

Yavapai College
District Governing Board
Budget Workshop

Tuesday, January 28, 2025
9:00 a.m. – 4:00 p.m.

Rock House
1100 East Sheldon Street
Prescott, AZ 83601

Link: <https://www.youtube.com/user/YavapaiCollege>

Pursuant to Arizona Revised Statutes (A.R.S.) §38-431.02, notice is hereby given to the members of the Yavapai College District Governing Board and to the general public that the Board will hold a public meeting, open to the public as specified below. The Board reserves the right to change the order of items on the agenda. One or more members of the Board may participate in the meeting by telephonic communication.

Pursuant to A.R.S. §38-431.03.A.2, A.3 and A.4, the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda to review, discuss and consider records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law; or to consult with and instruct its attorneys regarding its position on contracts, litigation or settlement discussions. If indicated on the agenda, the Board may also vote to go into executive session, which will not be open to the public, to discuss specific agenda items.

Persons with a disability may request reasonable accommodation, such as a sign language interpreter or closed caption, by contacting the Executive Assistant at (928)776-2307. Requests should be made as early as possible to allow time to arrange the accommodation.

Please note that the meeting conclusion time is included for planning purposes only and does not necessarily reflect the actual time of the agenda item. When regular board meetings, public hearings (both truth in taxation and budget adoption public hearings) and budget adoption special meetings are scheduled for the same date, each hearing or meeting will begin immediately upon adjournment of the preceding hearing or meeting.

If the agenda includes an Open Call, members of the public will have no more than 3 minutes to speak. The time allotted for each speaker may be less than 3 minutes, depending on the number of individuals wishing to address the board at the meeting and the board president's determination of the total time available for open call at the meeting, given the other matters on the board's agenda. *In addition, if there are a number of people who wish to speak about the same issue and who have the same viewpoint about that issue, the board president may direct them to appoint a representative or representatives to speak for the entire group. Members of the board may not discuss items that are not specifically identified on the agenda but that are raised in Open Call. Matters raised during Open Call that are on the current board agenda may be discussed and/or decided by the board at the appropriate time on the agenda.

AGENDA

1. General Functions: Procedural
 - a. Call to Order
 - b. Board Meeting Procedure – Board Chair Deb McCasland – **INFORMATION** {Time: 5}
2. Study Session
 - a. Yavapai College District Governing Board Resolution 2024-16 Directing the President to Create a Comprehensive Academic Program Portfolio Evaluation Process – Dr. Lisa B. Rhine, President - **INFORMATION AND DISCUSSION** {Time: 90}
 - i. Yavapai College’s Academic Program Portfolio – Ms. Mary Pahissa Upchurch, Executive Vice President at Gray DI (*Attached*)
 - ii. Academic Master Plan – Dr. Doug Berry, Provost and Dr. Marylou Mercado, Vice President of Workforce Development & Health Sciences
 - b. Overview of Arizona Economy – Dr. George W. Hammond, Director of the Economic and Business Research Center – Eller College of Management at The University of Arizona - **INFORMATION AND DISCUSSION** {Time: 60} (*Attached*)
 - c. 2024-2025 Overview and Environmental Scan of Yavapai County and Yavapai College – Dr. Ewell and Mr. Ryan Jones - **INFORMATION AND DISCUSSION** {Time: 60} (*Attached*)
 - d. Yavapai College Strategic Plan – Dr. Lisa B. Rhine, President – **INFORMATION AND DISCUSSION** {Time: 60}
 - e. Yavapai College Finances – Dr. Clint Ewell - **INFORMATION AND DISCUSSION** {Time: 120}
 - f. 2025 Board Member Conflict of Interest Forms – Attorney Lynne Adams - **INFORMATION AND DISCUSSION** {Time: 10}
3. Board Business
 - a. Executive Session
 - i. A.R.S. §38-431.03(A)(8) and §38-431.03(A)(9), Discussion and Consultation with College Representatives regarding Facility Safety and Security Measures – **PROCEDURAL** {Time: 60}
 - b. Reconvene in Public Session
4. Adjournment of Board Budget Workshop: Procedural – **DECISION** {Time: 1}



GRAY
DECISION INTELLIGENCE

District Governing Board Meeting

Overview of Program Evaluation System (PES) Software and Services

Yavapai
COLLEGE

Nov 6, 2024

Gray DI will provide the data and systems to support Yavapai College as it pursues the following goals:

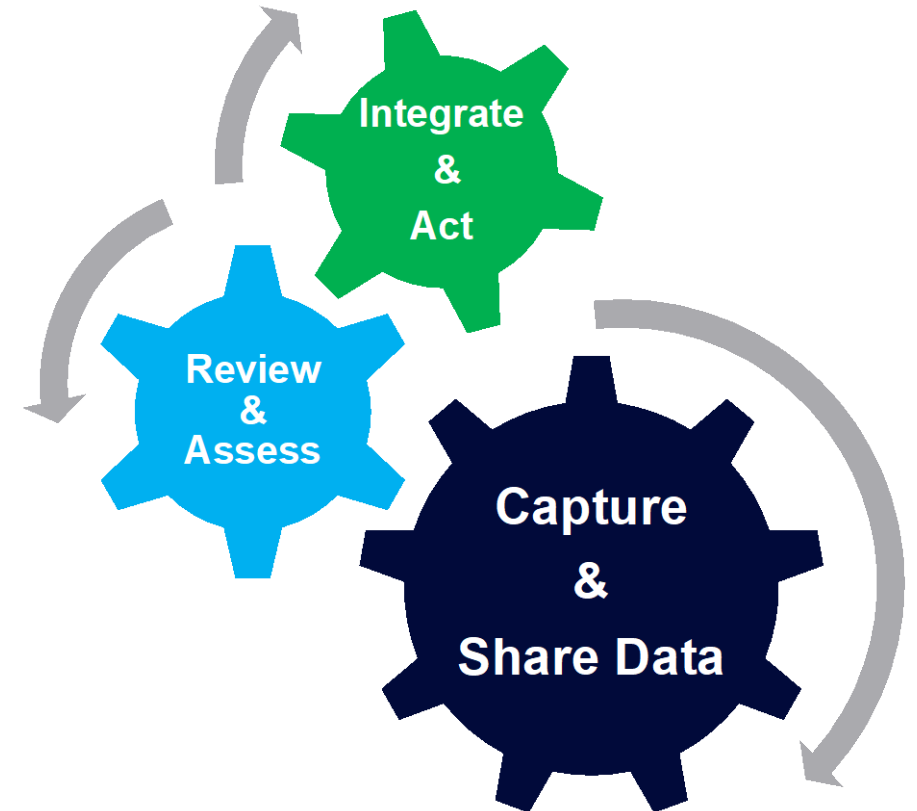
- **Data-informed decision-making**
 - Encourage a data-informed approach for program review, resource allocation, and overall strategic planning.
- **Program optimization and growth**
 - Optimize existing programs and strategically develop new ones to ensure future growth in enrollment.
- **Strategic resource allocation**
 - Take a strategic approach to resource allocation that augments emphasis on enrollments with considerations of financial health, market data, and growth potential.



Program portfolio management is an on-going process.

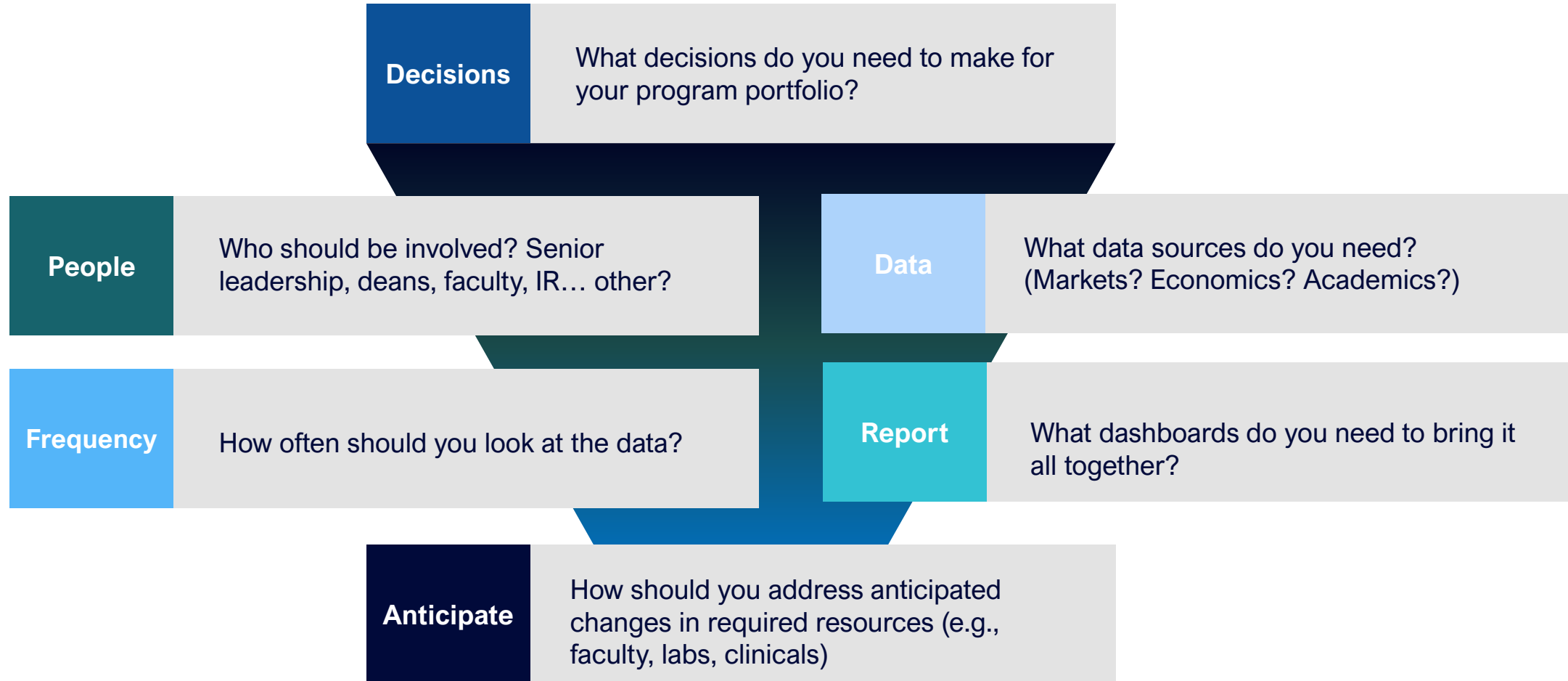
It provides a complete view of each program and the vitality of the program portfolio.

- **Capture and share program-related data** from key areas:
 - Academics
 - Administration
 - Operations
 - Market
- **Review and assess** the data on a regular basis
- **Integrate and act** to sustain a vibrant portfolio



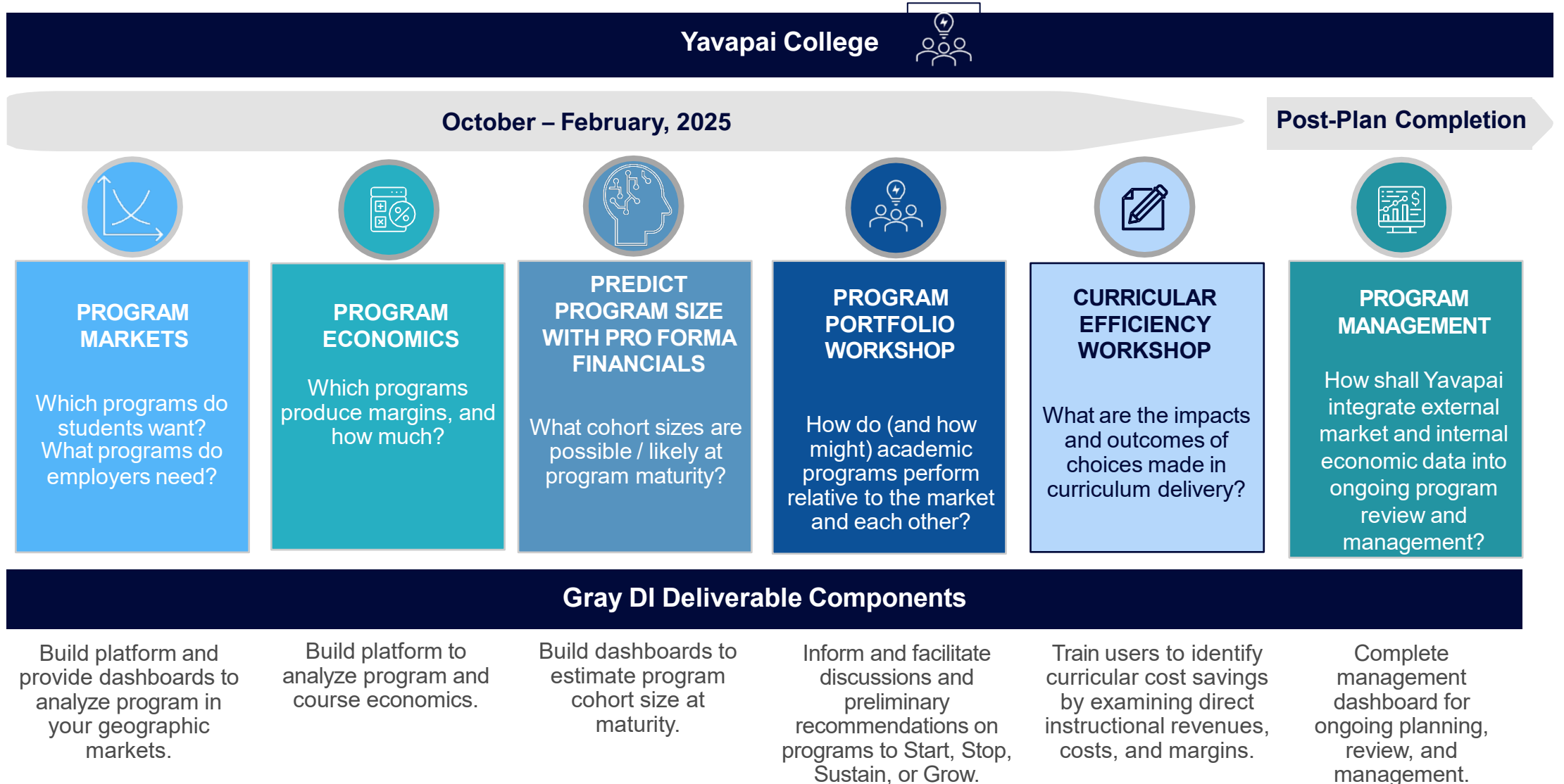


What goes into a program management process?





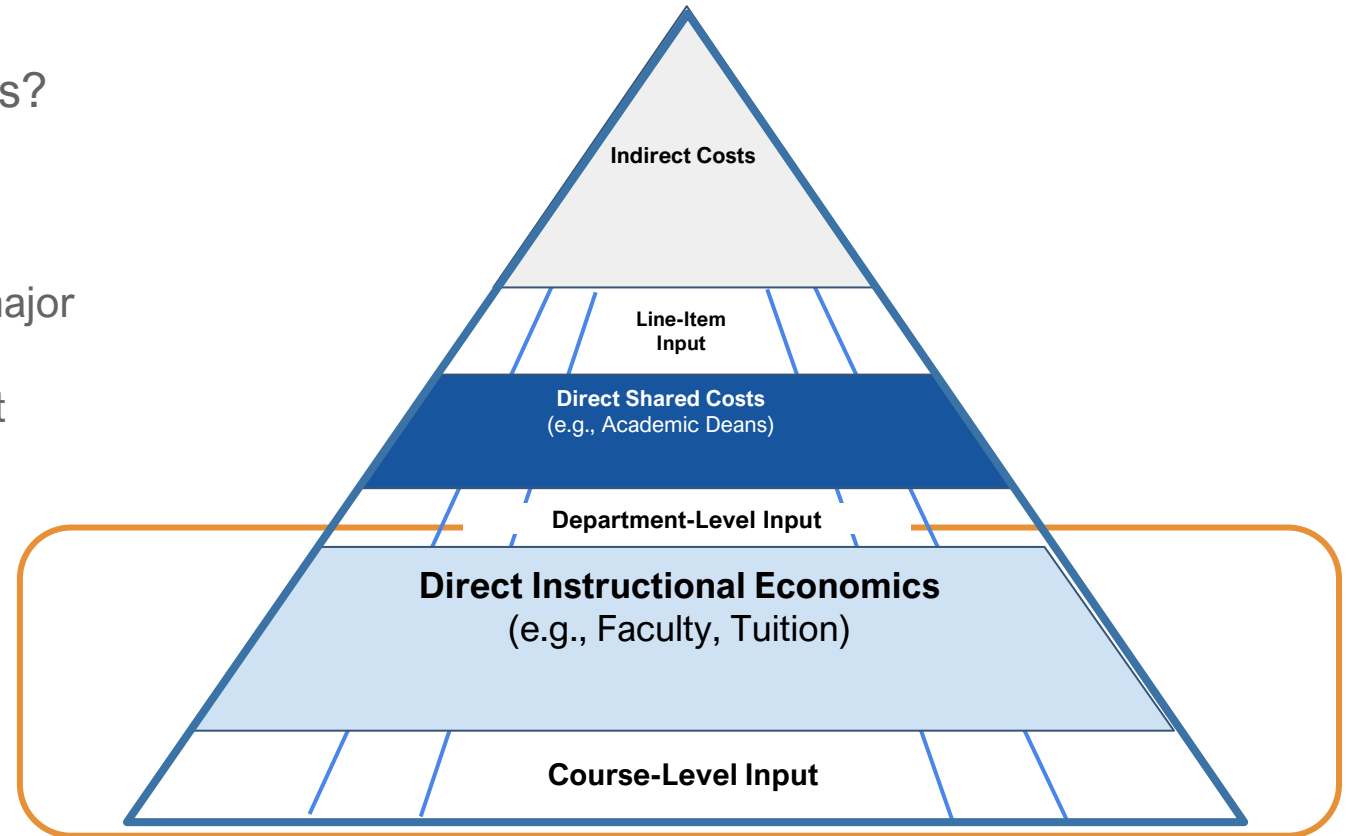
Components, Deliverables, and Timeline



Program economics captures all the revenues, costs, and margins that are likely to change if you decide to grow or stop a program.

What are academic program economics?

- Revenue minus direct instructional costs
- For all courses taken by students in the major
- Including courses outside the department



Direct Instructional Economics data can be used for two broad purposes.

Program Economics

How does each academic program affect the financial health of the College?



Curricular Efficiency

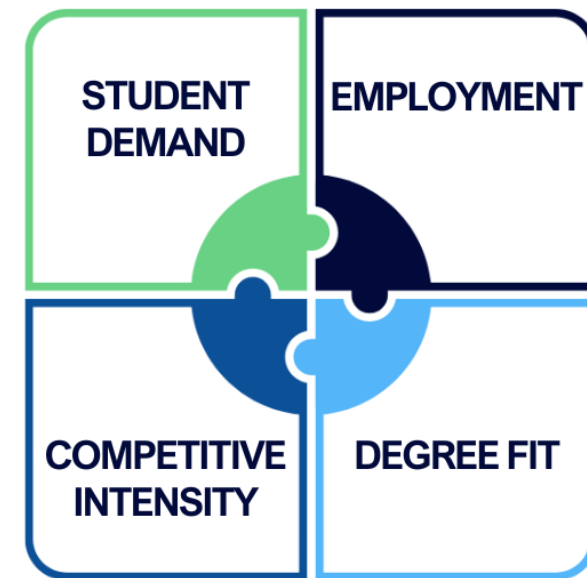
Data uses and application:



Market understanding is a key component of an integrated program portfolio evaluation.

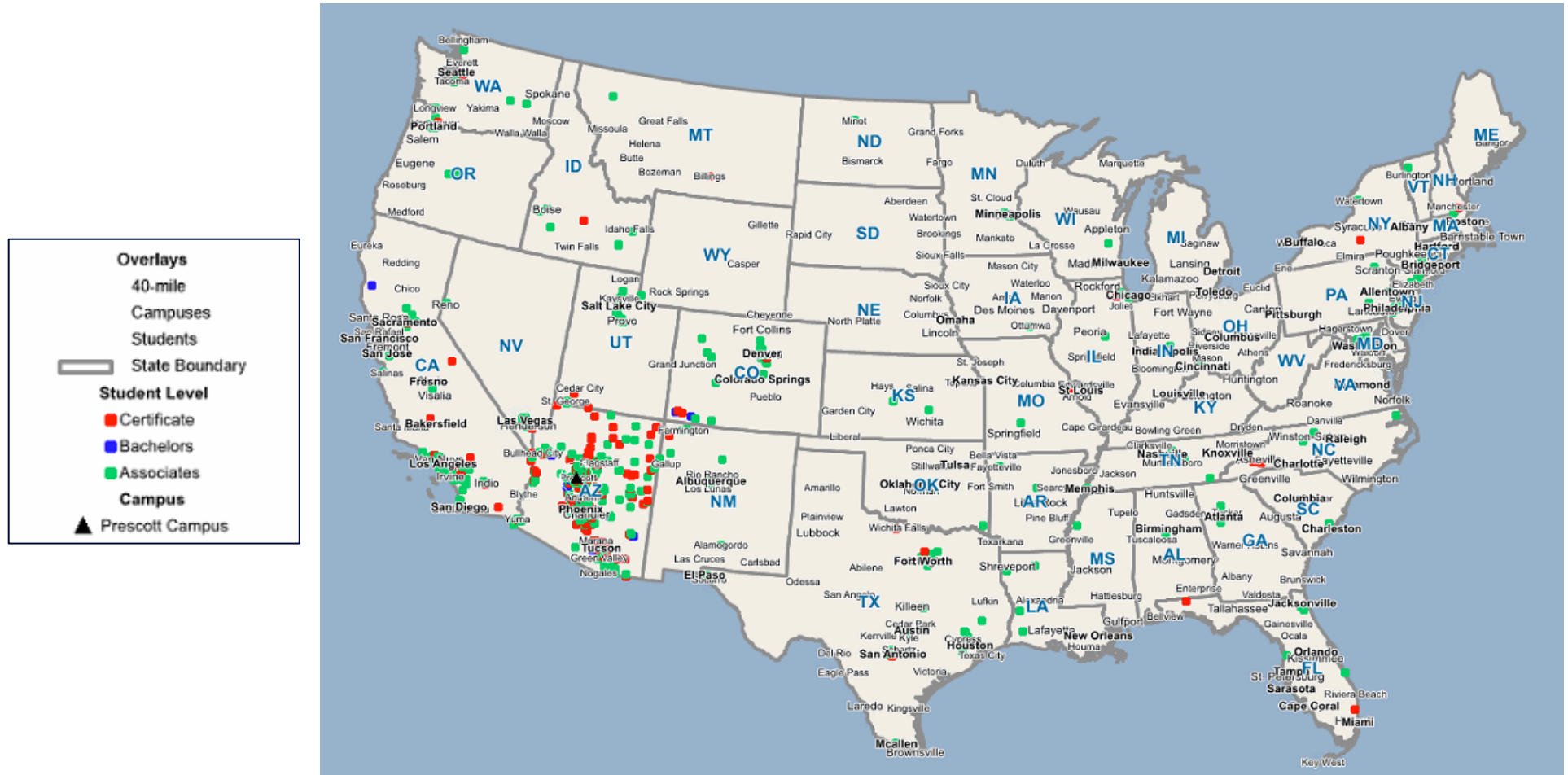
Geographic market definitions are the cornerstone of the PES Markets system, bringing together student demand, employer needs, and competition for programs.

- We will build several market definitions that represent the current student body.
- PES Markets scores 50+ metrics in four broad categories.
- The market data can be used to help identify opportunities for new academic programs.
- It can also be used to understand market demand for current programs and to focus on specific goals for the portfolio, such as growth.



Distance Analysis: Yavapai College

We began the analysis by geocoding home addresses for Yavapai's newly enrolled students.



A total of 7,276 records for first-time enrolled students in the last two academic years were provided. 5,157 student data records were used in the distance analysis; 2,119 records were removed because they were international students or had an incomplete address or duplicated record.

Summary: Distribution of Students by State

94% of all the students come from Arizona.

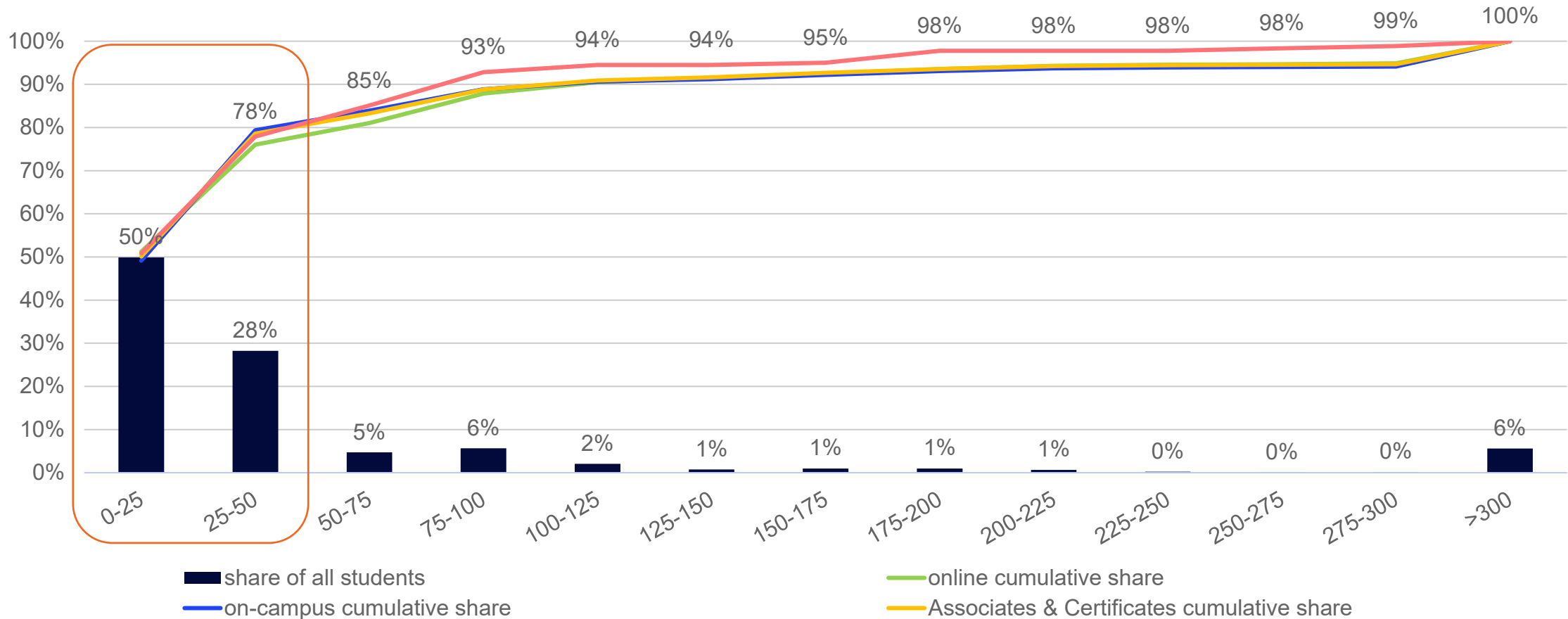
State	Students	Share of All
Arizona	4,855	94%
California	60	1%
All Other States	242	5%
Grand Total	5,157	100%

A total of 7,276 records for first-time enrolled students in the last two academic years were provided. 5,157 student data records were used in the distance analysis; 2,119 records were removed because they were international students or had an incomplete address or duplicated record.

Distribution of Students by Award Level & Modality Verde Valley Campus Radius

Combined, 78% of all students originate within 50 miles of Verde Valley Campus.

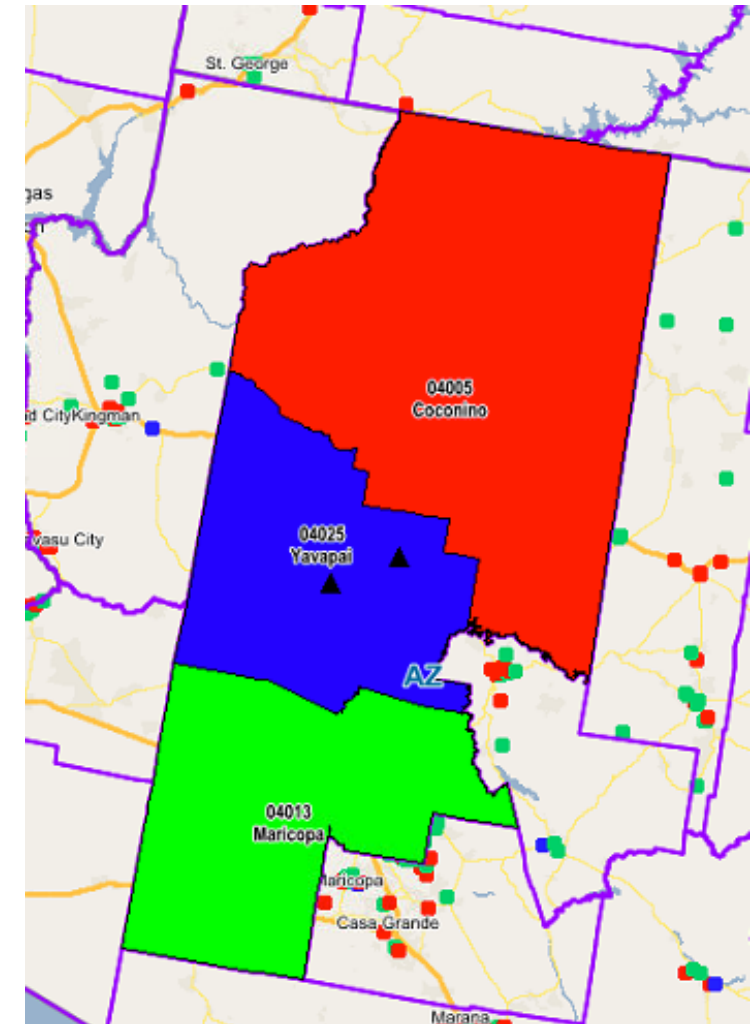
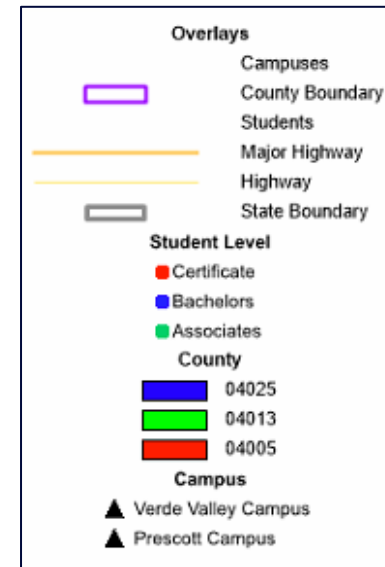
Share of Domestic Students by Distance to Campus



Distribution of Students by County

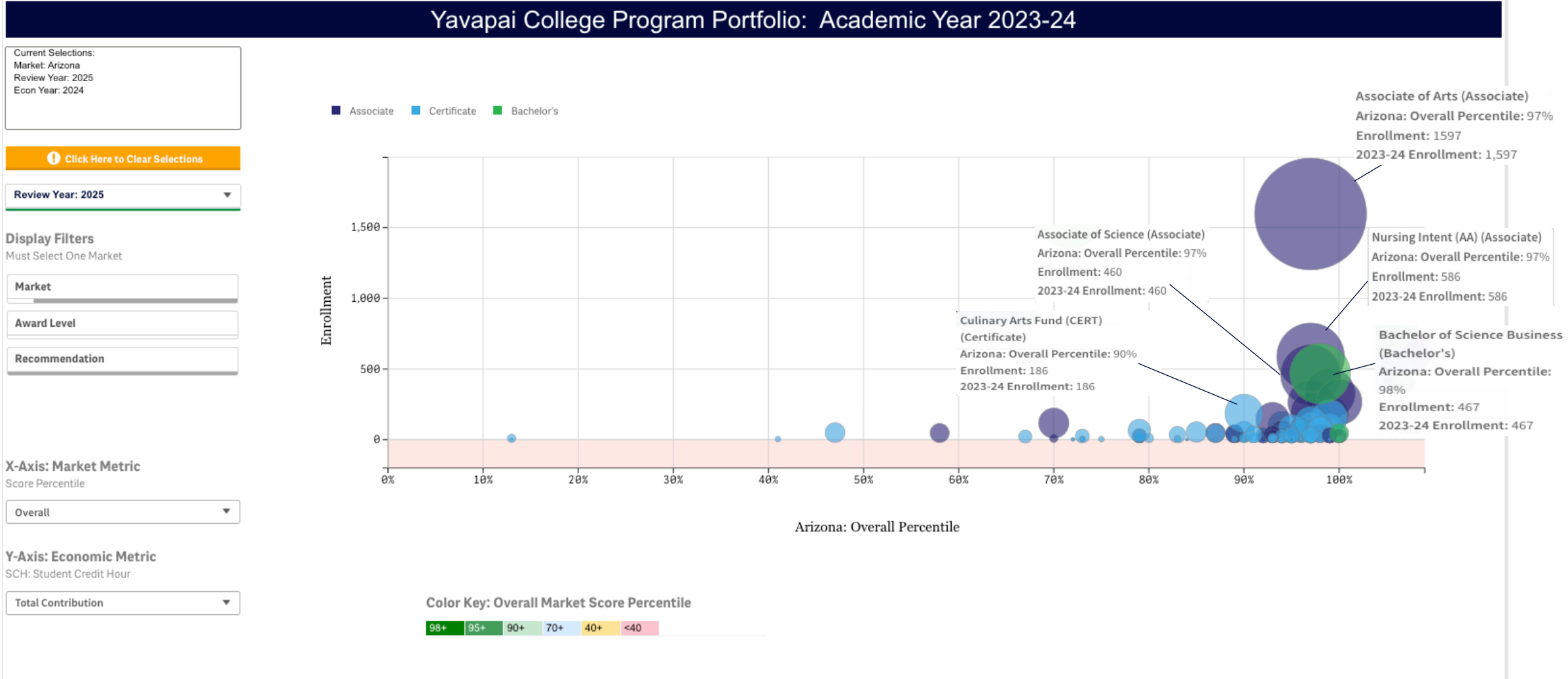
89% of all students come from the following three counties.

County	Students	Share of All
Yavapai, AZ	4,035	78%
Maricopa, AZ	392	8%
Coconino, AZ	171	3%
Grand Total	4,598	89%



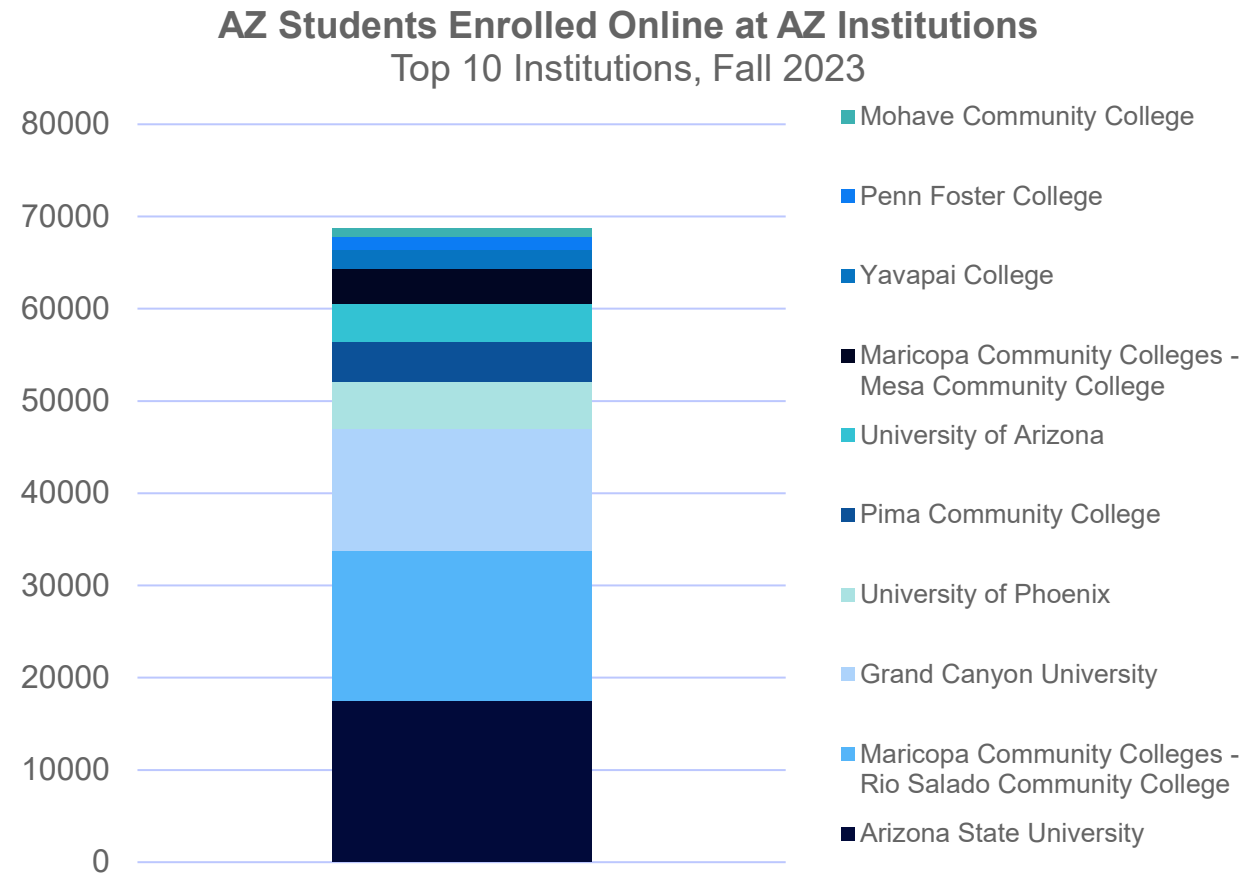
A total of 7,276 records for first-time enrolled students in the last two academic years were provided. 5,157 student data records were used in the distance analysis; 2,119 records were removed because they were international students or had an incomplete address or duplicated record.

Overall, the current program portfolio is well positioned .



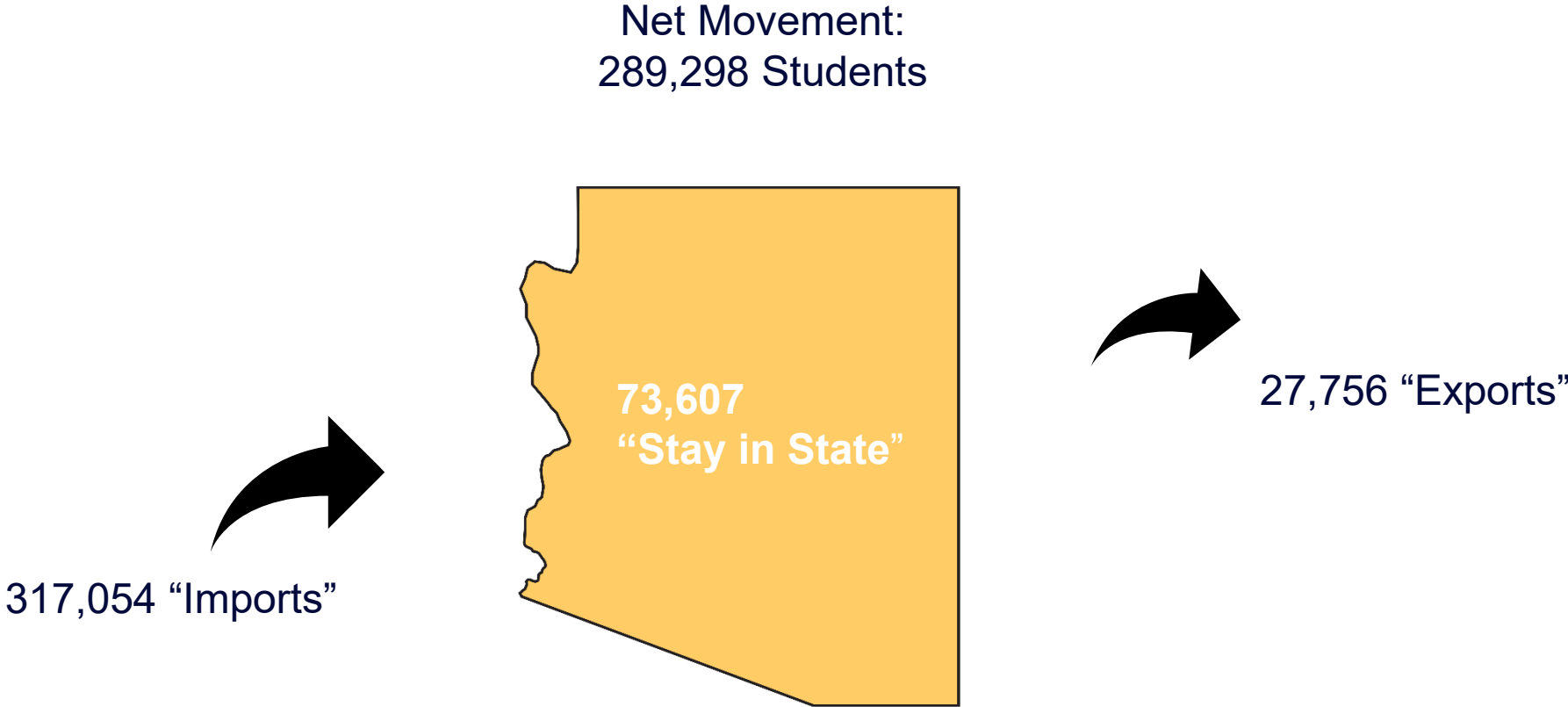
101,363 Arizona students enrolled in online education in Fall 2023.

- Of these, 73,607 students living in Arizona enrolled at 39 Arizona institutions



Online Net Exports and Potential Opportunity: Arizona 2023

Summary View



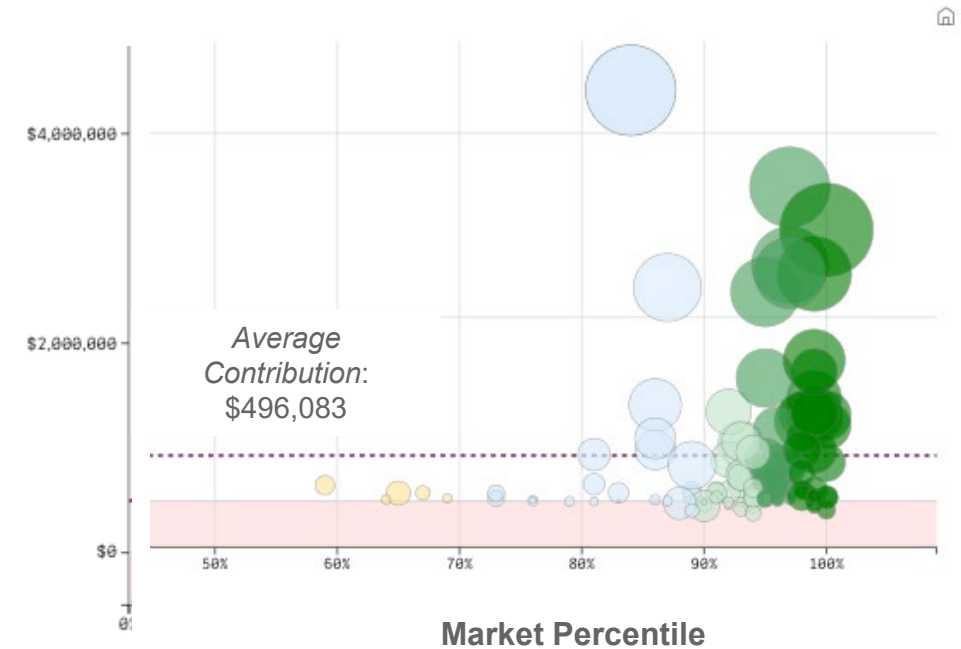
Fall 2023 NC-SARA

With the completion of program economics, you will be able to strategically view your portfolio from both a market and margin viewpoint.

- Mission-critical programs in healthy markets are candidates to grow or sustain.
- Low-margin discretionary programs in weak markets are candidates to stop.
- High-margin discretionary programs in healthy markets are tempting to grow...
 - They help fund the mission.

Illustrative Program Portfolio:
Academic Year 2023-24

Total Contribution





Arizona's Economy: Headed Into Uncharted Waters

George Hammond

Director
Economic and Business Research Center
Eller College of Management
The University of Arizona
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Yavapai College
January 28, 2025



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Key Topics

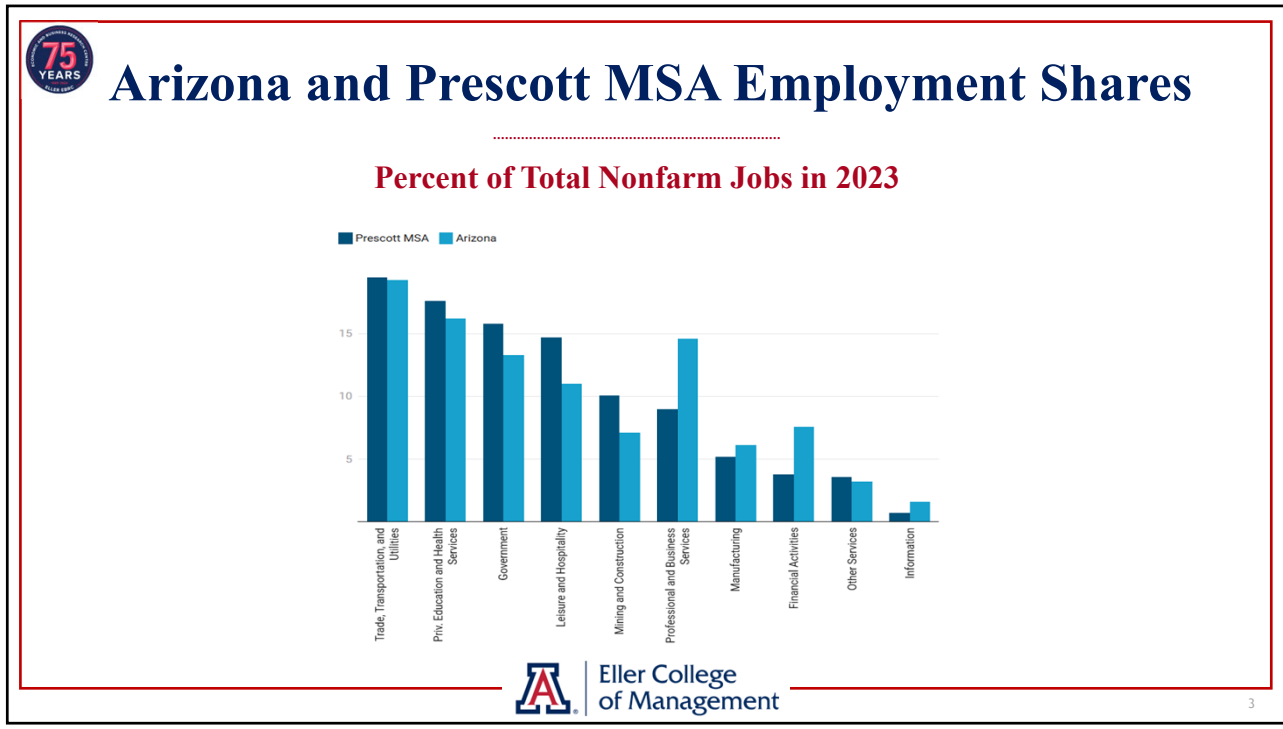
- ▶ **Arizona continues to churn out solid job gains, outpacing the U.S.**
 - ▶ Prescott MSA job growth is close to the national average
- ▶ **Phoenix inflation is below the national average**
 - ▶ With falling commodities prices
- ▶ **Arizona housing cost burdens are high**
 - ▶ Single-family housing permit activity was strong last year
- ▶ **The outlook is positive for Arizona and Prescott**
 - ▶ Widespread tariffs, mass deportations, reduced immigration will contribute to inflation and reduce economic growth



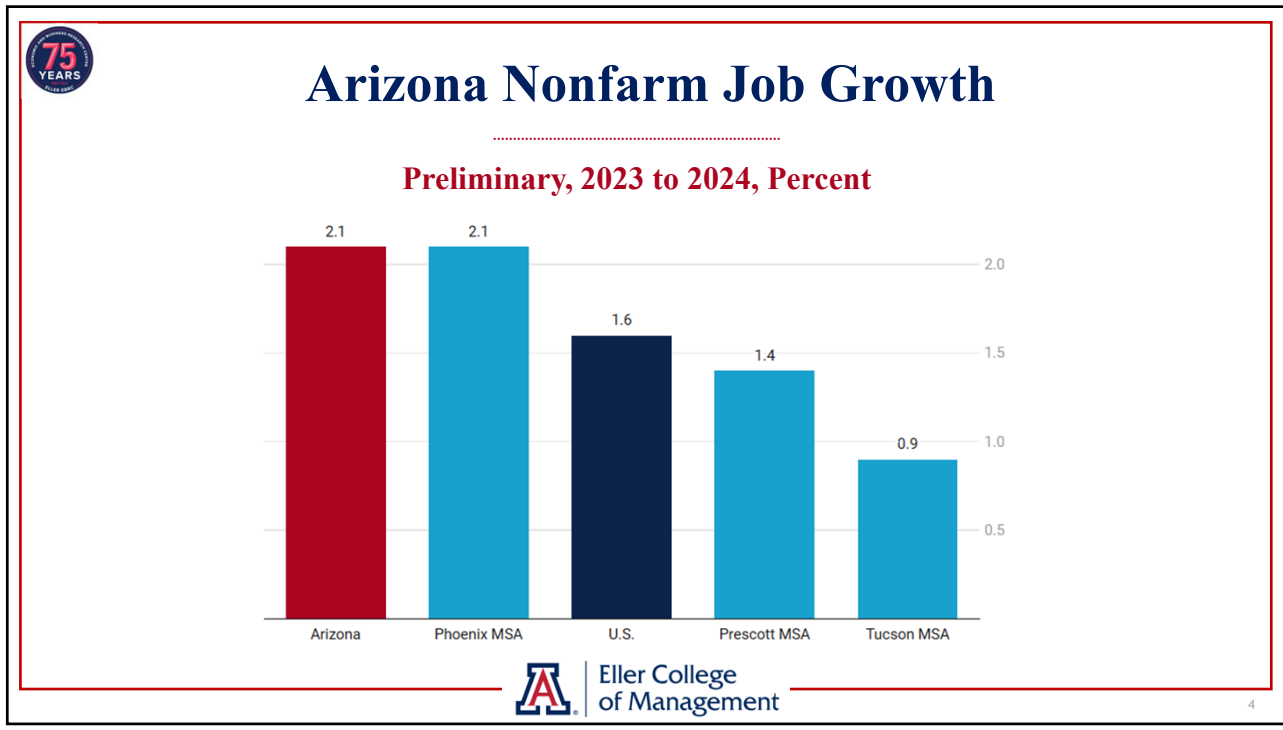
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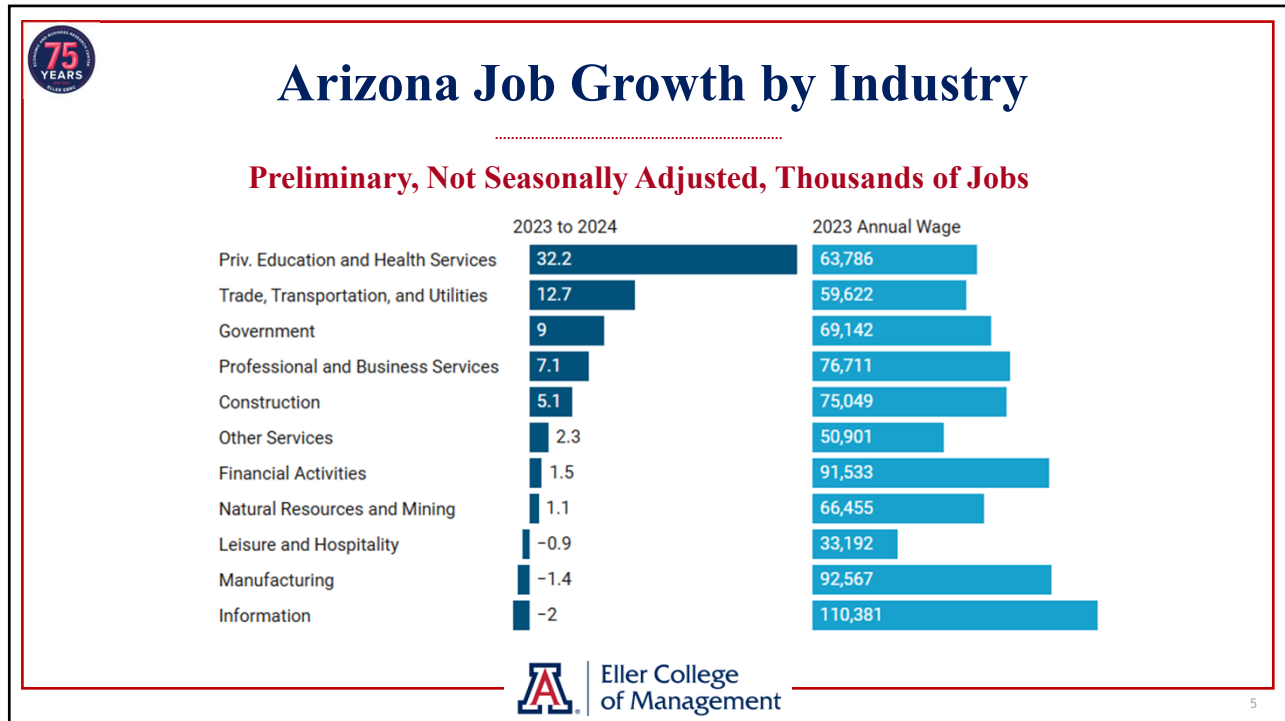


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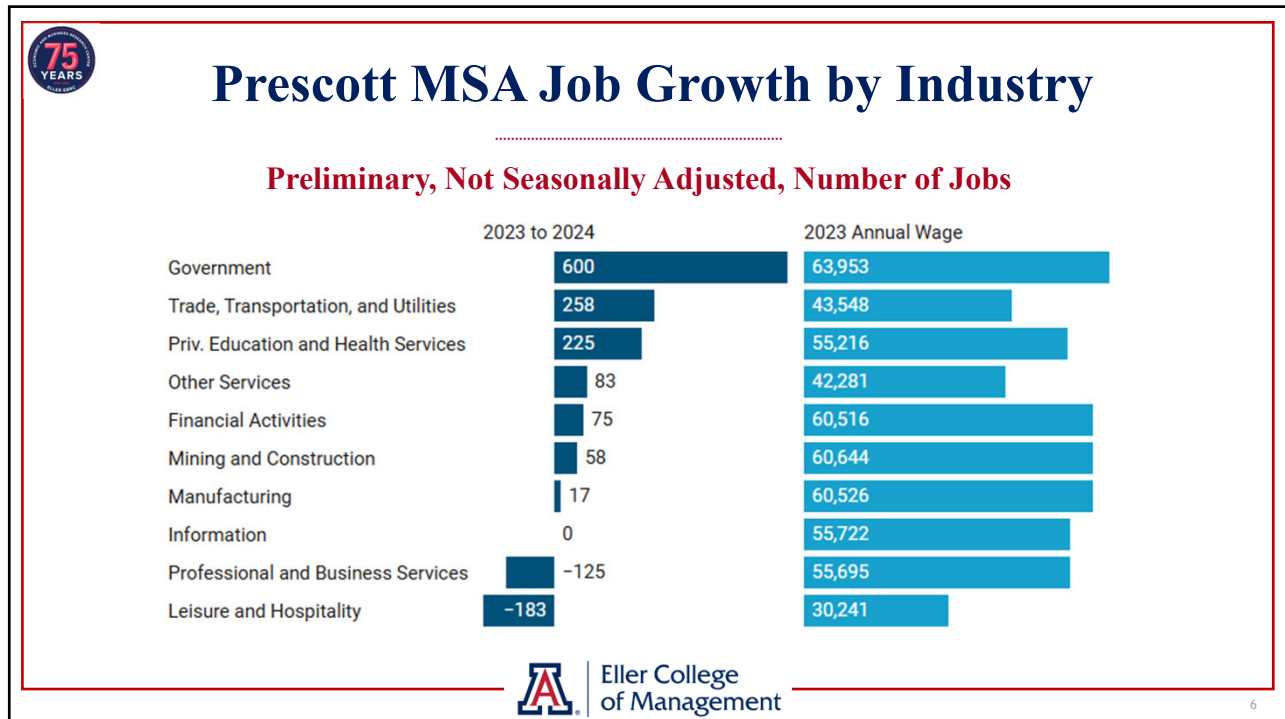


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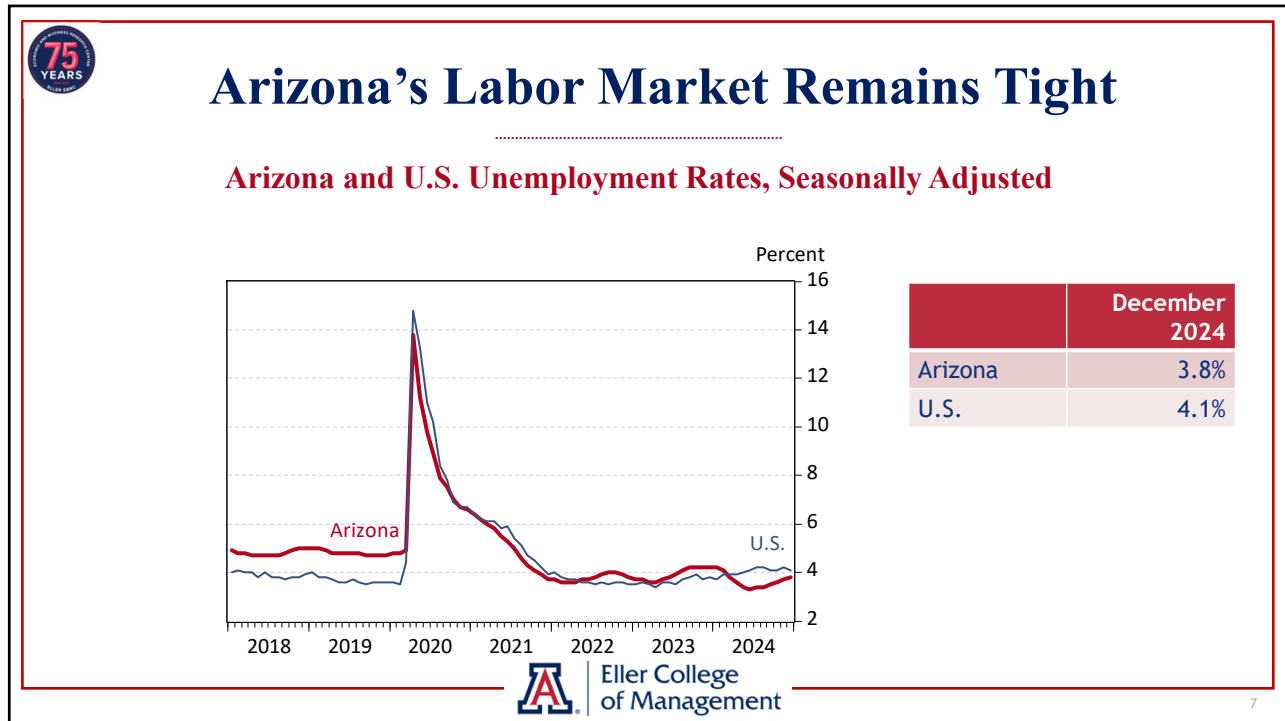
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 ghammond@arizona.edu



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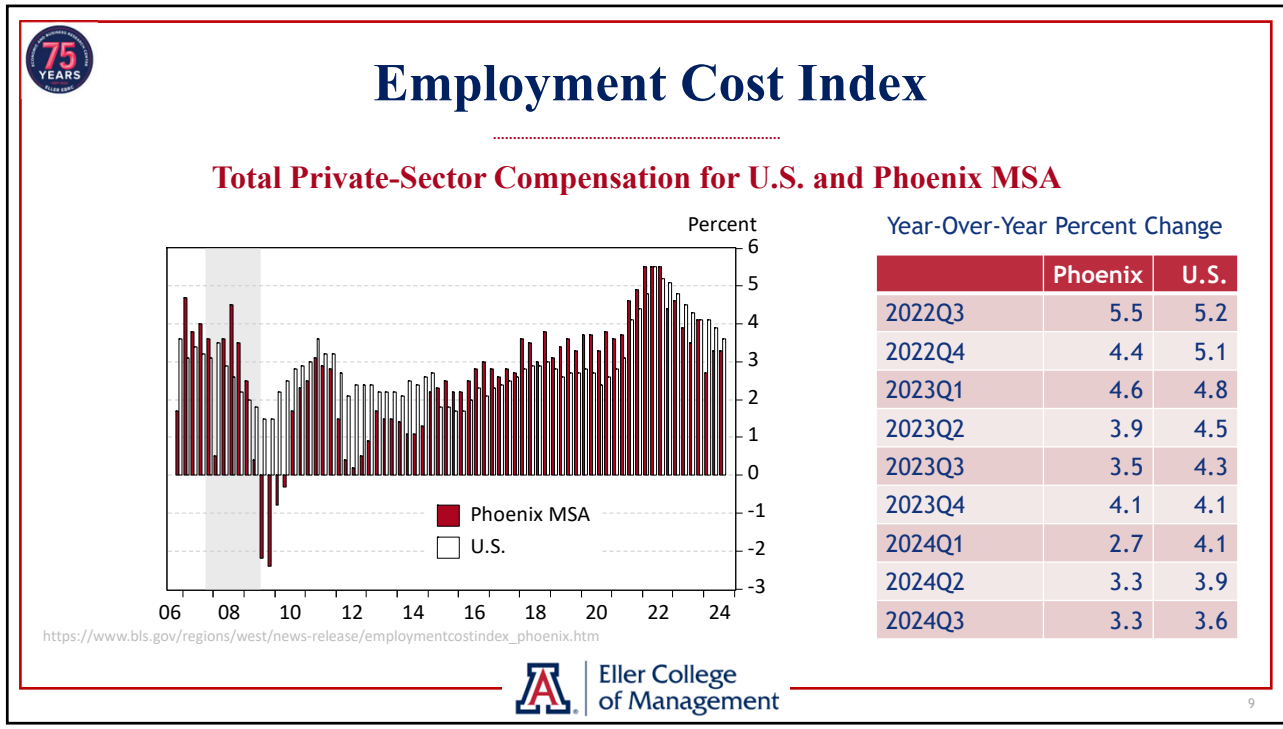
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Employment Cost Index

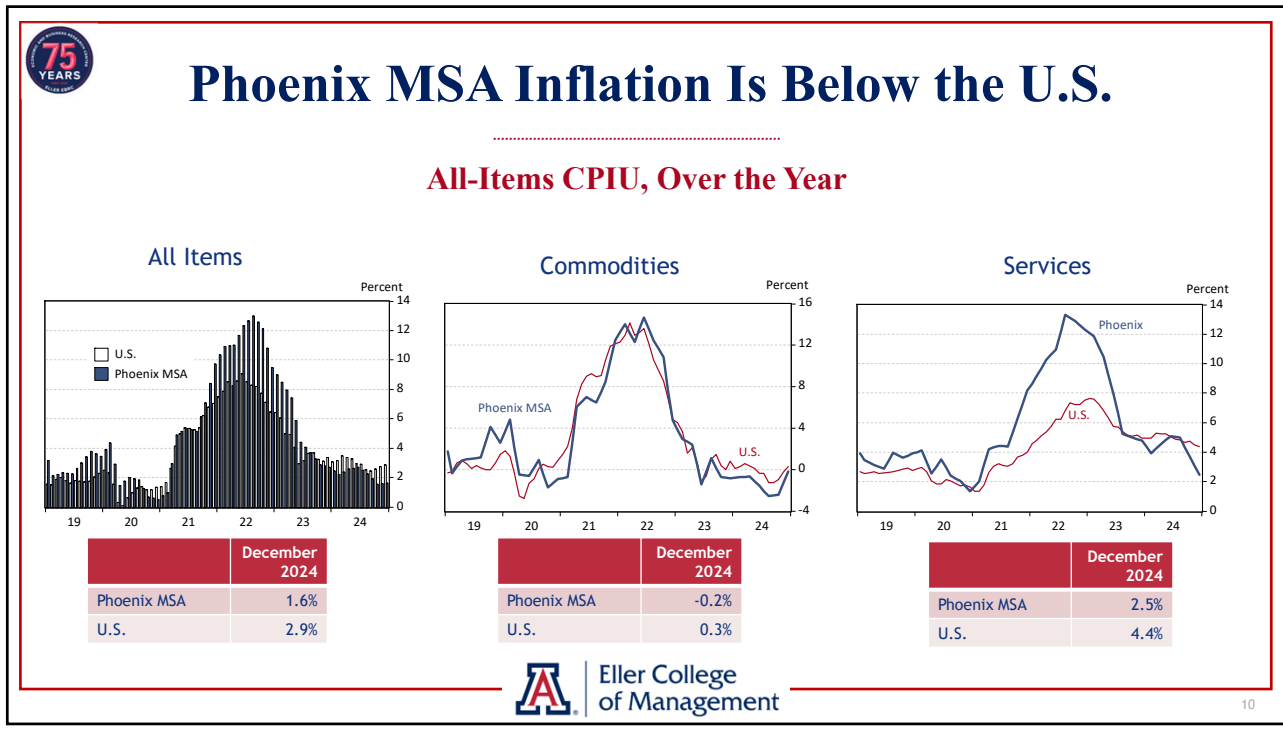
- ▶ **There are many measures of labor income**
 - ▶ **The pandemic has distorted some of the common measures**
 - ▶ Like headline average wages per job (total wages paid divided by total jobs) and headline average hourly wages
 - ▶ Detailed industry breakdowns can help
 - ▶ **The Employment Cost Index is less subject to these problems because it is adjusted to account for shifts of workers across industries and occupations**
 - ▶ Total compensation and wages & salaries
 - ▶ Data show over-the-year changes by quarter
 - ▶ Available for large metropolitan areas, including Phoenix

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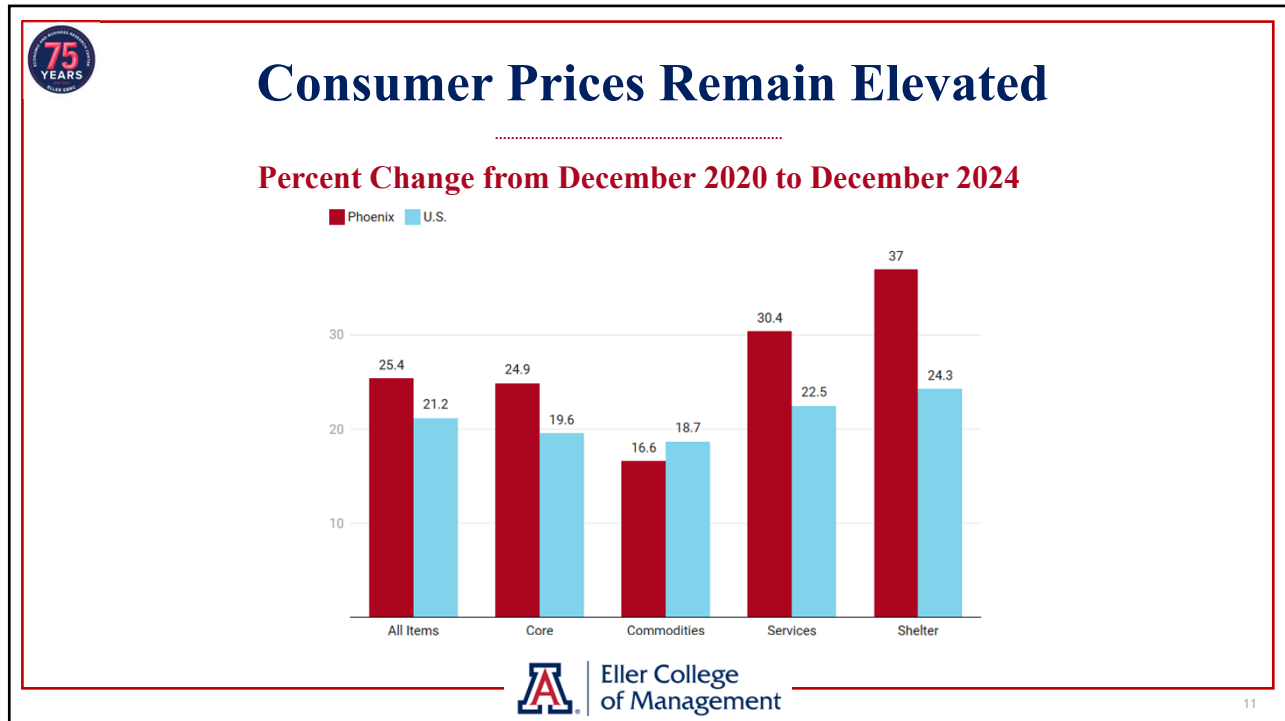


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75 YEARS

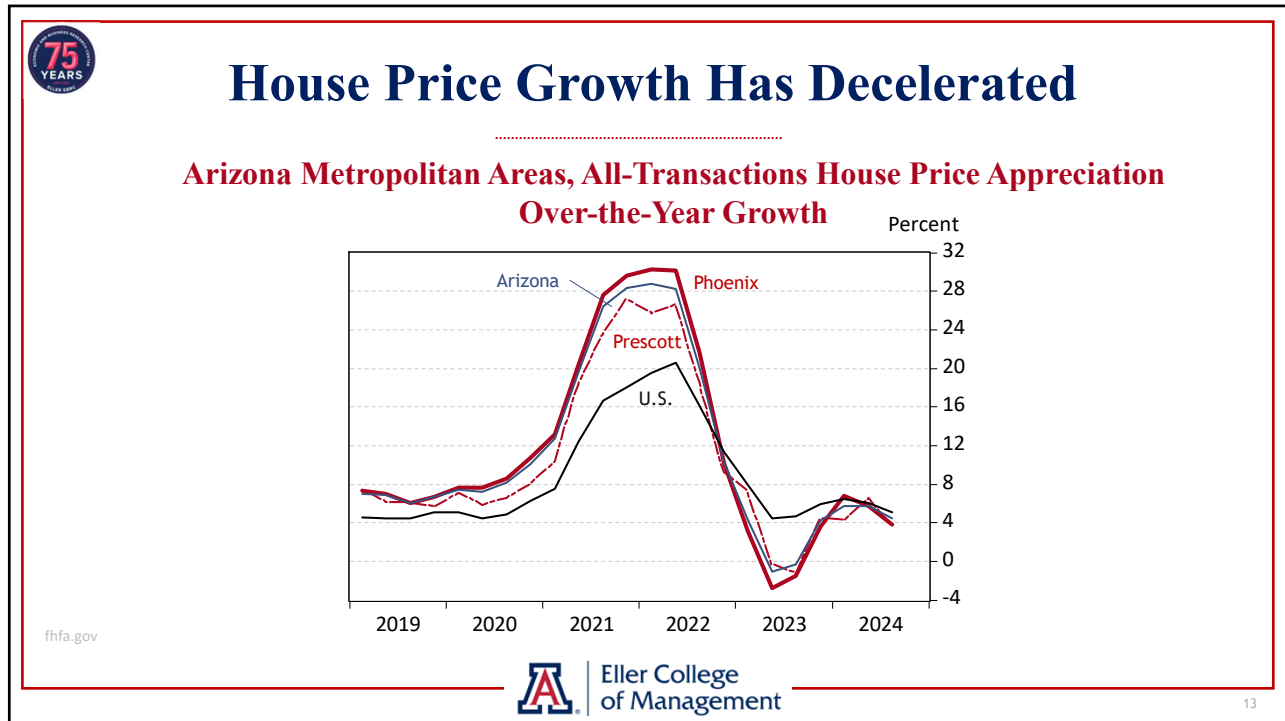
Measuring House Prices

Federal Housing Finance Agency (fhfa.gov)

- ▶ **The time trend of median house prices can be influenced in important ways by shifts in the value of homes sold in a given period**
- ▶ **FHFA indexes measure average price changes in repeat sales or refinancings on the same properties over time.**
 - ▶ Uses single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie MAC.
 - ▶ Misses sales of homes whose mortgages do not conform (loans above \$647k).

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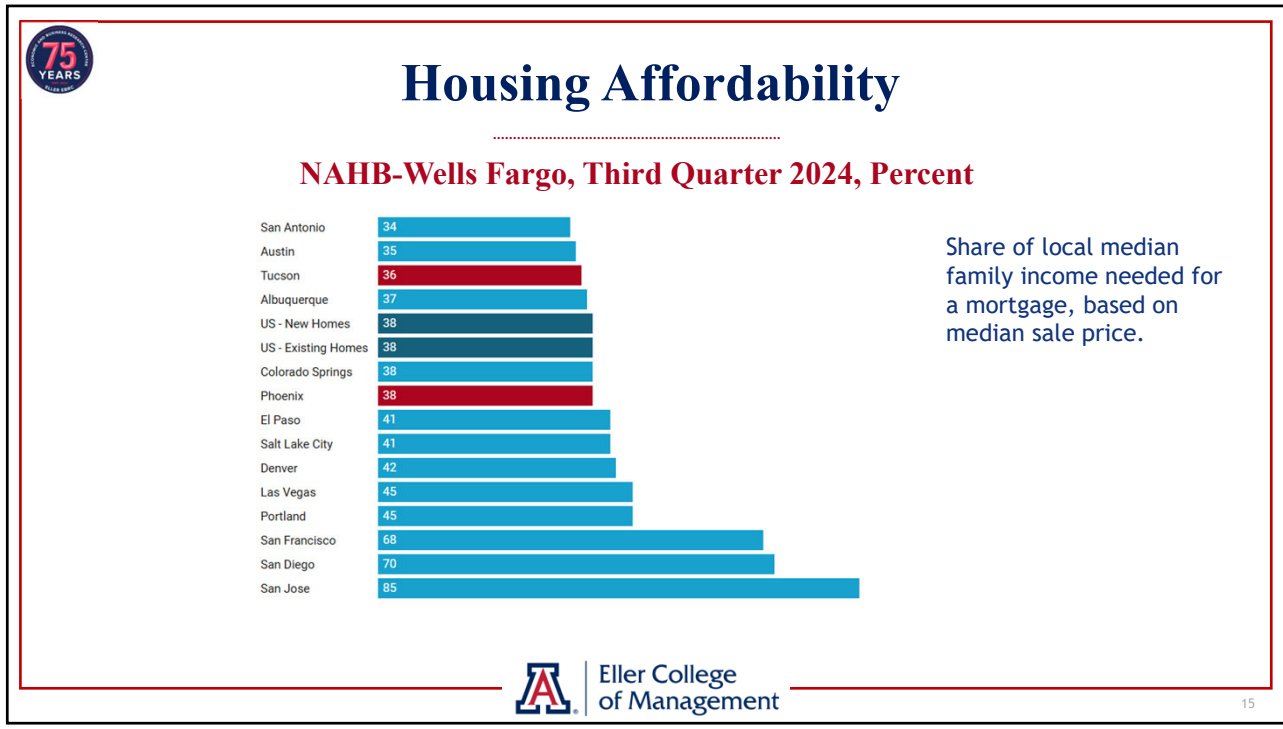
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Housing Affordability

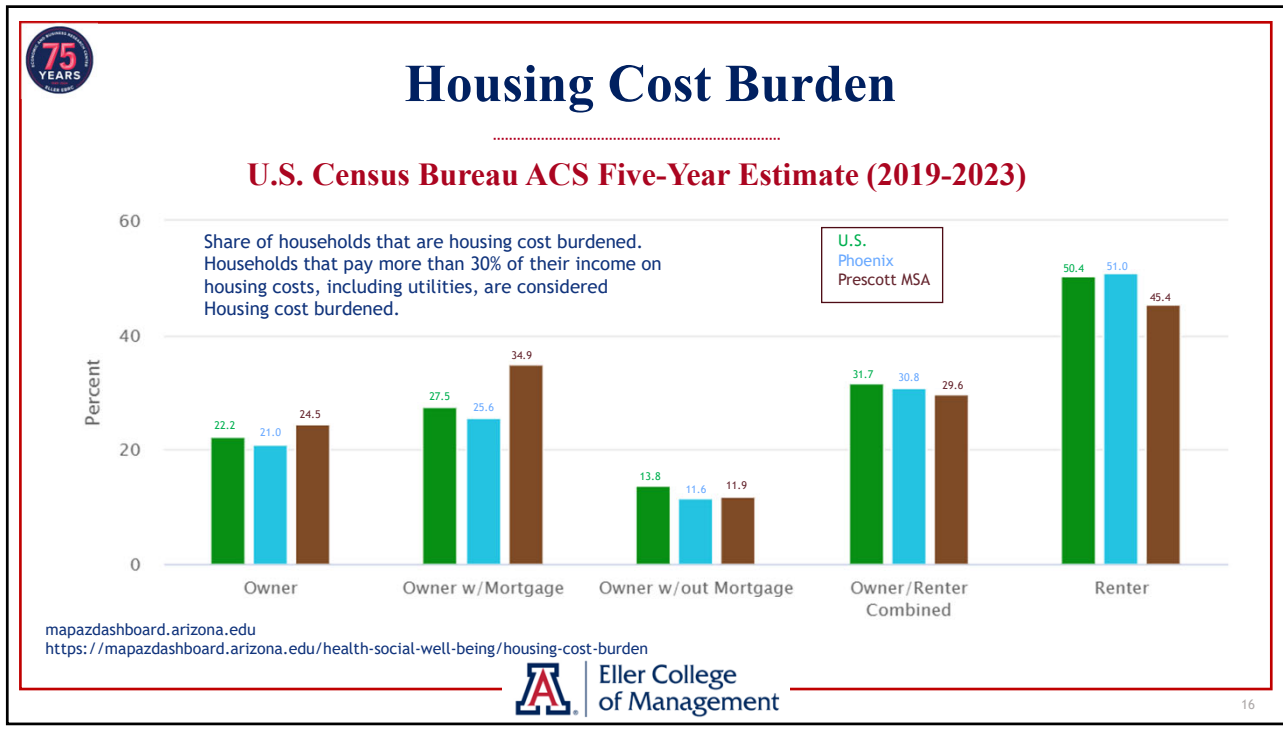
NAHB-Wells Fargo

- ▶ **NAHB-Wells Fargo Cost of Housing Index**
 - ▶ Share of local median family income required for a mortgage, based on median sale price and standard mortgage underwriting criteria
 - ▶ Median family income, from U.S. Housing and Urban Development, is substantially higher than median household income
 - ▶ Median home price data from NAR
 - ▶ 30-year fixed mortgage, 10% down
 - ▶ Includes estimated property taxes, property insurance, and private mortgage insurance

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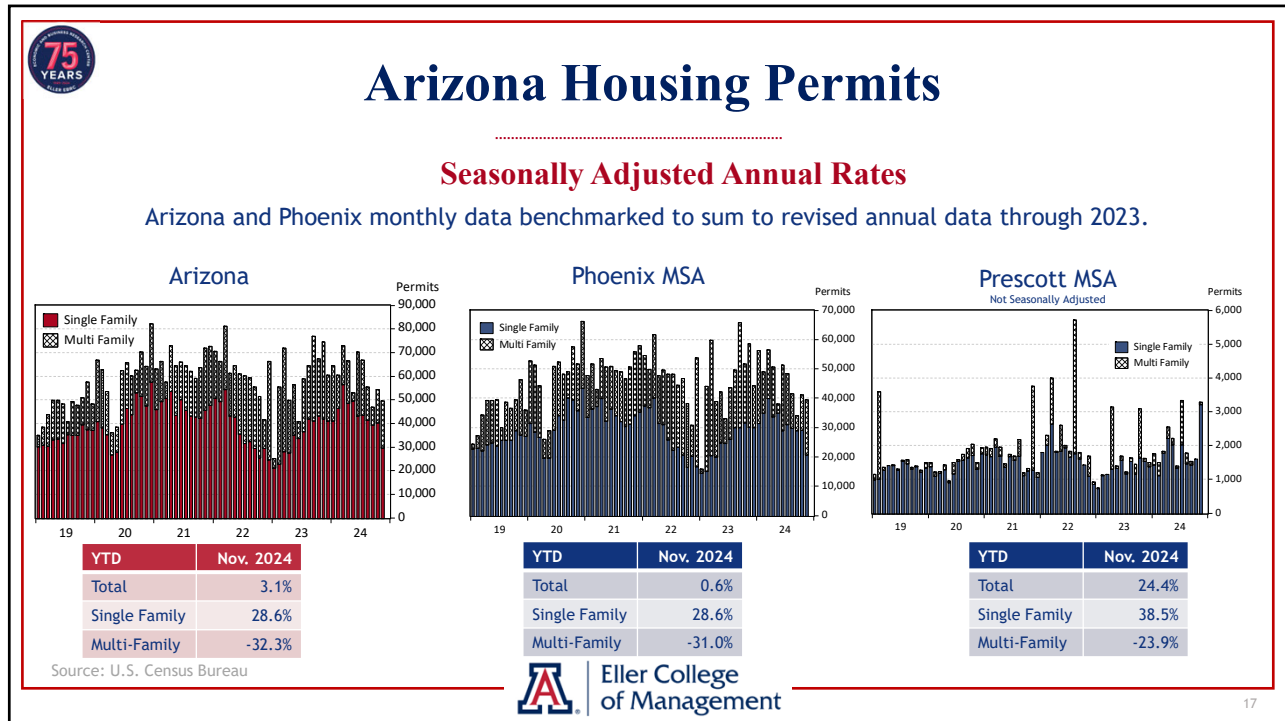


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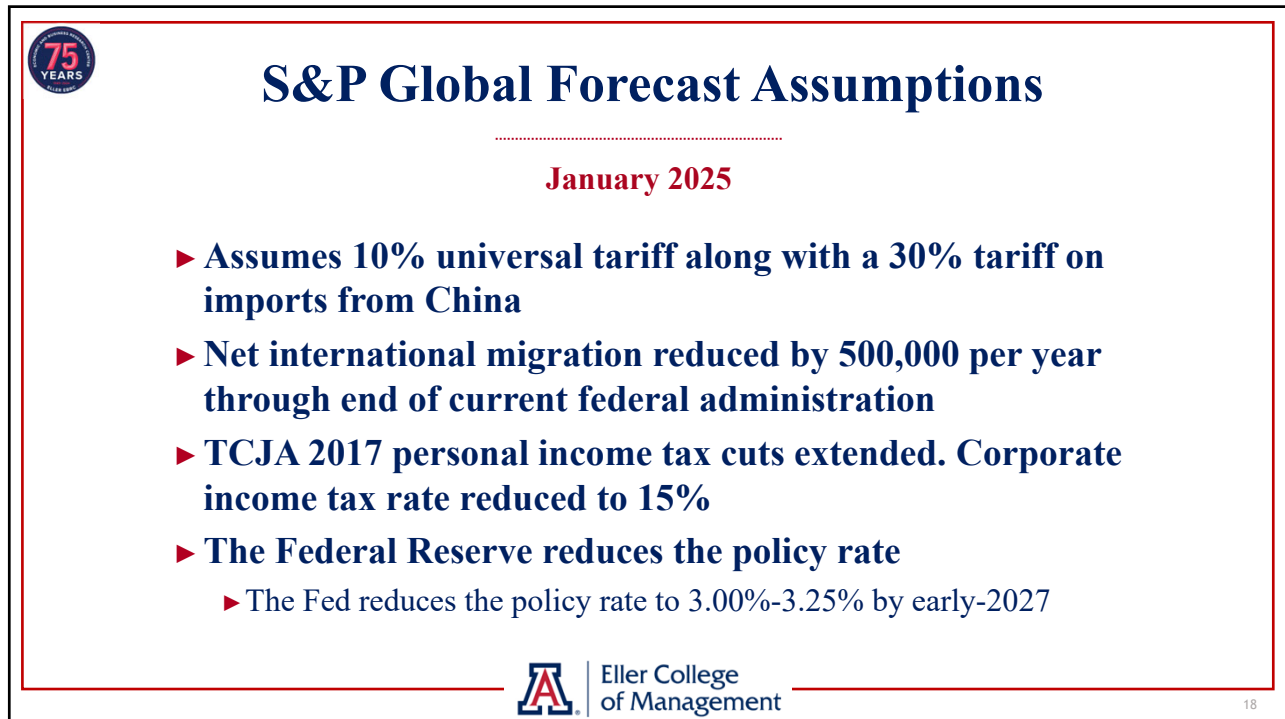


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U.S. Short-Run Forecast Summary

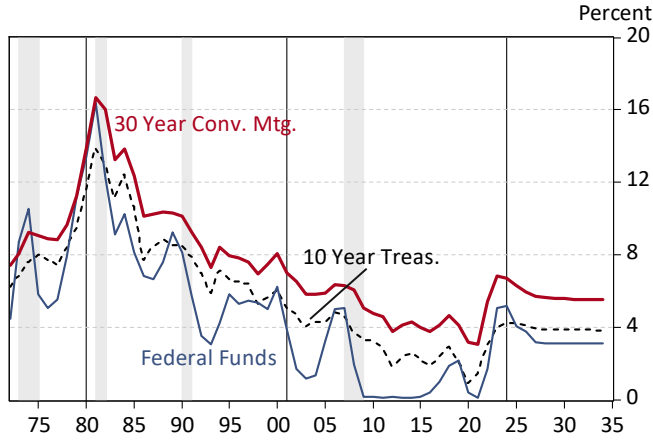
S&P Global, January 2025

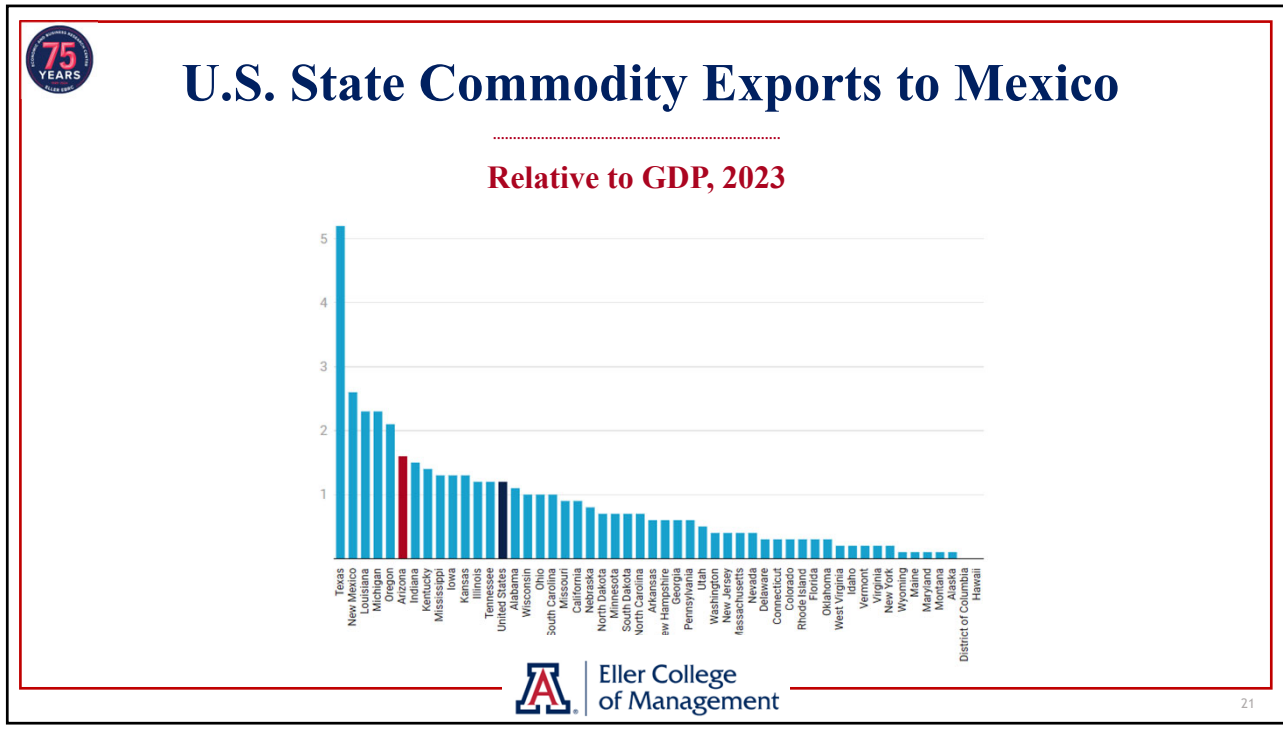
	2024	2025	2026	2027	2028
Real GDP Growth	2.8	2.0	1.7	1.6	1.9
Pers. Cons.	2.7	2.5	1.8	2.3	2.8
Bus. Fixed Investment	3.7	1.8	1.6	1.2	1.6
Res. Investment	4.2	-0.8	-1.1	0.3	1.8
Government	3.3	1.1	0.0	-0.2	-0.3
Exports	3.3	3.1	1.6	2.4	2.8
Imports	5.4	4.1	0.0	2.2	4.3
Nonfarm Job Growth	1.6	0.9	-0.1	-0.1	0.2
Unemployment Rate	4.0	4.4	4.7	4.8	4.7
Federal Funds Rate	5.2	4.0	3.7	3.1	3.1
AAA Corporate Rate	5.0	5.2	5.3	5.2	5.1
Inflation (CPIU)	3.0	2.9	3.3	2.2	1.8
Housing Starts (Mil.)	1.35	1.31	1.26	1.26	1.28
Consumer Confidence (U.Mich.,%)	11.0	9.4	3.5	1.8	-0.1



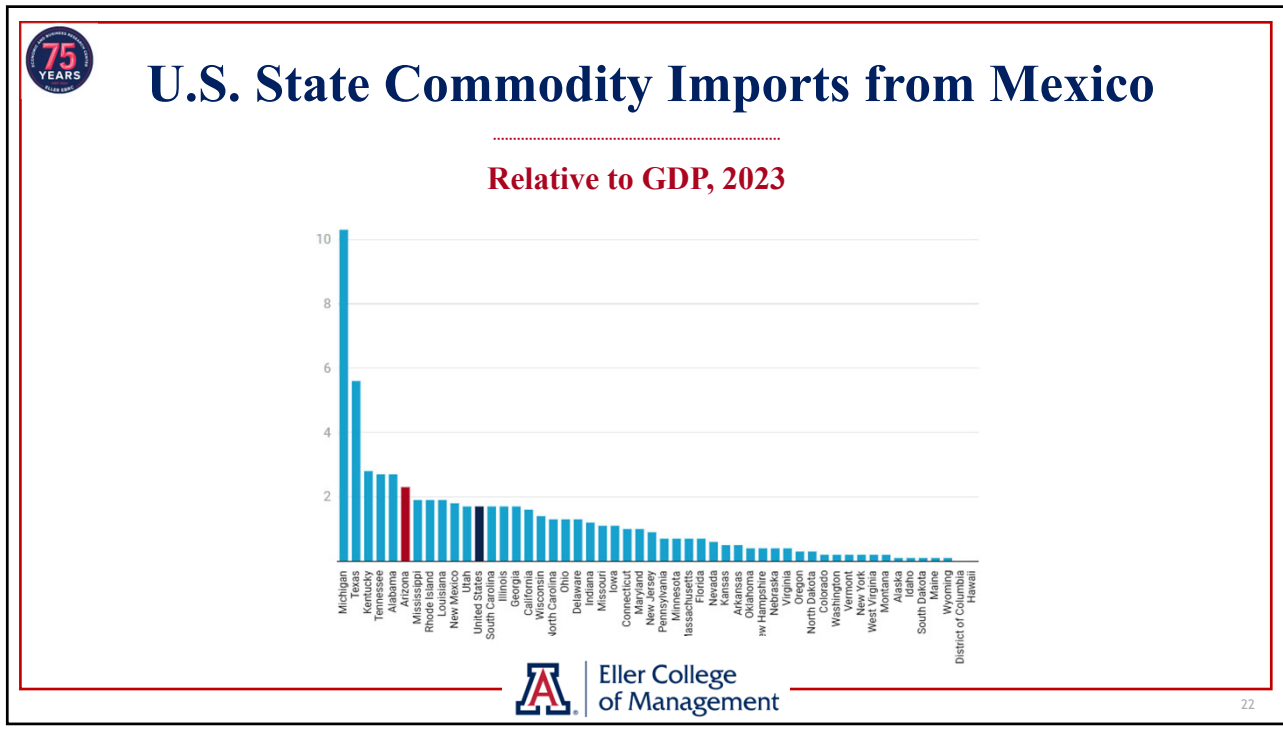
U.S. Interest Rates

S&P Global, January 2025

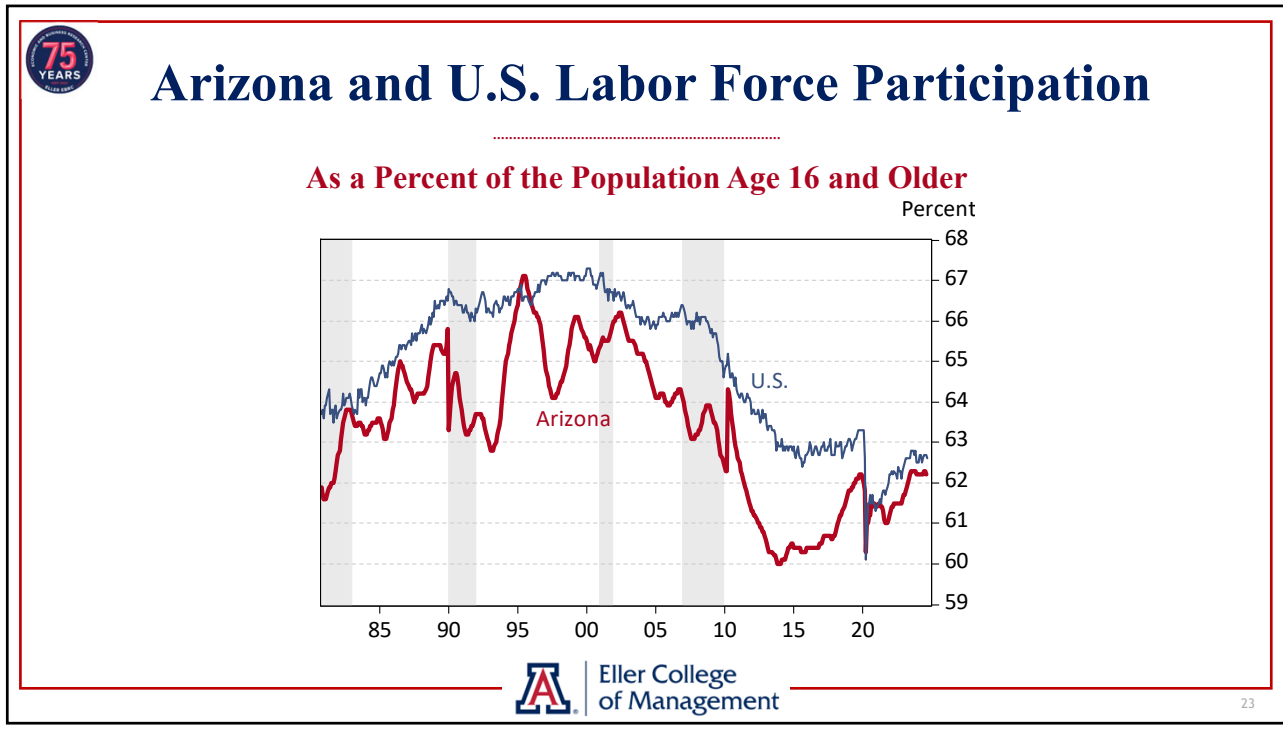




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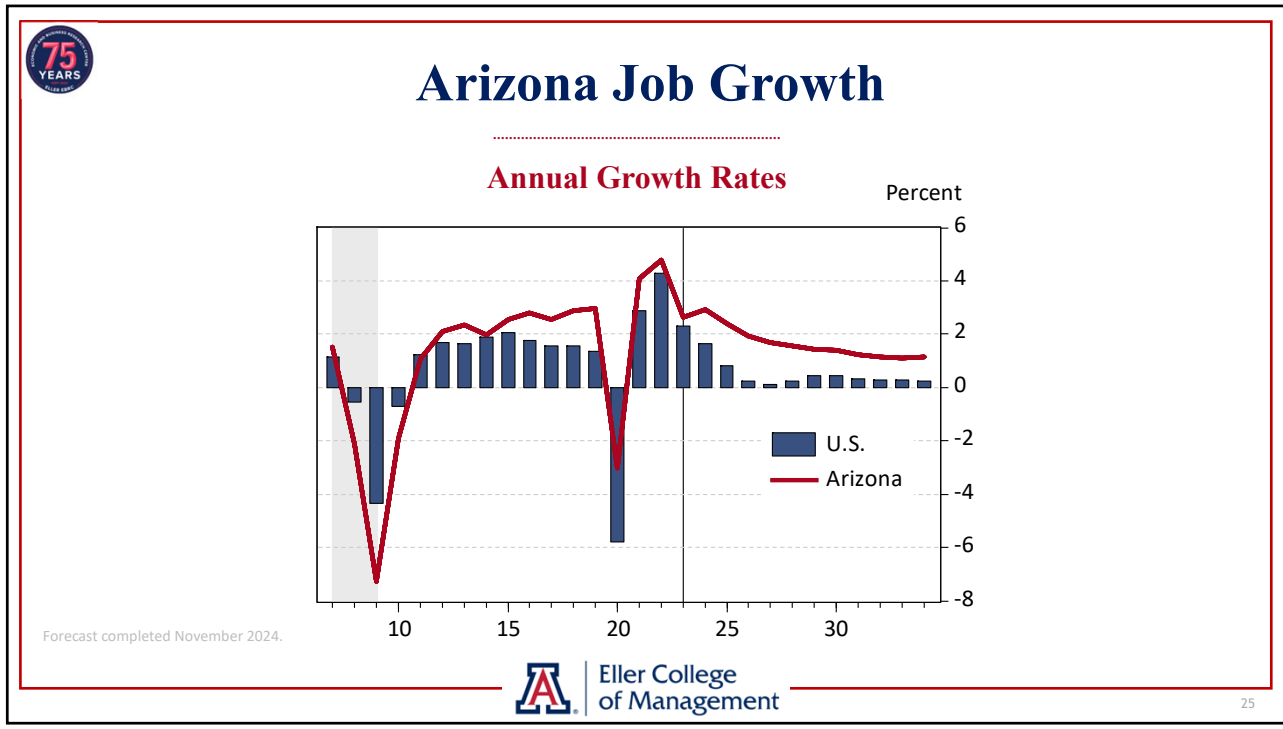
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Unauthorized Immigrants
Pew Research Center

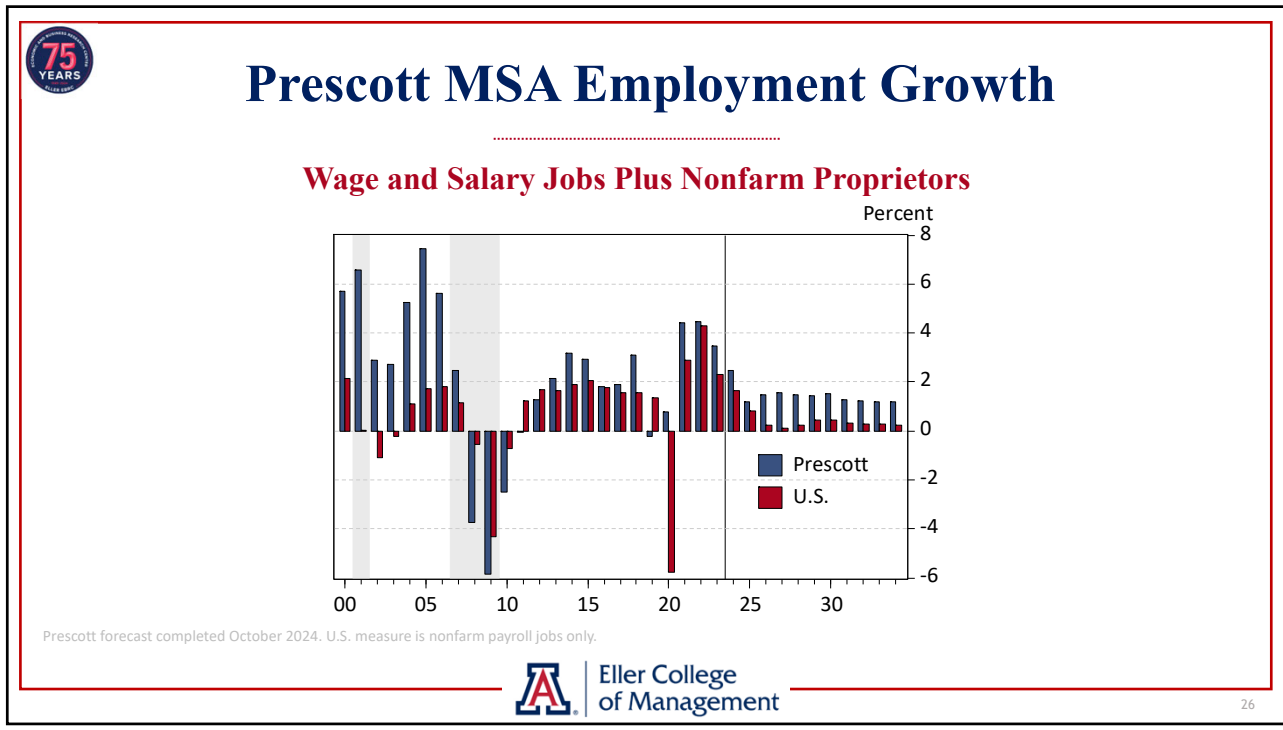
	Arizona	U.S.
Unauthorized immigrants in labor force (rank)	190,000 (13 th)	8,250,000
Share of labor force (rank)	4.9% (13 th)	4.8%
Industry with most unauthorized immigrants	Construction	Construction
Industry with highest share unauthorized immigrants	Agriculture	Construction

<https://www.pewresearch.org/short-reads/2024/07/22/what-we-know-about-unauthorized-immigrants-living-in-the-us/>

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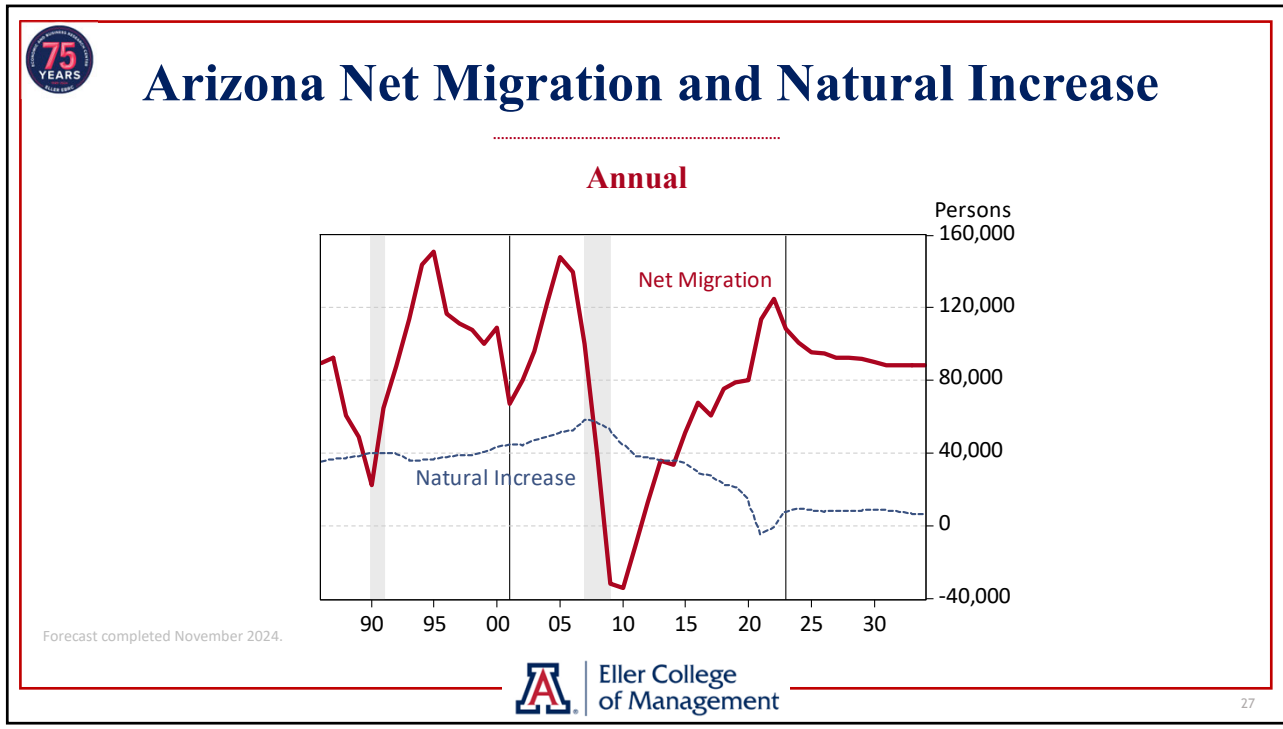


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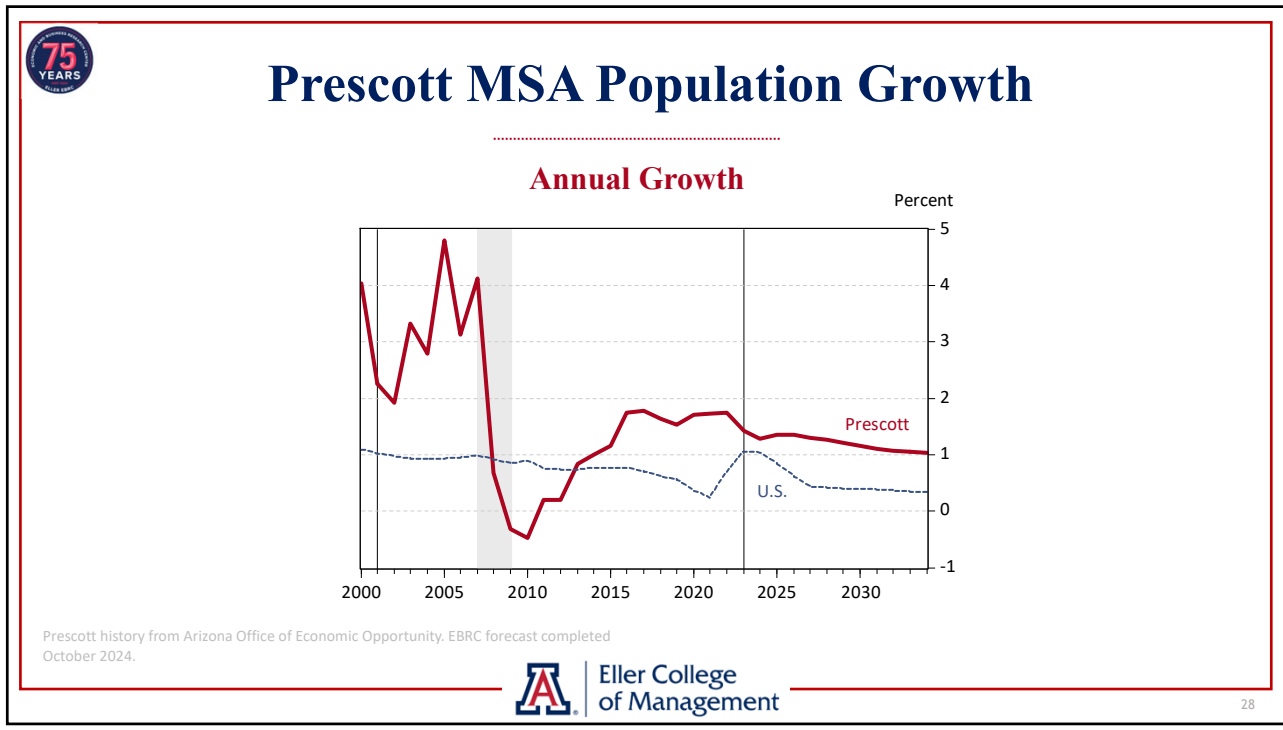


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Main Takeaways


- ▶ **Arizona’s labor market performance is solid**
 - ▶ Significant job gains, low unemployment
- ▶ **Phoenix inflation is low and commodities prices are falling**
 - ▶ Which leaves services driving price increases
- ▶ **Housing affordability remains low**
 - ▶ But single-family housing permits were up last year
- ▶ **The baseline outlook calls for continued, but slowing, growth**
 - ▶ Tariffs, deportations, reduced immigration, demographics, and elevated interest rates weigh on growth



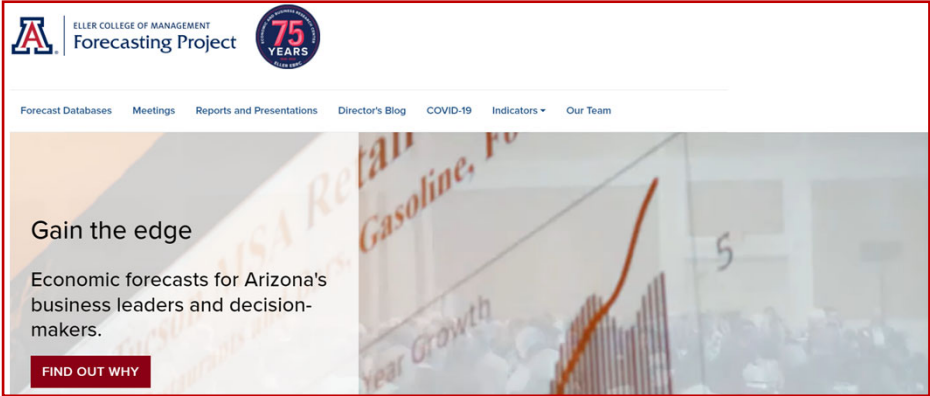
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Discover the Forecasting Project



forecast.eller.arizona.edu



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- Tucson:** Evening – one night per week
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- Chandler:** Professional – material available 24/7
- Online:** Material available 24/7

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JANUARY 2025



ENVIRONMENTAL SCAN REPORT

PRESENTED BY:

Ryan M. Jones

INSTITUTIONAL EFFECTIVENESS AND RESEARCH (IER)

Scan Purpose

The purpose of the environmental scan is to provide a wide range of information that will enable decisionmakers to understand the current context in which we operate, predict future trends, and incorporate this understanding into the college's strategic direction.

Internal

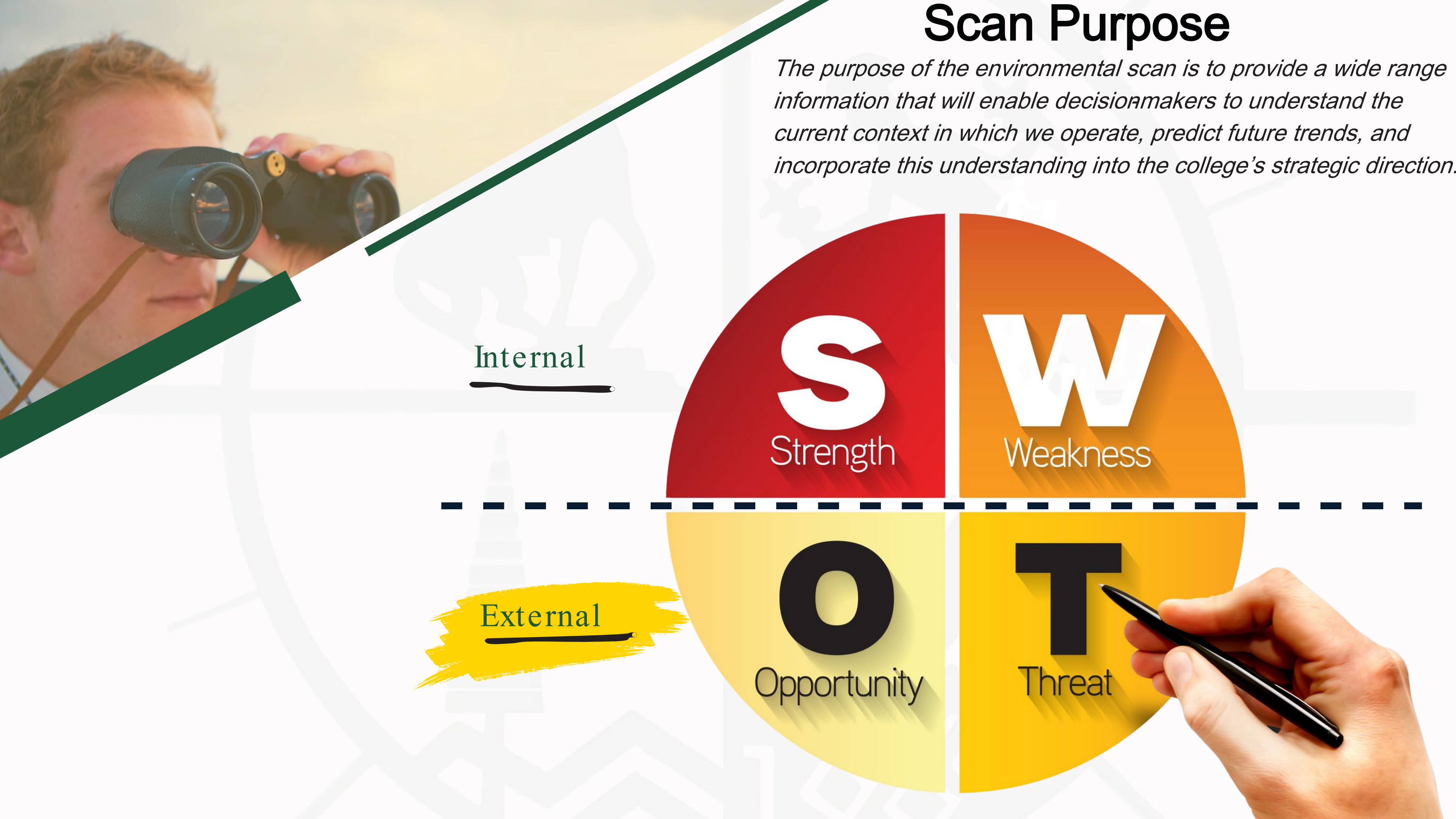
S
Strength

W
Weakness

External

O
Opportunity

T
Threat



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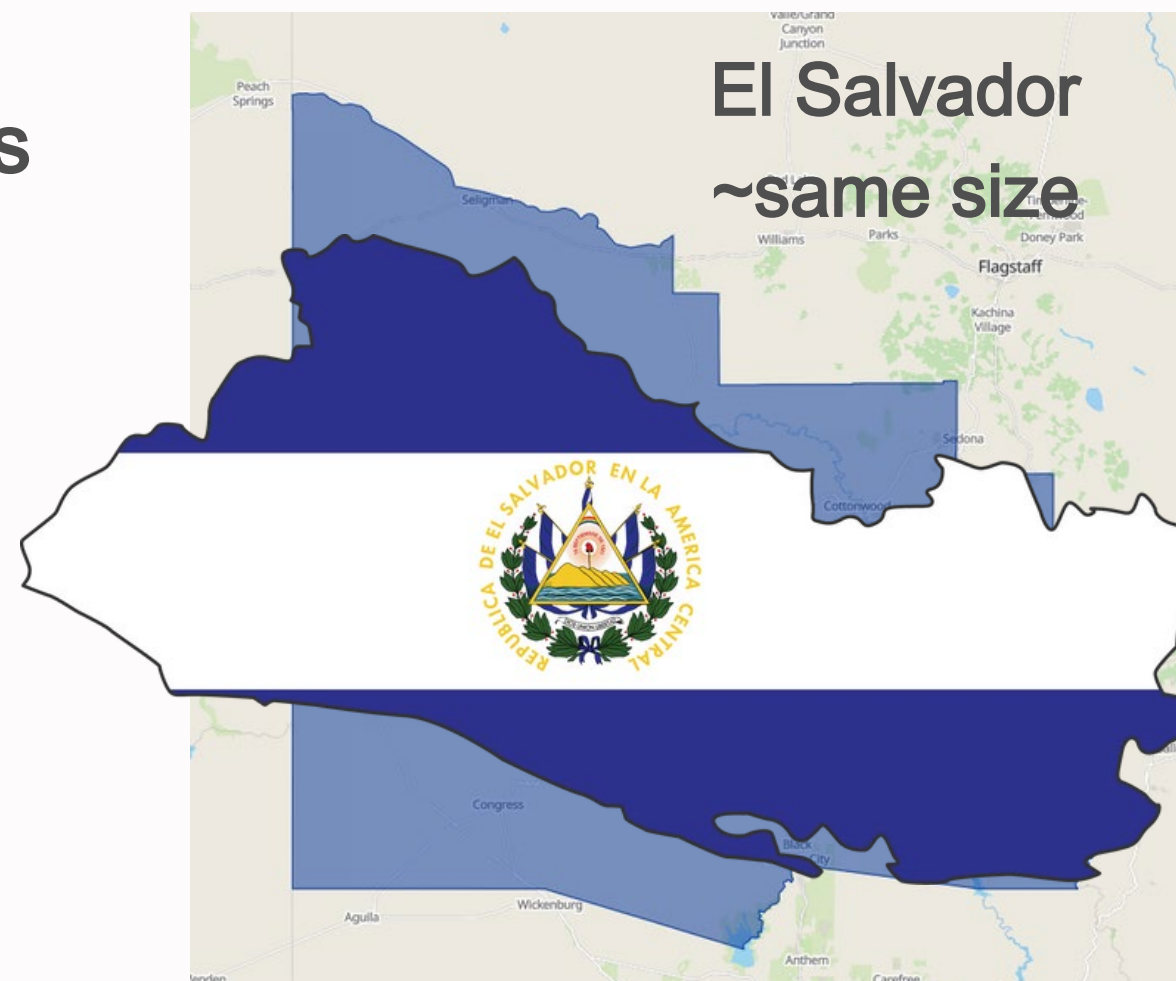
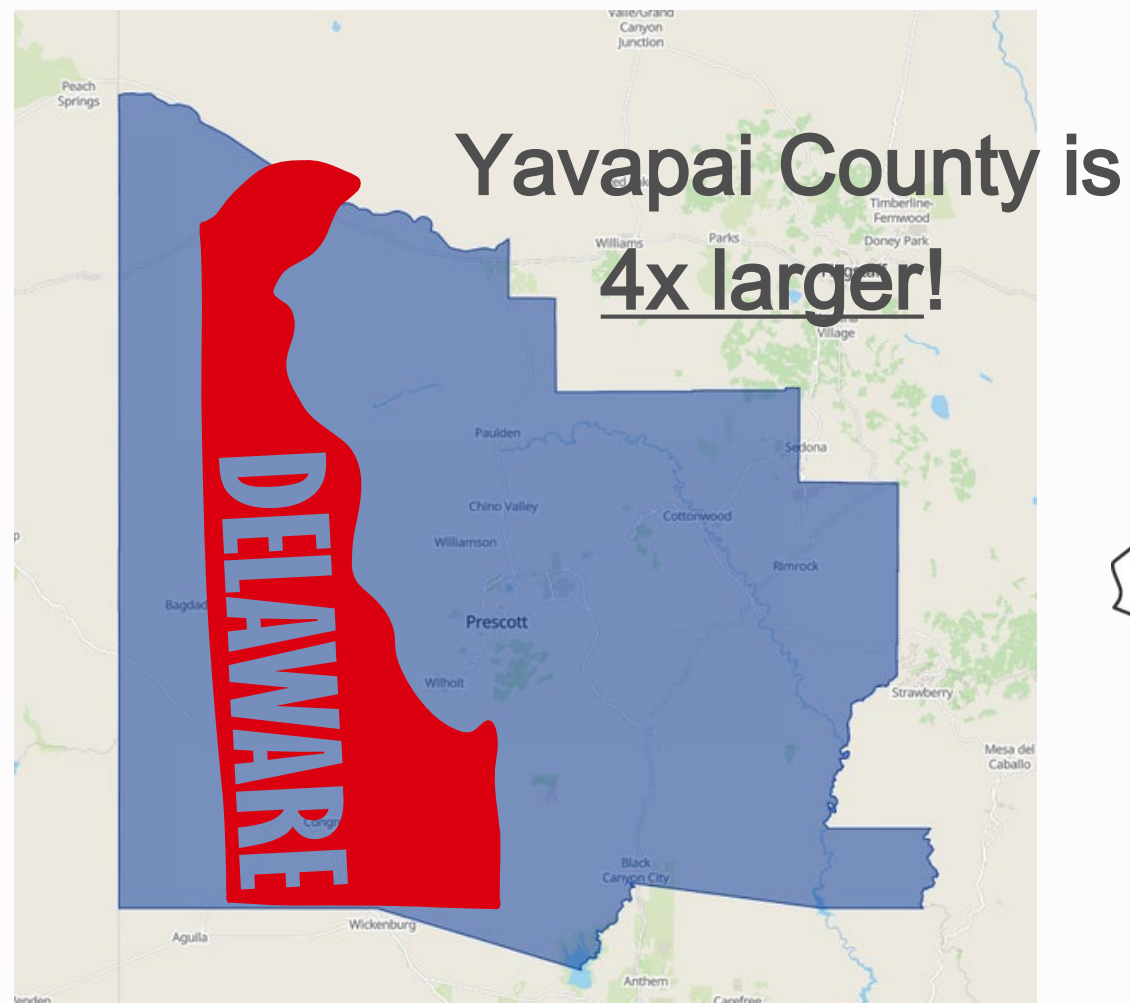
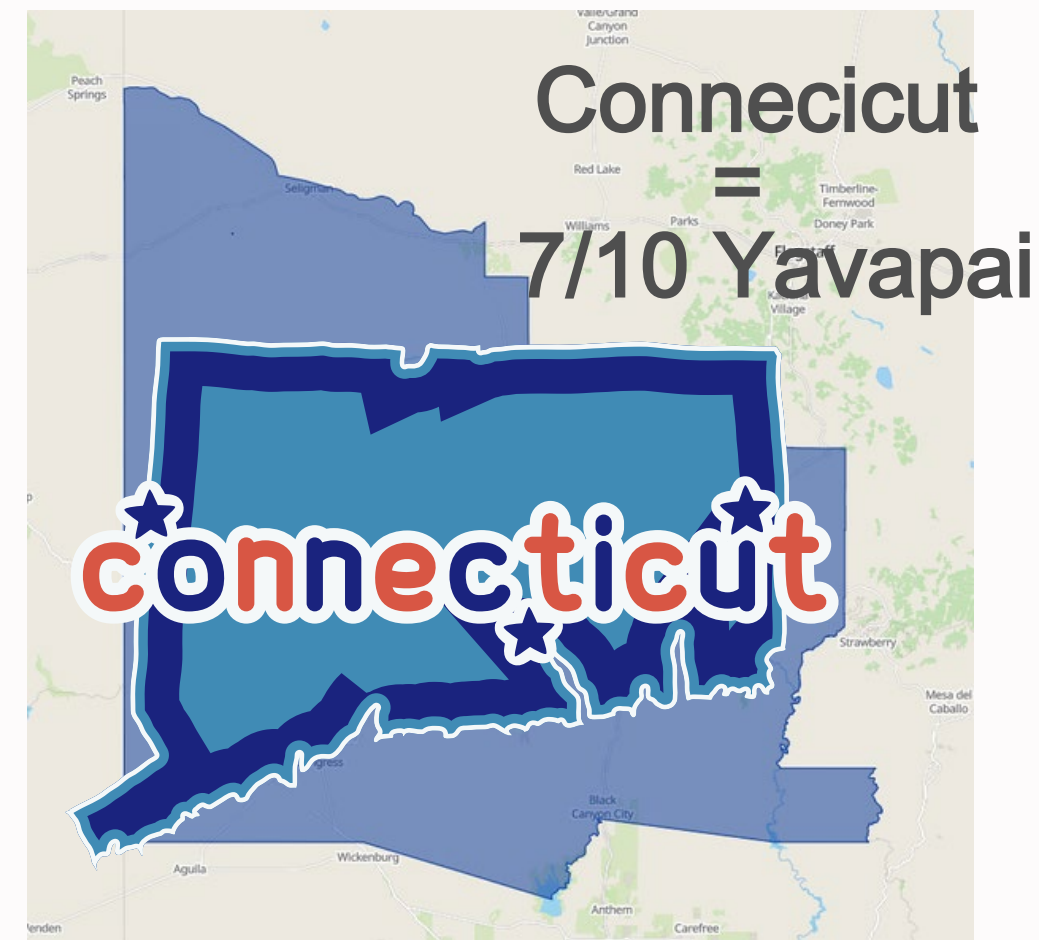
Technology

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Question Time



County Size Comparisons



Population Density

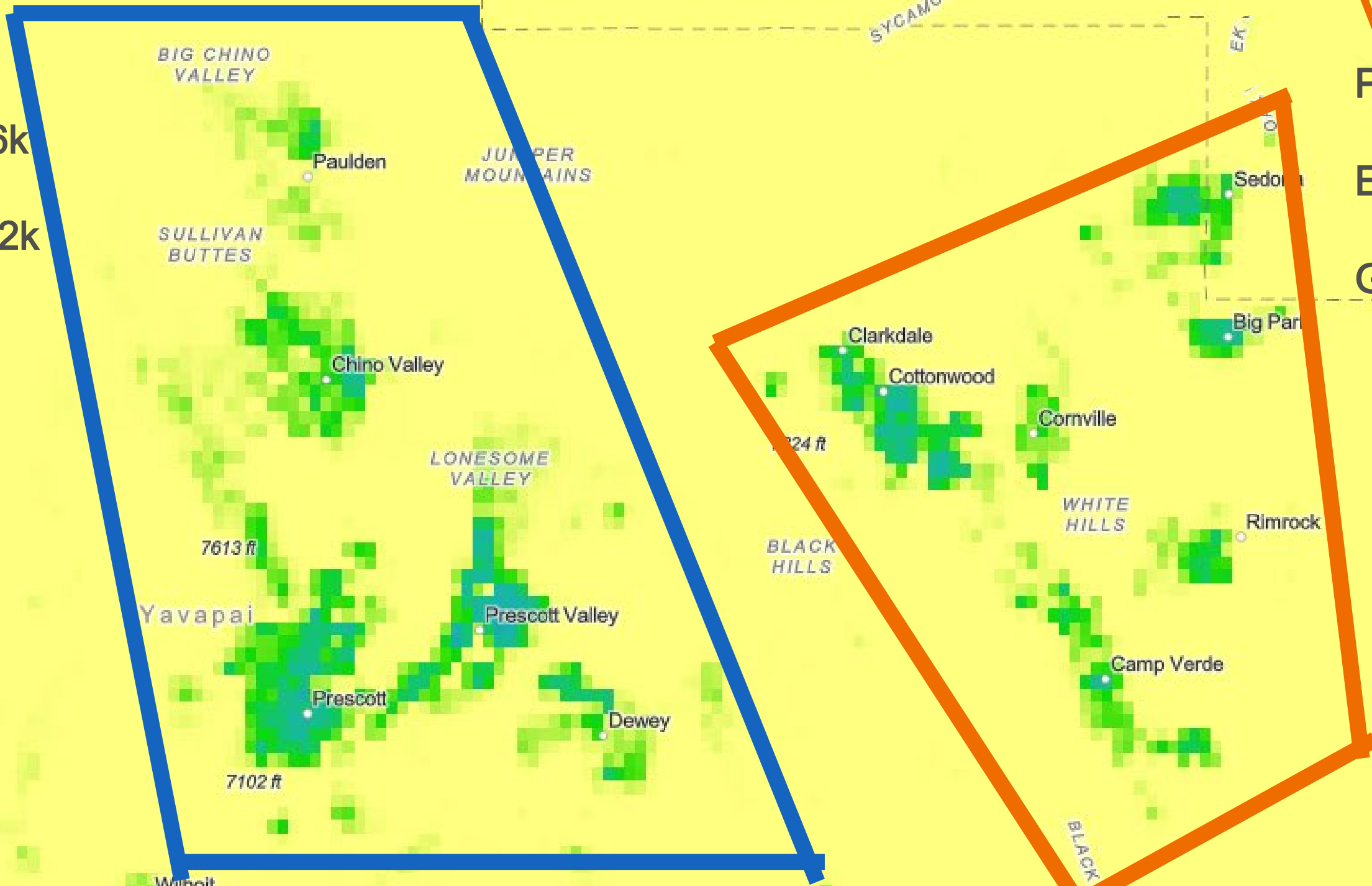
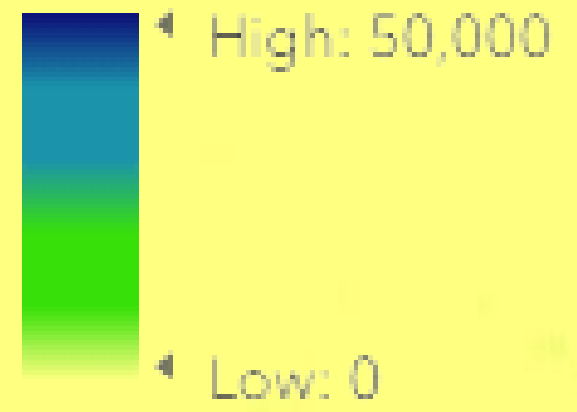
West

Population = 166k
 +10.5%, 5-yr
 Employment = 52k
 +6.5%, 5-yr
 GDP* = \$6.3B

Verde Valley

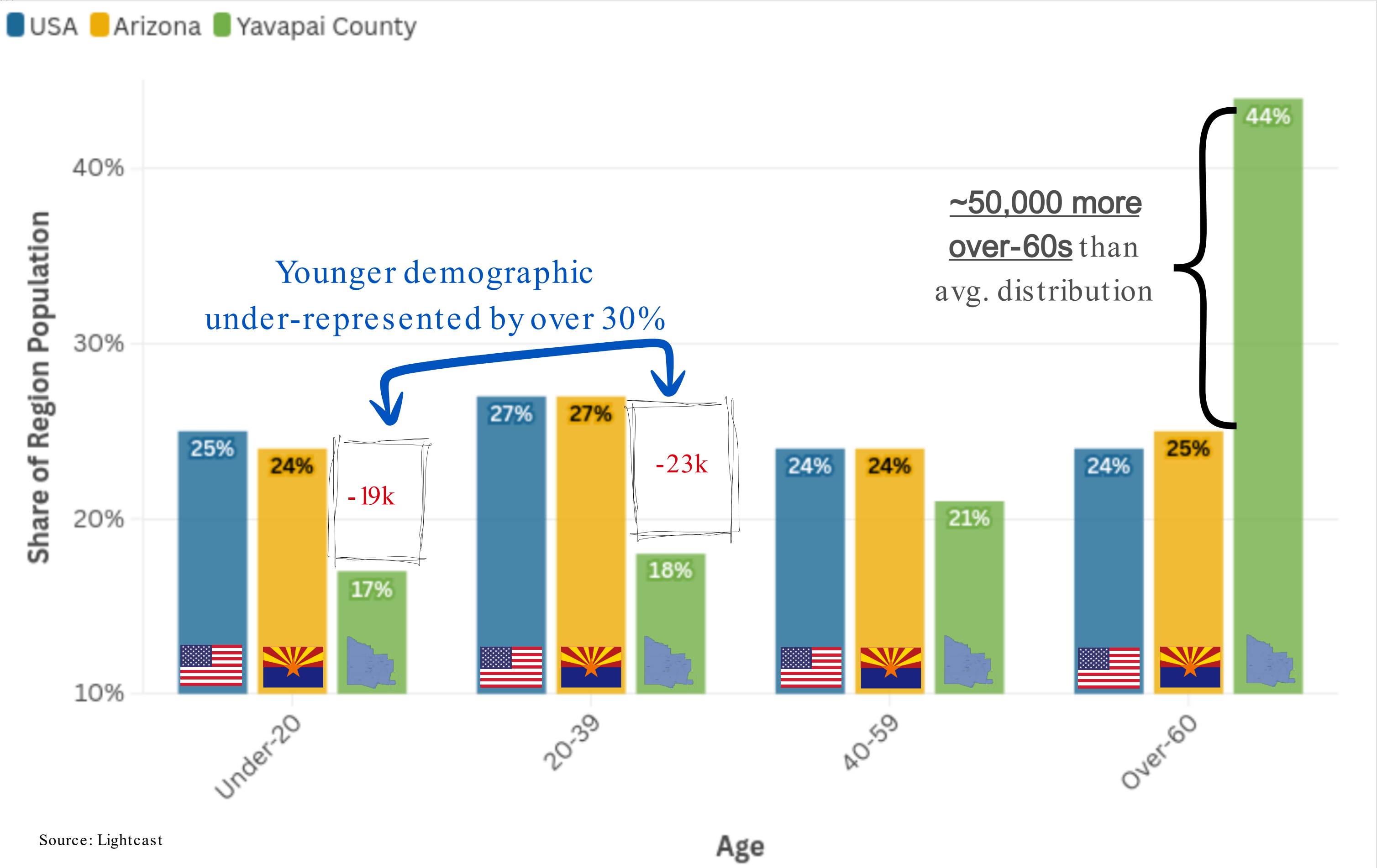
Population = 70k
 +0%, 5-yr
 Employment = 28k
 +11%, 5-yr
 GDP* = \$3.2B

Population Density



*GDP (or GRP): Measures the final market value of all goods and services produced in a region.

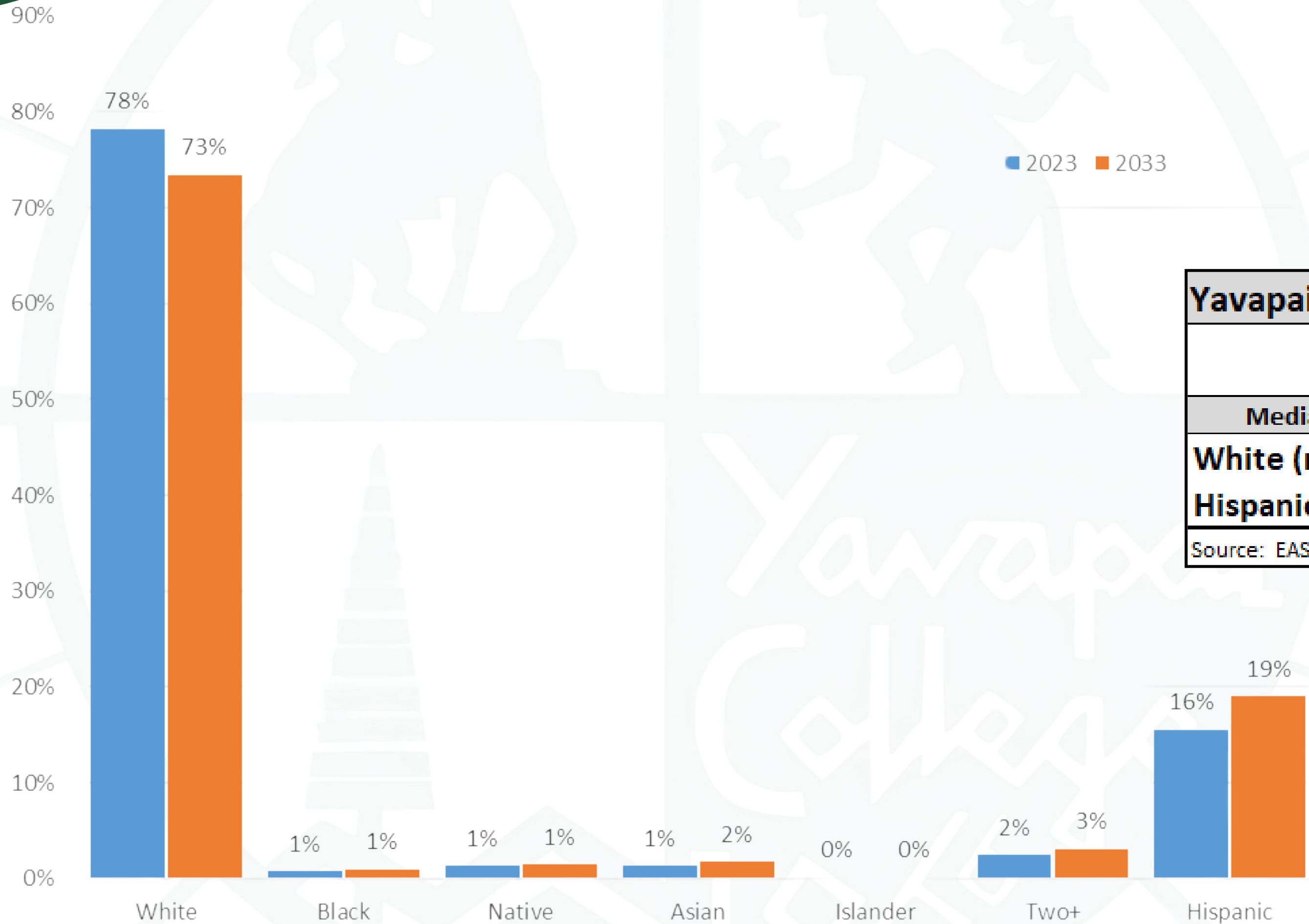
Population: Age Groups Compared



Yavapai Co. Median Age	
56	
<small>Median Age by Ethnicity</small>	
White (non-Hisp.)	58.1
Hispanic	32.4
<small>Source: EASI estimate 1/1/2024</small>	

Source: Lightcast

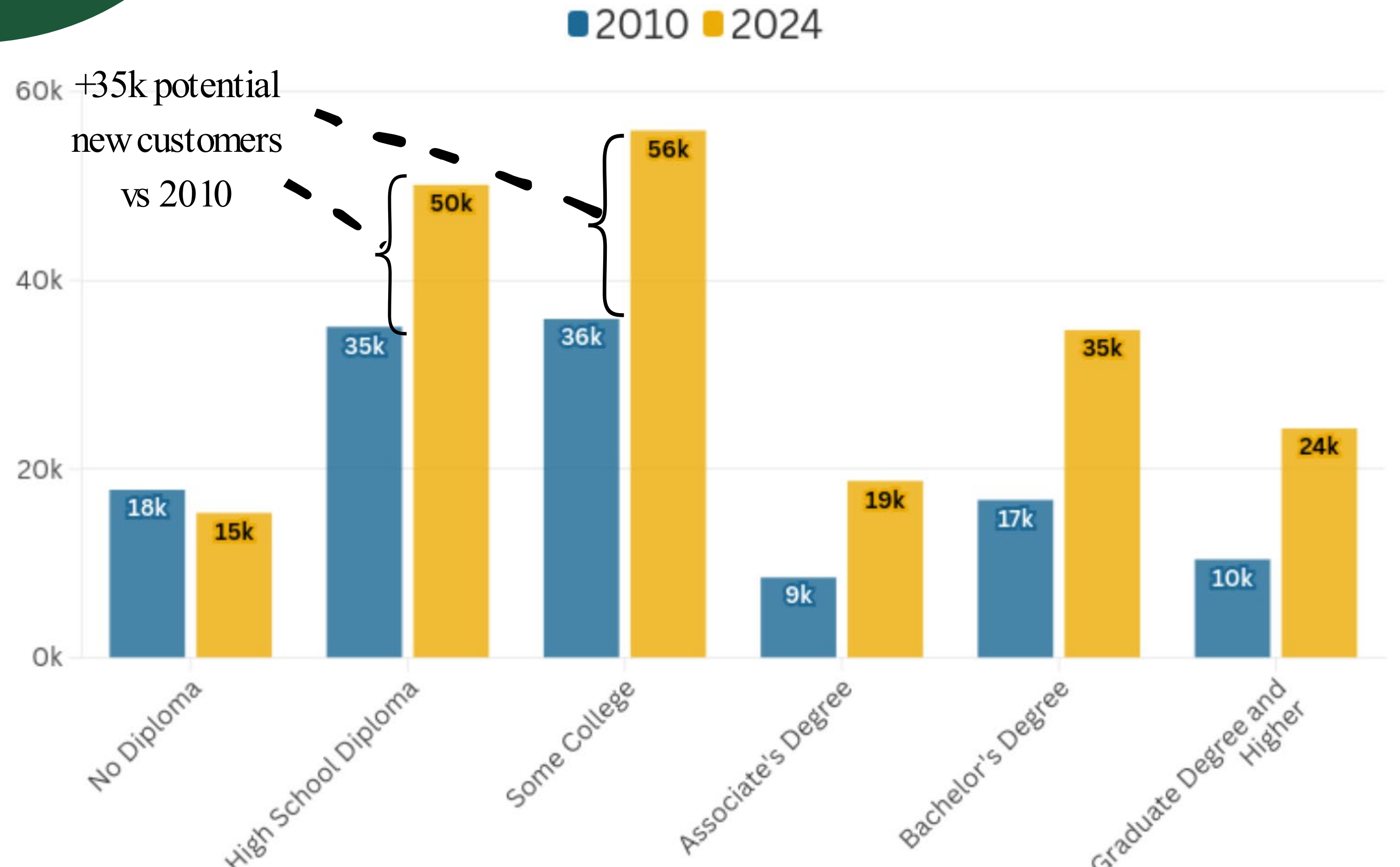
Race & Ethnicity: Current + Forecast



Yavapai Co. Median Age	
56	
Median Age by Ethnicity	
White (non-Hisp.)	58.1
Hispanic	32.4
Source: EASI estimate 1/1/2024	

Source: IRS Migration Data

Educational Attainment



Median HH Income: How do we compare?



= \$ 62,430



= \$ 72,581

+16% above YC



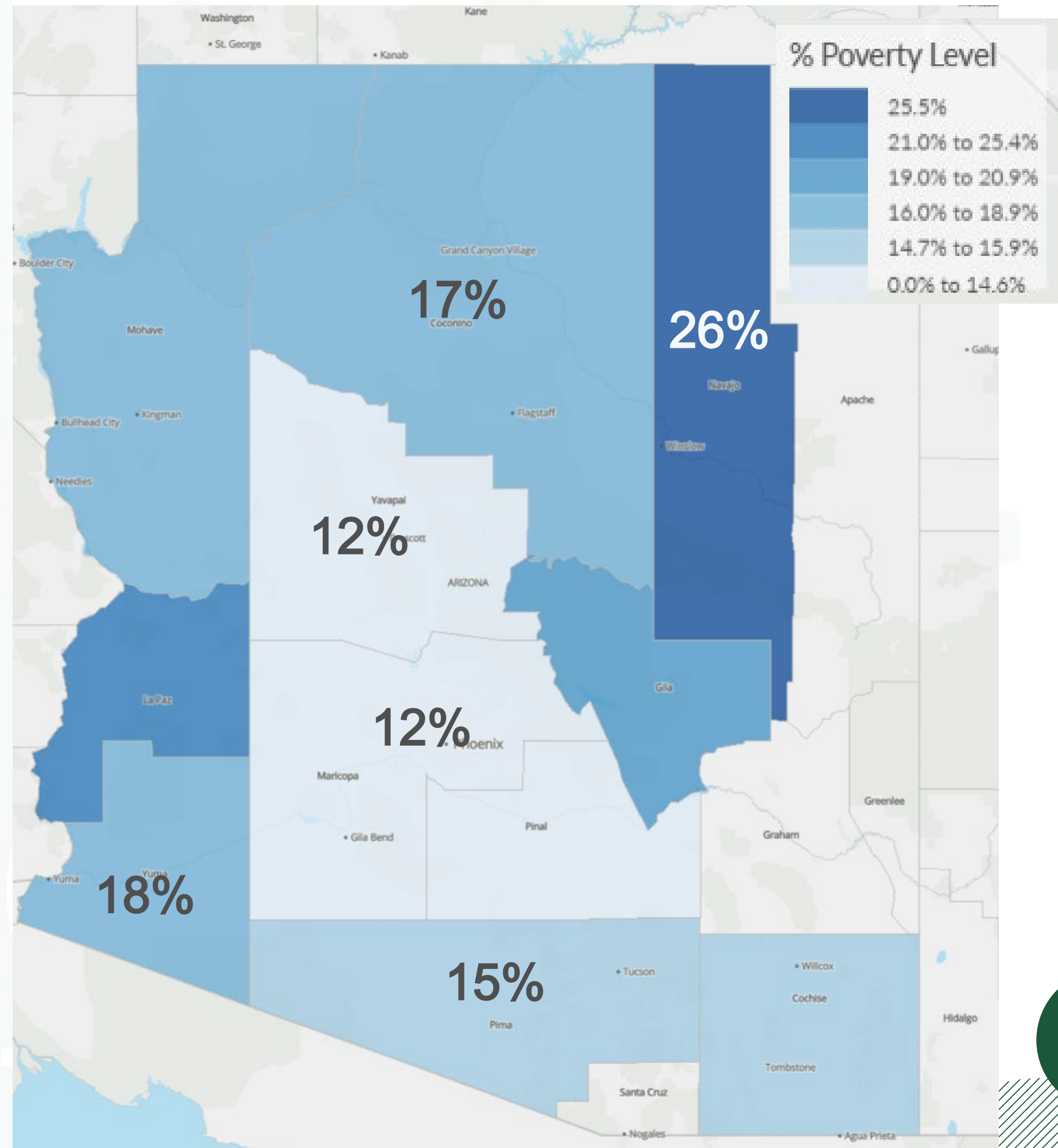
= \$ 75,149

+20% above YC

Poverty: Share of Population

U.S. Poverty Thresholds for the Year 2023

	Annual Income
One Person household	\$15,480
Two Person household	\$19,680
Three Person household	\$24,230
Four Person household	\$31,200
Five Person household	\$36,990
Six Person household	\$41,860



High School Students Eligible for Federal Funded Programs 2022-2023

Select County High Schools	Student Count	Percent
Camp Verde High School	213	44%
Chino Valley High School	280	36%
Bradshaw Mountain High School	1057	63%
Mayer High School	126	64%
Mingus Union High School	512	42%
Prescott High School	292	20%
Sedona Red Rock Junior/Senior High School	284	59%

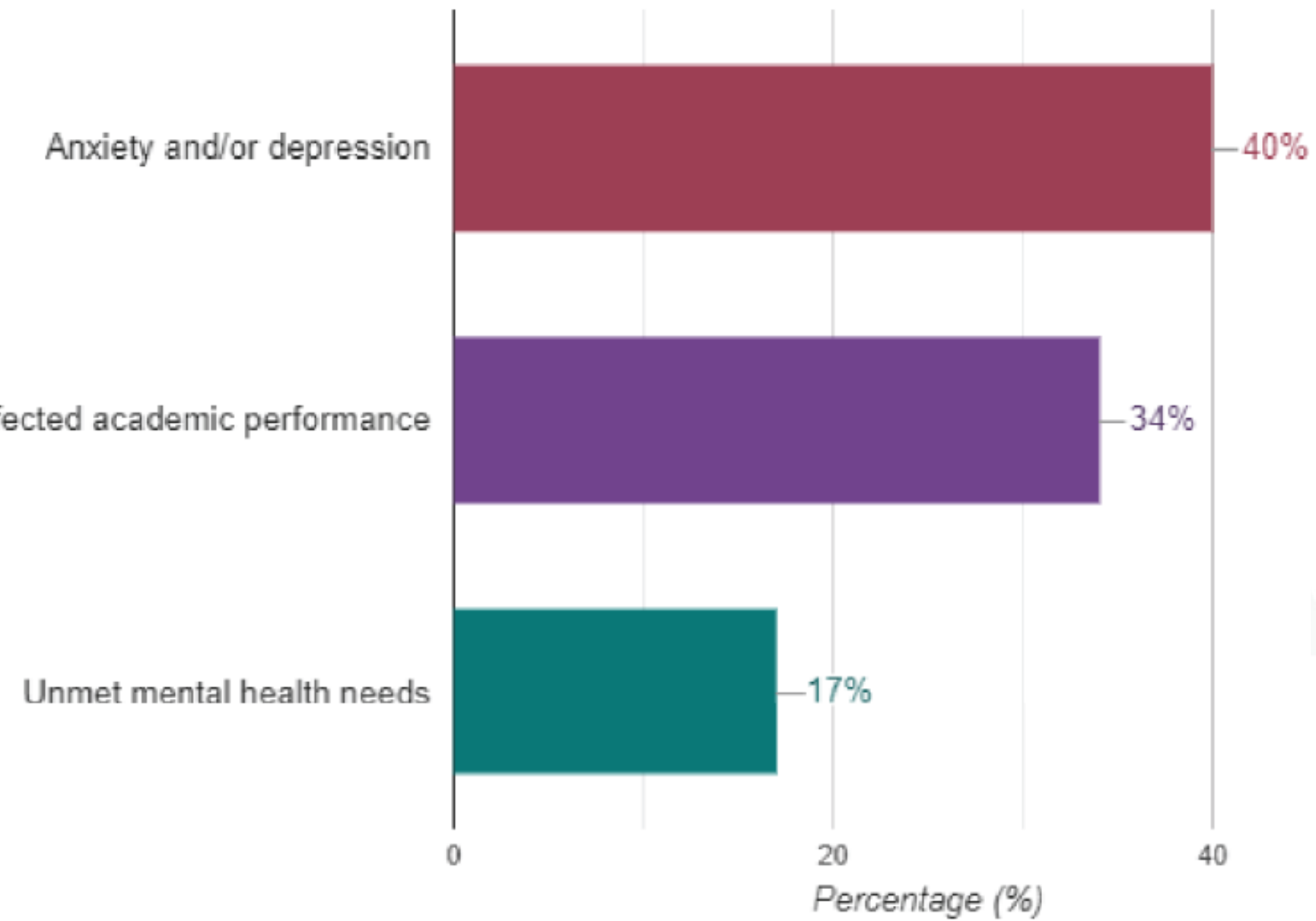
Source: Lightcast

HOPE Survey (2024)

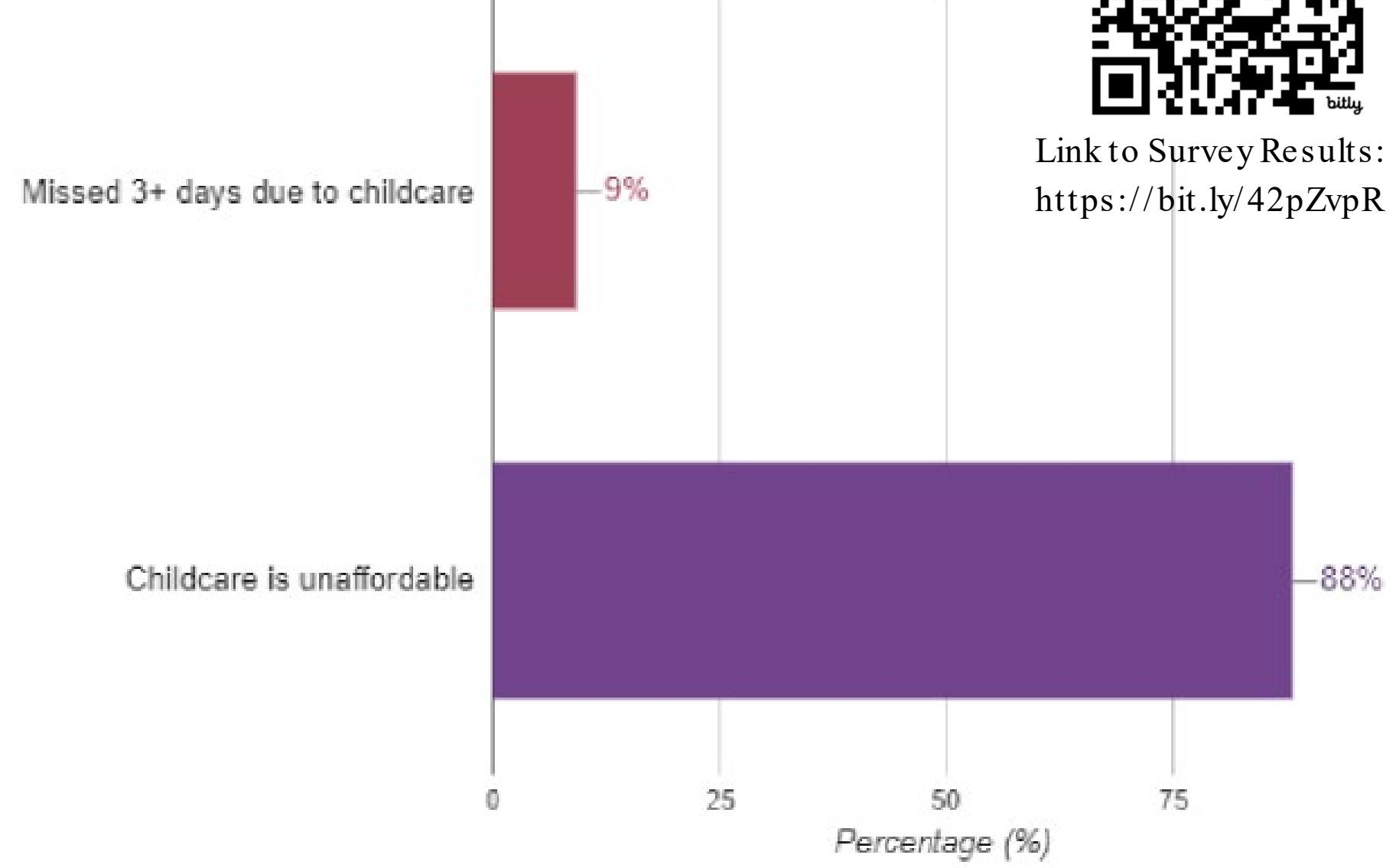


Link to Survey Results :
<https://bit.ly/42pZvpR>

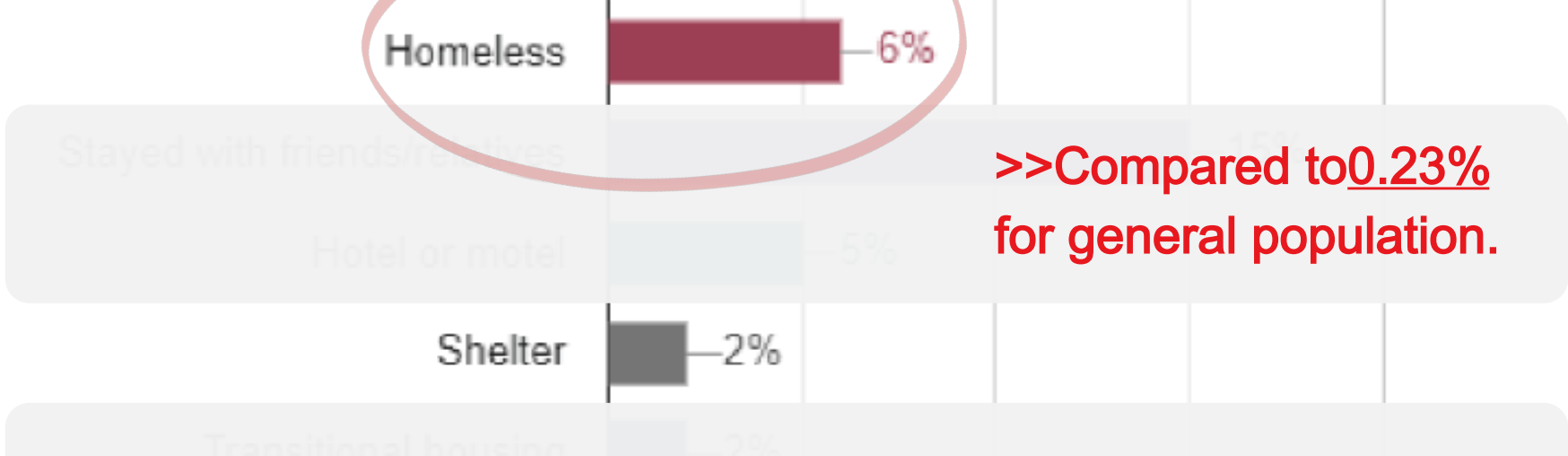
Mental Health



Childcare



Housing Issues



>>Compared to 0.23% for general population.

Healthcare: Doctors per Capita (age adjusted*)



= 1.21 doctors per 1000



= 2.03 doctors per 1000

+67% more than YC

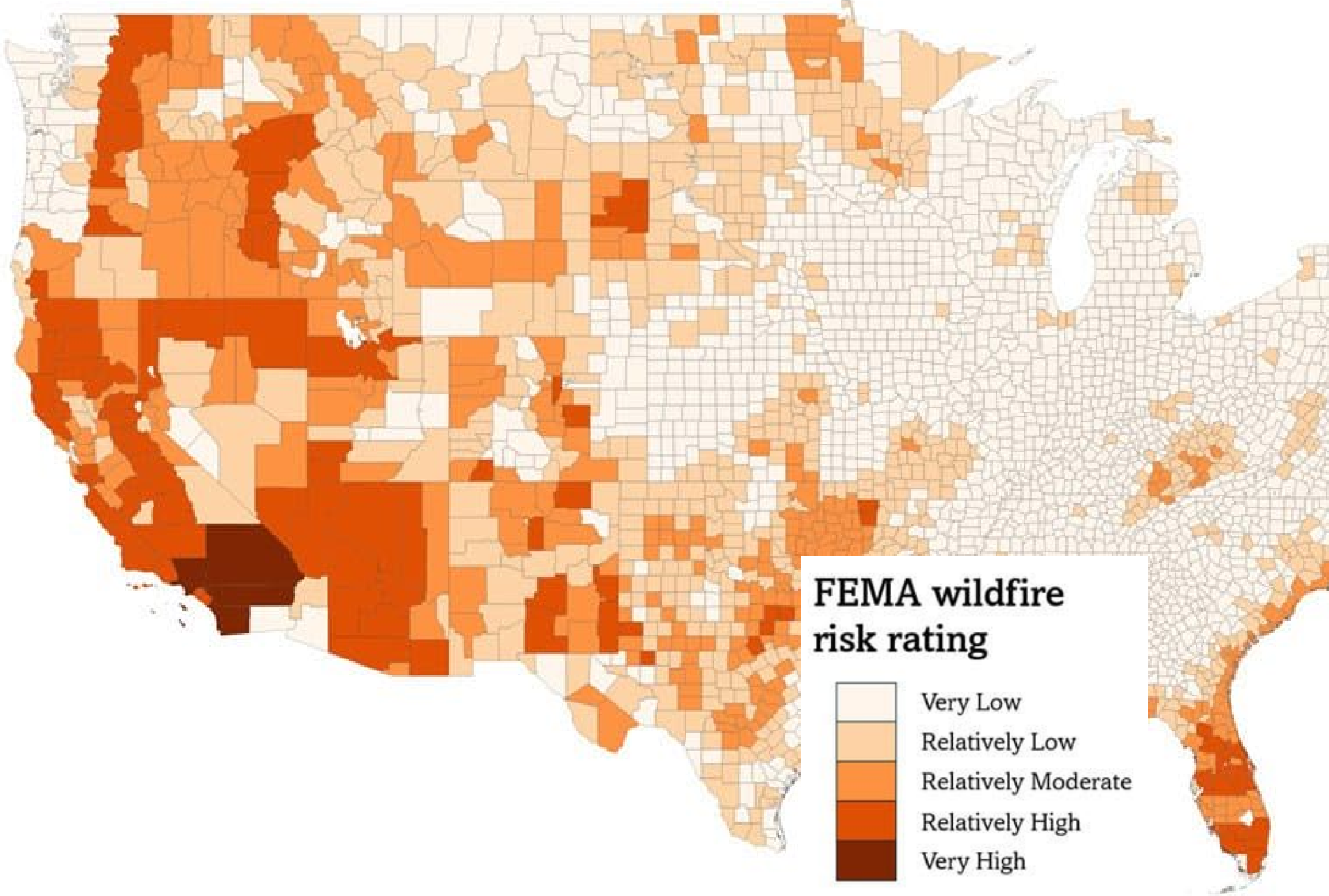


= 2.31 phys. per 1000

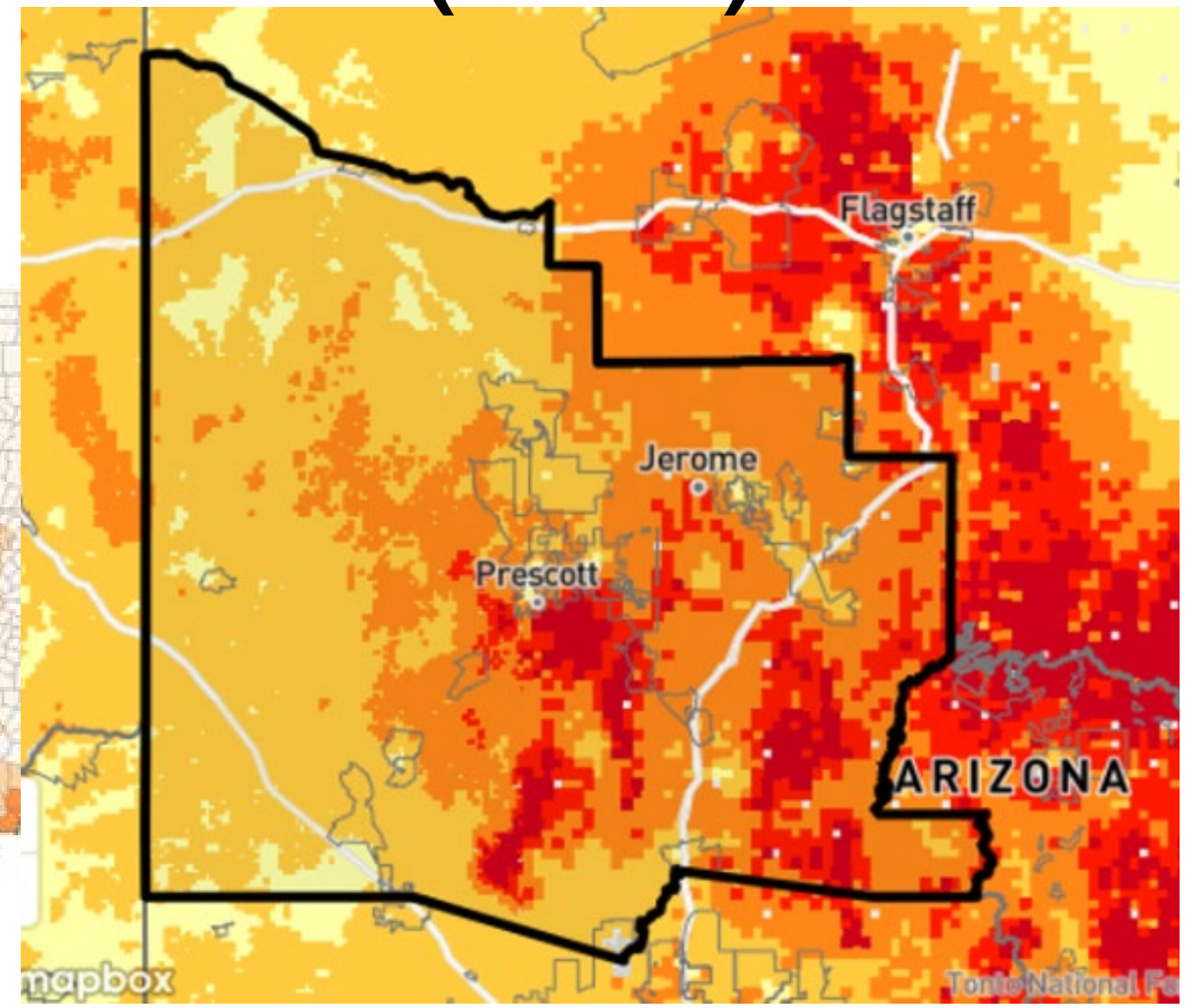
+91% more than YC!

*This chart shows the number of doctors per 1,000 people, both raw and adjusted for the higher healthcare needs of elderly populations. Yavapai County's adjusted value (1.21) highlights the severe shortage, as its aging population places a much heavier demand on healthcare compared to state and national averages.

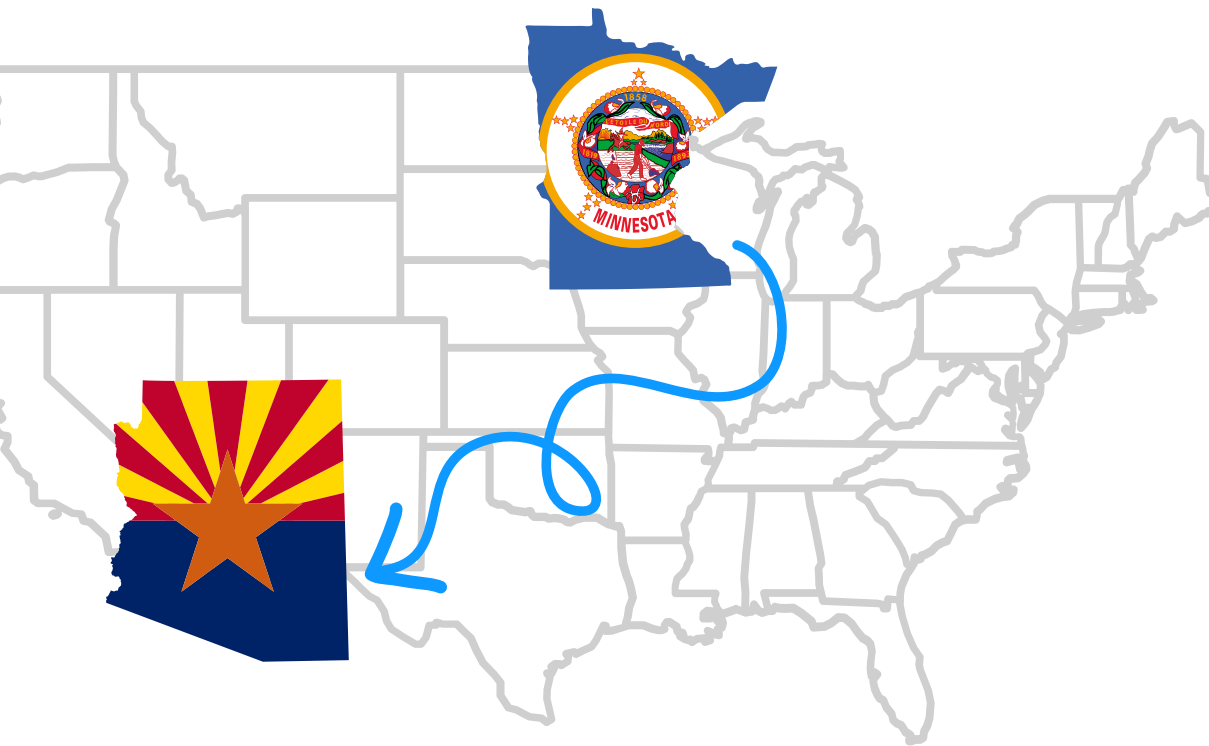
Wildfire Risk



Fire Risk to Structures (Local)



Economic



Cost of Living Index Calculator

Current Base Salary (\$)	48,000
Moving From	Minneapolis MN
Moving To	Prescott-Prescott Valley AZ

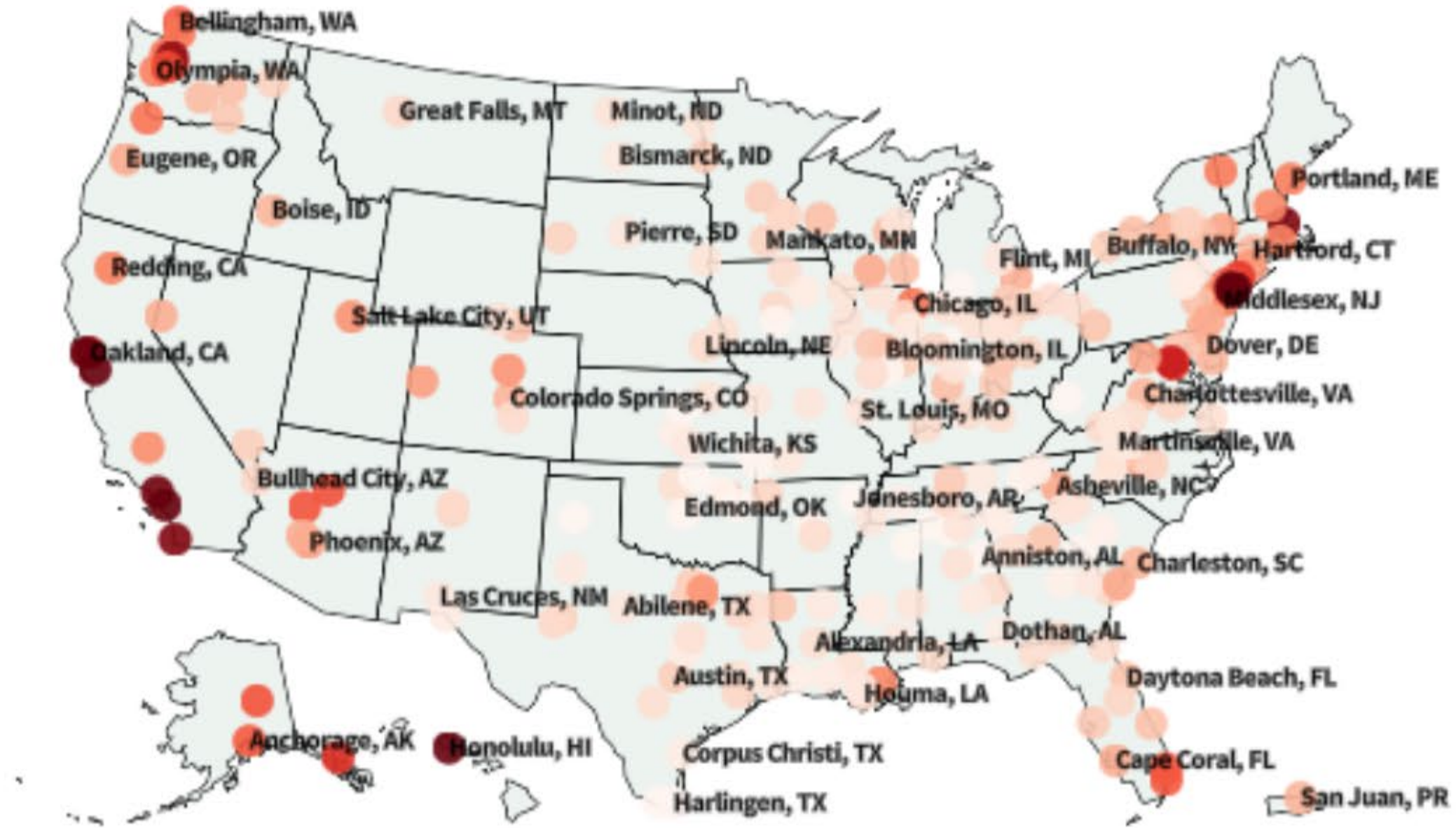
COLI Calculator Result

Based on the Income that you entered, if you are earning \$48,000.00 after tax in Minneapolis MN, the comparable after-tax income in Prescott-Prescott Valley AZ is \$61,267.88. Below are the index values and average prices of two areas as well as the national average:



If you move from Minneapolis MN to Prescott-Prescott Valley AZ		
Groceries will cost:		1.28% more
Housing will cost:	😱	89.26% more
Utilities will cost:		6.94% less
Transportation will cost:		9.41% more
Health will cost:		13.26% less

Cost of Living (COLI)



Salary Needed to Purchase Median Price Home (\$545k) in Yavapai County

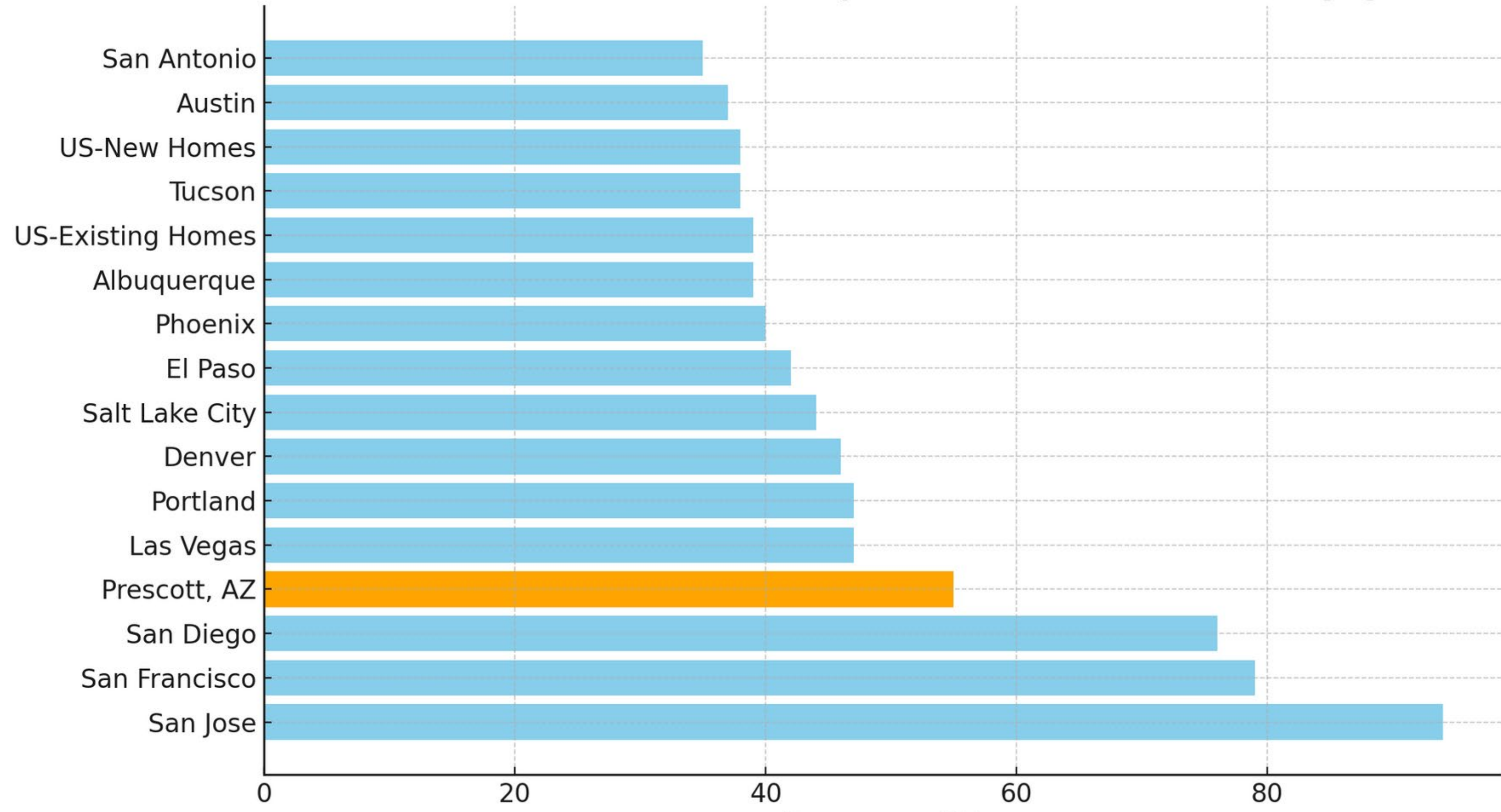
Required Annual Salary: \$133,521

Assumptions:

- *Home Price: \$545,000*
- *Down Payment: \$10,000*
- *Interest Rate: 7.11% (30 year fixed)*
- *Debt-to-Income (DTI) Ratio: 40%*
- *Property Taxes: 0.59% annually (Yavapai County average)*
- *Homeowners Insurance: 0.5% annually*
- *PMI: 0.8% annually (down payment < 20%)*

Cost of Housing Index (CHI) Q2 2024

Share of Local Median Family Income Needed for a Mortgage



Source: NAHB/ Wells Fargo Cost of Housing Index

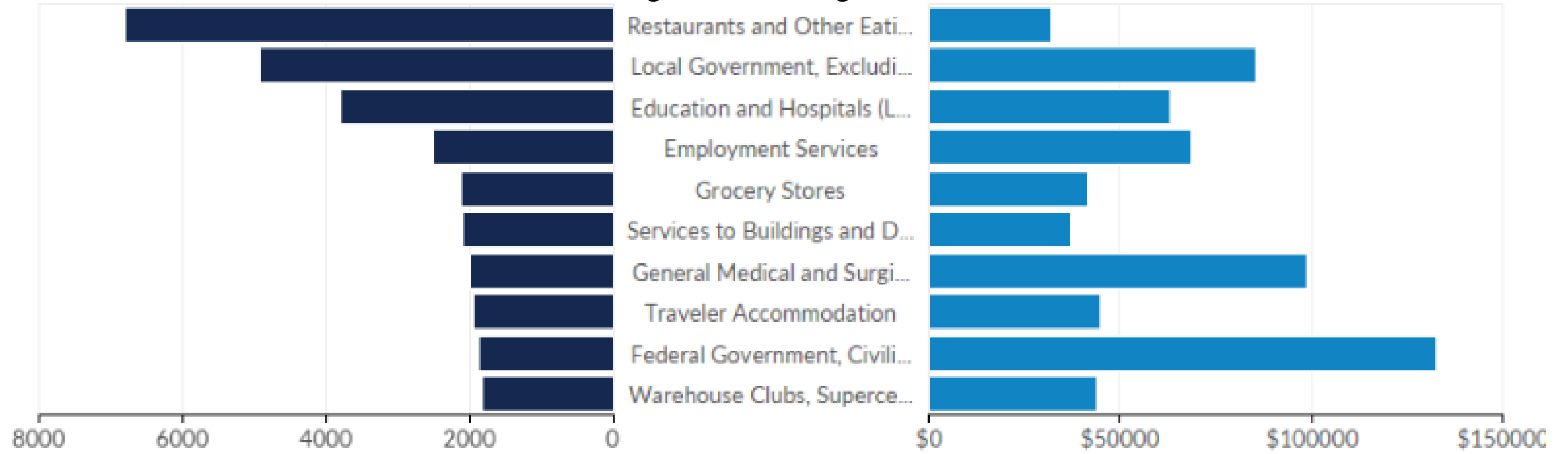
*Prescott figures estimated by Ryan Jones at Yavapai College

Industry Analysis

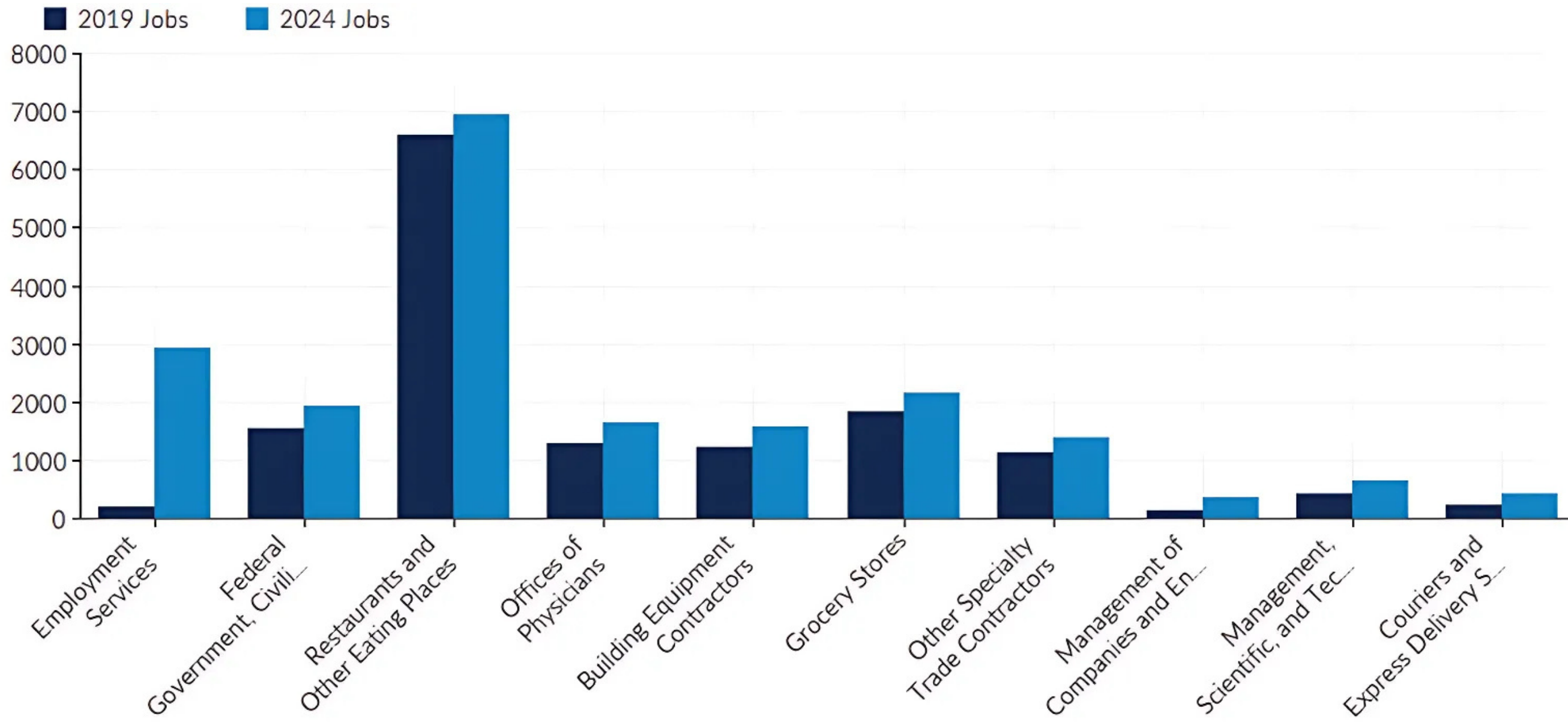
2023 Jobs

2023 Earnings Per Worker

Largest Industries



Fastest Growing



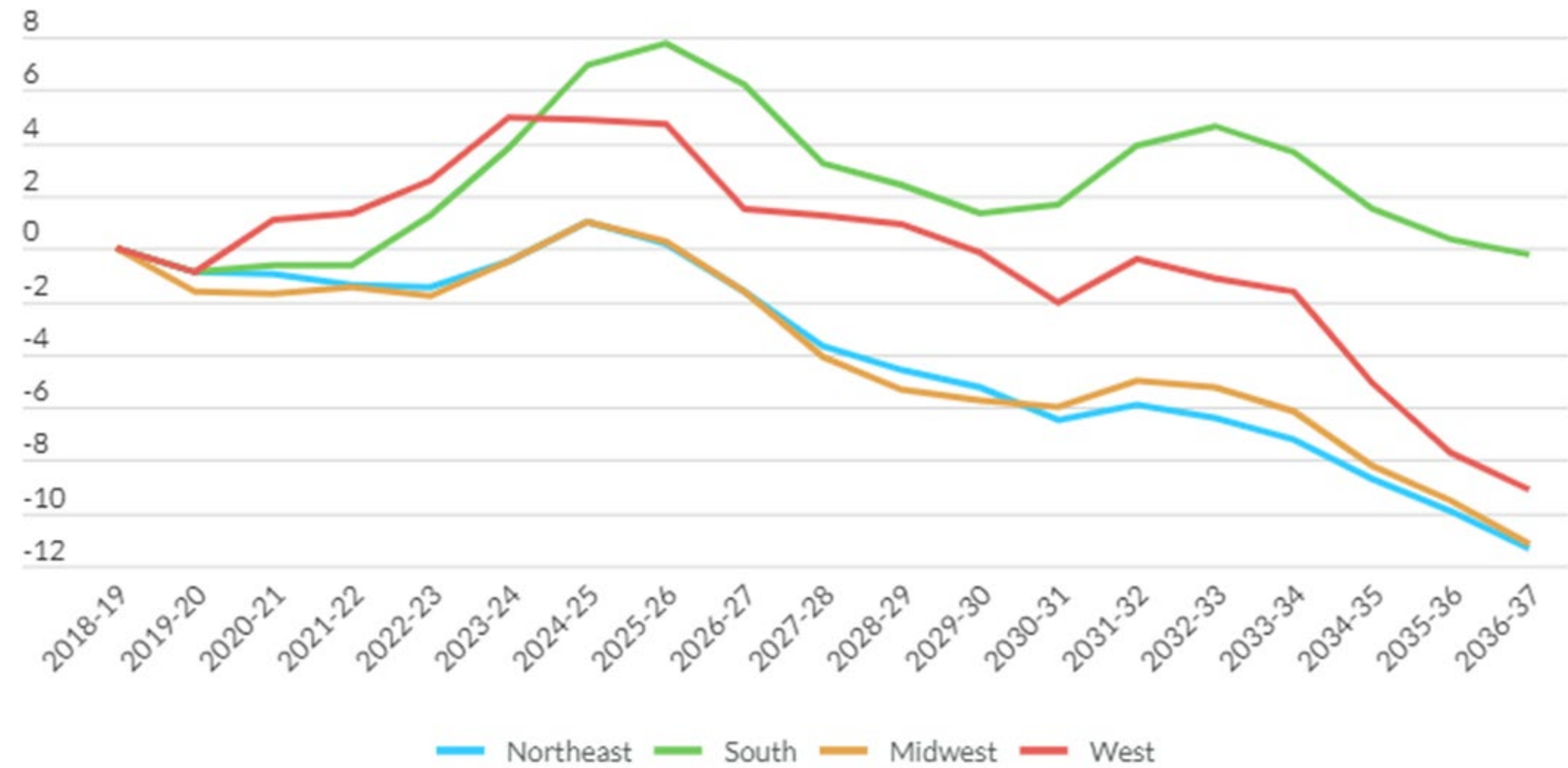
Industry Analysis: Top Occupations

Requiring a College Degree, Cert., & Earning a “Living Wage”

Occupation	2018 Jobs	2023 Jobs	Chg in Jobs (18-23)	% Δ	Median Earnings
General & Ops Mgrs	1,529	2,698	1,169	76%	\$34.95
Registered Nurses	1,308	1,518	210	16%	\$43.76
Elem & Mid Sch Tchrs	781	877	96	12%	\$23.41
Postsec Teachers	707	971	264	37%	\$36.87
Counselors	578	532	(46)	-8%	\$24.10
Sales Reps	496	467	(29)	-6%	\$30.60
Managers	469	569	101	22%	\$30.07
Accnts & Audtrs	456	614	158	35%	\$34.39
Childcare Admins	427	523	95	22%	\$41.20
Therapists	403	459	56	14%	\$40.17
Secondary Tchrs	392	434	42	11%	\$25.56
Social Workers	382	454	72	19%	\$25.28
Diagnostic Techs	268	330	62	23%	\$38.31
Mgmt Analysts	245	327	81	33%	\$31.74
Constr Managers	243	378	135	55%	\$37.07
Lawyers & Clerks	239	296	58	24%	\$46.37
Physicians	231	257	26	11%	\$134.30
Health Serv Mgrs	226	302	75	33%	\$48.82
Comp Supp Specs	226	362	137	61%	\$27.71
Eng Techs	203	146	(57)	-28%	\$28.46
HR Workers	199	307	108	54%	\$29.42
Logistics Specs	196	430	233	119%	\$39.40
Lab Techs	190	95	(95)	-50%	\$31.52
Writers & Edtrs	188	199	10	6%	\$22.45
Software Devs	187	302	115	62%	\$47.75
Equip Mech/Reprs	173	120	(52)	-30%	\$23.49
Fin Managers	167	197	30	18%	\$42.12

Enrollment Cliff

High School Graduates Expected to Decline 11% by 2036 in the North and Midwest Versus 2018-2019 Academic Year



Sources: Fitch Ratings; Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2020
Note: Data for 2018-19 academic year is combination of Reported and Projected Values.

Trend on Enrollment by School Type

Year-over-year percent changes to undergraduate enrollment by institution type

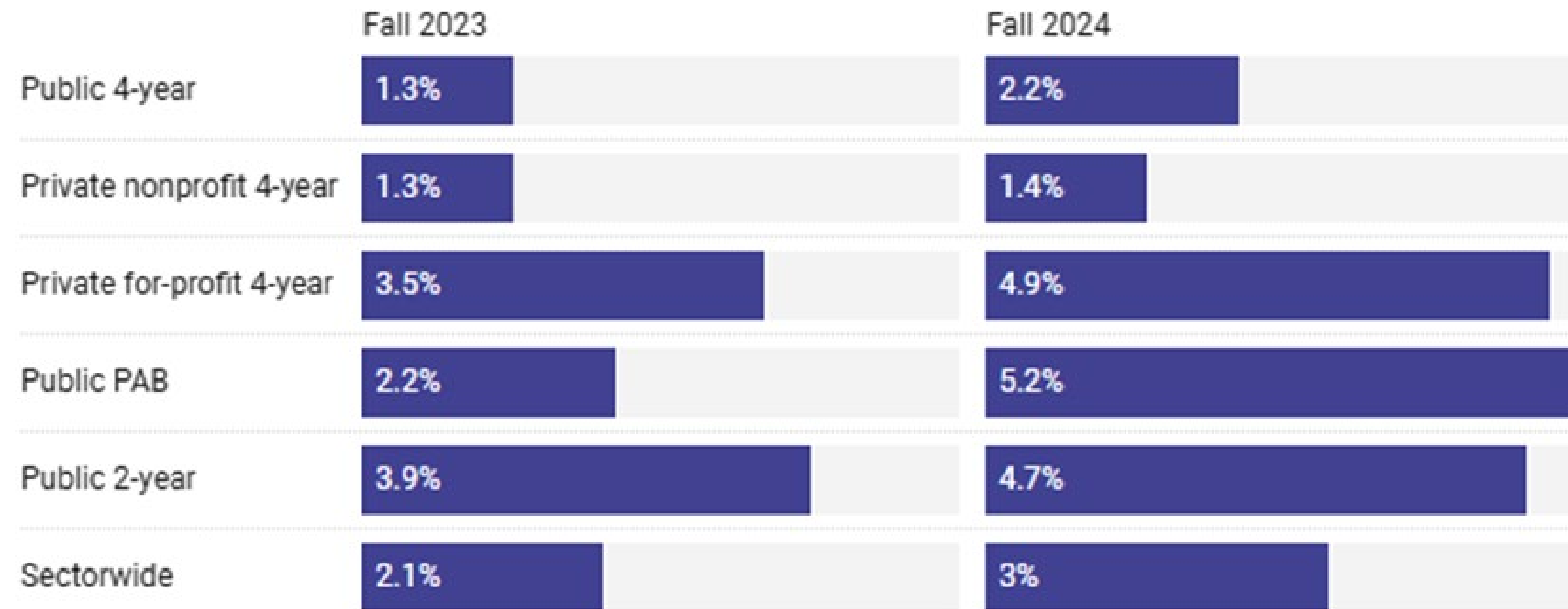


Chart: Laura Spitalniak/Higher Ed Dive • Source: [National Student Clearinghouse Research Center](#) • [Get the data](#) • Created with [Datwrpper](#)

Yavapai College Enrollment for Fall 2024:

- +7.2% in student credit hours.
- +3.2% in total students enrolled.
- Notable Trends:
 - New student enrollment is up, aligned with national trends.
 - 18-24-year-old enrollment increased by 2.9%, bucking the national decline.

K-12 Education Trends

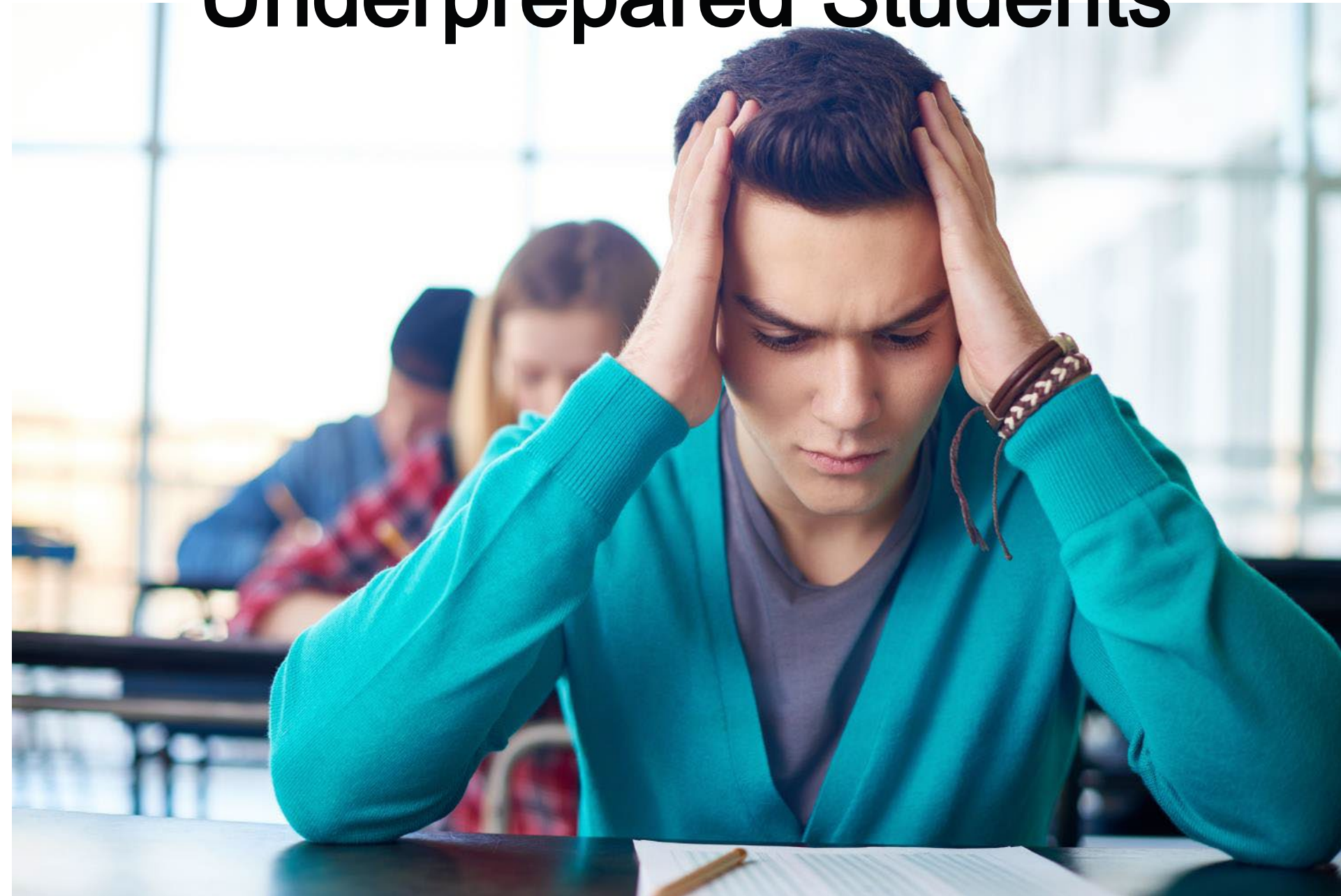
Teacher Pay

Expenditures per Student

Arizona Ranking	Arizona Pay	U.S. Pay
46th	\$60.3K	\$69.6K
48th	\$11,321	\$16,281

Yikes!

Underprepared Students

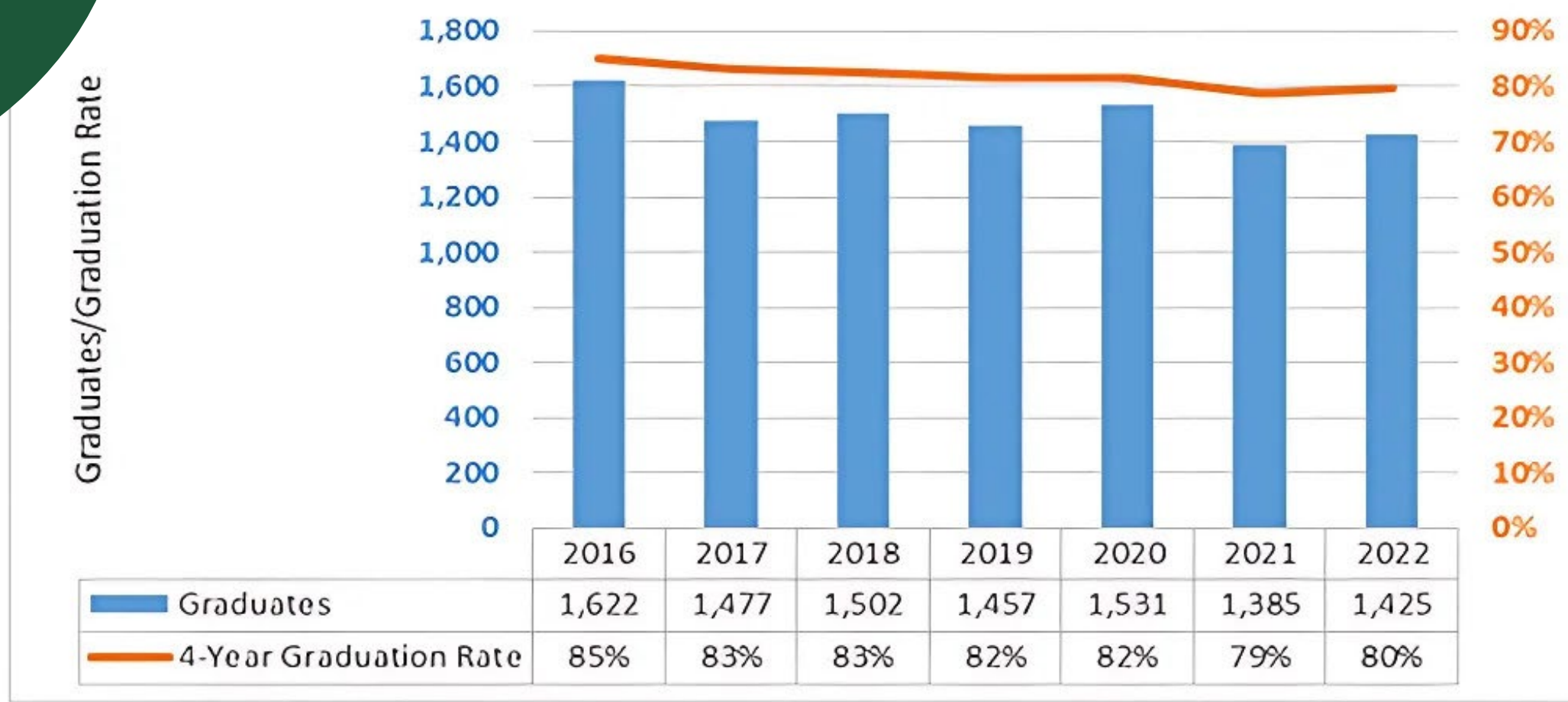


Average ACT Scores for the Graduating Class of 2024

Region/Benchmark	English	Reading	Mathematics	Science
The ACT Test Benchmark (College Proficient)	18.0	22.0	22.0	23.0
Arizona	16.8	17.9	17.7	17.8
National	19.4	20.1	19.0	19.6

Education

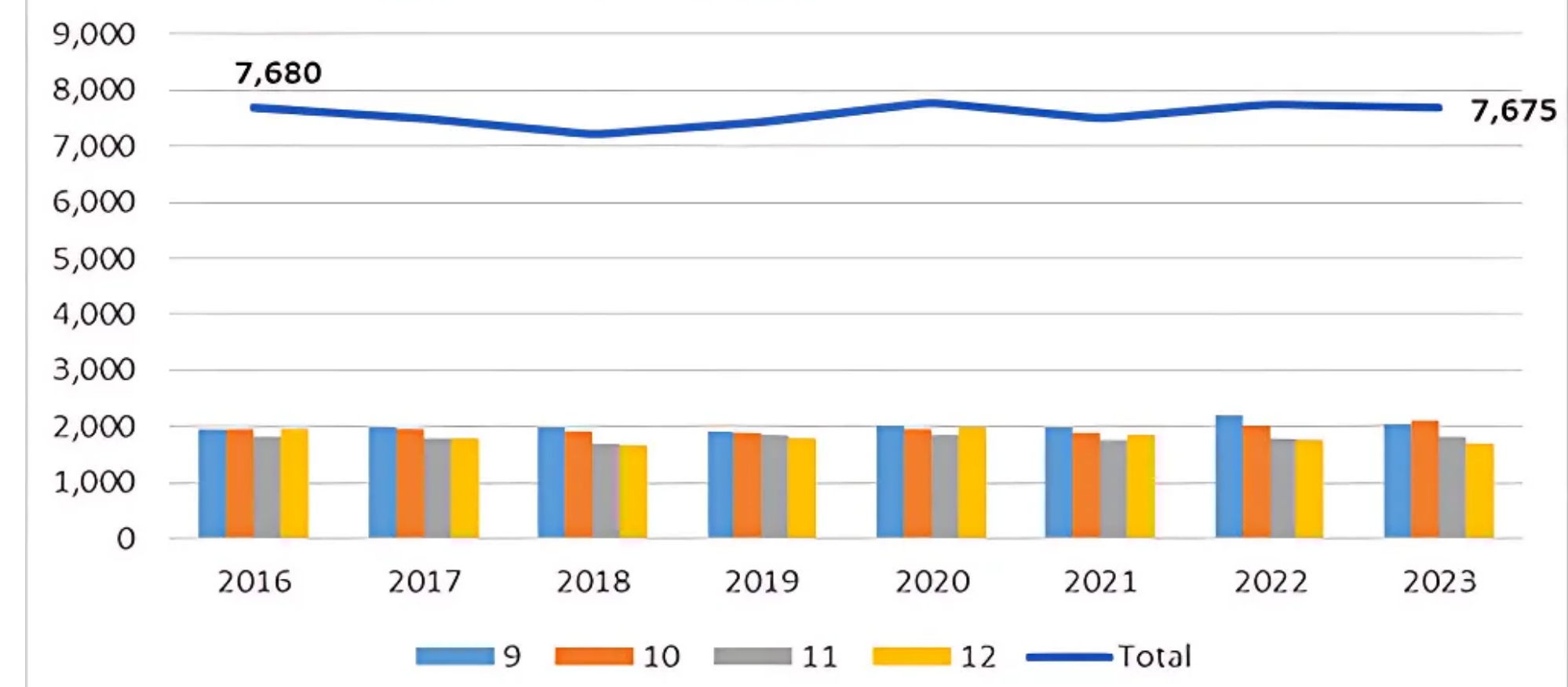
Yavapai County High School 4-Year Graduates



Flat enrollment despite >10% growth over the period!

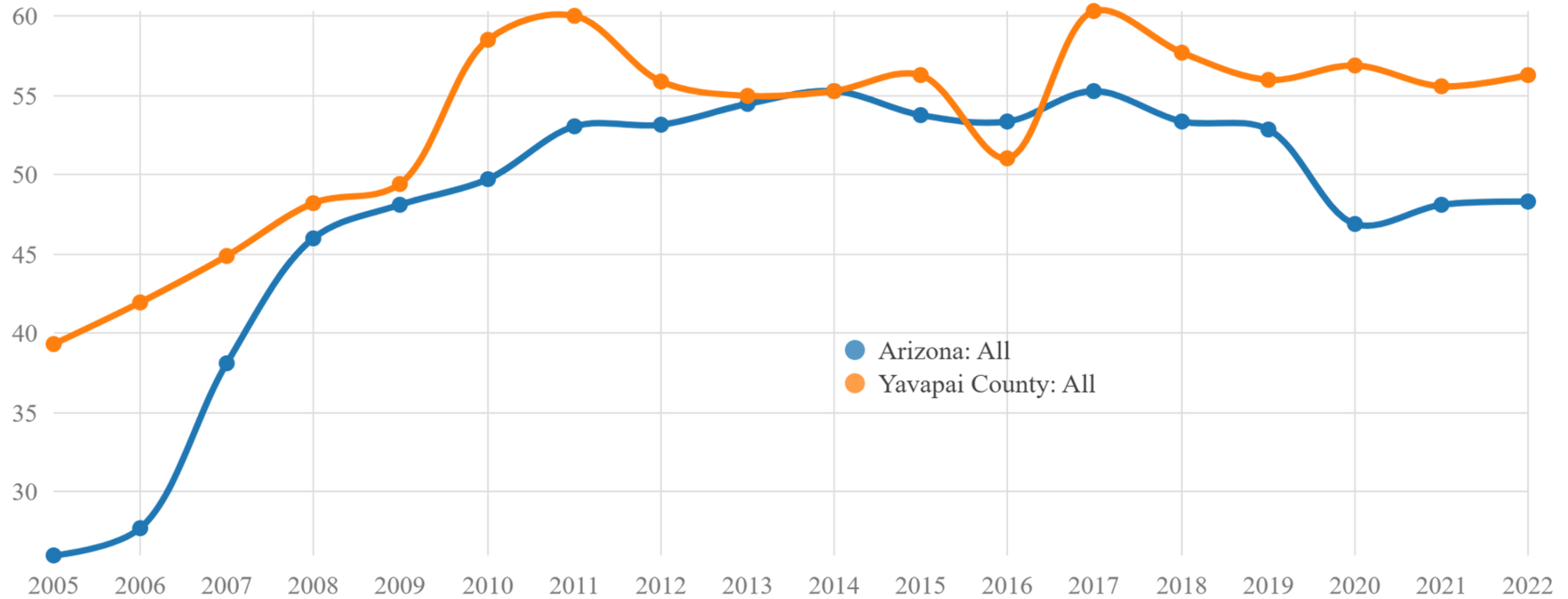
Source: Arizona Department of Education

Yavapai County High School Enrollment Trend



Source: Arizona Department of Education - Arizona October 1 Enrollment Figures

College-Going Rates: Percent of HS grads enrolled in postsecondary education the year after graduating HS



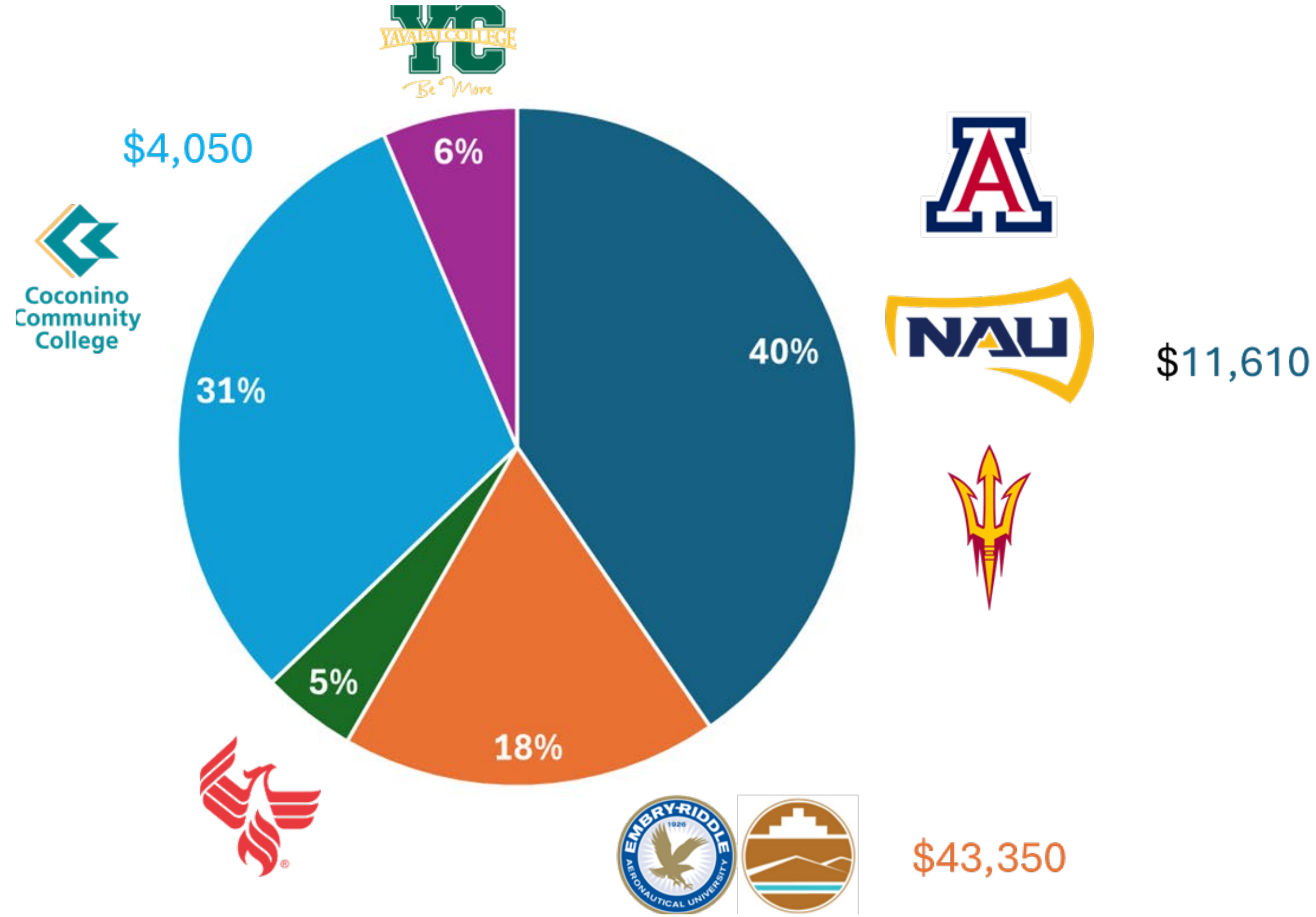
Education

Competition



Long Beach City College and Arizona State University Partner to Offer Transfer Pathways with MyPath2ASU™ Collaboration

Undergraduate College Enrollment by Sector Unduplicated Headcount (2024)



■ 4 Yr Public ■ 4 Yr Private Non-profit ■ 4 Yr Private For-profit ■ 2 Yr Public ■ 2 Yr PAB

Artificial Intelligence: Labor Market Overview

Out of 10 US Workers...

- **SIX** workers will have at least 10% of their tasks impacted by GPT technology.
- **TWO** workers will have over 50% of their tasks impacted by GPT.



FEBRUARY 2025

ENVIRONMENTAL SCAN REPORT

Thank
You!

PRESENTED BY:

Ryan M. Jones

INSTITUTIONAL EFFECTIVENESS AND RESEARCH (IER)

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