

Cover by Luke Goodrow

Delta College

FY 2019-2020 Strategic Planning & Budget

University Center, Michigan

Delta College is one of twenty-eight community colleges in the state of Michigan. It currently has 4,593 full-time equivalents (FTE) and produces approximately 173,500 contact hours per year. The staff includes approximately 465 full-time employees of which 179 are faculty. Delta ranks as the 9th largest community college in the state.

Delta is a comprehensive community college, which offers transfer curriculum, occupational training, adult enrichment classes and a variety of other community services. The College offers certificate and associate degrees in a wide range of program areas.

The College's district encompasses the counties of Bay, Midland and Saginaw in Michigan. The College's Corporate Services Division provides training throughout the state and internationally. The 640 acre main campus is located in rural Bay County about equidistant from each of the major cities. In 1990, the College made a commitment to expanding access and developing a presence in each of the three major cities by acquiring or leasing facilities.

In June of 2016, Delta College received State of Michigan Planning Authorization for the \$12,739,000 Saginaw Center Project. This new 37,000 square foot facility is in its final stages of construction in downtown Saginaw. Through the State of Michigan Capital Outlay process the State Building Authority will fund \$6,369,300 and Delta College will fund \$6,369,700 of the LEED Gold designed center. The project broke ground in March 2018 and classes will begin Fall 2019. Prior to the development of the Downtown Saginaw Center, the College has been leasing space at the Ricker Center in Saginaw from the School District of the City of Saginaw. The Ricker Center has served as a multi-purpose facility providing classrooms, a computer lab, a science lab, and student support services. The lease with Ricker will end on June 30, 2019.

The Delta College Midland Center was purchased in 1991 through a bond sale. It is a renovated Catholic elementary school with about 25,000 square feet. Delta has been challenged at its current Midland facility on Wheeler Road due to an aging building and infrastructure. An evaluation was conducted and it was determined that it would be in the best financial interest of Delta College to pursue constructing a new center versus renovating the current Midland facility. In August 2018, the Board of Trustees approved a new site location in downtown Midland. The land was donated to the College with the purpose to construct a Downtown Midland Center. The project is budgeted at a cost of \$13 million. Delta College was able to secure \$9.15 million in private sector donations to apply to the cost, with the remaining dollars provided through Delta College's Plant Fund savings. The ground breaking ceremony was held on April 22, 2019 and the planned opening is Fall of 2020.



Delta College Board of Trustees

Bay County: Mary Lou Benecke (Vice Chair), Diane M. Middleton, '88 (Chair), Michael D. Rowley, '90

Midland County: Andre L. Buckley, Stacey L. Gannon, Michael P. Nash, '14

Saginaw County: The Rev. Dr. Robert L. Emrich, Karen Lawrence-Webster, Marcia L. Thomas

President: Dr. Jean Goodnow

Equal Opportunity Statement

Delta College embraces equal opportunity as a core value: we actively promote, advocate, respect and value differences, and we foster a welcoming environment of openness and appreciation for all. Delta prohibits discrimination in accordance with, and as defined by, applicable federal, state, and local law, particularly non-discrimination in employment, education, public accommodation, or public service on the basis of age, arrest record, color, disability, ethnicity, familial status, gender identity, genetic information, height, marital status, national origin, race, religion, sex, sexual orientation, veteran status, and weight. Direct inquiries to the Equity/Compliance Officer, Delta College, Office A093, 1961 Delta Rd., University Center, MI 48710, telephone 989-686-9547, or email equityoffice@delta.edu.

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Dear Colleagues and Constituents:

Delta College has prepared a balanced budget for 2019-2020 with overall revenues meeting or exceeding expenditures. The overall budget is \$119,289,613 (all funds), with \$68,744,086 in the General Fund. The College maintains reserves at recommended levels and continues to set aside the necessary funds for facility maintenance and to address potential revenue reductions. The College has maintained its ongoing financial philosophy of not incurring debt for new construction, renovations, operations or maintenance. The College has established a reserve for long-term sustainability for unexpected contingencies that is accounted for in the Designated Fund of the College, and a separate fund for innovation and revenue growth.

Revenue:

The State of Michigan continues to address a challenging economic climate with the reinvention of manufacturing jobs and a successful manufacturing environment once dominated by the automotive industries. These challenges include stagnant property tax valuations and in 2014, the phase out of the personal property tax began. In 2019-2020, a slight increase in community college base funding through State Appropriations has been budgeted. This line item reflects a decrease from the 2018-2019 budget, due to the personal property tax loss reimbursement payment being received and less than budgeted.

Property tax revenues are expected to increase by 1.9%, which is below the State Headlee inflation rate cap of 2.4%, due largely to continued implementation of the phase out of the personal property tax. This contrasts significantly with historical trends in which property tax values were greater than inflation until 2006-2007. Delta College also relinquishes a large portion of tax revenues (approximately \$1 million annually) due to property tax reductions granted for economic development purposes (tax abatements, Downtown Development tax captures, etc.). Property tax values are beginning to increase, but at a very slow pace and it appears this will be the trend in future years.

The College has a philosophy of providing high quality instruction and educational services for our students at a reasonable cost. Prior to Fall 2019, the College charged student tuition rates on a per credit hour basis. In addition to this, fees for excess contact hours were charged at a discounted rate of tuition per contact hour. In 2018-2019, the College began the conversion of charging by contact hours from credit hours. This billing method is effective beginning in Fall 2019. Charging by contact hours is easier for our students to understand since they pay for the hours of instruction they receive for their courses. The Board has approved an increase of \$3.00 per contact hour for in-district tuition for the 2019-2020 year or \$115 per contact hour. An increase in technology fees of \$1.00 or \$20 per contact hour was also approved. No other increases were made to the current fee structure. The fee for on-line courses remains at \$33 per contact hour. The registration fee remains at \$40 per semester. Charging by contact hour eliminates the need to have an excess contact hour fee. Also for 2019-2020, the Board approved a dual enrollment rate for all dual enrolled students which is \$115 per contact hour plus any applicable fees. Delta College's tuition remains the lowest of any higher education institution in the Great Lakes Bay Region and among the lowest in the State.

Ongoing enrollment declines reflecting a general population decline in the region, as well as predicted declines in high school graduates is the primary factor driving overall revenue declines. A projected loss of 7.7% or 14,540 contact hours in 2019-2020 equates to a loss in tuition and fee revenue of over \$1,100,000 prior to applying any tuition increases. In total, revenue will slightly decrease by 0.15 % from the 2018-2019 budget.

Expenditures:

Increases in the cost of instruction, technology, retirement contributions and health insurance continue to place pressure on the College budget. With long-term sustainability of Delta College a critical mission, an employee severance package was offered to all eligible employees across the College during 2018-2019. The criteria to be eligible was 10 years of full-time service with Delta College. A total of 57 employees opted to take the severance package, and will exit Delta College no later than June 30, 2019. Some of these employees will have extended employment with Delta College through June 30, 2020, to allow the College time to replace critically needed positions and cross-train their replacements. The severance has provided Delta College an opportunity to reorganize and evaluate staffing levels that better align with declining enrollment and other revenue gaps. As resources are allocated, attention is given to ensure that the College is able to continue strong support for learning as its core mission. It is imperative that we continue to change and adapt across the College in order to better position Delta College to respond to

opportunities and challenges that occur year-round which impact enrollment and student success. The College has experienced changes daily and weekly and will continue to change in process and structure to be innovative in supporting student success and long-term financial sustainability.

Campus Renovations:

In June of 2016, Delta College received State of Michigan Planning Authorization for the \$12,739,000 Saginaw Center Project. This new 37,000 square foot facility is in its final stages of construction in downtown Saginaw. Through the State of Michigan Capital Outlay process the State Building Authority will fund \$6,369,300 and Delta College will fund \$6,369,700 of the LEED Gold designed center. The project broke ground in March 2018 and classes will begin Fall 2019. Prior to the development of the Downtown Saginaw Center, the College has been leasing space at the Ricker Center in Saginaw from the School District of the City of Saginaw. The Ricker Center has served as a multi-purpose facility providing classrooms, a computer lab, a science lab, and student support services. The lease with Ricker will end on June 30, 2019.

The Delta College Midland Center was purchased in 1991 through a bond sale. It is a renovated Catholic elementary school with about 25,000 square feet. Delta has been challenged at its current Midland facility on Wheeler Road due to an aging building and infrastructure. An evaluation was conducted and it was determined that it would be in the best financial interest of Delta College to pursue constructing a new center versus renovating the current Midland facility. In August 2018, the Board of Trustees approved a new site location in downtown Midland. The land was donated to the College with the purpose to construct a Downtown Midland Center. The project is budgeted at a cost of \$13 million. Delta College was able to secure \$9.15 million in private sector donations to apply to the cost, with the remaining dollars provided through Delta College's Plant Fund savings. The ground breaking ceremony was held on April 22, 2019 and the planned opening is Fall of 2020.

Budget Priorities:

The College uses a comprehensive Strategic Planning and Budgeting process to identify institutional and budget priorities. Delta College participates in the Academic Quality Improvement Program (AQIP) accreditation process. The Strategic Planning, Budgeting and AQIP processes will continue to guide our budget planning and resource allocation for 2019-2020 and the coming years. These priorities include student success, community focus, sustainability and people focus.

During the upcoming fiscal year, Delta College will use continuous improvement and process management strategies to prioritize resources, improve operational efficiencies and improve the cost-effectiveness of operations. Through these strategies, Delta College will maintain its high quality instruction and educational services and move forward with new innovations. The College's faculty and staff will continue to provide high quality learning opportunities to positively impact our students and the community. We are grateful to our community for more than 56 years of tremendous support. Delta College looks forward to serving you in the future.

Sincerely,

Jean Goodnow, Ph.D.

President

Delta College Budget Planning and Resource Allocation Decisions

The budget process for the upcoming fiscal year begins after fall enrollment data is available. A budget model is developed, based on the best available information for each revenue and expense category and new strategic initiatives are incorporated. The budget model is reviewed and discussed with the President, Executive Council and Budget Cabinet beginning in mid-fall and the budget model assumptions are discussed and updated regularly during the year as new information becomes available.

College enrollment continues to decline. The Michigan economy is now relatively strong, non-traditional students are employed and the K-12 graduating class sizes are declining commensurate with the loss in regional population from the recessionary years. Competition for students among institutions has heightened. Enrollment and retention initiatives are in place to attract an increased percentage of the declining K-12 graduates and adults seeking new skills. A drop of 14,540 contact hours has been projected for the upcoming year, a decline of 7.7% and a loss of over \$1,100,000 in annual tuition revenue prior to applying any tuition increases.

A minimal increase in base State appropriations is projected for FY 2019-2020, however, this line item does reflect a net decrease for the personal property tax loss reimbursement anticipated in 2019-2020. In 2013 Michigan voters approved a multiyear phase out of personal property tax and in 2016 reimbursement from the State began based on revenue losses compared to 2013 values. Beginning in 2018, payments are received from the State Local Stabilization Authority in October and the final distribution in May.

Delta's Board of Trustees, Budget Cabinet and administration have a long history of focusing on tuition affordability. Delta's indistrict tuition continually ranks below the State average of the 28 Michigan community colleges. For FY 2019-2020, tuition has been set at \$115.00/contact hour or an increase of \$3.00/contact hour. The Board also approved a \$1.00 increase in the technology fee, raising it from \$19 to \$20 per contact hour. No increases to online course or registration fees were made. A dual enrollment rate of \$115 per contact hour plus applicable fees was also approved by the Board of Trustees which is effective beginning Fall 2019. This allows the College to remain competitive for our dual enrolled students in and out-of-district. The College has converted charging tuition on a per contact hour basis, from the prior method which was charged on a per credit hour basis. Charging on a contact hour basis is student focused. Students will more clearly see what they are paying for in terms of hours of instruction for each course. It also eliminates the excess contact hour fee because it no longer is applicable. The minimal increase in tuition and fee rates is necessary to offset the losses in revenue from declining enrollments and to cover modest inflationary increases as property tax revenues and State funding are not increasing at a level consistent with inflation.

On September 4, 2012, Public Act 300 was enacted addressing major reform in the Michigan Public School Employees Retirement System (MPSERS). This complex reform bill addressed many of the long standing and unsustainable components of the system, including the anticipated increase in mandated employer contributions. The bill offered current employees an election for future pension and health benefits, accompanied by varying levels of employee contributions. After all elections were made, the College's effective contribution rate approximates 25.8% of salary and applies to current and future employees, regardless of whether they elect to participate in the defined benefit or defined contribution plan until the system's \$40 billion unfunded actuarially accrued liability is funded. Retirement related benefit costs, including Federal Social Security add over 34% of expense to each wage dollar paid for all MPSERS employees.

Fiscal constraint and resource reallocation have played important roles in budget management during this era of economic strain and decreased enrollments in Michigan. The budgeting process focuses on student success as outlined in the College's mission, vision, values, guiding principles and strategic initiatives. Recommendations for cost saving measures, funding reallocations and replacement revenues are solicited from all faculty and staff through the Budget Cabinet with a commitment to bring each idea forward for consideration by the Executive Council. Specific reductions in spending and resource reallocations have been components of the annual budget process for the past decade. The FY 2019-2020 balanced budget plan incorporates savings of \$2,068,425 and \$1,725,958 in new strategic and operational funding and maintains all existing programs and services.

The College is enrolled in a self-funded medical insurance program through Blue Cross Blue Shield. This model is a Preferred Provider Organization (PPO) and has been in place since 2011-2012. Prior to this, the college was enrolled in a fully insured health plan. The current employee contribution toward medical insurance is 20% of the illustrative medical premium rates.

Medical insurance continues to be managed with a focus on creating consumer awareness, wellness and involvement. The Delta College Benefits Committee, with representation from all employee groups meets annually, or as needed, to say abreast of the healthcare landscape and benefit design alternatives. The committee which met in 2018 included many health care professionals and individuals with knowledge and experience with other employers and other medical plans. Their contributions, questions, comments, and perspectives were invaluable and resulted in engaging, robust and professional discussions about direction and future decisions related to these important benefits and compensation dollars.

The Strategic Plan recognizes the importance of maintaining a College-wide Benefits Committee for purposes of staying informed and updated on insurances, retirement and other benefit matters. Understanding and discussing market and industry trends in benefits and promoting consumer education, awareness and understanding among employees through group representation have been identified as key to increasing the efficiency of resource utilization and maintaining fiscal responsibility and stability. The committee makes a final recommendation to the President of possible benefit design alternatives to be considered and further investigated, that may generate substantial one time savings, and ongoing annual savings for both the College and employee.

The 2017-2018 Benefits Committee recommended plan design changes to the current healthcare college deductible (\$250/\$500) that would save the College and employee money through increasing co-pays such as the Emergency Room visit charge. Also, the prescription drug benefit was changed from an existing three tier design to a five tier prescription plan program. These design changes are anticipated to provide a lower annual premium cost, and inherently save on health insurance utilization costs the College will pay. Beginning in January 2020, the deductible will be increased to \$500/\$1,000, which is anticipated to provide additional savings to both the College and employees.

During fiscal year 2018-2019 the College offered an optional Qualified High-Deductible Health Plan (HDHP) with a Health Savings Account (HSA). This plan is underwritten by Blue Cross Blue Shield and is self-funded, which is consistent with the \$250/\$500 deductible PPO option. The College funds the deductible of the HDHP at 80/20 on a one-time only basis only for those employees that choose to enroll in this plan. The expectation is that the College and the employee would experience immediate savings if this plan were selected, and would have ongoing long-term substantial savings to the self-funded model through premium rates and health insurance claims paid by Delta College.

Delta's ongoing benefit design changes and current employee contributions place the College safely below the Public Act 152 limitations on public employer payment for employee medical insurance enacted in 2011.

Delta College Budget Planning and Resource Allocation Decisions

Facility maintenance and equipment replacement has been an important priority to the College. In 1996-1997, a long-term goal was established to commit approximately 5% of the budget or about \$2-3 million annually to a Facility Maintenance and Equipment Replacement Fund for capital asset life cycle replacement. Current appraised replacement value for the College buildings and contents total \$291 million. A simple 30 year life cycle replacement for the entire value would require \$9.7 million be reserved annually. The College currently allocates \$2 million annually for Asset Life-Cycle Replacement/Depreciation. In the 2019-2020 proposed budget, the College has allocated an additional \$400,000 to be transferred to the Plant Fund for savings for future needs of the two new centers under construction in Saginaw and Midland. This will provide a funding mechanism for asset life cycle replacement needs.

Additionally, any excess revenues over expenditures beyond those needed to maintain a 10% General Fund Reserve Balance are traditionally transferred to the Plant Fund at the end of each fiscal year. Beginning in 2017-2018 and going forward a portion of any excess will also be allocated to the Designated Fund for the Budget Sustainability and Innovation Initiatives Reserves in an effort to provide for unexpected contingencies, revenue shortfalls, emergencies or innovative initiatives for long-term sustainability.

During the planning phase and upon completion of a draft Balanced Budget Plan for the upcoming year, Executive Council reviews and discusses a Five-Year Budget and Forecast Model. The current year and upcoming proposed Budget and Five-Year Budget and Forecast is also reviewed and discussed with the Board of Trustees a month in advance of presentation of the annual budget and vote of adoption.

The College developed a General Fund Budget Projection Model. This model is utilized during the budget process and insalary negotiations with employee groups to provide immediate feedback on the financial impact of various policy decisions.

Built into the model are revenue and expense variables. Changes in any one of these variables can significantly affect the College's General Fund operations. The model calculates the financial effect due to changes in any of the variables.

State budget proposals and property tax legislation provide perfect examples of the usefulness of the General Fund Budget Projection Model. For example, at the time of this report, the State legislature has not approved a community college funding bill. We are using a conservative estimate. By plugging various scenarios in the model, the College can quickly estimate the financial impact of changes in the level of funding from state aid and property taxes.

In addition to state appropriations and property taxes, other revenue variables included in the model are tuition (stated in terms of contact hours and tuition rate per contact hour) fees, and all other revenues.

Expense variables built into the model are salaries, fringe benefits, supplies and services, capital expenditures, and professional development and travel. Because the College negotiates a separate compensation agreement with various employee groups and because salaries and fringe benefits make up approximately 77% of the General Fund Budget, the salaries and fringe benefits variables are subdivided into smaller units. These variable units are full time faculty, full time faculty overload, part time faculty, support staff, maintenance staff, and administrative and professional staff. Fringe benefits are subdivided into federal taxes, a weighted retirement average for MPSERS and ORP, medical insurance, and other benefits.

In order to estimate the future impact of the various changes that can affect the College's operations, a base was established. It is from this base that all future revenue and expenditure estimates are calculated. The base for projections uses the 2018-2019 Budget, adjusted for known factors which have taken place over time. It should be emphasized that other bases can be used. Changes to any one of the input variables will independently affect the financial bottom line of the College. At the time the budget is presented for approval for the next fiscal year, all assumptions are based on information available at that time.

Delta College Budget Planning and Resource Allocation Decisions

Sources of New Revenue and Savings

Sources of New Revenue and Savings

Description	Amount	Strategic Focus Area	Cost Center
One time only reserve last year for Expenditure if Enrollment Target Met	\$ 87,529	S	6723
College supplies & materials budget reductions	105,181	S	Various
Academic Computer Life Cycle Replacement	34,450	S	1126
Investment Income	150,000	S	Revenue
Reduce Uncollectible Student Accounts	200,000	S	6772
Employee Compensation Reduction: Severance Plan, vacancies not filled, and reorganizations – net after estimated compensation increases	1,461,000	S	Various
Increase in Foundation Cost Offset Transfer	1,065	S	Revenue
Employer Talent Pipeline Grant Match Elimination	29,200	S	4599

Total New Revenue and Savings

\$ 2,068,425

Strategic Focus Areas: SS – Student Success **CF** – Community Focus **S** – Sustainability **PF** – People Focus

Delta College Budget Planning and Resource Allocation Decisions

New and On-Going Strategic and Operational Funding

New Strategic and Operational Funding

Description	Amount	Strategic Focus Area	Cost Center
Academic Computer Life Cycle Replacement Allocation to Plant Fund	\$ 23,700	SS	4599
Ellucian Contract Annual	53,000	SS	Various
Ellucian ESSA Software Licensing & Maintenance Fee Increase	28,000	SS	6745
E911 Compliance Software for phone system	20,000	S	6740
Desire to 2 Learn Contract Increase	16,000	SS	4515
New E-Learning System-one time only 2019-2020	200,000	SS	4515
Online Course Evaluation Software	14,000	S	1125
Legal Fees –employment contracts, communications, labor contracts	75,000	PF	6731
Work Order System software for facilities	30,000	S	7781
New Saginaw Center: public safety resources, utilities, building	221,258	SS	7789/7755
maintenance supplies, inspections, contracted services			
League for Innovation	20,000	SS	6726
Increase in Plant Fund Transfer- One Time Only	400,000	S	7775
Transfer to Sustainability & Innovation Initiatives Reserves One Time Only	625,000	S	6799

Total New Funding \$ 1,725,958

On-Going Strategic and Operational Funding

Description	Amount	Strategic Focus Area	Cost Center
Instructional Computer 4-Year Replacement Life Cycle Funding	\$ 87,500	SS	1124
Achieving the Dream Initiative Match	57,291	SS	5627
Asset Life Cycle Replacement/Depreciation	2,000,000	S	7799
Total On-Going Funding	\$ 2,144,791		

Strategic Focus Areas: SS – Student Success **CF** – Community Focus **S** – Sustainability **PF** – People



Message from Budget Cabinet Chair

It is on behalf of the Delta College Budget Cabinet members that I write this letter. Members worked diligently and thoughtfully to make responsible recommendations that address the needs of the College. There were many lively discussions as we worked with both a great deal of data and also projections for the coming year. As always, the cabinet's goal was to support the mission, vision, and values of Delta College while continuing our tradition of excellence and affordability. Sarah DuFresne, the Vice President of Business and Finance, did an admirable job of presenting all kinds of information for the group to consider.

Delta College's General Fund, the operating fund of the college, depends on three revenue sources:

- 1. Tuition and fees
- 2. State appropriations
- 3. Property taxes from Bay, Midland and Saginaw Counties

The College continues to see enrollment declines with another projected drop for 2019-2020. The budget presented herein is based on an enrollment projection of 173,500 contact hours. State appropriations have included very modest increases in recent years, while property tax values have primarily remained stagnant or increased minimally.

These fiscal realities have caused an increasing reliance on tuition and fees which now make up approximately 40% of the budgeted revenue. Even with increases there, tuition and fees have remained very affordable as costs have continued to increase. In response to the consideration of these factors, the recommendation of this Budget Cabinet is to increase tuition and fees for the 2019-2020 year in various ways. It must be noted, as well, that spending savings also are planned in many areas of the College.

After careful review with our priority to sustain quality instruction and services, several one-time and on-going spending requests were approved to help maintain currency of technology and equipment resources.

With these recommendations, it is with pleasure that Budget Cabinet members send forward a balanced budget plan that is responsible to all stakeholders. To maintain transparency and trust, minutes from all Budget Cabinet meetings are available online.

I would like to sincerely thank all Budget Cabinet members for their conscientious efforts and valuable contributions during this year's planning cycle. Cabinet members include representatives from the Board of Trustees, faculty, administration and staff. Also, special thanks to Sarah DuFresne for all of the discussions and assistance with the Budget Cabinet, to the Finance Department for their supporting work, and to all others for their contributions to the planning process.

Respectfully,

Michael C. Faleski Budget Cabinet Chair

Michael C. Talula

Delta College Budget Cabinet 2018-2019

Pam Clark	Executive Director of Institutional Advancement
Emily Clement	
Angela Cramer	
	Dean of Enrollment Management
Reva Curry	Vice President of Instruction & Learning Services
	Vice President of Business & Finance/Board Treasurer
	Faculty-at-Large Appointment through 6/2019
Mike Faleski	Chair of Budget Cabinet
•	
	Faculty-at-Large appointment through 6/2019
	Representative of Facilities Maintenance Union
	Chair of Council of Chairs
	Faculty-at-Large Appointment through 6/2020
Greg Luczak	Manager of Finance – Academics
	Board of Trustees Representative
	Vice President of Student & Educational Services
	Chair of Faculty Salary Committee 2019
Dan Sabourin	Co-Chair of Faculty Executive Committee 2019 & Faculty-at-Large Appointment through 6/2021
	Faculty-at-Large Appointment through 6/2020
•	Executive Director of Administrative Services & Institutional Effectiveness
Craig Wilson	

Strategic Planning

Notes

Delta College Strategic Plan 2019-2023

Year 1



Strategic Planning at Delta College

Delta College has implemented a systemic strategic planning process that supports the mission, vision, and values; is aligned horizontally and vertically throughout the organization; integrates environmental scanning, resource allocation, and resource development; and effectively implements coordinated action projects that improve the College's programs and services. Action projects are measureable and benchmarked externally to support Delta College's commitment to be a high-performing institution. During the planning process, College leaders implement practices that encourage excellence, innovation, agility, assessment, and engagement to continually improve performance.

Strategic Planning & Institutional Effectiveness Steering Committee

The Strategic Planning and Institutional Effectiveness Steering Committee is a cross-functional group whose purpose is to guide and align the planning process. The committee work includes participation in the creation of the strategic plan. In addition, the group provides feedback on the plan, monitors plan progress, aligns the process with the other key processes such as accreditation, and budget, and communicates planning efforts to the entire campus community. A "sub-group" of the Strategic Planning and Institutional Effectiveness Committee, comprised of the President, Vice President of Student & Educational Services, Vice President of Instruction & Learning Services, Vice President of Business & Finance, Director of Institutional Research and Executive Director of Administrative Services and Institutional Effectiveness (Chair) meet regularly to ensure alignment of the plan with other quality efforts across campus.













Emily Clement – Chair of ECAPS; **Dr. Martha Crawmer** – Dean of Teaching and Learning; **Dr. Reva Curry** – Vice President of Instruction & Learning Services; **Sarah DuFresne** – Vice President of Business & Finance; **Dr. Michael Faleski** – Academic Assessment; **Dr. Jean Goodnow** – President













Sheryl Jensen – SSEC Representative; Janis Kendziorski – Faculty Member at Large; Jonathan Miller – Dean of Students; Margaret Mosqueda – Vice President of Student & Educational Services; Daniel Sabourin – FEC Co-Chair; Kay Schuler – Administrative Assistant, President's Office









Leslie Shrier – Administrative Assistant, VPILS and AQIP; **Andy Sovis** – Senate President; **Andrea Ursuy** – Executive Director of Administrative Services and Institutional Effectiveness (Committee Chair); **Michael Wood** – Director of Institutional Research

Delta College Mission, Vision, and Values

The Delta College Board of Trustees adopted the current Mission on April 12, 2012, and the Vision and Values statements on May 9, 2006.

Mission

Delta College serves the Great Lakes Bay Region by educating, enriching and empowering our diverse community of learners to achieve their personal, professional and academic goals.

Vision

Delta College is our communities' first choice to learn, work, and grow.

Values

Delta College is a diverse learning-centered community based on integrity and respect. From a foundation of leadership, we use innovation and teamwork to achieve excellence.

- **Diversity:** We actively promote, advocate, respect and value differences. We foster a welcoming environment of openness and appreciation for all.
- Integrity: We are committed to honesty, ethical conduct, and responsibility.
- **Respect:** We stand for trust, caring, loyalty and academic freedom.
- **Excellence:** We support outstanding achievement in our students, employees, and communities. We have a passion for quality and strive for continuous improvement.
- Leadership: We create and communicate inspirational visions for results. We are accountable to our communities.
- Innovation: We rejoice in creative change. We are flexible, agile, and risk-taking.
- **Teamwork:** We foster communication and collaboration across boundaries, and support shared governance.
- **Learning-centered community:** We are an engaging, inclusive, diverse learning organization. We focus on academic excellence, civic responsibility and community leadership.

Environmental Scanning

Environmental scanning is a critical component of strategic planning. It creates the foundation for the College to provide quality services and resources to effectively serve its constituents, provides information for data-driven decision making, and supports programmatic and budget decisions for the current and upcoming fiscal years.

Environmental scanning is not just the responsibility of one person at Delta College; it is the responsibility of all. It is an integral part of the planning and leadership work of the Executive Council and the Strategic Planning and Institutional Effectiveness Steering Committee. All employees are encouraged to share environmental scanning information via an electronic form on the College portal site via the Institutional Research page.

The College has identified economic, educational, and social indicators that are considered at the local/regional, state and national levels. While most heavily used during the strategic planning process, environmental scanning is also used on a regular basis where it shows activities in the community that may act as opportunities or threats to the College.

To inform the 2019-2023 strategic planning process, in early 2019, the College engaged in an environmental scanning process. The scan included an analysis of both internal and external trends and a review of our stakeholders' opinions of the College through a "community scan."

The community scan was drafted with the input of internal constituents, including the Board of Trustees. A representative sampling of households from Bay, Midland, and Saginaw Counties was used to conduct the scan.

As part of the community scan, stakeholder feedback was gathered by a third party through the following methods:

- Online panel surveys with individuals representing Bay, Midland, and Saginaw Counties (403 completed)
- Telephone interviews with individuals representing Bay, Midland, and Saginaw Counties (17 completed)
- Online survey of Delta College students (1,082 surveys completed)
- Online survey of Faculty and Staff (238 surveys completed)

The community scan process resulted in more than 1,700 interactions with our constituents. The environmental scan information was presented to the Board of Trustees and members of the public at the March 12, 2019 Board of Trustees Dinner Meeting. The completion of the 2019 environmental scan was the first step in the creation of the 2019-2023 Strategic Plan.



Strategic Planning Context – Our Region

To support Delta College's environmental scanning and strategic planning processes, a brief description of the demographics of the College's service district (Bay, Midland, and Saginaw Counties) will set the context for environmental scanning and the implications identified.

Population: According to US Census data, the region's population has declined by an estimated 3.2% since the 2010 census. The number of high school students has decreased due to lower birth rates and population leaving the area. This has led school districts to close more schools and to close or merge entire districts. Simultaneously, the district's population is aging as a greater percentage of the residents are aged 65 and above (18.9%).

Employment: The tri-county region's current unemployment rate is 4.7% which is slightly higher than the state and national unemployment rates (at 4.1% and 3.9%, respectively, annualized for 2018). This low unemployment rate actually has a negative effect on our enrollment, as a sector of our students would rather work and earn wages than go to school. Recent events also show a slight decline in the labor force as local industry makes adjustments and the population ages, which has an adverse effect on training opportunities.

Educational Attainment: Only 23.4% of residents in our service district aged 25 and above have earned a bachelor's degree (Bay County 19.0%; Midland County 34.1%; and Saginaw County 21.1%) compared to the state average of 28.1% and the national average of 30.9%. There is a disconnect between residents' educational levels and the post-secondary skills required by employers in the region's economy. Jobs that previously required a high school diploma now require a minimum of an associate degree due to automation, sophisticated equipment, required quality processes, and critical thinking/problem solving skills. Regional employers are concerned that there will not be enough workers to fill the jobs of retiring baby boomers, especially in the trade and technical areas. There is also a concern that the workforce will not have the requisite skills to fill the jobs of tomorrow.

Income: With the decline in automotive manufacturing, income levels have declined and the percentage of residents in situational poverty has increased. With the exception of Midland County (\$57,117), median incomes in Bay (\$45,983) and Saginaw (\$45,034) are below the State (\$52,668) and national (\$57,652) averages. The tri-county region's poverty rate is 15.2% which is slightly higher than in Michigan (14.2%) and even higher than the United States (12.3%).



Strategic Focus Areas

Delta College's four strategic focus areas were initially identified in 2006 with input from a community-wide group of constituents.

In 2019, the College conducted an environmental scan through a "community survey" process. The scan resulted in more than 1,700 feedback responses from members of the community. The Board of Trustees, Executive Council and members of the Strategic Planning and Institutional Effectiveness Steering Committee utilized this input as well as the results of an in-depth Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis, and analysis of the College's key challenges and advantages in deciding to continue to focus on these four areas for the 2019-2023 Strategic Plan.

Delta College's four strategic focus areas establish the foundation for the initiatives and action projects that are part of the Delta College Strategic Plan.

The four strategic focus areas are:









Student Success:

Promoting success for all students, in the classroom, and in life

Community Focus:

Understanding and responding to our communities' needs

Sustainability:

Using all resources in an efficient and sustainable way

People Focus:

Respecting and growing our people personally, professionally, and organizationally

Strategic Initiatives Overview 2019-2023

Delta College's strategic initiatives provide a broad, goal-oriented description of the way in which the College is working to attain success in each of our four identified strategic focus areas.

For the 2019-2023 strategic plan, the College has identified 9 strategic initiatives. To accomplish these initiatives, institutional action projects have been developed. Action projects can be short-term or long-term and as they are completed, new projects will be identified. At this time, the College is focusing on 14 institutional action projects.

The strategic initiatives are listed below.

Student Success

- 1.1 Increase student recruitment, retention, and completion to positively impact the traditional, adult, online, and dual enrolled students.
- 1.2 Implement a seamless student journey in alignment with each student's personal, professional, and academic goals.

Community Focus

- 2.1 Utilize Delta College's competitive advantage to strengthen our connection with the communities we serve.
- 2.2 Create mutually beneficial relationships with key educational institutions.
- 2.3 Leverage our career education expertise to increase awareness to meet the employer and workforce talent pipeline needs to sustain a strong vibrant region.

Sustainability

- 3.1 Conduct operations in an innovative and agile manner to provide opportunities for growth.
- 3.2 Refine the significant value added components that define Delta College.

People Focus

- 4.1 Strengthen collaborative relationships and an inclusive environment with the Board, Administration, Faculty, and Staff to develop additional avenues to increase teamwork.
- 4.2 Increase the diversity of the College.



Student Success - Institutional Action Projects

Initiative 1.1: Increase student recruitment, retention, and completion to positively impact the traditional, adult, online, and dual enrolled students.

Action Project 1.1 – 1: ENROLLMENT: Develop, implement, and assess strategic recruitment activities that positively impact the enrollment of students.

Description of Action Project: Implement and assess strategic recruitment activities and modify as necessary

Champion(s): Margaret Mosqueda and Dr. Reva Curry **Approach for Implementation:** Cross-Functional Team

Resources: Joint Leadership Council, Student and Civic Engagement (SACE), Academic Associate Deans, Program and Discipline

Coordinators, Director of Dual Enrollment, eLearning Team, and Counseling and Advising

Project Length: More than 1 year

Project Measures

Baseline:

- 1. 2018-19 Contact Hours (184,919)
- 2. 2018-19 Online Course Sections (680 INET, 173 CNET, 853 total)
- 3. 2018-19 Total number of unduplicated dual enrollment students (967)

Goal:

- 1. Identify, develop, and implement 10 top disciplines/programs (by student intent) and identify discipline/program-based recruitment.
- 2. Expand the number of online course sections by 2 percent a year for a total of 8 percent by the end of this planning cycle.
- 3. Increase the number of dual enrollment students by 10 percent.

Action Project 1.1 – 2: RETENTION: Develop, implement, and assess strategic activities that positively impact the retention of enrolled students.

Description of Action Project: Implement and assess strategic retention activities and modify as necessary. Provide specific learning opportunities for faculty and staff to improve understanding and application of data in areas that influence retention.

Champion(s): Dr. Russ Curley and Dr. Martha Crawmer **Approach for Implementation:** Cross-Functional Team

Resources: SACE, Academic Associate Deans, Program and Discipline Coordinators, Director of Dual Enrollment, eLearning Team, Joint Leadership Council, and Counseling and Advising

Project Length: More than 1 year

Project Measures

Baseline:

- 1. Course schedule for Academic Year 2018-2019
- 2. Identification of scheduling conflicts for full-time completion of Michigan Transfer Agreement (MTA) in one academic year on main campus.

Goal:

- 1. Implement coordinated scheduling to support full-time and part-time completion of Guided Pathways for top 10 and MTA programs by Fall 2019, next 10 by Fall 2020, next 10 by Fall 2021.
- 2. Develop a virtual center for online courses and services by April 2020.
- 3. Enhance student services in the dual enrollment center.
- 4. Implement focused best practice initiatives to increase student retention.
 - a. Odessa College Visitation Team's recommendations for best practices
 - b. Retention project College 101: Becoming a Pioneer
 - c. Advising before dropping a class

Action Project 1.1 – 3: COMPLETION: Develop, implement, and assess strategic activities that positively impact the completion of students.

Description of Action Project: Implement and assess strategic completion activities and modify as necessary.

Champion(s): Jason Premo and Dr. Pete Fox

Approach for Implementation: Cross-Functional Team

Resources: Career Services, Counseling and Advising, SACE, Registrar's Office, Academic Associate Deans, and Joint Leadership

Council

Project Length: More than 1 year

Project Measures

Baseline:

- 1. Number of students who have worked with Career Services in Academic Year 2018-2019.
- 2. Number of students who transferred in Academic Year 2018-2019. (Number of credits before students transfer)
- 3. Number of graduates who completed in Academic Year 2018-2019.
- 4. Number of faculty participating in the High Impact Practice (HIP) Circles.

Goal:

- 1. Implement pro-active career development process beginning with recruitment and continuing through career placement. (+One Connection, Four Pillars, Focus 2 assessment)
- 2. Implement pro-active transfer process beginning with recruitment through successful transfer.
- 3. Revise graduation application and graduate surveys with a goal of increasing response rate regarding employment and salaries.
- 4. Expand participation of faculty in the HIP Circles by 100%.
- 5. Improve persistence rates of students who are enrolled in course sections in which faculty are participating in HIP Circles by 5%.

Initiative 1.2: Implement a seamless student journey in alignment with each student's personal, professional, and academic goals.

Action Project 1.2-1: Define, implement, and assess student success measures that relate to each student's goals.

Description of Action Project: Use intrusive advising based on scores set by the Customer Relationship Management (CRM) Advise tool to define, implement, and assess student measures that relate to each student's goals.

Champion(s): Shelly Raube and Dr. Martha Crawmer

Approach for Implementation: Cross-Functional Team

Resources: Counseling and Advising, SACE, Registrar's Office, Academic Associate Deans, Joint Leadership Council, and Director of Information Technology Services

Project Length: More than 1 year

Project Measures

Baseline:

1. Brand new, baseline to be established once system is developed.

- 1. Establish the variables to be used in scoring students.
- 2. Work with Office of Information Technology (OIT) to setup the business rules for scoring students.
- 3. Work with OIT to implement the system.
- 4. Use original scoring to establish a baseline.
- 5. Establish Indicators of Success (IOSs) from baseline.
- 6. Use the system to allow for intrusive advising/coaching.
- 7. Measure success against the IOSs.

Indicator(s) of Success for the Student Success Strategic Focus Area:

- Enrollment Stabilization (1.1)
- Increase Retention (fall to fall) by 2% (1.1)
- Increase Completion (VFA 6-year) by 8% (2% a year) (1.1)
- Student goals are tracked and monitored using CRM Advise (1.2)



Community Focus - Institutional Action Projects

Initiative 2.1: Utilize Delta College's competitive advantage to strengthen our connection with the communities we serve.

Action Project 2.1-1: Develop branding strategies focused on the Downtown Centers, then pursue aggressive outreach initiatives for implementation.

Description of Action Project:

- <u>BRANDING</u>: Develop language, visuals, and advertising information that reflects Delta College's goals for its three Downtown Centers. Reflect the commonalities of each Center, while highlighting the unique offerings in each location.
 - o Saginaw and Midland will focus on specific program offerings.
- <u>OUTREACH</u>: Develop partnerships with local non-profit and service provider organizations that will enhance Delta College's educational delivery goals.

Champion(s): Pam Clark and Margaret Mosqueda

Approach for Implementation: Cross-Functional team

Resources: Marketing Department Team, Dean of Enrollment Management, Director of Educational Opportunity Center, and Director of Learning Centers

Project Length: 6 months for branding strategies, followed by 2 years of outreach work

Project Measures

Baseline:

- 1. Assess the current branding for all off site locations, which has varied widely.
- 2. Assessment of the current Ricker and Midland centers staffing patterns
- 3. Ricker Center Enrollment (2018 Fall)
- 4. Midland Center Enrollment (2018 Fall)

Goal:

- 1. Finalize the branding strategies for all Downtown Centers by spring 2019, with full implementation by summer 2019 (in Saginaw) and use lessons learned for summer 2020 (in Midland).
- 2. Launch each newly constructed Center through a community wide free open house (Saginaw in June 2019 and Midland in summer 2020), with a goal of attracting 3,000 to 5,000 visitors to each.
- 3. Add digital and print advertising for Saginaw and Midland, which will be in addition to the regular advertising recruitment cycle, with a goal of achieving 90,000 advertising impressions.
- 4. New staffing model for each location to promote greater service.
- 5. Newly assigned staff members will develop outreach activities at each new Downtown Center, with a goal of making 1,000 face-to-face connections each year.

Initiative 2.2: Create mutually beneficial relationships with key educational institutions.

Action Project 2.2-1: Create a Downtown Bay City "university center" featuring our four-year partners.

Description of Action Project:

- Establish further partnerships with four-year universities in our region such as Central Michigan University, Ferris State University, Northwood University, Davenport University, or others that would have an interest.
- Communicate with the Bay City business community, which has a desire to have an educational institution in downtown. Delta College can meet this need, in partnership, without any additional construction.
- Develop a contract to implement partnership parameters with mutually beneficial outcomes, to include:
 - Use of logos, banners, etc. from those other universities within the lobby space of the facility.
 - Develop mutually beneficial "co-branded" advertising that promotes all entities' programs and classes that would be
 offered at the Delta College facility.

Champion(s): Margaret Mosqueda and Dr. Reva Curry **Approach for Implementation:** Cross-Functional team

Resources: Manager of Strategic Partnerships, Director of Learning Centers, and Assistant Director of Business Services

Project Length: More than 1 year

Project Measures

Baseline:

- 1. Assess Delta's current offerings at the Downtown Bay City Center to determine building usage and capacity.
- Assess the current 3+1 course offerings on main campus to determine what can be moved to the Downtown Bay City Center.

Goal:

- 1. Move delivery of Delta's successful 3+1 articulation partner degree programs to the Downtown Bay City Center.
- 2. Increase the number of 3+1 degree partners in Bay City by 3 institutions, within the next 3 years.

Action Project 2.2-2: Enhance and strengthen the relationship between Delta College and Saginaw Valley State University.

Description of Action Project: Work collaboratively with SVSU to increase partnerships and transfer agreements with a goal of creating seamless 2+2 pathways for our students.

Champion(s): Dr. Jean Goodnow, Margaret Mosqueda, and Dr. Reva Curry

Approach for Implementation: Cross-Functional team

Resources: Manager of Strategic Partnerships, Academic Associate Deans, and Dean of Enrollment Management

Project Length: More than 1 year

Project Measures

Baseline:

1. Current transfer agreements with SVSU

Goal:

- 1. Increase the number of courses that will transfer to SVSU into a specific program
- 2. Increase the number of 2+2 agreements, including agreements in which SVSU accepts the entire associate degree from Delta College.

Initiative 2.3: Leverage our career education expertise to increase awareness to meet the employer and workforce talent pipeline needs to sustain a strong vibrant region.

Action Project 2.3-1: Implement methods needed for Delta team to be able to share the value of education and emphasize the high demand careers and outcomes that can be achieved.

Description of Action Project: Implement and lead activities that promote employer driven, in demand fields and outline pathways to attain laddered credentials to various levels of employment to assist in filling the local talent pipeline.

Champion(s): Jason Premo and Shelly Raube

Approach for Implementation: Cross-Functional Team

Resources: Career Services, Dean of Career Education and Learning Partnerships, Associate Deans, Dual Enrollment and Co-op Offices

Project Length: 1 year Project Measures

Baseline:

- 1. Analyze the critical shortage areas of regional employers to fill the talent pipeline.
- 2. Meet with and build relationships with area K-12 schools, Career Technical Education (CTE) instructors, school counselors, college faculty, area businesses, parents, and other stakeholders to develop career ladders.

Goal:

- 1. Identify, develop and implement 10 career laddered programs with multiple student enrollment entry points.
- 2. Develop targeted content that creates a visual understanding of the (high demand) pathways and how students can view their options to completion and attain career goal.
- 3. Work collaboratively with Delta's Dean of Career Education and Learning Partnerships, Associate Deans, Career Services, Dual Enrollment, Articulation and Co-op/Internship offices to help build pathways expanding opportunities for student learning, exploration, and work experiences.
- 4. Increase exposure of work based learning opportunities.
- 5. Establish baseline hiring needs for employers in the area.

Indicator(s) of Success for the Community Focus Strategic Focus Area:

- Stabilize and then increase enrollment at Downtown Saginaw Center (in comparison to Ricker) by 5%. (2.1)
- Stabilize and then increase enrollment at Downtown Bay City Center by 5%. (2.1)
- Stabilize and then increase enrollment at Downtown Midland Center by 5%. (2.1)
- Increase the number of non-profit and service provider educational partnerships by 5 in Midland and 10 in Saginaw for a total of 15 that target potential students. (2.1)
- Expand 3+1 program and 2+2 program offerings at the Downtown Bay City Center. (2.2)
- Secure at least two institutions to partner with Delta 3+1 degree programs and promote at the Downtown Bay City Center. (2.2)
- Deeper understanding of workforce pipeline needs and career training programs that can meet those needs, producing a list of possible new programs. (2.3)



Sustainability - Institutional Action Projects

Initiative 3.1: Conduct operations in an innovative and agile manner to provide opportunities for growth.

Action Project 3.1-1: Continue integrating the "Go-Forward Operating Model."

Description of Action Project: Assess the budgetary fixed costs on a long-term basis. Implement the plan for ongoing support of the sustainability fund. Develop contingency plans for both ongoing and unforeseen challenges.

Champion(s): Dr. Jean Goodnow

Approach for Implementation: Cross-Functional Team

Resources: President's Cabinet, Budget Cabinet, Executive Council

Project Length: More than 1 year

Project Measures Baseline:

1. Current budget model

Goal (year 1):

- 1. Prioritize flexibility in the fixed and variable components of the budget (to include staffing, facilities, and technology).
- 2. Produce guidelines how flexibility can be used in the budget.
- 3. Conduct facilities needs assessment in Academic Year 2019-2020.

Action Project 3.1-2: Refine the process to cultivate innovative, data-informed, and agile initiatives to move the College forward.

Description of Action Project: Conduct a study of best practices for cultivating innovation within the higher education sector and in business and industry. Analyze models, including Innovation Engineering and adapt relevant aspects of those models with a goal of creating a process at Delta College that will guide the College in cultivating innovation.

Champion(s): Dr. Reva Curry and Loyce Brown

Approach for Implementation: Cross-Functional Team

Resources: League for Innovation, Innovation Engineering, President's Cabinet, Director of Information Technology Services, Dean of Career Education and Learning Partnerships, Dean of Teaching and Learning, AtD Committee, +One Connections Committee

Project Length: 1 year Project Measures Baseline:

1. Current structure

Goal:

- 1. Identify 3-5 best practices for cultivating innovation in the business and industry and higher education sectors.
- 2. Train a minimum of 10 faculty and staff members in Innovation Engineering.
- Implement relevant innovation strategies including concepts from Innovation Engineering College-wide by June 2020.

Initiative 3.2: Refine the significant value added components that define Delta College.

Action Project 3.2-1: Review internal and external data to establish the College's identity in the region for long-term positioning.

Description of Action Project: Produce a set of actionable recommendations on how to strengthen the position of the College in the community. This includes development of characteristics that are part of the College's value proposition.

Champion(s): Michael Wood and Dr. Michael Faleski **Approach for Implementation:** Cross-Functional Team

Resources: Director of Marketing and Public Information, Institutional Advancement, Institutional Research, Executive Council, President's Cabinet, and Community Organizations such as the area Chambers of Commerce

Project Length: More than 1 Year

Project Measures

Baseline:

Current data trends available internally and CLARUS Report

Goal:

1. Establish Task Force.

- 2. Set Deadline for Report.
- 3. Task Force develops data needs (1-2 months).
- 4. Gather Data (4-5 months).
- 5. Analyze the data (2-3 months).
- 6. Make recommendations to President's Cabinet.

Indicator(s) of Success for the Sustainability Strategic Focus Area:

- Maintain 10% General Fund Balance (annual). (3.1)
- Implement a funding formula to set aside funds annually in designated sustainability fund for contingencies on annual basis to stabilize the College's operational budget. (3.1)
- Implement a funding formula to set aside funds in a designated innovation fund to grow the College. (3.1)
- Adjust operational expenditures to align with available revenue beyond 1 year. (3.1)
- A developed set of options for the College to consider for positioning our educational mission in the community. (3.2)



People Focus - Institutional Action Projects

Initiative 4.1: Strengthen collaborative relationships and an inclusive environment with the Board, Administration, Faculty, and Staff to develop additional avenues to increase teamwork.

Action Project 4.1-1: Provide opportunities for meaningful discussion and interaction.

Description of Action Project: Work collaboratively with President's Office to implement opportunities for employee groups to interact with other employee groups including Board Members. Examples include:

- Social hour at board dinner meetings if there is no topic being presented
- Social meetings outside of formal meetings
- Continue to invite Board Members to events on campus and encourage participation
- Meet our Board Member Day invite one Board Member per month to campus to enable employees to interact and get to know them better.

Champion(s): Scott Lewless, Dan Sabourin, and Kay Schuler **Approach for Implementation:** Cross-Functional Team **Resources:** All employees, Human Relations Committee (HRC)

Project Length: 1 year Project Measures Baseline:

1. Current number of opportunities for groups to interact

Goals

1. Increase number of opportunities for groups to interact

Action Project 4.1-2: Assess the effectiveness of efforts to improve internal communication.

Description of Action Project: Following the 2018 PACE administration, employees identified communication as the primary area for improvement. In an effort to improve communication, the Executive Council will implement a series of forums throughout the College. To assess the effectiveness of the forums, a one-question survey process will be implemented. The feedback from the survey will be used to develop and implement additional initiatives. (No one-question survey will be administered during the administration of the PACE Survey.) Frequency of surveys will be determined based on topics.

Champion(s): Loyce Brown and Andrea Ursuy

Approach for Implementation: Cross-Functional Team

Resources: PACE Survey, Human Resources Staff, and Institutional Research

Project Length: 6 months

Project Measures

Baseline:

- 1. 2018 PACE Survey results
- 2. No other survey baseline in place

Goal:

- 1. Appoint a committee to develop schedule and questions based on previous PACE Survey.
- 2. Establish a baseline for frequency of surveys (at least quarterly).
- 3. Improve PACE Survey 2020 results, specifically in the area of communication, (both qualitative and quantitative) from 2018 administration.

Initiative 4.2: Increase the diversity of the College.

Action Project 4.2-1: Foster a culture of diversity.

Description of Action Project:

- Recommend appropriate policies and procedures (as needed) in relation to diversity and inclusion on campus.
- Establish benchmarks and measurements relating to diversity and inclusion of students, faculty, and staff.

• Engage the College Community in meaningful discussions about diversity, inclusion, and social justice through activities such as brown bag lunches, learning cafes, and summits.

Champion(s): Carlos McMath and Dr. Jean Goodnow **Approach for Implementation:** Cross-Functional Team

Resources: President's Diversity & Inclusion Council, President's Speaker Series Committee, Center for Organizational Success, Human Resources, Institutional Research, Vice President of Student and Educational Services, Vice President of Instruction and Learning Services, and Disability Resources

Project Length: More than 1 year

Project Measures

- Baseline:
- 1. Current policies and procedures.
- 2. Current measures for diversity.
- 3. Current diversity events to engage College Community.
- 4. Number of employees participating in unconscious bias training.

Goal:

- 1. Implement and communicate diversity policy and procedures.
- 2. Establish benchmarks and measurements relating to diversity and inclusion in order to build a dashboard by Fall 2020.
- 3. Develop and implement ongoing schedule of workshops, seminars, and symposiums that focus on diversity, inclusion, and social justice.

Indicator(s) of Success for the People Focus Strategic Focus Area:

- Increased opportunities for communication and increased Board Member(s) involvement. (4.1)
- PACE Score improvement in the area of communication. (4.1)
- Improved rate of diversity of the organization to reflect the diversity of the population of the region (currently at 20% minority for the region). (4.2)

Additional Institutional Strategic Planning Initiatives

There are two additional planning processes that are conducted at the College and integrated into the strategic planning and budgeting process:

Facilities Planning: is an ongoing function conducted by the College's Director of Facilities Management and staff, with assistance from external consultants. Each October, the College completes and submits a Capital Outlay Plan to the State of Michigan Department of Management and Budget. Approved by the Board of Trustees, this plan evaluates the College's facilities, benchmarks the College property and facilities to other Michigan colleges, evaluates the status of the facilities, and requests State approval to plan for facilities renovation or new building construction. The plan evaluates all capital priorities in light of current programming efforts, anticipated programming changes, and current capital base. If a Michigan community college is requesting State funding for renovation or new construction, the request is submitted in the Capital Outlay Plan for review and consideration by the Office of Management and Budget, the legislature (both House and Senate) and the Governor.

In 2018-2019, the College submitted three major projects (by priority):

Priority	Project	Amount
1	Electronic Media Broadcasting – A Wing	\$5,990,850
2	Business and Office Professions – K Wing	5,135,293
3	Business and Technology – M Wing	2,084,000

A copy of the Capital Outlay Plan can be accessed by going to Delta College's public website. (https://www.delta.edu/transparency/capital-outlay-plan/2020-capital-outlay-plan.html)

Facilities planning has also identified a maintenance schedule for major items in excess of \$1 million and funding is allocated annually in the plant fund to support maintenance.

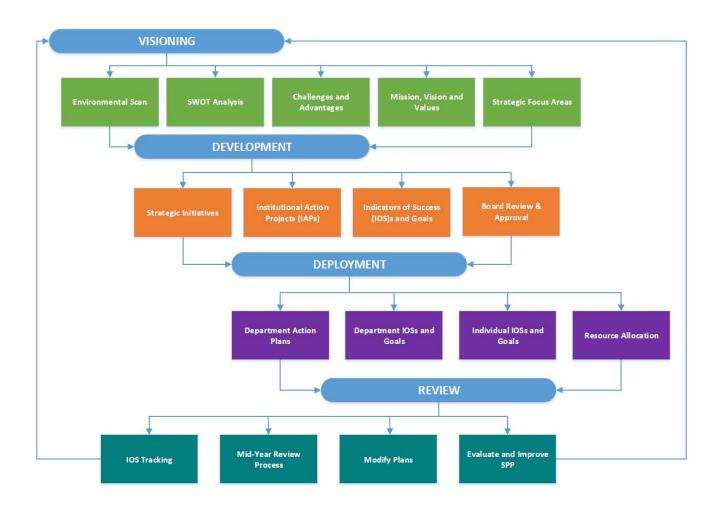
Information Technology Planning: The College works in concert with its information technology vendor, Ellucian, to complete an Information Technology Strategic Plan. The College's Information Technology Plan is completed and reviewed annually by the College's contract administrator, Ellucian staff, and other College stakeholders. This plan specifically addresses the College's information technology function and is included in the strategic planning and budgeting processes. Resources are allocated to support items identified in the Information Technology Plan through the College's annual budgeting process

Strategic Planning Summary

Delta College's strategic planning and budgeting process has been systematically aligned and integrated horizontally and vertically with other initiatives including AQIP, the budgeting process, departmental planning, resource allocation, assessment, and evaluation. Each operational action project is measureable, outcomes are reported, and data-driven decisions are used for program and service improvement.

Planning is conducted and information disseminated horizontally to all budget groups so that supporting departmental plans and budget requests can be developed and alignment assured. The Budget Group leader is responsible for driving the action planning process vertically within that group and integrating the action projects and budgeting at the departmental level. Each Budget Group leader determines to what level within the group action planning will be accomplished and is required to develop and submit action projects that support the institutional strategic plan. Within departments, individual staff members develop annual professional goals that align to their department's action plan to assign accountability.

Accountability for strategic planning outcomes has been strengthened through required quantitative performance measurement and the required submission of progress reports to the Strategic Planning and Institutional Effectiveness Steering Committee. This process has increased institutional oversight of planning and helps to assure that action projects remain focused and goals are achieved as planned.



Budget Planning Process

Month	Action
August / September	Prepare budget planning materials
September	Review strategic initiatives and assumptions and develop a tentative set of planning and budgeting assumptions
October	Submit to Executive Council, Budget Cabinet, and Budget Groups
November through February	Budget Groups request their subcomponents to develop budgets based on College and departmental strategic plans
November through February	Budget Groups develop budget requests based on College and group strategic plans
February / March	Each Budget group prepares and submits a group request to Budget Cabinet
April	Budget Cabinet reviews requests, develops priorities based on the College and cross functional strategic priorities, and recommends priorities to President
April / May	President and Executive Council develop final Preliminary Budget Plan and review updated Long Range Forecast Model
May	Presentation and discussion of Preliminary Budget and Long Range Forecast with Board of Trustees
June	Presentation of Budget to the Board and approval by the Board

It should be emphasized that budget group leaders have authority and ability to move budgeted dollars internally to meet strategic needs at any time. Strategic plans drive budget decisions as soon as they become available, whether during budget development or during the year even after the budget has been developed. Plans will not change the economic facts, but they will drive decisions regarding plans for spending, cuts, and re-allocations at the time the budget is developed, and also during the year as decisions are made to actually spend as budgeted or re-allocate as necessary.

Delta College Procedures for Budget Amendment

At Delta College, cost center managers may request changes within or between cost centers at any time during the fiscal year. This is done by sending a memo to the College Controller. This memo is used to transfer budget amounts from one line item to another or from one cost center to another.

Cost center managers inform the Vice President of Business and Finance, if it appears that unanticipated events may result in expenditures greater than budget and they are unable to identify sources of additional funds or fund transfers to resolve the problem. The Vice President and President will work together to identify available funds or alternative solutions.

In addition, there is a more formal process for adjusting the total budget if supplemental funding is available, or if total revenues are lower than anticipated. In some years, these conditions are simply noted to the Board during the Treasurers report and some years they are formally adopted by the Board. The chosen method is determined in consultation with the Board Chair.

All Funds

Notes

Delta College Budget – All Funds

Fiscal Year 2019-2020

	General	Designated	Restricted	Auxiliary	Plant	Total
Revenues						
Tuition and Fees	\$ 28,189,690	\$ 3,149,970	\$ -	\$ -	\$ -	\$ 31,339,660
State Appropriations	16,653,254	-	-	-	1,000,000	17,653,254
Property Taxes	22,736,173	-	-	-	-	22,736,173
Grants and Gifts	-	2,505,000	16,680,733	-	9,000,000	28,185,733
Auxiliary Services	250,000	-	-	5,010,197	-	5,260,197
Investment Income	458,000	-	-	-	606,690	1,064,690
Other Sources	629,338	1,661,469	964,904		3,034,012	6,289,723
Total Revenues	68,916,455	7,316,439	17,645,637	5,010,197	13,640,702	112,529,430
Expenditures						
Instruction	32,010,388	5,334,457	1,239,585	-	-	38,584,430
Instructional Support	8,435,049	<u>75,500</u>	264,890			8,775,439
	40,445,437	5,409,957	1,504,475	-	-	47,359,869
Public Service	1,132,925	8,300	1,671,563	-	-	2,812,788
Student Services	8,437,872	103,950	14,774,545	5,454,953	40,000	28,811,320
Institutional Administration	9,239,953	807,711	-	-	321,000	10,368,664
Facilities Management	9,487,899		2,572		20,446,501	29,936,972
Total Expenditures	68,744,086	6,329,918	17,953,155	5,454,953	20,807,501	119,289,613
Revenues Over/(Under) Expenditures	172,369	986,521	(307,518)	(444,756)	(7,166,799)	(6,760,183)
Projected Fund Balance June 30, 2019	7,006,260	11,112,924	4,024,934	6,799,281	32,316,459	61,259,858
Projected Fund Balance June 30, 2020	<u>\$ 7,178,629</u>	\$ 12,099,445	<u>\$ 3,717,416</u>	<u>\$ 6,354,525</u>	<u>\$ 25,149,660</u>	<u>\$ 54,499,675</u>

Note: This summary depicts all funds of the College as budgeted and explained in detail in the following sections. The uses of the various funds are defined by the Michigan Public Community College Manual for Uniform Financial Reporting and are explained under the Fiscal Policies section of this document. The General Fund is the primary operational fund of the College.

Delta College All Funds

Five Year Actual History

	Actual 2014-2015	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Projected 2018-2019
Revenues					
Tuition and Fees	\$ 29,424,626	\$ 29,783,314	\$ 30,286,388	\$ 31,223,830	\$ 31,399,125
State Appropriations	16,659,312	14,796,390	17,589,791	25,089,136	23,880,967
Property Taxes	22,931,569	23,034,150	22,171,146	21,942,601	22,514,054
Grants and Gifts	25,716,585	23,049,040	19,712,411	21,054,842	21,125,528
Auxiliary Services	7,890,800	7,128,771	6,914,965	6,534,449	5,749,722
Investment Income	450,402	622,815	433,227	869,048	1,548,828
Other Sources	7,763,126	8,408,616	10,458,335	17,574,347	5,231,037
Total Revenues	110,836,420	106,823,096	107,566,263	124,288,253	111,449,261
Expenditures					
Instruction	39,315,016	40,966,296	38,476,751	39,126,922	38,421,382
Instructional Support	8,322,561	8,600,826	8,496,012	8,307,880	8,248,310
	47,637,577	49,567,122	46,972,763	47,434,802	46,669,692
Public Service	2,551,634	2,662,174	2,545,738	2,764,924	2,937,687
Student Services	33,353,091	30,433,670	28,526,241	29,796,315	28,397,462
Institutional Administration	8,192,735	8,474,469	8,548,863	13,091,750	15,446,602
Facilities Management	14,294,625	14,143,802	15,947,616	20,872,193	24,274,096
Total Expenditures	106,029,662	105,281,237	102,541,221	113,959,984	117,725,539
Revenues Over/(Under) Expenditures	4,806,758	1,541,859	5,025,042	10,328,269	(6,276,278)
Beginning Fund Balance	45,834,208	50,640,966	52,182,825	57,207,867	67,536,136
Ending Fund Balance	\$ 50,640,966	\$ 52,182,825	\$ 57,207,867	\$ 67,536,136	\$ 61,259,858

General Fund

Notes

The **General Fund** is the primary operational fund of the College, and is used to account for the transactions related to the College's academic and instructional programs and their administration. Revenues are recorded by source and expenditures are recorded by function, as defined by the State of Michigan Community College Activities Classification Structure (ACS).

The ACS includes an established set of activity functions and related definitions, not only for reporting financial data but also for several key enrollment and operational activity measures. The fundamental purpose of ACS is to provide consistent and comparative reporting of the various activity measures among all Michigan community colleges. The State of Michigan uses ACS data primarily for community college funding appropriation and allocation.

Detail discussion about the specific General Fund revenues and expenditures is contained within this section. The use of General Fund revenues is determined by the College's appropriation process which is tied to the College's strategic initiatives. The Budget Cabinet provides leadership in the appropriation process. The budget process is further described in both the Strategic Planning and Fiscal Planning sections of this document. The current year Budget Planning and Resource Allocation Decisions addressing the tactical plans that have been developed to meet the College's strategic initiatives are located on pages 8-12.

Delta College Organizational Chart

The hierarchy of a traditional organizational chart does not adequately explain how governance at Delta College occurs. The college has an elected Senate which includes representatives from the faculty, administrative/professional and support staff. It is through this body that the Senate Handbook has been created and through which it is modified. The handbook includes many of the working conditions and policies the college uses to operate. Shared governance is an important part of our culture. *Senate policies flow through the President to the Board.

- Community
 - o Board of Trustees
 - President
 - Equity Officer
 - Director of Diversity and Inclusion
 - Senate *
 - Vice President of Instruction and Learning Services
 - Dean of Teaching and Learning
 - Academic Associate Deans, Full-Time and Adjunct Faculty
 - Dean of Career Education and Learning Partnerships
 - Manager of Strategic Partnerships
 - LLIC (TLC, Library and Testing Center)
 - Director of eLearning
 - o Manager of Finance Academics
 - Vice President of Student and Educational Services
 - Dean of Enrollment Management
 - Director of Admissions and Orientation
 - Director of Educational Opportunity Center
 - Associate Dean of Retention
 - Director of Financial Aid
 - Registrar
 - Dean of Students
 - Manager of Academic Career Experience and Service Learning
 - Director of Athletics and Student Athlete Development
 - Coordinator of Campus Life and Student Engagement
 - Coordinator of Student Diversity and Leadership
 - Coordinator of Possible Dream and Youth Development
 - Coordinator of Veteran Services
 - Collegiate Advisor
 - Director of Disability Resources
 - o Director of Dual Enrollment
 - o Director of Learning Centers
 - Director of Public Safety
 - o Director of Police Academy/Law Enforcement Training
 - Vice President of Business & Finance
 - o Controller
 - Budget and Finance
 - Payroll
 - Student Finance and Cashier's Office
 - Director of Facilities Management
 - Facilities Operations Planning and Management
 - Sustainability and Risk Management
 - Capital Projects
 - Director of Business Services
 - Purchasing and Contract Administration
 - Auxiliary Operations
 - Director of Corporate Services
 - Corporate Services Manager of Finance
 - Corporate Services Manager of Operations
 - Corporate Services Manager of New Business Development
 - Executive Director of Institutional Advancement
 - o Marketing and Public Information
 - Legislative
 - o Foundation Office
 - o Grants and Resource Development
 - o Public Broadcasting
 - Executive Director of Administrative Services and Institutional Effectiveness
 - o Director of Human Resources
 - Compensation Administration
 - Recruitment and Employment
 - Benefits Administration
 - o Director of Employee Development
 - Center for Organizational Success
 - Instructional Support Services
 - o Faculty Center for Teaching Excellence Coordinator
 - Director of Institutional Research

Delta College General Fund Budget

Fiscal Year 2019-2020

Revenues

Tuition and Fees Tuition Registration Fees Technology Fees Program Course Fees Online Course Fees Total Tuition and Fees	\$ 22,371,090 785,200 3,470,000 210,400 1,353,000	\$ 28,189,690
State Appropriations		16,653,254
Property Taxes Bay County Midland County Saginaw County Total Property Taxes	5,630,337 6,911,964 10,193,872	22,736,173
Auxiliary Services Fund Transfers Investment Income Other		 250,000 267,638 458,000 361,700
Total Revenues		\$ 68,916,455
Total Revenues Expenditures By Activity		\$ 68,916,455
	\$ 32,010,388 8,435,049	\$ 68,916,455
Expenditures By Activity Instruction	\$	\$ 68,916,455
Expenditures By Activity Instruction Instructional Support	\$ 8,435,049	\$ 68,916,455
Expenditures By Activity Instruction Instructional Support Total Instruction Public Service Student Services Institutional Administration	\$ 8,435,049 40,445,437 1,132,925 8,437,872 9,239,953	\$ 68,916,455 68,744,086
Expenditures By Activity Instruction Instructional Support Total Instruction Public Service Student Services Institutional Administration Facilities Management	\$ 8,435,049 40,445,437 1,132,925 8,437,872 9,239,953	\$
Instruction Instructional Support Total Instruction Public Service Student Services Institutional Administration Facilities Management Total Expenditures	\$ 8,435,049 40,445,437 1,132,925 8,437,872 9,239,953	\$ 68,744,086

Delta College General Fund

Five Year History

	Actual 2014-2015		Actual 2015-2016		Actu	ıal 2016-2017	Actual 2017-2018	
Revenues								
Tuition and Fees	\$	26,952,406	\$	26,972,463	\$	27,268,462	\$	28,012,692
State Appropriations		14,589,969		14,795,500		17,589,791		25,089,136
Property Taxes		22,931,569		23,034,150		22,171,146		21,942,601
Auxiliary Service		300,000		250,000		250,000		250,000
Investment Income		218,516		351,394		190,042		451,127
Grants and Other		609,419		710,687		614,646		643,016
Total Revenues		65,601,879		66,114,194		68,084,087		76,388,572
Expenditures								
Instruction		32,443,828		32,300,337		31,505,100		32,358,466
Instructional Support		8,048,111		8,343,342		8,153,053		7,927,713
Total Instruction		40,491,939		40,643,679		39,658,153		40,286,179
Public Service		881,826		1,014,861		992,970		1,172,672
Student Services		7,061,621		6,927,346		7,060,371		7,525,171
Institutional Admin		7,001,021		7,219,358		7,281,541		11,988,127
Facilities Management		9,975,555		10,280,354		13,065,483		15,358,713
-				<u>. </u>				_
Total Expenditures		65,580,512		66,085,598		68,058,518		76,330,862
Revenues Over/(Under) Expenditures		21,367		28,596		25,569		57,710
Beginning Fund Balance		6,768,400	_	6,789,767		6,818,363		6,843,932
Ending Fund Balance	\$	6,789,767	\$	6,818,363	\$	6,843,932	\$	6,901,642
~State pass-through to MPSERS	\$	2,747,405	\$	3,668,195	\$	3,839,551	\$	4,490,630

[&]quot;Beginning in 2012-2013, the State of Michigan has appropriated additional funding for direct pass-through to the MPSERS retirement system for purposes of reducing the system's UAAL. This additional amount is recorded in the audited financial statements as both state appropriations and retirement expense, but is only reflected as a memo line item above for operating budget purposes.

Delta College General Fund

Budget Comparison

	Projected 2018-2019 Amount	Projected 2018-2019 % of Total	Budgeted 2019-2020 Amount	Budgeted 2019-2020 % of Total	% Change From Prior Year
Revenues					
Tuition and Fees	\$ 28,525,075	40.1%	\$ 28,189,690	40.9%	-1.2%
State Appropriations	18,511,667	26.0%	16,653,254	24.2%	-10.0%
Property Taxes	22,514,054	31.6%	22,736,173	33.0%	1.0%
Auxiliary Service	250,000	0.4%	250,000	0.4%	0.0%
Investment Income	693,117	1.0%	458,000	0.7%	-33.9%
Grants and Other	693,151	0.9%	629,338	0.9%	-9.2%
Total Revenues	71,187,064	100.0%	68,916,445	100.0%	-3.2%
Expenditures					
Instruction	32,587,458	45.8%	32,010,388	46.6%	-1.8%
Instructional Support	7,903,567	11.1%	8,435,049	12.3%	6.7%
Total Instruction	40,491,025	57.0%	40,445,437	58.8%	5.0%
Public Service	1,204,342	1.7%	1,132,925	1.6%	-5.9%
Student Services	7,770,592	10.9%	8,437,872	12.3%	8.6%
Institutional Admin *	13,034,333	18.3%	9,239,953	13.4%	-29.1%
Facilities Management	8,582,154	12.1%	9,487,899	13.8%	10.6%
Total Expenditures	71,082,466	100.0%	68,744,086	100.0%	-3.3%
Revenues Over/(Under) Expenditures	104,618		172,369		
Beginning Fund Balance	6,901,642		7,006,260		
Ending Fund Balance	\$ 7,006,260		\$ 7,178,629		
~ State pass-through to MPSERS	\$ 4,127,662	estimated	\$ 4,127,662	estimated	

^{*}Tuition waiver, vacation liability and other fringe benefits are budgeted under Institutional Administration. These items are recorded in the user cost center when expended. Also recorded under Institutional Administration are various contingency reserves.

Notes

General Fund

Revenue Detail

Notes

The major sources of revenue recorded and budgeted in the General Fund include state appropriations, property taxes, and tuition and fees, which together account for approximately 98% of the total General Fund revenues. Budgeted estimates for each source of revenue are based upon detailed information and analysis, depending upon the specific type of revenue.

The state appropriations budget is the actual amount allocated to the College by the State Legislature for the budgeted fiscal year. These funds are disbursed to the College over an eleven-month period, October through August. The July and August payments are accrued back to the College's fiscal year ended June 30.

Property tax revenues are budgeted based upon the total current taxable valuation that has been established for levy on the real and personal property tax rolls located within the three counties comprising the College district. The tax rolls included in the College's levy are ad valorem, industrial facilities and commercial facilities. A significant portion of the taxable valuation is captured by various tax increment financing authorities that have been established for economic development purposes. After an annual public budget/truth-in-taxation hearing has been held each June, the Board of Trustees approves the millage rate to be levied. The net total taxable valuation is multiplied by the approved millage rate to calculate the projected property tax revenue. An estimated allowance for delinquent and uncollectible property taxes is deducted from the property tax revenue budgeted. The property tax valuations and revenue calculations are presented on page 62.

Tuition and fees are budgeted based upon estimated enrollment projections (contact hours), which are determined through analysis of regional environmental scanning data and discipline and departmental historical credit hour trends, and are adjusted for planned revisions to program offerings and program and graduation requirements. The College's tuition rate, as approved by the Board of Trustees and weighted based upon a historical in-district/out-of-district/out-of-state average, is multiplied by the projected contact hours to calculate the budgeted tuition. Fees, including registration and course fees, are budgeted based on their individual historical relationship to tuition revenue, taking into account any changes in fee rates that have been approved by the Board of Trustees for the budgeted year. A summary of contact hour projections and tuition and fee rates is presented on page 58. Detail contact hour projections for each academic division are presented on page 61. A historical chart of contact hours is shown on page 60.

The tuition and fees budget is the most volatile of the College's major revenue sources because unlike state appropriations, taxable valuations and millage rates, enrollment is not a predetermined value and has a higher probability of significant variance from the levels projected.

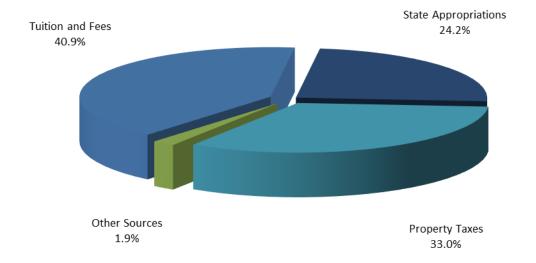
Throughout the budgeting process each year, the College adjusts its General Fund expenditures based upon the revenue projections.

Delta College General Fund Budget

Fiscal Year 2019-2020

Revenues

Tuition and Fees		
Tuition	\$ 22,371,090	
Registration Fees	785,200	
Technology Fees	3,470,000	
Program Course Fees	210,400	
Online Course Fees	1,353,000	
Total Tuition and Fees		\$ 28,189,690
State Appropriations		16,653,254
Property Taxes		
Bay County	5,630,337	
Midland County	6,911,964	
Saginaw County	 10,193,872	
Total Property Taxes		22,736,173
Auxiliary Services		250,000
Fund Transfers		267,638
Investment Income		458,000
Other		 361,700
Total Revenues		\$ 68,916,455

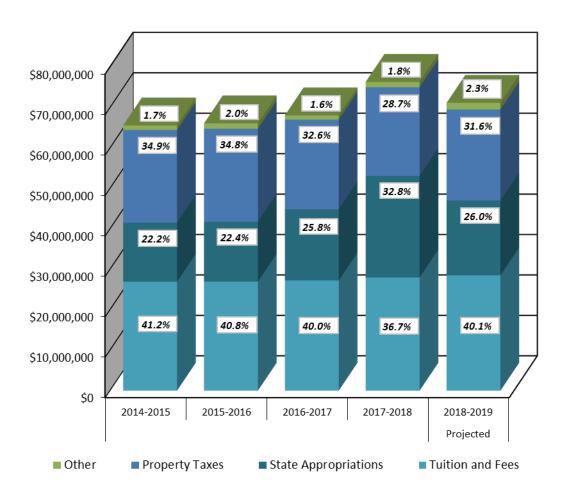


Delta College General Fund

Revenue Sources

Five Year Actual History

	2	2014-2015	2015-2016	2016-2017	2017-2018	Projected 2018-2019
Tuition and Fees State Appropriations Property Taxes Other	\$	26,952,406 14,589,969 22,931,569 1,127,935	\$ 26,972,463 14,795,500 23,034,150 1,312,081	\$ 27,268,462 17,589,791 22,171,146 1,054,688	\$ 28,012,692 25,089,136 21,942,601 1,344,143	\$ 28,525,075 18,511,667 22,514,054 1,636,268
Total	\$	65,601,879	\$ 66,114,194	\$ 68,084,087	\$ 76,388,572	\$ 71,187,064



Note: Beginning in 2016-2017, State Appropriations includes Personal Property Tax Exemption Loss Reimbursement

Revenue Sources Detail

Tuition and Fees:

Beginning with the Fall 2019 semester, the College will begin charging tuition based on contact hours. For some courses, the number of contact hours is greater than the number of credits assigned to the course. Credits are standardized to maximize transferability of courses, to comply with accreditation and other factors. Contact hours are based more closely on the amount of instruction in a course, and may include time allotted for tutorials, laboratory sessions and other additional time spent in class delivery and online activities. In prior years, the College charged tuition based on course credits and assessed an Excess Contact Hour (ECH) fee per additional contact hour at a reduced rate. In 2018-2019 the ECH Fee was billed at 80% of the tuition rate, or for example, \$90 for an In District student. Since the College will now charge the approved tuition rates on each contact hour, the ECH fee has been eliminated.

For 2019-2020, the College's Board of Trustees approved a special tuition rate for all Dual Enrolled students of \$115 per contact hour, equivalent to the In-District rate. Dual enrolled students are also billed all other standard fees.

Tuition rates for 2019-2020 per Contact Hour and for 2018-2019 per Credit Hour are as follows:

	FY 2019-2020	FY 2018-2019	Change	% Change
In District	\$ 115.00	\$ 112.00	\$ 3.00	2.7%
Out-of-District	197.00	192.00	5.00	2.6%
Out-of-State	371.00	361.00	10.00	2.8%
Contact Hours	Budgeted	Actual		
Contact Hours	FY 2019-2020	FY 2018-2019	Change	% Change
Summer	3,577	4,145	(568)	-13.7%
Fall	79,763	84,727	(4,964)	-5.9%
Winter	73,019	77,622	(4,603)	-5.9%
Spring	17,141	19,318	(2,177)	-11.3%
Total Contact Hours	173,500	<u> 185,812</u>	(12,312)	-6.6%

Note: Contact hours for Summer, Fall and Winter semesters in FY 2018-2019 are actual, whereas Spring contact hours are as projected. See pages 60 for contact hour history and projections.

Course Fees:

Course fees contained in the 2019-2020 tuition and fees budget consist of a Technology Fee of \$20 assessed on each contact hour for all courses. The Technology Fee was \$19 in 2018-2019 and was assessed on credits rather than contact hours. The Online Course Fee remains unchanged at \$33, and is also now charged per online contact hour rather than per credit.

Some programs, such as Nursing, Dental Hygiene and Automotive Service are assessed additional course fees in order to cover the cost of the special services provided in these courses. These fees are generally a per course flat fee.

Registration Fees:

Students are charged a registration fee each semester, which remains unchanged at \$40 for FY 2019-2020.

Revenue Sources Detail

State Appropriations

	Budgeted FY 2019-2020	Projected FY 2018-2019	Change	% Change
Appropriations	\$ 16,653,254	\$ 18,511,667	\$ (1,858,413)	-10.0%

The appropriation amounts above include \$1,200,000 and \$2,693,509 for fiscal years 2019-2020 and 2018-2019, respectively, for reimbursement from the State of personal property tax losses due to exempted property. Our auditors have stated that this revenue should be recorded as state appropriation revenue rather than property tax revenue since these amounts are no longer included in the College's tax levy.

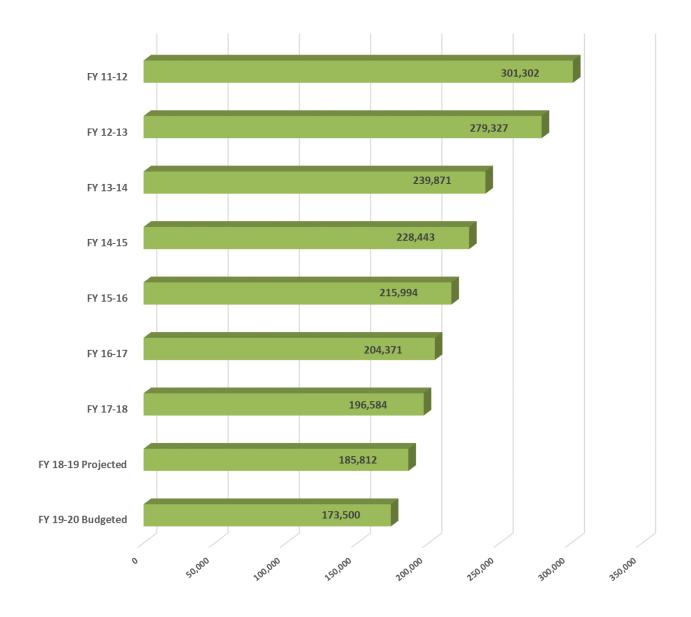
Also included in State Appropriations Revenue for the two respective years is \$195,655 and \$215,008 for Renaissance Zone property tax exemptions for which the College receives reimbursement from the State.

Note: During fiscal year 2018-2019 the College receive approximately \$4.1 million from the State for pass-through to MPSERS. Since this amount is a pass through, it is not budgeted.

Other Revenue

	Budgeted FY 2019-2020	Projected FY 2018-2019	Change	% Change
Collegiate Ads	4,000	3,275	\$ 725	22.1%
Credit By Exam	5,000	3,975	1,025	25.8%
ID Card Fees	1,550	1,585	(35)	-2.2%
Library Fines	950	1,000	(50)	-5.0%
Live Scan Fees	22,000	21,140	860	4.1%
Miscellaneous	65,000	59,804	5,196	8.7%
Parking Fines	600	600	-	0.0%
Planetarium	90,000	92,300	(2,300)	-2.5%
Rent Space/Equipment	47,000	46,000	1,000	2.2%
Reserve Parking	10,600	10,494	106	1.0%
Sale of Assets	20,000	182,000	(162,000)	-89.0%
Testing	45,000	45,000	-	0.0%
Transcript Fees	50,000	49,300	 700	1.4%
Total Other Revenue	<u>\$ 361,700</u>	<u>\$ 516,473</u>	\$ <u>(154,773)</u>	30.0%

Delta College Contact Hour History



Delta College Contact Hour Budget 2019-2020

		2 3. 3.8			
Cost Center/Division	Summer 2019	Fall 2019	Winter 2020	Spring 2020	Total
1010 Education for Professional Development	0	0	0	0	0
1011 Interdisciplinary Social Sciences	0	72	21	36	129
1012 Economics	176	1,268	1,360	396	3,200
1013 History	144	1,522	1,374	228	3,268
1014 Criminal Justice	16	2,389	2,017	44	4,466
1015 Political Science	312	2,528	2,285	519	5,644
1016 Psychology	414	3,339	2,813	592	7,158
1017 Sociology	60	1,420	1,735	351	3,566
1018 Applied Behavior Science	0	730	84	24	838
1019 Child Development	0	675	639	0	1,314
1029 Communications	198	2,328	1,923	621	5,070
1044 Geography	0	621	533	100	1,254
Social Sciences Total	1,320	16,892	14,784	2,911	35,907
1021 Art	0	1,925	1,727	314	3,966
1023 Languages	0	728	804	169	1,701
1025 Interdisciplinary Humanities	36	224	184	86	530
1026 Music	153	595	743	313	1,804
1027 Philosophy	171	1,850	1,473	245	3,739
1028 Electronic Media Broadcasting	0	526	252	6	784
1031 English	593	9,224	7,370	1,563	18,750
Arts and Letters Total	953	15,072	12,553	2,696	31,274
1035 Mathematics	228	9,774	6,669	1,987	18,658
1041 Biology	0	6,720	6,653	1,214	14,587
1042 Chemistry	77	3,120	2,832	536	6,565
1043 Geology	0	465	489	28	982
1045 Physics	98	1,120	1,361	455	3,034
1046 Science Tech Programs	0	217	205	0	422
Science and Mathematics Total	403	21,416	18,209	4,220	44,248
1052 Lifelong Wellness	128	2,556	2,496	997	6,177
1070 Nursing	268	4,898	5,334	1,214	11,714
1071 Surgical Technology	0	495	426	131	1,052
1073 Physical Therapy Assistant	0	459	695	0	1,154
1074 Respiratory Care	0	490	348	46	884
1076 Health Science	18	576	552	228	1,374
1077 Radiography	12	340	276	126	754
1077 Radiography 1078 Dental Hygiene	0	1,046	875	203	2,124
1079 Dental Assisting	0	242	280	170	692
1079 Dental Assisting 1087 Diagnostic Medical Sonography	0	242	251		640
5 · · ·	426			159	26,565
Health & Wellness Total		11,332	11,533	3,274	
1110 Skilled Trade	0	100	181	0	281
1111 Welding	0	1,033	1,121	501	2,655
1112 Auto Service Ed Program	0	0	96	82	178
1116 Fire Science Technology	0	148	166	57	371
1061 Accounting	110	1,950	2,321	595	4,976
1062 Academic Career Experience	0	72	86	2	160
1063 Computer Information Systems	227	3,584	3,479	792	8,082
1065 Legal Support Professions	0	37	17	34	88
1066 Management	138	2,685	2,895	918	6,636
1067 Office Admin & Technology	0	1,154	1,076	288	2,518
1160 Architecture	0	246	389	0	635
1161 Residential Construction	0	340	466	24	830
1162 Automotive Service Technology	0	983	824	0	1,807
1163 Chemical Processing	0	128	152	0	280
1164 Electrical Technology	0	958	872	358	2,188
1165 Manufacturing and Industrial Technology	0	586	622	256	1,464
1169 Computer Numeric Control	0	498	458	74	1,030
1171 Computer Assisted Drafting	0	303	397	32	732
1172 Heating, Ventilation and Air Conditioning	0	246	322	27	595
Business and Technical Total	475	15,051	15,940	4,040	35,506
Grand Total	3,577	79,763	73,019	17,141	173,500
	0,017	. 5,, 55	70,010)	_, _,

Property Taxes

The following is the detail related to the taxable valuation of the Delta College District. The College's authorized millage rate for operations is 2.1000 mills, however, due to the Headlee Amendment, the College's operating millage rate has been reduced to 2.0427. The overall property values in the College's district for FY 2019-2020 increased by 1.9%. The current year Headlee cap on increases in taxable assessed value per parcel for existing properties is 2.4%.

	Saginaw County	Midland County	Bay County	Total
2019 Taxable Valuations				
Ad Valorem Roll	\$ 5,180,421,763	\$ 3,419,481,386	\$ 2,810,531,963	\$ 11,410,435,112
DNR Roll	7,552,417	3,333,739	4,276,003	15,162,159
IFT Roll - New	57,180,860	29,822,707	45,934,746	132,938,313
IFT Roll - Rehab	1,146,875	641,500	- · · · · · · -	1,788,375
Less Captured Values	(236,328,666)	(54,853,701)	(89,735,459)	(380,917,826)
Net Taxable Valuation – 2019	\$ 5,009,973,249	\$ 3,398,425,631	\$ 2,771,007,253	\$ 11,179,406,133
2018 Taxable Valuations				
Ad Valorem Roll	\$ 5,028,035,861	\$ 3,356,753,837	\$ 2,796,091,109	\$ 11,180,880,807
DNR Roll	7,375,499	3,255,647	4,175,816	14,806,912
IFT Roll - New	69,145,685	35,374,105	21,713,762	126,233,552
IFT Roll - Rehab	1,146,875	2,167,500	· · · · -	3,314,375
Less Captured Values	(220,054,201)	(49,909,078)	(82,444,324)	(352,407,603)
Net Taxable Valuation - 2018	\$ 4,885,649,669	\$ 3,347,642,011	\$ 2,739,536,363	\$ 10,972,828,043
Percent Increase (Decrease)	2.54%	1.52%	1.15%	1.88%

Fiscal Year 2019-2020 Operating Property Tax	Reve	nue Calculation		Taxable Valuation By County FY 2019-2020
Total 2019 Net Taxable Valuation x General Operating Millage Rate	\$	11,179,406,133 2.0427		Saginaw 45%
Property Tax Revenues Less Delinquent and Appealed Taxes	\$	22,836,173 (100,000)	Bay 25%	Midland
Net Operating Property Tax Revenues	\$	22,736,176		30%

Notes

Industrial Facilities Tax Abatement (IFT): Property designated as IFT are included on a separate tax roll. IFT's are classified as new or rehab facilities. New facilities are taxed at one half the rate of the taxing district. Rehab facilities are taxed at the whole rate, but only on the initial assessment, not the improvements. These tax abatements typically do not exceed 12 years.

Captured Values: Captured values include those properties for which a portion of the College's levy is "captured" by the designated district within which the property is located. Such districts are designed to capture tax revenues for purposes of economic rehabilitation, enhancement, and/or growth, and include Tax Increment Finance Authority (TIFA), Downtown Development Authority (DDA), Local Finance Development Authority (LDFA), and Brownfield Redevelopment Zone. Properties in these districts are not exempt from taxes; rather they are included in the ad valorem and IFT tax rolls, and the tax revenues received by the College on these properties are based upon an initial assessed taxable valuation. The tax revenues resulting from increases in taxable valuation on these properties are captured and turned over to the designated district. For budgeting purposes, the captured taxable valuation must therefore be subtracted from the total taxable valuation when calculating the College's property tax revenues.

Exempt Personal Property Tax Reimbursements

Recent State legislation has exempted certain personal property from tax levy. Beginning in 2016, the College will be reimbursed from the State of Michigan for the losses the College incurred from applicable commercial and industrial personal property tax exemptions. The reimbursements are expected to be computed based on the reduction in taxable valuation from 2013 to the current tax year for these personal property tax classifications. Based on advice from our auditors regarding the proper accounting treatment of these reimbursements, this revenue will be reported as State Appropriations in both the budget and the College's audited Financial Statements.

General Fund

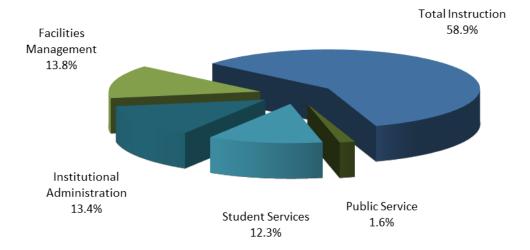
Expenditure Detail

Delta College General Fund Budget

Fiscal Year 2019-2020

Expenditures by Activity

Activity	Amount	Percentage
Instruction	\$ 32,010,388	46.6%
Instructional Support	 8,435,049	12.3%
Total Instruction	40,445,437	58.9%
Public Service	1,132,925	1.6%
Student Services	8,437,872	12.3%
Institutional Administration	9,239,953	13.4%
Facilities Management	 9,487,899	13.8%
Total Expenditures	\$ 68,744,086	100.0%

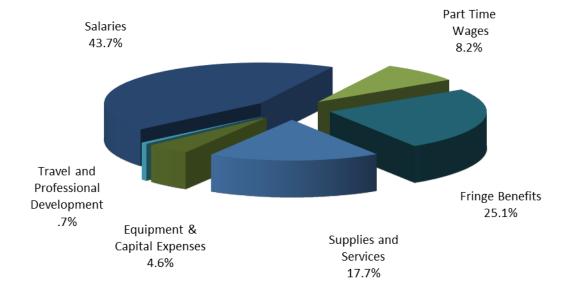


Delta College General Fund Budget

Fiscal Year 2019-2020

Expenditures by Object

Amount	Percentage
\$ 30,024,800	43.7%
5,667,783	8.2%
17,284,341	25.1%
12,146,205	17.7%
3,121,977	4.6%
 498,980	0.7%
\$ 68,744,086	100.0%
\$ 	\$ 30,024,800 5,667,783 17,284,341 12,146,205 3,121,977 498,980

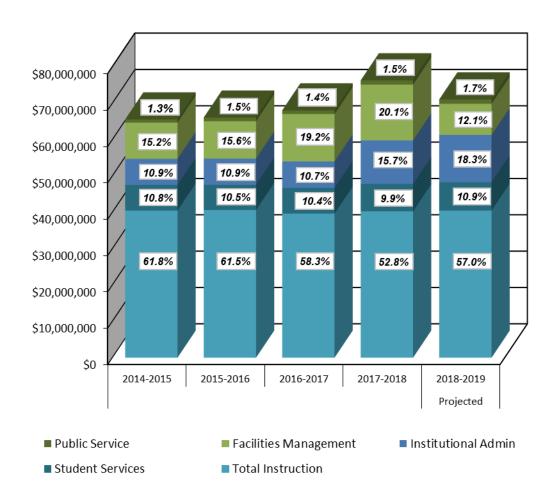


Delta College General Fund

Expenditures by Activity

Five Year Actual History

	2014-2015	2015-2016		2016-2017		2017-2018	Projected 2018-2019		
Instruction Instructional Support Total Instruction	\$ 32,443,828 8,048,111 40,491,939	\$	32,300,337 8,343,342 40,643,679	\$	31,505,100 8,153,053 39,658,153	\$ 32,358,466 7,927,713 40,286,179	\$	32,587,458 7,903,567 40,491,025	
Public Service Student Services Institutional Admin Facilities Management	 881,826 7,061,621 7,169,571 9,975,555		1,014,861 6,927,346 7,219,358 10,280,354		992,970 7,060,371 7,281,541 13,065,483	 1,172,672 7,525,171 11,988,127 15,358,713		1,204,342 7,770,592 13,034,333 8,582,154	
Total	\$ 65,580,512	\$	66,085,598	\$	68,058,518	\$ 76,330,862	\$	71,082,446	

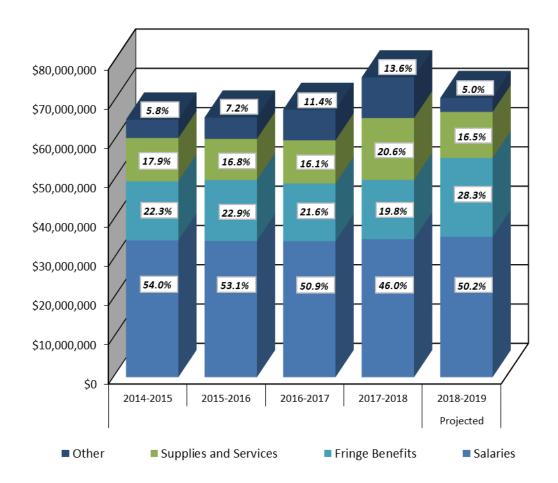


Delta College General Fund

Expenditures by Object

Five Year Actual History

	2014-2015			2015-2016		2016-2017	2017-2018			Projected 2018-2019		
Salaries Fringe Benefits	\$	34,804,127 15,048,145	\$	34,655,943 15,523,340	\$	34,609,618 14,698,582	\$	35,129,490 15,087,465	\$	35,720,495 20,088,849		
Supplies and Services		11,023,971		10,483,891		10,978,157		15,747,103		11,726,184		
Other	_	4,704,269		5,422,424		7,772,162	_	10,366,804		3,546,918		
Total	\$	65,580,512	\$	66,085,598	\$	68,058,519	\$	76,330,862	\$	71,082,446		



Notes

General Fund

Cost Center Detail

The College's organizational chart is found on page 48. It defines the major reporting relationships of the institution.

The basic unit of the General Fund is a cost center. Each cost center has a manager who is responsible for the dollars allocated to the cost center. This person is also responsible for the outcomes of the cost center. It is possible for one person to have many cost centers under their control.

Although this part of the budget addresses only the General Fund, it is possible that a cost center manager puts together cost centers from various funds to operate a particular program. Broadcasting is a good example of a program that must manage funds in the General Fund, the Restricted Fund and the Plant Fund. Each fund contributes a particular piece to the overall operation of the Broadcasting function.

A list of all General Fund cost centers is found on pages 72-75. They are listed by the six major activity classifications prescribed by the Michigan Department of Labor and Economic Growth which administers the Community College Services Unit for the State of Michigan.

In addition, the College has five Strategic Planning and Budgeting groups which are working to link the strategic plan to the budget. A description of each group and their activities is described on the next page.

To assist all constituencies in identifying the Strategic Planning and Budget group responsible for a given cost center, an alpha character has been added to each cost center.

- A Administrative Group led by the President, Dr. Jean Goodnow
- C Academic Services Group led by the Vice President of Instruction and Learning Services, Dr. Reva Curry
- D Student & Educational Services Group led by the Vice President of Student and Educational Services, Margaret Mosqueda
- E Business & Finance Group led by the Vice President of Business & Finance, Sarah DuFresne
- F Information Technology Group led by the Information Technology Contract Administrator, Bill Wesolek

The following page contains a description of each of the major college units.

Administrative Group

The Administrative Group's primary accountabilities are for presidential leadership, strategic planning, human resources, legal, research, public relations and fund development. These tasks are accomplished through the numerous offices in this area.

Academic Services Group

Academic programs, courses, and services are a direct manifestation of the mission of the College. This group provides most of the programs listed as program goals in the current mission. The primary accountabilities are: (1) to provide a large and diverse student body with courses or programs of study appropriate to its needs; (2) to provide rationale for those programs as well as clearly defined learning objectives; (3) to assure appropriate standards of instruction leading to effective student performance; and (4) to support and/or encourage College departments/offices to provide the range of services necessary to enhance each student's learning potential in a supportive environment.

Student & Educational Services Group

The primary institutional accountability of Student & Educational Services is to deliver high quality programs to a broad range of students in support of the College's mission. In addition, Student & Educational Services shares heavily in the College commitment to maintain equal access to educational opportunity through an open admissions policy and carries major responsibility for selected goals and values articulated in the institutional mission.

Student & Educational Services is made up of 22 operational units, including public safety, under the leadership of the Vice President of Student & Educational Services, the Dean of Students and the Dean of Enrollment Services.

Business & Finance Group

The Business & Finance Group is responsible for the accountabilities of budgeting, cash management, financial reporting, payroll, accounts payable, accounts receivable, purchasing, contract administration, conference services, auxiliary services, facilities planning and operations, and sustainability and risk management.

Information Technology Group

The Information Technology Group is responsible for the accountabilities of information technology services.

Detail of General Fund Expenditure Budget

						2100 Full Time	2200 Part Time	2300 Fringe	2400 Supplies	2500 Equip/	2600 Prof Dev	
		Cost Center Instruction	FAC	AP	SS	Salaries	Salaries	Benefits	& Services	Capital	&Travel	Total
1011	С	Interdisciplinary Social Sciences	0	0	0	_	_	_	250	_	_	250
1011	c	Economics	4	0	0	324,894	-	165,170	2,000	-	4,000	496,064
1012	c	History	3	0	0	271,419	_	133,630	3,250	_	3,000	414,299
1013	c	Criminal Justice	3	0	0	247,232	_	125,007	3,250 3,250	_	3,000	378,489
1014	c	Political Science	6	0	0	569,124	_	273,697	6,000	_	6,000	854,821
1015	c	Psychology	7	0	0	682,899	_	325,315	4,800	_	7,000	1,020,014
1010	c	Sociology	4	0	0	304,781	_	158,789	2,700	_	4,000	470,270
1017	c	Applied Behavioral Science	0	0	0	304,701		130,703	500		4,000	500
1019	c	Child Development	1	0	0	96,019	_	45,986	2,500	_	1,000	145,505
1015	c	Art & Design	4	0	0	341,398	9,776	170,916	15,750		4,000	541,840
1021	c	Foreign Language	2	0	0	164,549	3,770	83,252	2,000	_	2,000	251,801
1023	c	Theater	0	0	0	104,545		00,202	2,200	_	2,000	2,200
1024	c	Interdisciplinary Humanities	0	0	0				200			200
1025	c	Music	2	0	0	193,637	_	92,478	5,500	_	2,000	293,615
1027	c	Philosophy	4	0	0	350,996	_	173,448	3,100	_	4,000	531,544
1027	c	Electronic Media Broadcasting	1	0	0	88,230	2,504	43,515	1,800		1,000	137,049
1028	c	Communications	4	0	0	371,870	2,304	180,070	5,000	_	4,000	560,940
1023	c	English	20	0	0	1,812,257	_	885,412	22,000	_	20,000	2,739,669
1035	c	Math	15	0	0	1,373,757		668,681	32,000	7,900	15,000	2,097,338
1033	c	Biology	16.5	0	0	1,426,583	_	700,844	56,000	7,500	16,000	2,199,427
1041	c	Chemistry	5	0	0	468,333	_	226,197	32,000	_	5,000	731,530
1043	c	Geology	1	0	0	83,546	_	42,029	4,650	_	1,000	131,225
1043	c	Geography	0	0	0	w,540 -		42,023	4,000	_	1,000	4,000
1045	c	Physics	4	0	0	362,135	_	176,984	8,250	_	4,000	551,369
1045	c	Science Tech Programs	0	0	0	302,133		170,504	500	_	4,000	500
1047	c	Science Labs	0	3.82	0	200,012	42,612	128,674	125	_	1,950	373,373
1052	c	Lifelong Wellness	6	0	0	576,962	42,012	276,181	12,000	_	6,000	871,143
1061	c	Accounting	3	0	0	289,951	_	138,558	3,200	_	3,000	434,709
1063	c	Computer Info Systems	8	0	0	725,269	33,168	364,647	12,000	_	8,000	1,143,084
1065	c	Legal Support Professional	0	0	0	723,203	-	30-1,0-17	500	_	-	500
1066	c	Management	6	0	0	532,715	_	262,146	3,500	_	6,000	804,361
1067	c	Office Admin & Technology	5	0	0	416,499	_	209,756	5,000	_	5,000	636,255
1069	c	Nursing Course Testing Fees	0	0	0	-10,-133	_	203,730	100,000	_	3,000	100,000
1070	c	Nursing	17	0	0	1,344,579	3,130	690,482	30,000	_	17,000	2,085,191
1071	c	Surgical Technology	2	0	0	173,163	5,150	85,984	5,500	_	2,000	266,647
1073	c	Physical Therapy	2	0	0	188,940	_	90,989	5,700	_	2,000	287,629
1074	c	RespiratoryTherapy	2	0	0	174,645	_	86,455	6,000	_	2,000	269,100
1076	c	Health Related Science	0	0	0		_	-	1,500	_	2,000	1,500
1077	c	Radiological Technology	2	0	0	169,108	_	84,697	7,600	_	2,000	263,405
1078	c	Dental Hygiene	2.5	0	0.85	182,162	49,911	127,772	48,000	_	2,775	410,620
1079	c	Dental Assisting	0.5	0	0.00	44,609		24,483	13,000	_	667	82,759
1082	c	Surgical First Assistant	0.5	0	0	-1,005	_	2-1,-100	2,700	_	-	2,700
1083	c	Sterile Processing	0	0	0	_	_	_	3,000	_	_	3,000
1087	c	Sonography	2	0	0	148,064	_	78,022	10,450	_	2,000	238,536
1110	c	Apprenticeship Program	0	1	0	60,119	26,691	42,938	5,700	_	500	135,948
1111	c	Welding	3	0	0	220,124	20,051	116,406	100,000	_	3,000	439,530
1112	c	Auto Service Ed Program	1	0	0	71,361	_	38,163	12,500	_	1,000	123,024
1116	c	Fire Science	0	0	0	- T)JUI	29,547	9,234	1,100	-	1,000	39,881
1124	c	Instructional Equipment	0	0	0	_	<i></i>	J ₁ 2J 1	1,100	404,777	_	404,777
1125	c	Educational Support	0	0	0	-	-	-	96,621	43,775	-	140,396
1126	c	Other Supplemental	0	0	0	-	-	-	25,120	43,773 87,500	-	112,620
1127	c	Academic Supplemental	0	0	0	2,330,343	2,512,546	1,513,403		-	_	6,356,292
114/	-	/ wachic supplemental	U	U	U	2,000,040	2,012,040	LUTUN	-	=	-	0,000,202

A – Administration C - Academic & Instructional Support D - Student & Educational Services E - Business & Finance F - Information Technology

Detail of General Fund Expenditure Budget

						2100 Full Time	2200 Part Time	2300 Fringe	2400 Supplies	2500 Equip/	2600 Prof Dev	
		Cost Center	FAC	AP	SS	Salaries	Salaries	Benefits	& Services	Capital	&Travel	Total
1160	С	Architecture	0	0	0	-	-	-	1,425	-	-	1,425
1161	С	Residential Construction	2	0	0	147,937	-	77,982	12,575	-	2,000	240,494
1162	С	Automotive Service Technology	2	0	0	133,024	-	73,251	26,000	-	2,000	234,275
1163	С	Chemical Processing	0	0	0	-	-	-	2,450	-	-	2,450
1164	С	Electrical Technology	1	0	0	88,807	-	43,698	8,250	-	1,000	141,755
1165	С	Manufacturing & Industrial Tech	1	0	0	92,550	-	44,885	16,600	-	1,000	155,035
1166	С	Technology Facility Labs	0	1	1	108,165	42,570	65,366	2,000	-	775	218,876
1169	С	Computer Numerical Control	1	0	0	89,094	-	43,789	18,000	-	1,000	151,883
1171	С	Computer Assisted Drafting	1	0	0	60,000	-	34,560	2,000	-	1,000	97,560
1172	С	Refrigeration/Heating/Air	1	0	0	63,899	-	35,797	9,500	-	1,000	110,196
1173	С	Auto Course Tool & Exam Fees	0	0	0	-	-	-	75,000	-	-	75,000
		Total Instruction	177.5	5.8	1.9	18,168,760	2,752,455	9,459,738	904,816	543,952	180,667	32,010,388
		Public Service	_									
3580	Α	PublicTelevision	0	5.7	0.2	376,553	-	211,117	-	-	2,905	590,575
3581	Α	Public Radio	0	1.3	0.2	73,244	-	47,390	-	-	730	121,364
3588	D	Planetarium Operations	0	3	0	177,117	58,386	118,734	45,000	5,000	1,749	405,986
3591	Α	President's Speaker Series	0	0	0	-	-	-	15,000	-	-	15,000
		Total Public Service	0	10	0.4	626,914	58,386	377,241	60,000	5,000	5,384	1,132,925
		Instructional Support										
4500	С	Office of VP Instruction	0	1	1	199,810	16,361	96,270	5,000	-	8,335	325,776
4501	С	Social Sciences Division	0	1	1.4	156,237	4,217	86,844	3,500	-	1,279	252,077
4503	С	Arts & Letters Division	0	1	1	136,236	10,605	74,270	3,500	-	1,169	225,780
4505	С	Science & Mathematics Division	0	1	2	182,089	5,815	104,342	3,500	-	1,444	297,190
4507	С	Business & Technical Division	0	1	2	183,477	12,738	104,782	3,500	-	1,443	305,940
4508	С	Health & Wellness Division	0	1	2	181,026	5,815	104,005	3,500	-	1,443	295,789
4511	С	Agriculture Tech Coordinator	0	0	0	-	-	-	41,000	-	-	41,000
4513	С	Library Learning Info Center	0	0	0	-	-	-	6,150	-	721	6,871
4514	С	Learning Communities	0	0	0	-	-	-	1,425	-	657	2,082
4515	С	e-Learning Instructional Support	0	0	0	-	-	-	358,000	-	-	358,000
4516	С	Honors Program	0	0	0.5	42,829	7,455	21,396	8,500	-	5,959	86,139
4517	С	Dean of Faculty	0	1	0	111,806	-	50,994	3,500	-	2,143	168,443
4518	С	Dean of Administration	0	1.5	1.75	179,202	_	107,404	5,000	-	1,721	293,327
4520	Α	Instructional Support Svcs	0	0	0.9	28,273	57,281	35,157	-	-	275	120,986
4521	С	Dean of Career Education	0	1	0	112,636	-	51,256	6,450	-	4,800	175,142
4522	F	Office of Info Tech Computer Labs	0	0	0	-	166,874	-	88,337	-	-	255,211
4523	F	Contract OIT Instruct Supp Svcs	0	0	0	-	-	-	1,537,570	-	-	1,537,570
4524	С	Galleria	0	0	0	-	250	-	3,000	-	-	3,250
4525	С	WRITCenter	0	0	0	-	47,061	-	750	-	-	47,811
4526	С	Academic Testing Center	0	0	1.5	21,155	171,893	68,222	285	-	138	261,693
4527	С	Teach/Learn Center	0	1.2	1	107,370	323,673	155,521	2,000	-	4,453	593,017
4528	С	Multimedia Lab	0	1	1	105,936	26,482	72,934	6,000	-	775	212,127
4530	С	Library	0	4	2	325,262	102,509	209,500	10,000	-	3,103	650,374
4531	С	Library Books	0	0	0	-	-	-	39,000	-	-	39,000
4532	С	Periodicals	0	0	0	-	-	-	18,000	-	-	18,000
4533	С	LearningTechnology	0	0	0	-	-	-	97,500	-	-	97,500
4536	С	Instructional Disability Access	0	0	0	-	-	-	18,000	-	-	18,000
4537	С	Dual Enrollment	0	1	1	114,449	-	67,357	4,750	-	775	187,331
4549	С	Delta Archives	0	0	0	-	7,827	2,446	400	-	-	10,673
4550	Α	Faculty Center Teaching Excellence	0	0	0	-	18,163	4,502	9,500	-	12,416	44,581

A – Administration C - Academic & Instructional Support D - Student & Educational Services

E - Business & Finance **F** - Information Technology

Detail of General Fund Expenditure Budget

						2100 Full Time	2200 Part Time	2300 Fringe	2400 Supplies	2500 Equip/	2600 Prof Dev	
		Cost Center	FAC	AP	SS	Salaries	Salaries	Benefits	& Services	Capital	& Travel	Total
4551	Α	Center for Organizational Success	0	0.75	0	59,295	5,564	30,478	33,500	-	817	129,654
4552	С	Accreditation	0	0	0	-	-	-	29,000	-	-	29,000
4553	С	Academic Assessment	0	0	0	-	-	-	1,900	-	2,738	4,638
4554	С	Developmental Ed	0	0	0	-	-	-	1,000	-	885	1,885
4555	D	International/Intercultural	0	0	0	-	-	-	7,000	-	-	7,000
4556	С	General Education	0	0	0	-	-	-	725	-	548	1,273
4557	D	Community Engagement	0	1	1	102,895	10,519	66,981	4,000	-	2,281	186,676
4558	D	Service Learning	0	0	0	-	1,877	-	1,802	-	1,697	5,376
4559	D	Possible Dream Program	0	1	0	49,150	-	31,118	500	-	500	81,268
4560	С	Strategic Partnerships	0	0.8	0.25	65,246	2,003	36,265	2,850	-	2,087	108,451
4562	D	Community Development	0	1	0	84,378	-	42,294	2,250	-	1,048	129,970
4563	С	Democracy Commitment	0	0	0	-	-	-	14,250	-	-	14,250
4570	С	e-Learning Technology Support	0	2	0.6	127,866	-	80,961	46,000	-	3,301	258,128
4599	E	Transfers	0	0	0	-	-	-	546,800	-	-	546,800
		Total Instruct Support	0	23.2	20.9	2,676,623	1,004,982	1,705,299	2,979,194	-	68,951	8,435,049
		Student Services										
5608	F	Contract OIT SES Supp Svcs	0	0	0	-	-	-	721,104	-	-	721,104
5609	Ε	Matching Funds	0	0	0	-	-	_	45,159	-	-	45,159
5610	D	Office of VP Student/Educ Svcs	0	1.4	1	209,650	125,336	123,454	55,795	17,841	2,211	534,287
5611	D	Admissions	0	6	3	404,887	20,888	268,181	55,750	-	3,825	753,531
5612	D	Registrar	0	4	2.75	360,579	45,685	225,941	38,000	-	2,765	672,961
5613	D	Counseling & Advising	0	14	2	875,978	-	526,398	8,550	-	7,550	1,418,476
5614	D	Financial Aid	0	8	2	514,326	32,327	324,607	9,500	-	4,550	885,310
5616	D	Career & Employment Services	0	1.8	1	143,470	57,403	102,370	15,045	-	1,175	319,463
5617	C	Admission Testing	0	0	0.5	21,155	-	14,506	21,000	-	138	56,799
5618	D	Student Engagement	0	1	1	86,579	-	58,517	15,000	-	775	160,871
5621	D	SAC/Student Clubs & Organizations	0	0	0	-	-	-	25,000	-	-	25,000
5622	Α	Marketing & Publications	0	0	0	-	-	-	442,416	-	-	442,416
5623	D	Dean of Enrollment Services	0	1	0	109,717	-	50,330	4,750	-	2,093	166,890
5624	D	Multi-Cultural Services	0	0.5	0	33,295	-	18,371	20,000	-	250	71,916
5625	D	Veteran's Services	0	1	0	49,650	24,123	38,572	1,780	-	500	114,625
5626	D	SES Software	0	0	0	-	-	-	139,990	-	-	139,990
5627	D	Student Success	0	0	0	-	-	-	50,000	-	7,291	57,291
5630	D	Collegiate	0	0	0	-	46,484	3,656	9,266	-	378	59,784
5642	D	Office of Disability Resources	0	0.8	0.75	82,235	2,097	50,849	50,000	-	606	185,787
5644	D	Enrollment Management	0	0	0	-	-	-	29,000	-	17,546	46,546
5646	D	Dean of Students	0	1	0	108,970	-	50,094	9,750	-	2,143	170,957
5647	Α	Student Senate	0	0	0	-	-	-	1,000	-	442	1,442
5648	D	Commencement/Student Awards	0	0	0	-	-	-	17,500	-	-	17,500
5649	Α	Grants-Sr. Citizen	0	0	0	-	-	-	31,930	-	-	31,930
5650	Α	Scholarships-Trustees	0	0	0	-	-	-	191,503	-	-	191,503
5651	Α	Grants-Trustees	0	0	0	-	-	-	11,443	-	-	11,443
5652	D	Indian Tuition Waiver	0	0	0	-	-	-	35,000	-	-	35,000
5653	D	Scholarships-Athletics	0	0	0	-	-	-	7,000	-	-	7,000
5654	Α	Scholarships-Adult Ed	0	0	0	-	-	-	8,843	-	-	8,843
5661	D	Midland Center	0	0.85	0	43,466	23,975	35,163	3,000	-	500	106,104
5662	D	Saginaw Center	0	1	0	54,622	52,913	46,201	107,000		500	261,236
5669	С	Testing	0	0	0	-	-	-	7,000	-	274	7,274
5672	Ε	Fitness & Recreation Center	0	0.5	0.5	53,414	79,628	46,637	34,070	10,000	388	224,137
5673	D	Intercollegiate Athletics-Men	0	1	0	59,187	43,147	44,885	44,615	-	39,551	231,385
5674	D	Intercollegiate Athletics-Women	0	1	0	59,187	45,401	46,607	44,915	-	42,834	238,944
5675	D	Club & Intramural Sports	0	0	0	-	6,731	2,103	6,134	-	-	14,968
		Total Student Services	0	44.9	14.5	3,270,367	606,138	2,077,442	2,317,808	27,841	138,276	8,437,872

A – Administration C - Academic & Instructional Support D - Student & Educational Services

E - Business & Finance **F** - Information Technology

Detail of General Fund Expenditure Budget

					2100 Full Time	2200 Part Time	2300 Fringe	2400 Supplies	2500 Equip/	2600 Prof Dev	
	Cost Center	FAC	AP	SS	Salaries	Salaries	Benefits	& Services	Capital	&Travel	Total
					-	-	-		-	•	30,517
	•					38,796	•		-		543,047
	· •	-			•				-		100,713
		-			447,908	9,154			-	,	704,672
					-	-	-		-		129,068
		-			-	-	-		-		50,722
	· ·	-	_		-	-			-		24,918
	· ·				-	-				•	26,701
	• •		_		-	-		,		,	29,958
	0	-			-	-			-		36,633
		_			33,295	-	18,3/1		-		66,916
	-	-			-	-	-		-	-	166,033
		-	_	_	-	-	-	55,700	-	-	55,700
	• •	_			-	-	53,274	-	-	-	53,274
			_		-	-	-	,	-	-	43,608
	• •	-	_		-	-	-		-	-	10,588
		-			-		•		-		505,244
		_			,				-	•	221,961
		-			•			•	-		433,100
		-			•	75,008	441,030		-	12,073	1,336,160
						-	-	,	-	-	410,549
		-			•	-	,		61,225	•	1,001,089
		-			•				-	,	693,081
		-			•			•	-		69,334
		_							-		109,865
						86,648		10,824	-		616,455
						-	•	-	-		29,567
		_			270,145			•	-	3,424	428,480
	•	_			-	-		497,000	-	-	497,000
		-			-	-	190,000	-	-	-	190,000
Ε					-	-	-		-	-	625,000
	Total Institutional Admin	0	27.7	16.5	3,072,687	352,263	2,103,850	3,560,087	61,225	89,841	9,239,953
	For 32th all decomposition										
ь	, ,	0	1	_	200 204	151 020	222 EE0	33 EW		1 000	707,303
	,	_		_	,	,	,	,	16 262	,	1,285,496
											2,898,736
	, ,					054,559			24,047		
					-	-			-		1,340,237
		_			-	-	-		-		12,336
					-	-	-	311,912	42.750		311,912
					-	- 12.2 7 0	-	4 0 4 5			42,750
	•				-	13,279	-	•	-		20,425
		_			-	-	-		-		82,204
		_			-	-			-		203,500
	_	-			-	-	-	183,000	2 400 000	-	183,000
_					2 200 440	903 550	1 EGO 771	2 224 200		1E 061	2,400,000
	ı otal Facilties ivlanagement	U	13.3	28	2,209,449	893,559	1,560,771	2,324,300	2,483,959	15,861	9,487,899
	Total Expenditures	177.5	124.9	82.2	30,024,800	5,667,783	17,284,341	12,146,205	3,121,977	498,980	68,744,086
	AAAAAAAAAEEAAEEEFFAAEAAAEEE DEEEEEEEEEE	Institutional Administration A Board of Trustees A Development Office A President's Office A Memberships/Institution A Miscellaneous A Wellness/Prof Development A League for Innovation A President's Special Projects A Strategic Planning A Diversity & Inclusion A Legal E Audit E Misc Employee Benefits * A Staff Recruitment A Employee Grants E Insurance E Communication Technology E Business Services E Finance Office F Contract OIT Admin Supp Svcs F Office of Info Tech A Human Resources A Senate E Post Office A Institutional Advancement A Grant Administration A Administrative Services E Credit Card Fees & Bad Debt Exp T Tuition Waiver T Transfers Total Institutional Admin Facility Management D Public Safety E Facility Administration E Facility Utilities E Farmhouse F Facility Improvement Sustainability Office Micland Center Planetarium & Learning Center E Saginaw Center Transfers Total Facilities Management	Institutional Administration A Board of Trustees 0 A Development Office 0 A Equity Office 0 A President's Office 0 A Memberships/Institution 0 A Miscellaneous 0 A Wellness/Prof Development 0 A League for Innovation 0 A President's Special Projects 0 A Strategic Planning 0 A Diversity & Inclusion 0 A Legal 0 E Audit 0 E Misc Employee Benefits * 0 A Staff Recruitment 0 A Employee Grants 0 E Insurance 0 E Communication Technology 0 E Business Services 0 E Finance Office 0 F Contract OIT Admin Supp Svcs 0 F Office of Info Tech 0 A Human Resources 0 A Senate 0 E Post Office 0 A Institutional Advancement 0 A Grant Administration 0 A Administrative Services 0 E Truition Waiver 0 E Transfers 0 F Cacility Management 0 F Facility Management 0 E Facility Manistration 0 E Facility Itilities 0 E Facility Ministration 0 E Fac	Institutional Administration	Institutional Administration	Cost Center	Cost Center FAC AP SS Salaries Salaries Institutional Administration	Cost Center FAC AP SS Salaries Salaries Salaries Salaries Institutional Administration Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institutional Institution	Part Part	Cost Center	Cost Center FAC AP SS Saleries S

A – Administration C - Academic & Instructional Support D - Student & Educational Services
E - Business & Finance F - Information Technology

Delta College Fringe Benefits

The cost of the College's fringe benefits are listed in each cost center that has employees. Budgeted fringe benefits for full-time employees are as follows. Part-time employees receive only retirement, social security and Medicare benefits. Student employees receive no fringe benefits.

Benefit	Cost					
Medical, Vision and Hearing Insurance	\$14,696	per covered employee (weighted average)				
Dental Insurance	\$740	per employee (weighted average)				
Retirement	23.95%	of each wage dollar paid (weighted average of MPSERS at 25.8% and ORP at 10%)				
Social Security (FICA)	6.20%	of each wage dollar paid up to \$132,900 max				
Medicare	1.45%	of each wage dollar paid				
Life Insurance	\$1.81	per \$1,000 of wages doubled up to \$50,000 max				
Disability Insurance	\$4.72	per \$1,000 of wages up to \$90,000 max				
Professional Development Allowance:						
Faculty	\$1,000	per year				
Administrative/Professional Staff	\$500	per year				
Support Staff	\$275	per year				
Fringe benefit cost for \$25,000 ir Fringe benefit cost for \$50,000 ir Fringe benefit cost for \$75,000 ir	n salary:	\$23,545 94% \$31,563 63% \$39,626 53%				

The costs above do not include unemployment compensation, vacation or sick leave which are budgeted in cost center 6736, worker's compensation which is budgeted in cost center 6739, or tuition remission which is budgeted in cost center 6774.

The following is a summary of General Fund wages and fringe benefits budgeted for FY 2019-2020:

Employee Classification	Amount	Benefit	Amount
Faculty	\$ 15,438,494	Retirement	\$ 8,379,258
Supplemental and Part-time Faculty	4,850,889	FICA and Medicare	2,528,107
Administrative/Professional Staff	8,802,366	Medical/Vision/Hearing	5,602,096
Support Staff	2,530,361	Dental Insurance	282,359
Maintenance	915,236	Life Insurance	36,443
Part-time Staff and Student Employees	 3,155,237	Disability Insurance	130,354
		Professional Development	253,027
		Tuition Waiver	190,000
		Other	 135,724
Total Wages	\$ 35,692,583	Total Benefits	\$ 17,537,368

Fringe benefits as a percentage of wages: 49%

Delta College Summary of Budgeted General Fund Personnel

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Faculty	211	208	201	199	178
Administrative and Professional Staff	117	118	121	121	125
Support Staff	66	66	66	68	61
Maintenance	21	21	21	21	21
Total Full-Time Personnel	<u>415</u>	413	409	409	385

The above data reflects all General Fund full-time regular and temporary positions. Part-time positions are not included in the above data.

Designated Fund

The **Designated Fund** is used to record transactions of revenue and expense that the administration wants to set apart from the general fund activities. The activities are set apart so that revenue and expense for these activities may be matched. Activity fund balances at the end of the fiscal year are carried forward to the next fiscal year. It is the expectation that the activities recorded in the Designated Fund will "break even."

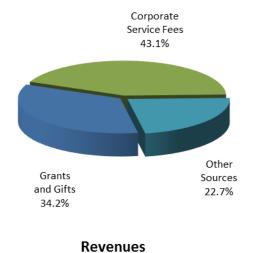
There are many activities recorded in this fund with the largest being the Corporate Services and Criminal Justice training programs. The College also has reserves set aside in the Designated Fund such as the Self Insurance reserve, and the Reserves for Budget Sustainability and Innovative Initiatives established in fiscal year 2017-2018. Pages 86 and 87 provide an overview of the various Designated Fund activities.

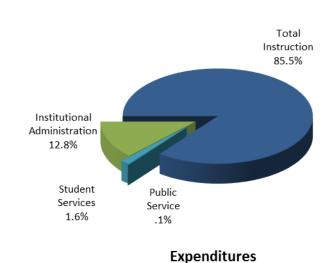
Revenues and the related expenses are budgeted based on activities that are anticipated to occur. The budget for each activity is prepared separately, and depending on the nature of the activity and the specific funding sources, is based on known actual and/or projected data.

Delta College Designated Fund Budget

Fiscal Year 2019-2020

Revenues		
Grants and Gifts	\$ 2,505,000	
Corporate Service Fees	3,149,970	
Other Sources	 1,661,469	
Total Revenues		\$ 7,316,439
Expenditures		
Instruction	\$ 5,334,457	
Instructional Support	 75,500	
Total Instruction	5,409,957	
Public Service	8,300	
Student Services	103,950	
Institutional Administration	 807,711	
Total Expenditures		6,329,918
Revenues Over Expenditures		986,521
Beginning Fund Balance		 11,112,924
Ending Fund Balance		\$ 12,099,445





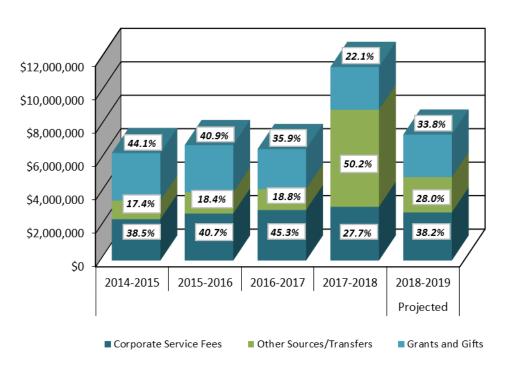
Five Year Actual History

	2014-2015	2015-2016	2016-2017	2017-2018	Projected 2018-2019
Revenues					
Grants and Gifts	\$ 2,837,108	\$ 2,818,571	\$ 2,391,098	\$ 2,556,425	\$ 2,545,850
Corporate Service Fees	2,472,220	2,810,851	3,017,926	3,211,138	2,874,050
Other Sources	1,066,911	1,182,108	1,133,075	1,151,691	1,290,283
Transfers In	50,000	<u>89,961</u>	119,834	<u>4,653,826</u>	<u>820,010</u>
Total Revenues	6,426,239	6,901,491	6,661,933	11,573,080	7,530,193
Expenditures					
Instruction	5,306,570	5,624,881	5,341,933	5,478,847	4,660,884
Instructional Support	92,173	92,217	139,139	47,294	42,334
Total Instruction	5,398,743	5,717,098	5,481,072	5,526,141	4,703,218
Public Service	2,013	1,386	19,737	5,138	8,303
Student Services	94,288	112,404	94,116	110,991	122,617
Institutional Administration	791,000	748,531	654,697	769,550	1,204,365
Transfers Out	232,164	235,676	342,283	224,957	448,236
Total Expenditures	6,518,208	6,815,095	6,591,905	6,636,777	6,486,739
Revenues Over (Under) Expenditures	(91,969)	86,396	70,028	4,936,303	1,043,454
Beginning Fund Balance	5,068,712	4,976,743	5,063,139	5,133,167	10,069,470
Ending Fund Balance	<u>\$ 4,976,743</u>	<u>\$ 5,063,139</u>	<u>\$ 5,133,167</u>	\$10,069,470	<u>\$11,112,924</u>

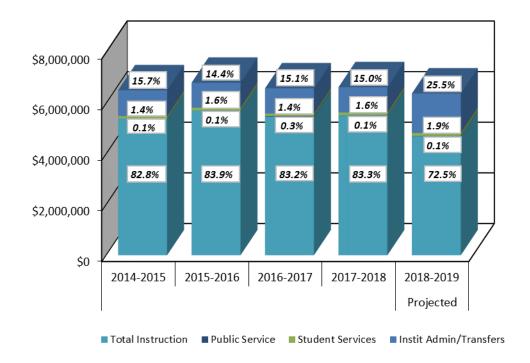
Notes:

- 1) The majority of instructional expenditures were for Corporate Services activities.
- 2) Restricted grants managed by Corporate Services are recorded in the Restricted Fund in the audited financial statements.
- 3) Approximately \$900,000 of the Transfers In for fiscal year 2017-2018 was from the General Fund to eliminate deficits in the Criminal Justice and Lifelong Learning programs that had carried forward for many years, and a \$3 million transfer from the General Fund to establish an Administrative Reserve for Long-Term Budget Sustainability.

Revenue History



Expenditure History



Corporate Services Activities

	2014-2015	2015-2016	2016-2017	2017-2018	Projected 2018-2019	Budgeted 2019-2020
Revenues						
Training Delivery	\$ 1,173,579	\$ 1,064,950	\$ 1,239,618	\$ 1,407,688	\$ 1,033,569	\$ 1,602,470
Training Administration	3,966,721	4,291,525	3,970,030	4,103,123	3,797,631	3,806,000
Training Development	3,160	124,731	83,993	25,050	-	17,500
Training Grants	50,434	7,333	-	-	-	-
Other		_	9,358	<u>17,961</u>	_	
Total Revenues	<u>\$ 5,193,894</u>	<u>\$ 5,488,539</u>	\$ 5,302,999	\$ 5,553,822	\$ 4,831,200	<u>\$ 5,425,970</u>
Expenditures						
Training Delivery	670,001	766,888	780,185	825,063	702,456	1,207,137
Training Administration	3,857,568	4,083,075	3,791,858	3,946,882	3,585,066	3,656,000
Training Development	363	62,631	40,144	16,664	2,813	8,500
Training Grants	50,434	7,333	-	-	-	-
Other	<u>512,976</u>	383,607	462,232	411,003	<u>399,615</u>	<u>372,475</u>
Total Expenditures	<u>\$ 5,091,342</u>	<u>\$ 5,303,534</u>	<u>\$ 5,074,419</u>	\$ 5,199,612	<u>\$ 4,689,950</u>	<u>\$ 5,244,112</u>
Transfers In (Out)						
College General Services Transfers	(104,724)	(104,724)	(104,724)	(104,724)	(104,724)	(104,724)
Facility Renovations Transfers	(43,512)	(43,512)	<u>(43,512)</u>	<u>(43,512)</u>	(43,512)	(43,512)
Total Transfers	<u>\$ (148,236)</u>	<u>\$ (148,236)</u>				
Revenues Over/(Under)						
Expenditures	(45,684)	36,769	80,344	205,974	(6,986)	33,622
Beginning Fund Balance	1,064,804	1,019,120	1,055,889	1,136,233	1,342,207	1,335,221
Ending Fund Balance	<u>\$ 1,019,120</u>	<u>\$ 1,055,889</u>	<u>\$ 1,136,233</u>	<u>\$ 1,342,207</u>	<u>\$ 1,335,221</u>	<u>\$ 1,368,843</u>

Note: Restricted grants managed by Corporate Services are recorded in the Restricted Fund in the audited financial statements.

Other Significant Activities

Instruction

Criminal Justice Training Programs
*Lifelong Learning Center Programs

Instructional Support

President's Scholar Program
President's Innovation Projects
Faculty & Instructional Development
Art & Archives Projects
Developmental Education
Library Resource Replacement
Photography Lab Printing
Kenya Partnership Contract
MEDC MAT2 Project
Prison Program

Public Service

Global Awareness
Delta Productions
Telelearning Network
Dental Hygiene Power Brush Program
Michigan MATYC Conference

Student Services

Student Service Learning Activities
Student Educational Services Activities
Student Skills Achievement Programs
Mathematics Calculator Program
Mathematics Placement Booster
Computer Rental Program
President's Honors Scholarship
Pioneer Athletic Fundraisers

Institutional Administration

Whiting Distribution Committee Projects
U.N.U.M Projects
Technology Improvements
Administrative Projects
Reserve for Budget Sustainability
Self Insurance
Administrative Development & Projects
Flexible Spending Plan Administration
Health Care Reform Plan Fees
In-kind Gifts
Senate Foundation Special Projects

^{*}Note: The majority of the Lifelong Learning programs were discontinued in fiscal year 2017-2018, with just a few of the popular health related programs continuing.

Restricted Fund

The **Restricted Fund** is used to account for transactions resulting from revenue received by the College from outside donors or agencies in which the College does not have absolute control over the expenditures. Such revenues may be in the form of gifts or grants. The donor or the agency specifies the purpose for which these moneys may be expended. Any such transactions are classified as restricted.

Major ongoing activities funded through the Restricted Fund include student financial aid programs and scholarships, vocational educational equipment and activities, and public broadcasting activities. Federal grants provide the primary funding sources for the financial aid and the vocational programs. The Delta College Quality Public Broadcasting Stations (television and radio) are funded through grants from the Corporation for Public Broadcasting, gifts from donors, and support from the College General Fund.

Beginning in 2014-2015, the College received some large multi-year private and state grants to fund major capital purchases relative to our academic technical trades and STEM programs.

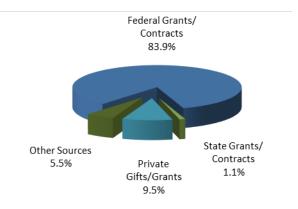
Revenues and the related expenses are budgeted based on activities that are anticipated to occur. The budget for each activity is prepared separately, and depending on the nature of the activity and the specific funding sources, is based on known actual and/or projected data.

Delta College Restricted Fund Budget

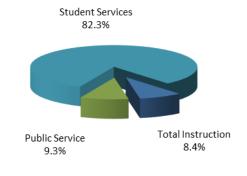
Fiscal Year 2019-2020

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Federal Grants/Contracts State Grants/Contracts Private Gifts/Grants Other Sources	\$ 14,798,719 196,300 1,685,714 964,904	
Total Revenues		\$ 17,645,637
Expenditures		
Instruction Instructional Support Total Instruction	\$ 1,239,585 264,890 1,504,475	
Public Service Student Services Facilities Management	 1,671,563 14,774,545 2,572	
Total Expenditures		 17,953,155
Revenues Over/(Under) Expenditures		(307,518)
Beginning Fund Balance		 4,024,934



Ending Fund Balance



3,717,416

Revenues Expenditures

Restricted Fund

Grant Detail

Delta College Listing of Grant Programs

July 1, 2019 – June 30, 2020

Grant Title, Description and Funding Agency	Amount Awarded	Dates of Grant
Broadcasting - Community Service Grant - Assist WDCQ-TV to maintain current systems and programming for the mid- Michigan community. Funded by Corporation for Public Broadcasting.	\$678,669	10/01/2018 - 09/30/2019
Broadcasting - Universal Service Support Grant - Strengthen and support local services to advance the core mission and public service positioning of WDCQ-TV in its community. Funded by Corporation for Public Broadcasting.	\$68,621	10/01/2018 - 09/30/2019
Broadcasting - Interconnection Grant - Support the technical interconnection system, which is the means by which PBS, regional distributors and other entities distribute programming material nationwide. Funded by Corporation for Public Broadcasting.	\$12,924	10/01/2018 - 09/30/2019
College 101: Becoming a Pioneer Program – Assists incoming college freshman prepare for their first year in College.	\$20,000	07/01/2019- 06/30/2020
Marshall Plan for Talent Consortium – Saginaw ISD – The Michigan M-46 Consortium between Saginaw and Muskegon will target career pathways for Manufacturing, Professional Trades and Healthcare as the industries with the highest wage and highest demand in the region. The Consortium will focus on creating a workplace citizenship curriculum, developing a career navigation system with career pathway planning, promotion and awareness. Funded by Michigan's Talent and Economic Development (TED) Department.	\$270,000	07/1/2019- 06/30/2022
Michigan Small Business Development Center 2019 - To provide management counseling, training, and technical assistance to the small business community through Small Business Development Centers (SBDCs). Funded by The Michigan Small Business Development Center and the U.S. Small Business Administration.	\$185,212	01/01/2019 - 12/31/2019
Michigan Works! – Wagner Peyser, WIOAA Adult, WIOA Dislocated Worker, TGAAA and TAA/NAFTA, WIOA Basic Career Services, Reemployment Services Provide instruction/access to job seekers to enter job orders, resumes, and find "matches" on the Internet. Funded by Great Lakes Bay Region Michigan Works! Administration.	\$2,755,025	10/01/2018- 09/30/2019
Michigan College / University Partnership (MICUP) 2018-19 with Michigan Technological University - Assist minority students to transfer to Michigan Tech University. Funded by the Michigan Talent Investment Agency (TIA) / Workforce Development Agency (WDA), Martin Luther King JrCesar Chavez-Rosa Parks Initiative grant, passed through Michigan Technological University.	\$7,000	10/01/2018 - 09/30/2019
Motorcycle Safety 2018-2019 - Provide motorcycle safety training to Great Lakes Bay residents. Funded by Michigan Department of State.	\$73,000	10/01/2018 - 09/30/2019
Carl D. Perkins Career and Technical Education Grant 2018-2019 - Provide instructional equipment, professional development, program planning, academic and support services, and career guidance and placement. Funded by U.S. Dept. of Education passed through Workforce Development Agency of Michigan.	\$740,815	07/01/2018 - 06/30/2019
TRIO - Equal Opportunity Center (EOC) - Provide information on pursing a postsecondary degree, assistance on admissions and information to improve the financial and economic literacy of students. Funded by U.S. Dept. of Education.	\$1,136,474	09/01/2016 - 08/31/2021

Delta College Restricted Fund

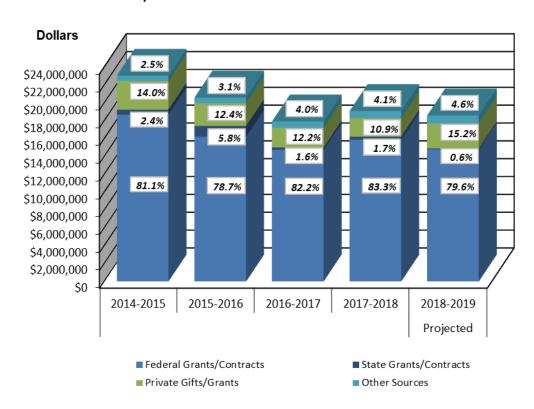
Five Year Actual History

	2014-2015	2015-2016	2016-2017	2017-2018	Projected 2018-2019
Revenues					
Federal Grants/Contracts	\$ 18,710,063	\$ 16,228,315	\$ 14,750,453	\$ 15,901,600	\$ 14,815,011
State Grants/Contracts	558,859	1,200,380	281,336	331,135	108,114
Private Gifts/Grants	3,217,071	2,554,528	2,195,344	2,086,879	2,819,704
Other Sources	580,745	631,668	711,503	783,503	863,460
Total Revenues	23,066,738	20,614,891	17,938,636	19,103,117	18,606,289
Expenditures					
Instruction	1,564,618	3,011,263	1,313,733	1,270,696	979,034
Instructional Support	182,277	165,267	203,820	332,873	302,409
Total Instruction	1,746,895	3,176,530	1,517,553	1,603,569	1,281,443
Public Service	1,667,795	1,645,927	1,533,031	1,587,114	1,615,042
Student Services	18,690,972	16,214,583	14,665,663	15,813,716	14,736,721
Facilities Management	8,973	2,228	1,319	2,589	2,718
Total Expenditures	22,114,635	21,039,268	17,717,566	19,006,988	17,635,924
Transfers Out/(In)	(173,350)	(560,442)	(94,513)	(84,267)	* 872,548
Total Expenditures and Transfers	21,941,285	20,478,826	17,623,053	18,922,721	18,508,472
Revenues Over/(Under) Expenditures and Transfers	1,125,453	136,065	315,583	180,396	97,817
Beginning Fund Balance	2,169,620	3,295,073	3,431,138	3,746,721	3,927,117
Ending Fund Balance	\$ 3,295,073	\$ 3,431,138	\$ 3,746,721	\$ 3,927,117	\$ 4,024,934

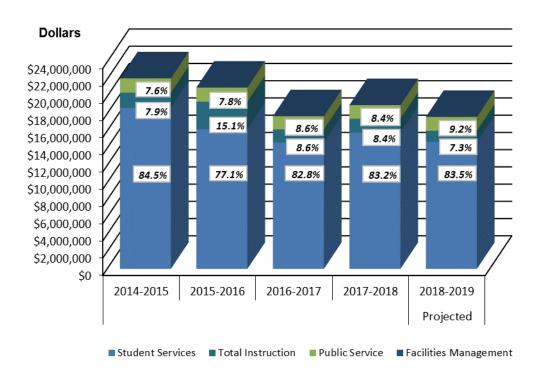
^{*} Includes \$1,000,000 Broadcasting transfer out to the Quasi Endowment.

Delta College Restricted Fund

Revenue History



Expenditure History



Delta College Restricted Fund

Public Broadcasting Activities

Television	2014-2015	2015-2016	2016-2017	2017-2018	Projected 2018-2019	Budgeted 2019-2020
Support and Revenue						
College General Fund Support	\$ 521,309	\$ 581,714	\$ 599,617	\$ 625,814	\$ 603,347	\$ 616,525
Corporation for Public Broadcasting	788,084	748,465	737,023	735,643	760,214	760,214
Donations/Gifts/Grants/Memberships	405,303	435,474	494,504	566,348	1,455,500	440,000
Television Underwriting	47,155	43,537	40,780	43,789	49,000	60,000
Other Income	186,511	192,294	192,578	200,416	198,000	213,000
Total Revenues	1,948,362	2,001,484	2,064,502	2,172,010	3,066,061	2,089,739
Expenditures						
Salaries and Fringe Benefits	850,092	824,343	872,863	909,209	922,143	944,325
Supplies and Services	1,026,248	974,947	965,437	980,180	1,016,000	1,016,000
Facilities and Equipment	33,699	143,302	27,302	43,429	22,757	70,000
Transfers Out	<u>198,506</u>		40,000	62,500	1,000,000	
Total Expenditures	2,108,545	1,942,592	1,905,602	1,995,318	2,960,900	2,030,325
Support and Revenue						
Over (Under) Expenditures	\$ (160,183)	\$ 58,892	\$ 158,900	\$ 176,692	\$ 105,161	\$ 59,414
Beginning Fund Balance	894,084	733,901	792,793	951,693	1,128,385	1,233,546
Ending Fund Balance	<u>\$ 733,901</u>	\$ 792,793	<u>\$ 951,693</u>	<u>\$ 1,128,385</u>	<u>\$ 1,233,546</u>	<u>\$ 1,292,960</u>
Radio						
Support and Revenue						
College General Fund Support	\$ 91,290	\$ 117,111	\$ 121,418	\$ 127,898	\$ 131,627	\$ 132,844
Donations/Gifts/Grants/Memberships	132,446	131,178	140,156	151,051	138,500	134,000
Radio Underwriting	42,662	42,262	35,747	26,055	28,000	30,000
Other Income	3,793	3,578	3,361	3,199	3,200	3,200
Transfers In (Out)	17,164				_	
Total Revenues	287,355	294,129	300,682	308,203	301,327	300,044
Expenditures						
Salaries and Fringe Benefits	180,058	185,883	181,974	214,237	218,197	221,607
Supplies and Services	95,656	84,484	101,795	94,169	58,716	78,000
Equipment		45,240	12,961		36,992	
Total Expenditures	275,714	315,607	296,730	308,406	313,905	299,607
Support and Revenue						
Over (Under) Expenditures	\$ 11,641	\$ (21,478)	\$ 3,952	\$ (203)	\$ (12,578)	\$ 437
Beginning Fund Balance	71,311	82,952	61,474	<u>65,426</u>	65,223	<u>52,645</u>
Ending Fund Balance	\$ 82,952	<u>\$ 61,474</u>	\$ 65,426	\$ 65,223	<u>\$ 52,645</u>	\$ 53,082

Note: This data reflects Broadcasting activities recorded in both the General and Restricted Funds. There are additional resources dedicated to Broadcasting operations in the College's Endowment Fund that are not reflected above. The TV transfers out represent excess cash transferred to the Station's quasi endowment fund. The 2018-2019 deficit in Radio operations was due to the purchase and installation of new automation equipment. The new equipment will help Station staff work more efficiently and allow WUCX-FM to stream its signal online by the fourth quarter of 2019. The significant increase in TV donations in 2018-2019 was due to two large estate gifts totaling approximately \$1,000,000. Since there wasn't an immediate need for this funding, management elected to transfer the \$1,000,000 to the Station's quasi endowment fund to maximize earnings on this amount.

Auxiliary Fund

The **Auxiliary Fund** is used to account for transactions of those activities that deliver a product or perform a service to students, community or staff and are essential elements in support of the educational program. These activities are revenue-producing and ideally should be self-supporting. Revenues from auxiliary activities are derived from the sale of products or services.

The College has the following activity categories that are reported in the Auxiliary Fund.

Bookstore
Food Services
Fitness and Recreation Center
Printing
Planetarium Gift Shop and Conference Services
Carlyon Farmhouse
College Vehicles
Learning Resource Vending

The Bookstore provides new and used textbooks, course packs and various instructional materials in support of the College's academic programs. A significant portion of the textbook inventory is repurchased from students. Books and materials are available for purchase at the main campus store, through a reservation service or online. The Bookstore is the largest activity in the Auxiliary fund.

Food Services serves students, faculty and staff in two locations on main campus (Red Brix Café and Coffee 'n More). It also provides catering services primarily for internal groups, and vending services (beverage, snack and food) on main campus and at off-campus centers.

The Fitness and Recreation Center includes cardio and weight rooms and three pools (lap, leisure and therapy). Auxiliary Fund activities relative to the Center include membership services and non-academic fitness classes for students, faculty, staff and the public.

Activity in the other auxiliary categories is primarily generated by services to departments within the College. Charges for these services are structured to cover the cost of these services plus a small amount to build a fund balance for equipment repairs and purchases.

Revenues and the related expenses are budgeted based on activities that are anticipated to occur. The budget for each activity is prepared separately, and depending on the nature of the activity and the specific funding sources, is based on known actual and/or projected data. Included in the annual auxiliary budget is a transfer to the General Fund of \$250,000. Auxiliary net income in excess of the \$250,000 is retained in the Auxiliary fund to build fund balance.

Delta College Auxiliary Fund

_ 0.00. 00.0 0 0.	Actual 2015-2016	Actual 2016-2017	Actual 2017-2018	Projected 2018-2019	Budgeted 2019-2020
Bookstore					
Revenues	\$ 4,789,653	\$ 4,627,058	\$ 4,259,403	\$ 3,690,078	\$ 3,243,731
Expenditures	4,441,450	4,355,837	4,045,753	3,733,801	3,236,796
Net Income (Loss)	\$ 348,203	\$ 271,221	\$ 213,650	\$ (43,723 <u>)</u>	\$ 6,935
Food Services					
Revenues	1,153,189	1,110,786	1,109,447	977,991	929,177
Expenditures	1,150,854	1,099,388	1,127,068	1,011,373	927,497
Net Income (Loss)	\$ 2,335	\$ 11,398	\$ (17,621)	\$ (33,382)	\$ 1,680
Fitness & Recreation Center					
Revenues	342,847	341,366	339,859	315,295	319,053
Expenditures	333,950	332,152	<u>354,720</u>	313,969	543,818
Net Income (Loss)	\$ 8,897	\$ 9,214	\$ (14,861)	\$ 1,326	\$ (224,765)
Other Auxiliary Activities					
Revenues	593,082	585,755	575,740	516,358	518,236
Expenditures	649,535	621,530	531,681	456,889	495,342
Net Income (Loss)	<u>\$ (56,453)</u>	\$ (35,775)	<u>\$ 44,059</u>	\$ 59,469	\$ 22,894
Total Auxiliary Services					
Revenues	6,878,771	6,664,965	6,284,449	5,499,722	5,010,197
Expenditures	6,575,789	6,408,907	6,059,222	5,516,032	5,203,453
Net Income (Loss)	\$ 302,982	\$ 256,058	\$ 225,227	\$ (16,310)	\$ (193,256)
Transfers In (Out)					
General Fund	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Restricted Fund	(3,678)	(1,490)	(2,176)	(1,500)	(1,500)
Total Transfers	\$ (253,678)	\$ (251,490)	\$ (252,176)	\$ (251,500)	\$ (251,500)
Change in Fund Balance	49,304	4,568	(26,949)	(267,810)	(444,756)
Beginning Fund Balance	7,040,168	7,089,472	7,094,040	7,067,091	6,799,281
Ending Fund Balance	\$ 7,089,472	\$ 7,094,040	\$ 7,067,091	\$ 6,799,281	\$ 6,354,525

Notes on Other Auxiliary Activities:

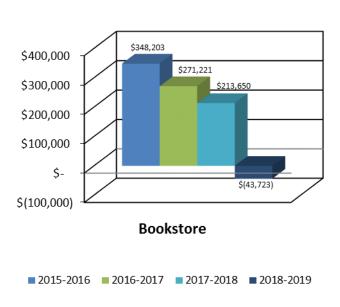
Other auxiliary activities include printing, Planetarium gift shop and conference services, Carlyon Farmhouse, college vehicles, and learning resources vending. Charges for these services are structured to cover the cost of the services plus a small amount to build a fund balance for equipment repairs and purchases.

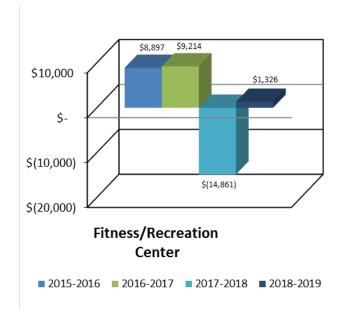
The majority of the budgeted deficit in fiscal year 2019-2020 for the Fitness & Recreation Center (FRC) relates to a renovation of the facility expected to be completed in fiscal year 2019-2020. \$200,000 has been budgeted for related furniture and equipment, which will be funded through auxiliary reserves. The FRC is planning a membership rate increase in 2019-2020 in order to help balance their budget going forward.

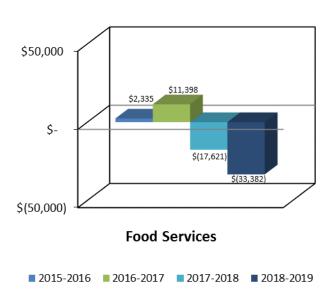
The deficit in other auxiliary activities for 2015-2016 is related to the purchase of new printing equipment that was funded by accumulated fund balance reserves. The deficit in other auxiliary activities for 2016-2017 is due to the purchase of several new fleet vehicles that were funded by accumulated fund balance reserves.

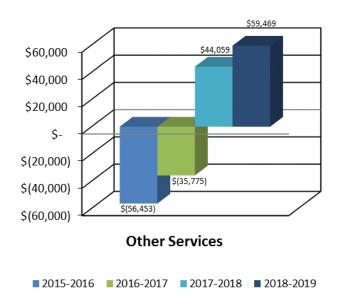
Delta College Auxiliary Fund

Net Income (Loss) Four Year History









Plant Fund

The **Plant Funds** are used to record the flow of money for capital expenditures related to building and equipment. The College maintains a "Facility Maintenance & Equipment Replacement Fund" in addition to a "Building and Site Fund." Budgeting and reporting for both funds are presented in one document entitled "Plant Funds" on page 108.

Each year funds are transferred to the Plant Funds from the General Fund and other funds as applicable for building projects. For 2019-2020, the following major transfers from the General Fund have been budgeted:

Asset Life-Cycle Replacement/Depreciation \$ 2,000,000

The College operates instructional satellite centers in each of the three counties in its district: Bay City, Midland and Saginaw. Since 1986, the Saginaw Ricker Center was operated to provide instructional and outreach services to students in Saginaw County. The facility, a former elementary school building, was leased from Saginaw Public Schools until June 30, 2019. A new Saginaw Center will be opening this fall in Downtown Saginaw. The existing Midland Center was purchased in 1991 through the sale of bonds which were paid in full in 2002. A new Midland Center is currently being designed to be constructed in Downtown Midland with an opening expected in the fall of 2020.

In February of 1997, the College opened the Bay City Planetarium and Learning Center. This \$8,750,000 project was constructed entirely with grant money provided by the National Aeronautics and Space Administration (NASA). The 36,000 square foot facility features a 130-seat Planetarium, academic classrooms, meeting facilities, a computer lab, a rooftop observation deck, an exhibit area and a gift shop.

In addition to the 640 acre, 958,000 square foot main campus facility, the College owns the Midland Center, Bay City Planetarium and Learning Center, Farmhouse, and Gilford Township Digital Broadcasting Tower.

Operating costs for the main campus and the Bay City, Midland, and Saginaw Centers are budgeted and accounted for in the General Fund. The operating costs of the other facilities are accounted for in the Designated, Auxiliary, or Restricted Fund in which their activities are recorded.



Delta College Planetarium and Learning Center

Delta College Plant Funds

Building and Facility Improvements Funds

	Actual Actual 2015-2016 2016-201		Actual 2017-2018	Projected 2018-2019	Budgeted 2019-2020
Revenues Investment Income (Loss) Private Gifts/Grants State Grants/Appropriations Transfer from General Fund Other Sources and Transfers	\$ 271,421 233,636 890 5,075,070 172,290	\$ 243,185 80,570 - 7,652,739 145,635	\$ 417,921 32,823 - 10,271,809 132,215	\$ 843,729 675,000 5,369,300 2,543,000 67,512	\$ 606,690 9,000,000 1,000,000 2,980,500 53,512
Total Revenues	5,753,307	8,122,129	10,854,768	9,498,541	<u>13,640,702</u>
Expenditures Equipment Instruction Instructional Support Total Instruction	29,815 29,815	315,985 315,985	18,913 18,913	194,006 	- - -
Public Service Student Services Institutional Administration Facilities Management	- 349,870 270,904 -	- 45,694 270,342 -	35,039 109,116 	110,000 - 759,668 	40,000 321,000
Total Equipment	650,589	632,021	163,068	1,085,249	361,000
Renovations and Transfers	3,861,220	2,880,814	5,510,891	15,667,649	20,446,501
Total Expenditures	4,511,809	3,512,835	5,673,959	16,752,898	20,807,501
Revenues Over/(Under) Expenditures	1,241,498	4,609,294	5,180,809	(7,254,357)	(7,166,799)
Beginning Fund Balance	28,539,215	29,780,713	34,390,007	39,570,816	32,316,459
Ending Fund Balance	\$ 29,780,713	\$ 34,390,007	\$ 39,570,816	\$ 32,316,459	\$ 25,149,660

The 2019-2020 \$9,000,000 Gifts and Grants budget represents amounts being donated by area businesses and foundations in support of the Downtown Midland Center construction project.

Historical Projects

Date	Project Name	Total Cost	State of MI Share	College/Plant Fund Share	Foundation
1997-1999	Science and Learning Technology	\$26,000,000	\$12,500,000	\$6,000,000	\$7,500,000
2002-2004	Campus Renovation II Project	\$42,000,000	\$18,000,000	\$24,000,000	-
2005	H & J Wings and East Courtyard Reno.	\$5,800,000	-	\$5,800,000	-
2008	S. Campus Parking & Stormwater Drain	\$4,800,000	-	\$4,800,000	-
2013	Health Professions Building	\$18,000,000	\$9,000,000	\$9,000,000	-

Downtown Saginaw Center

In June of 2016, Delta College received State of Michigan Planning Authorization for the \$12,739,000 Saginaw Center Project. This new 37,000 square foot facility is located in downtown Saginaw and replaced the leased Ricker Center in Buena Vista Township. Through the State of Michigan Capital Outlay process, the State Building Authority funded \$6,369,300 and Delta College funded \$6,369,700. The project had a ground breaking in March 2018 and classes are offered beginning in Fall 2019.

The primary function of the Downtown Saginaw Center is a Community Outreach Center, extending the College into the urban environment and engaging the significant under-served and under-represented population where large numbers of adult residents have little college attainment. Programing will focus on developmental education courses with robust student services and academic support functions. The secondary function will be as a Transfer Center with a focus on general education or core courses that prepare students, including dual enrolled high school students, for transfer to a four year college or university.



Rendering of the New Delta College Downtown Saginaw Center

Downtown Midland Center

The Downtown Midland Center broke ground in April 2019. Located at 419 East Ellsworth in the downtown area, the block is bounded by Townsend, East Buttles, Cronkright and East Ellsworth.

Following an anticipated year of construction, Delta College will occupy the new three story, 30,000 square foot building in Fall 2020. With a cost of \$13 million, Delta College was able to secure \$9.15 million in private sector donations to apply to the cost, with the remaining dollars provided through Delta College's savings. An estimated 400 to 500 students are anticipated to attend the first academic classes offered in Fall 2020.

Delta will focus on STEM (Science, Technology, Engineering and Math) tracks and build a new course focused on health career exploration, which will join a strong certified nursing assistant program already in place. This will be done in a specially-equipped medical classroom/lab planned for the new facility. Introducing students to healthcare and STEM jobs will put them in touch with high demand careers. And, a new facility will allow for expanded college readiness activities and programs.

Delta has been challenged at its current Midland facility on Wheeler Road due to an aging building and infrastructure. The new building will offer students an innovative environment with state-of-the-art technology, something Delta strives to provide to all of its students. The new building will include basic science and computer labs, six to eight classrooms, special-use training rooms, multi-purpose rooms and student service spaces.



Rendering of the New Delta College Downtown Midland Center

Capital Outlay Master Plan

Colleges are required to submit an annual 5-Year Capital Outlay Master Plan to the State of Michigan prioritizing future major capital projects and major maintenance items in excess of \$1 million. These projects, when approved, will require a 50% College match. Following are the prioritized projects submitted in Fall 2018 for FY 2020-2025 planning.

Priority	Major Capital Projects	Amount
1	Electronic Media Broadcasting - A Wing	\$5.991 million
2	Business and Office Professions - K Wing	5.135 million
3	Business and Technology – M Wing	2.084 million
Priority	Major Maintenance Projects	Amount
1	West Campus Site and Parking Upgrades (Main Campus)	\$9.780 million
2	Roof Replacement/Fascia & Soffit Repairs (Main Campus)	1.269 million
3	Air Handling Unit Replacement (Main Campus)	1.837 million
4	South Campus Pavement Repairs (Main Campus)	6.071 million

Facility Maintenance and Equipment Life Cycle Replacement

The current appraised replacement value of College buildings and equipment is \$291 million. The Building Research Council recommends an annual life cycle replacement allocation of 2% to 4% of the asset value to fund routine maintenance and capital renewal. Using the midpoint of 3% would result in an allocation of \$8.73 million annually. Likewise, a simple 30 year life cycle replacement calculation would call for an annual allocation of \$9.7 million.

Currently, \$2 million is budgeted annually for transfer from the General Fund to the Plant Fund for this purpose. In the 2019-2020 proposed budget, the College has allocated an additional \$400,000 to be transferred to the Plant Fund for savings for future needs of the two new centers under construction in Saginaw and Midland. Industry standards suggest an additional \$8 million should be reserved annually to assure that existing facilities are maintained and the value of the capital investment is preserved. Therefore, at the end of each fiscal year, excess General Fund revenues over expenditures beyond those needed to maintain a 10% General Fund Reserve Balance are transferred to the Plant Fund and also into the Designated Fund for ongoing budget sustainability. Specific projects planned for completion and paid through these resources are included in the Capital Expenditures Budget on the following page.

Capital Expenditures Budget

Plant Fund Capital Projects currently in planning for the FY 2019-2020 Budget Year are listed below. Improved energy efficiencies as a result of incorporating new technologies are expected to reduce energy consumption over the future life of the related assets. As each project is planned, operating costs will be evaluated in further detail to estimate any future operating impact.

Projects Approved and/or in Progress	Amount	Strategic Focus Area
SES Projects	\$ 40,000	S
Saginaw Center Project	1,020,000	SS
OIT Projects	321,000	SS
West Campus Site Improvements - Fitness & Athletics	3,200,000	SS
Conference Room Technology	5,000	PF
P-Wing P124 & P126 Reconfiguration	800,000	SS
Way Finding System	10,000	SS
Sculpture Projects	160,719	CF
Building Automation Systems Upgrades	100,000	S
Energy Metering	25,000	S
Midland Center Project	11,000,000	SS
Welding Lab Renovations	750,000	SS
C-Wing Lab Control Upgrades	80,631	S
South Campus Road Repair	157,000	S
Security Cameras, Door Access Control	144,205	S
Phone System Replacements	219,650	S
Fluorescent to LED Conversions	27,000	S
Main Campus Placemaking	600,000	SS
As Needed Maintenance Projects	Amount	Strategic Focus Area
Miscellaneous Renovations, Furnishings & Accessories	\$ 250,000	S
Covered Bridge Repairs – Foundations and Carpentry	75,000	S
Klauss Drain Erosion Repairs and Upgrades (Delta Drive to North of Covered	350,000	S
Bridge)		
Sidewalk Repairs	25,000	S
Roof Walkway Upgrades	35,000	S
Flashing Maintenance and Repairs	75,000	S

Strategic Focus Areas: SS – Student Success CF – Community Focus S – Sustainability PF – People Focus

Capital Expenditures Budget

Projects in Planning	Amount	Strategic Focus Area
Electronic Media Broadcasting - A Wing	\$ 160,000	SS
University Center Trail	50,000	CF
Energy Audit - All Buildings for SOM report	87,896	S
B-Wing Data Center Upgrades	650,000	S
Hotchkiss Entrance & Roadway Lighting	226,400	S
Pool Repairs, Diamond Brite, Pumps & Valves	50,000	S
Central Plant M&E Investigation	15,000	S
C-Wing Roofing (Area 12)	98,000	S
Total	\$ 20,807,501	

Strategic Focus Areas: SS – Student Success **CF** – Community Focus **S** – Sustainability **PF** – People Focus FY 2019-2020 Budget

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Delta College Debt Detail

The College has the legal capacity to carry debt of up to \$113,044,061; with no current outstanding debt falling under this debt limitation. The Community College Act establishes debt capacity as 1.5% of the first \$250,000,000 of taxable valuation plus 1% of the excess over \$250,000,000 of taxable valuation. The current taxable valuation is \$11,179,406,133.

In May 2011, the College entered into a New Jobs Training Agreement and Revenue Bond with XALT Energy (formerly Dow Kokam, LLC) for \$6,190,000 and in May 2013, with ECO BIO Plastics Midland Inc. for \$350,000 under the New Jobs Training Program codified in Chapter 13 of the Community College Act. The revenue bond is not a general obligation of the College but is payable solely and only from the New Jobs Credit from withholding taxes to be received through these employers as a result of new jobs created and trained through the program.

The general philosophy of the College has been to issue debt only when a very compelling case to do so can be made.

Endowment Fund

Notes

The **Endowment Fund** is used to record all endowments that have been established by the College and the Delta College Foundation. Endowment funds are used to account for gifts for which the principal may not be expended. The use of the income derived from the investment of each endowment is determined by the donor.

The Delta College Foundation is a separate entity from the College, but they do not manage their own funds. Any money given to the Foundation is transferred to the College. If the money is in the form of an endowment, it is recorded in the Endowment Fund.

Beginning in December 1997, due to the increasingly growing number and value of the College's endowments, the College contracted with Morgan Stanley Wealth Management, LLC to manage the investment of the endowment funds. The investment and distribution policies, as well as the investment returns, are established, monitored and evaluated by the College's Investment Advisory Committee, which reports directly to the Board of Trustees.

Estimated distributions from the Endowment Fund to the College for the year 2018-2019 are as follows:

Fund	Amount
General Fund	\$ 8,100
Designated Fund	108,600
Restricted Fund – Broadcasting	10,100
Restricted Fund - Programs and Scholarships	582,000
Building Fund	8,700
Foundation	105,100
Quasi-Endowments	 27,500
Total Distributions	\$ 850,100

Delta College Endowment Fund

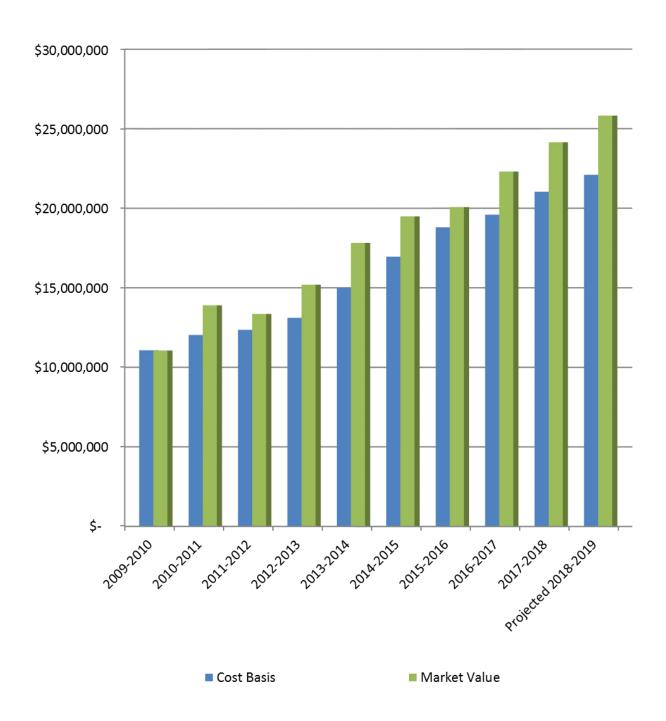
Ten Year Performance History

	Net Assets July 1	Gifts & Transfers	Earnings & Net Gain (Loss) On Investments	Distributions	Investment & Admin Fees *	Net Assets June 30
2009-2010	\$ 9,907,632	\$ 348,007	\$ 1,114,738	\$ (221,709)	\$ (92,960)	\$ 11,055,708
2010-2011	11,055,708	650,943	2,745,987	(453,210)	(101,965)	13,897,463
2011-2012	13,897,463	251,450	(209,812)	(473,500)	(107,224)	13,358,377
2012-2013	13,358,377	602,682	1,856,841	(501,005)	(122,064)	15,194,831
2013-2014	15,194,831	399,662	2,889,760	(516,004)	(147,041)	17,821,208
2014-2015	17,821,208	1,677,137	710,785	(573,471)	(149,866)	19,485,793
2015-2016	19,485,793	1,673,062	(289,663)	(634,519)	(160,346)	20,074,327
2016-2017	20,074,327	548,335	2,739,488	(721,886)	(338,599)	22,301,665
2017-2018	22,301,665	590,500	2,408,874	(784,871)	(371,582)	24,144,586
Projected 2018-2019	24,144,586	1,569,000	1,347,000	(850,121)	(391,692)	25,818,773

^{*}Beginning with fiscal year 2016-2017, the Foundation Office began charging all endowments a 1% annual administration fee.

Delta College Endowment Fund

Ten Year History



Delta College Endowment Funds

Margaret Adams Scholarship

Charleen T. Adcock Scholarship

Anderson Family Delta Sculpture Walk

Anderson Family Scholarship

Athletic Scholarship

M. Seth Babcock Scholarship

Mary Ann (McGregor) Badour Scholarship

James & Joy Baker Scholarship

Ormond Barstow & Ludo Frevel Award for Scholarly

Achievement

Baxandall Scholarship

Bay City Central Class of '41 Scholarship

Elzie & Muriel Beaver Scholarship

Bergstein Award for Teaching Excellence

Leonard & Esther Bergstein Scholarship

Darrell R. Berry Scholarship

Alfred J. Bladecki Scholarship

Martin & Emma Block Scholarships

Peter & Barbra Boyse Program

Peter D. Boyse President's Scholar Program

Louise K. Brentin Scholarship

Business Division Scholarship

Carlyon Farmhouse Maintenance

Donald & Betty Carlyon Scholarship

Donald & Betty Carlyon Endowed Teaching Chair

DeeMona Chatman Scholarship

Coca-Cola Scholarship

William R. Collings Award for Outstanding Service &

Academic Achievement

Lynn Conway Athletic Scholarship

Gilbert A. Currie Estate Scholarship

Gilbert A. Currie Fund

Ilau & Phillip Dean Scholarship

Delta Deltah's Scholarship

Delta College Public Radio Fund

Delta College Foundation Fund

Delta College Foundation Student Scholarships

Delta College Employee-Sponsored Scholarship

Delta College Planetarium Fund

Delta College Public TV Fund

Robert DeVinney Endowed Teaching Chair

Dixon Family Scholarship

Herbert Doan Scholarship

B. Joe & Margery (Knepp) Dodson Scholarship

Frances Dolinski Scholarship

Henry Dolinski Scholarship

Dr. Louis W. Doll & Patricia Drury Scholarship

Tom Dostal Memorial Scholarship

Dow Chemical Company Michigan Operations Award for

Physical Science

The Herbert H. & Grace A. Dow Foundation Science

Education

Alden B. Dow Fund

Herbert H. & Barbara C. Dow Fund

Jerry & Terry Drake Scholarship & Broadcasting Program Support

Draper Family Scholarship

Gene R. Duckworth Scholarship

Fred E. Dulmage Award for Engineering & Technology

Eldon Enger & Fred Ross Scholarship

English Division Guest Lecturer

James E. & Leanne Lutz Erickson Scholarship

Faculty Executive Committee Award

Fettig Family Scholarship

Arthur J. & Bette L. Fisher Scholarship

Isabella M. Flynn Scholarship

Peter & Suzanne Frantz Award for Art

Dr. John & Joanne Fuller Scholarship

Gakstatter Family Scholarship

David R. & Vivian S. Gamez Scholarship

Gerace Construction Scholarship

Gerity Broadcasting Company Scholarship

Gerstacker Faculty Recognition Award

Global Education Program

Robert M. Gohlke Scholarship

Jean Goodnow Scholarship

Gougeon Brothers, Inc. Award for Applied

Industrial/Technical

Bernard C. & Lois Ulrich Graham Scholarship

Patricia L. & Robert W. Grant Jr. Scholarship & Humanities

Program

Great Lakes Bay Manufacturers' Association Scholarship

Russell B. & Grace H. Green Scholarship

Priscilla Bogi Guritza Memorial Scholarship

Beki Gray Hadley Scholarship

David & Jackie Hall Scholarship

Hammond Family Scholarship

Sarah Hansen Scholarship

William J. Hargreaves Scholarship

Joan B. Harry Scholarship

Harry Hawkins Scholarship

Robert & Joyce Hetzler Family Award for Outstanding

Service & Leadership

Hilde & Walter Heyman Scholarship

Ada E. Hobbs Scholarship

Don Holzhei Memorial Scholarship

Home Builders Association of Bay, Midland & Saginaw

Counties

Honors Student Scholarship

Kimberly R. Houston Scholarship

Richard Paul Hunter Scholarship

James R. & Anita H. Jenkins Family Scholarship

Phyllis E. Jones Memorial Scholarship

S. Preston & Dr. Betty B. Jones International Scholarship

Dan E. Karn Memorial Scholarship

Kaufmann Family Scholarship

Robert F. Keicher Memorial Scholarship

Dale & Alma Keyser Scholarship

Delta College Endowment Funds

Walter J. & Sophia M. Kilar Scholarship

International Order of King's Daughters & Sons Scholarship

Oscar W. Kloha Scholarship

Robert I. & Marjorie H. Knepp Scholarship

W.R. & Edith Knepp Scholarship

W.R. Knepp, Jr. Scholarship

John L. & Margaret H. Krawczyk Scholarship

Daniel P. Kubiak Scholarship Gary Laatsch Scholarship Jack LaBreck Scholarship

Ilene M. Lane Nursing Scholarship

Dr. Thomas H. Lane & Janis E. Landry-Lane Scholarship Edward & Kathryn (Dunn) Langenburg Award for Education

Laughner Award

Thomas & Rose Mary Laur Scholarship

Marjorie M. Leeson Scholarship

Leo & Evelyn Levy Scholarship

Denise Lovay-Gravlin Memorial Scholarship

Edward & Kathleen Lunt Scholarship

Karen MacArthur Endowed Teaching Chair

Thomas & Brenda Mahar Scholarship

William & Susan Marklewitz for Health Professions

Ruth Mast Fox Scholarship Margaret McAlear Scholarship

James R. McIntyre Award for Health Sciences

Murlene "Mac" McKinnon Public Broadcasting

Marlene Mehlhose Scholarship Aceie & Thelma Micho Scholarship

Rhea Miller Scholarship

Richard & Gloria Miller Scholarship Frances Goll Mills Award for Nursing Dorothy & Robert Monica Scholarship

Monitor Sugar Scholarship Paul Moore Social Science Award Morley Family Foundation Scholarship

Morley Foundation Award for Business Management

Virginia Morrison Scholarship

Wendell & Ethel Mullison Scholarship

W. Brock Neely Scholarship

William H. "Buddy" Oates Scholarship Oscar P. & Louise H. Osthelder Scholarship

Jesse J. Oswald Scholarship Marguerite Scull Parker Possible Dream Program Otto C. Pressprich Fund Cecelia Randall Scholarship Alfonso Rasch-Isla Scholarship

Newell Remington Scholarship & TLC Support

Skip Renker Award for Creative Writing

Renee Rookard Scholarship

Harold & Norine Rupp Scholarship

Saginaw County Child Development Centers Program

Sailing School Program

Cliff & Grace Saladine Scholarship
Dawn Schmidt Award for Mathematics

Peggy A. Scott Scholarship

Charlotte Seiler Memorial Scholarship

Ralph I. & Archie M. Selby Family Scholarship

Gene F. Shrum & Dee Dee (Shrum) Wacksman Scholarship

Van Dewitt & Ruth Simmons Scholarship

John M. Smith & William Wolgast Family Softball

Scholarship

Paul Sowatsky Scholarship & Award

Spittka Family Scholarship James Stark Scholarship

Eileen & Hugh Starks Scholarship

James & Elizabeth Stoddard Scholarship

Greg Stryker Scholarship

Sturm Family Broadcast Programming Fund

SunGard Higher Education Endowed Teaching Chair SunGard Higher Education Possible Dream Program

Julius & Irene Sutto Award for Life Sciences Paul & Margaret Thompson Scholarship

Willie E. Thompson Scholarship Margaret Timm Award for English Wesley Timm Award for Social Science

UNUM Projects

Tina S. Van Dam Scholarship

Jeanne M. VanOchten & Wayne W. Adams Scholarship

Jim & Janis Van Tiflin Award Lynn & Sandy Weimer Scholarship Ken & "Miss Mona" White Scholarship Macauley & Helen Whiting Fund

Lola Bishop Whitney Award for Foreign Language

David & Carol Williams Scholarship Alice & Jack Wirt Scholarship

Stephen & Dena Wirt

Teresa Plackowski-Witucki Scholarship

Wolverine Bank Scholarship

Dr. Robert R. "Dr. Bob" Zimmerman Faculty Professional Development

Robert R. Zimmerman "Dr. Bob" Scholarship Alton, Sr., Alma & Alton, Jr. Zucker Scholarship

Melvin & Hilda Zuehlke Scholarship and Special Needs

Assistance Fund

Notes

Glossary

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Delta College Glossary

Administrative/Professional Staff (AP)

The category of College salaried personnel in administrative and professional positions.

Balanced Budget

When expenditures do not exceed current revenues plus expendable fund balances.

Capital Expenditures

The purchase of an asset that will be used in the course of College business operations for a period in excess of one year and with a purchase cost in excess of \$5,000. Recorded as an asset on the College's balance sheet and is depreciated over its anticipated useful life.

College Priorities

The internal planning document used to set College priorities and to drive the budget process.

Contact Hour

A unit of measure that represents an hour of scheduled instruction given to students.

Corporate Services

A division of the College that focuses on providing learning solutions to clients in the areas of Training Delivery, Training Development, Training Administration and Consulting. These learning solution are non-credit and typically focus on the needs of a single customer (closed enrollments). Corporate Services is charged to break even or better thus not using General Fund dollars of the College to operate.

Cost Center

A fiscal and accounting entity with a self-balancing set of sub-accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Credit Hour Generation

The total number of credits taken by students in a specified period of time.

Equipment

A movable or fixed unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which meets all of the following conditions:

- 1. It retains its original shape and appearance with use;
- 2. It is non-expendable; that is, if the article is damaged or some of its parts are lost or work out, it us usually more feasible to repair it rather than replace it with an entirely new unit;
- 3. It represents an investment of money which makes it feasible and advisable to track the item;
- 4. It does not lose its identity through incorporation into a different or more complex unit or substance;
- 5. As a general rule the item should have a unit cost of at \$300 in order to be included in the College's fixed asset system, however, the capitalization policy for financial report and depreciation purposes is \$5,000.

Faculty (FAC)

Instructors on tenure track.

Fiscal Year (FY)

The Fiscal Year at Delta College is July 1 to June 30.

Delta College Foundation

A nonprofit, tax-exempt education corporation organized under Michigan law to receive gifts, grants, loans, bequest and scholarships in behalf of the students, staff or the institution. Gifts received through the Foundation are tax deductible for the donor.

Fringe Benefits

The College provides comprehensive benefits to full-time employees which currently include: retirement; health insurance; dental insurance; long term disability insurance; vision/hearing insurance; life insurance; earned vacation days; earned sick leave; bereavement or emergency leaves; tuition waivers; and professional development allowance.

Fund Balance

The balance remaining in each fund designating the financial resources available to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, as well as the continued overall creditworthiness of the College.

Full Time Equivalent Student (FTE)

Total credit hours produced in one fiscal year divided by 30.

Gifts

Money received by the College generally from private and/or corporate sources, primarily used for student financial aid and/or special programs and money.

Grant

Money awarded to the College in response to a proposal for specific purposes, generally from State or Federal sources.

Industrial Facilities Tax Abatement (IFT)

Tax relief allowed on new and rehabilitated industrial facilities. New facilities are taxed at half the millage rate and rehab facilities are taxed only at initial assessment, not improvements. These abatements cannot exceed 12 years.

Investment Income

Income to the College derived from the investment of current funds. The portfolio of endowment fund investments are managed under contract by Morgan Stanley Wealth Management, LLC who report to the College's Investment Advisory Committee of the Board of Trustees.

Part-Time Staff

Employment category involving services by individuals on a less than full-time basis paid for by the College. Par-time employees, with certain restrictions are not eligible for fringe benefits. The college is required to contribute approximately 23% of wages paid to all part-time employees, except students, to retirement programs.

Professional Development Allowance (PDA)

Monies budgeted and set aside to promote the Professional Development of individual Faculty members, and full-time AP and Support Staff. Included within the scope of this allowance are: travel, professional dues, course work, conferences, seminars, developmental materials and equipment.

Property Taxes

Compulsory charges levied on real and personal property by the College district for the purpose of funding College operations.

- State Equalized Value (SEV) is typically 50% of the locally assessed value.
- **Taxable Valuation** is a term that was established as a result of proposition A in 1994, and is the value of property used to determine property tax levy. It may or may not be the SEV.

Renaissance Zones

A category of real and personal properties that are exempt from property tax levy under the State of Michigan Renaissance Zone Act of 1996. Since the original adoption of the act, the State of Michigan had been appropriating to reimburse community colleges for the tax revenues lost under this property tax exemption; however beginning in FY 2010-011, the State has eliminated the reimbursement from its annual funding appropriate for community colleges. The State reinstated the reimbursement effective with FY 2011-2012.

State Appropriations (include supplemental appropriations)

Revenue to the College derived from a formula established by the state of Michigan based on target need.

Student Wages

Wages paid by the college to students employed by various departments within the College. Under the Student Federal Work Study Program, a portion of these wages are reimbursed to the College for eligible student employees.

Supplies and Services

Any article, material or service which is consumed in use, loses its original shape or appearance with use or is expendable.

Support Staff (SS)

The category of regular, hourly employees, including clerical, campus security, food service and maintenance positions.

Tuition and Fees

Revenue to the College derived from payments by students for educational and general purposes.

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Fiscal Policies

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Statements of Fiscal Policies

A. Purpose

The primary purpose of the Delta College Fiscal Plan is to set forth clear, concise and effective guidelines for managing the fiscal affairs of the College and to outline mechanisms necessary for ensuring the orderly growth of the College. The fiscal plan is divided into two broad categories - informational and operational. The informational plan commits the College and its Finance staff to calculate and publish specific information relative to Delta's current fiscal condition, past financial trends, and projections of future fiscal plans and financial position. The operational plan provides guidelines for making fiscal decisions and assuring that Delta College continues to pursue a financially prudent course.

B. General Statements

1. Accounting System and Internal Accounting Control

The College's accounting records for all College funds are maintained on an accrual basis, with revenues recorded when earned, and expenditures recorded when the related liabilities are incurred and certain measurement and matching criteria are met.

In developing and evaluating the College's accounting system, we have given serious consideration to the adequacy of internal accounting control. Internal accounting controls have been developed and implemented to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability. The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived, and
- the evaluation of costs and benefits requires estimates and judgements by management.

The College adheres to the above framework for internal controls. We believe that the College's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Continuous internal audit is performed by the Departments of Business and Finance and include the verification of purchasing procedures and accounts payable coding practices, and the audit of payroll data. The College's financial statements are audited annually by an independent public accounting firm.

2. Basis of Budgeting and Budgetary Controls

The basis of budgeting used by the College is identical to the College's basis of accounting, which is described in statement B.1. above excluding the depreciation of capital assets. Budgets include the anticipated purchase cost of capital assets rather than the annual depreciation expense. For the most part, budgeted revenues and expenditures must be estimated as actual amounts are not known until received or incurred.

Budgetary control is maintained at the cost center level by the encumbrance of estimated purchase and contract amounts prior to the release of purchase orders or contracts to vendors. Purchase orders which result in an overrun of cost center appropriations cannot be released until either (a) additional appropriations are made available, or (b) adequate funding is transferred from another department within the same budget group leader's area of responsibility.

3. Governance

a. Board Of Trustees:

Delta College is governed by the Board of Trustees which has the ultimate legal institutional authority; the administration, through the Office of the President, and the Senate share responsibility for governance. The Trustees have the financial authority to operate the College from funds provided through the State. They can dispose of any College property and can establish both educational programs and vocational-technical departments. They also levy property taxes and set tuition and fee rates.

The electors of Bay, Midland and Saginaw counties elect members of the Board of Trustees, three from each county. As authorized by the laws of the State of Michigan, the nine members are empowered to operate the College for a six-year term with three of the nine terms expiring every two years.

The Board of Trustees operate as the final authority, and only the Board speaks legally and with final authority for the College. To accomplish this objective reasonably, the Board maintains a general overview of the institution, entrusts the conduct of the administration to the President and other administrative officers, entrusts the conduct of teaching and research to the faculty, and recognizes the authority of each in its area.

The Board meets monthly and all meetings are open to the public. All special meetings of the Board are posted in accordance with the Michigan Open Meeting Act. Michigan law requires a quorum of the Board, five trustees, to conduct business.

b. Senate:

The variety and complexity of the tasks performed by institutions of higher education produce an inescapable interdependence among the governing board, administration, faculty, students, and others. The relationship calls for adequate communication among these components and full opportunity for appropriate joint planning and effort.

In order to accomplish these tasks, the College has chosen to form an organization called the Senate of Delta College. The purpose of the Senate is to initiate, recommend, and facilitate policies and procedures and to provide communication.

The Senate membership shall include the College President, members of the Senate Executive Board, and senators elected from the Assembly. In addition, the Student Senate Liaison Committee shall elect annually three students from its active membership to serve as senators and assembly members. The Assembly consists of all full-time (a) faculty (including Division Chairs), (b) full-time administrative/professional staff and (c) full-time support staff.

2. Fund Structure

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The College follows the Michigan Public Community College Manual for Uniform Financial Reporting (MUFR) for financial accounting and reporting. Beginning with the year ended June 30, 2003, the MUFR required the College to implement GASB Statement's 34 and 35 for external reporting. The new model includes business-type activity (BTA) reporting, in which all College activities are consolidated into one column on the audited financial statements, capital assets are depreciated over their useful lives, and fund balances are converted to net assets. Audited financial statements also include a management's discussion and analysis section, which provides a brief analytical overview of the College's financial activities, and a statement of cash flows. The College has continued to maintain its fund accounting structure for budgeting and internal reporting, as allowed by the MUFR. All eight of the following major fund types defined by the MUFR are utilized by the College.

a. General Fund:

The General Fund is to be used to account for the transactions related to academic and instructional programs and their administration. Revenues are recorded by source and expenditures are recorded by function. The use of these dollars is determined by an appropriation process. The Budget Cabinet provides leadership for this process. The budget process is further described within the Strategic Planning and Fiscal Planning Sections. This fund is included in the budget document.

b. Designated Fund:

The Designated Fund is to be used to account for transactions of funds restricted as to operating use by the Board of Trustees or the administration. The sources of such funds could be virtually any unrestricted revenue that the Board or administration earmarks for a specific operating purpose. Revenue and expense projections are made for this fund, but it is not included in the appropriation process. This fund is included in the budget document.

c. Auxiliary Activities Fund:

The Auxiliary Activities Fund is to be used to account for transactions of revenue producing, substantially self-supporting activities that deliver a product or perform a service that is not by itself an instructional or administrative activity. Revenue and expense projections are made for this fund, but it is not included in the appropriation process. This fund is included in the budget document.

d. Restricted Fund:

The Restricted Fund is used to account for transactions of outsider controlled funds used to achieve the College's principal operating purposes. Principal revenues include special purpose state or federal grants, income from restricted endowments, federal or state contracts, and various other gifts or grants restricted as to use by the donor.

Most Restricted Fund accounts are in the nature of deposits to be used for a specific purpose determined by the donor or sponsoring agency. The College has the responsibility to see that the provisions of the gift, grant or contract are followed. Revenue and expense projections are made for this fund, but it is not included in the appropriation process. This fund is included in the budget document.

e. Endowment Fund:

The Endowment Fund is used to account for gifts including money, securities, real estate or other investments for which the principal may not be expended. It also consists of quasi-endowments, which are Board-designated funds that are treated similar to endowed funds. No revenue or expense projections are made for this fund. This fund is included in the budget document.

f. Plant Funds:

These are funds, both restricted and unrestricted, that are used to account for the financing, payment, construction and major maintenance of properties. Revenues and expenses for these funds are estimated, but not included in the appropriation process.

The Plant Funds include:

- 1) The Building and Facility Improvement Funds, which are used to account for all capital building and equipment activity, including new construction, improvements, replacement, and major repairs and maintenance. The Building and Facility Improvement Funds are included in the budget document;
- The Debt Retirement Fund, which is used to account for the payment of debt, and is detailed in the budget document.
- 3) **The Capital Position Fund**, which is used to account for all land, land improvements, buildings, building improvements and equipment owned by the college with the exception of that held for investment in the Endowment Fund. The Capital Position Fund is not included in the budget document.

g. Agency Fund:

The Agency Fund is used to account for assets held by the college for or on the behalf of others. No revenue or expense projections are made for this fund. This fund is not included in the budget document.

C. Informational Policies

The College will make available for inspection the complete details of all revenues and expenditures, a description of the College's current financial condition, and a record of past trends and future projections in a clear and simple format to the public and those interested in Delta College.

1. Annual Planning and Budget Process

The College General Fund money is appropriated through a budget process. A Budget Cabinet is appointed by the President. The membership includes faculty and staff from across the College.

The basic role of the Budget Cabinet is to set parameters and make recommendations regarding financial matters. As strategic planning continues to be implemented, the specific tasks of the Budget Cabinet change accordingly.

Property tax levies are subject to special requirements under Michigan law. The first of these, known as "Truth in Taxation," requires a special public hearing if the current year levy, exclusive of tangible property additions and losses, yields more revenues than the prior year and there is no budget hearing. The second, known as "Headlee," limits the

increase in property tax revenues realized from increases in taxable values, exclusive of tangible property additions and losses, to a rate mandated by the State of Michigan unless approved by the voters of the College's district. The College adheres to the requirements of "Truth in Taxation," as amended, and "Headlee" and holds hearings, if required, during late May or June.

The Board of Trustees typically adopts the budget in June each year.

2. Interim Financial Reports

There shall be calculated and published a comprehensive financial statement detailing revenues, expenditures, and changes to fund balance for funds on a monthly basis.

3. Full Financial Disclosures

Full disclosure shall be provided in Annual Financial Reports and bond representations.

D. Operational Policies

1. Diversified Economy

Delta College recognizes that the fiscal health of the College is directly related to the economic health of the community. Delta, therefore, seeks to encourage a healthy diversified economy consistent with its mission statement.

2. Consolidation and/or Elimination of Duplicative Functions

Delta will take positive steps to improve the productivity of its programs and employees, and seek ways to eliminate duplicative functions within the College, government and agencies in the community. Related programs shall be consolidated wherever possible.

3. Periodic Evaluation of Curriculum and Services

The College is in the process of developing a periodic assessment of educational curriculum and services offered by the College.

4. Cost of Fiscal Controls

As a rule, the cost of fiscal control measures should not exceed the benefits derived.

5. Current Revenues and Operating Expenditures

All College current operating expenditures will be paid with current revenues. Current revenues and operating expenditures will be reviewed at least twice during the year. All budgetary procedures will conform with existing State and local laws.

E. Debt Policies

The following are policies under which Delta College will operate to assure that the organization is managed in a financially prudent manner.

1. Long-Term Debt

Delta does not use long-term debt to finance current operations. Long-term borrowing will be confined to capital improvements or similar projects with an extended life which cannot be financed from current revenues.

2. Maturity and Expected Life

Delta College will keep the maturity of general obligation bonds consistent with or less than he expected lifetime of the project.

3. Debt Limit

The Community College Act authorizes the Board of Trustees to issue bonds so long as the total outstanding bonded indebtedness of the District does not exceed 1.5% of the first \$250,000,000 of taxable valuation, plus 1% of the excess over \$250,000,000 of taxable valuation. The bonds would be limited tax obligations of the Community College District payable out of general budget revenues.

4. Michigan New Jobs Training Program Revenue Bonds

The Community College Act authorizes the Board of Trustees to issue New Jobs Training Revenue Bonds which are not a general obligation of the College and are payable solely from New Jobs Credit from withholding pursuant to a training agreement with an employer who creates new jobs under this program. Withholding taxes of the new employees are diverted to pay for the training and the college incurs no debt or risk as a result.

5. Lease Purchase vs General Obligation Bonds

Where possible, the College will use lease purchase or other self-supporting bonds instead of general obligation bonds. In all cases, the interest rate will be the primary consideration.

6. Uses of Bond Proceeds

Bond proceeds should be limited to financing the costs of planning, design, land acquisition, building, permanent structures, attached fixtures or equipment, and movable pieces of equipment. Basically, acceptable uses of bond proceeds can be viewed as items which can be capitalized and depreciated. Non-capital furnishings and supplies will not be financed from bond proceeds. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bond proceeds.

7. Pre-Debt Analysis

Whenever the College is contemplating a possible bond issue, information will be developed concerning the following four categories commonly used by rating agencies to assess credit worthiness. The subcategories are a necessary, but incomplete, list of the types of items to be considered. This information will be presented to the Board of Trustees for review.

a. Debt Analysis

- Debt capacity analysis
- Purpose for which debt is issued
- Debt structure
- Debt burden and magnitude indicators and ratios as compared to other colleges
- Debt history and trends
- · Adequacy of debt and capital planning
- Obsolescence of capital plant

b. Financial Analysis

- Stability, diversity, and growth rates of tax sources
- Trend in assessed valuation and collections
- Current budget trends
- Appraisal of past revenue and expenditure estimates
- Evidences of financial planning
- History and long-term trends of revenues and expenditures
- Adherence to generally accepted accounting principles
- Audit results
- Liquidity of portfolio and other current assets
- Fund balance status and trends
- Financial monitoring systems and capabilities

c. College Administrative Analysis

- College organization structure
- Location of financial responsibilities and degree of control
- Adequacy of basic service provision
- Intergovernmental cooperation/conflict and extent of duplication

d. Economic Analysis

- Geographic and locational advantages
- Population and demographic characteristics
- Wealth indicators
- Housing characteristics

- Level of new construction
- Types of employment, industry, and occupation
- Evidences of industrial decline
- Trend of the economy

F. Investment Policies

1. Cash-Flow Analysis

There shall be made cash-flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled to ensure maximum cash availability. The accounting system will provide monthly information concerning cash position.

2. Investment Pool

As permitted by law, Delta College will pool cash from several different funds for investment purposes.

3. Maturity

The maturity date of new investments should not be further away than the time that the College anticipates that it will need the funds. Estimates of when the College shall need cash shall be prudent. The time to maturity of securities purchased for a common investment portfolio should be determined based on projected cash flow needs, with the majority generally not exceeding one year.

G. Accounting Policies

1. Accepted Accounting Procedures and Principles

Delta College uses accounting procedures and principles and reporting requirements in accordance with the Michigan Public Community College Manual for Uniform Financial Reporting and Generally Accepted Accounting Principles (GAAP).

2. Timely Satisfaction of Obligation

The College will not postpone current obligations to the future, accrue future revenues to the current fiscal year, or extend the length of the fiscal year.

3. Financial Disclosure

Full disclosure will be provided in annual financial statements and bond representations.

4. Budgetary Control and Reporting

Delta will maintain a budgetary control system to help it adhere to the budget. The Vice President of Business and Finance shall be responsible for preparing quarterly status reports comparing actual revenues and expenditures to budgeted amounts, with exception reports distributed to managers of each cost center for which expenditures exceed budgeted amounts. Cost center managers must timely respond to remedy the overages through budget transfer or error correction requests. This process is also helpful in determining future budget reclassification considerations by the Budget Cabinet.

5. Risk Management Program

The College participates in the Michigan Community College Risk Management Association which provides liability insurance for property and vehicles. This includes the participation in and active management program to safeguard public assets held in trust and to minimize the financial liability arising from accidental injury or death.

6. Maintenance and Replacement

The College will maintain its existing capital investments in workable order to protect the College's assets and minimize future maintenance and replacement costs. A maintenance replacement schedule will be developed. A reserve fund to replace capital when its useful life is depleted shall be established. Such funds shall only be used for capital replacement.

H. Revenue Policies

1. Use of State and Federal Special Grants

State and Federal special grants may be utilized, but only when the College can be assured that the total costs and requirements of accepting funds are known and judged not to negatively impact the College's general fund.

2. Avoidance of Operating Fund Deficit

Delta College should not incur an operating fund deficit.

3. Revenue Projection

Because revenues, especially those of the General Fund, are sensitive to local and regional economic activity, revenue estimates adopted by the College should be conservative.

4. Diversified Revenue

The College has three major revenue sources for operation. They are tuition/fees, state appropriations and property taxes.

5. Adequate Auxiliary and Internal Service Operations

The College will set charges for each auxiliary and internal service operation at a level which fully supports the total direct and indirect costs of the operation. Indirect costs will include the cost of capital assets.

6. Property Tax Collections

The College will pursue a policy of collecting all property taxes due in the current year. The level of prior year property tax repayments and current uncollected property taxes historically has been less than 0.5%.

7. Adherence to Retirement Schedules

The College does not administer its own retirement system, however, it participates in the State of Michigan Public School Employees Retirement System (MPSERS). Current GASB pronouncements require the College to record in its financial statements the College's proportionate share of the MPSERS retirement system's unfunded long-term liability for future retirement and health care benefits. The College's full-time faculty and administration professional staff have the option to participate in the State's Optional Retirement Plan (ORP) in lieu of MPSERS participation. This plan is administered by TIAA-CREF. The College shall remain current in its payments due under the retirement programs in which the College participates.

I. Reserve Policies

Fund Balance

It is a long-term goal of the College to attain a fund balance in the General Fund of 10% of its operating budget. This long-term goal should be reviewed and evaluated at least every five years, the next scheduled evaluation to be for the fiscal year ending 2020.

The fund balance shall be held to help cover three possibilities:

- 1. Catastrophic to provide limited emergency funds in the event of natural or man-made disaster.
- 2. Operational to provide additional funds for extraordinary unforeseen circumstances outside of management's control.
- 3. Liquidity to provide limited funds to smooth fluctuations in revenues caused by changes in economic conditions or enrollment.

In addition, fund balance provides:

- 1. Sufficient working capital.
- 2. Sufficient cash float for daily financial needs.

Fund balances should not be used for operating expenses. Fund balances should be used for one-time capital emergency expenditures only if the balance remaining is adequate.