



Financial Advisory Council Meeting

Tuesday, October 11, 2005

Rio Salado College, Room 515

2:00 p.m. to 4:00 p.m.

MINUTES

Members Present: Alyssa Brown, Karen Chalmers, Larry Christiansen, Jeanne Christen, Roy Cohen, Ted Georgas, Rufus Glasper, Maria Harper-Marinick, Steve Helfgot, Maria Hesse, Jared Langkilde, Mark Mason, Robert Mendoza, Linda Rosenthal, Les Strickland, Leann Swanson

Guests: Lulut Clow, Jerry Davis, Susan Horner, Andrew Huhn, Dianne Johns, Page Gonzales, Jim Moore, Gaye Murphy, Matt Ortega, Janet Ortega, Jane Saldana-Talley, Jian Zhang

Welcome and Introductions: Everyone was welcomed to the meeting. Several new guests were introduced and welcomed to their first meeting. **New guests:** Jerry Davis, VP Admin Services MCC and Jian Zhang from Suffolk Community College.

Agenda Items:

September 6, 2005 Minutes – The September 6, 2005 FAC Minutes were approved.

Legislative Overview – Matt Ortega

- a) FY0405 Wrap up – Mr. Ortega gave a presentation on some of the items considered in last year’s Legislative sessions including the following:
 - Formula funding for Community Colleges with State Aid totaling \$152M (MCC received \$54M);
 - Arizona State Retirement rate increase (reduced to 1.7% increase for FY0506);
 - Corporate Property tax assessment ratio reduced from 25% to 20% over 10 year period (0.5% reduction per year);
 - Dual Enrollment Program seen as “double dipping”(D. Thompson instrumental in helping re-educate Legislative members on this issue);
 - Baccalaureate degree at Community Colleges with various issues that would affect MCC (curriculum changes, limited # of colleges to offer, funding etc). An Ad Hoc Legislative committee was formed to do preparatory hearings for the upcoming sessions. Arizona Community College Association is sponsoring public forums for discussions regarding Baccalaureate degrees; Maricopa will sponsor 3 forums to be held October 17 (PC), October 19 (GCC) and October 20 (MCC). Each forum will be held from 4-5:30 p.m. for the college and 7-9 p.m. for the community. The forums will be taped and broadcast on MCTV.
- b) FY0506 Planning – Mr. Ortega noted that the gubernatorial election will have an impact on Legislative bills/timing for the upcoming session. He also mentioned some of the issues that will most likely be presented in the upcoming year:

- State revenue projections are good (up about 18.7%), so discussions on how this extra money will be distributed are expected;
- The passing of MCCC'D's bond issue in November angered some Legislative members, so bills be introduced in the upcoming year that are less supportive of education (anti-Revenue bond; anti-dual enrollment, anti-non-credit, etc);
- Can also expect border patrol and anti-immigration legislative discussion (checking of ID's has a negative and costly impact to MCC);
- Baccalaureate degrees at Community Colleges/the proposed Legislative Super Board in place of Governing Board/ State-sponsored Financial Aid are also major topics related to education. MCC President Larry Christiansen gave a brief summary of how the Joint Conference Committee (JCC) is making 6 recommendations to the Legislature regarding baccalaureate degrees at state colleges/universities. Chancellor Rufus Glasper also commented on JCC and Board of Regent's actions on these issues; the P-20 group hopes not to have to get involved in these discussions.

Mr. Ortega noted that Legislative members need to hear from faculty and students on educational issues and that their involvement can be very positive for MCCC'D.

Self-Insured Program – Dianne Johns - Handouts were provided summarizing the initial 3 months under the self-insured program. Ms. Johns also presented some issues on ID's, Express Scripts and the proposed 10% increase for FY2006-07 [est. \$31 million]. It was noted that 6 months of data would provide a better projection, so medical costs will be monitored.

Property Tax Overview – Andrew Huhn (Attachment B) – Mr. Huhn handed out a property tax summary explaining Arizona's classes of property, primary/secondary assessments and growth limits, an example comparing residential and commercial tax levy, the maximum levy allowed for MCC (2% on primary levy), and a property tax calendar.

A comment was made that taxes are not keeping pace with our expenses. Phenomenal growth in student enrollment and our expenditure limitation complicates this even further.

Background for Tuition Discussion- Larry Christiansen (Attachments C & D) – Mr. Christiansen noted that the Joint FAC committee would be bringing forward tuition recommendations in the near future, so the attachments were provided as background information in advance. The handouts included a chart and spreadsheet comparing MCC tuition/fees from FY97 to FY06 with ASU, WICHE and the National Average, Institutional Scholarships, charts show # of recipients and amounts of MCC financial aid over past five years, Historic Financial Aid Awards by type, and a summary of Maricopa Foundation Scholarship Awards from 1987-88 through 2004-05.

A comment was made that the proposed FY2006-07 scholarships increased over 27% and there is concern about the balance of aid and tuition increases.

Plus / Delta

+ Great overview on Legislature

Next Meeting / November 8, 2005, from 2:00 p.m. to 4:00 p.m. at RSC, room 515