

Yavapai College
District Governing Board
Budget Workshop

Tuesday, January 28, 2025
9:00 a.m.—changed to 10:00 a.m. because of weather conditions
The meeting location will be open to the public at 8:45 a.m. at the latest.

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

Prescott Campus
The Rock House
1100 E. Sheldon Drive
Prescott, AZ 86301

Members Present:

Ms. Deb McCasland, Board Chair
Mr. Steve Bracety, Secretary – Arrived to meeting at 1:52 p.m., did not participate in meeting prior to that time
Mr. Patrick Kuykendall, Board Member
Mr. Toby Payne, Board Member
Mr. William Kiel, Board Member

Administration Present:

Dr. Lisa B. Rhine, President
Atty. Lynne Adams, Board Attorney
Ms. Yvonne Sandoval, Executive Assistant
Ms. Deanne Petty, DGB Coordinator

MINUTES

<https://yavapai.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=030f72e8-4f5b-4c6c-98cf-b27301860a67>

1. General Functions: Procedural
 - a. Call to Order

Chair McCasland called the Yavapai College District Governing Board Workshop to order at 10:00 a.m. The board meeting was delayed an hour due to weather, and notice of the delay was posted on the College's website, along with a notice on the boardroom door.

- b. Board Meeting Procedure – Board Chair Deb McCasland – **INFORMATION**
{Time: 5}

Recorded discussion and comments are available and begin at 04:34.

Chair McCasland outlined the agenda, emphasizing the necessity of adhering to the open meeting law and limiting discussions to agenda items. Chair McCasland provided guidelines for question and discussion periods, detailing the order of board member participation and setting time limits for questions and responses. With these instructions in place, she proceeded with the meeting.

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. Program Portfolio – Ms. Mary Pahissa Upchurch, Executive Vice Yavapai College’s Academic President at Gray DI (Attached)
 - ii. Academic Master Plan – Dr. Doug Berry, Provost and Dr. Marylou Mercado, Vice President of Workforce Development & Health Sciences

Recorded discussion and comments are available and begin at 06:41.

Dr. Berry introduced Ms. Mary Upchurch, an executive vice president at Gray Decision Intelligence, who provided an overview of the academic program portfolio planning initiative at Yavapai College. Ms. Upchurch outlined Yavapai College’s academic portfolio planning initiative, emphasizing data-driven decision-making, program market analysis, economic sustainability, and predictive program size. She discussed dashboards integrating key statistics for course planning, curriculum mapping, and market demand assessment. Using bubble charts, she illustrated program enrollment sizes, award levels, and market positioning, highlighting opportunities for online education growth.

Member Kuykendall praised the College’s role in supporting the local workforce, while Member Kiel expressed frustration over time constraints for questions, suggesting one-on-one meetings for efficiency.

Dr. Rhine provided an update on the process. Ms. Upchurch highlighted that 78% of Verde Valley students live within 15 miles of campus. Chair McCasland commended Dr. Rhine’s leadership.

Member Kuykendall inquired about how student demand influences decision-making, and Ms. Upchurch detailed factors like interest, enrollment, and completions, using search data to track domestic and international interest. Member Kiel sought clarification on data presentation, including bubble chart meanings and "MSA" (metropolitan statistical area). Dr. Rhine emphasized student engagement in decision-making. Member Payne suggested refining Prescott campus data, which Ms. Upchurch acknowledged as a challenge due to overlapping markets.

Dr. Mercado and Dr. Berry provided an overview of Yavapai College’s academic divisions and the Academic Master Plan Committee. Dr. Mercado oversees workforce

development, sciences, public services, and career and technical education, while Dr. Berry manages visual and performing arts, humanities, STEM, computer science, and accreditation efforts. Dr. Berry explained that the committee -- which is composed of faculty, administrators, student services professionals, and marketing representatives -- evaluates programs using data from Gray Decision Intelligence to assess student interest, market demand, and job opportunities. The committee meets monthly to review programs and make recommendations on sustaining, growing, or phasing out programs based on industry trends and technological advancements.

The discussion then shifted to program evaluation and workforce development, with Member Kuykendall highlighting the impact of the Regional Economic Development Center (REDC) in providing job training for older adults seeking career changes. Dr. Mercado confirmed that REDC supports retraining and upskilling efforts to help residents find sustainable employment. Member Kiel inquired about REDC's revenue impact on the college, but Chair McCasland clarified that the discussion was focused on strategic decision-making rather than financial details. Dr. Mercado and Dr. Ewell emphasized REDC's role in engaging businesses, providing training, and supporting regional economic development through analysis and collaboration with local industries.

The conversation then addressed the broader impact of the College's operations on the community. Chair McCasland stressed the importance of industry partnerships, career fairs, and small business support. Dr. Berry concluded by sharing high-level insights on student engagement in online learning and the growing demand for online bachelor's degrees. With consensus on the importance of strategic planning, Dr. Ewell and the board agreed to move forward with further discussions as needed.

- 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)*

Recorded discussion and comments are available and begin at 01:08:57.

Dr. Ewell introduced Dr. George W. Hammond, Director of the Economic and Business Research Center at the University of Arizona, to provide an update on Arizona's economy, including insights on Prescott. Dr. Hammond highlighted strong job growth in the state, outpacing national trends, while noting that Phoenix inflation had fallen below the U.S. average. He discussed slowing housing price increases, the impact of tariffs and immigration policies on inflation and economic growth, and Arizona's labor market, emphasizing its tight conditions and rising wages. Dr. Hammond analyzed Prescott's employment mix and job growth, comparing it to state and national trends, and highlighted Arizona's low unemployment rate of 3.8% versus the national average of 4.1%.

He further examined the impact of inflation, housing affordability, and the rising costs of homeownership and renting, particularly in Prescott. While housing affordability has declined since the pandemic, Arizona remains more affordable than major California markets. He discussed slow overall housing permit activity statewide but noted stronger single-family permit growth in Prescott, which could improve affordability. Dr. Hammond also presented a national economic forecast, touching on GDP growth, interest rates, and trade, emphasizing Arizona's position as a key trade partner with Mexico. He warned about the potential economic disruptions of mass deportations and tariffs, which could impact labor supply and inflation.

Member Kuykendall inquired about tourism, retail, and job trends, with Dr. Hammond confirming migration's role in driving population growth. Member Kiel asked about the data's implications for higher education, tariffs on Chinese imports, and automation's effect on labor participation. Dr. Hammond discussed the uncertainty in economic forecasting, the potential for automation to sustain output growth despite workforce declines, and how labor shortages due to deportations could increase costs. Chair McCasland commented on the future of housing needs and multi-family living. The session concluded with appreciation for the presentation's relevance to College projects and community planning.

- 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)*

Recorded discussion and comments are available and begin at 02:19:21.

Dr. Ewell introduced Mr. Ryan Jones to present an environmental scan, focusing on external factors such as demographics, economic and workforce trends, education, and technology. Mr. Jones highlighted Yavapai County's aging population, an increasing Hispanic demographic, and economic challenges, including a lower median income and high cost of living. He discussed workforce shortages, particularly in healthcare, and concerns about housing affordability, with costs rising faster than wages. He also reviewed industry trends, noting key sectors like government, healthcare, and education, and emphasized the importance of aligning college programs with job market demands.

Enrollment trends were a major focus, with Mr. Jones discussing the anticipated decline in high school graduates and the shift toward four-year degrees. Dr. Ewell highlighted the growth of online education and the challenge of competing with well-funded national providers. They discussed the impact of teacher shortages on student preparedness and Arizona's low teacher pay. The presentation also covered housing instability, with Member Kuykendall raising concerns about homelessness among veterans and students. Dr. Ewell detailed survey data on housing insecurity, while Member Kiel questioned the survey's methodology and requested additional clarification.

The discussion shifted to financial considerations, including property tax contributions from Verde Valley and the economic impact of Yavapai College's collaboration with Embry-Riddle. Member Payne expressed interest in promoting the College's value and increasing enrollment. Chair McCasland raised concerns about local high school proficiency levels and the need for remedial courses. Dr. Ewell acknowledged funding challenges in education and the lingering effects of COVID on student readiness. The discussion concluded with discussions on early graduation trends and federal support for students, reinforcing the College's role in workforce development and higher education accessibility.

- d. Yavapai College Strategic Plan – Dr. Lisa B. Rhine, President – **INFORMATION AND DISCUSSION** {Time: 60}

Recorded discussion and comments are available and begin at 03:39:43.

~ Secretary Bracety arrived at 1:52 p.m.

Dr. Rhine provided an update on Yavapai College's multi-year rolling strategic plan, emphasizing compliance with Higher Learning Commission requirements and District Governing Board policies. She discussed the shift to a participatory governance model, improving stakeholder engagement and shared decision-making. She highlighted insights from the Alliance for Innovation and Transformation convocation, focusing on the evolving role of technology in education. The strategic planning committee's process included external scans, SWOT analysis, and input from the WIN Coalition to align institutional goals with market trends and student needs. The plan's four key pillars were outlined: fostering belonging, ensuring students achieve credentials leading to living-wage jobs, prioritizing adult learners, and maintaining a culture of compassion.

Dr. Rhine detailed strategic initiatives, such as expanding health science programs, integrating non-credit options, enhancing workforce training, implementing an ERP upgrade, and incorporating AI and virtual reality into instruction. She emphasized the transition to comprehensive eight-week courses to boost retention and the College's response to national enrollment declines among students aged 25-59. Key performance indicators showed that most initiatives were on target or already achieved. Dr. Ewell elaborated on efforts to slow enrollment declines and improve student support services.

During the discussion, Member Kuykendall praised the plan's adaptability and the role of the Regional Economic Development Center in workforce development. Member Kiel inquired about fostering belonging, leading to a discussion on performance indicators measuring student and employee engagement. Dr. Rhine highlighted immersive learning technology investments, while Member Kiel questioned cost-effectiveness and raised concerns about the usability of the College's computer system. Dr. Ewell pointed to increased advisor support and eight-week programs as key student success strategies. Member Payne commended Dr. Rhine's leadership, while Secretary Bracety and Chair

McCasland praised the strategic plan's transparency, adaptability, and the President's effectiveness in guiding the College forward.

- e. Yavapai College Finances – Dr. Clint Ewell - **INFORMATION AND DISCUSSION** {Time: 120}

Recorded discussion and comments are available and begin at 04:15:54.

Dr. Ewell provided a comprehensive overview of Yavapai College's financial landscape, beginning with the budget process timeline and its alignment with economic conditions and strategic planning. He emphasized the importance of maintaining accreditation, which ensures student access to federal aid and institutional credibility. Enrollment trends were discussed, highlighting a higher-than-average college-going rate among local high school graduates. The presentation detailed the College's diverse student demographics, with a majority of part-time, working, and non-traditional students, necessitating flexible and affordable education options.

A key focus was on property taxes and tuition, with Yavapai County maintaining one of the lowest property tax rates in the country. Dr. Ewell explained how the College manages tax revenues conservatively, increasing property taxes by an average of only 1.1% annually over six years. He also discussed state funding challenges, noting that Arizona has placed a greater financial burden on local taxpayers. The limited state support, comprising just 3% of the budget, was contrasted with the significant reliance on local property taxes and tuition.

Dr. Ewell outlined the College's \$126 million budget, detailing revenue sources, fund allocations, and major expenses. He explained that salaries and benefits account for nearly 80% of expenditures, reflecting the institution's service-oriented nature. Investments in infrastructure, technology, and student services were highlighted, including the expansion of health and workforce programs. He also addressed financial challenges, such as rising operational costs, competition from online education providers, and state-imposed expenditure limits.

During the discussion, Member Kuykendall praised the College's financial stewardship and economic impact. Member Kiel questioned the allocation of funds for the planned health science center and the recent budget increases, prompting clarifications on debt issuance and grant growth. Concerns were also raised by board members about in-house food services, cost transparency, and tax rate trends.

- f. 2025 Board Member Conflict of Interest Forms – Attorney Lynne Adams - **INFORMATION AND DISCUSSION** {Time: 10}

Recorded discussion and comments are available and begin at 05:57:57.

Attorney Adams reviewed the board members' conflict of interest forms, noting efforts to make them more user-friendly. Attorney Adams thanked Member Payne for prompting the search for the original guidelines that accompanied the form and emphasized the guidelines' usefulness. No conflicts were identified, except for a potential concern regarding Member Kiel's involvement with the Highland Pines Water Board and potential bond purchases from the College. Attorney Adams indicated that those issues posed no conflict of interest concerns at this time. Attorney Adams reiterated her availability to provide guidance on conflict of interest issues and encouraged board members to reach out if concerns arise.

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}

Secretary Bracety moved, seconded by Member Kiel, to go into Executive Session pursuant to 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. Motion carried unanimously (Ayes: McCasland, Bracety, Kuykendall, Payne and Kiel).

b. Reconvene in Public Session

The Board reconvened in public session at 4:26 p.m.

4. Adjournment of Board Budget Workshop: Procedural – **DECISION** {Time: 1}

Secretary Bracety moved, seconded by Member Kuykendall, to adjourn the Budget Workshop. Motion carried unanimously (Ayes: McCasland, Bracety, Kuykendall, Payne and Kiel).

Regular Meeting adjourned at 4:26 p.m.

Respectfully submitted:


Deanne K. Petty, Recording Secretary


Date


Ms. Deb McCasland, Board Chair


Mr. Steve Bracety, Secretary