



**Financial Advisory Council (FAC)
April 4, 2006
Mesa Community College
Library and High Technology Center, Room 145
2:00 p.m. – 4:00 p.m.**

Agenda

1. Welcome
2. Ground Rules
3. Meeting Minutes January 24, 2006 – Attachment A
4. Allocation method for \$1.8 million from \$5.00 Registration Fee increase – Attachment B
5. FY 2007 Financial Aid Criteria discussion -- Attachment C
6. 2004 Capital Development Program
 - a. FY 2007 Early Operating Draw Request – Attachment D
 - b. FY 2007 Operating support for 2004 Capital Development Program Facilities – Handout
7. Employee Lease Back – Attachment E
8. Proposed FY 2008 Budget Development Calendar – Attachment F
9. Plus / Delta

Next Meeting: April 25th, 2-4 p.m. at Rio Salado College, Room 515



Financial Advisory Council Meeting

Tuesday, January 24, 2006
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 DeCabooter, Ted Georgas, Rufus Glasper, Maria Harper-Marinick, Steve Helfgot, Maria Hesse, Jared Langkilde, Mark Mason, Robert Mendoza, Linda Rosenthal, Leann Swanson, Debra Thompson, Kevin Vahle, Yvonne Zeka

Guests: Sally Buxton, Lionel Diaz, Kim Granio, Susan Horner, Karen Johnson, Mike McIntier, Gaye Murphy, Jane Saldana-Talley, Jian Zhang

Welcome and Introductions: Everyone was welcomed to the meeting.

Agenda Items:

December 6, 2005 Minutes– The December 6, 2005 FAC minutes were approved with the correction that Council member Yvonne Zeka was not present at the meeting.

FY2007 State Aid Recommendations/Legislative Issues (Attachment B)- Gaye Murphy, Associate Vice Chancellor Business Services, have a brief presentation on legislative issues. She pointed out HB2656 which would establish a work study program for community college students, with a \$5-million initial appropriation.

Gaye also mentioned that there were two bills not in the Attachment (HB2685 and SB1289) which were amendments to Truth in Taxation that could affect MCCCDC. In summary, these bills would require approval from voters if a governing body anticipated an increase in the primary property tax levy. The bills propose that this vote would take place during May elections in odd-numbered years; therefore, ballot information would need to show what increase is proposed for each of the two years between elections. The good news is that these bills affect not only MCCCDC, but also Cities and Towns; therefore, we should have lots of friends to lobby against these bills.

Gaye noted that JLBC has recommended full funding for Arizona's community college as well as enrollment growth funding for FY2007. As shown on Attachment B, page 3, Maricopa's proposed Operating State Aid for FY2007 is \$57,528,300 (a \$1000 higher than anticipated—assumed this is due to rounding); the Capital State Aid is proposed at \$11,421,900.

FY2007 District Office Request for Positions Supporting the 2004 Bond Program.

Attachment C shows FAC approved staff in FY0506 and additional staff requested in FP&D and Business Services in FY2006-07 and FY00708. Lionel Diaz, Associate VP Capital Planning, briefly discussed the 1994 bond issue and handed out historical data showing the measure of output for FP&D from FY97 through FY95 related to that bond issue. He pointed out that the amount of work did not drop significantly after the 10-year bond for 1994. Council members discussed the importance of allowing colleges to request operating funds in advance, the cost of hiring consultants, and the increased efficiency of hiring MCCCCD staff to handle new project preparation as well as building renovations and maintenance related to the bond program.

Chancellor Glasper noted that he would like to amend the proposal to only one year (FY0607) given the current status and possibility that enrollment further decreases, which may affect the bond program. After discussion, there was consensus to approve the proposed staffing for both years, but would re-visit the FY0708 position request again next year.

Financial Aid Discussion (Attachments D and E)—Gaye Murphy discussed the State-Appropriated Financial Aid Program for Arizona Universities established in 1989 as the Arizona Student Financial Aid Trust (AFAT). It was noted that full-time university students pay a mandatory fee to AFAT; student contributions are estimated at \$3.5-million. The state contributes \$2.16-million to AFAT, an amount that has not grown since FY2003.

Gaye presented ASU's financial aid budget for FY0506, as shown on pages 2 and 3 of attachment D. It was noted that about 14% of ASU's resident tuition is set aside for financial aid. Council member, Linda Rosenthal commented that there was pending legislation prohibiting student fees which pay for student scholarships. Although the AFAT and ASU material does not impact Maricopa, it was presented as background information.

Gaye also presented historic and projected tuition, fee and scholarship information for Maricopa. Attachment E- page 1 shows that the percent scholarship of total tuition & fees has increased from 3.8% in FY2000-01 to a projected 6% in FY2006-07. Council discussed various scholarship-related issues including the percentage changes and increased enrollment of financial aid recipients at colleges. It was suggested that perhaps the Council should establish a policy to 'limit' the percentage given for scholarships, so that this funding could be used for other needs. It was suggested that the FAC Subcommittee could review this material and provide a benchmark recommendation to the Council.

FY 2007 Tuition and Fees Discussion (Attachment F) – Vice Chancellor Debra Thompson pointed out that the Council would need to take action on the following tuition/fee proposals as preparation for the upcoming CEC meeting:

- 1) Resident Tuition increase of \$5 from \$60 to \$65 per credit hour;
- 2) Out-of state Tuition increase of \$17 from \$198 to \$215 per credit hour;
- 3) Registration fee increase of \$10 from \$5 to \$15 per semester. [This is the revised recommendation from the Subcommittee; last month's discussion showed an increase of only \$5. It was also pointed out that the extra \$5 increase would go back to the colleges as revenue to possibly offset credit card charges.]

It was noted that the Out-of-County is set by state formula and that this assumes that the Property Tax can still be set at the maximum 2% increase (without changes as proposed by the 2 new bills).

There was considerable discussion on the ramifications of another tuition increase, the declining enrollment numbers, reduction of expenses in place of increased tuition, lack of parking as a deterrent for students attending Maricopa, increased information distribution on student financial aid and other factors which may affect student enrollment and tuition revenue.

President Arthur DeCabooter moved that the Council support the recommendation of the 3 increases with ‘reservations’ on the Resident Tuition increase of \$5. The Council approved this motion.

Plus / Delta

- + Handouts very interesting
- + Good attendance
- + Kudos to Gaye Murphy
 - Noisy drilling

Next Meeting February 7, 2006, from 2:00 p.m. to 4:00 p.m. at RSC, room 515

Attachment B

Maricopa Community Colleges				
Proposed Allocation of \$1.8 million from Registration Fees				
FY 2006-2007 Budget				
		FY 2004-05		
College/Unit		Audited FTSE	Percent	Proposed Allocation
100	Phoenix College	6,908.0	10.2%	\$ 181,420
150	Glendale	11,104.8	16.4%	\$ 291,638
200	GateWay	3,703.0	5.5%	\$ 97,249
250	Mesa	15,125.5	22.4%	\$ 397,231
300	Scottsdale	6,396.1	9.5%	\$ 167,977
350	Rio Salado	11,574.3	17.1%	\$ 303,968
400	South Mountain	2,014.2	3.0%	\$ 52,898
450	Chandler-Gilbert	4,229.9	6.3%	\$ 111,087
500	Paradise Valley	3,970.7	5.9%	\$ 104,280
550	Estrella Mountain	2,587.4	3.8%	\$ 67,952
		67,613.9	100%	\$ 1,775,700

DRAFT DRAFT DRAFT

**Maricopa Community Colleges
Proposed FY 2007 Needy/At Risk and New Student Success Scholarships**

FY 2007 Scholarship Allocation Methodology

- 1) College will receive at least the same amount as provided in FY 2006.
- 2) Needy/At Risk Grants will not increase from the FY 2006 combined allocation of \$4,195,388. Colleges will allocate Needy/At Risk Grants to students under the same criteria used for FY 2006.
- 2) For FY 2007 an additional \$1,398,733 will be available for Student Success Grants planned by the colleges.
- 3) Student Success Grants will use the needy/at risk allocation method. This method provides that 40% of new funding will be allocated based on the colleges share of prior year Pell Grant awards, while 60% will be allocated based on the proportional share of house holds in poverty by zipcode based on the prior year total FTSE by Zip by College. The FY 2007 allocation uses the 2000 census as it remains the latest available
- 4) Colleges must submit a plan that identifies the criteria for allocating Student Success Grants. Colleges also must provide an evaluation of the Student Success Grant program in Spring 2008.

College	Proposed Student Success Grants			Needy/At Risk Grants			TOTAL
	HH in Poverty Based	Pell Grants Based	Total Students Success Grants	Financially Needy: HH in Poverty	At Risk: Pell Grant Based	Total Needy/At Risk Grants	Total FY 2007 Scholarships
Phoenix College	153,687	80,214	233,901	288,524	262,674	551,198	785,099
Glendale CC	121,944	98,320	220,264	255,131	365,447	620,578	840,842
GateWay	63,688	49,301	112,990	301,638	132,172	433,810	546,800
Mesa CC	155,384	126,967	282,351	311,118	337,786	648,903	931,255
Scottsdale CC	66,447	37,412	103,859	291,685	104,658	396,343	500,203
Rio Salado	154,159	41,388	195,547	405,604	61,860	467,464	663,011
South Mountain	36,664	35,465	72,129	163,015	154,353	317,368	389,498
Chandler-Gilbert	28,027	24,832	52,859	225,922	67,313	293,235	346,094
Paradise Valley	34,993	31,467	66,460	152,709	74,255	226,964	293,424
Estrella Mountain	24,246	34,127	58,373	121,886	117,638	239,524	297,897
TOTAL	839,240	559,493	1,398,733	2,517,233	1,678,155	4,195,388	5,594,121

Attachment D

PARADISE VALLEY COMMUNITY COLLEGE		Date Submitted:	6/28/05
FY 2007 Early Operating Support Request			
<i>Capital Project Title:</i>	New Classroom Building New Classroom/Biology Building	<i>Conceptual Approval Date:</i>	Fall 2006
		<i>Occupancy Date:</i>	June 2009
Position Request			
<i>Position Title:</i>	Manager, Building Operations	<i>Salary & Benefits Amount Request:</i>	\$75,227
<i>Class & Grade:</i>	MAT, Grade 16	<i>Start Date Request:</i>	Sept 1, 2006
Position Justification			
<p>The Facilities Services unit at PVCC is currently staffed by a Director of Facilities, an HVAC Technician, two Building Maintenance Technicians, one Groundskeeper, and 10 full-time custodians. An array of part-time custodians and contracted grounds services provide additional support. By FY06/07, we expect to add a third Building Maintenance Technician, an Electrician, a second Groundskeeper, and custodial services to cover our newly constructed Performing Arts Center.</p> <p>The first capital project at PVCC is in fact two projects in one, involving the construction of a 45,000 sf General Purpose Classroom building and a 28,700 sf Biology Lab/Classroom building. Both projects will require substantial staff resources to oversee and monitor the design and construction of two very different buildings, including working with contractors, architects, and college project teams. At the same time, the Facilities Services unit must continue to provide M&O, custodial and grounds services to the college.</p> <p>In order to meet this need, we request early operating funds to hire a Manager of Building Operations who may either oversee these two major construction projects, or plan, organize and direct the maintenance and operations for the college.</p>			

ACTIVE RETIREMENT VS LEASED RETIREES

Active Retiree	Leased Retiree
-----------------------	-----------------------

Eligibility

10 Consecutive Full-Time Years with MCCD and Receiving a Pension	5 or More Years of MCCD Service and Receiving Pension
Assignment Must Be Available	Assignment Must Be Available

Program Conditions

Work up to 49% (Can change % worked each year)	50%-100% Assignment – Supervisor has sole discretion to determine % needed
Length – Active Retiree up to 5 Years	Length – Up to 5 Years

Years of service in Active Retirement and Retiree Leaseback will be coordinated. Can be 5 years in either program or a combination of both programs.

(Checking to see if retiree can be 1 day in Active Retirement and Leased Retiree concurrently.)

Funding

College or Division Provides Funding	College Pays Leasing Fee
--------------------------------------	--------------------------

Salary

Hourly Salary on Position Being Performed	85% of Salary; Paid for Position Being Performed
---	--

Benefits

No Sick Leave	Leased - 1 sick day for every 2 months worked, holidays; no carryover
No Vacation	Leased – Try to give same number of vacation days to retiree which is same number accrued when employee retired. If leaseback company can't implement, retirees receive 20 days per year – use it or lose it – no carryover
\$1500 Flex	Leased – No Flex
Tuition Waivers for Retiree	Leased – No Tuition Waivers
Health – ASRS, Individual Policy	Leased – ASRS, Individual Policy
Forfeiture of Flex Credits for COBRA Enrollment	Leased – If retiree enrolls in COBRA, salary reduced to 75%

Miscellaneous

If leaseback retiree works less than 100% schedule, salary and benefits are pro-rated.

Mentoring can be a part of leased retiree's assignment, but not in addition to.

Social Security and Medicare taxes will be deducted from leased retiree's check; only Medicare is deducted from Active Retiree's check due to government agreement between MCCCCD and Social Security Administration.

EBAC's Response to Recommendations

EBAC's preference was to not have retiree participate in Active Retirement and Retiree Leaseback in the same year. Coordination of time in both programs is fine.

**Financial Advisory Council
FY 2007-2008 Budget Development Calendar
FAC Meetings: 2-4:00pm Rio Salado College Room 515**

DATE

August 22, 2006	FAC Meeting
September 26, 2006	FAC Meeting
October 24, 2006	FAC Meeting
November 28, 2006	FAC Meeting
December 12, 2006	FAC Meeting
January 23, 2007	FAC Meeting , Deadline for finalizing tuition and fees for submission to CEC
January 31, 2007	<i>CEC and Chancellor action on Tuition and Fees and budget priorities to meet Calendaring deadline for 2/27 Governing Board Meeting</i>
February 6, 2007	FAC Meeting
February 27, 2007	<i>Governing Board Meeting: Information Item - Proposed Tuition & Fee Schedule</i>
March 14, 2007	<i>Proposed Tuition & Fee Schedule submitted to Governing Board Office for calendaring on 3/27 Governing Board agenda as an Action Item.</i>
March 27, 2007	<i>Governing Board Meeting: Adoption of Tuition & Fee Schedule, Information Item - Preliminary Proposed Budget</i>
April 3, 2007	FAC Meeting
April 11, 2007	<i>Submission of Preliminary Proposed Budget to Governing Board Office for Calendaring 4/24 agenda Action Item</i>
April 24, 2007	FAC Meeting
April 24, 2007	<i>Governing Board Meeting: Adoption of Preliminary Proposed Budget</i>
May 8, 2007	<i>Major Taxpayers' Meeting with Business Services and Chancellor (2:00 p.m.)</i>
May 22, 2007	<i>Governing Board Meeting</i>
May 23, 2007	<i>Submission of Proposed Budget to Governing Board Office for Calendaring 6/12 agenda Action Item</i>

Attachment F
Continued

- May 29, 2007 *Publication of Legal Budget, Truth in Taxation, and Notice of Public Hearing per ARS 15-1461.G and ARS 15-1461.01.A1a.*
- June 6, 2007 *Publication of Legal Budget, Truth in Taxation, and Notice of Public Hearing per ARS 15-1461.G and ARS 15-1461.01.A1a.*
- June 12, 2007 *Governing Board Meeting: Public Hearing and Special Meeting, Final Budget Adoption and Truth in Taxation Hearing.*