

Yavapai College

FY 2016-17 Preliminary Budget Overview

Presented to
the Yavapai College District Governing Board

April 2016

YC Budget Process

- District Governing Board
 - Jan
 - Assumptions/ Enviro Scan
 - Feb
 - Budget Work Study
 - Draft Capital Budget Feedback
 - Mar- Approve T&F
 - April- Provide Feedback on Draft Budget
 - May- Approve Budget
and Truth in Taxation (if needed)

Who is Yavapai College?

Mission:

to provide quality higher learning and cultural resources ...

Vision:

We will make Yavapai County a premier place to learn, to work, and to live

Board Ends:

YC exists so communities within Yavapai County are equipped with the vision and skills to create a sustainable economic environment at a justifiable cost

1. Education Ends

- Job Seekers, Transfer, Lifelong Learners

2. Economic Ends

- Help communities generate/ sustain jobs

3. Community Ends

- Provide access to vibrant social and cultural life

Strategic Plan 2015-2020

Student Success

- Increase student completion rates

Economic Responsiveness

- Create job placement service
- Increase awareness of YC career training
- Document YC economic impact

Engaged Community

- Increase credit & non-credit enrollment
- Improve East County satisfaction with Cultural Program offerings
- Maintain high satisfaction ratings

Organizational Development

- Improve employee engagement & satisfaction

Fiscal Stewardship

- Model fiscal stewardships through audits, costs/ fte and FCI
- Continue to evaluate and revise Capital Improvement Plan

2017 Strategic Plan Highlights

- Academic pathways
 - Simplify majors
 - Academic structure
 - Scheduling
- Strategic Enrollment Mgmt
 - Programs & Courses
 - CTE
 - Dual, JTED, Concurrent

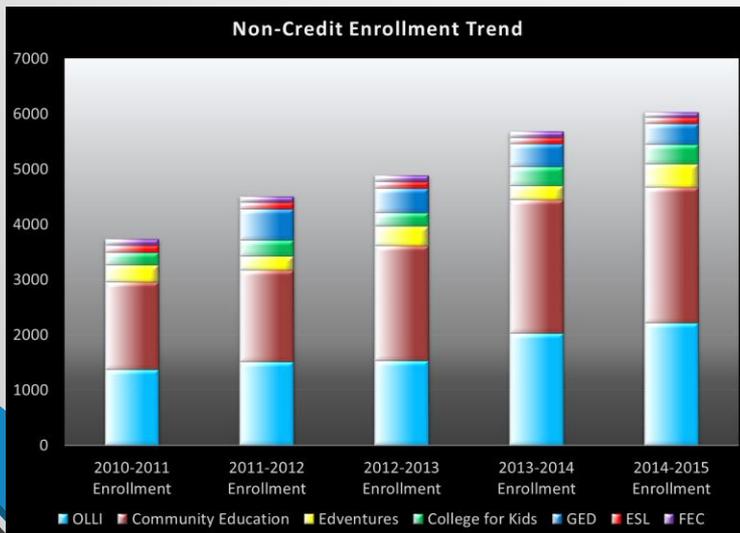
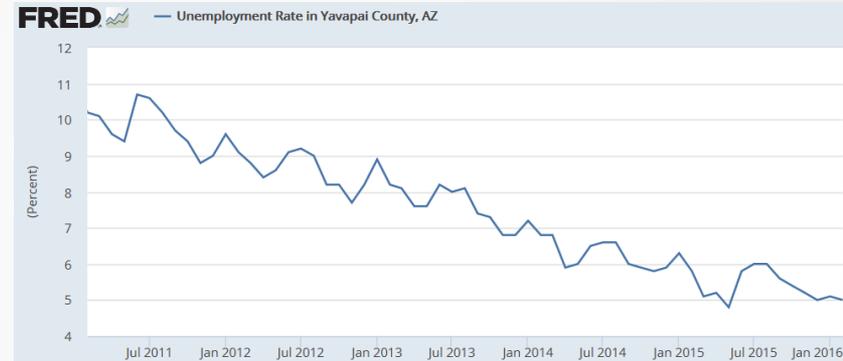
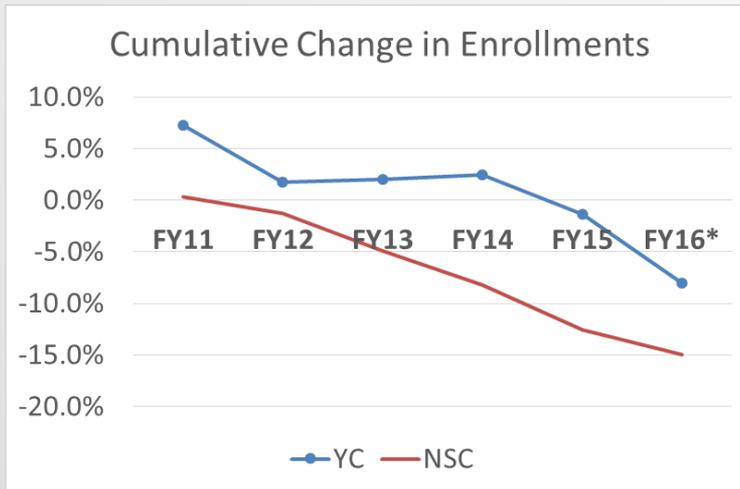


YC Performance Measures

- Growth
 - Credit
 - Non-credit
 - Participation
- Productivity
 - Retention
 - Transfers
 - Completions
- Quality
 - Customer Satisfaction
 - Noel Levitz
 - DGB Survey
 - Transfer Success
 - GPA after transfer
- Finances
 - Investor
 - Taxpayer
 - Student
- Ends
 - 1.1 Education
 - 1.2 Economic Development
 - 1.3 Community

YC Performance Dashboard

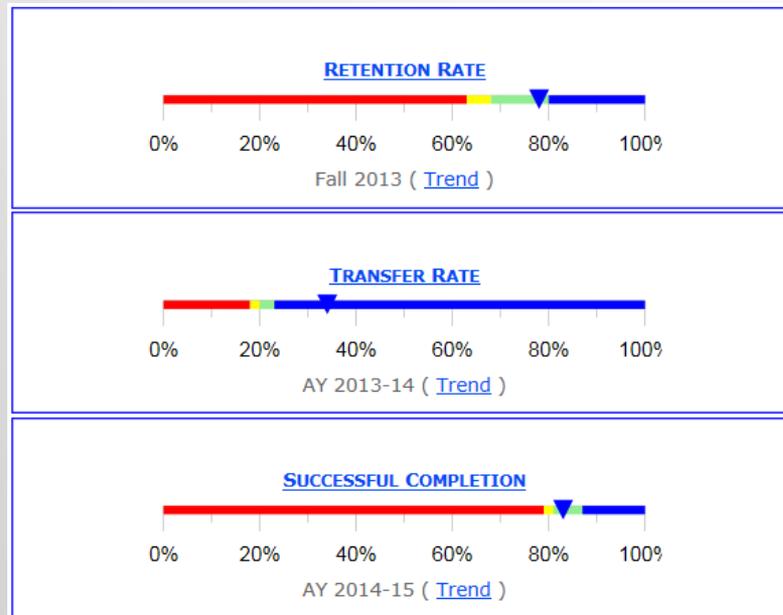
Enrollment & Participation



- Community Participation based on NCCBP
 - Blue = Top quartile
 - Green = 2nd quartile
 - Yellow = 3rd quartile
 - Red = 4th quartile

YC Performance Dashboard

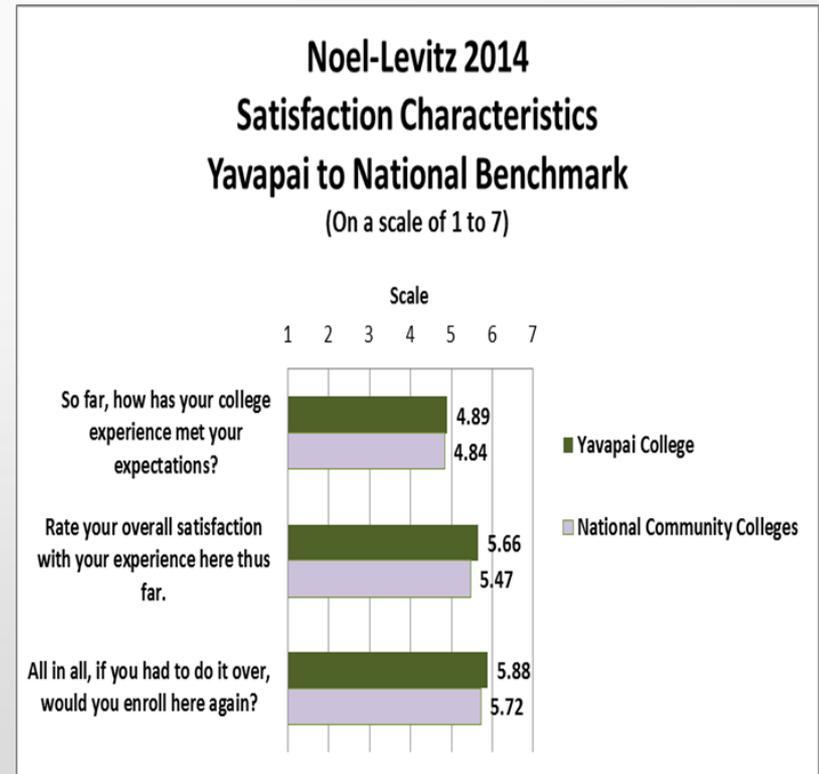
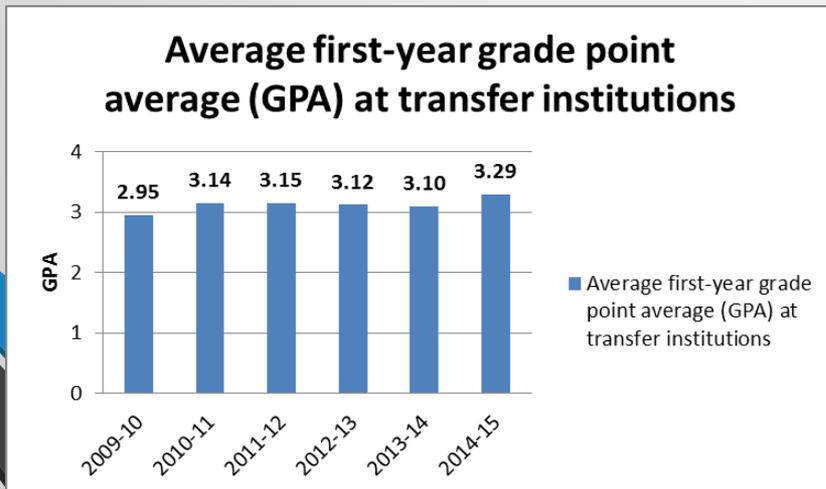
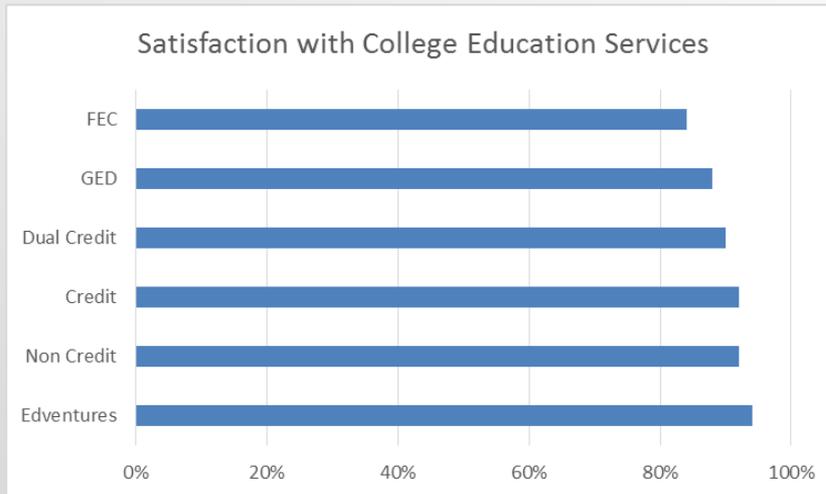
Productivity



- Retention & Completion based on AZ Strategic Vision
- Transfer based on IPEDS

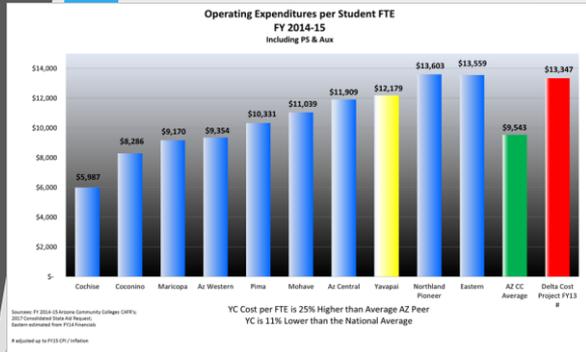
YC Performance Dashboard

Quality

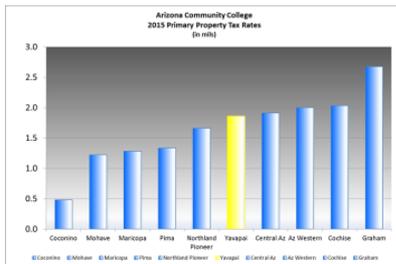


YC Performance Dashboard

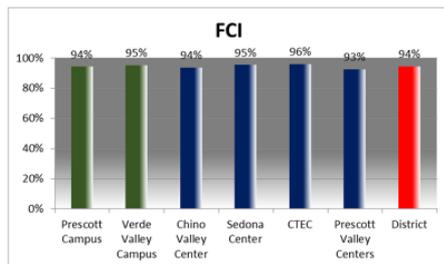
Finance



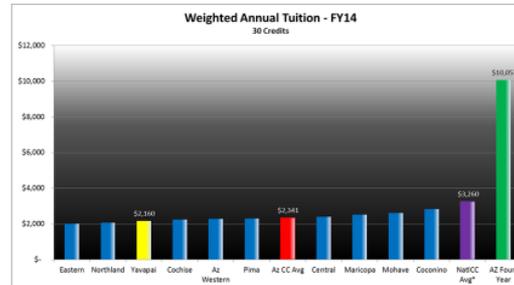
Taxpayers



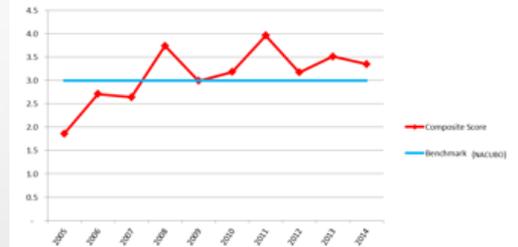
Taxpayers



Students



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.

YC Performance Dashboard Ends



YAVAPAI COLLEGE
YREDC
REGIONAL ECONOMIC
DEVELOPMENT CENTER





FY17 Budget

Key FY17 Budget Assumptions

- Revenues

- Property Tax:
 - New Construction \$550k
 - 0% Levy Increase
- T&F:
 - Price increase \$550k
 - Enrollment shrink -\$1M
 - Aviation -\$1M
- State:
 - -\$100k
- Auxiliaries
 - \$50k

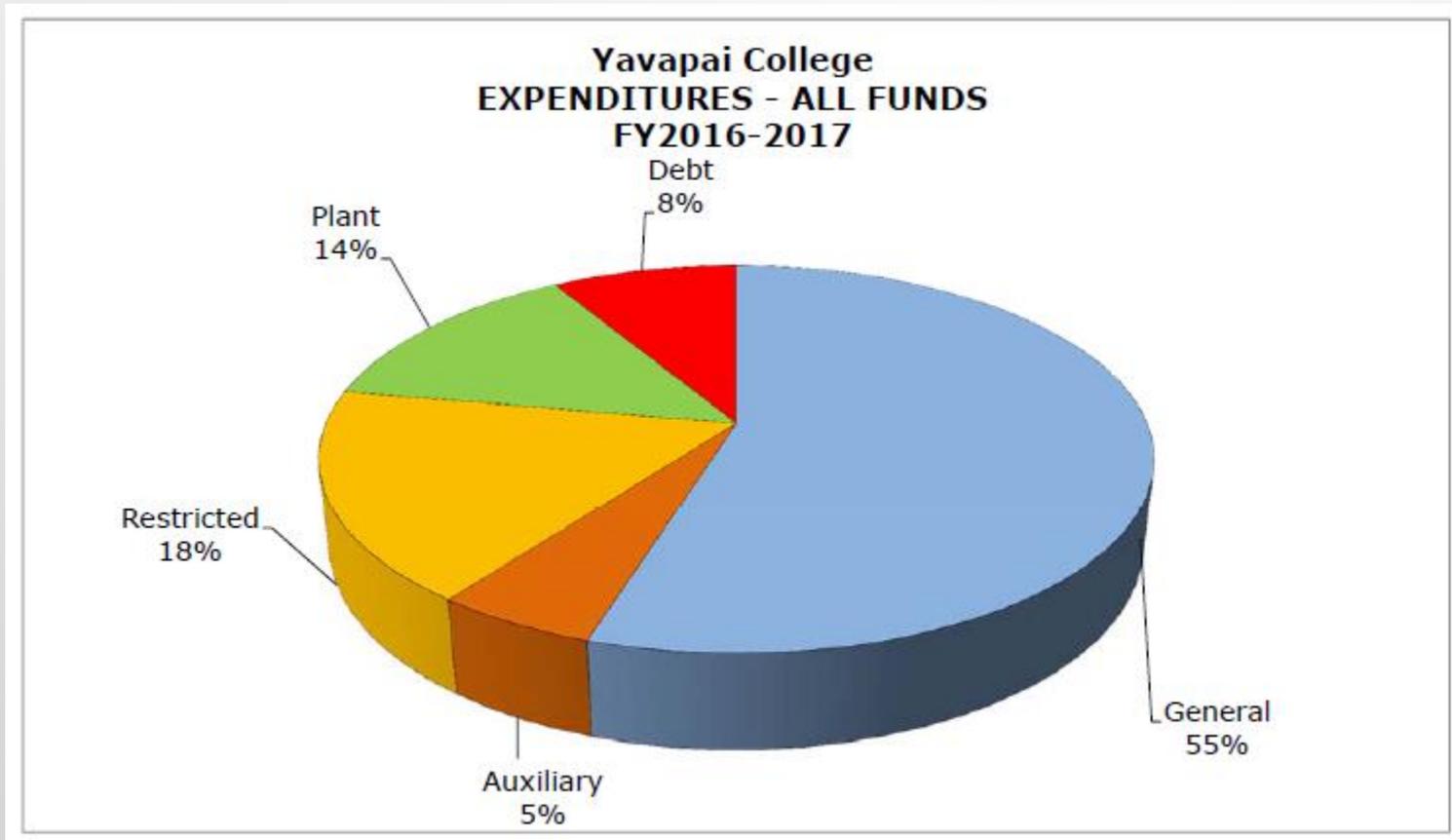
- Expenses

- Fixed Expenses: \$400k
 - Benefits
 - Utilities
 - HW/SW Maintenance
 - Market compensation adjustment
 - Merit Scholarships
- New Expenses: \$900k
 - IT Audit Issues
 - New initiatives (SARA, ID Badges, custodian, Ag & Lineworker supplies)
 - 2.6% Raises
- Savings
 - Contingency -\$400k
 - Reallocations -\$1.85M

National Salary Increase Forecasts

- Mercer 2.9% (2.7% last year)
- Towers Watson 3 (3)
- SHRM 2.7 (2.9)
- Korn Ferry Hay 2.7 (2.8)
- CUPA-HR 2.7 (2.8)

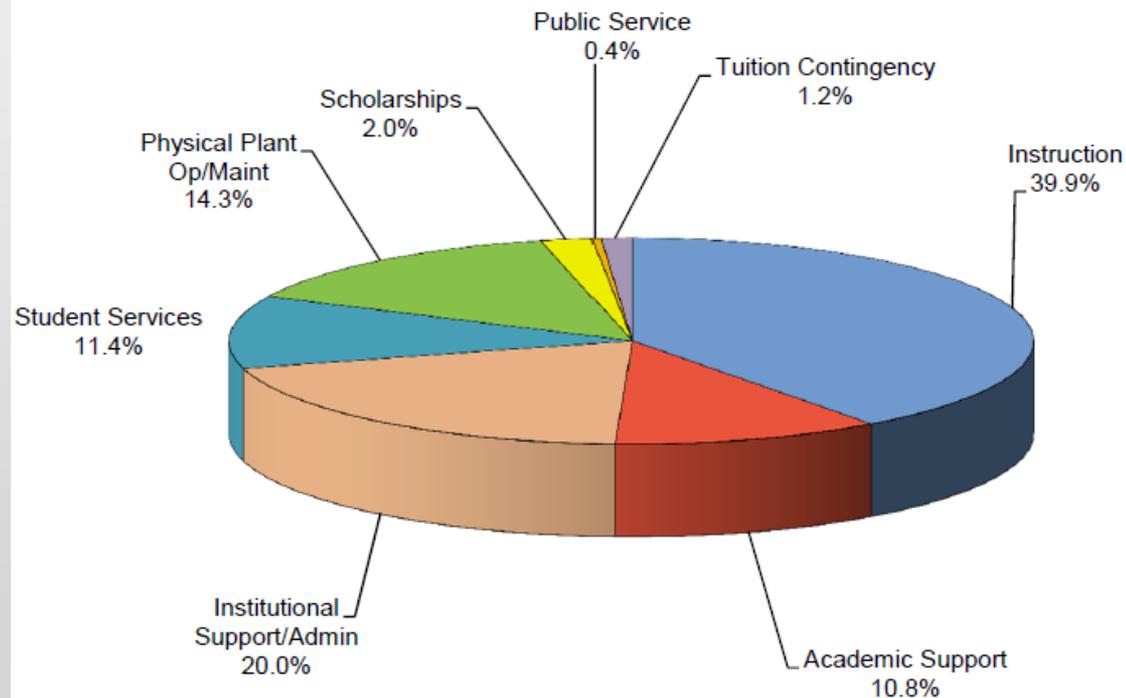
Yavapai College Budget by Fund



\$80.6M total

General Fund by Function

Yavapai College GENERAL FUND EXPENDITURES FY2016-2017



1. Changes in General Fund

| EXPENDITURES | 2015-2016 BUDGET | 2016-2017 BUDGET | DOLLAR (\$) DIFFERENCE | PERCENTAGE (%) DIFFERENCE |
|--|----------------------|----------------------|------------------------|---------------------------|
| <u>Current General Fund</u> | | | | |
| Instruction | \$ 17,829,000 | \$ 17,516,000 | \$ (313,000) | -1.8% |
| Academic Support | 4,874,000 | 4,745,000 | (129,000) | -2.6% |
| Institutional Support/Administration | 8,672,000 | 8,775,000 | 103,000 | 1.2% |
| Student Services | 4,751,000 | 5,021,000 | 270,000 | 5.7% |
| Physical Plant Operations/Maintenance | 6,125,000 | 6,270,000 | 145,000 | 2.4% |
| Scholarships | 826,000 | 878,000 | 52,000 | 6.3% |
| Public Service | 83,000 | 156,000 | 73,000 | 88.0% |
| Tuition Contingency | 550,000 | 550,000 | - | 0.0% |
| Prop 301 Labor Contingency | - | 250,000 | 250,000 | 100.0% |
| Operating Contingency | 400,000 | - | (400,000) | -100.0% |
| TOTAL CURRENT GENERAL FUND BUDGET | \$ 44,110,000 | \$ 44,161,000 | \$ 51,000 | 0.1% |

1. Education:

Job Seekers

Transfer

ABE

Developmental

Dual

Lifelong Learning

OLLI

2. Economic Development

Career Technical Education

REDC

3. Cultural

Athletics

Classes

Galleries

Libraries

2. Changes in Auxiliary Fund

| | <u>Budget</u> <u>2015-2016</u> | <u>Budget</u> <u>2016-2017</u> | <u>DOLLAR (\$)</u> <u>DIFFERENCE</u> | <u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u> |
|--|-----------------------------------|-----------------------------------|---|--|
| Instruction | \$ 55,100 | \$ 171,900 | \$ 116,800 | 212.0% |
| Student Services | 626,400 | 616,000 | (10,400) | -1.7% |
| Auxiliary Enterprises | 1,518,700 | 1,528,700 | 10,000 | 0.7% |
| Public Service | 889,800 | 819,000 | (70,800) | -8.0% |
| Contingency | 100,000 | 100,000 | - | 0.0% |
| Facilities & Administrative Allocation Expense | 1,065,300 | 1,065,300 | - | 0.0% |
| TOTAL CURRENT AUXILIARY FUNDS BUDGET | \$ 4,255,300 | \$ 4,300,900 | \$ 45,600 | 1.1% |

Instruction

Music

Student Services

FEC

Aux

Bookstore

Food

Res Hall

YCF

Tasting Room

Public Service

Community Events

REDC

SBDC

3. Changes in Restricted Fund

CURRENT RESTRICTED FUNDS - EXPENDITURES AND OTHER DEDUCTIONS

| | <u>Budget</u> <u>2015-2016</u> | <u>Budget</u> <u>2016-2017</u> | <u>DOLLAR (\$)</u> <u>DIFFERENCE</u> | <u>PERCENTAGE</u> <u>(%)</u> <u>DIFFERENCE</u> |
|--|-----------------------------------|-----------------------------------|---|--|
| CURRENT RESTRICTED FUND (Note 1) | | | | |
| Instruction | \$ 2,756,400 | \$ 2,814,600 | \$ 58,200 | 2.1% |
| Academic Support | 4,000 | 2,000 | (2,000) | -50.0% |
| Student Services | 1,107,800 | 1,144,200 | 36,400 | 3.3% |
| Scholarships | 11,434,500 | 10,202,600 | (1,231,900) | -10.8% |
| Public Service | 112,000 | 112,000 | - | 0.0% |
| TOTAL EXPENDITURES AND OTHER DEDUCTIONS OF CURRENT RESTRICTED FUNDS | <u>\$ 15,414,700</u> | <u>\$ 14,275,400</u> | <u>\$ (1,139,300)</u> | <u>-7.4%</u> |

4. Changes in Capital Fund

| | <u>Budget 2015-2016</u> | <u>Budget 2016-2017</u> | <u>DOLLAR (\$) DIFFERENCE</u> | <u>PERCENTAGE (%) DIFFERENCE</u> |
|---|-----------------------------|-----------------------------|-----------------------------------|--|
| UNEXPENDED PLANT FUND | | | | |
| Buildings/Infrastructure | | | | |
| Preventative Maintenance | \$ 3,010,000 | \$ 3,028,000 | \$ 18,000 | 0.6% |
| Unplanned Maintenance | 500,000 | 400,000 | (100,000) | -20.0% |
| Capital Improvement Projects (CIP) | 4,538,700 | 4,899,300 | 360,600 | 7.9% |
| Equipment | | | | |
| Equipment | 2,280,600 | 2,072,400 | (208,200) | -9.1% |
| Furniture and Fixtures | 250,000 | 250,000 | - | 0.0% |
| Library Books | | | | |
| | 98,700 | 98,700 | - | 0.0% |
| Contingency | | | | |
| Capital Contingency | 500,000 | 250,000 | (250,000) | -50.0% |
| Property Tax Contingency | 247,300 | - | (247,300) | -100.0% |
| TOTAL EXPENDITURES - UNEXPENDED PLANT FUNDS | <u>\$ 11,425,300</u> | <u>\$ 10,998,400</u> | <u>(426,900)</u> | <u>-3.7%</u> |
| Contributions to Capital Projects Accumulation Account - Future Projects | <u>1,395,600</u> | <u>-</u> | <u>(1,395,600)</u> | <u>-100.0%</u> |
| TOTAL EXPENDITURES AND OTHER DEDUCTIONS - UNEXPENDED PLANT FUND | <u><u>\$ 12,820,900</u></u> | <u><u>\$ 10,998,400</u></u> | <u><u>\$ (1,822,500)</u></u> | <u><u>-14.2%</u></u> |

Capital Improvement Plan

| Capital Improvement Projects - Description | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Prescott - Building 15 Art/Music Design, Const. & FF&E - Renovation | \$ 2,000,000 | \$ 1,517,300 | - | - | - |
| Prescott - Building 15 Art/Music Design, Const. & FF&E - Expansion | 615,000 | 465,000 | - | - | - |
| Prescott - Building 19 Library Design, Const. & FF&E - Renovation | - | - | - | - | \$ 630,000 |
| Prescott - Lecture Hall Design, Construction & FF&E | - | 400,000 | \$ 3,103,000 | \$ 700,000 | - |
| Prescott - Multi-use Field Design, Construction & FF&E | - | - | 105,000 | 2,777,400 | - |
| Prescott - Surface Lot Construction | - | - | 216,000 | 1,000,000 | - |
| Prescott - Event Center Design & Construction | - | - | - | 1,086,500 | 3,975,000 |
| Prescott Valley - Renovation Design, Construction & FF&E | 1,350,000 | 550,000 | - | - | - |
| Sedona - Renovation Design, Construction & FF&E | 2,000,000 | 1,800,000 | - | - | - |
| Verde - Building L Design, Const. & FF&E - Renovation | - | 1,300,000 | 2,500,000 | - | - |
| Open Space Improvements - Design & Construction | 300,000 | 200,000 | 200,000 | 200,000 | - |
| Way Finding - Design & Construction | 90,000 | 90,000 | 90,000 | 90,000 | - |
| Transfer of Expenses to Restricted Fund - STEM Funding & Prop. 301 Sales Tax Revenues | (1,455,700) | (1,372,400) | (1,289,100) | (1,205,800) | (805,700) |
| Total Capital Projects | \$ 4,899,300 | \$ 4,949,900 | \$ 4,924,900 | \$ 4,648,100 | \$ 3,799,300 |
| Revenue Sources | | | | | |
| Investment Income | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 15,000 |
| Capital Project Accum. Account | 4,834,300 | 4,384,900 | 4,359,900 | 4,083,100 | 3,734,300 |
| YC Foundation - Winery | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| YC Foundation - Multi-use Field | - | 500,000 | 500,000 | 500,000 | - |
| Total Revenues | \$ 4,899,300 | \$ 4,949,900 | \$ 4,924,900 | \$ 4,648,100 | \$ 3,799,300 |
| Excess/(Needed Capital) | \$ - |

Key:

Green = Continuing Projects Approved in prior years.

Red = Projects to be Approved in years 2016-17 and 2017-18.

Black = Future Projects

5. Changes in Debt Fund

| | <u>Final Maturity</u> | <u>Budget 2015-2016</u> | <u>Budget 2016-2017</u> | <u>DOLLAR (\$)</u> <u>DIFFERENCE</u> | <u>PERCENTAGE (%)</u> <u>DIFFERENCE</u> |
|---|-----------------------|-------------------------|-------------------------|---|--|
| RETIREMENT OF INDEBTEDNESS | | | | | |
| Retirement of Indebtedness (Principal) | | | | | |
| General Obligation Bonds - 2012 Refunding | 7/1/2024 | \$ 3,175,000 | \$ 3,290,000 | \$ 115,000 | 3.6% |
| General Obligation Bonds - 2011 Refunding | 7/1/2021 | 1,020,000 | 1,005,000 | (15,000) | -1.5% |
| Total General Obligation Bonds | | 4,195,000 | 4,295,000 | 100,000 | 2.4% |
| Pledged Revenue Obligations | 7/1/2025 | 985,000 | 1,025,000 | 40,000 | 4.1% |
| Revenue Bonds | 7/1/2028 | 295,000 | 300,000 | 5,000 | 1.7% |
| Sub-total Retirement of Indebtedness | | \$ 5,475,000 | \$ 5,620,000 | \$ 145,000 | 2.6% |
| Interest on Indebtedness | | | | | |
| General Obligation Bonds - 2012 Refunding | | \$ 681,100 | \$ 617,600 | \$ (63,500) | -9.3% |
| General Obligation Bonds - 2011 Refunding | | 169,800 | 139,200 | (30,600) | -18.0% |
| Total General Obligation Bonds | | 850,900 | 756,800 | (94,100) | -11.1% |
| Pledged Revenue Obligations | | 454,000 | 414,600 | (39,400) | -8.7% |
| Revenue Bonds | | 108,800 | 101,600 | (7,200) | -6.6% |
| Sub-total Interest on Indebtedness | | \$ 1,413,700 | \$ 1,273,000 | \$ (140,700) | -10.0% |
| Bank Fees | | 4,000 | 3,000 | (1,000) | -25.0% |
| Property Tax Contingency | | 30,000 | - | (30,000) | -100.0% |
| TOTAL EXPENDITURES AND OTHER DEDUCTIONS - RETIREMENT OF INDEBTEDNESS | | | | | |
| | | <u>\$ 6,922,700</u> | <u>\$ 6,896,000</u> | <u>\$ (26,700)</u> | <u>-0.4%</u> |

FY16 Revenues Summary

| | Current Year <u>2015-2016</u> | Proposed Budget <u>2016-2017</u> | Dollar (\$) <u>Difference</u> | Percentage (%) <u>Difference</u> |
|--|-------------------------------------|--|-------------------------------------|--|
| <u>REVENUES</u> | | | | |
| Current Funds | | | | |
| Current General Fund - Unrestricted | | | | |
| Property Taxes - Primary, Net Contingency | \$ 32,875,800 | \$ 34,388,200 | \$ 1,512,400 | 4.6% |
| Tuition & Fees | 12,273,000 | 10,751,000 | (1,522,000) | -12.4% |
| State Appropriations | 890,300 | 800,000 | (90,300) | -10.1% |
| Other Sources | 520,000 | 497,900 | (22,100) | -4.3% |
| Auxiliary Enterprises Fund | | | | |
| Sales and Services | 2,996,200 | 2,961,700 | (34,500) | -1.2% |
| Other Sources | 652,800 | 734,300 | 81,500 | 12.5% |
| Sub-Total Current Funds - Unrestricted | \$ 50,208,100 | \$ 50,133,100 | \$ (75,000) | -0.1% |
| Current Funds - Restricted | | | | |
| Federal Grants and Contracts | \$ 13,073,000 | \$ 11,805,000 | \$ (1,268,000) | -9.7% |
| State Grants and Contracts | 201,000 | 211,000 | 10,000 | 5.0% |
| State Appropriations/Prop 301 | 1,455,700 | 1,449,400 | (6,300) | -0.4% |
| Private Gifts, Grants and Contracts | 635,000 | 783,000 | 148,000 | 23.3% |
| Sub-Total Current Funds - Restricted | \$ 15,364,700 | \$ 14,248,400 | \$ (1,116,300) | -7.3% |
| TOTAL CURRENT FUNDS | \$ 65,572,800 | \$ 64,381,500 | \$ (1,191,300) | -1.8% |
| Plant Funds | | | | |
| Unexpended Plant Fund | | | | |
| Property Taxes - Primary, Net Contingency | \$ 9,791,900 | \$ 8,645,300 | \$ (1,146,600) | -11.7% |
| Other Sources | 42,000 | 35,000 | (7,000) | -16.7% |
| Non-recurring | 116,000 | 50,000 | (66,000) | -56.9% |
| Retirement of Indebtedness | | | | |
| Property Taxes - Secondary, Net Contingency | 4,967,900 | 4,944,800 | (23,100) | -0.5% |
| Other Sources | 12,000 | 10,000 | (2,000) | -16.7% |
| TOTAL PLANT FUNDS | \$ 14,929,800 | \$ 13,685,100 | \$ (1,219,600) | -8.2% |
| GRAND TOTAL - CURRENT & PLANT FUNDS | \$ 80,502,600 | \$ 78,066,600 | \$ (2,410,900) | -3.0% |
| Fund Balance Applied to Budget | 3,021,000 | 2,565,100 | (455,900) | -15.1% |
| TOTAL REVENUES AVAILABLE FOR EXPENDITURES | \$ 83,523,600 | \$ 80,631,700 | \$ (2,891,900) | -3.5% |

FY16 Expense Summary

| | Current Year <u>2015-2016</u> | Proposed Budget <u>2016-2017</u> | Dollar (\$) <u>Difference</u> | Percentage (%) <u>Difference</u> |
|--|-------------------------------------|--|-------------------------------------|--|
| I. CURRENT GENERAL AND PLANT FUNDS | | | | |
| A. EXPENDITURES | | | | |
| Current Funds | | | | |
| Current General Fund - Unrestricted | \$ 44,110,000 | \$ 44,161,000 | \$ 51,000 | 0.1% |
| Auxiliary Enterprises | 4,255,300 | 4,300,900 | 45,600 | 1.1% |
| Sub-Total Current Funds - Unrestricted | \$ 48,365,300 | \$ 48,461,900 | \$ 96,600 | 0.2% |
| Current Funds - Restricted | 15,414,700 | 14,275,400 | (1,139,300) | -7.4% |
| TOTAL CURRENT FUNDS | \$ 63,780,000 | \$ 62,737,300 | \$ (1,042,700) | -1.6% |
| Plant Funds | | | | |
| Unexpended Plant Fund | \$ 12,820,900 | \$ 10,998,400 | \$ (1,822,500) | -14.2% |
| Retirement of Indebtedness | 6,922,700 | 6,896,000 | (26,700) | -0.4% |
| TOTAL PLANT FUNDS | \$ 19,743,600 | \$ 17,894,400 | \$ (1,849,200) | -9.4% |
| GRAND TOTAL - CURRENT & PLANT FUNDS | \$ 83,523,600 | \$ 80,631,700 | \$ (2,891,900) | -3.5% |

FY17 Budget Summary

- Decreased Unrestricted Revenues
 - Enrollments down
 - Aviation down
 - No increase in Property Tax Levy
- Increased Unrestricted Expenses
 - Inflationary and raises
- Balanced Budget
 - Re-allocate contingencies
 - Re-allocate operating costs
 - Reduce capital costs
- Operating Budget Flat
- Auxiliary Budget Flat
- Restricted Budget Down 7%
- Capital Budget Down 14%
- Debt Budget Flat
- Overall Budget Down 3.5%



Questions, Discussion & Feedback