

**DELTA COLLEGE  
BOARD OF TRUSTEES  
DINNER MEETING**

**May 8, 2012**

**Delta College Ricker Center Campus Gymnasium**

**Board Present:** K. Ellison, R. Emrich, K. Lawrence-Webster, J. MacKenzie , E. Selby, D. Wacksman

**Not Present:** K. Higgs, K. Houston-Philpot, R. Stafford

**Others Present:** E. "Q" Beckman, P. Clark, C. Curtis, L. Dull, S. Enriquez, A. Givens, J. Goodnow, L. Govitz, P. Graves, G. Hoffman, L. Holoman, T. Lane, D. Lutz, C. Morley, M. Mosqueda, L. Myles-Sanders, G. Przygocki, L. Ramseyer, R. Reeves, J. Stahl, T. Stitt, A. Ursuy, B. Webb, S. Whitney, M. Wiltse

Board Chair Robert Emrich called the meeting to order at 6:30 p.m., a quorum of the members having arrived.

Debra Lutz reviewed the budget process and presented recommendations regarding 2012-13 tuition and fees. She described the Budget Cabinet membership and process beginning in Fall, in which each revenue and expenditure item is reviewed in depth, comparing projections with history and with other community colleges and local colleges and universities. She thanked Budget Cabinet members including Trustee Kathy Ellison, the Board's representative on the Budget Cabinet.

The Budget Cabinet's recommendations, as reviewed by the Executive Council and the President, are to increase in-district tuition by \$2.00 from \$84 to \$86, out of district by \$5.00, and out of state and country by \$10, which means all three are below the average of Michigan community colleges and less than half the cost of the college's closest competitor. The excess contact hour fee would be increased by \$1 per excess contact hour to \$57 to partially cover the cost of courses in which contact hours exceed the credit hours for which tuition is charged. Nineteen of the 28 community colleges charge students 100% for each contact hour, whereas Delta provides a 33% discount and only charges 67%. The Cabinet is also recommending a \$1.20 increase in the technology fee.

Dee Dee Wacksman asked whether the online course fee applies to all courses and Deb responded that it applies only to INET and CNET courses. Deb noted that not all the revenue numbers are firm yet, but we are recommending tuition and fees tonight in order to give students notice and to permit student financial aid packaging in time to plan for Fall classes. Enrollment is projected to decline back to its 2008-09 level of 230,000 credit hours, a 6.3% reduction, based on improvements in the local economy and jobs picture and the decline in high school enrollment and graduation rates. Property taxes are projected to decline 2.1% based on estimates of declines of 1% in Saginaw County, 0.5% in Bay County, and 4.8% in Midland County. The Midland County decline is the result of the MCV settlement and would

otherwise be flat; that loss will be covered by the college's \$500,000 reserve for that purpose. State funding is estimated at an increase of 3.6% based on the current proposals in the Legislature.

Costs are forecast based on a 1% salary increase provided in the faculty and AFSCME agreements, plus the additional step and longevity payments for faculty, with a similar inflation increase for A/P and support staff. There is a one-year 12.3% reduction in medical benefits costs in part because of the change to self funding. Employees will have an increased contribution to 15% of the premium. Life insurance and disability costs are projected to remain level, with a 5% increase for dental and 5.6% for vision/hearing.

The MPSERS contribution continues to be problematic, with an increase to 27.27% of salary at October 1, and an increase to 31% projected for the fiscal year beginning October 1, 2013.

Overall the budget plan calls for a balanced budget with revenues exceeding expenditures for the fiscal year after \$2.8 million in spending reductions and savings.

Responding to a question from Karen Lawrence-Webster regarding self funding, Deb explained that Plante & Moran evaluated the proposal, which Blue Cross/Blue Shield had recommended. The College has bought individual and aggregate stop loss insurance to cover exposure that exceeds projections. Dr. Emrich pointed out that Blue Cross/Blue Shield continues to administer the plan. Ms. Lawrence-Webster also inquired about the projected decline in enrollments, which Ms. Lutz said is based on declines the college is beginning to see now, as well as declines in the high school population and the improving job market. Ms. Lawrence-Webster also inquired about facilities and Ms. Lutz confirmed that \$1 million has been set aside for maintenance and repair, and \$1 million to match anticipated contributions from the State for the Health Professions Building, as has been past practice.

There being no further business, the dinner meeting was adjourned at 6:59 p.m.

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Leslie Myles-Sanders, Board Secretary