



Financial Advisory Council Meeting

Tuesday, January 24, 2006
Rio Salado College, Room 515
2:00 p.m. to 4:00 p.m.

MINUTES

Members Present: McCarthy Anum-Addo, Larry Christiansen, Jeanne Christen, Roy Cohen, Art DeCaboote, Ted Georgas, Rufus Gasper, Maria Harper-Marinick, Steve Helfgot, Maria Hesse, Jared Langkilde, Mark Mason, Robert Mendoza, Linda Rosenthal, Leann Swanson, Debra Thompson, Kevin Vahle, Yvonne Zeka

Guests: Sally Buxton, Lionel Diaz, Kim Granio, Susan Horner, Karen Johnson, Mike McIntier, Gaye Murphy, Jane Saldana-Talley, Jian Zhang

Welcome and Introductions: Everyone was welcomed to the meeting.

Agenda Items:

December 6, 2005 Minutes– The December 6, 2005 FAC minutes were approved.

FY2007 State Aid Recommendations/Legislative Issues (Attachment B) - Gaye Murphy, Associate Vice Chancellor Business Services, have a brief presentation on legislative issues. She pointed out HB2656 which would establish a work study program for community college students, with a \$5-million initial appropriation.

Gaye also mentioned that there were two bills not in the Attachment (HB2685 and SB1289) which were amendments to Truth in Taxation that could affect MCCCDC. In summary, these bills would require approval from voters if a governing body anticipated an increase in the primary property tax levy. The bills propose that this vote would take place during May elections in odd-numbered years; therefore, ballot information would need to show what increase is proposed for each of the two years between elections. The good news is that these bills affect not only MCCCDC, but also Cities and Towns; therefore, we should have lots of friends to lobby against these bills.

Gaye noted that JLBC has recommended full funding for Arizona's community college as well as enrollment growth funding for FY2007. As shown on Attachment B, page 3, Maricopa's proposed Operating State Aid for FY2007 is \$57,528,300 (a \$1000 higher than anticipated—assumed this is due to rounding); the Capital State Aid is proposed at \$11,421,900.

FY2007 District Office Request for Positions Supporting the 2004 Bond Program. Attachment C shows FAC approved staff in FY0506 and additional staff requested in FP&D and Business Services in FY2006-07 and FY00708. Lionel Diaz, Associate VP Capital Planning, briefly discussed the 1994 bond issue and handed out historical data showing the measure of output for FP&D from FY97 through FY95 related to that bond issue. He pointed out that the amount of work did not drop significantly after the 10-year bond for 1994. Council members discussed the importance of allowing colleges to request

operating funds in advance, the cost of hiring consultants, and the increased efficiency of hiring MCCC staff to handle new project preparation as well as building renovations and maintenance related to the bond program.

Chancellor Glasper noted that he would like to amend the proposal to only one year (FY0607) given the current status and possibility that enrollment further decreases, which may affect the bond program. After discussion, there was consensus to approve the proposed staffing for both years, but would re-visit the FY0708 position request again next year.

Financial Aid Discussion (Attachments D and E)—Gaye Murphy discussed the State-Appropriated Financial Aid Program for Arizona Universities established in 1989 as the Arizona Student Financial Aid Trust (AFAT). It was noted that full-time university students pay a mandatory fee to AFAT; student contributions are estimated at \$3.5-million. The state contributes \$2.16-million to AFAT, an amount that has not grown since FY2003.

Gaye presented ASU's financial aid budget for FY0506, as shown on pages 2 and 3 of attachment D. It was noted that about 14% of ASU's resident tuition is set aside for financial aid. Council member, Linda Rosenthal commented that there was pending legislation prohibiting student fees which pay for student scholarships. Although the AFAT and ASU material does not impact Maricopa, it was presented as background information.

Gaye also presented historic and projected tuition, fee and scholarship information for Maricopa. Attachment E- page 1 shows that the percent scholarship of total tuition & fees has increased from 3.8% in FY2000-01 to a projected 6% in FY2006-07. Council discussed various scholarship-related issues including the percentage changes and increased enrollment of financial aid recipients at colleges. It was suggested that perhaps the Council should establish a policy to 'limit' the percentage given for scholarships, so that this funding could be used for other needs. It was suggested that the FAC Subcommittee could review this material and provide a benchmark recommendation to the Council.

FY 2007 Tuition and Fees Discussion (Attachment F) – Vice Chancellor Debra Thompson pointed out that the Council would need to take action on the following tuition/fee proposals as preparation for the upcoming CEC meeting:

- 1) Resident Tuition increase of \$5 from \$60 to \$65 per credit hour;
- 2) Out-of state Tuition increase of \$17 from \$198 to \$215 per credit hour;
- 3) Registration fee increase of \$10 from \$5 to \$15 per semester. [This is the revised recommendation from the Subcommittee; last month's discussion showed an increase of only \$5. It was also pointed out that the extra \$5 increase would go back to the colleges as revenue to possibly offset credit card charges.]

It was noted that the Out-of-County is set by state formula and that this assumes that the Property Tax can still be set at the maximum 2% increase (without changes as proposed by the 2 new bills).

There was considerable discussion on the ramifications of another tuition increase, the declining enrollment numbers, reduction of expenses in place of increased tuition, lack of parking as a deterrent for students attending Maricopa, increased information distribution on student financial aid and other factors which may affect student enrollment and tuition revenue.

President Arthur DeCaboooter moved that the Council support the recommendation of the 3 increases with "reservations" on the Resident Tuition increase of \$5. The Council approved this motion.

Plus / Delta

- + Handouts very interesting
- + Good attendance
- + Kudos to Gaye Murphy
- Noisy drilling

Next Meeting February 7, 2006, from 2:00 p.m. to 4:00 p.m. at RSC, room 515