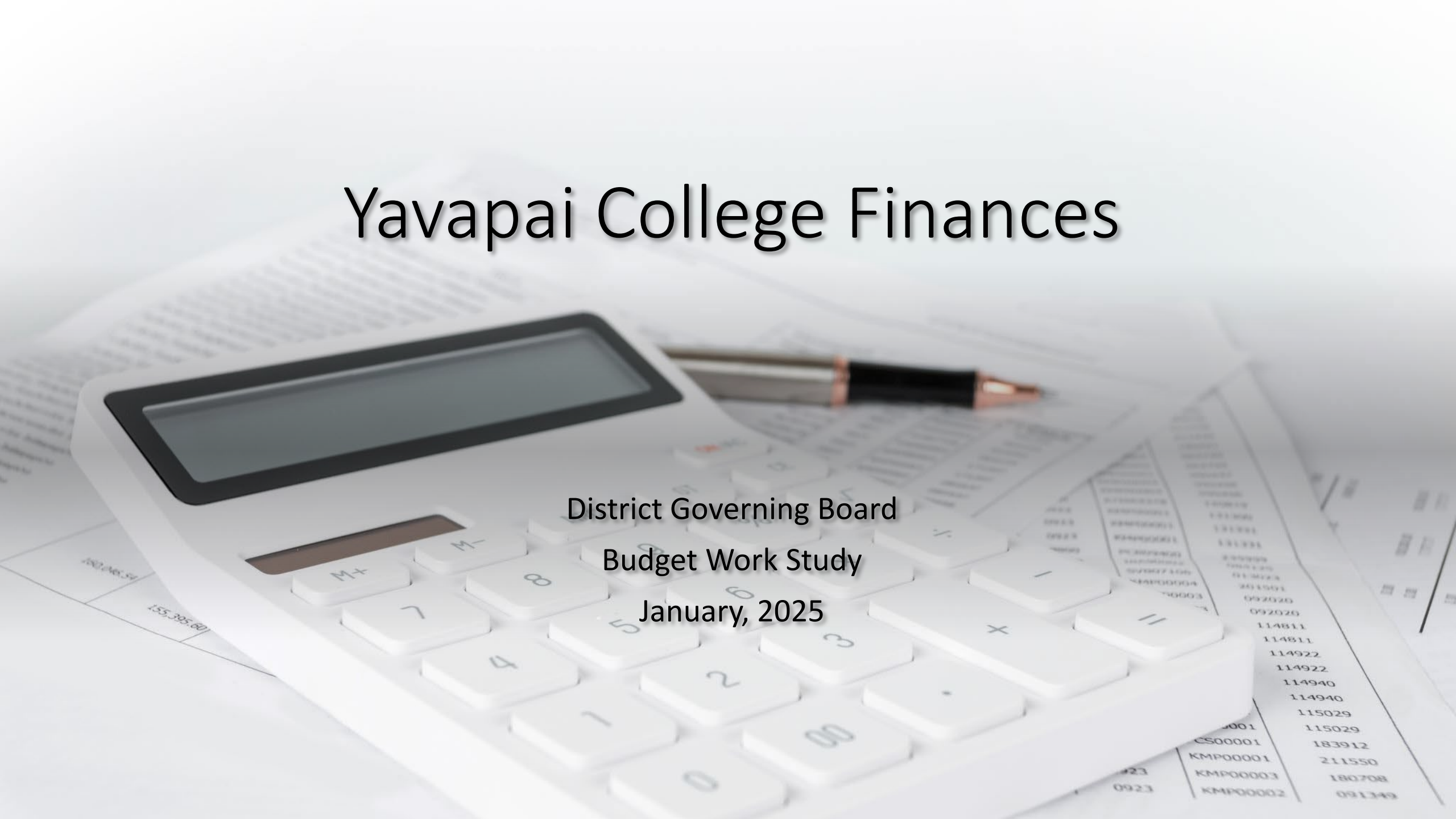


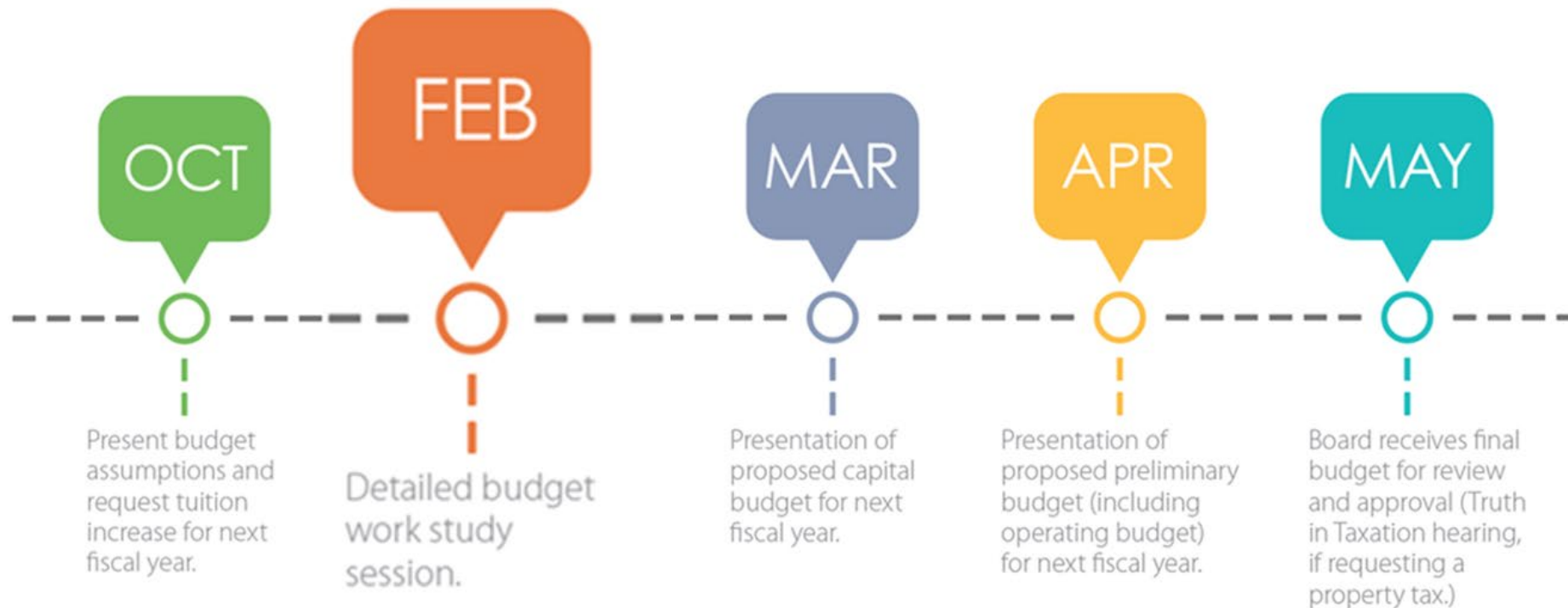
Yavapai College Finances

District Governing Board
Budget Work Study
January, 2025



114811	114811
114922	114922
114940	114940
114940	114940
115029	115029
115029	115029
183912	183912
211550	211550
180708	180708
091349	091349

Budget Timeline



Agenda

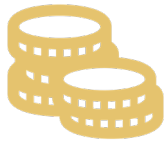
Context

Revenues

Expenditures

Strengths and
Challenges

Context



AZ Economy



Environmental Scan



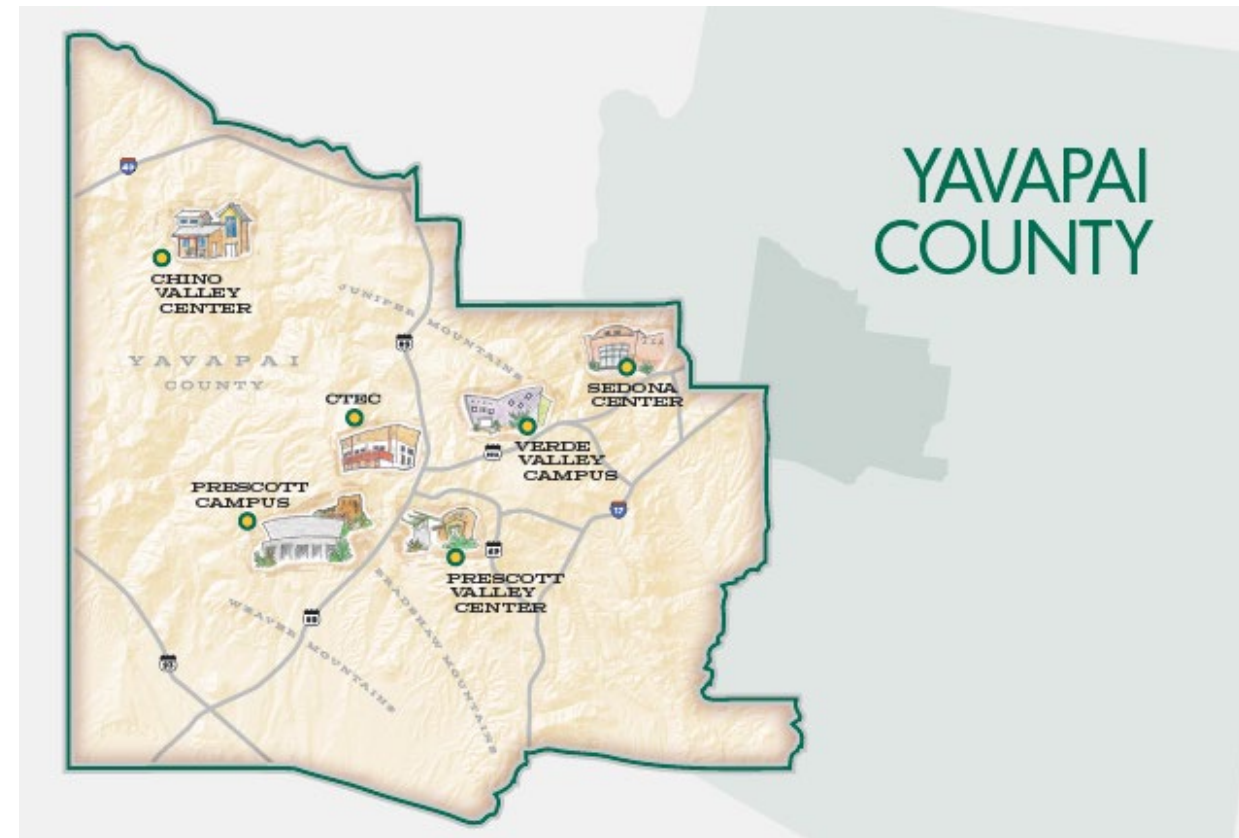
Strategic Plan

Yavapai College

- **Priorities:** Education, Economic Development, Social & Cultural Opportunities
- **Mission:** YC transforms lives and strengthens the local economy through education
- **Vision:** YC ensures our community is a premier place to learn, work and live

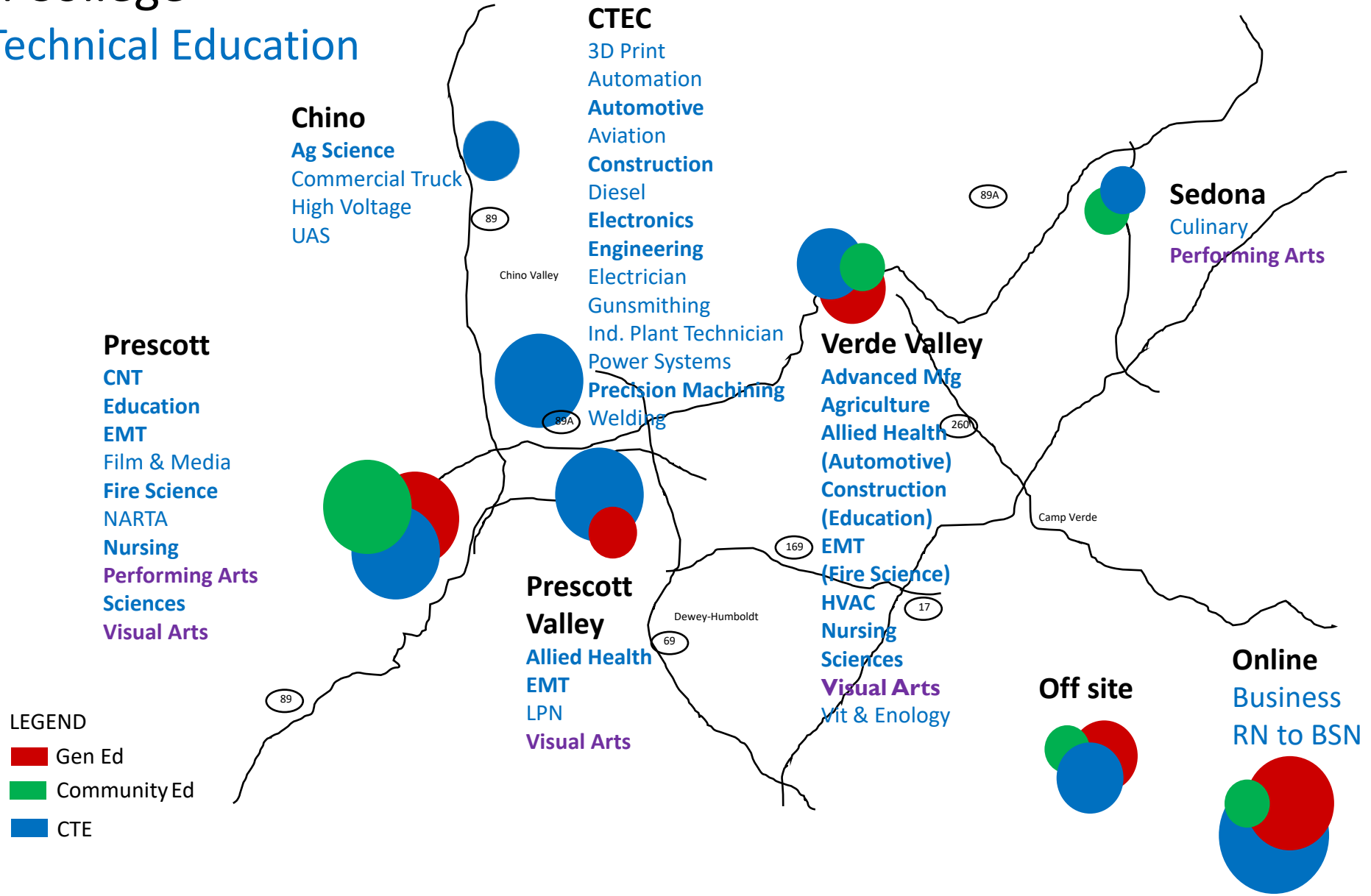
YC Profile

- 8100 sq mi service district
- >10,000 students served online, in high schools and libraries, and at 6 YC locations
- 2 Bachelors, 7 Associates and 75+ certs
- Unique programs include Aviation, Gunsmithing, NARTA (Police), Southwest Wine Center, and Osher Lifelong Learning Institute
- Accredited by Higher Learning Commission
- >1/3 county HS grads attend Yavapai College

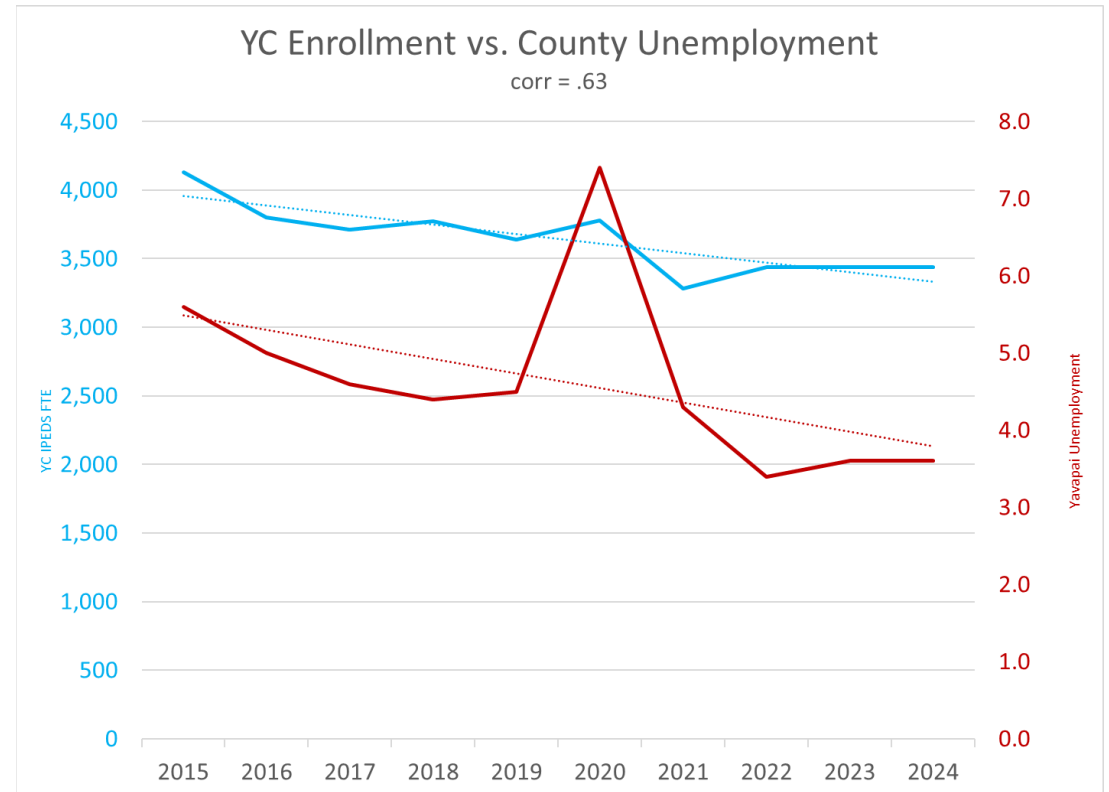
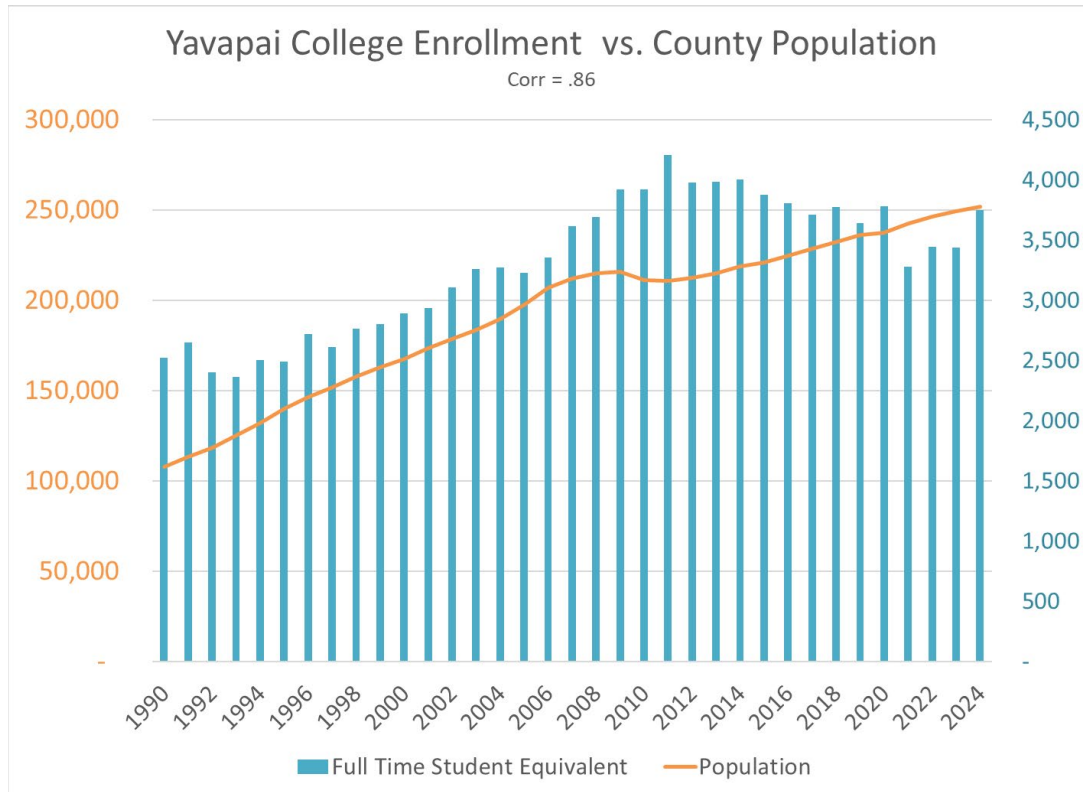


Yavapai College

Career Technical Education



Traditional Enrollment Drivers

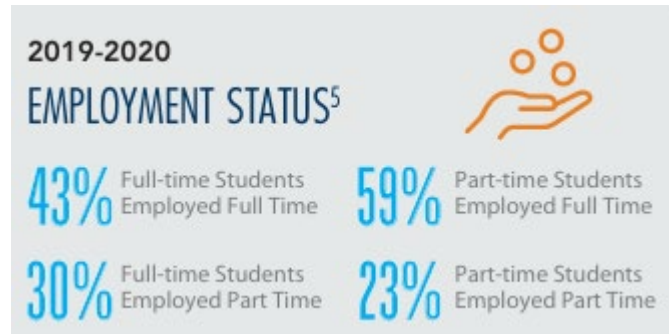
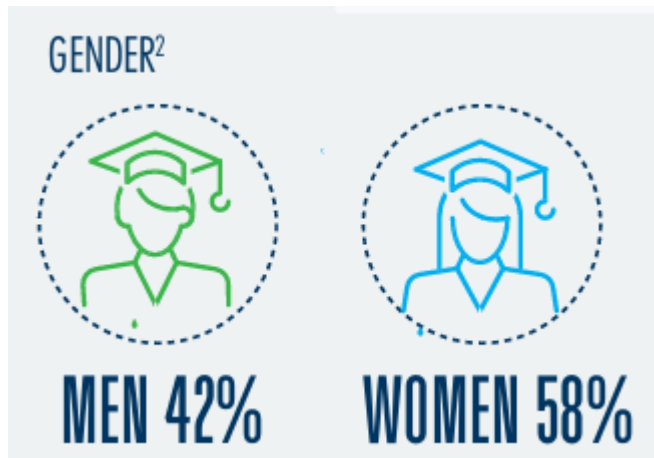
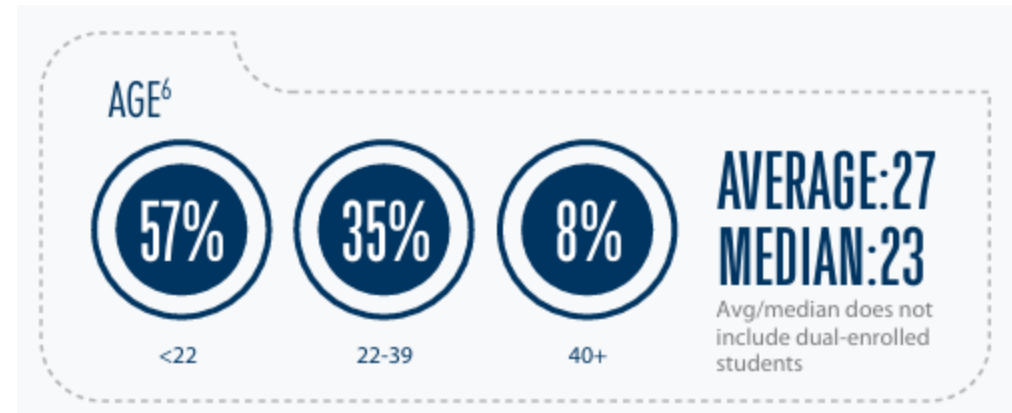
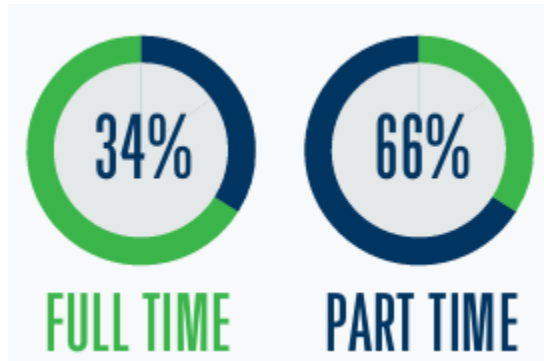


Traditional College Students



- Straight from high school (18-24)
- Full time
- No dependents
- Not working full time
- Live in dorms
- Financial support from family

Today's Community College Students



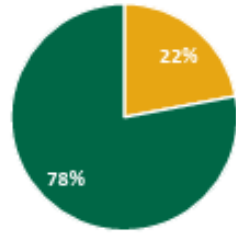
First generation to attend college 32%

Single parents..... 13%



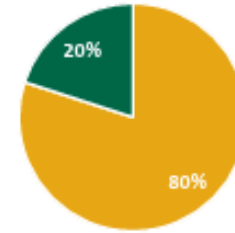


Full- and Part-Time Status



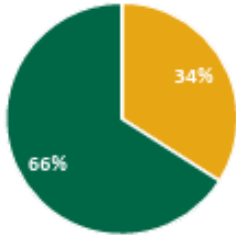
■ Full-Time ■ Part-Time

Degree/Certificate Seeking Status



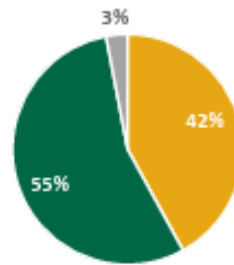
■ Degree/Cert Seeking ■ Non-Degree/Cert

First Generation



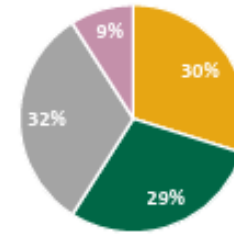
■ Yes ■ No

Gender



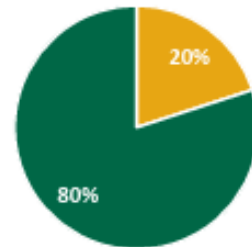
■ Male ■ Female ■ Unknown

Students by Age



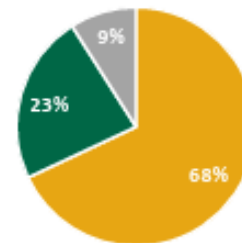
■ High School ■ Traditional 18-24 ■ Workforce 25-64 ■ Retiree 65+

Pell Percentage



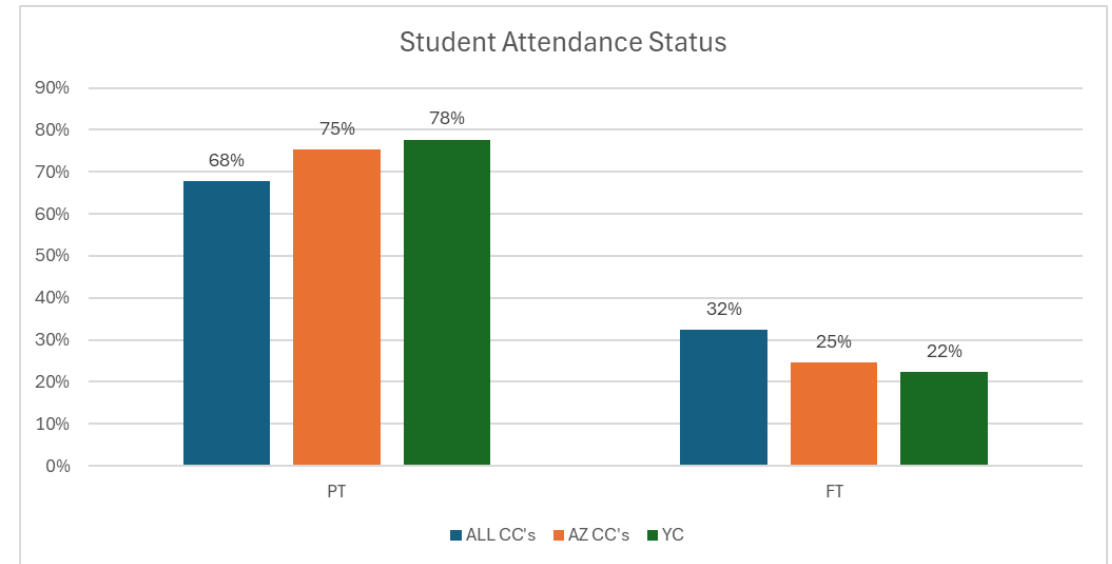
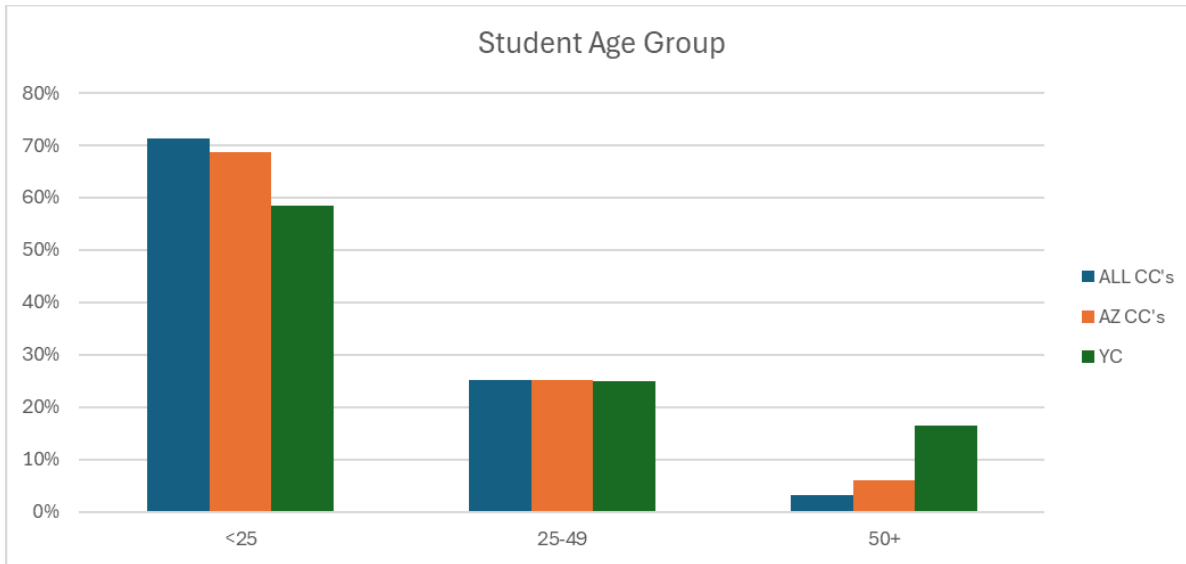
■ Pell ■ Non-Pell

Race and Ethnicity



■ White ■ Hispanic ■ All Other Races

Student Population Benchmarks



YC	<25	25-49	50+
Part Time	74%	76%	95%
Personal Interest	3%	15%	76%
High School Student	51%	0%	0%
Occupation Major	50%	48%	16%
Hispanic/Latino	27%	19%	5%
White	60%	64%	81%

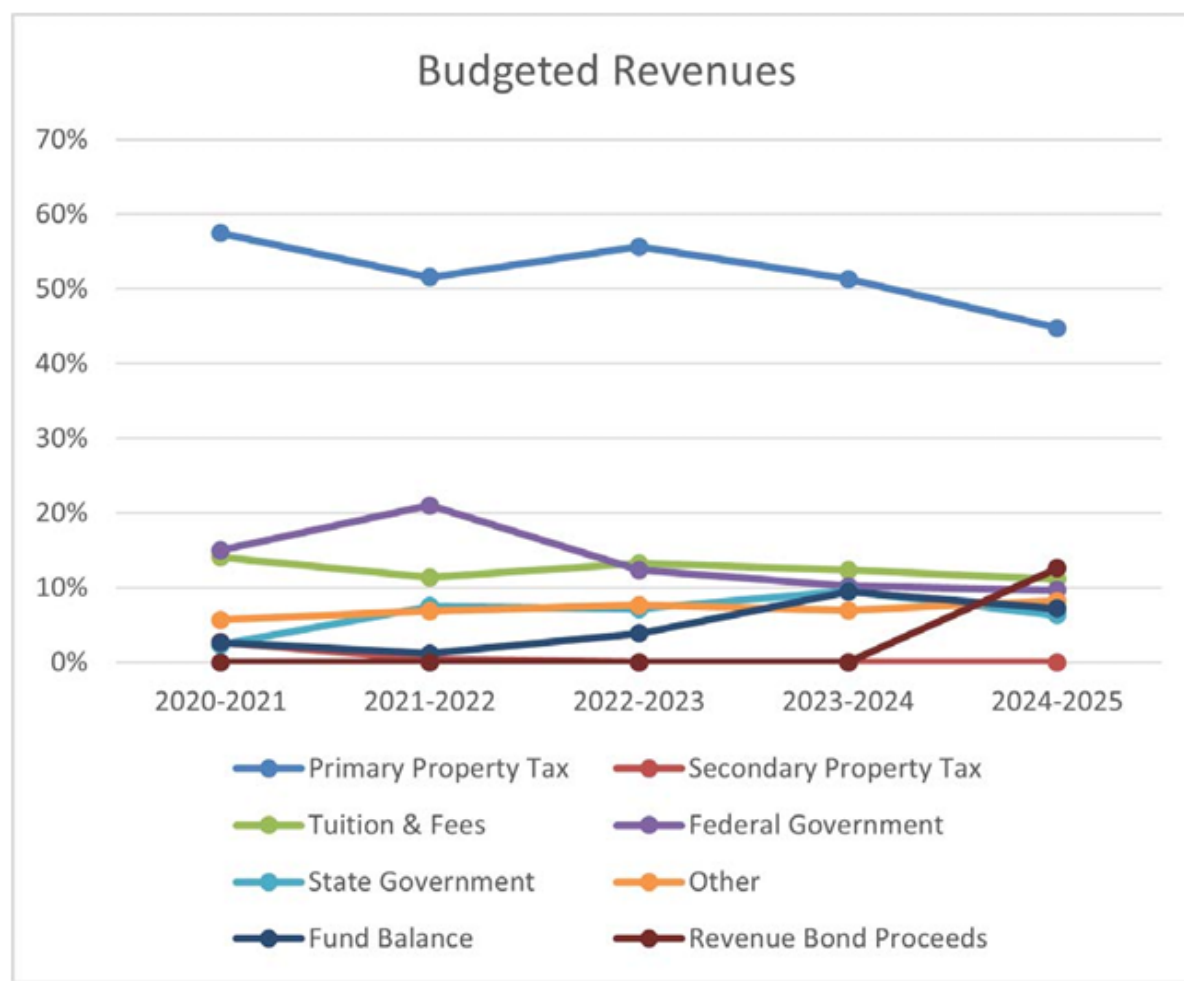
A budget is more than just revenues and expenses— it shows what we are passionate about.





YC Finances Revenues

DISCUSSION OF BUDGETED REVENUES



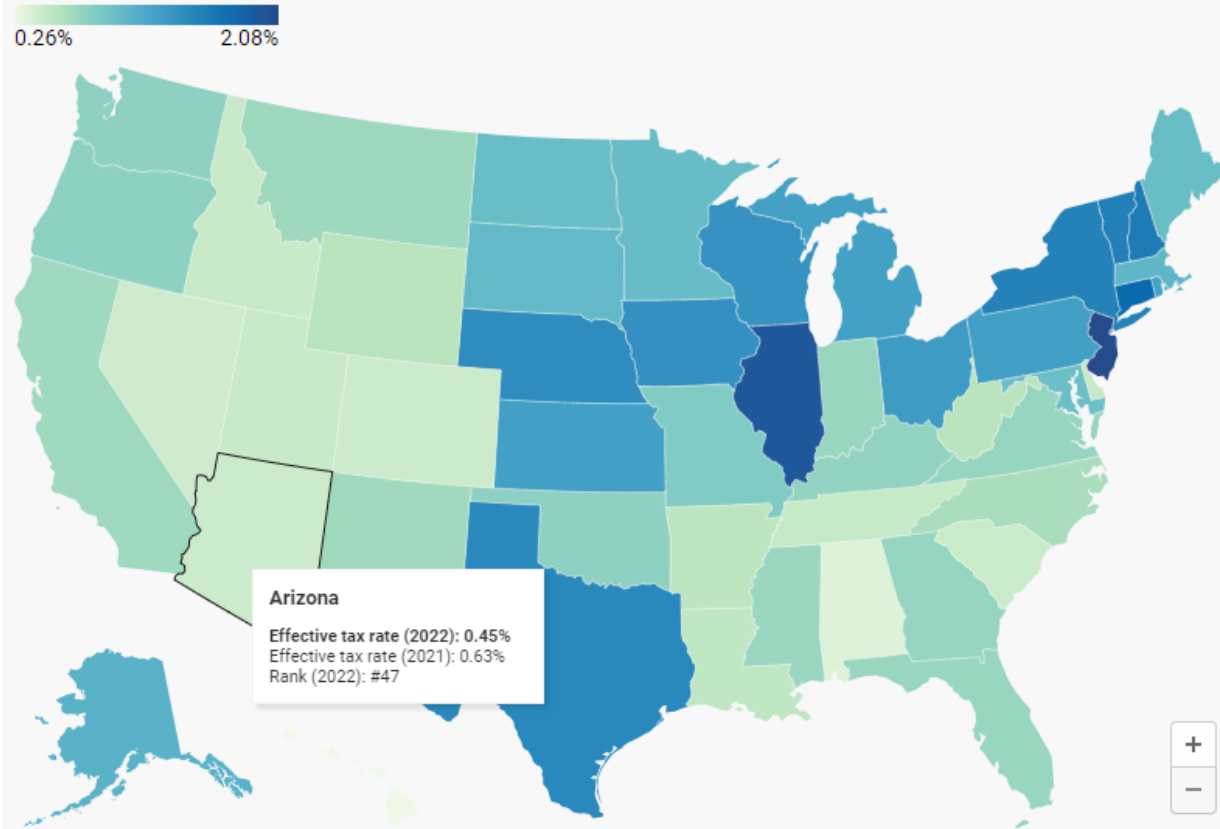
Budgeted Revenues by Type

	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>5 Yr Change</u>
Primary Property Tax	\$ 47,516,000	\$ 47,924,100	\$ 49,860,100	\$ 53,455,100	\$ 56,735,800	19%
Secondary Property Tax	2,233,700	405,500	-	-	-	-100%
Tuition & Fees	11,647,000	10,574,000	11,860,000	12,896,000	14,111,000	21%
Federal Government	12,435,000	19,520,000	11,060,000	10,616,800	12,295,800	-1%
State Government	1,957,800	6,987,800	6,414,900	9,997,000	8,022,500	310%
Revenue Bond Proceeds	-	-	-	-	16,000,000	100%
Other	4,722,100	6,417,500	6,889,600	7,248,400	10,458,800	121%
Fund Balance	2,178,400	1,107,800	3,478,500	9,889,300	9,171,300	321%
Total	\$ 82,690,000	\$ 92,936,700	\$ 89,563,100	\$ 104,102,600	\$ 126,795,200	47%

Property Taxes

How High Are Property Taxes in Your State?

Property Taxes Paid as a Percentage of Owner-Occupied Housing Value, 2022



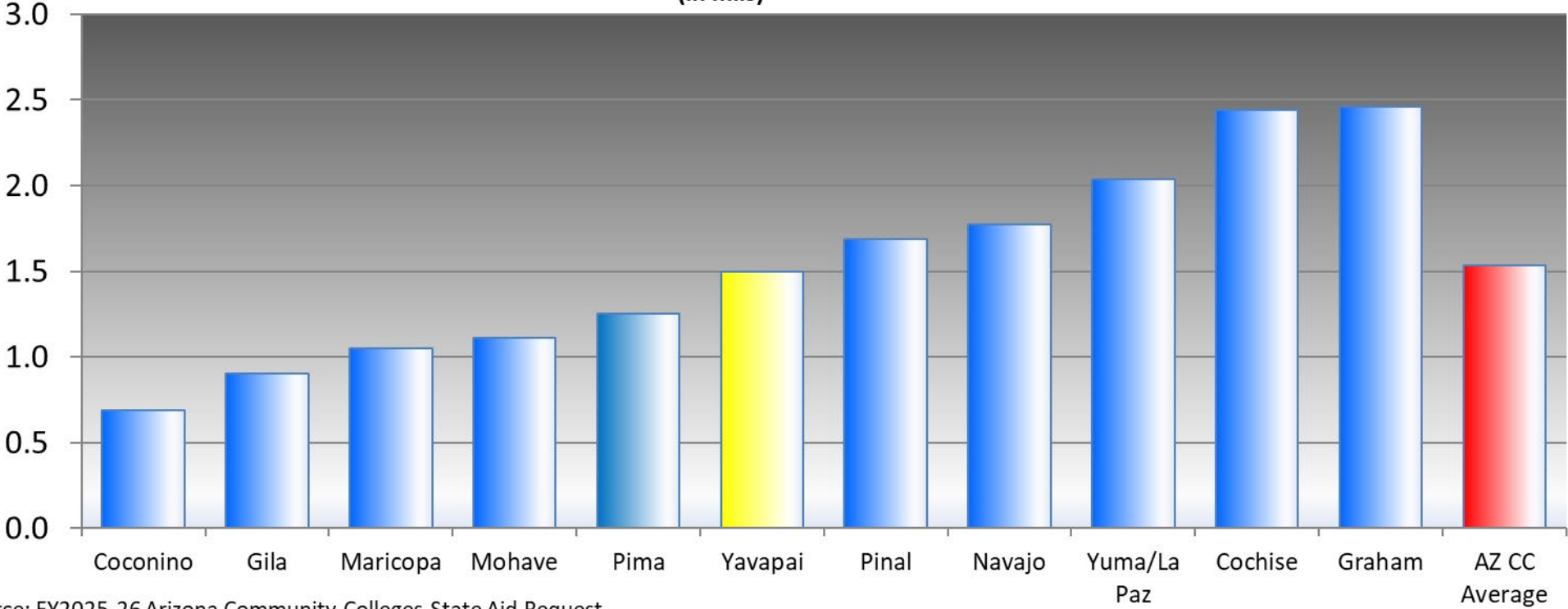
Note: The figures in this table are mean effective property tax rates on owner-occupied housing (total real taxes paid/total home value). As a result, the data exclude property taxes paid by businesses, renters, and others. DC's rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.

Source: US Census Bureau, 2022 American Community Survey; Tax Foundation calculations.

[Embed](#) • [Download image](#) • [Get the data](#)



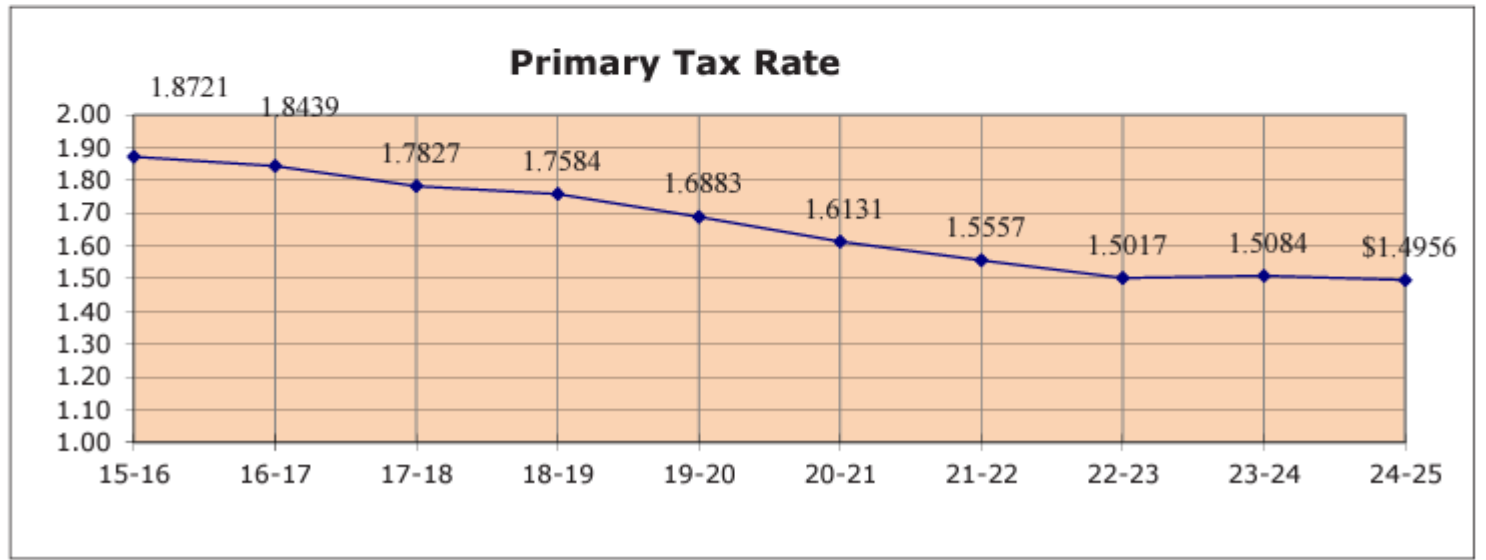
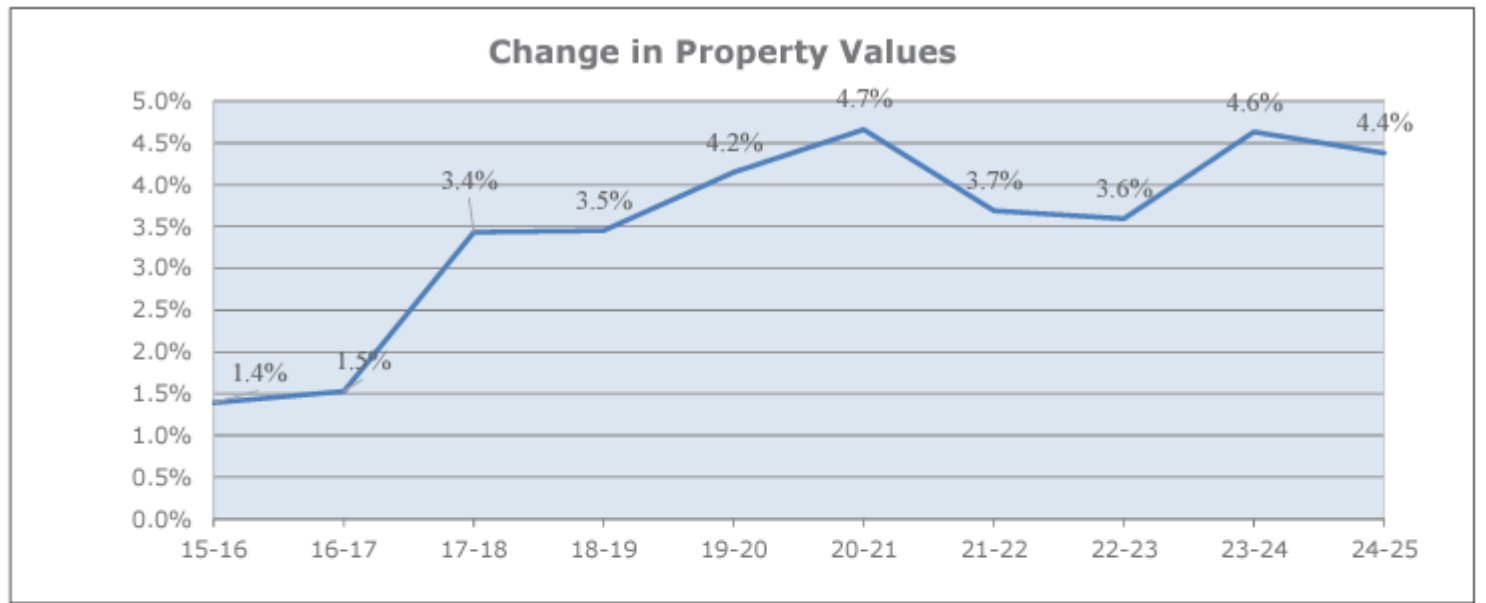
**Arizona Community College
2025 Primary Property Tax Rates
(in mils)**



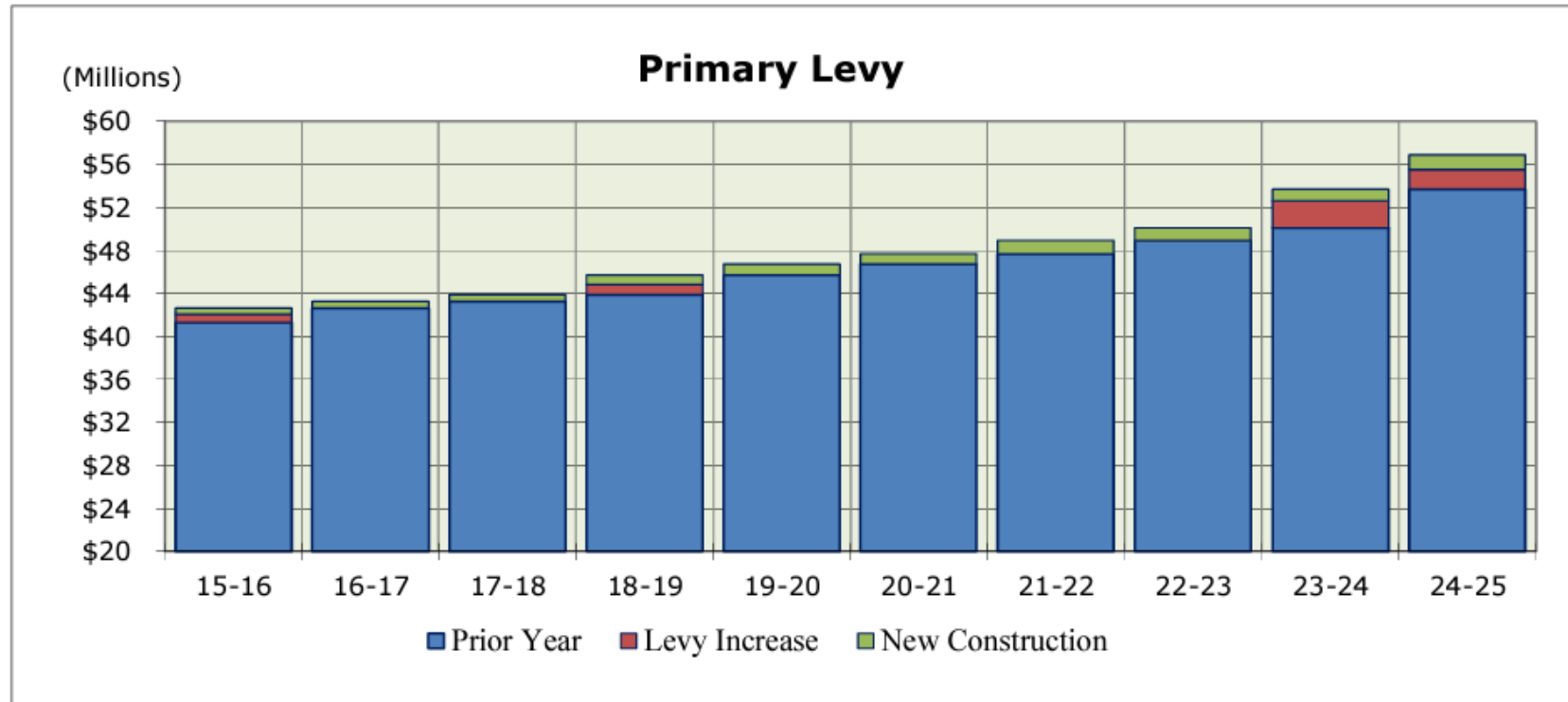
Source: FY2025-26 Arizona Community Colleges State Aid Request

AZ has 4th lowest Property Tax in US – TaxFoundation.org

Changes in Property Value vs. Tax Rate

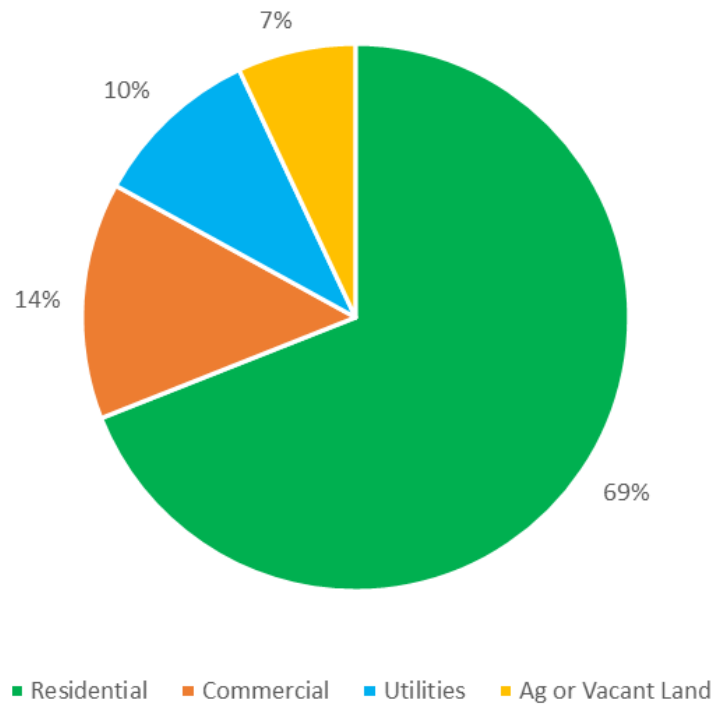


Property Taxes



~\$11 annual increase
on the median home
value of \$545,000

FY23 Yavapai College Taxes by Classification



Top Taxpayers

Programs

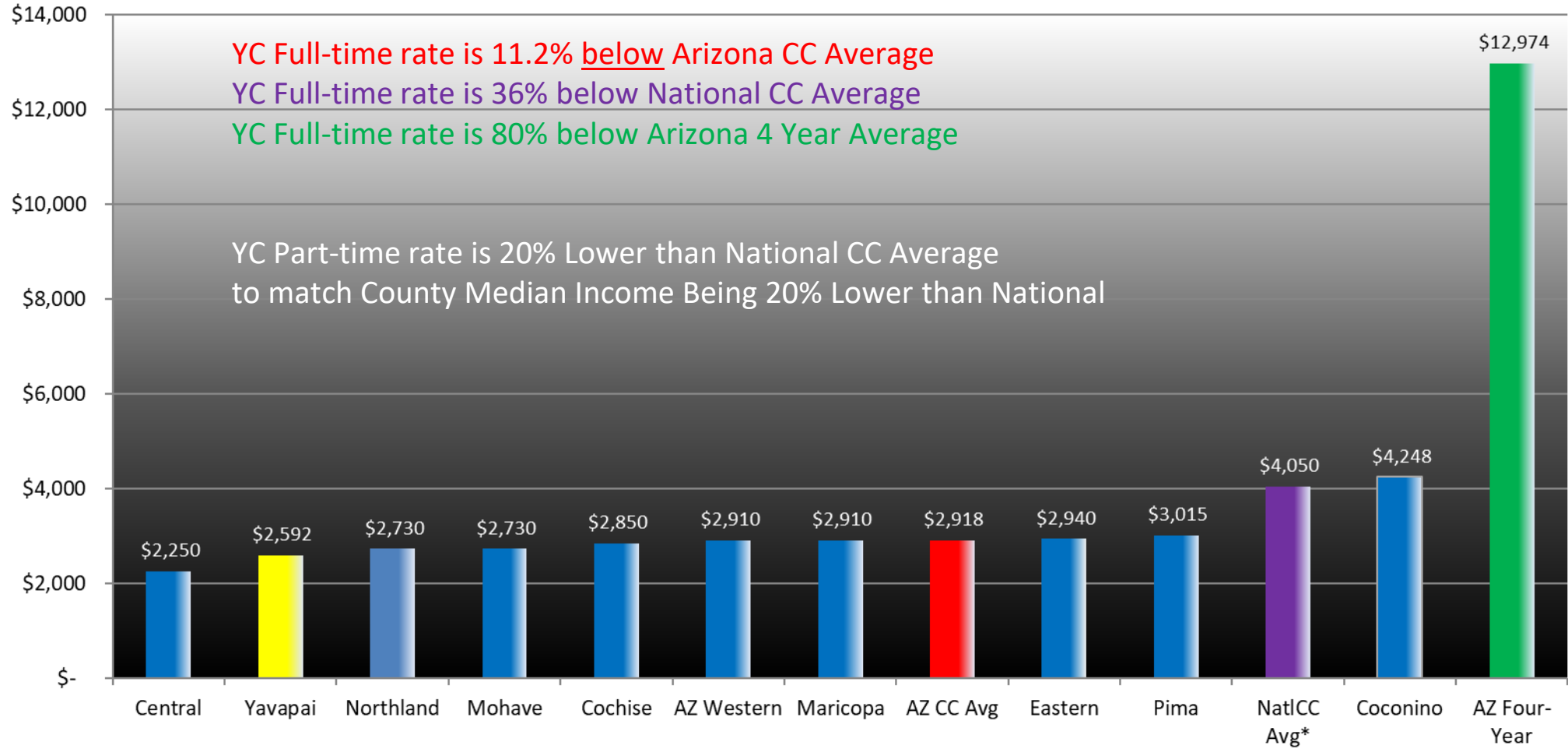
1	Freeport McMoran	Diesel, Electrical Instrumentation, Industrial Machine Maintenance, Welding
2	Arizona Public Service	Lineworker and Electrical Instrumentation Technology
3	Unisource Energy Corporation	Diesel, Industrial Machine Maintenance
4	Drake Cement	Diesel, Electrical Instrumentation, Industrial Machine Maintenance, Welding
5	Transwestern Pipeline Company LLC	Welding
6	Burlington Northern Santa Fe Railway Company	Diesel, Electrical Instrumentation, Industrial Machine Maintenance, Welding
7	Phoenix Cement Co	Diesel, Electrical Instrumentation, Industrial Machine Maintenance, Welding
8	EL Paso Natural Gas Company	Diesel, Industrial Machine Maintenance
9	Wal-Mart	Business, Gen Ed
10	New Enchantment LLC	Business, Gen Ed

Top 50 Taxpayers provide 13.1% of total Property Tax Revenue

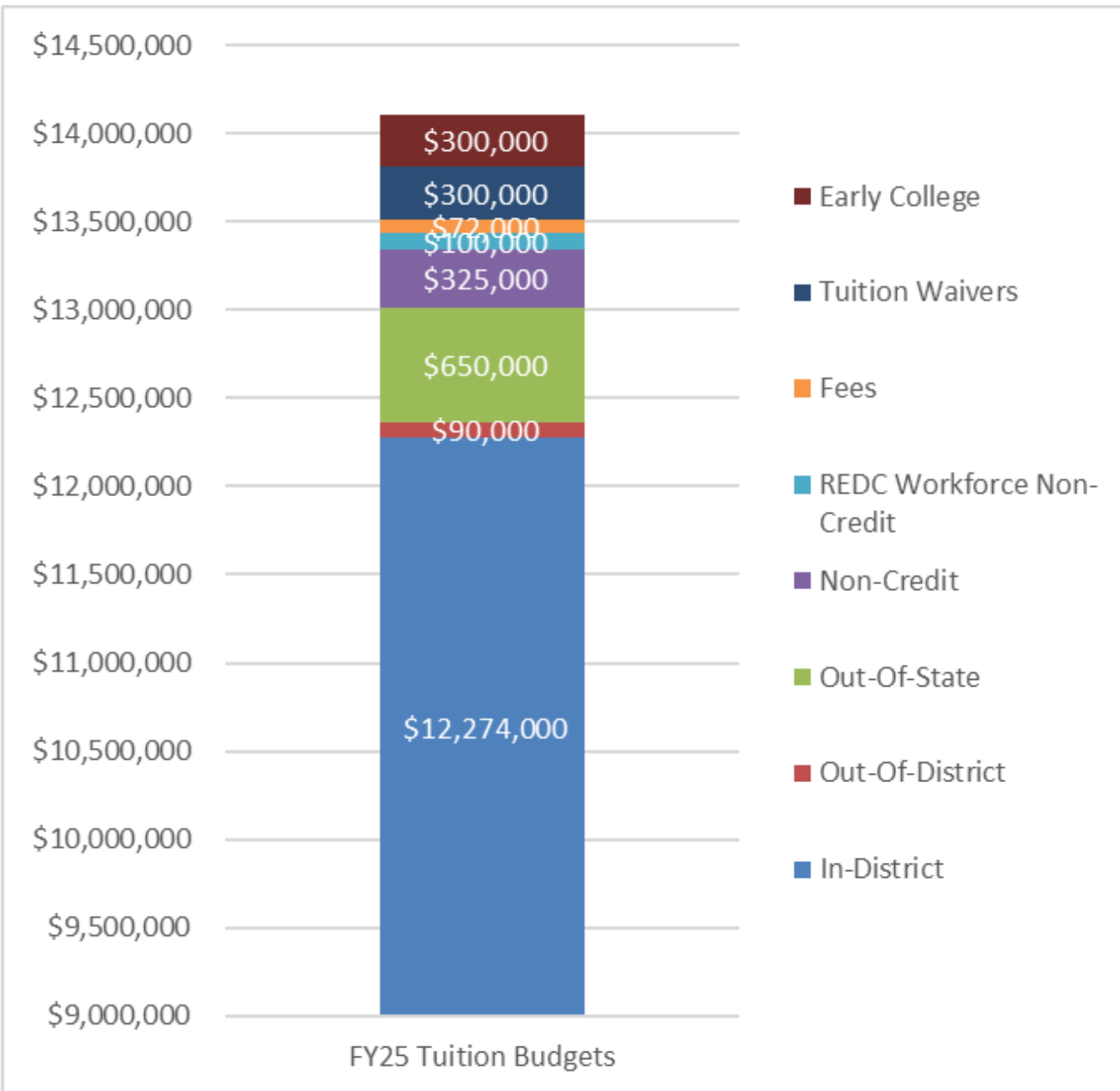
Weighted Annual Tuition & General Fees

FY2024-25

Full Time - 30 Credits



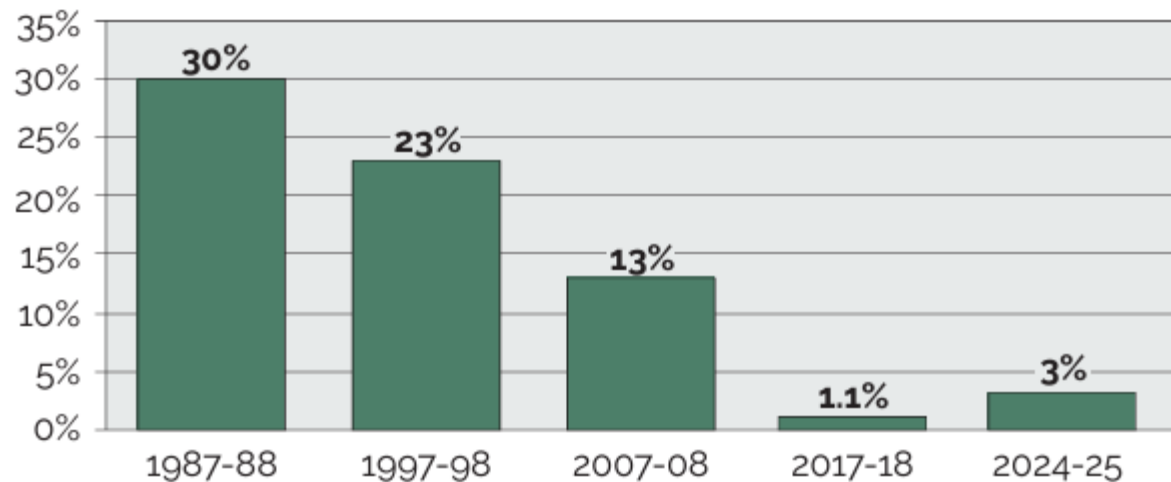
Tuition Details



Revenue Sources

- Property Tax
- Tuition
- State

ARIZONA DEFUNDED COMMUNITY COLLEGES
(State Appropriations of Unrestricted Funds)

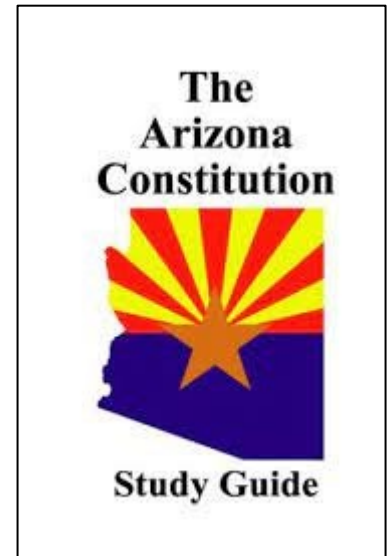


Unrestricted State Support

STATE APPROPRIATIONS

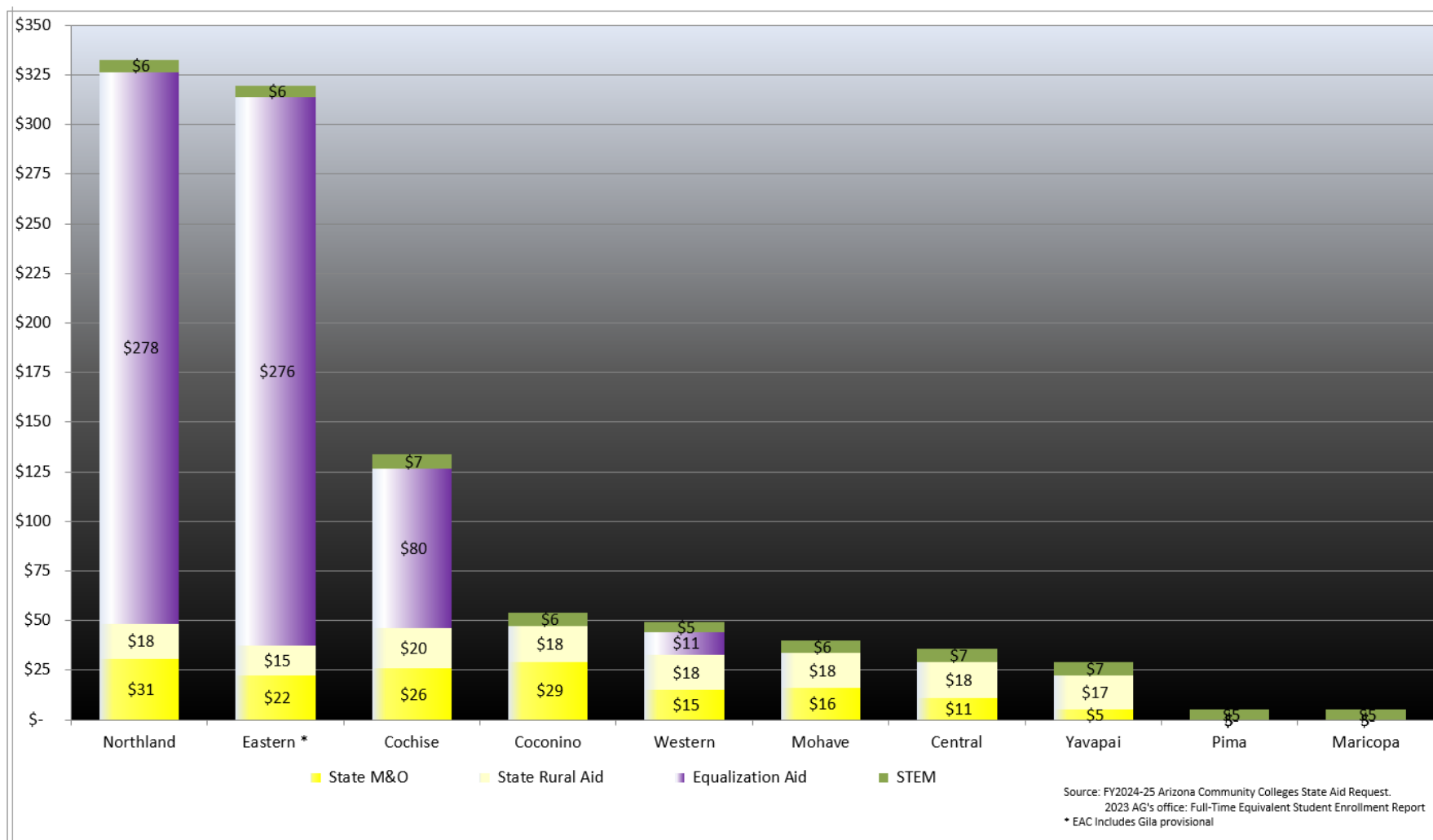
Maintenance Support	\$	371,300
Rural Community College Aid - One Time		-
Rural Community College Aid - Recurring		1,833,600
Sub-total State Appropriations	\$	<u>2,204,900</u>

3%



“The university and all other state educational institutions shall be...as nearly free as possible.”

–Article 11, Section 6



FY25

Total State Support for Community Colleges

Per Student Credit Hour

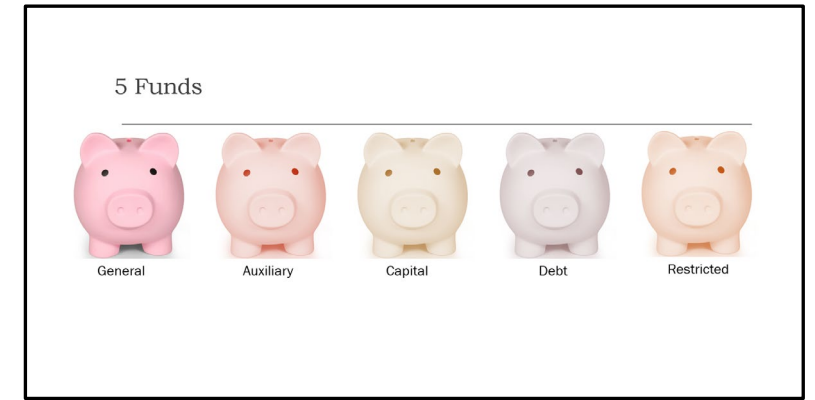
Expenses



Exhibit 2

SUMMARY OF EXPENSE DATA

Expenditures by Fund	2022-2023 Actual	2023-2024 Budget	2024-2025 Proposed	Dollar (\$) Difference	Percentage (%) Difference
Current Funds					
Current General Fund - Unrestricted	\$ 52,545,000	\$ 59,010,200	\$ 64,025,200	\$ 5,015,000	8.5%
Auxiliary Enterprises	5,740,900	6,560,200	8,451,900	1,891,700	28.8%
Sub-Total Current Funds - Unrestricted	\$ 58,285,900	\$ 65,570,400	\$ 72,477,100	\$ 6,906,700	10.5%
Current Funds - Restricted	15,246,100	19,242,800	20,152,600	909,800	4.7%
TOTAL CURRENT FUNDS	\$ 73,532,000	\$ 84,813,200	\$ 92,629,700	\$ 7,816,500	9.2%
Plant Funds					
Unexpended Plant Fund	\$ 7,356,800	\$ 18,028,600	\$ 31,745,500	\$ 13,716,900	76.1%
Retirement of Indebtedness	1,258,100	1,258,600	2,416,800	1,158,200	92.02%
TOTAL PLANT FUNDS	\$ 8,614,900	\$ 19,287,200	\$ 34,162,300	\$ 14,875,100	77.1%
GRAND TOTAL - CURRENT & PLANT FUNDS	\$ 82,146,900	\$ 104,100,400	\$ 126,792,000	\$ 22,691,600	21.8%



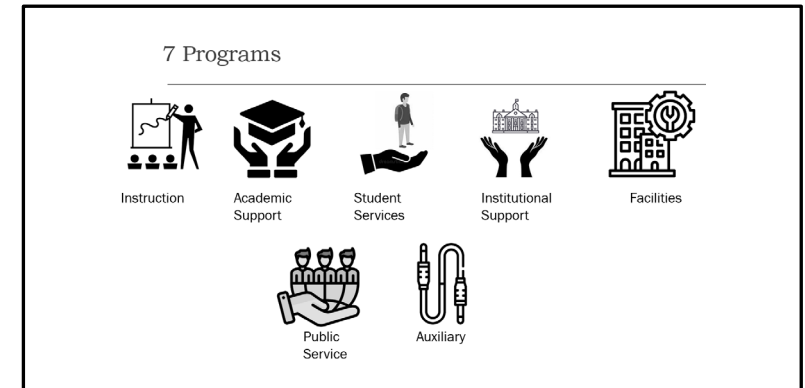
How We Keep Track of the Money

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Expenditures by Program	2022-2023 Actual	2023-2024 Budget	2024-2025 Proposed	Dollar (\$) Difference	Percentage (%) Difference
Instruction	\$ 23,370,500	\$ 30,324,300	\$ 30,674,900	\$ 350,600	1.2%
Public Service	3,414,900	4,801,100	5,816,700	1,015,600	21.2%
Academic Support	5,373,000	6,167,900	6,782,800	614,900	10.0%
Student Services	11,357,000	12,598,600	13,520,900	922,300	7.3%
Institutional Support/Administration	11,912,500	13,186,600	16,676,700	3,490,100	26.5%
Physical Plant Operations/Maintenance	14,422,400	22,403,500	32,647,500	10,244,000	45.7%
Scholarships	8,837,800	8,700,800	9,766,100	1,065,300	12.2%
Auxiliary	2,200,700	3,166,500	4,924,200	1,757,700	55.5%
Retirement of Indebtedness	1,258,100	1,258,600	2,466,800	1,208,200	96.0%
Contingency	-	1,492,500	3,515,400	2,022,900	135.5%
TOTAL BUDGET	\$ 82,146,900	\$ 104,100,400	\$ 126,792,000	\$ 22,691,600	21.8%



How We Keep Track of the Money

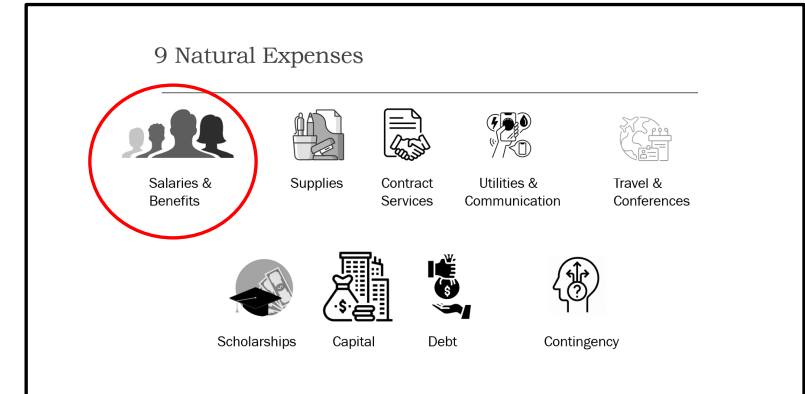
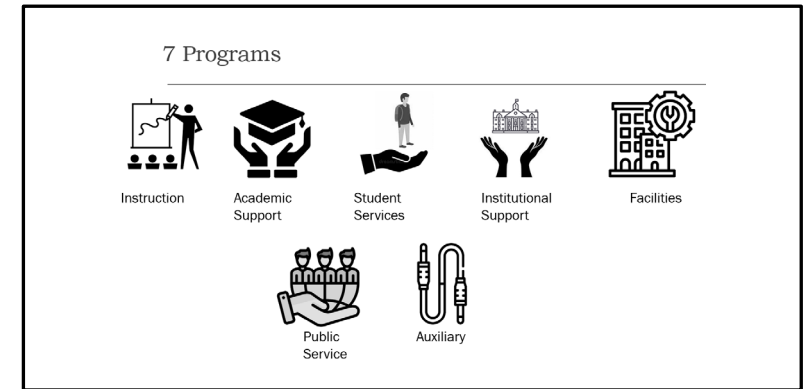
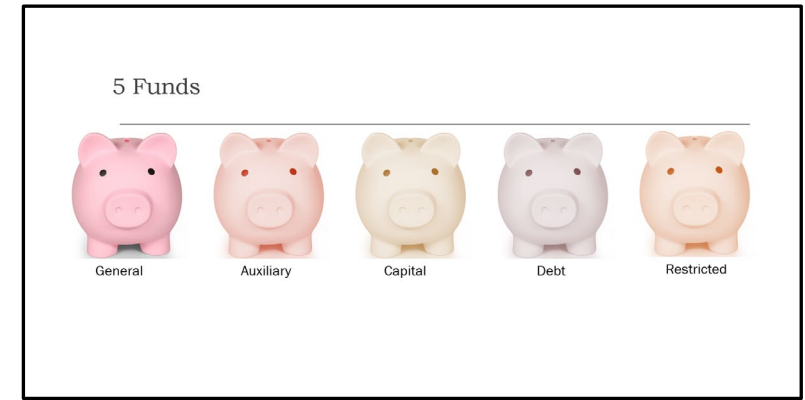
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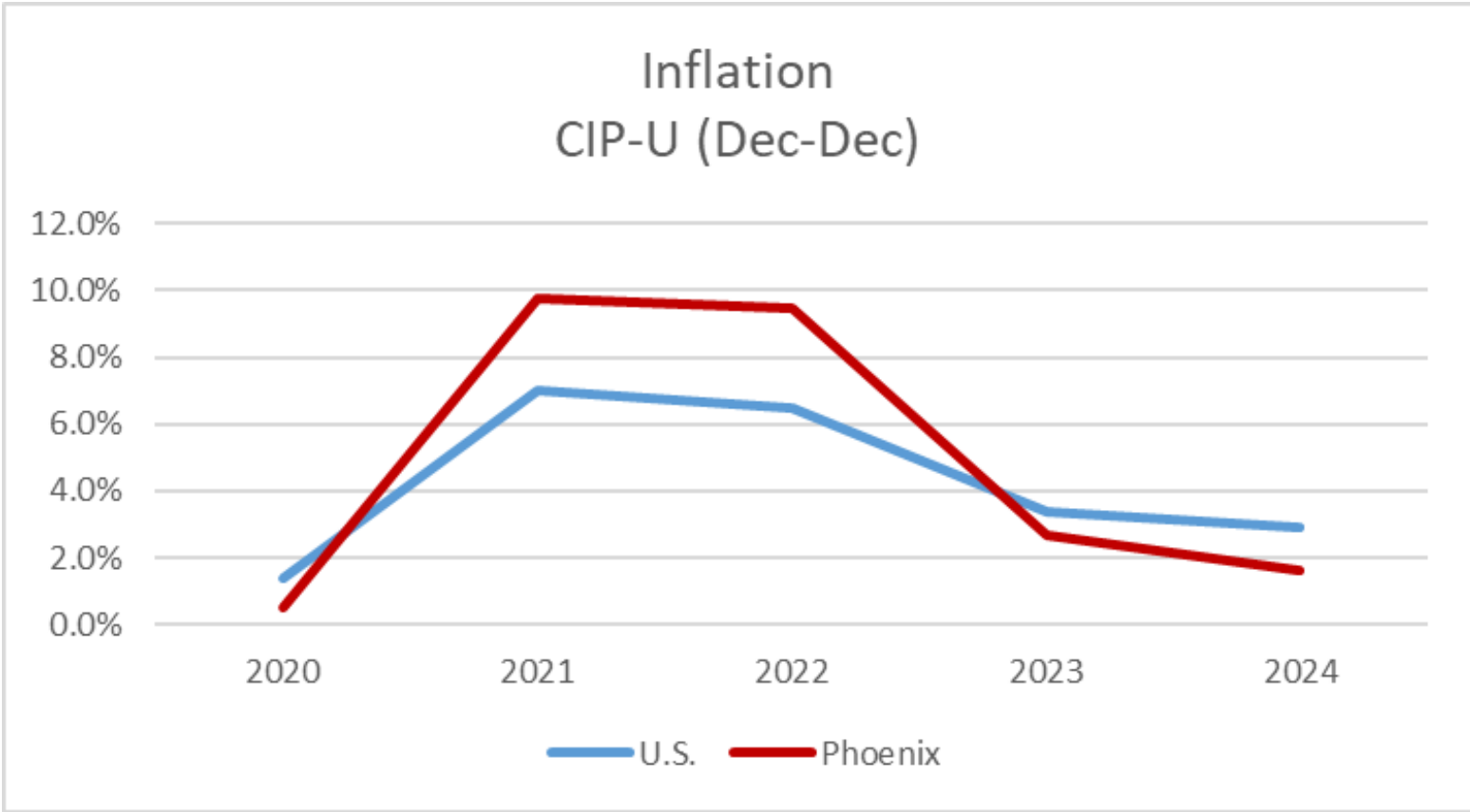
Expenditures by Program	2022-2023 Actual	2023-2024 Budget	2024-2025 Proposed	Dollar (\$) Difference	Percentage (%) Difference
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Public Service	3,414,900	4,801,100	5,816,700	1,015,600	21.2%
Academic Support	5,373,000	6,167,900	6,782,800	614,900	10.0%
Student Services	11,357,000	12,598,600	13,520,900	922,300	7.3%
Institutional Support/Administration	11,912,500	13,186,600	16,676,700	3,490,100	26.5%
Physical Plant Operations/Maintenance	14,422,400	22,403,500	32,647,500	10,244,000	45.7%
Scholarships	8,837,800	8,700,800	9,766,100	1,065,300	12.2%
Auxiliary	2,200,700	3,166,500	4,924,200	1,757,700	55.5%
Retirement of Indebtedness	1,258,100	1,258,600	2,466,800	1,208,200	96.0%
Contingency	-	1,492,500	3,515,400	2,022,900	135.5%
TOTAL BUDGET	\$ 82,146,900	\$ 104,100,400	\$ 126,792,000	\$ 22,691,600	21.8%

Expenditures by Natural Expense	2022-2023 Actual	2023-2024 Budget	2024-2025 Proposed	Dollar (\$) Difference	Percentage (%) Difference
Salaries and Benefits	\$ 49,328,400	\$ 55,394,300	\$ 61,594,900	\$ 6,200,600	11.2%
Supplies	4,265,300	5,771,000	6,883,400	1,112,400	19.3%
Contractual Services and Other	5,928,700	8,190,400	9,682,600	1,492,200	18.2%
Communications and Utilities	2,081,510	2,160,200	2,392,300	232,100	10.7%
Travel, Conferences & Memberships	1,325,800	1,206,800	1,580,400	373,600	31.0%
Scholarships	8,837,800	8,700,800	9,766,100	1,065,300	12.2%
Capital Projects and Equipment	9,121,290	19,925,800	28,960,100	9,034,300	45.3%
Debt payments	1,258,100	1,258,600	2,416,800	1,158,200	92.0%
Contingency	-	1,492,500	3,515,400	2,022,900	135.5%
Total	\$ 82,146,900	\$ 104,100,400	\$ 126,792,000	\$ 22,691,600	21.8%

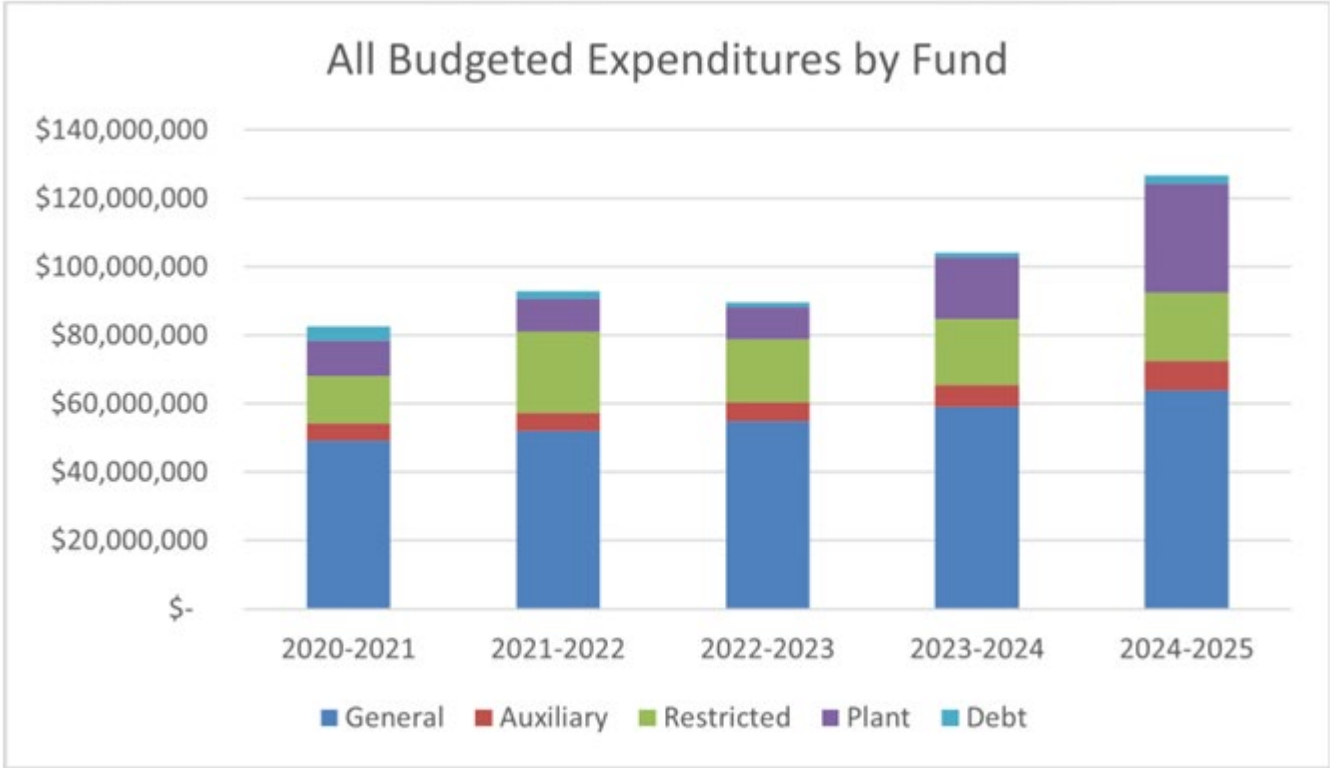


How We Keep Track of the Money

5 Year Inflation



21.1% US
24.1 PHX

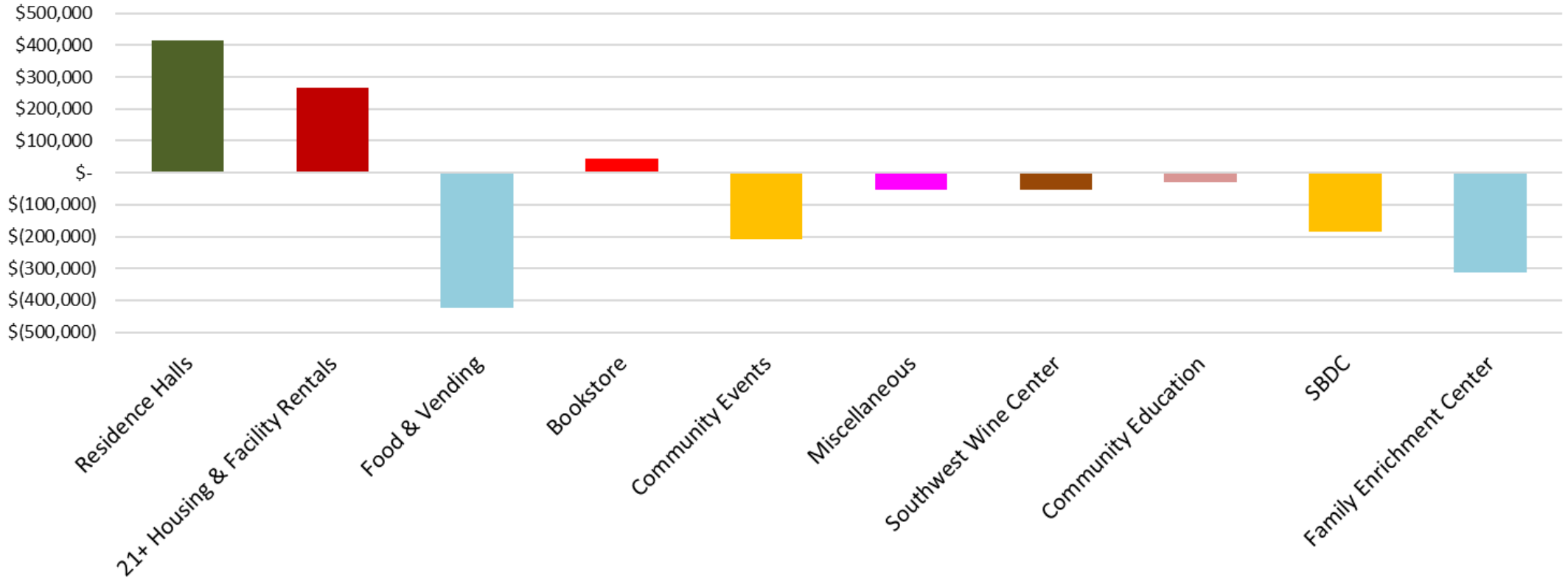


All Budgeted Expenditures by Fund	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5 Yr %
General	\$ 49,234,600	\$ 52,034,800	\$ 54,908,300	\$ 59,010,200	\$ 64,025,200	30.0%
Auxiliary	5,089,000	5,368,200	5,543,100	6,560,200	8,451,900	66.1%
Restricted	13,831,000	23,618,500	18,448,100	19,242,800	20,152,600	45.7%
Plant	10,405,500	9,654,300	9,405,500	18,028,600	31,745,500	205.1%
Debt	4,129,900	2,260,900	1,258,100	1,258,600	2,416,800	-41.5%
	\$ 82,690,000	\$ 92,936,700	\$ 89,563,100	\$ 104,100,400	\$ 126,792,000	53.3%

Auxiliaries Budgeted Surplus/(Deficit)

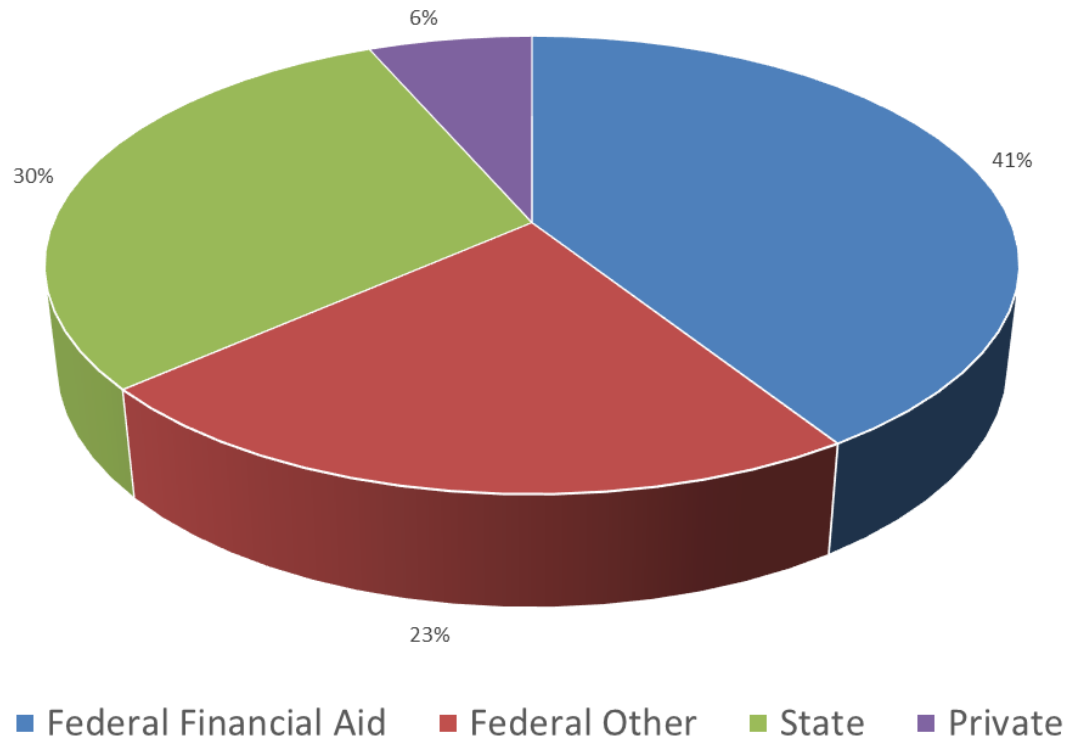
Without Overhead Allocation

FY2024-25



Restricted Fund

Restricted Revenue by Source



	2024-2025 Proposed
Federal Grants and Contracts	
U.S. DOE - Student Support Services	\$ 581,700
U.S. DOE - Adult Education	673,100
U.S. DOE - Financial Aid Cluster	7,933,800
U.S. DOE - Vocational Education	279,700
U.S. DOE - COVID-19 Aid	-
U.S. DOE - Open Text Rural AZ	1,012,000
U.S. DOL - QUEST Workforce & Jobs	500,000
U.S. DOL - FastTrack to LPN Grant	200,000
U.S. DHHS - Substance Abuse Prevention	280,000
U.S. DA - Rural Business Development	109,700
U.S. Small Business Administration	265,500
Other	460,300
Subtotal	\$ 12,295,800
State Grants and Contracts	
AZ DOE - Adult Education	\$ 305,000
AZ DHS - Health/Wellness Nursing Initiative	600,000
AZ DES - Childcare	-
Other	156,000
Subtotal	\$ 1,061,000
Private Gifts, Grants and Contracts	
Bernard Osher Foundation	\$ 114,700
Yavapai College Foundation	879,000
Freeport-McMoRan	101,000
Other	164,500
Subtotal	\$ 1,259,200
OTHER REVENUES AND ADDITIONS	
Prop. 301 Workforce Development	\$ 1,420,000
Prop. 207 Workforce Development/STEM	2,700,000
State Appropriation - STEM Workforce Programs	636,600
Subtotal	\$ 4,756,600

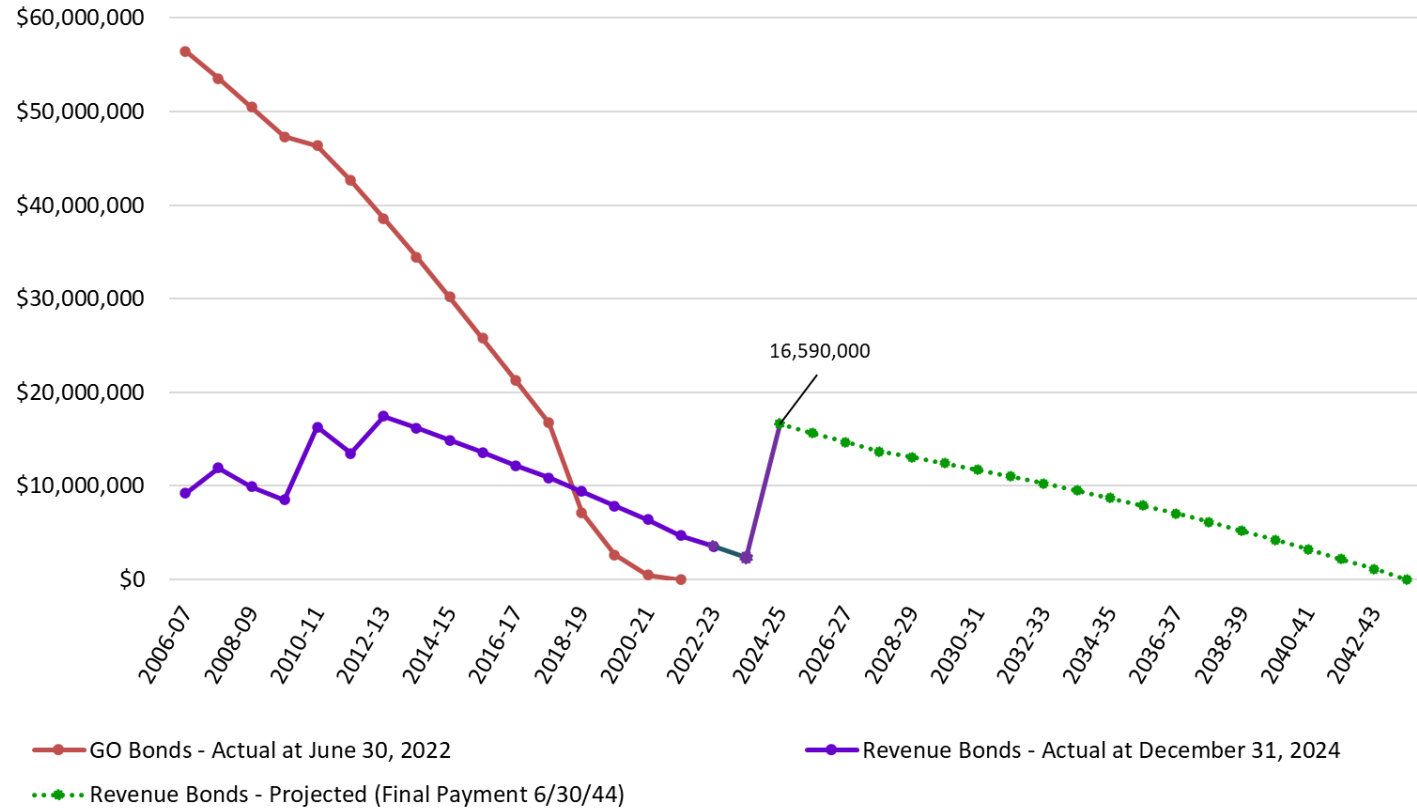
Plant Fund Analysis

Capital Investments

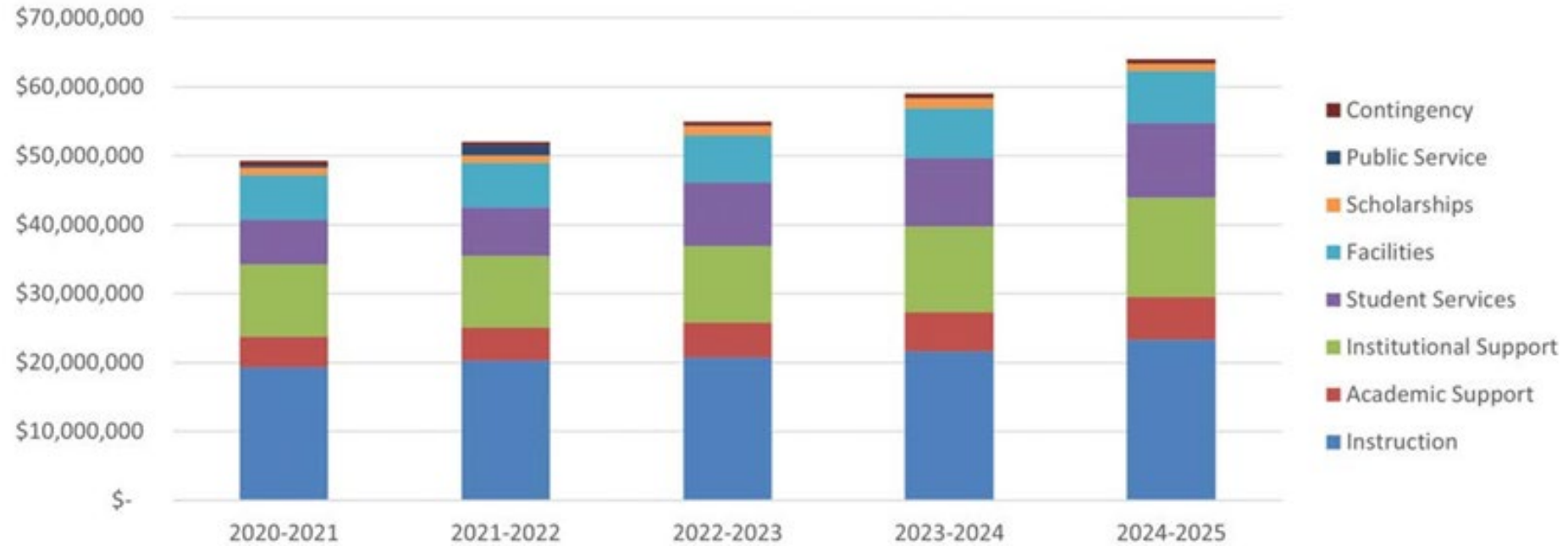
- Planned Maintenance \$4M
 - Unplanned \$.3M
 - Capital Improvement \$18.9M
 - Equipment \$2.5M
 - Furniture, Fixtures & Equipment \$.3M
 - ERP Software upgrade \$1.5M
 - Contingency \$2.8M
- We will go in-depth at March DGB meeting



**Long Term Debt
Actual and Projected Principal Payments
December 31, 2024**



General Fund Expense Budget by Program

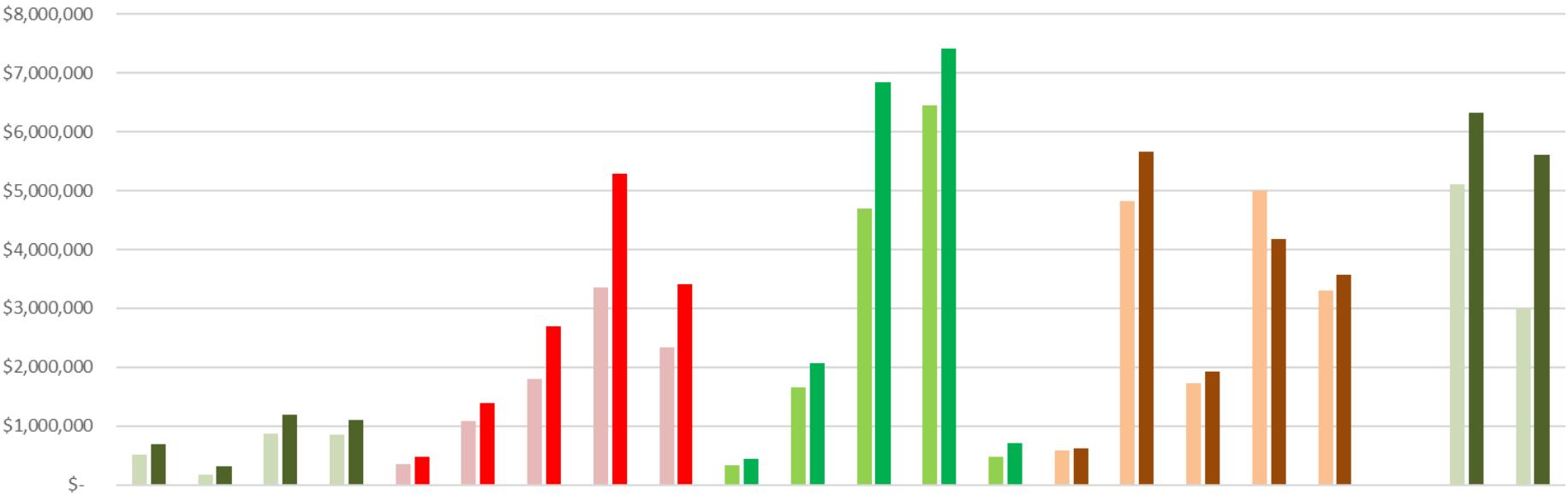


<u>General Fund Expense Budget by Program</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>	<u>5 Yr %</u>
Instruction	\$ 19,327,900	\$ 20,306,400	\$ 20,751,600	\$ 21,652,400	\$ 23,308,900	20.6%
Academic Support	4,432,200	4,740,800	5,065,600	5,663,900	6,252,400	41.1%
Institutional Support	10,487,100	10,482,900	11,083,400	12,403,400	14,404,600	37.4%
Student Services	6,479,600	6,943,700	9,222,800	10,015,100	10,842,600	67.3%
Facilities	6,467,100	6,542,400	6,832,500	7,192,400	7,473,500	15.6%
Scholarships	1,121,900	1,013,200	1,409,900	1,440,600	1,085,800	-3.2%
Public Service	348,800	1,475,400	12,500	12,400	27,400	-92.1%
Contingency	570,000	530,000	530,000	630,000	630,000	10.5%
	\$ 49,234,600	\$ 52,034,800	\$ 54,908,300	\$ 59,010,200	\$ 64,025,200	

$$\frac{I + SS}{I + AS + IS + SS + F} > 50\%$$

General Fund Budget

by Major Business Unit
FY2019-20 vs FY2024-25



President
DGB
Human Resources
Campus Safety
VP Community Relations & Student Development
Community Relations
Athletics
Enrollment Mgmt
Student Affairs
VP Office FAS
Business Office
Information Technology
Facilities
Institutional Effectiveness
VP Instruction/Provost
Science, Math, Computers & Business
Visual & Performing Arts
School of Humanities, Social Sci, & Lifelong Learning
Instruction & Early College
VP Workforce Development & Health Sciences
School of Health & Wellness
School of Career & Technical

Lighter = Base Year
Darker = This Year

5 Year College-wide Operating Budget Analysis

Investments in SP, Ends, KPI's

- **Strategic Plan**

- **Belonging:** Gen1, SGA, SOL, deepen CBO partnerships, market-based compensation, Professional Development
- **Living Wage:** Law, VVSTC, Pipeline AZ, LPN, BSN, BS Bus, CDT, PPL, 3D Print
- **Adult Learners:** Hispanic Outreach, Single Stop, Expand Housing, Prison Education
- **Delivery:** OER, Online Best-Practices, Early College Academy, VR/AR, Upgrade ERP

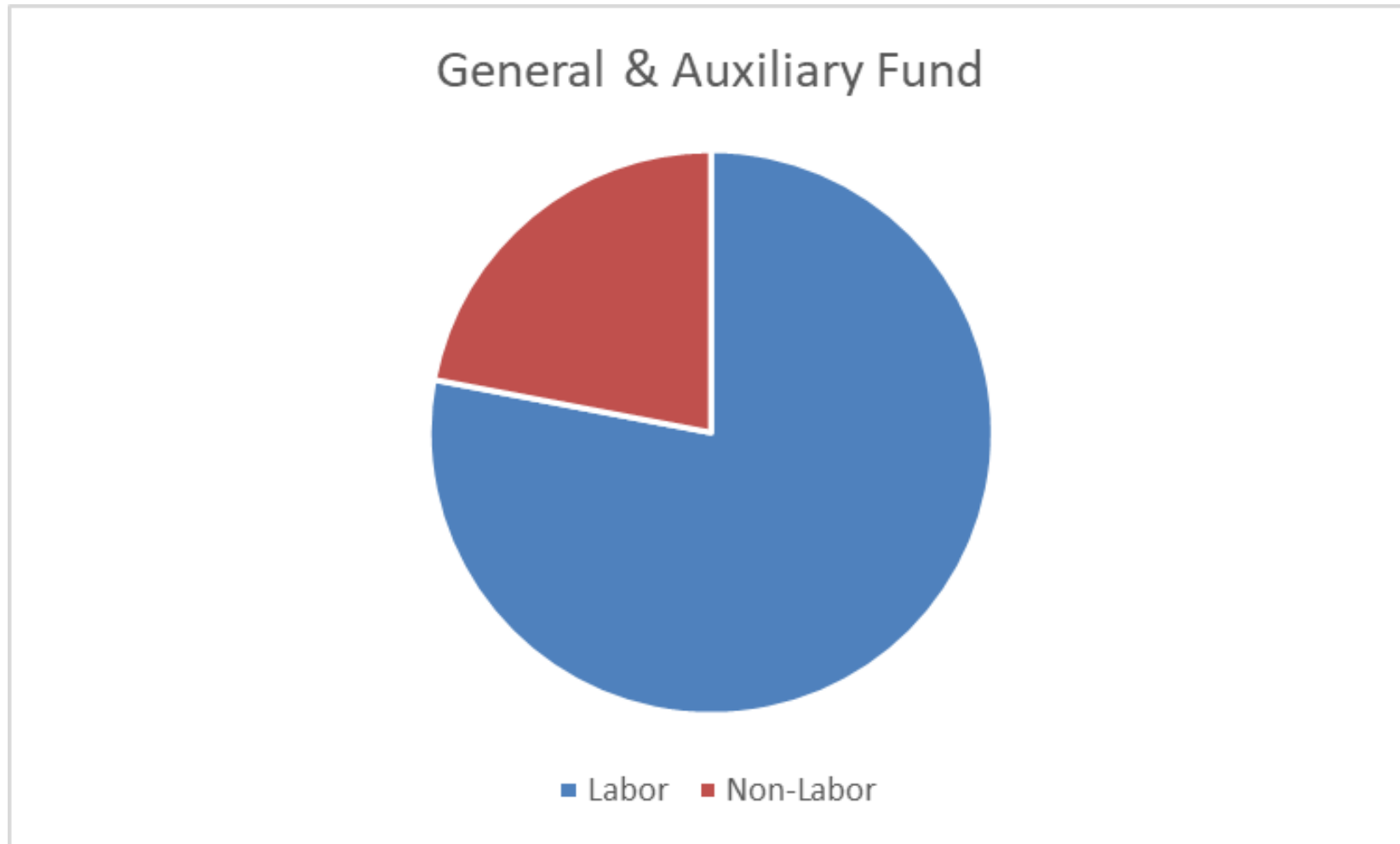
- **DGB Priorities**

- **Education:** Supplemental Instruction
 - **Net Price:** Full-time & Senior Discounts, Promise
- **Economic:** REDC & WD expansion
- **Community:** Athletics expansion

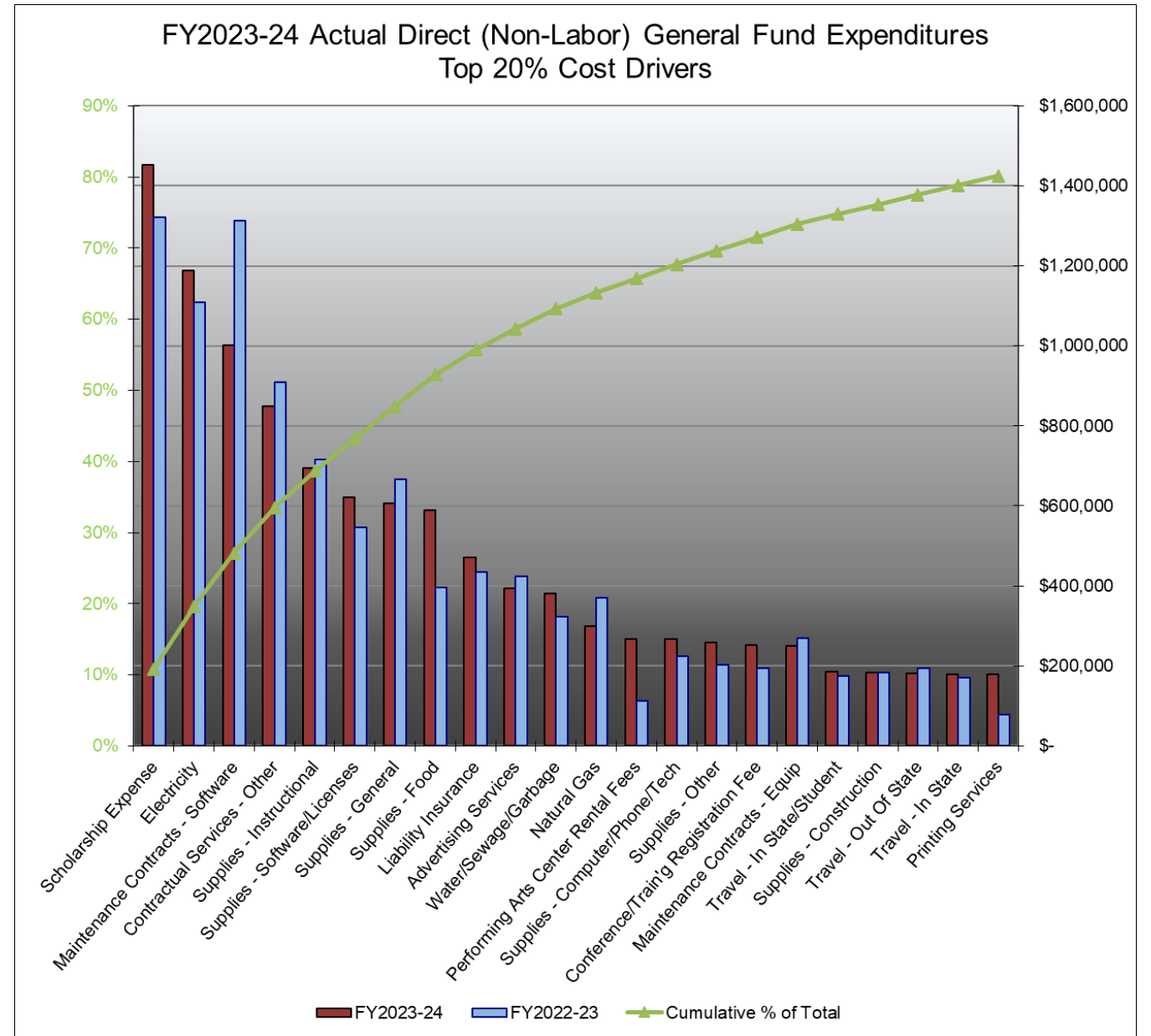
- **KPI**

- **Retention/ Grad & Transfer:**
Reduce Advisor Load

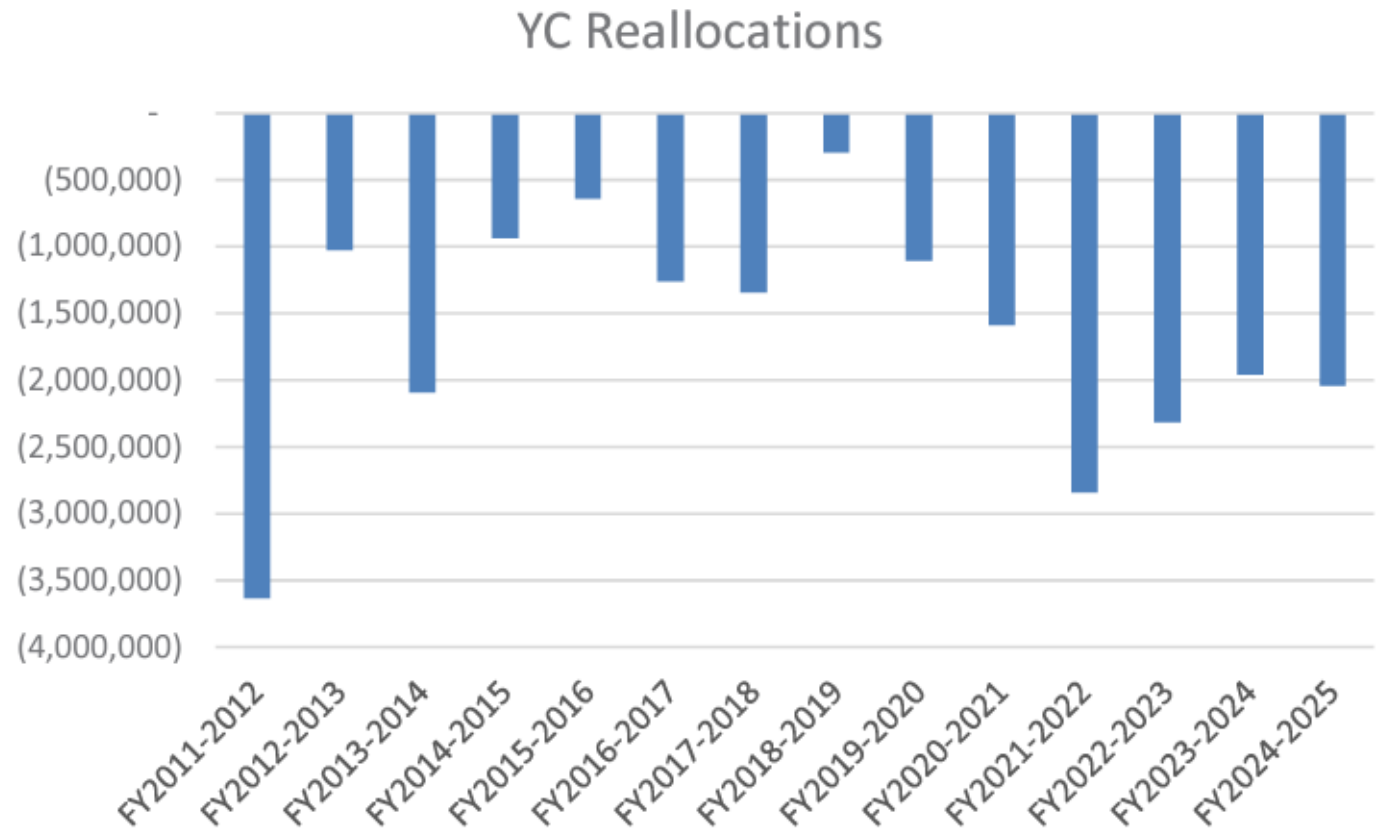
Budget Overview



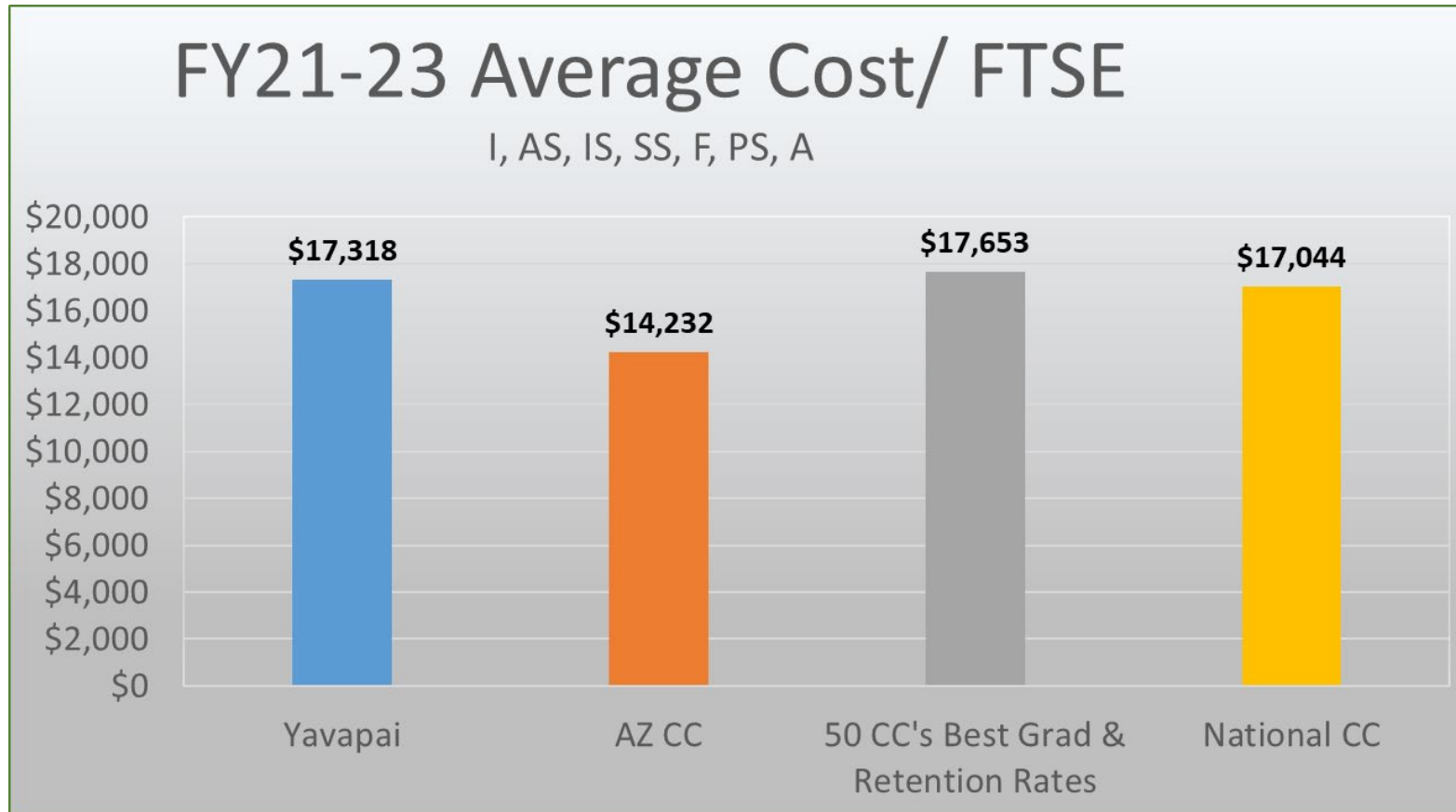
By Natural Expense



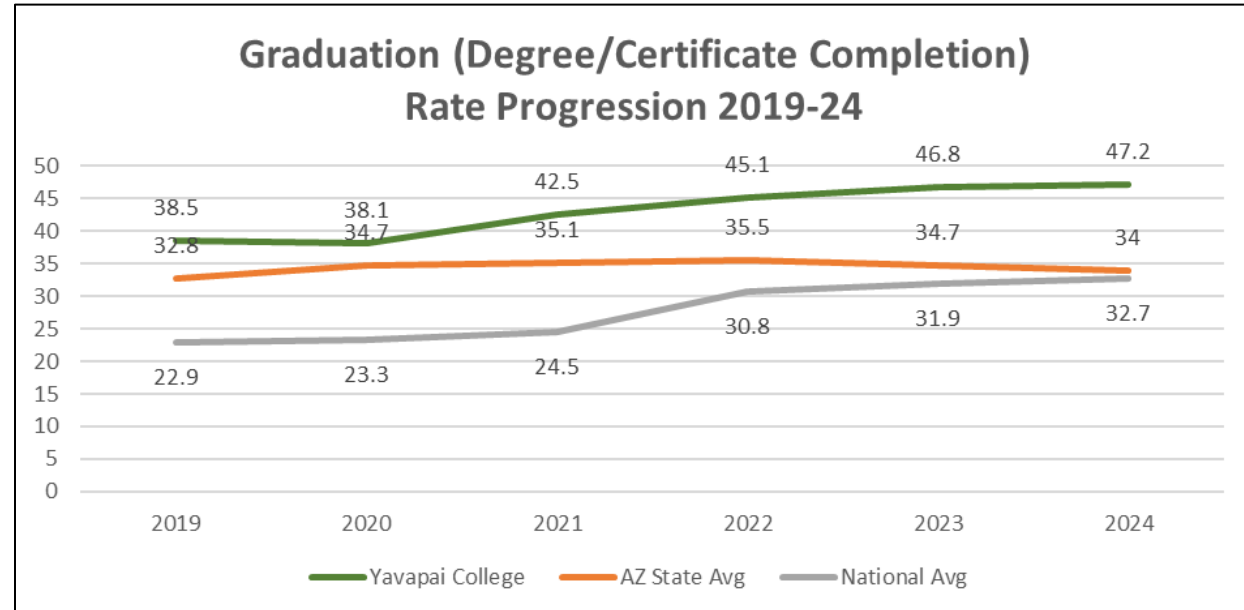
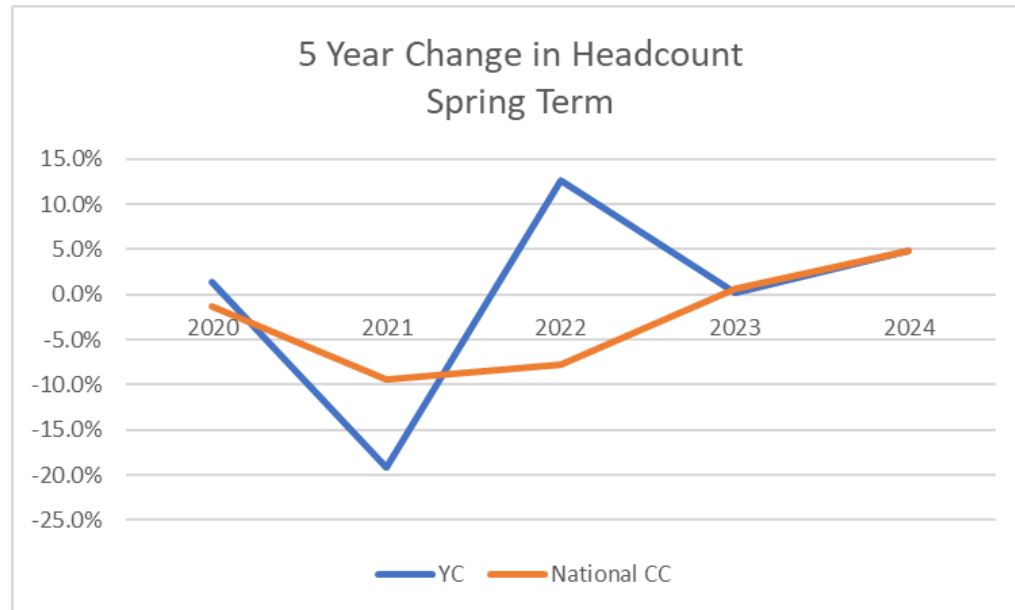
Controlling Costs



Benchmark: Justifiable Cost



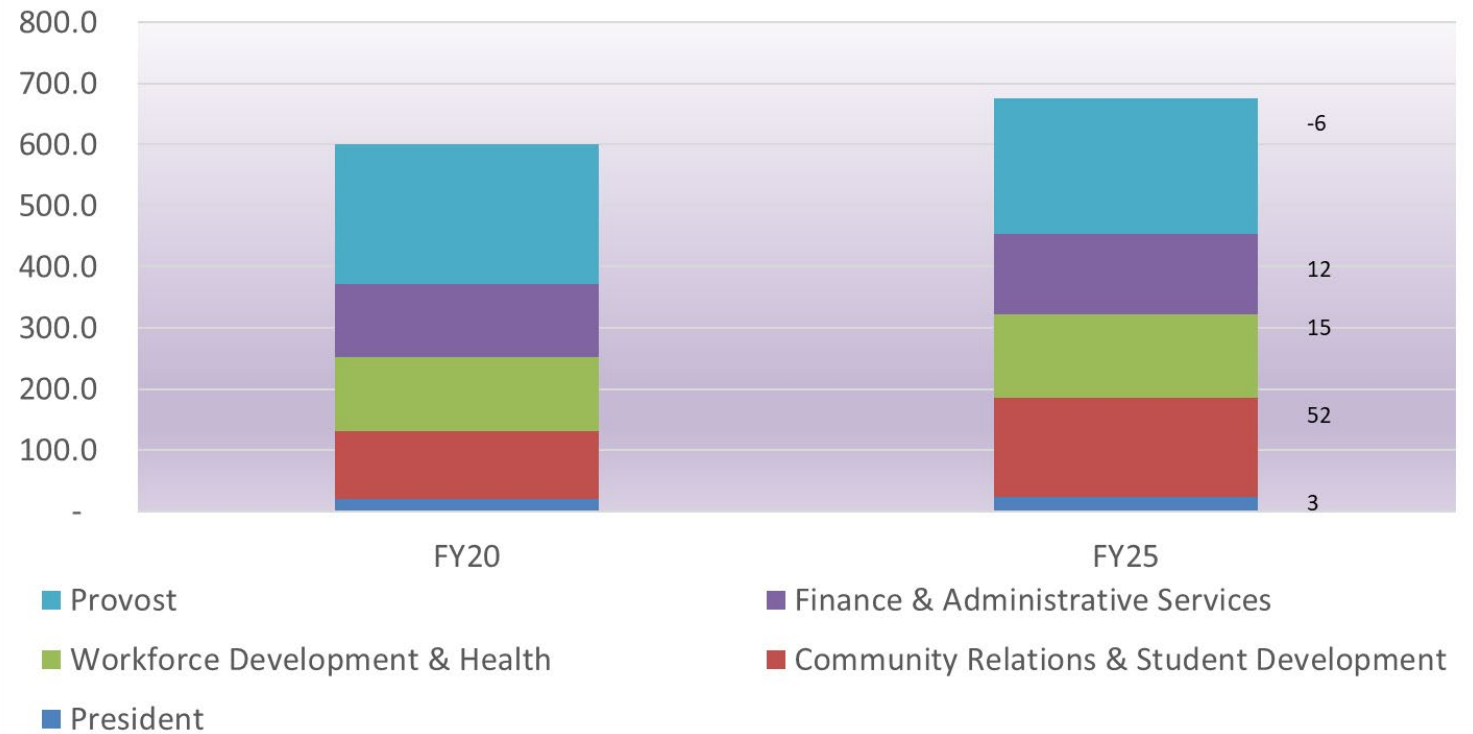
Investing in Improved Outcomes



Labor

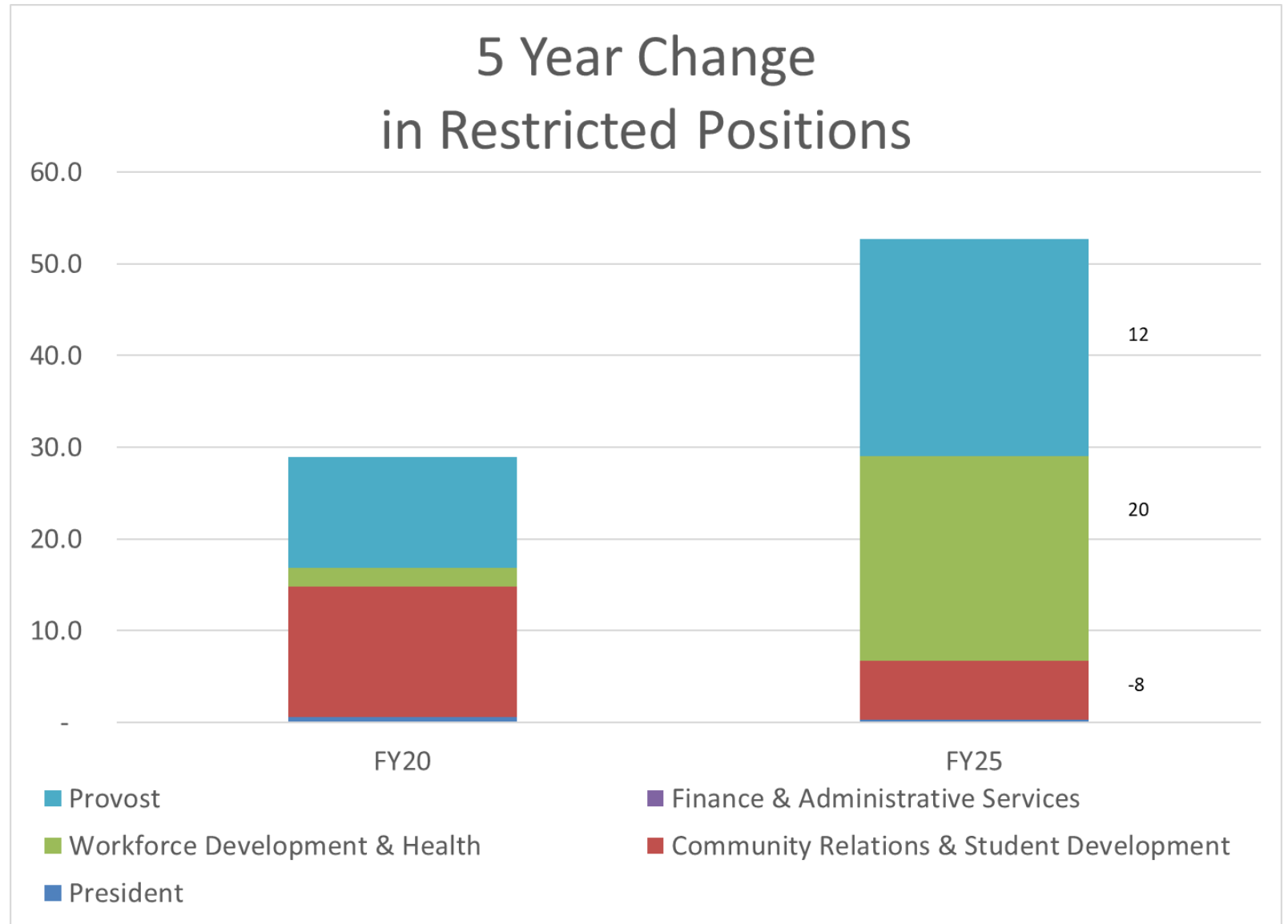
Cost Driver

5 Year Change in Positions General and Auxiliary FY20 - FY25



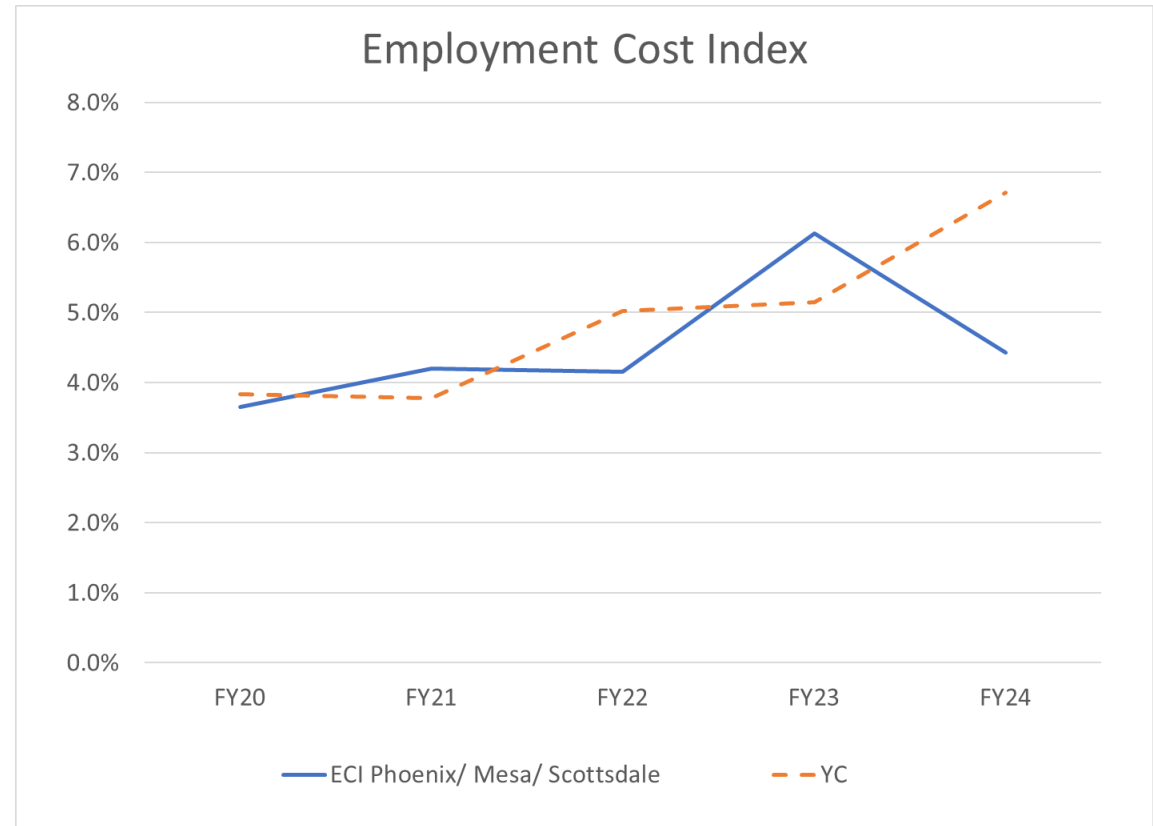
Restricted Labor

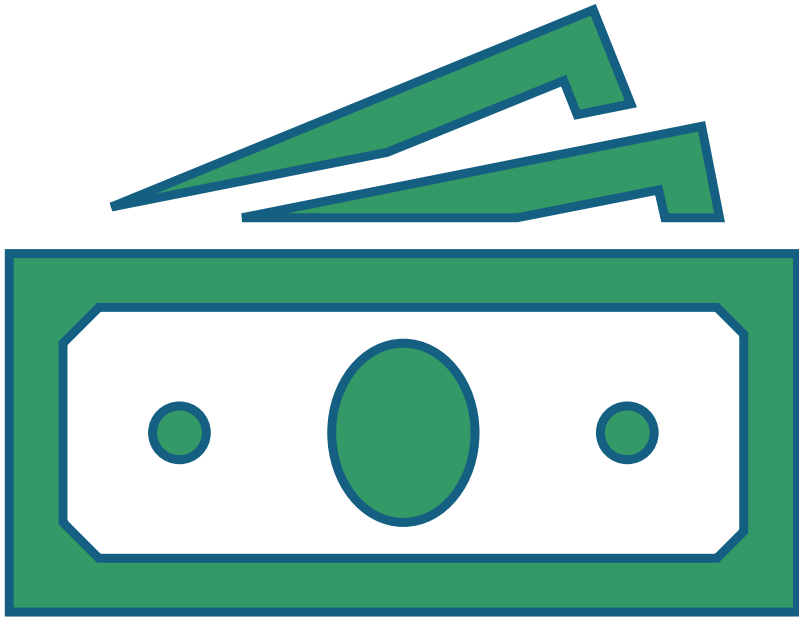
Advances Mission



Labor

- ~78% YC General & Auxiliary Fund Budgets
- Huron Compensation Study





Expenditure Limit

AZ Expenditure Limit

Constitutional Amendment

Public entities can spend the same amount of public funds per capita today as in 1980, adjusted for inflation (GDP deflator)



GDP-d	3x
CPI	3.9x



Property Taxes
\$56,735,800

Tuition & Fees
14,111,000

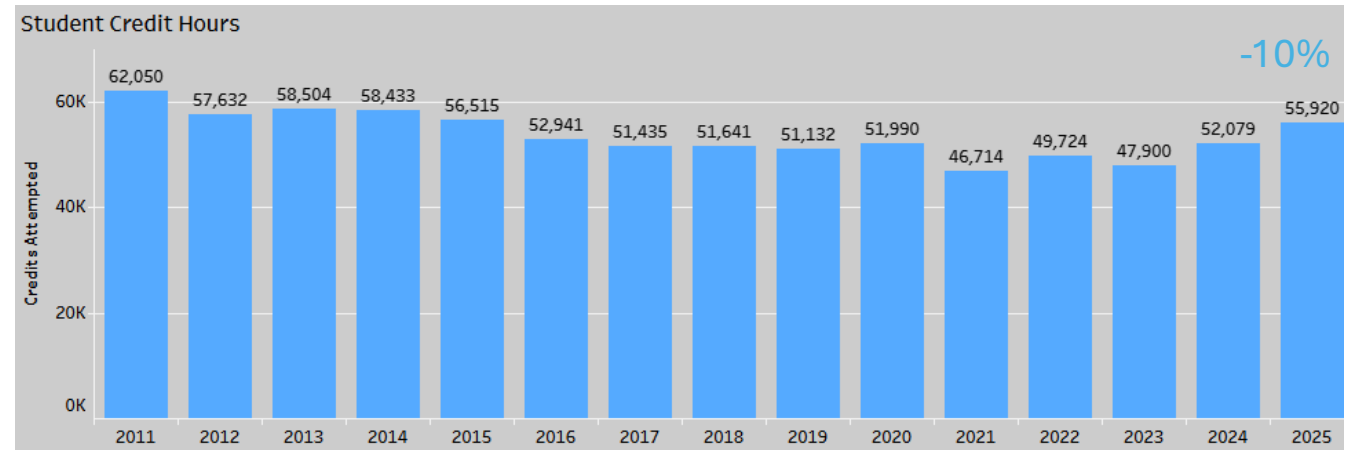
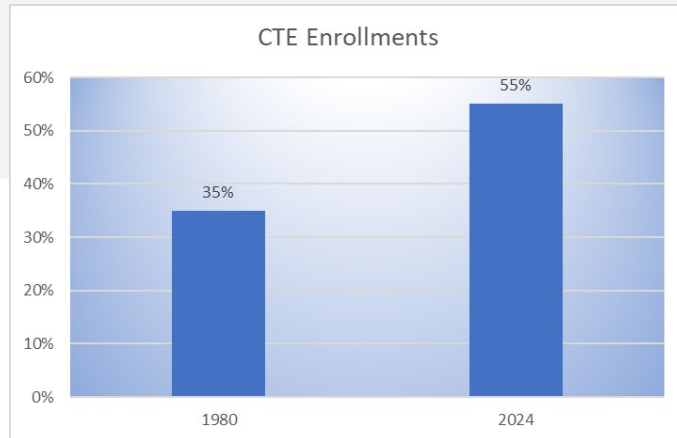
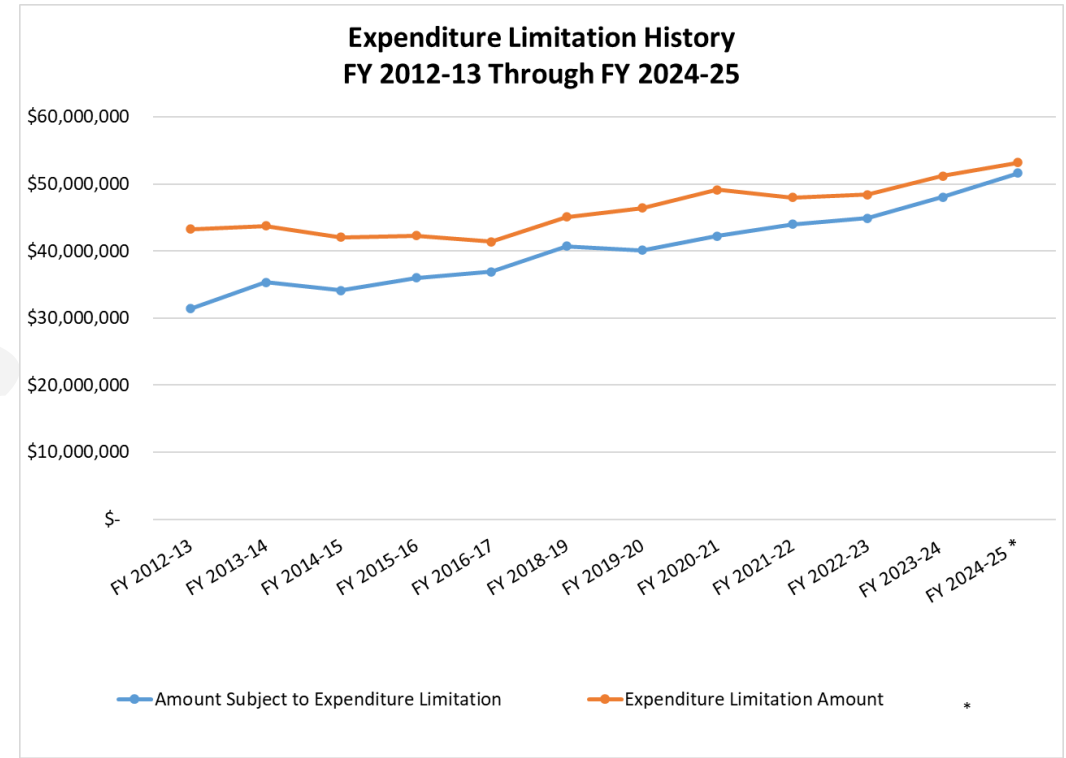
Federal
Government,
12,295,800

State Government
8,022,500

Other
26,455,600

Fund Balance
9,171,300

Expenditure Limit



Revenue vs. EL



Options



Grow Credit Enrollment
(where we can at least break even)



Increase Profits/
Reduce Subsidies



Set Higher Limit



Alignment with DGB Priorities



Cost Drivers



Sports



Housing



Career Technical Education



Cost per Full Time Student Equivalent (FTSE)



Net Asset Value

Things you
should know
about YC
Expenses

Challenges

Demographics

Cost of Living

Mix of Products & Services

Technology Investments

Competition

Expenditure Limit

Questions and Discussion

