

D R A F T

**DELTA COLLEGE  
BOARD OF TRUSTEES  
DINNER MEETING  
May 17, 2011**

**Delta College Ricker Center, 1925 Outer Drive, Saginaw, MI**

**Board Present:** K. Ellison, R. Emrich, K. Higgs, K. Houston-Philpot, K. Lawrence-Webster, E. Selby, D. Wacksman

**Board Absent:** J. MacKenzie, R. Stafford

**Others Present:** B. Baker, E. Beckman, P. Clark, J. Goodnow, L. Govitz, P. Graves, A. Hill, G. Hoffman, L. Holoman, J. Knochel, T. Kubatzke, T. Lane, C. Lusk, D. Lutz, J. Miller, L. Myles-Sanders, G. Przygocki, L. Ramseyer, J. Stahl, A. Ursuy, S. VanderLaan, B. Webb, S. Witzke

**Press Present:** B. Howell, Bay City Times, J. Hall, WSGW

Board Chair Robert Emrich called the meeting to order at 6:00 p.m. He called on Debra Lutz to present the tuition and fee recommendations of the President and President's Budget Cabinet.

D. Lutz described the Budget Cabinet's process and the information it used in developing recommendations, including history of state funding, property taxes, and tuition and fees, comparisons with other local colleges and universities, and comparisons with other community colleges. She explained that Delta's increases in tuition and fees have been lower than most other community colleges, and that its out of district and out of state differentials from in-district tuition and fees also tend to be lower than those of other community colleges.

Ms. Lutz identified the recommended in-district tuition increase of \$2.00 or 2.84%. The per credit hour technology fee is recommended to increase by \$1.90 to \$9.80; Ms. Lutz commented that most students understand the value of maintaining the technology they use. The \$60 late registration fee is recommended to be eliminated because it has not impacted on-time registration, and the \$30 registration fee is proposed to be increased to \$40. She explained that the excess contact hour fee is a discounted fee since Delta is one of only 11 community colleges that do not charge tuition on the basis of contact hours.

Mr. Selby asked whether these increases are sufficient to sustain quality and whether it is anticipated there will be layoffs, program cuts, or increases in the number of adjunct faculty. Ms. Lutz said that they are sufficient to continue but with no expansion and with approximately \$2 million in cuts, but there will be no program cuts or layoffs and quality of instruction should not be impaired.

Ms. Lutz then presented the budget plan overview, showing three years: the current year, 2011-12, and 2012-13. She reviewed the budget assumptions, which have been discussed multiple times and in detail both with the Budget Cabinet and with Executive Council. She showed a history of enrollment, property tax and state appropriations. As of May 17 the state

## D R A F T

appropriations picture remains unsettled although the Governor's goal is completion by the end of May. Property tax revenues are currently estimated at a decline of 1.35%; taxing jurisdictions will provide more precise figures by the end of May.

Ms. Lutz explained that the Governor had recommended no cut to community colleges whereas the Senate is currently proposing a 2.97% cut and the House is recommending a cut of 15%; the budget assumption is a ten percent cut. If the cut is 15%, that would be an additional loss of \$750,000. State appropriations have been declining; had they continued at the same level as in 1998-99, and kept pace with inflation and enrollment the current appropriation would be \$24 million more than the anticipated \$12.5 million. Mr. Selby inquired about the additional \$470 million the state now anticipates in tax revenue; K. Ellison suggested it might go to the rainy day fund and to fill part of the business tax reduction, and R. Emrich suggested that any increases are more likely to go to K12 schools.

Ms. Lutz then reviewed the expense side of the budget. Retirement costs are the largest driver of increases, with MPERS to increase to 24.46% September 30, 2011 plus 7.65% Social Security, and a projected MPERS increase to 27% the following Fall. Medical insurance is also significant and the College has made many changes designed to influence behavior and costs. Delta has already taken steps toward co-payment, which most others have not, and the College is anticipating passage of the proposal that all governmental units pay no more than 80% of total costs including dental and vision.

K. Lawrence-Webster noted indirect influence of the college on retirement costs since these are based on salaries. K. Ellison and D. Lutz identified efforts to limit or close loopholes in MPERS. Ms. Lutz pointed out that given an initial projected deficit of \$843 thousand and \$1.2 million in new projects, Executive Council has cut \$2 million to balance the projected budget for next year. Dr. Emrich asked whether 2012-2013 will be more difficult, and Ms. Lutz responded that it will.

K. Higgs asked what would encourage out of district students to enroll at Delta. T. Kubatzke pointed out that the three counties in the Thumb and counties north of the Delta district have no community college, and D. Lutz noted that, for example, Grand Rapids Community College charges \$196 per credit hour to out of district students. J. Goodnow said that Delta's dashboard helps us to monitor such issues. Ms. Lutz said that the key to the budget is the College's Strategic Plan and its commitment to student success, quality and affordability.

There being no further business, the dinner meeting was adjourned at 7:00 p.m.

Respectfully submitted,

---

Leslie Myles-Sanders, Board Secretary