

**Executive Summary  
Winter 2006**

There seemed to be two overarching themes that affected many areas of this year's environmental scan: Funding and Change.

Impacting Delta College and its ability to fulfill its mission and reach its vision will be the factors of: funding of Pell grants, new legislation covering how student loans are processed, potential elimination of Perkins funding, State budget concerns, possible restructuring of legislative funding for community colleges in Michigan, plant closings, and changes in our area population composition. An array of opportunities and challenges for Delta College will arise due to: possible high school graduation requirement changes, possible plant closings with their concomitant ripple effects to people in the community, demographic changes, Michigan manufacturing landscape shifts, and technology changes.

Based on the information that the committee has reviewed, analyzed, discussed and now summarized, it is our belief that the major implications over the next few years will require Delta College to:

- ▶ Continue to look for alternative sources of funding to maintain, expand and improve learning.
- ▶ Position Delta so it can swiftly meet the challenges of the changing Michigan economic, social, and educational landscape.
- ▶ Be the catalyst of change and innovation for the Tri-county, state and the nation, where possible and appropriate.

**Education Trends**  
**Winter 2006**

A subcommittee of the Environmental Scanning Committee was formed with a charge to scan the local, regional and national arenas for information that could have a direct impact on Delta College. This part of the report talks about trends in Education. Statements concerning the topics are reflected as follows: those in **bold** are perceived as positive; those in *italics* are perceived as negative; and those in normal text are perceived as neutral or have both positive and negative consequences.

- **Developmental Education**

- + **Michigan is looking to establish new standards for high school graduation.**
- *Based on placement test scores, some high school graduates still come to us unprepared for college level work.*
- *Some people coming to us from possible plant closings/layoffs may need refresher courses in order to do college level work.*
- *State-wide, there are increases in the number of high school graduates that need developmental work.*

Implications:

- ▶ Delta College needs to continue to offer remedial courses to prepare students for college level work.
- ▶ Delta College may want to seek funding to help defray the cost of remedial course work for students not eligible for financial aid.
- ▶ Delta College may want to look at innovative ways of working with the high schools to do early identification of students who are college bound but have remedial needs.

- **Occupational Education**

- + **Dow Chemical, Dow Corning's Hemlock Semiconductor, and S.C. Johnson are all mentioning adding some jobs over the next few years.**
- + **New construction continues in the tri-county area for smaller service type industries.**
- + **The health care industry appears to still be growing in the tri-county area.**
- = The full impact of Delphi's recent bankruptcy filing is still unknown.
- *GM Metal Casting and others have already talked about layoffs over the next few years.*
- *The domestic auto industry is declining economically, locally, nationally and internationally.*
- *Presidential budget in the last few years has tried to remove funding for occupational education.*

### Implications:

- ▶ Delta College needs to develop a system of agility to be able to quickly gear up courses/programs in new growth areas, while at the same time removing older courses/programs where the job potential is lower or almost gone.
- ▶ Co-operative education has a large presence with Delphi. Depending upon the direction Delphi moves, the program may need to be scaled back and other area businesses explored for possible co-op students.
- ▶ Working with current employers to determine the skills needed for today and tomorrow in the workplace and on the job need to continue.
- ▶ Creative use of technology to simulate laboratory exercises/work needs to be expanded as much as possible. This will keep long term costs of materials down and allow Delta to quickly gear up to new technologies/ skills needed.
- ▶ Continue working with K-12 to streamline and make tech/prep programs as seamless.

### • Transfer Education

- + **Initiatives with the State’s “scholars program” bode well for helping to supply some money to help with education.**
- + **Cherry Commission Report and subsequent follow-up continues to push for two/four years of college education.**
- *The lack of usable feedback from the state universities hinders efforts to measure the success of Delta College programs and students.*

### Implications:

- ▶ Delta College needs to continue to work with the universities to assure the transferability of courses.
- ▶ Delta College needs to continue to work with the universities to receive usable feedback on how Delta College’s graduates perform at the university level.
- ▶ Delta College needs to explore other sources of information, such as the national clearinghouse, to obtain information on how graduates do at the four-year level.

### • Education General (Local)

- + **Several area high schools are looking to implement the International Baccalaureate degree programs.**
- + **The Cherry Commission Report talks about increasing dual enrollment and high school-to-college articulation programs.**
- + **New state high school graduation requirements may require students to take at least one on-line course to graduate.**
- = There are numerous local school district millage elections in the fall that will need to be watched for possible trends.
- = Possible new funding model for community colleges at the state level using performance indicators.
- = Census data projects an increase in the number of elderly people in our area that will continue to grow, with a decrease in the number of younger people.
- = Number of students attending multiple colleges continues to grow.
- *Some school districts have had to lay off staff mid-year due to budget constraints.*
- *State financial woes will continue to affect K-12 and higher education funding.*

Implications:

**Societal Trends**  
**Winter 2006**

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- **Depressed Local Manufacturing Economy**

- *Plant closures by Delphi, General Motors and Ford will lead to employee layoffs and reduced orders to supporting manufacturers.*
- *Manufacturing changes seem to indicate a reduced need for skilled laborers from occupational and transfer oriented programs.*

Implications:

- ▶ Delphi layoffs or salary reductions will mean a probable loss of local tax revenue due to the impact on those well paid workers.
- ▶ A Delphi plant closure would mean the loss of a major Delta co-op employer.
- ▶ There will be an increased need for Delta to rapidly create new programs for short-term and technical training for displaced workers, especially those with educational benefits.
- ▶ Delta can take a lead role in identifying new manufacturing markets and technologies for our local economy. Delta can also provide associated opportunities for training/retraining for employment.

- **Federal/State Budget/Revenue**

- *Dollars allocated by the State continues to represent a smaller portion of Delta's annual budget.*
- *Federal budget proposals indicate potential additional decreases in financial aid available to students.*
- *State proposed changes in the Michigan Merit Award disbursement process will impact students and Delta.*

Implications:

- ▶ All of these factors have the potential of causing budget shortfalls.
- ▶ Possible budget shortfalls may cause possible cuts in staff or services.
- ▶ Changes in financial aid may lead to the potential loss of students.
- ▶ The image of Delta College in the community, and with students, may be impacted if the budget or tuition is allowed to run out of control.
- ▶ There is a need, and opportunity, to identify additional funding resources.

- **Technology**
  - + **The long-term outlook will lead us to the full convergence of web and technology in every area of daily life.**
  - + **Newer generations, and the market in general, are demanding more wireless access and web-based, 24/7 services.**
  - + **These changes will test Delta College's agility and effectiveness in anticipating, and responding to, the technology training needs of our various constituencies.**
  - = New software and hardware is available (and needed) to meet educational access needs of all students or staff with disabilities.
  - = There are new developments in medical, administrative and educational hardware and software.
  - = Mobile/wireless data transfer and access for staff and students could be positive.
  - = The Digital Divide is narrowing between those that have access and those that do not. The gap of knowledge and needs of those two groups may become more and more dramatic and problematic.
  - *Costs for on-going technology upgrades will continue to rise.*

Implications:

- ▶ Increased staff productivity as technologies improve workflows.
- ▶ The Delta contract with OIT is negotiated through the next decade, but it left room for changes due to emerging technologies.
- ▶ Delta's budget allocation will need to be reevaluated continually due to changes and increasing costs of technology.
- ▶ There will be increased need for more data storage and corresponding data security.
- ▶ Delta will need to provide continual attention to network security and firewalls. Failure in this area could result in legal and civil liability.
- ▶ Delta must search actively for new technology that will, in the longer term, reduce operating and upgrade costs.

- **Change among Certain Demographic Groups**

- + **The population is aging, both national and locally.**
- *Local citizens are leaving our area due to inability to find work.*
- *There are a declining number of high school graduates in Delta's service area.*
- *Additionally, there are a declining number of minority high school graduates.*
- *Delta is facing an increasing number of under-prepared students.*

Implications:

- ▶ Delta has an opportunity to create new programs (bring in new revenue) for senior citizens.
- ▶ Delta will face a probable loss of tax revenue due to loss of citizenry.
- ▶ Need to evaluate Delta's current marketing and admissions practices, and staffing levels, in order to increase market share of area high school graduates.
- ▶ Need to create and provide services to meet the needs of unprepared or under-prepared enrollees.

## Economic Trends Winter 2006

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### • State

- + **There is a state government emphasis on encouraging manufacturing in health care products.**
- + **The state may emphasize and put funding into alternative energy research, development and manufacturing over the next several years. This could lead to additional funding for colleges that support this mission. It could also lead to enrollment increases in these areas.**
- + **The health care industry is expanding locally and throughout the state. This could lead to increased enrollments in Delta's health care fields.**
- = The University of Michigan's RSQE predicts state job growth will dip slightly next year and then be fairly flat for the next couple of years, with job losses in manufacturing being offset by job gains in the services sector
- *Michigan is losing population and its population base is aging. It is the only Midwestern state to lose population and jobs last year.*
- *The downsizing of the major automotive manufacturers in Michigan will put additional stresses on the state's budget and employment situation.*

### • Local

- + **There have been some modest gains in the levels of employment at Dow Chemical Company and Dow Corning Corporation. This may lead to some modest improvement in property tax values.**
- + **Expansion of Dow Corning's Hemlock Semiconductor facility may stabilize employment and property tax revenues in the area.**
- + **Employment in health care fields continues to expand.**
- = Downsizing of Delphi and its local suppliers will impact Delta's property tax revenues and the number of students who may come to Delta. Predicting the impact on enrollments is difficult. Some may come to Delta for retraining and additional education to go into new employment fields. Others who had tuition paid for by their employer may not have the funds to attend Delta.
- *MCV tax appeal is still being decided. This leaves uncertainty in Delta's short and long term budgeting capabilities.*

Implications:

- ▶ Delta may be able to take advantage of retraining of workers impacted by layoffs and pay reductions.
- ▶ The College may be able to build on and expand occupational programs in the area of health sciences, and also the growing specialty manufacturing area.
- ▶ Delta may see short-term declining enrollments due to Delphi families not being able to afford Delta tuition.
- ▶ Future property tax revenues are less certain due to the MCV tax appeal and the Delphi restructuring.
- ▶ Delphi, Delta's largest co-op employer, may reduce the number of Delta co-op positions they offer.