

MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD SPECIAL STUDY SESSION

Tuesday, April 9, 2013
Cochise College Douglas Campus
3 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

The special study session was called to order by Mrs. Strain at 3 p.m.

Board Members Present:

Mrs. Jane Strain
Mr. David DiPeso
Dr. John Eaton
Mr. Don Hudgins (teleconference)
Mr. Dennis Nelson

2. NEW BUSINESS

2.01 Presentation and Discussion of the FY14 Budget

Dr. Rottweiler thanked the Board for coming in early. He stated that consistent with what has been done in the past, he will go as in depth as the Board would like to go on the budget, but first providing a general analysis and will then speak on each individual area. No action will be taken during this session; the budget, with the Board's input, will be brought back to the Board at the June meeting for approval. Dr. Rottweiler stated that all of the processing and budgeting are tied to the college's mission:

“Cochise College provides accessible educational opportunities that are responsive to a diverse population and lead to constructive citizenship, meaningful careers, and lifelong learning.”

He stated that, as the Board is aware, we have been operating under our strategic priorities, which are:

1. Competitive Advantages
2. Excellence
3. “Everything Speaks”
4. Student Completion

Dr. Rottweiler spoke about funding of community colleges in Arizona. The Board will hear it talked about, nationwide, as the 3-Legged Stool (The Big 3). For us, the 3-Legged Stool is comprised of State Aid, Property Taxes, and Tuition and Fees. State Aid, the first leg of the stool, is made up of three key parts; the M&O budget (FTSE),

Equalization, and Capital Outlay. The second leg of the stool, property taxes, goes back to 1962, when Cochise County voted to implement a community college. This then allowed the Board some ability to establish a tax rate. Tuition and Fees, the third leg of the stool, is set by the Governing Board.

Dr. Rottweiler reviewed the area of revenue, and since FY '10, we have seen a one-third drop in our state aid, going from \$15.3M down to, this year, \$10.4M, which is the governor's proposal. Capital outlay has not been funded since 2008; however, we did receive \$732,300 in the governor's proposal.

Regarding property taxes, Dr. Rottweiler reviewed what the Board has done over the last four fiscal years. In FY '14, \$18.6M is projected, assuming the Board will levy at the maximum amount (recommended: 2% increase/\$3.86 per \$100,000 of assessed valuation). He then reviewed the FY 13 property tax information for the Arizona community college districts. The Cochise College revenue breakdown for FY '10 was Property Tax – 41%, State Aid - 39%, Tuition/Fees – 19%, and Other – 1%. For FY '14 (as proposed) the revenue breakdown is Property Tax – 49%, State Aid – 28%, Tuition/Fees – 23%, and Other – 0%.

The Budget Principles are consistent and haven't changed. They are:

1. Student Centered
2. Employee Friendly
3. Future Focused

Dr. Rottweiler then reviewed the changes/reductions to the college, comprised of Human Resources, Motor Pool/Fleet to Auxiliary, Print Shop to Auxiliary, Contract for Bus Service, Budget Line Items, and Fee Expenditures.

Strategic initiatives looking forward include:

- Human Resources
 - Salary and Benefits
 - 1.5% increase for all Regular Employees (hired before 2/1)
 - Fund a Salary Study
 - \$5/credit increase on Associate Faculty Schedule
 - Collapse all Associate Faculty Rates to \$675/credit
 - Positions
 - Facilities Maintenance Worker (HVAC)
 - Respiratory Therapy Coordinator
 - Instructor, Biology (Extended Campus)
 - Instructor/Lab Assistant, Nursing
- Initiatives List
- Deferred Maintenance
 - Douglas Campus
 - Fire Alarms, Energy Management System upgrade (dorms and gym), Sewer Line Repairs, Well Site improvements, Absorption Chiller, HVAC (300), Restroom remodel (3)), Irrigation System (Rodeo), Xeriscaping
 - Sierra Vista Campus
 - Fire Alarms, Energy Management System upgrade (400, 600, 700,800), Lighting Retrofit, HVAC (700 & 800), Parking Lots (B, D, Chip seal F, G)

- Extended Learning
 - o Upgrades (Benson, Willcox, Ft. Huachuca)
- Permanent Roofing Fund
- 4 Fleet Vehicle Replacements (Hybrid)
- Golf Cart Replacement

In summary, the FY 2014 proposed budget is based on the college mission and strategic priorities; follows budget principles; has conservative projections in revenue (enrollment/governor's budget) and expenses; addresses employee compensation and deferred maintenance; provides for contingencies, growth, and opportunities; and is balanced (uses fund balance for one-time expenses).

Mrs. Strain adjourned the meeting at 4:35 p.m.

Respectfully Submitted:

Ms. Loretta Mountjoy, Executive Administrative Assistant, Office of the President

Mr. David DiPeso, Secretary of the Governing Board