



Maricopa County Community College District Governing Board Minutes January 12, 2016

Election of New Officers, Special Session, Agenda Review, and a Retreat of the Maricopa County Community College District Governing Board were scheduled to be held beginning at 6:00 p.m. at the District Support Services Center, 2411 West 14th Street, Tempe, Arizona, pursuant to ARS §38-431.02, notice having been duly given.

GOVERNING BOARD

Tracy Livingston, President
Johanna Haver, Secretary
Doyle Burke, Member
Alfredo Gutierrez, Member
John Heep, Member
Jean McGrath, Member
Dana Saar, Member

ADMINISTRATION (ELECTION & AGENDA REVIEW)

Rufus Glasper
Maria Harper-Marinick
Debra Thompson
LaCoya Shelton-Johnson
Ed Kelty
Maggie McConnell for Lee Combs

ADMINISTRATION (RETREAT)

Rufus Glasper
Maria Harper-Marinick
LaCoya Shelton-Johnson
Debra Thompson
Ed Kelty
Maggie McConnell for Lee Combs

CALL TO ORDER

President Livingston called the Election of New Officers meeting to order at 6:07 p.m.

ELECTION OF NEW OFFICERS

President Livingston then asked for nominations for Board President. Board Member Jean McGrath nominated John Heep for Board President. Board Member Doyle Burke nominated Alfredo Gutierrez for Board President. No additional nominations were put forward. Board Member Dana Saar asked that nominations be closed. President Livingston asked for a roll call vote. By a vote of 4 to 3 Board Member Gutierrez was elected to serve as Board President for 2016. Mrs. Livingston turned over the gavel to newly-elected Board President Alfredo Gutierrez to continue.

President Gutierrez then asked for nominations for Board Secretary. Board Member Dana Saar nominated Johanna Haver for Board Secretary. No additional nominations were put forward. President Gutierrez declared Board Member Johanna Haver Secretary for 2016 by a vote of 7-0.

SPECIAL SESSION

President Gutierrez announced that although a Special Session had been scheduled to allow for a presentation by Bill Franquemont of DHR, he was proposing that this be deferred to another time in order to avoid the perception of impropriety of allowing one search firm to present information without allowing others to do the same.

AGENDA REVIEW

Agenda Review began at 6:32 p.m. Board President Gutierrez took the assembly through the proposed agenda for the January 26, 2016 Regular Board Meeting. Clarification was asked on a few items as they were presented; below are requests made by Board Members for additional information.

CONSENT AGENDA

- **13.1 & 13.2 Approve Grants for Corporation for Public Broadcasting Community Service Grant**
 - What percent is the grant of budget for KJZZ? (About 1%)
 - District pays for \$200,000. They do not pay rent.
 - Educational component is KJZZ. Studio 7 in West Phoenix doing very successfully. They do much community programming and

are a refuge for kids to turn to and excite them to succeed. They partner with ASU on KBAQ. We do programming at RIO with input from ASU.

NON-CONSENT AGENDA

- **16.1 Approve Gallagher Benefit Services**
 - Clarification was requested as to what happened that resulted in this not coming to the Board for approval as it should have. Clarification over the term “ratification” was sought.
 - Concern was expressed that this is not a small mistake, and if it was supposed to come before Board, it should have. It is a breach of Board policy even if inadvertent. Chancellor and Vice Chancellor discussed training needed to make sure it doesn’t happen again. If it were intentional, recommend consequences. Request we prepare another item asking for independent review of this matter independently to review matter and report to Board. Write resolution to include scope of review items here. Discussion about going forward with this this item 16.12 and recommend its continuation on the agenda to approve so we proceed with study. In addition to the external legal review of this process, Chancellor should report back to Board due to questions raised.
- **17.5 Approve Sale of Property at Northeast Corner of 40th Street and Cottonwood Lane, Phoenix, AZ**
 - Have we gone through appraisals? Sale is for more than value of appraisals? (yes)
- **18.1 Approve FY16-17 Healthcare Funding**
 - Who composes EBAC? (Members from different employee groups.) Postponed for a couple of years. Cadillac Tax – will this change status? Consultants say we are not at risk until 2021; extended. Will not take effect in 2018. Will this change status to avoid tax – yes.

INFORMATION ITEMS

- **18.1 Hires – 13 new & 18.2 Separations- 14**
 - Two new specially funded positions funded at Rio through grant that provide for it to expand offerings of regional programming. VC Thompson has not presented information that we are facing shortfalls; current year is in balance; if decline, system stays in balance.
- **19.1 Proposed Fee Change FY 17**
 - 150 new; 450 increases, 209 down or eliminated. \$226,000 revenue impact.
- **19.2 Proposed Tuition & Fees**
 - Increase of \$2/credit hour; 2% increase in tax levy. Will have presentation at future meeting.

ADJOURNMENT

Agenda Review was adjourned at 7:19 p.m.

CALL TO ORDER

The Retreat was called to order a 7:28 p.m.

LEGISLATIVE UPDATE

Chancellor Glasper explained that the agenda for this evening would include a Legislative Update, as well as a presentation by Vice Chancellor Thompson pertaining to the Expenditure Limitations Proposal.

Chancellor Glasper indicated that in 2014 Government Relations Director Dawn Wallace was called by Governor Brewer to join her staff. The decision was made at

that time not to fill the position and it has been vacant since. As we move into 2016, we have a narrowed focus. We went through an RFP process to expand the legislative lobbying support. These will be used as needed to be tactical in nature. We are also working on building strong relations with chambers and city councils.

Kevin and Ryan DeMenna provided information on the current makeup of the state legislature which reconvened this week. They also provided a copy of the 2016 Proposed Legislative Agenda which is attached to these minutes. It includes proposals on changes to the expenditure limitation.

EXPENDITURE LIMITATIONS

Vice Chancellor Debra Thompson provided an overview of the Final Report of the Study Committee on Community College Finance and Expenditure Limits which was presented to the Governor, State Senate, and State House of Representatives on December 29, 2015. The Study Committee made no recommendations. A copy of this report is housed in the Governing Board Office.

ATRA

We have been asked by the Arizona Tax Research Association to come to the Board and present from their perspective on issues ATRA wants to advance at the legislature around the expenditure limitation. We understand they also plan visits to other districts. ATRA may want the Board to voice a position but we have never done this ATRA is an important organization. The Board also needs to know more about the expenditure limit committee's work and needs to consider that the districts have been working as a system and we need to need consider our possible systemic positions. Suggestion was to bring other districts to the ATRA presentation.

February 2 is when ATRA currently is scheduled to present and may be timely for the other districts to participate.

ADJOURNMENT

The Retreat was adjourned at 8:07 p.m.

Johanna Haver
Governing Board Secretary

Appendix

2016 Proposed Legislative Agenda

Maricopa County Community College District 2016 Proposed Legislative Agenda

The Maricopa County Community College District (MCCCD):

- Offers 994 degree and certificate programs at its 10 higher education institutions operating in 34 locations spread across Maricopa County;
- Serves over 213,000 credit students and 27,000 non-credit/special interest students, and awarded 26,800 degrees and certificates in FY2013-14; and
- Enrolled over 30,000 undergraduates at ASU (23,129), NAU (5,332) and U of A (2,851), with 12 or more credits from MCCCD in FY 2013-2014.

Over the course of the last recession, MCCCD experienced significant reductions in state support. The state eventually eliminated financial support for MCCCD in 2015 with the passage of the state budget. (Now only community college districts in counties with populations of *less* than 750,000 are eligible for state aid).

MCCCD is asking for your support to achieve the following in the 2016 legislative session:

1. **State Aid:** As of October, legislative budget staff reports that the state has a one-time revenue surplus of \$210 million, and an ongoing “structural” surplus of \$250 million. As revenue projections continue to improve, MCCCD will work with policymakers to reinstate a portion of state aid;
2. **Enterprise Model:** MCCCD has a very limited ability to partner with the private sector to generate additional revenue. MCCCD will pursue the statutory changes necessary to allow community colleges to enter into these agreements, and to ensure that the resulting revenues are excluded from expenditure limit calculations;
3. **Expenditure Limitation Relief:** Legislation passed in the 2015 session established a study committee to review the constitutional expenditure limitation for community colleges. In its review, the committee identified a number of potential adjustments to the expenditure limitation. As a result of the work of this committee, and recognizing that the constitutional formula governing these spending limits is over 30 years old, Arizona’s community colleges will work to:
 - a. Assign additional weight in the formula for students enrolled in Career and Technical Education courses;
 - b. Clarify that revenues resulting from Enterprise activities are excluded from the expenditure limit calculation; and
 - c. Ensure that FTSE estimates deviate less from the actual FTSE count.
4. **Technical Corrections:** Eliminate outdated and unnecessary statutory requirements.

Ten colleges and two skill centers dedicated to student success.