5.3 - Operational Effectiveness

Operational Effectiveness focuses on how an institution ensures effective management of its operations in the present and plans for continuity of operations into the future. The institution should provide evidence for Core Component 5.A. in this section.

5P3: PROCESSES

Describe the processes for operational effectiveness, and identify who is involved in those processes. This includes, but is not limited to, descriptions of key processes for the following:

- Building budgets to accomplish institutional goals
- Monitoring financial position and adjusting budgets (5.A.5)
- Maintaining a technological infrastructure that is reliable, secure and user-friendly
- Maintaining a physical infrastructure that is reliable, secure and user-friendly
- Managing risks to ensure operational stability, including emergency preparedness
- Tracking outcomes/measures utilizing appropriate tools

5R3: RESULTS

What are the results for ensuring effective management of operations on an ongoing basis and for the future? The results presented should be for the processes identified in 5P3. All data presented should include the population studied, response rate and sample size. All results should also include a brief explanation of how often the data is collected, who is involved in collecting the data and how the results are shared. These results might include:

- Summary results of measures (include tables and figures when possible)
- Comparison of results with internal targets and external benchmarks
- Interpretation of results and insights gained

5I3: IMPROVEMENT

Based on 5R3, what process improvements have been implemented or will be implemented in the next one to three years?

Responses

5P3a. Building budgets to accomplish institutional goals

The College's comprehensive budget process ensures that LCCC builds budgets to accomplish institutional goals. Through the annual process, overseen by the Budget Process Advisory Committee and the Budget Resource Allocation Committee (BRAC), budget managers align their proposed budgets with the Institution's strategic goals and key performance indicators. Proposed budgets are reviewed by BRAC to ensure goal alignment as well as adherence to other budget criteria (e.g., no budget increases at the division-level). BRAC makes budget

recommendations to the College Council, LCCC's shared governance group, which further reviews proposals for goal alignment and then recommends the budget to the President. The President works with his Cabinet to finalize the budget and presents it to the Board of Trustees (BOT). The BOT reviews the budget during three meetings before approving it for the fiscal year beginning in July.

5P3b. Monitoring financial position and adjusting budgets (5.A.5)

The College monitors its financial position primarily through its budget/expenditure reporting process. The Budget Director posts monthly reports for all budget managers (department-, division-, and cabinet-level) who are expected to monitor allocated amounts and expenditures using the budget self-service tool. Budget managers also have access to the Colleague Financial System self-service module, which provides real-time budget and expenditure monitoring. Additionally, the BOT's Facilities and Finance Committee (FFC) receives and monthly institution-level reports, which it presents at public BOT meetings. This multi-level reporting process ensures continual monitoring of the College's financial position (**5.A.5**).

The College's standard practice is to not adjust institutional budgets once approved by the BOT. However, when extraordinary matters arise, a budget amendment process, guided by Wyoming Statutes 16-4-113 and 16-4-114, is used to present the amended budget for BOT approval. Cabinet members have the authority to reallocate funds within their areas to make department-level budget adjustment during the fiscal year when unanticipated needs arise, if the financial resources are available. This reallocation must continue to align with strategic goals.

5P3c. Maintaining a technological infrastructure that is reliable, secure and user-friendly

LCCC has several processes for maintaining a technological infrastructure that is reliable, secure and user-friendly. ITS uses a review process for all technology purchases (hardware and software) to ensure they meet the College's equipment and software standards, adopted to promote reliability and user-friendliness. Responding to stakeholder input, LCCC implemented a more user-friendly portal enabling single sign-on for students and employees. ITS also uses an audit process to identify and replace student computer systems over five years old to improve reliability. Computer networks and storage solutions are regularly monitored and upgraded to further promote reliability.

To maintain technological infrastructure security, the College has implemented several policies and procedures for employees and students, strengthened the password requirements for students and employees accessing its networks; and implemented technology security training (Security Mentor) for all employees. LCCC recently completed cybersecurity assessment using a variety of tools (the Federal Financial Institutions Examination Council (FFIEC) Cybersecurity Self-assessment, Cyber Resilience Review and External Dependencies Management Assessment, and third-party penetration testing). ITS staff are developing additional processes to ensure security based on these assessment results. Finally, the College has implemented a software-based disaster recovery solution (Zerto) for critical data systems.

5P3d. Maintaining a physical infrastructure that is reliable, secure and user-friendly

The College uses three annual processes (referenced in 5P2) to maintain a physical infrastructure that is reliable, secure, and user-friendly. While the processes focus on different maintenance types (major, minor, or preventative), they share common elements. The processes begin by soliciting campus feedback regarding user experiences to identify new maintenance needs. Staff expertise review these together with those previously identified, taking into consideration available resources, and develop a prioritized project list. For preventative maintenance, data collected using the Computer Maintenance Management System (CMMS) also informs identification and prioritization of proactive maintenance activities to increase infrastructure reliability**.**

5P3e. Managing risks to ensure operational stability, including emergency preparedness

The College has implemented several processes for managing risks (fiscal, physical and/or technological) to ensure operational stability, including emergency preparedness.

Institutional debt is closely monitored to ensure pledged revenues are sufficient to service the debt. Debt service monitoring/reporting processes involve executing timely debt service payments, tracking developing revenues, forecasting future revenues, and reporting outcomes to the BOT and its FFC. This process has led to refinancing bond debt that achieved cost savings and better revenue stream alignment, improving fiscal operational stability.

To manage physical risks related to operational stability, the College has contracted with an external Risk Manager. Through this contract, LCCC has access to a variety of services to identify potential risks and implement structures and processes to manage those risks**.**

The College has developed an Emergency Preparedness Plan as well as emergency response plans for both the Cheyenne Campus and the Albany County Campus; these plans are regularly reviewed and updated. Emergency preparedness/response processes include regular trainings for key personnel and a text/email alert system.

Technological infrastructure risk management is through the cybersecurity procedures, backup procedures, and disaster recovery structures addressed above.

5P3f. Tracking outcomes/measures utilizing appropriate tools

The College tracks a wide variety of outcomes to measure the effectiveness of processes described above. The Administration and Finance (A&F) Division has implemented a customer survey to evaluate overall effectiveness of its processes and services, which include budgeting and plant operations. ITS, organized within the Institutional Effectiveness Division, also conducts regular customer surveys, such as classroom technology needs.

For budgeting processes, LCCC monitors institutional budget allocations to ensure that strategic goals and key performance indicators are supported proportionally. Additionally, three-year expenditure trends are monitored and used to adjust annual budget requests. As described above, monthly budget reports and the CFS self-service module reports are used to monitor the College's fiscal position. Debt service processes are measured by the College meeting its

obligations and by cost savings achieved through refinancing opportunities. Finally, audit results measure the Institution's financial health.

For many other processes described above, the College measures effectiveness through project milestones achievement and project completion. Regular reporting tracks these outcomes. For example, ITS measures vendor performance through regular reports and ongoing evaluation of services. Plant Operations staff maintain logs of identified major/minor maintenance projects to track approval, planning, and execution stages, as well as monthly preventative maintenance reports to assess progress and forecast emerging maintenance needs. The risk management contractor reports the accomplishment of key objectives detailed in the scope of services. LCCC tracks crime statistics and security information through its annual Cleary Act report.

Other outcomes and measures will be identified through the recently implemented function assessment planning process (see sections 5P1 and 2P3).

5R3a. Summary results of measures (include tables and figures when possible))

Recent A&F customer survey results indicate that stakeholders are generally satisfied with division process and services. The budget allocation report shows that funds have been allocated to support the four strategic plan goals.

Table 5R3 summarizes other results for this section, including projects completed over the last few years. Examples include:

- Superior audit results (see 2017 Audit, p. 60) validate the sound and effective financial controls used by the College.
- Refinanced debt obligations resulted in $1.6M savings in interest over debt term.
- Implemented disaster recovery solution (Zerto) to improve preparedness for malware attacks.
- 10% increase in renovation process customer satisfaction rating.
- Implemented RAVE text/email alert system.

5R3b. Comparison of results with internal targets and external benchmarks

Internal targets have not yet been established of A&F customer survey results. However, overall results showed a modest gain in client satisfaction from 2017 to 2018. These data will be used to establish internal targets through function assessment planning.

Annual audits were successfully completed on time and within statutory requirements in each of the last three years. The College uses the federal Generally Accepted Accounting Principles to benchmark audit findings; the College achieved the highest finding of "Unqualified Opinion" in each year. For debt refinancing, the target is to achieve the best market interest rates available, which was accomplished.

Often ITS targets are defined by responsiveness levels (slow, medium, and timely) to stakeholder needs within budget constraints. ITS has been timely in matching campus stakeholder needs to

emerging technology solutions. For example, the adoption of a new campus portal (ClassLink) responded to stakeholder demand for a less cumbersome, single sign-on system. In most cases, ITS adopts the technology solutions at cost savings.

Improvements in maintenance project processes resulted in a 10% increase in renovation process satisfaction ratings, which exceeded the target of 5% gains.

Through LCCC's newly implemented function assessment planning process, functional areas are establishing operational targets for its functions. For example, one of its outcomes for the Maintaining Enterprise Software function sets a target of having 12 or less unexpected down times over a year's time. [Function assessment plan results](#) (pg. 4) show four unscheduled instances (totaling 271 minutes downtime), meeting the function's target.

5R3c. Interpretation of results and insights gained

A&F Customer Survey results identified opportunities to create efficiencies in budget processes and to increase engagement in budget/expenditure monitoring. Additionally, the College has yet to fully incorporate these data into continuous improvement efforts. The survey results will provide baseline data for establishing improvement targets, strengthening function assessment plans.

The auditing process reconfirmed that internal controls, proper checks/balances, and diligent ongoing expenditure monitoring are critical to achieving desired results. Debt refinancing proved advantageous in developing significant College savings.

Overall, the process of matching technology adoption to stakeholder needs has produced effective management of ITS operations. Through function assessment planning, ITS is developing process mapping of its various functions, improving operational efficiencies.

Results from audits carried out by the College's insurance carrier revealed a need for the College to develop risk management strategies and programs that better engage campus employees in safety practices. In addition, assessment results from multiple emergency preparedness trainings conducted with the county and local law enforcement determined changes in College procedures.

5I3. Based on 5R3, what process improvements have been implemented or will be implemented in the next one to three years?

Recent process improvements include:

- Strengthened internal controls processes including proper desegregation of duties, signature authority oversight, business purpose oversight, and documentation processes.
- Implemented self-service budget monitoring to increase engagement and transparency.
- Developed emergency response planning, including a command center structure, communication strategies, campus information resources, and key personnel training.
- Adopted a new campus portal (ClassLink) to increase user-friendliness of the system.
- Established a Safety Committee structure.

- Adopted a new LMS with 24/7 service for all users and added videoconferencing (Zoom).
- Hired a database administrator to improve system performance, minimize downtime, and improve reliability.

Planned process improvements include:

- Implement an evaluation plan for budget allocation alignment with institutional goals.
- Implement an electronic travel requisition/reimbursement process.
- Expand A&F division stakeholder feedback mechanisms.
- Update campus master planning.
- Successfully hire a permanent Risk Manager.
- Increase cybersecurity awareness and technological systems security.
- Improve responsiveness to stakeholders, fully identify function processes, and evaluate operational performance through function assessment planning.