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**Delta College
Board of Trustees
Dinner Meeting
March 10, 2020
Delta College Main Campus Room N7**

Board Present: M. Benecke, R. Emrich, D. Middleton, M. Nash, M. Thomas

Board Absent: A. Buckley, S. Gannon, K. Lawrence-Webster, M. Rowley

Others Present: R. Battinkoff, N. Bovid, L. Brown, J. Carroll, P. Clark, E. Clement, A. Cramer, M. Crawmer, R. Curley, R. Curry, S. DuFresne, J. Foco, P. Fox, J. Garn, J. Goodnow, L. Govitz, M. Groulx, L. Krukowski, E. Lazzari, S. Lewless, D. McQuiston, J. Miller, M. Mosqueda, S. Paris, M. Pratt, G. Przygocki, S. Raube, S. Roche, R. Schlaack, K. Schuler, C. Thomas, A. Ursuy

Press Present: M. Piwowarski, Delta Collegiate

Board Chair, D. Middleton called the meeting to order at 6:07 pm. She then turned the meeting over to Sarah DuFresne, Vice President of Business and Finance to present the FY 2020-2021 Tuition and Fee Recommendation.

S. DuFresne completed a brief overview of the budgeting process which in higher education is based on the academic year (July-June). The process begins in the fall reviewing strategic initiatives and the current financial position of the College. A preliminary budget model is then developed incorporating key components such as revenue and expenditure assumptions, strategic initiative action projects, enrollment data, projected state and tax support, contractual obligations, etc. The Budget Cabinet reviews budget requests from budget group leaders and makes recommendations to the President. They also submit a tuition and fee recommendation to the President before it is presented to the Board for approval. Executive leadership continues to develop the preliminary budget plan and reviews long-term budget forecasts. The preliminary budget plan and long-term budget forecast is presented to the Board in May, with the final budget presented to the Board for approval no later than June 30, as required by law.

S. DuFresne talked about the Budget Cabinet whose members are appointed by the President and represent faculty, administrative professionals, support staff, maintenance, deans, vice presidents, and other administrators. The Board Chair appoints a Trustee to serve on this committee as well. They have met five times from November through February. Besides prioritizing department budget requests and making recommendations to the President, this committee is also responsible for establishing and maintaining effective, two-way communication with the remaining faculty/staff regarding budget-related issues.

This committee reviews and evaluates numerous things such as revenue and expenditure projections; comparison data of other Michigan community colleges; perspectives from the President and the Board of Trustees; the impact on our students in regards to affordability, financial aid, communication and student debt; and enrollment. Other discussions focused on the impact on the budget as it pertains to ongoing College initiatives for increasing student recruitment, retention, graduation, and enrollment.

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S. DuFresne showed the Board a bar graph comparing the 2019-2020 tuition and fees of our peer group of Michigan community colleges (Grand Rapids, Henry Ford, Jackson, Kalamazoo Valley, Mid-Michigan, Mott, Oakland, Schoolcraft, St. Clair, and Washtenaw). The state average total cost per credit/contact hour for 2019-2020 was \$144.50 compared to Delta's total cost of \$137.67. The state average for total annual tuition and fees based on a course load of 30 contact hours is \$4,321.53 compared to Delta's total annual tuition and fees of \$4,130. Delta College ranks as the 10th lowest among the 28 community colleges in Michigan for both cost per credit/contact hour and total annual tuition and fees.

S. DuFresne also showed a chart comparing the 2019-2020 annual tuition and fees of local institutions (Mid-Michigan College, Mott Community College, Saginaw Valley State University, University of Michigan-Flint, Central Michigan University, Davenport University, and Northwood University) to Delta College. Delta had the lowest tuition. She also shared information on the fall student headcount by geographic region. Eighty-two percent of our students were in-district.

The Budget Cabinet took into consideration many factors when making the tuition and fee recommendation with the following as rationale:

- Increase is necessary to maintain the quality of instruction and supports a positive student experience.
- Considered overall perception of our community and students. Invested in constructing new buildings, making renovations to our facilities to provide the best positive and quality learning environment and committed to saving funds for facility needs and maintaining college assets without incurring debt.
- Tuition and fees should be raised minimally with a focus on affordability for our students. When an increase isn't implemented, that action compounds over time.
- Revenue constraint being proposed by the Governor.
- Remain competitive among Michigan community colleges and surrounding institutions.
- Strategic action projects to increase student enrollment, retention, dual enrollment, and graduation.
- Do not want the burden of uncertainty on the backs of our students.
- Dollar increase is the same across the board for residency categories for tuition.

S. DuFresne then presented the tuition and fee recommendation for 2020-2021 to the Board. Proposed would be a \$2 increase across the board for in-district tuition (\$117.00), out-of-district (\$199.00), out-of-state tuition (\$373.00), and dual enrollment (\$117.00). A \$1 increase to the technology fee and \$1 increase to the on-line course fee was also proposed with no other changes. The recommended increase is within the range of the rate of inflation.

S. DuFresne reported a legislative update on community college funding:

- The Governor included \$8.1 million in additional community college operations funding (general fund), representing a 2.5% overall increase compared to fiscal year 2020. The increase would be distributed through the existing performance funding formula.
- Receipt of the funding increase is contingent on colleges holding tuition increases below 4.25%, equal to 2.5 times the projected inflation.
- Total community college funding of \$433.8 million – 100% from the School Aid Fund.
- Educational attainment goal of at least 60% of Michigan residents between the ages of 25 and 64 earn a college degree or certificate by 2030.

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- The proposed increase by the Governor in State Appropriations for Delta College is approximately \$346,900 or 2.3%.
- Our proposed in-district tuition and fees increase for 2020-2021 is 2.18%, which is below the 4.25% tuition constraint language proposed by the Governor.

S. DuFresne showed a snapshot of the preliminary budget model assumptions including increases and decreases for general fund revenues from FY2019-2020 to FY2020-2021.

- State appropriations awarded to Delta for FY2019-2020 amounted to an increase of only \$97,000 or .67% increase in revenue. A conservative 2.0% increase which is about \$300,000 will be used for the budget model. (The Governor's increase for Delta alone is 2.3% or \$346,900.)
- Equalization Directors recommend estimating increases in property tax values of 1.9%. Actual taxable values will not be available until the end of May. (1.9% increase in taxable values generates approximately \$431,000 in additional revenue.)
- Based on the proposed tuition and fees recommendation and estimating a 4.4% enrollment decline in contact hours generates additional revenue of approximately \$103,000 or .37%.
- Other revenue which includes accounts for investment income, transfers-in from other funds, miscellaneous income (testing fees, transcripts, etc.) will be lowered by 15%.

S. DuFresne showed a snapshot of the preliminary budget model assumptions including increases for general fund expenditures from FY2019-2020 to FY2020-2021.

- An average increase of 3.4% overall will be used for salaries and wages and other contractual obligations.
- A total increase of 4.21% will be used for Fringe Benefits which correlates to the salary and wage increases and an expected increase in health insurance.

There being no further business, the dinner meeting was adjourned at 6:42 pm.

Kay Schuler, Assistant Board Secretary (Proxy)

Andrea Ursuy, Board Secretary