



Financial Advisory Council Meeting

Tuesday, September 25, 2007
Rio Salado College, Room 515
2:00 p.m. to 4:00 p.m.

MINUTES

Members Present: Carol Dichtenberg, Ted Georgas, Rufus Glasper, Carmen Gonzales, Maria Harper-Marinick, Steve Helfgot, Maria Hesse, Mark Lacey, Jared Langkilde, Mark Mason, Linda Rosenthal, Dennis Shaw, Jim Simpson, Debra Thompson, Yvonne Zeka, Stephen Zipperer

Staff/Guests: Tony Asti, Lulut Clow, Lionel Diaz, Ronnie Elliot, Joyce Elsner, Susan Horner, Charles Jeffrey, Gaye Murphy, Sue Tavakoli, Mark Velarde

Welcome and Introductions: Everyone was welcomed to the meeting. Debbie pointed out the posted Ground Rules, Roles, and Vision Statement to the Council.

Agenda Items:

August 15, 2007 Minutes – The August 15, 2007 FAC minutes were reviewed and unanimously approved.

15 Year Financial Plan (Information Item) – Gaye gave a general overview of the Maricopa Financial Plan FY2003 Through 2017. The financial plan is an evolving document and necessary revisions will be made. This year’s financial plan was created using June to June inflation increases.

- There was clarification to a question from one of the member who asked “has a cost of living increase (COLA) and a step has always been the norm?” And “is this contingent upon a tuition increase?” The response was that “contingent” was too strong to accurately describe the matter. Currently we are financially strapped due to decreases in enrollment which results in no additional State Aid funding. Increasing tuition does not necessarily mean that we are able to give COLA’s and steps each year, there are many other factors involved.

Some ideas for balancing the budget were shared among the members:

- *Faculty retirement incentives.* This is too costly of an incentive for Maricopa to offer based on past estimates. It was stated that if incentives were offered it would be in the form of a bonus pay out or lump sum payments. It was mentioned that

retirement incentives do not always offer us upfront savings rather they usually provide future savings.

- *Time management review and changes.* If we compare Maricopa to other institutions world-wide, our MAT employees work 50-60 hours a week which is a norm across the country for management positions. We need our management personnel to review where their time is spent and see where we can make improvements.
- *Cost of Living Increase.* There has been past discussions on this subject that were not received well. Maybe the higher level paid employees, such as those making over \$100,000 would be willing to forfeit a cost of living increase. We could use a tied system where the higher paid employees didn't receive a percentage across the board as in the past. Instead, the lower level employees would get the cost of living increases.

New Facilities Operating Support (Action Item) – The Council reviewed the document - Table 1 “Maricopa Community Colleges Operating Costs Seeking FAC/CDAC Approval in FY2007-08 Bond Projects” that was distributed. Debbie shared some background information for the new FAC members to better understand the Bond Projects. There was consensus by the Council to approve the following:

A. Project Reaffirmation before Construction

1. CGCC: William's General Classroom and Healthcare Building
2. PCC: Parking Garage and Security Offices
3. PCC: Fine Arts Building/ Operations and Maintenance Building
4. PVCC: Education Center with YMCA Science Building
5. PVCC: Science Building
6. SCC: New Science Building / Remodel existing Science Building

B. Operating Support for new 2004 Bond Supported Facilities

1. EMCC: Occupational Programs Facility (Mariposa Hall)
2. GCC: Business and IT Building Remodel
3. MCC: Purchase Harkins/Fuddruckers Building
4. MCC: Science Building Remodel
5. SCC: General Classroom Building

C. Operating Support for New Facilities Not Acquired with Bonds

1. CGCC: William's Airplane Hanger
- There was discussion at the last FACJC meeting about additional review required for projects where enrollments are declining. The FACJC held one project for further discussion, and forwarded the remaining projects for FAC review.
 - A correction was noted for the General Studies Complex project at CGCC – the new General Classroom project stands alone and has not been combined with the IT Complex as one project.
 - Operating costs will be submitted to FAC semi-annually. A similar package of data will be prepared by the Budget Office and submitted to FAC for the January 2008 meeting. This package will identify projects that will need conceptual

approval or project reaffirmation prior to September 2008. It was noted that the Council will have to revisit these projects at that time and see how things are going to be able to make future decisions.

Proposed Faculty Allocation (Information Item) – Gaye briefly reviewed the highlights of the proposal. In the past we have generally allocated funds for faculty positions. This year’s proposal is a modified approach because of limited resources as a result of declining enrollment. This is a modest recommendation which requires the colleges to match some of the funded positions. This year’s faculty allocation is built around growing colleges. A request was made to change the Financial Plan to show 7 faculty allocations instead of 10.

- There was discussion among the members regarding Maricopa as “One Maricopa”. We need to collaborate our efforts at all colleges. Right now we are ten colleges and a District, not a system. We would be much more effective as a single system.
- Some colleges are already looking for ways to cut costs such as not replacing faculty in overstaffed departments and not replacing retired faculty when possible.
- In an effort to balance the budget we have been looking at the possibility of transferring employees out of necessity. The Chancellor encourages use of our transfer policy. Our transfer process has usually not been used as effectively and efficiently as it could be. It is not an easy task when it comes to transferring personnel from college to college due to changes in faculty load demands. We need to be open to the chance of personnel transfers if necessary. For the colleges that are not making load there could be faculty that would be transferred to another college that has the need for faculty. These are just possibilities that we are exploring at this time.

Report on Course Fee Work Group (Information Item) –

A draft document “Maricopa Community Colleges – Special Course Fees Guidelines” was distributed to the Council. During the summer a special workgroup was created to work on the issue regarding special course fees at Maricopa. The committee is chaired by Gaye Murphy and members include Carl Couch, Randy Kimmens, Kathy Kunath and Dennis Shaw. The committee met during the summer to discuss the issues surrounding special course fees and developed the draft document on special course fees. The draft document was distributed to the Financial Advisory Council Joint Subcommittee at the last meeting, but the committee did not have enough time on the agenda for review or discussion on the document. The draft document has been submitted for review and comment to the VP’s for Academic Affairs and the Administrative Services Council. Gaye is currently receiving comments and the Course Fees Workgroup will meet again in October to review and incorporate the recommendations. Gaye will report back to the Council as the process progresses.

- The guidelines document is an attempt to put together a system to guide the colleges regarding their special course fees.
- There are currently two uses for special course fees: consumables and big-ticket specialized items and equipment.
- We want the guidelines to ensure that every course fee that is charged is justified and properly documented.

- Special course fees should be related to a specific course to be allowed to impose a course fee. If this is not the case, then the cost should be included in the cost of tuition.
- The guidelines will provide colleges with suggestions on how to plan for resources at the end of the semester using the remaining monies charged for special course fees.
- This new guideline document will require some accounting changes as well as well documented mandatory equipment replacement plans.
- A request was made to add the words “learning centers” under item number 2 of the Overview section of the document.
- It was mentioned that ASU charges many different course fees. We face a challenge being that ASU is able to offer undocumented students free tuition but realize we don’t get the same funding as state universities do.
- At this time MCCCDC is at the average tuition rate for a 2-year institution.

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

Plus / Delta

- + Ted
- + lively discussion
- + courageous discussion

Meeting Adjourned: 3:50 p.m.

Next Meeting: Tuesday, October 23, from 2:00 p.m. to 4:00 p.m. at Rio Salado College in Room 515