

**Maricopa Community Colleges
Financial Advisory Council (FAC)
March 12 – DO, Governing Board Room
3:00 p.m. – 5:00 p.m.
Meeting Minutes**

Members:

Daniel Corr, Carl Couch, Bill Crawford, Gay Garesche, Ted Georgas, Gene Giovannini, Rufus Glasper, Jane Leaf Miller, Maria Harper Marinick, Jim Neuenfeld, Deanna Prichard, Fred Reill, Jim Simpson, Debra Thompson

Guests:

John Moll, Alan Maguire, James Tierney

Staff:

Lulut Clow, Gaye Murphy

Welcome:

FAC Members and Staff introduced themselves.

21st Century Budget Process Recommendation – Debra Thompson: FAC members asked if there will be any report from 21st Century Steering Teams that summarized the work in progress and how the Teams processes will make a connection to FAC.

U.S & Arizona Economies – Alan E. Maguire, The Maguire Company:

Alan Maguire, an Economist from The Maguire Company provided presentation on the status of U.S and Arizona Economies. Highlights of his presentation include:

- **National Economy:** the decline in the U.S recession and economic activity has slowed but not over yet and non-governmental job creation is still negative. It is likely that unemployment will rise another point and underemployment will remain high. The prospects of employment are negative in the medium-term, and will permanently lower employment and incomes in the long-term. The status of US recovery is still lack of job creation, underemployment, and governmental policy risks. In the banking and finance crisis, the Federal Reserve has extremely competent leadership and had made successful actions. The banking system is reasonably stable.
- **Arizona Economy:** The decline in economic activity has slowed but continues to decline. Like the national economy, non-governmental job creation is still negatively strong, unemployment will likely to rise, and the underemployment will remain high. The employment prospects are still negative in the medium-term and will permanently lower employment in the long-term. Arizona

economic recovery will lag national recovery and could go at least to 2013 to 2015 until we will see stability.

- **Impact to Maricopa:** Current Arizona State deficit is between \$1-2 billion and will increase to \$3-4 billion next year. State Aid is at risk and will be permanently lower. As result of strong fiscal system control, extremely experienced senior managers, excellent financial planning and budgeting, Maricopa financial structure is better than the State of Arizona. Maricopa's two revenue sources from Tuition and Fees and Property tax levy are much more stable than State revenues. The State Aid support dependent on State appropriation and will directly impacted by State situation. In summary, Maricopa is financially strong with some challenges.

Future Agenda Items: Budget Process discussion and Flexible Budgeting.