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**Delta College
Board of Trustees
Dinner Meeting
June 12, 2018
Delta College Main Campus Room N7**

Board Present: M. Benecke, A. Buckley, R. Emrich, K. Lawrence-Webster, D. Middleton, M. Morrissey, M. Nash, M. Rowley

Board Absent: E. Selby

Others Present: R. Battinkoff, T. Boudrot, N. Bovid, T. Brown, J. Carroll, P. Clark, T. Clegg, E. Clement, A. Cramer, R. Curry, C. Curtis, S. DuFresne, L. Dull, D. Fairchild, J. Goodnow, L. Govitz, T. Heinz, S. Jensen, J. Kendziorski, P. Larkowski, S. Lewless, C. McMath, J. Miller, M. Moore, M. Mosqueda, J. Mulders, T. Nadolski, K. Nitz, G. Przygocki, D. Redman, C. Reszke, D. Roebuck, R. Schlaack, K. Schuler, L. Smith, K. Syring, G. Teter, D. Traverse, A. Ursuy, J. VanHouten, B. Webb, L. Ziolkowski

Press Present: None

Board Chair, R. Emrich called the meeting to order at 5:50 p.m. R. Emrich then turned the meeting over to Jean Goodnow, President of Delta College, who started presenting the “Go-Forward Operating Model” to support innovation, long-term success, and the financial sustainability of the College.

J. Goodnow stated that she was directed by the Board of Trustees to bring back both a structural and operational model to address the College’s financial future. This has been added as an action plan within the College’s Strategic Plan as “Implement a ‘Go-Forward Operating Model’ to support innovation, long-term success, and the financial sustainability of the College including items such as increases in class size, an adjusted full-time to part-time faculty ratio, and a plan for program review.” J. Goodnow noted that an administrative leadership team was assembled immediately after the April Board Meeting and has been meeting regularly since then.

She also shared the values that guide the work of the College which included: we believe in shared governance; we value our employees; we strive to maintain our 65% full-time / 35% adjunct faculty instruction rate; we strive to offer competitive wage and reward our employees; we strive to offer quality benefits to all employees; and we believe in the importance of hearing the voices of all employees.

There is a need for change. We must be willing to change our operation in order to maintain the commitment to our values. Administration is responsible to identify changes while seeking and hearing the opinions of others. It is also their responsibility to develop a viable model, make the final decisions and finally implement the changes in a collaborative way.

J. Goodnow noted that many options have been examined but there is more work that needs to be done. Challenges include the need to align our structure to match the declining enrollment as well as rediscovering the complexity of interwoven systems. Organizational changes involve many variables as we must maintain service to our students and the quality of instruction. In understanding the systems, process mapping is needed, taking a “systems” approach to change and using continuous quality

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improvement. In regards to process and technology, two key areas for change have been identified; a need for more cohesive processes and utilizing technology to standardize the work.

Reva Curry, Vice President of Instruction and Learning Services spoke in regards to the faculty ratios. The ratio equation will shift as parts of the instructional staffing are addressed. There is a plan for stronger enforcement of Senate Policy on supplemental time which will result in a return (or below) to the 65% / 35% teaching ratio. Supplemental pay for full-time and use of adjuncts will be examined and aligned.

R. Curry noted that there have been some challenges in hiring qualified adjuncts in some areas. All accreditation standards will need to be considered as well as longevity of an adjunct. Human Resources will work to increase the qualified adjunct pool. Things that have already been implemented include the examination of all positions campus-wide as well as review of positions upon retirement or resignation which may result in refill, restructure, change from full-time to part-time or combine duties and/or positions. There will be a continued assessment of faculty positions. Attrition will help in the reduction in full-time faculty members. When a faculty vacancy occurs, it is reviewed. The full-time faculty count has declined from 219 in 2014 to 202 currently. Budget goals may not be accomplished through college-wide attrition only.

Ginny Przygocki, Dean of Career Education and Learning Partnerships, presented on a plan for eliminating low enrollment programs. Currently there is a process for reviewing programs which includes review by the Curriculum Council. Program review is required for all career and occupational programs, for Carl Perkins grant funding as well as all accredited programs and disciplines. A more detailed program process is being implemented for all other programs and disciplines.

G. Przygocki gave a status update on program elimination. There are nine certificates/degrees that will be presented to the Board this evening which have low enrollments. There are another 25 to 30 certificates that will be suspended from the current catalog as they go through the elimination process. Most of these will be presented to the Board this Fall. When looking at possible programs for elimination, the decision will be based on low enrollments, employer feedback about need and other factors. A plan will be developed to sunset individual programs. The faculty members associated with the program will be involved. As attrition occurs we will look for reassignment options. All methods of cost savings will be examined.

New programs will be added for increased enrollments and additional credit hours. Between May and June, there are five new programs presented to the Board for approval. There are also five more that are being researched. In regards to staffing these new innovative programs, the College will use current faculty and adjuncts to teach the new courses. As enrollment grows, the possibility of adding one-year renewable positions will be explored and then if needed, hire tenure track faculty.

G. Przygocki noted that once programs are identified for elimination, they will assess the number of students affected. They will also examine what these students have listed as their majors and will assist them with completion or transitioning to another major. Review of individual courses will need to be done in all areas including general education. The federal government is supporting only classes that count toward degree completion requirements.

R. Curry spoke about the course capacities and the need for increased class size options. The goal is to review and improve the curriculum process. This will ensure that enrollments are set at Curriculum

Council approved levels and that courses run at efficient levels. Course capacities are already set at 20 to 25.

Delta College always benchmarks with other community colleges in regards to course capacities. Some alterations had been made, affecting our results. This is why there are differences on the ACS report. We will continue to handle section capacity “exceptions” which may include dual enrollment, clinicals, apprenticeships, internships, independent studies as well as cross listed courses. Issues that need to be addressed include our general education (capacities 20-25) versus occupational and technical courses (capacities 15-18) as well as online sections.

R. Curry noted that the goal is to increase capacities and number of sections for online courses, in collaboration with faculty. Create a priority project focused on faculty professional development, improve training on D2L software, benchmark with other Michigan community colleges to utilize their best practices and partner further with MCCA’s Michigan Colleges Online for training and content.

R. Curry noted the benefits in transitioning to an Associate Dean Model which will replace our current Division Chair structure. They included: professional development for the long-term; stability in academic leadership; increased involvement with the community and employers; greater knowledge of budgeting and personnel supervision; available year-round; and allows for consistent oversight of teaching load, supplemental pay, hiring and course scheduling.

J. Goodnow shared good news with the Board also. This included the fact that we are debt free; our main campus and learning centers provide state-of-the-art learning environments for our students; we continue to set aside 10% fund balance; have award winning faculty, staff and students; we are an award winning community college; we have strong external and community support; and the strongest professional development in the state of Michigan.

Sarah DuFresne, Vice President of Business and Finance spoke about funding changes. This included a proposal to set up a new Designated Fund called “Operational Reserve.” The initial target is \$3 million. A methodology would be created to add funds annually. This fund would be used to implement changes and support ongoing innovation and long-term sustainability such as new program development, training, technology/software and shortfall to bridge changes. Other ideas that are currently being explored include the conversion from credit to contact hours and exploration of additional business practice savings in benefit redesign and a retirement incentive.

J. Goodnow closed the presentation with next steps including communication which is already underway. A representative group of faculty and administrative leaders convened to share ideas to address the Board’s May motion. Nine areas were identified in four major categories. These ideas focused on long-term budget changes. Open meetings are planned for June, July and August to share ideas and gather input. The administration plans to bring updates to the Board that will include specific dollar amounts for savings, as they are identified.

R. Emrich then turned the meeting over to S. DuFresne who presented the Budget Fiscal Year 2018-2019. She began by thanking Angela Cramer, Talisa Brown, Ellen Gasta, Andrea Ursuy and the entire Finance Office for their help in putting together the Delta College Strategic Plan and Budget Book. She also thanked the entire budget cabinet for their work, including Board representative, Diane Middleton and Mike Faleski as Chair.

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She began showing the proposed budget for all funds – General, Designated, Restricted, Auxiliary and Plant as well as giving a brief description of each one. She noted total revenues to be around \$101.9 million and combined expenditures of \$115.8 million. She shared a list of new revenue sources as well as areas of savings totaling almost \$1 million. A list of new strategic and operational funding needs total \$387,185. There was also a list of on-going strategic and operational funding needs that remains unchanged from last year.

S. DuFresne shared with the Board the budget assumptions with enrollment projected at 165,600 credit hours. Last month the Board approved the increase of \$5 per credit hour, an increase of \$2 to the technology fee, \$3 to the online course fee and an increase to the excess contact hour fee. Property taxes are estimated to increase just 1.9%. In regards to state aid, there is no annual increase proposed to the base foundation but an increase of \$83,000 for performance funding, and also an increase for \$300,000 for the personal property tax. Investment income is expected to increase by \$75,000.

Total revenues for the General Fund total \$69,018,266 with 41.4% coming from tuition and fees, 32.6% from property taxes, 24.2% from state appropriations and 1.8% from other sources. This is approximately a 1.85% increase from last year's budget.

On the expense side, assumptions include an increase of 2% for faculty salaries plus costs of steps and promotions; a 2% + performance compensation for administrative professional and support staff; a 2% + increase to the maintenance staff plus shift premium; and increases to both the adjunct rate and minimum wage. On the benefit side, there is an 11% increase to medical and no increases to dental, life or disability. There are also no increases for supplies and services equipment, professional development or travel.

Total expenditures in the General Fund total \$68,983,547 with 60.4% being for instruction and instructional support. Facilities Management is 12.9%, Institutional Administration is 12.7%, Student Services is 12.3% and Public Service is 1.7% which is very similar to last year's numbers.

In the Designated Fund the total revenues are approximately \$6 million and expenses totaling approximately \$5.5 million leaving a fund balance of \$9.8 million. In the Restricted Fund, total revenues are \$18.1 million and expenses are \$18.2 million resulting in a deficit of \$112,000. This is not uncommon as it is a result of the timing of when revenues are received and when expenses are paid. In the Auxiliary Fund, total revenues are \$5.6 million and expenses are \$5.7 million. There is a deficit of \$97,000 due to planned renovations. The ending fund balance is \$6.8 million.

The Plant Fund has a total revenue of \$3 million and expenses totaling \$17 million. There is a plan to spend \$13.9 million out of the reserves for projects. The \$17 million is broken down into three categories: projects approved and/or in progress; as needed maintenance projects and projects in planning.

There being no further business, the dinner meeting was adjourned at 6:58 p.m.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary