



## **ADOPTED BUDGET 2022 FISCAL YEAR**

July 1st, 2021 through June 30th, 2022

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



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# COCONINO COMMUNITY COLLEGE PROFILE

**July 1, 2021 - June 30, 2022**

## 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 coterminous to the boundaries of Coconino County.

When the District began in 1991, the College was 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 4,948 annually (unduplicated headcount).

## Geography and Population

Coconino County is located in north-central Arizona and encompasses an area of approximately 12 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. Coconino County's 2021 estimated population is 145,382 with a growth rate of 0.66% in the past year according to the most recent United States census data. Coconino County is the 8th largest county in Arizona. The 2010 population was 134,612 and has seen a growth of 8.00% since that time.

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. The percent employed by the government is 30% which is relatively high compared to the rest of the state. The reason for a 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 2021 (8.0%) is above both the state unemployment (6.8%) and above national levels (5.9%). The unemployment rates have begun to decrease since the dramatic rise the prior year due to the impact of COVID-19.

## Educational Programs

The College offers affordable tuition rates 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, construction, and business. Additionally, CCC has programs that ease student transition to all three of Arizona's state universities. CCC also offers dual enrollment and concurrent enrollment programs to jump-start high schools students' higher education goals.

# Coconino Community College Profile



## **Educational Programs (continued)**

Additionally, 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.

## **Student Population**

The College serves a diverse population of students each year. Most are Coconino County residents: 20% are Native American, 21% are Hispanic, 55% are female, 79% are seeking a degree or certificate, 23% are high school students earning college credit through dual enrollment high school programs, and 2.7% 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, Executive Vice President, Provost, and the respective 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, Chair, District 1

Ms. Patricia A. Garcia, Member, District 2

Mr. Eric Eikenberry, Member, District 3

Mr. Patrick Hurley, Member, District 4

Mr. Joseph R. Smith, Vice Chair/Secretary, District 5

### **Senior Administration**

Dr. Colleen A. Smith, President

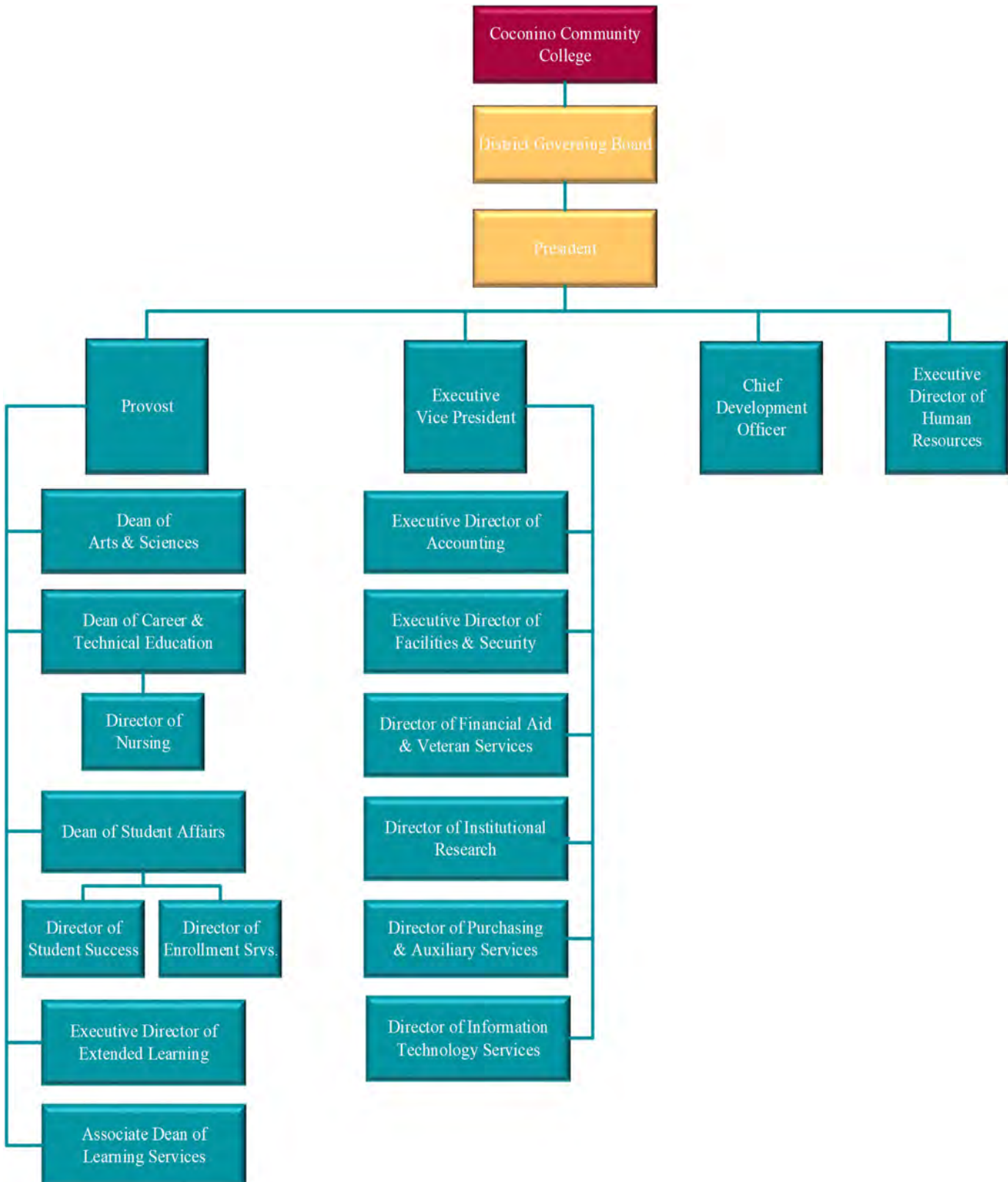
Dr. Jami Van Ess, Executive Vice President

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.  
Education with Purpose!***

## 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

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



The seal of the Colorado Community College District is a circular emblem. It features a central sunburst design with rays emanating from a central point. Below the sunburst is a stylized mountain range. The entire emblem is encircled by a border containing the text "COLORADO COMMUNITY COLLEGE DISTRICT" at the top and "EST. 1991" at the bottom.

# **Challenges and Solutions Board Priorities**

**July 1, 2021 - June 30, 2022**

# Challenges and Solutions

## Introduction to Challenges and Solutions

As CCC Administration began planning the FY22 budget, several challenges, opportunities, and solutions were identified that were factored into the budget planning cycle. A significant part of this process involved addressing the effects of the COVID-19 pandemic. Other 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.

This challenges and solutions section of the budget has been divided into two sections, Board Priorities, and Strategic Planning. While there is an overlap in the themes between the Board Priorities and Strategic Planning, they have been subdivided to add clarity and focus. This first section will address the Board Priorities.

### **2020-2021 Board Priorities**

The Board holds an all-day planning retreat in June of each year to develop priorities for the College as well as goals for the President and Administration for the upcoming fiscal year. The Board Priorities provide direction for the upcoming budget development cycle and resource allocation decisions for the following fiscal year. The 2020-2021 Board Priorities listed on the following page were used during the development of the FY22 Budget. This section will address the challenges and solutions related to the Board Priorities as follows:

### **Long Term Financial Stability**

Financial Sustainability has been a long-term challenge for the College because of the low property tax rate and low state funding. This section reviews the revenue sources in detail, extensive efficiency efforts, as well as new initiatives to generate additional resources for the College.

### **Responsiveness to Student and Community Needs**

This section reviews outreach efforts and community feedback related to perceptions and the requests for new academic programs. Meeting the needs for new academic programs will require educational planning, prioritization, and funding.

### **COVID-19 Pandemic**

The pandemic has had an unprecedented impact on the College community. This section reviews many of the significant challenges the College has faced as well as mitigation efforts and Federal Emergency Relief Funding.

### **Equity Framework**

This section reviews the College's efforts to align the demographic diversity of the employees to be more reflective of the students, as well as efforts to increase diversity and inclusion awareness for students and employees.

# Challenges and Solutions

## 2020-2021 Board Priorities for CCC

The Coconino Community College District Governing Board acknowledges the unprecedented challenges currently being faced by the College, the community at large, the State of Arizona, and the nation. The COVID-19 pandemic has wreaked havoc around the world and forced Coconino Community College to make a series of difficult decisions in order to be able to continue serving students.

The severe downturn of the economy exacerbated long-standing inequalities in our society, and many individuals and local families have been left without economic security. At the same time, a series of tragic events around the country shined a light on the injustice and inequalities that people of color often face on a daily basis. The governing board is committed to ensuring that CCC plays a key role in promoting unity within the community and in promoting the wellbeing of our students, faculty, staff, and administration.

The Board and the President must decide how to allocate the College's limited financial resources while attempting to weigh longer-term ramifications. These circumstances require courage, humility, and resiliency to determine the goals and priorities for the 2020 – 2021 academic year.

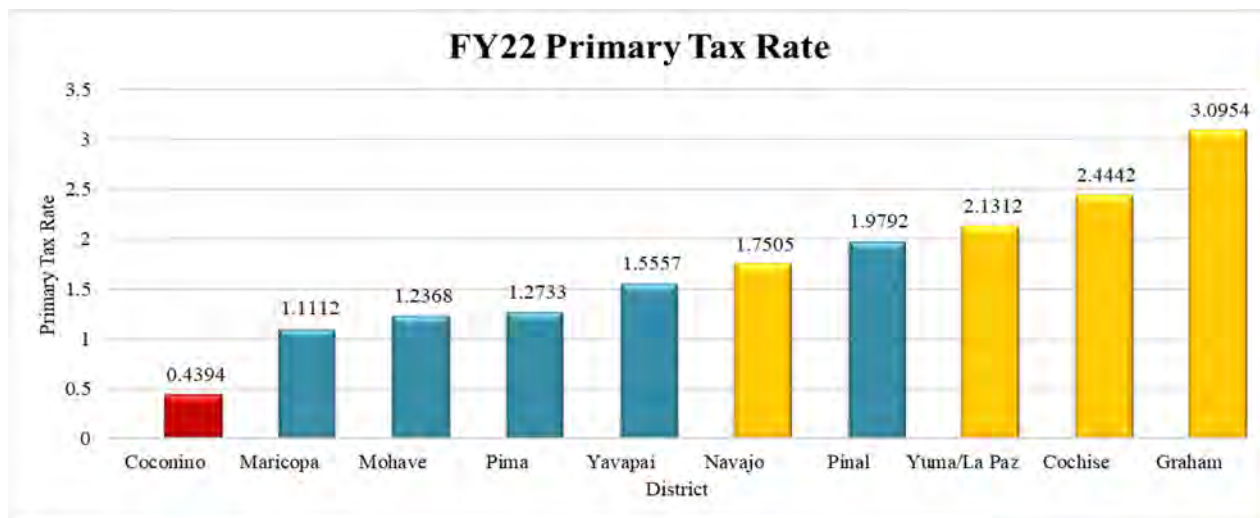
District Governing Board Priorities for CCC	President/Administration Goals
Financial oversight and financial sustainability - To be ready to address the impact and ripple effects of the downturn of the economy, the reduction of financial resources, and the current social issues.	<ul style="list-style-type: none"> <li>a. Prepare action plans and investments needed to reach a new market of students as well as develop new programs in fields of high demand.</li> <li>b. Achieve long-term and stable funding for the College by obtaining passage of permanent funding increases from the county and/or seek more diversified sources of funding for the College.</li> <li>c. Decide the best time to consider a County-wide ballot initiative once the pandemic is under control and the local economy rebounds.</li> <li>d. Plan for the Board, in partnership with the President, to promote greater engagement with elected officials and key stakeholders at the local, state, and federal levels on behalf of CCC.</li> </ul>
To effectively address the "new normal" due to the COVID-19 Pandemic's impact on CCC, the community, the State of Arizona, and the nation.	<ul style="list-style-type: none"> <li>a. Meet enrollment goals and increase outreach to underserved areas and populations, including re-connecting with outlying communities.</li> <li>b. Prepare action plans and investments needed to reach a new market of students as well as develop new programs in fields of high demand.</li> <li>c. Dedicate time to reflect on the "new normal" and its impact on the health and wellbeing of students, faculty, staff, and administrators.</li> </ul>
Reclaiming the mantle of opportunities for all – the call to action to address equity and systemic racism by developing an equity framework for CCC and the community.	<ul style="list-style-type: none"> <li>a. Continue the focus on college-wide commitment to foster diversity, inclusion, equity, and access throughout the College by promoting programs, activities, and services to ensure a positive impact.</li> <li>b. Take on a leadership role in addressing social and economic inequalities within the community by providing opportunities and a safe space for discussions, exploration, and engagement.</li> <li>c. Recruit more Inclusively to better represent and reflect the community at large.</li> <li>d. Encourage and provide opportunities to engage the internal CCC constituencies in building awareness and promoting inclusion by implementing an action plan to promote unity and foster difficult conversations leading to a greater appreciation of social and cultural differences.</li> <li>e. Respond to the educational needs of the local Native American community.</li> <li>f. Invest in and provide services to underserved areas of the community, including re-entering and building a long-term presence at Page.</li> </ul>
Complete the strategic plan for Coconino Community College.	<ul style="list-style-type: none"> <li>a. Complete the strategic plan for Coconino Community College.</li> </ul>



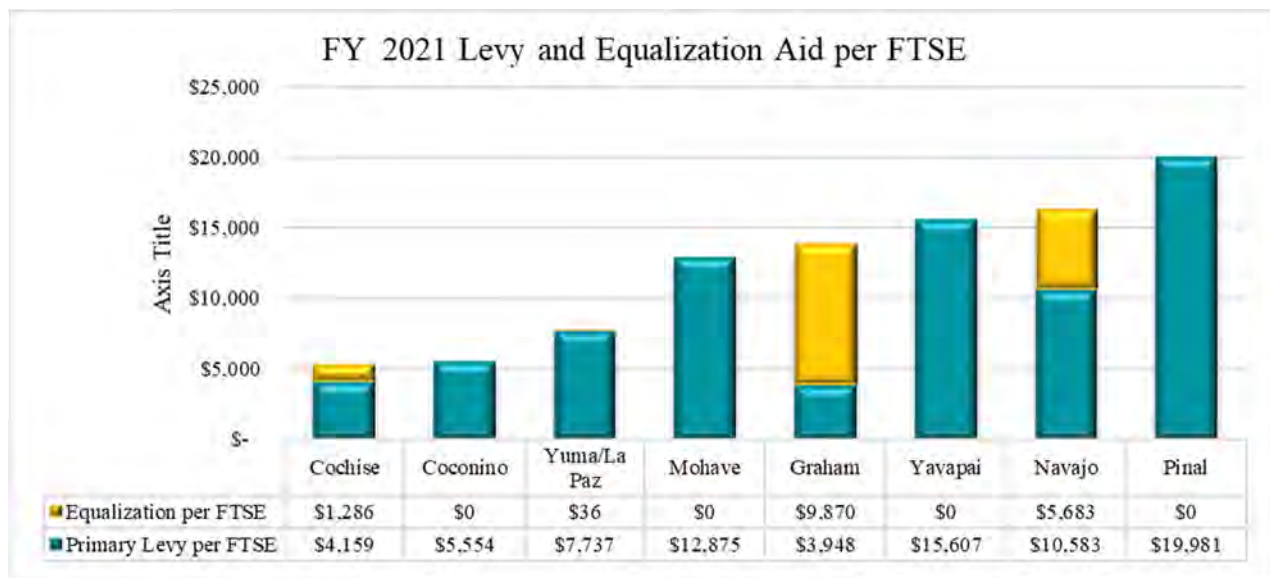
# Challenges and Solutions

## Challenge - Long-Term Financial Stability

The College's main ongoing 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 **FY22 Primary Tax Rate** chart below.



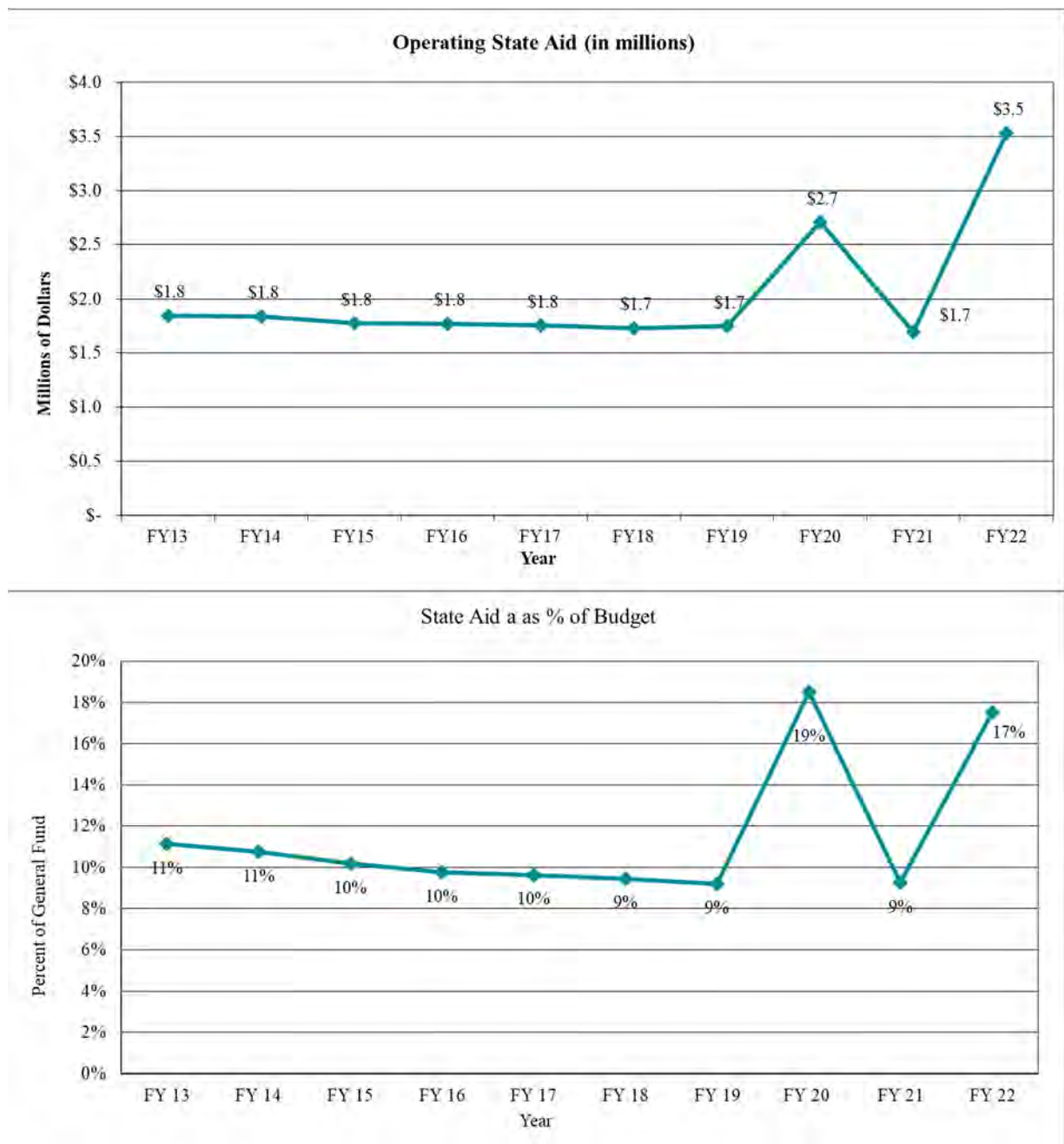
The state has an equalization formula that was established in the 1970s to help rural districts from smaller geographic areas. The equalization formula is based on a minimum assessed value determined by statute and indexed annually by the growth in the assessed values of all the rural districts. Districts 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 the 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 **FY21 Levy and Equalization Aid per FTSE** chart show 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 provides an average of 9% of the College's General Fund budget. For FY21, the College received approximately the same funding per student as it did in 1993 (in real dollars) and served 700 more full-time students than in 1993. The **Operating State Aid** chart shows flat funding until FY20 and FY22 when the rural colleges received "one-time funding" allocations which are reflected in the two spikes on these charts. One-time funding is not ongoing funding. State Appropriations in the long-term are uncertain as the state completely defunded Maintenance and Operations funding for Maricopa and Pima Community Colleges, the two largest community colleges in the state.



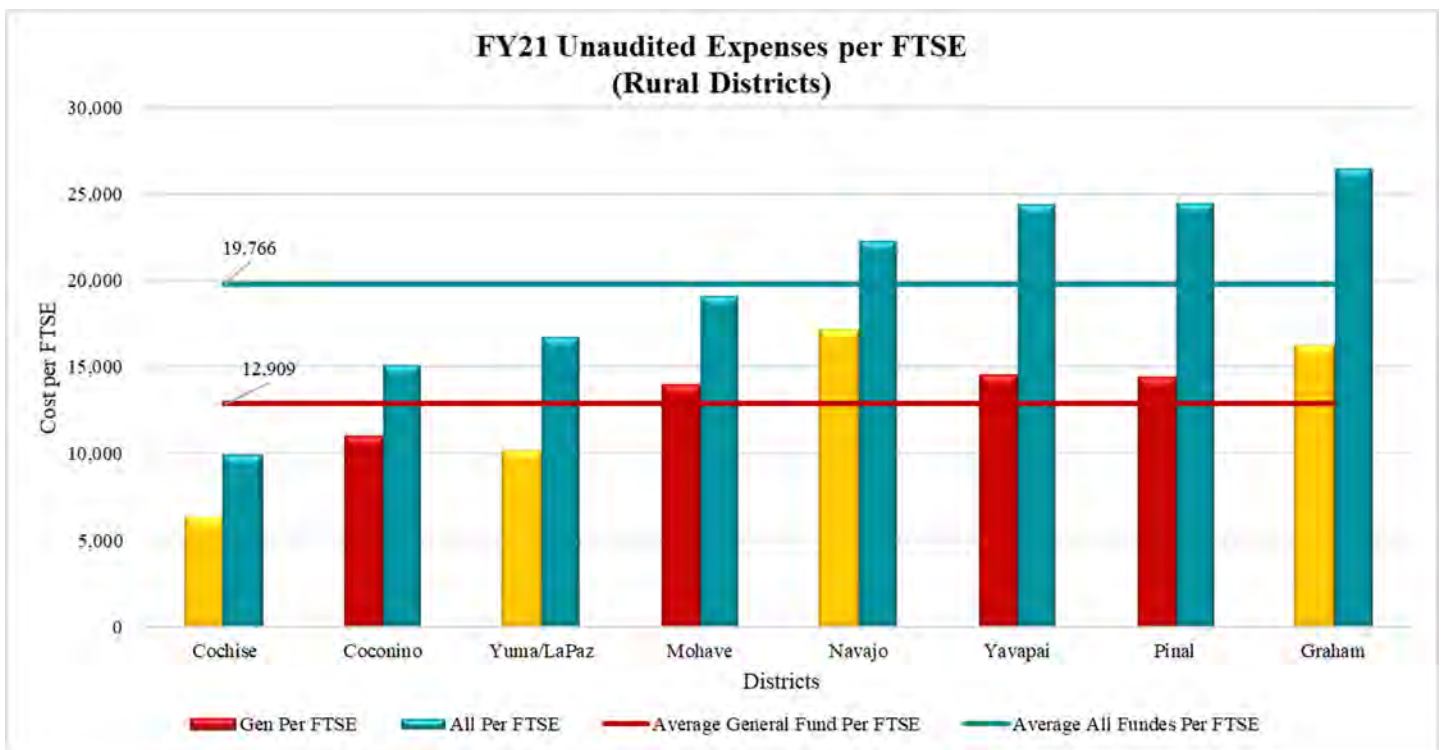
# Challenges and Solutions

## Solution - Financial Planning and New Revenue Streams

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 on 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 second failed override attempt, the College determined it needed to implement more cuts for long-term financial sustainability. This phase 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. These initiatives resulted in savings of \$1.3 million over three years ending in FY17.

The lasting result of both of the cost-cutting cycles discussed above is that the College is very efficient. This is demonstrated in the **FY21 Expenses per FTSE Comparison (Rural Districts)** chart, which 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.



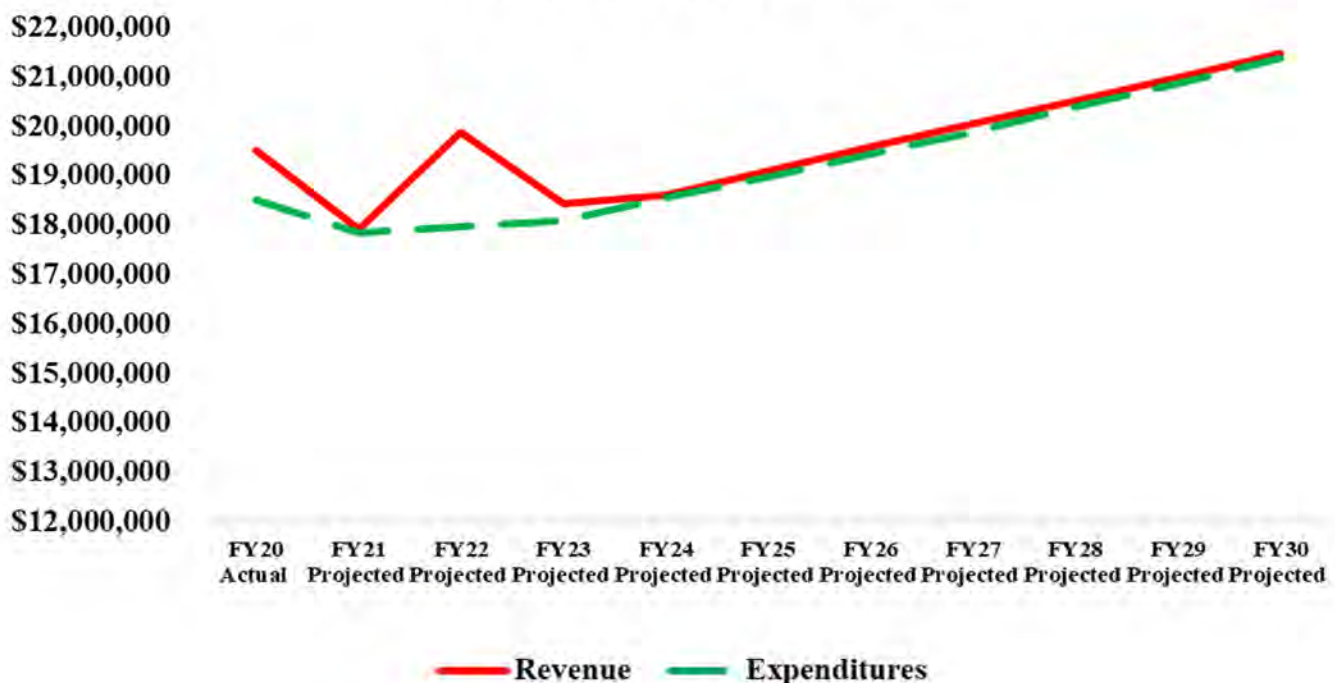
Note: Colleges shown in gold receive equalization funding

# Challenges and Solutions

## Solution - Financial Planning and New Revenue Streams (continued)

The numerous cost-cutting initiatives adopted through the long-term financial planning have aligned revenues and expenses and pushed back the projected structural deficit CCC was facing prior to the implementation of the plans. More recently, the long-term plan was adjusted to reflect the enrollment drops experienced during the COVID-19 pandemic as well as the Federal stimulus funds as shown in the *10-Year Plan* chart below, with revenues slightly above expenses from FY23 on.

**General Fund 10-Year Plan**



In assessing the long-term financial sustainability of the College, extensive cost-cutting has already taken place and any further reductions would cut the limited programs the College currently offers. The College is looking for new and enhanced revenue sources to fund student and community needs for new programs. The College is seeking additional state aid, large federal grants, and researching property tax options.

### State Appropriations

The State's economy has been strong and the community college Presidents have been able to successfully secure additional one-time funding for STEM and Workforce programs. One-time funding for start-up costs of new programs is helpful; however, ongoing funding is still needed to sustain costly career and technical programs as well as much-needed student support services.

### Grants

The College prioritized and reallocated funding in the FY22 budget for a full-time Grants Coordinator to help the College seek out new grant opportunities.

### Research Tax Initiative

The College is currently researching and gathering information for the Board to consider a ballot initiative to permanently increase the very low primary property tax rate.



# Challenges and Solutions

## **Challenge - Responsiveness to Student and Community Needs**

In the Fall of 2017, President Dr. Colleen Smith began outreach efforts by meeting with over 350 people during 14 listening sessions facilitated by Kerry Blume. 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 member's vision of the role of CCC, the most important educational needs for residents of the County, and their current experience regarding the classes and services offered by CCC.

These community discussions highlighted unmet educational needs in Coconino County. The top community needs discussed included technical skill development, health care professional training, early education curriculum, support for the hospitality industry, life-long learning, and employment skill development. 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 program, 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 during cost-cutting efforts necessary for long-term financial sustainability. For example, reductions to life-long learning and the nursing program, and the discontinuation of the early childhood education program were all recent service reductions.

The President has continued to meet regularly with community leaders who have requested additional programs including Marine Technology, Automotive Technology, Veterinary Technology, Cybersecurity, and Commercial Truck Driving. Sustaining these costly new career and technical programs with the very low property taxes and limited state fund will continue to be a significant challenge for the College.

## **Solution - Educational Planning and One-Time Rural State Funding**

Based on the community feedback, the Academic Affairs leadership team have developed educational plans to prioritize new academic programs and identify full-time faculty needs. In FY20, 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, a three-year plan is in place to provide seed money to phase in additional Career and Technical programs. For FY21 the three priorities were cybersecurity, veterinary tech, and marine tech certifications. Because of the uncertainties of the pandemic and logistical challenges, only the cybersecurity program was able to launch. Implementation of the veterinary tech and marine tech certifications has been delayed. In FY22 a full-time automotive faculty member was added as well as a Workforce Development Coordinator.

At the end of the FY22 legislative session in June, the state provided additional one-time funding of \$1.9 million restricted for STEM and Workforce Development programs. In addition, Prop 207, Smart and Safe Arizona is providing new restricted revenues for STEM and Workforce programs. Academic Affairs is updating its educational plans and these additional resources will help the College make significant progress in meeting the stated educational needs of the community and help to increase enrollments.



# Challenges and Solutions

## Challenge - COVID-19

The COVID-19 pandemic has been unprecedented and resulted in significant challenges and uncertainties worldwide. 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) with another person.

In March 2020, much of the nation went into lockdown because of the COVID-19 pandemic, forcing CCC to shift quickly to mostly remote teaching and working modalities. 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 summer 2020, as warm weather arrived, Arizona became a national hot spot for the virus causing increasing concern for the College.

Enrollments nationwide have fallen sharply especially for community colleges that serve more students that are first-generation, minority, and from a lower socioeconomic status. In addition to the uncertainty caused by the pandemic, the disruption of taking care of children made it impossible for many community colleges students to take classes. CCC was not spared and experienced a 20% enrollment drop during FY21. Because of this the Board followed a majority of other community colleges in the state and did not increase the tuition rates for FY22. In addition to the enrollment decline, the College has incurred significant expenses to mitigate risks including facilities, technology, and the remote delivery of instruction and student support services.

## Solution - Mitigation Strategies and Emergency Federal Stimulus Funds

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 holds regular town hall-styled meetings on Zoom, created a robust website, and has sent out regular updates and communications to keep people informed.

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

**Students** - Primarily remote learning modalities during the FY21 with limited in-person classes that specifically require hands-on learning. Waivers are required for in-person students. For Fall 2021 the College plans to offer 50% in-person, 25% hybrid, and 25% fully online learning options for students.

**Faculty and Staff** – Worked remotely whenever possible providing limited in-person services to members of the public that do not have access to technology. All employees are returning to work onsite starting July 2021 and faculty in August 2021.

**Safety Precautions** – Individuals on campus are expected to wear a face covering, practice physical distancing, wash hands frequently, cough or sneeze into elbows, monitor their health, and stay home if 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, stanchions, decals, posters, spacing out furniture, and discontinuation of external events. A majority of capital projects planned for FY21 and FY22 have been postponed.

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

# Challenges and Solutions

## Solution - Mitigation Strategies and Emergency Federal Stimulus Funds (continued)

The College has received three rounds of federal stimulus funds called the Coronavirus Aid Relief and Economic Security (CARES) of 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021, and the American Rescue Plan (ARP) Act 2021. These funds are commonly referred to as Higher Education Emergency Relief Funds (HEERF) and are targeted towards supporting students and institutions of higher learning during the time of the pandemic. Each round of funding segregates the student emergency aid portion (Part A) and institutional aid portion for needs related to the global pandemic (Part B), as follows:

	Student Portion	Institutional Portion	Total
CARES (HEERF I)	\$ 552,365	\$ 552,365	\$ 1,104,730
CRRSA (HEERF II)	552,365	2,252,946	2,805,311
ARP (HEERF III)	2,454,265	2,358,699	4,812,964
Total	\$ 3,558,995	\$ 5,164,010	\$ 8,723,005

Each grant has slightly different requirements and eligibilities, several of which changed over the course of the last year. The HEERF-student share dollars are to aid students for expenses related to the disruption of campus operations due to the coronavirus; they are not need-based grants but the needier students have priority in the disbursement of these funds. Likewise, the institutional portions are reimbursements for expenses related to dealing with and mitigating the virus, as well as managing new methods of instructional delivery and student support services. The CRRSAA grant now allows institutions to seek reimbursement for losses related to reduced enrollment during the virus. While ARP added some required uses of the institutional portion grant funds, specifically, a portion of funds must be used to (a) implement evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines; and (b) conduct direct outreach to financial aid applicants about the opportunity to apply for financial aid adjustments due to the recent unemployment of a family member or student, or other circumstances.

As mentioned above, the federal stimulus packages are helping the College to offset losses from lower enrollments and other revenue streams. Lost tuition dollars are significant and estimated to be nearly \$1,050,000 to date. Other lost revenues include bookstore revenues, parking permits, state appropriations, and facility rental fees.

# Challenges and Solutions



## Challenge - Develop Equity Framework

Students have expressed a desire to have more access to faculty and staff members that look like themselves. The demographics from the Fall 20 semester show that 20% of the students are Native American and 21% are Hispanic. While the ethnicity of CCC's students is representative of the county, the College has not been able to achieve proportional demographics for faculty and staff members. Data from Spring 2021 states that 7.5% of all employees are Native American and 9.2% are Hispanic.

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 - Advance Diversity, Equity, and Inclusiveness

The District Governing Board in 2019 adopted an official diversity statement submitted from the Diversity Committee which is 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 make 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 sets the standard for how the College engages students and staff going forward. The College recognizes that diversity represents any aspect that makes someone unique including, but not limited to age, gender, ethnicity, abilities, and sexual orientation.

As a result, the recruitment objective of the Human Resources Department is to cast the widest net possible to attract qualified applicants for open positions with the College. The team also focuses on ensuring an unbiased and consistent recruitment process for critical faculty and full-time positions. A member of the HR team is dedicated to all recruitments to ensure the screening process is consistent for all applicants and aligned to the specific job duties of each role, and the process is routinely checked for bias. The team follows the Human Resources Standard protocols for recruitment to also ensure consistency with internal processes.

In addition, the HR talent development program includes a core pillar dedicated to diversity and inclusion. Over the past several years, the College has used its online compliance training system, Vector Systems' Safe Colleges, to present programs on diversity and inclusion as well as engaged external national speakers.

Most recently in March 2021, the District Governing Board adopted an official Land Acknowledgement Statement as follows:

On behalf of Coconino Community College, we would like to express our gratitude and appreciation to the sacred land on which this educational institution resides. Sacred sites located within Coconino County include the San Francisco Peaks, Oak Creek Canyon, Sedona Red Rocks, the Colorado River, the Little Colorado River, the Colorado River Confluence, the Grand Canyon, and many more sites. This land has been inhabited by the Sinagua and Ancestral Pueblo for thousands of years. Currently, the Zuni, Apache, Yavapai, Hualapai, Havasupai, Paiute, Diné, Hopi, and many other Arizona tribal nations recognize this land as a significant spiritual place. This sacred land is enriched with indigenous history and culture that lives on to this day. We, as a community, with our CCC family and friends, are very fortunate to live, work, and share this unique location. Thank you.

# Challenges and Solutions



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## VISION

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



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 a stylized mountain range. The words "COCONINO COUNTY COMMUNITY COLLEGE" are written in a circular path around the central image, and "EST. 1991" is at the bottom.

# Challenges and Solutions Strategic Planning

July 1, 2021 - June 30, 2022

**VISION**

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

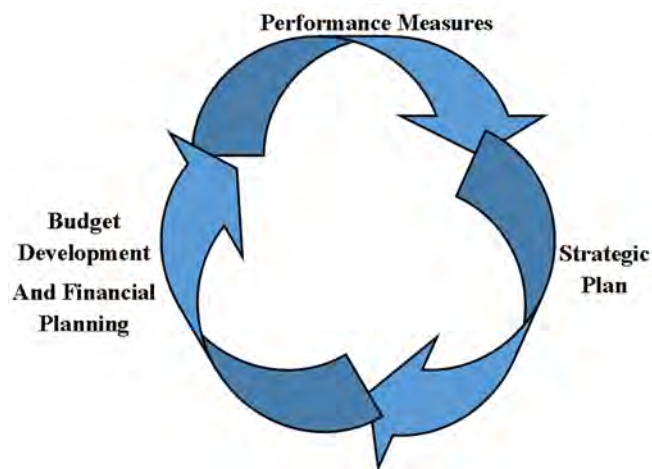




# Challenges and Solutions

## Introduction—Strategic Planning and Resource Allocation

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



This section of the challenges and solutions will cover the following areas related to Strategic Planning:

### **Prior Period Strategic Planning Accomplishments**

Review the Strategic Planning accomplishments from the previous year.

### **Performance Measures**

Review the most recent performance measures and state comparisons. The Arizona community college districts developed a Strategic Vision Report to share long-term performance measures to improve access, retention, and completion. CCC identified selected performance measures from the annual report to focus on for improvement. The College uses the data to inform the Strategic Enrollment Management (SEM) Committee and is used in the budget development process.

### **Strategic Plan**

A one-page summary of the goals and expected outcomes of the new Students First: Vision 2025 plan. The College began a two-and-a-half-year planning process for the 2020-2025 strategic plan in 2017. The process represented an example of CCC's shared governance philosophy as all areas of the College were involved in developing and vetting the plan. Community members and stakeholders reviewed the plan in the Spring of 2020 and it was approved by the Board on September 16, 2020.

### **Budget Development**

Several challenges and solutions were identified during the budget planning cycle. This section provides a high-level overview of selected initiatives that were important considerations in the budget development process as well as strategic planning priorities for resource allocation.

### **Higher Learning Commission Accreditation**

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. This section reviews areas the College identified for improvement to strengthen the standards of excellence established by the HLC.

# Challenges and Solutions



## FY21 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 the calendar year 2020. In addition, the column on the right entitled “Notes” explains the outcomes for the calendar year 2021 objectives.

Objectives	Tactics	Evidence	Notes
<b>Goal 1: CCC will provide learners educational opportunities that are accessible and affordable, while also being economically feasible for the college.</b>			
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.
<b>Goal 2: CCC will promote a learner-centered environment that incorporates innovative strategies and support structures intended to reduce student attrition and increase retention.</b>			
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.
<b>Goal 3: CCC will empower students to achieve their individual learning goals and implement strategies to increase certificate and degree completion rates.</b>			
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.
<b>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</b>			
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 - Access, Retention, and Completion Measures

### State Performance Measures - Strategic Vision 2030

In 2010, the presidents of all ten of the Arizona community college districts worked together to develop long-term performance measures. 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 first published in February 2011. The Arizona colleges have continued to report on the metrics through 2020 and now have nine years of data. The College uses performance measures in the Strategic Enrollment Management (SEM) Committee and is one of the resources used in the budget development process. CCC has selected a subset of the Strategic Vision measures to focus on and has annual goals for improvement. The most recent comparison of 2020 state and CCC information is presented below along with the key indicating colors:

Access Measures	CCC FY19	State Average
Full-time Student Enrollment (FTSE)	1,986	
Total Enrollment	5,900	
Minority	47%	47%
Age 25+	26%	35%
Pell Grant	21%	27%
Alternative Delivery	55%	68%
College-going	18%	30%
Cost	20%	13%
<b>Retention and Completion Measures</b>		
Developmental Course Success - Math	89%	63%
Developmental Course Success - Reading	92%	74%
College Level Course Success - Math	39%	31%
College Level Course Success - English/Reading	66%	52%
College Level Course Success	93%	79%
Full Time	42%	48%
Part Time	55%	53%
FA-SP Retention	87%	91%
FA-FA Retention	66%	76%
Annual Degree/Certificate Completion	30%	35%
Transfer Rate after CCC Completion	71%	62%
Overall Transfer Rate	38%	30%

	Above State Average
	Below State Average
	Notably below State Average

# Challenges and Solutions

## Solution - Strategic Enrollment Management

### Strategic Enrollment Management (SEM)

As the College plans for the future and meeting long-term student and community needs, an important part of the conversation is the College's enrollment. CCC's Strategic Enrollment Management (SEM) Committee focuses on targeted recruitment and smart investment of recruitment funds, retention initiatives, and completion efforts. Prior to COVID-19, enrollments had been declining gradually in recent years, and the SEM committee closely monitored enrollment reports and used data to inform scheduling decisions. Because of the pandemic, FY21 enrollments declined sharply by 20% and SEM also had to factor in remote instruction and social distancing where needed for the few CTE classes that were held in person.

### Recruitment

CCC has a Strategic Enrollment Management Recruitment Plan that was approved by the College District Governing Board in the Spring of 2020. The plan has five clearly stated objectives that are supported by measurable strategies that serve as quantifiable goals. Those strategies are accomplished through tactics, which are divided into In-person, Physical Marketing, and/or Digital Marketing. The objectives include increasing: the proportion of American Indian or Alaska Native Students, the number of HS2CCC program students, the number of Coconino County New to Higher Education students to improve the CCC Community College-Going Rate, the number of Out-of-District State Resident New to Higher Education students, and the annual number of TRANSFER group students. An internal Argos dashboard has been created to provide up-to-date data to monitor progress on each strategy.

### Retention

CCC currently has a draft retention plan that is organized in a similar way to the recruitment plan. The draft has three objectives: Increase the proportion of New to Higher Education (NTHE) students retained by 10% by 2025, Increase the proportion of NTHE-CCC students retained by 5% by 2025, and Increase the proportion of TRANSFER students retained by 5% by 2025. Each Objective shares three measurable Strategies, each intended to increase retention within the corresponding Objective, organized by semester. Each Strategy is followed by a Tactics Summary organized around five integrated themes: Data Analytics, Engagement, Student Success, Diversity, and Marketing. When the plan is complete, a reporting dashboard will be created.

### Summary

The work of the SEM committee and the Recruitment and Retention subcommittees demonstrate that CCC faces some unique challenges due to the large geographic area it covers and the proximity to NAU, but also has opportunities for improvement. SEM will continue tracking trends and evaluating initiatives of the recruitment and retention subcommittees to strengthen and improve selected performance measures.

# Challenges and Solutions

## 2020-2025 Strategic Plan

### Students First: Vision 2025

*We will provide transformative experiences for every student,  
employee and community member we serve.*

#### Team 1: Team Excellence

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

*Expected Results:*

- 1.1 The College student body will reflect the diversity of Coconino County - *"I belong at CCC."*
- 1.2 The number of Coconino County residents attending the College will increase to improve the Community College-Going Rate – *"I want to go to college at CCC."*
- 1.3 Students will successfully navigate the College with minimal barriers - *"I know why I am here and how to accomplish it."*
- 1.4 Students will build goal commitment through holistic engagement in the College and high-quality learning - *"I know what I am trying to accomplish, it is important to me, and I will do it."*

#### Team 2: Team Sustainability

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

*Expected Results:*

- 2.1 College revenues will be increased through new revenue streams
- 2.2 College Priorities will be funded through strategic reallocation of resources
- 2.3 The College will demonstrate leadership for outstanding and effective sustainability practices
- 2.4 The College will limit barriers to students and college employees through automated business processes
- 2.5 The College will complete research for the consideration of a county-wide ballot initiative to obtain permanent funding increase from County property taxes

#### Team 3: Team Opportunity

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

*Expected Results:*

- 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
- 3.4 The College will develop a P3 Partnership in Page to support the workforce and increase access to higher education.

#### Team 4: Team Community

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

*Expected Results:*

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



# Challenges and Solutions

## Budget Challenges and Resource Allocations

### Budget Development

As the administration began planning the FY22 budget, a number of challenges and solutions were identified and factored into the budget planning cycle. The most significant challenge involved addressing the effects of the COVID-19 pandemic. The impacts of the pandemic continued to be unknown or unclear throughout the budget development process. The decline in infection rates and federal stimulus funding provided some reason for cautious optimism that has been reflected in the budget. The sections below will give a high-level overview of selected challenges and initiatives that were important considerations in the budget development process and helped to guide resource allocation decisions for FY22.

### Decrease in Property, Sales Tax, and In Lieu Taxes

The closing of the Navajo Generating Station near Page during FY20 had a significant impact on the tax base for Coconino County, as well as an impact on the workforce in Page. The FY22 budget reflects a decline in property values as the plant was removed from the property tax rolls as well as a reduction of in lieu taxes. The long-term economic impact of this closure remains unclear at this time.

### Minimum Wage

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. In the same election, the City of Flagstaff voters approved Proposition 414 (later amended by City Council), to increase the minimum wage to \$2 per hour above the state rate. The result of these elections increased the minimum wage by \$7.45 per hour up to \$15.50 per hour by January 1st, 2022. The minimum wage increase did not come with increased funding, so part-time staff and Federal Work-Study hours have been reduced as increased costs had to be evaluated against other College priorities.

### Compensation and Cost of Living

The College is located in Coconino County which has the highest cost of living in the state, specifically the City of Flagstaff's cost of living is 15% higher than the state average. The housing costs are the largest factor and are 58% above the state average. Conversely, the median income is about 4% less than the Arizona median, which results in a substantial gap between income and the cost of living in comparison to the rest of the state. This poses challenges for attracting and retaining qualified staff and makes benchmark salary data less comparable to the rest of the state for similar positions. CCC continues to work on providing competitive compensation and benefits packages for employees. One way the College addresses this challenge is through biennial market studies and resulting adjustments.

### Benefit Costs

CCC participates in the self funded 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 rates. The medical contribution rates for FY22 increased by 3%, which was absorbed by the College, and is in line with national trends.

### Resource Allocation

Because of the uncertainty of COVID-19 and the decline in enrollment, new resources were not available to fund new strategic planning requests for FY22 budget. The Executive Leadership Council members worked with their team members to carefully evaluate budgets and reallocate resources to advance priorities in the new strategic plan. In addition, the College has a three-year plan to use one-time state funds as seed start-up costs associated with new or expanding programs requested by students and community members. The following pages highlight selected tactics from the new strategic plan and the respective resource allocation plans.

# Challenges and Solutions



## Solution - FY22 Strategic Planning Prioritization

Priority	Targeted Actions	Tactics
<b>Goal 1: CCC will help each student achieve success through a supported and individualized educational experience.</b>		
Student Success	1.2.2 Provide and promote activities and financial assistance to help students enroll in college	a) Align CCC scholarships with recruitment/retention goals b) Promote athletic program and explore E-Sports league e) Promote FAFSA completion and scholarship application submission in cooperation with TRIO staff
Student Success	1.3.2 Implement best practices to provide an exceptional student experience	a) Expand adoption of electronic forms and processes b) Adopt and utilize a texting solution c) Provide services in multiple modalities and time frames
<b>Goal 2: CCC will practice sustainability through responsible stewardship of economic, public, and environmental resources to accomplish its educational mission.</b>		
Long-term Financial sustainability and new revenue streams	2.1.1 Develop Grant office to expand the College's capabilities in writing and maintaining grants for long-term sustainable funding	a) Explore grants to support co-curricular engagement b) Ensure current grants are being fully utilized c) Explore additional grant opportunities including large federally funded grants
	2.2.3 Utilize data to ensure use of resources targeted to educational programs to achieve results in the community	a) Create dashboards for sharing information d) Provide strategic information from data to marketing/ public relations department
Progressive Business Processes	2.4.1 Identify best practices and automate business practices for effective and efficient internal processes	c) Expand adoption of current ERP and third-party programs: DegreeWorks, CPOS, FLAC, Salesforce, CRM, e) Identify best practices to streamline and automate internal processes (Banner self-service)
<b>Goal 3: CCC will promote a learning culture that is innovative, flexible, entrepreneurial and responsive to the needs of our students and the communities we serve.</b>		
Entrepreneurial Initiatives, adaptability, flexibility, responsiveness	3.3.1 Expand offerings for continuing education to engage professionals in the community	a) Develop technical literacy, work skills, leadership, customer service training b) Increase distance learning workforce training c) Provide timely options for adult-learner job skills training
	3.3.2 Expand offerings from the Small Business Development Center to encourage and sustain small businesses in the County	a) Secure funding, through grants and partnerships, to aid the SBDC in program delivery and expansion of services b) Analyze ROI for commercial Community Kitchen whose primary use would be incubation for small businesses c) Use distance delivery to expand outreach and accessibility of education and program assistance through the SBDC
	3.4.1 Develop student and workforce housing in Page through a public private partnership (P3)	a) Identify best practices b) Seek District Governing Board approval c) Develop committee to review RFQ/RFP e) Collaborate with the City of Page
<b>Goal 4: CCC will strengthen Community Engagement in support of student success through advocacy, strategic partnerships, and new funding raising initiatives.</b>		
Strategic Partnerships	4.2.1 Identify key business and industry partners and develop relationships to support the funding and sustainability of career and technical credit and non-credit programs	a) Develop industry partnerships with executives to support three programs- Veterinarian Technology, Marine Technology, Automotive Technology



# Challenges and Solutions

## Solution - FY21 Strategic Planning Prioritization (continued)

Primary Person Responsible	Status Notes	Reallocation/funding
<b>Goal 1: CCC will help each student achieve success through a supported and individualized educational experience.</b>		
Dean of Student Affairs	a) Free summer scholarships reallocated from CCC Scholarships - \$65,000 b) Hire coach and start cross country program - funded by Foundation - \$32,653 e) Hire temporary financial aid staff for additional FAFSA outreach/appeals - funded by stimulus funds - \$100,000	CCC Scholarships Foundation Funding Stimulus Funding
Dean of Student Affairs	a) Expand adoption of Jot Forms - upgraded license fee reallocated from IT b) Pilot texting program - fee per use funded by department reallocation c) Expand remote delivery of classes and student services - stimulus funds	ITS funding Stimulus Funding
<b>Goal 2: CCC will practice sustainability through responsible stewardship of economic, public, and environmental resources to accomplish its educational mission.</b>		
Executive Vice President	a) Hire Grant Coordinator - reallocated from PR/Marketing funds b) Research grant opportunities that are a good fit for the College's priorities - time c) Apply for Native American Serving Non-Tribal Institution Grant - time	P/R and Marketing
Executive Vice President	a) Institutional Research is creating more data dashboards for SEM, academic, and student service areas to assess and improve services to students - time b) PR and Marketing using data to better target communications with different student groups - time	Institutional Research Marketing and Public Relations
Executive Vice President	c) Hire IT consultant to automate CPOS and improve DegreeWorks - allocated IT Professional Service Funds e) Banner Self Service upgrade planned for later in FY22 - time	ITS funding
<b>Goal 3: CCC will promote a learning culture that is innovative, flexible, entrepreneurial, and responsive to the needs of our students and the communities we serve.</b>		
Executive Director of Extended Learning	a) Hire Workforce Development Coordinator to develop and deliver training programs - reallocated from vacant position b) Expand workforce training options available through alternative delivery - time c) Assess and provide programs like CDL to adult learners - time	vacant position
Executive Director of Extended Learning	a) Apply for and secure additional SBDC funds from the state b) Research and solicit programs to better utilize culinary kitchen facilities c) SBDC staff to expand services available via distance delivery	SBDC
President Executive Director of Extended Learning	a) Research P3 best practices - time b) Take recommendation to DGB - time c) Issue RFP for developer, take recommendation to DGB, develop contracts - time e) Include City of Pae in bi-weekly project meetings - time	Public Private Partnership Legal fees
<b>Goal 4: CCC will strengthen Community Engagement in support of student success through advocacy, strategic partnerships, and new funding raising initiatives.</b>		
Provost	a) Provide automotive and truck driving program through partnerships and third-party contracts	Third-party contract

# Challenges and Solutions

## Challenges and Solutions—Strengthen 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, reviewing 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 to increase 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.

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# Annual Financial Plan

## July 1, 2021- June 30, 2022

### 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 performance measures, then reviewed and recommended by the Executive Leadership Council to the District Governing Board for adoption. 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 development 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. For the FY19 planning process, 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 implemented and positively received by the Board. The new budget process continues to ensure that the goals and objectives from the strategic plan are prioritized when creating the budgets for the year. The Executive Leadership 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 the following pages:

- October - Develop budget assumptions and present to budget managers, this is open to all employees
- November - Distribute tuition and fee schedules, base budgets, travel justification forms, and budget increment request forms to budget managers
- December - Council areas discuss and prioritize budget increment requests with input from staff
- 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 Leadership 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. Below are general guidelines for developing the beginning assumptions each year:

#### Revenues

- Enrollment - growth of 0.5% per year based on long-term county population trends, adjusted for 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 - 2.0% maximum allowed increase in levy plus 1.0% new construction added to the tax rolls based on trend
- Other Revenue - CPI and/or enrollment-based

#### Expenses

- Salary and benefits are assumed to increase depending on the cost of living and CPI, adjusting part-time faculty for current enrollment. Medical benefits increase per trend.
- All other expense categories excluding salaries and benefits have 2% planned increases.



# Annual Financial Plan

## Budget Development Process (continued)

### **Budget Retreat**

In January, a DGB budget retreat is held to review budget trends, tuition and fees, salary and benefit recommendations, and preliminary budget increment priorities. This process has been successful because it gives the DGB a comprehensive budget picture, and allows 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 the market to determine if changes will be recommended. Trend analysis of enrollment within the different rates of tuition is used to project tuition revenue.

Tuition and fee recommendations are taken to the DGB budget retreat for review and to receive direction. The Board approves tuition and fees rates in February for the next academic year.

#### **State Appropriation Aid**

State aid is calculated per formula which is “base plus growth.” The base is the prior year’s state aid. The growth or loss is calculated by the increase or decrease in full-time student equivalent (FTSE) between the two most recent fiscal years in each category of non-dual enrollment and dual enrollment. The growth or loss in FTSE is multiplied by the given rate per category. One FTSE equals an average of 15 credit hours in each of the fall and spring semesters, for a total of 30 credits hours for one year. 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 restricted to 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 10<sup>th</sup> of each year, the County Assessor’s Office provides assessed valuations needed to calculate the primary and secondary property tax levies. The primary levy cannot exceed the prior year levy by more than two percent plus new construction added to the tax rolls. Due to CCC’s low tax rate, the Board typically adopts the maximum allowed tax levy.

#### **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.

# Annual Financial Plan

## Budget Development Process (continued)

### 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 50% 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 final 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.

### Travel

All travel expenses are zero-based annually, meaning that travel must be requested and justified each year. Travel expenses include in-district, in-state, and professional development. Professional development travel is allocated on an FTE basis to full-time 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 based on College and department priorities.

### 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.



# Annual Financial Plan

## Budget Development Process (continued)

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. The Information Technology Services department uses the funds to pay for small equipment, software, and maintenance agreements for the instructional, academic support, and student services program codes. Requests for technology purchases are reviewed during budget hearings.

### Equipment

The College allocates funding for equipment annually depending upon available funding, recent allocations are as follows:

- ITS 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 to academic support for increases in annual maintenance agreements. In FY22, the ITS department used carryforward reserves for planned purchases and no additional funds were allocated.
- Other Equipment - 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 Equipment - In FY20, the College budgeted \$287,400 for STEM equipment funding. Requests for STEM funding were submitted and 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.

### President's Contingency Fund

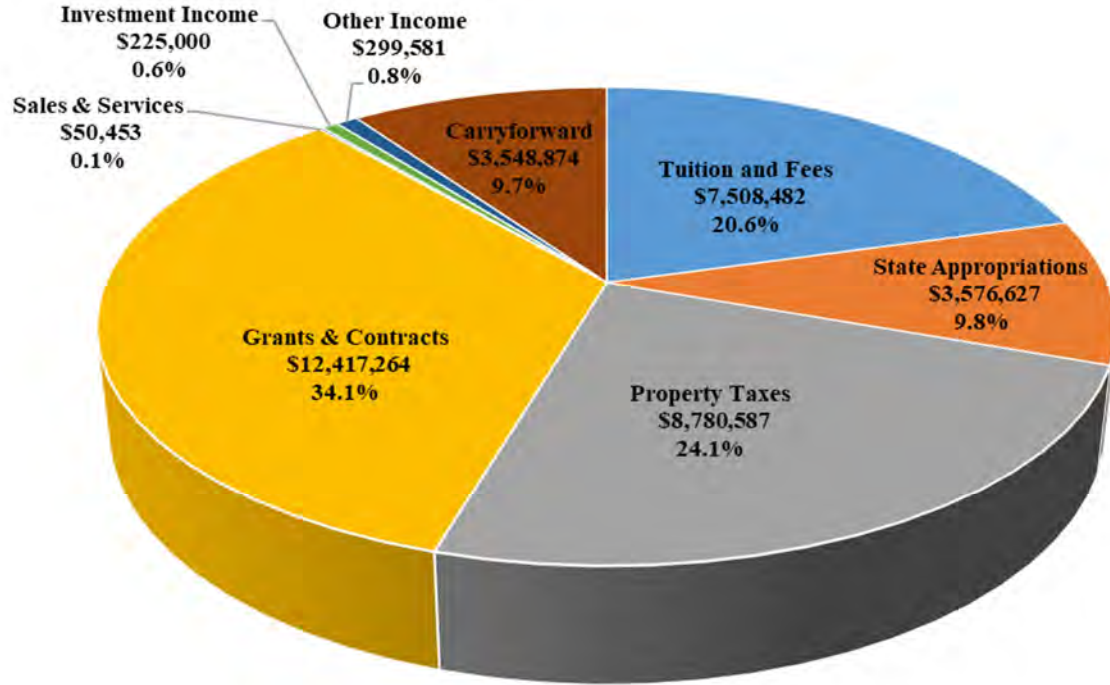
An allowance of \$100,000 is budgeted for unforeseen expenditures and is approved by the President. Some of the funds can be used to provide a funding mechanism for faculty, staff, and students in developing and implementing innovative projects that will generate revenue, create savings or technological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

### Carryforward

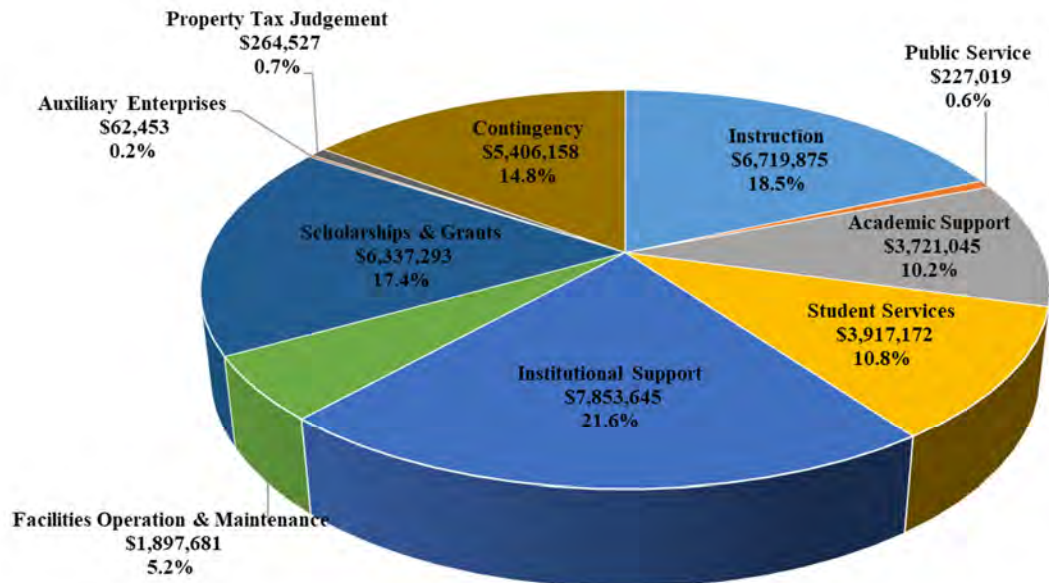
In FY18, the College increased the carryforward budget to \$2 million for emergencies. For FY21, the College increased the carryforward to \$3 million due to the uncertainties of the COVID-19 pandemic.

# Annual Financial Plan

## All Funds - FY22 Revenue \$36,406,868



## All Funds - FY22 Expenditures by Program \$36,406,868







# Annual Financial Plan

## All Funds

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

	FY20 Actual	FY21 Budget	FY22 Budget	FY22 % Change
<b>Revenues</b>				
Tuition and Fees	\$ 7,781,370	\$ 7,177,303	\$ 7,508,482	4.6%
State Appropriations	3,105,700	2,095,800	3,576,627	70.7%
Property Taxes	8,722,174	8,704,461	8,780,587	0.9%
Grants and Contracts	6,660,485	5,576,743	12,417,264	122.7%
Sales and Services	17,617	17,800	50,453	183.4%
Investment Income	467,013	315,000	225,000	-28.6%
Other Income	275,586	284,167	299,581	5.4%
<b>Total Revenues</b>	<b>\$ 27,029,945</b>	<b>\$24,171,274</b>	<b>\$ 32,857,994</b>	<b>35.9%</b>
<b>Other Financing Sources (Uses)</b>				
Carryforward	\$ -	\$ 3,331,096	\$ 3,548,874	6.5%
Transfer In	986,982	837,522	699,532	-16.5%
Transfer Out	(986,982)	(837,522)	(699,532)	-16.5%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 3,331,096</b>	<b>\$ 3,548,874</b>	<b>0%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 27,029,945</b>	<b>\$27,502,370</b>	<b>\$ 36,406,868</b>	<b>32.4%</b>
<b>Expenditures by Program</b>				
Instruction	\$ 7,100,403	\$ 6,561,934	\$ 6,719,875	2.4%
Public Service	153,336	161,700	227,019	40.4%
Academic Support	3,567,150	3,642,372	3,721,045	2.2%
Student Services	3,856,147	3,790,545	3,917,172	3.3%
Institutional Support	4,283,811	4,047,019	7,853,645	94.1%
Facilities Operation & Maintenance	2,681,062	2,166,449	1,897,681	-12.4%
Scholarships & Grants	3,818,358	3,868,958	6,337,293	63.8%
Auxiliary Enterprises	25,779	42,400	62,453	47.3%
Property Tax Judgement	-	-	264,527	0.0%
Contingency	-	3,220,993	5,406,158	67.8%
<b>Total Expenditures</b>	<b>\$ 25,486,046</b>	<b>\$27,502,370</b>	<b>\$ 36,406,868</b>	<b>32.4%</b>
<b>Expenditures by Object</b>				
Personnel Services	\$ 16,828,060	\$15,758,260	\$ 16,365,323	3.9%
Contractual Services	937,420	922,690	870,161	-5.7%
Supplies	805,433	892,604	4,627,569	418.4%
Fixed Charges	1,089,230	1,078,599	1,128,295	4.6%
Utilities	454,484	572,703	564,347	-1.5%
Travel	187,315	322,142	273,925	-15.0%
Scholarships	3,810,568	3,861,154	6,339,671	64.2%
Capital Equipment	1,221,871	598,934	271,300	-54.7%
Miscellaneous/Other	151,664	274,291	295,592	7.8%
Property Tax Judgement	-	-	264,527	0.0%
Contingency	-	3,220,993	5,406,158	67.8%
<b>Total Expenditures</b>	<b>\$ 25,486,046</b>	<b>\$27,502,370</b>	<b>\$ 36,406,868</b>	<b>32.4%</b>
<b>Excess of revenues and other sources over/(under) expenditures</b>	<b>\$ 1,543,898</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

\*Excludes net investment in Plant Fund



# Annual Financial Plan

## All Funds

### FY22 Budget Summary - For Year Ended June 30th

	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Total All Funds
<b>Revenues</b>					
Tuition and Fees	\$ 7,508,482	\$ -	\$ -	\$ -	\$ 7,508,482
State Appropriations	3,204,827	371,800	-	-	3,576,627
Property Taxes	8,780,587	-	-	-	8,780,587
Grants & Contracts	169,000	12,248,264	-	-	12,417,264
Sales & Services	-	-	50,453	-	50,453
Investment Income	225,000	-	-	-	225,000
Other Income	299,581	-	-	-	299,581
<b>Total Revenues</b>	<b>\$ 20,187,477</b>	<b>\$ 12,620,064</b>	<b>\$ 50,453</b>	<b>\$ -</b>	<b>\$ 32,857,994</b>
<b>Other financing sources (uses)</b>					
Carryforward	\$ 3,358,874	\$ -	\$ -	\$ 190,000	\$ 3,548,874
Transfer In	14,800	72,472	12,000	600,260	699,532
Transfer Out	(684,732)	-	-	(14,800)	(699,532)
<b>Total other financing sources (uses)</b>	<b>\$ 2,688,942</b>	<b>\$ 72,472</b>	<b>\$ 12,000</b>	<b>\$ 775,460</b>	<b>\$ 3,548,874</b>
<b>Total Revenues and Transfers</b>	<b>\$ 22,876,419</b>	<b>\$ 12,692,536</b>	<b>\$ 62,453</b>	<b>\$ 775,460</b>	<b>\$ 36,406,868</b>
<b>Expenditures by Program</b>					
Instruction	\$ 5,072,833	\$ 1,647,042	\$ -	\$ -	\$ 6,719,875
Public Service	-	227,019	-	-	227,019
Academic Support	3,447,013	274,032	-	-	3,721,045
Student Services	3,415,022	502,150	-	-	3,917,172
Institutional Support	3,778,645	3,885,000	-	190,000	7,853,645
Facilities Operation & Maintenance	1,816,381	-	-	81,300	1,897,681
Scholarships & Grants	180,000	6,157,293	-	-	6,337,293
Auxiliary Enterprises	-	-	62,453	-	62,453
Property Tax Judgement	264,527	-	-	-	264,527
Contingency	4,901,998	-	-	504,160	5,406,158
<b>Total Expenditures</b>	<b>\$ 22,876,419</b>	<b>\$ 12,692,536</b>	<b>\$ 62,453</b>	<b>\$ 775,460</b>	<b>\$ 36,406,868</b>
<b>Expenditures by Object</b>					
Personnel Services	\$ 13,963,970	\$ 2,389,300	\$ 12,053	\$ -	\$ 16,365,323
Contractual Services	859,661	2,700	7,800	-	870,161
Supplies	623,714	3,973,055	30,800	-	4,627,569
Fixed Charges	1,104,922	23,373	-	-	1,128,295
Utilities	563,102	1,245	-	-	564,347
Travel	215,525	46,600	11,800	-	273,925
Scholarships	180,000	6,159,671	-	-	6,339,671
Capital Equipment	-	-	-	271,300	271,300
Miscellaneous/Other	199,000	96,592	-	-	295,592
Property Tax Judgement	264,527	-	-	-	264,527
Contingency	4,901,998	-	-	504,160	5,406,158
<b>Total Expenditures</b>	<b>\$ 22,876,419</b>	<b>\$ 12,692,536</b>	<b>\$ 62,453</b>	<b>\$ 775,460</b>	<b>\$ 36,406,868</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# 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 FY22, total compensation has increased primarily due to compensation adjustments. Total benefits increased by Arizona State Retirement contribution rate and health benefits premium increases.

### Three-Year Comparative Analysis Faculty and Staff Statistics

Fiscal Year 2021/2022 (Budget)								
Program	Full Time Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,852,250	\$ 1,314,138	\$ -	\$ 223,341	\$ 325,148	\$ 4,714,877	\$ 1,364,712	\$ 6,079,589
Public Service	-	-	-	158,622	-	158,622	66,334	224,956
Academic Support	-	-	607,481	1,349,036	155,257	2,111,774	786,584	2,898,358
Student Services	-	-	365,205	1,864,971	298,297	2,528,473	994,938	3,523,411
Institutional Support	-	-	1,081,140	1,176,687	23,795	2,281,622	817,764	3,099,386
Facilities	-	-	110,329	436,294	70,993	617,616	261,892	879,508
<b>Total Salary</b>	<b>\$ 2,852,250</b>	<b>\$ 1,314,138</b>	<b>\$ 2,164,155</b>	<b>\$ 5,208,951</b>	<b>\$ 873,490</b>	<b>\$ 12,412,984</b>	<b>\$ 4,292,224</b>	<b>\$ 16,705,208</b>
Unrestricted Funds	30.0	48.4	20.0	87.0	12.0	197.4		
Restricted Funds	12.0	-	-	13.0	6.4	31.4		
<b>Total FTE</b>	<b>42.0</b>	<b>48.4</b>	<b>20.0</b>	<b>100.0</b>	<b>18.4</b>	<b>228.8</b>		

Fiscal Year 2020/2021 (Budget)								
Program	Full Time 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
<b>Total Salary</b>	<b>\$ 2,846,555</b>	<b>\$ 1,182,375</b>	<b>\$ 1,977,013</b>	<b>\$ 4,860,347</b>	<b>\$ 827,587</b>	<b>\$ 11,693,877</b>	<b>\$ 4,064,383</b>	<b>\$ 15,758,260</b>
Unrestricted Funds	34.0	44.3	19.0	84.0	16.3	197.6		
Restricted Funds	8.0	-	-	7.0	8.7	23.7		
<b>Total FTE</b>	<b>42.0</b>	<b>44.3</b>	<b>19.0</b>	<b>91.0</b>	<b>25.1</b>	<b>221.3</b>		

Fiscal Year 2019/2020 (Actual)								
Program	Full Time Faculty	Part Time Faculty	Admin	Support Staff	Part Time Staff	Total Salary Per Program	Total Benefits	Total Compensation
Instruction	\$ 2,722,744	\$ 1,416,771	\$ -	\$ 110,240	\$ 267,519	\$ 4,517,273	\$ 1,583,173	\$ 6,100,446
Public Service	-	-	-	73,556	20,401	93,956	31,055	125,011
Academic Support	-	-	745,678	1,080,627	110,935	1,937,240	894,928	2,832,168
Student Services	-	-	387,181	1,708,472	252,639	2,348,292	1,118,089	3,466,380
Institutional Support	-	-	1,153,594	1,106,220	11,323	2,271,137	1,131,822	3,402,959
Facilities	-	-	106,662	416,072	36,677	559,410	287,104	846,515
<b>Total Salary</b>	<b>\$ 2,722,744</b>	<b>\$ 1,416,771</b>	<b>\$ 2,393,115</b>	<b>\$ 4,495,186</b>	<b>\$ 699,492</b>	<b>\$ 11,727,308</b>	<b>\$ 5,046,170</b>	<b>\$ 16,773,479</b>
Unrestricted Funds	32.0	54.4	27.0	87.0	10.2	210.7		
Restricted Funds	10.0	-	-	11.0	13.1	34.1		
<b>Total FTE</b>	<b>42.0</b>	<b>54.4</b>	<b>27.0</b>	<b>98.0</b>	<b>23.4</b>	<b>244.8</b>		



# Annual Financial Plan

## All Funds - Fund Balance Reserves

The purpose of the College's fund balance procedure is to establish a targeted amount for the general fund and fund balance reserves. The goal is to achieve sustainability reserves equal to 33% of total budgeted revenues. The fund balance also provides cash flow liquidity for general operations. 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 table below lists reserves for each fund.

**General Fund**—The reserves include accumulated sustainability reserves and carryforward funds that allow a portion of the fund balance to be spent in the current year if needed. Additionally, the general fund includes carryforward funds from one-time state allocations. The College planned to use the one-time funds as seed money to start new programs over three years, the remaining one-third of \$352,188 is reserved for FY23.

**Auxiliary Fund**—Reserves primarily for future replacement of student calculators

**Plant Fund**—Reserves for future building maintenance or replacement of capital equipment

**Debt Service**—Restricted reserves resulting from delinquent property tax collections from the secondary levy

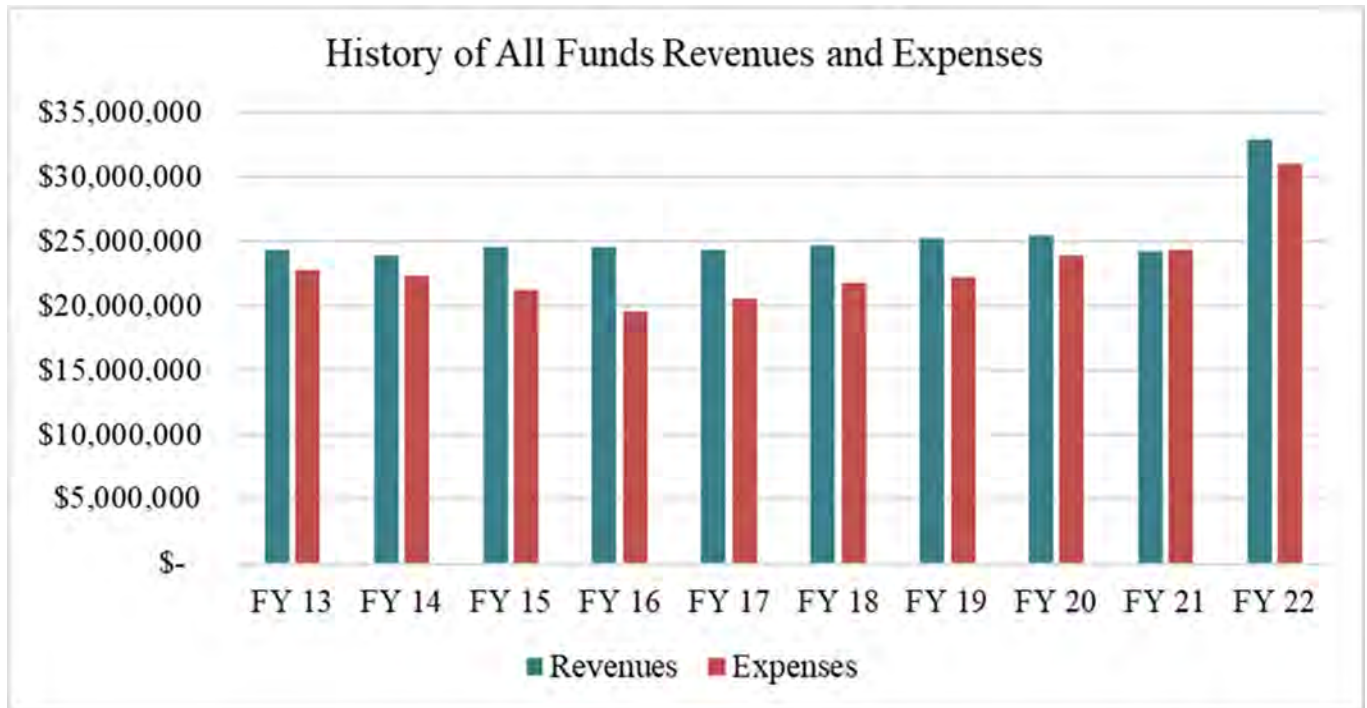
The all funds sustainability reserves is below the targeted 33% primarily due to the one-time federal emergency stimulus funding. Since it is one-time funding, the current reserves should be adequate to meet the operational and liquidity needs of the College.

Proposed FY 22	Fund Balance General Fund	Auxiliary Fund	Plant Fund	Debt Service	All Fund Total
Debt Service - Reserves				\$ 2,610	\$ 2,610
Plant Fund - Preventative Maintenance Reserves			\$ 5,027,249		5,027,249
Plant Fund - ITS Planned Replacement Reserve			39,601		39,601
Plant Fund - Copier Replacement Reserve			77,738		77,738
Auxiliary Fund - Reserve		\$ 42,337			42,337
Balance Available for Sustainability Reserves	7,908,103				7,908,103
Amount reserved for One-time projects	352,188				352,188
Amount for Carry forward	\$ 3,000,000				3,000,000
<b>Ending Fund Balance</b>	<b>\$ 11,260,291</b>	<b>\$ 42,337</b>	<b>\$ 5,144,588</b>	<b>\$ 2,610</b>	<b>\$ 16,449,826</b>
<b>Target Sustainability Reserves</b>					
All Funds Revenues - Based on Budget					\$ 32,857,994
All Funds Sustainability Reserves (33%) - Based on Budget					\$ 10,843,138

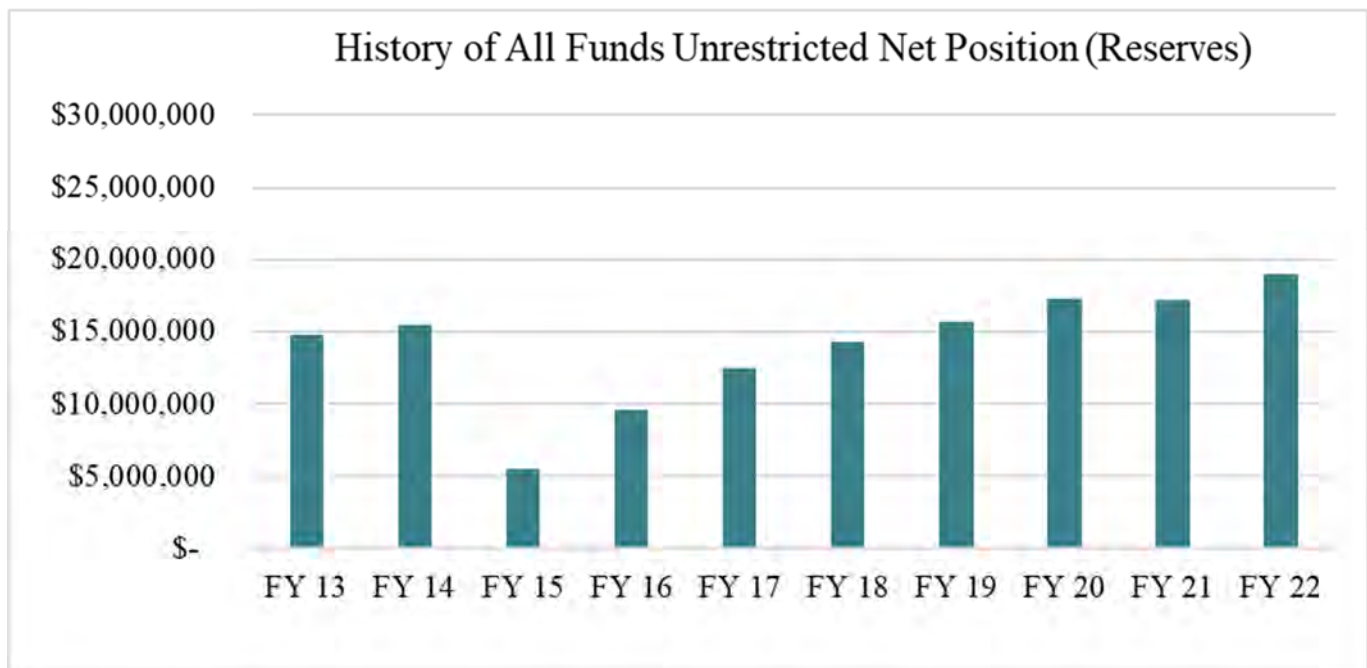
# Annual Financial Plan

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

The charts below show a 10-year history of revenues and expenses. Fiscal years 2021 and 2022 are budgeted amounts.



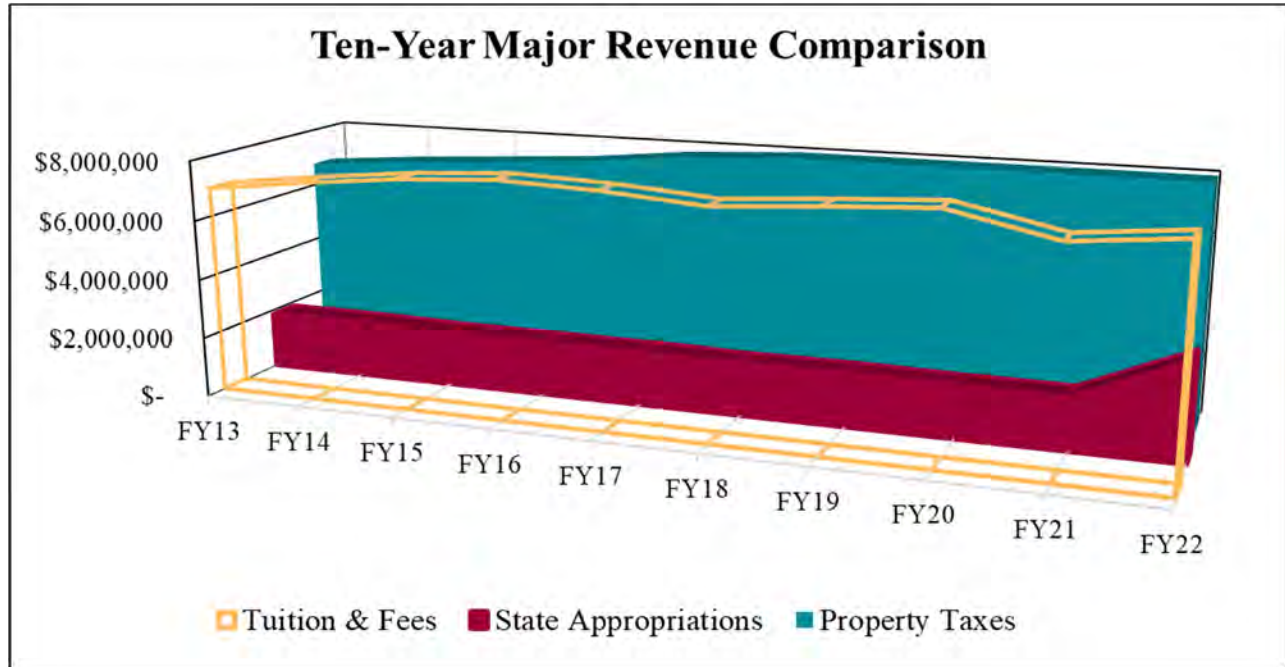
The charts below show a 10-year history of the difference from revenues and expenses that were added to net position (reserves) for the College. The significant decrease in net position in FY15 was due to GASB 68 pension adjustments.



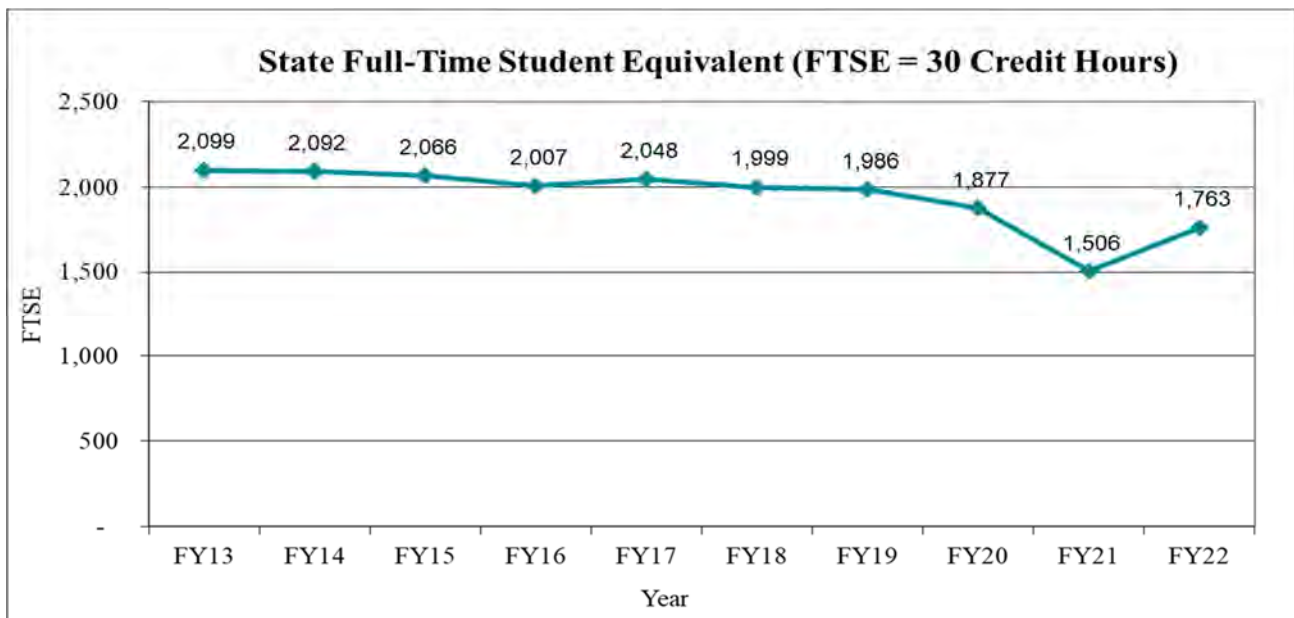
# Annual Financial Plan

## 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 an increase in state appropriations due to the one-time rural appropriation and a one-time Transwestern appropriation for FY22.



Tuition and Fee revenue for FY22 is based on a projected State FTSE of 1,763. Enrollment in Community Colleges tends to be counter-cyclical to the economy. During a down economy, unemployed workers look to reskill at community colleges and prepare to reenter the job market. That pattern did not hold true during the pandemic as shown in the graph below where CCC experienced a 20% drop in FTSE in FY21. Part of the decline was due to out-of-state web students that the state excludes from the FTSE calculation. The FY22 projected FTSE anticipates some recovery in enrollments with the return of in-person classes.





# Annual Financial Plan

## General Fund - Tuition and Fee Revenue

In FY11, CCC was forced to implement a large tuition increase of 13 percent due to the decline in state appropriation. Since FY13, the College has been able to maintain lower tuition increases as shown in the chart below. The Board did not increase tuition for FY22 because of the pandemic.

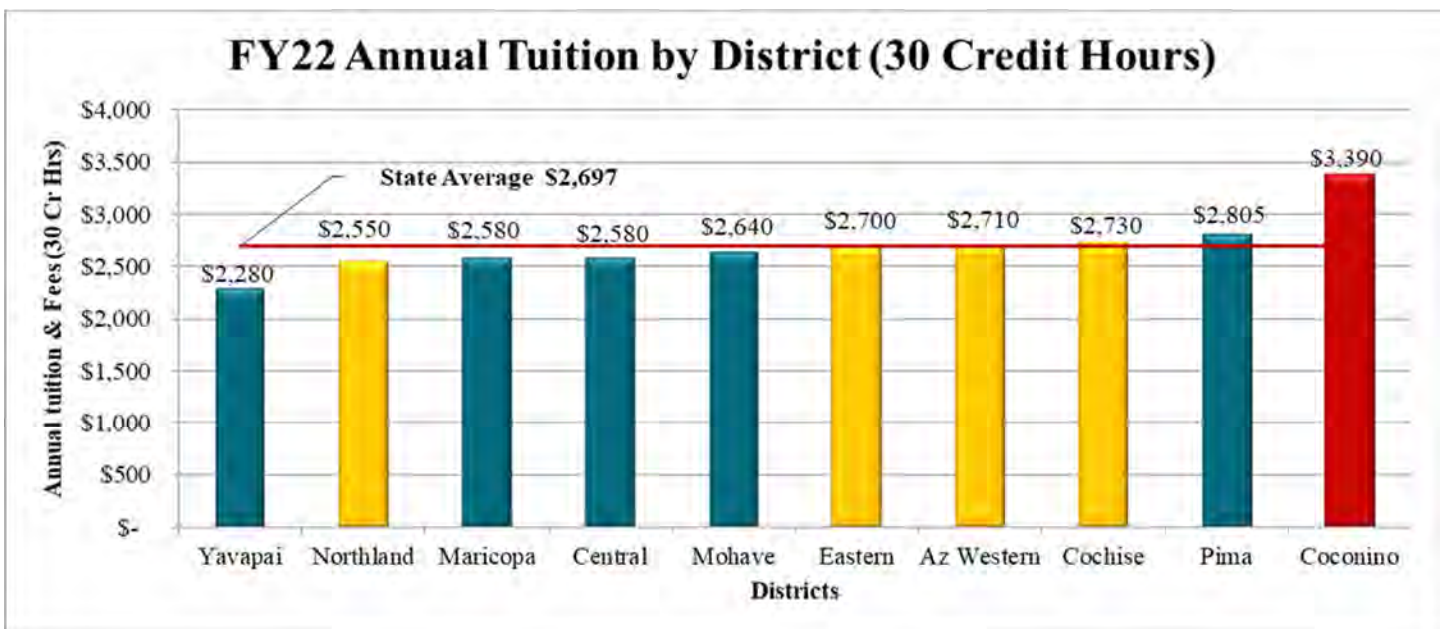
### Historic Tuition Rates - Standard Resident - Last 10 Fiscal Years

Fiscal Year	<sup>A</sup> Tuition Per Credit Hour	<sup>B</sup> Tech Fee per Credit Hour	Tuition & Tech Fee (per cr hr)	Annual Student Tuition	Change in \$	% Increase
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%
FY22	113	-	113	3,390	-	0.0%

<sup>A</sup> Per Credit hour includes student ID, transcripts, student activities, and technology

<sup>B</sup> Tech Fee included in per credit hour tuition rate beginning in FY17

Coconino Community College's annual tuition is below national and regional averages; however, it is the highest in the state. The comparison below shows CCC annual tuition compared to the other College's in the state and as previously discussed this is primarily due to having the lowest property tax rate 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	FY20 Actual	FY21 Budget	FY22 Budget	FY22 Enroll
General Tuition (Resident Tuition)	\$ 3,376,706	\$ 4,120,500	\$ 3,089,546	1,005
Differential Tuition Rates	362,220	367,795	345,337	
Out-of-State Tuition	415,911	258,300	383,311	36
Out-of-County Tuition	1,406,149	530,438	1,521,717	412
Out-of-County Reimbursement	166,600	166,572	278,000	
Out-of-State Tuition (WUE)	1,011,510	761,063	916,488	199
Out-of-State Tuition (WUE2)	42,210	43,050	43,050	7
Dual Enrollment Fee (Arts & Sciences)	57,745	49,950	54,270	201
Coconino Association for Vocations, Industry and Technology (CAVIAT)	68,029	68,625	68,625	15
Technology Fee (allocated from General Tuition)	432,435	393,330	409,772	
Scholarship tuition (allocated from General Tuition)	214,627	196,665	204,886	
Prior Learning Assessment (PLA)	-	1,770	1,770	
Non-credit classes (CPR, EMT, FSC)	56,051	32,000	32,000	
Fees (Parking, Transcripts, Graduation, ID, Testing, Etc.)	171,178	187,245	159,710	
<b>Total Tuition and Fees</b>	<b>\$ 7,781,370</b>	<b>\$ 7,177,303</b>	<b>\$ 7,508,482</b>	<b>1,875</b>

For FY22, the District Governing Board choose to maintain standard resident tuition rates, but increased the Out-of-County rate by 5%, to a total of 20% over the in-county rate. 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 Board also approved adding a new differential tuition level for \$40 to assist with an increase in nursing costs. The differential tuition rate charges higher tuition rates to higher-cost programs. The **2021-2022 Tuition Schedule** below shows the standard rates and differential tuition rates for each level and residency category.

2021-2022 Tuition Schedule				
Differential Tution 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	\$135.60	\$169.50	\$395.50
Specialty Higher Rates				
Differential Tuition Level 1 (+\$5)	\$118.00	\$140.60	\$174.50	\$400.50
Differential Tuition Level 2 (+\$10)	\$123.00	\$145.60	\$179.50	\$405.50
Differential Tuition Level 3 (+\$15)	\$128.00	\$150.60	\$184.50	\$410.50
Differential Tuition Level 4 (+\$20)	\$133.00	\$155.60	\$189.50	\$415.50
Differential Tuition Level 5* (+\$25)	\$138.00	\$160.60	\$420.50	\$420.50
Differential Tuition Level 6* (+\$30)	\$143.00	\$165.60	\$425.50	\$425.50
Differential Tuition Level 6.5* (+\$40)	\$153.00	\$175.60	\$209.50	\$435.50
Differential Tuition Level 7* (+\$50)	\$163.00	\$185.60	\$445.50	\$445.50
Differential Tuition Level 8* (+\$80)	\$193.00	\$215.60	\$475.50	\$475.50
Differential Tuition Level 9* (+100)	\$213.00	\$235.60	\$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

Steep declines in state aid began in 1998 due to the struggling economy and decreased tourist activity. The State Full-Time Student Equivalent (FTSE) funding for FY22 has decreased by \$72,000 from the prior year based on the statutory formula. State appropriations are received based on FTSE formula funding. This formula funding provides \$590 per FTSE (30 credit hours per year) while dual enrollment is only calculated at fifty percent or \$295 per FTSE. State appropriations are received on a two-year lag based on enrollment growth or decline. The state appropriations funding formula does adjust for inflation nor more costly career and technical programs. While the State FTSE appropriation decreased for FY22, the overall state appropriation increased due to one-time rural and one-time Transwestern appropriations.

### State Appropriations Revenue Projections Three-Year Comparative Analysis

<b>STATUTORY CALCULATION A.R.S. §15-1466 Subject to legislative appropriation</b>	<b>FY 20 Actual</b>	<b>FY 21 Budget</b>	<b>FY 22 Budget</b>
FTSE Change:			
Total Audited FTSE third most recent fiscal year	2,048	1,999	1,986
Total Audited FTSE second most recent fiscal ear	1,999	1,986	1,877
Increase/(decrease)	(49)	(13)	(109)
Non Dual Enrollment Audited FTSE third most recent fiscal year	1,910	1,803	1,799
Non Dual Enrollment Audited FTSE second most recent fiscal year	1,803	1,799	1,664
Increase/(decrease)	(107)	(4)	(135)
Average Appropriation Per FTSE (Non Dual Enrollment)	588	587	590
Non Dual Enrollment Growth	\$ (62,900)	\$ (2,300)	\$ (79,700)
Dual Enrollment Audited FTSE third most recent fiscal year	138	196	187
Dual Enrollment Audited FTSE second most recent fiscal year	196	187	213
Increase/(decrease)	58	(9)	26
Average Appropriation Per FTSE (Dual Enrollment @ 50%)	294	294	295
Dual Enrollment Growth	\$ 17,100	\$ (2,600)	\$ 7,700
State Appropriation	\$ 1,703,400	\$ 1,698,500	\$ 1,626,400
State Aid Special One-time Rural Appropriation	1,003,100	(100)	1,313,900
State Aid Special One-time Transwestern Appropriation			264,527
<b>Total Maintenance &amp; Operations State Appropriations</b>	<b>\$ 2,706,500</b>	<b>\$ 1,698,400</b>	<b>\$ 3,204,827</b>



# Annual Financial Plan

## General Fund - Property Taxes

The tax levy is calculated per 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 assessed value of all property for the current tax year tends to reflect values of properties 18 months before the 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.

The Arizona Constitution limits the increase in the District's tax levy on current assessed property to 2% per year shown on line 2. When the assessed values of all property increase by more than 2%, then the tax rate is forced down resulting in declining tax rates as shown on line 4. Then the derived tax rates are applied to the new construction. New construction growth averages approximately 1% per year. However, it is important to note that for FY22, the Salt River Project Navajo Generation Station was decommissioned and the property values were subtracted from new construction. This resulted in a lower maximum levy shown online 8. Because of the low tax rate and long-term financial challenges, the Board typically approves the maximum allowed tax levy.

Finally, adjustments to the statutory calculation include in-lieu and excise taxes that the college is eligible for to come to the budgeted property taxes.

Because of the low property tax rate, CCC Board has approved the maximum levy each year.

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

STATUTORY CALCULATION	FY19/20 (Tax Year 2019) PROJECTED	FY20/21 (Tax Year 2020) PROJECTED	FY21/22 (Tax Year 2021) PROJECTED
1) Maximum levy - prior tax year	\$ 8,185,715	\$ 8,408,362	\$ 8,664,461
2) Maximum levy prior tax year multiplied by 102%	8,349,429	8,576,529	8,837,750
3) Assessed value for current tax year of all property subject to tax in the preceding year	1,818,274,043	1,910,232,943	2,011,411,679
4) Paragraph 3 divided by 100, then divide paragraph 2 by the resulting quotient; round to four decimal places	0.4592	0.4490	0.4394
5) Assessed value of all property for current year	1,831,089,260	1,929,724,114	1,983,519,972
6) Paragraph 5 divided by 100 and multiplied by rate in para 4 equals maximum allowable primary property tax levy	8,408,362	8,664,461	8,715,587
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	8,408,362	8,664,461	8,715,587
REVENUE PROJECTION ADJUSTMENT CALCULATION	FY19/20 (Tax Year 2019) PROJECTED	FY20/21 (Tax Year 2020) PROJECTED	FY21/22 (Tax Year 2021) PROJECTED
9) Judgement (A.R.S. § 42-16214)	(25,000)	(25,000)	-
10) Actual Property Tax (4006)	8,281,729	-	-
11) Salt River Project/Other In-Lieu of Tax (DS-B1535-4004)	280,567	4,000	4,000
12) Purina government property lease excise Tax (in-lieu) and Parks on Federal lands (DS-B1535-4005)	66,311	61,000	61,000
13) HB 2508 Business Tax Exemption - effective FY2007 (tax year 2006)			
14) Delinquent property taxes (4007)	97,346		
Total property tax revenue	\$ 8,725,953	\$ 8,704,461	\$ 8,780,587



# Annual Financial Plan

## General Fund - Other Revenue and Transfers

Other revenue consists of grants, contracts, and administrative cost recovered is 1% of the general fund budget, investment income is 2%, and other consists is 3% percent of total revenue. Other income includes miscellaneous income such as bookstore income and leases and are listed below. Transfer are funds that are transferred between funds.

### Three-Year Comparative Analysis

<b>Grants &amp; Contracts</b>	<b>FY20 ACTUAL</b>	<b>FY21 BUDGET</b>	<b>FY22 BUDGET</b>
PELL ACA Revenue	\$ 4,295	\$ 4,600	\$ 4,000
Administrative Cost Recovered	76,188	58,000	60,000
Veterans Admins Cost Recovered	1,995	1,500	-
Foundation FMC Contribution	128,250	95,000	82,000
Non-credit contract training	25,742	23,000	23,000
Other Private Grants	95,000	-	-
<b>Total Grants &amp; Contracts</b>	<b>\$ 331,470</b>	<b>\$ 182,100</b>	<b>\$ 169,000</b>

<b>Investment Income</b>	<b>FY20 ACTUAL</b>	<b>FY21 BUDGET</b>	<b>FY22 BUDGET</b>
Investment Income	\$ 467,013	\$ 315,000	\$ 225,000
<b>Total Investment Income</b>	<b>\$ 467,013</b>	<b>\$ 315,000</b>	<b>\$ 225,000</b>

<b>Other Income</b>	<b>FY20 ACTUAL</b>	<b>FY21 BUDGET</b>	<b>FY22 BUDGET</b>
Bookstore (Commissions)	\$ 64,222	\$ 68,000	\$ 68,000
Surplus Property	-	5,000	4,000
Parking Tickets	11,155	13,000	11,000
Temporary Facility Rental	8,003	6,000	5,000
Flagstaff Library (Lease)	100,163	107,716	115,795
CAVIAT (Lease)	33,216	34,113	34,693
Cell Phone Tower (Lease)	35,666	33,100	35,662
Deli (Lease)	3,345	5,238	5,583
Flagstaff College (Lease)	-	-	5,848
Other	17,286	12,000	14,000
<b>Total Other Income</b>	<b>\$ 273,056</b>	<b>\$ 284,167</b>	<b>\$ 299,581</b>

<b>Transfers</b>	<b>FY20 ACTUAL</b>	<b>FY21 BUDGET</b>	<b>FY22 BUDGET</b>
Transfers In	\$ 63,947	\$ 35,500	\$ 14,800
Transfers Out	(842,367)	(802,022)	(684,732)
<b>Net Transfers</b>	<b>\$ (778,420)</b>	<b>\$ (766,522)</b>	<b>\$ (669,932)</b>

# Annual Financial Plan

## General Fund - Cost per Enrollment by Program

The chart below depicts the cost per full-time student in the General Fund based on programs codes. The full budgeted cost to educate one full-time student per year is \$9,586 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.

Enrollment	2,030	1,886	1,875
	FY20	FY21	FY22
Expenditure by Program	Actual	Budget	Budget
Instruction	\$ 2,698	\$ 2,787	\$ 2,706
Academic Support	1,616	1,773	1,838
Student Services	1,674	1,780	1,821
Institutional Support	2,099	2,042	2,156
Facilities Operation & Maintenance	841	970	969
Scholarships & Grants	87	104	96
<b>Total General Fund Cost Per FTSE</b>	<b>\$ 9,014</b>	<b>\$ 9,457</b>	<b>\$ 9,586</b>

Program descriptions can be found on page 30.





# Annual Financial Plan

## General Fund - Non-Capital Equipment

### FY22 Preventative Maintenance (Life Cycle Replacement)

The College has 20-year preventative maintenance schedules that include major maintenance and replacement of items that normally impact the Plant Fund. The chart below shows the items that impact the General Fund for a total of \$14,800. 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
Deli Equipment	\$ -	\$ 4,200	\$ -	\$ 4,200
Furniture Replacement	-	7,600	-	7,600
Interior Painting	1,000	1,000	1,000	3,000
<b>Total</b>	<b>\$ 1,000</b>	<b>\$ 12,800</b>	<b>\$ 1,000</b>	<b>\$ 14,800</b>

### Other Equipment and One-time Requests

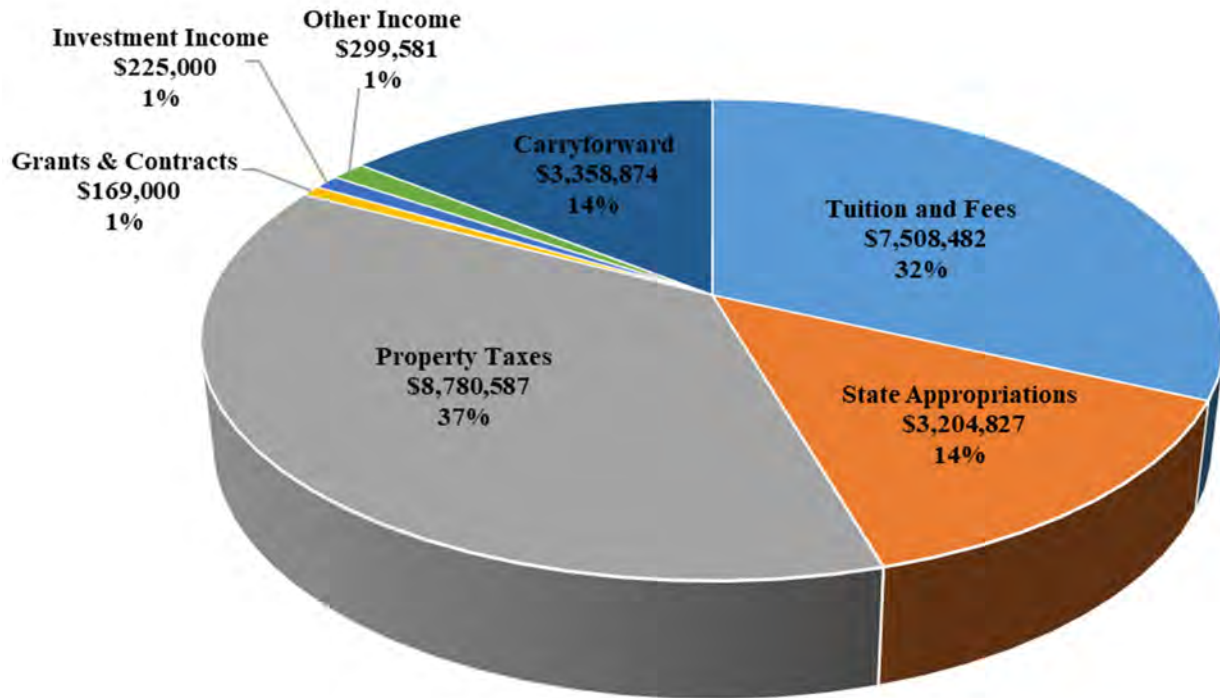
In FY20, the College budgeted \$53,400 for other equipment and one-time requests. Beginning in FY21 and continuing to FY22, the College reallocated the other equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget.

### STEM Fund

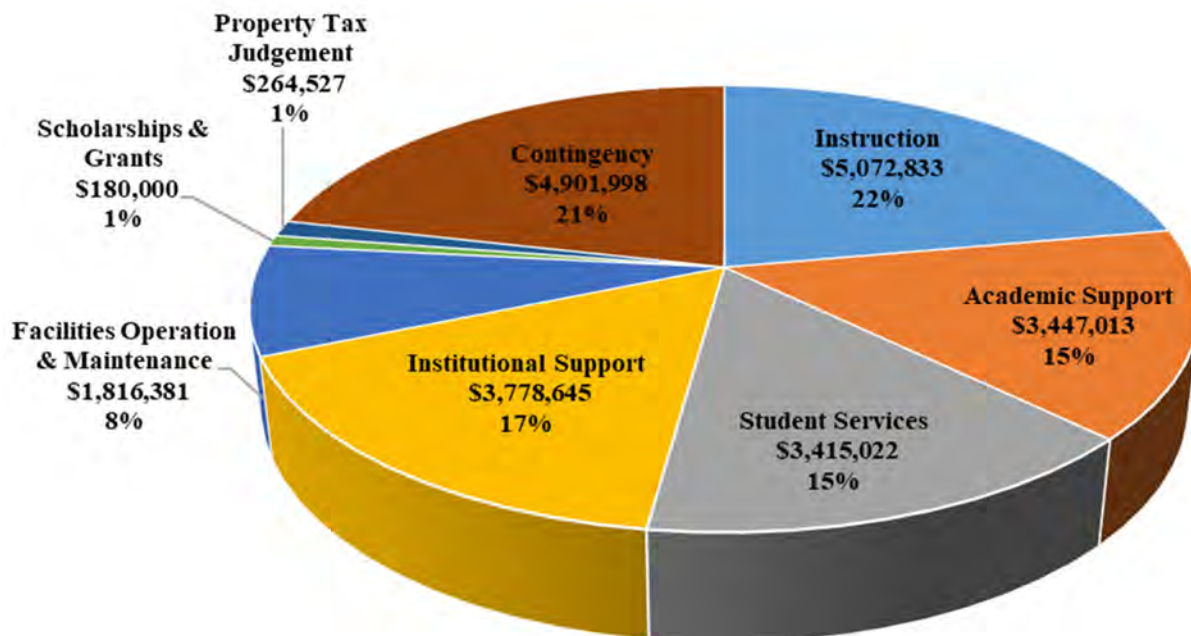
In FY20, the College budgeted \$287,400 for STEM equipment funding. Requests for STEM funding were submitted and were prioritized by Executive Council based on strategic planning initiatives and performance measures. Beginning in FY21 and continuing to FY22, the College reallocated the STEM equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget. The College is using one-time rural state appropriations in the restricted fund to pay for STEM and Workforce Projects.

# Annual Financial Plan

## General Fund - FY22 Revenues (\$23,546,351)



## General Fund - FY22 Expenditures by Program (\$22,876,419)





# Annual Financial Plan

## General Fund

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

	FY20 ACTUAL	FY21 BUDGET	FY22 BUDGET
<b>Revenues</b>			
Tuition and Fees	\$ 7,814,068	\$ 7,177,303	\$ 7,508,482
State Appropriations	2,706,500	1,698,400	3,204,827
Property Taxes	8,725,953	8,704,461	8,780,587
Grants & Contracts	331,470	182,100	169,000
Investment Income	467,013	315,000	225,000
Other Income	273,056	284,167	299,581
<b>Total Revenues</b>	<b>\$ 20,318,059</b>	<b>\$ 18,361,431</b>	<b>\$ 20,187,477</b>
<b>Other financing sources (uses)</b>			
Carryforward	\$ -	\$ 3,318,496	\$ 3,358,874
Transfer In	45,627	35,500	14,800
Transfer Out	(932,530)	(802,022)	(684,732)
<b>Total other financing sources (uses)</b>	<b>\$ (886,904)</b>	<b>\$ 2,551,974</b>	<b>\$ 2,688,942</b>
<b>Total Revenues and Other Sources</b>	<b>\$ 19,431,155</b>	<b>\$ 20,913,405</b>	<b>\$ 22,876,419</b>
<b>Expenditures by Program</b>			
Instruction	\$ 5,475,932	\$ 5,255,799	\$ 5,072,833
Academic Support	3,280,381	3,344,791	3,447,013
Student Services	3,397,392	3,357,289	3,415,022
Institutional Support	4,261,054	3,852,019	3,778,645
Facilities Operation & Maintenance	1,708,143	1,829,549	1,816,381
Scholarships & Grants	176,369	196,665	180,000
Property Tax Judgement	-	-	264,527
Contingency	-	3,077,293	4,901,998
<b>Total Expenditures</b>	<b>\$ 18,299,273</b>	<b>\$ 20,913,405</b>	<b>\$ 22,876,419</b>
<b>Expenditures by Object</b>			
Personnel Services	\$ 14,855,047	\$ 14,004,052	\$ 13,963,970
Contractual Services	914,516	915,322	859,661
Supplies	628,052	649,974	623,714
Fixed Charges	1,074,729	1,074,022	1,104,922
Utilities	453,478	572,102	563,102
Travel	122,087	221,475	215,525
Scholarships	176,369	196,665	180,000
Miscellaneous/Other	74,996	202,500	199,000
Property Tax Judgement	-	-	264,527
Contingency	-	3,077,293	4,901,998
<b>Total Expenditures</b>	<b>\$ 18,299,273</b>	<b>\$ 20,913,405</b>	<b>\$ 22,876,419</b>
<b>Excess of Revenues and Other Sources Over/(Under) Expenditures</b>	<b>\$ 1,131,882</b>	<b>\$ -</b>	<b>\$ -</b>



# Annual Financial Plan

## General Fund

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

FY22 CHANGES		FY22 CHANGES DETAIL
\$ 331,179	4.6%	Decrease enrollment, adj enroll mix, and incr Out-of-County
1,506,427	88.7%	State formula, new one-time rural State aid and Transwestern
76,126	0.9%	2% plus new construction, excise tax, and large offset for NGS
(13,100)	-7.2%	Decrease in private grant
(90,000)	-28.6%	Decrease due to recession
15,414	5.4%	Increase in tenant income
<b>\$ 1,826,046</b>	<b>9.9%</b>	
\$ 40,378	1.2%	FY22 one-time rural allocation
(20,700)	-58.3%	Planned maintenance
117,290	-14.6%	Held IT planned replacement for one year
<b>\$ 136,968</b>	<b>5.4%</b>	
<b>\$ 1,963,014</b>	<b>9.4%</b>	
\$ (182,966)	-3.5%	Salary reallocation to grant funding
102,222	3.1%	Added Workforce Development position
57,733	1.7%	Comp & benefit adj
(73,374)	-1.9%	Realloc to cover CashNet and other expenses
(13,168)	-0.7%	Reduction in planned maintenance
(16,665)	-8.5%	Enrollment adjustment
264,527	0.0%	Increase for Transwestern judgement
1,824,705	59.3%	New one-time rural State aid
<b>\$ 1,963,014</b>	<b>9.4%</b>	
\$ (40,082)	-0.3%	Salary reallocation to grant funding
(55,661)	-6.1%	Realloc of Marketing funds
(26,260)	-4.0%	Realloc of Public Relations and decrease in planned maint
30,900	2.9%	Realloc to cover CashNet and other software
(9,000)	-1.6%	Reduction in postage
(5,950)	-2.7%	Reduction in travel
(16,665)	-8.5%	Enrollment adjustment
(3,500)	-1.7%	Reallocation to cover CashNet
264,527	0.0%	Increase for Transwestern judgement
1,824,705	59.3%	New one-time rural State aid
<b>\$ 1,963,014</b>	<b>9.4%</b>	
<b>\$ -</b>	<b>0.0%</b>	



# Annual Financial Plan

## Restricted Funds

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

### **Adult Education (ADE) - Federal (\$342,457) and State (\$150,700)**

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 is 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 (\$541,897)**

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 (\$56,799)**

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 (\$257,087)**

The Carl Perkins Grant provides funding to improve vocational education 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 LEAP (\$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.

### **Higher Education Emergency Relief Funds (HEERF) ARP (\$4,970,000) and CRRSA (\$1,400,000)**

The U.S. Department of Education is providing funding to higher education institutions to ensure learning continues for students during the COVID-19 pandemic. This funding is commonly referred to as HEERF under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021, and the American Rescue Plan (ARP) Act 2021. Each round of funding segregates the student emergency aid portion and institutional aid portion for needs related to the global pandemic.

### **Small Business Development Center (SBDC) - Federal (\$113,978) and Local (\$46,269)**

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 a measurable economic impact on the communities of Coconino County. SBDC is also receiving Cares Act funding in the amount of \$31,772.

### **Smart and Safe Arizona Act (Prop 207) - State (\$267,043)**

Smart and Safe Arizona Act Proposition 207 is a voter-approved initiative that was passed in 2020. The state of Arizona imposes a 16.0% sales tax on the sale of recreational marijuana and recreational marijuana products. Community colleges receive about 33% of the funds after the state has paid administrative costs.





# Annual Financial Plan

## Restricted Funds - continued

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

The SNAA-LSAMP is an alliance of colleges that focuses on Science, Technology, Engineering, and Mathematics (STEM). It is a 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 (\$371,800)**

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

### **TRiO - Federal (\$261,888)**

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.

### **Veteran's Center - Federal (\$1,500)**

The Veteran's Administration offers education benefits for veterans and their widows and dependents on its GI bill. The \$1,500 is restricted for future professional development for staff that had to be postponed because of the pandemic.



# Annual Financial Plan

## Restricted Funds

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

	FY20 Actual	FY21 BUDGET	FY22 BUDGET
<b>Revenues</b>			
Tuition and Fees	\$ (32,698)	\$ -	\$ -
State Appropriations	399,200	397,400	371,800
Federal Grants and Contracts	4,761,420	4,787,273	11,232,952
State Grants and Contracts	705,210	582,370	969,043
Private Grants and Contracts	862,386	25,000	46,269
<b>Total Revenues</b>	<b>\$ 6,695,517</b>	<b>\$ 5,792,043</b>	<b>\$ 12,620,064</b>
<b>Other financing sources (uses)</b>			
Transfer In	\$ 116,368	\$ 78,922	\$ 72,472
Transfer Out	(11,179)	-	-
<b>Total other financing sources (uses)</b>	<b>\$ 105,188</b>	<b>\$ 78,922</b>	<b>\$ 72,472</b>
<b>Total Revenues and Transfers</b>	<b>\$ 6,800,705</b>	<b>\$ 5,870,965</b>	<b>\$ 12,692,536</b>
<b>Expenditures by Program</b>			
Instruction	\$ 1,534,308	\$ 1,306,135	\$ 1,647,042
Public Service	153,336	161,700	227,019
Academic Support	259,616	297,581	274,032
Student Services	458,755	433,256	502,150
Institutional Support	747	-	3,885,000
Facilities Operation & Maintenance	751,955	-	-
Scholarships & Grants	3,641,989	3,672,293	6,157,293
<b>Total Expenditures</b>	<b>\$ 6,800,705</b>	<b>\$ 5,870,965</b>	<b>\$ 12,692,536</b>
<b>Expenditures by Object</b>			
Personnel Services	\$ 1,973,013	\$ 1,754,208	\$ 2,389,300
Contractual Services	21,555	7,068	2,700
Supplies	156,454	202,730	3,973,055
Fixed Charges	13,877	4,577	23,373
Utilities	1,006	601	1,245
Travel	62,351	98,467	46,600
Scholarships	3,634,199	3,664,489	6,159,671
Capital Equipment	861,583	67,034	-
Miscellaneous/Other	76,668	71,791	96,592
<b>Total Expenditures</b>	<b>\$ 6,800,705</b>	<b>\$ 5,870,965</b>	<b>\$ 12,692,536</b>

# Annual Financial Plan

## Restricted Funds

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

FY22 CHANGES		FY22 CHANGES DETAIL
\$ -	0%	
(25,600)	-6.4%	Per state formula
6,445,679	134.6%	ARPA & CRRSAA HEERF Grant
386,673	66.4%	Prop 207
21,269	85.1%	SBDC
<b>\$ 6,828,021</b>	<b>117.89%</b>	
\$ (6,450)	-8%	LSAMP
-	0.0%	
<b>\$ (6,450)</b>	<b>-8.2%</b>	
<b>\$ 6,821,571</b>	<b>116.19%</b>	
\$ 340,907	26.1%	Prop 207
65,319	40.4%	SBDC
(23,549)	-7.9%	Reallocations
68,894	15.9%	Reallocations
3,885,000	0.0%	ARPA & CRRSAA HEERF Grant
-	0.0%	
2,485,000	67.7%	ARPA HEERF Grant
<b>\$ 6,821,571</b>	<b>116.19%</b>	
\$ 635,092	36.2%	Prop 207 & Prop 301
(4,368)	-61.8%	Reallocation
3,770,325	1859.8%	ARPA & CRRSAA HEERF Grant
18,796	410.7%	Reallocation
644	107.2%	Reallocation
(51,867)	-52.7%	Reallocation
2,495,182	68.1%	ARPA HEERF Grant
(67,034)	-100.0%	Reallocation
24,801	34.5%	Increase in indirect costs
<b>\$ 6,821,571</b>	<b>116.19%</b>	



# 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.

### Cross Country

Brand new for FY22 are revenues and expenses for the College's first cross country team. The team is supported 100% through the fundraising efforts of the College Foundation. Start-up expenses for the team include a coach, association dues, and travel expenses for a total of \$32,653.



# Annual Financial Plan

## Auxiliary Funds

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

	FY20 ACTUAL	FY21 BUDGET	FY22 BUDGET	FY22 CHANGES	
<b>Revenues</b>					
Sales & Services	\$ 17,617	\$ 17,800	\$ 50,453	\$ 32,653	183.4%
<b>Total Revenues</b>	<b>\$ 17,617</b>	<b>\$ 17,800</b>	<b>\$ 50,453</b>	<b>\$ 32,653</b>	<b>183.4%</b>
<b>Other financing sources (uses)</b>					
Carryforward	\$ -	\$ 12,600	\$ -	\$(12,600)	-100.0%
Transfer In	12,000	12,000	12,000	-	0.0%
<b>Total other financing sources (uses)</b>	<b>\$ 12,000</b>	<b>\$ 24,600</b>	<b>\$ 12,000</b>	<b>\$(12,600)</b>	<b>-51.2%</b>
<b>Total Revenues and Transfers</b>	<b>\$ 29,617</b>	<b>\$ 42,400</b>	<b>\$ 62,453</b>	<b>\$ 20,053</b>	<b>47.3%</b>
<b>Expenditures by Program</b>					
Auxiliary Enterprises	\$ 25,779	\$ 42,400	\$ 62,453	\$ 20,053	47.3%
<b>Total Expenditures</b>	<b>\$ 25,779</b>	<b>\$ 42,400</b>	<b>\$ 62,453</b>	<b>\$ 20,053</b>	<b>47.3%</b>
<b>Expenditures by Object</b>					
Personnel Services	\$ -	\$ -	\$ 12,053	\$ 12,053	0.0%
Contractual Services	1,350	300	7,800	7,500	2500.0%
Supplies	20,927	39,900	30,800	(9,100)	-22.8%
Fixed Charges	625	-	-	-	0.0%
Utilities	-	-	-	-	0.0%
Travel	2,877	2,200	11,800	9,600	436.4%
Scholarships	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 25,779</b>	<b>\$ 42,400</b>	<b>\$ 62,453</b>	<b>\$ 20,053</b>	<b>47.3%</b>

Activity	Budgeted Revenue
Math Calculators	\$ 2,400
Private Grant	32,653
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 ITS 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. In FY22 the \$120,000 annual allocation was put on hold so that funds could be reallocated to cover other priorities. The ITS department is using carryforward funds from reserves of \$190,000 to cover capital technology needs for FY22.

### FY22 Preventative Maintenance (Life Cycle Replacement)

The College has 20-year preventative maintenance schedules that include major maintenance and replacement of long-term facility needs such as roofing repairs and replacement of HVAC units. The College allocates annual funding for these planned maintenance projects and for FY 22 the amount was \$600,260. Amounts not used are reserved for future equipment needs. The table below shows the FY22 capital plan items. Other non-capitalized planned maintenance costs of \$14,800 were budgeted in the General Fund.

## FY22 Planned Maintenance Budget

Plant Fund - IT Equipment	Total
Phone System Replacement	\$ 75,000
Miscellaneous	115,000
<b>Total</b>	<b>\$ 190,000</b>

Planned Maintenance	Fourth St	Lone Tree	Page	Total
Entry Doors	\$ -	\$ 26,300	\$ -	\$ 26,300
HVAC Units	20,000	-	-	20,000
Miscellaneous	7,500	25,000	2,500	35,000
Contingency	-	504,164	-	504,164
<b>Total</b>	<b>\$ 27,500</b>	<b>\$ 555,464</b>	<b>\$ 2,500</b>	<b>\$ 585,464</b>



# Annual Financial Plan

## Unexpended Plant Fund (continued)

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

	FY20 ACTUAL	FY21 BUDGET	FY22 BUDGET	FY22 CHANGES		FY22 CHANGES DETAIL
<b>Revenues</b>						
Grants & Contracts	\$ -	\$ -	\$ -	\$ -	0.0%	
Other Income	2,530	-	-	-	0.0%	
<b>Total Revenues</b>	<b>\$ 2,530</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>	
<b>Other financing sources (uses)</b>						
Carryforward	\$ -	\$ -	\$ 190,000	\$ 190,000	100.0%	
Transfer In	812,988	711,100	600,260	(110,840)	-15.6%	Decrease Planned Maintenance
Transfer Out	(43,272)	(35,500)	(14,800)	20,700	-58.3%	Decrease Planned Maintenance
<b>Total other financing sources (uses)</b>	<b>\$ 769,715</b>	<b>\$ 675,600</b>	<b>\$ 775,460</b>	<b>\$ 99,860</b>	<b>14.8%</b>	
<b>Total Revenues and Transfers</b>	<b>\$ 772,246</b>	<b>\$ 675,600</b>	<b>\$ 775,460</b>	<b>\$ 99,860</b>	<b>14.8%</b>	
<b>Expenditures by Program</b>						
Instruction	\$ 90,163	\$ -	\$ -	\$ -	0.0%	
Academic Support	27,153	-	-	-	0.0%	
Institutional Support	22,009	195,000	190,000	(5,000)	-2.6%	Decrease Planned Maintenance
Facilities Operation & Maintenance	220,964	336,900	81,300	(255,600)	-75.9%	Decrease Planned Maintenance
Contingency	-	143,700	504,160	360,460	250.8%	
<b>Total Expenditures</b>	<b>\$ 360,288</b>	<b>\$ 675,600</b>	<b>\$ 775,460</b>	<b>\$ 99,860</b>	<b>14.8%</b>	
<b>Expenditures by Object</b>						
Capital Equipment	\$ 360,289	\$ 531,900	\$ 271,300	\$ (260,600)	-49.0%	
Contingency	-	143,700	504,160	360,460	250.8%	
<b>Total Expenditures</b>	<b>\$ 360,289</b>	<b>\$ 675,600</b>	<b>\$ 775,460</b>	<b>\$ 99,860</b>	<b>14.8%</b>	

# Annual Financial Plan



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## VISION

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



# Long-Term Financial Sustainability

**July 1, 2021 - June 30, 2022**



## VISION

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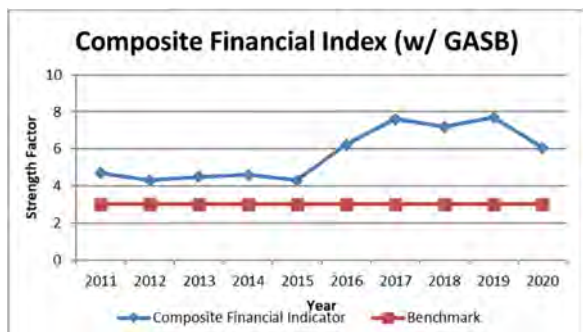
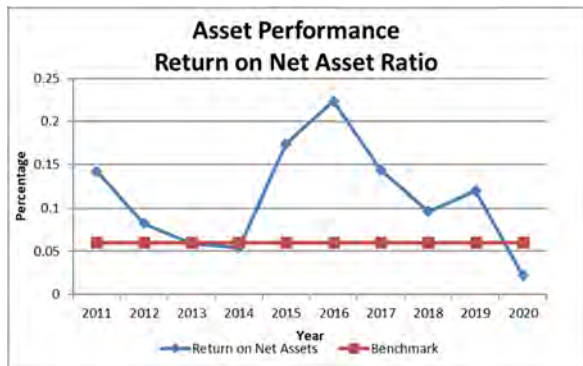
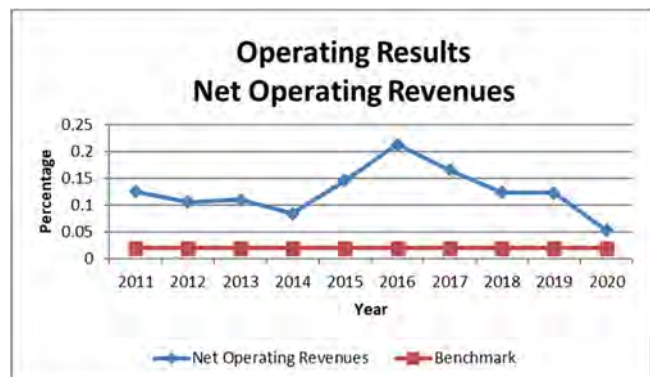
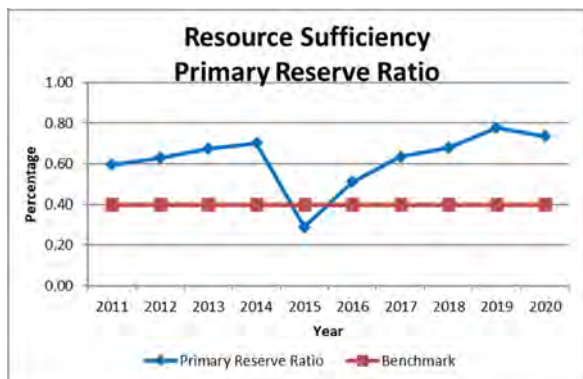
# Long-Term Financial Sustainability

## 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

Although temporarily dampened from the impacts of the pandemic, the College's financial ratios have generally been improving through strong financial management. The viability ratio decreased to zero due to paying off the College's debt in FY19. The decreases in both the net operating revenue and return on net asset ratios for FY20 are primarily due to timing of impacts of COVID-19 for the College and timing and recognition of a large grant received by the Foundation in 2019. The composite score, which must be above 1.1 to avoid a potential HLC review, decreased slightly from last year to 6.07, which means that the College is still 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 FY30 as follows:

### Revenues - Average growth of 2.4%:

- **Enrollment** - growth of 0.5% per year based on long-term county population trends, adjusted for current enrollment decline
- **Tuition rates** - Increases per year based on CPI and Board direction
- **State aid** - flat funding per current state formula
- **Property tax** - 2.0% levy increase plus 1.0% new construction growth based on trend analysis

### Expenditures - Average growth of 2.4%:

- **Personnel cost** - average increases of 2.5% per year
- **All other expense categories** - average increases of 2.0% per year

The chart below shows the General Fund revenues and expenses for ten years.



# 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 twenty year planned maintenance schedules 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 20-year maintenance schedule:

Resources	FY22	FY23	FY24	FY25	FY26
Fourth Street Allocation	\$ 137,030	\$ 140,500	\$ 144,000	\$ 147,600	\$ 151,300
Page Allocation	55,920	57,300	58,800	60,200	61,700
Lone Tree Allocation	353,310	362,100	371,200	380,500	390,000
<b>Total Allocation</b>	<b>\$ 546,260</b>	<b>\$ 559,900</b>	<b>\$ 574,000</b>	<b>\$ 588,300</b>	<b>\$ 603,000</b>
<b>Fourth Street</b>					
HVAC	20,000	12,500	-	-	-
Parking lot maintenance	-	78,729	-	-	-
Interior Lighting up grades	-	-	9,379	-	-
Carpeting	-	-	-	-	309,327
Interior Painting	1,000	3,500	3,500	3,500	4,000
Exterior Painting	-	25,000	-	-	-
Entry Doors - 14 sets of 2 doors	-	50,850	53,424	53,424	-
Fire Panel	-	21,054	-	-	-
Security Camera Replacement	-	5,200	5,463	5,600	5,740
Johnson Control Panel & Controllers	-	35,000	-	-	-
Bathroom Remodel - 8 Total	-	25,000	26,266	26,922	27,595
Misc./ Contingency	7,500	7,500	7,500	10,000	10,000
<b>Page</b>					
Parking lot maintenance	-	51,472	-	-	-
Interior Lighting up grades	-	5,862	-	-	-
Exterior Painting	-	-	36,146	-	-
Interior Painting	1,000	4,000	4,000	4,000	4,500
Security cameras	-	5,200	-	-	-
Misc./ Contingency	2,500	2,500	2,500	2,500	5,000
<b>Lone Tree</b>					
Roofing	-	750,000	-	-	-
Liebert Unit IT RM 135	-	21,054	-	-	-
Parking lot maintenance	-	-	138,198	-	-
Parking Lot Replacement	-	-	-	1,700,000	-
Landscaping	-	9,391	-	-	-
Tile Floor	-	20,055	-	-	-
Interior Painting	1,000	4,000	4,000	4,000	4,000
Windows	-	-	-	-	-
Entry Doors - 27 sets of two doors	26,300	27,433	28,119	28,822	29,543
Fire Panels	-	-	-	-	43,027
Security Camera Replacement	-	5,200	5,330	5,463	5,600
Furniture Replacement	7,600	7,790	7,985	8,184	8,389
Deli Equipment 2 -Ref, 1 -freezer	4,200	-	-	-	-
Chevy Equinox - 2010	-	31,492	-	-	-
Drake Equipment	-	5,000	-	-	-
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	50,850	52,121	53,424
Misc./ Contingency	25,000	30,000	30,000	30,000	30,000
<b>Total Capital Replacement</b>	<b>\$ 96,100</b>	<b>\$ 1,914,781</b>	<b>\$ 612,660</b>	<b>\$ 2,073,737</b>	<b>\$ 540,145</b>

# Long-Term Financial Sustainability



## Risk Analysis

### COVID-19

As noted throughout the budget document the COVID-19 pandemic has had a substantial impact on College services and operations. Beginning March 2020, a majority of classes shifted to remote delivery modalities to protect the health and safety of students and employees. The College experienced a 20% decline in state FTSE for FY21 as many students opted out of online learning. However, included in the decline were out-of-state web students that do not count toward the state FTSE calculations. For Fall semester 2021, the College is planning to return to 50% in-person classes. Mitigation efforts include requiring signed waivers for on campus students, expecting masks and social distancing, and additional sanitizing. The Federal Emergency Relief funds continue to help the College offset additional operating costs and lost revenues caused by the pandemic.

### 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.

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.

### Economy

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. For FY22 the Navajo Generating Station was decommissioned and the property was removed from the tax rolls. The long term impacts on the economy in Page is unknown.

### Compliance Risks

As unit of local government 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.

### 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 1<sup>st</sup>, 2017. Also on November 8th, the City of Flagstaff voters approved Proposition 414 (later amended by City Council), to increase minimum wage to \$2 per hour above the state rate, to eventually a \$15.50 per hour minimum wage by January 2022. There is an implementation plan that phases in these changes. This did not come with increases funding for Federal Work Study students, so those hours have been, and will continue to be, significantly impacted by the increase in minimum wage. Part-time staff hours have been reduced, and will require prioritizing those costs against other needs in the future.



# Long-Term Financial Sustainability



## Risk Analysis (continued)

### 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. 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.

### 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 the high cost technology, the College has prioritized funding to maintain current technology and fund the long-term replacement plan.



# State Documents

**July 1, 2021 - June 30, 2022**

## VISION

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# State Documents

## State Requirements

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

### **Budget**

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

### **Expenditure Limitations**

Each year, an expenditure limitation is set for political subdivisions of the State of Arizona per 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 a 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 2022

### Summary of Budget Data

#### Instructions

#### Increase/Decrease From budget 2021 To budget 2022

	Budget 2022	Budget 2021	Amount	%
<b>I. Current General and Plant Funds</b>				
A. Expenditures:				
Current General Fund	\$ 22,876,419	\$ 20,913,405	\$ 1,963,014	9.4%
Unexpended Plant Fund	775,460	675,600	99,860	14.8%
Retirement of indebtedness Plant Fund	0		0	
Total	\$ 23,651,879	\$ 21,589,005	\$ 2,062,874	9.6%
<b>B. Expenditures Per Full-Time Student Equivalent (FTSE):</b>				
Current General Fund	\$ 12,201 /FTSE	\$ 11,007 /FTSE	\$ 1,194 /FTSE	10.8%
Unexpended Plant Fund	\$ 414 /FTSE	\$ 356 /FTSE	\$ 58 /FTSE	16.3%
Projected FTSE count	1,875	1,900		
<b>II. Total all funds estimated personnel compensation</b>				
Employee salaries and hourly costs	\$ 12,087,955	\$ 11,693,877	\$ 394,078	3.4%
Retirement costs	1,296,877	1,231,115	65,762	5.3%
Healthcare costs	1,217,730	1,114,152	103,578	9.3%
Other benefit costs	1,762,761	1,719,116	43,645	2.5%
Total	\$ 16,365,323	\$ 15,758,260	\$ 607,063	3.9%
<b>III. Summary of primary and secondary property tax levies and rates</b>				
A. Amount levied:				
Primary tax levy	\$ 8,715,587	\$ 8,664,461	\$ 51,126	0.6%
Property tax judgment			0	
Secondary tax levy			0	
Total levy	\$ 8,715,587	\$ 8,664,461	\$ 51,126	0.6%
<b>B. Rates per \$100 net assessed valuation:</b>				
Primary tax rate	0.4394	0.4490	(0.0096)	-2.1%
Property tax judgment			0.0000	
Secondary tax rate			0.0000	
Total rate	0.4394	0.4490	(0.0096)	-2.1%
<b>IV. Maximum allowable primary property tax levy for fiscal year 2022 pursuant to A.R.S. §42-17051</b>				
			\$	
<b>V. Amount received from primary property taxes in fiscal year 2021 in excess of the maximum allowable amount as calculated pursuant to A.R.S. §42-17051</b>				
			\$	



# State Documents



## Coconino County Community College District Coconino Community College Budget for fiscal year 2022

### Resources

	Current funds			Plant Fund		Other funds 2022	Total all funds 2022	Total all funds 2021	% Increase/ Decrease
	General Fund 2022	Restricted Fund 2022	Auxiliary Fund 2022	Unexpended Plant Fund 2022	Retirement of indebtedness 2022				
<b>Instructions</b>									
<b>Beginning balances—July 1*</b>									
Restricted	\$	\$ 0	\$	\$	\$ 2,610	\$	\$ 2,610	\$ 6,388	-59.1%
Unrestricted	11,619,165		42,337	5,334,588			16,996,090	15,946,709	6.6%
Total beginning balances	\$ 11,619,165	\$ 0	\$ 42,337	\$ 5,334,588	\$ 2,610	\$ 0	\$ 16,998,700	\$ 15,953,097	6.6%
<b>Revenues and other inflows</b>									
Student tuition and fees									
General tuition	\$ 4,135,736	\$	\$	\$	\$	\$	\$ 4,135,736	\$ 5,690,603	-27.3%
Out-of-district tuition	1,799,717						1,799,717	166,572	980.4%
Out-of-State tuition	1,342,849						1,342,849	1,062,413	26.4%
Student fees	193,480						193,480	221,015	-12.5%
Tuition and fee remissions or waivers	36,700						36,700	36,700	0.0%
<b>State appropriations</b>									
Maintenance support	1,626,400						1,626,400	1,698,400	-4.2%
Equalization aid							0	0	0.0%
STEM Workforce		371,800					371,800	397,400	-6.4%
Rural Community College Aid	1,313,900						1,313,900	0	--
Transwestern Appropriation	264,527						264,527		--
							0		0.0%
<b>Property taxes</b>									
Primary tax levy	8,780,587						8,780,587	8,704,461	0.9%
Secondary tax levy							0	0	0.0%
Gifts, grants, and contracts	169,000	11,439,324					11,608,324	5,158,448	125.0%
Sales and services			50,453				50,453	17,800	183.4%
Investment income	225,000						225,000	315,000	-28.6%
State shared sales tax (Prop 301)		541,897					541,897	418,295	29.5%
Smart and Safe Arizona Act (Prop 207)		267,043					267,043	0	--
Other revenues	299,581						299,581	284,167	5.4%
Proceeds from sale of bonds							0		0.0%
Total Revenues and Other Inflows	\$ 20,187,477	\$ 12,620,064	\$ 50,453	\$ 0	\$ 0	\$ 0	\$ 32,857,994	\$ 24,171,274	35.9%
<b>Transfers</b>									
Transfers in	14,800	72,472	12,000	600,260			699,532	837,522	-16.5%
(Transfers out)	(684,732)			(14,800)			(699,532)	(837,522)	-16.5%
Total transfers	\$ (669,932)	\$ 72,472	\$ 12,000	\$ 585,460	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
<b>Reduction for amounts reserved for future budget year expenditures:</b>									
Maintained for future financial stability	(7,908,103)						(7,908,103)	(6,870,401)	15.1%
Maintained for future capital acquisitions/projects	(352,188)		(42,337)	(5,144,588)			(5,539,113)	(5,745,212)	-3.6%
Maintained for future debt retirement					(2,610)		(2,610)	(6,388)	-59.1%
Maintained for grants or scholarships							0		0.0%
							0		0.0%
							0		0.0%
Total resources available for the budget year	\$ 22,876,419	\$ 12,692,536	\$ 62,453	\$ 775,460	\$ (0)	\$ 0	\$ 36,406,868	\$ 27,502,370	32.4%

\*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 2022

### Expenditures and other outflows

#### Instructions

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

#### Expenditures and other outflows

	Current funds			Plant Fund					
	General Fund 2022	Restricted Fund 2022	Auxiliary Fund 2022	Unexpended Plant Fund 2022	Retirement of indebtedness 2022	Other funds 2022	Total all funds 2022	Total all funds 2021	% Increase/Decrease
Total resources available for the budget year (from Schedule B)	\$ 22,876,419	\$ 12,692,536	\$ 62,453	\$ 775,460	\$ (0)	\$ 0	\$ 36,406,868	\$ 27,502,370	32.4%
Expenditures and other outflows									
Instruction	\$ 5,072,833	\$ 1,647,042					\$ 6,719,875	\$ 6,561,934	2.4%
Public service	0	227,019					227,019	161,700	40.4%
Academic support	3,447,013	274,032					3,721,045	3,642,372	2.2%
Student services	3,415,022	502,150					3,917,172	3,790,545	3.3%
Institutional support (Administration)	3,778,645	3,885,000		190,000			7,853,645	4,047,019	94.1%
Operation and maintenance of plant	1,816,381	0		81,300			1,897,681	2,166,449	-12.4%
Scholarships	180,000	6,157,293					6,337,293	3,868,958	63.8%
Auxiliary enterprises			62,453				62,453	42,400	47.3%
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%
Property tax judgments	264,527						264,527		--
Contingency	4,901,998			504,160			5,406,158	3,220,993	67.8%
Total expenditures and other	\$ 22,876,419	\$ 12,692,536	\$ 62,453	\$ 775,460	\$ 0	\$ 0	\$ 36,406,868	\$ 27,502,370	32.4%

# State Documents

## 2021 LEVY LIMIT WORKSHEET

COCONINO COUNTY - COCONINO COMMUNITY COLLEGE
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MAXIMUM LEVY	2020
A.1. Maximum Allowable Primary Tax Levy	\$8,664,461
A.2. A.1 multiplied by 1.02	\$8,837,750

CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR	2021
B.1. Centrally Assessed	\$208,456,005
B.2. Locally Assessed Real Property	\$1,749,718,715
B.3. Locally Assessed Personal Property	\$53,236,959
B.4. Total Assessed Value (B.1 through B.3)	\$2,011,411,679
B.5. B.4. divided by 100	\$20,114,117

CURRENT YEAR NET ASSESSED VALUES	2021
C.1. Centrally Assessed	\$165,781,598
C.2. Locally Assessed Real Property	\$1,766,932,884
C.3. Locally Assessed Personal Property	\$50,805,490
C.4. Total Assessed Value (C.1 through C.3)	\$1,983,519,972
C.5. C.4. divided by 100	\$19,835,200

LEVY LIMIT CALCULATION	2021
D.1. LINE A.2	\$8,837,750
D.2. LINE B.5	\$20,114,117
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	0.4394
D.4. LINE C.5	\$19,835,200
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	\$8,715,587
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)	\$8,715,587

<i>2021 New Construction</i>	(\$27,891,707)
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<i>Prior year actual levy (from line F.1 of the 2020 worksheet)</i>	\$8,664,461
<i>Divided by current values excluding new construction per line B.5</i>	\$20,114,117
<i>Truth in Taxation Rate</i>	0.4308

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: 2021 Levy Limit worksheet for Fiscal Year 2022