

**DELTA COLLEGE  
BOARD OF TRUSTEES  
DINNER MEETING  
May 12, 2015  
Delta College Main Campus Room N7**

**Board Present:** R. Emrich, K. Lawrence-Webster, D. Middleton, M. Morrissey, M. Nash, E. Selby, D. Wacksman

**Board Absent:** K. Houston-Philpot, M. Rowley

**Others Present:** A. Anderson, J. Bamberg, L. Brown, T. Brown, J. Carroll, E. Crane, R. Curry, M. Finney, A. French, M. Gmeiner, J. Goodnow, L. Govitz, T. Harris, M. Hernandez-Alaniz, G. Hubner, D. Lutz, C. McMorris, M. Moore, M. Mosqueda, D. Peruski, G. Przygocki, L. Ramseyer, L. Ullrich, A. Ursuy, B. Webb, S. Whitney, J. Yezak

**Press Present:** M. Brown, Delta Collegiate; J. Hall, WSGW; K. Skrzypczak, Delta Collegiate

Board Vice Chair M. Nash called the meeting to order at 5:53 p.m.

M. Nash turned the meeting over to D. Lutz to present the:

- FY 2015-2016 Tuition and Fee Recommendation;
- Preliminary Budget Plan FY 2015-2016 Overview;
- Five Year General Fund Budget and Simple Financial Forecast; and
- Fund Balance Five Year Review.

She recognized and introduced the Budget Cabinet membership including the chair, Toni Clegg and Board Representative, Mike Nash.

The Budget Cabinet's work included reviewing the effectiveness of the current tuition and fee structure and comparing rates across the other Michigan Community Colleges. Delta is one of 9 community colleges in the state of Michigan that charges by credit hour. Budget Cabinet also compared our tuition and fee rates with other regional higher education institutions. The next lowest tuition rate in our region is \$230 and the range goes up to \$771 per credit hour. Finally, they reviewed overall budget and financial impact along with current and future strategies to the tuition and fee structure.

D. Lutz went over the results of the Gibson Survey which compares the tuition bills for four freshman courses (BIO 152, PSY 211, ENG 111A and MTH 119) among Michigan Community Colleges. Looking at just tuition Delta was the 11<sup>th</sup> lowest in the state. Delta's total survey cost totaled \$1,839.50 for the Fall Semester and \$1,889.50 for the Winter Semester due to the mid-year tuition increase making us the 12<sup>th</sup> highest. Overall this placed Delta as the 16<sup>th</sup> lowest in the Gibson Survey.

The Michigan Community College's Activity Classification Structure (ACS) Comparison shows the tuition rates of all community colleges. Delta College's current in-district rate (2014-2015) is at \$91.70, with the state average being \$98.13 making Delta the 10<sup>th</sup> lowest. For out-of-district tuition, Delta is at \$146.90 and the state average is \$161.78, making Delta the 7<sup>th</sup> lowest across the state.

The FY13-14 ACS reported tuition and fee revenue per FYES for Delta is at \$3,998 with the state average at \$4,859, making us the 6<sup>th</sup> lowest in the state. Total revenue per FYES for Delta is at \$9,525 with the state average at \$11,451, making us 7<sup>th</sup> lowest in the state. D. Lutz also shared the expenditures per FYES. The state aggregate is \$9,612 and Delta is at \$9,730 making us the 10<sup>th</sup> lowest across the state.

The recommendation is to increase in-district tuition by \$2.00 per credit hour, out-of-district and out-of-state tuition by \$5.00 and \$10.00 per credit hour respectively. The other changes include an increase in the technology fee of \$2.00 per credit hours. This increase will be used specifically to fund an annual technology life cycle replacement account for the college's IT infrastructure. The estimated annual revenue is \$380,000.

The recommendation also includes a proportionate increase in the excess contact hour fees which are calculated at 2/3 of the tuition rate. The increases would be \$1.00 for in-district per contact hour, out-of-district and out-of-state would be \$3.00 and \$7.00 respectively. These fees are capped at 10 contact hours, resulting in increases of \$10.00, \$30.00, and \$70.00 for in-district, out-of-district, and out-of-state respectively. Delta is one of only 9 community colleges to offer a discount on the excess contact hours as others charge the full tuition amount.

The tuition and fees recommendation will be presented for approval at the regular meeting tonight before the budget is approved to give students time for planning and to allow for financial aid packaging. For our average student taking almost 9 credits a semester they will see a \$36.00 increase for the semester and an increase of \$72.00 for an academic year.

D. Lutz then present the overview of the budget plan for FY 2015-2016. There is an expected loss in enrollment of about 10,000 credit hours or a 5.0% reduction. There is a proposed increase of tuition of \$2.00 per credit hour, a decrease of around .5% or \$116,000 in property taxes, an increase of 1.4% or \$202,985 in state funding and no changes to investment income.

On the expense side the faculty salary agreement is still open but will include an increase of 1.9% to cover the cost of steps, promotions and longevity averaged across all faculty salaries in total. Increases to administration professional staff, support staff and part-time employees is open but will include a .25% increase for the cost of performance incentive averaged across all salaries/wages in total. The AFSCME agreement is open and there are no changes to adjunct pay. Minimum wage will increase to \$8.50 on January 1, 2016.

Currently there are no budget increases (in the model) for medical/vision/hearing. There are some changes that will be coming, such as benefit design changes, which will offset any

increases. There is a 2% increase in dental, no increases to life or disability increase, an average of 26% on all salaries for MPSERS and a 10% rate on the ORP.

With the loss of 10,000 credit hours and the increases in tuition, the college will bring in an extra \$12,379. The increase to state aid will bring an additional \$202,985 but the college expects to lose around \$116,000 with the decrease in property taxes. This will result in an overall increase in revenue of about \$99,000 or less than 1%. Expenses for wages and salaries do not include any increases, except for the student wage increases and increases for steps, promotions, longevity, performance incentives and related benefits. The overall planning deficit would total \$464,500. Without the one-time transfer of \$50,000 from Bookstore the total increases to \$514,500.

After savings and new funding changes of \$1,733,652, mostly due to ten faculty vacancies not being replaced and new funding needs of \$1,219,019 this would result in a surplus of \$133. The Board was presented with a list of the items identified for savings and new funding. No programs or services will be eliminated.

There were several questions asked by Board members in regards to the President's Innovation Incubator Annual Transfer. Dr. Goodnow explained the purpose of the funds and mentioned some noteworthy projects that have developed including Delta's Closet, the Food Pantry and the Sustainability Trailer. The Board asked to be provided with a list of projects that have been funded.

Due to time constraints it was recommended that D. Lutz present the Five Year General Fund Budget and Simple Financial Forecast and the Fund Balance Five Year Review during the Treasurer's Report at tonight's regular meeting.

Some Board Members expressed interest in receiving updates during the year on the budget development process and also additional education on the various funds. D. Lutz asked Trustees to identify specific items they would like to cover.

There being no further business, the dinner meeting was adjourned at 7:09 p.m.

---

Talisa Brown, Assistant Board Secretary

---

Andrea Ursuy, Board Secretary