



**Board Work Study
Agenda Summary
District Governing Board Budget Preview
Tuesday, January 15, 2019
9:00 AM**

Rock House, Prescott Campus
1100 E. Sheldon Street
Prescott , AZ 86301

Pursuant to Arizona Revised Statutes (A.R.S.) §38-431.02, notice is hereby given to the members of the Yavapai College District Governing Board and to the general public that the Board will hold a public meeting, open to the public as specified below. The Board reserves the right to change the order of items on the agenda. One or more members of the Board may participate in the meeting by telephonic communication.

Pursuant to A.R.S. §38-431.03.A.2, A.3 and A.4, the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda to review, discuss and consider records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law; or to consult with and instruct its attorneys regarding its position on contracts, litigation or settlement discussions. If indicated in the agenda, the Board may also vote to go into executive session, which will not be open to the public, to discuss specific agenda items.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Executive Assistant at (928)776-2307. Requests should be made as early as possible to allow time to arrange the accommodation.

Please note that agenda item times are for planning purposes only and do not necessarily reflect the actual time of the agenda item. When regular board meetings, public hearings (both truth in taxation and budget adoption public hearings) and budget adoption special meetings are scheduled for the same date, each hearing or meeting will begin immediately upon adjournment of the preceding hearing or meeting. Members of the public wishing to attend those subsequent hearings or meetings are advised to arrive at the time that the first hearing or meeting is scheduled to begin.

Item No.	Item	Time Req.	Start Time	Ref No.
1	CALL TO ORDER - HEADING	0	9:00 AM	810824
2	Call to Order - PROCEDURAL	1	9:00 AM	810825
3	Welcome to Guests and Staff - PROCEDURAL	1	9:01 AM	810826
4	Adoption of Agenda - DECISION	1	9:02 AM	810827
5	OWNERSHIP LINKAGE - HEADING	0	9:03 AM	810834
6	Oath of Office - Administered to Board Members Ray Sigafoos and Paul Chevalier	5	9:03 AM	810835
7	Election of Board Officers - Chair, Secretary, and Board Member Liaison Committee Appointments for 2019 - DISCUSSION AND/OR DECISION	10	9:08 AM	823337
8	POLICY - HEADING	0	9:18 AM	810828
9	Overview and Environmental Scan of Yavapai County and Yavapai College - INFORMATION AND/OR DISCUSSION	45	9:18 AM	810829

Item No.	Item	Time Req.	Start Time	Ref No.
10	SHORT RECESS - PROCEDURAL	10	10:03 AM	810830
11	POLICY ISSUES - HEADING - (CONTINUED)	0	10:13 AM	810831
12	Overview of Yavapai College Historical Revenues and Expenditures - INFORMATION AND/OR DISCUSSION	117	10:13 AM	810832
13	ADJOURNMENT OF REGULAR MEETING - PROCEDURAL	1	12:10 PM	810833

Presenter : Ray Sigafoos **Start Time :** 9:00 AM **Item No :** 1
Proposed By : Ray Sigafoos **Time Req :** 0
Proposed : 11/15/2018 **Item Type :** Heading

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : CALL TO ORDER - HEADING

Details :

Attachments :

No Attachments

Presenter : Ray Sigafoos **Start Time :** 9:00 AM **Item No :** 2
Proposed By : Ray Sigafoos **Time Req :** 1
Proposed : 11/15/2018 **Item Type :** Procedure Item

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : Call to Order - PROCEDURAL

Details :

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:01 AM

Item No : 3

Proposed By : Ray Sigafoos

Time Req : 1

Proposed : 11/15/2018

Item Type : Procedure Item

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : Welcome to Guests and Staff - PROCEDURAL

Details : Chair Sigafoos will welcome all guests and staff.

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:02 AM

Item No : 4

Proposed By : Ray Sigafoos

Time Req : 1

Proposed : 11/15/2018

Item Type : Decision Item

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : Adoption of Agenda - DECISION

Details :

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:03 AM

Item No : 5

Proposed By : Ray Sigafoos

Time Req : 0

Proposed : 11/15/2018

Item Type : Heading

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : OWNERSHIP LINKAGE - HEADING

Details :

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:03 AM

Item No : 6

Proposed By : Ray Sigafoos

Time Req : 5

Proposed : 11/15/2018

Item Type : Procedure Item

Policy No.	Description	Ref No
3.1.1	Shall operate in all ways mindful of its civic trusteeship obligation to all the owners of its district (all residents of the county) and its lawful obligations in compliance with Title 15, Chapter 12 Community Colleges of the Arizona Revised Statutes and all other applicable federal and state statutes and regulations.	768629

Description : Oath of Office - Administered to Board Members Ray Sigafoos and Paul Chevalier

Details : Mr. Tim Carter, Yavapai County School Superintendent, is pleased to announce the election results and administer the Oath of Office to the following Yavapai College District Governing Board Members.

Re-election of Mr. Raymond Sigafoos, Yavapai College Board Representative for District 1. This 6-year term is from January 1, 2019 through December 31, 2024.

Election of Mr. Paul Chevalier, Yavapai College Board Representative for District 5. This 6-year term is from January 1, 2019 through December 31, 2024.

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:08 AM

Item No : 7

Proposed By : Ray Sigafoos

Time Req : 10

Proposed : 1/10/2019

Item Type : Policy & Decision

Policy No.	Description	Ref No
3.2	As an informed agent of the ownership, the Board's specific job outputs are those that are unique to its trusteeship role and necessary to ensure appropriate organizational performance. Accordingly, the Board:	429130

Description : Election of Board Officers - Chair, Secretary, and Board Member Liaison Committee Appointments for 2019 - DISCUSSION AND/OR DECISION

Details : As required by A.R.S. §15-1443(B), the Board will elect a Chair and a Secretary every January. The expectation will be that the Chair and Secretary will serve a two-year term, but the Board may decide otherwise and elect a new Chair and Secretary every January. Ray Sigafoos, Chair, and Steve Irwin, Secretary are concluding the second year of their two-year term in these executive roles, therefore the Board will elect both the Chair and Secretary. The following positions will be elected:

- Board Chair
- Board Secretary

The elected Board Chair will appoint Board Liaisons at the February meeting to serve one-year terms for the following committees:

- Board Spokesperson
- Arizona Association of Community College Trustees (AACCT)
- Yavapai College Foundation

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:18 AM

Item No : 8

Proposed By : Ray Sigafoos

Time Req : 0

Proposed : 11/15/2018

Item Type : Heading

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : POLICY - HEADING

Details :

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 9:18 AM

Item No : 9

Proposed By : Ray Sigafoos

Time Req : 45

Proposed : 11/15/2018

Item Type : Discussion

Policy No.	Description	Ref No
2.5	With respect to the actual, ongoing financial conditions and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board-stated Ends priorities. Further, without limiting the scope of the above statement by the following list, the President shall not:	764182

Description : Overview and Environmental Scan of Yavapai County and Yavapai College - INFORMATION AND/OR DISCUSSION

Details : Dr. Clint Ewell, Vice President for Finance and Administrative Services, and Dr. Tom Hughes, Director of Institutional Effectiveness and Research, will provide an overview and environmental scan of Yavapai County and Yavapai College.

Attachments :

Title	Created	Filename
Environmental Scan 2018-2019 Highlights.pdf	Jan 11, 2019	Environmental Scan 2018-2019 Highlights.pdf
YC ROPA Executive Summary.pdf	Jan 11, 2019	YC ROPA Executive Summary.pdf

INTRODUCTION AND HIGHLIGHTED FINDINGS

INTRODUCTION

An environmental scan is a vital component of informed strategic planning and decision-making. The environmental scan pulls information from national, state, county, and local community levels to examine trends in the areas of competition, demographics, economics, labor force, education, and technology. The report is organized as follows:

Section I: Social and Political—this section presents current social and political trends affecting colleges and universities today.

Section II: Competition—this section addresses and summarizes Yavapai College’s higher education and community education competitors.

Section III: Demographics—this section presents key demographics at the national and state level, and provides a detailed look at Yavapai County.

Section IV: Economics—this section presents economic trends impacting U.S. colleges and universities.

Section V: Labor Force—this section addresses labor force trends in Yavapai County and alignment of Yavapai College programs with workforce demands.

Section VI: Education—this section addresses education trends impacting colleges and universities. In addition to national and state trends, specific information for Yavapai County is included.

Section VII: Technology—this section addresses technology trends that higher education institutions must balance to ensure the security of information while meeting the evolving changes demanded by students.

Section VIII: Internal Scan—this section highlights Yavapai College areas related to demographics, enrollment, retention, student success and areas for improvement.

The following two pages present the key trends identified during this environmental scanning process.

HIGHLIGHTED FINDINGS

SOCIAL AND POLITICAL

- **Perceptions of Higher Education.** A 2018 New America survey found strong support for American’s local colleges and universities. More than 8 in 10 respondents said community colleges are worth the cost. Similarly, 65% of people said public universities are worth the price. Asked about private and for-profit colleges and universities, people do not share the same level of support with 44% and 40% respectively saying these types of institutions are worth the cost.
- **Reauthorization of the Higher Education Act.** Last reauthorized in 2008, Congress is making progress and may reauthorize Higher Education Act by 2019. Congress will likely focus on student aid and better alignment with adult and online learners who are becoming the new “traditional student.” Other areas of focus likely to be examined and debated will be regional accreditation, access, costs, for-profit regulation, internships/apprenticeships, and workforce training.

COMPETITION

- **Online competition continues to expand.** Beginning fall 2017, Arizona State University launched ASU Digital Prep that offers high schools and students dual enrollment courses. ASU digital prep offers part-time and full-time programs, hosts student events and programs on its physical campuses, and promises streamlined, VIP admissions among other touted benefits.
- **Arizona public universities ubiquitous marketing to high school seniors statewide.** State universities are using generous scholarship awards, athletic teams, and recreational facilities to attract students. Academic scholarships are available to students with a core high school GPA as low as 3.00, and many students receive a full tuition scholarship with a core GPA above 3.50.
- **Private, technical and allied health colleges compete for career students.** Despite much higher tuition, private colleges like Universal Technical Institute and Carrington College recruit traditional age students (18-24) with compelling television and online marketing and the promise of fast-track programs leading to employment.

DEMOGRAPHICS

- **Graying and growing.** Yavapai County continues to grow; however, more slowly than in past decades. Another shift is where growth is occurring—over the next five years, the age group 55 and older are forecasted to increase by almost 10,000 people. In contrast, the population 35 to 54 is projected to decline by nearly 3,000.
- **Education and poverty.** There is a direct association between educational attainment and a region's poverty rate. Poverty rates are significantly lower for County residents with a postsecondary credential. Less than high school (20.4%), high school degree/GED (16.0%), some college or associate's degree (11.5%), and bachelor's degree or higher (6.4%)

ECONOMIC

- **Unemployment and community college enrollment.** For the seventh consecutive year, Yavapai County's unemployment rate has declined. The current unemployment rate is 4.0%. Community college enrollment is negatively affected by low unemployment rates. Research has shown that for every one point change in unemployment community colleges will experience about a 2.0% change in enrollment.
- **More than 1 million Arizona workers aged 25-64 have good paying jobs that do not require a bachelor's degree.** These good paying jobs have median annual earnings of \$55,000. While traditional manufacturing jobs have declined the number of good jobs in skilled-service areas such as computer technology and health care are increasing.
- **Education pays.** Over a career, a high school diploma is worth \$1.3 million; a bachelor's degree is worth \$2.3 million; a Ph.D. earns \$3.3 million and a professional degree \$3.7 million.

LABOR FORCE

- **Healthcare and Social Assistance is fastest growing industry.** The mid to high wage industry of healthcare and social assistance is the fastest growing industry in Yavapai County.
- **Yavapai College academic programs align well with industry job growth.** Cross-referencing industry sector growth with occupational growth for the next five years indicates high demand for academic programs in healthcare, culinary, hospitality, management, business and public administration, and informational technologies.

EDUCATION

- **Yavapai County high school graduates decline slightly.** Declining birth rates and the aging shift in net migration indicate the number of high school graduates will likely decline slightly over the next five years.
- **High school student performance.** More than 4 in 10 recent high school graduates attending Yavapai College enroll in a developmental course. Arizona fourth grade scores in mathematics, reading, and science are significantly lower than the national public average as measured by the National Assessment of Educational Progress (NAPE) scores. The same holds true for Arizona eighth graders in reading and science.
- **Yavapai County high school enrollments continue to decline.** The net decline between 2013 and 2018 was 779 students. The decline represents a compound average annual enrollment drop of nearly 2 percent.

TECHNOLOGY

- **Cybersecurity.** Cybersecurity remains a top concern for colleges and universities. Higher education's collaborative nature in addition to housing personal identifiable information on students related to federal financial aid continues to make colleges high-value targets for cybercriminals. In response to data breaches, federal and state governments compliance mandates are increasing and requiring college IT staffs to spend more resources (human and financial) toward data security.
- **Artificial Intelligence.** Is touch-enabled technology outdated? According to John Rome at Arizona State University, voice command technology like Amazon Echo, Google Home, or Microsoft Invoke represent the next generation of how students and colleges will access and interact with information. In fall 2017, Amazon provided 1,600 of Echo Dots to Arizona State University engineering students to develop new "skills" or voice applications. Issues to ponder range from how institutions might use voice technology to disseminate information to what are the implications for student privacy?

November, 2017

Yavapai College began working with Sightlines Facilities Benchmarking and Analysis service in May of 2017. From that time, multiple project milestones have been accomplished. Specifically, we collected all facilities information from fiscal years 2012-2017, toured all Yavapai campuses and satellite areas, extensively qualified facilities data, and completed the Facilities Benchmarking and Analysis to show Yavapai College how they align capitally and operationally with similar institutions.

Space

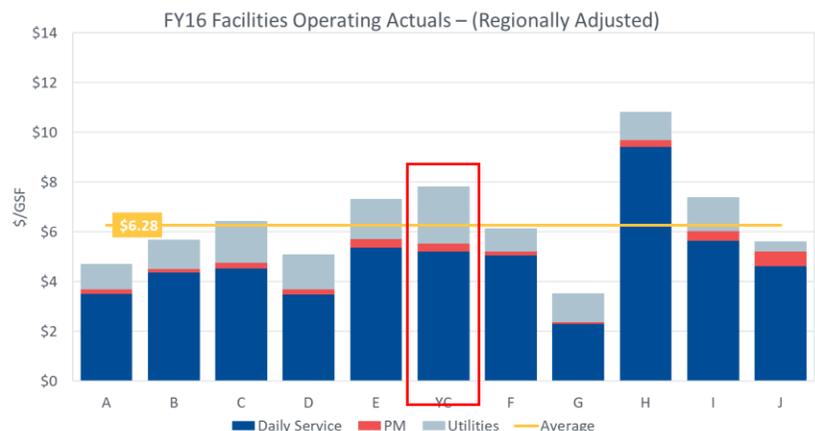
Yavapai College sits in a unique position within the Sightline’s facilities database. It is the only community college that offers housing for students. Student housing requires Yavapai to operate similar to a 4-year institution in that they are a 24-hour operation, unlike traditional commuter-only community colleges. We also see Yavapai differ from other community colleges due to smaller average building size and lower number of users on campus. Both of those space attributes tie directly to operational efficiencies and capital demands: smaller buildings tend to increase costs while lower density tends to lower costs.

Yavapai is comparable to peers¹ in construction age; however, major renovations at Yavapai College have lowered the age significantly. Peers, on average, have lowered their construction age by 16% through renovations. In contrast, Yavapai has lowered their age by 43%. While these renovations have lowered the risk of facility failures, Yavapai needs to plan for the future. Currently 85% of Yavapai College’s space is under 25-years old. With so much space in a similar age category, multiple major building systems will be coming due at a similar time. We recommend establishing a building reserve fund to set money aside now for when building needs start to come due.

Operation

Historically, from FY12-16, Yavapai’s facilities operating actuals were averaging \$7.59/GSF. This figure includes utilities, people costs, and other facility related expenses. Peers institutions over that same time, on average, spent \$6.28/GSF on facilities related costs when adjusted for regional differences.

Preventative maintenance should be an area of high priority for Yavapai College because of the young age of their campus. A recent Sightlines study indicated that for every \$1 spent on preventative maintenance, schools save an average of \$3 of reactive maintenance spending in the future. For Yavapai College to reach the “Best Practice Range”² of PM



¹ Select group of similar institutions used to create benchmarks and best practice recommendations. Factors that are considered when assigning schools to are peer group are size, technical complexity, type of institution, region, and density.

² Best practice range of PM spending is achieved when 10% of your total operating budget goes toward PM related costs.

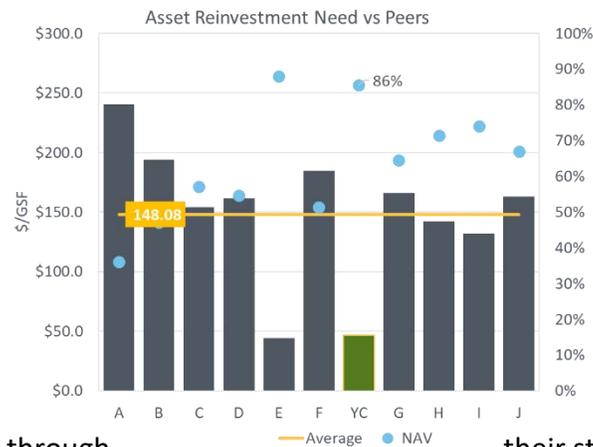
spending, they will need to invest an additional \$350K per year.

One way Sightlines measures operational success is through a visual inspection³ of campus cleanliness, general repair of buildings, and grounds’ conditions. Yavapai scored above peers in each area, and in the top quartile of our database for grounds and cleanliness scores.

Capital

Yavapai College is coming off 5 years of heavy capital investment into their facilities and utility infrastructure. Capital investments were directed at the construction of two new central plants, and several other major building renovations across the District.

Capital spending is one area where Yavapai College has been excelling in recent years. Of note, Yavapai College secures most funding from recurring sources. Peers rely more on one-time, less reliable infusions of cash (i.e., gifts, grants, bonds). This often leads to insufficient funds and increased Deferred Maintenance. When annual funding is stable, like it is at Yavapai, long-term capital planning becomes possible.



With its strategic focus on capital fiscal stewardship, Yavapai College has exceeded their Annual Stewardship capital spending target⁴ in each of the last five years. As funding targets were exceeded each year, Yavapai College improved their Net Asset Value⁵ score to 86%. As of today, Yavapai needs \$48/ sq ft pf Asset Reinvestment to bring their facilities to “like new” condition; whereas, the average public college or university needs \$108/ sq ft. of Asset Reinvestment.

In conclusion, Yavapai has created a young and vibrant campus through their strategic capital investments and their continued support of facility operational resource needs. With continued asset reinvestment of \$4M annually, Yavapai College will be able to secure a legacy of high quality education and the buildings that support it.

³ During campus visits, inspections scores are compiled based on a scoring rubric used at all schools within our database.

⁴ The Annual Stewardship Funding Target is the minimum amount an institution should be funding to maintain its deferred maintenance backlog as building life cycle projects come due.

⁵ The Net Asset Value is the (Replacement Value of Capital Assets- Projected Capital Maintenance and Upgrades over next 10 years)/(Replacement Value of Capital Assets)

Presenter : Ray Sigafoos

Start Time : 10:13 AM

Item No : 12

Proposed By : Ray Sigafoos

Time Req : 117

Proposed : 11/15/2018

Item Type : Discussion

Policy No.	Description	Ref No
2.5	With respect to the actual, ongoing financial conditions and activities, the President shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board-stated Ends priorities. Further, without limiting the scope of the above statement by the following list, the President shall not:	764182

Description : Overview of Yavapai College Historical Revenues and Expenditures - INFORMATION AND/OR DISCUSSION

Details : Dr. Clint Ewell, Vice President for Finance and Administrative Services, will present an overview of Yavapai College historical revenues and expenditures.

Attachments :

No Attachments

Presenter : Ray Sigafoos

Start Time : 12:10 PM

Item No : 13

Proposed By : Ray Sigafoos

Time Req : 1

Proposed : 11/15/2018

Item Type : Procedure Item

Policy No.	Description	Ref No
3.4	To accomplish its job products with a governance style consistent with Board policies, the Board shall follow an annual agenda which (a) completes a re-exploration of Ends policies annually; and (b) continually improves Board performance through Board education and enriched input and deliberation.	558881

Description : ADJOURNMENT OF REGULAR MEETING - PROCEDURAL

Details :

Attachments :

No Attachments