



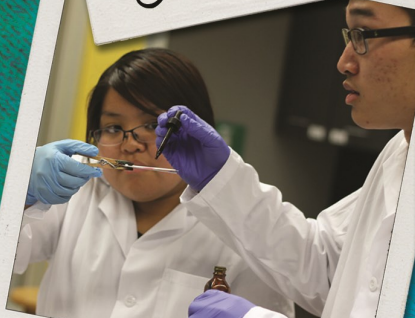
# Coconino Community College



STUDENT



SUCCESS



## ADOPTED BUDGET 2015 FISCAL YEAR

July 1st, 2014 through June 30th, 2015

Coconino County, Arizona | [www.coconino.edu](http://www.coconino.edu)





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# COCONINO COMMUNITY COLLEGE PROFILE

**July 1, 2014 - June 30, 2015**





# Coconino Community College Profile

## Background information

The College has served residents across 18,000 square miles of Coconino County since 1991 and helped create the region's skilled workforce, which is improving overall health, safety and the economy in the region.

## History

In November 1990, the citizens of Coconino County established the College under the provisions of legislation enacted by the Arizona State Legislature in 1971. In May 1991, the College's funding was approved through a special election and operations began on July 1, 1991. The College boundaries are coterminous to the boundaries of Coconino County.

When the District began in 1991, it initially expected to serve 600 students per year. Nearly 1,000 students registered the first semester. Since then, enrollment has increased dramatically. Today the College enrolls approximately 8,713 annually (duplicated headcount).

## Geography and Population

Coconino County is located in the northern portion of the state and encompasses an area of approximately twelve million acres. Its boundaries include the cities of Page, Fredonia, Tuba City, Grand Canyon, Williams, Sedona, and Flagstaff, as well as other smaller cities and towns and all the unincorporated areas of the County. The County's 2010 population was 134,421 as reported by the U.S. Census Bureau.

With 18,661 square miles, Coconino County is the second largest county in the United States and the largest in Arizona, but is one of the most sparsely populated. It is characterized by rugged mountains, deep canyons and thick forests of pine, spruce, aspen and oak. Within its borders are many scenic sites – the most popular and impressive is Grand Canyon National Park. Other attractions are Oak Creek Canyon, Sunset Crater National Monument, prehistoric Indian ruins at Wupatki, Walnut Canyon, the Navajo National Monument, the San Francisco Peaks - Arizona's highest point at 12,633 feet - and Lake Powell with 1,960 miles of shoreline.

Tribal Lands comprise 38.4 percent of the County and are home to the Navajo, Hopi, Paiute, Havasupai, and Hualapai tribes. The U.S. Forest Service and Bureau of Land Management control 33.3 percent of the land; the State of Arizona owns 9.5 percent; the National Park Service controls 6.8 percent; and the remaining 12 percent is owned by individuals or corporations.

## Local Economy

The share of the County's labor force is heavily weighted towards government, trade, and service employment. Relative to the rest of the state, the workforce employed by government is high at 25%. The reason for the large number of government workers in Coconino County includes the presence of several major national parks, tribal lands and the high percentage of the total area in county public lands.

The state and national economies have continued to recover slowly. County unemployment rates as of August 2014 (7.1%) are in line with both state (7.1%) and national levels (6.9%), and the District must contend with continued limited funding from the state. Coconino Community College (CCC) is committed to improving and offering additional services to meet the County residents' needs. These efforts are achieved through careful monitoring of costs, innovative partnerships, cost-saving opportunities, and seeking new revenue sources.

# Coconino Community College Profile



## **Educational Programs**

The College is dedicated to offering quality educational programs and services at a reasonable cost for the citizens of Coconino County. The College provides a wide range of programs, including general academic, technical-vocational, and student development services. CCC also offers more than 60 degrees and certificates, distance learning, and developmental courses. CCC offers dual enrollment and concurrent enrollment programs to jump-start high schools students' higher education goals. The CCC2NAU program and other university transfer programs offer a seamless transition to a four-year institution.

## **Student Population**

The College serves a diverse population of students each year. Most are Coconino County residents: 21 percent are American Indian, 12 percent are Hispanic, 56 percent are female, 74 percent are seeking a degree or certificate; and more than 18 percent are high school students earning college credit. Four percent are people who already have bachelors or advanced academic degrees.

## **Facilities**

The College serves the educational needs of Coconino County through three facilities: the Flagstaff Lone Tree Campus and District Offices, the Flagstaff Fourth Street Campus and Technology Center/FMC Institute for Nursing Education and the Page/Lake Powell Instructional Site. In addition, the College partners with others to provide services in Tuba City and Fredonia. District-wide administrative and support services are centralized and administered by the President and the respective Vice Presidents and Deans.

## **District Governing Board**

The College is a political subdivision of the State of Arizona, and is subject to the oversight of the District's Governing Board (the Board), which is comprised of five elected members, representing each of the five precincts of the county. These members are elected for six-year terms on a staggered basis. The Board is granted full authority from the Arizona Revised Statutes to manage the business and educational needs of the District. The administrative staff is responsible for the daily operation of the District.

### **District Governing Board**

Dr. Nathaniel White, Member, District 1

Ms. Patricia Garcia, Vice Chair/Secretary, District 2

Ms. Gioia Goodrum, Member, District 3

Mr. Patrick Hurley, Chair, District 4

Mr. Lloyd Hammonds, Member, District 5

### **Senior Administration**

Dr. Leah L. Bornstein, President

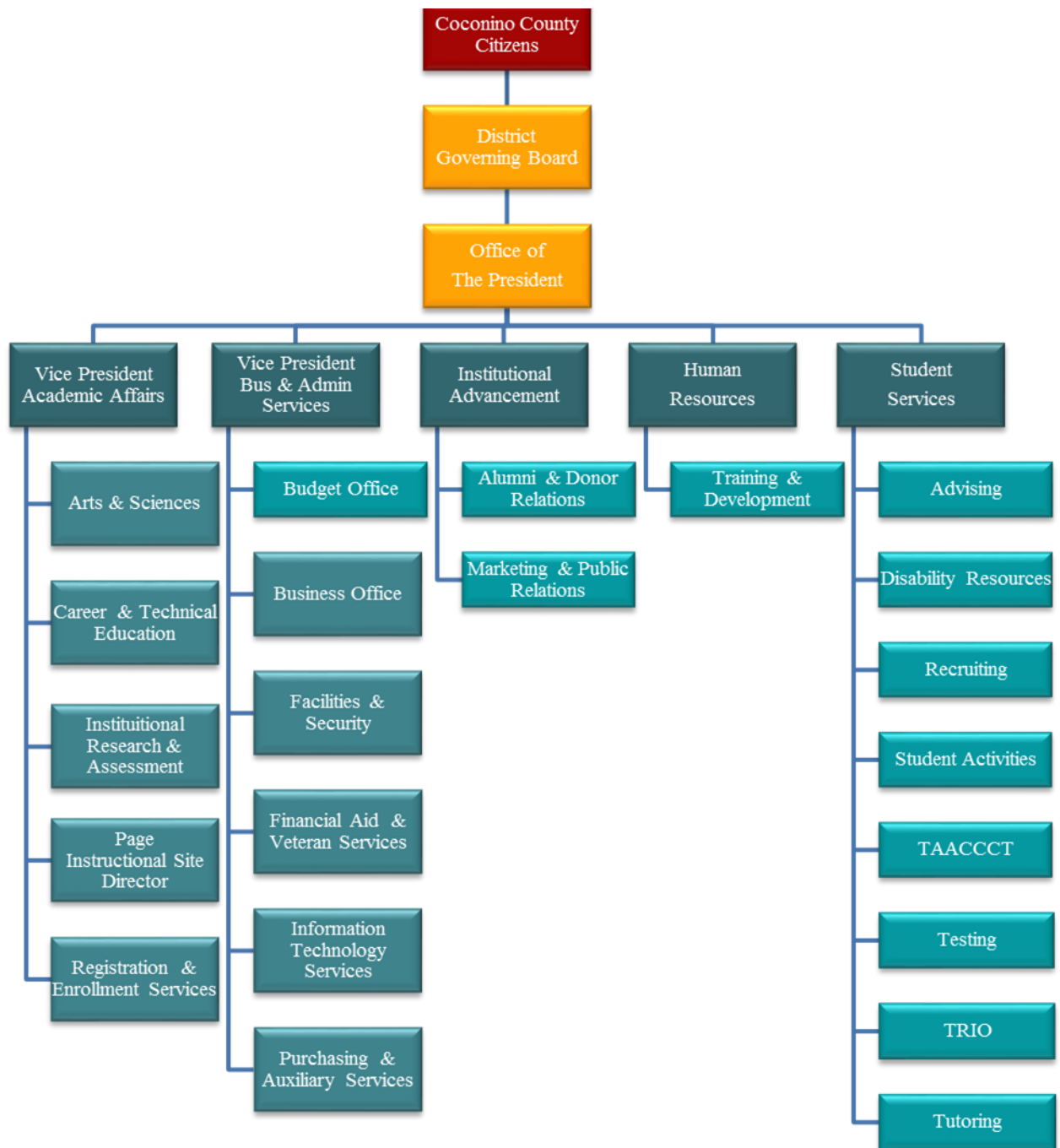
Ms. Jami Van Ess, Vice President of Business and Administrative Services

Dr. Russ Rothamer, Vice President of Academic Affairs

# Coconino Community College Profile



## Organizational Chart







# Coconino Community College Profile

## Vision

Leading our communities in lifelong learning.

## Mission

As a learning-centered college, we enrich lives by embracing diversity and transforming the future through quality education.

## Core Values

We – the District Governing Board and employees of Coconino Community College – are dedicated to providing quality educational opportunities to our community. In doing so, we commit to the following core values to guide our decisions and behaviors as we seek to meet the changing needs, aspirations, and goals of our community:

- **People** – We strive to accept the uniqueness of each individual and the contribution each person makes. We strive to create a caring, accepting, and productive environment for our students, employees, and community.
- **Learning and Growth** – We are dedicated to providing lifelong learning opportunities for our students, employees, and community to empower them to achieve their dreams. In this endeavor, we create learning opportunities that are accessible and relevant to our students and place the learner first.
- **Quality** – We recognize the importance of continually improving our educational offerings and services and the need to hold our students and ourselves to high expectations and standards. We employ a dynamic, strategic planning process and constantly assess our activities to be responsive and accountable to our students, employees, and community.
- **Ethics** – We believe that to be effective we must demonstrate integrity. Therefore, we uphold the highest ethical standards in all of our activities resulting in a responsible and fair environment for our students, employees, and community, and a responsive and open decision-making process.
- **Community** – We exist for our community; therefore, we must be responsive to its changing needs and its diversity. To do so, we strive to provide services that are timely, accessible, and affordable. We also pursue partnerships and collaborations throughout our community to be responsive to the needs of our diverse populations.
- **Respect** – We recognize that learning cannot occur without respect. We are committed to the acceptance of diverse cultures, differing ideas and beliefs, and the uniqueness of each individual since these are the foundations of respect.
- **Sustainability** – We commit to innovative thinking to guide our decisions toward sustainable practices in our living and working environments. In this earnest endeavor, we strive to demonstrate adaptive leadership, eco-friendly stewardship and quality education in a mindful and economically-feasible manner.

# Coconino Community College Profile



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The seal of Cocoa County Community College is a circular emblem. It features a central sunburst design with rays emanating from a point above an open book. The book is resting on a small stand. The words "COCOA COUNTY COMMUNITY COLLEGE" are inscribed around the perimeter of the seal, and "EST. 1991" is at the bottom.

# Challenges and Solutions

**July 1, 2014 - June 30, 2015**

## **MISSION**

As a learning-centered college, we enrich lives by embracing diversity and transforming the future through quality education.



# Challenges and Solutions



## Introduction to Challenges and Solutions

Like any organization, the College faces a variety of challenges to completing its mission and realizing its vision. The College's main challenge is the long-term structural deficit due to a low property tax rate compounded by cuts to state aid. Another challenge has been trying to align performance measures with an existing strategic plan and budget development process. In addition, the College is below state average in a few retention and completion measures. Finally, two smaller challenges have to do with lack of enough budget detail codes in the academic division and lack of formalized budget procedures.

Fortunately, the College has a strong foundation for overcoming these challenges, starting with its strategic planning process. Through this process the College has identified five specific goals, which guide the college's financial planning:

1. CCC will promote a learner-centered environment and continue to incorporate innovative strategies to enable achievement of individual learning goals.
2. CCC will build greater awareness of its services throughout the District and collaborate with community partners to promote the economic health and vitality of the County.
3. CCC will continue to establish a high-quality workplace which values its employees.
4. CCC will improve the use of technology to enhance learning and services.
5. CCC will develop and implement sustainable funding options and optimize the utilization of existing resources.

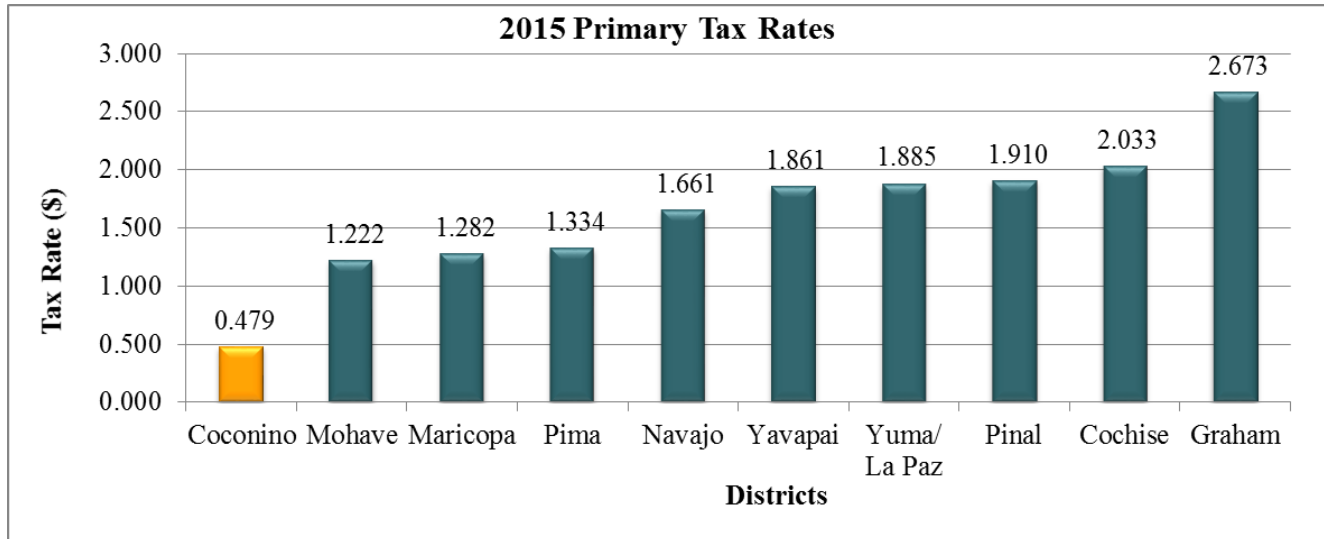
In addition to the strategic plan, the College has developed and implemented a Financial Austerity Plan specifically to address the more immediate challenges stemming from the College's structural deficit. Of course, the College's finances are only a means to achieving the mission of transforming student lives, so the College has also placed a focus on developing a more robust system of measuring the academic performance of its student body so that it can direct attention to the areas of greatest need. Finally, the addition of organizational detail codes in academic affairs and the creation of formalized budget procedures this year will improve the administrative efficiency and effectiveness of the College.



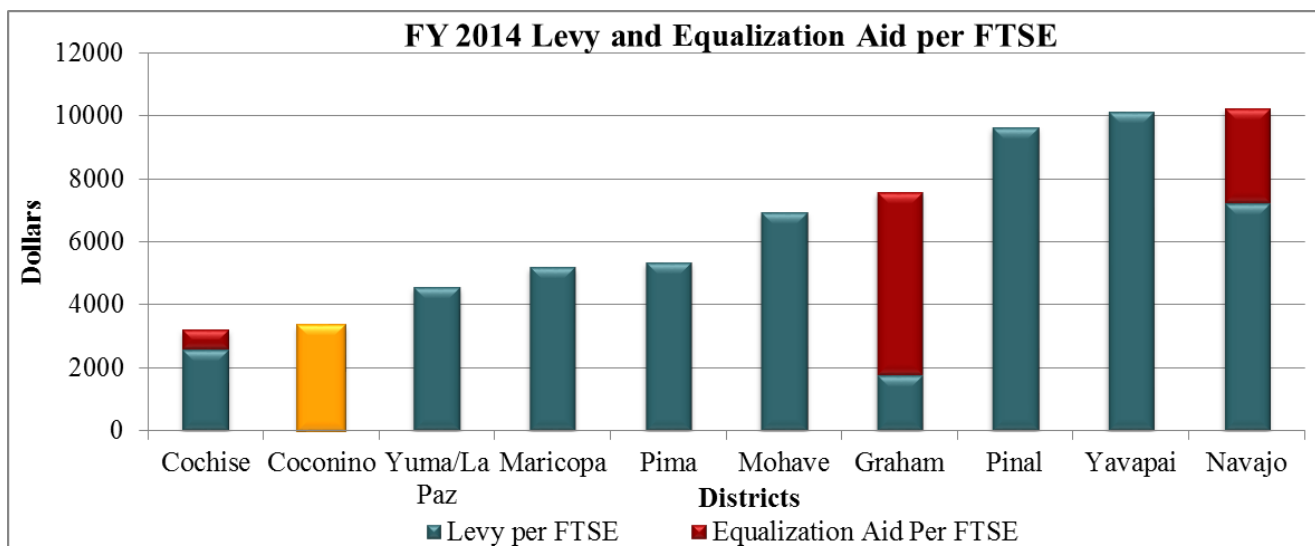
# Challenges and Solutions

## Challenge - Long-Term Structural Deficit

The College's main challenge is financial. In 1991, the College was established with very low primary property tax rate used for general operational and maintenance expenses. Of the ten community college districts in the state, CCC's property tax rate is less than half of Mohave, the next lowest district property tax rates. The table below shows **2015 Primary Tax Rate** for all Arizona Districts.



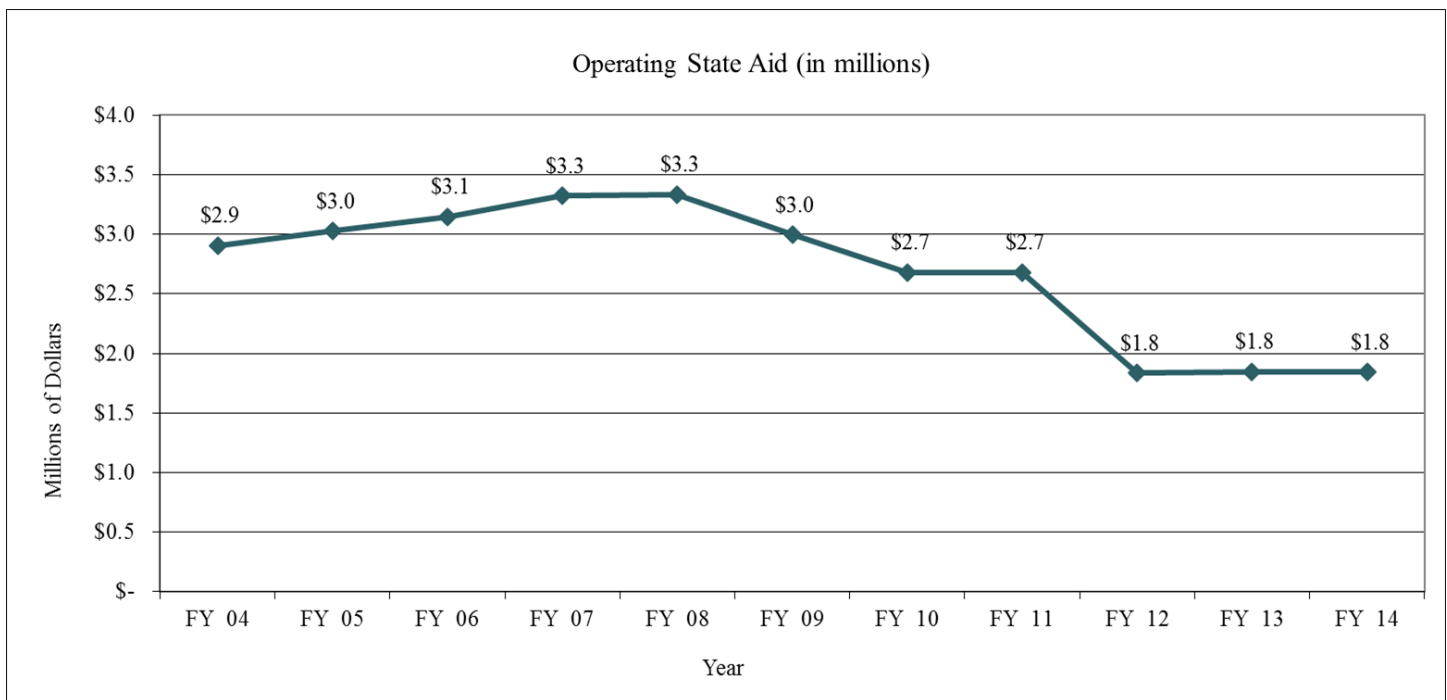
The state has an equalization formula that was established in the 1970s to help rural districts from smaller geographic areas. The equalization formula is based upon a minimum assessed value determined by statute and is indexed annually by the growth in the assessed values of all the rural districts. Districts with levies below the minimum assessed value level receive equalization funding for the difference at the assigned tax rate of \$1.37. The formula does not take into consideration that the growing districts will have more students to serve. In other words, the formula does not look at levy per Full-Time Student Enrollment (FTSE). Thus the equalization formula provides funding to small districts based upon the growth in other districts, even though the small districts do not have additional students to serve. The **FY 2014 Levy and Equalization Aid per FTSE** chart shows the levy per FTSE and equalization aid per FTSE. Navajo County qualifies for the State Equalization Aid even though they receive much more levy per student than Coconino. Coconino has a low levy per FTSE and does not qualify for State Equalization Aid because of its large geographic area.



# Challenges and Solutions

## Challenge - Long-Term Structural Deficit

The State of Arizona has compounded this financial challenge by reducing state appropriations to community colleges steadily since 1998 when it provided nearly 45% of the College's budget. The state has made significant cuts since FY 08 because of the 'great recession' and now only provides 10% of the College's General Fund budget. Today, the College receives approximately the same funding per student as it did in 1993 (in real dollars) and is serving 500 more full-time students than in 1993. The ***Operating State Aid*** chart shows the decline in state aid in dollars over the past ten years. In the long term, operating state aid is not expected to increase due to the state's financial situation.



# Challenges and Solutions

## Challenge - Long-Term Structural Deficit

Because of the state aid cuts, the College developed a Sustainable Financial Plan (SFP) in 2008 to ensure long-term financial sustainability while trying to mitigate the impact to students. The SFP included hundreds of initiatives organized by account type and divided by three levels of severity: Efficiency Measures, Critical, and Crisis. By implementing the SFP, the College improved its financial position through new revenue generation, expense savings, and cost avoidance measures. These initiatives resulted in savings of \$3 million over three years, including the reduction of 25 full-time equivalent (FTE) positions.

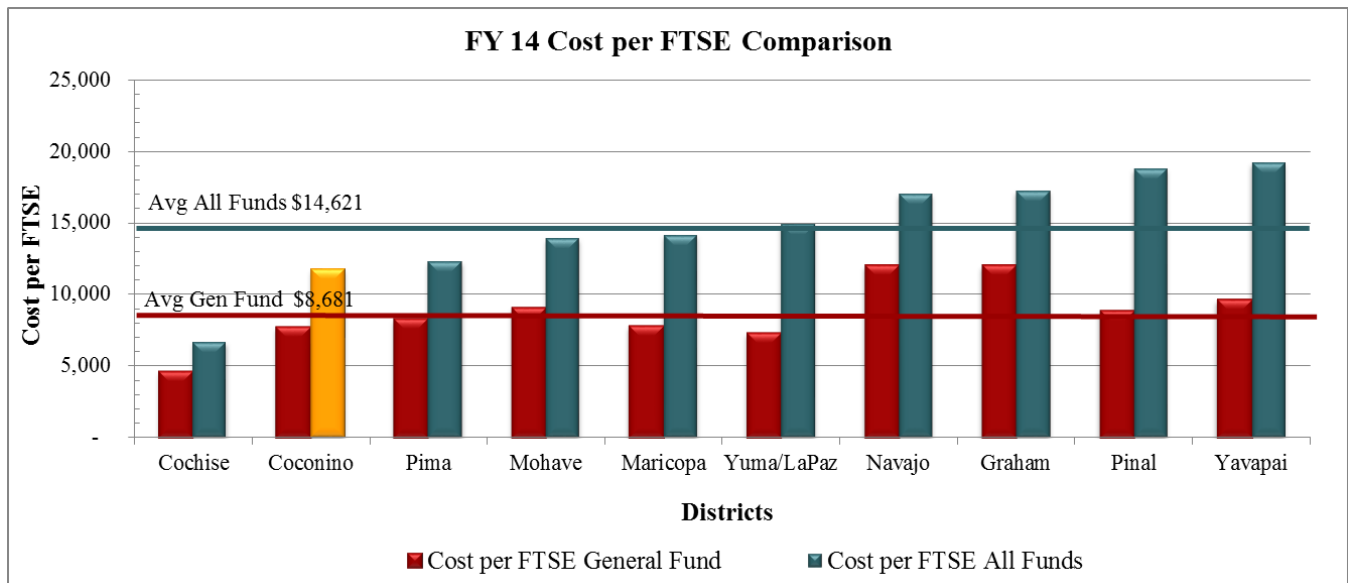
### Revenue generating efforts

- 60% tuition increase
- 100% increase in government grants
- 24% increase of private Foundation gifts and donations

### Expense savings included

- 100+ cost savings initiatives
- 20% reduction of classes
- 30% programs eliminated
- 15% reduction of staff or 25 FTE
- Closed the Williams extension site

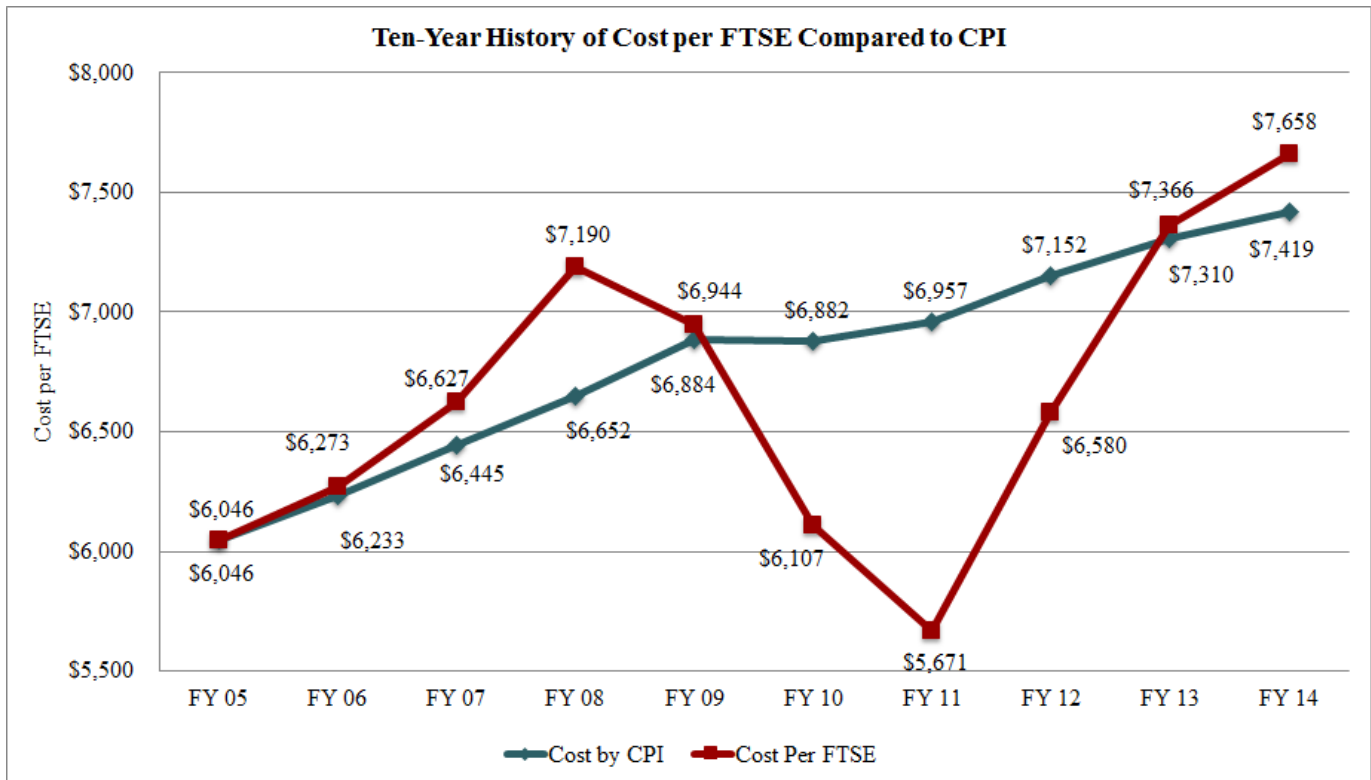
The result of the Sustainable Financial Plan is that the College is very efficient. This is demonstrated in the ***FY 14 Cost per FTSE Comparison*** chart, that shows CCC's cost per FTSE is very low for both the general fund and all funds compared to the other districts in the state.



# Challenges and Solutions

## Challenge - Long-Term Structural Deficit

In addition, the College has also kept cost per FTSE in line with the rate of Consumer Price Index (CPI) for the past ten years, as shown in the chart below. In FY 10 and FY 11, the sharp decline per FTSE was due to the large influx of students during the recession, since 2013, FTSE has started returning to normal levels.



Even though the College has implemented many financial sustainability measures and is extremely cost efficient, CCC still has a long-term structural deficit due to the very low property tax rate and low state aid. The College went to the voters in November 2013 to seek a budget override of \$4.5 million per year. This measure did not pass.



# Challenges and Solutions

## Solution - Financial Austerity Plan

Moving forward, the College will need to reinvent itself to continue to be financially sustainable in the long-term. Additional cuts will have to come from reduction in programs and services, because numerous efficiency initiatives have already been implemented. Administration called this phase of cuts the Financial Austerity Plan (FAP) and began by inviting input from the employees to review the SFP with fresh eyes and submit new recommendations for long-term financial solutions.

One of the top priorities was class size, so an exhaustive review of every class was completed. The first step was a three-year enrollment history of all classes to view enrollment trends. Classes with low enrollment were scrutinized by a team consisting of the Deans, Vice Presidents, the Budget Analyst, and Institutional Research staff members.

The next step was a thorough financial analysis of all academic departments. CCC did not have organizational budget detail codes broken down by individual academic subjects, so an analysis was done at the lowest possible level. At the time of the analysis, the lowest level was the department chair positions, which have since been phased out. A three-year actual expenditure history was pulled from Banner, the College's integrated software system. Tuition and fee revenues were estimated using enrollments, residential tuition rates, and class fee data. The financial data was summarized in the table below showing the net difference of the revenues and expense by department chair category. The Deans and Academic Vice President used this financial information to make recommendations for reductions in academic programs areas with deficits.

Academic Program Area	All Funds Direct Revenue	All Funds Direct Expenses	Net - All Funds Revenues less Expenses	Direct Expenses per FTSE
<b>Arts &amp; Science</b>				
Math	\$ 796,954	\$ 666,115	\$ 130,839	\$ 2,048
Science	738,770	838,542	(99,772)	3,167
English	625,027	591,750	33,277	2,327
Fine Arts	406,555	423,908	(17,353)	2,716
Social and Behavior Sciences	697,488	424,381	273,107	1,496
Languages	253,534	302,494	(48,960)	2,979
Liberal Studies	417,036	247,476	169,559	1,451
<b>Career &amp; Tech</b>				
Nursing	\$ 282,516	\$ 620,271	\$ (337,755)	\$ 12,737
Computer Information Systems & Cisco	276,254	403,862	(127,609)	3,987
Business	301,029	375,911	(74,882)	3,137
Emergency Medical Services	189,662	140,439	49,223	2,220
Fire Science	64,341	49,539	14,801	2,532
Administration of Justice	118,886	150,569	(31,683)	3,143
Construction and Trades	122,036	139,994	(17,958)	3,344
Education & Development	88,376	114,011	(25,635)	3,155
Allied Health	187,375	154,544	32,831	2,155
Certified Nursing Assistant	95,878	44,879	50,999	1,819

There are no indirect costs in this table

# Challenges and Solutions



## Solution - Financial Austerity Plan

The executive leadership reviewed and prioritized all items from the SFP, the financial analysis of academic programs, and the other additional suggestions received. A list of options and the estimated financial impact of each was prioritized and presented to the Board. The list included more items than would be needed to give the Board alternatives.

The Board began their review by establishing the following assumptions and principles to guide discussions:

### Assumptions:

- Sustainability of the College is priority
- Continue to serve Coconino County District

### Principles:

- Make decisions related to College mission
- CCC can no longer be everything to everyone
- Identify time and resources for College to solidify future
- Use data to make the best decisions for our students and community
- Take long-term vs. short-term view
- Communicate frequently and broadly to keep people informed
- Attempt to balance reductions/cuts with revenue generation

The Board held two executive sessions during January 2014 to review and prioritize the options and provide additional suggestions or input. The Board, then, held an open work session and meeting in February 2014 and approved a \$1.286 million Financial Austerity Plan for FY 15 - FY 17 as follows:

### Revenue Items total \$431,000 as follows:

1. Increase standard tuition rate by \$2 per credit hour – \$140,000
2. Eliminate tuition plateau currently from 16 - 18 credit hours - \$30,000
3. Implement differential tuition rates (charge higher tuition to higher cost programs in place of fees) - \$148,858
4. Implement a 2.75% credit card convenience fee to recover merchant charges - \$17,300
5. Implement a \$40 per credit hour "no show" fee for students who register, hold seats in class, and do not attend - \$65,000
6. Increase student parking permit fees by \$6, from \$45 to \$51 per year - \$25,400
7. Implement a \$10 per year employee parking permit fee - \$4,300

### Expense Items total \$855,000 as follows:

1. Eliminate Community & Corporate Learning (CCL) - responsible for community enrichment and contract training including the reduction of three full-time positions for FY 15 savings of \$170,342.

Reasons:

- a. Duplication and competition in the marketplace
- b. Has not recovered costs since recession
- c. Plan to retain Prior Learning Assessment, Goodwill partnership, and testing

# Challenges and Solutions



## Solution - Financial Austerity Plan

### Expense Items (continued)

2. Eliminate Small Business Development Center including the elimination of two full-time and two part-time staff on restricted funds for FY 15 and FY 16 saving of \$27,500 each year or a total of \$55,000.  
Reasons:
  - a. Required grant cash match
3. Convert Page Campus to an instructional site, which does not provide full services at one location as the campus currently does, including the elimination of four full-time positions for FY 15 savings of \$245,232.  
Reasons:
  - a. Decline in enrollment
  - b. High cost per student
  - c. Plan to retain dual enrollment program
4. Reduce Nursing Program from 40 graduates per year to 20 graduates per year over two years including the reduction of one full-time position and several part-time positions for FY 16 and FY 17 savings of \$47,795 each year or total of \$95,590.  
Reasons:
  - a. High cost per FTSE - \$31,000 vs. \$7,000 College-wide average (including indirect costs)
  - b. Plan to teach out current students
  - c. Plan to retain half of the program because it is highly successful and has high NCLEX pass rates and placement rates
5. Eliminate Dance degree including the reduction of one full-time position for FY 15 savings of \$37,826.  
Reasons:
  - a. Low enrollment
  - b. Low number of graduates
  - c. Plan to retain selected high-enrollment courses
6. Eliminate Early Childhood Education Certificate and Education degree program at the end of FY 15 including the elimination of one full-time position for FY 15 short-term net of cost \$25,046 and FY 16 savings of \$59,746 for a total of \$34,700 savings.  
Reasons:
  - a. Decreasing enrollment
  - b. Low number of completers
  - c. Competition with university education program
7. Eliminate three vacant positions for FY 15 savings of \$185,765.
  - a. Facilities Specialist
  - b. Grant Writer
  - c. Page Computer Information Systems Faculty
8. Other cost savings initiatives for FY 15 savings of \$31,000.
  - a. Reorganize Academic Affairs to eliminate department chair responsibilities - \$25,000
  - b. Change college tuition waiver benefit to tuition reimbursement with grade of B or better - \$6,000



# Challenges and Solutions

## Solution - Financial Austerity Plan

Implementation teams were pulled together to work on each of the initiatives of the Financial Austerity Plan once it was approved by the Board. These teams worked through the end of the academic term to finalize operational-level details and prepare for implementation.

The Financial Austerity Plan equated to \$1.286 million (see summary below) or 7% of the College's budget and included the reduction of 15 full-time equivalent employees.

Revenue Generated	
Tuition	\$ 140,000
Plateau Elimination	30,000
Differential Tution	148,858
Credit Card Fee	17,300
No Show fee	65,000
Student Parking	25,400
Employee Parking	4,300
<b>Subtotal</b>	<b>\$ 430,858</b>

Expense Reductions	
Community and Corporate Learning	\$ 170,342
Small Business Development	55,000
Page Instructional Site	245,232
Nursing Program	95,590
Dance Degree	37,826
Early Childhood Education	34,700
Vacant Positions	185,765
Reorganization & Tuition Waiver	31,000
<b>Subtotal</b>	<b>\$ 855,455</b>
<b>Total</b>	<b>\$ 1,286,313</b>



# Challenges and Solutions



## Challenge - Performance Measures

While all the community colleges in the State of Arizona have performance measures as explained below, Coconino does not use performance measures to drive the development of the strategic plan or budget development process. In addition, the College's fall-to-fall retention rates and the six-year credential seeking cohort rates are well below state averages.

### State Performance Measures - Vision 2020

In 2010, the presidents of all ten of the Arizona community college districts worked together to develop long-term performance measures called Vision 2020. The document identified 30 key indicators to measure progress toward three critical goals of access, retention, and completion. Many of the key indicators within each goal area are based on the American Association of Community Colleges Voluntary Framework of Accountability (VFA). The VFA created common measures by which community colleges can be held accountable including student progress, outcomes, workforce, economic, and community development metrics.

The performance measures and baseline data were published in February 2011. The Arizona colleges have since reported on the metrics for 2012 and 2013 and now have three years of trend data.

### Performance Based Funding Measures

Arizona's Governor wanted to create Performance Based Funding (PBF) models for all primary and secondary educational institutions in the state. The K-12 and university models have been implemented leaving only the community colleges without a PBF model. During 2013, the Arizona community college presidents again came together to identify eight metrics for the development of a PBF model to propose to the Governor. Even though the Governor did not move forward with the proposal, the CCC administration chose to use the eight metrics to show how they crosswalk to the FY 15 budget development process. The table below shows the eight metrics and have been color-coded following stoplight colors of green for good, yellow for watch, and red for needs review. An analysis of the metrics and the reasons why are on the following page.

Strategic Planning Themes	Metrics	Description	FY11	FY12	State Avg.	Difference
Access	1	Success after developmental math	32%	30%	30%	0%
Access	2	Success after developmental english/reading	50%	51%	45%	6%
Retention	3	2 yr. developmental course success rate by 2010 new student cohort	68%	69%	61%	8%
Retention	4	2 yr. college level course success rate by 2010 new student cohort	80%	79%	72%	7%
Retention	5	Fall-to-fall retention rates	65%	63%	77%	-14%
Completion	6	Six year credential seeking cohort	10%	11%	30%	-19%
Completion	7	Percent of in-state transfers with an AGECE and/or degree	46%	52%	59%	-7%
Completion	8	Six year cohort percent of learners achieving a successful community college outcome	73%	79%	80%	-1%
		variance of -1% or better				
		variance between -2% to -10%				
		variance of larger than -10%				

# Challenges and Solutions



## Challenge - Performance Measures

### Analysis of Performance Measures

An analysis of the performance measures was reviewed by members of a cross-functional team that included members from Student Services, Academic Affairs, Institutional Research, and Business and Administrative Services. The team members discussed the three performance measures in yellow and red that were below state averages and the causes behind the low scores. A summary of the discussion is as follows:

**Yellow** - The metric in yellow shows the one area the College is performing slightly below state average.

Indicator 7 – The percent of in-state transfers within an Arizona General Education Certificate (AGEC) and/or degree is 52%, which is 7% below the state average of 59%

Reason why or cause:

- a. Shortage of academic advisors to advise students and keep students on track and engaged
- b. Lack of an early alert system to notify staff when students are needing intervention
- c. Inadequate technology to better serve distant and remote areas of county
- d. Lack of consistency for online and hybrid courses to improve student success
- e. Lack of ability to recognize AGEC degrees separately that are imbedded in other degrees
- f. Lack of an automatic solution to notify when a student earned degree but did not apply for graduation
- g. Some students declared an AGEC degree on admission application in order to receive financial aid

**Red** - The metrics in red shows two areas where the College is performing significantly below state averages.

Indicator 5 – Fall-to-fall retention is 63%, which is 14% below the state average of 77%

Reasons why or cause:

- a. Shortage of academic advisors to advise students and keep them on track and engaged
- b. Lack of an alert system to notify staff when students are needing intervention
- c. Inadequate technology to better serve distant and remote areas of county
- d. Lack of consistency for online and hybrid courses to improve student success
- e. Due to the close proximity to Northern Arizona University (NAU) and our CCC2NAU program, some students' intent is to transfer to four-year institution, as soon as possible, and not stay at the College
- f. Some NAU students take classes at CCC only as needed to fill in their schedule, and are not retained

Indicator 6 – Six-year credential seeking cohort is 11%, which is 19% below the state average of 30%

Reasons why or cause:

- a. Shortage of academic advisors to advise students and keep students on track and engaged
- b. Lack of an early alert system to notify staff when students are needing intervention
- c. Inadequate technology to better serve distant and remote areas of county
- d. Lack of consistency in online and hybrid courses to improve student success
- e. Inefficient method to help students strengthen math skills more efficiently and effectively
- f. Due to the close proximity to NAU, students transfer before completing a degree
- g. Inflexible application process that requires the student to declare a major even if that is not the student's intent
- h. Lack of user-friendly systems for changing a major or applying for graduation
- i. CCC is a commuter campus and has more part-time students who are less likely to complete

# Challenges and Solutions



## Solution - Performance Measures

The College has made its best effort to retroactively link student performance measures to strategic planning and budgeting and then linked the performance measures to tactics to improve retention and completion measures.

### **Linking the Performance Measures to the Strategic Planning Tactics and Resources**

Since the strategic plan was already in place, the College needed to retroactively link the performance measures to the strategic plan and budget development process. This was completed in a two-step process:

1. Determine the correlation of the performance measure with the strategic planning tactic
2. Determine the amount of resources needed to accomplish the tactic

The position responsible for each tactic ranked it on a scale of one to five with five being the highest for both questions. The Director of Institutional Research and Assessment then compiled and color coded the College-wide results.

### **Retention**

The College's strategic plan includes tactics to increase the number of academic advisors, implement advising technology, implement an early-alert system, improve consistency of online and hybrid courses, and increase technology in remote areas of the county. Please see the Strategic Plan and Priorities sections of this document for more details.

In addition, CCC is currently collecting data on the student's educational intent when the student enrolls with the College. The student can choose from any of the following reasons for attending the college: pursuing a degree or certificate; taking courses for job skills; NAU student taking courses at CCC; taking courses to transfer to a four-year college; taking courses for personal interest; and pursuing a degree or certificate at CCC. By collecting this data, the College can better assess the needs of our students based on their intent and develop strategies using this data for retention and completion efforts.

### **Completion**

The College's strategic plan includes tactics to increase the number of academic advisors, implement advising technology, implement a math lab model, implement an early-alert system, improve consistency of online and hybrid courses, and increase technology in remote areas of the county. Please see the Strategic Plan and Priorities sections of this document for more details.

In addition, the College has recently implemented an automatic reverse transfer process with NAU to increase the completion rate.

# Challenges and Solutions



## Other Challenges and Solutions

### Challenge - Academic Budget Detail Codes

A challenge identified during the formation of the Financial Austerity Plan discussed earlier was the lack of organizational budget codes at the academic subject level to provide the level of detail needed. The benefit to budgeting at these broader categories was that it provided more flexibility to the department chairs, that have since been phased out, and required fewer budget transfers. However, it became apparent that the College needed to be able to analyze academic programs at a more detailed level to understand the costs per student by subject area.

### Solution - Academic Budget Detail Codes

During the FY 15 budget development process, the academic budgets were split out by subject codes. The process included going through each budget with the then department chair and dean line-by-line and allocating budgets by subject. In addition, faculty salaries and benefits were split out based upon what subjects the full-time faculty taught on average over the last three years. Then new position codes were developed for full-and part-time faculty by subject codes. The final step was reworking approval queues for requisitions in Banner.

### Challenge - Budget Procedures

The College has a brief Budget Development Policy that delegates responsibility for developing a budget in accordance with Arizona Revised Statutes and the *Uniform System of Accounting and Financial Reporting for Arizona Community College Districts (USAFR)*. Under this policy, the College has a procedure for Fund Balance. In addition, the Budget Analyst annually prepares Budget Guidelines to help inform Budget Managers on the budget development process for the year. The College lacked formalized budget procedures.

### Solution - Budget Procedures

The College needed to create additional budget procedures to provide more structure between the policy statement and the annual guidelines. To accomplish this, the College used the state *Uniform System for Accounting and Financial Reporting* templates provided by the Government Finance Officers Association (GFOA), and research collected from other colleges to create these procedures.

### Summary

The College's main challenge is the long-term structural deficit. The College implemented a Financial Austerity Plan for FY 15 to provide a five to seven-year time period to correct the long-term structural deficit during the next strategic planning cycle. In addition, solutions were identified to address weaknesses in use of performance measures, and retention and completion strategies have been incorporated into the strategic plan and budget. Finally, new academic budget detail codes were implemented and formalized budget procedures were created.

The seal of Santa Clara County Community College is a circular emblem. It features a central sunburst design with rays emanating from a book. The text "SANTA CLARA COUNTY COMMUNITY COLLEGE" is written around the top half of the circle, and "EST. 1991" is at the bottom. The seal is rendered in a light gray, semi-transparent style.

# Strategic Plan and Priorities

**July 1, 2014 - June 30, 2015**

## CORE VALUES

People • Learning & Growth • Quality • Ethics  
Community • Respect • Sustainability



# Strategic Plan and Priorities



## Strategic Plan

The College is currently in the third year of a three-year strategic plan. The current strategic plan was developed per College procedure based upon continuous improvement and asking the question, “How will this affect learners and learning at CCC?”

The strategic plan was developed over an eight-month period beginning August 2011 through May 2012 as outlined below:

- **August 2011** – Board adoption of strategic goals and theme
- **September/October 2011** – Review of environmental scan data
- **October/November 2011** – Brainstorm objectives, tactics, and measures
- **November 2011 through January 2012** – Vet themes/goals and sub-goals to greater College community (internal) for input/feedback
- **January 2012** – Edit and cull information/feedback
- **February/March 2012** – Vet goals and sub-goals to Coconino County public, President’s advisory committees, Career and Technical program advisory committees, and the Foundation Board for input/feedback (external)
- **March/April 2012** – Edit and cull information/feedback, vet draft plan to College community (internal and external)
- **April/May 2012** – Final edits and completed final draft
- **May 2012** – Board official adoption

The strategic plan adopted by the Board for July 1, 2012 to June 30, 2015 had the theme of access, retention, and completion. The following strategic goals were adopted by the Board and were carried over from the previous three-year strategic plan:

- GOAL 1: CCC will promote a learner-centered environment and continue to incorporate innovative strategies to enable achievement of individual learning goals.
- GOAL 2: CCC will build greater awareness of its services throughout the District and collaborate with community partners to promote the economic health and vitality of the County.
- GOAL 3: CCC will continue to establish a high-quality workplace which values its employees.
- GOAL 4: CCC will improve the use of technology to enhance learning and services.
- GOAL 5: CCC will develop and implement sustainable funding options and optimize the utilization of existing resources.

### Strategies to Achieve College-Wide and Subunit Goals

The current three-year strategic plan is a combined strategic and tactical plan which includes a total of 42 objectives and 306 tactics. In June of each year, the President and administration review the strategic planning tactics to determine the percentage completed, what needs to be carried forward to the next year, what should be retired, and what new items need to be added. For FY 15 there are a total of 42 objectives and 105 tactics that the College will be working towards.

Based upon the annual review occurring in June, the strategic plan is not ready until after the budget has already been developed for the upcoming fiscal year. President’s contingency funds or innovation funds are available for strategic planning initiatives or to provide funds for innovative projects that will improve student learning or generate new revenue or new efficiencies.



# Strategic Plan and Priorities

## FY 14 Strategic Planning Priorities and Accomplishments

The administration reviews the strategic plan each June to review accomplishments and to make adjustments as need for the next year. The table below shows only the major goals and tactics that were completed in FY 14 during the second year of the current three-year strategic plan. In addition, the column on the right entitled “Going Forward” explains what is happening with those in FY 15.

<b>GOAL 1: By June 30, 2015, CCC will promote a learner centered environment and continue to incorporate innovative strategies to enable achievement of individual learning goals by:</b>			
<b>Objective*</b>	<b>Tactic</b>	<b>Measure</b>	<b>Going Forward</b>
(1) ADVISING: Expand advising services to retain students	Implement advising technology	Installed DegreeWorks advising technology and utilized degree audit application	Being used by all advisors and students, need to continue training and increase awareness to students
(1) ADVISING: Expand advising services to retain students	Implement advising technology	Added online advising and online new student orientation	Implemented and ongoing, need to increase student awareness and explore mandatory orientation
(7) COMPLETION: Expand reverse transfer opportunities	Utilize degree audit	Implemented reverse transfer program with NAU	Implemented and ongoing as an opt out program, 92 students awarded in Fall '14
(11) COMPLETION: Strengthen LEC	Automate system for monitoring "at risk" learners	Implemented Starfish early alert system	Piloted in Fall and making adjustments for Spring, will expand to all students in July
(11) COMPLETION: Strengthen LEC	Reinvent tutoring program at all campuses	Implemented online tutoring	Piloted in Fall '14, marketing and outreach in the Spring
(20) Pedagogy & Curricula Development & Instructional Support	Enhance online student support	Implemented standards for online & hybrid course offerings according to state quality criteria	Standards are in process of being applied to individual courses
<b>GOAL 3: By June 30, 2015, CCC will continue to establish a high quality workplace which values its employees by:</b>			
(28) Compensation & recognition	Create pay for performance system	Implemented Pay for Performance program for staff	Assessing program and will make modification based upon feedback going forward
<b>GOAL 4: By June 30, 2015, CCC will improve the use of technology to enhance learning and services by:</b>			
(32) Enhance online experience	Redesign college website	Completed website re-design with mobile support, enhanced directory and events calendar	In use
<b>GOAL 5: By June 30, 2015, CCC will develop and implement sustainable funding options and optimize the utilization of existing resources by:</b>			
(40) Continue working and updating Sustainable Financial Plan	Choose new initiatives to research	Implemented Financial Austerity Plan	Implemented initiatives
(41) Community Education Initiative	Develop Plan	Override ballot initiative failed November 2013	Discontinue

\* Objective numbers above are from the larger strategic plan document.

# **Strategic Plan and Priorities**

## **FY 15 Strategic Planning Prioritization**

The strategic plan is created by identifying objectives to support the main goals and then identifying specific tactics to achieve the objectives. In order to identify the highest priorities for FY 15, the College used the results of the performance measure scoring process (explained in the Challenges and Solutions section of this document). In other words, the items with the highest performance measure correlation score and the highest resources score were identified as the highest priorities. The highest-prioritized tactics fell under strategic planning goal one and four and included six objectives and seven tactics as shown in the table below:

<b>GOAL 1: CCC will promote a learner-centered environment and continue to incorporate innovative strategies to enable achievement of individual learning goals.</b>				
<b>Objective *</b>	<b>Tactic</b>	<b>Measure</b>	<b>Responsible</b>	<b>Performance Measure *</b>
(1) ADVISING: Expand advising services to retain students	(1) Leverage CCC2NAU success to larger scale: Develop advising program - every learner has an assigned advisor - every faculty member and professional advisor has an advising load	Assess and make adjustments as needed	Dean of Student Services	all
(1) ADVISING: Expand advising services to retain students	(2) Implement advising technology	Connect advising information to student portal	Chief Technology Officer	all
(6) - COLLEGE READINESS: Explore pre-collegiate course models that do not require remediation	(20) - Explore such models as NAU's math emporium, modular courses, learning communities, competency-based learning, open entry-exit courses and other models	Research best practices develop recommendations Implement recommendations	VP Academic Affairs	six-yr cohort & successful outcome
(11) COMPLETION: Strengthen Learning Enhancement Center	(29) Automate system for monitoring "at risk" learners	Assess after one year and make adjustments as needed	Dean of Student Services	all
(13) COMPLETION: Create interventions for "probation" and students struggling academically	(32) Research best practices	Implement recommendation	Dean of Student Services	all
(20) PEDAGOGY, CURRICULA DEVELOPMENT AND INSTRUCTIONAL SUPPORT: Improve online and hybrid course offerings	(58) - Improve and enhance the quality of online and hybrid courses	Implement course modifications as recommended and approved	VP Academic Affairs	all
<b>GOAL 4: CCC will improve the use of technology to enhance learning and services.</b>				
(34) IMPROVE ACCESS TO AND DELIVERY OF DISTANCE LEARNING	(130) - Upgrade iTV environment - new access to remote areas	Upgrade outdated hardware and expand iTV environment to remote locations	Chief Technology Officer	all

\* Objective numbers above are from the larger strategic plan document and help to associate prioritized spending for each objective. Performance Measures are explained on Page 17 of this document.

# Strategic Plan and Priorities



## Best Practices (Guiding Practices)

To guide the College in carrying out the current strategic plan and in preparing for the next strategic plan, the College conducted a literature review of several recent reports and initiatives targeting student success and the national completion agenda. The resources reviewed included the following:

- *Achieving the Dream*, a Lumina Foundation initiative
- *Complete College America*, a Lumina Foundation report
- *Completion by Design*, The Gates Foundation initiative
- *A Matter of Degrees*, The Center for Community College Student Engagement (CCCSE)
- *21st Century Report Reclaiming the American Dream*, American Association of Community Colleges (AACC)
- *Empowering Community Colleges to Build the Nation's Future*, AACC

The College adopted the best practices included in the *Empowering Community Colleges to Build the Nation's Future* by AACC. Their resources and report are the most comprehensive. The AACC organized the report based upon nine areas as follows:

- Community College Completion Commitment
- Re-Imagining Pathways for Students
- Community College/K-12 Collaboration for College Readiness
- Developmental Education Redesign—Resources for Community Colleges
- Closing the Skills Gap
- Policy and Advocacy Agenda for Reclaiming the American Dream
- Redefining Institutional Roles and Functions
- Accountability
- Faculty Engagement and Leadership Development

Each section of the report includes many helpful examples of successful initiatives from colleges across the United States. It was encouraging to see that Coconino was already implementing many of the best practices identified in the report.

# Strategic Plan and Priorities



## Prioritized Spending to Enact Strategic Planning Tactics

### Strategic Plan Goal 1

#### **Objective 1, Tactic 1 - Increasing Advising-Allocation of \$198,234 (Responsible - Dean of Students):**

Using TAACCCT grant funding, the College is expanding advising in two areas: increasing the number of CCC2NAU advisors and piloting a new peer advisor program. Increasing advising is noted as a best practice to increase retention and completion of students according to the AACC's Empowering Community Colleges Report.

##### **Additional CCC2NAU Advisors**

For FY 15, the TAACCCT grant will continue paying for two advisors, plus an additional third advisor to begin July 1, 2014. A fourth temporary advisor position will be filled periodically at peak times of the year. The breakdown is as follows:

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Continuation of two full-time CCC2NAU advisors	\$70,901	\$30,513	\$101,414
One new full-time one-year CCC2NAU advisor	43,000	12,900	55,900
Continuation of one part-time temporary advisor	20,000	2,000	22,000

##### **A new Peer Advisor program to support students**

For FY 15 the TAACCCT Grant will provide funding for six new part-time peer advisors who will perform a variety of tasks including campus tours, recruitment events, assisting students with applications, developing class schedules, and explaining the degree audit and learning management systems.

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Six part-time Peer Advisors	\$17,200	\$1,720	\$18,920

#### **Objective 1, Tactic 2 - Implement Student Portal-Allocation of \$28,800 (Responsible - Chief Technology Officer):**

Using TAACCCT grant funding in FY 15, the College will implement a student portal that will connect students to online resources including advising. The student portal project was prioritized to improve advising technology and automation of services to students.

#### **Objective 6, Tactic 20 - Implement Math Computer Lab/Math Lab Assistants-Allocation of \$74,087 (Responsible - Vice President of Academic Affairs):**

Using TAACCCT grant funding in FY 15, the College will implement a math computer lab and math assistant. According to AACC's Empowering Community Colleges Report (2104), colleges need to find innovative solutions to help students progress through remediation classes to increase retention and completion.

##### **Math Computer Lab**

Classroom 107 is being converted to the Computer Lab including twenty-one computers, twenty-four workstations with chairs, one instructor chair, one printer and one switch for a total of \$47,687.

##### **Math Lab Assistants**

Math lab assistants provide supplemental instruction, in-class support, and out-of-class assistance in math classes in Flagstaff and Page.

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Math Lab Assistants - Five part-time	\$24,000	\$2,400	\$24,500

# Strategic Plan and Priorities

## Prioritized Spending To Enact Strategic Planning Tactics

### **Objective 11, Tactic 29 - Assess Starfish for early alert and make adjustments (Responsible - Dean of Students)**

The Starfish early alert application was implemented at the end of FY 14 using TAACCCT grant funds to identify and monitor “at risk” students. The AACC’s Empowering Community Colleges Report (2014), recommends early alert systems as one way to better track students and improve retention and completion rates. The application keeps faculty and advisors informed if students are not showing up to class, missing assignments, or if grades are dropping. The Starfish program is integrated with Banner and enables faculty and advisors to communicate seamlessly and reach out to students early if they are struggling. During FY 15, the software is being piloted for assessment of the program before it is rolled out college-wide, so there are no resources other than current staff time.

### **Objective 13, Tactic 32 - Assess Starfish for probation students and implement adjustments (Responsible - Dean of Students)**

The Starfish early alert system mentioned above will also help the College in monitoring and intervening with students on probation. Again, during FY 15 the product is being piloted, so there are no resources other than current staff time.

### **Objective 20, Tactic 58 - Instructional Designer-Allocation \$61,490 (Responsible - Vice President of Academic Affairs)**

Using TAACCCT grant funding, the College will hire a full-time one-year Instructional Designer position to review 50% of existing online courses for quality/universal design, assist in revising four online courses, and in creating four new online courses. This project was prioritized based upon the Arizona State Consortium for Quality Matters, a peer-reviewed set of standards for use in the design of online and hybrid courses.

	Salary	Benefits	Total
Instructional Designer	\$47,300	\$14,190	\$61,490

## **Strategic Plan Goal 4**

### **Objective 34, Tactic 139 - Upgrade ITV environment-Allocation \$44,353 (Responsible - Chief Technology Officer)**

Using TAACCCT grant funding, the College will expand use of Movi desktop video conferencing software. The application enables the student to use a Windows PC or Macintosh computer to participate in telepresence-quality video calls with other Movi users. This project was prioritized to better serve the distant rural area of the county especially after the reduction of the Page campus to an instructional site.

40 additional licenses – Total cost of \$44,353

### **Next Five-Year Strategic Plan for 1/1/2016 - 12/30/2020**

The College is currently in the beginning stages of developing the next strategic plan and the new cycle will be based upon a calendar year so that budget increments can be formulated for the budget development process. In addition, the College will be using the AACC report *Empowering Community Colleges to Build the Nation’s Future*.

# Strategic Plan and Priorities



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## CORE VALUES

People • Learning & Growth • Quality • Ethics  
Community • Respect • Sustainability





The seal of Cocoa County Community College is a circular emblem. It features a central sunburst design with rays emanating from a central point. Below the sunburst is an open book. The words "COCOA COUNTY COMMUNITY COLLEGE" are written in a circular path around the central elements, and "EST. 1991" is at the bottom.

# **Annual Financial Plan**

**July 1, 2014 - June 30, 2015**





# Annual Financial Plan

## Budget Development Process

### Budget Organization

An explanation of funds and programs codes is described below.

### Funds

There are five funds that make up the College's All Funds budget, plus the Loan Fund that is specifically for student loans:

- **General Fund** - The General Fund is used to account for all general operations of the College and is the largest fund.
- **Auxiliary Fund** - The Auxiliary Fund is used to account for self-supporting activities that perform a service to students.
- **Restricted Fund** - The Restricted Fund is used to account for resources that are restricted by outside donors or agencies such as grants, contracts, and financial aid.
- **Loan Fund** - The Loan Fund is used to account for federal loan program.
- **Unexpended Plant Fund** - The Unexpended Plant Fund is used to account for equipment, or the construction or improvement of buildings.
- **Retirement of Indebtedness** - The Retirement of Indebtedness is used to account for the resources for payment of principal in interest of debt.

### Program Codes

- **Instruction** - Activities directly related to instruction including faculty salaries, benefits, and supplies.
- **Academic Support** - Activities that support instruction including libraries, academic computing, curriculum development, and deans' offices.
- **Student Services** - Non-instructional, student-related activities such as recruitment, admissions, advising, career counseling, financial aid, and student clubs and organizations.
- **Institutional Support** - General administrative services such as executive management, legal and fiscal operations, human resources, and public relations.
- **Scholarships** - Institutional spending on scholarships, including federal financial aid from restricted funds.
- **Plant Operations and Maintenance** - Service and maintenance of the physical plant, buildings and grounds, utilities, and property insurance.

### Basis of Budgeting

The College primarily uses an incremental budget process. An incremental budget means that the prior year base budgets are the starting point and incremental changes are made to the base budget. The College also uses a zero-base budget process for travel and other account categories on a rotational basis. Zero-base means that the budget begins with "zero" and all expenditures must be justified.

### Controls

The College maintains budgetary controls by line item of the approved budget. An encumbrance accounting system is maintained by the College to accomplish budgetary control. Open encumbrances are not reported as reservations of fund balance at year-end, but are liquidated (lapse at year-end). Encumbrances are re-established at the beginning of the next fiscal year as an obligation against the current year's adopted budget.



# Annual Financial Plan

## Budget Development Process

### Budget Planning Committee (BPC)

The purpose of the committee is to provide guidance in developing the annual budget in a manner consistent with approved policies and priorities; to establish the broad parameters within which the budget will be developed; to ensure that goals and objectives from the strategic plan are translated into clearly-defined plans and priorities to which resources will be allocated.

#### Members of the committee include:

- Vice President of Business and Administrative Services
- Budget Analyst
- President's Office Representative
- Vice President of Academic Affairs
- Dean of Career and Technical Education
- Dean of Arts and Sciences
- Dean of Student Services
- Chief Technology Officer
- Director of Page Instructional Site
- Director of Finance and Accounting/Controller
- Director of Human Resources
- Director of Registrar and Enrollment Services
- Faculty Representative to College Council or alternate
- Staff Representative to College Council or alternate
- Part-time Faculty Representative to College Council or alternate
- Student Representative

### Step-By-Step Budget Process

A summary of the budget development process is listed below and is explained in more detail on following pages:

1. October - Develop budget assumptions and present to BPC
2. November - Distribute tuition and fee schedules to budget managers
3. December - Tuition and fee recommendations due to Budget Analyst
4. December - BPC meeting to discuss tuition and fee recommendations
5. January - Distribute base budget reallocations and travel justification forms to budget managers - forms must be approved by Vice Presidents and President
6. January - DGB work session to review tuition and fee recommendations
7. February - Present tuition recommendation to student forum
8. February - Budget manager and supervisor meetings to review budget and travel justification forms
9. February - Compensation committee recommendations presented to Vice Presidents and President
10. February - BPC review preliminary budgets
11. February - DGB compensation work session and approval of tuition and fees
12. March - Budget managers confirm preliminary budget
13. March - DGB provides direction on salary and benefits
14. April - BPC and DGB review preliminary budget
15. May - DGB final budget adoption
16. May - College-wide budget presentation



# Annual Financial Plan

## Budget Development Process

### Assumptions

Beginning assumptions are established as a starting point for developing the budget and are developed in October of each year. For FY 15, the beginning assumptions were as follows:

#### Revenues

- Enrollment - Current enrollment is flat and job market is improving, projecting flat enrollment
- Tuition - \$2 increase per credit hour to standard tuition rate as directed by the Board, other rates are a multiplier of the standard rate
- State Aid - Reduction per state formula due to decline in enrollment in prior years
- Property taxes - 2% maximum allowed increase in levy plus 1% new construction added to the tax rolls based upon trend
- Other Revenues - 2% increase to most line items

#### Expenses

- Utilities - 3.5% increase per Arizona Corporation Commission discussion
- All other expense categories including salaries and benefits - 2% increase

### Enrollment

Enrollment projections are based upon trend analysis and County projections for population growth.

### Tuition and Fees

Tuition and fees, including specialty tuition rates and non-class fees, are reviewed in December. Academic Deans review specialty tuition rates for higher-cost programs, market data and instructional expenses to determine if increases to specialty tuition rates will be recommended. Other fees, such as parking fees, are also reviewed by respective areas and compared to market to determine if changes will be recommended. Trend analysis of enrollment within the different rates of tuition is used to project tuition revenue.

Tuition and fee recommendations are taken to the Board in January in a work session to review recommendations and receive direction. The Board approves tuition and fees rates in February for the next academic year.

### State Appropriation Aid

State aid is calculated per formula which is “base plus growth.” The base is the prior year’s state aid. The growth or loss is calculated by the increase or decrease in full-time student equivalent (FTSE) between the two most recent fiscal years in each category of non-dual enrollment and dual enrollment. The growth or loss in FTSE is multiplied by the given rate per category. One FTSE equals an average of 15 credit hours in each of the fall and spring semesters, for a total of 30 credits hours for one year.

### State STEM Appropriation

The state provided STEM appropriations to the College in FY 14 and FY 15 and it is not known if it will continue for future years. The STEM aid is restricted for science, technology, engineering, mathematics, and workforce programs.



# Annual Financial Plan

## Budget Development Process

### Property Taxes

By February 10<sup>th</sup> of each year, the County Assessor's Office provides assessed valuations needed to calculate the primary and secondary property tax levies. The primary levy cannot exceed the prior year levy by more than two percent plus new construction added to the tax rolls. The Board typically adopts the maximum allowed tax rate. Secondary taxes are based upon voter-approved debt retirement schedule.

### Budget Manager Meetings

In February of each year, the Vice President of Business and Administrative Services and the Budget Analyst schedule individual meetings with each budget manager to review his/her base budgets. During the meetings, three years of budget-to-actual trend data is reviewed, as well as, any increment requests that the budget manager may have. Increments are covered first through any reallocation of funds by the budget manager or division funds. If the increment request is not covered by reallocated funds, then the net difference is listed on an increment request spreadsheet. Base budget adjustments are entered by the Budget Analyst and sent back to the budget manager for his/her review and approval.

### Travel Requests

All travel expenses are zero-based annually. All travel must be requested and justified each year. Travel expenses are sorted into three categories: in-district travel, in-state travel, and professional development travel. Professional development travel is allocated on a FTE basis to benefit eligible positions as follows:

- Administrator \$1,200
- Professional Technical and Faculty (exempt) \$600
- Classified staff (hourly) \$300

Since Professional Development fund allocations do not cover all the costs of attending conferences, supervisors and budget managers typically pool the funds and alternate which employees are able to receive funds from year to year. In addition, \$10,000 is budgeted for professional development scholarships that are made available through the Training and Development program to assist with professional development related to priority projects or strategic planning initiatives.

### Salary and Benefits

Salary and benefits are the largest expenditure of the College and accounts for approximately 63% of the General Fund budget. The Board has directed staff to conduct a salary survey every other year. In alternate years, employees and supervisors can request position reviews or reclassifications. The Board reviews and provides direction on salaries and benefits at the February and March meeting, respectively. The Board's allocation includes any increases for CPI, merit, market, and reclassifications for all faculty and staff.

The Arizona State Retirement System (ASRS) posts the required employee and employer contribution rates each year.

Health benefits are determined through the Northern Arizona Public Employees Benefit Trust (NAPEBT) which is a trust formed by local public employers to provide cost-effective benefits packages to their employees. The benefits covered include self-funded medical, vision and pharmacy, traditional life and dental insurance, and voluntary benefits such as short-term and long-term disability.



# Annual Financial Plan

## Budget Development Process

### **Incremental Requests**

Incremental requests are increases to a budget that are not covered by a reallocation of funds. Incremental requests are prioritized based upon strategic planning initiatives, recommendations from the Budget Planning Committee, and the administrative leadership.

### **Preventative Maintenance (Life Cycle Replacement)**

The College allocates funds for preventative maintenance projects annually, based upon a cost per square foot indexed by the CPI. Allocated funds not used in any one year are rolled over and reserved for future preventative maintenance projects. This process allows the College to set funds aside annually for larger projects.

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of items such as HVAC units, roofs, parking lots, and carpeting. The Executive Director of Facilities assesses the condition of the facilities and adjusts the schedules annually, or as needed, to ensure the facilities are maintained and the life and safety of the students and staff are protected. Any capital items that improve or extend the life of the facilities and are over \$5,000 are capitalized and budgeted in the plant fund.

### **Academic Support Technology**

Students pay a \$5 per credit hour technology fee to cover costs of technology used by students in classroom and student services. This is a pay-as-you-go process. The Instructional Technology Services department uses the funds to pay for equipment, software and maintenance agreements for the instructional, academic support, and student services program codes. The budget is based upon projected enrollments and must be tracked against actual enrollments.

### **Institutional Technology and Other Equipment**

The College budgets \$150,000 annually for institutional technology and other equipment. To receive funds, a requestor completes a form and, similar to increments, the equipment requests are prioritized based upon strategic planning initiatives, recommendations from the Budget Planning Committee, and the executive leadership. Any equipment items over \$5,000 are capitalized and budgeted in the Plant Fund.

### **Presidents Discretionary Fund**

An allowance of \$100,000 is budgeted for unforeseen expenditures and is expended at the President's discretion.

### **Innovation Fund**

The purpose of the Innovation Fund program is to provide financial incentive to faculty, staff, and students in developing and implementing innovative projects that will generate revenue, create savings or technological solutions, improve services to students, and/or advance strategic planning initiatives of access, retention, and completion. A \$100,000 fund has been set aside in the President's budget for innovation projects.

### **Contingency Fund**

A \$1 million dollar contingency is budgeted in the General Fund from reserves (also known as Fund Balance) and is to be used for emergencies or revenue shortfalls. If the contingency is not used it is returned to the Fund Balance.



# Annual Financial Plan

## All Funds

Three-Year Comparison - All Funds For Years Ended June 30			
Revenue	FY 13 Actual	FY 14 Budget	FY 15 Budget
Tuition & Fees	\$ 7,236,297	\$ 6,996,146	\$ 7,389,000
State Appropriations	1,847,900	2,080,300	2,202,700
Property Taxes	8,617,780	8,947,824	9,189,662
Grants & Contracts	7,414,380	7,448,652	8,442,029
Sales & Services	30,427	28,200	22,400
Investment Income	220,413	140,400	120,000
Other Income	507,576	502,995	461,937
<b>Total Revenues</b>	<b>\$ 25,874,774</b>	<b>\$ 26,144,517</b>	<b>\$ 27,827,728</b>
<b>Other Financing Sources (uses)</b>			
Transfer In	\$ 485,771	\$ 417,047	\$ 412,713
Transfer Out	(485,771)	(417,047)	(412,713)
<b>Total Other Financing Sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues and Transfers</b>	<b>\$ 25,874,774</b>	<b>\$ 26,144,517</b>	<b>\$ 27,827,728</b>
<b>Expenditures by Program</b>			
<i>Current:</i>			
Instruction	\$ 7,030,302	\$ 7,853,730	\$ 6,951,792
Public Service	277,784	224,739	142,606
Academic Support	1,588,860	2,506,352	3,331,952
Student Services	2,057,591	2,434,389	2,689,844
Institutional Support	4,676,119	4,692,142	4,097,818
Facilities Operation & Maintenance	2,098,076	1,954,078	2,093,462
Scholarships & Grants	4,709,323	4,579,159	5,326,693
Auxiliary Enterprises	47,934	40,200	41,400
Retirement of Indebtedness	1,975,536	2,015,708	2,045,539
Contingency	-	1,000,000	2,101,222
<b>Total Expenditures</b>	<b>\$ 24,461,526</b>	<b>\$ 27,300,497</b>	<b>\$ 28,822,328</b>
<b>Expenditures by Object</b>			
<i>Current:</i>			
Personnel Services	\$ 13,060,466	\$ 13,689,171	\$ 13,067,767
Contractual Services	1,597,439	2,036,851	1,976,390
Supplies	1,085,058	1,498,163	1,231,130
Fixed Charges	741,161	815,996	875,425
Utilities	560,778	577,735	592,490
Travel	178,235	238,589	253,897
Improvements Other than Buildings	307,188	237,900	319,500
Capital Equipment	179,154	43,525	442,604
Retirement of Indebtedness	1,545,000	1,620,000	1,690,000
Scholarships	4,725,780	4,593,129	5,339,123
Miscellaneous/Other	481,268	949,438	932,781
Contingency	-	1,000,000	2,101,222
<b>Total Expenditures</b>	<b>\$ 24,461,526</b>	<b>\$ 27,300,497</b>	<b>\$ 28,822,328</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ 1,413,247</b>	<b>\$ (1,155,980)</b>	<b>\$ (994,600)</b>
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>\$ 13,824,204</b>	<b>\$ 15,237,451</b>	<b>\$ 15,081,471</b>
<b>Ending Fund Balance June 30</b>	<b>15,237,451</b>	<b>14,081,471</b>	<b>14,086,871</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,413,247</b>	<b>\$ (1,155,980)</b>	<b>\$ (994,600)</b>



# Annual Financial Plan

## All Funds

All Funds - Budget For Year Ended, June 30, 2015						
Revenues	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Retirement of Indebtedness	Total All Funds
Tuition & Fees	\$ 7,383,000	\$ 6,000	\$ -	\$ -	\$ -	\$ 7,389,000
State Appropriations	1,775,800	426,900	-	-	-	2,202,700
Property Taxes	7,243,260	-	-	-	1,946,402	9,189,662
Grants & Contracts	328,200	8,087,729	7,000	19,100	-	8,442,029
Sales & Services	-	-	22,400	-	-	22,400
Investment Income	120,000	-	-	-	-	120,000
Other Income	419,800	-	-	-	42,137	461,937
<b>Total Revenues</b>	<b>\$ 17,270,060</b>	<b>\$ 8,520,629</b>	<b>\$ 29,400</b>	<b>\$ 19,100</b>	<b>\$ 1,988,539</b>	<b>\$ 27,827,728</b>
<b>Other Financing Sources (uses)</b>						
Transfer In	\$ -	\$ 37,913	\$ 12,000	\$ 362,800	\$ -	\$ 412,713
Transfer Out	(412,713)	-	-	-	-	(412,713)
<b>Total Other Financing Sources (uses)</b>	<b>\$ (412,713)</b>	<b>\$ 37,913</b>	<b>\$ 12,000</b>	<b>\$ 362,800</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Revenues and Transfers</b>	<b>\$ 16,857,347</b>	<b>\$ 8,558,542</b>	<b>\$ 41,400</b>	<b>\$ 381,900</b>	<b>\$ 1,988,539</b>	<b>\$ 27,827,728</b>
<b>Expenditures by Program</b>						
<i>Current:</i>						
Instruction	\$ 5,646,397	\$ 1,305,395	\$ -	\$ -	\$ -	\$ 6,951,792
Public Service	56,703	85,903	-	-	-	142,606
Academic Support	2,086,709	1,245,243	-	-	-	3,331,952
Student Services	1,941,636	748,208	-	-	-	2,689,844
Institutional Support	4,097,818	-	-	-	-	4,097,818
Facilities Operation & Maintenance	1,773,962	-	-	319,500	-	2,093,462
Scholarships & Grants	152,900	5,173,793	-	-	-	5,326,693
Auxiliary Enterprises	-	-	41,400	-	-	41,400
Retirement of Indebtedness	-	-	-	-	2,045,539	2,045,539
Contingency	2,101,222	-	-	-	-	2,101,222
<b>Total Expenditures</b>	<b>\$ 17,857,347</b>	<b>\$ 8,558,542</b>	<b>\$ 41,400</b>	<b>\$ 319,500</b>	<b>\$ 2,045,539</b>	<b>\$ 28,822,328</b>
<b>Expenditures by Object</b>						
<i>Current:</i>						
Personnel Services	\$ 11,207,565	\$ 1,856,954	\$ 3,248	\$ -	\$ -	\$ 13,067,767
Contractual Services	1,631,815	343,575	1,000	-	-	1,976,390
Supplies	888,665	311,115	31,350	-	-	1,231,130
Fixed Charges	860,295	15,130	-	-	-	875,425
Utilities	590,535	1,905	50	-	-	592,490
Travel	156,550	95,347	2,000	-	-	253,897
Improvements Other than Buildings	-	-	-	319,500	-	319,500
Capital Equipment	-	442,604	-	-	-	442,604
Retirement of Indebtedness	-	-	-	-	1,690,000	1,690,000
Scholarships	152,900	5,182,471	3,752	-	-	5,339,123
Miscellaneous/Other	267,800	309,442	-	-	355,539	932,781
Contingency	2,101,222	-	-	-	-	2,101,222
<b>Total Expenditures</b>	<b>\$ 17,857,347</b>	<b>\$ 8,558,542</b>	<b>\$ 41,400</b>	<b>\$ 319,500</b>	<b>\$ 2,045,539</b>	<b>\$ 28,822,328</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,400</b>	<b>\$ (57,000)</b>	<b>\$ (994,600)</b>
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>\$ 5,422,275</b>	<b>\$ -</b>	<b>\$ 56,315</b>	<b>\$ 9,235,698</b>	<b>\$ 367,184</b>	<b>\$ 15,081,472</b>
<b>Ending Fund Balance June 30</b>	<b>4,422,275</b>	<b>-</b>	<b>56,315</b>	<b>9,298,098</b>	<b>310,184</b>	<b>14,086,872</b>
<b>Net Change in Fund Balance</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,400</b>	<b>\$ (57,000)</b>	<b>\$ (994,600)</b>



# Annual Financial Plan

## All Funds

Salaries and benefits represent the largest expense for the College. The schedule below provides an All Funds three-year comparison of salaries and benefits by program and employee classification type. In addition, the number of full-time equivalent positions for both restricted and unrestricted funds is provided. Total compensation and the number of positions has declined from FY 14 to FY 15 due to the Financial Austerity Plan described in the Challenges and Solution section of the document. These reductions or eliminations of programs includes Community and Corporate Learning, Dance, Nursing, Early Childhood Education, and the conversion of Page campus to an instructional site.

### COCONINO COMMUNITY COLLEGE DISTRICT FACULTY AND STAFF STATISTICS Three-Year Comparison

FY 15								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instructional	\$ 2,189,821	\$ 1,674,300	\$ 94,157	\$ 441,993	\$ 333,308	\$ 4,733,579	\$ 1,068,650	\$ 5,802,229
Public Service	-	-	16,206	67,850	-	84,056	36,115	120,171
Academic	-	-	348,987	837,162	141,690	1,327,839	436,469	1,764,308
Student Services	-	-	247,681	1,153,577	216,159	1,617,417	545,018	2,162,435
Institutional	-	-	679,522	1,153,593	7,950	1,841,065	720,503	2,561,568
Facilities	-	-	93,139	350,916	46,438	490,493	166,564	657,057
<b>Total Salary</b>	<b>\$ 2,189,821</b>	<b>\$ 1,674,300</b>	<b>\$ 1,479,692</b>	<b>\$ 4,005,091</b>	<b>\$ 745,545</b>	<b>\$ 10,094,448</b>	<b>\$ 2,973,319</b>	<b>\$ 13,067,767</b>
Unrestricted Funds	33.0	75.6	15.7	73.3	12.2	209.8		
Restricted Funds	3.0	-	1.4	13.2	12.4	30.0		
<b>Total FTE</b>	<b>36.0</b>	<b>75.6</b>	<b>17.1</b>	<b>86.4</b>	<b>24.6</b>	<b>239.7</b>		

FY 14								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instructional	\$ 2,387,633	\$ 1,587,483	\$ 92,257	\$ 553,943	\$ 419,076	\$ 5,040,392	\$ 1,185,469	\$ 6,225,861
Public Service	-	-	93,703	53,955	-	147,658	55,817	203,475
Academic	-	-	414,680	719,408	146,446	1,280,534	397,779	1,678,313
Student Services	-	-	236,080	1,110,072	180,509	1,526,661	510,078	2,036,739
Institutional	-	-	808,472	1,243,971	9,050	2,061,493	751,808	2,813,301
Facilities	-	-	90,814	402,866	46,438	540,118	191,364	731,482
<b>Total Salary</b>	<b>\$ 2,387,633</b>	<b>\$ 1,587,483</b>	<b>\$ 1,736,006</b>	<b>\$ 4,084,215</b>	<b>\$ 801,519</b>	<b>\$ 10,596,856</b>	<b>\$ 3,092,315</b>	<b>\$ 13,689,171</b>
Unrestricted Funds	38.0	77.3	16.7	80.2	18.7	230.9		
Restricted Funds	3.0	2.0	2.3	12.5	7.7	27.5		
<b>Total FTE</b>	<b>41.0</b>	<b>79.3</b>	<b>19.0</b>	<b>92.7</b>	<b>26.4</b>	<b>258.4</b>		

FY 13								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instructional	\$ 2,287,448	\$ 1,649,800	\$ 90,043	\$ 497,246	\$ 362,999	\$ 4,887,536	\$ 1,184,958	\$ 6,072,494
Public Service	-	-	95,586	56,681	44,366	196,634	63,096	259,730
Academic	-	-	457,486	446,096	77,143	980,725	309,002	1,289,727
Student Services	-	-	230,414	970,692	202,509	1,403,614	439,642	1,843,257
Institutional	-	-	912,943	1,161,458	3,570	2,077,971	811,050	2,889,021
Facilities	-	-	88,634	390,462	27,535	506,631	199,607	706,238
<b>Total Salary</b>	<b>\$ 2,287,448</b>	<b>\$ 1,649,800</b>	<b>\$ 1,875,106</b>	<b>\$ 3,522,635</b>	<b>\$ 718,122</b>	<b>\$ 10,053,111</b>	<b>\$ 3,007,355</b>	<b>\$ 13,060,466</b>
Unrestricted Funds	38.0	80.2	18.0	79.3	15.8	231.3		
Restricted Funds	3.0			9.6	7.8	20.4		
<b>Total FTE</b>	<b>41.0</b>	<b>80.2</b>	<b>18.0</b>	<b>88.9</b>	<b>23.6</b>	<b>251.7</b>		



# Annual Financial Plan

## All Funds

The purpose of the College's Fund Balance Procedure is to establish a targeted amount for General Fund and All Funds reserves. It is important to maintain adequate levels of unreserved fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, cash flow management, emergency contingency, and Plant Fund designations. The fund balance also provides cash flow liquidity for general operations.

At the close of each fiscal year, a transfer of funds shall be made to maintain a General Fund ending balance equal to four (4) months of revenues (estimated at 33% of annual revenues). Any excess revenues over expenditures in the General Fund for a fiscal year will be transferred to the Plant Fund for future capital expenditures.

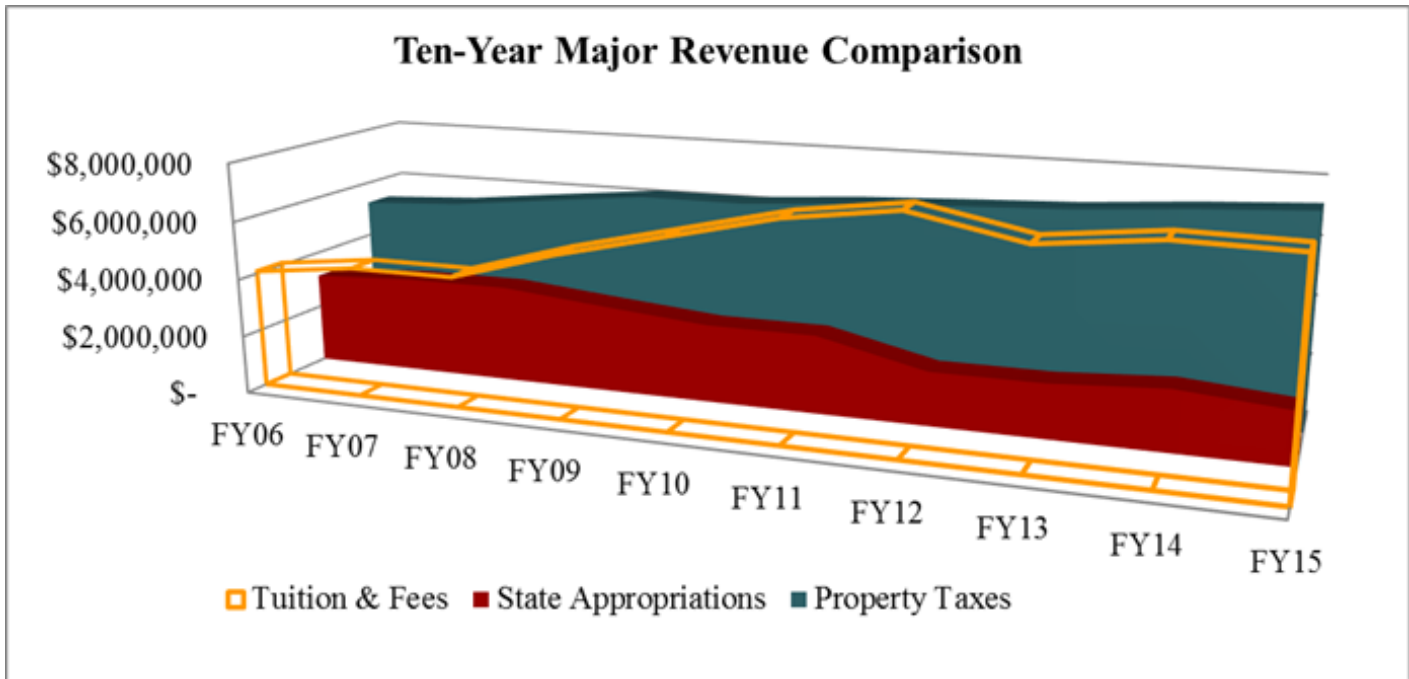
The table below shows the College's All Funds reserves which are estimated to be just over \$14 million for the FY 15 budgeted year and is \$289,048 over the targeted levels.

	<b>FY 13 Audited</b>	<b>FY 14 Budget</b>	<b>FY 15 Budget</b>
All Funds Revenues - Based on Budget	\$ 26,732,331	\$ 26,144,517	\$ 27,827,728
All Funds Sustainability Reserves (33%) - Based on Budget	\$ 8,821,669	\$ 8,627,691	\$ 9,183,150
General Fund Contingency - Based on Budget	1,263,566	1,000,000	1,000,000
Auxiliary Fund Reserve	56,315	56,315	56,315
Retirement of Indebtedness Fund Reserve - Restricted	429,684	367,184	310,184
Plant Fund - Preventative Maint. Reserves	2,690,030	3,141,639	3,208,174
Plant Fund - Copier replacement Reserve	14,000	26,000	40,000
Total Target Fund Balance/Reserves	\$ 13,275,264	\$ 13,218,829	\$ 13,797,823
Restricted and Unrestricted Net Position (Fund Balance/Reserves)	\$ 15,237,451	\$ 14,081,471	\$ 14,086,871
Amount (under)/over Targeted Fund Balance/Reserves	\$ 1,962,187	\$ 862,642	\$ 289,048

# Annual Financial Plan

## General Fund - Revenues

The General Fund has three major revenue sources: student tuition and fees, state appropriations, and property taxes. The chart below depicts the changes in these revenue sources over a ten-year period showing the state appropriations declining, while tuition and fees has increased.



The chart below shows how CCC was forced to implement large tuition increases from FY 08 through FY 11 and now has the highest tuition rate in the state. Since FY 12, the College has been able to maintain lower tuition increases.

Historic Tuition Rates - Resident - Last 10 Fiscal Years					
Fiscal Year	Tuition per Credit Hour		Annual Tuition (30 credit hours)*	Change in \$	% increase
FY 06	\$	56	\$ 1,344	\$ 192	16.7%
FY 07		61	1,464	120	8.9%
FY 08		65	1,690	226	15.4%
FY 09		70	1,970	280	16.6%
FY 10		70	2,250	280	14.2%
FY 11		80	2,550	300	13.3%
FY 12		83	2,640	90	3.5%
FY 13		85	2,700	60	2.3%
FY 14		87	2,760	60	2.2%
FY 15		89	2,820	60	2.2%

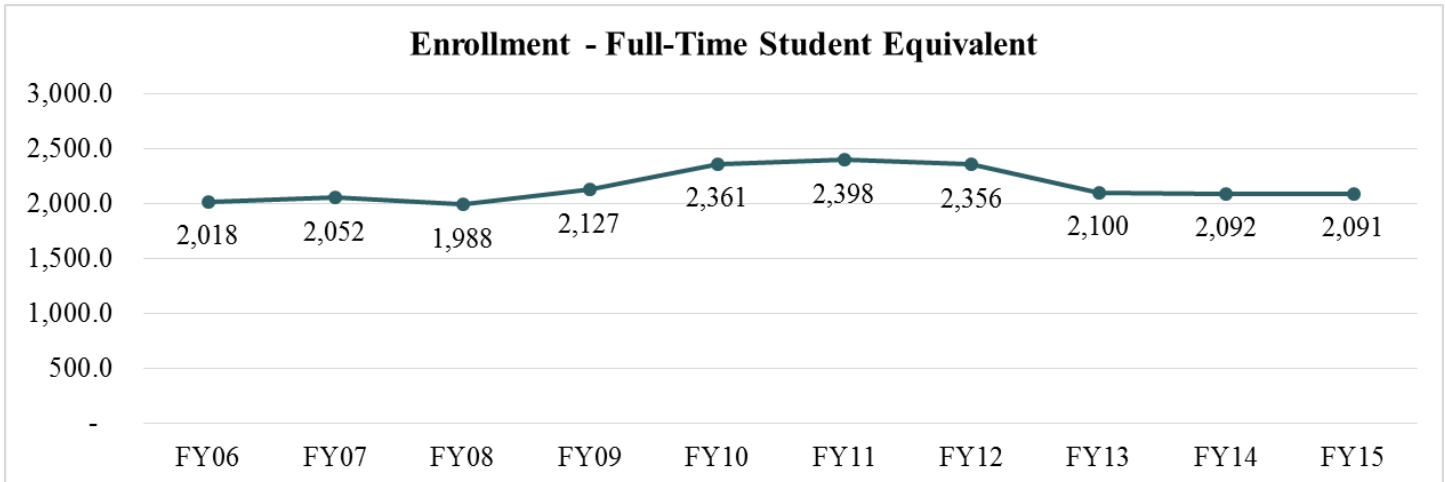
\* Annual tuition column includes \$5 tech fee per 30 credit hours, as of FY 09.

1. In FY 08, the plateau changed from 13-18 credit hours to 15-18 credit hours
2. In FY 09, a \$5 per credit hour technology fee was implemented that is not subject to the plateau
3. In FY 15, the plateau was eliminated due to the Financial Austerity Plan

# Annual Financial Plan

## General Fund - Tuition and Fee Revenue

Tuition and Fee revenue for FY 15 is based upon enrollments of 2,091 FTSE. Enrollments have flattened out after the recession and returned to normal levels.



Tuition and fees are projected based upon trend analysis for the different types of tuition (Out-of-State, Out-of-County, WUE, Dual Enrollment, and CAVIAT).

Other notable changes, as part of the Financial Austerity Plan:

- Differential Tuition - Implemented higher tuition to higher cost programs
- Fees - Employee and student parking fee increases were approved
- Workforce Development - Elimination of the community enrichment and corporate training program

## Tuition and Fee Revenue Projections Three-Year Comparative Analysis

General Fund	FY 13 Actual	FY 14 Budget	FY 15 Budget
General Tuition (Resident Tuition)	\$ 4,734,112	\$ 4,492,400	\$ 4,433,234
Class Fee Revenue/ Differential Tuition Rates	274,792	304,682	455,766
Out-of-State Tuition	173,024	190,000	216,300
Out-of-County Reimbursement	175,408	175,000	175,000
Out-of-State Tuition (WUE)	475,407	464,200	640,100
Dual Enrollment Tuition	341,490	374,600	412,800
Dual Enrollment Fee (Arts & Sciences)	50,245	31,400	34,800
Vocational District (CAVIAT)	215,464	119,100	176,700
Online Course fee revenue	115,848	110,000	115,500
Technology Fee	128,790	312,000	290,200
Scholarship tuition (deducted from General Tuition)	153,108	156,000	152,900
Fees (Parking, Transcripts, Graduation, ID, Testing, Etc.)	199,860	205,800	279,700
Workforce Development	-	507,470	-
<b>Total Tuition and Fee</b>	<b>\$ 7,037,547</b>	<b>\$ 7,442,652</b>	<b>\$ 7,383,000</b>





# Annual Financial Plan

## General Fund - Tuition and Fee Revenue

In addition to the \$2.00 per credit hour tuition rate increase, the District Governing Board approved the change to a differential tuition schedule. The differential tuition rate replaces class fees and charges higher tuition rates to higher-cost programs. The standard tuition for each of the residency types are: Residents - \$89.00, Western Undergraduate Exchange Program - \$133.50, and Out-of-State - \$311.50. Every credit hour is assessed a \$5.00 technology fee to help cover the costs of technology. The **2014-2015 Tuition Schedule** below shows the level for each differential tuition rate.

Differential Tuition Schedule	In State Per Credit Hour	*WUE Per Credit Hour	Out-of-State Per Credit Hour
Standard	\$89	\$133.50	\$311.50
Specialty Higher Rates			
Differential Tuition 1 (+ \$5)	\$94	\$138.50	\$316.50
Differential Tuition 2 (+ \$10)	\$99	\$143.50	\$321.50
Differential Tuition 3 (+ \$15)	\$104	\$148.50	\$326.50
Differential Tuition 4 (+ \$20)	\$109	\$153.50	\$331.50
Differential Tuition 5 (+ \$25)	\$114	\$336.50*	\$336.50
Differential Tuition 6 (+ \$30)	\$119	\$341.50*	\$341.50
Differential Tuition 7 (+ \$50)	\$139	\$361.50*	\$361.50
Differential Tuition 8 (+ \$80)	\$169	\$391.50*	\$391.50

\* For these courses, students who qualify for the WUE Program will be charged additional tuition equal to Out-of-State rates, plus differential tuition and applicable fees.



# Annual Financial Plan

## General Fund - State Appropriations

Declines in state aid began in 1998 due to the struggling economy and decreased tourist activity. State funding for FY 15 has declined slightly based on the statutory formula. State appropriations are received based on Full-Time Student Equivalent (FTSE) enrollment and formula funding. One FTSE equals 30 credit hours per year. State appropriations are received on a two-year lag based on enrollment growth. The State appropriations funding formula has not been adjusted to keep pace with inflation.

For FY 15, the legislature approved one-time STEM (Science, Technology, Engineering, and Mathematics) funding. The STEM aid for FY 15 was based upon \$210 per FTSE non-dual enrollment and \$105 per FTSE for dual enrollment.

## State Appropriations Revenue Projections Three-Year Comparative Analysis

STATUTORY CALCULATION A.R.S. §15-1466 Subject to legislative appropriation	Actual FY 13	Budget FY 14	Budget FY 15
FTSE Change:			
Total Audited FTSE third most recent fiscal year	2,361	2,399	2,355
Total Audited FTSE second most recent fiscal year	2,399	2,355	2,099
Increase/(decrease)	38	(44)	(256)
Non Dual Enrollment Audited FTSE third most recent fiscal year	2,163	2,229	2,213
Non Dual Enrollment Audited FTSE second most recent fiscal year	2,229	2,213	1,967
Increase/(decrease)	66	(16)	(246)
Average Appropriation Per FTSE (Non Dual Enrollment)	229	251	257
Non Dual Enrollment Growth	15,100	(4,000)	(63,200)
Dual Enrollment Audited FTSE third most recent fiscal year	198	170	142
Dual Enrollment Audited FTSE second most recent fiscal year	170	142	132
Increase/(decrease)	(28)	(28)	(10)
Average Appropriation Per FTSE (Dual Enrollment @ 50%)	115	126	129
Dual Enrollment Growth	(3,200)	(3,500)	(1,300)
State Appropriation	1,847,900	1,840,400	1,775,900
State Aid Cuts	-	-	(100)
<b>Total M &amp; O State Appropriations</b>	<b>1,847,900</b>	<b>1,840,400</b>	<b>1,775,800</b>
STEM and Workforce Programs State Aid Subject to legislative appropriation	Actual FY 13	Budget FY 14	Adopted FY 15
<b>STEM and Workforce Programs State Aid</b>	-	239,900	426,900

# Annual Financial Plan

## General Fund - Property Taxes

Each year, the tax levy is calculated in accordance with Arizona Revised Statutes (A.R.S.) §42-17051. Assessed property values fall into two tax levy categories, property on the tax rolls in the current year and newly completed construction being added to the rolls.

The Arizona Constitution limits the increase in the District's tax levy on current assessed property to 2% per year. Because of the low property tax rate, CCC has approved the maximum levy each year. New construction growth rate averages approximately 1% per year.

Secondary taxes are collected to pay for the General Obligation Bonds as described in the Retirement of Indebtedness section of this document.

### Tax Levy Limit A.R.S. §42-17051 Three-Year Comparative Analysis

STATUTORY CALCULATION	FY 13 (Tax Year 2012) ADOPTED LEVY	FY 14 (Tax Year 2013) ADOPTED LEVY	FY 15 (Tax Year 2014) ADOPTED LEVY
1) Maximum levy - prior tax year	\$ 6,600,495	\$ 6,772,795	\$ 7,042,484
2) Maximum levy prior tax year multiplied by 102%	6,732,505	6,908,251	7,183,334
3) Assessed value for current tax year of all property subject to tax in the preceding year	1,737,472,126	1,490,175,745	1,500,140,519
4) Paragraph 3 divided by 100, then divide paragraph 2 by the resulting quotient; round to four decimal places	0.3875	0.4636	0.4788
5) Assessed value of all property for current year	1,747,818,103	1,519,086,333	1,512,794,164
6) Paragraph 5 divided by 100 and multiplied by rate in paragraph 4 equals maximum allowable primary property tax levy	6,772,795	7,042,484	7,243,258
7) Less any amounts pursuant to A.R.S. §42-17051 B. & C.			
8) Paragraph 6 minus paragraph 7 equals the allowable primary property tax levy	6,772,795	7,042,484	7,243,258
Total primary property tax revenue	\$ 6,772,795	\$ 7,042,484	\$ 7,243,260



# Annual Financial Plan

## General Fund - Other Revenue and Transfers

Other revenue consists of five percent of total revenue. They are funds such as grants, contracts, investment income, bookstore income, parking tickets revenue, and other income listed below.

### Three-Year Comparative Analysis

<b>Gifts, Grants &amp; Contracts</b>	<b>FY 13 ACTUAL</b>	<b>FY 14 PROJECTED</b>	<b>FY 15 PROJECTED</b>
PELL ACA Revenue	\$ 7,135	\$ 12,600	\$ 12,600
Administrative Cost Recovered	1,150	193,391	197,600
Foundation FMC Contribution	95,000	100,000	100,000
Non-credit Contract Training	154,132	-	18,000
<b>Total Private Gifts, Grants &amp; Contracts</b>	<b>\$ 257,417</b>	<b>\$ 305,991</b>	<b>\$ 328,200</b>
<b>Investments</b>	<b>FY 13 ACTUAL</b>	<b>FY 14 PROJECTED</b>	<b>FY 15 PROJECTED</b>
Investments	\$ 220,413	\$ 140,400	\$ 120,000
<b>Total Investments</b>	<b>\$ 220,413</b>	<b>\$ 140,400</b>	<b>\$ 120,000</b>
<b>Other Income</b>	<b>FY 13 ACTUAL</b>	<b>FY 14 PROJECTED</b>	<b>FY 15 PROJECTED</b>
Bookstore (Commissions)	\$ 107,165	\$ 108,000	\$ 103,000
Salt River Project/Other In-Lieu of Tax	130,204	118,000	157,000
Government Property Lease Excise Tax (in-lieu) and Parks on Federal Lands ADOT and Game & Fish	48,095	40,000	500
Surplus Property	4,089	500	500
Parking Tickets	19,809	30,000	20,000
Vending Utility Recovery	4,560	4,000	4,550
Facility Usage (Misc. temporary)	22,610	10,000	-
Tony's Wash & Cut (Lease)	6,952	7,044	7,150
Flagstaff Library (Lease)	74,636	84,834	86,100
Page-Glen Canyon Natural Historical Society (Lease)	7,799	7,348	-
Cell Phone Tower (Lease)	30,000	30,000	30,000
Cafeteria (Commissions)	5,075	6,400	6,000
Miscellaneous	11,233	9,000	5,000
<b>Total Other Income</b>	<b>\$ 472,227</b>	<b>\$ 455,127</b>	<b>\$ 419,800</b>
<b>Transfers</b>	<b>FY 13 ACTUAL</b>	<b>FY 14 PROJECTED</b>	<b>FY 15 PROJECTED</b>
Transfers Out	(485,771)	(417,047)	(412,713)
Transfers In	-	-	-
<b>Net Transfers</b>	<b>\$ (485,771)</b>	<b>\$ (417,047)</b>	<b>\$ (412,713)</b>

# Annual Financial Plan

## General Fund

Three-Year Comparison For Years Ended June 30				
Revenues	FY 13 Actual	FY 14 Budget	FY 15 Budget	FY14 to FY15 % Change
Tuition and Fees	\$ 7,037,547	\$ 7,442,652	\$ 7,383,000	-0.8%
State Appropriations	1,847,900	2,080,300	1,775,800	-14.6%
Property Taxes	6,772,647	7,042,484	7,243,260	2.9%
Grants & Contracts	257,417	305,991	328,200	7.3%
Investment Income	220,413	140,400	120,000	-14.5%
Other Income	472,227	455,127	419,800	-7.8%
<b>Total Revenues</b>	<b>\$ 16,608,152</b>	<b>\$ 17,466,954</b>	<b>\$ 17,270,060</b>	<b>-1.1%</b>
<b>Other Financing Sources (uses)</b>				
Transfer Out	\$ (485,771)	\$ (417,047)	\$ (412,713)	-1.0%
<b>Total Other Financing Sources (uses)</b>	<b>\$ (485,771)</b>	<b>\$ (417,047)</b>	<b>\$ (412,713)</b>	<b>-1.0%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 16,122,381</b>	<b>\$ 17,049,907</b>	<b>\$ 16,857,347</b>	<b>-1.1%</b>
<b>Expenditures by Program</b>				
<i>Current:</i>				
Instruction	\$ 5,970,041	\$ 6,691,749	\$ 5,646,397	-15.6%
Public Service	53,463	55,676	56,703	1.8%
Academic Support	1,520,784	2,060,595	2,086,709	1.3%
Student Services	1,730,887	1,873,547	1,941,636	3.6%
Institutional Support	4,420,888	4,690,142	4,097,818	-12.6%
Facilities Operation & Maintenance	1,599,879	1,716,178	1,773,962	3.4%
Scholarships & Grants	168,919	156,000	152,900	-2.0%
Contingency	-	1,000,000	2,101,222	110.1%
<b>Total Expenditures</b>	<b>\$ 15,464,861</b>	<b>\$ 18,243,887</b>	<b>\$ 17,857,347</b>	<b>-2.1%</b>
<b>Expenditures by Object</b>				
<i>Current:</i>				
Personnel Services	\$ 11,716,148	\$ 12,044,962	\$ 11,207,565	-7.0%
Contractual Services	1,550,137	1,900,666	1,631,815	-14.1%
Supplies	589,670	1,247,775	888,665	-28.8%
Fixed Charges	703,048	790,865	860,295	8.8%
Utilities	560,180	576,680	590,535	2.4%
Travel	126,500	169,839	156,550	-7.8%
Scholarships	168,919	156,000	152,900	-2.0%
Miscellaneous/ Other	50,259	357,100	267,800	-25.0%
Contingency	-	1,000,000	2,101,222	110.1%
<b>Total Expenditures</b>	<b>\$ 15,464,861</b>	<b>\$ 18,243,887</b>	<b>\$ 17,857,347</b>	<b>-2.1%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ 657,520</b>	<b>\$ (1,193,980)</b>	<b>\$ (1,000,000)</b>	<b>-16.2%</b>
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>4,958,735</b>	<b>5,616,255</b>	<b>5,422,275</b>	<b>-3.5%</b>
<b>Ending Fund Balance June 30</b>	<b>5,616,255</b>	<b>4,422,275</b>	<b>4,422,275</b>	<b>0.0%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 657,520</b>	<b>\$ (1,193,980)</b>	<b>\$ (1,000,000)</b>	<b>-16.2%</b>

# Annual Financial Plan

## General Fund

Explanation of Changes for FY 15		
Revenues	FY 15 Budget	FY14 to FY15 Changes
Tuition and Fees	\$ 7,383,000	Financial Austerity Plan, see page 14, revenue items 1,2,3
State Appropriations	1,775,800	STEM aid moved to restricted
Property Taxes	7,243,260	
Grants & Contracts	328,200	TAAACCT grant indirects
Investment Income	120,000	Per trend analysis
Other Income	419,800	Financial Austerity Plan, see page 14, revenue 4, 5, 6, 7
<b>Total Revenues</b>	<b>\$17,270,060</b>	
<b>Other Financing Sources (uses)</b>		
Transfer Out	\$ (412,713)	
<b>Total Other Financing Sources (uses)</b>	<b>\$ (412,713)</b>	
<b>Total Revenues and Transfers</b>	<b>\$16,857,347</b>	
<b>Expenditures by Program</b>		
<b>Current:</b>		
Instruction	\$ 5,646,397	Financial Austerity Plan, see page 14-15, expense items 1, 3, 5, 6, 7, 8
Public Service	56,703	
Academic Support	2,086,709	
Student Services	1,941,636	Strategic Plan, see page 25, Goal 1, Obj 11, 13
Institutional Support	4,097,818	Financial Austerity Plan, see page 14-15, expense items 1, 7, 8
Facilities Operation & Maintenance	1,773,962	Financial Austerity Plan, see page 15, expense item 7
Scholarships & Grants	152,900	
Contingency	2,101,222	
<b>Total Expenditures</b>	<b>\$17,857,347</b>	
<b>Expenditures by Object</b>		
<b>Current:</b>		
Personnel Services	\$11,207,565	Financial Austerity Plan, see page 14-15, expense items 1, 3, 5, 6, 7, 8
Contractual Services	1,631,815	Financial Austerity Plan, see page 14, expense item 1
Supplies	888,665	STEM aid moved to restricted
Fixed Charges	860,295	Maint. agreements increase
Utilities	590,535	
Travel	156,550	Financial Austerity Plan, see page 14-15, expense items 1, 3, 5, 6, 7
Scholarships	152,900	
Miscellaneous/ Other	267,800	Equipment moved to supplies
Contingency	2,101,222	
<b>Total Expenditures</b>	<b>\$17,857,347</b>	
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (1,000,000)</b>	
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>5,422,275</b>	
<b>Ending Fund Balance June 30</b>	<b>4,422,275</b>	
<b>Net Change in Fund Balance</b>	<b>\$ (1,000,000)</b>	





# Annual Financial Plan

## Restricted Funds

Restricted Funds are funds regulated by the sponsoring agency. Some of the programs are listed below.

### **Adult Education (ADE)**

The State of Arizona provides Adult Education funding to CCC to serve County residents 16 years and older or who are not legally required to be in school and who do not have a high school diploma. The purpose of the services are to assist in job readiness by offering instruction in basic workplace development skills, provide General Education preparation classes, English language instruction, and citizenship preparation classes.

### **Carl Perkins Basic Grant**

The Carl Perkins Basic Grant provides funding to improve vocational educational programs and the assessment, retention, and completion of special population students in these programs. The grant provides students with career exploration and planning services, academic advising, referrals, and support to eligible students. This program is particularly advantageous for individuals who are academically and/or economically disadvantaged, are limited in English proficiency, have a disability, or are pursuing a non-traditional degree for their gender. The grant also funds learning assistance, assistive technology, faculty training, and technology upgrades district-wide.

### **Financial Aid**

Student financial aid consists of student grants (SEOG, LEAP, PELL), Federal Work Study (FWS), administrative overhead, scholarships funded by federal, state, and local governments, as well as other public and private sources. The financial aid department has developed procedures to verify eligibility and coordinate aid awards to ensure that any one recipient does not receive aid in excess of prescribed limits. It also follows guidelines for ensuring that federal programs are in compliance with regulations.

### **Small Business Development Center (SBDC) - terminated as of December 31, 2014**

SBDC provides confidential counseling and targeted training to the Coconino County business community.

### **Trade Adjustment Assistance Community College & Career Training (TAACCCT) Grant**

The U.S. Department of Labor Employment and Training Administration's TAACCCT grant helps expand and enhance the CCC2NAU program, an innovative 2+2 transition partnership program between CCC and NAU. The TAACCCT grant meets the workforce development needs of the region by equipping graduates with the education and skills to obtain high-wage, high-skills employment.

### **TRiO**

The TRiO Student Support Services program is funded by the US Department of Education. The program serves low-income, first-generation college students and/or students with documented disabilities. Services that are provided include tutoring and counseling for academic issues, career planning, financial aid, and personal issues.

### **Workforce Development (Prop 301)**

Workforce Development Proposition 301 is a voter-approved initiative that was passed in 2000. The State of Arizona imposes a 0.6% sales tax for a 20-year period. The use of these funds is restricted to workforce development programs and is used for nursing and construction technology management.



# Annual Financial Plan

## Restricted Funds

Three-Year Comparison For Years Ended June 30				
Revenues	FY 13 Actual	FY 14 Budget	FY 15 Budget	FY14 to FY15 % Change
Tuition and Fees	\$ 5,565	\$ 6,000	\$ 6,000	0.0%
State Appropriation STEM	-	-	426,900	0.0%
Federal Grants and Contracts*	6,145,827	6,212,501	7,468,122	20.2%
State Grants and Contracts	-	456,293	609,022	33.5%
Private Grants and Contracts	11,136	21,361	10,585	-50.4%
<b>Total Revenues</b>	<b>\$ 6,162,528</b>	<b>\$ 6,696,155</b>	<b>\$ 8,520,629</b>	<b>27.2%</b>
<b>Other Financing Sources (uses)</b>				
Transfer In	\$ 7,373	\$ 64,647	\$ 37,913	-41.4%
<b>Total Other Financing Sources (uses)</b>	<b>\$ 7,373</b>	<b>\$ 64,647</b>	<b>\$ 37,913</b>	<b>-41.4%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 6,169,901</b>	<b>\$ 6,760,802</b>	<b>\$ 8,558,542</b>	<b>26.6%</b>
<b>Expenditures by Program</b>				
<i>Current:</i>				
Instruction	\$ 1,050,263	\$ 1,161,981	\$ 1,305,395	12.3%
Public Service	224,322	169,063	85,903	-49.2%
Academic Support	28,208	445,757	1,245,243	179.4%
Student Services	326,704	560,842	748,208	33.4%
Scholarships & Grants	4,540,404	4,423,159	5,173,793	17.0%
<b>Total Expenditures</b>	<b>\$ 6,169,901</b>	<b>\$ 6,760,802</b>	<b>\$ 8,558,542</b>	<b>26.6%</b>
<b>Expenditures by Object</b>				
<i>Current:</i>				
Personnel Services	\$ 1,343,133	\$ 1,640,959	\$ 1,856,954	13.2%
Contractual Services	22,403	134,535	343,575	155.4%
Supplies	126,305	217,788	311,115	42.9%
Fixed Charges	1,400	24,856	15,130	-39.1%
Utilities	582	1,005	1,905	89.6%
Travel	49,816	65,125	95,347	46.4%
Capital Equipment	70,278	43,525	442,604	916.9%
Scholarships*	4,555,511	4,436,379	5,182,471	16.8%
Miscellaneous/Other	473	196,630	309,442	0.0%
<b>Total Expenditures</b>	<b>\$ 6,169,901</b>	<b>\$ 6,760,802</b>	<b>\$ 8,558,542</b>	<b>26.6%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>

\* FY13 actuals excludes \$3,942,643 in Direct Loans  
FY14 & 15 budget excludes \$4 mil in Direct Loans

# Annual Financial Plan

## Restricted Funds

Explanation of Changes for FY 15		
Revenues	FY 15 Budget	FY14 to FY15 Changes*
Tuition and Fees	\$ 6,000	
State Appropriation STEM	426,900	STEM aid moved into Restricted
Federal Grants and Contracts*	7,468,122	Funds from TAACCCT grant
State Grants and Contracts	609,022	Added an ADE grant
Private Grants and Contracts	10,585	Financial Austerity Plan, see page 15, expense item 2
<b>Total Revenues</b>	<b>\$ 8,520,629</b>	
<b>Other Financing Sources (uses)</b>		
Transfer In	37,913	Financial Austerity Plan, see page 15, expense item 2
<b>Total Other Financing Sources (uses)</b>	<b>\$ 37,913</b>	
<b>Total Revenues and Transfers</b>	<b>\$ 8,558,542</b>	
<b>Expenditures by Program</b>		
<b>Current:</b>		
Instruction	\$ 1,305,395	Strategic Plan, see page 25, Goal 1 Obj 6, 20
Public Service	85,903	Financial Austerity Plan, see page 15, expense item 2
Academic Support	1,245,243	Strategic Plan, see page 25, Goal 1 Obj 1, Goal 4
Student Services	748,208	Strategic Plan, see page 25, Goal 1 Obj 1, 11, 13
Scholarships & Grants	5,173,793	
<b>Total Expenditures</b>	<b>\$ 8,558,542</b>	
<b>Expenditures by Object</b>		
<b>Current:</b>		
Personnel Services	\$ 1,856,954	Financial Austerity Plan, see page 15, expense item 2
Contractual Services	343,575	
Supplies	311,115	
Fixed Charges	15,130	
Utilities	1,905	
Travel	95,347	
Capital Equipment	442,604	STEM aid moved into Restricted
Scholarships*	5,182,471	
Miscellaneous/Other	309,442	
<b>Total Expenditures</b>	<b>\$ 8,558,542</b>	
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ -</b>	

\* FY13 actuals excludes \$3,942,643 in Direct Loans

FY14 & 15 budget excludes \$4 mil in Direct Loans



# Annual Financial Plan

## Auxiliary Funds

The Auxiliary Enterprises Fund accounts for transactions of substantially self-supporting activities that provide services for the community, students, faculty, and staff. Auxiliary Fund revenues and expenditures are adjusted each year to ensure that expenditures equal revenues and the fund balance available.

### Early Childhood Education Contract

The educational rewards program is a state initiative in the Early Childhood Education (ECE) program. This program provides scholarships to ECE majors in an attempt to promote continued education and will be eliminated at the end of FY 15.

### Vending Services

Vending Services provide revenue sources at all campuses. The student vending account expenditures relate to student programs and clubs such as the Associated Student Body, Clay Club, Games Club, Indigenous Student Association, Kaleidoscope Club, Phi Theta Kappa, Socratics, Vintage Christians, and the Volunteer Club.

The employee vending account is used to promote the values of the College, including employee recognition activities, employee events, and promoting professional development and morale. At the end of the year, any remaining balance will remain in each fund to be used or carried forward into subsequent fiscal years.

### Equipment Rental

The Math department at all the Flagstaff and Page locations rents calculators to students. A nominal fee pays for the replacement of the calculators and batteries. This program promotes the use of technology in the classroom and provides an alternative for students who cannot afford to buy a calculator.

The English department at the Flagstaff campuses rents electronic dictionaries to students for use in English courses. A nominal fee pays for the replacement of these devices. Much like the calculator rental program, this program promotes technology in the classroom and allows students the flexibility of learning within their own homes.

# Annual Financial Plan



## Auxiliary Funds

Three-Year Comparison For Years Ended June 30				
Revenues	FY 13 Actual	FY 14 Budget	FY 15 Budget	FY14 to FY15 % Change
Private Grants and Contracts	\$ -	\$ -	\$ 7,000	0.0%
Sales & Services	30,427	28,200	22,400	-20.6%
<b>Total Revenues</b>	<b>\$ 30,427</b>	<b>\$ 28,200</b>	<b>\$ 29,400</b>	<b>4.3%</b>
<b>Other Financing Sources (uses)</b>				
Transfer In	\$ 12,000	\$ 12,000	\$ 12,000	0.0%
<b>Total Other Financing Sources (uses)</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>0.0%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 42,427</b>	<b>\$ 40,200</b>	<b>\$ 41,400</b>	<b>3.0%</b>
<b>Expenditures by Program</b>				
<i>Current:</i>				
Auxiliary Enterprises	\$ 47,934	\$ 40,200	\$ 41,400	3.0%
<b>Total Expenditures</b>	<b>\$ 47,934</b>	<b>\$ 40,200</b>	<b>\$ 41,400</b>	<b>3.0%</b>
<b>Expenditures by Object</b>				
<i>Current:</i>				
Personnel Services	\$ 1,185	\$ 3,250	\$ 3,248	-0.1%
Contractual Services	1,256	1,650	1,000	-39.4%
Supplies	42,208	30,600	31,350	2.5%
Fixed Charges	-	275	-	-100.0%
Utilities	15	50	50	0.0%
Travel	1,919	3,625	2,000	-44.8%
Scholarships	1,350	750	3,752	400.3%
<b>Total Expenditures</b>	<b>\$ 47,934</b>	<b>\$ 40,200</b>	<b>\$ 41,400</b>	<b>3.0%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (5,507)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>\$ 61,823</b>	<b>\$ 56,315</b>	<b>\$ 56,315</b>	<b>0.0%</b>
<b>Ending Fund Balance June 30</b>	<b>56,315</b>	<b>56,315</b>	<b>56,315</b>	<b>0.0%</b>
<b>Net Change in Fund Balance</b>	<b>\$ (5,507)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

# Annual Financial Plan

## Unexpended Plant Fund

The Unexpended Plant Fund consists of expenditures during the current year for capital assets. The budgeted expenses include facility improvements, improvements other than buildings, and equipment necessary for ongoing operations. Any capital items that improve or extend the life of the facilities and are over \$5,000 are capitalized and budgeted in the Plant Fund. The Plant Fund total expense is \$319,500 which is comprised of \$197,200 from preventative maintenance and the \$122,300 from institutional technology equipment and is explained below.

### FY15 Preventative Maintenance (Life Cycle Replacement)

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of items such as HVAC units, roofs, parking lots, and carpeting. For FY 15, prioritized projects included \$8,500 for HVAC, \$81,500 for Fourth Street roofing, and \$107,200 for parking lot chip seal, for a total of \$197,200. Operating impacts to the General Fund are estimated to be increased savings in utility costs due to greater efficiencies of the systems.

### Institutional Technology and Other Equipment

The College budgeted \$150,000 for institutional equipment replacement for FY 15, \$53,200 was budgeted in Plant Fund, \$48,000 for fire suppression, and \$5,200 for the freezer box. In addition, there is \$50,000 for the ceramic room remodel and \$19,100 in telescope funding that was in process from the prior year. The total institutional technology equipment budget for FY15 is \$122,300.

The table below combines FY 15 capital with the General Fund non-capital equipment.

Activity	Life Cycle Replacement		Equipment		Total
	Plant Fund Capital	General Fund Non-Capital	Plant Fund Capital	General Fund Non-Capital	
Fourth St. Campus - HVAC	\$ 8,500				\$ 8,500
Fourth St. Campus - Roofing over shop area	81,500				81,500
Lone Tree Campus - Carpeting		163,500			163,500
Lone Tree Campus - Ceramic Room Modification (Cont.)			50,000		50,000
Lone Tree Campus - Chair replacement				20,000	20,000
Lone Tree Campus - Fire Suppression - IT Computer Room			48,000		48,000
Lone Tree Campus - Freezer Box			5,200		5,200
Lone Tree Campus - Parking Lot Chip Seal	107,200				107,200
Lone Tree Campus - Parking Lot Striping		4,100			4,100
Lone Tree Campus - Reseal Glue Lam Beam		18,000			18,000
Lone Tree Campus - Telescope (Cont.)			19,100		19,100
District - Contingency				76,800	76,800
<b>Grand Total</b>	<b>\$ 197,200</b>	<b>\$ 185,600</b>	<b>\$ 122,300</b>	<b>\$ 96,800</b>	<b>\$ 601,900</b>

NOTE: A total of \$150,000 set aside for equipment \$53,200 in plant fund and \$96,800 general fund

# Annual Financial Plan



## Unexpended Plant Fund

Three-Year Comparison For Years Ended June 30				
Revenues	FY 13 Actual	FY 14 Budget	FY 15 Budget	FY14 to FY15 % Change
Tuition & Fees	\$ 193,185	\$ -	\$ -	0.0%
Grants & Contracts	1,000,000	-	19,100	0.0%
<b>Total Revenues</b>	<b>\$ 1,193,185</b>	<b>\$ -</b>	<b>\$ 19,100</b>	<b>0%</b>
<b>Other Financing Sources (uses)</b>				
Transfer In	\$ 466,398	\$ 340,400	\$ 362,800	6.6%
<b>Total Other Financing Sources (uses)</b>	<b>\$ 466,398</b>	<b>\$ 340,400</b>	<b>\$ 362,800</b>	<b>-6.6%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 1,659,583</b>	<b>\$ 340,400</b>	<b>\$ 381,900</b>	<b>12.2%</b>
<b>Expenditures by Program</b>				
<i>Current:</i>				
Instruction	\$ 9,998	\$ -	\$ -	0.0%
Academic Support	39,868	-	-	0.0%
Institutional Support	255,231	2,000	-	-100.0%
Facilities Operation & Maintenance	498,197	237,900	319,500	34.3%
<b>Total Expenditures</b>	<b>\$ 803,295</b>	<b>\$ 239,900</b>	<b>\$ 319,500</b>	<b>33.2%</b>
<b>Expenditures by Object</b>				
<i>Current:</i>				
Contractual Services	\$ 23,644	\$ -	\$ -	0.0%
Supplies	326,875	2,000	-	0.0%
Fixed Charges	36,713	-	-	0.0%
Improvements Other than Buildings	307,188	237,900	319,500	34.3%
Capital Equipment	108,876	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 803,295</b>	<b>\$ 239,900</b>	<b>\$ 319,500</b>	<b>33.2%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ 856,288</b>	<b>\$ 100,500</b>	<b>\$ 62,400</b>	<b>-37.9%</b>
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>\$ 8,278,909</b>	<b>\$ 9,135,198</b>	<b>\$ 9,235,698</b>	<b>1.1%</b>
<b>Ending Fund Balance June 30</b>	<b>9,135,198</b>	<b>9,235,698</b>	<b>9,298,098</b>	<b>0.7%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 856,288</b>	<b>\$ 100,500</b>	<b>\$ 62,400</b>	<b>-37.9%</b>





# Annual Financial Plan

## Retirement of Indebtedness Fund

Currently, the College has one long-term debt agreement in the form of General Obligation Refunding Bonds, Series 2009, that is accounted for in the Retirement of Indebtedness Fund.

### General Obligation Bonds (GOBs)

The GOBs were issued in January 1999 and are secured by the full faith and credit of the District through its power to tax. In order for bonds to be issued, voter authorization must be obtained. Debt service (payment of principal and interest) is to be paid from the proceeds of ad valorem taxes (i.e. secondary property taxes based upon the value of the property). Voters of Coconino County approved \$25 million in general obligation bond authority on November 4, 1997, to support the District's capital initiatives. The College issued General Obligation Refunding Bonds, Series 2009, at an estimated tax savings to taxpayers of nearly \$100,000 per year for 10 years (expiring in 2019).

### General Obligation Refunding Bonds

\$17,135,000, Series 2009

#### Debt Repayment Schedule - Flat Debt Tax Rate Structure

Fiscal Year June 30	The Bonds		Total Debt Service Requirement	Secondary Assessed Valuation	Derived Tax Rate per \$100 NAV	Outstanding Principal
	Principal	Interest (a)				
2009	\$ 235,000	\$ 154,890	\$ 2,018,014	2,057,478,154	\$ 0.0981	16,900,000
2010	1,365,000	570,150	1,935,150	2,155,851,009	0.0898	15,535,000
2011	1,420,000	542,850	1,962,850	2,083,915,983	0.0942	14,115,000
2012	1,485,000	510,900	1,995,900	1,840,142,610	0.1085	12,630,000
2013	1,545,000	430,536	1,885,536	1,759,610,595	0.1052	11,085,000
2014	1,620,000	395,708	1,953,208	1,533,065,282	0.1243	9,465,000
<b>2015</b>	<b>1,690,000</b>	<b>355,539</b>	<b>1,988,539</b>	<b>1,534,483,938</b>	<b>0.1268</b>	<b>7,775,000</b>
2016	1,785,000	299,726	2,027,726	1,606,708,462	0.1236	5,990,000
2017	1,885,000	240,047	2,068,047	1,622,775,547	0.1248	4,105,000
2018	1,985,000	180,559	2,108,559	1,639,003,302	0.1260	2,120,000
2019	2,120,000	95,577	2,158,577	1,655,393,335	0.1277	-
<b>Totals</b>	<b>\$ 17,135,000</b>	<b>\$ 3,776,482</b>	<b>\$ 22,102,106</b>		<b>\$ 0.0624 Avg.</b>	



# Annual Financial Plan



## Retirement of Indebtedness Fund

Three-Year Comparison For Years Ended June 30				
Revenues	FY 13 Actual	FY 14 Budget	FY 15 Budget	FY14 to FY15 % Change
Property Taxes	\$ 1,845,133	\$ 1,905,340	\$ 1,946,402	2.2%
Other Revenue	35,349	47,868	42,137	-12.0%
<b>Total Revenues</b>	<b>\$ 1,880,482</b>	<b>\$ 1,953,208</b>	<b>\$ 1,988,539</b>	<b>1.8%</b>
<b>Expenditures by Program</b>				
<i>Current:</i>				
Retirement of Indebtedness	\$ 1,975,536	\$ 2,015,708	\$ 2,045,539	1.5%
<b>Total Expenditures</b>	<b>\$ 1,975,536</b>	<b>\$ 2,015,708</b>	<b>\$ 2,045,539</b>	<b>1.5%</b>
<b>Expenditures by Object</b>				
<i>Current:</i>				
Retirement of Indebtedness	\$ 1,545,000	\$ 1,620,000	\$ 1,690,000	4.3%
Miscellaneous	430,536	395,708	355,539	-10.2%
<b>Total Expenditures</b>	<b>\$ 1,975,536</b>	<b>\$ 2,015,708</b>	<b>\$ 2,045,539</b>	<b>1.5%</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ (95,053)</b>	<b>\$ (62,500)</b>	<b>\$ (57,000)</b>	
<b>Beginning Fund Balance July 1 (designated for future spending )</b>	<b>\$ 524,737</b>	<b>\$ 429,684</b>	<b>\$ 367,184</b>	<b>-14.5%</b>
<b>Ending Fund Balance June 30</b>	<b>429,684</b>	<b>367,184</b>	<b>310,184</b>	<b>-15.5%</b>
<b>Net Change in Fund Balance</b>	<b>\$ (95,053)</b>	<b>\$ (62,500)</b>	<b>\$ (57,000)</b>	<b>-8.8%</b>

# Annual Financial Plan



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# Long-term Financial Sustainability

July 1, 2014 - June 30, 2015



## MISSION

As a learning-centered college, we enrich lives by embracing diversity and transforming the future through quality education.



# Long-term Financial Sustainability

## Long-Term Financial Sustainability

The College has a long-term structural deficit because of very low property tax rates as well as very low state aid. The College has developed long-term, high-level assumptions through FY 27 as follows:

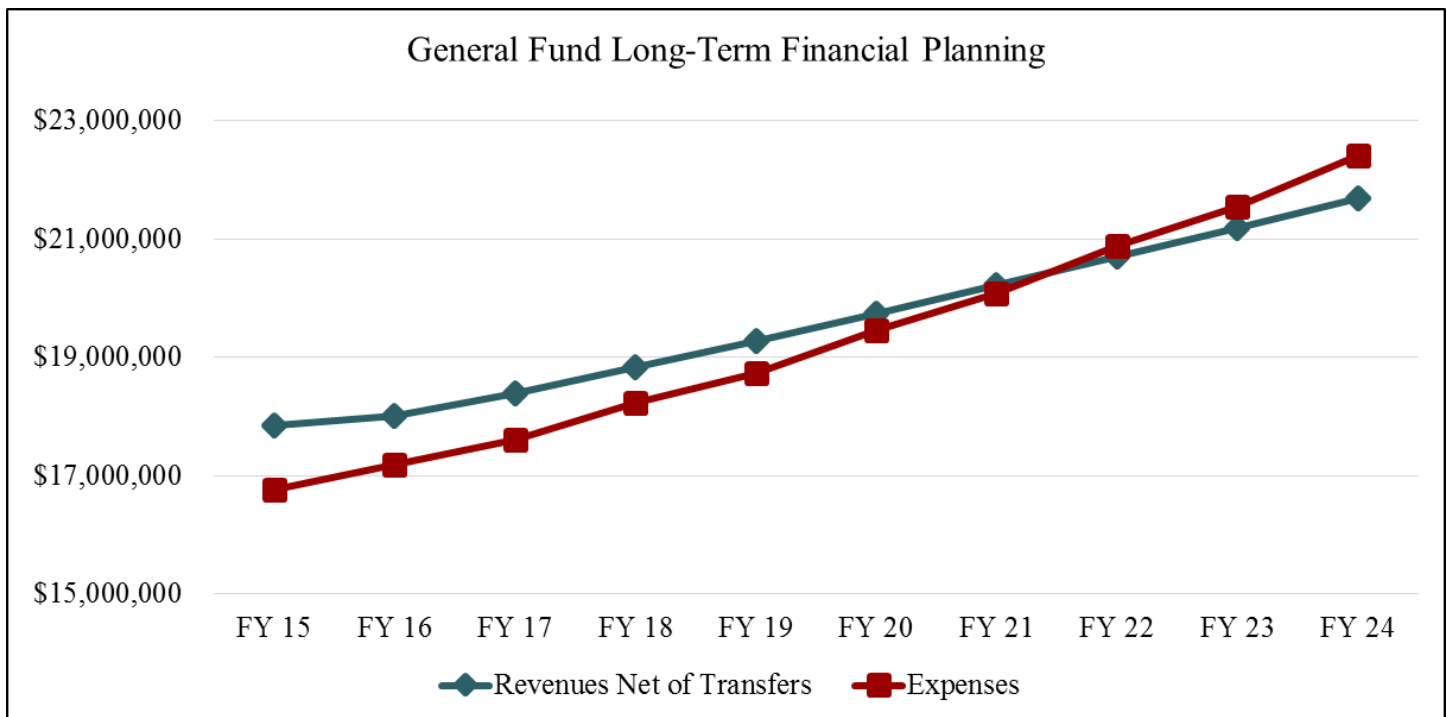
### Revenues - Average growth of 2.4%:

- **Enrollment**- growth of 1% per year based upon long-term county population growth trend
- **Tuition rates** - \$2 increase per year to standard rate based upon Board direction
- **State aid** - 0% growth
- **Property tax** - 2% levy increase plus 1% new construction growth based upon trend analysis

### Expenditures - Average growth of 3.4%:

- **Personnel cost** - average increases of 3.8% per year including increased part-time faculty associated with 1% enrolment growth and the planned increase of three advisors to improve student success
- **All other expense categories** - average increases of 2.5% per year including increased supplies associated with 1% enrollment growth per year

The chart below shows the General Fund revenues and expenses where the expenses exceed revenues in FY 22. The next strategic plan will need to address this structural deficit.



# Long-term Financial Sustainability



## Multi-Year Forecast - General Fund

Revenue Source	Actual FY 13	Adopted FY 14	Adopted FY 15	% Chg FY 14-15	Projected FY 16	Projected FY 17
Tuition & Fees	\$ 7,037,547	\$ 7,442,652	\$ 7,383,000	-0.8%	\$ 7,394,295	\$ 7,577,712
State Appropriations	1,847,900	2,080,300	1,775,800	-14.6%	1,777,700	1,779,100
Property Taxes	6,772,647	7,042,484	7,243,260	2.9%	7,450,150	7,663,540
Gifts/Grants/Contracts	257,417	305,991	328,200	7.3%	220,700	189,530
Investment Income	220,413	140,400	120,000	-14.5%	130,000	143,000
Other Income	472,227	455,127	419,800	-7.8%	424,160	428,940
<b>Sub-Total Revenues Gen'l Fund:</b>	<b>\$ 16,608,152</b>	<b>\$ 17,466,954</b>	<b>\$ 17,270,060</b>	<b>-1.1%</b>	<b>\$ 17,397,005</b>	<b>\$ 17,781,822</b>
Reserve Carry Forwards	-	1,000,000	1,000,000	0.0%	1,000,000	1,000,000
Net Transfers Out to Other Funds	(485,771)	(417,047)	(412,713)	-1.0%	(385,210)	(385,210)
<b>Total Revenues Gen'l Fund:</b>	<b>\$ 16,122,381</b>	<b>\$ 18,049,907</b>	<b>\$ 17,857,347</b>	<b>-1.1%</b>	<b>\$ 18,011,790</b>	<b>\$ 18,396,610</b>

Expenditures by Object	Actual FY 13	Adopted FY 14	Adopted FY 15	% Chg FY 14-15	Projected FY 16	Projected FY 17
Salaries	\$ 8,990,303	\$ 9,321,781	\$ 8,636,909	-7.3%	\$ 9,200,500	\$ 9,442,300
Benefits	2,725,845	2,723,181	2,570,656	-5.6%	2,738,400	2,810,400
<b>Operations:</b>						
Contracted Services	1,550,137	1,900,666	1,631,815	-14.1%	1,286,500	1,325,100
Supplies	589,670	1,247,775	888,665	-28.8%	901,050	922,200
Fixed Charges	703,048	790,865	860,295	8.8%	877,500	899,400
Utilities & Communications	560,180	576,680	590,535	2.4%	611,200	632,600
Travel	126,500	169,839	156,550	-7.8%	166,000	170,200
Misc/Scholarships/Other	219,179	513,100	420,700	-18.0%	409,300	410,600
<b>Sub-Total Expenditures Gen'l Fund:</b>	<b>\$ 15,464,861</b>	<b>\$ 17,243,887</b>	<b>\$ 15,756,125</b>	<b>-8.6%</b>	<b>\$ 16,190,450</b>	<b>\$ 16,612,800</b>
Contingency	-	1,000,000	2,101,222	110.1%	1,821,340	1,783,810
<b>Total Gen'l Fund Expenditures:</b>	<b>\$ 15,464,861</b>	<b>\$ 18,243,887</b>	<b>\$ 17,857,347</b>	<b>-2.1%</b>	<b>\$ 18,011,790</b>	<b>\$ 18,396,610</b>
<b>Transferred (from)/to Fund Balance</b>	<b>\$ 657,520</b>	<b>\$ (193,980)</b>	<b>\$ 0</b>		<b>\$ -</b>	<b>\$ -</b>

# Long-term Financial Sustainability



## Multi-Year Forecast - General Fund Revenue Assumptions for FY 15 to FY 17

Revenue Source FTSE	FY 15 2,100	FY 16 2,091	FY 17 2,106
<b>Tuition &amp; Fees</b>	\$2 tuition increase, Eliminate Tuition Plateau, Implement Differential Tuition Schedule, Convenience Fee, No Show Fee, Incr Parking fees	\$2 tuition increase, reduced convenience fee and No Show fee	\$2 tuition increase
<b>Enrollment</b>	1.5% increase in enrollment based upon Fall 13, reduction of 42 FTSE for academic program changes	1% increase in enrollment, reduce 30 FTSE for reduction in programs	1% increase in enrollment, reduction of 6 FTSE for reduction in programs
<b>State Appropriations</b>	Reduction \$64,500 due to formula	Increase \$7,000 due to formula	Reduction of \$4,700 due to formula
<b>State Appropriations - STEM</b>	\$426,900 in Governor's Budget	Adjustments per formula	Adjustments per formula
<b>Property Taxes</b>	2% allowed levy increase, 1% growth	2% allowed levy increase, 1% growth	2% allowed levy increase, 1% growth
<b>Gifts, Grants &amp; Contracts</b>	Indirect cost recovery from grants	Indirect cost recovery from grants	Indirect cost recovery from grants
<b>Investment Income</b>	Increase based upon current earnings	Increased based upon slow economic recovery projection	Increased based upon slow economic recovery projection
<b>Rental and Other Income</b>	Reduced Parking tickets based upon Actuals	No change	No change
	1.5 % inflation increase on rentals	2. % inflation increase on rentals	2.5 % inflation increase on rentals
	Reduced facility usage	No change	No change
<b>Carry Forward</b>	No change	No change	No change
<b>Net Transfers to Other Funds</b>	Reduce 1/2 mandatory SBDC match of \$27,500, \$38K increase deferred maintenance	Reduce 1/2 mandatory SBDC match or \$27,500	No change



# Long-term Financial Sustainability



## Multi-Year Forecast - General Fund Expense Assumptions for FY 15 to FY 17

Expenditures by Object FTSE	FY 15 2,100	FY 16 2,091	FY 17 2,106
<b>Staff Compensation</b>	1.5% CPI + .5% Merit	1.5% CPI + .5% merit	2. CPI + .5% merit
<b>FT Faculty Compensation</b>	FT Faculty 2% step	FT Faculty 2% step	FT Faculty 2% step +.5% added to schedule
<b>PT Faculty Compensation</b>	PT Faculty 2%	PT Faculty 2%	PT Faculty 2.5%
<b>FT Fac &amp; Staff Market Study</b>	.06% increase to keep employes whole	1% market (biannually)	no change
<b>PT Faculty FTE Change</b>	1% increase for inc enrollment	.5% Adjustment to PT faculty based upon enrollment	.5% Adjustment to PT faculty based upon enrollment
<b>FT Faculty FTE Change</b>	Reduction of 5 FT Faculty (2 vacant), reassign 3.7 FTE from Dept Chair to teaching (academic Reorg)	Reduction of 1 FT Faculty	No change
<b>Staffing FTE Change</b>	Reduction of 10 FT Staff (4 vacant), reduction of 1 Temp Special Projects FTE, + 2 Instructional Professionals (academic reorg), reduction of PT CCL Instructors	Add 1 CTO position; 2 IT position; 3 Advisor from TAACCCT grant ending	No change
<b>Benefits</b>	.06% ASRS rate increase	No change	No change
	No increase in medical, dental unknown at this time	No change	No change
<b>Contracted Services</b>	Reduce Community Education, keep \$50K marketing	Outsourced CWI contract ends	No change
	1.5% inflation increase, .5% enrollment increase	2.0% inflation increase, .5% adjustment for enrollment increase	2.5% inflation increase, .5% adjustment for enrollment increase
	Adjust dual Enrollment to actual	Small adjustment for enrollment and tuition changes	Small adjustment for enrollment and tuition changes
<b>Supplies</b>	STEM Equipment, Technology Fee, Equipment moved from Misc. +\$74K, 1.5% inflation increase, .5% enrollment incr, staff and programmatic reductions	2% inflation increase; small adjustments for added staff; .5% adjustment for enrollment increase	2.5% inflation increase, .5% adjustment for enrollment increase
<b>Fixed Charges</b>	1.5% inflation increase, .5% enrollment increase	2% inflation increase	2.5% inflation increase
<b>Utilities &amp; Communications</b>	3.5% increase	3.5% increase	3.5% increase
<b>Travel</b>	1.5% inflation increase, reduction in travel for eliminated positions	2% inflation increase, increase for added staff	2.5% inflation increase
<b>Scholarships</b>	Adjustments based upon enrollments and tuition rate; moved equipment money to supply line	Adjustments based upon enrollments and tuition rate	Adjustments based upon enrollments and tuition rate
<b>Contingency/Carry Forward</b>	No Change	No Change	No Change

# Long-term Financial Sustainability

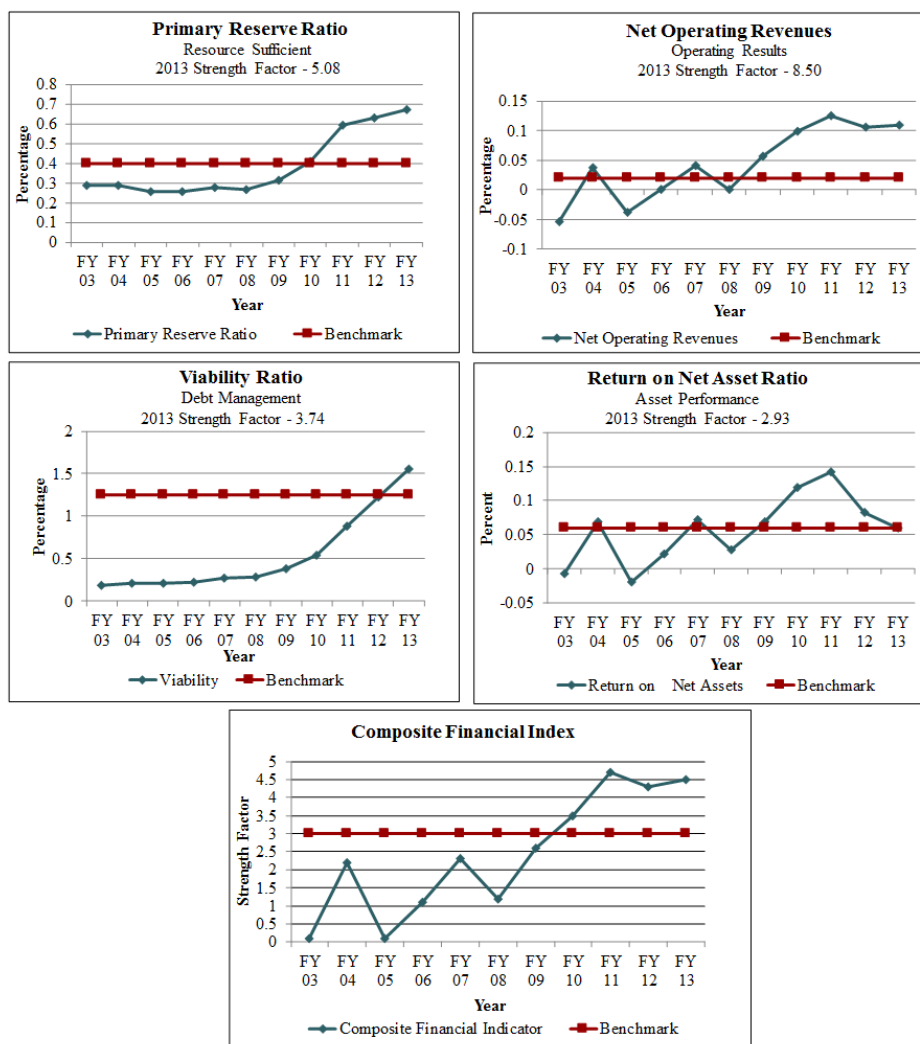


## Ratio Analysis

The College is required to submit financial ratios annually to the Higher Learning Commission (HLC), the College's accrediting body, to measure the College's financial health. The financial ratios are defined below:

- **Primary Reserve Ratio:** A measure of how long the institution could operate using expendable reserves
- **Net Operating Revenue Ratio:** A measure if operating activities provide a surplus or deficit
- **Viability:** The availability of expendable net assets to pay off debt at any point in time
- **Return on Net Assets:** Determines the total return on investment of net assets for the year
- **Composite:** Weighted average score to determine overall financial health

The College's financial ratios have been improving since 2005 through strong financial management, including proactively implementing the financial sustainability plan during the recession. The composite score, which must be above 1.1 to avoid a potential HLC review, is 4.5, which means that the College is relatively healthy financially.



Strength Factors:

1. Institution is under financial stress
3. Institution is relatively financially healthy
10. Institution is financially strong to support new initiatives

# Long-term Financial Sustainability



## Risk Analysis

Assessment of the College's largest areas of risk were prioritized into three areas - personnel, technology, and scope, in addition to other property and liability risk covered through insurance.

### **Retention of Personnel**

Nationally, salaries and benefits are 75% of the General Fund expenses for community colleges and, therefore, the largest area of the budget. Compounding this risk is the high cost of living in Flagstaff that is 13% above national averages, driven primarily by the high cost of housing. Larger employers in the area compete heavily for the very limited workforce, driving up salaries and benefits in order to attract and retain staff. Finally, medical and pension costs continue to rise because of increasing health care costs and the impact of the 'great recession' on pension funds.

To mitigate the risk of lower employee retention, the College has a strategic planning objective to strengthen the College's employee retention plan.

### **High Cost of Technology**

Students expect a high level of technology in classrooms and labs as well as easy to use applications for navigating college processes. The cost of hardware and software is expensive, as is the annual maintenance costs for the technology. In addition, expensive specialized consultants are needed, to keep current with changes and to implement new technology. Finally, there is a high cost associated with keeping technical staff constantly trained and current with new technologies.

To mitigate the risk of high cost technology, the College has prioritized funding to maintain current technology. One entire strategic planning goal focuses solely on technology.

### **Too Broad of Scope**

Following cuts in state aid, the College has continued to try to be all things to all people and has too many strategic planning initiatives. The College needs to prioritize and focus its efforts on doing fewer things and doing them well. This has been compounded by the loss of 40 FTE since 2009 because of budget cuts, leaving fewer people that are pulled in far too many different directions. Making matters worse, there are increased federal and state regulations and unfunded mandates. For example, grants bring much needed revenue, but have heavy compliance requirements and take up large amounts of staff time.

To mitigate the risk of too broad a scope, the College is currently working on the next strategic plan and will initiate increased prioritization efforts in order to better focus the faculty and staff on the highest priorities.

# Long-term Financial Sustainability



## Other Risks

The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The College carries commercial insurance for all such risks of loss, including workers' compensation, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The College provides life, accidental death and dismemberment, disability, medical, and dental insurance benefits to its employees and their dependents through a pooled trust, the Northern Arizona Public Employees Benefit Trust (NAPEBT), currently composed of the City of Flagstaff, Coconino County, Flagstaff Unified School District, Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA), and the College. NAPEBT is self-funded through an agreement with the participating members and NAPEBT administers the plan. The members' employee and employer contributions are paid to fund benefits and administrative expenses. If the College withdraws from NAPEBT, it is responsible for its proportionate share of any claims run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If NAPEBT were to terminate, the College would be responsible for its proportional share of any trust deficit.

### Arizona State Retirement System

Plan description - The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which the Arizona State Retirement System administers. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. State statute establishes benefits. The Arizona State Retirement System Board governs the system according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

### Postemployment Health Care Benefits

The District follows Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 45), for certain postemployment health care benefits provided by the Northern Arizona Public Employee Benefit Trust (NAPEBT). Under the requirements of GASB Statement No. 45, the actuarially determined liability of \$661,332 as of July 1, 2014, is being amortized over 30 years at a level dollar amount.

# Long-term Financial Sustainability



## Long-Term Capital Outlook

### Facilities Preventative Maintenance/Life Cycle Replacement

The facilities five-year capital replacement schedule is shown below. This information is taken from the longer twenty-year facilities planned maintenance schedule.

The College allocates funds for preventative maintenance projects and life cycle replacement annually, based upon a cost per square foot indexed by the CPI. The College has preventative maintenance schedules for twenty years that include major maintenance and replacement of items such as HVAC units, roofs, parking lots, and carpeting. The Executive Director of Facilities assesses the condition of the facilities and adjusts the schedules annually or, as needed, to ensure the facilities are maintained and the life and safety of the students and staff are protected. Allocated funds not used in any one year are rolled over and reserved for future planned maintenance projects. This process allows the College to set funds aside annually for larger projects.

The College has been able to maintain this system of setting aside funds annually for preventative maintenance projects even during the state budget cuts and plans to continue to use this method in the future.

The chart below depicts current budget year plus five years of the twenty-year maintenance schedule:

Resources	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Fourth Street Allocation	\$ 117,600	\$ 119,900	\$ 122,900	\$ 126,600	\$ 130,400	\$ 134,300
Page Allocation	48,000	48,900	50,200	51,700	53,200	54,800
Lone Tree Allocation	303,100	309,200	316,900	326,400	336,200	346,300
<b>Total Allocation</b>	<b>\$ 468,700</b>	<b>\$ 478,000</b>	<b>\$ 490,000</b>	<b>\$ 504,700</b>	<b>\$ 519,800</b>	<b>\$ 535,400</b>
<b>Fourth Street</b>						
Parking lot maintenance	-	-	-	-	76,120	-
Lighting	-	-	8,200	-	-	-
Landscaping	-	6,400	-	-	-	-
Doors windows	-	-	5,125	-	-	-
Furniture Replacement	2,000	2,000	2,050	2,112	2,175	2,240
Misc./ Contingency	-	-	-	-	5,000	-
<b>Page</b>						
Roofing	-	128,008	-	-	-	-
Lighting up grades	-	5,770	-	-	-	-
Carpeting	55,665	-	-	-	-	-
Tile Floor	14,000	-	-	-	-	-
Painting	20,000	-	-	-	-	-
Doors/windows	-	-	8,200	-	-	-
Fire panel	-	-	10,250	-	-	-
Furniture Replacement	1,000	1,000	1,025	1,056	1,087	1,120
Misc./ Contingency	-	6,000	-	-	-	-
<b>Lone Tree</b>						
Parking lot maintenance	115,000	-	-	-	-	-
Lighting up grades	-	-	-	-	26,098	-
Landscaping	-	8,000	-	-	-	-
Carpeting	200,000	-	-	-	-	-
Tile Floor	-	19,201	-	-	-	-
Painting	-	-	-	-	17,399	-
Doors/windows	-	-	41,000	-	-	-
Furniture Replacement	7,000	7,000	7,175	7,390	7,612	7,840
Deli Equipment	-	-	5,000	-	-	-
Misc./ Contingency	-	-	-	-	25,000	-
<b>Total Capital Replacement</b>	<b>\$ 414,665</b>	<b>\$ 183,379</b>	<b>\$ 88,025</b>	<b>\$ 10,558</b>	<b>\$ 160,491</b>	<b>\$ 11,200</b>

# Long-term Financial Sustainability



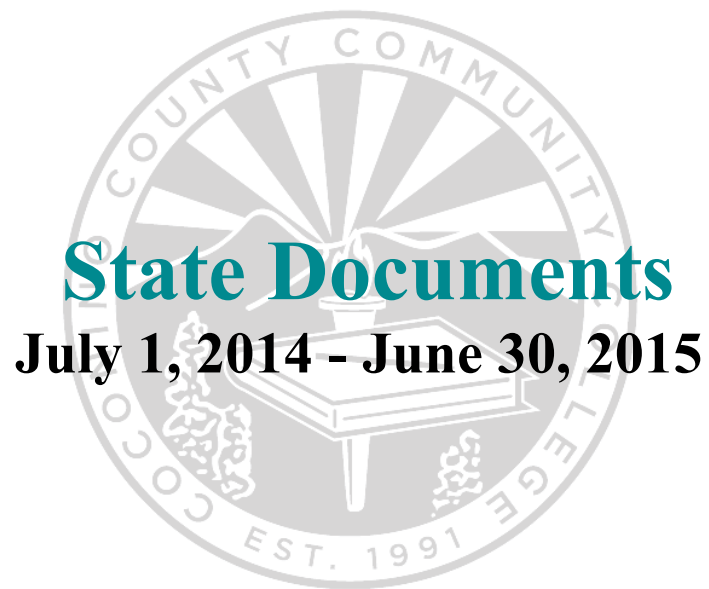
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## MISSION

As a learning-centered college, we enrich lives by embracing diversity and transforming the future through quality education.







# State Documents

**July 1, 2014 - June 30, 2015**

## CORE VALUES

People • Learning & Growth • Quality • Ethics  
Community • Respect • Sustainability





# State Documents

## State Requirements

The College must follow a number of state laws in the development of the budget, as follows:

### **Budget**

The College is required to prepare an annual budget on forms designated by the Auditor General's Office, hold a Special Budget Hearing, and adopt the budget by no later than June 20<sup>th</sup>. [ARS § 15-1461]

### **Expenditure Limitations**

Each year, an expenditure limitation is set for political subdivisions of the State of Arizona in accordance with ARS § 41-563. The expenditure limitation is based upon FY 1979/80 and adjusted for changes in the population and cost of living between 1978 and 2012. The purpose of the expenditure limitation is to limit budget growth that is supported by property taxes and/or state aid.

### **Property Tax Levy limitations**

In 1980, the citizens amended the Arizona State Constitution and capped primary property taxes increases from existing property to 2% per year. The purpose was to limit tax increases to small amounts.

### **Truth-in-Taxation**

In a 1996 legislative session, a Truth-in-Taxation statute was passed requiring political subdivisions to publish notice of and to hold public hearings on proposed tax increases on existing property.

### **Debt**

Any debt increase by local government that is paid exclusively through the secondary property tax must be approved by voters.



# State Documents

## COCONINO COUNTY COMMUNITY COLLEGE DISTRICT COCONINO COMMUNITY COLLEGE BUDGET FOR FISCAL YEAR 2015 SUMMARY OF BUDGET DATA

			Increase/Decrease From Budget 2014 To Budget 2015	
	Budget 2015	Budget 2014	Amount	%
I. CURRENT GENERAL AND PLANT FUNDS				
A. Expenditures:				
Current General Fund	\$ 17,857,347	\$ 18,243,887	\$ (386,540)	-2.1%
Unexpended Plant Fund	319,500	239,900	79,600	33.2%
Retirement of Indebtedness Plant Fund	2,045,539	2,015,708	29,831	1.5%
TOTAL	\$ 20,222,386	\$ 20,499,495	\$ (277,109)	-1.4%
B. Expenditures Per Full-Time Student Equivalent (FTSE):				
Current General Fund	\$ 8,503 /FTSE	\$ 8,688 /FTSE	\$ (184) /FTSE	-2.1%
Unexpended Plant Fund	\$ 152 /FTSE	\$ 114 /FTSE	\$ 38 /FTSE	33.2%
Projected FTSE Count	2,100	2,100		
II. TOTAL ALL FUNDS ESTIMATED PERSONNEL COMPENSATION				
Employee Salaries and Hourly Costs	\$ 10,094,449	\$ 10,596,856	\$ (502,407)	-4.7%
Retirement Costs	827,213	869,301	(42,088)	-4.8%
Healthcare Costs	658,164	799,369	(141,205)	-17.7%
Other Benefit Costs	1,487,941	1,423,650	64,291	4.5%
TOTAL	\$ 13,067,767	\$ 13,689,176	\$ (621,409)	-4.5%
III. SUMMARY OF PRIMARY AND SECONDARY PROPERTY TAX LEVIES AND RATES				
A. Amount Levied:				
Primary Tax Levy	\$ 7,243,259	\$ 7,042,484	\$ 200,775	2.9%
Secondary Tax Levy	1,946,402	1,905,340	41,062	2.2%
TOTAL LEVY	\$ 9,189,661	\$ 8,947,824	\$ 241,837	2.7%
B. Rates Per \$100 Net Assessed Valuation:				
Primary Tax Rate	0.4788	0.4636	0.0152	3.3%
Secondary Tax Rate	0.1268	0.1243	0.0025	2.0%
TOTAL RATE	0.6056	0.5879	0.0177	3.0%
IV. MAXIMUM ALLOWABLE PRIMARY PROPERTY TAX LEVY FOR FISCAL YEAR 2015 PURSUANT TO			\$ 7,243,259	
V. AMOUNT RECEIVED FROM PRIMARY PROPERTY TAXES IN FISCAL YEAR 2014 IN EXCESS OF THE MAXIMUM ALLOWABLE AMOUNT AS CALCULATED PURSUANT TO A.R.S. §42-17051			\$	

# State Documents

## COCONINO COUNTY COMMUNITY COLLEGE DISTRICT COCONINO COMMUNITY COLLEGE BUDGET FOR FISCAL YEAR 2015 RESOURCES

	CURRENT FUNDS			PLANT FUNDS		Other Funds	Total All Funds	Total All Funds	% Increase/Decrease
	General Fund 2015	Restricted Fund 2015	Auxiliary Fund 2015	Unexpended Plant Fund 2015	Retirement of Indebtedness 2015	2015	2015	2014	
<b>BEGINNING BALANCES-July 1*</b>									
Restricted	\$	\$	\$	\$	\$ 320,232	\$	\$ 320,232	\$ 434,737	-26.3%
Unrestricted	4,422,275		56,315	9,235,697			13,714,287	12,125,902	13.1%
Total Beginning Balances	\$ 4,422,275	\$	\$ 56,315	\$ 9,235,697	\$ 320,232	\$	\$ 14,034,519	\$ 12,560,639	11.7%
<b>REVENUES AND OTHER INFLOWS</b>									
Student Tuition and Fees									
General Tuition	\$ 5,614,200	\$ 6,000	\$	\$	\$	\$	\$ 5,620,200	\$ 5,121,500	9.7%
Out-of-District Tuition	175,000						175,000	175,000	
Out-of-State Tuition	856,400						856,400	654,200	30.9%
Student Fees	685,400						685,400	1,439,952	-52.4%
Tuition and Fee Remissions or Waivers	52,000						52,000	58,000	-10.3%
State Appropriations									
Maintenance Support	1,775,800						1,775,800	1,840,400	-3.5%
Equalization Aid									
Capital Support		426,900					426,900	239,900	77.9%
Property Taxes									
Primary Tax Levy	7,243,260						7,243,260	7,042,484	2.9%
Secondary Tax Levy					1,946,402		1,946,402	1,905,340	2.2%
Gifts, Grants, and Contracts	328,200	7,696,620	7,000	19,100			8,050,920	6,617,699	21.7%
Sales and Services			22,400				22,400	28,200	-20.6%
Investment Income	120,000						120,000	140,400	-14.5%
State Shared Sales Tax		391,109					391,109	378,447	3.3%
Other Revenues	419,800				42,137		461,937	502,995	-8.2%
Proceeds from Sale of Bonds									
Total Revenues and Other Inflows	\$ 17,270,060	\$ 8,520,629	\$ 29,400	\$ 19,100	\$ 1,988,539	\$	\$ 27,827,728	\$ 26,144,517	6.4%
<b>TRANSFERS</b>									
Transfers In		37,913	12,000	362,800			412,713	417,047	-1.0%
(Transfers Out)	(412,713)						(412,713)	(417,047)	-1.0%
Total Transfers	(412,713)	37,913	12,000	362,800					
Less									
Stabilization	(3,422,275)			(5,760,875)			(9,183,150)	(2,718,310)	237.8%
Future expenditures			(56,315)	(3,537,222)			(3,593,537)	(8,314,112)	-56.8%
Restricted					(263,232)		(263,232)	(372,237)	-29.3%
Total Resources Available for the Budget Year	\$ 17,857,347	\$ 8,558,542	\$ 41,400	\$ 319,500	\$ 2,045,539	\$	\$ 28,822,328	\$ 27,300,497	5.6%

\*These amounts exclude amounts not in spendable form (i.e., prepaids, inventories, and capital assets) or amounts legally or contractually required to be maintained intact.



# State Documents

**COCONINO COUNTY COMMUNITY COLLEGE DISTRICT  
COCONINO COMMUNITY COLLEGE  
BUDGET FOR FISCAL YEAR 2015  
EXPENDITURES AND OTHER OUTFLOWS**

**TOTAL RESOURCES AVAILABLE FOR  
THE BUDGET YEAR (from Schedule B)**

**EXPENDITURES AND OTHER OUTFLOWS**

	CURRENT FUNDS			PLANT FUNDS					
	General Fund 2015	Restricted Fund 2015	Auxiliary Fund 2015	Unexpended Plant Fund 2015	Retirement of Indebtedness 2015	Other Funds 2015	Total All Funds 2015	Total All Funds 2014	% Increase/ Decrease
TOTAL RESOURCES AVAILABLE FOR THE BUDGET YEAR (from Schedule B)	\$ 17,857,347	\$ 8,558,542	\$ 41,400	\$ 319,500	\$ 2,045,539	\$	\$ 28,822,328	\$ 27,300,497	5.6%
EXPENDITURES AND OTHER OUTFLOWS									
Instruction	\$ 5,646,397	\$ 1,305,395	\$	\$	\$	\$	\$ 6,951,792	\$ 7,853,730	-11.5%
Public Service	56,703	85,903					142,606	224,739	-36.5%
Academic Support	2,086,709	1,245,243					3,331,952	2,506,352	32.9%
Student Services	1,941,636	748,208					2,689,844	2,434,389	10.5%
Institutional Support (Administration)	4,097,818						4,097,818	4,692,142	-12.7%
Operation and Maintenance of Plant	1,773,962			319,500			2,093,462	1,954,078	7.1%
Scholarships	152,900	5,173,793					5,326,693	4,579,159	16.3%
Auxiliary Enterprises			41,400				41,400	40,200	3.0%
Capital Assets									
Debt Service-General Obligation Bonds					2,045,539		2,045,539	2,015,708	1.5%
Debt Service-Other Long Term Debt									
Other Expenditures									
Contingency	2,101,222						2,101,222	1,000,000	110.1%
Total Expenditures and Other Outflows	\$ 17,857,347	\$ 8,558,542	\$ 41,400	\$ 319,500	\$ 2,045,539	\$	\$ 28,822,328	\$ 27,300,497	5.6%

## 2014 Levy Limit Worksheet

Date: 2/10/2014

### COCONINO COMMUNITY COLLEGE

2014 New Construction = \$12,653,745

#### MAXIMUM LEVY

2013

A.1. Maximum Allowable Primary Tax Levy	\$7,042,484
A.2. A.1 multiplied by 1.02	\$7,183,334

#### CURRENT YEAR NET ASSESSED VALUE

#### SUBJECT TO TAXATION IN PRIOR YEAR

2014

B.1. Centrally Assessed	\$219,652,405
B.2. Locally Assessed Real Property	\$1,231,789,636
B.3. Locally Assessed Personal Property	\$48,698,478
B.4. Total Assessed Value (B.1 through B.3)	\$1,500,140,519
B.5. B.4. divided by 100	\$15,001,405

#### CURRENT YEAR NET ASSESSED VALUES

2014

C.1. Centrally Assessed	\$224,791,225
C.2. Locally Assessed Real Property	\$1,238,627,517
C.3. Locally Assessed Personal Property	\$49,375,522
C.4. Total Assessed Value (C.1 through C.3)	\$1,512,794,264
C.5. C.4. divided by 100	\$15,127,943

#### LEVY LIMIT CALCULATION

2014

D.1. LINE A.2	\$7,183,334
D.2. LINE B.5	\$15,001,405
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	0.4788
D.4. LINE C.5	\$15,127,943
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	\$7,243,259
D.6. Excess Collections/Excess Levy	
D.7. Amount in Excess of Expenditure Limit	
D.8. ALLOWABLE LEVY LIMIT (D.5 - D.6 - D.7)	\$7,243,259

Note: 2014 Levy Limit worksheet for Fiscal Year 2015