

APPROVED MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD WORK SESSION

Thursday, February 03, 2026
Work Session
9:00 a.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mr. Hudgins called the meeting to order at 9:10 a.m.

Board Members Present:

Mr. David DiPeso
Mr. Mark Farr – arrived at 9:15 a.m.
Mr. Don Hudgins
Mr. Steve Leeder
Ms. Stephanie Money

Dr. Perey began the meeting, noting that no action would be taken during the work session and that the budget discussions would focus on the Guiding Statements, Mission, and Vision.

1.02 Review of FY26 Initiatives

Ongoing expenses

- FY20-FY26 Compensation Adjustments:
 - FY 20-21 - 3% for all benefited employees (\$743)
 - FY 21-22 - 2.5% for all benefited employees (\$754)
 - Mid-year adjustment 3% exempt/5% 5% non-exempt staff (\$776)
 - FY 22-23 - 4.5% plus \$800 for all benefited employees (\$810)
 - FY 23-24 - 3.5% plus \$1,500/FTE (\$834)
 - FY 24-25 - 3% exempt/4% non-exempt (\$859)
 - FY 25-26 – 4% for all benefited employees (\$900)
 - These adjustments support both recruitment and retention and acknowledge the importance of planning for ongoing cost-of-living increases in future years.
- Insurance
- Utilities
- Software
- Compliance
- Third-party Contracts
 - Security & Food Service
 - Technology Services
- Renovations & Deferred Maintenance (fund balance)

Responding to a question from Mr. Leeder, Dr. Davis stated that climate surveys have not been conducted in many years, but it is something to consider for the future. Administration led a discussion regarding turnover being an indirect indicator of employee satisfaction. HR data shows institutional turnover generally ranges from 14% to 24% with higher retirement rates during COVID-19. Currently, the turnover rate appears lower than that of many peer institutions, and some turnover is healthy for organizational renewal.

Mr. Hudgins noted that the College has done a great job of being competitive and has provided raises every year since at least 2020/21.

Strategic Initiatives FY26

- HLC Quality Improvement
 - Equitable Technology Access (\$75K)
 - Laptops and Hot Spots for students
 - Douglas Campus Fiber Initiative
 - Student Wellness Initiative – Mental Health and Basic Needs (\$125K)
 - On-site third-party counselors
 - Online Mental Health App
 - Data Management and Reporting (\$80K)
 - Data Literacy & Dashboard
 - Leadership Training on Data Management
 - Academic Programming/Curriculum – K-12 through Baccalaureate (\$135k)
 - Baccalaureate Degrees
- Additional Initiatives & Expenses
 - HLC Accreditation Preparation
 - Attending a conference and training
 - Interpreting Services
 - Addressing the lack of in-person interpreting services
 - Athletics Operating Costs
 - Continuing to increase with the change in some other institution divisions and further travel distances
 - Facility Condition Assessment
 - Gordian Group
 - Electronic Door Access
 - Have begun implementing and working to migrate exterior doors. It is a long and expensive process.
 - ERP Implementation
 - Holding status
- New Staffing
 - Instructor ESL
 - Instructor Viticulture (donor-funded)
 - Fall 2026 implementation with associate faculty at the Willcox Center/area
 - Educational Technologist
 - Academic Affairs
 - Embracing newer technologies
 - \$1.8M grant received for training in AI
 - HVAC Specialist

Dr. Perey noted that following the HLC accreditation visit, the process for new strategic initiatives will begin.

At the Board's request, a wellness data report can be shared at a future meeting.

1.03 FY27 Budget Development

The College uses a base forward budget to start, then assesses needs and wants in line with the College's mission.

1.03.1 Anticipated Initiatives

- Salary and Benefits
 - Salary and Wage adjustments discussion
 - Looking for an increase in salaries
 - Minimum wage projections (2.7% - 3% Prop 206) – Student workers
 - Other minimum wage bills in the 2026 Legislative process
 - Four are in the works, and some for \$18 per hour starting January 2027
- Benefits
 - ASRS – minor reduction from a total of 12% to 11.98% for Pension and LTD
 - Health Insurance – increases of 6.7% to 9.7%
- Board Priorities
 - Health Insurance – increase (9-15%) – increased usage and inflation – increase High-Deductible employee only will cost the College \$170K
 - Retirement – minor decrease
- College Initiatives
 - Inflation impact on supplies and services (utilities, insurance, software, third-party contracts, supplies, etc.)
 - Strategic Planning Cycle
 - Master Facilities Planning
 - Master Academic Planning

1.03.2 Potential Revenue

Dr. Davis led the discussion; highlights include:

- Revenue Outlook – data from FY27 Baseline Budget (1/16/2026)
 - State Aid – Preliminary Budget Outlook (Net increase all sources \$751,600)
 - M&O - \$3,708,600 – decrease of \$110,000
 - STEM/Workforce - \$976,000 - decrease of \$45,100
 - Equalization - \$12,715,600 – increase of \$903,000
 - Rural Aid - \$2,451,300 – decrease of \$252,300
 - Sales Tax Aid
 - Prop 301- Revenues are projected to be down ~8% based on the trends in FY26

- Proposition 301 funds our nursing program. Continued declines in Prop 301 revenues will necessitate examining other funding sources for this program.
- Prop 207 – Revenues are projected to be down ~3.7% based on FY26 revenue received to date
- Property Tax – Preliminary number out on February 10
 - Tax levy discussion – current capacity is for 6% but based on fund balances, I may recommend holding steady for FY27 pending capital investment discussions, which would impact fund balances
- Tuition and Fees

Mr. Hudgins recessed the meeting at 10:02 a.m. and resumed the meeting at 10:12 a.m.

FY27 Tuition

- The Board reviewed historical tuition changes, noting that from FY2015 to FY2026 tuition increased from \$75 to \$96 per credit hour, averaging roughly \$1.75 per year. Members emphasized that the purpose of the discussion was not to set rates but to gauge the Board's position on future adjustments.
- Several members expressed a preference for prioritizing student affordability. It was noted that a \$1 increase in tuition yields approximately \$100,000 in revenue.
- The Board discussed the importance of small, incremental changes rather than infrequent large increases, both for tuition and the tax levy, stressing sustainability and avoiding significant future jumps. Comparisons showed Cochise College remains affordable statewide, currently around the middle of Arizona's community college tuition rates.
- Administration reported that Coconino College is the only institution so far to set FY26 rates, increasing from \$124 to \$128 following the Higher Education Price Index (3.6%). The statewide average for FY26 is approximately \$97, and several members indicated openness to aligning with that figure.
- The group acknowledged uncertainties in the state budget, especially in an election year, which could impact college funding. Members expressed hope for stable or slightly increased state support.

Following discussions on FY27 tuition rates, Dr. Davis noted that the administration will present two or three tuition options to the Board at the March meeting for selection and approval.

FY27 Board Initiatives

Mr. Hudgins led a discussion regarding FY27 board initiatives; highlights include:

- Mr. Leeder would like to discuss childcare programming and external state funds (Douglas funding and water table recharge). The College is working on storm drainage now and routing it back into the water table.
- Mr. Hudgins would like to grow the viticulture program
- Mr. Farr would like to continue addressing the needs of workforce development and the Port of Entry
- Mr. DiPeso would like to strengthen the AG program and explore with

- Aluminum Dynamics, which offers \$5K per employee for training.
- Ms. Money would like to explore the Earn to Learn programs and high school recruitment.

Strategic Priorities FY27:

- Technology Access: Continue ensuring equitable access to devices, connectivity, and digital skills for students and employees; modernize internal processes; and establish baseline technology access expectations.
- Student Wellness & Support: Expand holistic wellness resources, basic needs support, and academic assistance for struggling students.
- Data Management & Governance: Strengthen data systems to ensure accuracy, accessibility, and consistency; enhance dashboards; improve the data dictionary; develop a centralized data repository; and continue establishing a data governance council and related training.
- Academic Programs & Workforce Alignment: Review, modify, or add programs aligned with community and economic needs; continue participation in statewide reskilling initiatives; expand prior learning assessment, non-credit, and micro-credential programs, and four-year degrees; and use labor-market data to guide program development. Strengthen university partnerships and high school-to-college pathways.

Dr. Perey noted the following next steps and budget processing timeline:

- Continue to refine FY27 budget
 - County Taxes
 - State Funding
- March 4 - College Budget Retreat
 - New initiatives
- March 17 – Board approval for Tuition and Fees
- April 1 – President's Council Meeting – preliminary budget discussion
- April 3 – General Session - preliminary budget discussion
- April 21 – Board Meeting - preliminary budget discussion
- May 13 – TNT Public Hearing & Regular Board Meeting
- June 7 – Budget public hearing and Regular Board Meeting

Mr. Hudgins recessed the meeting at 10:57 a.m. and resumed the meeting at 11:12 a.m.

1.04 HLC Preparation

Dr. Brown led a discussion regarding preparations for the HLC site visit. The Board was provided with a binder for the HLC Preparation that included the Assurance Argument, the Federal Compliance Report, the Multi-location Visit Report, the Guiding Statements, Fast Facts, and various supplemental information. Presentation highlights include:

- Reviewers will meet with the Board during their visit; trustees were advised to speak about their governance role, mission alignment, long-term planning, and oversight responsibilities rather than operational details.
- The team consists of five peer reviewers (in person) and one federal compliance reviewer (remote).
- Dr. Brown emphasized that the College is in good standing, and the visit is an

opportunity to highlight strengths, and accreditation work reflects ongoing continuous improvement.

Dr. Perey thanked the Board for sharing their initiatives and noted that the institution will continue to work on current year's initiatives, focus on accreditation, and assess and modify educational programs in response to community needs. He said that there will be a budget leadership meeting early in March, followed by a preliminary budget discussion during a future board meeting.

2. ADJOURNMENT

Mr. Hudgins adjourned the meeting at 11:45 a.m.

Respectfully Submitted:

Crystal Wheeler, Executive Assistant, Office of the President

Ms. Stephanie Money, Secretary of the Governing Board