



Maricopa County Community College District Governing Board Minutes April 8, 2014

Agenda Review and a Work Session of the Maricopa County Community College District Governing Board were scheduled to be held beginning 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.

GOVERNING BOARD

Dana Saar, President
Randolph Lumm, Secretary
Doyle Burke, Member
Alfredo Gutierrez, Member
Debra Pearson, Member

ADMINISTRATION (AGENDA REVIEW)

Rufus Glasper
Maria Harper-Marinick
Debra Thompson
LaCoya Shelton-Johnson
Lee Combs

ADMINISTRATION (WORK SESSION)

Rufus Glasper
Maria Harper-Marinick
Debra Thompson
LaCoya Shelton-Johnson
Lee Combs
Linda Lujan
Shari Olson
Tony Asti for Steven Gonzales

AGENDA REVIEW

Agenda Review began at 4:35 p.m. Board President Dana Saar took the assembly through the proposed agenda for the April 22, 2014 Regular Board Meeting. Clarification was asked on a few items as they were presented; below are responses to requests made by Board Members for additional information.

CONSENT AGENDA

- **ITEM IV.D.5 APPROVAL OF AGREEMENTS FOR DUAL ENROLLMENT WITH CHARTER AND PRIVATE SCHOOLS AND IV.D.6 APPROVAL OF INTERGOVERNMENTAL AGREEMENTS FOR DUAL ENROLLMENT WITH PUBLIC SCHOOL DISTRICTS**
 - Board members asked if any new schools had been added to the dual enrollment agreements; Dr. Harper-Marinick will investigate and return an answer to the Board.
 - Dr. Glasper announced that Dr. Don Covey asked if MCCCDC is willing to sponsor a new charter school for disconnected youth as the MCCCDC Board is one of only a few agencies that can sponsor charter schools. Dr. Covey is preparing a detailed report which the Chancellor will share with the Board for consideration. Sponsorship would entail no Maricopa Community College District financial responsibility and two Board members would sit on the Charter School Board.
- **ITEM IV.E.1 APPROVAL OF LEASE AGREEMENT WITH THE ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF UNIVERSITY OF ARIZONA**
 - Board members asked if the partnership with the U of A had been strengthened with such agreements. MCCCDC is building pathways with the U of A similar to MAPPs with ASU.
 - Board members asked about utilization of space and were informed that the U of A uses the office to provide advisement to

students interested in transferring to the U of A.

- **IV.E.4 APPROVAL OF BUDGETED EXPENDITURE AMENDMENT FOR FY12-13**
 - The budget was adjusted from projected costs to actual costs. Board members asked why the Plant fund dropped dramatically and were informed that MCCCDC budgets to capacity in the event that projects can be started sooner. Also, because MCCCDC cannot spend funds unless they have been budgeted.
- **IV.E.5 APPROVAL OF CONTRACTOR SELECTION FOR THE T3 AUTOMOTIVE BUILDING REMODEL AT GLENDALE COMMUNITY COLLEGE**
 - Board members asked if any major manufacturers were going to be part of the GCC program; Dr. Harper-Marinick will review and respond to the Board.
- **IV.E.6 APPROVAL OF CHANGE ORDER FOR CONSTRUCTION TIME EXTENSION FOR BURRIS HORRELL CORPORATION FOR CONSTRUCTION OF THE NEW ART GALLERY AT MESA COMMUNITY COLLEGE, IV.E.7 APPROVAL OF CHANGE ORDER FOR CONSTRUCTION TIME EXTENSION FOR BURRIS HORRELL CORPORATION FOR LIBRARY REMODEL AND RENOVATIONS AT SCOTTSDALE COMMUNITY COLLEGE, AND IV.E.8 APPROVAL OF CHANGE ORDER FOR CONSTRUCTION TIME EXTENSION FOR BURRIS HORRELL CORPORATION FOR THE LANDSCAPE AND SITE IMPROVEMENT PROJECT AT SCOTTSDALE COMMUNITY COLLEGE**
 - Board members asked if the extension of time included an increase in budget; the vendor is only asking for more time. The Board also asked if the extension of time would affect the occupancy dates. Some dates have been shifted but will not affect college operations.

NON-CONSENT AGENDA

- **ITEM V.A.2 APPROVAL OF PROPOSED FY2014-15 TUITION & FEES**
 - Board members again expressed concern on the impact of increasing tuition and recommended finding alternate sources of revenues to fund operations.
- **ITEM V.A.3 APPROVAL OF PROPOSED FY2014-15 BUDGET**
 - Board members asked for clarification on whether they would be adopting the actual budget with this action and were informed that they would merely be setting the cap on the budget. The final budget will be voted on in May.
- **ITEM V.A.4 APPROVAL OF 2014-15 STUDENT INSURANCE PROGRAM RENEWAL**

Board members asked about the effect of discontinuing accident insurance for students. They were informed that few students opted in for the service so the impact would be minimal. Board members asked for actual numbers of students who opt in for comparison; information will be provided to the Board.
- **ITEM V.A.5 APPROVAL OF CHANGE ORDER FOR ARCHITECTURAL FEES ALLIED HEALTH AND DENTAL PROGRAM REMODEL AT 3144 N 7TH AVE PHOENIX, AZ FOR PHOENIX COLLEGE**
 - Board members expressed concern that the budget as

explained almost doubled from the initial budget approved by the Board prior to the project's inception. Dr. Solley will present to the Board initial assumptions and what changes have since affected the process. The increase in budget is being paid by the College as the changes were at the College's request or in response to construction issues that were not known at the time the project began.

- **ITEM V.B.1 APPROVAL OF AUTHORIZATION FOR IMPLEMENTATION OF PEOPLESFT FINANCIAL MANAGEMENT SYSTEM, HYPERION BUDGETING AND HOSTING**

- Board members asked what the projected time line for implementation of the switch will be. After the three-month assessment is complete, the upgrade will begin in June, 2014 completed by December, 2015—this would include upgrades, training, and reviewing conversion data. The transition will occur over time with both systems running together until a switch date is finalized.

ADJOURNMENT

Agenda Review was adjourned at 5:50 p.m.

CALL TO ORDER

The Work Session was called to order at 6:18 p.m.

MONITORING REPORT

President Saar asked Dr. Glasper to address the Quarterly Monitoring Report—Section 2.0: Chancellor Limitations. Dr. Glasper asked Ms. Teresa Toney, Manager of the Office of Public Stewardship, to provide an overview of the process. Ms. Toney reminded the Board that this evaluation process provides an opportunity for the Chancellor and Board to have a dialog. The Board uses the reports to assess whether the Chancellor's Interpretations of the Chancellor Limitations are reasonable.

The Chancellor Limitations establish the day-to-day duties of the Chancellor and the evaluations provide feedback on whether adequate evidence has been submitted and, if not, gives the Board the opportunity to ask for additional data.

Dr. Glasper said this is more than a dialog; the expectation is on whether it is beneficial to modify the report, add or change metrics, to determine if the Interpretation is being monitored to the level the Board desires. A Board member remarked that the process is flawed. The policy language is written in the negative and the questions are too broad to constitute assessment.

Administration asked if concerns were on the wording or the process. The Board President reminded the Board that the Chancellor needs to know how he will be evaluated and by what measure. Ms. Toney remarked that the MCCC Board decided to move toward the Policy Governance Model by John Carver in 1996. Since then, there have been many changes to the policy language based on the Board's understanding and desires at the time. The idea is to measure the Chancellor based on how well the District is doing. The Board needs to provide direction on what type of measurements show success or areas for improvement. Another Board member recommended this discussion continue in January after the newest Board members come on board. The Chancellor remarked that the evaluation period for his position is one year and asked if changes to the evaluation process can be made as soon as feasible.

PROPOSED BUDGET

President Saar invited Vice Chancellor of Business Services, Ms. Debra Thompson, to address the Board regarding the proposed FY2014-15 budget. Ms. Thompson introduced Ms. Gaye Murphy, Associate Vice Chancellor for Business Services, to present. Ms. Murphy highlighted the changes made to the budget since the previous presentation to the Board at the March business meeting.

Ms. Murphy relayed that budget numbers have been updated and staff is hoping the state legislature will provide funding for STEM, while projected expenditures remain the same. Staff is focusing on potential budget cuts and their impact on the district.

The colleges are considering methods which worked during the recession, including: eliminating vacant and temporary positions; increasing wait times for student and employee services and increasing response times to information requests; reducing operating hours for some services; eliminating and/or cutting classes, programs, and services, adding to deferred maintenance. Dr. Glasper reminded the Board that these responses were put in place during the recession because MCCC'D's budget was reduced by the State by \$38 million in two months. To return to these strategies is not as beneficial as considering options to do business differently.

Administration is moving towards a One Maricopa solution and it will take time. The focus had been on moving to 60/40 and SSE but it was shifted to IT infrastructure issues. If the Board advocates stepping away from the single entry portal for students and the seamless student experience projects because they are not sustainable with permanent funding, what does the Board want to do with the programs? Board members remarked that they have not seen any data on the impact to students in regard to PELL recipients, scholarship recipients, etc. What other resources are out there to help students with a tuition increase? The current funding model (state aid, tuition, and tax revenue) is not sustainable over time, especially if state aid moves to zero.

A Board member shared some statistics to keep in mind: Arizona's tuition is 79% of the national average and 75% of WICHE. The expectation is that tuition is going to be low and it will still be lower than the national average with the increase. Approximately 32% of MCCC'D's students receive financial aid (PELL) which provides about \$5,700/year; 11% receive scholarships; the remaining 43% fall in the middle but are eligible for \$2,000/year tax credit. The Board needs to recognize the tremendous public support for students to go to college. Nationally, MCCC'D is offering one of the best deals students can find. Another Board member reminded the group that other factors need to be taken into consideration (single parents, housing costs, transportation, etc.) and taxpayers are concerned at the level of debt inflicted on students as they complete college. Another Board member reiterated his belief that all the wonderful new efforts have not shown marked increase in student success (retention and completion). Dr. Glasper reminded the Board that Maricopa's new initiatives are having an impact and Maricopa is considered a model that other institutions are following. Significant changes are being made but they need to be scalable to the entire District. It will take an investment by the Board to make it work. Board members suggested the metrics and even the mission should be revisited. The Board needs to define success. Dr. Harper-Marinick, Executive Vice Chancellor and Provost, remarked that it would be a good time to revisit the Outcomes and review metrics as they now will have three years of data as a resource.

SECURITY INCIDENT LEGAL RESPONSE

Dr. Glasper announced that Ms. Pamela Overton, Greenburg Traurig, LLP, would represent MCCC'D in litigation related to the 2013 security incident. She would work with Wilson Elsner staff as needed. Ms. Lori Nugent, formerly from Wilson Elsner, has moved to Greenburg Traurig and will continue as leader of the cybersecurity project.

Concern was expressed by Mr. Lumm that Ms. Nugent's change of firms could be seen as improper; especially as it appeared she was "taking clients" from her former firm. Dr. Glasper and General Counsel Lee Combs explained that there was no impropriety: lawyers can change firms, and it is common for the clients who hired a particular expert to handle a project to elect to retain the new firm, in order to keep

the expert they hired in the first place and the investment they made in the attorney's knowledge of the client and its situation.

Mrs. Pearson expressed concern that the Board was not informed before it decided to retain Arizona admitted counsel that the local office selected could have ties to Wilson Elsner's former lead counsel. She said this did not pass the "smell test" and that she felt insulted. Mr. Combs reminded the Board that its direction was not to hire a local firm or any particular firm, but a firm employing Arizona admitted attorneys, and the firm selected met the Board's criteria in addition to offering an opportunity to keep the expert legal team of cyber experts intact. Dr. Glasper explained that the normal process of retaining counsel does not involve Board approval of the selection; the General Counsel normally selects a firm, which is retained by the District. Board approval of the contract is required only in the rare event the District's expenditure on the matter exceeds the \$250,000 threshold. Wilson Elsner was retained this same way, and Board approval was sought only after expenditures reached the required level.

General Counsel Combs stated that continuing the contract with Wilson Elsner was appropriate, because they have work underway that is important to the defense and that would be wasteful to discard. As Arizona trial counsel, Greenberg Traurig offers the advantage of both outstanding litigation skills and Ms. Nugent's continuing availability as lead cyber counsel. Among the options, he said in his judgment the firm has the expertise necessary to defend MCCCCD's interests. In addition, of the three Wilson Elsner staff members working with MCCCCD on the project, two have moved to Greenburg Traurig, including Ms. Nugent. MCCCCD should not throw away its investment by changing horses in mid-stream; rather, it should keep the talent it has invested in. Board members asked when they would meet Ms. Overton and were told they were trying to set up a meeting before the next Board meeting on the 22nd.

STATUS OF FOIA REQUESTS

As of the meeting date, Mr. Tom Gariepy, District Director of Marketing, reported that all media requests were current. Dr. Glasper informed the Board that Mr. Gariepy had put a process in place to make sure he had the information he needed to communicate with the press on the status of requests. General Counsel Combs acknowledged that he assigned Wilson Elsner responsibility to respond to record requests and that communication delays and lapses resulted. Legal was focused on its legal responsibilities in response to potential and actual litigation and not on communicating with the press the status of its requests. A communication plan has since been put in place to assure Mr. Gariepy has the information he needs to respond to press inquiries. Mr. Gariepy expressed satisfaction with the plan so far.

Mr. Combs also reported that three law firms have made very broad and extensive requests, which are very burdensome in light of the amount of the district's data and its limited capacity to respond. These requests have been rejected on legal grounds. He provided the members with a copy of the response filed in court in response to one of those requests, so the Board could understand the legal reasoning. Mr. Combs said Ms. Overton has reached out to the requesting firm, to begin developing a disclosure plan that includes a confidentiality agreement. She has made a proposal.

Mr. Lumm asked for a copy of documents shared with the press and Mr. Gariepy agreed to provide them.

POLICY DISCUSSION

President Saar remarked there were only four minutes left in the scheduled meeting time so he tabled the discussion on Section 4.0: Governance Process.

ADJOURNMENT

The Work Session was adjourned at 7:27 p.m. Board President Saar then announced the Board would go into Executive Session after a brief break.

MOTION

Motion 10154

Board Member Burke made a motion to go into Executive Session. Board Member Pearson seconded. Motion approved 5-0.

Randolph Lumm
Governing Board Secretary