Board Chair R. Stafford called the meeting to order at 6:08 p.m.

R. Stafford introduced P. Clark, Executive Director of Institutional Advancement who presented on the STEM Explorers along with M. Finelli, Chair of the Technical, Trades and Manufacturing Division and S. Schultz, Chair of the Science Division. This was a shorter version of the same presentation that was given to the Herbert H. & Grace A. Dow Foundation Board on September 17, 2014.

The presentation began with a welcome message from President Goodnow. In the last five years, 80% of our graduates live in Bay, Midland and Saginaw counties and 97% live in the state of Michigan. Delta is ranked 10th in the nation for two-year “Science Technologies/Technicians” degrees awarded.

Around 40% of our students plan to transfer to a four-year college or university. At Delta we extend the definition of STEM to include all of our occupational programs. At Delta College 128 of our 150 certificate or degree programs are STEM related. Sixty-six percent of all Delta students are enrolled in a STEM related program.

Goals of this project include enhanced collaboration between Delta faculty and the K-12, leading interdisciplinary Project Based Learning and to expose students to a wide range of STEM careers. The tools needed would include a Delta STEM Coordinator, STEM Planning Workshops and a STEM Explorer vehicle. The vehicle would include modules for middle and high school students along with hands on activities for the general public.
The proposal was based on the needs from the business workforce. Thirty-four of the Michigan’s HOT 50 Careers are in the STEM field. By 2018 there is a projection for 274,000 STEM related job openings. Manufacturing and Healthcare are the two industries that are driving the region’s GDP by 38%.

Dow Chemical conducted a survey on what’s needed to improve STEM education in our area with the following results:

- 30.7% lack of funding and resources,
- 20.5% limited exposure to current technology and
- 13.7% disconnect among related subjects within STEM.

The two primary functions of the STEM Explorer are “Surface Exploration” of STEM topics during a single day in a module-based learning site visit for middle school students and “Deep Dive” module exploration through multiple days, at a larger scale with project-based work for high school students. Project based learning is a part of the Next Generation Science standards and is also a fundamental part of this project.

The proposal is unique because it has a strong emphasis on skilled trades; it builds a pipeline from K-12, through Delta, to area business; and it’s out of the classroom and into the community while using state-of-the-art equipment. It also fills a need for instructional content, while giving Delta College students the ability to help build the modules. Finally it will provide professional development classes for middle and high school teachers.

The impact of this project is estimated to touch 7,000 middle and high school students and approximately 5,000 people from the general public. It will also have the lasting impact with collaborative relations and increased STEM engagement.

The group received notification on their awarding of the $4 million grant in less than 24 hours after giving the proposals. The vehicle without any equipment is estimated to cost around $500,000.

Traci Moon of the Audit firm Andrews Hooper Pavlik PLC was introduced by D. Lutz. Ms. Moon thanked D. Lutz and her staff including A. Cramer and S. Whitney for all of their hard work. She then presented the results of the firm’s audit for the fiscal year ending, June 30, 2014. All of the audits were found to be unmodified and there were no exceptions, deficiencies or material weaknesses. The audits included the financial statements of Delta College, the Foundation, Broadcasting, and compliance testwork for the Office of Management and Budget (OMB) Circular A-133 including Student Financial Assistance Programs and the Trade Adjustment Act.
T. Moon mentioned various matters of interest from the audit which included:

- Pledges receivable decreased by $800,000 and capital gifts and grants by $1 million. Both decreases were a direct result of the capital campaign to help fund the Health Professions Building Renovation.
- Pell grant revenue decreased by 9% or $1.8 million, due to the decrease in the number of students who are eligible for federal financial aid programs.
- The assumptions for the amount of bad debts for student accounts, vendors and other accounts receivable calculated by the college are considered reasonable.
- Capitalized construction in progress in fiscal year 2013-2014 was $16.9 million related to the Health Professional Renovation project.
- MPSERS required contributions for 2013-2014 were $8 million.
- Contributions to the Optional Retirement Plan (ORP) as an alternative to MPSERS were approximately $700,000.
- The general fund balance was maintained at 10% of its operating revenue.
- There were no new adopted audit or accounting standards.

T. Moon noted that there were no difficulties encountered during the audit, no corrected or uncorrected misstatements, no disagreements with management, no significant non audit services reported, no management letter and no material weaknesses.

T. Moon provided comparison graphs showing general fund revenue sources and expenditures for the fiscal years ending in 2012, 2013 and 2014 and provided comparisons to Michigan community colleges of similar size. Delta College continues to collect slightly less tuition and expends a substantially greater proportion of its funds on instruction, compared to those colleges. The four separate audited financial statements were provided to Trustees prior to this meeting, titled Audited Financial Statements and other Financial Information (for the college as a whole), Management Information and Audited Financial Statements (for the Foundation), and Audited Financial Statements and Other Financial Information (for WUCX-FM Radio, and for WDCQ-TV).

T. Moon discussed the impact of GASB 68 and 71 to the college. This requires Delta College to record approximately $88 million in pension liability on our balance sheet. This will cause our unrestricted net position to show approximately a negative $33 million. The $88 million is a number from ORS for the MPSERS plan for 2013. Numbers for 2014 and 2015 have not been made available.

The unfunded liability for the entire state for MPSERS is around $25 billion. These numbers do not include the healthcare portion. The estimate for the healthcare at this time is about 2/3 of the pension liability and that will be coming in 2018.

There was also a single audit done as required on the federal money that the college receives. This is done in a separate statement for the federal expenditures which are mostly in financial
aid but also included the trade adjustment act. There were no material weaknesses, signification deficiencies identified or issues of noncompliance.

There being no further business, the dinner meeting was adjourned at 7:02 p.m.

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Talisa Brown, Assistant Board Secretary

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Andrea Ursuy, Board Secretary