

**DELTA COLLEGE
BOARD OF TRUSTEES
DINNER MEETING
June 9, 2015
Delta College Main Campus Room N7**

Board Present: R. Emrich, K. Houston-Philpot, D. Middleton, M. Nash, M. Rowley, E. Selby, D. Wacksman

Board Absent: K. Lawrence-Webster, M. Morrissey

Others Present: A. Anderson, D. Baskind, J. Badour, V. Bledsoe, L. Brown, T. Brown, P. Clark, J. Carroll, T. Clegg, R. Curry, M. Finney, M. Gmeiner, J. Goodnow, L. Govitz, D. Lutz, M. Moore, M. Mosqueda, D. Peruski, G. Przygocki, L. Ramseyer, K. Schuler, A. Ursuy, B. Webb, S. Whitney, S. Witzke

Press Present: J. Becker (Midland Daily News), J. Hall (WSGW), G. Horner (Delta Collegiate)

Board Chair M. Rowley called the meeting to order at 5:55 p.m.

J. Goodnow started the meeting with the 2015-2019 Strategic Plan which the Board will be asked to approve at tonight's regular meeting. She gave a summary of the Board's involvement with the plan starting with the Special Board Meeting that was held in November and the recent environmental scan done by Lee Rouse of Omni Tech. The environmental scan also included interviews with all of the Board of Trustees. The plan being presented tonight is built on the input from our College Community. The College's mission, vision and values are at the foundation of this plan.

A. Ursuy, Director of Institutional Effectiveness acknowledged the Strategic Planning and Institutional Effectiveness Steering Committee which is made up of administrative/professional staff, faculty, support staff as well as the president, vice presidents and deans. They meet on a bi-weekly basis (as needed) and guide the Strategic Planning and AQIP Process.

A. Ursuy reviewed the planning process which is split into four phases which include Visioning, Development, Deployment and Review. She noted the recent environmental scan that was completed which included 2,000 touch points in our community. Interviews, focus groups and surveys were used in gathering all of the information.

There were no changes to the College's mission, vision and values. During the planning process, the Strategic Planning Steering Committee and Executive Council reaffirmed the strategic focus areas which 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

The new plan includes 10 new initiatives with at least one or more actions projects for each initiative.

Student Success

- 1.1 Increase student enrollment and retention of current students.
 - 1.1-1 Develop, implement, and assess strategies to positively impact enrollment.
- 1.2 Increase degree/certificate completion and/or transfer rates of students.
 - 1.2-1 Develop and implement initiatives to promote student engagement
 - 1.2-2 Implement Guided Pathways

Community Focus

- 2.1 Increase Delta College's competitive advantage.
 - 2.1-1 Implement strategies to access and develop aspects of our competitive advantage.
 - 2.1 -2 Launch a redesigned college website that highlights our competitive advantage in courses/programs, staffing, and delivery.
- 2.2 Utilize Delta College's off-campus centers to meet the educational needs of the community.
 - 2.2-1 Construct and implement a new Saginaw Center to meet the educational needs of the largest service county.
- 2.3 Increase collaboration with K-12 and post-secondary educators to understand their needs and strengthen our partnerships.
 - 2.3-1 Assess current outreach activities with K-12 and post-secondary partners in order to develop and implement a plan which maximizes our competitive advantage.
 - 2.3-2 Determine needs of adult learners and dual enrollment students.
- 2.4 Meet the needs of area employers and provide support for economic development in our region.
 - 2.4-1 Increase our face-to-face engagement with our employers to identify core competencies needed for employment in the Great Lakes Bay Region in STEM.

Sustainability

- 3.1 Expand, promote, and codify sustainability across the curriculum.
 - 3.1-1 Promote and codify sustainability across the curriculum.
- 3.2 Conduct all operations in an agile and sustainable manner.
 - 3.2-1 Improve agility and sustainability.
- 3.3 Increase the use of data and benchmarking to promote the efficient use of resources.

- 3.3-1 Create and implement a data dictionary.

People Focus

- 4.1 Increase the capability and diversity of the workforce to achieve high performance characterized by an engaged and satisfied faculty and staff.
 - 4.1-1 Develop a greater understanding of diversity and inclusion.
 - 4.1-2 Implement professional development plans for A/P and Support Staff.

Finally, A. Ursuy noted the movement to a 4-year planning cycle which will maximize the opportunity to accomplish action projects, complete initiatives, and achieve success in the strategic focus areas.

D. Lutz gave the Budget Presentation for Fiscal Year 2015-2016. She started by acknowledging the Budget Cabinet membership including Toni Clegg, Chair of the Committee and the Board of Trustees Representatives, Mike Rowley and Mike Nash.

The college's proposed budget for 2015-2016 is very similar to last year's, with revenues being \$104 million, down only 1.7% and expenses being almost exact at \$108 million. There are \$4 million more in expenses than revenue due to the plant fund. This is by design since there are accumulated reserves to cover these costs.

The General Fund is at \$65.5 million, very similar to last year. Our budget includes numerous funds including:

- General: transactions related to the College's academic and instructional programs.
- Designated: self-supporting operations that are related to non-credit instruction and training such as Corporate Services.
- Restricted: accounts for all grants, federal financial aid and Pell Grants, and Broadcasting.
- Auxiliary: – self-supporting activities of the college such as Bookstore, Food Services, Printing, Fitness and Recreation Center.
- Plant: capital expenditures related to building and equipment.

The General Fund has revenues of \$65.5 million and expenses of \$65.5 million resulting in a positive balance of \$189. Our tuition and fees revenue is \$26.9 million which does not fully cover the direct cost of \$32 million for instruction. This is not uncommon for community college but we need to keep this in mind for future planning.

On the revenue side, 41% will come from tuition and fees, about 22% from state appropriations, about 35% from property taxes and 1.7% from other sources such as auxiliary services, fund transfers and investment income. These percentages are exactly the same as last year's. Enrollment is the driving force behind the assumptions used for the revenue side of the budget which is based on 190,000 credit hours. This includes the \$2.00 increase in tuition (in-

district), a slight increase of .16% or \$37,000 in property taxes and an increase of 1.4% or \$205,000 in state funding.

D. Lutz shared the enrollment trends from 1994-1995 to current budgeted 2015-2016. Over the last 5 years the college has lost over 60,000 credit hours which is equivalent to \$8.5 million in tuition revenue annually. To offset these losses the college has increased tuition modestly and made significant changes to our expenses.

The net taxable value of property in the community college district is \$11.3 billion. This will result in \$22.8 million in revenue after delinquent and appealed taxes are considered, an increase of \$37,000 from last year. The tax breakdown is the same as last year with 42% coming from Saginaw County, 33% from Midland County and 25% from Bay County. D. Lutz shared the preliminary budget and property tax trends from 1998-2015. The highest taxable value was back in 2007 and it has since continued to decline and just recently stabilized. In the past the increases were more than the rate of inflation. Personal property taxes started being phased out in 2013 and will continue for some time. State funding will increase by 1.4%.

D. Lutz shared a 10 year comparison of the college's revenue sources which have remained very similar. The biggest changes have been on the expense side. The general fund budget assumptions include a contract agreement for faculty with a base only increase of 1%. To cover the costs of steps and promotion the college will need to budget overall an average of 2.5%. There is a proposal before the Board tonight for an increase of 1% for A/P, support staff and part-time. To cover the costs of the performance management system the college will need to budget overall an average of 1.25%. There is also a 1% increase proposed for maintenance staff. There are no changes to adjunct pay. Minimum wage increased last year from \$7.40 to \$8.15 and it will increase again to \$8.50 on January 1. There are no increases budgeted for medical insurance but employees will be contributing 20%, an increase from last year's rate of 17.5%. The dental, life and disability rates were multiple year agreements with no increases.

The biggest benefit cost is in retirement with the MPSERS average rate at 26%, ORP at 10% and social security at 7.65%. The college pays the 26% rate on all MPSERS employees even if they choose not to participate in the pension itself. These dollars are going to offset the State MPSERS unfunded liability.

The college's total General Fund expenditures total \$65.5 million a year. Approximately 79% or \$52 million of this is spent on our people; in salaries, wages and benefits. D. Lutz also shared a 10 year history on the fund balance which is now maintained at 10% of our annual operating costs.

D. Lutz reviewed the sources of savings and new revenue along with new strategic and operations funding which was presented in May. She highlighted some areas including the significant savings from not replacing 9 full-time faculty vacant positions. This brings our full-time faculty count to 211, closer to what it was when we had similar enrollments in 2001-2002

when the full-time faculty count was 207. In terms of A/P and Support Staff there are 183 full time positions, 29 less than in 2001-2002 and 22 less maintenance positions. This is a total reduction of 51 full-time positions. D. Lutz noted that during this time no services or programs were cut or eliminated.

There was a brief overview of the designated, restricted, auxiliary, and plant funds which had similar numbers to last year. Finally D. Lutz talked about the capital outlay master plan and the major maintenance projects that have been submitted to the state as part of our plan. A detailed list of projects that have been approved or that are in progress total around \$3.6 million. There are also as needed maintenance projects along with projects in planning. Total potential planned expenditures for the plant fund would total \$7.2 million for the year.

There being no further business, the dinner meeting was adjourned at 6:59 p.m.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary