



**Maricopa County Community College District  
Governing Board Minutes  
February 23, 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  
Tracy Livingston, Member  
John Heep, Member  
Jane McGrath, Member  
Dana Saar, Member

**ADMINISTRATION**

Rufus Glasper  
Maria Harper-Marinick  
Debra Thompson  
LaCoya Shelton-Johnson  
Edward Kelty  
Mary O'Connor (Interim)  
Lee Combs  
Bill Guerriero (Interim)  
Ernie Lara  
Steven Gonzales  
Teresa Leyba Ruiz for Irene Kovala  
Shouan Pan  
Paul Dale  
Chris Haines (Interim)  
Chris Bustamante  
Jan Gehler  
Shari Olson  
Gene Giovannini

**CALL TO ORDER**

The Budget and Finance Committee Meeting was called to order at 5:32 p.m.

President Gutierrez explained that this evening's agenda would include a discussion of the FY17 Budget and FY17 Tuition & Fees. He provided Vice Chancellor of Business Services Debra Thompson an opportunity to provide introductory comments.

**FY17 Budget  
Discussion**

Vice Chancellor Thompson indicated that the FY16-17 Proposed Budget would be coming up for final adoption and would be preceded by a Truth in Taxation Hearing if a tax levy was to be scheduled. She then asked Associate Vice Chancellor Gaye Murphy to provide an explanation of the four funds included in the budget which totaled \$1.5 billion.

Associate Vice Chancellor Murphy provided a page-by-page explanation of the budget. These included the following information included on the handout:

Maricopa Community College District  
FY 2016-17 Budget Book Overview

**Section A: Overview**

- The first 7 pages in the budget document are a narrative overview of the district and an explanation of our funding sources.

**Section B Budget Summaries**

- Page 9 begins the all funds summary.
- Page 10 is a good reference in that it shows revenues by fund on the top and the planned uses by fund on the bottom; Page 11 shows the changes in FTE employees.
- Pages 12-14 provide information on the General Operating fund. There are tables that provide different views of the General Fund – there is an explanation of revenue changes; an explanation of the budget by object code (salaries, supplies, travel); an view by Function (instruction, student services ....); and by College; and changes in numbers of positions.
- Page 15 is the Auxiliary Fund summary. There is a little less information on Auxiliary because it is self-balancing in a way because it is fee for service. In a view by Function, auxiliary is its own so there is no differentiation.
- Page 17 begins the Restricted Fund summary. There is also information on projected revenues and expenditures as well as a view of the fund by function. On page 18, you can see the list of FTE positions currently supported with Prop 301 funds.
- Page 19 is the Plant Fund. Not much action going on there these days as compared to 2004 when Bond initiative passed. The money coming into the Plant Fund now is transfers from other funds and property taxes used to pay debt service on the bond issues.

**Section C College and District Office**

- Page 21 begins with Phoenix College – our first college. Each college with have a narrative description (which will be updated by the time you see the budget again next month) there is detail on the General fund changes and summaries of auxiliary, restricted and plant funds. There is information on the budget by function and position changes.

**Section D Auxiliary**

- Page 49 shows more detailed information on our Auxiliary Fund.
- Page 51 is the Maricopa Skill Center
- Page 57 is the Southwest Skill Center

**Section E Restricted Fund**

- Page 63 begins information on the restricted fund. It shows expenditures by college.
- Page 67 has information on Prop 301.
- Page 68 has information on our two charter schools.

**Section F – Plant Fund**

- The plant fund information begins on page 70

**Section G Appendix**

- The Appendix starts on page 73 and includes a lot of great information. You can find out FTSE and Headcount enrollment information by year. There is information on Tuition and Fees and comparative information on tuition and fees.

- Page 75 starts with information on property tax assessments and rates. The actual proposed tax rates are on page 77
- Page 78 is our Expenditure limitation worksheet.

**Section H Glossary**

- Page 80 begins the Glossary.

Vice Chancellor Murphy explained that this evening the budget would be introduced but would have small changes made to it before adoption. These changes would pertain to SRP and also new construction.

FY17 Tuition & Fees Discussion

The evening’s Board Agenda would include an action item titled: Proposed Tuition & Fees Fiscal Year 2016-17. The Recommendation included the following:

After several months of reviewing potential resources and budget needs, recommendations were made to the Chancellor through the District’s budget development process. The Chancellor has considered the potential impact on Maricopa Community College and therefore recommends \$2.00 increase in the current county resident tuition rate from \$84.00 to \$86.00 per credit hour. Student taking 30 credit hours will pay \$2,580 annually, for total increase of \$60 for full time student. Also, although not part of the requested action in February, a recommendation on the 2% tax levy increase permitted by the Constitution will be part of the budget proposed by the Chancellor.

Attached is the Proposed FY 2016-17 Tuition and Fee schedule, submitted as an action to the Governing Board. Action on the proposal is requested at the February Governing Board meeting in order to ensure that any approved changes are implemented in the Student Information System prior to the start of registration for the Fall 2016 semester.

Graphs 2 and 3 show Maricopa scholarship and Federal financial aid funding. These funds assist students with paying for their education. Institutional Scholarships totaling about \$16 million are made available annually for eligible students; this includes both need-based and merit-based scholarships.

Current District revenue projections for Fiscal Year 2017 show a small increase available for allocation to institutional priorities identified during the current budget development process and over recent years. The increase primarily comes from new construction. In other words, some properties in the County have been developed since the last tax year such as raw land developed for commercial or residential use. The developed property is now valued at a higher level and property taxes will reflect this change. This does not involve a 2% tax increase as allowed under the Constitutional tax levy limit. It is instead, tax payments that are higher because of new construction. We will have a final Property Tax revenue estimate on February 10th, when the County Assessor, pursuant to State law, provides us with a final amount for new construction and the maximum levy. The final property tax revenue number will be included in the FY 2016-17 District Budget when presented for the Board’s information at the February meeting. Note that the District’s tax levy is (since FY09-10) and will continue to be below the maximum levy permitted.

Board Member Discussion

Board Member Haver explained she felt tuition was too high for continuing students. She explained the new senior rate attached to the Board agenda item and stated that people over the age of 65 were underrepresented as students in the ten colleges, whereas about 40% of the classes offered in those colleges had room for more students. For that reason, she supported a 50% discount to those seniors the day after enrollment closed. Thus, the classes would have to make, that is, to reach minimal capacity.

Board Member Saar agreed that multiple tiered tuition would be good. The ability to meet recreational needs for those 65 and over and certain classes would then be able to make.

President Gutierrez indicated that Marketing needed to be a part of this. There would be no administrative cost but over time, the number of people over 65 would be growing. Board Member Burke cautioned the Board not to dictate how administration should implement.

Board Member Livingston indicated that tuition would be rising for majority and the larger population.

Board Member Heep stated the moral of the story was that transfer students taking basic classes at lower and others at higher levels was simply supply and demand.

Adjournment

President Gutierrez adjourned the Budget and Finance Committee Meeting at 6:15 p.m. This was followed by an Executive Session to discuss the Interim Chancellor Contract.

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Johanna Haver  
Governing Board Secretary