

**Delta College  
Board of Trustees  
Dinner Meeting  
Virtually via Zoom (1-929-205-6099 Webinar ID: 814 5835 6361)  
Held virtually per Governor Whitmer's Executive Order 2020-75 (COVID-19)  
June 9, 2020**

**Board Present:** M. Benecke, A. Buckley, R. Emrich, S. Gannon, K. Lawrence-Webster D. Middleton, M. Nash, M. Rowley, M. Thomas

**Board Absent:** None

**Others Present:** D. Allen, R. Battinkoff, N. Bovid, L. Brown, T. Brown, J. Carroll, P. Clark, E. Clement, A. Cramer, M. Crawmer, R. Curley, R. Curry, C. Curtis, S. DuFresne, J. Foco, P. Fox, J. Garn, J. Goodnow, L. Govitz, D. Johnson, L. Krukowski, J. Leadford, S. Lewless, C. McMath, D. McQuiston, M. Mosqueda, J. Mulders, F. Peters, D. Phelps, G. Przygocki, S. Raube, S. Roche, E. Roth, K. Schuler, C. Thomas, A. Ursuy, B. Wesolek

**Press Present:** None

Board Chair, D. Middleton called the meeting to order at 6:03 pm.

Board Chair Middleton provided the following guidance on how this meeting would run.

“Good evening,

This evening we will begin with our “dinner” informational meeting.

The Board is authorized to hold this virtual meeting with participation through the Zoom platform in compliance with the Michigan Open Meetings Act as modified by Governor Gretchen Whitmer's Executive Order 2020-75.

For those joining us today, we want to ensure everyone can hear the board meeting. To minimize audio feedback, we ask all virtual participants NOT to use any speakerphone options.

For those of you who plan to join us for our 7:00 p.m. Budget Hearing and Regular Board Meeting, we will use the same link for this meeting as well.”

Board Chair, D. Middleton turned the meeting over to Sarah DuFresne, Vice President of Business and Finance to present the 2020-2021 Budget.

S. DuFresne began with an update of what has happened since the last meeting which included the Governor slowly allowing businesses to re-open and in person contact with limitations; the Midland County flooding with severe home and property losses; Delta's disbursement of over \$722,000 in CARES grant assistance directly to our students impacted by COVID-19; the state budget with an estimated \$2.5

billion deficit for this year and \$3 billion for 2020-2021; and a wage freeze for all Delta College faculty and staff.

A notice of the budget hearing was posted as required by law and will follow the dinner meeting. The authorized millage rate is 2.0427 and is included in the budget. The Board must approve the College's budget no later than June 30, and will be presented at tonight's regular board meeting.

The major budget assumptions for the general fund include a reduction of state appropriations of 15% which equates to over \$2.3 million in anticipated revenue loss. Tuition and fees revenue reflect a contact hour enrollment of 164,000 contact hours which is an 8.9% decline from the 2019-2020 projected actual contact hours of 180,094. Our 2019-2020 contact hours are better than our enrollment target of 173, 500 or approximately 3.8% over target. However, we are being conservative with our estimates due to the uncertainty of what impact we will have for 2020-2021 due to COVID-19. The online course fees for Spring, Summer and Fall 2020 have been waived for all students as part of the CARES Federal grant for institutional needs to cover the lost revenue of about \$900,000.

Due to economic uncertainty and the recent flooding the property tax revenue estimate has been lowered from 1.9% to 1%. In order to balance our budget and maintain our 10% reserve fund balance, one-time dollars will be used to offset the difference in expenditures and revenues of \$900,000. The transfer is from the established savings in our designated fund for long term sustainability. In regards to compensation there is a 0% increase for all employees resulting in savings of over \$1 million. However there is a \$400,000 increase for minimum wage, board approved adjunct faculty pay increases as well as promotions, longevity and steps. Total compensation budgeted is \$51.9 million with \$16.9 million of it being fringe benefits. Total compensation represents 78% of the total general fund expenditures.

The College has identified additional reductions in expenditures totaling approximately \$2.6 million and \$662,000 in additional new and ongoing strategic and operational funding needs. Included in the funding is \$200,000 for COVID-19 related expenditures – cleaning, masks, custodial, and social distancing barriers and markers. This is an initial estimate and the College plans to utilize any federal grant awards that would allow for these expenditures.

The total proposed general fund revenues are \$66,950,936. This is a decrease of 2.85% from our 2019-2020 budget or \$1.9 million. Total proposed general fund expenditures are \$66,835,983. This is a 2.78% decreased from our 2019-2020 budget or \$1.9 million. Our general fund operating income is \$114,953 with a projected ending fund balance of \$7.3 million. This is approximately a 10.9% fund balance of our operating budget.

Delta College has a fund balance reserve policy which state that the long-term goals should be review and evaluated at least every five years. After an evaluation of our fund balance history and the current budget situation it is our recommendation to the Board to continue with a fund balance of 10% with a commitment to re-evaluate at the conclusion of the 2021 fiscal year.

The designated fund records many activities such as Corporate Services, Criminal Justice training programs and a designation for reserves for budget sustainability and innovative initiatives. Expenditures are higher because of the budgeted \$900,000 one-time transfer out to the general fund. Total revenues are \$5.9 million and expenditures ae \$6.6 million with a projected ending fund balance of \$14.9 million.

The restricted fund is used for transactions resulting from revenues received by the College from outside donors in which the College does not have absolute control over the expenditures. Revenues are in the form of gifts or grants. During fiscal year 2019-2020 the College was awarded four pools of CARES Act funding totaling \$5,658,997. Expenditures are slightly greater than revenues simply due to the timing of when revenues are recognized and when grant expenditures take place. Total revenues are \$20.6 million and total expenditures are \$20.7 million with a projected ending fund balance of \$6.1 million.

The auxiliary fund is used to account for transactions of those activities that deliver a product or perform a service to students, the community or staff. They include the Bookstore, Food Services, the Fitness and Recreation Center, Printing and college vehicles. They are revenue producing and ideally self-supporting. The auxiliary fund transfers back to the general fund annually \$250,000. We are budgeting for a net operating loss before transfers out of approximately \$420,000. This is directly related to our food service and fitness center being shut down due to COVID-19. The fund has adequate fund balance reserves to sustain these operations in the short-run. Total revenues are \$4,683,892 and total expenditures, including transfers out of \$5,354,891 with a projected ending fund balance of \$5.9 million.

The plant fund is used to record the flow of money for capital expenditures related to building and equipment. The College maintains a facility maintenance and equipment replacement fund in addition to a building and site fund. Total revenues are \$5.5 million and total expenditures are \$12.8 million with a projected ending fund balance of \$27,271,038. The proposed budget keeps the annual \$2 million transfer in from the general fund for asset life-cycle replacement/depreciation.

All funds presented have a combined revenue of \$103,647,321 and a total combined expenditures of \$112,400,740. The combined revenues under expenditures are \$8,753,419 with a projected ending fund balance of \$61,540,561.

The meeting was then turned over to a group of individuals who gave a Diversity and Inclusion Update. The presenters included Reva Curry, Vice President of Instruction and Learning Services; Margaret Mosqueda, Vice President of Student and Educational Services; Loyce Brown, Director of Employee Development and Equity and Title IX Coordinator; Scott Lewless, Director of Human Resources; Darrin Johnson, Manager of Recruitment; and Carlos McMath, Director of Diversity and Inclusion.

R. Curry presented on the 2008 Diversity Task Force Outcomes including diversity courses offered to both faculty and students as well as four additional courses that have been added. The Faculty Center for Teaching Excellence has created a working document for anti-racism resources. Use of force strategies in the Criminal Justice Program curriculum such as de-escalation techniques is already included which is one of the goals of SB945.

M. Mosqueda presented on the law enforcement licensing standards. Licensing as a law enforcement officer in Michigan must be approved through the Michigan Commission on Law Enforcement Standards (MCLOES). More than 2,600 individuals have received their Police Academy Training at Delta College. The training consists of 17 weeks, 594 required hours of training and 150 additional hours of training. This additional training builds upon and reinforces the concepts that are in the required curriculum. We feel that our current curriculum covers the proposed changes the Governor is making but are welcoming to the opportunity to make changes if needed. Community police is emphasized through the academy to the recruits by stressing and reinforcing the importance of working with the community to solve problems. Their instruction includes that by building relationships within the community they serve to

building a network that makes them more effective law enforcement. Our police academy graduates have found employment within are region, the state of Michigan and beyond.

L. Brown presented the various components of the College’s New Employee Orientation Program which includes a session on Diversity & inclusion and Sexual Misconduct. This required 1 hour session is for all new full and part time staff since 2013 and new faculty since 2017. The session is facilitated by Carlos McMath. The session covers the definition of diversity and inclusion; the importance of it to Delta College; the positive impact for our students, employees and the communities we serve; the barriers and how to overcome them; and how to welcome diverse perspectives and build inclusivity into our interactions.

S. Lewless presented on the College’s inclusion advocacy training. The training is conducted by an outside vendor. The training includes a four hour on-site session covering diversity wheel, the importance of credential review process; challenging search committee members effectively and incorporates scenarios.

D. Johnson presented on unconscious bias training which has been in place for four years. All Delta College faculty and staff who participate in a search committee are required to attend the training. It has three components which include a DVD/PowerPoint, discussion and quiz. The discussion challenges participants to identify unconscious bias experienced in the workplace and the quiz test key elements from the DVD and discussion that include definitions of unconscious bias, and micro-aggression.

C. McMath presented on various multicultural services that the College offers including Men of Delta, Black Student Union, Heritage Month Events and MLK Celebrations. He also spoke about the HBCU Connections committee and their partnerships with Saginaw Public School District and Jackson State University as well as the HBCU Pipeline.

There being no further business, the dinner meeting was adjourned at 7:08 pm.

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Talisa Brown, Assistant Board Secretary

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Andrea Ursuy, Board Secretary