

A photograph of a classroom or meeting room with a blue grid overlay. In the foreground, a person is writing on a whiteboard. In the background, several other people are visible, some looking towards the whiteboard. The text "Arizona's Community Colleges" is centered over the image.

# Arizona's Community Colleges

# Arizona's Community Colleges -- Whom We Serve

**31%**

**Latino  
Students**

**40%**

**Over 24  
years old**

**32%**

**Pell  
Recipients**

**> 300,000**

**Credit and non-credit  
students**

# Arizona's Community Colleges -- An Economic Engine

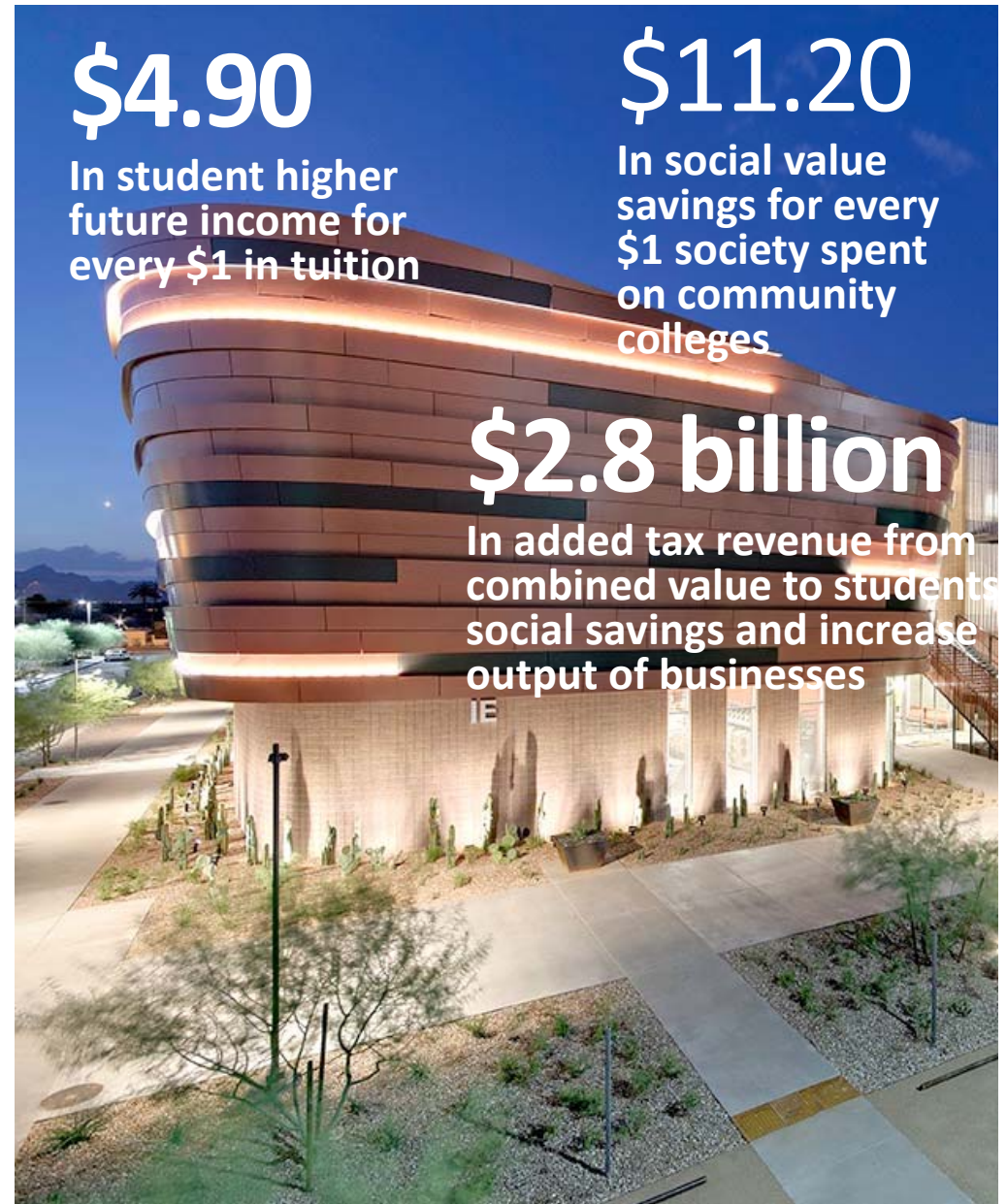
**\$14.5 billion** impact on Arizona economy, approximately equal to 5.6% of Arizona's total Gross State Product.

**Employ 17,623** full- and part-time with payroll of **\$1.2 billion**.

**85% of students stay in Arizona** after exiting college keeping their **\$13 billion** in added income in the Arizona economy.

Society as a whole in Arizona will receive a present value of **\$38.7 billion** in added state income over the course of the students' working lives.

\* emsi, feb. 2015



# Arizona's Community Colleges

## Economic Impact of Community Colleges

- Approximately 885,000 Arizonans owe more than \$22.6 billion in federal student loans.
  - Student loan debt negatively affects the rate of home ownership and other significant economic markers.
- Arizona's community colleges are the 5<sup>th</sup> lowest cost educational entities in the country



# Arizona's Community Colleges

## **The Cost Effective Choice for Arizona's Students and Families**

- Average annual tuition:
  - \$2,000 for community colleges vs. \$10,000 for Arizona's three universities.



# Arizona's Community Colleges

## Critical Partners in Economic Development

- Largest workforce provider in the state.
- Nearly half of graduates move directly into high-demand jobs with technical skills needed in today's workforce.



# Arizona's Community Colleges

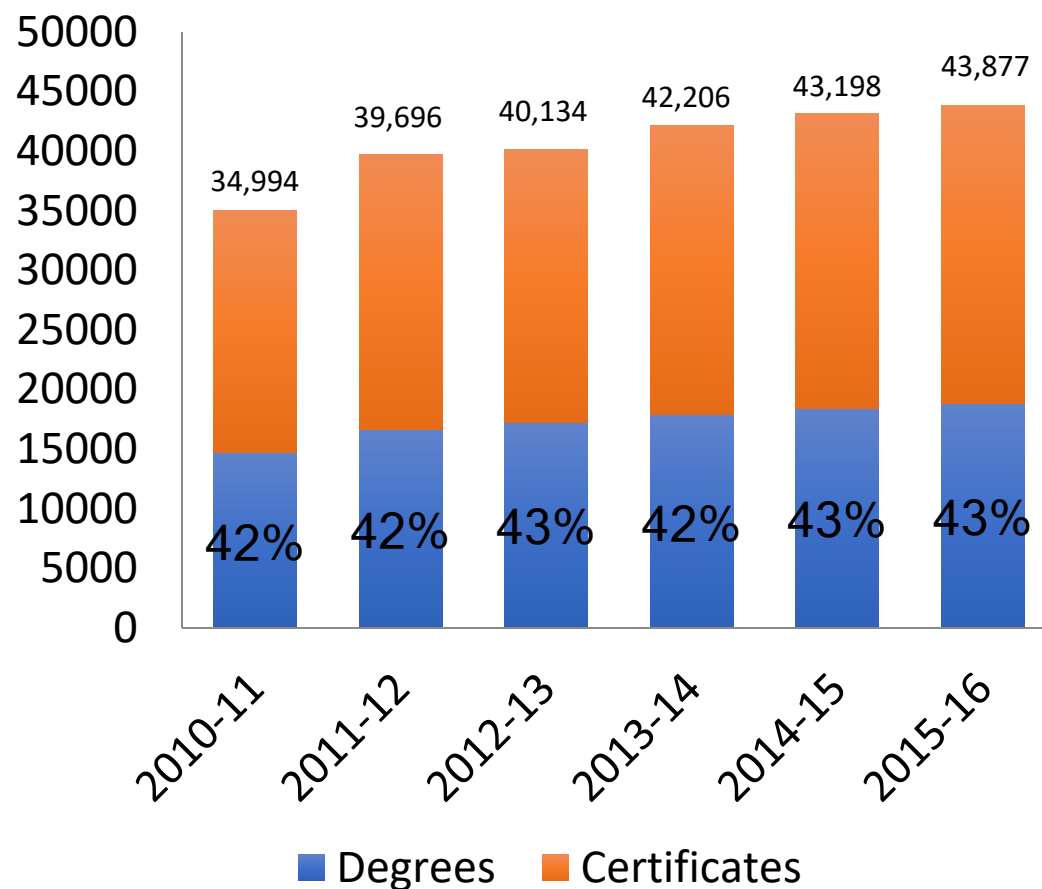
## Degrees and Certificates

- Roughly 11,000 students transfer to in-state universities.
- 70% of full-time transfer students graduate on time from Arizona's universities.
- Arizona's community colleges rank 5th in the country in number of degrees and certificates awarded by 2-year colleges.
- 1,098 degrees and certification programs offered.



# Arizona's Community Colleges

## Degrees and Certificates



- Community Colleges have increased the number of degrees and certificates awarded by over 26%, to 43,877 over the past six years.
- 43% of credentials were Associate's Degrees.
- 57% of credentials were direct workforce certificate programs.



## How would Maricopa spend STEM or workforce funding?

- If the STEM formula were fully funded at just over \$11 million, Maricopa could construct a 50,000 square foot healthcare simulation and training center.
  - Maricopa Nursing has a nearly 2,000 student waitlist.
  - Specialty nurses (surgical, ICU, trauma) are in high demand.
    - AZ has a demand for 936 specialty nurses according to a GPCC survey.
    - Without significant steps to increase capacity, AZ will have the largest shortage in the nation with a 30,000 deficit in nurses needed. \*
  - The Center would offer an innovative approach to meeting students' clinical practice hour requirements.



# Arizona's Community Colleges

## How would Pima spend STEM or workforce funding?

- Pima hopes to expand its Aviation Technology program from 61 students to 109, or ~79% in order to meet industry demand.
  - TOTAL ECONOMIC IMPACT: \$462.1 million over 5 years
    - New direct jobs created: 402
    - New direct payroll: \$16,000,080
    - New state tax revenue: Sales/\$1,831,681; Personal Income/\$2,445,598
- Expansion requires new lab spaces and classrooms, faculty & staff, equipment including maintenance trainers and fixed and rotary-wing aircraft.





State Aid funding had been eliminated from Maricopa Community College District since FY 2016. In FY 1981, State Aid represented 29% of the District's General Fund Budget. By FY 2007, MCCCCD received State Aid funding of \$57 million or 11% of its Operating Budget. State Aid was reduced by \$50.6 million to \$6.9 million in FY2012, and finally eliminated in FY 2016. Additionally, \$11.0 million of capital funding was eliminated since FY 2009. The last State Aid Funding received was \$7.4 million of Operating and \$1.4 of STEM funding in FY2015. No state funding has been provided since.

To balance its budget due to the state aid cut, MCCCCD implemented the following:

- The District cut its operating budget \$35.3 million, between FY2010 to FY2013. The most significant reductions were:
  - About \$12.8 million of salary and wages were reduced by eliminating 188.5 FTE positions (58 faculty and 188.5 staff)
  - Reduction of Enrollment Growth Funding (EGF) due to colleges in FY2013 (\$8.5 million). When the colleges experienced enrollment growth, this funding would normally be used to fund costs for serving additional students. In the absence of this reduced funding, colleges were forced to meet additional student needs mostly through existing operating funds rather than be given added enrollment support.
  - Other District-wide reductions (\$13.7 million) were:
    - Reduced funds set aside for reserves and contingencies in case of any significant impacts on college facilities and operations.
    - Reduced funds set aside for self-insurance, such as unemployment insurance and liability insurance that could affect the District ability to manage unemployment insurance claims and property and liability losses in the future.
    - Reduced budget for travel, subscriptions, advertising, software/supplies.
- In order to sustain existing programs for students, lost state funding was also backfilled by:
  - Normal increased property tax revenue from new construction: \$102.9 million over 10 years
  - A property tax levy increase: FY 2009, FY 2012, FY 2014, and FY 2015 totaling \$34.3 million
    - FY2009: 2% - \$6.4 million
    - FY2012: 3% - \$11.4 million
    - FY2014: 2% - \$8.1 million
    - FY2015: 2% - \$8.4 million
  - A tuition increase: FY 2009, FY 2012, FY 2014, FY 2015, and FY 2017 totaling \$50.9 million
    - FY2009: \$6 increase/credit from \$65 to \$71 - \$12.3 million
    - FY2012: \$5 increase/credit from \$71 to \$76 - \$12.9 million
    - FY2014: \$5 increase/credit from \$76 to \$81 - \$13.1 million
    - FY2015: \$3 increase/credit from \$81 to \$84 - \$7.8 million
    - FY2017: \$2 increase/credit from \$84 to \$86 - \$4.9 million
  - In total, net new funding after state budget cuts to sustain educational opportunities for students from FY 2009 to FY 2018 to the District was \$119.3 million. With the District changes noted above, plus additional internal reallocations during this same period, the District has been able to absorb expenditures in operational areas, plus add some District-wide initiatives to improve student retention and experience

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## About Pima Community College

165 degrees and certification programs offered

Fall 2017 - PCC served 22,162 students (unduplicated headcount),  
Which equates to 3,187 full-time student equivalents (annualized FTSE).

Spring 2017 – PCC awarded 2,928 associate degrees; 1,935 certificates

### Student demographics:

52.2% female

66.8% part-time students taking less than 12 credit hours

38.3% white, Non-Hispanic

45.3% white, Hispanic/Latino

58.5 % aged 18-24 with

18.9% of courses were offered online only

Average age: 27

## Impact on PCC of zero AZ State funding:

### Cumulative loss of \$31M in Capital/STEM funding from FY09-FY18.

- Resulting in reduction in purchase of STEM- and workforce- related **equipment** critically important to workforce skills.
- Lack of new technology and equipment prevents workforce programs from adequately responding to the needs of business.
- Hinders ability to increase enrollment capacity for high-demand programs

Private-sector funding is difficult to obtain, and inconsistent.

### Had to pass along the burden to students:

- Average tuition annual tuition increase was \$2.19 from FY01-FY08 and \$3.55 from FY09 to FY18, a 62% change.
- \$1.19 Average Annual Tuition & Fees Increase 1972 to 2006
- \$3.38 Average Annual Tuition & Fees Increase 2006 and after: 185% Change
- \$2.19 Average Annual Tuition & Fees Increase 2001 to 2008
- \$3.55 Average Annual Tuition & Fees Increase 2009 and after: 62% Change

### Had to pass along burden to employees:

- Reducing the budget by \$5M a year through operational cuts, loss of ~150 jobs.
- Impacts local economy because of the elimination of good-paying jobs.
- Further reductions of \$10M between FY19 and FY20.

## What would we do with \$4 million?

PCC hopes to expand its Aviation Technology program from 61 students to 109, or ~79%, in order to meet industry demand.

**TOTAL ECONOMIC IMPACT: \$462.1 million over 5 years (Source: SunCorridor, Inc.)**

New direct jobs created: 402

New direct payroll: \$16,000,080

New state tax revenue: Sales/\$1,831,681; Personal Income/\$2,445,598

Expansion requires new lab spaces and classrooms, faculty & staff, equipment including maintenance trainers and fixed and rotary-wing aircraft.