

Notice of Public Meeting

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Navajo County Community College District Governing Board (Board) and to the general public that the Board will hold a regular District Governing Board Meeting open to the public on **December 19, 2017 beginning at 10:00 a.m.** The meeting will be held at the Northland Pioneer College Painted Desert Campus, Tiponi Community Center meeting room, located at 2251 E. Navajo Blvd., Holbrook, Arizona.

Furthermore notice is hereby given that prior to the regular District Governing Board meeting the Board will meet for a Work Session open to the public to conduct a Board Self-Assessment. This meeting will begin at **9:15 a.m.** and will also be held at the Northland Pioneer College Painted Desert Campus, Tiponi Community Center meeting room, located at 2251 E. Navajo Blvd., Holbrook, Arizona. **No action will be taken at this meeting.**

One or more Board members and/or staff members may participate in the meetings by telephone if necessary.

The public is invited to check on addenda that may be posted up to 24 hours prior to the meetings. Copies of the meeting agenda may be obtained through the Office of the President, Northland Pioneer College, Painted Desert Campus, 2251 E. Navajo Blvd., Holbrook, AZ, telephone (928) 524-7341 or (800) 266-7845 Ext. 7341, at least 24 hours in advance of the meeting. If any disabled person needs any type of accommodation, please notify Terrie Shevat at the above address or telephone number at least 24 hours prior to the scheduled start time.

The Board may vote to hold an executive session for discussion or consideration of a personnel matter(s) pursuant to A.R.S. §38-431.03(A)(1). The Board may vote to hold an executive session for the purpose of obtaining legal advice from the District's attorney on any matter listed on the agenda pursuant to A.R.S. §38-431.03 (A)(3). Should the District's attorney not be present in person, notice is further given that the attorney may appear by speakerphone.

I, Paul Hempsey, certify that this notice of public meeting, prepared pursuant to A.R.S. § 38-431.02, was posted on or before the 18th day of December 2017, at 9:15 a.m.

Paul Hempsey
Recording Secretary to the Board

NOTICE DISTRIBUTION

1. WHITE MOUNTAIN INDEPENDENT NEWSPAPER
2. TRIBUNE-NEWS & SNOWFLAKE HERALD NEWSPAPERS
3. NAVAJO TIMES
4. NAVAJO-HOPI OBSERVER
5. KINO RADIO
6. KNNB RADIO
7. COUNTRY MOUNTAIN AIRWAVES [KQAZ/KTHQ/KNKI RADIO]
8. KWKM RADIO
9. WHITE MOUNTAIN RADIO
10. NPC WEB SITE
11. NPC ADMINISTRATORS AND STAFF
12. NPC FACULTY ASSOCIATION PRESIDENT
13. NPC CLASSIFIED AND ADMINISTRATIVE SUPPORT ORGANIZATION PRESIDENT
14. NPC STUDENT GOVERNMENT ASSOCIATION PRESIDENT

OUR MISSION

Northland Pioneer College
provides, supports
and promotes
lifelong learning.



Northland Pioneer College

Post Office Box 610 • Holbrook, AZ 86025 • (928) 524-7311 • Fax (928) 524-7312 • www.npc.edu

PUBLIC NOTICE OF NONDISCRIMINATION: Northland Pioneer College does not discriminate on the basis of race, color, national origin, veteran status, religion, marital status, gender, age or disability in admission or access to, or treatment or employment in its educational programs or activities. District grievance procedures will be followed for compliance with Title IX and Section 504 requirements. The Affirmative Action Compliance Officer is the Director of Human Resources, 2251 E. Navajo Blvd., Holbrook, Arizona 86025, (800) 266-7845. The Section 504 Compliance Officer is the Coordinator of Disability Resource and Access, 1001 W. Deuce of Clubs, Show Low, Arizona 85901, (800) 266-7845. The lack of English language skills will not be a barrier to admission and participation in vocational education programs. Revised 9-12-14

District Governing Board Work Session Agenda

Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona
Tuesday, December 19th, 2017 at 9:15a.m.

1. Board Self Evaluation

OUR MISSION

**Northland Pioneer College provides, supports and
promotes lifelong learning.**

Governing Board Meeting Agenda

Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona

Date: December 19, 2017

Time: 10:00 a.m. (MST)

<u>Item</u>	<u>Description</u>	<u>Resource</u>
1.	Call to Order and Pledge of Allegiance	Chair Lucero
2.	Adoption of the Agenda.....(Action)	Chair Lucero
3.	Call for Public Comment	Chair Lucero
	<small>Individuals may address the Board on any relevant issue for up to 5 minutes. At the close of the call to the public, Board members may not respond to any comments but may respond to criticism, ask staff to review a matter or ask that a matter be placed on a future agenda.</small>	
4.	Reports:	
	A. Financial Position.....	CBO Ellison
	B. NPC Friends and Family	Director Wilson
	C. NPC Faculty Association.....	Pat Lopez
	D. Human Resources.....	Written Report
	E. CASO.....	No Report
	F. NPC Student Government Association	No Report
5.	Consent Agenda.....(Action)	Chair Lucero
	A. November 21, 2017 Regular Board Meeting Minutes	
	B. Policy 1138: Technology Resources	
6.	Old Business:	
	A. Presidential Search Update.....	COO Foutz
7.	New Business:	
	A. Request to Approve Budget Assumptions and Guidelines.....(Action)	CBO Ellison
	B. Request to Approve Employee Benefit Trust Agreement.....(Action)	COO Foutz
	C. 2017 Student Marketing Survey	Director Hess
	D. Cost of Operations - NATC	CBO Ellison
	E. Information Services Procedures	CIO Way
8.	Standing Business:	
	A. Strategic Planning and Accreditation Steering Committee Report	Vice President Vest
	B. President's Report	President Swarhout
	C. DGB Agenda Items and Informational Needs for future Meetings.....	Chair Lucero
9.	Board Report/Summary of Current Events.....	Board Members
10.	Announcement of Next Regular Meeting..... January 16, 2018	Chair Lucero
11.	Adjournment.....(Action)	Chair Lucero

[Link](#) to complete packet for December 19, 2017

The District Governing Board may consider any item on this agenda in any order and at any time during the meeting. The District Governing Board may take action to approve, or may take other action, regarding all items of New Business, Old Business, Standing Business, or the President's Report. The Board may vote to hold an executive session for the purpose of obtaining legal advice from the District's attorney on any matter listed on the agenda pursuant to A.R.S. §38-431.03 (A)(3).
Should the District's attorney not be present in person, notice is further given that the attorney may appear by speakerphone.



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NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Financial Position
 July 1, 2017 to October 31, 2017

Budget Period Expired 33%

Tax Supported Funds				
General Unrestricted				
	Current Month			
	Budget	Actual	Y-T-D Actual	%
REVENUES				
Primary Tax Levy	14,834,954	4,134,198	4,427,459	30%
State Aid:				
Maintenance and Operations	1,649,000	412,250	824,500	50%
Equalization	6,672,100	1,668,025	3,336,050	50%
Tuition and Fees	4,800,000	52,690	1,271,944	26%
Investment earnings	140,000	14,693	155,905	111%
Grants and Contracts	1,500,000	-	1,025	0%
Other Miscellaneous	200,000	23,286	181,871	91%
Fund Balance	400,000			
Transfers	(2,900,000)	(393,470)	(1,511,728)	52%
TOTAL REVENUES	\$ 27,296,054	\$ 5,911,672	\$ 8,687,026	32%
EXPENDITURES				
Salaries and Wages	17,964,196	1,372,133	5,024,089	28%
Operating Expenditures	9,331,858	375,572	2,220,469	24%
Capital Expenditures				
TOTAL EXPENDITURES	\$ 27,296,054	\$ 1,747,705	\$ 7,244,558	27%
Unrestricted Plant				
	Current Month			
	Budget	Actual	Y-T-D Actual	%
REVENUES				
State Aid:				
Capital/STEM	369,100	92,275	184,550	50%
Other Miscellaneous				
Fund Balance	3,000,000		-	0%
Transfers	2,000,000	214,786	1,152,540	58%
TOTAL REVENUES	\$ 5,369,100	\$ 307,061	\$ 1,337,090	25%
EXPENDITURES				
Salaries and Wages				
Operating Expenditures				
Capital Expenditures	5,369,100	307,061	1,337,090	25%
TOTAL EXPENDITURES	\$ 5,369,100	\$ 307,061	\$ 1,337,090	25%

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
 Statement of Financial Position
 July 1, 2017 to October 31, 2017

Budget Period Expired 33%

Restricted and Auxiliary Funds

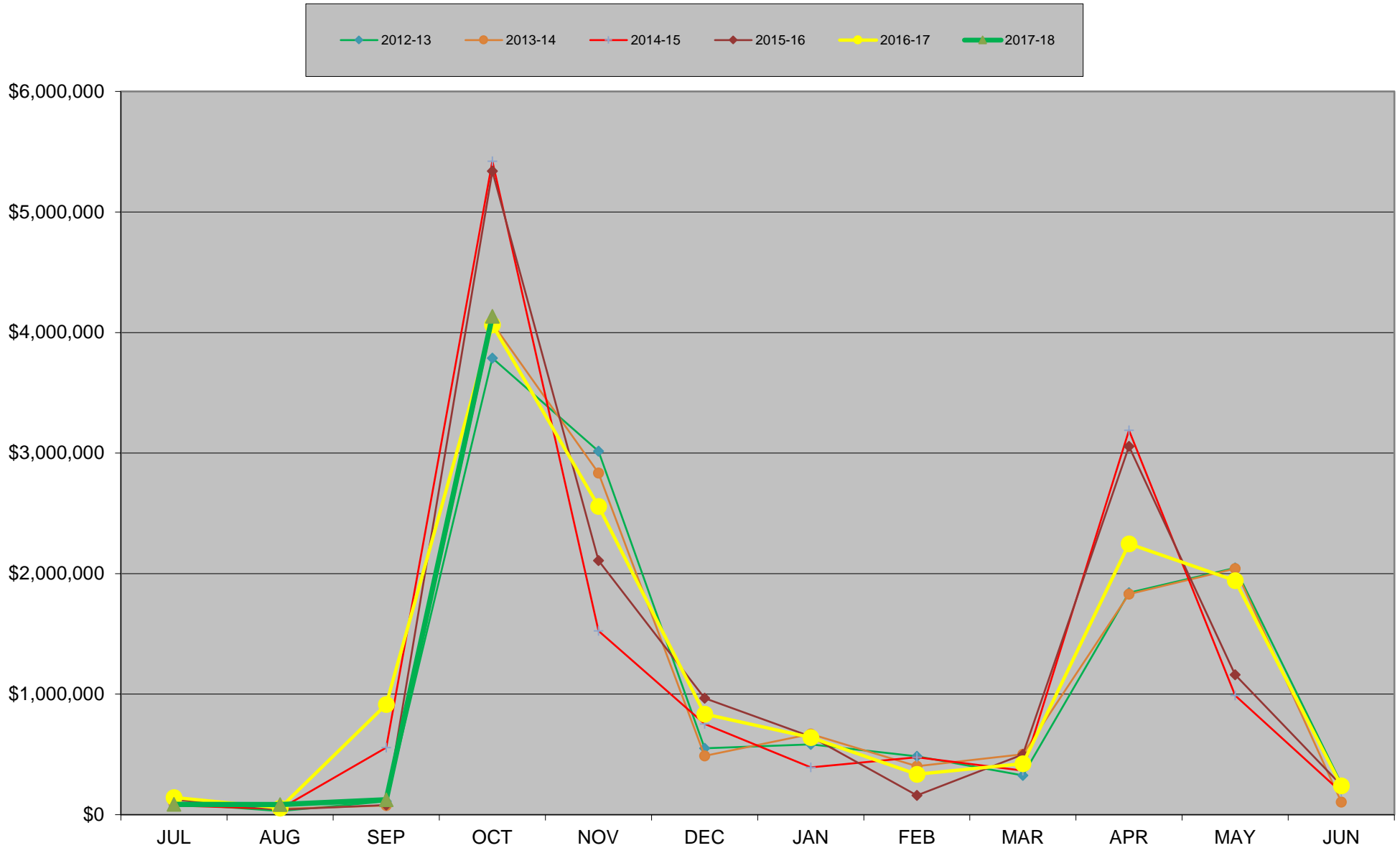
	Restricted			
	Budget	Current Month Actual	Y-T-D Actual	%
REVENUES				
Grants and Contracts	6,000,000	61,878	980,710	16%
Fund Balance	-			
Transfers	600,000	150,000	300,000	50%
TOTAL REVENUES	\$ 6,600,000	\$ 211,878	\$ 1,280,710	19%
EXPENDITURES				
Salaries and Wages	917,965	90,220	353,917	39%
Operating Expenditures	5,682,035	152,589	1,196,285	21%
Capital Expenditures				
TOTAL EXPENDITURES	\$ 6,600,000	\$ 242,809	\$ 1,550,202	23%

	Auxiliary			
	Budget	Current Month Actual	Y-T-D Actual	%
REVENUES				
Sales and Services	350,000	6,847	63,347	18%
Fund Balance	-			
Transfers	300,000	28,684	59,188	20%
TOTAL REVENUES	\$ 650,000	\$ 35,531	\$ 122,535	19%
EXPENDITURES				
Salaries and Wages	297,580	22,612	88,594	30%
Operating Expenditures	352,420	12,713	33,941	10%
Capital Expenditures				
TOTAL EXPENDITURES	\$ 650,000	\$ 35,325	\$ 122,535	19%

Cash Flows

Cash flows from all activities (YTD)	\$11,427,361
Cash used for all activities (YTD)	\$10,254,385
Net Cash for all activities (YTD)	\$1,172,976

Monthly Primary Property Tax Receipts



OPEN POSITIONS

- 1. Administrative Systems Analyst – Open until filled. 11 applicants.**
- 2. Faculty in Computer Information Systems – Open until filled – First review October 16, 2017. 7 applicants.**
- 3. Jr. Network & Systems Administrator-Open until filled. 16 applicants.**
- 4. Systems Support Technician – Open until filled. 8 applicants.**
- 5. Faculty in Mathematics (5 month position) – Closed December 6, 2017. 2 applicants**
- 6. Financial Aid Specialist – Closed December 10, 2017. 8 applicants.**
- 7. Faculty in English-SCC – Closes March 1, 2018.**
- 8. Faculty in English-LCC-Grant Funded- Closes January 19, 2018.**
- 9. Director of Public Safety Education – Closes March 1, 2018.**
- 10. Faculty in Business-SCC- Closes March 1, 2018.**
- 11. Faculty in Clinical Nursing – Closes December 18, 2017.**

CLOSED: IN REVIEW

- 1. Database Administrator – Closed October 20, 2017. 33 applicants.**
- 2. Coordinator of Administrative Systems and Projects – Closed October 20, 2017. 4 applicants.**
- 3. Administrative Office Assistant for Information Services – Closed October 20, 2017. 9 applicants.**
- 4. Faculty in Mechatronics – First Review September 5, 2017. 3 applicants.**
- 5. Support Center Operator – Closes November 17, 2017. 8 applicants.**

FILLED

- 1. Records and Registration Transcript Clerk – Eilene Reizer started December 18, 2017.**

Navajo County Community College District Governing Board Meeting Minutes

November 21, 2017 – 10:00 a.m.
Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona

Governing Board Member Present: Mr. Frank Lucero; Mr. James Matteson; Mr. Daniel Peaches; Mr. Derrick Leslie; George Joe.

Governing Board Member Present by Phone:

Governing Board Member Absent:

Staff Present: President Jeanne Swarhout; Vice President Mark Vest; Chief Operations Officer (COO) Jason Foutz; Chief Information Officer (CIO) PJ Way; Chief Business Officer (CBO) Ellison; Recording Secretary to the Board Paul Hempsey.

Others Present: Kim Reed; Everett Robinson; Royce Kincanon; Susan Rodriguez; Terrie Shevat; Ann Hess; Josh Rogers; Jeremy Raisor; Diana Hutchinson; Pat Lopez; Sandy Manor; Peggy Belknap; Rickey Jackson; Betsyann Wilson; Gail Campbell; Hallie Lucas; Olivia Jaquez; Rusty Williams and Family; Amber Hill; Matt Weber.

Agenda Item 1: Call to Order and Pledge of Allegiance

Chair Lucero called the meeting to order at 10:01 a.m. and led the Pledge of Allegiance.

Agenda Item 2: Adoption of Agenda

*Mr. Matteson moved to adopt the agenda as presented. Mr. Leslie seconded the motion. **The vote was unanimous in the affirmative.***

Agenda Item 3: Call for Public Comment

None.

Agenda Item 4: Reports

4.A. Financial Position – CBO Ellison

CBO Ellison addressed the Board and reviewed the Financial Position report.

Mr. Lucero asked if we knew why tax revenues were so high in October of 2016. CBO Ellison responded that the college was not aware of the reason but it could have to do with when the county managed to mail invoices out.

4.B. NPC Friends and Family – Director Wilson

Director Wilson addressed the Board and provided an update on ongoing Friends and Family activities. Director Wilson noted that the biannual newsletter had been sent out and she had already seen an increase in donations. Director Wilson also mentioned the generous donation of

a Navajo rug, created by renowned weaver Charlene Laughing, which will be auctioned off for the Pres Winslow Memorial Scholarship fund.

4.C. Faculty Association

Pat Lopez addressed the Board and discussed current activities within the Faculty Association noting that this time of the semester faculty are busy with their classes, writing and grading assignments. Pat Lopez discussed some of the extra-curricular activities the faculty members have participated in recently.

4.D. Human Resources

Written report.

Chair Lucero asked for some background on the new Human Resources Director which COO Foutz provided. Mr. Leslie asked about the reoccurring open positions that appear on the report each month and what is being done to address the issues. COO Foutz responded that they are generally from the I.S. Division and the college struggles to attract qualified candidates for these positions.

4.E. NPC CASO

Written report.

4.F. NPC Student Government Association

No report.

Agenda Item 5: Consent Agenda

- A. **October 17, 2017 Regular Board Meeting Minutes**
- B. **October 17, 2017 Retreat Minutes**
- C. **C. Policy 1924 Cash Reserve Policy**
- D. **D. Dual Enrollment Intergovernmental Agreements between Navajo County Community College District and Blue Ridge USD; Heber-Overgaard USD.**

*Mr. Matteson made a motion to approve the consent agenda with the removal of item C. Policy 1924 Cash Reserve Policy. Mr. Leslie seconded. **The vote was unanimous in the affirmative.***

President Swarthout explained why the college had made a decision to increase the cash reserves to cover a twelve month period. Mr. Lucero asked what information the college utilized when making this change. CBO Ellison responded that the college looked at the annual operating budget, employment contracts, and the risk requirements listed by the Higher Learning Commission (HLC) to determine the required funds. Mr. Leslie asked if the HLC has a policy on cash reserves. President Swarthout commented that the HLC did not have specific policy but the process to make significant changes to the college could be drawn out for nine to ten months.

*Mr. Matteson made a motion to approve Policy 1924 Cash Reserve Policy. Mr. Peaches seconded. **The vote was unanimous in the affirmative.***

Agenda Item 6: Old Business

6.A. Presidential Search

COO Foutz addressed the Board and reviewed the request to approve a Salary Range for the new President. President Swarthout noted that the Board always had the authority to negotiate any offer. Mr. Joe commented that the Board, in a previous meeting, had discussed a cap at \$200,000.00. COO Foutz confirmed the discussion the Board had. Mr. Lucero asked if the search firm had recommended a cap of \$185,000. COO Foutz responded that the search firm was recommending a range starting at \$225,000 which the college feels was untenable.

Mr. Matteson made a motion to approve the salary range of \$155,000 to \$185,000 as presented. Mr. Peaches seconded. The vote was passed with a majority vote. Mr. Joe opposed.

COO Foutz also provided an update of activity regarding the Presidential Search process. Mr. Lucero asked how many candidates had applied so far. COO Foutz noted the search firm had received eight complete application and a further 11 that are currently incomplete.

Agenda Item 7: New Business

7.A. Outstanding Alumni Award Fall 2017 – Rusty Williams

Josh Rogers, Sandy Manor, Hallie Lucas, and Pat Lopez presented the Outstanding Alumni Award for Fall 2017 to Rusty Williams.

Mr. Matteson asked Mr. Williams where he intended to pursue his Masters and/or Doctorate. Mr. Williams noted that he had not decided yet and was continuing to research potential scholarships.

7.B. NPC and ASU Concurrent Enrollment Program for Nursing

Vice President Vest addressed the Board and reviewed the Concurrent Enrollment Nursing Program with ASU relaying the benefits to NPC students.

Mr. Matteson asked how long it would take to complete a Bachelor's degree in Nursing through the program. Vice President Vest noted a full-time student would be able to complete the program in three years, excluding pre-requisite courses required to enter.

Mr. Lucero asked what the cost to students would be for the ASU portion. Vice President Vest responded that it would be just over \$19,500 and the NPC costs would be just over \$5,000.

7.C. Budget Assumptions and Guidelines – First Read

CBO Ellison reviewed the Budget Assumptions and Guidelines with the Board, noting this was a first read only.

Mr. Matteson asked if we would see a decrease in Property Tax Revenues. CBO Ellison confirmed that we could, due to declining valuations in the county. President Swarthout noted that, as our valuations decrease our share of Equalization should increase.

7.D. Enrollment Report

Vice President Vest reviewed the Enrollment Report noting the change to reporting of Early Childhood (CDA) students as well as TALON classes. Vice President Vest commented on the importance of the current TALON program and the need to find a way to sustain it after the grant ends with a cost sharing model with school districts.

Mr. Matteson noted that Show Low USD had passed a \$10 million bond recently. Vice President Vest commented that this was only for capital items, such as outfitting classrooms like a TALON room, but would not assist them in hiring qualified teachers.

Mr. Matteson asked if all community colleges were suffering the same issues as NPC. Vice President Vest responded that they were not seeing the same issues but were suffering from Enrollment issues for a variety of differing reasons.

Mr. Joe asked how NAU was sustaining enrollment increases in the double digits currently. President Swarthout commented that NAU had made significant changes to their recruitment, such as moving everyone other than freshmen off campus allowing for larger numbers to come in each year, allowing them to bring in more students. Vice President Vest noted that, with the California University systems having significant financial difficulties, neighboring states were seeing a boost to undergraduate enrollment.

7.E. Request to Approve Academic Calendar 2019-2020

Vice President Vest reviewed the 2019-2020 Academic Calendar noting it had been reviewed and approved by Instructional Council and by the Strategic Planning and Accreditation Steering Committee (SPASC).

Mr. Matteson made a motion to approve the Academic Calendar 2019-2020 as presented. Mr. Leslie seconded. The vote was unanimous in the affirmative.

7.F. Concluding Report – NPC Participation in SFAZ+8 STEM Grant

Vice President Vest introduced Royce Kincanon, Director of Community and Corporate Learning, and Susan Rodriguez, Education Specialist for Navajo County Education Service Agency. Mark Vest noted that the STEM Van was parked outside and Ms. Rodriguez was the person who was driving it to area high schools and demonstrating lots of activities to students. Mark Vest reviewed the full grant project along with successes and issues giving Mr. Kincanon and Ms. Rodriguez the opportunity to report out and discuss continuing activities with the Board.

7.G. Arizona Community Colleges 2017 Annual Report to the Governor

President Swarthout reviewed the Arizona Community Colleges 2017 Annual Report to the Governor noting it would be sent to the Governor, Joint Legislative Budget Committee (JLBC), and House and Senate leadership.

Mr. Matteson noted that I.T. issues continued to occur and wondered if our salaries and benefits were competitive around the state in this area, particularly with other community colleges. President Swarthout noted that we were not competitive with private companies but would be

close in terms of other rural community college. Our problems were not all based on salary and benefits as location always plays a role for candidates. CIO Way observed that growing our own talent may be one effort we can make to fill these positions with internal training and development and looking at partnerships.

Mr. Matteson asked if a consortium could be formed to address the technology issues within the county. President Swarthout noted that everyone in the area believed their issues are unique to them and are not interested in collaboration. Mr. Matteson believed that NPC would be the perfect organization to begin the discussion on a technology consortium and challenged CIO Way to lead in this area.

Agenda Item 8: Standing Business

8.A. Strategic Planning and Accreditation Steering Committee (SPASC) Report

Vice President Vest reported on recent activities within the committee noting that initial drafts from Accreditation Criterion Writing Teams were due by the end of this semester for review.

8.B. President's Report

President Swarthout commented that the college has submitted four potential dates for the HLC visit during the 2019-2020 academic year and will now wait to see which is chosen. President Swarthout also reviewed the process for the Board Self-Evaluation and asked if Board members would like a separate meeting to conduct the evaluation. Board members settled on a 45 minute Work Session prior to the December meeting.

8.C. Agenda Items/Informational Needs for Future Meetings

Mr. Matteson asked to see ideas on how to move forward with I.T. hires from the college.

Agenda Item 9: Board Report/Summary of Current Event

None.

Agenda Item 10: Announcement of Next Regular Meeting: Regular District Governing Board meeting on Tuesday, December 19, 2017.

Agenda Item 11: Adjournment

The meeting was adjourned at 12:10 p.m. upon a motion by Mr. Matteson, a second by Mr. Joe, and a unanimous affirmative vote.

Respectfully submitted,



Paul Hempsey
Recording Secretary to the Board

Policy 1138: Technology Resources

Overview

Northland Pioneer College's (College) Information Services division (IS) is committed to providing a secure yet open network that protects the integrity and confidentiality of information resources while maintaining their accessibility. This policy recognizes and establishes a model that will be followed by the College for creating Information Services procedures.

Policy

The President, or designee, is authorized to develop procedures for the security, use and control of college technology resources.

The Chief Information Officer (CIO) shall establish technology procedures, and best practices for the College's technology infrastructure in order to secure all IT assets and promote the most efficient use of technology resources. All IS policies and procedures will be based on this policy. All procedures will be reviewed at a minimum of an annual basis (every September) and updated when necessary.

The CIO will report to the Executive Team and the District Governing Board on the status of the college's technology policies and procedures as needed.

All operating units within the college that use information technology (IT) are responsible for:

1. Adhering to the IT policies and procedures.
2. Promoting IT policy and procedure adherence.
3. Complying with the requirements of the IT governance model adopted by the College.
4. Preventing unauthorized access to College information, personal files, and e-mail.
5. Informing the CIO if there are any problems with a policy/procedure or if inputs from other sources do not comply with the defined policies approved by the Board.

[Revised 12/19/2017]

REQUEST TO APPROVE 2018-19 BUDGET DEVELOPMENT ASSUMPTIONS AND GUIDELINES

Recommendation:

Staff recommends approval of the 2018-19 Budget Development Assumptions and Guidelines.

Summary:

Last month staff provided preliminary Budget Development Assumptions and Guidelines for the Fiscal Year Ending June 30, 2019.

Staff will provide additional information related to revenues and expenditures. Staff will seek Board input and guidance to assist in the ongoing budget development process.

STRATEGIC PLANNING AND BUDGET DEVELOPMENT CALENDAR

FISCAL YEAR 2018 – 2019

APPROVED

ACTIVITY	RESOURCE	DUE BY
1. Receive & approve calendar	DGB	✓19 September
2. Receive draft strategic plan	DGB	✓19 September
3. Approve strategic plan	DGB	✓17 October
4. Develop operational plans	SPASC	✓18 October
5. Executive team receives operational plans	SPASC	✓19 December
6. ERC receives wage/salary recommendations	FA-CASO	✓19 December
7. Receive and approve budget assumptions & overview	DGB	✓19 December
8. Review current strategic plan/budget at convocation	SPASC	8 January 2018
9. Solicit input for upcoming strategic plan at convocation	SPASC	8 January
10. Distribute budget materials for operational & capital	Fin Svcs	9 January
11. SPASC receives wage & salary recommendation	ERC	12 January
12. President receives wage & salary recommendation	SPASC	1 February
13. Financial Services receives budget requests	Department Managers	5 February
14. Review of operational & capital plans/budget requests	Executive Team	12 February
15. Receive introductory budget analysis	DGB	20 February
16. Receive wage and salary recommendation	DGB	20 February
17. Receive tuition and fee schedules	DGB	20 February
18. Budget hearings	SPASC	2 March
19. Receive preliminary budget analysis	DGB	20 March
20. Receive operational plans	DGB	20 March
21. Approve salary schedules	DGB	20 March
22. Approve tuition and fee schedules	DGB	20 March
23. Receive complete budget analysis	DGB	17 April
24. Adopt tentative budgets & approve publication	DGB	17 April
25. Publish notice of budget public hearing/TNT hearing	CBO	27 April
26. Develop priorities for upcoming strategic plan	DGB	28 April
27. Publish notice of TNT hearing (2)	CBO	3 May
28. Publish notice of budget public hearing (2)/TNT hearing (3)	CBO	10 May
29. Conduct taxpayer public hearings	DGB	15 May
30. Adopt property tax levy and final budgets	DGB	15 May
31. Notify PTOC of primary property tax levy	CBO	18 May
32. Submit tax levy to Navajo County	CBO	18 May
33. Develop upcoming strategic plan draft	SPASC	31 July
34. Present strategic plan report & new draft at convocation	SPASC	13 August
35. Receive input for future strategic plans at convocation	SPASC	13 August
36. Receive annual report on strategic planning	DGB	21 August 2018

Northland Pioneer College
Preliminary Budget Development Assumptions
FY 2018-19

GENERAL ASSUMPTIONS

- Budget Development Calendar will be followed.
- Introductory budget analysis for DGB in February will be prior to budget hearings and will be limited to an overview of expenditure and revenue trends.
- Preliminary budget analysis for DGB in March will include a detailed examination of budget planning similar to prior year preliminary budget analyses.
- Statutory Expenditure Limit will be breached.
- Carry-forward is available to address short-term issues and expenditures will not be restricted by statutory expenditure limitations, however, identification and recommendation for cost savings actions will be identified.

REVENUE ASSUMPTIONS

- Overall revenues are expected to decrease compared to current fiscal year.
- State funding is expected to remain relatively flat compared to current fiscal year.
- Each \$1 increase in tuition is estimated to generate \$30,000 in additional revenue. Follow the three-year tuition plan adopted in FY1718 (FY1819 increase of \$2 to \$74 per credit hour and FY1920 increase of \$3 to \$77 per credit hour). Tuition and general fees are set at a rate that:
 - (A) gives consideration to the impact on students, student enrollment, and student retention rates,
 - (B) increases incrementally, and
 - (C) is competitive in our market by maintaining a comparative position to the average overall tuition and general fees at other Arizona community colleges.
- Course fees will be set at a rate calculated to offset expendable supplies and equipment.
- Primary property tax is expected to decrease but will be levied at the maximum rate and will require a truth-in-taxation hearing.
- Other revenues will be estimated based on historical information and emerging trends.

EXPENDITURE ASSUMPTIONS

- Overall general fund expenditures are expected to be flat or decrease compared to current fiscal year.
- Items in budget requests will be linked to the current **NPC Strategic Plan** through operational plans developed at the division or departmental level. Any budget amounts that are higher than current budget **or** actual historical spending will require **justification and will be reviewed during the budget hearing process.**
- Budget requests from Department Managers for operational and capital expenditures will be completed by **Monday, February 5, 2018.**

- SALARY SCHEDULES will be developed with:
 - (A) incrementally increasing rates,
 - (B) consideration to competitive market conditions with the goal to maintain a comparative position to the average increases/rates at other local public entities, other Arizona community colleges, and other similar institutions, and
 - (C) consideration to salary recommendations received through the shared governance process.
- BENEFITS will be developed with:
 - (A) no major changes expected in plan benefit structure or options, and
 - (B) consideration on impacts from third-party partnerships including
 - (1) Employee benefit trust for medical and dental insurance and
 - (2) Arizona State Retirement System for retirement contributions.
- Education partner relationships will be maintained with:
 - (A) Apache County,
 - (B) NAVIT,
 - (C) Dual enrollment, and
 - (D) others.
- OPERATING budget will be developed for a three-year period (FY1819, FY1920, and FY2021)
- CAPITAL budget requests will be developed for a three-year period (FY1819, FY1920 and FY2021).
- GRANT funding will continue to be identified and pursued.
- AUXILIARY fund activities will be maintained.

**Northland Pioneer College
Budget Development Assumptions
FY 2018-19**

Budget Categories & Targets:

Revenues	<ul style="list-style-type: none"> • Budget will be prepared by the CBO and staff
Salaries/Wages & Benefits	<ul style="list-style-type: none"> • Budget will be prepared by the CBO and staff except for the following wages that budget managers will <u>include in their budget requests:</u> <ul style="list-style-type: none"> ○ Adjunct faculty ○ Faculty overload ○ Temporary employee ○ Lab aid ○ Substitute faculty
Operating Expenditures	<ul style="list-style-type: none"> • Expected to remain level. • Budget requests should reflect only those items identified in division or departmental operational plans. • Any new programs/services must demonstrate linkage to the adopted strategic plan.
Capital Expenditures	<ul style="list-style-type: none"> • All requests for funding will be linked to revenues from the operational budget, grant funds, or reserved funds. • Minimal state funding for STEM is expected to continue.

NPC Strategic Plan

STRATEGIC PRIORITIES 2016-17

Our Mission

Northland Pioneer College creates, supports and promotes lifelong learning.

Strategic Priority I

To improve student success, the college will identify and remove barriers to completion.

What we heard that shaped this strategic priority:

- The college advising process must be updated and enhanced.
- Students need active support from faculty and staff to overcome their challenges.
- To assist educational planning the college should implement a two-year scheduling model.
- We should be more responsive to community needs and workforce trends.



What we will do to identify and remove barriers to student completion:

ACTION STEPS

1. Implement phase one of PASS (*Proactive Advising for Student Success*).
2. Implement and promote to students a two year class schedule.
4. Analyze study group written recommendations for potential adoption of feasible student childcare and transportation options.
5. Analyze current and potential program offerings to ensure we are serving our communities.

TARGETED OUTCOMES

1. Proactive Advising for Student Success
2. Two-year Schedule
3. Childcare Study Group
4. Transportation Study Group
5. Program Offerings

Strategic Priority II

To improve the user experience with technology, the college will enhance technology professional development and improve the NPC website and MyNPC.

What we heard that shaped this strategic priority:

The quality and quantity of available technical training does not meet the needs of the college community.

The current NPC website (www.npc.edu) is not mobile friendly and needs an organizational update.

The MyNPC website does not meet the needs of staff or students.

We should be more responsive to community needs and workforce trends.

► **What we will do to improve technology, professional development, and college websites:**

ACTION STEPS

1. Implement a range of technology-focused training and professional development opportunities for college employees.
2. Review and improve prioritization of IS technology support.
3. Implement peer-based training founded on college needs and capabilities.
4. Redesign www.npc.edu to be mobile friendly.
5. Redesign MyNPC website based on industry best practices, user input and www.npc.edu redesign. Project to start after redesign of www.npc.edu is complete.

TARGETED OUTCOMES

1. Training and Professional Development
2. Prioritization IS Technology Support
3. Peer-based Training
4. Redesign www.npc.edu
5. Redesign MyNPC Website - Project starts after redesign of www.npc.edu

Future Priorities 2018-19

STRATEGIC PRIORITIES 2018-19

Future Priorities

Northland Pioneer College's Strategic Plan is based on a three-year cycle. Not all objectives outlined in Year One may be able to be completed in a single year. Goals that are still in progress after Year One will be continued into Years Two and or Three.

Future priorities identified by the college:

- ▶ Community and Communication
- ▶ Improve internal communication
- ▶ Improve knowledge and skill level of all college employees
- ▶ Improve external communication on college successes

Recruitment

- ▶ Develop site based recruitment teams
- ▶ Develop and utilize a clear, consistent recruitment message
- ▶ Enhance partnerships and improve relationships with area parents and high schools

Arizona Community Colleges

	FY 2016 ACTUAL	FY 2017 ESTIMATE	FY 2018 APPROVED
SPECIAL LINE ITEMS			
Operating State Aid			
Cochise	5,206,000	4,670,000	4,589,600
Coconino	1,771,200	1,756,400	1,731,100
Gila	368,100	315,200	298,400
Graham	2,175,600	2,249,700	2,288,300
Mohave	1,524,000	1,315,000	1,195,500
Navajo	1,582,100	1,606,000	1,649,000
Pinal	1,903,500	1,724,700	1,621,400
Santa Cruz	57,300	81,200	96,800
Yavapai	890,300	800,200	639,400
Yuma/La Paz	2,702,500	2,690,100	2,622,100
<i>Subtotal - Operating State Aid</i>	18,180,600	17,208,500	16,731,600
STEM and Workforce Programs State Aid			
Cochise	1,150,000	1,008,200	986,400
Coconino	423,200	418,000	409,000
Gila	160,900	142,500	136,500
Graham	569,500	595,200	609,000
Mohave	577,700	505,200	462,500
Navajo	345,500	353,700	369,100
Pinal	96,500	96,500	96,500
Santa Cruz	53,100	61,400	67,000
Yavapai	805,700	774,400	717,000
Yuma/La Paz	867,300	864,000	845,500
<i>Subtotal - STEM and Workforce Programs State Aid</i>	5,049,400	4,819,100	4,698,500
Equalization Aid			
Cochise	4,332,800	4,878,400	5,210,200
Graham	14,538,800	14,695,800	15,028,600
Navajo	5,849,400	6,081,500	6,672,100
<i>Subtotal - Equalization Aid</i>	24,721,000	25,655,700	26,910,900
Rural County Allocation	2,523,400	2,730,600	2,596,700 ^{1/}
Rural County Reimbursement Subsidy	1,273,800	1,273,800	1,273,800 ^{2/}
Tribal Community Colleges	2,625,000	2,625,000	2,625,000 ^{3/}
Additional Gila Workforce Development Aid	0	0	250,000
AGENCY TOTAL	54,373,200	54,312,700	55,086,500^{4/}

FUND SOURCES

General Fund	54,373,200	54,312,700	55,086,500
SUBTOTAL - Appropriated Funds	54,373,200	54,312,700	55,086,500
Other Non-Appropriated Funds	18,166,000	18,991,700	18,991,700
TOTAL - ALL SOURCES	72,539,200	73,304,400	74,078,200

AGENCY DESCRIPTION — The Arizona community college system is comprised of 10 college districts and 2 provisional districts. Arizona's community colleges provide programs and training in the arts, sciences and humanities, and vocational education leading to an Associate's degree, Certificate of Completion, or transfer to a Baccalaureate degree-granting college or university.

Operating State Aid

The budget includes \$16,731,600 from the General Fund in FY 2018 for Operating State Aid. This amount funds the following adjustments:

Enrollment Changes

The budget includes a decrease of \$(476,900) from the General Fund in FY 2018 to fund the statutory formula for Operating State Aid.

This amount funds statutory formula costs for a (830), or (2.8%), decrease in Full Time Student Equivalent (FTSE) students in rural community colleges (see Table 1). The (830) net FTSE decrease consists of a (790) FTSE decrease in non-dual enrollment students and a (40) FTSE decrease in dual enrollment students. A.R.S. § 15-1466.01 requires dual enrollment students be funded at 50% for state aid purposes. Dual enrollment refers to high school students who are enrolled in community college courses for both high school and community college credit.

As permanent law, the FY 2016 Higher Education Budget Reconciliation Bill (BRB) (Laws 2015, Chapter 16) eliminated Operating State Aid for Maricopa and Pima. The FY 2018 Higher Education BRB (Laws 2017, Chapter 310), however, restores Maricopa and Pima County's eligibility for Operating State Aid in permanent law. A session law provision, however, suspends the formula for FY 2018. Maricopa and Pima County will receive no Operating State Aid in FY 2018.

The full formula funding for Maricopa and Pima County cannot be calculated for FY 2018. The Operating State Aid formula adjusts the prior year's appropriation based on the changes in FSTE enrollment count. Maricopa and Pima County have not received Operating State Aid since FY 2015.

Background – With the exception of Maricopa and Pima, the Operating State Aid Special Line Items provide each community college district with funds for continuing operating and maintenance expenses pursuant to A.R.S. § 15-1466. The Operating State Aid formula adjusts state aid in an amount that reflects changes in the FTSE enrollment count. This enrollment adjustment is

- 1/ A.R.S. § 15-1469.01 provides that the General Fund will pay the initial cost of students attending community colleges who are from counties that are not part of an established community college district, and then the state will withhold these counties' sales tax revenues to offset that cost. In FY 2018, that amount is estimated to be \$2,596,700. Because this appropriation is in permanent statute, it is not included in the General Appropriation Act.
- 2/ Of the \$1,273,800 appropriated to the Rural County Reimbursement Subsidy line item, Apache County receives \$699,300 and Greenlee County receives \$574,500. (General Appropriation Act footnote)
- 3/ A.R.S. § 42-5031.01 directs the State Treasurer to annually transmit to the tribal colleges 10% of Transaction Privilege Tax (TPT) revenues collected from sources located on the reservation, or \$1,750,000, whichever is less, as well as 5% of TPT revenues collected on the reservation, or \$875,000, whichever is less, to a technical college on the same reservation. Because this appropriation is in permanent statute, it is not included in the General Appropriation Act.
- 4/ General Appropriation Act funds are appropriated as District-by-District Special Line Items.

Table 1

Community College Enrollment

District	FY 2015 FTSE	FY 2016 FTSE	Percentage Change
Cochise	6,338	6,195	(2.3)%
Coconino	2,066	2,007	(2.9)%
Gila	702	667	(5.0)%
Graham	2,897	2,951	1.9 %
Mohave	2,554	2,347	(8.1)%
Navajo	1,853	1,940	4.7 %
Pinal	4,069	3,900	(4.2)%
Santa Cruz	293	319	8.9 %
Yavapai	3,849	3,585	(6.9)%
Yuma/La Paz	5,433	5,313	(2.2)%
Total	30,054	29,224	(2.8)%

calculated by multiplying the change in the most recent year's actual FTSE for each district by the average state aid per FTSE appropriated in the current fiscal year. (For FY 2018, the last actual FTSE data was from FY 2016.)

STEM and Workforce Programs State Aid

The budget includes \$4,698,500 from the General Fund in FY 2018 for Science, Technology, Engineering and Mathematics (STEM) and Workforce Programs State Aid (formerly Capital Outlay State Aid). This amount funds the following adjustments:

Enrollment Changes

The budget includes a decrease of \$(120,600) from the General Fund in FY 2018 to fund STEM and Workforce Programs State Aid.

As permanent law, the FY 2016 Higher Education BRB eliminated STEM and Workforce Program State Aid for Maricopa and Pima County. The FY 2018 Higher Education BRB, however, restores eligibility for STEM and Workforce Programs State Aid funding for Maricopa and Pima County in permanent law. As session law, however, the FY 2018 Higher Education BRB suspends the program's funding formula for FY 2018 and instead funds the amounts specified in the General Appropriation Act, which total to \$4,698,500, and includes no funding for Maricopa and Pima.

The budget continues to fully fund the STEM and Workforce Program State Aid formula for all rural districts except for Pinal, which has been kept flat at \$96,500. If Pinal was fully funded, it would cost an additional \$714,100. If the formula were fully funded, Maricopa would receive \$11,125,400 and Pima would receive \$2,440,200 in FY 2018.

Background – The STEM and Workforce Programs Special Line Items provide the community college districts with funds for partnerships, faculty, technology equipment, student services, facilities, and property needs pursuant to A.R.S. § 15-1464.

The STEM and Workforce Programs State Aid formula provides per capita funding to districts based on the district's size and the most recent year's actual audited FTSE. The statutory formula provides \$210 per FTSE for districts with 5,000 or less FTSE or \$160 per FTSE for districts with greater than 5,000 FTSE.

Equalization Aid

The budget includes \$26,910,900 from the General Fund in FY 2018 for Equalization Aid. This amount funds the following adjustments:

Property Value Changes

The budget includes an increase of \$1,255,200 from the General Fund in FY 2018 to reflect increased formula costs for funding Equalization Aid due to assessed valuation changes. Detail of specific district changes is shown in *Table 2*.

Table 2
FY 2018 Equalization Funding Changes

District	FY 2017	Year-over-Year Change	FY 2018
Cochise	\$ 4,878,400	\$331,800	\$ 5,210,200
Graham	14,695,800	332,800	15,028,600
Navajo	6,081,500	590,600	6,672,100
Total	\$25,655,700	\$1,255,200	\$26,910,900

Background – The Equalization Special Line Items provide additional state aid to community college districts with property tax bases that are less than the minimum assessed value specified in A.R.S. § 15-1402. Under the Equalization Aid formula, the minimum assessed valuation is revised by the average change in actual assessed valuation for the most recent year for all rural districts with populations of less than 500,000 persons. For the FY 2018 Equalization Aid formula calculation, the minimum assessed valuation increased 1.1% to \$1.29 billion. (See *Table 3* for the calculation of the growth rate.)

Table 3

Equalization Growth Factor for Tax Years (TY) 2015-2016

District	TY 2015 Primary AV	TY 2016 Primary AV	TY 2015-2016 % Growth
Cochise*	\$ 920,583,400	\$ 909,774,000	(1.2)%
Graham*	203,987,400	193,098,400	(5.3)%
Navajo*	832,770,200	803,062,500	(3.6)%
Coconino	1,537,418,200	1,569,812,800	2.1 %
Mohave	1,685,788,500	1,696,200,000	0.6%
Pinal	2,057,547,500	2,119,750,900	3.0 %
Yavapai	2,279,183,400	2,344,409,900	2.9 %
Yuma/LaPaz	1,322,095,300	1,316,941,500	(0.4) %
Total	\$10,839,373,900	\$10,953,050,400	1.1 %
Minimum AV	\$1,276,674,500	\$1,290,079,600	1.1 %

* These districts qualify to receive Equalization Aid under the state funding formula.

Equalization Aid is paid based on the difference between the minimum assessed valuation and the most recent actual assessed valuation for the district. Equalization Aid is calculated at the lesser of \$1.37 per \$100 of the district's assessed valuation or the district's levy rate.

As noted in *Table 3*, the average rural district assessed value increased by 1.1%, in TY 2016. In comparison, Cochise declined by (1.2)%, Graham declined by (5.3)%, and Navajo declined by (3.6)%. By declining more than the average district, Cochise, Graham, and Navajo qualify for more aid.

In any one year a district's equalization assistance will depend on 1) whether the district falls below the minimum threshold (\$1.29 billion in FY 2018) and 2) whether the district's change in assessed value was less than the rural districts' average and 3) the applicable tax rate.

Rural County Allocation

The budget includes \$2,596,700 from the General Fund in FY 2018 for Rural County Allocation. This amount funds the following adjustments:

Formula Decreases

This includes a decrease of \$(133,900) from the General Fund in FY 2018 to reflect decreased formula costs for funding Rural County Allocation.

Background – The Rural County Allocation Special Line Item facilitates payment to community college districts for students enrolled from counties that are not a part of an established community college district. If a county is not

part of a community college district, it is responsible for the cost of their students attending community college in another county. A.R.S. § 15-1469.01 provides that the General Fund will pay the initial cost for these counties and then the state will withhold these counties' sales tax revenues to offset that cost; therefore, there is no net General Fund impact. The payments made on behalf of the counties are not included in county expenditure limits established in the Arizona Constitution. The county payments are partially offset by a state subsidy. (See next line item.)

Each year, the amount is determined by enrollment counts submitted to the JLBC Staff. The JLBC Staff is required by A.R.S. § 15-1469D to report the county withholdings to the Treasurer by May 15 for the upcoming fiscal year. In May 2017, the JLBC Staff reported the amount to be \$2,596,700 for FY 2018.

Monies for the Rural County Allocation are authorized by A.R.S. § 15-1469.01, and therefore do not appear in the General Appropriation Act.

Rural County Reimbursement Subsidy

The budget includes \$1,273,800 from the General Fund in FY 2018 for Rural County Reimbursement Subsidy. This amount is unchanged from FY 2017.

This funding partially offsets the cost to counties that are not part of an established community college district. The funding is appropriated to Apache and Greenlee Counties. The FY 2018 budget allocates \$699,300 to Apache and \$574,500 to Greenlee.

Tribal Community Colleges

The budget includes \$2,625,000 from the General Fund in FY 2018 for Tribal Community Colleges. This amount is unchanged from FY 2017.

Background – A.R.S. § 42-5031.01 allows any qualifying tribal community college to receive \$1,750,000, or 10% of the Transaction Privilege Tax (TPT) revenues collected from all sources located on the reservation, whichever is less. These monies provide tribal community colleges with funding for maintenance, renewal, and capital expenses. A.R.S. § 42-5031.01 also allows any additional technical college located on the same reservation to receive \$875,000, or 5% of the TPT revenues collected from sources located on the reservation, whichever is less. Actual amounts for FY 2018 will depend on FY 2018 collections. Given the language of A.R.S. § 42-5031.01, these monies do not appear in the General Appropriation Act.

This funding is limited to tribes that enter into a compact with the Executive. The FY 2016 Higher Education BRB extended the deadline for tribes to enter into a compact from September 1, 2012 to September 1, 2017. Diné College and Navajo Technical College on the Navajo Nation are the only schools that currently qualify to receive TPT revenues. The only other existing tribal community college in Arizona is Tohono O'odham Community College. If Tohono O'odham enters into a compact with the Executive before September 1, 2017 it would receive roughly \$138,700, which is 10% of the total FY 2016 TPT collections from the reservation.

Laws 2016, Chapter 148 increased the term of an initial compact from 10 to 20 years and changed the time of a JLBC review required for a compact renewal from the last year of the term to the fourth year prior to the expiration of the term. The Navajo Nation compact is set to expire in 2020. If the Navajo Nation enters into a new 20-year compact with the Executive, the next JLBC review would be in 2036.

The budget assumes that \$1,750,000 will be distributed to Diné College and \$875,000 will be distributed to Navajo Technical College in FY 2018. These amounts represent 10% and 5%, up to \$1,750,000 and \$875,000, respectively, of the estimated TPT revenues to be collected in the Navajo reservation in FY 2018.

Additional Gila Workforce Development Aid

The budget includes \$250,000 for Additional Gila Workforce Development Aid in FY 2018. This amount funds the following adjustments:

Additional Gila Workforce Development Aid

The budget includes an increase of \$250,000 from the General Fund in FY 2018 for Gila County.

Background – As a provisional community college district, Gila County is not eligible for a \$200,000 annual Workforce Development allocation from Proposition 301 monies (see A.R.S. § 42-5029). The budget provides General Fund money for this purpose. Of the \$250,000, \$50,000 is one-time. The FY 2018 budget's 3-year spending plan includes \$200,000 for Gila County in FY 2019 and FY 2020.

Other Issues

Long-Term Budget Impacts

Beyond FY 2018 budget changes, the JLBC Staff estimates that Community College statutory caseload changes will

Table 4

Total Estimated Community College Revenues – FY 2017

District	State Aid	Tuition/Fees	Property Taxes	Grants	Other ^{1/}	FY 2017 Total ^{2/}	FY 2016 Total ^{3/}	% Change from FY 2016
Cochise	\$10,556,600	\$8,615,300	\$20,754,900	\$14,481,800	\$1,142,900	\$55,551,500	\$51,614,100	7.6%
Coconino	2,174,400	8,170,700	9,755,000	6,683,700	946,300	27,730,100	26,129,900	6.1%
Gila ^{4/}	457,700	1,400,000	4,335,100	130,300	375,000	6,698,100	5,276,100	27.0%
Graham	17,540,700	7,963,800	5,941,300	9,350,800	9,205,100	50,001,700	43,935,000	13.8%
Maricopa	-	274,647,700	529,423,900	272,524,400	47,135,700	1,123,731,700	976,335,900	15.1%
Mohave	1,820,000	7,958,300	22,539,100	8,592,500	896,100	41,806,000	41,216,500	1.4%
Navajo	8,041,200	4,700,000	14,362,000	6,046,300	2,943,700	36,093,200	36,098,500	0.0%
Pima	-	48,183,000	107,347,000	58,012,000	5,494,000	219,036,000	201,169,000	8.9%
Pinal	1,821,200	14,000,000	50,672,000	25,600,000	1,845,000	93,938,200	90,158,400	4.2%
Santa Cruz ^{4/}	142,200	0	1,530,000	25,000	11,200	1,708,800	1,627,700	5.0%
Yavapai	1,574,600	10,751,000	47,978,300	13,474,000	4,288,700	78,066,600	76,703,100	1.8%
Yuma/La Paz	<u>3,554,100</u>	<u>14,233,000</u>	<u>34,576,400</u>	<u>19,905,100</u>	<u>4,396,000</u>	<u>76,664,600</u>	<u>83,404,000</u>	<u>(8.1)%</u>
Total	\$47,683,100	\$400,622,800	\$849,215,000	\$434,825,900	\$78,679,700	\$1,811,027,600	\$1,633,668,200	10.9 %

^{1/} Includes auxiliary programs, interest income, workforce development funds, and transfers.

^{2/} Total revenues do not include bond proceeds or district fund balances. Including these amounts total revenues are estimated to be \$2,210,678,500 for FY 2017.

^{3/} Total revenues do not include bond proceeds or district fund balances. Including these amounts total revenues are \$1,735,253,100 for FY 2016.

^{4/} Gila Provisional Community College contracts with Graham County's Eastern Arizona College in order to provide degree programs. Therefore, Gila's tuition and fee revenues are collected by Graham according to their contract agreement. Santa Cruz Provisional Community College contracts with Cochise County's Community College in order to provide degree programs. Therefore, Santa Cruz's tuition and fee revenues are collected by Cochise according to their contract agreement.

require an additional \$945,900 in FY 2019 and an additional \$1,200,000 in FY 2020.

These estimates assume:

- Flat enrollment growth (so no change in costs for Operating State Aid or STEM and Workforce Programs State Aid for FY 2019 and FY 2020).
- No funding changes for Operating State Aid or STEM and Workforce Programs State Aid for Maricopa and Pima County.
- A \$(50,000) reduction to reduce the Gila Community College Workforce Development aid from \$250,000 to \$200,000.
- An increase of \$995,900 for Equalization Aid in FY 2019 and \$1,200,000 in FY 2020. These estimates are based on Net Assessed Value (NAV) growth of 1.5% in FY 2019 and 2.0% growth in FY 2020 for counties overall, but a (0.5)% NAV decline in both years for the 3 counties that receive Equalization Aid based on past trends. This would cause NAV in those 3 districts to grow farther from the statewide NAV average for rural counties in both years, entitling them to more Equalization Aid in both years.

Community College Revenue Sources

In addition to state General Fund monies, Arizona's community colleges receive revenues from a number of other sources, including student tuition and fees, local property taxes, grants, and other monies generated by

the colleges. Of the total, the community colleges receive 2.6% of their revenues (excluding bond proceeds) from state aid.

For FY 2017, base operating revenues from all sources are estimated to be \$1,811,027,600, which would be an increase of 10.9% from FY 2016. (See Table 4 for a summary of FY 2017 total revenue estimates.)

Property taxes are the single largest revenue source for the community colleges, accounting for 45.4% of their revenues. There are 2 types of property taxes: primary and secondary. For the community colleges, primary property taxes are levied for operating purposes and secondary property taxes are levied to pay for capital outlay expenses. Each community college district determines its primary and secondary property tax rates. (See Table 5 for a summary of FY 2017 property tax rates.)

In November 2012, Arizona voters approved Proposition 117, which requires primary and secondary taxes to be levied on the same tax base. (See FY 2017 Appropriations Report for more information.) Previously, taxes were levied on 2 valuations: full cash value and limited property value. Proposition 117 requires all property taxes to be levied on the limited property value.

Proposition 117 also capped annual property value increases on any single parcel of real property to 5% starting in FY 2016. The existing 2% "levy limit" remains in place. Under A.R.S. § 42-17051, community colleges are

Table 5

Community College Tax Rates – FY 2017

District	Primary Rate	Secondary Rate	Combined Rate	% Change in Combined Rate from FY 2016
Cochise	\$2.29	\$0.00	\$2.29	5.1 %
Coconino	0.49	0.13	0.62	1.8 %
Gila	0.87	0.00	0.87	2.5 %
Graham	3.08	0.00	3.08	6.6 %
Maricopa	1.24	0.23	1.47	(1.9)%
Mohave	1.33	0.00	1.33	2.8 %
Navajo	1.79	0.00	1.79	2.6 %
Pima	1.37	0.00	1.37	0.3%
Pinal	2.29	0.34	2.63	(0.9)%
Santa Cruz	0.49	0.00	0.49	5.6 %
Yavapai	1.84	0.21	2.06	(1.6)%
Yuma/La Paz	2.25	0.37	2.63	2.6 %

allowed to collect 2% more in property tax revenues annually, not including revenue from new construction.

Any increase over 2% requires voter approval, unless the district has foregone increases in prior years and consolidates those increases into a single year.

The community colleges also collect tuition and fees from enrolled students. These collections account for approximately 22.1% of total revenues. Tuition and fees are assessed on a per credit hour basis. FY 2017 weighted average tuition (weighted for each district's proportion of the statewide FTSE count) is \$2,544 if a full-time student attends for 30 hours a year. The FY 2017 amount represents an increase of 3.0% from FY 2016. (See Table 6 for FY 2017 resident tuition and fee rates.)

Table 6

Community College Resident Tuition and Fees – FY 2017

District	Cost Per Credit Hour	Annual Cost ^{1/}	% Change from FY 2016
Cochise	\$79	\$2,370	2.6%
Coconino	102	3,060	10.9%
Gila	80	2,400	15.4%
Graham	80	2,400	15.4%
Maricopa	86	2,580	2.4%
Mohave	88	2,640	0.0%
Navajo	70	2,100	2.9%
Pima	85	2,550	3.7%
Pinal	84	2,520	2.4%
Santa Cruz	79	2,370	2.6%
Yavapai	79	2,370	5.3%
Yuma/La Paz	80	2,400	2.6%
Weighted Average	\$85	\$2,544	3.0%

^{1/} Annual cost is for 30 hours a year, or 15 hours per semester.

Community colleges also receive grants and "other" revenue from a variety of sources. Combined, they account for approximately 28.3% of community college revenues. Grants traditionally come from the federal government, including: the U.S. Department of Education, Small Business Administration, National Science Foundation, and Health and Human Services. Revenue listed in the "other" category includes auxiliary programs, interest incomes, workforce development funds, and transfers.

Total Community College Expenditures

Table 7 shows total budgeted FY 2017 community college expenditures. In FY 2017, total budgeted expenditures are \$2,213,367,100. As mentioned previously, base operating revenues for FY 2017 are \$1,811,026,700; however, this figure does not include allocated fund balances or bond proceeds. Including these amounts, total available revenues are \$2,210,679,400. Of the total \$2,213,367,100 in expenditures, \$1,586,666,800, or 72%, of these expenditures are from the community colleges' General and Restricted Funds. This includes about \$499,238,300, or 23%, for instruction and \$281,986,800, or 13%, for administrative support.

Expenditures for auxiliary enterprises, including revenue generating retail and business services such as parking lots, book stores, and food service, are \$175,168,700, or 8% of the total. Plant Fund expenditures, which generally include capital costs, are \$220,998,600, or 10% of the total. The remaining \$230,533,000 is for debt service.

Community College Expenditure Limitation - Laws 2016, Chapter 58 modified the method for calculating community college expenditure limits, excludes certain types of expenditures from counting against the limit, and allows for an adjustment to the base expenditure limit.

The expenditure limit is determined by the Economic Estimates Commission (EEC) by adjusting the FY 1980 base limit by changes in estimated FTSE and inflation. Districts are required to submit FTSE estimates annually to the EEC, which uses those estimates to calculate new expenditure limits annually. Chapter 58 requires that districts use the same FTSE calculation method for the EEC submissions as the FTSE calculation for state aid, except that enrollment in career and technical education courses receives an additional weight. Chapter 58 permits districts to submit 1 of the 3 following options as FTSE estimates to the EEC:

- The most recent audited FTSE count for the expenditure limit calculation.

- The average of the 5 most recent audited FTSE counts for the expenditure limit calculation.
- A FTSE count that exceeds the most recent audited FTSE count for the expenditure limit calculations by up to 5% if the actual FTSE count 45 days after classes begin in the current fall semester exceeds the actual FTSE count 45 days after classes began in the previous fall semester.

As session law, Chapter 58 permits districts to submit the average of the 10 most recent audited FTSE counts until FY 2020.

General/Restricted Funds	Total	% of Total
Instruction	\$499,238,300	23%
Public Service	32,227,000	2%
Academic Support	154,454,800	7%
Student Services	161,620,600	7%
Institutional Support	281,986,800	13%
Operation & Maintenance	110,244,800	5%
Scholarships/Grants	321,566,600	14%
Contingency	<u>25,327,900</u>	<u>1%</u>
Subtotal	\$1,586,666,800	72%
Auxiliary Enterprises Fund	\$ 175,168,700	8%
Plant Fund	220,998,600	10%
Debt Service	<u>230,533,000</u>	<u>10%</u>
Total	\$2,213,367,100	100%

The Auditor General is required to separately audit the expenditure limit FTSE calculation and provide a report to the JLBC by October 15 of each year.

Expenditures that count against the expenditure limits generally consist of operating costs of the districts excluding funds generated from tuition, fees, Federal Funds, bond proceeds, debt service, and state capital funding. Chapter 58 allows districts to exclude expenditures from the following revenue sources as counting against their expenditure limit: grants and donations, research and development royalty, licensing and profit-sharing agreements, entrepreneurial and commercial activities, auxiliary fees, and goods and services through a contract with a political subdivision or tribal government.

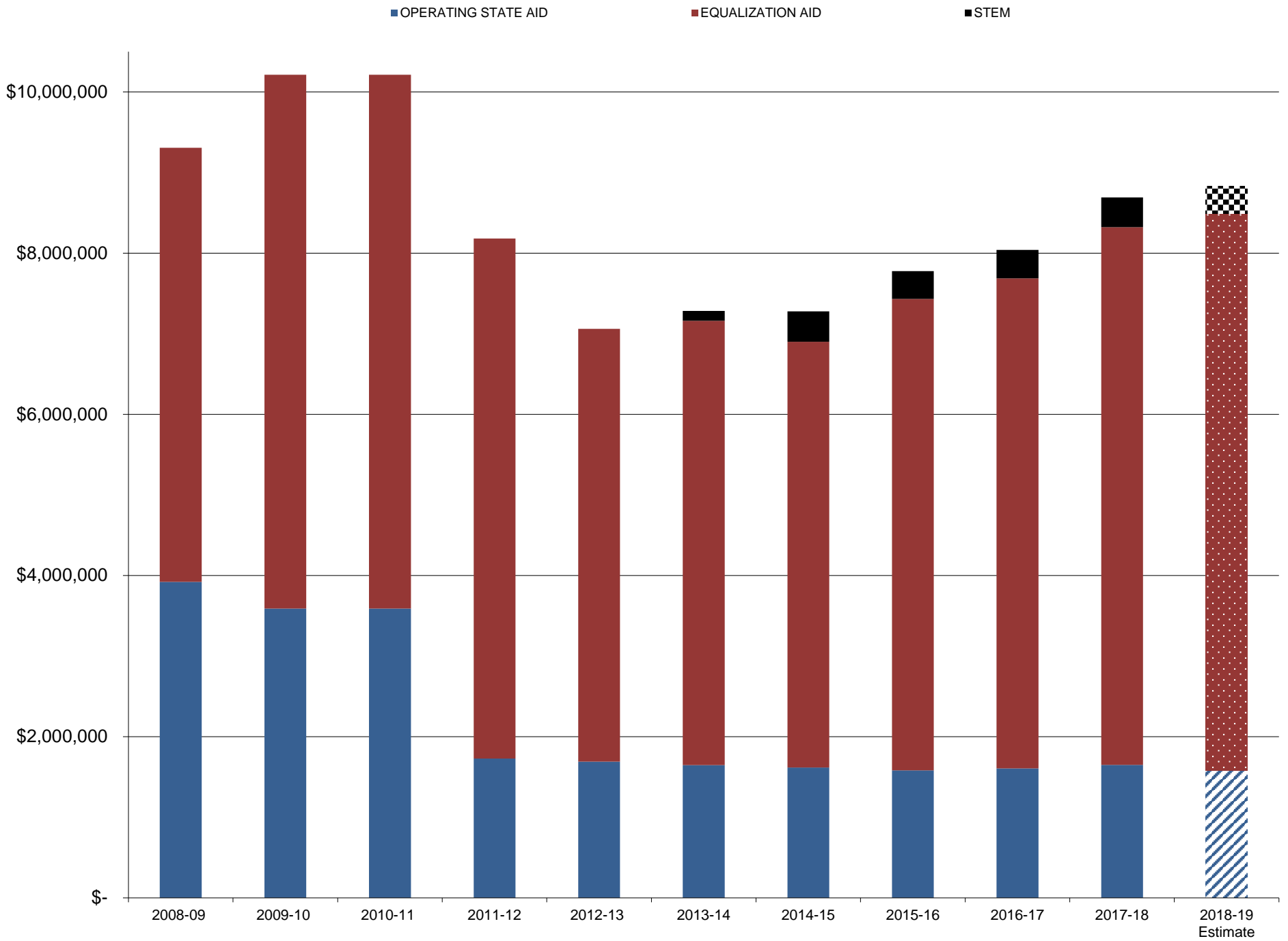
Chapter 58 also allows district boards to refer to the voters in the district a permanent change in the base limit used to determine the expenditure limitation. The resolution for a base limit adjustment must include the current base limit, the proposed base limit, the increase in expenditure limit capacity that would be generated by the adjustment, and a rationale for the request.

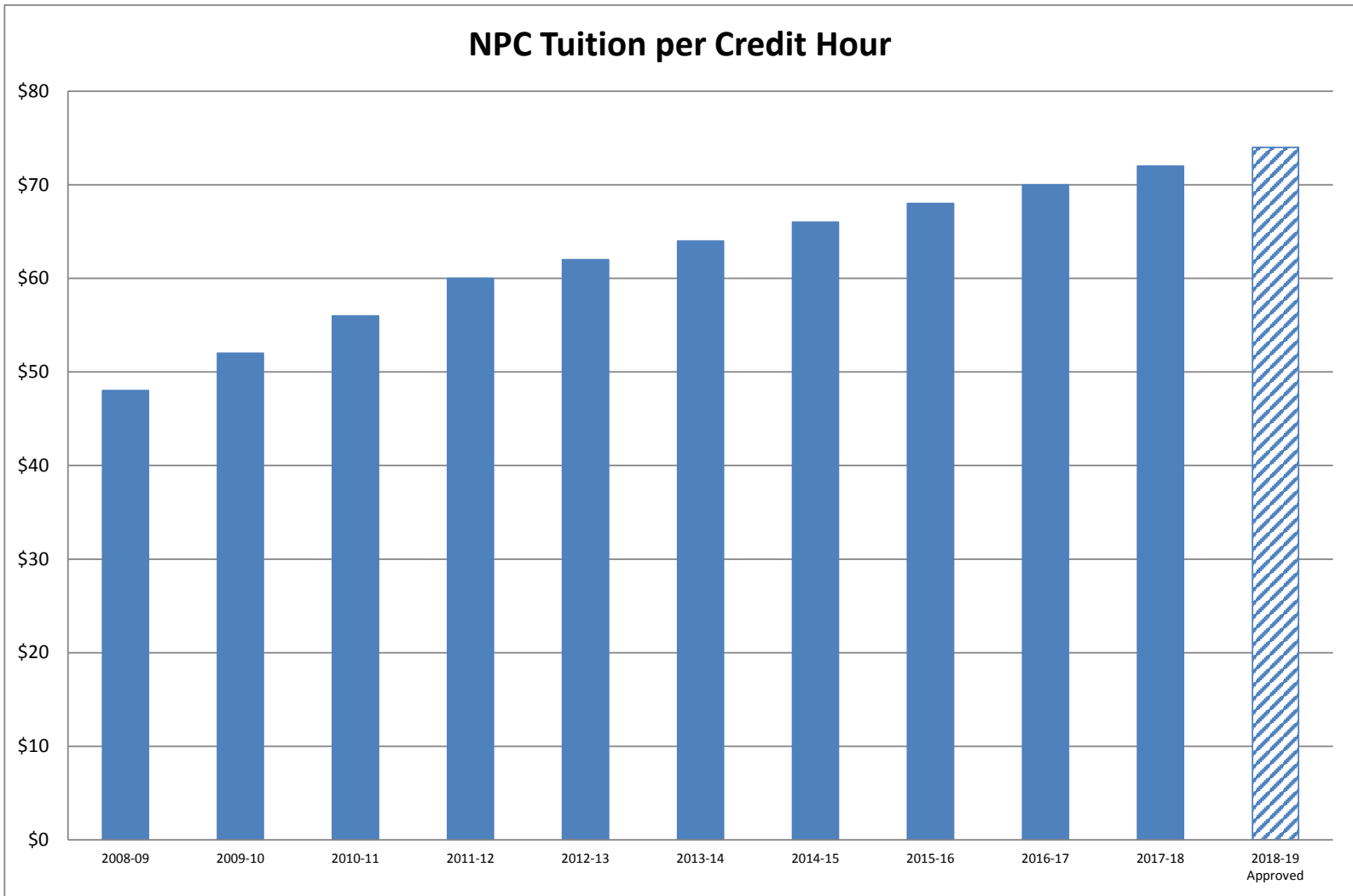
Community College Tuition Financing Districts

Laws 2015, Chapter 306 renamed provisional community college districts established after December 31, 2014, to *community college tuition financing districts* and specified that the county board of supervisors will serve as the governing board to any community college tuition financing district. Gila and Santa Cruz are the only existing provisional districts and they were both established before December 31, 2014.

An area that wishes to form a community college but does not meet the minimum assessed valuation or population requirements in A.R.S § 15-1402 may form a tuition financing district. A tuition financing district is required to contract with an existing community college district to provide instruction and services to students.

NPC State Aid Revenues







Contribution Rates

ASRS Defined Benefit Plan

The Arizona State Retirement System Defined Benefit Plan is the primary retirement plan for ASRS members and will provide lifelong monthly retirement income.

The plan is tax qualified under section 401(a) of the Internal Revenue Code. It is a "cost sharing" model, meaning both the member and the employer contribute equally. Members are also mandated to participate and contribute to the ASRS Long Term Disability Income Plan.

Contribution rates are actuarially determined and are adjusted annually to ensure the plan remains fiscally sound and able to meet current and future obligations.

There are two portions to the ASRS contribution rate - the Retirement Pension & Health Insurance Benefit, and the Long Term Disability Income Plan. The Pension Plan contribution is a pre-tax deduction, and the Long-Term Disability deduction is post-tax. Tax on pension benefits is deferred until payment is made to the member as a benefit or refund.

Alternate Contribution Rate - for Retired, Returned to Work Members

For members who retire, then returned to work for an ASRS employer while keeping their monthly pension, an Alternate Contribution Rate (ACR) is required. Read more on the [ACR page](#).

Fiscal 2017 - 2018 - (Effective July 1, 2017)

	RETIREMENT PENSION & HEALTH INSURANCE BENEFIT	LONG TERM DISABILITY INCOME PLAN	TOTAL
Employee	11.34%	0.16%	11.50%
Employer	11.34%	0.16%	11.50%

Fiscal 2018 - 2019 - (Effective July 1, 2018)

	RETIREMENT PENSION & HEALTH INSURANCE BENEFIT	LONG TERM DISABILITY INCOME PLAN	TOTAL
Employee	11.64%	0.16%	11.80%
Employer	11.64%	0.16%	11.80%



Alternate Contribution Rate

General Information

Legislation passed in 2011 under Senate Bill 1609 authorizes the ASRS to implement an Alternate Contribution Rate (ACR) to employers who hire ASRS retirees who return to work. The rate will be charged to and remitted to the ASRS by the employer. The purpose of the legislation is to mitigate the potential actuarial impact that retired members who return to work may have on the Trust Fund.

Here is a summary of the provisions now contained in Arizona Revised Statute 38-766.02:

- > Beginning July 1, 2012, requires employers to pay an Alternate Contribution Rate (ACR) for members who return to work in any capacity and in a position ordinarily filled by an employee of the employer.
- > Charges the ACR starting the first day after retirement for a member who reached normal retirement and for a member who is an early retiree working less than 20/20 for as long as that member stays in service and for any future employment periods during which the member does not suspend their benefits and resume active membership.
- > States that the retired member does not accrue credited service, member service (for UORP), account balances, retirement benefits or LTD Program benefits, and the time is not later eligible for service purchase.
- > Requires employers to pay the ACR on behalf of any retiree that it employs regardless of 20/20 status, direct/leasing/contracting arrangement, or whether the retiree satisfied the 12-month break in service without working in a leased or contract arrangement.
- > States that late contributions are subject to interest (8%) and may be recovered in court or by state revenue offsets.
- > Requires employers to submit any reports, data, paperwork, or materials required by the ASRS to determine the function, utilization, efficacy or operation of the return to work program.
- > Includes a Legislative Intent clause that states the purpose of the legislation is to mitigate the potential actuarial impact that retired members who return to work might have on the Trust Fund.

Current ACR Information

Alternate Contribution Rate

Fiscal year 2017-18, effective July 1, 2017	9.49%
Fiscal year 2018-19, effective July 1, 2018	10.53%

[ACR Guide](#) - Step-by-step instructions for online alternate contribution rate processing and payment. (Updated March 2016)

[ACR Template](#) - This template is for web-based contribution reporting employers to provide the required ACR data to the ASRS.

Frequently Asked Questions

– When is the ACR effective?

The ACR became effective on July 1, 2012 and applies only to wages earned on and after that date. Pay periods which began prior to July 1, 2012 and end on or after July 1, 2012 must be split for ACR purposes. This is only applicable for the initiation of the ACR and is contrary to conventional reporting of active contributions, in which pay periods are not split and one rate is applied to an entire pay period based upon the rate in effect on the Pay Period Ending (PPE) date.

+ Is there a grandfather clause?

+ For which ASRS retirees is the ACR applicable?

+ What is the ACR this year, and how is it determined?

ASRS Return to Work - Violations

- > Clarifies the period for which a member shall repay suspended pensions to the ASRS starts with the date the ASRS notifies the member in writing that their employment violated the statute, the date the ASRS determines the member knew or should have known that their employment violated the statute, or any other time period that approximates the duration of the violation, as determined by the ASRS.
- > Requires an employer that employed a member whose pension was suspended to pay the ASRS the ACR starting with the date the member returned to employment. The employer is required to make the ACR payment through the earlier of:
 - > The date the member terminates employment,
 - > The date the employer begins making the ACR payment required by the new Return to Work statute, or
 - > The date the member resumes active membership in the ASRS.

- + How is the ACR applied?
- + Does the ACR apply to ASRS retirees who are hired to work less than 20 hours per week or less than 20 weeks?
- + What kind of data is collected for ACR payments?
- + What if an employer uses a third party employer for staffing purposes?
- + How are ACR data and payments submitted to ASRS?
- + Can there be multiple files for the same pay period?
- + How frequently is ACR due?
- + Can the employer pass the cost of the contribution required by the ACR on to the employee?

Transmission of material in this release is embargoed until
8:30 a.m. (EST) November 15, 2017

USDL-17-1503

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CONSUMER PRICE INDEX – OCTOBER 2017

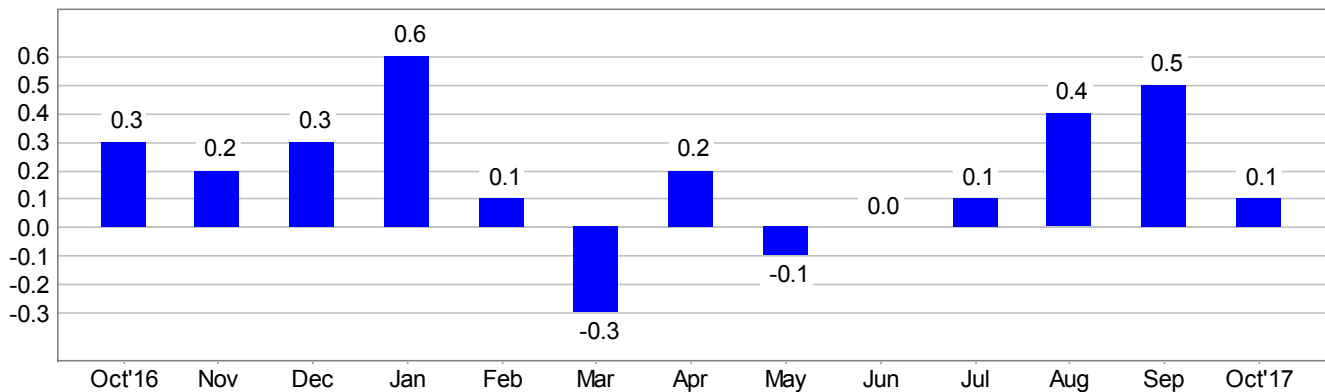
The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent in October on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index rose 2.0 percent.

The shelter index increased 0.3 percent and was the main factor in the seasonally adjusted all items increase. The energy index fell, as a decline in the gasoline index outweighed increases in other energy component indexes. The food index was unchanged over the month.

The index for all items less food and energy increased 0.2 percent in October. In addition to the shelter index, the indexes for medical care, used cars and trucks, tobacco, education, motor vehicle insurance, and personal care were among those that increased. The indexes for new vehicles, recreation, and apparel all declined.

The all items index rose 2.0 percent for the 12 months ending October, a smaller increase than the 2.2-percent increase for the period ending September. The index for all items less food and energy rose 1.8 percent over the past year, a slightly larger increase compared to the 1.7-percent increase for the 12 months ending September. The energy index increased 6.4 percent over the last 12 months, and the index for food rose 1.3 percent.

Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Oct. 2016 - Oct. 2017
Percent change



The following information is from a quarterly news release titled *Survey of Professional Forecasters*. The report consolidates multiple well-regarded national macroeconomic forecasts. It is the oldest quarterly survey of its kind in the United States. The survey began in 1968 and was originally conducted by the American Statistical Association and the National Bureau of Economic Research. The Federal Reserve Bank of Philadelphia took over the survey in 1990.

The following information is an excerpt from the report issued November 13, 2017.

FOURTH Quarter 2016 Survey of Professional Forecasters

Forecasters See Stronger Outlook for Growth over the Next Two Quarters

The outlook for growth in the U.S. economy over the next two quarters looks slightly stronger overall than that of three months ago, according to 41 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The panel expects real GDP to grow at an annual rate of 2.6 percent this quarter and 2.4 percent next quarter, marking upward revisions from the previous survey. On an annual-average over annual-average basis, the forecasters see real GDP growing 2.2 percent in 2017, compared with 2.1 percent from the previous survey. The forecasters predict real GDP will grow 2.5 percent in 2018, 2.1 percent in 2019, and 1.9 percent in 2020.

Short-Term CPI and PCE Inflation Projections Are Holding Steady

Measured on a fourth-quarter over fourth-quarter basis, the CPI and PCE inflation forecasts are about the same now as they were three months ago, particularly for core inflation measures. Core CPI inflation is expected to average 1.7 percent in 2017, 2.1 percent in 2018, and 2.2 percent in 2019. The projections for core PCE inflation are 1.4 percent for the current year, 1.8 percent for 2018, and 2.0 percent for 2019.

Over the next 10 years, 2017 to 2026, the forecasters expect headline CPI inflation to average 2.20 percent at an annual rate, down slightly from their previous estimate of 2.25 percent. The corresponding estimate for 10-year annual-average PCE inflation is 2.00 percent, unchanged from the previous estimate three months ago.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
BUDGET FOR FISCAL YEAR 2018
SUMMARY OF BUDGET DATA**

	Budget 2018	Budget 2017	Increase/Decrease From Budget 2017 To Budget 2018	
			Amount	%
I. CURRENT GENERAL AND PLANT FUNDS				
A. Expenditures:				
Current General Fund	\$ 27,296,054	\$ 26,463,019	\$ 833,035	3.1%
Unexpended Plant Fund	5,369,100	5,353,700	15,400	0.3%
Retirement of Indebtedness Plant Fund				
TOTAL	\$ 32,665,154	\$ 31,816,719	\$ 848,435	2.7%
B. Expenditures Per Full-Time Student Equivalent (FTSE):				
Current General Fund	\$ 13,703 /FTSE	\$ 13,232 /FTSE	\$ 471 /FTSE	3.6%
Unexpended Plant Fund	\$ 2,695 /FTSE	\$ 2,677 /FTSE	\$ 18 /FTSE	0.7%
Projected FTSE Count	1,992	2,000		
II. TOTAL ALL FUNDS ESTIMATED PERSONNEL COMPENSATION				
Employee Salaries and Hourly Costs	\$ 14,963,955	\$ 14,736,058	\$ 227,897	1.5%
Retirement Costs	1,567,742	1,562,910	4,832	0.3%
Healthcare Costs	1,730,640	1,792,560	(61,920)	-3.5%
Other Benefit Costs	1,363,203	1,346,602	16,601	1.2%
TOTAL	\$ 19,625,540	\$ 19,438,130	\$ 187,410	1.0%
III. SUMMARY OF PRIMARY AND SECONDARY PROPERTY TAX LEVIES AND RATES				
A. Amount Levied:				
Primary Tax Levy	\$ 14,834,954	\$ 14,361,969	\$ 472,985	3.3%
Secondary Tax Levy				
TOTAL LEVY	\$ 14,834,954	\$ 14,361,969	\$ 472,985	3.3%
B. Rates Per \$100 Net Assessed Valuation:				
Primary Tax Rate	1.8067	1.7884	0.0183	1.0%
Secondary Tax Rate				
TOTAL RATE	1.8067	1.7884	0.0183	1.0%
IV. MAXIMUM ALLOWABLE PRIMARY PROPERTY TAX LEVY FOR FISCAL YEAR 2018 PURSUANT TO A.R.S. §42-17051			\$ 14,834,954	
V. AMOUNT RECEIVED FROM PRIMARY PROPERTY TAXES IN FISCAL YEAR 2017 IN EXCESS OF THE MAXIMUM ALLOWABLE AMOUNT AS CALCULATED PURSUANT TO A.R.S. §42-17051			\$	

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
BUDGET FOR FISCAL YEAR 2018
RESOURCES**

	CURRENT FUNDS			PLANT FUNDS		Other Funds 2018	Total All Funds 2018	Total All Funds 2017	% Increase/ Decrease
	General Fund 2018	Restricted Fund 2018	Auxiliary Fund 2018	Unexpended Plant Fund 2018	Retirement of Indebtedness 2018				
BEGINNING BALANCES-July 1*									
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	
Unrestricted	45,800,000			8,000,000			53,800,000	25,400,000	111.8%
Total Beginning Balances	\$ 45,800,000	\$	\$	\$ 8,000,000	\$	\$	\$ 53,800,000	\$ 25,400,000	111.8%
REVENUES AND OTHER INFLOWS									
Student Tuition and Fees									
General Tuition	\$ 3,000,000	\$	\$	\$	\$	\$	\$ 3,000,000	\$ 2,900,000	3.4%
Out-of-District Tuition									
Out-of-State Tuition	100,000						100,000	100,000	
Student Fees	700,000						700,000	700,000	
Tuition and Fee Remissions or Waivers	1,000,000						1,000,000	1,000,000	
State Appropriations									
Maintenance Support	1,649,000						1,649,000	1,606,000	2.7%
Equalization Aid	6,672,100						6,672,100	6,081,500	9.7%
Capital Support				369,100			369,100	353,700	4.4%
Property Taxes									
Primary Tax Levy	14,834,954						14,834,954	14,361,969	3.3%
Secondary Tax Levy									
Gifts, Grants, and Contracts	1,500,000	6,000,000					7,500,000	7,800,000	-3.8%
Sales and Services									
Investment Income	140,000						140,000	140,000	
State Shared Sales Tax		400,000					400,000	400,000	
Other Revenues	200,000		350,000				550,000	646,300	-14.9%
Proceeds from Sale of Bonds									
Total Revenues and Other Inflows	\$ 29,796,054	\$ 6,400,000	\$ 350,000	\$ 369,100	\$	\$	\$ 36,915,154	\$ 36,089,469	2.3%
TRANSFERS									
Transfers In		600,000	300,000	2,000,000			2,900,000	2,800,000	3.6%
(Transfers Out)	(2,900,000)						(2,900,000)	(2,800,000)	3.6%
Total Transfers	(2,900,000)	600,000	300,000	2,000,000					
Less:									
Governing Board Designations	(23,551,973)						(23,551,973)	(2,691,240)	775.1%
Policy 1924 - Cash Reserve	(13,648,027)						(13,648,027)	(13,231,510)	3.1%
Policy 1926 - Future Capital Reserve	(8,200,000)	(400,000)		(5,000,000)			(13,600,000)	(6,500,000)	109.2%
Total Resources Available for the Budget Year	\$ 27,296,054	\$ 6,600,000	\$ 650,000	\$ 5,369,100	\$	\$	\$ 39,915,154	\$ 39,066,719	2.2%

*These amounts exclude amounts not in spendable form (i.e., prepaids, inventories, and capital assets) or amounts legally or contractually required to be maintained intact.

**NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
NORTHLAND PIONEER COLLEGE
BUDGET FOR FISCAL YEAR 2018
EXPENDITURES AND OTHER OUTFLOWS**

TOTAL RESOURCES AVAILABLE FOR THE BUDGET YEAR (from Schedule B)

EXPENDITURES AND OTHER OUTFLOWS

Instruction
Public Service
Academic Support
Student Services
Institutional Support (Administration)
Operation and Maintenance of Plant
Scholarships
Auxiliary Enterprises
Capital Assets
Debt Service-General Obligation Bonds
Debt Service-Other Long Term Debt
Other Expenditures
Contingency

Total Expenditures and Other Outflows

	CURRENT FUNDS			PLANT FUNDS		Other Funds 2018	Total All Funds 2018	Total All Funds 2017	% Increase/Decrease
	General Fund 2018	Restricted Fund 2018	Auxiliary Fund 2018	Unexpended Plant Fund 2018	Retirement of Indebtedness 2018				
\$ 27,296,054	\$ 6,600,000	\$ 650,000	\$ 5,369,100	\$	\$	\$ 39,915,154	\$ 39,066,719	2.2%	
\$ 10,647,012	\$ 1,400,000	\$	\$	\$	\$	\$ 12,047,012	\$ 11,846,133	1.7%	
	20,000					20,000	20,000		
1,111,599						1,111,599	1,108,841	0.2%	
1,875,369	650,000					2,525,369	2,476,180	2.0%	
8,514,328	30,000					8,544,328	8,458,518	1.0%	
1,769,885						1,769,885	1,709,072	3.6%	
1,917,775	4,500,000					6,417,775	6,444,275	-0.4%	
		650,000				650,000	650,000		
			5,369,100			5,369,100	5,353,700	0.3%	
1,460,086						1,460,086	1,000,000	46.0%	
\$ 27,296,054	\$ 6,600,000	\$ 650,000	\$ 5,369,100	\$	\$	\$ 39,915,154	\$ 39,066,719	2.2%	

**Northland Pioneer College
Capital Fund (50) Budget
FY1718 Budget Cycle**

	FY1617 Budget	FY17/18 Budget	FY1819 Budget	FY1920 Budget	3 Yr Total from Fund Balance
Fund Balance	3,000,000	3,000,000	2,500,000	2,500,000	8,000,000
Transfer from Operating Fund	2,000,000	2,000,000	2,000,000	2,000,000	
State Funding - STEM	353,700	369,100	350,000	350,000	
Annual Capital Funding	<u>5,353,700</u>	<u>5,369,100</u>	<u>4,850,000</u>	<u>4,850,000</u>	
Annual Capital Requirements					
Building Maintenance	750,000	450,000	450,000	450,000	
Strategic Plans	65,000	50,000	100,000	100,000	
Total - Annual Requirements	<u>815,000</u>	<u>500,000</u>	<u>550,000</u>	<u>550,000</u>	
Annual Capital Requests					
Administrative Services	1,509,500	1,577,900	1,257,500	1,135,000	
Student Services	55,000	56,925	58,064	59,224	
IS	1,979,789	2,506,500	2,003,500	1,683,500	
Instruction:					
Arts & Science	-	-	-	-	
CTE	183,324	172,000	185,500	165,000	
Nursing	-	34,375	10,125	10,000	
Total - Annual Requests	<u>3,727,613</u>	<u>4,347,700</u>	<u>3,514,689</u>	<u>3,052,724</u>	
Contingency	<u>811,087</u>	<u>521,400</u>	<u>785,311</u>	<u>1,247,276</u>	
Total Expenses	<u>5,353,700</u>	<u>5,369,100</u>	<u>4,850,000</u>	<u>4,850,000</u>	
Surplus/(Deficit)	0	0	0	0	

**Northland Pioneer College
Capital Budget
FY1718-1920**

Sorted by Division

Div	Dept	Dept #	Object Code	FY1718 Budget Request \$	FY1819 Budget Request \$	FY1920 Budget Request \$	Description of Capital Item(s) Requested	Justification for Request	SPASC Initiative & Priority	Postponed? Y/N
ADM SERV	MAINT	6100	5610	450,000	450,000	450,000	Deferred building maintenance/projects	Annual maintenance projects and to finish "catch up" campaign of backlog projects	Strategic Priority II	N
ANN REQMT	Annual Required Capital Total			450,000	450,000	450,000				
				521,400	785,311	1,247,276				
CONTINGENCY	Contingency Total			521,400	785,311	1,247,276				
SPASC	MARKETING	5920	5615	50,000	-	-	Rebuild entire www.NPC.edu site in Drupal 8 software, make site mobile friendly, improve user experience and SEO results. Bid for \$98,250 1/2 to be paid in FY1617 and the remaining half in FY1718 when project is completed.	SPASC Initiative & Priority - Site has not been redesigned since 2009 and is not mobile friendly.	Strategic Priority II - To improve the user experience with technology, the college will enhance technology professional development and improve the NPC website and MyNPC.	No
SPASC	TBD	TBD			100,000	100,000	Future SPASC Initiative & Priority	Future SPASC Initiative & Priority		
SPASC			SPASC Total	50,000	100,000	100,000				
ADM SERV	CAMPUS/CTR MGRS	5130	5645	250,000	-	-	Video Security System at PDC, WMC, SCC, LCC, KAY, HOPI, WRV.	The current system isn't operating well and is 5 years old.	Strategic Priority II	Y - 1 YR
ADM SERV	MAINT	6100	5605	35,000	35,000	35,000	Furniture Requests	Annual furniture requests from departments	Strategic Priority II	N
ADM SERV	MAINT	6100	5610	1,102,000	1,172,500	1,050,000	Facilities and maintenance projects	Maintain buildings, address safety needs, renovate to meet current needs, utilities savings, maintain aesthetics of campuses	Strategic Priority II	N
ADM SERV	MAINT	6100	5108	50,000	50,000	50,000	Professional consulting services	Architect and engineers	Strategic Priority II	N
ADM SERV	MAINT	6100	5645	29,500	-	-	Four wheel driver lawn mower for Whtmtm campus	safety of grounds cerw	Strategic Priority II	N
ADM SERV	MAINT	6100	5645	36,900	-	-	Carpet Cleaning equipment	extend life of carpet, cleanliness of buildings	Strategic Priority II	N
ADM SERV	AUTO	5750	5680	8,500	-	-	Gooseneck trailer	safe way to pull bobcate	Strategic Priority II	N
ADM SERV	AUTO	5750	5680	46,500	-	-	Parking lot sweeper	extend life of asphalt. Campus cleanliness	Strategic Priority II	N
ADM SERV	AUTO	5750	5680	14,500	-	-	Utility beds for trucks	Carry more tools, security of tools	Strategic Priority II	N
ADM SERV	AUTO	5750	5645	5,000	-	-	Hot water steam cleaner	extend life of fleet	Strategic Priority II	N
ADM SVC			Admin Services Total	1,577,900	1,257,500	1,135,000				
STUD SERV	LIBRARY	3500	5650	56,925	58,064	59,224	Materials in the library collection: print,	Increases as follows:	The Strategic Plan	N
STUD SERV			Student Services Total	56,925	58,064	59,224				
IS	IS	5070	5600	400,000	400,000	400,000	Cisco Solution classrooms	Replace Polycom at end of life. Enterprise solution to replace 45 classrooms	Technical Support for the Community College	No
IS	IS	5070	5615	250,000	275,000	300,000	Jenzabar Maintenance	Yearly Maintenance Contract	Technical Support for the Community College	No
IS	IS	5070	5615	48,000	48,000	50,000	OnBase	Yearly Maintenance Contract	Technical Support for the Community College	No

19 December 2017

Navajo County Community College District Governing Board

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**Northland Pioneer College
Capital Budget
FY1718-1920**

Sorted by Division

Div	Dept	Dept #	Object Code	FY1718 Budget Request \$	FY1819 Budget Request \$	FY1920 Budget Request \$	Description of Capital Item(s) Requested	Justification for Request	SPASC Initiative & Priority	Postponed? Y/N
IS	IS	5070	5615	18,000	18,500	19,000	HP Server Contracts from FY1314 budget	Yearly Maintenance Contract	Technical Support for the Community College	No
IS	IS	5070	5615	30,000	30,000	30,000	Jenzabar Consultants	Consultant training/update NPC Servers	Technical Support for the Community College	No
IS	IS	5070	5615	50,000	50,000	50,000	IS Professional Services	Outside Consultant as needed	Technical Support for the Community College	No
IS	IS	5070	5615	5,000	-	-	OnBase Consulting Pool Hours	Outside Consultant for Document Imaging	Technical Support for the Community College	No
IS	IS	5070	5615	65,000	65,000	70,000	VMWare Support	Yearly Maintenance Contract	Technical Support for the Community College	No
IS	IS/Bus	5070	5615	15,000	15,000	15,000	Jenzabar Training hours (remote)	Support Business Office Jenzabar Users	Technical Support for the Community College	No
IS	IS	5070	5615	-	-	5,000	SSO and Password Reset solution	Deveop and incorporate a single sign on and password reset solution	Technical Support for the Community College	No
IS	IS	5070	5615	24,500	24,500	24,500	Moodle Host	Learning Management System	Technical Support for the Community College	No
IS	MKT	5070	5615	10,000	10,000	10,000	WebHosting	WebHosting	Technical Support for the Community College	No
IS	IS	5070	5615	40,000			Firewall Upgrade/Maintenance	Firewall Upgrade/Maintenance	Technical Support for the Community College	No
IS	IS	5070	5620	180,000	180,000	180,000	Server Replacements @ 4 years	Update Aging Server/Blade Cycle	Technical Support for the Community College	No
IS	IS	5070	5620	200,000	450,000	150,000	Replace old routers, switches and AP's @ 6 years	Update Aging Routers, Switches, and Aps	Technical Support for the Community College	No
IS	IS	5070	5620	750,000	60,000	65,000	Upgrade WAN Links FY16/17 Phase II	Upgrade remaining WAN radio links for increased capacity at all other NPC owned network locations	Technical Support for the Community College	No
IS	IS	5070	5620	15,000	100,000	20,000	UPS (batteries for servers) lifecycle Replacements @ 5 years	Replace aging UPS systems	Technical Support for the Community College	No
IS	IS	5070	5620	100,000	25,000	25,000	Upgrade Cisco Phone system environment	Replace aging phone system	Technical Support for the Community College	No
IS	IS	5070	5630	100,000	100,000	100,000	Computers @ 4 years (230)	Replace aging computers	Technical Support for the Community College	No
IS	IS	5070	5630	40,000	42,000	40,000	Printers @ 3 years	Replace aging printers	Technical Support for the Community College	No
IS	IS	5070	5630	30,000	30,000	30,000	Monitors @ 4 years	Replace aging monitors	Technical Support for the Community College	No
IS	IS	5070	5630	40,000	30,000	30,000	Portable/Mobile technology	Replace some laptops with Surface Pros, Mobile Tech	Technical Support for the Community College	No
IS-CTE	IMO	5070	5630	30,000		30,000	Laptops and PC for IMO labs	replace computers at IMO Labs	Technical Support for the Community College	No
IS	IS	5070	5635	17,000	18,000	20,000	Commvault	Yearly Maintenance Contract	Technical Support for the Community College	No
IS-CTE	ATO	5070	5635		7,500		CDX Online Training 2 Years Fee	2 Years Fee	Technical Support for the Community College	No
IS-CTE	CON	5070	5635		5,000		Enroute Pro Software	5 more seats due to increased enrollment	Technical Support for the Community College	Yes
IS	IS	5070	5635	15,000	15,000	15,000	Adobe Licensing	Necessary software.	Technical Support for the Community College	No

**Northland Pioneer College
Capital Budget
FY1718-1920**

Sorted by Division

Div	Dept	Dept #	Object Code	FY1718 Budget Request \$	FY1819 Budget Request \$	FY1920 Budget Request \$	Description of Capital Item(s) Requested	Justification for Request	SPASC Initiative & Priority	Postponed? Y/N
IS	PAD	5700	5316	24,000	-	-	Konica Minolta Copier Lease	Old Copier at end of life was replaced with new to continue professional production for our staff and students	Technical Support for the Community College	No
IS	PAD	5700	5645	10,000	5,000	5,000	Replacement of aging and broken equipment	To maintain a professional print production for staff and students	Technical Support for the Community College	No
IS			IS Total	2,506,500	2,003,500	1,683,500				
CTE	ATO	1110	5645	22,000	-	-	Three Scanners	Keep to Current Industry Standards	Remove Student Barriers	N
CTE	ATO	1110	5645	8,000	-	-	Air Compressor	Replacement of Current One	Remove Student Barriers	N
CTE	ATO	1110	5645	20,000	-	-	2007 & Up Cars	Keep to Current Industry Standards	Remove Student Barriers	Y
CTE	ATO	1110	5645	-	-	20,000	Two Twin-Post Largere Truck Lifts	Keep to Current Industry Standards	Remove Student Barriers	N
CTE	ATO	1110	5645	-	20,000	-	4 Top and Bottom Toolboxes Complete W/Tools	Increase in Student Enrollment	Remove Student Barriers	N
CTE	ATO	1110	5645	-	25,000	-	One 2010 or Newer Diesel Truck	Keep to Current Industry Standards	Remove Student Barriers	N
CTE	ATO	1110	5645	-	-	25,000	One 2015 or New Hybrid	Keep to Current Industry Standards	Remove Student Barriers	N
CTE	MET	1156	5645		17,500		Electronic Station	Keep to Current Industry Standards	Remove Student Barriers	N
CTE	MET	1156	5645			18,000	Hydarulic Trainer	Keep to Current Industry Standards	Remove Student Barriers	N
CTE	MET	1156	5645			38,000	Fanuc Robot	Student Certification	Remove Student Barriers	N
CTE	WLD	1170	5645	42,000	44,000	44,000	Welding Machine	Replace Worn Machines as Part of Facility Maintenance	Remove Student Barriers	N
CTE	WLD	1170	5645	6,000			One Metal Brake	Provide New and Different Technology to Welding Students	Remove Student Barriers	Y
CTE	WLD	1170	5645		17,000		WMC-Plasmacam, to include Plasma Cutter & Software	Teaches Students Automation in Fabrication	Remove Student Barriers	Y
CTE	WLD	1170	5645		21,000		3-Ridgit Pipe Bevel with Consumables, One for Each Location	Intruduces Students to New Technology Used in Industry, Improves Efficiency	Remove Student Barriers	Y
CTE	WLD	1170	5645	39,000			3-Cutting/Weld Talbe W/Hardware	Provides new and Different Techonlogy to Welding Students	Remove Student Barriers	Y
CTE	WLD	1170	5645		13,000		PDC Heavy Wire FCAW Welding Machine	Intruduces Students to New Technology Used in Industry, Improves Efficiency	Remove Student Barriers	N
CTE	AJS	1205	5645	-	-	20,000	Wrestling Mats	Replacements	Remove Student Barriers	N
CTE	FRS	1336	5645	35,000	-	-	Bullex Natural Gas Vehicle Fire Training Prop w/Integrated Smoke & Sound Effects Option	Provides secondary fire prop for extended attack.	Remove Student Barriers	N

**Northland Pioneer College
Capital Budget
FY1718-1920**

Sorted by Division

Div	Dept	Dept #	Object Code	FY1718 Budget Request \$	FY1819 Budget Request \$	FY1920 Budget Request \$	Description of Capital Item(s) Requested	Justification for Request	SPASC Initiative & Priority	Postponed? Y/N
CTE	FRS	1336	5645		28,000		Bullex Natural Gas Pressure Vessel Fire Training Prop	Provides secondary fire prop for extended attack.	Remove Student Barriers	N
CTE			CTE Total	172,000	185,500	165,000				
NUR	NUR	1375	5645	15,375	5,125		Replacement of Moderate Fidelity Mannequins at \$5,125 each at both sites	Need replacement of moderate fidelity mannequins at both sites	Remove student barriers to current Industry standards.	N
NUR	NUR	1375	5645	6,000			Birthing Bed WMC	Current bed is 20 years old	Remove student barriers to current Industry standards.	N
NUR	NUR	1375	5645	13,000			Headwall Package WMC	Realistic simulation capability and lab practice for additional patient care units	Remove student barriers to current Industry standards.	N
NUR	NUR	1375	5645		5,000		Neonatal Warmer	Realistic simulation capability and lab practice	Remove student barriers to current Industry standards.	N
NUR	NUR	1375	5645			10,000	Simpads	Realistic simulation capability and lab practice	Remove student barriers to current Industry standards.	N
Nursing			Nursing Total	34,375	10,125	10,000				
Total NPC Annual Capital				5,369,100	4,850,000	4,850,000				

Request to Approve Employee Benefit Trust Agreement

Recommendation:

Staff recommends approving the updated trust agreement and appointing COO Foutz as Trustee representing NPC.

Summary:

This year, the Trust began to seek out other government entities to participate in the trust. To help relieve some confusion in that process, the trustee's felt that the name needed to be changed from Navajo County School's Employee Benefit Trust to Mountain Public Employee Benefit Trust. As part of the trust agreement, the board must approve the trustee representing the college.

**INTERGOVERNMENTAL AGREEMENT AND DECLARATION OF TRUST
MOUNTAIN PUBLIC EMPLOYEE BENEFIT TRUST**

AS AMENDED AND RESTATED AS OF July 1, 2017

THE INTERGOVERNMENTAL AGREEMENT AND DECLARATION OF TRUST MOUNTAIN PUBLIC EMPLOYEE BENEFIT TRUST (the “Trust Agreement”) is amended and restated this 1st day of July, 2017, (the “Restatement Date”), between the Governing Boards of the Participating Entities (the “Participating Entities”) and certain appointed persons, hereinafter referred to as the “Trustees” who shall hereinafter comprise the Board of Trustees, to administer the Trust in accordance with the terms and provisions of this instrument.

WITNESSETH:

WHEREAS, in 1976, the Participating Entities entered into a program of providing and maintaining health and welfare benefits for certain Employees of the Participating Entities and the Employees’ eligible, enrolled family members, hereinafter referred to as “beneficiaries;” under a trust originally named as the Navajo County Schools Employee Benefit Trust, and

WHEREAS, the program is to be administered by the Trustees pursuant to Arizona Revised Statute (A.R.S.) § 11-952.01 as set forth herein; and

WHEREAS, to effect the aforesaid purpose, it was mutually desirable by and between the Participating Entities and Trustees to declare and create a Trust which established a Trust Fund for and in the manner more particularly set forth in the original Trust Agreement; and

WHEREAS, the Participating Entities and Trustees accept the Agreement and Declaration of Trust and agreed to be bound by the provisions thereof; and

WHEREAS, the Participating Entities and Trustees have from time to time amended the original trust agreement and desire to do so again; including a change in the name of the trust and the changes have become so numerous that the Participating Entities and Trustees have elected to restate the entire Trust Agreement;

NOW THEREFORE, in consideration of the promises, covenants, agreements, terms, obligations and duties herein set forth, it is understood and agreed as follows:

**ARTICLE I
DEFINITIONS**

The following terms and phrases as used herein are and shall be defined as stated within this Article:

1.01 The phrase “Health and Welfare Program” shall mean the plan of benefits established by the Trustees pursuant to the Agreement

1.02 The phrase “Plan Document” shall mean the written instrument describing the plan of benefits, exclusions, eligibility requirements, enrollment requirements, termination provisions, and all other applicable provisions relative to administering the Health and Welfare Program.

1.03 The term “Employee” shall mean all persons who have met the eligibility requirements as defined in the Plan Document and who have properly enrolled for and made any applicable contributions for coverage under said Health and Welfare Program, and who are not eligible for benefits under any other Health and Welfare Program to which Participating Entities make contributions.

1.04 The phrase “Trust Agreement” shall mean and refer to the Agreement and Declaration of Trust and any modifications or amendments thereto, including this Restatement.

1.05 The term “Fund” shall mean the Trust Fund created by the Agreement, and shall mean generally the monies, property, contracts, or things of value, tangible or intangible, received and held by the Trustees for the uses, purposes, and Trust set forth herein, and those things of value which comprise the corpus and additions to the Fund,

1.06 The term “Trustees” shall mean the Trustees and any successors, who are the representatives of the Participating Entities as provided for in the Agreement.

1.07 The name of this Trust is and shall be “Mountain Public Employee Benefit Trust.”

1.08 The phrase “Entity Contributions” shall mean the contributions made by the Participating Entities to the Fund for the Health and Welfare Program.

1.09 The phrase “Employee Contributions” shall mean the contributions made by the Employees on behalf of themselves and/or their beneficiaries to said Fund.

1.10 The phrase “Participating Entity” shall mean any public agency organized and existing under the laws of the of the State of Arizona, including but not limited to, school districts, fire districts, cities, towns, all municipal corporations, any departments, agencies, boards and commissions of the State of Arizona and any other political subdivisions of the State of Arizona, which has elected to participate in the Health and Welfare Program, and which the Board of Trustees has by a simple majority vote, accepted as a participating member, subject at all times to Section 4.01 of this Trust. As of the effective date of this Restatement, the Participating Entities are stated in Exhibit B to this Trust Agreement. Exhibit B may be revised from time to time to reflect the current Participating Entities as further stated herein.

ARTICLE II
PURPOSE OF TRUST
PURPOSE OF TRUST AND APPLICATION OF THE FUND

2.01 **FUND.** There is hereby declared and created the Mountain Public Employee Benefit Trust: to establish a Trust Fund for the purposes of a Health and Welfare Program to jointly purchase life insurance, disability insurance, accident insurance or health benefits plan insurance, to pool retention of their risks of loss for life, disability, health or accident claims, or to jointly

provide the health and medical services authorized in Arizona Revised Statutes (A.R.S.) § 36-2907. Benefits may include but are not limited or restricted to Life, Accidental Death and Dismemberment, Weekly Income, Long Term Disability, Basic and/or Major Medical coverage for accidents or sickness, dental, and any other benefits as determined by the Trustees for Employees and their beneficiaries; whether through self-funded or insured programs or both. The Trustees shall have the power to enter into contracts, procure insurance policies, or provide such benefits through self-funding and to place into effect and maintain the desirable provisions within the Plan Document.

2.02 PRINCIPAL OFFICE. The Trust shall have its principal office in the municipality in which the Chairman Trustee is employed provided that such city is in the State of Arizona, such location is hereinafter designated and referred to as Principal Office. The Trustees may elect to change the Principal Office as necessary.

ARTICLE III TRUSTEES AND SUCCESSOR TRUSTEES

3.01 COMPOSITION. The Board of Trustees shall consist of at least three (3) persons but no more than fifteen (15) persons. At least three (3) persons must be elected officials or employees of Arizona public entities. The members of the Board of Trustees may also serve as Governing Board members of a Participating Entity, or may be Administrators, Faculty, or other Employees of a Participating Entity, but such individuals will preferably be part of a Participating Entity's Administration. No more than one Trustee may be a member of the Governing Board from each Participating Entity.

3.02 APPOINTMENT. Participating Entities as of the Restatement Date have appointed a Trustee to the Board of Trustees. These Participating Entities, as further designated on Exhibit B, shall retain the right to appoint a Trustee to the Board of Trustees and to remove and replace its representative Trustee. Participating Entities that are admitted as new participant after the Restatement Date may be permitted upon a majority vote of the Board of Trustees to appoint a Trustee. The appointment of a Trustee must be approved by the respective Trustee's Participating Entity's Governing Board. Each appointed Trustee shall accept this Agreement and agree to be bound by the provisions contained herein by executing a signature page to this Agreement. The Chairman of the Board of Trustees is authorized to update this Agreement to include and reflect the current Participating Entities.

3.03 TERM. Each Trustee shall hold the office of Trustee at the pleasure of the Participating Entity's Governing Board which appointed that Trustee.

3.04 CHAIRMAN'S TERM. An organizational meeting of the Board of Trustees shall be held at the first of each fiscal year for the purpose of selecting a Chairman. The Trustees appointed under Section 3.01 above shall, by majority vote, select a Chairman of Trustees. The Chairman Trustee may resign or be removed at any time by a majority vote of the Trustees.

3.05 SUCCESSOR TRUSTEE. A Trustee may resign or be removed by the Participating Entity's Governing Board at any time. In the event of resignation or removal of a Trustee, the

Participating Entity's Governing Board shall designate a successor for such Trustee, who shall be appointed by the respective Participating Entity's Governing Board, and who upon acceptance of his/her appointment, shall succeed to the legal interest of his/her predecessor and have the same powers and duties.

3.06 SUCCESSOR'S LIABILITY. No successor Trustee shall be liable or responsible for any acts or defaults of his/her predecessor, or for any losses or expenses resulting from or occasioned by anything done or neglected to be done in the administration of the Fund or Trust prior to his/her appointment as Trustee, nor shall he/she be required to inquire into or take any notice of the prior administration of the Fund or Trust. A Successor Trustee is solely responsible for his/her actions as set forth herein.

3.07 ACCEPTANCE. The Trustees, by signing their signatures to this Agreement and Declaration of Trust, hereby accept the Trust and Trusteeship and declare they will receive and hold the Fund by virtue of this Trust Agreement for the uses and purposes and with the powers and duties herein set forth and none other. The Trustees shall faithfully keep and hold any and all monies they receive as Trustees for the purpose of the Trust and keep adequate and proper records thereof.

3.08 COMPENSATION. The Trustees shall receive no monetary compensation for their services rendered except for actual, reasonable expenses incurred.

ARTICLE IV POWERS AND DUTIES OF TRUSTEES

4.01 PROSPECTIVE ENTITIES. A public agency desiring membership in the Trust may petition the Board of Trustees to join. The Board of Trustees, in a regular convened meeting, may extend an invitation for membership by a simple majority vote. If appropriate, the Board of Trustees will also extend an invitation to appoint a Trustee to the newly Participating Entity. The new Participating Entity must pay to the Fund an amount based upon a calculation as determined by the Board of Trustees. Such amount shall be payable in a manner as determined by the Trustees on or before the effective date of joining the Trust. Failure to pay such amount shall forfeit the Entity's participation in the Trust. After proper payment, the new Participating Entity shall sign a participation amendment substantially in the form as provided in Exhibit A and which shall be added to this Agreement. The Chairman of the Board of Trustees shall repeal the currently effective Exhibit B by signing and dating Exhibit B as indicated on that Exhibit and shall place the repealed Exhibit A in the books and records of the Trust. The Chairman of the Trustees shall prepare a new Exhibit B with the new Participating Entity and a restatement of the current Participating Entities, and shall sign and date the new Exhibit A. Each current Exhibit A and B shall be attached to this Agreement.

4.02 DUTIES. The Trustees shall hold, manage, care for and keep the Fund and collect the income and increments thereof, and shall keep and maintain adequate and proper records to render an annual audit, accounting and reports as hereinafter required. The Trustees shall employ or hire such agents, attorneys, accountants, actuaries, auditors, private consultants, advisors, employees or other persons as may be necessary or desirable in administering the Fund and carrying out its

purposes and the compensation of any and all such persons shall be paid from the Fund. When acting upon the advice of counsel for the Trust, the Trustees shall be relieved of all responsibility for acts done or not done. The Trustees may authorize payment of any and all taxes of whatsoever nature the Fund is or may be obligated to pay, and incur any expenses for supplies or other items or anything else believed to be necessary or desirable in administering the Fund and carrying out the objects and purposes of this Trust Agreement. The Trustees may establish offices where necessary in this State, may purchase, lease or rent real or personal property it deems necessary, and may employ necessary staff to carry out the purposes of the Trust. The Trustees shall have all right, power and authority to do all those things which, in the opinion of the Trustees may be necessary or desirable for the administration and operation of and accomplishments of the objectives and purposes of the Fund and this Trust Agreement.

4.03 ASSIGNMENT

The Trustees shall:

- A. Establish terms and conditions of coverage for the Health and Welfare Program including exclusions of coverage.
- B. Ensure that all claims for which each Participating Entity incurs liability during the Participating Entity's period of membership are promptly paid.
- C. Take all necessary precautions to safeguard the assets of the Fund.
- D. Maintain minutes of its meetings.
- E. Designate a Contract Administrator to carry out the policies established by the Board of Trustees and to provide day-to-day management of the Health and Welfare Program and delineate in the written minutes of its meetings the areas of authority it delegates to the Contract Administrator.
- F. Notify the Director of the Arizona Department of Insurance of the existence of this Trust and file a copy of this Trust with the Director and with the Arizona Attorney General.
- G. Obtain an appropriate actuarial evaluation of the claims reserves of the pool including an estimate of the incurred but not reported claims.

The Trustees shall not:

- A. Extend credit to individual members for payment of a premium, except pursuant to payment plans established by the Board of Trustees.
- B. Borrow any monies from the Fund or in the name of the Fund except in the ordinary course of the duties described herein.

4.04 DEPOSITS AND INVESTMENTS. All corpus or portions of the Fund not expended under Article IV may be deposited by the Trustees in the name of the Trust in such depository or depositories as the Trustees shall from time to time select, and any such deposit or deposits should carry or bear interest. The Trustees are empowered to receive for the benefit of the Fund such interest as might accrue on the above deposits. If not so deposited, any accumulated funds not currently required for the purposes of this Trust shall be invested by the Trustees as provided under Article X. 10.01 of this Agreement. The Trust shall maintain claim reserves equal to known incurred losses and an estimate of incurred but not reported claims.

The Trustees may accumulate dividends or experience rating refunds or other monies, if any, accruing from any insurance policy or policies, deposits or investments. Such dividends, refunds or other monies, or all of them shall be held in the Fund, applied to the payment of self-funded claims, the payment of insurance premiums, or held, used or applied as herein set forth.

4.05 WITHDRAWALS. All checks, drafts, vouchers, or other withdrawals from the Fund or depositories and the transfer or liquidating of insurance policies or investments shall first be authorized by the Trustees and then signed by appropriate signatories as determined by the Trustees, except that checks for claims payment under the self-funded benefit provisions of this Trust may be signed by an authorized representative of the Contract Administrator responsible for administering the self-funded benefits.

ARTICLE V TRUST OPERATIONS

5.01 POWERS. The Board of Trustees, in carrying out the purposes of this Trust Agreement, shall have the power and the right to provide the intended benefits under this Trust by means of direct or self-funding by the Trust and/or by the procurement of group insurance contracts (permissible under the laws of Arizona) including group insurance contracts issued to and in the name of the Trust, together with such other forms of contracts issued by qualified insurance companies authorized to do business in the State of Arizona as may be selected for the purpose of providing for all or part of the benefits provided for under this Trust. The Board of Trustees is hereby expressly authorized to pay to any insurance company as may be selected, the required insurance premiums in connection with such group insurance contracts issued to the Trust. Whether benefits are provided by means of direct or self-funding or by the procurement of group insurance, shall be determined by the Board of Trustees.

5.02 MEETINGS. The Board of Trustees shall hold a regular meeting as soon as practical after being appointed and regular meetings shall be held periodically at least once each year after the first regular meeting. All meetings of the Board of Trustees shall be held at such location or locations as designated from time to time by the Trustees. Special meetings of the Board of Trustees may be called by the Chairman. At least seven (7) business days written notice designating the time and place of the annual, regular or any special meeting shall be given to the Trustees.

5.03 ALTERNATE. Any Trustee, or any other person duly authorized in writing by an absent Trustee, may cast a vote on behalf of such absent Trustee. Any such authorization must be given for each meeting.

5.04 QUORUM. To constitute a quorum at any regular or special meeting of the Board of Trustees, there must be present in person at least a majority of Trustees, or if a Trustee cannot be present, an Alternate Trustee appointed by the Governing Board of the Participating Entity may serve as that Entity's Trustee for that meeting.

5.05 VOTING. Upon acknowledgement of a motion before the Board of Trustees, a second for the motion, and conclusion of any discussion, each Participating Entity shall cast one (1) vote. A majority vote of the quorum present shall pass the motion.

5.06 FISCAL YEAR AND AUDIT. The accounting year of the Fund shall be on a fiscal year basis, commencing on the first day of July and ending on the last day of June of the following year and similarly each and every year thereafter. Any report required by law, city, county, state, or federal government, or the respective subdivisions thereof, shall be made by the Board of Trustees or their designee(s). The Board of Trustees shall have an annual audit and accounting of the Trust Fund by an independent Certified Public Accountant in accordance with good accounting practices, at the end of each fiscal year. The CPA shall certify to the accuracy of his/her audit and accounting. A statement of the results of each audit shall be available for inspection by authorized persons at the Principal Office of the Trust. Copies of the audit shall be delivered to the Trustees, to the Governing Board or Chief Executive Officer of each member of the Trust and to the Director of the Arizona Department of Insurance after each audit or at times when necessary. Should the Trust be fully insured, annual statement of benefits, premiums reserves, and claims costs as certified by the underwriter, will suffice for this fiscal requirement.

5.07 RULES AND REGULATIONS. The Board of Trustees shall have the power to adopt rules and regulations for the administration of the Fund and/or Trust, which rules and regulations shall be consistent with covenants, terms, conditions, obligations and duties as set forth in this Trust Agreement, and such rules and regulations shall be binding upon all persons dealing with the Fund and upon any and all persons claiming any benefits hereunder.

5.08 BONDS. The Board of Trustees shall procure fidelity bonds for the Trust and persons authorized to receive, handle, deal with or draw upon the monies in the Fund for any purpose whatsoever. The bonds are to be in such amount to reasonably aid in reimbursing bondable loss of money, and shall meet the requirements of applicable United States or State law. The bonds will be obtained from a reputable fidelity or surety company or companies as the Trustees shall determine. If convenient, and in conformity with the law, the premium for such bonds may be paid out of the corpus or income of the Fund. If any fidelity or surety company refuses to bond or write a bond for any member of the Board of Trustees, or other persons as described in this section, said Trustee or person shall not serve and shall resign or be discharged.

5.09 DEFENSE. The Trustees shall institute, prosecute, maintain, or defend any proceeding at law or in equity concerning the Trust Fund or the assets thereof, at the sole cost and expense of the Trust Fund, and are authorized to compromise, settle, and adjust any claims and liabilities asserted

against or in favor of the Trust Fund or of the Trustees, but the Trustees shall be under no duty or obligation to institute, maintain, or defend any action, suit, or other legal proceeding unless the Trust shall have been indemnified to its satisfaction against any and all loss, cost, expense, and liability it may sustain or anticipate by reason thereof.

ARTICLE VI CONTRIBUTIONS TO THE FUND

6.01 ENTITY CONTRIBUTIONS. In order to effectuate the purpose hereof, each Participating Entity shall contribute to the Fund an amount determined by the Board of Trustees, for each Employee and his/her covered dependents, to be necessary to pay for the benefits provided hereunder. Such contributions shall be based upon the applicable rate and applied to each Employee of the Participating Entity. If both persons, as spouses, are Employees of a Participating Entity, the Participating Entity shall pay the Employee coverage rate for both as Employees. The Participating Entity's Contribution shall be due and payable as determined by the Trustees.

6.02 ENTITY CONTRIBUTIONS ARE NOT WAGES. The Participating Entity Contributions to be paid into the Fund shall not constitute or be deemed wages due to Employees nor shall the Participating Entity contributions in any manner be liable for or subject to the debts, contracts, or liabilities of the Participating Entity. Neither the Participating Entity or any Employee, nor any covered dependent under the Health and Welfare Plan shall have any rights, title, or interest in the Fund, except as otherwise specifically provided herein.

6.03 EMPLOYEE CONTRIBUTIONS. Employees will be required to contribute to the Fund on behalf of themselves and/or their covered dependent an amount determined by the Board of Trustees to be appropriate for the benefits to be provided hereunder. All Employees' contributions shall be due and payable as determined by the Trustees.

6.04 PAYMENT IN LIEU OF BENEFITS. No Employee shall have any right to receive any part of his/her own or the Participating Entity's contributions paid to him in lieu of benefits.

6.05 PAYROLL DEDUCTIONS. All Employees' contributions paid by payroll deductions shall be remitted by the Participating Entity to the Fund.

6.06 PAYMENT. All contributions shall be payable to the name of the Trust, and shall be paid in the manner and form determined by the Board of Trustees.

6.07 REPORTS. The Participating Entity shall make all reports required by the Trust. The Board of Trustees may at any time have an audit made by an independent Certified Public Accountant of the wage records of the Participating Entity in connection with their contribution and/or reports.

6.08 IRREVOCABILITY OF CONTRIBUTIONS. Subject to the provisions for termination of the Trust Agreement in Article XIV, all contributions to the Fund shall be irrevocable, and under no circumstances shall any monies properly paid into the Fund, or any part of the Fund, be recoverable by or payable to the Participating Entity or any Employee, nor shall any of the same be

used for or diverted to purposes other than for the Health and Welfare Program for Employees and covered dependents provided hereunder.

ARTICLE VII PAYMENT OF BENEFITS

7.01 **METHOD OF PAYMENT.** The Trustees shall arrange for the disbursement of benefits under the Health and Welfare Program through an insurance company or if self-funded, through a Contract Administrator appointed by the Board of Trustees.

7.02 **PROTECTION OF EMPLOYEES.** Prior to payment to an Employee or his/her covered dependent, all assets of the Trust shall be owned by the Trust and shall not be liable in any way for any debt or obligation of any Employee or the Participating Entity. To the extent permitted by law, all Trust benefits shall be exempt from attachment, garnishment, levy of execution, bankruptcy proceedings, or other legal process while at any time subject to the Trustee's possession and control; but in any event such assets shall be subject to such process only to the extent of such Employees' benefits hereunder as they fall due.

7.03 **CLAIM TO BENEFITS.** No Employee or covered dependent shall have any right or claim to benefits under the Health and Welfare Program except as specified in the policy or policies or contract or contracts or self-funded benefits procured or entered into pursuant to Articles II and V. Any disputes as to eligibility time, amount or duration of fully-insured benefits shall be resolved by the appropriate insurance carrier or Contract Administrator, under and pursuant to the policy or contract; and the Employees or covered dependents shall not have any right or claim in respect thereto against the Fund, Trustee, or Board of Trustees. Any dispute as to eligibility, type, amount, time or duration of benefits provided by the Fund as self-funded, shall be decided by the Board of Trustees, and all disputes shall be finally settled pursuant to Article VIII.

7.04 **FAILURE TO PAY BENEFITS.** The Participating Entity, its Governing Board and the Trustees shall not be liable for the failure or omission, for any reason to pay any benefits under the Health and Welfare Program. If for any reason including, but not limited to, epidemics, catastrophes, or normal depletion, the Board of Trustees determines that self-insured funds are insufficient to pay the current claims, the amount of benefits payable to an eligible Employee or covered dependent shall, in all events, be limited to the extent that sufficient self-insured funds are available to the Board of Trustees for the payment of all such claims; and in such event, benefit payments to such eligible Employees or covered dependents shall be limited to the extent that sufficient funds are available from the Trust Fund, and shall be further prorated in such amounts that all such claims shall be treated proportionately equal to the ratio that such total claims bear to the funds that are available for such payment. If the Board of Trustees determines that the Fund is insolvent or is otherwise found to be unable to discharge its legal liabilities and other obligations, the Participating Entities shall be assessed on a pro-rata basis as calculated by the amount of each Participating Entity's annual contribution in the year of assessment in order to satisfy the deficiency, but no such assessment shall exceed the amount of each Participating Entity's annual contribution to the Trust. If any controversy or dispute exists concerning such matters, all disputes or controversies shall be settled by the dispute provision contained in Article VIII.

**ARTICLE VIII
CONTROVERSIES AND DISPUTES**

8.01 DISPUTE. In the event there shall be any disagreement between the Trustees and the Contract Administrator over exercise of powers granted herein, the Trustees shall prevail, and the Contract Administrator shall have no liability to any person with respect to such act or omission in the event it shall give notice in writing of its dissent from such act to the Trustees and to the Participating Entity

8.02 POWER TO CONSTRUE. The Board of Trustees shall have the power to construe, interpret and apply the provisions of this Agreement and Declaration of Trust or any amendments, rules or regulations adopted hereunder, and the terms used herein and any construction, interpretation or application adopted in good faith shall be final and binding upon the Participating Entity and Employees and their covered dependents, successors, assigns, executors, administrators, and/or legal representatives.

8.03 BENEFITS CLAIM SETTLEMENT. The Board of Trustees may, in its sole discretion, compromise or settle any claim, liability or controversy in such manner as it thinks best, and any decision made by the majority of the Board of Trustees in compromise or settlement agreement entered into by the Board of Trustees shall be conclusive and binding upon all parties interested in this Fund.

**ARTICLE IX
RESPONSIBILITY**

9.01 RESPONSIBILITY. The Trustees shall only be responsible for monies when and only after such are received in accordance herewith. The Board of Trustees and any Trustee shall only be responsible for any liability arising from its respective gross negligence, bad faith or willful misconduct in handling of the monies actually received in hand by it for execution and administration of the terms of the Fund. No Trustee shall be responsible for the actions or omissions of his/her Successors, nor for the actions or omissions of other agents, or for any of the actions or omissions of any insurance company or its agents, servants, or representatives, including, but not limited to nonpayment of claims by an insurance company or insurance companies for any reason. No Trustee or Successor Trustee shall be entitled to any indemnification or court costs or attorneys' fees for any liability arising from his/her own willful misconduct, bad faith or gross negligence.

9.02 INSURANCE COMPANY. No insurance company which may issue any policies or contracts for the purpose of fulfilling the terms of this Agreement shall be deemed to be a party to this Trust Agreement, nor shall it be responsible for the validity of this Trust Agreement, nor is this Trust Agreement in any manner for the benefit of any insurance company or companies. No insurance company shall be required to look into the terms of this Agreement, or to question the authority of or action of the Trustees, or be responsible to verify that any action of the Trustees is authorized by the terms of this Agreement

9.03 OTHER PERSONS AND INTERPRETATIONS. No person who is dealing with the Trustees shall be obligated to see to the application of any monies or property of the Fund, or to see that the terms of this Trust Agreement have been complied with, or to inquire as to the necessity or expediency of any act of the Trustees. Every instrument executed by the Trustees or at their direction shall be conclusive in favor of every person who in good faith relies upon it, that (a) at the time of the delivery of the instrument this Trust Agreement was in full force and effect, (b) the instrument was executed in accordance with the terms and conditions of this Trust Agreement, and (c) the Trustees were duly authorized to execute the instrument or direct its execution.

9.04 INDEMNIFICATION. The Participating Entity shall indemnify and hold harmless the Participating Entity's representative Trustee from and against all claims and liabilities, whether or not they proceed to judgment, to which the Trustee may become subject by reason of it having been a Trustee, or by reason of any action alleged to have been taken or omitted by the Trustee. In addition, the Participating Entity shall reimburse the Trustee for all legal and other expenses reasonably incurred by the Trustee in connection with any such claim or liability including reasonable attorneys' fees; provided, however, that the Trustee shall not be indemnified or reimbursed under the foregoing provision in relation to any matter if the Trustee's action or omission constituted willful misfeasance, bad faith, or gross negligence in the conduct of the Trustee's duties.

ARTICLE X INVESTMENTS

10.01 GENERAL. The Trust may enter into financial services agreements with banks and other financial institutions, may issue checks in its own name, and may invest its monies in equity securities, mutual funds, and investment funds registered with the United State Securities and Exchange Commission, debt obligations and any eligible investment permitted by A.R.S. § 35-323, or the Trustees may adopt a resolution authorizing and requesting the Arizona State Treasurer to invest funds for the Trust pursuant to A.R.S.- § 35-326.

ARTICLE XI AMENDMENTS

11.01 POWER TO AMEND. It is anticipated that in the administration of this Trust Agreement, conditions may arise that are not foreseen at the time of execution of this Trust Agreement, and it is the intention of the parties hereto that the power of amendment which is herein granted be exercised in order to carry out the spirit, object and purposes of this Trust Agreement. Therefore, the general power is granted to the Trustees to initiate an amendment to this Trust Agreement. Other than revising Exhibit B (which may be accomplished without approval of the Participating Entity's Governing Boards), such amendment shall be effective upon the majority vote of the Board of Trustees and approval of all of the Participating Entity's Governing Boards. Any such amendment shall be signed by the Trustees and an authorized representative of the Governing Board of each Participating Entity. All parties to the Trust Agreement and all persons claiming any interest hereunder are and shall be bound thereby.

**ARTICLE XII
NON-VESTING OF RIGHTS**

12.01 RIGHTS. No Employee or covered dependent, nor any other person or group nor their respective successors, assigns nor legal representatives shall have any right, title or interest, vested or otherwise, in or to the Fund, Trust, corpus (income or increments thereto), insurance dividends, cash value, if any, of insurance or benefits or monies payable therefrom, payments from the Fund, or in or to the eligibility requirements for benefits as changed or altered. Any participating Employee who withdraws or ceases to participate in the Health and Welfare Program does hereby and shall expressly waive and forfeit any right, title or interest in and to the Fund, its corpus and its assets. No Employee or covered dependent, nor any other person or group or their respective successors, assigns or legal representatives shall have any right in or to the Trust, Fund, corpus, insurance, dividends, cash value, if any, of insurance, interest, income, benefits, or any benefits or money payable therefrom, or anything arising out of or in this Trust during the term of this Agreement and any benefits he/she or they may have is forever terminated and discharged upon the Employee's loss of employment with the Participating Entity (quitting, discharge or otherwise), or when this Trust Agreement is terminated, wound up, and dissolved. No benefit, right or interest, if any, of the foregoing, is transferable or assignable by the Employee to another Employee or person, corporate or otherwise except to physicians, hospitals and any other person, or institutions furnishing medical services within the terms of the Plan Document. No monies, property, or equity, of whatsoever nature, in the Fund, nor insurance policies or benefits or monies payable therefrom, nor investments, nor deposits nor any part or portion of the Fund, shall be subject in any manner by an Employee, or person claiming through such Employee, to ownership, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, garnishment, attachment, execution, mortgage, lien or charge of whatsoever nature or kind, and any attempt to cause the same is and shall be null and void.

**ARTICLE XIII
TERMINATION OF PARTICIPATING ENTITY**

13.01 PROCEDURES. If an individual Participating Entity desires to terminate its membership in the Trust, the following provisions must be met:

- A. The Participating Entity must provide written notification of intent to terminate membership to the Trustees by January 1st of any given year.
- B. Termination would be effective on the Specific Excess Risk Renewal Date (currently July 1), but in no event less than ninety (90) days after receipt of notice of intent to terminate under Paragraph A above.

Permission to terminate membership in the Trust shall be granted at the next regularly convened meeting of the Board of Trustees following receipt of written notification. The minutes of the meeting of the Board of Trustees shall reflect the permission to terminate. Each Trustee shall notify the Participating Entity that appointed that Trustee in accordance with the procedures requested by the Governing Board of the Participating Entity. The Chairman of the Board of Trustees shall revoke the current Exhibit B and shall prepare and adopt a new Exhibit B to reflect

the current Participating Entities. Any executed signature page of a terminated Participating Entity shall be placed in the books and records of the Trust along with the written noticed of intent to terminate.

13.02 **TERMINATING ENTITY’S LIABILITY.** The terminating Participating Entity is not relieved of its liability incurred during its period of membership except through the payment of losses by the Trust or by the Participating Entity. The terminating Participating Entity must pay its share of experience rated deficits, if any, on a per capita basis at the time of its termination. The terminating Participating Entity shall be liable for all expenses and claims incurred through the date of termination and paid after the date of termination (“run-out” claims that are in excess of any per capita reserves held as of the date of termination). The terminating Participating Entity shall assume all liability for it’s totally disabled and continuation of coverage participants. If there are any excess reserves upon withdrawal, the excess reserves shall remain with the Trust. After receiving written notification of termination from the discontinuing Participating Entity, expenses and claims shall be paid as reserves are available or as monies are received from the terminating Participating Entity. Any legal expenses for pursuit of recovery for run-out claims or other expenses shall be borne by the terminating Participating Entity. Once termination is effective, a former Participating Entity may not participate in the Trust for three (3) years unless the Trustees have granted special permission in which case the former Participating Entity may apply for readmission to the Trust under Section 4.01. Grants of readmission are not assured and may be denied at the Board of Trustee’s discretion after duly called meeting and vote.

ARTICLE XIV DURATION AND TERMINATION OF TRUST

14.01 **NOTIFICATION OF TERMINATION.** This Trust Agreement shall continue until terminated as provided herein. Following consultation with the Board of Trustees, this Trust Agreement may be terminated by the Participating Entities’ Governing Boards upon ninety (90) days written notice. Such written instrument must be duly executed by the Participating Entities’ Governing Boards.

14.02 **EMPLOYEE NOTIFICATION.** Upon termination of the Trust in accordance herewith, the Board of Trustees shall forthwith notify all Employees and beneficiaries of each Participating Entity and also all other necessary parties.

14.03 **CONCLUDING THE TRUST.** Notwithstanding any provisions herein concerning the duration and termination of this Trust, the Trust shall continue in existence for so long a period as may be necessary to conclude its affairs; and the Trustees shall continue as Trustees for the purpose of concluding the affairs of the Trust.

14.04 **FUNDS REMAINING.** Upon termination of this Trust, any and all monies remaining in the Fund after the payment of all unpaid claims and/or insurance premiums and other expenses and obligations of the Trust, shall be used for reduction of Participating Entity taxes for the budget year.

14.05 FINAL ACCOUNTING. At such time as the Trust is terminated, the Trustees shall render a final accounting of the affairs of the Trust and the Trust Fund to the Participating Entities' Governing Boards and thereafter there shall be no claim or action against the Trustees and it shall have no further responsibility or duties and it shall be discharged.

ARTICLE XV MISCELLANEOUS

15.01 LAWSUITS. In the event any suit, action or proceeding is brought against the Trust, Trustees, or the Fund, in connection with any matter arising out of the administration of the Trust or Fund or in connection with this Trust Agreement or in connection with any action or omission of the Trustees, or in the event of any suit, action or proceeding is commenced by the Trustees, including but not limited to a request for a judicial settlement of their accounts, a suit for construction, a bill of interpleader, or any other matter relating to the Trust, the Trustees shall have the power and authority to employ counsel to represent the Trust in any such suit, action or proceeding, and counsel fees and all other costs shall be paid from the Fund as long as the Trustees have acted in good faith and not with gross negligence, bad faith, or willful misconduct, it being the intent to indemnify the Trustees against all honest mistakes in judgment and all acts of omissions that are not deliberate or willful violations of the duties of the Trustees. In addition, the Trustees shall have the right to commence and prosecute such suits, actions or proceedings as seem to the Trustees, in their sole discretion and judgment, necessary and proper in order to protect the interest of the Trust and Fund, and, in this connection, the Trustees shall have the same rights and reimbursements for costs concerning the prosecution of such suits as heretofore described in defending lawsuits.

15.02 WORKERS' COMPENSATION. The insurance coverage contemplated by this Trust Agreement shall not apply in any case which is compensable under workers' compensation laws.

15.03 SITUS. The City of Show Low, County of Navajo, State of Arizona shall be deemed the situs of the Fund created hereunder. This Trust Agreement is made, executed and delivered in the State of Arizona and all questions pertaining to validity; construction and administration shall be determined in accordance with the laws of Arizona. The Trustees may change the situs of the Fund as necessary.

15.04 CONSTRUCTION. Wherever any words are used in the Trust Agreement in the masculine gender, they shall be construed as though they were also in the feminine or neuter gender in all situations where they would so apply, and wherever any words are used in the Trust Agreement in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and wherever any words are used in this Trust Agreement in the plural form they shall be construed as though they were also used in the singular form in all situations where they would so apply.

15.05 SEVERABILITY. Should any provision or term in this Trust Agreement be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the provisions herein contained unless such illegality shall make impossible or impractical the functioning of the

Trust. In such case the appropriate parties shall immediately adopt a new provision to take the place of the illegal or invalid provision.

15.06 INTERNAL REVENUE. This Trust Agreement is being entered into and the Participating Entity contributions are being made upon the condition and understanding of the Participating Entity that all payments made by the Participating Entity to this Fund are not taxable to the Employee for compensation. The parties hereto, individually and collectively, agree to take or cause to be taken any and all steps that may be necessary or advisable in order to obtain and maintain a tax-exempt status for this Trust. If any provisions of this Trust Agreement are held to render contributions by the Participating Entity into the Trust taxable to the Employee, or to render income received by such Trust non-exempt from taxation, the necessary steps to remedy such non-deductibility or taxability shall be taken immediately.

15.07 FIDUCIARY LIABILITY. The fiduciary liability and funding of all eligible benefits as determined by the Plan Document shall be the sole responsibility of the Participating Entities in the Trust.

15.08 STOP LOSS PROVISIONS. An integral part of the Trust will be an stop loss insurance. Stop loss coverage will be provided by an authorized carrier licensed to execute contracts in the State of Arizona.

15.09 CAPTIONS. It is understood and agreed that the captions headings are for convenience only and are not and shall not be a part of this Trust Agreement and in no manner whatsoever define, limit or expand any of the terms, obligations or conditions hereof.

15.10 COUNTERPARTS. This Restatement may be signed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. A pdf of a signature page shall have the same force and effect as an originally signed page.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and the Restatement thereof and agrees to be bound by the provisions contained herein.

BLUE RIDGE UNIFIED SCHOOL DISTRICT #32

By: _____
Michael Wright, Superintendent Date _____

BLUE RIDGE UNIFIED SCHOOL DISTRICT #32
hereby appoints Mr. Michael Wright as the District's representative Trustee.

By: _____
Michael Wright, Superintendent Date _____

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for Participating Entity Date _____

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

HEBER-OVERGAARD UNIFIED SCHOOL DISTRICT #6

By: _____
Ron Tenney, Superintendent Date

HEBER-OVERGAARD UNIFIED SCHOOL DISTRICT #6
hereby appoints Mr. Ron Tenney as the District's representative Trustee.

By: _____
Ron Tenney, Trustee Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT

By: _____
Dr. Jean Swarhout, President
Northland Pioneer College

_____ Date

NAVAJO COUNTY COMMUNITY COLLEGE DISTRICT
hereby appoints Mr. Jason Foutz as the District's representative Trustee.

By: _____
Jason Foutz, Trustee

_____ Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity

_____ Date

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

NORTHERN ARIZONA VOCATIONAL INSTITUTE OF TECHNOLOGY

By: _____
Matt Weber, Superintendent Date

NORTHERN ARIZONA VOCATIONAL INSTITUTE OF TECHNOLOGY
hereby appoints Mr. Matt Weber as the it's representative Trustee.

By: _____
Matt Weber, Trustee Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

ROUND VALLEY UNIFIED SCHOOL DISTRICT #10

By: _____
Travis Udall, Superintendent Date

ROUND VALLEY UNIFIED SCHOOL DISTRICT #10
hereby appoints Mr. Travis Udall as the District's representative Trustee.

By: _____
Travis Udall, Trustee Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

SHOW LOW UNIFIED SCHOOL DISTRICT #10

By: _____
Shad Housley, Superintendent Date

ROUND VALLEY UNIFIED SCHOOL DISTRICT #10
hereby appoints Mr. Shad Housley as the District's representative Trustee.

By: _____
Shad Housley, Trustee Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

SNOWFLAKE UNIFIED SCHOOL DISTRICT #5

By: _____
Hollis Merrell, Superintendent Date

ROUND VALLEY UNIFIED SCHOOL DISTRICT #10
hereby appoints Mr. Hollis Merrell as the District's representative Trustee.

By: _____
Hollis Merrell, Trustee Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

YOUNG ELEMENTARY SCHOOL DISTRICT

By: _____
_____ Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date _____

IN WITNESS HEREOF, the undersigned hereby accept the foregoing Agreement and Declaration of Trust and agrees to be bound by the provisions thereof.

NORTHERN ARIZONA CONSOLIDATED FIRE DISTRICT

By: _____
_____ Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity Date _____

Exhibit A
Participation Amendment

WHEREAS, the undersigned has petitioned the Board of Trustees to join the Mountain Public Employee Benefit Trust, and has been provided a copy of the Intergovernmental Agreement and Declaration of Trust, as Amended and Restated July 2017 (“Agreement and Declaration of Trust”); and

WHEREAS, the Board of Trustees has voted to extend an invitation for membership, and

WHEREAS, the undersigned has complied with all requirements, and

NOW THEREFORE, the undersigned, in consideration of the promises, covenants, agreements, terms and obligations set forth in, it is understood and agreed as follows:

That the undersigned hereby accepts the Agreement and Declaration of Trust and agrees to be bound by the provisions thereof as of _____ and appoints the following trustee.

By: _____, _____ Date

The undersigned attorney for the Participating Entity identified above has determined that this Intergovernmental- Agreement and Declaration of Trust is in proper form and is within the powers and authority granted under the laws of Arizona to such Participating Entity.

Attorney for the Participating Entity _____ Date

If Applicable:
_____ hereby appoints _____ as the
_____ representative Trustee.

By: _____, Trustee _____ Date

EXHIBIT B
Statement of Participating Entities
in the
Mountain Public Employee Benefit Trust

The Chairman of the Board of Trustees of the Mountain Public Employee Benefit Trust hereby confirms that the below is a current and correct statement of the Participating Entities as of the date so below stated:

Participating Entities with current Trustee election rights:

Blue Ridge Unified School District No. 32
Heber-Overgaard Unified School District No. 6
Northland Pioneer College
Northern Arizona Vocational Institute of Technology
Round Valley Unified School District No. 10
Show Low Unified School District No. 10
Snowflake Unified School District No. 5

Participating Entities without current Trustee election rights:

Northern Arizona Consolidated Fire District
Young Elementary School District

Effective as of _____.

Attested to as of the Effective Date:

Name: _____, Chairman of the Board of Trustees

Replaced and Restated as of _____

Name: _____, Chairman of the Board of Trustees

2017 Student Marketing Survey

Summary:

The NPC Marketing & Public Relations office conducted a student marketing survey from October 9 through the 31, 2017. 687 students or 23% of NPC's current student enrollment participated. The last student marketing survey was conducted in 2012 and where applicable, this survey's results are compared to the previous results.

2017 results show that NPC students are becoming more and more digitally connected and savvy, even in the most remote communities served by the college. Our students reflect many of the national trends seen by colleges across the country. While the results of the survey are not surprising, the results should be considered and utilized to guide future strategic priorities set by the college.



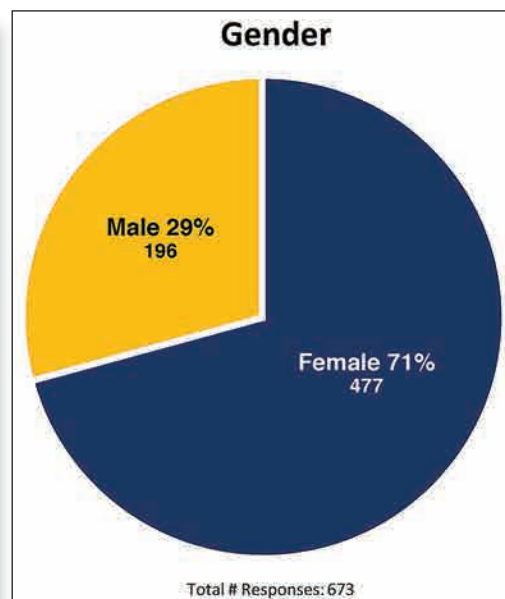
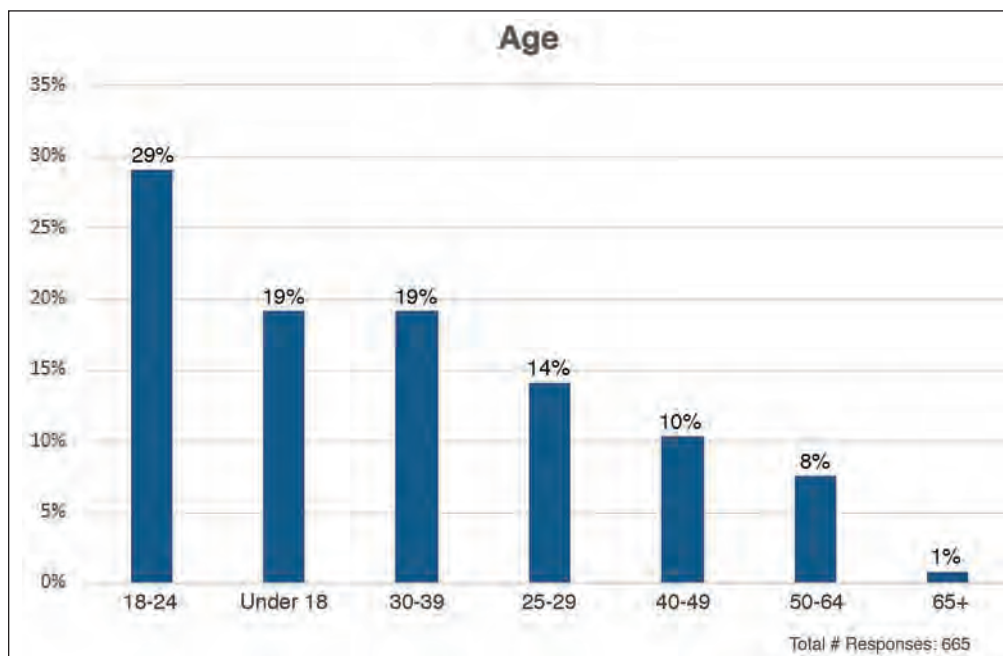
Northland Pioneer College
EXPANDING MINDS • TRANSFORMING LIVESSM

2017 Student Marketing Survey Results

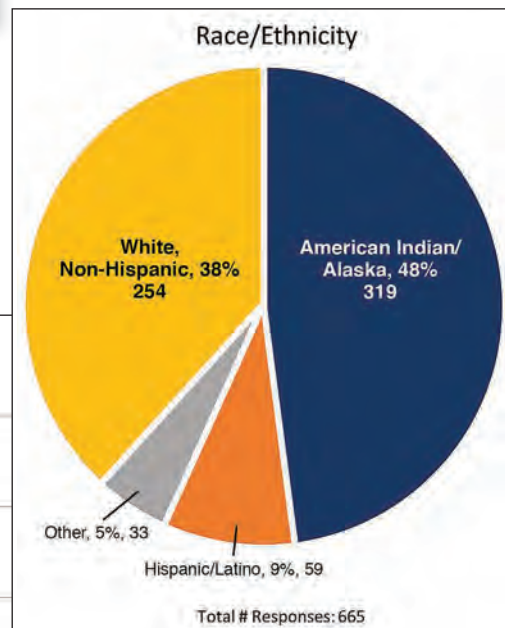
Conducted by the NPC Marketing Office
via online Qualtrics survey
10/9 – 10/31/17

Response Demographics

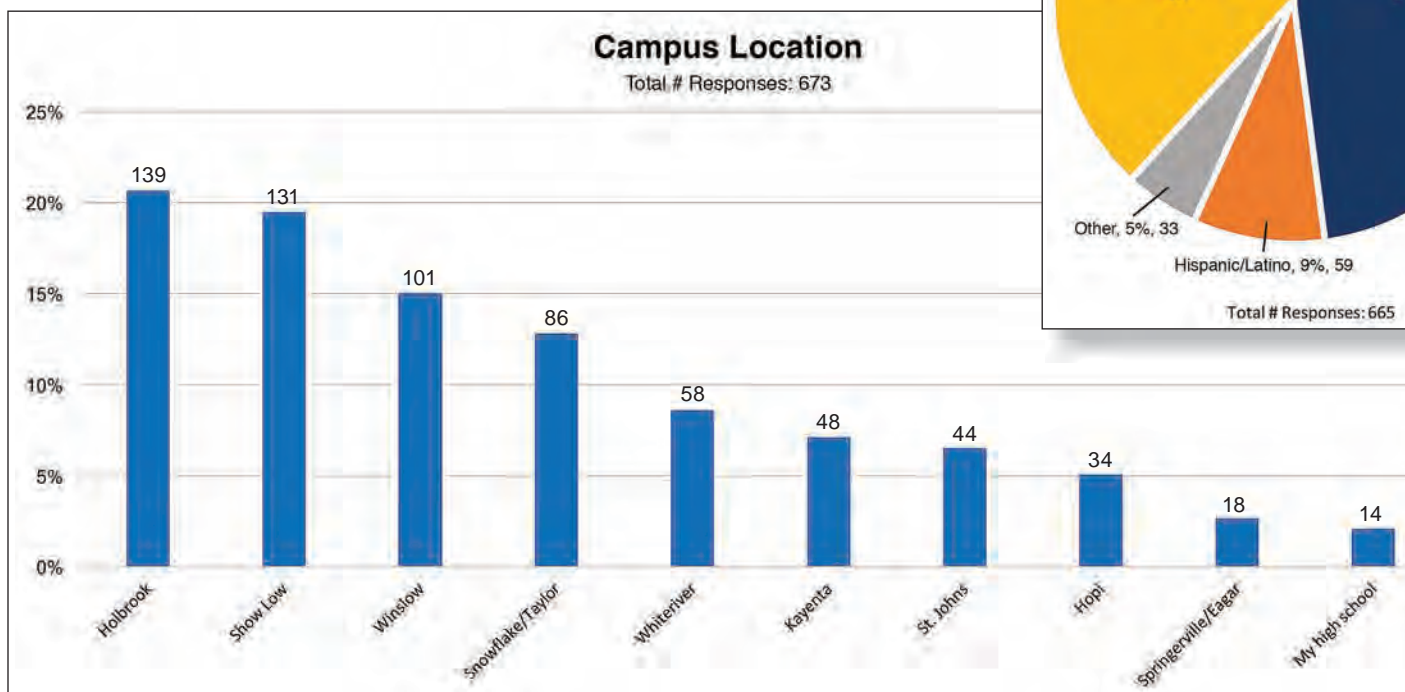
687 students (23% of current student enrollment) took this survey, but not all respondents completed all questions.
Fall 2017 unduplicated student headcount: 3,021.



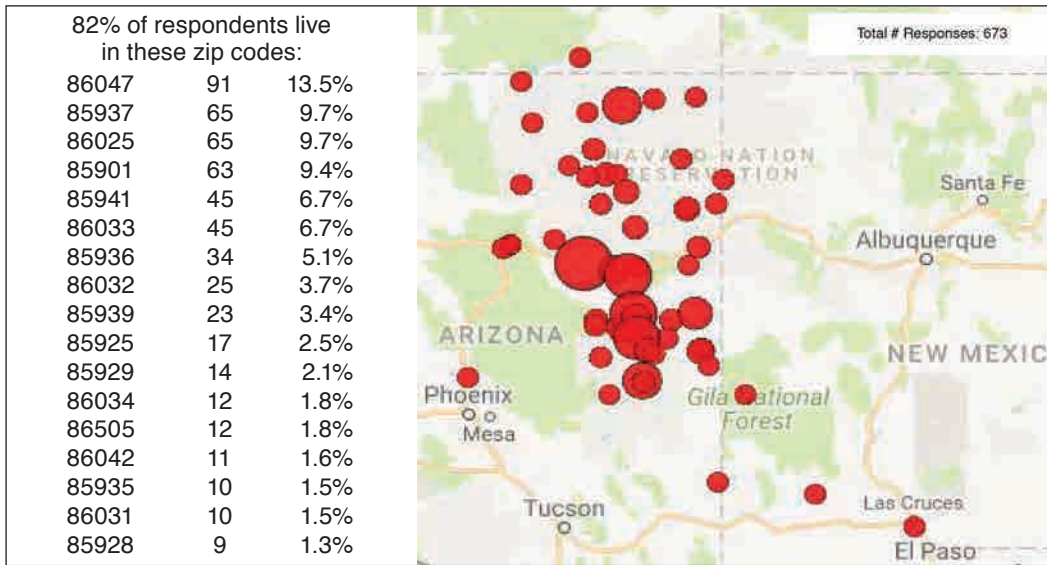
Current Actual 2016-17 NPC Student Demographics (not from survey): 6,121 students enrolled in credit classes | Age: Under 18, 38%; 18-24, 31%; 25-29, 10%; 30-39, 11%; 40-49, 5%; 50-64, 4%; 65+, 1%; Gender: 58% Female, 42% Male | Race/Ethnicity: White, non-Hispanic, 47%; American Indian/Alaska, 33%; Hispanic/Latino, 11%; Other 9%.



What NPC campus/center location do you take classes at MOST often?

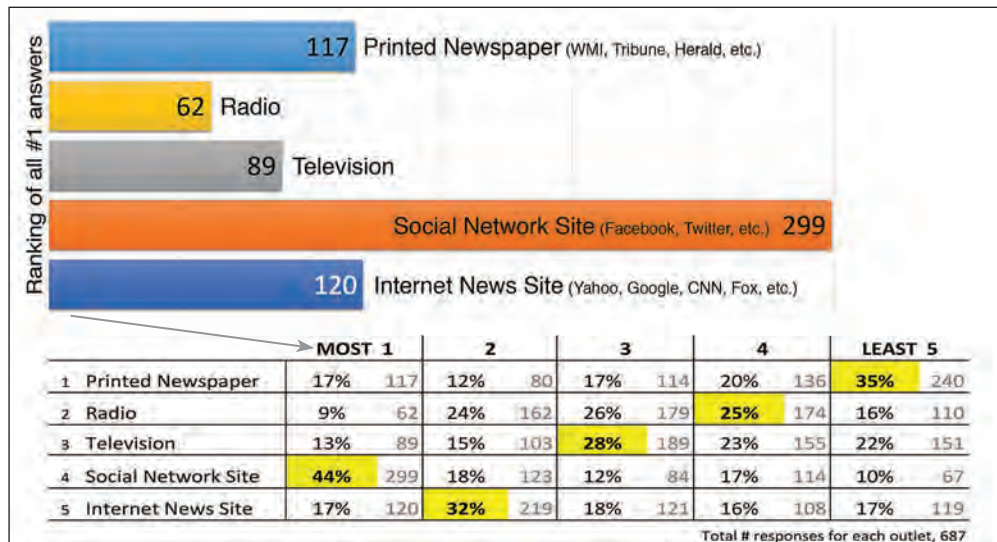


What is the ZIP code of the city/town you currently LIVE in?



Media Questions

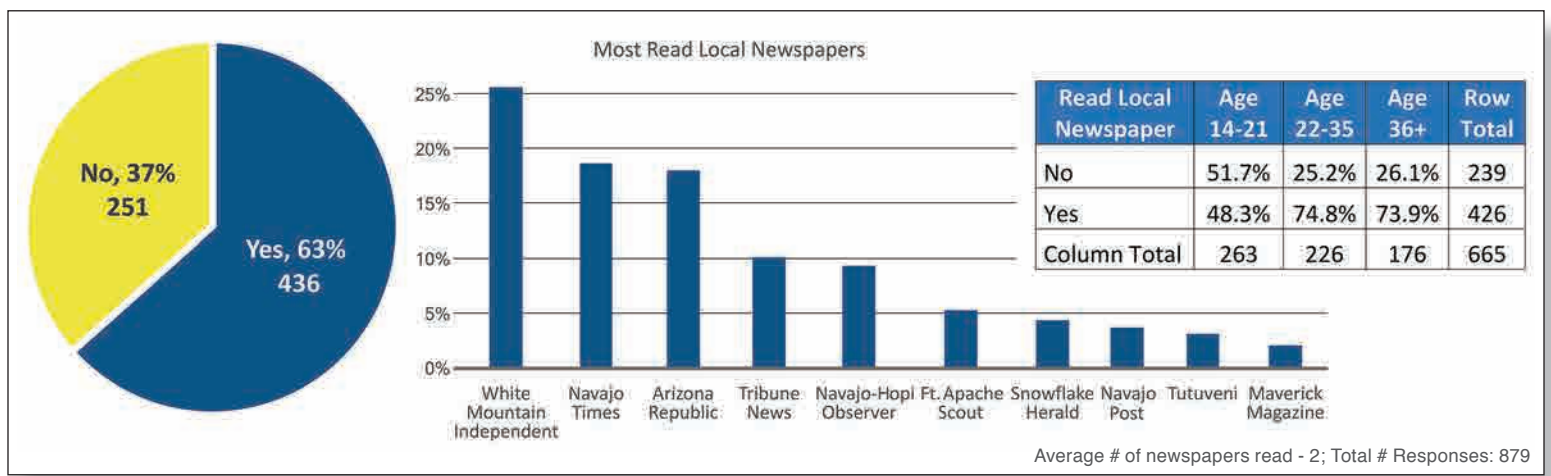
Q1: Rank the way you receive your news and information in order from most used (#1) to least used (#5).



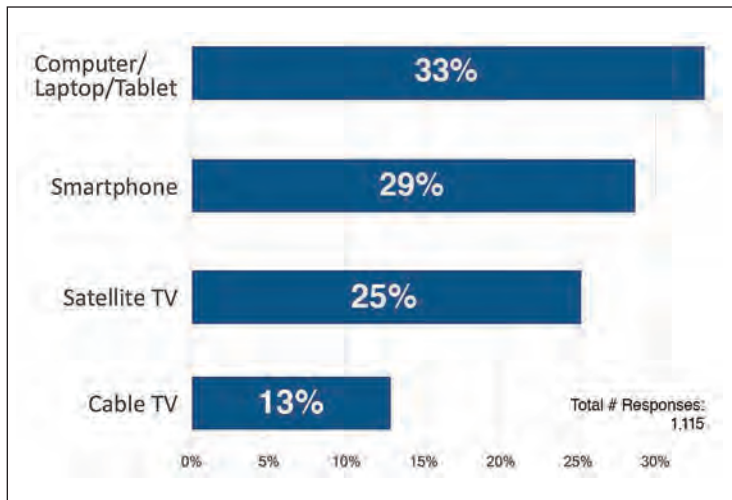
2012 Survey Results

- (1, most used; 6 least used)
1. Television
 2. Internet News Site
 3. Radio
 4. Social Network Site
 5. Printed Newspaper
 6. Online Newspaper

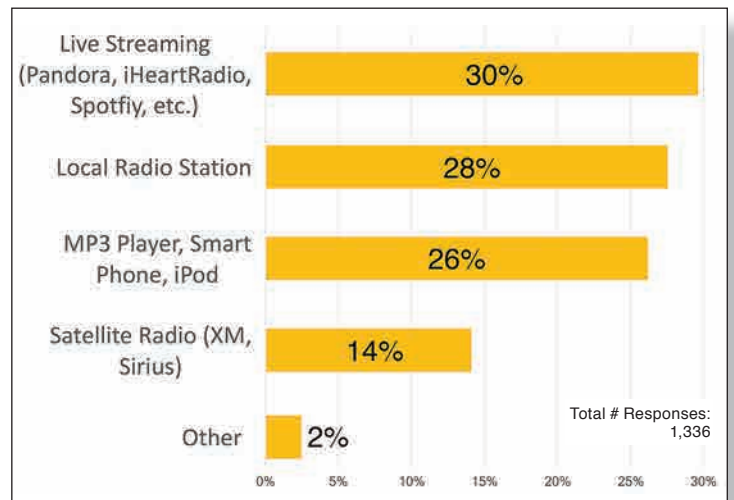
Q2: Do you read ANY local newspapers (print or online)?



Q3: How do you watch TV programs?



Q4: How do you listen to music?



	Age 14-21	Age 22-35	Age 36+
How do you watch your TV programs?			
Cable TV	14.8%	9.7%	15.5%
Satellite	17.7%	27.2%	36.4%
SmartPhone	33.6%	29.5%	17.2%
Computer/Laptop/Tablet	33.8%	33.6%	31.0%

	Age 14-21	Age 22-35	Age 36+
How do you listen to your music?			
Livestream	33.1%	30.1%	22.5%
Satellite Radio	11.0%	16.6%	16.8%
MP3/SmartPhone	31.0%	25.1%	18.1%
Local Radio Station	23.0%	26.2%	38.6%
Other	1.9%	2.1%	4.0%

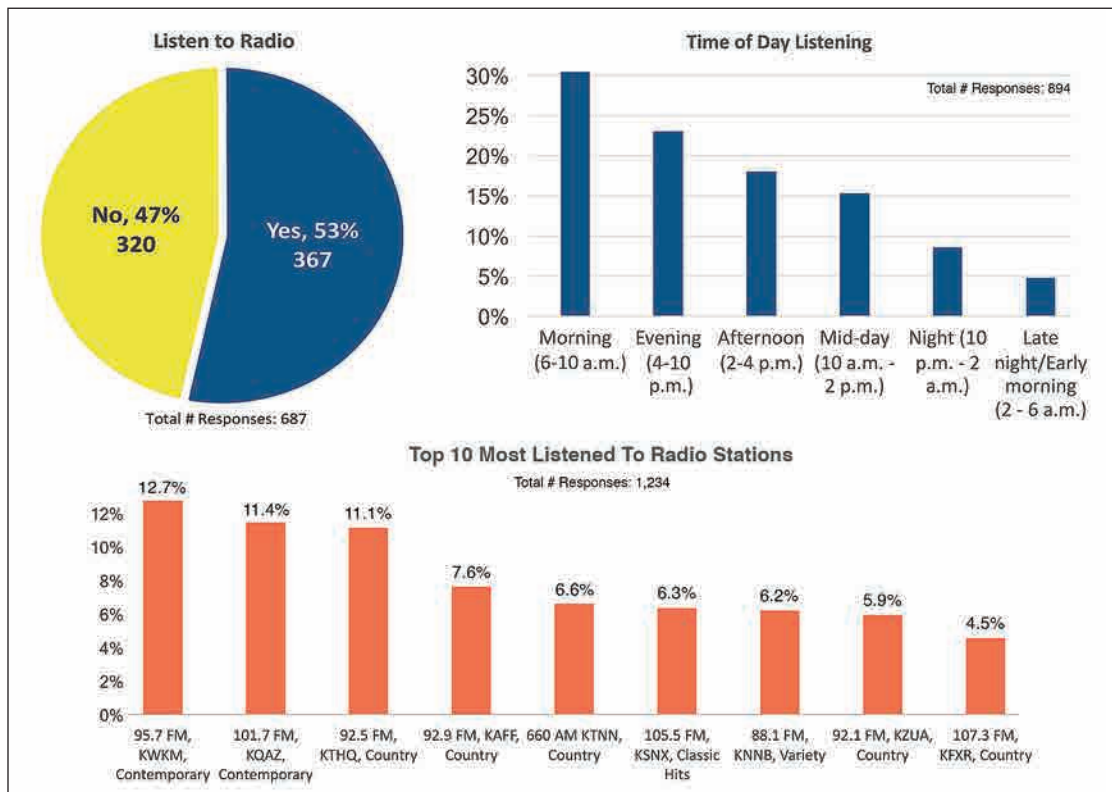
2012 Survey Results

Q: How do you watch TV programs?

- 62% satellite
- 47% cable

Answers are from two different questions.

Q5: What radio stations do you listen to?



367 students indicated they listen to the radio along with other music outlets and 84 of those listen to the radio *only*. The average age of the 367 students is 30 years old. The average age of radio *only* listeners is 39 years old.

2012 Survey Results

Q: Do you listen to the radio?

- 87% yes
- 13% no

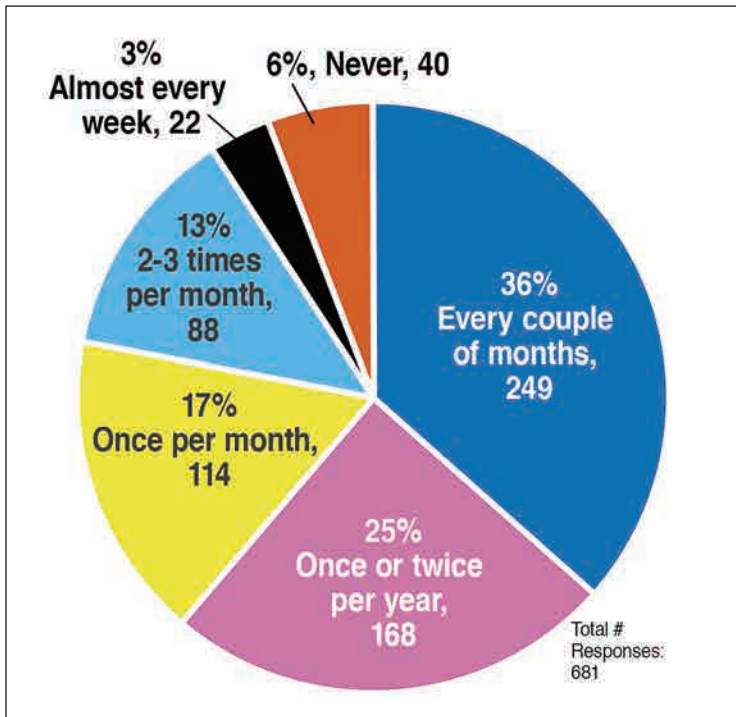
Q: How often do you listen?

- 65% daily
- 24% 2-3 times per week
- 7% once per week
- 4% monthly

A: Top 6 Radio Stations in 2012:

- 92.5 KTHQ
- 102.9 KQST
- 95.7 KWKM
- 93.9 KMGM
- 660 KTNN
- 92.9 KAFF

Q6: How often do you go to the movie theatre?



2012 Survey Results

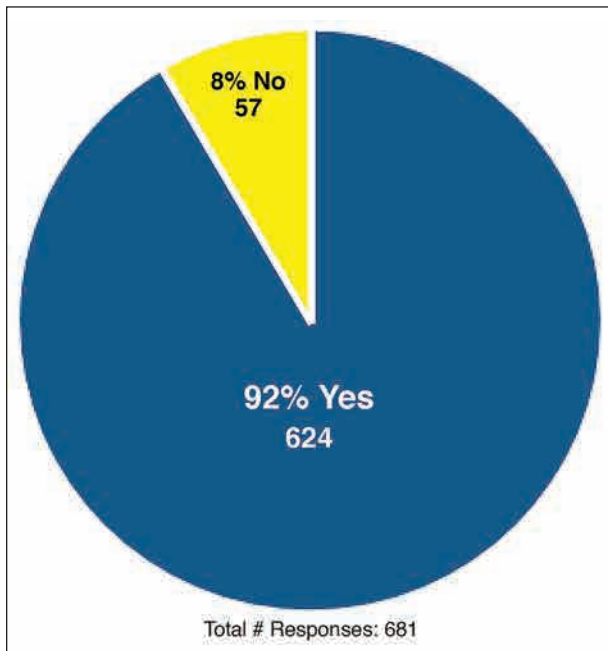
Q: How often do you go to the movie theatre?

- 36% Every couple of months
- 25% Once or twice per year
- 17% Once per month
- 13% 2-3 times per month
- 6% Never
- 3% Almost every week

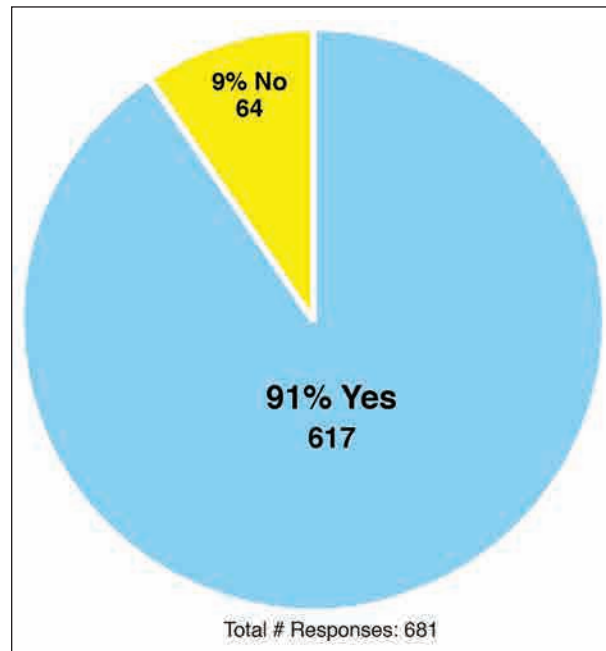
*No change from 2012 to 2017.

Computing & Internet

Q7: Do you own a smart phone (can browse the internet)?



Q8: Does your phone plan have UNLIMITED texting?



Note: The NPC website www.npc.edu had 29,881 mobile device connections in 2012. From Nov. 24, 2016 – Nov. 24, 2017, there were 102,101 mobile device connections.
– Google Analytics

2012 Survey Results

Q: Do you own a smart phone?

- 51% yes
- 49% no

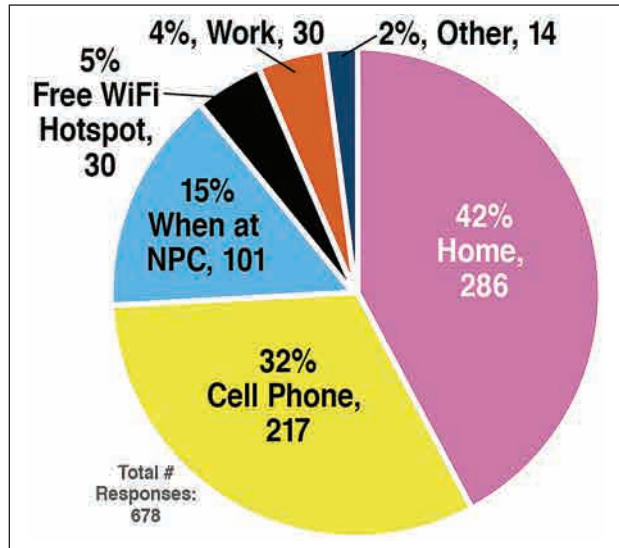
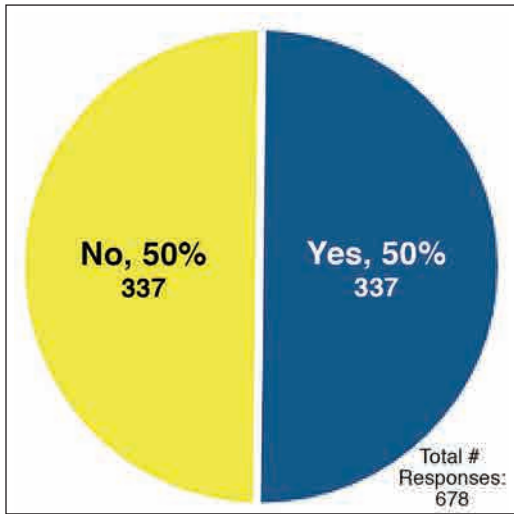
2012 Survey Results

Q: Do you send and use text messages?

- 88% yes
- 12% no

Q9: Do you have access to the internet at your HOME?

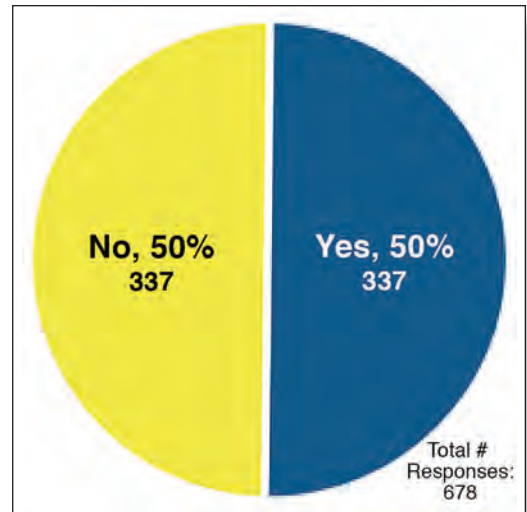
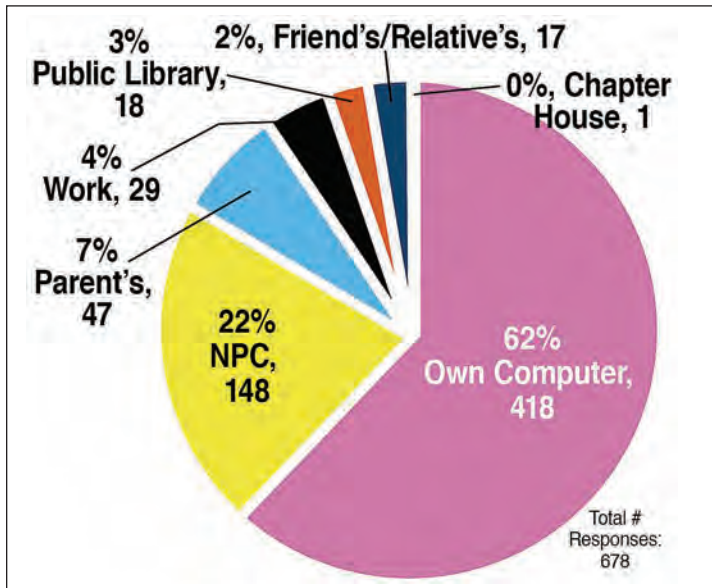
Q10: WHERE do you access the internet MOST often?



2012 Survey Results
Q: WHERE do you access the internet MOST often?
 61% Home
 15% NPC
 11% Cell phone
 7% Work
 6% Other

Q11: How do you have access to a desktop computer/laptop for NPC school work? Select the option you use MOST often.

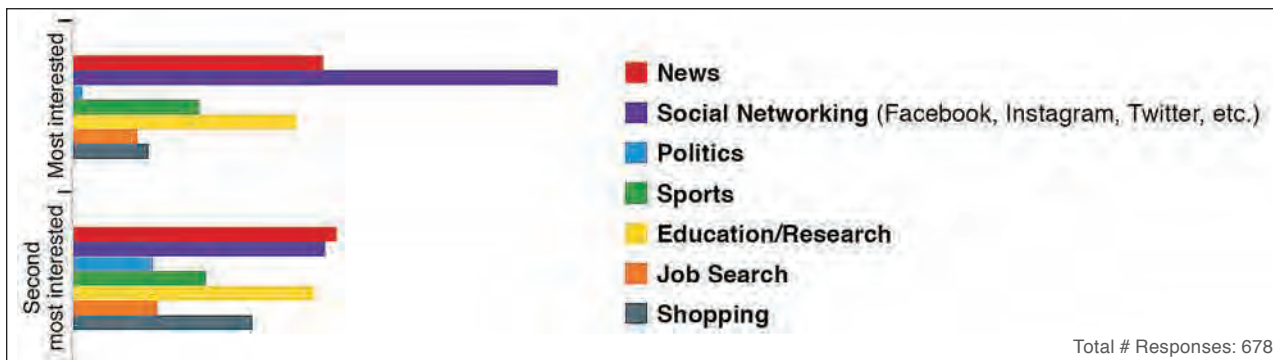
Q12: Do you own a TABLET (iPad, Amazon Fire, Surface Pro, etc.)?



2012 Survey Results

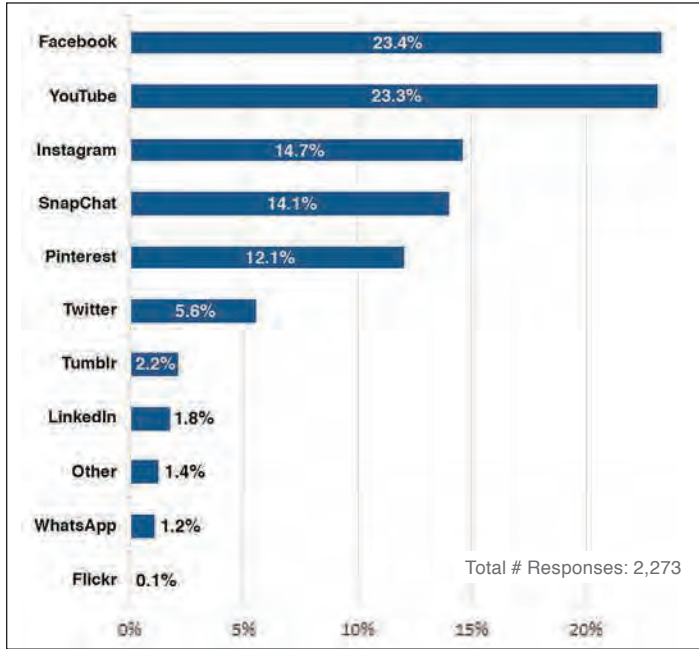
Q: Do you own or have access to a TABLET?
 78% no, 22% yes

Q13: Which content are you MOST interested in on the internet? Rank in order, #1 most interested, #7 least interested.

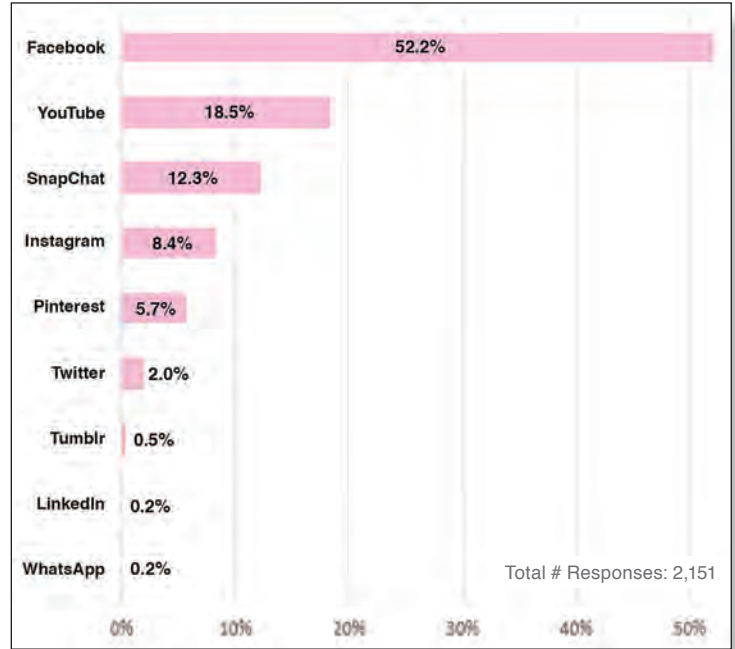


Social Media

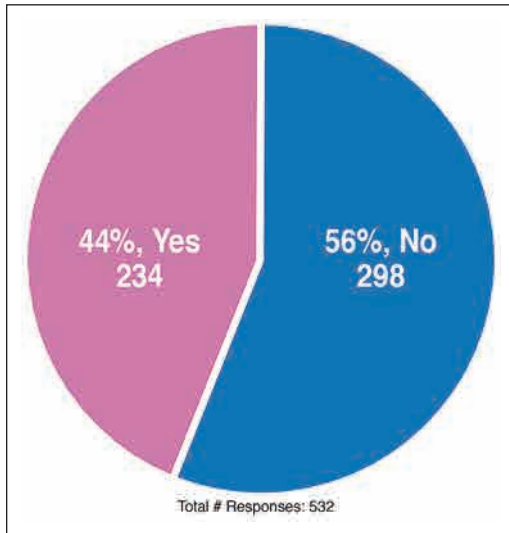
Q14: What social media sites/apps do you use? Select all that apply.



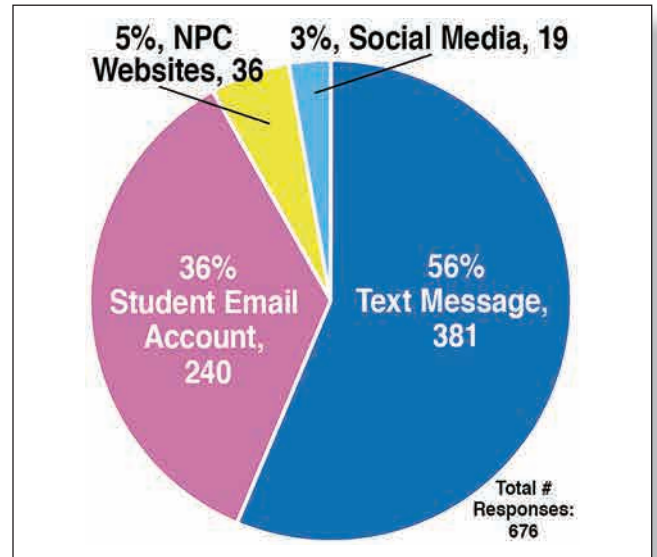
Q15: Rank social media sites/apps in the order YOU most use them.



Q16: Have you ever visited any of NPC's Facebook pages?



Q17: What is your preferred way to get important, non-emergency information about NPC? (college events, important deadlines, financial aid dates, bookstore notices, etc.)



Visit NPC's Facebook pages	Age			Gender	
	Age 14-21	Age 22-35	Age 36+	Female	Male
No	49.8%	38.5%	43.2%	42.3%	49.0%
Yes	28.5%	42.9%	33.5%	39.4%	23.0%
No Age/Gender Given	21.7%	18.6%	23.3%	18.2%	28.1%

2012 Survey Results

Q: Have you ever visited NPC's Twitter or Facebook pages?

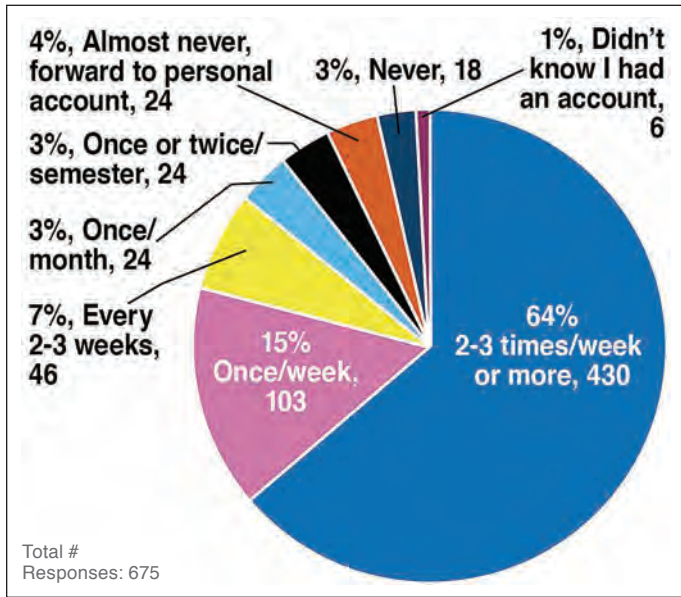
8%, Facebook
2%, Twitter

2012 Survey Results

Q: What is your preferred way to get important, non-emergency information about NPC? (in order from most to least)

1. NPC website
2. NPC email
3. Text Message
4. Postal Mail
5. Social Media

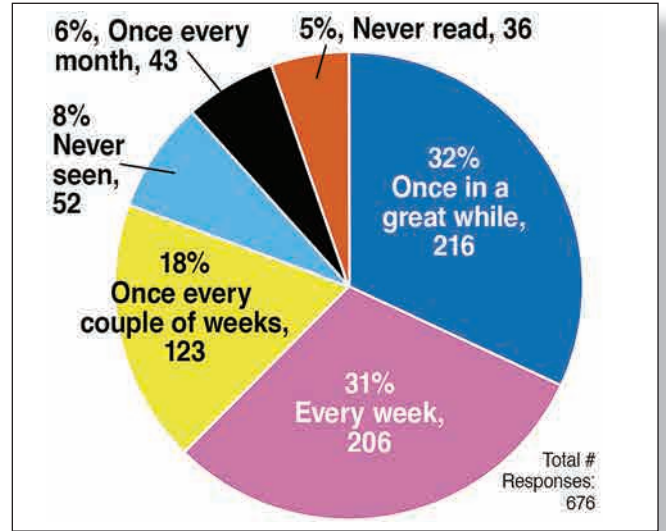
Q18: How often do you login/check your NPC student email account?



2012 Survey Results

Q: Were you aware that you have an official NPC student email account? 82% yes, 18% no
 Q: Have you ever logged into/used your NPC student email account? 56% yes, 44% no

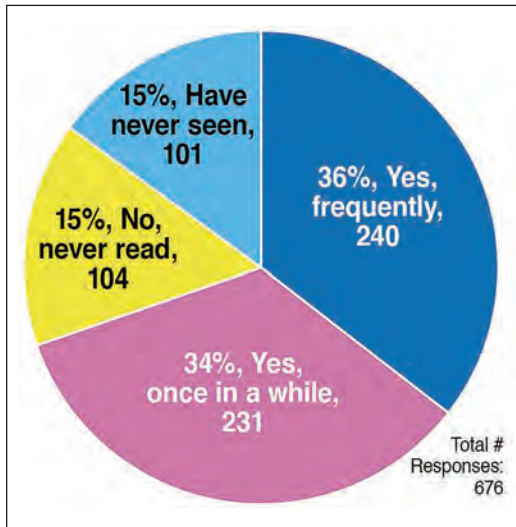
Q19: Do you ever read the printed posters/announcements on the NPC campus/center bulletin boards?



2012 Survey Results

Q: Do you ever read the printed posters/announcements on the NPC campus/center bulletin boards?
 84% yes, 16% no; Of the 84% who said yes:
 67% Every week; 25% Once every couple of weeks
 6% Less than once per month; 2% Once per semester

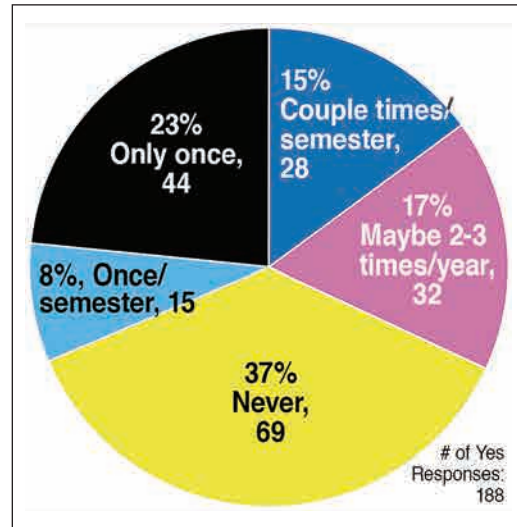
Q20: Do you ever read the Eagle Briefs newsletter posted in the NPC restrooms?



2012 Survey Results

Q: Do you ever read the Eagle Briefs newsletter posted in the NPC restrooms?
 53% yes, 47% no

Q21: Are you aware of AskNPC? 28% Yes, 72% No
 Of those who answered yes, frequency of use:

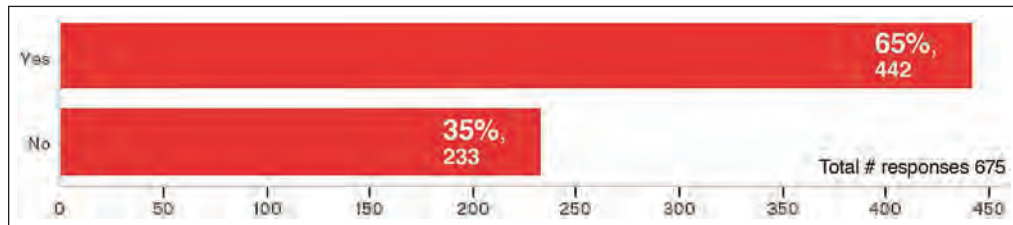


Q22: Do you know what a NPC Merit account or badge is? 21% Yes, 79% No

Know what Account/Badge is	Age 14-21	Age 22-35	Age 36+	Row Total
No	83.3%	74.8%	77.3%	524
Yes	16.7%	25.2%	22.7%	141
Column Total	263	226	176	665

Of those who answered "yes," 58 said they had looked at or added information to their Merit page. <http://npc.meritpages.com>

Q23: Do you use the ONLINE class schedule search to find your classes?

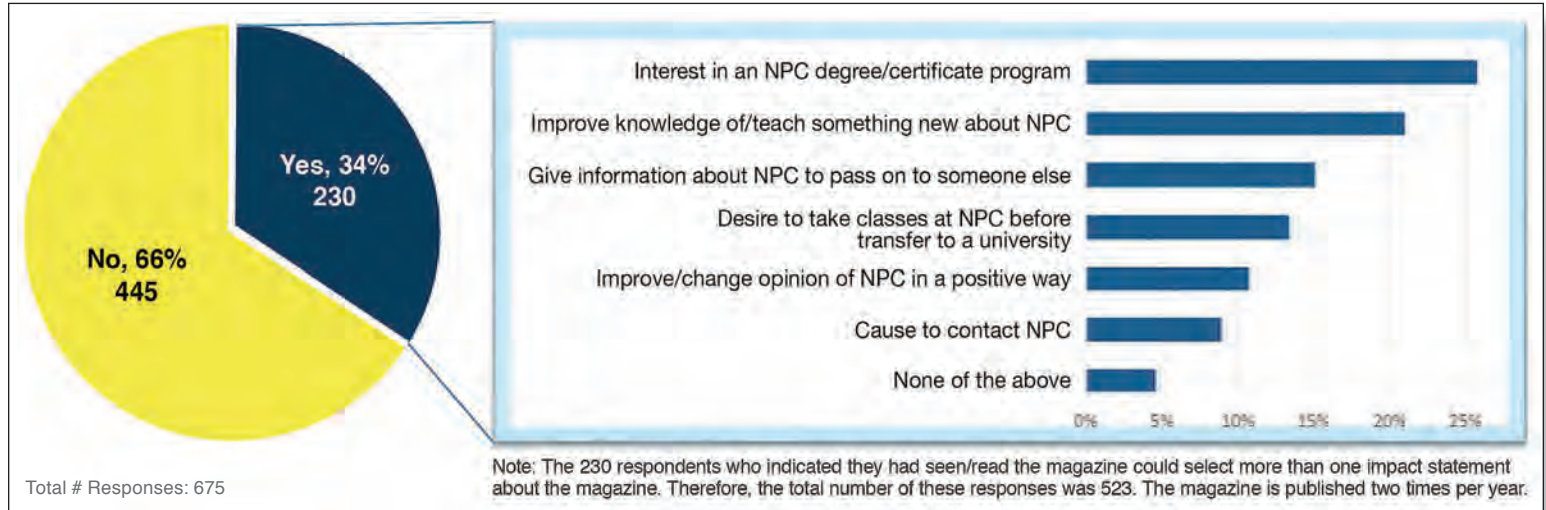


2012 Survey Results

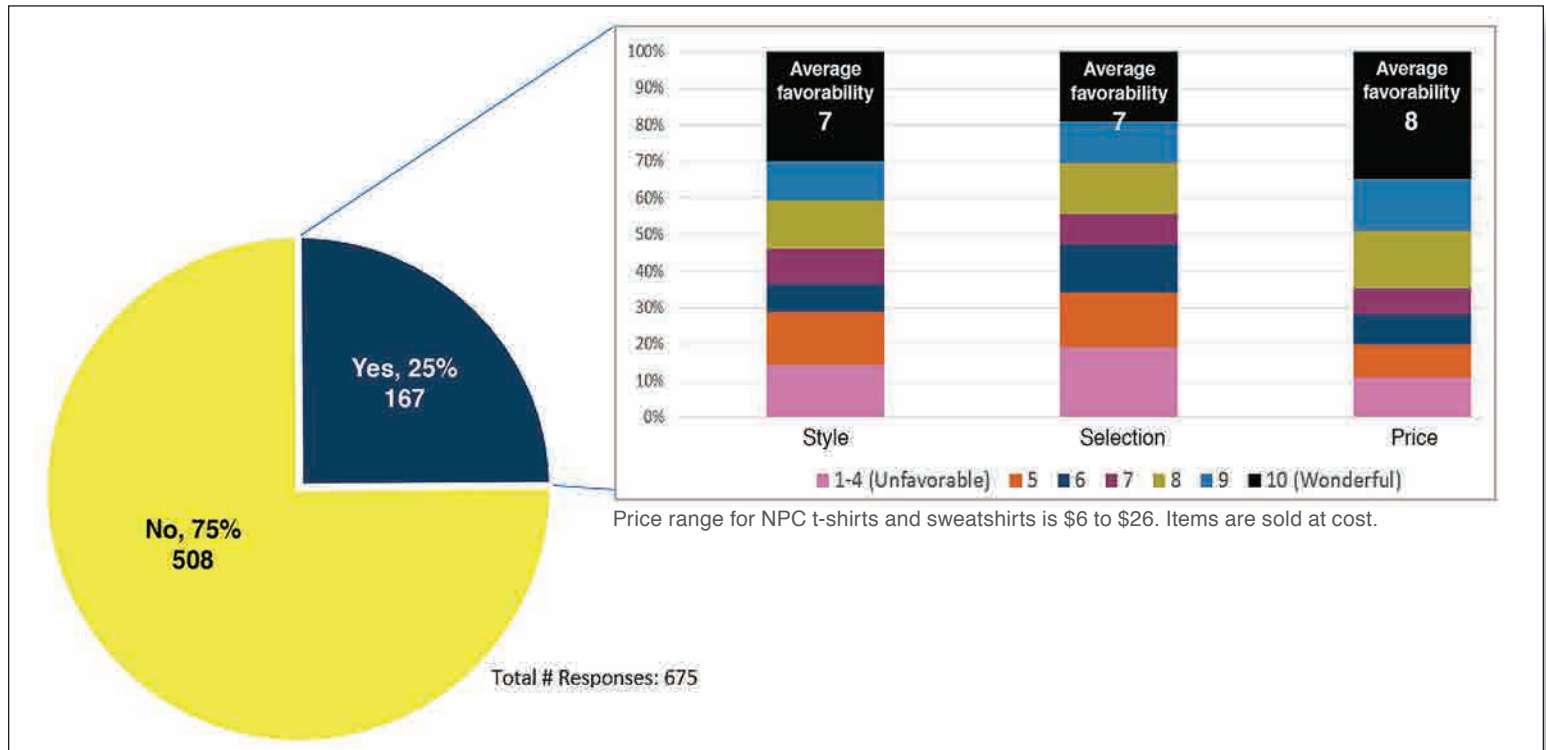
Q: Have you ever used the NPC online class schedule search?

56% yes, 44% no;
21% said they didn't know about it

Q24: Have you ever seen or read NPC's Career Focus magazine?



Q25: Have you ever purchased any of the NPC logo t-shirts or sweatshirts at the campus/center front offices?



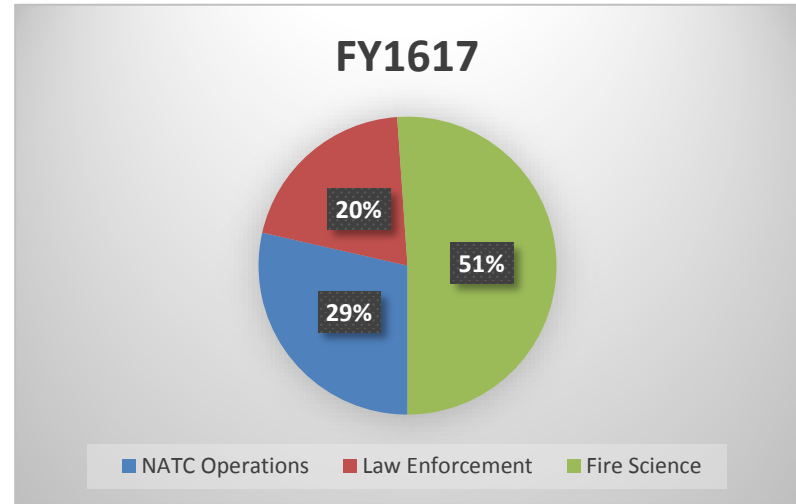
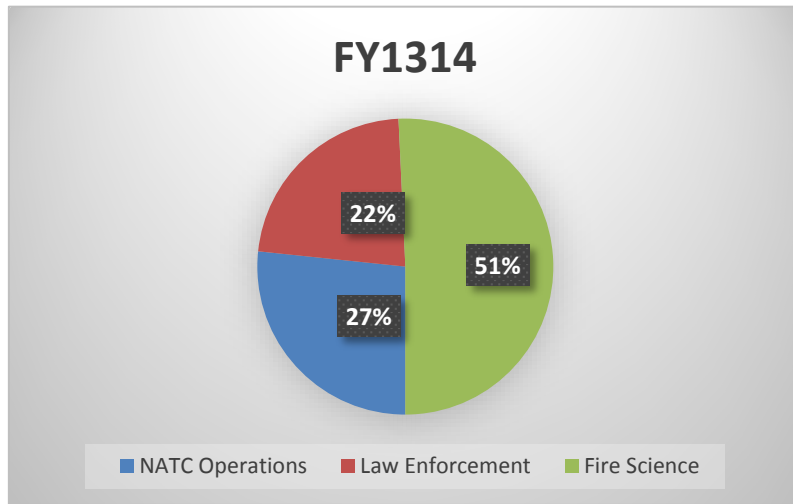
NATC OPERATING COSTS

Summary:

The District Governing Board requested information on the operating costs of NATC. Staff will review financial information related to NATC, including the Police Academy and Fire Science programs held at NATC. Staff will address questions from the District Governing Board.

**Northland Pioneer College
 Northeast Arizona Training Center (NATC)
 FY1314 to FY1617**

Operating Expenses:	FY1314	FY1415	FY1516	FY1617
NATC Operations	\$ 99,669	\$ 95,519	\$ 105,468	\$ 105,895
Law Enforcement	\$ 84,595	\$ 87,765	\$ 100,493	\$ 75,453
Fire Science	\$ 189,773	\$ 187,227	\$ 190,433	\$ 189,554
	<u>\$ 374,038</u>	<u>\$ 370,512</u>	<u>\$ 396,394</u>	<u>\$ 370,902</u>



Information Services Procedures

Summary:

The attached procedures relating to the Information Services department are the first of many that will come to the Board for informational purposes, and are a direct result of the 2017 Audit by the Attorney General's office. While many of the procedures that will be presented have been in effect at the department level for a long time this represents the initial steps to formalize them college-wide.

Per Procedure 2100 – Development of Procedures, employees who are affected by the change will be provided an opportunity to review the proposal and have a minimum of one week to comment before they will go into effect.

Procedure 2109: Data Backups and Retention Periods

1.0 PURPOSE

This procedure outlines the frequency and type of data backups. It also addresses the length of time that backups must be retained.

2.0 SCOPE

The procedure applies to all devices that hold or accumulate data in the support of company operations, to include telecommunications, network applications, desktop units, notebooks, and other digital media.

3.0 PROCEDURE

The Systems and Network Administrator is responsible for making and retaining an adequate number of data backups to serve as “safety” copies.

Devices

Data backups will be made of all devices that contain or collect data, to include at a minimum:

- Servers and their internal disks
- Storage Area Networks
- Telecommunications switches (PBX)
- Networking equipment that stores a configuration

Types of Data

- Personal data is not to be stored on College equipment. Critical data for College operations must be stored on network drive (server) so that it is included in scheduled backups.
- Legal compliance data must be identified. The label on the backup media must include what data it contains and the appropriate retention period. Care must be taken to ensure the data is securely stored.
- Business critical data must be identified. The label on the backup media must include what data it contains and the appropriate retention period. Quick access to this data is required in the event of a disaster.
- Non-critical data must be identified. Non-critical data is not required to be retained for a period of time. Typically, this data is deleted after 13 months. The label on the backup media must include what data it contains and the appropriate retention period.

Data Backup Frequency

- Full backups will be performed weekly and retained for one year unless otherwise specified.
- Incremental backups will be performed daily for changing data and will be retained for 30 days.

Retention periods will be determined in accordance with the General Retention Schedules for Community Colleges provided by the Arizona State Library: Archives and Public Records division.

Off-Site Storage

Data backups will be transported off site every morning after the backups are created. Once every calendar quarter, the Systems and Network Administrator will audit the off-site storage process to ensure that:

1. Media is kept in a climate-controlled environment during transit.
2. The storage facility is secure.
3. The storage facility is climate controlled.
4. The data center security is appropriate for media going out and for media coming in.
5. There is a documented chain of custody for backup media from the point it leaves the data center until it is returned.

Data Destruction

Data that has outlived its usefulness to the College, and whose age exceeds the legal limits for retention, must be properly destroyed. The following conditions apply:

- The media must be rendered permanently unreadable. This will be primarily accomplished through physical destruction.
- When data is destroyed, it must be documented as to whom, by what means, when, and what the data consisted of.

Direct inquiries about this procedure to: CIO

Procedure 2110: Physical Controls

1.0 PURPOSE

This procedure outlines the necessary precautions that must be taken to ensure that the College's information systems and associated data are properly secured from unauthorized physical access and tampering/destruction attempts.

2.0 SCOPE

This procedure applies to all College data centers and other areas that house information systems and data on site. Personnel with access to these areas must adhere to the details outlined in the procedure below.

3.0 PROCEDURE

Areas affected by this procedure include the White Mountain Campus Data Center in the Goldwater building, the Painted Desert Campus Desert Data Center in the Tawa building, and all areas designated as telecommunications closets SSMB's, TMB's, and other areas containing servers, storage systems, and networking equipment at all campus, center, and tower facility locations.

Entry doors must be locked at all times. Propping doors open is strictly prohibited unless the door is being propped by an authorized employee who is continuously present. Using any other item as a doorstop is prohibited.

Only authorized personnel are allowed unescorted entry. Authorized personnel include:

- Executive Team members
- Information Services personnel
- Facilities/Maintenance personnel
- Campus/Center Managers
- Trusted vendors/partners approved by the Chief Information Officer or Director of Facilities and Maintenance

An authorized individual must escort all other individuals at all times after having the escorted individual logged in and out by contacting the Support Center.

Video surveillance equipment shall be used for monitoring and recording purposes.

Direct inquiries about this procedure to: CIO

Procedure 2111: Business Continuity

Effective 05/15/2017

1.0 PURPOSE

The College will maintain, test and record a Disaster Recovery and Business Continuity plan. The plan will be designed to address any disaster that impacts the ability to offer information technology services and data recovery necessary for College operations.

2.0 SCOPE

This procedure applies to the Information Services Division as well as all business units of the college, to include:

- Financial Services
- Records and Registration
- Financial Aid
- Human Resources and Payroll

3.0 PROCEDURE

The college will maintain and follow a Disaster Recovery and Business Continuity plan. The plan must be reviewed and tested on an annual basis.

Direct inquiries about this procedure to: CIO

Procedure 2118: Account Termination

1.0 PURPOSE

This procedure defines account termination process.

2.0 SCOPE

The procedure applies to all regular and administrative users of Jenzabar CX and college information services.

3.0 PROCEDURE

Procedure 2736, End of Contract Check-Out Procedures for Staff, Faculty and Administration, initiates the Account Termination Process.

The Information Services Division will, upon presentation of required documentation (#2736-A NPC Check-out Form (Blue Form)) from Human Resources or the directive of the Chief Information Officer, President or Designee, terminate account access and permissions of staff, faculty and administration as part of check out procedures and/or end of contract. Below is a non-comprehensive list of potential services addressed:

- Jenzabar access
- Active Directory
- Electronic Mail
- Moodle

The Information Services Division will complete the actions required to ensure restricted access is applied as required to protect data integrity, digital assets, and record security. Necessary documentation, #2736-A NPC Check-out Form (Blue Form), will be completed and moved forward through the check-out process.

Direct inquiries about this procedure to: CIO



Northland Pioneer College 2018 All-Arizona Academic Team Members

Northland Pioneer College has nominated 12 students to the 2018 All-USA/All-Arizona Academic Team. Each will receive a tuition waiver, for up to 60 credits, from the Arizona Board of Regents to complete their bachelor's degree at a state public university. The waivers are valued at nearly \$300,000.

Team members will also receive a scholarship check from NPC, based on their ranking by national judges from business, civic, government and education.

NPC can nominate two students from each campus and center location to the All-Arizona team. A student must have taken a class at or originating from that location to be considered for one of the two nominations.

To qualify, a student must have a cumulative 3.5 or higher GPA, be in good academic standing working toward an associate degree and have demonstrated college and community volunteerism and leadership. Applicants do not have to be members of Phi Theta Kappa, the international honor society of two-year colleges.

All-Arizona Academic Team members from throughout the state will be honored at a luncheon in the East Valley on **Thursday, March 1, 2018**.

For the past 22 years Arizona has separately recognized the state's top two-year college students as a part of the All-USA Academic Team program, co-sponsored by the American Association of Community Colleges, Phi Theta Kappa International Honor Society (PTK), Follet Higher Education Group, the Coca Cola Scholars Foundation and *USA Today*.

An article with more information about each team member is posted on the college's website, at www.npc.edu/2018-all-az. A complete list of past NPC recipients of the All-Arizona Academic Team honor can be viewed online at www.npc.edu/past-AllAZ.

Holbrook – Painted Desert Campus



Tiana Dawn Begay

Tiana Dawn Begay

GPA: 3.62 Transferring to: NAU
Major (4-Year): Elementary Education
Career Goal: Tiana, who has completed her AAEC and is working on her second NPC degree, plans to transfer to NAU, with the goal of working in the Elementary Education field as a Navajo Language Teacher on the Navajo Reservation.
College/Community Activities: NPC Early Childhood Education Club, Hulet (Holbrook) School Family Fun Night.
College Honors: NPC President's & Dean's Lists, Navajo Nation Chief Manuelito Scholarship



Tirzah Jessop

Tirzah Jessop

GPA: 3.66 Transferring to: NAU
Major (4-Year): Elementary Education
Career Goal: As a first-generation college student Tirzah plans to continue her studies toward becoming an elementary school teacher at Concho Elementary School.
College/Community Activities: SGA secretary, volunteer at Concho Soup Kitchen and Concho Elementary School.
College Honors: Phi Theta Kappa, SGA laptop scholarship recipient.

Show Low – White Mountain Campus



Cuitlahuac Aguilar

Cuitlahuac "Cuity" Aguilar

GPA: 4.0 Transferring to: ASU
Major (4-Year): Business Administration
Career Goal: Cuity's goal is to either run or start his own successful business and lead it to profitability. "My ultimate goal is to give back, to become a philanthropist."
College/Community Activities: SGA President, interim SGA vice president and SGA member.
College Honors: Phi Theta Kappa, President's List.



Breanna Jakary

Breanna Jakary

GPA: 4.0 Transferring to: NAU
Major (4-Year): Business Management
Career Goal: Breanna wants to gain experience managing a large company or working as an accountant for a company.
College/Community Activities: Appeared in two productions - *The Constant Wife* and *Treasure Island* - while part of the Performing Arts program at NPC.
College Honors: President's List, 2016 Outstanding Associate of Arts Graduate.

Snowflake/Taylor – Silver Creek Campus



Amanda Hatch

Amanda Hatch

GPA: 4.0 Transferring to: NAU
Major (4-Year): Nursing
Career Goal: Amanda's goal is to become a DNP/Anesthetist, working with the U.S. Public Health Service after completing her BSN in December 2019. She would like to work with Doctors Without Borders and work in underserved communities/countries.
College/Community Activities: PTK Chapter President, SGA Vice President, Pet Allies/Lucky Huskies/AMAL volunteer and lead cruelty investigator.
College Honors: Phi Theta Kappa, President's List, SGA.



Madison St. Hilaire

Madison St. Hilaire

GPA: 4.0 Transferring to: NAU
Major (4-Year): Visual, Fine & Performing Arts
Career Goal: Using her artistic and business interests, Madison plans to open a line of coffee trailers providing a unique coffee-buying experience for her customers.
College/Community Activities: Participated in NPC Music Ensembles; performs at memorial & 911 Remembrance services; volunteer at The Love Kitchen.
College Honors: President's Scholar, College Bound Scholarship, Performing Arts Scholarship.

Winslow – Little Colorado Campus



Chelsey Anchondo

Chelsey Anchondo

GPA: 3.8 Transferring to: NAU
Major (4-Year): Elementary Education
Career Goal: Chelsey plans to complete her bachelor's at NAU and start teaching third or fourth grade. She eventually plans on earning her master's to become a school district superintendent, allowing her to have a greater impact on education.
College/Community Activities: SGA member, PTK chapter vice president, Little League softball coach, church-related activities & food drives.
College Honors: Phi Theta Kappa, President's and Dean's List.



Robyn Krise

Robyn Krise

GPA: 3.84 Transferring to: NAU
Major (4-Year): Accountancy
Career Goal: A recent job change has shifted Robyn's interest in a biology-related career to one in finance instead.
College/Community Activities: Being employed throughout her high school and NPC years has limited Robyn's opportunities to be involved in activities.
College Honors: President's & Dean's Lists.

Saint Johns Center



Ashley Jaramillo

Ashley Jaramillo

GPA: 3.86 **Transferring to:** ASU
Major (4-Year): Corporate Accounting
Career Goal: Ashley plans to start taking ASU online accounting classes this summer, with the goal of becoming a corporate accountant and eventually a Controller or CFO of a successful corporation.
College/Community Activities: Little League softball coach, community runs & floats.
College Honors: Phi Theta Kappa.



Jeff Whiting

Jeff Whiting

GPA: 3.5 **Transferring to:** NAU
Major (4-Year): Exercise Science
Career Goal: Jeff will be working on his bachelor's degree at NAU, with the long-term goal of obtaining his doctorate in physical therapy.
College/Community Activities: Eagle Scout, Sunday School and church adult class leader.

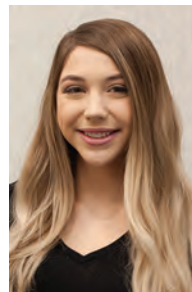
Springerville/Eagar Center



Rosalia Burr

Rosalia Burr

GPA: 3.92 **Transferring to:** ASU
Major (4-Year): Business Management
Career Goal: Rosalia plans to intern with a company, then work her way up to become a Human Resource manager.
College/Community Activities: Front desk help at Summit Regional Medical Center, community blood drives and chapter president of Future Business Leaders of America.
College Honors: President's List, College Bound Scholarship, Dual Enrollment Business Student of the Year, Rotary Club Student of the Month.



Tracy Reidhead

Tracy Reidhead

GPA: 3.97 **Transferring to:** ASU
Major (4-Year): Business
Career Goal: Tracy, who earned her Wildland and Structure Firefighter certifications as an NPC/NAVIT student, now plans to pursue her bachelor's degree in business, with the goal of becoming a Chief Financial Officer.
College/Community Activities: Fire Science class officer, SkillsUSA regional & state first place awards, national SkillsUSA competition.