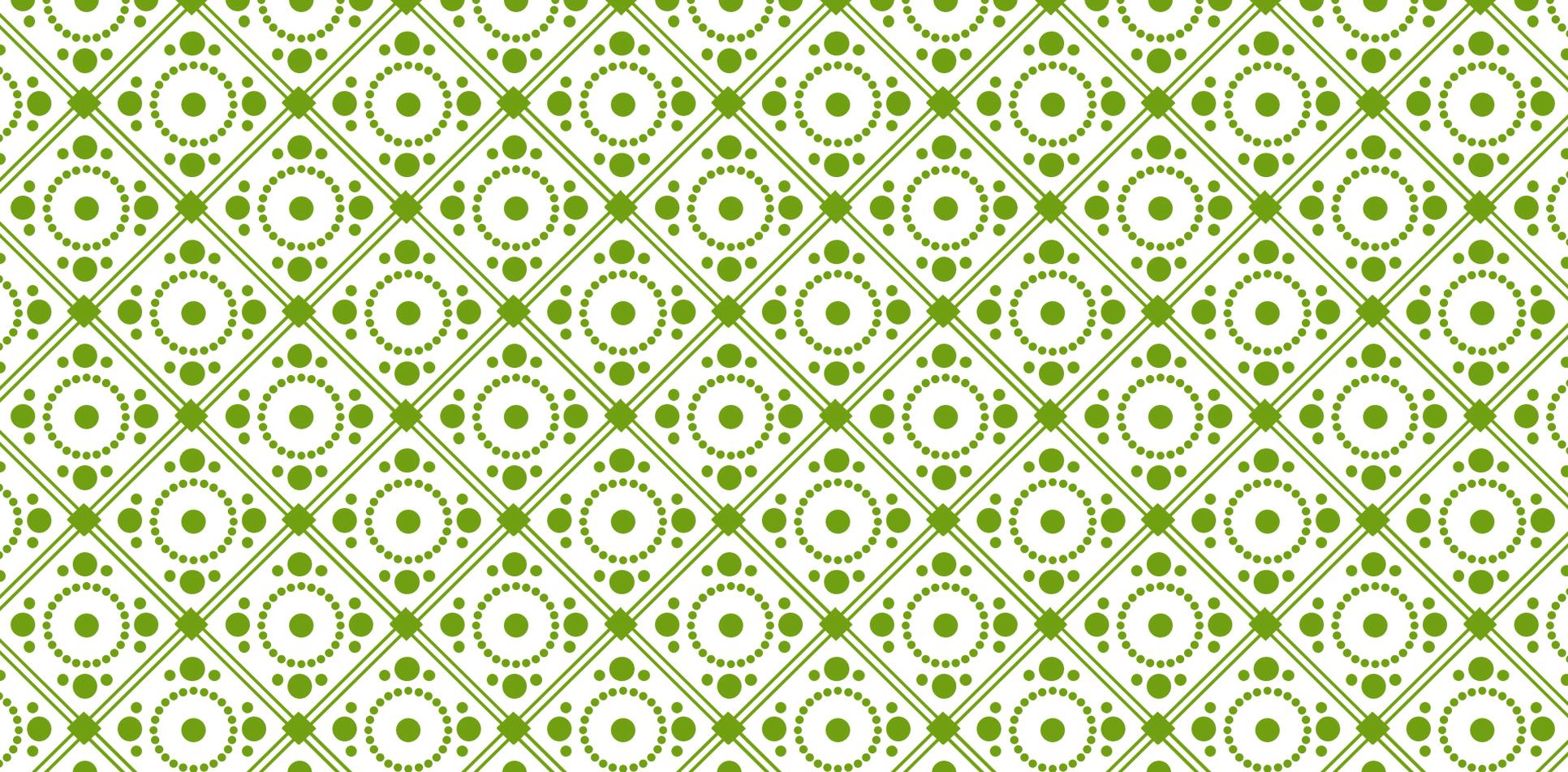# YAVAPAI COLLEGE BUDGET WORK STUDY

Prepared for
District Governing Board
January, 2018

AGENDA

1. Environmental Scan Highlights (15)

2. Revenues (5)

3. Expenses (85)
   a) General
   b) Restricted
   c) Debt
   d) Auxiliary
   e) **Plant**

ENVIRONMENTAL SCAN

Highlights

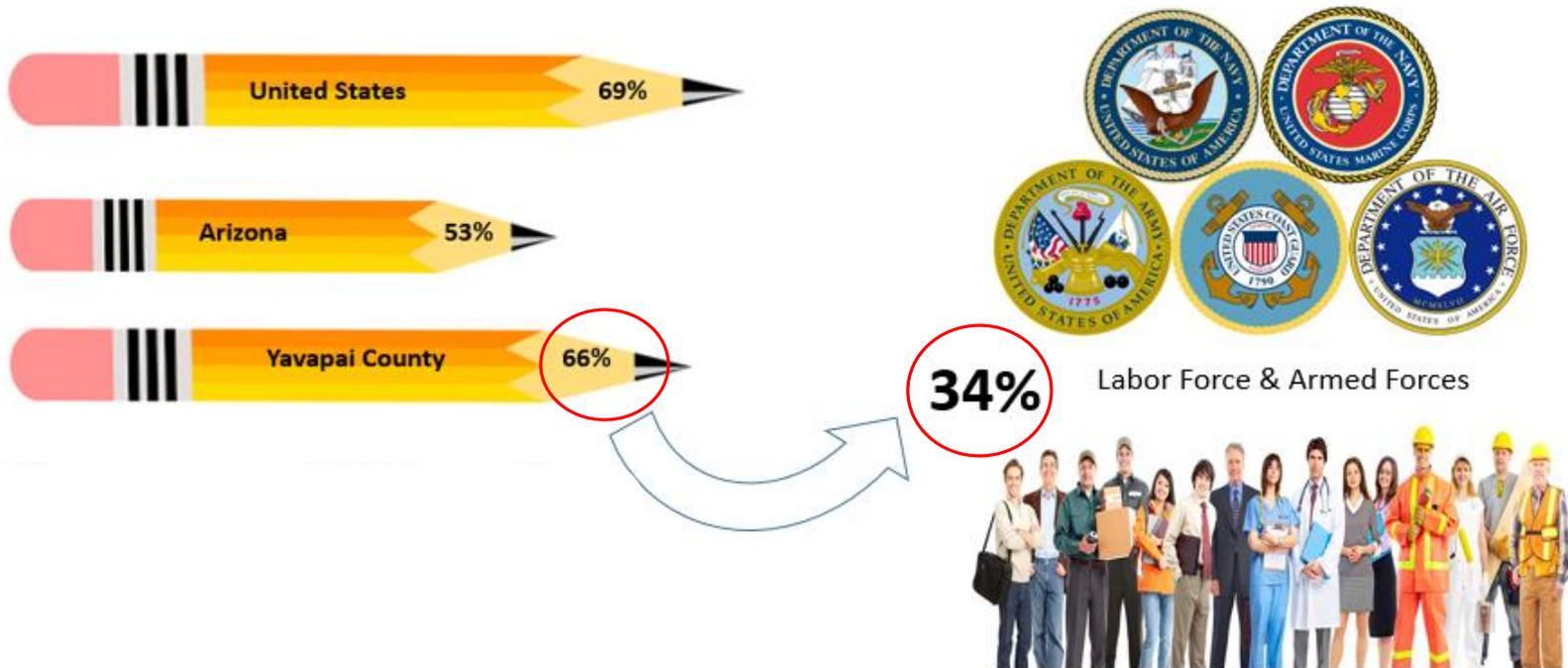# ONLINE COMPETITORS

Arizona Competitors

ASU Digital Prep

2015-16 College-Going Rate for High School Graduates

United States 69%

Arizona 53%

Yavapai County 66%

34% Labor Force & Armed Forces

In Yavapai County,
86% of College-Bound HS Grads
go to
AZ Public College or University

Yavapai College Serves Yavapai County
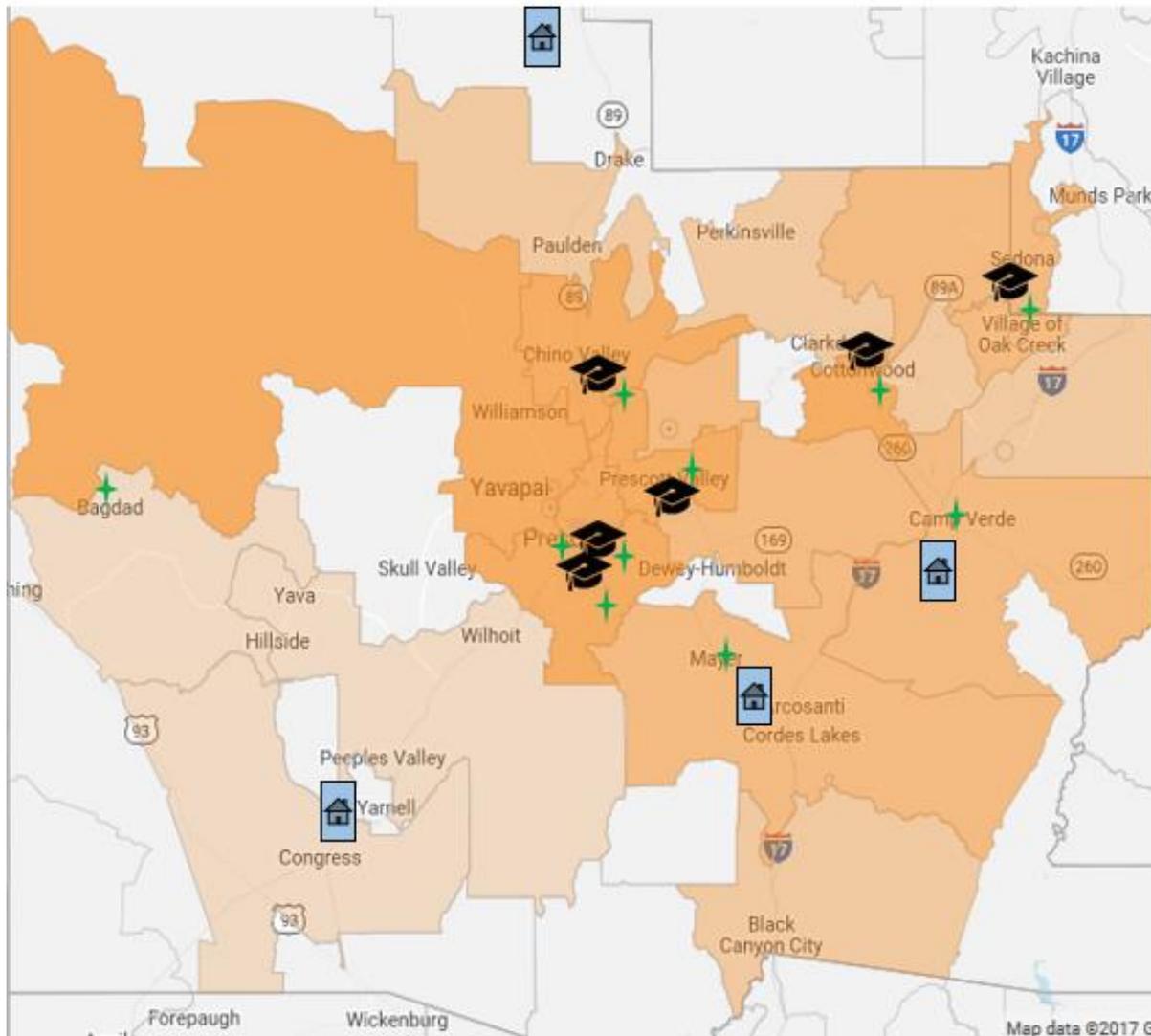
2017

West	143,527
East	73,724
Balance	10,462
Total	227,713

YC Campus/Center

Dual H.S.

Learning Center

LARGEST EMPLOYMENT INDUSTRIES
YAVAPAI COUNTY

Industry	Yavapai County Jobs
Local Government, Excluding Education and Hospitals	4,984
Full-Service Restaurants	4,013
Elementary and Secondary Schools (All)	3,532
Colleges, Universities, and Professional Schools (All)	3,224
General Medical and Surgical Hospitals	2,061
Supermarkets and Other Grocery (except Convenience) Stores	1,897
Limited-Service Restaurants	1,880
Hotels (except Casino Hotels) and Motels	1,853
Warehouse Clubs and Supercenters	1,621
Federal Government, Civilian, Excluding Postal Service	1,409
Nursing Care Facilities (Skilled Nursing Facilities)	1,318
Offices of Physicians (except Mental Health Specialists)	1,144

YC Programs
Police, Fire, Business, Computer, Associate's Degree
Culinary, Hospitality, Viticulture, Business
AA Education, Early Childhood, Associate's Degree
Associates, Business, Administrative Professional, Computer
Nursing, Radiology, Allied Health, Business, Compuer, Associate's Degree
Business
Culinary, Hospitality
Hospitality, Culinary, Viticulture, Business
Business
Nursing, Allied Health, Social and Human Services, Business, Computer
Nursing, Nursing Assistant, Social and Human Services
Medical Assistant, Medical Records, Health Information, Associate's

Yavapai College

Chino
(Ag)
Animal Systems

CTEC
Air Transport
Automation
(Automotive)
Diesel
Electronics
Engineering
Electrician
Fire Science
Ind. Plant Technician
Power Systems
Precision Machining
(Welding)

Chino Valley

89

89A

Prescott
Performing Arts
Visual Arts
CNT
Digital Photo/ Print
Education
NARTA
Nursing
Sciences

Sedona
Hospitality & Culinary
Performing Arts

Verde Valley
Visual Arts
Animation
CNT
Education
Film & Media
Fire Science
Nursing
Sciences
Vit & Enology

260

169

17

Camp Verde

Top 10 College Majors
Business
Liberal Arts
Health
Science
Engineering
Education
Psychology
Social Sciences
Computers & Infor Tech
Visual & Performing Arts

Prescott
Valley
Allied Health

Dewey-Humboldt

69

89

Most County Jobs
Retail Salespersons
Cashiers
Waiters and Waitresses
Combined Food Preparation and Serving Workers, Including Fast Food
Office Clerks, General

Secretaries and Administrative Assistants, Except Legal, Medical, and Executive

Registered Nurses
Personal Care Aides
Maids and Housekeeping Cleaners
Janitors and Cleaners, Except Maids and Housekeeping Cleaners

Off site

Online
Business

LEGEND
Gen Ed
Community Ed
CTE
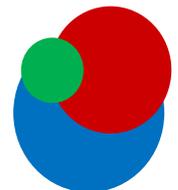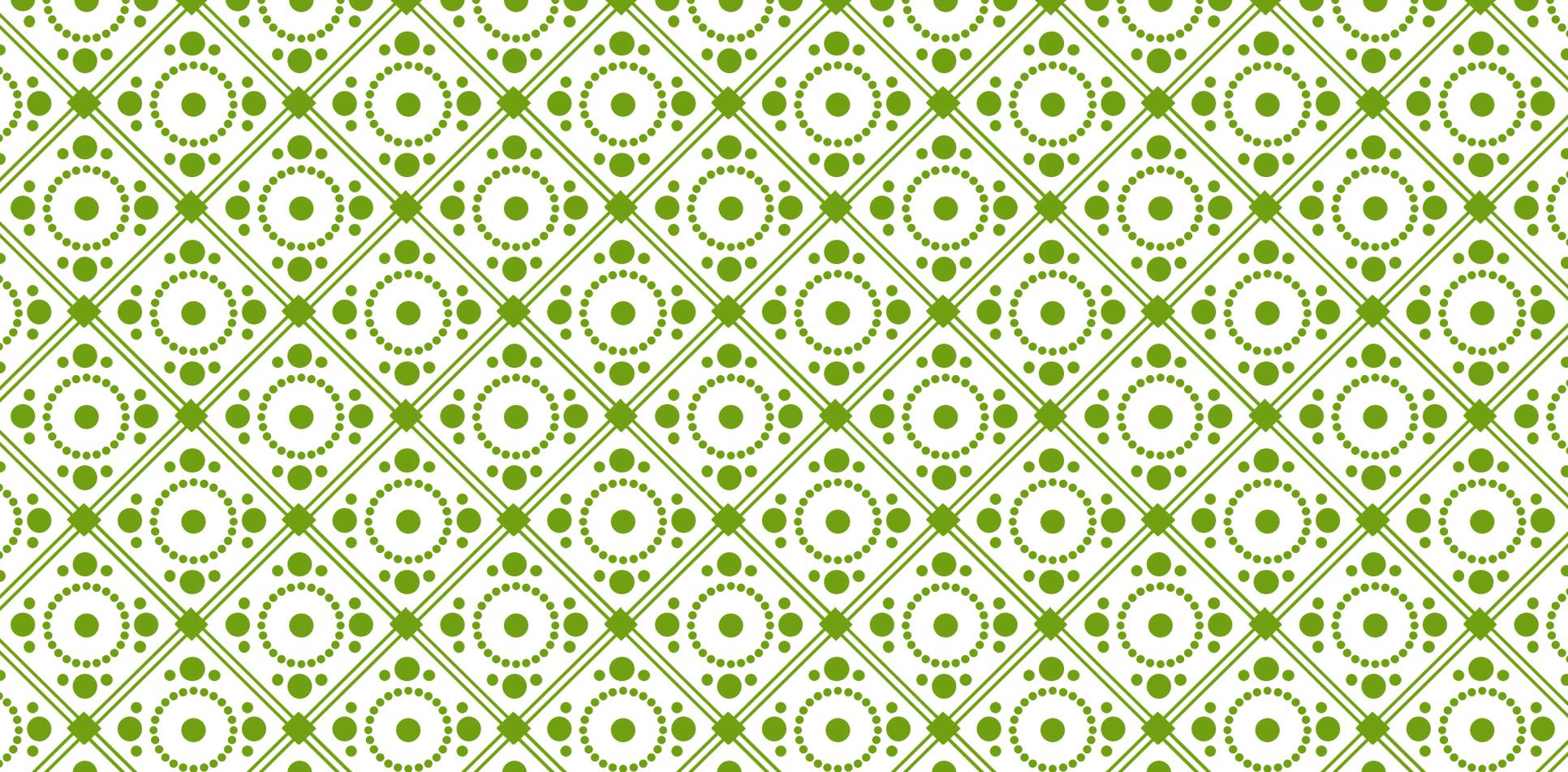
FINANCIALS

Revenues

Revenue Source as a % of Total Unrestricted Revenues

Source: YC CAFR
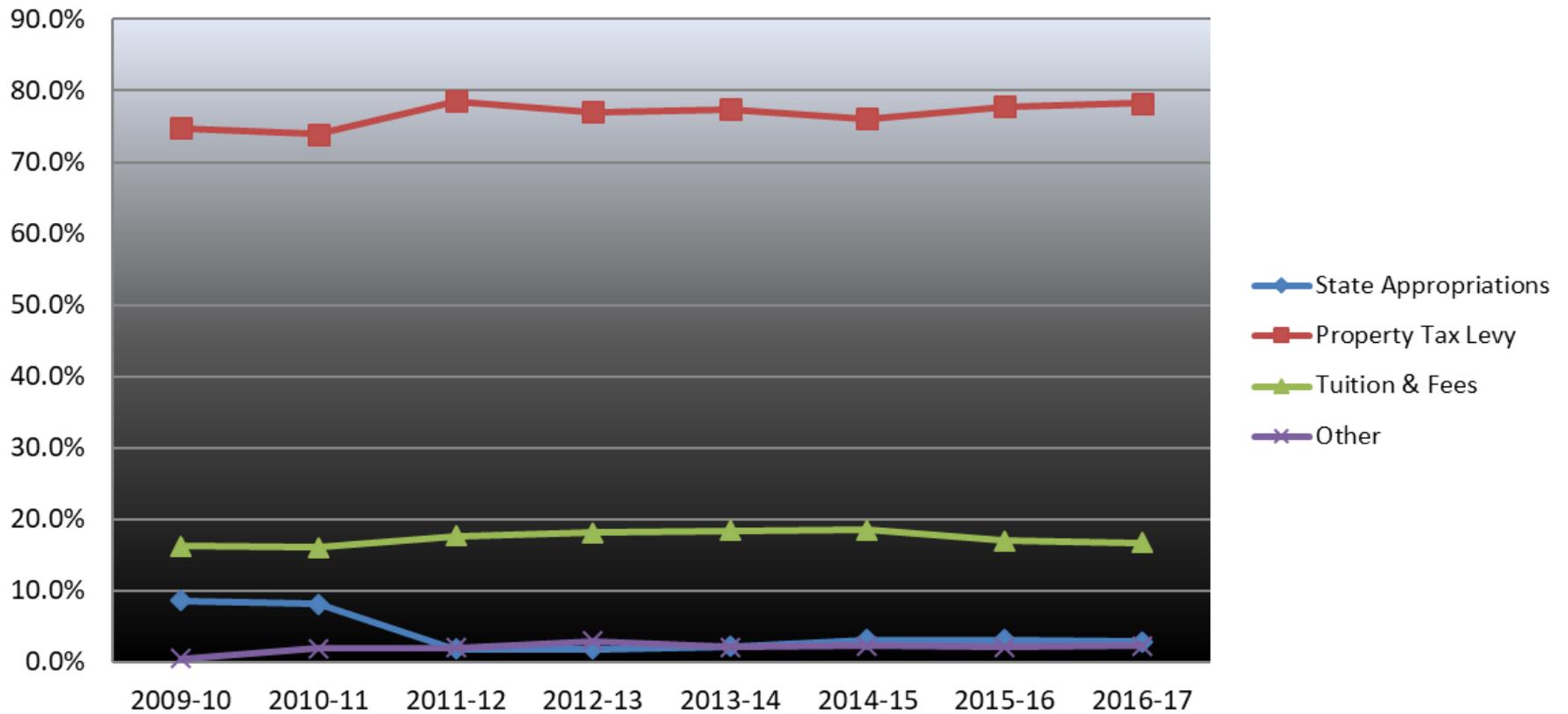
Arizona Community College
2018 Primary Property Tax Rates
(in mils)

AZ has 5th lowest national Property Tax
- Taxfoundation.org

Coconino Maricopa Mohave Pima Yavapai Northland Central Western Cochise Eastern AZ CC Average
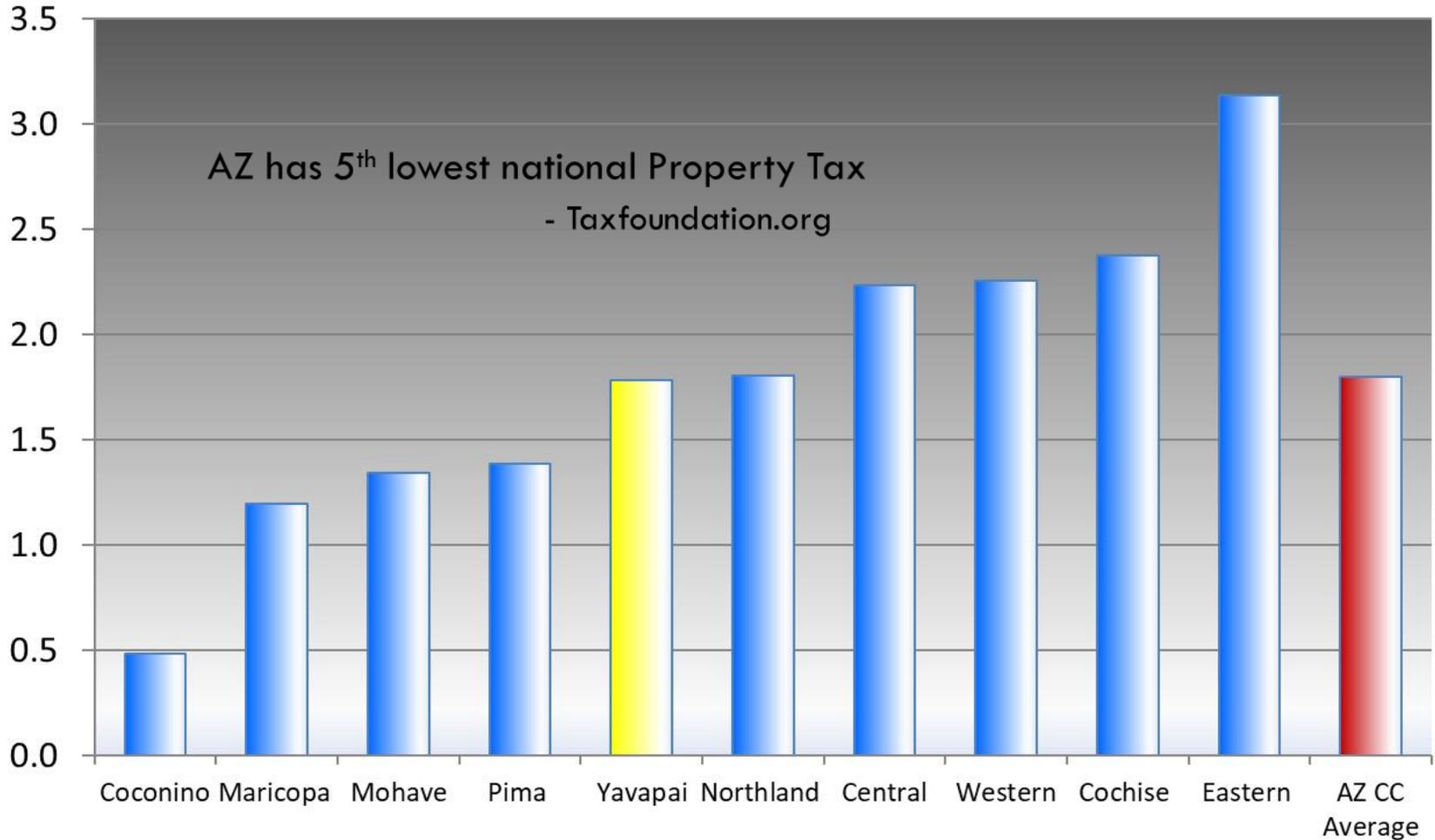
Source: Consolidated 2015-17 AZ Community College State Aid Request

Weighted Annual Tuition & Fees - FY18

YC is 3% below Arizona CC Average
YC is 29% below National CC Average
YC is 78% below Arizona 4 Year Average

	Amount
Northland	$2,250
Cochise	$2,460
Az Western	$2,460
Yavapai	$2,490
Eastern	$2,550
Maricopa	$2,580
Central	$2,580
Mohave	$2,640
Pima	$2,640
Coconino	$3,150
NatlCC Avg*	$3,520
AZ Four-Year	$11,188
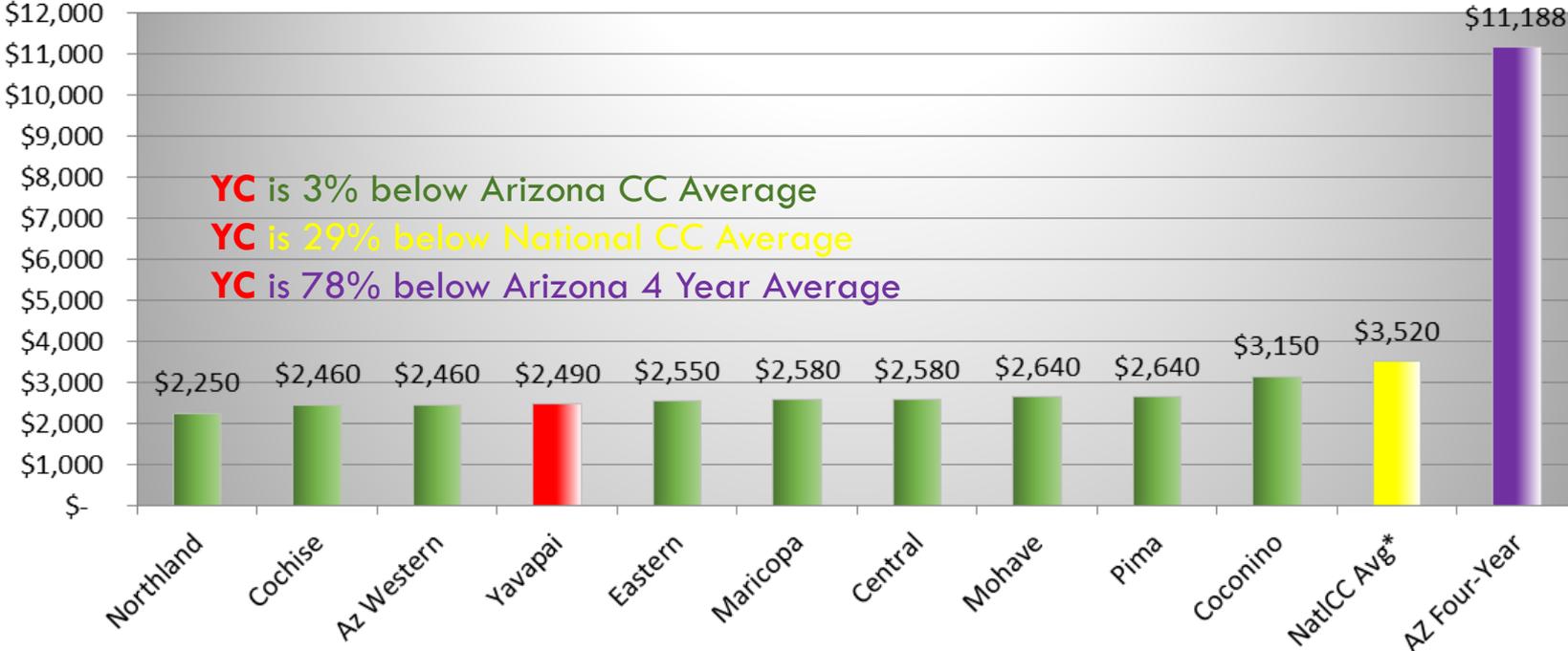
Yavapai County median income 19% below national average

Arizona Community Colleges
State Support per Student Credit Hour
FY 2017-18

College	State M&O	Equalization Aid	Prop 301	STEM
Eastern *	$23	$131	$5	$7
Northland	$30	$122	$7	$7
Cochise	$24	$27	$6	$5
Coconino	$28		$8	$7
Mohave	$19		$8	$7
Western	$16		$4	$5
Central	$15		$6	$1
Yavapai	$6		$7	$7
Pima			$5	$-
Maricopa			$5	$-
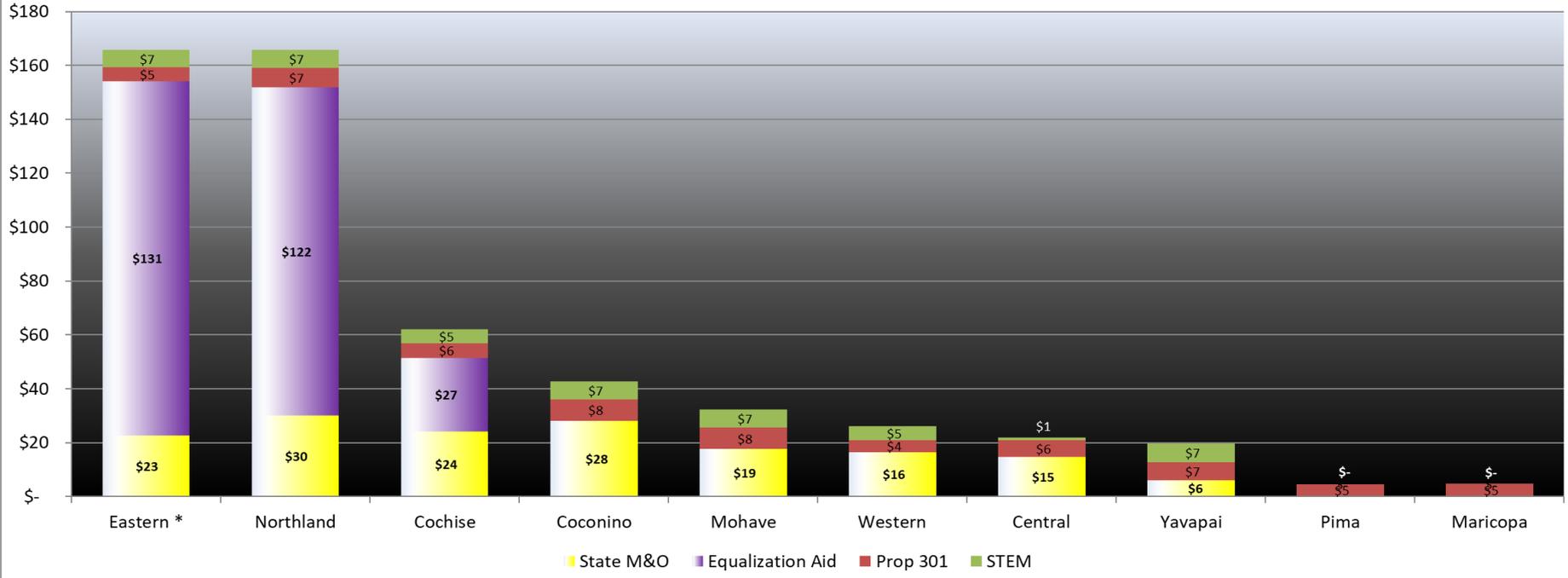
Source: Consolidated AZ CC State Aid Request
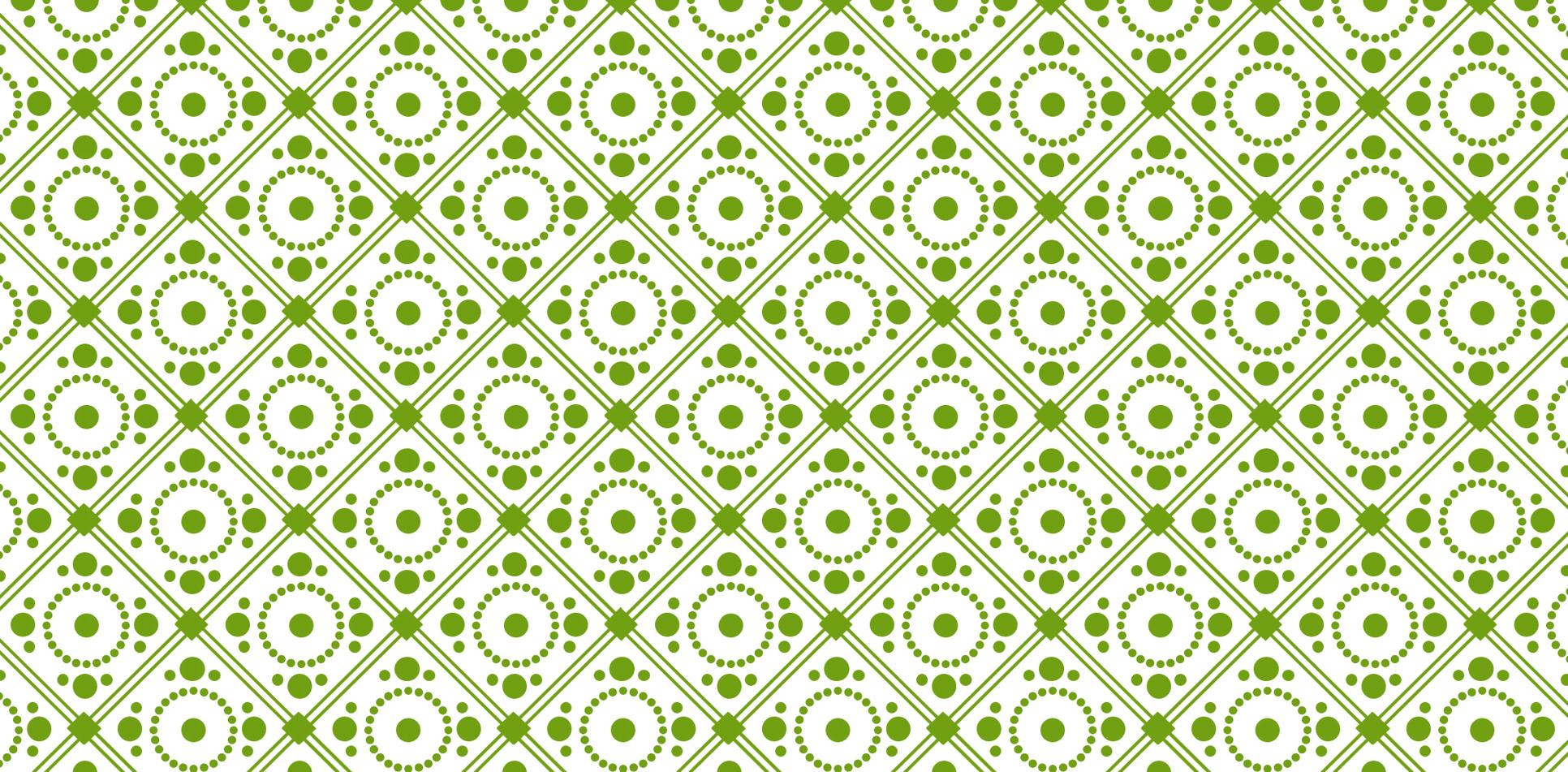
FINANCIALS

Expenses

EXPENSES BY FUND

FY2016-17 Actual Expenditures by Fund

General
49%

Auxiliary
5%

Restricted
16%

Plant
22%

Debt
8%
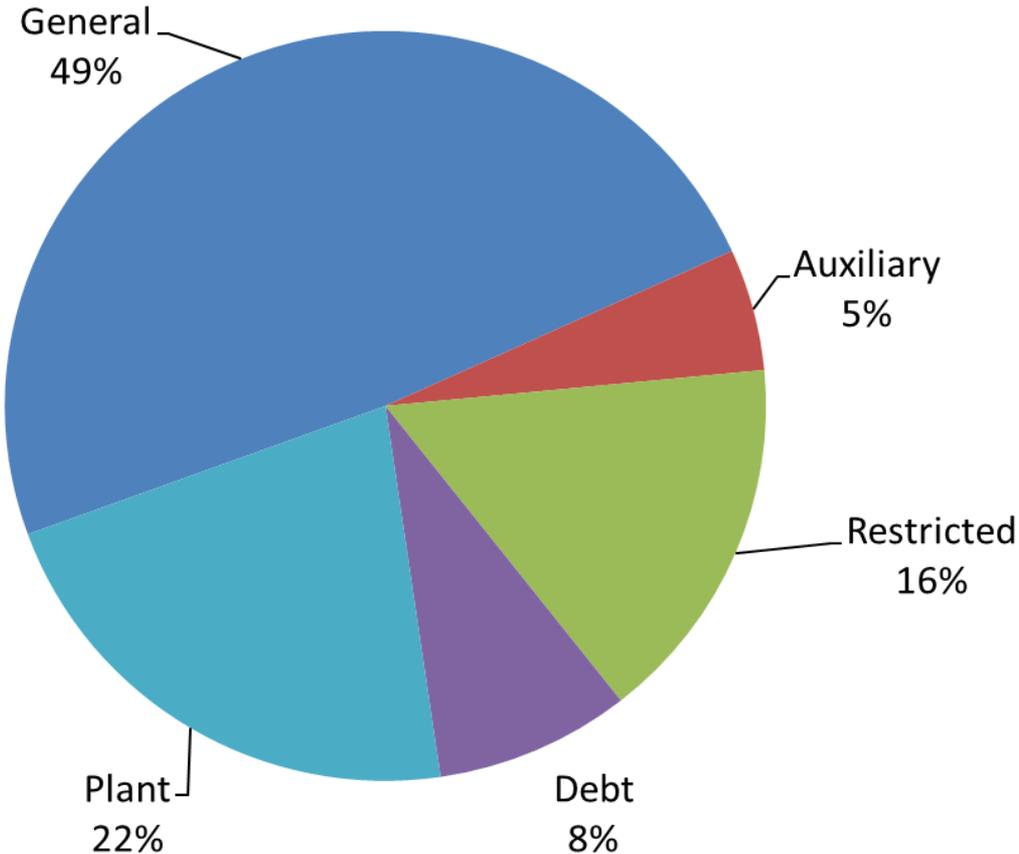
OPERATING COSTS PER FTE BENCHMARKS

Actual Operating Expenditures per Student FTE
FY 2016-17
Including PS & Aux

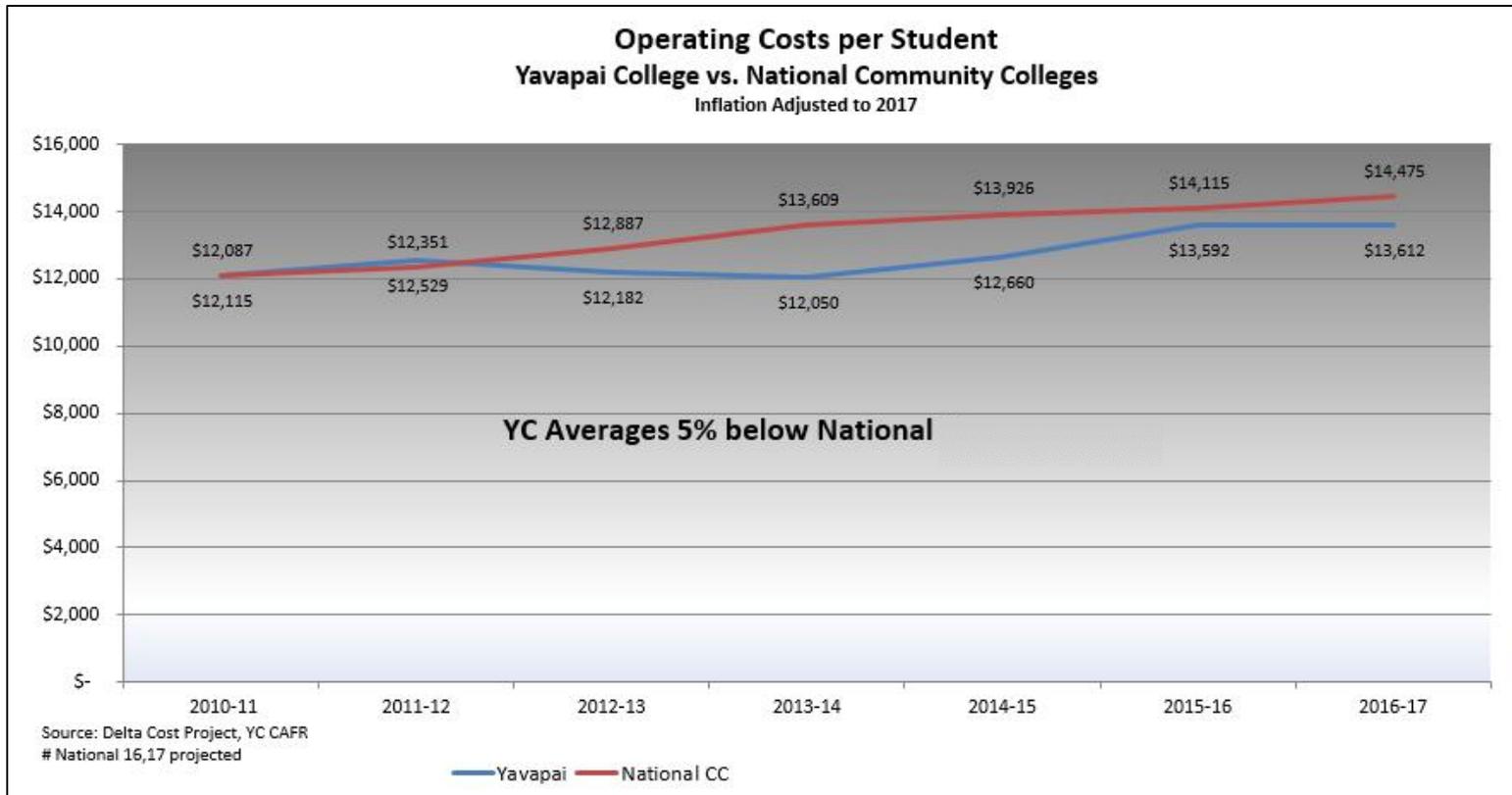Cochise $6,428; Coconino $8,206; Maricopa $9,274; Western $9,754; Eastern $10,550; Pima $10,590; Mohave $11,065; Northland $12,985; Yavapai $13,612; Central $14,506; AZ CC Average $9,712; Delta Cost Project FY16 # $14,475

Sourcees: FY 2015-16 Arizona Community Colleges CAFR's;
2018 Consolidated State Aid Request;
adjusted up to FY16 CPI / Inflation
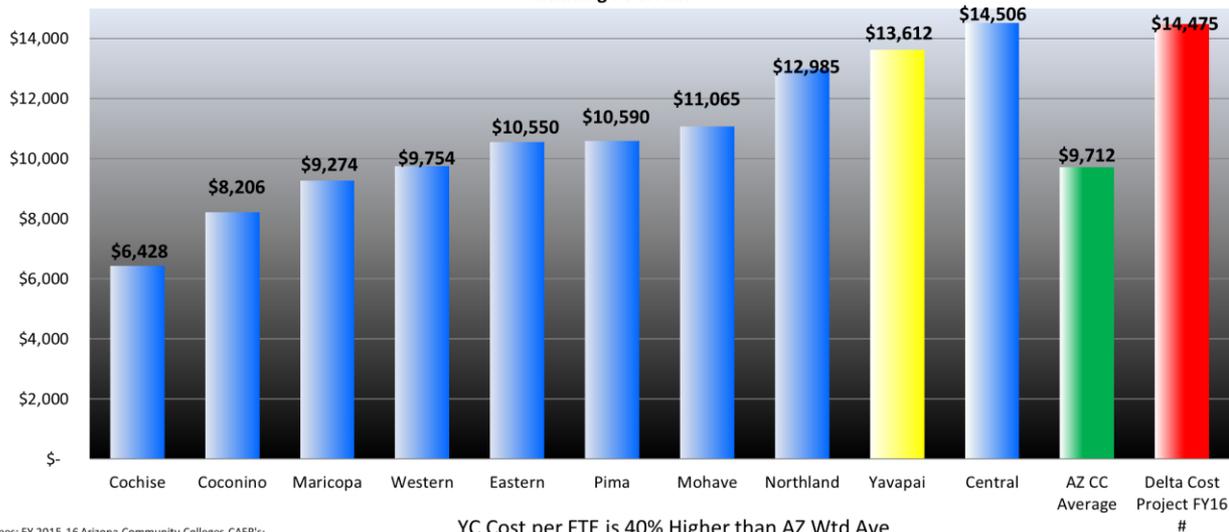
YC Cost per FTE is 40% Higher than AZ Wtd Ave
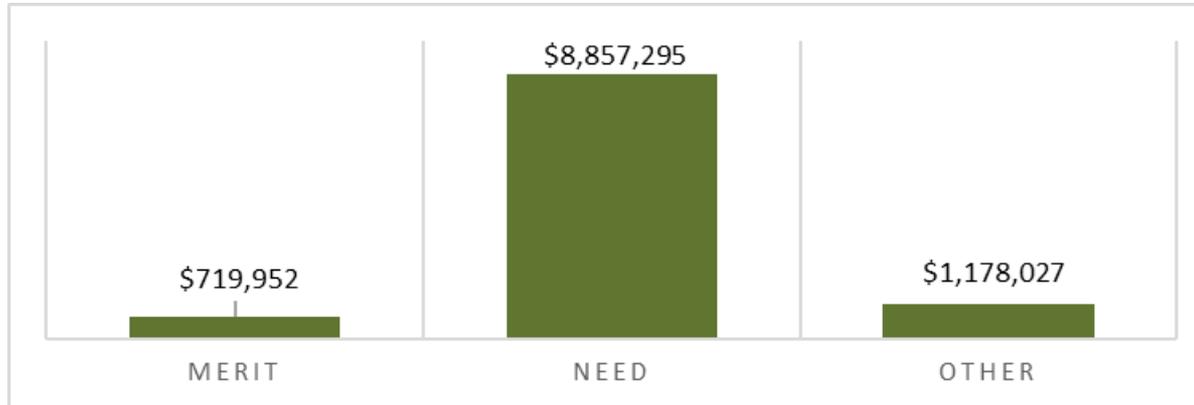YC is 6% Lower than the National Average

Why more $ than average AZ CC?

- AZ Very Efficient State
- Unique Services
  - Athletics
  - Community Events
  - FEC
  - Res Halls
  - Scholarships
- Operations
  - Room for Growth
  - Product Mix (CTE &   Non-Credit)
  - Geography

OPERATING COSTS PER FTSE TREND
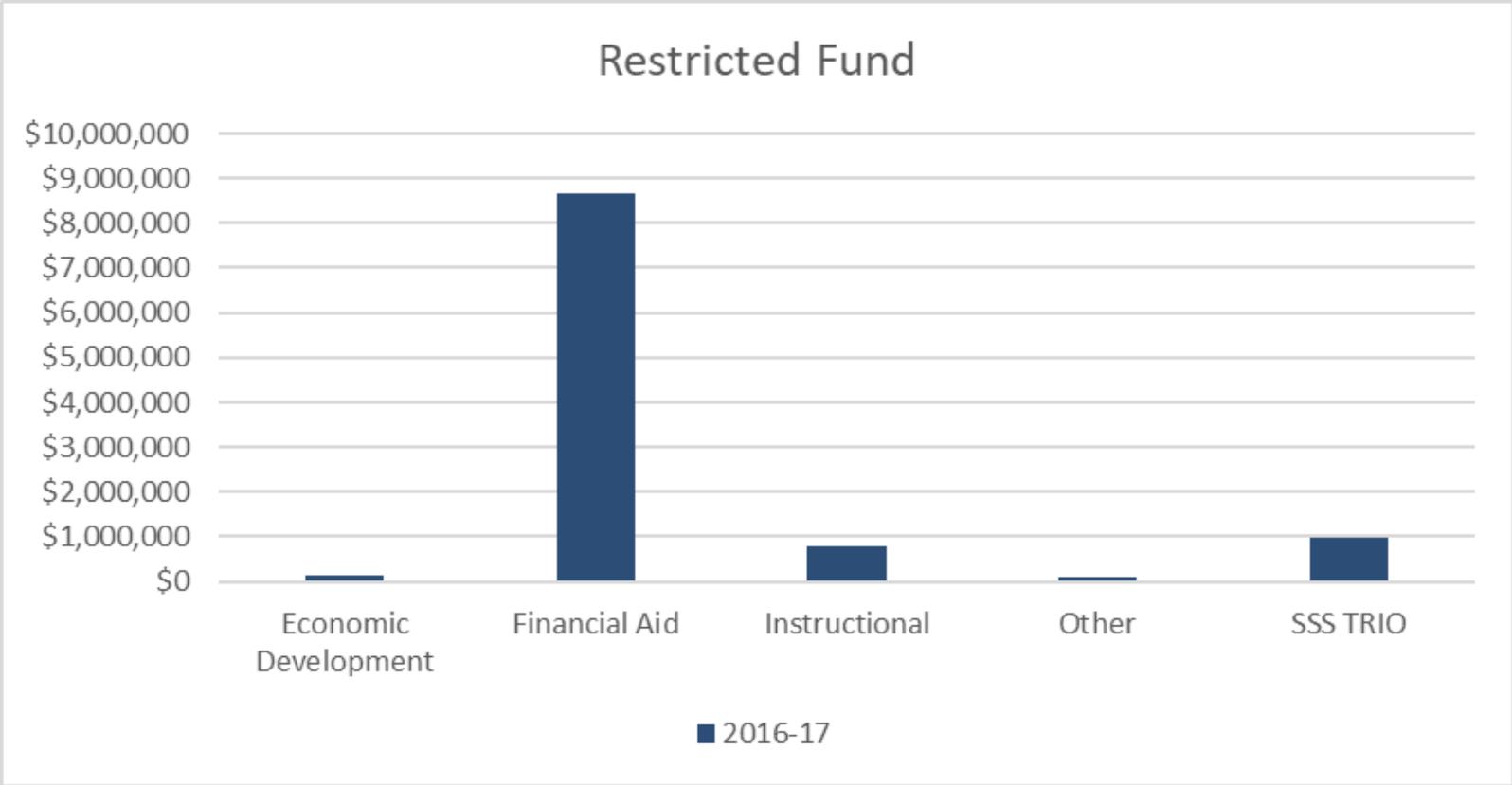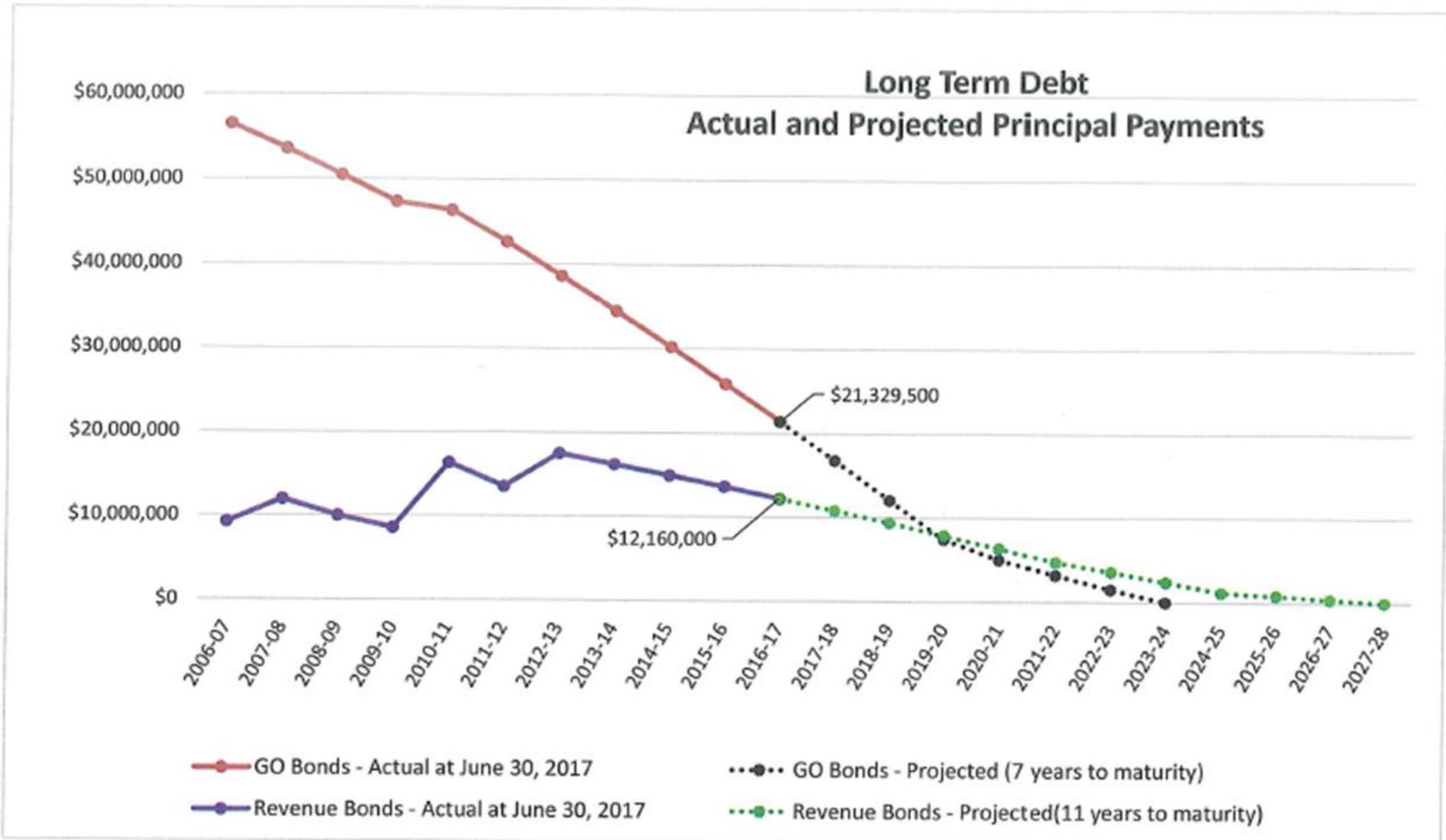## YC VS. NATIONAL COMMUNITY COLLEGES

Operating Costs per Student
Yavapai College vs. National Community Colleges
Inflation Adjusted to 2017

YC Averages 5% below National

Source: Delta Cost Project, YC CAFR
National 16,17 projected

SCHOLARSHIPS & GRANTS

	Merit	Need	Other
YC CHP/SLC	$ 154,886		
YC Athletics	$ 565,066		
YC Need		$ 106,342	
YCF		$ 337,546	
Pell		$ 8,413,407	
YC RA			$ 58,474
Dual			$ 831,238
JTED			$ 288,315

>82% Scholarships/ Grants are Need-Based

RESTRICTED

DEBT

Long Term Debt
Actual and Projected Principal Payments

$21,329,500

$12,160,000

Legend:
- GO Bonds - Actual at June 30, 2017
- GO Bonds - Projected (7 years to maturity)
- Revenue Bonds - Actual at June 30, 2017
- Revenue Bonds - Projected(11 years to maturity)

AUXILIARY

Auxiliaries P/L*
2017

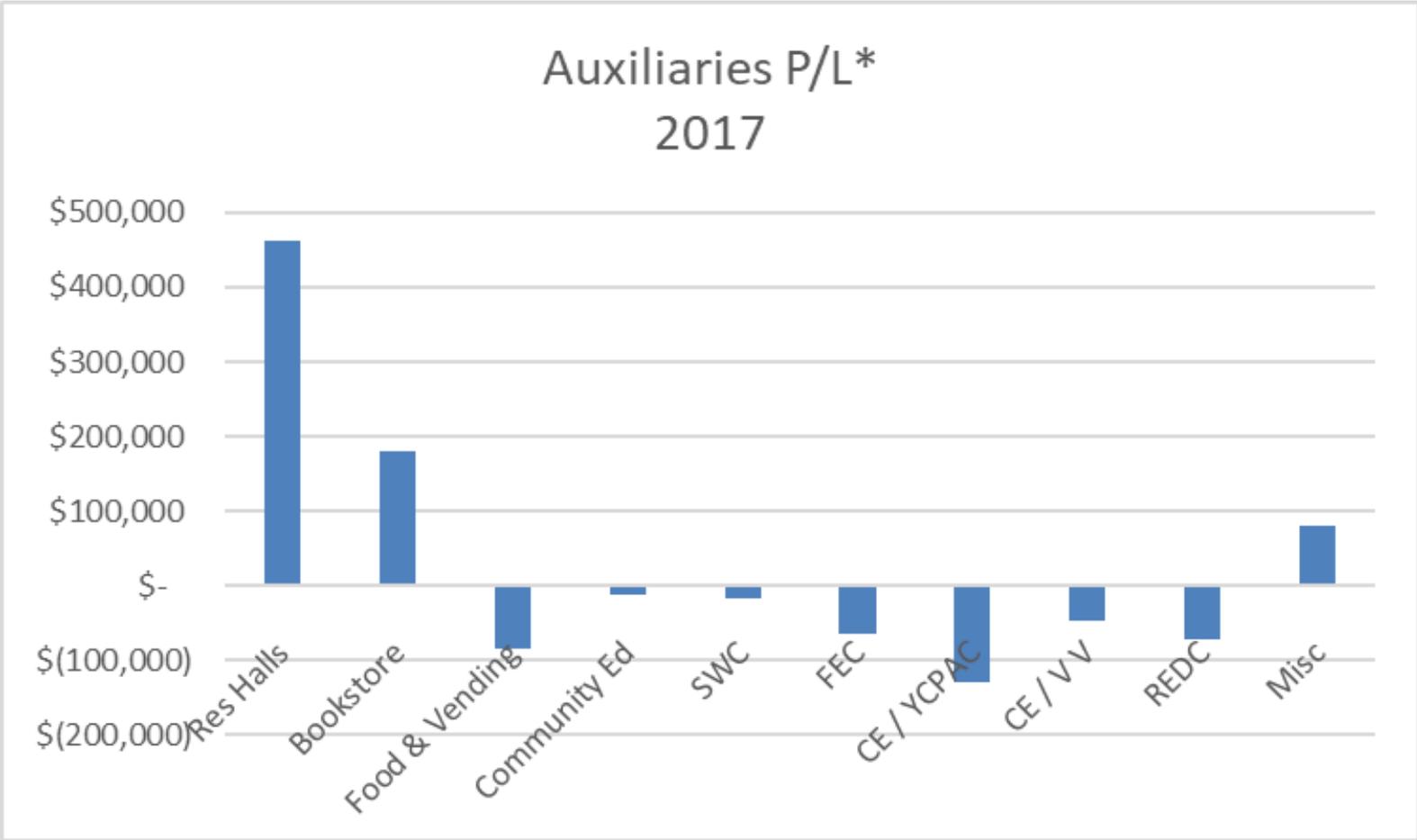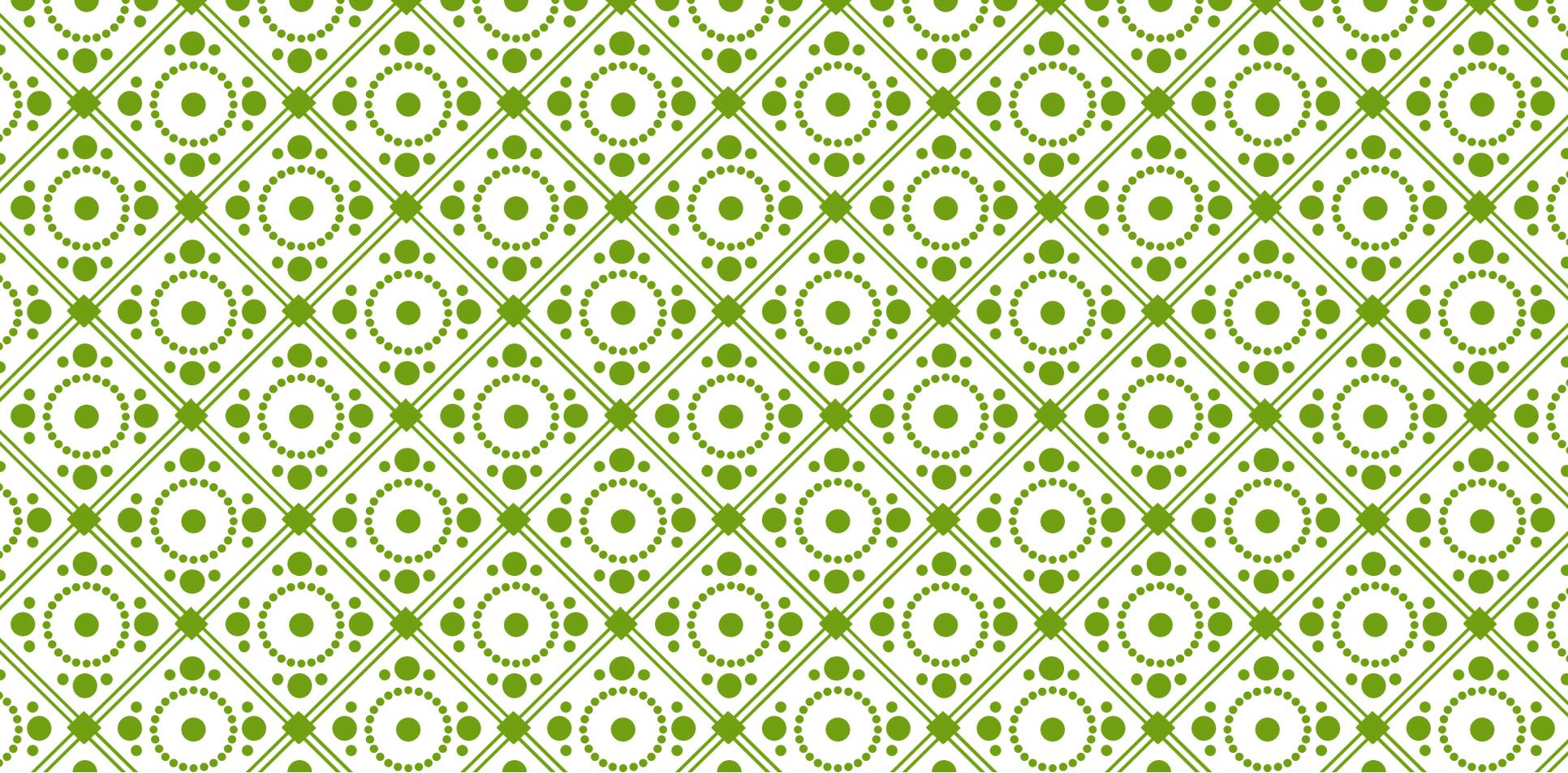| | Res Halls | Bookstore | Food & Vending | Community Ed | SWC | FEC | CE / YCPAC | CE / V V | REDC | Misc |

* Excludes overhead allocation

CAPITAL BUDGET

FY18-19
Budget Work Shop

AGENDA

Capital Benchmarks

Capital Budget Overview

Campus Master Plan Status

Comprehensive Facilities Intelligence Solutions

FACILITIES BENCHMARKING & ANALYSIS

Take control of your facilities and make the case for change without the guesswork

364

FACILITIES ASSESSMENT & PLANNING

Plan and execute capital investment plans that are inclusive, credible, flexible, affordable and sustainable

126

SPACE UTILIZATION

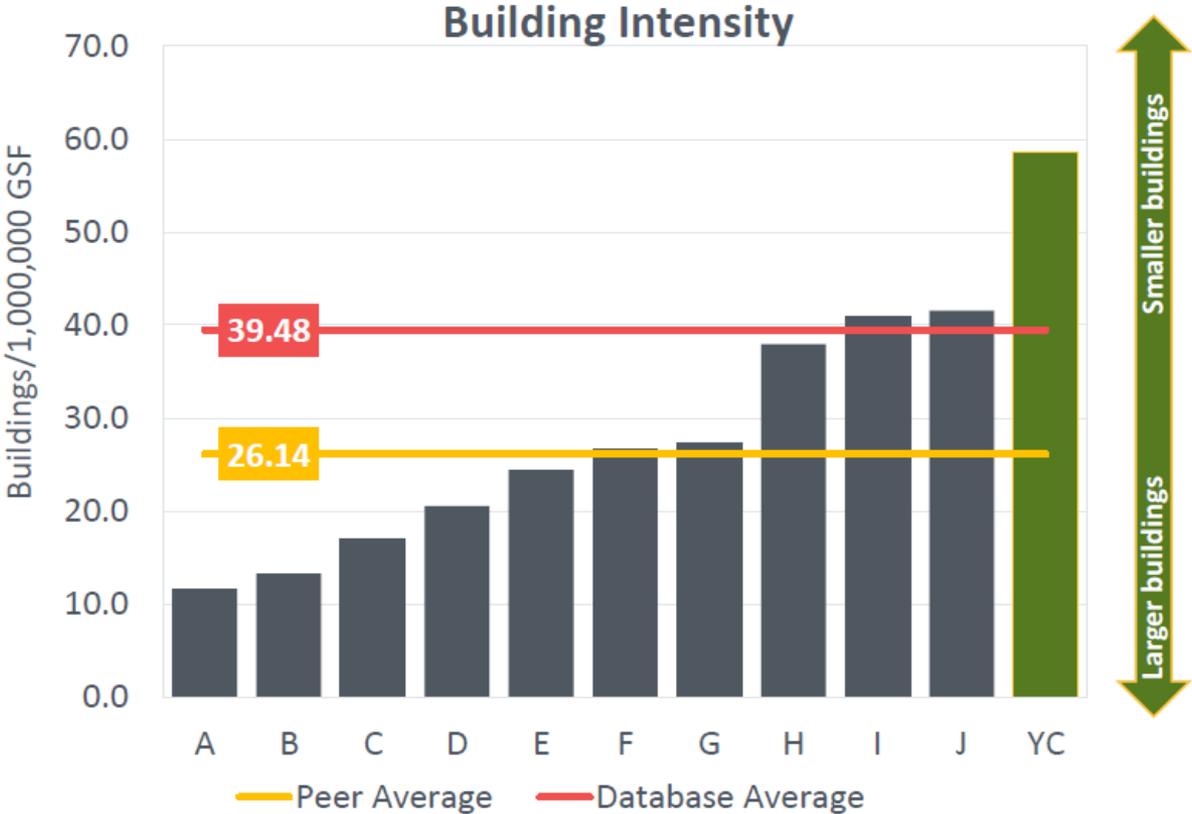Ensure your space is working up to its full potential

48

SUSTAINABILITY SOLUTIONS

Measure and improve environmental stewardship
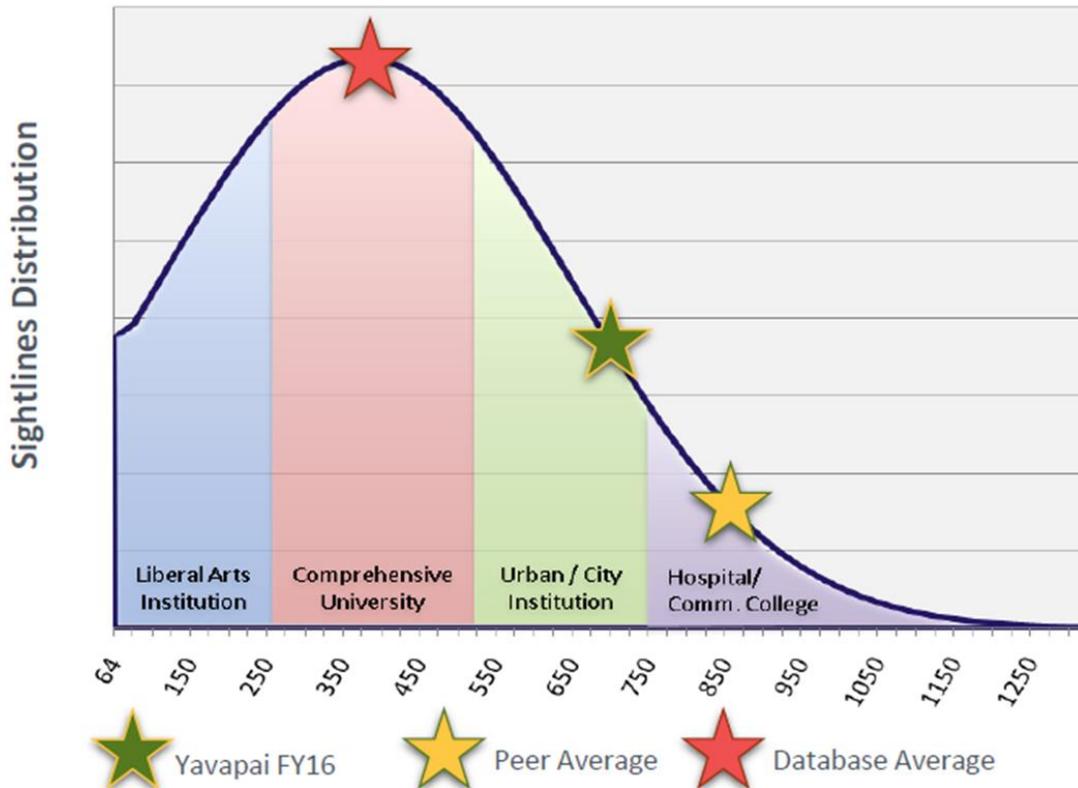
28

4

PEERS ACHIEVE EFFICIENCY THROUGH LARGER BUILDINGS

DENSITY
BENCHMARK

Database Distribution: Density Factor

YC = 710 Users/ 100k sq ft
Peers = 870 Users
Community Colleges = 1050 Users

We have room for growth

SIGHTLINES OPERATIONS SUMMARY

General

- Density Factor: room for growth
- Building Size: YC roughly 30% smaller

Operations

- Maintenance
  - Average PM (4%), but best-in-class >8%
  - 4.11/5
    - 75% = 4.17
- Custodial
  - 4.46
    - 75% = 4.30
- Grounds
  - 4.29
    - 75% = 4.25
- Utilities
  - Normalized energy consumption is higher than peers but lower than DB

NET ASSET VALUE
BENCHMARK

$$Net\ Asset\ Value = \frac{(Current\ Replacement\ Value^* - Total\ Asset\ Reinvestment\ Need)}{Current\ Replacement\ Value}$$
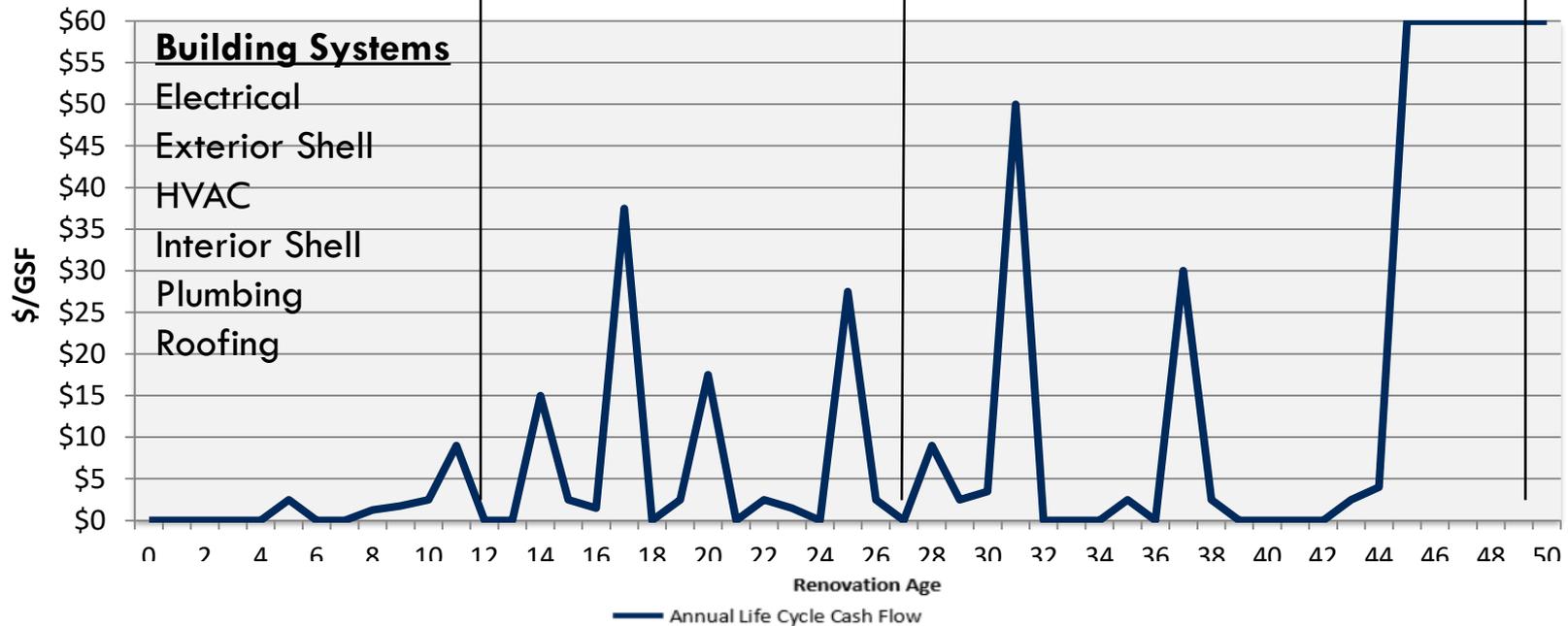
* 10 year forecast, modernization

As of 2017, YC achieved top quartile
with 86% NAV

sightlines

LIFE CYCLE COSTS
BENCHMARK

Prepare now for space aging into expensive replacement age categories

Building Systems
Electrical
Exterior Shell
HVAC
Interior Shell
Plumbing
Roofing

Y-axis: $/GSF
X-axis: Renovation Age

— Annual Life Cycle Cash Flow

LIFE CYCLE COSTS

Prepare now for space aging into expensive replacement age categories
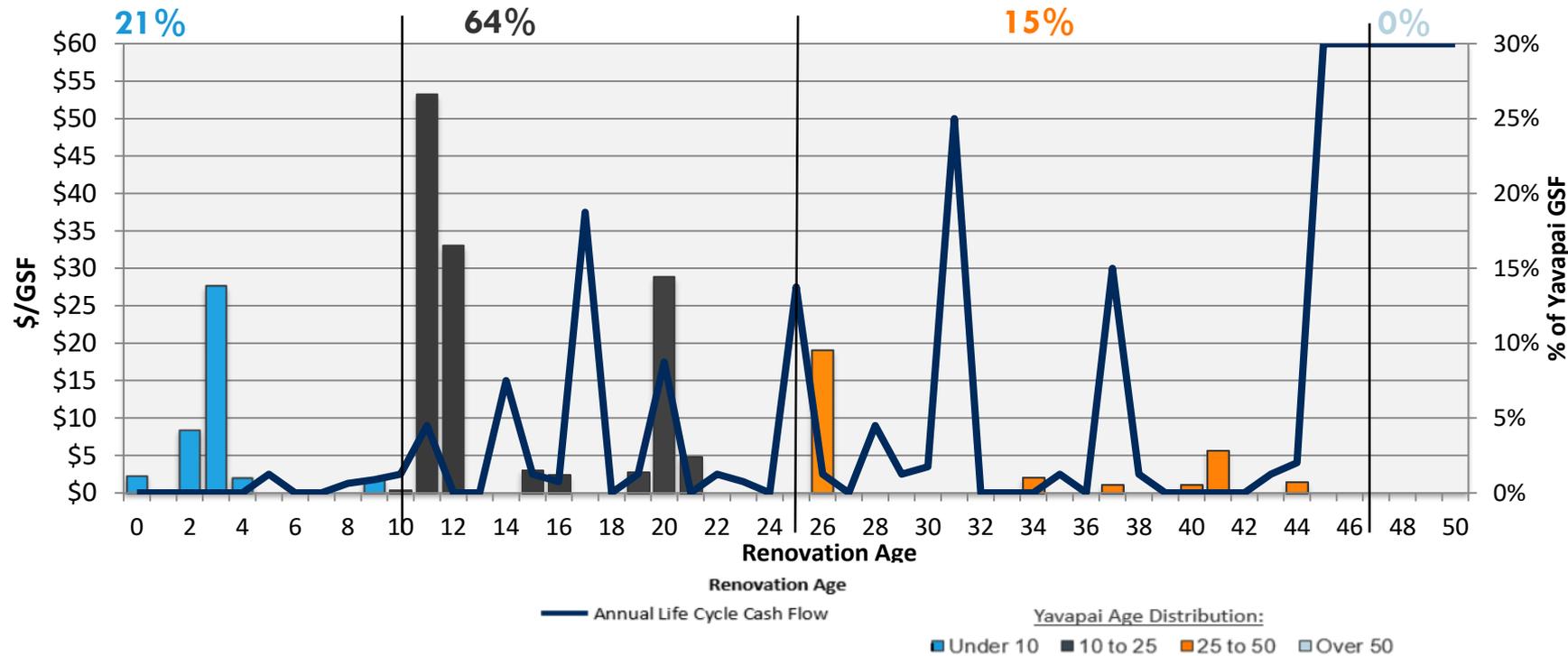
LIFE CYCLE COSTS

Prepare now for space aging into expensive replacement age categories
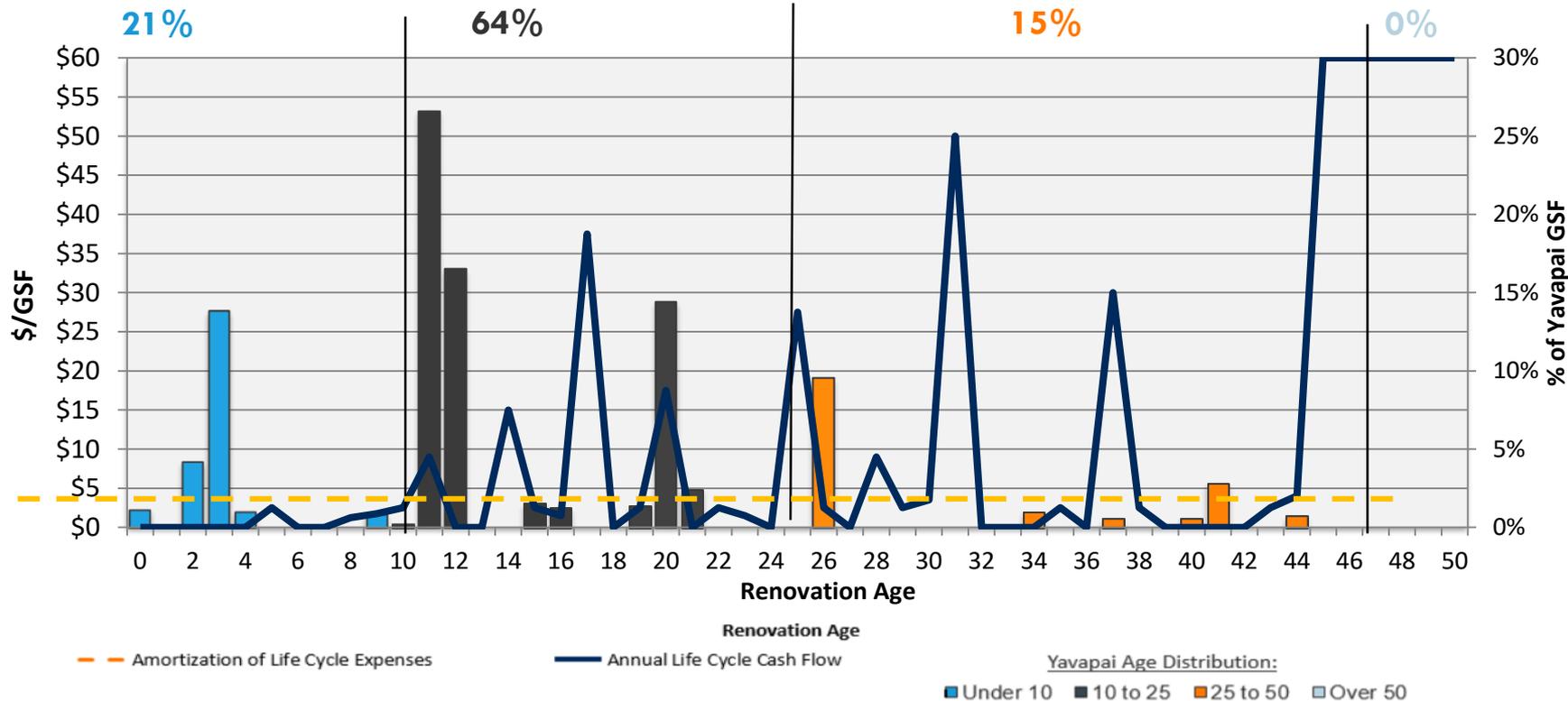
YC Should invest $4M per Year

CAPITAL BUDGET OVERVIEW

Recurring Revenue

- Property Tax $8.3M

Fixed Capital

- Deferred Maintenance $3.7M
- Unplanned $ .25M
- Equip Replacement $2.2M
- FFE $ .25M
- Library $ .1M
- Contingency $ .25M

TOTAL $6.8M

Variable Capital

- Capital Improvement Plan
  - Renovations for evolving program needs
  - New Construction for new Community needs

CAMPUS MASTER PLAN UPDATE

OCTOBER 2013 SUMMARY

Changing needs for type of space
- Too many classrooms;
    Not enough Office, Student, Labs
- Focus on Renovations

Anticipate need for more space in PV

Need more CTE space

Fewer locations with more services

Assumed 1.8% growth per year

(2/3 online or offsite)

2017 Environmental Updates

- Access to CTE throughout District remains priority

- Focus on Pathways to Completion

- Enrollments declined as economy improved

- More Online Enrollments

CMP
RECENTLY COMPLETED PROJECTS

Prescott

- Performing Arts (Bldg 15)
- Visual Arts (Bldg 1)

CMP
RECENTLY COMPLETED PROJECTS

Prescott Valley
- Allied Health

CMP
RECENTLY COMPLETED PROJECTS

Sedona
- Culinary Arts

WAYFINDING

(SIGNAGE)

Chino- To do

CTEC- To do

Prescott
- Driving, Parking, Walking, Building, Directories

PV- To do

Sedona
- Monument, Driving, Parking, Building, Directory

Verde
- Monument, Walking, Parking, Directories
- To do: Building

OPEN SPACE

Prescott Campus

- Rock House Sail Tent
- Shade Structures
  - between 2 & 3
  - Between 3 & 4
- **To do: Main Circle by Library**

Verde Campus

- Front Entrance
- Pavilion (phase 2)
- **To do: Tie campus path to USFS**

Sedona Center

- Butterfly Shade Structure

FY10-FY18 CIP
NET SQUARE FEET CHANGES

District   -0%

- West   -2%
  - Demolished residence hall
  - Selling PV Library wing 8/18
  - Added Chiller Plant
  - Leasing Mayor HS space

- East   +10%
  - Demolished "temporary" buildings
  - Added Central Plant
  - Added Pavilion
  - Expanded Sedona Center

Original CMP recommended adding
- 211,000 sq ft

As of FY17, Administration recommended, and DGB approved,
- reducing planned increase to 139,000 sq ft

CMP
NET ROOM-TYPE CHANGES SINCE FY13

	Classrooms	Labs	Other
Prescott	-11	+2	Student Activity, large lecture, expanded Learning Center, Community Ed, REDC, offices, storage
Verde	-1	+2	
PV	+1	+5	
CTEC	+7	+3	Lounge
Chino	n/c		
Sedona	-2	+2	Café/ Lounge
Total	-6	+14	

CAMPUS MASTER PLAN
OBSERVATIONS

Vast majority of capital expenditures have been

- Deferred Maintenance
- Replace Infrastructure (central plants)
- Renovations to create needed TYPE of space

We now have facilities/ programs to support most existing county job sectors

Recommendation:

YC should continue to be judicious about building new facilities: <u>needs</u> vs. wants

PV LIBRARY UPDATE

DGB Approved Sale 5/17

Transaction will close by 8/18

Price approximately $4.4M

Proceeds fund CIP Budget

QUESTIONS & DISCUSSION