Santa Barbara City College
FCMAT Benchmark Study

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Agenda

• Scope of Engagement
• Establishment of Comparison Group
• Benchmark Spending Comparisons
  • By Object (Account) Code
  • By Taxonomy of Program (TOPs) Codes
• Enrollment Management
  • Course Offering Comparisons
• Employee Demographic Comparisons
• Cost of Living and County Demographic Data
• Conclusions
Scope

• Identify areas where the college may improve both operationally and fiscally.

• Analyze specific categories focusing on budget, revenue and expenditures, and provide comparative data from community college districts of similar size and structure.

• Identify items where changes in college operations and/or policies may increase revenues, improve efficiency, and/or reduce costs.
FTES History

- Credit FTES
- Non-Credit FTES
- Total FTES

Year: 2009-10 to 2016-17

Values: 18,000.00 to 2,000.00

FCMAT
FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
CSIS California School Information Services
Establishment of Comparison Group

- Various factors were considered to evaluate possible peers to be included in study:
  - Size
  - Structure
  - Student Demographics
    - Gender
    - Ethnicity
    - Enrollment Status
    - Age
  - Program and Course Similarities
    - % of Course Offerings (disciplines, including Career and Technical Education)
Establishment of Comparison Group, cont.

• Based upon these criteria, the following were selected:
  • Allan Hancock College
  • Cabrillo College
  • Monterey Peninsula College
  • Palomar College
  • Pasadena City College
  • Santa Clarita College
  • Santa Monica College
  • Solano Community College
Benchmark Comparisons

• Used a variety of data sources, including State’s Fiscal Data Abstract, CCFS 311A, and State’s Data Mart.

• Purpose was to identify patterns, trends and degree to which SBCC’s spending differs from the comparison group.

• Two key approaches were used in the comparison reports:
  1. Looked at what percentage of its budget each district spends for an activity, discipline or program.
  2. Translate this same data into dollars per FTES.
Benchmark Comparisons, cont.

<table>
<thead>
<tr>
<th>Major Category</th>
<th>Rank</th>
<th>Value to Reach Median / SBCC would need to spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Salaries (Line 15 of Analysis)</td>
<td>2</td>
<td>$3,964,884 less</td>
</tr>
<tr>
<td>Classified Salaries (Line 16 of Analysis)</td>
<td>4</td>
<td>Median</td>
</tr>
<tr>
<td>Employee Expenditures Including Benefits</td>
<td>4</td>
<td>Median</td>
</tr>
<tr>
<td>Instructional Expenditures (Line 19 of Analysis)</td>
<td>2</td>
<td>$2,162,664 less</td>
</tr>
<tr>
<td>Total Expenditures (Line 18 of the Analysis)</td>
<td>5</td>
<td>Median</td>
</tr>
<tr>
<td>Total Expenditures Just Through TOP Code 6700 (Line 28 of Analysis)</td>
<td>3</td>
<td>$2,471,616 less</td>
</tr>
</tbody>
</table>
## Benchmark Comparisons, cont.

<table>
<thead>
<tr>
<th>Categories in which Santa Barbara CCD Ranked Higher</th>
<th>Rank</th>
<th>Value to Reach Median / SBCC would need to spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instructional Expenditures, TOP Codes 0100-5999 (Line 19 of Analysis)</td>
<td>2</td>
<td>$2,162,664 less</td>
</tr>
<tr>
<td>Instructional Administration, TOP Code 6000 (Line 20 of Analysis)</td>
<td>4</td>
<td>$463,428 less</td>
</tr>
<tr>
<td>Counseling, TOP Code 6300 (Line 23 of Analysis)</td>
<td>2</td>
<td>$411,936 less</td>
</tr>
<tr>
<td>Other Student Services, TOP Code 6400 (Line 24 of Analysis)</td>
<td>2</td>
<td>$2,385,796 less</td>
</tr>
</tbody>
</table>
Enrollment Management

• Strategic Enrollment Management is commonly thought to be a set of core principles that guide educational institutions toward:
  • Establishing clear enrollment goals;
  • Promoting students success;
  • Determining, achieving and maintaining optimum enrollment;
  • Enabling the delivery of effective academic programs;
  • Enabling financial planning;
  • Increasing organizational efficiency;
  • And, improving student service levels.
Enrollment Management, cont.

FTES × Funding Rates = Total Computational Revenue (TCR)
Enrollment Management, cont.

TCR is considered a funded ceiling. To the extent property taxes and/or student fees come in higher than budgeted this reduces State General Apportionment.
Enrollment Management, cont.
Enrollment Management, cont.

• Direct instructional related expenditures (including academic salaries) indicate that Santa Barbara City College spends more per FTES than the comparison group. This correlates to SBCC’s Total Expenditures per FTES also being greater than the comparison group median.

• For fiscal year 2015-16, Unrestricted General Fund Expenditures for personnel costs were 86.93%.
Employee Demographic Comparisons

• When looking at staffing levels in context of FTES, with the exception of educational administrators, SBCC employs significantly more positions than the comparison group average.

• For example, Santa Barbara employed 235 FTE in the category of full-time faculty in fall 2016. This was similar to the peer group average of 243.91.

• If Santa Barbara were to equal the peer group average, it would have to reduce its full-time faculty positions from 235 to 213, a reduction of 22 FTE or $1.9 million (based on average salary, which does not include taxes or benefits.)
Employee Demographic Comparisons, cont.

Based upon the data and analysis, SBCC appears to have staffing levels that exceed/significantly exceed districts included in the comparison group.

• The college is encouraged to evaluate its staffing levels using program review and the budget development process to ensure institutional sustainability, solvency, and structural stability

• Maintaining the current staffing levels places a tremendous fiscal weight on the college.
Cost of Living and County Demographic Data

During the site visit, various groups expressed concern regarding the cost of living within Santa Barbara and economic conditions that possibly may be having negative impacts upon enrollment.

• Data reflected that Santa Barbara County’s unemployment rate of 4.3% is lower than six of the comparison college’s counties and is lower than both the state’s unemployment rate of 4.9% and the national rate of 4.5%.

At times of relatively low unemployment, college enrollments are at their weakest levels.
Cost of Living and County Demographic Data, cont.

- SBCC’s median household income and median sales price for a single-family home represents the median for the comparison group, suggesting the comparison colleges may also struggle with the cost of living and the lack of affordability in their respective communities.
- Santa Barbara’s geographical location and relative isolation may exacerbate the effects.
Conclusions

• SBCC’s fiscal health continues to depend on developing a robust multiyear plan to eliminate deficit spending.
  • Additional decisions needed to address deficit spending so that reserves are not depleted, endangering fiscal solvency.
  • Based on this benchmark analysis, ideas include:
    • Reducing employee costs, which could include a reduction in force, a hiring freeze, other cost reducing measures.
    • Examining how FTES could be increased through tighter enrollment management strategies, increased class size and increased efficiency/effectiveness.
Any Questions???