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February 17, 2026. Study Session.

>> MR. GREG TAYLOR: All right. Let's go ahead and get started.
Thank you, all.

I apologize. Actually both myself and Vice Chair Morales are virtual tonight. So thank you to everybody who was there in person. I had a scheduling conflict that prevented me from being able to get over there on time. I think Vice Chair Morales did as well.

Let's go ahead and jump into the agenda. I will call us to order. The first item on the study session tonight is 2.1 on the General Obligation bond issuance.

Dr. Bea, I think it's you.

>> CHANCELLOR JEFFREY NASSE: Actually, if it's okay, Chair Taylor, I'd like to open up the study session.

>> MR. GREG TAYLOR: Yeah, sorry. Go ahead.

>> CHANCELLOR JEFFREY NASSE: Thank you. Thank you, Chair Taylor, Vice Chair Bernal Morales up there online, Board Member Dr. Barraza, Board Member Riel, Board Member Randall. Great to see you all. Thank you for coming in this evening.

Excited about tonight's conversation. We're discussing really what kind of college Pima will be in the next 5 years, in the next 10 years, and the next 15 years. Certainly we'll be talking about the bonds, and later potentially adjusting property tax rates and tuition. But I really think this is about who we intend to be as Pima Community College and what this community expects from its

college.

So as we start off this conversation with the board this evening,

I would like to begin with a discussion on a note of stewardship.

Last year under your leadership, we did not increase tuition. We did not increase property taxes. That was a deliberate decision. I think it's a reflection of sensitivity to our students, certainly to access, affordability, our taxpayers, and of course our broader community.

I'm proud of that decision, and I think the board should be, as well. Unfortunately, we can't make that decision every year. As you know, costs continue to rise. They rise in utilities, construction materials, insurance, technology, infrastructure, healthcare for our employees and our staff.

We are also of course serving students who deserve wrap-around services as part of their experience here at Pima. That's certainly our mission. We embrace that, and it does carry increasing and ongoing costs.

As the board well knows, we have no dedicated state operating funding, and, as we have seen in this past year or so, federal streams of funding are at best uncertain. Responsible governance requires that we balance affordability with of course long-term organizational sustainability to really further the positive impact Pima Community College is having on our community every day, which is why, before we ask our community to invest more in the college, we are demonstrating that we're doing our part through consolidation of

positions, facilities, and operations, including, just recently, moving adult education onto our campuses for better support. We aim to vacate these Broadway offices that we're in by year's end. And we will reduce recurring expenses by approximately \$4 million this fiscal year.

This is not one-time savings. This is structural alignment. This is stewardship. We are tightening operations while protecting student-facing services. We are aligning resources to our priorities. We're making tough, difficult internal decisions so that we can speak about investment with credibility.

And stewardship alone does not position the college, in my estimation, for leadership. You know, our students of course, the vast majority are from Pima County, our graduates stay in Pima County. They become our nurses, they become our paramedics, they become our cybersecurity analysts. They are our advanced manufacturing technicians, entrepreneurs, builders, and small business leaders. When we invest in Pima Community College, we are investing directly in the economic future of Southern Arizona.

I do want to say to the board as we begin the conversation, Pima Community College is the fastest path to building an educated technologically proficient AI-enabled workforce. Not one of the fastest; we are "the" fastest.

If Pima County and the State of Arizona want a workforce aligned to education, to healthcare, to the emerging AI, advanced manufacturing, building and construction, public safety, all of these

applied technologies, the most direct, the most efficient and accountable pathway runs through our community college.

If we aspire to excellence, and we do, if we intend to lead, then

we must honestly examine the level of investment that is required for that vision.

So the proposals we are bringing before you tonight, on bond issuance first, tuition and property tax, certainly are not foregone conclusions. They are the product of serious due diligence by our team, which are here tonight. We have done historical review. We are aligned to our education and facilities master plan. We have independent financial modeling, legal review, and voter polling among likely Pima County voters.

Without stealing the thunder of the presentation, the research tells us something really important. When voters understand what is being proposed, refinancing existing debt to reduce long-term costs for our students, modernizing aging infrastructure, protecting our leadership in workforce development and training, improving transfer pathways, the support increases significantly. When informed, our community certainly believes in its college.

So tonight is a study session. It's an opportunity to examine the modeling, understand the financial projections that we're looking at, review potential projects, certainly ask lots of questions. This conversation will shape how these proposals evolve before any formal action comes before you later year.

So we have done a lot of hard work internally, and now one of

the

big questions is whether we're prepared to engage our community in what I believe is the responsibility of investing in its own future.

If we do move forward, it will be because this board believes the

plan is sound, stewardship is responsible, and the outcomes justify the investment.

So we're looking forward to the conversation and the questions and certainly the dialogue this evening. It will be a good study session.

With that, Dr. Bea can begin.

>> DR. DAVID BEA: Great. Chairperson Taylor, Members of the Board, Chancellor Nasse, colleagues and guests. It's my pleasure tonight, as Dr. Nasse described, to walk you through the General Obligation bond project, where we're at, what things look like going forward, basically with the opportunity for you to ask questions and see how things are coming together before we take it to the board as a formal action item at the March board meeting.

So with that, we'll start with this sort of layout of what we're going to talk about with the bonds, give you a little bit of historical background and context, talk about where we are so far with the plans to go to the taxpayers in November, talk about the specific projects that we're looking at and some of the impacts that we expect from those projects, and then I will turn it over to our polling colleagues who have some feedback from the preliminary efforts that they have done on polling to give you an idea of the receptivity in general and some of the specific projects from our

community.

Again, as Chancellor Nasse mentioned, if you have questions, please feel free to ask me, I can stop any time, or wait till the end, whatever works. We have people available, if there are specific questions that get to some of the projects, we do have program-based people from the academic and student side to also get into some of the details with some of those projects and how they have come together if you have questions on that.

Let's start a little bit with some historical context. I always like to start with history and sort of say how did we get to where we're at, and setting the stage to go forward.

So going back in time, the last time the college went to the voters for General Obligation bonds was more than 30 years ago. So back in 1995, we went out to the voters. They approved the General Obligation bonds and we issued in three different series for a total of about \$140 million.

With that money, it did things like modernizing and updating our existing facilities. They were dated at that time in some cases, so remember that West Campus, for example, was constructed in the early 1970s. We have buildings that range all the way from the early 1970s until the Northwest Campus, which was built in 2003.

So coming out of that, it was updating, modernizing the currently

existing facilities. That included information technology, I believe getting Banner on board was also part of that bond project, getting funding in order to deal with that coming up into the Y2K problem,

and then addressing ADA requirements, as well. As I mentioned, on top of the Northwest Campus, there is also the Aviation Technology Center was part of that major initiative.

One of the reasons I wanted to point this out was Northwest Campus was opened in 2003. So when you think that this is a timeline horizon that we are talking about, it's not going to be that dissimilar. If the bonds that were approved and authorized in 1995, the construction was completed around 2004. 2003 was when Northwest Campus was completed. So the spend of those projects, it takes five to ten years before you're spending down the authorized GO bond proceeds.

I mentioned that it came in a few different series. That's also how you can expect it. The way that we would issue the bonds is we'll have an authorized total amount not to exceed, and then as we need the money is when we would issue the bonds. That way you're not sitting on a bunch of bonds paying interest on it while you don't need the money to spend it on the construction that will happen two years out.

Let's update it to more recent times. So back in 2015, we came out with the education and facility master planning effort that identified basically how we needed to revitalize the college's facilities and educational programs, particularly identified where the need to change the facilities that we had for career and technical education programming, and that's where the center of excellence concept came together, basically ensuring we're

modernizing our existing campuses and the programs to align with industry needs with state-of-the-art technology so that our students, when they graduate from here, whether they go on to the university, whether they go into jobs, they're being trained in facilities that are appropriate for the modern world and that they're able to step forward and take advantage of those training opportunities, again, whether it's on the job or whether it's at the university.

In that same time period or leading into that time period, we have had challenges at the college. Beginning in the year 2009, the state went through the fiscal crisis and started reducing the budget. Our state funding, we used to get about \$3 million every year for capital appropriations, and we used to get about \$20 million for operating aid.

So in the context of since -- the capital was eliminated starting

in 2009, so that \$3 million has not been restored in that same fashion since 2009, and then gradually there was a period of different cuts that came between 2009 and 2015 where our operating aid went from about \$20 million a year down to zero.

So if you add up the lost aid, and if you factor in how our enrollment has changed, so this is actually a fair apples-to-apples type of comparison, if we had been funded at the level that we were at in 2009, we would have gotten \$39 million of capital aid between then and now that we didn't get, and we would have gotten about \$200 million of operating aid.

We have had to find, through tuition increases, through property

taxes, and through just being judicious good stewards, and keeping costs as low as possible, other ways to manage throughout that time period.

The challenge is that we've also had to be very creative when it came to how do we deal with some of these ongoing deferred maintenance needs, our other capital improvement, improving the equipment, updating, making sure that we have the state-of-the-art training facilities and equipment, that is, we've had to be creative.

So how have we done that? For the ways we have done it is going for particularly state aid appropriations, so the state provided \$15 million of about \$20 million for our aviation expansion. The planned use of college reserves, so we, through good stewardship, had built up reserves, and then we plan to spend that down. The board is very familiar with this, because we're watching and I will talk about it in the budget in a few minutes, in a little while, we'll talk about that in terms of what our reserves look like on hand.

In addition, we have been working on operationalizing our capital

funding, so life-cycle replacement funding, which probably would have been funded out of those state capital funds in the past. We have had to find that within our operating budget in the past.

The federal higher education relief funds provided support. That

did a lot to improve our IT infrastructure, but as we go forward, we have to find a way to fund those replacements. The life cycle of that equipment in five years, we're going to need to find funding for

that.

So the other way that we did it was by issuing revenue bonds, so pledged revenue bonds. And the combined total of that is well over \$100 million, actually probably closer to \$150 million. And to give you some ideas of the things we have been able to do that you're all familiar with, these aren't all of them, but these are a handful of projects that the college has found the resources to be able to provide these major improvements to our center of excellence.

So aviation technology, that's what it looks like. We have been able to increase enrollment by over, it's about 155%. They have doubled student cohorts, and then been able to, through flex scheduling, do more than double the size of the cohorts, which is what the planned expansion was, to double the cohorts of that program.

Advanced manufacturing, in the areas of applied technology, the growth between 2021 and 2025, head count is up 55%, and our FTSE, full-time student equivalent, is up about 75%.

Welding, as an example, up 50%-plus because of the expand capacity that we have. If you go to the Advanced Manufacturing Building, you're almost always seeing people in the welding booths taking advantage of our state-of-the-art welding facility there.

Another example, this is one that was paid out of college reserves. This is the most recent renovation, the Downtown Campus Building C, for the building and trades construction programs, that has grown 45%, and it is now, with the broad new expansion we've put in place, poised to grow even more.

These are a handful of our really, I think the things we recognize we needed to improve the facilities. We had space because of enrollment changes over time because of the growth in online. The problem is the space wasn't what the college needed.

Now what we have been working on is consolidating the space we currently had, make sure we're building the space that is the state-of-the-art-type facilities going forward.

One of the things that is also important from a historical standpoint is that, and in this presentation it's referred to as Phase 1 of the ed and facility master plan, the plan always was to do as much as we could with our own resources, and then once we establish what the model was going to be with the centers of excellence, with the projects that we knew were upcoming, the idea, this is going back to before we did the pledged revenue bonds, the idea was do these projects, do what we can do internally, and then be able to showcase these projects to the community and then sell what we're trying to sell, show what we need to do going forward to the taxpayers in terms of a GO bond.

So this is all part of sort of a big plan. It's coming together.

As you know, we have been talking about it for some number of years now.

Just to give a quick update, again, this is emphasizing the fact that this is starting with the Phase 2 of the ed and facility master plan that we have been working on for some time. It's also, we're not just taking what was identified back in 2015 and saying, okay,

that's what we're going to do next. It was okay, do we still need to do these projects?

Let's update what these projects look like. What are the current

needs? As Chancellor Nasse mentioned, we were able to colocate now our adult education programs on campus. That was mentioned in the ed and facility master plan concepts, but the idea of moving those on campus, making better use of our own space, and then, as Chancellor Nasse mentioned, the idea of downsizing the space that we have otherwise, and there are a couple of projects that we will be talking about in a minute, but one of them is looking to move out of this location and moving the functions that are at this location onto our campuses and better again connect our space here and our activities here, better connect them with the campuses.

So doing all of that stuff, updating the cost estimates, getting some architectural renderings, getting things as prepared as possible so that we have a good story to tell to the public, that we have good idea of what this looks like. Oh, that's a really good idea, that space, or that's a good way to conceive of that. But again, focusing on the stewardship, that it's also very smart use of the resources, it's necessary for us going into the future to do it, and I think we've been really thoughtful in terms of identifying the priority projects going forward.

As we have talked about a little bit with the board, that also involves us reviewing similar bond elections. Just to highlight a couple in the last few years, TUSD did a GO bond issuance of \$480

million. Sunnyside, \$120 million. And Coconino Community College up north in Flagstaff just got voter approval for \$100 million of GO bonds. So there are a number of projects that we're monitoring, we're tracking that sort of give us some insight in terms of the equivalency of what we're looking at.

We also have onboard a number of our vendors, our important partners who are going to help us with this project. We have our financial advisor, RBC Capital Markets, one of the premier financial advisor, bond-related firms in Arizona. They have been involved in almost all, not all, but almost all of the major bond projects in Arizona, and behind me is Tom Carlson. If you guys get into technical questions about the bonds, interest rates, what the outlook is, I will probably turn it over to Tom and let him be the answerer of that. He's back there.

Bond legal counsel is Gust Rosenfeld. Again, we used Gust when we did revenue bonds. Our attorney who is helping us from Gust is Jim Gill, who is also, I believe he's -- I'm not sure if he's in the audience. I believe he's here or available online.

Later, we're going to provide some time where Javelina, our polling consultants, are actually going to be talking to you all directly about some of their early results. We also already have a contract in place contingent on whether this goes forward with Runbeck Election Services for our voter information pamphlet printing and mailing services.

So we've got some logistics queued up and ready to go. We've got

a great team put in place. Now let's talk about the projects.

So in total, we're talking about \$250 million of projects. They range from the center of excellence and public safety, the highest-cost project, is around \$40 million. Moving the police headquarters and some other work at the Downtown Campus, which is around \$29 million. Renovating throughout the district, student support and success centers, \$27 million.

Four different projects that are related to expanding and improving our academic spaces, including new facilities, additions, and then some of these are renovations but a couple of them are additions. I will get into that in a minute. Cyber/IT, the arts, STEM, and the center of excellence in education.

An important part of this is also just us doing the things that we need to find support and to continue to do, so these are the not-super-attractive-type projects, but these are necessary deferred maintenance projects. A number of things, \$56 million in facilities to address deferred maintenance and get our facilities where we want them to be. About \$4 million in information technology. And then about \$38 million to refinance the revenue bonds, the pledged revenue bonds. I will talk about that in a minute.

we Okay. Let's talk about some of the specific projects. Again, have program people, if you get into some specifics that will probably go outside of my knowledge base, we have people here able to answer questions about this, but I can give sort of the quick and dirty on these projects.

The first one is the center of excellence in public safety/first responders. This is to remodel space at the East Campus and to build about 20,000 square feet of new facility space. One of the reasons to do this, among others, is that our paramedic training program and some of the space that currently exists is located at The 29th Street Center facility.

This is where I said our facilities, our campuses, were built, the earliest was West Campus in the early 1970s. Not our oldest facility, because we are currently in a leased facility that was built in 1959. It's an old elementary school, and it's got, as pointed out, major facility deficiencies. It's also at capacity.

So it isn't the space that's meeting the needs particularly for the paramedic training. They aren't able to expand that program because of that space. As the board is familiar, there are some major facility deficiencies that have had to be addressed through deferred maintenance. It is an old facility, and it is in pretty big need of a complete overhaul.

So moving that first-responder-type programs to East Campus, to new state-of-the-art facilities, is a very high priority of these bond projects.

Expected growth areas in this are the EMT/paramedics programs, as well as professional development and technical skill development and law enforcement, are some of the key areas that we expect there will be significant growth with this new state-of-the-art facility.

Moving on to the Safer Downtown Campus project, so currently

you're aware that the police headquarters is located at the M&S facility down by the airport. What this would do is build a facility for our police department to move their headquarters to the Downtown Campus, which is our most active campus in terms of police activity.

That will ensure that we've got more immediate support in that immediate area, but it also is a very central location to operate out of. In addition to that, we're expecting that as we move some of the District Office functions to Downtown Campus, some of which will come in the normal budget process, and some of which will be supported by the GO bonds if they go forward, that there is also some money in there to help make sure that we have the right kind of space available at Downtown Campus.

Next project is I mentioned this is a college-wide set of projects with the most significant being an expansion of the space that is underused space at Downtown Campus. If you're aware of where the student support space is, there is a lot of empty space, and there is an empty walkway out in the quad area. The idea is to expand the currently existing building and then just modernize the student support areas there.

Really, improving the integration of the way students work today,

right? Things have changed a lot since 1980, since 1990, in terms of what students expect, how they interact, what kind of flexible space that you have, making sure we have really good space that interconnect all of the student services functions in a way that meets the needs of the students.

Center of excellence in cyber/IT, this is actually moving this program that currently exists at East Campus over to the Desert Vista Campus and expanding the space there, providing better and expanded space for one of the largest growth areas in the college. I think it is a great opportunity for us to really build that program up and provide a great opportunity for that campus going forward.

Next one is center of excellence in art. So this is another example where the currently existing space is way outdated for the kinds of digital training and experiences that folks need in today's art training.

The space has issues related to ventilation, plumbing, lack of natural light. All of these things need to be addressed in order for us to have the right kind of training for our future digital art-type programs going forward.

And there is a need for an advanced digital lab space at that location. So part of this is renovating currently existing space and then adding space to that program.

Center of excellence in science, technology, engineering, and math at the Northwest Campus. So a lot of this is just making sure that we've got the right kind of training facilities for the STEM programs, including developing HyFlex classrooms. HyFlex classrooms are really helpful for students in this sort of online, now that things have shifted into a bigger online experience.

HyFlex classrooms enable you to have a classroom and have people joining that classroom remotely in different circumstances and that

you have the right kind of space where you can easily adapt to that kind of a structure. That is a remodeling of the Building C at the Northwest Campus for that purpose.

Center of excellence in education, this is one of the biggest changes at the college, now that we will be adding a baccalaureate program in education. There is a project to really enhance the facilities available for education, really build it out as a center of excellence from a facilities standpoint, including developing a HyFlex classroom, and again, enabling us to have space to accommodate the new baccalaureate program.

I alluded to this already. This is the stuff that is kind of behind the scenes, but we have put in some pictures that kind of show just how much stuff we need to do in terms of deferred maintenance. As you know, we have outdated systems at the college. We have done a lot over the years to improve that, but we really need to do a major overhaul of a number of our antiquated facilities and equipment throughout the college that will also help us to improve the efficiency of our utilities consumption.

So we have a handful of pictures that show you some of the buildup in some of the pipes that have occurred over time, things that we need to address.

These are addressing known problems, and in this category also includes some other deficiencies that we know of that aren't necessarily deferred maintenance but where we have, at the advanced manufacturing facility, we know that there is a deficiency in terms

of we need to have another elevator.

There is one elevator. It has problems. It really needs to have, for the size of that facility, needs to have another elevator. So the idea is also sort of all our known issues that we have at the college, let's go to the voters, get the authorization, have the actual capability to address these known issues, again, all throughout the college.

Then the last major project, before I get into what some of the impacts are going to be, this is refinancing the revenue bonds. By doing so, we'll be able to issue bonds at a lower interest rate than the revenue bonds are, saving the college about \$2.8 million in future interest debt and interest payments in the future.

The bonds are callable in 2028, and so what this would enable us to do is once they are callable, meaning that you can pay off the remaining debt, it would enable us to restructure it at that point.

Again, it will save us about \$2.8 million in future interest. Then in terms of the operating impact, it will reduce our operating budget that needs to be set aside for the revenue bond debt by \$4 million a year. That will give us, will strengthen our long-term financial stability, sustainability.

It will help us keep future tuition increases as low as possible,

and it will give us some operational flexibility so that we can grow into and adapt to these new centers of excellence as we bring them up online.

Okay. So that's a big summary, a summary of the various

projects. Fairly high level, of course. We also are working on compiling that information so that we'll have that available to any interested taxpayers, we'd be able to provide it.

We're looking to have it so it's searchable by location in case someone wants to see, oh, what's happening at the campus nearby, and in terms of also what the impacts are going to be with the projects looking to do.

Again, to issue the debt, this slide shows there are two options that the board can consider. There is the idea of what is the most typical GO bonds repayment, which is over 20 years, so paying it off over 20 years. That is the most typical thing that local Arizona agencies typically do when they do GO bonds is typically over 20 years, but the board can also consider doing it more quickly, paying it off over 10 years.

The advantage of that would be that we know these projects are probably going to be, in terms of we know that as we have gone through with the revenue bonds, with the educational master plan, every five years-plus, we know there are new things that come into mind that we would want to do.

So what a 10-year paydown would do is give you the flexibility to go out for bonds again in about 10 years' time to address the known needs that will be identified in the next 10 years.

20 years, you have less flexibility to do that. However, the pros for 20 years is that it has a smaller financial impact or impact on the taxpayers.

So just to walk you through this slide and how to read it really quickly, this column in the middle, that's the 20-year, the more typical way to pay down the debt. We have it outlined here in terms of how we're statutorily required to show it, that owner occupied residence is required to be shown in this way, and it's based on a property valuation of \$250,000 property, so the impact for this project would be \$31 per year in terms of -- that \$250,000 property will, if we issue \$250 million bonds, will pay \$31 per year more. So \$2.59 a month, that's for a \$250,000 property, which is pretty close to what the average Pima County property valuation is for a residence.

Commercial property, this valuation is based on a million-dollar property value, so for commercial property, the impact would be about \$200 per year. Agricultural and vacant property, that's based on a \$100,000 valuation, the impact for that would be \$18.68 per year.

Again, we also have it broken out by months, so it gives you an idea of what kind of impact it what would be on a monthly budget or on a taxpayer's monthly budget.

If you pay it back over 10 years, you obviously are paying back the principal a lot more quickly so that the costs are higher, but they're not a lot higher. So the paydown for that, the expected for residential property would be about \$46 per year, so that's \$15 per year more, right, to pay it off over 10 years. And then you can see what the impacts are going down for the different properties.

This is just again a high level of where we're at, so right now

we are, if we had a little star, "you are here," we are right in this line here where we have done a lot of the planning work, we've gotten the cost estimates, potential funding impacts. We are going to take to the board, after this conversation we have with you tonight, the formal authorization to go forward to the taxpayers. That doesn't make it happen. That makes the election happen. Again, what the board would be deciding is we want to take this to the taxpayers and let the taxpayers vote.

And then the next step following that, there is a bunch of election logistics that general counsel, our team that I identified, will actually go through a bunch of stuff, making sure that we get the information done in the way that it legally needs to be done, work with the county so that we get the thing on the election in time for November.

Again, and I was trying to emphasize this at the beginning, the timeline of this. This doesn't mean, like, we approve this and suddenly you have this state-of-the-art first responder facility in a year. No, that gives us the funding to get the next steps going.

Then we would be entering the design phase. That's also when you start issuing the bonds. As I mentioned, we would be issuing the bonds in terms of a cash flow need as we go. So you'd be entering more of a design phase which will last for about a year-plus, and then the building phase. Then you can kind of get an idea that we are looking at, on the outside, about 2033 for these projects to be fully finished.

Now, some of them will be, renovations are going to happen faster

than building a full building, but the idea is that this is going to take some period of time. This is an investment into the future for the college.

I think we've got a really good story to tell. I think we have really good projects that people throughout the college have been involved in identifying and clarifying the values and the needs for these projects.

We have a good story to tell, but now I'm going to turn it over to our polling colleagues from Javelina, Joshua Ulibarri and Calista Emeril (phonetic), who will come up and talk more directly with you, unless you have questions before that -- I will come up after, at the end -- but to tell you a little bit about what their preliminary work has done in terms of polling our community.

>> Thank you, Dr. Nasse, Chair Taylor, members of the board. We are excited to be presenting you the polling results that we've done for this bond. My name is Justin Plumb, I'm a political strategist at Javelina Consulting.

We have a lot of experience doing research and working on campaigns for ballot measures like this one. We've worked for the previous Prop 481 that PCC did. We worked for Tucson Unified School District on their most recent bond and override election. Maricopa County for school districts like Phoenix Union High School District, Gilbert Public Schools, a long list.

We have a lot of experience on working on these bonds and

overrides, and we're excited to show you these polling results to give you an idea of how the public is feeling, what their knowledge is of a ballot measure, right now the needs of the college, their views of the college, what they would be working for in a bond and what is the viability of the bond success. Is this something that the public is willing to support.

I also want to introduce and have him come up, my colleague, Joshua Ulibarri from Lake Research Partners. Josh is an expert in the polling industry who we work with a lot on these ballot measures. I'm just going to toss it to him to introduce himself and then go through some of the results.

>> Thank you. Good evening. I'm Josh. I'm a partner at Lake Research Partners. We are a political polling community, public opinion research firm headquartered in D.C. I live in Phoenix and have done a lot of work in Arizona.

We can talk through some of those things, but I will just jump into the data here for a moment and let you know, this is, we used to say, fresh off the presses. This data is only a week old. You are the second group that I've presented to in terms of these findings, so very fresh data, very new data.

It's only about a week old, as I said. We conducted it among a robust sample of 450, November 2026 likely voters, so folks who we think are going to turn out and vote in November, so they get a sense of if they face this, what would they think, what kinds of things do they support, and what's inside of it that they like and respond well

to.

So there are a couple of questions that were asked of us as we joined this project, which is can this bond pass? If you put this in front of the voters, would they vote yes or no on this, and what does that look like? We will show you, provide the answers to these questions in just a moment.

The second question is what kind of engagement is necessary? What would it take to get to a yes vote? What is inside of this that voters appreciate that excite them about the potential here that interests them and that might be highlighted in conversations.

Question 3 is what aspects are most important to voters. Question 2 and 3 very much work with each other, and we will show you the data on some of those questions as this conversation evolves.

So here are the answers. If one of the questions is can something like this pass, the data tells us overwhelmingly that the answer to that is yes, something like this can pass. So there is work to be done, for sure, we will talk about that, but voters are excited about it, and there are things within it that they want to see happen.

Second question we asked was what does the engagement look like? The answer to that is voters need to hear about what's inside of this. They don't know initially. They're not experts on the conversation you just heard. They don't know what's inside of it. But when they hear about what's inside of it, they're excited, engaged, they want to see it happen. So what are the things that are

most important to them is the third box you see down here. I'm just going to jump real quickly to that bucket, those buckets here and the third box here are the exact same things.

I will show you the data in a moment. This is the last sort of explanation conversation is what is inside that voters like? There are four particular pieces that voters like. There are other things that work, and we will show you everything that we tested, but the four pieces that really excited voters are on this slide here.

In no particular order, because they are all about equally strong, depending on the voting group, but one is this idea of refinancing so that there are lower payments so there is more money that helps the college with other priorities.

That excites voters. They think it makes sense. As you'll see in the moment, they very much trust the brand of the college, so the sense that there is more revenue freeing up some additional funds to be invested and to be used, they appreciate that and they think it's a good idea.

The second or the next is keeping tuition down, this notion that if this passes, there may be an opportunity to keep the tuition down and not raise tuitions as much as some folks may fear. That's also important to people, as well. We will share the data in a moment.

Another bucket is I basically have described it as making old things new. We heard about new buildings, we heard about HVAC, we heard about things that have gotten old that need to be repaired, we've heard about new centers to make this college even better than

it is today. That is something that voters really like, as well, so making old things new.

Then the fourth bucket or the fourth bucket of this conversation is the sort of EMT leadership. They are very excited to hear the college is the leader in the Southwest of the United States when it comes to EMT training and career development, protecting that, expanding on that. It's very important to folks, as well, because they already appreciate the college, which I will show you in a moment, but hearing that you're expanding leadership, that you're protecting leadership is very motivating.

So we're going to show you some slides, the data in a moment. There is lots of numbers on those slides. Just to reiterate, refinancing so there is more money to invest and use for the college, keeping tuition down for students, making old things new, and then protecting and expanding on the things that the college already leads on are very important motivators and things that voters like to see within this conversation.

So this ballot is the initial slide. When we present voters very technical language, would you vote yes or no on this, you can see we start out 47-44. After just a few pieces of information, you get to 63-31 in terms of the informed ballot.

So when we talked about what does the engagement of these look like, what do voters need to hear, you can see with just a few pieces of information -- we'll share that in a moment -- we get to the 63-31 yes. Voters' instincts are to do this, but they don't know what's

inside and they need to be engaged in this conversation to see what it funds, what new opportunities exist for them, and then you get to this 63-31 ballot.

You You can see the darker blue at the bottom here is intensity.

double the intensity when they hear about a couple of things that this funds. You reduce the no vote by almost half in terms of this conversation, cut down its intensity, as well. So there's lots of good movement within the survey in terms of voters, that they hear what this funds, they hear what the opportunities are, become very engaged and excited about the potential.

But you can see you start at 47-44, so does there need to be engagement, does there need to be a ramp-up in this conversation to let voters know what's inside. The answer to that is yes, and when that happens, you get really strong, robust support that extends across the demographic terrain.

This is a very exciting slide in terms of our conversation. We were part of a project five years ago with the college, and we tested the college's favorability, and you can see on my left is 74% favorable, only 7% unfavorable in 2020. Today that's risen to 79% favorable, 6% unfavorable.

Your very favorable number, the dark blue, went from 36 to 43. So five years ago you were in really great shape with 74% favorable ratings. Today the college is sitting at 79% favorable ratings.

but Movement within the margin of error in terms of the 74 to 79,

also really intensifying favorable ratings for the college from 36 to

43. So as you think about do voters trust the college, do voters feel good about the college, are they listening to the kinds of things you might ask them to do, you can see conversations here, a good, trustworthy source.

The other piece I'd highlight here is when we talk about the places that the college leads, protecting those things, improving those things, also very important to voters, because they really already appreciate the college as it exists today and excited to hear about some additional improvements.

This slide is data over the course of the survey. We put it under some pressure. Here are some good things that could happen. Pretty neutral. We say here are some things, do you like these things or dislike these things? Then we do say here are some things that really benefit, we use a little more persuasive language, and then we attack the ballot measure. We said it's not the right time, they should budget better, the kinds of things you think a group who would be against this might say. And we retested it to see can you withstand some attack.

You can see you went from 47-44 in the beginning, informed ballot, you get to 63%, and then you maintain really strong support even up to the end of the survey when we allow for the attack to come in and say now's not the time, they're asking for too much, et cetera.

So what this tells us as polling professionals and campaign professionals is if the public is engaged, you start this

conversation, it can hold up under attack and it looks good in terms of what might be able to happen for you in November. Better than good, as you can see with this data here.

Let me show you real quickly how do we get to the 63% number,
how

do we maintain the 60% number in terms of public support. There are two batteries, both of these with lots of data. We're not going to go number by number, but we are going to show you some general aspects of what happened here.

So on this slide, we asked voters, here are some things this could fund. Do you support it or oppose it? You can see the support is in the blue. The strongly support is in the dark blue. And as a public opinion researcher, I really focus on the dark blue, because voters, people, and voters are people, act on things that are very important to them, not on things that are just sort of important to them. So I really pay attention to the dark blue sort of really motivating support for something.

You can take a look at this slide. Nothing is upside down in terms of support versus opposition. Everything we tested that this could fund, voters are in support of, from 83% at the top of this conversation in terms of refinance to 69% on the center of excellence for cybersecurity at 69%. Each of those numbers, very good. 61% strongly support for refinancing down to 38% for the center of excellence for cyber. Also a very good number.

Certainly, the refinancing number is stronger, more powerful,
has

more reach than the cyber conversation, but the cyber conversation

lower in this poll still very, very popular. So that's one way to think about this slide.

A couple of things are happening on this slide. You'll remember,

I highlighted the four buckets that motivate support for this kind of a change. Refinancing, tuition, making old things new, and protecting the EMT leadership of the college. You can see some of those things start to rise to the beginning when we say here are some things this could support, that this could finance.

Refinancing, top of the slide here, 83 overall, 61% with support,

with intensity. The new STEM center you just heard about. IT revitalization, making old things new. And the deferred maintenance, making old things new again. They sort of form the top tier of things that work the best for you.

Again, the other things, relocating the police department, public

safety center, also strong in support. There are groups of voters out there that support all of these. But you can see the four buckets I highlighted really start to rise to the top for you in terms of what's really motivating strong support for this.

Everything gets good marks. Some get slightly better than others.

These, by the way, also are just -- the refinancing language that

you see here is just a quick summary point of what we asked for our reference in this conversation. There certainly was more information we provided for them that's available in the packet, but it's a quick

shorthand for us to describe for you the kinds of things that most motivated support.

Here's the next slide. This slide said if voters were to pass this, here are some things that could happen. Do you think this is a good thing or do you think this is a bad thing? You know, obviously in terms of engagement, you talk more about the good things and the bad things, but none of these things are bad.

Again, the good things are in blue. Dark blue are the very good things in terms of they gave it a 10 out of a 0-to-10 scale. Things they felt less good about are in red, and you can see almost all of these 10 to 1, 5 to 1, et cetera, in terms of good versus bad.

If you think about the buckets I highlighted in the beginning of this conversation, you can see tuition, the ability to keep tuition down, No. 1 in terms of this question. Improving response times when you relocate the safety center, No. 2 in this conversation. Refinancing hovers there again high in these ratings. The EMT conversation, and then specialties and infrastructure, making old things new very strong.

The colleague right before us talked to you about the 10- to 20-year option. We did test that for voters as well. We did not give voters the thinking behind 10 years allows you to go at this again or do something different versus 20 years, longer repayment plan. What they heard was \$46 over 10 years, \$31 over 20 years, is this a good or a bad thing?

You can see, for the most part, it doesn't really matter what option you choose, 10 versus 20, though 10 does have slightly more reach by 5%. That's basically within the margin of error in this

kind of a conversation.

So I think whatever decision you come to in that terms of question, I think the bottom line for me is I would just reference back to, if you come to a decision on that, the question at the beginning of the survey, the favorable ratings for the college, support level for the college leadership, they I think would ultimately trust the decision you would make in this conversation. It does not really matter to them.

We gave them the dollar amount. We said how much it would cost over a year for the typical homeowner. You can see it's a good thing, not a bad thing. The 10-year plan does a little bit better than the 20-year plan, but I think ultimately would be trusting it in your hands in a conversation like that. I think somebody could have engaging conversations with voters, either one of those two options for you.

That's the appendix. I guess I would just give you a quick one-minute summary of the data, which is, if we have three questions, can this pass, the data tells us it can pass. The data tells us strongly that voters want to do something like this. It's incumbent to tell them what's inside of this, what they're getting if they do this.

Then the four buckets that really elevate support for them is the tuition conversation, making old things new, protecting your EMT leadership, and then refinancing so you can make other additional financing and spend decisions.

So that's our conversation here. I'm happy to take questions with Justin and turn it back to the board for questions, anything we can expand on.

>> MR. GREG TAYLOR: Thank you. Anybody have questions?

>> DR. NICOLE BARRAZA: Mr. Chair? Yes, I have a question.

Thank you for these poll results. I have a question about tuition. Isn't tuition not related to capital improvements? So how is that -- are we being disingenuous, or is it because of the refinancing we have less expenses and then more money and so potentially we wouldn't have to increase tuition? Is that the link?

>> DR. DAVID BEA: Yeah, so the link is that in the operating budget, which is supported by the tuition, the operating budget currently supports all the operating things, and we transfer money over to capital to fund some things. So it's twofold.

One is the revenue bonds are pledged revenue, and that includes pledging tuition dollars, so it frees up \$4 million of that, which gives us the flexibility. On top of it, we won't need to move as much money from the operating budget over to the capital to cover normal deferred maintenance for a while.

Then what that means is going forward, we will have met more flexibility and we won't have as much need to push tuition increases. So in the future, if this doesn't pass, it is very likely that tuition increases will be higher, because we'll need to increase tuition to have the money to push over to deferred maintenance, if that makes sense.

>> DR. NICOLE BARRAZA: Thank you.

>> MS. THERESA RIEL: Chair Taylor, I have a couple of math questions.

>> MR. GREG TAYLOR: Yeah, go ahead.

>> MS. THERESA RIEL: Thank you.

So I'm not 100% sure if I heard everything correctly, but I was writing down a couple of things. So I heard that there were 420 people surveyed. When we got to the slides with the numbers of people that were highly favorable, I was sort of shocked that none of those were anywhere near that 420.

So will you explain how we went from 420 people being surveyed to these numbers, for example?

>> Sure. So we spoke to 450 voters. 400 voters overall that were likely to vote, and then we also oversampled 50 Hispanics so that we could look at some differences among Latinos by age and gender underneath.

So all of these numbers are percentages from that question. So, for example, on your favorability ratings here, out of the 450 we spoke to, 79% were favorable, 6% were unfavorable.

So I appreciate the question. Apologies that I didn't say those were percentages. Yeah, everything you have seen in this conversation, for the most part, have been percentages. So out of full sample, 80% were favorable.

>> MS. THERESA RIEL: Thank you. Then one other question about one of the slides, the project outcomes, it was like the

second-to-the-last, I believe, and what is that response time, the second -- I'm not even sure what that means as far as something somebody would be concerned about in the college.

>> Sure. I will answer, and then other colleagues who are sort of experts on the conversation with you can answer, as well, that was by relocating the safety center, you can reduce response times in the community. You can get to people quicker. The officers can get to people quicker.

>> CHANCELLOR JEFFREY NASSE: The police station being closer to students and our campuses.

>> Perfect. Yeah, so lowering response times for first responders on campus and making the campus and surrounding areas safer by moving the college police headquarters onto campus.

>> MR. GREG TAYLOR: All right. Any other questions?

>> DR. NICOLE BARRAZA: I have another question, Mr. Chair.

>> MR. GREG TAYLOR: Please, go ahead.

>> DR. NICOLE BARRAZA: I know it's kind of like a baseline poll,

right? Not a campaign poll.

Is it typical for this type of poll to not test more negative comments? Because I think the major attack to any of this was the economy and not being the right time.

There weren't more specific or more negative con arguments, I guess? Is that typical for a baseline poll? And then once there is a campaign there is more testing of no arguments?

>> Sure. So I will answer, and then Justin, who has run

campaigns in this state, as well, can answer that.

I brought up this slide for you, because the informed ballot here, what that moment in the survey did was it gave the yes side a paragraph that said here's why we should do this, and it gave the no-sided paragraph and here's why we shouldn't do this.

So it gave both sides an opportunity to say yes and no. Here's why voters shouldn't do it; here's why voters should do it. We did also test, gave the opposition an opportunity to say don't do this. So sort of a balanced paragraph, our side, the two sides. You can see that here.

At the end of the survey, we also tested -- well, not the end of the survey, but end of the survey's demographics, but nearer the end of the survey, we also tested I think four or five different shorter statements on why voters wouldn't do this as well.

So we gave them a couple of additional reasons why they wouldn't do this. So it wasn't quite a balance survey in terms of that the yes side went first, but it also did expose us to some negatives in terms of what have might happen if the opposition were to come out and say don't do these things.

This is typical in design for where this kind of question is in the moment. Can it pass, what are some good things, what are some bad things that might cause some problems.

Putting on my campaign hat, if this were to become a campaign and we were to become a part of the campaign, we probably would put it under more intense conversation back and forth, but feel really good

about this is a typical kind of survey for this moment in time in terms of helping folks decide go/no-go on what the public might pass.

>> The one thing that I would add is one of the things we are trying to do in a survey like this for you all is kind of simulate a campaign so you get a sense of what might voters be thinking of this after they've heard from campaign of folks who are advocating for the bond and those advocating against it.

So one of the things that we do is we're kind of thinking ahead of what might this campaign look like, who might be funding it, to give us an idea of how much positive there might be, how much negative there might be, in which case, how much do we need to weight it.

Our expectation is that there certainly will be some folks advocating against this, but the folks advocating in favor will have a much bigger budget, much bigger reach. So giving the pro arguments sort of more questions and more arguments is probably more accurate to what the actual campaign is going to look like.

>> DR. NICOLE BARRAZA: Thank you.

>> MR. GREG TAYLOR: All right. Any other questions?

>> MS. THERESA RIEL: I have some questions for Dr. Bea.

>> MR. GREG TAYLOR: Yeah, please, go ahead.

>> MS. THERESA RIEL: So I know that this might be out of my wheelhouse, but of course I'm going to ask them anyway, because I won't sleep well at night if I don't.

The East Campus remodel, the E-3 and E-4 buildings, one of those

is currently the cybersecurity place, so I get why that would have to be remodeled. And then adding a 20,000-square-foot building, I remembered in prior -- I don't remember. I might misremember. But I remember that square footage being a lot larger on one of the plans that went out, I think it was before when I joined the board.

So do we have like a design team that we've hired that already has a plan for what that's going to look like?

>> DR. DAVID BEA: Yes. That actually, of the different renovations/major building expansions, that has had more work on it than any other project has, because it was one that has been talked about for some time, because we were looking at different opportunities.

So the change from some of the things earlier are just refining what is needed, I think being really judicious with what's needed and what the best impact is going to be, as opposed to having the best and the biggest of everything, how can we make this work. And part of it is also utilizing some other space at East Campus that wouldn't have been available if we weren't moving cyber.

Benny, did that cover that? All right.

>> MS. THERESA RIEL: Then my second question related to that, and James is here, so I might be able to ask you too. There are also groups that use those spaces. I know that the Vail Early Learning Academy is there.

Have we reached out to those folks and all of the folks that use the cyber tech -- you know, there is clubs and different groups, not

just kids', students' clubs, but also other community members that use that place. Have we made sure that they're all onboard about the space being different or maybe not available at all for them?

>> DR. DAVID BEA: Yeah, I'll turn that over to Ian.

>> DR. IAN ROARK: Yeah, at this particular -- there are a lot of partnerships that are with the IT/cybersecurity center of excellence, including of course the State of Arizona Cyber Warfar Range and the groups that you mentioned.

So not to get ahead of ourselves with respect to the decision that is going to be put before the board, those conversations would start happening during campaign so that we could start to educate.

And of course, as Dr. Bea indicated, should the board approve the bond, and should the bond go forward in November of '26, these changes are years away. So we would be able to also talk about other opportunities that would be there with respect to the other centers of excellence, as well as preserving what we need for the expansion of general education on the campus.

Equally, moving that particular center of excellence to a different campus also opens up the opportunity for the partnerships for other school districts that are near or adjacent to the Desert Vista Campus, as well. So in some instances, there might be more primary partners than the current ones, but our intention is to also have the opportunity for some IT/cyber classes to still be offered, so moving the entire center of excellence does not disallow us to

also keep things going where we can with respect to those high school

partnerships.

>> MS. THERESA RIEL: Thank you. Then my last question was just when you were talking about the Downtown Campus and utilizing some of the space there in between the buildings, on the timeline for all of that, it just seems like those poor folks at the Downtown Campus have had construction for more than a decade maybe.

So, I mean, I would assume that the new police law enforcement place won't be anywhere in the middle, may be beyond one of the properties that were purchased on Drachman. So that won't necessarily be quite the catastrophe of having the mid-walkway being disrupted.

When you guys work on timelines, is that one of the things that you factor? We just cleaned up the construction debris, and now we're going to say, hey, we're going to reroute that again?

>> DR. DAVID BEA: I know there is a picture that... way at the beginning? Yeah, there you go.

Okay. A couple of answers to that. One is, you know, obviously there is going to be disruption any time you have major construction, and you can't sort of work without that reality.

In terms of, I think in most of these cases, the construction that we were talking about is going to be more peripheral. It isn't going to be without disruption. This picture and what Jeff was pointing out, you can see from this angle the police headquarters building location is on the Drachman side where the vacant space is. Near the Tucson Inn sign is where that's envisioned.

at That's actually pretty peripheral to the school. I think that

Downtown Campus, we would be talking about things that are pretty peripheral at this point.

The other comment is unfortunately when you're at a college and you're consistently and constantly updating and upgrading, you have construction, and it kind of has to become almost just that's a way of life, and it's not great, because it is disruptive, but I think our team has done a lot over the years to actually minimize that impact.

Then I'm thinking about the University and just go to the University, and see how much they are constantly building stuff. That's when you're keeping up and you're having to deal with these major projects and keeping things state-of-the-art, you're going to have construction happening.

But we will, you know, do everything we can to minimize the impact on the learning that happens at the campuses.

>> DR. NICOLE BARRAZA: Can you explain why we haven't had a GO bond in 30 years?

not >> DR. DAVID BEA: I can give you my opinion (smiling). It's taken lightly. So the best answer is the college doesn't take a decision like that lightly.

The idea of property taxes is taken very seriously, as you know every year when we talk about a primary property tax increase, and we agonize every year, do we really need to increase the property tax

levy? So that I think overarching, there is this general idea of you

do it as infrequently as you possibly can. That's one answer.

There was a period of time where I think we should have and didn't, because I think the college wasn't keeping up with what should have happened. So when you see that 2015 and the Educational Master Plan and the identification of centers of excellence, that could have happened five to ten years before that.

We were slow to get to that, to those kinds of updates and upgrades that probably were needed a little bit before, and had that happened at that period of time, I think you would have been having a conversation about the GO bond.

When we got to the revenue bonds, the idea the college wasn't in a great place in terms of what the public perception was, this was coming after the HLC, like this is right on the heels of the HLC problem, being on probation, so it was, like, okay, let's take care of our own business, do what we can, show the community that we're doing the right thing and that we're responsible, and then they will be supportive of a GO bond.

I That's like my overarching, very meta way of looking at why, so think we are really hesitant to go to taxpayers and put additional burden on them. Then the timing of it was probably such that it then got us into find your own way to do it.

Now I think we're in a place where it's like looking forward to do what this college needs to do to be the college our community expects we need to go out and get a major infusion.

>> DR. NICOLE BARRAZA: Sort of as a follow-up to that question,

can you paint a picture of what happens if this doesn't go through?

>> DR. DAVID BEA: Um, I can, try not to be super bleak about it.

A number of these projects are things that we know we need to do to address the deficiencies, whether it's that we're at capacity and we're having our paramedic program taught at a substandard facility, to deferred maintenance that we'll have to find funding for, to the arts building is one where it's not just a nice project. It is nice. We want to be able to provide state-of-the-art digital learning and digital arts training in the right kind of environment, but the other reality is an antiquated facility that has major problems with it that doesn't facilitate the kind of training we need to do for those students.

So if you take away that funding, and then the reality of the state is unlikely to increase what we're getting, other than I think that there might be a project here and there over the next ten years that the state would provide some support for, but the idea of restoring operating aid is not something that they're in a position right now to do.

Federal government, doesn't look like they're going to be providing the same kind of funding for grants that we've gotten some support from from Title V and Title III. We have done capital expansion and updates to culinary, to the library at Downtown Campus through Title V, and Title III, the renovation of Desert Vista. Federal grants for the near future don't look like a source of funding.

Revenue bonds, we are at kind of where a healthy capacity is,
and

our operating budget is kind of strained. So without the external funding coming in from the GO bonds, I think what we have got to do is take a real look and go, okay, we've got to probably think about what is critical how to calibrate to what we're funded to do, and then that means that we might have to make some tough decisions.

And I think it means that, getting back to your question about tuition, I think it's very likely that we're going to have to have more support both in terms of property taxes, we're going to max out at some point if we keep doing that on the operating side, and then the only other answer we have is tuition. So tuition will go up.

Then, if you don't have those two options, it becomes expense reductions, and sort of recalibrating how are we providing our services throughout the district. So it could be kind of dark.

>> DR. NICOLE BARRAZA: What would some of those tough decisions look like?

>> DR. DAVID BEA: I think the reality of looking at how many campuses we have would be on the table. I mean, we would have to seriously think can we support this many campuses if we don't have the funding, that we can properly keep them up and running with the kind of programs we need to offer.

>> DR. NICOLE BARRAZA: Thank you.

>> MR. GREG TAYLOR: Any other questions or comments? No? Not hearing any. All right.

Well, let's move on to 2.2. I think, Dr. Bea, this is still

you,

then, unless, Chancellor, you wanted to provide an introduction for this one as well or just turn it over to Dr. Bea?

>> CHANCELLOR JEFFREY NASSE: No, we'll push through. Thank you,
Chair.

>> DR. DAVID BEA: It's magic (smiling).

Thank you. All right. Again, thanks for providing the time and being here for us to have this conversation. Now shifting into the budget, you can see how there is some sort of interconnection between the two, but in the budget discussion, we're going to focus more on the operating side, but there are some intersections with regard to funding, deferred maintenance, and those kinds of things that get into the conversation, as well.

I know we went a little bit long on the bonds, but I was totally expecting that. I think that we can probably catch up on time, possibly. But again, if you guys have questions, feel free to stop me at any time as I'm going through the presentation.

Just to do the outline, going to talk about what are sort of the base budget considerations, give an update on what our expectations are in terms of expenditure increases for next year and what the expenditure outlook it, summarize what the revenue outlook looks like, and making sure that we can balance things and what our proposal is looking at at this point in terms of making things work.

So I think the most important thing to start off with is, and Chancellor Nasse mentioned this at the very beginning tonight, that the college has, in the course of this current budget, done a very

diligent job in terms of finding absolutely real operating expense reductions that will go into next year, so being really judicious with the stewardship of our funds, that included not increasing property taxes, not increasing tuition this last year.

Then the other piece to it was also making things balance for expense increases that we had by reducing operating expenses. So the goal was \$4 million. We are still in the middle of the year. I will give you an update on that.

Then there's another part of the goal is to continue to track on the ratio of 15 full-time student equivalents to full-time equivalent staff, so this is a ratio we have been tracking, we've talked with the board about that, 15 to 1. That isn't a target to hit by the end of the year.

I will show you how that progress is being made on that. The idea, though, is that is somewhere where ultimately the college would like to be at about that level to be running efficiently. We historically have been at that level in the past, so let's continue to track on that and be mindful of the fact that until we're sort of at that level, we might still have some staffing inefficiencies in place.

In terms of updating, where we have done in terms of reduction, so the majority of the \$4 million reductions are going to come in the context of staffing reductions, and this is where we're at so far. We have reduced about \$1.6 million in personnel expenses related to staff positions.

This is all through attrition of positions, so this is when someone leaves the college, when someone retires, that we're able to reduce the position and move work around to cover for that or reorganize functions in order to do that.

We have saved about \$1.6 million so far on that. We have another

7 that I know of in the back of my head that we are expecting. We know some retirements are coming, and when those retirements come, we know those positions won't be filled and we will close those. So there are another bunch of positions that we will have coming up.

In terms of operating expenses, these are real expenses year over

year, so current-year budget, they won't be needed next year and then cut in terms of the different positions. So we have identified about 800,000, a little more than \$800,000.

I can tell you that number is already closer to 900,000, because the academic payroll number, we now have a better estimate for the spring semester for out-of-state adjunct faculty, and we have continued, our academic folks have continued to do a really good job of reducing the number of out-of-state adjunct faculty, and that number is closer to a savings of \$100,000.

It's almost to the point where it's going to be negligible next year in terms of how effectively they have identified in-state resources for those classes that they were teaching.

So in total, we are at about 2.5, but I've said and we already know of a bunch more that's coming, and I'm confident we will hit

that \$4 million target. That sets us up well for the budget, because

in the budget we had some expected savings, but then Chancellor Nasse wanted to go above that with his goals, and that's going to help the budget going into the current year, because our expenses will be a little bit lower year over year than they were.

The progress on the 15 to 1, you can see that from, I guess our low point was 2023 when we were about 10.5. We hit, at the end of 2025, 12.1. And with enrollment increases that we have been experiencing this year and the fact that we have also been reducing positions that I have just been talking about, I'd expect that that number at the end of 2026 is going to be closer to 13. It might be over 13. So we are making good progress. We are heading in the right direction.

One of the factors behind that is enrollment is increasing, so the board knows that enrollment has been increasing year over year for a number of years in a row now, and our numbers this year are little bit more than 5% total year-over-year improvement. So that is all helping. It helps those ratios, it helps how the budget balances in general.

Another chart that you're familiar with is what I think is the most significant overarching financial measure that we monitor, which is our financial stability board policy. Keep in mind that we try to keep our days of cash on hand reserves to be at the end of the year above 180 days, and then there is a high point that's 270 days.

The idea is when we get over the green line, that's when we can start thinking about using some of those reserves to spend it down,

use it for some of the capital needs that the college has, so allied health, the BCT, the construction building that I talked about earlier, those are two examples where we use college reserves, spent down some of the reserves we had on hand, and we are now at the point where you can see we are close to the low threshold.

So the idea is the operating budget, we can't overall be spending

down our reserves. We now need to start actually probably adding back into our reserve base.

That's by just making sure that we are not spending down reserves

that are operating budget, the revenues that we have coming in are more than supporting the expenses that we have going out. That's the goal that we're shooting for.

In terms of anticipated expenditure increases, we have been in a really concerted effort to minimize operating expenses going forward, so in terms of contractual obligations, utilities, those kinds of things, I think with the reductions that we have had in place and some of the things that we're still working on, I don't think we need to set aside additional money for contractual obligations going forward next year. That's good news.

So then the priority is going to be, we have some costs that are related to the General Obligation bond election costs, those are not insignificant, but it's one time, and so we will have to put that into the budget. Overall it's not going to be that noticeable, but something that we are factoring in.

We obviously are monitoring federal uncertainty and the impacts

that that might have. Right now there is not a direct impact that we need to factor in the budget. So then the big increase year over year are on the personnel side.

If we do what we typically do, so that is looking at our employee

benefits, there is going to be a big increase for the costs of our employee medical benefits. We're expecting them to go up about \$6 million year over year, and then when you look at salaries and wages, if we do a year of experience and a fairly moderate increase for a minimum increase of about 2.5%, and then like an adjunct faculty increase of around 3%, that's about \$4 million.

So normal salary increases for our employees, about \$4 million. Increased costs for medical, about \$6 million. So year over year, we're looking at expense increases just to keep doing what we're doing of about \$10 million. That's a big number, and again, it's driven primarily by medical cost increases.

In terms of revenues, and this just shows sort of the overarching, this is all funds, so it sort of shows where the revenues come from, in this case, almost half comes from property taxes, but that's because we have college equity, which is this big piece of pie, that's the use of college reserves, so that's another way to say reserves use-of-fund balance. That's what college equity is.

That piece of the pie is going to get much smaller next year, because we won't be planning to spend down our reserves like we have been, so that will get much smaller.

Grants, contracts, and financial aid, that will get smaller because of some of the grants that aren't continuing, but the financial aid could go up, because enrollment is going up and financial aid could go up. So that might not change dramatically, but the grants side of it will be going down.

So the two big sources are your tuition and fees and your property taxes. It's about 75% to 25%, give or take, for how much is property tax versus tuition in terms of our operating.

In terms of what we can expect going forward, some of this is contextual, so dollar per credit of in-state tuition, if we increase in-state tuition by a dollar, that generates \$400,000 with the amount of enrollment we have right now.

Then property taxes, the levy-neutral number, that is just growth

in new properties that were added to the tax base, that's 1.8 million. College doesn't do anything. We get that additional revenue to support that new property that's on the tax rolls.

Increasing by what the college has done most commonly has been a 2 % increase over the years. A 2% increase generates about \$2.9 million. Between those two property taxes, if you add those two ways of looking at it, that's a little bit less than \$5 million.

Other revenues, we are expecting a little bit of an increase in Prop 207 money and a little bit of an increase in Prop 301. Those aren't totally reliable, because if the economy turns down, those are both sales tax related.

Prop 301 is very economically related in the sense that it's

sales tax and it's based on all sales tax. So if the economy goes down and people are spending less money, that is less revenue that will go through and come to the college.

Prop 207, I can't say it's as direct, because that's from marijuana sales, and the economy could go south and maybe it could do something different from going down, because, you know, people have to cope in some way, I guess. (Laughter.)

Can't predict it. Don't know. Just going to throw that out there.

So as we have talked with the board last number of years, there has been conversation about looking at tuition, doing something not just looking at in-state tuition increases, looking at other ways to change tuition. And so what we did is we did a deep dive into our differential tuition. I'm going to walk you through that.

That is updating the last time we did a significant change to differential tuition was 2020. There are three elements to this, which is -- actually, let me back up and explain what differential tuition is.

So we identify at the college which disciplines are high-cost disciplines in terms of direct instruction. It doesn't have to deal with how much facility costs there are, how much square footage they have. This is based on just a direct instructional cost.

But some of our programs are higher costs than others. The reason for that is if they have more full-time faculty, if the full-time faculty have, by accreditation standards, have to teach

smaller classes, that makes the program fundamentally a higher-cost program.

So what we have done, we have created this a number of years ago,

this is actually when the state started reducing the budget, is when the differential first came into being, and the idea was looking at median discipline, and then comparing all of the different disciplines to the median.

If a discipline was more than twice as expensive, it would qualify for differential tuition. And there were two differential structures. There was differential A and differential B.

And they then carried with them a slightly higher cost. So you pay in-state tuition, and then you pay an additional per-credit charge on top of that for these high-cost programs.

It's just for the classes that are that discipline. So if you're

taking a nursing, if you're a nursing student, you pay the high cost, the differential, just for nursing classes, but if you took a biology class, that would be a normal tuition class.

So the modification that we made in 2020 was to look at what proportion of these direct instructional expenses were covered by the in-state tuition, and it was generally about 22%. So the idea then was, okay, let's look at what the high-cost disciplines are, and with the differential put in, what percentage of the costs are those covering. At the time, in 2020, they were below 22%, and so we changed it to being 22%, so there was an increase in what that

differential charge was.

We did the same idea, this time was to look at where these high-cost disciplines in terms of the tuition, the general tuition, the in-state tuition plus the differential tuition, how does that compare to these high-cost disciplines in terms of the average cost per FTSE, and then let's try to keep that in the same range.

So there are three things that we're recommending in terms of changing. One is to update the discipline, so to do that same exercise on how do they compare to the median discipline, which ones are over 2 times more expensive. We are recommending a modification so that instead of being from 2 to 4, essentially, 3.99, would be differential A, and those that are 4 and above are differential B, is to shift it from being between 2 times and 3 times more expensive is differential A, and then 3 and above is differential B.

That's because looking at that what share they are covering, because the differential B programs or disciplines are significantly higher costs, the idea is to keep that in that same 20% to 25% range, that the total tuition generated is covering 20% to 25%, and so the idea is to let's do it so that the differential A is a little bit narrower of a band and then the differential B is a little bit higher of a band, because those are significantly higher-cost disciplines.

This is an update of what the different disciplines would be in terms of which ones now qualify for A and B. Again, this hasn't been rerun since 2020. There are some changes. There are some programs or disciplines that get added into this list for the first time in differential A, some shift from A to B, and then a lot of them, if

they were As, there are plenty that were As and stay As, and there are plenty that were Bs that stay B, but the shift is more toward B, and then some new programs come on. So there is a number of additional programs or disciplines that qualify.

Then, getting back to that logic that I was talking about about keeping it between 20% and 25%, the recommendation is to increase the differentials for A by \$30 per credit and differential B by \$45 per credit. So \$51.50 now will be \$81, so they'll pay, right now currently it's \$100 per credit, they currently would pay \$51 on top of that for the high-cost discipline class, and then now it will be, instead of 51, it would be 100, and then 100 plus the 81.

>> DR. NICOLE BARRAZA: Per credit?

>> DR. DAVID BEA: Per credit. And most classes are 3. Some are more. Like these high differential, a number of these classes are 4, because they are lab-based classes and things like that. They would be higher -- I always think of it as it's 3 times, but there are some classes that are 4.

Then this is what the summary total is. The other piece to add into this is that we are now adding in the baccalaureate program. A statute allows colleges that have a baccalaureate program to charge 150% for upper-division classes, so we are looking at that recommendation as well. Education, some of the education disciplines, not all of them, one of them now qualifies for differential.

So we're still working on the education piece, because it's got

a

unique couple of qualities to it, but right now what we're looking to do is do the high-cost recommendation that I just walked you through, a recommendation of increasing the in-state rate by \$2.50 per credit hour, and then also the upper division 150%, that is what we are looking to propose to the board at March.

Those three things, so the in-state tuition -- actually, I'll just call it two things. The in-state, the general tuition increase of \$2.50, that's about a 2.5% increase for most students, that generates about a million dollars of additional revenue. The changes to differential tuition that I just walked you through generate about \$3 million.

So the idea is that about \$4 million of that, the \$10 million expense hit that we're looking at, offsetting that with revenue increases from these tuition proposals that would cover about \$4 million of that.

Does that make sense?

These are mostly reference charts again to get to the point, get the point across about sort of overarching, what do we spend our money on? This is all funds expenses. You can see fringe benefits is not an insignificant part of the pie, and it's going to be growing because of what we just talked about.

But if you just look at the operating budget, you can see that in reality, the personnel expenses are the large majority. We are a personnel-heavy business. That is always going to be the case.

But that also is where it becomes very difficult when you're

looking at those expense reductions that we talked about, the \$4 million, the majority of any \$4 million cut or any big cut you would have is going to have to come out of personnel expenses.

The recommendation that we're going to be taking to the board in March and what we want to talk with you all about is the idea of doing property tax growth plus a 2% increase. Again, that's a pretty moderate increase to what a taxpayer pays, because that amount is spread out over a large valuation base.

If we do that, that will generate about \$4.7 million. I just mentioned the different tuition changes that we are proposing. That's about 4 million. The increases we are looking at for Prop 301, 207 are about \$300,000. We've got an additional \$9 million coming in.

I mentioned that personnel cost increases we are expecting to have are about \$10 million. In order to balance that out, we're looking to continue to work toward efficiencies, identify cost-savings opportunities. There are a couple of things that, again, that we know we're looking at, but the position reductions we'd be looking at is just through attrition. Like continuing to do what we are doing, it would be a lot smaller scale than a \$4 million reduction, but it gives us the opportunity to continue to make that point, like, we're not at this goal ratio we want to get to. We need to continue, whenever a position becomes vacant, to look at that position and say, do we really need it? Can we reorganize or restructure to be more efficient as an organization?

There are a couple of other things we're going to look at. One of the conversations with one of the AERC groups brought up the idea of the tuition remission program, so employees are able to take classes where they just pay the processing fee and the tuition is free. So we're going to be looking at the idea of potentially charging a little bit. It would be fairly negligible, but that will help reduce expenses, right? That's an expense reduction, because we do have to cover that cost as an institution.

So those are a couple of the ideas that we have in mind, but the overarching idea is we need to find \$10 million to do the priorities of recognizing our employees for the great work that they do, absorbing the unfortunate medical costs increase for the benefits, and then balancing it between our two revenue sources that we have some control over, and doing it in a way that it doesn't hit anything, either of those sides, disproportionately, trying to be as moderate with these approaches as possible.

And that's the budget as we have it structured as of today and what we wanted to run by the board.

Oh, I will also add, I have had this conversation, talked about this with a number of different employee groups. AERC as a whole, the AERC subgroups, so that's the staff, adjunct faculty, faculty groups separate. So they're just talking about their own particular interests and issues. Benefits working group is also looking at some potential changes to the benefit structures.

So they're going to be tasked with, like, here are a few

different ways that we can reduce some of that \$6 million and keep that, cut that down. It won't be the majority. It will be a very small share of that, but there are some things that we have some recommendations that we are going to be working on with that benefits working group.

I have talked with Staff Council, Faculty Senate, Student Senate,

about the tuition, giving them the context of why there would be a tuition increase. And College Leadership Council. Then we've hosted a budget forum where anybody could come get an overview where we are at with the budget.

So we are working on communicating with the message, getting that

message across. It's unfortunate we have such a big, mandatory increase for the medical benefits in particular, but I think we have a pretty good strategy at this point for how to address that and make sure the college is in a really good position going forward.

With that, I'll ask if the board has any questions related to the budget.

>> MR. GREG TAYLOR: Any questions or comments?

>> MS. THERESA RIEL: I just have a real quick question about that staff-to-student ratio, 15 to 1. I should know this, but I don't. I understand faculty-to-student ratio, because, you know, faculty are grading papers and teaching and tutoring, calling them up when they don't attend class. But what's the purpose of doing a staff-to-student ratio, especially -- because I'm sure there are

maybe more than a handful of staff that might not ever come in

contact with students at all, anyway.

So why does the institution -- I mean, not necessarily us, but why does the institution of education have that?

>> DR. DAVID BEA: I think overall it gives you an idea of how efficient you are in terms of serving the students you have. Obviously different institutions, like if you're looking at a small private school, you would not look at the same measure necessarily as you would as a community college.

So when we're looking at it, we use it as just, like, okay, where

do we factor in versus other community colleges? Are we staffed in a relatively efficient way compared to other peer institutions? Then this is also true for the faculty ratio is the ratios only mean something if it's relevant to your own institution, so the idea is what do we look like compared to other institutions? What do we look like compared to our own history?

The reality of it is we are very heavily staffed and inefficient compared to large, like, community colleges of our size, but there are some reasons for that. I can just race through a few reasons.

One is we have a lot of campuses. If we were to rebuild this institution from scratch, we would probably have two, maybe three campuses, maybe some ancillary sites, but it would not be structured like we're structured. We are structured inefficiently. So other colleges of that type would be probably smaller. They would be more structured in a more efficient way.

The other thing is also different states have different rules in

terms of what you have to support. So you could be in a state where all of the administrative services, all of the HR structure, all of the IT systems, are run centrally by the state. That is true of many states.

Then we're inefficient because we have to run those ourselves, right? Those would be state employees at another location in another state, whereas with us, we have to provide that ourselves.

So they're not end-all, be-all answers, so you don't say, oh, compared to that college, we're terrible. It's like on whole, like on average, how do we rate?

What becomes really important is, and is it meaningful to the college, and how are we longitudinally compared to ourselves? The reality is that's where the 15 to 1 comes in. If 15 to 1 is what every other colleges does, but we're not like every other college, I would say that that's not useful.

The reality is the 15 to 1 is, like, high compared to other colleges generally, and then it's also bad compared to us historically. We have run more efficiently compared to our enrollments.

But now, as you were pointing out, not all positions are directly

tied to students, and that's another reason why we are not super efficient, because we have to have a number of facility people and a certain number of other people that are benefits staff. For example, you have to have these at an organization of our size.

It's irregardless -- my wife hates "irregardless," she will hate

me if she hears this -- regardless of how many students we serve, we have to have those, a certain number of positions, to do the things we do.

So it's not a perfect measure, but it gives you a good idea of are we running efficiently, and for me, it's more like compared to how we have run in the past. We are not very efficient compared to how we were in the past.

Again, it's not like all of a sudden we could just say tomorrow, we're going to be 15 to 1 tomorrow, and we're going to downsize this. That would break this place, like it would not be a functional way to approach things.

That's why you work on it through attrition, through efficiency measures, hey, do we really need to do it the way we're doing it, are there other ways that we can offer services throughout the college.

>> MS. THERESA RIEL: And then another question was you mentioned

that, you know, if the GO bond doesn't pass, we most likely won't be able to have these five campuses that we have.

You know, when I started in '96 teaching at Pima College, we didn't have the Northwest Campus nor the Desert Vista Campus. You know, we added those two because we had 58,000 head count at the time, which is, I'm not sure what our head count is now, but it's not that number.

You know, I'm just wondering if -- you know, there are two different problems that we have, right? We don't have any money from the state, and we don't have students coming to the college like we

used to have. But it seems like if both of those could increase somehow, increase enrollment and elect officials that are more concerned with the quality of, you know, people we produce for the workforce and for our higher education, but I don't want us to -- I would prefer not to hear that we've got to get rid of campuses, because I think that the outlier campuses are very, very important for the communities that live there. So let's not even talk about that until it gets dire.

>> DR. DAVID BEA: I totally agree with you. The idea is I think

we have structured a vision and a future for the college that addresses that. Like it will make these different smaller campuses that may not be as vibrant as they once were, it will give them these foundational programs that I think will make them vibrant.

Moving adult education to campuses is helping. All of these things I think we're a lot smarter about how we are using our space. The idea that we have all this extra space is not true anymore, because we have done a really good job of moving things and consolidating space in a number of different ways, and again, looking at this location, doing the same thing with this location and moving people out of here is another example.

So I think we have done things in a really smart way. I think we have a good vision for it. I think, as you saw earlier, I think based on the polling information, I think our community will support it. I think we have a good story to tell. I think we earned it. We

earned it through working pretty hard.

>> MR. GREG TAYLOR: Great. Other questions?

>> MS. KRISTEN RANDALL: I just had one question. Dr. Bea, in a presentation previously you've shared with us, I don't know how else to describe it, kind of like a cloud chart of that ratio, the FTSE-to-FSE ratio with different institutions plotted on it?

>> DR. DAVID BEA: Yeah.

>> MS. KRISTEN RANDALL: I know you don't have it in your back pocket. I mean, if you do, that would be amazing. Could I just have a copy of that e-mailed to me?

>> DR. DAVID BEA: Yeah.

>> MR. GREG TAYLOR: I have a quick question, Dr. Bea, actually. On the slide where you were talking about the different programs that are in differential tuition A and B, and you kind of said verbally which ones are new and which ones are moving, can you give me, in an e-mail is fine, doesn't have to be right now, can you give me in an e-mail that highlights which ones are newly in which category, where they came from, were they in differential before or were they not? Just so I can better understand which programs are shifting around.

>> DR. DAVID BEA: Yeah, absolutely. In fact, that's actually part of the presentation that will go to you in March. We will show that more clearly, which ones move from A to B, which ones are new to A, that sort of thing. But yes, we will be happy to share that.

Yeah, I was thinking about it, because I was trying to look at it myself today. It's on two different slides, they're kind of spaced apart. So in the back of this slide deck is what the current ones

are, and then you can do the comparison, but we will put it in a structure where you can easily see what the changes are.

>> MS. THERESA RIEL: One more question on that slide. I meant to bring this up. You know that child development associate degree, so the tuition is high, but what we pay professionals that are doing childcare is very, very low in this state.

Does the college, do we figure out, like, what are they going to make when they get out of college compared to what this extra tuition is? Like for that program, even though it may be higher, considering the pay for one of those people compared to a welder is at least 0, maybe more.

You know, is there any way that even though it's a more expensive

program, since when they get out of school it's a lower -- does it have to be in differential? Do you do that kind of stuff?

>> DR. DAVID BEA: The conversation has definitely been had many times over the years, and it makes sense. Right now the model is, it's a rational model, based on the numbers tell you the answer.

But, yeah, as you pointed out, there are certain disciplines where the earnings potential is not as high as some of these other high-cost disciplines, and that's an issue.

Cabinet's had conversations about it. The challenge of sort of deciding whether subjectively or to exclude that, that becomes a challenge, because then it's like the next argument is, oh, well, if you took that argument for that one, I want to make that argument for this one, and then all of a sudden you have all these high-cost

programs that have different arguments.

So the idea that it's based on objective criteria has some advantages. It's not perfect because of that same thing, but some of the advantages are that you aren't vulnerable to that.

What I think the college does need to look at is when some of these programs is -- I think it's a more holistic conversation, which is should we be offering it the way it is, or are we offering it in a way that it's too expensive for the earnings potential and should we recalibrate how the program is offered, how many classes are in that discipline. There are different ways to, over time, I think address and get to that same answer.

Do you recalibrate that text so that's it's a much shorter program and taught in a different way, because the graduates of that do not have high earnings potential.

I think those are great conversations. I'm not sure we can have that answer. I mean, to have that answer in a holistic way takes time, I think, to have that answer where you just decide which ones not to include. The board obviously has the ability to do that.

There are some reasons, I definitely understand the reason, the argument, and that I'm just giving you the con argument, as well, is that it is based on objective criteria and these are high-cost disciplines. And there should be some, over time then, that creates a mechanism, to go, maybe we need to think a little differently about this.

That's my economist-type hat, where it's like over time it should

work itself out to an equilibrium state. Okay. I killed everybody.

>> DR. NICOLE BARRAZA: For the March meeting, could you include slides that have a comparison with other community colleges in terms of tuition, property taxes?

I think you have presented those in the past.

>> DR. DAVID BEA: I have it here.

So this is current year, where we're at. So in terms of property

tax rate, we're low compared to peers. We'll likely always be low, because we only have a certain amount we can go up to, so we can't jump to where the others are, but just understanding, the rural districts in particular, the property values, they are a little bit lower, but they have significantly higher tax rates.

And I will point out Coconino, this isn't where they would want to be. This is where they're structured. When they were founded, they were set at a low property tax rate, and they've tried to get that changed, and that is a limitation. That is also why Coconino is on the high end of the tuition.

So these things intersect. Also pointing out that in the case of a number of these, where the tuition is lower than us, Western, Eastern, Cochise, Mohave, Central, Northland, also get significant state aid, particularly compared to how big they are.

I think we have done a really good job doing everything we can to keep our property tax rate as low as possible, to keep tuition as low as possible. It's just, at a certain point, you've got to balance

things.

>> DR. NICOLE BARRAZA: You mentioned some election costs that the college would have to pay. What would those be?

>> DR. DAVID BEA: So part of that IGA that Jeff mentioned earlier with the county, so every entity that has something on the election pays a share of the election costs. So for the printing materials, for the professional expenses that are related to having the polling sites open, you take a share of.

That's also true when there is a board member election. So we have always paid for, when there is a seat or two, there is a cost associated with that. Not pointing fingers. Just sayin' (smiling).

>> DR. NICOLE BARRAZA: What happens when they're not on the ballot? The college doesn't pay? If there's no opponent and they're not on the ballot, you don't pay?

>> DR. DAVID BEA: I think if it's on the ballot -- I can't remember, Jeff. Do you remember? I'd have to look that up on whether, if it's an uncontested election, I'm not sure.

>> MR. JEFF SILVYN: Yeah, I don't think we pay, because there isn't really an election, right? If there is only one person declared for the ballot...

>> DR. DAVID BEA: I will look at that, because the name does show up on the ballot, so I'm not sure. I'm curious about that.

>> MR. JEFF SILVYN: We can't predict with exact certainty what it's going to cost, because it depends how many local jurisdictions put something on the ballot.

So, for example, a school district is not a county -- a school

district, if they put a bond or a budget override on the ballot, is not a county-wide election, but they do get charged a pro rata share, because inside they're paying for the pro rata share within their space.

We could give maybe an estimate, but we don't know for sure, because it depends on what ultimately ends up on the ballot.

>> DR. DAVID BEA: Right. And one of the things the board may recall, we had this conversation about going out this November versus next November, in terms of our direct costs related to going with the election, because there is going to be so much on this election, it will be proportionately less expensive.

If we went out, we could be the only Pima County-wide issue, which means all of these county-wide costs would be borne by the college. So there is an advantage to going, in a major election year, there is a relative cost advantage to doing that.

>> MS. THERESA RIEL: Have we been reaching out to our business partners to see what kind of support they're going to offer and all of that?

>> DR. DAVID BEA: Yes, in terms of there have been a number of conversations with the different groups that we're connected to so that a number of I think these entities know that we're considering going out.

One of the next stages, when you looked at that, and this isn't the right presentation, but in the other presentation, was like next steps had advocacy and communication plan. Advocacy is that's going

to be an external group that is actually pitching for vote yes for this.

We're not able to do that. We can give information about what we would do with the money, and I talked about how we're going to outline the projects, the kind of information that we can provide on our website.

But in terms of actually pushing towards yes, that has to be an external entity. If they send a flier out that says vote yes on this, this is the best thing ever, that's not going to come from college resources.

There is already leadership identified for the advocacy group. They will then be responsible for funding and doing that. Then communication is both going to be some college communication where, say, this is what we're looking to do, and then some of it will be advocacy that will hit different key constituents around the community, and that would include business and so forth.

In terms of whether they would provide funding support for the advocacy, that would be worked out with the advocacy group, like with a PAC, not with the college.

But that will be -- but yes, that is going to happen.

>> DR. NICOLE BARRAZA: I meant to ask this earlier and I forgot.

Is there flexibility once, if the board decides to go ahead with the GO bond, is there flexibility to change any of the projects or are they set in stone? How would that work if there needs to be any

changes?

>> DR. DAVID BEA: So generally speaking, you can't use bond proceeds for something you haven't identified, but again, there is flexibility within that, because you don't get into the level of detail.

The voters don't vote on the kind of details that you guys have even seen. They vote on a very top-line, do you approve \$250 million for the issuing of bonds. There is legal stuff behind the scenes where it says these are the kinds of things that we are going to do with the money, and then you can't do something that's outside of those, but those are usually written in pretty general terms.

And it gives you flexibility so that what could happen, and this is what happened with the revenue bonds, that you have, let's just use the first responder project. So it was, like, 40? Was it 40 million or 30 million? 39 million. So say we find out some big problem comes up and it's going to cost 45 million. That's okay to spend 45 million. It's more than what we originally thought. But overall, we would have less money, so we would have to cut something on the other end of the spectrum, if that makes sense.

>> DR. NICOLE BARRAZA: And who makes that decision?

>> DR. DAVID BEA: Generally speaking, that would be delegated to the chancellor for operational purposes, but what we did with the revenue bonds is provide regular updates.

And I should say, one other caveat, we are also looking for the finance audit committee to be what in other entities would have an externally oversight type of group, we will use the finance audit

committee as that group as well. So that group would be informed of any change based on what the plan is, and then the board has participation on that group, so the board would be familiar. Then we would share as information with the board any of those changes that would happen as well.

So none of this stuff would not be transparent. There are multiple ways it's going to be transparent, both internally to the college, to the board, and then to the community. We'll have mechanisms in place for that.

>> MR. JEFF SILVYN: If I might, there would be one other place where the board would be involved. If the board approves the college proceeding with the GO bond, the election happens, we pass by an enormous margin, and we'll be able to issue bonds and have the capital funding, there are still going to be times when we would come back to the board and say, okay, we've now identified the architect and the construction firm for this particular project, and here is what the budget is, because those contracts are all going to be well over the chancellor's delegated authority.

So for each specific project, you can expect the contract is going to come in front of the board. So if those numbers are varying a lot from the initial estimate, that would be another opportunity to have additional conversation, and presumably it's going to happen multiple times, because these will come to the board in a series over a few years since -- they are not all going to be built in parallel. They're going to happen in a sequence of some sort

>> DR. DAVID BEA: Right, and that would be any significant expense. Any board-level expenditure expense, even though they're funded out of the GO bonds, those will all have to go back through the board. The board will have the ability to look at those projects as they come through.

>> MR. GREG TAYLOR: All right. Any other questions or comments?

No? Not hearing any.

Thank you so much, Dr. Bea. You have been up there for quite a while talking, so we appreciate you sticking with us for two hours here and all the information you presented. It certainly was educational for me. Thanks so much for bringing forward those details.

With that, we have reached adjournment, so I will adjourn the meeting.

Thank you, everybody.

(Adjournment.)

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