

Delta College
Board of Trustees Dinner Meeting
Delta College N7
Tuesday, June 9, 2026
5:30 pm

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

Board Absent: None

Others Present: W. Awad, A. Bair, R. Battinkoff, T. Brown, R. Chaltraw, W. Childs, P. Clark, R. Curry, J. Foco, A. Goebel, L. Govitz, S. Hill, J. Hoffman, E. Holt, D. Hopkins, T. Johnroe, K. Kiste-Toner, P. Larkowski, G. Luczak, J. Mulders, L. Partlow, J. Perry, M. Revercomb, K. Schuler, A. Swarthout, A. Ursuy, S. VanderLaan, J. Yezak, R. Young

Press Present: None

Board Chair, S. Gannon, 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 2026-2027 budget. J. Foco began by thanking Jill Mulders, Stacy Schlicker, Talisa Brown and his entire staff. He explained that a lot of work goes into putting together the budget book. He shared the budget planning process overview and presented a summary of the proposed budget which includes: 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 alignment with the strategic plan; and enrollment that is trending upwards.

J. Foco provided a national and state economic update. Economic leaders' outlook remains mixed but generally stable with growth continuing but at a slower and more cautious pace than previous years. Inflation pressures are easing but economic uncertainty still lingers. Michigan's unemployment rate remains slightly above the national average. The School Aid Fund remains relatively stable and slightly improved while the General Fund revenues face greater pressure, potentially tightening future budgets. Michigan's long-term economic growth will depend heavily on workforce development, educational attainment, and talent retention. Community colleges are expected to remain central to Michigan's workforce and economic strategy over the next several years.

General fund revenue budget assumptions include a 7.0% increase to current base appropriations as one time funding totaling approximately \$1,265,600. The legislative proposals vary in language and increases, and the state funding legislative process is being negotiated. Total state appropriations revenue is \$19.96 million, which does not include the MPSERS add-ons. Regarding property taxes, there is a net taxable valuation increase of 4.45%, or \$1.093 million, from the previous year. Total property tax revenue is \$30.8 million. There is a loss of approximately \$116,000 due to a rate reduction from a Headlee rollback of .0077 mills.

J. Foco showed the enrollment contact hours over the last decade noting that the projected contact hours for fiscal year 2025-2026 are 200,528 and that they are budgeting 187,800 for fiscal year 2026-2027.

General fund revenue assumptions include the increases to tuition and fees that were approved by the Board in March. The legislatures have proposed tuition constraint language in draft bills. The College's overall tuition and fee revenue increase is 4.1% or \$1.4 million from last year. Total revenues are \$35.1 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 2026-2027. Salaries and wages account for 51.6% of total expenses. Fringe benefits are 25.7% of total expenses making the total compensation 77% of expenses or \$67.7 million.

J. Foco shared examples of new and ongoing strategic and operational funding including: staffing (new positions); academic supplies; athletics; software subscriptions (across all areas); dual enrollment and middle college; D2L Software; and operational cost increases (utilities, IT cybersecurity, etc.).

General fund revenues total \$88,080,924. Tuition and fees account for 39.9%; property taxes for 35.0%; State appropriations for 22.7%; and other sources of 2.4%. General fund expenditures total \$87,526,002. Salaries account for 44.0%; fringe benefits for 25.7%; supplies and services of 17.5%; part time wages of 7.6%; equipment and capital expenses of 4.4%; and travel and professional development of 0.8%.

The designated fund records transactions of revenue and expenses that have been set apart from the general fund and include Workforce Strategies, Presidents Scholar Tuition and Fees Award, Criminal Justice Program and the Technology Life Cycle. Total revenues are \$8,110,896 and total expenditures are \$4,721,198. The restricted fund accounts for transactions resulting from revenue received by the College from outside donors, agencies, and state and federal grants such as student financial aid grants, MiWorks, Perkins, TV and Broadcasting. Total revenues are \$21,846,424 and total expenditures are \$22,065,854.

The auxiliary fund accounts for transaction 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 \$5,112,418 and total expenditures are \$5,173,346. The plant fund had revenues of \$4,971,000 which came from private gifts, grants, state appropriations, transfers from the general fund, and investment income. Total expenditures total \$8,992,732. Our buildings total over 1 million square feet, our main campus is 640 acres and there is a replacement value of \$501 million. The large projects for 2026-2027 include the L&M Wing upgrades, the way finding project, S Wing facade and roofing, the Hotchkiss entrance, and the gym.

All funds of the college total revenues are \$128,121,662 and total expenses are \$128,479,132. The ending fund balances for all funds budgeted June 30, 2027, is \$119,046,933.

There being no further business, the dinner meeting was adjourned at 6:29 pm.

Talisa Brown, Secretary Pro Tem to the Board