

**DELTA COLLEGE
BOARD OF TRUSTEES
DINNER MEETING**

May 14, 2013

Delta College Ricker Center Campus Gymnasium

Board Present: K. Ellison, R. Emrich, K. Houston-Philpot, K. Lawrence-Webster, J. MacKenzie, M. Rowley, E. Selby, R. Stafford, D. Wacksman

Board Absent: None

Others Present: B. Baker, T. Brown, E. Crane, C. Curtis, L. Dull, C. Dzurka, A. Givens, M. Gmeiner, J. Goodnow, L. Govitz, P. Graves, J. Kendziorski, D. Lutz, J. Miller, C. Morley, M. Mosqueda, V. Przygocki, L. Ramseyer, K. Rees, D. Salinas, J. Stahl, A. Ursuy, B. Webb

Press Present: None

Board Chair R. Stafford called the meeting to order at 6:04 p.m.

R. Stafford then turned the meeting over to D. Lutz who presented the Tuition & Fee Recommendation and an overview of Preliminary Budget Planning for FY 2013-2014. She introduced the Budget Cabinet membership including the chair, Janis Kendziorski. The group began planning in the fall of 2012.

The tuition and fees recommendation is being presented at the regular meeting tonight to give students more time for planning and to allow for financial aid packaging. The recommendation is to increase in-district tuition by \$2.50 per credit hour, from \$86 to \$88.50 per credit hour. This equates to a 2.9% increase which is below the governor's recommended 3% cap imposed on universities. The proposed increases for out-of-district and out-of-state tuition are \$7 and \$75 per credit hour respectively. All of our tuition rates are below the state averages with the out-of-district and out-of-state rate being much lower than the in-district. ~~The increases are to bring our rates more in line with the other Michigan Community Colleges.~~

There is also a recommendation to increase the technology fee by \$1 from \$11 to \$12 per credit hour. Delta is constantly updating and replacing equipment. Students demand the technology and understand the costs associated with it. There would also be an increase in the online course fee of \$5, raising the current rate of \$20 to \$25 per credit hour. There is a great demand for online classes and they fill first. The elimination of the \$20 application fee, which the Board voted on last September, would be continued. This will create a loss of about \$130,000 in revenue.

With all the recommendations the committee feels that costs to students will remain affordable and be comparable to other community colleges in the state. It is anticipated that the increase

to tuition and fees at other colleges will be higher than Delta's which will likely stay below the state average.

Budget Cabinet did look at the excess contact hour fee which is currently at a 33% discounted rate and only charged 67% of the standard tuition rate. The committee did recommend increasing the fee to 75% and eventually to 100%. However, Dr. Goodnow requested that further information and some analysis be reviewed before moving in this direction. The excess contact hour fee proposed will increase at the same general level as the increase in tuition that is being proposed.

Overall the proposed changes would generate new revenue of about \$1 million. We are expecting a loss in enrollment of about 15,000 credit hours producing a loss of over \$1.8 million in tuition and fee revenue.

M. Rowley asked if excess contact hours were lab hours. D. Lutz explained that they are instruction hours in excess of the credit hours. The student does not receive credit for excess contact hours. K. Houston-Philpot asked if universities would be trying to attract more students including international students. D. Lutz said she believed this was already happening. Dr. Goodnow noted that Delta is currently working on a potential partnership with Bay Valley in bringing approximately 50 international students to Delta.

The budget assumptions to date include an increase in property tax revenue of \$37,500, an increase of 1.8% or \$243,000 in state aid and no changes from investment income. On the expense side there is the tentative agreement in faculty salaries along with the 2.1% increase due to steps and promotion, an increase in adjunct pay of \$10 per credit hour, a .7% increase for medical/vision/hearing after benefit design changes and an 8.3 % rate increase, a 4% increase in dental, an average of 25% on all salaries for MPSERS and a 10% rate on the ORP.

With no changes the college estimates a deficit of \$898,304. After savings of \$1,345,008, mostly due to not replacing vacant positions and new funding needs of almost \$295,000 this would result in a surplus of just over \$152,000. The board was presented with a list of the items identified for savings and new funding.

K. Lawrence –Webster asked if there had been any discussion in regards to Buena Vista Schools and if there would be any impact on Delta. Dr. Goodnow did indicate that she along with G. Hoffman-Johnson and T. Stitt did meet with the superintendent to see if Delta could provide any assistance. She noted that the facilities were not discussed at this meeting.

K. Ellison noted that Budget Cabinet is an amazing group. She appreciates the effort that all members contribute and noted that they are respectful even when opinions differ.

D. Wacksman asked about the ratio of full-time and part-time faculty. It was noted that full-time faculty are currently at 58%.

There being no further business, the dinner meeting was adjourned at 6:50 p.m.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary