Yavapai College Finances

Prepared for

Verde Valley

Board Advisory Committee

Who is Yavapai College?

Mission:

to provide quality higher learning and cultural resources for the diverse populations of Yavapai County

What are Yavapai College's Goals?

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
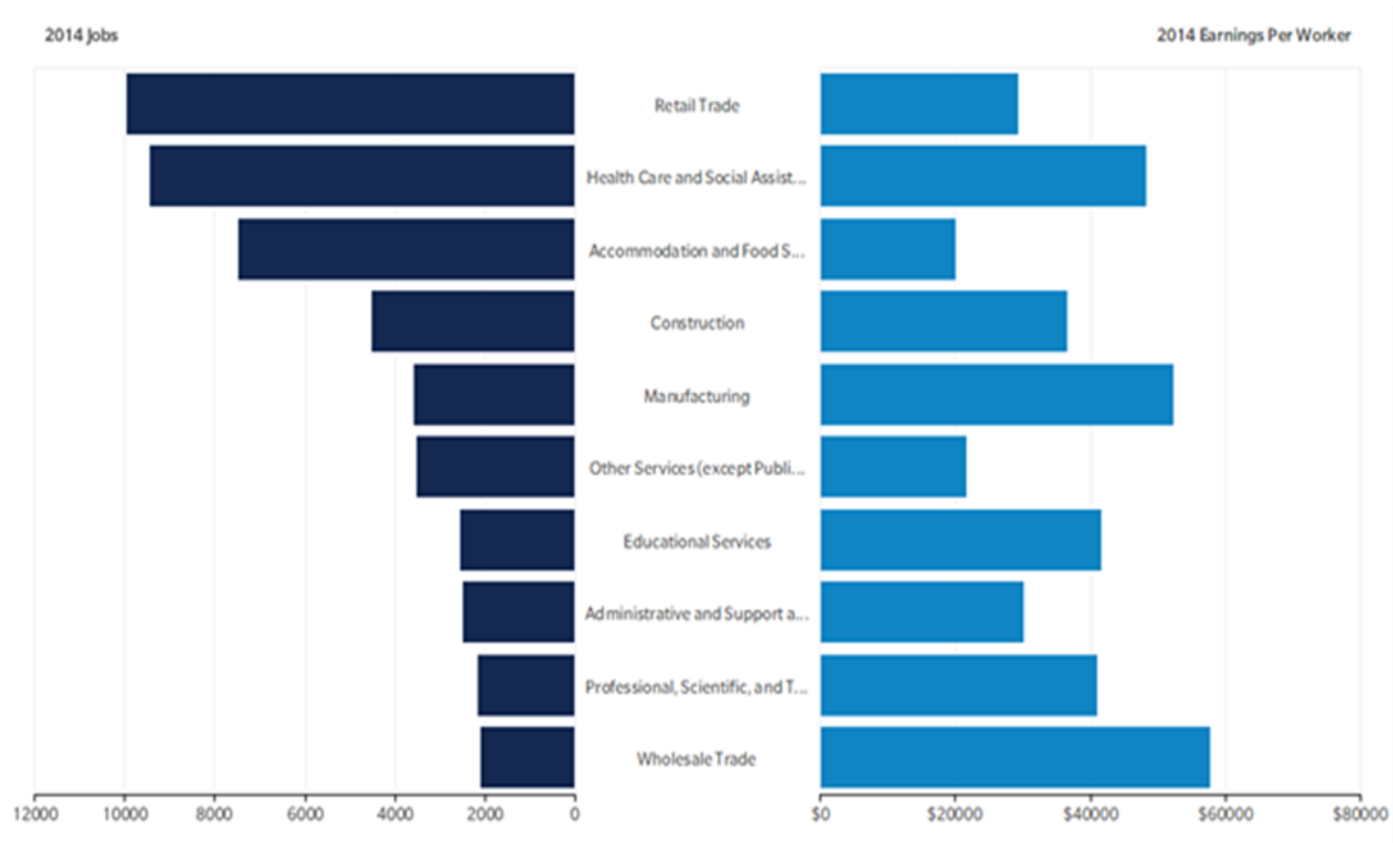   - Job Seekers, Transfer, Lifelong Learners

1. Economic Ends
   - Help communities generate/ sustain jobs

2. Community Ends
   - Provide access to vibrant social and cultural life

Yavapai County
Top 10 Industry Sectors with Wages

2014 Jobs | 2014 Earnings Per Worker

Retail Trade
Health Care and Social Assist...
Accommodation and Food S...
Construction
Manufacturing
Other Services (except Publi...
Educational Services
Administrative and Support a...
Professional, Scientific, and T...
Wholesale Trade

Source: Alex Wright, REDC

Job Growth Forecast
Top 10 Sectors

Yavapai County

Description	5 Year Growth
Health Care and Social Assistance	1,247
Retail Trade	893
Accommodation and Food Services	728
Finance and Insurance	610
Manufacturing	536
Real Estate and Rental and Leasing	492
Other Services (except Public Admin	412
Wholesale Trade	322
Educational Services	274
Government	224

Arizona

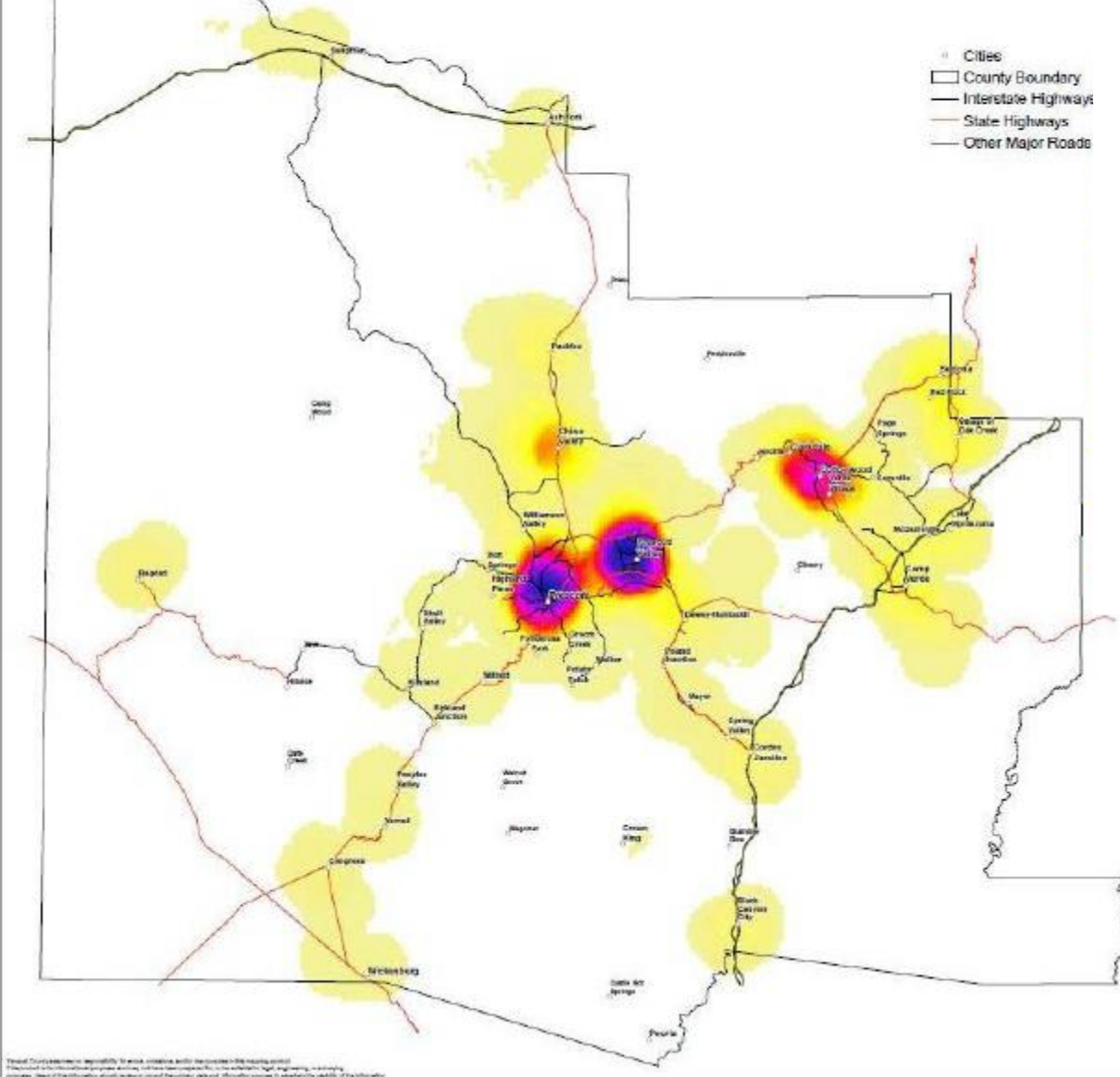| Description	5 Year Growth
Health Care and Social Assistance	65,589
Finance and Insurance	34,830
Professional, Scientific, and Technical Services	29,912
Real Estate and Rental and Leasing	28,973
Accommodation and Food Services	28,285
Retail Trade	27,032
Educational Services	20,829
Government	19,418
Other Services (except Public Administration)	16,171
Administrative and Support and Waste Managem	14,834

YC Programs
*NUR, RAD, EMT, Human Services
*Business
*CNC, IPT, Electronics, Welding

*Education, ECE

*CS, Science, Pre-Eng.

*General Studies

*Hospitality/ Culinary in process

*Art

*AJS

Source: EMSI

2010 POPULATION DENSITY
BASED ON CENSUS BLOCKS

Legend:
- Cities
- County Boundary
- Interstate Highways
- State Highways
- Other Major Roads

<u>Campuses:</u>
Prescott
Verde Valley

<u>Centers:</u>
CTEC
Chino Valley
Mayer
Prescott Valley (2)
Sedona

Source: Yavapai County Comprehensive Plan

Yavapai County Facts

	County	AZ	US
Median $	$42,987	$49,771	$53,046
Poverty	15.8%	17.9%	15.4%
HS Grad	90.2%	85.7%	86%
BA	24.2%	26.9%	28.8%

Source: quickfacts.census.gov

YC Enrollments

YC FTSE Enrollments

- 3,351 (FY06)
- 3,618 (FY07)
- 3,691 (FY08)
- 3,921 (FY09)
- 3,920 (FY10)
- 4,205 (FY11)
- 3,974 (FY12)
- 3,984 (FY13)
- 4,002 (FY14)
- 3,866 (FY15 *)

YC Grew 4.6%/ year from FY06-to-FY11

YC Dropped -.9%/ year from FY11-to-FY15*

* Estimated
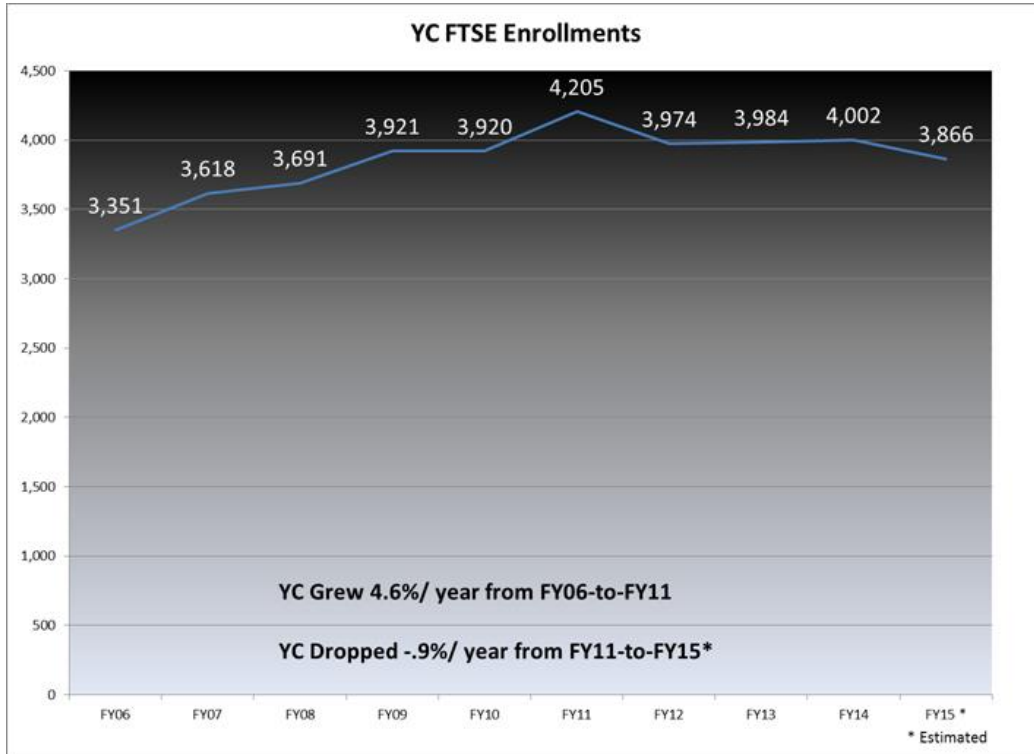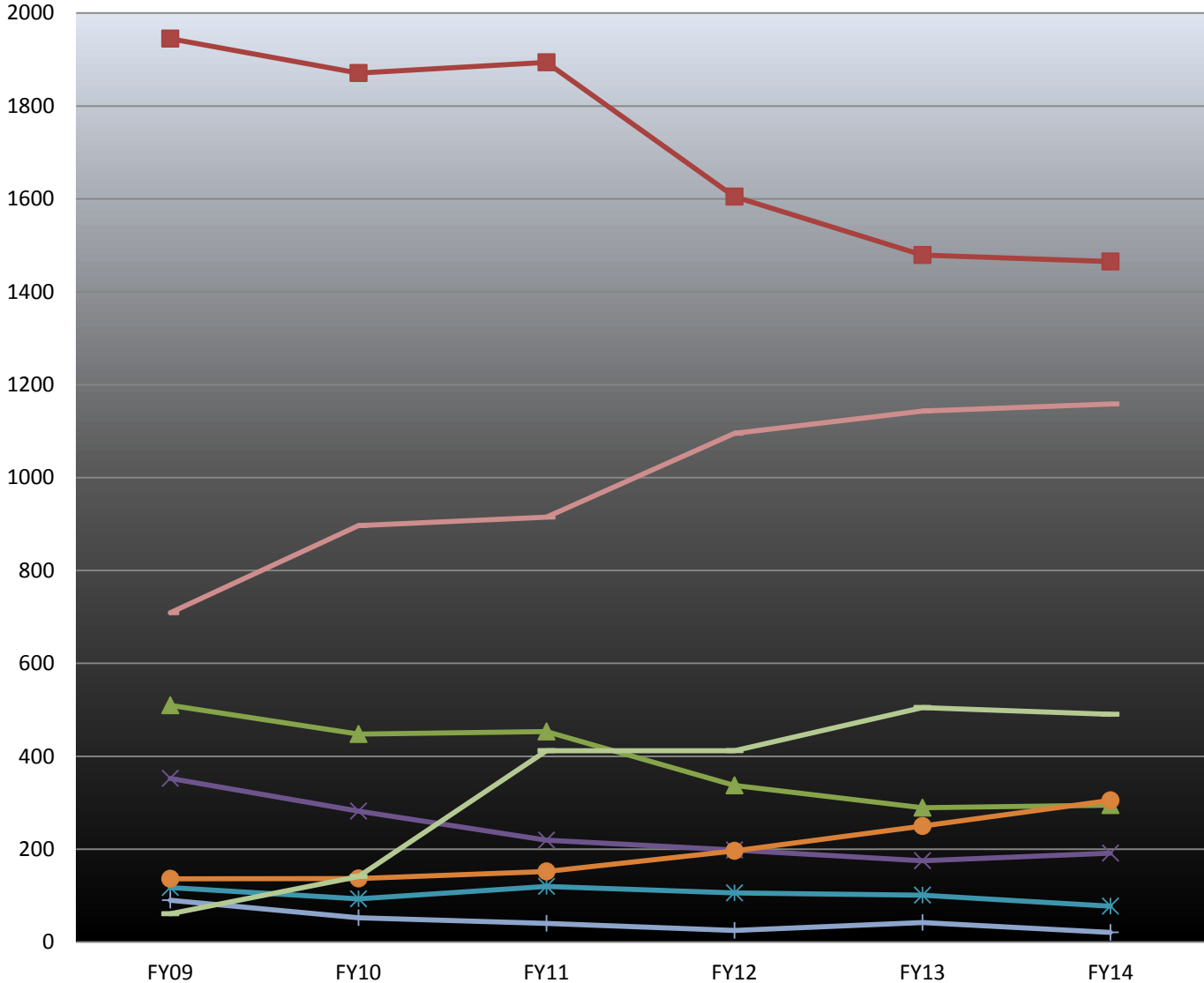
- Decline since FY11
  - Cut scholarships (286)
  - Cut Basketball (24)
  - Cut Nursing (40)
  - Moved Wildfire and ABE to non-credit (98)

FTSE by Location

Campus	5-Year CAGR
Prescott	-5.5%
PV	-11.5%
VV	-10.4%
Chino	-8.1%
CTEC	17.5%
Sedona	-25.7%
Online	10.3%
Off-site	51.9%
District	0.4%

Existing Programs Available in the Verde Valley

YC Degrees/Certificates 2013-14

Degrees	Prescott	Verde	Chino Valley	CTEC	Prescott Valley	Online
Associate of Arts	X	X				X
Associate of Arts in Elementary Education	X	X				X
Associate of Arts in Fine Arts *Verde students will have to come to Prescott for 2 courses	X	X				
Associate of Business	X	X				X
Associate of General Studies	X	X				X
AAS in Accounting	X	X				X
AAS in Administration of Justice					X	X
AAS in Agriculture Technology Management			X			
AAS in Applied Pre-Engineering				X		
AAS in Automotive Technology				X		
AAS in Aviation Technology				X		
AAS in Computer Networking Technology	X					
AAS in Computer Systems and Applications	X	X				X
AAS in Diesel Technician				X		
AAS in Early Childhood Education	X	X				
AAS in Electrical and Instrumentation Technology				X		
AAS in Emergency Management Applications						X
AAS in Fire Science *F2F required for students seeking firefighter certification	X	X				X
AAS in Graphic Design	X					
AAS in Gunsmithing				X		
AAS in Health Information Technology *Contact program director with questions						X
AAS in Industrial Plant Technician				X		
AAS in Management	X	X				X
AAS in Nursing	X	X				
AAS in Office Administration	X	X				X
AAS in Paralegal Studies						X
AAS in Paramedicine					X	
AAS in Radiologic Technology	X					
AAS in Social and Human Services	X	X				
AAS in Video Game Development						X
AAS in Viticulture and Enology		X				
31 Degree Programs	**16**	**14**	**1**	**7**	**2**	**14**

18 Degrees

33 Certs

43 Subjects

CERTIFICATES	Prescott	Verde	Chino	CTEC	PV	Online
AGEC-A	X	X				X
AGEC-B	X	X				X
AGEC-S	X	X				
Accounting Assistant	X	X				X
Administrative Office Specialist	X	X				X
Animal Care and Management			X			
Auto Body Paint and Collision Technology				X		
Automotive Master Technician				X		
Automotive Technician				X		
Cisco Networking Specialist	X					
Computer Application Specialist	X	X				X
Computer Networking Technician	X	X				
Computer Numerical Controlled (CNC) Machining				X		
Creative Writing						X
Criminal Justice and Security						X
Diesel Technician				X		
Digital Filmmaking - Advanced		X				
Digital Filmmaking - Documentary		X				
Digital Filmmaking - Narrative		X				
Early Childhood Education - Advanced	X	X				
Early Childhood Education - Basic	X	X				
Electrical Instrumentation Technician				X		
Electronics Technology				X		
Emergency Medical Technician		X			X	
Equine Practitioner			X			
Exercise Science/Sports Medicine	X	X				
Fire Science - Basic Firefighter	X	X				
Fire Science Community Risk Manager						X
Fire Science Driver/Operator *Our F2F courses						X
Fire Science Officer/Manager						X
Fitness Trainer/Instructor	X	X				
Gerontology	X					
Graphic Design Technician	X					
Gunsmithing - Advanced				X		
Gunsmithing				X		
Horticulture Science			X			
Industrial Plant Technician				X		
Justice Studies					X	X
Law Enforcement and Corrections					X	X
Legal Office Clerk						X
Legal Office Secretary						X
Management	X	X				X
Medical Assistant	X					
Medical Records Technician						X
Nursing Assistant	X	X				
Paralegal Studies - Legal Nurse						X
Paralegal Studies - Post Degree						X
Paramedicine					X	
Pharmacy Technician						X
*Contact program director with questions						
Phlebotomy Technician	X					
Photography	X					
Small Business Entrepreneurship	X	X				X
Social and Human Services	X	X				
Video Game Developer						X
Viticulture		X				
Welding				X		
Windows Server Administrator	X					
57 Certificate Programs	**23**	**21**	**3**	**11**	**4**	**20**

New Verde Valley Programming

- Hospitality/ Culinary
- Digital Media Film
  - Retooled in FY15
  - Considering degree in addition to certs
- Enology/ Viticulture
  - Enology Certificate
- Performing Arts

- Pilot Welding in High Schools

Verde Valley Enrollments

- Credit (SCH)

	2009	2014	
– Face to Face	5582	3533	
– Online	2002	2989	
– Offsite	423	193	
– Dual	130	942	
– JTED			
	8137	7657	-6%

- Non-credit (duplicated headcount)

	2011	2014	
– Community Ed	113	113	
– OLLI	1559	2021	
– College for Kids	200	0*	
	1872	2134	+14%

- Overall…

Budget

Revenues
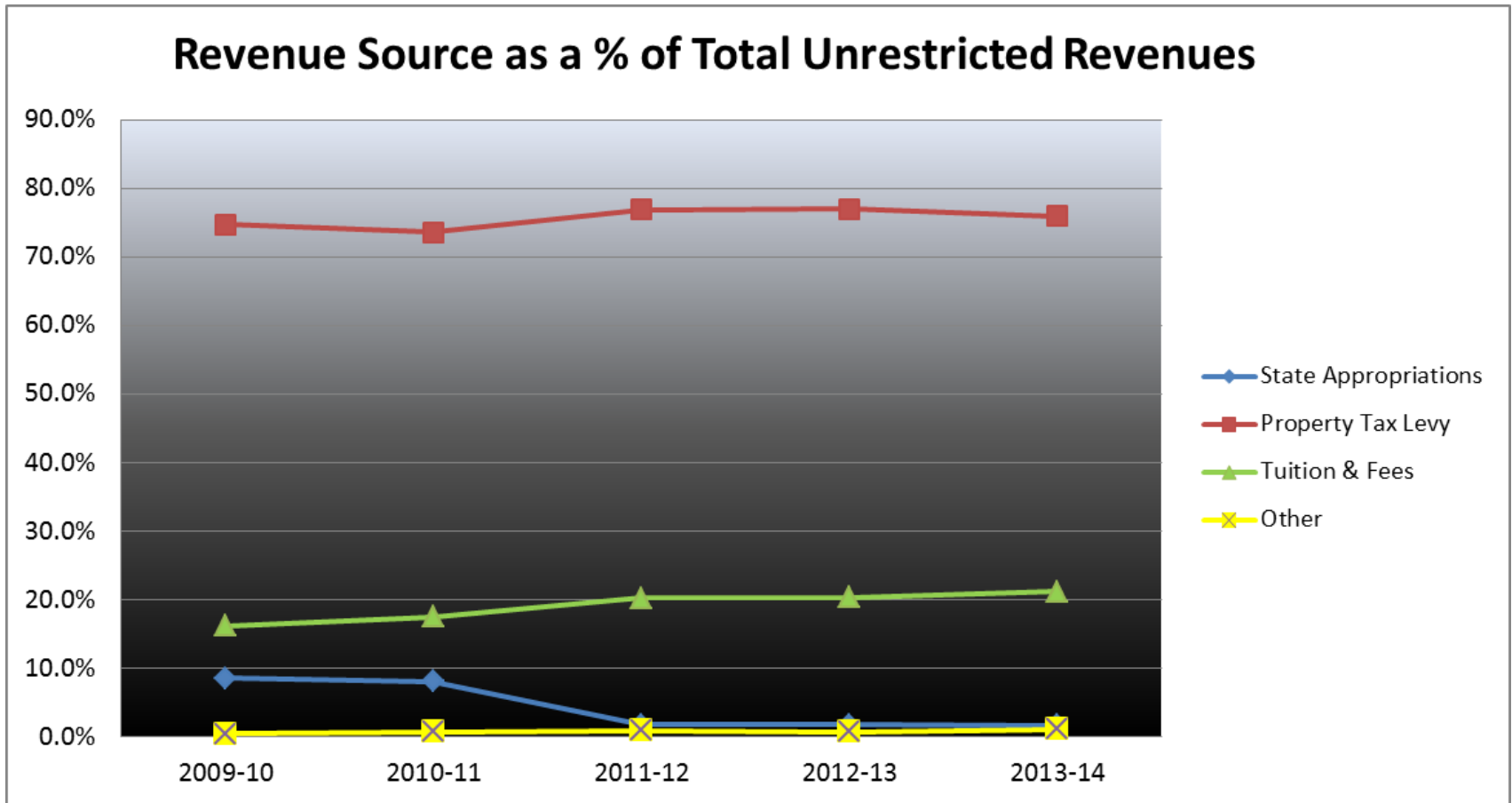
Source: YC CAFR

Unrestricted Revenues: Property Tax

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

AZ has 5th lowest Property Tax in US
- TaxFoundation.org

Legend: Coconino, Mohave, Maricopa, Pima, Northland Pioneer, Yavapai, Central Az, Az Western, Cochise, Graham
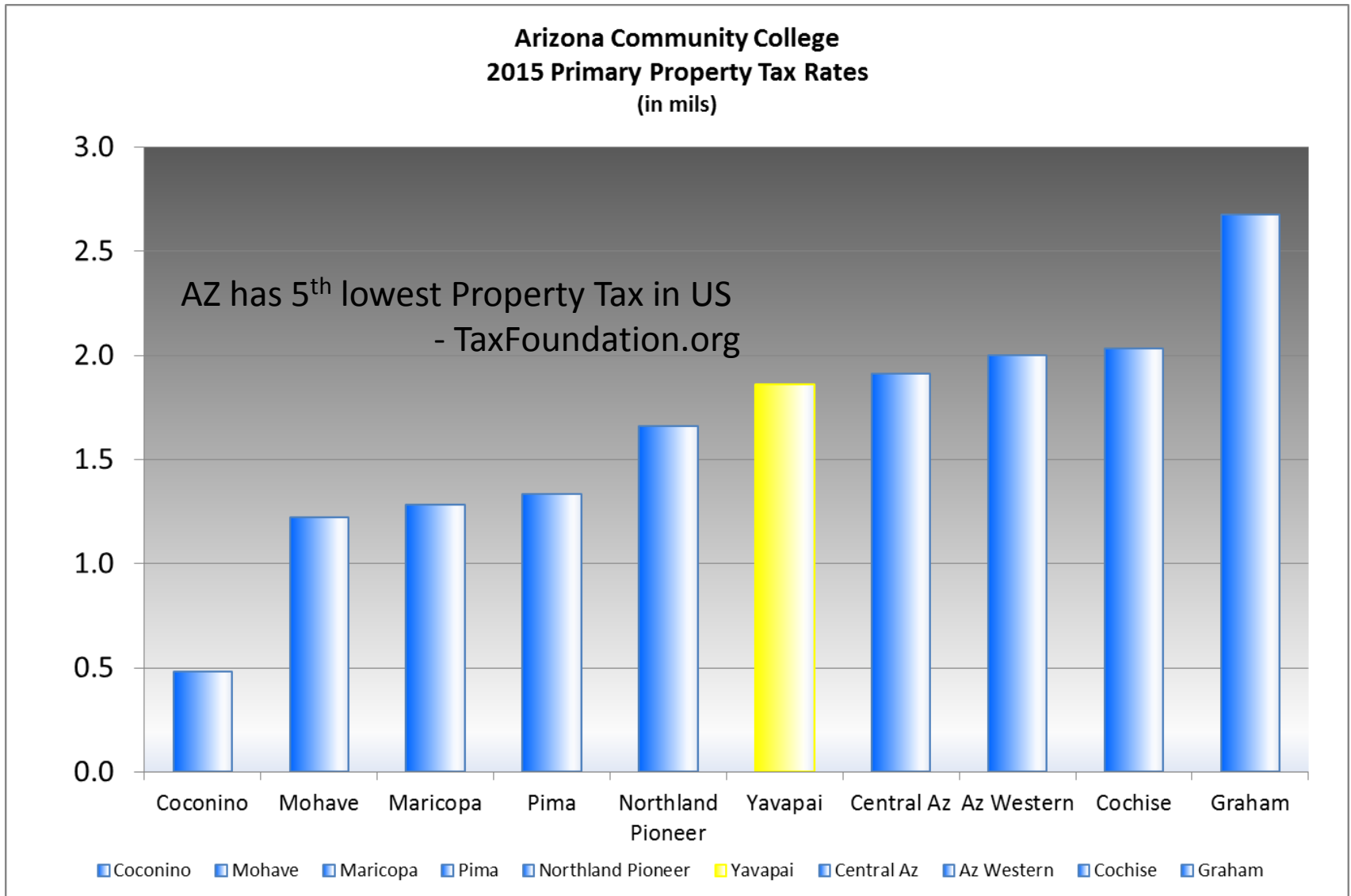
Unrestricted Revenues: Property Tax Property Tax Levy vs. Inflation
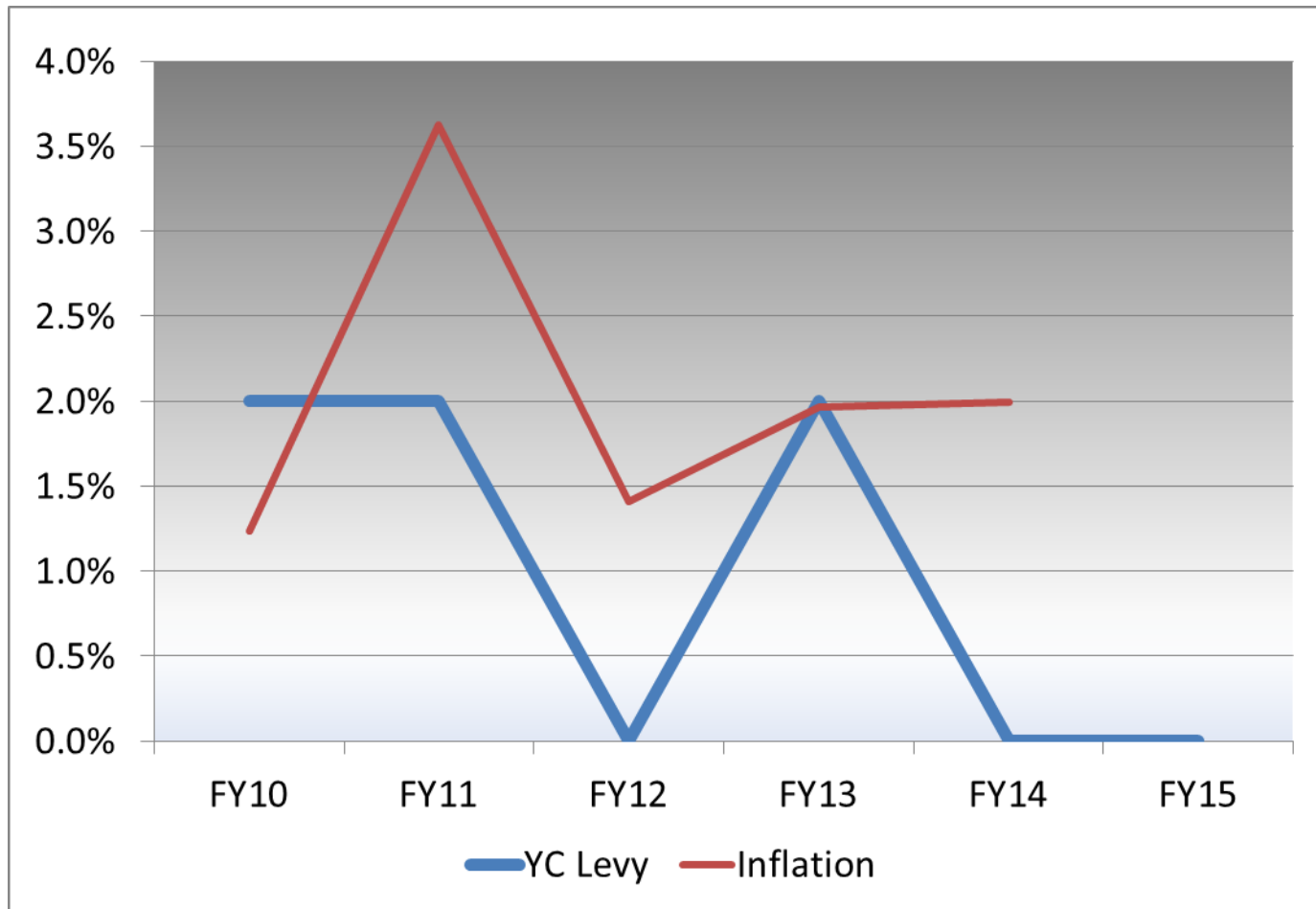
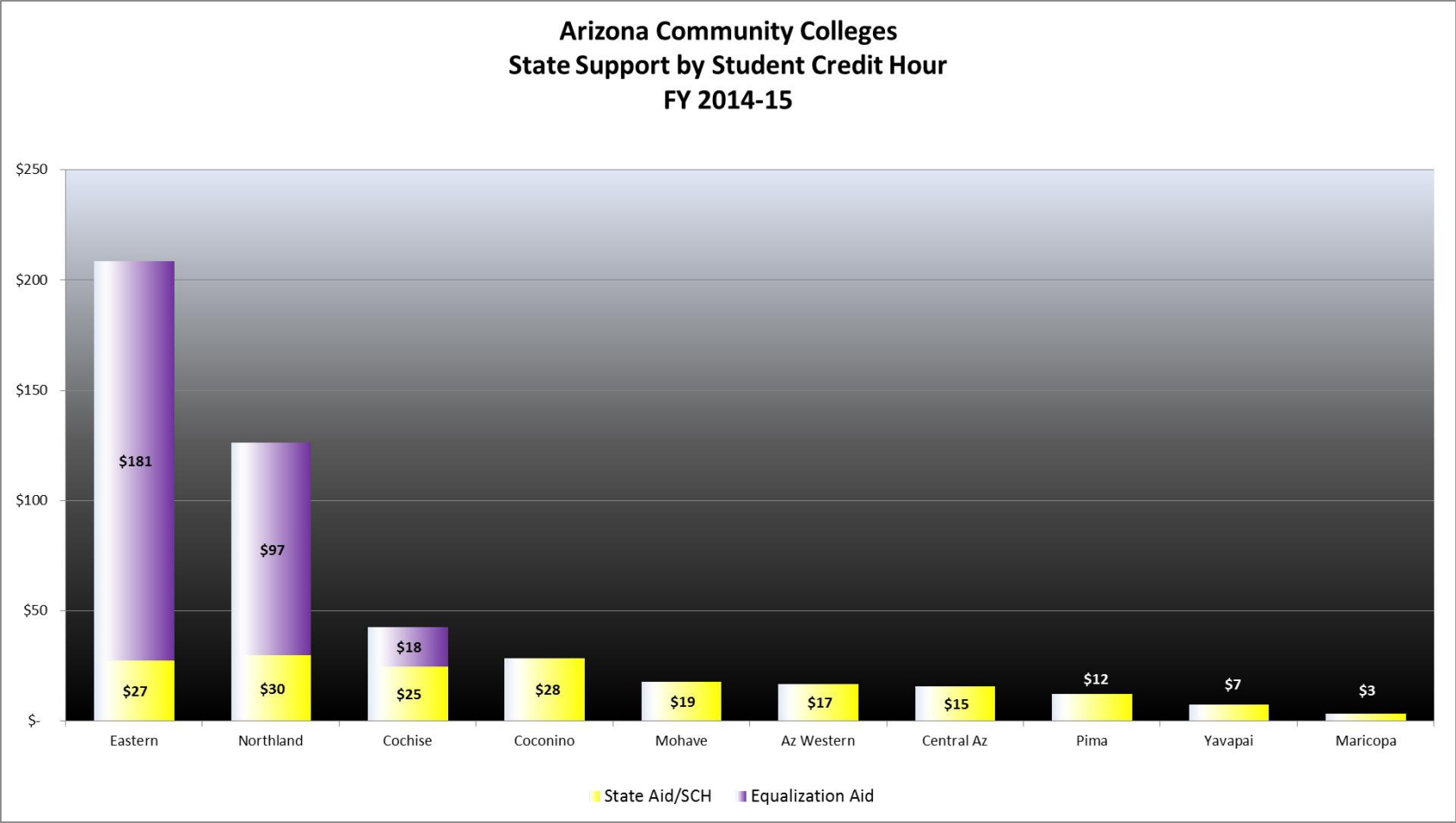Inflation averaged 2%   YC Tax Levy increase averaged 1%

Unrestricted Revenues: Tuition & Fees

Weighted Annual Tuition - FY14
30 Credits
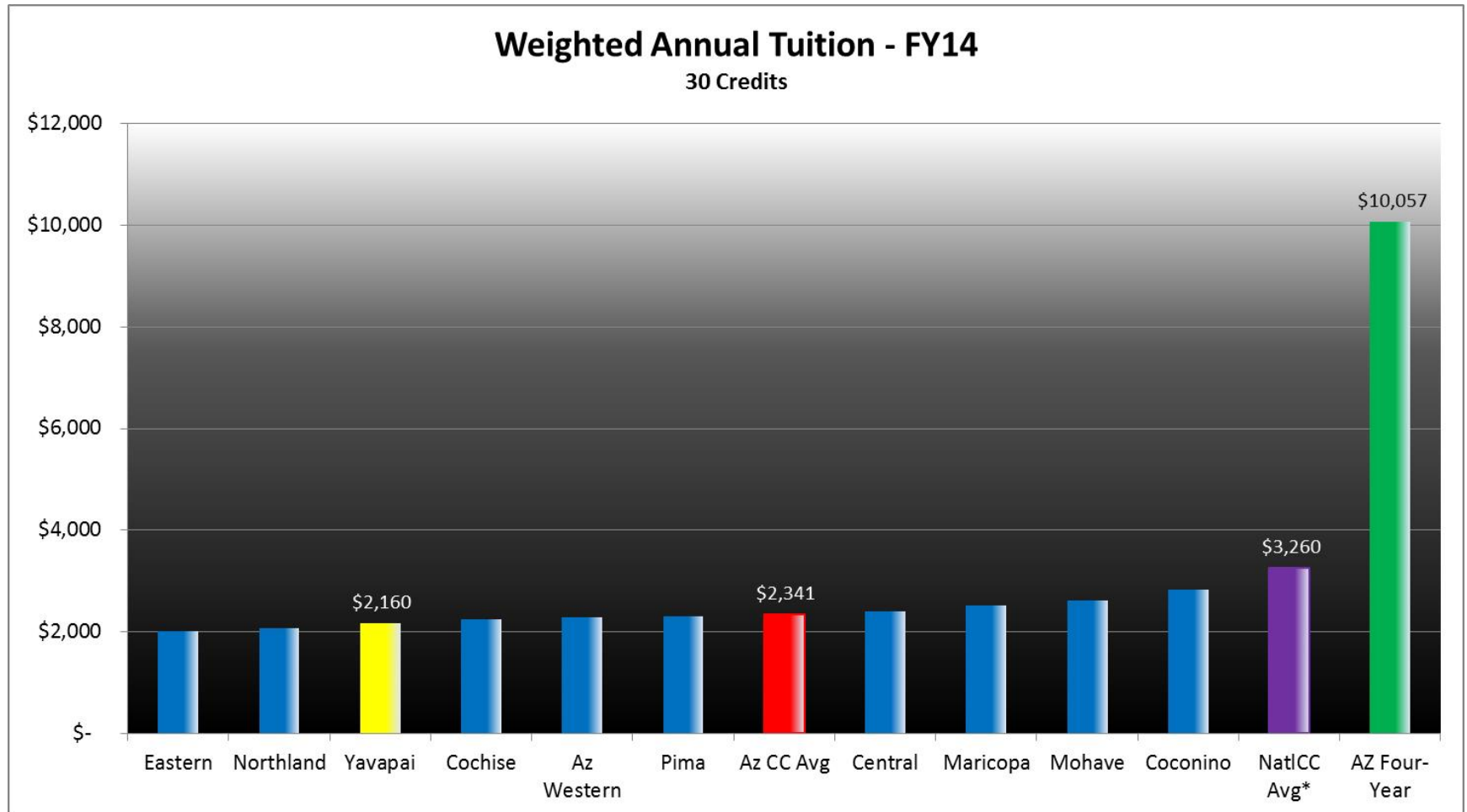
Source: Consolidated Community College 2016 State Aid Request
JLBC FY2015 Baseline Report

Unrestricted Revenues: State Support

Arizona Community Colleges
State Support by Student Credit Hour
FY 2014-15

College	State Aid/SCH	Equalization Aid
Eastern	$27	$181
Northland	$30	$97
Cochise	$25	$18
Coconino	$28	
Mohave	$19	
Az Western	$17	
Central Az	$15	
Pima	$12	
Yavapai	$7	
Maricopa	$3	

Legend: State Aid/SCH, Equalization Aid

Source: Consolidated Community College 2016 State Aid Request

Sources of Revenue Risks

- Revenue Risks
  - Prop 301
  - Aviation
  - State M&O
  - State STEM
  - Enrollments
  - Uncollectable Property Tax
  - SB1476
  - Expenditure Limits
  - High School Funding

  > $4M

- Contingencies
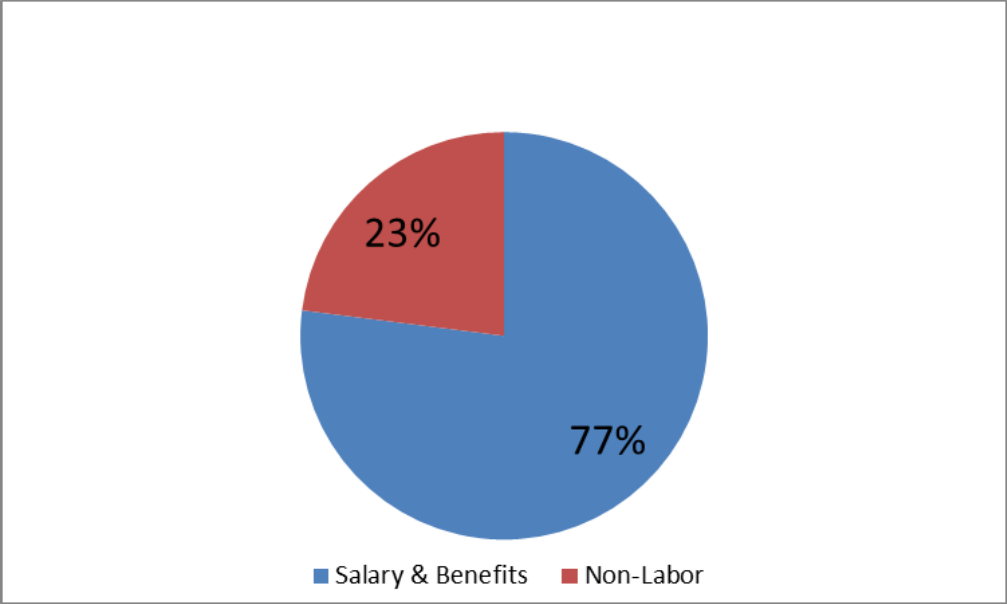 - Enrollment Shrink
  - Operating
  - Property Tax

  $1.3M

Yavapai College Expense Budget by Fund

**Yavapai College
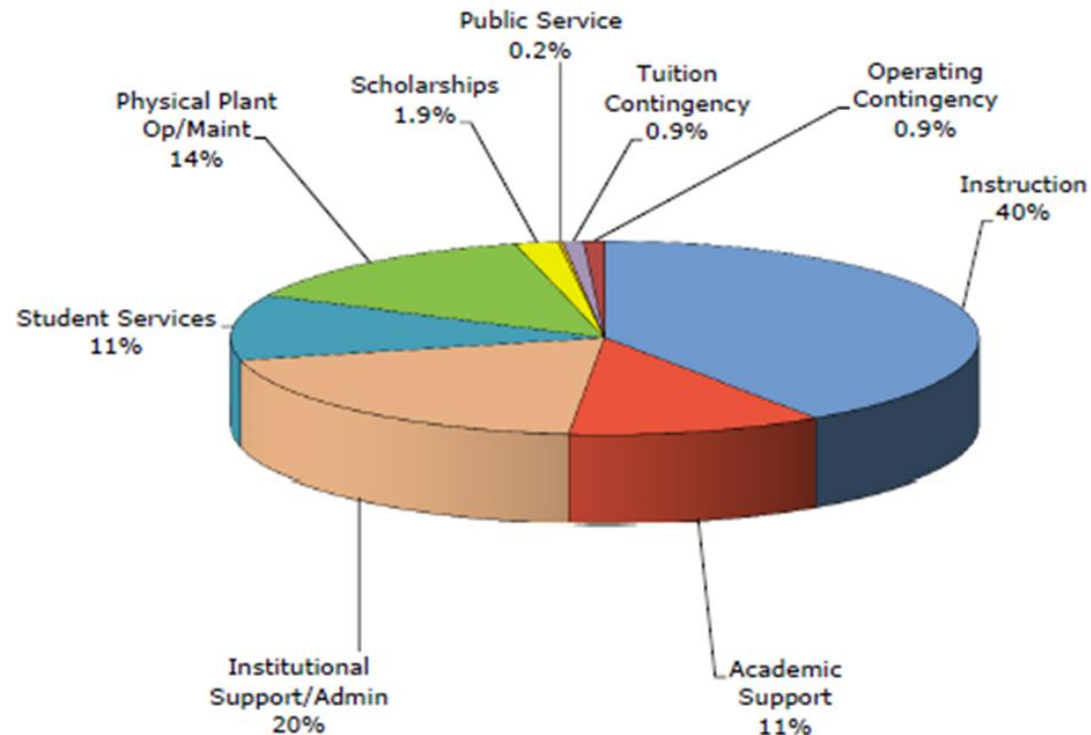EXPENDITURES - ALL FUNDS
FY2015-2016**

Debt 8%
Plant 15%
Restricted 19%
Auxiliary 5%
General 53%
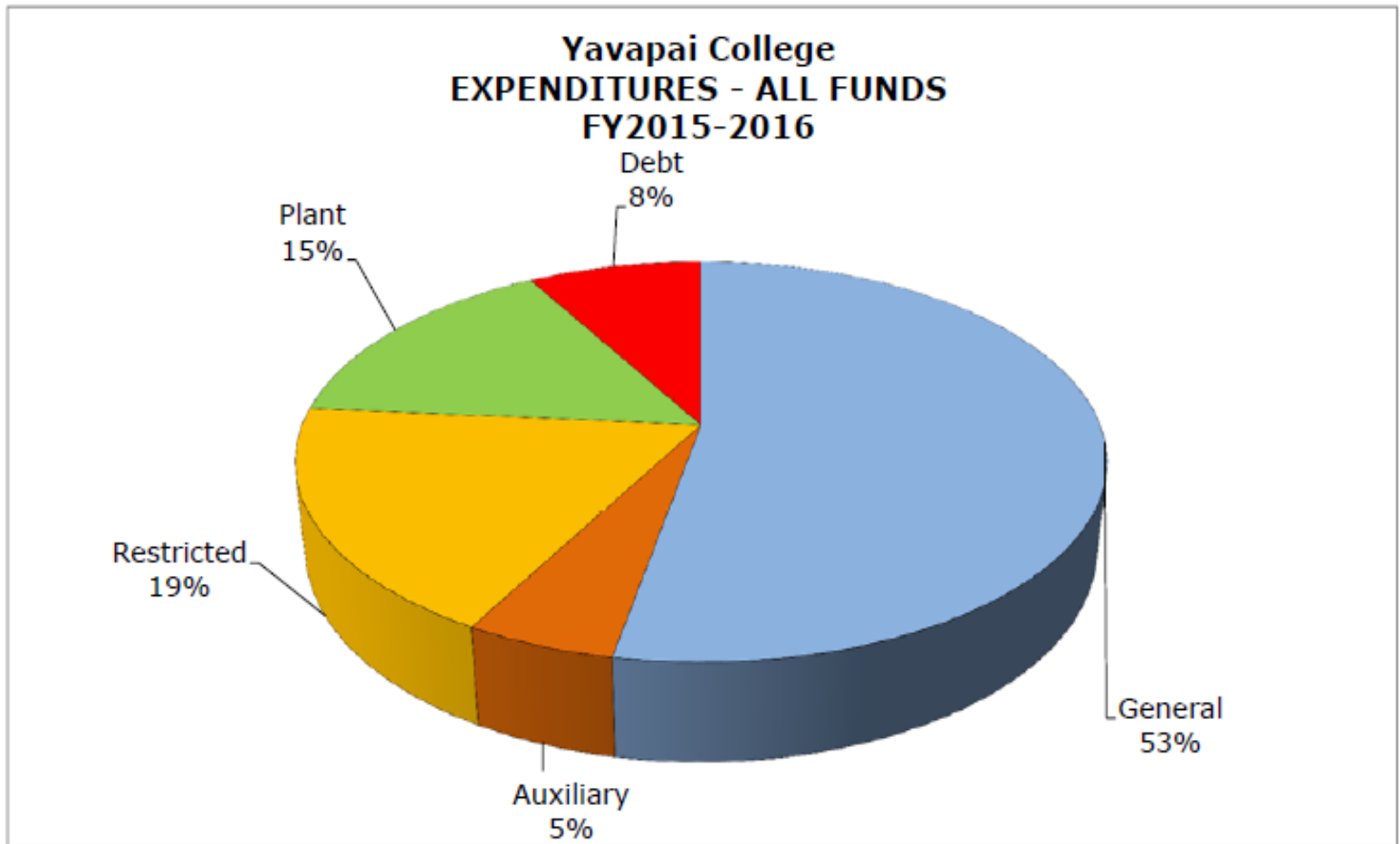
$83.7M total

General Fund Budget by Account
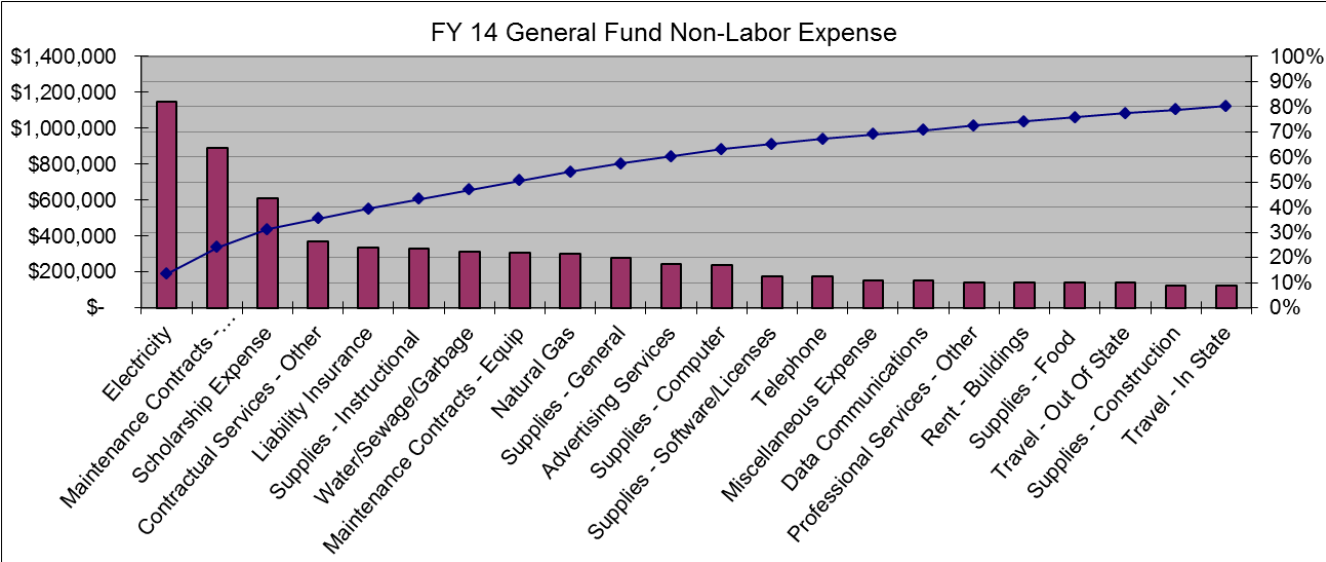
General Fund Budget by Program

Yavapai College
GENERAL FUND EXPENDITURES
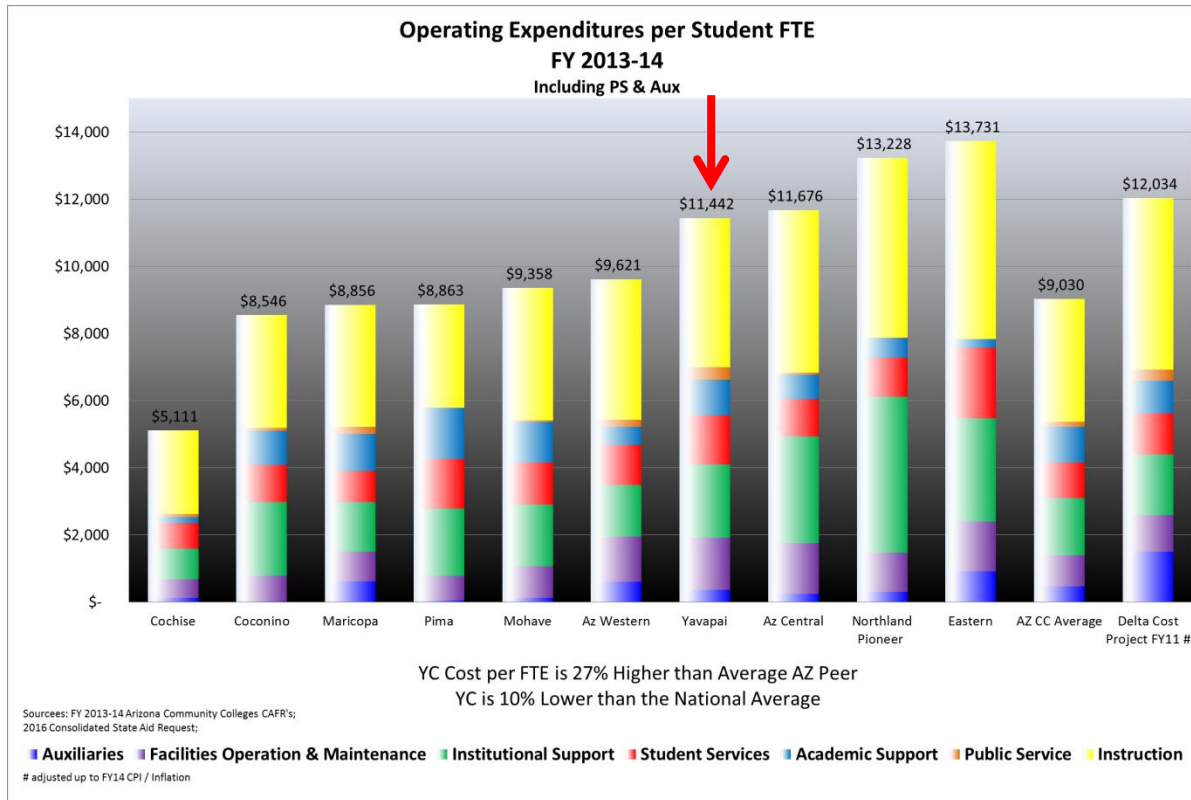**FY2015-2016**

Public Service 0.2%
Scholarships 1.9%
Tuition Contingency 0.9%
Operating Contingency 0.9%
Physical Plant Op/Maint 14%
Instruction 40%
Student Services 11%
Institutional Support/Admin 20%
Academic Support 11%

$44.3M
Total

Instructional Program Budget
by Division
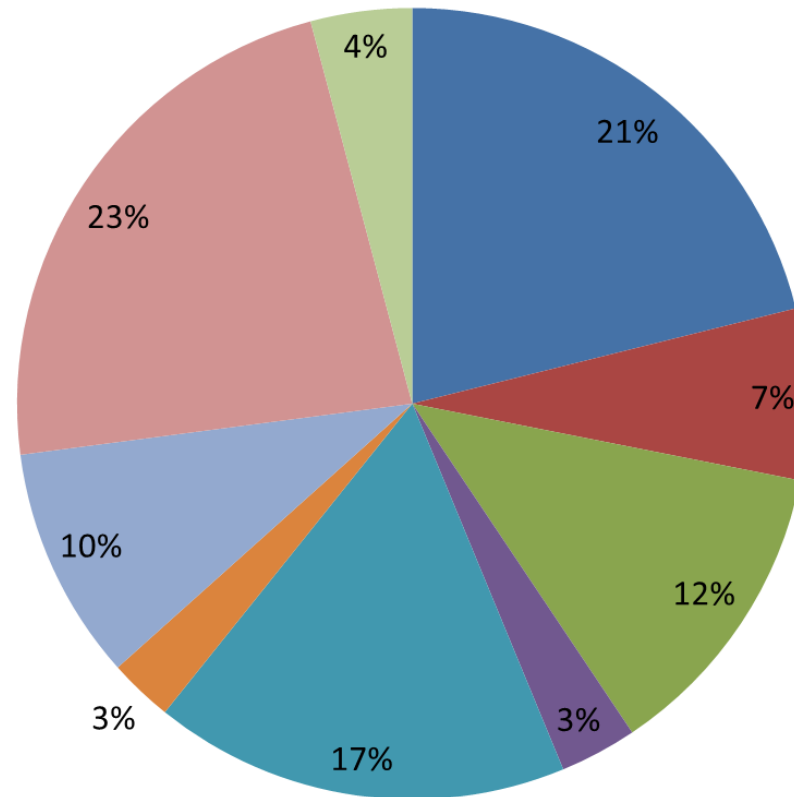
Spending Efficiently
YC vs. Benchmarks

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

Sourcees: FY 2013-14 Arizona Community Colleges CAFR's;
2016 Consolidated State Aid Request;

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

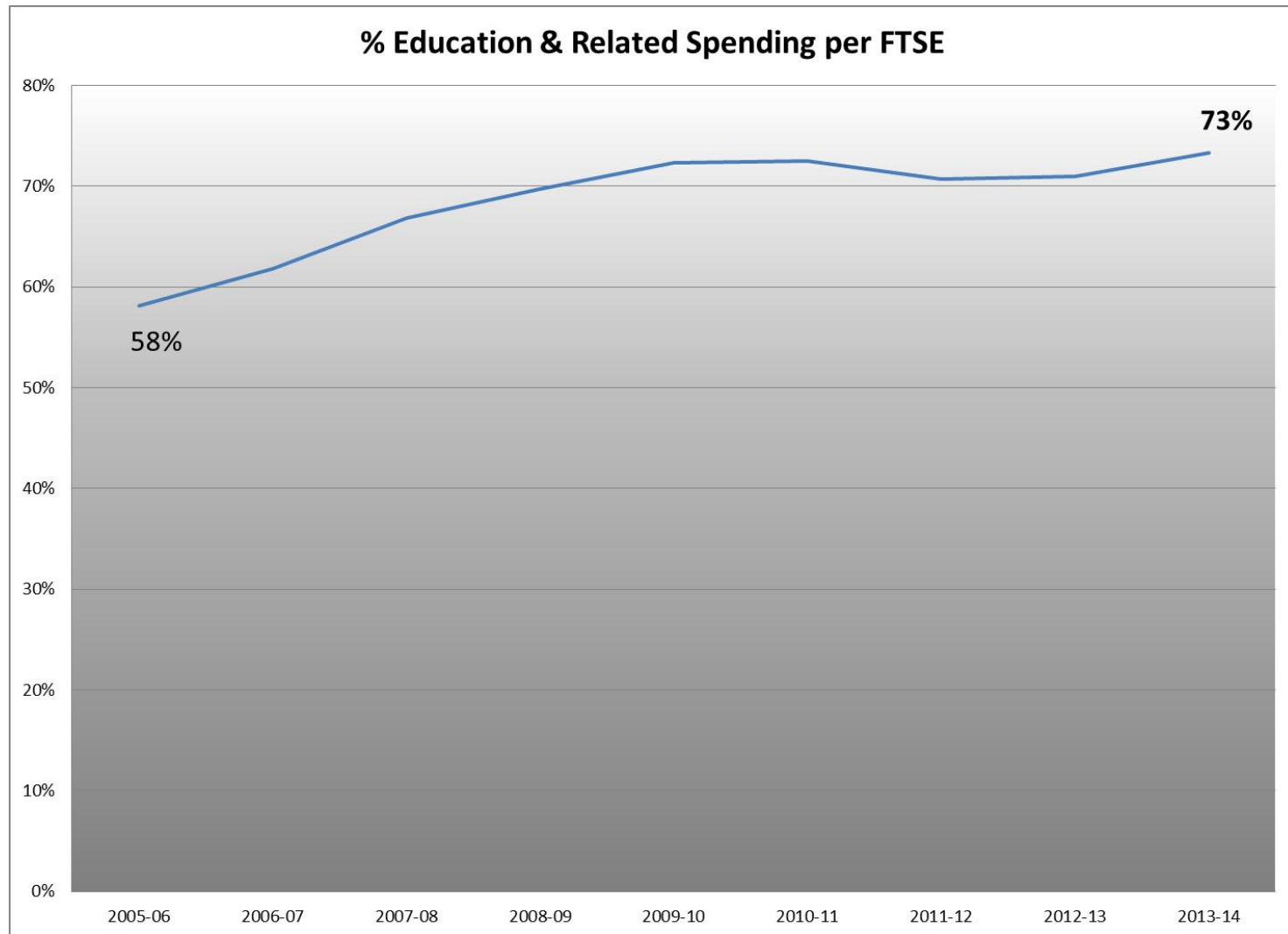Why More $ than AZ Peers?
- AZ Very Efficient State
- Unique Services
  - Athletics
  - FEC
  - YCPAC
  - Res Halls
  - Scholarships
- Operations
  - Well maintained facilities
  - Product Mix (CT & AH; Community Ed)
  - Geography

YC reduced Premium vs. AZ Average
from 42% to 27% over 6 years

YC is 5% below national average as of FY11

Spending Effectively

% Education & Related Spending per FTSE

58%

73%

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
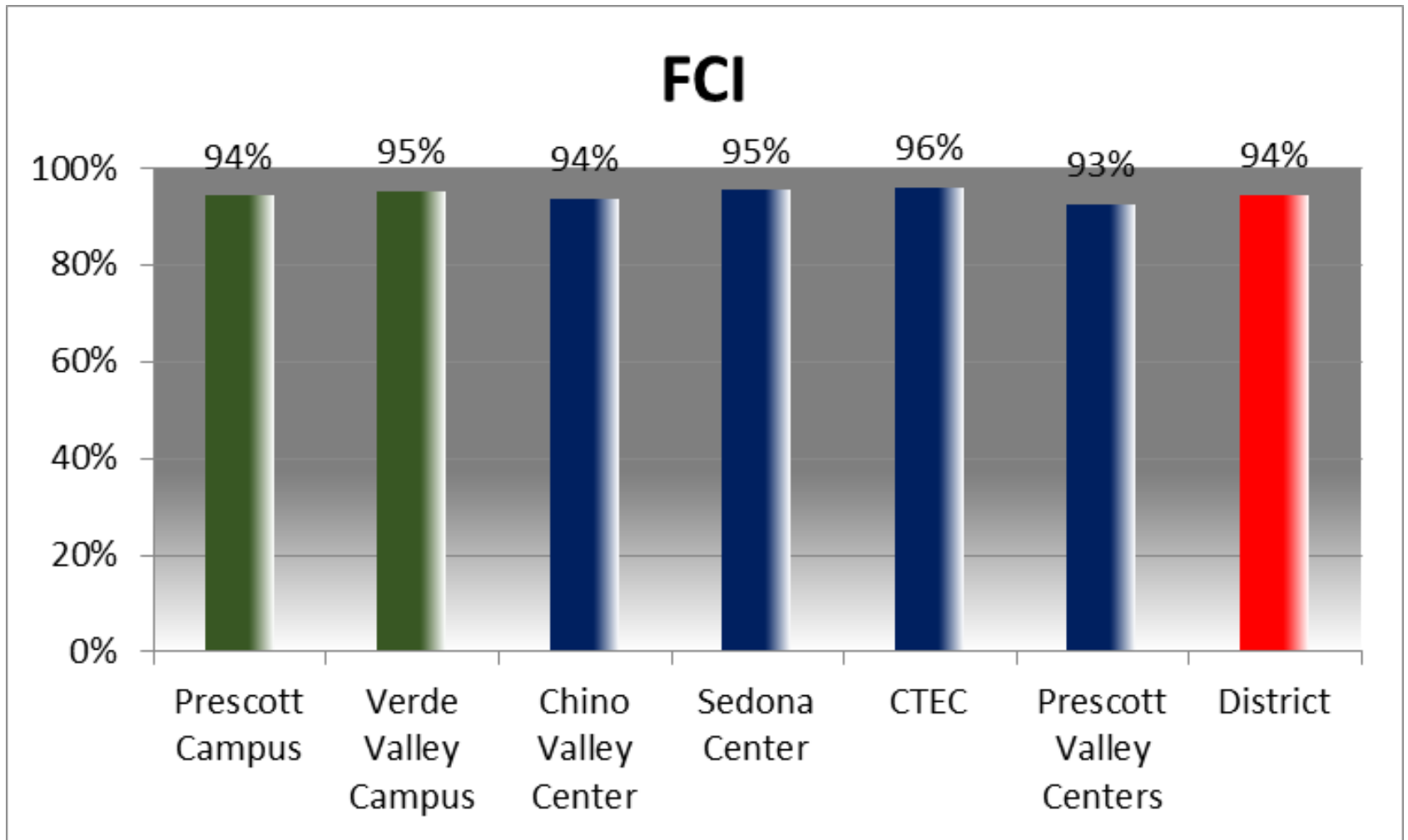 - New Initiatives $825k

Critical New Initiatives by End

		Education	Economic Development	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	Curriculog/ 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		

Types of Capital at YC

- Debt Fund
  - GO Bond
  - Revenue Bond
  - Pledged Revenue Obligation Bond

- Plant Fund
  - Preventative Maintenance
  - Unplanned Maintenance
  - Equipment
  - Capital Improvement Plan
  - Books
  - Furniture, Fixtures & Equipment (FFE)

Facility Condition Index

FCI

	Prescott Campus	Verde Valley Campus	Chino Valley Center	Sedona Center	CTEC	Prescott Valley Centers	District
	94%	95%	94%	95%	96%	93%	94%

Source: YC Facilities, 1/15

Campus Master Plan Update

"The master plan report is designed to serve as a living document, allowing flexibility in its application as specific planning initiatives and goals evolve over time."

- - p.10 YC CMP

Timeline

- Public RFP   9/12
- Selected Smith Group   1/13
- Data Gathering 2013
  - Economic Forecasts, Demographics
  - Ends, Mission, Vision, Academic Plan, Strategic Plan, Classroom utilization, enrollments
  - Faculty & Staff Input
  - Community Forums
- DGB Presentation 11/13
- DGB Approval of Concepts & Direction
  - "Not approving budget monies"
  - "Plan will be flexible"

- p. 19 YC CMP

Campus Master Plan
Revised February, 2015

- Phase 1A: Finish in FY16
- Phase 1B: FY16, FY17
  - Arts (Bldg 15)
  - REDC
  - OLLI
  - Sedona

- Phase 2: FY18-FY21
  - Lecture Hall
  - Event Center
  - Multi-purpose Field
  - Bldg L (Verde)

- Phase 3: FY22-FY28
  - Sell CV/ PV
 - PV Center, NAU-Y, Library, Residence Hall, NARTA, Greenhouses

Changes as of April, 2015

- CTEC
  - Not expanding building or parking lot
- Chino Valley
  - Moved potential Chino Valley Center sale to Phase 3
- Overall
  - Slowed plan from 10 years to 14 years
- Prescott
  - Created 100 seat multi-purpose room
  - Added sprinklers to 1 & 3 to enhance safety
  - Expanded Learning Center
  - Moved Testing Center
  - Expedited REDC & OLLI
  - De-expedited 3rd Residence Hall

- Prescott Valley
  - Moved potential PV Sale/ Expansion and Allied Health Center to Phase 3
- Sedona
  - Purchased land surrounding building
  - Cancelled plans to sell Sedona Center
  - Invested in Road and Parking Lot
  - Budgeted Renovation in 2016-17
- VVC
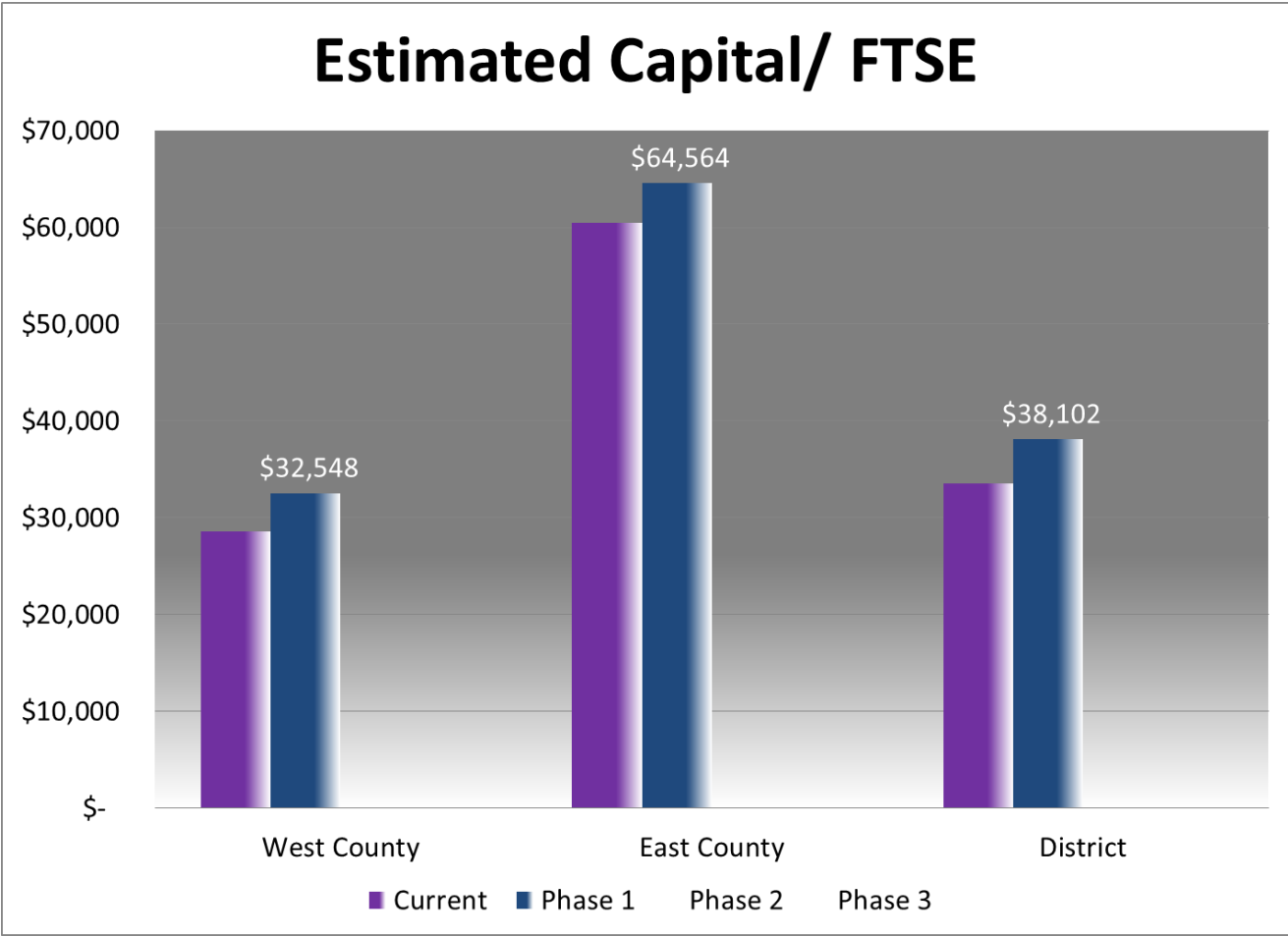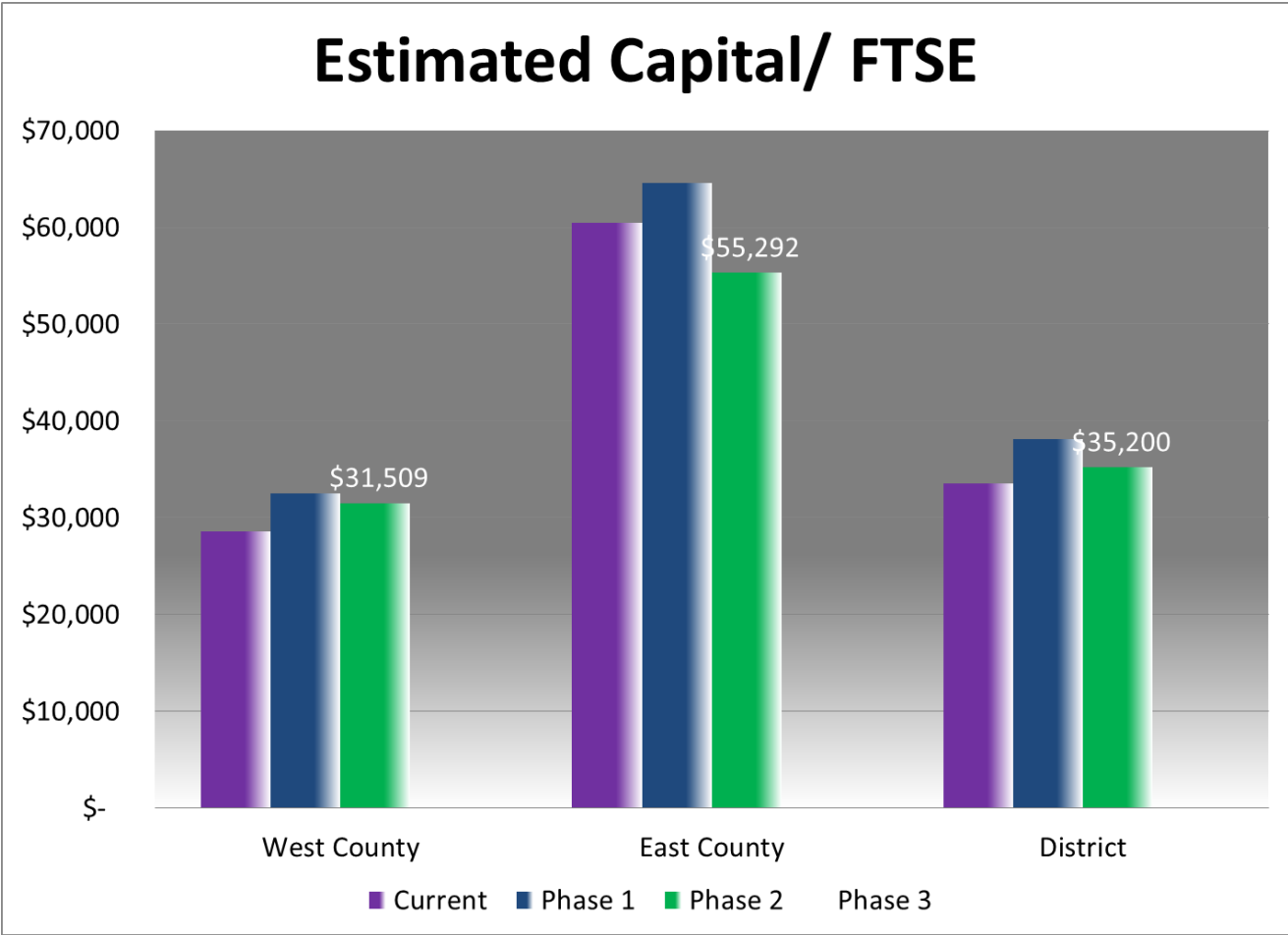 - Budgeted extensive renovation of Building L in 2017-18

http://masterplan.yc.edu/
2/15 DGB Minutes
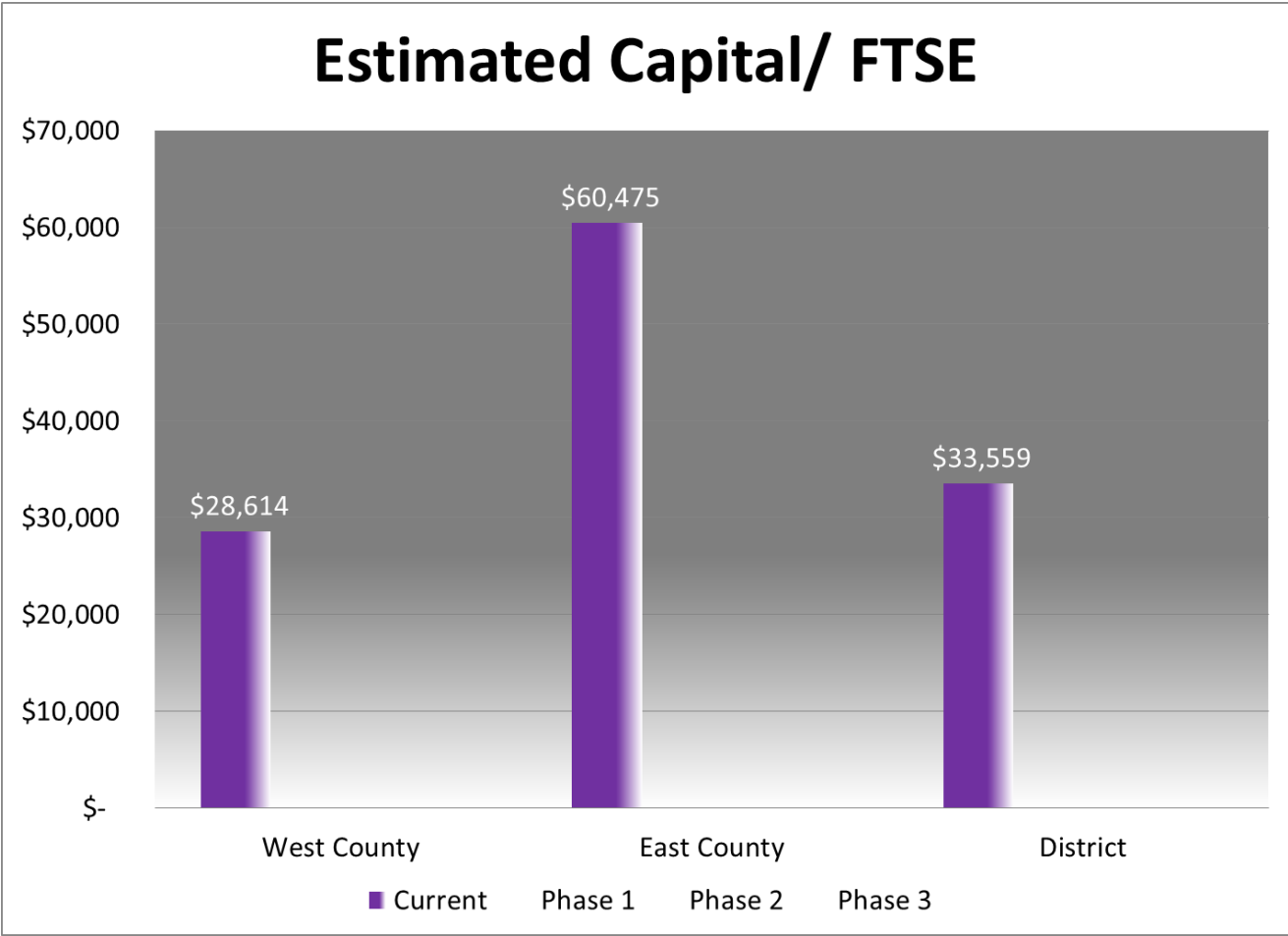
Capital Investment Equity

Capital Investment Equity

Estimated Capital/ FTSE

Capital Investment Equity

Estimated Capital/ FTSE

Capital Investment Equity

Estimated Capital/ FTSE
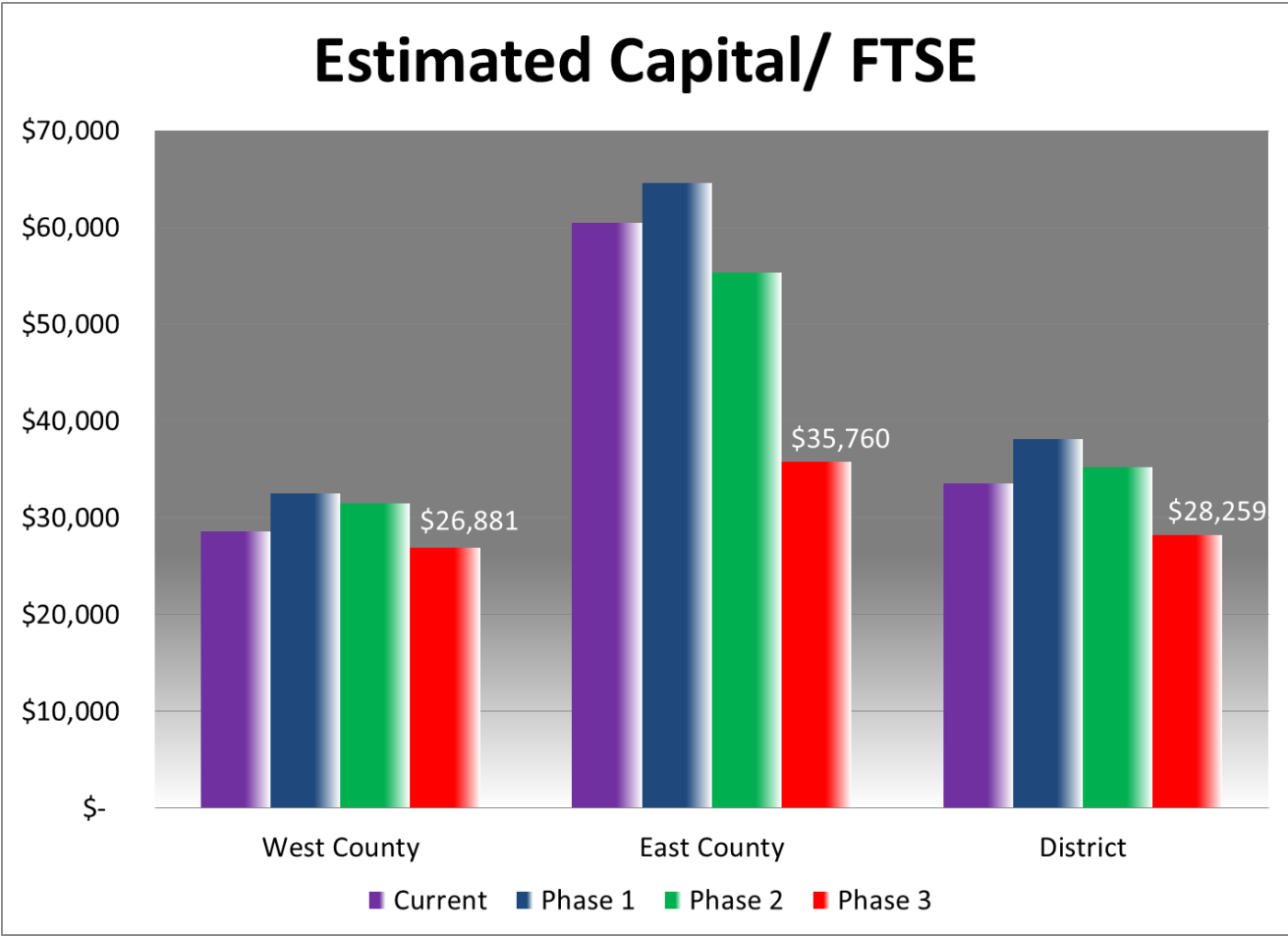
Verde Valley
Revenues & Expenditures

- Spend tax revenues in district where they originate?
  - AZ Community Colleges
  - U of A/ School of Govt/ Public Policy Program
  - JLBC staff
  - National Association of State Budget Officers
- Conclude: Not a common practice

- Estimate of 2010-13 Average Revenue: $12.25M

- Estimate of 2010-13 Average Expense: $12.5M

Questions and Discussion

VV Advisory Committee - Mission

MISSION	To provide advice to the Yavapai College District Governing Board based on objective analysis and feedback from Verde Valley communities

We are an unbiased, community communications vehicle by which citizens in the Verde Valley may provide data-driven advice to the Yavapai College District Governing Board. Based on accurate and reliable data and input from citizens, we perform careful analysis as the basis for advice we present. We seek input from the array of communities in the Verde Valley: young and old; public and private; businesses and non-profits. We are citizen leaders that speak with one voice to prioritize the educational needs of the Verde Valley.