

DRAFT

**Delta College
Board of Trustees
Dinner Meeting
May 8, 2018
Delta College Main Campus Room N7**

Board Present: M. Benecke, A. Buckley, R. Emrich, D. Middleton, M. Morrissey, M. Nash, E. Selby

Board Absent: K. Lawrence-Webster, M. Rowley,

Others Present: R. Battinkoff, T. Boudrot, N. Bovid, B. Brackett, T. Brown, P. Clark, A. Cramer, M. Crawmer, R. Curley, R. Curry, S. DuFresne, M. Faleski, J. Goodnow, L. Govitz, S. Jensen, L. Kloc, D. Kozma, S. Lewless, C. McMath, J. Miller, M. Mosqueda, T. Nadolski, G. Przygocki, S. Raube, D. Roebuck, R. Schlaack, K. Schuler, M. Smith, K. Syring, J. Torres, A. Ursuy, B. Webb

Press Present: J. Hall (WSGW)

Board Chair, R. Emrich called the meeting to order at 6:10 p.m. R. Emrich then turned the meeting over to Sarah DuFresne, Vice President of Business and Finance to talk about the tuition and fee recommendation, the preliminary budget plan and five-year simple forecast.

S. DuFresne recognized and introduced the Budget Cabinet membership for 2017-2018 including the chair, Mike Faleski and Board Representative, Diane Middleton. The role of Budget Cabinet is to make tuition and fee recommendations; prioritize and make recommendations regarding one-time budget requests as well as on-going budget requests, and communicate budget matters to the College community. These recommendations are then presented to the President and to the Board of Trustees for approval.

Budget Cabinet met several times during Fall 2017 and Winter 2018 to make their recommendations for the 2018-2019 budget. S. DuFresne shared with the Board the various factors that were reviewed and considered by Budget Cabinet. They included: expected revenues and expenses; history of tuition and fee increases; current tuition and fee structure; Michigan community college comparisons; proposed Governor's budget information; affordability for students; and student debt. The State requires a balanced budget for the next academic year to be submitted by June 30, of each year.

S. DuFresne shared with the Board the budget model for 2018-2019 with the following revenue assumptions. In regards to tuition and fees, the projected credit hours are 165,600. There is also the proposed recommendation for an increase to tuition and fees. In regards to state aid, there is our base funding plus an additional \$83,000 for performance funding. Due to the personal property tax loss there will be a \$300,000 increase in reimbursements. Property taxes will remain the same with no increases. There is a projected investment income revenue of \$75,000.

On the expenditure side there are estimated increases to salaries of 2-3% as well as an increase in minimum wage from \$9.25 to \$9.45. In regards to benefits there is an 11% increase to medical/prescription, a 7.65% FICA rate, a 0% increase to dental/vision/LTD, and a 22.87% retirement

rate. There are no increases budgeted for supplies and services, capital expenditures or professional development and travel.

S. DuFresne shared with the Board a 10 year history of the College's state aid funding. It has varied from \$13.75 million in 2008-2009 to \$14.91 million in 2017-2018. The projection for 2018-2019 is \$14.99 million. She also shared a 10 year property taxable valuations chart. Values have varied from \$11.52 billion in 2008 to \$11.30 billion in 2015. A significant drop in 2016 to \$10.82 billion was due to personal property tax exemptions. The projection for 2018 is at \$10.85 billion.

In regards to Delta's tuition history, it has increased a total of \$29.00 from \$78.00 in 2007 to \$107.00 in 2018. The state average increase during this same time period was \$38.90. The state average on just tuition for FY 2017-2018 was \$110.58, while Delta was \$107.00. Total cost per credit/contact hour for Delta was \$126.67 and the state average was \$134.62. Finally, the annual tuition and fee costs based on 30 credits a year for Delta was \$3,800.00 and the state average was \$4,038.59

S. DuFresne provided a chart sharing information from the Senate Fiscal Agency for 2017-18. Based on tuition alone the highest in the state is Jackson Community College at \$145.00 and the lowest was Oakland Community College at \$90.00. It was noted that Oakland has a very high property tax base and historically has held tuition increases down. Delta ranks 17th out of 28 community colleges and is \$3.58 below the state average. Calculations of tuition and fees per credit/contact hours resulted in Jackson Community College being the highest at \$175.00 and Oakland Community College the lowest at \$96.67. Delta ranks 19th out of 28 and is \$7.95 below the state average.

In-district regional tuition rates for 2017-2018 included: Delta College - \$107.00, Saginaw Valley State University - \$312.70, Baker College \$390.00, Central Michigan University - \$417.00, Davenport University - \$697.00 and Northwood University - \$953.00. These rates are for in-district per credit hour only.

S. DuFresne then presented the proposed tuition and fees schedule for the 2018-2019 academic year. They include a \$5.00 increase to in-district tuition and a \$9.00 and \$17.00 increase to out-of-district and out-of-state/international tuition respectively. Increases to excess contact hours were also presented. In-district would increase by \$19.00, out-of-district by \$32.00 and out-of-state/international by \$59.00. S. DuFresne noted that we are one of only 8 colleges in the state that still charge by credit hour and not by contact hour.

A preliminary 2018-2019 general fund budget was presented with total revenues of \$68,390,411 and total expenditures totaling \$69,019,358. This would result in a negative \$628,947 balance before any changes. Also included in the budget are sources of new revenues and savings from salary and benefits, evaluation of supply budgets and investment income totaling \$961,021. There are \$308,078 in new strategic and operational funding for items such as information technology contract requirements, capital equipment replacement life cycle, internet capacity needs, performance management system, adjunct pay and utilities. The projected general fund net income is \$23,996.

Finally S. DuFresne shared with the Board a five –year simple forecast. It assumed no programming, services or staffing changes from 2018-2019. It also included no increases in property taxes, a 1% increase in state aid, no changes in personal property tax or investment income and a \$4 increase in tuition each year.

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There being no further business, the dinner meeting was adjourned at 7:03 p.m.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary