



Northwestern
Michigan
College

NMC Strategic Agenda

Board of Trustees Meeting

August 28, 2017

Timothy J. Nelson, President

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About Northwestern Michigan College - Context

- 5,100 unduplicated credit students annually
- University Center, Museum, Radio Station, Training and Community Extended Education together with traditional credit students yields 50,000 “learners”
- Accredited by the Higher Learning Commission (AQIP); multiple program accreditations
- Five on-campus housing facilities
- Baccalaureate programming
- Policy governance organization
- \$54M enterprise with \$40M Foundation

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Learner Types

- Learners served annually
 - Traditional college – 5,100
 - University Center – 1,200 to 1,500
 - Training – 1,200 to 2,000 in industry
 - Extended Education – approximately 10,000
 - Denno's visitors 60,000 – 70,000
 - Radio station – 7,500
- Best estimate - 50,000 different learners

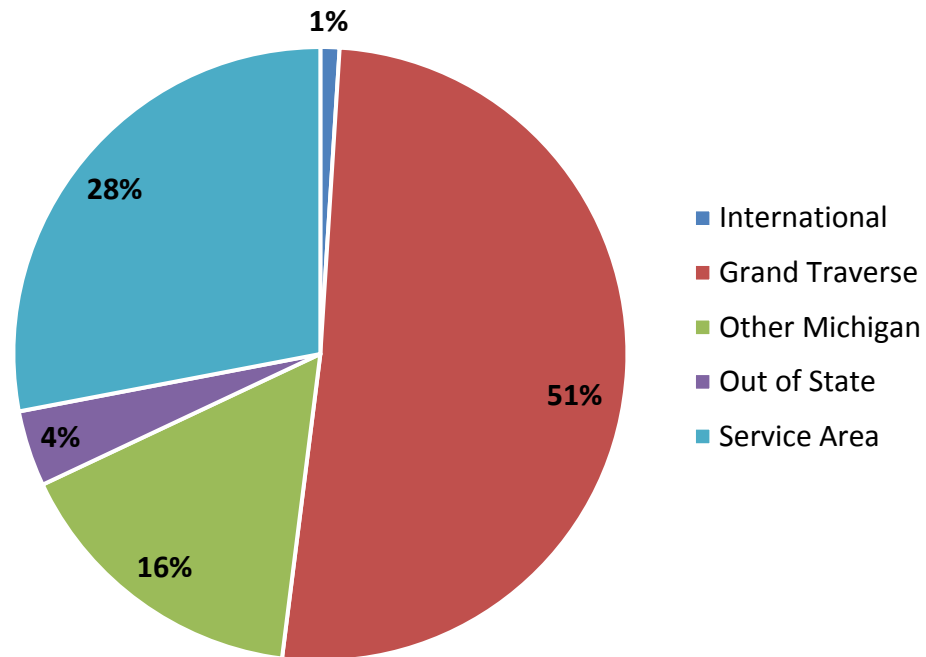
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Where They Come From

Fall 2016 Registration



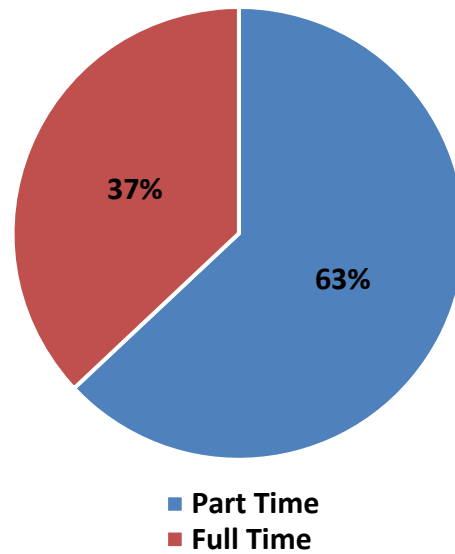
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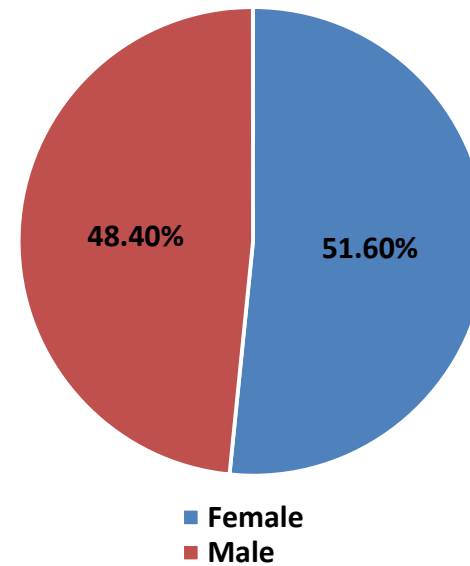
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What They Look Like

Status



Gender



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Understanding The Environment Historical Perspective

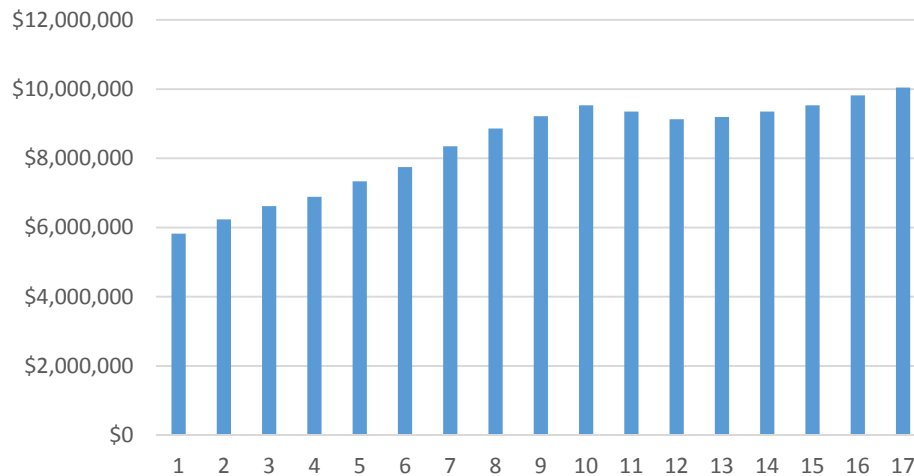
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Grand Traverse County Property Tax – Operating Millage Provided

Local Property Tax Collections

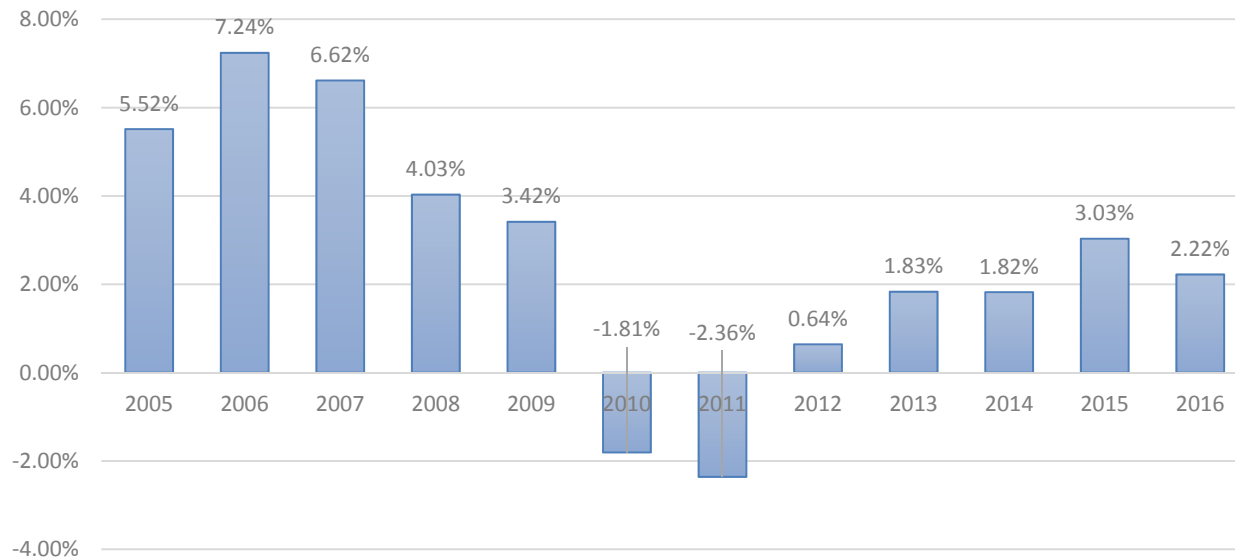


2000-2001	2016-2017	Year 2000 Adjusted Dollars
\$5,823,265	\$10,043,766	\$6,289,406

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Property Tax

Percent Change From Previous Year





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Local Operating Property Tax- Historical

- Nominal dollar operating tax collections from Grand Traverse County in 2016-17 for Northwestern Michigan College were \$4,220,501 more than in 2000-01.
- In dollars adjusted for year 2000 equivalency, local property tax appropriations for 2016-17 were \$466,141 more than in 2000-01 and \$56,141 less than in 2001-02
- Student enrollment in those two years is approximately the same in contact hour production.
- Headlee rollback provisions assessed to operating millage have reduced millage collections by a value of \$22,200,795 over those 16 years.

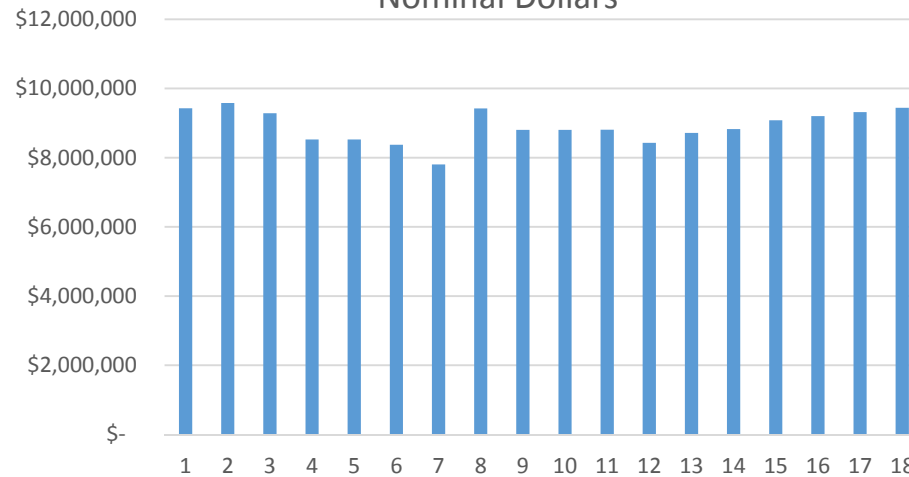
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State Appropriations - Historical

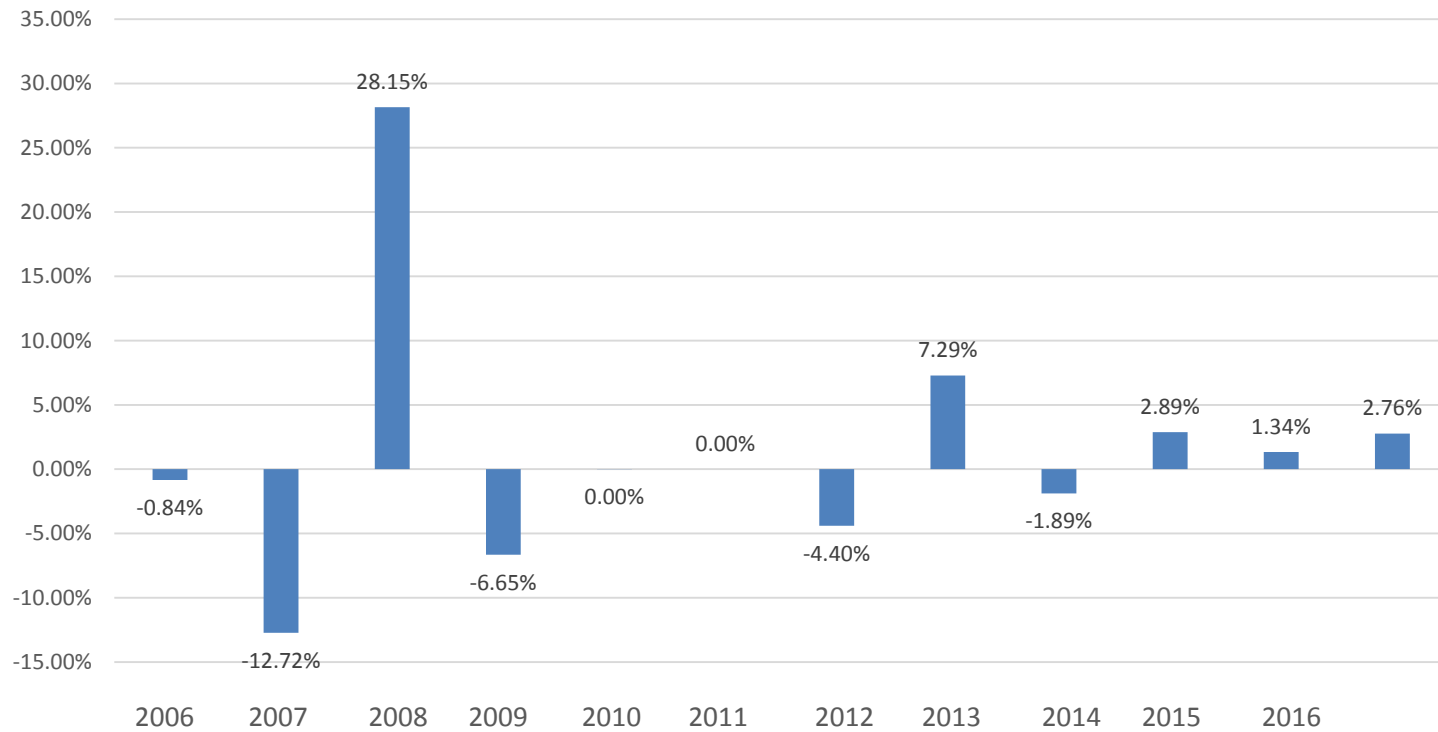
State Appropriations by Year – Actual Distribution
– Nominal Dollars



2000-2001	2016-2017	Year 2000 Adjusted Dollars
\$9,428,609	\$9,318,088	\$5,834,987

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State Appropriations Percentage Changes



*excludes UAL payments



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State Appropriations - Historical

- In nominal dollars, State operating appropriations in 2016-17 for Northwestern Michigan College were \$10,521 less than in 2000-01.
- In dollars adjusted for year 2000 equivalency, state operating appropriations for 2016-17 were \$3,593,622 less than in 2000-01.
- Student enrollment in those two years is approximately the same in contact hour production.

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Tuition History

- Tuition and fees for general classes have risen 43% in real terms (2000 adjusted dollars) from \$61 per contact hour in 2000-01 to \$87 in 2017-18.
- Tuition and fees for general classes have risen from \$61 to \$148.70 in nominal terms over the same period.
- NMC tuition and fees (and room and board) are approximately equal to the national average for two-year public colleges. (See next slide)

Price per contact hour – general courses

2000-01	2017-18	Year 2000 Adjusted Dollars
\$61 per contact	148.70 per contact	\$87 per contact

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Average Charges for Full-Time (30 hours) Two Year Public Undergraduates 2016-17

	National Average	NMC
Tuition and Fees	\$3,520	\$3,876
Room and Board	\$8,060	\$8,150
Tuition and Fees and Room and Board	\$11,580	\$12,026

NMC tuition, fees, room and board is 3.85% above national average.

Source: The College Board. Trends in College Pricing 2016

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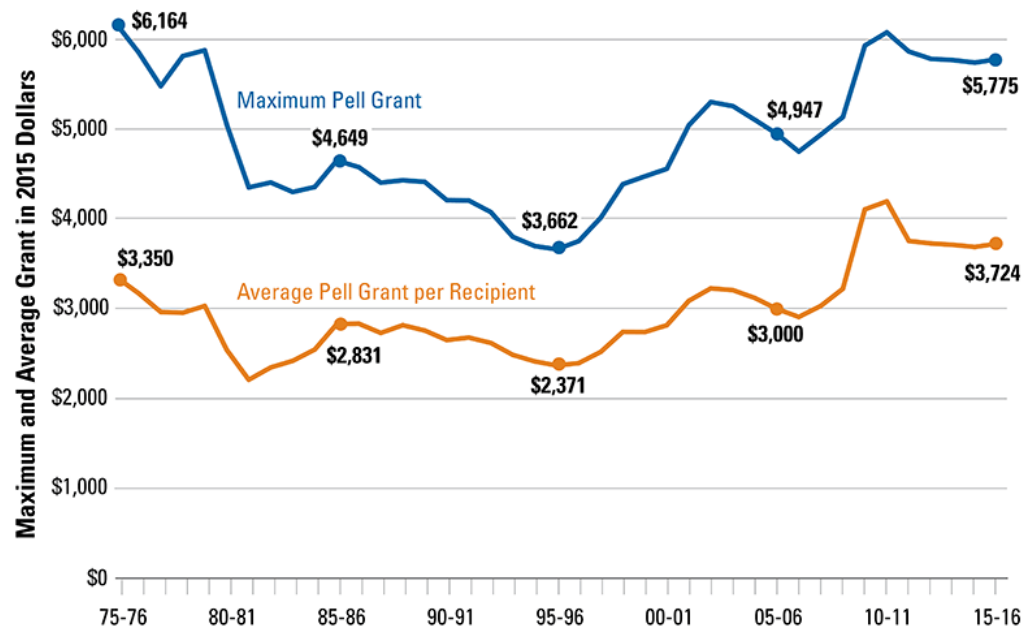


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Federal Support

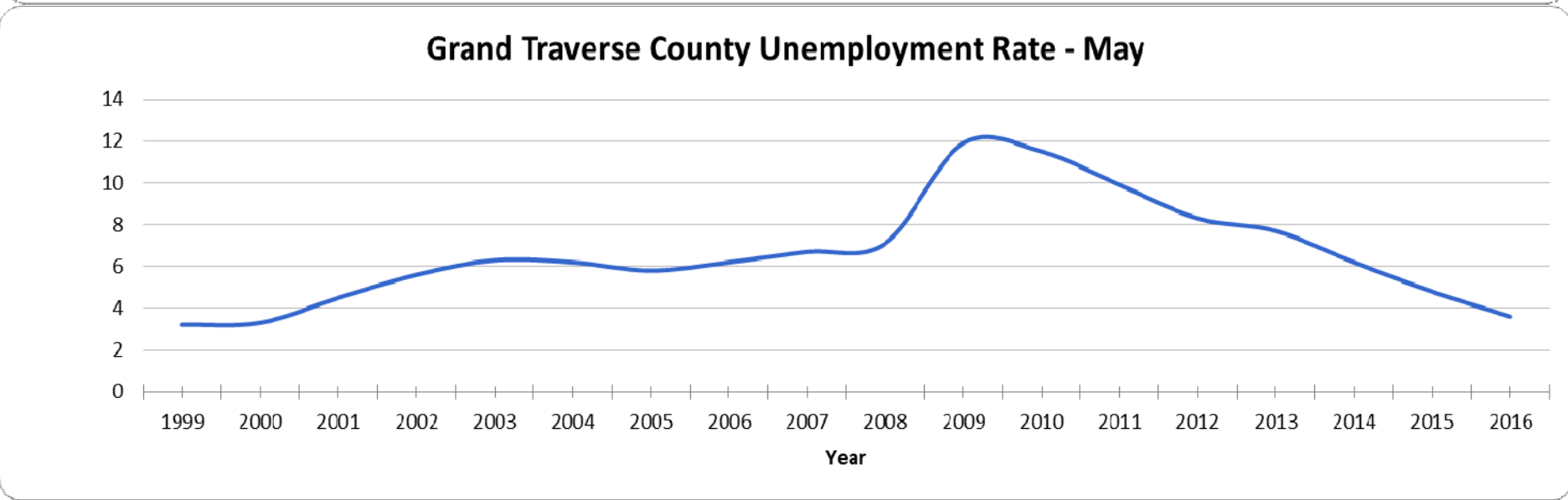
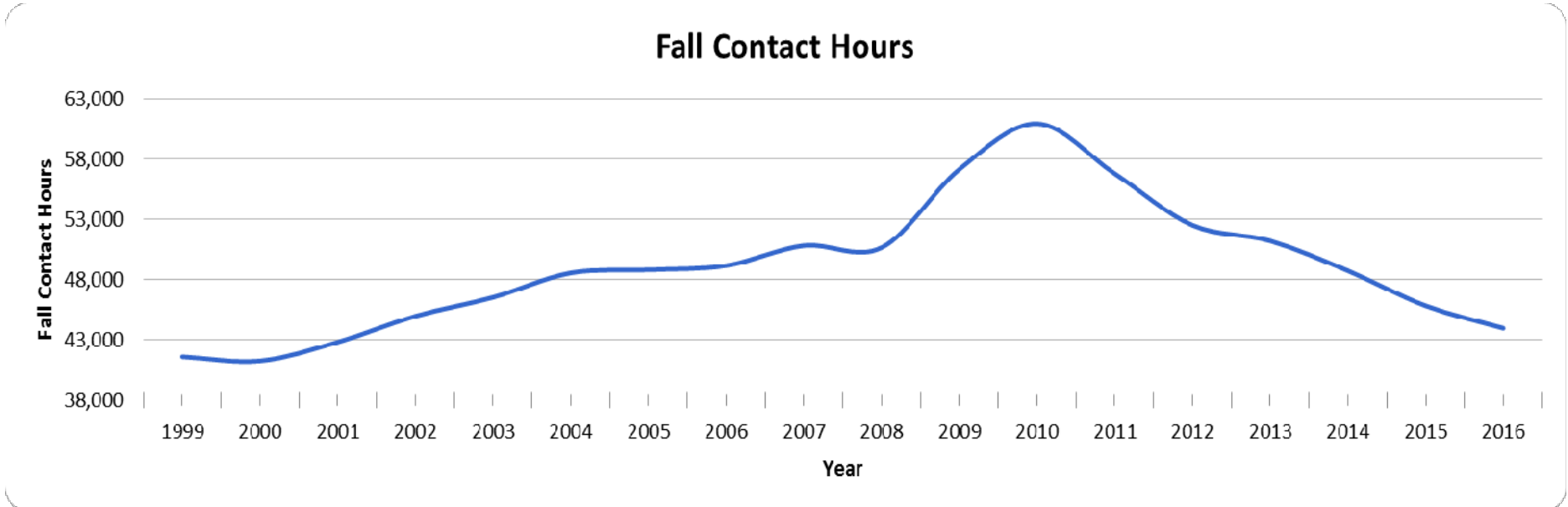
Pell Grant has fluctuated over time. It declined by 21% in inflation-adjusted dollars between 1985-86 and 1995-96 before increasing by 35% between 1995-96 and 2005-06, and by another 17% between 2005-06 and 2015-16.

Figure 17: Maximum and Average Pell Grants in 2015 Dollars, 1975-76 to 2015-16



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Contact Hours Follow Unemployment Rate





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Summary Comparison of Cost Allocation

Activity	NMC	ACS Group Average	State Average
Instruction – Per contact hour	\$10.99	\$10.05	\$9.61
*Instructional Support	\$626	\$549	\$583
*Student Services	\$499	\$610	\$683
*Administration	\$552	\$604	\$502

*Per headcount

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2016 Allocation of Resources (as a percentage of expense)

<u>Category</u>	<u>NMC</u>	<u>ACS Group</u>	<u>State Average</u>
Direct Instructional Costs	43.4%	46.4%	45.8%
Instructional Support	<u>16.6%</u>	<u>13.2%</u>	<u>13.7%</u>
Direct Instruction + Support	60.0%	59.6%	59.5%
Student Services	13.2%	13.7%	13.5%
Administrative	14.7%	13.8%	13.5%
Public Service	00.8%	1.0%	1.4%
Physical Plant	11.2%	11.8%	12.2%
















Source: ACS table 28 (2015/2016)

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Revenue Trends

Element	In the Past	Recent	Future
Tuition	Moderate 	Moderate 	Moderate 
Fees	Nominal	Minimal 	Minimal 
Local Tax	Moderate 	Minimal 	Minimal 
State \$	Moderate 	Minimal 	Moderate 
Foundation & Grants	Minimal 	Moderate 	More  
Federal \$	Minimal 	Minimal 	Unknown

Environment Trends

Element	In the Past	Recent	Future
Regional Market Growth	Moderate 	Significant 	Moderate 
Competition	Minimal 	Moderate 	Significant 
Change Rate	Minimal 	Significant 	Significant 
Productivity Increase Needed	Minimal 	Moderate 	Significant 
External Intervention	Minimal 	Moderate 	Significant 



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Living in a *VUCA* World

- Volatile
- Uncertain
- Complex
- Ambiguous

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The Value Proposition Question

*What does NMC do for whom,
at what value?*

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From 30,000 feet

- NMC's ultimate purpose is to provide our communities and learners with the skills, experiences, and values that help them to create social and economic wealth during their lifetimes.

Timothy J. Nelson, President

- NMC is a talent, economic and social development agency.

Timothy J. Nelson, President

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Traditional – Who We Have Been

- Place Based
- Time Based
- Knowledge Transfer
- Public Good
- Long Development Cycles
- Risk Averse
- Reactive
- Access

Future – Who We Must Be

- Content Based
- Competency Based
- Synthesis and Application
- Private Good
- Short Development Cycles
- Risk-taking
- Proactive
- Success



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The Outcome We Pursue

NMC will continuously transform the learning experience and its global relevance to those we serve through *innovation, agility and thoughtful risk-taking.*

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What will we have to do?

NMC must become more -

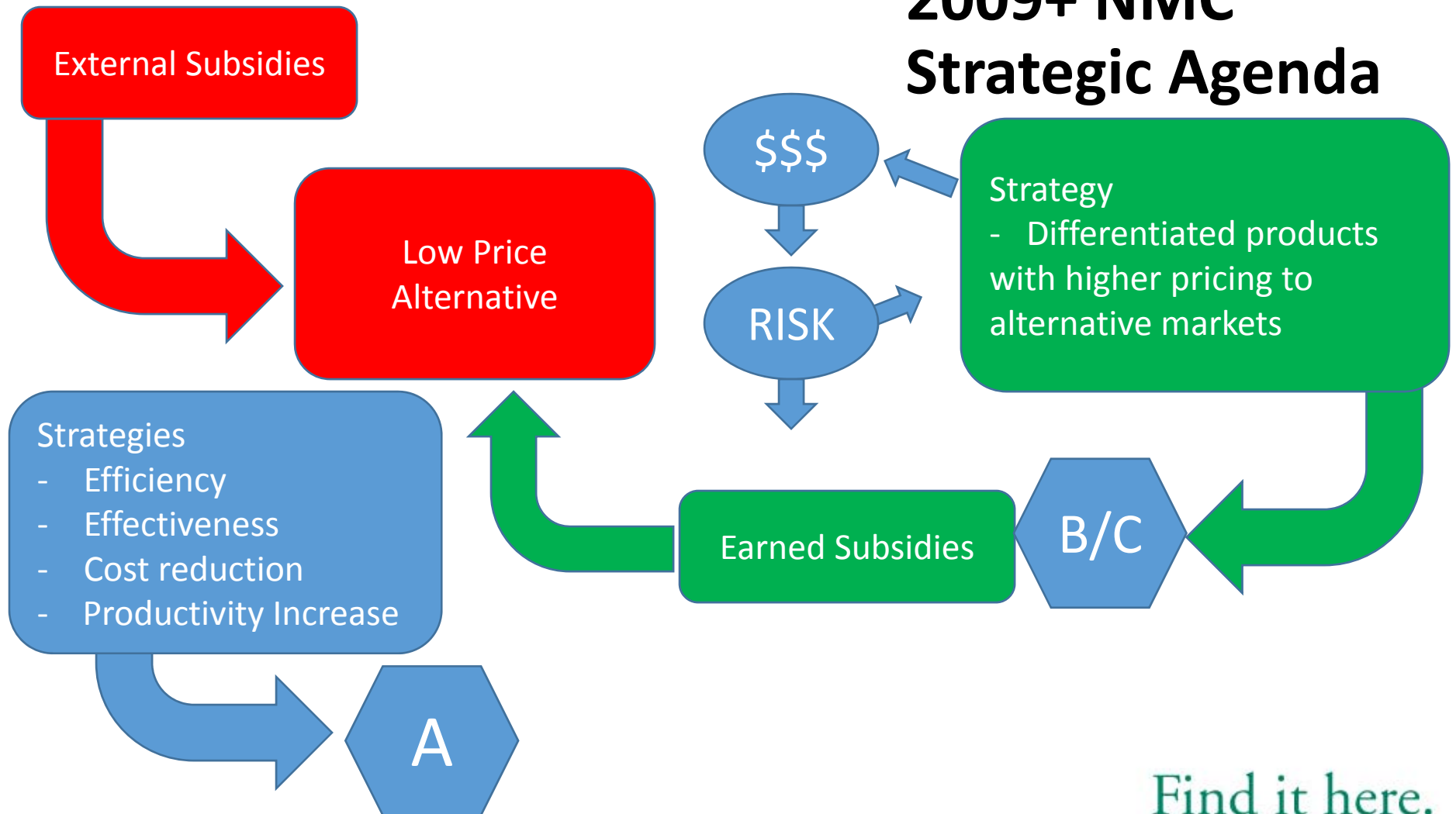
- Innovative
- Globally connected
- Productive
- Accountable
- Accessible
- Integrated with our community
- Connected to our learners
- Fiscally self sufficient
- Adaptive
- Faster
- Less risk averse

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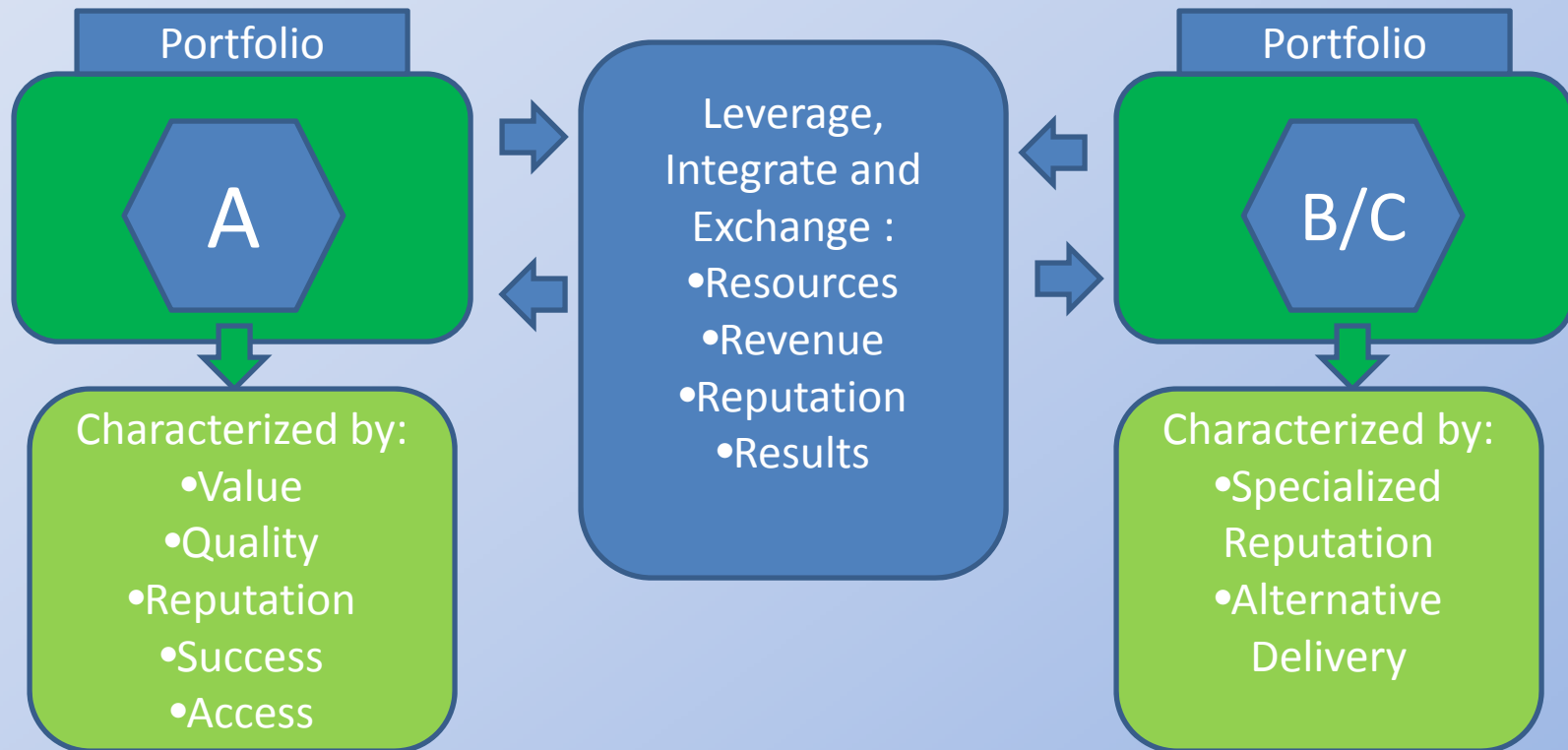
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Our Response: 2009+ NMC Strategic Agenda



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“ONE NMC” with Two Engines





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Strategic Directions

- Prepare learners for success in global society and economy
- National/International competencies linked to regional assets
- Deliver learning through networked workforce
- Establish lifelong relationships
- Transcribe learning to establish credentials of value

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NMC Current Strategies For Revenue Margin Growth

- Increased market share in local and regional area in all learning classifications
- Strengthen areas of expertise – to recruit outside the region and country
 - Allows programs with insufficient local demand
 - Addresses local demographic issues
 - Higher margins
 - Enriches learning experiences
- Execute on select areas for portfolio B & C
- Investment in Foundation Campaign

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Questions/Discussion

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