

Navajo County Community College District 2011-2012 Proposed Budget Public Hearing Minutes

May 17, 2011 – 11:00 a.m.
2251 East Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, Ginny Handorf, Louella Nahsonhoya, E.L. Parsons and Daniel Peaches.

Staff Present: President, Dr. Jeanne Swarhout; Vice President, Blaine Hatch; Vice President, Mark Vest; Information Services Director, Eric Bishop; Recording Secretary to the Board, Russell Dickerson.

1. Call to Order

Chairman Jeffers called the 2011-2012 Proposed Budget public hearing to order at 11:41 a.m.

2. 2010-2011 Proposed Budget – Vice President Hatch

Mr. Hatch reported that following the April District Governing Board approval of the preliminary budget, the college posted budget information on the college website, published the proposed budget in the Holbrook Tribune-News and issued press releases and public notices of the budget hearing as required by state statute. Mr. Hatch reported that for the last few years, staff has had concerns over the amount of state aid allocated to NPC. Mr. Hatch reported that the college revenue comes from three sources, property taxes, state aid and tuition and fees. Mr. Hatch noted that the college has seen decreases in state aid since 2005 and added that the largest cuts to state aid have occurred in the last two years. Mr. Hatch reported that for fiscal year 2010, the college aggressively reduced costs by closing the Heber Center and reducing course offerings. Mr. Hatch added that enrollment has declined as the college has made decisions that reduced its ability to offer services. Mr. Hatch reported that cost cutting measures have resulted in a 9% decrease in 2009-10 expenditures compared to 2008-2009 and similar expenditure reductions are expected for 2010-2011.

Mr. Hatch presented a summary of the 2011-2012 proposed budget and reported:

- Expenditures are budgeted at \$22.1 million which is a decrease of 9% or \$2.4 million over the current year general fund budget.
- The proposed budget for the unexpended plant fund totals \$4.4 million, or \$1.8 million above current year levels.
- The combined total for the general and unexpended plant funds is \$26.5 million which is a decrease of 2%, or about \$500,000 over current year levels.
- Auxiliary and restricted funds will remain at the same level as previous years.

Mr. Hatch presented four reasons to implement the maximum tax levy increase:

- The college, as a result of the 2006 voter approved referendum, lost property tax levy capacity. Failure to levy the maximum amount results in reduced equalization aid for the college.
- In 2011-2012, state aid will be reduced from the current \$3.6 million to \$1.7 million, a 52% reduction in state aid. The expectation is that state aid will continue to trend downward as the State still has a structural deficit.
- The college recognizes that students are not able to bear the entire financial burden of higher education and makes a conscience attempt to keep tuition affordable.
- The college must look to the future and plan for equipment and capital needs in order to continue to move forward and provide services students and communities need.



Chairman Jeffers asked Mr. Hatch to expand upon the capital needs of the college. In response, Mr. Hatch reported that the college operates on a three-year rolling strategic plan that includes a multi-year capital funding approach. Mr. Hatch reported that the college has identified approximately \$8.2 million in capital needs during 2012-2013 that include the relocation of welding facilities from off campus locations in to newly constructed vocational skills centers to be located at the Holbrook and Show Low campuses. Mr. Hatch reported that set aside capital funds will allow the college to complete projects without going out to bond and placing any additional burden upon county taxpayers. Mr. Parsons asked why the dramatic increase in funding discussed on March 15, 2011 during the preliminary budget analysis presented to the Board. Mr. Hatch explained that the capital budget was finalized following the preliminary budget analysis presented to the Board. Dr. Swarthout added that the college has made a conscience effort to move the capital budgeting process forward. Mr. Parsons stated that he would rather see capital improvements go out to bond so that the voters can decide if projects are important enough to add to their tax burdens.

Invitation of Public Comment

Chairman Jeffers issued a call for public comment regarding the proposed 2011-2012 proposed budget. There was no comment from the public.

3. Adjournment

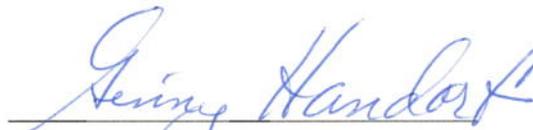
Ms. Handorf moved to adjourn the 2011-2012 proposed budget public hearing. Mr. Parsons seconded the motion to adjourn. *The vote was unanimous in the affirmative.*

Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board

Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

