

DRAFT

**Delta College
Board of Trustees Dinner Meeting
Delta College N7
Tuesday, June 10, 2025
5:30 pm**

Board Present: A. Baldwin, B. Handley-Miller, D. Middleton, M. Nash, M. Rowley, A. Thomas, M. Wood

Board Absent: A. Clark, S. Gannon,

Others Present: R. Battinkoff, T. Brown, W. Childs, P. Clark, R. Curry, J. DuFresne, J. Foco, M. Gavin, A. Goebel, L. Govitz, D. Hopkins, A. Kirn, K. Kiste-Toner, D. McQuiston, E. Merkle, J. Mulders, J. Perry, K. Schuler, A. Ursuy, R. Young

Press Present: None

Board Vice Chair, A. Baldwin, called the meeting to order at 6:02 pm. She turned the meeting over to Jon Foco, Vice President of Business and Finance to present the 2025-2026 budget. J. Foco began by thanking the following people for their help putting together the budget book. They included Jill Mulders, Stacy Schlicker and Talisa Brown. He shared the budget planning process overview and presented a summary of the proposed budget which included: revenue and expenditure assumptions based on data available; maintaining fiscal conservative practices, meeting all state and federal budget guidelines; a balanced budget; maintaining our 10% fund balance; budget aligned with the strategic plan; and enrollment that is trending upwards.

J. Foco provided a national and state economic update. Economic leaders are cautiously optimistic of Michigan's economy however, state revenues are expected to be lower than originally anticipated. Michigan's economy will be mixed over the forecast with employment growth steadily slowing and the unemployment rate slowly rising. Forecasts project state revenue to be lower than originally anticipated. The revenue projection has been reduced by \$222 million since the January 2025 estimate.

General fund revenue budget assumptions include a 3.5% increase to current base appropriation or \$591,000. The legislative proposals vary in language and increases, and the state funding legislative process is being negotiated. Total state appropriations revenue is \$17.55 million. In regard to property taxes there is a net taxable valuation increase of 4.1%, or \$1.3 million, from the previous year. Total property tax revenue is \$29.6 million. There is a loss of \$7,300 due to a rate reduction from a Headlee rollback of .0004 mills.

J. Foco showed the enrollment contact hours over the last decade noting that the projected contact hours for fiscal year 2024-2025 were 194,000 and that they are budgeting 185,800 for fiscal year 2025-2026.

General fund revenue assumptions include the board approved increases to tuition and fees that were approved in March. The legislatures have proposed tuition constraint language in draft bills. The College's overall tuition and fee revenue increase is 8.3% or \$2.6 million from last year. Total revenues

DRAFT

are \$33.7 million. There is an increase to investment income, other revenues and fund transfer of \$2.1 million.

General fund expenditures include total compensation which incorporates all approved salary and wage increases for 2025-2026. Salaries and wages account for 51% of total expenses. Fringe benefits are 26% of total expense making the total compensation 77% of expenses or \$65.2 million.

J. Foco shared examples of new and ongoing strategic and operational funding including: academic supplies; Ten16 Collegiate Recovery Program; Motimatic; UWILL; professional development increase; dual enrollment and middle college; economic impact study; reserve for future strategic initiatives (The Rock); student transportation – STARS; food pantry supplies; and operational cost increases.

General fund revenues total \$85,027,918. Tuition and fees account for 39.7%; property taxes for 34.9%; State appropriations for 23.0%; and other sources of 2.5%. General fund expenditures total \$84,537,145. Salaries account for 44.1%; fringe benefits for 25.9%; supplies and services of 17.7%; part time wages of 7.2%; equipment and capital expenses of 4.4%; and travel and professional development of 0.7%.

The designated fund records transactions of revenue and expenses that have been set apart from the general fund and include Workforce Strategies, Presidents Honors Scholarship and the Criminal Justice Program. Total revenues are \$4,193,775 and total expenditures are \$4,612,048. The restricted fund accounts for transactions resulting from revenue received by the College from outside donors, and agencies such as student financial aid grants, MichiganWorks!, and Perkins. Total revenues are \$22,767,673 and total expenditures are \$22,541,658.

The auxiliary fund accounts for transactions of those activities that deliver a product or perform a service such as the bookstore, food service, the fitness and recreation center and printing. Total revenues are \$5,125,750 and total expenditures are \$5,268,816. The plant fund had revenues of \$7,676,195 which came from private gifts, grants, state appropriations, transfer from the general fund and investment income. Total expenditures total \$11,962,983. Our buildings total over 1 million square feet, our main campus is on 640 acres and there is a replacement value of \$476 million. The largest project for 2025-2026 is the renovation of the Information Technology and Computer Science (K Wing) of \$6.725 million, the way finding project and S Wing façade and roofing.

All funds of the college total revenues are \$124,788,311 and total expenses are \$128,922,650. The ending fund balances for all funds budgeted June 30, 2025, is \$106,897,309.

There being no further business, the dinner meeting was adjourned at 6:34 pm.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary