



ADOPTED BUDGET 2019 FISCAL YEAR
July 1st, 2018 through June 30th, 2019

Coconino County, Arizona | www.coconino.edu

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The seal of Coconino 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 "COCONINO COMMUNITY COLLEGE" are written in a circular path around the central elements. At the bottom of the seal, it says "EST. 1991".

COCONINO COMMUNITY COLLEGE PROFILE

July 1, 2018 - June 30, 2019





Coconino Community College Profile

Background information

The College has served residents across 18,000 square miles of Coconino County since 1991 and has 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 5,461 annually (unduplicated 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, 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 39.1 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 32.3 percent of the land, the state of Arizona owns 9.4 percent, the National Park Service controls 6.9 percent, and the remaining 12.3 percent is owned by individuals or corporations.

Local Economy

A large share of the County's labor force is weighted towards government, trade, and service employment. Relative to the rest of the state, the workforce employed by government is high at nearly 30%. 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 County unemployment rate as of April 2018 (4.8%) is above both the state unemployment (4.4%) and above national levels (3.9%).

Educational Programs

The College provides affordable tuition and a variety of certificates and degrees, including career/technical programs, with nearly 50 certificate programs and two-year associate degrees in various fields. Those fields include nursing, fire science, law enforcement, and business. Additionally, CCC has programs that ease student transition to any of the three state universities. CCC offers dual enrollment and concurrent enrollment programs to jump-start high schools students' higher education goals.

CCC reaches out to the more rural portions of the County including Williams, the Grand Canyon/Tusayan, Page/Lake Powell, Fredonia, Tuba City and other remote areas on the Navajo, Hopi, and Supai Tribal Lands. Instructional sites offer classes through online, in-person and distance learning classes to meet the needs of students in these rural and remote areas.



Coconino Community College Profile

Student Population

The College serves a diverse population of students each year. Most are Coconino County residents: 19 percent are Native American, 18 percent are Hispanic, 56 percent are female, 70 percent are seeking a degree or certificate, and 6 percent are high school students earning college credit through dual enrollment high school programs.

Community Engagement

CCC is committed to 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.

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 Innovation 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 A. Garcia, Chair, District 2

Dr. Marie Peoples, Member, District 3

Mr. Patrick Hurley, Member, District 4

Mr. Lloyd Hammonds, Vice Chair/Secretary, District 5

Senior Administration

Dr. Colleen Smith, President

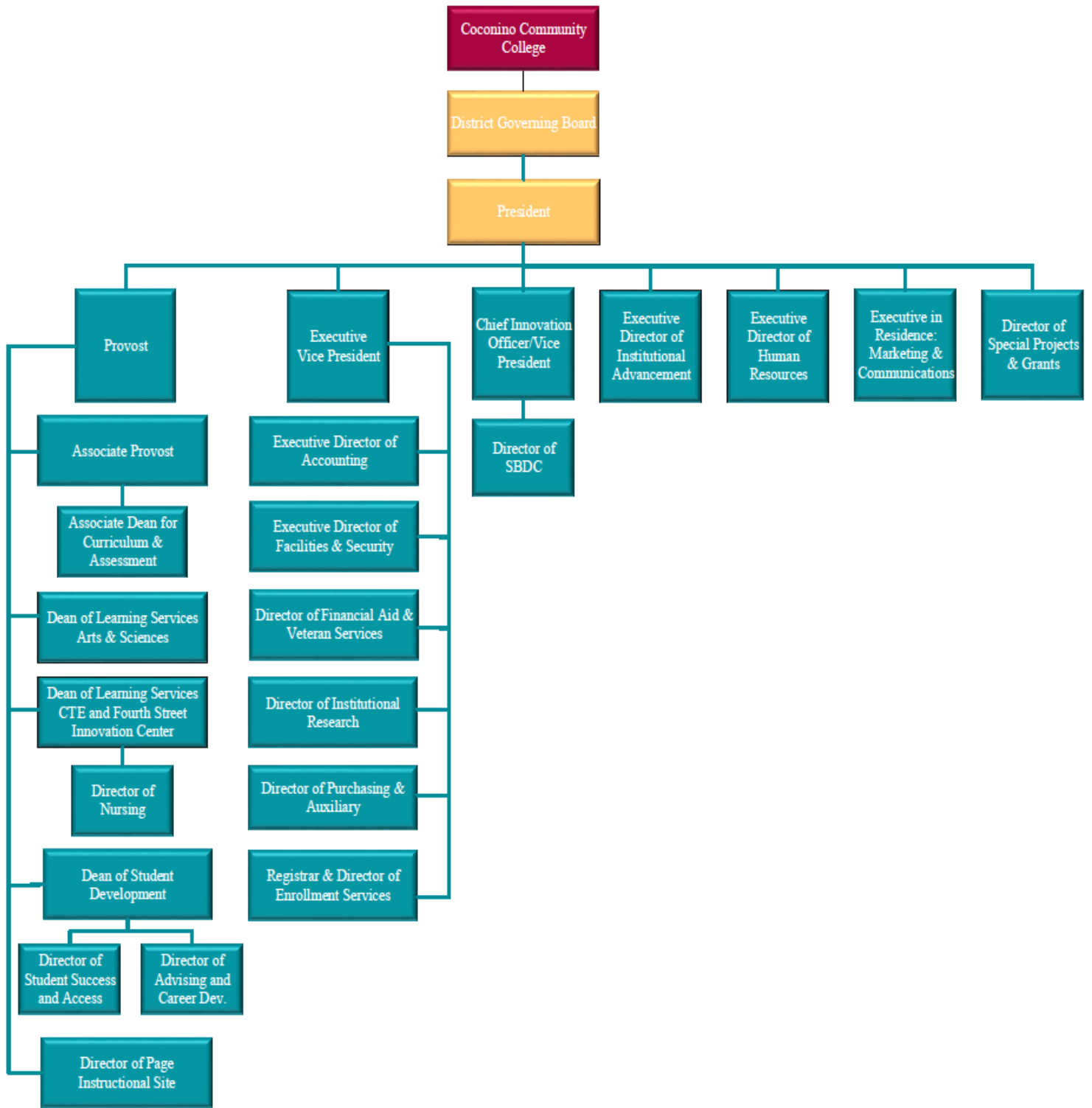
Ms. Jami Van Ess, Executive Vice President

Dr. J. Nathaniel Southerland, Provost

Coconino Community College Profile



Administrative 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 Coconino County Community College is a circular emblem. It features a central mountain range with a sunburst rising behind it. The words "COCONINO COUNTY COMMUNITY COLLEGE" are written around the perimeter, and "EST. 1991" is at the bottom.

Challenges and Solutions

July 1, 2018 - June 30, 2019

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

As CCC Administration began planning the FY19 budget, a number of challenges, opportunities, and solutions were identified that were factored into the budget planning cycle. Some of the challenges the College has faced and will continue to face are addressed throughout this section in more detail, along with the solutions that are being implemented to address those challenges. The sections below will give a high-level overview of some of the challenges that were considered in the budget development process, some important initiatives that helped guide budget allocations for FY19, and other solutions that were important to resource allocation decisions.

Cost of Attendance

Although CCC tuition rates are lower than national averages for community colleges, CCC has the highest baseline tuition rate of all Arizona community colleges. In addition to baseline tuition, some courses have increased costs associated with their delivery. These costs are recovered through a differential tuition structure, where tiered rates are charged depending on the cost of the program. CCC uses a differential tuition structure instead of a course fee model. In order to ensure the rates charged to students match the direct benefit they are receiving, a comprehensive review of the differential tuition structure was completed during the FY19 budget development process. This led to the adoption of reduced differential tuition rates across many subjects and courses, saving students approximately \$30,000 per year in additional charges.

Student Experience

The College was awarded a Foundation for Student Success grant to improve the organizational culture, leading to improved student outcomes. CCC is excited to continue improving the student experience by implementing positive changes and learning how other schools encourage student success through a “students first” culture. CCC has begun implementation of a customized plan aimed at providing a “Stellar Student Experience.”

Diversity

Diversity in hiring, student recruitment, and student retention is a College priority. CCC has recently formed a diversity committee to bring a renewed focus to diversity efforts across the College, broaden our student diversity education efforts, and provide critical thinking opportunities for students to contemplate diversity issues in the college environment. In addition, CCC received a Southern Nevada Northern Arizona Louis Stokes Alliances for Minority Participation (SNNA-LSAMP) grant. The SNNA-LSAMP grant is a collaboration between the University of Las Vegas and Northern Arizona University (NAU) that will strengthen science, technology, engineering, and math (STEM) enrollment for underrepresented minority student cohorts.

High School Transitions

Creating a strong pipeline for students transitioning from high school to CCC is a College priority. Major changes have been implemented in how CCC works with school districts on Dual Enrollment programs, including changes to instructor payments and reduced cost of enrollment for most students. This led to significant increases in dual enrollment students during FY18, and in FY19 dual enrollment programs will be further expanded to include two area charter schools.

Strategic Enrollment Management

As the College plans for the future and meeting long-term community needs, an important part of the conversation is College enrollment. CCC has formed a Strategic Enrollment Management (SEM) committee that focuses on targeted recruitment and smart investment of recruitment funds, retention initiatives, and completion efforts. The SEM group closely monitors and reports on enrollment trends and uses data for more informed decision making.



Challenges and Solutions

Introduction to Challenges and Solutions (continued)

Minimum Wage

Arizona voters approved an increased state-wide minimum wage and at the same time the City of Flagstaff voters approved a higher City minimum wage. The result of these actions is an increase of almost \$8 per hour to the minimum wage to \$15.50 per hour by January 2022.

Compensation and Cost of Living

The College is located in Coconino County, where the cost of living is 23.1% higher than the state average. Conversely, the median wage is 14% below the Arizona median, which leads to the highest wage/cost of living gap in the state. This poses challenges for attracting and retaining qualified staff, and makes benchmark salary data less comparable to the rest of the state for similar positions. CCC continues to work on providing competitive compensation and benefits packages for employees. One way the College addresses this challenge is through biennial market studies and resulting adjustments.

Benefit Costs

CCC participates in the Northern Arizona Public Employer Benefits Trust. This collaboration between the City of Flagstaff, Coconino County, Flagstaff Unified School District, Coconino County Regional Accommodation School, and the Northern Arizona Intergovernmental Transit Authority has led to cost containment in health insurance rate increases. The result was several years of rate freezes or lower than the national average premium increases. However, FY19 premiums increased 9.50% for both employer and employee costs and this higher premium increase trend is expected to continue for the next few years.

Budget Transparency

The FY18 budget development process included a pilot initiative to increase budget transparency. This pilot was successful, and feedback on how to make additional improvements to the budget development process was incorporated into FY19 budget planning. The new budget development process seeks to gain input from stakeholders across the College, and provides mechanisms under which faculty and staff can bring their ideas forward for discussion and consideration. Open budget hearings allow any interested party to listen to new requests, ask questions on new budget requests and continuing resource allocation, and broaden their knowledge of College operations. The result has been positive, and as additional suggestions on improvement are developed the process will be modified for continuous improvement.

Significant Challenges

The initiatives discussed above were part of the context in which the FY19 budget was developed. Larger, and more systematic challenges will be presented throughout this section. Included in those challenges are:

- Long-term financial stability
- Meeting community educational needs
- Key performance indicators

The solutions CCC is implementing to address those challenges will also be discussed, including:

- Financial planning
- Tax continuation
- Strategic Resource Allocation

Strategic Plan

Another important piece to resource allocation are the goals and objectives from the College strategic plan. The development and completion of strategic plans has been important to CCC's development. More specific information on the current strategic plan, how it was developed, and the framework for improvement it has created will be presented in the next section. The strategic plan is one of the guiding documents for developing the FY19 budget.

Challenges and Solutions



2016-2020 Strategic Plan

The College began an eighteen month planning process for the 2016-2020 strategic plan in June 2014. The process was an exceptional example of CCC's shared governance philosophy as all areas of the College were involved in developing and vetting the plan. Community members and other stakeholders reviewed the plan in the Fall 2015 semester, prior to approval by the Board at the November 16, 2015 District Governing Board meeting.

A total of four goals were developed for the plan, based on input received from all areas of the College in the planning process. The plan also includes a total of 21 objectives and 113 tactics. The goals and objectives are presented below.

Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.

Objectives:

1. Increase enrollment numbers including targeted underrepresented groups
2. Expand and enhance scholarship and financial aid opportunities to increase access for students

Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.

Objectives:

1. Align strategic enrollment management initiatives with clear objectives defined by strategic key performance indicators
2. Increase learning and social support and build academic success skills
3. Implement "Intrusive Academic Advising Practices" and continued implementation of new Advising Model/Strategies
4. Evaluate and enhance distance learning modalities to increase student success
5. Evaluate and enhance student technology support and services to maximize student success
6. Investigate and develop clear pathways for developmental education (English, Reading and Math), certificates, and programs

Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.

Objectives:

1. Streamline and automate operations for degree completion
2. Increase student completion rates using targeted institutional scholarships
3. Investigate initial strategies of student completion and transfer rates and realign with strategic enrollment management initiatives
4. Strengthen partnerships with NAU/ASU/U of A and other 4-year accredited institutions aligned with the purpose and goals of CCC
5. Increase number of students completing educational goals

Challenges and Solutions



2016-2020 Strategic Plan (continued)

Goal 4: CCC will strengthen the College's working environment by maximizing college resources, expanding community outreach, and implementing effective personnel management and employee development strategies.

Objectives:

1. Evaluate professional development, retention, and internal communication to enhance a positive campus climate
2. Evaluate strategies to promote a more safe and an environmentally friendly learning and working environment
3. Create a diverse, inclusive and supportive climate for students and employees
4. Explore options for alternative revenue sources
5. Evaluate and enhance administrative efficiency and effectiveness
6. Optimize allocation of resources for student success
7. Enhance and broaden the image of the college with internal and external stakeholders
8. Improve student experience with enrollment, registration, and payment processes

Challenges and Solutions



Best Practices (Guiding Practices)

In preparing the 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 on 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 Community College was already implementing many of the best practices identified in the report.

Challenges and Solutions

FY18 Strategic Planning Priorities and Accomplishments

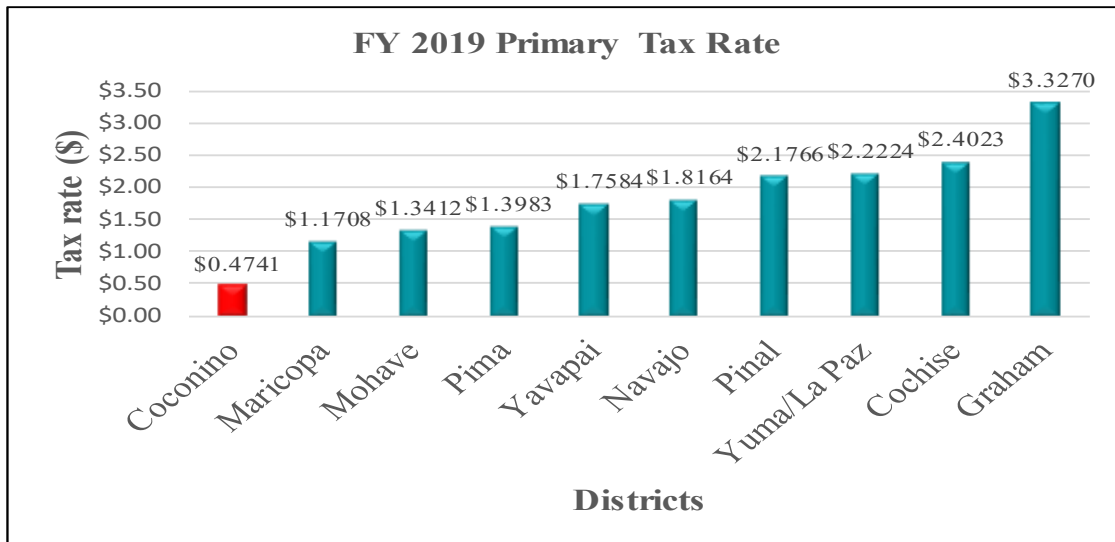
The chart below provides an update on progress towards the selected goals and objectives identified in the plan that took place during calendar year 2017. In addition, the column on the right entitled “Going Forward” explains the outcomes for calendar year 2018 objectives.

GOAL 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.			
Objective*	Tactic	Evidence	Going Forward
(1) Increase enrollment numbers including targeted underrepresented groups	(9) Increase contact with students in grades K-12	Increase number of relationships and programs; prospect data	Support from the SNNA-LSAMP grant and Americorp funding will continue to strengthen the high school transitions program operations and sustain increased dual enrollment.
(1) Increase enrollment numbers including targeted underrepresented groups	(12) Increase opportunities for social support on campus for Native American, Latino and other underrepresented minority students	Retention and enrollment data	Additional investments in Page staffing and programs will continue to support the Page region. SNNA-LSAMP funding is targeted towards minority student STEM program success.
(2) Expand and enhance scholarship and financial aid opportunities to increase access for students	(17) Evaluate Financial Aid TV or similar product to provide basic financial aid counseling videos to ensure students understand financial aid regulations	Financial aid TV product purchased and implemented	Automated financial aid counselling is being considered as a pilot to improve financial aid literacy and provide expanded customer service opportunities.
GOAL 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.			
Objective*	Tactic	Evidence	Going Forward
(2) Increase learning and social support and build academic success skills	(30) Research, make recommendations and implement recommendation for a Peer Mentoring Program	Participation numbers and impact on retention	The peer advisor program continues to provide student support and enhance academic success skills.
	(32) Evaluate expansion of Veterans Center as recommended by the Arizona Department of Veterans affairs	Implementation of recommendations as deemed necessary	The expanded and remodeled Veteran's Center is operational and successfully expanding services to Veteran students.
(4) Evaluate and enhance distance learning modalities to increase student success	(42) Evaluate online programs, compare to best practices and make recommendations for improvement	Complete recommendations	CCC has joined the State Authorization Reciprocity Agreement, ensuring high quality standards in online learning will be upheld.
GOAL 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.			
Objective*	Tactic	Evidence	Going Forward
(5) Increase number of students completing educational goals	(65) Review and consider the need for more full-time faculty as research and best practice link higher student success with greater full-time to part-time faculty ratios	Identify orphaned programs and areas with highest need; Hire one additional FT faculty per year (2017, 2018, 2019, 2020)	Full-time faculty continue to be added as CCC continues to improve full-time faculty ratios.
GOAL 4: CCC will strengthen the College's working environment by maximizing the college resources, expanding outreach, and implementing effective personnel management and employee development strategies			
Objective*	Tactic	Evidence	Going Forward
(1) Evaluate professional development, retention, and internal communication to enhance a positive campus climate	(71) Research a system to increase opportunities and professional growth for PT Faculty	Written recommendation will be provided to the President and implement if appropriate	New faculty orientation continues to help faculty on-boarding. Additional resources supporting faculty professional development has increased faculty credentials.
* Refers to chart in the Challenges and Solution section under Performance Based Funding Measures			

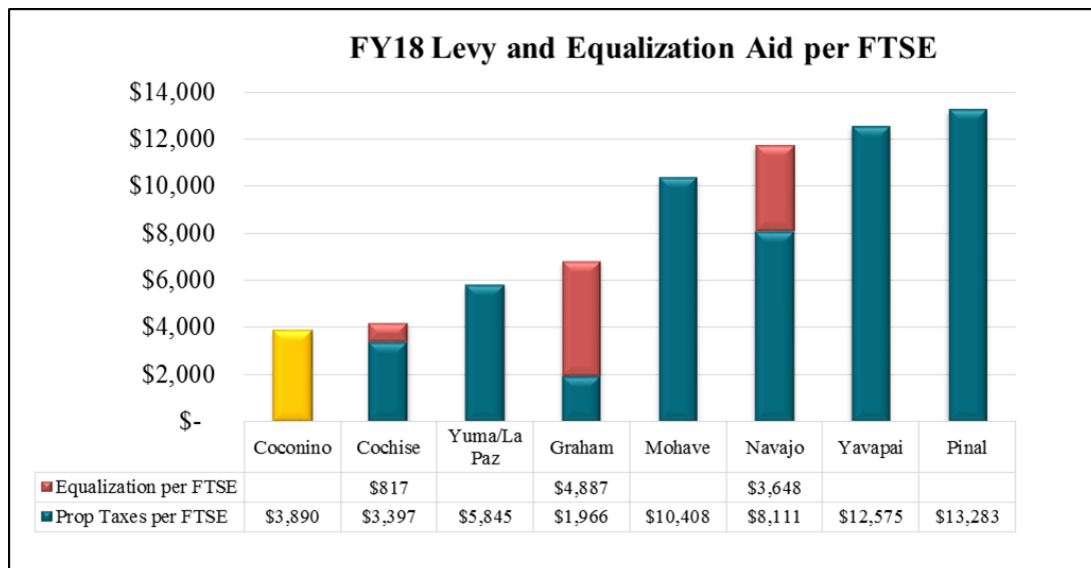
Challenges and Solutions

Challenge - Long-Term Financial Stability

The College's main on-going 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 substantially lower than any other district. The table below shows **FY 2019 Primary Tax Rate** for all rural Arizona Districts.



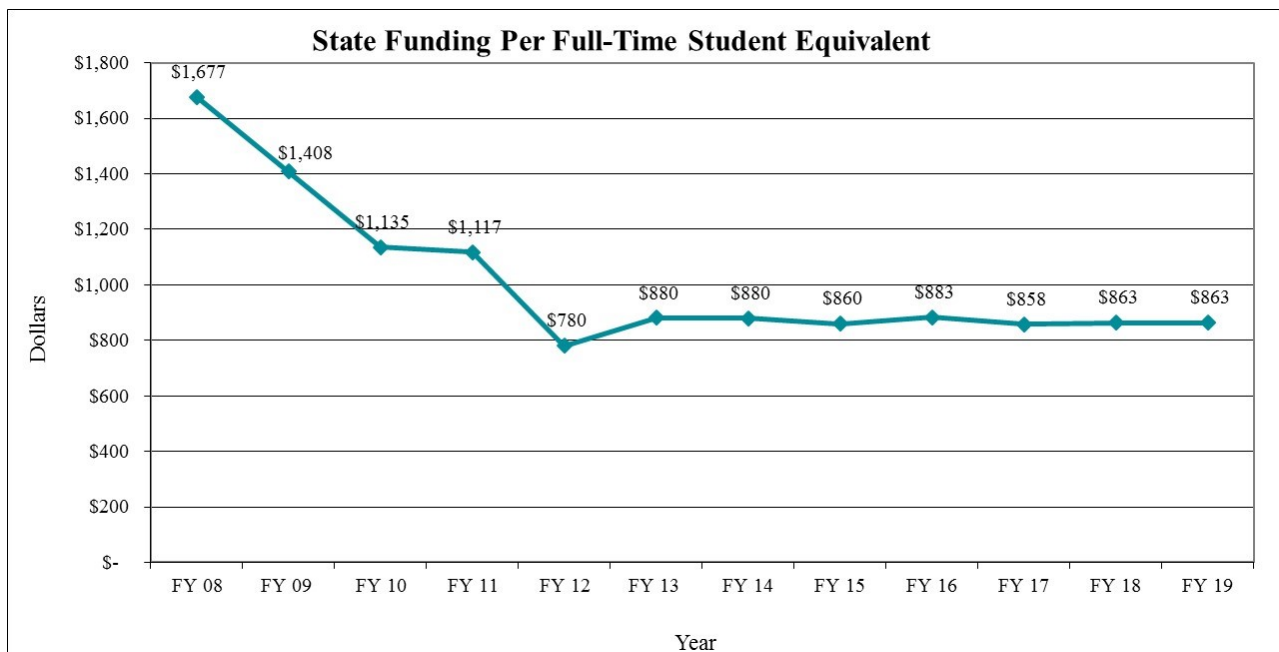
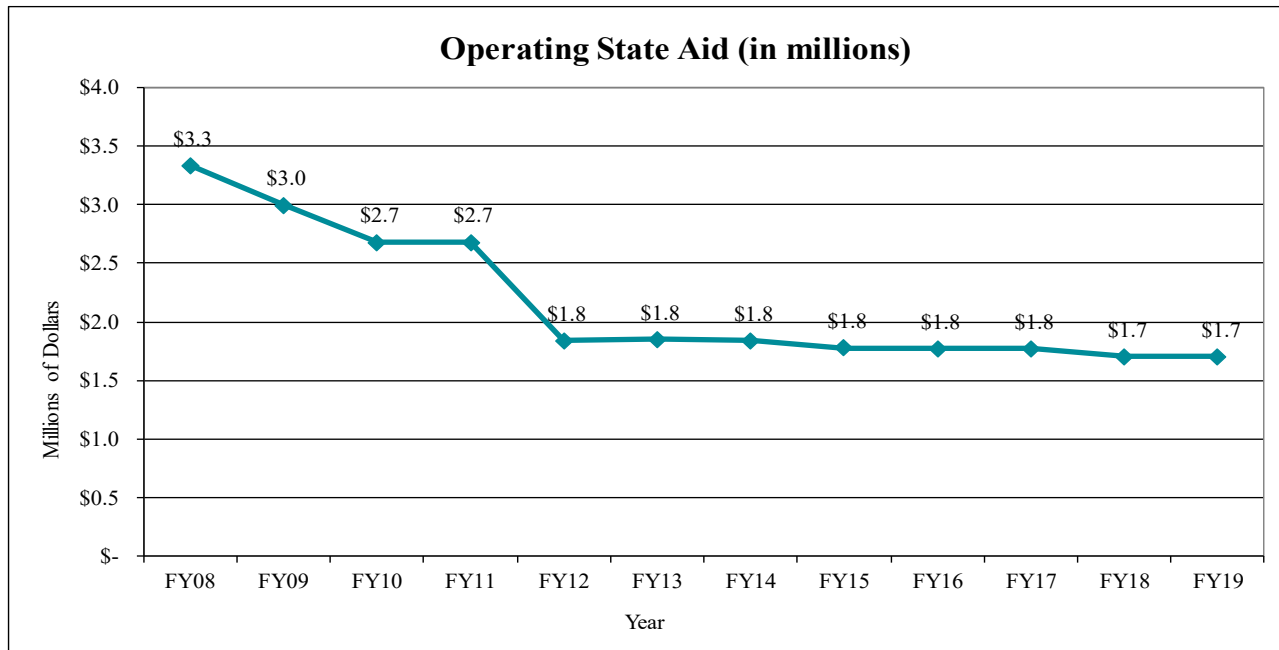
The state has an equalization formula that was established in the 1970s to help rural districts from smaller geographic areas. The equalization formula is based on a minimum assessed value determined by statute and is indexed annually by the growth in the assessed values of all the rural districts. Districts 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 on the growth in other districts, even though the small districts do not have additional students to serve. The **FY19 Levy and Equalization Aid per FTSE** chart shows the levy per FTSE and equalization aid per FTSE. Navajo County qualifies for substantial State Equalization Aid even though they receive a much higher 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 Financial Stability (continued)

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 FY08 because of the "great recession" and now only provides 9% 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 almost 1,000 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, continued operating state aid is uncertain as the state completely defunded Maricopa and Pima Community Colleges, the two largest community colleges in the state.



Challenges and Solutions

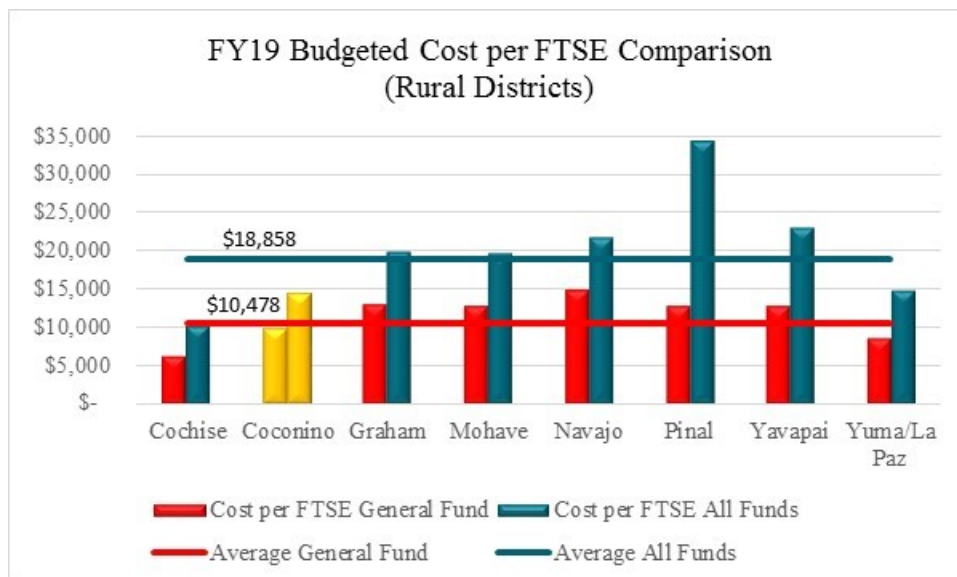
Solution - Financial Planning

As discussed on the previous page, state aid cuts started in FY08 because of the “great recession.” CCC has been able to adapt and maintain financial strength through long-term financial planning. Financial planning for the College has led to the development and implementation of a Sustainable Financial Plan (SFP) in 2008. The goal of this plan was to ensure long-term financial sustainability while trying to minimize 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 reductions, 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.

In 2013, the College evaluated the budget forecast and determined it needed to implement more cuts to be financially sustainable in the long-term. These additional cuts came from reductions in programs and services, because numerous efficiency initiatives had already been implemented. Administration called this phase of cuts the Financial Austerity Plan (FAP) and invited input from the employees to review the Sustainable Financial Plan with fresh eyes. The employees submitted new recommendations for long-term financial solutions.

The majority of FAP solutions were implemented in the FY15 and FY16 budgets, with the final phase in FY17. In FY15 there were \$430,858 of revenue items implemented that became part of the FY16 baseline budget. In FY15, savings totaled \$696,517 and FY16, savings total \$135,041. The FY17 budget saw an additional savings of \$23,898.

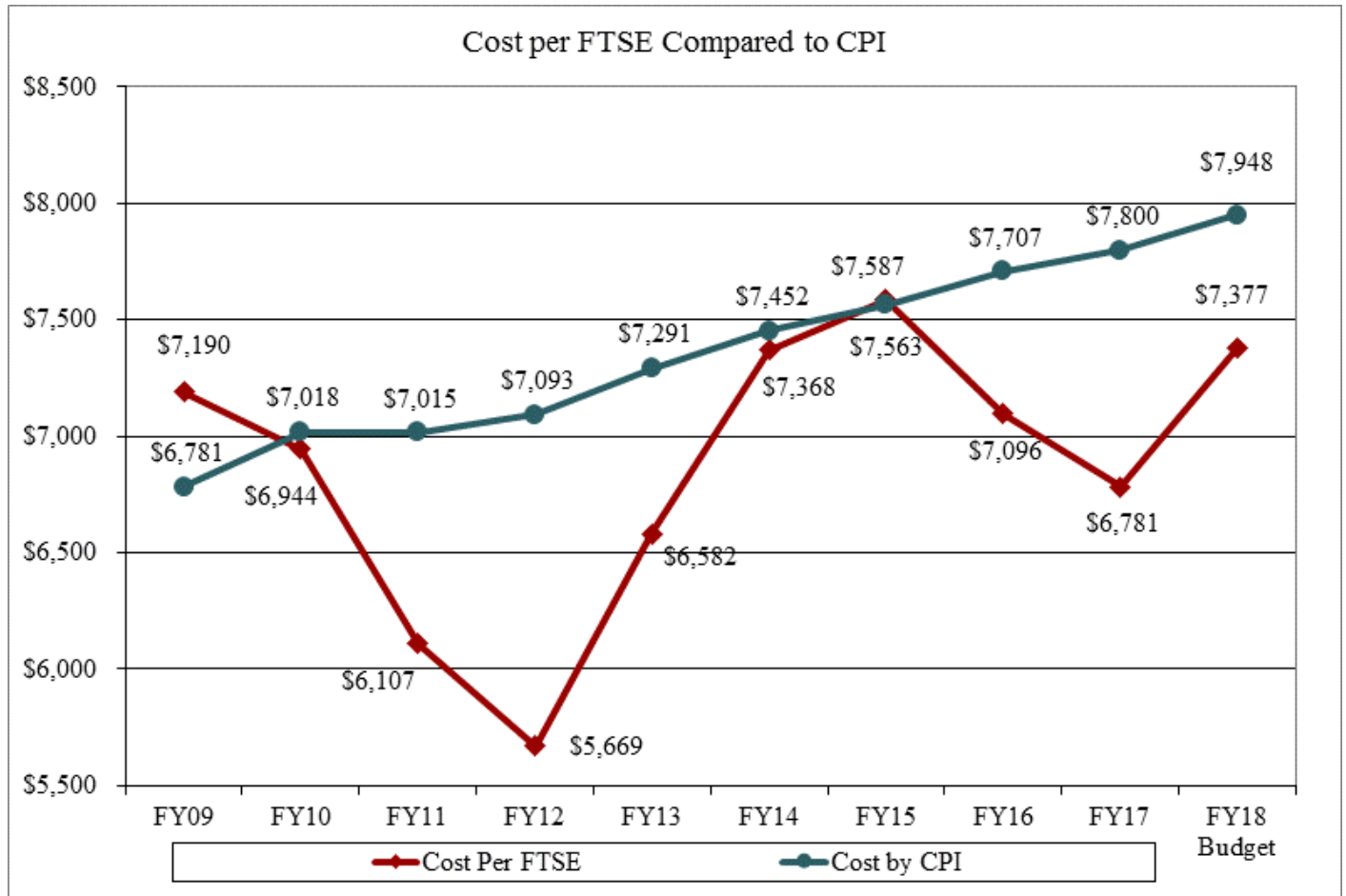
The result of the Sustainable Financial Plan and the Financial Austerity Plan is that the College is very efficient. This is demonstrated in the ***FY19 Cost per FTSE Comparison (Rural Districts)*** chart, that shows CCC’s cost per FTSE is very low for both the general fund and all funds compared to the other districts in the state.



Challenges and Solutions

Solution - Financial Planning (continued)

In addition, the College has also kept the cost per FTSE in line with the rate of Consumer Price Index (CPI) growth for the past ten years, as shown in the chart below. In FY10, FY11, and FY12, the sharp decline per FTSE cost was due to the large influx of students during the recession. Since FY13, FTSE has returned to normal levels. During FY16 and FY17, the College experienced turnover in many key leadership positions which led to higher than typical vacancy savings and other budget line items coming in under budget. The FY18 figure shows the current budgeted cost per FTSE for FY18, as final actual expense figures are not yet available.



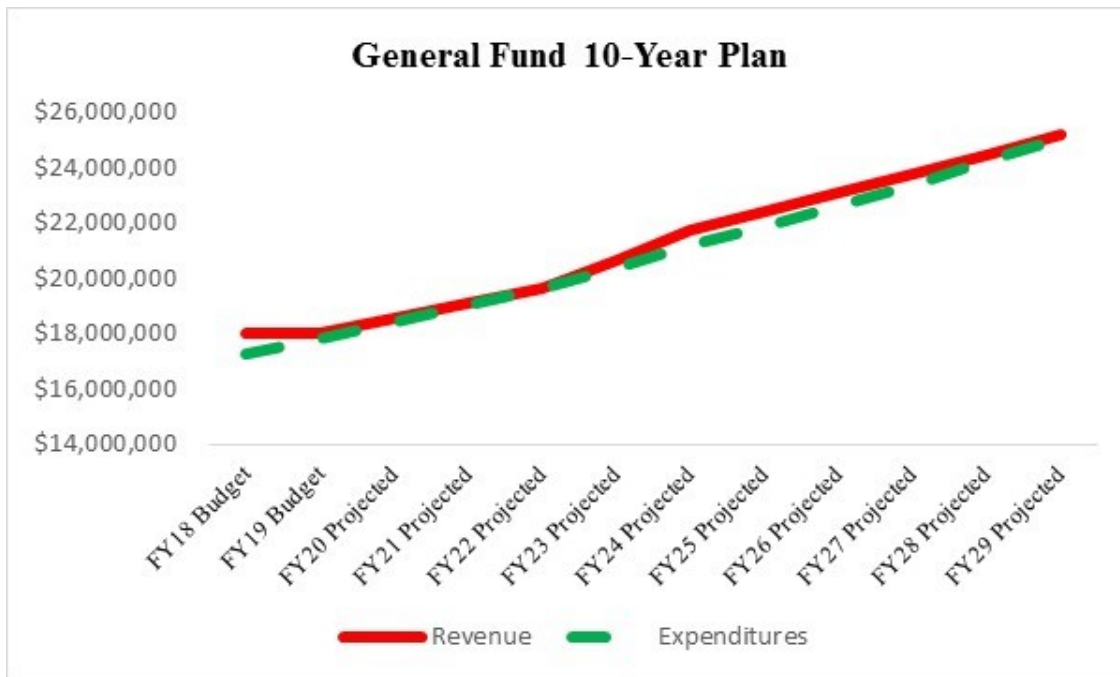
Even though the College has implemented many financial sustainability measures and is extremely cost efficient, CCC still has a long-term financial stability concern due to the very low property tax rate and low state aid.

Challenges and Solutions

Solution - Financial Planning (continued)

Although long-term financial stability is an issue for the College, the initiatives that have been adopted have helped align revenues and expenses for a longer time period and pushed back the projected structural deficit CCC was facing prior to the implementation of the FAP (see chart below). Before the adjustments, expenses would have exceeded revenues within five years. As you can see from the chart below, expenses are currently below revenues and slowly growing faster than revenues. It is important to note that these reductions were made not only to address the structural deficit, but also in anticipation of losing future state funding.

The most recent austerity plan has created a gap of \$186,000 in the FY19 budget between revenues and expenses. This gap was created at the direction of the District Governing Board in order to provide capacity for investment in new programs and does not include the budgeted contingency use of fund balance of \$2 million.



Note: Long-term financial assumptions based on continued state aid funding. Please see the Long-Term Financial Sustainability Section of the document for more information.

Challenges and Solutions



Challenge - Meeting Community Educational Needs

In the Fall of 2017, Coconino Community College President Dr. Colleen Smith met with over 350 people during 14 listening sessions. The purpose of these sessions was to better understand the community and determine the most important educational needs of residents. Feedback was solicited on community members vision of the role of CCC, the most important educational needs for residents of the County, and what the current experience of community members is regarding services and classes currently offered by CCC.

This was done through sessions facilitated by Kerry Blume, who designed and facilitated the engagement process using the principles below:

- Establish an environment for meaningful conversation
- Reach constituents with diverse geographic, ethnic, socio-economic, age and educational characteristics
- Leverage trusted community leaders and access points to meet residents “where they are.”

There were some key themes that were documented in Kerry Blume’s report, which had emerged from these sessions. One theme was the value CCC provides to the community by providing a quality educational experience. Another theme was the diversity and challenges within the student population, including diversity of life experiences, the complicated lives many students lead, and overall cost of attendance including both CCC tuition and the cost of housing and transportation. One final theme was the different needs students have in education delivery - online classes may not be the ideal solution for all learners.

Additionally, these community discussions highlighted unmet educational needs in the Coconino County community. Technical skill development, health care profession training, early education curriculum, support for the hospitality industry, life-long learning, and employment skill development were the top community needs discussed. Coconino County residents would like to see CCC focus on the opportunities for strengthening the K-12/community college connection and expanding dual enrollment, assisting with English as a second language programs, increased tutoring, leadership development, and enhanced services for deferred action for childhood arrival (DACA) students. The focus on reviving life-long learning offerings was also a key opportunity identified.

Many of the community priorities identified as needs were items that had been reduced or eliminated as a result of implementing the necessary sustainable financial and financial austerity plans. For example, life-long learning, nursing program reductions, and the discontinuation of the early childhood education program were all recent service reductions. Meeting the educational needs of the community, with the current funding reality of limitations in revenue and the highest tuition rate in the state, is a significant challenge the College faces into the future.

Challenges and Solutions



Solution - Tax Continuation

In order to try to address the challenge of meeting the needs of the community with insufficient and limited revenues, the College District Governing Board adopted a resolution to hold a special election in November of 2018, where they will ask voters to continue the current secondary property tax that is scheduled to sunset in 2019. The current secondary tax was approved for debt service payments for the construction of College facilities. The tax continuation request is to continue the levy of up to \$2,226,000 per year, with the funds to be used as an override of the primary property tax levy limit. The term of the requested override is seven years. Select language from the resolution is included below.

WHEREAS, this Governing Board (the “Board”) of the Coconino County Community College District (the “College”) desires to provide sufficient revenues to fund the College’s Career and Technical Educations (CTE) programs and operations and meet the needs of the residents and employers of Coconino County (the “County”); and

WHEREAS, this Board has received recommendations from County citizens and reviewed the financial situation of the College in detail and recommended that President Dr. Colleen Smith develop a proposal to expand the College’s training programs to meet the needs of employers, based on input throughout the County; and

WHEREAS, this Board desires to expand programs that support veterans getting education and training for civilian jobs in the County; and

WHEREAS, this Board desires to enhance educational services throughout the County, including communities such as Page, Tuba City, and Williams; and

WHEREAS, this Board desires to encourage and support lifelong learning programs; and

WHEREAS, this Board recognizes that State Aid to the College has declined from 37% of the College’s General Fund revenues in 1999 to 9% in fiscal year 2017-2018 resulting in unavoidable tuition increases; and

WHEREAS, this Board recognizes the positive economic benefits that the College brings to the County; and

WHEREAS, the College’s current secondary property tax expires after property tax year 2018 (last payment in 2019) and such tax is in the amount of approximately \$2,226,000 per fiscal year; and

WHEREAS, this Board has determined that the amounts permitted to be levied as primary property taxes in any year pursuant to section 42-17051, Arizona Revised Statutes, as amended, provide insufficient revenue for the College to provide CTE programs and implement recommendations from citizens throughout the County; and

WHEREAS, pursuant to Section 42-17202, Arizona Revised Statutes, as amended, in order to levy taxes exceeding the limitation prescribed on primary property taxes, this Board must adopt a resolution, by an affirmative vote of at least two-thirds of its membership, requesting the voters to approve a secondary property tax levy; and

Challenges and Solutions



Solution - Tax Continuation (continued)

WHEREAS, the Board, deems it necessary and in the best interest of the citizens of the County and the College to order and call an election to be held on November 6, 2018 for the purpose of submitting to the voters of the County the question of approval or disapproval of authority for the College to levy secondary property taxes in an amount not to exceed \$2,226,000 beginning in tax year 2019, each year for seven years in addition to the maximum limit on primary property taxes and does such by an affirmative vote of at least two-thirds of its membership;

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE COCONINO COUNTY COMMUNITY COLLEGE DISTRICT OF COCONINO COUNTY, ARIZONA THAT:

Section 1. Ordering and Calling Election. An override election is hereby ordered and called to be held in and for the College on November 6, 2018, to submit to the qualified electors of the College the following proposal:

Shall the Coconino County Community College District be authorized to continue to levy the current secondary property tax in the amount of \$2,226,000, beginning in tax year 2019, for seven years. The incremental funding to be used to:

- Initiate new career and technical education and training programs that prepare Coconino County students for jobs in Coconino County including related costs; and
- Develop new programs to support veterans' training for civilian jobs including related costs; and
- Develop new programs to train and re-train Coconino County workers, in conjunction with Coconino County employers and expand current job training programs including related costs; and
- Enhance educational services throughout Coconino County, including communities such as Page, Tuba City, and Williams, including related costs; and
- Encourage and support lifelong learning programs, including related costs.

This amount will be in addition to the amount of its primary property tax limit, pursuant to the authority provided in section 42-17202, Arizona Revised Statutes.

Voters can find more information regarding the November election by visiting: www.coconino.az.gov/Elections

Challenges and Solutions



Challenge - Key Performance Indicators

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 metrics to measure progress toward three critical goals of access, retention, and completion. Many of the performance 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 through 2017 and now have six years of trend data. Coconino Community College uses performance measures to drive the development of the strategic plan and budget development process. CCC has selected various measures, referred to as Key Performance Indicators (KPI) to focus on for improvement, and has set target goals for annual improvement. The most recent comparison on 2017 state and CCC information is presented and coded using indicator colors:

	variance of -1% or better
	variance between -2% to -10%
	variance of larger than -10%

In developing the 2016-2020 Strategic Plan, an analysis of the KPI was performed by members of a cross-functional team. The team members discussed the KPI targeted for improvement in order to develop strategic plan objectives that will help meet established targets.

Access Measures

Measure	Description	CCC FY17	State Average
1	Full Time Student Enrollment (FTSE)	2007	
2	Enrollment of Underserved Populations		
2a	Minority	40%	43%
2b	Age 25+	30%	36%
2c	Pell Grant	25%	30%
3	Alternative Delivery	49%	63%
4	College-going	18%	35%
5	1 Yr. Success After Last Developmental Course		
5a	Math	32%	31%
5b	English/Reading	61%	48%
6	Cost	20%	15%

The causes identified for lagging access measures include the College's financial challenges, inadequate technology, and the young age of the institution. Financial challenges have led to the highest tuition rate in the state of Arizona and has limited our ability to design on-line courses for increased alternative delivery. Inadequate technology hinders the College's ability to serve distant and remote areas of the county and limits alternative delivery options. Having a large county that is sparsely populated is one of the unique challenges CCC faces, and solving alternative delivery to extend services is costly given these circumstances. While the statewide trend has been a decrease in the local college-going rates, CCC has seen increases as more of the population is served.

The District Governing Board has set a goal of a 1% increase in annual FTSE. Alternative delivery has hovered in the 49% - 51% range and CCC is working to strengthen and expand online offerings to address this measure. The college-going rate of high school students in Coconino County at 18% is nearly half the state

Challenges and Solutions



Challenge - Key Performance Indicators (continued)

rate, but has been improving since 2011. Both of these areas are more than 10% below the state-wide average and need attention. Enrollment of underserved populations as a percentage of enrollment is under the state average, and the gap has grown since the last report. Although the tuition rate has increased in response to state funding reductions, the cost of attendance as a percentage of household income has remained somewhat flat. These areas also show room for improvement when compared to the other Arizona community college rates. CCC does well when looking at the success of students after completing developmental courses. In particular, the English/Reading success rate one year later is more than 10% better than the state average.

Retention Measures

Measure	Description	CCC FY17	State Average
7	Developmental Course Success	78%	70%
8	College Level Course Success	80%	80%
9	Reaching Credit Thresholds		
9a	Full Time	48%	47%
9b	Part Time	57%	56%
10	FA-SP Retention	93%	91%
11	FA-FF Retention	72%	78%

The cause identified for the lagging retention measure of fall-to-fall retention involves the close proximity to NAU. Many students transfer before completing a degree, or are taking CCC courses as needed to fill their schedule. Fall-to-fall retention is an area of concern for CCC when looking at the statewide average, but compared to the individual results, CCC is in line with median Arizona fall-to-fall retention rates. Fall-to-spring retention is high both statewide, and specifically at CCC. Other retention measures are fairly strong for CCC in comparison to the rest of the State.

Completion Measures

Measure	Description	CCC FY17	State Average
12	Annual Degree/Certificate Completion	339	
13	Transfer Rate	44%	30%
14	Transfer Rate after CCC Completion	60%	60%

Although the transfer rate variance is at or better than state average, the main challenge CCC faces is due to the close proximity to NAU. Some students transfer before completing a degree with CCC. As a commuter-campus, completion will tend to be more of a challenge for the students. Annual degree/certificate completion and transfer rate are targeted for improvement in student totals, but are not compared to state averages.

Summary

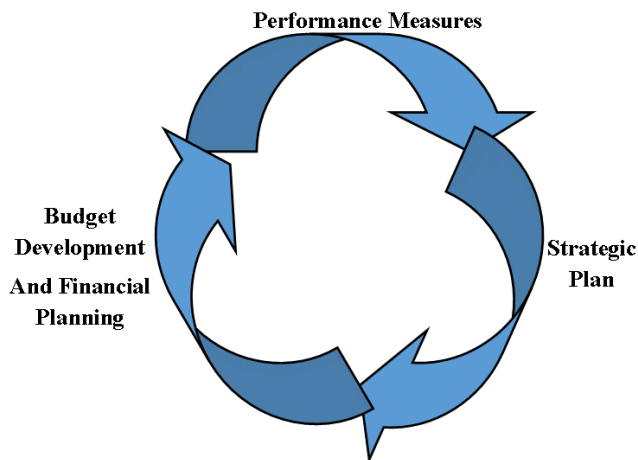
A review of the performance measure data shows that CCC faces some unique challenges due to the nature of the College, but also has opportunities for improvement. The largest challenge when looking at performance measures is the timeliness of comparable information. Some measures cover a six-year period, and the report is issued annually based on data that is at least 18 months old at the time of release. Tracking trends and evaluating the success of initiatives aimed at improving these measures will continue to be a challenge for all institutions.

Challenges and Solutions



Solution - Strategic Resource Allocation

CCC has implemented a planning cycle for continuous improvement. Targeted performance measures help influence the development of the strategic plan. The measures and strategic plan together are a large consideration when allocating resources during budget development and when looking at long-term financial planning. This cycle is depicted in the graph below.



Resource allocation for the FY19 budget was tied to the KPI according to the chart below. This will be discussed further in the Strategic Plan and Priorities section of the document.

	Access						Retention					Completion		
	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)	11)	12)	13)	14)
Strategic Plan Goal #1: Access														
Disability Resources Interpreting		X												
Petracorps Outdoor Education			X											
Food Truck Event				X										
Recruitment Travel				X										
Strategic Plan Goal #2: Retention														
SNNA-LSAMP Support		X					X			X	X	X		X
Instructional Design Specialist			X				X	X						
Innovative Learning and Learning Services Staffing			X				X	X	X			X	X	X
4th Street Tutoring							X		X					
<i>Talk Abroad</i> for Spanish								X						
MatLab Licenses								X						
Kurzweil Software								X						
Page Higher Education Consortium									X					
Peer Advisor Minimum Wage									X					
Strategic Plan Goal #3: Completion														
Supplies Increases: Automotive, Nursing												X		
New Full-Time Faculty: History/Humanities, CTM, Math, Science												X		
Strategic Plan Goal #4														
Quality Initiative Faculty Stipends								X						
ITS Systems Engineer	X		X											
ITS Helpdesk Support	X	X	X											
Logging System Software	X		X											
ArcGIS	X	X	X											

Challenges and Solutions



Solution - FY19 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 FY19, the Executive Council reviewed all requests and evaluated them on how they impact the KPI and the strategic plan.

Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.				
Objective	Tactic*	Evidence	Responsible	KPI*
(1) Increase enrollment numbers including targeted underrepresented groups	(9) Increase contact with students in grades K-12	Increase number of relationships and programs; prospect data	Provost	1, 2, 3, 4
Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.				
Objective	Tactic*	Evidence	Responsible	KPI*
(1) Investigate initial strategies to align strategic enrollment management initiatives with clear objectives defined by strategic performance key performance indicators	(24) Increase cultural competence and social justice awareness in students through workshops and student events	Assessment and evaluation of programs	Provost	7, 8, 9
(4) Evaluate and enhance distance learning modalities to increase student success	(42) Evaluate online programs, compare to best practices and make recommendations for improvement	Complete recommendations	Provost	7, 8
	(44) Provide training for faculty regarding course design and pedagogy for online course materials	Complete process and implement recommendations	Provost	7, 8
Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.				
Objective	Tactic*	Evidence	Responsible	KPI*
(5) Increase number of students completing educational goals	(65) Review and consider the need for more full-time faculty as research and best practice link higher student success with greater full-time to part-time faculty ratios	Identify orphaned programs and areas with highest need, Hire one additional FT faculty per year (2017, 2018, 2019, 2020)	Provost	12
Goal 4: CCC will strengthen the College's working environment by maximizing college resources, expanding community outreach, and implementing effective personnel management and employee development strategies.				
Objective	Tactic*	Evidence	Responsible	KPI*
(9) Create and implement a cyber security plan	(115) Create and implement a cyber security plan	Plan developed and implemented	Chief Innovation Officer	All, indirect
(10) Increase promotion of the Fourth Street Innovation Center and Page Instructional Site	(116) Develop and implement a branding and promotion plan for the Fourth Street Innovation Center	Creation and implementation of plan	Executive in Residence	All, indirect
(10) Increase promotion of the Fourth Street Innovation Center and Page Instructional Site	(117) Develop and implement a branding and promotion plan for the Page Instructional Site	Plan developed and implemented	Executive in Residence	All, indirect

* Objective numbers above are from the larger strategic plan document and help to associate prioritized spending for each objective. Key Performance Indicators (KPI) are explained on Page 22 of this document.

Challenges and Solutions

Solution - Prioritized Spending to Enact Strategic Planning Tactics

Strategic Plan, Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the College.

Objective 1, Tactic 9 – Increase contact with students in grades K-12

Responsible - Provost

Southern Nevada Northern Arizona Louis Stokes Alliance for Minority Participation (SNNA-LSAMP) - \$15,328

The SNNA-LSAMP is an alliance of colleges which focuses on Science, Technology, Engineering and Mathematics (STEM). The Program is a federally funded research and training program that is sponsored by a grant from the National Science Foundation. The overall goal of the LSAMP Program is to ensure that a greater number of minority students graduate and pursue careers in STEM fields. The Program also aims to promote a lasting change in how STEM disciplines are viewed by the minority culture of the participating institutions. This funding will help support the SNNA-LSAMP program by covering part of the staffing cost of administering the grant.

Strategic Plan, Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.

Objective 1, Tactic 24 – Increase cultural competence and social justice awareness in students through workshops and student events

Responsible - Provost

PetraCorps Outdoor Education - \$11,553

PetraCorps is a new week-long immersive STEM based program designed for exploring the scientific principals found throughout biology, chemistry, geology, and physiology through field research, classroom lecture, and laboratory experience. This program is based out of the CCC Page Instructional Site, and exposes participants to field experiences across the Colorado Plateau including Glen Canyon, Marble Canyon, Grand Canyon North Rim, and Zion National Park.

Objective 4, Tactic 42 – Evaluate online programs, compare to best practices and make recommendations for improvement

Tactic 44 - Provide training for faculty regarding course design and pedagogy for online course materials

Responsible - Provost

Instructional Design Specialist - \$28,772

Innovative Learning Support Specialist- \$60,444

The College has been working on enhancing online learning and the use of technology to improve the educational experience for students. This has led to the formation of an Innovative Learning Solution team. In FY19 this team will be expanded to increase the Instructional Design position to full-time and add an Innovative Learning Assistant Senior. Their work with the Teaching and Learning Center will focus on curriculum development, online course design, and faculty training.

Strategic Plan, Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.

Objective 5, Tactic 65 - Consider the need for more Full-Time Faculty

Responsible – Provost

Construction Technology Management, Humanities/History, Math, and Science Full-Time Faculty - \$202,533

Challenges and Solutions



Solution - Prioritized Spending to Enact Strategic Planning Tactics (continued)

Lack of full-time faculty in “orphaned areas” left CCC without content experts and continuity in curriculum and assessment. Humanities was one of these areas. “Orphaned areas” are defined as subject areas with course offerings, but no full-time faculty. Research has shown that in the first two-years of a post-secondary education, interaction with full-time faculty rather than part-time faculty has a stronger effect on retention than any other factor.

Increased enrollment in Math has impacted the full-time to part-time credit hours of instruction ratio. This trend is expected to continue, creating a need for additional full-time faculty in order to improve instruction ratios.

Construction Technology has been a growing program at CCC, and programs offered in this area have both high enrollment and high alignment with community training needs. Adding a second full-time faculty member will allow the College to continue to grow and support these important program offerings.

CCC was also able to evaluate science programs, and utilize talents within the science academic support team to create a science faculty position that is also able to continue to support administrative needs in the division.

Strategic Plan, Goal 4: CCC will strengthen the College’s working environment by maximizing college resources, expanding community outreach, and implementing effective personnel management and employee development strategies.

Objective 9, Tactic 115 – Create and implement a cyber security plan

Responsible - Chief Innovation Officer

Reorganize ITS and create a Systems Engineer security specialist - \$59,811

Cyber security and protecting student information is important to maintaining college operations. This funding increase will create a new position dedicated to network security and cyber security plan enhancement and implementation.

Objective 10, Tactic 116 and Tactic 117– Develop and implement a branding and promotion plan for the Fourth Street Innovation Center and Page Instructional Site

Responsible - Executive in Residence

Food Truck Event and Page Higher Education Consortium- \$117,019

The Fourth Street Innovation Center has been revitalized by increasing events and outreach programs at that location. The College would like to continue this effort by investing in one of the many new events geared towards increasing community engagement with the Innovation Center. The Page region of Coconino County is experiencing economic change as the Navajo Generating Station prepares to go offline. CCC has spearheaded collaborative re-training efforts in the region by forming a Higher Education Consortium with Diné College, Navajo Technical University, and Northern Arizona University.

Challenges and Solutions

Additional Opportunities: Accreditation Standards

Higher Learning Commission

The Higher Learning Commission (HLC) is the accrediting Agency that evaluates CCC, makes recommendations for improvement, and sets standards for best practices and regulations that Higher Education Agencies must follow. HLC has helped the College identify areas where we can better meet the standards of excellence established by the HLC. These areas include the establishment of an assessment program at the College that will be sustainable over time, enhanced online course delivery, increased full-time faculty teaching courses, new faculty credentialing standards, and continuous improvement on completion rates.

Assessment of Student Learning

To meet the goal of improved assessment of student learning, CCC has participated in the HLC Quality Initiative program. CCC staff have completed the HLC Assessment Academy, and through these efforts have developed a plan to make learning outcomes assessment meaningful at the program level in order to improve academic quality at the College. The College is creating an assessment culture, and incorporating assessment into the Program Review process.

Online Course Delivery

The Teaching and Learning Center (TLC) at CCC took on the critical task of formalizing our modality for online course delivery. They worked closely with faculty to develop a common course template which helped to standardize the online experience for our students. Faculty scheduled face to face meetings with TLC members mostly throughout the Fall 2017 semester. By the Spring of 2018, 95% of CCC faculty had converted to the new standardized online experience. This project has helped increase student online enrollment, and the College plans to improve the experience with regular faculty follow-up meetings.

Full-Time Faculty

The ratio of credits taught by full-time faculty compared to part-time faculty at CCC is lower than best practices would recommend. Additionally, the College currently offers some subjects in areas where there are no full-time faculty. CCC has been addressing this by adding full-time faculty over the past three years, for a total of nine new full-time faculty in the budget between Fiscal Year 2017 through Fiscal Year 2019.

Faculty Credentials

The HLC has created mandatory credentialing requirements for faculty. In order to meet this requirement, CCC created a credentialing committee, evaluated the credentials of all full-time and part-time faculty, and created an individual action plan for each faculty member that did not meet standards. Some faculty chose to enhance their education in order to meet the requirements to continue teaching their current courses, other chose to teach in only the subjects where they were credentialed, and a few decided not to continue their status as a CCC faculty member. The College chose to help support faculty credentials for some faculty that needed additional credits by offering targeted tuition reimbursements outside of what is normally offered in the employee benefits package. Moving forward, a procedure has been implemented that requires all newly hired instructors to meet minimum credential standards before being considered for hire.

Completion

There are many factors that result in community colleges nation wide reporting lower completion rates than four-year institutions. CCC has a lower than average completion rate, but the rate has been consistently improving over the past several years due to College retention and completion initiatives.

The seal of Cocconino 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 "COCOONINO COUNTY COMMUNITY COLLEGE" are written around the perimeter of the seal, and "EST. 1991" is at the bottom.

Annual Financial Plan

July 1, 2018 - June 30, 2019

CORE VALUES

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





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.

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

Program Codes

- **Instruction** - Activities directly related to instruction including faculty salaries, benefits, and supplies.
- **Public Service** - Non-instructional services beneficial to individuals or groups external to the institution.
- **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 when not covered by reallocations of funds. Budget requests are prioritized based on strategic planning initiatives and key performance indicators, then reviewed and recommended to the District Governing Board for adoption by the Executive Council. 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 (continued)

Budget Process

In previous years, the Budget Planning Committee guided the budget process. Beginning with the FY18 budget process, budget hearings were introduced to help develop transparency throughout the College. For FY19, feedback that was solicited on the FY18 process was incorporated into the budget development process to further participation and transparency. In addition, the District Governing Board (DGB) requested that all budget information be presented in one comprehensive retreat, rather than through a series of work sessions. This was successfully implemented in FY19 with positive DGB feedback. The new budget process continues to ensure that the goals and objectives from the strategic plan and key performance indicators are prioritized when creating the budgets for the year. The Executive Council reviews budget requests and recommends increments included in the preliminary budget presented to the DGB.

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

- October - Develop budget assumptions and present to all budget managers
- October - Distribute tuition and fee schedules, base budgets, travel justification forms, and budget increment request forms to budget managers
- December - Facilitated meetings with Council areas to discuss and prioritize budget increment requests
- December - Tuition and fee recommendations, base budget reallocations, travel justification forms, and budget increment request forms due to Business Office
- January - DGB budget retreat
- February - Present tuition recommendation to student forum
- February - Budget hearings to aid Executive Council with prioritizing requests
- February - DGB adopts tuition and fees and provides direction on salary and benefits
- April - DGB reviews preliminary budget
- May - DGB final budget adoption
- May - College-wide budget presentation

Assumptions

Beginning assumptions are established as a starting point for developing the budget and are developed in October of each year. For FY19, the beginning assumptions were as follows:

Revenues

- Enrollment - Projection of meeting the District Governing Board target of 1% enrollment increase per year, with an adjustment to reflect FY18 enrollment trends
- Tuition - \$3.00 increase per credit hour to standard tuition rate as directed by the Board, other rates are a multiplier of the standard rate
- State Aid - Slight increase per state formula due to increase in enrollment in prior years
- Property taxes - 2% maximum allowed increase in levy plus 1% new construction added to the tax rolls based on trend
- Overall Revenue - CPI and/or enrollment-based increases to most line items

Expenses

- Salary and benefits were assumed to increase by 3.5% with adjustments to part-time faculty wages reflecting current enrollment figures
- All expense categories excluding salaries and benefits were assumed to increase by 2.5%



Annual Financial Plan

Budget Development Process (continued)

Budget Retreat

As previously noted, in FY19 a DGB budget retreat was held in February to review budget trends, tuition and fees, salary and benefit recommendations, and preliminary budget increment priorities. This new process was successful because it gave the DGB a comprehensive budget picture, and allowed them to consider multiple related budget factors when adopting tuition and fee recommendations and providing compensation guidance.

REVENUES

Enrollment

Enrollment projections are based on trend analysis and County projections for population growth, as well as the DGB enrollment goals and program changes.

Tuition and Fees

Tuition and fees, including differential tuition rates and non-class fees, are reviewed in November and December. Academic Deans review differential tuition rates for higher-cost programs, market data and instructional expenses to determine if increases to differential 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 DGB budget retreat to review recommendations and receive direction. The Board approves tuition and fees rates in February for the next academic year. For FY19, the Board approved a \$4 increase in tuition in order to expedite the addition of full-time faculty. In addition, the Board approved significant changes to differential tuition rates. This was based on the cost trend analysis and will result in annual savings to student of approximately \$30,000.

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. Dual enrollment FTSE is funded at half the rate of non-dual enrollment FTSE. State appropriations are not guaranteed and the State has discontinued funding for the two largest community college districts, increasing the uncertainty of this funding source.

State STEM Appropriation

Beginning in FY14, the state began providing STEM appropriations to some Arizona community colleges. This STEM aid is restricted for science, technology, engineering, mathematics, and workforce programs.

Property Taxes

By February 10th 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. Due to CCC’s low tax rate, the Board typically adopts the maximum allowed tax levy. Secondary taxes are based on voter-approved debt retirement schedule and will sunset after fiscal year 2019.



Annual Financial Plan

Budget Development Process (continued)

Grants and Contracts

Grants and contracts mostly include revenue from federal and state grants that have been awarded to the College. During the budget hearings, special meetings are held with individual grant program managers and the Grants Accountant to develop the upcoming budget based on the anticipated funding level for the program.

Sales and Services

Sales and services revenue is budgeted in the Auxiliary Services Fund and is estimated using minimum guarantees and estimates based on trend information.

Investment Income

Investment income is earned on balances invested with the County Treasurer and State Local Government Investment Pool. This revenue is budgeted using projected fund balance and estimated rate of return.

EXPENSES

Salary and Benefits

Salary and benefits are the largest expenditure of the College and account for approximately 68% 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 salary and benefit information at the budget retreat, and provides direction at the March meeting. Board direction includes changes 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 health, vision, pharmacy, and traditional life and dental insurance. For FY19 there was an 9.5% increase in both employer and employee costs of health insurance benefits.

Travel

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

FY 18	
Administrator	\$ 1,300
IT Analyst	1,100
Professional / Technical	700
Faculty	600
Classified Staff	400

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.



Annual Financial Plan

Budget Development Process (continued)

Preventative Maintenance (Life Cycle Replacement)

The College allocates funds for preventative maintenance projects annually, based on 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 and Security 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

In FY17, a \$7 per credit hour technology fee was combined into the base tuition rate. Requests for technology purchases are reviewed during budget hearings. The Information Technology Services department uses the funds to pay for equipment, software and maintenance agreements for the instructional, academic support, and student services program codes.

Institutional Technology and Other Equipment

The College budgets \$75,000 annually for institutional technology and other equipment. Starting in FY18, an IT life cycle replacement budget of \$140,000 was added to the budget to assist with yearly non-capital and capital equipment cost. In addition to equipment funds, the College has STEM appropriation of \$415,922. To receive funds, a request is submitted and all equipment and STEM requests are prioritized by Executive Council based on strategic planning initiatives and performance measures.

Presidents Discretionary Fund

An allowance of \$50,000 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 a funding mechanism for 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 \$50,000 fund has been set aside in the President's budget for innovation projects.

Contingency Fund

The College increased the contingency budget to \$2 million in FY18 for emergencies. Since the implementation of the Financial Austerity Plan (FAP), the contingency has increased to \$2.19 million, where \$2 million is for fund balance use towards emergency contingency items, and \$190,000 excess operating revenues over expenditures. The contingency can be used to fund College operations if the state cuts funding to the College. If the contingency is not used, it is returned to the fund balance.

Annual Financial Plan

All Funds

Three-Year Comparative Analysis - For Years Ended June 30th

Three year Comparison - All Funds For Years Ended June 30				
Revenues	FY17 Actual	FY18 Budget	FY19 Budget	FY19 % Change
Tuition and Fees	\$ 7,736,498	\$ 7,994,790	\$ 7,851,140	-1.8%
State Appropriations	2,174,400	2,140,100	2,165,122	1.2%
Property Taxes	9,872,075	10,124,250	10,288,010	1.6%
Grants and Contracts	5,048,843	6,884,788	5,565,091	-19.2%
Sales and Services	24,489	22,140	20,100	-9.2%
Investment Income	217,916	200,000	250,000	25.0%
Other Income	569,864	602,200	571,200	-5.1%
Total Revenues	\$ 25,644,085	\$ 27,968,268	\$ 26,710,663	-4.5%
Other Financing Sources (Uses)				
Transfer In	\$ 711,618	\$ 858,498	\$ 827,825	-3.6%
Transfer Out	(711,618)	(858,498)	(827,825)	-3.6%
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	0.0%
Total Revenues and Transfers	\$ 25,644,085	\$ 27,968,268	\$ 26,710,663	-4.5%
Expenditures by Program				
Instruction	\$ 5,303,209	\$ 6,560,769	\$ 6,649,786	1.4%
Public Service	-	30,000	160,226	100.0%
Academic Support	3,019,930	3,268,775	3,498,752	7.0%
Student Services	2,665,780	3,027,735	3,179,863	5.0%
Institutional Support	4,251,177	4,462,684	4,806,912	7.7%
Facilities Operation & Maintenance	1,698,615	1,822,352	2,067,064	13.4%
Scholarships & Grants	3,545,856	5,407,788	3,896,093	-28.0%
Auxiliary Enterprises	43,559	46,640	46,100	-1.2%
Retirement of Indebtedness	2,109,120	2,153,579	2,209,236	2.6%
Contingency	-	2,718,575	2,185,911	-19.6%
Total Expenditures	\$ 22,637,246	\$ 29,498,897	\$ 28,699,943	-2.7%
Expenditures by Object				
Personnel Services	\$ 12,391,225	\$ 14,715,454	\$ 15,516,826	5.4%
Contractual Services	1,495,970	867,960	884,872	1.9%
Supplies	1,223,359	1,429,364	1,334,595	-6.6%
Fixed Charges	876,030	946,476	955,808	1.0%
Utilities	532,676	589,513	589,267	0.0%
Travel	228,693	262,916	298,740	13.6%
Capital Equipment	121,258	173,000	573,645	231.6%
Retirement of Indebtedness	1,885,000	1,985,000	2,120,000	6.8%
Scholarships	3,555,277	5,401,784	3,908,289	-27.6%
Miscellaneous/Other	327,758	408,855	331,990	-18.8%
Contingency	-	2,718,575	2,185,911	-19.6%
Total Expenditures	\$ 22,637,246	\$ 29,498,897	\$ 28,699,943	-2.7%
Excess of revenues and other sources over/(under) expenditures	\$ 3,006,839	\$ (1,530,629)	\$ (1,989,280)	30.0%

*Excludes net investment in Plant Fund



Annual Financial Plan

All Funds

FY19 Budget Summary - For Year Ended June 30th

All Funds - Budget For Year Ended, June 30, 2019						
Revenues	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Retirement of Indebtedness	Total All Funds
Tuition and Fees	\$ 7,845,140	\$ 6,000	\$ -	\$ -	\$ -	\$ 7,851,140
State Appropriations	1,749,200	415,922	-	-	-	2,165,122
Property Taxes	8,185,715	-	-	-	2,102,295	10,288,010
Grants and Contracts	177,000	5,388,091	-	-	-	5,565,091
Sales and Services	-	-	20,100	-	-	20,100
Investment Income	250,000	-	-	-	-	250,000
Other Income	524,200	-	-	-	47,000	571,200
Total Revenues	\$ 18,731,255	\$ 5,810,013	\$ 20,100	\$ -	\$ 2,149,295	\$ 26,710,663
Other Financing Sources (Uses)						
Transfer In	\$ 48,894	\$ 59,731	\$ 12,000	\$ 707,200	\$ -	\$ 827,825
Transfer Out	(778,931)	-	-	(48,894)	-	(827,825)
Total Other Financing Sources (Uses)	\$ (730,037)	\$ 59,731	\$ 12,000	\$ 658,306	\$ -	\$ -
Total Revenues and Transfers	\$ 18,001,218	\$ 5,869,744	\$ 32,100	\$ 658,306	\$ 2,149,295	\$ 26,710,663
Expenditures by Program						
Instruction	\$ 5,308,747	\$ 1,341,039	\$ -	\$ -	\$ -	\$ 6,649,786
Public Service	-	160,226	-	-	-	160,226
Academic Support	3,213,949	284,803	-	-	-	3,498,752
Student Services	2,770,280	409,583	-	-	-	3,179,863
Institutional Support	4,566,912	-	-	240,000	-	4,806,912
Facilities Operation & Maintenance	1,733,419	-	-	333,645	-	2,067,064
Scholarships & Grants	222,000	3,674,093	-	-	-	3,896,093
Auxiliary Enterprises	-	-	46,100	-	-	46,100
Retirement of Indebtedness	-	-	-	-	2,209,236	2,209,236
Contingency	2,185,911	-	-	-	-	2,185,911
Total Expenditures	\$ 20,001,218	\$ 5,869,744	\$ 46,100	\$ 573,645	\$ 2,209,236	\$ 28,699,943
Expenditures by Object						
Personnel Services	\$ 13,650,248	\$ 1,866,578	\$ -	\$ -	\$ -	\$ 15,516,826
Contractual Services	881,472	3,100	300	-	-	884,872
Supplies	1,141,754	149,241	43,600	-	-	1,334,595
Fixed Charges	952,216	3,592	-	-	-	955,808
Utilities	587,887	1,380	-	-	-	589,267
Travel	219,255	77,285	2,200	-	-	298,740
Capital Equipment	-	-	-	573,645	-	573,645
Retirement of Indebtedness	-	-	-	-	2,120,000	2,120,000
Scholarships	222,000	3,686,289	-	-	-	3,908,289
Miscellaneous/Other	160,475	82,279	-	-	89,236	331,990
Contingency	2,185,911	-	-	-	-	2,185,911
Total Expenditures	\$ 20,001,218	\$ 5,869,744	\$ 46,100	\$ 573,645	\$ 2,209,236	\$ 28,699,943
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ (2,000,000)	\$ -	\$ (14,000)	\$ 84,661	\$ (59,941)	\$ (1,989,280)



Annual Financial Plan

All Funds - Faculty and Staff Statistics

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. For FY19, total compensation has increased due to additional faculty, a 2% increase for CPI, new positions added (as discussed in the prior section), and an increase to medical benefits. The FY19 salary budget change is an five percent increase from FY18.

Three-Year Comparative Analysis Faculty and Staff Statistics

Fiscal Year 2018/2019 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,779,318	\$ 1,630,130	\$ 42,038	\$ -	\$ 238,196	\$ 4,689,682	\$ 1,150,769	\$ 5,840,451
Public Service	-	-	66,869	38,910	-	105,779	40,355	146,134
Academic Support	-	-	679,526	1,163,650	178,165	2,021,341	669,365	2,690,706
Student Services	-	-	426,361	1,384,816	197,171	2,008,348	717,345	2,725,693
Institutional Support	-	-	1,172,125	1,323,579	7,200	2,502,904	831,270	3,334,174
Facilities	-	-	104,571	410,211	60,216	574,998	204,670	779,668
Total Salary	\$ 2,779,318	\$ 1,630,130	\$ 2,491,490	\$ 4,321,166	\$ 680,948	\$ 11,903,052	\$ 3,613,774	\$ 15,516,826
Unrestricted Funds	32.7	62.6	23.0	81.0	17.4	216.6		
Restricted Funds	9.4	-	-	9.1	6.2	24.6		
Total FTE	42.0	62.6	23.0	90.1	23.6	241.3		
Fiscal Year 2017/2018 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,527,220	\$ 1,781,024	\$ -	\$ 57,443	\$ 363,954	\$ 4,729,641	\$ 1,159,748	\$ 5,889,389
Academic Support	-	-	568,537	1,162,155	176,279	1,906,971	659,018	2,565,989
Student Services	-	-	416,292	1,326,028	190,621	1,932,941	723,611	2,656,552
Institutional Support	-	-	802,696	1,234,384	14,700	2,051,780	749,225	2,801,005
Facilities	-	-	102,521	431,641	52,216	586,378	216,141	802,519
Total Salary	\$ 2,527,220	\$ 1,781,024	\$ 1,890,046	\$ 4,211,651	\$ 797,770	\$ 11,207,711	\$ 3,507,743	\$ 14,715,454
Unrestricted Funds	31.0	71.1	21.0	80.7	13.9	217.7		
Restricted Funds	9.0	-	-	7.8	5.1	21.9		
Total FTE	40.0	71.1	21.0	88.5	19.0	239.7		
Fiscal Year 2016/2017 (Actual)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,332,378	\$ 1,381,166	\$ -	\$ 55,484	\$ 156,497	\$ 3,925,525	\$ 773,023	\$ 4,698,548
Academic Support	-	-	550,210	950,758	133,909	1,634,877	446,281	2,081,158
Student Services	-	-	395,832	1,189,488	193,026	1,778,346	517,689	2,296,035
Institutional Support	-	-	970,593	1,088,358	16,288	2,075,239	566,166	2,641,405
Facilities	-	-	100,404	392,960	31,053	524,417	149,662	674,079
Total Salary	\$ 2,332,378	\$ 1,381,166	\$ 2,017,039	\$ 3,677,048	\$ 530,773	\$ 9,938,404	\$ 2,452,821	\$ 12,391,225
Unrestricted Funds	25.0	71.2	19.0	78.0	13.9	207.1		
Restricted Funds	10.0	-	-	11.0	8.2	29.2		
Total FTE	35.0	71.2	19.0	89.0	22.1	236.3		



Annual Financial Plan

All Funds - Fund Balance Reserves

The purpose of the College's fund balance procedure is to establish a targeted amount for General Fund and fund balance 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.

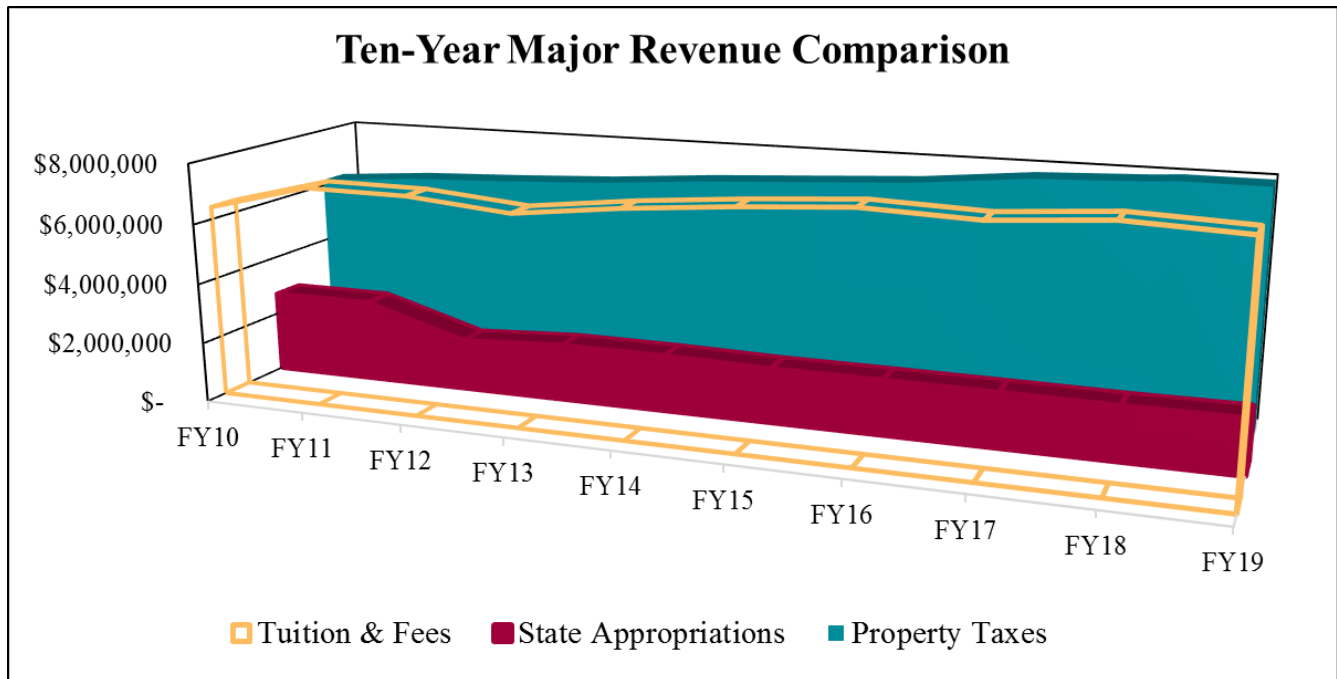
Three-Year Comparative Analysis

	FY 17 Audit	FY 18 Budget	FY 19 Budget
All Funds Revenues - Based on Budget	\$ 25,581,165	\$ 27,968,268	\$ 26,710,663
All Funds Sustainability Reserves (33%) - Based on Budget	\$ 8,441,784	\$ 9,229,528	\$ 8,814,519
General Fund Contingency - Based on Budget	2,000,000	2,000,000	2,000,000
Auxiliary Fund Reserve	40,621	26,621	12,621
Retirement of Indebtedness Fund Reserve - Restricted	-	-	-
Plant Fund - Preventative Maintenance Reserves	3,930,739	5,017,014	5,084,675
Plant Fund - Copier Replacement Reserve	72,500	17,000	34,000
Total Target Fund Balance/Reserves	\$ 14,485,644	\$ 16,290,163	\$ 15,945,815
Restricted and Unrestricted Net Position (Fund Balance/Reserves)	\$ 12,517,333	\$ 13,603,608	\$ 13,860,180
% of Fund Balance/Reserves compared to Target	86%	84%	87%

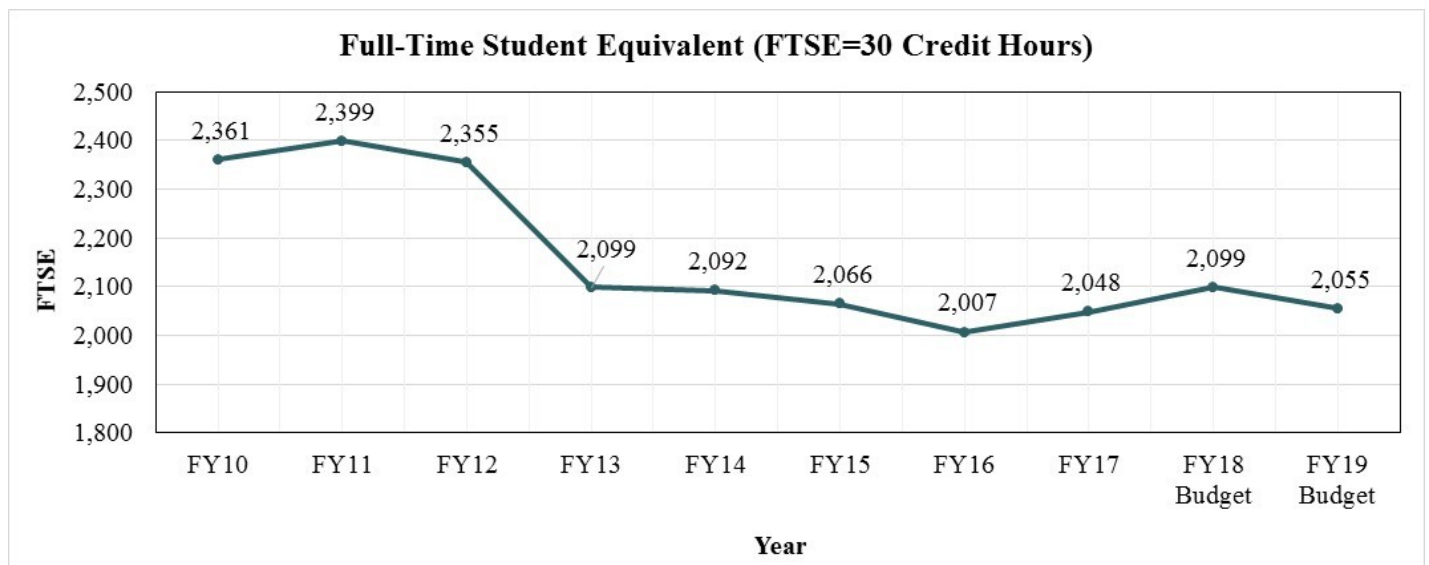
Annual Financial Plan

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.



Tuition and Fee revenue for FY19 is based on enrollments of 2,055 FTSE. Enrollment tends to be counter-cyclical in comparison to the unemployment rate. The projected FY19 decline reflects the current low national and regional unemployment rate.



Annual Financial Plan

General Fund - Tuition and Fee Revenue

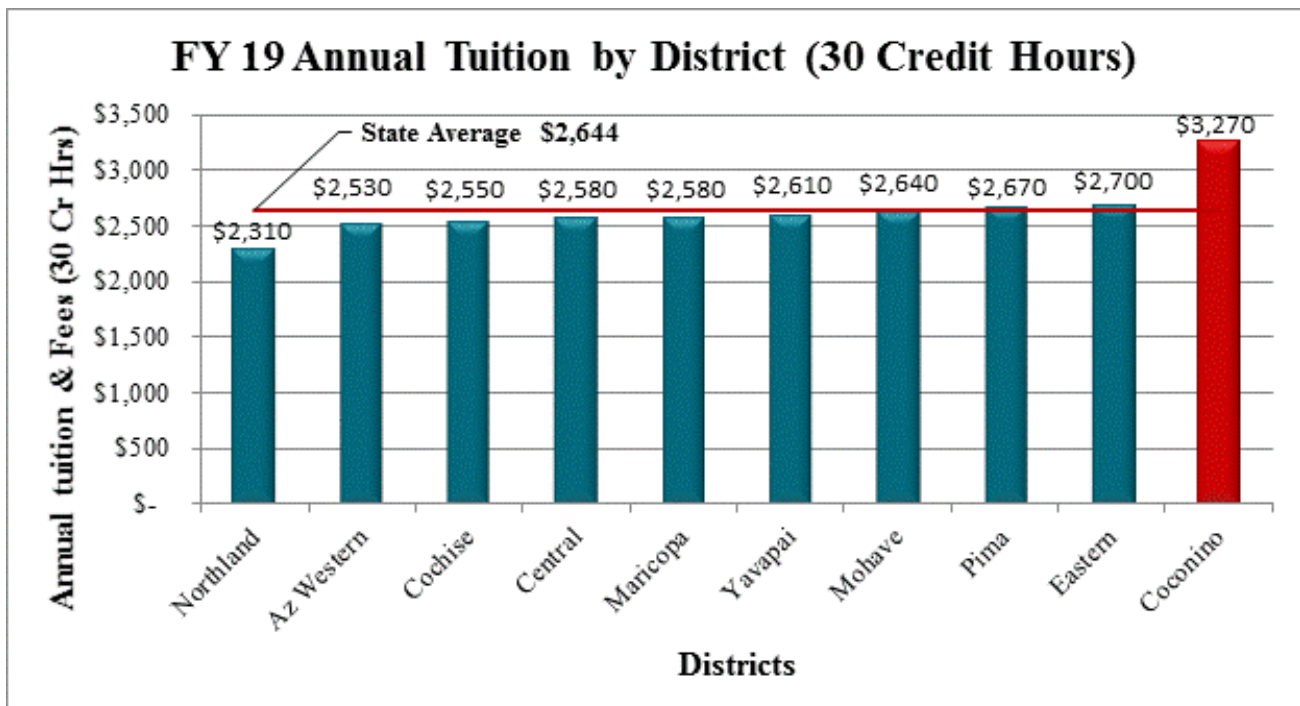
The chart below shows how CCC was forced to implement large tuition increases due to the decline in state appropriations from FY09 through FY11. CCC now has the highest tuition rate in the state. Since FY12, the College has been able to maintain lower tuition increases. The \$4 increase for FY19 was larger than typical and was targeted towards adding additional full-time faculty.

Historic Tuition Rates - Resident - Last 10 Fiscal Years						
Fiscal Year	^A Per Credit Hour	^B Tech Fee per Hour	Tuition & Tech Fee per Hour	Annual Tuition 30 cr. Hours	Change in \$	% Increase
FY10	\$ 70	\$ 5	\$ 75	\$ 2,250	\$ 280	14.2%
FY11	80	5	85	2,550	300	13.3%
FY12	83	5	88	2,640	90	3.5%
FY13	85	5	90	2,700	60	2.3%
FY14	87	5	92	2,760	60	2.2%
FY15	89	5	94	2,820	60	2.2%
FY16	92	7	99	2,970	150	5.3%
FY17	102	-	102	3,060	90	3.0%
FY18	105	-	105	3,150	90	2.9%
FY19	109	-	109	3,270	210	7.1%

^A Per Credit hour includes student ID, transcripts, student activities, and technology

^B Tech Fee included in per credit hour rate beginning in FY17

Coconino Community College has the highest tuition rates in the state, and as previously discussed this is primarily due to having the lowest property tax levy in the state.



Annual Financial Plan

General Fund - Tuition and Fee Revenue

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

Tuition and Fee Revenue Projections Three-Year Comparative Analysis

General Fund Tuition and Fees Detail	FY 17 Actual	FY18 Budget	FY19 Budget	FY19 FTSE
General Tuition (Resident Tuition)	\$ 4,903,213	\$ 5,101,000	\$ 5,037,000	1,629
Differential Tuition Rates	352,033	372,000	322,000	
Out-of-State Tuition	366,636	353,000	349,000	32
Out-of-County Reimbursement	203,500	200,000	200,000	
Out-of-State Tuition (WUE)	806,214	883,000	833,000	179
Out-of-State Tuition (WUE2)	39,612	-	41,000	7
Dual Enrollment Fee (Arts & Sciences)	42,520	27,000	30,300	193
Coconino Association for Vocations, Industry and Technology (CAVIAT)	62,168	68,400	70,800	15
Technology Fee (reallocated from General Tuition)	467,865	473,000	451,000	
Scholarship tuition (reallocated from General Tuition)	232,717	235,000	222,000	
Prior Learning Assessment (PLA)	-	19,440	3,270	
Non-credit classes (CPR, EMT, FSC)	14,665	32,000	32,000	
Fees (Parking, Transcripts, Graduation, ID, Testing, Etc.)	241,470	224,950	253,770	
Total Tuition and Fees	\$ 7,732,613	\$ 7,988,790	\$ 7,845,140	2,055

In FY19, the District Governing Board approved a tuition increase of \$4.00. The differential tuition rate charges higher tuition rates to higher-cost programs. The standard tuition for each of the residency types are: Residents - \$109, Western Undergraduate Exchange (WUE) Program - \$163.50, and Out-of-State - \$381.50. The WUE program and Out-of-State tuition rates are based on a multiplier of 1.5 and 3.5 of the standard rate, respectively. The **2018-2019 Tuition Schedule** below shows the level for each differential tuition rate.

2018-2019 Tuition Schedule			
Differential Tuition Schedule	In State Per Credit Hour	*WUE Per Credit Hour	Out-of-State Per Credit Hour
Standard	\$109.00	\$163.50	\$381.50
Specialty Higher Rates			
Differential Tuition Level 1 (+\$5)	\$114.00	\$168.50	\$386.50
Differential Tuition Level 2 (+\$10)	\$119.00	\$173.50	\$391.50
Differential Tuition Level 3 (+\$15)	\$124.00	\$178.50	\$396.50
Differential Tuition Level 4 (+\$20)	\$129.00	\$183.50	\$401.50
Differential Tuition Level 5* (+\$25)	\$134.00	\$406.50	\$406.50
Differential Tuition Level 6* (+\$30)	\$139.00	\$411.50	\$411.50
Differential Tuition Level 7* (+\$50)	\$159.00	\$431.50	\$431.50
Differential Tuition Level 8* (+\$80)	\$189.00	\$461.50	\$461.50
Differential Tuition Level 9* (+100)	\$209.00	\$481.50	\$481.50

*Levels 5-9: Students in the WUE program are charged non-resident tuition for any course specified in levels 5 through 9, plus applicable special course tuition rates and 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 FY19 has increased slightly from last year based on the statutory formula. State appropriations are received based on Full-Time Student Equivalent (FTSE) enrollment and formula funding. This formula funding provides \$572 per FTSE (30 credit hours per year) while dual enrollment is only calculated at fifty percent or \$288 per FTSE. State appropriations are received on a two-year lag based on enrollment growth or decline. The state appropriations funding formula has not been adjusted to keep pace with inflation.

State Appropriations Revenue Projections Three-Year Comparative Analysis

STATUTORY CALCULATION A.R.S. §15-1466 Subject to legislative appropriation	FY17 Actual	FY18 Budget	FY19 Budget
FTSE Change:			
Total Audited FTSE third most recent fiscal year	2,092	2,066	2,009
Total Audited FTSE second most recent fiscal year	2,066	2,009	2,050
Increase/(decrease)	(26)	(57)	41
Non Dual Enrollment Audited FTSE third most recent fiscal year	1,938	1,915	1,890
Non Dual Enrollment Audited FTSE second most recent fiscal year	1,915	1,890	1,912
Increase/(decrease)	(23)	(25)	22
Average Appropriation Per FTSE (Non Dual Enrollment)	605	588	572
Non Dual Enrollment Growth	\$ (13,700)	\$ (14,800)	\$ 12,600
Dual Enrollment Audited FTSE third most recent fiscal year	154	150	119
Dual Enrollment Audited FTSE second most recent fiscal year	150	119	138
Increase/(decrease)	(4)	(31)	19
Average Appropriation Per FTSE (Dual Enrollment @ 50%)	303	337	288
Dual Enrollment Growth	\$ (1,100)	\$ (10,500)	\$ 5,500
State Appropriation	\$ 1,756,400	\$ 1,731,100	\$ 1,749,200
State Aid Cuts	-	-	-
Total M & O State Appropriations	\$1,756,400	\$1,731,100	\$1,749,200

Annual Financial Plan

General Fund - Property Taxes

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 Board has approved the maximum levy each year. New construction growth rate averages approximately 1% per year.

The assessed value of all property for the current tax year tends to reflect values of properties 18 months prior to when taxes are levied. Properties assessments begin in February, and a notice of value is provided to each property owner the following January for the value that will be taxed in the upcoming year, based on assessments started in the prior 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	FY17 (Tax Year 2016) ADOPTED LEVY	FY18 (Tax Year 2017) ADOPTED LEVY	FY19 (Tax Year 2018) ADOPTED LEVY
1) Maximum levy - prior tax year	\$ 7,478,002	\$ 7,706,211	\$ 7,939,326
2) Maximum levy prior tax year multiplied by 102%	7,627,562	7,860,335	8,098,113
3) Assessed value for current tax year of all property subject to tax in the preceding year	1,553,773,227	1,632,140,819	1,708,276,591
4) Paragraph 3 divided by 100, then divide paragraph 2 by the resulting quotient; round to four decimal places	0.4909	0.4816	0.4741
5) Assessed value of all property for current year	1,569,813,808	1,648,531,053	1,726,579,756
6) Paragraph 5 divided by 100 and multiplied by rate in paragraph 4 equals maximum allowable primary property tax levy	7,706,211	7,939,326	8,185,715
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	7,706,211	7,939,326	8,185,715
Total primary property tax revenue	\$ 7,706,211	\$ 7,939,326	\$ 8,185,715



Annual Financial Plan

General Fund - Other Revenue and Transfers

Grants and contracts are a little under 1% of the general fund budget. Investment income is 1.3%, and other income consists of less than three percent of total revenue. Other income includes funds such as administrative cost recovered (indirect cost) from grants, contracts, investment income, bookstore income, parking ticket revenue, and other income listed below.

Three-Year Comparative Analysis

Grants & Contracts	FY17 ACTUAL	FY18 BUDGET	FY19 BUDGET
PELL ACA Revenue	\$ 4,940	\$ 5,000	\$ 5,000
Administrative Cost Recovered	62,921	58,000	58,000
Veterans Admins Cost Recovered	918	1,000	1,000
Foundation FMC Contribution	136,800	95,000	95,000
Non-credit contract training	12,567	18,000	18,000
Other Private Grants	8,116	-	-
Total Grants & Contracts	\$ 226,262	\$ 177,000	\$ 177,000

Investment Income	FY17 ACTUAL	FY18 BUDGET	FY19 BUDGET
Investment Income	\$ 217,916	\$ 200,000	\$ 250,000
Total Investment Income	\$ 217,916	\$ 200,000	\$ 250,000

Other Income	FY17 ACTUAL	FY18 BUDGET	FY19 BUDGET
Bookstore (Commissions)	\$ 84,177	\$ 85,000	\$ 75,000
Salt River Project/Other In-Lieu of Tax	172,317	170,000	172,000
Government Property Lease Excise Tax	56,961	70,000	74,000
Surplus Property	396	500	500
Parking Tickets	12,120	12,000	8,000
Temporary Facility Rental	1,849	1,000	2,500
Flagstaff Library (Lease)	92,563	94,300	97,000
CAVIAT (Lease)	48,576	49,500	50,900
Cell Phone Tower (Lease)	33,064	33,100	33,100
Deli (Lease)	5,584	4,900	5,000
Other	3,587	11,900	6,200
Total Other Income	\$ 511,194	\$ 532,200	\$ 524,200

Transfers	FY17 ACTUAL	FY18 BUDGET	FY19 BUDGET
Transfers In	\$ 88,638	\$ 143,200	48,894
Transfers Out	(622,980)	(715,298)	(778,931)
Net Transfers	\$ (534,342)	\$ (572,098)	\$ (730,037)

Annual Financial Plan

General Fund - Cost per FTSE by Program

The chart below depicts the cost per full-time student equivalent in the General Fund based on programs codes. The full budgeted cost to educate one full-time student per year is \$8,669, as shown in the chart below. The current annual tuition cost for a resident to attend full-time college is \$3,270. As an open access public institution, CCC provides lower-cost educational opportunities for students who might not otherwise be able afford higher education.

FTSE	2,073	2,099	2055
	FY17	FY18	FY19
Expenditure by Program	Actual	Budget	Budget
Instruction	\$ 1,930	\$ 2,495	\$ 2,583
Academic Support	1,302	1,423	1,564
Student Services	1,103	1,273	1,348
Institutional Support	2,037	2,059	2,222
Facilities Operation & Maintenance	804	868	844
Scholarships & Grants	112	112	108
Total General Fund Cost Per FTSE	\$ 7,288	\$ 8,231	\$ 8,669

Program descriptions can be found on page 30.

Annual Financial Plan

General Fund - Non-Capital Equipment

FY19 Preventative Maintenance (Life Cycle Replacement)

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of items which normally impacts the Plant Fund. The chart below shows the items that impact the General Fund for a total of \$48,894. This covers repairs and replacements such as, furniture, lighting, landscape, etc. Purchases under \$5,000 are not capitalized and budgeted to supplies and materials in the General Fund.

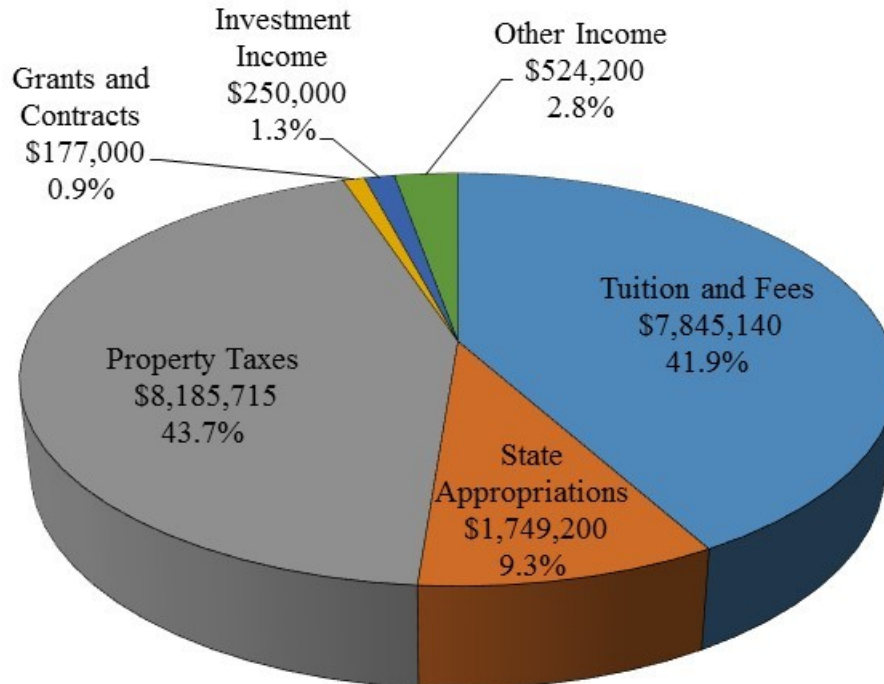
Planned Maintenance	Fourth Street	Lone Tree	Page	Total
Painting	\$ 3,500	\$ 4,000	\$ 4,000	\$ 11,500
Windows	8,000	-	-	8,000
Furniture	12,978	7,416	5,000	25,394
Deli Equipment	-	4,000	-	4,000
Total	\$ 24,478	\$ 15,416	\$ 9,000	\$ 48,894

Institutional Technology and Other Equipment

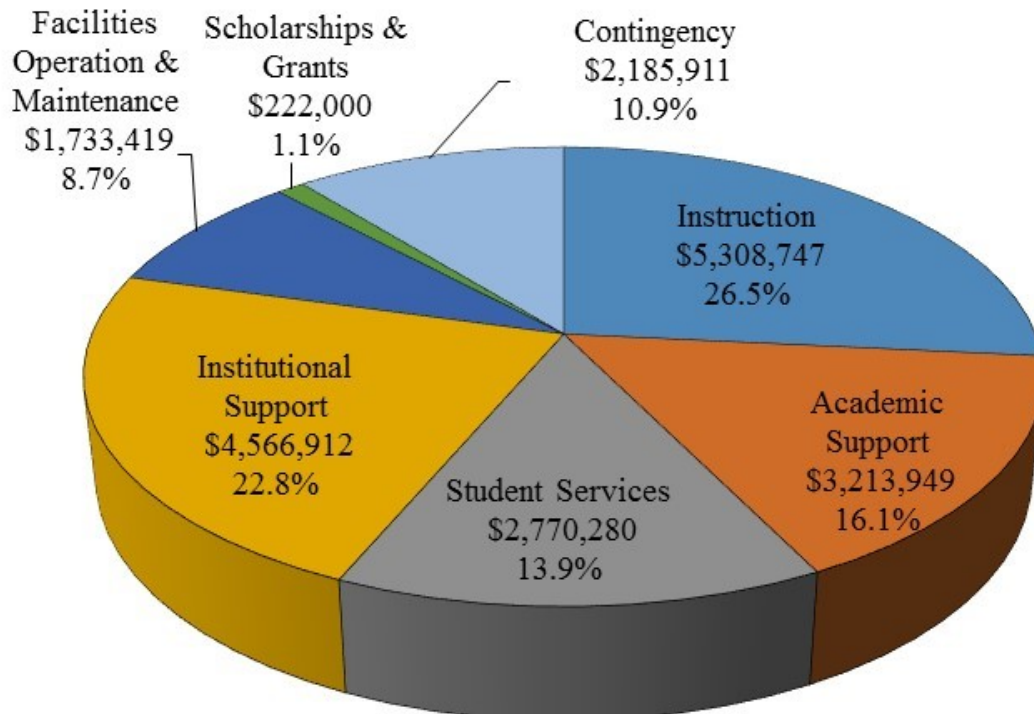
The College budgeted \$75,000 for institutional equipment replacement and \$415,922 for STEM equipment in FY19. To receive funds, a request must be submitted and all equipment and STEM requests are prioritized based on strategic planning initiatives and performance measures, with final approval by Executive Council.

Annual Financial Plan

General Fund - FY19 Revenues (\$18,731,255)



General Fund - FY19 Expenditures by Program (\$20,001,218)





Annual Financial Plan

General Fund

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Comparison For Years Ended June 30			
	FY17 Actual	FY18 Budget	FY19 Budget
Revenues			
Tuition and Fees	\$ 7,732,613	\$ 7,988,790	\$ 7,845,140
State Appropriations	1,756,400	1,731,100	1,749,200
Property Taxes	7,798,435	7,939,000	8,185,715
Grants and Contracts	226,262	177,000	177,000
Investment Income	217,916	200,000	250,000
Other Income	511,194	532,200	524,200
Total Revenues	\$ 18,242,820	\$ 18,568,090	\$ 18,731,255
Other Financing Sources (Uses)			
Transfer In	\$ 88,638	\$ 143,200	\$ 48,894
Transfer Out	(622,980)	(715,298)	(778,931)
Total Other Financing Sources (Uses)	\$ (534,342)	\$ (572,098)	\$ (730,037)
Total Revenues and Transfers	\$ 17,708,478	\$ 17,995,992	\$ 18,001,218
Expenditures by Program			
Instruction	\$ 4,001,606	\$ 5,237,949	\$ 5,308,747
Academic Support	2,698,777	2,987,681	3,213,949
Student Services	2,285,854	2,671,751	2,770,280
Institutional Support	4,222,452	4,322,684	4,566,912
Facilities Operation & Maintenance	1,666,202	1,822,352	1,733,419
Scholarships & Grants	232,562	235,000	222,000
Contingency	-	2,718,575	2,185,911
Total Expenditures	\$ 15,107,453	\$ 19,995,992	\$ 20,001,218
Expenditures by Object			
Personnel Services	\$ 10,859,648	\$ 13,105,297	\$ 13,650,248
Contractual Services	1,447,987	820,799	881,472
Supplies	969,807	1,216,515	1,141,754
Fixed Charges	867,891	944,826	952,216
Utilities	532,117	589,113	587,887
Travel	153,315	199,392	219,255
Scholarships	236,466	235,000	222,000
Miscellaneous/Other	40,222	166,475	160,475
Contingency	-	2,718,575	2,185,911
Total Expenditures	\$ 15,107,453	\$ 19,995,992	\$ 20,001,218
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ 2,601,025	\$ (2,000,000)	\$ (2,000,000)

Annual Financial Plan

General Fund

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Change Comparison For Years Ended June 30		
FY18 to FY19 Change	FY18 to FY19 Detail of Changes	
\$ (143,650)	-1.8%	Tuition increase; Enrollment decline
18,100	1.0%	Per state formula
246,715	3.1%	2% plus new construction
-	0.0%	
50,000	25.0%	Based on prior actuals
(8,000)	-1.5%	Reflect actual trends
\$ 163,165	0.9%	
\$ (94,306)	-65.9%	Planned maintenance
(63,633)	8.9%	Small Business Development Center; CPI
\$ (157,939)	27.6%	
\$ 5,226	0.0%	
\$ 70,798	1.4%	New faculty; Compensation adjustments
226,268	7.6%	Strategic plan additions; Compensation adjustments
98,529	3.7%	Compensation; Braille textbooks
244,228	5.6%	Strategic plan additions; Compensation adjustments
(88,933)	-4.9%	Planned maintenance reductions
(13,000)	-5.5%	Enrollment decline
(532,664)	-19.6%	Net alignment of revenue and expenses
\$ 5,226	0.0%	
\$ 544,951	4.2%	New faculty; Compensation adjustments
60,673	7.4%	Increase in legal costs; Planned maintenance
(74,761)	-6.1%	Reduced planned maintenance
7,390	0.8%	CPI
(1,226)	-0.2%	Reallocations to other categories
19,863	10.0%	Reallocations from other categories; New positions
(13,000)	-5.5%	Enrollment decline
(6,000)	-3.6%	Reallocations to other categories
(532,664)	-19.6%	Net alignment of revenue and expenses
\$ 5,226	0.0%	

Annual Financial Plan



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Annual Financial Plan

Restricted Funds

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

STEM Appropriation - State (\$415,922)

STEM appropriations provide the College with funds for partnerships, faculty, technology equipment, student services, facilities, and property. In FY16 statutory language classified STEM funding as restricted funds.

Workforce Development (Prop 301) - State (\$507,877)

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.

Adult Education (ADE) - Federal (\$333,147) and State (\$109,899)

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 development (GED) preparation classes, English language instruction, and citizenship preparation classes.

Financial Aid - Federal (\$3,747,471) and State (\$9,403)

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.

Carl Perkins Grant/Program of Study (POS) - Federal (\$247,313/\$22,500) and POS State (\$2,500)

The Carl Perkins Grant provides funding to improve vocational educational programs and the assessment, retention, and completion of special population students in these programs. The grant provides assistance with purchases of capital equipment within the CTE programs.

TRiO - Federal (\$226,385)

The TRiO program serves approximately 140 students who are 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.

Small Business Development Center (SBDC) - Federal (\$101,488) and Local (\$23,738)

The Small Business Development Center provides confidential one-on-one counseling, targeted training, and innovative information resources to the Coconino County business community. The program helps clients start, operate, and expand businesses more effectively with measurable economic impact on the communities of Coconino County.

Southern Nevada Northern Arizona Louis Stokes Alliance for Minority Participation (SNAA-LSAMP) - Federal (\$50,000)

The SNAA-LSAMP is an alliance of colleges which focuses on Science, Technology, Engineering and Mathematics (STEM). The Program is a federally funded research and training program that is sponsored by a grant from the National Science Foundation. The overall goal of the LSAMP Program is to ensure that a greater number of minority students graduate and pursue careers in STEM fields.

Noyce Scholarship Program - Federal (\$6,370)

The Robert Noyce Teacher Scholarship Program is a National Science Foundation grant that provides scholarships to recruit and prepare STEM majors and professionals to become K-12 teachers.

Annual Financial Plan

Restricted Funds

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Comparison For Years Ended June 30			
	FY17 Actual	FY18 Budget	FY19 Budget
Revenues			
Tuition and Fees	\$ 3,885	\$ 6,000	\$ 6,000
State Appropriations	418,000	409,000	415,922
Federal Grants and Contracts	4,232,896	6,149,876	4,734,674
State Grants and Contracts	572,035	557,912	629,679
Private Grants and Contracts	17,650	-	23,738
Total Revenues	\$ 5,244,466	\$ 7,122,788	\$ 5,810,013
Other Financing Sources (Uses)			
Transfer In	\$ 14,893	\$ 39,898	\$ 59,731
Total Other Financing Sources (Uses)	\$ 14,893	\$ 39,898	\$ 59,731
Total Revenues and Transfers	\$ 5,259,359	\$ 7,162,686	\$ 5,869,744
Expenditures by Program			
Instruction	\$ 1,266,603	\$ 1,322,820	\$ 1,341,039
Public Service	-	30,000	160,226
Academic Support	291,763	281,094	284,803
Student Services	379,926	355,984	409,583
Institutional Support	7,773	-	-
Scholarships & Grants	3,313,294	5,172,788	3,674,093
Total Expenditures	\$ 5,259,359	\$ 7,162,686	\$ 5,869,744
Expenditures by Object			
Personnel Services	\$ 1,531,577	\$ 1,610,157	\$ 1,866,578
Contractual Services	47,983	46,861	3,100
Supplies	223,766	168,709	149,241
Fixed Charges	3,819	1,650	3,592
Utilities	531	400	1,380
Travel	74,774	61,324	77,285
Capital Equipment	3,503	33,000	-
Scholarships	3,309,990	5,166,784	3,686,289
Miscellaneous/Other	63,416	73,801	82,279
Total Expenditures	\$ 5,259,359	\$ 7,162,686	\$ 5,869,744
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ -	\$ -	\$ -



Annual Financial Plan

Restricted Funds

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Comparison For Years Ended June 30		
FY18 to FY19 Change		FY18 to FY19 Detail of Changes
\$ -	0.0%	
6,922	1.7%	Formula allocation
(1,415,202)	-23.0%	Decreased PELL for trend
71,767	12.9%	Adult Education; Workforce Development
23,738	100.0%	Small Business Development Center
\$(1,312,775)	-18.4%	
\$ 19,833	49.7%	LSAMP support
\$ 19,833	49.7%	
\$(1,292,942)	-18.1%	
\$ 18,219	1.4%	Adult Education staffing changes
130,226	434.1%	Small Business Development Center
3,709	1.3%	Compensation adjustments
53,599	15.1%	LSAMP grant; Compensation
-	0.0%	
(1,498,695)	-29.0%	Decreased PELL for trend
\$(1,292,942)	-18.1%	
\$ 256,421	15.9%	New and increased grants; Compensation
(43,761)	-93.4%	Adult Education reallocations
(19,468)	-11.5%	Adult Education reallocations
1,942	117.7%	Perkins reallocations
980	245.0%	Adult Education reallocations
15,961	26.0%	Perkins reallocations
(33,000)	0.0%	Perkins reallocations
(1,480,495)	-28.7%	Decreased PELL for trend
8,478	11.5%	Increased indirect
\$(1,292,942)	-18.1%	

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.

Vending Services

Vending Services provide revenue sources at all campuses. The student vending account expenditures relate to student programs and clubs. Below is a list of clubs that are funded through Auxiliary funds:

- Anime Club
- Associated Student Body
- Chess Club
- Clay Club
- Games Club
- Kaleidoscope Alliance
- Native American Student Association
- Phi Theta Kappa
- Science Club
- Student Veterans of America
- Vintage Christian Fellowship

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 remains in each fund to be used or carried forward into subsequent fiscal years.

Equipment Rental

In FY19, approximately \$18,700 was budgeted to purchase and update calculators. 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 scientific calculator.

Annual Financial Plan

Auxiliary Funds

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Comparison For Years Ended June 30					
	FY17 Actual	FY18 Budget	FY19 Budget	FY18 to FY19 Change	
Revenues					
Sales and Services	\$ 24,489	\$ 22,140	\$ 20,100	\$ (2,040)	-9.2%
Total Revenues	\$ 24,489	\$ 22,140	\$ 20,100	\$ (2,040)	-9.2%
Other Financing Sources (Uses)					
Transfer In	\$ 12,000	\$ 10,500	\$ 12,000	\$ 1,500	14.3%
Total Other Financing Sources (uses)	\$ 12,000	\$ 10,500	\$ 12,000	\$ 1,500	14.3%
Total Revenues and Transfers	\$ 36,489	\$ 32,640	\$ 32,100	\$ (540)	-1.7%
Expenditures by Program					
Auxiliary Enterprises	\$ 43,559	\$ 46,640	\$ 46,100	\$ (540)	-1.2%
Total Expenditures	\$ 43,559	\$ 46,640	\$ 46,100	\$ (540)	-1.2%
Expenditures by Object					
Contractual Services	\$ -	\$ 300	\$ 300	-	0.0%
Supplies	29,786	44,140	43,600	(540)	-1.2%
Fixed Charges	4,320	-	-	-	0.0%
Utilities	28	-	-	-	0.0%
Travel	604	2,200	2,200	-	0.0%
Scholarships & Grants	8,821	-	-	-	0.0%
Total Expenditures	\$ 43,559	\$ 46,640	\$ 46,100	\$ (540)	-1.2%
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ (7,070)	\$ (14,000)	\$ (14,000)		

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.

FY19 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, and carpeting. The table below shows the FY19 capital plan items. Other non-capital planned maintenance cost of \$48,894 was budgeted in the General Fund.

FY19 IT Lifecycle Replacement

Beginning in FY18, an IT life cycle replacement budget for technology of \$140,000 was established to assist with technology costs and create funding for long-term IT equipment replacement plans.

FY19 Planned Maintenance Budget

Planned Maintenance	Fourth Street	Lone Tree	Page	Total
Security System & Cameras	\$ 13,121	\$ 50,000	\$ 8,000	\$ 71,121
Electronic Door System	-	55,024	-	55,024
Backhoe	-	75,000	-	75,000
Parking Lot	-	75,000	-	75,000
Parking System Software	-	25,000	-	25,000
Phone System Replacement	-	100,000	-	100,000
Contingency	5,000	25,000	2,500	32,500
Total FY19 Planned Maintenance	\$ 18,121	\$ 405,024	\$ 10,500	\$ 433,645
IT Equipment Lifecycle Replacement Plan				\$ 140,000

Annual Financial Plan



Unexpended Plant Fund (continued)

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Comparison For Years Ended June 30					
	FY17 Actual	FY18 Budget	FY19 Budget	FY18 to FY19 Change	
Revenues					
Other Financing Sources (Uses)					
Transfer In	\$ 596,087	\$ 664,900	\$ 707,200	\$ 42,300	6.4%
Transfer Out	(88,638)	(143,200)	(48,894)	94,306	-65.9%
Total Other Financing Sources (Uses)	\$ 507,449	\$ 521,700	\$ 658,306	\$ 136,606	26.2%
Total Revenues and Transfers	\$ 507,449	\$ 521,700	\$ 658,306	\$ 136,606	26.2%
Expenditures by Program					
Instruction	\$ 35,000	\$ -	\$ -	\$ -	0.0%
Academic Support	29,390	-	-	-	0.0%
Institutional Support	20,952	140,000	240,000	100,000	71.4%
Facilities Operation & Maintenance	32,413	-	333,645	333,645	0.0%
Total Expenditures	\$ 117,755	\$ 140,000	\$ 573,645	\$ 433,645	309.7%
Expenditures by Object					
Capital Equipment	\$ 117,755	\$ 140,000	\$ 573,645	\$ 433,645	309.7%
Total Expenditures	\$ 117,755	\$ 140,000	\$ 573,645	\$ 433,645	309.7%
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ 389,694	\$ 381,700	\$ 84,661		

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 on 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	The Bonds		Weighted	Amortization		Dereived Tax Rate
June 30	Principal	Interest	Average	Premium	Cost/Discount	
2009	\$ 235,000	\$ 154,890	3.88%	\$ 24,497	\$ 9,266	0.0981
2010	1,365,000	570,150	14.27%	90,172	34,108	0.0898
2011	1,420,000	542,850	13.59%	85,855	32,475	0.0942
2012	1,485,000	510,900	12.79%	80,802	30,564	0.1085
2013	1,545,000	477,488	11.95%	75,517	28,565	0.1052
2014	1,620,000	438,863	10.99%	69,409	103,978	0.1243
2015	1,690,000	394,313	9.87%	62,363		0.1268
2016	1,785,000	332,413	8.32%	52,573		0.1241
2017	1,885,000	266,225	6.67%	42,105		0.1305
2018	1,985,000	200,250	5.01%	31,671		0.1326
2019	2,120,000	106,000	2.65%	16,764		0.1218
	<u>\$ 17,135,000</u>	<u>\$ 3,994,342</u>	100.00%	<u>\$ 631,727</u>	<u>\$ 238,957</u>	

The principal of \$2,120,000 is shown in the Expenditure by Object section under *Retirement of Indebtedness* in the Three-Year Comparative Analysis chart. This is the principal amount the college is responsible to repay in FY19, which is also the last year debt service payments will be required. Interest expense, less the 2019 premium amortization, totals \$89,236, which is the budgeted interest expense for FY19. This can be found under *Miscellaneous* in the Expenditures by Object section. The levy for debt services is calculated based on the total County Limited Property Value, which can be located on the 2018 Levy Limit worksheet line C.4. in the State documents section.

Annual Financial Plan

Retirement of Indebtedness Fund

Three-Year Comparative Analysis - For Years Ended June 30th

Three Year Comparison For Year Ended June 30th					
Revenues	FY17 Actual	FY18 Budget	FY19 Budget	FY18 to FY19 Change	
Property Taxes	\$ 2,073,640	\$ 2,185,250	\$ 2,102,295	\$ (82,955)	-3.8%
Other Income	58,670	70,000	47,000	(23,000)	-32.9%
Total Revenues	\$ 2,132,310	\$ 2,255,250	\$ 2,149,295	\$ (105,955)	-4.7%
Expenditures by Program					
Retirement of Indebtedness	\$ 2,109,120	\$ 2,153,579	\$ 2,209,236	\$ 55,657	2.6%
Total Expenditures	\$ 2,109,120	\$ 2,153,579	\$ 2,209,236	\$ 55,657	2.6%
Expenditures by Object					
Retirement of Indebtedness	\$ 1,885,000	\$ 1,985,000	\$ 2,120,000	\$ 135,000	6.8%
Miscellaneous/Other	224,120	168,579	89,236	(79,343)	-47.1%
Total Expenditures	\$ 2,109,120	\$ 2,153,579	\$ 2,209,236	\$ 55,657	2.6%
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ 23,190	\$ 101,671	\$ (59,941)		

The \$47,000 in other revenue is for taxes paid by the Salt River Project in lieu of a tax levy, and is based on the estimated SRP value in the district times the tax rate for the year.

Annual Financial Plan



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Long-term Financial Sustainability

July 1, 2018 - June 30, 2019



Long-term Financial Sustainability

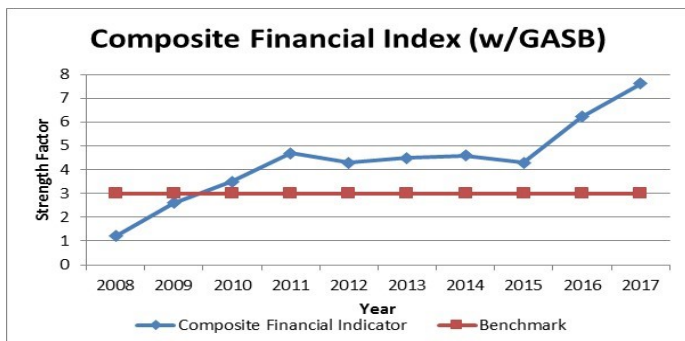
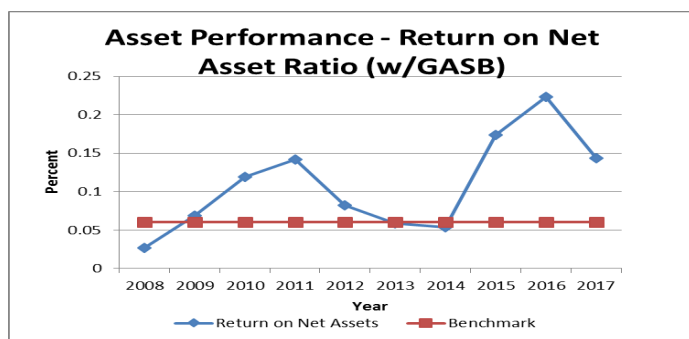
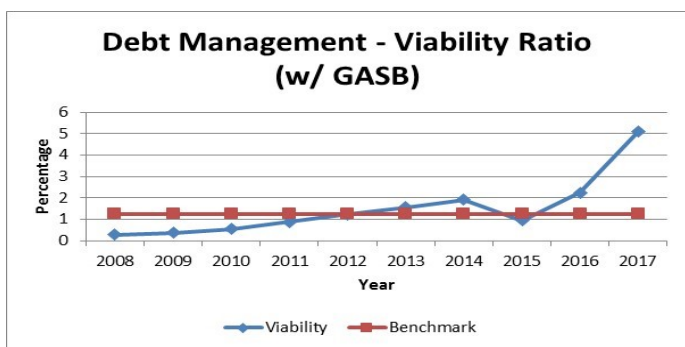
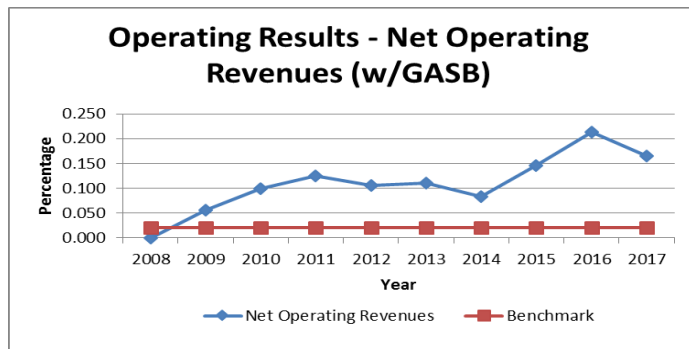
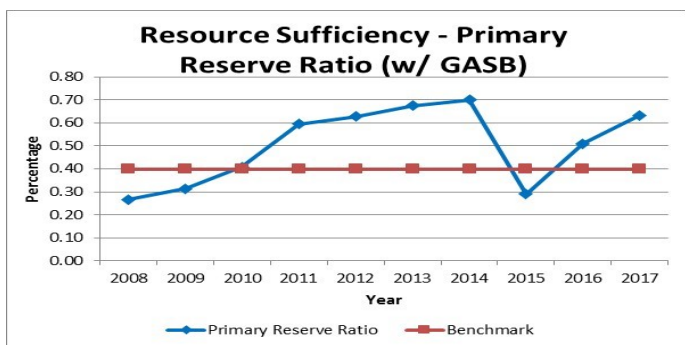


Financial Ratios

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 ratios are with and without the impact of GASB 68 pension disclosure. The financial ratios are defined below and the charts are inclusive of GASB 68 adjustments:

- **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 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, increased from last year to 7.6, which means that the College is relatively healthy financially based on current business model.



Composite 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

Long-Term Financial Sustainability

The College has a long-term structural imbalance because of very low property tax rates as well as very low state aid. The College has developed long-term, high-level assumptions through FY29 as follows:

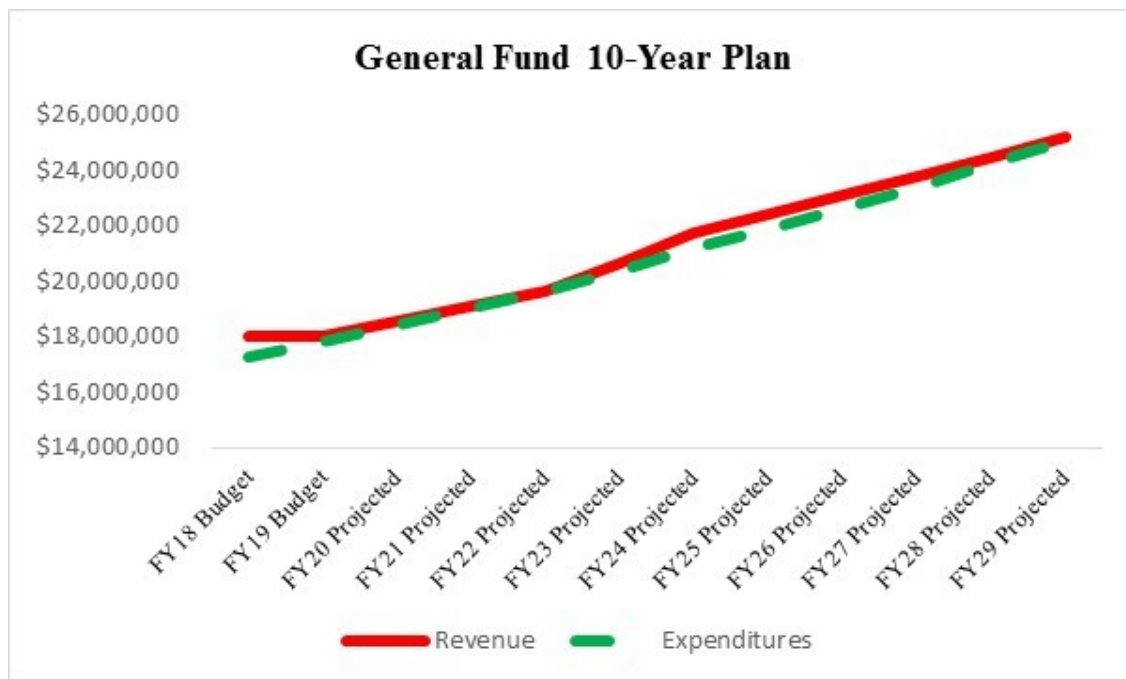
Revenues - Average growth of 2.8% - 3.3%:

- **Enrollment** - growth of 1% per year based on long-term county population growth trend, reduced in the FY19 budget for FY18 projected enrollment decline with future recovery to trend levels
- **Tuition rates** - Increases per year based on CPI and Board direction
- **State aid** - flat funding, no growth and no further additional cuts
- **Property tax** - 2% levy increase plus 1% to 2% new construction growth based on trend analysis

Expenditures - Average growth of 3.3% to 3.5%:

- **Personnel cost** - average increases of 3.5% per year including increased part-time faculty associated with 1% enrollment growth
- **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 for the next ten years. The most recent austerity plan created a gap of \$186,000 in the FY19 budget. As discussed in the Challenges and Solution section, the gap provides investment capacity for new programs. The strategic plan will continue to address the long-term financial sustainability of the College.



Long-term Financial Sustainability



General Fund

Multi-Year Forecast

Revenue Source	FY17 Actual	FY18 Budget	FY19 Budget	% Change FY18-19	FY20 Projected	FY21 Projected
Tuition and Fees	\$ 7,732,613	\$ 7,988,790	\$ 7,845,140	-1.8%	\$ 8,114,400	\$ 8,385,600
State Appropriations	1,756,400	1,731,100	1,749,200	1.0%	1,759,500	1,733,800
Property Taxes	7,798,435	7,939,000	8,185,715	3.1%	8,516,000	8,817,000
Grants and Contracts	226,262	177,000	177,000	0.0%	177,000	177,000
Investment Income	217,916	200,000	250,000	25.0%	253,300	256,800
Other Income	511,194	532,200	524,200	-1.5%	531,500	539,000
Sub-Total Revenues	\$ 18,242,820	\$ 18,568,090	\$ 18,731,255	0.9%	\$ 19,351,700	\$ 19,909,200
Net Transfers Out of Other Funds	(534,342)	(572,098)	(730,037)	27.6%	(794,800)	(811,100)
Total Revenues	\$ 17,708,478	\$ 17,995,992	\$ 18,001,218	0.0%	\$ 18,556,900	\$ 19,098,100

Revenue Assumptions

Revenue Source FTSE	FY19 2,055	FY20 2,073	FY21 2,099
Tuition and Fees	\$4 tuition increase for CPI and additional faculty	\$3 tuition increase, based on CPI and Board direction	\$3 tuition increase, based on CPI and Board direction
Enrollment	2% decrease in enrollment per current trend	1% increase in enrollment	1% increase in enrollment
State Appropriations	Increase \$18,100 due to formula	Increase \$10,300 due to formula	Decrease \$25,700 due to formula
Property Taxes	2% allowed levy increase, 1.1% growth	2% allowed levy increase, 2.0% growth	2% allowed levy increase, 1.6% growth
Grants and Contracts	Indirect cost recovery from grants	Indirect cost recovery from grants	Indirect cost recovery from grants
Investment Income	Increase based on current earnings	Increase based on current earnings	Increase based on current earnings
Rental and Other Income	2.0 % inflation increase on rentals	2.0 % inflation increase on rentals	2.0 % inflation increase on rentals
Net Transfers to Other Funds	Increase based on planned maintenance funding schedule	Increase based on planned maintenance funding schedule	Increase based on planned maintenance funding schedule

Long-term Financial Sustainability



General Fund

Multi-Year Forecast

Expenditures by Object	FY17 Actual	FY18 Budget	FY19 Budget	% Change FY18-19	FY20 Projected	FY21 Projected
Personnel Services	\$ 10,859,648	\$ 13,105,297	\$ 13,650,248	4.2%	\$ 14,183,700	\$ 14,708,900
Contractual Services	1,447,987	820,799	881,472	7.4%	891,700	914,000
Supplies	969,807	1,216,515	1,141,754	-6.1%	1,132,000	1,160,300
Fixed Charges	867,891	944,826	952,216	0.8%	976,000	1,000,400
Utilities	532,117	589,113	587,887	-0.2%	602,600	617,600
Travel	153,315	199,392	219,255	10.0%	228,400	234,100
Scholarships	236,466	235,000	222,000	-5.5%	225,000	227,000
Miscellaneous/Other	40,222	166,475	160,475	-3.6%	162,000	163,500
Sub-Total Expenditures	\$ 15,107,453	\$ 17,277,417	\$ 17,815,307	3.1%	\$ 18,401,400	\$ 19,025,800
Contingency	-	2,718,575	2,185,911	-19.6%	2,155,500	2,072,300
Total Expenditures	\$ 15,107,453	\$ 19,995,992	\$ 20,001,218	0.0%	\$ 20,556,900	\$ 21,098,100
Transferred (from)/to Fund Balance	2,601,025	(2,000,000)	(2,000,000)	0.0%	(2,000,000)	(2,000,000)

Expense Assumptions

Expenditures by Object FTSE	FY19 2,055	FY20 2,073	FY21 2,099
Staff Compensation	2% CPI	2% CPI	2% CPI
FT Faculty Compensation	FT Faculty 2% step	FT Faculty 2% step	FT Faculty 2% step
PT Faculty Compensation	PT Faculty 2%	PT Faculty 3%	PT Faculty 2%
FT Faculty/Staff Market	No change	1% market (biannually)	No change
PT Faculty FTE Change	0.5% adjustment to PT faculty based on enrollment	0.5% adjustment to PT faculty based on enrollment	0.5% adjustment to PT faculty based on enrollment
FT Faculty FTE Change	Increased FT Faculty by 3 FTE	2 new FT Faculty FTE	No change
Staffing FTE Change	Increased by 4 FTE	No change	No change
Benefits	9.5% increase to medical \$360 increase to cafeteria	No change No change	No change No change
Contracted Services	Increases for inflation and planned maintenance expenses	2.5% inflation increase, 0.5% adjustment for enrollment increase	2.5% inflation increase, 0.5% adjustment for enrollment increase
Supplies	Inflation increases and decreases for reallocations to other lines	2.5% inflation increase, 0.5% adjustment for enrollment increase	2.5% inflation increase, 0.5% adjustment for enrollment increase
Fixed Charges	0.8% inflation increase	2.5% inflation increase	2.5% inflation increase
Utilities	Inflation increases and decreases for reallocations to other lines	2.5% inflation increase	2.5% inflation increase
Travel	Adjustment for new FTEs	2.5% inflation increase	2.5% inflation increase
Scholarships	Adjustments based on enrollments and tuition rate	Adjustments based on enrollments and tuition rate	Adjustments based on enrollments and tuition rate
Contingency	\$2 m for emergencies only	\$2 m for emergencies only	\$2 m for emergencies only

Long-term Financial Sustainability



Long-Term Capital Outlook

Facilities Preventative Maintenance/Life Cycle Replacement

The College allocates funds for preventative maintenance projects and life cycle replacement annually, based on 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 & Security assesses the condition of the facilities and adjusts the schedules 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 the upcoming five year project schedule from the twenty-year maintenance schedule:

Resources	FY19	FY20	FY21	FY22	FY23
Fourth Street Allocation	\$ 140,500	\$ 144,300	\$ 148,300	\$ 152,400	\$ 156,600
Page Allocation	52,200	53,800	55,400	57,100	58,800
Lone Tree Allocation	330,000	339,900	350,100	360,600	371,400
Total Allocations	\$ 522,700	\$ 538,000	\$ 553,800	\$ 570,100	\$ 586,800
Fourth Street					
Painting	\$ 3,500	\$ 3,500	\$ 3,500	\$ 28,500	\$ 3,500
Windows	8,000	-	-	-	-
Security System & Cameras	13,121	29,710	3,090	3,183	3,278
Furniture	12,978	7,000	7,210	7,426	7,649
Roofing	-	80,000	-	-	-
Lighting	-	12,000	-	-	-
Fire Panel	-	20,000	-	-	-
HVAC	-	20,000	-	-	-
Doors/Door System	-	75,000	51,500	53,045	-
Parking Lot Maintenance	-	-	77,033	-	-
Johnson Control Panel & Controllers	-	-	-	35,000	-
Remodels	-	-	-	25,000	25,750
Misc./Contingency	5,000	7,500	7,500	7,500	7,500
Page					
Painting	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Security System & Cameras	8,000	-	-	-	-
Furniture	5,000	5,150	5,305	5,464	5,628
Flooring	-	14,000	-	-	-
Doors/Door System	-	73,903	-	-	-
Lighting	-	12,000	-	-	6,013
Parking Lot Maintenance	-	-	51,007	-	-
Johnson Control Panel & Controllers	-	-	25,000	-	-
Misc./Contingency	2,500	2,500	2,500	2,500	2,500
Lone Tree					
Parking Lot Maintenance	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Painting	4,000	4,000	4,000	4,000	4,000
Doors/Door System	55,024	25,750	26,523	27,318	28,138
Security System & Cameras	50,000	5,150	5,305	5,464	5,628
Furniture	7,416	7,638	7,868	8,104	8,347
Deli Equipment	4,000	4,120	4,244	-	-
Backhoe	75,000	-	-	-	-
Flooring	-	19,201	-	-	-
Vehicle Replacements	-	39,140	42,560	31,738	-
Heavy Equipment Replacements	-	102,700	33,600	-	5,000
Remodels	-	50,000	51,500	53,045	54,636
Lighting	-	25,642	-	30,000	-
Chillers & Boilers	-	-	-	200,000	115,000
Johnson Controls	-	-	-	-	300,000
Other	125,000	20,000	-	9,465	-
Misc./Contingency	25,000	25,000	25,000	25,000	30,000
Total Planned Maintenance	\$ 482,539	\$ 694,604	\$ 438,245	\$ 565,752	\$ 616,567

Long-term Financial Sustainability



Risk Analysis

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 and to maintain low cyber risks. 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 and fund the long-term technology plan.

Meeting Community Needs

The College has a history of trying to serve many community needs. As a vital community partner, there are community needs that CCC has been unable to respond to due to the limited revenue sources available. The College will continue to work with the Coconino County community to prioritize needs and maximize innovative partnerships to provide a comprehensive response.

Insurance and Benefit 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, cybersecurity risks, and natural disasters. The College carries commercial insurance for all such risks of loss, including workers' compensation, employee health, and accident insurance and most recently the College has included insurance on cybersecurity risks. 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, Coconino County Accommodation School District, Flagstaff Housing Authority, 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.

Minimum Wage Risk

External legislative changes can also impact the College. On November 8th, 2016, Arizona voters approved Proposition 206, which increased the state minimum wage as of January 1st, 2017 from \$8.05 to \$10.00 per hour, as well as providing earned sick time for every 30 hours of work time to all employees starting July 1st, 2017. Also on November 8th, the City of Flagstaff voters approved Proposition 414 (later amended by City Council), to increase minimum wage to \$2 per hour above the state rate, to eventually a \$15.50 per hour minimum wage by January 2022. There is an implementation plan that phases in these changes. This did not come with increases funding for Federal Work Study students, so those hours have been, and will continue to be, significantly impacted by the increase in minimum wage. Part-time staff hours have been reduced, and will require prioritizing those costs against other needs in the future.



Long-term Financial Sustainability

Risk Analysis (continued)

Other Benefit Risks

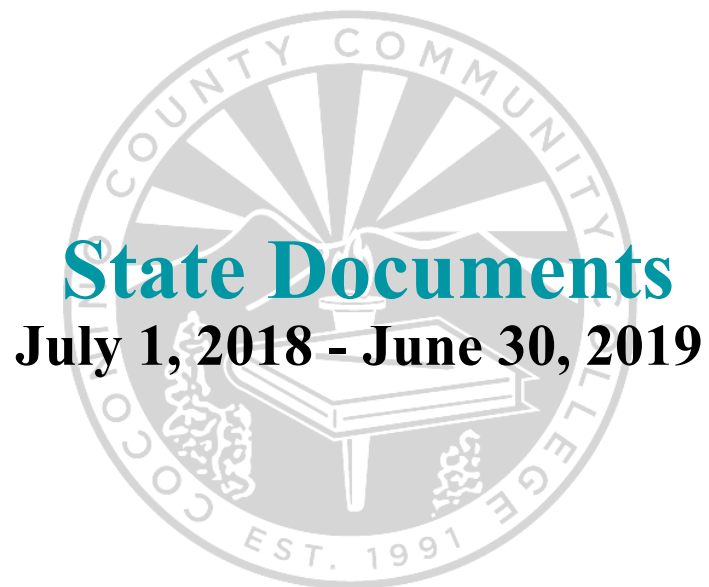
The Affordable Care Act (ACA), postemployment health care benefits, Arizona State Retirement System, and GASB 68 pension liability reporting are additional risks to the College and other employers. The ACA mandates that all part-time employees are offered medical insurance benefits when they become eligible or significant penalties could be imposed on the College. The postemployment healthcare benefits reporting regulations require the liability of benefits to be amortized over 30 years. As of July 1, 2016, there is an unfunded liability of \$608,813. Due to rising health care costs and overall utilization, the liability may continue to increase as more retirees stay in the insurance pool. The Arizona State Retirement System is an uncontrollable risk the College faces because it is administered by the ASRS Board. The College has no control over the expenditures each year. As a result of Governmental Accounting Standards Board Statement No. 68, the College had to restate unrestricted net position as of 7/1/14 in order to recognize pension liability. In the future this could possibly have an impact on accreditation ratios, bond rating, contribution rates, and future capital raising potential.

Political Risks

As a political subdivision of the state of Arizona, the College is subject to statutes and regulatory requirements prescribed by the state. As a higher education institution that awards Federal Title 4 financial aid funds, Federal regulatory changes for disbursing funds and reporting on students can have significant impacts on the College. Other federal grants also come with reporting and outcome requirements. As regulations change the College must remain flexible in how business operations are modified to maintain compliance.

Cyber Liability and Data Security

The College is required to collect and store student data as part of maintaining compliance with various regulatory requirements. Some of this information is considered Personally Identifiable Information (PII) and is subject to more stringent privacy regulations. Recent cyber events in Arizona have cost educational institutions millions of dollars to correct. This risk area will require a continuous proactive approach by the College to protect the data of our students, faculty, and staff.



State Documents

July 1, 2018 - June 30, 2019

MISSION

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





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 20th. [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 on 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 tax 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 2019 SUMMARY OF BUDGET DATA

			Increase/Decrease From Budget 2018 To Budget 2019	
	Budget 2019	Budget 2018	Amount	%
I. CURRENT GENERAL AND PLANT FUNDS				
A. Expenditures:				
Current General Fund	\$ 20,001,218	\$ 19,995,992	\$ 5,226	0.0%
Unexpended Plant Fund	573,645	140,000	433,645	309.7%
Retirement of Indebtedness Plant Fund	2,209,236	2,153,579	55,657	2.6%
TOTAL	\$ 22,784,099	\$ 22,289,571	\$ 494,528	2.2%
B. Expenditures Per Full-Time Student Equivalent (FTSE):				
Current General Fund	\$ 9,733 /FTSE	\$ 9,526 /FTSE	\$ 207 /FTSE	2.2%
Unexpended Plant Fund	\$ 279 /FTSE	\$ 67 /FTSE	\$ 212 /FTSE	318.5%
Projected FTSE Count	2,055	2,099		
II. TOTAL ALL FUNDS ESTIMATED PERSONNEL COMPENSATION				
Employee Salaries and Hourly Costs	\$ 11,583,792	\$ 11,207,711	\$ 376,081	3.4%
Retirement Costs	1,158,782	1,058,715	100,067	9.5%
Healthcare Costs	1,067,922	919,510	148,412	16.1%
Other Benefit Costs	1,702,730	1,529,518	173,212	11.3%
TOTAL	\$ 15,513,226	\$ 14,715,454	\$ 797,772	5.4%
III. SUMMARY OF PRIMARY AND SECONDARY PROPERTY TAX LEVIES AND RATES				
A. Amount Levied:				
Primary Tax Levy	\$ 8,185,715	\$ 7,939,000	\$ 246,715	3.1%
Secondary Tax Levy	2,102,295	2,185,250	(82,955)	-3.8%
TOTAL LEVY	\$ 10,288,010	\$ 10,124,250	\$ 163,760	1.6%
B. Rates Per \$100 Net Assessed Valuation:				
Primary Tax Rate	0.4741	0.4816	(0.0075)	-1.6%
Secondary Tax Rate	0.1218	0.1326	(0.0108)	-8.1%
TOTAL RATE	0.5959	0.6142	(0.0183)	-3.0%
IV. MAXIMUM ALLOWABLE PRIMARY PROPERTY TAX LEVY FOR FISCAL YEAR 2019 PURSUANT TO A.R.S. §42-17051			\$ 8,185,715	
V. AMOUNT RECEIVED FROM PRIMARY PROPERTY TAXES IN FISCAL YEAR 2018 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 2019 RESOURCES

	CURRENT FUNDS			PLANT FUNDS					
	General Fund 2019	Restricted Fund 2019	Auxiliary Fund 2019	Unexpended Plant Fund 2019	Retirement of Indebtedness 2019	Other Funds 2019	Total All Funds 2019	Total All Funds 2018	% Increase/ Decrease
BEGINNING BALANCES-July 1*									
Restricted	\$	\$	\$	\$	\$ 59,941	\$	\$ 59,941	\$	--
Unrestricted	8,542,973		26,621	5,034,014			13,603,608	11,015,169	23.5%
Total Beginning Balances	\$ 8,542,973	\$	\$ 26,621	\$ 5,034,014	\$ 59,941	\$	\$ 13,663,549	\$ 11,015,169	24.0%
REVENUES AND OTHER INFLOWS									
Student Tuition and Fees									
General Tuition	\$ 6,098,100	\$ 6,000	\$	\$	\$	\$	\$ 6,104,100	\$ 6,145,291	-0.7%
Out-of-District Tuition	200,000						200,000	200,000	
Out-of-State Tuition	1,223,000						1,223,000	1,373,109	-10.9%
Student Fees	289,040						289,040	276,390	4.6%
Tuition and Fee Remissions or Waivers	35,000						35,000		--
State Appropriations									
Maintenance Support	1,749,200						1,749,200	1,731,100	1.0%
Equalization Aid									
Capital Support		415,922					415,922	409,000	1.7%
Property Taxes									
Primary Tax Levy	8,185,715						8,185,715	7,939,000	3.1%
Secondary Tax Levy					2,102,295		2,102,295	2,185,250	-3.8%
Gifts, Grants, and Contracts	177,000	4,880,214					5,057,214	6,398,779	-21.0%
Sales and Services			20,100				20,100	22,140	-9.2%
Investment Income	250,000						250,000	200,000	25.0%
State Shared Sales Tax		507,877					507,877	486,009	4.5%
Other Revenues	524,200				47,000		571,200	602,200	-5.1%
Proceeds from Sale of Bonds									
Total Revenues and Other Inflows	\$ 18,731,255	\$ 5,810,013	\$ 20,100	\$	\$ 2,149,295	\$	\$ 26,710,663	\$ 27,968,268	-4.5%
TRANSFERS									
Transfers In	48,894	59,731	12,000	707,200			827,825	858,498	-3.6%
(Transfers Out)	(778,931)			(48,894)			(827,825)	(858,498)	-3.6%
Total Transfers	(730,037)	59,731	12,000	658,306					
Less:									
Stabilization	(6,542,973)						(6,542,973)	(5,094,864)	28.4%
Future Expenditures			(12,621)	(5,118,675)			(5,131,296)	(4,389,676)	16.9%
Total Resources Available for the Budget Year	\$ 20,001,218	\$ 5,869,744	\$ 46,100	\$ 573,645	\$ 2,209,236	\$	\$ 28,699,943	\$ 29,498,897	-2.7%

*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 2019
EXPENDITURES AND OTHER OUTFLOWS**

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

EXPENDITURES AND OTHER OUTFLOWS

Instruction
Public Service
Academic Support
Student Services
Institutional Support (Administration)
Operation and Maintenance of Plant
Scholarships
Auxiliary Enterprises
Capital Assets
Debt Service-General Obligation Bonds
Debt Service-Other Long Term Debt
Other Expenditures
Contingency

Total Expenditures and Other Outflows

CURRENT FUNDS			PLANT FUNDS		Other Funds 2019	Total All Funds 2019	Total All Funds 2018	% Increase/ Decrease
General Fund 2019	Restricted Fund 2019	Auxiliary Fund 2019	Unexpended Plant Fund 2019	Retirement of Indebtedness 2019				
\$ 20,001,218	\$ 5,869,744	\$ 46,100	\$ 573,645	\$ 2,209,236	\$	\$ 28,699,943	\$ 29,498,897	-2.7%
\$ 5,308,747	\$ 1,341,039					\$ 6,649,786	\$ 6,560,769	1.4%
	160,226					160,226	30,000	434.1%
3,213,949	284,803					3,498,752	3,268,775	7.0%
2,770,280	409,583					3,179,863	3,027,735	5.0%
4,566,912			240,000			4,806,912	4,462,684	7.7%
1,733,419			333,645			2,067,064	1,822,352	13.4%
222,000	3,674,093					3,896,093	5,407,788	-28.0%
		46,100				46,100	46,640	-1.2%
				2,209,236		2,209,236	2,153,579	2.6%
2,185,911						2,185,911	2,718,575	-19.6%
\$ 20,001,218	\$ 5,869,744	\$ 46,100	\$ 573,645	\$ 2,209,236	\$	\$ 28,699,943	\$ 29,498,897	-2.7%

2018 Levy Limit Worksheet

Date:

2/9/2018

COCONINO COUNTY - COCONINO COMMUNITY COLLEGE

MAXIMUM LEVY	2017
A.1. Maximum Allowable Primary Tax Levy	\$ 7,939,326
A.2. A.1 multiplied by 1.02	\$ 8,098,113
CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR	2018
B.1. Centrally assessed	\$ 199,879,836
B.2. Locally Assessed Real Property	\$ 1,451,280,588
B.3. Locally Assessed Personal Property	\$ 57,116,167
B.4. Total Assessed Value (B.1 through B.3)	\$ 1,708,276,591
B.5. B.4. divided by 100	\$ 17,082,766
CURRENT YEAR NET ASSESSED VALUES	2018
C.1. Centrally Assessed	\$ 207,010,041
C.2. Locally Assessed Real Property	\$ 1,464,405,841
C.3. Locally Assessed Personal Property	\$ 55,163,874
C.4. Total Assessed Value (C.1 through C.3)	\$ 1,726,579,756
C.5. C.4. divided by 100	\$ 17,265,798
LEVY LIMIT CALCULATION	2018
D.1. LINE A.2	\$ 8,098,113
D.2. LINE B.5	\$ 17,082,766
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	\$ 0.4741
D.4. LINE C.5	\$ 17,265,798
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	\$ 8,185,716
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)	\$ 8,185,715
<i>2018 New Construction</i>	\$ 18,303,165

Note: 2017 Levy Limit worksheet for Fiscal Year 2018