

Discussions

TUITION DECISION
&
PROPERTY TAX FEEDBACK

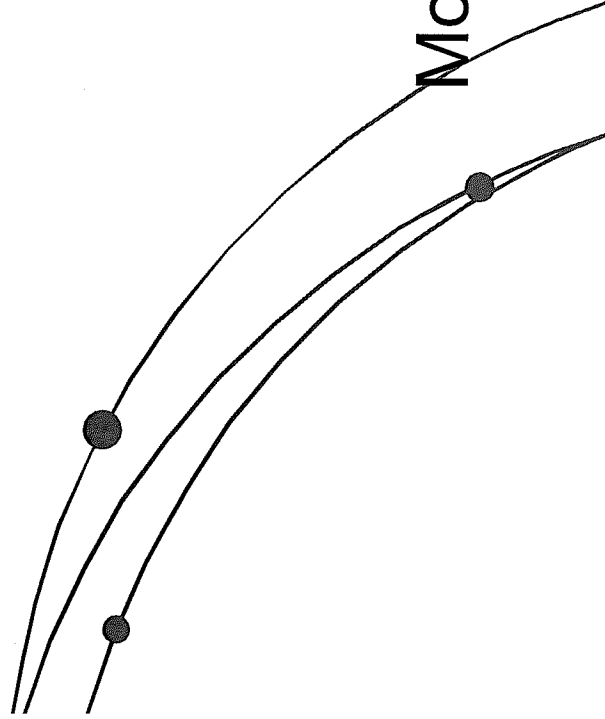
Property Taxes in Arizona

Yavapai County
Assessor's Office

Pamela J. Pearsall
County Assessor
www.co.yavapai.az.us

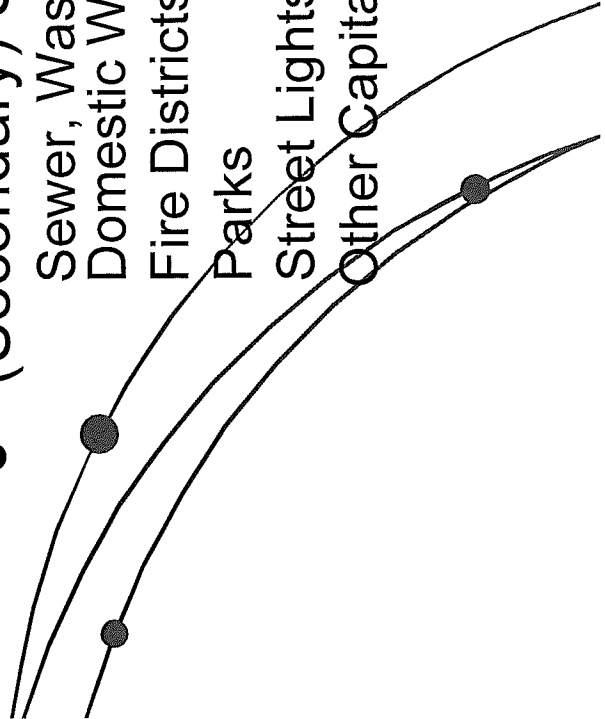
928-771-3220 (Prescott)
928-639-8121 (Cottonwood)

Modified by Clint Ewell
Yavapai College

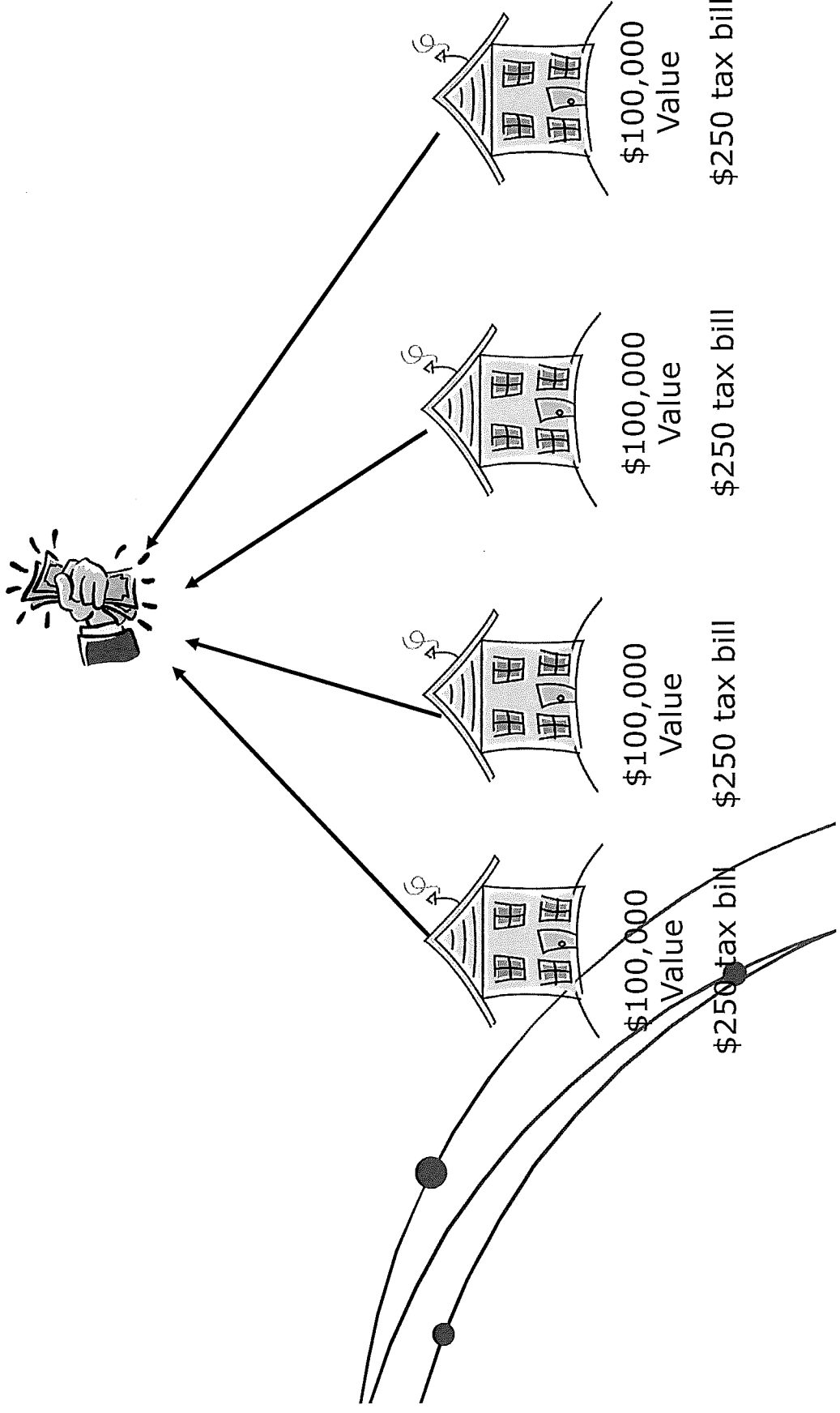


What Does My Property Tax Pay For?

- (Primary) Property tax revenues help fund:
 - State and Local Governments
 - Schools
 - Law Enforcement
 - Library
- (Secondary) Special Improvements
 - Sewer, Wastewater and Sanitary Domestic Water
 - Fire Districts
 - Parks
 - Street Lights
 - Other Capital projects

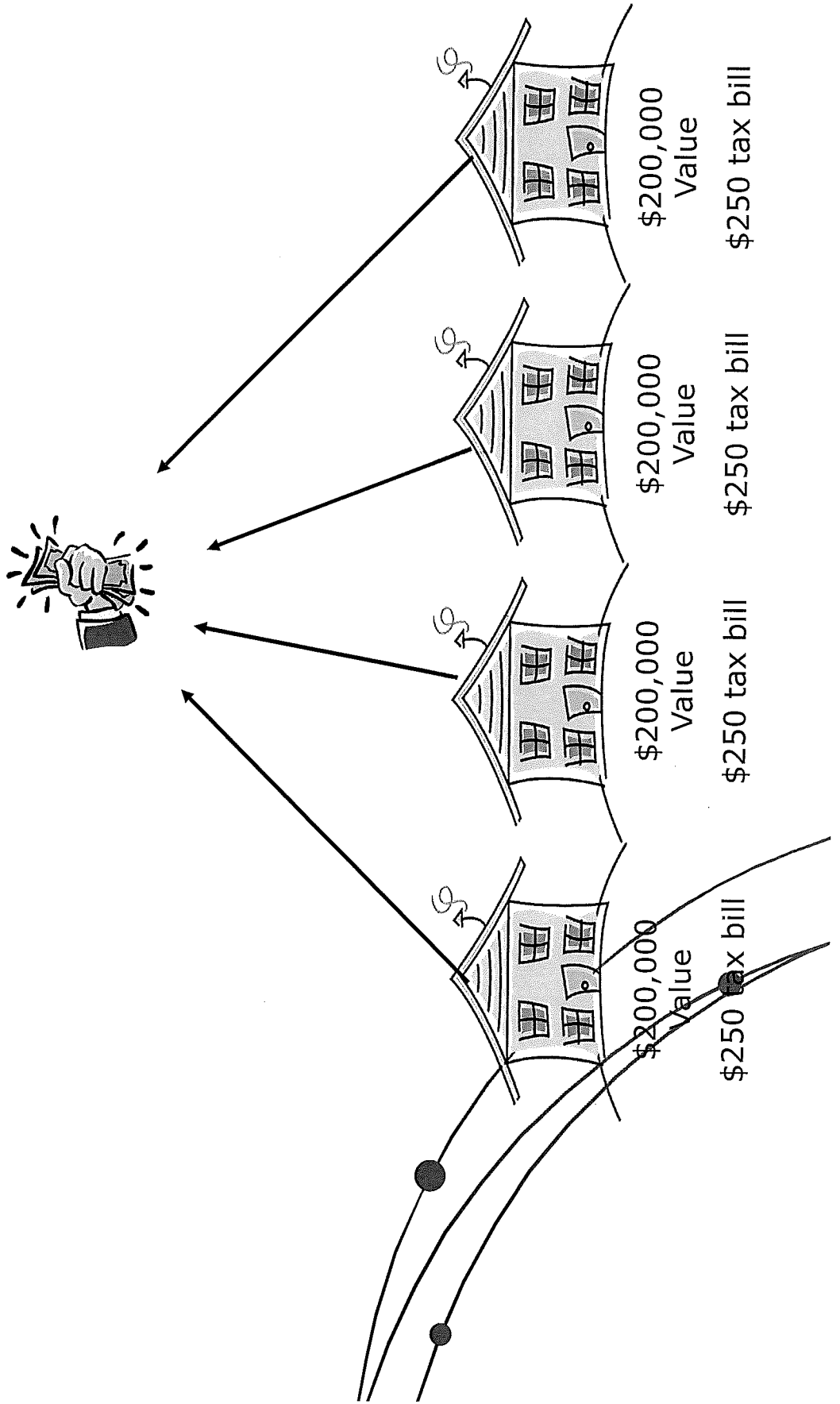


\$1,000 Budget (Levy)



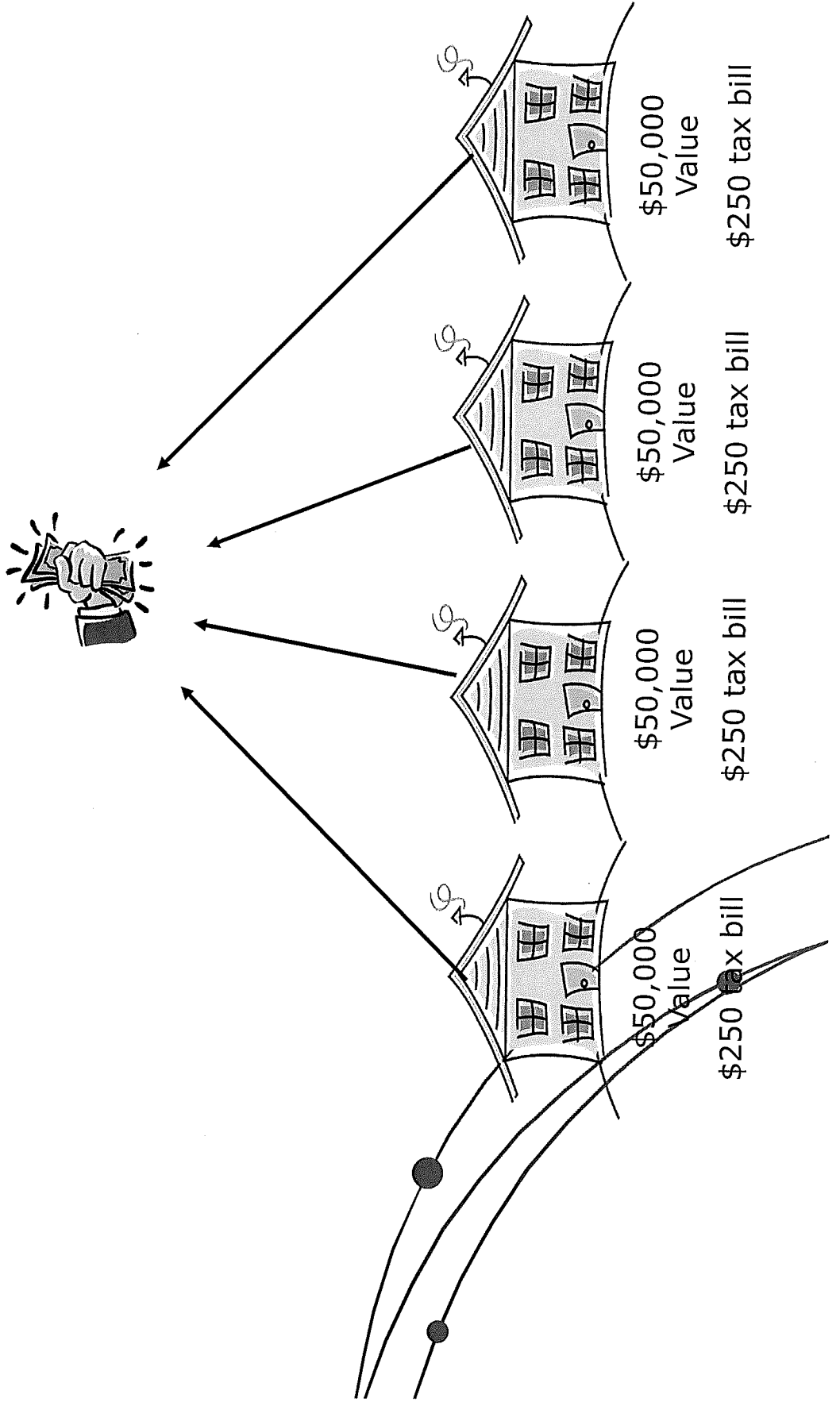
Property Values Increase Uniformly

\$1,000 Budget

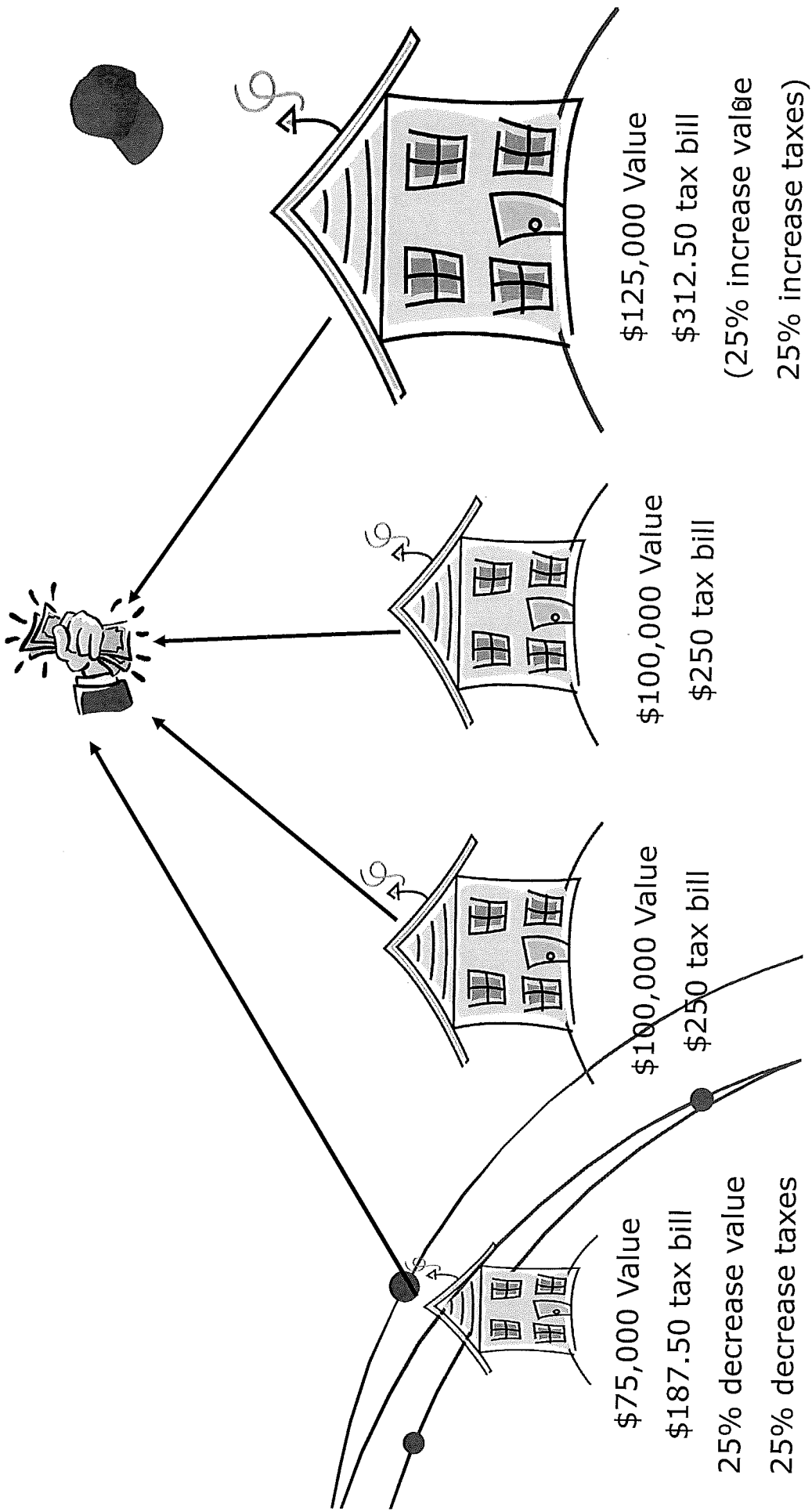


Property Values Decrease Uniformly

\$1,000 Budget



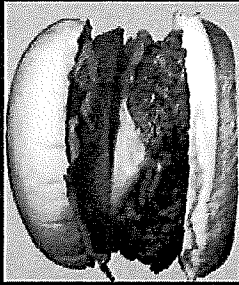
Property Values Vary \$1,000 Budget



Splitting the Check



STEVE



LEE



SCOTT

GUEST CHECK

Lobster \$30

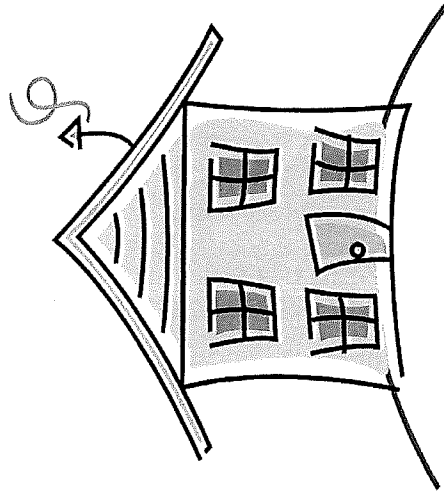
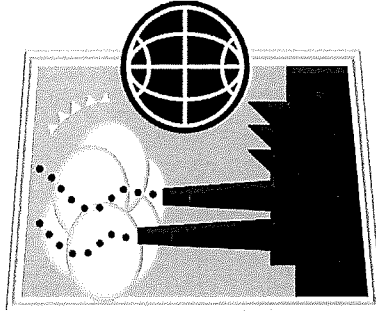
Hamburger \$10

Steak \$20

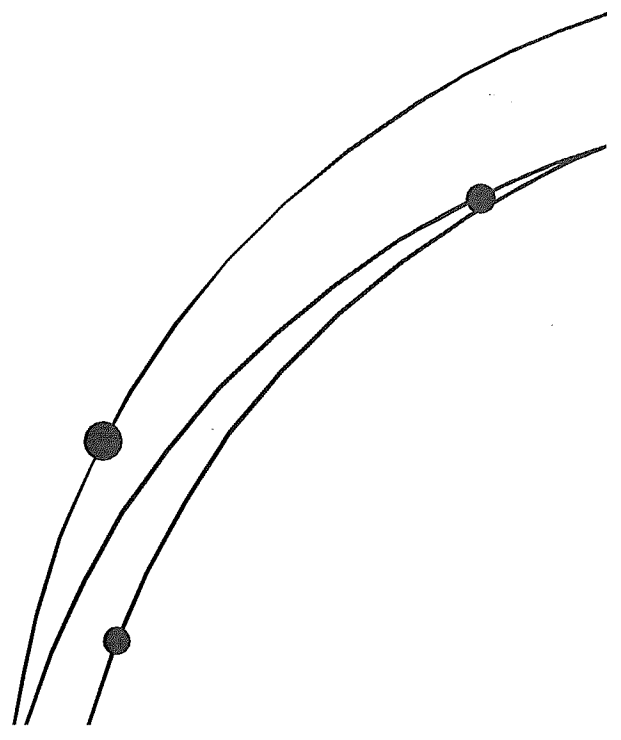
Total \$60

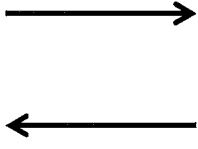
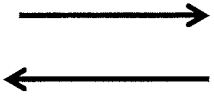
Legislative Cost Shifting

Class	General Property Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Commercial	25.0	24.5	24.0	23.0	22.0	21.0	20.0	20.0	19.5	19.0	18.5	18.0
2	Agricultural/Vacant Land	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0
3	Residential: Owner-Occupied	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4	Residential: Rental or Leased	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0



$$\text{Assessed Value} \times \% \text{ Tax Rate} = \text{Property Tax Levy}$$





Constant

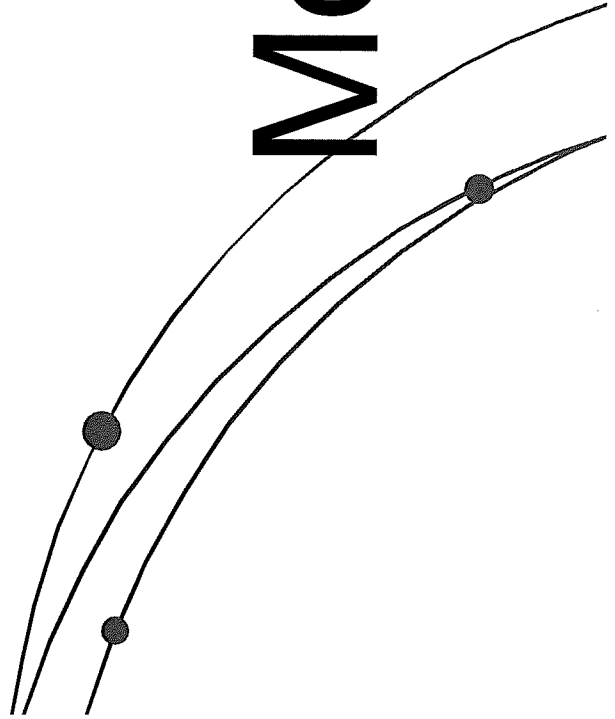
Assessed
Value

X

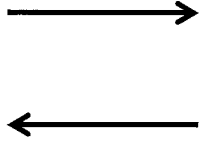
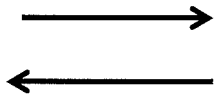
% Tax
Rate

=

\$ Tax
Levy



Most states...



Constant

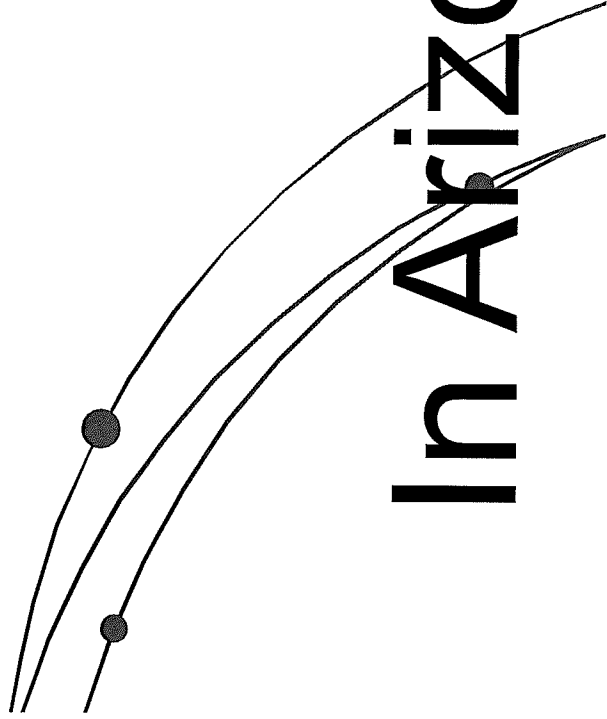
Assessed
Value

X

% Tax
Rate

=

\$ Tax
Levy



In Arizona...

Assessed
Value

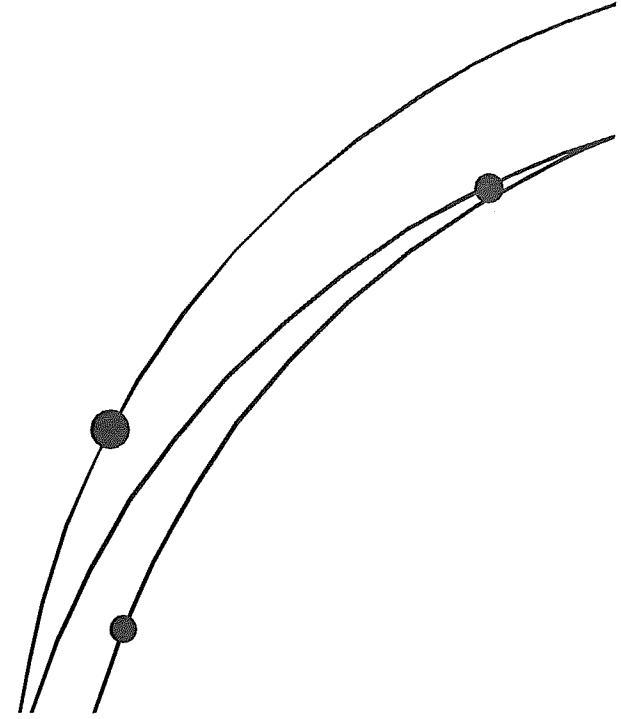
X

% Tax
Rate

=

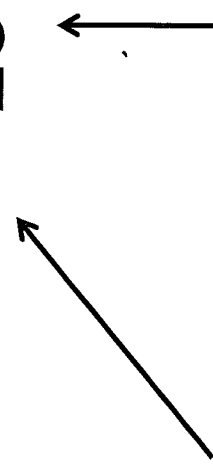
\$ Tax
Levy

Increase



New
construction

Tax district may
Increase levy
by up to 2% per
year
(cumulative)

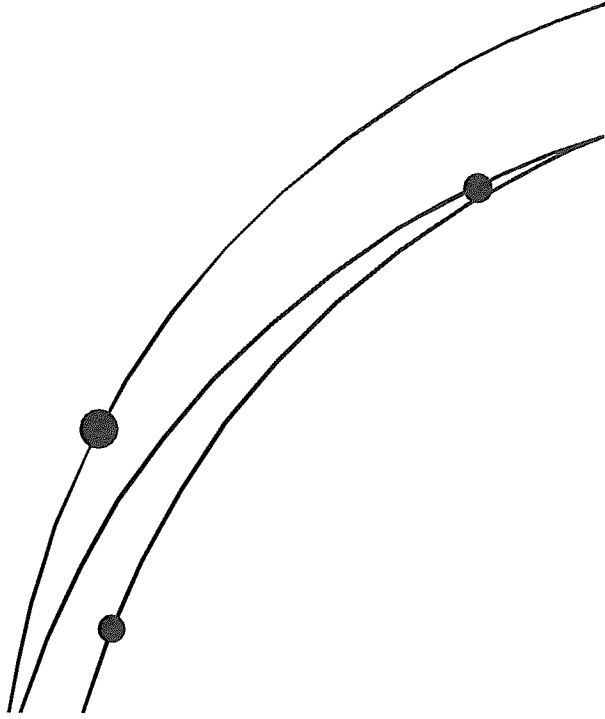


Why did my Property Tax bill go up so much?

- Maximum increase in tax bill due to Yavapai College levy increase is typically 2%

- Increases larger than 2% due to
 - Change in the assessed values
 - of your property
 - of other properties
 - Cost shifting

Questions & Discussion



Fiscal Stewardship

Prepared for Yavapai College

District Governing Board

Fiscal Stewardship Philosophy

- leaving the next generation a more balanced and stronger budget to address a more challenging fiscal world.
- It is about making, rather than avoiding, hard choices to enable future generations a brighter future.

-George Mason University

- processes and structures that manage, allocate, and monitor resources critical to mission.
- begins with compliance with laws, regulations and policies, sufficient transparency, and appropriate internal controls to prevent excessive financial commitments and overspending.

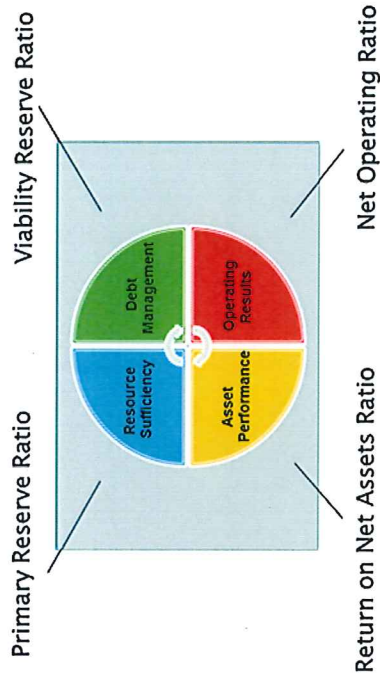
-University of Texas

Fiscal Stewardship at YC

- Investors
 - Unqualified Fiscal Audit
 - Government Finance Officers Association
 - Ratios
- Taxpayers
 - Tax Rate
 - Operating Cost per FTSE
 - Facility Condition Index
- Students
 - Price (T&F)

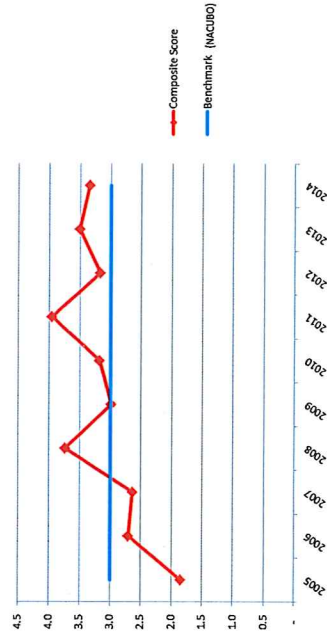
Investors

- Unqualified Fiscal Audit
 - 10+ years in a row
- GFOA
 - Certificate of Achievement for Excellence in Financial Reporting
 - 10+ years in a row
- Ratios
 - Basic 4 are good and/or trending well
 - Composite is good



Composite Financial Index

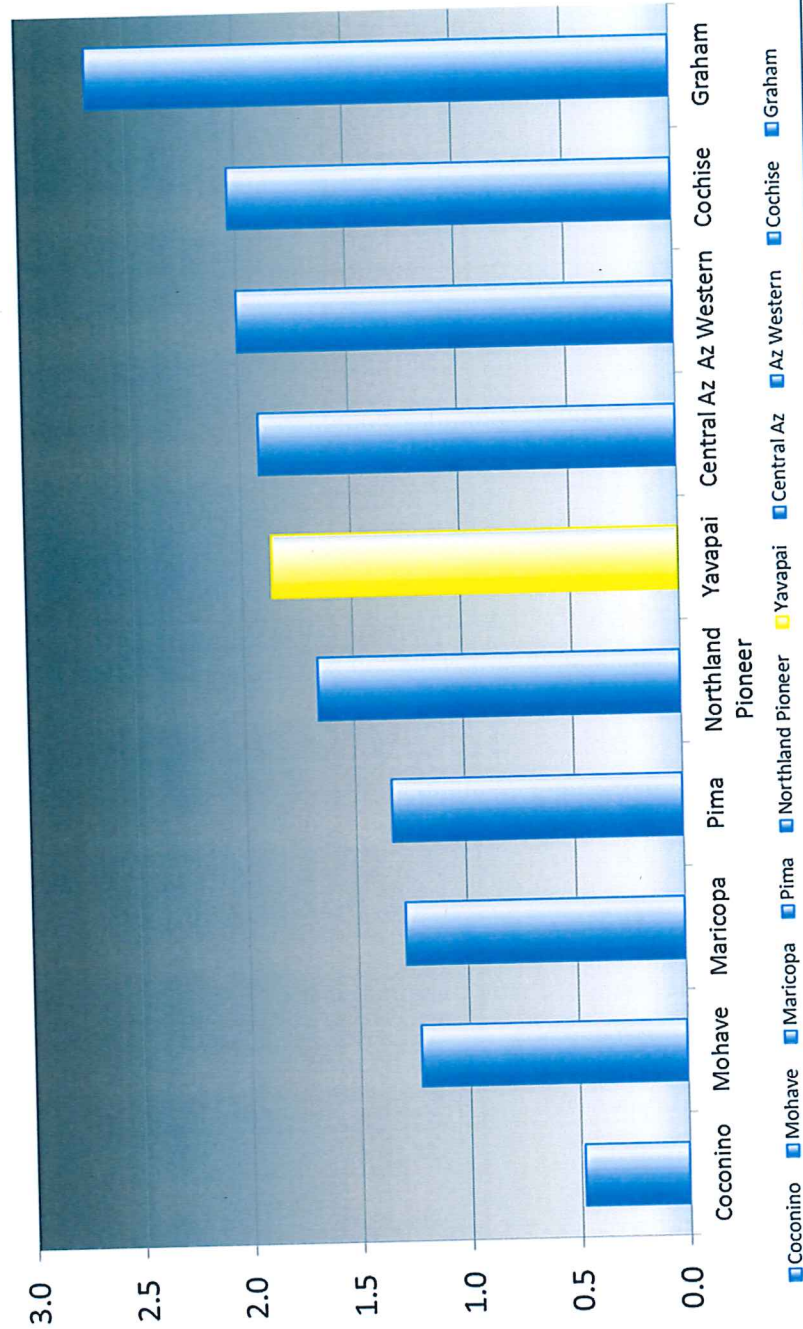
Composite Financial Index



The CFI is a combination of the four core ratios using a prescribed weighting that is an indicator of the overall financial health of an institution. A CFI of 3 or greater generally indicates that an institution is in good financial health.

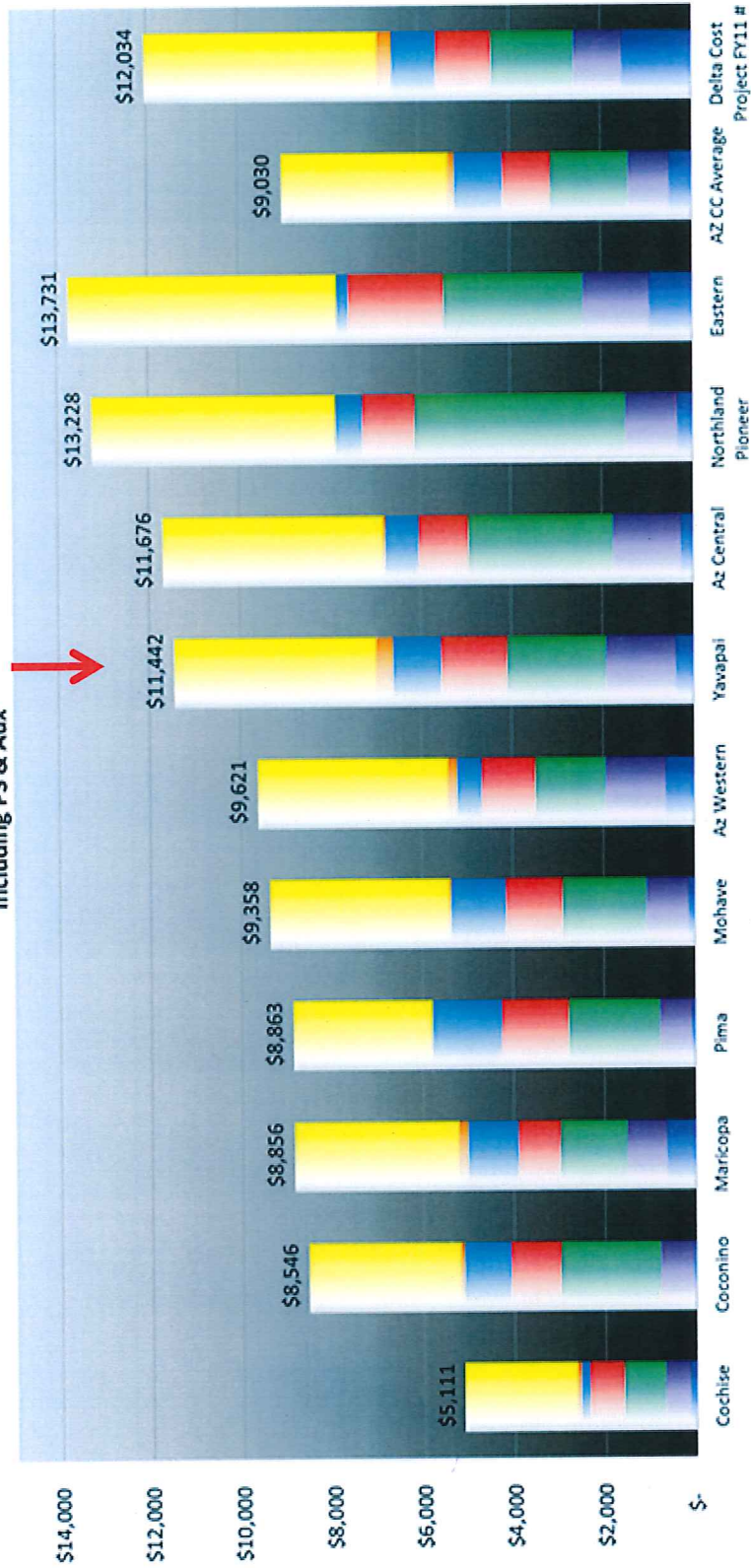
Taxpayers

Arizona Community College
2015 Primary Property Tax Rates
(in mills)



Taxpayers

Operating Expenditures per Student FTE
FY 2013-14
Including PS & Aux

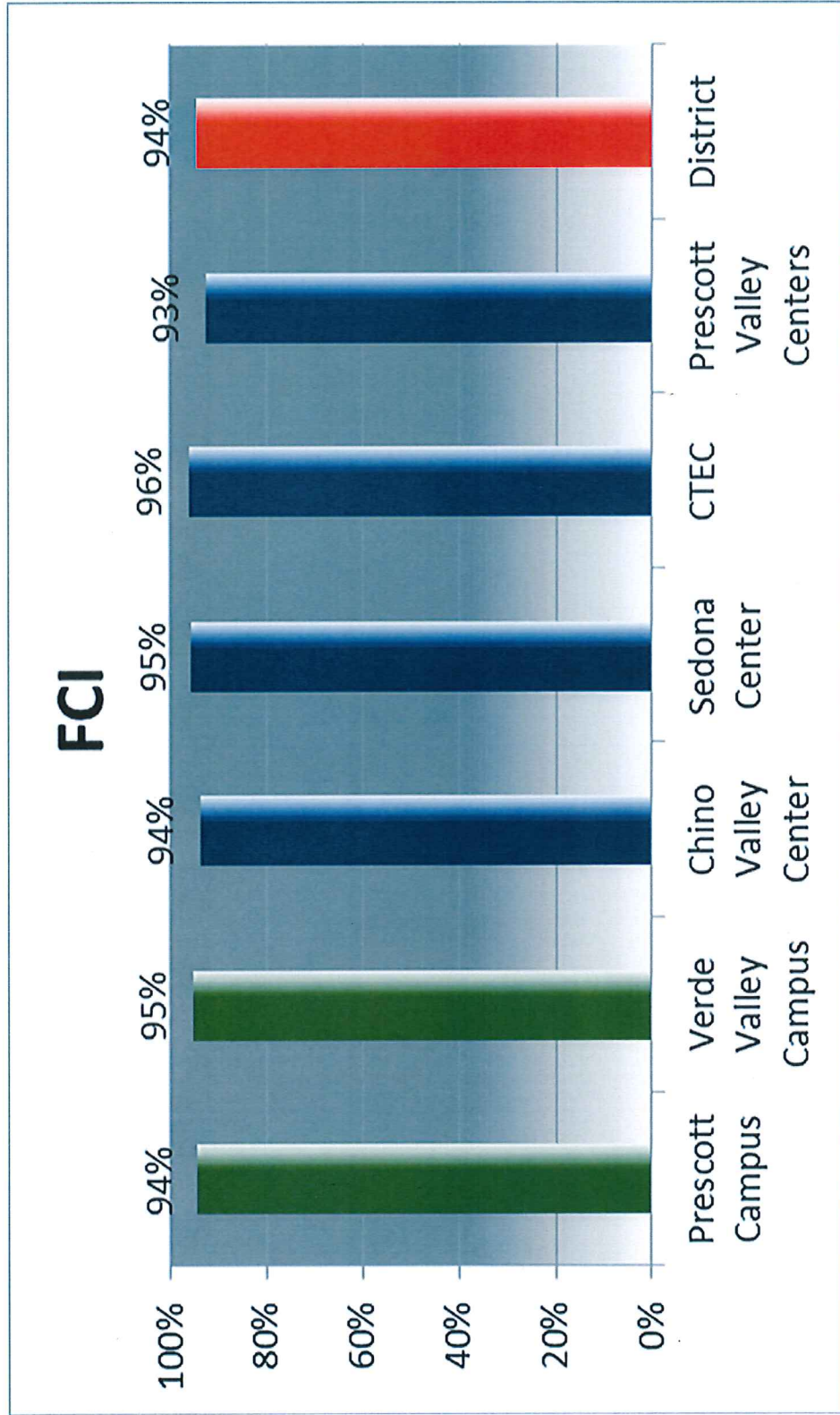


YC Cost per FTE is 27% Higher than Average AZ Peer
YC is 10% Lower than the National Average

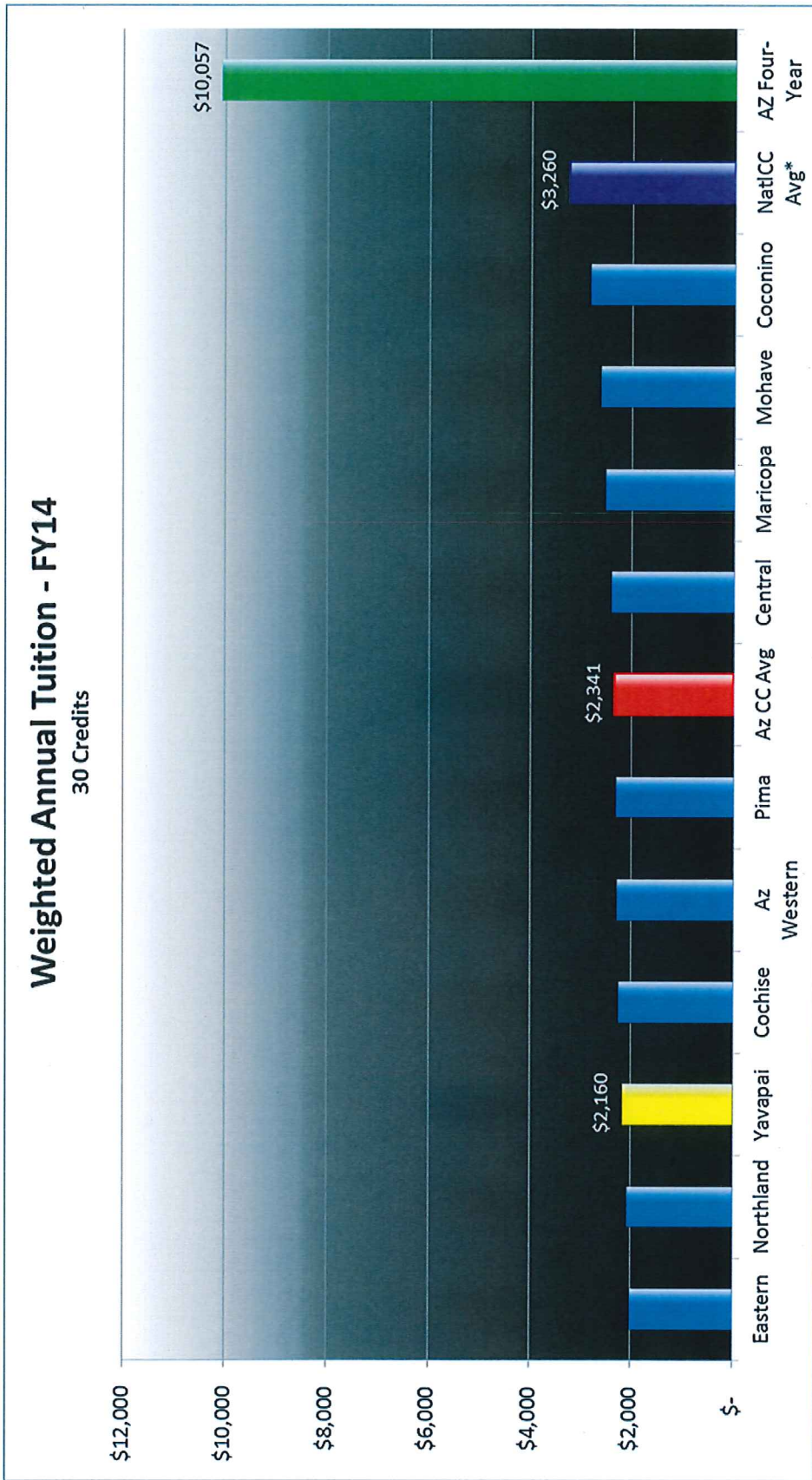
Sources: FY 2013-14 Arizona Community Colleges CAFR;
2016 Consolidated State Aid Request;

■ Auxiliaries ■ Facilities Operation & Maintenance ■ Institutional Support ■ Student Services ■ Academic Support ■ Public Service ■ Instruction
adjusted up to FY14 CPI / inflation

Taxpayers



Students



Questions & Discussion



Yavapai College

FY2015-16 Preliminary Budget Overview

Presented to
the Yavapai College District Governing Board
April 2015

YC Budget Process

- College Employees
 - Sep- Kick-off Budget Process
 - Oct- Analyze Operating Budget- PLT
 - Nov- Analyze Capital Budget- PLT
 - Dec
 - Update Capital Priorities- PLT
 - Submit Action Plans and Resource Requests
 - Jan- Revenue Recommendations- PLT
 - Feb- Prioritize Resource Requests- PLT
 - Mar- Solicit Campus Feedback on Budget Priorities
 - Apr: Exec. Team presents budget proposal to DGB
- District Governing Board
 - Jan- Assumptions/ Enviro Scan
 - Feb- Draft Capital Budget Feedback
 - Mar- Approve T&F, Feedback on Taxes
 - April- Provide Feedback on Draft Budget
 - May- Approve Budget and Truth in Taxation (if needed)

Key Assumptions

- Revenues
 - Property Tax:
 - New Construction \$589k
 - 2% Levy Increase \$825k
 - T&F:
 - Price increase \$590k (4%)
 - Enrollment shrink -\$190k (-1.9%)
 - State:
 - No change
- Expenses
 - Fixed Expenses
 - Raise & Market Correction
 - Benefits
 - Utilities
 - HW/SW Maintenance
 - Merit Scholarships
 - Reallocation savings -\$200k
 - New Initiatives \$825k

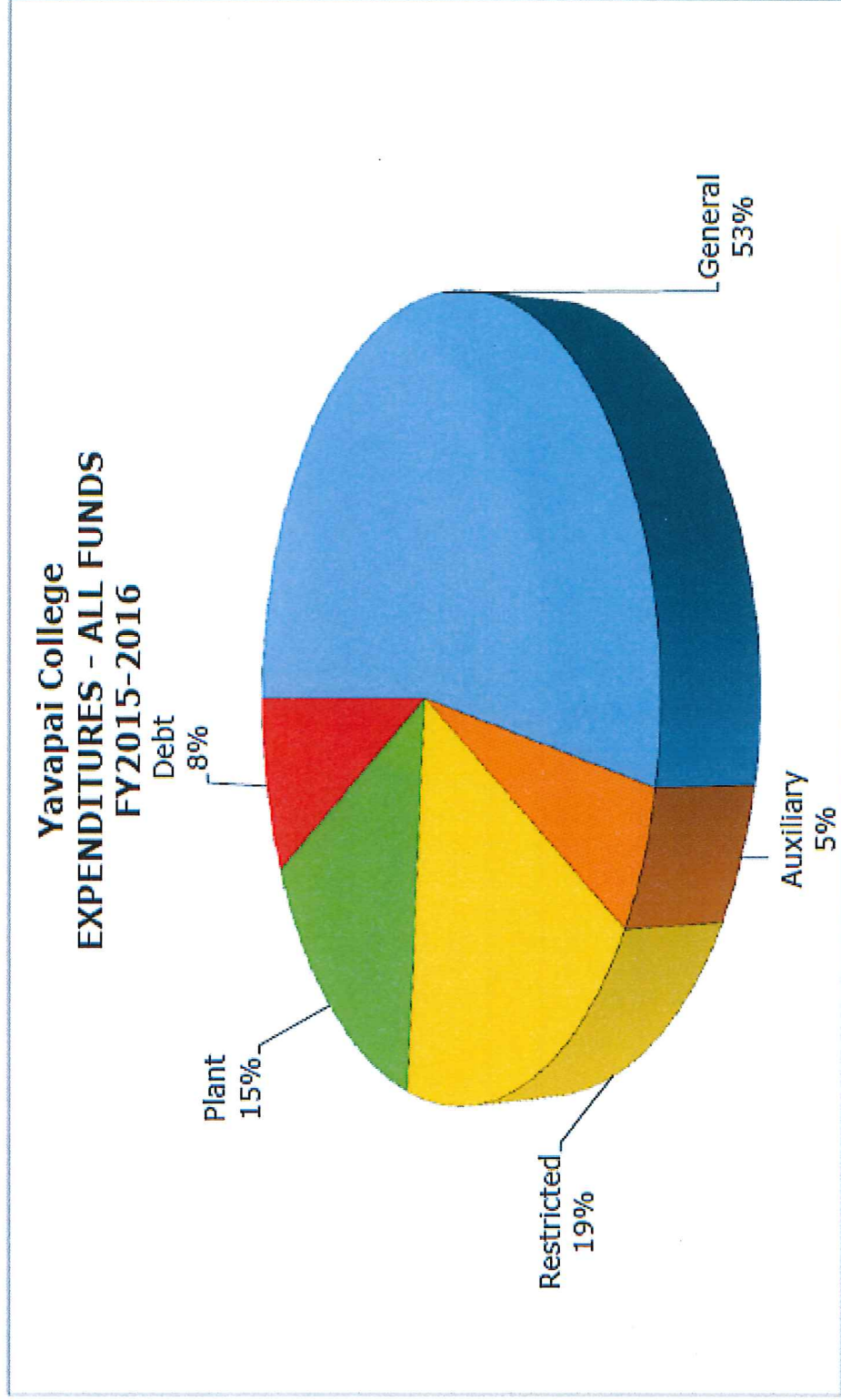
Critical New Initiatives by End

		Education	Development	Economic	Cultural
1	Electrical Lineman	X		X	
2	Hospitality/ Culinary	X		X	
3	Digital Media Film	X		X	
4	Asst Vineyard Mgr/ Vineyard	X		X	
5	Enology Tasting Room	X			
6	Performing Arts Program	X			X
7	Community Ed PT to FT	X			
8	Supplemental Instruction in Learning Center	X			
9	Curriculum/ Acalog Software	X			
10	Testing Center Staff	X			
12	Service Learning	X			
13	Dual Enrollment	X			
14	Freshman Year Experience	X			
15	Increase Contingencies	X		X	X
16	Facilities Maintenance Technician	X		X	X
17	Marketing	X		X	X
18	VVC Associate Dean	X			
19	High School Liaison	X			

Critical New Initiatives by Strategic Plan

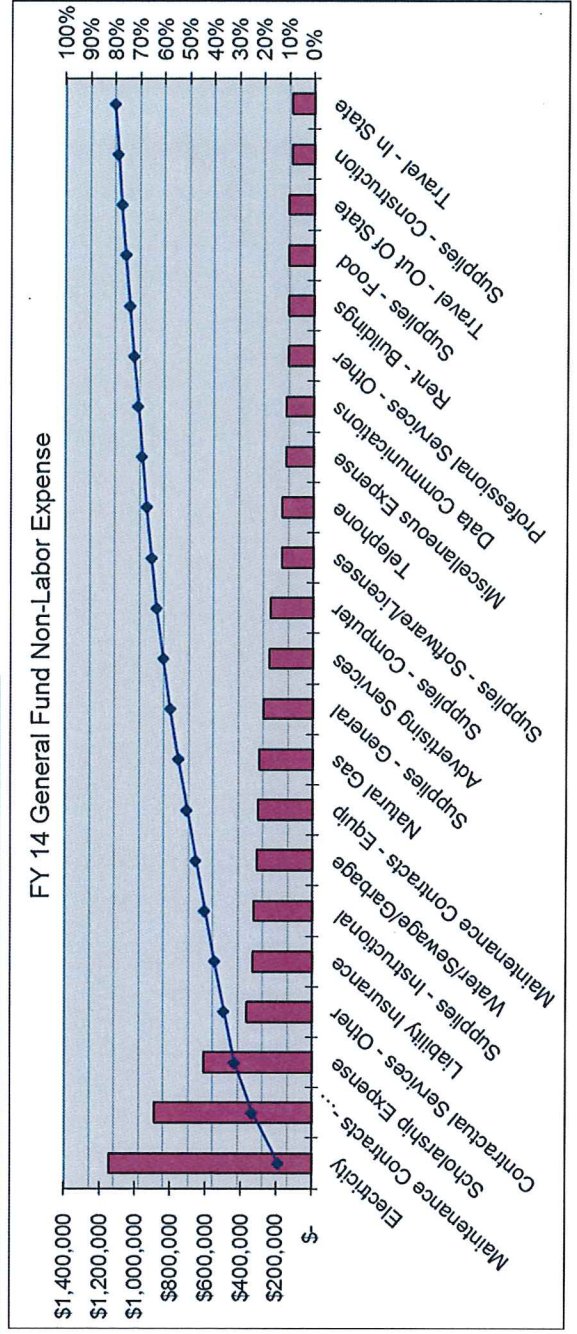
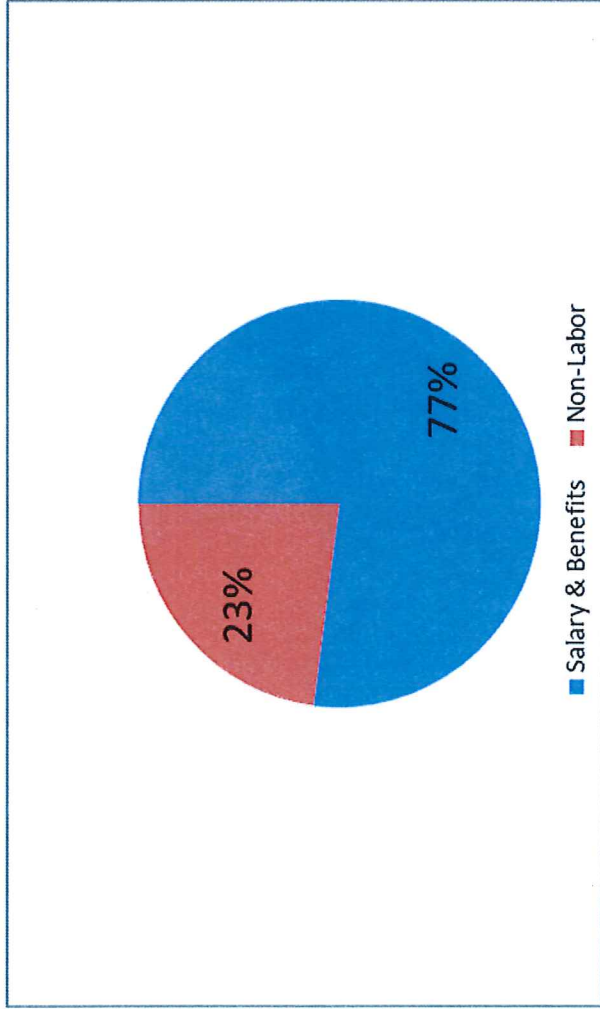
	Student Success/ Satisfaction	Quality/ Effectiveness of Instruction	Fiscal Stewardship & Efficiency	Employee Development	Community Development
1 Electrical Lineman	X				X
2 Hospitality/ Culinary	X				X
3 Digital Media Film	X				X
4 Asst Vineyard Migr/ Vineyard		X			X
5 Enology Tasting Room	X	X			
6 Performing Arts Program	X				X
7 Community Ed PT to FT	X				
8 Supplemental Instruction in Learning Center		X		X	
9 Curriculum/ Acalog Software		X			
10 Testing Center Staff		X			
12 Service Learning	X	X		X	
13 Dual Enrollment		X	X		X
14 Freshman Year Experience	X	X			
15 Increase Contingencies			X		
16 Facilities Maintenance Technician		X			
17 Marketing	X				X
18 VVC Associate Dean		X		X	
19 High School Liaison					X

Yavapai College Budget by Fund



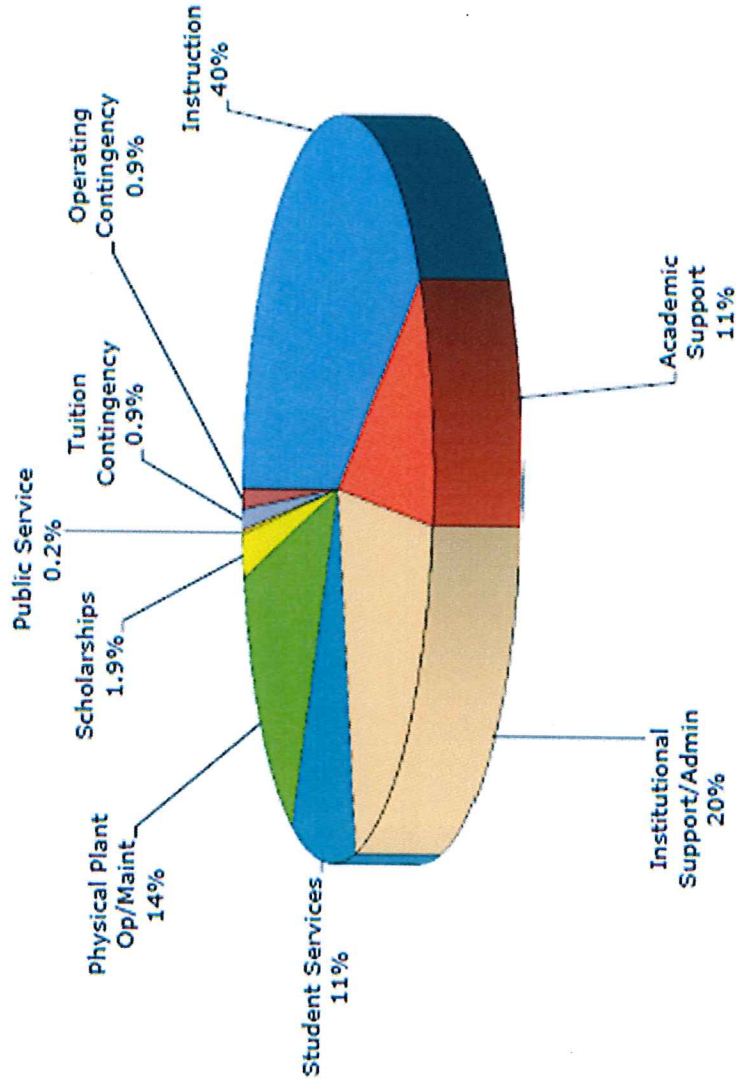
\$83.7M total

General Fund Budget by Account



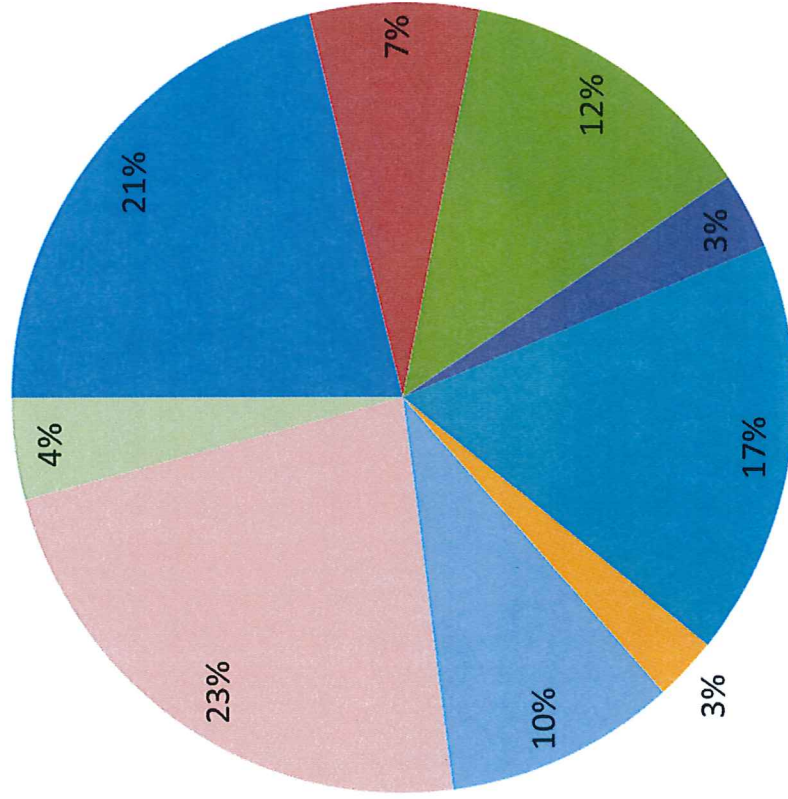
General Fund Budget by Program

Yavapai College GENERAL FUND EXPENDITURES FY2015-2016



\$44.3M Total

Instructional Program Budget by Division



- Arts & Humanities
- Business, Ed, Social Science
- Career Tech Ed
- Computer Technologies
- Foundation Studies
- Lifelong Learning
- Public Safety
- Science & Health
- Other

Changes to General Fund

EXPENDITURES	2014-2015 BUDGET	2015-2016 BUDGET	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Current General Fund				
Instruction	\$ 16,832,000	\$ 17,879,000	\$ 1,047,000	6.2%
Academic Support	4,492,000	4,880,000	388,000	8.6%
Institutional Support/Administration	8,520,000	8,695,000	175,000	2.1%
Student Services	4,697,000	4,810,000	113,000	2.4%
Physical Plant Operations/Maintenance	6,123,000	6,181,000	58,000	0.9%
Scholarships	833,000	826,000	(7,000)	-0.8%
Public Service	150,000	83,000	(67,000)	-44.7%
Tuition Contingency	550,000	550,000	-	0.0%
Operating Contingency	-	400,000	400,000	100.0%

TOTAL CURRENT GENERAL FUND BUDGET

\$ 42,197,000 \$ 44,304,000 \$ 2,107,000 5.0%

- 1. Education:
 - Job Seekers
 - Transfer
 - ABE
 - Developmental
 - Dual
 - Lifelong Learning
 - College 4 Kids
 - FEC
 - OLLI
- 2. Economic Development
 - Career Technical Education
 - Business
- 3. Cultural
 - Athletics
 - Classes
 - Galleries
 - Libraries

Changes in Auxiliary Fund

	Budget 2014-2015	Budget 2015-2016	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
Instruction	\$ 49,100	\$ 55,100	\$ 6,000	12.2%
Student Services	611,400	626,400	15,000	2.5%
Auxiliary Enterprises	1,346,000	1,518,700	172,700	12.8%
Public Service	1,016,100	889,800	(126,300)	-12.4%
Contingency	100,000	100,000	-	0.0%
Facilities & Administrative Allocation Expense	951,300	1,065,300	114,000	12.0%
TOTAL CURRENT AUXILIARY FUND BUDGET	\$ 4,073,900	\$ 4,255,300	\$ 181,400	4.5%

Changes in Restricted Fund

	Budget 2014-2015	Budget 2015-2016	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
CURRENT RESTRICTED FUND (Note 1)				
Instruction	\$ 3,294,900	\$ 2,756,400	\$ (538,500)	-16.3%
Academic Support	4,000	4,000	-	0.0%
Student Services	1,198,000	1,107,800	(90,200)	-7.5%
Scholarships	11,890,000	11,434,500	(455,500)	-3.8%
Public Service	140,000	112,000	(28,000)	-20.0%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS OF CURRENT RESTRICTED FUND	\$ 16,526,900	\$ 15,414,700	\$ (1,112,200)	-6.7%

Changes in Capital Fund

	Budget 2014-2015	Budget 2015-2016	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
UNEXPENDED PLANT FUND				
Buildings/Infrastructure	\$ 3,020,000	\$ 3,010,000	(10,000)	-0.3%
Preventative Maintenance	500,000	500,000	-	0.0%
Unplanned Maintenance	6,781,900	4,538,700	(2,243,200)	-33.1%
Capital Improvement Projects (CIP)				
Equipment	2,309,400	2,123,500	(185,900)	-8.0%
Equipment	250,000	250,000	-	0.0%
Furniture and Fixtures				
Capital Leases	41,300	-	(41,300)	-100.0%
Principal on Capital Leases	1,000	-	(1,000)	-100.0%
Interest on Capital Leases				
Library Books	98,700	98,700	-	0.0%
Contingency				
Operating Contingency	500,000	500,000	-	0.0%
Property Tax Contingency	247,300	247,300	-	0.0%
TOTAL EXPENDITURES - UNEXPENDED PLANT FUNDS	\$ 13,749,600	\$ 11,268,200	(2,481,400)	-18.0%
Contributions to Capital Projects				
Accumulation Account - Future Projects	40,200	1,567,700	1,527,500	3799.8%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS - UNEXPENDED PLANT FUNDS	\$ 13,789,800	\$ 12,835,900	(953,900)	-6.9%

Changes in Debt Fund

	Final Maturity	Budget 2014-2015	Budget 2015-2016	DOLLAR (\$) DIFFERENCE	PERCENTAGE (%) DIFFERENCE
RETIREMENT OF INDEBTEDNESS					
Retirement of Indebtedness (Principal)					
General Obligation Bonds - 2012 Refunding	7/1/2024	\$ 2,965,000	\$ 3,175,000	\$ 210,000	7.1%
General Obligation Bonds - 2011 Refunding	7/1/2021	1,105,000	1,020,000	(85,000)	-7.7%
Total General Obligation Bonds		4,070,000	4,195,000	125,000	3.1%
Pledged Revenue Obligations	7/1/2025	945,000	985,000	40,000	4.2%
Revenue Bonds	7/1/2028	285,000	295,000	10,000	3.5%
Sub-total Retirement of Indebtedness		\$ 5,300,000	\$ 5,475,000	\$ 175,000	3.3%
Interest on Indebtedness					
General Obligation Bonds - 2012 Refunding		\$ 740,400	\$ 681,100	\$ (59,300)	-8.0%
General Obligation Bonds - 2011 Refunding		225,000	169,800	(55,200)	-24.5%
Total General Obligation Bonds		965,400	850,900	(114,500)	-11.9%
Pledged Revenue Obligations		491,800	454,000	(37,800)	-7.7%
Revenue Bonds		115,800	108,800	(7,000)	-6.0%
Sub-total Interest on Indebtedness		\$ 1,573,000	\$ 1,413,700	\$ (159,300)	-10.1%
Bank Fees		4,000	4,000	-	0.0%
Property Tax Contingency		30,000	30,000	-	0.0%
TOTAL EXPENDITURES AND OTHER DEDUCTIONS -					
RETIREMENT OF INDEBTEDNESS		\$ 6,907,000	\$ 6,922,700	\$ 15,700	0.2%

FY16 Revenues Summary

	Current Year <u>2014-2015</u>	Proposed Budget <u>2015-2016</u>	Dollar (\$) <u>Difference</u>	Percentage (%) <u>Difference</u>
REVENUES				
Current Funds				
Current General Fund - Unrestricted				
Property Taxes - Primary	\$ 31,155,000	\$ 33,069,800	\$ 1,914,800	6.1%
Tuition & Fees	11,867,000	12,273,000	406,000	3.4%
State Appropriations	887,000	890,300	3,300	0.4%
Other Sources	493,500	520,000	26,500	5.4%
Auxiliary Enterprises				
Sales and Services	2,839,200	2,996,200	157,000	5.5%
Other Sources	666,800	652,800	(14,000)	-2.1%
Sub-Total Current Funds - Unrestricted	\$ 47,908,500	\$ 50,402,100	\$ 2,493,600	5.2%
Current Funds - Restricted				
Federal Grants and Contracts	\$ 14,224,000	\$ 13,073,000	\$ (1,151,000)	-8.1%
State Grants and Contracts	225,000	201,000	(24,000)	-10.7%
State Appropriations/Prop 301	1,402,900	1,455,700	52,800	3.8%
Private Gifts, Grants and Contracts	625,000	635,000	10,000	1.6%
Sub-Total Current Funds - Restricted	\$ 16,476,900	\$ 15,364,700	\$ (1,112,200)	-6.8%
TOTAL CURRENT FUNDS	\$ 64,385,400	\$ 65,766,800	\$ 1,381,400	2.1%
Plant Funds				
Unexpended Plant Fund				
Property Taxes - Primary	\$ 10,098,800	\$ 9,597,900	\$ (500,900)	-5.0%
Other Sources	38,000	42,000	4,000	10.5%
Non-recurring	325,000	325,000	-	0.0%
Retirement of Indebtedness				
Property Taxes - Secondary	5,059,400	4,967,900	(91,500)	-1.8%
Other Sources	10,000	12,000	2,000	20.0%
TOTAL PLANT FUNDS	\$ 15,531,200	\$ 14,944,800	\$ (496,900)	-3.2%
GRAND TOTAL - CURRENT & PLANT FUNDS	\$ 79,916,600	\$ 80,711,600	\$ 884,500	1.1%
Unrestricted Fund Balance Applied to Budget	3,578,000	3,021,000	(557,000)	-15.6%
TOTAL REVENUES AVAILABLE FOR EXPENDITURES	\$ 83,494,600	\$ 83,732,600	\$ 238,000	0.3%

FY16 Expense Summary

	Current Year <u>2014-2016</u>	Proposed Budget <u>2016-2018</u>	Dollar (\$) <u>Difference</u>	Percentage (%) <u>Difference</u>
I. CURRENT GENERAL AND PLANT FUNDS				
A. EXPENDITURES				
Current Funds				
Current General Fund - Unrestricted	\$ 42,197,000	\$ 44,304,000	\$ 2,107,000	5.0%
Auxiliary Enterprises	4,073,900	4,255,300	181,400	4.5%
Sub-Total Current Funds - Unrestricted	\$ 46,270,900	\$ 48,559,300	\$ 2,288,400	4.9%
Current Funds - Restricted	16,526,900	15,414,700	(1,112,200)	-6.7%
TOTAL CURRENT FUNDS	\$ 62,797,800	\$ 63,974,000	\$ 1,176,200	1.9%
Plant Funds				
Unexpended Plant Fund	\$ 13,789,800	\$ 12,835,900	\$ (953,900)	-6.9%
Retirement of Indebtedness	6,907,000	6,922,700	15,700	0.2%
TOTAL PLANT FUNDS	\$ 20,696,800	\$ 19,758,600	\$ (938,200)	-4.5%
GRAND TOTAL - CURRENT & PLANT FUNDS	\$ 83,494,600	\$ 83,732,600	\$ 238,000	0.3%

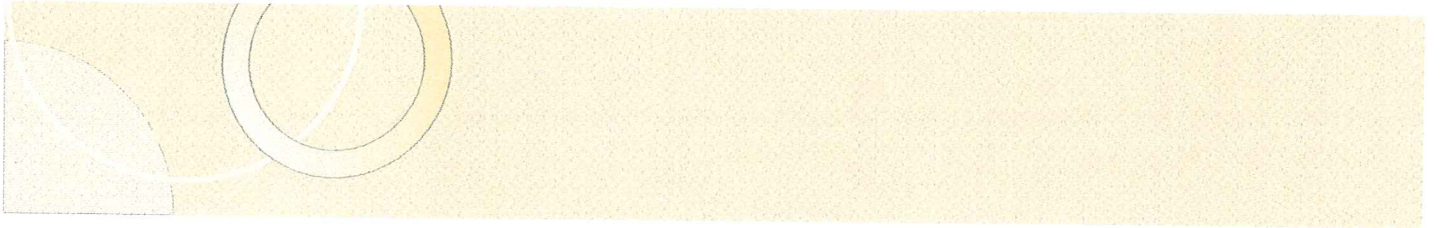
Sources of Risks

- Revenue Risks
 - Prop 301
 - Aviation
 - State M&O
 - State STEM
 - Enrollments
 - Uncollectable Property Tax
 - SBI 476
 - Expenditure Limit
 - K-12 Funding
 - Contingencies
 - Enrollment Shrink
 - Operating
 - Property Tax
- > \$4M**
- \$1.3M**

Property Taxes

- With a 2% Levy increase, we will pursue all Critical New Initiatives
- If not, we will
 - Eliminate or Delay some Critical New Initiatives
 - Make additional reallocations

Thank You



Yavapai College Preliminary Budget



FY2015–2016
Revised May 19, 2015

life explored

Career & Technical Education Center
Chino Valley Center
Prescott Campus
Prescott Valley Center
Sedona Center
Verde Valley Campus