



Financial Advisory Council Meeting

Tuesday, September 6, 2005

Rio Salado College, Room 515

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

MINUTES

Members Present: Alyssa Brown, Karen Chalmers, Jeanne Christen, Roy Cohen, Art DeCabooter, Ted Georgas, Rufus Glasper, Carnella Hardin, Maria Harper-Marinick, Steve Helfgot, Maria Hesse, Jared Langkilde, Mark Mason, Linda Rosenthal, Les Strickland, Leann Swanson, Debra Thompson, Yvonne Zeka

Guests: Lulut Clow, Susan Horner, Andrew Huhn, Darrel Huish, James Moore, Gaye Murphy, Jane Saldana-Talley, Connie Sherman, Mark Velarde

Welcome and Introductions: Everyone was welcomed to the meeting. The new members of the council were introduced and welcomed to their first meeting. New members: Leann Swanson representing MAT, Mark Mason representing the Administrative Services Council, and Jeanne Christen representing Adjunct Faculty.

Agenda Items:

Maricopa Financial Plan: Fiscal 2001 through 2015 (Information Item) – The council reviewed and discussed the Maricopa Financial Plan. The following items were addressed in the overview:

Page 8, Additional Potential Expenditures (General Fund) FY2006-07 through FY2010-11

- FTSE has a great impact on the plan
- FY06-07 budget is not balanced, will need to concentrate this year on balancing the budget
- Plan includes moving two to three Prop 301 faculty each year from fund 3 to fund 1
- Includes moving credit card charges from fund 2 to fund 1. Note: we also have costs associated with cash
- Includes district-wide initiatives cost
 - We will not have resources for college initiatives until later years
- Includes ASRS increase
- Placeholders for Adjunct Faculty waivers and College Safety – costs are to be determined

- With tax reform on property taxes we will lose some revenue. While there will be growth with property taxes it will not be as high as projected before.
- The additional recommended revenue is an additional \$3 tuition increase above what was recommended with HEPI (\$2 increase), totaling a \$5 tuition increase
- If we double the registration fee from \$5 to \$10 we would get an additional \$2 million.

FAC was encouraged to review the plan in depth and forward any questions they might have. The council also discussed state retirement. Preliminary information indicates ASRS will continue to rise for many years to come, approximately out to 2013. ASRS recently changed to actuary method. A point was made that ASRS is trying to maintain a fully funded system. A question was asked about the possibility of the legislature intervening in subsequent years as they did last year. The consensus was that with the legislature not being in session we need to go with what we know. A recommendation was made to invite the executive director of ASRS to come speak to FAC and talk about the future of ASRS rates.

The chancellor also made a recommendation to begin looking at introducing legislation to get the same funding as K-12. In addition, he recommended looking at submitting pieces of legislation for new initiatives.

A final point was made that the district will continue to look to maximize property taxes.

FY06-07 District-wide Budget Requests (Information Item) – The council reviewed the FY06-07 District-wide Budget Requests. Darrel Huish, Associate Vice Chancellor for Information Technologies Services, was a guest at the meeting to speak about the New Student System Ongoing Support budget request. Darrel provided an overview of what the requested funds would be used for and answered any questions. The budget request consists of the associated costs of 3 areas: Business Continuity, Helpdesk, and NSS.

Darrel was available to answer the council's questions. A question was asked if this document has been shared with ITAC. Darrel responded that it had not, the document was developed by ITS as a risk management tool. Darrel was asked if he saw any reallocations that could be made to address any of these needs. He specified that the reallocations that could be made have been considered and this request is all new funds.

The group reviewed the remaining requests. There was clarification on the Adjunct Faculty Waiver request regarding additional funds to be added to the request. The exact operational costs associated with the change are yet to be determined.

Draft Guidelines for \$900,000 New Initiative Request Process (Action Item) – A few suggestions were made for the draft:

- Change due date to August 31st

- Clarify reporting to Governing Board will be done through the Chancellor.

A point was made that the Governing Board will need to review the draft and FAC needs clarification from the Board on the criteria they were looking at for these requests. There was consensus to move the draft to CEC for review and discussion.

Information Items:

Faculty Formula Allocation - The council reviewed the faculty funding formula allocations for FY06-07. The information matches what is reflected in the financial plan. The item will be forwarded to CEC for review and approval and to be sent out to the colleges later in the week.

State Aid Allocation- The council reviewed the FY06-07 State aid Allocation. A comment was made that the difference in FY 2006-07 reflects how colleges have requested the budget be allocated back to them. The item will be forwarded to CEC for review and approval and to be sent out to the colleges later in the week.

Other Items:

An announcement was made that future meetings will have a teleconference bridge set up and members that would like to participate were encouraged to do so. Information will be sent in the future on how to participate via teleconference.

Plus / Delta

- + Financial Plan – excellent quality
- + Darrel’s presentation – level of detail
- + Good attendance
- + Morale will help employees in times of short \$

- #s in Financial Plan