



ADOPTED BUDGET 2021 FISCAL YEAR
July 1st, 2020 through June 30th, 2021

Coconino County, Arizona | www.coconino.edu

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COCONINO COMMUNITY COLLEGE PROFILE

July 1, 2020 - June 30, 2021

VISION

*Shaping the future of Coconino County.
Empowering Individuals. Inspiring Communities.
Education with Purpose!*





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 conterminous 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 and continued to increase dramatically. Today the College enrolls 5,797 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 June 2020 (13.2%) is above both the state unemployment (10.0%) and above national levels (11.1%). The unemployment rates have increased greatly over the prior year due to the impact of COVID-19.

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% are Native American, 20% are Hispanic, 53% are female, 73% are seeking a degree or certificate, 21% are high school students earning college credit through dual enrollment high school programs, and 2.8% are people who already have bachelors or advanced academic degrees.

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 Center. 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, Vice Chair/Secretary, District 1

Ms. Patricia A. Garcia, Chair, District 2

Dr. Marie Peoples, Member, District 3

Mr. Patrick Hurley, Member, District 4

Mr. Joseph R. Smith, Member, District 5

Senior Administration

Dr. Colleen A. Smith, President

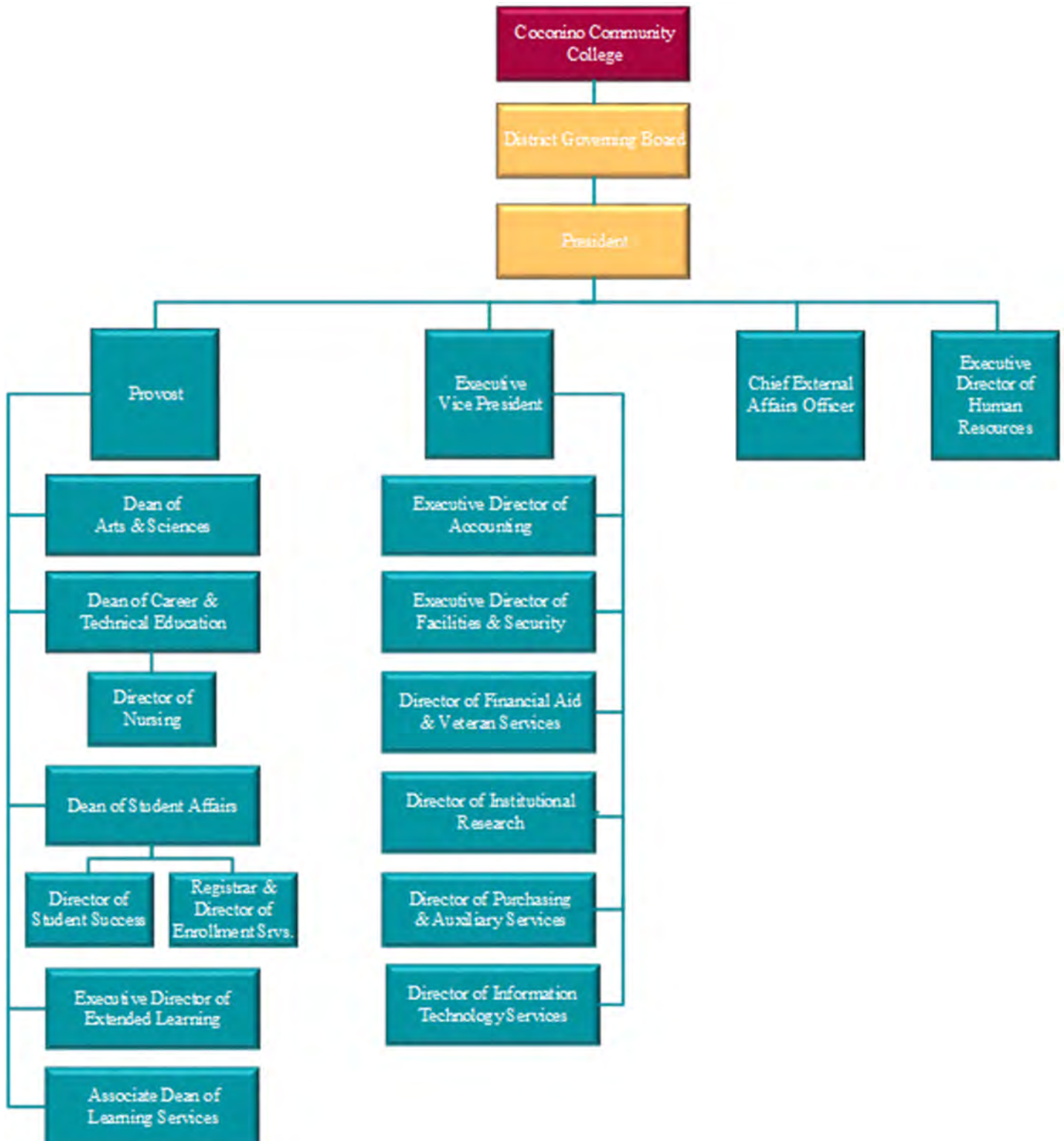
Ms. Jami Van Ess, Executive Vice President

Dr. J. Nathaniel Southerland, Provost

Coconino Community College Profile



Administrative Organizational Chart





Coconino Community College Profile

VISION

*Shaping the future of Coconino County. Empowering Individuals. Inspiring Communities.
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MISSION

Coconino Community College is committed to providing accessible and affordable educational programs that prepare students for the future. Deeply engaged with the communities we serve, we promote student success through a welcoming and inclusive learning environment designed for innovative programming, career and workforce development, university transfer education, and continued life-long learning opportunities.

VALUING PEOPLE: DIVERSITY STATEMENT

Coconino Community College recognizes and respects diversity and the value it brings to our communities. We appreciate and welcome cultures, identities, beliefs, experiences and all that makes us unique. CCC champions and takes action to build an inclusive work and learning environment. We are allies and advocates, navigating a respectful dialogue about our shared humanity.

GUIDING PRINCIPLES

These principles guide the way we work and learn together at Coconino Community College through our commitment to:

- Put Students First
- Listen, Learn, and Collaborate
- Act and Respond with Integrity and Resilience
- Communicate with Honesty, Dignity, and Respect
- Demonstrate Exceptional Stewardship of Public Resources
- Continually Strive for Excellence as a Community of Learners
- Provide a Safe Environment that Reinforces Learning and Innovation

Coconino Community College Profile



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VISION

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The seal of Coconino 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, 2020 - June 30, 2021

VISION

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Challenges and Solutions

Introduction to Challenges and Solutions

As CCC Administration began planning the FY21 budget, a number of challenges, opportunities, and solutions were identified that were factored into the budget planning cycle. Well into the process, a new challenge presented itself, COVID-19. The pandemic forced CCC to re-evaluate some of its preliminary decisions and re-think many of its assumptions for the upcoming year. 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 FY21, and other solutions that were important to resource allocation decisions.

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's Strategic Enrollment Management (SEM) committee focuses on targeted recruitment and smart investment of recruitment funds, retention initiatives, and completion efforts. Like many colleges, enrollments have declined and the SEM group closely monitors and reports on enrollment trends and uses data for more informed decision making. Also a part of the SEM directives is the Process Improvement team. This team examines current internal processes and procedures with the goal of eliminating barriers for the students.

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. Additionally, CCC participates in the Coconino Association for Vocations, Industry, and Technology (CAVIAT) Central Programs which are supported by the CAVIAT Career and Technical Education District. These programs provide co-enrollment classes for high school sophomores, juniors, and seniors. They offer students the opportunity to earn college credits towards a degree and/or industry certifications. These programs, along with other recruitment efforts, have energized the admissions and recruitment areas.

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. CCC also has the lowest primary tax rate of any county in the state. This continues to be an ongoing challenge.

Decrease in Property, Sales Tax, and In Lieu Taxes

The closing of the Navajo Generating Station near Page during FY20 will likely have a significant impact on the tax base for Coconino County, as well as an impact on the workforce in the Page environs. The FY21, budget reflects a decrease of in lieu taxes but the long-term economic impact of this closure remains unclear at this point. It is likely that there will be an eventual decline in property values and therefore a decline in property tax assessments. Sales tax, too, is likely to decline as the economy in the Page area will suffer from higher unemployment.

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.

Challenges and Solutions

Introduction to Challenges and Solutions (continued)

Compensation and Cost of Living

The College is located in Coconino County that has the highest cost of living in the state, specifically the City of Flagstaff is 14% higher than the state average. The housing costs are the largest factor and are 34% above the state average. Though the median Coconino County household income is about 2.5% greater than the Arizona median, this difference is not enough to make up for the income – housing gap. 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 FY21 contribution increase is 5.79% proportionally to both the employee and employer and is in-line with national trends.

Significant Challenges

The initiatives discussed above were part of the context in which the FY21 budget was developed. Larger, and more systematic challenges will be presented throughout this section. Included in those challenges are:

- Long-term financial stability
- High Tuition Rates and Declining Enrollments
- Meeting community educational needs
- COVID-19
- Diversity
- Key performance indicators

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

- Financial planning
- Enrollment and Tuition Strategies
- One-time Rural State Funding
- Mitigation Efforts and Contingency Planning
- Awareness, Recruitment, and Training
- Strategic Resource Allocation

Challenges and Solutions



2016-2020 Strategic Plan

Strategic Plan

The strategic plan is one of the guiding documents for developing the budget and FY21 is the final year of the current strategic plan. The College is in the process of developing a new strategic plan for 2021 through 2025. Information regarding the development of the new plan can be found in a later section.

Best Practices (Guiding Practices)

In preparing the current 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.

Goals and Objectives

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 on the following page.

Challenges and Solutions

2016-2020 Strategic Plan (continued)

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
6. Enhance and broaden the image of the college with internal and external stakeholders
7. Improve student experience with enrollment, registration, and payment processes

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

Challenges and Solutions



FY20 Strategic Planning Priorities and Accomplishments

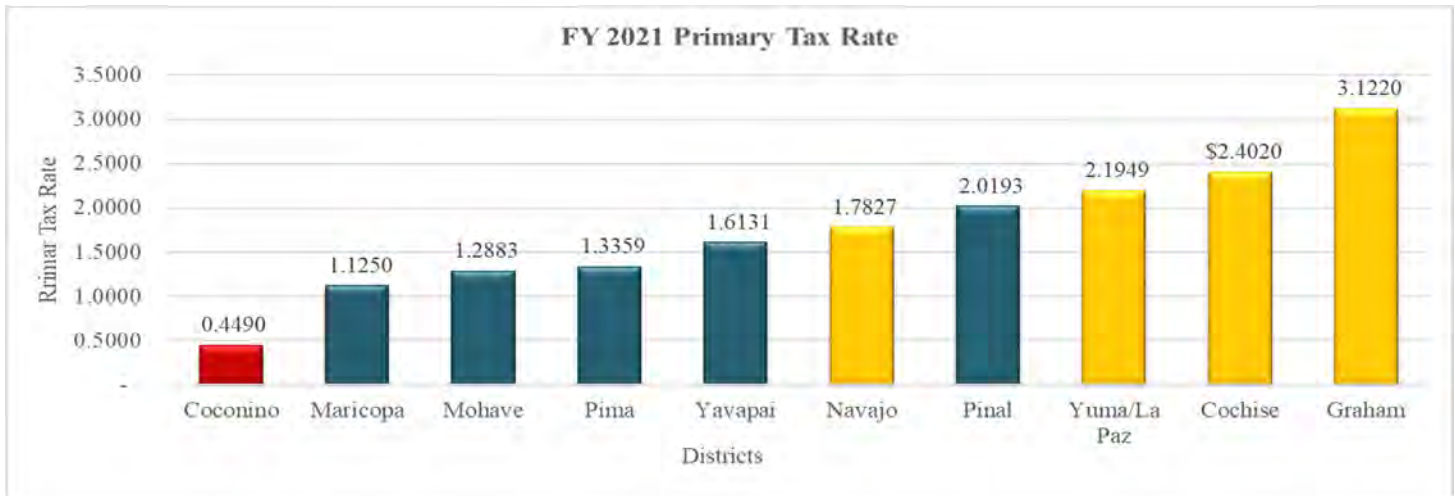
The chart below provides an update on progress towards the selected goals and objectives identified in the plan that took place during calendar year 2019. In addition, the column on the right entitled “Notes” explains the outcomes for calendar year 2020 objectives.

Objectives	Tactics	Evidence	Notes
Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.			
1. Increase enrollment numbers including targeted underrepresented groups	(1) Research, test, and leverage technology to increase communication/outreach to current and prospective students, apply e-commerce concepts to the course schedule/service menu, and automate triggered notifications throughout the student experience at CCC.	Increased conversion of prospective student to matriculate student; increased outreach effectiveness and term enrollment numbers; and improved student success percentage.	Enrollment Rx application implemented
	(9) Increase contact with students in grades K-12	Increase number of relationships and programs; prospect data	Developed recruitment plan as part of SEM efforts. Implemented strategies with Williams MS and Coconino HS. Increased advising the High Schools in partnership with CAVIAT.
Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.			
4. Evaluate and enhance distance learning modalities to increase student success	(40) Offer student outreach at specific bench marks of degree progression including near completion of degree	Data on contacts made, appointments, enrollment and completion data	First student advising is in place. Working with Pathways to determine milestones. Automatic graduation procedures are complete.
	(42) evaluate online programs, compare to best practices and make recommendations for improvement	Complete recommendations	Using the quality matters rubrics to evaluate online courses and improvements. Also, SARA reauthorization required quality assurance measures.
5. Evaluate and enhance student technology support and services to maximize student success	(47) Assess classroom technology and research items, including lecture capture software and others, and make recommendations	Complete recommendations	Expanded use of Zoom technology in the classroom
	(49) Leverage technology for online advising, tutoring and educational programs	Implementation, data on usage	Discontinued Starfish and implemented Calendly for appointment scheduling. Using Zoom for tutoring and online advising. Smart thinking of online tutoring and Canvas in TRIO.
Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.			
5. Increase number of students completing educational goals	(65) Review and consider the need for more FT faculty as research and best practices 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)	Currently nearing a 50-50 ratio for part time and full time instruction.
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			
3. Create a diverse, inclusive and supportive climate for students and employees	(80) Collaborate with local (County) diverse populations/group	Participation in job fairs	Increasing outreach to local diverse population groups.
	(81) Multicultural Competency training, Social Justice Training, Cultural Education, Training on working with First Generation students, incentives to participate in training	Creation of a written diversity plan (include tactics from ACCESS-DIVERSITY). Communication of diversity plan/procedures	HR training included and cultural sensitivity training
4. Explore options for alternative revenue sources	(82) Explore alternative revenue sources to achieve long term financial sustainability	Investigate alternative revenue sources, recommendations made	Worked with Legislature to secure One-time Rural funding to support start up costs for career and technical programs

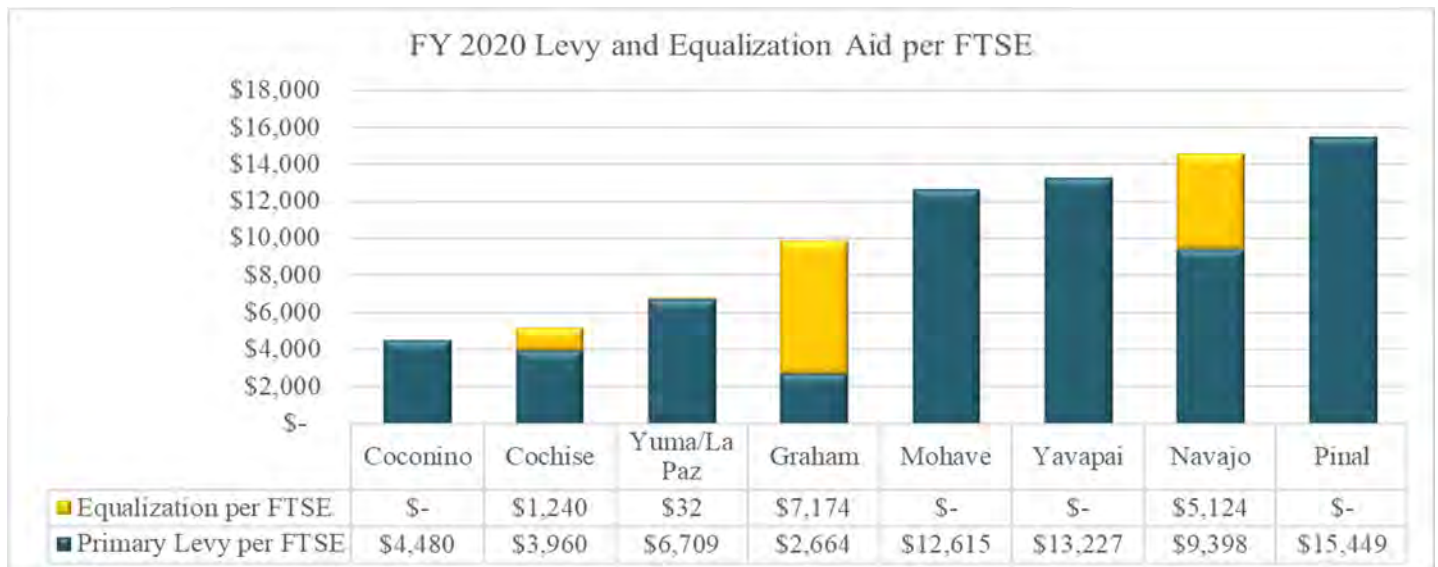
Challenges and Solutions

Challenge - Long-Term Financial Stability

The College's main on-going challenge is financial. There are three primary sources of revenue, property taxes, state aid, and tuition and fees. In 1991, the College was established with a very low primary property tax rate 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 as shown in the ***FY 2021 Primary Tax Rate*** chart below.



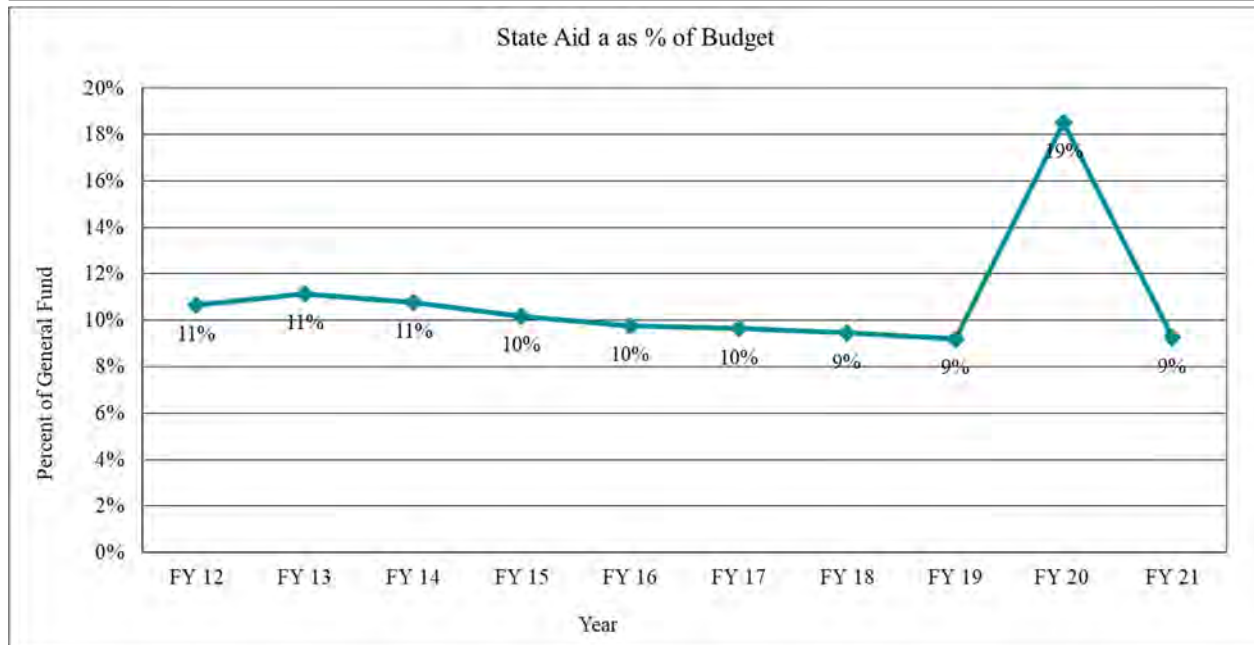
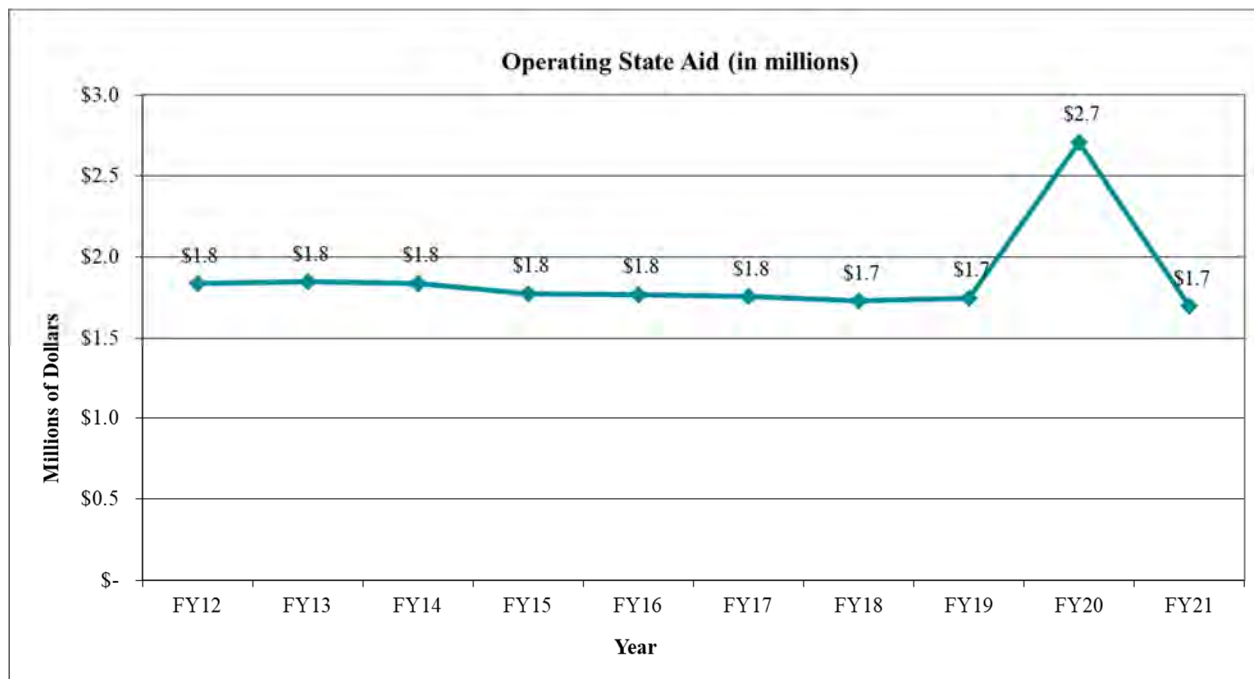
The state has an equalization formula that was established in the 1970s to help rural districts from smaller geographic areas. The equalization formula is based on a minimum assessed value determined by statute and indexed annually by the growth in the assessed values of all the rural districts. Districts 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 levy per Full-Time Student Enrollment (FTSE). The equalization formula only provides funding to small geographic districts based on the growth in other districts, even though the small districts may not have additional students to serve. The ***FY20 Levy and Equalization Aid per FTSE*** chart shows the levy and equalization aid per FTSE. Navajo County qualifies for substantial State Equalization Aid even though it receives 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. In FY08 the state made significant cuts 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 flat funding until FY20, when the rural colleges received one-time funding which is reflected in the spike on these charts. In the long-term, continued appropriations of state aid are uncertain as the state completely defunded Maricopa and Pima Community Colleges, the two largest community colleges in the state.



Challenges and Solutions

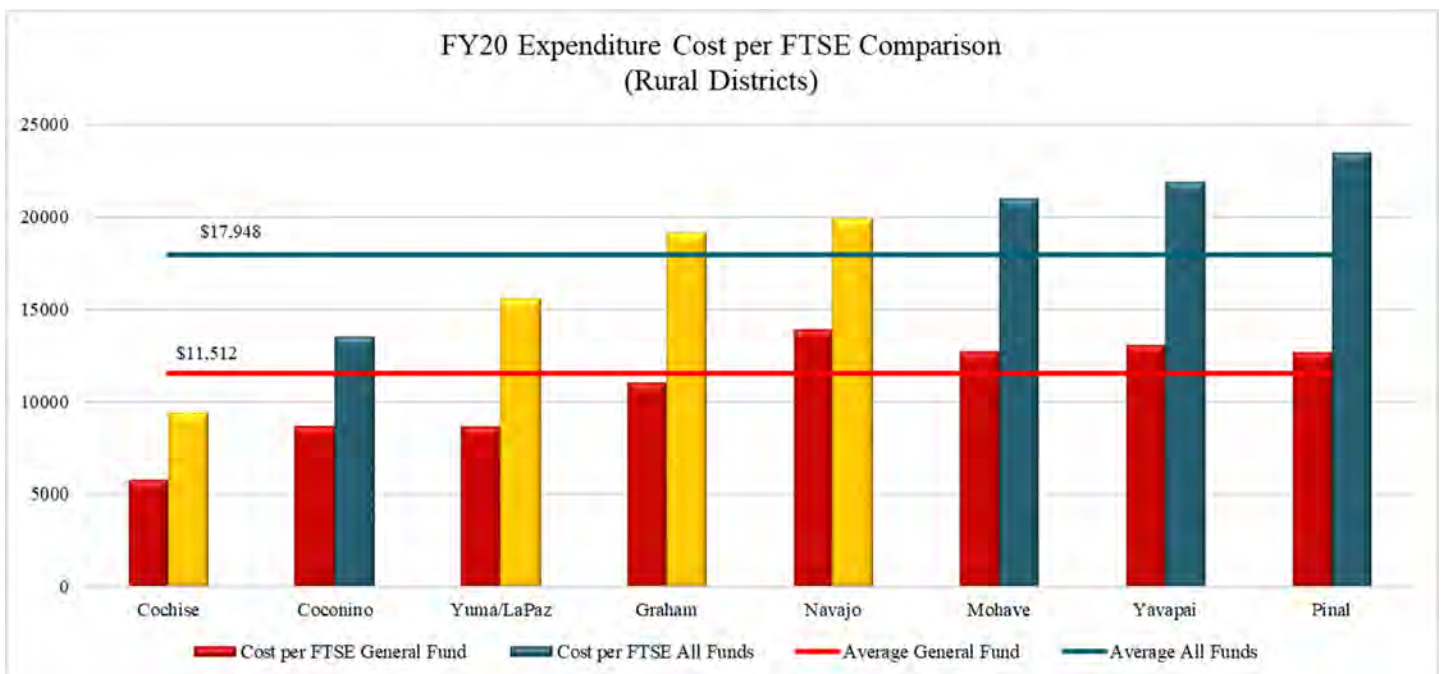
Solution - Financial Planning

CCC has been able to adapt and maintain financial strength through long-term financial planning. As discussed on the previous page, the state made significant aid cuts starting in FY08 because of the “great recession.” In response to these cuts, the College developed and implemented a **Sustainable Financial Plan** (SFP). 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 after a failed override attempt, the College determined it needed to implement more cuts for long-term financial sustainability. This phase of the plan was called the **Financial Austerity Plan** (FAP) and invited input from the employees to review the SFP with fresh eyes. The employees submitted new recommendations for long-term financial solutions. These additional cuts had to come from reductions in programs and services, because most efficiency initiatives had already been implemented.

The majority of FAP solutions were implemented in the FY15 and FY16, with the final phase in FY17. In FY15 there were \$430,858 of additional revenue initiatives implemented that became part of the baseline budget. In addition, initiatives to reduce expenses totaled \$855,455 over three years for combined impact of nearly \$1.3 million.

The result of both the Sustainable Financial Plan and the Financial Austerity Plan is that the College is very efficient. This is demonstrated in the **FY20 Expenditure 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 rural districts in the state.



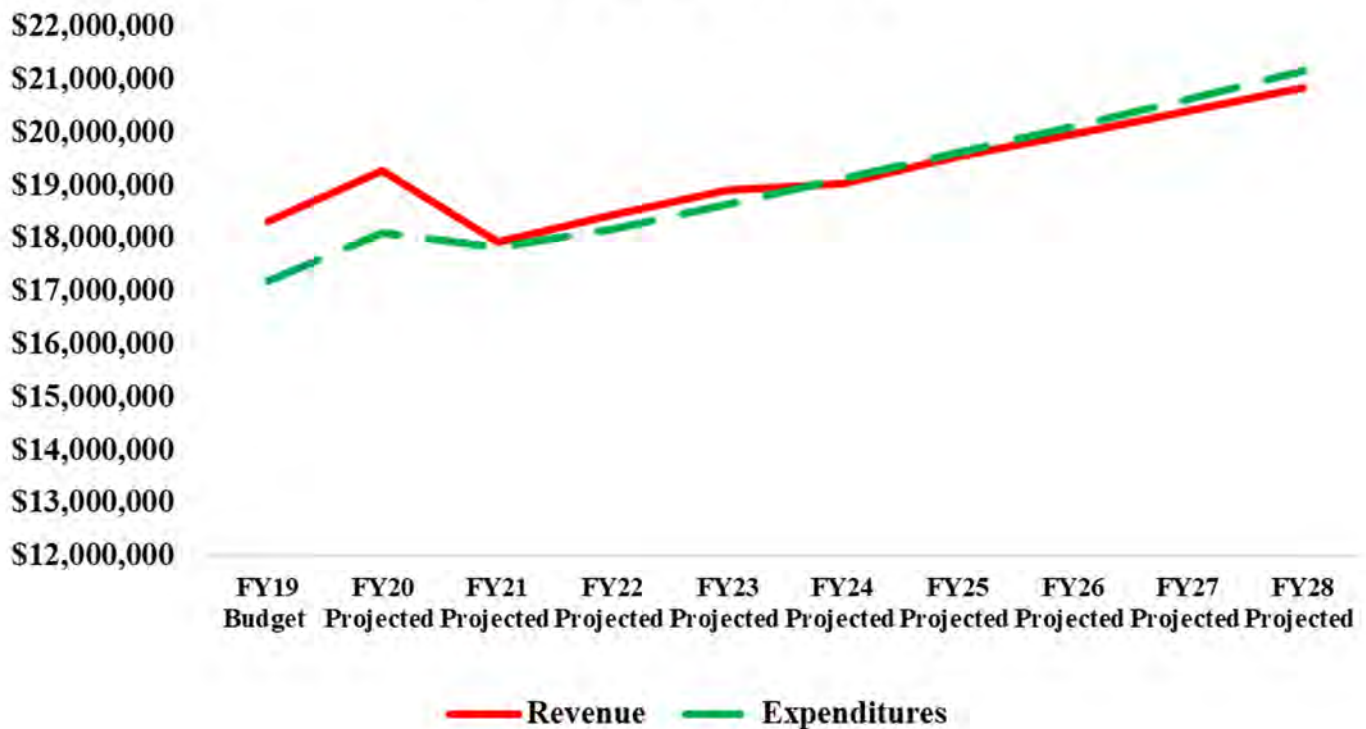
Note: Colleges shown in gold receive equalization funding

Challenges and Solutions

Solution - Financial Planning (continued)

The numerous initiatives adopted through the long-term financial planning 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 plans. Even though the College is extremely cost efficient, CCC still has a long-term financial stability concern due to the very low property tax rate and state aid. More recently, the long-term plan was adjusted to reflect reduced enrollments anticipated from the COVID-19 pandemic. As you can see from *10-Year Plan* chart below, revenues are above expenses through FY24. The College will continue to assess the impacts of the pandemic and is developing various levels of contingency plans to ensure long-term financial sustainability.

General Fund 10-Year Plan

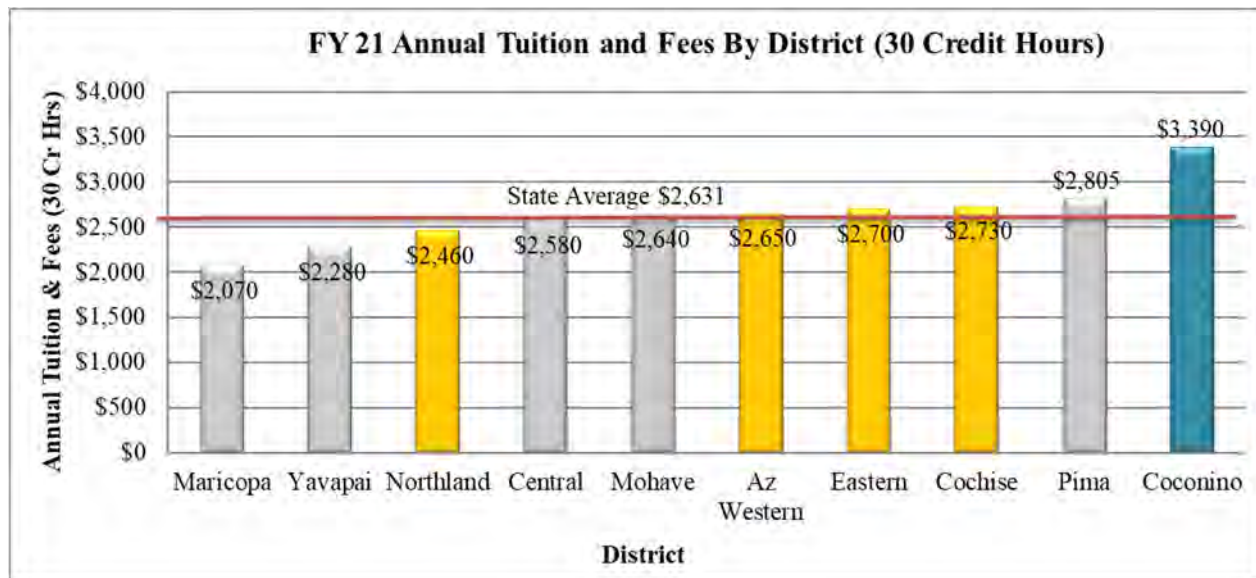


Note: Please see the Long-Term Financial Sustainability Section of the document for more information.

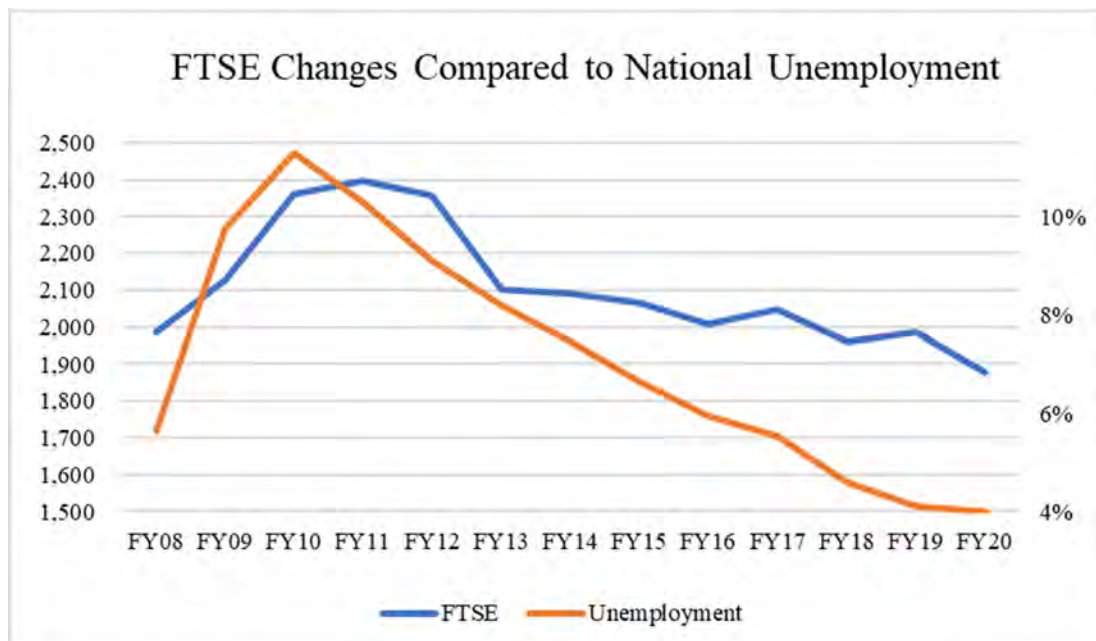
Challenges and Solutions

Challenge - High Tuition Rates and Declining Enrollments

Related to the challenge of a low property tax rate and low state aid is the Colleges higher than average tuition rates. Increasing tuition has been the only option left to the board to increase revenues. The *FY21 Annual Tuition and Fees* chart below shows that CCC has the highest tuition rate in the state.



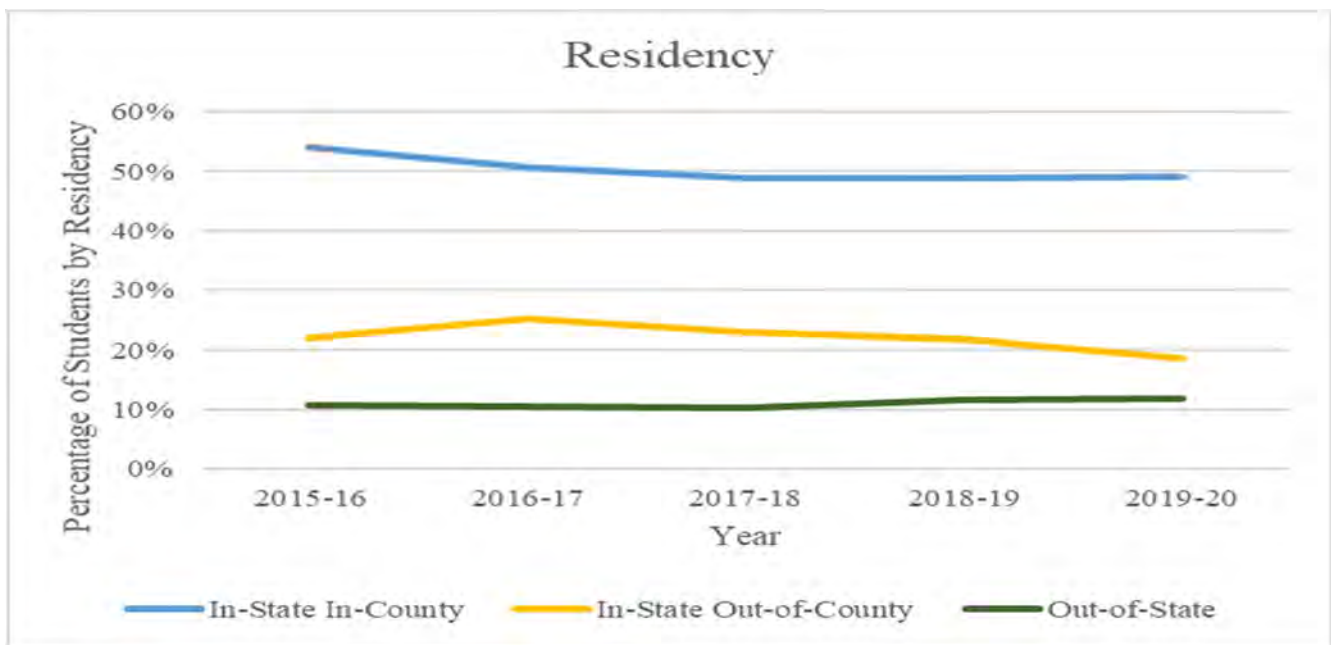
Additionally, the College's enrollments have been declining. The relationship between the economy and the enrollment has long been understood to be countercyclical. In FY10 and FY11, the increase in FTSE paralleled the greater unemployment rate experienced during the recession. This is not surprising as during periods of unemployment, workers who cannot find a job will try to improve their skills and education in the hopes of getting a better job when the economy rebounds. As unemployment rates fell, FTSE also dropped and continued to decline slowly since FY13. During the current economic crisis due to COVID-19, it is uncertain that increased unemployment will yield higher enrollments because of the remote delivery modality.



Challenges and Solutions

Solution - Enrollment and Tuition Strategies

Since the Great Recession, the College has been increasing tuition by amounts less than consumer price index because of the comparison to other Arizona Community Colleges. The annual increase of \$2 per credit hour is needed to help deal with the economic realities of having the lowest tax rate in the state, as well as, state appropriations that were half of what they once had been. Following the Great Recession out-of-county students increased while in-county decreased. Unlike many of the other community colleges in the state, out-of-county attendance at the College is a significantly higher percentage of the student body, with many of those residing in southern parts of the state. There are many possible reasons for this including the desirability of attending school in a high-desert climate and the proximity to NAU being first among them.



The College looked into adding an out-of-county tuition rate as an additional revenue source. The rationale for this out-of-county differential is that students from outside of Coconino County, do not contribute to the local property taxes as the county residents do, so this differential helps to acknowledge that discrepancy similar to out-of-state tuition rates. The challenge in adding an additional tuition rate was pricing. The tuition rate for out-of-county residents needed to not be so high as to discourage students from deciding to attend at all. The research, however, indicated that out-of-county students also had a higher income base than in-county students. This implied that there was some elasticity of pricing that would allow an out-of-county rate with limited impact on enrollment. Thus an out-of-county tuition differential of 10% or \$11.20 per credit hour was added to the FY20 budget. This was increased to 15% or \$16.95 for FY21. Enrollment of out-of-county students has declined slightly over the last two years but still remains at around 20% of attending students.



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 financial sustainability 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.

Solution - One-Time Rural State Funding

In FY2020, early childhood development was added back into the curriculum and inroads towards expanding the nursing program were also made. With the much needed \$1 million in one-time rural funding appropriations received in FY20, plans are in place to add three additional new programs, cybersecurity, veterinary tech and marine tech certifications. These programs were to be phased in FY21 but, due to the uncertainties related to COVID-19, all but the cybersecurity program have been delayed. These additional programs will make significant progress in meeting the stated educational needs of the community and help to increase enrollments.

Challenges and Solutions

Challenge - COVID-19

COVID-19 is a novel coronavirus that was first identified during an investigation into an outbreak in Wuhan, China. The virus spreads easily from person to person, mainly through respiratory droplets produced when an infected person coughs or sneezes. Spread is more likely when people are in close contact (within 6 feet) of another person. The virus seems to be spreading easily and sustainably in the community and in many affected geographic areas.

Much of the nation went into lockdown because of the COVID-19 pandemic, forcing CCC to shift quickly to complete remote teaching and working modalities in the middle of March 2020. Numerous activities and events such as graduation had to be canceled or shifted virtually as everyone was learning to operate in the “new normal”. Later in the summer as warm weather arrived, Arizona became a national hot spot for the virus causing increasing concern for the College.

Solution - Mitigation Strategies

Under Dr. Smith’s leadership, the College has prioritized open and transparent communications and listened carefully to the concerns of our students, faculty, and staff. The President held several town hall styled meetings, via Zoom, created a robust website, and sent out regular updates and communications to keep people informed.

CCC is following Center for Disease Control (CDC) guidelines and as well as recommendations from the Coconino County Health Department for a phased approach to reopening the College buildings including:

Students - Continue primarily remote learning modalities during the Fall semester with limited in-person classes that specifically require hands-on learning. Waivers are required for in-person students.

Faculty and Staff – Working remotely whenever possible and providing limited in-person services to members of the public that do not have access to technology.

Safety Precautions – Individuals on campus must wear a face covering, practice physical distancing, wash hands frequently, cough or sneeze into elbows, monitor their health, and stay home when they are sick.

Facilities – Numerous precautions have been put into place for the safety of students and employees including additional cleaning and sanitizing, touchless technologies, hand sanitizer, plexiglass barriers and stations, decals and posters for messaging, the spacing of furniture, and discontinuation of external events.

Information Technology – Providing remote working and learning technical assistance, free loaner laptops to students, free Wi-Fi in parking lots, and enhanced Zoom technology both on campus and remotely.

Financial - While contributions from the Higher Education Emergency Relief Funds have aided our students to some extent, there will be budgetary impacts on FY21 related to the pandemic and recession. CCC made several last-minute adjustments to the budget to reflect anticipated losses in revenue and mitigating efforts because of the seriousness of the pandemic as follows:

Challenges and Solutions

Solution - Mitigation Strategies (continued)

Revenues:

Reduced Tuition and Fees (Additional 5% reduction)	\$ (679,700)
Reduced proportion of out-of-county, out-of-state, and WUE students	
Reduced differential tuition	
Reduced parking fee income	
Reduced investment income	(115,000)
Reduced other income including bookstore and facility use income	(15,000)
Subtotal Revenue Cuts	\$ (809,700)

Expenses:

Reduced sections (offsetting reduced enrollment)	(158,366)
Shifted faculty position due to reduced grant funding	48,277
Removed two vacant positions (postponing new academic programs)	(154,038)
Reduced Instructional Supplies (offsetting differential tuition)	(18,350)
Removed STEM and one-time equip funding	(340,800)
Subtotal Expense Cuts	\$ (623,277)
Net Reductions	\$ (186,423)

Increase carryforward funds available for FY 21	\$ 1,000,000
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Contingency - The College has developed two additional contingency plans in case Fall enrollments are down by 20% and 30% because of COVID-19. In the meantime, the College has enacted freezes to both travel and hiring until further notice. All contracts for services are under review and a majority of capital projects planned for FY 21 have been postponed. Leadership is continuing to monitor events closely and consult with experts to adjust as needed.

Challenges and Solutions



Challenge - Diversity

The ethnicity of CCC's students are representative of the county; however, the proportional demographics of the College's faculty and staff have been identified as a challenge. The demographics from the Fall 19 semester show that 19% of the students are Native American and 20% are Hispanic. In comparison, only 6.8% of all employees are Native American and 12.3% are Hispanic. Students have expressed a desire to have more access to faculty and staff members that look like themselves.

Additionally, there has been broad interest from students, faculty, staff, and Board members to increase diversity and inclusion awareness for students and employees. In 2018 the College formed a Diversity Committee and developed a Diversity Plan, sponsored by the Human Resources (HR) department. The College has prioritized implementation of the Diversity Plan and working with the Diversity Committee to identify solutions to better serve staff and students.

Solution - Awareness, Recruitment, and Training

One of the first tasks prioritized by the Diversity Committee was the development of a Diversity Statement. The College adopted the Diversity Statement, Valuing People as follows:

Coconino Community College recognizes and respects diversity and the value it brings to our communities. We appreciate and welcome cultures, identities, beliefs, experiences and all that makes us unique. CCC champions and takes action to build an inclusive work and learning environment. We are allies and advocates, navigating a respectful dialogue about our shared humanity.

This diversity statement set the standard for how the College will engage students and staff going forward, and subsequently issued a Black Lives Matter statement in support of the movement, equality, equity and inclusion.

To address employee demographics, the goal for employee recruitment is to cast the widest net possible to attract a diverse candidate pool for every vacancy. The HR team is re-allocating advertising funds to vendors who offer diversity focuses and packages to increase CCC's exposure to underserved communities. HR also engages with geographically and demographically diverse providers within Coconino County and leverages the NAU Handshake career network to advertise with other universities with a diverse graduate pool.

The HR department has also added a diversity and inclusion track to the College's training program required for all employees. Multiple training sessions have been offered by a National trainer on the subject to employees. These sessions were also augmented by a diversity training program in the colleges' online platform, SafeColleges. The HR team offers programs throughout the academic year with the next program focusing upon LGBTQ topics.

Challenges and Solutions

Challenge - Key Performance Indicators

State Performance Measures - Vision 2030

In 2010, the presidents of all ten of the Arizona community college districts worked together to develop long-term performance measures called Vision 2020; it was renamed Vision 2030 in 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 2018 and now have seven years of trend data. Coconino Community College used 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 of 2018 state and CCC information is presented and coded using indicator colors:

	variance of -2% or better
	variance between -3% 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 FY18	State Average
1	Full-time Student Enrollment (FTSE)	1,999	
2	Total Enrollment	5,783	
5a	Minority	46%	46%
5b	Age 25+	26%	35%
5c	Pell Grant	23%	28%
6	Alternative Delivery	53%	65%
7	College-going	18%	34%
8	Cost	20%	13%

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, until recently, 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% - 53% range and CCC is working to strengthen and expand online offerings to address this

Challenges and Solutions

Challenge - Key Performance Indicators (continued)

measure. The college-going rate of high school students in Coconino County at 18% is nearly half the state rate, but has been improving until recently. Both of these areas are more than 10% below the state-wide average and in need of attention. Enrollment of underserved populations as a percentage of enrollment is under the state average, but the gap has decreased 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.

Retention Measures

Measure	Description	CCC FY18	State Average
9	Developmental Course Success - Math	88%	63%
10	Developmental Course Success - Reading	96%	77%
11	College Level Course Success - Math	39%	31%
12	College Level Course Success - English/Reading	66%	51%
13	College Level Course Success	93%	78%
15	Full Time	42%	47%
16	Part Time	49%	52%
17	FA-SP Retention	84%	90%
18	FA-FA Retention	62%	77%

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 very strong for CCC in comparison to the rest of the State.

Completion Measures

Measure	Description	CCC FY18	State Average
19	Annual Degree/Certificate Completion	632	
23	Transfer Rate	34%	28%
24	Transfer Rate after CCC Completion	58%	61%

The transfer rate variance is slightly below the state average. The challenge CCC faces is primarily 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 percentage and transfer rate after completion are targets for improvement.

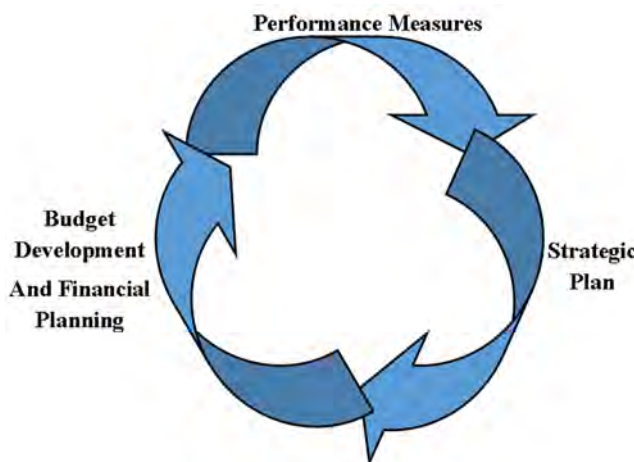
Summary

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 seven-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.



Preparation of the FY21 budget involved strategic reallocation of resources college-wide. It was determined that even though property tax receipts were going to increase in the upcoming fiscal year, this would be offset by an anticipated decline in FTSE. These offsetting budgetary impacts meant that the College was unable to fund new budget requests. As a result, the College needed to evaluate its costs carefully and would only be able to reallocate its existing resources. Despite these limitations, some new or expanded programs were added in areas where additional or increased student demand was indicated. Since these new program expenses would be offset by additional revenues, we were able to add some new programs/innovations into the budget.

The reallocations include both staffing and non-staffing areas. The primary reallocations follow:

FROM	TO	Purpose	KPI Goal
Differential tuition	Construction Technology Management	additional coursework, staffing	Access, retention, completion
Differential tuition	C.N.A.	add Certified Nursing Assistant Program	Access, retention, completion
One-time rural funding	Cybersecurity	new program, staffing	Completion
Registrar, Professional Services	Registrar, Fixed Charges	catalog management software	Access, completion
IT - Equipment	Information Technology	replace technology, upgrade software	Access, retention, completion
Student Accounts	Security	4th Street additional hours	Access
Facilities, Utilities	Facilities, Professional Services	increase in custodial fees	Access
Various	Various	increase PT minimum wage	Access, retention, completion
Library, Assessment	Recruitment	additional training & travel for student recruitment and building relationships with high schools	Access
Institutional Research	The Learning Center	additional part-time staff	Retention, completion
Placement Testing	Learning Support Programs	reduced placement testing costs to increase tutoring	Retention, completion

Challenges and Solutions



Solution - FY21 Strategic Planning Prioritization

For FY21 the Executive Council reviewed all requests and identified the highest priorities for reallocation based on the greatest impact the KPI's and the goals and objectives of the strategic plan.

KPI	Objectives	#	Tactics	Primary Person Responsible
Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.				
1,2,3,4	1. Increase enrollment numbers including targeted underrepresented groups	6	SEM members implement initial strategies defined by Enrollment Management Plan	Dean of Student Affairs
Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.				
7,8	4. Evaluate and enhance distance learning modalities to increase student success	42	evaluate online programs, compare to best practices and make recommendations for improvement	Provost
7,8,9	5. Evaluate and enhance student technology support and services to maximize student success	47	Assess classroom technology and research items, including lecture capture software and others, and make recommendations	Dean of Learning
		49	Leverage technology for online advising, tutoring and educational programs	Dean of Student Affairs
				Director of IT
Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.				
12,13,14	3. Investigate initial strategies of student completion and transfer rates and realign with strategic enrollment management initiatives	58	Gather data to inform the development of strategies to identify Key Performance Indicators that will increase number of graduates (degree/certificate annually and Increase rates of student success as aligned with college measures 12-14.	Dean of CTE
				Dean of CTE
				Dean of CTE
				Dean of Learning
12	5. Increase number of students completing educational goals	65	Review and consider the need for more FT faculty as research and best practices link higher student success with greater full-time to part-time faculty ratios	Provost
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				
	2. Evaluate strategies to promote a more safe and an environmentally friendly learning and working environment	76	Research and evaluate college safety and security needs at all locations to and make recommendations for safety of students, faculty, staff, and visitors	Executive Director of Facilities and Security
	6. Optimize allocation of resources for student success	96	Strategically allocate resources to College priorities and student success initiatives	Director of Financial Aid & Veterans Serv
	8. Improve student experience with enrollment, registration, and payment processes	108	Implement business process review recommendations to improve student services, including cross-training, pre-term and/or post-term meetings to improve quality and accuracy	Registration & Enrollment Services
		110	Research need for alternate off the shelf solutions for some of these items as appropriate	Registration & Enrollment Services

Challenges and Solutions

Solution - FY21 Strategic Planning Prioritization (continued)

Status Notes	Amount	Reallocated From
Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.		
Support for DE faculty training and additional supplies & materials for recruitment	\$ 4,600	various
Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.		
Reallocate part-time help from Institutional Research to the Teaching and Learning Center	\$ 4,450	Institutional Research
Adopting Talk Abroad for Japanese classes: JPN 101 & JAP 102. Provide opportunity for students to interact with native Japanese speakers. Project 40 students at differential tuition rate of \$40 each.	\$ 1,600	Differential Tuition
Smart thinking online tutoring and Canvas in TRIO. Anticipated reduction in placement testing costs transferred to increase tutoring (this is in addition to reallocated staffing)	\$ 7,000	Placement Testing
Reallocated IT equipment money for Degree Works and Sophos Systems	\$ 20,000	Equipment
Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.		
CIS is expanding offerings to include two cybersecurity classes, CIS 260 (3 cr) and CIS 270 (4 cr). Projected enrollment is 20 students at a differential tuition rate of \$20.	\$ 2,800	Differential Tuition
The CNA program added 2 night classes per yr on the Fourth Street campus and 1 class per semester in Page. Includes 60 students at a differential rate of \$30 (5 cr) per student. The funds will pay for a part time Skills Lab instructor at the required 10:1 student to faculty ratio.	\$ 9,000	Differential Tuition
The Construction Management program has added new classes and additional sections. Additional classes include; CTM 115(3cr), CTM 124(3cr), CTM Solar II(3cr), CTM HVAC I(3cr), CTM HVAC II(4cr). The projected enrollment is 18 students at a differential tuition rate of \$20.	\$ 5,760	Differential Tuition
GLG 112 (2 cr) Geology of the Grand Canyon and GLG 232 Geology of the Colorado Plateau both include significant field trip activity to investigate the unique geology of Coconino County. Increase the differential tuition of GLG 112 to \$50 and GLG 232 to \$25 to cover increased field trips.	\$ 2,400	Differential Tuition and reallocation
Portion of One-time Rural funding used for three faculty positions - Cyber Security, Early Childhood Ed, and Nursing	\$ 318,496	Reserves
Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.		
On January 1, 2021 Flagstaff minimum wage will increase to \$15 per hour from \$13 per hour. The Custodial Contractor is increasing rates to accommodate increase in minimum wage. Reallocated funds from utilities to maintain a safe and clean working environment.	\$ 26,241	Utilities
Reallocated part-time Administrative help for Student Accounts to Security Department	\$ 14,093	Student Accounts
On January 1, 2021 Flagstaff minimum wage will increase to \$15 per hour from \$13 per hour. Reallocate funds to cover increase in student wage to maintain work hours for students.	\$ 15,000	various
Increase 4th St part-time position from 20 to 25 hours per week to accommodate expanded campus hours to five days per week	\$ 2,815	various
Digarc, Acalog Catalog Management Reoccurring costs, hosting and support as of 1/1/2021. Reallocated from equipment budget	\$ 5,920	Equipment

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. COVID-19 has accelerated this conversion.

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. One-time rural funding has been earmarked to add faculty for the marine and vet tech programs; however, COVID 19 has delayed implementation of these programs.

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

Annual Financial Plan

July 1, 2020- June 30, 2021

VISION

*Shaping the future of Coconino County.
Empowering Individuals. Inspiring Communities.
Education with Purpose!*





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. Each year, feedback is solicited and is 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 - Survey students regarding tuition recommendations
- 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 FY21, the beginning assumptions were as follows:

Revenues

- Enrollment - Projection of meeting the District Governing Board target of 1% enrollment increase per year (adjusted by current enrollment decline).
- Tuition - CPI increase of standard tuition rate as directed by the Board, other rates are a multiplier of the standard rate
- State Aid - Per state formula, depends on a decrease or increase of 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

Expenses

- Salary and benefits were assumed to increase by 2.0%, minimum wage increases, adjusting part-time faculty for current enrollment decline
- All other expense categories excluding salaries and benefits have no planned increases.



Annual Financial Plan

Budget Development Process (continued)

Budget Retreat

As previously noted, in FY21 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 are used to project tuition revenue.

Tuition and fee recommendations are taken to the DGB budget retreat for review and to receive direction. The Board approves tuition and fees rates in February for the next academic year. For FY21, the Board approved a \$2 increase in tuition and increased Out-of-County tuition rate by 5 percent of In-State Tuition.

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 general operational 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. The formula is \$210 per 30 credits of non-dual enrollment and \$105 per 30 credits of dual enrollment.

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.

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. Special meetings are held with individual grant program managers and the Grants Accountant to develop the upcoming budgets based on the anticipated funding level for the grant or program.

Sales and Services

Sales and services revenue is budgeted in the Auxiliary Services Fund and is projected using minimum guarantees and estimates based on trend information. For example, funding from vending machines is used to support student activities and employee functions.

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 57% 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, degree attainment, market, minimum wage increases, and reclassifications for 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 FY21, health benefits increased by 5.79%. Both the College and employee contributions were increased proportionally.

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.

Travel Funds	
Administrator	\$ 1,300
Technical	1,100
Professional	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

Beginning in FY18, the College set aside \$140,000 annually to fund short-term and long-term IT life cycle replacement plans. In FY21, this technology replacement budget was reduced by \$20,000 to \$120,000, to reallocate funds for increases in annual maintenance agreements.

In FY20, the College budgeted \$53,400 for other equipment and one-time requests. For FY21, the College reallocated the other equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget.

STEM Fund

In FY20, the College budgeted \$287,400 for STEM equipment funding. Requests for STEM funding were submitted and were prioritized by Executive Council based on strategic planning initiatives and performance measures. For FY21, the College reallocated the STEM equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget.

Presidents Discretionary Fund

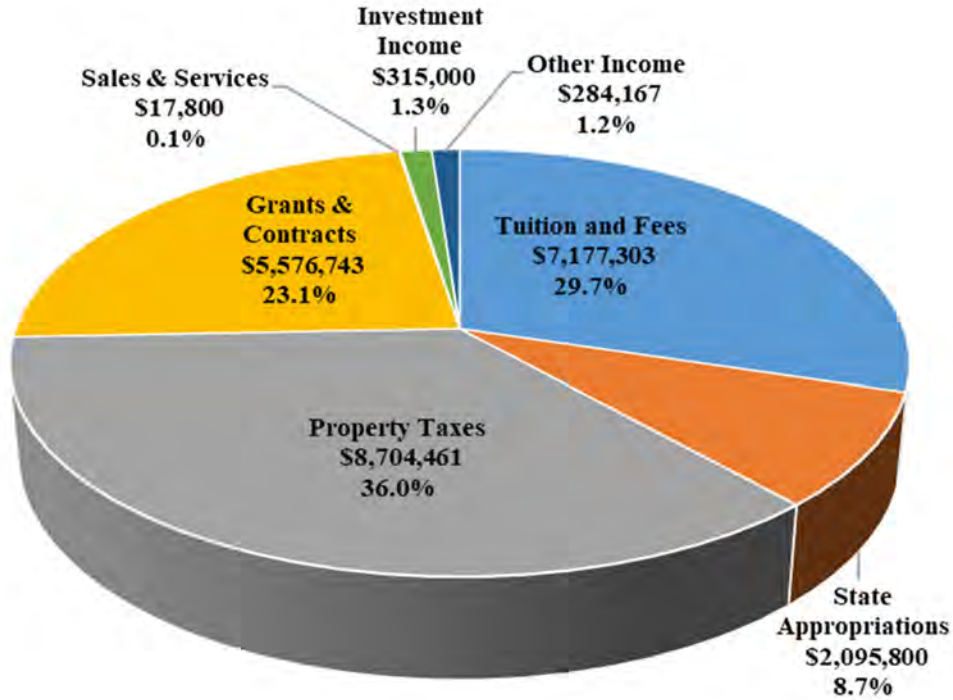
An allowance of \$100,000 is budgeted for unforeseen expenditures and is expended at the President's discretion. Some of the funds can be used to provide a funding mechanism for faculty, staff, and students in developing and implementing innovative projects that will generate revenue, create savings or technological solutions, improve services to students, and/or advance strategic planning initiatives of access, retention, and completion.

Carryforward

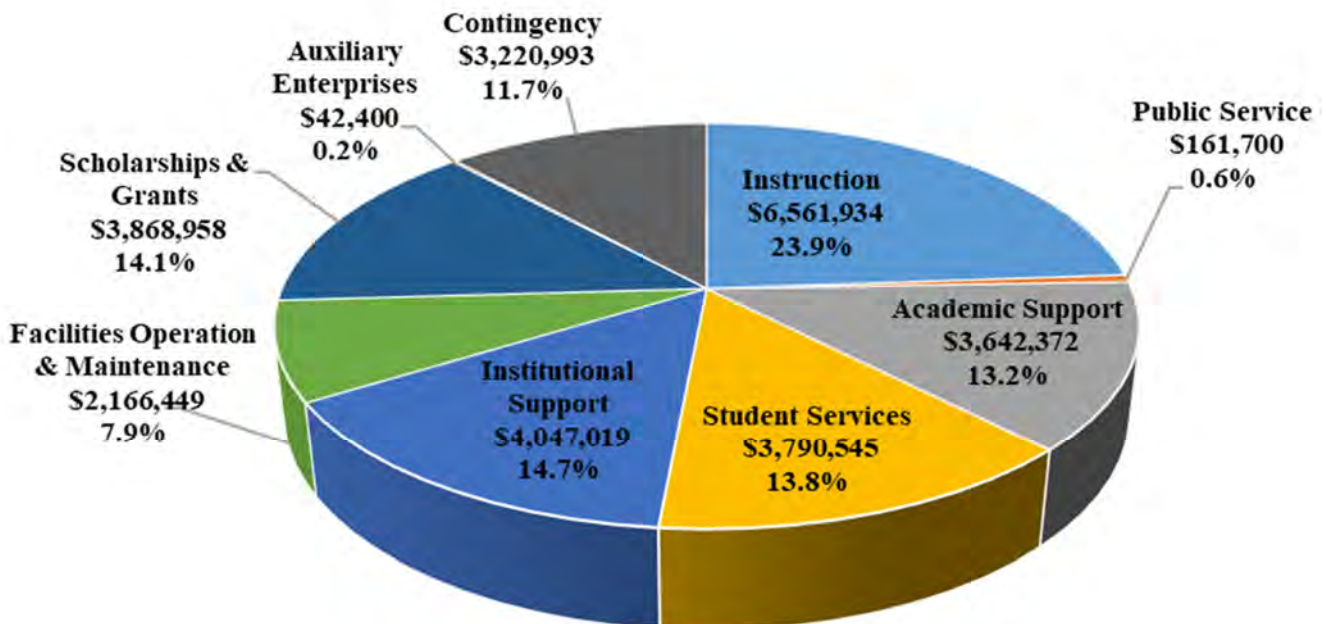
In FY18, the College increased the carryforward budget to \$2 million for emergencies. For FY21, the College increased the carryforward to \$3 million due to the uncertainties of the COVID-19 pandemic.

Annual Financial Plan

All Funds - FY21 Revenue \$24,171,274



All Funds - FY21 Expenditures by Program \$27,502,370





Annual Financial Plan

All Funds

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

	FY19 Actual	FY20 Budget	FY21 Budget	FY21 % Change
Revenues				
Tuition and Fees	\$ 7,706,281	\$ 7,894,031	\$ 7,177,303	-9.1%
State Appropriations	2,164,800	2,102,600	2,095,800	-0.3%
Property Taxes	10,749,180	8,383,362	8,704,461	3.8%
Grants and Contracts	5,250,130	5,593,814	5,576,743	-0.3%
Sales and Services	22,515	17,750	17,800	0.3%
Investment Income	455,509	315,000	315,000	0.0%
Other Income	396,455	516,517	284,167	-45.0%
Total Revenues	\$ 26,744,869	\$24,823,074	\$24,171,274	-2.6%
Other Financing Sources (Uses)				
Carryforward	\$ -	\$ 1,911,608	\$ 3,331,096	0.0%
Transfer In	857,034	836,021	837,522	0.2%
Transfer Out	(857,034)	(836,021)	(837,522)	0.2%
Total Other Financing Sources (Uses)	\$ -	\$ 1,911,608	\$ 3,331,096	0%
Total Revenues and Transfers	\$ 26,744,869	\$26,734,682	\$27,502,370	2.9%
Expenditures by Program				
Instruction	\$ 6,350,277	\$ 6,601,134	\$ 6,561,934	-0.6%
Public Service	98,303	161,700	161,700	0.0%
Academic Support	3,752,619	3,717,793	3,642,372	-2.0%
Student Services	3,051,330	3,540,741	3,790,545	7.1%
Institutional Support	4,498,250	4,465,977	4,047,019	-9.4%
Facilities Operation & Maintenance	1,806,833	2,134,379	2,166,449	1.5%
Scholarships & Grants	3,512,492	3,900,093	3,868,958	-0.8%
Auxiliary Enterprises	30,658	37,400	42,400	13.4%
Retirement of Indebtedness	2,209,236	-	-	0.0%
Contingency	-	2,175,465	3,220,993	48.1%
Total Expenditures	\$ 25,309,998	\$26,734,682	\$27,502,370	2.9%
Expenditures by Object				
Personnel Services	14,900,864.43	\$15,830,935	\$15,758,260	-0.5%
Contractual Services	1,219,584.25	927,084	922,690	-0.5%
Supplies	907,666.83	1,119,814	892,604	-20.3%
Fixed Charges	1,133,845.83	1,063,110	1,078,599	1.5%
Utilities	533,006.02	600,433	572,703	-4.6%
Travel	270,159.71	278,882	322,142	15.5%
Scholarships	3,503,685.00	3,892,289	3,861,154	-0.8%
Capital Equipment	537,943.76	632,224	598,934	-5.3%
Retirement of Indebtedness	2,120,000.00	-	-	0.0%
Miscellaneous/Other	183,242.27	214,446	274,291	27.9%
Contingency	-	2,175,465	3,220,993	48.1%
Total Expenditures	\$ 25,309,998	\$26,734,682	\$27,502,370	2.9%
Excess of revenues and other sources over/(under) expenditures	\$ 1,434,871	\$ -	\$ -	0.0%

*Excludes net investment in Plant Fund

Annual Financial Plan

All Funds

FY21 Budget Summary - For Year Ended June 30th

	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Total All Funds
Revenues					
Tuition and Fees	\$ 7,177,303	\$ -	\$ -	\$ -	\$ 7,177,303
State Appropriations	1,698,400	397,400	-	-	2,095,800
Property Taxes	8,704,461	-	-	-	8,704,461
Grants & Contracts	182,100	5,394,643	-	-	5,576,743
Sales & Services	-	-	17,800	-	17,800
Investment Income	315,000	-	-	-	315,000
Other Income	284,167	-	-	-	284,167
Total Revenues	\$ 18,361,431	\$ 5,792,043	\$ 17,800	\$ -	\$ 24,171,274
Other financing sources (uses)					
Carryforward	\$ 3,318,496	\$ -	\$ 12,600	\$ -	\$ 3,331,096
Transfer In	35,500	78,922	12,000	711,100	837,522
Transfer Out	(802,022)	-	-	(35,500)	(837,522)
Total other financing sources (uses)	\$ 2,551,974	\$ 78,922	\$ 24,600	\$ 675,600	\$ 3,331,096
Total Revenues and Transfers	\$ 20,913,405	\$ 5,870,965	\$ 42,400	\$ 675,600	\$ 27,502,370
Expenditures by Program					
Instruction	\$ 5,255,799	\$ 1,306,135	\$ -	\$ -	\$ 6,561,934
Public Service	-	161,700	-	-	161,700
Academic Support	3,344,791	297,581	-	-	3,642,372
Student Services	3,357,289	433,256	-	-	3,790,545
Institutional Support	3,852,019	-	-	195,000	4,047,019
Facilities Operation & Maintenance	1,829,549	-	-	336,900	2,166,449
Scholarships & Grants	196,665	3,672,293	-	-	3,868,958
Auxiliary Enterprises	-	-	42,400	-	42,400
Contingency	3,077,293	-	-	143,700	3,220,993
Total Expenditures	\$ 20,913,405	\$ 5,870,965	\$ 42,400	\$ 675,600	\$ 27,502,370
Expenditures by Object					
Personnel Services	\$ 14,004,052	\$ 1,754,208	\$ -	\$ -	\$ 15,758,260
Contractual Services	915,322	7,068	300	-	922,690
Supplies	649,974	202,730	39,900	-	892,604
Fixed Charges	1,074,022	4,577	-	-	1,078,599
Utilities	572,102	601	-	-	572,703
Travel	221,475	98,467	2,200	-	322,142
Scholarships	196,665	3,664,489	-	-	3,861,154
Capital Equipment	-	67,034	-	531,900	598,934
Miscellaneous/Other	202,500	71,791	-	-	274,291
Contingency	3,077,293	-	-	143,700	3,220,993
Total Expenditures	\$ 20,913,405	\$ 5,870,965	\$ 42,400	\$ 675,600	\$ 27,502,370
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

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 are provided. For FY21, total compensation has decreased primarily due to decrease in PT faculty. Total benefits increased by Arizona State Retirement contribution rate and health benefits premium increase.

Three-Year Comparative Analysis Faculty and Staff Statistics

Fiscal Year 2020/2021 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,846,555	\$ 1,182,375	\$ -	\$ 154,181	\$ 316,985	\$ 4,500,096	\$ 1,290,662	\$ 5,790,758
Public Service	-	-	-	69,342	33,606	102,948	21,802	124,750
Academic Support	-	-	601,481	1,294,380	123,706	2,019,567	754,064	2,773,631
Student Services	-	-	369,164	1,802,867	275,655	2,447,686	954,194	3,401,880
Institutional Support	-	-	897,039	1,096,281	14,642	2,007,962	787,303	2,795,265
Facilities	-	-	109,329	443,296	62,993	615,618	256,358	871,976
Total Salary	\$ 2,846,555	\$ 1,182,375	\$ 1,977,013	\$ 4,860,347	\$ 827,587	\$ 11,693,877	\$ 4,064,383	\$ 15,758,260
Unrestricted Funds	34.0	44.3	19.0	84.0	16.3	197.6		
Restricted Funds	8.0	-	-	7.0	8.7	23.7		
Total FTE	42.0	44.3	19.0	91.0	25.1	221.3		
Fiscal Year 2019/2020 (Budget)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,792,494	\$ 1,455,125	\$ -	\$ 81,011	\$ 321,767	\$ 4,650,397	\$ 1,273,962	\$ 5,924,359
Public Service	-	-	68,076	-	33,606	101,682	28,645	130,327
Academic Support	-	-	765,547	1,217,724	151,668	2,134,939	804,267	2,939,206
Student Services	-	-	514,224	1,518,334	267,111	2,299,669	866,448	3,166,117
Institutional Support	-	-	776,140	1,205,525	14,220	1,995,885	840,693	2,836,578
Facilities	-	-	105,872	444,468	35,880	586,220	248,128	834,348
Total Salary	\$ 2,792,494	\$ 1,455,125	\$ 2,229,859	\$ 4,467,062	\$ 824,252	\$ 11,768,792	\$ 4,062,143	\$ 15,830,935
Unrestricted Funds	33.0	55.9	21.0	81.0	14.4	205.3		
Restricted Funds	9.0	-	-	7.0	13.1	29.1		
Total FTE	42.0	55.9	21.0	88.0	27.5	234.4		
Fiscal Year 2018/2019 (Actual)								
Program	Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,546,614	\$ 1,385,057	\$ 12,261	\$ 88,837	\$ 109,354	\$ 4,142,123	\$ 1,141,004	\$ 5,283,127
Public Service	-	-	46,099	5,480	11,578	63,157	22,216	85,373
Academic Support	-	-	755,324	1,137,132	180,913	2,073,369	712,408	2,785,776
Student Services	-	-	439,331	1,377,205	182,115	1,998,650	742,503	2,741,153
Institutional Support	-	-	1,240,918	1,160,005	26,768	2,427,690	819,352	3,247,042
Facilities	-	-	104,571	402,466	37,144	544,181	214,212	758,393
Total Salary	\$ 2,546,614	\$ 1,385,057	\$ 2,598,504	\$ 4,171,124	\$ 547,871	\$ 11,249,170	\$ 3,651,695	\$ 14,900,864
Unrestricted Funds	32.7	54.4	23.0	81.0	17.4	208.4		
Restricted Funds	9.4	-	-	9.1	6.2	24.7		
Total FTE	42.0	54.4	23.0	90.1	23.6	233.1		

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.

In FY20, the rural community college districts received additional one-time funding to support general operating expenses and career and technical education programs. The College received approximately \$1 million in one-time rural college funding and is using the appropriation to start-up marine, veterinarian tech, and cybersecurity programs. Because of the uncertainties of COVID-19 the marine and vet tech programs are delayed and only the cybersecurity program was funded in FY21. The one-time rural funds received are shown below in FY20 and the balance of reserves remaining are shown in FY21.

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.

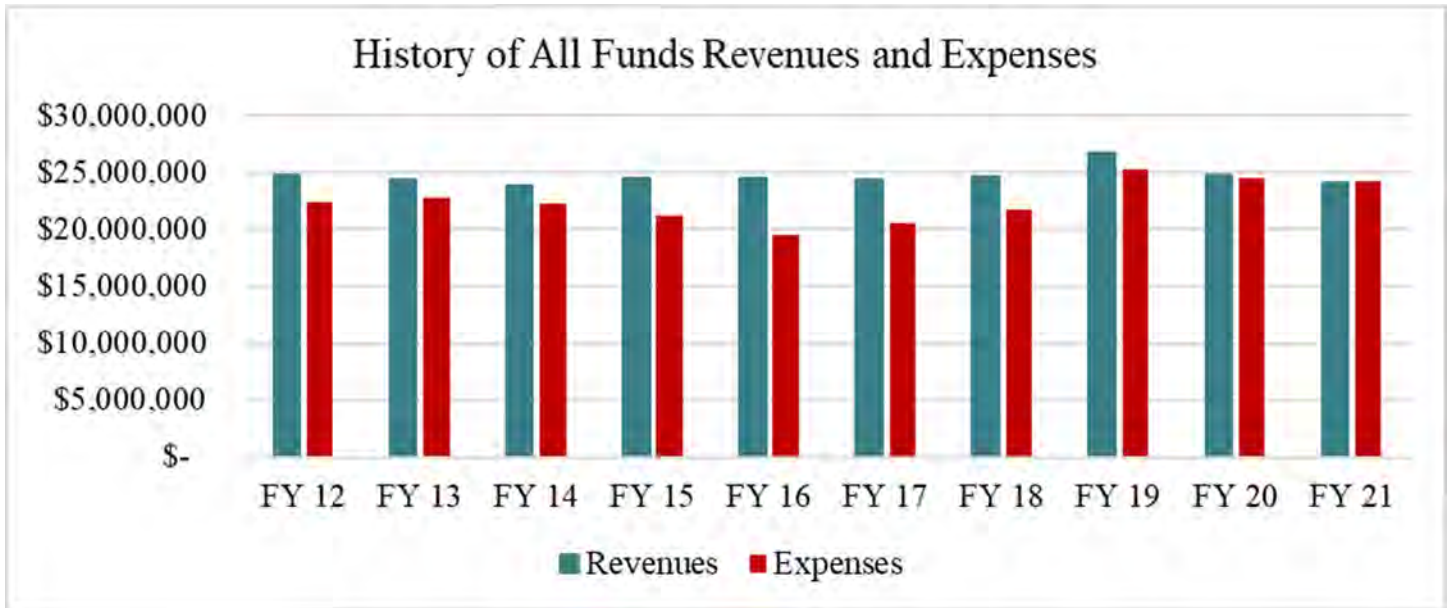
Three-Year Comparative Analysis

	FY 19 Audit	FY 20 Budget	FY 21 Budget
Restricted and Unrestricted Net Position (Fund Balance/Reserves)	\$ 15,689,240	\$ 16,956,197	\$ 17,164,590
All Funds Sustainability Reserves (33%) - Based on Budget	\$ 8,814,519	\$ 8,191,614	\$ 7,976,520
General Fund - Carryforward	2,000,000	2,000,000	3,000,000
General Fund - One time Rural College STEM Reserves		1,003,100	715,002
Auxiliary Fund Reserve	51,099	43,449	30,849
Plant Fund - Preventative Maintenance Reserves	4,716,835	4,550,677	4,853,877
Plant Fund - ITS Planned Replacement Reserve	125,746	125,746	50,746
Plant Fund - Copier Replacement Reserve	60,738	77,738	94,738
Debt Service - Reserves	6,388	6,388	6,388
Over/(under) Target	\$ (86,085)	\$ 957,485	\$ 436,470
% of Fund Balance/Reserves Over/(Under) Target	-0.5%	5.6%	2.5%

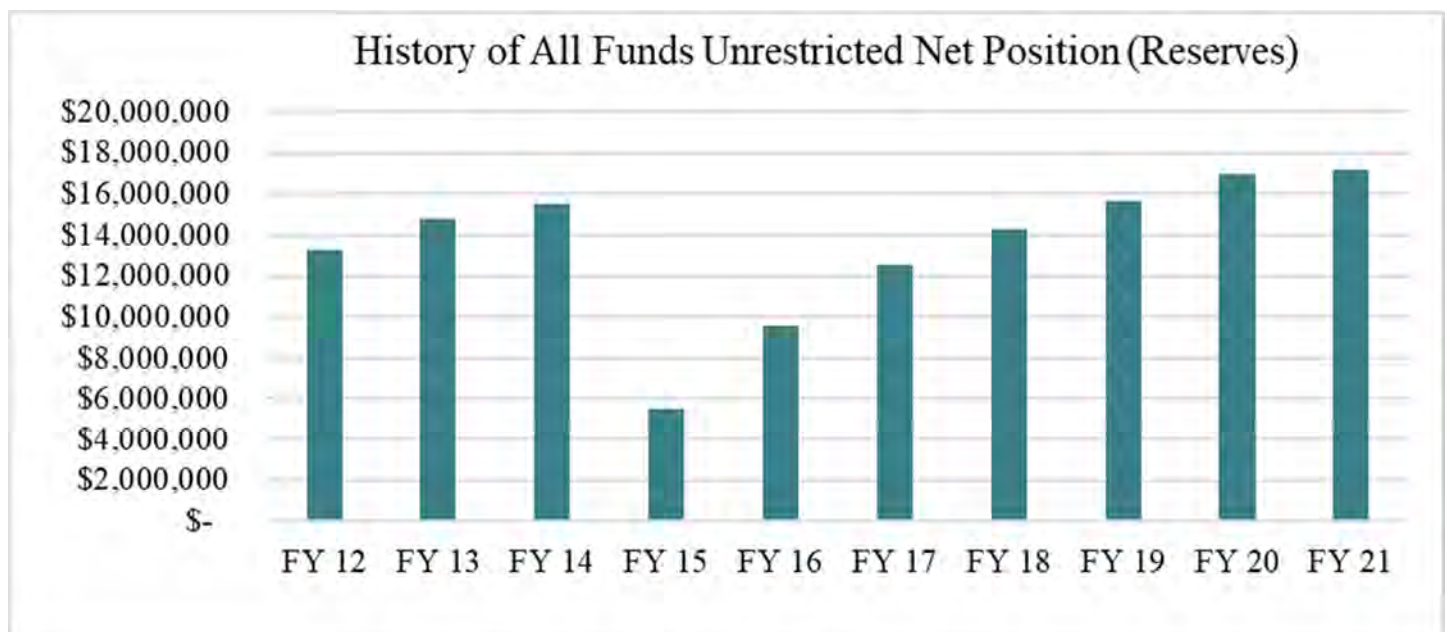
Annual Financial Plan

All Funds - History of Revenues, Expenses, and Net Position

The charts below show a 10 year history of revenues and expenses. Fiscal years 2020 and 2021 are budgeted amounts.



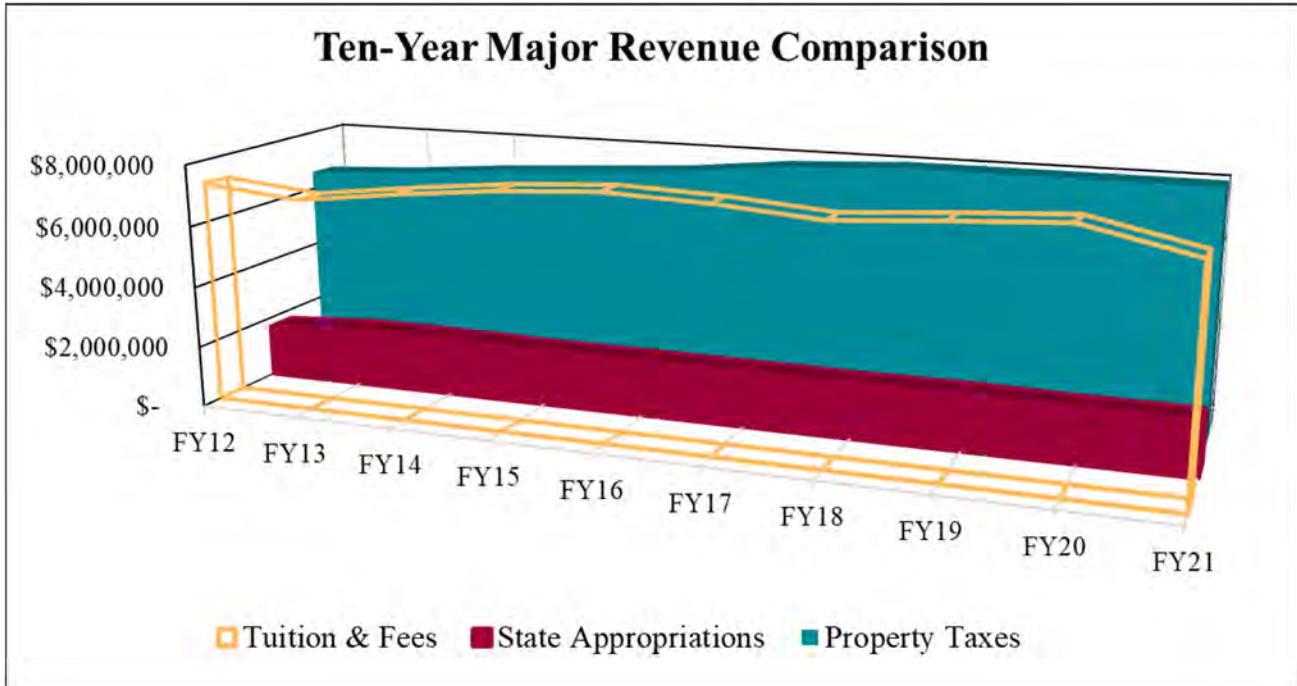
The charts below show a 10 year history of the difference from revenues and expenses that was added to net position (reserves) for the College. The significant decrease in net position in FY15 was due to GASB 68 pension adjustment.



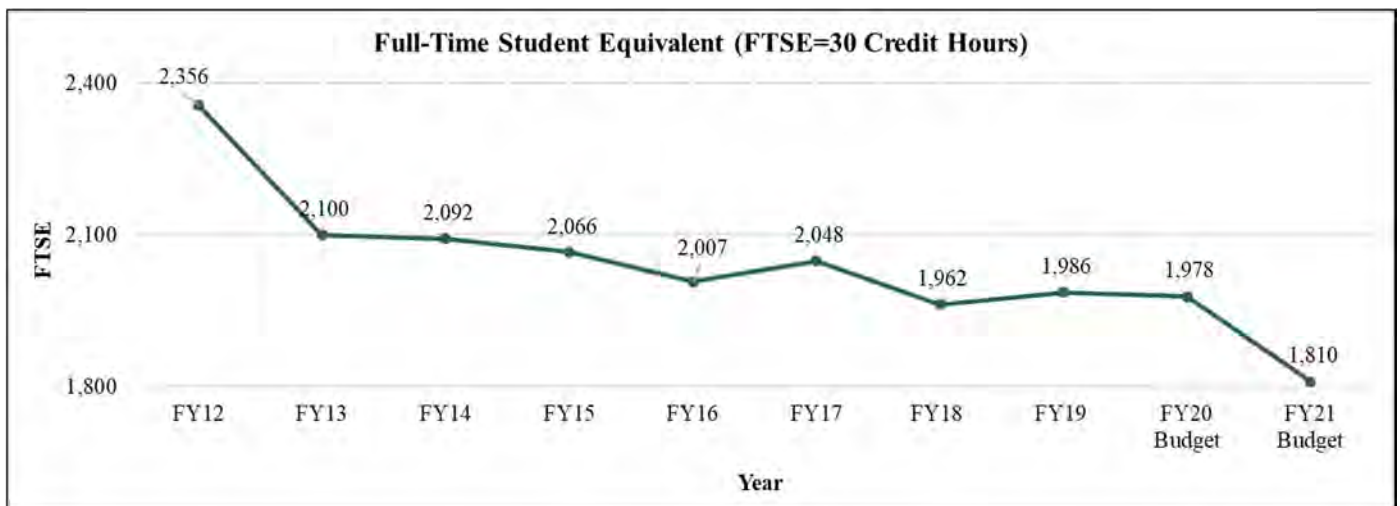
Annual Financial Plan

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 FY21 is based on enrollments of 1,810 FTSE. Enrollment tends to be counter-cyclical in comparison to the unemployment rate as discussed in the “Challenges and Solutions” section. The projected FY21 decline was based the low national and regional unemployment rate during the budget process. Due to COVID-19, the state unemployment rate increased to 10% as of June 2020. It is difficult to determine the effects on enrollment at this time.



Annual Financial Plan

General Fund - Tuition and Fee Revenue

CCC has the highest tuition rate in the state. In FY11, CCC was forced to implement a large tuition increase of 13 percent due to the decline in state appropriation. Since FY12, the College has been able to maintain lower tuition increases. The Board approved an increase of \$2 in FY21. The chart below shows the steady increase in tuition rate since FY12.

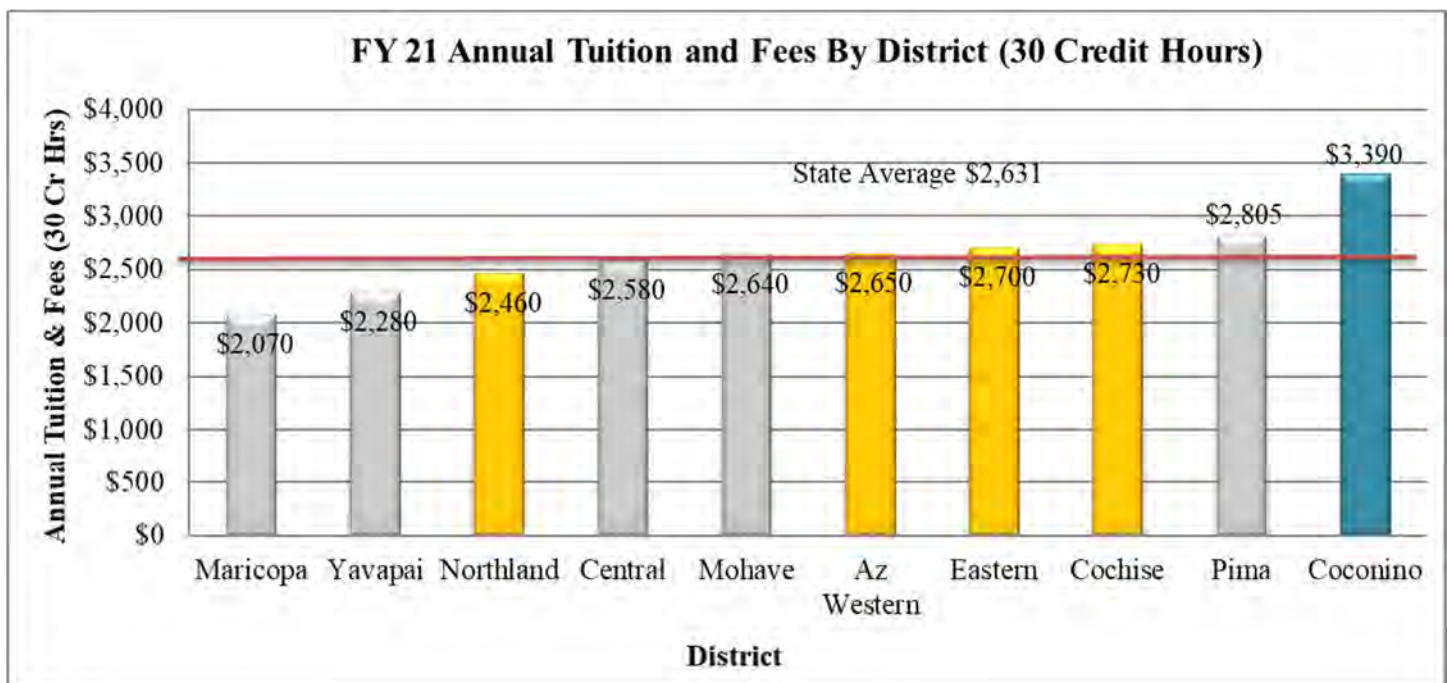
Historic Tuition Rates - Resident - Last 10 Fiscal Years

Fiscal Year	^A Tuition Per Credit Hour	^B Tech Fee per Credit Hour	Tuition & Tech Fee (per cr hr)	Annual Student Tuition	Change in \$	% Increase
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	120	3.8%
FY20	111	-	111	3,330	60	1.8%
FY21	113	-	113	3,390	60	1.8%

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

^B Tech Fee included in per credit hour tuition 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	FY19 Actual	FY20 Budget	FY21 Budget	FY21 Enroll
General Tuition (Resident Tuition)	\$ 4,747,424	\$ 4,835,000	\$ 4,120,500	1,340
Differential Tuition Rates	359,115	367,630	367,795	
Out-of-State Tuition	376,744	390,000	258,300	24
Out-of-County Tuition	-	252,100	530,438	150
Out-of-County Reimbursement	220,700	120,900	166,572	
Out-of-State Tuition (WUE)	916,712	918,000	761,063	165
Out-of-State Tuition (WUE2)	42,174	42,000	43,050	7
Dual Enrollment Fee (Arts & Sciences)	36,570	50,490	49,950	185
Coconino Association for Vocations, Industry and Technology (CAVIAT)	48,944	35,600	68,625	15
Technology Fee (allocated from General Tuition)	435,391	428,000	393,330	
Scholarship tuition (allocated from General Tuition)	216,568	222,000	196,665	
Prior Learning Assessment (PLA)	-	3,270	1,770	
Non-credit classes (CPR, EMT, FSC)	83,718	32,000	32,000	
Fees (Parking, Transcripts, Graduation, ID, Testing, Etc.)	222,222	197,041	187,245	
Total Tuition and Fees	\$ 7,706,281	\$ 7,894,031	\$ 7,177,303	1,886

In FY21, the District Governing Board approved a tuition increase of \$2.00 and a new Out-of-County rate at a 15% increase of In-State. The Western Undergraduate Exchange (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 differential tuition rate charges higher tuition rates to higher-cost programs. The **2020-2021 Tuition Schedule** below shows the standard rate plus the level for each differential tuition rate.

2020-2021 Tuition Schedule				
Differential Tuition Schedule	In State Per Credit Hour	Out-of-County Per Credit Hour	*WUE Per Credit Hour	Out-of-State Per Credit Hour
Standard	\$113.00	\$129.95	\$169.50	\$395.50
Specialty Higher Rates				
Differential Tuition Level 1 (+\$5)	\$118.00	\$134.95	\$174.50	\$400.50
Differential Tuition Level 2 (+\$10)	\$123.00	\$139.95	\$179.50	\$405.50
Differential Tuition Level 3 (+\$15)	\$128.00	\$144.95	\$184.50	\$410.50
Differential Tuition Level 4 (+\$20)	\$133.00	\$149.95	\$189.50	\$415.50
Differential Tuition Level 5* (+\$25)	\$138.00	\$154.95	\$420.50	\$420.50
Differential Tuition Level 6* (+\$30)	\$143.00	\$159.95	\$425.50	\$425.50
Differential Tuition Level 7* (+\$50)	\$163.00	\$179.95	\$445.50	\$445.50
Differential Tuition Level 8* (+\$80)	\$193.00	\$209.95	\$475.50	\$475.50
Differential Tuition Level 9* (+100)	\$213.00	\$229.95	\$495.50	\$495.50

*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 FY21 has decreased 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 \$587 per FTSE (30 credit hours per year) while dual enrollment is only calculated at fifty percent or \$294 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	FY 19 Actual	FY 20 Budget	FY 21 Budget
FTSE Change:			
Total Audited FTSE third most recent fiscal year	2,007	2,048	1,999
Total Audited FTSE second most recent fiscal year	2,048	1,999	1,986
Increase/(decrease)	41	(49)	(13)
Non Dual Enrollment Audited FTSE third most recent fiscal year	1,888	1,910	1,803
Non Dual Enrollment Audited FTSE second most recent fiscal year	1,910	1,803	1,799
Increase/(decrease)	22	(107)	(4)
Average Appropriation Per FTSE (Non Dual Enrollment)	575	588	587
Non Dual Enrollment Growth	\$ 12,700	\$ (62,900)	\$ (2,300)
Dual Enrollment Audited FTSE third most recent fiscal year	119	138	196
Dual Enrollment Audited FTSE second most recent fiscal year	138	196	187
Increase/(decrease)	19	58	(9)
Average Appropriation Per FTSE (Dual Enrollment @ 50%)	288	294	294
Dual Enrollment Growth	\$ 5,500	\$ 17,100	\$ (2,600)
State Appropriation	\$ 1,749,300	\$ 1,703,400	\$ 1,698,500
State Aid Cuts	(100)	-	(100)
Total M & O State Appropriations	\$ 1,749,200	\$ 1,703,400	\$ 1,698,400



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. Property 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.

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

STATUTORY CALCULATION	FY19 (Tax Year 2018) ADOPTED LEVY	FY20 (Tax Year 2019) ADOPTED LEVY	FY21 (Tax Year 2020) ADOPTED LEVY
1) Maximum levy - prior tax year	\$ 7,939,326	\$ 8,185,715	\$ 8,408,362
2) Maximum levy prior tax year multiplied by 102%	8,098,113	8,349,429	8,576,529
3) Assessed value for current tax year of all property subject to tax in the preceding year	1,708,276,591	1,818,274,043	1,910,232,943
4) Paragraph 3 divided by 100, then divide paragraph 2 by the resulting quotient; round to four decimal places	0.4741	0.4592	0.4490
5) Assessed value of all property for current year	1,726,579,766	1,831,089,260	1,929,724,114
6) Paragraph 5 divided by 100 and multiplied by rate in para 4 equals maximum allowable primary property tax levy	8,185,715	8,408,362	8,664,461
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	8,185,715	8,408,362	8,664,461
Adjustment to actual (net)	22,315		
In-lieu taxes	291,201		4,000
Excise taxes	52,863		61,000
Adjustment for Transwestern Pipeline		(25,000)	\$ (25,000)
Total property tax revenue	\$ 8,552,094	\$ 8,383,362	\$ 8,704,461



Annual Financial Plan

General Fund - Other Revenue and Transfers

Grants, contracts, and administrative cost recovered is 1% of the general fund budget. Investment income is 2%, and other income consists of 3% percent of total revenue. Other income includes funds, such as, bookstore income and leases are listed below.

Three-Year Comparative Analysis

Grants & Contracts	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET
PELL ACA Revenue	\$ 4,550	\$ 5,000	\$ 4,600
Administrative Cost Recovered	59,341	58,000	58,000
Veterans Admins Cost Recovered	1,965	1,000	1,500
Foundation FMC Contribution	143,450	95,000	95,000
Non-credit contract training	29,297	23,000	23,000
Other Private Grants	-	-	-
Total Grants & Contracts	\$ 238,603	\$ 182,000	\$ 182,100

Investment Income	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET
Investment Income	\$ 455,509	\$ 315,000	\$ 315,000
Total Investment Income	\$ 455,509	\$ 315,000	\$ 315,000

Other Income	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET
Bookstore (Commissions)	\$ 73,340	\$ 68,000	\$ 68,000
Salt River Project/Other In-Lieu of Tax	-	185,000	-
Government Property Lease Excise Tax	-	66,400	-
Surplus Property	5,655	500	5,000
Parking Tickets	13,290	13,000	13,000
Temporary Facility Rental	8,086	6,000	6,000
Flagstaff Library (Lease)	96,963	100,201	107,716
CAVIAT (Lease)	50,886	33,216	34,113
Cell Phone Tower (Lease)	33,064	33,100	33,100
Deli (Lease)	4,521	5,100	5,238
Omni Net	-	1,000	-
Other	14,711	5,000	12,000
Total Other Income	\$ 300,515	\$ 516,517	\$ 284,167

Transfers	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET
Transfers In	\$ 76,071	\$ 52,768	\$ 35,500
Transfers Out	(760,426)	(783,253)	(802,022)
Net Transfers	\$ (684,355)	\$ (730,485)	\$ (766,522)

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 9,854 as shown in the chart below. The current annual tuition cost for a resident to attend full-time college is \$3,390. As an open access public institution, CCC provides lower-cost educational opportunities for students who might not otherwise be able afford higher education.

FTSE	1,986	1,979	1,810
	FY19	FY20	FY21
Expenditure by Program	Actual	Budget	Budget
Instruction	\$ 2,413	\$ 2,651	\$ 2,904
Academic Support	1,752	1,747	1,848
Student Services	1,333	1,580	1,855
Institutional Support	2,200	2,135	2,128
Facilities Operation & Maintenance	850	914	1,011
Scholarships & Grants	112	112	109
Total General Fund Cost Per FTSE	\$ 8,660	\$ 9,140	\$ 9,854

Program descriptions can be found on page 30.



Annual Financial Plan

General Fund - Non-Capital Equipment

FY21 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 \$35,500. This covers repairs and replacements such as, furniture, deli equipment, painting, etc. Purchases under \$5,000 are not capitalized and budgeted to supplies and materials in the General Fund.

Planned Maintenance	Fourth St	Lone Tree	Page	Total
Interior Painting	\$ 3,500	\$ 4,000	\$ 4,000	\$ 11,500
Deli Equipment	-	4,200	-	4,200
Furniture Replacement	7,000	7,600	5,200	19,800
Total	\$ 10,500	\$ 15,800	\$ 9,200	\$ 35,500

Other Equipment and One-time Requests

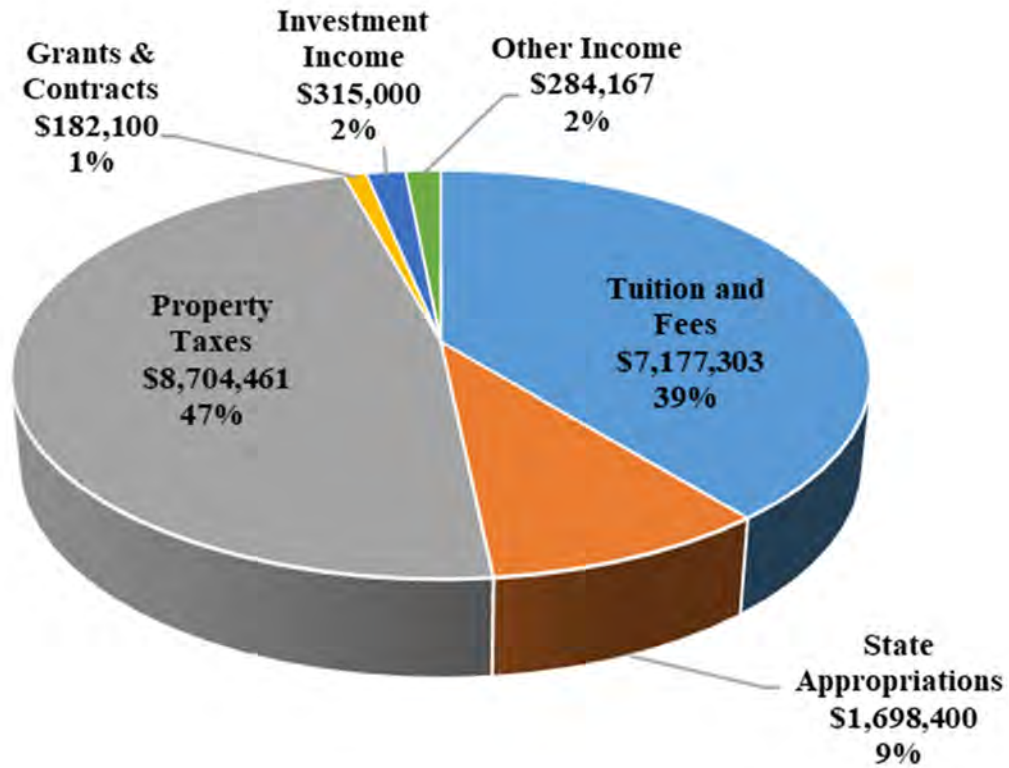
In FY20, the College budgeted \$53,400 for other equipment and one-time requests. For FY21, the College reallocated the other equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget.

STEM Fund

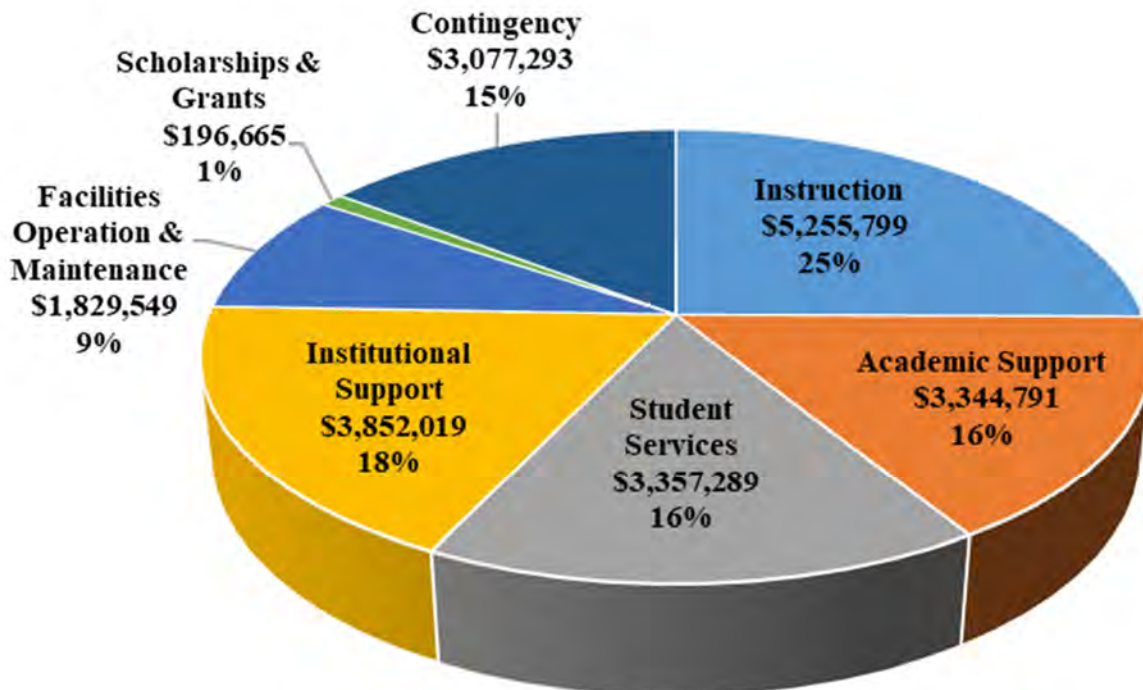
In FY20, the College budgeted \$287,400 for STEM equipment funding. Requests for STEM funding were submitted and were prioritized by Executive Council based on strategic planning initiatives and performance measures. For FY21, the College reallocated the STEM equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget.

Annual Financial Plan

General Fund - FY21 Revenues (\$18,361,431)



General Fund - FY21 Expenditures by Program (\$20,913,405)





Annual Financial Plan

General Fund

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

	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET
Revenues			
Tuition and Fees	\$ 7,706,281	\$ 7,894,031	\$ 7,177,303
State Appropriations	1,749,200	1,703,400	1,698,400
Property Taxes	8,552,094	8,383,362	8,704,461
Grants & Contracts	238,603	182,000	182,100
Investment Income	455,509	315,000	315,000
Other Income	300,515	516,517	284,167
Total Revenues	\$ 19,002,201	\$ 18,994,310	\$ 18,361,431
Other financing sources (uses)			
Carryforward	\$ -	\$ 2,000,000	\$ 3,318,496
Transfer In	76,071	52,768	35,500
Transfer Out	(760,426)	(783,253)	(802,022)
Total other financing sources (uses)	\$ (684,355)	\$ 1,269,515	\$ 2,551,974
Total Revenues and Other Sources	\$ 18,317,846	\$ 20,263,825	\$ 20,913,405
Expenditures by Program			
Instruction	\$ 4,791,284	\$ 5,246,722	\$ 5,255,799
Academic Support	3,478,544	3,457,111	3,344,791
Student Services	2,647,918	3,127,361	3,357,289
Institutional Support	4,370,103	4,225,977	3,852,019
Facilities Operation & Maintenance	1,687,832	1,809,189	1,829,549
Scholarships & Grants	223,404	222,000	196,665
Contingency	-	2,175,465	3,077,293
Total Expenditures	\$ 17,199,085	\$ 20,263,825	\$ 20,913,405
Expenditures by Object			
Personnel Services	\$ 13,111,612	\$ 13,923,509	\$ 14,004,052
Contractual Services	1,213,426	922,224	915,322
Supplies	764,793	981,658	649,974
Fixed Charges	1,126,482	1,059,761	1,074,022
Utilities	532,825	600,053	572,102
Travel	192,363	214,680	221,475
Scholarships	223,404	222,000	196,665
Miscellaneous/Other	34,180	164,475	202,500
Contingency	-	2,175,465	3,077,293
Total Expenditures	\$ 17,199,085	\$ 20,263,825	\$ 20,913,405
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ 1,118,761	\$ -	\$ -

Annual Financial Plan

General Fund

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

FY21 CHANGES		FY21 CHANGES DETAIL
\$ (716,728)	-9.08%	\$2 increase, enrollment decline
(5,000)	-0.29%	Per state formula
321,099	3.83%	2% plus new construction, moved excise tax in
100	0.05%	
-	0.00%	No change
(232,350)	-44.98%	Reduction in SRP in-lieu tax; moved excise tax out
\$ (632,879)	-3.3%	
\$1,318,496	65.92%	Increase for recession and portion of One-time Rural
(17,268)	-32.72%	Planned maintenance
(18,769)	2.40%	Additional match for ADE grants
\$1,282,459	101.02%	
\$ 649,580	3.2%	
\$ 9,077	0.17%	Comp, new program expense
(112,320)	-3.25%	Comp, moved DE to Student Serv, realloc Starfish
229,928	7.35%	Comp, moved DE from Academic Support
(373,958)	-8.85%	Comp, realloc one-time STEM & Equip
20,360	1.13%	Reallocation of PT position to Security
(25,335)	-11.41%	Decrease in enrollment
901,828	41.45%	Increased contingency for recession, One-time Rural
\$ 649,580	3.2%	
\$ 80,543	0.58%	Comp & Benefit adj, position reduction for recession
(6,902)	-0.75%	Realloc and reduction
(331,684)	-33.79%	Realloc one-time STEM & Equip
14,261	1.35%	Realloc and CPI increases
(27,951)	-4.66%	Realloc to cover custodial increase
6,795	3.17%	Realloc of funds for Admission & Marketing travel
(25,335)	-11.41%	Decrease in enrollment
38,025	23.12%	Increase bad debt expense
901,828	41.45%	Increase in contingency & One-time Rural
\$ 649,580	3.2%	
\$ -	0.0%	

Annual Financial Plan



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VISION

*Shaping the future of Coconino County.
Empowering Individuals. Inspiring Communities.
Education with Purpose!*





Annual Financial Plan

Restricted Funds

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

Adult Education (ADE) - Federal (\$354,459) and State (\$154,672)

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.

AZ Workforce Development (Prop 301) - State (\$418,295)

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. This was set to expire in 2021. It was extended by legislation for an additional 20 years and now will expire in 2041. The funds are restricted to workforce development programs.

Bridges to Baccalaureate - Federal (\$18,442)

The B2B program serves Native American Students. The objective of the program is to increase the transfer of these students from accredited 2-year degree granting institutions to baccalaureate degree programs in biomedical and behavioral sciences at Northern Arizona University.

Carl Perkins Grant - Federal (\$275,755)

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.

Financial Aid - Federal (\$3,500,000) 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.

Small Business Development Center (SBDC) - Federal (\$101,700) and Local (\$25,000)

The Small Business Development Center provides confidential one-on-one business 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). It is federally funded research and training program sponsored by a grant from the National Science Foundation. The overall goal is to ensure that a greater number of minority students graduate and pursue careers in STEM fields.

STEM Appropriation - State (\$397,400)

STEM appropriations provide the College with funds for partnerships, faculty, technology equipment, student services, facilities, and property.

TRiO - Federal (\$239,446)

The TRiO program serves approximately 140 students who are low-income, first-generation college students and/or students with documented disabilities. Provided services include tutoring, counseling for academic issues, career planning, financial aid, and assistance with personal issues.



Annual Financial Plan

Restricted Funds

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

	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET
Revenues			
Tuition and Fees	\$ -	\$ -	\$ -
State Appropriations	415,600	399,200	397,400
Federal Grants and Contracts	4,312,311	4,748,711	4,787,273
State Grants and Contracts	652,816	628,103	582,370
Private Grants and Contracts	46,401	35,000	25,000
Total Revenues	\$5,427,127	\$5,811,014	\$5,792,043
Other financing sources (uses)			
Transfer In	\$ 61,764	\$ 57,253	\$ 78,922
Transfer In	(37,579)	-	-
Total other financing sources (uses)	\$ 24,185	\$ 57,253	\$ 78,922
Total Revenues and Transfers	\$5,451,312	\$5,868,267	\$5,870,965
Expenditures by Program			
Instruction	\$1,403,447	\$1,354,412	\$1,306,135
Public Service	98,303	161,700	161,700
Academic Support	255,662	260,682	297,581
Student Services	403,412	413,380	433,256
Institutional Support	-	-	-
Facilities Operation & Maintenance	1,400	-	-
Scholarships & Grants	3,289,088	3,678,093	3,672,293
Total Expenditures	\$5,451,312	\$5,868,267	\$5,870,965
Expenditures by Object			
Personnel Services	\$1,789,252	\$1,907,426	\$1,754,208
Contractual Services	6,158	4,560	7,068
Supplies	114,368	103,256	202,730
Fixed Charges	7,364	3,349	4,577
Utilities	181	380	601
Travel	75,644	62,002	98,467
Scholarships	3,280,281	3,670,289	3,664,489
Capital Equipment	118,237	67,034	67,034
Miscellaneous/Other	59,827	49,971	71,791
Total Expenditures	\$5,451,312	\$5,868,267	\$5,870,965

Annual Financial Plan

Restricted Funds

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

FY21 CHANGES		FY21 CHANGES DETAIL
\$ -	0%	
(1,800)	-0.5%	Per state formula
38,562	0.8%	Reallocation
(45,733)	-7.3%	Reallocation
(10,000)	-28.6%	Veteran's Center Foundation
\$ (18,971)	-0.33%	
\$ 21,669	38%	Adult Ed
-	0.0%	Adult Ed
\$ 21,669	37.8%	
\$ 2,698	0.05%	
\$ (48,277)	-3.6%	Workforce 301
-	0.0%	
36,899	14.2%	Perkins & ADE
19,876	4.8%	TRiO & Perkins
-	0.0%	
-	0.0%	
(5,800)	-0.2%	Veteran's
\$ 2,698	0.05%	
\$(153,218)	-8.0%	Workforce 301, ADE, Perkins & TRiO
2,508	55.0%	Workforce 301, ADE, Perkins & TRiO
99,474	96.3%	Workforce 301, ADE, Perkins & TRiO
1,228	36.7%	Workforce 301, ADE, Perkins & TRiO
221	58.2%	Workforce 301, ADE, Perkins & TRiO
36,465	58.8%	Workforce 301, ADE, Perkins & TRiO
(5,800)	-0.2%	Veteran's
-	0.0%	
21,820	43.7%	Workforce 301, ADE, Perkins & TRiO
\$ 2,698	0.05%	



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
- Anthropology Club
- Associated Student Body
- Chess Club
- Clay Club
- Games Club
- Native American Student Association
- Phi Theta Kappa
- Science Club
- Student Veterans of America

The employee vending account is used to promote the values of the College, including employee recognition activities, employee events, and promoting professional development and community. At the end of the year, any balance remaining is carried forward into subsequent fiscal years.

Equipment Rental

In FY20, the math department decreased the cost of calculators rentals to students by \$10. This 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

	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET	FY21 CHANGES	
Revenues					
Sales & Services	\$ 22,515	\$ 17,750	\$ 17,800	\$ 50	0.3%
Total Revenues	\$ 22,515	\$ 17,750	\$ 17,800	\$ 50	0.3%
Other financing sources (uses)					
Carryforward	\$ (3,857)	\$ 7,650	\$ 12,600	\$ 4,950	64.7%
Transfer In	12,000	12,000	12,000	-	0.0%
Total other financing sources (uses)	\$ 8,143	\$ 19,650	\$ 24,600	\$ 4,950	25.2%
Total Revenues and Transfers	\$ 30,658	\$ 37,400	\$ 42,400	\$ 5,000	13.4%
Expenditures by Program					
Auxiliary Enterprises	\$ 30,658	\$ 37,400	\$ 42,400	\$ 5,000	13.4%
Total Expenditures	\$ 30,658	\$ 37,400	\$ 42,400	\$ 5,000	13.4%
Expenditures by Object					
Personnel Services	\$ -	\$ -	\$ -	\$ -	0.0%
Contractual Services	-	300	300	-	0.0%
Supplies	28,506	34,900	39,900	5,000	14.3%
Fixed Charges	-	-	-	-	0.0%
Utilities	-	-	-	-	0.0%
Travel	2,152	2,200	2,200	-	0.0%
Scholarships	-	-	-	-	0.0%
Total Expenditures	\$ 30,658	\$ 37,400	\$ 42,400	\$ 5,000	13.4%
Excess of Revenues and Other Sources Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	0.0%

Activity	Budgeted Revenue
Math Calculators	\$ 2,400
Vending	15,400

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.

FY21 IT Lifecycle Replacement

Beginning in FY18 the College set aside \$140,000 annually to fund short-term and long-term IT life cycle replacement plans. In FY21, the technology budget was reduced by \$20,000 to \$120,000, to reallocate funds for increases in annual maintenance agreements.

FY21 Preventative Maintenance (Life Cycle Replacement)

The College has preventative maintenance schedules for 20 years that include major maintenance and replacement of long-term facility needs such as roofing repairs and replacement of HVAC units. The table below shows the FY21 capital plan items. Other non-capitalized planned maintenance costs of \$35,500 were budgeted in the General Fund.

FY21 Planned Maintenance Budget

Plant Fund - IT Equipment	Total
Phone System Replacement	\$ 75,000
IT Equipment Lifecycle Replacement Plan	120,000
Misc./Contingency	143,700
Total FY21 IT Equipment	\$ 338,700

Plant Fund - Planned Maintenance	Fourth St	Lone Tree	Page	Total
Roofing architect fees	\$ -	\$ 90,000	\$ -	\$ 90,000
Roofing	150,000			150,000
HVAC Units	20,000			20,000
Entry Doors -		26,300		26,300
Security Cameras Replacement	5,200	5,200	5,200	15,600
Misc./Contingency	7,500	25,000	2,500	35,000
Total FY21 Planned Maintenance	\$ 182,700	\$ 146,500	\$ 7,700	\$ 336,900

Annual Financial Plan

Unexpended Plant Fund (continued)

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

	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET	FY21 CHANGES	
Revenues					
Grants & Contracts	\$ -	\$ -	\$ -	\$ -	0.0%
Other Income	95,940	-	-	-	0.0%
Total Revenues	\$ 95,940	\$ -	\$ -	\$ -	0.0%
Other financing sources (uses)					
Transfer In	\$ 707,200	\$ 714,000	\$ 711,100	\$ (2,900)	-0.4%
Transfer Out	(59,029)	(52,768)	(35,500)	17,268	-32.7%
Total other financing sources (uses)	\$ 648,171	\$ 661,232	\$ 675,600	\$ 14,368	2.2%
Total Revenues and Transfers	\$ 744,110	\$ 661,232	\$ 675,600	\$ 14,368	2.2%
Expenditures by Program					
Instruction	\$ 155,546	\$ -	\$ -	\$ -	0.0%
Academic Support	18,413	-	-	-	0.0%
Institutional Support	128,147	240,000	195,000	(45,000)	-18.8%
Facilities Operation & Maintenance	117,601	325,190	336,900	11,710	3.6%
Contingency	-	96,042	143,700	47,658	49.6%
Total Expenditures	\$ 419,707	\$ 661,232	\$ 675,600	\$ 14,368	2.2%
Expenditures by Object					
Capital Equipment	\$ 419,707	\$ 565,190	\$ 531,900	\$(33,290)	-5.9%
Contingency	-	96,042	143,700	47,658	49.6%
Total Expenditures	\$ 419,707	\$ 661,232	\$ 675,600	\$ 14,368	2.2%



Annual Financial Plan

Retirement of Indebtedness Fund

The Retirement of Indebtedness is used account for the resources for payment of principal and interest on debt.

General Obligation Bonds

Voters of Coconino County approved \$25 million in general obligation bond (GOB) authority on November 4, 1997, to support the District's capital initiatives. The GOBs were issued in January 1999 and secured by the full faith and credit of the District through its power to tax. Debt service (payment of principal and interest) was paid from the proceeds of ad valorem taxes (i.e. secondary property taxes based on the value of the property). 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). The College paid off the long-term bonds in FY 2019 and currently has no long-term debt.

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

	FY19 ACTUAL	FY20 BUDGET	FY21 BUDGET	FY21 CHANGES	
Revenues					
Property Taxes	\$ 2,197,086	\$ -	\$ -	\$ -	0.0%
Other Income		-	-	-	0.0%
Total Revenues	\$ 2,197,086	\$ -	\$ -	\$ -	0.0%
Other financing sources (uses)					
Transfer Out	\$ -	\$ -	\$ -	\$ -	0.0%
Total other financing sources (uses)	-	-	-	-	0.0%
Total Revenues and Transfers	\$ 2,197,086	\$ -	\$ -	\$ -	0.0%
Expenditures by Program					
Retirement of Indebtedness	\$ 2,209,236	\$ -	\$ -	\$ -	0.0%
Total Expenditures	\$ 2,209,236	\$ -	\$ -	\$ -	0.0%
Expenditures by Object					
Retirement of Indebtedness	\$ 2,120,000	\$ -	\$ -	\$ -	0.0%
Miscellaneous	89,236	-	-	-	0.0%
Total Expenditures	\$ 2,209,236	\$ -	\$ -	\$ -	0.0%
Excess of Revenues and Other Sources					
Over/(Under) Expenditures	\$ (12,150)	\$ -	\$ -	\$ -	0.0%

Long-term Financial Sustainability

July 1, 2020 - June 30, 2021



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*Shaping the future of Coconino County.
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Long-term Financial Sustainability

The New Strategic Plan “Students First: Vision 2025”

As noted earlier, CCC is in the process of creating a new strategic plan that will be in effect from 2021 through 2025. A new strategic plan is integral to the process of creating the budget going forward. The plan itself has been evolving over the last several months but a final plan and implementation have been delayed due to the pandemic. The timeline and process for structuring the plan follow:

Fall 2017: Listening Sessions throughout Coconino County to gather input on community needs

Spring 2018: Student and Employee input through participation in All College events, surveys, and forums

Spring, Summer, Fall 2018: Educational Outreach to County

Fall 2018: Failed ballot initiative that initiated further financial sustainability efforts

Spring 2019: Reviewed and revised Vision, Mission, Core Values, Valuing People: Diversity Statement, and created Guiding Principles. Received input from students, CCC Employees, Community, and the District Governing Board throughout the process

Fall 2019: Approval of Vision and Mission

- District Governing Board Approved Vision, Mission, Valuing People Statement, Guiding Principles
- DGB Established Priorities for New Strategic Plan
 - Put Students First
 - Focus on long-term sustainability of the College
 - Transform ways of working to bring in more business and industry partners to garner their support
 - Engage Elected Officials, business professionals, and community leaders to find funding solutions for CCC
 - Determine ways for the College to be more relevant throughout the county- how do we become essential to our communities?
 - Plan for innovative and entrepreneurial types of educational and business interactions and revenue streams including grants
 - Demonstrate adaptability and flexibility- move quickly to get things done and respond to external requests such as developing training, new programs, certificates, etc.
 - Reallocate resources through planning and use of data
 - Rethink fund raising and Foundation activities
- Executive Leadership Council developed SWOT analysis of CCC progress in demonstrating HLC Criteria as the standard of quality by which college and university peers determine excellence, validity, and continuation as an institution of higher education meeting accreditation requirements.
- Executive Leadership Council developed structure for new Strategic Plan, analyzed previous Strategic Plan for completion and future directions, gathered documents providing quantitative and qualitative data to be used in Strategic Plan development.

Spring and Fall 2020: Develop Coconino Community College Strategic Plan “Students First: Vision 2025”

- Involve Employees, Students, and Community in developing strategic plan with respect to College Priorities
- Utilize Goal Teams to develop no more than four strategic goals with expected results and targeted actions to plan for a vibrant and innovative future—plan should be accessible, meaningful and attainable
- Utilize data from recent surveys, assessment of learning, institutional effectiveness measures, accreditation feedback, etc. Available data for this step includes:
 - Student Performance Measures
 - Student Surveys
 - Employee Surveys
 - Community surveys, listening sessions, advisory boards
 - HLC Recommendations
 - District Governing Board Priorities

At present, the plan goals and expected results have been established and follow.

Long-term Financial Sustainability



2021-2025 CCC STRATEGIC PLAN

Strategic Goal #1: *CCC will help each student achieve success through a supported and individualized educational experience.*

College Priority	Expected Results
Student Success	1.1 The College student body will reflect the diversity of Coconino County 1.2 The number of Coconino County residents attending the College will increase to improve the Community College-Going Rate 1.3 Students will successfully navigate the College with minimal barriers
Student Success, Teaching and Learning	1.4 Students will build goal commitment through holistic engagement in the College and high-quality learning

Strategic Goal #2: *CCC will practice sustainability through responsible stewardship of economic, public, and environmental resources to accomplish its educational mission.*

College Priority	Expected Results
Long-term Financial sustainability and new revenue streams	2.1 College revenues will be increased through new revenue streams
Long-term Financial sustainability and reallocation of resources	2.2 College priorities will be funded through strategic reallocation of resources
Environmental Sustainability	2.3 The College will demonstrate leadership for outstanding and effective sustainability practices
Progressive business processes	2.4 The College will limit barriers to students and college employees through automated business processes

Strategic Goal #3: *CCC will explore opportunities to promote a learning culture that is innovative, flexible, entrepreneurial, and responsive to the needs of our students and the communities we serve.*

College Priority	Expected Results
Entrepreneurial Initiatives, adaptability, flexibility, responsiveness	3.1 The College will increase and improve community connections
	3.2 The College will increase and improve opportunities for lifelong learning
	3.3 The College will increase and improve opportunities for workforce training and economic development

Strategic Goal #4: *CCC will strengthen Community Engagement in support of student success through advocacy, strategic partnerships, and new fundraising initiatives.*

College Priority	Expected Results
Advocacy	4.1 The College will access funding to support student success through local, state, and federal advocacy
Strategic Partnerships	4.2 The College will develop strategic partnerships throughout Coconino to support community engagement and workforce development in academic and non-credit continuing education programs
Fund Raising	4.3 The College will increase the number of fundraising activities and the overall amount raised to support programs
Community Engagement	4.4 The College will strengthen and expand community connections and engagement to champion the College as a community center

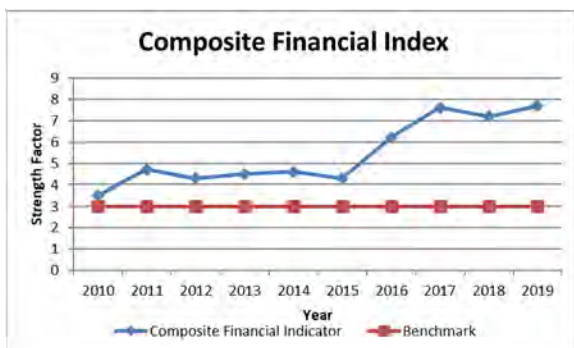
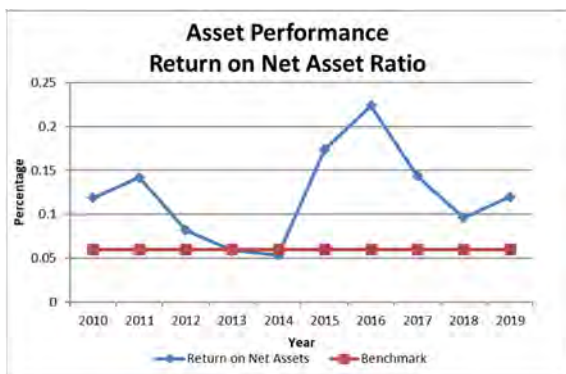
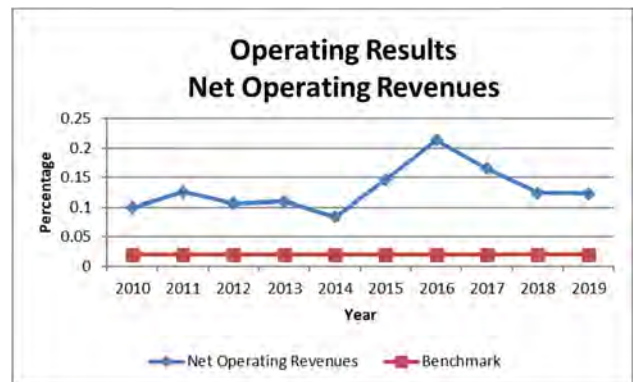
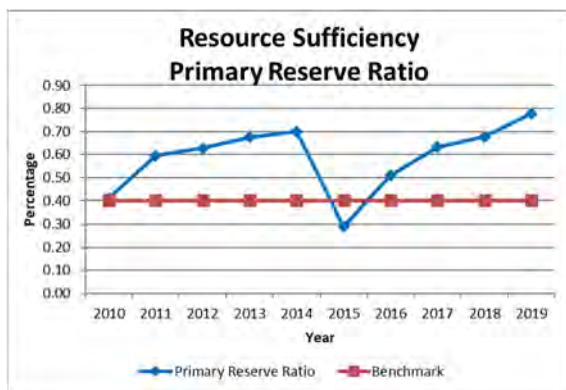
Long-term Financial Sustainability

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 financial ratios are defined below and the charts are inclusive of GASB 68 Pension and GASB 75 OPEB 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 great recession. The viability ratio has decreased to zero due to paying off the debt in FY19. The composite score, which must be above 1.1 to avoid a potential HLC review, increased slightly from last year to 7.7, which means that the College is in a relatively healthy financial position based on the 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

Note: charts are inclusive of GASB 68 Pension and GASB 75 OPEB adjustments

Long-term Financial Sustainability

Long-Term Financial Sustainability

The College has developed long-term, high-level assumptions through FY28 as follows:

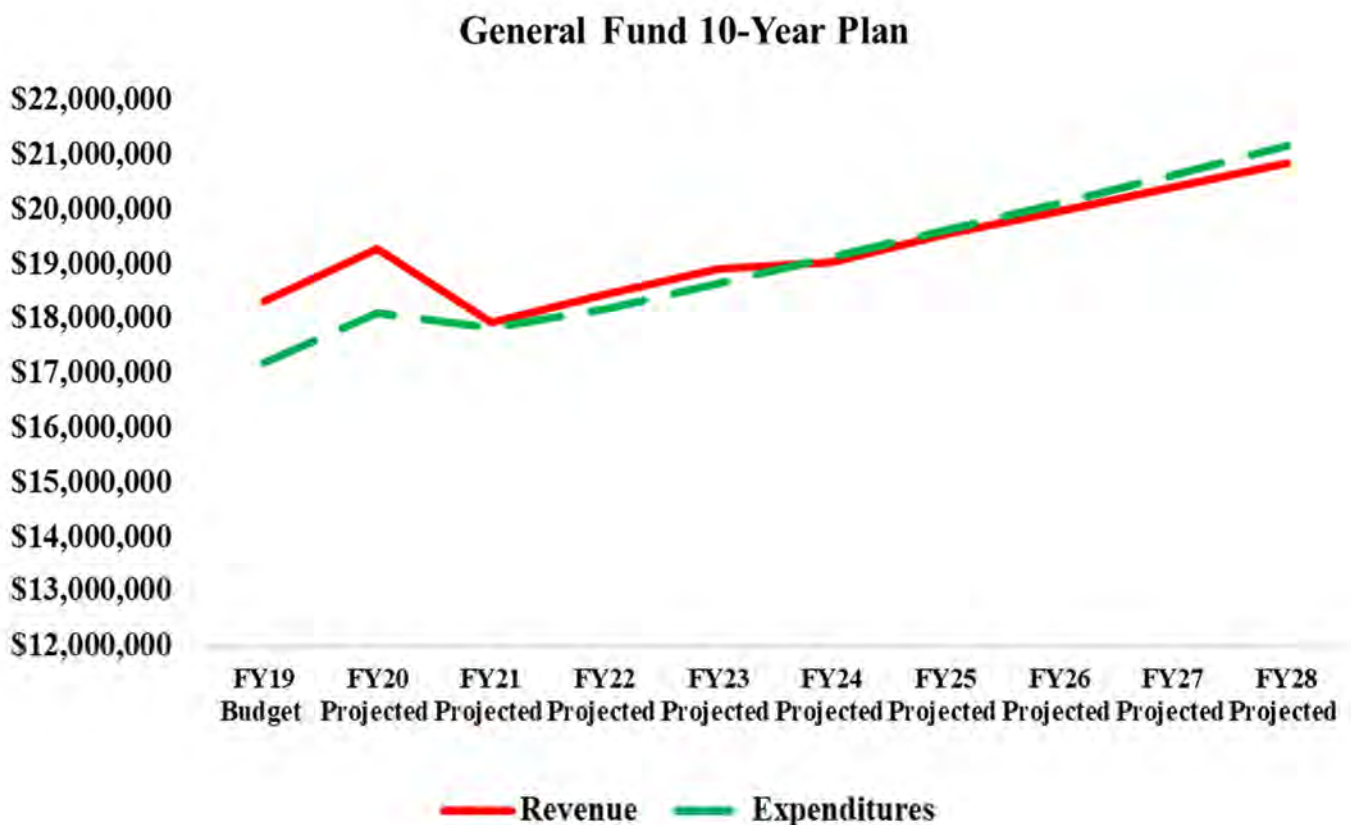
Revenues - Average growth of 2.5%:

- **Enrollment** - growth of 1% per year based on long-term county population growth trend, adjusted for current enrollment decline and future recovery to trend levels
- **Tuition rates** - Increases per year based on CPI and Board direction
- **State aid** - flat funding per current state formula
- **Property tax** - 2% levy increase plus 1% new construction growth based on trend analysis

Expenditures - Average growth of 2.5%:

- **Personnel cost** - average increases of 2.5% 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 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	FY19 Actual	FY20 Budget	FY21 Projected	FY21 Change	% Chg FY20-21	FY22 Projected	FY23 Projected
Tuition & Fees	\$ 7,706,281	\$ 7,894,031	\$ 7,177,303	\$ (716,728)	-9.1%	\$ 7,447,000	\$ 7,707,500
State Appropriations	1,749,200	1,703,400	1,698,400	(5,000)	-0.3%	1,651,800	1,595,800
Property Taxes	8,552,094	8,383,362	8,704,461	321,099	3.8%	8,956,500	9,188,500
Gifts/Grants/Contracts	238,603	182,000	182,100	100	0.1%	182,100	182,100
Investment Income	455,509	315,000	315,000	-	0.0%	319,700	324,800
Other Income	300,515	516,517	284,167	(232,350)	-45.0%	293,100	297,800
Sub-Total Revenues Gen'l Fund:	\$ 19,002,201	\$ 18,994,310	\$ 18,361,431	\$ (632,879)	-3.3%	\$ 18,850,200	\$ 19,296,500
Carryforward		2,000,000	3,318,496	1,318,496	65.9%		
Net Transfers Out to Other Funds	(684,355)	(730,485)	(766,522)	(36,037)	4.9%	(765,500)	(759,400)
Total Revenues Gen'l Fund:	\$ 18,317,846	\$ 20,263,825	\$ 20,913,405	\$ 649,580	3.2%	\$ 18,084,700	\$ 18,537,100

Revenue Assumptions

Revenue Source FTSE	FY21 1,810	FY22 1,846	FY23 1,883
Tuition and Fees	\$2 tuition increase, based on CPI and Board direction	\$2 tuition increase, based on CPI and Board direction	\$2 tuition increase, based on CPI and Board direction
Enrollment	10% decrease in enrollment; reallocated enrollment per recession	1% increase in enrollment	1% increase in enrollment
State Appropriations	Decrease \$5,000 due to formula	Decrease \$46,600 due to formula	Decrease \$56,000 due to formula
Property Taxes	2% allowed levy increase, 1.0% growth	2% allowed levy increase, 1.0% growth	2% allowed levy increase, 1.0% 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 (continued)

Expenditures by Object	FY19 Actual	FY20 Budget	FY21 Projected	FY21 Change	% Chg FY20-21	FY22 Projected
Salaries	\$ 9,923,892	\$ 10,329,133	\$ 10,362,089	\$ 32,956	0.3%	\$ 10,526,700
Benefits	3,187,720	3,594,376	3,641,963	47,587	1.3%	3,717,500
Operations:						
Contracted Services	1,213,426	922,224	915,322	(6,902)	-0.7%	938,200
Supplies	764,793	981,658	649,974	(331,684)	-33.8%	666,200
Fixed Charges	1,126,482	1,059,761	1,074,022	14,261	1.3%	1,100,900
Utilities and Communications	532,825	600,053	572,102	(27,951)	-4.7%	586,400
Travel	192,363	214,680	221,475	6,795	3.2%	227,000
Misc./Scholarships/Other	257,584	386,475	399,165	12,690	3.3%	404,100
Sub-Total Expenditures Gen'l Fund:	\$ 17,199,085	\$ 18,088,360	\$ 17,836,112	\$ (252,248)	-1.4%	\$ 18,167,000
Contingency		2,175,465	3,077,293	901,828		2,275,201
Total Gen'l Fund Expenditures:	\$ 17,199,085	\$ 20,263,825	\$ 20,913,405	\$ 649,580	3.2%	\$ 20,442,201

Expense Assumptions

Expenditures by Object FTSE	FY21 1,810	FY22 1,846	FY23 1,883
Staff Compensation	2% CPI	2% CPI	2% CPI
FT Faculty Compensation	FT Faculty 2.7% added to sched, no step	FT Faculty 2% step	FT Faculty 2% step
PT Faculty Compensation	PT Faculty 2.7%	PT Faculty 2%	PT Faculty 2%
FT Faculty/Staff Market	1% staff, .7% Prof/Tech, .5% Admin	1% market (biannually)	No change
PT Faculty FTE Change	reduction based 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	No change	1 added Faculty	1 added Faculty
Staffing FTE Change	No change	No change	No change
Benefits	5.79 % increase	5% increase	5% increase
Contracted Services	2.5% inflation increase, 0.5% adjustment for enrollment increase	2.5% inflation increase	2.5% inflation increase
Supplies	2.5% inflation increase, 0.5% adjustment for enrollment increase	2.5% inflation increase	2.5% inflation increase
Fixed Charges	2.5% inflation increase	2.5% inflation increase	2.5% inflation increase
Utilities	2.5% inflation increase	2.5% inflation increase	2.5% inflation increase
Travel	2.5% inflation increase	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	\$3 m for emergencies only	\$3 m for emergencies only	\$3 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	FY21	FY22	FY23	FY24	FY25
Fourth Street Allocation	\$ 134,700	\$ 138,100	\$ 141,600	\$ 145,100	\$ 148,700
Page Allocation	55,000	56,400	57,800	59,200	60,700
Lone Tree Allocation	347,400	356,100	365,000	374,100	383,500
Total Allocation	\$ 537,100	\$ 550,600	\$ 564,400	\$ 578,400	\$ 592,900
Fourth Street					
Roofing	150,000	-	-	-	-
HVAC	20,000	12,500	-	-	-
Parking lot maintenance	-	78,729	-	-	-
Interior Lighting up grades	-	-	-	9,453	-
Interior Painting	-	3,500	3,500	3,500	3,500
Exterior Painting	-	25,000	-	-	-
Entry Doors - 14 sets of 2 doors	-	51,250	52,531	53,845	-
Fire Panel	-	21,054	-	-	-
Security Camera Replacement	5,200	5,330	5,463	5,600	5,740
Johnson Control Panel & Controllers	-	35,000	-	-	-
Bathroom Remodel - 8 Total	-	25,000	25,625	26,266	26,922
Furniture Replacement	-	-	-	-	-
Misc./ Contingency	7,500	7,500	7,500	7,500	10,000
Page					
Parking lot maintenance	-	-	51,877	-	-
Interior Lighting up grades	-	-	5,908	-	-
Exterior Lighting up grades	-	13,496	-	-	-
Exterior Painting	-	-	-	36,430	-
Interior Painting	-	4,000	4,000	4,000	4,000
Security cameras	5,200	-	-	-	-
Misc./ Contingency	2,500	2,500	2,500	2,500	2,500
Lone Tree					
Roofing	90,000	750,000	-	-	-
Liebert Unit IT RM 135	-	21,054	-	-	-
Parking lot maintenance	-	-	-	139,285	-
Parking Lot Replacement	-	-	-	-	1,700,000
Landscaping	-	9,391	-	-	-
Tile Floor	-	20,212	-	-	-
Interior Painting	-	4,000	4,000	4,000	4,000
Entry Doors - 27 sets of two doors	26,300	26,975	27,649	28,340	29,049
Security Camera Replacement	5,200	5,330	5,463	5,600	5,740
Chevy Equinox - 2010	-	31,492	-	-	-
Salt Spreader & Two Blades	-	-	5,000	-	-
Computer Lab Chair Replacement	-	-	-	-	24,200
Chiller Replacement - 2 total	-	200,000	-	200,000	-
Boiler Replacement - 3 total	-	-	115,000	-	115,000
Johnson Control Panel Replacement	-	-	300,000	-	-
Bathroom Remodels - 10 Total	-	50,000	51,250	52,531	53,845
Misc./ Contingency	25,000	25,000	30,000	30,000	30,000
Total Capital Replacement	\$ 336,900	\$ 1,428,312	\$ 697,267	\$ 608,850	\$ 2,014,495



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 served many community needs, historically. 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.

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. If the College fails to offer benefits, significant penalties could be imposed. 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 yearly expenditures. As a result of Governmental Accounting Standards Board Statement No. 68, the College had to restate unrestricted net position as of July 1, 2014, 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.

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.

Security and Insurance Risks

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.

Long-term Financial Sustainability

Risk Analysis (continued)

Due to the possibility of exposure 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. 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.

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.

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 IV 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.

Economy

Currently, the City of Page is facing the impacts of the closure of the Navajo Generating Station that occurred in December 2019. The closure affected over 900 employees and the College worked with the Salt River Project to offer educational opportunities for employees. The unemployment rate for Page is already higher than the county or state rates. The unemployment rates from 2017, showed that Page's unemployment rate was 7.5%, compared to 5.6% for the county and 4.9% for the state.

COVID-19

As noted throughout the budget document the COVID-19 pandemic has had a substantial impact on College services and operations. Because of community spread, a majority of classes shifted to remote delivery modalities to protect the health and safety of students and employees. The College has already experienced enrollment declines as many students are opting out of online learning. The long-term impacts are unknown and the College has developed additional contingency plans in case Fall enrollments are down significantly.



State Documents

July 1, 2020 - June 30, 2021

VISION

*Shaping the future of Coconino County.
Empowering Individuals. Inspiring Communities.
Education with Purpose!*





State Documents

State Requirements

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

Budget

The College is required to prepare an annual budget on forms designated by the Auditor General's Office, hold a Special Budget Hearing, and adopt the budget by no later than June 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 2021

Summary of Budget Data

	Budget 2021	Budget 2020	Increase/Decrease From budget 2020 To budget 2021	
			Amount	%
I. Current General and Plant Funds				
A. Expenditures:				
Current General Fund	\$ 20,913,405	\$ 20,263,825	\$ 649,580	3.2%
Unexpended Plant Fund	675,600	565,190	110,410	19.5%
Retirement of indebtedness Plant Fund	0	0	0	
Total	\$ 21,589,005	\$ 20,829,015	\$ 759,990	3.6%
B. Expenditures Per Full-Time Student Equivalent (FTSE):				
Current General Fund	\$ 11,007 /FTSE	\$ 10,239 /FTSE	\$ 768 /FTSE	7.5%
Unexpended Plant Fund	\$ 356 /FTSE	\$ 286 /FTSE	\$ 70 /FTSE	24.3%
Projected FTSE count	1,900	1,979		
II. Total all funds estimated personnel compensation				
Employee salaries and hourly costs	\$ 11,693,877	\$ 11,768,792	\$ (74,915)	-0.6%
Retirement costs	1,231,115	1,211,621	19,494	1.6%
Healthcare costs	1,114,152	1,127,940	(13,788)	-1.2%
Other benefit costs	1,719,116	1,722,582	(3,466)	-0.2%
Total	\$ 15,758,260	\$ 15,830,935	\$ (72,676)	-0.5%
III. Summary of primary and secondary property tax levies and rates				
A. Amount levied:				
Primary tax levy	\$ 8,664,461	\$ 8,408,362	\$ 256,099	3.0%
Secondary tax levy	0	0	0	
Total levy	\$ 8,664,461	\$ 8,408,362	\$ 256,099	3.0%
B. Rates per \$100 net assessed valuation:				
Primary tax rate	0.4490	0.4592	(0.0102)	-2.2%
Secondary tax rate			0.0000	
Total rate	0.4490	0.4592	(0.0102)	-2.2%
IV. Maximum allowable primary property tax levy for fiscal year 2021 pursuant to A.R.S. §42-17051				\$ _____
V. Amount received from primary property taxes in fiscal year 2020 in excess of the maximum allowable amount as				\$ _____

State Documents



Coconino County Community College District Coconino Community College Budget for fiscal year 2021

Resources

	Current funds			Plant Fund		Other funds	Total all funds	Total all funds	% Increase/Decrease
	General Fund 2021	Restricted Fund 2021	Auxiliary Fund 2021	Unexpended Plant Fund 2021	Retirement of indebtedness 2021	2021	2021	2020	
Beginning balances—July 1*									
Restricted	\$	\$ 0	\$	\$	\$	\$	\$ 0	\$	0.0%
Unrestricted	10,191,614	0	43,449	4,681,429			14,916,493	14,527,705	2.7%
Total beginning balances	\$ 10,191,614	\$ 0	\$ 43,449	\$ 4,681,429	\$ 0	\$ 0	\$ 14,916,493	\$ 14,527,705	2.7%
Revenues and other inflows									
Student tuition and fees									
General tuition	\$ 5,160,815						\$ 5,160,815	\$ 5,902,670	-12.6%
Out-of-district tuition	697,010						697,010	373,000	86.9%
Out-of-State tuition	1,062,413						1,062,413	1,350,000	-21.3%
Student fees	221,015						221,015	232,311	-4.9%
Tuition and fee remissions or waivers	36,050						36,050	36,050	0.0%
State appropriations									
Maintenance support	1,698,400						1,698,400	1,703,400	-0.3%
Equalization aid							0		0.0%
Capital support		397,400					397,400	399,200	-0.5%
Property taxes									
Primary tax levy	8,704,461						8,704,461	8,383,362	3.8%
Secondary tax levy							0		0.0%
Gifts, grants, and contracts	182,100	5,066,673					5,248,773	5,087,008	3.2%
Sales and services			17,800				17,800	17,750	0.3%
Investment income	315,000						315,000	315,000	0.0%
State shared sales tax		418,295					418,295	506,806	-17.5%
Other revenues	284,167						284,167	516,517	-45.0%
Proceeds from sale of bonds							0		0.0%
Total Revenues and Other Inflows	\$ 18,361,431	\$ 5,882,368	\$ 17,800	\$ 0	\$ 0	\$ 0	\$ 24,261,599	\$ 24,823,074	-2.3%
Transfers									
Transfers in	35,500	78,922	12,000	711,100			837,522	836,021	0.2%
(Transfers out)	(802,022)			(35,500)			(837,522)	(836,021)	0.2%
Total transfers	(766,522)	78,922	12,000	675,600	0	0	0	0	0.0%
Less reserves:									
Financial stability	(6,641,965)						(6,641,965)	(7,761,159)	-14.4%
Future capital acquisitions/projects			(30,849)				(30,849)	(4,854,938)	-99.4%
Grant or scholarship				(4,825,129)			(4,825,129)		--
Debt service							0		0.0%
							0		0.0%
							0		0.0%
Total resources available for the budget year	\$ 21,144,558	\$ 5,961,290	\$ 42,400	\$ 531,900	\$ 0	\$ 0	\$ 27,680,149	\$ 26,734,682	3.5%

*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 2021

Expenditures and other outflows

Total resources available for the budget year
(from Schedule B)

Expenditures and other outflows

	Current funds			Plant Fund		Other funds 2021	Total all funds 2021	Total all funds 2020	% Increase/ Decrease
	General Fund 2021	Restricted Fund 2021	Auxiliary Fund 2021	Unexpended Plant Fund 2021	Retirement of indebtedness 2021				
Total resources available for the budget year (from Schedule B)	\$ 20,913,405	\$ 5,870,965	\$ 42,400	\$ 675,600	\$ 0	\$ 0	\$ 27,502,370	\$ 26,734,682	2.9%
Expenditures and other outflows									
Instruction	\$ 5,255,799	\$ 1,306,135	\$	\$	\$	\$	\$ 6,561,934	\$ 6,601,134	-0.6%
Public service		161,700					161,700	161,700	0.0%
Academic support	3,344,791	297,581					3,642,372	3,717,793	-2.0%
Student services	3,357,289	433,256					3,790,545	3,540,741	7.1%
Institutional support (Administration)	3,852,019			195,000			4,047,019	4,465,977	-9.4%
Operation and maintenance of plant	1,829,549			336,900			2,166,449	2,134,379	1.5%
Scholarships	196,665	3,672,293					3,868,958	3,900,093	-0.8%
Auxiliary enterprises			42,400				42,400	37,400	13.4%
Capital assets							0		0.0%
Debt service—general obligation bonds							0		0.0%
Debt service—other long term debt							0		0.0%
Other expenditures							0		0.0%
Contingency	3,077,293			143,700			3,220,993	2,175,465	48.1%
Total expenditures and other outflows	\$ 20,913,405	\$ 5,870,965	\$ 42,400	\$ 675,600	\$ 0	\$ 0	\$ 27,502,370	\$ 26,734,682	2.9%

State Documents

2020 LEVY LIMIT WORKSHEET

Date: 2/10/2020

COCONINO COUNTY - COCONINO COMMUNITY COLLEGE

MAXIMUM LEVY	2019
A.1. Maximum Allowable Primary Tax Levy	\$8,408,362
A.2. A.1 multiplied by 1.02	\$8,576,529

CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR	2020
B.1. Centrally Assessed	\$201,004,124
B.2. Locally Assessed Real Property	\$1,642,931,037
B.3. Locally Assessed Personal Property	\$66,297,782
B.4. Total Assessed Value (B.1 through B.3)	\$1,910,232,943
B.5. B.4. divided by 100	\$19,102,329

CURRENT YEAR NET ASSESSED VALUES	2020
C.1. Centrally Assessed	\$208,000,418
C.2. Locally Assessed Real Property	\$1,658,361,304
C.3. Locally Assessed Personal Property	\$63,362,392
C.4. Total Assessed Value (C.1 through C.3)	\$1,929,724,114
C.5. C.4. divided by 100	\$19,297,241

LEVY LIMIT CALCULATION	2020
D.1. LINE A.2	\$8,576,529
D.2. LINE B.5	\$19,102,329
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	0.4490
D.4. LINE C.5	\$19,297,241
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	\$8,664,461
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)	\$8,664,461

2020 New Construction	\$19,491,171
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Prior year actual levy (from line F.1 of the 2019 worksheet)	\$8,408,362
Divided by current values excluding new construction per line B.5	\$19,102,329
<i>Truth in Taxation Rate</i>	0.4402

If the proposed tax rate is greater than the Truth in Taxation Rate noted above, a truth in taxation hearing must be held. If the proposed levy, excluding new construction, is equal to 15% or more, the motion to levy the increase must be approved by a unanimous roll call vote. (see A.R.S. § 15-1461.01).

Note: 2020 Levy Limit worksheet for Fiscal Year 2021