



## Maricopa County Community College District Governing Board Minutes March 5, 2013

Agenda Review and a Work Session of the Maricopa County Community College District Governing Board were scheduled to be held at 4:30 p.m. at the District Support Services Center, 2411 West 14th Street, Tempe, Arizona, pursuant to A.R.S. Section 38-431.02, notice having been duly given.

### PRESENT

#### GOVERNING BOARD

- Doyle Burke, President
- Dana Saar, Secretary
- Randolph Lumm, Member
- Ben Miranda, Member
- Debra Pearson, Member

#### ADMINISTRATION

Rufus Glasper  
Maria Harper-Marinick  
Debra Thompson  
Nikki Jackson  
Steve Helfgot  
Lee Combs  
Linda Lujan

### AGENDA REVIEW

Agenda review was called to order at 4:36 p.m.

Board President Doyle Burke took the assembly through the proposed agenda for the March 26, 2013 Regular Board Meeting.

Board Members asked for clarification on several items as they were presented. Highlighted below are requests made by Board Members for additional information:

- Send copy of employment reasons spreadsheet to the Board when submitted (hiring and separations)
- Provide the Board a snapshot of student responses and comments in regards to proposed course fee changes
- Provide an overview of the reason for course fees (new/change/removed course and the reasons why)
- Describe to the Board how fees are assessed (how do colleges/divisions determine what is reasonable) and if there is a standardized process for setting them (if so, what is it; if not, why not)
- Are fees reimbursed if a student drops the course within the full refund period; can fees be transferred if they are not part of a reimbursement
- Provide a brief statement for the Board in response to the request for a raise in tuition and fees and an increase in the tax levy so they can respond to community questions
- Provide talking points for the Board regarding incidents that show up in the paper (i.e., fraud allegations) so members can respond to community questions—especially regarding increasing fees, tuition, and taxes
- What is the percentage of debt paid against the total budget (~11.4%)

Ms. Debra Thompson, Vice Chancellor for Business Services, then presented to the Board the new budget forms that the District must provide to the public in response to state law.

Legislation was passed in 2012 requires Community College Districts to include

specific information relating to personnel compensation and all unencumbered cash balances in its annual budget disclosures where, in the past, only cash balances that were intended to be spent in the current budget period were included. The Auditor General's Office is responsible for developing standard forms that comply with the Arizona Revised Statutes.

Section A provides the required personnel compensation details. Schedule B starts with all cash balances that are not already contractually obligated (i.e., prepaid expenses, capital assets, etc.) and adds the revenues, transfers, and other inflows that are budgeted for the current fiscal year. This total becomes the Available Resources and carries forward to the top of Schedule C. Schedule C starts with Available Resources from Schedule B then, any balances that have committed externally, internally, or via Governing Board action are deducted to arrive at the Total Resources Available for the Budget Year. In other words, this calculation will determine the total amount that is available and planned to be spent in the current budget year, which includes a combination of prior year balances and revenue.

For FY13-14, the difference between the amount available and the amount budgeted for potential use is \$467.8 million. Of this total, approximately \$94.2 million are reserves that are not intended to be spent except in extreme circumstances. These reserves are comprised of financial stability requirements (\$59.6 million), established by Governing Board policy and health spending, or self-insurance, reserves (\$34.6 million) established via Governing Board action.

This year's budget is the most robust it has been for several years to help fund major initiatives that have been in planning for some time, as well as for major changes required to update critical infrastructures. Balances are for commitments such as enrollment growth/retention for the colleges; indirect cost administration pool; grants, scholarships, and the radio stations; major initiatives such as Seamless Student Experience, Student Success Initiatives, public safety, and others; start up and facility costs for the Corporate College; operating costs associated with GO Bond project; bond debt service for the next budget year; capital master planning efforts; bond project supplements such as an EMCC Performing Arts Center; IT capital expenses; student bad debt expenses; and a small amount is classified as other miscellaneous expenses.

Recommendations made by Board Members:

1. Define FTSE on Schedule A (define term and provide calculation results that are noted on the schedule)
2. Add a line to Schedule B that shows how those unrestricted funds are slated to be spent so it doesn't seem as if the District is holding too much in reserve or see if showing only completely unencumbered funds is allowable

The Auditor General's Office is expecting feedback on the forms by March 8 and VC Thompson will forward the Board's recommendations.

Agenda Review adjourned at 5:58 p.m.

**WORK SESSION**

The work session was called to order at 6:28 p.m.

**POLICY REVIEW**

President Burke introduced the policy review portion of the agenda and Board Members immediately began discussing the following policies:

- 4.6 President's Role
- 3.0 Chancellor's Role
- 3.2 Accountability of Chancellor
- 3.3 Delegation to the Chancellor
- 3.4 Monitoring the Chancellor's Performance
- 3.5 Access to the Internal Auditor
- 3.6 Board/General Counsel Relationship

**Proposed Policy Changes**

To return to when policies are amended at a future date.

**4.6 President's Role**

- 4.6.2.E—*The President shall request a written report (to serve as a public record) of Board Member travel and attendance at appropriate workshops and conferences that includes an accounting of what took place at these events.*
  - Add "oral" to reporting options
  - Consider a report out during a Board Work Session that follows any workshop/conference participation
  - As part of the Board Self-Evaluation, report on where the Board has been and what the Board has done

**3.0 Chancellor's Report**

- Regarding Chancellor's Evaluation (broad topic spoken to specifically later in the policy)—If a Board Member is contacted by an individual and apprised of a concern or issue, the Board Member should bring the issue to the Chancellor's\* attention and then allow the Chancellor time to respond. If further discussion is necessary, the item should be discussed in Executive Session. (\*Or College President, depending on the circumstances. In such a case, the College President and the Chancellor would decide if further information needed to be provided to the Board as follow-up.)

**3.2 Accountability of the Chancellor**

- 3.2.2—*The Board will not evaluate, either formally or informally, any staff other than the Chancellor.*
  - Board Members want to discuss this further when policy changes are proposed. Board Members feel they have a responsibility to informally deal with specific issues brought to their attention by bringing those matters to the Chancellor's attention to respond to.
  - General Counsel's advice is to remember it could be considered a breach of contract if a Board Member makes a statement concerning a particular employee outside of the established process—that Board Member could be perceived as having provided a pre-determined outcome to the

situation which would be a violation of the employee's constitutional rights.

### 3.3 Delegation to the Chancellor

- 3.3.5—*The Board may change its Outcomes and Chancellor Limitations policies, thereby shifting the boundary between Board and Chancellor domains. By so doing, the Board changes the latitude of choice given to the Chancellor. However, so long as any particular delegation is in place, the Board and its members will respect and support the Chancellor's choices as long as they are consistent with Board policy, as reasonably interpreted. **This does not prevent the Board from obtaining information, except for confidential/personal information relating to students and staff.***
- Board Member Ben Miranda pointed out that the last sentence of this section speaks clearly to the previous discussions about a Board Member's options to responding to issues/concerns brought directly to their individual attention.

### 3.4 Monitoring the Chancellor's Performance

- Discuss how to link to this in the Chancellor's Interpretations (i.e., Treatment of Students).
- If something is vague in the Chancellor's Interpretations, the Board needs to point that out and specify what evidence is required.
- If the Chancellor's Interpretations are unreasonable, the Board has to clarify its policy(ies) so that the Interpretation(s) can be clarified as well.
- Decide if additional detail need to be added to the monitoring chart to coincide with the detailed spreadsheet provided by the Office of Public Stewardship.

### 3.5 Access to the Internal Auditor

- Provide a copy of the Audit Schedule and follow-up status to the Board in addition to Audit Reports.
- Board Members on the Audit & Finance Committee will communicate more details with the rest of the Board.

### 3.6 Board/General Counsel Relationship

- Board Members wanted clarity on when it would be appropriate for them to come to the General Counsel. General Counsel replied this policy provides for an attorney/client relationship—he is the Board's attorney. This policy is his guarantee of independence and gives him the right to define the Board as his client. The General Counsel's job is to defend the Board and advise where the line is, what the law is—as long as it is not unethical for his involvement. He is responsible for informing and defending such decisions.

President Burke thanked everyone for the engaged discussion that night. He thanked the staff for providing information as needed and for being easily accessible to the Board.

## ADJOURNMENT

President Burke adjourned the work session at 8:04 p.m.

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Dana G. Saar  
Governing Board Secretary