unrestricted (deficit)	703,784	12,636,486	-	-	(32,355,683)	-	11,413,858	(7,601,555)
Total net position (deficit)	\$ 703,784	\$ 12,636,486	\$ 361,628	\$ -	\$ (32,355,683)	\$ 35,147	\$ 54,001,410	\$ 35,382,772

Jackson College Board of Trustees Meeting - Information Requested by the Board

JACKSON COLLEGE

■ Combining Statement of Net Position (Unaudited)
June 30, 2020

	General Fund	Designated Fund	Restricted Funds	CARES Act Fund	Pension and OPEB Liability Fund	Endowment Funds	Plant Funds	Combined Total
Assets								
Current assets								
Cash and cash equivalents	\$ 525,934	\$ 3,804,381	\$ 565,082	\$ (294,585)	\$ -	\$ 13,204	\$ 3,293,337	\$ 7,907,353
Restricted cash - unspent bond proceeds	-	-	-	-	-	-	2,100,397	2,100,397
Tuition and other receivables, net	2,355,239	27,733	84,777	-	-	-	10,000	2,477,749
State appropriations receivable	1,103,100	620,270	-	-	-	-	-	1,723,370
Federal and state grants receivable	-	-	629,960	-	-	-	-	629,960
Current portion of notes receivable	-	-	-	-	-	-	33,888	33,888
Inventories	27,430	-	-	-	-	-	-	27,430
Prepaid expenses and other assets	871,356	-	26,652	-	-	-	-	898,008
Total current assets	4,883,059	4,452,384	1,306,471	(294,585)	-	13,204	5,437,622	15,798,155
Noncurrent assets								
Investments	2,000,000	8,412,535	-	-	-	16,726	-	10,429,261
Related party receivable	-	-	-	-	-	-	7,927,960	7,927,960
Notes receivable, net of current portion	-	-	-	-	-	-	22,646	22,646
Campus property, plant and equipment, net	-	-	-	-	-	-	70,654,296	70,654,296
Total noncurrent assets	2,000,000	8,412,535	-	-	-	16,726	78,604,902	89,034,163
Total assets	6,883,059	12,864,919	1,306,471	(294,585)	-	29,930	84,042,524	104,832,318
Deferred outflows of resources								
Deferred charge on refunding	-	-	-	-	-	-	413,946	413,946
Deferred pension amounts	-	-	-	-	7,822,795	-	-	7,822,795
Deferred OPEB amounts	-	-	-	-	1,793,736	-	-	1,793,736
Total deferred outflows of resources	-	-	-	-	9,616,531	-	413,946	10,030,477
Liabilities								
Current liabilities								
Accounts payable	1,201,367	609,661	72,563	-	-	-	12,051	1,895,642
Accrued compensation and benefits	2,702,834	-	10,565	-	-	-	-	2,713,399
Current portion of long-term liabilities	-	-	-	-	-	-	3,147,472	3,147,472
Accrued interest	-	-	-	-	-	-	151,599	151,599
Unearned revenue	2,275,593	-	842,445	810,773	-	-	-	3,928,811
Total current liabilities	6,179,794	609,661	925,573	810,773	-	-	3,311,122	11,836,923
Noncurrent liabilities								
Long-term liabilities, net of current portion	-	-	-	-	-	-	34,722,590	34,722,590
Net pension liability	-	-	-	-	28,816,038	-	-	28,816,038
Net OPEB liability	-	-	-	-	6,106,138	-	-	6,106,138
Total noncurrent liabilities	-	-	-	-	34,922,176	-	34,722,590	69,644,766
Total liabilities	6,179,794	609,661	925,573	810,773	34,922,176	-	38,033,712	81,481,689
Deferred inflows of resources								
Deferred pension amounts	-	-	-	-	4,150,243	-	-	4,150,243
Deferred OPEB amounts	-	-	-	-	3,155,963	-	-	3,155,963
Total deferred inflows of resources	-	-	-	-	7,306,206	-	-	7,306,206
Net position								
Net investment in capital assets	-	-	-	-	-	-	43,226,537	43,226,537
Restricted:								
Nonexpendable	-	-	-	-	-	29,930	-	29,930
Expendable	-	-	380,898	-	-	-	-	380,898
Unrestricted (deficit)	703,265	12,255,258	-	(1,105,358)	(32,611,851)	-	3,196,221	(17,562,465)
Total net position (deficit)	\$ 703,265	\$ 12,255,258	\$ 380,898	\$ (1,105,358)	\$ (32,611,851)	\$ 29,930	\$ 46,422,758	\$ 26,074,900

Jackson College Board of Trustees Meeting - Information Requested by the Board

JACKSON COLLEGE

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)
For the Year Ended June 30, 2021

	General Fund	Designated Fund	Restricted Funds	CARES Act Fund	Pension and OPEB Liability Fund	Endowment Funds	Plant Funds	Elimination Entries	Combined Total
Operating revenues									
Tuition and fees (net of scholarship allowances of \$16,425,072)	\$ 25,025,392	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,425,072)	\$ 8,600,320
Federal grants and contracts	9,200	-	2,421,536	-	-	-	-	-	2,430,736
State grants and contracts	-	-	1,419,010	-	-	-	-	-	1,419,010
Housing revenue	587,861	-	-	-	-	-	-	-	587,861
Hospitality services	20,462	-	-	-	-	-	-	-	20,462
Contract training	27,518	-	-	-	-	-	-	-	27,518
Seminars, workshops, and other	784,297	317,856	1,074,462	-	-	-	6,578	-	2,183,193
Current funds expenditures for capital equipment and improvements	-	-	-	-	-	-	3,028,698	(3,028,698)	-
Total operating revenues	26,454,730	317,856	4,915,008	-	-	-	3,035,276	(19,453,770)	15,269,100
Operating expenses									
Instruction	14,216,983	-	250,182	-	(586,026)	-	-	-	13,881,139
Information technology	2,810,183	-	4,258	-	(65,114)	-	-	-	2,749,327
Public service	534,167	-	9,925	-	(39,068)	-	-	-	505,024
Academic support	1,836,649	-	574,194	-	(130,228)	-	-	-	2,280,615
Student services	6,230,569	91,582	20,093,412	-	(195,342)	-	-	(16,425,072)	9,795,149
Administration	4,793,388	-	275,409	-	(130,228)	-	-	-	4,938,569
Operation and maintenance of plant	4,021,202	-	2,014,424	-	(156,273)	-	2,720,426	(3,028,698)	5,571,081
Depreciation and amortization	-	-	-	-	-	-	4,543,139	-	4,543,139
Total operating expenses	34,443,141	91,582	23,221,804	-	(1,302,279)	-	7,263,565	(19,453,770)	44,264,043
Operating (loss) income	(7,988,411)	226,274	(18,306,796)	-	1,302,279	-	(4,228,289)	-	(28,994,943)
Nonoperating revenues (expenses)									
State appropriations	14,328,119	-	-	-	(1,046,111)	-	-	-	13,282,008
Local property taxes	5,462,111	-	-	-	-	-	-	-	5,462,111
Federal Pell grant revenue	-	-	8,350,044	-	-	-	-	-	8,350,044
Federal Higher Education Emergency Relief Fund grant revenue	-	-	9,325,405	810,773	-	-	-	-	10,136,178
Federal Coronavirus Relief Fund grant revenue	-	-	1,135,015	294,585	-	-	-	-	1,429,600
Private gifts and grants	304,039	14,726	1,251	-	-	-	-	-	320,016
Interest income	1,021	1,762	-	-	-	5,217	-	-	8,000
Gain on disposal of property and equipment	-	-	-	-	-	-	60,210	-	60,210
Interest expense	-	-	-	-	-	-	(962,056)	-	(962,056)
Transfer of assets to Jackson College Foundation	-	-	-	-	-	-	(85,000)	-	(85,000)
Net nonoperating revenues (expenses)	20,095,290	16,488	18,811,715	1,105,358	(1,046,111)	5,217	(986,846)	-	38,001,111
Other revenues									
Capital gifts and grants	-	-	-	-	-	-	301,704	-	301,704
Increase (decrease) in net position	12,106,879	242,762	504,919	1,105,358	256,168	5,217	(4,913,431)	-	9,307,872
Transfers in (out)	(12,106,360)	138,466	(524,189)	-	-	-	12,492,083	-	-
Net increase (decrease) in net position	519	381,228	(19,270)	1,105,358	256,168	5,217	7,578,652	-	9,307,872
Net position (deficit), beginning of year	703,265	12,255,258	380,898	(1,105,358)	(32,611,851)	29,930	46,422,758	-	26,074,900
Net position (deficit), end of year	\$ 703,784	\$ 12,636,486	\$ 361,628	\$ -	\$ (32,355,683)	\$ 35,147	\$ 54,001,410	\$ -	\$ 35,382,772

Jackson College Board of Trustees Meeting - Information Requested by the Board

JACKSON COLLEGE

Combining Statement of Revenues, Expenses, Transfers and Changes in Net Position (Unaudited)
For the Year Ended June 30, 2020

	General Fund	Designated Fund	Restricted Fund	CARES Act Funds	Pension and OPEB Liability Fund	Endowment Funds	Plant Funds	Elimination Entries	Combined Total
Operating revenues									
Tuition and fees (net of scholarship allowances of \$14,494,818)	\$ 28,558,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,494,818)	\$ 14,063,788
Federal grants and contracts	9,200	-	2,799,431	-	-	-	-	-	2,808,631
State grants and contracts	-	-	323,832	-	-	-	-	-	323,832
Housing revenue	967,194	-	-	-	-	-	-	-	967,194
Potter Center activities	296,380	-	-	-	-	-	-	-	296,380
Contract training	178,005	-	-	-	-	-	-	-	178,005
Seminars, workshops, and other	995,379	345,157	1,273,273	-	-	-	9,659	-	2,623,468
Current funds expenditures for capital equipment and improvements	-	-	-	-	-	-	3,854,204	(3,854,204)	-
Total operating revenues	31,004,764	345,157	4,396,536	-	-	-	3,863,863	(18,349,022)	21,261,298
Operating expenses									
Instruction	17,225,006	-	317,342	-	(624,307)	-	-	-	16,918,041
Information technology	2,978,315	-	-	4,525	(89,187)	-	-	-	2,893,653
Public Service	1,016,159	-	-	-	(53,512)	-	-	-	962,647
Academic support	2,175,004	-	527,442	35,810	(267,560)	-	-	-	2,470,696
Student services	7,046,118	181,995	12,783,705	828,314	(428,096)	-	-	(14,494,818)	5,917,218
Administration	5,173,630	-	48,662	131,067	(142,699)	-	-	-	5,210,660
Operation and maintenance of plant	5,160,791	-	24,452	105,642	(178,374)	-	4,410,586	(3,854,204)	5,668,893
Depreciation and amortization	-	-	-	-	-	-	4,728,010	-	4,728,010
Total operating expenses	40,775,023	181,995	13,701,603	1,105,358	(1,783,735)	-	9,138,596	(18,349,022)	44,769,818
Operating (loss) income	(9,770,259)	163,162	(9,305,067)	(1,105,358)	1,783,735	-	(5,274,733)	-	(23,508,520)
Nonoperating revenues (expenses)									
State appropriations	12,796,117	-	-	-	(965,650)	-	-	-	11,830,467
Local property taxes	5,301,939	-	-	-	-	-	-	-	5,301,939
Federal Pell grant revenue	-	-	9,098,781	-	-	-	-	-	9,098,781
Federal Higher Education Emergency Relief Fund grant revenue	-	-	206,000	-	-	-	-	-	206,000
Private gifts and grants	150,766	48,621	2,000	-	-	-	-	-	201,387
Interest income	22	177,724	-	-	-	678	37,419	-	215,843
Loss on disposal of property and equipment	-	-	-	-	-	-	(100,214)	-	(100,214)
Interest expense	-	-	-	-	-	-	(1,127,909)	-	(1,127,909)
Loss on disposal of property and equipment	-	-	-	-	-	-	(1,118,074)	-	(1,118,074)
Transfer of funds to Jackson College Foundation	-	(10,000)	-	-	-	-	-	-	(10,000)
Total nonoperating revenues (expenses)	18,248,844	216,345	9,306,781	-	(965,650)	678	(2,308,778)	-	24,498,220
Increase (decrease) in net position	8,478,585	379,507	1,714	(1,105,358)	818,085	678	(7,583,511)	-	989,700
Transfers in (out)	(8,477,790)	2,824,777	-	-	-	-	5,653,013	-	-
Net increase (decrease) in net position	795	3,204,284	1,714	(1,105,358)	818,085	678	(1,930,498)	-	989,700
Net position (deficit), beginning of year	702,470	9,050,974	379,184	-	(33,429,936)	29,252	48,353,256	-	25,085,200
Net position (deficit), end of year	\$ 703,265	\$ 12,255,258	\$ 380,898	\$ (1,105,358)	\$ (32,611,851)	\$ 29,930	\$ 46,422,758	\$ -	\$ 26,074,900



INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

November 3, 2021

Audit Committee
Board of Trustees
Jackson College
Jackson, Michigan

We have audited the financial statements of the business-type activities and discretely presented component unit of **Jackson College** (the "College") as of and for the year ended June 30, 2021, and have issued our report thereon dated November 3, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 14, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the College solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our audit procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Rehmann is an independent member of Nexia International.



675 Robinson Road, Jackson, MI 49203 517.787.6503

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with Uniform Guidance 2 CFR 200, we examined, on a test basis, evidence about the College's compliance with the types of compliance requirements described in the Uniform Guidance Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the College's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the College's compliance with those requirements. We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our Professional Services Plan dated June 2, 2021.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the College's Significant Accounting Practices*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the College is included in Note 2 to the financial statements.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets and the resulting depreciation expense is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

In addition, the financial statements include net pension and other postemployment benefit liabilities and other related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards but are not within the control of management.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the College's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in *Attachment B* to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the College, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the College's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, *Attachment A* to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of **Jackson College** and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

JACKSON COLLEGE

Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2021 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the College in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the College. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 87 ■ Leases

Effective 06/15/2022 (your FY 2022)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period

Effective 12/15/2021 (your FY 2022)

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the College.

GASB 91 ■ Conduit Debt Obligations

Effective 12/15/2022 (your FY 2023)

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is *more likely than not* that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the College.

GASB 92 ■ Omnibus 2020

Effective 06/15/2022 (your FY 2022)

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the College.

JACKSON COLLEGE

Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the June 30, 2021 Audit

GASB 93 ■ Replacement of Interbank Offered Rates

Effective 06/15/2022 (your FY 2022)

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the College.

GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Effective 06/15/2023 (your FY 2023)

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the College.

GASB 96 ■ Subscription-Based Information Technology Arrangements

Effective 06/15/2023 (your FY 2023)

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

GASB 97 ■ Certain Component Unit Criteria and IRC Section 457 Deferred Compensation Plans

Effective 06/15/2022 (your FY 2022)

This standard amends the requirements for when to report defined contribution pension plans (such as 401k and 403b plans) as fiduciary component units, and how to account for Section 457 deferred compensation plans.

■ ■ ■ ■ ■



November 3, 2021

Rehmann Robson
675 Robinson Rd.
Jackson, MI 49203

This representation letter is provided in connection with your audits of the financial statements of the business-type activities and discretely presented component units of *Jackson College* (the "College"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, in conformity with accounting principles generally accepted for governments in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 3, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 14, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties

Rehmann Robson
November 3, 2021
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- mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
 9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
 10. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
 11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
 12. All components of net position classifications have been properly reported.
 13. All revenues within the statement of revenues, expenses, and changes in net position have been properly classified.
 14. All operating expenses have been properly classified in or allocated to functions in the statement of revenues, expenses, and changes in net position, and allocations, if any, have been made on a reasonable basis.
 15. Deposit and investment risks have been properly and fully disclosed.
 16. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
 17. All required supplementary information is measured and presented within the prescribed guidelines.
 18. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 19. We are responsible for the fair presentation of the College's proportionate share of the net pension and OPEB liabilities of the Michigan Public School Employees Retirement System (MPERS) and related amounts. We provided MPERS with complete and accurate information regarding the College's participation in the plan, and have reviewed the information provided by MPERS for inclusion in the College's financial statements.
 20. The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a pandemic, continues to spread throughout the United States of America and the globe. Due to the pandemic, Michigan's Governor issued temporary Executive Orders that, among other stipulations, effectively prohibit certain in-person activities while requiring numerous safety measures and protocols to be met in order to resume in person learning, having the effect of suspending or severely curtailing certain operations including on-campus learning during the fiscal year 2021 as well as Winter and Summer 2020 semesters for fiscal year 2020. The extent of the ultimate impact of the pandemic on the College's operational and financial performance will depend on various developments, including the duration and spread of the outbreak, and its impact on funders, students, employees, and vendors, all of which cannot be reasonably predicted at this time. In response to the pandemic, the College was awarded \$21,231,197 during 2021 from the Relief Supplemental Appropriations Act and American Rescue Plan Act and \$4,972,721 during 2020 from the Coronavirus Aid, Relief, and Economic Security Act. The College recognized revenue from these awards of \$10,136,178 and \$206,000 during 2021 and 2020, respectively. The College was additionally awarded funding in the amount of \$1,429,600 during fiscal year 2021 through the Coronavirus Relief

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Fund; the College recognized revenue for the full award amount in fiscal 2021. These restricted CARES Act Federal funds were passed through the State as a supplement to help offset the reductions to fiscal 2020 State general appropriations. Additionally, the College transitioned its in-person instruction to an online format and closed its facilities in March 2020. Online instruction continued into fiscal year 2021 with limited in-person instruction. Broader in-person instruction returned in fiscal year 2022. While management reasonably expects the COVID-19 outbreak to negatively impact the College's financial condition, operating results, and timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Information Provided

21. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
22. All transactions have been recorded in the accounting records and are reflected in the financial statements.
23. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
24. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
25. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
26. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
27. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
28. We have a process to track the status of audit findings and recommendations.
29. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
30. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
31. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
32. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

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November 3, 2021
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33. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
34. The College has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
35. We have disclosed to you all guarantees, whether written or oral, under which the College is contingently liable.
36. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts.
37. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
38. The College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral.
39. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
40. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the statement of net position date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Required Supplementary Information

41. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

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Uniform Guidance (2 CFR 200)

1. With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance.
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. The methods of measurement or presentation have not changed from those used in the prior period.
 - e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
 - f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
 - g. We have identified and disclosed all of our programs and related activities subject to the Uniform Guidance compliance audit.
 - h. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
 - i. We have, in accordance with the Uniform Guidance, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
 - j. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
 - k. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
 - l. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.

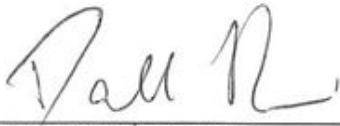
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- m. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- n. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- o. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- p. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- q. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- s. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- u. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- v. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- w. The reporting package does not contain protected personally identifiable information.
- x. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
- y. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- z. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.



Dr. Daniel J. Phelan, President

Rehmann Robson
November 3, 2021
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Darrell Norris, Vice President of Finance



Teresa Choate, Controller



Kimberly S. Abbott, Internal Auditor

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
10.0 Information Requested by the Board 10.2 EL-05 Asset Protection – Section 2 Interpretation
<p>Recall that at last month’s Regular Board Meeting (i.e., 10.11.21), the Board decided to remove item #8, as well as to correct a duplicated section. These changes have been made and are included for your review.</p>
Resource Impact:
None
Requested Board Action:
Review of amended policy EL-05 and amended EL-05 monitoring report.
Action Taken:



Governance Process	Ends
Board- President Delegation	Executive Limitations

BOARD OF TRUSTEES POLICY

Policy Type: Executive Limitations

Policy Title: Asset Protection

Policy Number: EL-05

Date Adopted: 1/13/20

Version: 2.0

Date Last Reviewed: 11/11/19

Office Responsible: President's

Reviewing Committee: Board of Trustees

The President shall not allow assets to be unprotected, inadequately maintained or unnecessarily risked. Further, without limiting the scope of the preceding statement by the following list, the President shall not:

- 1. Permit the organization to have inadequate insurance against property and casualty losses.**

I have interpreted "inadequate insurance" in policy items #1.1 (including 1.1.1 and 1.1.2) to 1.4. Compliance with these items below constitutes compliance with this policy.

- 1.1. Permit the organization to insure its property and operations with inadequate valuation and limits due to an insufficient scope of perils.**

I have partially interpreted "insufficient scope of perils in property and operations" in policy items 1.1.1 and 1.1.2 below. I am further interpreting the scope of perils to include disruption of College operations due to unpredictable events or 'Acts of God'.

INTERPRETATION:

Compliance will be demonstrated by compliance with 1.1.1 and 1.1.2, as well as when Umbrella Insurance for disruption of College operations is consistent with coverage limits standard to an institution our size and industry standard.

This interpretation is reasonable because it is consistent with the recommendations of the College's insurance consultant, and Michigan Community College Risk Management Authority (MCCRMA) standards of coverage.

EVIDENCE:

Review of the umbrella insurance policy on 06.18.21 by the insurance consultant confirmed that the policy provided coverage for a total limit of \$11,000,000 per each occurrence.

There are two lines of coverage that have lower liability limits: The health services medical malpractice is a \$4,000,000 limit, which is adequate for the medical instruction program and health clinic exposure; and The Employee Benefits Errors and Omissions policy has a \$1,000,000 limit. This level of insurance is the industry standard limit of liability for this coverage.

1.1.1. Permit insurance of all buildings and contents to be at less than 90% of the cost to replace, with a blanket limit of all buildings and contents.

INTERPRETATION:

I have interpreted compliance to be demonstrated when a schedule of values is updated and signed each year computing the blanket limit of coverage for buildings and contents.

This interpretation is reasonable because it is based on insurance industry standards for replacement blanket insurance on building and contents.

EVIDENCE:

Review of the insurance policy on 08.30.21 confirms that the blanket building limit is \$187,849,726 and the content blanket limit is \$25,733,573 which provides for 90% of blanket limit coverage of the replacement value of building and contents.

1.1.2. Permit the College to have inadequate insurance for theft, disappearance or destruction of money, and securities inside or outside the premises.

INTERPRETATION:

I have interpreted compliance to be demonstrated when:

- a) The related insurance policy provides for coverage for theft, disappearance or destruction of money and securities at the College or at financial institutions holding College assets.
- b) The levels/type of insurance coverage is consistent with the range recommended by the insurance consultant.

Insuring Agreement	Limits of Liability	Deductables
Employee Theft	\$ 1,000,000	\$ 10,000
ERIDA Fidelity	\$ 1,000,000	\$ -
Forgery or Alteration	\$ 1,000,000	\$ 10,000
Premise Coverage	\$ 1,000,000	\$ 10,000
Transit Coverage	\$ 1,000,000	\$ 10,000
Computer Fraud	\$ 1,000,000	\$ 10,000
Restoration Expense	\$ 50,000	\$ 1,000
Funds Transfer Fraud	\$ 1,000,000	\$ 10,000
Credit, Debit or Charge Card Fraud	\$ 1,000,000	\$ 10,000
Money Orders and Counterfeit Money	\$ 1,000,000	\$ 10,000
Investigative Expense	\$ 50,000	\$ -

Field Code Changed

This interpretation is reasonable because the assessment of adequate insurance is provided by a third-party independent insurance consultant is an accepted industry standard.

EVIDENCE:

The Review of insurance policy on 6/18/2021 confirmed that it is consistent with the coverages recommended by the insurance consultant on 6/18/2021 the amount of insurance matches what was recommended by the insurance company.

1.2. Permit the organization to have inadequate privacy/cyber insurance.

INTERPRETATION:

I have interpreted compliance to be demonstrated when:

- a) The threat of Cyber Security is mitigated using preventative controls consistent with what was identified in the annual cyber security audit; and
- b) Insurance levels are consistent with the Michigan Community College Risk Management Authority (MCCRMA) standards of coverage for Cyber Liability.

Given that the cost of cyber liability insurance is prohibitive unless preventative controls are implemented, this interpretation is reasonable because the insurer is a third-party expert and an independent assessment of what adequate insurance is in the current environment.

EVIDENCE:

- a) A comparison of the recommended and actual controls on 08.07.20 confirmed that controls are in place.
- b) A review of the cyber insurance on 05.24.21 confirmed that the amounts for the required insurances are consistent with the recommendations of the insurance consultant.

2. Permit the Board members, staff, and other individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance.

INTERPRETATION:

I interpret the level of adequate insurance (i.e., E & O for the board, as well as other liability insurances for staff and related parties) to be determined by an industry expert, in this case, the Michigan Community College Risk Management Authority (MCCRMA) and their standards of coverage determinations.

This interpretation is reasonable because the insurer is a third-party expert and an independent assessment of what adequate insurance is.

EVIDENCE:

A review of the College's insurance levels by the third-party insurance consultant (i.e., the Michigan Community College Risk Management Authority) on 06.18.21 confirms our coverages are standard with MCCRMA.

3. Permit individuals traveling out of the United States, on behalf of the College, to have inadequate travel accident insurance.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The College has a professional activity form (i.e., pre-approval documentation) on file, granting approval to travel on behalf of the College.
- b) Employees are provided access to information about applicable travel insurance coverages prior to their approved travel.
- c) Coverages are consistent with 3rd party consultants' recommendations based on industry standards.

This interpretation is reasonable because prior approval to travel is a standard practice among higher education institutions.

EVIDENCE:

- a) A statistical review done by the College's internal auditor on XX documented that XX% of employees completed a professional activity form ahead of travel.
(NOTE: This evidence is not yet available but will be provided at a later board meeting date.)
- b) Employees are provide access to information on travel insurance coverages on the College's employee intranet site.
- c) These evidences are consistent with the recommendations of the 3rd party insurance consultant made on 06.17.21.

4. Allow the College to have insurance for theft and crime coverage that is less than industry standards.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when the College is ensuring its theft and crime at a level the 3rd party insurance consultant has identified as standard for an institution our size and scope.

EVIDENCE:

A review of the College's insurance policies on 06.17.21 by the 3rd party insurance consultant confirms the coverages in the policy are consistent with their recommendation.

5. Unnecessarily expose the organization, its Board members or staff to claims of liability.

INTERPRETATION:

I have partially interpreted "unnecessary exposure to claims of liability" in policy item 5.1. Compliance with this, and the following, will constitute compliance.

- a) All staff receive required training on Title IX and Sexual Harassment Prevention and Jackson College Code of Ethics. This is reasonable because the training is required by the U.S. Department of Education.

EVIDENCE:

All training is provided at the time of hire. Additionally, the Human Resources/Talent Department tracks the completion of training. Additionally, the College provides refresher training on both topic every few years.

5.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.

INTERPRETATION:

I am interpreting the phrase “material contracts or material internal human resource documents” to include all Labor Agreements and all contracts with vendors and organizations, to have a direct or indirect financial liability of \$100,000 or more. Compliance will be demonstrated when:

- a) A random statistical sampling of contracts is reviewed by the College’s Internal Auditor to confirm all associated contracts greater than \$100,000 are reviewed by legal counsel prior to contract signing.
- b) A random statistical sampling of contract documents reveal that performance bonds for contracts or \$100,000 contracts or greater are on file in the College’s Business Office.

This is reasonable because all labor agreements and all contracts with vendors are reviewed by the College’s legal counsel, and additionally reviewed and signed by the President. All union labor agreements are executed by the Board of Trustees. Further, performance bonds for \$100,000 projects and higher, include liability protections for the College, ensuring that work is performed of a nature and timeline consistent with the contract.

EVIDENCE:

- a) The College’s Internal Auditor on XXX has provided confirmation that a statistical sample of contracts met this requirements. (NOTE: The evidence is not yet available but we can provide this at a later board meeting).
- b) The College’s Internal Auditor on XXX has provided confirmation that a statistical sample of performance bonds met this requirements. (Note: The evidence is not yet available but we can provide this at a later board meeting).

6. Receive, process or disburse funds under controls which are insufficient to meet audit standards or insufficient to detect and prevent fraud.

INTERPRETATION:

I am interpreting fraud protection, involving the receipt, process, or distribution of funds to be achieved when adequate crime (i.e., fraud) insurance is filed and current, as well as when both internal and external auditors confirm adequate internal controls are in place.

Compliance will be demonstrated when:

- a) The external auditors do not find any deficiency in the internal controls process as part of their annual audit; and
- b) Any deficiency noted in internal controls and the deficiency is corrected within 90 days.

EVIDENCE:

- a) The results of the audit report with fiscal year end 06.30.20 contained no deficiencies noted on internal controls.
- b) There was no need for corrections required by the audit.

7. Make any purchases that do not result in appropriate level of quality, after-purchase service and value for dollar, or do not provide opportunity for fair competition.

7.1 Make any purchase wherein normally prudent protection has not been given against conflict of interest.

INTERPRETATION:

Compliance will be demonstrated when:

- a) All administrators annually submit documentation, and Trustees declare any conflict of interest that may exist in their decision-making at the College, and for Trustees, such declaration occurs prior to the commencement of any board meeting, as provided on the College's Board agenda;
- b) The external auditor notes there is no conflict of interest in transactions in the past fiscal year; and
- c) Material conflicts are disclosed in the annual audited financial report.

EVIDENCE:

- a) Based on a review of the required conflict of interest forms submitted by administrators, department chairs and the Board of Trustees, 100% of the individuals completed a conflict of interest declaration, in this reporting period. Human Resources/Talent documents and tracks all Administrators and Department Chairs have completed the annual conflict of interest form. All Trustees, during the course of the Board Meetings (as noted in meeting minutes) declare any conflict of interest with Board Agenda items for each meeting;
- b) The annual audit report for 06.30.21 did not note any disclosure of conflicts of interest; and
- c) For the fiscal year 06.30.21 no conflicts needed to be disclosed.

7.2 Make any purchase of over \$100,000 without having obtained comparative prices and quality from at least three competitive bids. Orders shall not be split to avoid these criteria.

INTERPRETATION:

I have interpreted the policy requirement to be compliant when departments have the authority to initiate purchase order requisitions. The approval of these is centralized in the Business Office. I have concluded that compliance will be demonstrated when:

- a) The College's Internal Auditor conducts a review of a statistically valid sample of purchase order requisitions for policy compliance and confirms that all orders approved by the College's Comptroller are compliant with the required bid documentation if the purchase price is greater than \$100,000; and
- b) The administrative purchasing policy is consistent with Board Policy.

EVIDENCE:

- a) The College's Internal Auditor conducted a review on 10.05.21 and confirmed all selected approved transactions were compliant with this policy; and
- b) A review of the administrative policy on 8/4/2021 by the CFO shows it aligns with the requirements of the board policy.

7.3 Make any purchase without a stringent method of assuring: 1) Long-term quality 2) Reasonable Cost; 3) Consideration of the financial support provided to the College by a bidder, and 4) Local vendor preference.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) All College departments with purchasing authority are provided the criteria of this policy;
- b) All College Administrators annually receive, and review, the College's purchasing policy in the Administrative Council Meeting annually; and
- c) The members of Leadership Council confirm the policy is being applied in their areaa of responsibility.

EVIDENCE:

- a) A review of purchasing departments on XXXX confirmed that X% had received this policy. (Note: This evidence is not yet available abd will be shared at a board meeting at a later date).
- b) The College's Leadership Council reviewed the policy on XXX as noted in the meeting minutes. (Note: This evidence is not yet available but will be shared at a board meeting at a later date).

7.4 Allow minority, women and veteran vendors to be without information critical to their receiving equitable consideration in competitive bidding.

INTERPRETATION:

I have determined that compliance will be demonstrated when:

- a) Purchasing departments have been provided this policy to make purchases consistent with this criterion; and
- b) The members of the College's Leadership Council confirm the policy is being followed in the area of responsibility.

EVIDENCE:

- a) A review of purchasing departments on XXX confirmed that X% had received this policy. (Note: This evidence is not yet available but will be shared at a board meeting of a later date).
- b) On [date] % of Leadership Counsel members confirmed policy is being applied. (NOTE: This evidence is not yet available but will be provided at a later board meeting).

8. Allow College intellectual assets, to be unprotected or exposed to loss or significant damage.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when all College logos, names and characters of proprietary nature have registered trademarks or copyrights.

This is reasonable because registration provides legal basis for protecting assets against improper or fraudulent use.

EVIDENCE:

On 08.19.21 it was confirmed by the Senior Vice President/Chief Operating Officer that the Men of Merit program has been copyrighted and trademarked. An examination of other areas are being evaluated as to their need for protection.

9. Endanger the organization's public image, credibility, or its ability to accomplish Ends.

INTERPRETATION:

I have interpreted this policy statement in policy items 10.1 to 10.5, and that compliance with these policy items constitute compliance with this policy.

9.1 Allow non-adherence to guidelines required for required institutional and desired supplemental program accreditations.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) Program/Secondary accreditation agencies confirm that all required data and documentation has been provided by required submission dates; and
- b) No Jackson College programs with supplemental accreditation standing are on warning or conditional accreditation status.

EVIDENCE:

- a) The Higher Learning Commission has confirmed there are no outstanding documents. Ask Justin for input on secondary accreditation conformation.
- b) Review of program accreditation sites on XXX confirmed no programs were on conditional status. (NOTE: This evidence is not available yet but will be provided at a later board meeting).

9.2 Accept gifts or grants which obligate the College to make future expenditures other than those provided for by the gift or grant.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when the agreement accepting a gift or grant specifies the period of time in which the College is required to expend funds that does not last longer than the life of gift or grant.

EVIDENCE:

There are no relevant gifts or grants requiring this evidence as of 06.30.20.

9.3 Publicly position the College in support of, or opposition to, any political party or candidate for public office.

INTERPRETATION:

I have interpreted that c ompliance will be demonstrated when:

- a) Review of public sources leading up to election dates do not reveal or report instances of the College supporting or opposing political parties or candidates for public office;
- b) All political parties are given equal opportunity to speak on campus;
- c) No signage supporting candidates appear on any college property; and
- d) No faculty promote candidates in the classroom, nor do faculty or other employees promote candidates by virtue of backgrounds on video

communications, clothing, buttons, or other promotional materials while conducting college business.

EVIDENCE:

The College has established policies for each of the aforementioned items. Further, during the local, state, and national voting periods on XXX the College and employees were deemed to be in compliance with the policy. (NOTE: This evidence is not available yet but will be provided at a later board meeting).

9.4 Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.

INTERPRETATION:

I have interpreted that compliance with this policy will be demonstrated when:

- a) All external partners and vendors have been given, and they have reviewed, a copy of the College's mission, vision, values, and belief statements; and
- b) If an incompatibility is discerned, it will be reviewed by the President, who will make the final determination as to the cessation of the relationship with the offending party.

EVIDENCE:

This practice has been deployed with all vendors and contract partners. (NOTE: This evidence is not available yet but will be provided at a later board meeting).

9.5. Allow relationships with owners and stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.

INTERPRETATION:

I have determined that compliance will be demonstrated when:

- a) A review of tracking software confirms there is no outstanding, or unresolved issues with students with the College's Ombudsman or with the College's Judicial Committee; and
- b) There are no unresolved or public relations matters that have not been addressed.

EVIDENCE:

- a) On 08.05.21 the tracking system was reviewed by the College's Ombudsman and there were no outstanding issues; and

- b) With the exception of student concerns and media coverage of how MLK Day was celebrated, there is no other media coverage.

10. Change the organization's name or substantially alter its identity in the community.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) On those occasions wherein a name is changed, it is noted by action of the Board of Trustees, as approved and recorded in the minutes;
- b) Name changes are requested of and approved by Higher Learning Commission;
- c) Name changes are requested of and approved by the Michigan State Department Education; and
- d) Any change in the image, likeness or positioning of the College identity would be supported by a Board motion approved and recorded in the minutes.

This is reasonable interpretation because it is a requirement of these authorities to advance a name change.

EVIDENCE:

There has been no name change or identity alterations for this reporting period.

11. Create or purchase any subsidiary corporation.

INTERPRETATION:

I have interpreted that compliance will be demonstrated when:

- a) The establishment or purchase of any subsidiary corporation is documented in the minutes of the Board meeting at which it was approved; and
- b) The Board's auditor confirms that there has been no purchase or creation of a subsidiary corporation

This is reasonable because the Board of Trustees has retained the authority of the decision and all Board decisions must report a duly recorded motion and the vote to approve such a decision.

EVIDENCE:

There has been no purchase or creation of a subsidiary corporation during this reporting period.

Date Of Change	Version	Description of Change	Responsible Party
11.11.19	1.0	First release following Policy Governance consulting work.	Chief of Staff
1.13.20	2.0	Edits to original policy recommend by CFO and CEO to enhance clarify of policy	Chief of Staff
10.05.21	3.0	Minor edits based upon actual practice and interpretations added	President & CEO
11.08.21	4.0	Minor edits based upon actual practice	President & CEO

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
10.0 Information Requested by the Board 10.3 Non-voted Debt Obligations
<p>At the Board's Planning Session, there was a request to have the full, outstanding, non-voted indebtedness schedule provided for the Board's review. This is included for your consideration. Please see the hyper link in the agenda.</p>
Resource Impact:
None
Requested Board Action:
Review of the College's Non-voted debt obligation and repayment schedule.
Action Taken:

JACKSON COLLEGE

Non-Voted Debt Limit as of June 30, 2021

(Based on 2021 State Equalized Valuation)

2021 State Equalized Valuation	\$	6,529,203,462
1.5% of First \$250 million		3,750,000
1% of SEV over \$250 million		62,792,035
Total Non-Voted Debt permitted	\$	<u>66,542,035</u>
<u>Bonds Outstanding as of May 2, 2021</u>		
2014 Refunding	\$7,060,000	
2015 LTGO	8,070,000	
2016 Refunding	5,305,000	
2017 Refunding	2,305,000	
2017 Refunding	<u>11,340,000</u>	
Total All Bond Debt Outstanding		34,080,000
Additional Non-Voted Debt Margin	\$	<u>32,462,035</u>

Jackson College
Long-Term Debt Amortization Schedules
Bonds Payable

	Total Principal	Interest	Total	Balance
2022	3,100,000	987,895	4,087,895	30,980,000
2023	3,555,000	905,045	4,460,045	27,425,000
2024	2,645,000	812,495	3,457,495	24,780,000
2025	2,685,000	747,494	3,432,494	22,095,000
2026	2,770,000	663,594	3,433,594	19,325,000
2027	1,860,000	576,944	2,436,944	17,465,000
2028	1,910,000	515,894	2,425,894	15,555,000
2029	1,950,000	450,076	2,400,076	13,605,000
2030	2,010,000	382,450	2,392,450	11,595,000
2031	1,060,000	311,882	1,371,882	10,535,000
2032	1,105,000	281,232	1,386,232	9,430,000
2033	1,135,000	249,232	1,384,232	8,295,000
2034	1,175,000	216,257	1,391,257	7,120,000
2035	1,215,000	181,138	1,396,138	5,905,000
2036	480,000	144,144	624,144	5,425,000
2037	490,000	133,344	623,344	4,935,000
2038	500,000	122,318	622,318	4,435,000
2039	510,000	111,068	621,068	3,925,000
2040	520,000	98,956	618,956	3,405,000
2041	535,000	86,606	621,606	2,870,000
2042	550,000	73,232	623,232	2,320,000
2043	560,000	59,482	619,482	1,760,000
2044	575,000	45,482	620,482	1,185,000
2045	590,000	31,106	621,106	595,000
2046	595,000	15,618	610,618	-
2047	-	-	-	-
	<u>34,080,000</u>	<u>8,202,984</u>	<u>42,282,984</u>	

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
<p>10.0 Information Requested by the Board</p> <p>10.4 NLS 2022 Participation</p>
<p>Each year the American Association of Community College (AACC) and the Association of Community College Trustees (ACCT) jointly conduct a national legislative seminar held in Washington DC. Here is the URL for this year's gathering on February 6th-9th.</p> <p>Given the date of this year's event, need to change our by-laws and annual calendar, given that it has normally been held in the first week of the month.</p> <p>It has been an unusual time for all of us and for the College. We may wish pass on participation this year, but I defer to you. Regardless, I would like your permission to change the bylaws and annual schedule and bring that to you at our January meeting.</p>
Resource Impact:
None
Requested Board Action:
Recommendation to the President to bring forward changes to the bylaws and annual calendar.
Action Taken:

BOARD OF TRUSTEES MEETING
Action & Information Report
 Board Meeting Date: November 8, 2021



TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
11.0 Self-Evaluation of Governance Process & Board Performance at this Meeting 11.1 Principles of Policy Governance
<p>This time has been set aside for the Board, as part of our continuous improvement work in order, to assess the Board's work and commitment towards the ten Policy Governance principles, as well as its governance practice.</p> <p>The URL link below will provide an overview of the principles that you can use for determining the effectiveness and efficacy of the Board's work both in terms of this meeting and in general governance practice.</p> <p>https://governforimpact.org/resources/principles-of-policy-governance.html</p>
Resource Impact:
None
Requested Board Action:
Define particular areas for improvement in the governance process.
Action Taken:

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
12.0 Meeting Content Review
<p>This item on the agenda provides the Board the opportunity to give the Board Chairman and the President feedback on the quality of the content provided during this Board Meeting. We would appreciate receiving suggestions wherein you would like to see changes made to future Board Meetings.</p>
Resource Impact:
None
Requested Board Action:
Consideration of areas for meeting content improvement
Action Taken:

<p align="center">BOARD OF TRUSTEES MEETING Action & Information Report Board Meeting Date: November 8, 2021</p>
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TO: Jackson College Board of Trustees
FROM: Dr. Daniel J. Phelan, President & CEO

Subject to be Discussed:
13.0 Adjourn
Board action is required to adjourn the meeting.
Resource Impact:
None
Requested Board Action:
Meeting Adjournment
Action Taken:
None