

**DELTA COLLEGE  
BOARD OF TRUSTEES  
DINNER MEETING  
May 10, 2016  
Delta College Main Campus Room N7**

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

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

**Others Present:** R. Battinkoff, V. Bledsoe, L. Brown, T. Brown, W. Brown, J. Carroll, A. Chartier, P. Clark, T. Clegg, R. Curley, R. Curry, J. Goodnow, L. Govitz, F. Hoffman, P. Larkowski, S. Lewless, D. Lutz, M. Mosqueda, D. Peruski, G. Przygocki, L. Ramseyer, K. Randolph, K. Schuler, A. Ursuy, B. Webb

**Press Present:** J. Becker, Midland Daily News; A. Beckman, Delta Collegiate; J. Hall, WSGW; M. Jablonski, Delta Collegiate

Board Chair M. Rowley called the meeting to order at 6:00 p.m.

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

- FY 2016-2017 Tuition and Fee Recommendation;
- Preliminary Budget Plan FY 2016-2017 Overview; and
- Five Year General Fund Budget and Simple Financial Forecast.

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

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. They also compared our tuition and fee rates with other regional higher education institutions like Saginaw Valley State University, Northwood, Baker and Central Michigan University, to name a few. They also took a close look at the cost of a standardized freshman class load across all Michigan Community Colleges. They also reviewed overall budget and financial impact along with current and future strategies to the tuition and fee structure.

The college has a long history of wanting our tuition low and affordable while providing quality instruction and services. The average in-district rate for this year across all Michigan Community Colleges is \$102.00 and out-of-district is \$169.00. Delta's in-district rate is currently at \$96.50, which is well below the average. The recommendation tonight is to increase in-district tuition by \$3.00 per credit hour making it \$99.50, keeping it under \$100 for another year. Also proposed is an \$11.00 increase in the out-of-district tuition, making the new rate \$170.00 per credit hour and moving us closer to the average rate across Michigan Community Colleges.

Another change being proposed includes an increase to the technology fee of \$3.00 per credit hour. This will move the current rate of \$14.00 to \$17.00. Of the \$3.00 increase, \$1.00 will be allocated to the technology life cycle replacement and infrastructure replacement. This will be added to the additional \$2.00 that was designated last year for the same purpose.

The recommendation also includes a proportionate increase in the excess contact hour fees which are calculated at 2/3 of the tuition rate. Delta College Corporate Services has brought forth the elimination of the training tuition fee since it has not been used in several years.

The current fees for credit by portfolio and credit by exam haven't changed in over 20 years. Budget Cabinet thought raising it to half the cost of a credit hour would be fair, being it is labor intensive. This would increase the current rate of \$25.00 to \$50.00 per credit. Most institutions charge the full rate of tuition for this credit. This will result in a minimal revenue increase of around \$6,000.

D. Lutz went over the results of the Fall 2015 Gibson Survey which compares the tuition bills for the same four freshman courses for every Michigan Community Colleges. The overall average tuition rate is \$101.98 while Delta's is at \$96.50. Delta's total cost for the four courses totaled \$1,849.50 while the state average is \$1,939.04. The average cost per credit is \$137.45, while Delta's is \$123.30.

R. Emrich noted that the College, the administration, Budget Cabinet and the Board have always been very responsible about keeping things affordable while still keeping the quality. He also noted that we have done the best we could with the resources that we have had.

D. Lutz then present the overview of the budget plan for FY 2016-2017. There is an expected decline in enrollment of about 7,700 credit hours to 182,300 or a 4.1% reduction from this past year. This results in a loss of revenue of about \$1.2 million. There is a proposed tuition increase of \$3.00 per credit hour. Property taxes are expected to remain flat and state funding is estimated to increase 2.4% or \$348,400. Investment income is projected to increase \$90,000. All of this results in an increase of \$720,722 or 1.1% in revenue.

In order to continue operations, with no changes to programming, offerings or staffing expenses would increase by \$1,194,453 or 1.82%. This results in a differential of \$473,731 that is not covered by new revenue. Requests for new funding needs were prioritized by Budget Cabinet and if funded total \$987,921. Executive Council worked hard to come up with a balanced budget plan which includes \$1,494,777 in savings and changes to cover the budget imbalance and fund the new requests \$987,921. This results in a balanced budget of \$33,314. The board was provided with a list of savings and new funding requests. No programs or services will be eliminated.

D. Lutz then presented the five-year general fund budget and simple financial forecast. The forecast starts with the proposed budget FY 2016-2017 and projects the budget through FY

2020-2021. This simple forecast is based on enrollment not falling below 182,300 credit hours and assumes no programming or staffing changes. It is also based on a 3% tuition increase each year, no increase in property taxes, a 2.4% increase in state funding and no change in investment income. Also included are expenses such as salaries and benefit costs with some minimal increases. The amount of money that would need to be trimmed from the budget each year to balance would be:

FY 2017-2018 - \$279,770  
FY 2018-2019 - \$590,126  
FY 2019-2020 - \$613,666  
FY 2020-2021 - \$615,334

This shows us that our financial structure is not at a sustainable level yet as we are not generating enough new revenue each year to cover our expenses even with stable enrollment.

There being no further business, the dinner meeting was adjourned at 6:49 p.m.

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Talisa Brown, Assistant Board Secretary

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Andrea Ursuy, Board Secretary