



**Maricopa County Community College District
Governing Board Minutes
October 25, 2016**

A Budget and Finance Committee Meeting of the Maricopa County Community College District Governing Board was scheduled to be held beginning at 5:30 p.m. at the District Support Services Center, 2411 West 14th Street, Tempe, Arizona, pursuant to ARS §38-431.07, notice having been duly given.

GOVERNING BOARD

Alfredo Gutierrez, President
Johanna Haver, Secretary
Doyle Burke, Member
John Heep, Member
Jane McGrath, Member
Dana Saar, Member

Absent:

Tracy Livingston, Member

ADMINISTRATION

Maria Harper-Marinick
Gaye Murphy
Paul Dale
LaCoya Shelton
Edward Kelty
Bill Guerriero
Teresa Leyba-Ruiz
Jeff Darbut for Sasan Poureetezadi
Shari Olson
Maggie McConnell

CALL TO ORDER

The Budget and Finance Committee Meeting was called to order at 5:42 p.m.

As part of the Operating Budget Development Process for FY 2017-18, Vice Chancellor of Business Services Gaye Murphy provided a quick review of the budget structure which consists of the Operating Budget, the Auxiliary Budget, the Restricted Budget, and Capital Budget.

ADOPTED FY2016-17

OPERATING FUND SOURCES

Vice Chancellor Murphy explained that fund sources include the following categories:

Property Taxes 62%
Tuition & Fees 31%
Fund Balance 6%
Other Revenue 1%
Total Fund Sources: \$733.6 million

PROPERTY TAX PROJECTION

New construction will increase allocable revenue by \$9.1 million. The following table explains how this amount is arrived at.

Property Tax	Adopted FY17	Proposed FY18	Increase (decrease)	Adjustment	Allocable
Primary Levy	447.2M	447.2M			
New Property		9.2M	9.2M		9.2M
SRP in-lieu	9.1M	9.0M	(0.1)M		(0.1)M
Total	\$456.3M	\$465.4M	\$9.1M		\$9.1M

TUITION AND FEES REVENUE

Tuition & Fees	Adopted FY17	Proposed FY18	Increase (decrease)	Adjustment	Allocable
Resident	210.1M	196.8M	(13.3)M	13.3M	
Out of State	15.2M	15.2M			
Out of County	0.3M	0.3M			
Registration	4.2M	4.2M			
Transcript	0.3M	0.3M			
Other	0.1M	0.1M			
Total	\$230.1M	\$216.8M	\$(13.3)M	\$13.3M	

OTHER REVENUE & FUND BALANCE

Tuition & Fees	Adopted FY17	Proposed FY18	Increase (decrease)	Adjustment	Allocable
Interest Income	0.5M	0.5M			
Other	0.6M	0.5M			
Bookstore Operations	1.9M	1.1M	(0.8)M		(0.8)M
Total	\$3.0M	\$2.2M	\$(0.8)M		\$(0.8)M
Fund Balance	\$44.2M	\$47.3M	\$3.1M	\$(3.1)M	
Total	\$733.6M	\$731.8M	\$(1.8)M	\$10.1M	\$8.3M
Based on what we know today, we believe we will have an additional \$8.3 million to allocate in FY2017-18.					

FY2017-18 POTENTIAL EXPENSES

	Mandatory & High Priority Expenses	Amount
1	Employee Manuals (Anniv, Educ, Fac PG step increase)	1.0
2	Operating Cost for New Construction/New Facilities	0.8
3	Operating & Maintenance Cost for Technology	0.8
4	Move Prop 301 Faculty to Fund 1 (5-6 faculty/year)	0.6
5	Insurance (Bldg/Liability/Cyber)	0.3
6	Add Residential Faculty (60/40 ration) \$7m/year for 3 years	7.0
7	Compensated Absences	0.5
8	Loan Default Management (Seamless Student Experience)	0.3
9	Health Insurance Stop Loss	0.5
10	New Classification & Compensation Implementation	2.0
11	Salary Adjustment (placeholder 1.6 COLA Western CPI)	7.3
12	Investments to meet Strategic Plan Goals	???
	Subtotal – Mandatory & High Priority Expenditures	\$21.1

BALANCING THE BUDGET

Sources = \$8.3M Uses = \$21.1M Budget is \$12.8M out of balance

- Need to identify opportunities for internal reallocation (starting with the District Office)
- Increase revenue (increase taxes or tuition)
- Continue to refine expenditure estimates
- Identify items to scale back or defer

CLOSING COMMENTS

All in attendance agreed there was a need to have a balanced budget and important that budget items be identified to achieve this.

ADJOURNMENT

The Budget and Finance Committee Meeting adjourned at 6:13 p.m. This was followed by a Regular Board Meeting scheduled for 6:30 p.m.

Johanna Haver,
Governing Board Secretary