

Chandler-Gilbert

Estrella Mountain

GateWay

Glendale

Mesa

Paradise Valley

Phoenix

Rio Salado

Scottsdale

South Mountain

## General Overview

- ◆ Administration and Addresses
- ◆ Vision and Mission
- ◆ Statement of Values
- ◆ FY 2005-2006 Budget Overview

**MARICOPA COMMUNITY COLLEGES**

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**District Governing Board**

**District Administration**

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Mr. Scott Crowley	Secretary	Maria Harper-Marinick	Acting Vice Chancellor, Academic Affairs
Mr. Ed Contreras	Member	Debra Thompson	Vice Chancellor, Business Services
Mrs. Linda B. Rosenthal	Member	Pete Kushibab	Acting Vice Chancellor, Human Resources
Mr. Jerry D. Walker	Member	Ronald D. Bleed	Vice Chancellor, Information Technologies
		Steven Helfgot	Vice Chancellor, Student Development & Community Affairs

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## MARICOPA COMMUNITY COLLEGES VISION AND MISSION

### VISION

The Maricopa Community Colleges strive to exceed the changing expectations of our many communities for effective, innovative, student-centered, flexible, and lifelong educational opportunities. Our employees are committed to respecting diversity, continuous quality improvement, and the efficient use of resources. We are a learning organization guided by our shared values.

### MISSION

The Maricopa Community Colleges provide access to higher education for diverse students and communities.

We focus on learning through:

- University Transfer Education
- General Education
- Developmental Education
- Workforce Development
- Student Development Services
- Continuing Education
- Community Education
- Civic Responsibility
- Global Engagement

## MARICOPA COMMUNITY COLLEGES STATEMENT OF VALUES

We adhere to the philosophy that education thrives in a community bound by moral and ethical values and devotion to lifelong learning. We accept the responsibility to respond to the needs of the people in our communities who desire to fulfill their potential in life. Therefore, we operate on the basis of openness and trust, to nurture an environment where we all can be heard.

We commit to living according to the following basic values which are vital to maintaining the integrity and vitality of our community of learners.

### **VALUE EDUCATION**

We value lifelong learning opportunities that respond to the needs of our communities and are accessible, affordable, and of the highest quality.

### **VALUE STUDENTS**

We value students as the primary reason we exist. We respect their diverse life experiences, value their achievements, and appreciate their contributions to our learning community.

### **VALUE EMPLOYEES**

We value all our residential faculty, adjunct faculty, administration, professional support staff, crafts, and maintenance and operations personnel, respect their diverse life experiences, appreciate their contributions to our learning community, and encourage their individual professional development.

### **VALUE EXCELLENCE**

We invite innovation, support creative problem-solving, and encourage risk-taking. We value teamwork, cooperation, and collaboration as part of our continuous improvement efforts.

### **VALUE DIVERSITY**

We celebrate the diversity of our communities and pledge to promote and recognize the strengths as reflected in our employees students. We believe no one is more important than another; each is important in a unique way, and we depend on each other to accomplish our mission.

### **VALUE HONESTY AND INTEGRITY**

We believe academic and personal honesty and integrity are essential elements in our learning environment. Employees and students must speak and act truthfully.

### **VALUE FREEDOM**

To foster our learning environment, we respect individual rights and the privacy of our employees and students, and encourage dialogue and the free exchange of views.

### **VALUE FAIRNESS**

We advocate fairness and just treatment for all students and employees.

### **VALUE RESPONSIBILITY**

We believe employees are accountable for their personal and professional actions as they carry out their assignments. We are all responsible for making our learning experiences significant and meaningful. We are accountable to our communities for the efficient and effective use of resources.

### **VALUE PUBLIC TRUST**

We honor the trust placed in us by the community to prepare our students for their role as productive world citizens.

**MARICOPA COMMUNITY COLLEGES**  
**Executive Summary**

FY 2005-06 promises to be another year of committed service for the Maricopa Community Colleges (also known as “District”). Currently, the ten colleges and two skill centers that comprise the Maricopa Community Colleges offer over 9,834 courses, including 3,175 academic courses and 6,659 occupational courses. Students may choose to take just one course or a few courses—or to complete a certificate program or pursue one of the six degrees that are offered. The steady growth of student enrollment that has occurred over the District’s 43-year history is expected to continue as the population in Maricopa County continues to grow, as population demand for new courses and programs accelerated as the world become more global society. This growth in enrollment will be accommodated by expansion of site-based, hybrid, and online course offerings and services. Voter approval of Proposition 401 on November 2, 2004 will facilitate this development, providing the District with \$951,359,000 in General Obligation bonds for capital development over the next ten years.

The Adopted Budget of \$1.1 billion represents an increase of \$101.2 million over FY 2004-05. The following general principles and priorities were set through the district-wide budget process and are reflected in the budget.

**Overall**

- The first parameter for budget development is maintenance of the District’s financial stability policy, which requires balances of at least 8% of General Fund revenues. The District has met this requirement each year since the policy was adopted and this budget reflects resources sufficient to meet the policy goal by year-end.
- The budget is balanced with revenues equaling expenditures and one-time funds approved for use as one-time expenditures.
- The District’s financial condition remains strong. Notably, Fitch and Moody Investors Services recently affirmed AAA credit ratings for the District, and Standard and Poor’s upgraded the District’s credit rating to AA+ from AA (now one notch below the highest rating – AAA).
- This budget reflects capital and operational resources to implement the \$951 million capital development plan approved by 76.1% of the voters in Maricopa County in November 2004.
- The District’s colleges have flexibility to reallocate budgets to priority needs and to use enrollment growth funding and operating cost allocations to meet high priority needs. Additionally, college and District office divisions may receive workforce development funds (Proposition 301). In summary, a review of college and District office strategic and operational plans reveals a rich array of accomplishments in the past and innovative student and community-focused plans for the future.

**MARICOPA COMMUNITY COLLEGES**  
**Executive Summary****Overall Resource Highlights**

- Property taxes for operational purposes (General Fund) reflect the final maximum tax levy calculation provided by the County in February 2005. Should the Governing Board not approve an increase in taxes on existing property to legal limits, resources will be reduced by \$5.4 million overall.
- State Aid is budgeted in both the General and Plant funds at the appropriated level, which funds enrollment growth at the Maricopa Community Colleges in FY2003-2004.
- Tuition and fees in the General Fund are projected to increase due to enrollment growth and the \$5 tuition rate increase approved by the Governing Board at its March 2005 meeting.
- The budget reflects the use of revenue bonds for Performing Arts Centers at three colleges and the new Student Information System, with debt repaid by existing student activity fees and other auxiliary resources. The budget also reflects possible additional revenue bonds issues for two more performing arts centers/conference centers.
- The District will build on existing workforce development efforts (over 6,600 occupational courses) with additional funds provided as a result of Proposition 301 (a November 2000 referendum approved by statewide voters that raised sales taxes for education).

**Overall Expenditure Highlights:**

At the same time that operating revenue growth is constrained, a number of expenditure budget pressures have required significant additional resources. General Fund resources have been allocated to:

- An additional contribution of 1.7% in Arizona State Retirement System (ASRS) from 5.7% to 7.4% at a cost of \$4.1 million;
- Flex benefit cost increase of \$2.3 million (flex benefit increases were approved by the Governing Board at its November 2004 meeting);
- 52 additional faculty (two at South Mountain; three at Rio Salado; five each at Phoenix, Gateway, Scottsdale, Paradise Valley, and Estrella Mountain; six at Chandler-Gilbert; seven at Glendale; and nine at Mesa) for a total cost of \$3.8 million.
- Enhanced access (enrollment growth funding) at \$5.3 million;
- Operating Costs for 2004 Bond Program at \$2.9 million (toward a total need estimated at \$55 million for technology implementation and operating cost);
- Funding of business and inflation costs at \$4.4 million;
- \$1.2 million in additional Scholarships from the General Fund; (\$2 million total, including \$800,000 from auxiliary fund resources);
- Waiver Award cost at \$266,999;
- District-wide initiatives at \$126,411;

FY 2005 - 2006

**MARICOPA COMMUNITY COLLEGES**  
**Executive Summary**

- Increase the Uncollected Tax Levy contingent reserve by \$186,906;
- Funding for Meet and Confer (salary increase) and other compensation items at \$15.9 million

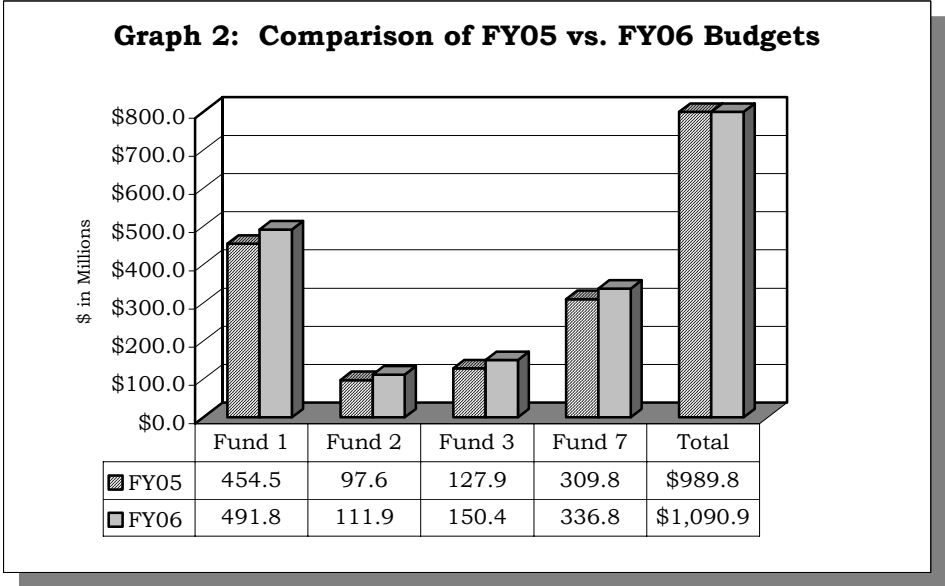
These initiatives allow the district to meet certain mandated business expenses such as health insurance increases but also directly support student and community demands for services. For example, funding for enrollment growth and additional faculty help the 10 colleges meet the growing demand for courses, programs and student services. As a consequence, many of these initiatives directly advance Board goals that address university transfer, post-secondary competencies, the opportunity to complete degree and certificate programs, developmental education, student development services, teacher education and diversity.

**MARICOPA COMMUNITY COLLEGES  
All Funds Summary**

A comparison of the FY 2004-05 and FY 2005-06 budgets (Graph 2) illustrates a \$101.2 million, or 10.22% increase in resources.

**Major Changes by Fund (See Graph 2)**

- General Fund: Much of the growth in the District’s main operating budget is from property taxes and tuition and fees, including the tuition increases approved by the Board in March 2005.
- Auxiliary Fund: The fund accounts for all operations supported by the college activities fee as well as other largely self-supporting activities including bookstore and non-credit instruction. The increase largely results from additional revenues due to student enrollment growth as well as increases in course fees.
- Restricted Fund: The fund accounts for all restricted activity such as grants and financial aid. The increase in this fund mainly reflects projected increases in student financial aid reflective of anticipated enrollment growth and Prop 301.
- The Plant Fund (Fund 7) is projected to increase as result of anticipated capital expenditures relating to land purchases and construction. The budget reflects the first debt issuance of the 2004 Capital Development program. Other plant fund resources are estimated to decline reflecting the implementation of the final phases of the 1994 capital development program and the expenditure of the General Obligation bond funds that financed this program.



The schedules that follow in Sections B through F provide detail on the budget, Section G includes the Legal Budgets, Section H includes Appendix, and Section I includes a glossary of terms.

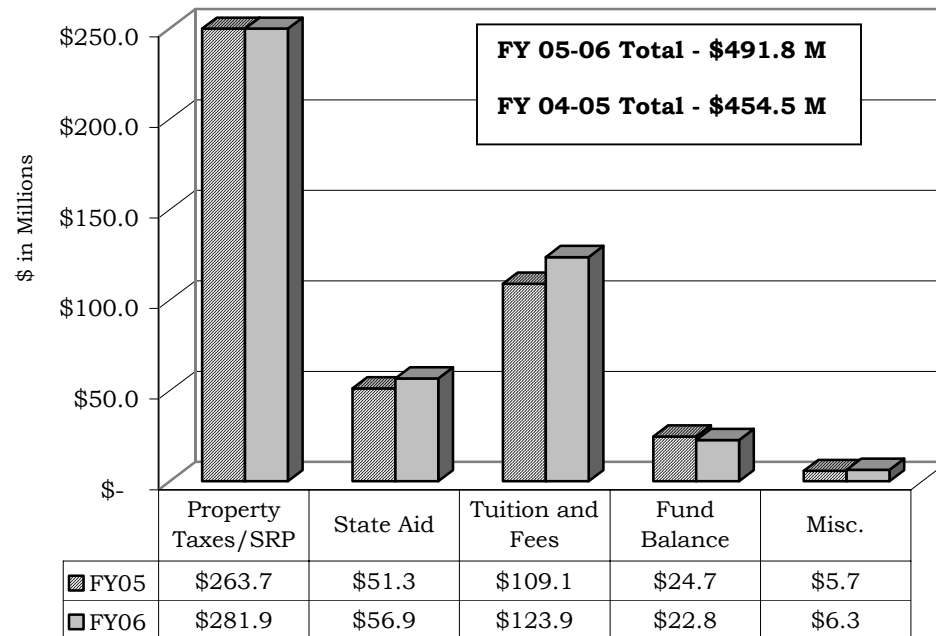
**MARICOPA COMMUNITY COLLEGES  
Current Unrestricted Fund 1**

The General Fund (Fund 1) is the largest and main operating budget fund for the Maricopa Community Colleges. For FY 2005-06, the General Fund totals \$491.8 million, an increase of \$37.3 million or 8.20% over FY 2004-05. The General Fund is 45.08% of the total District budget. It accounts for unrestricted resources that will be expended in the current year for operating purposes such as instruction, public service, academic support, student services, institutional support, and operation and maintenance of plant. Section C includes all budget schedules for the General Fund.

**Revenue Budget:**

- Property taxes are the main revenue source in the General Fund. The increase in property taxes is due to: 1) potential maximization of the primary property tax levy through a 2% increase on existing property, pursuant to constitutional and statutory limits; and 2) increases from new property.
- Tuition and fees represent the second largest source of revenues in the General Fund. Increased revenues reflect projected growth in full-time student equivalents (FTSE). Resources from the tuition increase are included in the budget. Historical data on tuition and fees is included in the Appendix.
- State Aid generally is based on a statutory formula reflective of the most recent final enrollment levels. The FY 2005-06 appropriation is based on enrollment growth for FY 2003-04.
- Other revenue sources include interest income, transfers from other funds and Fund Balance or carryforward.

**Graph 3: FY05 vs. FY06 General Fund Revenue Budget**



**MARICOPA COMMUNITY COLLEGES  
Current Unrestricted Fund 1 (General Fund) (cont.)**

**Expenditure Budget**

**Allocation of Budget Increases**

The FY 2005-06 Budget is \$37.3 million larger than the FY 2004-05 Budget. As shown in Table 1, some revenue changes are offset by expenditure budget changes. Additionally, some funds are one-time and some are permanent. In total, \$40.5 million in permanent funds will be available, given the Governing Board approval to maximize taxes, increase resident tuition and out-of-state surcharge, and full funding of state aid. The total funds available also assume a state aid capital transfer of \$2.0 million to the General Fund.

A number of expenditure budget pressures have required significant additional resources. General Fund resources have been allocated to:

- An additional 1.7% of wages contributed to the Arizona State Retirement System (ASRS) from 5.7% to 7.4% at a cost of \$4.1 million;
- Flex benefit cost increase of \$2.3 million (flex benefit increases were approved by the Governing Board at its November 2004 meeting);
- 52 additional faculty (two at South Mountain; three at Rio Salado; five each at Phoenix, Gateway, Scottsdale, Paradise Valley, and Estrella Mountain; six at Chandler-Gilbert; seven at Glendale; and nine at Mesa for total of 52) at a cost of \$3.8 million;
- Additional funding allocation for enhanced access (enrollment growth funding) at \$5.3 million;
- Operating Costs for 2004 Bond Program at \$2.9 million (toward a total need estimated at \$55 million for technology implementation and operating cost);
- \$1.2 million in additional Scholarships; (\$2 million total, \$1.2 million from the general fund and \$.8 million from auxiliary fund resources);
- Waiver Award cost at \$266,999;
- Increase the Uncollected Tax Levy contingent reserve at \$186,906;

**Table 1. Availability of General Fund Resources for Priority Allocations**

Revenue Increases	\$ 37,282,647
Plus:	
Carryforward Adjustment (prior rev dedicated to inc carryforward)	\$ 1,006,889
Transfer from Endowment (one time fund for health ins reserves)	\$ (1,000,000)
FY 04 Resources Reallocated	\$ 2,306,800
Reduce Fund Balance for Operating Costs	\$ 935,433
Total Potential Available	<u>\$ 40,531,769</u>
Remaining Potential Perm. Dollars to Allocate	<u>\$ 40,531,769</u>

**MARICOPA COMMUNITY COLLEGES  
Current Unrestricted Fund 1 (General Fund) (cont.)**

- Funding of business and inflation costs at \$4.4 million;
- District-wide initiatives at \$126,411; and
- Funding for Meet and Confer (salary increase) and other compensation items at \$15.9 million.

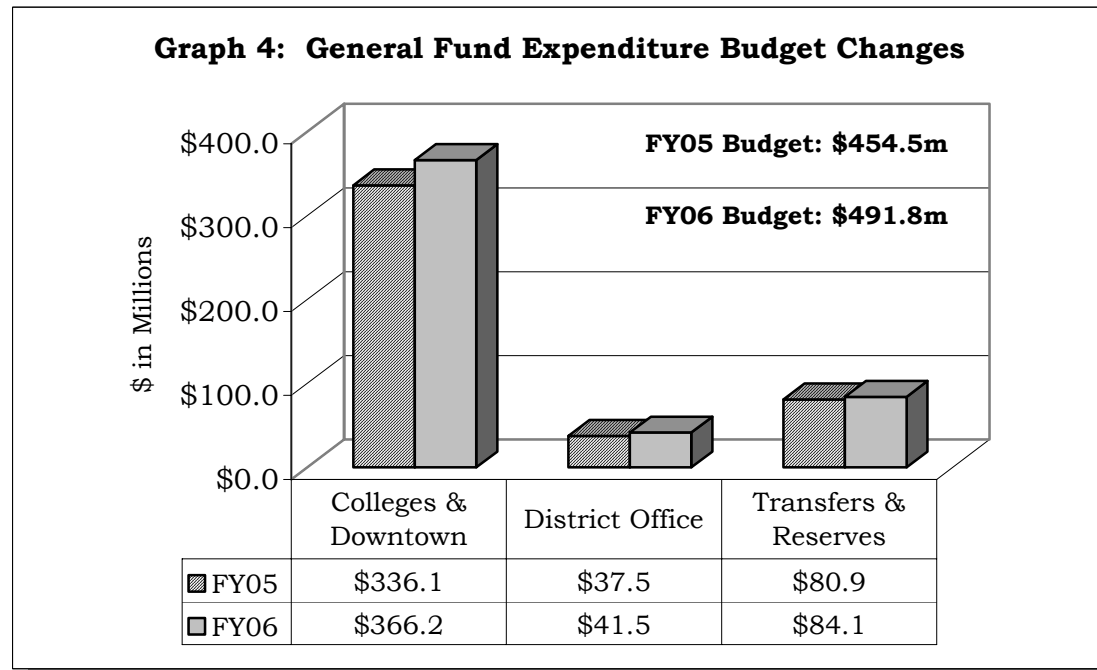
**Expenditures by Unit**

Graph 4 compares expenditure budgets for the colleges, District Office and Transfers and Reserves. Variations in the growth rate in college budgets generally reflect budget allocations for varied rates of enrollment growth. College budgets are increasing primarily due to enrollment growth funding, flex benefit funding, ASRS rate increase, allocations for the additional 52 faculty, and salary increases. The district office budget is increasing due to the ASRS rate increase and the FY06 flex benefit and salary increases. The increase in the Transfers and Reserves budget is due to Bond Operating Cost allocation held in the reserve and increase in interfund transfer to Auxiliary Fund for scholarship and salary and benefits increases.

**Expenditures by Function**

Most functional categories have increased in the FY 2005-06 budget. The highest percentage increase is in the area of Academic Support (21.72%) due to the new allocation to Operating Cost for the new 2004 Capital Development Program. All totaled between FY2004-05 and FY2005-06, \$4.9 million has been added toward an estimated total need of \$55 million for operating costs for new Capital Development and Technology from the 2004 Bond Program.

The Public Service budget reflects a 28.23% decrease due to reclassification of Achieving a College Education (ACE) Program account at South Mountain College, from Public Service to Academic Support. The Contingency budget reflects a 3.78% decrease due to lower carryforward projections.



**MARICOPA COMMUNITY COLLEGES  
Current Unrestricted Fund 1 (General Fund) (cont.)**

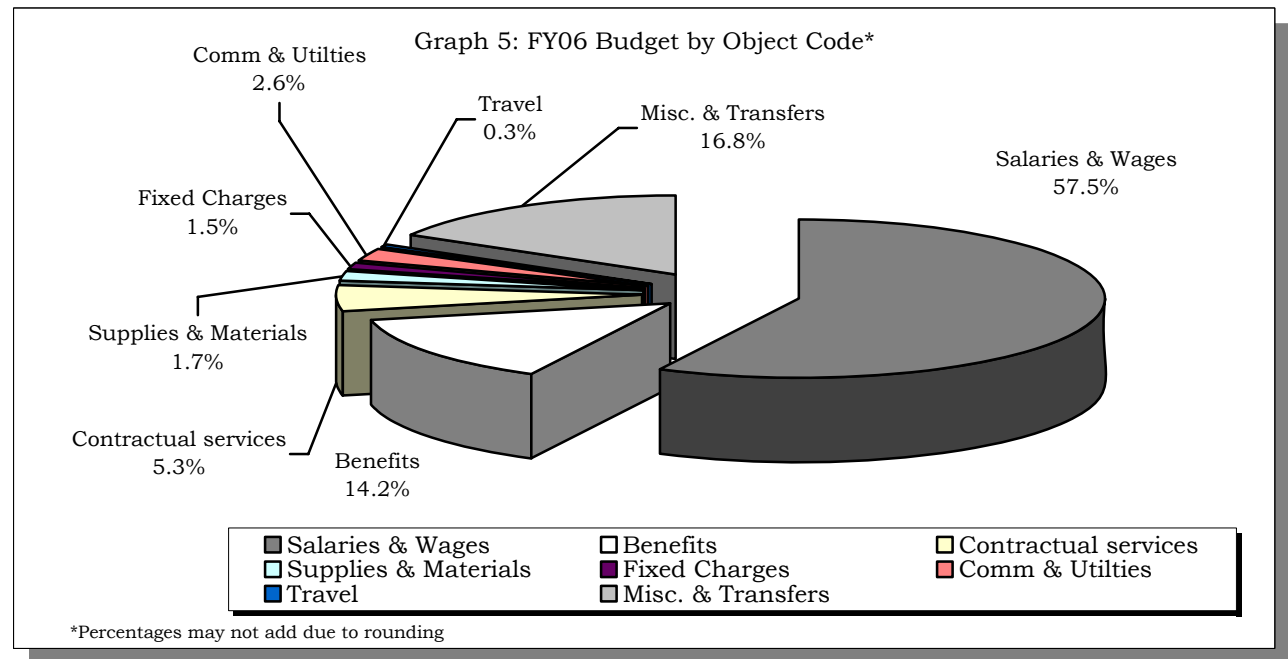
Instruction, Administration, General Institutional, Student Services, and Physical Plant have varying increases. The increases in these functions are mainly due to increases in the flex benefit budgets, ASRS rate increases, and adjustments to interfund transfers.

Instruction has increased by 8.32% in FY 2005-06. The Instruction budget has grown related to increases in flex benefit rates; ASRS contribution rate increase; additional enrollment growth funding; and new allocation of additional 52 faculty positions as well as new faculty created from the reallocation of college budgets.

Administration has increased by 11.71%. The increase results from the increase of medical insurance reserve account and scholarship allocations transfer to auxiliary fund.

**Expenditures by Object Code**

Graph 5 illustrates the composition of the FY 2005-06 budget by object code. Because the services provided District wide are dependent on employees, most of the budget is allocated to salaries and wages and employee benefits. Object codes that show notable changes are detailed as follows:



- **Salaries and Wages**

Salaries and wages includes budget for all Governing Board approved faculty and staff, as well as temporary staff. The increase in salaries and wages is due to the creation of 177.2 new positions, including additional faculty positions.

- **Employee Benefits**

**MARICOPA COMMUNITY COLLEGES**  
**Current Unrestricted Fund 1 (General Fund) (cont.)**

The 18.9% growth in the benefits budget is due to: 1) benefits for new positions; 2] \$2.3 million or a 4.5% increase for the self-funded health insurance premium increase; 3] \$4.1 million or an additional 1.7% ASRS contribution rate from 5.7% to 7.4%.

- **Contractual Services**

Contractual Services represents 5.32% of the total General Fund budget and is projected to increase by \$1.1 million in FY 2005-06. This increase results from increase from additional expenses such as Building and Grounds, \$0.5 million new funding for the Educational Services Program and ABE/GED at Rio Salado, and an increase of \$233,000 in advertising.

- **Supplies and Materials**

A modest increase is evident on a district wide basis, consistent with anticipated inflationary impacts.

- **Fixed Charges**

Fixed charges represent 1.50% of the total General Fund budget, an increase of \$211,950 or 2.96% over FY 2004-05. Increases in the fixed charges are due increase in electronic subscriptions and rental budgets.

- **Communication and Utilities**

Varied changes across the district comprise the \$117,654, or 0.93% increase in communication and utility costs.

- **Travel**

Travel represents .3% of the total General Fund budget, and is increasing \$143,849 or 9.83% over FY 2004-05. Travel includes spending for mileage between sites, in and out of state travel, conference registration, hotels, meals, airfare, etc. Travel accounts for professional growth related activities, such as faculty and staff representation at national and regional conferences and on national boards and committees, as well as participation in learning exchange programs such as the China and Costa Rica fellowship programs. Additionally, travel records expenditures for specialized training needed to implement and maintain new information systems. Variations exist among the share of each college's budget that is dedicated to travel; one reason for differences in travel budgets is that units have varying needs to travel between multiple sites.

**MARICOPA COMMUNITY COLLEGES**  
**Current Unrestricted Fund 1 (General Fund) (cont.)**

- **Miscellaneous & Transfers**

Miscellaneous and Transfers includes numerous budget amounts that either transfer to the units during the year or exist as contingencies for unexpected mid-year budget needs or revenue shortfalls. It includes all expenditures that are not captured in other object codes. Examples of miscellaneous and transfers include: uncollected tax liability contingency (\$2,818,920), Enrollment Growth Funding Program funds (\$20,618,790), carryforward for one-time allocation (\$20,951,646), operational contingency (\$900,000), transfers to other funds (\$12,584,478), compensated absences (\$2,400,000), Capital Development Operating Cost (\$4,478,886), and Tuition Waivers (\$2,400,000).

**Budgeted Positions**

Overall, the budget includes 177.2 positions more than the FY 2004-05 Adopted Budget. The colleges and District Office created these positions by reallocating base budgets or with Enrollment Growth Funding or new faculty funds provided in FY 2005-06. The major changes are as follows:

- **Faculty: 76.0**

A total of 52 positions were created and funded from increased General Fund revenues, and additional 24 positions were created through reallocations of college budgets.

- **Support Staff: 55.3**

All changes were funded by college or District Office reallocations. There are increases at some units and decreases at others, reflecting the decisions made in each unit's budget development process, reclassifications, and reallocations. Examples of positions added are Office Coordinators, Help Desk Analysts, Accounting Assistant, Student Services Technicians, Financial Aid Technicians, and Program Advisors. Half the increase was at Rio Salado and Glendale due to the movement of some PSA positions from Fund 2 to Fund 1 and new positions to support increasing FTSE growth at Rio Salado and Glendale.

- **MAT: 50.5**

There are increases at all units. These increases are a combination of reclassifications of positions from other policy groups or reassignments and the creation of new positions. Examples of added new positions at the colleges and the District Office are Accountant II, Senior HR analyst, Allied Health Care Clinical Instructor, Grant Management Specialist, Coordinator Customer Services, Coordinator Academic/Transfer Advisement, Associate Dean, Programmers, Database Administrators, and Director Institutional Advancement.

**MARICOPA COMMUNITY COLLEGES**  
**Current Unrestricted Fund 1 (General Fund) (cont.)**

- **M & O: 1.9**

Most increases are from Rio Salado and Mesa College. Positions created are Building Maintenance Tech, Custodian, and Groundskeeper.

- **College Safety: (3.1)**

The decrease in the College Safety is the result of reclassification of Dispatcher position into PSA position at Phoenix College, and elimination of two College Safety positions at Scottsdale College, which will be restored in future years.

- **Retirees: (4.5)**

These decreases are the result of active retiree graduations. The FTEs are reallocated to create other regular positions.

Smaller or no changes are noted in other employee groups: Crafts and Chancellor's Executive Council.

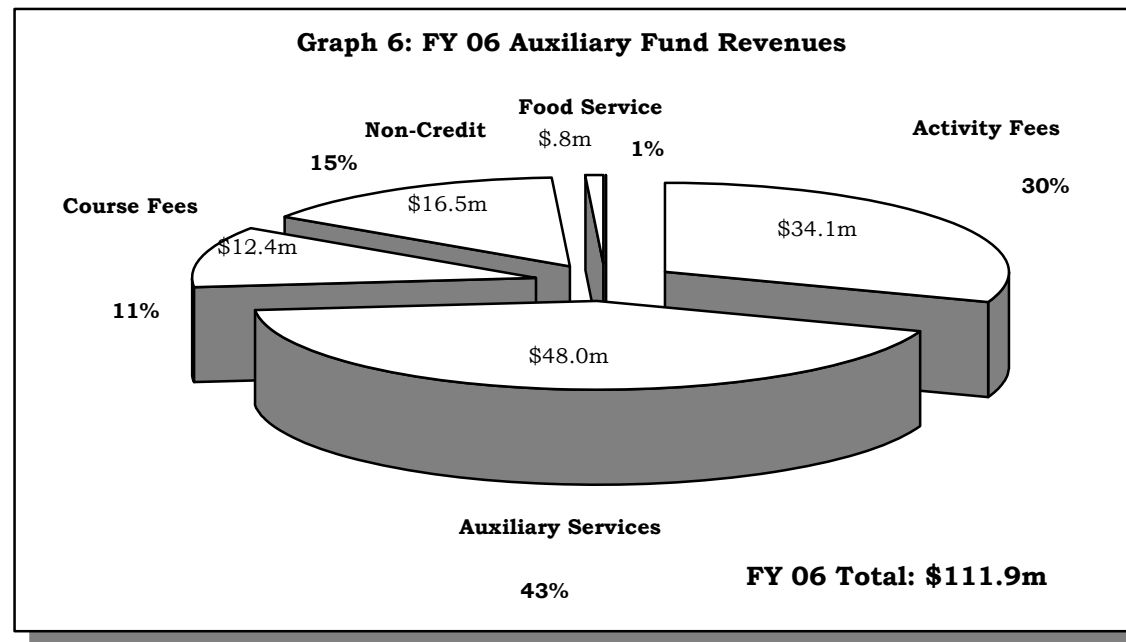
**MARICOPA COMMUNITY COLLEGES  
Current Auxiliary Fund 2 (cont.)**

The Current Auxiliary Fund (Fund 2) includes revenues and expenditures that support a variety of student services and activities. These auxiliary enterprises or divisions are essentially self-supporting activities financed by fees that cover the cost of goods and services. The adopted Auxiliary Fund budget totals \$111.9 million, a \$14.3 million, or 14.69% increase over FY 2004-05. The Auxiliary Fund budget accounts for 10.3% of the total district budget. The following highlights new budget allocations. Detailed schedules for the Auxiliary Fund can be found in Section D.

**Highlights**

**College Activities**

- The student activity fee was changed to \$1.50 in FY 2004-05, with the remaining \$11 combined with the regular tuition rate for a more streamlined perspective on tuition and fees. Total receipts are estimated to increase due to enrollment growth.
- The budget includes the allocation of student fees for revenue bond debt service payments for Performing Arts Centers (PACs) and the new Student Information System.



**Other Auxiliary Programs**

- The Other Auxiliary Programs budget is projected to increase by \$16.9 million in FY 2005-6. The large increase reflects the use of carry forward for transfers to the Plant Fund for land and capital projects. Interest income is projected to decline while increases are anticipated from bookstore commissions, auxiliary sales and general fund transfers.

**Non-Credit**

- Increase reflects new Non-Credit course offerings at Mesa, Glendale, Rio Salado and Estrella Mountain.

**MARICOPA COMMUNITY COLLEGES  
Current Auxiliary Fund 2 (cont.)**

**Course Fees**

- An increase in the course fee budget results from both adding new courses and enrollment growth. Additionally, the budget reflects various fee increases to the cost of providing supplies, material and equipment for special courses.

**Food Services**

- Food service budgets are based on estimates of potential activity in directly operated food service units.

**FTE**

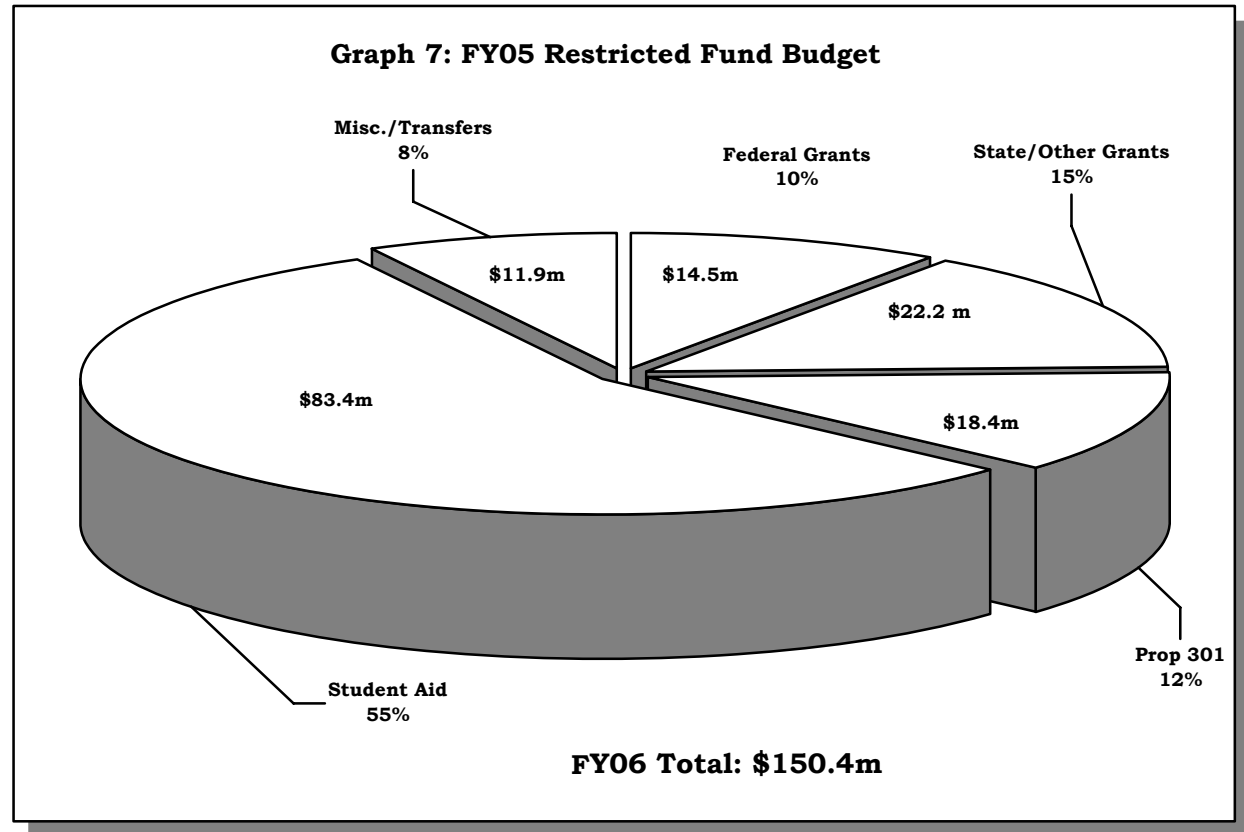
- A total of 18.9 new FTE positions are adopted for FY 2005-06. Positions added include Vocational Trainer, Administrative Secretary, Courier, Coordinator of Enrollment Services, Early Childhood Teacher, Web Database Application Developer, Auxiliary Services Technician, Office Coordinator, Financial Aid Tech, Program Advisor, College Safety Officer, Athletic Specialist, and Clerk Typist. Much of the increase is at Rio Salado and relates to growth in corrections-based programs. Increases were offset by a decrease at Maricopa Skills Center due to a reorganization to cut costs and improve operational efficiency.

**MARICOPA COMMUNITY COLLEGES  
Current Restricted Fund 3**

Revenues that are restricted in use are budgeted in the Current Restricted Fund (Fund 3). For FY 2005-06, the Restricted Fund budget totals \$150.4 million and accounts for 14.0% of the total budget. The Restricted Fund budget reflects potential financial aid awards, grants, contracts, and Proposition 301 sales tax revenues.

**Proposition 301 Sales Tax Revenues**

The Maricopa Community Colleges anticipate receiving \$7.1 million in Proposition 301 sales tax revenues to expand upon the current base of occupational courses and programs and the many workforce development initiatives. The District has received a \$1 million capital distribution from Proposition 301 resources in FY05 and has budgeted a carry forward for the same amount in FY 2005-06. An estimated \$84,000 in interest income is budgeted for FY 2005-06 along with prior year carryforward maximum estimate. A District committee will review allocation methods to provide funds to promote workforce development training required by the public and private employment sectors, occupational capital funds, biotechnology support, and the expansion of the District's Small Business Development Center. A total of 39 faculty members will continue to be supported in FY 2005-06.



**MARICOPA COMMUNITY COLLEGES**  
**Current Restricted Fund 3 (cont.)****Student Financial Aid**

Without these funds, many students would be unable or more limited in their ability to attend college. The single largest source of financial aid is Pell Grants from the Federal government. The large increase reflects projected enrollment growth and numbers of eligible students.

**Grant and Contracts**

The Maricopa Community Colleges receive numerous grants and contracts that advance teaching and learning and the District's commitment to public service, including:

- Carl Perkins Grant funds
- ABE/GED/ESOL grants with the Department of Education
- Small Business Administration grants for business training and counseling
- Pass-through grants from the Arizona Department of Commerce for employee training and development in local corporations
- The GateWay Early College High School and the Teacher Prep Charter High School
- Title V Grant.

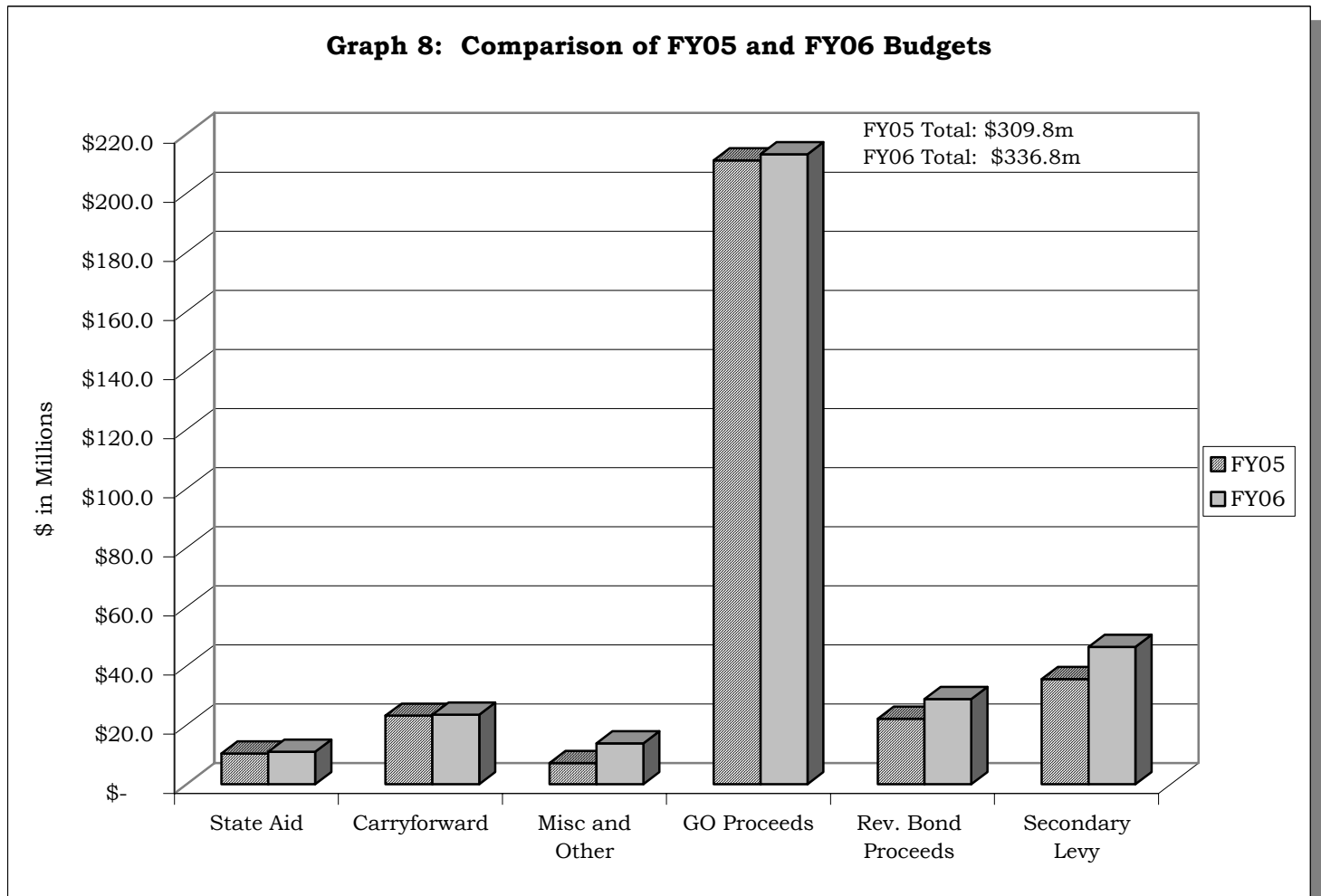
**MARICOPA COMMUNITY COLLEGES  
Plant Fund 7**

The Plant Fund accounts for 30.9% of the District's total budget and amounts to \$336.8 million in FY 2005-06. Also known as Fund 7, this is MCCC's capital budget fund.

The budget assumes state aid funding as included in the State's appropriated budget. The FY 2005-06 budget reflects the approval of a new capital development program by the voters. The budget includes resources from the first of five debt issuances for this new program. While some resources from the 1994 capital program will carry forward into FY 2005-06, that program is substantially completed. Detailed schedules for Fund 7 can be found in Section F.

There are several noteworthy elements of the FY 2005-06 budget:

**Graph 8: Comparison of FY05 and FY06 Budgets**



**MARICOPA COMMUNITY COLLEGES  
Plant Fund 7 (cont.)****Bond Program/ Capital Development Program**

- Approximately \$9.1 million of a total of nearly \$386 million remains for 1994 G.O. bond program funded capital projects. As the 1994 projects are completed, these funds will be spent.
- Equipment and technology allocations from 1994 bond funds ended in 2005. To help maintain service needs and provide funds for equipment purchases and technology and program enhancement, the District set aside funding for “Life without the Bond” (a total of \$13.5 million including \$9 million in fund balance over three years and \$4.5 million in state aid formerly budgeted as a fund 1 transfer). Allocations of these funds were approved starting in FY 2002-03 and ending in FY 2004-05 and some carryforward funds remain.
- The secondary tax rate is estimated at \$.1379 per \$100 of assessed valuation, and is higher than the \$.1161 rate in FY04-05 due to the first bond issue of the 2004 capital program that voters overwhelmingly approved in November 2004. Approximately \$.0218 of the total \$.1379 rate is due to the first bond issue of \$190,270,000 in February 2005. Secondary property taxes repay the debt service for General Obligation bonds.

**Performing Arts Centers (PACs)**

- Carryforward revenue bond proceeds are budgeted for the construction of a Performing Arts Center (PAC) at Paradise Valley Community College and contingent funds are budgeted for a PAC at Estrella Mountain Community College and a Conference Center at Gateway Community College. The District has budgeted \$4 million as a potential gift toward PAC or Conference Center construction.

**Student Information System**

- Funds are budgeted to continue the planned four year capital development project to replace the District’s twenty year old student information system. The \$8 million in revenue bond financing for this project occurred in FY 2002-03 and as the 2006 project implementation date approaches, more funds will be expended.

**State Aid**

- State aid is primarily allocated to the colleges and District Office for equipment needs and small buildings and grounds projects. Additionally, the budget is used for Major Maintenance across the district and for property and theft insurance premium. This is the District’s only on-going revenue source for capital improvements.