

Budget Development Considerations



**Northwestern
Michigan
College**

Fiscal Year 2022 Update

5/17/2021

**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

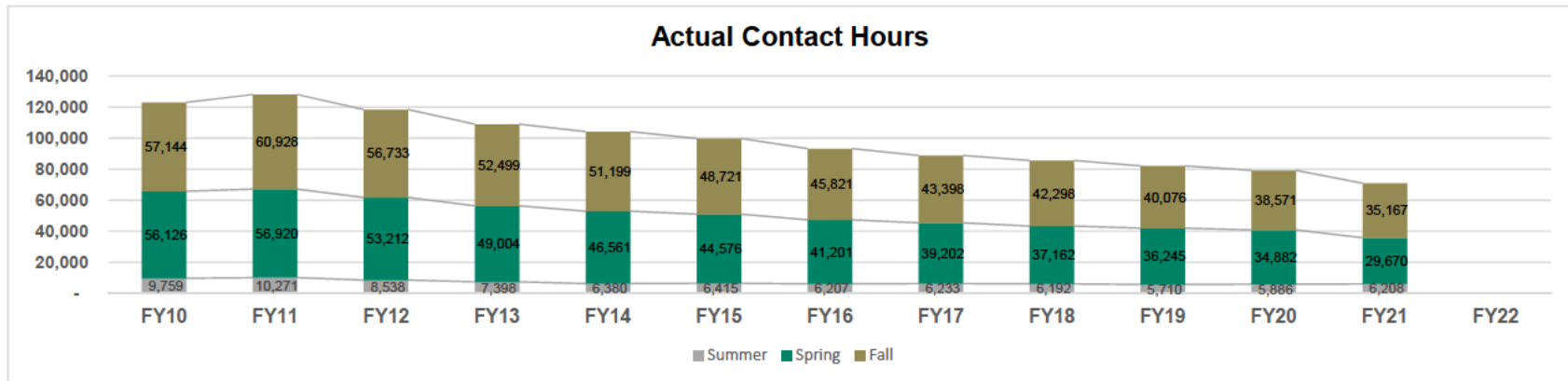
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Fall	52,592	60,670	62,038	56,560	52,623	50,084	49,292	42,193	41,922	40,861	38,999	33,145	33,823
Spring	50,497	56,769	57,443	54,964	50,290	46,449	44,689	39,615	37,330	35,479	35,252	29,733	30,305
Summer	7,242	8,460	9,849	8,205	9,090	7,294	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	
									BUDGET		DRAFT BUDGET	
	FY 17	% Incr.	FY 18	% Incr.	FY 19	% Incr.	FY 20	% Incr.	FY 21	% Incr.	FY 22	% Incr.
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%
Revenue History												
	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%
% of Revenue History												
	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

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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

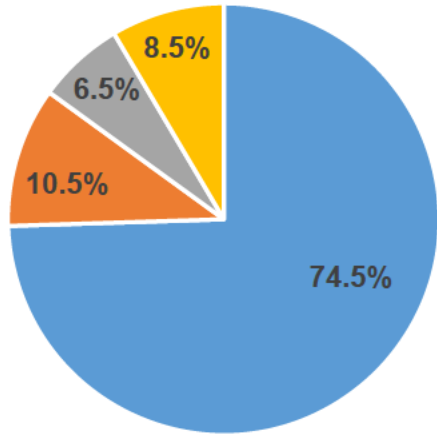
The **purpose** of NMC’s compensation system is to support the attraction, development, and retention of high-quality talent to fulfill the mission and vision of the college. Our comprehensive system includes pay, benefits, performance/recognition, development/career opportunities, and work-life components. 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

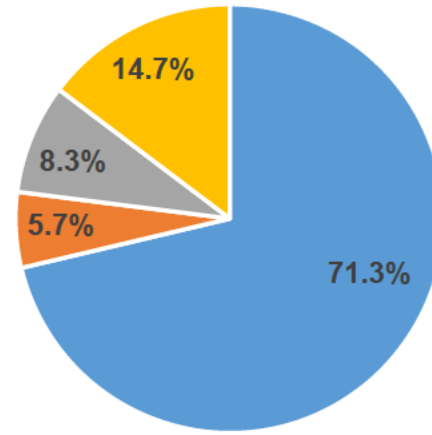
Percentage of Total Compensation Cost

2002 Actual



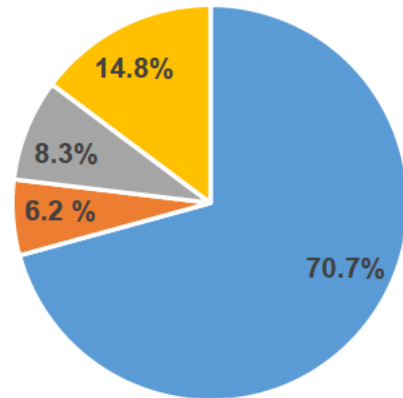
■ Salary ■ Miscellaneous Benefits ■ Health ■ Retirement

2020 Actual



■ Salary ■ Miscellaneous Benefits ■ Health ■ Retirement

2022 Draft Budget

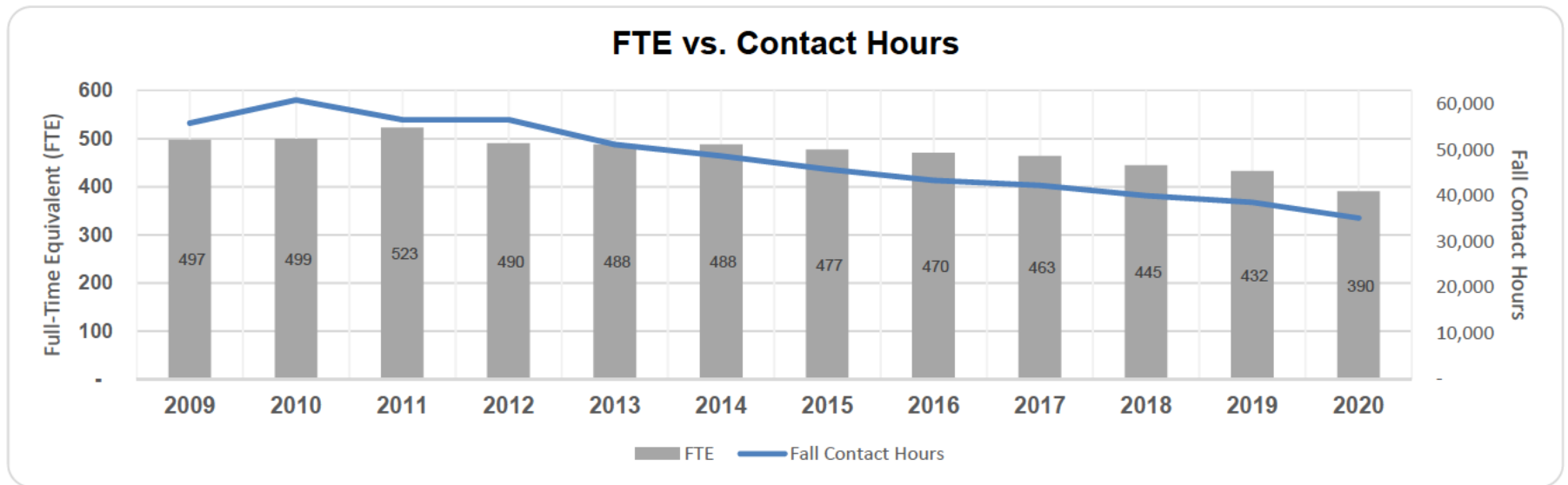


■ Salary ■ Miscellaneous Benefits ■ Health ■ Retirement

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		

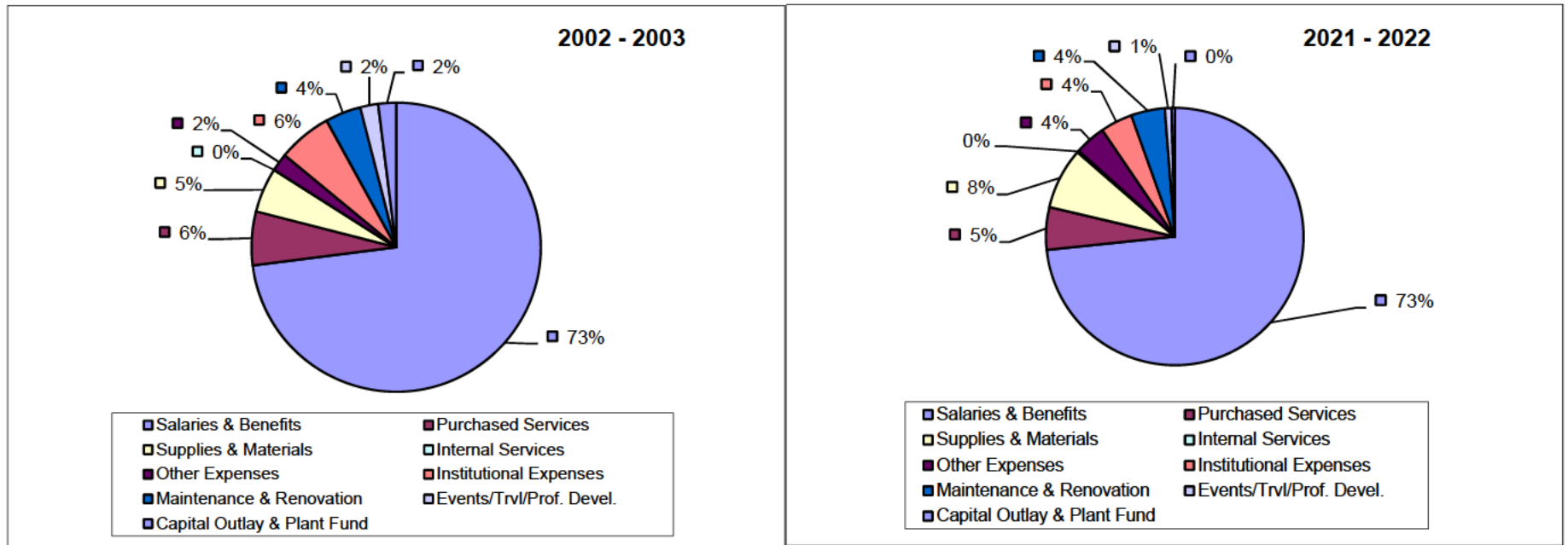
Expense Considerations

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

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