



**Financial Advisory Council Meeting**

Tuesday, December 6, 2005  
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, Carnella Hardin, Maria Hesse, Jared Langkilde, Mark Mason, Linda Rosenthal, Les Strickland, Leann Swanson, Debra Thompson

**Guests:** Lulut Clow, Lionel Diaz, Jerry Davis, Chad Douwstra, Augustine Erpelding, Kate Dillon Hogan, Susan Horner, Karen Johnson, Mike McIntier, Jamie Moore, Gaye Murphy, Jane Saldana-Talley, Arlen Solocheck.

**Welcome and Introductions:** Everyone was welcomed to the meeting. Several new guests were introduced and welcomed to the meeting, including McCarthy Anum-Addo, the student representative from Chandler-Gilbert.

**Agenda Items:**

**October 11, 2005 Minutes**– The October 11, 2005 FAC minutes were approved.

**Update – Maricopa/ASU Alliance-** Kate Dillon Hogan, District Director Transfer and Articulation, gave a presentation and handouts on the status of the ASU/MCCCD Alliance. There were various questions and discussion regarding course transfers, reverse transfer from ASU to MCCCD, NAU, success rate of our students at ASU, and other alliance-related issues.

**Update – 2004 Capital Development Plan.** Lionel Diaz briefly discussed the \$951-Million approved capital Bond approved by voters and showed a flow chart of the 81 projects for the next 10 years. Arlen Solocheck handed out a list of the major capital projects at the colleges which included square footage, budgeted amount, projected start and end of construction dates for each project as of December, 2005. Mike McIntier discussed land purchases in several new locations, the high cost of real estate and difficulties in purchase negotiations for land.

**Revised Operating Cost Estimate for Mesa Science Building** – The council reviewed and discussed the FY2005 and FY2006 Bond Project Schedules--Attachment B shows CDAC-approved changes (in red) plus requested changes that had not yet received CDAC approval (in blue); Attachment B1 shows the original FAC-approved projects with square footage and estimated operating costs. Gaye Murphy pointed out that among the requested changes was the Mesa Science Building project, which almost doubled in size/cost. Larry Christianson discussed the need for combining two Mesa projects which resulted in the size and estimated cost increases; these changes will better meet student needs.

FAC approved these changes; these will now go to CDAC. Bond-related staffing information will be provided for the January FAC meeting.

**FY 2007 Tuition and Fees Discussion** – The council reviewed handouts (Attachment C) which show the following: historic and projected tuition rates, registration fee, graduation fee, financial aid and scholarship information. This is background material for the 3 proposals to be discussed: 1) Tuition increase of \$5 per credit hour; 2) Registration fee increase of \$5 (this has not been raised for many years); 3) Elimination of the \$5 Graduation fee.

The Subcommittee's proposal to eliminate the graduation fee was because this may have been a factor for some students to forego getting their Associate Degree. It was noted that students should, however, pay a commencement fee if they attended the ceremony. It was also suggested that we change the title to read "graduation ceremony fee". Comments were made regarding a fee to offset the cost of "the piece of paper" showing the degree completion, particularly if it were "stylish". Since there was no dissent about the graduate fee elimination, this will be taken to the VP Student Affairs committee.

Council members also received a handout of Table 5 from the 15-year Financial Plan, which shows for FY 2006-07 projected revenue increases of \$36.6 million, potential expenditures of \$38.97-million, and a total deficit of \$2.35-million. Council was reminded that the projected revenue included the proposed \$5/cr hour tuition increase and the \$5 registration fee increase. It was also pointed out that the potential expenditures included credit card charges, which were growing plus Meet & Confer estimates, which would be addressed by the Board.

There was considerable discussion on the ramifications of another tuition increase, resolving the projected deficit of over \$2-million and other related issues noted on Table 5. Since there did not seem to be a consensus about tuition and registration increases, it was decided that this topic would be tabled to the January 24 FAC meeting.

**FY 2007 Expenditure Limitation Discussion** – Each year an expenditure limitation is set for political subdivisions of the State of Arizona, including the Maricopa Community Colleges. Maricopa's expenditure limitation is based on our base FY79-80 budget of approximately \$52 million inflated by the GDP deflator (inflation adjustment) and a projection of FTSE (growth adjustment). The MCCCCD must set the FTSE level to be used in the FY0607 Expenditure Limitation; the preliminary estimate is due to the EEC in early January and the final number in March.

Currently FY0506 Expenditure Limitation is \$398,312,386 based on 87,000 FTSE. The FAC Subcommittee recommends that we submit the FTSE for FY06-07 at the same level as FY05-06. FTSE for the current year is around 75,000, so there is a considerable buffer with this submission. Council agreed on the 87,000, so it will be moved forward to CEC and to EEC.

**Update - Proposition 301 Process** – Beginning in FY2006, the CEC revised the Proposition 301 allocation process. Under the new process, each college and skill center will receive a \$50,000 base allocation. The most recently established colleges will receive a \$50,000 supplemental allocation (CGCC, EMCC, PVCC, and SMCC). The balance of allocable funds will be distributed to colleges and skill centers on the basis of the annual occupational FTSE enrollment beginning with FY2004. Colleges may carry forward unexpended Proposition 301 fund balances. Because the sales tax increase supporting Proposition 301 expires in 2020, colleges and skill centers may not add permanent FTE positions with proposition 301 revenues. Any and all positions added will be specially funded and any need for the college to transition these positions or programs funded

by Proposition 301 will be funded by a reallocation of college resources or come through the district wide budget process.

While the CEC changed the Proposition 301 allocation method to the colleges and skill centers, Maricopa must continue submitting the statutorily mandated report to the Arizona Department of Commerce. Colleges and Skill Centers were asked to submit FY2006 Workforce Development and Job Training Plans via a specially-designed form, so we can track funding for the Annual Report. The information will also be used to allocate funding for the estimated FY2007 Prop 301 revenues, which will be reviewed by FAC and presented to the CEC.

**Plus / Delta**

- + Good reports
- + Excellent Alliance update
- + Good discussion on tuition increase
- + Good to readdress the registration fee
- + Good support from Gaye Murphy
- Poor attendance

**Next Meeting** / January 24, 2006, from 2:00 p.m. to 4:00 p.m. at RSC, room 515