

Delta College
Board of Trustees Dinner Meeting
Delta College N7
Tuesday, June 11, 2024
5:30 pm

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

Board Absent: A. Baldwin

Others Present: R. Battinkoff, T. Brown, J. Carroll, W. Childs, P. Clark, A. Cramer, R. Curry, J. Foco, J. Garn, M. Gavin, A. Ginter, B. Hillaker, L. Hillaker, D. Hopkins, G. Luczak, D. Magee, D. McQuiston, J. Mulders, J. Perry, S. Raube, K. Schuler, A. Ursuy, C. Wilson

Press Present: None

Board Chair, M. Thomas, called the meeting to order at 6:00 pm. She turned the meeting over to Jon Foco, Interim Vice President of Business and Finance to present the 2024-2025 budget. J. Foco began by thanking the following people for their helping putting together the budget. They included Angela Cramer, Jill Mulders, Greg Luczak, Stacy Schlicker and Talisa Brown. He shared the budget planning process overview and presented a summary of the proposed budget which included: revenue and expenditure assumptions based on data available; maintaining fiscal conservative practices, meeting all state and federal budget guidelines; a balanced budget; maintaining our 10% fund balance; budget aligning with the strategic plan; and enrollment that is trending upward.

J. Foco provided a national and state economic update. Economic leaders are cautiously optimistic of Michigan's economy however, state revenues are expected to be lower than originally anticipated. Michigan's economy will be mixed over the forecast with employment growth steadily slowing and the unemployment rate slowly rising. Forecasts project state revenue growth in coming years. The national economy is expected to slow in fiscal year 2024-2025. Lawmakers and the Governor are still in negotiations.

General fund revenue budget assumptions include a 2.5% increase to current base appropriation or \$412,278. The legislative proposals vary in language and increases, and the state funding legislative process is being negotiated. Total state appropriations revenue is \$18.9 million. In regard to property taxes there is a net taxable valuation increase of 8.0%, or \$2.1 million, from the previous year. Total property tax revenue is \$28.3 million.

J. Foco showed the enrollment contact hours over the last decade noting that the budgeted contact hours for fiscal year 2023-2024 were 177,200 and they are budgeting 174,000 contact hours in the general fund and 805 contact hours for the Criminal Justice courses in the Designated fund totaling 174,805 contact hours.

General fund revenue assumptions include the board approved increases to tuition and fees that were approved in March. The legislatures have proposed tuition constraint language. The College's overall tuition and fee revenue increase is 9.6% or \$2.7 million from last year. Total revenues for Tuition and Fees are \$31.1 million. There is an increase to investment income, other revenues and fund transfer of \$2.3 million.

General fund expenditures include total compensation which incorporates all approved salary and wage increases for 2024-2025. Salaries and wages account for 51% of total expenses. Fringe benefits are 25% of total expense making the total compensation 76.4% of expenses or \$61.3 million.

J. Foco shared examples of new and ongoing strategic and operational funding including: Medical Unit Mobile; Ten16 Collegiate Recovery Program; NURO Student Survey; UWILL; Public Safety Initiatives; Dual Enrollment and Middle College; Website Upgrades; Reserve for Future Strategic Initiatives; Student Transportation – STARS; Food Pantry Supplies; and Operational Cost Increases.

General fund revenues total \$80,860,354. Tuition and fees account for 38.5% or \$31,130,530; property taxes for 35.0% or \$28,318,196; State appropriations for 23.6% or \$19,115,297; and other sources of 2.8% or \$2,296,331. General fund expenditures total \$80,318,748. Salaries account for 44.2% or \$35,514,085; fringe benefits for 25.3% or \$20,307,837; supplies and services of 18.2% or \$14,636,470; part time wages of 6.9% or \$5,537,795; equipment and capital expenses of 4.7% or \$3,733,497; and travel and professional development of 0.7% or \$589,064.

The designated fund records transactions of revenue and expenses that have been set apart from the general fund and include Workforce Strategies, Presidents Scholar and the Criminal Justice Program. Total revenues are \$4,531,319 and total expenditures are \$4,931,970. The restricted fund accounts for transactions resulting from revenue received by the College from outside donors, and agencies such as student financial aid grants, MiWorks, and Perkins. Total revenues are \$21,153,603 and total expenditures are \$20,643,969. J. Foco stated that we no longer have HEERF Funding in this area as that grant has been completely spent.

The auxiliary fund accounts for transactions of those activities that deliver a product or perform a service such as the bookstore, food service, the fitness and recreation center and printing. Total revenues are \$4,907,950 and total expenditures are \$5,318,054. The plant fund had revenues of \$7,560,295 which came from private gifts, grants, state appropriations, transfer from the general fund and investment income. Total expenditures total \$19,185,835. Our buildings total over 1 million square feet, our main campus is on 640 acres and there is a replacement value of \$418 million. The largest project for 2024-2025 is the renovation of the Information Technology and Computer Science (K Wing) of \$5.7 million and the chiller replacement and HVAC control upgrade of \$8.8 million.

All funds of the college total revenues are \$119 million and total expenses are \$130.5 million. The ending fund balances for all funds budgeted June 30, 2025, is \$98.9 million.

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

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary