



Financial Advisory Council Meeting

Tuesday, February 8, 2005

District Office, Governing Board room

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

MINUTES

Members Present: Jan Binder, Carol Clark (RSC Student), Roy Cohen, Carnella Hardin, Maria Harper-Marinick, Steve Helfgot, Maria Hesse, Frank Laborin (PC Student), Jim Moore, Kristine Ouzts, Linda Rosenthal, Trevor Smith (CGCC Student), Les Strickland, Debra Thompson, Kevin Vahle, Yvonne Zeka

Guests: Carl Couch, Lulut Clow, Joyce Elsner, Mark Mason, Gaye Murphy, Mark Velarde

Welcome and Introductions: Everyone was welcomed to the meeting.

Agenda Items:

January 25, 2005 Minutes – The January 25, 2005 FAC minutes were approved.

FY06-07 Budget Process Proposal (Action Item) – The council reviewed and discussed the most recent revision of the FY06-07 Budget Process and provided final comments and suggestions for the draft. One final suggestion was made to add the reference to cost efficiency back to item D.4. prior to submitting to CEC.

With the addition to item D.4., the council made a recommendation to move the document forward to CEC. The final process will be implemented in FY05-06 for the FY06-07 budget planning year.

Update Capital/G.O. Bond Program: (Information Item) – Maricopa Community College's has an appearance scheduled for February 9th with the JCCR regarding our bond program. We are hoping for a favorable review. We expect the Governing Board to award a contract to an underwriter at its February 22nd Board meeting and that firm will purchase and sell \$190,270,000 in bonds, of the total authorization from the voters for \$951,359,000. As the implementation of the program progresses, additional bonds will be sold.

The District achieved an affirmation of two AAA ratings (From Fitch and Moody's) and was upgraded to AA+ by Standard and Poor's (one notch below the highest rating of

AAA). Only a handful of the more than 1,200 community colleges in the nation have such a high credit rating.

Legislative Issues Update: (Information Item) – The council was provided with a summary of pending legislation that has potential of impacting Maricopa Community Colleges.

S/E amendment to HB 2465: new language creates a state nursing demonstration project. Continuation to SB 1260 passed 2 years ago requiring community colleges and universities to double the number of available nurses in the state by 2008. The bill calls for new state funding (\$20 million) and commits the state to asking a similar dollar amount from Congress.

SB 1189 Budget Process; Revenue Reporting: requires that state budget units, cities, school districts, universities and community colleges report annually all revenue received from all fund sources to the JLBC.

SB 1385 Community College Boards; Term Limits, SB 1389 Community College Board Members: 1385 limits community college board members to 2 consecutive terms; 1389 restricts board members from holding office hours on college campuses.

HB 2538: if public construction results in business losses, and owner may recover damages in compensation for the losses. Legislation may have impact on MCCCDC's capital projects.

Issues/Upcoming:

Dual Enrollment: Government Relations staff, college officials and K-12 administrators will be meeting with Rep. Andy Biggs regarding his concerns and legislation related to student preparedness for dual enrollment courses.

Business Property Tax/25% Assessment Ration: Government Relations is working with Business Services to determine the impact of this 5-year phase-down of corporate property taxes from 25% to the proposed 20%.

Baccalaureate Degree: HB 2385 may be heard on February 15th in House UCCT.

The council paid particular attention to House Bill 2385, the Baccalaureate Degree Bill, as it relates to the work being done by the Baccalaureate Degree Committee. The BA Degree committee reviewed the bill and took into consideration Rio Salado College leadership's initial review of HB 2385 and it appears that the problematic aspects of the bill will be revised.

There was also a recommendation from CEC to add members to the BA Degree committee instead of creating a new one to review financing issues associated with the proposed bill. The committee reviewed financial information for Arizona's universities and conversations with other community colleges that offer the baccalaureate degree.

A point was made that the baccalaureate committee was started as a subcommittee of FAC, however, there are other ramifications to consider beyond financial. There needs to be a discussion on expanding the committee while remaining mindful of who needs to be brought in before moving much further.

Pending legislation is being observed closely and FAC will continue to be informed of any changes impacting Maricopa Community Colleges. In addition, the council will continue to be updated on the Baccalaureate Committee's progress.

Other Items: There were no additional items added to the agenda.

Plus / Delta

+ Done Early

- Poor attendance

+ Informative BA Degree Discussion

Next Meeting / April 5, 2005, from 8:00 a.m. to 10:00 a.m., Governing Board Room