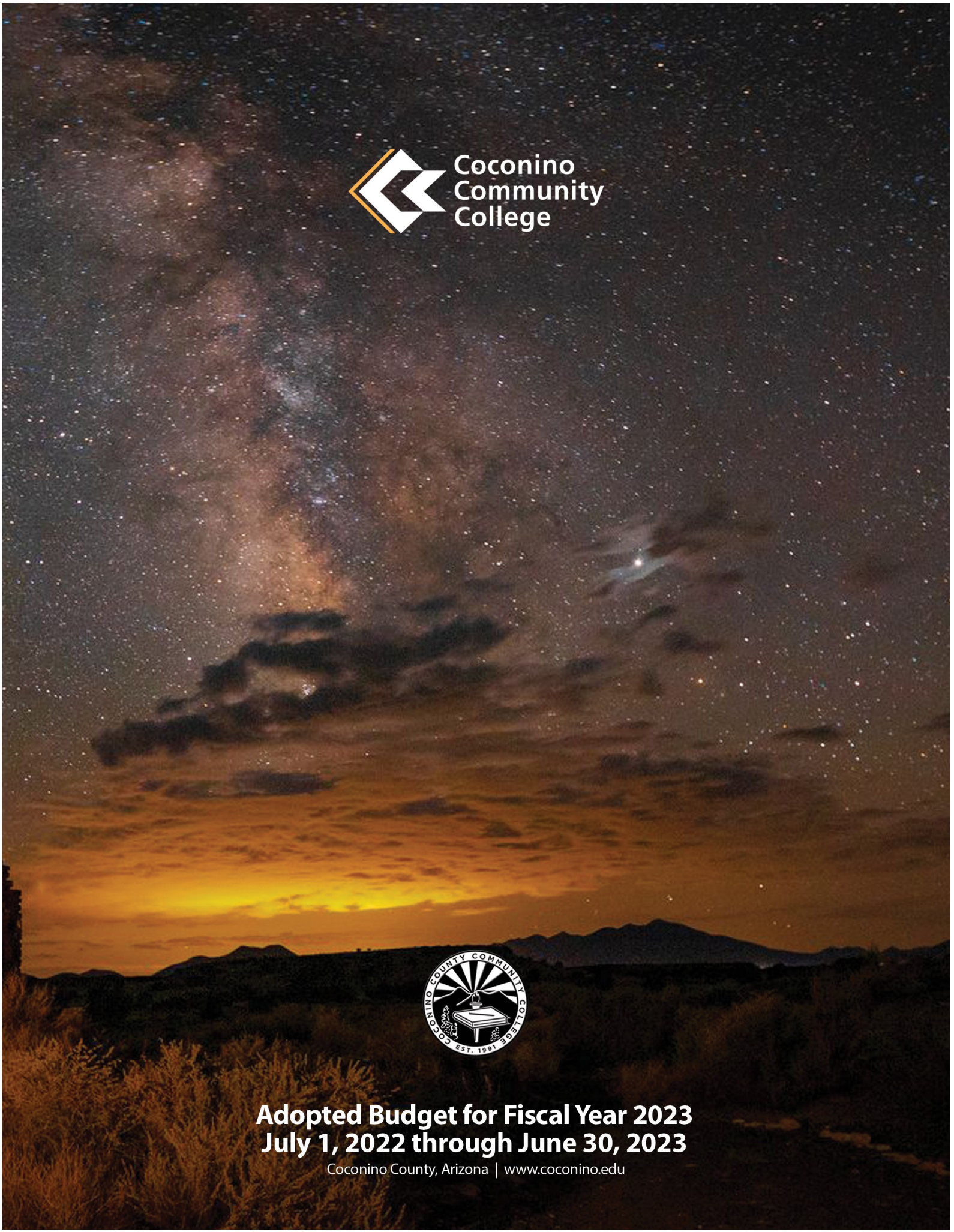


Adopted Budget for Fiscal Year 2023
July 1, 2022 through June 30, 2023

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COCONINO COMMUNITY COLLEGE PROFILE

July 1, 2022 - June 30, 2023

Coconino Community College Profile

Background Information

Summary
For over 30 years, since 1991, Coconino Community College (College) has not only served the residents of Coconino County (the second largest county in the United States with 18,661 square miles) but also residents from across the country and from around the world. The College has helped to create the region's skilled workforce which has in turn improved the 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 and Coconino County share the same boundaries.

When the College began it was initially expected to serve 600 students per year. Nearly 1,000 students registered the first semester and enrollment continued to increase dramatically. Today the College enrolls 5,363 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 2022 estimated population is 146,335 with a growth rate of 0.66% in the past year according to the most recent United States census data. Although it is the largest county in Arizona, Coconino County is only the 8th most populated county of the 15 counties in the state.

Coconino County 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 National Monument, Walnut Canyon National Monument, 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 and forests, tribal lands, and the high percentage of the total area in County public lands. The County unemployment rate as of June 2022 (4.8%) is above both the state unemployment (3.3%) and national levels (3.6%). The unemployment rates have continued to decreased significantly since the dramatic rise in 2020 due to the COVID-19 Pandemic.

Coconino Community College Profile

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 school students' higher education goals.

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 in-person, asynchronous (web), and synchronous (video conference) classes to meet the needs of students in these rural and remote areas.

Student Population

The Fall 2021 unduplicated headcount was 2,929 and 70% of the students are attending part-time. The College serves a diverse population of students each year. Most are Coconino County residents: 21% are Native American, 20% are Hispanic, 54% are female, 13% are under 18 years of age.

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

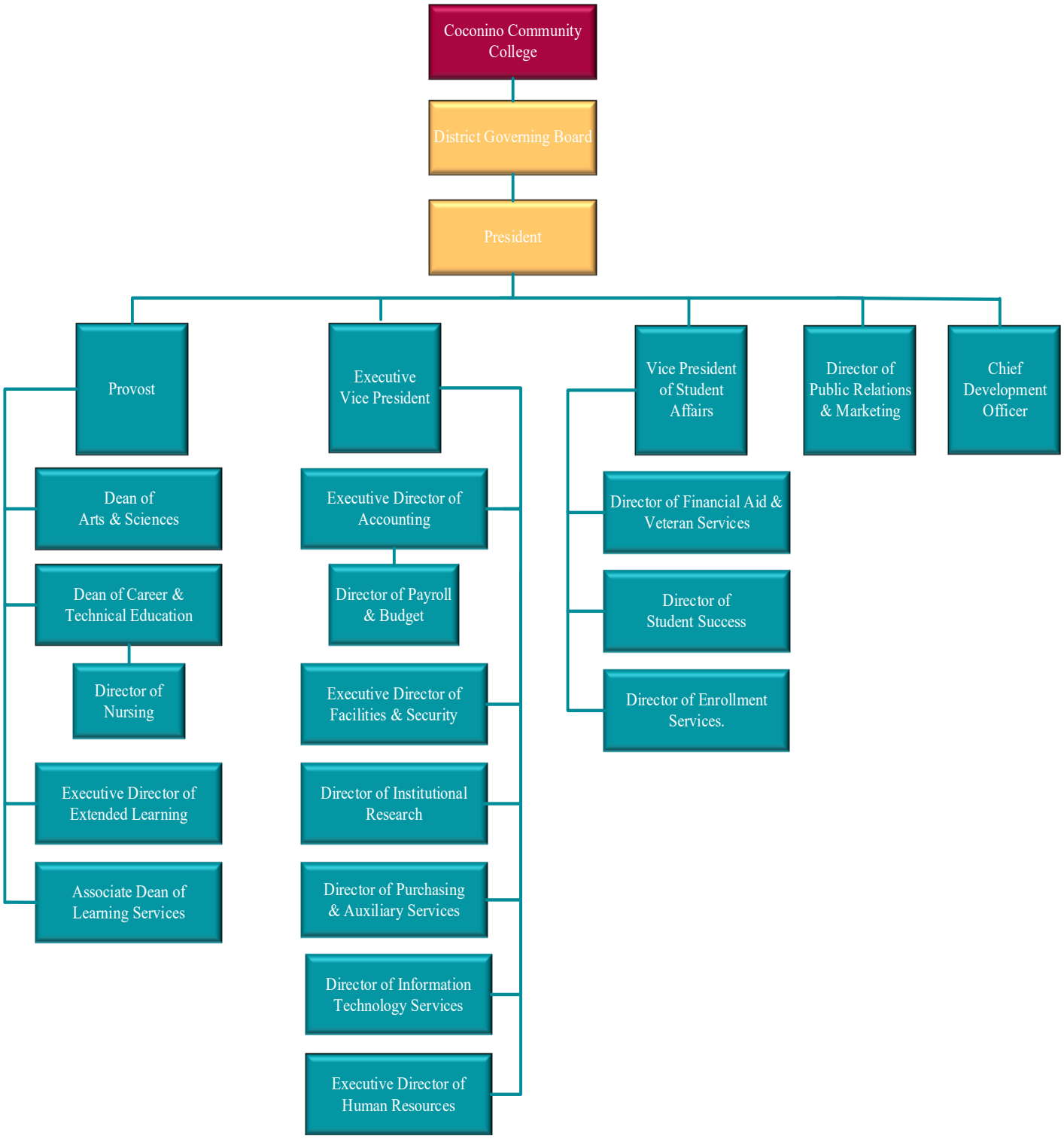
The College is a political subdivision of the State of Arizona and is subject to the oversight of the District's Governing Board (the Board), which is comprised of five elected members representing each of the five precincts of the County. These members are elected for six-year terms on a staggered basis. 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

Executive Administration
Dr. Colleen A. Smith, President
Dr. Jami L. Van Ess, Executive Vice President/CFO
Dr. J. Nathaniel Southerland, Provost/CAO
Anthony Williams, Vice President of Student Services/CSAO

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

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Challenges and Solutions
Board Priorities
July 1, 2022 - June 30, 2023

Challenges and Solutions

Introduction to Challenges and Solutions

As the CCC Administration began planning the FY23 budget, several challenges, opportunities, and solutions were identified that were factored into the budget planning cycle. This includes the continuing impacts of the second year of COVID including supply chain delays, increasing inflation, and a strong labor market. 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.

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

2021-2022 Board Priorities
The Board holds an all-day planning retreat in June of each year to develop priorities for CCC along with supporting 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 2021-2022 Board Priorities listed on the following page were used during the development of the FY23 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, 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.

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

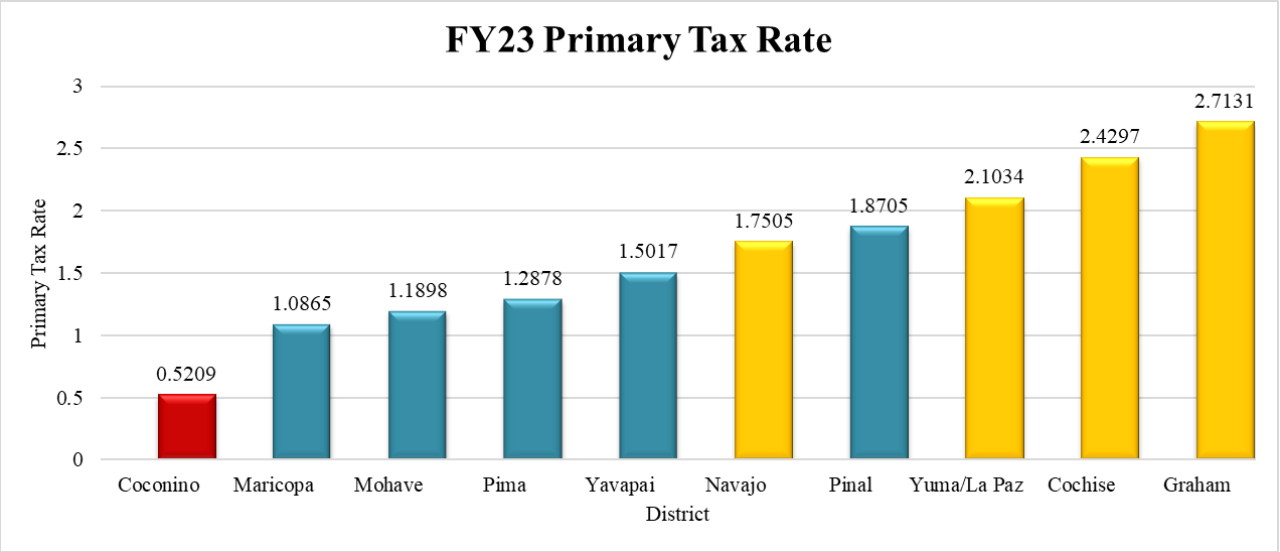
2021-2022 Board Priorities for CCC

District Governing Board Priorities for CCC	President/Administration Goals (Strategic Plan Targeted Action)
1. Financial oversight and financial sustainability – to address the challenge of limited financial resources.	a. Investigate/pursue a primary property tax election and provide information to the District Governing Board for decision making. (2.5.1) b. Work collaboratively with new grants position employee to develop proposals seeking large grants that serve "students first." (2.1.1) c. Begin the development of a CCC promise program and report to the District Governing Board. (1.2.2) d. Expand both Arizona and Federal Government Legislative work to seek Community College Funding. (4.1.1)
2. Be responsive to student and community needs.	a. Community outreach to pursue new partnerships with Business, Industry and Community organizations. (4.2.1) b. Continue the monthly all-employee virtual meetings to provide communication and engage experts from the community. (4.2.2) c. Leverage strength with high schools and follow recruitment plan as they open back up from the Pandemic. (1.2.1, 1.1.1) d. First year experience – develop processes to include every employee in making the first year the best year possible for students. (1.3.1, 1.3.2) e. Environmental scan/listening sessions throughout the County. (4.1.1) f. Encourage CCC workforce to wear College branded items to meetings in the community, share CCC branded items, and help with other branding initiatives. (Ideas: First Choice College Moving at the Speed of Business; Our Promise to Listen) (4.4.2) g. Community outreach campaign that focuses on what's next for you with your community college. (3.4.1, 2.5.1)
3. Advance the College's diversity, equity, inclusion, and accessibility initiatives in measurable ways. Have all employee groups reflect on how they can participate and support these initiatives.	a. Utilize All-College meetings and training sessions to seek input and help move the College forward with this initiative. Develop commonality and shared language around diversity and inclusion. (1.1.2) b. Enhance training for hiring committees. (1.1.2) c. Develop co-curricular strategies to engage in civil dialogue, important conversations, and different experiences in facilitated dialogue. Have schedule ready when faculty return in the Fall to allow faculty to incorporate into their classes. (1.1.2) d. Advertise early and allow time to market events effectively. (1.1.1, 1.2.1) e. Plan discussions throughout the year that aren't tied to specific months or dates and be sure to incorporate all communities in discussions. (Example- do any communities ever accidentally get left out such as LGBTQIA+) Have faculty and student affairs collaborate to plan. (1.4.2, 1.4.4) f. A place for me: dedicated multicultural center or separate Native American/ Hispanic centers. Develop a plan for a ceremonial space on campuses in Flagstaff and Page. (1.4.4) g. Prepare our employees and students to enter a zone of being uncomfortable. Be brave, be resilient, be a stronger member of our community. (1.4.4)

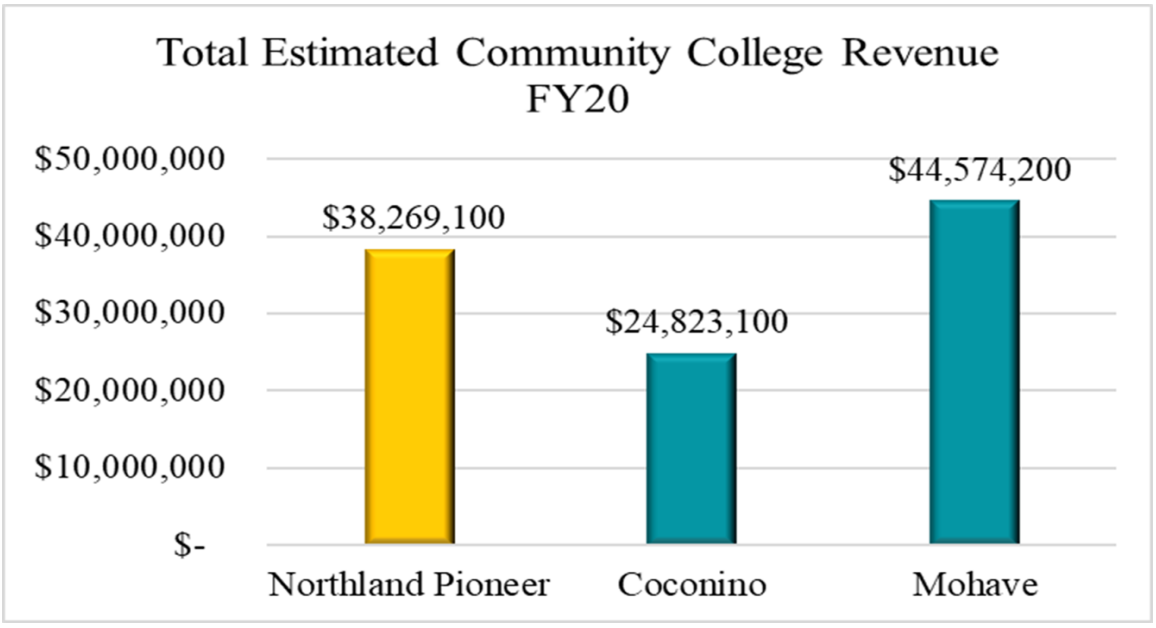
Challenges and Solutions

Challenge - Long-Term Financial Stability

The Board's first priority is long-term financial stability. The College has 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, including the first phase of the property tax reset as shown in the ***FY23 Primary Tax Rate*** chart below.



The impact of the low property tax rate is more apparent in the FY20 revenue comparison chart shown below. Mohave Community College (Mohave District) and Northland Pioneer College (Navajo District) are also located in northern Arizona and serve similar numbers of students as Coconino; however, the total revenue these college's have is vastly more than Coconino. This funding disparity makes it more challenging to provide the career and technical programs requested by the community because they are more expensive to operate.

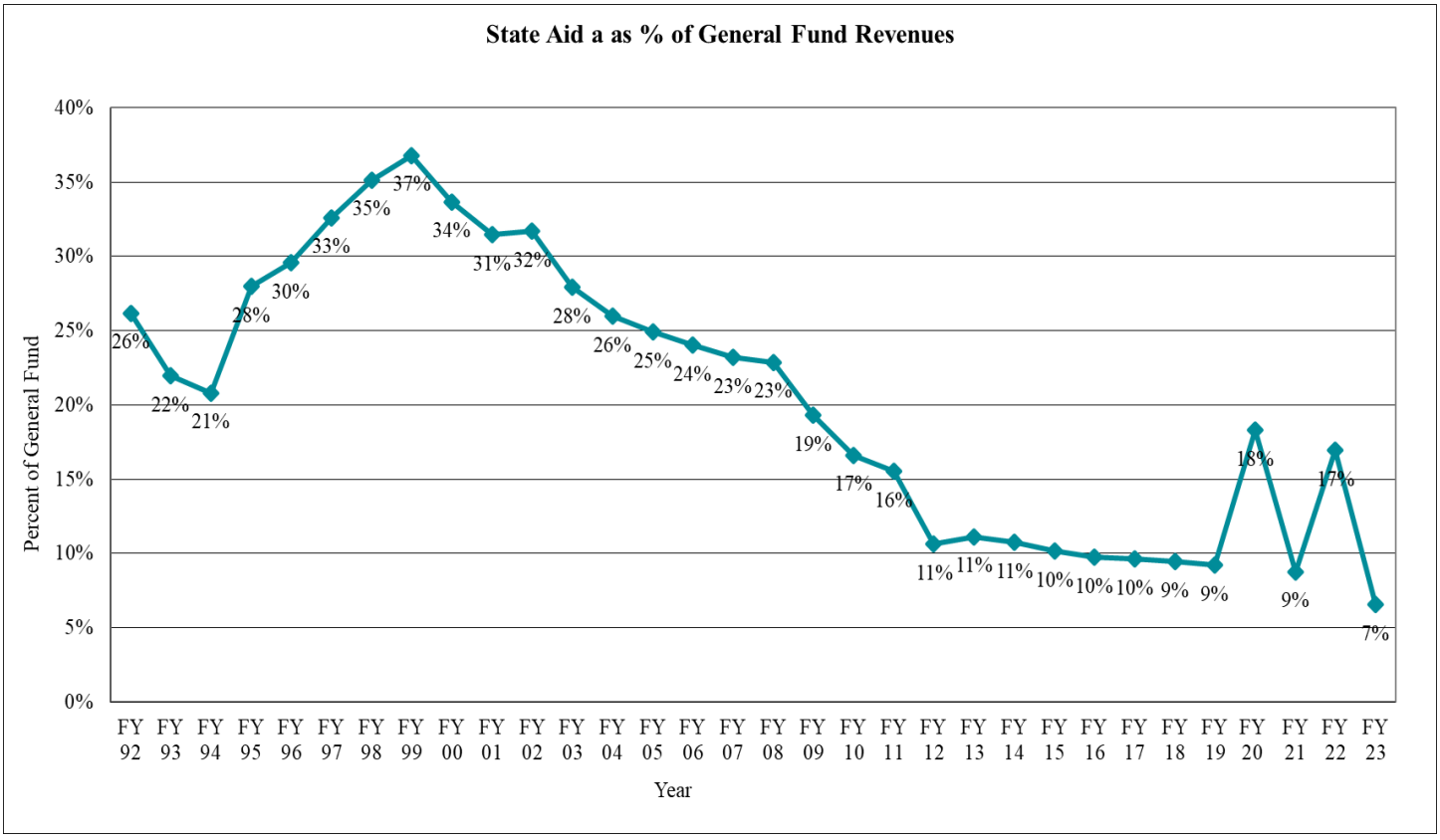


Challenge - Long-Term Financial Stability (continued)

In FY98, the State of Arizona (State) provided nearly 40% of the College's General Fund budget as shown in the chart below. Then the State began to steadily reduce state appropriations compounding the College's financial challenges. In FY08, the cost cutting became even more drastic because of the "Great Recession" and CCC's funding was cut in half.

State Aid continued to be reduced slowly until FY19, resulting in the state only providing 9% of the College's General Fund budget. For comparison, state funding received by the College in FY19 was the same amount it received in 1993 (in real dollars) and the College was serving 700 more full-time equivalent students than in 1993.

In FY20 and FY22, the rural colleges received "one-time funding" allocations from the State, which are reflected in the two spikes on the "State Aid" chart (below). One-time funding is certainly helpful, but can only be used for one-time or short-term projects and not ongoing College operations. The low state funding continues to make long-term planning for academic programs more challenging.



Challenges and Solutions

Solution - Financial Planning and New Revenue Streams

In assessing the long-term financial sustainability of the College, extensive cost-cutting had taken place for years and any further reductions would cut the limited programs the College had left. The College turned to actively pursuing new revenue sources within state appropriations, grants (federal, state, private, etc.), and property taxes to fund community requests for new programs.

State Appropriations

The State's economy has been strong and the community college Presidents have been able to successfully secure additional one-time and on-going funding for rural colleges. The new Prop 207 Smart and Safe Arizona funding from the legalization of Marijuana is restricted for STEM and Workforce programs. These funding sources will help to sustain costly career and technical programs as well as much-needed student support services.

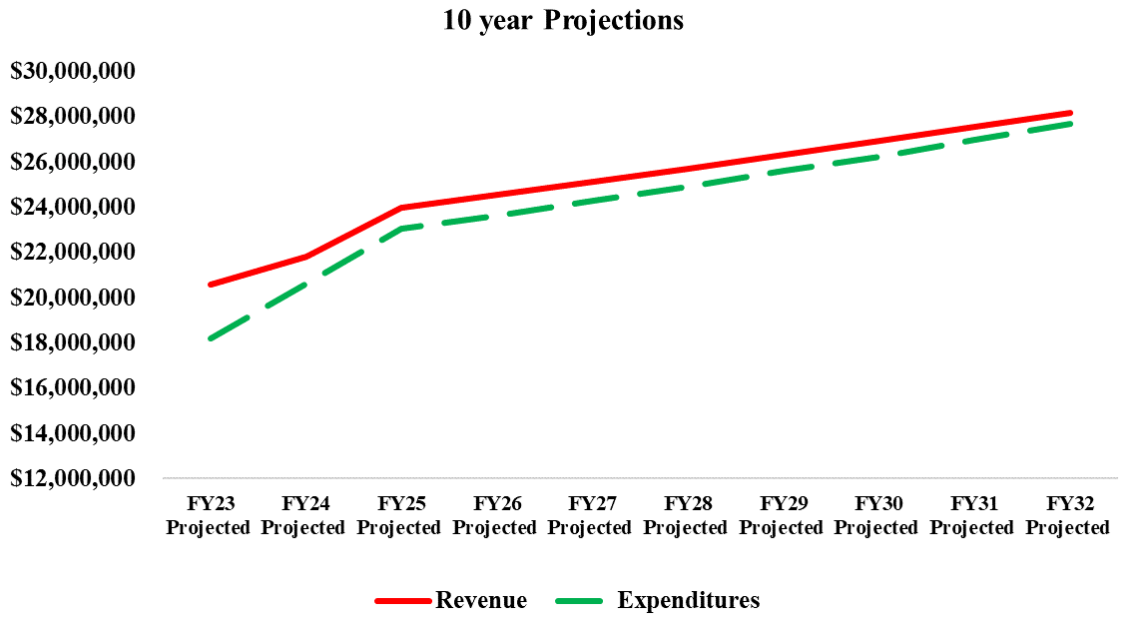
Grants

The College reallocated funding in FY22 to hire a full-time Grant Coordinator to help the College seek out new grant opportunities. A five-year grant from the US Department of Education for Native American Serving Non Tribal Intuitions has already been awarded, as well as several smaller grants.

Primary Property Tax Reset

At the December 2021 board meeting, the Board voted to present a ballot initiative to permanently increase the primary property tax rate in a May special election. While the results of the initiative were not known until very late in the budget development process, contingencies were built in to allow for increased budget capacity. The ballot initiative did pass and will provide an additional $6 million in permanent funding that will be phased in over three years as shown in the ***10-Year Projections*** below. The strong revenue projections in FY23 and FY24 also include one-time state and HEERF revenues. The increased property taxes continued to be phased-in during FY24 and FY25 and then return to normal growth levels.

For the expenditure side, the College is already ramping up new academic and student support programs for the Fall 23 term as prioritized by the ballot language. Details of the ballot language are shown on the next page.



Solution - Financial Planning and New Revenue Streams

Proposition 438

The Following is an excerpt of the ballot language that will guide the College and administration in implementing new academic programs and services countywide.

The funding generated from a primary property tax reset is intended for the following programs, but is not limited to use relative to the following programs:

- Initiate new career, technical education, and training programs that prepare Coconino County residents for jobs in Coconino County.
- Develop new programs to support veterans' training for civilian jobs.
- Develop new programs to train and re-train Coconino County workers, in collaboration with Coconino County employers and expand current job training programs.
- Continue and expand career and technical education programs that were established with one-time funding:
    - Automotive Technology
    - CDL (Truck Driving)
    - Early Childhood Education Certificate (Preschool Teachers)
    - Assisted Living Caregiver Certificate
    - Google IT Support Professional Certificate
    - Amazon Web Services Certificate
    - Cyber Security Associate of Applied Science
    - Increased Number of Students in Nursing Program
    - Marine Maintenance Technician
    - Welding Certification
    - Heating, Ventilation, and Air-Conditioning (HVAC)
- Expand and offer new career and technical training degree and certificate programs:
    - Additional Healthcare Programs
        - Ultrasound/Sonography Technician
        - Surgical Technician
        - Respiratory Therapist
        - Anesthesia Technician
    - Electric Car and Charging Station Technician
    - Manufacturing Technology
    - Police Academy
    - Paramedic
- Expand the scholarship program
- Enhance educational services throughout Coconino County, including communities such as Page, Tuba City, and Williams

The College may add additional programs requested by employers and communities as appropriate.

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 identified were 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, increasing tutoring, providing leadership development, and enhancing services for deferred action for childhood arrival (DACA) students. The focus on reviving life-long learning offerings was also a key opportunity identified.

President Smith continued to meet regularly with community leaders who had requested additional programs including Marine Technology, Automotive Technology, Veterinary Technology, Cybersecurity, and Commercial Truck Driving. The challenge has been sustaining these costly new career and technical programs with very limited resources.

Solution - Educational Planning and Additional State Funding

Based on the community feedback, the Academic Affairs leadership team developed educational plans to prioritize new academic programs and identify needed full-time faculty positions. 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 was put 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 position was added to the budget, 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 updated its educational plan and prioritized six additional full-time faculty positions for the FY23 budget as follows:

1. Art
2. Communications
3. Construction
4. Manufacturing Technician
5. Nursing and Allied Health
6. Paramedic

These additional resources will help the College make significant progress in meeting the stated educational needs of the community.

Challenges and Solutions

Challenge - Develop Equity Framework

CCC students have expressed a desire to have more access to faculty and staff members that look like themselves. The demographics from the Fall 21 term show that 21% of the students are Native American and 20% 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

In 2019, the District Governing Board adopted an official diversity statement submitted from the Diversity Committee 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 HR 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 full-time and part-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 HR 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.

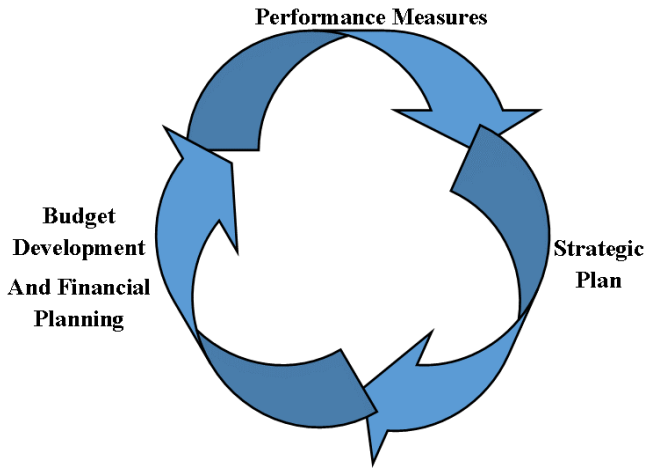
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Challenges and Solutions
Strategic Planning
July 1, 2022 - June 30, 2023

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 10 member AC4 Group of 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

FY22 Strategic Planning Priorities and Accomplishments

The chart below highlights updates from selected goals and tactics from the past fiscal year. The column on the right entitled "Status Notes" explains the accomplishments for FY22 Strategic Planning Priorities.

Priority	Targeted Actions	Tactics	Status Notes
Goal 1: CCC will help each student achieve success through a supported and individualized educational			
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	a) Free summer scholarships reallocated from CCC Scholarships - $65,000 b) Hired coach and started cross country program - funded by Foundation - $32,653 e) Hired temporary financial aid staff for additional FAFSA outreach/appeals - funded by stimulus funds - $100,000
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	a) Expanded adoption of Jot Forms - reallocated from IT b) Implemented texting program - stimulus funds c) Expanded remote delivery of classes and student services - stimulus funds
Goal 2: CCC will practice sustainability through responsible stewardship of economic, public, and environmental resources to accomplish its educational mission.			
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	a) Hired Grant Coordinator - reallocated from PR/Marketing funds b) Researched grant opportunities that are a good fit for the College's priorities c) Awarded Native American Serving Non-Tribal Institution Grant
	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	a) Institutional Research created data dashboards for SEM, academic, and student service areas to assess and improve services to students b) PR and Marketing is using data to better target communications with different student groups
Progressive Business Processes	2.4.1 Identify best practices and automation for effective and efficient internal processes	c) Expand adoption of current ERP and third-party programs: DegreeWorks, CPOS, FLAC, Salesforce, and CRM	c) Hired consultant to automate CPOS and improve DegreeWorks - allocated from IT Professional Service Funds
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.			
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	a) Hired Workforce Development Coordinator to develop and deliver training programs - reallocated from vacant position b) Expanded workforce training options available through alternative delivery c) Assessed and provide programs like CDL to adult learners
	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 c) Use distance delivery to expand outreach and accessibility of education and program assistance through the SBDC	a) Received additional SBDC funds from the state c) Expanded services available via distance delivery
	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	a) Researched P3 best practices b) Approved by DGB c) Hired developer and completed contracts e) Included City of Page in bi-weekly project meetings
Goal 4: CCC will strengthen Community Engagement in support of student success through advocacy, strategic partnerships, and new funding raising initiatives.			
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	a) Provided automotive and truck driving program through partnerships and third-party contracts

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 ten 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 2021 state and CCC information is presented below along with the key indicating colors:

Access Measures	CCC FY20	State Average	dif
Full-time Student Enrollment (FTSE)	1,877		
Total Enrollment	5,363		
Minority	44.9%	48.1%	-3%
Age 25+	26.0%	33.8%	-8%
Pell Grant	20.1%	27.1%	-7%
Alternative Delivery	82.1%	70.9%	
College-going	15.6%	31.0%	-15%
Cost	23.9%	15.3%	9%
Retention and Completion Measures			
Developmental Course Success - Math	87.9%	58.2%	30%
Developmental Course Success - Reading	92.3%	72.7%	20%
College Level Course Success - Math	48.0%	38.7%	9%
College Level Course Success - English/Reading	69.9%	54.1%	16%
College Level Course Success	92.9%	76.1%	17%
Percent Full-time Learners completing 42 credits	39.1%	47.2%	-8%
Percent Part-time Learners completing 24 credits	52.1%	54.7%	-3%
FA-SP Retention	84.1%	91.5%	-7%
FA-FA Retention	63.3%	79.6%	-16%
Annual Degree/Certificate Completion	33.3%	35.1%	-2%
Transfer Rate after CCC Completion	71.9%	62.3%	10%
Overall Transfer Rate	42.6%	29.9%	13%

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 High School to CCC 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 and Completion
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. The SEM committee will continue tracking trends and evaluate initiatives of the recruitment and retention subcommittees to strengthen and improve the 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 developing the FY23 budget, a number of challenges and solutions were identified and incorporated into the budget development process. The most significant challenges continue to be addressing effects of the COVID-19 pandemic including a strong job market, low enrollments, supply chain delays, and high inflation. The decline in infection rates and additional funding provided some relief as is reflected in the budget. The sections below will give a high-level overview of selected challenges and initiatives that were important considerations for budget development and the resource allocation decisions.

Enrollment Decline and Tuition Freeze
Because of uncertainties of the COVID-19 pandemic and increased student responsibilities outside of college, CCC experienced a 20% decline in enrollment. For this reason the Board decided against raising tuition for a second year in a row. In addition, the College offered free summer tuition scholarships to local high school students to encourage them to continue their education.

High Employee Turnover and Cost of Living Rates
Similar to the rest of the nation, the College has experienced very high turnover and vacancy rates as employees chose to leave the workforce or accepted other opportunities. Additionally, Coconino County 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, driven primarily by housing costs. Conversely, the median income is about 4% less than the state median, resulting in a substantial gap between income and the cost of living in comparison to the rest of the state. This makes attracting and retaining qualified staff especially difficult. To address this CCC conducts biennial market studies to provide the most competitive compensation and benefits packages for employees.

Benefit Costs
CCC participates in the self funded Northern Arizona Public Employer Benefits Trust with six other local agencies to contain health care coverage. The medical contribution rates for FY23 increased by 4.8%, which was split proportionally between the College and employees and is in line with national trends. The College also provides Cafeteria funding to help employees pay for benefits.

Minimum Wage
In November 2016, Arizona voters approved Proposition 206, to increase the state minimum wage from $8.05 to $10.00 per hour by January 1, 2017, thereafter indexed by inflation. In the same election, the City of Flagstaff voters approved Proposition 414 (later amended by City Council), to increase the City minimum wage to $2 per hour above the state. These elections resulted in increasing the minimum wage to $15.50 per hour by January 1, 2022. The minimum wage increases are an unfunded mandate, so part-time staff and Federal Work-Study hours have been reduced as increased wages had to compete with other priorities.

Inflation
Supply chain shortages and a strong job market has pushed up inflation rates to record high levels. Departments across the College are experiencing increased costs for professional services, technology, maintenance agreements, utilities, and supplies. Funds needed to be allocated to cover these increased costs.

Resource Allocation
Because of the lower enrollments and the continuing impacts of COVID-19, there were limited resources available to fund new strategic planning requests for FY23. The Executive Leadership Council members worked with their team members to carefully evaluate budgets and reallocate resources first to advance strategic planning priorities. In addition, the College is using one-time state funds as seed money to start new academic programs and related student services. The following pages highlight selected tactics from the strategic plan and the respective resource allocation plans.

Challenges and Solutions

Solution - FY23 Strategic Planning Prioritization

Priority	Targeted Actions	Tactics
Goal 1: CCC will help each student achieve success through a supported and individualized educational experience.		
Student Success	1.1.1 Utilize marketing and promotional materials that reflect the ethnic, racial, geographic, socioeconomic, and age diversity of the County	c) In-person recruitment tactics – collaborate with high school advisors, NAU, community organizations, and leverage cultural events at CCC and in community
Student Success	1.2.2 Provide and promote activities and financial assistance to help students enroll in college	b) Promote athletic program and explore E-Sports league
Student Success	1.3.1 Develop successful student onboarding experiences	d) Include all aspects of starting college in the onboarding advising, registration, financial aid advising, payment, books/materials, ID and parking
Student Success, Teaching and Learning	1.4.3 Provide consistently high-quality courses and instructor engagement	f) Increase student access to faculty and mentoring program
Goal 2: CCC will practice sustainability through responsible stewardship of economic, public, and environmental resources to accomplish its educational mission.		
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	b) Ensure current grants are being fully utilized
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)
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.		
Entrepreneurial Initiatives, adaptability, flexibility,	3.4.1 Develop student and workforce housing in Page through a public private partnership (P3)	a) Identify best practices e) Collaborate with the City of Page
Goal 4: CCC will strengthen Community Engagement in support of student success through advocacy, strategic partnerships, and new funding raising initiatives.		
Advocacy	4.1.1 Develop and extend to various constituencies information concerning local, state, and national advocacy agenda	a) Increase DGB, College Community, and External Community participation in advocacy education b) Listening sessions throughout the County to determine specific needs for program offerings and ideas for financial support c) Increase participation in Champions and mobilize their outreach efforts with various communities d) Increase marketing efforts for events held at the College with college funding materials available at all events

Challenges and Solutions

Solution - FY23 Strategic Planning Prioritization (continued)

Primary Person Responsible	Status Notes	Reallocation/funding
Goal 1: CCC will help each student achieve success through a supported and individualized educational experience.		
Vice President of Student Services	c) Hire Coordinator for NASNTI and Recruit first cohort of Native American Students into Summer Bridge Program	NASNTI Funding
Vice President of Student Services	b) Support NJCAA & ACCAC membership to promote Cross Country team	$7,901
Vice President of Student Services	d) Continue temporary financial aid staff for additional FAFSA outreach/appeals - funded by stimulus funds - $38,437 d) Hire advisor for NASNTI Native American Student Cohort - NASNTI $65,645	HEERF NASNTI Funding
Provost	f) Hire six additional full-time faulty members and increase 2 part-time coordinators to full-time - $778,867	Rural State Aid, Prop 207
Goal 2: CCC will practice sustainability through responsible stewardship of economic, public, and environmental resources to accomplish its educational mission.		
Executive Vice President	a) Hire COVID Safety Coordinator with HEERF - $77,756 b) Increase 2 part-time security officers to full-time with HEERF - $128,714	HEERF
Executive Vice President	c) Increase to support Salesforce, CRM - $5,500 e) Increases to support automation - Zoom, Digarc, KnowBE4, JotForm, Omnigo, Argos, FormFusion, Intellicheck, Mogli, Proctorio, DakTronics, Duo - $104,000	$109,500
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.		
President Executive Director of Extended Learning	a) Research P3 best practices - time e) Include City of Page in bi-weekly project meetings - time	Public Private Partnership
Goal 4: CCC will strengthen Community Engagement in support of student success through advocacy, strategic partnerships, and new funding raising initiatives.		
President	a) - d) Hired Community Outreach Coordinator with HEERF - 76,248	HEERF

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. Training for on-line course delivery continued throughout the pandemic for new faculty members.

Full-Time Faculty
The ratio of credits taught by full-time faculty compared to part-time faculty at CCC is lower than recommended by best practices. 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 five years, for a total of eleven new full-time faculty members from FY17 through FY23. Additional Rural State funding and Proposition 207 funding have been earmarked to add faculty members.

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, others chose to only teach 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, procedures have been developed that requires all newly hired instructors to meet minimum credential standards before being considered for teaching.

Completion
There are many factors that result in community colleges nation-wide reporting lower completion rates than four-year institutions. CCC's completion rate is below average, but has improved steadily over the past several years due to College retention and completion initiatives.

Annual Financial Plan

July 1, 2022 - June 30, 2023

VISION

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

Coconino Community College

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.

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 requested process was implemented and positively received by the DGB, and 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 - increase tuition rates by the Consumer Price Index (CPI)
- 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.

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 suspended general operational funding for the two largest community college districts for many years, 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 10th of each year, the County Assessor's Office provides assessed valuations needed to calculate the primary and secondary property tax levies. The primary levy cannot exceed the prior year levy by more than two percent plus new construction added to the tax rolls. Due to CCC's low tax rate, the Board typically adopts the maximum allowed tax levy.

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.

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 70% 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, 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.

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.

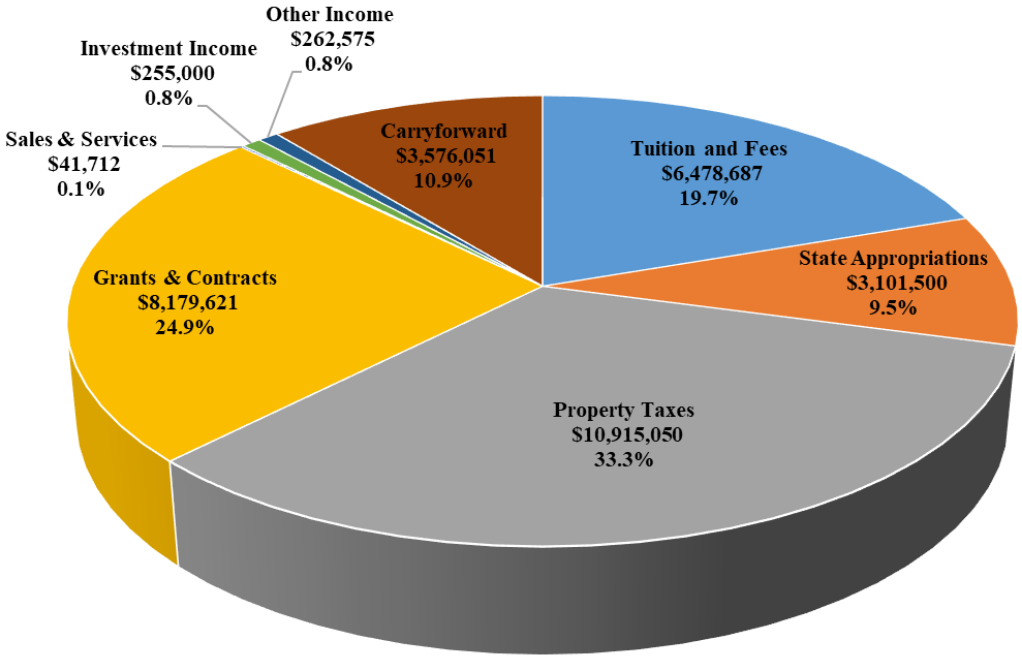
Equipment
The College allocates funding for equipment annually depending upon available funding, recent allocations are as follows:

- 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.

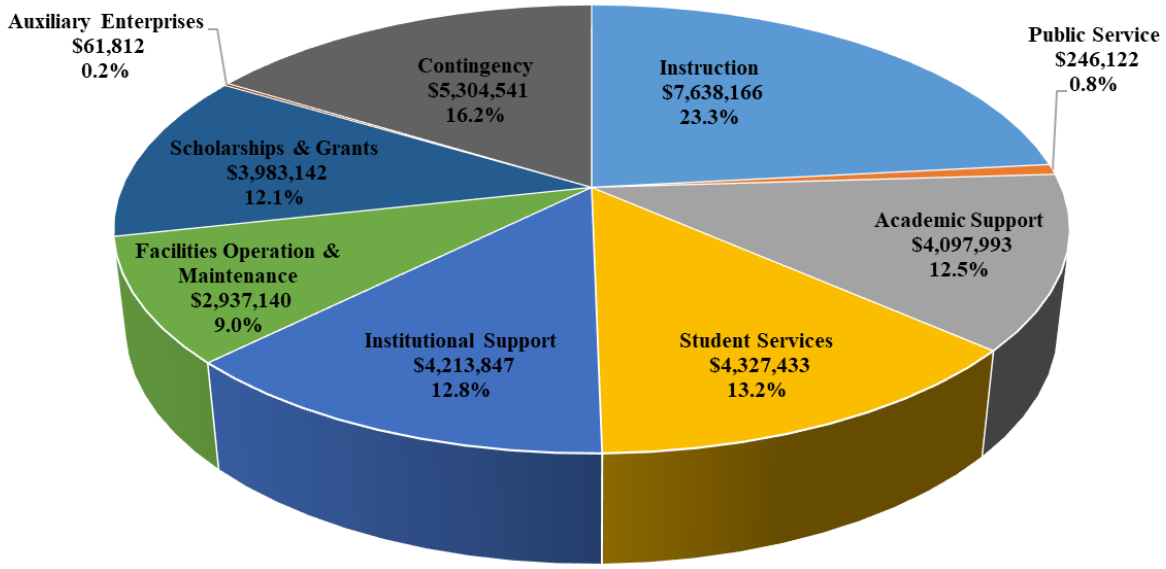
President's Contingency Fund
An allowance of $100,000 is budgeted for unforeseen expenditures and is approved by the President. Some of the funds can be used to provide a funding mechanism for faculty, staff, and students in developing and implementing innovative projects that will generate revenue, 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.

All Funds - FY23 Revenue
$32,810,196



All Funds - FY23 Expenditures by Program
$32,810,196



Annual Financial Plan

All Funds

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

	FY22 Budget	FY23 Budget	FY23 % Change
Revenues			
Tuition and Fees	$ 7,508,482	$ 6,478,687	-13.7%
State Appropriations	3,576,627	3,101,500	-13.3%
Property Taxes	8,780,587	10,915,050	24.3%
Grants and Contracts	12,417,264	8,179,621	-34.1%
Sales and Services	50,453	41,712	-17.3%
Investment Income	225,000	255,000	13.3%
Other Income	299,581	262,575	-12.4%
Total Revenues	**$ 32,857,994**	**$ 29,234,145**	**-11.0%**
Other Financing Sources (Uses)			
Carryforward	$ 3,548,874	$ 3,576,051	0.8%
Transfer In	699,532	747,674	6.9%
Transfer Out	(699,532)	(747,674)	6.9%
Total Other Financing Sources (Uses)	**$ 3,548,874**	**$ 3,576,051**	**0.8%**
Total Revenues and Transfers	**$ 36,406,868**	**$ 32,810,196**	**-9.9%**
Expenditures by Program			
Instruction	$ 6,719,875	$ 7,638,166	13.7%
Public Service	227,019	246,122	8.4%
Academic Support	3,721,045	4,097,993	10.1%
Student Services	3,917,172	4,327,433	10.5%
Institutional Support	7,853,645	4,213,847	-46.3%
Facilities Operation & Maintenance	1,897,681	2,937,140	54.8%
Scholarships & Grants	6,337,293	3,983,142	-37.1%
Auxiliary Enterprises	62,453	61,812	-1.0%
Property Tax Judgement	264,527	-	-100.0%
Contingency	5,406,158	5,304,541	-1.9%
Total Expenditures	**$ 36,406,868**	**$ 32,810,196**	**-9.9%**
Expenditures by Object			
Personnel Services	$ 16,365,323	$ 18,267,064	11.6%
Contractual Services	870,161	842,042	-3.2%
Supplies	4,627,569	1,008,750	-78.2%
Fixed Charges	1,128,295	1,252,722	11.0%
Utilities	564,347	622,317	10.3%
Travel	273,925	308,539	12.6%
Scholarships	6,339,671	3,975,429	-37.3%
Capital Equipment	271,300	944,378	248.1%
Miscellaneous/Other	295,592	284,414	-3.8%
Property Tax Judgement	264,527	-	-100.0%
Contingency	5,406,158	5,304,541	-1.9%
Total Expenditures	**$ 36,406,868**	**$ 32,810,196**	**-9.9%**
Excess of revenues and other sources over/(under) expenditures	**$ -**	**$ -**	**0.0%**

*Excludes net investment in Plant Fund

Annual Financial Plan

All Funds

FY23 Budget Summary - For Year Ended June 30th

	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Total All Funds
Revenues					
Tuition and Fees	$ 6,478,687	$ -	$ -	$ -	$ 6,478,687
State Appropriations	2,785,300	316,200	-	-	3,101,500
Property Taxes	10,915,050	-	-	-	10,915,050
Grants & Contracts	189,000	7,990,621	-	-	8,179,621
Sales & Services	-	-	41,712	-	41,712
Investment Income	255,000	-	-	-	255,000
Other Income	262,575	-	-	-	262,575
Total Revenues	**$ 20,885,612**	**$ 8,306,821**	**$ 41,712**	**$ -**	**$ 29,234,145**
Other financing sources (uses)					
Carryforward	$ 3,196,270	$ -	$ -	$ 379,781	$ 3,576,051
Transfer In	55,067	72,107	20,100	600,400	747,674
Transfer Out	(692,607)	-	-	(55,067)	(747,674)
Total other financing sources (uses)	**$ 2,558,730**	**$ 72,107**	**$ 20,100**	**$ 925,114**	**$ 3,576,051**
Total Revenues and Transfers	**$ 23,444,342**	**$ 8,378,928**	**$ 61,812**	**$ 925,114**	**$ 32,810,196**

	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Total All Funds
Expenditures by Program					
Instruction	$ 5,013,750	$ 2,624,416	$ -	$ -	$ 7,638,166
Public Service	-	246,122	-	-	246,122
Academic Support	3,730,904	367,089	-	-	4,097,993
Student Services	3,315,033	1,012,400	-	-	4,327,433
Institutional Support	4,022,997	190,850	-	-	4,213,847
Facilities Operation & Maintenance	1,852,617	199,909	-	884,614	2,937,140
Scholarships & Grants	245,000	3,738,142	-	-	3,983,142
Auxiliary Enterprises	-	-	61,812	-	61,812
Property Tax Judgement	-	-	-	-	-
Contingency	5,264,041	-	-	40,500	$ 5,304,541
Total Expenditures	**$ 23,444,342**	**$ 8,378,928**	**$ 61,812**	**$ 925,114**	**$ 32,810,196**

	General Fund	Restricted Fund	Auxiliary Fund	Unexpended Plant Fund	Total All Funds
Expenditures by Object					
Personnel Services	$ 14,237,395	$ 4,018,857	$ 10,812	$ -	$ 18,267,064
Contractual Services	792,319	49,423	300	-	842,042
Supplies	699,613	278,337	30,800	-	1,008,750
Fixed Charges	1,216,297	28,325	8,100	-	1,252,722
Utilities	563,072	59,245	-	-	622,317
Travel	227,605	69,134	11,800	-	308,539
Scholarships	245,000	3,730,429	-	-	3,975,429
Capital Equipment	-	59,764	-	884,614	944,378
Miscellaneous/Other	199,000	85,414	-	-	284,414
Property Tax Judgement	-	-	-	-	-
Contingency	5,264,041	-	-	40,500	5,304,541
Total Expenditures	**$ 23,444,342**	**$ 8,378,928**	**$ 61,812**	**$ 925,114**	**$ 32,810,196**
Excess of Revenues and Other Sources Over/(Under) Expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

All Funds - Faculty and Staff Statistics

Salaries and benefits represent the largest expense for the College. The schedule below provides an all funds two-year comparison of salaries and benefits by employee type. In addition, the number of full-time equivalent positions are provided. For FY23, total compensation has increased primarily due to compensation adjustments and additional full-time positions. Total benefits increased by health benefits contribution increases and cafeteria funding increase.

Two-Year Comparative Analysis
Faculty and Staff Statistics

	FY 2021/2022 Budget	FTE	FY 2022/2023 Budget	FTE	Change	Percent Change	FTE Change
Full-time Faculty	$ 2,852,250	42	$ 3,448,049	48	$ 595,799	21%	6
Part-time Faculty	1,314,138	48	1,144,082	41	(170,056)	-13%	-7
Full-time Administrative Staff	2,164,155	20	2,323,194	20	159,039	7%	0
Full-time Professional and Classified Staff	4,882,696	100	5,478,743	110	596,047	12%	10
Part-time Hourly Staff	874,716	18	911,799	19	37,083	4%	1
Subtotal Wages	$ 12,087,955	228	$ 13,305,867	238	$ 1,217,912	10%	10
Subtotal Benefits	4,277,368		4,961,197		683,829	16%	
Total Wages and Benefits	**$ 16,365,323**		**$ 18,267,064**		**$ 1,901,741**	**12%**	
Benefits as Percentage of Wages	35%		37%				

Compensation:

Full-time Faculty—2% step (includes a step for at top of the scale) plus 2% added to the faculty schedule for an average increase of 4% starting Fall Term 2022

Part-time Faculty—margining from two tiers of $903 and $922 to a single rate of $935 per load hour starting Fall 2022.

Full-time Administrative, Professional/Technical, and Classified Staff—4% increase effective July 1, 2022.

Part-time Staff—adjustments for the minimum wage to the schedule.

Benefits:

Cafeteria Fund—continue the $80 per month increase approved in December for an increase of $960 per year totaling $5,640 annually.

Health Plan Contributions—the College will increase health care contributions rates by 4.8% for all plans. The Northern Arizona Employee Benefit Trust (NAPEBT) increased contributions rates by 6.5% fir the Buy-up plan and 4.8% for the Base and HDHP.

Arizona State Retirement System (ASRS) - a decrease in the employee and employer contribution rates from 12.41% to 12.17%

New Full-Time Faculty Positions:
FT Faculty Art
FT Faculty Communications
FT Faculty Manufacturing Tech
FT Faculty CTM
FT Faculty Allied Health
FT Faculty Paramedic

New Full-Time Staff Positions:
EMS Coordinator
Fire Science Coordinator
SISS Program Retention Advisor
SISS Program Coordinator
Health and Safety Coordinator
Commmunity Outreach Coordinator
Adult Education Progam Assistant II
Financial Aid Representative
Security Guard II (Flagstaff)
Security Guard II (Page)

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 received in FY20. The College planned to use the one-time funds as seed money to start new programs over three years beginning in FY21. The final one-third of $352,188 carryforward is included in FY23.

Auxiliary Fund—Reserves primarily for future replacement of student calculators

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

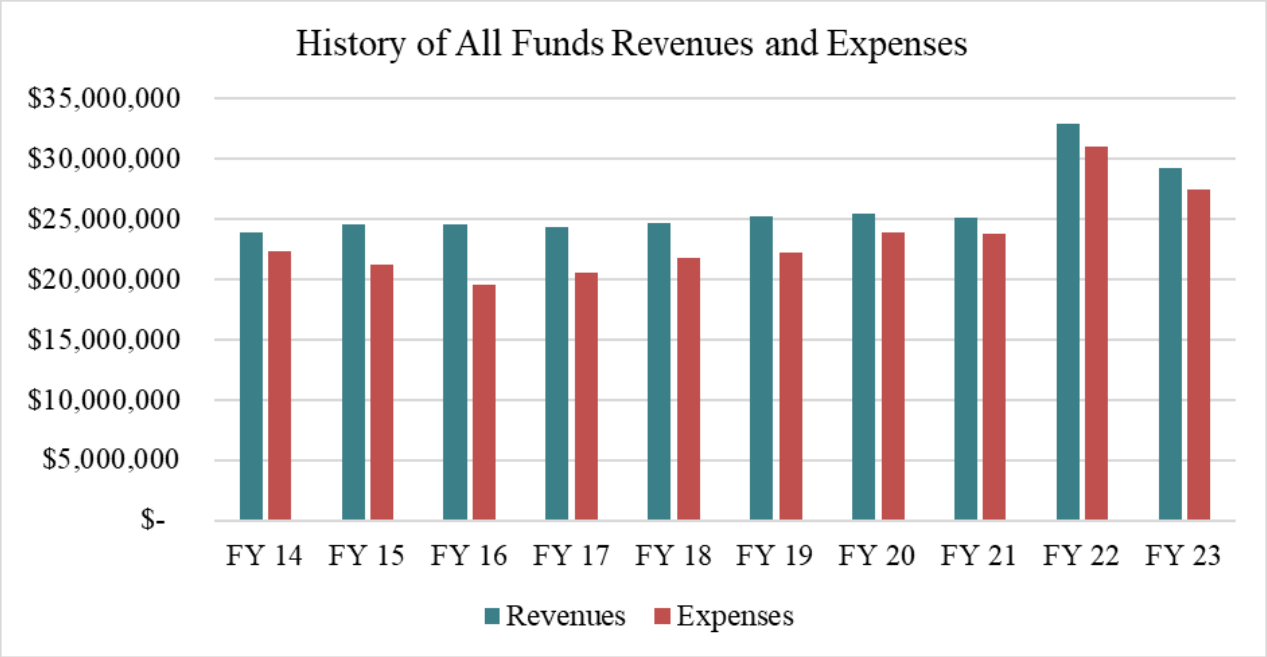
Debt Service—Restricted reserves resulting from delinquent property tax collections from the secondary levy

The all funds sustainability reserves $9,785,392 is just above the targeted 33% reserves of $9,647,268 outlined in the table below. This means that current reserves should be adequate to meet the operational and liquidity

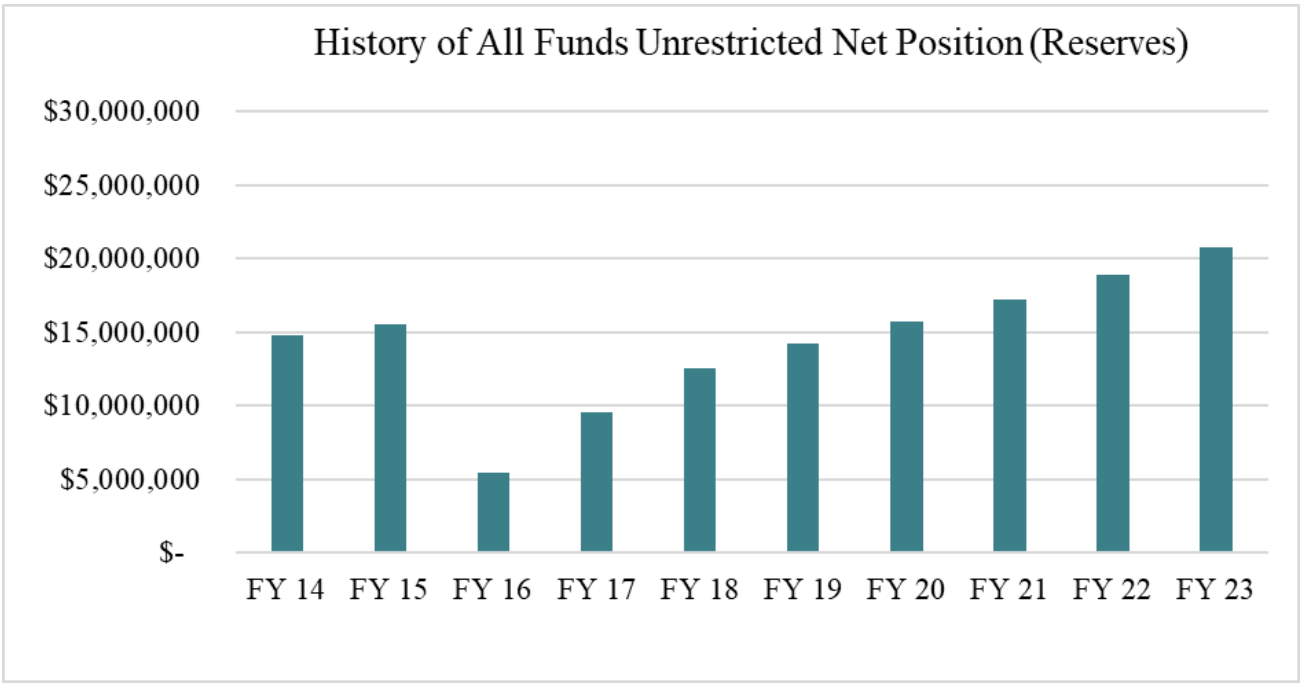
Proposed FY 23	Fund Balance General Fund	Auxiliary Fund	Plant Fund	Debt Service	All Fund Total
Debt Service - Reserves				$ 4,629	$ 4,629
Plant Fund - Preventative Maintenance Reserves			$ 5,553,798		5,553,798
Plant Fund - ITS Planned Replacement Reserve			-		-
Plant Fund - Copier Replacement Reserve			128,738		128,738
Auxiliary Fund - Reserve		$ 60,705			60,705
Balance Available for Sustainability Reserves	9,785,392				9,785,392
Amount reserved for One-time projects	196,720				196,720
Amount for Carry forward	$ 3,000,000				3,000,000
Ending Fund Balance	**$ 12,982,112**	**$ 60,705**	**$ 5,682,536**	**$ 4,629**	**$ 18,729,982**
Target Sustainability Reserves					
All Funds Revenues - Based on Budget					$ 29,234,145
All Funds Sustainability Reserves (33%) - Based on Budget					$ 9,647,268

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

The charts below show a 10-year history of revenues and expenses. Fiscal Years 2022 and 2023 are budgeted amounts.

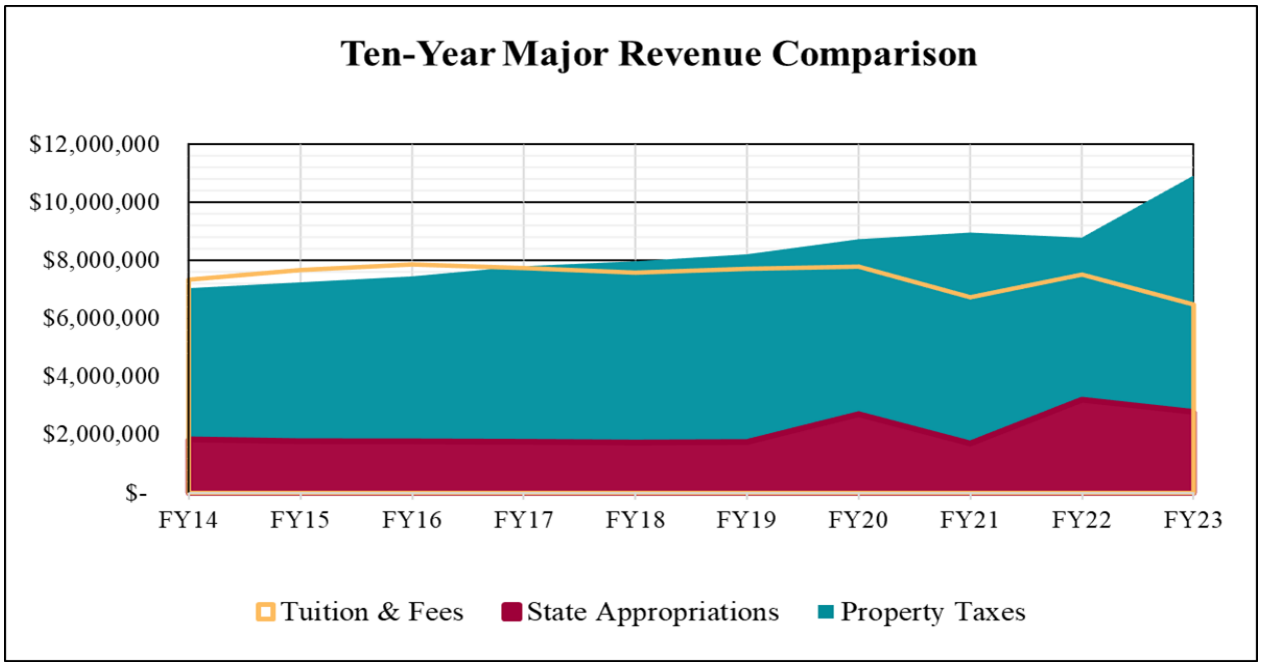


The charts below show a 10-year history of the difference from revenues and expenses that were added to net position (reserves) for the College. The significant decrease in net position in FY15 was due to the Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions*. Statement 68 required pension plans to recognize long-term pension obligations as a liability.

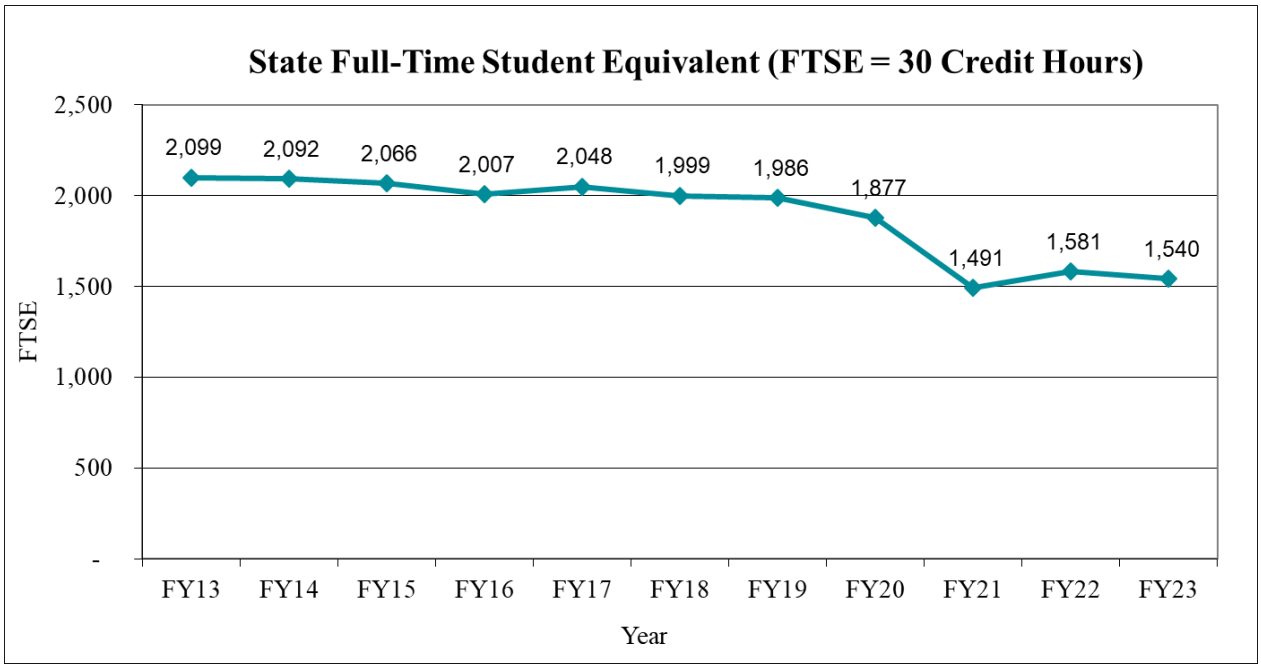


General Fund - Revenues

The General Fund has three major revenue sources: student tuition and fees, state appropriations, and property taxes. The chart below depicts changes in these revenue sources over a ten-year period showing an enrollment decline, changes from one-time rural appropriations, and the increase from the property tax reset in FY23.



Tuition and Fee revenue for FY23 is based on a projected State FTSE of 1,540. 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 do not count toward the state FTSE calculation. The FY23 projected FTSE anticipates sustaining enrollments from the return to in-person classes, but still an overall decline from FY22 due to ending the NAU leadership courses that were previously taught by CCC.



General Fund - Tuition and Fee Revenue

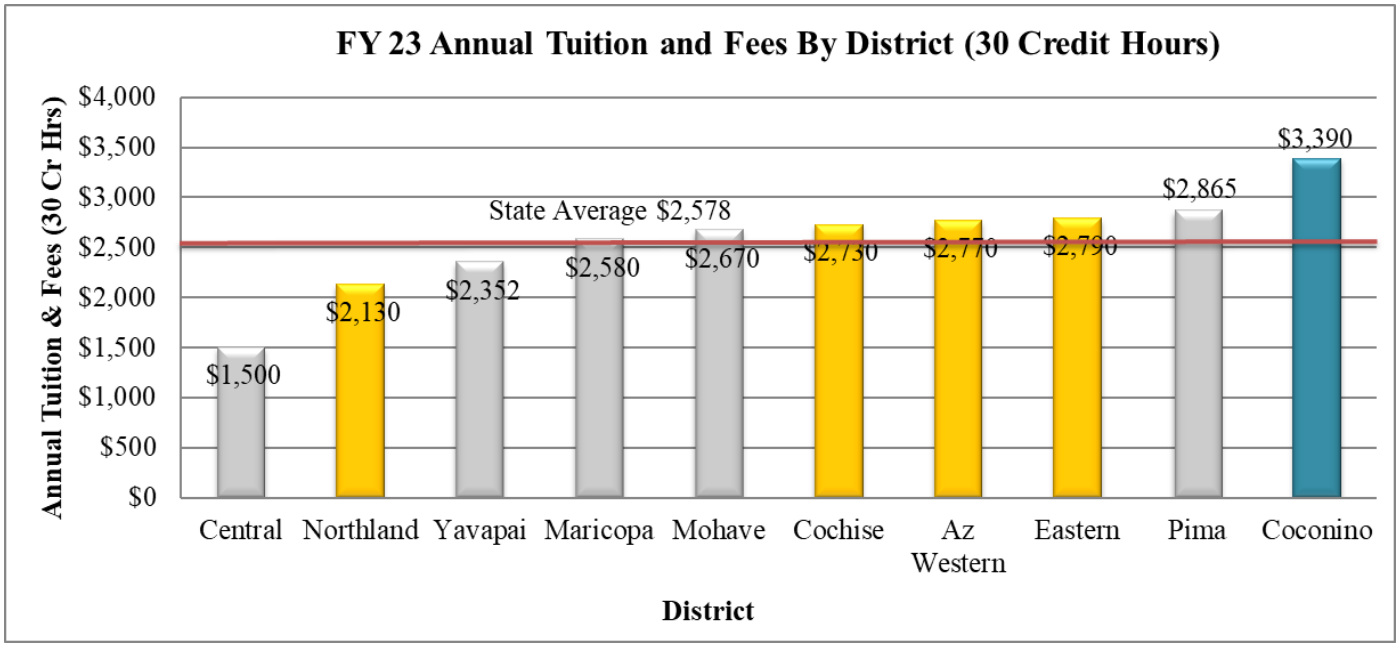
In FY11, CCC was forced to implement a large tuition increase of 13 percent due to the decline in state appropriation. Since FY14, the College has been able to maintain lower tuition increases as shown in the chart below. The Board did not increase tuition for FY22 or FY23 because of the pandemic.

Historic Tuition Rates - Standard Resident - Last 10 Fiscal Years

Fiscal Year	[A] Tuition per Credit Hour	[B] Tech Fee per Credit Hour	Tuition and Fee (per cr hr)	Annual Student Tuition	Change in $	% Increase
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%
FY23	$ 113	$ -	$ 113	$ 3,390	$ -	0.0%

[A] Per Credit hour includes student ID, transcripts, student activities, and technology
[B] Tech Fee included in per credit hour tuition rate beginning in FY17

Coconino Community College'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.



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

Two-Year Comparative Analysis

General Fund Tuition and Fees Detail	FY22 Budget	FY23 Budget	FY23 Enroll
General Tuition (Resident Tuition)	$3,089,546	$2,517,112	831
Out-of-State Tuition	383,311	296,940	28
Out-of-County Tuition	1,521,717	1,382,044	380
Out-of-County Reimbursement	278,000	166,572	
Differential Tuition Rates	345,337	376,717	
Out-of-State Tuition (WUE)	916,488	741,744	163
Out-of-State Tuition (WUE2)	43,050	42,420	7
Dual Enrollment Fee (Arts & Sciences)	54,270	57,825	214
Coconino Association for Vocations, Industry and Technology (CAVIAT)	68,625	90,600	20
Technology Fee (allocated from General Tuition)	409,772	349,367	
Scholarship tuition (allocated from General Tuition)	204,886	249,548	
Prior Learning Assessment (PLA)	1,770	1,800	
Non-credit classes (CPR, EMT, FSC)	32,000	45,000	
Fees (Parking, Transcripts, Graduation, ID, Testing, Etc.)	159,710	161,000	
Total Tuition and Fees	**$7,508,482**	**$6,478,688**	**1,643**

For FY23, the District Governing Board choose not to increase the standard tuition rates for in-county and out-of-county. 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 ***2022-2023 Tuition Schedule*** below shows the standard rates and differential tuition rates for each level and residency category.

2022-2023 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	$129.95	$169.50	$395.50
Specialty Higher Rates				
Differential Tuition Level 1 (+$5)	$118.00	$134.95	$174.50	$400.50
Differential Tuition Level 2 (+$10)	$123.00	$139.95	$179.50	$405.50
Differential Tuition Level 3 (+$15)	$128.00	$144.95	$184.50	$410.50
Differential Tuition Level 4 (+$20)	$133.00	$149.95	$189.50	$415.50
Differential Tuition Level 5* (+$25)	$138.00	$154.95	$420.50	$420.50
Differential Tuition Level 6* (+$30)	$143.00	$159.95	$425.50	$425.50
Differential Tuition Level 6.5* (+$40)	$153.00	$169.95	$209.50	$435.50
Differential Tuition Level 7* (+$50)	$163.00	$179.95	$445.50	$445.50
Differential Tuition Level 8* (+$80)	$193.00	$209.95	$475.50	$475.50
Differential Tuition Level 9* (+100)	$213.00	$229.95	$495.50	$495.50

*Levels 5-9: Students in the WUE program are charged non-resident tuition for any course specified in levels 5 through 9, plus applicable special course tuition rates and fees.

General Fund - State Appropriations

Steep declines in state aid began in 1998 due to the struggling economy and decreased tourist activity. The state appropriations shown below were estimates at the time the College budgets were adopted and different from actual appropriations. The FY23 state appropriations was estimated to decrease by $248,600 from the prior year based on the statutory formula. This formula funding increases or decreases from the prior year based on changes in the Full time Student Equivalent (30 credit hours per year) from the two most recent fiscal years. The state appropriations funding formula does not adjust for inflation nor does it account for more costly career and technical programs.

Additional one-time aid to rural institutions began sporadically in 2020 as the State had additional money. In FY22 the amount budgeted was $1,313,900. The FY23 rural aid is $1,407,500 for a budget increase of $93,600 over the prior year. It is anticipated that $520,856 is one-time and $886,644 will be ongoing

The FY22 one-time Transwestern appropriation was allocated to repay a property tax judgement. In total the budgeted state appropriations for FY23 decreased by $419,527 from the prior year.

State Appropriations Revenue Projections

Two-Year Comparative Analysis

STATUTORY CALCULATION A.R.S. §15-1466 Subject to legislative appropriation	FY 22 Projected	FY 23 Projected
FTSE Change:		
Total Audited FTSE third most recent fiscal year	1,986	1,877
Total Audited FTSE second most recent fiscal year	1,877	1,491
Increase/(decrease)	(109)	(386)
Non Dual Enrollment Audited FTSE third most recent fiscal year	1,799	1,664
Non Dual Enrollment Audited FTSE second most recent fiscal year	1,664	1,307
Increase/(decrease)	(135)	(357)
Average Appropriation Per FTSE (Non Dual Enrollment)	590	669
Non Dual Enrollment Growth	$ (79,700)	$ (238,900)
Dual Enrollment Audited FTSE third most recent fiscal year	187	213
Dual Enrollment Audited FTSE second most recent fiscal year	213	184
Increase/(decrease)	26	(29)
Average Appropriation Per FTSE (Dual Enrollment @ 50%)	295	335
Dual Enrollment Growth	$ 7,700	$ (9,700)
State Appropriation	$ 1,626,400	$ 1,377,800
State Aid Special One-time and Ongoing Rural Appropriation	1,313,900	1,407,500
State Aid Special One-time Transwestern Appropriation	264,527	
Total Maintenance and Operations State Appropriations	**$ 3,204,827**	**$ 2,785,300**

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 reflects 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%, the tax rate is forced down resulting in declining tax rates. Then, the derived tax rate is applied to the new construction. New construction growth averages approximately 1% per year. Because of the low tax rate and long-term financial challenges, the Board typically approves the maximum allowed tax levy.

In May 2022 the voters approved a ballot initiative to reset the primary levy by $6 million to be phased in over three years beginning in FY23. The FY22 levy was $8,717,587, plus $2 million for the first phase of the tax reset, which derived a tax rate of .5209 to be applied to all property for the current year. The adopted levy for FY23 is $10,829,050 as shown on line 8.

Finally, adjustments to the statutory calculation include in-lieu and excise taxes that the College is eligible to receive.

Tax Levy Limit A.R.S. §42-17051

Two-Year Comparative Analysis

STATUTORY CALCULATION	FY21/22 (Tax Year 2021) PROJECTED	FY22/23 (Tax Year 2022) PROJECTED
1) Maximum levy - prior tax year	$ 8,664,461	$ 10,715,587
2) Maximum levy prior tax year multiplied by 102%	8,837,750	na
3) Assessed value for current tax year of all		
property subject to tax in the preceding year	2,011,411,679	2,057,341,416
4) Paragraph 3 divided by 100, then divide paragraph 2		
by the resulting quotient; round to four decimal places	0.4394	0.5209
5) Assessed value of all property for current year	1,983,519,972	2,078,911,570
6) Paragraph 5 divided by 100 and multiplied by rate in para 4		
equals maximum allowable primary property tax levy	8,715,587	10,829,050
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	8,715,587	10,829,050
REVENUE PROJECTION ADJUSTMENT CALCULATION	**FY21/22 (Tax Year 2021) PROJECTED**	**FY22/23 (Tax Year 2022) PROJECTED**
9) Judgement (A.R.S. § 42-16214)	-	-
10) Actual Property Tax (4006)	-	-
11) Salt River Project/Other In-Lieu of Tax (DS-B1535-4004)	4,000	15,000
12) Lease excise Tax (in-lieu) and Parks on Federal lands (DS-B1535-4005)	61,000	71,000
13) HB 2508 Business Tax Exemption - effective FY2007 (tax year 2006)		
14) Delinquent property taxes (4007)		
Total property tax revenue	**$ 8,780,587**	**$ 10,915,050**

General Fund - Other Revenue and Transfers

Other revenue consists of grants, contracts, and administrative cost recovered and is 1% of the general fund budget, investment income is 2%, and other consists of 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.

Two-Year Comparative Analysis

Grants & Contracts	FY22 BUDGET	FY23 BUDGET
PELL ACA Revenue	$ 4,000	$ 4,000
Administrative Cost Recovered	60,000	60,000
Veterans Admins Cost Recovered	-	-
Foundation FMC Contribution	82,000	82,000
Non-credit contract training	23,000	43,000
Other Private Grants	-	-
Total Grants & Contracts	**$ 169,000**	**$ 189,000**

Investment Income	FY22 BUDGET	FY23 BUDGET
Investment Income	$ 225,000	$ 255,000
Total Investment Income	**$ 225,000**	**$ 255,000**

Other Income	FY22 BUDGET	FY23 BUDGET
Bookstore (Commissions)	$ 68,000	$ 50,000
Surplus Property	4,000	2,500
Parking Tickets	11,000	11,000
Temporary Facility Rental	5,000	8,000
Flagstaff Library (Lease)	115,795	118,690
CAVIAT (Lease)	34,693	-
Cell Phone Tower (Lease)	35,662	35,662
Deli (Lease)	5,583	5,723
Other Flagstaff College/ Phx Truck Driving (Lease)	5,848	17,000
Other	14,000	14,000
Total Other Income	**$ 299,581**	**$ 262,575**

Transfers	FY22 BUDGET	FY23 BUDGET
Transfers In	$ 14,800	$ 55,067
Transfers Out	(684,732)	(692,607)
Net Transfers	**$ (669,932)**	**$ (637,540)**

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 $11,065 as shown in the chart below. The current annual tuition cost for a resident to attend college full-time 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	1,875	1,643
Expenditure by Progam	FY22 Budget	FY23 Budget
Instruction	$ 2,706	$ 3,052
Academic Support	1,838	2,271
Student Services	1,821	2,018
Institutional Support	2,156	2,449
Facilities Operation & Maintenance	969	1,128
Scholarships & Grants	96	149
Total General Fund Cost Per FTSE	**$ 9,586**	**$ 11,065**

Program descriptions can be found on page 28.

General Fund - Non-Capital Equipment

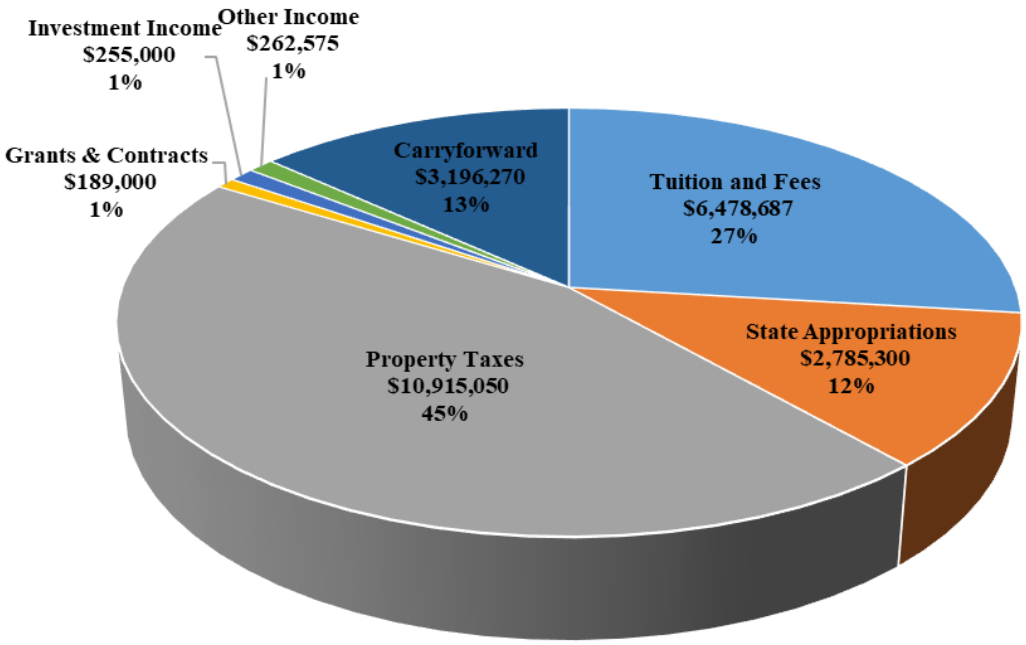
FY23 Preventative Maintenance (Life Cycle Replacement)
The College has 20-year preventative maintenance schedules that include major maintenance and replacement of items that normally impact the Plant Fund. The chart below shows the items that impact the General Fund for a total of $55,067. This covers 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 General Fund	Lone Tree General Fund	Page General Fund	Total
Deli Equipment	$ -	$ 4,000	$ -	$ 4,000
Exterior Window Frame & Tinting	18,500	-	-	18,500
Furniture Replacement	7,649	7,790	5,628	21,067
Interior Painting	3,500	4,000	4,000	11,500
Total	**$ 29,649**	**$ 15,790**	**$ 9,628**	**$ 55,067**

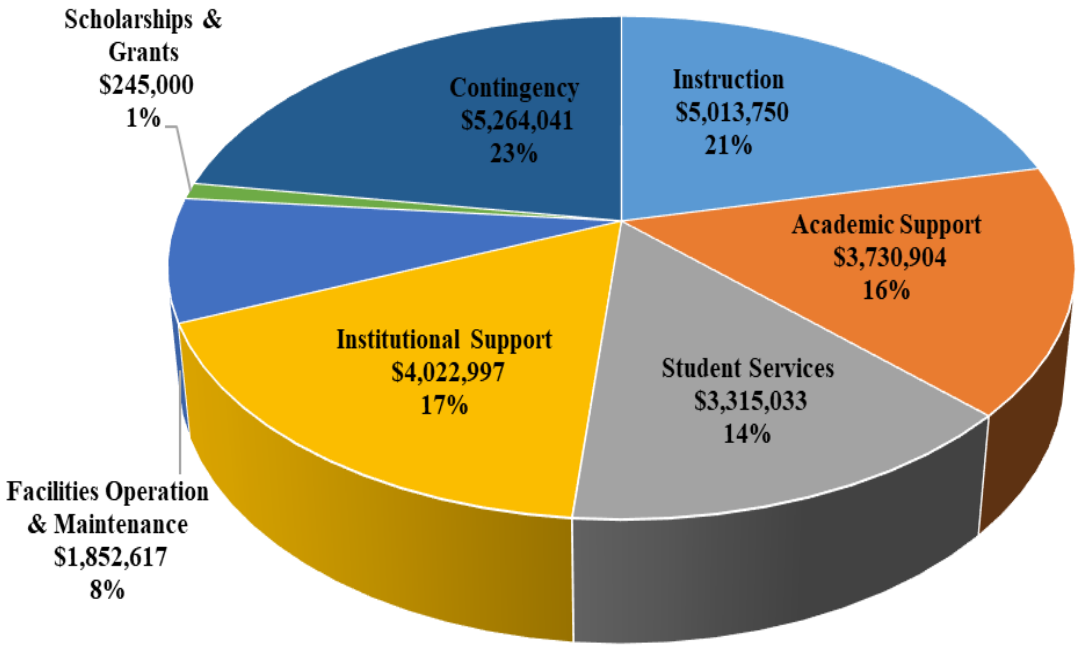
Other Equipment and One-time Requests
In FY20, the College budgeted $53,400 for other equipment and one-time requests. Beginning in FY21 and continuing through FY23, the College reallocated the other equipment budget to help support salary and benefit increases, as well as, other expenses without increasing 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 Leadership Council based on strategic planning initiatives and performance measures. Beginning in FY21 and continuing through FY23, the College reallocated the STEM equipment budget to help support salary and benefit increases, as well as, other expenses without increasing the overall budget.

General Fund - FY23 Revenues ($24,081,882)



General Fund - FY23 Expenditures by Program ($23,444,342)



Annual Financial Plan

General Fund

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

	FY22 BUDGET	FY23 BUDGET
Revenues		
Tuition and Fees	$ 7,508,482	$ 6,478,687
State Appropriations	3,204,827	2,785,300
Property Taxes	8,780,587	10,915,050
Grants & Contracts	169,000	189,000
Investment Income	225,000	255,000
Other Income	299,581	262,575
Total Revenues	**$ 20,187,477**	**$ 20,885,612**
Other financing sources (uses)		
Carryforward	$ 3,358,874	$ 3,196,270
Transfer In	14,800	55,067
Transfer Out	(684,732)	(692,607)
Total other financing sources (uses)	**$ 2,688,942**	**$ 2,558,730**
Total Revenues and Other Sources	**$ 22,876,419**	**$ 23,444,342**
Expenditures by Program		
Instruction	$ 5,072,833	$ 5,013,750
Academic Support	3,447,013	3,730,904
Student Services	3,415,022	3,315,033
Institutional Support	3,778,645	4,022,997
Facilities Operation & Maintenance	1,816,381	1,852,617
Scholarships & Grants	180,000	245,000
Property Tax Judgement	264,527	-
Contingency	4,901,998	5,264,041
Total Expenditures	**$ 22,876,419**	**$ 23,444,342**
Expenditures by Object		
Personnel Services	$ 13,963,970	$ 14,237,395
Contractual Services	859,661	792,319
Supplies	623,714	699,613
Fixed Charges	1,104,922	1,216,297
Utilities	563,102	563,072
Travel	215,525	227,605
Scholarships	180,000	245,000
Miscellaneous/Other	199,000	199,000
Property Tax Judgement	264,527	-
Contingency	4,901,998	5,264,041
Total Expenditures	**$ 22,876,419**	**$ 23,444,342**

General Fund

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

FY23 CHANGES		FY23 CHANGES DETAIL
$ (1,029,795)	-13.7%	Decrease in enrollment
(419,527)	-13.1%	State formula and rural State aid
2,134,463	24.3%	Updated for election 1/3 increase + excise tax
20,000	11.8%	Increase in contract training non-credit
30,000	13.3%	Interest rate increase
(37,006)	-12.4%	Decrease for CAVIAT rental
$ 698,135	3.5%	
$ (162,604)	-4.8%	
40,267	272.1%	Planned maintenance
(7,875)	1.2%	Planned maintenance; mandatory grant match
$ (130,212)	-4.8%	
$ 567,923	**2.5%**	
$ (59,083)	-1.2%	Comp & benefit adjustment; utilization of Prop 207
283,891	8.2%	Increase for technology; Comp & benefit adj
(99,989)	-2.9%	Reallocation FTE to Academic Support
244,352	6.5%	Increase for technology; Comp & benefit adj
36,236	2.0%	Increase in planned maintenance
65,000	36.1%	Increase for summer scholarships
(264,527)	-100.0%	One-time Transwestern judgement
362,043	7.4%	Updated for election 1/3 increase
$ 567,923	**2.5%**	
$ 273,425	2.0%	Comp & benefit adjustment; utilization of Prop 207
(67,342)	-7.8%	Reallocation for EMS program delivery
75,899	12.2%	Reallocation for EMS program delivery
111,375	10.1%	Increase for technology; Reallocations EMS
(30)	0.0%	Reallocation
12,080	5.6%	Increase in professional development funding
65,000	36.1%	Increase for summer scholarships
-	0.0%	
(264,527)	-100.0%	One-time Transwestern judgement
362,043	7.4%	Updated for election 1/3 increase
$ 567,923	**2.5%**	

Restricted Funds

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

Adult Basic Education (ABE) - Federal ($567,130)
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 ($558,616)
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 initially set to expire in 2021, and 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 (B2B) - Federal ($62,793)
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 ($267,146)
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), Federal Work-Study ($93,984), and State LEAP ($8,067)
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) CRRSA ($221,894) and MSI ($328,818)
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 Minority Serving Institutions (MSI) Act 2021. Each round of funding segregates the student emergency aid portion and institutional aid portion for needs related to the global pandemic.

Strengthening Indigenous Student Success (SISS) - ($407,943)
Through a grant competition, funds are awarded to Native American Serving Non Tribal Institutions (NASNTI) of higher education to provide opportunities for Native American and Alaskan Natives toward the successful completion of their postsecondary education. The grant is 100% Federally Funded through the U.S. Department of Education, totaling $2.1 million dollars over five years.

Small Business Development Center (SBDC) - Federal ($140,403) and Local ($21,217)
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 $49,502.

Restricted Funds - continued

Smart and Safe Arizona Act (Prop 207) - State ($1,254,360)
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.

Southern Nevada Northern Arizona Louis Stokes Alliance for Minority Participation (SNNA-LSAMP) - Federal ($50,000)
The SNNA-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 ($316,200)
STEM appropriations provide the College with funds for partnerships, faculty, technology equipment, student services, facilities, and property.

TRiO Student Support Services - Federal ($252,600)
The TRiO program serves approximately 140 students who are low-income, first-generation college students, and/or students with documented disabilities. Provided services include tutoring, counseling for academic issues, career planning, financial aid, and assistance with personal issues.

Annual Financial Plan

Restricted Funds

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

	FY22 BUDGET	FY23 BUDGET	FY23 CHANGES		FY23 CHANGES DETAIL
Revenues					
State Appropriations	$ 371,800	$ 316,200	$ (55,600)	-15.0%	Per state formula
Federal Grants and Contracts	11,232,952	6,148,352	(5,084,600)	-45.3%	ARPA & CRRSAA HEERF Grant
State Grants and Contracts	969,043	1,821,052	852,009	87.9%	Prop 207
Private Grants and Contracts	46,269	21,217	(25,052)	-54.1%	SBDC
Total Revenues	**$ 12,620,064**	**$ 8,306,821**	**$ (4,313,243)**	**-34.2%**	
Other financing sources (uses)					
Transfer In	$ 72,472	$ 72,107	$ (365)	-1%	
Transfer Out	-	-	-		
Total other financing sources (uses)	**$ 72,472**	**$ 72,107**	**$ (365)**	**-0.5%**	
Total Revenues and Transfers	**$ 12,692,536**	**$ 8,378,928**	**$ (4,313,608)**	**-34.0%**	
Expenditures by Program					
Instruction	$ 1,647,042	$ 2,624,416	$ 977,374	59.3%	Prop 207 comp & benefit utilization
Public Service	227,019	246,122	19,103	8.4%	Comp & benefit adj
Academic Support	274,032	367,089	93,057	34.0%	Comp & benefit adj
Student Services	502,150	1,012,400	510,250	101.6%	Comp & benefit adj and NA SNTI
Institutional Support	3,885,000	190,850	(3,694,150)	-95.1%	ARPA & CRRSAA HEERF Grant
Facilities Operation & Maintenance	-	199,909	199,909	0.0%	Comp & benefit adj
Scholarships & Grants	6,157,293	3,738,142	(2,419,151)	-39.3%	ARPA HEERF Grant
Total Expenditures	**$ 12,692,536**	**$ 8,378,928**	**$ (4,313,608)**	**-34.0%**	
Expenditures by Object					
Personnel Services	$ 2,389,300	$ 4,018,857	$ 1,629,557	68.2%	Prop 207 comp & benefit utilization
Contractual Services	2,700	49,423	46,723	1730.5%	NA SNTI & reallocation
Supplies	3,973,055	278,337	(3,694,718)	-93.0%	ARPA & CRRSAA HEERF Grant
Fixed Charges	23,373	28,325	4,952	21.2%	Reallocation
Utilities	1,245	59,245	58,000	4658.6%	NA SNTI
Travel	46,600	69,134	22,534	48.4%	NA SNTI
Scholarships	6,159,671	3,730,429	(2,429,242)	-39.4%	ARPA HEERF Grant
Capital Equipment	-	59,764	59,764	0.0%	ARPA HEERF Grant
Miscellaneous/Other	96,592	85,414	(11,178)	-11.6%	Reallocation
Total Expenditures	**$ 12,692,536**	**$ 8,378,928**	**$ (4,313,608)**	**-34.0%**	

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 primarily supported through the fundraising efforts of the College Foundation. Expenses for the team include a coach, association dues, and travel expenses for a total of $32,012.

Auxiliary Funds

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

	FY22 BUDGET	FY23 BUDGET	FY23 CHANGES	
Revenues				
Sales & Services	$ 50,453	$ 41,712	$ (8,741)	-17.3%
Total Revenues	**$ 50,453**	**$ 41,712**	**$ (8,741)**	**-17.3%**
Other financing sources (uses)				
Carryforward	$ -	$ -	$ -	0.0%
Transfer In	12,000	20,100	8,100	67.5%
Total other financing sources (uses)	**$ 12,000**	**$ 20,100**	**$ 8,100**	67.5%
Total Revenues and Transfers	**$ 62,453**	**$ 61,812**	**$ (641)**	**-1.0%**
Expenditures by Program				
Auxiliary Enterprises	$ 62,453	$ 61,812	$ (641)	-1.0%
Total Expenditures	**$ 62,453**	**$ 61,812**	**$ (641)**	**-1.0%**
Expenditures by Object				
Personnel Services	$ 12,053	$ 10,812	$ (1,241)	-10.3%
Contractual Services	7,800	300	(7,500)	-96.2%
Supplies	30,800	30,800	-	0.0%
Fixed Charges	-	8,100	8,100	0.0%
Utilities	-	-	-	0.0%
Travel	11,800	11,800	-	0.0%
Scholarships	-	-	-	0.0%
Total Expenditures	**$ 62,453**	**$ 61,812**	**$ (641)**	**-1.0%**

Activity	Budgeted Revenue
Math Calculators	$ 2,400
Private Grant	23,912
Vending	15,400

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.

ITS 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.

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 FY23 the amount was $884,614 Amounts not used are reserved for future equipment needs. The table below shows the FY23 capital plan items. Other non-capitalized planned maintenance costs of $55,067 were budgeted in the General Fund.

FY23 Planned Maintenance Budget

Planned Maintenance	Fourth St	Lone Tree	Page	Total
Entry Doors - 2 sets Ceramics	$ -	$ 27,433	$ -	$ 27,433
Fire Panel	23,000	-	-	23,000
Misc./Contingency	7,500	30,000	2,500	40,000
Parking lot crack seal & stripping	-	-	5,000	5,000
Roof Replacement	-	750,000	-	750,000
Security Cameras	-	-	5,500	5,500
Tractor	-	33,681	-	33,681
Total	**$ 30,500**	**$841,114**	**$13,000**	**$ 884,614**

Unexpended Plant Fund (continued)

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

	FY22 BUDGET	FY23 BUDGET	FY23 CHANGES		FY23 CHANGES DETAIL
Revenues					
Grants & Contracts	$ -	$ -	$ -	0.0%	
Other Income	-	-	-	0.0%	
Total Revenues	**$ -**	**$ -**	**$ -**	**0.0%**	
Other financing sources (uses)					
Carryforward	$ 190,000	$ 379,781	$ 189,781	99.9%	Increase Planned Maintenance
Transfer In	600,260	600,400	140	0.0%	Increase Planned Maintenance
Transfer Out	(14,800)	(55,067)	(40,267)	272.1%	Increase Planned Maintenance
Total other financing sources (uses)	**$ 775,460**	**$ 925,114**	**$ 149,654**	**19.3%**	
Total Revenues and Transfers	**$ 775,460**	**$ 925,114**	**$ 149,654**	**19.3%**	
Expenditures by Program					
Instruction	$ -	$ -	$ -	0.0%	
Academic Support	-	-	-	0.0%	
Institutional Support	190,000	-	(190,000)	-100.0%	Decrease IT Planned Maintenance
Facilities Operation & Maintenance	81,300	884,614	803,314	988.1%	Increase Facilities Planned Maintenance
Contingency	504,160	40,500	(463,660)	-92.0%	
Total Expenditures	**$ 775,460**	**$ 925,114**	**$ 149,654**	**19.3%**	
Expenditures by Object					
Capital Equipment	$ 271,300	$ 884,614	$ 613,314	226.1%	Increase Facilities Planned Maintenance
Contigency	504,160	40,500	(463,660)	-92.0%	
Total Expenditures	**$ 775,460**	**$ 925,114**	**$ 149,654**	**19.3%**	

Long-Term Financial Sustainability

July 1, 2022 - June 30, 2023

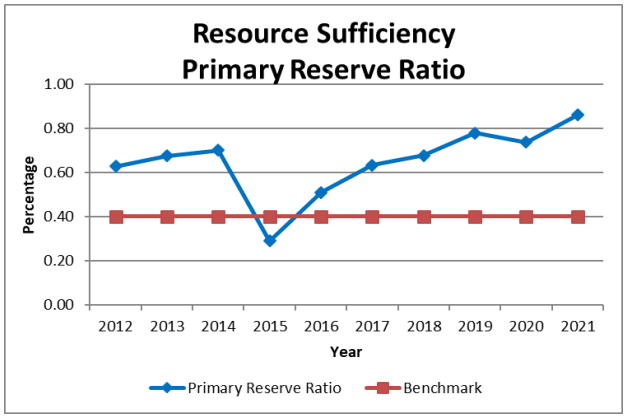
Long-Term Financial Sustainability

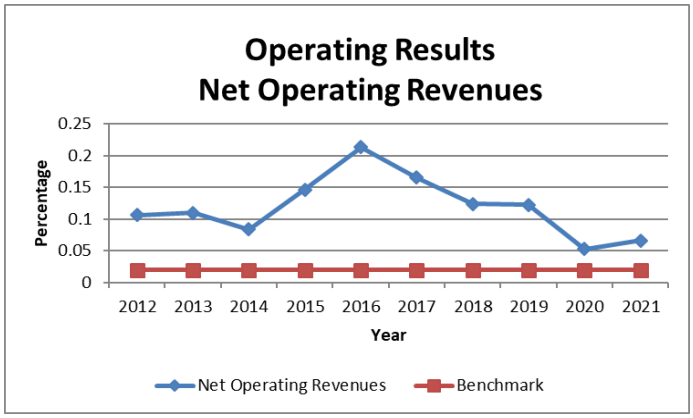
Financial Ratios

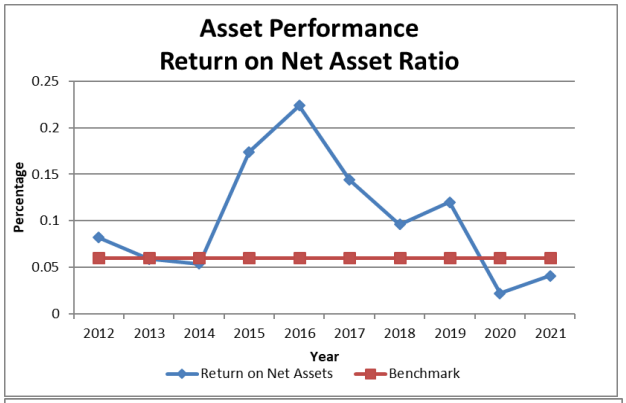
The College is required to submit financial ratios annually to the Higher Learning Commission (HLC), the College's accrediting body, to measure the College's financial health. The financial ratios are defined below and the charts are inclusive of GASB 68 Pension and GASB 75 OPEB adjustments:

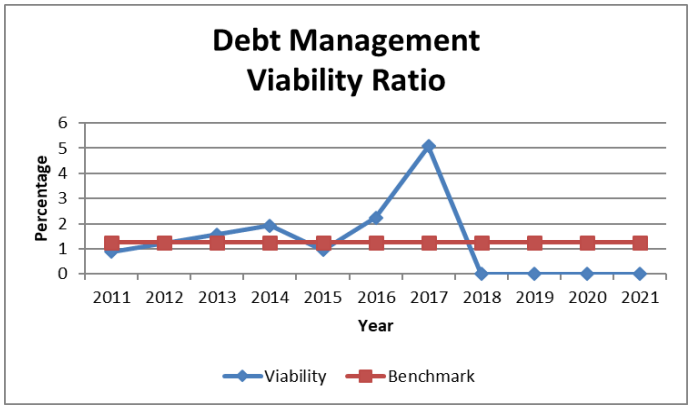
- **Primary Reserve Ratio**: A measure of how long the institution could operate using expendable reserves
- **Net Operating Revenue Ratio**: A measure if operating activities provide a surplus or deficit
- **Viability**: The availability of expendable net assets to pay off debt at any point in time
- **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

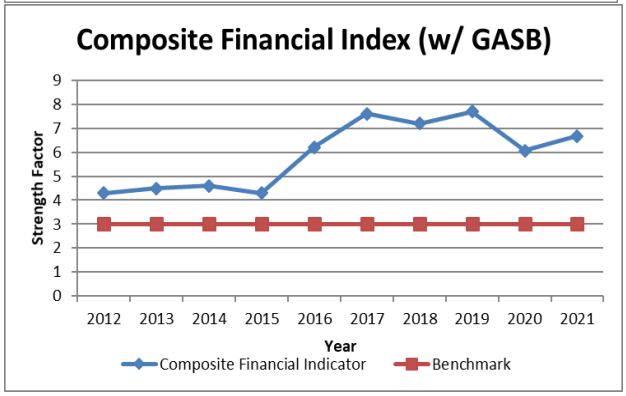
Although temporarily dampened from the impacts of the pandemic, the College's financial ratios have generally been improving through strong financial management. The viability ratio decreased to zero due to paying off the College's debt in FY19. The composite score, which must be above 1.1 to avoid a potential HLC review, increased slightly from last year to 6.67, which means that the College is in a relatively healthy financial position based on the current business model.











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

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

Long-Term Financial Sustainability

Ten-Year Projections

The College was originally established with an extremely low Property Tax rate and had to be extremely cost efficient. One time infusions of HEERF and state funding helped the College to be sustainable through the COVID-19 pandemic. The College recently celebrated its 30th Anniversary and the community voted on May 17th to reset of the primary property tax rate providing much needed additional funding. The property tax reset will permanently infuse $6 million dollars into the College phased in over three years. The funding will be targeted toward the development of new programs and services outlined in the ballot measure, for additional details please see page 13.

The College has developed long-term, high-level assumptions through FY32 as follows:

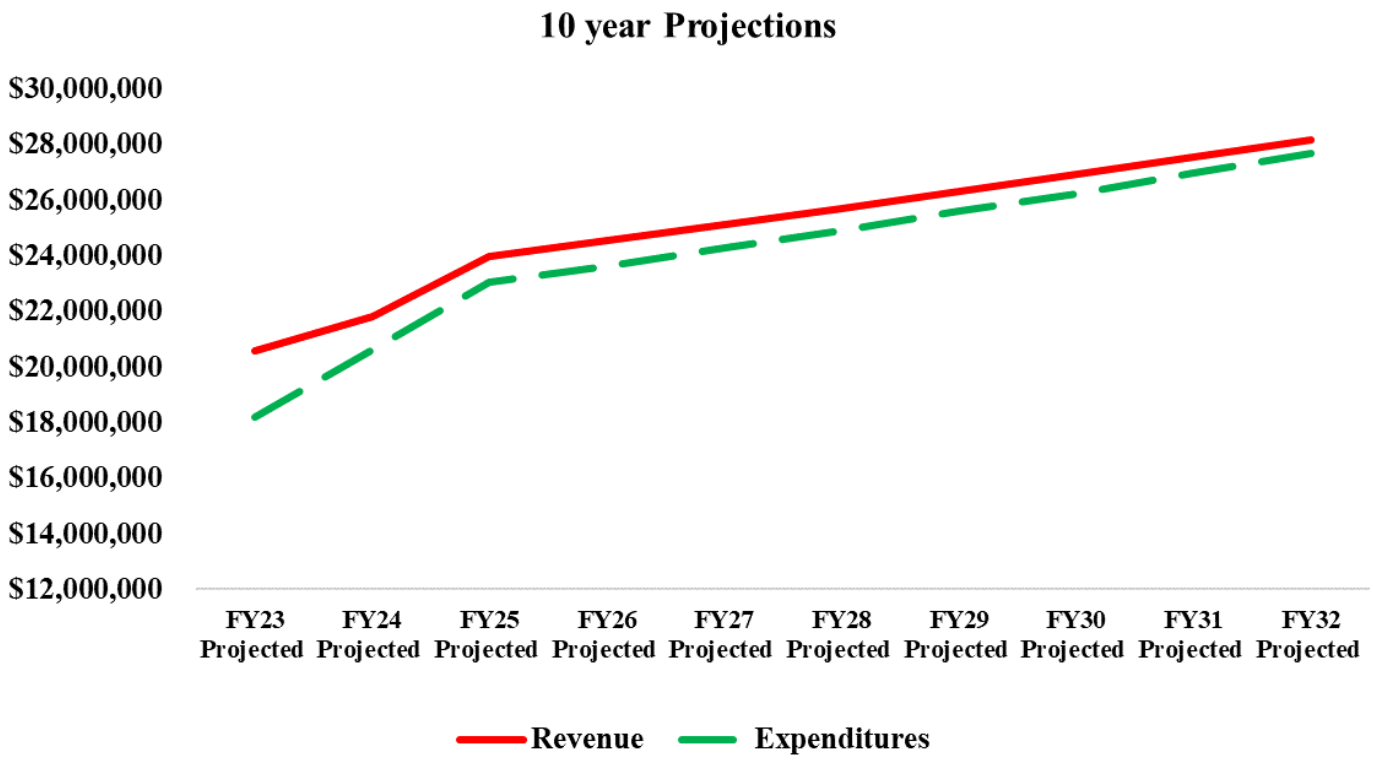
Revenues - Average growth of 3.8%:

- **Enrollment -** flat enrollment projections
- **Tuition rates -** No tuition increases during tax reset phase-in then returning to board directed annual tuition increases based on CPI
- **State aid -** flat projections based on state funding formula
- **Property tax -** Three-year phase-in tax reset then returning to 2% annual max levy increase plus 1.0% new construction growth based on trend analysis

Expenditures - Average growth of 3.9%:

- **Personnel cost - add faculty and staff during phase-in of new programs and services and then** average increases of 3.0% per year
- **All other expense categories -** average increases of 2.8% per year

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



Long-Term Financial Sustainability

Capital Replacement Plan

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	FY23	FY24	FY25	FY26	FY27
Fourth Street Allocation	$ 140,500	$ 144,000	$ 147,600	$ 151,300	$ 155,000
Page Allocation	57,300	58,800	60,200	61,700	63,300
Lone Tree Allocation	362,100	371,200	380,500	390,000	399,700
Total Allocation	$ 559,900	$ 574,000	$ 588,300	$ 603,000	$ 618,000
Fourth Street					
Parking lot maintenance	-	82,069	-	-	-
Interior Lighting up grades	-	9,379	-	-	-
Carpeting	-	-	-	309,327	-
Interior Painting	3,500	3,500	3,500	4,000	4,000
Exterior Painting	-	-	25,000	-	-
Entry Doors - 14 sets of 2 doors	-	51,250	52,531	53,845	-
Exterior Windows	18,500	-	-	-	-
Fire Panel	23,000	-	-	-	-
Security Camera Replacement	-	5,330	5,463	5,600	5,740
Bathroom Remodel - 8 Total	-	25,625	26,266	26,922	27,595
Furniture Replacement	7,649	7,840	8,036	8,237	8,443
Misc./ Contingency	7,500	7,500	10,000	10,000	10,000
Page					
Parking lot maintenance	5,000	-	52,000	-	-
Interior Lighting up grades	-	5,862	-	-	-
Exterior Lighting up grades	-	13,834	-	-	-
Exterior Painting	-	36,146	-	-	-
Interior Painting	4,000	4,000	4,000	4,500	4,500
Security cameras	5,500	-	-	-	-
Furniture Replacement	5,628	5,769	5,913	6,061	6,212
Bathroom Remodels - 4 total	-	-	-	-	25,000
Misc./ Contingency	2,500	2,500	2,500	5,000	5,000
Lone Tree					
Roofing	750,000	-	-	-	-
Liebert Unit IT RM 135	-	85,000	-	-	-
Parking lot maintenance	-	138,198	-	-	-
Parking Lot Replacement	-	-	1,700,000	-	-
Interior Lighting up grades	-	-	-	-	29,212
Landscaping	-	9,438	-	-	-
Carpeting	-	-	-	-	634,121
Tile Floor	-	-	21,070	-	-
Interior Painting	4,000	4,000	4,000	4,000	5,000
Windows	-	-	-	-	-
Entry Doors - 27 sets of two doors	27,433	28,119	28,822	29,543	30,281
Fire Panels	-	-	-	43,027	-
Security Camera Replacement	-	5,330	5,463	5,600	5,740
Furniture Replacement	7,790	7,985	8,184	8,389	8,599
Deli Equipment 2 -Ref, 1 -freezer	4,000	-	-	-	-
Chevy Equinox - 2010	-	32,027	-	-	-
Bobcat with attachments	-	35,000	-	-	-
Dakoda tractor	33,681	-	-	-	-
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	-
Bathroom Remodels - 10 Total	-	50,000	51,250	52,531	-
Misc./ Contingency	30,000	30,000	30,000	30,000	30,000
Total Capital Replacement	**$ 939,681**	**$ 1,010,700**	**$ 2,268,199**	**$ 721,582**	**$ 839,443**

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. In March 2020, a majority of classes had to shift to remote delivery modalities to protect the health and safety of students and employees. Classes have since adjusted back to teaching 50% of classes in person. While out-of-state students are slowly returning, the College is down 15% in enrollment over the past two years as many students needed to care for family members or opted to participate in the strong employment market.

Economy
The past two years of the pandemic halted the global production resulting in major supply chain disruptions that have continued to impact the recovery. In addition, the war in Ukraine has exacerbated food and fuel shortages resulting the highest inflation rates experienced in 40 years. Employment remains strong and the Federal Reserve has begun increasing interests rates in an effort to reign in inflation without triggering a recession.

Minimum Wage Risk
External legislative changes have impacted the College. On November 8th, 2016, Arizona voters approved Proposition 206, which increased the state minimum wage as of January 1st, 2017 from $8.05 to $10.00 per hour, as well as providing earned sick time for every 30 hours of work time to all employees starting July 1st, 2017. Also on November 8th, the City of Flagstaff voters approved Proposition 414 (later amended by City Council), to increase minimum wage to $2 per hour above the state rate, to eventually a $15.50 per hour minimum wage by this past January 2022. This was an unfunded mandate and adjustments included reducing hours and increasing part-time hourly budgets. The minimum wage will be increased annually based on the consumer price index and will continue to be a significant financial impact to the budget.

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 four fiscal years.

Compliance Risks
As a 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. Recent legislative changes regarding Gainful Employment rules and Title IX means that the College needs to continually modify business operations to maintain compliance. Other federal grants also come with reporting and outcome requirements.

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, 2022 - June 30, 2023

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 20th. [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 limitation is set by the Economic Estimates Commission by applying growth in enrollment and inflation over the base budget year. 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 2023

Summary of budget data

	Budget 2023	Budget 2022	Increase/Decrease From budget 2022 To budget 2023 Amount	%
I. Current General and Plant Funds				
A. Expenditures:				
Current General Fund	$ 23,444,342	$ 22,876,419	$ 567,923	2.5%
Unexpended Plant Fund	925,114	775,460	149,654	19.3%
Retirement of indebtedness Plant Fund	0	0	0	
Total	$ 24,369,456	$ 23,651,879	$ 717,577	3.0%
B. Expenditures per Full-time student equivalent (FTSE):				
Current General Fund	$ 14,269 /FTSE	$ 12,201 /FTSE	$ 2,068 /FTSE	17.0%
Unexpended Plant Fund	$ 563 /FTSE	$ 414 /FTSE	$ 149 /FTSE	36.1%
Projected FTSE count	1,643	1,875		
II. Total all funds estimated personnel compensation				
Employee salaries and hourly costs	$ 13,305,867	$ 12,087,955	$ 1,217,912	10.1%
Retirement costs	1,491,431	1,296,877	194,554	15.0%
Healthcare costs	1,366,304	1,217,730	148,574	12.2%
Other benefit costs	2,103,462	1,762,761	340,701	19.3%
Total	$ 18,267,064	$ 16,365,323	$ 1,901,741	11.6%
III. Summary of primary and secondary property tax levies and rates				
A. Amount levied:				
Primary tax levy	$ 10,829,050	$ 8,715,587	$ 2,113,463	24.2%
Property tax judgment			0	
Secondary tax levy			0	
Total levy	$ 10,829,050	$ 8,715,587	$ 2,113,463	24.2%
B. Rates per $100 net assessed valuation:				
Primary tax rate	0.5209	0.4394	0.0815	18.5%
Property tax judgment			0.0000	
Secondary tax rate			0.0000	
Total rate	0.5209	0.4394	0.0815	18.5%

IV. Maximum allowable primary property tax levy for fiscal year 2023 pursuant to A.R.S. §42-17051 $ 10,829,050

V. Amount received from primary property taxes in fiscal year 2022 in excess of the maximum allowable amount as calculated pursuant to A.R.S. §42-17051 $ 0

State Documents

Coconino County Community College District
Coconino Community College
Budget for fiscal year 2023

Resources

	Current funds			Plant Fund					
	General Fund 2023	Restricted Fund 2023	Auxiliary Fund 2023	Unexpended Plant Fund 2023	Retirement of indebtedness 2023	Other funds 2023	Total all funds 2023	Total all funds 2022	% Increase/ Decrease
Beginning balances/(deficits)—July 1*									
Restricted	$				4,629		4,629	$ 2,610	77.4%
Unrestricted	24,616,109		60,705	5,533,695			30,210,509	16,996,090	77.7%
Total beginning balances	$ 24,616,109	$ 0	$ 60,705	$ 5,533,695	$ 4,629	$ 0	$ 30,215,138	$ 16,998,700	77.7%
Revenues and other inflows									
Student tuition and fees									
General tuition	$ 3,604,467	$	$	$	$	$	$ 3,604,467	$ 4,135,736	-12.8%
Out-of-district tuition	1,548,616						1,548,616	1,799,717	-14.0%
Out-of-State tuition	1,081,104						1,081,104	1,342,849	-19.5%
Student fees	207,800						207,800	193,480	7.4%
Tuition and fee remissions or waivers	36,700						36,700	36,700	0.0%
State appropriations									
Maintenance support	1,377,800						1,377,800	1,626,400	-15.3%
Equalization aid							0	0	0.0%
STEM Workforce		316,200					316,200	371,800	-15.0%
Rural Community College Aid	1,407,500						1,407,500	1,313,900	7.1%
							0	264,527	-100.0%
							0		0.0%
Property taxes									
Primary tax levy	10,915,050						10,915,050	8,780,587	24.3%
Secondary tax levy							0	0	0.0%
Gifts, grants, and contracts	189,000	6,177,645					6,366,645	11,608,324	-45.2%
Sales and services			41,712				41,712	50,453	-17.3%
Investment income	255,000						255,000	225,000	13.3%
State shared sales tax (Prop 301)		682,779					682,779	541,897	26.0%
Smart and Safe Arizona Act (Prop 207)		1,130,197					1,130,197	267,043	323.2%
Other revenues	262,575						262,575	299,581	-12.4%
Proceeds from sale of bonds							0	0	0.0%
Total Revenues and Other Inflows	$ 20,885,612	$ 8,306,821	$ 41,712	$ 0	$ 0	$ 0	$ 29,234,145	$ 32,857,994	-11.0%
Transfers									
Transfers in	55,067	72,107	20,100	600,400			747,674	699,532	6.9%
(Transfers out)	(692,607)			(55,067)			(747,674)	(699,532)	6.9%
Total transfers	$ (637,540)	$ 72,107	$ 20,100	$ 545,333	$ 0	$ 0	$ 0	$ 0	0.0%
Reduction for amounts reserved for future budget year expenses:									
Maintained for future financial stability	(20,613,009)						(20,613,009)	(7,908,103)	160.7%
Maintained for future capital acquisitions/projects	(806,830)		(60,705)	(5,153,914)			(6,021,449)	(5,539,113)	8.7%
Maintained for future debt retirement					(4,629)		(4,629)	(2,610)	77.4%
Maintained for grants or scholarships							0	0	0.0%
							0	0	0.0%
							0	0	0.0%
Total resources available for the budget year	$ 23,444,342	$ 8,378,928	$ 61,812	$ 925,114	$ 0	$ 0	$ 32,810,196	$ 36,406,868	-9.9%

*These amounts exclude nonspendable amounts (e.g., 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 2023
Expenditures and other outflows

	Current funds			Plant Fund					
	General Fund 2023	Restricted Fund 2023	Auxiliary Fund 2023	Unexpended Plant Fund 2023	Retirement of indebtedness 2023	Other funds 2023	Total all funds 2023	Total all funds 2022	% Increase/ Decrease
Total resources available for the budget year (from Schedule B)	$ 23,444,342	$ 8,378,928	$ 61812.13	$ 925,114	$ -	$ -	$ 32,810,196	$ 36,406,868	-9.9%
Expenditures and other outflows									
Instruction	$ 5,013,750	$ 2,624,416	$	$	$	$	$ 7,638,166	$ 6,719,875	13.7%
Public service		246,122					246,122	227,019	8.4%
Academic support	3,730,904	367,089					4,097,993	3,721,045	10.1%
Student services	3,315,033	1,012,400					4,327,433	3,917,172	10.5%
Institutional support (Administration)	4,022,997	190,850					4,213,847	7,853,645	-46.3%
Operation and maintenance of plant	1,852,617	199,909		884,614			2,937,140	1,897,681	54.8%
Scholarships	245,000	3,738,142					3,983,142	6,337,293	-37.1%
Auxiliary enterprises			61,812				61,812	62,453	-1.0%
Capital assets							0	0	0.0%
Debt service—general obligation bonds							0	0	0.0%
Debt service—other long term debt							0	0	0.0%
Other expenditures							0	0	0.0%
Property tax judgments							0	264,527	-100.0%
Contingency	5,264,041			40,500			5,304,541	5,406,158	-1.9%
Total expenditures and other outflows	$ 23,444,342	$ 8,378,928	$ 61,812	$ 925,114	$ 0	$ 0	$ 32,810,196	$ 36,406,868	-9.9%

2022 LEVY LIMIT WORKSHEET

COCONINO COUNTY - COCONINO COMMUNITY COLLEGE

MAXIMUM LEVY	2021	
A.1. Maximum Allowable Primary Tax Levy	$8,715,587	add $2 Million= $10,715,587
A.2. A.1 multiplied by 1.02	$8,889,899	

CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR	2022
B.1. Centrally Assessed	$169,402,198
B.2. Locally Assessed Real Property	$1,828,768,677
B.3. Locally Assessed Personal Property	$59,170,541
B.4. Total Assessed Value (B.1 through B.3)	$2,057,341,416
B.5. B.4. divided by 100	$20,573,414

CURRENT YEAR NET ASSESSED VALUES	2022
C.1. Centrally Assessed	$171,833,751
C.2. Locally Assessed Real Property	$1,850,614,567
C.3. Locally Assessed Personal Property	$56,463,245
C.4. Total Assessed Value (C.1 through C.3)	**$2,078,911,563**
C.5. C.4. divided by 100	$20,789,116

LEVY LIMIT CALCULATION	2022	
D.1. LINE A.2	$8,889,899	$10,715,587
D.2. LINE B.5	$20,573,414	
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	**0.4321**	.5209
D.4. LINE C.5	$20,789,116	
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	**$8,982,977**	$10,829,050
D.6. Excess Collections/Excess Levy	$0	
D.7. Amount in Excess of Expenditure Limit	$0	
D.8. ALLOWABLE LEVY LIMIT (D.5 - D.6 - D.7)	**$8,982,977**	$10,829,050

2022 New Construction	$21,570,147

Prior year actual levy (from line F.1 of the 2021 worksheet)	$8,715,587
Divided by current values excluding new construction per line B.5	$20,573,414
Truth in Taxation Rate	**0.4236**

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: 2022 Levy Limit worksheet for Fiscal Year 2023