



Northwestern
Michigan
College

Board of Trustees

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Northwestern Michigan College provides lifelong learning opportunities to our communities.

1701 East Front Street
Traverse City, MI 49686
(231) 995-1010
trustees@nmc.edu

Meeting Agenda

Monday, May 24, 2021

Virtual Zoom Webinar ID: 971 7014 3919

<https://nmc.zoom.us/j/97170143919>

Phone: 1 312 626 6799 or 1 646 558 8656

5:30 p.m. Regular Meeting

I. GENERAL BUSINESS

A. Call to Order

B. Roll Call

In compliance with PA 254 each trustee should publicly announce if they are attending remotely and provide their current physical location. The member's announcement must identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.

C. Pledge of Allegiance

D. Review of Agenda and Approval of Additions, Deletions, or Rearrangements

II. REPORTS (Most reports are also provided to the Board in their materials packet, which can be accessed on the nmc.edu Board of Trustees website.)

E. Faculty Report—Viewing Images Through the NMC Telescope Without Physically Looking—*Jerry Dobek, Science & Math Faculty - Astronomy, Science Department Head*

F. Enrollment Report—*Todd Neibauer, Vice President for Student Services and Technologies*

G. Financial Report—*Troy Kierczynski, Interim Vice President of Finance and Administration*

H. Foundation Report—*Rebecca Teahen, Associate Vice President for Resource Development and Executive Director of Foundation*

I. PRMC Report—*Diana Fairbanks, Executive Director of Public Relations, Marketing, and Communications*

J. Strategic Planning Report—*Stephen Siciliano, Vice President for Educational Services*

K. Executive Committee Report—*Chris Bott, Committee Chair*

L. Building and Site Committee Report—*Rachel Johnson, Committee Chair*

M. Audit Committee Report—*Kennard Weaver, Committee Chair*

N. Legislative Issues Report—*President Nick Nissley*



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III. PUBLIC INPUT

Requests for public input should be typed into the “Chat” function of the Zoom meeting prior to the Public Input time in the agenda. You will be called upon to speak, and please start by stating your name. The topic addressed should be related to business within the jurisdiction of the Board. Comments will be limited to (3) three minutes in length per speaker and the speaker will be muted by NMC technology staff at the end of that (3) three minutes. The Board will take public remarks into consideration, but will not comment at time of input.

IV. UPDATES

- O. President’s Update—*President Nick Nissley*
- P. Board Chair Update—*Chris Bott, Chair*

V. DISCUSSION ITEMS

- Q. FY22 Budget Development Considerations

VI. CONSENT ITEMS (Pursuant to Policy A-105.00 Consent Agenda Items)

These items will be adopted as a group without specific discussion. When approving the meeting agenda, any Board member may request that a consent agenda item be moved to the regular agenda for discussion or questions.

Recommend that the following items be approved:

- R. Minutes of the April 26, 2021, regular meeting
- S. Minutes of the May 11, 2021, special meeting

VII. ACTION ITEMS

- T. **Notice of Truth in Taxation Hearing Notice** (Pursuant to Policy A-106.00 Finance)
Recommend that the Truth-in-Taxation First Resolution be adopted as presented.
- U. **Search Firm for Vice President of Strategy and Innovation** (Pursuant to Policy-A106.00 Finance)
Recommend authorization for administration to spend up to \$45,000 to engage an executive search firm for the Vice President of Innovation and Strategy position.
- V. **West Hall Innovation Center Dewatering Project** (Pursuant to Policy-A106.00 Finance)
Recommend authorization for administration to accept the lowest practical bid for a dewatering system, within an estimated budget of \$246,200 with a 25% contingency, for a total of \$308,000.
- W. **Native American Grant Application** (Pursuant to Submission Requirements)
Recommend authorization for administration to submit application for the 2% grant from the Grand Traverse Band of Ottawa and Chippewa Indians video gaming revenue as presented.

Posted Friday, May 21, 2021, 12:00 p.m.



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X. **Closed Session** (Pursuant to A-106.00 Other)

Recommend that the Board convene in closed session as permitted by Section 8(h) of the Open Meetings Act, MCL 15.268(h), to consider one privileged legal memo prepared by the college's outside counsel, Miller Canfield, PLC, which are materials exempt from discussion or disclosure under state or federal statute as written attorney-client communications in connection with Section 13(1)(g) of Michigan's Freedom of Information Act, MCL 15.243(1)(g). (*Requires two-thirds majority roll call vote of members elected or appointed and serving.*)

Y. **Reconvene Regular Session** (Pursuant to A-106.00 Other)

Recommend the closed session adjourn and the open session of the regular meeting be reconvened. (*roll call vote*)

VIII. **REVIEW OF FOLLOW-UP REQUESTS**

Confirm requests made by the Board that require administrative follow-up for information to be provided to the Board at a later date.

IX. **ADJOURNMENT**

Upcoming Board Meeting Dates:

All board meetings are open to the public.

June 9, 2021—*Special Meeting (Strategic Planning Workshop)*

June 28, 2021

July 26, 2021

August 23, 2021

September 27, 2021

October 25, 2021

November 22, 2021

December 20, 2021

January 24, 2022

February 28, 2022

March 21, 2022

April 25, 2022

May 23, 2022

June 27, 2022

NMC BOT Faculty Presentation Form

This form will be shared with the BOT before the meeting so they know what you will be presenting and a little bit about you. Thank you for sharing your time and expertise with the BOT so they continue to be informed about the high quality educators and programs we have here at NMC.

Name *

Jerry Dobek

Your Title *

Faculty - Science & Math - Astronomy , Science Department Head

Presentation Title *

Viewing images through the NMC Telescope without physically looking.

Please provide a description of what you will be presenting to the BOT. *

Using a low-light security video camera, adapted to project the image from the NMC telescopes into the classroom, actual images that would normally be seen are presented. COVID-19 restrictions will not allow students / guests to physically observe through the eyepiece of the telescopes. This camera shows the same field of view and the same objects that the eye would see looking through the telescope. Images are projected in 'real-time' to a screen in the classroom AND can be broadcast via Zoom to guests without physically attending the Observatory. I will present some 'live / real-time' images, if clear, or "canned images" if cloudy.

Who are you? Please upload or type a bio here. If you do not have one, just tell The BOT a bit about yourself. This info will be given to them before the meeting. *

sent Vita to Lynne

This form was created inside of Northwestern Michigan College.



Vita for Jerry Dobek

Gerald Orin Dobek, D.Sc., FRAS
Born 22 December 1957 in Detroit, Michigan.

Education:

Novi High School (4 year honor student - National Honor Society)
A.S. Mathematics & A.A. General Liberal Studies; Northwestern Michigan College (Phi Theta Kappa)
B.S. Mathematics w/Distinction; Trinity College & University
B.S. Mathematics; Ferris State University
M.Sc. (Hons) Astronomy & Astrophysics w/Distinction; University of Western Sydney
DoA Astronomy; James Cook University
Ph.D. / D.Sc. Astronomy & Astrophysics; James Cook University

Continuing Education:

University of Toronto
University of Arizona

Memberships:

Fellow of the Royal Astronomical Society (FRAS)
American Astronomical Society (AAS)
American Association for the Advancement of Science (AAAS)
Astronomical Society of the Pacific (ASP)
American Association of Variable Stars (AAVSO)
Royal Astronomical Society of Canada (RASC)
International Dark Sky Association (IDA) – Founding Member
Grand Traverse Astronomical Society (GTAS) (current President)
National Aeronautics and Space Administration/ Jet Propulsion Laboratory (NASA/JPL)
Phi Theta Kappa Society (Lifetime Member)
Illuminating Engineer Society (IES)
Society of Automotive Engineers (SAE)
Grand Traverse County Planning Commission, retired after 15 years (past chairman)

Awards:

Four-Year Honor Student (National Honour Society); Novi High School
Art Moenkhaus Scholarship; NMC
Finalist Adult Student of the Year; NMC (1998)
Friends of the Observatory; NMC/GTAS (1994)
National Dean's List (1992-93)
Who's Who Among American Teachers (2000, 2004 & 2005)
Imogene Wise Award for Adjunct Faculty; NMC (2002)
NASA/JPL Distinguished Service (2002, 2003 & 2005)
University Medal Finalist; UWS 1st in University; (2003)
Manchester Who's Who Among Executives and Professionals
Frank Purvis Stewardship Award-Grand Traverse County (2008)
Imogene Wise Faculty Excellence Award; NMC (2015)
Athena Excellence Award; NMC (2015)
Appreciation Award; NASA, Total Solar Eclipse Research (2017)
Outstanding Persons In Education (2019)

Dr. Jerry Dobek is a professional astrophysicist and faculty instructor at Northwestern Michigan College (NMC). He is the current Sciences Department Head and Director of the Joseph H. Rogers Observatory at NMC. He has taught astronomy and mathematics for NMC as an adjunct from 1987 until 2002 when he became a full time faculty instructor. His interests in astronomy and space science began in the early 1960's. Jerry holds memberships with the RAS, AAS, AAAS, ASP, AAVSO, RASC, IDA, GTAS, IES, SAE and is a lifetime member of Phi Theta Kappa. His research interests are in variable stars and dark material, which he conducts from his own observatory north of Traverse City, Michigan. Jerry is also the site coordinator / site director for Project ASTRO and Project Family ASTRO for the Michigan and Upper Wisconsin sites, and serves as the regional Solar System Ambassador for NASA / JPL. Jerry is a founding member of and the regional representative for the International Dark-Sky Association and has been instrumental in writing lighting ordinances for townships and counties in Michigan as well as several other states. Jerry designed and assisted in the installation of the fiber optics in the ceiling of the Traverse City State Theater: a true depiction of the night sky over that location for 11 August at 11:00 pm EST. The 'fiber-optical stars' are adjusted to match the visual brightness. His personal interests are astrophotography and writing / playing music on his 6 & 12 string guitars. Jerry's photos of comets Hyakutake and Hale Bopp are part of NASA's archive images of comets.

Most recently (in 2011), Jerry has republished Edward Emerson Barnard's famous atlas: "A Photographic Atlas of Selected Regions of the Milky Way" through Cambridge University Press. Only 700 copies of the original atlas were produced in 1927. This republication contains additions of updated co-ordinates for Barnard's objects as well as a mosaic of the 50 original plates. This republished Atlas is currently number seven on the 'best seller's list' for all astronomy books at Cambridge University Press.

Jerry is currently working with universities in Michigan on Articulation Agreements, mainly in Engineering and Science, to allow for an efficacious transition of a student's education credits from community college to university.

Jerry is also a five time runner-up in the Publisher's Clearinghouse Sweepstakes Grand Prize drawing. His "world-famous" grilled potatoes have been enjoyed in four different countries on three continents.



**Northwestern
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MEMO
Enrollment Services

To: Dr. Nick Nissley, President
 From: Todd Neibauer, VP for Student Services & Technologies
 Date: May 18, 2021
 Subject: Enrollment Services Update –Summer/Fall Semester 2021

Summer 2021

Nearly all courses for the summer semester will be meeting online or via livestream format. Orientation for new students starting in the summer semester started on April 12. Contact hours are currently up 5.2% over last year.

	2018	2019	2020	2021
Applications	753	725	708	734
Admits	519	518	514	521
Admits Registered	244	197	215	212
Prior Admits Registered	9	9	3	8
Retained from Spring	774	710	731	793
Re-Admitted Students	100	79	77	92
Average Contact Hours	5.72	5.75	6.07	5.93
Total Headcount	1,127	995	1,026	1,105
Total Contact Hours	6,448	5,720	6,227	6,551
Tuition	1,222,534	1,129,045	1,192,223	1,286,777

(Resources: Digital Dashboard – Same Date Comparison SU2018-2021)

Fall 2021

Fall 2021 registration began in March and will continue until the beginning of classes in August. While headcount is currently up 5.5%, the average contact hours are lower which is reflected in the 8% decrease in full-time students. Overall, contact hours are up .7% over last year at this time.

	2018	2019	2020	2021
Admission Applications	2,990	2,863	2,460	2,506
Admits	1,886	1,877	1,718	1,776
Admits Registered	522	650	383	502
Prior Admits Registered	22	28	9	30
Retained from Spring	1,503	1,505	1,268	1,158
Re-Admitted Students	156	141	86	163
Average Contact Hours	11.32	11.32	11.63	11.04
Total Headcount	2,203	2,323	1,746	1,852
Total Contact Hours	24,937	26,303	20,312	20,452
Tuition	4,701,405	4,974,815	4,098,025	3,928,916

(Resources: Digital Dashboard – Same Date Comparison FA2018-2021)



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MEMO

Administrative Services

To: Dr. Nick Nissley, President

From: Troy Kierczynski, Interim Vice President of Finance and Administration

Date: May 17, 2021

Subject: Summary Report for the General Fund as of April 30, 2021

The attached reports summarize the financial results for the General Fund as of April 30 2021. The tenth month represents 83% of the year.

Month End Results

The month end reports are interim and not a reflection of actual year-end results.

The timing of revenue and expenses fluctuates throughout the year and will affect year end results.

The general fund ended the month with revenue over expenses of \$7,209,779. Revenue decreased by 8% when comparing April 2021 to April 2020. The decrease is primarily due to Covid 19 related reductions in tuition and timing of property taxes. Expenses decreased by 14% when comparing April 2021 to April 2020 also primarily related to the Covid 19 impact and budget reductions in professional development.

Revenue (letters refer to the attached General Fund summary)

- A. Tuition and fees represent an 11% decrease from those of April 2020. For Spring 2021, the budget was set at 29,733 billing hours for budgeted revenue of \$5,614,662. Actual billing hours are at 29,496 hours for a total tuition revenue of \$5,542,609. Spring 2021 revenue is under budget by \$72,053.
- B. Property Taxes: Tax revenue is recorded as payments are received. The overall increase for the fiscal year is expected to be 3% over the previous fiscal year.
- C. State Sources include budget appropriations, personal property tax payments and MPSERS retirement payments. State appropriations payments began in October.
- D. Federal Sources, which consist primarily of the MARAD grants and MARAD fuel payment. These funds are to be used directly for the Maritime program.
- E. Actual year-to-date investment income recorded for fiscal year 2021 reflects interest income only. Interest income is lower due to declining interest rates.
- F. Both Private Sources and Other Sources are timing and event dependent.

Expenses

- G. Salaries and benefits are under budget due to open unfilled positions and reduced adjunct contracts.
- H. Overall expenses are under budget at this time.
- I. Capital Outlay reflects expenditures budgeted through the allocation of COAT dollars.

Northwestern Michigan College

Unaudited



Summary Report for General Fund Accounts

Monthly reports are interim and not a reflection of year end results.

Fiscal Year 2021, Period 10

Funds	Accounts	2020-2021 Adjusted Budget	YTD Activity	% of Annual Budget	
TOTAL GENERAL FUND					
50	Revenues				
	Tuition and Fees	20,271,034	18,345,779	90.50%	A
	Property Taxes	11,485,363	11,141,376	97.00%	B
	Other Local	<u>0</u>	<u>0</u>	*	
	Local Sources	31,756,397	29,487,155	92.85%	
	State Sources	8,543,730	8,026,863	93.95%	C
	Federal Sources	524,000	206,977	39.50%	D
	Private Sources	1,268,000	673,554	53.12%	F
	Investment Income	274,000	117,831	43.00%	E
	Other Sources	<u>353,250</u>	<u>251,858</u>	71.30%	F
	Total Revenues	42,719,377	38,764,238	90.74%	
60	Labor				
	Salaries & Wages	21,182,285	17,032,026	80.41%	G
	Benefits	<u>9,072,070</u>	<u>7,637,649</u>	84.19%	G
	Total Labor	30,254,355	24,669,675	81.54%	
70	Expenses				
	Purchased Services	2,391,755	1,516,327	63.40%	H
	Supplies & Materials	3,288,261	1,772,253	53.90%	H
	Internal Services	104,020	-13,985	-13.44%	H
	Other Expenses	1,705,773	892,107	52.30%	H
	Institutional Expenses	1,726,924	1,165,771	67.51%	H
	Maintenance & Renovation	1,778,289	1,196,509	67.28%	H
	Prof Develop, Travel & Events	180,000	182,757	101.53%	H
	Capital Outlay	<u>50,000</u>	<u>44,123</u>	88.25%	I
	Total Expenses	11,225,022	6,755,862	60.19%	
	Total Expenditures	41,479,377	31,425,537	75.76%	
80	Transfers				
	Transfers	1,240,000	128,922	10.40%	
	Total Transfers	<u>1,240,000</u>	<u>128,922</u>	10.40%	
	Total Expenditures and Transfers	42,719,377	31,554,459	73.86%	
	Net Revenues over (under) Expenditures	0	7,209,779		



**Northwestern Michigan College
Comparison - Fiscal Year to Date
General Fund
Apr 2021 vs. Apr 2020**

INTERIM
This statement does not
reflect year-end results.

	YTD 4/30/2021	YTD 4/30/2020	\$ Diff	% Diff	Comments
Revenue					
Local Sources:					
Tuition & Fees	\$ 18,345,779	\$ 20,501,824	\$ (2,156,045)	-11%	Decrease is due primarily to expected lower enrollments, associated fees, and lower EES revenue (all partially impacted by COVID-19)
Property Taxes	11,141,376	10,803,135	338,241	3%	Timing of property tax payments received from townships
Total Local Sources	29,487,155	31,304,959	(1,817,804)	-6%	
State Sources	7,939,116	8,029,693	(90,577)	-1%	Consistent with prior year
State PPT Reimbursement	87,747	77,951	9,796	13%	Changes in property tax values assessed for this reimbursement (will fluctuate year to year)
Federal Sources	206,977	1,488,162	(1,281,185)	-86%	FY21 (and forward) recognition of GLMA federal grant activity with federal grant funds instead of general fund
Private Sources	673,554	585,167	88,387	15%	Timing of Foundation gifts
Investment Income	117,831	363,477	(245,646)	-68%	Higher interest/dividends recognized in FY20 than in FY21
Other Sources	251,858	385,551	(133,693)	-35%	Primarily due to lower Lobdell sales and lower room/equipment rentals in FY21 and timing of Bank of America annual rebate
Total Revenue	38,764,238	42,234,960	(3,470,722)	-8%	
Expenses					
Salaries and Wages	17,032,026	17,627,512	(595,486)	-3%	Primarily driven by lower adjunct salaries in FY21 due to less offerings related to COVID impacts on student enrollment and lower vacation payouts in FY21 (more payouts in FY20 following Training Service employee departures and other retirements)
Benefits	7,637,649	7,549,875	87,774	1%	Consistent with prior year
Purchased Services	1,516,327	1,630,905	(114,578)	-7%	Primarily due to miscellaneous savings in purchased services for EES, advertising, and legal fees in FY21
Supplies & Materials	1,772,253	2,191,754	(419,501)	-19%	Decrease is driven primarily by lower general supplies expenses, student fee related expenses, and lower fee related expenses for international trips in FY21 (cancellations/refunds due to COVID for international trips occurred after April in FY20)
Internal Services	(13,985)	83,261	(97,246)	-117%	Driven by lack of internal events on campus due to COVID
Other Expenses	892,107	1,208,464	(316,357)	-26%	Primarily related to lower recruiting/promotional expenses in FY21 along with decreases in other areas including non-professional development travel expenses
Institutional Expenses	1,165,771	1,250,140	(84,369)	-7%	Primarily due to the timing of invoices/payments in FY21; lower snow removal service expenses in FY21
Maintenance & Renovation	1,196,509	1,184,105	12,404	1%	Consistent with prior year
Professional Development	182,757	526,162	(343,405)	-65%	Due to reduction of professional development expenses due to cancellation of work-related travel during COVID
Capital Outlay	44,123	332,020	(287,897)	-87%	Decrease is due to reduction in budget for FY21
Total Expenses	31,425,537	33,584,198	(2,158,661)	-6%	
Transfers	128,922	283,062	(154,140)	-54%	Aviation flight hours transfers \$261,781 less transfer of admin and wage expenses to CARES Act (CRF) fund (\$131,642) and transfer of aviation lost revenue to CARES Act (CRF) fund (\$1,217)
Total Expenses & Transfers	31,554,459	33,867,260	(2,312,801)	-7%	
Net Revenue Over (Under) Expenses	\$ 7,209,779	\$ 8,367,700	\$ (1,157,921)	-14%	



**Northwestern Michigan College
Comparison - Month Over Month
General Fund
Apr 2021 vs. Mar 2021**

INTERIM
This statement does not
reflect year-end results.

	YTD 4/30/2021	YTD 3/31/2021	Apr 21 Activity	Mar 21 Activity	Comments
Revenue					
Local Sources:					
Tuition & Fees	\$ 18,345,779	\$ 16,973,157	\$ 1,372,622	\$ 2,129,855	Higher tuition allocation in March than in April (5 weeks in March vs. 3 weeks in April) and higher flight fees in March than in April
Property Taxes	11,141,376	11,141,027	349	1,872,487	Timing of fall/winter tax collections received
Total Local Sources	29,487,155	28,114,184	1,372,971	4,002,342	
State Sources	7,939,116	6,796,024	1,143,092	1,120,489	Consistent with prior month
State PPT Reimbursement	87,747	87,747	-	-	- Consistent with prior month
Federal Sources	206,977	206,977	-	-	- Consistent with prior month
Private Sources	673,554	673,554	-	325,240	Timing of Foundation gifts (quarterly)
Investment Income	117,831	93,206	24,625	34,283	Higher dividends received in March
Other Sources	251,858	215,206	36,652	17,936	Quarterly administrative fees from NJTP and office space rental revenue from MMTC in April
Total Revenue	38,764,238	36,186,898	2,577,340	5,500,290	
Expenses					
Salaries and Wages	17,032,026	15,267,744	1,764,282	1,762,611	Consistent with prior month
Benefits	7,637,649	6,877,100	760,549	761,411	Consistent with prior month
Purchased Services	1,516,327	1,330,267	186,060	143,405	Primarily driven by salary support payment for MSU/NMC Coordinator
Supplies & Materials	1,772,253	1,599,769	172,484	157,047	Primarily driven by the timing of aviation fuel purchases and Adobe renewal fees in April; partially offset by timing of postage account payment in March
Internal Services	(13,985)	(11,112)	(2,873)	4	Primarily due to timing on internal transfer of employee flu shot fees
Other Expenses	892,107	825,651	66,456	115,480	Primarily driven by reclassification of Adobe renewal fees to supplies and materials expenses
Institutional Expenses	1,165,771	1,037,384	128,387	131,328	Consistent with prior month
Maintenance & Renovation	1,196,509	1,093,701	102,808	118,955	Primarily due to timing of software maintenance renewals and expenses
Professional Development	182,757	167,987	14,770	29,099	Low activity in professional development primarily related to memberships and webinars
Capital Outlay	44,123	24,123	20,000	-	- No activity in March
Total Expenses	31,425,537	28,212,614	3,212,923	3,219,340	
Transfers	128,922	128,922	-	84,417	Aviation flight hours transfers \$261,781 less transfer of admin and wage expenses to CARES Act (CRF) fund (\$131,642) and transfer of aviation lost revenue to CARES Act (CRF) fund (\$1,217)
Total Expenses & Transfers	31,554,459	28,341,536	3,212,923	3,303,757	
Net Revenue Over (Under) Expenses	\$ 7,209,779	\$ 7,845,362	\$ (635,583)	\$ 2,196,533	



**Northwestern Michigan College
Income Statement Projections - General Fund
For the Year Ended June 30, 2021
As of 5/11/21**

INTERIM
This statement does not reflect
year-end results.

	FY20 Actual	FY 21 Budget	YTD 5/11/2021	FY 21 Projected	Difference vs. Budget	Comments
Revenue						
Local Sources:						
Tuition & Fees	\$ 21,364,804	\$ 20,271,034	\$ 18,380,891	\$ 19,349,936	(921,098)	Aviation revenue down ~\$200,000 from prior year. Covid-19 restrictions substantially impacted the College's non-credit tuition and workshop revenue. Extended Education (EES) and Marine Center projected revenue shortfalls of \$700k and \$230k, respectively, are offset by higher than anticipated Fall 2020 enrollment (for-credit).
Property Taxes	11,163,672	11,485,363	11,569,141	11,572,464	87,101	In line with budget
Total Local Sources	32,528,476	31,756,397	29,950,032	30,922,400	(833,997)	
State Sources	9,169,059	8,341,730	7,567,997	9,687,086	1,345,356	State appropriations flat compared to a planned 15% decrease
State Property Tax Reimbursement	199,023	202,000	87,747	156,014	(45,986)	Slightly lower than planned PPT payments from Local Community Stabilization Authority (LCSA)
Federal Sources	1,368,032	524,000	206,977	1,009,977	485,977	GLMA direct funding moved out of general fund into federal award funds
Private Sources	880,473	1,268,000	673,554	1,268,000	-	Many funding requests from Foundation are billed at the end of the fiscal year
Dividend and Interest Income	424,287	274,000	117,831	141,398	(132,602)	Near zero federal funds rate is minimizing returns
Unrealized Gain (Loss) on Investments	43,746	-	-	-	-	
Other Sources	417,066	353,250	259,303	341,395	(11,855)	In line with budget
Total Revenue	45,030,162	42,719,377	38,863,441	43,526,269	806,892	
Expenses						
Salaries and Wages	21,715,385	21,182,285	17,907,340	21,622,052	439,767	Expected FY20 GLMA summer cruise wages shifted to FY21 due to Covid-related cruise delays
Benefits	8,774,325	9,072,070	8,015,104	8,931,308	(140,762)	Health and dental expenses are trending under budget
Purchased Services	2,049,534	2,391,755	1,540,658	2,128,326	(263,429)	Savings in food services by using culinary staff for GLMA cruise (Summer 2020); legal and advertising trending lower than planned
Supplies & Materials	2,430,475	3,288,261	1,997,082	2,602,510	(685,751)	No int'l trips (250k budget), less consumption of supplies due to remote work and instruction
Internal Services	92,561	104,020	(13,034)	(18,291)	(122,311)	Savings from lack of in-person internal events due to Covid
Other Expenses	1,534,239	1,705,773	908,775	1,442,795	(262,978)	Savings in non-PD events and travel due to Covid restrictions
Institutional Expenses	1,519,695	1,726,924	1,180,741	1,564,305	(162,619)	Savings in electricity and heat due are expected due to shutdown
Maintenance & Renovation	1,609,299	1,778,289	1,205,328	1,722,696	(55,593)	Comparable to budget
Professional Development	555,708	180,000	182,966	239,491	59,491	Reduced conferences and events due to Covid restrictions
Capital Outlay	347,272	50,000	44,123	50,000	-	
Total Expenses	40,628,493	41,479,377	32,969,082	40,285,190	(1,194,187)	
Transfers Out (In)						
Plant Fund - General Maintenance	1,519,740	500,000	-	500,000	-	Transfer for maintenance of capital
Plant Fund - Technology Maintenance	500,000	500,000	-	500,000	-	Transfer for maintenance of technology
Plant Fund - Facility Fee for Maintenance	40,000	-	-	-	-	
Plant Fund - Aviation Capital Fund	300,912	340,000	261,782	340,000	-	Transfer for Aviation equipment fund; based on revenue, calculated using tachometer hours
Plant Fund - EES Transfer for Elevate	24,550	-	-	24,550	24,550	Transfer for EES purchase of Elevate software (year 5 of 5)
Bd Designated - Strategic Projects	500,000	250,000	-	250,000	-	Transfer for strategic projects
Bd Designated - Funds for Transformation	50,000	50,000	-	50,000	-	Transfer for funds for transformation
Restricted Fund - CARES Act Funding	(1,246,119)	-	(132,860)	-	-	
Restricted Fund - GLMA Heritage Act	-	-	-	943,091	943,091	Transfer Heritage Act fund balance to restricted fund
Restricted Fund - GLMA MARAD Funding	-	-	-	-	-	Transfer MARAD portion of GLMA funding to restricted fund
Program Specific	(7,479)	100,000	-	500,000	400,000	MARAD direct payments are reserved for the GLMA program
Budgeted Use of General Fund Reserves	-	(500,000)	-	-	-	
Total Transfers	1,681,605	1,240,000	128,922	3,107,641	1,867,641	
Total Expenses & Transfers	42,310,098	42,719,377	33,098,005	43,392,831	673,454	
Net Revenue Over (Under) Expenses	\$ 2,720,065	\$ -	\$ 5,765,436	\$ 133,438	\$ 133,438	



MEMO: Resource Development

To: The Board of Trustees
President Nick Nissley, Ed.D.

From: Rebecca Teahen, CFRE
Assoc. Vice President, Resource Development
Executive Director, NMC Foundation

Date: May 17, 2021

Subj: Foundation Update

Fund Raising – a “check” on FY21 goals

- FY21 overall dollars raised as part of the Be What’s Possible Campaign:
 - \$ 8,378,413 Total received (including Annual Fund, pledges, and *documented planned gift intentions*) raised toward goal
 - + \$252,668 Gross event revenue
 - \$8,631,081 Total of gifts + events (Goal: \$4,250,000)**

Foundation Initiatives

- The Be What’s Possible campaign for NMC continues through June 30, 2021.
- As part of the campaign, the foundation’s largest mailing to date is underway this month to approximately 100,000 households.
- Planning is underway for the 40th Annual Scholarship Open to be held August 5 at the Grand Traverse Resort & Spa. Visit nmc.edu/golf to sponsor or register.

For your calendars:

- A closing celebration for the Be What’s Possible campaign for NMC will take place virtually June 9 at 7:00pm.
- The Foundation Executive Committee will meet virtually May 27 at 8:00am.
- The Foundation Finance & Audit Committee will meet virtually June 16 at 7:30am.
- The Foundation Board will meet virtually June 23 at 7:30am.



Northwestern
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MEMO

*Public Relations, Marketing,
and Communications*

To: Nick Nissley, President

From: Diana Fairbanks, Executive Director of PR, Marketing and Communications

Date: 5-17-21

Subject: April 2021 Monthly Report

NMC had a strong month in earned media coverage with several positive stories getting wide coverage including our new e-sports program and the Milock gift. While in person events, and related promotion, remain limited due to the pandemic, there has been significant communication and engagement in NMC's strategic planning process. We also continue to see YOY growth in paid, owned and shared media. The following is an overview of the work of PRMC for April 2021.

Paid Media

- Google search, display, remarketing
- Paid Facebook
- Paid Instagram
- Spotify
- Programmatic digital
- Traverse City Business News
- The Ticker
- Northern Express

In April, YOY paid performance remains strong. MOM we made revisions to targeting within digital campaigns, while this led to declines in overall clicks and impressions, we saw an increase in conversions from remarketing and display campaigns. Fewer but better prospects. We will continue to analyze the data and make adjustments as needed.

Outcomes:

- Display

	April '21	MOM	March '21	YOY	April '20
clicks	65,970	20% ↓	82,484	86% ↑	35,510
imprs.	4,490,100	8% ↓	4,927,710	310% ↑	3,42,738

- Paid social for enrollment
 - One FB/IG campaign (4/1-4/30)
 - 3,031 clicks to landing page
 - Web traffic (4/1-4/30)
 - [Traditional learner landing page](#) for paid campaigns
 - 28,268 visits/pageviews
 - 10% of all site traffic
 - It's driven:
 - 277 NMC homepage
 - 258 schedule a visit page
 - 155 Degrees & Certificates page
 - 142 apply for financial aid
 - [Adult learners landing page](#)
 - 25,071 visits/pageviews
 - It's driven:
 - 82 NMC homepage
 - 31 visits to the main programs page
 - 26 visits to the financial aid page
 - 24 visits to the admissions page

Earned Media

Monthly recap of media coverage and sentiment

NMC was featured in 50 media mentions with an estimated publicity value of \$19,000 based on the Cision media monitoring system.

Media stories that had high attention include:

- [EDsmart Announces 2021's Best Accredited Online Colleges in Michigan](#) SBWire, April 5
- [Game on, Hawk Owls: NMC to field pair of scholarship esports teams](#) Record-Eagle, April 11
 - [UpNorthLive, April 7](#)
 - [The Ticker, April 8](#)
 - [9&10 News, April 8](#)
- [Millocks Make Record-Breaking \\$3 Million Gift To NMC](#) The Ticker, April 21
 - [Record-Eagle, April 21](#)
 - [9&10 News, April 21](#)

Media sentiment ranking for April (based on a Cision algorithm that ranks pre-assigned tone of keywords) shows 94% positive or neutral coverage. This is a slight decrease MOM (March, 96.2%) and increase YOY (2020, 88%). The results categorized as negative were not negative toward NMC, but other topics covered at the same time.

Owned Media

Monthly published owned media

During April, PRMC published two NMC Now e-newsletters to 861 supporters and community members. The average open rate was 40.5%.

The feature article from 4-21-21 [Virtuosos at virtual, millions in aid and scholarships](#) was the most popular link clicked.

Other popular links include:

- [NMC strategic planning effort kicks off](#) Record-Eagle, April 1
- [NMC's Great Lakes Culinary Institute Hosts Fundraiser](#) 9&10 News, April 16
- [Adult learner champions inclusion of nontraditional students](#) NMC Now, April, 7

We are preparing to mail NMC's Nexus magazine to more than 46,000 college supporters. The cover story highlights the many services NMC offers to help students succeed.

Shared Media

Monthly progress report on NMC's Main social media channels

We had a mixed month in social media performance with MOM and YOY growth in followers, but some declines in engagement and impressions because of fewer posts due to a staffing shortage and fewer on campus activities. We expect this decline to be temporary. The paid social media campaigns helped offset performance decreases in some areas. YOY metrics continue to be unusual due to the pandemic.

Highest performing organic posts this month include police academy graduates, commencement announcement, GLCI chocolate class and nursing alumni.

Platform	Followers	Impressions	Engagement	Gender	Age	Region
Facebook	11,790 Up 1% YOY Up 0.03% MOM	258% Up YOY 4% down MOM	64% Down YOY 35% down MOM	Fans 68% F 31% M Reach 49%F 50%M	#1 25-34 (26.7%) #2 35-44 (19.8%) #3 45-54 (19.7%)	GT Region & Grand Rapids
Instagram	2,630 up 15% YOY) 0.6% up MOM	34% Down YOY 32.2% down MOM	1% up YOY 25.9% up MOM 	62% F 36% M	#1 18-24 (29.8%) #2 25-34 (29.9%) #3 35-44 (18%)	GT Region & Grand Rapids



Northwestern
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MEMO

Administrative Services

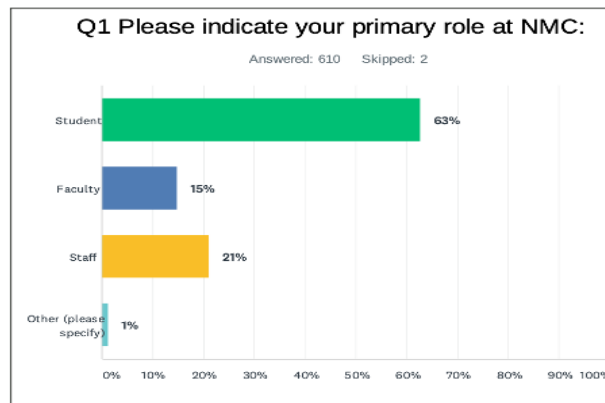
To: Dr. Nick Nissley, President
From: Stephen Siciliano, Vice President for Educational Services
Vicki Cook, Special Assistant to the President
Date: May 17, 2021
Subject: Monthly Strategic Planning update
Attachment: Learner Experience Statement

This memo is intended to provide a monthly update of the activities related to Strategic Planning that we have undertaken with our external partner CampusWorks.

During the month of April Campus Works has been holding focus groups. We have conducted most of the internal focus groups and the month of May will be focused with our external stakeholders.

There was a workshop on April 16 to gather input on the Student Experience statement. The workshop was attended by 152 people, of which 50 were students. The statement is intended to guide the Strategic Planning Committee and NMC Faculty and Staff to ensure the alignment of institutional priorities and ideal student experience. The draft statement was sent out to all employees, students and community members of the Strategic Planning Committee for feedback. NMC received a record number of responses to this survey. CampusWorks shared that we should be pleased with the student and employee engagement. The survey responses are provided below.

NMC Student Experience Survey Responses



ANSWER CHOICES	RESPONSES	
Student	63%	383
Faculty	15%	90
Staff	21%	129
Other (please specify)	1%	8
TOTAL		610

**2170
unique
comments!**

Based on the comments and suggested edits to the draft statement, the Strategic Planning Steering Committee met to recommend the final approved statement that is attached to this document.

The Committee has also selected topics for the Future Summit. This half-day mini-conference is a signature event bringing together internal and external constituents to learn about future trends associated with key opportunities identified in the SWOT and early focus groups. Constituents will be engaged in “Ed Talks” to garner baseline knowledge on the hottest topics to be considered by NMC as it looks toward the future. Participants will then break into small workgroups to apply their learning to NMC as it relates to the College’s future vision and develop 2-3 impact statements that will feed into the strategy development process. The outcomes of this signature event include engagement of all constituent groups, enhanced corporate engagement in workforce development and planning with NMC, and a shared vision among constituents for the challenges and opportunities that face the College and region.

We are working to finalize the speakers for these topics. The topics listed below were selected by the Committee:

- Sustainably Growing Robust Online and Hybrid Programs to Increase Access for All Students
- Partnering with Business and Industry to Align Academic Programs with Emerging Labor Market Demands
- Educating and Serving Today’s Adult Learner through Alternative Credentials and Accelerated Programs
- Innovative Enrollment Strategies to Meet the Evolving Demographics of the 21st Century Community College

Upcoming activities include the following:

- May 25 Strategic Planning Committee and Work Team will hold Data Review Workshop
- June 9 Board of Trustees Mission/Vision Workshop
- June 23 Future Summit Conference

Northwestern Michigan College Learner Experience Statement

Northwestern Michigan College will provide an **enriching** education exemplified by a **supportive** and **welcoming** learner experience, characterized by:

- An **empowering** environment that **encourages** learners to **discover** new **knowledge** and **explore questions** related to their future **career and life's work**
- A **meaningful education** that equips learners with **relevant skills** and supports them in developing their sense of **purpose**
- An **inclusive community** that values **diversity** and where all learners feel a sense of **belonging and connection**
- **Caring instructors** and **staff** who **provide pathways** to **success** and **support learners through** their college experience so they thrive in their future endeavors

NMC's faculty, staff, and administration support this experience through:

- Integrated **services** and **effective communication** to **help** learners successfully **navigate academic, financial, and transfer processes**
- **Flexible course delivery options** and **easily-accessible resources** that **meet the evolving needs of learners**
- Program maps and user-friendly technologies that allow learners to monitor their **progress** and receive **frequent updates** to enhance their **decision making**
- Campus programs that **connect** learners with **peers, mentors, and dedicated faculty and staff** to ensure **support throughout their educational experiences**
- **Experiential, hands-on** activities that **prepare learners for life outside college** and **engage** them with **business** and community partners

Northwestern Michigan College
 BOARD OF TRUSTEES
Executive Committee Minutes
 Thursday, May 13, 2021
 Traverse City, MI 49686
 Virtual Zoom Webinar ID: 931 1533 5436

Committee Chair Chris Bott called the meeting to order at 1:02 p.m.

In compliance with PA 254 each trustee should publicly announce if they are attending remotely and provide their current physical location. The member's announcement must identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.

Members Present: **Kennard Weaver**, remotely from Peninsula Township, Grand Traverse County, Michigan; **Rachel Johnson**, Blair Township, Grand Traverse County, Michigan; **Chris Bott**, remotely from the City of Traverse City, Grand Traverse County, Michigan;

Members Absent: None

Others Present: President Nick Nissley, Erika Cotner, Holly Gorton, Lynne Moritz

President's Update

President Nick Nissley provided an update on the following six topics:

1. As Michigan has reached its first "Vacc to Normal" milestone, the college will move to phase 3 of its re-opening plan on May 24. Diana Fairbanks and Mark Liebling are leading the "Reimagining Work Committee" to look at which positions will continue working remotely to some extent. Campus survey of all employees regarding vaccinations received 315 responses, 90% of those that responded stated they are presently vaccinated; 5% indicated they would not be getting vaccinated; 65% of that 5% said they will not change their mind.
2. Regarding strategic planning, Nissley reported a large number of responses from the recent SWOT survey, 22 focus groups are scheduled, and planning has begun for the Future Summit Conference on June 23. As follow up from Tuesday's Mission Workshop, Nissley noted three themes he heard from the Board, which were to add the why in the mission statement, "community," and "ever-changing world." The 50-member Strategic Planning Work Team will provide input on the Mission Statement, which will then be brought to the Board at the next Strategic Planning Workshop on June 9.
3. Nissley believes the proposed FYES state funding formula will not successfully be put in place. He believes a balanced NMC budget will be presented.
4. Human Resources is proposing to utilize an executive search firm for the Vice President of Strategy and Innovation position, which will go to the Board for approval at the May 24 regular meeting.
5. Benzie County advocates are continuing investigation of the NMC in-district annexation process and are asking BEST Benzie, the local college access network, to be the lead.

6. Also on the May 24 Board Agenda, is a dewatering project for the West Hall Innovation Center. The water table has risen six feet, and for NMC to utilize remaining state funding, that needs to happen before mid-July. The proposed project includes installing a dewatering well system around the West Hall Innovation Center. When groundwater levels rise to a predetermined level, the system would turn on and pump water to the discharge area located on NMC property on the north side of Eastern Avenue. Nissley expressed concern that NMC not make a campus water problem an issue for property owners adjacent to the property.

There was discussion pertaining to Board meeting format in relation to the college moving to stage 3 of the re-opening plan on May 24. It was noted the state “Vacc to Normal” plan recently allowed in-person work for all sectors of business, but room capacity limits are still in place. Meeting formats will continue to be assessed as protocols change.

In response to a question regarding the use of a search firm for the Vice President of Strategy and Innovation position, it was noted firms are often utilized for unique positions to have the search firm actively seek applicants. The position is also critical to the ongoing strategic planning process.

Upcoming Board of Trustees Meeting Agenda

Committee members further reviewed the draft agenda for the regular Board meeting on May 24, 2021, as some agenda topics were already discussed in the above president’s update. There were no further questions pertaining to the agenda.

It was determined that for the immediate future, Board meeting program focus presentations will be scheduled with consideration of the number and length of other presentations on the meeting agenda; therefore, they may not occur every month.

Public Comment—There was no public comment offered.

Other Discussion—There was discussion pertaining to the 2021 ACCT Leadership Congress and it was suggested perhaps some trustees attend, but not all, to be cognizant of current budget and professional development protocol for the college. It was recommended that trustees new to the Board and officers attend.

The meeting was adjourned at 1:53 p.m.

Recorded by Holly Gorton, Chief of Staff to the President and Board of Trustees.

Northwestern Michigan College
 BOARD OF TRUSTEES
Building and Site Committee Minutes
 Monday, May 3, 2021
 Traverse City, MI 49686
 Virtual Zoom Webinar ID: 958 8705 4698

Committee Chair Rachel Johnson called the meeting to order at 2:31 p.m.

In compliance with PA 254 each trustee should publicly announce if they are attending remotely and provide their current physical location. The member's announcement must identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.

Members Present: **Laura Oblinger**, remotely from Garfield Township, Grand Traverse County, Michigan; **Rachel Johnson**, remotely from Blair Township, Grand Traverse County, Michigan

Members Absent: Doug Bishop

Others Present: President Nick Nissley, Adam Biteman, John Dancer, Holly Gorton, Janet Lively, Lynne Moritz, Ann Swaney, Bob Verschaeve

West Hall Innovation Center Update

Vicki Cook reviewed the critical timeline to utilize remaining state funding to complete a project to mitigate risk to future high-water levels near the West Hall Innovation Center. The dewatering project falls under the allowable expenses for West Hall Innovation Center state funded capital outlay project. It is required under the legislation to complete the state portion of this project by July 17, 2021. Adhering to this timeline will allow for state reimbursement. Any remaining costs after July 17, 2021, would be covered with NMC bond funds for the West Hall project.

West Hall Innovation Center has experienced the challenging effect of high groundwater levels in the region. The groundwater level increased during construction over six feet from the original soil borings. This substantial increase was seen across the region and not specific to NMC property. During the spring, summer and fall of 2020 NMC experienced several incidents that caused water to infiltrate the access floor area.

NMC administration asked Gosling Czubak to provide recommendations to divert groundwater away from the building. The long-term goal of water diversion is to mitigate damage to the lower level due to continuous high groundwater levels. The proposed project includes installing a dewatering well system around the West Hall Innovation Center. When groundwater levels rise to a predetermined level, the system would turn on and pump water to the discharge area located on NMC property on the north side of Eastern Avenue. The water would be pumped through a 4" pipe between the West Hall Innovation Center and discharge area. This pipe will be installed by directional drilling methods and involve minimal disturbance to campus. The discharge area is

proposed to be an underground stone drain field, which blends into the landscape, located in an area where soils have been identified to have suitable infiltration capacity.

President Nissley expressed concern for potential questions of adjacent property owners, to which Bob Verschaeve of Gosling Czubak replied the water is clean and that they would provide assurances that it would not cause a problem for others.

Osterlin Building

Vicki Cook reviewed the recent history of NMC submissions for state capital outlay projects and explained no project submissions were accepted last year. As a result, plans have been developed for renovating the Osterlin Building utilizing other funding.

A scaled back version of renovations would move Financial Aid and Admissions into Osterlin as a one-stop shop for student services, which would then allow for reorganization of other offices in the Tanis Building. If the state does not request capital outlay submissions by September, Cook recommends moving forward with the secondary option. That option does not include glass replacement, ADA repairs for the side building entries, or edifice updates; but does include movable partitions in the interior, which will provide long-term flexibility. External improvements would be addressed through deferred maintenance.

During discussion, President Nissley spoke to the Osterlin Building project's impact on student success. In response to a question about the ADA compliance renovations, John Dancer of Cornerstone Architects explained the building is ADA compliant at the front entrance and restrooms, but the doors at the side east and west entrances could be improved. More details will be provided when the project is brought back to the committee in the fall, either as a capital outlay project submission or to move forward with the secondary plans. Ideally, the committee will tour the building in person at that time.

Public Comment—There was no public comment offered.

The meeting adjourned at 3:07 p.m.

Recorded by Holly Gorton, Chief of Staff to the President and Board of Trustees.

Northwestern Michigan College
Board of Trustees
Audit Committee Minutes
 May 19, 2021
 Traverse City, MI 49686
 Virtual Zoom Meeting ID: 941 2174 7627

Committee Chair Kennard Weaver called the meeting to order at 2:01 p.m.

In compliance with PA 254 each trustee should publicly announce if they are attending remotely and provide their current physical location. The member's announcement must identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.

Members Present: **Kennard Weaver**, remotely from Peninsula Township, Grand Traverse County, Michigan; **Ken Warner**, remotely from East Bay Township, Grand Traverse County, Michigan

Members Absent: Laura Oblinger

Others Present: President Nick Nissley, Holly Gorton, Lynne Moritz, Troy Kierczynski, Lindsey Lipke, Katie Thornton

Annual Audit Planning

Katie Thornton of Plante & Moran reviewed the process of planning for the audit of the financial statements of Northwestern Michigan College for year ending June 30, 2021. She noted they are currently planning to complete the audit remotely. Thornton reviewed the planned scope and timing of the audit, emphasizing the testing that will be performed based upon risks associated with institutions of higher education. As in 2020, an emphasis of matter section will be included regarding the impact of the pandemic on financial statements. Committee Chair Kennard Weaver requested Thornton to provide the committee with a review of internal controls at their next committee meeting, slated for the fall of 2021.

The committee requested the Scope and Timing of Services letter and Professional Service Agreement be included in the materials for the regular meeting of the full Board on May 24, 2021.

There was discussion pertaining to the best practices of selecting an auditor and it was determined a Request for Proposals (RFP) will go out in the spring of 2022. Interim Vice President of Finance and Administration Troy Kierczynski noted there are two main auditing firms used by Michigan community colleges and conflict of interest may be a concern depending upon the proposals received. The Audit Committee will review the RFP prior to its posting.

Review of Committee Charge and Responsibilities

It was discussed that the Audit Committee serves on behalf of the Board as a recommending body to the full Board. Committee responsibilities include recommendation of the selection of an auditor, review of annual audit planning, determination of the internal audit component, and review of the audit with the auditors prior to the full-board review and acceptance.

Public Input—There was no public comment offered.

The meeting adjourned at 2:41 p.m.

Recorded by Holly Gorton Chief of Staff to the President and Board of Trustees

May 3, 2021

Board of Trustees
Northwestern Michigan College
Traverse City, MI

Dear Board Members:

We are in the process of planning for the audit of the financial statements of Northwestern Michigan College (the "College") for the year ended June 30, 2021. An important aspect of planning for the audit is communication with those who have responsibility for overseeing the strategic direction of the College and obligations related to the accountability of the College. At the College these responsibilities and obligations are held by the board of trustees, collectively and individually; therefore, it is important for us to communicate with each of you in your role as a member of the board of trustees.

As part of this communication process, we will speak at length with you on May 19, 2021 regarding our responsibilities under generally accepted auditing standards and the planned scope and timing of our audit. The purpose of this letter is to provide each of you with a summary of those discussions and to provide you with the opportunity to communicate with us on matters that may impact our audit.

Our Responsibility Under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards

As stated in our engagement letter addressed to Troy Kierczynski and dated April 21, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In accordance with Generally Accepted Government Auditing Standards (GAO Standards), we are required to communicate all noncompliance with provisions of laws, regulations, contracts or grants that have a material effect on the financial statements that comes to our attention. GAO standards also require that we report any instances of abuse identified during that audit that could be quantitatively or qualitatively material to the financial statements.

We plan to include an emphasis-of-matter paragraph in the auditor's report informing the users of the impact of COVID-19 to the College. The proposed wording of the emphasis-of-matter paragraph follows:

As described in Note 2 to the financial statements, the College's operations were impacted by the COVID-19 pandemic. Our opinion is not modified with respect to this matter.

Overview of the Planned Scope and Timing of the Audit

Our audit fieldwork will include three phases. The planning and preliminary information-gathering phase will occur during June and July; the risk assessment phase in August; and the rest of our audit procedures will be performed during September.

To plan an effective audit, we must identify significant risks of misstatement in the financial statements and design procedures to address those risks.

We identified the following significant risks of misstatement:

- Improper recognition of tuition and fees, unearned revenue, and student accounts receivable
- Compliance with grant requirements
- Improper recognition accrued payroll and related liabilities (including MPSERS net pension liability and net OPEB Liability), compensation expense and related benefits
- Impact of COVID-19

In response to these identified significant risks, we will perform the following:

- Testing of process and control system; analytical procedures and tie out to reasonableness computation
- Select samples of major grant programs for compliance with grant requirements
- Testing of process and controls; analytical procedures based on increase in pay rates and/or FTEs; examine and test schedules or other support; review of census data and contributions for MPSERS
- Testing the impact of the pandemic, such as, changes in revenue funding (federal, state, etc.), employee benefits, additional expenses, and changes in the internal control environment

We will gain an understanding of accounting processes and key internal controls through a review of the accounting procedures questionnaires and control procedures questionnaires prepared by management. We will confirm through observation and inspection procedures that accounting procedures and controls included in the questionnaires have been implemented. We will not express an opinion on the effectiveness of internal control over financial reporting; however, we will communicate to you significant deficiencies and material weaknesses identified in connection with our audit.

The concept of materiality is inherent in our work. We place greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

May 3, 2021

Information from You Relevant to Our Audit

An important aspect of this communication process is the opportunity for us to obtain from you information that is relevant to our audit. Your views about any of the following are relevant to our audit:

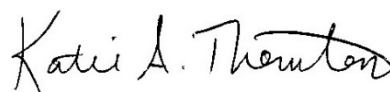
- The College's objectives and strategies, and the related business risks that may result in material misstatements
- Matters you consider warrant particular attention during the audit, and any areas where you want to request additional procedures be undertaken
- Concerns about the College's internal control and its importance to the College, including how the board of trustees oversees the effectiveness of internal control and the detection or possibility of fraud
- Significant communications with regulators
- The actions of the board of trustees in response to developments in accounting standards, regulations, laws, previous communications from us, and other related matters

If you have any information to communicate to us regarding the above or any other matters you believe are relevant to the audit, or if you would like to discuss the audit in more detail, please call me at 517.336.7506 as soon as possible.

Thank you for your time and consideration in this important aspect of the audit process. You can expect to hear from us again after the completion of our audit when we will report to you the significant findings from the audit.

Very truly yours,

Plante & Moran, PLLC



Katie A. Thornton, CPA
Partner



April 21, 2021

Mr. Troy Kierczynski
Northwestern Michigan College
1701 E. Front Street
Traverse City, MI 49686

Dear Troy:

Thank you for your selection of Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature, limitations, and terms of the services we will provide to Northwestern Michigan College ("Client").

Scope of Services

We will audit Client's basic financial statements and federal awards as of and for the year ended June 30, 2021.

In addition, the supplemental information accompanying the financial statements, consisting of the combining statement of net position and combining statement of revenue, expenses, transfers, and changes in net position, will be subjected to the auditing procedures applied in our audit of the financial statements.

In connection with our audit engagement, we will assist you in drafting your financial statements, supplementary information, Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form (DCF) and related notes. This assistance is considered a non-audit service; you agree to the contemporaneous provision of these audit and non-audit services.

If you determine that you need additional services, including accounting, consulting, or tax assistance, PM can be available to provide such additional services if and to the extent provided for in a separate, signed engagement agreement.

Timing of Services

Due to the effects of the Coronavirus pandemic, as an alternative to certain elements of our on-site work, we expect to perform procedures remotely. This work is expected to begin in June 2021 for interim testing. We anticipate that our audit work will end in September 2021 and that our report will be issued by the October board meeting.

Completion of our procedures and issuance of our report will be dependent upon our ability to obtain sufficient appropriate information and access your staff during these remote procedures. If there are procedures that will require us to be on-site, we will work with you to schedule that work based on and subject to applicable legal requirements and/or guidance regarding worksite safety conditions.

Mr. Troy Kierczynski
Northwestern Michigan College

2

April 21, 2021

Fees and Payment Terms

Our fee for this engagement will be based on the value of the services provided, which is primarily a function of the time that PM staff expend at our current hourly rates. Our fees for this engagement will be:

Annual Financial Report for Northwestern Michigan College - \$47,500

Single Audit of Federal Awards in accordance with Uniform Guidance (one major program, Student Financial Aid) - \$10,500

Fee for additional major programs will range from \$5,000-\$7,000 each based on complexity of compliance requirements and testing. This may include testing Coronavirus Relief Fund (CRF) and Higher Education Emergency Relief Fund (HEERF) based on the risk assessments.

Our fee does not include additional services that may be required as a result of issues related to the Coronavirus pandemic, including accounting and disclosure matters, or those caused by delays in engagement timing or procedures. In the event any of these issues arise, we will discuss additional fee estimates with you.

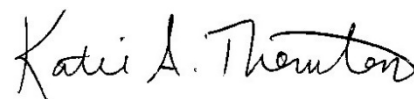
Invoices for audit services will be rendered as services are provided and are due when received. Invoices for other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Katie A. Thornton, CPA

Mr. Troy Kierczynski
Northwestern Michigan College

3

April 21, 2021

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement (collectively "Agreement"), which set forth the entire agreement between Northwestern Michigan College and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.

Northwestern Michigan College

DocuSigned by:
Troy Kierczynski
62AC7B6C86AB419

Troy Kierczynski

4/22/2021

Date

Interim VP of Finance & Administration

Title

Professional Services Agreement – Audit Services Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter for audit services dated April 21, 2021 between Plante & Moran, PLLC (referred to herein as “PM”) and Northwestern Michigan College (referred to herein as “Client”).

1. **Financial Statements** – The financial statements of Client being audited by PM are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP).
2. **Management Responsibilities** – Client management is responsible for the preparation and fair presentation of these financial statements, the schedule of federal awards, and the data collection form in accordance with the applicable financial reporting framework, including compliance with the requirements of accounting principles generally accepted in the United States of America when required, and the completeness and accuracy of the information presented and disclosed therein. Management is also responsible for the capability and integrity of Client personnel responsible for Client’s underlying accounting and financial records.

Client personnel will provide PM, in a timely and orderly manner, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, the schedule of federal awards, and the data collection form, such as records, documentation, and other matters and additional information that the auditor may request from management for the purpose of the audit.

This includes providing assistance and information PM requests during the course of its audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM’s audit. In addition, Client will provide PM with all information in its possession that has a material impact on any material transaction and that information will be complete, truthful, and accurate. Client will allow PM unrestricted access to personnel within Client from whom PM determines it necessary to obtain audit evidence.

Client represents and warrants that any and all information that it transmits to PM will be done so in full compliance with all applicable federal, state, local, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, “Data Privacy Laws”). Client shall not disclose personal data of data subjects (“Personal Data”) who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. Client shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

Management is responsible for making all management decisions and performing all management functions relating to the financial statements, supplementary financial information related notes, schedule of federal awards, and data collection form. Management accepts full responsibility for such decisions, even if PM provides advice as to the application of accounting principles or assists in drafting the financial statements, supplementary financial information, related notes, schedule of federal awards, or data collection form. Management is ultimately responsible for the submission of the data collection form to the Federal Audit Clearinghouse. Client has designated Troy Kierczynski to oversee financial statement and federal awards reporting related services PM provides. Management will be required to acknowledge in the management representation letter that it has reviewed and approved the financial statements, supplementary financial information, and related notes prior to their issuance and have accepted responsibility for the adequacy of the financial statements.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing PM about all known or suspected fraud affecting Client involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management’s responsibilities include informing PM of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Management is responsible for providing PM with complete, accurate, and timely information that could bear on PM’s independence under applicable professional standards, including, but not limited to, information and representations regarding affiliates of Client, business or personal relationships between Client and PM, and business, personal and employment relationships between those in a financial reporting oversight role, including members of governance, and PM (collectively, Independence Information). Client represents and warrants that (a) it has provided PM any and all Independence Information existing as of the date of this Agreement, (b) that such Independence Information is accurate and complete as of the date of this Agreement, (c) that it will notify PM of any changes to Independence Information that has been provided as of the date of this Agreement, and (d) that,

Professional Services Agreement – Audit Services

after the date of this Agreement, it will provide any new Independence Information to PM as soon as it becomes known to Client.

3. **Objective of an Audit of Financial Statements** – The objective of PM's audit is the expression of an opinion on the Client financial statements specified in the accompanying engagement letter. PM offers no guarantee, express or implied, that its opinion will be unmodified or that it will be able to form an opinion about these financial statements in the event that Client's internal controls or accounting and financial records prove to be unreliable or otherwise not auditable. If PM's opinion is to be modified, PM will discuss the reasons with Client management in advance of the issuance of its audit report. If, for any reason, PM is prevented from completing its audit or is unable to form an opinion on these financial statements, PM may terminate the engagement and decline to issue a report.
4. **Supplementary Information** – In any document that contains supplementary information to the basic financial statements that indicates that the auditor has reported on such supplementary information, management agrees to include the auditor's report on that supplementary information. In addition, management agrees to present the supplementary information with the audited financial statements or to make the audited financial statements readily available no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.
5. **Internal Controls** – Client is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or misappropriation of assets, and identifying and complying with applicable laws and regulations, including those applicable to federal awards, and with the provisions of contracts and grant agreements. PM, in making its risk assessments, will consider internal control relevant to Client's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. PM's audit will not be designed to provide assurance on the design or operating effectiveness of Client's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. PM will communicate all significant deficiencies and material weaknesses in internal controls relevant to the audit of the financial statements, instances of fraud, or misappropriation of assets that come to PM's attention.
6. **Audit Procedures and Limitations** – PM's audit of the financial statements will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include examination, on a test basis, of evidence supporting the amounts and disclosures in the Client financial statements specified in this engagement letter. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. An audit in accordance with GAAS involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, PM's audit can only be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatement. In addition, an audit in accordance with GAAS is not designed to detect errors or fraud that are immaterial to the financial statements. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected always exists, even in an audit properly planned and performed in accordance with GAAS. In recognition of these limitations, Client acknowledges that PM's audit cannot guarantee that all instances of error or fraud will be identified.
7. **Government Auditing Standards** – Under *Government Auditing Standards*, PM will make some assessments of Client's compliance with laws, regulations, and contract provisions. While those assessments will not be sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, PM will communicate all noncompliance conditions that come to PM's attention.

PM's audit of Client's federal awards will be made in accordance with auditing standards generally accepted in the United States of America; the standards applicable for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

Management is responsible for corrective action on all audit findings, including preparation of a schedule of prior audit findings and corrective action plans, if necessary.

In accordance with *Government Auditing Standards*, a copy of PM's most recent peer review report is included as an attachment to this Agreement.

8. **Auditor Communications** – PM is obligated to communicate certain matters related to the audit to those responsible for governance of Client, including instances of error or fraud and significant deficiencies and material weaknesses in internal control that PM identifies during its audit. PM will communicate these matters to the

Professional Services Agreement – Audit Services

members of Client's governing board, and Client acknowledges and agrees that communication in this manner is sufficient for Client's purposes.

Communication to Group Auditor – In instances where PM has been engaged as a component auditor for the purposes of a Group Audit, the terms of the engagement may include communication of certain matters related to the audit to the Group Auditor. Client permits such communication. PM will discuss matters being communicated with those responsible for governance of Client.

Under *Government Auditing Standards* PM is obligated to communicate instances of fraud, noncompliance or abuse that is material to the financial statements to those responsible for governance of Client. In certain situations, *Government Auditing Standards* require disclosure of instances of known or likely fraud, noncompliance, or abuse directly to applicable governmental agencies. If such acts are detected during PM's audit, PM will make required disclosures regarding these acts to applicable government agencies.

- 9. Accounting and Financial Records** – Client agrees that it is responsible for providing PM with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that PM requests, and for making all Client financial records and related information available to PM for purposes of PM's audit. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on Client providing PM with all such accounting and financial records, schedules, and analyses on the date PM's work commences. PM will assess the condition of Client's accounting and financial records, schedules, and analyses of accounts prior to commencing its work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its audit report.

In any circumstance where PM's work is rescheduled due to Client's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the audit work or issuance of its audit report. Because rescheduling audit work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

- 10. Audit Adjustments** – PM will recommend adjustments to Client's accounting records that PM believes are appropriate. Client management is responsible for adjusting Client accounting records and financial statements to correct material misstatements and for affirming to PM in writing that the effects of any unrecorded adjustments identified during PM's audit are immaterial, both individually and in the aggregate, to the Client financial statements specified in this Agreement.
- 11. Management Representations** – Client is responsible for the financial statements and federal awards being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. During the course of the audit, PM will request information and explanations from Client officers, management, and other personnel regarding accounting and financial matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. PM will also require that management make certain representations to PM in writing as a precondition to issuance of PM's report.

PM's audit procedures will be significantly affected by the representations and assertions PM receives from management and, accordingly, false representations could cause material error or fraud to go undetected by PM's procedures. Accordingly, Client acknowledges and agrees that it will instruct each person providing information, explanations, or representations to an auditor to provide true and complete information, to the best of his or her knowledge and belief. It is also agreed that any deliberate misrepresentation by any director, officer, or member of management, or any other person acting under the direction thereof ("Client Personnel"), intended to influence, coerce, manipulate, or mislead PM in the conduct of its audit of the financial statements will be considered a material breach of this Agreement. In addition, as a condition of its audit engagement, Client agrees to indemnify and hold PM and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on PM's failure to detect material misstatements in Client financial statements resulting in whole or in part from deliberate false or misleading representations, whether oral or written, made to PM by Client Personnel. This indemnity will be inoperative only if, and to the extent that, a court having competent jurisdiction has determined that PM failed to conduct its audit in accordance with generally accepted auditing standards and such failure resulted in PM not determining such misrepresentation by Client Personnel was false.

- 12. Use of Report** – PM's report on the financial statements must be associated only with the financial statements that were the subject of PM's audit engagement. Client may make copies of the audit report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced

Professional Services Agreement – Audit Services

and distributed with that report. Client agrees not to reproduce or associate PM's audit report with any other financial statements, or portions thereof, that are not the subject of this engagement.

If PM's report on the financial statements being audited is to be published in any manner or if Client intends to make reference to PM in a publication of any type, Client agrees to submit proofs of the publication to PM for review prior to such publication and cooperate with PM in PM's performance of any additional audit procedures PM deems necessary in the circumstances, the nature and extent of which will be at PM's sole discretion. Client acknowledges and agrees that additional fees for such work will be determined in accordance with the Fee Adjustments provision of this Agreement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on Client's Internet website, Client understands that electronic sites are a means to distribute information and, therefore, PM is not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

- 13. Securities Offerings** – PM's audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event Client elects to incorporate or make reference to PM's report in connection with any offering of debt or equity securities and requests PM's consent to such incorporation or reference, Client understands that additional procedures will need to be performed. In the event PM agrees in writing to perform such additional procedures, the nature and extent of which will be at PM's sole discretion, it is agreed and acknowledged that PM's performance of such additional procedures will be subject to all of the terms and conditions of this Agreement. Additional fees for such work will be determined based on the actual time that PM staff expend at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this Agreement.

If Client incorporates or makes reference to PM's report in connection with any offering of debt or equity securities without obtaining consent from PM as described above, Client agrees to include the following provision in the offering document:

Plante & Moran, PLLC, our independent auditor, has not performed or been engaged to perform any services in connection with the offering of securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of Client since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this offering document.

- 14. Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If Client requires tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.
- 15. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of Client, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to Client. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of Client.

In the interest of facilitating PM's services to Client, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic method. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, Client recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both Client and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Further, in compliance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, PM's working papers will be made available to federal award program representatives at PM offices during normal business hours during the audit and for a period of three years after the issuance of the report. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this Agreement. In the event that a request for any

Professional Services Agreement – Audit Services

confidential information or workpapers covered by this Agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform Client in a timely manner of such request and to cooperate with Client should it attempt, at Client's cost, to limit such access. This provision will survive the termination of this Agreement. PM's efforts in complying with such requests will be deemed billable to Client as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon Client's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. Client acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

16. Consent to Disclosures to Service Providers – In some circumstances, PM may use third-party service providers to assist with its services, including affiliates of PM within or outside the United States. In those circumstances, PM will be solely responsible for the provision of any services by any such third-party service providers and for the protection of any information provided to such third-party service providers. PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for Client. In order to enable these third-party service providers to assist PM in this capacity, Client, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of Client's information, including tax return information, to such third-party service providers, including affiliates of PM outside of the United States, if and to the extent such information is relevant to the services such third-party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this Agreement. Client's consent shall be continuing until the services provided for this Agreement are completed.

17. Fee Quotes – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by Client regarding the nature and condition of its accounting, financial, and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. Client acknowledges that the following circumstances may result in an increase in fees:

- Failure by Client to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure by Client to complete the audit preparation work by the applicable due dates;
- Significant unanticipated or undisclosed transactions, audit issues, or other such unforeseeable circumstances, including those created by the Coronavirus pandemic and resulting market conditions;
- Delays by Client causing scheduling changes or disruption of fieldwork, including challenges created by the Coronavirus pandemic resulting from the inaccessibility of Client personnel or records;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances, or report disclosures that impact the current year engagement;
- An excessive number of audit adjustments.

PM will advise Client in the event these circumstances occur; however, it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

18. Payment Terms – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's audit work or issuance of PM's audit report upon resumption of PM's work. Client agrees that in the event PM stops work or terminates this Agreement as a result

Professional Services Agreement – Audit Services

of Client's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this Agreement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.

- 19. Fee Adjustments** – Any fee adjustments for reasons described elsewhere in this Agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred and included as an adjustment to PM's invoices related to this engagement. Client acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this Agreement.
- 20. Conditions of PM Visit to Client Facilities** – Client agrees that PM's services will be provided remotely to the maximum extent possible. In order to facilitate the provision of services remotely, Client agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to Client's facility(ies) are determined by PM in its sole discretion to be necessary for the performance of the engaged services, Client agrees, as a pre-condition to any such in-person visit, to provide to PM for PM's evaluation Client's policies and procedures that Client has implemented and will adhere to relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, Client affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to Client's facility(ies). Client further affirms that it is in compliance and shall continue to comply with all other applicable laws, regulations, or executive orders relating to COVID-19 or the prevention of the spread thereof (collectively, "COVID-19 Laws") and agrees that it shall continue to comply with COVID-19 Laws throughout any in-person visits by PM to Client's facility(ies). Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to Client's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary at its sole discretion. Client agrees and acknowledges that any determination by PM to visit Client's facility(ies) is not and shall not be construed to be or relied on by Client as a determination by PM of Client's compliance with Applicable Preventative Guidance or any COVID-19 Laws.
- 21. Release and Hold Harmless for Biological Agent Liability** – Client acknowledges that there is an inherent risk of exposure to COVID-19 or other infectious diseases associated with any in-person interaction or in-person visit to property. Accordingly, Client, for itself and its successors and assigns, hereby releases PM and each of PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third party service providers (collectively, "PM Persons") from any and all claims or causes of action that the Client has, or hereafter may or shall have, against any of them in connection with, related to, or arising out of COVID-19 or other infectious diseases or the transmission thereof associated with a visit by one or more of the PM Persons to any Client facility(ies) or other in-person interaction with Client personnel (collectively hereafter "Biological Agent Liability"). Moreover, Client shall indemnify, defend and hold harmless the PM Persons from and against all claims, liabilities, losses and expenses suffered or incurred by any of them associated with any claim of Biological Agent Liability related to, arising out of or in connection with any visit by any PM Persons to a Client facility(ies) or other in-person interaction with Client personnel.
- 22. Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.
- 23. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Client but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Client agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
- 24. Subsequent Discovery of Facts** – After the date of PM's report on the financial statements, PM has no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements covered by PM's report, unless new information that may affect the report comes to PM's attention. If PM becomes aware of information that relates to these financial statements but was not known to PM at the date of its report, and that is of such a nature and from such a source that PM would have investigated it had it come to PM's attention during the course of the audit, PM will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of PM's report. In this connection, PM will discuss the matter with Client and request cooperation in whatever investigation and modification of the financial statements that may be necessary. Additional fees for such work will be determined based on the actual time that PM staff expend at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and Client acknowledges and agrees that payment for all such additional fees will be made in accordance with the payment terms provided in this Agreement.

Professional Services Agreement – Audit Services

- 25. Termination of Engagement** – This Agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease, and PM's engagement will be deemed to have been completed. Client will be obligated to compensate PM for all time expended and to reimburse PM for all out-of-pocket expenditures through the date of termination of this engagement.
- 26. Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.
- 27. Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 28. Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 29. Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
- 30. Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Michigan.

End of Professional Services Agreement – Audit Services



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A Professional Accounting Corporation

Report on the Firm's System of Quality Control

To the Partners of
Plante & Moran, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations (SOC 1 and SOC 2 engagements).

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 27, 2019



148 E. Front Street, Suite 203
Traverse City, MI 49685

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MEMO

To: Northwestern Michigan College Board of Trustees
Cc: Dr. Nick Nissley, Ed.D.
From: Gabe Schneider, Founder/Principal, Northern Strategies 360
Date: Monday, May 17, 2021
Re: **State/Federal Legislative Update**

State

FY22 State Budget Process

In the last few weeks, there has been a considerable amount of activity relative to the FY22 state budget. This includes votes in both the full Senate and full House on the Community College budget and the budgets containing the Michigan Reconnect and Futures for Frontliners programs.

The most significant difference between the House and Senate versions of the community college budget is that the House is proposing to change the community college base appropriations formula. As you know, the current funding formula is made up of base funding and a performance funding methodology. The House proposal would eliminate that and replace it with a formula made up of base funding and a 3-year average of fiscal year equated students (FYES). While the House proposal is expected to provide an increase in funding for NMC this budget year, pegging future state funding allocations to a per-student model is concerning.

	FY21 Enacted	FY22 Governors	FY22 Senate Passed	FY22 House Passed
<i>Statewide Community College Funding</i>		<i>2% increase</i>	<i>2% increase</i>	<i>6.7% increase</i>
<i>NMC Base plus Operations Appropriation</i>	<i>\$9,843,100 0% increase over FY20</i>	<i>\$9,995,400 +\$152,300 +1.5%</i>	<i>\$9,995,400 +\$152,300 +1.5%</i>	<i>\$10,822,600 +\$979,000 +10%</i>
<i>Tuition Restraint Language</i>	<i>No</i>	<i>Yes: 4.2% cap</i>	<i>Yes: 4.2% cap</i>	<i>No</i>
<i>MI-Reconnect</i>	<i>\$30 million</i>	<i>\$90 million</i>	<i>\$30 million</i>	<i>\$0</i>
<i>F4F</i>	<i>\$0</i>	<i>\$39.1 million</i>	<i>\$0</i>	<i>\$0</i>
<i>Wraparound Services</i>	<i>\$0</i>	<i>\$6 million</i>	<i>\$0</i>	<i>\$0</i>

*FY22 Community College Budget (SB 94 and HB 4401)
FY22 LEO Budget (SB 85) or General Government (HB 4398)*

Key Points

- We appreciate that both the Senate and House have proposed funding increases for community colleges
- This should put us in a good position for negotiating the final version of the bill, which will be made in the Conference Committee.
- While better than first proposed, we still have concerns over the House proposed per-student funding model.
- If there is a desire to change the community college funding model, it should be done with additional time and input from colleges to ensure that it is equitable and sustainable.

Actions and Next Steps

- Gabe and Nick and met with and/or discussed the budgets and their impact on NMC with Representative Roth, Senator Schmidt and will be meeting with Representative O’Malley.
- Gabe Schneider has worked with the Traverse Connect Government Relations Committee to inform members and create a call to action
- We expect that the Conference Committee will meet following the May Revenue Estimating Conference, which is scheduled for Friday, May 21, and send budgets to the Governor by June.

Federal

Summary of Federal Free College Proposals

As you may have seen or read, there have been several proposals discussed at the federal level about providing free community college for all Americans. Here is a summary of those proposals to-date:

	American Families Plan	America’s College Promise Act	College for All	Debt-Free College Act
Bill Number	Link to plan here	Summary of legislation here	DRAFT bill text here	DRAFT bill text here
Sponsors	President Biden’s Proposal	Rep. Andy Levin (D-Mich.), Bobby Scott (D-VA), Sen. Tammy Baldwin (D-Wisc.) and Sen. Patty Murray (D-WA)	Sen. Bernie Sanders (I-Vt.) and Rep. Pramila Jayapal ’s (D-Wash.)	Sen. Brian Schatz (D-Hawaii) and Rep. Mark Pocan (D-Wis.)
Status:	Proposed	Introduced	TBD	TBD
What it would do	<p>\$109 billion to extend two years of free community college to all Americans, including Dreamers.</p> <p>A \$1,400 increase to the Pell Grant maximum award.</p> <p>\$62 billion to support evidence-based completion and retention strategies at community colleges and other institutions that serve high numbers of low-income students.</p> <p>\$225 billion to expand access to high-quality, affordable child care and support child care providers.</p>	<p>The measure creates new federal-state partnerships that aim to provide two years of tuition-free access to community or technical college programs.</p> <p>The bill would provide a federal match of \$3 for every \$1 invested by states for students’ community college tuition and fees, even before other financial aid is applied.</p> <p>It would also ensure that the programs offer credits that are fully transferable to either four-year institutions in each student’s state, or to occupational training that leads to credentials in an in-demand industry.</p> <p>The proposal would also create a new grant program for minority-serving institutions to help them cover “a significant portion of tuition and fees for the first two years of attendance for low-income students.”</p>	<p>The measure would make community college free for everyone and would provide for free tuition at four-year public and private institutions, nonprofit historically Black colleges and universities and other minority-serving institutions for students from households making below \$125,000.</p> <p>It would also double the Pell Grant from \$6,495 to \$12,990 for the 2021-2022 school year and would make it available to people in the Deferred Action for Childhood Arrivals program.</p> <p>The bill would create a federal-state partnership where the federal government covers 75 percent of the cost of eliminating tuition and states contribute what’s left. The legislation would also include “an automatic stabilizer to increase that share to 90 percent in the case of an economic downturn.”</p>	<p>The measure would create a federal-state partnership that would provide federal grants to match state higher education appropriations “in exchange for a commitment to help students pay for the full cost of attendance without having to take on debt.”</p> <p>It would also make students who qualify for DACA eligible for Pell Grants.</p> <p>Additionally, the bill would create an office within the Education Department for the partnerships, which will be responsible for administering the program and developing metrics to evaluate states that participate. States would be responsible for submitting a five-year plan that outlines how they will provide debt-free college.</p>

Budget Development Considerations



**Northwestern
Michigan
College**

Fiscal Year 2022 Update

NMC Budgeting Process 2021/2022 Fiscal Year Planning

The Planning and Budget Council (PBC) was formed during the 1999-2000 academic year by merging the former Planning Council and the former Budget Council. Through this merger, NMC continues to more closely align budget resources with operating and strategic plans. The current chair of the PBC is Stephen Siciliano. The Council schedules meetings during the academic year and ad hoc during the summer months. Among responsibilities for the Council are:

“...assisting and advising, to the best of our abilities, the Vice President of Finance and Administration in all budgetary matters, the Vice President for Educational Services in matters related to curriculum, the Vice President for Student Services and Technologies and the Vice President of Lifelong Learning and Professional Development in matters under their charge.”

Recommendations are made to the President after consultation with the appropriate executive staff.

The primary focus of the Council is on the general operating components of the general fund. Information regarding restricted and auxiliary funds was reviewed but not considered in the recommendation purview of the Council.

Through the Planning and Budget Council, shared governance continues to progress and grow at NMC. Openness in budgeting is a primary and important goal.

Members of this year’s council are:

Alex Blove – At Large	Kristi Hallet – Staff
[REDACTED] - SGA	Amjad Khan - Faculty
Mark Delonge – Staff	Janet Lively - Faculty
Troy Kierczynski – Ex-officio	Cathy Brown - Recorder
Becca Richardson - Faculty	Todd Neibauer – Ex-officio
Marguerite Cotto – Ex-officio	Dan Murphy – Maintenance/Custodial
Tamella Livengood - Faculty	Chad Schenkelberger – At Large
C.J. Schneider – Staff	Stephen Siciliano - Chair

NMC BOARD OF TRUSTEES 2021-2022 RESOURCE GUIDELINES

1 – Strategic and Financial Planning

The budget is a financial plan for the priorities of the institution. The budget proposed to the Board of Trustees for adoption should reflect the Strategic Plan and the area operational plans.

2 – Tuition and Fees

Tuition and fees should be considered within the context of the most reasonable estimates of State, local, and private support, and projected expenses to support the College's plans, and projected enrollment and unique program characteristics. Tuition should balance the goal of affordable access to learning opportunities with the goal of high quality service levels for NMC offerings. Regular tuition increases should be considered as a means to sustain this portion of the revenue mix, while minimizing the year-to-year increases. Fees should be reviewed regularly and increases considered when the cost elements to which they contribute increase. Our in-district students will pay less than out-of-district students because the College receives local tax support from Grand Traverse County residents. For some programs, the College uses differential tuition and fees in excess of the general rates.

3 – Salaries and Benefits Equity

Northwestern Michigan College is committed to attracting and retaining a quality workforce. Equity in salary and benefits is part of the NMC culture and should be expressed within a total compensation package. As part of that package, salary and benefits for faculty and staff will be based on the appropriate peer group or determined in the relevant collective bargaining agreement.

4 – Professional Development

Maintaining and improving the knowledge and skills of the faculty and staff is an investment in the future. Funds should be appropriated annually in the budget for that purpose. Approximately 2.25% of general fund salaries and wages should be appropriated annually in the budget for that purpose.

5 – Faculty and Staff Composition

The college should balance the full-time and part-time composition of employees to assure continuity and commitment while maintaining flexibility to implement strategic directions and complete its strategic initiatives in a timely and effective manner. To enhance smooth transition of personnel, the college has established a contingency for implementing succession decisions.

6 – Technology, Capital Equipment, Maintenance and Renovation

Providing a quality education requires investment in classroom equipment, facilities, and infrastructure. The annual budget should provide for regular maintenance, replacement/upgrade, growth and contingency funding.

7 – Debt Service

Debt Service obligations must be included in the budgeting process at 100% of the current costs.

8 – Reserves

The budget should include an appropriate allocation for reserves. The following reserves should be monitored annually. The Board will approve transfers to the appropriate reserve fund balances.

A – Working Capital Reserves

A fiscally sound organization should have adequate reserves for emergencies and unanticipated cash flow needs. Northwestern Michigan College funds should maintain a Working Capital Reserve of 10 - 15% of annual budgeted expenditures not included in reserves B through G.

B – Reserve Funds For Any Future Reduction in State Contributions for MPSERS Retirement Plans

This is a reserve for any future reduction in State contributions related to the unfunded liability payment for MPSERS plans. The amount to maintain is 30% of the annual State contribution to MPSERS retirement plans.

C – Reserve For Unexpected Medical and Non-Medical Costs

This is a reserve for dramatic fluctuations in medical, and non-medical costs (e.g. term life insurance, long term disability, and worker's compensation) that are significantly beyond prudent predictions. The College should maintain funds equal to the difference between the calculated maximum aggregate claims and expected claims plus three (3) months of non-medical costs.

D – Fund for Transformation

The Fund for Transformation was established for the purpose of responding to emerging opportunities and changes. A fund balance equal to approximately 2% of General Fund budgeted expenses should be maintained.

E – Physical Plant Major Maintenance and Future Buildings

Two percent of the appraised replacement value-new of the College's physical assets, including buildings, building equipment, and built-in fixtures, should be invested or maintained in a fund for major maintenance, renovation, or replacement of those assets. This should be calculated as the total of major plant maintenance expenditures, operating budget maintenance expenditures on physical plant, and the Plant Fund balance. Reserves above 2% will be designated for future buildings.

F – Reserve For Unexpected Fluctuation In Energy Costs

This is a reserve for dramatic fluctuations in energy costs that are significantly beyond prudent predictions. The reserve is equal to 10% of the College's annual budget for the total energy bill.

G – Reserve For Any Future Reduction in State Appropriation Revenue

This is a reserve for any future reduction in State appropriation revenue. The amount to maintain is 25% of annual State Appropriation.

Revenue Considerations FY22

Contained in this section:

Tuition & Fees Revenues

1. **10-Year Contact Hours History:** Since the single greatest revenue line for NMC is tuition, it is important to understand the contact hours underlying tuition revenue. This analysis compares budgeted and actual contact hours for each semester for the years provided.
2. **5-Year Tuition & Revenue History w/graphs:** A year-by-year comparison of in-district, out-of-district, and out-of-state tuition is provided. This table also provides a history of the Colleges revenues by source, and the percentage of total for each source.
3. **Comparison of Revenues By Source for All Michigan Community Colleges**

Property Tax Revenues

4. **5-Year Property Tax History:** A five-year historical view of taxable values in Grand Traverse County, millage rates levied, and budgeted vs. actual property tax revenues.

Northwestern Michigan College Contact Hour History

Budgeted Contact Hrs

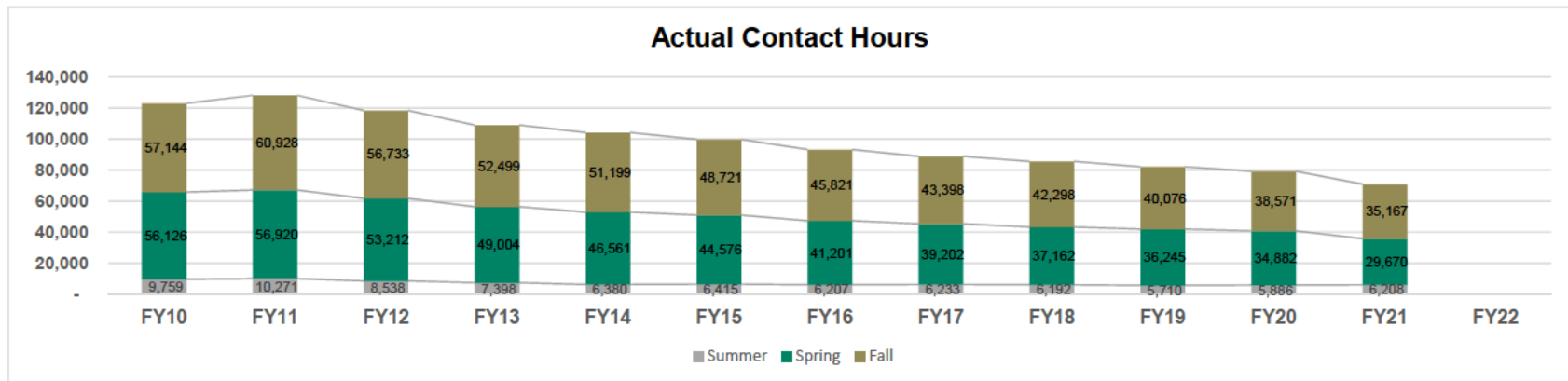
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Fall	52,592	60,670	62,038	56,560	52,623	50,084	49,292	42,193	41,922	40,861	38,999	33,145	33,823
Spring	50,497	56,769	57,443	54,964	50,290	46,449	44,689	39,615	37,330	35,479	35,252	29,733	30,305
Summer	7,242	8,460	9,849	8,205	9,090	7,294	6,205	6,090	5,582	5,735	5,642	4,919	5,589
	110,331	125,899	129,330	119,729	112,003	103,827	100,186	87,898	84,834	82,075	79,893	67,797	69,717
% change		14.1%	2.7%	-7.4%	-6.5%	-7.3%	-3.5%	-12.3%	-3.5%	-3.3%	-2.7%	-15.1%	2.8%

Actual Contact Hrs

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Fall	57,144	60,928	56,733	52,499	51,199	48,721	45,821	43,398	42,298	40,076	38,571	35,167	
Spring	56,126	56,920	53,212	49,004	46,561	44,576	41,201	39,202	37,162	36,245	34,882	29,670	
Summer	9,759	10,271	8,538	7,398	6,380	6,415	6,207	6,233	6,192	5,710	5,886	6,208	
	123,029	128,119	118,483	108,901	104,140	99,712	93,229	88,833	85,652	82,031	79,339	71,045	-
% change		4.1%	-7.5%	-8.1%	-4.4%	-4.3%	-6.5%	-4.7%	-3.6%	-4.2%	-3.3%	-10.5%	

Variance from Budget

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Fall	4,552	258	(5,305)	(4,061)	(1,424)	(1,363)	(3,471)	1,205	376	(785)	(428)	2,022	
Spring	5,629	151	(4,231)	(5,960)	(3,729)	(1,873)	(3,488)	(413)	(168)	766	(370)	(63)	
Summer	2,517	1,811	(1,311)	(807)	(2,710)	(879)	2	143	610	(25)	244	1,289	
	12,698	2,220	(10,847)	(10,828)	(7,863)	(4,115)	(6,957)	935	818	(44)	(554)	3,248	-
% variance	12%	2%	-8%	-9%	-7%	-4%	-7%	1%	1%	0%	-1%	5%	



NMC Tuition & Revenue History

<u>Tuition Rate History</u>	ACTUAL		ACTUAL		ACTUAL		ACTUAL		Tuition Freeze		3% Increase	
	ACTUAL		ACTUAL		ACTUAL		ACTUAL		BUDGET		DRAFT BUDGET	
	<u>FY 17</u>	<u>% Incr.</u>	<u>FY 18</u>	<u>% Incr.</u>	<u>FY 19</u>	<u>% Incr.</u>	<u>FY 20</u>	<u>% Incr.</u>	<u>FY 21</u>	<u>% Incr.</u>	<u>FY 22</u>	<u>% Incr.</u>
In-District Rate	\$104	7.6%	\$104	0.0%	\$106	2.2%	\$109	3.0%	\$109	0.0%	\$112	3.0%
Out-of-District Rate	\$205	7.6%	\$216	5.0%	\$220	2.2%	\$227	3.0%	\$227	0.0%	\$234	3.0%
Out-of-State Rate	\$268	7.6%	\$281	5.0%	\$287	2.2%	\$296	3.0%	\$296	0.0%	\$305	3.0%
International Rate	\$302		\$318		\$325		\$334	3.0%	\$334	0.0%	\$344	3.0%
<u>Revenue History</u>	ACTUAL		ACTUAL		ACTUAL		ACTUAL		BUDGET		DRAFT BUDGET	
Tuition and Fees	\$ 23,630,918	3%	\$ 23,739,745	0%	\$ 23,529,686	-1%	\$ 21,364,804	-10%	\$ 20,271,034	-5%	\$ 19,916,110	-2%
Property Taxes	10,034,788	2%	10,350,242	3%	10,685,705	3%	11,163,672	4%	11,485,363	3%	12,030,623	5%
Total Local Sources	33,665,706	2%	34,089,987	1%	34,215,391	0%	32,528,476	-5%	31,756,397	0%	31,946,733	0%
State Sources	9,500,082	3%	10,059,364	6%	10,003,429	-1%	9,212,068	-9%	8,341,730	-10%	10,570,000	21%
State PPT Reimbursement	-	0%	202,876	0%	165,956	-22%	156,014	-6%	202,000	23%	160,000	-26%
Federal Sources	807,101	12%	867,621	7%	1,815,514	52%	1,368,032	-33%	524,000	-161%	1,075,000	51%
Private Sources	518,167	0%	588,169	14%	567,361	-4%	880,472	36%	1,268,000	31%	868,897	-46%
Investment Income	(10,574)	101%	16,929	260%	791,249	98%	468,033	-69%	274,000	-71%	172,000	-59%
Other Sources	573,989	12%	577,726	1%	571,429	-1%	417,067	-37%	353,250	-18%	392,600	10%
Total Revenues	\$ 45,054,856	1%	\$ 46,402,672	3%	\$ 48,130,329	4%	\$ 45,030,162	-7%	\$ 42,719,377	-5%	\$ 45,185,230	5%
<u>% of Revenue History</u>	ACTUAL		ACTUAL		ACTUAL		ACTUAL		BUDGET		DRAFT BUDGET	
Tuition and Fees	52.4%		51.2%		48.9%		47.4%		47.5%		44.1%	
Property Taxes	22.3%		22.3%		22.2%		24.8%		26.9%		26.6%	
Total Local Sources	74.7%		73.5%		71.1%		72.2%		74.3%		70.7%	
State Sources	21.1%		21.7%		20.8%		20.5%		19.5%		23.4%	
State PPT Reimbursement	0.0%		0.4%		0.3%		0.3%		0.5%		0.4%	
Federal Sources	1.8%		1.9%		3.8%		3.0%		1.2%		2.4%	
Private Sources	1.2%		1.3%		1.2%		2.0%		3.0%		1.9%	
Investment Income	0.0%		0.0%		1.6%		1.0%		0.6%		0.4%	
Other Sources	1.3%		1.2%		1.2%		0.9%		0.8%		0.9%	
Total Revenues	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	

Michigan Community College Revenue Sources

College	Tuition & Fees	Property Tax	State Aid	PPT	Other
Mid-Michigan	64%	9%	25%	0%	1%
Jackson	57%	11%	25%	1%	6%
Henry Ford	52%	15%	28%	4%	2%
Glen Oaks	46%	41%	20%	10%	4%
NMC	45%	24%	24%	0%	7%
Mott	43%	27%	25%	1%	5%
Muskegon	43%	25%	26%	2%	3%
Schoolcraft	43%	34%	18%	1%	4%
St. Clair	43%	33%	20%	2%	2%
Bay-de-Noc*	42%	14%	30%	4%	10%
Grand Rapids	42%	30%	21%	2%	5%
Alpena	41%	17%	38%	1%	3%
Delta	41%	30%	24%	4%	10%
Kellogg*	41%	25%	27%	4%	3%
Southwestern	41%	25%	29%	1%	5%
Macomb	39%	30%	11%	3%	6%
Kalamazoo	38%	33%	23%	3%	3%
North Central	38%	36%	22%	0%	3%
Gogebic*	37%	15%	45%	0%	3%
Kirtland	36%	43%	19%	1%	1%
Montcalm	34%	43%	22%	0%	1%
Lansing	33%	35%	25%	0%	3%
Washtenaw	30%	51%	12%	1%	7%
Monroe	27%	52%	18%	2%	1%
Lake Michigan	24%	53%	14%	1%	8%
Oakland	24%	51%	12%	1%	12%
Westshore*	24%	51%	19%	3%	3%
Wayne	23%	54%	18%	1%	4%
State Average	37%	35%	21%	2%	5%

*building and site millage

Sorted by tuition & fees

Revenue source data from ACS 2020\ Fiscal year

Table 22

02.04 2021 cjb

Northwestern Michigan College
Property Taxes: Taxable Values, Millage, and Revenue History

	FY17	FY18	FY19	FY20	FY21	FY22 Budget
Taxable Values (GT County)	\$4,570,971,314	\$4,753,810,167	\$5,106,798,342	\$5,368,654,721	\$5,651,352,613	\$5,901,559,989
<i>Change in Taxable Values</i>	1.8%	4.0%	7.4%	5.1%	5.3%	4.4%
Millage Rate Allowed	2.17	2.17	2.14	2.13	2.11	2.09
Property Taxes, Calculated	\$ 9,914,134	\$ 10,315,768	\$ 10,948,465	\$ 11,456,172	\$ 11,945,264	\$ 12,355,623
<i>Less: budgeted TIF, Brownfield, and abatements/adjustments.</i>	-	-	(166,847)	(320,636)	(474,901)	(340,000)
<i>Add: Expected Refunds</i>	15,000	15,000	15,000	15,000	15,000	15,000
Property Tax Budget	\$ 9,929,134	\$ 10,330,768	\$ 10,796,618	\$ 11,150,536	\$ 11,485,363	\$ 12,030,623
Property Tax Actual	\$ 10,034,788	\$ 10,350,242	\$ 10,685,705	\$ 11,163,172	\$ 11,569,141	
Budget Variance	\$ 105,654	\$ 19,474	\$ (110,913)	\$ 12,636	\$ 83,778	
<i>% Difference</i>	1.1%	0.2%	-1.0%	0.1%	0.7%	

Salary & Benefits Considerations FY22

Contained in this section:

Salaries & Benefits

1. **Total Compensation:** Narrative describing the elements of the College's total compensation package and the related key budget considerations for the draft budget.
2. **Salary and Benefits Charts:** Charts comparing the composition of NMC's salaries and benefits costs to historical periods.
3. **Employee FTE History:** Provides a historical picture of the changing NMC workforce by employee classification based on a full-time equivalent (FTE) calculation for part-time employees using hours worked.
4. **Employee Benefits Plan:** This is a summary report of the College's benefits package and out-of-pocket costs to employees

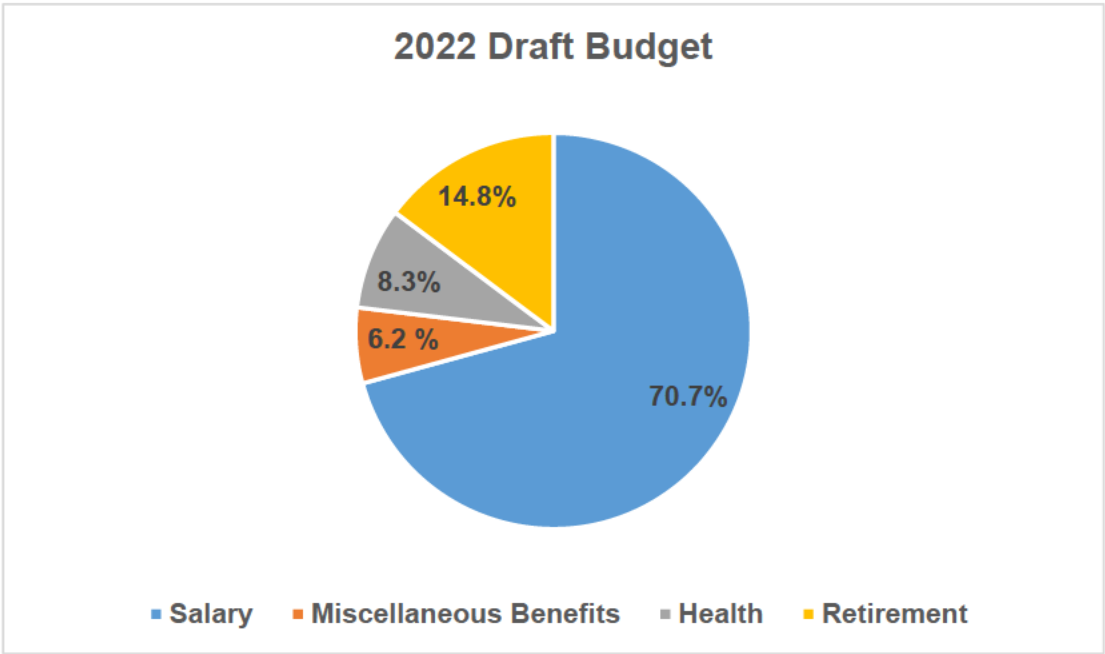
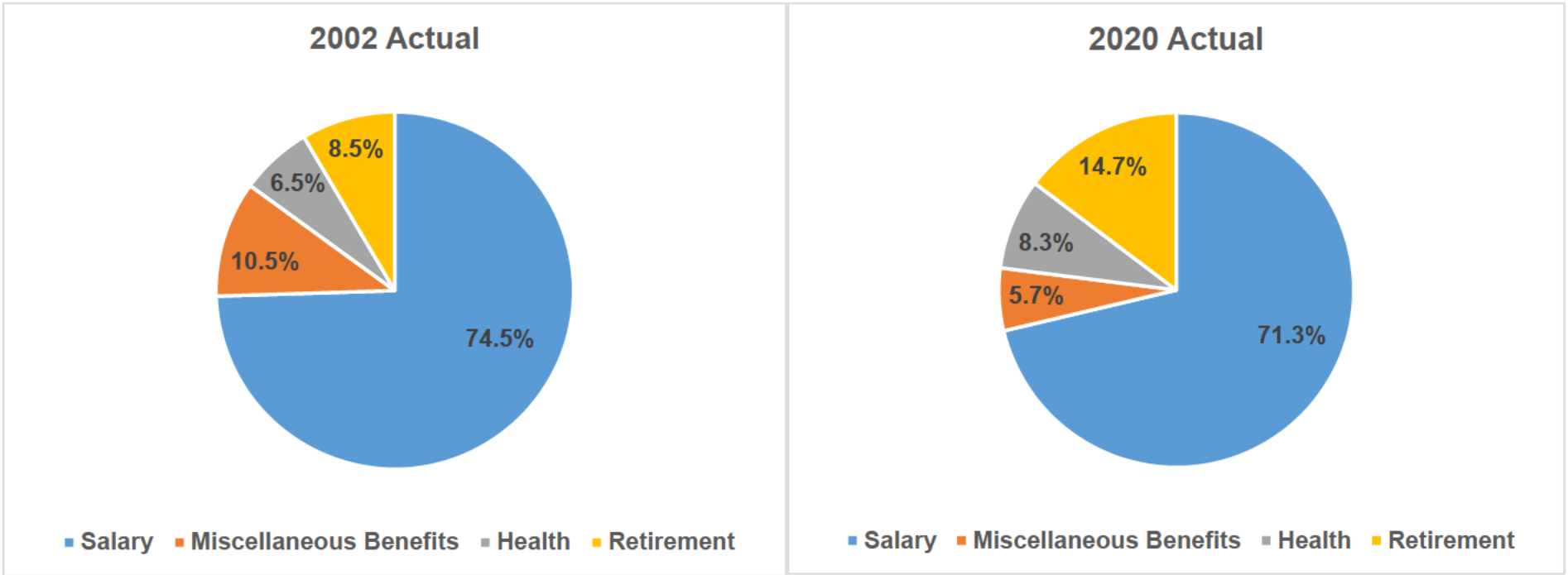
Total Compensation

The **purpose** of NMC’s compensation system is to support the attraction, development, and retention of high-quality talent to fulfill the mission and vision of the college. Our comprehensive system includes pay, benefits, performance/recognition, development/career opportunities, and work-life components. The goal of the compensation system is to be equitable, transparent, and consistent and to support NMC values of lifelong learning, exceeding expectations for quality and service, valuing all people, responsible stewardship, innovation, and thoughtful risk-taking.

Beginning in 2013, the College started a process of evaluating our compensation system to determine if the system supports the values that are important to our stakeholders. The stakeholders included all of our employees and our Board (as representatives of the public). The Compensation Committee presented its recommendation and findings to the Board of Trustees in at the October 14, 2014 study session. The 2022 working budget includes compensation adjustments for staff effective January 2022. This adjustment will be reviewed once fall enrollment numbers are final.

Compensation or Benefit	FY 2022 Key Budget Consideration
Faculty Pay	Faculty pay will increase in accordance with the MEA collective bargaining agreement, which expires in July 2022.
Staff Pay	\$300,000 with FY22 budget impact of \$150,000 to be distributed based on benchmark
Benefits	\$280,000 increase in MPSERS and Optional Retirement Plan expense based on increases in salaries and wages and historical trends
Performance, Recognition	Supervisor training
Development & Career Opportunities	\$180,000 increase in staff professional development costs based to counter prior year cuts, and in anticipation of more events
Work-life	Flexible/Remote Work Options

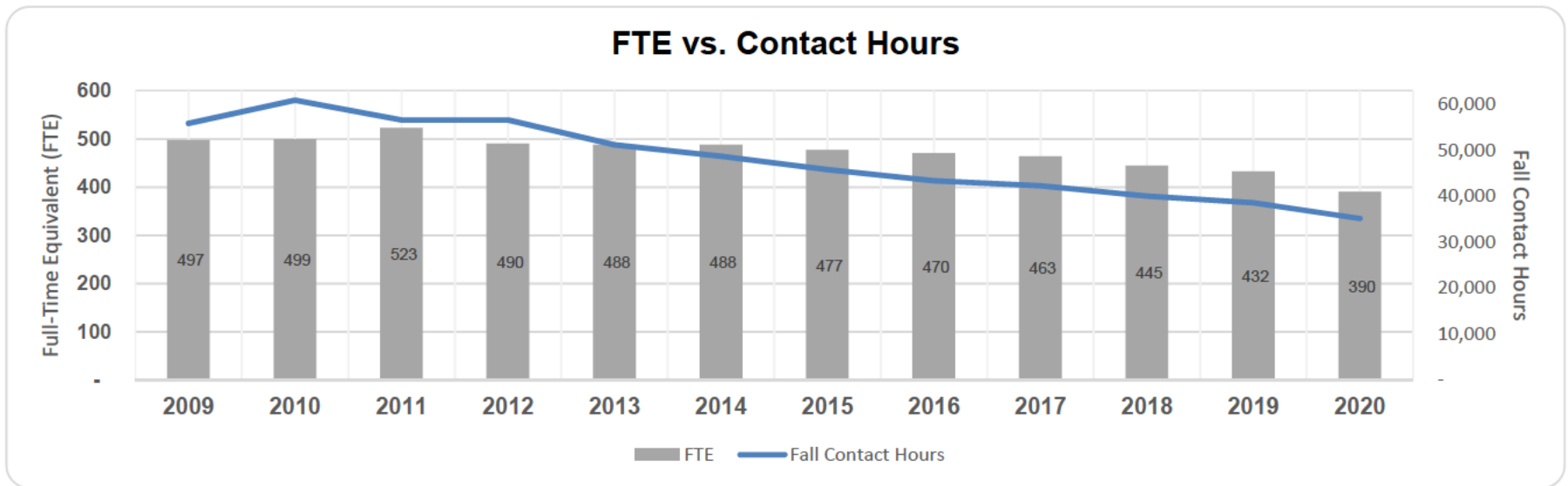
Percentage of Total Compensation Cost



NORTHWESTERN MICHIGAN COLLEGE EMPLOYEE FTE HISTORY - AS OF OCTOBER 1

The table below represents a calculation full-time equivalent (FTE) employees based on hours worked. These figures do not reflect employee headcount.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Faculty	89	84	92	89	89	95	94	89	87	85	81	81
Administrative	28	28	34	35	36	36	37	36	35	36	36	37
Professional Staff	73	75	77	71	79	84	86	90	87	74	84	85
Paraprofessional/Technical	45	38	49	47	45	44	45	42	39	39	42	41
Support Staff	28	24	21	18	19	17	19	20	19	19	20	17
Maintenance/Custodial	40	39	40	38	38	35	31	31	30	31	30	29
Total Regular Employees	303	290	315	298	307	311	312	308	297	283	292	289
Adjunct Faculty	96	105	89	86	82	71	67	66	65	62	49	47
Student Employees	46	42	44	41	35	34	34	31	33	32	22	13
Supplemental Employees	52	63	66	65	65	71	63	66	69	68	69	40
TOTAL	497	499	523	490	488	488	477	470	463	445	432	390
Fall Student Headcount	5,068	5,440	5,168	4,847	4,727	4,542	4,268	4,167	3,935	3,726	3,581	3,278
Fall Contact Hours	55,907	60,916	56,613	56,613	51,199	48,721	45,821	43,398	42,298	40,076	38,571	35,167



**NORTHWESTERN MICHIGAN COLLEGE
FLEXIBLE BENEFITS PLAN 2022**

Plan	Available Plan Options		
Medical	Core Plan	High Deductible Plan	Opt Out Medical
Medical Insurance — Priority Health	Deductible: \$500 Individual \$1000 Family Co-insurance: 80% Plan Pays 20% You Pay Co-pay: \$20- office visit, urgent care visit, chiropractic visit \$150- ER visit Preventative Medical Care at 100% Rx: \$10.00 Generic \$40.00 Preferred \$80.00 Non-Preferred	Deductible: \$1,400 Individual \$2,800 Family Co-insurance: 80% Plan Pays 20% You Pay <i>Pay 100% of prescriptions until deductible is met. Then coverage is the same as the CORE plan.</i> Preventative Medical Care at 100% Health Savings Account (HSA) – NMC contributes: \$1,300 for Individual Plan \$2,600 for Family Plan	Opting Out – No medical coverage (Must provide proof of insurance coverage elsewhere) \$1,400 cash rebate (Taxable, non-MPSERS wages) Pro-rated for time
Dental	Voluntary		
Optional Dental Insurance — Blue Cross Blue Shield of Michigan	100% Preventative 85% Class II (filling, root canal, bite guards, denture repairs, tissue conditioning) 60% Class III (crowns, veneer fillings, dentures, bridges, implants) 60% Orthodontia Yearly maximum: \$1,800 Lifetime orthodontia maximum: \$2,000		
Vision	Voluntary		
Optional Vision Insurance — Eye Med	Eye exam annually with no co-pay; \$0 co-pay on lenses and frames with \$200 allowance on frames every 12 months; \$200 for contact lenses or frame lenses every 12 months.		
LTD	Core	Option I	Option II
Long-Term Disability Insurance	Employer provided Maximum: 60% of earnings, not to exceed \$1,500/mo.	Employee can purchase Maximum: 60% of earnings, not to exceed \$5,000/mo.	Employee can purchase Maximum: 70% of earnings, not to exceed \$5,000/mo.
Life/AD&D	Core	Voluntary	
Employee Group Term Life and Accidental Death & Dismemberment Insurance	Death Benefit \$50,000 Term Life plus \$50,000 Accidental Death & Dismemberment for Full Time Part Time benefit- \$25,000	Employee can purchase additional Term Life/Accidental Death and Dismemberment Insurance in increments of \$10,000, up to maximum \$500,000. Some restrictions apply.	
Spouse Group Term Life		Spouse can purchase Term Life Insurance in increments of \$10,000, up to maximum \$500,000. Some restrictions apply.	
Child Group Term Life		Employee can purchase Term Life Insurance for dependent children in increments of \$2,500, \$5,000, \$7,500, or \$10,000 per child.	
Flexible Spending Accounts	Available- all Medical Plans		
Dependent Care	Administered by Meritain Health		
Medical Cost	Administered by Meritain Health		
Limited Flexible Spending Account	Administered by Meritain Health		
HSA	High Deductible Health Plan		

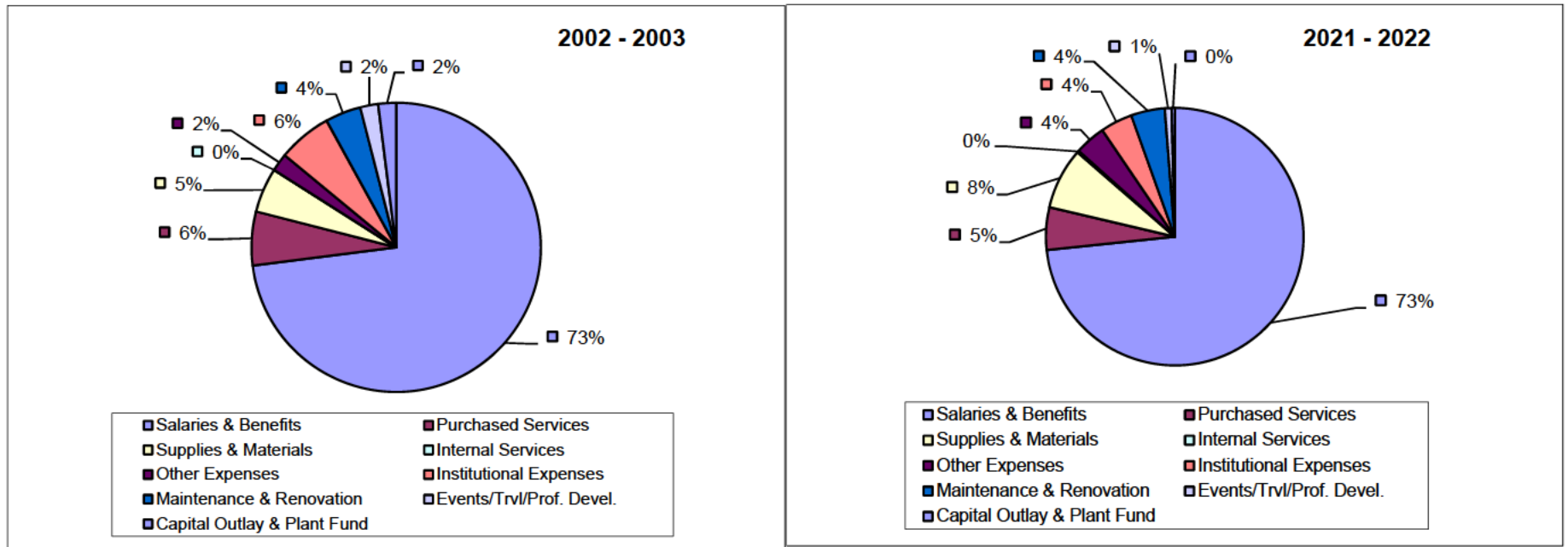
Expense Considerations

Contained in this section are:

Expenses:

- 1. Expenditures Comparison (Pie Charts):** This analysis provides a breakdown of the expenditures categories as a percentage of all expenses.
- 2. Educational & General (Non-Labor) Expenses and Transfers History:** This table provides a history of the College's educational & general expenses (referred to as "E&G" or non-labor). Detail of transfers is also included for the years provided.

Northwestern Michigan College Expenditures Comparison - % by Category General Fund Budget



**Northwestern Michigan College
Educational & General (Non-Labor) Expenses and Transfers History**

	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Budget FY21	Budget FY22
Educational & General							
Purchased Services	2,347,170	2,579,215	2,431,771	2,537,324	2,049,534	2,391,755	2,311,193
Supplies & Materials	2,895,797	2,746,144	2,927,587	3,251,184	2,430,550	3,288,261	3,318,742
Internal Services	81,917	94,794	57,626	83,954	92,560	104,020	99,220
Other Expenses	1,542,048	1,668,308	1,604,364	1,597,838	1,534,239	1,705,772	1,670,689
Institutional Expenses	1,610,288	1,625,585	1,624,422	1,621,241	1,519,695	1,726,924	1,737,924
Maintenance & Renovation	1,367,944	1,522,039	1,394,750	1,554,197	1,609,299	1,778,289	1,828,864
Professional Development & Events	196,147	663,681	655,269	713,810	555,708	180,000	362,070
COAT / Capital Outlay	35,057	175,197	267,544	696,140	347,272	50,000	177,852
	10,076,368	11,074,961	10,963,332	12,055,689	10,138,857	11,225,021	11,506,554
Transfers							
Transfer for Deferred Maintenance	999,647	999,647	999,647	1,009,643	1,019,740	500,000	1,004,265
Other Transfers Out (a)	1,560,040	1,336,846	2,751,000	2,950,542	661,865	1,240,000	1,059,661
	2,559,687	2,336,493	3,750,647	3,960,185	1,681,605	1,740,000	2,063,926
a Other Transfers Out (In)							
Strategic Funds	250,000	250,000	250,000	400,000	500,000	250,000	250,000
Funds for Transformation	33,500	50,000	600,000	50,000	50,000	50,000	50,000
Tac hours	362,722	385,982	413,213	444,394	300,912	340,000	340,000
Additional Deferred Maintenance	500,000	200,000	600,000	1,400,000	500,000		229,661
Tech Fee	400,000	400,000	500,000	500,000	500,000	500,000	500,000
Facilities Fees	40,000	40,000	40,000	40,000	40,000		40,000
Program Specific	(26,182)	(13,686)	(15,636)	(4,202)	(7,479)	100,000	
EES - Elevate Software		24,550	24,550	24,550	24,550		
Wellness			288,873				
MPSERS Reserve			50,000	95,800			
CARES Act - Federal Relief					(1,246,118)		
GLMA Transfer In (Cruise Wages)							(350,000)
	1,560,040	1,336,846	2,751,000	2,950,542	661,865	1,240,000	1,059,661

5/17/2021

FY22 Draft Budget

FY22 Draft Budget

Contained in this section is the draft budget for fiscal year 2022. Various assumptions have been made throughout the budgeting model concerning revenues, salaries and benefits, and expenses.

Fiscal Year 2022:

- Elimination of Flexible Learning Online (FLO) fee (\$20 / online contact hour)
- 3.0% change in tuition
- 2.8% increase in contact hours
- 4.4% increase in property taxes
- Faculty and staff salary increases
- Partial restoration of professional development and capital outlay funding
- Restoration of deferred maintenance transfer

Northwestern Michigan College FY22 Draft Budget - General Fund

	Budget FY20	Budget FY21	Draft Budget FY 22
Revenue			
Local Sources			
Tuition & Fees	\$ 23,578,426	\$ 20,271,034	\$ 19,916,110
Property Taxes	11,150,536	11,485,363	12,030,623
Total Local Sources	34,728,962	31,756,397	31,946,733
State Sources			
State Approp. - General Operating	9,795,989	8,341,730	9,995,000
State Approp. - MPSERS Offsets	-	-	200,000
State Approp. - Supplemental	-	-	375,000
State LCSA / PPT Replacement	100,000	202,000	160,000
Total State Sources	9,895,989	8,543,730	10,730,000
Federal Sources	734,339	524,000	1,075,000
Private Sources	549,000	1,268,000	868,897
Investment Income	274,000	274,000	172,000
Other Sources	441,250	353,250	392,600
Total Revenues	46,623,540	42,719,377	45,185,230
Expenditures			
61 Salaries and Wages	22,293,246	21,182,285	22,282,506
65 Benefits	9,444,229	9,072,070	9,332,244
Total Labor Costs	31,737,475	30,254,356	31,614,750
71 Purchased Services	2,655,276	2,391,755	2,311,193
72 Supplies & Materials	3,224,916	3,288,261	3,318,742
73 Internal Services	89,920	104,020	99,220
74 Other Expenses	1,766,851	1,705,772	1,670,689
75 Institutional Expenses	1,801,213	1,726,924	1,737,924
76 Maintenance & Renovation	1,740,392	1,778,289	1,828,864
77 Events/Trvl/Prof. Devel.	653,622	180,000	362,070
79 COAT/Capital Outlay purchases	270,000	50,000	177,852
80 Transfer for Deferred maintenance projects	1,019,740	500,000	1,004,265
Total Expenditures	44,959,405	41,979,377	44,125,569
Other Transfers	1,664,135	1,240,000	1,059,661
Revenues Over (Under) Expenses	-	(500,000)	-
Use of working capital reserves	-	500,000	-
Net over or (Under)	-	-	-

**General Tuition
Draft Budget – Tuition Changes
As Presented, May 2021**

General Tuition – 3% change

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$ 109.00	\$ 112.00	\$3.00	\$72.00
Out of District	\$ 227.00	\$ 234.00	\$7.00	\$168.00
Out of State	\$ 296.00	\$ 305.00	\$9.00	\$216.00
International	\$ 334.00	\$ 344.00	\$10.00	\$240.00

*Based on 24 contact hours in an academic year; excludes the impact of eliminating the flexible learning online (F.L.O.) fee, a \$20 per online contact hour fee. Eliminating the online fee will result in net savings for many students, depending on their online course load.

Tier I – 3% change

Automotive, Audio Technology, Construction Technology, Dental Assistant, Nursing, Surgical Technology, and Surveying

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$131.00	\$135.00	\$4.00	\$96.00
Out of District	\$261.00	\$269.00	\$8.00	\$192.00
Out of State	\$338.00	\$348.00	\$10.00	\$240.00
International	\$381.00	\$393.00	\$12.00	\$288.00

Tier II – no change

Culinary

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$156.00	\$156.00	\$0.00	\$0.00
Out of District	\$300.00	\$300.00	\$0.00	\$0.00
Out of State	\$400.00	\$400.00	\$0.00	\$0.00
International	\$452.00	\$452.00	\$0.00	\$0.00

Tier III – 3% change

Maritime and 300+ Level Courses

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$445.00	\$458.00	\$13.00	\$312.00
Out of District	\$445.00	\$458.00	\$13.00	\$312.00
Out of State	\$445.00	\$458.00	\$13.00	\$312.00
International	\$488.00	\$503.00	\$15.00	\$312.00

NORTHWESTERN MICHIGAN COLLEGE
BOARD OF TRUSTEES
MINUTES
Monday, April 26, 2021
Virtual Zoom Webinar ID: 917 5245 2368
Traverse City, MI

CALL TO ORDER—Chair Chris M. Bott called the regular meeting to order at 5:30 p.m.

ROLL CALL

In compliance with PA 254 each trustee should publicly announce if they are attending remotely and provide their current physical location. The member's announcement must identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.

Trustees present: **Douglas S. Bishop**, attending remotely from Bonita Springs, Lee County, Florida; **Chris M. Bott**, attending remotely from Traverse City, Grand Traverse County, Michigan; **Laura J. Oblinger**, attending remotely from Garfield Township, Grand Traverse County, Michigan; **Kenneth E. Warner**, attending remotely from East Bay Township, Grand Traverse County, Michigan; **Kennard R. Weaver**, attending remotely from Peninsula Township, Grand Traverse County, Michigan

Trustees absent: Michael Estes, Rachel A. Johnson

Also present: President Nick Nissley, Vicki Cook, Marguerite Cotto, Diana Fairbanks, Dan Goodchild, Joy Goodchild, Holly Gorton, Troy Kierczynski, Mark Liebling, Lindsey Lipke, Lynne Moritz, Kyle Morrison, Todd Neibauer, Denny Nguyen, Chris Ostrowski, Elizabeth Sonnabend, Rebecca Teahen, Stephen Siciliano, Jason Slade

REVIEW OF AGENDA—The agenda was accepted as presented.

REPORTS

Program Focus—Construction Technology Program: Planning for the Future—Presented by Dan Goodchild, Construction Technology Program Coordinator; Chris Ostrowski, Commercial Sales, Builders First Source, Advisory Board Member, and Build Your Life Initiative Founding Member; Jason Slade, Director of Technical Academic Area. Dan Goodchild provided an overview of the Construction Technology Program, comprised of areas including carpentry, construction management, electrical, and others. Goodchild also reviewed enrollment trends since 2018, indicating demand for trades has increased, including enrollment at area career tech centers. Chris Ostrowski discussed the development of Build Your Life (BYL), which serves to change the narrative of a life in the trades and provide educational opportunities to students. BYL has a goal of adding full-time instructors to each concentration area to teach academic courses and professional development training. The program is seeking partial external funding to support a full time instructor, which will then be fully funded by NMC after year four. The cycle would repeat through electrical, construction, and HVAC areas. The Board complimented the collaboration with an industry with high demand for workers and asked about training opportunities for current employees of our industry partners.

Faculty Report—Building on Life Experiences—Elizabeth Sonnabend, Adjunct Faculty-Business and Program Coordinator for EES, presented on bringing real world experiences into the business classroom to share the real-life working experiences of students. Sonnabend shared how she transformed her course from having students utilize case studies to bring their real-world experience into the classroom, allowing students to learn through practical exercises.

Enrollment Report—Todd Neibauer, Vice President for Student Services and Technology, provided the enrollment report. Neibauer noted it has been a strong registration season for summer and is early in the registration cycle for the fall semester.

Financial Report—Troy Kierczynski, Interim Vice President of Finance and Administration, reviewed the financial report for the period ending March 31, 2021. Kierczynski directed trustees to the Federal Relief Funding Update, noting funds were distributed quickly to students and institutional dollars are supporting areas of the college that lost revenue due to COVID-19 as well as long term investments such as wireless internet and firewall upgrades.

Foundation Report—Rebecca Teahen, Associate Vice President for Resource Development and Executive Director of Foundation, provided the Foundation Report. Teahen thanked Diana and Richard Milock for their recent \$3 million gift to support the college's Audio Technology program, Great Lakes Culinary Institute and Dennon Museum Center. The Be What's Possible campaign continues through the month of June. Teahen also thanked supporters of the recent Taste of Success and noted planning is underway for the Scholarship Open on August 5.

PRMC Report—Diana Fairbanks, Executive Director of Public Relations, Marketing, and Communications, provided her area report for the month of March 2021, noting year-over-year numbers are unusual, as they compare to the start of the pandemic in March 2020. Fairbanks also reported to the Board on the Phase I plan resulting from the PRMC redesign consultant work to date. An action item later in the agenda seeks approval from the Board to utilize the Fund for Transformation to invest in the restructuring and staffing of the PRMC area.

Strategic Planning Report—Vicki Cook, Special Assistant to the President, provided an update on the strategic planning process. Cook highlighted over 50 students participated in the Student Experience Workshop, 356 SWOT surveys were completed, and over 18 focus groups have been scheduled to take place over the next month.

Executive Committee Report—Committee Chair Chris Bott provided a report on the work of the Board Executive Committee, including a brief update on anticipated formats for future Board meetings. Bott does not expect the state legislature to allow remote attendance to public meetings on a permanent basis.

Legislative Issues Report—President Nick Nissley discussed the three proposed state budgets, from the Michigan House, Senate, and Governor, respectively. The significant difference between the community college appropriations budget proposal from the Governor/Senate and the House Subcommittee is that the House Subcommittee is proposing to replace the performance funding formula with one based on Full Year Equivalent Students (FYES). Under the FYES formula, NMC would see an alarming \$3 million annual decrease in operations funding by FY24. Nissley also reviewed current advocacy efforts, including communications and meetings with legislators.

PUBLIC INPUT—There was no public input offered.

UPDATES

President's Update—President Nick Nissley reported COVID-19 cases have increased in the region; cases with campus exposure at NMC to date are 35 students and 5 employees. A vaccination clinic will occur on April 28 and 29 at the Hagerty Center for NMC employees and students. Nissley stressed the fastest way to return to fewer restrictions is through vaccination. Planning efforts are underway for summer and fall, including moving to Stage 3 of the Re-opening Plan.

Nissley recognized recent achievements of the Phi Theta Kappa Alpha, The White Pine Press, and Extended Education Services. Nissley recognized faculty member Steve Drake for his 50 years of service at NMC, which was included in the recognitions at the recent employee recognition event on April 14. Lastly, Nissley promoted the upcoming walk-through commencement event planned for Saturday, May 1.

Board Chair Update—Chair Chris Bott provided a brief update emphasizing upcoming Board events pertaining to the strategic planning process.

DISCUSSION ITEMS

Board Meeting Format—Chair Chris Bott reviewed the plan developed by staff for future meeting formats. In the event that in-person meetings need to be resumed before local conditions improve and individuals have had the opportunity to get vaccinated, staff has developed a plan for a hybrid meeting format, which was provided to the Board.

HLC Open-pathway Review—Joy Goodchild, Executive Director, Office of Research, Planning, and Effectiveness, provided a brief review of the Higher Learning Commission accreditation process. NMC's most recent accreditation affirmation occurred in 2019; therefore, the next reaffirmation of accreditation will occur in 2028-29, with interim monitoring reviews at various intervals of the 10-year cycle. Goodchild also reviewed the role of the Board as it relates to accreditation.

CONSENT ITEMS—On a motion by Kennard Weaver, seconded by Laura Oblinger, the following items were approved by a unanimous vote as a group without discussion:

- Minutes of the March 22, 2021, regular meeting
- Minutes of the April 6, 2021, special meeting

ACTION ITEMS

Fund for Transformation Investment—On a motion by Laura Oblinger, seconded by Kennard Weaver, the Board authorized administration to utilize the Board designated Fund for Transformation for investment of up to \$320,000 in the restructuring and staffing of the Public Relations, Marketing and Communications area to support the strategic enrollment management plan and other college initiatives. The motion passed with a unanimous vote.

MCACA Grant Application—On a motion by Kennard Weaver, seconded by Ken Warner, the Board authorized the Dennis Museum Center at Northwestern Michigan College to submit an

application for grant funding in the amount of \$30,000 for program support from the Michigan Council for Arts and Cultural Affairs in the current round of grant applications due June 1, 2021. The motion passed with a unanimous vote.

Housing and Board Rates for FY2022—On a motion by Laura Oblinger, seconded by Ken Warner, the Board approved the Housing and Board Rates for the 2021-2022 fiscal year as presented. The motion passed with a unanimous vote.

REVIEW OF FOLLOW-UP REQUESTS—Confirmed requests made by the Board that require administrative follow-up for information to be provided to the Board at a later date.

ADJOURNMENT—The meeting adjourned at 7:58 p.m.

Recorded by Holly Gorton, Chief of Staff to the President and Board of Trustees.

SIGNED _____
Chris M. Bott, Chair

ATTESTED _____
Kenneth E. Warner, Secretary

**NORTHWESTERN MICHIGAN COLLEGE
BOARD OF TRUSTEES
SPECIAL MEETING MINUTES
Tuesday, May 11, 2021
Virtual Zoom Webinar ID: 963 1642 7231**

CALL TO ORDER—Chair Chris M. Bott called the regular meeting to order at 2:01 p.m.

ROLL CALL

Trustees present: **Douglas S. Bishop** attending remotely from Peninsula Township, Grand Traverse County, Michigan; **Rachel A. Johnson**, attending remotely from Garfield Township, Grand Traverse County, Michigan; **Laura J. Oblinger**, attending remotely from Garfield Township, Grand Traverse County, Michigan; **Kenneth E. Warner**, attending remotely from East Bay Township, Grand Traverse County, Michigan; **Kennard R. Weaver**, attending remotely from Peninsula Township, Grand Traverse County, Michigan; **Chris M. Bott**, attending remotely from Traverse City, Grand Traverse County, Michigan;

Trustees absent: Michael Estes

Also present: President Nick Nissley, Chrissy Coley, Vicki Cook, Kevin David, Holly Gorton, Troy Kierczynski, Lynne Moritz, Diana Fairbanks (joined at 2:30), Joy Goodchild, Marguerite Cotto, Stephen Siciliano, Alex Tank, Rebecca Teahen, Todd Neibauer

REVIEW OF AGENDA—The agenda was accepted as presented.

DISCUSSION ITEMS

Strategic Planning Mission Workshop—Dr. Chrissy Coley and Dr. Kevin David of CampusWorks, Inc. led the workshop related to the current strategic planning process. Coley discussed the role of the Board in reviewing and evaluating the current NMC mission statement, and revision guidance as needed.

Trustees discussed the following prompts to review and evaluate the current mission statement:

- In the simplest, most compelling way possible, describe what NMC does and the ripple created when NMC does what it does.
- To what extent does the current mission statement comprehensively and succinctly articulate the College's unique reason for being?
- In the simplest, most compelling way possible, describe NMC's reason for being in no more than 8-10 words addressing purpose and value provided.

There was discussion regarding the process for reviewing the mission statement and trustees expressed the importance of getting input from President's Council, Strategic Planning Steering Committee, and others. Potential options for a new mission will be brought forth at the June 9 Mission/Vision Workshop.

PUBLIC INPUT—There was no public input offered.

REVIEW OF FOLLOW-UP REQUESTS—Confirmed requests made by the Board that require administrative follow-up for information to be provided to the Board at a later date.

ADJOURNMENT—The meeting adjourned at 4:35 p.m.

Recorded by Holly Gorton, Chief of Staff to the President and Board of Trustees.

SIGNED _____
Chris M. Bott, Chair

ATTESTED _____
Kenneth E. Warner, Secretary



Northwestern
Michigan
College

MEMO

Administrative Services

To: Dr. Nick Nissley, President
From: Troy Kierczynski, Interim Vice President of Finance and Administration
Date: May 17, 2021
Subject: Calendar Year 2021 Truth-in-Taxation Resolution

Attached is the recommended resolution for the Board to adopt at its regularly scheduled meeting on May 24, 2021. It is required each year for the Board to set a time to have a Truth-in-Taxation Hearing in which we inform the public of property values and the resulting revenue. The resolution establishes the June 28, 2021, regular Board of Trustees meeting as the time of the Truth-in-Taxation Hearing, as well as the Budget Hearing. Upon completing the public hearing, the Board may then take action to certify taxes for the 2021-2022 fiscal year. As in the past, we will recommend that the full tax levy be issued, and will justify the need to receive the funds as a necessary means of balancing the budget.

If you have any questions, please contact me at your convenience.

**TRUTH-IN-TAXATION
FIRST RESOLUTION**

Northwestern Michigan College, Michigan (the “College”).

A regular meeting of the Board of Trustees (the “Board”) of the College was held virtually through Zoom meeting software on the 24th day of May 2021, at 5:30 in the evening in accordance with Michigan Emergency Order under MCL 333.2253 – Gatherings and Face Mask Order.

The meeting was called to order by: _____

Present: _____

Absent: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the Board may not adopt its proposed 2021-2022 budget until after a public hearing has been concluded; and

WHEREAS, a copy of the proposed 2021-2022 budget including the proposed property tax millage rate will be available for public inspection during normal business hours at the office of the Vice President of Finance and Administration, Northwestern Michigan College, Traverse City, Michigan; and

NOW THEREFORE, BE IT RESOLVED THAT on June 28, 2021, at 5:30 p.m. through Zoom software, the Board of Trustees of Northwestern Michigan College will hold a public hearing to consider the college’s proposed 2021-2022 budget and the property tax millage rate proposed to be levied to support the proposed 2021-2022 budget.

Ayes: _____

Nays: _____

Resolution declared adopted.

Secretary, Board of Trustees
Kenneth E. Warner

**TRUTH-IN-TAXATION
FIRST RESOLUTION**

The undersigned, duly qualified and acting Secretary of the Board of Trustees of Northwestern Michigan College, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by said Board of Trustees at a regular meeting held on May 24, 2021, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, PA 1976, as amended).

Secretary, Board of Trustees
Kenneth E. Warner



Northwestern
Michigan
College

MEMO
Human Resources

To: Dr. Nick Nissley, President
From: Mark Liebling, Associate VP of Human Resources
Date: May 24, 2021
Subject: Board Authorization Request

Board Authorization Request

Recommend authorization for administration to spend up to \$45,000 to engage an executive search firm for the Vice President of Innovation and Strategy position.

Rationale

Entering into a contract with a national executive search firm will ensure that our hiring process for the new Vice President of Innovation and Strategy position gives NMC access to the best candidate from the strongest possible candidate pool, as efficiently as possible.

The position has several key aspects which are not commonly combined, and the expertise of an experienced executive recruiter will help frame the position and ensure that it is marketed to appropriate candidate groups. In addition, the in-depth market experience that comes with such a consultant will ensure that tradeoffs in candidate attributes can be clearly articulated and thoughtfully considered in the course of setting search strategy.

While our internal processes have both high integrity and rigor, the search firm will ensure that our selection process is *transparently* thorough and fair, and our community will see and understand through this process that we live our values of integrity, trust and responsible use of resources.

NMC has a history of using executive search for senior and Vice President level positions. The Vice President of Innovation and Strategy position is unique and mission-critical. As such, the cost associated with this search will be far out-weighted by the value that will be brought to the college through use of executive search.



Northwestern
Michigan
College

MEMO
Administrative Services

To: Dr. Nick Nissley, President

From: Vicki Cook, Special Assistant to the President

CC: Troy Kierczynski, Interim Vice President of Finance and Administration

Date: May 12, 2021

Subject: West Hall – Dewatering Project

Recommendation

Recommend authorization for administration to accept the lowest practical bid for a dewatering system, within an estimated budget of \$246,200 with a 25% contingency, for a total of \$308,000.

Background

West Hall Innovation Center has experienced the challenging effect of high groundwater levels in the region. The building was designed with an access floor to allow for flexible learning spaces within the lower level. The access floor contains electrical and conduit for technology. Both the foundation and lower level concrete slab were constructed with a waterproof membrane along with two continuous water stops, one between the grade beam and the foundation wall and one between the grade beam and the concrete slab. These were designed to protect the building and infrastructure from water damage. The waterproof membrane is designed to keep water that's flowing down the foundation out of the building, not to "waterproof" the building when it's submerged in water. The access floor area has a leak detection with an alarm, which alerts the Maintenance Department of any water infiltration. While the alarm system is helpful in preventing surface water infiltration, it does not solve the long-term risk of water infiltration due to fluctuation in groundwater levels.

The groundwater level increased during construction over 6 feet from the original soil borings. This substantial increase was seen across the region and is not specific to just NMC property. During the spring, summer and fall of 2020 NMC experienced several incidents that caused water to infiltrate the access floor area. This required flood recovery clean up and relocation for some period of time for WNMC.

NMC Administration asked Gosling Czuba to provide recommendations to divert groundwater away from the building. The long-term goal of water diversion is to mitigate damage to the lower level due to continuous high groundwater levels. Water infiltration could also require extended building closure and disrupt student access to its flexible learning spaces.

Project Description

The proposed project includes installing a dewatering well system around the West Hall Innovation Center. When groundwater levels rise to a predetermined level, the system would turn on and pump water to the discharge area located on NMC property on the north side of Eastern Avenue. The water would be pumped through a 4" pipe between the West Hall Innovation Center and discharge area. This pipe will be installed by directionally drilling methods and involve minimal disturbance to campus. The discharge area is proposed to be an underground stone drain field which blends into the landscape. The discharge area is located in an area where soils have been identified to have suitable infiltration capacity.

The attached drawing from Cornerstone Architects shows the discharge area also avoids impact to future building options for the property. Gosling Czubak has evaluated the area for any impact to neighboring properties. The closest neighbors are west of the discharge area where topographic data shows them above the discharge area. Neighbors to the east are outside any localized water table mounding that would be experienced at the discharge site.

The dewatering project is moving ground water and not storm water runoff. An electrical outage should not have a significant impact. A generator can be added to the project if there is a concern on continuous power.

Project Funding

The dewatering project falls under the allowable expenses for West Hall Innovation Center State Funded Capital Outlay Project. It is required under the legislation to complete the state portion of this project by July 17, 2021. We recommend approval of this project with the understanding it follows NMC's normal bidding process. The timeline will allow NMC to complete a substantial portion of the project and allow for state reimbursement. Any remaining costs after July 17, 2021, would be covered with NMC Bond Funds for the West Hall project.

Attachments:

- Cornerstone conceptual master plan drawing
- Estimated costs





Gosling Czubak
engineering sciences, inc.

Project: NMC West Hall Dewatering System

Date: April 7, 2021

Project No.: 2020070002.00

By: RMV

Client: Northwestern Michigan College

Preliminary Opinion of Probable Cost - Dewatering System

Item No.	Item Description	Estimated Quantity	Unit	Unit Price	Amount
1	Mobilization	1	LS	\$25,000.00	\$25,000.00
2	Misc. Clearing / Site Prep	1	LS	\$2,000.00	\$2,000.00
3	Discharge Field	2400	SFT	\$8.00	\$19,200.00
4	4" Discharge Piping, Directional drill	2500	FT	\$20.00	\$50,000.00
5	Pump Station	1	LS	\$100,000.00	\$100,000.00
6	Well, 5" x 30'	5	EACH	\$5,000.00	\$25,000.00
7	Well power and controls	1	LS	\$25,000.00	\$25,000.00
Subtotal					\$246,200.00
Construction Engineering & Contingency (25%)					\$61,550.00
Project Total					\$307,750



**Northwestern
Michigan
College**

***MEMO
Student Services &
Technologies***

To: Dr. Nick Nissley, President
From: Todd Neibauer, VP for Student Services & Technologies
Date: May 18, 2021
Subject: Two Percent Grant Proposal

Twice a year the Grand Traverse Band of Ottawa and Chippewa Indians accepts grant applications from local government entities for funding from 2% of their gaming revenue. The grant request requires the approval of the institution's governing board. This is a request for the Board of Trustees to approve the submission of this grant application at their May 24, 2021 meeting.

This grant proposal outlines additional support for students as part of our initiatives to improve student persistence and completion. The Student Success Center academic success coaches lead in this effort. This grant proposal would further fund the specific efforts of the Native American Success Coach in development and continuation of additional support services focused on improving the retention and graduation rates of our Native American student population.

Thank you for your consideration.

Native American Success Coach

The coach will perform all aspects of this position to assist all Native American students and those returning after the pandemic, in their academic endeavors at Northwestern Michigan College. Specifically, the coach will be responsible for new and returning student contacts, advocacy, academic and social support activities and services, Native American student outreach, increased recruitment efforts focused on Title VI HS students, Native student group campus tours, individual and group monitoring and advising, Michigan Indian Tuition Waiver and Tribal Scholarship information for students, staff and community, grant writing and reporting. To aid in the design, develop and implementation in virtual and in person services and activities related to Native issues and programs with the Native American Student Organization as more students return to classes. Student numbers are on the rise as in-person options increase at NMC and fear lessens regarding social gatherings. The objective is to meet the needs of native students by returning to pre-Covid 19 office hours, services and activities, as gathering guidelines become less restrictive, allowing for more peer-to-peer support and networking opportunities for students in social, face to face activities with the coach.

(Part Time @ \$23.00 an hour x 30 hours a week x 52 weeks)	\$ 35,880
(Fringe, Based on 34%)	<u>\$ 12,200</u>
	\$ 48,080

Native American Student Organization- Operating Budget

This would aid N.A.S.O. in providing presentations, workshops and discussion groups focusing on community cultural enrichment and awareness for the Native American student population, community members and guests. Students will design and implement programs with the coach to better inform others about native issues, arts, community, and cultural aspects of our local Native American population. N.A.S.O. will provide peer to peer interaction, building upon program goals for greater academic success and retention, and higher educational pursuits and academic success using socially engaging activities based on cultural identity. The Native American Student Organization will give native students a voice within the student community both on campus and virtually, in an environment to discuss issues and situations in a relaxed peer to peer setting, in student government, while enhancing their leadership experience through the continuation of planning and facilitation of activities the students developed. N.A.S.O. will partner with Phi Theta Kappa Honors Society, to promote “The Power of Storytelling”. N.A.S.O. is currently working with the Denno’s Museum to bring the “Away From Home” exhibit to the community. This exhibit features an Indigenous people’s perspective on boarding schools in the United States. The exhibit will be part of a series of events for the Fall semester- “Indigenous Peoples Day”.

(\$250 per activity x 6 NASO projects)	\$1,500
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Northwestern Michigan College (IN-KIND Contributions): Office space and building use, mailing, office equipment and supplies, administrative support for Native American Student Success Coach and program.

Notes:

Space Costs & Building Use	+24,400		
Administration, IT & Staff	<u>+38,700</u>		
NMC In-Kind	\$63,100	NMC In-Kind	\$63,100
		Total GTB 2% Request	<u>\$49,580</u>

Program Cycle: 7-27-2021/ 8-31-2022	Total Program Budget: \$112,680
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4. Fiscal Data: Amount Requested: \$ 49,580 Percent: 44 %
 Local Leveraging: \$ 63,100 Percent: 56 %
 (Match)
 Total Budget: \$ 112.680 Percent: 100 %
5. Target Population numbers: 30 Children 160 Adults 30 Elders
 (Indicate the 220 Total GTB member Community 20 Others
 number of GTB
 members)
6. Counties Impacted:
X Antrim X Benzie X Charlevoix
X Grand Traverse X Leelanau X Manistee

7. Brief Description (purpose of funding); include statement of need:

In order to continue providing academic, social, and community support services to the Native student population and community, both in person and virtually, we recognize the need for the continuation of Native American student support services through NMC. Our goal is to continue to improve retention and course completion rates for Native American students at NMC during this difficult time. We plan to continue to support Native American students with focused support programs, tribal communication and involvement, higher education recruitment activities for Native American high school students, transfer preparation.

NEED: The disruption caused by the Covid-19 outbreak has altered course delivery methods, funding for our office, and student learning and social engagement opportunities at the college. NMC experienced an 8.5% reduction in the general student enrollment during the Fall semester 2020. Our focus is recruitment, retention, and graduation completion for Native students. We strive to maintain the support programs currently in place, and reengage with those thinking of attending, while assisting with virtual accessibility through focused social and academic programs. Currently, NMC's has the 7th highest Native American student population of the 28 community colleges as reported by the MDCR within the State of Michigan. (2019/20 "Michigan Indian Tuition Waiver"-Michigan Department of Civil Rights report) In 2018 NMC had the 5th highest enrollment rate for colleges statewide. (MDCR- report) In 2016 NMC had the 2nd highest Native American student enrollment rate for colleges and universities. With more and more colleges and universities offering more and more options in an online format, we need to ask ourselves "Why would a student come to NMC, when they can go to almost any college/university they choose... from home?" We need to be more personal in our approach and demonstrate the value of NMC. We need to focus on our relationships with students and community members. We need to celebrate the little things with them, often, the little things turn into the big thing... graduation, job, family, home. We need to be the best option for our community regarding higher education.

NMC's student demographics show that the Native American student population is made up primarily of Grand Traverse Band members and enrollment has dropped. Although many tribal students are still the first in their families to attend college, we are now beginning to see second and third-generation Native students at NMC in need of support. NMC is vested in the success of the Native students and the communities we serve. We hope to continue to provide services which enhance and expand the educational experiences and opportunities for Native American students and community members in maintaining our working relationships with Tribal Education programs, youth services, and other tribal government programs to support the community. We believe the need for these partnerships are critical to improving and maintaining retention rates, course completion, program implementation and overall success of currently enrolled Native students in addition to those who will choose to attend Northwestern Michigan College in the future.

8. This question only pertains to Indian Education Programs of Public-School Systems. If you are not an Indian Education Program of a Public-School system, skip to question 9.

(a) **Program formula: (1) \$5,000, up to \$10,000 per school district + (\$1,000, up to \$1,500 x # of GTB member students) = allocation. The increase to the formula will be determined by the previous timely 2% report received, and the data provided within the report on the success of the school's Indian Education Program as a result of the 2% allocation.**

Please note: 1) In completing this section, only provide the student numbers of currently enrolled GTB members; do not include the general Native American data of your school system; and 2) there will be a cap of \$100,000, up to \$125,000 per school, based on the school's GTB membership count and data provided within the 2% report received from the previous year.

(b) Recommendation from Parent Committee: _____ YES _____ NO

Please have the Parent Committee sign the attached Certification Form.

(c) Describe parent involvement in project: _____

(d) Does the school receive Title VII Indian Education Funds? _____ YES _____ NO
 If yes, how much: _____

9. What are the start and completion dates of the proposed project?

Start 07/27/2021 Completion 08/31/2022

10. Has applicant received prior awards through the Tribe's 2% funding allocation?

YES _____ NO. If yes, please list the start and end dates and amount:

01/31/2021 - 08/31/2021 and amounts: 24,886.00

07/27/2020 - 08/31/2021 and amounts: 0

01/31/2020 - 08/31/2020 and amounts: 25,600.00

11. Is the proposed project new _____ or a continuation project ?

If this is a continuation project, please explain why there is a need to continue funding:

Funding will support the continued implementation of programs that support academic success and highlight culture and increase awareness of Native American community issues, making the academic environment more comfortable and inclusive for Native students and community members attending, or thinking of attending, Northwestern Michigan College.

12. If the previous project has been completed, did you submit your 2% report? YES NO.

The 2% report must be submitted one year from the date you received your 2% award. If your report has not been submitted, your current application will not be considered! 2% Reports are mandatory for future grant considerations. Mail your 2% report to: Attn: 2% Reports; GTB, 2605 N.W. Bay Shore Drive, Peshawbestown, MI 49682.

13. Impact of Gaming on local program: (e.g., increase in student population, resulting from increase in Tribal employment or increase in emergency services to Casino patrons).
A greater number of Native American families are staying, while some are returning to the area due to better jobs and educational opportunities. We anticipate a resurgence of Tribal members attending NMC after Covid 19 restrictions are lifted, based on trends in education, employment, and social programs and gatherings in the Grand Traverse region currently.
14. How will the success of the project be assessed (evaluation plan)? Success will be measured by the change in student performance via course retention and completion data, graduation rates, transfer rates, overall GPA, enrollment of recent Native American high school graduates, and enrollment of returning students.
15. If new staff is required, will preference be given to Native American applicants?
 YES NO
16. Budget: Please attach a one-page itemization of the planned budget. Include explanation for each category of the budget.

IMPORTANT!! BEFORE YOU MAIL YOUR 2% APPLICATION, PLEASE REMEMBER TO:

- 1) Execute authorized signature on first page, question #2.
- 2) Attach 1-page budget
- 3) Attach Parent Committee Certification Form if application is from an Indian Education/Title VII Program.
- 3) Submit by appropriate deadline:
 - **If for June cycle, postmarked by May 31st.**
 - **If for December cycle, postmarked by November 30th.**

**Mail completed 2% applications to:
Attention: 2% Program
Grand Traverse Band of Ottawa and Chippewa Indians
2605 N.W. Bay Shore Drive
Peshawbestown, MI 49682**

If you have any questions, please call 231-534-7601.

Preliminary Questions—May 2021

Question from Kennard Weaver: What assumptions and dollar amounts for support from the State of Michigan are in the proposed budget, compared with this year's?

Response: For the current year's (FY21) budget, we started the process prepared to receive \$9,813,800 based on the Governor's draft budget at the time. Then, the pandemic arrived in March 2020 (in the middle of the budget process). Based on expected cuts from the state, we reduced our budget projection by 15% to arrive at the final FY21 budgeted amount of \$8,341,730. The FY21 LCSA / PPT replacement state aid of \$202,000 was budgeted based on historical trends.

For the FY22 budget process, I based the "general operating" and "supplemental" state appropriations (\$9,995,000 and \$375,000, respectively) on the Governor's recommended budget. The Governor's budget is linked here (see page B-14): https://www.michigan.gov/documents/budget/FY2022_Executive_Budget_715974_7.pdf. The MPERS Offset payments and LCSA/PPT replacement state aid of \$200,000 and \$160,000, respectively, were included based on historical trends.

Question from Doug Bishop: [For Action Item U. Search Firm for Vice President of Strategy and Innovation] Is the \$45, 000 requested to be paid for through fund for transformation? If not, from where?

Response: The search firm for the Vice President search will be funded through the college strategic fund, not the Board designated Fund for Transformation. It's coming to the Board because it's over the \$35,000 threshold requiring Board approval. The search firm is being used because of the deemed importance of the position, national search, and solicitation ability of a search firm to seek out candidates.