



ACCREDITATION SELF-STUDY REPORT

APRIL 8-11, 2018

Prepared for:
The Commission on Institutions of Higher Education
New England Association of Schools and Colleges (NEASC)
3 Burlington Woods, Burlington, MA

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Audited Financial Statement 2015-2016

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Institutional Characteristics Form

This form is to be completed and placed at the beginning of the self-study report:

Date November 20, 2017

1. Corporate name of institution: Kennebec Valley Community College
2. Date institution was chartered or authorized: 1969
3. Date institution enrolled first students in degree programs: 1970
4. Date institution awarded first degrees: December 1983 (the institution awarded diplomas only until 1983)
5. Type of control:

<u>Public</u>	<u>Private</u>
<input checked="" type="checkbox"/> State	<input type="checkbox"/> Independent, not-for-profit
<input type="checkbox"/> City	<input type="checkbox"/> Religious Group
<input type="checkbox"/> Other	(Name of Church) _____
(Specify) _____	<input type="checkbox"/> Proprietary
	<input type="checkbox"/> Other: (Specify) _____
6. By what agency is the institution legally authorized to provide a program of education beyond high school, and what degrees is it authorized to grant? The authority to grant the Associate Degree is defined in Maine law. The Maine Community College System Board of Trustees approves individual programs awarding this credential.
7. Level of postsecondary offering (check all that apply)

<input type="checkbox"/> Less than one year of work	<input type="checkbox"/> First professional degree
<input checked="" type="checkbox"/> At least one but less than two years	<input type="checkbox"/> Master's and/or work beyond the first professional degree
<input checked="" type="checkbox"/> Diploma or certificate programs of at least two but less than four years	<input type="checkbox"/> Work beyond the master's level but not at the doctoral level (e.g., Specialist in Education)
<input checked="" type="checkbox"/> Associate degree granting program of at least two years	<input type="checkbox"/> A doctor of philosophy or equivalent degree
<input type="checkbox"/> Four- or five-year baccalaureate degree granting program	<input type="checkbox"/> Other doctoral programs _____
	<input type="checkbox"/> Other (Specify) _____

8. Type of undergraduate programs (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Occupational training at the crafts/clerical level (certificate or diploma) | <input checked="" type="checkbox"/> Liberal arts and general |
| <input checked="" type="checkbox"/> Occupational training at the technical or semi-professional level (degree) | <input type="checkbox"/> Teacher preparatory |
| <input checked="" type="checkbox"/> Two-year programs designed for full transfer to a baccalaureate degree | <input type="checkbox"/> Professional |
| | <input type="checkbox"/> Other _____ |

9. The calendar system at the institution is:

- ☒ Semester ☐ Quarter ☐ Trimester ☐ Other _____

10. What constitutes the credit hour load for a full-time equivalent (FTE) student each semester?

- a) Undergraduate 12 credit hours
- b) Graduate N/A credit hours
- c) Professional N/A credit hours

11. Student population:

a) Degree-seeking students:

	Undergraduate	Graduate	Total
Full-time student headcount	561		561
Part-time student headcount	1038		1038
FTE	1012.8		1012.8

b) Number of students (headcount) in non-credit, short-term courses:

2016-2017: Workshop, Seminars and Courses Headcount = 322 Registrations = 359

2016-2017: Contract Training Headcount = 249 Registrations = 415

12. List all programs accredited by a nationally recognized, specialized accrediting agency.

<u>KVCC Program</u>	<u>Accrediting Body</u>	<u>Last Accreditation</u>	<u>Length of Accreditation</u>	<u>Next Accreditation</u>
<u>Occupational Therapy Assistant</u>	<u>Accreditation Council for Occupational Therapy Education (ACOTE)</u>	<u>April 2016</u>	<u>10 years</u>	<u>April 2026</u>
<u>Medical Assisting</u>	<u>Commission on Accreditation of Allied Health Education Programs (CAAHEP)</u>	<u>April 2015</u>	<u>7 years</u>	<u>Fall 2023</u>
<u>Health Information Management</u>	<u>Commission on Accreditation for Health Informatics and Information Management Education (CAHIM)</u>	<u>2010</u>	<u>8 years</u>	<u>2018</u>
<u>Nursing</u>	<u>Accreditation Commission for Education in Nursing</u>	<u>September 2009</u>	<u>8 years</u>	<u>October 2017</u>
<u>Radiological Technology</u>	<u>Joint Review Committee on Education in Radiologic Technology (JRCERT)</u>	<u>April 2015</u>	<u>8 years</u>	<u>Spring 2023</u>
<u>Physical Therapist Assistant</u>	<u>Commission on Accreditation in Physical Therapy Education (CAPTE)</u>	<u>April 2017</u>	<u>Pending Approval – Last cycle was 10 years</u>	<u>Pending Approval</u>
<u>Paramedic</u>	<u>Commission on Accreditation of Allied Health Programs (CAAHEP)</u>	<u>October 2013</u>	<u>5 years</u>	<u>Pending Self Study</u>
<u>Business</u>	<u>Association of Collegiate Business Schools</u>	<u>March 2013</u>	<u>10 years</u>	<u>Spring 2023</u>

13. Off-campus Locations. List all instructional locations other than the main campus. For each site, indicate whether the location offers full-degree programs or 50% or more of one or more degree programs. Record the full-time equivalent enrollment (FTE) for the most recent year. Add more rows as needed.

	Full degree	50%-99%	FTE
A. In-state Locations			
Not Applicable			
B. Out-of-state Locations			
Not Applicable			

14. International Locations: For each overseas instructional location, indicate the name of the program, the location, and the headcount of students enrolled for the most recent year. An overseas instructional location is defined as “any overseas location of an institution, other than the main campus, at which the institution matriculates students to whom it offers any portion of a degree program or offers on-site instruction or instructional support for students enrolled in a predominantly or totally on-line program.” **Do not include study abroad locations.**

Name of program(s)	Location	Headcount
Not Applicable		

15. Degrees and certificates offered 50% or more electronically: For each degree or Title IV-eligible certificate, indicate the level (certificate, Associate’s, baccalaureate, master’s, professional, doctoral), the percentage of credits that may be completed on-line, and the FTE of matriculated students for the most recent year. Enter more rows as needed.

Name of program	Degree level	% on-line	FTE (Data is reported at the course level for students enrolled in the program)
Business (Accounting, Marketing and Computer Systems Integration (hybrid courses offered))	Associate	*	Online = 75.2
Early Childhood Education	Associate	*	Online = 26.9
Mental Health	Certificate and Associate	*	Associate’s Degree online = 41.1 Certificate Online = 4.4 Hybrid = 0.1
General Studies	Associate	*	Hybrid = 15.0 Online = 76.2
Liberal Studies	Associate	*	Hybrid = 3.0 Online = 56.4

* KVCC offers Business Marketing, Business Accounting, Computer Systems Integration, Early Childhood Education, Mental Health (Certificate and Associate), Liberal Studies and General Science as an option for online enrollment. Each program of study offers 50% or greater of its courses online, however, seated courses are also offered. Students have the option of completing the program by taking online courses, seated courses on campus or by enrolling in a mix of online and seated.

16. Instruction offered through contractual relationships: For each contractual relationship through which instruction is offered for a Title IV-eligible degree or certificate, indicate the name of the contractor, the location of instruction, the program name, and degree or certificate, and the number of credits that may be completed through the contractual relationship. Enter more rows as needed.

Name of contractor	Location	Name of program	Degree or certificate	# of credits
Not Applicable				

17. List by name and title the chief administrative officers of the institution. (Use the table on the following page.)
18. Supply a table of organization for the institution. While the organization of any institution will depend on its purpose, size and scope of operation, institutional organization usually includes four areas. Although every institution may not have a major administrative division for these areas, the following outline may be helpful in charting and describing the overall administrative organization:
- Organization of academic affairs, showing a line of responsibility to president for each department, school division, library, admissions office, and other units assigned to this area;
 - Organization of student affairs, including health services, student government, intercollegiate activities, and other units assigned to this area;
 - Organization of finances and business management, including plant operations and maintenance, non-academic personnel administration, IT, auxiliary enterprises, and other units assigned to this area;
 - Organization of institutional advancement, including fund development, public relations, alumni office and other units assigned to this area.

19. Record briefly the central elements in the history of the institution:
- **1969:** 104th Legislature appropriated funds through the Maine Department of Education to provide post-secondary vocational programs at Kennebec Valley Vocational Technical Institute (KVVTI) on a three-year experimental basis utilizing the Waterville Regional Vocational Center at Waterville High School.
 - **Fall 1970:** First classes began with 35 full-time and 131 part-time students. Fred Whitney is Director and Bernard A. King is the Assistant Director.
 - **Fall 1973:** Bernard A. King became Director of KVVTI
 - **1978:** KVVTI leases the vacant Waterville Junior High School building on Gilman Street.
 - **1979:** KVVTI received initial accreditation from the New England Association of Schools and Colleges, Inc.
 - **1979:** KVVTI acquired a 60-acre campus in Fairfield.
 - **1984:** Upon the death of Bernard A. King, Barbara W. Woodlee becomes Director
 - **1989:** Legislature approves name change and KVVTI becomes Kennebec Valley Technical College (KVTC)
 - **2003:** KVTC changed its name to Kennebec Valley Community College (KVCC)
 - **2012:** Press conference at the Blaine House in Augusta on January 23, 2012 announced the Maine Community College System acquisition of a new college campus in Hinckley, setting the stage for a new chapter of growth at KVCC. The Alford Foundation donates \$15.6 million to support renovations and new development to the new campus in Hinckley.
 - **2013:** Dr. Richard Hopper becomes the fourth President of the college upon President Barbara Woodlee's retirement
 - **2013:** KVCC broke ground on its new Alford Campus in Hinckley, Maine to being largest expansion in its 43-year history.

CHIEF INSTITUTIONAL OFFICERS

Function or Office	Name	Exact Title	Year of Appointment
Chair Board of Trustees	Jean Ginn Marvin	Chair, MCCS Board of Trustees	2012
President/CEO	Dr. Richard Hopper	President	2013
Chief Academic Officer	Kathryn Englehart	Academic Dean	2016
Chief Financial Officer	Anne Lagassey	Dean of Finance and Administration	2017
Chief Student Services Officer	Karen Normandin	Vice President of Student Affairs/Public Relations/Enrollment Planning	2015
Institutional Research	Karen Glew	Director of Institutional Research	2012
Development	Michelle Robicheau	Director of Resource Development	2011
Library	Stephen LaRoche	Director of Library Services	2004
Chief Information Officer	Kevin Casey	Dean of Technology and Chief Security Officer	2014
Continuing Education	Jeff Sneddon	Dean of Workforce Training/Professional Development	2017
Admissions	Crichton McKenna	Assistant Dean of Enrollment Management	2015
Registrar	Christen Hansen	Director of Student Records and Registration	2017
Financial Aid	Dr. Karleen Howard	Director of Financial Aid	2017
KVCC Foundation Board of Trustees	Dwight Littlefield	Chair, KVCC Foundation Board of Trustees	2017

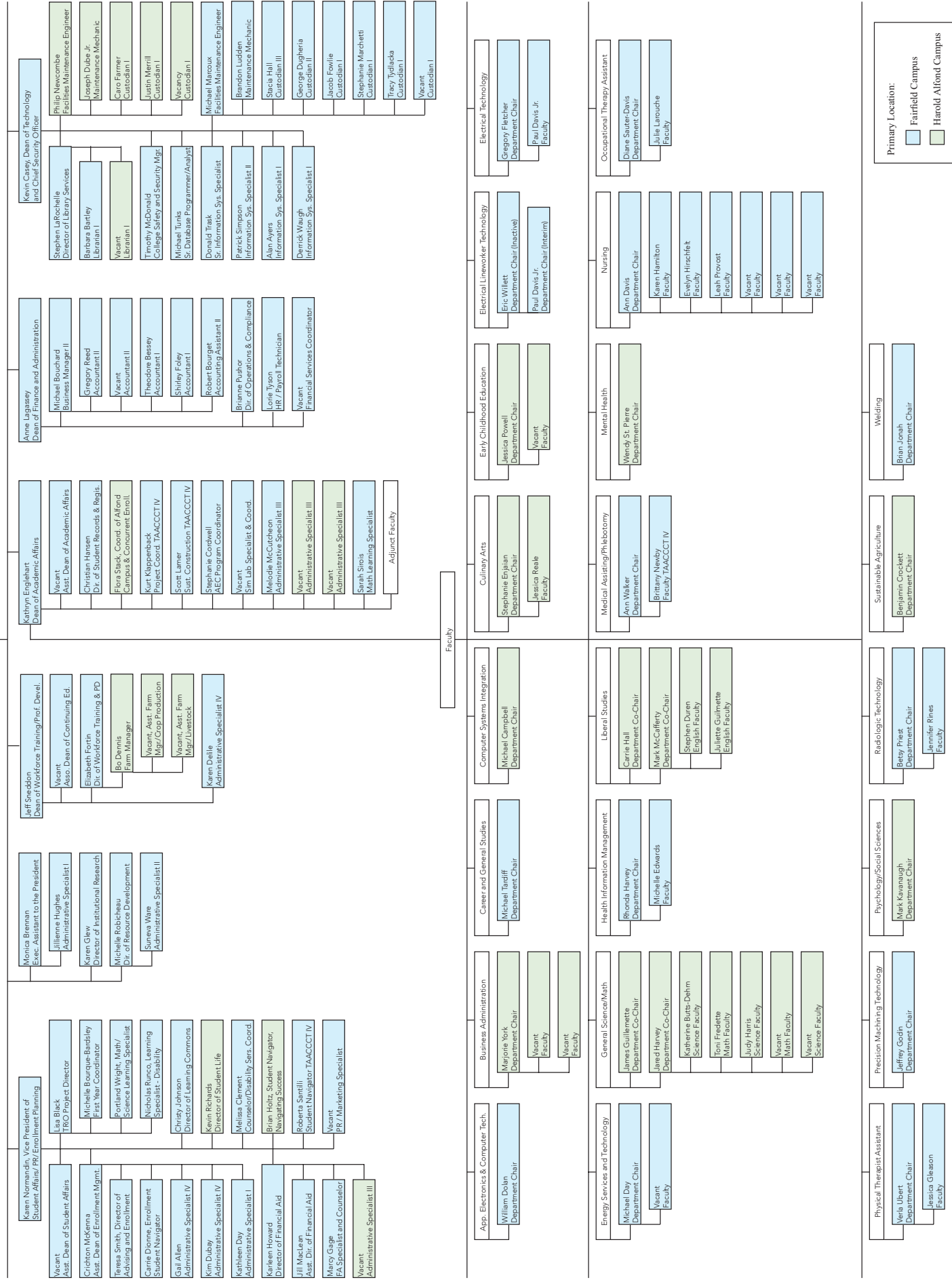


Table of CIHE Actions, Items of Special Attention, or Concerns

Date of CIHE Letter	Summary of CIHE actions, Items of Special Attention, or Concern	Detailed Actions, Items of Special, Attention, or Concern	CIHE Standards Cited in Letter	Self-Study Page Number
June 28, 2013	Assuring the sufficiency of faculty and staff to support anticipated enrollment growth	Improve internal program review process to include personnel FTE with enrollment trends to assess gaps in personnel	Standard 3, Standard 5	Pg. 56, 59, 63
June 28, 2013	Implementing its plans to establish a central clearinghouse for data collection and analysis	Maine Community College System deployed a system-wide datamart in 2015.	Standard 2, Standard 4	Pg. 5
June 28, 2013	Integrating the library and tutoring center into a learning commons	In 2013, college moved from a library to Learning Commons concept.	Standard 6, Standard 7	Pg. 42, 71
June 28, 2013	Implementing its assessment plans for general education to foster curricular improvements at the course and department level	College defined Essential Learning Outcomes and have mapped ELO to general education courses. Rubrics have been normed in select ELOs.	Standard 4	Pg. 29, 76, 82, 83
November 16, 2015	Implementing plans to hire a campus administrator for the Harold Alfond Campus	Establishment of personnel including administrator at Alfond Campus.	Standard 3	Intro/Overview, Pg. 63
November 16, 2015	Achieving its enrollment and revenue goals for the campus	With high school enrollment decreasing, the college has maintained a balance budget through student tuition, grants and diversifying opportunities to generate revenue.	Standard 2	Pg. 67, 68, 69, 73

Introduction

Kennebec Valley Community College (KVCC) has been accredited by the New England Association of Schools and Colleges (NEASC) since 1979 by the Commission on Technical and Career Institutions. In 2003, the College shifted the accreditation to NEASC's Commission on Institutions of Higher Education (CIHE). The most recent 10-year accreditation visit by the CIHE was in the spring of 2008. Since that time, the College submitted a 5-year interim report in 2012 and a substantive change request to establish the Alfond Campus in 2014.

The College's standing committees and the Institutional Accreditation and Effectiveness Steering Committee (IAEC) were critical in the preparation of the 2018 self-study report. Each committee was assigned NEASC standard(s) and tasked to review the requirements and to draft a report. The committee memberships were representative of the campus community. Committee projections in the self-study report are consistent with the respective committee charter and aligns closely to the institution's strategic plan, KVCC2020.

The College's Executive Team evaluated each of the standards with technical data support from the Office of Institutional Research (IR). Input was solicited from the campus community in November, and again in December 2017. All campus constituents had the opportunity to provide input into the self-study process through committee work or through electronic review.

The goals of this self-study are to continue to examine the College in the framework of the CIHE of the accreditation standards, and to review the recommendations of the CIHE from both the 2012 5-year interim report and 2015 substantive change visit findings. The key findings in this self-study process focus on assessment, institutional planning, and evaluation.

Institutional Overview

Kennebec Valley Community College (KVCC), one of the seven colleges in the Maine Community College System (MCCS), is a commuter college located on two campuses in mid-Maine: the original 70-acre main campus located in Fairfield and the new 600-acre Harold Alfond Campus located seven miles north in Hinckley, Maine. KVCC was organized in 1969 and first classes began in the fall of 1970, with 35 full-time and 131 part-time students. Since then, KVCC has undergone many changes, including the expansion from a technical college to a community college in 2005 and opening a second campus in 2014. Enrollment has increased to 2,554 full and part-time students enrolled in credit courses for the 2017 fall semester. The College offers 25 degree and certificate programs including allied health, business administration, trades and technology, education, sustainable agriculture, and nursing. The College is located in rural Somerset County. The population density of Somerset County is only 13.3 persons per square mile, compared with 43.1 persons per square mile statewide. Nearly three-quarters of degree-seeking students in fall 2017 were from Somerset County and neighboring Kennebec County. Somerset County has one of the lowest per capita incomes in Maine (\$21,729 compared to \$27,655 statewide) and one of the lowest post-secondary degree attainment rates (23.9% - U.S. Census Bureau, 2009-13). The demographics of students who attend KVCC reflect those of the primary service area.

Major Changes since 2008:

Retirements and Personnel Changes:

The College has experienced significant changes in personnel within the past five years due to retirements, addition of grant positions, and reduction in work force. Long-time President Barbara Woodlee retired in 2013 after serving the College for 29 years. Dr. Richard Hopper was appointed in April 2013 as the fourth President in the Institutions' history. In addition, eight faculty, two executive team and three staff members have retired. Faculty retirements included four of seven Nursing faculty including the Department Chair, two Respiratory Therapy faculty, one Business faculty, and one Health Information Technology faculty member. Executive team retirements included two longtime college employees, the Chief Financial Officer and the Academic Dean. Additional key staff retirements include the Bursar, the Programmer and the Financial Aid Director. In AY14, the College experienced a significant decrease in enrollment that precipitated lay-offs, including three faculty positions as well as several support staff positions.

Various grants and reallocation of funds have provided opportunities to add personnel over the last five years. U.S. Department of Labor grants supported the addition of two Student Navigators, one full-time Culinary Arts faculty, one full-time Sustainable Agriculture faculty, a Farm Manager and an administrator to manage the Sustainable Constructions Program. With the reorganization of the Library to a Learning Commons, the College hired a Learning Commons Director in 2013. Title III grant funds supported the addition of one full-time Science faculty, a Student Success c=Coordinator, a part-time Math Specialist and a part-time Science Specialist to support students in the gateway courses: College Algebra and Anatomy and Physiology I. This grant also supported the addition of an Institutional Researcher and established the Office of IR. The College created and filled the Safety and Security Manager position in 2016.

Establishment of a second campus required reallocation of personnel in addition to faculty. To provide administrative oversight on the Alford campus, the College re-assigned an administrator to serve as the fulltime Coordinator of Harold Alford Campus in fall 2014. Three administrative specialists were relocated to the campus to provide student services, financial aid services and faculty support.

Fairfield Campus:

The Fairfield Campus has experienced several major renovation projects since the 2008 report including the redesigned Enrollment Services Center, a new Medical Office Simulation Laboratory, and the newly renovated Café. The Enrollment Services Center provides convenient one-stop services for students by housing the Admissions/Enrollment Office, Business Office, Academic Affairs, and Financial Aid in one location. A U.S. Department of Labor grant funded the creation of the Medical Office Simulation Laboratory. The Café on the main campus was renovated to update the facility and to support the farm-to-table and healthy eating on campus.

Addition of the Alford Campus:

KVCC experienced its largest expansion in its 43-year history in 2014. With a \$10.85 million gift from the Harold Alford Foundation, KVCC acquired the central campus of the former Good Will-Hinckley (GWH) School, which encompassed approximately 600 acres of land and more than a dozen facilities. Officially announced at a press conference at the Blaine House in Augusta on January 23, 2012, the acquisition set the stage for a new chapter of growth at KVCC. In May of 2012, the new campus was officially named KVCC's Harold Alford Campus to acknowledge the generosity of the late philanthropist Harold Alford and the Foundation that bears his name.

The property includes a mix of fields, woods, and wetlands on the west side of U.S. Route 201 roughly bounded to the south by Green Road and to the north by Martin Stream. The parcel also includes frontage on the Kennebec River to the east of 201. Major structures acquired included the Alford/Averill School building, the Alford Recreation Center, Moody Memorial Chapel, and numerous smaller structures. KVCC also acquired the former Good Will-Hinckley farm - a 120-acre property which is central to the College's farm-to-table programs in sustainable agriculture, culinary arts, and food science.

In the fall of 2013, KVCC broke ground on a new, 16,500 square-foot classroom and laboratory building completed for the start of the 2014 fall semester, when KVCC officially opened the Alford Campus. The building contains classrooms, faculty offices, laboratories, a computer lab, a 60-seat tiered auditorium, a student lounge and informal learning space. A new farm education building was constructed in 2015, providing a spacious wash/pack area, controlled environment crop storage, a spacious classroom, and office space for the Farm Manager.

Several existing programs such as Mental Health, Liberal Studies, Early Childhood Education, and Business moved from the Fairfield to the Alford Campus in 2014. In fall 2017, the General Science program moved from the Annex on the Fairfield Campus to the Alford Campus. For the first time in fall 2017, the Alford Campus enrollment exceeded the Fairfield Campus enrollment.

The Alford Foundation's gift positioned KVCC to expand the capacity of the College to offer academic programs unique to Central Maine such as Associate Degrees of Applied Science in Sustainable Agriculture and in Sustainable Construction. The acquisition has increased the College's acreage tenfold. Programs that would have been impossible at the current campus are suddenly feasible. The College is proceeding carefully with planning, guided by the needs of its students and a desire to be a good steward of the historic property.

In addition to the Alford Foundation, KVCC has accessed a variety of funding sources such as the U.S. Department of Labor's Trade Act Adjustment Assistance Community College Career Training (TAAACCT) grants, State of Maine Bond, the Elmina B. Sewell Foundation, and other major contributions to create state of the art learning facilities on the Alford Campus.

Summary of Self-Study Findings

The summary of findings of the College's self-study process confirmed the institution's commitment to its mission while adapting to change.

In 2015, the College updated its strategic plan in a year-long, inclusive process. Both the Leadership committee (governance) and committee structure work diligently to institute and measure activities which underscore the achievement of four major goals in the strategic plan, KVCC2020. These goals have aligned closely with the findings of the College's self-study findings to strive for accessibility, affordability, quality, and value in the KVCC's delivery of post-secondary education in the mid-Maine region.

DATA FIRST FORMS

GENERAL INFORMATION

Institution Name:

OPE ID:

		Annual Audit	
		Certified: Yes/No	Qualified/Unqualified
Financial Results for Year Ending:	<input type="text" value="2017"/>	<input type="text" value="Y"/>	<input type="text" value="Unqualified"/>
Most Recent Year	2017	Y	Unqualified
1 Year Prior	2016	Y	Unqualified
2 Years Prior	2015	Y	Unqualified

Fiscal Year Ends on: (month/day)

Budget / Plans

Current Year	2018
Next Year	2019

Contact Person:

Title:

Telephone No:

E-mail address:

STANDARD ONE

MISSION AND PURPOSES

The institution's mission and purposes are appropriate to higher education, consistent with its charter or other operating authority, and implemented in a manner that complies with the Standards of the Commission on Institutions of Higher Education. The institution's mission gives direction to its activities and provides a basis for the assessment and enhancement of the institution's effectiveness.

DESCRIPTION

Kennebec Valley Community College's (KVCC) mission and purposes are consistent with the objectives of the Maine Community College System (MCCS) and appropriate to the goals of higher education. The College's mission and purposes are derived from Maine statutes ([Public Law, Chapter 431](#)) which mandate that the colleges of the MCCS "provide associate degrees, diploma, and certification programs directed at the educational, occupational, and technical needs of the State's citizens and the workforces needs of the State's employers...[and] to create an educated, skilled, and adaptable labor force which is responsive to the changing needs of the economy of the State and to promote local, regional, and statewide economic development."

KVCC Mission Statement: KVCC prepares students to achieve their educational, professional, and personal goals in a supportive environment through shared values of responsibility, integrity, and respect.

KVCC Vision Statement: To be recognized as a leader in educational excellence and innovation in Maine.

Vision for Our Graduates: To utilize their education and knowledge for productive and responsible citizenship.

KVCC Values

- Integrity
- Excellence in teaching
- Emerging technology
- A student-centered environment
- Diversity
- Intellectual inquiry
- A culture of civility, cooperation and collegiality
- A welcoming atmosphere for all newcomers
- A strong work ethic
- Creation of opportunities for self-fulfillment and lifelong learning

- Personal wellness

KVCC faculty and staff are positioning the institution to be the first choice for higher education in mid-Maine and beyond:

- Unique: KVCC offers 25 fields of study that include degree and certificate programs not offered elsewhere in Maine.
- Supportive: KVCC retains small class sizes and a friendly atmosphere that promote student success.
- Flexible: KVCC offers online, part-time, night, and off-campus education opportunities, and a schedule to fit a student's busy life.
- Affordable: KVCC boasts the lowest tuition rates in New England, and most students qualify for comprehensive financial aid packages that often cover the full cost of tuition and fees.
- High Quality: KVCC graduates maintain impressive passing rates on professional licensure exams, and employers rank KVCC graduates as the best additions to their workforce.
- Powerful: KVCC graduates enjoy the highest job placement rates.
- Transferable: KVCC credits transfer directly to four-year colleges and universities, with special block transfer of all general studies credits to any UMaine campus.

APPRAISAL

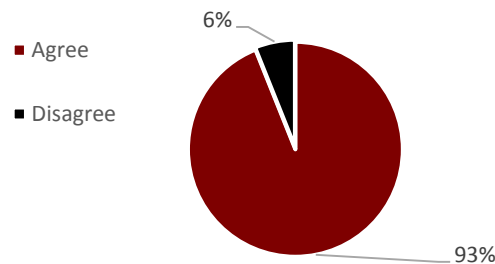
KVCC's mission statement is implemented in a manner that complies with the Standards expressed by the Commission on Higher Education. The mission establishes direction for the College. The College continues to promote awareness of the mission statement among its students, faculty, staff and administration. This awareness is the result of the College's 2015 strategic planning process and the continual effort to prominently display the statement in common areas, in publications, on the website, and in the College Catalog.

The College employs several assessment strategies to evaluate the institutional effectiveness of the Mission Statement and Purpose. These strategies include the administration of the Personal Assessment of the College Environment (PACE) survey to faculty and staff every five years and the administration of the Noel Levitz Student Satisfaction Inventory (SSI) to all students every two to three years. According to the 2013 PACE survey, the majority of the College's administration, faculty and staff believe that the institution upholds the Mission. Agreement with "the extent to which the actions of this institution reflect its mission" was 3.7 out of 5. SSI data indicated that KVCC's mission is important to students (receiving a 6.33 in 2012 and a 6.49 in 2014). The SSI ratings use a 7-point Likert scale (7 = most important/satisfied and 1 = least important/satisfied). In addition to being important to students, the majority of students responding to the survey indicated that "KVCC's mission is to prepare me to achieve my educational, professional, and personal goals in a supportive environment by shared values of

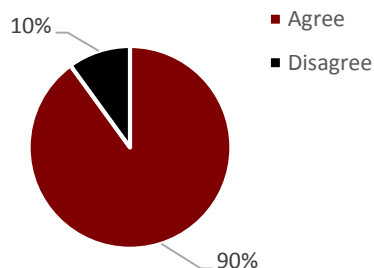
responsibility, integrity and respect,” averaging a 6.4 satisfaction mean in both 2012 and 2014. The next Noel-Levitz SSI administration is projected for spring 2018.

The college community reviews the mission, vision, and values statement every five years as part of the strategic planning process. The KVCC2020 Strategic Planning Committee surveyed the faculty, staff, administrators and external partners over the summer of 2015 to evaluate if the College’s foundational mission, vision, and values reflected the collective beliefs of the KVCC community. Respondents indicated that as an institution, the mission and vision continue to hold true.

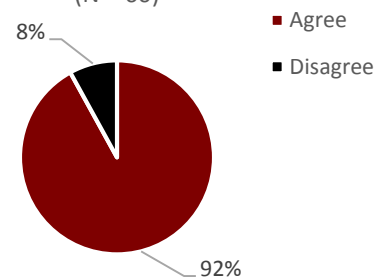
KVCC Mission Statement: KVCC prepares students to achieve their educational, professional, and personal goals in a supportive environment through shared values of responsibility, integrity and respect (N =60)



Vision Statement for Our Institution: To be recognized as a leader in educational excellence and innovation in Maine (N = 59)



Vision for Our Graduates: To utilize their education and knowledge for productive and responsible citizenship (N = 60)



To determine if the values are a reflection of the collective beliefs of the KVCC community, the survey asked faculty, staff, administration, and external partners, *“To what extent do you agree with the following values?”* While the majority of values scored positively (60%+), results for the values of diversity and intellectual inquiry indicated that just over 50% of participants responded positively. This information will be reviewed by the Institutional Accreditation and Effectiveness Committee (IAEC) in the fall of 2017 to determine if any action is necessary.

College Mission Statement Survey Summer 2015 (N =60)	
Value	Percent Positive
Integrity	73
Excellence in Teaching	87
Emerging Technology	72
A Student-Centered Environment	77
Diversity	55
Intellectual Inquiry	57
Culture of Civility, Cooperation and Collegiality	67
Welcoming Atmosphere for All Newcomers	75
Strong Work Ethic	62
Creation of Opportunities for Self-Fulfillment and Lifelong Learning	72

The College’s ideals were not reviewed during the 2015 Strategic Planning process. This gap will be addressed by the Institutional Accreditation and Effectiveness Steering Committee in 2018.

PROJECTIONS

- Reevaluate the mission, vision, ideals and values every five years as part of the strategic planning process.
- Review the results for the values of diversity and intellectual inquiry. The Institutional Accreditation and Effectiveness Committee (IAEC) will review these results in the fall of 2017 to determine necessary actions.
- Assess the institutional ideals and revise to reflect campus input.

Standard 1: Mission and Purposes

Attach a copy of the current mission statement.

Document	Website location	Date Approved by the Governing Board
Institutional Mission Statement	http://www.kvcc.me.edu/Pages/General/Mission	

Mission Statement published	Website location	Print Publication
Course Catalog	http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf	Course Catalog

Related statements	Website location	Print Publication
Vision Statement	http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf	Course Catalog
Values	http://www.kvcc.me.edu/Pages/General/Mission	Course Catalog

Please enter any explanatory notes in the box below

STANDARD TWO PLANNING AND EVALUATION

The institution undertakes planning to accomplish and improve the achievement of its mission and purposes. It identifies planning and priorities and pursues them effectively. The institution demonstrates its succession strategic, academic, financial and other resource planning and the evaluation of its educational effectiveness.

The function of planning and evaluation primarily resides with the College's Institutional Accreditation and Evaluation Committee (IAEC). The Office of Institutional Research collects, analyzes, and distributes the data necessary to support the College's planning and evaluation efforts. In 2012, Kennebec Valley Community College (KVCC) received a Department of Education Title III grant to support the hiring of a full-time Director of Institutional Research. In 2016, this position was transitioned from grant funds and is currently sustained by the general fund. The Office of Institutional Research centralizes the College's data collection and reporting systems. The Director of Institutional Research reports directly to the Office of the President and works closely with the Executive Team to provide data collection and analytics used in planning activities. In addition, the position works closely with the Registrar to produce admissions, enrollment, and student achievement reports.

In 2014, the Maine Community College System (MCCS) hired an Institutional Researcher to support the planning, data collection, and reporting for MCCS. This position has been critical in deploying a system-wide datamart. The datamart standardizes data across the MCCS system for an increased focus on utilization and reporting of system-wide data.

PLANNING – DESCRIPTION

KVCC's five-year strategic plan, the KVCC2020 Report, and the annual budget planning process serve as the primary framework to guide planning and evaluation activities at the college.

Strategic Planning

The MCCS requires its seven colleges to engage in a strategic planning process every five years. In 2015, KVCC launched KVCC2020 to create the College's five-year strategic plan. The process was a college-wide and community effort that was marked by inclusivity, engagement, transparency, and commitment. The strategic planning process involved four phases of planning;

1. **Review and Assessment** provided information and data to build the infrastructure of the four strategic goals. The purpose of this phase was to gain common understanding of the current landscape of the College, internally and externally. This phase included the following activities: Mission Review, SWOT Analysis, and Environmental Scan
2. **Visioning** offered the opportunity to imagine the College's ideal state and encourage blue-sky thinking. Given KVCC's mission and values, its strengths, weaknesses, opportunities, and threats, and external influences, the College was able to envision four core areas that would help it

sustain its mission, vision, and values as an institution and community: academic programming, campus life, human resources, and business and industry. These core areas led to four strategic goals.

3. **Implementation and Action Plans** allowed the College to develop action plans to support each of the four strategic goals. Action plans were developed in collaboration with students, employees, and external partners and will be the catalyst in achieving goals.
4. **Implement, Status Report and Celebration of Accomplishment** provides a framework for the strategic plan to be continually monitored, questioned, and adjusted for change. KVCC now has a strategic road map to follow, but as time goes by the college community will regularly evaluate the relevance of the plan to the current conditions. If conditions change (as they are likely to), the College will position itself to change with them, and the plan will be updated to reflect a new direction.

The year-long process resulted in the KVCC2020 Strategic Plan Report and is organized around four strategic goals which continue to guide the College:

- Goal 1: KVCC enrollment is expanded by academic year 2020-2021.
- Goal 2: KVCC is recognized regionally for quality in post-secondary education and professional training.
- Goal 3: KVCC institutional operations are effective and efficient.
- Goal 4: KVCC contributes to the economic and social development of the surrounding community, local businesses, and employers in the mid-Maine region.

Details on the process and activities can be found in the workroom and online at

http://www.kvcc.me.edu/CMSContent/Departments/Institutional_Assessment/KV2020-Final-Report.pdf

In addition to the KVCC2020 Strategic Plan Report, the MCCS developed a system-wide strategic plan with its seven community colleges for years 2015-2020. The MCCS goals are as follows:

- Goal 1: Achieve student success through improved persistence, transfer, graduation, and employment performance.
- Goal 2: Support economic and workforce development.
- Goal 3: Invest in college classroom equipment, facilities, and programs.
- Goal 4: Maintain a high standard of accountability in all programs and services offered throughout the MCCS.

Both the KVCC2020 Strategic Plan and the MCCS Strategic Plan align and overlap in key areas to provide accessibility, affordability, quality, and value in our delivery of post-secondary education in the mid-Maine region. Both the MCCS plan and the KVCC2020 plan complement one another in their vision, projections, and measures over the next few years.

In January 2017 the College revised its committee structure to increase communication, encourage data-driven decision-making, and implement a formal continuous quality improvement process. The IAEC was established to initiate, cultivate, and facilitate all facets of institutional assessment, planning, and effectiveness. The IAEC membership reflects the campus community. The IAEC collaboratively works

with five new committees and its campus partners to establish vision and processes to strengthen ongoing, data-based planning and evaluation efforts, and to demonstrate how the College achieves its mission and goals. The IAEC collaborates with administrators, faculty, staff, students, and external partners serving on one or more institutional committees to build and sustain locally defined, efficient systems to:

- Enhance student learning and enrich student experiences
- Address institutional accreditation quality standards
- Use assessment to advance teaching effectiveness, curricular and co-curricular innovation, and programmatic and administrative efficacy
- Support program review
- Encourage data information-sharing to establish benchmarks and improved activities
- Promote goal-setting and strategic planning activities

The IAEC recommendations are directed to the Executive Team, Leadership Team, or KVCC Trustees depending on the need for support at the fiscal and governance level of the institution.

PLANNING - APPRAISAL

In 2013, the College participated in the Personal Assessment of the College Environment (PACE) survey. Overall, the results were positive and indicated a healthy campus climate, with the student focus category receiving the highest mean score. The institutional structure category received the lowest mean score, 2.99, on a scale from a low of “1” to a high of “5.” The item “the extent to which information is shared within the institution” received the lowest mean of 2.44. During a professional development day in spring 2014, faculty, staff and administration had the opportunity to discuss the PACE results and to suggest strategies to improve communication. In 2015, additional data collected during the strategic planning process identified “internal engagement” as a weakness. This data paired with the 2013 PACE data indicated that the institution’s internal engagement continues to be a concern and should be addressed as a system change.

To improve the College’s communication, transparency, and organization of information, KVCC implemented a revised committee structure in the January of 2017. An ad hoc group conducted a gaps and strengths analysis on NEASC standards to gauge an understanding of the current system of data collection, utilization, and reporting. Using this information, the ad hoc group developed a new committee structure and drafted committee charters.

The new committee structure links committee work to accreditation standards, widens membership, and promotes communication and transparency of institutional activities and data. This revised structure included the creation of the IAEC (oversight and advising role to the committees) and five standing committees (Student, Academic, Educational Effectiveness, Institutional Resources, and Teaching, Learning & Scholarship). Committees were formally launched in spring 2017 and tasked to draft a component of the accreditation self-assessment report. The committees will reconvene in fall of 2017 to begin work listed in the committee charter. An example is the Teaching, Learning and

Scholarship committee began work to define “scholarship” and the Educational Effectiveness Committee is continuing the work on the testing of select rubrics and planning for the formal implementation for data collection of student level outcomes.

The President of the College has fiscal responsibility and final authority on the institution’s budget. The institutional budget includes personnel, academic program, support services, operational expenses, and facilities planning. Prior to 2014, the Chief Financial Officer created all departmental budgets with input from stakeholders. In 2014, the College implemented annual budget hearings. Budget hearings are held in the spring and are scheduled for each department and academic program at the institution. The goal of budget hearings is to educate the campus community about the institutional budget and potential changes in budgeting from year to year. The budget process welcomes input from all employees at the institution. It is a transparent process which promotes inclusivity from all organizational components of the College. Each budget hearing reviews past budget expenditures and promotes a collaborative dialogue process to identify annual goals and activities of the program and personnel needs. This dialogue results in annual projections for the program budget. The President works with the Executive Team to finalize the budget proposal for submission to MCCS in June. Dissemination of draft department and program budgets occurs after the June submission. Institutional budgets are finalized by the MCCS by October.

Enrollment is a primary source of revenue for the College. From 2011 through 2014, KVCC experienced declining enrollment. During 2013, weekly enrollment reports and the establishment of annual program caps and targets were implemented. These initial activities have influenced enrollment management, and FTEs increased in 2015 (1048.9) and remained stable in 2016 (1049.4).

Degree-Seeking Fall Term Enrollment: 2008-2016									
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Degree-Seeking Head Count	1495	1654	1833	1742	1772	1627	1580	1610	1613
Degree-Seeking FTE	960.6	1073.6	1193.0	1168.9	1162.7	1066.6	1019.3	1048.9	1049.4

During the College’s 2015 Strategic Planning process, Dr. Charles Colgan, Director of Research and Editor in Chief, Middlebury Institute of International Studies at Monterey, presented demographic trends and projections related to the Maine economy. Based on this information KVCC is likely to face the following enrollment challenges:

- Competition from other post-secondary institutions
- Changing demographics in the state (aging population and declining enrollment in high school student population)
- Financial uncertainty (tuition, endowment, philanthropic support, and government funding)
- Negative economic trends (loss of manufacturing jobs, service industry low wages)
- Emerging technologies requiring different skillsets than the current workforce

Because KVCC is a commuter college, the College is dependent on enrollment from primarily three counties (Kennebec, Somerset, and Waldo). A potential solution to the enrollment challenges facing the College is to add a residential facility to attract students from outside of the commuting region. In 2013, the President's Office conducted a preliminary analysis to explore the impact of a residential facility on the campus. The findings are summarized below:

- With the addition of a residence hall, the College could expect to increase enrollment by 75 FTEs in the first year of operation, and increase enrollment by 25 FTEs per year until the residence hall is at capacity in 2020.
- A residence hall would allow the College to attract non-resident students at a higher tuition rate, thus raising FTE.
- A residence hall would allow the College to attract more students for summer study, thereby raising FTE. Such a facility would allow for summer camps and professional development programs that would generate additional revenue but are not calculated in degree-seeking FTE.
- The institutional FTE needed to balance the operational costs of a residence hall while remaining fiscally sustainable is 1350 degree-seeking FTE.
- With no residence hall and assuming 1.5% annual growth, the College will continue to see modest budgets that have the potential to impact the quality of delivery.

Based on data presented in the 2015 Strategic Planning process, the College revisited the preliminary analysis and identified the need to formally assess the possibility of residential life at KVCC. In 2017, the College contracted the services of a consulting firm to conduct a formal economic impact and feasibility study to determine the need for residential services and the projected impact on enrollment. Results of this study will be available in spring 2018.

EVALUATION - DESCRIPTION

Since the last accreditation site visit, KVCC has added an Office of Institutional Research (IR) with one full-time position dedicated to overseeing the College's system of evaluation. IR provides a central role for the institution's data collection and reporting systems. Quantitative and qualitative data is collected by IR for purposes of evaluating the institution's academic quality, student accessibility and experience, financial sustainability, and operations supporting all institutional functions. (See appendix for a matrix of all institutional data collection). The Office of IR also publishes an annual Fact Book which includes data from all levels of the College and aligns the data to accreditation and strategic plan measures. The Director of IR works with Academic Affairs, Student Affairs, Finance Office, Office of Workforce Development and Professional Development, and Information Technology to provide analytical capacity and assure that contribution of assessment and evaluation occurs inclusively across the institution.

The Director of IR and the Academic Dean co-chair the IAEC. The Director assists the IAEC by coordinating and centralizing institutional data collection, and tracking activities related to the College's committee work. The centralization of this information is critical to institutional effectiveness.

In addition, the Director of IR now works with faculty and staff to increase analytical capacity. An example of IR working with academic programs is the analysis of admission test (Test of Essential Academic Skills (TEAS)) data in the Medical Assisting program to determine if this test correlated with student success in the Medical Assisting program. Findings suggested that the admission test was not an indicator of student success in the program. Based on the analysis, the Medical Assisting Program eliminated this admission test.

In addition to IR, other departments within the College evaluate activities to assess attainment of their goals and objectives and to inform future planning. Student Services, the Learning Commons, the Admissions Office, IT, and the Financial Aid Office utilize data collection, including surveys, to assess their services. Currently the data is housed within individual departments.

EVALUATION - APPRAISAL

The College gathers a range of data from students, faculty, staff, and campus partners, including program advisory committee and KVCC Foundation members. Data is both quantitative and qualitative. Data reporting supports the primary functions of the College and guides academics, student support, finance, and administration to determine departmental and institutional effectiveness.

KVCC strives to demonstrate continuous quality improvement of all aspects associated with fulfilling the College's mission and goals. The redesigned committee structure was established to improve the College's capacity for measuring effectiveness and to create a culture of continuous quality improvement. Prior to the committee restructure, the College measured student success using key measures such as retention, transfer, and completion. Analytics were linear and included breakouts by student profile or characteristics. The addition of the Director of Institutional Research has increased the institution's capacity for data collection and analysis. Additionally, this increased capacity allows the College to review and track data for purposes of planning and evaluation of programs, activities, and services.

With the prospective pool of potential students shrinking, retention for purposes of fiscal sustainability becomes more important. Although the College is above the National Benchmark in retention for full and part-time students, and on average KVCC has the highest retention rate for first-time full-time students (67%) compared to the national average (63%), retention rates drop for part-time students (45% in 2015, which was a decline from 52% in 2014). On average, 60% of the KVCC students are part-time status, highlighting the need to identify and deliver practices that will increase the retention for part-time students. (Source: National Student Clearinghouse Research Center).

Given these factors, evaluating enrollment and retention data and trends have become critical to measuring academic quality and student engagement, and to establishing and sustaining fiscal stability over the next five years. The College has identified a need to improve upon the following evaluation activities:

- 1) Prepare and review weekly enrollment reports and compare reports to the prior academic year. These reports, established in 2013, have become the primary mechanism for updating the College on enrollment status from term to term. Reports are currently generated by the Office of IR and are

primarily reviewed by the Executive Team or Leadership Team and the Admission Team to determine actions such as scheduling of marketing ads, admission activities and/or orientations. To date these reports are a manual function. Primary users are dependent on the Office of IR to pull the data and create weekly enrollment reports. The College will work to automate these reports so that data can be obtained directly by the admissions and enrollment team.

- 2) Establish caps and targets for all KVCC credit bearing programs. Caps and targets are now reviewed annually and are updated collaboratively between the College's admission's office and program faculty. Data illustrating the trend of enrollment headcount, FTEs, and retention over the past five years are reviewed and conclude with an agreeable target for enrollment during the next fiscal year. These targets are reflected in the College's annual budget process as anticipated program revenue. Established caps and targets are noted on the College's applicant report. However, no formal trending reporting on achieving caps and targets currently exists to better understand how and when programs achieve or fall short of the identified caps and targets.
- 3) The quality, integrity, and effectiveness of academic programming has a direct impact on enrollment, retention, and completion data. Several of KVCC's programs, including Nursing and many of the Allied Health programs, are professionally accredited through a national accrediting body. The College adheres to standards set by the independent accrediting bodies, recognizing that achieving accreditation by adherence to the standards raises the level of academic standard to one of academic excellence.

KVCC Program	Accrediting Body	Last Accreditation	Length of Accreditation	Next Accreditation
Occupational Therapy Assistant	Accreditation Council for Occupational Therapy Education (ACOTE)	April 2016	10 years	April 2026
Medical Assisting	Commission on Accreditation of Allied Health Education Programs (CAAHEP)	April 2015	7 years	Fall 2023
Nursing	Accreditation Commission for Education in Nursing	October 2017	8 years	Pending Approval
Health Information Management	Commission on Accreditation for Health Informatics and Information Management Education (CAHIM)	2010	8 years	2018
Radiological Technology	Joint Review Committee on Education in Radiologic Technology (JRCERT)	April 2015	8 years	Spring 2023
Physical Therapist Assistant	Commission on Accreditation in Physical Therapy Education (CAPTE)	April 2017	Pending Approval – Last cycle was 10 years	Pending Approval
Paramedic	Commission on Accreditation of Allied Health Programs (CAAHEP)	October 2013	5 years	Pending Self Study
Business	Association of Collegiate Business Schools	March 2013	10 years	Spring 2023

For programs which do not have a national accreditation, MCCS policy requires that a program review be conducted every five years by the MCCS. Data such as enrollment, retention, transfer, and completion and employment outcomes are provided by the Office of IR to the Academic Affairs Office for review by MCCS.

As an institution, the College's retention data and completion data is above the national average. For three consecutive years, the College was nominated to Aspen's Top 150 Community Colleges in the nation. KVCC was the only community college in Maine recognized. The College is proud of these achievements but also recognizes that further evaluation of data and activities at the program level is needed to be able to speak to quality.

The Academic Affairs Office, in collaboration with the Academic Program Committee, has proposed to enhance the MCCS internal review process to include a Program Profile component that will be used by the College in its evaluation of quality.

In 2015 the College participated in Foundations of Excellence (FoE). Based on the work conducted, the FoE workgroups identified the need to provide ongoing reports on successful completions at a course level. The workgroup identified courses in both the general education and core areas that had a 40-50% failure rate (c- or below). The workgroup summarized that programs needed an increased understanding on modality of courses in conjunction with the sequence of coursing within a degree area. In 2017, the College became a member of Achieve the Dream (ATD). The FoE workgroup

transitioned to the ATD workgroup and transitioned this work into ATD and identified the need for Program Profiles.

Program Profiles will provide enrollment, retention, completion, and transfer trends in addition to a list of all courses required by the program and the success rates of each course broken out by modality. In addition to student measures, the instructor to student ratio, as well as instructor to advising ratio will be reviewed with the program budget to determine any critical gaps in program instructor FTE. The intent is to provide a full picture of program data to establish a profile that is student focused, but identifies the institutional resources needed to assess the overall quality of the program. The Program Profile will be piloted with uncapped programs in fall 2017 and will be reported out by the Office of IR to Academic Affairs for program review.

As the Program Profile is piloted, additional areas will be assessed by the ATD workgroup for inclusion in the Profile:

- **Student Financial Aid Data:** Tuition at KVCC has increased minimally during the past 10 years. However, the National Center for Education Statistics (NCES) reports that the College's data indicates that the net price has increased more for low income students than for students with higher incomes. Using the College's IPEDS data, the NCES College Navigator website shows that KVCC student household income has increased since 2010, resulting in a reduced Pell award for those students in the \$0-\$30,000 range. However, on average, Pell awards have increased for the middle-income brackets, and have had a larger percentage of change for degree-seeking students. The number of recipients of financial aid has dropped since 2010 (1703 recipients in AY2010 compared to 1501 in AY2015), however, the average amount of assistance has increased from \$7,000 to nearly \$8,000 in AY2015. Financial aid data is critical to enrollment. On average, 70% of KVCC students receive some form of financial assistance. Understanding changes in financial demographics of potential and current students is critical in maintaining enrollment for retention purpose and for recruitment of new students.
- **Employment Data:** Employment data is collected by the Office of IR within six months of the student's completion of his/her program using a Graduate Survey. In addition, when available, MCCS provides Maine Department of Labor (MDOL) earnings data for students. This data has been infrequent and for smaller programs may not be provided at all. Therefore, the institution depends on the Graduate Survey to determine post-completion outcomes. The table below notes the average earnings reported by students completing their respective program. However, in 2015, the Energy Services Technology program response rate was too small to report.

Program	2009	2012	2014	2015
Allied Health & Nursing				
Nursing	\$47, 893	\$52,499	\$54,665	\$56,139
Radiologic Technology	\$40,131	\$47,112	\$48,156	\$41,579
Trades & Technology				
Electrical Technology	\$26,297	\$31,200	\$41,440	\$41,579
Electrical Lineworker Technology	\$37,216	\$44,741	\$40,320	\$56,139
Energy Services Technology	n/a	n/a	\$40,320	***

Currently, response rates from the graduate survey range annually from 25% to 30%. However, the response rate varies from program to program and may be as low as 11%. Graduate data is a key variable in determining student outcomes. Lack of employment may be a statement of program quality or alignment of program curriculum to industry standards. In some cases, low employment rates may speak to the lack of industry need. In further building out the program profile, the College will need to build a component of post-completion outcomes and will need to explore options to strengthen the collection of graduate data, either a self-report administration (similar to the graduate survey) or from wage data, or perhaps a supplementing of the two data sources. The Office of IR will work with the ATD workgroup and representatives from the Student and Academic Program committees to explore options for collection and propose a plan to IAEC in fall 2018.

PLANNING & EVALUATION - PROJECTIONS

Planning

- Economic Impact and Feasibility Study completed by January 2018.
- Administer the PACE in 2018 and use results to track improvements in institutional and internal engagement.

Evaluation

- Formalize tracking of activities at the committee level to evaluate and assess continuous improvement.
- Create automated enrollment and enrollment comparison reports that will be accessible to institutional faculty, staff, and administrators.
- Create a formal trending report on weekly achievement of program caps and targets
- Implement a comprehensive internal evaluation of academic programs to include a program profile
 - Explore integration of financial aid data into the program profiles
 - Explore methodology for collection employment information on graduating students

Standard 2: Planning and Evaluation

PLANNING

Strategic Plans

Year approved by governing board	Effective Dates	Website location
?	?	?
	2010	www.kvcc.me.edu/.../Departments/Institutional Assessment/kvcc_strategic_plan_2010-2015final%20final.doc - 2015-05-19
Approved by Executive Leadership	6/1	http://www.kvcc.me.edu/CMSContent/Departments/Institutional Assessment/KV2020-Final-Report.pdf
	2020	

Immediately prior Strategic Plan

Current Strategic Plan

Next Strategic Plan

Year completed	Effective Dates	Website location
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Other institution-wide plans*

Master plan

Academic plan

Financial plan

Technology plan

Enrollment plan

Development plan

Plans for major units (e.g., departments, library)*

?			

EVALUATION

Academic program review

Program review system (colleges and departments). System last updated:

Program review schedule (e.g., every 5 years)

Sample program review reports (name of unit or program)*

General Science
Liberal Studies
Sustainable Agriculture

Website location

?	MCCS Policy Section 602 Date: 2009
	Every 5 years for programs not having a national accreditation

?	http://www.kvcc.me.edu/CMSContent/Departments/Institutional Assessment/IntProgReview Eval.pdf
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System to review other functions and units

Program review schedule (every X years or website location of schedule)

Sample program review reports (name of unit or program)*

Radiological Technology Program
Medical Assisting Program
Physical Therapist Program

Depends on requirements by external accrediting body
--

http://www.kvcc.me.edu/CMSContent/Departments/Institutional Assessment/ExtProgReview Eval.pdf

Other significant institutional studies (Name and web location)*

Foundations of Excellence - Date 2015
Stengths, Weakness, Opportunities, Threats Analysis
Environmental Scan

*Insert additional rows, as appropriate.

Website Location
http://www.kvcc.me.edu/CMSContent/Departments/Institutional_Assessment/Foundations_Of_Excellence.pdf
http://www.kvcc.me.edu/CMSContent/Departments/Institutional_Assessment/KV2020-Final-Report.pdf
http://www.kvcc.me.edu/CMSContent/Departments/Institutional_Assessment/KV2020-Final-Report.pdf

Please enter any explanatory notes in the box below

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STANDARD THREE ORGANIZATION AND GOVERNANCE

The institution has a system of governance that facilitates the accomplishment of its mission and purposes and supports institutional effectiveness and integrity. Through its organizational design and governance structure, the institution creates and sustains an environment that encourages teaching, learning, service, scholarship, and where appropriate research and creative activity. It demonstrates administrative capacity by assuring provision of support adequate for the appropriate functioning of each organizational component. The institution has sufficient independence from any other entity to be held accountable for meeting the Commission's *Standards for Accreditation*.

ORGANIZATION AND GOVERNANCE - DESCRIPTION

Governing Board

The Maine Community College System (MCCS) oversees seven community colleges, including Kennebec Valley Community College (KVCC). The mission of the MCCS is "to provide associate degree, diploma and certificate programs directed at the educational, occupational and technical needs of the State's citizens and the workforce needs of the State's employers...[and] to create an educated, skilled and adaptable labor force, which is responsive to the changing needs of the economy of the State and to promote local, regional and statewide economic development." ([Public Law, Chapter 431](#))

The MCCS Board of Trustees is the policy-making authority for the community college system. The MCCS Board is ultimately responsible for KVCC's quality and integrity. No other board has authority over institutional policy. Under Maine statute, the Board consists of 13 appointed voting members, one ex-officio voting member, and one ex-officio non-voting member. The Governor of Maine appoints trustees from different fields of expertise and with consideration to geographical representation and diversity. These appointments are subject to review by the Joint Standing Committee of the Legislature and to confirmation by the Legislature. The process of legislative review and confirmation works to assure that the interest of the public is well served. Members are appointed to four-year terms with the exception of the student representative, who serves a two-year term. The student member is a current student at one of the community colleges at the time of appointment. The appointed members of the Board elect a Chair and a Vice Chair to annual terms of office; the Chair appoints all committee assignments. The President of the MCCS serves as the Secretary to the Board.

The responsibilities of the MCCS Board are published in the [MCCS Policy and Procedures Manual](#). Each newly elected member of the Board participates in an orientation program to understand the powers and responsibilities of the trustees as a governing, policy-making body and to obtain knowledge of the operation of the MCCS and the colleges. The Board ultimately approves the creation and deletion of all academic programs as well as the respective college budgets. Furthermore, the Board approves collective bargaining agreements, facilities construction, and tuition rates.

The MCCC Board has a clear understanding of the distinctive mission and purposes of the MCCC. Consequently, the Board has the following duties and powers in order to effectively implement the System's mission and purposes:

- Offer courses of study and degrees
- Appoint or identify advisory committees to advise the Board of Trustees with respect to education policies and programs
- Delegate duties and responsibilities
- Develop and adopt policies for the operation of the MCCC
- Oversee the administration of the MCCC
- Develop and adopt bylaws for the regulation of its affairs and the conduct of its business
- Prepare and adopt a biennial budget for operations and capital improvements for presentation to the Governor and the Legislature
- Receive, expend, allocate, and transfer funds within the MCCC
- Receive and accept loans, aid, contributions, or other items of value
- Establish and collect room and board and tuition and to set policies relating to fees and charges
- Invest funds
- Enter into any contracts, leases, and agreements
- Sue and be sued in its own name
- Develop and adopt personnel policies and procedures
- Appoint the President of the MCCC and the Presidents of the colleges;
- Purchase materials, supplies, and services
- Acquire property, lands, buildings, structures, facilities, or equipment
- Authorize facility construction and renovations
- Do any other acts necessary for the efficient operation of the MCCC

The Board of Trustees has the authority to establish the President's Council, a non-voting advisory council composed of the Presidents of the Colleges and the President of the MCCC. The Council makes recommendations to the Board of Trustees on issues with respect to the administration of the colleges, courses of study, educational programs, curricula, coordination of programs between the colleges, coordination with other institutions of higher learning, and other matters as requested. The College Presidents communicate relevant issues to their respective campus communities. The Board of Trustees must approve all MCCC policies. Policy originating from the Board is forwarded to the President's Council for review.

The responsibilities of community college staff and faculty are outlined in the collective bargaining agreements between the [Maine State Employees Association](#) and the MCCC Board of Trustees, 2015-2017, and the MCCC Board of Trustees Agreement with the [Maine Education Association](#), 2015-2017 respectively. These agreements not only reflect the duties and responsibilities of community college employees but also delineate grievance policies and procedures, evaluation protocols, due process, and other rights of the community college support staff and faculty.

The division of responsibility and authority between the MCCS and the colleges is clearly delineated. Policies and procedures are defined, published, and accessible. Policies and procedures are equitably administered among the campuses. The MCCS has developed benchmarks as part of a strategic planning process to evaluate effectiveness of resource allocation in light of System goals. The MCCS Board of Trustees has adopted a funding formula to address the allocation of new resources coming to the System.

Internal Governance

President

KVCC has a chief executive officer (President) whose primary responsibility is to the College. The President of the College is nominated by the President of the MCCS and appointed by the MCCS Board of Trustees. KVCC's President implements the policies of the MCCS Board of Trustees and is responsible for the day-to-day operation of the College. The powers and duties of the President include:

- Administration of the College;
- Ensuring educational quality at the College to include program accreditation standards;
- Maintenance of the College;
- Appointment of College staff;
- Staff oversight;
- Preparation and administration of the College budget;
- Appointment of advisory committees to advise on the development and operation of the educational programs at the College; and
- Other duties as delegated by the Board of Trustees.

The President serves on the executive committee of the KVCC Foundation. The KVCC Foundation is a 501(c) nonprofit organization established in 1991 with the goal of supporting both the College and its students. The mission of the KVCC Foundation is to engage supporters to invest in students, faculty, and programs to empower individuals and to build stronger communities. The KVCC Foundation Board of Trustees achieves this goal by raising funds to promote and support all educational programs; to provide state-of-the-art equipment and facilities; and to ensure access through scholarship funds for needy students. The Foundation has raised a portfolio of over \$3.9 million to support student scholarships, technology and equipment upgrades, and access to student support services. Since its inception, the Foundation has awarded over \$1.35 million in student scholarships, opening the doors to education for more than 1,650 KVCC students.

The President has the absolute responsibility for the preparation and administration of the College budget. This is accomplished through the Dean of Finance and Administration in collaboration with respective constituents. The pragmatic management and allocation of finite institutional resources is based upon the College's mission and purposes in accordance with established mechanisms and

procedures. The College has modified the strategic planning process to include budget and institutional goals. Annual benchmarks serve as evaluative tools.

The President is ultimately responsible for the formulation and implementation of campus policies that are compatible with the MCCC and based upon the mission and purposes of KVCC.

Leadership Team

KVCC has a system of governance that facilitates the successful accomplishment of its mission and purposes. This is achieved through a shared-governance design, as outlined in the College's Governance Document, in which the President has the ultimate responsibility for all College issues but is aided by the expertise of the members of the Leadership Team. In addition to the College President, the members of the College's Leadership Team include the Vice President/ Dean of Student Affairs, Enrollment and Marketing, Academic Dean, Dean of Finance and Administration, Dean of Technology and Chief Security Officer, President of the Faculty Senate, and a Student Senate representative. In addition, a faculty representative from the Maine Education Association (MEA), an administrative representative from MEA, and a staff member from Maine State Employees Association (MSEA), serve on the leadership team. Each representative is elected by their respective groups.

The Leadership Team meets bimonthly during the academic year to propose, develop, and review policy drafts. The Leadership Team then circulates the proposed policy among the campus community for review, input, and revision prior to final adoption. Leadership Team minutes are published via the campus portal.

In addition to the Leadership Team, the College encourages the participation of all employees in the institution's system of shared governance.

Faculty and Staff

The duties and responsibilities of College employees are detailed in the [KVCC Policy and Procedures Manual](#).

Faculty and staff are encouraged to participate on College committees which have a direct impact in matters of educational programs, student support, and other aspects of College policy that relate to academic integrity and delivery of services to students. These committees include, but are not limited to, the Leadership Team, the Academic Program Committee, Student Committee, Teaching, Learning & Scholarship Committee, Educational Effectiveness Committee, Institutional Resources Committee, and the Institutional Accreditation and Effectiveness Steering Committee (IAEC).

Department Chairs meet with the members of their respective departments on a regular basis to discuss academic and College issues that relate to their individual programs. The Academic Dean meets regularly with the Department Chairs to discuss both College and departmental concerns affecting

academic integrity. Individual departments set goals, develop budgets, and are involved in strategic planning and new program development. The departments are also involved in program evaluation, and where applicable, professional accreditation. Departments also meet regularly with their respective program advisory committees to assist in the review, revision, and development of program policies and procedures.

The Faculty Senate has a constitution and a set of bylaws, and holds regular monthly meetings to discuss topics impacting academic affairs. The Faculty Senate may make recommendations to the Leadership Team with regards to areas of concern in academic affairs, academic environment, and institutional development ([Faculty Senate Constitution and Bylaws](#)). The administration welcomes faculty input into campus issues. The President of Faculty Senate is a member of the College's Leadership Team and the IAEC.

Faculty and Student Service Teams meet monthly during the academic year. Meetings for faculty (full time, part time, and adjunct), and staff are held to exchange information and promote the participation of employees in the operational processes of the campus.

The President hosts a President's Dialogue each semester to encourage communication between the President and the campus community. The President's Dialogue provide opportunity for the exchange of information and allows for discussion of issues relevant to the College community and its members.

Annual Budget Hearings are held in the spring and are scheduled for each department and academic program at the institution. The budget process welcomes input from all employees at the institution. It is a transparent process which promotes inclusivity from all organizational components of the College. The goal of budget hearings is to educate the campus community on the institutional budget and potential changes in budgeting from year to year.

The College administers the Personal Assessment of the College Environment (PACE) to report on faculty, administrator, and staff perception of the college climate and to promote open and constructive communication. The PACE Survey was last administered in 2013 and found that the area of communication was indicated as a weakness. Findings from the report were presented to faculty and staff during an internal professional development day for discussion.

Program Advisory Committees

Program Advisory Committees (PAC) collaborate with faculty on a regular basis and function to promote excellence in their respective programs. Members of the Program Advisory Committee include faculty, administration, industry representatives, alumni, students and community partners. Members of these committees display genuine interest in program success and are dedicated to the development of program policies that are relevant, equitable, and adequately prepare graduates for success in the workplace. MCCS policy requires the minimum of an annual meeting for all degree-seeking programs.

Each year a program advisory survey is administered to 1/3 of the academic programs, creating a three-year cycle to capture all programs. The survey assesses satisfaction and feedback on program curriculum, knowledge of leading practices and merging trends being introduced and taught in the program, preparation of the program graduates for work in the field and quality of the program. Since many of the PAC representatives are also employers of KVCC graduates, faculty requested that additional questions be added to the survey in 2017.

Student Engagement

KVCC makes provisions for the consideration of student views and judgments in those matters in which students have a direct and reasonable interest. Students participate on College standing committees, Student Senate, the Leadership Team, and the MCCS Board of Trustees. Students also serve on program advisory committees, which ultimately influence the development of program policy. Students have the opportunity to provide feedback and input on a regular basis through course, program, graduate, and College-wide evaluations. Members of the student body, including Student Senate, Student Leadership group, and Phi Theta Kappa National Honor Society participate in the governance of the College by submitting to the Leadership Team issues of student concern, usually with recommendations for consideration.

Every other year (on average), the College administers the Community College Survey of Student Engagement (CCSSE) and the Noel-Levitz Student Satisfaction Inventory (SSI) to report on student engagement and satisfaction. In the past, findings were presented to the Institutional Assessment Committee to identify areas for improvement. However, with the change of the committee structure, findings will now be presented to the Academic Program and Student Committee. The KVCC2020 Strategic Plan report uses the CCSSE as a measure to evaluate the effectiveness of institutional operations (Measure 3.1a: Perform above the 50 mean on each of the CCSSE benchmarks (active and collaborative learning, student effort, academic challenge, student-faculty interactions and support for learners).

ORGANIZATION AND GOVERNANCE - APPRAISAL

KVCC has a system of governance that facilitates the successful accomplishment of its mission and purposes. The organizational design and governance structure of the College creates and sustains an environment that encourages and promotes excellence in teaching, lifelong learning, and scholarship. This is exemplified by the many College programs which hold national accreditation, the success rates on professional licensure examinations, and the commendable feedback from both graduates and employers.

The President and the members of the Leadership Team are responsive to the concerns, needs, and initiatives of faculty, students, staff, and administration. The College's Governance Document outlines the responsibilities of the Leadership Team. The College administration displays support for the professional needs of College employees. All members of the Leadership Team welcome the input of

faculty, staff, and students and promote an environment that encourages communication. The College administration strives to create a supportive environment that encourages self-awareness, community involvement, and lifelong learning which considers the safety of all.

In 2017, the College formalized a structure for communicating and reporting committee activities, overseen by the IAEC. This IAEC tracks committee activities, actions, and outcomes in a continuous quality improvement loop to track effectiveness. The committees were established in early 2017, and became operationalized during the spring 2017 semester.

PROJECTION

- Establish a tracking system that will be reported to the Leadership Team on a semi-annual basis. The report will include committee activities and assessment information to be used to evaluate and improve the effectiveness of the organizational structure and governance system.

Standard 3: Organization and Governance (Board and Internal Governance)

Please attach to this form:

- 1) A copy of the institution's organization chart(s).
- 2) A copy of the by-laws, enabling legislation, and/or other appropriate documentation to establish the legal authority of the institution to award degrees in accordance with applicable requirements.

If there is a "sponsoring entity," such as a church or religious congregation, a state system, or a corporation, describe and document the relationship with the accredited institution.

Name of the sponsoring entity

Maine Community College System

Website location of documentation of relationship

<http://www.mainelegislature.org/legis/statutes/20-a/title20-Ach431sec0.html>

Governing Board

By-laws

Website location

<https://www.mccs.me.edu/about-mccs/system-office/board-of-trustees/>

Board members' names and affiliations (MCCS)

<https://www.mccs.me.edu/about-mccs/system-office/board-of-trustees/board-membership/>

Board committees *

Website location or document name for meeting minutes

?

Maine Community College System Board of Trustees

<https://www.mccs.me.edu/about-mccs/system-office/board-of-trustees/>

Major institutional faculty committees or

Faculty Senate

Website location or document name for meeting minutes

Leadership

<http://www.kvcc.me.edu/pages/general/faculty-senate>
<http://www.kvcc.me.edu/Pages/General/Policies>

Major institutional student committees or

Student Senate

Website location or document name for meeting minutes

Phi Theta Kappa

<http://www.kvcc.me.edu/pages/student-life-development/student-clubs>
<http://www.kvcc.me.edu/pages/student-life-development/phi-theta-kappa-society>

Other major institutional committees or governance

Academic Committee
Student Committee
Teaching, Learning & Scholarship Committee
Educational Effectiveness Committee
Institutional Resources Committee
Institutional Accreditation and Effectiveness Committee
Program Advisory Committees
KVCC Foundation

Website location or document name for meeting minutes

http://www.kvcc.me.edu/Pages/General/Policies
http://www.kvcc.me.edu/Pages/General/Policies
http://www.kvcc.me.edu/Pages/General/Policies
http://www.kvcc.me.edu/Pages/General/Policies
http://www.kvcc.me.edu/Pages/General/Policies
http://www.kvcc.me.edu/Pages/General/Policies
http://www.kvcc.me.edu/pages/general/program-advisory-committees
http://www.kvcc.me.edu/Pages/Foundation/Foundation-Home

*Insert additional rows as appropriate.

Please enter any explanatory notes in the box below

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KVCC Organizational Chart

Effective 12/18/17

Richard Hopper, President



Primary Location:
 Fairfield Campus
 Harold Alfond Campus

Maine Revised Statutes
Title 20-A: EDUCATION
Chapter 431: MAINE COMMUNITY COLLEGE SYSTEM

§12703. MISSION AND GOALS

The basic mission of the Maine Community College System is to provide associate degree, diploma and certificate programs directed at the educational, career and technical needs of the State's citizens and the workforce needs of the State's employers. [2011, c. 679, §23 (AMD).]

The primary goals of postsecondary career and technical education and the Maine Community College System are to create an educated, skilled and adaptable labor force that is responsive to the changing needs of the economy of the State and to promote local, regional and statewide economic development. [2011, c. 679, §23 (AMD).]

SECTION HISTORY

1985, c. 695, §11 (NEW). 1989, c. 443, §35 (AMD). 2003, c. 20, §002 (AMD). 2003, c. 20, §004 (AFF). 2011, c. 679, §23 (AMD).

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MAINE COMMUNITY COLLEGE SYSTEM

ORGANIZATION AND GOVERNANCE

Section 105

SUBJECT: BOARD OF TRUSTEES

PURPOSE: To define the role of the Board of Trustees of the Maine Community College System

A. Responsibility of the Board

The Board of Trustees of the Maine Community College System shall be responsible, through the exercise of the powers and performance of the duties set forth by law, for the establishment, control, and administration of a statewide system of publicly supported community colleges, which shall be known as the Maine Community College System. The main office of the Board shall be in the City of Augusta, Maine.

B. Membership

The Board of Trustees shall consist of 13 appointed voting members and one ex-officio voting and one ex-officio non-voting member as follows: 12 from the field of business and industry, the field of labor, the field of education and the general public; the Commissioner of Education, or his/her successor, who shall serve as an ex-officio voting member; the Commissioner of Labor, or his/her successor, who shall serve as an ex-officio non-voting member; and one member who is from the student body of one of the community colleges, enrolled for a minimum of 12 credit hours per semester at the time of appointment and a permanent resident of the State. The student member shall be a voting member of the Board.

C. Appointment and Terms

With the exception of the student member who is appointed to a two-year term of office, members of the Board of Trustees shall be appointed by the governor to a four-year term of office, subject to review by the joint standing committee of the legislature having jurisdiction over education and to confirmation by the Maine Senate. No classified or unclassified employee of the State, except for the ex-officio members or person who holds elected state office, may serve on the Board of Trustees.

The student member shall be selected as follows. By January 1st of every second year, the president of the System shall solicit a list of six eligible students from the student governments from six of the colleges within the Community College System; the seventh college being excluded as the student trustee may not come from the same college in any two consecutive terms. In the event that the student trustee transfers from one college to another during the student's term of appointment, the student's original college of enrollment is the college excluded when the next student trustee is appointed. The governor will then nominate a student trustee chosen from the list within 30 days of receiving the list of names. As with any nomination, the

nomination is subject to review by the joint standing committee of the legislature having jurisdiction over education matters and to confirmation by the Maine Senate.

D. Removal of a Member

The Board of Trustees may petition to the governor for the removal of any member who has been absent from three consecutive, regularly-scheduled meetings.

E. Vacancy

Vacancies on the Board of Trustees shall be filled for the unexpired term only. A member shall serve until a successor has been appointed and qualified. The chair shall notify the governor whenever a vacancy exists and shall recommend nominees to fill the vacancy.

F. Officers of the Board

The Board shall select a chair and a vice chair from the appointed members at the annual meeting. In the event of a vacancy in either office, a special election may be held. The terms of office of the officers shall commence at the beginning of the fiscal year following their election to office and shall run for one year. Officers may be re-elected. The chair shall appoint all committees unless the Board of Trustees directs that another appointment process be utilized for a specific committee. The president of the System shall serve as Secretary of the Board of Trustees.

G. Oath of Members

Before entering upon the discharge of his/her duties, each member of the Board shall take an oath that the member will faithfully and honestly execute the duties of the member's office during the member's continuance therein.

H. Meetings

The Board shall meet at least six times annually, and on call of the chair or at the request of a majority of the members. At least one meeting shall be scheduled in each calendar quarter. The last regular meeting scheduled in each fiscal year shall constitute the annual meeting, at which time the officers of the Board of Trustees shall be elected and a schedule of regular meetings for the ensuing fiscal year shall be established. Each year one meeting shall be held at each college, if practicable. Notification of the cancellation of a regularly-scheduled meeting for reasons other than lack of quorum shall be provided to the Board of Trustees and the public at least one week in advance if practicable, or by the same means used to call an emergency meeting.

I. Quorum

A quorum shall consist of a majority of the voting members of the Board of Trustees. No action may be taken without the affirmative vote of a majority of the members present and voting.

J. Powers and Duties

The powers and duties of the Board of Trustees shall include the following:

1. General

- a. Develop and adopt by-laws for the regulation of its affairs and the conduct of its business and develop and adopt an official seal and alter it as necessary or convenient;
- b. Develop and adopt policies for the operation of the System, the Maine Community College System Office and the colleges; establish the Administrative and/or Presidents Council; and approve programs and policies recommended by the president of the System and the Presidents Council;
- c. Oversee the administration of the System;
- d. Delegate duties and responsibilities as necessary for the efficient operation of this chapter; and
- e. Do any other acts or things necessary or convenient to carry out the powers expressly granted by, or reasonably implied from, law, including any emergency power deemed reasonably necessary to ensure a safe and secure operating environment.

2. Academic Programs

- a. Establish qualifications for admission offer courses of study, confer diplomas and certificates on completion of courses of study, and associate degrees based on two years of instruction;
- b. Offer short-term and on-site training or meet the needs of the private and public sectors and economic development and employment training programs; and
- c. Offer adult education and continuing educational opportunities to meet the needs of students who need training or retraining in response to changes in technology or the needs of the economy.

3. Financial Management

- a. Prepare and adopt a biennial, line-category, operating budget for presentation to the governor and legislature, incorporating all projected expenditures and all resources expected or proposed to be made available to fund the operations of the System. The budget is to be used in support of any requests to the legislature for General Fund appropriations that the Board of Trustees may deem appropriate and necessary to supplement other resources available to the System and shall also serve as the foundation for an annual fiscal management plan for the System;
- b. Prepare and adopt a biennial capital improvements budget for presentation to the governor and legislature, incorporating all projected expenditures and all resources expected or proposed to be made available to fund System public improvements as defined by law. If required by law, such a budget must be developed with the advice and assistance of the Bureau of Public Improvements and must represent the capital improvement priorities within the System;
- c. Receive, expend, allocate and transfer funds within the System, as necessary to fulfill the System's mission, in accordance with the biennial, line-category, and operating budget;
- d. Receive and accept, from any source, loans, aid or contributions of money, property, labor or other things of value to be held, used or applied to carry out the System's mission, subject to the conditions upon which the loans, grants and contributions may be made, including, but not limited to, loans, grants or gifts from any federal agency or governmental subdivision or the State and its agencies;
- e. Establish tuition and set policies relating to room and board and other fees that the colleges may need to charge in order to advance efficiently the System's mission as identified in these policies;
- f. Except as otherwise provided by law, invest any funds not needed for immediate use, including any funds held in reserve, in property and securities in which fiduciaries in the State may legally invest funds; and
- g. Borrow funds, issue bonds and negotiate notes and other evidence of indebtedness or obligations of the system for renovation, public improvements, land acquisition and construction purposes to pay for costs as defined in and permitted by law. The Board of Trustees may issue temporary notes and renewal notes to pay for those costs, and may fix the date, maturities, denomination, interest rate, place of payment, form and other details of the bonds or notes of the System. The Board of Trustees may pledge or assign its revenues, including any funds that have been or

may be appropriated to the System, and the proceeds of those revenues and its other property as security toward its bonds, notes, other evidences of indebtedness or other obligations of the System. The Board of Trustees may invest in accordance with law the proceeds of bonds, notes or other evidences of indebtedness.

4. Contracts and Acquisitions

- a. Enter into any contracts, leases and agreements and any other instruments and arrangements that are necessary, incidental or convenient to the performance of its duties and the execution of its powers under law; and
- b. Acquire consumable supplies, materials and incidental services, through cash purchase, sole-source purchase orders, bids or contract, as necessary or convenient.

5. Personnel Policies

- a. Develop and adopt personnel policies and procedures for the System. The Board of Trustees, subject to applicable collective bargaining agreements, shall determine the qualifications, duties and compensation of its employees and shall allocate and transfer personnel within the System as necessary to fulfill its mission. The Board of Trustees shall appoint the president of the System and the presidents of the colleges.

6. Real Property and Facilities

- a. Acquire by purchase, gift, lease or rent any property, lands, buildings, structures, facilities or equipment necessary to fulfill the System's mission. The Board of Trustees shall manage, rent, lease, sell and dispose of property, including lands, buildings, structures, equipment and facilities. Any revenues derived from these uses shall be credited to a separate fund to be used for the purposes of the System; and
- b. Authorize the construction, maintenance, renovation, reconstruction or other necessary improvement of buildings, structures and facilities.

7. Other

- a. Appoint or identify advisory committees to advise the Board of Trustees with respect to career, vocational and technical education and training policies and programs; procedures for modifying the programs of the colleges to meet the needs of the State's economy and the changing job market; and the efficient operation of the colleges and the Maine Community College System Office;

- b. Sue and be sued in its own name. Services of process in any action shall be made by service upon the president, either in hand or by leaving a copy of the process at the Maine Community College System Office; and
- c. Conduct a program of self-assessment of Board effectiveness necessary to satisfy accreditation requirements.

K. Conflict of Interest

No member of the Board of Trustees shall vote or otherwise act on any question or other issue in which he or she, or any member of his or her immediate family, has a direct or indirect financial or employment interest. Each trustee shall complete annually an Interest Disclosure Form developed by the MCCC president and approved by the Board chair, and shall promptly inform the MCCC president and Board chair of any actual or apparent conflict of interest for the Trustee that may arise. The Executive Committee of the Board, upon consultation with the MCCC president and general counsel, shall determine whether such a conflict exists and, if so, what action shall be taken.

L. Appearances before the Board of Trustees

The Board of Trustees recognizes a responsibility to hear the views of responsible citizens, within and without the System, on any issue judged by the Board to be directly related to System policy. The Board of Trustees shall set aside time for citizen input prior to the business agenda at each meeting. The chair of the Board shall establish time limits and retain full authority to determine the appropriateness and relevancy of the input.

Personnel decisions, collective bargaining issues, grievances, consultation with or advice from legal counsel, litigation and other subjects covered by the executive session provisions of the Freedom of Information Act shall not constitute appropriate matters for public citizen input.

In order to facilitate scheduling and maintaining an orderly procedure, any citizen desiring to be heard at a meeting shall notify the Secretary of the Board, either in writing in advance of the meeting or by signing an appearance sheet, prior to the commencement of the meeting. Such notification shall include the citizen's name, town or city of residence, and the subject matter about which the citizen desires to express views.

M. Trustee Orientation Program

The MCCC president shall develop a trustee orientation program. The purpose of this program is to give newly-elected members of the Board of Trustees an understanding of the Board's role as the governing, policy-making body of the Maine Community College System; knowledge of the operation of each college and the System; and information about the trustees' powers and responsibilities. From time to time, all trustees should participate regardless of length of service. The orientation program is to be considered part of a comprehensive strategy of Board education and development. The Executive Committee recognizes that, in addition to conducting a formal orientation day or one or more orientation sessions, effective education of trustees is a

responsibility requiring continued attention by the Executive Committee throughout the year. The Executive Committee, with the support of other members of the Board and the System Office, will be responsible for planning and conducting the orientation.

N. Trustee Attendance

The Board performs its tasks and duties through regular and special Board meetings; work sessions and committee and sub-committee meetings in preparation for the Board meetings; and retreats. The Board rotates the location of these meetings among the seven community colleges located in Wells, South Portland, Auburn, Fairfield, Bangor, Presque Isle and Calais. Together, these meetings require that each trustee commit the equivalent of at least twelve (12) work days per year to MCCS business.

Trustees are nominated by the governor and confirmed by the Maine Senate based upon, among other factors, their demonstrated commitment to provide meaningful support and oversight to the MCCS. Such support is not possible without consistent attendance and participation at all Board meetings. The Maine legislature's intent for regular and consistent participation and attendance by trustees is reflected in Maine law: the Board is required to meet at least six (6) times each year, and cannot take action without quorum.

A trustee will be asked to resign from the Board if the trustee fails to attend either three consecutive or fifty percent of the scheduled Board meetings in an academic year. In the event the trustee does not tender a resignation, the chair may, on behalf of the Board, petition the governor to remove the trustee from the Board. The Executive Committee of the Board, upon request from the affected trustee, may waive this policy if the majority of the Executive Committee members find that the absences were due to extenuating circumstances.

This policy will be made available whenever possible to each nominee to the Board prior to confirmation to ensure that the nominee fully understands the commitment required of Board members.

O. Reimbursements

Trustees may, as allowed by law, be offered reimbursement for their reasonable and actual expenses for fulfilling Board responsibilities.

P. Annual Assessments

The Board shall, consistent with best practices and accreditation expectations, annually conduct a:

1. Board self-assessment survey, approved in form by the Board's Executive Committee, of the Board's role and effectiveness; and
2. Performance and compensation appraisal of the System President consistent with MCCS Policy.

REFERENCES: 20-A M.R.S.A. §12705 and §12706; P.L. 1985, ch. 695, §20(2);
3 M.R.S.A. §312-A (17) and §313-A; 17 M.R.S.A. §3104 (conflicts of interest)

DATE ADOPTED: June 24, 2009

DATE(S) AMENDED: May 3, 2013; January 25, 2017; April 26, 2017

KENNEBEC VALLEY COMMUNITY COLLEGE



GOVERNANCE DOCUMENT

KENNEBEC VALLEY COMMUNITY COLLEGE COLLEGE GOVERNANCE STRUCTURE

PREFACE

The Maine Community College System (MCCS) Board of Trustees is the governing body for all colleges in the System including Kennebec Valley Community College (KVCC). The Trustees determine overall policy for the System and Colleges. The System President serves as the Trustees' agent in the implementation of System-Wide policy.

At KVCC, the President is responsible for implementing policies of the Trustees. Within the context of this structure, the President is responsible for college policy and administration. In formulation of college policy, the President seeks participation of the various internal and external constituencies.

The College Governance Structure is composed of personnel with complex and overlapping responsibilities. The KVCC Governance Structure is designed to provide a process of communication within the college among faculty, staff, student body and administration to foster a system which assists the President in making informed decisions. The Governance Structure is participatory in so far as it assists in formulating College policy related to academics, student services, technology and facilities, and makes recommendations to the President for consideration. The Governance Structure will not consider items that are the direct responsibility of Trustees, statutory issues or contractual in nature.

The College bases its Governance Structure on the principle that all members of the College community are treated with respect. All members are provided opportunities to express their views.

Article I Name

The name given to the formal communication process of Kennebec Valley Community College (KVCC) Governance System shall be the **COLLEGE GOVERNANCE STRUCTURE**.

Article II Purpose

- A. Philosophy:** The College Governance Structure relies on the values of mutual respect, effective communication, and honest collaboration and cooperation.
- B. Purpose:** The College Governance Structure is an established process of communication. Faculty, staff, administration and students help shape the college's programs and policies through participation on a number of standing and ad hoc committees by attending meetings as requested and through productive use of established channels of communication. The primary purpose of this Governance Structure is to facilitate the accomplishment of KVCC's mission and to institutionalize effective and efficient communications processes enabling KVCC to achieve excellence in its undertakings.

Article III Composition of the Leadership Team

- A. Composition of the Executive Committee:**
 - 1. President
 - 2. Vice President Student Affairs, Public Relations, & Enrollment Management
 - 3. Academic Dean
 - 4. Dean of Finance & Administration
 - 5. Dean of Technology & Chief Security Officer
 - 6. Dean of Workforce Training & Professional Development
- B. Composition of the Leadership Team:** Leadership team includes following designated representatives:
 - 1. President
 - 2. Vice President Student Affairs, Public Relations, & Enrollment Management
 - 3. Academic Dean
 - 4. Dean of Finance & Administration
 - 5. Dean of Technology & Chief Security Officer
 - 6. Dean of Workforce Training & Professional Development
 - 7. Faculty Senate Representative
 - 8. Maine Education Association (MEA) Faculty Representative
 - 9. Maine Education Association (MEA) Administrators Representative
 - 10. Maine State Employees Association (MSEA) Representative
 - 11. Student Senate Representative
 - Executive Assistant to the President

- C. Quorum:** In order to conduct business at all meetings of the Leadership Team, a quorum must be present. A quorum shall consist of a simple majority of the membership of the Leadership Team.

Article IV General Governance Structure

- A. Membership:** Membership in the College Governance System shall consist of all current employees and all students, herein after referred to as “Member(s)”.
- B. Organization:** The decision making authority of the governance structure lies within its central body, the Leadership Team. The Leadership Team shall meet bi-monthly during the academic year. Members can address an issue through their designated representative. The Leadership Team meeting is the forum for discussion on policies and/or resolutions. A majority vote serves as a recommendation to the President for action.
- C. Timely Action:** The College President, or his/her designee, shall communicate decisions to Members in a timely manner.
- D. Operational Procedures:** The Leadership Team and all its College Committees will operate according to the principles of respect and efficiency. Robert’s Rules of Order are available for use and are suggested for expediently carrying out duties.

Article V Appointments and Elections of Leadership Team Representatives

- A. Purpose:** The appointment and election procedures described herein are designed to assure fair representation of all groups.
- B. Method:**
1. Appointments are made by the College president.
 2. Elected representatives are chosen biannually. They include:
 - Faculty Senate representative
 - MEA faculty representative
 - MEA administrative representative
 - MSEA representative
 - Student representative
- C. Terms of Office:** Vary according to representative group.

Article VI College Standing Committees

- A. Authority:** All College Standing Committees report to the Leadership Team. All College Standing Committees will be invited annually to provide a verbal summary of activities to the Leadership Team. Recommended changes in College policy require the action of the Leadership Team.
- B. Participation:** Participation is encouraged on College Standing Committees.
- C. Standing College Committees:**
1. Academic Programs Committee
 2. Teaching, Learning and Scholarship Committee
 3. Educational Effectiveness Committee
 4. Institutional Resources Committee
 5. Student Committee
 6. Institutional Accreditation and Effectiveness Steering Committee

Article VII Special Committees

The Leadership Team, as the deliberative body representing the College community, and in conjunction with the President, will have authority to appoint *ad hoc* committees to address specific topics that fall either across or outside areas of responsibility identified for College Standing Committees. College Standing Committees will have authority to appoint *ad hoc* sub-committees to address specific topics that fall within the areas of responsibilities identified for that College Standing Committee.

Article VIII College Forum

The College Forum encourages two-way communication between the President and the Members.

- A. Purpose:** The Forum shall provide opportunities for exchange of information. The agenda provides for discussion of issues relevant to the College Community and its Members.
- B. Operational Procedures:**
1. The Forum will be held at least once a year or as needed.
 2. The President will arrange, schedule and moderate each forum.
 3. All employees are invited to request a forum or send agenda items to the President.
 4. Minutes will be summary in nature and posted in a timely manner prior to the next Forum.
 5. The president, or designee, will communicate decisions to the Members in a timely fashion.

Article IX

Governance Structure Review and Assessment

It is the responsibility of the Leadership Team to oversee the College Governance Structure. The Leadership Team will periodically designate a special committee to review and assess the effectiveness of this Structure. The special committee shall seek input from all Members prior to making revisions and recommendations to the Leadership Team for review. The President will distribute notification of changes to all Members.

Article X

Standing Rules for Leadership Team and College Standing Committees

- A. Minutes:** Minutes of the Leadership Team and all College Standing Committees shall be summary in nature. Following acceptance, a copy of the minutes, as approved, shall be posted on the MyKVCC Portal so that they may be accessible to all Members.
- B. Compilation of Institutional Policies:** The President shall enter all policies approved by the Leadership Team in the Institution's Policy Manual to be posted electronically on the MyKVCC Portal.

Approved: October 26, 2017
Amended: January 28, 2016
Approved: October 25, 2012
Amended: September 27, 2012
Approved: September 2005

Standard 3: Organization and Governance
(Locations and Modalities)

Campuses, Branches and Locations Currently in Operation (See definitions in comment boxes)

(Insert additional rows as appropriate.)

- ?
 - ?
 - ?
 - ?
 - ?
 - ?
 - ?
- Main campus
Other principal campuses
Branch campuses (US)
Other instructional locations (US)
Branch campuses (overseas)
Other instructional locations (overseas)

Location (City, State/Country)	Date Initiated	Enrollment*		
		2 years prior Fall 2015	1 year prior Fall2016	Current year Fall 2017
Farfield, Maine, United States	00/1969	1,008	979	530
Hinckley, Maine, United States	00/2014	572	631	788

Educational modalities

Distance Learning Programs

Programs 50-99% on-line

Programs 100% on-line

 Correspondence Education

Low-Residency Programs

Competency-based Programs

Dual Enrollment Programs

Contractual Arrangements involving the award of credit

Number of programs	Date First Initiated	Enrollment*		
		2 years prior (AY1516)	1 year prior (AY1617)	Current year (Fall 2017)
Business Program	2008	136	191	133
Liberal Studies	2008	183	189	95
General Science	2008	271	372	226
Mental Health	2008	100	122	92
Early Childhood Education	2008	47	85	60
20 High School sites in AY1617		1,108	1,136	742

*Enter the annual unduplicated headcount for each of the years specified below.

Please enter any explanatory notes in the box below

Dual Enrollment = Concurrent Enrollment includes college courses offered at the high school by the high school. All courses require the same level of commitment as classes taught on the college campus. Enrollment by location is for degree-seeking ONLY in Fall term. * KVCC offers Business Marketing, Business Accounting, Computer Systems Integration, Early Childhood Education, Mental Health (Certificate and Associate), Liberal Studies and General Science as an option for online enrollment. Each program of study offers 50% or greater of its courses online, however, seated courses are also offered. Students have the option of completing the program by taking online courses, seated courses on campus or by enrolling in a mix of online and seated. Data reported in Distance Learning Programs are unduplicated count of students completing at least one online or hybrid course while enrolled in the program during that academic year.

STANDARD FOUR THE ACADEMIC PROGRAM

The institution's academic programs are consistent with and serve to fulfill its mission and purposes. The institution works systematically and effectively to plan, provide, oversee, evaluate, improve, and assure the academic quality and integrity of its academic programs and the credits and degrees awarded. The institution sets a standard of student achievement appropriate to the degree awarded and develops the systematic means to understand how and what students are learning and to use the evidence obtained to improve the academic program.

DESCRIPTION

All programs at KVCC adhere to the College's mission to provide quality education and professional training to the people of Maine. The Associate in Applied Science degrees lead to employment in a variety of fields, as well as opportunities for transfer into baccalaureate programs. The one-year diploma and certificate programs upgrade skills and provide job training to students. The College's Center for Workforce Training and Professional Development provides opportunities for advanced education and training, credit and non-credit, as well as lifelong learning. The Associate in Art in liberal studies and the seven Associate in Science degrees prepare students for employment or for transfer to four-year baccalaureate institutions.

Each program at KVCC has clearly articulated descriptions and graduate outcomes which are aligned with the goals, structure, and course content of the respective program. The course of study, designed progressively from entry-level to advanced skill, for each program is outlined in the College catalog. General education courses and electives are scheduled throughout the course of study to support, expand, and integrate knowledge in the student's core courses. Department meetings and advisory groups review the program content regularly to assure that it is current and relevant.

The College publishes all program information including program/degree descriptions, requirements, and learning goals/outcomes for the degree candidates primarily on its Website and in the current Course Catalog. Course descriptions and objectives must be approved by the Curriculum Committee prior to the course being offered. The course descriptions and information on prerequisites and credit hours are also found in the catalog and on the website. Instructors provide course syllabi to the enrolled students either electronically or in a paper format. Each course syllabus contains clear objectives and outcomes, an outline of course content, and descriptions of the methods of instruction and inquiry used. To insure consistency, all sections of a course use the same core syllabus which includes the same course description, course objectives, and course outline. To insure academic freedom and variety, individual faculty members may use different methods of instruction, vary assignments, and alter grading and attendance policies to suit individual differences. All information is clearly stated on the course syllabus and reviewed with students. In addition, some programs publish Student Program Handbooks containing program outcomes, policies, goals and other program-specific information.

ASSURING ACADEMIC QUALITY – DESCRIPTION

KVCC assures the quality of all academic programs through several processes. Every five years the MCCC Education Committee reviews programs without a national accreditation. Seven programs are externally accredited and conduct regular self-studies to ensure compliance. For these programs, the College provides resources to support the required process.

KVCC Program	Accrediting Body	Last Accreditation	Length of Accreditation	Next Accreditation
Occupational Therapy Assistant	Accreditation Council for Occupational Therapy Education (ACOTE)	April 2016	10 years	April 2026
Medical Assisting	Commission on Accreditation of Allied Health Education Programs (CAAHEP)	April 2015	7 years	Fall 2023
Nursing	Accreditation Commission for Education in Nursing	October 2017	8 years	Pending Approval
Health Information Management	Commission on Accreditation for Health Informatics and Information Management Education (CAHIM)	2010	8 years	2018
Radiological Technology	Joint Review Committee on Education in Radiologic Technology (JRCERT)	April 2015	8 years	Spring 2023
Physical Therapist Assistant	Commission on Accreditation in Physical Therapy Education (CAPTE)	April 2017	Pending Approval – Last cycle was 10 years	Pending Approval
Paramedic	Commission on Accreditation of Allied Health Programs (CAAHEP)	October 2013	5 years	Pending Self Study
Business	Association of Collegiate Business Schools	March 2013	10 years	Spring 2023

KVCC continues to utilize a Curriculum Committee as part of its effective system of academic oversight. The Curriculum Committee reviews on average 20-30 new course syllabi and 35-40 revised syllabi during the academic year. The Committee is also tasked with reviewing all new program curricula as well as revised programs of study. All new program proposals must complete a process of approval by the College's Academic Committee and Executive Leadership, and the MCCC President, Board of Trustees and Education Committee (MCCC Policy 303.1 New Instructional Program Proposal).

In 2007, KVCC established an off-campus site in Augusta, using space at the Buker Center. This site served students in the southern Kennebec County area. The entire Mental Health program was moved to the Buker Center along with a variety of general education offerings. Following approximately five years of programming at the Center, the College determined that this off-site campus was not financially sustainable. The College's Buker Center course offerings were discontinued after conclusion of the fall semester 2011. The Mental Health program was relocated to the Fairfield campus.

After completing the substantive change application process, the College was approved to establish the Harold Alfond Campus in Hinckley, Maine in spring 2014. The establishment of a second campus provided the opportunity to offer new programming, including two-year Sustainable Agriculture, Sustainable Construction, and Culinary Arts programs. In addition, the College relocated several existing programs from the Fairfield Campus to accommodate growth including Education, Business Administration, Mental Health, and Electrical Lineworker Technology. The College's annual budget hearing process helps to assure that each campus receives adequate funds to operate effectively to support student learning.

As part of academic planning and evaluation, the College may introduce new programming or eliminate existing programming in response to various factors including available resources, industry needs, changing technologies, and student interests. The process to establish a new academic program is outlined in MCCS Policy (303.1). Since 2007, the College has added seven new degree programs including Energy Services Technology, Culinary Arts, Sustainable Construction, General Studies, Autism Spectrum Disorder Studies, Computer Systems Integration, and Sustainable Agriculture. The College recently submitted a proposal for new Psychology program, with a plan to enroll students in the fall of 2018.

The process to eliminate an academic program is outlined in MCCS Policy (303.2). The College may opt to suspend a program for up to two years or to discontinue a program. The College has eliminated five degree programs and six certificates since the 2007 self-study. Two-year program discontinuances include Medical Office Management, Pulp and Paper Technology, Speech Language Pathology, Computer Science, and Respiratory Therapy.

KVCC graduates demonstrate collegiate-level skills in the English language. To support the development of college-level writing skills, every degree program requires a minimum of three (3) credits in writing. Included in the College's expectation of students at graduation, is the ability to "communicate clearly, effectively, and persuasively in both the written and spoken word." The College's Essential Learning Outcomes (ELOs) include written communication, providing a mechanism to assess the skill level of the graduates.

KVCC ensures that all students use information resources and technology as an integral part of their education. Following admission, students participate in a mandatory orientation that includes an introduction to KVCC on-line technology, such as use of the portal and registration for courses. Additionally, the College's Technology Department responds to help desk requests generated by both students and faculty. In 2016/2017, the IT Help Desk received over 5000 requests, and to date has been able to resolve and close out 99.9% of the requests.

The librarians in the Learning Commons design and deliver workshops, in-class sessions, printed guides, and web-based tools to advance library research skills and information literacy. The Learning Commons library staff provided instruction to 1500 students in the academic year 2016-2017.

ASSURING ACADEMIC QUALITY – APPRAISAL

In 2008, the Institutional Assessment Committee proposed an internal review process to precede the MCCS program review. Due to various factors, including changes in academic leadership, the review process was not implemented. The mission of the institution's newly formed Academic Program

Committee (APC) includes development and oversight of an internal program review process. With the APC membership consisting at least of six full-time faculty, the faculty will have a substantive voice in the internal program review process.

With the implementation of the College's new committee structure, the Curriculum Committee will become a subcommittee reporting to the Academic Committee. The purpose of the subcommittee is to evaluate proposed curricula and changes to existing curricula in order to assure the quality of programming. Faculty are well-represented on the Committee and constitute the voting membership (KVCC Policy Manual). The responsibilities of Curriculum Committee include:

1. Review and approve program curriculum for course content, credit hours, course articulation issues, certificate/degree/diploma awarded, etc.
2. Review and approve proposals for changes in program content
3. Review and approve all new program curricula
4. Assure that accreditation standards have been met in regard to new and revised curricula

The College may opt to suspend a program for up to two years or to discontinue a program. The discontinuance proposal requires a detailed plan for enrolled student notification and appropriate arrangements for the affected students to complete their education within a reasonable timeframe. According to MCCS policy 303.2, when an academic program is eliminated, the College must provide an academic plan for students to complete their academic program. The College currently does not consistently maintain adequate records of the academic plan and communication with affected students.

To help students develop and enhance their written communication skills KVCC opened a Writing Center in fall 2012. The mission of the Writing Center is to help students of all abilities grow into stronger, more effective writers by providing individualized support at all stages of the writing process. The Writing Center also aims to promote writing as a means of learning by supporting faculty and staff in their writing across the curriculum efforts. In 2013, a Department of Labor grant funded a full-time English faculty position to oversee the Writing Center through Spring 2017. The Director of the Learning Commons is exploring ways to fill this void in the upcoming academic year.

Student technical support is limited to College operation hours, which is a barrier for students who rely on weekends and evenings to do their coursework. During their coursework, students may utilize word processing, Blackboard, and publisher software related to their program of study. The Technology Department does not support publisher software or web-based programs that may be part of the supplemental instruction that is packaged with a textbook. Student support for the learning management system, Blackboard, is also limited. The College's website introduces users to Blackboard minimum hardware requirements, login-in instructions, FAQs, contact directions and remote assistance.

UNDERGRADUATE DEGREE PROGRAMS - DESCRIPTION

KVCC provides certificate, diploma, and associate degree programs. The Associate in Applied Science credential is a program designed for employment in a specific occupation or to upgrade skills to improve the opportunity for advancement within an existing position. The Associate in Science credential is a program designed primarily to prepare students to transfer to an upper division baccalaureate program

with an emphasis in math and/or science. The Associate in Arts credential is a program designed primarily to prepare students to transfer to an baccalaureate program with a robust general education framework.

Per MCCS Policy 302, all Associate Degree programs require both general education courses (arts and humanities, science, mathematics, and social sciences) and technical knowledge courses. Course distribution by subject in the three degree options can be found in the following table:

Table 1: Criteria for academic credentials (Course credit requirements)

Distribution by Subject	Academic Credential Credit Requirements		
	A.A.S.	A.S.	A.A.
Writing/Communication	6	6	6
Quantitative Literacy/Natural Science	6-7	10-15	3-4
Diversity	-	3	3
Ethical Reasoning	-		3
Creative Arts	6	3	3
Humanities		3	6
Social Science		3	6
Any General Education	3	3	-
Program core (Major)	Up to 46	Up to 46	Up to 29
Total Credits	60-68	60-68	60-64

The certificate programs consist of vocational and/or technical courses that lead to an occupational skill. Certificate curricula consist of 16 to 36 credit hours of coursework, including general education courses to demonstrate competence in mathematics and communication at a level consistent with the requirements of the program.

The degree programs provide the students with in-depth mastery of at least one disciplinary (major) area. Depending on the degree program, students enroll in up to 46 credits of discipline-specific courses, comprising 50-67% of the program's total credits. These discipline-specific courses represent a continuum of difficulty from 100 level entry-level courses to advanced 200-level courses. Discipline-specific curricula are reviewed by Program Advisory Committees (PAC) and by national accreditors when appropriate to ensure that the coursework is appropriate and meets the discipline standards. In-depth mastery is in part evidenced by the licensure and certification of the graduates. (Factbook)

The degree programs also provide a substantial and coherent introduction to the broad areas of human knowledge, and their theories and methods of inquiry. This is accomplished with the distribution of general education credit courses that comprise each program. Assessment of the essential learning outcomes (ELO's) provides evidence of student learning in these areas as they progress through their academic program.

UNDERGRADUATE DEGREE PROGRAMS - DESCRIPTION

During AY 2015-2016, general education faculty worked to modify the Association of American Colleges and University's (AACU) VALUE (Valid Assessment of Learning in Undergraduate Education) Rubrics to

evaluate the following ELO's: Written Communication, Oral Communication. Teamwork, Quantitative Literacy and Problem Solving. The groups reconvened at the conclusion of the Spring 2017 semester to evaluate student work from 100-level introductory courses. Each group summarized its findings and made recommendations to improve the process and to inform the college community of student performance.

In 2016, the full-time English faculty developed a rubric to evaluate writing skills across the curriculum. The written communication rubric was used to evaluate student artifacts from the first-year English Composition course: an Argumentative Research paper. The artifacts were divided among the three full-time English faculty who used a worksheet to assign scores based on the 0-4 Written Assessment rubric. The English faculty agreed that most artifacts should fall within the 10-14 range in order to show that a student is meeting overall proficiency standards in writing. The assessment results indicated that the average score was 11.75 out of a possible 20 (n=30). This falls within the expected range, though slightly below the anticipated average. A summary of the findings is available in the appendix.

In July 2017, four Communication faculty met to review and test the updated oral communication rubric with the goal of furthering inter-rater consensus and finding possible student examples to represent the various levels of student achievement. The first part of the session involved building a foundational understanding of the function of the oral communication rubric for assessing ELO compared to a grading tool / rubric for student speeches during the course. Two informational student speech videos and one persuasive student speech video were assessed using the updated rubric. The full-time instructor provided the context of the assignment before viewing. After watching a speech, communication instructors shared their scoring for each of the categories (seven total) and processed their reasoning for the score. A summary of the assessment activity findings included:

- The process aided in building greater understanding of the levels of performance, especially between the advanced (4) and proficient (3) levels.
- Scoring work between proficiency levels (e.g 3.5 or 2.5 or 1.5) was effective in reaching consensus on assessing student work.
- Rubric categories and descriptors did not need edits

The Communication faculty expressed several concerns including the time necessary to view and score a larger sample of speeches. Another round of training and scoring is scheduled will be concluded by the end of the spring 2018 semester. Evaluation of a representative sample of speeches taken from all sections of the course is scheduled at the conclusion of the spring 2018 semester.

Math faculty followed a similar process for evaluating problem solving in MAT117 – College Algebra. The faculty participated in a norming session in the spring 2017 semester and then evaluated a small selection of student work in summer 2017. The assessment problem, a linear function problem to determine best cost between two printing companies, was used as the common assignment to assess problem solving.

A summary of their findings included:

- Administering a common assessment to evaluate proficiency in problem solving was valuable.

- The rubric is well-designed, but that the current assignment may not be robust enough to fully measure the six categories included in the rubric.
- This assessment process affords the opportunity for faculty to collaborate
- Artifacts with proficient scores of 16-18 on the artifact indicate that the course is meeting overall proficiency standards in problem solving.

The Math faculty will assess all sections of College Algebra, including concurrent enrollment course sections, at the conclusion of AY 2017/18.

GENERAL EDUCATION - DESCRIPTION

The general education requirement is coherent and substantive. The KVCC definition of an educated person is reflected in all program curricula. KVCC offers a wide variety of courses to meet the general education requirement. The humanities, social science, science and math courses represent a continuum of difficulty from entry-level skill to advanced level knowledge. A student may not have the freedom to choose the general education electives due to restrictions imposed by specific program accreditation requirements.

All KVCC Associate degrees include a common core of general education classes designed to foster a student's development of the skills and the attitudes of the KVCC definition of an educated person. In order to ensure that all students receive a minimum of 21 hours of general education, the following common core courses are required for each degree program:

100-level or higher math or science:	3 – 4 credits
COM104 or COM105:	3 credits
ENG101 or ENG108:	3 credits
General Education:	6 credits
Humanities:	3 credits
Social Science:	3 credits

GENERAL EDUCATION - APPRAISAL

In 2015, a faculty steering committee convened to identify essential learning outcomes. The committee work was guided by the AACU's Liberal Education and America's Promise (LEAP) initiative. The LEAP initiative provides a framework to ensure that all students—regardless of the chosen field of study—acquire the knowledge and skills to meet the changing demands of the workforce and citizenship. The committee reviewed the LEAP essential learning outcomes and identified five Essential Learning Outcomes (ELOs) that would be fostered and developed across a KVCC student's entire educational experience. The ELOs are a comprehensive set of learning goals that reflect the broad knowledge, critical thinking, creative problem solving, collaboration that a graduate will need to be successful in the twenty-first century.

Representing all departments, the faculty proposed the following ELOs to the Faculty Senate for approval:

- **Critical Thinking** - a habit of mind characterized by the comprehensive exploration of issues, ideas, artifacts, and events before accepting or formulating an opinion or conclusion. (AACU)
- **Problem Solving** - the process of defining the problem, designing, evaluating and implementing a strategy to answer a question, achieve a desired goal, or reach a solution.
- **Effective Communication** is the transactional process of sending and receiving verbal, nonverbal, and visual symbols to create and share meanings based on form and purpose.
 - **Written Communication** - the development and expression of ideas and information in writing. Written communication involves learning to work in many genres and styles. Written communication abilities develop through iterative experiences across the curriculum. (AACU modified)
 - **And** students will demonstrate effective communication in **one or more** of the following ways:
 - **Oral Communication** - a prepared and delivered purposeful presentation designed to increase knowledge, to foster understanding, or to promote change in the listeners' attitudes, emotions, values, beliefs, or behaviors. (AACU modified)
 - **Interpersonal Communication** - the process of message transaction between two or more people for developing and maintaining professional and personal relationships. (West & Turner; University Nebraska Lincoln)
 - **Teamwork** - consists of the behaviors under the control of individual team members (effort they put into team tasks, their manner of interacting with others on team, and the quantity and quality of contributions they make to team process) to achieve mutual goals. (AACU modified)
- **Quantitative Reasoning / Literacy** also known as Numeracy or Quantitative Literacy (QL) - a habit of mind characterized as competency in working with numerical data. Individuals with QR skills possess the ability to reason and solve quantitative problems from a wide array of contexts. They understand and can create reasonable sophisticated arguments supported by quantitative evidence and they can clearly communicate those arguments in a variety of formats (using words, tables, graphs, mathematical equations, etc., as appropriate). (AACU modified)

THE MAJOR OR CONCENTRATION - DESCRIPTION

Programs of study are designed to offer coursework which is progressive in skill, including any lab, experiential and/or clinical experiences. The program or discipline specific courses move the student from the didactic information to the practical application in the skill area. Courses are reviewed by accreditation bodies, the College Curriculum Committee, faculty and advisory groups regularly to assure current needs for knowledge are included. As changes are deemed necessary, the course or program requirements are brought to the Curriculum Committee for discussion and approval. Recognition of the depth of knowledge possible to attain an associate's level is considered in the design of the degree program, course sequencing, and individual courses.

KVCC's experiential education courses and all clinical/practicum experiences are planned methods of instruction which provide students with a goal-related, supervised, and evaluated academic experience in a work environment applicable to their major and for which college credit can be earned. This approach enables students to apply the theory and skills learned in the classroom to a work environment. For example, in the Radiologic Technology program, the lecture course covers the theory of exposure; in lab the student learns the basic skills for imaging and demonstrates competency; and, the clinical experience allows the student to demonstrate effective practice in the field with patients.

GRADUATE DEGREE PROGRAMS – N/A

INTEGRITY IN THE AWARD OF ACADEMIC CREDIT – DESCRIPTION

KVCC awards certificates, diploma, and associate degrees as previously described in the Undergraduate program section. The College Policy Manual details the requirements for all educational credentials. (KVCC Policy 2.21 and MCCS Policy 305).

The College offers all required and elective courses with sufficient availability to provide students the opportunity to graduate within the published program length. When necessary, the College offers a directed study option to a student if a course required for graduation is not offered in the student's final semester of attendance.

A curriculum committee, consisting of faculty members, reviews and approves each course syllabus. The course syllabus includes the course description, credit and contact hours, course content, and course learning objectives. All offerings of a course, including concurrent enrollment, satellite, and online, must adhere to the approved course syllabus to ensure that the course objectives and credit is consistent among sections. Individual instructors may have the academic freedom to design learning activities to offer students opportunities for mastery of the course material and successful completion of course objectives.

The Academic Dean has responsibility for the selection, approval and evaluation of all faculty, including adjunct and concurrent enrollment faculty. Department chairs submit an adjunct hiring recommendation form to the Dean for consideration. High school and technical center administration may request approval for instructors with appropriate credentials to teach a concurrent enrollment course at their institution. Both adjunct and concurrent enrollment instructors complete an annual evaluation and submit it to the Academic Dean.

Each student is evaluated by the faculty in each course. The particular evaluation methods are determined by each faculty member. The elements /assignments used to evaluate the students are enumerated on the course syllabus with the percentage of the total grade for each assignment listed. This is reviewed with students at the beginning of the course. The evaluation methods relate to the approved objectives for the course. When the course is completed the faculty grades all assigned elements, and reports the final grade to the registrar for input into the student record. Credit is granted for passed courses.

In March 2017, the MCCS established system-wide Prior Learning Assessment Standards (Policy 307). Students may receive PLA from transfer credit, national exam, credential review, military service, challenge exam or portfolio review. Information concerning PLA is available in the course catalog and on the College's website. The award of prior learning credit in certificate programs of 30 or fewer credits is limited to 25 percent. For Associate degree programs, credits earned by PLA are not included in the residency requirement of 25% of the degree credits.

KVCC accepts undergraduate transfer credits for coursework completed at an accredited institution of higher education if the coursework is comparable. Evaluation is based on the course description, course objectives, credit hours and contact hours. In most instances, these credits must have been earned within the last 10 years. Only courses with a grade of C or better will transfer. All policies and procedures for transfer of credit and credit by examination are published in the College Catalog. The College's residency requirement specifies that a degree student must earn 25 percent of their program credits at KVCC in order to graduate.

Program faculty are consulted before accepting transfer credit for program coursework to ensure that the acceptance of the credit will not diminish the student's coursework in the academic program. For example, the Nursing Department Chair would meet with a student who has completed the first year of nursing courses at another institution to discuss the coursework. Careful consideration is made to ensure that the student has met the learning outcomes for a first-year KVCC Nursing student. Following this meeting, the Chair will recommend the program-specific courses for transfer.

Academic policies pertaining to academic warnings, academic probation, academic dismissal, appeal process and readmission process are located on the KVCC website and the KVCC Catalog. KVCC has a written policy regarding cheating and plagiarism that is published in the student handbook. Individual programs may have additional criteria for academic dismissal and readmission that are stated on the program website and in the program's student handbook. For example, the Nursing program requires that a dismissed student must complete several 200-level math and science courses to qualify for readmission to the program.

Graduation requirements are clearly stated in the College Catalog and on the website. The Director of Student Records verifies a student has completed all requirements for the degree before it is conferred. Student records are kept by the Academic Affairs Office.

In AY 2016-2017, the College offered 67 concurrent enrollment courses at 19 high schools and technical centers with a total enrollment of 1265. In spring 2016, MCCS adopted policy that established criteria for the awarding credit to high school students enrolled in dual or concurrent enrollment courses. Instructors for the concurrent enrollment courses must submit an application, a current curriculum vitae and college transcripts. The Academic Dean and the department chair review the packet and determine if the instructor may teach the course. The department chair will provide the instructor with curriculum, materials, assessments and guidance. If a common assessment is included in the course, the department chair will share student performance information with the instructor. Concurrent enrollment students have access to Blackboard (the College's learning management system), the student portal, library and tutoring services at the College.

Students enrolled in online and hybrid courses have opportunities to interact with faculty regarding course content and related academic matters. Online and hybrid faculty must respond to a student communication within 24 hours. Faculty may use discussion boards, email or video conferencing to interact with their students. KVCC currently identifies online students by issuing unique user names and passwords.

An equivalent amount of work is required in courses and academic activities where class time is not the primary mode of learning, such as online and hybrid courses. For online courses, students are expected to be academically engaged with comparable learning outcomes of a standard lecture course with alternate delivery methods. Instructors must document in the course schedule how a student meets the minimum contact hour requirements for the credit awarded. Contact time may be satisfied by a variety of methods including:

- a) Instruction or interaction with a faculty member once a week for each week the course runs;
- b) Academic engagement (tutorials, moderated group discussions, virtual group projects, peer review and computer tutorials graded and reviewed by faculty).

Courses offered in a blended format with both required face-to-face and online sessions are classified as a hybrid course. Instructors may use a variety of methods to academically engage or instruct the students in the online format to satisfy the contact hour requirement for credit.

Similarly, accelerated courses, such as the 3-week Jan Plan courses, offer the same semester credit hours as traditional semester-length classes. Within the shortened time frame, these courses must meet the minimum contact hour requirements of the lecture format or document in the course schedule how students will meet the minimal contact hours using some of the strategies outlined above in the online and hybrid course requirements

INTEGRITY IN THE AWARD OF ACADEMIC CREDIT – APPRAISAL

In an effort to reduce the number of credits required at the associate degree level, a September 2014 amendment to MCCS Policy 302 requires that all associate degree programs reduce the maximum required credits from 68 to 64 by September 2019. The only exception to this requirement will be for programs with external accreditation requirements that exceed the 64 credits. Currently, 15 of the 21 Associate degree programs comply with this mandate. Five of the programs that exceed the 64-credit limit are in healthcare disciplines that have external accreditation standards: Nursing, Health Information Management, Radiologic Technology, Occupational Therapy Assistant and Physical Therapist Assistant. The sixth program, Energy Services Technology, will comply with the limit by the September 2019 deadline.

Beginning in academic year 2017/2018, the College has published a year-long academic schedule to assist students with academic planning.

To assist students with program completion, the College offers a Directed Study option. The Directed Study offers an opportunity for students with unusual needs who are enrolled in a program at the College to finish a course required for program completion outside the usual classroom format. This can

occur when the required course is not offered during the day or evening and could significantly delay a student's anticipated program completion date. The student must have a cumulative grade point average of 2.00 or better at the time of the request and must have successfully completed at least 75% of program requirements. During the last three academic years, the Academic Dean has approved a total of 57 directed studies.

To ensure consistency in a course with multiple sections and/or different methods of delivery, including concurrent enrollment, several departments have implemented common assessments.

Course	Common Assessment
ENG 101 English Composition	Writing Assignment
MAT 117 College Algebra	Comprehensive Final Exam
BIO 213 Anatomy and Physiology I	Comprehensive Final Exam
BIO 214 Anatomy and Physiology II	Comprehensive Final Exam, Formal Lab Report
PSY 101 Introduction to Psychology	Assignment

The College is currently updating academic policy to reflect the MCCS PLA Standards, with implementation planned for AY 2017/18. The table below summarizes the prior learning assessment credit awarded by the College since July 1, 2014.

Type of PLA Credit	Number of students	Total credits awarded	Average credit per student
Life Experience	106	593	5.50
Challenge Exams	9	25	2.77
Transfer Credit	1507	18,946	12.57

The College has established 21 articulation agreements for 17 academic programs. Currently, paper copies of articulation agreements are maintained in Academic Affairs. The College lacks policy and procedure to ensure that the agreements are current and available to affected students. To provide the students with the best opportunity to continue their education, the College has an obligation to maintain current agreements. The academic committee will develop policy and procedure to address currency of the agreements. The agreements will be converted to digital format and made available to the public by the fall 2018 semester.

Recent work on the block transfer agreement makes it possible for KVCC students in Associate in Arts programs to transfer up to 35 credits of general education requirements to any one of the institutions within the University of Maine systems. The block transfer focuses on completion of courses within eight Learning Domains: Creative/Arts, Natural Science, Writing, Quantitative Literacy, Diversity/Cultural Knowledge, Humanities, Social Sciences, and Ethical Reasoning.

To maintain a focus on student success, several academic policies including Academic Probation and Academic Dismissal should be updated. For example, a student who has been dismissed may be re-admitted to the College and placed on academic probation with the requirement to achieve a GPA of 2.0 or higher in the following semester. With the current policy, a student may achieve the minimum GPA in the following semester, but will be dismissed a second time due to a low overall GPA, instead of allowing

the student to continue with academic probation. At the same time, the financial aid office would send a letter congratulating the student on their academic achievement. This lack of consistency between Academic and Financial Aid policy leads to confusion and frustration for the student.

The College implemented an updated academic dismissal appeal process in spring 2017. Students who wish to be re-admitted into the College must meet with an academic recovery counselor to develop an academic recovery plan. This plan is then submitted to Academic Affairs for processing and approval.

Concurrent enrollment students may not be aware of the available services or be able to access the services if they are only offered on campus. They tend to depend on services offered at the high school or technical center for support.

The Instructional Technology Committee proposed minimum online course requirements to promote in 2013. The College lacks online standards to promote best practices in online courses and the capacity to monitor the online courses for quality and consistency. The College does not have a course feedback tool that addresses the student's online course experience.

The College recognizes that the unique identifiers used to identify online students could be shared in an online environment compromising the integrity of the course. The Dean of Technology is exploring enhanced verification methods which may include the utilization of testing centers, web cams, or hybrid course models.

THE ACADEMIC PROGRAM - PROJECTIONS

- Prior to the MCCS system review, the College will participate in an internal process to assess the program's contribution to fulfilling the College's mission including the attainment of KVCC objectives, student needs, faculty needs, program facilities/equipment, and resources.
- The College will develop policy and practice to comply with MCCS Policy 303.2 regarding a plan for communicating with students about the elimination of academic programs. A new policy and procedure will be introduced in AY 2017-2018. Communication concerning the plan should be kept on file in Academic Affairs.
- The Academic Committee, with input from the Curriculum Committee, will identify the core components of each course and establish a master syllabus. The master syllabus will include the course description, course objectives, and course content and will be available on the College's website by December 2017.
- The Academic Dean will work with the faculty and academic support staff to update academic policies, including Academic Probation and Academic Dismissal, in the AY2017.
- The College will introduce new policy to establish standards for the creation of new articulation agreements, the periodic review and update of existing agreements, and the termination of outdated agreements. The College will create a digital archive of all articulations agreements and publish a calendar for periodic review. Articulation agreements will be available on the College website.

- To facilitate the block transfer of credits and to inform students, new learning domain designations will be included in the course descriptions of the general education courses in the course catalog. The new designations will be assigned during the Fall 2017 semester.
- The College will strengthen supports for concurrent enrollment students:
 - Establish common assessments for all concurrent enrolled courses to demonstrate student learning.
 - Include the concurrent enrollment student work in the assessment of ELOs.
 - Hire an Associate Academic Dean whose responsibilities would include oversight of the dual and concurrent enrollment.
 - Develop and administer a survey to the concurrent enrollment faculty to determine if they experience sufficient support for instruction and class needs.
- The College will develop and implement online standards to promote best practices and monitor courses for quality and consistency:
 - Establish online standards based on best practices to ensure that online students have sufficient opportunities to interact with faculty
 - Modify the course feedback form to capture online student specific information
 - Determine if any of the online courses would benefit from an online proctoring service and offer the service to the faculty.
 - Survey the online and hybrid faculty to gather information concerning their practices to professional development opportunities.

Standard 4: The Academic Program
(Summary - Degree-Seeking Enrollment and Degrees)

Fall Enrollment* by location and modality, as of Census Date

Degree Level/ Location & Modality	Associate's	Bachelor's	Master's	Clinical doctorates (e.g., Pharm.D., DPT, DNP)	Professional doctorates (e.g., Ed.D., Psy.D., D.B.A.)	M.D., J.D., DDS	Ph.D.	Total Degree-Seeking
Main Campus FT	158							158
Main Campus PT	260							260
Other Principal Campus FT	299							299
Other Principal Campus PT	489							489
Branch campuses FT								0
Branch campuses PT								0
Other Locations FT								0
Other Locations PT								0
Overseas Locations FT								0
Overseas Locations PT								0
Online education FT	55							55
Online education PT	212							212

[illegible]

Notes:

- 1) Enrollment numbers should include all students in the named categories, including students in continuing education and students enrolled through any contractual relationship.
- 2) Each student should be recorded in only one category, e.g., students enrolled in low-residency programs housed on the main campus should be recorded only in the category "low-residency programs."
- 3) Please refer to form 3.2, "Locations and Modalities," for definitions of locations and instructional modalities.

* For programs not taught in the fall, report an analogous term's enrollment as of its Census Date.

Please enter any explanatory notes in the box below

Fall 2017

Standard 4: The Academic Program
(Summary - Non-degree seeking Enrollment and Awards)

Fall Enrollment* by location and modality, as of Census Date

Degree Level/ Location & Modality	Title IV-Eligible Certificates: Students Seeking Certificates	Non-Matriculated Students	Visiting Students	Total Non-degree-Seeking	Total degree-seeking (from previous page)	Grand total
Main Campus FT	47			0	158	205
Main Campus PT	65			0	260	325
Other Principal Campus FT				0	299	299
Other Principal Campus PT				0	489	489
High School FT		2		2		2
High School PT		821		821		821
Undeclared FT		2		2		2
Undeclared PT		130		130		130
Overseas Locations FT				0		0
Overseas Locations PT				0		0

Standard 4: The Academic Program
(Headcount by UNDERGRADUATE Major)

?

For Fall Term, as of Census Date

Certificate (add more rows as needed)

Number of credits*	3 Years Prior	2 Years Prior	1 Year Prior	Current Year	Next Year Forward (goal)
	Fall 2014	(Fall 2015)	(Fall 2016)	Fall (2017	(Fall 2018)

?	Advanced Emergency Care	12	10	9	11	-	11
	Paramedic	28	5	14	16	16	16
	Phlebotomy	21	16	16	16	17	17
	Medical Coding	34	1	4	5	9	9
	Sonography	54	23	8	-	-	-
	Applied Electronics & Computer Tech	25	1	-	1	4	4
	Electrical Lineworker Technology	34	27	33	28	29	29
	Electrical Technology	34	3	11	11	23	23
	Precision Machine Technology	32	3	2	2	1	1
	Pulp & Paper Technology	33-34	2	3	-	-	-
	Welding	33	-	10	16	21	21
	Computer Information Systems	27	1	1	1	-	-
	Mental Health	31	-	1	10	7	7

Certificate Sub-Total

92

112

117

127

138

Associate (add more rows as needed)

?	Advanced Emergency Care	69	9	3	3	9	9
	Health Information Technology	68	36	37	40	35	35
	Medical Assisting	64	37	32	43	43	43
	Nursing	69	94	82	74	77	77
	Occupational Therapy Assistant	70	35	40	37	39	39
	Physical Therapist Assistant	67	39	38	39	37	37
	Radiological Technology	75	29	30	33	30	30
	Respiratory Therapy	73	24	27	14	-	-
	Culinary Arts	62	22	44	35	34	34
	Sustainable Agriculture	63	21	30	36	27	27
	Applied Electronics & Computer Tech	62	29	31	34	35	35
	Applied Electronics & Computer Tech-Engin	64	2	1	-	-	-
	Applied Engineering Technology	64	5	7	5	6	6
	Career Studies	69	0	1	1	1	1
	Electrical Technology	64	35	32	37	38	38
	Energy Services and Technology	66	30	37	32	34	34
	Sustainable Construction	62	0	4	9	15	15
	Precision Machine Technology	61	28	37	30	29	29
	Pulp & Paper Technology	63-64	35	13	5	-	-
	Business Administration - Accounting	69	56	44	58	64	64
	Business Administration - Management	63	103	101	104	96	100
	Computer Systems Integration	63	8	29	32	26	26
	Liberal Studies	61-62	206	221	201	169	170
	Biological Sciences	60-61	4	-	-	-	-
	Computer Aided Drafting and Design	61-62	7	3	-	-	-
	Computer Information Systems	60-62	31	7	4	2	-
	General Science- Biology	65-67	18	23	32	26	26
	General Science-Health Occupations	60-63	356	354	372	385	390
	General Science - PrePharmacy	62	5	1	4	2	2
	General Studies	60	0	-	-	33	33
	Autism Studies	62	12	12	14	3	-
	Early Childhood Education	63	76	76	81	80	85
	Mental Health	62	91	98	87	97	97
	Speech/Language	62	5	3	-	-	-
?	Undeclared and High School Students (non degree-seeking)		821	840	940	955	956
	Associate and Undeclared Sub-Total		2,309	2,338	2,436	2,427	2,438
	Total		2,401	2,450	2,553	2,554	2,576

Standard 4: The Academic Program (Headcount by GRADUATE Major)

For Fall Term, as of Census Date

Number of credits*	3 Years Prior	2 Years Prior	1 Year Prior	Current Year	Next Year Forward (goal)
	(Fall 2)	(Fall 2)	(Fall 2)	(Fall 2)	(Fall 2)

Master's (add more rows as needed)

Total 0 0 0 0 0

Doctorate (add more rows as needed)

Total 0 0 0 0 0

First Professional (add more rows as needed)

Total 0 0 0 0 0

Other; specify (add more rows as needed)

Total 0 0 0 0 0

Total Graduate 0 0 0 0 0

* Enter here the number of credits students must complete in order to earn the credential (e.g., 36 credits in an M.B.A.)

Please enter any explanatory notes in the box below

Standard 4: The Academic Program
(Credit Hours Generated and Information Literacy)

Credit Hours Generated By Department or Comparable Academic Unit

?		3 Years Prior	2 Years Prior	1 Year Prior	Current Year	Next Year Forward (goal)
		AY2013	AY2014	AY2015	AY2016	AY2017
Undergraduate (add more rows as needed)						
?	Business Department					
	Accounting	966	927	1,005	1,140	1,190
	Business	1,104	1,413	1,503	1,416	1,345
	Computer	1,589	1,333	1,204	855	870
	Math and Science					
	Math	3,926	3,553	3,755	3,753	3,710
	Science	5,245	5,116	5,289	5,827	5,460
	Culinary Arts	0	382	849	634	816
	Sustainable Agriculture	214	564	373	414	378
	Mental Health	1,428	1,347	1,790	1,672	1,560
	Sonography	609	553	104	0	0
	Advanced Medical Services	977	1,091	1,297	1,387	960
	Health Information Technology	360	423	507	615	816
	Medical Assisting	741	852	817	903	852
	Phlebotomy	60	120	108	78	156
	Massage Therapy	99	0	0	0	0
	Nursing	1,555	1,584	1,465	1,338	1,404
	Occupational Therapy Assistant	623	714	829	791	811
	Physical Therapist Assistant	699	767	720	746	777
	Radiological Technology	571	590	600	658	585
	Respiratory Therapy	558	530	560	325	0
	Electrical Lineworker	858	726	627	605	812
	Energy Services Technology					
	Plumbing	145	180	175	170	170
	Heating/AirCondintioning	319	277	425	343	343
	Pulp and Paper Technology	441	702	135	60	15
	Social Sciences					
	Psychology	2,526	2,406	2,502	2,601	2,910
	Sociology	1,275	1,191	1,236	1,125	1,320
	Education					
	Early Education	735	774	863	960	1,120
	Speech/Autism	298	209	159	169	48
	English and Humanities	9,290	8,061	8,897	8,922	8,938
	Sustainable Construction	0	0	79	97	315
	Welding	0	0	140	266	228
	Electrical Technology	1,264	1,440	1,294	1,325	1,320
	Trades and Technology Occupations	5	12	12	7	9
	Precision Machine Technology	362	454	606	531	450
	Applied Electronics and Computer Technol	546	540	532	495	675
	Total	39,388	38,831	40,457	40,228	40,363

Information Literacy Sessions

Main campus

Sessions embedded in a class

Free-standing sessions

Branch/other locations

Sessions embedded in a class

Free-standing sessions

Online sessions

5	8	8	7	7
40	38	33	31	31
3	10	11	7	7
21	20	23	16	16
0	0	0	0	0

URL of Information Literacy Reports:

https://my.kvcc.me.edu/ICS/Employees/Employee_Resources/Comm

Please enter any explanatory notes in the box below

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STANDARD FIVE STUDENTS

Consistent with its mission, the institution sets and achieves realistic goals to enroll students who are broadly representative of the population the institution wishes to serve. The institution addresses its own goals for the achievement of diversity among its students and provides a safe environment that fosters the intellectual and personal development of its students. It endeavors to ensure the success of its students, offering the resources and services that provide them the opportunity to achieve the goals of their educational program as specified in institutional publications. The institution's interactions with students and prospective students are characterized by integrity.

ADMISSIONS – DESCRIPTION

Kennebec Valley Community College (KVCC) is an equal opportunity/affirmative action institution and employer. KVCC does not discriminate on the basis of disability in the admission to, access to, or operation of its programs, services, or activities.

KVCC specifies and publishes in the College's catalog and on its website the requirements for admission, continuation in, termination from, or re-admission to an academic program which are compatible with its mission. Graduation requirements are also clearly stated on the College's website and in the College Catalog. These requirements are consistently applied in the degree certification process. Prior to graduation, degree audits are completed by the Registrar for identification of graduation completion.

KVCC's mission is to prepare students to achieve their educational, professional, and personal goals in a supportive environment inspired by shared values of responsibility, integrity, and respect. The College enrolls students with an orderly program of equal opportunity and ethical responsibility. All admission policies are noted in the College's catalog and are available on the website at <http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf>.

KVCC does not have a targeted admission program specific to certain groups of prospective students. However, the Carl T. Perkins Grant funds non-traditional by gender program activities at the College and KVCC offers tuition waivers for Native Americans and senior citizens in an effort to attract students from these groups.

In fall 2015, the College's enrolled student body included 1065 continuing degree-seeking students, 545 new degree-seeking students, and 840 undeclared students. This included:

- 40.5% full-time
- 59.5% part-time
- 66% female
- 34% male
- Average age 28 years

The College offers both online and seated courses to meet the needs of students. Since 2011, the percentage of students taking online courses exclusively has stayed fairly consistent at 14%, however, the percentage of students enrolled in a mix of seated and online courses has increased from 16% in fall 2011 to 23% in fall 2016.

The College traditionally enrolls, on average, 25% of students direct from high school. In fall 2015, 210 of the College's degree-seeking students were enrolled direct from high school. The table below lists the high schools in the KVCC catchment area and graduation numbers for that respective secondary institution during the last five years.

ME High School	2011	2012	2013	2014	2015
1. Lawrence High School	153	172	178	148	156
2. Skowhegan Area High School	156	164	179	151	156
3. Messalonskee High School	191	194	171	182	169
4. Waterville Senior High School	110	111	118	127	113
5. Winslow High School	108	105	85	104	101
6. Erskine Academy	173	173	144	127	128
7. Cony High School	183	206	171	170	155
8. Carrabec High School	46	47	78	57	41
9. Mt. View High School	112	100	97	105	111
10. Madison High School	60	61	62	61	57

Seventy-one percent of the College's undeclared student population are high school students. KVCC offers two ways for high school students to take classes: **Concurrent Enrollment** includes college courses offered at the high school by high school instructors who are considered adjuncts of the College. Concurrent enrollment courses require the same level of commitment and academic rigor as classes taught at KVCC. In AY15-16, 79% of concurrent enrollment students completed their classes successfully. **Dual Enrollment** courses are available to high school juniors or seniors who have a B average or better. Dual Enrollment courses are College courses offered on the KVCC campus or online. There are 1450 students registered in Concurrent and Dual Enrollment courses in FY15/16.

To inform recruitment, the Dean of Student Affairs and the Enrollment Team work with academic programs to establish enrollment caps and targets. The data reviewed with program coordinators and directors is compiled by the Office of IR and includes a five-year trend of enrollment by term (headcount and FTE) with percent change, attrition by term, retention (fall to fall and fall to spring) and completion rates at 100%, 150% and 200%. This collaborative process begins prior to the start of a new academic year and sets the stage for enrollment for the following academic year.

The established caps and targets are integrated into an Applicant Report that highlights the number of applications, as well as those who are accepted and registered for each program. This data, paired with

weekly enrollment reports of current registrations, provides guidance on program recruitment and enrollment strategies. The enrollment reports are manually generated at this time; however, the Office of IR is working to automate the reports for ease of access for the College's Executive Team, the Enrollment Team, and other program stakeholders.

The policies and criteria for admission to the College fall under **rolling** admissions. General admission to the College requires a high school diploma or equivalent, college transcripts from other colleges attended, a completed application, and the Accuplacer for appropriate placement. SAT scores, AP scores, and prior learning may also be submitted in lieu of the Accuplacer assessment. During the summer of 2017, KVCC eliminated the application and the Accuplacer fees to reduce the financial barrier for applicants. Currently, the Maine Community College System (MCCS) is working collaboratively to introduce the Next Gen Accuplacer. The College uses an intentional, multi-layered process to ensure that all students who are admitted have a reasonable chance for success.

Several academic programs have additional admission requirements: Nursing and select allied health programs. These programs either have set numbers based on accreditation standards, clinical spaces available, or actual classroom and lab space. In addition to capacity, the College's Allied Health and Nursing programs require multiple prerequisites and competitive testing as part of the admission process. The College administers the TEAS for select Allied Health programs and the PAX-RN, for the Nursing program. Upon completion of these items, students are admitted on a space available basis.

The Enrollment Team meets regularly to review applicant materials and provides placement recommendations for applicants who score below predetermined scores. The College offers remedial courses in math and writing that carry College credit for financial aid purposes. In all cases, applicants do have the opportunity to re-test to meet the minimum criteria for admission. Applicants receiving scores below the required level on the Accuplacer in two or more content areas are referred to the local Adult Education College Transition program. An adult-ed special advisor guides the student for admission to the College once the remedial work has been successfully completed.

To support qualified applicants who demonstrate a need based on an arithmetic or algebra Accuplacer score below the required level, the College has implemented an accelerated math program called MaPP. ***Math Accelerated Preparation Program*** combines developmental coursework in algebra and arithmetic coupled with a first-year seminar that focuses on student success strategies, career exploration, and financial literacy to help facilitate the transition to college-level work. The goal of this initiative is to accelerate the amount of time required to complete the remedial course and move into the required college-level math course. The small cohort experience helps students build the academic skills, confidence, and social supports that will be the foundation of their academic success.

MaPP is a three-week intensive 4-credit class (3 credits for MAT 031-Introductory Algebra and 1 credit for FYE 125- the first-year seminar). A student who successfully completes the program enrolls in College Algebra (MAT 117), Elements of Math (MAT-113) or Technical Math (MAT-114) in the semester immediately following. Students who qualify and are accepted receive a scholarship for the college-level math course they will complete, their textbook, and a graphing calculator. There is no charge to the applicant who participates. Currently, MaPP is offered three times in an academic year: at the beginning

of each semester allowing students to complete the college-level course in the subsequent semester. MaPP is also designed to allow students who may require additional time (after the three weeks) to remain in the remedial course for a longer period of time if needed.

Upon acceptance, the Registrar assigns an academic advisor (primary faculty advisor) to each student. This advisor is available for advisement regarding course registration, program progress, and additional guidance throughout the student's enrollment. In addition to this primary advisor, students in targeted programs such as TRiO: Student Support Services, Early College for ME, and Jobs for Maine's Graduates are also assigned a secondary advisor from one of those programs. These programs offer student navigation assistance in the form of advising, referral to campus services, and general support.

ADMISSIONS - APPRAISAL

Growing Enrollment in a Challenging Environment

As part of its operations, KVCC has the most control over revenue generation in student tuition and fees, which accounted for just over one-third of the total revenues in FY17. The last five years have brought about unique revenue-related challenges, most notably the types of improvement in the local labor market that can lead to declines in enrollment. Community college enrollments tend to decline as economic conditions improve and KVCC is not immune to this phenomenon. The College's Strategic Plan, KVCC2020 Report, established an enrollment goal of 1350 FTE by fall 2020 and spring 2021, and 300 FTE by summer 2021 as formal measures of growth. The road to 1350 FTE includes several objectives such as increased conversion rates of concurrent and dual enrolled students and increase rate in full-time students. However, the factor that will need to be achieved to meet the goal of 1350 FTE is the construction of student residences.

In addition to changes in the economy, there are several other challenging factors in the environment that the College is facing. KVCC is a commuter college in Mid-Maine and is dependent on enrollment primarily from three counties (Kennebec, Somerset and Waldo). Most notable to the Enrollment Team was the changing demographics in the state. An aging population within the State and a decline in high school student population became a point of conversation during the College's Strategic Planning process in 2015 and the focal point of the environmental scan conducted during the Strategic Planning process. This scan provided the College with economic, demographic, industry, and employment-related trends of the past, present, and future that would influence planning for the College in the next five to ten years. The environmental scan also demonstrated that like most colleges in Maine, KVCC faces many challenges that could impact enrollment:

- Competition from other post-secondary institutions (University of Maine at Augusta, Kaplan University, Thomas College)
- Changing demographics in the state (aging population and declining enrollment in high school student population)
- Financial uncertainty (tuition, endowment, philanthropic support, and government funding)
- Negative economic trends (loss of manufacturing jobs, growth of service industry jobs with low wages)
- Emerging technologies requiring different skillsets than the current workforce

From 2011 through 2014, KVCC enrollment trends were on the decline with the number of headcount and FTE leveling off in 2015 and 2016. Given current trends, meeting the College's long-term enrollment goals will require KVCC to develop and strengthen recruitment of students and enrollment management strategies.

Degree-Seeking Fall Term Enrollment: 2008-2016									
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Degree-Seeking Head Count	1495	1654	1833	1742	1772	1627	1580	1610	1613
Degree-Seeking FTE	960.6	1073.6	1193.0	1168.9	1162.7	1066.6	1019.3	1048.9	1049.4

To combat the declining enrollment trend, the College focused on enrollment of NEW students. To increase the percentage of new students to the college, KVCC implemented three initiatives to improve recruitment of high school/first-time students. The purpose of these activities is to enhance relationships with area sending schools, improve accessibility to guidance staff and students, and utilize data to guide decisions regarding visits and activities during the recruitment period. These activities include:

- Future Fridays, an event for high school students to visit the campus and participate in demonstrations within several programs
- Admit in a Day on the KVCC campus and at the local high schools. This event guides applicants through the KVCC application process, helps them complete the FAFSA, and provides an opportunity for advisement
- Partners in Education Breakfast for the staff of local sending schools, CareerCenters, and Adult Education programs to highlight KVCC programs and new initiatives

KVCC identifies each applicant as *New* (first time college student), *Returning* (KVCC student changing their program), *Prior* (former KVCC student stopping out and returning to same or different program) or *Transfer* (student new to KVCC but having prior credit at another post-secondary institution). Data on applications for all applicants from fall 2014 to fall 2017, show a decrease of 1250 to 1049 - a change of - 16%. However, prospects identified as NEW - the student has never been enrolled as a matriculated student at a post-secondary institution – showed an increase in applications. Applications for new students had an increase of 375 to 394, a 5% change between years. In 2014, new students were 30% of the total applications during that year compared to 38% in 2017.

Conversion of accepted to enrolled has averaged near 96% since 2014; 2017 had the highest conversion at 98%. Conversion of new students increased from 89% in 2014 to 95% in 2017.

Percent enrolled of accepted has increased from 65% to 77% between 2014 and 2017. Fall 2016 had a high of 79%. New students increased from 61% in 2014 to 78% in 2017. Students transferring to the College also increased from 62% in 2014 to 76% in 2017, with a trend high of 83% in 2016.

Overall, the admission funnel illustrates the decrease of applications, consistent with local population changes, however, the conversion rates of those applications have increased over time.

In 2015 KVCC entered into a partnership with Collegis Education as an additional strategy to address declining enrollment. The work with Collegis is an effort to refine and enhance enrollment and marketing practices to include an admissions process that is more streamlined; a clear communication plan between the College, applicants, and accepted students; enhanced customer services provided at the Enrollment Services Center; improvements to materials sent to new students; and, enhancements to the Admission and Financial Aid web pages. The goal of this work is to impact the student experience in a positive and intentional manner.

Initial work with Collegis focused on the tracking of the conversion of accepted to enrolled students which has resulted in the use of a weekly scrub reports. The Office of IR worked with the admissions team to prepare a weekly scrub report to identify accepted students who have not registered. These reports provide admission staff with the information necessary such as, name, address, email, and phone, financial aid, and orientation information to outreach and assist applicants in a timely and effective manner. The admission team meets weekly to review the report and develop a weekly action plan for outreach to students. These practices have led to an increase of conversion from 65.1% in fall 2014 to 76.7% in fall 2017.

Currently, the College is working with Collegis to improve the conversion of application to enrollment. Admission funnel data illustrates that the conversion of applications to enrolled has averaged 70% over the past four years.

	Fall 2014	Fall 2015	Fall 201	Fall 2017
Applicant to Enrolled	62%	67%	76%	73%

The College is focused on the need for a consistent and streamlined communication plan for prospective students and applicants. Student applications may be received by the College a year in advance to the desired enrollment date. However, little communication and outreach are made by the College to the students. In addition, students may experience communication from the admissions team, financial aid representative or program of study. Currently the admissions team is working with Collegis to implement an automated Communication Plan that uses e-mail, standard mail, and texting in conjunction with institutional activities, outside digital signage, and Facebook. This plan will identify touch points in an attempt to keep students informed and connected and provide communication that is packaged to streamline information from the College to its prospective students and applicants. Information may include open houses, financial aid workshops, placement workshops and dates, and student orientation.

KVCC has a robust enrollment of high school students. Dual and concurrent enrollment has increased from 946 students in AY2011-2012 to 1352 students in AY2016-2017. However, data collection is limited and cannot identify the conversion of students attending KVCC directly from high school. In addition to limited data collection, similar to the applicant to enrollment conversion rate, communication with and

recruitment of high school students attending a KVCC course is not consistent.

STUDENT SERVICES AND CO-CURRICULAR EXPERIENCES – DESCRIPTION

The College strives to provide integrated and coordinated services and activities to assist students achieve their academic and personal goals. Many of the College's student services are delivered by the Student Affairs Division. This division includes the Office of Admissions, the Financial Aid Office, Student Support Programs, Student Navigators, Advising and Enrollment, and Student Development. The Dean of Student Affairs and lead managers in the division meet on a bi-weekly basis to review current issues, assuring that activities are integrated and duplicated when appropriate across the College's two campuses. All services are noted and described in the Student Handbook, the College Catalog, on the College's website, and in the Resource Directory provided at student orientation. The Student Services philosophy is available in the Student Handbook.

The student services that directly support academic achievement are administered through the Student Affairs Division and include:

- **The Learning Commons:** In 2013 the College moved from a library to a Learning Commons concept. The purpose of this transition was to provide access to Academic, Library, and Technology resources and services in one location. Learning Commons are located in the Lunder Building on the Fairfield Campus and in Averill Hall on the Alford Campus. The mission of the Learning Commons at KVCC is to provide an inviting and supportive environment that facilitates student centered learning and creates community for all KVCC students. In addition to library services, students may access free peer and professional tutoring, a computer lab, group study space, disability services and a wide variety of assistive technologies. Students with disabilities are provided services within ADA guidelines. Services may include, but are not limited to, access to assistive technology, testing accommodations, note-takers, etc. The Director of the Learning Commons has a BS in Zoology from Ohio State University, an MAT Teaching Science from Minnesota State University, and an MA in Instructional Leadership from Northern Kentucky University.
- **TRiO:** A federally-funded Student Support Services program, TRiO has had a home at KVCC since 1993. TRiO's mission is to provide the comprehensive support necessary to increase degree completion rates of low-income, first-generation college students and students with disabilities. An annual performance report shows the effectiveness of the project: meeting objectives in good academic standing annually, transfers to four-year colleges, graduation completion, and graduation and transfer completion. The TRiO program serves more than 180 students each year. The TRiO program is led by a full-time Director who has a BA in English and Women's Studies and an MA in English from the University of Maine. In addition, four staff provide academic advising and daily support services for TRiO participants.

- The **Office of Student Life** provides students with opportunities in campus activities, clubs and organizations, student senate and leadership development. The College's clubs and organizations utilize on-campus recruitment campaigns in an attempt to include all students. All student organizations, including social clubs, are guided by the College's policies and procedures as well as specific Student Activities policies. The Student Senate meets on a weekly basis and is advised by the Director of Student Development. The Director of Student Development has a BA in Psychology from the University of Maine.

Student Affairs personnel each have at least 10 years of experience in student support, and several have over 15 years of experience. All Student Affairs personnel report to the Dean of Student Affairs who has a Master's degree in Psychology and 25 years of experience in higher education.

Each of the College's institutional committees (Academic, Educational Effectiveness, Institutional Resources, and Teaching, Learning and Scholarship) includes a Student Services representative as a co-chair as well as additional representatives. The Institutional Accreditation and Effectiveness Steering Committee and Leadership Team have a Student Services representative as well.

Student services are delivered with the spirit and intent of equal opportunity and increased diversity. To ensure that services and facilities are available to all students in all programs, every attempt is made to make services available on-line and during hours of college operations. For example, the IT Help Desk can remotely assist students with BlackBoard navigation and other technology issues.

Financial Aid

Information regarding the availability of financial aid is published on the College's website and in all pertinent College publications. The Enrollment Team provides financial aid information to the public during high school and adult education visits, college fairs, campus tours, and to recently enrolled students during Student Orientation and Registration (SOAR).

The Financial Aid Director reports directly to the Dean of Student Affairs and is responsible for the administration of the financial aid program. The Director is assisted by a full-time Assistant Financial Aid Director and a full-time Financial Counselor. The Financial Aid Office provides assistance with applications and information for available financial aid programs; processes, verifies and files electronic corrections of student applications; calculates financial need; determines eligibility for assistance; assigns and authorizes payment of awards; verifies recipient academic progress; completes required reports; and participates in private, state, and federal audits and program reviews.

The Financial Aid department collaborates with the Dean of Finance and Administration and the Business Office to disburse financial aid, complete required reports, and participate in financial audits and program reviews. Financial aid student refund calculations, reconciliation of financial aid program fund expenditures and balances, and coordination of outside aid (private scholarships, agency assistance, tuition waivers, etc.) are shared responsibilities of Financial Aid, Business Office, and

Academic Affairs. The Registrar reports course add/drop and student withdrawal information to the Financial Aid and Business Offices for use in calculating financial aid refunds and adjusting student billing and financial aid awards. The office of Academic Affairs provides student academic progress information (academic dismissals, probations, special grade assignments of “incomplete”) to the Financial Aid Office for review.

Student Records

The College adheres to clearly defined policies on student behavior that are enacted by the MCCS and are included in the College Catalog and the Student Handbook. These policies include the detailed Student Code of Conduct, including behaviors, possible sanctions, and student rights and responsibilities under the Code. KVCC also has specific policies governing student rights, including grievance procedures, non-discrimination, racism and acts of intolerance, disabilities, sexual misconduct, sexual assault, intimate-partner violence, communicable diseases, information technology acceptable use policies, weapons, confidentiality, Family Education Rights Privacy Act (FERPA), drugs/alcohol, smoking, and crime reporting in compliance with the Clery Act and VAWA amendment.

The College follows all guidelines of FERPA in regard to the privacy, confidentiality, and release of student records. Students are given the opportunity to invoke their right of non-disclosure information on the application form for admissions. The Student Handbook and the College Catalog clearly outline students’ rights and responsibilities.

The College is in the process of digitizing all student records. The College maintains records for all degree-seeking students for five years. At the end of this period, records are purged and any information and documents that are removed from the student’s file are shredded and properly discarded. The College adheres to the recommendations of the American Association of Collegiate Registrars and Admission Officers, which can be found in their publication, “Retention of Records: A Guide to Retention and Disposal of Student Records,” as well as the MCCS Record Retention Policy.

Technology

The College’s Office of Information Technology oversees the provision of technical support to students and faculty. A technology help desk is available to help students with issues including email access, lost files, printing problems, and Internet use. The Office of Information Technology is responsible for enforcing the College’s ethical computer use policies. Software is also available through this office, while equipment may be borrowed through the Learning Commons.

Safety and Security

The Dean of Technology/Chief Security Officer oversees the safety and security measures on campus.

The Safety and Security Manager, in collaboration with local police and the Dean of Student Affairs, completes the federally required Clery Crime Report each year. The annual report is shared with the college community and is posted on the College's website.

STUDENT SERVICES AND CO-CURRICULAR EXPERIENCES – APPRAISAL

The College has several opportunities for new students to become acquainted with the College campuses, faculty, staff, and other students in their program. The Division of Student Affairs works collaboratively with the Division of Academic Affairs to offer Student Orientation and Registration (SOAR), Community Day, Accepted Student Night, and Welcome Week. Information collected from students through surveys during SOAR and Community Day indicate that overall students are satisfied with the activities. However, information on first year activities as a collective to assess if the activities are promoting engagement of first year students is not collected. The College is currently working to develop and collect data on a student onboarding process to assess the effectiveness of first year activities with student completion.

- **Student Orientation and Registration (SOAR)** is a required event for all students new to KVCC or who are returning after a year or more away from the College. This event provides an opportunity for students to become familiar with College policies including the Student Code of Conduct and review emergency response plans and safety and security measures taken by the College. Students receive important financial aid information regarding loans, satisfactory academic progress, and important dates, and conclude with a session covering advising information and registration of courses for their first semester.
- **Community Day** occurs the week before classes begin in both the fall and spring semesters. Students are encouraged, but not required, to attend. The purpose of Community Day is to provide students with an opportunity to meet with their program faculty and classmates to begin cohort building and participate in larger team building activities. Students also have the opportunity to take care of last minute tasks in the Enrollment Center and at the College Store. In the academic year 2016-17, the event was held concurrently on both campuses and attendance totaled about 375 students. For 2017-2018, the College has moved the event back to the Fairfield Campus with the hopes of enhancing the larger community experience. Welcome activities including a manned welcome table will be hosted at the Alfond Campus during the first week of the semester.
- **Accepted Student Night** began in 2016-2017 when the Trades and Technology program hosted an accepted night to bring students into the classroom and lab. Initial data indicated that 93% of students that attended Accepted Student Night attended classes in their first semester. The College is planning to host Accepted Student Night again during the 2017-18 academic year and expand the event to include the Allied Health programs and open enrollment programs. This initiative provides students one more opportunity to visit the campus, decreasing some of the first day anxiety that occurs at the start of the semester.
- The first week of each semester is **Welcome Week**. Tables are located on both campuses and

staffed by faculty and staff throughout the day and early evening. Students can find answers for many questions, such as room locations, where to obtain their Student ID, and interpret their course schedule. Resources such as the Student Handbook, campus maps, and a Resource Services Directory are also available at the Welcome Table.

A contributing factor to student success and completion is the success of the College's advising and the Division of Student Affairs' collaborative work with the Division of Academic Affairs to engage students. Effectiveness is considered when contact is made at the right moment that includes the needed information to engage the student and assist the student to meet his/her academic goal. To provide academic support to students, the College uses a student navigation model. The student navigation model is an intrusive approach to assist and engage students with academic or service referrals such as financial aid, transfer counseling, or peer tutoring. The navigators work hand-in-hand with academic advisors to assure that the student maintains a successful academic track. Initiatives such as Jobs for Maine Graduates (JMG), Early College for Me and Navigating Success are focused cohorts based on particular characteristics such as program selection, or being selected as JMG or Early College for me while the student was enrolled in high school. These students continue to receive services in College as part of a support and retention effort. Two of the initiatives were implemented in 2016 and all three have small number of students enrolled in the initiative so outcome data is either not yet available or include a small sample.

The student navigator model closely replicates the TRiO model which the College has had in place since 1993. TRiO services target first-generation students and services approximately 180 students a year. In 2016-2017, 60% of degree-seeking students at KVCC were first-generation students. TRiO is only able to serve a small percentage of KVCC students deemed at risk as first-generation students. TRiO navigators monitor participants' progress via structured check-ins throughout the academic year and implement interventions as necessary. Care is taken to create multiple ways for participants to engage with the College, which enables staff to identify trends impacting student success and develop meaningful programming in response--for example TRiO has initiated a summer bridge training students on the technology they will be required to use as a KVCC student, an extended orientation throughout students' first academic semester, and TRiO-sponsored classes and events that support students to develop both classic and non-cognitive success strategies.

TRiO has experienced an increase in persistence between academic year 2011-2012 (82%) and 2015-2016 (92%). Rates of completion have decreased in those years from 67% to 53%, however the transfer rate has increased from 10% to 22%. The College is using the navigator model from TRiO to expand support to students through JMG, Early College for ME and Navigating Success. The combination of these programs provide navigation supports to first-generation, low-income, and students enrolled in uncapped and online courses. The College is currently tracking these students to assess the services currently being offered by the College to determine those practices supporting student completion. Both JMG and Navigating Success use automated enrollment and outcome reports to assess the impact of services on student completion.

The College administered the Community College Survey of Student Engagement (CCSSE) in 2009, 2011, 2013 and 2016. Institutionally, the College has experienced a decline in student engagement as indicated by the CCSSE benchmarks.

CCSSE Benchmark Comparisons				
	2016	2013	2011	2009
Support For Learners	48.4	51.1	49.8	50.7
Active and Collaboration Learning	45.4	48.7	53.2	50.7
Student Effort	44.9	49.2	49.6	54.7
Student Faculty Interaction	46.2	51.7	53.4	52.4
Academic Challenge	47.5	50.3	52.0	50.6

To improve student engagement, the College has initiated two activities:

- **Early Warning System:** KV OnCourse was recently implement in 2017 as a MCCS initiative. KV OnCourse is an intervention model for students of concern. Accessed through the KV Portal, all regular faculty, adjunct faculty and staff members are able to quickly draw attention to students identified as facing academic, personal, or other challenges. As early alerts are submitted, a Student Navigator will refer students to appropriate individuals for follow-up. This software also provides for regular communication with students and provides a forum for faculty and staff to record information that may be helpful in serving the student.
- **Academic Dismissal Recovery (ADR):** As part of the Title III Student Success Initiative, first semester students who were academically dismissed were required to participate in an academic recovery program and placed on probation. In 2017, the College offered the ADR services to any academically dismissed students. The process includes meeting with a member of the Student Success team to develop an academic plan that is submitted to Academic Affairs for approval prior to the student being readmitted. This plan is maintained in the student record.

The role of student navigators and academic support has not been thoroughly defined when working with students alongside academic advisors. The roll out of the Early Warning System and revised Academic Dismissal Recovery requires the collaboration of both Student Services and Academic Affairs in one voice approach that is most effective for students. It is anticipated that the KVCC's work with Achieving the Dream will assist the College in measuring a successful advising system that will result in an increase in student engagement and completion rates.

PROJECTIONS

- Develop an enrollment strategy plan which includes:
 - Use of automated reports, type of utilization, and findings.
 - Use of the Institutional committee structure to embed admission and enrollment findings into formal documents to establish a model of informed recruitment.

- Use of CCSSE and Noel-Levitz SSI data to align student needs with service delivery.
- Establish annual targets to meet strategic plan measures in Goal 1: *KVCC Enrollment is Expanded by Academic Year 2020-2021.*
- Amending KVCC2020 Strategic Plan as needed based on decision to construct residential services and revised projections for the enrollment strategy plan.
- Improve the reports used to track the funnel of applicant to accepted to registered to enrolled student. Improvement of these reports will impact the strategies implemented to increase conversion from stage to stage.
- Implement a Communication Plan for use by admissions when communicating with prospective applicants and applicants.
- Implement a reporting cycle to assess student navigation services in JMG, Navigating Success and Early College for Me to determine linkage between services and student completion.
- Implement a reporting cycle to assess the impact of KV On Course and Academic Dismissal Recovery on student engagement and completions using the Achieving the Dream framework.
- Address the role of advisors, how to use the early alert system effectively and the ways of reaching students throughout the semester to keep them connected and engaged. This will be a collaborative effort between Student Affairs and Academic Affairs.
- The Student Committee has identified Onboarding, in addition to the identified tasks in their charter, as a focal point for data collection, assessment and improvement. The College hopes to create a strong onboarding and first semester that will support students through to the next semester.

Standard 5: Students

(Admissions, Fall Term)

Complete this form for each distinct student body identified by the institution (see Standard 5.1)

?

Credit Seeking Students Only - Including Continuing Education

	3 Years Prior (Fall 2014)	2 Years Prior (Fall 2015)	1 Year Prior (Fall 2016)	Current Year (Fall 2017)	Goal (specify year) (FY 2018)
ALL - Undergraduate					
Completed Applications	1,250	1,246	1,038	1,049	1,100
Applications Accepted	1,197	1,196	1,004	1,029	1,070
Applicants Enrolled	779	837	793	789	800
% Accepted of Applied	95.8%	96.0%	96.7%	98.1%	97.3%
% Enrolled of Accepted	65.1%	70.0%	79.0%	76.7%	74.8%
Percent Change Year over Year					
Completed Applications	na	-0.3%	-16.7%	1.1%	4.9%
Applications Accepted	na	-0.1%	-16.1%	2.5%	4.0%
Applicants Enrolled	na	7.4%	-5.3%	-0.5%	1.4%
Average of statistical indicator of aptitude of enrollees: (define below)					
Transfers - Undergraduate					
Completed Applications	258	249	201	221	240
Applications Accepted	256	245	201	220	240
Applications Enrolled	158	173	167	167	175
% Accepted of Applied	99.2%	98.4%	100.0%	99.5%	100.0%
% Enrolled of Accepted	61.7%	70.6%	83.1%	75.9%	72.9%
New - Undergraduate					
Completed Applications	375	465	402	394	425
Applications Accepted	334	425	371	375	400
Applications Enrolled	205	301	287	293	300
% Accepted of Applied	89.1%	91.4%	92.3%	95.2%	94.1%
% Enrolled of Accepted	61.4%	70.8%	77.4%	78.1%	75.0%
Return Undergraduate					
Completed Applications	429	381	350	341	350
Applications Accepted	429	379	350	341	350
Applications Enrolled	279	258	281	250	275
% Accepted of Applied	100.0%	99.5%	100.0%	100.0%	100.0%
% Enrolled of Accepted	65.0%	68.1%	80.3%	73.3%	78.6%
Prior Undergraduate					
Completed Applications	188	151	85	93	90
Applications Accepted	178	147	82	93	90
Applications Enrolled	137	105	58	79	70
% Accepted of Applied	94.7%	97.4%	96.5%	100.0%	100.0%
% Enrolled of Accepted	77.0%	71.4%	70.7%	84.9%	77.8%

Please enter any explanatory notes in the box below

Projections are based working to F15 enrollment. Overall, strategic plan includes of 1350 FTE.

Standard 5: Students (Enrollment, Fall Term)

Complete this form for each distinct student body identified by the institution (see Standard 5.1)

?

Credit-Seeking Students Only - Including Continuing Education

		3 Years Prior (Fall2014)	2 Years Prior (Fall2015)	1 Year Prior (Fall2016)	Current Year (Fall2017)	Goal (specify year) (FY 2018)
UNDERGRADUATE						
First Year	Full-Time Headcount	383	422	395	379	304
	Part-Time Headcount	511	514	542	537	616
	Total Headcount	894	936	937	916	920
	Total FTE	600	625	632	606	610
Second Year	Full-Time Headcount	202	230	231	182	227
	Part-Time Headcount	484	444	445	501	461
	Total Headcount	686	674	676	683	688
	Total FTE	419	424	420	407	410
Third Year	Full-Time Headcount					
	Part-Time Headcount					
	Total Headcount	0	0	0	0	0
	Total FTE					
Fourth Year	Full-Time Headcount					
	Part-Time Headcount					
	Total Headcount	0	0	0	0	0
	Total FTE					
Unclassified	Full-Time Headcount	5	2	4	4	4
	Part-Time Headcount	816	838	934	952	950
	Total Headcount	821	840	938	956	954
	Total FTE	214	226	255	257	250
Total Undergraduate Students						
	Full-Time Headcount	590	654	630	565	535
	Part-Time Headcount	1,811	1,796	1,921	1,990	2,027
	Total Headcount	2,401	2,450	2,551	2,555	2,562
	Total FTE	1,233	1,275	1,307	1,270	1,270
% Change FTE Undergraduate		na	3.4%	2.5%	-2.8%	0.0%
GRADUATE						
	Full-Time Headcount					
	Part-Time Headcount					
	Total Headcount	0	0	0	0	0
	Total FTE					
% Change FTE Graduate		na	-	-	-	-
GRAND TOTAL						
Grand Total Headcount		2,401	2,450	2,551	2,555	2,562
Grand Total FTE		1,233	1,275	1,307	1,270	1,270
% Change Grand Total FTE		na	3.4%	2.5%	-2.8%	0.0%

Please enter any explanatory notes in the box below

Standard 5: Students
(Financial Aid, Debt, Developmental Courses)
 Complete this form for each distinct student body identified by the institution (see Standard 5.1)

?

Where does the institution describe the students it seeks to serve?

<http://www.kvcc.me.edu/Pages/Admissions/Information-for-Future-Students-and-Parents>

(FY 2)		(FY 2)		(FY 2)	
FullTime	PartTime	FullTime	PartTime	FullTime	PartTime

?

?

Three-year CDRate
 Three-year Loan repay rate
 (from College Scorecard)

3 Years Prior	2 Years Prior	1 Year Prior	Most Recently
1314	1415	1516	1617Full 1617Part

?

Student Financial Aid

Total Federal Aid	\$2,629,700	\$6,077,842	\$3,315,873	\$5,236,635	\$2,757,014	\$5,831,194	\$2,582,677	\$5,692,655
Grants	\$1,293,995	\$2,806,525	\$1,503,114	\$2,268,473	\$1,395,320	\$2,376,267	\$1,267,437	\$2,247,928
Loans	\$1,320,511	\$3,247,935	\$1,793,992	\$2,902,741	\$1,350,638	\$3,429,854	\$1,300,462	\$3,417,253
Work Study	\$15,194	\$23,382	\$18,767	\$21,619	\$11,056	\$25,073	\$14,778	\$27,474
Total State Aid	\$299,589	\$483,572	\$349,531	\$432,462	\$644,422	\$636,492	\$485,920	\$548,018
Total Institutional Aid	\$175,137	\$237,383	\$282,115	\$347,919	\$203,651	\$258,425	\$192,318	\$376,294
Grants	\$175,137	\$237,383	\$282,115	\$347,919	\$203,651	\$258,425	\$192,318	\$376,294
Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Private Aid	\$96,295	\$165,773	\$117,545	\$129,536	\$114,551	\$109,097	\$87,515	\$83,131
Grants	\$75,284	\$116,225	\$92,440	\$106,414	\$85,716	\$64,694	\$73,515	\$67,275
Loans	\$21,011	\$49,548	\$25,105	\$23,122	\$28,835	\$44,403	\$14,000	\$15,856

Student Debt

Percent of students graduating with debt (include all students who graduated in this calculation)

Undergraduates	61%			54%	60%
Graduates					
First professional students					

For students with debt:

Average amount of debt for students leaving the institution with a degree

Undergraduates	\$12,620		\$12,388	\$11,638	\$14,032
Graduates					
First professional students					

Average amount of debt for students leaving the institution without a degree

Undergraduates	\$11,752		\$9,072	\$9,096	\$8,010
Graduate Students					
First professional students					

Percent of First-year students in Developmental Courses (courses for which no credit toward a degree is granted)

Writing	AY1314	AY1415	AY1516	AY1617
Math	1%	1%	1%	1%
Other	12%	12%	9%	7%
	N/A	N/A	N/A	N/A

Please enter any explanatory notes in the box below

Standard 5: Students (Student Diversity)

Complete this form for each distinct student body identified by the institution (see Standard 5.1)

For each type of diversity important to your institution (e.g., gender, race/ethnicity, first generation status, Pell eligibility), provide information on student admissions and enrollment below. Use current year data.

Undergraduate Admissions information	Completed Applications	Applicants Accepted	Applicants Enrolled		
Category of Students (e.g., male/female); add more rows as needed					
Full-Time (12 or more credits)	799	783	608		
Part-Time (11 or less credits)	250	246	181		
Male	410	401	289		
Female	639	628	500		
24 years or younger	613	598	473		
25 years or older	436	431	316		
Graduate Admissions information	Completed Applications	Applicants Accepted	Applicants Enrolled		
Category of Students (e.g., male/female); add more rows as needed					
Undergraduate Enrollment information	Full-time Students	Part-time Students	Total Headcount	FTE	Headcount Goal (2018)
Category of Students (e.g., male/female); add more rows as needed					
Male	252	301	553	382.47	570
Female	309	737	1,046	630.53	1,077
25 years and older	216	587	803	475.20	827
24 years and younger	344	451	795	536.80	820
Pell	437	674	1,111	743.27	1,145
No Pell	124	364	488	269.53	502
First Generation	283	545	828	520.60	852
Not First Generation	251	428	679	437.70	795
Unknown	27	65	92	54.50	95
Online Only	56	225	281	139.60	290
Seated Only	258	535	793	500.87	817
Mix Enrollment Type	247	278	525	372.33	541
Graduate Enrollment information	Full-time Students	Part-time Students	Total Headcount	FTE	Headcount Goal ()
Category of Students (e.g., male/female); add more rows as needed					
			0		
			0		

Please enter any explanatory notes in the box below

Based on Fall 2017 Data. Projections based on based on a 3% increase in Total Headcount

STANDARD SIX
TEACHING, LEARNING AND SCHOLARSHIP

The institution supports teaching and learning through a well-qualified faculty and academic staff, who, in structures and processes appropriate to the institution, collectively ensure the quality of instruction and support for student learning. Scholarship, research, and creative activities receive support appropriate to the institution's mission. The institution's faculty has primary responsibility for advancing the institution's academic purposes through teaching, learning and scholarship.

DESCRIPTION

Faculty and Academic Staff

The faculty and academic staff of Kennebec Valley Community College (KVCC) serve a vital role in fulfilling the mission of the College through ongoing support of the vision, values, and ideals expressed by the College community. The College defines faculty, including full-time, part-time and adjunct faculty, as an individual who teaches one or more credit courses. Academic staff play a vital role in the academic success of the student; examples of academic staff includes the librarians, the math specialist, the Learning Commons director and the TRiO staff.

The value of each individual learner is central to the mission of the College, which states, "Kennebec Valley Community College prepares students to achieve their educational, professional and personal goals in a supportive environment through shared values of responsibility, integrity and respect." Faculty and academic staff seek to support the comprehensive education of every student, regardless of age, gender, culture, or past experience. The KVCC faculty and academic staff are highly committed to student success.

A new departmental structure was introduced at the College in fall 2017, increasing the number of department chairs from 7 to 27 in the 2017-2018 academic year. Faculty members serving as program coordinators in past years will now serve as Department Chairs with expanded responsibilities. Department Chairs recruit, coordinate, and supervise departmental adjunct faculty and program advisory board members; facilitate program advisory board meetings; and, oversee program curriculum development, external program accreditation, course delivery, and learning outcomes assessment. Department Chairs receive a stipend according to a local memorandum of agreement with labor management representatives. All full-time and adjunct faculty are affiliated with a program to assure institutional integration.

In academic year 2015-2016, the faculty roster totaled 41 full-time faculty, two part-time faculty, and 127 adjunct faculty. Full-time faculty are contracted, with benefits, to teach up to 16 credit hours or 26 contact hours per semester. Part-time faculty are contracted with prorated benefits that are determined by the teaching assignment. Adjunct faculty are contracted on a per-course basis. The faculty, characterized by a strong mix of academic and professional experiences, ensure that students receive up-to-date professional education and skills presented through creative teaching strategies.

The faculty, composed of full-time, part-time, and adjunct, possess sufficient qualifications, professional skills, and valid teaching approaches to provide effective education. Faculty hold the necessary academic credentials and maintain academic integrity through individual professional licensure/certification, membership in professional organizations, and maintaining expertise in their fields. Some members serve as community volunteers, present at and attend professional conferences, and serve as mentors for other faculty and professional staff. The faculty possess a broad range of skills and experiences in addition to their academic training that enhance their teaching performance. In accordance with external accreditation within specific fields, the College employs faculty who are academically prepared and experts in their areas and programs. Copies of faculty curriculum vitae and transcripts are maintained in the Human Resources Office and in a shared folder on a secure network.

KVCC employs an open and orderly process for recruiting and appointing its faculty. A standardized process for hiring at all levels of the institution was implemented during the 2016-2017 academic year. The process requires a "Request to Hire" form be submitted to the Human Resources Office. The requested faculty position is reviewed by the Academic Dean and Chief Financial Officer prior to advertising for the position. KVCC adheres to State and Federal laws regarding equal employment opportunity and affirmative action. The institution recruits first within the Maine Community College System (MCCS), and then through other accepted advertising methods including professional organizations. The President appoints a search committee which includes faculty members, an Affirmative Action Committee member, and a representative from the office of Academic Affairs. The search committee reviews applications and selects candidates to interview based on academic credentials and professional experience. The search committee recommends up to three candidates to the President who has the sole authority to make appointments of full-time and part-time faculty and academic staff. The Academic Dean hires adjunct faculty. Conditions of hire and employment for full- and part-time faculty are outlined in the MCCS/MEA Agreement as well as in the Faculty Handbook (pages 1 and 2); Job Descriptions Policy 1.01.1, 1.04, 1.01.09 Academic staff and adjunct faculty conditions for hire and employment are outlined in separate MCCS/MSEA (Maine State Employee Association) agreements.

Each full-time faculty member is advised of his/her starting salary in the "Letter of Appointment." A signature of acceptance is required. All necessary information regarding salary, level and step, rights, and benefits is provided as part of the hiring process. Responsibilities of full-time faculty are outlined in the generic Faculty Job Description. Some positions (ex. Department Chairs or Clinical Coordinators) have supplemental job descriptions outlining specific duties and expectations. Rights and responsibilities are further described in the MCCS Board of Trustees Agreement with the MEA Faculty Unit 2005-2007 (MCCS/MEA Faculty Agreement), Faculty Handbook, and KVCC Policy Manual.

Full-time faculty are paid according to salary scales and provided benefit packages that are negotiated through the MCCS/MEA Faculty Agreement. The MCCS/MEA Faculty Agreement includes two pathways: Pathway A for Trade faculty and Pathway B for all other faculty. There are inequities in the step level advancement between the two pathways. The two-pathway approach may also create unnecessary distinctions between faculty members in different pathways. Faculty cannot negotiate salaries directly

with the State or the institution. Increases in salary are awarded in a level /step-by-step manner according to the collective bargaining agreement within an individual's labor grade until the top step in the labor grade is reached, assuming acceptable annual performance evaluations. Once the top step is reached, no further salary increases are awarded unless across-the-board increases are established through the MCCA/MEA Agreement. The MCCA salary increases are supported by legislative appropriations. Each full-time faculty member is advised of their salary in the "Letter of Appointment" on an annual basis. Department Chair stipends are negotiated by the College's faculty labor management committee and are included as an appendix to the MCCA/MEA Faculty Agreement.

The hiring process for part-time faculty is the same process as for the full-time faculty. Salary is prorated based on the MCCA/MEA full-time salary scale.

To assure equitable workloads, the faculty teaching load is established in accordance with Article 2, Appendix F of the MCCA/MEA Agreement. All faculty carry a workload that is defined as "not exceeding 32 credit hours annually or 25 contact hours in a semester or the equivalent..." The faculty teaching load was approved in 1992 and is still in effect.

The MCCA/MEA Agreement does not provide collegiate-type tenure for faculty. However, after a three-year probationary period from date of hire, an individual who has received a satisfactory performance evaluation earns the job security provided through the MEA Faculty Unit Collective Bargaining Agreement.

On average, adjunct faculty teach just over half of the courses during an academic year and are paid according to salary scales and provided benefit packages that are negotiated through the MCCA/MSEA Adjunct Faculty Agreement.

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Faculty	47.1%	48.3%	46.3%	43.2%	45.4%
Adjunct Faculty	52.9%	51.7%	53.7%	56.8%	54.6%

The MCCA does not have a formal policy limiting the number of credit or contact hours taught by adjunct faculty per semester. The utilization of adjunct faculty is based on the needs of particular departments and the course offerings of a given semester. The ratio of full-time to adjunct faculty, day and evening, fluctuates each semester according to the College's instructional needs.

The Academic Dean is responsible for hiring adjunct faculty. The Department Chairs follow the hiring process outlined previously. After the department interviews are concluded, the Chair will submit the Recommendation to Hire Form to the Academic Dean for consideration. The adjunct faculty member receives an instructional services contract specifying the course(s) and number of hours to be taught, the weekly schedule for the course(s), contracted salary (Instructor 1 or 2 level), and professional expectations. This contract is subject to renewal each semester.

The MCCS/MEA and MCCS/MSEA contracts are available on the myMCCS website. The MCCS/MEA and MSEA Agreement Grievance process is outlined in the respective agreement and the process assures fair redress of grievances and assures the policy is consistently applied. The policy and process is reviewed during negotiations between MCCS and the respective collective bargaining units.

Teaching assistants are not included in the contract bargaining agreement but do adhere to the same hiring protocol as adjunct faculty. Teaching assistants receive an hourly wage for providing a professional service and are supervised by the Department Chair.

All employees have been asked to read and sign the Employee's Code of Conduct, which was approved in 2006. Signatures indicating acceptance of the Code of Conduct are filed in the employee folder. In addition, all employees are required to review films and online documents to support that they understand the College's Policy on Sexual Harassment, the Drug Free Workplace Policy, the Domestic Violence in the Workplace Policy, and KVCC safety policies.

Integrity is included in the mission of the College and is identified as both a value and an ideal at KVCC. All full-time and part-time faculty are required to work in compliance with the MCCS/MEA Agreement. Faculty work to ensure an environment supportive of academic integrity through performing all duties and responsibilities normally associated with teaching a course, such as course preparation, instruction, maintaining student contact, and adhering to College/department standards. Faculty show their support of academic integrity by adhering to policies and procedures. Further, faculty ensure academic integrity by assessing students in a fair and equitable manner and by grading and reporting grades consistently. Student academic performance and outcomes are methods used to measure academic integrity.

The College evaluates the effectiveness of full-time and part-time faculty in teaching and advising, scholarship, and service according to the guidelines in the MCCS/MEA Agreement. Full-time and part-time faculty are evaluated on an annual basis by the Academic Dean. Per contract, all new faculty are considered probationary for the first three years of employment and are evaluated on a biannual basis. The faculty evaluation tool was developed in collaboration with the local labor/management committee. The faculty evaluation tool is derived from the current faculty job description and measures the performance of the MEA faculty with reference to the role and responsibilities outlined in the contract bargaining agreement. The Academic Dean meets individually with full-time and part-time faculty to discuss their performance self-evaluation, including teaching performance. For all faculty, a copy of the completed performance evaluation form is placed in the employee's official personnel file, which is maintained by the Human Resources Office at KVCC. A copy is given to the faculty member for their records, if requested.

Adjunct faculty have guidelines for evaluation as well through the MCCS/MSEA agreement. MCCS policy states that the evaluation tool, which was developed in collaboration with the local MSEA-adjunct faculty representatives, is to be used for adjunct and high school faculty teaching concurrent enrollment

courses. Department Chairs are responsible for conducting annual adjunct and concurrent enrollment faculty evaluations.

KVCC supports a "Shared Governance" model, although it is hierarchical in nature. All faculty have an opportunity to participate in the governance of KVCC through institutional committee and Faculty Senate membership, as outlined in the Governance Document. Institutional committee membership is encouraged but is not mandatory. The Faculty Senate holds regular monthly meetings to discuss topics impacting academic affairs. The Faculty Senate may make recommendations to the Leadership Team with regards to areas of concern in academic affairs, academic environment, and institutional development (Faculty Senate Constitution and Bylaws). The administration welcomes faculty input into campus issues. The President of the Faculty Senate is a member of the College's Leadership Team and Institutional Effectiveness and Assessment Committee (IEAC). To further comply with the standards set forth in the Governance Document, the College's President facilitates College Forums once per semester to solicit faculty input into campus issues. The Academic Dean schedules mandatory faculty meetings six times per academic year to provide a venue for faculty to discuss academic issues and gather faculty input. As special issues arise, short-term "ad hoc" committees may be formed to advise the Executive Leadership Team. All faculty are given the opportunity to provide input to all committees either in person or electronically.

The MCCS/MEA Agreement endorses Academic Freedom. Based on this endorsement academic freedom is guaranteed and is noted to be "essential to the fulfillment of the purposes of the institutional system." Faculty are able to express original ideas, imagination, and intellectual inventiveness in teaching and learning. Faculty and students are accorded academic freedom in scholarly and creative activities and pursuits such as student and faculty portfolios, projects and presentations. Faculty encourage students to discover knowledge through creative activity. Lifestyle and personal beliefs do not inhibit students or faculty from assuming and/or excelling in College activities/duties.

All faculty have the same instructional responsibilities with regard to presentation of course material and associated academic duties, including curriculum development and student learning assessment. The student to faculty ratio in the IPEDS Fall Enrollment 2016-2017 is 18:1. This ratio allows for effective instruction that is student-centered. Faculty assist students in achieving overall academic success both in and outside of the classroom environment. Students are encouraged to seek assistance during faculty office hours or via email, voicemail, or other technological tools. Faculty are involved in curriculum development through several processes. Department Chairs, faculty, and the Academic Committee (whose membership includes faculty) are responsible for the development and evaluation of proposed changes to curricula in conjunction with the Academic Dean.

Faculty attend department meetings and faculty meetings. The use of feedback from Program Advisory Boards is critical to ensuring currency of content for programs. Some faculty publish in various trade journals and textbooks. The faculty instructing in accredited programs assure compliance of the required accreditation standards. There is also a participation in professional development activities provided by KVCC and the implementation of new teaching methodologies such as distance learning, Blackboard™.

In addition, faculty serve as members of various accrediting teams and participate in textbook and test bank writing/reviewing for their disciplines. These activities help to reaffirm that KVCC faculty are meeting or exceeding current practices and standards.

Teaching and Learning

Full-time faculty non-teaching duties include academic advising to students, program and institutional assessment, departmental assignments/activities, professional development, creative activities, service to the community, and student organizations. In addition, faculty participate in creative activities both on and off campus such as orientation, open houses, Phi Theta Kappa induction, and student senate events all of which contribute to setting a welcoming environment for all newcomers. The faculty utilize service learning as a teaching methodology in keeping with the mission of the College.

Faculty accept the responsibility to ensure that content and methods of instruction meet accepted academic and professional standards and expectations. Evidence of this includes: positive results from KVCC annual graduate placements; KVCC new graduate employment performance surveys; program specific survey tools; and, successful graduate performance on national and state certification (or licensure) exams. Other methods include: faculty licensure and/or certification, presenting at and attending professional conferences, and membership in professional organizations within their disciplines. For programs not having a national accreditation, MCCS policy requires that a program review be conducted every five years. Data such as enrollment, retention, transfer, and completion and employment outcomes are reviewed.

The College instituted a reformed course feedback process in fall 2014. Students are offered an opportunity to provide feedback on his/her course at the end of each semester using a standardized form. The collected data is compiled by the Office of IR and the aggregated information is uploaded to the portal. The KVCC Course Feedback Forms provide the instructor with the student's perception of whether course and learning goals were reached. Faculty utilize information from student course feedback forms and self-reflection. The instructor, Chair, and Academic Dean may use the information collected through Course Feedback Forms to improve the course and/or instruction of the course for future students. The Course Feedback Form is administered in hard copy in seated and hybrid courses and electronically in online courses.

Assessment of students is designed and completed as appropriate to each course/program. The overall learning objectives are set forth in the syllabi and essential skills of students are noted in program handbooks. Assessment of scholarly and creative achievement takes place in all courses through a variety of approaches including: examinations, written assignments, presentations, service learning and class participation. Students requiring developmental courses in math and English may enroll in local adult education classes or the College's credit bearing options.

A shared understanding of student learning in each program and considerations for program improvement occur at regularly scheduled faculty meetings within each department. Program faculty

maintain a close relationship with the Program Advisory Committees. Per MCCS Policy 304, Program Advisory Committees meet annually at a minimum. Membership consists of program faculty, local employers, program students and graduates, business and industry associations or organizations, and representatives of higher educational institutions to which students may transfer. Multiple measures are used to assess and improve instruction.

Faculty enhance their understanding of effective teaching/learning processes through professional development, additional coursework (which may include work toward advanced degrees), practical experience, and participation in professional organizations. In-house workshops and presentations at professional development days provide opportunities for sharing information regarding student learning.

In keeping with its mission, and the mission of the MCCS, to provide associate degree-level education, the College provides opportunities for faculty to stay current in the teaching methods, theory, knowledge, and skills of their discipline or profession (KVCC policy 3.06). Professional development opportunities may be sponsored by MCCS or KVCC. Examples of this are the MCCS annual Mini-Jam and Rubric Rumbles. Per contract, the College requires faculty participate in three on-campus professional development days. Activities may include seminars to address best practices. For 2016-17 the focus will be on developing effective student learning assessments using the Charrette model, a collaborative interdisciplinary technique to provide feedback to the instructor.

Professional Development is defined and described in the MCCS/MEA Agreement. As long as funds are available, each faculty member is eligible to receive professional development monies in the amount of \$1400 per academic year. Faculty are encouraged to undertake courses of study for self and professional improvement which relate to their areas of instructional responsibility or educational field. Faculty may take any course that is offered at the College with tuition and fees waived. Faculty who have completed seven (7) continuous years of service are eligible to apply for a sabbatical leave.

The academic program outcomes and objectives of individual courses are clearly outlined in the program handbook and in the course syllabus, respectively. The College Catalog also serves to inform the community and students through course descriptions and identified program goals and expected outcomes. Teaching methodologies are diverse and pertinent to the level of the learner and content being taught. Service learning is supported by the Center for Civic Engagement. In the classroom, faculty utilize such techniques as lecture, group discussions, individual and group presentations, and technological tools (i.e. PowerPoint, Blackboard™ and Smartboard).

Instructional techniques and delivery systems, including technology, are compatible with and serve to further the mission and purpose of the institution. Staying current with technology is a high priority at KVCC. The Technology Department encourages faculty to use current technology in teaching endeavors, providing technical support and instruction when requested. Classrooms and laboratories are appropriately equipped with instructional technology. For example five classrooms are equipped with

Smart Podiums® that allow math faculty to capture step-by-step process and post the notes for student reference. The Allied Health and Nursing programs have access to two state-of-the-art simulation labs.

The College has a system in place for academic advising. The Advising Center mission states that “academic advising is a collaborative relationship between a student and an academic advisor with the intent of working together to develop meaningful educational goals.” This statement provides the foundation for the College’s academic advising program. KVCC faculty are active in the student advising process. The College may contract seasoned adjunct faculty to serve as academic advisers and use academic staff, including librarians, tutors and student services staff (TRiO, Early College for Me) to assure accomplishment of class and out-of-class responsibilities essential for the fulfillment of institutional mission and purpose. Programs and departments use different approaches in advising students such as: individual formal meetings, group meetings, and informal contacts. KVCC has instituted an online option for registration for second year returning matriculated students; first-time students must register with their faculty advisors.

KVCC has no requirement that faculty participate in scholarly research, yet scholarship and creative activity are encouraged and supported in keeping with the mission of the College. Faculty understand, integrate, and apply instructional methods that support scholarship in the classroom. The College has not established policies and procedures related to scholarship and research. The Teaching, Learning, and Scholarship committee will be responsible for developing a proposal to present to IAEC to address student and faculty scholarship and research.

TEACHING, LEARNING, AND SCHOLARSHIP - APPRAISAL

In 2015-2016, the College employed 41 full-time faculty, two part-time faculty and 127 adjuncts. There are departments and programs still in need of additional full-time faculty to meet the departmental and programmatic needs. For example, both the Sustainable Construction and Advanced Emergency Care program do not employ a full-time faculty member. The Math/Science, Nursing, and Business departments each have two unfilled positions. Currently adjunct faculty provide support to these programs and departments. The College is currently not able to hire for these positions due to budget constraints. However, the English, Mental Health, and Medical Assisting faculty have each increased by one full-time faculty member.

The College has had consistent completion and retention outcomes over the past five years. However, evaluation needs to be conducted at the program level to determine if these unfilled faculty positions are impacting quality of program instruction. The College intends to integrate personnel FTE into the program internal evaluation process to better assess this impact. This information will provide guidance for program planning and budgeting.

KVCC provides effective instruction through employment of faculty with preparation and qualifications appropriate to the field and level of their assignments. Qualifications include advanced degrees, professional credentials, licensures, relevant professional experiences, and teaching abilities.

Scholarship and creative activities are also desirable. The KVCC faculty have the following academic credentials and backgrounds:

Degree	Full Time	Part Time	Adjunct
Medical Degree	0	0	2
Doctoral Degree	4	0	10
Doctoral Candidates	1	0	0
Master's Degree	26	0	99
Masters Candidates	0	0	0
Bachelors	11	1	18
Bachelors Candidates	0	0	0
Associates Degree	1	0	8
Extensive Field only	1	0	2
Total	44	1	139

Faculty who have a two-year degree or extensive field experience with no degree possess unique areas of expertise that strengthens their qualifications. For example, one of the Electrical Lineworker Technology instructor has 40 years of lineman experience with Central Maine Power Company, working as a lineman, line supervisor and field planner. Another example would be the Welding instructor who has eight (8) years of industry experience and holds four (4) national certifications. And finally, the Physical Therapist Assistant program's clinical coordinator holds an associate's degree. She worked in a variety of physical therapy settings including sports therapy, a skilled nursing facility, and the Maine Veteran's home. She was hired with the condition that she pursue her four-year degree and is currently enrolled in a program at the University of Maine Augusta.

KVCC has a professional development budget; however, individual departments and grants often support professional development workshops which are outside of the College's professional budget line. The College approved professional development requests totaling over \$100,000 for AY2016-17 for workshops, conferences, and courses. State and grant monies funded 124 individual requests, including 48 faculty and academic staff. The total amount spent in the College's professional development budget line was \$42,601 in AY2016-2017. This amount is only a fraction of the \$100,000 spent across different budget lines. Professional development spending in the professional development budget line has been on the increase since 2014. For this reason, the College has budgeted over \$150,000 in the next AY.

State Fiscal Year	Total Dollars	Number of Trainings	Unduplicated Number of Employees
2013	\$29,896	43	36
2014	\$24,882	35	31
2015	\$30,542	48	35
2016	\$45,142	67	53
2017	\$42,601	48	38

Although the College has identified funds for professional development, there is no comprehensive professional development plan at the institution. Per collective bargaining agreements, an individual can pursue professional development funding as described by the agreements. Development of a comprehensive professional development plan will provide an organized approach to support the mission and values of the College and provide strategic on-campus opportunities. This will increase professional development opportunities designed to meet the needs of the institution. The IAEC will create a process to assess institutional professional development needs, design a workplan, and assign activities to appropriate committee members. For example, in recent student surveys, satisfaction with advising has declined. Through this IAEC process the College will identify professional development opportunities to reinforce, implement, and measure best practices in student advising.

In spring 2017, to support the development of the institution's plan, the Academic Dean requested that the Faculty Senate conduct a survey. The survey identified professional development needed to support teaching, learning, and scholarship. These results will be shared with the IAEC to inform the work plan as it relates to faculty. Similar approaches will be used to assess the needs of staff and administration. The professional development calendar will be published in the fall of 2017 for the academic year and include a variety of professional development opportunities.

The College reorganized the department structure in 2017 and will be implementing the changes in Academic year 2017-2018. The reorganization will appoint a department chair for each program, increasing the number of chairs from seven to 27. The College has recently experienced retirements of long-standing department chairs creating a need for experienced leadership to step into these roles. With the seven-chair model, the College had limited opportunities for faculty to assume leadership roles. By increasing the number of chairs, the College is increasing opportunities for leadership development. Another advantage to this expanded model is improving communication by increasing the representation of faculty at Department Chair meetings threefold. The structure reduces the layers of communication and increases individual program input to the Academic Dean.

Adjunct faculty, who comprise three-quarters of the KVCC's teaching faculty, serve as a valuable resource for the College. KVCC has developed strategies to support adjunct faculty. At the beginning of each academic year, the Office of Academic Affairs organizes an annual adjunct faculty meeting which provides orientation to new adjunct faculty and professional development offerings to returning adjunct faculty. Department chairs provide departmental and programmatic orientation to adjunct instructors. Adjunct faculty are encouraged to attend department and program meetings and all in-house professional development activities.

The College recognizes that there is no formal, institutionalized onboarding process for adjunct faculty. In addition, there is no formal process for capturing adjunct satisfaction and experiences at KVCC. The most recent adjunct survey was administered in 2012 and had 29 responses. Respondents indicated that 75% felt that KVCC demonstrated an effective system of academic oversight to assure the quality of the academic program, 76% responded that expectations for adjunct faculty are clearly stated; and 50% responded that KVCC has an informative and broad-based faculty evaluation process.

Adjunct evaluation is included in the MSEA Adjunct collective bargaining agreement. Each adjunct is evaluated annually by their respective department chair. KVCC utilizes a locally-negotiated adjunct evaluation tool. In AY 2016-17, a separate evaluation process was implemented by Academic Affairs for concurrent enrollment faculty in the high school. The concurrent enrollment faculty separate evaluation process is not consistent with newly adopted MCCS system policy. The new policy states that the concurrent enrollment faculty are considered adjunct and should be evaluated as college adjuncts. The College will adjust the concurrent enrollment faculty evaluation in the AY 2017-18 to comply with MCCS policy.

Full- and part-time faculty evaluation tools align with the faculty job description: teaching responsibilities, clinical coordination, professional responsibilities, committee work, institutional engagement, and ethical conduct. The current faculty evaluation tool does not address scholarship, advanced study, creative activities, or teaching abilities. The Teaching, Learning, and Scholarship committee will be responsible for defining the scholarship, advanced study, and creative activities to share with the Labor/Management group for consideration.

The College has no consistent institutional teaching assistant evaluation process. Current evaluations are conducted at the departmental level.

The College's current salary scale/pathway is a factor in the attraction of qualified faculty for the skilled professions to KVCC. For example, in 2017 the College posted three nursing positions and received only seven qualified applicants. Feedback from nursing professionals is that the College's salary is not competitive with earnings in the healthcare setting. The College has faced similar challenges attracting licensed, qualified professionals in Allied Health and Trades programs. Faculty accepting positions at KVCC are attracted by factors in addition to salary such as life-style, rural living, and small population. Faculty academic advising loads vary from department to department, but attempts are made to keep the instructor/student ratios reasonable. The current range of faculty advisor to student ratio is from 1:20 to 1:186, depending on program. The average is 1:35. For the capped programs advising loads are reasonable and the students have regular access to their academic advisors who also teach the program classes. For uncapped programs faculty advisors may have up to 186 advisees. These faculty advisors do not have the opportunity to establish the same level of contact that the capped programs experience due to number of advisees and lack of contact with the student in the classroom. Some of these programs, such as Liberal Studies, require extensive advising to help student transfer to four-year institutions.

TEACHING, LEARNING, AND SCHOLARSHIP – PROJECTIONS

Evaluations

- Implement a single system of evaluation for both adjunct and concurrent instructors.
- Implement an institutional practice to evaluate teaching assistants

Professional Development

- Create a process to assess institutional professional development needs, design a workplan, and assign activities to appropriate committee members.
- Adopt an institutional definition of scholarship and research

Personnel

- Integrate personnel FTE into the program internal evaluation process to better assess this impact.
- Develop and implement a consistent onboarding process for new adjunct faculty
- Institutionalize a process for collecting adjunct feedback by developing an in-house tool or integrating adjuncts into existing institutional tools.

Standard 6: Teaching, Learning, and Scholarship
(Faculty by Category and Rank; Academic Staff by Category, Fall Term)

3 Years Prior	2 Years Prior	1 Year Prior	Current Year
1314 AY	1415 AY	1516 AY	1617 AY

? Number of Faculty by category

Full-time	42	45	45	44
Part-time				
Adjunct	131	140	140	140
Clinical				
Research				
Visiting				
Other; specify below:				
Total	173	185	185	184

Percentage of Courses taught by full-time faculty

--	--	--	--	--

? Number of Faculty by rank, if applicable

Professor				
Associate				
Assistant				
Instructor				
Other; specify below:				
Total	0	0	0	0

? Number of Academic Staff by category

Librarians	2			2
Advisors	4			5
Instructional Designers				
Other; specify below:				
Total	6	0	0	7

Please enter any explanatory notes in the box below

Standard 6: Teaching, Learning, and Scholarship
(Highest Degrees, Fall Term)



3 Years Prior	2 Years Prior	1 Year Prior	Current Year
1314 AY	1415 AY	1516 AY	1617 AY

Highest Degree Earned: Doctorate

Faculty	Professor	3	4	4	4
	Associate				
	Assistant				
	Instructor				
	No rank	12	11	11	11
	Other		1	1	1
	Total	15	16	16	16

Academic Staff	Librarians				
	Advisors				
	Inst. Designers				
Other; specify*					

Highest Degree Earned: Master's

Faculty	Professor	37	27	27	27
	Associate				
	Assistant				
	Instructor				
	No rank	73	66	66	66
	Other		33	33	33
	Total	110	126	126	126

Academic Staff	Librarians	2	2	2	2
	Advisors	4	3	3	3
	Inst. Designers				
Other; specify*					5

Highest Degree Earned: Bachelor's

Faculty	Professor	7	10	10	11
	Associate				
	Assistant				
	Instructor				
	No rank	26	14	14	14
	Other		5	5	5
	Total	33	29	29	30

Academic Staff	Librarians				
	Advisors		2	2	2
	Inst. Designers				
Other; specify*			2	2	2

Highest Degree Earned: Professional License

Faculty	Professor	4	1	1	1
	Associate				
	Assistant				
	Instructor				
	No rank	12	2	2	2
	Other				
	Total	16	3	3	3

Academic Staff	Librarians				
	Advisors				
	Inst. Designers				
Other; specify*					

* Please insert additional rows as needed

Standard 6: Teaching, Learning, and Scholarship
(Appointments, Tenure, Departures, Retirements, Teaching Load Full Academic Year)

3 Years Prior		2 Years Prior		1 Year Prior		Current Year	
(FY 2)		(FY 2)		(FY 2)		(FY 2)	
FT	PT	FT	PT	FT	PT	FT	PT

Number of Faculty Appointed

Professor
Associate
Assistant
Instructor
No rank
Other

0	0	0	0	0	0	0	0

Total

Number of Faculty in Tenured Positions

Professor
Associate
Assistant
Instructor
No rank
Other

0	0	0	0	0	0	0	0

Total

Number of Faculty Departing

Professor
Associate
Assistant
Instructor
No rank
Other

0	0	0	0	0	0	0	0

Total

Number of Faculty Retiring

Professor
Associate
Assistant
Instructor
No rank
Other

0	0	0	0	0	0	0	0

Total

Fall Teaching Load, in credit hours

Professor Maximum
Median
Associate Maximum
Median
Assistant Maximum
Median
Instructor Maximum
Median
No rank Maximum
Median
Other Maximum
Median

Explanation of teaching load if not measured in credit hours

Per collective bargaining agreement faculty load is 15 credits per semester.

Standard 6: Teaching, Learning, and Scholarship
(Number of Faculty by Department or Comparable Unit, Fall Term)

	3 Years Prior		2 Years Prior		1 Year Prior		Current Year	
	FT	PT	FT	PT	FT	PT	FT	PT
	1314 AY	1617 AY	1415 AY	1516 AY	1617 AY	1617 AY		
	0	9	0	9	0	9	0	9
	1	0	1	0	1	0	1	0
	3	9	3	9	3	9	3	9
	1	0	1	0	1	0	1	0
	4	33	4	37	4	37	4	37
	1	0	1	0	1	0	1	0
	0	1	0	1	0	1	0	1
	1	1	1	1	1	1	1	1
	1	10	1	10	1	10	1	10
	1	0	1	0	1	0	1	0
	2	3	2	3	2	3	2	3
	1	0	1	0	1	0	1	0
	2	12	2	14	2	14	2	14
	4	14	4	16	4	16	4	16
	1	3	1	3	1	3	1	3
	2	1	2	1	2	1	2	1
	1	7	1	7	1	7	1	7
	6	3	6	3	6	3	6	3

Number of Faculty by Department (or comparable academic unit); insert additional rows as needed

Advance Emergency Care								
Applied Electronics and Computer								
Business								
Career and General Studies								
Communications and English								
Computer Systems Integration								
Continuing Education								
Culinary Arts								
Early Childhood Education								
Electrical Lineworker Technology								
Electrical Technology								
Energy Services Technology								
General Science Math								
General Science Science								
Health Information Management								
Medical Assisting								
Mental Health								
Nursing								

Occupational Therapy	2	0	2	0	2	0	2	0	2	0	2	0
Phlebotomy	0	1	0	1	0	1	0	1	0	1	0	1
Physical Therapist	2	2	2	2	2	2	2	2	2	2	2	2
Precision Machine Technology	1	0	1	0	1	0	1	0	1	0	1	0
Psychology	1	12	1	14	1	14	1	14	1	14	1	14
Radiological Technology	2	0	2	0	2	0	2	0	2	0	2	0
Social Sciences	0	5	0	5	0	5	0	5	0	5	0	5
Student Affairs	2	0	2	0	2	0	2	0	2	0	2	0
Sustainable Agriculture	1	3	1	3	1	3	1	3	1	3	1	3
Sustainable Construction	0	1	0	1	0	1	0	1	0	1	0	1
Welding	0	0	1	0	1	0	1	0	1	0	1	0
Total	43	130	44	140	44	140	44	140	44	140	44	140

Please enter any explanatory notes in the box below

Standard 6: Teaching, Learning, and Scholarship (Faculty and Academic Staff Diversity)

For each type of diversity important to your institution (e.g., gender, race/ethnicity, other), provide information on faculty and academic staff below. Use current year data.

Faculty	Full-time	Part-time	Total Headcount	Headcount Goal (specify year)
Category of Faculty (e.g., male/female, ethnicity categories); add more rows as needed				
Female	25	84	109	
Male	17	58	75	
			0	
			0	
			0	
			0	
			0	
Academic Staff	Full-time	Part-time	Total Headcount	Headcount Goal (specify year)
Category of Academic Staff (e.g., male/female, ethnicity categories); add more rows as needed				
Female	5		5	
Male	2		2	
			0	
			0	
			0	
			0	
			0	

Please enter any explanatory notes in the box below

STANDARD SEVEN INSTITUTIONAL RESOURCES

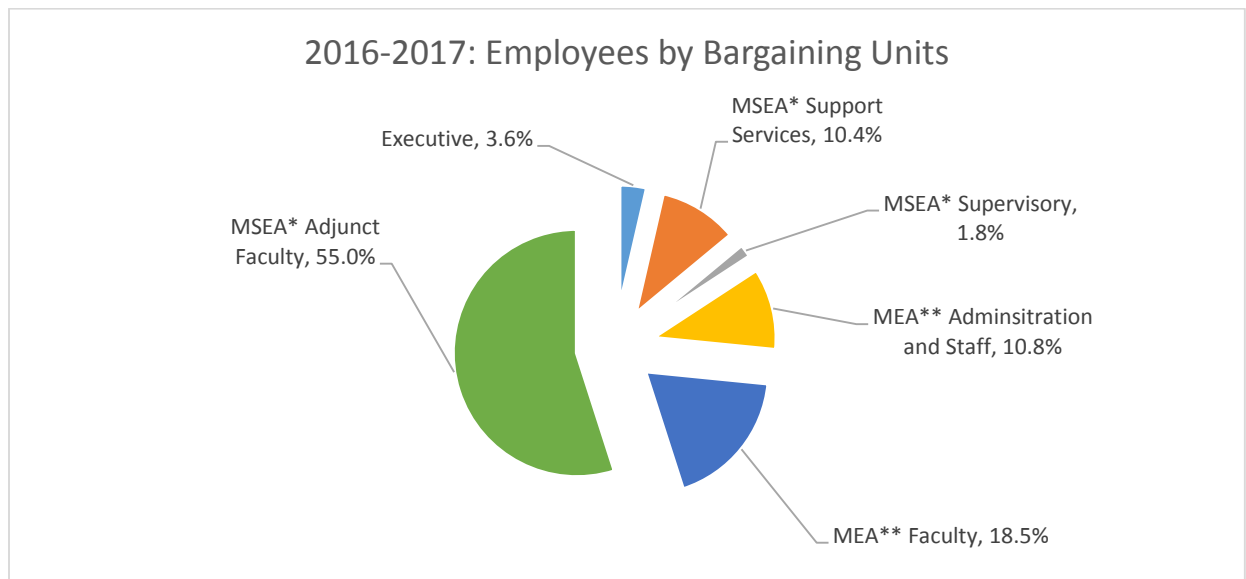
The institution has sufficient human, financial, information, physical, and technological resources and capacity to support its mission. Through periodic evaluation, the institution demonstrates that its resources are sufficient to sustain the quality of its educational program and to support institutional improvement now and in the foreseeable future. The institution demonstrates, through verifiable internal and external evidence, its financial capacity to graduate its entering class. The institution administers its resources in an ethical manner and assures effective systems of enterprise risk management, regulatory compliance, internal controls, and contingency management.

HUMAN RESOURCES - DESCRIPTION

KVCC employs 356 individuals in a range of administrative, instructional, maintenance, and student-support positions.

356 Employees

- 100 full-time faculty, staff or administrators (28% of KVCC's workforce)
- 122 adjunct faculty
- 134 contracted non-faculty or student workers



Relative to its ethnic make-up, the KVCC employee community is reflective of this region of Maine.

	KVCC Employees	Kennebec County*	Somerset County*	Waldo County*	State of Maine*
White	97%	96%	97%	97%	95%
All Other	3%	4%	3%	3%	5%

**U.S. Census Bureau: State and County Quick Facts: Last Revised Date: July 1, 2015*

The College's search process ensures a broad-based, inclusive approach to recruitment. As part of its commitment to an equitable recruitment and hiring process, vacant full- and part-time positions at the College are listed with various job search services, websites, and local and regional media outlets, as appropriate. Additionally, open positions are advertised internally throughout the MCCS. Job descriptions, advertisements, and other descriptive materials clearly indicate required educational, skill, and experience levels.

Search committee members are appointed by the President. The search committee is provided with ethical, practical, and legal guidelines designed to encourage a fair, timely selection process resulting in a diverse pool of qualified applicants. Applicants are measured with the same objective set of criteria, and are asked the same interview questions. Written artifacts of the process are retained by the College's Human Resources Office. The committee recommends one to three finalists for the President's consideration and final approval.

KVCC has five separate collective bargaining agreements which apply to all units except the confidential unit. These agreements are negotiated by MCCS on behalf of all seven colleges. These agreements make clear the conditions and expectations related to employment at the College within these units, and provide a framework for determining salaries, conducting performance appraisals, as well as addressing employee grievances and implementing disciplinary procedures. These agreements also specifically indicate ways in which the College is expected to financially support the professional development of employees in all units.

All policies impacting employees, including the College's grievance policy, are located in a web-based handbook, found within the MCCS employee portal on the MCCS website. All policies are created and reviewed on a regular basis by the College's Leadership Team, and are updated on an as-needed basis. These policies are written in a clear, succinct fashion designed to make the documents easily read and understood.

KVCC places a high priority on employee evaluations and developing processes for employee feedback.

HUMAN RESOURCES - APPRAISAL

An analysis of employees by bargaining unit shows a decrease of employees in several of the bargaining units from FY2015 to FY2017.

	2014-15	2015-16	2016-17
Executive	10	8	8
MSEA Support	26	25	23
MSEA Supervisory	3	3	4
MEA Administrators	26	26	24
MEA Faculty	47	43	41
MSEA Adjunct	108	127	122
Total	220	232	222

Decreases can be attributed to discontinuation of academic programs and general force reduction. However, within this same time period, the College was able to hire new faculty positions through federal grant monies to expand or create new programming. The College has demonstrated a commitment to sustaining the grant positions beyond the life of the grant. For example, in 2017, the Student Navigator from the TAACCCT 3 grant was moved to general fund and the position was maintained in the admissions office. This has also been the case for an English instructor and computer instructor initially funded by TAACCCT grants. A math specialist was also retained through the general fund after the expiration of a Title III grant in 2017.

Establishment of a second campus required reallocation of personnel in addition to faculty. To provide administrative oversight on the Alford campus, the College re-assigned an administrator to serve as the full-time Coordinator of Harold Alford Campus in fall 2014. Three administrative specialists were relocated to the campus to provide student services, financial aid services and faculty support.

The KVCC2020 Strategic Plan goals strive for accessibility, affordability, quality, and value in the delivery of post-secondary education. Monitoring of the activities related to these goals helps assure the sufficiency of faculty and staff to deliver high quality education and support services while remaining fiscally stable.

The collective bargaining units' current salary scales/pathways can be a negative factor in the attraction of qualified, skilled professionals to KVCC. To recruit and retain qualified employees, the College commits over half of its operating funds to personnel salary and benefits. Between state fiscal year 2012 and state fiscal year 2017, the College had a 9% increase in salary and benefits.

Personnel Salary and Benefits: SFY2012 to SFY2017					
SFY2012	SFY2013	SFY2014	SFY2015	SFY2016	SFY2017
\$9,226,757	\$9,582,549	\$10,319,935	\$10,421,170	\$10,184,100	\$10,076,975

To assist in the retention of employees, Professional Development funds have increased to \$150,000 in state fiscal year 2018. The College has introduced a new process for accessing funds that is more transparent, flexible, and equitable. For example, individual faculty can pool personally allocated funds to support a group activity. This supports the ongoing enrichment of employees and encourages a high degree of knowledge sharing within the organization.

Work is underway to improve the College's onboarding process for new employees, and this is reflected in the KVCC2020 Strategic Plan. The onboarding process will be reviewed by the Institutional Resources committee annually to ensure that new employees are presented with clear expectations of their job, given access to training and resources that prepare them to meet these expectations, and are welcomed to the KVCC community. New employees will be surveyed at one year to determine the effectiveness of the onboarding process and allow for recommendations and improvements in onboarding over time.

FINANCIAL RESOURCES - DESCRIPTION

As a state-funded entity, KVCC bears fiscal responsibility not only to its students to ensure that adequate resources are allocated to the overall quality of the education the College provides, but also to the taxpayers of Maine to ensure that resources are managed responsibly and in line with MCSS and State of Maine policies and guidelines.

The President of the College has fiscal responsibility and final authority for the institution's budget. Budget hearings are held in the spring and are scheduled for each department and program at the College. The budget process welcomes input from all employees at the institution. It is a transparent process which promotes inclusivity from all organizational components of the College. A final proposed budget is created and submitted in June to the MCCS for review and approval by the MCCS Board of Trustees. The final budget is adjusted as necessary and approved for the fiscal year in October, once tuition-based revenues are more clearly defined and projected.

The Dean of Finance and Administration oversees the Business Office which includes Human Resources, Payroll, and the business functions for the College. The office is staffed by seven professionals. These professionals have over 50 years of combined experience in finance within higher education and bring a unique set of skills and perspective to the department. A responsibility of the Business Office is to generate and distribute monthly budget variance reports to the Executive Leadership Team and each budget holder, as well as to the MCCS system office.

Revenue is dependent on student tuition and fees and state appropriations. Since FY2012, revenues generated from student tuition and fees have remained consistent. From FY2012 to FY2017, revenues had a 3% change.

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Student Tuition and Fees	\$5,157,116	\$5,135,571	\$4,999,273	\$4,897,926	\$5,010,586	\$5,298,713

Revenues from state appropriations have shown an increase in total appropriations of 22.9% between FY2012 and FY2017. The base appropriations had an increase of 20.9% from FY2012 to FY2017.

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Appropriations - Base	\$5,523,088	\$5,859,938	\$5,938,833	\$5,938,832	\$6,243,811	\$6,677,175
Appropriations – Maine Quality Grants, Legislative Directive	\$39,393	\$66,643	\$228,004	\$378,763	\$221,497	\$160,764
Total Appropriations	\$5,562,481	\$5,926,581	\$6,166,838	\$6,317,595	\$6,465,308	\$6,837,939

To expand and enhance academic programming and the delivery of services to students, the College applies for grants and has been the recipient of state bond money in 2014.

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Net Grant Funding After Financial Aid Programs	\$1,715,811	\$2,313,545	\$2,796,276	\$3,253,270	\$3,218,086	\$1,899,971

To diversify the College's revenues, KVCC has made changes in its bookstore and café operations and is renewing a focus on workforce development activities:

- Until 2015, the College independently operated the bookstore on the Fairfield campus. In 2015, KVCC partnered with Follett to operate the College's bookstore, a partnership which has seen a modest increase in bookstore revenues, expanded services to students, and an enhanced range of available book titles and other goods. The MCCS followed suit in 2016 reviewing potential bookstore partnerships for all seven colleges and ultimately signed a contract with Follett in 2017.
- The College subsidizes the cost of food supplies for its Cafe and Culinary program by providing KVCC farm grown and raised vegetables and livestock.
- The College has introduced in-house catering services for events hosted at KVCC, as part of the continuing effort to identify and capitalize on a diverse range of sustainable funding sources.
- To support Farm operations, the College has introduced a well-received CSA program for faculty, staff, and students.
- As the College has sought to provide more opportunities to engage the local community, outside interest in the use of space on both KVCC campuses has increased in recent years. In addition to providing a unique opportunity to increase revenue, these events serve to market the College to those who otherwise might not have had an opportunity to visit either campus.
- KVCC maintains strong and direct connections with business and industry in this region. Currently the Director of Workforce Training and Professional Development serves on multiple boards such as the Central Maine Growth Council and the Somerset Workforce Connect. KVCC and the MCCS are planning to increase the level of investment in workforce training and professional development, staffing, and related academic technology required to educate a skilled workforce. The College has hired a Dean of Workforce Training and an administrative assistant to support this growth initiative.

The Dean serves on the Executive Team and is tasked with developing a business plan for Workforce Training to stabilize annual revenue.

Regarding expenses, Data First Form 7.3 illustrates the College's academic focus, with 67% of last year's budget allocated toward direct instructional support and student services:

Instruction	44% of budget
Academic Support	14% of budget
Student Services	9% of budget
Institutional Support	12% of budget
Operation, maintenance of plant	9% of budget
Auxiliary enterprises	1% of budget
Depreciation	11% of budget

At the end of FY17, the College's unrestricted net asset balance stood at \$3,252,908. A significant component of this balance is the reserve fund for plant renewals and replacements, which totaled \$1,776,690. This reserve has grown over the last five years (FY12 = \$1,504,502) and is projected to remain healthy and ready to contribute to the capital needs of the College should regular funding or bond funding be unavailable. The remainder of unrestricted net assets is under the control of the MCCS to utilize for contingencies to fund new initiatives or to expend at the discretion of the MCCS Trustees.

The total change in net assets over the past five years is show below.

Year	Balance in Net Asset	Difference	Percent Change
2013	\$28,721,828		
2014	\$29,404,349	\$682,521	2.4%
2015	\$30,823,719	\$1,419,370	4.8%
2016	\$31,638,616	\$814,897	2.6%
2017	\$31,138,618	-\$499,998	-1.6%

The decrease shown in 2017 is primarily due to asset write downs related to the decommissioned Teague Annex building that is being readied for sale in 2018.

The MCCS secures the services of an auditing firm to conduct the College's annual audit. This audit varies from year to year regarding the depth to which procedures, controls, and general finances are reviewed. A management letter and any findings are reviewed by the President and Executive Team, as well as by the MCCS's Chief Financial Officer, in order to generate an appropriate action plan.

College fiscal activities including spending practices, budgeting, competitive procurement, contract and grant management, fundraising, and risk management are carried out in line with sound and ethical financial norms and standards as well as within the context of the MCCS and State of Maine financial policies and guidelines. For example, the College works closely with the State's Risk Management

division on insurance matters, as well as the Bureau of General Services on all capital improvement projects. Fiscal policies are found on the KVCC internal, web-based portal, as well as the MCCS website, and web pages that correspond to any relevant Maine State department.

Fundraising at the College is carried out primarily through the KVCC Foundation. The KVCC Foundation is a 501(c)(3) nonprofit organization established in 1991 with the goal of supporting both the College and its students. Its mission is to engage supporters to invest in students, faculty, and programs to empower individuals and to build stronger communities. The KVCC Foundation Board of Trustees achieves this goal by raising funds to promote and support all educational programs; to provide state-of-the-art equipment and facilities; and to ensure access through scholarship funds for needy students. Most of the monies raised by the Foundation are allocated for direct student scholarships, available to any KVCC student via an application process. The Foundation has raised a portfolio of over \$3.9 million to support student scholarships, technology and equipment upgrades, and access to student support services. Since its inception, the Foundation has awarded over \$1.35 million in student scholarships, opening the doors to education for more than 1,650 KVCC students.

FINANCIAL RESOURCES – APPRAISAL

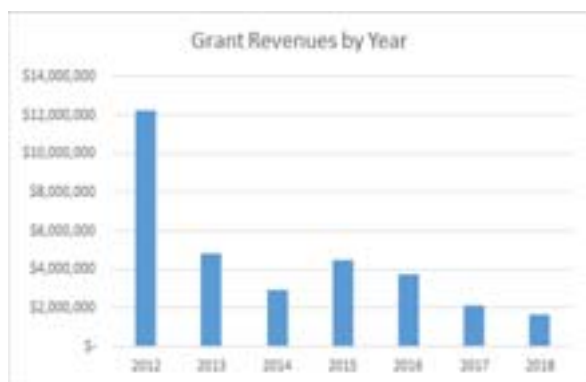
As part of its operations, KVCC has the most control over revenue generation in student tuition and fees, which accounted for just over one-third of the total revenues in SFY17. The last five years have brought about unique revenue-related challenges, most notably the types of improvement in the local labor market that can lead to declines in enrollment. Community college enrollments tend to decline as economic conditions improve and KVCC is not immune to this phenomenon. Since 2012, Maine's unemployment rate has been nearly halved (from 7.7% to 3.8%), meaning more people are working and fewer people are seeking credentials and degrees. This, coupled with a generally declining and aging population, has led to the potential of weak enrollments and, by extension, revenue.

Meanwhile, a series of grants used to start, support, and revitalize academic programs have recently ended, or are winding down. The monies from these grants, responsible for nearly a quarter of the College's annual revenue at their peak will need to be replaced through increased enrollment revenues or other sources to maintain faculty and staffing levels that were increased through grant funding, as well as to maintain these programs at their current levels of instructional and administrative quality.

With high school completions decreasing in the College's catchment area and declining grant dollars, the College is exploring residential services as an option for enrollment growth. An analysis completed by the President's Office projected that a 150-bed residence hall, with an overall enrollment FTE of 1350, could fiscally sustain services needed to operate a residential facility. The College has contracted with a firm to conduct a broader feasibility study during the fall of 2017. Results of this study are projected for early 2018. Subsequent steps involve conveying the study results to the MCCS and advocating for such a substantial change. In order to realize this part of KVCC's Strategic Plan, the College must have the MCCS's support and collaborative planning for such a project.

In addition to grant dollars, the College was the recipient of a \$12 million gift in 2012 to support the addition of the Alford Campus. The gift was primarily used for capital expenditures and provided resources needed to construct and improve the physical infrastructure on the campus. The gift was completely expended by the end of SFY2016.

The graph below illustrates the drop in grant and gift funding from a high in 2012, to the projected total for the current fiscal year:



Additionally, the College has sought to stabilize its finances while taking into account the increased capital and operating costs required to establish and manage a second campus. The College's state appropriation was increased beginning in 2012 to accommodate the operations at the Alford Campus. With the acquisition of the Alford Campus, the College's overall acreage increased by a factor of ten along with 123,244 building square footage. The initial \$750,000 increase in state appropriation designed to manage the second campus was reduced to \$500,000 in 2013. The College has seen an increase in appropriations overall in those intervening five years of 22% which has resulted in a decrease of Alford Campus-dedicated state funding from 8.5% in 2013 to 7.4% in 2018.

Through this period, the President and Executive Team established a new program of fiscal transparency. This included the creation of a budget hearing process, wherein all budget holders were asked to participate in budget planning meetings with the Executive Team, and share their budgetary needs for the upcoming fiscal year. Additionally, all members of the KVCC community have been invited to attend any of these budget hearings to create a culture of financial openness and accountability.

To date, the analysis of the budget has primarily been focused on the institutional budget and has been limited to the analysis of each campus and its contributions and expenses individually to the overall institutional budget. Very few operational costs and associated revenues are segregated by campus. However, while the majority of campus-specific costs and revenues have not been analyzed, the College recognizes the importance of a process to segregate and analyze this information.

A renewed focus on workforce training and professional development within the College and MCCS system was identified in both the KV2020 and MCCS strategic plan. Since 2012, the College's revenues

from workforce training and professional development activities has fallen from \$409,673 to \$161,913. During strategic planning, the College addressed the need to focus activities and increase revenue by working with community members, local businesses, and employers in the mid-Maine region. In 2016, the College created and filled a position for a Dean of Workforce Training and Professional Development. In March 2017, when the TAACCCT 2 grant ended, the administrator position originally funded by the grant was moved to general fund and added to the workforce development office.

KVCC, as evidenced by the previously discussed transparent budgeting process, is continually evaluating academic and non-credit programs for future feasibility in light of changing economic times, student interest, and employer needs. The College closely monitors and evaluates each grant-funded program throughout the funding cycle to determine whether current and projected enrollments can sustain the respective programs and the personnel involved. There is ongoing, active discussion around planning for the completion of each grant and the solutions needed to keep a particular program healthy after the loss of grant seed funds. If a program is determined to be non-sustainable, however, the College has the information with which to justify discontinuation.

As certain grants have been in the process of winding down over the past several years, KVCC has taken steps to secure increased revenues through various other funding sources. Local partnerships, new State initiatives and the ongoing support of the foundations have the potential to fill in some of the gaps created by decreased grant funding in future years.

The State has indicated that there are several opportunities for the College to gain increased funding in certain areas such as Business and Industry programs, bond issues and Maine Quality Center projects. The Legislature has committed to significant funding over the next several years directed towards Business and Industry programs as well as improvements and enhancements for current Trades programs. The State is currently gathering projects from the colleges to develop a package for a potential 2018 bond issuance that could address capital projects, deferred maintenance, and educational equipment. KVCC is also focused on seeking out local business partners with which to develop projects for Maine Quality Center funding, designed to support current and future programs.

The MCCS Foundation and the KVCC Foundation are both active in identifying potential philanthropic gifts as well as grant and scholarship opportunities to support the College's ongoing mission. The Foundations are continuously seeking funds to assist and improve the College, either by supporting students' costs of attendance or discovering and directing funding for capital projects and academic improvements throughout the campuses. KVCC has been the beneficiary of many philanthropic gifts in the past and looks forward to the continued contribution these programs make to the College's financial well-being.

As shown previously, enrollment for the past several years has trended slightly upwards. KVCC has determined that a 3% enrollment growth projection by AY 2020 is a reasonable goal, based on this recent data. This projection leads to modest tuition revenue increases and when combined with potential increases in State aid (again, based on actual allocations over the past several years), creates a projected financial picture that is continuously re-evaluated. This continuous administrative assessment, as well as the realistic evaluation of grant-funded programs, ensures that the College always has the ongoing sustainability of its programs at the forefront of planning for the future.

INFORMATION, PHYSICAL AND TECHNOLOGICAL RESOURCES- DESCRIPTION

As part of its mission, KVCC strives to provide a safe and secure environment. The College's facilities are constructed to meet all federal, state, and local requirements for access, safety, security, and environmental considerations. The College's physical plant is reviewed periodically by the Maine Department of Labor (SafetyWorks), the Maine Municipal Association, and by the State's Office of Risk Management. The MCCS shares current information and solutions regarding safety issues, requires internal reviews of all campuses, and also maintains benchmarks for safety. The College reports progress on its safety projects and initiatives to the MCCS Board annually. The maintenance departments of each campus maintain a calendar that details the type and schedule of internal and external environmental and safety audits. Any audit findings are shared with the Executive Leadership to approve an action plan.

The Dean of Technology/Chief Security Officer oversees the safety and security measures on campus. The Manager of Safety and Security, under the direction of the Dean, oversees 6-8 contracted professional and student security officers. Each campus has dedicated office space for the Safety and Security officers. The department provides patrol coverage on both campuses from 7:30am -10:30pm, Monday through Friday, as well as coverage on overnights and weekends as needed. The department works closely with the Fairfield Police Department, which regularly patrols both campuses during the off-hours. Additionally, the campus grounds, parking lots, walkways and building entry points are surveilled by over 90 CCTV cameras. Video data from these cameras is stored for a minimum of 30 days.

The College maintains an Emergency Response Team (ERT), comprised of eleven executive and operations-level members. The ERT provides training for students, staff, and faculty in emergency procedures, conducts lockdown/evacuation/shelter in place drills on both campuses each semester, and provides guidance and oversight of security-related policies and procedures. The ERT and the Department of Safety & Security routinely collaborate with local Emergency Responders, businesses and organizations as well as local, state, and federal Emergency Management Agencies in training, education, and resources to maintain the highest possible level of preparedness.

Since the College's fifth-year interim NEASC report, KVCC acquired the Alford Campus, located approximately eight miles to the north of the Fairfield Campus. The 600-acre Alford Campus includes seven main buildings, river-front property, and a working farm. This campus was purchased by MCCS with a gift from the Alford Foundation. Several new buildings and capital improvement projects required to make the campus a working, functional educational environment, were also completed with this funding. Additional annual funds have been provided by the MCCS to support this second campus on an ongoing basis (see "Financial Resources," above).

The new construction at the Alford Campus includes a presidential residence, a science-focused academic building featuring a 70-seat auditorium space and state-of-the-art laboratories, and a new farm education center. Renovations of the Nutter Fieldhouse and Averill Hall on the Alford Campus have been completed while improvements to the Lunder Learning Commons on the Fairfield Campus continue. In addition to the substantial public works projects required to support roughly half of the

College's degree programs, students, and employees, (such as a rehabilitated well, septic system, and electrical service), the entire campus has been wired with several miles of fiber optic and copper cabling. Network, server, and telephony equipment were acquired to establish this second voice and data network and to connect this new network to the Fairfield Campus in order to provide a single, seamless technology environment for students, staff, and faculty.

Before the Alford Campus was acquired, a combined office and laboratory building on land adjacent to the Fairfield Campus was purchased by the MCCC in 2010. Over the last seven years, the Teague Annex building housed the Business Office and Executive functions, as well as various science classrooms and laboratories. However, as a cost-saving measure, this building has been decommissioned and the closing of its sale to a private buyer is slated for January 2018. The resources and employees previously housed in this space have been redistributed across existing facilities, primarily on the Alford Campus.

The addition and renovation of academic buildings on the Alford Campus drastically increased the College's total instructional capacity. With the addition of a second campus, the College added 30,403 square feet of instructional space (classrooms, labs, and lecture halls), with an additional 92,841 of square footage not directly related to teaching and learning. This has allowed the College to provide the necessary room for new academic programs such as Culinary Arts, Sustainable Agriculture, Sustainable Construction, and to better manage and allocate space for all programs between its two campuses. As an example, the Electrical Lineworker program is transitioning to the Alford campus, opening up space for new programming such as the proposed millwrighting program at the Fairfield Campus.

On the Fairfield Campus, the main academic building—King Hall—had its exterior remodeled in 2008. A state-of-the-art simulation lab was added to the Fairfield Campus in 2013, to primarily benefit the Nursing program and various Allied Health programs. A contiguous simulation space was added to the simulation lab in 2016 to provide students with more simulation-based learning experiences in a clinical setting. Grant and bond funding brought renovations, upgrades and new lab space to the Fairfield Campus. Energy grants supported a new Energy Services lab and solar panels in the Frye building, state bond funding upgraded the Precision Machining Technology lab in the Frye building, and U.S. Department of Labor grants supported the Energy Services lab as well as the Medical Assisting lab in King Hall.

In 2013 the College moved from a library to a Learning Commons concept. The purpose of this transition to the Learning Commons model was to provide a "one-stop" location with Academic, Library, and Technology services in a central location. Learning Commons are located in the Lunder Building on the Fairfield Campus and in Averill Hall on the Alford Campus. The mission of the Learning Commons at KVCC is to provide an inviting and supportive environment that facilitates student centered learning and creates community for all KVCC students. In addition to library services, students may access free peer and professional tutoring, a computer lab, group study space, disability services, and a wide variety of assistive technologies. A Director of the Learning Commons was hired in 2013 to lead this transition.

The Learning Commons employs two Master's-prepared librarians who provide information literacy, research, and related services primarily for faculty and students. The Learning Commons library includes a modern collection of current information resources that encompass a range of media, focusing on an electronic journal catalog of over 22,000 titles, and an eBook selection of almost 167,000 titles.

In 2016, the Librarians engaged in a project to adhere more strictly to its accession/deaccession policy, which resulted in the removal of over 65% of its book titles, donating books to charity that were older or under-utilized. The library services funds are now directed toward electronic journals, books and related resources. Books will remain a part of the holdings, but this reduced collection will be more vital, more germane to teaching and learning and KVCC, and better utilized. Access to the library services electronic resources is provided at both campuses and remotely via password access.

Across its two campuses, KVCC has twelve computer labs, the largest of which is set aside for general student use. Several of these labs provide hardware and software options for specific programs (e.g. Health Information Management Lab), but most labs are designed to benefit as many students as possible. Beginning in 2012, a series of Federal TAACCCT grants infused new technology and resources to improve the capacity of TAACCCT targeted programs. New technology resources include approximately 200 iPads, an Apple lab consisting of 24 computers, and three mobile computer labs, each with two dozen state-of-the-art laptops.

KVCC uses BlackBoard as its single, supported Learning Management System (LMS). Faculty utilize BlackBoard to deliver online programs and courses. Faculty also use BlackBoard to supplement a wide range of "bricks and mortar" courses for student engagement, assessment, and content warehousing functions. The decision to use a single LMS was based on ease of student navigation, technical support consistency, and program and departmental course control.

In 2010, all seven colleges within the MCCS migrated to a new Student Information System: Jenzabar EX. EX provides a modern, SQL-based data environment, with a function-rich, web-based portal for student and employee use. This student information system is updated regularly. KVCC requires all data users to agree to a Network/Computer Access Policy. The College has the staff and technology capacity to monitor activities and act upon any violations of this policy, any applicable federal or state law, or MCCS policy. All mission critical data is backed up daily to an off-site location, and the College has a relationship with several local data vendors that helps ensure a maximum degree of data uptime. Data restoration testing occurs regularly.

INFORMATION, PHYSICAL, AND TECHNOLOGICAL RESOURCES - APPRAISAL

Since the opening of the second KVCC campus four years ago, the College has had to maintain both campuses with only a modest increase in state subsidy for direct maintenance and staffing. Additionally, the creation of new buildings at the Alford Campus and renovations of existing spaces on both campuses have stretched project management capacities to their limits.

The College has a physical plant deferred maintenance plan, but does not currently have a facilities plan. To better manage its physical resources on both campuses, the College's Finance Office is currently working with an engineering firm to develop a multi-year capital improvement facilities plan, identifying issues and opportunities with the buildings, grounds and systems at the College. This plan will serve as an inventory and road map to help prioritize, budget, and schedule a wide range of preventative maintenance, plant adaptation, and capital renewal projects.

INSTITUTIONAL RESOURCES - PROJECTIONS

Human Resources

- Implement an enhanced program review process to include student to faculty and student support ratio to assess student outcomes and potential gaps in academic instruction, academic support and student support.
- Implement an onboarding process.

Financial Resources

- Complete feasibility study to determine need for residential services.
- Develop process for identifying expenses and revenues by campus.
- Continue to diversify recent funding streams: e.g. expand the services and goods provided by the Cafe and Agriculture program through a continuation of farm-to-table efforts; develop a business plan for Workforce Training to stabilize annual revenues.

Information, Physical, and Technological Resources

- Create a formal, three-year capital assessment and improvement plan for both campuses to be used in the annual budget process.
- Secure funding to transform the Lunder Learning Commons through grants.

Standard 7: Institutional Resources
(Headcount of Employees by Occupational Category)

For each of the occupational categories below, enter the data reported on the IPEDS Human Resources Survey (Parts B and D1) for each of the years listed.

If your institution does not submit IPEDS, visit this link for information about how to complete this form:

https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package_1_43.pdf

	3 Years Prior			2 Years Prior			1 Year Prior			Current Year		
	(IPEDS2014)			(IPEDS2015)			(IPEDS2016)			-2017		
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total
Instructional Staff	45	206	251	46	79	125	44	79	123	44	89	133
Research Staff	0	0	0	0	0	0	0	0	0	0	0	0
Public Service Staff	0	0	0	0	0	0	0	0	0	0	0	0
Librarians	2	0	2	1	0	1	1	0	1	2	0	2
Library Technicians	0	0	0	0	0	0	0	0	0	0	0	0
Archivists, Curators, Museum staff	0	0	0	0	0	0	0	0	0	0	0	0
Student and Academic Affairs	2	2	4	11	1	12	8	1	9	6	4	10
Management Occupations	13	0	13	11	1	12	14	0	14	14	0	14
Business and Financial Operations	7	1	8	6	2	8	8	0	8	9	0	9
Computer, Engineering and Science	3	0	3	1	0	1	4	0	4	3	0	3
Community, Social Service, Legal, Arts, Design, Entertainment, Sports, and Media	8	3	11	4	1	5	4	1	5	2	2	4
Healthcare Practitioners and Technical	0	0	0	0	0	0	0	0	0	0	0	0
Service Occupations	6	1	7	7	0	7	8	0	8	8	0	8
Sales and Related Occupations	0	0	0	0	0	0	0	0	0	0	0	0
Office and Administrative Support	11	2	13	1	2	3	8	1	9	7	1	8
Natural Resources, Construction, Maintenance	2	0	2	10	0	10	3	0	3	2	0	2
Production, Transportation, Material Moving	0	0	0	0	0	0	0	0	0	0	0	0
Total	99	215	314	98	86	184	102	82	184	97	96	193

Please enter any explanatory notes in the box below

(Statement of Financial Position/Statement of Net Assets)

Revised April 2016

	Total Liabilities		\$3,262	\$2,715	\$2,611	-16.8%	-3.8%
	NET ASSETS (in 000s)						
	Unrestricted net assets						
	Institutional						
	Foundation		\$29,995	\$31,388	\$30,888	4.6%	-1.6%
	Total		\$0				
	Temporarily restricted net assets		\$29,995	\$31,388	\$30,888	4.6%	-1.6%
	Institutional						
	Foundation		\$0	\$0			
	Total		\$0	\$0	\$0		
	Permanently restricted net assets						
	Institutional		\$829	\$250	\$250	-69.8%	0.0%
	Foundation						
	Total		\$829	\$250	\$250	-69.8%	0.0%
	Total Net Assets		\$30,824	\$31,638	\$31,138	2.6%	-1.6%
	TOTAL LIABILITIES and NET ASSETS		\$34,086	\$34,353	\$33,749	0.8%	-1.8%

Please enter any explanatory notes in the box below

Standard 7: Institutional Resources
(Statement of Revenues and Expenses)

Fiscal Year ends - month & day: (6 / 30)		3 Years Prior (FY2015)	2 Years Prior (FY2016)	Most Recently Completed Year (FY 2 017)	Current Year (FY 2018)	Next Year Forward (FY 2019)
OPERATING REVENUES (in 000s)						
?	Tuition and fees	\$4,898	\$5,010	\$5,299	\$5,226	\$5,226
?	Room and board			\$138	\$222	\$222
?	Less: Financial aid	-\$4,533	-\$4,820	-\$4,783	-\$4,989	-\$4,989
	Net student fees	\$365	\$190	\$654	\$459	\$459
?	Government grants and contracts	\$7,431	\$7,564	\$6,321	\$6,311	\$6,311
?	Private gifts, grants and contracts	\$939	\$870	\$415	\$172	\$172
?	Other auxiliary enterprises	\$903	\$115	\$113	\$140	\$140
	Endowment income used in operations				\$0	\$0
?	Other revenue (specify): Fines, room rentals, misc billings	\$130	\$149	\$145	\$136	\$136
	Other revenue (specify): Produce sales from farm operations	\$7	\$3	\$15	\$29	\$29
	Net assets released from restrictions	\$0	\$0	\$0	\$0	\$0
	Total Operating Revenues	\$9,775	\$8,891	\$7,663	\$7,247	\$7,247
OPERATING EXPENSES (in 000s)						
?	Instruction	\$7,199	\$6,728	\$6,040	\$5,905	\$6,057
?	Research	\$0	\$0	\$0	\$0	\$0
?	Public Service	\$0	\$0	\$0	\$0	\$0
?	Academic Support	\$1,809	\$2,117	\$2,206	\$2,544	\$2,597
?	Student Services	\$1,402	\$1,316	\$1,504	\$1,794	\$1,838
?	Institutional Support	\$1,644	\$1,908	\$1,884	\$1,914	\$1,951
	Fundraising and alumni relations	\$0	\$0	\$0	\$0	\$0
?	Operation, maintenance of plant (if not allocated)	\$1,743	\$1,310	\$1,501	\$1,596	\$1,615
?	Scholarships and fellowships (cash refunded by public institution)	\$42	\$42	\$43	\$40	\$40
?	Auxiliary enterprises	\$895	\$156	\$309	\$273	\$273
?	Depreciation (if not allocated)	\$1,459	\$1,702	\$1,680	\$0	\$0
?	Other expenses (specify):	\$0	\$0	\$0	\$0	\$0
	Other expenses (specify):	\$0	\$0	\$0	\$0	\$0

Standard 7: Institutional Resources
(Statement of Debt)

FISCAL YEAR ENDS month & day (06/30)			3 Years Prior (FY2015)	2 Years Prior (FY2016)	Most Recently Completed Year (FY 2017)	Current Year (FY 2018)	Next Year Forward (FY 2019)
		Debt					
		Beginning balance	\$1,170,789	\$1,111,935	\$1,051,291	\$985,511	\$0
		Additions	\$0	\$0	\$0	\$0	\$0
	?	Reductions	(\$58,854)	(\$60,644)	(\$65,780)	(\$62,488)	\$0
		Ending balance	\$1,111,935	\$1,051,291	\$985,511	\$923,023	\$0
		Interest paid during fiscal year	\$34,319	\$32,529	\$30,694	\$28,784	\$0
		Current Portion	\$60,644	\$65,780	\$62,488		\$0
		Bond Rating					

Debt Covenants: (1) Describe interest rate, schedule, and structure of payments; and (2) indicate whether the debt covenants are being met.

Interest rate is 3%, monthly payments, debt covenants are met.

Line(s) of Credit: List the institutions line(s) of credit and their uses.

N/A

Future borrowing plans (please describe)

N/A

Please enter any explanatory notes in the box below

Standard 7: Institutional Resources
(Supplemental Data)

FISCAL YEAR ENDS month & day (06/30)		3 Years Prior (FY2 015)	2 Years Prior (FY2016)	Most Recently Completed Year (FY 2017)	Current Year (FY 2018)	Next Year Forward (FY 2019)
NET ASSETS						
	Net assets beginning of year	\$29,405	\$30,824	\$31,639	\$31,139	\$31,139
	Total increase/decrease in net assets	\$1,419	\$815	(\$500)		
	Net assets end of year	\$30,824	\$31,639	\$31,139	\$31,139	\$31,139
FINANCIAL AID						
	Source of funds					
	Unrestricted institutional	\$384	\$470	\$554	\$456	\$456
	Federal, state and private grants	\$4,178	\$4,346	\$4,213	\$4,517	\$4,517
	Restricted funds	\$0	\$0	\$0	\$0	\$0
	Total	\$4,562	\$4,816	\$4,767	\$4,973	\$4,973
	% Discount of tuition and fees	92.6%	96.2%	90.3%		
?	% Unrestricted discount	8.5%	9.7%	11.6%		
?	FEDERAL FINANCIAL RESPONSIBILITY COMPOSITE SCORE					
Please indicate your institution's endowment spending policy:						

Please enter any explanatory notes in the box below

Standard 7: Institutional Resources (Information Resources)

3 Years Prior	2 Years Prior	Most Recently Completed Year	Current Year	Next Year Forward (goal)
(FY 2015)	(FY 2016)	(FY 2017)	(FY 2018)	(FY 2019)

Total Expenditures

Materials
Salaries & wages (permanent staff)
Salaries & wages (student employees)
Other operating expenses

\$34,126	\$34,177	\$36,964	\$36,000	\$36,000
\$149,576	\$154,453	\$120,100	\$121,233	\$128,507
\$0	\$0	\$0	\$0	\$0
\$78,989	\$117,631	\$79,955	\$73,212	\$73,212

Expenditures/FTE student

Materials
Salaries & wages (permanent staff)
Salaries & wages (student employees)
Other operating expenses

1243.1	1233.5	1275.7	1305	1270
\$27	\$28	\$29	\$28	\$28
\$120	\$125	\$94	\$93	\$101
\$0	\$0	\$0	\$0	\$0
\$64	\$95	\$63	\$56	\$58

Collections

Percent available physically
Percent available electronically
Number of digital repositories

8%	8%	7%	2%	1%
92%	92%	93%	98%	99%
NA	NA	NA	NA	NA

Personnel (FTE)

Librarians - main campus
Librarians - branch /other locations
Other library personnel - main campus
Other library personnel - branch/other locations

2	2	2	1	1
1	1	1	1	1
0	0	0	0	0
0	0	0	0	0

Availability/attendance

Hours of operation/week main campus
Hours of operation/week branch/other locations

40	40	40	40	40
40	40	40	40	40

Consortia/Partnerships

MINERVA/MILS - Maine libraries
HSLIC - Maine health science libraries
OCLC - National libraries

URL of most recent library annual report:

<https://www.dropbox.com/s/hhefld1avp19g0z/2015.pdf?dl=>

Please enter any explanatory notes in the box below

See Form 4.5 for data about Information Literacy

Standard 7: Institutional Resources (Technological Resources)

3 Years Prior (AY 14-15)	2 Years Prior (AY 15-16)	Most Recently Completed Year (AY 16-17)	Current Year (AY 17-18)	Next Year Forward (goal) (AY 18-19)
				?

Course management system

Number of classes using the system

Blackboard				
	604	621	616	257 (Fall)
				600

Bandwidth

On-campus network

Off-campus access

commodity internet (Mbps)

high-performance networks (Mbps)

Wireless protocol(s)

100Mbps--Fairfield campus, 20Mbps--Alfond campus (plus 20Mbps intercampus bandwidth and 100 MCCS WAN connection)	100Mbps--Fairfield campus, 20Mbps--Alfond campus (plus 100Mbps intercampus bandwidth and 100 MCCS WAN connection)	100Mbps--Fairfield campus, 20Mbps--Alfond campus (plus 100Mbps intercampus bandwidth and 100 MCCS WAN connection)	100Mbps--Fairfield campus, 20Mbps--Alfond campus (plus 100Mbps intercampus bandwidth and 100 MCCS WAN connection)	100Mbps--Fairfield campus, 20Mbps--Alfond campus (plus 100Mbps intercampus bandwidth and 100 MCCS WAN connection)
802.11b/g/n	802.11b/g/n	802.11b/g/n	802.11b/g/n	802.11ac

Typical classroom technology

Main campus

Branch/other locations

Ceiling-mounted projector, PC w/DVD/CD, portable Smartboards and document cameras				
NA				

Software systems and versions

Students

Finances

Human Resources

Advancement

Library

Website Management

Portfolio Management

Interactive Video Conferencing

Digital Content Management

Module within Jenzabar EX				
Module within Jenzabar EX				
Module within Jenzabar EX				
Module within Jenzabar EX				
Sierra Integrated Library Catalog/ILS System				
Proprietary Content Management System, updated 2017.				
Blackboard				
Cisco Telepresence System (five portable units)				
NA				

Website locations of technology policies/plans

Integrity and security of data	N/A/Internal document
Privacy of individuals	N/A/Internal document
Appropriate use	N/A/Internal document
Disaster and recovery plan	N/A
Technology replacement	N/A/Internal document

Please enter any explanatory notes in the box below

Standard 7: Institutional Resources

(Physical Resources)

Campus location	Serviceable		Assignable Square Feet (000)	
	Buildings			
Main campus	6		146,109	
Other U.S. locations	12		123,244	
International locations				

	3 Years Prior (FY 2015)	2 Years Prior (FY 2016)	1 Year Prior (FY 2017)	Current Year (FY 2018)	Next Year Forward (goal) (FY 2019)
Revenue (\$000)					
Capital appropriations (public institutions)	\$547	\$1,029	\$233	\$0	\$0
Operating budget	\$512	\$719	\$1,007	\$30	\$0
Gifts and grants	\$3,950	\$1,470	\$188	\$76	\$78
Debt	\$0	\$0	\$0	\$0	\$0
Total	\$5,009	\$3,218	\$1,428	\$106	\$78
Expenditures (\$000)					
New Construction	\$2,133	\$0	\$0	\$0	\$0
Renovations, maintenance and equipment	\$2,792	\$3,163	\$1,405	\$101	\$104
Technology	\$84	\$55	\$23	\$5	\$5
Total	\$5,009	\$3,218	\$1,428	\$106	\$109

Assignable square feet (000)	Main campus		Off-campus		Total
Classroom	16,969	10,387			27,356
Laboratory	22,754	20,016			42,770
Office	16,085	8,489			24,574
Study	6,885	1,959			8,844
Special	281	27,126			27,407
General	37,567	20,112			57,679
Support		32,455			32,455
Residential		2,700			2,700
Other	35,448	0			35,448

Major new buildings, past 10 years (add rows as needed)

Building name	Purpose(s)	Assignable Square Feet (000)	Cost (000)	Year
Teague Building	Classrooms	1,837	\$1,299	2010
Good Will Hinckley Buildings	Multiple Uses	95,059	\$3,743	2012
Ag. Science Building	Classrooms	16,454	\$5,620	2015
President's Residence	Living Space	2,700	\$576	2014

New buildings, planned for next 5 years (add rows as needed)

Building name	Purpose(s)	Assignable Square Feet	Cost (000)	Year

Major Renovations, past 10 years (add rows as needed)

The list below includes renovations costing \$XXX or more

Building name	Purpose(s)	Assignable Square Feet	Cost (000)	Year
King Hall	Upgrade	45,000	\$1,702	2010
Frye Building	Energy Retrofit	21,000	\$875	2011
Frye Building	One stop Enroll CTR	3,391	\$306	2011
Frye Building - Whitney Wing	Roof Replacement	2,000	\$363	2011
King Hall	New Simulation Lab	1,098	\$111	2012
Frye Building - Whitney Wing	Created Energy Svcs. Lab	3,682	\$1,026	2012
Averill Building	Renovations & Upgrade		\$212	2014
Hay Barn	Renovations		\$185	2015
Assorted Alford Campus Bldg.	IT Infrastructure Upgrade		\$224	2015
King Hall	Boiler Replacement	356	\$254	2015
Moody Chapel	Renovations		\$759	2015
Averill Building	Create Culinary Kitchen		\$589	2015
Frye Annex	Café Renovations	2,511	\$109	2015
Farm Production Facility	Renovations		\$924	2016
King Hall	Medical Assisting Lab	877	\$107	2016

Renovations planned for next 5 years (add rows as needed)

The list below includes renovations costing \$XXX or more

Building name	Purpose(s)	Assignable Square Feet	Cost (000)	Year
Nutter Field House	Add classroom space	1,000	\$85,000	2018

Please enter any explanatory notes in the box below

STANDARD EIGHT EDUCATIONAL EFFECTIVENESS

The institution demonstrates its effectiveness by ensuring satisfactory levels of student achievement on mission appropriate student outcomes. Based on verifiable information, the institution understands what its students have gained as a result of their education and has useful evidence about the success of its recent graduates. This information is used for planning and improvement, resource allocation, and to inform the public about the institution. Student achievement is at a level appropriate for the degree awarded.

DESCRIPTION

In 2016, the Educational Effectiveness Committee (EEC) was formed as part of the College's redesigned governance structure. The committee is chaired by a faculty member, a student service member, and the Academic Dean. Membership includes additional faculty, the Director of Institutional Research (IR), and appropriate staff to fulfill the committee's purpose of monitoring the institution's educational effectiveness and communicating this information to the college community to inform planning, improvement, and resource allocation, and to the public.

Until 2016, the College utilized the Institutional Assessment Committee (IAC) to support and enhance the mission of the institution by developing and coordinating an assessment process that included all functions of KVCC. The IAC struggled with consistent planning, evaluation, and dissemination of institutional data. Findings were not distributed to the campus community or formally reviewed on a consistent basis.

The establishment of the new committee structure outlined in KVCC's 2017 Governance Document should resolve this issue by dividing the responsibilities among six committees. The committee structure is conducive to widespread communication of institutional data among the college community and provides the framework necessary to assure that the College devotes appropriate attention to its methods of understanding student learning and student success. Committee membership represents a cross-section of faculty, staff, students, and administration. This ensures that the data is vetted by a broad representation of the college community. Each committee charter has specific deliverables related to the analysis of institutional data. For example, the Educational Effectiveness Committee charter provides a scope of how the standards are incorporated into the committee work.

The newly formed committees convened in spring 2017 with the primary focus on the NEASC self-study process and specific standards. With the self-study complete, each committee will now focus on the developing a committee charter and deliverables for the 2017-2018 academic year. Beginning in fall 2017, the College's new committee structure will establish a consistent cycle of quality improvement, by assigning the various measures of student success to the appropriate committee(s) for review and recommendations. It may take 2-3 years for the committees to refine their charters to reflect the needs of the College.

The College employs a fulltime Director of IR. The role of the Director of IR is to maintain a central clearinghouse for institutional data and to develop and provide reports to inform the College about the student bodies enrolled at the institution. The Director of IR develops and uses data and evidence for each of the student bodies identified. The student bodies included in reports may be identified by degree or certificate program, modality, and other variables. Prior to the introduction of the Director of IR position, the college community experienced difficulty obtaining accurate and timely data to support evidence-based decisions. In 2015, the College began publishing an annual fact book containing important information about the College's various student bodies. The factbook contains information on fall student profile, trends for degree-seeking students, high school students enrolled in concurrent and/or dual enrollment, and student success data such as retention, completion, placement, and wage data for graduates.

Since hiring the Director of IR in 2012, there has been a marked change in the campus culture to embrace data-driven decision-making. To support the data-driven decision-making, the Director of IR created a request form to facilitate staff, faculty, and administration access to specific data. The turnaround time for each request varies depending on the priority of the request. The availability of, and access to, consistent and accurate reports allows the college community to make evidence-based, data-driven decisions and recommendations as various policy, procedure, program, and course changes are considered.

For example, the Faculty Senate questioned the requirement to report midterm grades. Members had expressed concern that the eight-week grade was not an accurate prediction of student success since much of the coursework was not evaluated until later in the semester. Unofficially, the purpose of the midterm grade was to provide a wake-up call to underperforming student so that the student could seek additional help or make an informed decision to withdraw from the course. Anecdotally, faculty reported that students performing poorly at midterm seldom improved to achieve a successful course outcome. The Faculty Senate President submitted a request to the Director of IR to analyze the data surrounding the midterm grades. The resulting report indicated that the midterm grade did not have a significant impact on course outcome. The Faculty Senate recommended that students receive a four-week indication of performance to provide an opportunity for earlier intervention. This will not be a letter grade but rather a satisfactory or unsatisfactory evaluation. This four-week evaluation will be implemented in the fall of 2017. The College will assess the effectiveness of a four-week evaluation versus the current eight-week evaluation at the end of the 2017-18 academic year.

KVCC's mission states that the College "prepares students to achieve their educational, professional, and personal goals in a supportive environment through shared values of responsibility integrity and respect." Graduation expectations are clearly stated in the College Catalog and on its website in the form of the definition of the educated person. This definition not only includes academic experience but also other aspects of the educational experience. In line with its mission and its beliefs, the College expects that graduates will have the following characteristics of the "educated person":

- Function competently and responsibly as entry level members of their respective professions and trades;

- Communicate clearly, effectively, and persuasively in both the written and spoken word;
- Utilize resources and technology as lifelong learners in pursuit of both their personal and professional goals;
- Recognize opportunities for career advancement through transfer programs with other colleges and universities;
- Solve problems and make decisions based upon logical thinking and analytical skills;
- Respect cultural, ethnic, and intellectual diversity as involved members of their communities.

Program missions and educational learning outcomes for each academic program are included in the course catalog and on the website.

The effectiveness of student learning is assessed at multiple levels including course, program, and institution. Each course has a standard syllabus that states student learning objectives. The course syllabus also includes a description of how student learning will be assessed in the course. Faculty are encouraged to use a variety of assessment methods to evaluate learning. These methods may include, but are not limited to, quizzes and exams, assignments, projects, papers, presentations, and other demonstration of competencies.

Academic programs assess their students at both the course-level and at the programmatic level. Course-level assessment of individual students takes on a variety of forms including quizzes and exams, papers, presentations, and projects. The Office of Institutional Research conducts periodic analysis for success rates in all courses and provides a report to the Academic Dean. The Academic Dean will discuss any course success rates of concern with the appropriate department. For example, the current pass rate for Accounting I is 62%. The Business Department is tasked with developing a plan of action to improve student success in this gateway course.

Top 25 Enrolled AY1112-Fall 1617: Percent UNSUCCESSFUL Completion									
Enrollment Ranking	Unsuccessful Completion Ranking	Course Code	AY1112	AY1213	AY1314	AY1415	AY1516	AY1617	Total
16	1	ACC 111	41%	43%	53%	45%	42%	42%	44%
2	2	ENG 101	38%	44%	37%	33%	34%	33%	37%
7	3	CPT 117	36%	32%	34%	31%	28%	48%	34%
1	4	PSY 101	34%	38%	32%	29%	27%	34%	32%
5	5	BIO 213	39%	29%	29%	25%	28%	31%	30%

ACC 111			
		≥ C	≤ C-
Faculty	Seated = (96)	55%	45%
	Online (N=160)	48%	53%
	Hybrid (N=0)	0%	0%
Total Faculty N= 256		50%	50%
Ad Junct	Seated (N= 270)	67%	33%
	Online (N=166)	48%	52%
	Hybrid (N=0)	0%	0%

Total Ad Junct N= 436		60%	40%
Total	Seated (N=366)	64%	36%
	Online (N=326)	48%	52%
	Hybrid (N=0)	0%	0%
Total N=692		56%	44%

Fall 2016 Success Rates by Ethnicity								
(A+B+C grades/A+B+C+D+F+W grades)								
Course Number	Course Title	Success Rate	Asian	Black	Hispanic	Native American	Unknown	White
ACC 111	Principles of Accounting I	62%		0%			50%	64%

Program-level outcomes are measured in a variety of ways including: national board or licensure exams, competency-based testing, and employment. In addition, program faculty may solicit feedback from area employers and alumni advisory boards. Program Advisory Committees (PAC) periodically review program-level student and graduate information and when appropriate, make recommendations for program improvement. The process is reflected in the PAC agendas and minutes. Individual PAC members and area employers may provide qualitative feedback to inform program faculty about student and graduate performance in the workplace. This PAC member feedback may include identifying additional technical skills required for a specific profession or it may address the need for improving employee “soft skills” such as interpersonal communication.

Programs that have national accreditation participate in periodic self-studies, providing an opportunity for a comprehensive assessment of the program’s effectiveness:

KVCC Program	Accrediting Body	Program Percent Completion (2014 Cohort)	Graduate Licensure Passage (AY2016-2017)	Percent Employed in Field (2014-2016 graduates)*	Median Annual Salary
Occupational Therapy Assistant	Accreditation Council for Occupational Therapy Education (ACOTE)	94%	93%	82%	\$51,097
Medical Assisting	Commission on Accreditation of Allied Health Education Programs (CAAHEP)	63%	100%	88%	\$28,155
Nursing	Accreditation Commission for Education in Nursing	83%	94%	82%	\$51,097
Health Information Management	Commission on Accreditation for Health Information and Information Management Education (CAHIM)	52%	100%	50%	\$33,369
Radiological Technology	Joint Review Committee on Education in Radiologic Technology (JRCERT)	80%	83%	83%	\$41,190

Physical Therapist Assistant	Commission on Accreditation in Physical Therapy Education (CAPTE)	90%	100%	88%	\$51,097
Paramedic	Commission on Accreditation of Allied Health Programs (CAAHEP)	72%	Not Available	100%	\$38,583

**Data collected from the KVCC Graduate Survey. Percent working in the field is based on the percent of responses working in field of study.*

The MCCC educational policy board program review includes cohort data for five years including graduation, retention, and transfer rates. Program strengths and challenges are also discussed as well as plans for continuous improvement. The table below is an example of the General Science 2014 cohort reporting (November 2017) that was submitted to the MCCC educational policy board.

Cohort of Fall 2014/Spring 2015: Number of students accepted and enrolled as of October 15, 2014										396
Cohort status as of:	Graduated		Transferred		Matriculated/ enrolled in the same program		Matriculated/ enrolled in a different program		Not attending this term	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
10/15/15	12	3	44	11	110	28	120	30	110	28
10/15/16	33	8	59	15	34	9	130	33	140	35

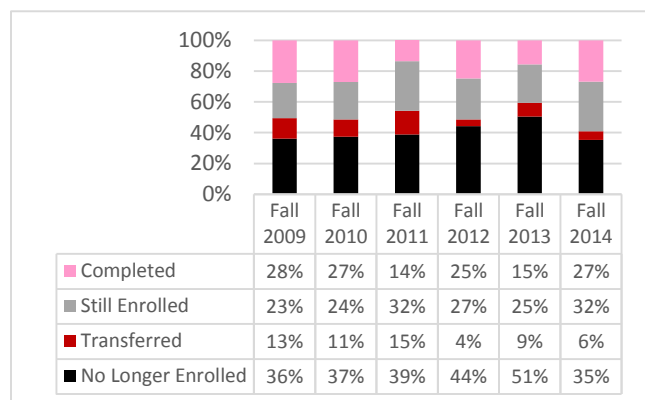
The MCCC review is not a complete picture of what is happening within a program. To fill this gap, the Institutional Assessment Committee (IAC) developed and approved an internal program review process in 2007. The purpose of the self-study was to inform program faculty, advisory board members, administration, and the college community about individual program educational effectiveness. The Academic Dean requested that the IAC hold off on the implementation of the program review because of upcoming changes to the MCCC program review process. The College has not implemented the internal program review process proposed in 2008.

The College offers a variety of concurrent and dual enrollment courses to high school students attending 26 local high schools. The number of students has increased from 946 in 2011-2012 academic year to 1,450 in the 2015-2016 academic year, representing a 53% increase. This number represents high school students attending class at their high school, online, or on the College campus.

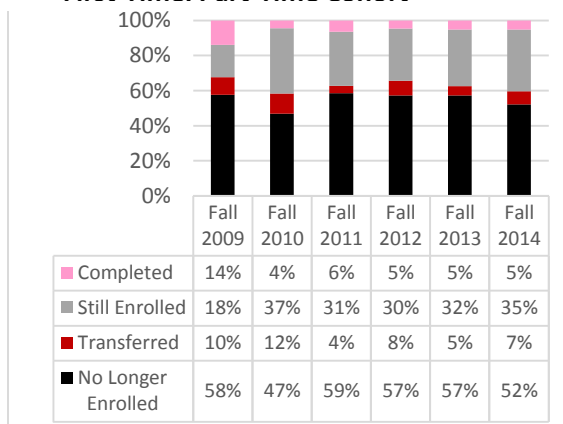
In April 2016, the MCCC adopted Policy 311, *Dual and Concurrent Enrollment Programs*, to establish rules for dual and concurrent enrollment programs. Included in the policy are the requirements for evaluating dual and concurrent enrollment programs. In spring 2017, KVCC's department chairs piloted the new evaluation tool and procedure. The concurrent enrollment evaluation tool and procedure differed from the current adjunct evaluation tool and procedure. The concurrent enrollment process was more detailed and presented a challenge for the chairs to complete. To comply with MCCC Policy 311, which states that concurrent enrollment faculty are to be viewed as adjunct faculty, the College will be using the adjunct evaluation tool and procedure beginning in fall 2018.

The College defines student success in terms of course-level success, retention, transfer, completion (graduation), licensure passage rates, default and loan repayment rates, graduate satisfaction, and employment rates (KVCC 2020, Fact Book) for traditional and non-traditional students attending courses on campus and online. Assessment of student success and quantitative measures of success are embedded in a comprehensive institutional assessment plan. Student success data is analyzed and reported annually in the College Fact Book and on the College's website. Below is an example of First-Time Graduation and Transfer Rates at 150% used to examine student success (KVCC Factbook 2016-2017).

First-Time. Full-Time Cohort



First-Time. Part-Time Cohort



In the College's Strategic Plan, KVCC seeks to maintain a 65% retention rate by fall 2020 (p 9). The College also established goals for transfer rates to four-year institutions: 14% for students who have not fully completed the program and 16% for KVCC graduates. Although more than half the undergraduates in the nation are enrolled in community colleges, the three-year graduation rate is only 19.5%. In Maine, that figure is 21.8%. When persistence, transfer, and graduation are factored in, the MCCS student success rate increases to 55% for full- and part-time matriculated students. The 2015-2020 MCCS Strategic Plan seeks to increase that rate to 65% for the entering fall 2019 cohort of matriculated students and includes objectives and measures designed to make that goal a reality.

KVCC defines co-curricular activities as learning experiences that complement the academic curriculum. The various student clubs or societies on campus provide co-curricular activities that are professionally or interest focused. For example, the leadership society sponsored a series of webinars presented by industry and national leaders in 2015-16. In spring 2017, the honors program students hosted a reception to display their capstone projects and discuss their experience with the college community. Although co-curricular activities occur, the College does not have stated goals for co-curricular learning. The lack of goals will be addressed by the Student Committee in collaboration with the Academic Committee in spring 2018.

KVCC uses a variety of methods and measures to understand the experiences and learning outcomes of students. To measure the course-level experience, the College employs a course feedback form that students complete each semester prior to the end of the course. This provides faculty with the student's perspective on their learning experience and accomplishment of the course outcomes. The feedback form not only provides a scale to score each aspect of the student's learning experience, but also the opportunity to comment and provide qualitative feedback to the instructor.

As part of the College's Title 3 grant deliverables, KVCC participated in the Foundations of Excellence® (FoE) with a focus on first year student and transfer student experience. KVCC was selected as one of 10 two-year colleges to provide leadership in the inaugural use of the foundational dimensions in 2005. Course-level success data was analyzed through a variety of lenses such as full-time versus part-time instruction, concurrent enrollment student performance, online and hybrid versus live seated class performance, etc. Based on the work conducted, the workgroups identified the need to have ongoing reports on successful completions at a course level. The workgroup identified courses in both the gen eds and core areas that had a 40-50% failure rate (C or below). The workgroup summarized that programs needed an increased understanding on modality of courses in conjunction with the sequence of coursing within a degree area.

The College administers several national surveys to the student body, including the Community College Survey for Student Engagement (CCSSE) and the Noel-Levitz Student Satisfaction Inventory (SSI). The CCSSE survey serves as a:

- Benchmarking tool - establishing national norms on educational practice and performance by community and technical colleges.
- Diagnostic tool - identifying areas in which a college can enhance students' educational experiences.
- Monitoring device - documenting and improving institutional effectiveness over time.

The SSI survey measures student satisfaction with a variety of services that impact student retention and success. Students are asked to rate the priority as well as the importance of each service, for example academic advising. The survey assesses how successful the College is in meeting student expectations.

The CCSSE is administered on average every two years, alternating with the Noel-Levitz SSI survey. Both tools provide an opportunity for the College to compare results with other colleges within the MCCS and with similar colleges nationwide.

To gather information from KVCC graduates, the College administers a graduate survey six months post completion. The survey is administered both electronically and in hard copy by postal mail. The survey link is sent to both the student's home and KVCC email address on file. Return rates on graduate surveys range institutionally from 25% to 30% each year. Standard 2 addresses a projection to revisit the graduate survey and the use of wage data to improve the College's assessment of student outcomes post-completion.

APPRAISAL

Transfer, retention, and completion are critical outcomes to demonstrate student success. On average, KVCC has the highest retention rate in the MCCS for first-time full-time students; however, retention rates drop for part-time students. On average, 60% of the KVCC students are part-time, highlighting the need to identify and deliver practices that will increase the retention of these students. The table below shows KVCC retention rates compared to other community colleges in Maine and the National Average for Two-Year public institutions for both First Time, Full-Time and First Time, Part-Time (*Source: National Student Clearinghouse Research Center).

Fall-to-Fall Retention: First Time, Full-Time Students						
	2015	2014	2013	2012	2011	Average
Kennebec Valley Community College	67%	57%	68%	57%	67%	63%
Central Maine Community College	57%	59%	64%	53%	60%	59%
Eastern Maine Community College	69%	62%	60%	59%	55%	61%
Northern Maine Community College	59%	54%	56%	66%	59%	59%
York County Community College	60%	61%	63%	52%	54%	58%
Southern Maine Community College	55%	56%	55%	56%	54%	55%
Washington Community College	61%	56%	48%	53%	43%	52%
National Benchmark*	61%	60%	60%	58%	59%	60%

Fall-to-Fall Retention: First Time, Part-Time Students						
	2015	2014	2013	2012	2011	Average
Kennebec Valley Community College	45%	52%	47%	43%	48%	47%
Central Maine Community College	41%	47%	48%	51%	69%	51%
Eastern Maine Community College	51%	36%	41%	38%	37%	41%
Northern Maine Community College	45%	31%	45%	36%	34%	38%
York County Community College	47%	43%	50%	66%	43%	50%
Southern Maine Community College	54%	41%	50%	49%	48%	48%
Washington Community College	62%	0%	0%	23%	29%	23%
National Benchmark*	41%	40%	40%	47%	39%	41%

In 2016, the College completed its second round of FoE (first round completed in 2010). The work completed included a recommendation to develop a **Retention Mission** to define retention, create a retention mission statement, and describe the roles of faculty and staff in the retention initiative. Although FoE evaluated first year and transfer students, the work completed by the institution in FOE has fundamentals embedded to help all students succeed.

In 2017, the College became a member of Achieving the Dream (ATD). The purpose for the work is to bring the institution together as one voice aligning the College's academic and student affairs services and building a culture of evidence to support student success initiatives that are scalable through the use of the College's data. Although this work is new to KVCC, the College will use the FoE action plan from 2016 to inform the ATD work.

Graduation expectations reflect KVCC's mission and are appropriate for the level and range of degrees and certificates offered at the College. The mission and the graduate expectations are further supported by the values and ideals expressed by the college community. Graduate expectations are measured at both the institutional and programmatic level. A variety of methods are used to measure expectations including essential learning outcome assessment, board and licensure success, graduate surveys, transfer rate, and employment rate.

Online learning has expanded since academic year 2012. In 2012, the College had 3,931 registrations for online courses. In academic year 2016, this increased to 4,364, an increase of 11%. Online course offerings increased from 228 in 2012 to 256 in 2016, an increase of 12%. The College knows little about the student population enrolled exclusively in an online program or the performance of online compared to seated courses. There is no formal assessment in place to measure the online program student experience. Additionally, the College lacks course feedback questions to allow online students to reflect on the online learning experience. In 2013 the Instructional Technology Committee introduced minimum on-line standards which included required content and expectations regarding faculty response time. The College has not established comprehensive standards in the online environment to reflect best practices.

Analysis of concurrent and dual enrollment student data has improved. The students are coded appropriately, so the population data is readily available for analysis and reporting. Course-level feedback is available for concurrent enrollment courses beginning with the 2016-2017 academic year. Access to this information will allow department chairs and faculty to monitor the courses offered at high schools and the career and technical centers. Dual enrollment and concurrent enrollment student success is measured by the percent of successful course completion. The success rate among dual and concurrent enrolled high school students for all courses has ranged between 72-79% over the past five years. In academic year 2016-2017, high school students had a completion rate of 83% in College English compared to 66% for the College's degree-seeking students. Off campus concurrent students had an 82% completion rate compared to those high school students on campus at 86%. Another example is College Math. In 2016-2017, high school students had a completion rate of 82% compared to 84% for the College's degree-seeking students. Off campus concurrent students had an 81% completion rate compared to those high school students on campus at 89%. Further high school student success analysis should be performed to break out this cohort into concurrent, dual seated, and dual online cohorts.

The College is particularly interested in understanding the percentage of students attending KVCC upon graduation from the high school. No information on projected high school graduation data is collected from high school students. The College will begin collection projected high school graduation data upon application to better understand the actual conversion rate of students enrolled in concurrent or dual enrollment courses into KVCC degree-seeking programs.

An area of concern identified in the 2008 self-study was the lack of a plan to assess the general education learning outcomes at the institutional-level. In response, the general education faculty in some of the departments began to work on common assessments, focused on the high-enrolled general education courses. Mentioned in the fifth-year interim report, the common assessment strategy provided course-level data for the individual departments, but the College still lacked a systemic plan to evaluate general education outcomes. The lack of a comprehensive plan prevented the College from measuring the development of students with reference to the Essential Learning Outcomes (ELOs) as they progressed through the program.

In 2012, a team of general education faculty and department chairs formed the General Education Council (GEC) to assist the Academic Dean with the development and implementation of an assessment plan for general education. In 2013, the Academic Dean appointed a steering committee composed of

several of the GEC members and faculty representing all other academic departments. The steering committee proposed a set of ELOs to measure characteristics of an educated person. The outcomes include written communication, oral communication, teamwork, quantitative literacy, problem solving, and critical thinking. The Faculty Senate voted to approve the ELOs in 2014.

Following the establishment of the ELOs, the GEC members mapped each ELO to the appropriate 100-level general education courses that would assess student proficiency early in their college career. In 2015, the program coordinators were asked to map the ELOs to program courses. To date, seven programs have completed the map. Mapping is still in progress for the remaining programs. In academic year 2015-16, general education faculty collaborated with program faculty to develop AACU's VALUE-based rubrics for the assessment of the ELOs. The assessment team for each ELO participated in a norming session to establish inter-rater reliability and to evaluate the rubrics in Spring 2017 for the writing domain.

A linear regression analysis was conducted to describe the linear prediction between the Accuplacer scores and outcomes (student grade) to determine a predicted Accuplacer score that would result in a C or better grade with 95% confidence interval. Results indicated a strong correlation between the math and/or reading scores and course success. In 2013, a minimum Accuplacer reading score requirement was added as a prerequisite to enrollment in Anatomy and Physiology. Students who perform below the minimum reading score may enroll in the course once they have successfully completed one of the following options: retake Accuplacer and score above the minimum, successfully complete a 100-level laboratory science, or participate in a one-day workshop called Learning Excellence in Anatomy and Physiology (LEAP). Of the 123 who completed LEAP, 97 completed Anatomy and Physiology successfully.

With the addition of a science faculty member in fall 2012, the department was also able to introduce recitation to each section of Anatomy and Physiology I. Recitation sections provide an opportunity for reinforcement of lecture and lab concepts and one-on-one instruction. Over the five-year period, the College observed a significant increase in student success in Anatomy and Physiology I, increasing from 60% in 2011 to 75% in 2016.

For programs that require licensure and credentialing, exam results are reported annually. The pass rates are compared to the pass rate of comparable programs located in Maine, in the New England region, and nationwide. As part of Strategic Plan, the College is committed to maintaining a minimum success rate of 93% on certifications or licensure exams that are required for employment.

In AY2015-16, four programs met the 93% credential exam pass-rate benchmark established in the KVCC 2020 strategic plan: Electrical Technology, Health Information Technology, Medical Assisting, and Respiratory Therapy. Several programs with credentialing exams reported a decrease in pass rates in the AY2015-16 academic year, falling short of the 93% benchmark (Fact Book 2015-2016 p 49). To address this, the program faculty monitor the pass rate for each cohort, identify possible areas of weakness, and create an action plan to improve performance. For example, the Radiologic Technology (RAD) graduates pass rate decreased significantly from 100% to 63% on the 2015-16 exam. The Radiologic Technology faculty analyzed student performance in the different sections of the board exam and noticed that the RAD graduates were not scoring well on the imaging production section of the exam. They responded by

assigning responsibility for this portion of the curriculum to a full-time faculty member and changing the semester in which the course is offered. They will continue to monitor student performance on the credentialing exam and adjust the curriculum as necessary to support student success.

In some instances, the College has not been able to access the credentialing exam results. For example, there has been no data collected for the Emergency Medical Technology program's Advanced Emergency Care or Paramedic Certificates licensure pass rates for the past two or three academic years. The program has lacked a full-time program faculty member. However, the College anticipates better reporting in the upcoming 2017 – 2018 academic year as a result of hiring a full-time EMS director/chair.

The College has not implemented an internal program review process since the 2008 site visit. Several factors that contributed to the failure to implement the review process include the MCCS program review changes, the change in institutional oversight, and appointment of four Academic Deans in a five-year span.

For programs which do not have a national accreditation, MCCS policy requires that a program review be conducted every five years by MCCS. Data such as enrollment, retention, transfer, and completion and employment outcomes are provided by the Office of IR to the Academic Affairs Office for review by MCCS. As an institution, the College's retention and completion data are above the national average. For three consecutive years, the College was nominated to Aspen's Top 150 Community Colleges in the nation. KVCC was the only community college in Maine recognized. The College is proud of these achievements but also recognizes that further evaluation of data and activities at the program level is needed to be able to speak to quality. Graduation percentages by program at the 150% completion time are highest for the College's capped programs (allied health, nursing, and trades and technology) ranging from 50% to 75%. Completion rates for uncapped programs tend to be lower. This data will be part of the internal review process and further analysis of successful course completion will be included to assist in better understanding the courses that may be factors in not retaining students or completion over 150%. It is also important to note that nearly two-thirds of KVCC students are part-time. Analysis on completion for part-time, in addition to full-time, which includes a course level analysis will provide information on sequencing of courses that may pose challenges to part-time students.

The results of the 2014 Noel Levitz SSI show that KVCC scored significantly higher than the national community college cohort used for comparison. (Fact Book p 41). The SSI survey assesses how the College is meeting student expectations of services and factors that impact student retention and success. Performance gaps are determined by comparing the students rating of the importance of the service versus their satisfaction. Performance gaps ranged from 0.31 to 0.75 for each of the indicators included in the summary. The highest performance gap, 0.75, pertained to safety and security. The College has responded to this gap by adding a full-time safety and security officer and additional part-time staff, providing a greater security presence on both the Fairfield and Alford campuses. The Officer has also provided additional safety training to College faculty, staff, and students. The other notable gap in performance was in academic advising, with a gap of 0.74. Reduction in full-time faculty and staff may be contributing to this performance gap.

The CCSSE survey identifies areas in which a college can enhance students' educational experiences and provides a benchmark for comparison. The 2016 CCSSE Benchmark scores were calculated in the following areas: support for learners, active and collaborative learning, student effort, student faculty interaction, and academic challenge. KVCC benchmark scores in each of the five areas of focus were slightly lower than the benchmark scores of the comparison groups which included similar sized community colleges and the 2016 CCSSE cohort, (Fact book 2015-2016 p 36-40). A committee will be assigned responsibility for each of the five focus areas for discussion and planning to improve institutional performance.

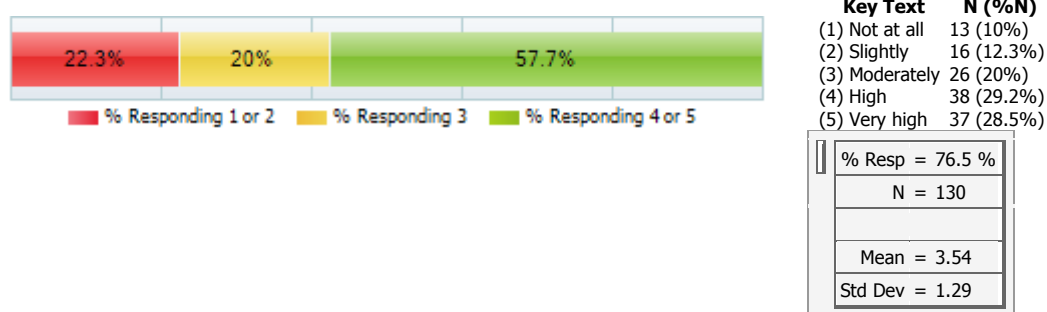
The 2015 Foundations of Excellence (FoE) self-study process allowed the College to revisit the nine dimensions of FoE and evaluate performance. To gather data, two surveys were administered: a faculty/staff survey and a student survey. Nine teams were established to gather evidence, evaluate results, and make recommendations. The recommendations were published in the final dimension report in spring 2016. The FoE participation provides an opportunity for KVCC to compare performance with other colleges in the Carnegie Class and with all institutions. The study also provided much-needed insight into our transfer bound students, which is particularly important with the increasing emphasis on preparing the College's graduates to transfer to four-year institutions.

In the 2016 FoE final report, the FoE committee concluded that although the College reports retention rates, the institution lacks a clear and consistent definition of student retention. College administrators have identified retention as an urgent priority. While the faculty and staff understand the importance of enrollment numbers, the FoE committee identified the need for a unified institutional vision and definition of retention. Without clear definition of retention along with the defined roles and responsibilities of staff and faculty, the retention effort will not be as effective due to potential confusion and duplication of efforts. There is a desire for the conversation to reflect an understanding of evidence-based / educationally relevant strategies and philosophies, including benchmarks. Faculty recognize academic advising and its important role in retention, however discussions uncovered a desire for the process to be refined resulting in increased advisor/advisee contact.

The FoE committee identified high priority needs to improve service to first-year and transfer-bound students. The overall evaluation of service to transfer-bound students was comparable to other institutions. However, KVCC lags behind the other institutions in individual benchmark comparisons. Two areas of concern for transfer-bound students include connections and active encouragement/support which will require institutional attention.

The KVCC2020 Strategic Plan includes an enrollment objective to improve student retention, transfer, and completion (p 9). The 2015 FoE survey indicated that 22.3% of the respondents had not discussed future enrollment plans with a faculty or staff advisor. This gap in advising services may be contributing to the students who do not persist and complete the degree and warrants attention. It also reinforces the need to update the current academic advising model to better serve all students including the transfer-bound student.

Q017. Academic Advising - To what degree have faculty/staff advisors: Discussed your future enrollment plans (e.g., stay, drop-out, transfer)?



In 2017, as part of an MCCC system-wide initiative to promote student retention and success, the College joined the Achieving the Dream (ATD) network for community colleges. ATD institutions strive to improve student success by “*engaging in bold, holistic, sustainable institutional change*”.

<http://achievingthedream.org/about-us/our-approach> .

To improve success results for all students, institutions must embrace a comprehensive approach and be strong in the seven capacities identified in the ATD framework:

- **Leadership & Vision** - The commitment and collaboration of the institution's leadership with respect to student success and the clarity of the vision for desired change.
- **Data & Technology** - The institution's capacity to collect, access, analyze and use data to inform decision, and to use powerful technology to support student success.
- **Equity** - The commitment, capabilities, and experiences of an institution to equitably serve low-income students, students of color and other at-risk student populations with respect to access, success, and campus climate.
- **Teaching & Learning** - The commitment to engaging full-time and adjunct faculty in examinations of pedagogy, meaningful professional development, and a central role for them as change agents within the institution. Also, the college's commitment to advising, tutoring, and out-of-classroom supports as well as restructuring developmental education to facilitate student learning and success.
- **Engagement & Communication** - The creation of strategic partnerships with key external stakeholders, such as K-12, universities, employers and community-based organizations and internal stakeholders across the institution to participate in the student success agenda and improvement of student outcomes.
- **Strategy & Planning** - The alignment of the institution with the umbrella goal of student success and the institution's process for translating the desired future into defined goals and objectives and executing the actions to achieve them.

- *Policies & Practices* - The institutional policies and practices that impact student success and the processes for examining and aligning policies and practices to remove barriers and foster student completion.

In October 2017, the college kicked off its Achieve the Dream activity. The inaugural activity provided an opportunity for the college community to discuss current data surrounding retention, graduation rates, and course success rates. Two ATD coaches, including a data coach, are assigned to guide the college's effort and will visit the campus again in February 2018. As KVCC participates in the ATD initiative, the College will examine best practices and models for academic advising to determine how to better serve students.

PROJECTIONS

- Establish a plan for collection, analysis, and publication for each Essential Learning Outcome.
 - To support the ELO assessment plan, all full-time faculty will participate in a two-day faculty development workshop focused on assessment, with particular emphasis on assignment design. The College will employ the Charrette Model to evaluate assignments, promoting interdisciplinary collaboration among the faculty. Faculty will have the opportunity to consult with ELO assessment team members to ensure that the student artifacts that the program selects for the institutional ELO assessment are designed appropriately.
- Enhance the existing Internal Program Review to include a program profile developed in fall 2017.
 - Internal Program Review will include successful completion at the course level, retention, transfer, completion and rate of successful completion of credentialing exams.
- Break out the High School cohort into concurrent, dual seated and dual online cohorts and conduct further high school student success analysis in order to assure the integrity of the offerings and collection of projected high school completion rates to determine conversion of high school to KVCC degree program rate.
- Evaluate the number of students impacted by each student success initiative and determine the potential scalability of each activity.
- Conduct ongoing analysis and reporting of online courses and online programs
 - Track exclusive online students to understand the retention, completion and transfer rates of these students compared to students completing program by mixed or seated only modality
 - Analyze differences in successful completion of courses by modality

- Develop an enrollment and retention strategy plan which includes:
 - Use of automated reports, type of utilization, and findings.
 - Use of the Institutional committee structure to embed admission and enrollment findings into formal document to establish a model of informed recruitment.
 - Use of CCSSE and Noel-Levitz SSI data to align student needs with service delivery.
 - A consistent definition of “retention.”
 - The Achieving the Dream framework to align and integrate institutional student service initiatives alongside academic programs.
 - Establish annual targets to meet strategic plan measures in Goal 1 [reference or define]
 - Amending KVCC2020 Strategic Plan as needed based on revised projections for the enrollment strategy plan.

- Address the role of advisors, how to use the early alert system effectively and the ways of reaching students throughout the semester to keep them connected and engaged. This will be a collaborative effort between Student Affairs and Academic Affairs.

Standard 8: Educational Effectiveness (Undergraduate Retention and Graduation Rates)

Student Success Measures/ Prior Performance and Goals	3 Years Prior Fall2013 Cohort	2 Years Prior Fall2014 Cohort	1 Year Prior Fall2015 Cohort	Current Year Fall2016 Cohort	Next Year Forward (goal) Fall2017 Cohort
IPEDS Retention Data					
Associate/Certificate First-Time, Full-Time degree students	68%	57%	67%	68%	69%
Associate/Certificate First-Time, Part-Time degree students	47%	52%	45%	58%	60%
Bachelors degree students					
IPEDS Graduation Data (150% of time)					
Associate/Certificate degree students	42%	27%	35%	26%	27%
Overall Transfer-out Rate	9%	14%	18%	16%	18%
IPEDS Outcomes Measures Data					
First-time, full time students	Cohort Year	Cohort Year	Cohort Year	Cohort Year	Cohort Year
	2010	2011	2012	2013	2014
Awarded a degree within six years	44%	43%	54%	47%	48%
Awarded a degree within eight years	44%	44%	54%	48%	48%
Transferred before completion	13%	12%	15%	16%	20%
Not awarded within eight years but still enrolled	1%	1%	2%	0.00%	0%
First-time, part-time students					
Awarded a degree within six years	30%	38%	37%	33%	34%
Awarded a degree within eight years	31%	40%	37%	33%	34%
Transferred before completion	9%	9%	16%	14%	16%
Not awarded within eight years but still enrolled	2%	1%	1%	1%	0%
Non-first-time, full-time students					
Awarded a degree within six years	56%	33%	55%	68%	69%
Awarded a degree within eight years	69%	42%	64%	72%	73%
Transferred before completion	13%	8%	18%	24%	26%
Not awarded within eight years but still enrolled	13%	8%	0%	0%	0%
Non-first-time, part-time students					
Awarded a degree within six years	56%	58%	78%	63%	64%
Awarded a degree within eight years	69%	74%	83%	67%	68%
Transferred before completion	0%	5%	0%	2%	4%
Not awarded within eight years but still enrolled	0%	0%	6%	19%	10%

?	Other Undergraduate Retention/Persistence Rates (Add definitions/methodology in #1 below)						
	Fall2013 to Fall2014	Fall 2014 to Fall 2015	Fall 2015 to Fall 2016	Fall 2016 to Fall 2017	Fall 2017 to Fall 2018		
1	Institutional Persistence (ALL DEGREE-SEEKING Students)						62%
	Aged 24 years or less						60%
	Aged 25 years or greater						64%
	Pell Eligible						64%
	Not Pell Eligible						60%
	First Generation						62%
	Not First Generation						62%
2	Female						62%
3	Male						60%
4	Ethnicity/Race White						62%
5	Ethnicity/Race All other						56%
?	Other Undergraduate Graduation Rates (Add definitions/methodology in # 2 below)						
	cohort year 2013 (full-time)	cohort year 2013 (part-time)	cohort year 2014 (full-time)	cohort year 2014 (part-time)	cohort year 2015 (full-time)		
1	Aged 24 years or less						32%
	Aged 25 years or greater						42%
	Pell Eligible						32%
	Not Pell Eligible						38%
	First Generation						32%
	Not First Generation						38%
	Female						30%
	Male						39%
	Ethnicity/Race White						34%
2	Ethnicity/Race All other						28%
Definition and Methodology Explanations							
Fall to fall match for degree-seeking students. Students completing program were removed from the cohort for purposes of calculating persistence. The college moved to a datamart in Fall 2014.							
1							
2	Completion for first-time students in 2016-2017. Cohort year 2013 at 200%. Cohort Year 2014 at 150%.						
Note: complete this form for each distinct student body identified by the institution (See Standard 8.1)							

Note: complete this form for each distinct student body identified by the institution (See Standard 8.1)

Standard 8: Educational Effectiveness
(Student Success and Progress Rates and Other Measures of Student Success)

	Category of Student/Outcome Measure	Bachelor Cohort Entering		Associate Cohort Entering	
		6 years ago	4 years ago	6 years ago	4 years ago
	First-time, Full-time Students	2010 cohort		2013 cohort	
	Degree from original institution			30%	22%
	Not graduated, still enrolled at original institution			0%	13%
	Degree from a different institution				
	Transferred to a different institution			18%	18%
	Not graduated, never transferred, no longer enrolled			52%	47%
	First-time, Part-time Students				
	Degree from original institution			28%	16%
	Not graduated, still enrolled at original institution			5%	17%
	Degree from a different institution				
	Transferred to a different institution			24%	11%
	Not graduated, never transferred, no longer enrolled			43%	57%
	Non-first-time, Full-time Students				
	Degree from original institution			46%	47%
	Not graduated, still enrolled at original institution			3%	5%
	Degree from a different institution				
	Transferred to a different institution			24%	18%
	Not graduated, never transferred, no longer enrolled			27%	30%
	Non-first-time, Part-time Students				
	Degree from original institution			44%	30%
	Not graduated, still enrolled at original institution			2%	13%
	Degree from a different institution				
	Transferred to a different institution			24%	16%
	Not graduated, never transferred, no longer enrolled			29%	42%

Measures of Student Achievement and Success/Institutional Performance and Goals					
	3 Years Prior	2 Years Prior	1 Year Prior	Current Year	Next Year Forward (goal)
	2014	2015	2016	2017	(FY 2 018)

Success of students pursuing higher degrees (add more rows as needed; add definitions/methodology in #1 below)

1	Transfer Rate Pre-Completion (%)	14	18	16	not avaiialble	18
2						
3						
4						

Other measures of student success and achievement, including success of graduates in pursuing mission-related paths (e.g., Peace Corps, public service, global citizenship, leadership, spiritual formation) and success of graduates in fields for which they were not explicitly prepared (add more rows as needed; add definitions/methodology in #2 below)

1	Mission Related	2	2	No Collection	2	2
2	Transfer to 4 year school	41	23	No Collection	24	32
3	Obtain license/certirication	49	41	No Collection	50	55
4						

Definition and Methodology Explanations

1	Tranfer rate is for first-time full-time at 150%
2	Other measures of student success: Data collection through college's Senior Survey, administered to students in spring prior to graduation.
3	Survey was not administered in 2015. Question asked: My goal upon graduation.....

Standard 8: Educational Effectiveness
(Licensure Passage Rates and Job Placement Rates and
Completion and Placement Rates for Short-Term Vocational Training Programs)

	3-Years Prior (AY2013-2014)	2 Years Prior (AY2014-2015)	1 Year Prior (AY2015-2016)	Most Recent Year (AY 2016-2017)
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State Licensure Examination Passage Rates

Name of exam	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed
1 State of Maine Journeyman Electrical (Electrical Technology)	6	6	10	10	9	9	6	6
3 State of Maine Journeyman-Plumbing (Energy Services & Technology)	4	4	4	4	12	12	4	4
4 State of Maine Journeyman-Oil (Energy Services & Technology)	7	7	4	4	6	6	0	0
5 State of Maine Journeyman-Propane/Natural Gas(Energy Services & Technology)	7	7	6	6	12	12	0	0

National Licensure Passage Rates

Name of exam	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed	# who took exam	# who passed
1 National Council Licensure Exam-Nursing Commission on Accreditation for Health Informatics and Information Management Education (CAHIM) - Health	41	41	31	31	39	39	35	33
2 Medical Assisting Certification - Medical Assisting National Board for Certification in Occupational Therapy, Inc	4	4	6	6	7	7	1	1
3 Commission on Accreditation in Physical Therapy Education of the American Physical Therapy Association Joint Committee on Education in Radiologic Technology (JRCERT)	14	15	12	12	12	12	18	18
4 American Welding Society Certification ServSafe Certification (end of course) AETC	12	12	12	12	15	15	15	14
5 National Board of Respiratory Therapy Care Exam	13	12	17	16	13	11	17	17
	9	8	12	12	9	6	12	10
	N/A	N/A	N/A	N/A	5	5	11	11
	N/A	N/A	19	15	25	20	17	15
					8	8	9	9
	11	10	12	12	12	12	12	11

Completion and Placement Rates for Short-Term Vocational Training Programs for which students are eligible for Federal Financial Aid

Fall Program Cohort	Fall 2011	Fall Program Cohort	Fall 2012	Fall Program Cohort	Fall 2013	Fall Program Cohort	Fall 2014	Next Year Forward (goal)
Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015				

Completion Rates

1	Phlebotomy	73%	89%	30%	75%	67%
	Electrical	100%	80%	75%	33%	58%
	Advanced Emergency Care	100%	83%	91%	82%	N/A
	Paramedic	72%	90%	67%	NA	80%
	Medical Coding	NA	100%	NA	NA	67%
2	Applied Electronics and Computer Technology	100%	NA	NA	0%	N/A
3	Electrical Lineworker	92%	89%	86%	86%	93%
4	Precision Machine Technology	NA	33%	NA	0%	50%
5						

Placement Rates

1	See Next Page for Employment rates and salary information					
2						
3						
4						
5						

Please enter any explanatory notes in the box below

Completion Rates data based on entering program cohort in the fall of the term and completion in that program at 150%. The college offers two additional certificates that began enrollment in Fall 2015; Mental Health Certificate and Welding Certificate.

2014-2016 Graduate Employment Data (KVCC Measure 1.2d, Data First Form: Standard 8 - Educational Effectiveness and Maine Community College System Goal 1, Objective 2, Measure 1)

Program	Number of Valid Surveys Mailed	Percent Response Rate	Percent of Responses Working in Field of Study	Mean Annual Earnings	Median Annual Earnings	Lo Range	High Range
Allied Health & Nursing							
Advance Emergency Care	12	25%	100%	31631	33369	28155	33369
Advanced Emergency Care (Certificate)	42	5%	100%	21898	21898	21898	21898
Paramedic (Certificate)	25	20%	100%	37540	38583	33369	38583
Health Information Technology	40	35%	50%	34263	33369	21898	51097
Medical Assisting	52	31%	88%	28453	28155	21898	51097
Phlebotomy (Certificate)	41	20%	63%	25652	28155	21898	28155
Nursing	111	53%	100%	51786	51097	43797	56311+
Occupational Therapy Assistant	43	40%	82%	46479	51097	33369	56311+
Physical Therapy Assistant	47	36%	88%	46995	51097	38583	56311+
Radiological Technology	35	34%	83%	43380	41190	38583	51097
Respiratory Therapy	35	43%	93%	48862	51097	38583	56311+
Farm To Table							
Culinary Arts	8	38%	100%	31284	33369	21898	38583
Sustainable Agriculture	11	18%	50%	21898	21898	21898	21898
Trades & Technology							
Applied Electronics & Computer Technology	21	5%	100%	*	*	*	*
Electrical Lineworker Techology	75	20%	67%	46613	51097	33369	56311+
Electrical Technology	36	31%	91%	35663	35976	28155	51097
Electrical Technology (Certificate)	9	0%	N/A	N/A	N/A	N/A	N/A
Energy Services and Technology	36	25%	100%	33948	33369	33369	38583
Precision Machine Technology	27	26%	100%	38583	38583	28155	43797
Pulp & Paper Technology	24	50%	67%	50575	51097	38583	51097
Pulp & Paper Technology (certificate)	5	0%	N/A	N/A	N/A	N/A	N/A
Welding (certificate)	8	20%	100%	47447	47447	43797	51097
Business							
Business - Accounting	24	46%	36%	33360	30762	21898	51097
Business - Marketing	62	37%	78%	33717	30762	21898	56311+
English & Humanities							
Liberal Studies	85	24%	5%	33369	33369	33369	33369
Math & Science							
General Sciences	28	14%	25%	21898	21898	21898	21898
Social Sciences							
Autism Spectrum Disorder Studies	8	38%	100%	33022	38583	21898	38583
Early Childhood Education	50	26%	62%	26461	28155	21898	33369
Mental Health	46	22%	90%	23790	33369	28155	33369
Total	1046	30%	77%				

***Response numbers too small to publicly reported

Standard 8: Educational Effectiveness
(Graduate Programs, Distance Education, Off-Campus Locations)

Student Success Measures/ Prior Performance and Goals	3 Years Prior	2 Years Prior	1 Year Prior	Current Year	Next Year Forward (goal)
	(AY1415)	(AY1516)	(AY 1617)	(Fall 2017)	(AY1819)

? Master's Programs (Add definitions/methodology in #1 below)					
Retention rates first-to-second year					
Graduation rates @ 150% time					
Average time to degree					
Other measures, specify:					

? Doctoral Programs (Add definitions/methodology in #2 below)					
Retention rates first-to-second year					
Graduation rates @ 150% time					
Average time to degree					
Other measures, specify:					

? First Professional Programs (Add definitions/methodology in #3 below)					
Retention rates first-to-second year					
Graduation rates @ 150% time					
Average time to degree					
Other measures, specify:					

Distance Education (Add definitions/methodology in #4 below)					
Course completion rates	74%	69%	77%	71%	73%
Retention rates					
Graduation rates					
Other measures, specify:					

Branch Campus and Instructional Locations (Add definitions/methodology in #5 below)					
Course completion rates					
Retention rates					
Graduation rates					
Other measures, specify:					

Definition and Methodology Explanations	
* KVCC offers Business Marketing, Business Accounting, Computer Systems Integration, Early Childhood Education, Mental Health (Certificate and Associate), Liberal Studies and General Science as an option for online enrollment. Each program of study offers 50% or greater of its courses online, however, seated courses are also offered. Students have the option of completing the program by taking online courses, seated courses on campus or by enrolling in a mix of online and seated.	
1 Course completion data is based on the programs offering 50% or more online options for program completion as listed in Data First Form 3.2 Successful course completion is the percentage of students completing an online and/or hybrid course with a C or better while enrolled in a distance education program.	
2	
3	
4	

STANDARD NINE
INTEGRITY, TRANSPARENCY, AND PUBLIC DISCLOSURE

The institution subscribes to and advocates high ethical standards in the management of its affairs and in its dealings with students, prospective students, faculty, staff, its governing board, external agencies and organizations, and the general public. Through its policies and practices, the institution endeavors to exemplify the values it articulates in its mission and related statements. In presenting the institution to students, prospective students, and other members of the public, the institutional website provides information that is complete, accurate, timely, readily accessible, clear, and sufficient for intended audiences to make informed decisions about the institution.

INTEGRITY - DESCRIPTION

Kennebec Valley Community College (KVCC) promotes high ethical standards in its day to day operations, and in its interactions with all members of the campus community, as well as community agencies, organizations, and the general public. Through the College's policies, procedures, and practices, KVCC strives to model the values that are delineated in the College's mission, vision, values, and ideals.

KVCC expects that members of its community act responsibly and with integrity. The College's administration promotes an atmosphere where issues of integrity can be openly considered. Members of the campus community understand and assume responsibility in their pursuit of integrity. Integrity is one of the values that is incorporated into the College's expanded Mission Statement. The Mission Statement was developed by the campus community to ensure that all College affairs are implemented with integrity. A Code of Conduct for Employees has been in place since the last Commission on Institutions of Higher Education (CIHE) visit. It is expected that the College community will commit to the principles reflected in the Code of Conduct in all interactions. The College's Governance Document provides for the development and implementation of policies through a process that allows for the free expression of views and treats all members with respect.

Truthfulness, clarity, and fairness characterize the institution's relations with all of its constituencies. The College's Governance Document provides for a participatory process which includes all members of the college community. This system assists in formulating college policies and provides input to the President for informed decision making. There are policies in place to ensure academic honesty including the awarding of credit and grading. Issues regarding conflict of interest and privacy rights are addressed in the Code of Conduct for Employees. New employees are asked to sign the Code of Conduct. The Maine Community College System (MCCS) Policy regarding conflict of interest is posted throughout the campus. Educational and operational policies are published and readily available to all employees, students, and the public. Policies and procedures are reviewed as needed by the relevant staff and faculty. The College applies these policies equitably to all employees and students. Procedures for dealing with concerns regarding academic honesty, privacy rights, and fairness among students,

faculty, and staff are specified in the current Catalog, Student Handbook, institutional and system Policy Manuals, and collective bargaining agreements.

The College is committed to full freedom in the presentation of knowledge and discussion in the classroom. Political, religious, and other potentially controversial topics may be introduced as they relate to course objectives.

KVCC abides by all legal requirements. The College receives its authority to grant the degrees it awards from the Maine State Legislature. The College consistently and conscientiously operates within the boundaries of its authority.

The College adheres to non-discriminatory policies and practices in recruitment, admissions, employment, evaluation, disciplinary action, and advancement. The policies of KVCC address affirmative action and equal employment opportunity in employment, sexual harassment, occupational safety and health, and freedom of information. As a public institution of higher education, the College complies with all applicable state and federal regulations. The College promotes an atmosphere which embraces diversity, and consistently attempts to recruit faculty and staff from diverse applicant pools. Employment opportunities are advertised within the campus community, throughout the MCCS and in local and national publications.

The College manages its programs, operations, and responsibilities for students and interactions with prospective students with honesty and integrity. Information provided is complete, accurate, accessible, clear, and sufficient for students and the public to make informed decisions regarding the institution and its educational programs and services. Faculty and staff are available to provide information and answer questions. The College publishes information on its website, in its catalog, and in various brochures and handbooks.

The institution is responsible for all instructional and enrichment activities that it sponsors or which carry its name. This includes all conferences, workshops, or other instructional activities that are sponsored by the College. These activities are compatible with the College's mission and the same ethical standards apply to their management.

To ensure institutional integrity, KVCC has established and publicized clear policies and procedures for the fair resolution of grievances brought by faculty, staff, or students. Students are encouraged to discuss grades and other academic issues with faculty members and department chairpersons. The Student Handbook and College Catalog outline an appeal process. The Student Code of Conduct guides faculty and staff regarding the handling of student misconduct situations and related disciplinary procedures. Faculty and staff are expected to maintain confidentiality in all issues related to student privacy.

The College honors all collective bargaining agreements with the Maine Education Association (MEA) and the Maine State Employees Association (MSEA) with the MCCS Board of Trustees. These agreements

delineate grievance policies and procedures, evaluations, due process, and other rights of employees and the College.

KVCC has consistently demonstrated honesty and integrity in its dealings with all accreditation bodies including the CIHE. The campus community has worked diligently and collaboratively in striving for compliance with the Commission's standards, policies, and requests.

INTEGRITY - APPRAISAL

KVCC subscribes to and advocates for high ethical standards in the management of its affairs. Written policies and procedures ensure fair and equitable dealings with all College constituents. The College adheres to the ideals expressed in its mission, to principles of academic freedom, and to equitable and non-discriminatory doctrines in its dealings with faculty, staff, and students. Appropriate procedures are available for the resolution of grievances brought by faculty and staff.

The College does not currently have a formal, written process for a non-academic grievance process. Currently students may contact Student Affairs and/or Academic Affairs for a case by case resolution. However, the College recognizes the need to have a formal process for filing, and guidelines for resolving, matters related to non-academic grievances.

The College continues to use a variety of methods in curriculum development and co-curricular activities to foster an atmosphere within the campus that respects and supports people of diverse characteristics and backgrounds.

The adoption of the Employee Code of Conduct exemplifies the commitment of the College that its members of the community must act responsibly and with integrity.

To assure that the College's policies are updated and maintained, KVCC is currently working to create an ongoing process for the review of college policies, to include the review and proposal of edits to Leadership for approval.

TRANSPARENCY - DESCRIPTION

Information is published and accessible on the College's website to allow students and prospective students to make decisions about their education. The Office of Admissions provides prospective students a step-by-step process for application complete with financial aid information and program-specific admissions requirements. The College Catalog, available in print and on the website, provides information about college grading, academic appeals, and student code-of-conduct.

KVCC's website has a public disclosure link that informs the public of how inquiries can be addressed. It also includes the following information: recent audited financial statements, student outcomes, financial aid and scholarship, health and safety, and right to privacy. Documentation to validate placement rates,

graduation rates, and student learning is available to the public on the public disclosure page of the website. The annual factbook that summarizes the College's enrollment profile, trends in credit learning, student engagement, and financial aid is available as well.

The College publishes a print catalog every two years and the website is updated to reflect any changes that occur in between printing cycles such as academic program changes or course offerings. Course catalogs are available back to 2009 on the website. Earlier print editions are maintained by the Office of Student Records and by the Learning Commons library staff.

TRANSPARENCY - APPRAISAL

The College is transitioning to a new format for the website. As part of this transition, the College will need to review both the digital and print versions of catalogues, brochures, and documents to assure consistency. In addition, the College will need to assess the website to assure ADA compliance.

The public disclosure page of the KVCC website needs to be updated to include the most recent audited financial statement.

PUBLIC DISCLOSURE - DESCRIPTION

KVCC provides information that is complete, accurate, accessible, clear, and sufficient for intended audiences to make informed decisions about the institution. The information on the website is sufficient to allow students and prospective students to make informed decisions about their education. The institution publishes its mission, objectives, and educational outcomes; requirements and procedures and policies related to admissions and the transfer of credit; student fees, charges and refund policies; rules and regulations for student conduct; other items related to attending or withdrawing from the institution; academic programs, courses currently offered, and other available educational opportunities; and academic policies and procedures and the requirements for degrees or other forms of academic recognition on its website. This information can also be found in the catalog, department brochures, the Student Handbook, and the College profile published each semester.

The institution is responsive to requests for information. The procedure for requesting information is published on the website. As requests are received, appropriate faculty and staff provide materials. The President responds to media representatives as requested.

The College's catalog and website present information regarding admissions. Attendance requirements are found on individual course syllabi and other program materials.

A list of current faculty can be found in the Course Catalog and on the website. Departmental or program affiliation are indicated as well as full or part-time status and degrees held and institutions granting them. Administrators, their names and titles, as well as names of members of the governing board and their affiliations are also published there.

The College publishes information regarding its program offerings at off-campus sites. Descriptions of programs, courses, and services available are provided. Also, published yearly, are descriptions of the size and characteristics of the student body in Profile Sheets. Student academic and support services are published in the catalog and in the Student Handbook.

Academic and other learning and support services, as well as non-academic opportunities are described in the College Catalog, Student Handbook, and on the website. A description of the campus setting and physical resources appears limited to the [College map](#) found on the website.

Goals for students' education are published by program in the catalog and on the website. Placement rates for graduates, retention, and graduation rates for are found on the public disclosure page of the website.

The general tuition and fee structures are available in the catalog and on the website. Specific program cost sheets are available to students from the Business Office. Financial aid information is found in the catalog, on the website, and in the Student Handbook.

The College's statements regarding its current accredited status are accurate and explicitly worded. The accredited status of individual programs is also published. These statements are found in the catalog and on the website.

PUBLIC DISCLOSURE - APPRAISAL

The College provides in-depth, clear and accurate information to students and the public for them to make informed decisions about the institution. This information is found in a variety of sources. A process for requesting information is available.

While there is information published regarding withdrawal from courses, there is no information provided regarding withdrawal from the institution.

The College does not publish a listing of programs, courses, services, and personnel not available during a given academic year. Courses not taught for two consecutive years are not included in College publications.

PROJECTIONS

Integrity

- Create a formal, written process for filing and resolving non-academic grievances.
- Create an ongoing process for the review of college policies to include the review and proposal of edits to the Leadership Team for approval.

Transparency

- Assess the College's website to assure ADA compliance.
- Update the public disclosure page of the College's website to include the most recent audited financial statements.
- Review the digital and print version of the College's catalogues, brochures, and documents to assure consistency.

Public Disclosure

- Provide and publish information regarding withdrawal from the institution.

Standard 9: Integrity, Transparency, and Public Disclosure (Integrity)

? Policies	Last Updated	Website location where policy is posted	Responsible Office or Committee
Academic honesty	under review	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.27.pdf	Academic
Intellectual property rights	6/2009	http://mymccs.me.edu/ICS/icsfs/Policy_206.pdf?target=56aa37af-77ed-413e-b92b-abb52338f2d1	MCCS
Conflict of interest (MCCS Policy)	6/2009	http://mymccs.me.edu/ICS/icsfs/Policy_410.pdf?target=76229781-6c75-477f-8687-9ca89fbc2e5	MCCS
Privacy rights	Reviewing	http://www.kvcc.me.edu/Pages/Registrars-Office/FERPA	Registrar's Office
Fairness for students	2013	http://www.kvcc.me.edu/CMSContent/Departments/Student_Life/Student Senate Constitution 2012-2013.pdf	Student Senate
Fairness for faculty	2015-2017	https://mymccs.me.edu/ICS/icsfs/MEA_Faculty_2015-2017.pdf?target=190f3db3-5155-4f73-89c7-07d525f2ac58	MCCS
	2015-2017	https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Adjunct_2015-2017_Final.pdf?target=cff00a77-05dd-4d74-9eda-590aa0de0e8c	MCCS
	2015-2017	https://mymccs.me.edu/ICS/icsfs/Contract_Administrators_2015-2017_FINAL.pdf?target=0e7ecc4a-ebf1-4855-abe9-2e6f62f52fb1	MCCS
Fairness for staff	2013-2015	- 2015_FINAL_v2.pdf?target=014d43ba-80f4-452b-bc33-0b09ed7801c1	MCCS
		https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Support_2013_-2015_FINAL.pdf?target=652d5942-853b-436d-b207-24490eae7c4http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf	MCCS
Academic freedom	2013-2015	https://mymccs.me.edu/ICS/icsfs/MEA_Faculty_2015-2017.pdf?target=190f3db3-5155-4f73-89c7-07d525f2ac58	MCCS
Research	2015-2017		MCCS
	6/2009	http://mymccs.me.edu/ICS/icsfs/Policy_206.pdf?target=56aa37af-77ed-413e-b92b-abb52338f2d1	MCCS

Title IX Other; specify	under review	https://my.kvcc.me.edu/ICS/icsfs/Policy_1.05 - Affirmative Action.pdf?target=3ddb5f0c-ee2f-44b9-b066- 7028a4561dd5	Dean of Finance/HR

Non-discrimination policies

Recruitment and admissions

Employment

Reviewing	http://www.kvcc.me.edu/CMSContent/Departments/Student_Services/SH% Affirmative_Action.pdf?target=3ddb5f0c-ee2f-44b9-b066- 7028a4561dd5	Dean of Student Affairs
under review		Dean of Finance/HR
2015-2017	https://mymccs.me.edu/ICS/icsfs/MEA_Faculty_2015- 2017.pdf?target=190f3db3-5155-4f73-89c7-07d525f2ac58	MCCS
2015-2017	https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Adjunct_2015- 2017_Final.pdf?target=cf00a77-05dd-4d74-9eda-590aa0de0e8c	MCCS
	https://mymccs.me.edu/ICS/icsfs/Contract_Administrators_2015- 2017_FINAL.pdf?target=0e7ecc4a-ebf1-4855-abe9-2e6f62f52fb1	MCCS
2015-2017	https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Supervisory_2013 - 2015_FINAL_v2.pdf?target=014d43ba-80f4-452b-bc33- 0b09ed7801c1	MCCS
2013-2015	https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Support_2013 - 2015_FINAL.pdf?target=652d5942-853b-436d-b207- 24490eae7c4http://www.kvcc.me.edu/CMSContent/Documents/Catal ogs/2014-2016%20Catalog.pdf	MCCS
2013-2015		

Reviewing	https://my.kvcc.me.edu/ICS/icsfs/Policy_1.05 - Affirmative Action.pdf?target=3ddb5f0c-ee2f-44b9-b066- 7028a4561dd5	Dean of Finance/HR
under review		Dean of Finance/HR
2015-2017	https://my.kvcc.me.edu/ICS/icsfs/Policy_1.05 - Affirmative Action.pdf?target=3ddb5f0c-ee2f-44b9-b066- 7028a4561dd5	Dean of Finance/HR
2015-2017	https://my.kvcc.me.edu/ICS/icsfs/Policy_1.08 - Sexual Harassment.pdf?target=44b6138d-b75f-46c3-b789- c10dad7af50	Dean of Finance/HR
2013-2015		

Disciplinary action, Evaluation and
Advancement

Other; specify

under review		
under review		
under review		

Resolution of grievances

Students	Reviewing		
Faculty	2015-2017	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.03.pdf	Dean of Student Affairs
Adjunct	2015-2017	https://mymccs.me.edu/ICS/icsfs/MEA_Faculty_2015-2017.pdf?target=190f3db3-5155-4f73-89c7-07d525f2ac58	MCCS
Support Services	2013-2015	https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Adjunct_2015-2017_Final.pdf?target=cff00a77-05dd-4d74-9eda-590aa0de0e8c	MCCS
Other; specify		https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Support_2013-2015_FINAL.pdf?target=652d5942-853b-436d-b207-	MCCS
confidential employees	6/2009	http://mymccs.me.edu/ICS/icsfs/Policy_403.pdf?target=25b560fd-5c19-4ee0-9b74-7c8e57599465	MCCS
supervisory	2013-2015	https://mymccs.me.edu/ICS/icsfs/Contract_MSEA_Supervisory_2013-2015_FINAL_v2.pdf?target=014d43ba-80f4-452b-bc33-0b09ed7801c1	MCCS
Administrators	2015-2017	https://mymccs.me.edu/ICS/icsfs/Contract_Administrators_2015-2017_FINAL.pdf?target=0e7ecc4a-ebf1-4855-abe9-2e6f62f52fb1	MCCS

Other	Last Updated	Website location or Publication	Responsible Office or Committee

Please enter any explanatory notes in the box below

Pdf. Of Contract Bargaining Agreements included in resolution of grievance, academic freedom, disciplinary action are provided on data stick included in mailing.

**Standard 9: Integrity, Transparency, and Public Disclosure
(Transparency)**

Information	Website location and/or Relevant Publication(s)
How can inquiries be made about the institution? Where can questions be addressed?	http://www.kvcc.me.edu/Pages/General/Contact/
Notice of availability of publications and of audited financial statement or fair summary	http://www.kvcc.me.edu/pages/General/institutional-research-page
Processes for admissions	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.01.pdf AND http://www.kvcc.me.edu/Pages/Admissions/Admissions-Home
Processes for employment	http://www.kvcc.me.edu/Pages/HR/Employment
Processes for grading	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.12.pdf
Processes for assessment	http://www.kvcc.me.edu/Pages/General/Policies http://www.kvcc.me.edu/CMSContent/Departments/Student_Services/SH%20interactive.pdf
Processes for student discipline	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.16.pdf http://www.kvcc.me.edu/CMSContent/Policies/Policy2.16.pdf
Processes for consideration of complaints and appeals	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.03.pdf

List below the statements or promises made regarding program excellence, learning outcomes, success in placement, and achievements of graduates or faculty and indicate where valid documentation can be found.	
Statement/Promise	Website location and/or publication where valid documentation can be found
Graduation Rates	http://www.kvcc.me.edu/Pages/General/Student-Right-to-Know
Graduate Employment and Earnings	http://www.kvcc.me.edu/Pages/General/Student-Right-to-Know
Annual Fact Book - Student Success Data	http://www.kvcc.me.edu/pages/General/institutional-research-page
Program Evaluation Data	http://www.kvcc.me.edu/pages/General/institutional-research-page
National Accreditation and Certification of Programs	http://www.kvcc.me.edu/pages/General/institutional-research-page
Academic Programs have listed Educational outcomes and/or learning goals	http://www.kvcc.me.edu/Pages/General/Academic-Info-Programs
Institutional Accreditation Statement	http://www.kvcc.me.edu/Pages/General/Accreditation
Recognized as Aspen Institute top 150 colleges	http://www.kvcc.me.edu/Pages/Admissions/Why-KVCC
Step by Step Admissions Process Explained	http://www.kvcc.me.edu/Pages/Admissions/Why-KVCC
Course Catalog includes mission, educated person	http://www.kvcc.me.edu/Pages/General/Catalog
Mission and Values Statement	http://www.kvcc.me.edu/Pages/General/Mission
Student Outcomes	http://www.kvcc.me.edu/Pages/General/Consumer-Information
Financial Aid and Scholarship Information	http://www.kvcc.me.edu/CMSContent/general/Public_relations_and_marketing/Fact%20sheets/KVCC%20FactSheet13_14.pdf
Strategic Plan	http://www.kvcc.me.edu/CMSContent/Departments/Institutional_Assessment/KV2020-Final-Report.pdf

Date of last review of:	
Print publications	Course Catalog currently under review, FactBook Annual, Strategic Plan 2015, Student Handbook 2017
Digital publications	Course Catalog currently under review, Student Handbook 2017

Please enter any explanatory notes in the box below

**Standard 9: Integrity, Transparency, and Public Disclosure
(Public Disclosure)**

Information	Website location
Institutional catalog	http://www.kvcc.me.edu/Pages/General/Catalog
Obligations and responsibilities of students and the institution	http://www.kvcc.me.edu/Pages/General/Policies
Information on admission and attendance	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.01.pdf
Institutional mission and objectives	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.25.pdf
Expected educational outcomes (Listed by program, examples are provided here)	http://www.kvcc.me.edu/Pages/General/Mission
Status as public or independent institution; status as not-for-profit or for-profit; religious affiliation	http://www.kvcc.me.edu/Pages/Business-Administration/Accounting-Description
Requirements, procedures and policies re: admissions	http://www.kvcc.me.edu/Pages/Culinary-Arts/Culinary-Arts-Home
Requirements, procedures and policies re: transfer credit	http://www.kvcc.me.edu/Pages/Nursing/Student-Educational-Outcomes
A list of institutions with which the institution has an articulation agreement	http://www.kvcc.me.edu/Pages/General/About
Student fees, charges and refund policies	http://www.kvcc.me.edu/Pages/Admissions/Admissions-Step-By-Step
Rules and regulations for student conduct	http://www.kvcc.me.edu/Pages/General/Policies
Procedures for student appeals and complaints	http://www.kvcc.me.edu/pages/general/academic-info-articulation-agreements
Other information re: attending or withdrawing from the institution	http://www.kvcc.me.edu/Pages/Business-Office/Tuition-Fees
Academic programs	http://www.kvcc.me.edu/CMSContent/Departments/Student_Services/SH%20interactive.pdf
Courses currently offered	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.03.pdf
Other available educational opportunities	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.03.pdf
Other academic policies and procedures	http://www.kvcc.me.edu/Pages/General/Policies
Requirements for degrees and other forms of academic recognition	http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf
List of continuing faculty, indicating department or program affiliation, degrees held, and institutions granting them	http://www.kvcc.me.edu/Pages/General/Catalog
Names and positions of administrative officers	http://kvcc.me.edu/Pages/General/Campus-Directory
Names, principal affiliations of governing board members	https://www.mccs.me.edu/about-mccs/system-office/board-of-trustees/board-membership/
Locations and programs available at branch campuses, other instructional locations, and overseas operations at which students can enroll for a degree, along with a description of programs and services available at each location	http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf

Programs, courses, services, and personnel not available in any given academic year.	
Size and characteristics of the student body	http://www.kvcc.me.edu/Pages/General/institutional-research-page
Description of the campus setting	http://www.kvcc.me.edu/Pages/General/About
Availability of academic and other support services	http://www.kvcc.me.edu/Pages/Student-Services/Student-Services-Home
Range of co-curricular and non-academic opportunities available to students	http://www.kvcc.me.edu/pages/student-life-development/student-activities
Institutional learning and physical resources from which a student can reasonably be expected to benefit	http://www.kvcc.me.edu/Pages/Student-Services/Student-Services-Home
Institutional goals for students' education	http://www.kvcc.me.edu/Pages/General/institutional-research-page
Success of students in achieving institutional goals including rates of retention and graduation and other measure of student success appropriate to institutional mission. Passage rates for licensure exams, as appropriate	http://www.kvcc.me.edu/Pages/General/institutional-research-page http://www.kvcc.me.edu/General/Consumer-Information
Total cost of education and net price, including availability of financial aid and typical length of study	http://nces.ed.gov/collegenavigator/?s=ME&z=04937&z=0&of=3&l=3&ct=1&id=161192#retgrad
Expected amount of student debt upon graduation and loan payment rates	http://nces.ed.gov/collegenavigator/?s=ME&z=04937&z=0&of=3&l=3&ct=1&id=161192#retgrad
Statement about accreditation	http://www.kvcc.me.edu/Pages/General/History

APPENDIX



COMMISSION ON INSTITUTIONS OF HIGHER EDUCATION

NEW ENGLAND ASSOCIATION OF SCHOOLS AND COLLEGES

3 Burlington Woods, Suite 100, Burlington, MA 01803-4514

Voice: (781) 425 7785 Fax: (781) 425 1001 Web: <https://cihe.neasc.org>

AFFIRMATION OF COMPLIANCE WITH FEDERAL REGULATIONS RELATING TO TITLE IV

Periodically, member institutions are asked to affirm their compliance with federal requirements relating to Title IV program participation, including relevant requirements of the Higher Education Opportunity Act.

- 1. Credit Hour:** Federal regulation defines a credit hour as an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutional established equivalence that reasonably approximates not less than: (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours. (CIHE Policy 111. See also *Standards for Accreditation* 4.34.)

URL	http://mymccs.me.edu/ICS/icsfs/policy_301.pdf?target=7f170972-6ac1-4321-973f-8d52159cdb2e
Print Publications	
Self-study/Interim Report Page Reference	Pg. 32

- 2. Credit Transfer Policies.** The institution's policy on transfer of credit is publicly disclosed through its website and other relevant publications. The institution includes a statement of its criteria for transfer of credit earned at another institution of higher education along with a list of institutions with which it has articulation agreements. (CIHE Policy 95. See also *Standards for Accreditation* 4.38, 4.39 and 9.19.)

URL	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.05.pdf http://www.kvcc.me.edu/pages/general/academic-info-articulation-agreements
Print Publications	http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf
Self-study/Interim Report Page Reference	Pg. 31,33

- 3. Student Complaints.** "Policies on student rights and responsibilities, including grievance procedures, are clearly stated, well publicized and readily available, and fairly and consistently administered." (*Standards for Accreditation* 5.18, 9.8, and 9.19.)

URL	http://www.kvcc.me.edu/CMSContent/Policies/Policy2.03.pdf http://www.kvcc.me.edu/CMSContent/Policies/Policy2.16.pdf
Print Publications	http://www.kvcc.me.edu/CMSContent/Documents/Catalogs/2014-2016%20Catalog.pdf
Self-study/Interim Report Page Reference	Pg. 31

- 4. Distance and Correspondence Education: Verification of Student Identity:** If the institution offers distance education or correspondence education, it has processes in place to establish that the student who registers in a distance education or correspondence education course or program is the same student who participates in and completes the program and receives the academic credit. . . . The institution protects student privacy and notifies students at the time of registration or enrollment of any projected additional student charges associated with the verification of student identity. (CIHE Policy 95. See also *Standards for Accreditation* 4.48.)

Method(s) used for verification	Log-in information provided to student is unique to student
Self-study/Interim Report Page Reference	Pg. 82

- 5. FOR COMPREHENSIVE EVALUATIONS ONLY: Public Notification of an Evaluation Visit and Opportunity for Public Comment:** The institution has made an appropriate and timely effort to notify the public of an upcoming comprehensive evaluation and to solicit comments. (CIHE Policy 77.)

URL	
Print Publications	
Self-study Page Reference	

The undersigned affirms that Kennebec Valley Community College meets the above federal requirements relating to Title IV program participation, including those enumerated above.

Chief Executive Officer: 

Date: 2/1/18

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
At the institutional level:	Yes	KVCC Course Catalog pg. 4. http://www.kvcc.me.edu/Pages/General/Catalog	Results of Graduate, Employer, And Alumni Surveys Results of licensure examinations Graduation/Retention rates Employment Rates	Data is reviewed periodically by the Department Chairs, Institutional Assessment Committee, Strategic Planning Committee, and Leadership Team.	Established the ELO's, rubrics for assessment, inter-rater reliability model for assessment Annual fact book published Program mapping of ELO's to capstone courses	n/a

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Associate in Arts in Liberal Studies	Yes	<p>The five educational outcomes for the program can be found on the Liberal Studies program website and in the course catalog. http://www.kvcc.me.edu/Pages/Liberal-Studies-Liberal-Studies-Home</p> <p>Also as part of the Liberal Studies program, are Learning Domain Outcomes (LD) that support the general education requirements for the Associates in Arts degree and are part of the UMS / MCCS block transfer agreement (2015).</p> <ol style="list-style-type: none"> 1. Writing 6 credits 2. Quantitative Literacy 3-4 credits 3. Natural Science 4 credits 4. Creative Arts 3 credits 5. Social Science 3 credits 6. Humanities 6 credits 7. Diversity 3 credits 8. Ethical Reasoning 3 credits <p>https://docs.google.com/document/d/1D6D7YRXpMOGCIG1wn1swb8kPwcE1T44D-Ya1ronluQ/edit</p> <p>The Liberal Studies program also implements KV's institutional Essential Learning Outcome (ELO). http://www.kvccdocs.com/ELO/ELO.pdf</p>	<p>Capstone Course: INT 201: Common Narrative Essay assignment: "The Educated Person" Out of the 14 students who completed the course, the average grade on this assignment was 81.7 or B- showing that on average students had achieved outcome #1</p> <p>Rubrics to assess the LD and ELOs are being developed.</p> <p>Writing, Quantitative Literacy, Oral Communication are finalized and assessment pilot work is underway.</p> <p>Work sessions are scheduled for spring 2018 to develop/finalize the other rubrics.</p>	<p>Faculty are involved in creating rubrics and assessing student work and reviewing the data.</p> <p>Writing, Quantitative Literacy, and Oral Com pilots have begun to test the rubrics, establish reliability among expert raters, and expand the collection of artifacts across instructors.</p> <p>Work will continue to create assessment plans for the other Learning Domains and Essential Learning Outcomes as well as a manageable time table for assessing the various outcomes.</p>	<p>The capstone course has evolved into a Writing Intensive course due to necessary emphasis on writing skills.</p> <p>Many courses within the established Liberal Studies curriculum have been identified as meeting a Learning Domain. As such, common assessments are being developed and curriculum is being reviewed on an ongoing basis with collaboration from full-time and adjunct faculty.</p>	AALS program review through MCCS system November 2016.

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
For general education if an undergraduate institution: Communication	YES	<p>Precise course outcomes / objectives are on the course syllabus and align with the National Communication Association basic course outcomes.</p> <p>The course supports KV's institutional Essential Learning Outcome (ELO). http://www.kvccdocs.com/ELO/ELOs.pdf</p> <p>"Oral Communication is a prepared and delivered purposeful presentation designed to increase knowledge, to foster understanding, or to promote change in the listeners' attitudes, emotions, values, beliefs, or behaviors. (AAC&U modified)"</p>	<p>We will begin to gather data now that an ELO Oral rubric has been developed.</p>	<p>Full and part-time faculty are involved in assessing student work and reviewing the data.</p> <p>An Oral Com pilot has begun to test the rubric, establish reliability among expert raters, and expand the collection of artifacts across instructors.</p>	<p>Greater collaboration and understanding amongst Com instructors.</p> <p>Plans are being developed to collect student work across all sections for assessment purposes.</p>	

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
For general education if an undergraduate institution: ENG 101: College Composition	Yes	<p>We have developed and approved two sets of outcomes in relation to writing:</p> <ol style="list-style-type: none"> Essential Learning Outcomes (ELO) Approved 2014: Institutional outcomes for General Education at KVCC, including written communication: Students will demonstrate effective communication in written communication. Written Communication is the development and expression of ideas and information in writing. Written communication involves learning to work in many genres and styles. Written communication abilities develop through iterative experiences across the curriculum. (AAC&U modified) http://www.kvccdocs.com/ELO/ELOs.pdf MCCS/UMS Learning Domain (LD) Outcomes Approved 2015: KVCC adopted outcomes for Liberal Studies/General 	<ul style="list-style-type: none"> Common Assessment: 5-7 page persuasive essay Common grading rubric Department-wide assessment of Learning Domain and ELO outcomes. One value rubric was created for written communication that can 	A formal assessment plan for ENG 101 has been established and is in process. The written communication rubric has been created and approved. Raters have been chosen to review a random sampling of the common assessment papers. Inter-rater reliability was performed in March 2017. A smaller-	Changes to curriculum/faculty development are ongoing based on assessment results and collaboration about the common curriculum	July 2017 – assessment plan baseline established. 2016 MCCS AALS Program review

		<p>Education regarding transfer to UMS system based on system-wide collaboration</p> <p>Written Communication:</p> <p>Students will:</p> <ul style="list-style-type: none"> • write clear, coherent texts with adherence to proper mechanics. • adapt their writing appropriately for different disciplinary contexts or audiences. • effectively use writing as a means to engage in and communicate processes of critical inquiry, including analysis, synthesis, and argumentation. 	<p>assess both sets of outcomes. The rubric allows for rating in 5 categories on a 0-4 scale for a possible total of 20 points.</p> <ul style="list-style-type: none"> • Student Reflective Writing at the end of the course routinely shows that students perceive themselves to have met the stated outcome. 	<p>scale assessment of full-time faculty artifacts was performed in July 2017 to establish a baseline.</p> <p>At the end of spring 2018, a random sampling from all ENG 101 sections, including dual enrollment courses, will be read by the faculty raters and assessed using the written communication rubric. Our goal is that the average score should be 12 out of 20 to show that the outcome has been met with proficiency.</p>	
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Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. General Sciences	Yes	KVCC 2014-2016 Course Catalog, p 112 http://www.kvcc.me.edu/Pages/General-Science/General-Science-Home	a. successful transfer to a four-year institution b. successful transfer/acceptance into a health occupation program. c. Summative evaluation in coursework (departmental comprehensive final) d. Employer surveys e. Graduate surveys	The program's coordinator, with input from the program advisory board and departmental faculty, would interpret the evidence and recommend appropriate changes. This is an annual process	No changes have been made to the program	MCCS Program Review November 2017

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
For general education if an undergraduate institution: Math	Yes	Not posted yet on departmental website;	Common Assessment: Comprehensive final in each 100 level math course (MAT113, MAT114, and MAT 117) implemented in all sections in Fall 2012. This assessment includes real world applications problems that will be scored with a common rubric.	The department faculty will review it annually.	Rubric and the assessment have been adjusted	Annual review of assessed ELO outcome: quantitative reasoning
Sciences	Yes	Not posted yet on departmental website;	Common Assessment Strategies: BIO213: Comprehensive final in A&P I.	Science faculty review the results	BIO 213: Results have not indicated that curriculum adjustments are needed. Individual instructors may adjust coverage of particular concepts if the results indicate that their students	Annual review of common assessment

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g., annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
			<p>BIO 214: Comprehensive final in A&P II.</p> <p>Rubric for formal lab report evaluation</p> <p>CHE112: Comprehensive final.</p> <p>PHY111: Comprehensive final.</p>		<p>did not perform well in certain content areas.</p> <p>BIO 214: Results have not indicated that curriculum adjustments are needed. Individual instructors may adjust coverage of particular concepts if the results indicate that their students did not perform well in certain content areas.</p> <p>CHE112: No changes have been made to course</p> <p>PHY111: No changes have been made to course semesters and recommendations.</p>	

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
For general education if an undergraduate institution: Social Science	YES	http://www.kvcc.me.edu/Pages/Social-Sciences-Dept/General-Education	Data is collected based on grades of specific assessments.	Department Chair, and select Faculty	Standard assessments have been implemented to assess the student's ability in writing, thinking, speaking, etc.	Annual, Ongoing formative and summative review and assessment

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g., annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
<p>List each degree program:</p> <p>1. Associate Degree in Advanced Emergency Care</p>	YES	<p>KVCC College Catalog, 2014-2016, page 41</p> <p>http://www.kvcc.me.edu/Pages/Advanced-Care/Advanced-Care-Home.aspx</p>	<p>National Registry of EMT's Certification Examination pass rate; National Registry of EMT's Psychomotor and Cognitive Examination pass rate; Aggregate evaluation of clinical outcomes including performance evaluations</p> <p>http://www.kvcc.me.edu/Pages/Advanced-Care/Advanced-Care-Home.aspx</p>	<p>The evidence is reviewed annually by the program director, clinical coordinator and the program advisory committee</p>	<p>Recent results indicated a need for improvements in psychomotor outcomes. The curriculum was adjusted to include enhanced focus in this area including modification of learning objectives and assessment procedures. Results also prompted improved admissions criteria as outlined KVCC website and College Catalog</p>	<p>CAAHEP-COAEMS Self-study and site visit Oct 2017; Maine EMS Training Center Approval Process January 2011</p>
<p>2. Certificate in Advanced Emergency Care</p>	YES	Same as above	Same as above	Same as above	Same as above	Same as above

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
Maine EMS Training Center Approval	January 2012	S.2.D1 – Improve faculty orientation S.2.D2 – define Medical Director's role S.2.D2 and S.2.D4 – Define Clinical Preceptor training S.2.F – Provide plan for outcomes assessment and identify mechanism for follow-through	NREMT 1st attempt pass rate: 2009 – 80% 2010 – 60% 2011 – 67% Job placement: 100%	MEMS training center annual review January 2013

*Record results of key performance indicators in form S3.

Institutions selecting E1b should also include E1a.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
<p>List each degree program:</p> <p>1. Applied Electronics and Computer Technology</p> <p>2. Applied Engineering Technology</p>	Yes	<p>Published in the College Course Catalog page 110-111 and on the website (AECT program page)</p> <p>http://www.kvcc.me.edu/Pages/Applied-Electronics-Computer-Technology-Home</p>	<p>a. The instructor incorporates the following national certification exams as testing material in specific IT based courses: PC Pro and Network Pro Certifications.</p> <p>b. The program prepares students for each of the following national certification exams: Comp TIA A+, Comp TIA Net+, CET and Apple ACMT, and Mac Integration.</p>	<p>Evaluation is an ongoing process for the department chair who is responsible for evaluating student performance and adjusting curricula and delivery methods as needed.</p> <p>The program's advisory board and industry representatives also provide valuable input.</p>	<p>To increase student performance on the national certification exams, the program has adopted new course software, TestOut LabSim software, which provides students with theoretical as well as lab simulation opportunities that will better prepare them for the national certification exams.</p> <p>The department has also recently updated all of the test and measurement equipment to engineering grade standards to best prepare students for ETA preparatory licensing.</p>	May 2009

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
			<p>c. Senior design capstone projects which require students to design, build, document, and present a technology based product are incorporated into the curriculum.</p> <p>d. Students self-report their success on the national exams which the department chair keeps records of this information.</p>			

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. BAA	YES	KVCC College Catalog page 80 http://www.kvcc.me.edu/Pages/Business-Administration/Accounting-Description	ACC222 – Capstone Course – 80% success National ACAT Exam 100% passing rate. Graduate Survey results indicate placement in field CCSS measure student satisfaction. Direct Student Feedback Job placement at 98% Employer feedback Alumni Survey results	Dept. Chair/Acct. Instructor Accreditation Council for Business Schools & Programs Business Faculty Institutional Assessment Committee	Added online review Improved capstone course including ethics and compilation with added 80% success rate. Incorporated four essential learning outcomes in the areas of critical thinking, problem solving, quantitative reasoning, and effective communication. Linked ELOs each course. Learning outcomes mapped in addition to the University System for articulation transition.	Reaffirmed 04/19/2013 Quality Assurance report 09/15/2017
2. BAM	YES	KVCC College Catalog page 83 http://www.kvcc.me.edu/Pages/Business-Administration/Marketing-Management-Description	Alumni Surveys Graduate Surveys Community College Survey (CCSS) Direct Student Feedback Job Placement Employer Survey results	Institutional Assessment Business Faculty	Incorporated four essential learning outcomes in the areas of critical thinking, problem solving, quantitative reasoning, and effective communication. Applied ELOs to each course.	Reaffirmed 04/19/2013 Quality Assurance Report 09/15/2017

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
Professional accreditation	Self-study completed 02/01/2013 Accreditation Council for Business Schools and Programs reaffirmed accreditation for 10 years on April 19, 2013 Quality Assurance Report submitted on 09/15/2017	<p>"The Board of Commissioners commends the program in providing quality benefits to its stakeholders, interaction with the community, and meeting the standards with no notes or conditions for accreditation. The department's knowledge is enhanced by faculty's involvement in the community as business owners. Opportunities for improvement: 1. Improve communication with business advisory partners providing valuable evidence of constant facilitation of leadership. (Standard 1, criterion 1.3) 2. Utilize assessment data collected to for continuous improvement as provided by the newly hired Director of Institutional Research. (Standard 4, criterion 4.3)</p>	<p>ACAT exam passing rate Graduate survey Alumni survey Student immediate feedback to individual faculty Capstone testing results at minimum of 80% Employer surveys with 98% placement Annual fact sheet provided by Director of Institutional Research. 1. Joined with CSI & Applied Electronics in their advisory. Surveeyed annually and email interaction 2. Improved Capstone course for accounting program. Linked ELOs described above to each appropriate course with designated assessment tools.</p>	<p>Next Quality Assurance Report due in 2019. Next reaffirmation self-study will be done in 2022-2023.</p>

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Computer Information Systems (Formally Computer Systems Integration)	Yes	www.kvcc.me.edu/pages/business-administration/csi-course-description KVCC Catalog page 81	<ul style="list-style-type: none"> Graduate surveys Student Feedback <p>Possible certification after completing the Computer Information Systems Degree program are: A+, Network+, Security+, Professional Scrum Master, MTA Database Fundamentals</p>	<p>Annually by the program coordinator, faculty and program advisory board.</p> <p>Interviewing graduates and seeking feedback on the degree and how it prepared them for the field</p>	<p>The Degree program is going through focused changes which include:</p> <ul style="list-style-type: none"> A name change to Computer Information Systems. Three new courses <ul style="list-style-type: none"> Principles of IT management Agile Project Management Programming Logic, Design, and 	December 2017 (Some items are still pending approval)

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g., annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Culinary Arts	Yes	KVCC 2014-2016 Course Catalog page 98 http://www.kvcc.me.edu/Pages/Culinary-Arts/Culinary-Arts-Home	<ul style="list-style-type: none"> • Senior Portfolio • Graduate surveys • Program Advisory Committee feedback National Restaurant Association's ServSafe Food Manager certification;	Annually by the program faculty and program advisory committee	Curriculum changes in several courses in response to PAC feedback and industry demands	MCCS Program Review September 2016

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
2. Early Childhood Education	Yes	KVCC 2014-2016 Course Catalog page 130; http://www.kvcc.me.edu/Pages/Education/ECE-Outcomes	Coursework; capstone projects Practicum evaluations by faculty	Faculty, site supervisors and program advisory committee	Changed practicum evaluation tool and created a practicum handbook; incorporated STEM education into courses, designed rubrics for some assignments, several courses eliminated and new courses introduced	January 2018 MCCS program review

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Electrical Technology	Yes	KVCC College Catalog page 119 http://www.kvcc.me.edu/Pages/Electrical-Technology/Electrical-Technology-Home	Licensure examination results are used to determine that graduates have achieved the stated outcomes for this degree. However, exam results are reported by students. The State of Maine has no official reporting system.	The data is interpreted annually by the program faculty and presented to the Advisory Committee	A new course, ETL216 – Advanced National Electrical Code, has been added to help graduates pass the state of Maine licensing exam in higher numbers.	5/2008

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Energy Services Technology	Yes	Will be published in the 2014-2016 catalog edition http://www.kvcc.me.edu/Pages/Energy-Services-Technology/Energy-Services-Technology-Home	Four State of Maine Licensure exam results: Plumbing, Oil burner, Solid fuel, Propane and Natural gas EPA Refrigeration Certification Graduate surveys Employer surveys	Annually by the Program coordinator and faculty in conjunction with the program advisory board will interpret the evidence annually.	Prioritize course offerings to meet State Licensure and Industry and Employer needs and requests	February 2018

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g., annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Associates in Applied Science (AAS) in Health Information Management (HIM)	YES	1. KVCC College Catalog, 2011-2013, page 45 http://www.kvcc.me.edu/Website/Frames/WebSiteData/ProspectiveStudents/ProgramsOfStudy/HealthInformationTechnology.aspx 2. KVCC Health Information Management Student Handbook, 2017-2018, (an electronic copy given to each student during orientation on Community Day. 3. KVCC Health Information Technology Student Handbook, 2011-2012, is found on the "Course Content" screen of all HIM courses.	Registered Health Information Technologist exam administered under the aegis of the American Health Information Management Association (AHIMA) – pass rate: 2015-12/75%; 2016-11/82% Employer Surveys for HIM graduates as required for the Annual Program Assessment Report (APAR) under the aegis of the Commission on Accreditation of Health Informatics and Information Management (CAHIIM). Survey results for 2015/2016-13/100%.	HIM program coordinator presents APAR findings to the HIM advisory committee annually.	No changes to date. Acknowledged comments and recommendations from APAR	Date of last MCCS program review for HIM was 2010. The next accreditation review from CAHIIM is 2018/2019.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
Commission on Accreditation of Health Informatics and Information Management (CAHIIM)	March 1, 2005 (onsite) and November 15, 2017 (submitted APAR to CAHIIM electronically)	None	RHIT exam administered under the aegis of the American Health Information Association (AHIMA) pass rate for the last three years: 1. Exam period 08/01/2015 to 07/31/2016; AHIMA National Mean Pass Rate-68%; KVCC HIM Pass Rate 75% 2. Exam period 08/01/2014 to 07/31/2015; AHIMA National Mean Pass Rate-71%; KVCC HIT Program Pass Rate-80% 3. Exam period 08/01/2013 to 07/31/2014; AHIMA National Mean Pass Rate-71%; KVCC HIT Program Pass Rate-100%	2018/2019 by CAHIIM and November 2018 for the APAR (submitted to CAHIIM electronically)

*Record results of key performance indicators in form S3.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g., annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Medical Assistant	Yes	KVCC College Catalog pg. 53 KVCC Medical Assisting Program Hand Book, 2017-2018, page 2 http://www.kvcc.me.edu/Website/Frames/WebSiteData/ProgramsOfStudy/MedicalAssistant.aspx	1. MAS 234 Clinical/Administrative Office Practicum 2. Certified Medical Assisting (AAMA) Credentialing Exam	The evidence is gathered and assessed by the Medical Assisting Program Chair. All exam results are reviewed to determine areas of weakness as well as strengths. Results are posted in the Medical Assisting Annual Report, KVCC web site and presented to the Advisory Committee for recommendation.	The changes that have been made are: 1. Mock CMA exams have been incorporated into MAS 234. These mock exams require each student to pass with a 73.	The Commission on Accreditation of Allied Health Education Programs (CAAHEP) awarded continuing accreditation to the Kennebec Valley Community College Associate Degree Medical Assisting program was reviewed on April 27 & 28 2015.

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.																																			
The Commission on Accreditation of Allied Health Education Programs (CAAHEP) awarded continuing accreditation to the Kennebec Valley Community College Associate Degree Medical Assisting program on September 18, 2015.	April 2015.	<p>The citations were reviewed and satisfied in order to strengthen the program's compliance with the Standards set forth by the Medical Assisting Education Review Board (MAERB).</p> <p>II.B. Program Goals- Appropriateness of Goals and Learning Domains</p> <p>III. C. 1. Resources- Content and Competencies</p> <p>Cognitive Domain (Knowledge Base)</p> <p>III. Applied Microbiology/Infection Control</p> <p>2. Define asepsis</p> <p>12. Discuss the application of Standard Precautions with regard to;</p> <p>a. All body fluids, secretions and excretions</p> <p>b. Blood</p> <p>c. Non intact skin</p> <p>d. Mucous membranes</p> <p>13. Identify the role of the Center for Disease Control (CDC) regulations in healthcare settings</p> <p>IV. Concepts of Effective Communication</p> <p>3. Recognize communication barriers</p> <p>4. Identify techniques for overcoming communication barriers</p> <p>8. Recognize elements of fundamental writing skills</p>	<p>MAERB Survey Results 2011 - 2015:</p> <table border="1"> <thead> <tr> <th></th><th>Student Retention</th><th>Graduate Satisfaction with the Program</th><th>Employer Satisfaction with KVC's Students</th><th>The Rate at which KVC Students Pass the Certification Exam</th></tr> </thead> <tbody> <tr> <td>2015</td><td>83.89%</td><td>100%</td><td>100%</td><td>100%</td></tr> <tr> <td>2014</td><td>93.75%</td><td>100%</td><td>100%</td><td>94.44%</td></tr> <tr> <td>2013</td><td>100%</td><td>100%</td><td>100%</td><td>70.59%</td></tr> <tr> <td>2012</td><td>100%</td><td>100%</td><td>100%</td><td>NA</td></tr> <tr> <td>2011</td><td>8%</td><td>100%</td><td>100%</td><td>NA</td></tr> <tr> <td>Average over the past 5 Years</td><td>96.12%</td><td>100%</td><td>100%</td><td>87.23%</td></tr> </tbody> </table>		Student Retention	Graduate Satisfaction with the Program	Employer Satisfaction with KVC's Students	The Rate at which KVC Students Pass the Certification Exam	2015	83.89%	100%	100%	100%	2014	93.75%	100%	100%	94.44%	2013	100%	100%	100%	70.59%	2012	100%	100%	100%	NA	2011	8%	100%	100%	NA	Average over the past 5 Years	96.12%	100%	100%	87.23%	The Commission on Accreditation of Allied Health Education Programs (CAAHEP) continuing accreditation to the Kennebec Valley Community College Associate Degree Medical Assisting program's next comprehensive evaluation of the program will occur no later than 2022.
	Student Retention	Graduate Satisfaction with the Program	Employer Satisfaction with KVC's Students	The Rate at which KVC Students Pass the Certification Exam																																			
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		<p>13. Identify the role of self-boundaries in the health care environment</p> <p>14. Recognize the role of patient advocacy in the practice of medical assisting</p> <p>15. Discuss the role of assertiveness in effective professional communication</p> <p>V. Administrative Functions</p> <p>1. Discuss pros and cons of various types of appointment management systems</p> <p>7. Discuss pros and cons of various filing methods</p> <p>VIII. Procedural and Diagnostic Coding</p> <p>4. Describe how to use the most current HCPCS coding</p> <p>IX. Legal Implications</p> <p>4. Summarize the Patient Bill of Rights</p> <p>8. Compare criminal and civil law as it applies to the practicing medical assistant</p> <p>X. Ethical Considerations</p> <p>2. Compare personal, professional and organizational ethics</p> <p>XI. Protective Practices</p> <p>5. State principles and steps of professional/provider CPR</p> <p>6. Describe basic principles of first aid</p> <p>Psychomotor Domain (Skills)</p> <p>IV. Concepts of Effective Communication</p> <p>3. Use medical terminology, pronouncing medical terms correctly, to communicate</p>		
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		<p>information, patient history, data and observations</p> <p>11. Respond to nonverbal communication</p> <p>V. Administrative Functions</p> <p>7. Use internet to access information related to the medical office</p> <p>IX. Legal Implications</p> <p>1. Respond to issues of confidentiality</p> <p>Affective Domain</p> <p>VI. Basic Practice Finances</p> <p>1. Demonstrate sensitivity and professionalism in handling accounts receivable activities with clients</p> <p>V. A.2. Fair Practices – Publications and Disclosure</p>		
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*Record results of key performance indicators in form S3.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: Mental Health	YES	KVCC College Catalog page 107 http://www.kvcc.me.edu/Pages/Mental-Health/Assessment-Alignment	Data is collected based on grades of specific assessments. Receipt of their MHR/T/C Certification with the State of Maine.	Department Chair, Program Coordinator, and select Faculty interpret the evidence annually.	Common assignments/common final class projects are now implemented across the curriculum. Rubrics have been developed for each of these assessments.	Ongoing formative and summative review and assessment

Institutions selecting E1a should also include E1b.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Associate Degree Nursing (ADN)	Yes	KVCC Course Catalog, 2018-20, page 20 KVCC Website http://www.kvcc.me.edu/Pages/Nursing/Student-Educational-Outcomes KVCC Nursing Student Handbook, 2017-18, page 6-7 located in all Nursing Blackboard courses	Performance on the HESI RN Exit Exam NCLEX-RN 1 st Time Testers Pass Rate	The evidence is interpreted annually by the Nursing Faculty during scheduled Nursing Curriculum Review meetings. The data is shared with the Nursing Advisory Committee, students, and other communities of interest.	The HESI Exit Exam has indicated a need for an increased focus on diversity concepts throughout the curriculum. The faculty have included additional diversity content in all unit outlines as indicated. A diversity paper has been incorporated into the course requirements of the 2 nd semester nursing course. Faculty have also committed to including diversity questions on all nursing examinations.	ACEN Fall 2009 (full accreditation through Fall 2017). KVCC hosted an accreditation site visit in October 2017. A decision of accreditation status will be made by the ACEN Board of Commissioners in March 2018 based on the review of program materials, the Site Visit Report, and the recommendation of the Evaluation Review Panel Maine State Board of Nursing Fall 2011 (continuing approval through May 2018)

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
Accreditation, NLNAC	Spring 2010	<p>Areas Needing Development by Accreditation Standard:</p> <p>Standard 1-additional time for nurse administrator</p> <p>Standard 2-part-time faculty must complete a Master's in nursing degree; more clerical assistance</p> <p>Standard 4-increased focus on diversity in curriculum</p> <p>Standard 5- increase nursing lab skills space</p> <p>Standard 6-improve data collection methods, process for analysis, and evidence of use</p>	<p>NCLEX-RN</p> <p>2014 - 85.37%</p> <p>2015 - 93.54%</p> <p>2016 - 87.17%</p> <p>2017 - 80.56%</p> <p>Job Placement</p> <p>2014 - 91%</p> <p>2015 - 100 %</p> <p>2016 - 100%</p> <p>2017 - 100%</p>	<p>NLNAC</p> <p>Occurred in the fall of 2017; outcome will not be known until March 2018.</p> <p>MSBN</p> <p>May, 2018</p>
Continuing Approval, Maine State Board of Nursing (MSBN)	Fall 2011	None		

*Record results of key performance indicators in form S3.

Institutions selecting E1b should also include E1a.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Associate in Applied Science Occupational Therapy Assistant	Yes-formal learning outcomes are a requirement of external accreditation for the Accreditation Council for Occupational Therapy Education (ACOTE)	KVCC 2014-16 catalog: p55 http://www.kvcc.me.edu/CMSCContent/Documents/Catalogs/2014-2016%20Catalog.pdf OTA website: http://www.kvcc.me.edu/Pages/Occupational-Therapy-Assistant-Information 2016-17 OTA student handbook on OTA website: pages 9, 10, 15 http://www.kvcc.me.edu/Pages/Occupational-Therapy-Assistant-Occupational-Therapy-Home	1. Performance on OT Knowledge Exam (OTKE) (fall/spring) of final academic year 2. National Board for Certification on OT (NBCOT) certification exam http://www.kvcc.me.edu/Pages/Occupational-Therapy-Assistant-Program-Outcomes NBCOT exam data https://secure.nbcot.org/data/schoolstats.aspx	Full time OTA faculty interpret evidence based on determinants from NBCOT and stated program requirements set forth by ACOTE. Data is presented to the OTA advisory committee & posted on the OTA website for full disclosure.	The OTKE first cohort 2011 demonstrated a need for increased focus on management and supervision of occupational therapy personnel. Subsequent needs noted to address were intervention methods in various realms. Faculty reviewed and determined methods to address deficits. Our program is significantly above national norms based on national: KVCC results. Data is used to update learning and educational trends and to document program progress in Annual Reports due every year.	2016 ACOTE: report and on site visit. accreditation Program received 10-year status, the highest status given by ACOTE. NBCOT results are positive indicating no significant content change at this time.

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
Accrediting Council for Occupational Therapy Education (ACOTE)	Onsite 5/2016 Annual Report 2017	2016 ACOTE Report: No Additional information was required. Key issue for our program is to remain current with AOTA theory and evidence based practice. Also, to stay abreast of changes with new ACOTE standards going forward.	NBCOT: 2015 – 93% 2016 – 100% 2017 – 100% Total 98% Job placement: 2017 – 88% known employment status.	Reaccreditation is ongoing Next ACOTE reaccreditation due 2026. ACOTE Annual Report due 2/15/2018.

* Record results of key performance indicators in form S3.

Institutions selecting E1b should also include E1a.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Precision Machining Technology	Yes	KVV College Catalog page 122 http://www.kvcc.me.edu/Pages/Precision-Machining-Technology/Precision-Machining-Technology-Home	PMT Skills Rubric	The data is interpreted by the program faculty and presented to the program Advisory Board annually.	Provide qualification data for internships and employment.	2017 to meet MCCS requirements.

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

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KVCC PMT SKILLS RUBRIC	N/A	None	INDUSTRY EMPLOYMENT RATES.	2018

* Record results of key performance indicators in form S3.

Institutions selecting E1b should also include E1a.

HTTP://WWW.KVCC.ME.EDU/PAGES/PHYSICAL-THERAPIST-ASSISTANT/PHYSICAL-THERAPIST-ASSISTANT-HOME OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Physical Therapist Assistant	Yes	http://www.kvcc.me.edu/Pages/Physical-Therapist-Assistant-Physical-Therapist-Assistant-Home	Clinical Assessment Form SCORE BUILDERS PTA Exam (Academic version) Federation of State Boards of Physical Therapy (FSBPT) Licensure examination	Evidence is interpreted by PTA program core faculty annually during a PTA Curriculum Review meeting.	No changes.	April 2017

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
Commission on Accreditation in Physical Therapy Education (CAPTE)	Reaffirm Accreditation October 25, 2017	<p>Formalized assessment processes; Formal provision for reduction in teaching load for administrative functions;</p> <p>Proof of Department Chair's (Program Director) responsibility & authority for program assessment & planning, fiscal planning & allocation of resources, long-term planning, and faculty evaluation;</p> <p>Proof that demonstrates each student has completed clinical education experiences required by the program.</p>	<p>a. graduation rate for students graduating in 2014, 2015: 81.95%</p> <p>b. licensure exam pass rates on FSBPT – ultimate pass rates for students graduating in 2015, 2016 (reported by FSBPT October 10, 2017: 96.7%</p> <p>c. employment rate for students graduating in 2014, 2015: 99%</p>	Compliance report due February 15, 2018

*Record results of key performance indicators in form S3. Institutions selecting E1b should also include E1a.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Radiologic Technology	Yes	KVCC College Catalogue, 2014-2016 pp. 69-70 KVCC website http://www.kvcc.me.edu/Pages/Radiologic-Technology/Radiology-Home Program Handbook	Licensure examination, graduate surveys, employer surveys competencies	Program staff, JRCERT, annual meeting with Advisory Board	Reorganized program of study	JRCERT 2015

Institutions selecting E1a should also include E1b.

OPTION E1: PART B. INVENTORY OF SPECIALIZED AND PROGRAM ACCREDITATION

(1) Professional, specialized, State, or programmatic accreditations currently held by the institution (by agency or program name).	(2) Date of most recent accreditation action by each listed agency.	(3) List key issues for continuing accreditation identified in accreditation action letter or report.	(4) Key performance indicators as required by agency or selected by program (licensure, board, or bar pass rates; employment rates, etc.). *	(6) Date and nature of next scheduled review.
JRCERT	4/2015	Full accreditation- 8 years	Pass rates on national certification 2013- 78% 2014- 67% 2015- 92% 2016- 60% Employment rates 2013- 82% 2014- 86% 2015- 100% 2016- 100%	Interim report due 2019
				Next site visit tentatively scheduled for 2023.

*Record results of key performance indicators in form S3.

Institutions selecting E1b should also include E1a.

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Sustainable Agriculture	Yes	KVCC 2014-2016 Course Catalog page 115 http://www.kvcc.me.edu/Pages/Sustainable-Agriculture/Sustainable-Agriculture-Home	<ul style="list-style-type: none"> • Capstone projects • Graduate surveys • Program Advisory Committee feedback 	Annually by the program faculty and program advisory committee	Curriculum changes in several courses in response to PAC feedback and industry demands	MCCS Program Review September 2017

OPTION E1: PART A. INVENTORY OF EDUCATIONAL EFFECTIVENESS INDICATORS

CATEGORY	(1) Have formal learning outcomes been developed?	(2) Where are these learning outcomes published? (please specify) Include URLs where appropriate.	(3) Other than GPA, what data/evidence is used to determine that graduates have achieved the stated outcomes for the degree? (e.g., capstone course, portfolio review, licensure examination)	(4) Who interprets the evidence? What is the process? (e.g. annually by the curriculum committee)	(5) What changes have been made as a result of using the data/evidence?	(6) Date of most recent program review (for general education and each degree program)
List each degree program: 1. Sustainable Construction	Yes	http://www.kvcc.me.edu/pages/sustainable-design-build/sustainable-design-build-home New program. Will be in the next published catalog	<ul style="list-style-type: none"> • OSHA 10 certification • Graduate surveys • Internship feedback • Program Advisory Committee feedback 	Annually by the program faculty and program advisory committee	Curriculum changes in several courses in response to PAC feedback and industry and market demands	MCCS Program Review scheduled for June 2017 but postponed.



MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

FINANCIAL STATEMENTS

and

SUPPLEMENTAL INFORMATION

June 30, 2017 and 2016



**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Financial Statements

Years Ended June 30, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Maine Community College System

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely-presented component units, and the fiduciary fund of the Maine Community College System (the System), a component unit of the State of Maine, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the System'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 U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of certain foundations within the aggregate discretely-presented component units, which statements reflect total assets constituting 55%, and revenue constituting 54%, of the related totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate discretely-presented component units, insofar as it relates to the amounts included for these certain foundations, is based solely on the reports of the other auditors. We conducted our audits in accordance with U.S. generally accepted auditing standards 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the aggregate discretely-presented component units noted above were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely-presented component units, and the fiduciary fund of the System as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis and the information listed under Required Supplementary Information, 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and/or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 audit 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Schedule of Activities, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Activities 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. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing the 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 U.S. generally accepted auditing standards. In our opinion, the Schedule of Activities is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the System's June 30, 2016 financial statements, and we expressed unmodified opinions on those audited financial statements in our report dated October 14, 2016. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2017 on our consideration of the System's internal control over financial reporting and on 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 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 System's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
October 16, 2017

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Introduction

The following report is Management's Discussion and Analysis (MD&A) of the financial results for the year ended June 30, 2017, with comparative information for the prior two years. The MD&A should be read in conjunction with the financial statements and related notes that are presented with this report. The MD&A is unaudited supplemental information required by the Governmental Accounting Standards Board (GASB). The purpose of the MD&A is to enhance the understandability and usefulness of the financial statements by providing an objective analysis of the financial activities based on currently known facts, decisions, and conditions. The financial statements, footnotes, and MD&A are management's responsibility.

General Information about the Maine Community College System

The history of Maine's community colleges dates to 1946 and the creation of the Maine Vocational Technical Institute within the Maine Department of Education. During the 1960s, five more vocational technical institutes were created, and in 1986 the Maine Vocational Technical Institute System was established as a quasi-governmental organization and autonomous public instrumentality. In 1989 the name was changed to the Maine Technical College System. A seventh college was added in 1994, and on July 1, 2003, the Legislature expanded the System's mission and changed its name to the Maine Community College System (MCCS or the System).

MCCS offers nearly 300 one- and two-year program options in health care, computers, automotive technology, construction, early childhood education, electrical & electronics, engineering technology, public safety, hospitality, business, metals manufacturing, liberal studies, and many others.

The seven-college system consists of Central Maine Community College in Auburn (CMCC), Eastern Maine Community College in Bangor (EMCC), Kennebec Valley Community College in Fairfield and Hinckley (KVCC), Northern Maine Community College in Presque Isle (NMCC), Southern Maine Community College in South Portland and Brunswick (SMCC), Washington County Community College in Calais (WCCC), and York County Community College in Wells (YCCC). Off-campus centers are located in East Millinocket, Ellsworth, South Paris, Damariscotta, Sanford and Houlton. The System's central office, located in Augusta, Maine, was established by legislation to provide statewide coordination and leadership to the seven colleges.

The System also operates two state-wide programs; Early College for ME (ECforME) and the Maine Quality Centers (MQC). ECforME is a comprehensive high school-to-college transition program offered in partnership with secondary schools throughout the state. ECforME provides selected students with scholarships to community colleges, access to college courses to seniors in high school, and advising and support throughout a student's high school and community college experience. The MQC program is an economic development program established by the Legislature in 1994. The program provides customized workforce training grants for Maine employers seeking to locate or expand their operations in Maine or who are interested in providing training to their incumbent workers. The training is coordinated and delivered by the seven community colleges.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Using the Financial Statements

In addition to this MD&A, the System's financial report includes a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows, together with related footnotes. These financial statements are presented in accordance with GASB principles, which establish the standard for external financial reporting for public colleges and universities. The GASB standards require that the financial statements focus on the System as a whole.

In order to provide a more comprehensive understanding of the resources supporting the mission of the MCCS, the GASB also requires that the MCCS report on the assets, liabilities, and activities of organizations that are not owned or managed by the MCCS but that exist for the sole purpose of benefiting the System or its colleges. Accordingly, these financial statements include a Balance Sheet and Statement of Activity for the Maine Community College Educational Foundations (MCCEF) and a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position for the Maine Community College System Other Post-Employment Benefit Trust (MCCS OPEB Trust or Trust). The MCCEF includes six foundations established to support individual colleges and their students. It also includes The Foundation for Maine's Community Colleges which was established in November of 2009 to provide broad based support to all seven of the state's community colleges. The MCCS OPEB Trust was established under Section 115 of the Internal Revenue Code as an irrevocable trust to manage the assets contributed by the System to fund its long-term obligation to pay the health care and life insurance benefit costs for certain employees after their retirement.

The Statement of Net Position depicts the financial position of the Maine Community College System as of June 30, 2017, with comparative data from June 30, 2016, and includes all of the assets and liabilities, deferred inflows and deferred outflows of the System. Assets represent what the System owns plus what is owed to MCCS. Liabilities constitute obligations to make payment to others plus what the System has collected in advance of providing the related services. Net position represents the residual interest in the MCCS assets after liabilities are deducted, net of deferred inflows and outflows, and the positive or negative change in net position over time is an indicator of the relative financial health of the System. The net position is divided into three primary categories:

Net investment in capital assets, represent the land, buildings and equipment that the System has acquired over its life and still uses. Net capital assets are presented after deductions for accumulated depreciation and the outstanding debt incurred to acquire or construct them. This category includes deposits held with bond trustee to service outstanding debt.

Restricted net position has inherent limitations and can only be expended for the purposes stipulated by the individual, institution, or governmental unit that directed the resources to the System. *Restricted expendable* net position is available to be used for the intended purpose while *nonexpendable* assets are invested in perpetuity, and the investment income is used for the intended purpose.

Unrestricted net position is available for general operations of the System and for dedicated purposes such as capital projects for renewal and replacement, Maine Quality Center training initiatives, and working capital maintained for departmental and auxiliary enterprise activities. While there are no external constraints on unrestricted net position, MCCS has set aside certain unrestricted net position for future use.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

The Statement of Revenues, Expenses and Changes in Net Position presents the operating, non-operating and other activities of the System for the full fiscal year which runs from July 1st to June 30th. Two years of revenues, expenses, and changes in net position are presented for comparative purposes. This statement matches the amounts received from tuition, State appropriations, residential life fees, grants, and services and other items of income against all the costs and outlays incurred in order to operate the System. The costs incurred consist of salaries and benefits, supplies and overhead expenses, insurances, utilities, and depreciation. The expenses are categorized according to the activity that generated the cost.

The Statement of Cash Flows examines the changes in cash position resulting from a year of operations. Cash flows are separated by the nature of the activity and include operating activities, noncapital financing, capital and related financing activities, and investing activities.

Operating activities involve activities relating to the delivery of education and related services. Common examples of cash flows provided by operating activities include tuition, fees, grants, and bookstore and food service sales. Cash flows used in operating activities include payments to employees, vendors, and suppliers.

Noncapital financing activities include appropriations from state government, noncapital grants, and gifts.

Capital and related financing activities include those activities relating to the generation and repayment of funds provided by and paid to lenders as well as grants for acquisition of capital assets.

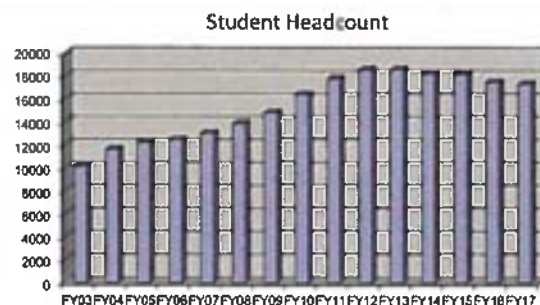
Investing activities include funds used to purchase marketable securities and funds provided from the sale of marketable securities.

Highlights and Trends Impacting Financial Results

As a publicly funded institution of higher education, MCCS receives appropriations from the State of Maine partially subsidizing the cost of attendance at one of the seven community colleges. In 2017 State appropriations increased \$3.6 million, or 6.1 percent. The rate of increase is partially in recognition of a historic imbalance in public funding and partially in response to employer's needs to increase the skills of the current workforce. MCCS educates 36 percent of students attending public higher education institutions in Maine, but receives 23 percent of the public expenditure for higher education.

Enrollment was 17,311 in the fall 2016 (fiscal 2017) compared to 17,464 in the fall of 2015, a decrease of 0.9 percent. Nationally community college enrollments declined 2.4 percent as a strong economy and low unemployment pulled would-be students out of colleges and into the workforce.

Since making the transition from technical to community colleges in 2003, enrollment system-wide has grown 70.9 percent. The long trend of enrollment growth is partially attributable to the expanded mission of the institutions with more students enrolling in liberal studies programs and taking advantage of transfer agreements to four-year institutions. The recent decline in enrollments is a result of a reduction in the number of students graduating from Maine high schools and



MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

improved employment opportunities. Since its peak in 2007-08, the number of students graduating from Maine high schools has declined approximately 2,100 students, approximately 14 percent. After peaking in 2010, the unemployment rate in Maine has decreased from 8.3 percent to 3.7 percent. Recent high school graduates and unemployed workers are important pools of potential students for community colleges.

MCCS was also a recipient of a significant Federal grant. The Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants provided funding for Maine's seven community colleges to address the critical and growing need for skilled information technology workers across many industries. Awarded over four years and totaling \$13 million, CMCC served as the lead institution for MCCS's seven-college consortium.

MCCS implemented GASB Statement No. 68 (GASB 68) in 2015. GASB 68 requires MCCS to report the System's proportionate share of the State's net pension liability. MCCS's proportionate share of the State's net pension liability as of June 30, 2017 was \$66.7 million and the System incurred expenses related to retirement benefits of \$1.7 million – down significantly from the 2016 impact of \$9.0 million. The impact of GASB 68 results from a change in accounting for pension benefits administered by the Maine Public Employees Retirement System (MainePERS), not a change resulting from operations. MCCS is not directly responsible for the payment of retirement pensions earned by employees who are members of MainePERS.

College Results and Combined Operating Results

Maine's seven community colleges serve very different regions of the state. The different locations face very different demographic conditions in their local communities and, as a result, it is difficult to compare the results of operations between the colleges.

In addition, MCCS is quasi-centralized. The System Office provides certain services to all the colleges and administers a pool of expenses that cannot be effectively allocated to the colleges.

Central services, for which the colleges are not charged or allocated fees include legal, certain human resource functions, and some information technology services. The colleges manage their own budgets based on guidance from the System Office, but cash and investments are managed centrally. Tuition is set by the Board of Trustees as a rate per credit hour.

The colleges are responsible for responding to their community's business and enrollment needs. They also respond to grant opportunities based on the needs of the individual college.

The 2017 and 2016 statements of revenues, expenses, and changes in net position for the individual colleges are as follows:



MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Year ended June 30, 2017
(in millions)

	<u>CMCC</u>	<u>EMCC</u>	<u>KVCC</u>	<u>NMCC</u>	<u>SMCC</u>	<u>WCCC</u>	<u>YCCC</u>	<u>All Colleges</u>
Student tuition and fees	\$ 6.7	\$ 6.5	\$ 5.3	\$ 2.2	\$ 15.6	\$ 1.3	\$ 3.3	\$ 40.9
Residential life	2.4	1.7	0.1	0.9	4.5	0.6	-	10.2
Less: scholarships	<u>(7.0)</u>	<u>(6.0)</u>	<u>(4.8)</u>	<u>(2.1)</u>	<u>(10.7)</u>	<u>(1.3)</u>	<u>(2.7)</u>	<u>(34.6)</u>
Tuition and residential life	2.1	2.2	0.6	1.0	9.4	0.6	0.6	16.5
Federal grants and contracts	8.3	5.6	5.6	2.3	10.8	1.4	2.9	36.9
Grants and other revenue	<u>4.2</u>	<u>2.3</u>	<u>1.5</u>	<u>1.4</u>	<u>7.3</u>	<u>0.7</u>	<u>1.3</u>	<u>18.7</u>
Total operating revenues	<u>14.6</u>	<u>10.1</u>	<u>7.7</u>	<u>4.7</u>	<u>27.5</u>	<u>2.7</u>	<u>4.8</u>	<u>72.1</u>
Instruction	8.5	8.1	6.1	4.2	16.7	2.5	4.2	50.3
Public service	-	0.1	-	0.1	0.5	0.2	-	0.9
Academic support	1.2	1.1	2.1	0.5	3.7	0.8	1.5	10.9
Student services	2.2	2.4	1.5	1.5	4.1	1.0	1.5	14.2
Institutional support	1.9	1.8	1.9	1.9	4.1	1.0	1.6	14.2
Operations & maintenance	1.6	2.2	1.5	1.7	5.0	1.1	.7	13.8
Student aid	0.1	0.1	-	0.2	0.2	-	-	0.6
Auxiliary enterprises	2.9	1.1	0.3	1.5	3.7	0.8	-	10.3
Depreciation	<u>1.6</u>	<u>1.7</u>	<u>1.7</u>	<u>1.2</u>	<u>3.9</u>	<u>0.7</u>	<u>0.6</u>	<u>11.4</u>
Total operating expenses	<u>20.0</u>	<u>18.6</u>	<u>15.1</u>	<u>12.8</u>	<u>41.9</u>	<u>8.1</u>	<u>10.1</u>	<u>126.1</u>
Operating loss	(5.4)	(8.5)	(7.4)	(8.1)	(14.4)	(5.4)	(5.3)	(54.5)
State appropriations	8.1	8.5	6.8	8.0	14.2	5.2	5.2	56.0
Gifts	-	-	-	0.3	0.3	-	-	0.6
Net investment income (loss)	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.2)</u>	<u>0.1</u>	<u>-</u>	<u>(0.2)</u>
Net nonoperating revenues	<u>8.0</u>	<u>8.5</u>	<u>6.8</u>	<u>8.3</u>	<u>14.3</u>	<u>5.3</u>	<u>5.2</u>	<u>56.4</u>
Income (loss) before other	2.6	-	(0.6)	0.2	(0.1)	(0.1)	(0.1)	1.9
Capital grants and gifts	-	-	-	-	-	-	2.7	2.7
Appropriation for capital assets	-	-	(0.1)	-	-	-	2.4	2.3
Inter-campus transfers	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.4</u>	<u>-</u>	<u>0.1</u>	<u>1.2</u>
Total other revenue & gains	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>	<u>0.4</u>	<u>-</u>	<u>5.2</u>	<u>6.2</u>
Change in net position	2.8	0.2	(0.5)	0.3	0.3	(0.1)	5.1	9.1
Net position-beginning / year	<u>27.4</u>	<u>23.7</u>	<u>31.6</u>	<u>19.9</u>	<u>65.8</u>	<u>14.1</u>	<u>10.4</u>	<u>192.9</u>
Net position-end / year	<u>\$30.2</u>	<u>\$23.9</u>	<u>\$31.1</u>	<u>\$20.2</u>	<u>\$ 66.1</u>	<u>\$14.0</u>	<u>\$15.5</u>	<u>\$201.0</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

<u>Year ended June 30, 2017</u> <i>(in millions)</i>	<u><i>All Colleges</i></u>	<u><i>System- wide</i></u>	<u><i>System Office</i></u>	<u><i>State's UAAL</i></u>	<u><i>MCCS</i></u>
Student tuition and fees	\$ 40.9	\$ -	\$ -	\$ -	\$ 40.9
Residential life	10.2	-	-	-	10.2
Less: scholarships	<u>(34.6)</u>	<u>(3.4)</u>	<u>-</u>	<u>-</u>	<u>(38.0)</u>
Net tuition and residential life	16.5	(3.4)	-	-	13.1
 Federal grants and contracts	 36.9	 -	 0.1	 -	 37.0
Grants and other revenue	<u>18.7</u>	<u>2.2</u>	<u>0.5</u>	<u>-</u>	<u>21.4</u>
Total operating revenues	<u>72.1</u>	<u>(1.2)</u>	<u>0.6</u>	<u>-</u>	<u>71.5</u>
 Instruction	 50.3	 -	 -	 (0.8)	 49.5
Public service	0.9	-	-	-	0.9
Academic support	10.9	-	1.2	(0.1)	12.0
Student services	14.2	-	-	(0.2)	14.0
Institutional support	14.2	0.3	4.2	(0.3)	18.4
Operations & maintenance	13.8	-	-	(0.2)	13.6
Student aid	0.6	-	-	-	0.6
Auxiliary enterprises	10.3	-	-	-	10.3
Depreciation and amortization	<u>11.4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11.4</u>
Total operating expenses	<u>126.6</u>	<u>0.3</u>	<u>5.4</u>	<u>(1.6)</u>	<u>130.7</u>
 Operating income (loss)	 <u>(54.5)</u>	 <u>(1.5)</u>	 <u>(4.8)</u>	 <u>1.6</u>	 <u>(59.2)</u>
 State appropriations	 56.0	 -	 6.0	 -	 62.0
Gifts	0.6	-	-	-	0.6
Net investment income (loss)	<u>(0.2)</u>	<u>4.0</u>	<u>-</u>	<u>-</u>	<u>3.8</u>
Net nonoperating revenues	<u>56.4</u>	<u>4.0</u>	<u>6.0</u>	<u>-</u>	<u>66.4</u>
 Income (loss) before other	 1.9	 2.5	 1.2	 1.6	 7.2
 Capital grants and gifts	 2.7	 -	 -	 -	 2.7
Appropriation for capital assets	2.3	-	-	-	2.3
Inter-campus transfers	<u>1.2</u>	<u>(1.2)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other revenue, gains or (losses)	<u>6.2</u>	<u>(1.2)</u>	<u>-</u>	<u>-</u>	<u>5.0</u>
 Change in net position	 <u>8.1</u>	 <u>1.3</u>	 <u>1.3</u>	 <u>1.6</u>	 <u>12.3</u>
Net position-beginning / year	<u>192.9</u>	<u>27.7</u>	<u>8.6</u>	<u>(61.8)</u>	<u>167.4</u>
 Net position-end / year	 <u>\$201.0</u>	 <u>\$29.0</u>	 <u>\$ 9.9</u>	 <u>\$(60.2)</u>	 <u>\$179.7</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Year ended June 30, 2016
(in millions)

	<u>CMCC</u>	<u>EMCC</u>	<u>KVCC</u>	<u>NMCC</u>	<u>SMCC</u>	<u>WCCC</u>	<u>YCCC</u>	<u>All Colleges</u>
Student tuition and fees	\$ 6.7	\$ 6.4	\$ 5.0	\$ 2.2	\$ 15.6	\$ 1.3	\$ 3.4	\$ 40.6
Residential life	2.2	1.8	-	0.8	4.1	0.6	-	9.5
Less: scholarships	<u>(7.4)</u>	<u>(5.9)</u>	<u>(4.8)</u>	<u>(2.3)</u>	<u>(12.1)</u>	<u>(1.4)</u>	<u>(3.1)</u>	<u>(37.0)</u>
Tuition and residential life	1.5	2.3	0.2	0.7	7.6	0.5	0.3	13.1
Federal grants and contracts	8.3	5.5	6.9	2.5	12.1	1.6	3.5	40.4
Grants and other revenue	<u>3.8</u>	<u>2.2</u>	<u>1.8</u>	<u>1.3</u>	<u>6.9</u>	<u>0.4</u>	<u>1.2</u>	<u>17.6</u>
Total operating revenues	<u>13.6</u>	<u>10.0</u>	<u>8.9</u>	<u>4.5</u>	<u>26.6</u>	<u>2.5</u>	<u>5.0</u>	<u>71.1</u>
Instruction	8.8	8.4	6.7	4.8	16.7	2.7	4.3	52.4
Public service	-	0.1	-	-	0.4	0.1	-	0.6
Academic support	1.2	1.0	2.1	0.5	3.4	0.8	1.6	10.6
Student services	2.0	2.0	1.3	1.4	4.0	0.9	1.3	12.9
Institutional support	2.3	1.9	1.9	1.8	4.2	0.9	1.5	14.5
Operations & maintenance	1.7	2.4	1.3	1.6	5.0	1.0	0.6	13.6
Student aid	0.1	0.1	0.1	0.1	0.2	-	-	0.6
Auxiliary enterprises	2.6	1.0	0.2	1.4	3.4	0.6	-	9.2
Depreciation	<u>1.5</u>	<u>1.7</u>	<u>1.7</u>	<u>1.1</u>	<u>3.8</u>	<u>0.8</u>	<u>0.7</u>	<u>11.3</u>
Total operating expenses	<u>20.2</u>	<u>18.6</u>	<u>15.3</u>	<u>12.7</u>	<u>41.1</u>	<u>7.8</u>	<u>10.0</u>	<u>125.7</u>
Operating loss	(6.6)	(8.6)	(6.4)	(8.2)	(14.5)	(5.3)	(5.0)	(54.6)
State appropriations	7.6	7.8	6.5	7.7	13.9	4.8	4.8	53.1
Gifts	-	-	-	0.1	0.2	-	0.1	0.4
Net investment loss	<u>(0.3)</u>	<u>(0.3)</u>	<u>(0.1)</u>	<u>-</u>	<u>(.6)</u>	<u>-</u>	<u>(0.1)</u>	<u>(1.4)</u>
Net nonoperating revenues	<u>7.3</u>	<u>7.5</u>	<u>6.4</u>	<u>7.8</u>	<u>13.5</u>	<u>4.8</u>	<u>4.8</u>	<u>52.1</u>
Income (loss) before other	0.7	(1.1)	-	(0.4)	(1.0)	(0.5)	(0.2)	(2.5)
Capital grants and gifts	-	-	0.1	-	0.4	-	-	0.5
Appropriation for capital assets	-	2.0	0.7	0.5	0.4	1.0	0.8	5.4
Inter-campus transfers	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>0.3</u>
Total other revenue & gains	<u>0.1</u>	<u>2.0</u>	<u>0.8</u>	<u>0.5</u>	<u>0.9</u>	<u>1.0</u>	<u>0.9</u>	<u>6.2</u>
Change in net position	0.8	0.9	0.8	(0.1)	0.3	0.5	0.7	3.7
Net position-beginning / year	<u>26.6</u>	<u>22.8</u>	<u>30.8</u>	<u>19.8</u>	<u>65.9</u>	<u>13.6</u>	<u>9.7</u>	<u>189.2</u>
Net position-end / year	<u>\$27.4</u>	<u>\$23.7</u>	<u>\$31.6</u>	<u>\$19.9</u>	<u>\$65.8</u>	<u>\$14.1</u>	<u>\$10.4</u>	<u>\$192.9</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

<u>Year ended June 30, 2016</u> <i>(in millions)</i>	<u><i>All Colleges</i></u>	<u><i>System- wide</i></u>	<u><i>System Office</i></u>	<u><i>State's UAAL</i></u>	<u><i>MCCS</i></u>
Student tuition and fees	\$ 40.6	\$ -	\$ -	\$ -	\$ 40.6
Residential life	9.5	-	-	-	9.5
Less: scholarships	<u>(37.0)</u>	<u>(2.9)</u>	<u>-</u>	<u>-</u>	<u>(39.9)</u>
Net tuition and residential life	13.1	(2.9)	-	-	10.2
 Federal grants and contracts	 40.4	 -	 0.1	 -	 40.5
Grants and other revenue	<u>17.6</u>	<u>2.5</u>	<u>-</u>	<u>-</u>	<u>20.1</u>
Total operating revenues	<u>71.1</u>	<u>(0.4)</u>	<u>0.1</u>	<u>-</u>	<u>70.8</u>
 Instruction	 52.4	 -	 -	 0.1	 52.5
Public service	0.6	-	-	-	0.6
Academic support	10.6	-	0.8	-	11.4
Student services	12.9	-	-	-	12.9
Institutional support	14.5	0.3	4.3	-	19.1
Operations & maintenance	13.6	-	0.1	-	13.7
Student aid	0.6	-	-	-	0.6
Auxiliary enterprises	9.2	-	-	-	9.2
Depreciation and amortization	<u>11.3</u>	<u>-</u>	<u>0.1</u>	<u>-</u>	<u>11.3</u>
Total operating expenses	<u>125.7</u>	<u>0.3</u>	<u>5.3</u>	<u>0.1</u>	<u>131.4</u>
 Operating loss	 (54.6)	 (0.7)	 (5.2)	 (0.1)	 (60.6)
 State appropriations	 53.1	 -	 5.3	 -	 58.4
Gifts	0.4	-	-	-	0.4
Net investment income	<u>(1.4)</u>	<u>0.2</u>	<u>-</u>	<u>-</u>	<u>(1.2)</u>
Net nonoperating revenues	<u>52.1</u>	<u>0.2</u>	<u>0.1</u>	<u>-</u>	<u>57.6</u>
 Income (loss) before other	 <u>(2.5)</u>	 <u>(0.5)</u>	 <u>0.1</u>	 <u>(0.1)</u>	 <u>(3.0)</u>
 Capital grants and gifts	 0.5	 -	 -	 -	 0.5
Appropriation for capital assets	5.4	-	-	-	5.4
Inter-campus transfers	<u>0.3</u>	<u>(0.8)</u>	<u>0.5</u>	<u>-</u>	<u>-</u>
Total other revenue, gains or (losses)	<u>6.2</u>	<u>(0.8)</u>	<u>0.5</u>	<u>-</u>	<u>5.9</u>
 Change in net position	 3.7	 (1.3)	 0.6	 (0.1)	 2.9
Net position-beginning / year	<u>189.2</u>	<u>29.0</u>	<u>8.0</u>	<u>(61.7)</u>	<u>164.5</u>
 Net position-end / year	 <u>\$192.9</u>	 <u>\$27.7</u>	 <u>\$ 8.6</u>	 <u>\$(61.8)</u>	 <u>\$167.4</u>

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The colleges are not required to budget for depreciation expenses, but do budget for capital expenditures funded through operations. As a result, each of the seven colleges ended 2017 with a surplus. With approval from the System Office, the colleges can reserve a portion of the earned surplus for future capital investments (discussed below, in the section on Net Position), but the unobligated net position is not available to the colleges for discretionary spending.

Colleges in more rural areas of Maine have lower enrollments and, therefore, earn less in student tuition and fees, but the proportion of state appropriation tends to be higher.

YCCC completed construction on a new academic building in Wells and completed renovations on an academic center in Sanford. Those projects were financed with a blend of state-issued bonds, philanthropic support, and reserves held for investment in property, plant and equipment.

Economic Factors Affecting Maine's Community Colleges

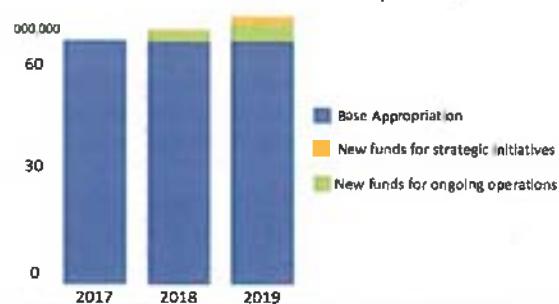
Driven by three factors – changes in societal norms, technology (especially in the workplace) and an economy in demand of skilled labor, MCCS is directing its energy on the changing paradigms in educational delivery.

The state is experiencing a decline in working age adults at a time when Maine employers are expressing an unprecedented need for a well-trained, skilled workforce to expand their businesses. Without a more highly skilled workforce, Maine's economy will be unable to compete for jobs that will sustain its families and communities.

Faced with these troubling realities, Maine's community colleges are focused on two fundamental priorities: student success and workforce development.

In response, the Maine Legislature appropriated increases of \$2.2 million in each year of the biennium to support ongoing operations plus \$1.1 million in FY18 and an additional \$1.2 million in FY19 to support strategic initiatives related to occupational programming and statewide workforce development.

(in millions)	<u>2018</u>	<u>2019</u>
2017 appropriation	\$ 62.0	\$ 62.0
New funding for ongoing operations	2.2	4.4
New funding for strategic initiatives	<u>1.1</u>	<u>2.3</u>
New appropriation	<u>\$ 65.3</u>	<u>\$ 68.6</u>



To have a meaningful impact on the state's workforce challenges, increased educational access must be supported by an organizational culture and structure focused on student success. In joining the national Achieving the Dream network, Maine's community colleges are pioneering a statewide, evidence-based, student-centered approach that is designed to achieve meaningful improvement in the success of our students.

At the same time, MCCS is working to redesign the training it delivers to incumbent workers and those who are unemployed or underemployed.

MAINE COMMUNITY COLLEGE SYSTEM
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These strategic activities provide a strong foundation on which to build a more highly skilled workforce.

For colleges to implement new programs, resources will have to be allocated based on the evidence of demand. To be sustainable, changes in programming and delivery must increase access, improve outcomes and reduce costs.

These investments are necessary to keep the colleges relevant and competitive in the current environment. They also represent new capital funding models. Historically, most of the capital investment has been funded through state-funded bonds which the System has no obligation to repay. Recent construction and renovation buildings have been financed with a blend of state-issued bonds, philanthropic support, and reserves held for investment in property, plant and equipment.

The new, blended financing of capital investment has limits. In 2017, the System's cash balances declined \$1.3 million (9 percent) after declining \$6.1 million (28.8 percent) in 2016 and \$3.8 million (15.2 percent) in 2015.

Nevertheless, with cash-on-hand totaling \$13.7 million and expendable investments of \$4 million on June 30, 2017, the System's balance sheet and liquidity remain strong. The System remains positioned to react to changes in the economy and academic delivery and continues to seek new and expanded sources of funding.

Those efforts include leveraging recent success in philanthropic giving and working closely with legislative leaders, the executive branch of government and community leaders to secure greater financial support for Maine's community colleges. Also, the System intends to work with specific industries to modularize the delivery of academic programs and training initiatives into smaller units aimed at adult learners. These modules will utilize technology as effectively and efficiently as possible to best meet the needs of the incumbent workforce.

Statement of Revenues, Expenses, and Changes in Net Position

MCCS increased its net position by \$12.3 million in 2017, \$9.4 million more than in 2016. The strong performance resulted from increased net tuition and residential life fees of \$2.9 million, reduced instruction expenses of \$2.9 million, increased State appropriation of \$3.6 million and stronger earnings from investments of \$4.6 million, offset by increases in non-instruction expenses of \$2.2 million and decline in non-student aid related Federal grants and contracts of \$1.7 million.

The net investment in capital assets increased \$6.1 million, restricted net position increased \$.7 million and unrestricted net deficit declined \$5.4 million. The deficit in unrestricted net position, analyzed in greater detail below, is a result of pension expenses associated with MCCS employee members of the Maine Public Employees' Retirement System's defined benefit plan. MCCS's proportionate share of the State's Unfunded Actuarially Accrued Liability for pension benefits was \$66.7 million as of June 30, 2017.

In contrast, 2016 operating revenue decreased \$6.2 million from 2015 or 8.1 percent offset by an increase in nonoperating revenue of \$1.6 million or 2.9 percent. In 2015, operating revenue increased \$3.3 million or 4.3 percent and nonoperating revenue decreased \$5.0 million or 8.2 percent.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

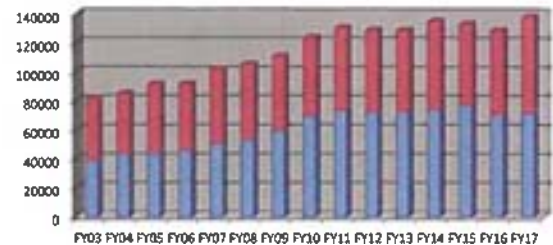
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(in millions)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 71.5	\$ 70.8	\$ 77.0
Operating expenses	<u>130.7</u>	<u>131.4</u>	<u>132.1</u>
Operating loss	(59.2)	(60.6)	(55.1)
Nonoperating revenues	<u>66.4</u>	<u>57.6</u>	<u>56.1</u>
Income (loss) before other revenue	7.2	(3.0)	1.0
Other revenue, net	<u>5.0</u>	<u>5.9</u>	<u>10.5</u>
Increase in net position	<u>\$ 12.2</u>	<u>\$ 2.9</u>	<u>\$ 11.5</u>

Changes in Revenue
(in thousands)



Operating Revenue

The increase in operating revenues was driven by improved net tuition. Student tuition and fees increased 0.6 percent as credit delivery declined 3.5 percent, offset by a tuition increase of 2.2 percent and stronger receipts from the State for high school students enrolled in college courses. The allowances for scholarships decreased 4.7 percent as more students attended part-time so they qualified for less aid. Residential life fees increased 8.1 percent on stronger occupancy. As a result, net tuition and residential life fees increased \$2.9 million.

Federal grants and contracts decline \$3.6 million. Pell receipts, the largest share of Federal financial aid, declined \$2.6 million and other grant activity declined \$1.0 million. Federal financial aid declined because of smaller enrollments and lower awards. More students are working while in college and attending part-time. Part-time students do not qualify for as much aid and the added income from working may decrease their need. Federal grant activity declined as the colleges wind down activities on a series of large Federal grants, most notably the TAACCCT Grants.

Changes in the sources of grants fluctuate between Federal, state and nongovernment entities based on the opportunities the colleges pursue, but in the current environment do not reflect any meaningful pattern or strategic change.

Auxiliary enterprise revenues increased \$0.3 million. Auxiliary enterprise revenues result mostly from the sales of textbooks and dining services through stores operated by MCCS. Increased competition from internet-based sellers resulted in a five-year decline in profitability in bookstore operations. In 2018 MCCS entered a contract with a third party national retailer to manage bookstore operations on all seven campuses.

In 2016, a decrease in enrollment translated to a reduction in student tuition and fee revenue as well as lower residential life fees which, taken together, declined \$2.3 million or 4.4 percent. Scholarship allowances are funded by student financial aid resources, mostly Federal Pell Grants, and, tracking with tuition, declined 3.4 percent in 2016. Enrollment and the related revenues declined \$0.3 million or 0.6 percent in 2015.

Revenues from Federal, state and local, and non-government grants declined \$4.5 million or 7.8 percent in aggregate. The 2016 decline comes at the end of a long period of growth in grant production that included increases in 2015 of \$3.8 million or 7.0 percent.

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Auxiliary revenues declined \$1.0 million or 17.2 percent in 2016 compared to 2015 when auxiliary revenues declined \$0.2 million or 3.6 percent.

Nonoperating Revenue

Non-operating revenues are primarily comprised of the appropriations from the State of Maine, gifts, and investment gains and losses. Appropriation and other state revenue increased \$3.6 million, or 6.1 percent in 2017 and \$1.9 million or 3.4 percent in 2016. In 2015, the appropriation did not change significantly.

Investment income increased \$4.6 million because of favorable investment markets. In 2016, MCCS investment returns were insignificant after experiencing losses of \$0.6 million in 2015.

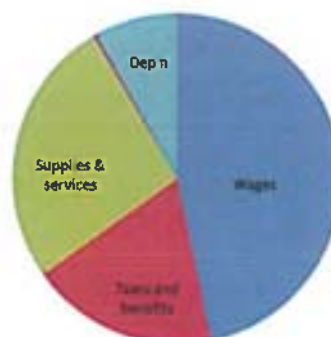
Operating Expenses

Like most colleges and universities, MCCS invests most of its income in its people. Wages, benefits, and wage-related taxes accounted for approximately two-thirds of expenditures in each of the last three years.

Wages decreased 0.1 percent in 2017, increased 1.1 percent in 2016 and 1.6 percent in 2015. Wage rates increased approximately 3 percent in each of those years, but productivity largely offset the rate increases.

Taxes and benefits increased 1.3 percent in 2017, compared to a decrease of 4.2 percent in 2016 and an increase of 6.9 percent in 2015. The largest benefit expense is the cost of retirement. Approximately two-thirds of the System's employees participate in the State Employee and Teacher Retirement Plan, a multiple-employer, cost-sharing plan administered by the Maine Public Employees Retirement System (MainePERS). The System was required to contribute 22.69 percent of payroll in 2017 and 22.37 percent in 2016. Healthcare benefits for current members and retirees purchased from the Maine Bureau of Employee Health contribute to the cost of benefits which added 38 percent to the cost of compensation. Expenses by natural class are as follows:

<i>(in millions)</i>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Wages	\$ 63.0	\$ 63.1	\$ 62.4
Taxes and benefits	<u>24.0</u>	<u>23.7</u>	<u>24.7</u>
Wages & benefits	87.0	86.8	87.1
Supplies & services	31.7	32.6	33.6
Student aid	0.6	0.6	0.6
Depreciation	<u>11.4</u>	<u>11.4</u>	<u>10.8</u>
Total expenses	<u>\$130.7</u>	<u>\$131.4</u>	<u>\$132.1</u>



After a long period of consistency, the distribution of expenses by functional area has shifted over the two-year period ending June 30, 2017. The colleges are increasing their use of success coaches, or navigators, to support students who face challenges in completing their education. As a result, expenditures for student services increased to 11 percent in 2017 from 10 percent in 2016 and 9 percent in 2015, while expenditures in instruction decreased to 38 percent in 2017 from 40 percent in 2016 and 41 percent in 2015.

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Expenditures in other areas have remained relatively constant over time with between 8 and 9 percent spent on academic support, approximately 14 percent spent on institutional support, between 10 and 11 percent on operations and maintenance, approximately 8 percent on auxiliary enterprises and between 8 and 9 percent charged to depreciation in 2017, 2016, and 2015. Expenses by function are as follows:

<i>(in millions)</i>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction	\$ 49.5	\$ 52.5	\$ 54.2
Public service	0.9	0.6	0.8
Academic support	12.0	11.4	11.0
Student services	14.0	13.0	12.5
Institutional support	18.4	19.1	18.3
Operations	13.6	13.7	13.9
Student aid	0.6	0.6	0.6
Auxiliary enterprises	10.3	9.2	10.0
Depreciation	<u>11.4</u>	<u>11.4</u>	<u>10.8</u>
Total	<u>\$130.7</u>	<u>\$131.4</u>	<u>\$132.1</u>



Other Revenues, Expenses, Gains, and Losses

Other revenues, expenses, gains, and losses are primarily the net result of capital activity paid through state-funded bonds which the System has no obligation to repay and capital gifts and grants including the transfer of land and buildings from other public entities.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Other revenues, net	\$ 5.0	\$ 5.9	\$ 10.5

Other revenues, expenses, gains, and losses decreased \$0.9 million in 2017 and \$4.6 million in 2016 after an increase of \$3.5 million in 2015.

Proceeds from State for grants and capital asset acquisition decreased \$3.3 million while capital grants and gifts increased \$2.2 million. Almost all the 2017 expenditures from capital grants and proceeds from State for grants and capital asset acquisition were related to the construction of a new academic building at YCCC.

Proceeds from State for grants and capital asset acquisition decreased \$2.9 million in 2016 after an increase of \$7.0 million in 2015 as most projects except for the new building at YCCC that were funded with state-funded bonds neared completion.

Capital gifts increased \$2.2 million in 2017 after a decrease of \$1.2 million in 2016 and \$3.5 million in 2015.

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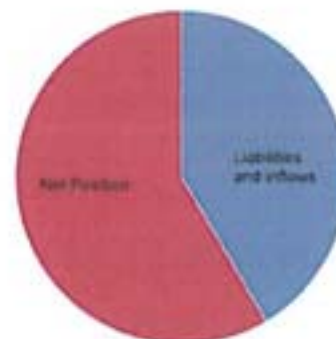
June 30, 2017

Statement of Net Position

MCCS increased assets and deferred outflows \$14.4 million in 2017, \$1.9 million in 2016 and \$17.6 million in 2015, while liabilities and deferred inflows increased \$2.1 million in 2017, decreased \$1.0 million in 2016 and increased \$6.1 million in 2015.

<i>(in millions)</i>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current assets	\$ 62.4	\$ 58.5	\$ 66.4
Noncurrent assets	213.2	207.9	203.8
Deferred outflows-pension	<u>25.1</u>	<u>19.8</u>	<u>14.1</u>
Total assets and outflows	<u>\$300.7</u>	<u>\$286.2</u>	<u>\$284.3</u>
Current liabilities	\$ 15.0	\$ 15.4	\$ 19.6
Noncurrent liabilities	87.0	89.2	84.1
Deferred inflows	<u>19.0</u>	<u>14.2</u>	<u>16.1</u>
Total liabilities and inflows	<u>\$121.0</u>	<u>\$118.8</u>	<u>\$119.8</u>
Investment in capital assets	\$164.2	\$158.1	\$152.0
Net restricted position	22.1	21.4	22.7
Net unrestricted position	<u>(6.6)</u>	<u>(12.1)</u>	<u>(10.2)</u>
Total net position	<u>\$179.7</u>	<u>\$167.4</u>	<u>\$164.5</u>

Net Position



Current Assets and Current Liabilities

Current assets increased \$3.8 million, and current liabilities decreased \$0.4 million in 2017, generally improving liquidity. Cash decreased \$1.3 million in 2017, but short-term investments increased \$3.5 million. Cash was used to finance operating and capital activities, while the increase in investments is related to favorable returns.

Accounts receivable increased \$3.2 million because of two capital projects financed in part through philanthropic support. YCCC constructed a new academic building and CMCC renovated a precision manufacturing academic laboratory. Both projects are supported by donations that are scheduled to be received over the next four years.

The \$1.1 million decline in inventory is a result of MCCS's self-operated bookstores selling their inventory to a third-party vendor who will operate bookstores for all seven colleges beginning in 2018.

Current liabilities decreased \$0.4 million. Accounts payable and accrued liabilities collectively increased \$0.9 million based on normal business activities. MCCS makes payments to vendors and employees according to a routine schedule, and there was one more day in the payment cycle in 2017 compared to 2016. The current portion of long-term debt decreased \$1.5 million because YCCC made a planned final payment on the capital lease obligation associated with the original academic building on the Wells campus.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

In 2016, current assets decreased \$7.9 million, and current liabilities decreased \$4.2 million. Cash decreased \$6.2 million because the System collected \$4.4 million less from grants and contracts and used \$1.8 million more to pay employees and vendors. Accounts receivable and pledges receivable combined decreased \$1.9 million with the payment of pledge payments and the reduction of amounts receivable from students. Accounts payable and accrued liabilities combined, decreased \$5.7 million. The changes in accounts payable and accrued liabilities are a result of timing. The System paid its biweekly payroll obligation on June 29, 2016, and made routine payments to vendors on June 30, 2016. In 2015 payroll was delivered to employees on July 1, 2015 and routine payments to vendors were mailed on July 2, 2015. The current portion of long-term debt increased in 2015 because the balance of the capital lease obligation associated with the original academic building on the Wells campus was due to be paid the following fiscal year.

Current assets also decreased \$2.2 million and current liabilities \$1.9 million in 2015. Cash decreased \$3.8 million in 2015 because of using \$3.0 million more on operating activities than in 2014. MCCC collected \$0.7 million less from tuition and residential life fees in 2015 and used \$6.8 million more to pay employees and vendors, but collected \$3.9 million more from grants and contracts.

Noncurrent Assets and Noncurrent Liabilities

Noncurrent assets increased \$5.3 million in 2017. Investments in facilities and equipment, most notably the construction projects at YCCC in Wells and Sanford were completed in the summer of 2017 just after the end of the fiscal year. The prepaid post-employment benefit increased \$.3 million, and the deposit with bond trustee increased \$0.4 million. Endowment investments increased \$1.4 million because of strong returns on the related investments. Investments are discussed in greater detail below.

In 2016, noncurrent assets increased \$4.1 million with investments in facilities and equipment, most notably the construction project at CMCC and two projects at YCCC. The prepaid post-employment benefit increased \$0.5 million, offset by decreases in the deposit with bond trustee and endowment investments.

Also in 2017, long-term liabilities decreased \$2.2 million. MCCC made its final payment on the Certificates of Participation issued to finance construction of YCCC's primary academic and administrative building in Wells, Maine. The net pension liability decreased \$1.3 million based mostly on actuarial assumptions. The costs and obligations of retirement plans are assessed below.

In 2016, long-term debt decreased \$3.2 million. The System refinanced debt on residence halls built in 2006. The reduction in long-term debt was offset by an increase in net pension liability of \$8.3 million.

Costs and Obligations of Retirement Plans

Regular employees of the System have two retirement plan options: participation in TIAA/CREF, a defined contribution plan, and MainePERS, a defined benefit plan. MainePERS is an independent public agency of the State of Maine that administers retirement programs for State employees and other public entities including MCCC. MainePERS is responsible for the payment of retirement benefits to participants in that plan.

Participants in both the defined benefit and the defined contribution plan are eligible for retiree health insurance after vesting.

In 2015, the System implemented GASB 68, *Accounting and Financial Reporting for Pensions*. As a result, MCCC's proportionate share of the State's Unfunded Actuarially Accrued Liability (UAAL) for pension benefits was \$68.0 million as of June 30, 2016 and \$59.7 million in 2015.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

The plan is administered by MainePERS. The System does not manage the defined benefit plan assets or directly control the benefits, but the System is required to fund its share of the plan so that it remains viable and able to honor the commitments made to retired employees. Therefore, the presentation of MCCC's proportionate share of the Maine PERS UAAL, 6.6 percent as of the last reporting date, chronicles an important understanding of the System's fully formed financial condition and the totality of its obligations.

The UAAL is determined by actuaries, not staff or the System's auditors. Certain estimates used by actuaries including investment returns, salary increases, mortality rates and cost of living benefits will impact the valuation of the liability. Note 7 of the financial statements includes a required disclosure that demonstrates the impact of changing one assumption (the discount rate) by an increase or decrease of 1 percent.

The System recognizes the actuarially determined cost of retiree health and life insurance benefits in accordance with the GASB Statement No. 45 (GASB 45). In 2009, the System created the MCCC OPEB Trust. The Trust Agreement allows the Trust to accept contributions from MCCC to fund future retiree benefits and limits the trustees to prudent investment of trust assets and payment of retiree health and life insurance benefit costs. MCCC's total expenses for other post-employment benefits were \$1.7 million in 2017, \$1.7 million in 2016, and \$1.6 million in 2015. The actuarially accrued obligation for retiree health and life insurance is \$38.6 million, up \$1.4 million from the \$37.2 million obligation in 2016. In 2015, the actuarially determined obligation was \$37.7 million.

Trust assets were valued at \$36.7 million on June 30, 2017, and at \$31.5 million on June 30, 2016 and 2015. Accordingly, the UAAL was \$1.9 million in 2017, \$5.7 million in 2016 and \$6.2 million in 2015. GASB 45 requires that MCCC gradually accrete the UAAL and, as a result, MCCC had a prepaid post-employment benefit of \$13.4 million in 2017, \$13.1 million in 2016 and \$12.6 million in 2015.

In 2018, the System will adopt GASB 75 which will require recognition of the total OPEB liability and retroactive restatement of net position. Using GASB 75 methods and assumptions, the total OPEB liability for 2017 was \$49.0 million, the net OPEB liability would have been \$12.3 million, and unrestricted net position a deficit of \$32.3 million.

Endowments

Noncurrent assets also include \$14.5 million in endowment investments; \$1.4 million or 10.5 percent more than in 2016. In 2016, endowment investments were \$13.2 million; \$0.9 million or 6.3 percent less than in 2015 and \$0.8 million less than in 2014. Endowment investments earned 14.6 percent in 2017 and - 1.5 percent in 2016.

The largest shares of the endowment are comprised of gifts from the Bernard Osher Foundation. The Osher Endowments are comprised of four donations that total \$7.0 million. The State and the System have added \$3.0 million in matching funds. The gifts support scholarships and emergency financial assistance for full-time matriculated associate degree students.

The Board of Trustees adopted an investment policy using a long-term investment strategy, and investment results are compared to a blended benchmark index that is a composite made up of 60 percent of the Morgan Stanley Capital International - All Country World Index (MSCI-ACWI); and 15 percent of the Bloomberg Barclays Capital US Aggregate Bond Index (BC Agg); 15 percent Bloomberg Barclays Intermediate US Government/Credit Bond Index; and 10 percent MSCI All Country World Small Cap Index. Endowment investments are pooled with the System's long-term investments and are allocated based upon a percentage of the total investment pool.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

Net Position

MCCS's net position represents the value of its assets and deferred outflows of resources after subtracting its liabilities and deferred inflows of resources. Net investment in capital assets is the value of nonexpendable, capital assets after subtracting the related debt on facilities and equipment. Restricted net assets are assets owned by MCCS, but, by agreement with grantors or donors, the assets can only be used for purposes specified in grant or donor agreements. As such those assets are not available to meet the general obligations of operations. Unrestricted net assets are those assets, net of liabilities, which have accumulated over time, are free of restrictions and are expendable at the Trustees direction.

MCCS has designated unrestricted net position as follows (in millions):

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Funds committed to Other Post-Employment Benefits	\$ 13.4	\$ 13.1	\$ 12.6
Funds carried from prior years for programs	6.5	6.5	2.9
Funds committed to property, plant and equipment renewal	20.6	19.5	24.5
Funds set aside for debt service	-	2.2	1.7
Funds on deposit with bond trustee	1.1	.6	1.6
Unobligated net position	12.0	7.8	8.2
Proportionate share of the State's net pension liability	<u>(60.2)</u>	<u>(61.8)</u>	<u>(61.7)</u>
Total net position	<u>\$ (6.6)</u>	<u>\$ (12.1)</u>	<u>\$ (10.2)</u>

The narrative on costs and obligations of retirement plans notes that MCCS has appropriately combined its proportionate share of the UAAL administered by MainePERS, but that the System does not manage any aspect of the plan. The results of operations and impact of GASB 68 are as follows:

(in millions)	<u>2017</u>			<u>2016</u>		
	<u>Before</u> <u>UAAL</u>	<u>State's</u> <u>UAAL</u>	<u>MCCS</u>	<u>Before</u> <u>UAAL</u>	<u>State's</u> <u>UAAL</u>	<u>MCCS</u>
Current assets	\$ 62.4	\$ -	\$ 62.4	\$ 58.5	\$ -	\$ 58.5
Noncurrent assets	213.2	-	213.2	207.9	-	207.9
Deferred outflows-pension	<u>-</u>	<u>25.1</u>	<u>25.1</u>	<u>-</u>	<u>19.8</u>	<u>19.8</u>
Total assets and outflows	<u>\$275.6</u>	<u>\$ 25.1</u>	<u>\$300.7</u>	<u>\$266.4</u>	<u>\$ 19.8</u>	<u>\$286.2</u>
Current liabilities	\$ 15.0	\$ -	\$ 15.0	\$15.4	\$ -	\$ 15.4
Noncurrent liabilities	20.2	66.8	87.0	21.2	68.0	89.2
Deferred inflows	<u>.5</u>	<u>18.5</u>	<u>19.0</u>	<u>.6</u>	<u>13.6</u>	<u>14.2</u>
Total liabilities and inflows	<u>\$ 35.7</u>	<u>\$ 85.8</u>	<u>\$121.0</u>	<u>\$ 37.2</u>	<u>\$ 81.6</u>	<u>\$118.8</u>
Investment in capital assets	\$164.2	\$ -	\$164.2	\$158.1	\$ -	\$158.1
Net restricted position	22.1	-	22.1	21.4	-	21.4
Net unrestricted position	<u>53.6</u>	<u>(60.2)</u>	<u>(6.6)</u>	<u>49.7</u>	<u>(61.8)</u>	<u>(12.1)</u>
Total net position	<u>\$239.9</u>	<u>\$ (60.2)</u>	<u>\$179.7</u>	<u>\$229.8</u>	<u>\$ (61.8)</u>	<u>\$167.4</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Net Position

June 30, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Current assets		
Cash and cash equivalents	\$ 13,707,418	\$ 15,057,068
Short-term investments	39,951,938	36,499,633
Accounts receivable, net	6,943,547	3,730,273
Pledges receivable	-	200,000
Inventories	15,121	1,082,547
Due from State of Maine	698,930	1,041,230
Other assets	<u>1,087,579</u>	<u>952,750</u>
Total current assets	<u>62,404,533</u>	<u>58,563,501</u>
Noncurrent assets		
Prepaid post-employment benefit	13,402,607	13,096,447
Deposit with bond trustee	1,090,935	658,711
Endowment investments	14,528,353	13,153,452
Capital assets, net	<u>184,132,998</u>	<u>180,948,572</u>
Total noncurrent assets	<u>213,154,893</u>	<u>207,857,182</u>
Total assets	<u>275,559,426</u>	<u>266,420,683</u>

DEFERRED OUTFLOWS OF RESOURCES

Defined benefit pension plan	<u>25,066,681</u>	<u>19,815,816</u>
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Total assets and deferred outflows of resources	<u>\$ 300,626,107</u>	<u>\$ 286,236,499</u>
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The accompanying notes are an integral part of these financial statements.

LIABILITIES

	<u>2017</u>	<u>2016</u>
Current liabilities		
Accounts payable	\$ 2,602,376	\$ 2,343,123
Accrued liabilities	9,198,150	8,513,485
Unearned revenue	2,370,333	2,264,431
Current portion of long-term debt	<u>841,563</u>	<u>2,340,488</u>
Total current liabilities	<u>15,012,422</u>	<u>15,461,527</u>
Long-term liabilities		
Long-term debt	20,214,157	21,179,847
Net pension liability	<u>66,740,128</u>	<u>68,006,887</u>
Total long-term liabilities	<u>86,954,285</u>	<u>89,186,734</u>
Total liabilities	<u>101,966,707</u>	<u>104,648,261</u>

DEFERRED INFLOWS OF RESOURCES

Defined benefit pension plan	18,475,672	13,634,095
Deferred gain on bond refunding	<u>530,666</u>	<u>558,596</u>
Total deferred inflows of resources	<u>19,006,338</u>	<u>14,192,691</u>

NET POSITION

Net investment in capital assets	164,168,213	158,086,948
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	11,846,901	11,846,341
Expendable:		
Scholarships and fellowships	8,502,244	7,650,277
Instructional department uses	1,679,370	1,813,251
Other	86,837	60,501
Unrestricted	<u>(6,630,503)</u>	<u>(12,061,771)</u>
Total net position	<u>179,653,062</u>	<u>167,395,547</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 300,626,107</u>	<u>\$ 286,236,499</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues		
Operating revenues		
Student tuition and fees	\$ 40,886,582	\$ 40,624,414
Residential life fees	10,225,206	9,457,154
Less scholarship allowances	<u>(38,012,422)</u>	<u>(39,880,413)</u>
Net tuition and residential life fees	13,099,366	10,201,155
Federal grants and contracts - other	36,977,920	40,531,366
State and local grants and contracts	8,853,698	8,593,683
Nongovernmental grants and contracts	4,834,616	4,142,155
Sales and services of educational departments	771,390	728,141
Auxiliary enterprises	5,331,673	4,987,798
Other operating revenues	<u>1,637,891</u>	<u>1,639,456</u>
Total operating revenues	<u>71,506,554</u>	<u>70,823,754</u>
Expenses		
Operating expenses		
Instruction	49,548,583	52,499,144
Public service	850,663	579,123
Academic support	11,953,790	11,352,164
Student services	13,981,816	12,983,185
Institutional support	18,416,298	19,091,781
Operations and maintenance	13,643,085	13,697,456
Student aid	620,653	618,197
Auxiliary enterprises and residential life	10,275,717	9,194,395
Depreciation and amortization	<u>11,415,250</u>	<u>11,432,506</u>
Total operating expenses	<u>130,705,855</u>	<u>131,447,951</u>
Operating loss	(59,199,301)	(60,624,197)
Nonoperating revenues (expenses)		
State appropriations	61,958,536	58,369,518
Gifts	611,862	443,322
Investment income, net of investment expenses of \$135,707 in 2017 and \$94,177 in 2016	4,654,160	49,483
Interest on capital asset-related debt	<u>(762,415)</u>	<u>(1,212,471)</u>
Net nonoperating revenues	<u>66,462,143</u>	<u>57,649,852</u>
Income (loss) before other revenues, expenses, gains or losses	7,262,842	(2,974,345)

(Continued next page)

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Revenues, Expenses and Changes in Net Position (Concluded)

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Other revenues, (expenses), gains or (losses)		
Capital grants and gifts	\$ 2,683,123	\$ 499,399
Appropriation from State for grants and capital asset acquisition	2,613,047	5,875,418
Loss on disposals of capital assets - other	(16,870)	(72,709)
Additions to permanent endowments	560	8,040
Asset impairment loss	<u>(285,187)</u>	<u>(421,750)</u>
Total other revenues, (expenses), gains or (losses)	<u>4,994,673</u>	<u>5,888,398</u>
Increase in net position	12,257,515	2,914,053
Net position, beginning of year	<u>167,395,547</u>	<u>164,481,494</u>
Net position, end of year	<u>\$ 179,653,062</u>	<u>\$ 167,395,547</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Receipts from tuition and residential life fees	\$ 13,071,818	\$ 9,772,734
Receipts from grants and contracts	47,641,534	53,237,386
Receipts from bookstore	5,240,438	4,972,942
Payments to suppliers and vendors	(26,137,889)	(27,383,182)
Payments for employees' salaries and benefits	(91,161,646)	(94,090,704)
Payments for funding of Other Post-Employment Benefit Trust	(2,090,345)	(2,187,091)
Other sales and services	760,241	862,592
Other receipts	<u>1,424,703</u>	<u>1,755,800</u>
Net cash used by operating activities	<u>(51,251,146)</u>	<u>(53,059,523)</u>
Cash flows from noncapital financing activities		
State appropriations and other state revenue	61,958,536	58,369,518
Gifts and grants received for other than capital purposes		
Nonoperating private gifts	<u>522,965</u>	<u>338,348</u>
Net cash provided by noncapital financing activities	<u>62,481,501</u>	<u>58,707,866</u>
Cash flows from capital and related financing activities		
Payments on long-term liabilities	(2,337,194)	(1,052,617)
Proceeds from state grants for capital asset acquisition	2,956,844	6,480,177
Capital grants and gifts received	2,772,436	1,765,999
Purchase of capital assets	(14,856,135)	(18,751,648)
Proceeds from sale of capital assets	18,286	489,008
(Increase) decrease in deposit with bond trustee	(432,224)	986,515
Interest paid on capital debt and lease	<u>(528,972)</u>	<u>(1,758,216)</u>
Net cash used by capital and related financing activities	<u>(12,406,959)</u>	<u>(11,840,782)</u>
Cash flows from investment activities		
Proceeds from sales and maturities of investments	126,759,316	13,473,210
Investments purchased	(128,212,759)	(14,763,974)
Interest and dividends	<u>1,280,397</u>	<u>1,332,583</u>
Net cash (used) provided by investing activities	<u>(173,046)</u>	<u>41,819</u>
Decrease in cash and cash equivalents	<u>(1,349,650)</u>	<u>(6,150,620)</u>
Cash and cash equivalents, beginning of year	<u>15,057,068</u>	<u>21,207,688</u>
Cash and cash equivalents, end of year	<u>\$ 13,707,418</u>	<u>\$ 15,057,068</u>
(Continued next page)		

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Cash Flows (Concluded)

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (59,199,301)	\$ (60,624,197)
Adjustments to reconcile operating loss to net cash used by operating activities		
Bad debts provision	258,951	679,056
Depreciation and amortization	11,415,250	11,432,506
Noncash pension (credit) expenses	(1,676,047)	45,439
Noncash donations of supplies	89,457	113,013
Decrease (increase) in		
Accounts receivable, net	(3,472,225)	(105,475)
Inventories	1,067,426	237,977
Due from State - other	(1,497)	(96,163)
Other assets	(134,829)	(5,386)
Prepaid post-employment benefits	(306,160)	(483,641)
Increase (decrease) in		
Accounts payable	306,056	(1,665,487)
Accrued liabilities, net of accrued interest on capital debt	295,871	(2,566,504)
Unearned revenue	<u>105,902</u>	<u>(20,661)</u>
Net cash used by operating activities	\$ <u>(51,251,146)</u>	\$ <u>(53,059,523)</u>
Supplemental disclosure of noncash capital and related financing activities		
Donated capital assets	\$ <u>110,687</u>	\$ <u>33,400</u>
Capital asset purchases recorded in accounts payable	\$ <u>670,957</u>	\$ <u>717,760</u>
Capital assets acquired under a note payable and capital leases	\$ <u>-</u>	\$ <u>3,207,796</u>
Summary of noncash investing activities		
Net losses related to investments	\$ <u>3,373,764</u>	\$ <u>1,283,100</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS
(Component Units)

BALANCE SHEETS

June 30, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Cash	\$ 5,924,481	\$ 6,501,886
Investments	13,146,839	9,574,790
Pledges receivable	2,307,456	1,945,355
Other assets	<u>1,025,482</u>	<u>954,501</u>
Total assets	<u>\$ 22,404,258</u>	<u>\$ 18,976,532</u>

LIABILITIES AND NET ASSETS

Accounts payable and accruals	\$ 919,473	\$ 752,404
Net assets		
Unrestricted	1,299,141	1,428,673
Temporarily restricted	12,326,712	10,164,425
Permanently restricted	<u>7,858,932</u>	<u>6,631,030</u>
Total net assets	<u>21,484,785</u>	<u>18,224,128</u>
Total liabilities and net assets	<u>\$ 22,404,258</u>	<u>\$ 18,976,532</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS
(Component Units)

Statements of Activities

Years Ended June 30, 2017 and 2016

	<u>2017</u>			<u>2016</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Revenues					
Gifts and contributions	\$ 710,462	\$ 4,939,402	\$ 1,238,131	\$ 6,887,995	\$ 4,917,034
Net investment gain	158,511	948,606	4,137	1,111,254	105,969
Other	<u>430,866</u>	<u>84,603</u>	<u>5,148</u>	<u>520,617</u>	<u>522,094</u>
	1,299,839	5,972,611	1,247,416	8,519,866	5,545,097
Net assets released from restrictions	<u>3,829,838</u>	<u>(3,829,124)</u>	<u>(714)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	5,129,677	2,143,487	1,246,702	8,519,866	5,545,097
Expenses					
Program expenses					
Scholarships	819,122	-	-	819,122	750,985
Support	3,463,701	-	-	3,463,701	1,844,499
Fundraising	362,347	-	-	362,347	436,588
Management and general	614,039	-	-	614,039	664,733
Investment expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,627</u>
Total expenses	<u>5,259,209</u>	<u>-</u>	<u>-</u>	<u>5,259,209</u>	<u>3,718,432</u>
Changes in net assets before changes in donor intent	(129,532)	2,143,487	1,246,702	3,260,657	1,826,665
Changes in donor intent	<u>-</u>	<u>18,800</u>	<u>(18,800)</u>	<u>-</u>	<u>-</u>
(Decrease) increase in net assets	(129,532)	2,162,287	1,227,902	3,260,657	1,826,665
Net assets, beginning of year	<u>1,428,673</u>	<u>10,164,425</u>	<u>6,631,030</u>	<u>18,224,128</u>	<u>16,397,463</u>
Net assets, end of year	<u>\$ 1,299,141</u>	<u>\$ 12,326,712</u>	<u>\$ 7,858,932</u>	<u>\$ 21,484,785</u>	<u>\$ 18,224,128</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST

Statements of Fiduciary Net Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash	\$ 120,367	\$ 101,429
Investments	<u>36,552,442</u>	<u>31,414,615</u>
Total assets	<u>36,672,809</u>	<u>31,516,044</u>
Net position held in trust for benefits	<u>\$ 36,672,809</u>	<u>\$ 31,516,044</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST

Statements of Changes in Fiduciary Net Position

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Additions		
Interest income	\$ 24	\$ 15
Employer contributions	2,090,345	2,187,091
Investment income (loss), net of investment expense of \$102,893 in 2017 and \$59,344 in 2016	<u>4,769,419</u>	<u>(401,850)</u>
Total additions	6,859,788	1,785,256
Deductions		
Benefits	1,647,873	1,657,921
Administrative expenses	<u>55,150</u>	<u>50,175</u>
Total deductions	<u>1,703,023</u>	<u>1,708,096</u>
Net increase	5,156,765	77,160
Net position held in trust for benefits, beginning of year	<u>31,516,044</u>	<u>31,438,884</u>
Net position held in trust for benefits, end of year	<u>\$ 36,672,809</u>	<u>\$ 31,516,044</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
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Notes to Financial Statements

June 30, 2017 and 2016

1. Summary of Significant Accounting Policies

The significant accounting policies followed by the Maine Community College System (the System) are set forth below:

Basis of Presentation

The System is Maine's comprehensive two-year college system and offers certificate, diploma, and associate degree programs. The financial statements of the System include the activity of its seven colleges, the central administrative office and its Center for Career Development (the CCD), which directed system-wide programs and supports other strategic projects and initiatives for the System through June 30, 2016. At that time, the System merged CCD's activities and programs into the System's central office.

The System is included in the combined financial statements of the State of Maine (the State) as a discretely-presented component unit. This financial reporting is based primarily on the State's appointment of the System Board of Trustees, the level of revenues derived from state appropriations and the ability of the State to influence the operational decisions of the System.

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) using the economic resources measurement focus and the accrual basis of accounting. In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the System follows all applicable GASB pronouncements.

The following elements are included with these general purpose financial statements:

- Management's Discussion and Analysis (as required supplementary information);
- Basic financial statements, which include the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows; and
- Notes to the Financial Statements.

The System follows the "business-type activities" (BTA) requirements of GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. BTAs are defined as those that are financed in whole or in part by fees charged to external parties for goods or services.

The financial statements are reported on a consolidated basis and the System classified resources into the following net position categories:

- **Net investment in capital assets** - Capital assets, at historical cost or fair market value on the date of gift and deposit with bond trustee, net of accumulated depreciation; reduced by outstanding principal balances of debt; increased by deferred outflows of resources and decreased by deferred inflows of resources attributable to the acquisition, construction or improvement of those assets.

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- **Restricted nonexpendable** - Net position subject to externally-imposed stipulations that is invested permanently by the System. The amount is affected by new nonexpendable gifts.
- **Restricted expendable** - Net position whose use by the System is subject to externally-imposed stipulations. Such assets include the accumulated net gains/losses on true endowment funds as well as the fair market value of restricted funds functioning as endowments, restricted funds loaned to students, restricted gifts and endowment income, and other similar restricted funds.
- **Unrestricted** - Net position that is not subject to externally-imposed stipulations.

The System determines on a case-by-case basis whether to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. However, the System generally encourages the use of restricted resources first.

Reporting Entity

The financial reporting entity consists of the primary government (the System), its component units, which consist of the seven Foundations of the System's Colleges (the Foundations), and the Maine Community College System Post-Employment Benefit Trust (the Trust).

The Trust is a separate legal entity established in 2009 to accumulate funds to pay, at least in part, the System's obligations under the post-employment healthcare plan. See Note 12 for more information.

The Foundations are legally separate, tax-exempt component units of the System. The Foundations act primarily as fundraising organizations to supplement the resources that are available to the System by raising money for endowed scholarships, technology, and teaching resources. The Foundations are self-perpetuating and their donors consist of graduates and friends of the Colleges. Although the System does not control the timing or amount of receipts from the Foundations, the majority of resources, or income thereon, that the Foundations hold and invest are restricted to the activities of the System by the donors. Because these resources held by the Foundations can only be used by, or for the benefit of, the System, the Foundations are considered component units of the System. The Foundations are reported in separate financial statements.

The Foundations are private not-for-profit organizations that report their financial results in accordance with private, non-governmental accounting standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. Significant note disclosures to the Foundations' financial statements have been incorporated into the System's notes to the financial statements in Note 11.

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Notes to Financial Statements

June 30, 2017 and 2016

Cash Equivalents

Cash equivalents are carried at cost, which approximates fair value, and consist principally of money market funds and other pooled funds with maturities of three months or less at the date of purchase.

Investments

Investments are reported at fair value based on quoted market prices. Realized gains and losses are calculated on a specific identification basis.

The System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Pledges Receivable

Pledges receivable represent irrevocable donations promised by other entities or individuals that meet certain eligibility requirements, net of an estimate of uncollectible amounts. Pledges receivable are shown at their face amount and are not discounted. The allowance for uncollectible amounts is an estimate subject to change. An allowance is established based on the current status of pledges and past experience. As of June 30, 2017 and 2016, management has determined that an allowance is not warranted.

Endowment Investments

Endowment funds consist of funds received from donors with the stipulation that the original principal remain invested in perpetuity to produce income which is to be expended for the purposes specified by the donor. All endowments have been established for the purpose of granting scholarships to students.

Individual endowment funds are invested on a pooled basis. Total endowment investment yield received for the year is distributed to fund accounts, in accordance with the terms or restrictions of the individual fund.

Accounts Receivable

Accounts receivable consist principally of tuition receivable from students and third-party payors and various state and federal grants.

Student accounts receivable are carried at the unpaid balance of the original amount billed to students. Student accounts receivable are net of an estimate made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts

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by identifying troubled accounts and by using historical experience applied to an aging of accounts. Student accounts are written off when deemed uncollectible. Recoveries of student accounts previously written off are recorded when received.

A student account receivable is generally considered to be past-due if any portion of the receivable balance is outstanding at the beginning of a semester, at which point late charges may be assessed and are recognized when charged. Interest is not charged on past-due accounts.

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market and consist primarily of bookstore and food inventories.

Prepaid Post-Employment Benefit

Prepaid post-employment benefits consist of contributions made to the Maine Community College System Post-Employment Benefit Trust in excess of the actuarially-determined annual cost.

Capital Assets

Capital assets funds, derived from appropriations and the System funds so designated by the Board of Trustees, may be used to meet expenditures for construction of additional facilities, major renovations and retirement of indebtedness arising therefrom. Designated funds are unrestricted funds for which the Board of Trustees or administration stipulates a specific use, thereby designating them for that purpose. However, the Board of Trustees may at any time redesignate the funds for other use. Total designated capital asset funds included in unrestricted net assets amounted to \$20,641,756 and \$19,490,007 at June 30, 2017 and 2016, respectively.

Land, buildings, equipment and fixtures are stated at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Expenditures for maintenance, repairs and assets with a cost of under \$1,500 are expensed as incurred. Upon sale or retirement of an asset, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of revenues, expenses and changes in net position. Assets are depreciated on a straight-line basis according to the following estimated useful lives:

Buildings	40 years
Improvements	10 years
Furniture and equipment	3 - 10 years
Library books and periodicals	5 years

Assets under capital leases are depreciated using the shorter of the above useful lives or the term of the lease.

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Defined Benefit Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Employee and Teacher Retirement Plan (the SET Plan) and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET 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.

Compensated Absences

The System accrues amounts for compensated absences as earned. As of June 30, 2017 and 2016, the System had accrued \$2,420,400 and \$2,252,550, respectively. These accrued balances represent vacation and earned time amounts payable to employees upon termination of employment.

Revenue Recognition

Tuition and fees revenues are recognized when the services are performed. Unrestricted gifts of securities and other noncash assets are recognized as revenue based on the fair value at the date of donation; restricted grants and gifts are recognized as revenue based on the fair value when eligibility requirements have been met; state appropriations are recognized in the year the state appropriates the funds.

Unearned revenue consists primarily of unrestricted tuition and student fees related to future fiscal years.

Investment income consists of interest and dividend income recognized on the accrual method, as well as realized and unrealized gains or losses on investments.

Auxiliary enterprises furnish goods or services to students, faculty or staff, and charge a fee directly related to the cost of the goods or services. Revenues from auxiliary enterprises are primarily earned from college stores and are recognized as the services are performed or the goods are delivered.

Operating Revenues and Expenses

Operating revenues consist of tuition and fees; federal, state and other grants and contracts; sales and services of education activities; and auxiliary enterprises revenues. Operating expenses include instruction, public service, academic support, student services, institutional support, operations and maintenance, student aid, auxiliary enterprises and residential life and depreciation and amortization. All other revenues and expenses of the System are reported as other or nonoperating revenues and expenses, including state general appropriations, noncapital gifts, short-term investment income, interest expense and capital additions and deductions. Capital

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items represent all other changes in long-term plant and endowment net assets. Revenues are recognized when earned and expenses are recognized when incurred. Restricted grant revenue is recognized only to the extent expended for expenditure driven grants or, in the case of fixed-price contracts, when the contract terms are met or completed.

Tax Status

The System is exempt from income taxes because it is an instrumentality of the State of Maine. The Foundations are exempt from income taxes because they are each 501(c)(3) organizations. The Trust is exempt from income taxes by virtue of the exempt status of the System.

If an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. The System has evaluated the positions taken on its business activities and has concluded no unrelated business income tax exists at June 30, 2017 and 2016.

Agency Funds

Agency funds are cash held by an institution acting as custodian or fiscal agent, but not assets or liabilities of the institution. The cash is deposited with the institution for safekeeping, to be used or withdrawn by the depositor at will. As of June 30, 2017 and 2016, the System held assets totaling \$1,477,443 and \$1,290,375, respectively, consisting primarily of Student Union Activity Funds, which are not reflected on the accompanying statements of net position.

Risk Management

The System is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as the reported amounts of revenues and expenses. These estimates include, but are not limited to, the valuation of accounts and pledges receivable and the actuarial assumptions used in determining the post-employment benefit expense and related asset balance. Actual results could differ from those estimates.

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New Accounting Pronouncements Not Yet Effective

In June 2015, GASB issued Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes new accounting and financial reporting requirements for governmental entities whose employees are provided with other post-employment benefits (OPEB). In general, the provisions relating to reporting OPEB liabilities are effective for years beginning after June 15, 2017. Management has evaluated the impact this Statement will have on the System's financial statements and estimates it will reduce beginning net position upon adoption by approximately \$25.7 million.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement is effective for financial periods beginning after December 15, 2019, and earlier application is encouraged. Management is currently evaluating the impact this Statement will have on the System's financial statements.

2. Cash and Cash Equivalents

The carrying amounts, which represent both cost and fair value, of cash and cash equivalents for the System at June 30, 2017 and 2016 are presented below:

	<u>2017</u>	<u>2016</u>
Cash in bank	\$ 16,235,187	\$ 8,128,506
Outstanding checks	(3,710,293)	(1,654,645)
State Treasurer's Cash Pool	<u>1,182,524</u>	<u>8,583,207</u>
	<u>\$ 13,707,418</u>	<u>\$ 15,057,068</u>

The bank account balances are covered by depository insurance up to \$250,000 at June 30, 2017 and 2016. The cash in bank in excess of depository insurance is collateralized by a stand-by letter of credit with the Federal Home Loan Bank. The System has established internal procedures to monitor credit risk relating to deposits in financial institutions.

The State Treasurer's Cash Pool (the Pool), established by the Maine State Treasurer, is not rated by a nationally recognized statistical rating organization. However, the Pool is limited by State law to invest in obligations of the U.S. Treasury and its agencies and instrumentalities that mature within 36 months; repurchase agreements that are secured by obligations of the U.S. Government and its agencies and instrumentalities and mature within 12 months; prime commercial paper; tax-exempt municipal obligations rated no less than AA; corporate bonds rated AAA; money market funds; bankers' acceptances not exceeding 180 days; and time certificates of deposit not exceeding two years.

The System's management considers this investment to be a money market instrument and carries the amounts at cost, which approximates fair value.

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Notes to Financial Statements

June 30, 2017 and 2016

3. Investments

The fair value of investments for the System at June 30, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Management account investments		
Mutual funds		
Fixed-income	\$ -	\$22,859,153
Equity	-	25,119,515
Currency hedge	-	1,389,559
Investments at net asset value		
Fixed-income	28,165,605	-
Equity	26,310,549	-
Money market funds	<u>-</u>	<u>281,110</u>
Total management account investments	54,476,154	49,649,337
Other investments	<u>4,137</u>	<u>3,748</u>
Total investment balance	<u>\$ 54,480,291</u>	<u>\$49,653,085</u>

The System's investments are reported in the financial statements at June 30, 2017 and 2016 as follows, based on the portfolios underlying the mutual fund investments:

	<u>2017</u>	<u>2016</u>
Short-term investments	\$ 39,951,938	\$36,499,633
Endowment investments	<u>14,528,353</u>	<u>13,153,452</u>
	<u>\$ 54,480,291</u>	<u>\$49,653,085</u>

Interest Rate Risk

The System manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds or exchange-traded funds.

Credit Risk

The System limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the System may invest are investment grade as rated by a nationally recognized statistical rating organization (NRSRO). The System further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolios to ensure the System limits its credit risk.

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A summary of fixed-income investments and their related interest rate and credit risks as of June 30, 2017 and 2016 are as follows:

<u>Rating</u>	<u>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
AAA	\$ 3,625,457	5.6 years	\$ 2,929,386	8.8 years
AA	10,923,865	1.2 years	9,658,168	8.0 years
A	13,616,283	7.2 years	2,996,954	6.4 years
BBB	-		315,044	7.4 years
BB	-		<u>6,959,601</u>	4.9 years
	<u>\$ 28,165,605</u>		<u>\$ 22,859,153</u>	

The ratings and maturities are the weighted averages of the debt securities in which the funds invest.

Concentration of Credit Risk

The System has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy defines that the portfolio should be well diversified as to limit exposure to one issuer or security. Also, within the individual funds, the net credit exposure to any single issuer will not represent more than 5% of the fund with the exception of U.S. Treasuries and Agencies and investment grade OECD member countries and their instrumentalities. As of June 30, 2017 and 2016, individual investments representing more than 5% of the System's investments were as follows:

	<u>Percentage of Investments</u>	
	<u>2017</u>	<u>2016</u>
Wellington Trust Co. (WTC)-Common Trust Funds (CTF) Treasury Inflation Protected	7	- %
WTC-CTF Ultra Short Duration	20	-
WTC-CTF Intermediate Bond	21	-
Doubleline Total Return	-	6
Harbor High Yield	-	6
Vanguard Total Bond Markets Fund	-	19
Vanguard Inflation Protected Fund	-	6
Vanguard Intermediate Term Investment Grade Fund	-	6

* Fund was less than 5%.

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Custodial Credit Risk

All of the System's investments are held with a third-party custodian in the System's name.

Fair Value Measurement

GASB Statement No. 72 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB No. 72 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

At June 30, 2017 certain investments were measured at Net Asset Value (NAV), which is fair value estimated by management using values provided by the investment managers. Management does not anticipate that these funds will be liquidated, although relative positions are rebalanced periodically.

Assets measured at fair value on a recurring basis are summarized below:

Fair Value Measurements at June 30, 2017, Using:				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and short-term investments	\$ 4,137	\$ <u>4,137</u>	\$ <u>-</u>	\$ <u>-</u>
Investments at net asset value				
Equity mutual funds	26,310,549			
Fixed-income mutual funds	<u>28,165,605</u>			
	<u>\$ 54,480,291</u>			

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Fair Value Measurements at June 30, 2016, Using:				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and short-term investments	\$ 1,674,417	\$ 1,674,417	\$ -	\$ -
Equity mutual funds	25,119,515	25,119,515	-	-
Fixed-income mutual funds	<u>22,859,153</u>	<u>22,859,153</u>	-	-
	<u>\$ 49,653,085</u>	<u>\$ 49,653,085</u>	<u>\$ -</u>	<u>\$ -</u>

Assets measured at net asset value are as follows:

	June 30, 2017		
	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Equity mutual funds:			
CTF Enduring Assets (a)	\$ 5,731,234	Monthly	22nd calendar day of previous month
CTF Global Quality Growth (b)	1,755,084	Daily	On redemption date
CTF Global Opportunities (c)	16,267,311	Monthly	22nd calendar day of previous month
CTF Global Perspective (d)	1,702,656	Monthly	22nd calendar day of previous month
CTF Opportunistic Equity (e)	854,264	Monthly	22nd calendar day of previous month
Fixed-income mutual funds:			
CTF Core Bond Plus (f)	2,306,889	Monthly	22nd calendar day of previous month
CTF Intermediate Bond (g)	11,309,393	Monthly	22nd calendar day of previous month
CTF Treasury Inflation Protected (h)	3,625,457	Daily	On redemption date
CTF Ultra Short Duration (i)	10,923,866	Daily	On redemption date

(a) This fund invests in companies with long-lived physical assets that exhibit low levels of earnings volatility and is managed on a total return basis.

(b) This fund invests in high quality growth companies to provide long-term total returns above the Morgan Stanley Capital International (MSCI) Index and is managed on a total return basis.

(c) This fund invests primarily in common stock to provide long-term total return in excess of the MSCI All Country World Index and is managed on a total return basis.

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- (d) This fund invests primarily in common stock to provide long-term total return in excess of the MSCI World Small Cap Index over full market cycles and it managed on a total return basis.
- (e) This fund invests in securities with both long and short positions, uses an unconstrained, non-benchmark oriented approach, and is managed on a total return basis.
- (f) This fund invests in U.S. Government and Agency securities, mortgage securities, municipal securities, and other similar assets to provide long-term total return in excess of the U.S. bond market represented by the Barclays Aggregate Bond Index. The fund also purchases debt obligations meeting similar risk and is managed on a total return basis.
- (g) This fund invests in investment-grade, U.S. dollar-denominated debt obligations of U.S. and non-U.S. issuers to provide long-term return in excess of the Barclays Capital Intermediate Government/Credit Bond Index and is managed on a total return basis.
- (h) This fund invests primarily in U.S. Treasury inflation protected securities, including inflation-indexed bonds issued by U.S. agencies, U.S. government instrumentalities, and government agency nominal securities to provide inflation and long-term total return in excess of the Barclays Capital U.S. 1-10 Year TIPS Index. It is managed on a total return basis.
- (i) This fund invests in investment grade, U.S. dollar-denominated debt obligations of U.S. and non-U.S. issuers to provide long-term total return in excess of the Barclays Capital 9-12 Month Treasury Index while maintaining liquidity and preserving capital. It is managed on a total return basis.

4. Receivables

Accounts Receivable

Accounts receivable at June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Grants and contracts	\$ 5,061,077	\$ 2,037,874
Student and general	3,027,171	2,798,780
Allowance for doubtful accounts	<u>(1,144,701)</u>	<u>(1,106,381)</u>
Total accounts receivable, net	<u>\$ 6,943,547</u>	<u>\$ 3,730,273</u>

Pledges Receivable

The System had no pledge receivable at June 30, 2017. The System had a \$200,000 pledge receivable at June 30, 2016 which was collected in fiscal year 2017.

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5. Capital Assets

Capital assets activity for the year ended June 30, 2017 is summarized as follows:

	Balance July 1, 2016	Additions	Retirements/ Reductions/ Adjustments	Balance June 30, 2017
Land	\$ 3,682,337	\$ -	\$ -	\$ 3,682,337
Buildings	141,310,498	7,298,101	352,000	148,256,599
Improvements	103,852,818	3,653,587	33,842	107,472,563
Furniture and equipment	64,671,251	3,840,462	659,418	67,852,295
Library books and periodicals	4,777,598	91,904	882,888	3,986,614
Construction in process	<u>10,542,708</u>	<u>9,018,473</u>	<u>8,985,647</u>	<u>10,575,534</u>
	328,837,210	23,902,527	10,913,795	341,825,942
Less accumulated depreciation	<u>(147,888,638)</u>	<u>(11,415,250)</u>	<u>(1,610,944)</u>	<u>(157,692,944)</u>
Capital assets, net	<u>\$ 180,948,572</u>	<u>\$ 12,487,277</u>	<u>\$ 9,302,851</u>	<u>\$ 184,132,998</u>

Capital assets activity for the year ended June 30, 2016 is summarized as follows:

	Balance July 1, 2015	Additions	Retirements/ Reductions	Balance June 30, 2016
Land	\$ 3,682,337	\$ -	\$ -	\$ 3,682,337
Buildings	141,660,190	150,308	500,000	141,310,498
Improvements	88,034,216	16,185,792	367,190	103,852,818
Furniture and equipment	63,941,721	4,129,915	3,400,385	64,671,251
Library books and periodicals	4,673,875	102,402	(1,321)	4,777,598
Construction in process	<u>12,710,075</u>	<u>4,707,900</u>	<u>6,875,267</u>	<u>10,542,708</u>
	314,702,414	25,276,317	11,141,521	328,837,210
Less accumulated depreciation	<u>(139,177,392)</u>	<u>(11,432,506)</u>	<u>(2,721,260)</u>	<u>(147,888,638)</u>
Capital assets, net	<u>\$ 175,525,022</u>	<u>\$ 13,843,811</u>	<u>\$ 8,420,261</u>	<u>\$ 180,948,572</u>

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6. Long-Term Debt

Long-term debt activity for the year ended June 30, 2017 is summarized as follows:

	2017					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Premium Amortization</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Notes payable	\$21,284,118	\$ -	\$ 128,184	\$ 127,421	\$21,028,513	\$ 828,138
Capital leases	<u>2,236,217</u>	<u>-</u>	<u>2,209,010</u>	<u>-</u>	<u>27,207</u>	<u>13,425</u>
	<u>\$23,520,335</u>	<u>\$ -</u>	<u>\$2,337,194</u>	<u>\$ 127,421</u>	<u>\$21,055,720</u>	<u>\$ 841,563</u>

Long-term debt activity for the year ended June 30, 2016 is summarized as follows:

	2016					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Premium Accretion</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Notes payable	\$22,886,145	\$ -	\$1,574,777	\$ 27,250	\$21,284,118	\$ 131,476
Capital leases	<u>2,272,653</u>	<u>-</u>	<u>36,436</u>	<u>-</u>	<u>2,236,217</u>	<u>2,209,012</u>
	<u>\$25,158,798</u>	<u>\$ -</u>	<u>\$1,611,213</u>	<u>\$ 27,250</u>	<u>\$23,520,335</u>	<u>\$ 2,340,488</u>

Notes payable consist of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Notes payable to Maine Health and Higher Educational Facilities Authority (MHHEFA) in conjunction with revenue bonds: Series 2016A (including original issue premium of \$2,548,412) which bears interest at rates ranging from 3.0% to 5.0%; annual principal payments due in amounts ranging from \$695,000 in fiscal 2018 to \$1,470,000 in fiscal 2035 when note is repaid in full.	\$ 19,903,291	\$ 20,030,712
Note payable to Town of Fairfield: Bearing interest at 3%; monthly principal and interest payments of \$7,764 to 2030 and a final payment of \$3,914 when the note is repaid in full. The note is collateralized by a building.	988,803	1,051,291
Note payable to Aramark: Bearing interest at 2.5%; monthly principal and interest payments of \$5,833 until maturity in fiscal 2019.	<u>136,419</u>	<u>202,115</u>
	<u>\$ 21,028,513</u>	<u>\$ 21,284,118</u>

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In September of 2006, the System issued notes with a par value of \$24,340,000 through MHHEFA with an average annual interest rate of 4.7 percent and a final maturity in July 2036. The purpose of the proceeds was to fund a major expansion project at three of the college campuses. MHHEFA required \$1,717,827 of the proceeds to be transferred to a debt reserve fund that is retained by MHHEFA in an interest-bearing account and will be used by MHHEFA to make the final payment of principal and interest in 2036. Accordingly, funds transferred to MHHEFA are not included as assets and are deducted from the amounts owed in the System's balance sheet. The bonds were issued at a premium of \$817,470 and \$27,250 of the premium was amortized in fiscal 2016 as a reduction to capitalized interest. These revenue bonds were paid off with a refunding in June 2016 with MHHEFA.

In June of 2016, the System issued revenue bonds with a par value of \$19,010,000 through MHHEFA with an average annual interest rate of 4.1 percent and a final maturity in July 2035. MHHEFA requires that \$1,527,700 of the bond proceeds be transferred to a debt reserve fund. The amount transferred to the debt reserve fund is retained by MHHEFA in an interest bearing account and will be used by MHHEFA to make the final payment of principal and interest in 2035. Accordingly, funds transferred to MHHEFA are not included as assets and are deducted from the amounts owed in the System's balance sheet. The bonds were issued at a premium of \$2,548,412. This Revenue Bond was used to refund the MHHEFA Bond 2006F originally issued in September 2007.

The notes are collateralized by the gross receipts of the System. The System is required to make monthly deposits of principal and interest of amounts sufficient to make the semi-annual interest payments and annual principal payments and to maintain a ratio of income available for debt service to annual debt service of at least 1.20 for each fiscal year. At June 30, 2017, the System met the debt service ratio.

At June 30, 2017, future payments in conjunction with the notes payable to MHHEFA related to the Series 2016A revenue bonds, Town of Fairfield and Aramark are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 826,747	\$ 835,101	\$ 1,661,848
2019	870,409	796,239	1,666,648
2020	833,365	757,007	1,590,372
2021	880,445	716,953	1,597,398
2022	922,587	674,285	1,596,872
2023 - 2027	5,217,428	2,700,484	7,917,912
2028 - 2032	6,109,242	1,447,723	7,556,965
2033 - 2035	<u>2,947,300</u>	<u>226,675</u>	<u>3,173,975</u>
Total payments	18,607,523	<u>\$ 8,154,467</u>	<u>\$ 26,761,990</u>
Unamortized premium	<u>2,420,990</u>		
Total	<u>\$ 21,028,513</u>		

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On January 1, 1997, the System executed and delivered Certificates of Participation in the amount of \$5,280,000 to finance the construction of buildings and infrastructure and the acquisition of equipment at one of the colleges, York County Community College. This transaction was accounted for as a capital lease. The final certificate matured on January 1, 2017. The interest component was payable semi-annually through fiscal 2017. The certificates required an amount of \$450,000 to be held on deposit with the bond trustee to cover a portion of the final principal payment. The total held, including income earned, was \$519,340, which is classified as deposit with bond trustee at June 30, 2016. There is no outstanding balance as of June 30, 2017. The balance of this capital lease at June 30, 2016 was \$2,180,000.

The assets acquired under this lease have a net book value of approximately \$2.7 million and \$2.9 million at June 30, 2017 and 2016, respectively. The assets are included in buildings as part of capital assets and depreciation is included in depreciation expense.

The System has other capital leases totaling \$27,207 and \$56,217 at June 30, 2017 and 2016, respectively.

At June 30, 2017, future minimum payments under noncancelable capital lease obligations are as follows for the years ending June 30:

2018	\$ 13,425
2019	<u>13,782</u>
Total minimum lease payments	27,207
Less amounts representing interest	<u>1,091</u>
Present value of net minimum lease payments under capital leases	\$ <u>26,116</u>

7. Retirement Plans

Defined Benefit Plan

The System participates in the SET Plan, a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (the MainePERS). The MainePERS provides pension benefits to its members, which include employees of the State, certain public school employees and employees of local municipalities and other public entities in Maine. There are 240 employers in the SET Plan. All state employees and teachers become members of the SET Plan as a condition of their employment.

The MainePERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C.421, 423, and 425. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the SET Plan. That report is available online at www.mainebers.org or may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

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The SET Plan provides defined retirement benefits based on members' average final compensation and creditable service. Vesting occurs upon the earning of five years of service credit or the earning of one year of service credit immediately preceding retirement at or after normal retirement age (prior to October 1, 1999, the service credit requirement is ten years); normal retirement age for the SET Plan is age 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by Maine statute.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits. The annual rate of interest credited to members' accounts is set by the MainePERS Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost and by earnings on investments. In accordance with Maine statute, members are required to contribute 7.65% of their earnable compensation to the Plan. The System is required to contribute at an actuarially-determined rate (22.69% of annual payroll for fiscal year 2017 and 22.37% for fiscal year 2016) that, when combined with the contributions of other reporting entities, will be adequate to fund the Plan.

The contribution rate is determined using an entry-age normal actuarial funding method for retirement benefits and a term-cost method for ancillary benefits. The System may be required to make contributions to fund the Plan's pooled unfunded actuarial liability, if any. The contribution requirements of the SET Plan members and the System are established by and may be amended by the State legislature.

Total System and employee contributions (which equal the actuarially-required contributions) to the SET Plan are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
System	\$ 6,862,506	\$ 7,367,698	\$ 8,328,072
Employee	<u>2,271,176</u>	<u>2,189,833</u>	<u>2,074,818</u>
Total	<u>\$ 9,133,682</u>	<u>\$ 9,557,531</u>	<u>\$10,402,890</u>

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

At June 30, 2017 and 2016, the System reported a liability for its proportionate share of the net pension liability of the SET Plan. At June 30, 2017 and 2016, the net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The System's proportionate share of the net position liability was based on a projection of the System's long-term share of contributions to the SET Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the System's proportion was 4.97%, which was an decrease of 1.67% from its proportion measured as of June 30, 2015.

For the years ended June 30, 2017 and 2016, the System recognized pension expense of \$5,185,834 and \$7,411,909, respectively. At June 30, 2017, the System reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	2017		2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,002,423	\$ 567,829	\$ -	\$ 1,829,830
Changes in assumptions	3,263,237	-	1,240,702	-
Net difference between projected and actual earnings on pension plan investments	13,855,424	5,771,217	9,415,268	11,567,957
Changes in proportion and differences between System contributions and proportionate share of contributions	83,091	12,136,626	1,792,148	236,308
System contributions subsequent to the measurement date	<u>6,862,506</u>	<u>-</u>	<u>7,367,698</u>	<u>-</u>
	<u>\$25,066,681</u>	<u>\$18,475,672</u>	<u>\$19,815,816</u>	<u>\$13,634,095</u>

The deferred outflows of resources resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as a reduction of pension expense as follows for the years ending June 30:

2018	\$ (3,444,747)
2019	(2,873,729)
2020	3,904,224
2021	2,142,755

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Actuarial Methods and Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method - The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary.

The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses (i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions) affect the unfunded actuarial-accrued liability.

Asset Valuation Method - The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization - The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect under Maine statutory and constitutional requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 and 2015 are as follows:

Investment Rate of Return - 6.875% and 7.125% per annum for the year ended June 30, 2016 and 2015, respectively, compounded annually.

Salary Increases, Merit and Inflation - 2.75% to 8.75% per year.

Mortality Rates - For active members and non-disabled retirees, the RP-2000 Tables projected forward to 2016 using Scale AA are used, set back two years for 2016 and the RP2014 Total Dataset Healthy Annuitant Mortality Table is used for 2017.

Cost of Living Benefit Increases - 2.20% per annum.

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The long-term expected rate of return on pension plan assets 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 class of assets. 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 June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities	20 %	5.7 %
Non-U.S. equities	20	5.5
Private equity	10	7.6
Real assets		
Real estate	10	5.2
Infrastructure	10	5.3
Hard assets	5	5.0
Fixed-income	25	2.9

Discount Rate - The discount rate used to measure the collective total pension liability was 6.875% and 7.125% for 2016 and 2015, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the System's proportionate share of the net pension liability as of June 30, 2016 and 2015 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.875%.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<u>2016</u>			
The System's proportionate share of the net pension liability	\$ 93,700,732	\$ 66,740,128	\$ 44,069,945
<u>2015</u>			
The System's proportionate share of the net pension liability	\$100,896,672	\$ 68,006,887	\$ 40,242,422

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Changes in net pension liability are recognized in pension expense with the following exceptions:

Differences between Expected and Actual Experience - The differences between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. For the 2016 and 2015 actuarial valuations, this was three years.

Differences between Projected and Actual Investment Earnings - Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Assumptions - Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For the SET Plan, there were no changes in assumptions in the 2016 valuation. The change in discount rate from 7.125% to 6.875% was the only change in assumptions in the 2015 valuation.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions - Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer-specific liability.

Rationale for Assumptions - The assumptions were adopted by the plan trustees as a result of the latest experience study review performed in 2012 and covering the period July 1, 2006 through June 30, 2011.

Defined Contribution Plan

Certain employees participate in an optional program with Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. Only confidential employees and, as of July 1999, Maine Education Association (MEA) Administrators and faculty are eligible to participate in the TIAA-CREF defined contribution plan. The System contributes 12.88% and 6.04% of total salaries for eligible confidential and MEA employees, respectively. The System contribution is funded as it accrues and, along with the contributions of the employees, is immediately vested. Employees make contributions at an average of 6.64% of total salaries (6.30% in 2016). Total employer contributions to the TIAA-CREF program in fiscal years 2017 and 2016, respectively, amounted to \$1,514,649 and \$1,560,026, which consisted of \$450,593 and \$466,247 for confidential employees and \$1,064,055 and \$1,093,779 for MEA employees. MEA employee contributions amounted to \$1,213,927 and \$1,367,848 in 2017 and 2016, respectively.

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Total salaries and wages for covered employees participating in TIAA-CREF were \$21,115,206 and \$21,728,861 for fiscal years 2017 and 2016, respectively.

Post-Employment Health Insurance

The System established a defined benefit post-employment healthcare plan - a single employer defined benefit plan that is used to provide postemployment benefits other than pensions. This plan covers all employees who retire and participate in MainePERS or TIAA-CREF. See Note 12 for more information.

8. Commitments and Contingencies

The System is covered by a commercial insurance policy for workers' compensation. The State of Maine has the primary obligation for self-insured claims and reimburses the System for payments made. In 2017 and 2016, the System made payments of \$40,500 and \$43,600, respectively, which were reimbursed by the State of Maine. The contingent liability for estimated unpaid workers' compensation claims at June 30, 2017 and 2016 is \$995,500 and \$1,100,000, respectively.

The System owns property with a book value of approximately \$14.9 million in Brunswick, Maine for the use of the Southern Maine Community College. This property must be used solely and continuously for educational programs until November 2041 under the terms by which the property was donated.

From time-to-time, the System is named as a defendant in legal actions and other claims incident to the normal conduct of its operations. Management does not expect to suffer any material liability by reason of such actions, nor does it expect that such actions will have a material effect on the financial position of the System.

The System has entered into various construction and renovation contracts. The System has outstanding commitments under these contracts of approximately \$2.1 million at June 30, 2017.

The System entered into a ten-year operating lease, which ended June 30, 2006, for the current building in which the central administrative office of the System is located. The System is currently renting this space month-to-month. Annual rent was \$167,460 for the years ended June 30, 2017 and 2016. Each year the annual rent may be adjusted by an inflation factor. There was no adjustment in 2017 and management estimates rent for fiscal 2018 to be \$167,460.

The System participates in various federally-funded programs. These programs are subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time.

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9. Proceeds from State for Grants and Capital Asset Acquisition

In November 2007, a State of Maine general-purpose bond issue was authorized; the System's portion of the bond is \$15,500,000 and is to be used for interior and exterior building renovations, improvements and additions at all campuses. In 2010, a State of Maine general-purpose bond was authorized; the System's portion of this bond is \$9,750,000 and is to be used for development of an engineering and economic development center at the former Brunswick Naval Air Station site and for energy and infrastructure upgrades at all campuses. In 2013, another State of Maine general-purpose bond was authorized; the System's portion of this bond is \$15,500,000 and is to be used for energy and infrastructure at all campuses. The System will not be required by the State of Maine to assume the bond liability when activities are complete. Through June 30, 2017, the System has spent \$40,750,000 on these projects. Revenues recognized from the State in fiscal years 2017 and 2016 amounted to \$2,613,047 and \$5,875,418, respectively, and are included as other revenues in the Statements of Revenues, Expenses and Changes in Net Position.

10. State Appropriations

During the years ended 2017 and 2016, the System's state appropriations revenue was unrestricted. These appropriations include general appropriations as well as special appropriations.

11. Maine Community College Educational Foundations

The significant accounting policies followed by the Maine Community College Educational Foundations, as set forth below, are governed by the Financial Accounting Standards Board. As such, certain revenue and expense recognition criteria and presentation requirements differ from GASB. No modifications have been made to the Foundation's financial information included here for these differences.

Basis of Accounting

The Foundations follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

Cash

The Foundations maintain cash in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. The Foundations have not experienced any losses in such accounts and believe they are not exposed to any significant risk of loss on cash.

Pledges

Pledges receivable are recorded at their net present value and net of allowance for uncollectible amounts. Pledges receivable at June 30, 2017 and 2016 are substantially all due within five years.

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Appreciation on Permanently Restricted Net Assets

The Boards of Directors have interpreted State of Maine law as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The expendable portion of income on such assets is reported in the statement of activities as temporarily restricted investment income and reclassified to unrestricted net assets when the stipulated donor restriction is accomplished.

Investments

Investments held by the Foundations at June 30, 2017 and 2016, which are carried at fair value, consisted of the following:

	<u>2017</u>	<u>2016</u>
Real assets	\$ 12,318	\$ 10,552
U.S. Government bonds	327,457	194,727
Corporate bonds	2,468,862	1,694,604
Common stock	4,734,584	3,964,061
Mutual funds	2,028,049	2,832,311
Investments measured at net asset value		
Fixed-income	247,564	-
Equity	646,745	-
Money market funds and certificates of deposit	<u>2,681,260</u>	<u>878,535</u>
	<u>\$13,146,839</u>	<u>\$ 9,574,790</u>

The fair value of investments is primarily based on quoted price in active markets; certificates of deposit are carried at cost which approximates fair value.

The Foundations each have their own investment policies that allow for a range of investment options.

Fair Value Measurement

Assets measured at fair value on a recurring basis consist of investments which are generally valued using Level 1 inputs as described in Note 3, with the exception of corporate bonds which are valued using Level 2 inputs and investments measured at Net Asset Value (NAV). Investments measured at NAV represent the Foundation for Maine's Community College's allocable portion of the System's portfolio (generally 5.1%). See Note 3 for additional disclosures.

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Net Assets

The net assets of the Foundation are reported as follows:

Unrestricted Net Assets - Unrestricted net assets represent unrestricted resources over which the Foundations' Board of Directors retains full control to accomplish any of the Foundations' stated purposes.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent contributions and earnings on permanently restricted net assets which may only be utilized in accordance with the purpose established by the donors of the related contributions or contributions with time restrictions. Temporarily restricted net assets generally consists of gifts restricted for scholarship or programs and appreciation on permanently restricted net assets.

Permanently Restricted Net Assets - Permanently restricted net assets represent endowment funds that are subject to the restrictions of the gift instruments requiring that the principal be invested in perpetuity and that income only be utilized, as stated in the gift instruments. Permanently restricted net assets generally consists of gifts to be held in perpetuity with the income available to be used for programs or scholarships.

Gifts and Contributions

Gifts and contributions are recorded when an unconditional promise to give is received, or when assets are received in a contribution, whichever comes first. Contributed assets are recorded at fair value.

Related Party Transactions

Support consists of amounts paid to the System in support of the System's various programs. At June 30, 2017 and 2016, substantially all accounts payable and accruals are payable to the System for such support.

The System also provides funding and in-kind support to the Foundations. This support totaled approximately \$309,000 in 2017 and \$300,000 in 2016, which is included in other revenues on the Statement of Activities.

12. Other Post-Employment Benefit Plan and Trust

Post-employment Healthcare Plan

The System established a defined benefit post-employment healthcare plan, a single employer defined benefit plan, used to provide post-employment benefits other than pensions (OPEB). This plan covers all employees who retire and participate in MainePERS or TIAA-CREF and provides healthcare benefits for retirees. Benefits are provided through a third-party insurer and the full cost of the benefits is covered by the plan.

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The System records an expense for the post-employment healthcare plan as costs are incurred for current employees while the employees are performing services for the System. The amount in future years will be based on a calculation related solely to the System's employees and retirees. The System's contributions cover retirees only; additional family members are paid for by the retirees.

Plan membership consisted of the following at June 30, 2017:

Inactive plan members currently receiving benefit payments	357
Active plan members	<u>881</u>
	<u><u>1,238</u></u>

Calculations are based on the types of benefits and on the sharing of costs between the System and its employees as of the most recent valuation dated June 30, 2017. Valuations are required to be completed every two years.

The components of the net OPEB liability of the System at June 30, 2017, were as follows:

Total OPEB liability	\$ 48,981,102
Fiduciary net position	<u>(36,672,809)</u>
Net OPEB liability	<u><u>\$ 12,308,293</u></u>
Actuarial value of assets as a percentage of the OPEB liability	74.9 %

The OPEB liability, funded status, annual cost and annual required contribution were computed using a 7.0% investment rate in 2017, 2016 and 2015; inflation rate of 3.0%; healthcare cost inflation rate ranging from 7.0% in 2018 to 5.0% in 2022 and later years; projected unit credit actuarial cost method; and amortizing the actuarial-accrued liability at a level percentage of pay over 30 years based on an open group. Effective with the June 30, 2014 actuarial valuation, the vesting period increased to 10 years for System employees hired on or after January 1, 2013 (5 years prior to January 1, 2013). Actuarial valuations reflect long-term perspective and involve estimates of reported amounts and assumptions about the probability of events far into the future. Actuarially-determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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The following table shows how the System's total OPEB liability as of June 30, 2017 would change if the healthcare trend rate used was one percentage point lower or one percentage point higher than the current rate. The current rate starts at an initial rate of 7.0% decreasing annually by 0.5% to an ultimate rate of 5.0%. The 1% decrease in health care trend rates would assume an initial rate of 6.0% decreasing by 0.5% annually to an ultimate rate of 4.0%. The 1% increase in health care trend rates would assume an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 6.0%.

	1% Decrease (6.0%)	Current Health Care Trend Rate (7.0%)	1% Increase (8.0%)
Net OPEB liability	\$ 5,966,601	\$ 12,308,293	\$ 20,298,152

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that System contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table shows how the System's total OPEB liability as of June 30, 2017 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.0%.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net OPEB liability	\$ 19,944,270	\$ 12,308,293	\$ 6,111,921

The following assumption changes were made for the year ended June 30, 2017:

The per capita costs were increased using current enrollment and agency factors. The mortality table was changed from RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014 to RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015.

Post-Employment Benefit Trust

The System established the Post-Employment Benefit Trust as an irrevocable trust for the sole purpose of accumulating assets to provide funding for certain of the System's post-employment benefits. The System was named Trustee of the Trust. The effective date of the establishment of the Trust was June 30, 2009.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2017 and 2016

Plan assets include amounts in the Post-Employment Benefit Trust relating to current year annual required contributions.

The significant accounting policies followed by the Trust are set forth below:

Basis of Accounting

The Trust follows the accrual basis of accounting as set forth by GASB.

Cash

Cash held by the trust in a financial institution at June 30, 2017 was fully covered by federal depository insurance. Bank balances were \$120,367 and \$101,429 at June 30, 2017 and 2016, respectively.

Investments

The fair value of investments in the Trust at June 30, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Money market funds	\$ -	\$ 26,544
Investments measured at net asset value		
Fixed-income	10,154,329	-
Equity	26,398,113	-
Mutual funds		
Fixed-income	-	6,729,504
Equity	-	23,161,536
Currency hedge	<u>-</u>	<u>1,497,031</u>
	<u>\$36,552,442</u>	<u>\$31,414,615</u>

Revenue Recognition

Contributions are recognized as additions in the period when they become due, pursuant to formal commitments or statutory or contractual requirements; supplemental contributions are recognized when received. Investment and interest income and loss are recognized on the accrual basis when earned or incurred.

Net Position

Net position at June 30, 2017 and 2016 was for funding certain post-employment benefits.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2017 and 2016

Administrative Expenses

Substantially all administrative expenses of the Trust are paid by the System.

Interest Rate Risk

The Trust manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds for exchange-traded funds.

Credit Risk

The Trust limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the Trust may invest are investment grade as rated by a NRSRO. The Trust further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolio to ensure the Trust limits its credit risk.

At June 30, 2017, the ratings by Moody's for investments in debt securities are summarized as follows based on the portfolios underlying the investments:

A summary of fixed-income investments and their related interest rate and credit risks follows:

<u>Rating</u>	<u>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
AAA	-		\$ 996,412	8.8 years
AA	-		1,547,677	8.0 years
A	\$ 10,154,329	7.2 years	1,029,878	6.4 years
BBB	-		645,671	7.4 years
BB	-		2,509,866	5.3 years
	<u>\$ 10,154,329</u>		<u>\$ 6,729,504</u>	

The ratings and maturities are the weighted averages of the debt securities in which the funds invest.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2017 and 2016

Concentration of Credit Risk

The Trust has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy defines that the portfolio should be well-diversified as to limit exposure to one issuer or security. As of June 30, 2017, individual investments representing more than 5% of the OPEB Trust's investments were as follows:

	<u>Percentage of Investments</u>	
	<u>2017</u>	<u>2016</u>
WTC-CTF Core Bond Plus	14 %	- %
WTC-CTF Intermediate Bond	14	5
Harbor High Yield	-	5

Custodial Credit Risk

All of the Trust's investments are held with a third-party custodian in the Trust's name.

Fair Value Measurement

Assets measured at fair value on a recurring basis are summarized below according to the level of input described in Note 3.

At June 30, 2017 all investments were measured at Net Asset Value (NAV), which is fair value estimated by management using values provided by the investment managers. Management does not anticipate that these funds will be liquidated, although relative positions are rebalanced periodically.

Assets measured at NAV are as follows at June 30, 2017:

Fixed-income:	
CTF Core Bond Plus	\$ 5,105,949
CTF Intermediate Bond	5,048,380
Equity:	
CTF Enduring Assets	3,717,480
CTF Global Quality Growth	3,879,413
CTF Global Opportunities	13,158,177
CTF Global Perspective	3,757,667
CTF Opportunistic Equity	<u>1,885,376</u>
	<u>\$ 36,552,442</u>

See Note 3 for additional disclosures.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2017 and 2016

	Fair Value Measurements at June 30, 2016			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Money market funds	\$ <u>26,544</u>	\$ <u>26,544</u>	\$ <u>-</u>	\$ <u>-</u>
Mutual funds				
Fixed-income	6,729,504	6,729,504	-	-
Equity	23,161,536	23,161,536	-	-
Currency hedge	<u>1,497,031</u>	<u>1,497,031</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,414,615</u>	<u>\$ 31,414,615</u>	<u>\$ -</u>	<u>\$ -</u>

Rate of Return

All of the Trust's investments are held with a third-party custodian in the Trust's name. For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 15.15 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

MAINE COMMUNITY COLLEGE SYSTEM

Required Supplementary Information

**Schedule of the System's Proportionate
Share of the Net Pension Liability**

State Employee and Teacher Plan - State Employee Portion

Last 4 Fiscal Years*

**June 30, 2017
(UNAUDITED)**

	<u>2017</u>	<u>2016</u>	2015	2014
The System's proportion of the net pension liability	4.97 %	6.64 %	6.62 %	6.19 %
The System's proportionate share of the net pension liability	\$66,740,128	\$68,006,887	\$59,711,184	\$71,196,328
The System's covered-employee payroll	30,244,628	32,008,027	30,256,649	30,004,534
The System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	220.7 %	212.5 %	197.3 %	237.3 %
Plan fiduciary net position as a percentage of the total pension liability	76.2 %	81.2 %	83.9 %	76.8 %

* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

MAINE COMMUNITY COLLEGE SYSTEM

Required Supplementary Information

Schedule of the System's Pension Contributions

State Employee and Teachers Plan

Last 10 Fiscal Years

June 30, 2017
(UNAUDITED)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually-required contribution	\$ 9,124,095	\$ 9,557,531	\$ 10,402,890	\$ 9,864,286	\$ 7,855,291	\$ 7,733,031	\$ 8,708,391	\$ 8,513,832	\$ 8,611,181	\$ 7,913,235
Contributions in relation to the contractually-required contribution	(9,124,095)	(9,557,531)	(10,402,890)	(9,864,286)	(7,855,291)	(7,733,031)	(8,708,391)	(8,513,832)	(8,611,181)	(7,913,235)
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
The System's covered-employee payroll	\$ 30,244,628	\$ 32,008,027	\$ 30,256,649	\$ 30,004,534	\$ 29,008,175	\$ 28,961,592	\$ 29,860,451	\$ 30,195,438	\$ 29,171,824	\$ 27,541,376
Contributions as a percentage of covered-employee payroll	30.17 %	29.86 %	34.38 %	32.88 %	27.08 %	26.70 %	29.16 %	28.20 %	29.52 %	28.73 %

See accompanying independent auditor's report.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Required Supplementary Information

Schedule of Employer's Contributions
Post-Employment Health Insurance Plan

June 30, 2017
(UNAUDITED)

Dollars in thousands

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Contribution</u>	<u>Percentage Contributed</u>
2017	\$ 1,951	\$ 2,090	107 %
2016	1,814	2,187	121
2015	1,882	2,055	109
2014	1,908	2,894	152
2013	1,663	3,063	184
2012	3,787	4,272	113

* See notes to required supplementary information.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Required Supplementary Information

**Schedule of Changes in the Net OPEB Liability and Related Ratios
Post-Employment Health Insurance Plan**

Last Fiscal Year*

**June 30, 2017
(UNAUDITED)**

	<u>2017</u>
Total OPEB liability	
Service cost	\$ 1,538,577
Interest	3,208,147
Differences between expected and actual experience	(3,617,568)
Changes of assumptions	5,915,472
Benefit payments	<u>(1,647,873)</u>
Net change in total OPEB liability	5,396,755
Total OPEB liability, beginning of year	<u>43,584,347</u>
Total OPEB liability, end of year	<u><u>\$48,981,102</u></u>
Plan fiduciary net position	
Contributions - System	\$ 2,090,345
Net investment income	4,769,293
Benefit payments	(1,647,873)
Administrative expense	<u>(55,000)</u>
Net change in plan fiduciary net position	5,156,765
Plan fiduciary net position, beginning of year	<u>31,516,044</u>
Plan fiduciary net position, end of year	<u><u>\$36,672,809</u></u>
Net OPEB liability - end of year	<u><u>\$12,308,293</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.9 %
Covered-employee payroll	\$46,240,000
Net OPEB liability as a percentage of covered-employee payroll	26.6 %

* Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Required Supplementary Information

Schedule of Contributions
Post-Employment Health Insurance Plan

June 30, 2017
(UNAUDITED)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,289,969	\$ 1,814,116	\$ 1,882,102
Contributions in relation to the actuarially determined contribution	<u>2,090,345</u>	<u>2,187,091</u>	<u>2,055,275</u>
Contribution deficiency (excess)	\$ <u>199,624</u>	\$ <u>(372,975)</u>	\$ <u>(173,173)</u>
Covered-employee payroll	\$46,240,000	\$46,887,000	\$45,522,000
Contributions as a percentage of covered employee payroll	4.5%	4.6%	4.5%

See accompanying independent auditor's report.

MAINE COMMUNITY COLLEGE SYSTEM

Required Supplementary Information

**Schedule of Investment Returns
Post-Employment Health Insurance Plan**

**June 30, 2017
(UNAUDITED)**

	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	15.15 %

Schedule is intended to show 10 years. Data has been provided for fiscal years in which the data is available.

MAINE COMMUNITY COLLEGE SYSTEM

Notes to Required Supplementary Information

**June 30, 2017
(UNAUDITED)**

Factors that significantly affect the identification of trends in the amounts reported in the schedules are:

Schedule of System's Proportionate Share of the Net Pension Liability and Schedule of the System's Pension Contributions

The discount rate increased to 7.50%, up from 7.125% in both 2016 and 2015.

Schedules of Funding Progress and Employer's Contributions Post-Employment Health Insurance Plan

The Plan was established in 2009.

In 2017, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014 to RPH-2015 Total Dataset Mortality Table Fully Generational using Scale MP-2015.

In 2015, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RP-2000 Combined Mortality Table Fully Generational using Scale AA to RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014. There were no changes in 2016.

See accompanying independent auditor's report.

(Dollars in Thousands)

See accompanying independent auditor's report.



MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

FINANCIAL STATEMENTS

and

SUPPLEMENTAL INFORMATION

June 30, 2016 and 2015



**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Financial Statements

Years Ended June 30, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Maine Community College System

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely-presented component units, and the fiduciary fund of the Maine Community College System (the System), a component unit of the State of Maine, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the System'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 U.S. generally accepted accounting principles; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain foundations within the aggregate discretely-presented component units, which statements reflect total assets constituting 49%, and revenue constituting 39% of the related totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate discretely-presented component units, insofar as it relates to the amounts included for these certain foundations, is based solely on the reports of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. The financial statements of the foundations noted above were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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.

Opinion

In our opinion, based on our audit and the reports of the other auditors, the 2016 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely-presented component units, and the fiduciary fund of the System as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Audit of the Basic Financial Statements as of and for the Year Ended June 30, 2015

The basic financial statements of the System as of and for the year ended June 30, 2015 were audited by other auditors whose opinion, dated October 15, 2015, expressed an unmodified opinion on those financial statements. Their report noted that the System had retroactively adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, amended by Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as of July 1, 2014. Their opinion was not modified with respect to that matter. Their report also noted that they did not audit the financial statements of certain foundations within the aggregate discretely presented component units, which statements reflect total assets constituting 31%, and revenue constituting 19%, of the related totals, that those statements were audited by other auditors whose reports have been furnished to them, and that their opinion on the aggregate discretely presented component units, insofar as it relates to the amounts included for these certain foundations, is based solely on the reports of the other auditors.

Required Supplementary Information

U.S. generally accepted accounting principles require that Management's Discussion and Analysis and the information listed under Required Supplementary Information, 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and/or historical context. We have applied certain limited procedures to the 2016 required supplementary information in accordance with U.S. generally accepted auditing standards, 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 audit 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.

The report of the auditors referred to in the first paragraph of the Other Matters section of this report indicated that they applied certain limited procedures to the 2007-2015 required supplementary information presented herein in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to their inquiries, the basic financial statements, and other knowledge they obtained during their audit of the basic financial statements, and that they did not express an opinion or provide any assurance on the information because the limited procedures did not provide them with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Schedule of Activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Activities 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing the 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 U.S. generally accepted auditing standards. In our opinion, the Schedule of Activities is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016 on our consideration of the System's internal control over financial reporting and on 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 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 System's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
October 14, 2016

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

Introduction

The following report is Management's Discussion and Analysis (MD&A) of the financial results for the year ended June 30, 2016, with comparative information for the prior two years. The MD&A should be read in conjunction with the financial statements and related notes that are presented with this report. The MD&A is unaudited supplemental information required by the Governmental Accounting Standards Board (GASB). The purpose of the MD&A is to enhance the understandability and usefulness of the financial statements by providing an objective analysis of the financial activities based on currently known facts, decisions, and conditions. The financial statements, footnotes, and MD&A are management's responsibility.

General Information about the Maine Community College System

The history of Maine's community colleges dates to 1946 and the creation of the Maine Vocational Technical Institute within the Maine Department of Education. During the 1960s, five more vocational technical institutes were created, and in 1986 the Maine Vocational Technical Institute System was established as a quasi-governmental organization and autonomous public instrumentality. In 1989 the name was changed to the Maine Technical College System. A seventh college was added in 1994, and on July 1, 2003, the Legislature expanded the System's mission and changed its name to the Maine Community College System (MCCS or the System).

MCCS offers nearly 300 certificate, diploma, and associate degree program options designed to prepare students for careers and/or transfer to four-year colleges and universities. Credentials are awarded in the following program areas: arts and sciences; health care; automotive and mechanical; business; computers, graphics, and multimedia; construction; education and early childhood; electrical and electronics; engineering technology; HVAC and energy; hospitality and tourism; natural resources; machining/manufacturing; public safety; and others.

The seven-college system consists of Central Maine Community College in Auburn (CMCC), Eastern Maine Community College in Bangor (EMCC), Kennebec Valley Community College in Fairfield and Hinkley (KVCC), Northern Maine Community College in Presque Isle (NMCC), Southern Maine Community College in South Portland and Brunswick (SMCC), Washington County Community College in Calais (WCCC), and York County Community College in Wells (YCCC). Off-campus centers are located in East Millinocket, Ellsworth, South Paris, Damariscotta, Houlton, and Dover-Foxcroft. The System's central office, located in Augusta, Maine, was established by legislation to provide statewide coordination and leadership to the seven colleges.

The System also operated the Center for Career Development (CCD) which managed the Early College for ME (ECforME) program and the Maine Quality Centers. On June 30, 2016 the System merged CCD's activities and programs into the System's central office.

ECforME is a comprehensive high school-to-college transition program offered in partnership with secondary schools throughout the state. ECforME provides selected students with scholarships to community colleges, access to college courses to seniors in high school, and advising and support throughout a student's high school and community college experience. The Maine Quality Centers program is an economic development program established by the Legislature in 1994. The program provides customized workforce training grants for Maine employers seeking to locate or expand their

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

operations in Maine or who are interested in providing training to their incumbent workers. The training is coordinated and delivered by the seven community colleges.

Using the Financial Statements

In addition to this MD&A, the System's financial report includes a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows, together with related footnotes. These financial statements are presented in accordance with GASB principles, which establish the standard for external financial reporting for public colleges and universities. The GASB standards require that the financial statements focus on the System as a whole.

In order to provide a more comprehensive understanding of the resources supporting the mission of the MCCS, the GASB also requires that the MCCS report on the assets, liabilities, and activities of organizations that are not owned or managed by the MCCS but that exist for the sole purpose of benefiting the System or its colleges. Accordingly, these financial statements include a Balance Sheet and Statement of Activities for the Maine Community College Educational Foundations (MCCEF) and the Maine Community College System Post-Employment Benefit Trust (MCCS OPEB Trust or Trust). The MCCEF includes six foundations established to support individual colleges and their students. It also includes The Foundation for Maine's Community Colleges which was established in November of 2009 to provide broad based support to all seven of the state's community colleges. The MCCS OPEB Trust was established under Section 115 of the Internal Revenue Code as an irrevocable trust to manage the assets contributed by the System to fund its long-term obligation to pay the health care and life insurance benefit costs for certain employees after their retirement.

The Statement of Net Position depicts the financial position of the Maine Community College System as of June 30, 2016, with comparative data from June 30, 2015, and includes all of the assets and liabilities of the System. Assets represent what the System owns plus what is owed to MCCS. Liabilities constitute obligations to make payment to others plus what the System has collected in advance of providing the related services. Net position represents the residual interest in the MCCS assets after liabilities are deducted, net of deferred inflows and outflows, and the positive or negative change in net position over time is an indicator of the relative financial health of the System. The net position is divided into three primary categories:

Net investment in capital assets, represent the land, buildings and equipment that the System has acquired over its life and still uses. Net capital assets are presented after deductions for accumulated depreciation and the outstanding debt incurred to acquire or construct them.

Restricted net position has inherent limitations and can only be expended for the purposes stipulated by the individual, institution, or governmental unit that directed the resources to the System. *Restricted expendable* net position is available to be used for the intended purpose while *nonexpendable* assets are invested in perpetuity, and the investment income is used for the intended purpose.

Unrestricted net position is available for general operations of the System and for dedicated purposes such as capital projects for renewal and replacement, Maine Quality Center training initiatives, and working capital maintained for departmental and auxiliary enterprise activities.

MAINE COMMUNITY COLLEGE SYSTEM
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MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

While there are no external constraints on unrestricted net position, MCCS has set aside certain unrestricted net position for future use.

The Statement of Revenues, Expenses and Changes in Net Position presents the operating activities of the System for the full fiscal year which runs from July 1st to June 30th. Two years of revenues, expenses, and changes in net position are presented for comparative purposes. This statement matches the amounts received from tuition, residential life fees, grants, and services and other items of income against all the costs and outlays incurred in order to operate the System. The costs incurred consist of salaries and benefits, supplies and overhead expenses, insurances, utilities, and depreciation. The expenses are categorized according to the activity that generated the cost.

The Statement of Cash Flows examines the changes in cash position resulting from a year of operations. Cash flows are separated by the nature of the activity and include operating activities, noncapital financing, capital and related financing activities, and investing activities.

Operating activities involve activities relating to the delivery of education and related services. Common examples of cash flows provided by operating activities include tuition, fees, grants, and bookstore and food service sales. Cash flows used in operating activities include payments to employees, vendors, and suppliers.

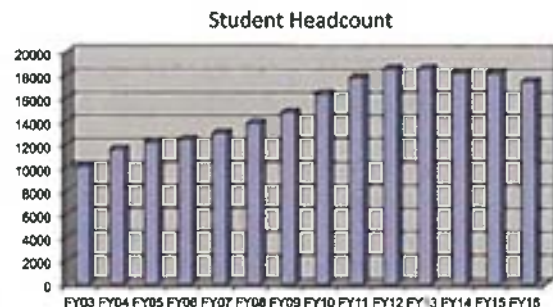
Noncapital financing activities include appropriations from state government, noncapital grants, and gifts.

Capital and related financing activities include those activities relating to the generation and repayment of funds provided by and paid to lenders as well as grants for acquisition of capital assets.

Investing activities include funds used to purchase marketable securities and funds provided from the sale of marketable securities.

Highlights and Trends Impacting Financial Results

Trends in enrollment impacted operating results as Maine's community colleges experienced a third year of modest enrollment decline after 20 years of growth. Enrollment was 17,464 in fall 2015 compared to 17,662 in 2014, a decrease of 1.1 percent. Since making the transition from technical to community colleges in 2003, enrollment system-wide has grown 72.5 percent. The long trend of enrollment growth is partially attributable to the expanded mission of the institutions with more students enrolling in liberal studies programs and taking advantage of transfer agreements to four-year institutions. The recent decline in enrollments is a result of a reduction in the number of students graduating from Maine high schools and improved employment opportunities. Since its peak in 2007-08, the number of students graduating from Maine high schools has declined 14.3 percent, or by approximately 2,100 students. After peaking in 2010, the unemployment rate in Maine has decreased from 8.3 percent to 3.7 percent. Recent high school graduates and unemployed workers are important pools of potential students for community colleges.



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MCCS implemented GASB Statement No. 68 (GASB 68) in 2015. GASB 68 requires MCCS to report the System's proportionate share of the State's net pension liability. MCCS's proportionate share of the State's net pension liability as of June 30, 2016 was \$68.0 million and the System incurred expenses related to retirement benefits of \$9.0 million on covered payroll of \$54.9 million. GASB 68 is a change in accounting for pension benefits, not a change resulting from operations.

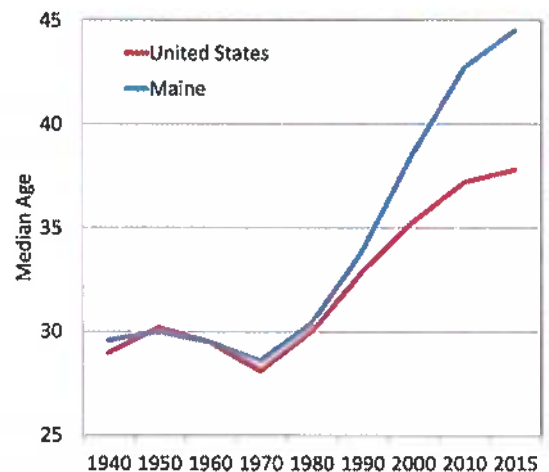
Economic Factors Affecting Maine's Community Colleges

The financial statements detail the results of operations and the financial condition of the System. That information is more useful when understood in the context of the economic and demographic conditions under which the institution is operating; and when understanding the plans for dealing with the challenges with which it is confronted.

Birth rates are declining across the country and, as a result, the populous is getting older and there are fewer potential students in the traditional college ages of 18 to 24. While true across the country, that factor is especially pronounced in Maine.

In addition, the economy is strong and unemployment is low. There may be a large pool of underemployed workers, but they are hard to identify and need to work around existing work schedules. Finally, the strong economy has drawn sharper focus on the need for a skilled workforce.

The strong economy results in surplus revenues for state government, but there is competition for the funding that is available. Advocates for tax reform, expansion of healthcare and other causes all have an interest in how the surplus is managed.



The result is a smaller pool of potential students and limited funding for higher education, but a strong need to expand a skilled workforce. To address that need, MCCS continues to make strategic investments in educational equipment and facilities. Over the past decade, both CMCC and YCCC have experienced dramatic growth in enrollment. To accommodate that growth, CMCC opened "The Learning Tower" in 2016, a four-story, 25,000 square foot building with "Harvard-style" case study rooms and a chemistry lab for Organic Chemistry, a required course in the new Life Sciences Associate Degree Program. Also in 2016, YCCC broke ground on a new 18,000-square-foot academic building that will include classrooms, a developmental math and English laboratory, an auditorium style lecture hall and a multi-purpose student common area as well as offices. YCCC also relocated and expanded its academic space in Sanford, Maine. The new site is almost triple the size of the previous space and hosts YCCC's corporate training programs as well as the college's Precision Machining Technology Programs.

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These investments are necessary to keep the colleges relevant and competitive in the current environment. They also represent new capital funding models. Historically, the majority of the capital investment has been funded through state funded bonds which the System has no obligation to repay. These buildings were financed with a blend of state-issued bonds, philanthropic support and college reserves that were set aside for these projects.

The new, blended financing of capital investment has limits. In 2016 the System's cash balances declined \$6.1 million or 28.8 percent following a 2015 decline in cash of \$3.8 million or 15.2 percent, due in part to cash paid for capital investments of \$18.8 million and \$23.0 million in those years, respectively. Nevertheless, with cash-on-hand totaling \$15.1 million and expendable investments of \$36.5 million on June 30, 2016, the System's balance sheet and liquidity remain strong. The System remains positioned to react to changes in the economy and academic delivery and continues to seek new and expanded sources of funding.

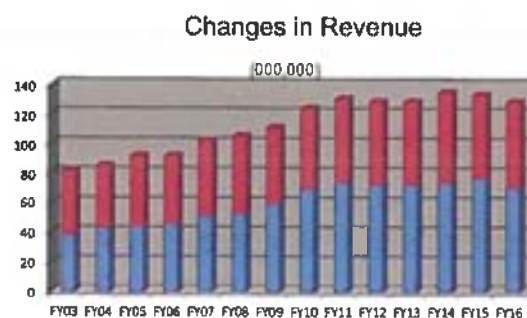
Those efforts include leveraging recent success in philanthropic giving and working closely with legislative leaders, the executive branch of government and community leaders to secure greater financial support for Maine's community colleges. In addition, the System intends to work with specific industries to modularize the delivery of academic programs and training initiatives into smaller units aimed at adult learners. These modules will utilize technology as effectively and efficiently as possible to best meet the needs of the incumbent workforce.

Management is also working to better coordinate the delivery of certain programs and services among the colleges and to expand the use of success coaches or navigators to provide the targeted support students often need to remain in school and complete a college credential. To that end, The Foundation for Maine's Community Colleges was recently awarded an \$810,000 grant from a nongovernment organization to support its ongoing efforts to improve student retention.

Statement of Revenues, Expenses, and Changes in Net Position

Operating revenue decreased \$6.2 million or 8.1 percent offset by an increase in nonoperating revenue of \$1.6 million or 2.9 percent. In contrast, in 2015 operating revenue increased \$3.3 million or 4.3 percent and nonoperating revenue decreased \$5.0 million or 8.2 percent while in 2014 both operating revenue and nonoperating revenue increased by a total of \$6.3 million or 4.9 percent.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 70.8	\$ 77.0	\$ 73.8
Operating expenses	131.4	132.1	127.2
Operating loss	(60.6)	(55.1)	(53.4)
Nonoperating revenues	57.6	56.1	61.0
(Loss) income before other revenue	(3.0)	1.0	7.6
Other revenue, net	5.9	10.5	7.0
Increase in net assets	<u>\$ 2.9</u>	<u>\$ 11.5</u>	<u>\$ 14.6</u>



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Operating Revenue

The decrease in enrollment translates to a reduction in student tuition and fee revenue as well as lower residential life fees which, taken together, declined \$2.3 million or 4.4 percent. Enrollment and the related revenues declined \$0.3 million or 0.6 percent in 2015. Scholarship allowances are funded by student financial aid resources, mostly Federal Pell Grants, and, tracking with tuition, declined 3.4 percent in 2016.

Revenues from Federal, state and local, and non-government grants in the aggregate declined \$4.5 million or 7.8 percent. The colleges are winding down activities on a series of large Federal grants, most notably the Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants. The 2016 decline comes at the end of a long period of growth in grant production that included increases in 2015 of \$3.9 million or 7.2 percent.

Changes in the sources of grants fluctuate between Federal, state and nongovernment entities based on the opportunities the colleges pursue, but in the current environment do not reflect any meaningful pattern or strategic change.

Auxiliary revenues from the sale of books and dining services on the college campuses have been in decline for 5 years. In 2016 auxiliary revenues declined \$1.0 million or 17.2 percent compared to 2015 when auxiliary revenues declined \$0.2 million or 3.3 percent. While declining enrollment has contributed to lower revenues, so have changes in technology and buying habits, especially in the college book stores. The colleges are working with consultants to better coordinate the management and sales methodologies used by our bookstores.

Nonoperating Revenue

Non-operating revenues are primarily comprised of the appropriations from the State of Maine, gifts, and investment gains and losses. Appropriation and other state revenue increased \$1.9 million or 3.4 percent in 2016. Gifts and investment income, both historically volatile sources of revenue, had offsetting changes that netted to a decrease of \$0.3 million. In 2015 the appropriation did not change significantly and it increased \$2.7 million or 4.8 percent in 2014.

Operating Expenses

Like most colleges and universities, MCCS invests the majority of its resources in its people.

Wages, benefits and wage related taxes accounted for 66.0 percent of expenses in 2016 and 2015 compared to 66.4 percent in 2014. Wages increased 1.1 percent in 2016 compared to 1.6 percent in 2015 and 6.1 percent in 2014. Fiscal 2014 was the first year in a four-year period that the System authorized wage increases.

Taxes and benefits decreased 4.2 percent in 2016 compared to an increase of 6.9 percent in 2015 and an increase of 4.5 percent in 2014. The largest benefit expense is the cost of retirement. Approximately two-thirds of the System's employees participate in the State Employee and Teacher Retirement Plan, a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (MainePERS). The System was required to contribute 22.37 percent of payroll in 2016 and 18.43 percent

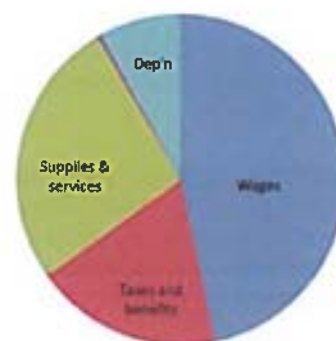
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in 2015. Healthcare benefits for current members and retirees purchased from the Maine Bureau of Employee Health also contribute to the cost of benefits which add 40 percent to the cost of compensation.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Wages	\$ 63.1	\$ 62.4	\$ 61.4
Taxes and benefits	<u>23.7</u>	<u>24.7</u>	<u>23.1</u>
Wages & benefits	86.8	87.1	84.5
Supplies & services	32.6	33.6	32.3
Student aid	0.6	0.6	0.6
Depreciation	<u>11.4</u>	<u>10.8</u>	<u>9.9</u>
Total expenses	<u>\$131.4</u>	<u>\$132.1</u>	<u>\$127.3</u>



After a long period of consistency, the distribution of expenses by functional area has shifted over the three-year period ending June 30, 2016. The System invested between 49 and 50 percent of its expenditures on instruction plus academic support and between 9 and 10 percent on student services. The colleges are increasing their use of success coaches or navigators to support students who face challenges in completing their education. As a result, the allocation of resources has been shifting toward student services.

Expenditures in other areas have remained constant over time with between 14 and 15 percent spent on institutional support, between 10 and 11 percent on operations and maintenance, approximately 8 percent on auxiliary enterprises and between 8 and 9 percent charged to depreciation in 2016, 2015, and 2014.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	\$ 52.5	\$ 54.2	\$ 52.9
Public service	0.6	0.8	0.7
Academic support	11.4	10.9	10.6
Student services	13.0	12.5	11.8
Institutional support	19.1	18.2	17.5
Operations	13.7	13.9	12.8
Student aid	0.6	0.6	0.6
Auxiliary enterprises	9.2	9.9	10.5
Depreciation	<u>11.4</u>	<u>10.8</u>	<u>9.9</u>
Total	<u>\$131.4</u>	<u>\$132.1</u>	<u>\$127.3</u>



Other Revenues, Expenses, Gains, and Losses

Other revenues, expenses, gains, and losses are primarily the net result of capital activity paid for through state funded bonds which the System has no obligation to repay and capital gifts and grants including the transfer of land and buildings from other public entities.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Other revenues, net	\$ 5.9	\$ 10.5	\$ 7.0

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Other revenues, expenses, gains, and losses decreased \$4.6 million in 2016.

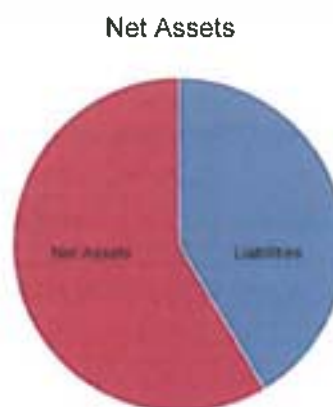
Proceeds from State for grants and capital asset acquisition decreased \$2.9 million as projects funded with state funded bonds neared completion. Proceeds from the State for grants and capital asset acquisition increased \$7.0 million in 2015 and \$1.5 million in 2014 as the colleges increased construction activities primarily at the Alford campus of KVCC and the Midcoast campus of SMCC.

Capital gifts decreased \$1.2 million in 2016 after decreasing \$3.5 million in 2015 and increasing \$4.8 million in 2014. In 2014 NMCC received a \$4.6 million gift to create a wellness center on its campus.

Statement of Net Position

Total assets and deferred outflows of resources increased \$1.9 million while total liabilities and deferred inflows of resources decreased \$1.0 million increasing net position by \$2.9 million in 2016. MCCS's net position has increased every year since transitioning to community colleges.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current assets	\$ 58.5	\$ 66.4	\$ 68.6
Noncurrent assets	207.9	203.8	190.3
Deferred outflow-pension	<u>19.8</u>	<u>14.1</u>	<u>7.8</u>
Total assets and outflows	<u>\$286.2</u>	<u>\$284.3</u>	<u>\$266.7</u>
Current liabilities	\$15.4	\$19.6	\$17.7
Noncurrent liabilities	89.2	84.1	96.0
Deferred inflow	<u>14.2</u>	<u>16.1</u>	<u>-</u>
Total liabilities and inflows	<u>\$118.8</u>	<u>\$119.8</u>	<u>\$113.7</u>
Investment in capital assets	\$158.1	\$152.0	\$137.6
Net restricted position	21.4	22.7	26.1
Net unrestricted position	<u>(12.1)</u>	<u>(10.2)</u>	<u>(10.7)</u>
Total net position	<u>\$167.4</u>	<u>\$164.5</u>	<u>\$153.0</u>



Current Assets and Current Liabilities

Current assets decreased \$7.9 million and current liabilities decreased \$4.2 million in 2016. Cash decreased \$6.2 million in 2016 because the System used \$6.9 million more on operating activities than in 2015 as a result of having collected \$4.4 million less from grants and contracts and used \$1.8 million more to pay employees and vendors. Decreases in accounts receivable and pledges receivable of \$1.9 million and decreases in inventories and the amount due for the state of \$0.7 million supported reductions in accounts payable and accrued liabilities of \$5.7 million. The changes in accounts payable and accrued liabilities are a result of timing. The System paid its biweekly payroll obligation on June 29, 2016 and made routine payments to vendors on June 30, 2016. In 2015 payroll was delivered to employees on July 1, 2015 and routine payments to vendors were mailed on July 2, 2015.

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Current assets also decreased \$2.2 million and current liabilities increased \$1.9 million in 2015. Cash decreased \$3.8 million in 2015 as a result of using \$3.0 million more on operating activities than in 2014. MCCS collected \$.7 million less from tuition and residential life fees in 2015 and used \$6.8 million more to pay employees and vendors, but collected \$3.9 million more from grants and contracts.

Noncurrent Assets and Noncurrent Liabilities

Noncurrent assets increased \$4.1 million. Investments in facilities and equipment, most notably the construction project at CMCC and two projects at YCCC, increased capital assets, net of accumulated depreciation \$5.4 million. The prepaid post-employment benefit increased \$.5 million, offset by decreases in the deposit with bond trustee and endowment investments.

Noncurrent liabilities increased \$5.1 million. The System refinanced debt on residence halls built in 2006 and, as a result, reduced long-term indebtedness \$3.2 million. Subsequent to the end of the year, MCCS also prepaid the Certificates of Deposit issued to finance construction of YCCC's primary academic and administrative building in Wells, Maine. The restructuring of the System's debt will result in savings of approximately \$0.3 million per year and \$2.0 million in each of the final two years (see Note 6). The present value of the future savings is estimated at \$4.2 million.

The reduction in long-term debt was offset by an increase in net pension liability of \$8.3 million. The costs and obligations of retirement plans are assessed below.

Costs and Obligations of Retirement Plans

The regular employees of the System have two retirement plan options: participation in TIAA/CREF, a defined contribution plan, and MainePERS, a defined benefit plan. MainePERS is an independent public agency of the State of Maine that administers retirement programs for State employees and other public entities including MCCS. MainePERS is responsible for the payment of retirement benefits to participants in that plan.

Participants in both the defined benefit and the defined contribution plan are eligible for retiree health insurance after vesting.

In 2015 the System implemented GASB 68, *Accounting and Financial Reporting for Pensions*. The accounting pronouncement changed the method MCCS uses for reporting the pension expenses associated with employees in the defined benefit plan and required retroactive restatement of the Statement of Net Position. MCCS's proportionate share of the State's Unfunded Actuarially Accrued Liability (UAAL) for pension benefits was \$68.0 million as of June 30, 2016 and \$59.7 million in 2015.

The plan is administered by MainePERS. The System does not manage the defined benefit plan assets or directly control the benefits, but the System is required to fund its share of the plan so that it remains viable and able to honor the commitments made to retired employees. Therefore, the presentation of MCCS's proportionate share of the Maine PERS UAAL, 6.6 percent as of the last reporting date, chronicles an important understanding of the System's fully formed financial condition and the totality of its obligations.

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The UAAL is determined by actuaries, not staff or the System's auditors. Certain estimates used by actuaries including investment returns, salary increases, mortality rates and cost of living benefits will impact the valuation of the liability. Note 7 to the financial statements includes a required disclosure that demonstrates the impact of changing one assumption (the discount rate) by an increase or decrease of 1 percent.

The System recognizes the actuarially determined cost of retiree health and life insurance benefits in accordance with the GASB Statement No. 45 (GASB 45). In 2009 the System created the MCCS OPEB Trust. The Trust Agreement allows the Trust to accept contributions from MCCS to fund future retiree benefits and limits the trustees to prudent investment of trust assets and payment of retiree health and life insurance benefit costs. MCCS's total expenses for other post-employment benefits were \$1.7 million in 2016, \$1.6 million in 2015, and \$1.8 million in 2014. The actuarially accrued obligation for retiree health and life insurance is \$37.2 million in 2016, down from \$37.7 million in 2015. Trust assets were valued at \$31.4 million on June 30, 2016 and 2015. Accordingly, the UAAL was \$5.8 million in 2016 and \$6.2 million in 2015. GASB 45 requires that MCCS gradually accrete the UAAL and, as a result, MCCS had a prepaid post-employment benefit of \$13.1 million in 2016 and \$12.6 million in 2015.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions* which establish new accounting and financial reporting requirements for governmental entities whose employees are provided with other postemployment benefits (OPEB) and for entities with their own OPEB trusts. Similar to GASB 68, the Statements establish standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The System is currently evaluating the impact these Statements will have on the financial statements.

Net Position

MCCS's net position represents the value of its assets and deferred outflows of resources after subtracting its liabilities and deferred inflows of resources. There are three components of net position. Net investment in capital assets is the value of nonexpendable, capital assets after subtracting the related debt on facilities and equipment. Restricted net assets are assets owned by MCCS, but, by agreement with grantors or donors, the assets can only be used for purposes specified in grant or donor agreements. As such those assets are not available to meet the general obligations of operations. Unrestricted net assets are those assets, net of liabilities, which have accumulated over time, are free of restrictions and are expendable at the Trustees' direction.

The System determines on a case-by-case basis whether to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. However, the System generally encourages the use of restricted resources first.

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MCCS has designated unrestricted net position as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Funds committed to Other Post-employment Benefits	\$ 13.1	\$ 12.6	\$ 12.3
Funds carried from prior years for programs and scholarships	3.4	2.9	3.4
Funds committed to property, plant and equipment renewal	19.5	24.5	24.5
Funds set aside for debt service	2.2	1.7	1.7
Unobligated net position	8.6	9.9	10.8
Deferred outflows, net of deferred inflows	5.6	(2.1)	7.8
MCCS's proportionate share of the State's net pension liability	(68.0)	(59.7)	(71.2)
Total net position	<u>\$(12.1)</u>	<u>\$(10.2)</u>	<u>\$(10.7)</u>

The narrative on costs and obligations of retirement plans notes that MCCS has appropriately recorded its proportionate share of the UAAL administered by MainePERS, but that the System does not manage any aspect of the plan. The results of operations and the impact of GASB 68 on the financial presentation are as follows:

	<u>2016</u>			<u>2015</u>		
	<u>Before</u>	<u>GASB</u>		<u>Before</u>	<u>GASB</u>	
	<u>UAAL</u>	<u>68</u>	<u>MCCS</u>	<u>UAAL</u>	<u>68</u>	<u>MCCS</u>
Current assets	\$ 58.5	\$ -	\$ 58.5	\$ 66.4	\$ -	\$ 66.4
Noncurrent assets	207.9	-	207.9	203.8	-	203.8
Deferred outflow-pension	-	19.8	19.8	-	14.1	14.1
Total assets and outflows	<u>\$266.4</u>	<u>\$ 19.8</u>	<u>\$286.2</u>	<u>\$270.2</u>	<u>\$ 14.1</u>	<u>\$284.3</u>
Current liabilities	\$ 15.4	\$ -	\$ 15.4	\$ 19.6	\$ -	\$ 19.6
Noncurrent liabilities	21.2	68.0	89.2	24.4	59.7	84.1
Deferred inflow-pension	0.6	13.6	14.2	-	16.1	16.1
Total liabilities and inflows	<u>\$ 37.2</u>	<u>\$ 81.6</u>	<u>\$118.8</u>	<u>\$ 44.0</u>	<u>\$ 75.8</u>	<u>\$119.8</u>
Investment in capital assets	\$158.1	\$ -	\$158.1	\$152.0	\$ -	\$152.0
Net restricted position	21.4	-	21.3	22.7	-	22.7
Net unrestricted position	<u>49.7</u>	<u>(61.8)</u>	<u>(12.1)</u>	<u>51.5</u>	<u>(61.7)</u>	<u>(10.2)</u>
Total net position	<u>\$229.2</u>	<u>\$(61.8)</u>	<u>\$167.4</u>	<u>\$226.2</u>	<u>\$(61.7)</u>	<u>\$164.5</u>

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Endowments

Noncurrent assets also include \$13.2 million in endowment investments; \$0.9 million or 6.3 percent less than in 2015 and \$0.8 million less than in 2014. The largest shares of the endowment are comprised of gifts from the Bernard Osher Foundation. The Osher Endowments are comprised of four donations: a 1999 gift of \$2 million that is targeted towards scholarships and emergency financial assistance for full-time matriculated associate degree students; a 2000 gift of \$1 million plus a \$1 million match from the State of Maine that is targeted towards scholarships to cover the tuition for two courses for students matriculated in an associate of arts program; a 2005 gift of \$475,000 plus a State match of \$475,000 that is targeted towards scholarships and emergency financial assistance for full-time matriculated associate degree students; and a 2008 gift of \$3 million that required the System to dedicate \$1.5 million in matching funds. The 2008 Osher gift included an additional \$500,000 "incentive" to be earned if the System was able to secure the match within one year. The System met the matching requirement of this gift in 2009 and earned the incentive payment.

The Board of Trustees has adopted an investment policy that uses a long-term investment strategy, and investment results are compared to a benchmark index that is a composite made up of 60 percent of the Morgan Stanley Capital International - All Country World Index (MSCI-ACWI) and 40 percent of the Barclays Capital Aggregate Bond Index (BC Agg). Endowment investments are pooled with the System's long-term investments and are allocated based upon a percentage of the total investment pool.

Endowment investments, including the Osher funds, earned -1.5 percent in 2015 and -1.3 percent in 2016.

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Statements of Net Position

June 30, 2016 and 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Current assets		
Cash and cash equivalents	\$ 15,057,068	\$ 21,207,688
Short-term investments	36,499,633	35,608,453
Accounts receivable, net	3,730,273	4,303,854
Pledges receivable	200,000	1,500,000
Inventories	1,082,547	1,320,524
Due from State of Maine	1,041,230	1,549,826
Other assets	<u>952,750</u>	<u>947,364</u>
Total current assets	58,563,501	66,437,709
Noncurrent assets		
Prepaid post-employment benefit	13,096,447	12,612,806
Deposit with bond trustee	658,711	1,645,226
Endowment investments	13,153,452	14,036,968
Capital assets, net	<u>180,948,572</u>	<u>175,525,022</u>
Total noncurrent assets	<u>207,857,182</u>	<u>203,820,022</u>
Total assets	266,420,683	270,257,731

DEFERRED OUTFLOWS OF RESOURCES

Defined benefit pension plan	<u>19,815,816</u>	<u>14,052,988</u>
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Total assets and deferred outflows of resources	<u>\$ 286,236,499</u>	<u>\$ 284,310,719</u>
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The accompanying notes are an integral part of these financial statements.

LIABILITIES

	<u>2016</u>	<u>2015</u>
Current liabilities		
Accounts payable	\$ 2,343,123	\$ 4,954,134
Accrued liabilities	8,513,485	11,598,486
Unearned revenue	2,264,431	2,285,092
Current portion of long-term debt	<u>2,340,488</u>	<u>771,155</u>
Total current liabilities	15,461,527	19,608,867
Long-term liabilities		
Long-term debt	21,179,847	24,387,643
Net pension liability	<u>68,006,887</u>	<u>59,711,184</u>
Total long-term liabilities	<u>89,186,734</u>	<u>84,098,827</u>
Total liabilities	104,648,261	103,707,694

DEFERRED INFLOWS OF RESOURCES

Defined benefit pension plan	13,634,095	16,121,531
Deferred gain on bond refunding	<u>558,596</u>	<u>-</u>
Total deferred inflows of resources	14,192,691	16,121,531

NET POSITION

Net investment in capital assets	158,086,948	152,011,450
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	11,846,341	11,838,301
Expendable:		
Scholarships and fellowships	7,650,277	8,760,302
Instructional department uses	1,813,251	1,719,891
Other	60,501	373,668
Unrestricted	<u>(12,061,771)</u>	<u>(10,222,118)</u>
Total net position	<u>167,395,547</u>	<u>164,481,494</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 286,236,499</u>	<u>\$ 284,310,719</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Operating revenues		
Student tuition and fees	\$ 40,624,414	\$ 42,790,300
Residential life fees	9,457,154	9,617,280
Less scholarship allowances	<u>(39,880,413)</u>	<u>(41,286,688)</u>
Net tuition and residential life fees	10,201,155	11,120,892
Federal grants and contracts - other	40,531,366	45,756,217
State and local grants and contracts	8,593,683	7,511,019
Nongovernmental grants and contracts	4,142,155	4,507,461
Sales and services of educational departments	728,141	676,369
Auxiliary enterprises	4,987,798	6,024,057
Other operating revenues	<u>1,639,456</u>	<u>1,445,435</u>
Total operating revenues	<u>70,823,754</u>	<u>77,041,450</u>
Expenses		
Operating expenses		
Instruction	52,499,144	54,234,721
Public service	579,123	837,934
Academic support	11,352,164	10,944,636
Student services	12,983,185	12,540,420
Institutional support	19,091,781	18,248,231
Operations and maintenance	13,697,456	13,894,423
Student aid	618,197	614,974
Auxiliary enterprises and residential life	9,194,395	9,965,279
Depreciation and amortization	<u>11,432,506</u>	<u>10,811,641</u>
Total operating expenses	<u>131,447,951</u>	<u>132,092,259</u>
Operating loss	(60,624,197)	(55,050,809)
Nonoperating revenues (expenses)		
State appropriations	58,369,518	55,458,536
Other state revenue	-	1,004,114
Gifts	443,322	1,359,939
Investment income (loss), net of investment expenses		
of \$94,177 in 2016 and \$95,104 in 2015	49,483	(565,526)
Interest on capital asset-related debt	<u>(1,212,471)</u>	<u>(1,208,225)</u>
Net nonoperating revenues	<u>57,649,852</u>	<u>56,048,838</u>
(Loss) income before other revenues, expenses, gains or losses	(2,974,345)	998,029

(Continued next page)

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Revenues, Expenses and Changes in Net Position (Concluded)

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Other revenues, (expenses), gains or (losses)		
Capital grants and gifts	\$ 499,399	\$ 1,734,957
Proceeds from State for grants and capital asset acquisition	5,875,418	8,746,970
(Loss) gain on disposals of capital assets - other	(72,709)	20,348
Additions to permanent endowments	8,040	8,533
Asset impairment loss	<u>(421,750)</u>	<u>-</u>
Total other revenues, (expenses), gains or (losses)	<u>5,888,398</u>	<u>10,510,808</u>
Increase in net position	2,914,053	11,508,837
Net position, beginning of year	<u>164,481,494</u>	<u>152,972,657</u>
Net position, end of year	<u>\$ 167,395,547</u>	<u>\$ 164,481,494</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Cash Flows

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Receipts from tuition and residential life fees	\$ 9,772,734	\$ 9,941,854
Receipts from grants and contracts	53,237,386	57,677,858
Receipts from bookstore	4,972,942	6,025,594
Payments to suppliers and vendors	(27,383,182)	(35,387,801)
Payments for employees' salaries and benefits	(94,090,704)	(84,320,898)
Payments for funding of Other Post-Employment Benefit Trust	(2,187,091)	(2,055,275)
Other sales and services	862,592	607,101
Other receipts	<u>1,755,800</u>	<u>1,393,028</u>
Net cash used by operating activities	<u>(53,059,523)</u>	<u>(46,118,539)</u>
Cash flows from noncapital financing activities		
State appropriations and other state revenue	58,369,518	56,952,097
Gifts and grants received for other than capital purposes		
Nonoperating private gifts	<u>338,348</u>	<u>1,247,256</u>
Net cash provided by noncapital financing activities	<u>58,707,866</u>	<u>58,199,353</u>
Cash flows from capital and related financing activities		
Payments on long-term liabilities	(1,052,617)	(745,419)
Proceeds from state grants for capital asset acquisition	6,480,177	8,325,095
Capital grants and gifts received	1,765,999	678,225
Purchase of capital assets	(18,751,648)	(22,989,490)
Proceeds from sale of capital assets	489,008	34,809
Decrease (increase) in deposit with bond trustee	986,515	(8,201)
Interest paid on capital debt and lease	<u>(1,758,216)</u>	<u>(1,233,465)</u>
Net cash used by capital and related financing activities	<u>(11,840,782)</u>	<u>(15,938,446)</u>
Cash flows from investment activities		
Proceeds from sales and maturities of investments	13,473,210	11,005,893
Investments purchased	(14,763,974)	(12,319,741)
Interest and dividends	<u>1,332,583</u>	<u>1,355,896</u>
Net cash provided by investing activities	<u>41,819</u>	<u>42,048</u>
Decrease in cash and cash equivalents	<u>(6,150,620)</u>	<u>(3,815,584)</u>
Cash and cash equivalents, beginning of year	<u>21,207,688</u>	<u>25,023,272</u>
Cash and cash equivalents, end of year	<u>\$ 15,057,068</u>	<u>\$ 21,207,688</u>

(Continued next page)

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Statements of Cash Flows (Concluded)

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (60,624,197)	\$ (55,050,809)
Adjustments to reconcile operating loss to net cash used by operating activities		
Bad debts provision	679,056	758,424
Depreciation and amortization	11,432,506	10,811,641
Noncash pension expenses (credit)	45,439	(1,611,560)
Noncash donations of supplies	113,013	121,216
Decrease (increase) in		
Accounts receivable, net	(105,475)	(1,086,856)
Inventories	237,977	73,392
Due from State - other	(96,163)	(112,829)
Other assets	(5,386)	(137,508)
Prepaid post-employment benefits	(483,641)	(280,267)
Increase (decrease) in		
Accounts payable	(1,665,487)	(212,117)
Accrued liabilities, net of accrued interest on capital debt	(2,566,504)	737,492
Unearned revenue	<u>(20,661)</u>	<u>(128,758)</u>
Net cash used by operating activities	\$ <u>(53,059,523)</u>	\$ <u>(46,118,539)</u>
Supplemental disclosure of noncash capital and related financing activities		
Donated capital assets	\$ <u>33,400</u>	\$ <u>56,732</u>
Capital asset purchases recorded in accounts payable	\$ <u>717,760</u>	\$ <u>1,663,283</u>
Capital assets acquired under a note payable and capital leases	\$ <u>3,207,796</u>	\$ <u>426,744</u>
Summary of noncash investing activities		
Net losses related to investments	\$ <u>1,283,100</u>	\$ <u>1,912,821</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

**MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS
(Component Units)**

BALANCE SHEETS

June 30, 2016 and 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash	\$ 6,501,886	\$ 6,052,224
Investments	9,574,790	9,239,353
Pledges receivable	1,945,355	2,538,348
Other assets	<u>954,501</u>	<u>956,345</u>
Total assets	<u>\$ 18,976,532</u>	<u>\$ 18,786,270</u>

LIABILITIES AND NET ASSETS

Accounts payable and accruals	\$ 752,404	\$ 2,388,807
Net assets		
Unrestricted	1,428,673	2,114,754
Temporarily restricted	10,164,425	8,637,211
Permanently restricted	<u>6,631,030</u>	<u>5,645,498</u>
Total net assets	<u>18,224,128</u>	<u>16,397,463</u>
Total liabilities and net assets	<u>\$ 18,976,532</u>	<u>\$ 18,786,270</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MAINE COMMUNITY COLLEGE EDUCATIONAL FOUNDATIONS
(Component Units)

Statements of Activities

Years Ended June 30, 2016 and 2015

	<u>2016</u>			<u>2015</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Total</u>
Revenues					
Gifts and contributions	\$ 511,398	\$ 3,398,156	\$ 1,007,480	\$ 4,917,034	\$ 3,899,612
Net investment gain	-	105,607	362	105,969	240,999
Other	<u>456,125</u>	<u>61,400</u>	<u>4,569</u>	<u>522,094</u>	<u>601,189</u>
	967,523	3,565,163	1,012,411	5,545,097	4,741,800
Net assets released from restrictions	<u>2,047,415</u>	<u>(2,047,415)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	3,014,938	1,517,748	1,012,411	5,545,097	4,741,800
Expenses					
Program expenses					
Scholarships	750,985	-	-	750,985	647,768
Support	1,844,499	-	-	1,844,499	3,525,039
Fundraising	436,588	-	-	436,588	563,380
Management and general	664,733	-	-	664,733	623,176
Investment expenses	<u>21,627</u>	<u>-</u>	<u>-</u>	<u>21,627</u>	<u>-</u>
Total expenses	<u>3,718,432</u>	<u>-</u>	<u>-</u>	<u>3,718,432</u>	<u>5,359,363</u>
Changes in net assets before changes in donor intent	(703,494)	1,517,748	1,012,411	1,826,665	(617,563)
Changes in donor intent	<u>17,413</u>	<u>9,466</u>	<u>(26,879)</u>	<u>-</u>	<u>-</u>
(Decrease) increase in net assets	(686,081)	1,527,214	985,532	1,826,665	(617,563)
Net assets, beginning of year	<u>2,114,754</u>	<u>8,637,211</u>	<u>5,645,498</u>	<u>16,397,463</u>	<u>17,015,026</u>
Net assets, end of year	<u>\$ 1,428,673</u>	<u>\$ 10,164,425</u>	<u>\$ 6,631,030</u>	<u>\$ 18,224,128</u>	<u>\$ 16,397,463</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST

Statements of Fiduciary Net Position

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Cash	\$ 101,429	\$ 919
Investments	<u>31,414,615</u>	<u>31,437,965</u>
Total assets	<u>31,516,044</u>	<u>31,438,884</u>
Net position held in trust for benefits	<u>\$ 31,516,044</u>	<u>\$ 31,438,884</u>

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

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

MAINE COMMUNITY COLLEGE SYSTEM POST-EMPLOYMENT BENEFIT TRUST

Statements of Changes in Fiduciary Net Position

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Additions		
Interest income	\$ 15	\$ 19
Employer contributions	2,187,091	2,055,275
Investment loss, net of investment expense of \$59,344 in 2016 and \$59,558 in 2015	<u>(401,850)</u>	<u>(454,080)</u>
Total additions	1,785,256	1,601,214
Deductions		
Benefits	1,657,921	1,537,334
Administrative expenses	<u>50,175</u>	<u>53,063</u>
Total deductions	<u>1,708,096</u>	<u>1,590,397</u>
Net increase	77,160	10,817
Net position held in trust for benefits, beginning of year	<u>31,438,884</u>	<u>31,428,067</u>
Net position held in trust for benefits, end of year	<u>\$ 31,516,044</u>	<u>\$ 31,438,884</u>

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

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2016 and 2015

1. Summary of Significant Accounting Policies

The significant accounting policies followed by the Maine Community College System (the System) are set forth below:

Basis of Presentation

The System is Maine's comprehensive two-year college system and offers certificate, diploma, and associate degree programs. The financial statements of the System include the activity of its seven colleges, the central administrative office and its Center for Career Development (the CCD), which directed system-wide programs and supports other strategic projects and initiatives for the System through June 30, 2016. At that time, the System merged CCD's activities and programs into the System's central office.

The System is included in the combined financial statements of the State of Maine (the State) as a discretely-presented component unit. This financial reporting is based primarily on the State's appointment of the System Board of Trustees, the level of revenues derived from state appropriations and the ability of the State to influence the operational decisions of the System.

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) using the economic resources measurement focus and the accrual basis of accounting. In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the System follows all applicable GASB pronouncements.

The following elements are included with these general purpose financial statements:

- Management's Discussion and Analysis (as required supplementary information);
- Basic financial statements, which include the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows; and
- Notes to the Financial Statements.

The System follows the "business-type activities" (BTA) requirements of GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. BTAs are defined as those that are financed in whole or in part by fees charged to external parties for goods or services.

The financial statements are reported on a consolidated basis and the System classified resources into the following net position categories:

- **Net investment in capital assets** - Capital assets, at historical cost or fair market value on the date of gift and deposit with bond trustee, net of accumulated depreciation, outstanding principal balances of debt, and any deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

- **Restricted nonexpendable** - Net position subject to externally-imposed stipulations that is invested permanently by the System. The amount is affected by new gifts.
- **Restricted expendable** - Net position whose use by the System is subject to externally-imposed stipulations. Such assets include the accumulated net gains/losses on true endowment funds as well as the fair market value of restricted funds functioning as endowments, restricted funds loaned to students, restricted gifts and endowment income, and other similar restricted funds.
- **Unrestricted** - Net position that is not subject to externally-imposed stipulations.

The System determines on a case-by-case basis whether to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. However, the System generally encourages the use of restricted resources first.

Reporting Entity

The financial reporting entity consists of the primary government (the System), its component units, which consist of the seven Foundations of the System's Colleges (the Foundations), and the Maine Community College System Post-Employment Benefit Trust (the Trust).

The Trust is a separate legal entity established in 2009 to accumulate funds to pay, at least in part, the System's obligations under the post-employment healthcare plan. See Note 12 for more information.

The Foundations are legally separate, tax-exempt component units of the System. The Foundations act primarily as fundraising organizations to supplement the resources that are available to the System by raising money for endowed scholarships, technology, and teaching resources. The Foundations are self-perpetuating and their donors consist of graduates and friends of the Colleges. Although the System does not control the timing or amount of receipts from the Foundations, the majority of resources, or income thereon, that the Foundations hold and invest are restricted to the activities of the System by the donors. Because these resources held by the Foundations can only be used by, or for the benefit of, the System, the Foundations are considered component units of the System. The Foundations are reported in separate financial statements.

The Foundations are private not-for-profit organizations that report their financial results in accordance with private, non-governmental accounting standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. Significant note disclosures to the Foundations' financial statements have been incorporated into the System's notes to the financial statements in Note 11.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

Cash Equivalents

Cash equivalents are carried at cost, which approximates fair value, and consist principally of money market funds and other pooled funds with maturities of three months or less at the date of purchase.

Investments

Investments are reported at fair value based on quoted market prices. Realized gains and losses are calculated on a specific identification basis.

The System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Pledges Receivable

Pledges receivable represent irrevocable donations promised by other entities or individuals that meet certain eligibility requirements, net of an estimate of uncollectible amounts. Pledges receivable are shown at their face amount and are not discounted. The allowance for uncollectible amounts is an estimate subject to change. An allowance is established based on current status of pledges and past experience. As of June 30, 2016 and 2015, management has determined that an allowance is not warranted.

Endowment Investments

Endowment funds consist of funds received from donors with the stipulation that the original principal remain invested in perpetuity to produce income which is to be expended for the purposes specified by the donor. All endowments have been established for the purpose of granting scholarships to students.

Individual endowment funds are invested on a pooled basis. Total endowment investment yield received for the year is distributed to fund accounts, in accordance with the terms or restrictions of the individual fund.

Accounts Receivable

Accounts receivable consist principally of tuition receivable from students and third-party payors and various state and federal grants.

Student accounts receivable are carried at the unpaid balance of the original amount billed to students. Student accounts receivable are net of an estimate made for doubtful accounts based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2016 and 2015

by identifying troubled accounts and by using historical experience applied to an aging of accounts. Student accounts are written off when deemed uncollectible. Recoveries of student accounts previously written off are recorded when received.

A student account receivable is generally considered to be past-due if any portion of the receivable balance is outstanding at the beginning of a semester, at which point late charges may be assessed and are recognized when charged. Interest is not charged on past-due accounts.

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market and consist primarily of bookstore and food inventories.

Prepaid Post-Employment Benefit

Prepaid post-employment benefits consist of contributions made to the Maine Community College System Post-Employment Benefit Trust in excess of the actuarially-determined annual cost.

Capital Assets

Capital assets funds, derived from appropriations and the System funds so designated by the Board of Trustees, may be used to meet expenditures for construction of additional facilities, major renovations and retirement of indebtedness arising therefrom. Designated funds are unrestricted funds for which the Board of Trustees or administration stipulates a specific use, thereby designating them for that purpose. However, the Board of Trustees may at any time redesignate the funds for other use. Total designated capital asset funds included in unrestricted net assets amounted to \$19,490,007 and \$24,336,158 at June 30, 2016 and 2015, respectively.

Land, buildings, equipment and fixtures are stated at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. Expenditures for maintenance, repairs and assets with a cost of under \$1,500 are expensed as incurred. Upon sale or retirement of an asset, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of revenues, expenses and changes in net position. Assets are depreciated on a straight-line basis according to the following estimated useful lives:

Buildings	40 years
Improvements	10 years
Furniture and equipment	3 - 10 years
Library books and periodicals	5 years

Assets under capital leases are depreciated using the shorter of the above useful lives or the term of the lease.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

Defined Benefit Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Employee and Teacher Retirement Plan (the SET Plan) and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET 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.

Compensated Absences

The System accrues amounts for compensated absences as earned. As of June 30, 2016 and 2015, the System had accrued \$2,252,550 and \$2,258,729, respectively. These accrued balances represent vacation and earned time amounts payable to employees upon termination of employment.

Revenue Recognition

Tuition and fees revenues are recognized when the services are performed. Unrestricted gifts of securities and other noncash assets are recognized as revenue based on the fair value at the date of donation; restricted grants and gifts are recognized as revenue based on the fair value when eligibility requirements have been met; state appropriations are recognized in the year the state appropriates the funds.

Unearned revenue consists primarily of unrestricted tuition and student fees related to future fiscal years.

Investment income consists of interest and dividend income recognized on the accrual method, as well as realized and unrealized gains or losses on investments.

Auxiliary enterprises furnish goods or services to students, faculty or staff, and charge a fee directly related to the cost of the goods or services. Revenues from auxiliary enterprises are primarily earned from college stores and are recognized as the services are performed or the goods are delivered.

Operating Revenues and Expenses

Operating revenues consist of tuition and fees; federal, state and other grants and contracts; sales and services of education activities; and auxiliary enterprises revenues. Operating expenses include instruction, public service, academic support, student services, institutional support, operations and maintenance, student aid, auxiliary enterprises and residential life and depreciation and amortization. All other revenues and expenses of the System are reported as other or nonoperating revenues and expenses, including state general appropriations, noncapital gifts, short-term investment income, interest expense and capital additions and deductions. Capital

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

items represent all other changes in long-term plant and endowment net assets. Revenues are recognized when earned and expenses are recognized when incurred. Restricted grant revenue is recognized only to the extent expended for expenditure driven grants or, in the case of fixed-price contracts, when the contract terms are met or completed.

Tax Status

The System is exempt from income taxes because it is an instrumentality of the State of Maine. The Foundations are exempt from income taxes because they are each 501(c)(3) organizations. The Trust is exempt from income taxes by virtue of the exempt status of the System.

If an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. The System has evaluated the positions taken on its business activities and has concluded no unrelated business income tax exists at June 30, 2016 and 2015.

Agency Funds

Agency funds are cash held by an institution acting as custodian or fiscal agent, but not assets or liabilities of the institution. The cash is deposited with the institution for safekeeping, to be used or withdrawn by the depositor at will. As of June 30, 2016 and 2015, the System held assets totaling \$1,290,375 and \$1,221,806, respectively, consisting primarily of Student Union Activity Funds, which are not reflected on the accompanying statements of net position.

Risk Management

The System is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as the reported amounts of revenues and expenses. These estimates include, but are not limited to, the valuation of accounts and pledges receivable and the actuarial assumptions used in determining the post-employment benefit expense and related asset balance. Actual results could differ from those estimates.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2016 and 2015

New Accounting Pronouncement

In 2016, the System adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

New Accounting Pronouncements Not Yet Effective

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. These two statements establish new accounting and financial reporting requirements for governmental entities whose employees are provided with other post-employment benefits (OPEB) and for entities with their own OPEB trusts. In general, the provisions relating to reporting of the trusts are effective for years beginning after June 15, 2016, and the provisions relating to reporting OPEB liabilities are effective for years beginning after June 15, 2017. Management is currently evaluating the impact these Statements will have on the System's financial statements.

2. Cash and Cash Equivalents

The carrying amounts, which represent both cost and fair value, of cash and cash equivalents for the System at June 30, 2016 and 2015 are presented below:

	<u>2016</u>	<u>2015</u>
Cash in bank	\$ 8,128,506	\$13,665,867
Outstanding checks	(1,654,645)	(671,946)
State Treasurer's Cash Pool	<u>8,583,207</u>	<u>8,213,767</u>
	<u>\$ 15,057,068</u>	<u>\$21,207,688</u>

The bank account balances are covered by depository insurance up to \$250,000 at June 30, 2016 and 2015. The cash in bank in excess of depository insurance is collateralized by a stand-by letter of credit with the Federal Home Loan Bank. The System has established internal procedures to monitor credit risk relating to deposits in financial institutions.

The State Treasurer's Cash Pool (the Pool), established by the Maine State Treasurer, is not rated by a nationally recognized statistical rating organization. However, the Pool is limited by State law to invest in obligations of the U.S. Treasury and its agencies and instrumentalities that mature within 36 months; repurchase agreements that are secured by obligations of the U.S. Government and its agencies and instrumentalities and mature within 12 months; prime commercial paper; tax-exempt municipal obligations rated no less than AA; corporate bonds rated AAA; money market funds; bankers acceptances not exceeding 180 days; and time certificates of deposit not exceeding 2 years.

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The System's management considers this investment to be a money market instrument and carries the amounts at cost, which approximates fair value.

3. Investments

The fair value of investments for the System at June 30, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Management account investments		
Mutual funds		
Fixed-income	\$ 22,859,153	\$24,178,044
Equity	25,119,515	23,410,447
Currency hedge	1,389,559	2,043,500
Money market funds	<u>281,110</u>	<u>9,714</u>
Total management account investments	49,649,337	49,641,705
Other investments	<u>3,748</u>	<u>3,716</u>
Total investment balance	<u>\$ 49,653,085</u>	<u>\$49,645,421</u>

The System's investments are reported in the financial statements at June 30, 2016 and 2015 as follows, based on the portfolios underlying the mutual fund investments:

	<u>2016</u>	<u>2015</u>
Short-term investments	\$ 36,499,633	\$35,608,453
Endowment investments	<u>13,153,452</u>	<u>14,036,968</u>
	<u>\$ 49,653,085</u>	<u>\$49,645,421</u>

Interest Rate Risk

The System manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds or exchange-traded funds.

Credit Risk

The System limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the System may invest are investment grade as rated by a nationally recognized statistical rating organization (NRSRO). The System further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolios to ensure the System limits its credit risk.

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A summary of bond mutual fund investments and their related interest rate and credit risks as of June 30, 2016 and 2015 are as follows:

<u>Rating</u>	<u>2016</u>		<u>2015</u>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
AAA	\$ 2,929,386	8.8 years	\$ 2,859,787	8.6 years
AA	9,658,168	8.0 years	7,785,157	7.9 years
A	2,996,954	6.4 years	2,844,864	6.4 years
BBB	315,044	7.4 years	4,345,044	6.4 years
BB	6,959,601	4.9 years	4,358,429	5.4 years
B/BB	-	-	1,984,763	6.6 years
	<u>\$ 22,859,153</u>		<u>\$ 24,178,044</u>	

The ratings and maturities are the weighted averages of the debt securities in which the funds invest.

Concentration of Credit Risk

The System has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy defines that the portfolio should be well diversified as to limit exposure to one issuer or security. As of June 30, 2016 and 2015, individual investments representing more than 5% of the System's investments were as follows:

	<u>Percentage of Investments</u>	
	<u>2016</u>	<u>2015</u>
Doubleline Total Return	6 %	*
Harbor High Yield	6	*
JP Morgan Core Bond Fund	*	9 %
Vanguard Total Bond Markets Fund	19	16
Vanguard Dividend Appreciation index Fund	*	6
Vanguard 500 Index Fund	*	9
Vanguard Inflation Protected Fund	6	6
Vanguard Intermediate Term Investment Grade Fund	6	6

* Fund was less than 5%.

Custodial Credit Risk

All of the System's investments are held with a third-party custodian in the System's name.

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Fair Value Measurement

GASB Statement No. 72 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GASB No. 72 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below:

<u>Fair Value Measurements at June 30, 2016, Using:</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and short-term investments	\$ 1,674,417	\$ 1,674,417	\$ -	\$ -
Equity mutual funds	25,119,515	25,119,515	-	-
Fixed-income mutual funds	22,859,153	22,859,153	-	-
	<u>\$49,653,085</u>	<u>\$49,653,085</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Fair Value Measurements at June 30, 2015, Using:</u>				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Cash and short-term investments	\$ 2,056,930	\$ 2,056,930	\$ -	\$ -
Equity mutual funds	23,410,447	23,410,447	-	-
Fixed-income mutual funds	24,178,044	24,178,044	-	-
	<u>\$49,645,421</u>	<u>\$49,645,421</u>	<u>\$ -</u>	<u>\$ -</u>

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4. Receivables

Accounts Receivable

Accounts receivable at June 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Grants and contracts	\$ 2,037,874	\$ 2,104,221
Student and general	2,798,780	3,260,838
Allowance for doubtful accounts	<u>(1,106,381)</u>	<u>(1,061,205)</u>
Total accounts receivable, net	<u>\$ 3,730,273</u>	<u>\$ 4,303,854</u>

Pledges Receivable

The System has a \$200,000 pledge receivable from a foundation that is a component unit at June 30, 2016. It is expected that the pledge will be fully collected in fiscal 2017. The System had a \$1,500,000 pledge receivable from a foundation that is a component unit at June 30, 2015; \$1,300,000 was collected in 2016.

5. Capital Assets

Capital assets activity for the year ended June 30, 2016 is summarized as follows:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	Retirements/ Reductions/ <u>Adjustments</u>	Balance <u>June 30, 2016</u>
Land	\$ 3,682,337	\$ -	\$ -	\$ 3,682,337
Buildings	141,660,190	150,308	500,000	141,310,498
Improvements	88,034,216	16,185,792	367,190	103,852,818
Furniture and equipment	63,941,721	4,129,915	3,400,385	64,671,251
Library books and periodicals	4,673,875	102,402	(1,321)	4,777,598
Construction in process	<u>12,710,075</u>	<u>4,707,900</u>	<u>6,875,267</u>	<u>10,542,708</u>
	314,702,414	25,276,317	11,141,521	328,837,210
Less accumulated depreciation	<u>(139,177,392)</u>	<u>(11,432,506)</u>	<u>(2,721,260)</u>	<u>(147,888,638)</u>
Capital assets, net	<u>\$ 175,525,022</u>	<u>\$ 13,843,811</u>	<u>\$ 8,420,261</u>	<u>\$ 180,948,572</u>

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Capital assets activity for the year ended June 30, 2015 is summarized as follows:

	Balance July 1, 2014	Additions	Retirements/ Reductions	Balance June 30, 2015
Land	\$ 3,043,762	\$ 638,575	\$ -	\$ 3,682,337
Buildings	135,595,513	6,064,677	-	141,660,190
Improvements	77,298,839	10,735,377	-	88,034,216
Furniture and equipment	60,015,414	9,433,726	5,507,419	63,941,721
Library books and periodicals	4,572,129	103,574	1,828	4,673,875
Construction in process	<u>14,830,090</u>	<u>11,109,003</u>	<u>13,229,018</u>	<u>12,710,075</u>
	295,355,747	38,084,932	18,738,265	314,702,414
Less accumulated depreciation	<u>(133,893,843)</u>	<u>(10,811,641)</u>	<u>(5,528,092)</u>	<u>(139,177,392)</u>
Capital assets, net	<u>\$ 161,461,904</u>	<u>\$ 27,273,291</u>	<u>\$ 13,210,173</u>	<u>\$ 175,525,022</u>

6. Long-Term Debt

Long-term debt activity for the year ended June 30, 2016 is summarized as follows:

	2016					
	Beginning Balance	Additions	Payments	Premium Accretion	Ending Balance	Current Portion
Notes payable	\$22,886,145	\$ -	\$1,574,777	\$ 27,250	\$21,284,118	\$ 131,476
Capital leases	<u>2,272,653</u>	<u>-</u>	<u>36,436</u>	<u>-</u>	<u>2,236,217</u>	<u>2,209,012</u>
	<u>\$25,158,798</u>	<u>\$ -</u>	<u>\$1,611,213</u>	<u>\$ 27,250</u>	<u>\$23,520,335</u>	<u>\$ 2,340,488</u>

The total payments of \$1,611,213 includes \$558,596 in gain deferred through refunding of the 2006F bonds.

Long-term debt activity for the year ended June 30, 2015 is summarized as follows:

	2015					
	Beginning Balance	Additions	Payments	Premium Accretion	Ending Balance	Current Portion
Notes payable	\$23,296,059	\$ 328,687	\$ 711,351	\$ 27,250	\$22,886,145	\$ 734,720
Capital leases	<u>2,208,664</u>	<u>98,057</u>	<u>34,068</u>	<u>-</u>	<u>2,272,653</u>	<u>36,435</u>
	<u>\$25,504,723</u>	<u>\$ 426,744</u>	<u>\$ 745,419</u>	<u>\$ 27,250</u>	<u>\$25,158,798</u>	<u>\$ 771,155</u>

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Notes payable consist of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Notes payable to Maine Health and Higher Educational Facilities Authority (MHHEFA) in conjunction with revenue bonds: Series 2006F (including original issue premium) which bears interest at rates ranging from 4.0% to 5.0%. This bond was refunded on June 28, 2016 with an effective date of July 1, 2016.	\$ -	\$ 21,508,020
Series 2016A (including original issue premium of \$2,548,412) which bears interest at rates ranging from 3.0% to 5.0%; annual principal payments due in amounts ranging from \$695,000 in fiscal 2017 to \$1,470,000 in fiscal 2035 when note is repaid in full.	20,030,712	-
Note payable to Town of Fairfield: Bearing interest at 3%; monthly principal and interest payments of \$7,764 to 2030 and a final payment of \$3,914 when the note is repaid in full. The note is collateralized by a building.	1,051,291	1,111,935
Note payable to Aramark: Bearing interest at 2.5%; monthly principal and interest payments of \$5,833 until maturity in fiscal 2019.	<u>202,115</u>	<u>266,190</u>
	<u>\$ 21,284,118</u>	<u>\$ 22,886,145</u>

In September of 2006, the System issued notes with a par value of \$24,340,000 through MHHEFA with an average annual interest rate of 4.7 percent and a final maturity in July 2036. The purpose of the proceeds was to fund a major expansion project at three of the college campuses. MHHEFA required \$1,717,827 of the proceeds to be transferred to a debt reserve fund that is retained by MHHEFA in an interest-bearing account and will be used by MHHEFA to make the final payment of principal and interest in 2036. Accordingly, funds transferred to MHHEFA are not included as assets and are deducted from the amounts owed in the System's balance sheet. The bonds were issued at a premium of \$817,470 and \$27,250 of the premium was amortized in fiscal 2016 as a reduction to capitalized interest. These revenue bonds were paid off with a refunding in June 2016 with MHHEFA.

In June of 2016, the System issued revenue bonds with a par value of \$19,010,000 through MHHEFA with an average annual interest rate of 4.0 percent and a final maturity in July 2035. MHHEFA requires that \$1,527,700 of the bond proceeds be transferred to a debt reserve fund. The amount transferred to the debt reserve fund is retained by MHHEFA in an interest bearing account and will be used by MHHEFA to make the final payment of principal and interest in 2035.

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Accordingly, funds transferred to MHHEFA are not included as assets and are deducted from the amounts owed in the System's balance sheet. The bonds were issued at a premium of \$2,548,412. This Revenue Bond was used to refund the MHHEFA Bond 2006F originally issued in September 2006.

The notes are collateralized by the gross receipts of the System. The System is required to make monthly deposits of principal and interest of amounts sufficient to make the semi-annual interest payments and annual principal payments and to maintain a ratio of income available for debt service to annual debt service of at least 1.20 for each fiscal year. At June 30, 2016, the System met the debt service ratio.

At June 30, 2016, future payments in conjunction with the notes payable to MHHEFA related to the Series 2016A revenue bonds, Town of Fairfield and Aramark are as follows for the years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 131,476	\$ 449,064	\$ 580,540
2018	826,747	835,101	1,661,848
2019	870,409	796,239	1,666,648
2020	833,365	757,007	1,590,372
2021	880,445	716,953	1,597,398
2022 - 2026	5,005,697	2,924,015	7,929,712
2027 - 2031	5,968,561	1,718,951	7,687,512
2032 - 2035	<u>4,219,006</u>	<u>409,491</u>	<u>4,628,497</u>
Total payments	18,735,706	<u>\$ 8,606,821</u>	<u>\$ 27,342,527</u>
Unamortized premium	<u>2,548,412</u>		
Total	<u>\$ 21,284,118</u>		

On January 1, 2007, the System executed and delivered Certificates of Participation in the amount of \$5,280,000 to finance the construction of buildings and infrastructure and the acquisition of equipment at one of the colleges, York County Community College. This transaction was accounted for as a capital lease. The final certificate is scheduled to mature in fiscal 2017. The interest component is payable semi-annually through fiscal 2017. The certificates require an amount of \$450,000 to be held on deposit with the bond trustee to cover a portion of the final principal payment. The total held, including income earned, is \$519,340, which is classified as deposit with bond trustee at June 30, 2016 and 2015, respectively. The balance of this capital lease at June 30, 2016 and 2015 is \$2,180,000.

The assets acquired under this lease have a net book value of approximately \$2.9 million and \$3.1 million at June 30, 2016 and 2015, respectively. The assets are included in buildings as part of capital assets and depreciation is included in depreciation expense.

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The System has other capital leases totaling \$56,217 and \$92,653 at June 30, 2016 and 2015, respectively.

At June 30, 2016, future minimum payments under noncancelable capital lease obligations are as follows for the years ending June 30:

2017	\$ 2,214,214
2018	14,139
2019	<u>13,781</u>
Total minimum lease payments	2,242,134
Less amounts representing interest	<u>(5,917)</u>
Present value of net minimum lease payments under capital leases	\$ <u>2,236,217</u>

7. Retirement Plans

Defined Benefit Plan

The System participates in the SET Plan, a multiple-employer cost sharing plan administered by the Maine Public Employees Retirement System (the MainePERS). The MainePERS provides pension benefits to its members, which include employees of the State, certain public school employees and employees of local municipalities and other public entities in Maine. There are 240 employers in the SET Plan. All state employees and teachers become members of the SET Plan as a condition of their employment.

The MainePERS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C.421, 423, and 425. The MainePERS issues a publicly available financial report that includes financial statements and required supplementary information for the SET Plan. That report is available online at www.mainebers.org or may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

The SET Plan provides defined retirement benefits based on members' average final compensation and creditable service. Vesting occurs upon the earning of five years of service credit or the earning of one year of service credit immediately preceding retirement at or after normal retirement age (prior to October 1, 1999, the service credit requirement is ten years); normal retirement age for the SET Plan is age 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by Maine statute.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits. The annual rate of interest credited to members' accounts is set by the MainePERS Board of Trustees and is currently 5.0%.

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Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost and by earnings on investments. In accordance with Maine statute, members are required to contribute 7.65% of their earnable compensation to the Plan. The System is required to contribute at an actuarially-determined rate (22.37% for fiscal year 2016 and 18.43% for fiscal year 2015) that, when combined with the contributions of other reporting entities, will be adequate to fund the Plan.

The contribution rate is determined using an entry-age normal actuarial funding method for retirement benefits and a term-cost method for ancillary benefits. The System may be required to make contributions to fund the Plan's pooled unfunded actuarial liability, if any. The contribution requirements of the SET Plan members and the System are established by and may be amended by the State legislature.

Total System and employee contributions (which equal the actuarially-required contributions) to the SET Plan are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
System	\$ 7,367,698	\$ 8,328,072	\$ 7,805,503
Employee	<u>2,189,833</u>	<u>2,074,818</u>	<u>2,058,783</u>
Total	<u>\$ 9,557,531</u>	<u>\$ 10,402,890</u>	<u>\$ 9,864,286</u>

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

At June 30, 2016 and 2015, the System reported a liability for its proportionate share of the net pension liability of the SET Plan. At June 30, 2016 and 2015, the net pension liability was measured as of June 30, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The System's proportionate share of the net position liability was based on a projection of the System's long-term share of contributions to the SET Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the System's proportion was 6.64%, which was an increase of 0.02% from its proportion measured as of June 30, 2014.

For the years ended June 30, 2016 and 2015, the System recognized pension expense of \$7,411,909 and \$6,716,512, respectively. At June 30, 2016, the System reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

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	<u>2016</u>		<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,829,830	\$ -	\$ 622,420
Changes in assumptions	1,240,702	-	2,472,986	-
Net difference between projected and actual earnings on pension plan investments	9,415,268	11,567,957	-	15,371,621
Changes in proportion and differences between System contributions and proportionate share of contributions	1,792,148	236,308	3,251,930	127,490
System contributions subsequent to the measurement date	<u>7,367,698</u>	<u>-</u>	<u>8,328,072</u>	<u>-</u>
	<u>\$19,815,816</u>	<u>\$13,634,095</u>	<u>\$14,052,988</u>	<u>\$16,121,531</u>

The deferred outflows of resources resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as a reduction of pension expense as follows for the years ending June 30:

2017	\$ 226,514
2018	(2,264,139)
2019	(1,502,169)
2020	2,353,817

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following methods and assumptions, applied to all periods included in the measurement:

Actuarial Cost Method - The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his/her expected future salary.

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The normal cost for each member is the product of his/her pay and his/her normal cost rate. The normal cost for the group is the sum of the normal costs for all members. Experience gains and losses (i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions) affect the unfunded actuarial-accrued liability.

Asset Valuation Method - The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization - The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect under Maine statutory and constitutional requirements.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 and 2014 are as follows:

Investment Rate of Return - 7.125% per annum for the year ended June 30, 2015 and 2014, compounded annually.

Salary Increases, Merit and Inflation - 3.5% to 10.5% per year.

Mortality Rates - For active members and non-disabled retirees, the RP-2000 Tables projected forward to 2015 using Scale AA are used, set back two years.

Cost of Living Benefit Increases - 2.55% per annum.

The long-term expected rate of return on pension plan assets 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 class of assets. 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 June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities	20 %	5.2 %
Non-U.S. equities	20	5.5
Private equity	10	7.6
Real assets		
Real estate	10	3.7
Infrastructure	10	4.0
Hard assets	5	4.8
Fixed-income	25	0.7

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Discount Rate - The discount rate used to measure the collective total pension liability was 7.125% for 2015 and 2014. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the System's proportionate share of the net pension liability as of June 30, 2015 and 2014 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.125%.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<u>2015</u>			
The System's proportionate share of the net pension liability	\$100,896,672	\$ 68,006,887	\$ 40,242,422
<u>2014</u>			
The System's proportionate share of the net pension liability	\$ 92,259,066	\$ 59,711,184	\$ 32,158,846

Changes in net pension liability are recognized in pension expense with the following exceptions:

Differences between Expected and Actual Experience - The differences between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. For the 2015 and 2014 actuarial valuations, this was three years.

Differences between Projected and Actual Investment Earnings - Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Assumptions - Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For the SET Plan, there were no changes in assumptions in the 2015 valuation. The change in discount rate from 7.25% to 7.125% was the only change in assumptions in the 2014 valuation.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions - Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer-specific liability.

Rationale for Assumptions - The assumptions were adopted by the plan trustees as a result of the latest experience study review performed in 2011 and covering the period July 1, 2005 through June 30, 2010.

Defined Contribution Plan

Certain employees participate in an optional program with Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF), a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. Only confidential employees and, as of July 1999, Maine Education Association (MEA) Administrators and faculty are eligible to participate in the TIAA-CREF defined contribution plan. The System contributes 12.88% and 6.04% of total salaries for eligible confidential and MEA employees, respectively. The System contribution is funded as it accrues and, along with the contributions of the employees, is immediately vested. Employees make contributions at an average of 6.30% of total salaries (6.04% in 2015). Total employer contributions to the TIAA-CREF program in fiscal years 2016 and 2015, respectively, amounted to \$1,560,026 and \$1,444,623, which consisted of \$466,247 and \$418,104 for confidential employees and \$1,093,779 and \$1,026,519 for MEA employees. MEA employee contributions amounted to \$1,367,848 and \$1,222,696 in 2016 and 2015, respectively.

Total salaries and wages for covered employees participating in TIAA-CREF were \$21,728,861 and \$20,241,503 for fiscal years 2016 and 2015, respectively, including salaries and wages for MEA employees participating in TIAA-CREF for whom SET Plan contributions were made in fiscal year 2015 of \$16,995,351. No such contributions were made in fiscal year 2016.

Post-Employment Health Insurance

The System also sponsors in a defined benefit post-employment healthcare plan established by the State of Maine. This plan covers all employees who retire and participate in MainePERS or TIAA-CREF.

The System records an expense for the post-employment healthcare plan as costs are incurred for current employees while the employees are performing services for the System. The amount in future years will be based on a calculation related solely to the System's employees and retirees. The System's contributions cover retirees only; additional family members are paid for by the retirees.

MAINE COMMUNITY COLLEGE SYSTEM
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Notes to Financial Statements

June 30, 2016 and 2015

Calculations are based on the types of benefits and on the sharing of costs between the System and its employees as of the most recent valuation. Valuations are required to be completed every two years.

During 2009, the System established a trust to accumulate funds to pay, at least in part, the System's obligations under the post-employment healthcare plan.

The following table presents information about the Post-employment Benefit Trust as of and for the years ended June 30, 2016, 2015 and 2014:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially-required contribution	\$ <u>1,814,116</u>	\$ <u>1,882,102</u>	\$ <u>1,908,383</u>
Annual cost to the System	\$ <u>1,653,451</u>	\$ <u>1,725,000</u>	\$ <u>1,765,000</u>
Contributions paid by the System	\$ <u>2,187,091</u>	\$ <u>2,055,275</u>	\$ <u>2,893,777</u>
Percentage of annual cost contributed	<u>132 %</u>	<u>119 %</u>	<u>164 %</u>
Prepaid post-employment benefit of the System	\$ <u>13,096,447</u>	\$ <u>12,612,806</u>	\$ <u>12,332,539</u>
Assets of the Trust	\$ <u>31,516,044</u>	\$ <u>31,438,884</u>	\$ <u>31,428,067</u>

Information about the funded status of the Plan at June 30, 2016, 2015 and 2014 based on actuarially-determined beginning of year amounts follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarial value (market value) of Plan assets	\$ <u>31,439,000</u>	\$ <u>31,428,000</u>	\$ <u>26,111,000</u>
Actuarial-accrued liability	<u>37,220,000</u>	<u>37,653,000</u>	<u>34,396,000</u>
Unfunded actuarial-accrued liability	\$ <u>5,781,000</u>	\$ <u>6,225,000</u>	\$ <u>8,285,000</u>
Ratio of actuarial value of assets to actuarial-accrued liability	<u>84 %</u>	<u>83 %</u>	<u>76 %</u>
Annual covered payroll	\$ <u>46,887,000</u>	\$ <u>45,522,000</u>	\$ <u>43,034,000</u>
Ratio of unfunded liability to covered payroll	<u>12 %</u>	<u>14 %</u>	<u>19 %</u>
Actuarially required contribution as a percent of covered payroll	<u>4 %</u>	<u>4 %</u>	<u>4 %</u>

MAINE COMMUNITY COLLEGE SYSTEM
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Notes to Financial Statements

June 30, 2016 and 2015

The actuarial-accrued liability, funded status, annual cost and annual required contribution were computed using a 7.5% investment rate in 2016, 2015 and 2014; discount rate of 3.0%; healthcare cost inflation rate ranging from 6.5% in 2017 to 5.0% in 2020 and later years; projected unit credit actuarial cost method; and amortizing the actuarial-accrued liability at a level percentage of pay over 30 years based on an open group. Effective with the June 30, 2014 actuarial valuation, the vesting period increased to 10 years for System employees hired on or after January 1, 2013 (5 years prior to January 1, 2013). Actuarial valuations reflect long-term perspective and involve estimates of reported amounts and assumptions about the probability of events far into the future. Actuarially-determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

The following assumption changes were made for the year ended June 30, 2015:

The per capita costs were increased using current enrollment and agency factors. The mortality table was changed from RP-2000 Combined Mortality Table Fully Generational using Scale AA to RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014. There were no changes to assumptions in 2016.

Plan assets include amounts in the Post-Employment Benefit Trust relating to current year annual required contributions.

8. Commitments and Contingencies

After 1989, the System is covered by a commercial insurance policy for workers' compensation. Prior to 1990, the System was self-insured. The State of Maine has the primary obligation for self-insured claims and reimburses the System for payments made. In 2016 and 2015, the System made payments of \$43,600 and \$42,000, respectively, which were reimbursed by the State of Maine. The contingent liability for estimated unpaid workers' compensation claims at June 30, 2016 and 2015 is \$1,100,000 and \$1,066,000, respectively.

The System owns property with a book value of approximately \$14.9 million in Brunswick, Maine for the use of the Southern Maine Community College. This property must be used solely and continuously for educational programs until November 2041 under the terms by which the property was donated.

From time-to-time, the System is named as a defendant in legal actions and other claims incident to the normal conduct of its operations. Management does not expect to suffer any material liability by reason of such actions, nor does it expect that such actions will have a material effect on the financial position of the System.

The System has entered into various construction and renovation contracts. The System has outstanding commitments under these contracts of approximately \$7.1 million at June 30, 2016.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2016 and 2015

The System entered into a ten-year operating lease, which ended June 30, 2006, for the current building in which the central administrative office of the System is located. The System is currently renting this space month-to-month. Annual rent was \$167,460 for the years ended June 30, 2016 and 2015. Each year the annual rent may be adjusted by an inflation factor. There was no adjustment in 2016 and management estimates rent for fiscal 2017 to be \$167,460.

The System participates in various federally-funded programs. These programs are subject to financial and compliance audits and resolution of identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time.

9. Proceeds from State for Grants and Capital Asset Acquisition

In November 2007, a State of Maine general-purpose bond issue was authorized; the System's portion of the bond is \$15,500,000 and is to be used for interior and exterior building renovations, improvements and additions at all campuses. In 2010, a State of Maine general-purpose bond was authorized; the System's portion of this bond is \$9,750,000 and is to be used for development of an engineering and economic development center at the former Brunswick Naval Air Station site and for energy and infrastructure upgrades at all campuses. In 2013, another State of Maine general-purpose bond was authorized; the System's portion of this bond is \$15,500,000 and is to be used for energy and infrastructure at all campuses. The System will not be required by the State of Maine to assume the bond liability when activities are complete. Through June 30, 2016, the System has spent \$38,141,699 on these projects. Revenues recognized from the State in fiscal years 2016 and 2015 amounted to \$5,875,418 and \$8,746,970, respectively, and are included as other revenues in the Statements of Revenues, Expenses and Changes in Net Position.

10. State Appropriations

During the years ended 2016 and 2015, the System's state appropriations revenue was unrestricted. These appropriations include general appropriations as well as special appropriations.

11. Maine Community College Educational Foundations

The significant accounting policies followed by the Maine Community College Educational Foundations, as set forth below, are governed by the Financial Accounting Standards Board. As such, certain revenue and expense recognition criteria and presentation requirements differ from GASB. No modifications have been made to the Foundation's financial information included here for these differences.

Basis of Accounting

The Foundations follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred.

MAINE COMMUNITY COLLEGE SYSTEM
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Notes to Financial Statements

June 30, 2016 and 2015

Cash

The Foundations maintain cash in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. The Foundations have not experienced any losses in such accounts and believe they are not exposed to any significant risk of loss on cash.

Pledges

Pledges receivable are recorded at their net present value and net of allowance for uncollectible amounts. Pledges receivable at June 30, 2016 and 2015 are substantially all due within five years.

Appreciation on Permanently Restricted Net Assets

The Boards of Directors have interpreted State of Maine law as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The expendable portion of income on such assets is reported in the statement of activities as temporarily restricted investment income and reclassified to unrestricted net assets when the stipulated donor restriction is accomplished.

Investments

Investments held by the Foundations at June 30, 2016 and 2015, which are carried at fair value, consisted of the following:

	<u>2016</u>	<u>2015</u>
Real assets	\$ 10,552	\$ -
U.S. Government bonds	194,727	124,241
Corporate bonds	1,694,604	1,620,121
Common stock	3,964,061	4,145,421
Mutual funds	2,832,311	1,928,995
Money market funds and certificates of deposit	<u>878,535</u>	<u>1,420,575</u>
	<u>\$ 9,574,790</u>	<u>\$ 9,239,353</u>

The fair value of investments is primarily based on quoted price in active markets; certificates of deposit are carried at cost which approximates fair value.

The Foundations each have their own investment policies that allow for a range of investment options.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

Fair Value Measurement

Assets measured at fair value on a recurring basis consist of investments which are generally valued using Level 1 inputs as described in Note 3, with the exception of corporate bonds which are valued using Level 2 inputs.

Net Assets

The net assets of the Foundation are reported as follows:

Unrestricted Net Assets - Unrestricted net assets represent unrestricted resources over which the Foundations' Board of Directors retains full control to accomplish any of the Foundations' stated purposes.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent contributions and earnings on permanently restricted net assets which may only be utilized in accordance with the purpose established by the donors of the related contributions or contributions with time restrictions. Temporarily restricted net assets generally consists of gift restricted for scholarship or programs and appreciation on permanently restricted net assets.

Permanently Restricted Net Assets - Permanently restricted net assets represent endowment funds that are subject to the restrictions of the gift instruments requiring that the principal be invested in perpetuity and that income only be utilized, as stated in the gift instruments. Permanently restricted net assets generally consists of gifts to be held in perpetuity with the income available to be used for programs or scholarships.

Gifts and Contributions

Gifts and contributions are recorded when an unconditional promise to give is received, or when assets are received in a contribution, whichever comes first. Contributed assets are recorded at fair value.

Related Party Transactions

Support consists of amounts paid to the System in support of the System's various programs. At June 30, 2016 and 2015, substantially all accounts payable and accruals are payable to the System for such support.

The System also provides funding and in-kind support to the Foundations. This support totaled approximately \$300,000 in 2016 and \$200,000 in 2015, which is included in other revenues on the Statement of Activities.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Financial Statements

June 30, 2016 and 2015

12. Post-Employment Benefit Trust

The System established the Post-employment Benefit Trust as an irrevocable trust for the sole purpose of accumulating assets to provide funding for certain of the System's post-employment benefits. The System was named Trustee of the Trust. The effective date of the establishment of the Trust was June 30, 2009.

The significant accounting policies followed by the Trust are set forth below:

Basis of Accounting

The Trust follows the accrual basis of accounting as set forth by GASB.

Cash

Cash held by the trust in a financial institution at June 30, 2016 was fully covered by federal depository insurance. Bank balances were \$101,429 and \$919 at June 30, 2016 and 2015, respectively.

Investments

The fair value of investments in the Trust at June 30, 2016 and 2015 is as follows:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 26,544	\$ 27,045
Mutual funds		
Fixed-income	6,729,504	8,777,575
Equity	23,161,536	20,704,167
Currency hedge	<u>1,497,031</u>	<u>1,929,178</u>
	<u>\$31,414,615</u>	<u>\$31,437,965</u>

Revenue Recognition

Contributions are recognized as additions in the period when they become due, pursuant to formal commitments or statutory or contractual requirements; supplemental contributions are recognized when received. Investment and interest income and loss are recognized on the accrual basis when earned or incurred.

Net Position

Net position at June 30, 2016 and 2015 was for funding certain post-employment benefits.

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2016 and 2015

Administrative Expenses

Substantially all administrative expenses of the Trust are paid by the System.

Interest Rate Risk

The Trust manages interest rate risk according to its investment policy by maintaining investments that are both liquid, as determined by a readily available market, and highly diversified, using institutional class mutual funds for exchange-traded funds.

Credit Risk

The Trust limits its exposure to credit risk in its investment policy by investing in highly diversified fixed-income funds. Collectively taken, the majority of the underlying holdings in these funds in which the Trust may invest are investment grade as rated by a NRSRO. The Trust further reduces potential credit risk by not investing directly in individual fixed-income securities. Management periodically reviews the exposure to securities that are unrated or below investment grade in its portfolio to ensure the Trust limits its credit risk.

At June 30, 2016, the ratings by Moody's for investments in debt securities are summarized as follows based on the portfolios underlying the mutual fund investments:

A summary of fixed-income mutual fund investments and their related interest rate and credit risks follows:

<u>Rating</u>	<u>2016</u>		<u>2015</u>	
	<u>Amount</u>	<u>Maturity</u>	<u>Amount</u>	<u>Maturity</u>
AAA	\$ 996,412	8.8 years	\$ 959,269	8.6 years
AA	1,547,677	8.0 years	1,913,661	7.9 years
A	1,029,878	6.4 years	961,556	6.4 years
BBB	645,671	7.4 years	1,899,546	6.4 years
BB	<u>2,509,866</u>	<u>5.3 years</u>	<u>3,043,543</u>	<u>5.7 years</u>
	<u>\$ 6,729,504</u>		<u>\$ 8,777,575</u>	

The ratings and maturities are the weighted averages of the debt securities in which the funds invest.

MAINE COMMUNITY COLLEGE SYSTEM
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Notes to Financial Statements

June 30, 2016 and 2015

Concentration of Credit Risk

The Trust has not defined a limit in its investment policies regarding the amount that can be placed in one issuer. However, the investment policy defines that the portfolio should be well-diversified as to limit exposure to one issuer or security. As of June 30, 2016, individual investments representing more than 5% of the OPEB Trust's investments were as follows:

	<u>Percentage of Investments</u>	
	<u>2016</u>	<u>2015</u>
Vanguard Total Bond Markets Fund	5 %	6 %
Harbor High Yield	5	*
Vanguard Developed Markets Fund	*	5
Vanguard 500 Index Fund	*	13
Vanguard Dividend Appreciation index Fund	*	8
Jensen Quality Growth Fund	*	6
JP Morgan Core Bond Fund	*	6
MFS International Value Fund	*	5
IShares Currency Hedged MSCI EAFE	*	6

* Fund was less than 5%.

Custodial Credit Risk

All of the Trust's investments are held with a third-party custodian in the Trust's name.

Fair Value Measurement

Assets measured at fair value on a recurring basis are summarized below according to the level of input described in Note 3:

	<u>Fair Value Measurements at June 30, 2016</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Money market funds	\$ 26,544	\$ 26,544	\$ -	\$ -
Mutual funds				
Fixed-income	6,729,504	6,729,504	-	-
Equity	23,161,536	23,161,536	-	-
Currency hedge	1,497,031	1,497,031	-	-
	<u>\$ 31,414,615</u>	<u>\$ 31,414,615</u>	<u>\$ -</u>	<u>\$ -</u>

MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)

Notes to Financial Statements

June 30, 2016 and 2015

Fair Value Measurements at June 30, 2015				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Money market funds	\$ <u>27,045</u>	\$ <u>27,045</u>	\$ -	\$ -
Mutual funds				
Fixed-income	8,777,575	8,777,575	-	-
Equity	20,704,167	20,704,167	-	-
Currency hedge	<u>1,929,178</u>	<u>1,929,178</u>	-	-
	<u>\$ 31,437,965</u>	<u>\$ 31,437,965</u>	<u>\$ -</u>	<u>\$ -</u>

MAINE COMMUNITY COLLEGE SYSTEM

**Schedule of the System's Proportionate
Share of the Net Pension Liability**

State Employee and Teacher Plan - State Employee Portion

Last 3 Fiscal Years*

June 30, 2016

	<u>2016</u>	<u>2015</u>	2014
The System's proportion of the net pension liability	6.64 %	6.62 %	6.19 %
The System's proportionate share of the net pension liability	\$68,006,887	\$59,711,184	\$71,196,328
The System's covered-employee payroll	32,008,027	30,256,649	30,004,534
The System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	212.5 %	197.3 %	237.3 %
Plan fiduciary net position as a percentage of the total pension liability	81.2 %	83.9 %	76.8 %

* The amounts presented for each fiscal year were determined as of the beginning of the fiscal year. Data has been provided for fiscal years in which the data is available.

See accompanying independent auditor's report.

MAINE COMMUNITY COLLEGE SYSTEM
Schedule of the System's Pension Contributions
State Employee and Teachers Plan

Last 10 Fiscal Years

June 30, 2016
(UNAUDITED)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually-required contribution	\$ 9,557,531	\$ 10,402,890	\$ 9,864,286	\$ 7,855,291	\$ 7,733,031	\$ 8,708,391	\$ 8,513,832	\$ 8,611,181	\$ 7,913,235	\$ 7,457,670
Contributions in relation to the contractually-required contribution	(9,557,531)	(10,402,890)	(9,864,286)	(7,855,291)	(7,733,031)	(8,708,391)	(8,513,832)	(8,611,181)	(7,913,235)	(7,457,670)
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
The System's covered-employee payroll	\$12,008,027	\$ 30,256,649	\$30,004,534	\$29,008,175	\$28,961,592	\$29,860,451	\$30,195,438	\$29,171,824	\$27,541,376	\$27,400,160
Contributions as a percentage of covered-employee payroll	29.86 %	34.38 %	32.88 %	27.08 %	26.70 %	29.16 %	28.20 %	29.52 %	28.73 %	27.22 %

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Required Supplementary Information

**Schedules of Funding Progress and Employer's Contributions
Post-Employment Health Insurance Plan**

**June 30, 2016
(UNAUDITED)**

Schedule of Funding Progress
Dollars in thousands

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial- Accrued Liability (AAL) Entry Age</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAAL as a Percentage of Covered Payroll</u>
June 30, 2016	\$ 31,439	\$ 37,220	\$ 5,781	84 %	\$ 46,887	12 %
June 30, 2015	31,428	37,653	6,225	83	45,522	14
June 30, 2014	26,111	34,396	8,285	76	43,034	19
June 30, 2013	22,769	29,945	7,176	76	41,780	17
June 30, 2012	19,990	48,628	28,638	41	42,205	68
June 30, 2011	17,063	45,880	28,817	37	40,976	70

Schedule of Employers' Contributions
Dollars in thousands

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Contribution</u>	<u>Percentage Contributed</u>
2016	\$ 1,814	\$ 2,187	121 %
2015	1,882	2,055	109
2014	1,908	2,894	152
2013	1,663	3,063	184
2012	3,787	4,272	113
2011	3,672	4,280	117

* See notes to schedules of funding progress and employers' contributions.

See accompanying independent auditor's report.

**MAINE COMMUNITY COLLEGE SYSTEM
(A Component Unit of the State of Maine)**

Notes to Required Supplementary Information

**June 30, 2016
(UNAUDITED)**

Notes to Required Supplementary Information

Factors that significantly affect the identification of trends in the amounts reported in the schedules are:

Schedule of System's Proportionate Share of the Net Pension Liability and Schedule of the System's Pension Contributions

- The discount rate remained at 7.125%.

Schedules of Funding Progress and Employer's Contributions Post-Employment Health Insurance Plan

- The Plan was established in 2009.
- In 2015, the per capita costs were increased using current enrollment and aging factors and the mortality table was changed from RP-2000 Combined Mortality Table Fully Generational using Scale AA to RPH-2014 Total Dataset Mortality Table Fully Generational using Scale MP-2014. There were no changes in 2016.

See accompanying independent auditor's report.

MAINE COMMUNITY COLLEGE SYSTEM

Schedule of Activities

Year Ended June 30, 2016

(Dollars in Thousands)

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Assets			
	Expenses	Charges for Services	Investment Income	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Component Units
Primary government Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities Education	132,660	15,917		53,267	6,375		(57,101)	(57,101)
Total primary government	\$ 132,660	\$ 15,917	\$	\$ 53,267	\$ 6,375		(57,101)	(57,101)
Component units	\$ 3,588	\$	\$ 84	\$ 5,331	\$			1,827
General revenues								
Unrestricted interest and investment earnings							49	49
Non-program specific grants, contributions, and appropriations							58,820	58,820
Miscellaneous income							1,147	1,147
Total general revenues and extraordinary items							60,016	60,016
Change in net position							2,915	2,915
Net position, beginning of year							164,481	164,481
Net position, end of year							\$ 167,396	\$ 167,396
							\$ 18,224	\$ 18,224

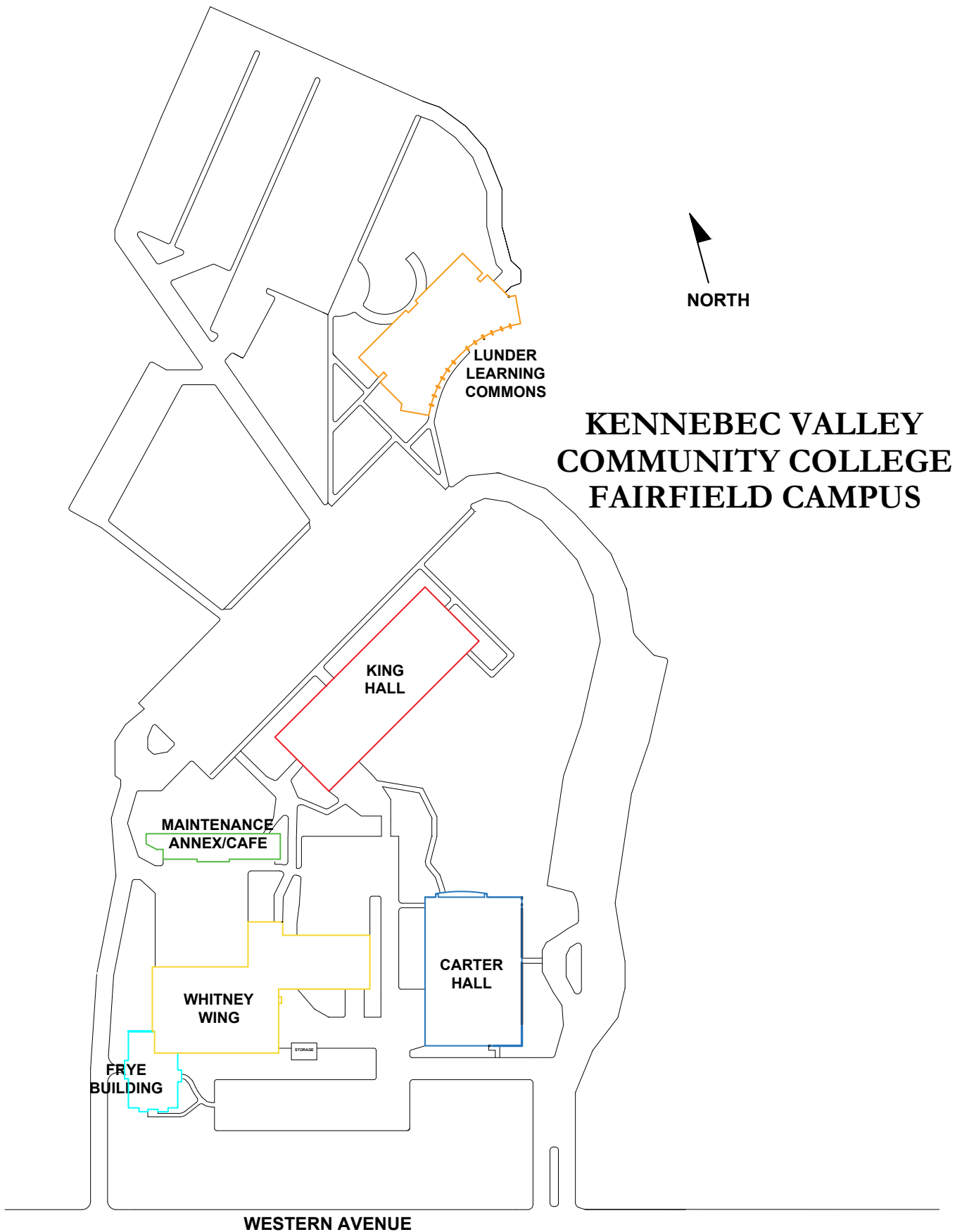
See accompanying independent auditor's report.

Work Documents

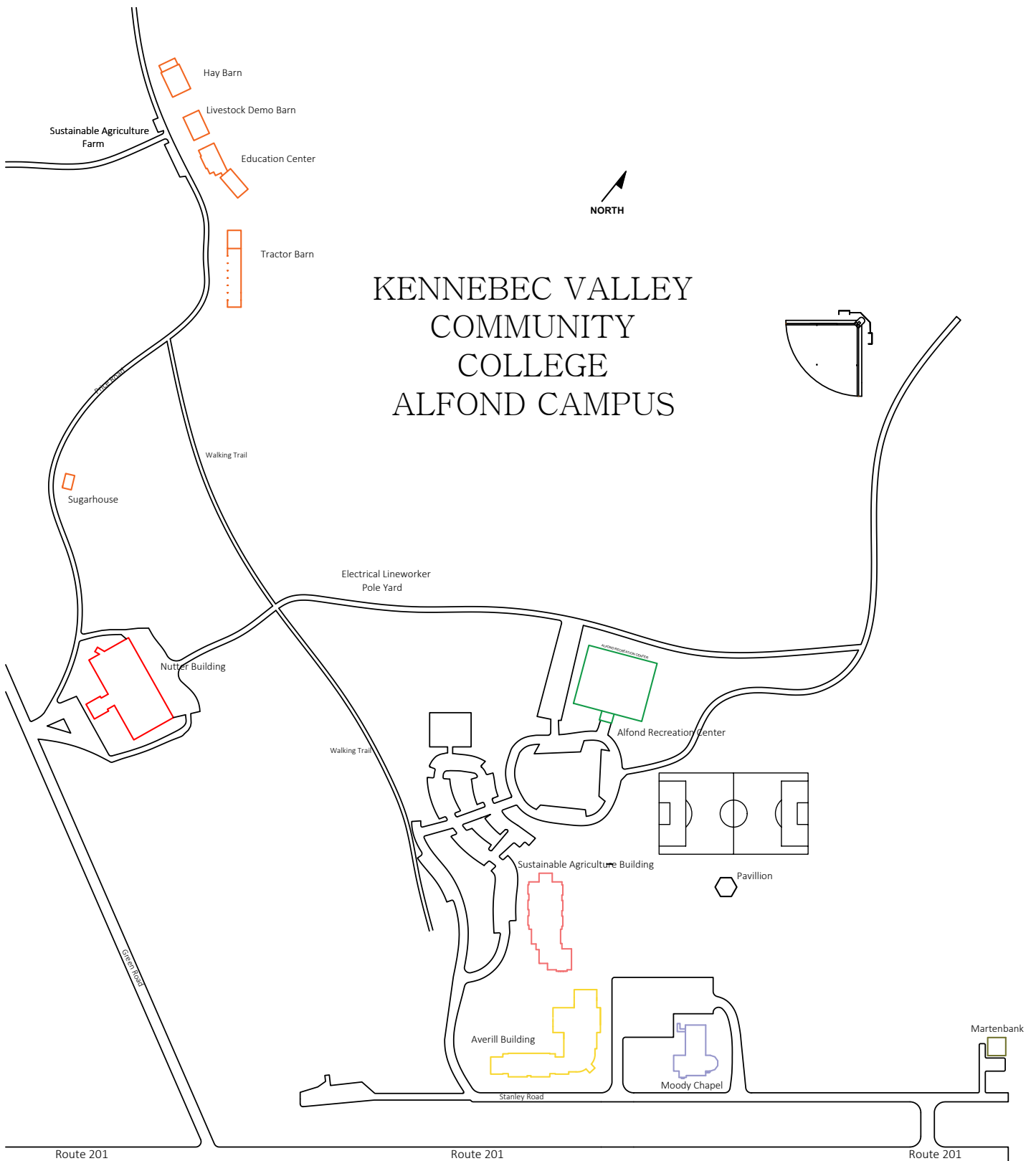
Academic Schedule (included on data stick)
Adjunct Evaluation
Adjunct Pay Scale
Adjunct Survey (included on data stick)
Applicant Report with Caps & Targets (included on data stick)
Articulation Agreements List
BIO 213 Accuplacer Analysis (included on data stick)
Block Transfer Rubric
Clinical Affiliation Agreement
Collective Bargaining Agreements (included on data stick)
Community College Survey of Student Engagement
Concurrent Enrollment Adjunct Faculty Evaluation
Course Catalog back to 2009
Curriculum Committee Minutes
Data Collection Matrix (included on data stick)
Economic Impact Study
ELO Map
ELO Rubrics Oral Communication Written Communication Problem Solving
Emergency Response Team
Employee Code of Conduct
Employee Curriculum Vitae or Resume
Employee Handbook
Essential Learning Outcomes
Faculty Evaluation
Faculty Handbook (included on data stick)
Faculty Meeting Minutes
Faculty Salary Data
Faculty Senate By-Laws
Faculty Senate Meeting Minutes
Faculty Senate Membership
Feasibility Study
Foundations of Excellence Report
Graduation Rates by Program (included on data stick)
Helpdesk Ticket Activity
Information Literacy Data
Ipeds Annual Reports (included on data stick)
KVCC College Catalog
KVCC Committee Charters and membership
KVCC Enrollment Reports (included on data stick)
KVCC FactBook (included on data stick)
KVCC Foundation Board of Trustees
KVCC Governance Document

KVCC Graduate Survey (included on data stick)
KVCC Master Plan
KVCC Mission Statement Survey (included on data stick)
KVCC Organizational Chart
KVCC Policy and Procedures Manual (log-in information provided on cover letter)
KVCC President Dialogue Minutes
KVCC Strategic Plan (included on data stick)
KVCC Student Handbook
Leadership Team Meeting Minutes
Library Annual Report
List of Accredited Programs and their Accrediting Bodies
List of Professional Development Trainings at KVCC
MCCS Board of Trustees By-Laws
MCCS Board of Trustees Meeting Minutes
MCCS Board of Trustees Membership
MCCS Board of Trustees Minutes (most recent year included on data stick)
MCCS Mission Statement
MCCS Organizational Chart
MCCS Policy and Procedures Manual
MCCS Program Review (included on data stick)
MCCS Strategic Plan (included on data stick)
Mid-term analysis
Minimum Online Students
Mission Statement
Network/Computer Access Policy
Noel Levitz Student Satisfaction Survey & Report
Professional Development Application and Reimbursement Process (Priority Criteria)
Program Advisory Committee Membership
Program Advisory Committee Minutes/Agenda
Program Advisory Committee Survey and Report
Program Brochures
Program Handbooks
Programs of Study
Request to Hire Form (included on data stick)
Scrub Report
Senior Survey
Strengths, Weakness, Opportunity and Threats Report (included on data stick)
Student Service Team Minutes
Syllabi
Tables Related to Faculty Credentials (Overall and by Department)
Vision Statement
Volunteer Framework of Accountability

FAIRFIELD CAMPUS MAP



ALFOND CAMPUS MAP



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*Kennebec Valley Community College is an
equal opportunity/affirmative action institution and employer.*