

FCMAT

FISCAL CRISIS & MANAGEMENT
ASSISTANCE TEAM

Fiscal Analysis

October 11, 2021



Yuba Community College District

Michael H. Fine
Chief Executive Officer

FCMAT

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ASSISTANCE TEAM

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James Houpis, Interim Chancellor
Yuba Community College District
425 Plumas Blvd., Suite 200
Yuba City, CA 95991

Dear Interim Chancellor Houpis:

On March 1, 2021, the Yuba Community College District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for FCMAT to conduct a fiscal analysis of the district. The agreement stated that FCMAT would perform the following:

1. Develop a comparison and trend (5 years) analysis of the following:
 - Salaries
 - Benefits
 - Schedule efficiency
 - Revenues
 - Expenses
2. Develop a revenue calculation tool to simulate a class schedule that meets the efficiency standard for the term length multiplier used.
3. Once historical data is validated, develop a future trends and forecasting tool for planning activities.
4. Develop a list of recommendations that focuses on the district's ability to meet classroom efficiency, salary and benefits percentages, expense of education, and faculty obligation standards that align with the revenue the college generates.

This report contains the study team's findings and recommendations.

FCMAT appreciates the opportunity to serve the Yuba Community College District and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,



Michael H. Fine
Chief Executive Officer

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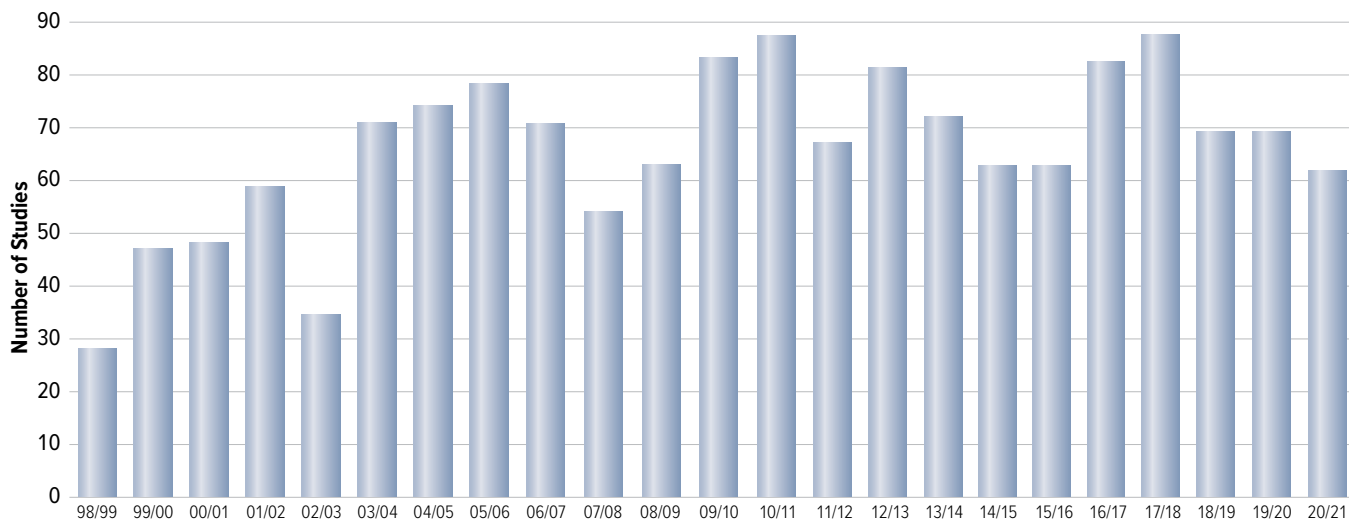
About FCMAT

FCMAT’s primary mission is to assist California’s local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT’s fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT’s data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

Studies by Fiscal Year



FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms. FCMAT also develops and provides numerous publications, software tools, workshops and professional learning opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. AB 1115 in 1999 codified CSIS’ mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

On September 17, 2018 AB 1840 was signed into law. This legislation changed how fiscally insolvent districts are administered once an emergency appropriation has been made, shifting the former state-centric system to be more consistent with the principles of local control, and providing new responsibilities to FCMAT associated with the process.

Since 1992, FCMAT has been engaged to perform more than 1,400 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Michael H. Fine, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

In January 2021, the Yuba Community College District asked the Fiscal Crisis and Management Assistance Team (FCMAT) to assess its current and future fiscal condition as it relates to current expenses and the size of personnel. Based on FCMAT's review of six years of past budgets (2014-15 to 2019-20) along with staffing levels and operational costs, FCMAT found that the district is not in fiscal crisis and has effectively managed its budgets. However, without substantial changes in operations, it may face fiscal obstacles in the future once hold harmless protections end. As part of the review, FCMAT analyzed several areas that may contribute to these financial issues.

The analysis presented in this report consists of two parts: Part 1 shows the issues the district faces in meeting the California community college operational standards; and Part 2 provides recommendations to resolve those issues and meet the standards. The final section includes the data for each learning location used in the analysis.

Background

The Yuba Community College District spans eight counties and nearly 4,192 square miles of territory in rural, north-central California. The district serves 13,000 students across the northern Sacramento Valley and is composed of two colleges: Woodland Community College and Yuba College. Both colleges offer degrees, certificates and transfer curricula at college campuses in Marysville and Woodland, educational centers in Clearlake and Yuba City, and through outreach operations in Williams and on Beale Air Force Base. The two colleges are in Yolo County and Yuba County and there are also campuses in Lake, Colusa, and Sutter counties.

Study and Report Guidelines

FCMAT virtually visited the district from January 5 through March 5, 2021 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- Part 1 - The Challenges in Meeting California Community College (CCC) Operational Standards
- Part 2 - Recommendations
- Part 3 - District Services
- Part 4 - Yuba College Totals
- Part 5 - Woodland Community College Totals

FCMAT's reports focus on systems and processes that may need improvement. Those that may be functioning well are generally not commented on in FCMAT's reports. In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Study Team

The study team was composed of the following members:

Michelle Giacomini
FCMAT Deputy Executive Officer

Cambridge West Partnership, Inc.
FCMAT Consultant

Leonel Martínez
FCMAT Technical Writer

Part 1 - The Challenges in Meeting California Community College (CCC) Operational Standards

District Structure

As FCMAT began this analysis, it became clear that the district faces some issues. The team conducted an overall review of the district's structure, expenses and funding. The California Community College funding formula has never funded local education agencies (LEAs) at the level that would easily support a 7,000-8,000 full-time equivalent student (FTES) multicollege district such as Yuba Community College District. Although the addition of basic allocation funds for the new college is helpful, it is insufficient to cover the additional costs required to operate a district office, two colleges and multiple centers. Even if the additional revenue was sufficient, it is extremely difficult for any district to meet the 50% law requirement. In addition to the added cost of operating multiple facilities, accreditation standards make it difficult to organize management and support services in a way that is affordable for a multicollege system serving the current district's student population and staying solvent. FCMAT fully understands the decision to become a multicollege district cannot be reversed at this point. It is important to recognize, until substantial enrollment growth is achieved, the district will experience higher than normal fixed operational costs.

Cost-of-Living Increases

The district's practice is to increase the salary schedule automatically when a cost-of-living increase is received on state funding. This practice is not sustainable considering the escalation of its fixed costs, such as step and column, health care, pension costs, costs of utilities, insurance, leases, and maintenance agreements. Increases to the salary schedule should occur only when cost-of-living increases exceed the amount necessary to fund district fixed-cost increases.

Declining Enrollments

The district's total FTES enrollments (including nonresident FTES) have declined by 8% over the six-year review period from 7,725 FTES in 2014-15 to 7,099 in 2019-20, a drop of 626 FTES. The table below shows the six-year history of FTES enrollments as reported to the State Chancellor's Office during the final recalculation process. During the review, it appears the district reported stabilization FTES for the Lake County Campus from fiscal year 2015-16 through 2017-18. These stabilization FTES are associated with the wildfires in the area since 2015.

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total % Change
Produced FTES	7,725.56	7,726.17	7,727.23	7,735.91	7,540.89	7,099.64	-8%

Enrollments ultimately translate into revenue for the district. A significant portion of the district's revenue from the state (70%) relies on FTES enrollments. The balance of funding (30%) relies on funding from unduplicated head count from low-income students and student achievement. The 8% drop in FTES over the past six years, and the current year's (2020-21) large decline in FTES due to COVID 19, represents a significant drop in FTES enrollments that, if not restored, could translate into a significant drop in revenues after 2021-22 when the emergency conditions hold-harmless protections end. A clear understanding of ongoing revenues (earned) versus one-time funds is crucial for the district's financial future. While FTES enrollments do not determine funding this year because the district's FTES revenue is protected by the emergency conditions hold-harmless provision, they will determine funding once the hold-harmless protections end. The district must begin to align expenses with earned revenues if FTES levels do not return to prior year levels.

Staffing

Over the six-year period, the number of permanent staffing increased even as district enrollment declined. The number of management/supervisor positions increased 16%, from 31 to 36, and the number of full-time equivalent faculty (FTEF) numbers increased by 9%. Classified staff declined by 2% during this time. The table below shows the number of staff added by the district over the six-year review period.

Fiscal Year Staff	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Difference	% Change
Contract Teaching Headcount	91.36	88.88	85.80	89.80	94.25	98.19	86.83	7%
Overload (FTEF)	29.14	33.19	34.41	34.47	42.01	38.35	9.21	32%
Adjunct (FTEF)	133.65	156.29	158.61	155.63	145.99	137.56	3.91	3%
Total Teaching Faculty (FTEF)	266.34	290.42	295.85	296.49	299.91	289.50	23.16	9%
Release Time (FTEF)	12.18	12.05	17.03	16.58	17.67	15.40	3.22	26%
Nonteaching Faculty	16.92	14.37	24.60	24.57	26.85	25.50	8.58	51%
Contract Faculty Total	Prior year data is not available on CCCCCO website					136	-	-
Faculty Obligation (FON)	Prior year data is not available on CCCCCO website					99	37	-
Management/Supervisors	31.00	37.00	37.00	37.00	37.00	36.00	5	16%
Classified Staff	133.00	134.00	132.00	132.00	132.00	130.00	-2	-2%
Confidential	15.00	17.00	14.00	15.00		15.00	0	0%

These levels of overall staffing are not justified given the 8% decline in FTES enrollments experienced by the district over this same period. Increasing enrollments translate into the need for more staff to serve these students. However, the district's decline in students should mean it requires fewer personnel, not more.

The district exceeded its faculty obligation number (FON) for fall 2020-21. In 2019, the district was required to employ only 99 full-time faculty, but it employed 136. Systemwide, exceeding the FON requirement incurs an approximate cost of \$82,000* for each position above the requirement. As an example:

Reported full-time faculty above the district obligation in 2019-20	Systemwide average cost difference to deliver one FTEF teaching load with contract compared to adjunct	Total Dollar Amount
36	\$82,000	\$2,952,000

* \$82,000 is the 2020 CCC system average cost difference between delivering a teaching load (FTEF) with a permanent full-time faculty member vs utilizing adjunct instructors.

** Total full-time faculty reported on the FON report. This total includes all faculty (teaching, counseling, librarians) utilizing restricted or unrestricted funds.

Increasing Personnel Costs (salaries and benefits)

Employee benefit costs (health and welfare) have increased by 33% and retiree health benefits “pay as you go” have increased by 11%. Salaries have increased by 17% over the six-year review period. The table below shows the rising health insurance, pension, and salary costs.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Difference	% Change
Salaries	\$27,469,671	\$29,330,572	\$30,010,998	\$31,091,300	\$30,642,504	\$32,134,311	\$4,664,640	17%
CalPERS (w/o on-behalf)	\$966,821	\$1,044,397	\$1,235,780	\$1,345,735	\$1,607,859	\$1,884,082	\$917,261	95%
CalSTRS (w/o on-behalf)	\$1,435,749	\$1,792,993	\$2,047,527	\$2,455,595	\$2,731,997	\$2,901,621	\$1,465,872	102%
Health Insurance Costs	\$5,195,579	\$5,447,497	\$5,613,918	\$5,421,105	\$5,368,188	\$5,406,978	\$211,399	4%
Other Benefits	\$1,494,384	\$1,568,964	\$1,597,677	\$1,787,076	\$1,709,114	\$1,883,168	\$388,784	36%
Health & Welfare Total	\$9,092,532	\$9,853,753	\$10,494,902	\$11,009,510	\$11,417,158	\$12,075,848	\$9,092,532	33%
Pay As You Go Retiree Health-care	\$2,593,521	\$2,727,909	\$2,764,608	\$2,701,855	\$2,774,866	\$2,867,816	\$274,295	11%

For PERS, the employer rate increased from 11.77% in 2014-15 to 19.72% in 2019-20. The PERS rate is scheduled to increase to 27.7% in 2024-25, a 137% rate increase. A similar increase will occur with the STRS rate, which is scheduled to rise by nearly 103% over the same period. These are large, ongoing, expenditure increases that will continue to consume larger percentages of the district’s revenues.

Prior Years and Projection: CalPERS and CalSTRS Employer Rates

Fiscal Year	CalPERS	CalSTRS
2014-2015	11.77%	8.88%
2015-2016	11.84%	10.73%
2016-2017	13.88%	12.58%
2017-2018	15.53%	14.43%
2018-2019	19.72%	16.28%
2019-2020	19.72%	17.10%
2020-2021	20.70%	16.15%
2021-2022	22.91%	16.92%
2022-2023	26.10%	18.00%
2023-2024	27.10%	18.00%
2024-2025	27.70%	18.00%

Classroom Efficiency

Due to the number of learning sites and the large geographical area served, which lead to smaller than normal class sizes, the district is inefficient in the classroom. In 2014-15, the average FTES per full-time equivalent faculty (FTEF) produced districtwide was 29.01 FTES per year. Six years later, efficiency decreased to 24.52 FTES per year, a 15% drop. These numbers are far below the statewide standard of 35 FTES per year or 17.50 FTES per semester that each full-time equivalent faculty teaching load should produce.

Additionally, the district's average class size is extremely low and well beneath the statewide standard. In 2014-15, the district's average annual class size was 29.50 students per class, and in 2019-20, the average class size decreased 15% to 24.52 students per class. The average statewide class size standard is 35 students per class. The table below shows the district's average annual class size and its average FTES per FTEF.

In fall 2020, the district memorialized the need to improve classroom efficiency in addition to other enrollment management-related areas. A plan was developed to incrementally improve the efficiency ratio over a four-year period. This plan was much needed, and every effort should be made to reach and sustain the published goal. In the interim, the district should minimize faculty release time, sabbaticals, and other reductions to the classroom teaching load until the classroom efficiency goals are achieved. This is evident when class sizes are increasing over time while efficiency is moving lower. A release time analysis should be completed to verify the assumption.

Class Size and FTES per FTEF

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	% Change
Average Class Size (Annual)	29.01	26.55	25.85	25.55	24.26	24.52	(15)%
Average FTES per FTEF (Semester)	29.01	26.60	26.12	26.09	25.14	24.52	-15%

Educators can justify the benefits of increased program offerings, enhanced support systems, smaller class sizes, increases to full-time faculty, competitive salary and benefits, etc., but these must be balanced with available funds. The college system's funding is established based on Proposition 98 revenues. On a local level, these funding levels are closely tied to the student population. It is unrealistic to expect the same funding while serving fewer students. Therefore, the district should abandon an operational model built around year-over-year growth, which funds inflationary-related increases in addition to cost-of-living increases. Instead, the district should follow well-established California community college best practices and standards by aligning services and staff with projected funding and students served. This change in operational approach will protect it from future declines and prepare the district for growth when it occurs.

Other Operating and Other Outgo

The district budget has large increases in expenses identified as other operating and other outgo. Between 2014-15 and 2019-20, these two expense categories collectively increased from \$8,874,862 to \$14,413,637, an increase of \$5,538,775 or 62.4%. Further analysis indicated these figures reflect the transfer of obligation for post-employment benefits (OPEB) and the pay-as-you-go retiree health insurance costs as well as utility and IT related software expenses. The district is required to fund the post-employment obligation, so making those deposits a priority was prudent. Liability for retiree health insurance is extremely high for a district of this size. In 2018, the district approved a plan to address its obligation to the retirees. The district OPEB liability is \$54 million. In fiscal years 2018-19 and 2019-20, the district transferred \$6,175,000 to the OPEB fund. In addition, the pay-as-you-go cost for retiree health insurance was \$3,175,000 for fiscal year

2019-20. These ongoing expenses are high for a district this size and will continue to hinder the recruitment and retention efforts of highly skilled staff, faculty and administrators.

Other Operating and Other Outgo

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	% Change
Other Operating	\$4,692,045	\$5,199,553	\$5,646,654	\$5,740,986	\$5,643,689	\$6,443,325	37%
Other Outgo	\$4,182,817	\$5,451,021	\$5,119,305	\$3,959,551	\$7,618,052	\$7,970,312	91%

Debt Service

The district continues to make debt service payments. In 2019-20, this payment was \$1,927,497, representing more than 3% of the unrestricted general fund budget.

Although the district has substantial debt, it has effectively managed debt service and created a detailed plan to reduce debt. The chart below identifies the purpose of the debt, balance, and year the debt will be paid off. The savings in future years may be used to meet the OPEB liability and manage the one-time expenses such as technology related needs. The district should be careful not to absorb future year debt-related savings into the current expense of education as it will create additional obstacles with the 50% law. The district should be careful not to spend the newly available debt service funds in the CEE denominator since that would decrease its ability to meet the 50% law.

Project	Annual Debt Service	Final Payment Year
Prop 39 - Energy Resource Debt	\$71,000	2024-2025
Central Plant	\$527,697	2025-2026
Solar	\$1,243,949	2026-2027
Lighting Retrofit	\$69,655	2027-2028
New CREB: (renewal energy bonds)	\$424,677	2036-2037
Total	\$2,417,491	

Part 2 - Recommendations

Introduction

Each California community college can determine the best way to serve students as long as it follows laws and regulations, meets accreditation standards, and adopts well-established best practices. Districts also have a fiduciary duty to ensure they can meet the immediate and long-term financial obligations created by their decisions. This analysis found that the district will struggle to meet its fiduciary duty if it continues to follow its current operational practices, which are not sustainable based on current funding levels in the California community college system. The fiscal analysis identified the need to take a closer look at how revenues and expenditures are discussed districtwide. In recent years, California community colleges have received more one-time funds. The new funding formula has contributed to this new reality. All fiscal discussions should be based on the fact that one-time funds are not ongoing revenues and therefore should be budgeted and expended for one-time purposes. The district's fiscal condition affects every current and future student and employee. The board of trustees must meet its fiduciary responsibility of ensuring the district is viable into the future. The district will need to address the following areas using a balanced incremental approach that minimizes the negative impact on the students, faculty, staff, and management of the district and its two colleges.

Districtwide

Classroom schedule efficiency and personnel sizing - To properly identify the correct number of staff members needed to operate a comprehensive community college, the district must fully implement the recently adopted districtwide efficiency standard. In addition to determining staffing levels for instructional and noninstructional personnel, this standard determines total compensation available for all expenses. In the 2019-20 fiscal year, the average FTES per FTEF produced districtwide was 24.52 FTES per year. This is below the statewide standard of 35 per year or 17.5 per semester. The statewide standard is directly related to the class size average of 35 students and the 525 weekly student contact hours needed to capture one FTES. These enrollment standards, like the 50% law and the California community college system's funding levels are directly related to long-standing practices and the system's historical relationship with K-12 education. Until laws and regulations change, these standards must be followed to maintain fiscal solvency.

While this is a statewide standard identified in the Chief Instructional Officer manual, most similarly-sized districts in the California community college system often do not achieve it. The focus should be on year-over-year improvements in efficiency until the adopted districtwide efficiency standard is met. Setting reasonable annual goals will help the district's overall fiscal condition. Because class sizes are affected by many factors, the district should focus on average efficiency rather than class size maximums or minimums. Focusing only on class sizes does not consider faculty release time, census vs. daily attendance production, large lecture classes that can accommodate more students, and most importantly, the need to offer traditional occupational education programs of study that have small class size requirements. There is no single way to improve classroom efficiency. As an example, attempts to address small class sizes by offering large lecture sections are appropriate unless load factors negate any financial benefit. The process needs to be thoughtful and purposeful. Building a classroom schedule using reasonable average efficiency goals is the proper way to operate and fund academic programs and give the colleges sufficient staffing levels to serve the actual student population.

If available funds are used for in-class personnel costs, remaining funds allocated for total compensation would be utilized for support services. Therefore, a district would use the available funds (after the schedule was expensed) to determine how best to provide these services. Districts decide how to serve students

and what services to provide; therefore, overstaffing in administration/management or among classified personnel, for example, is not always apparent. Evaluating necessary staffing levels for support services is further complicated by the number of student service programs and the restricted funds available to augment those services and activities. The intermingling of funding “time and effort” of support service personnel and managers by using available restricted and unrestricted general fund revenues makes it difficult to determine the appropriate number of support service personnel necessary for the district.

As classroom efficiency increases, the cost to deliver the schedule is reduced. This reduction in expenses must be matched with a reduction in support services expenses to meet the 50% law. The total savings needed to meet the goal established has to be shared equally by both sides. This law (50%) ensures districts do not have excessive management and staffing levels.

As a simplified example using current salary and benefits rates, classroom efficiency is used to determine the cost to deliver the published schedule of courses. This cost also identifies 50% of the current expense of education (50% law). By default, the remaining 50% of salaries and benefits should be available for operational costs and support services. If the cost to deliver the course schedule exceeds the 50% based on meeting efficiency standards, funds are moved from operational costs and support services to cover the additional expense to pay for the course schedule. This reduces the funds available and deficit spending occurs. At the same time, a perfectly balanced district adjusts support service personnel expenses as classroom efficiency changes. Total revenue available for all personnel costs is decided by total ongoing revenue driven by student population. This is the most fiscally significant operational standard a district follows.

Personnel Levels -- The district has increased the number of personnel while student enrollments have decreased. This clearly does not follow best practices. This is shown by the increase in contract faculty and management positions. The addition of a new college and centers in 2010 and 2011 has contributed to the increases in staffing. This action is shortsighted and will continue to put pressure on the district’s ability to compensate faculty, staff, and management. As mentioned above, increases in student population drive the need for additional personnel. When enrollment is declining, personnel levels should decrease. If costs cannot be reduced because of the number of additional learning sites, it will prove difficult to meet current and retiree obligations, maintain district assets and provide a competitive compensation package.

Teaching Balance - As classroom scheduling becomes more efficient, an immediate focus is needed on the balance between contract and adjunct faculty. The FTEF cost difference between utilizing contract faculty vs. adjunct faculty is approximately \$82,000 per position systemwide. The California community college funding levels require districts to take a balanced approach in this area. The implementation of pension reform and the large increases (current and projected) in employer contributions have created additional financial pressure on personnel budgets. To help mitigate the rising cost of pensions and health care, the faculty obligation number should align with the state calculated FON, and the district should avoid exceeding the state FON rate when possible. It is understandable that CCC districts would benefit from having a higher percentage of contract to adjunct faculty, but compensation levels, pension reform and health-care costs across the state do not support this practice. Establishing a plan to reduce contracted full-time faculty through regular attrition is the most desirable solution. The district cannot afford to be unique in this area and continue to exceed the state calculated FON unless other areas of employee compensation are reduced.

Overload – The districtwide data identifies higher than average increases in overload FTEF. As nonsalary increases to total compensation continue to increase, the district should take a closer look at overload teaching levels. There could be many beneficial reasons for the increase, such as not having available qualified faculty for specific disciplines or the ability to offer high level capstone courses. To accomplish this goal, a more comprehensive analysis of overload FTEF is needed.

Release Time – During the analysis, classroom release time data was difficult to tie to the classroom efficiency calculation. The district will need to better understand the positive and negative effect of classroom release time. To accomplish this goal, a more comprehensive report is needed when making future decisions.

Health Care - District health-care costs at the district appear stable. Great caution should be exercised when taking action on any factor that would increase employer contributions toward health-care costs.

Retiree Health Benefits -- The district carries a large OPEB liability for its size because of the number of retirees receiving lifetime health insurance benefits and the number of current employees. The district post-employment benefit obligation is \$54 million according to the latest actuarial study, and the district has funded the trust with more than \$6 million to date. In addition to the long-term liability for all employees, pay-as-you-go payments for current retiree health insurance are more than \$3 million annually. These expenses are in line with much larger districts in the system. The district should greatly reduce the cost of retiree benefits for future employees. Providing lifetime health insurance benefits for faculty is not sustainable and will continue to restrict available funds for total compensation for current and future employees.

Revenue – Over the next three years, the district should position itself to maximize revenue based on the metrics in the Student-Centered Funding Formula (SCFF). FCMAT does not advise adding sections to capture FTES enrollments until current sections are producing a realistic efficiency standard. Some low-cost approaches, which can be used to help maximize state apportionment funding include:

- a. Increase enrollment by increasing overall course fill rates. Any increase in fill rates improves class schedule efficiency and thus increases FTES revenue while adding no additional expenses.
- b. Increase special admit FTES. Special admit students receive higher funding per FTES (\$5,621) than traditional credit FTES (\$4,009) under SCFF and are not subject to the three-year average rule used to calculate traditional credit FTES each year. The district should increase outreach to feeder high schools to strategically increase dual and concurrent enrollment of current high school students and thus increase funding in this category.

Calculate fixed cost increases - The district should identify all its fixed costs and then estimate the annual percentage increase of each of these fixed costs. For example, step-and-column increases, pension payments, utilities, rent, insurance, certain supplies, and operation costs, are all examples of fixed or ongoing costs that the district must pay each year. Identifying these annual fixed cost costs will allow the district to understand whether it has sufficient remaining resources to hire more staff or provide salary increases to existing staff or pay for nonpersonnel items such as facility repairs.

Next steps - The recommendations above are all interconnected. A balanced approach to improving each of these areas is imperative; therefore, the district should not focus on just a single recommendation. The goal is not to simply balance the budget, but to stabilize and balance all areas of the spending plan because if the district does not work on fixing the problem, the fiscal crisis will continue and possibly escalate.

The final stage of this process focuses on annual goal setting and identifying cost savings associated with those goals. Once a plan is developed, it is important for it to be approved by the board along with a timeline and a schedule for updates. This action institutionalizes the plan and gives all constituent groups clear direction. It is also important that the governing board has the opportunity to review the information needed using standardized reports that board members fully understand. Establishing a calendar where annual reports look the same each year, are validated, and use the same data source each year is an important process to follow.

The best strategy is a “reverse the trend” approach to goal setting. Historical trends describe a simple option that has worked in the past whether it pertains to classroom efficiency, staffing size, percentage of total compensation, or enrollment,

As an example, bringing the district’s FTES closer to what it was in 2014-15 would make for substantial improvement. A brief review of the data reveals the following facts:

- a. An increase of 626 FTES equaling \$2,635,115 in additional revenue. (This does not include the additional revenue due to the increase in headcounts in the supplemental and student success allocation.) This can be achieved without adding any new course sections but rather increasing fill rates as stated above.
- b. Reducing the contract faculty numbers to be more closely aligned with the FON rate calculated by the state will produce savings equal to \$82,000 per position. (This is the cost difference between contract faculty and adjunct faculty.)
- c. Reducing the management/supervisor FTE can save the district approximately \$150,000 per position (total compensation).
- d. Reducing staff FTE head count can save approximately \$85,000 per position (total compensation).

Note: The district will need to calculate its average compensation costs for each category.

The combination of savings and increased revenue (utilizing the same section count) could net the district significant savings. If the goal is to get back to this level of balance, a five-year plan with incremental increases annually is the most realistic. Also important is that each individual college create a plan that follows a similar approach, but is crafted to meet its unique situation related to staffing, enrollments, and efficiency.

Goal setting - The following goals need to be established.

1. FTES -Disaggregated by different student populations.
2. Percentage of financial needs statement completed by students (financial aid applications)
3. Average classroom efficiency (include goals for reductions in release time and factoring in daily attendance enrollment shrinkage)
4. Total compensation costs to ongoing revenues (including pay-as-you-go retiree costs)
5. FON
6. Staffing FTE
7. Management/supervisor FTE
8. Reductions in other operating expenses
9. Reduction in other outgo expenses

Using the goals above, the district can calculate the potential savings achieved in the classroom and determine the remaining reductions needed in operational and support services.

Location Specific Data

The following pages provide the data used in the analysis. Information is included for each college, center, learning site and district services.

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year
D I S T R I C T	Actual FTES	Noncredit	0.07	4.44	7.30	10.53	9.57	13.23	
		Primary Terms	120.60	137.17	172.33	190.56	198.60	169.56	41%
		Subtotal	120.67	141.61	179.63	201.09	208.17	182.79	51%
		Credit	1,145.87	899.46	927.83	1,061.75	1,015.93	747.23	
		Primary Terms	6,359.46	6,585.35	6,518.55	6,363.16	6,194.57	6,044.42	-5%
	Subtotal	7,505.33	7,484.81	7,446.38	7,424.91	7,210.50	6,791.65	-10%	
	Non Resident	99.56	99.75	101.22	109.91	122.22	125.20	26%	
	Total	7,725.56	7,726.17	7,727.23	7,735.91	7,540.89	7,099.64	-8%	
	Efficiency	Average Class Size*	29.01	26.55	25.85	25.55	24.46	24.52	-15%
		FTEs/FTEF (annual)	29.01	26.60	26.12	26.09	25.14	24.52	-15%
Section Count		2,727.00	2,834.00	2,811.00	2,834.00	2,682.00	2,594.00	-5%	
S T A F F I N G	FTE	Faculty	266.34	290.42	295.85	296.49	299.91	289.50	9%
		FON - Over/Under						37.00	
	Unduplicated Headcount	Management	31	37	37	37	37	36	16%
		Staff	133	134	132	132	132	130	-2%
	Confidential	15	17	14	14	15	15	0%	
Revenue			\$ 46,191,517	\$ 51,219,628	\$ 51,001,646	\$ 53,543,174	\$ 59,820,548	\$ 61,573,463	33%
T O T A L S	Salaries	Subtotal	\$ 27,469,671	\$ 29,331,172	\$ 30,010,998	\$ 31,091,300	\$ 30,642,504	\$ 32,134,361	17%
		CalPERS (w/o on-behalf)	\$ 966,821	\$ 1,044,397	\$ 1,235,780	\$ 1,345,735	\$ 1,607,859	\$ 1,884,082	95%
	CalSTRS (w/o on-behalf)	\$ 1,435,749	\$ 1,792,993	\$ 2,047,527	\$ 2,455,595	\$ 2,731,997	\$ 2,901,621	102%	
	Benefits	Health Insurance	\$ 5,195,579	\$ 5,447,398	\$ 5,613,918	\$ 5,421,105	\$ 5,368,188	\$ 5,406,978	4%
		Other Benefits	\$ 1,494,384	\$ 1,568,964	\$ 1,597,677	\$ 1,787,076	\$ 1,709,114	\$ 1,883,168	26%
Subtotal	\$ 9,092,532	\$ 9,853,753	\$ 10,494,902	\$ 11,009,510	\$ 11,417,158	\$ 12,075,848	\$ 12,075,848	33%	
E X P E N S E S	Expenses	4000 Supplies	\$ 411,527	\$ 430,535	\$ 448,676	\$ 370,280	\$ 349,279	\$ 496,778	21%
		5000 Other Operating	\$ 4,692,045	\$ 5,199,553	\$ 5,646,381	\$ 5,740,986	\$ 5,643,689	\$ 6,443,325	37%
		6000 Capital Outlay	\$ 836,796	\$ 486,249	\$ 542,028	\$ 134,110	\$ 129,303	\$ 565,321	-32%
		7000 Other Outgo	\$ 4,182,817	\$ 5,451,021	\$ 5,119,305	\$ 3,959,551	\$ 7,618,052	\$ 7,970,312	91%
		Subtotal	\$ 10,123,185	\$ 11,567,357	\$ 11,756,390	\$ 10,204,926	\$ 13,740,323	\$ 15,475,736	\$ 15,475,736
Total	\$ 46,685,389	\$ 50,752,282	\$ 52,262,290	\$ 52,305,737	\$ 55,799,985	\$ 59,685,945	\$ 59,685,945	28%	

*For each fiscal year the data included from summer is all of summer of the starting year. For example, in 14/15 summer data used is from Summer 14 prior to July 1st and after July 1st. This reflects the current data that is available. The most accurate representation would be to use Summer 14' after July 1st and summer 15' prior to July

Part 3 - District Services

Staffing

Management positions at the district office have increased by 8% (1 FTE) over the six-year period, while the confidential positions declined by 10%, and staff positions have decreased by 26% (seven positions).

Salaries

Salaries have increased by 19% during the period while revenues districtwide have increased by 33%

Benefits

Benefits costs have increased by 17% during the period.

The data below includes district services compensation and staffing data for M&O, IT and college police services staff assigned to district services.

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year	
D i s t r i c t S e r v i c e s *	Staffing	Unduplicated Headcount	12	14	14	14	13	13	8%	
		Management Staff	27	27	26	26	24	20	-26%	
		Confidential	10	11	8	8	9	9	-10%	
	Salary & Benefits	Salaries	Subtotal	\$ 4,061,886	\$ 4,289,102	\$ 4,247,512	\$ 4,543,518	\$ 4,472,542	\$ 4,828,703	19%
		Benefits	CalPERS (w/o on behalf)	\$ 423,353	\$ 413,134	\$ 461,632	\$ 508,646	\$ 598,605	\$ 724,102	71%
			CalSTERS (w/o on behalf)	\$ 47,182	\$ 51,669	\$ 55,831	\$ 103,242	\$ 141,904	\$ 112,965	139%
			Health Insurance	\$ 1,287,118	\$ 1,184,340	\$ 1,247,305	\$ 1,195,578	\$ 1,147,665	\$ 1,229,833	-4%
			Other Statutory Benefits	\$ 353,638	\$ 356,046	\$ 358,009	\$ 518,236	\$ 376,741	\$ 409,021	16%
		Subtotal	\$ 2,111,290	\$ 2,005,189	\$ 2,122,778	\$ 2,325,702	\$ 2,264,916	\$ 2,475,920	17%	
	Expenses	4000	Supplies	\$ (62,490)	\$ (97,841)	\$ (1,178)	\$ (19,091)	\$ (12,668)	\$ 61,838	-199%
		5000	Other Operating	\$ 1,789,210	\$ 2,202,383	\$ 1,975,373	\$ 2,138,632	\$ 1,929,918	\$ 2,428,276	36%
		6000	Capital Outlay	\$ 280,003	\$ 129,534	\$ 349,160	\$ 93,371	\$ 58,306	\$ 328,168	17%
		7000	Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
			Subtotal	\$ 2,006,723	\$ 2,234,075	\$ 2,323,354	\$ 2,212,913	\$ 1,975,556	\$ 2,818,282	40%
	Total			\$ 8,179,899	\$ 8,528,366	\$ 8,693,644	\$ 9,082,132	\$ 8,713,014	\$ 10,122,905	24%

Institutional costs

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year		
I n s t i t u t i o n a l	Salary & Benefits	Salaries	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
		Benefits	CalPERS (ON-BEHALF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
			CalSTERS (ON-BEHALF)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
			Health Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
			Other Statutory Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
		Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
	Expenses	4000	Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
		5000	Other Operating	\$ 1,049,628	\$ 1,117,188	\$ 1,529,475	\$ 1,493,272	\$ 1,336,336	\$ 1,883,256	79%	
		6000	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
		7000	Other Outgo	\$ 4,182,817	\$ 5,451,021	\$ 4,829,125	\$ 3,959,551	\$ 7,618,052	\$ 7,970,312	91%	
			Subtotal	\$ 5,232,444	\$ 6,568,210	\$ 6,358,600	\$ 5,452,823	\$ 8,954,388	\$ 9,853,568	88%	
Total			\$ 5,232,444	\$ 6,568,210	\$ 6,358,600	\$ 5,452,823	\$ 8,954,388	\$ 9,853,568	88%		

Part 4 - Yuba College Totals (includes 2 sites)

In 2016-2017 the Lake County Campus was realigned with Woodland Community College. As a result of the realignment, Yuba College's FTES and staffing numbers were realigned with Woodland Community College. The change is reflected in the trend data and is contributing to the findings below.

FTES/Enrollments - When reviewing FTES it is important to focus on primary terms to determine whether enrollments are increasing or decreasing. This strategy removes the FTES swings associated with shifting summer full-time equivalent students. The primary terms also determine the level of permanent staffing needed. At Yuba College, total FTES enrollment has decreased significantly compared to the other college, falling by 23% between 2014-15 and 2019-20 for resident credit FTES. Since the Lake County Campus FTES were moved to Woodland Community College, FTES have dropped 1,086 FTES.

Efficiency* - The efficiency section examines the trends of FTES per FTEF, class size, and section counts. The California community college standard for classroom efficiency (per the Chief Instructional Officer (CIO) manual) is that each FTEF should produce 35 FTES annually. The standard for average class size (throughout the district) consists of 35 students per class for traditionally-scheduled courses following weekly census attendance accounting practices.

- At Yuba College, the annual production has gone from 28.95 FTES to 24.14 FTES per FTEF, a drop of 17%. This is far below the 35 annual FTES or 17.5 FTES per FTEF per semester standard identified in the CCC CIO manual (525 contact hours equals one FTES).
- Average class sizes increased by 6% going from 21.90 to 23.18 over this period. Section counts have decreased by 21%.

** Classroom efficiency determines the classroom and nonclassroom budgets. As efficiency drops in the classroom, funding is shifted from support services (backfilled) to the classroom budget. This creates pressure on the district to reduce funding for support services, long-term obligations, scheduled maintenance, and future capital outlay needs.*

Staffing – FTEF declined sharply (7%) in 2019-20. This aligns with the drop in FTES and section count during the same period.

At Yuba College, management/supervisor positions have remained steady during this period while staff has increased by 4%.

Expenses (salaries and benefits) - During this period, employee benefit costs have increased by 34% and salaries increased by 13%. The benefit cost increases are in line with the 33% districtwide increase for benefits. Salary increases at Yuba College are also slightly lower than the 17% salary increase districtwide.

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year
Yuba College Totals	Actual FTES	Noncredit	0.07	4.44	7.30	9.05	7.17	10.46	
		Primary Terms	113.47	127.60	144.76	137.73	136.23	112.73	-1%
		Subtotal	113.54	132.04	152.06	146.78	143.40	123.19	8%
		Credit	942.29	625.85	508.83	521.59	507.81	459.34	
	Summer	4,734.29	4,815.98	4,354.86	4,132.33	4,055.34	3,891.98	-18%	
	Primary Terms	5,676.58	5,441.83	4,863.69	4,653.92	4,563.15	4,351.32	-23%	
	Subtotal	86.49	75.07	68.82	71.74	82.95	88.36	2%	
	Non Resident	5,876.61	5,648.94	5,084.57	4,872.44	4,789.50	4,562.87	-22%	
	Total								
	Efficiency	Average Class Size	21.90	21.97	21.53	21.04	22.35	23.18	6%
	FTEs/FTEF (annual)	28.95	26.07	25.37	24.35	23.88	24.14	-17%	
Section Count		2137	2166	1980	1948	1806	1692	-21%	
Staffing	FTE	Faculty	203.01	216.70	200.41	200.09	200.60	189.00	-7%
	Unduplicated	Management	12	14	13	13	13	12	0%
	Headcount	Staff	69	67	69	69	70	72	4%
		Confidential	2	2	2	2	2	2	0%
Salary & Benefits	Salaries	Subtotal	\$ 15,588,303	\$ 16,444,993	\$ 17,033,888	\$ 17,687,397	\$ 17,498,197	\$ 17,592,745	13%
		CalPERS (w/o on behalf)	\$ 372,183	\$ 413,427	\$ 522,051	\$ 558,821	\$ 673,981	\$ 740,962	99%
		CalSTRS (w/o on behalf)	\$ 910,732	\$ 1,160,647	\$ 1,333,731	\$ 1,588,523	\$ 1,742,462	\$ 1,832,506	101%
		Health Insurance	\$ 2,628,204	\$ 2,835,054	\$ 2,893,868	\$ 2,832,956	\$ 2,879,212	\$ 2,745,715	4%
		Other Benefits	\$ 774,597	\$ 797,521	\$ 822,305	\$ 850,055	\$ 885,381	\$ 952,192	23%
Expenses		Subtotal	\$ 4,685,717	\$ 5,206,650	\$ 5,571,954	\$ 5,830,356	\$ 6,181,036	\$ 6,271,375	34%
	4000	Supplies	\$ 321,124	\$ 334,061	\$ 279,859	\$ 277,117	\$ 263,859	\$ 304,256	-5%
	5000	Other Operating	\$ 1,135,037	\$ 1,119,522	\$ 1,277,422	\$ 1,292,374	\$ 1,346,170	\$ 1,157,965	2%
	6000	Capital Outlay	\$ 417,524	\$ 246,577	\$ 136,509	\$ 35,216	\$ 41,652	\$ 182,476	-56%
	7000	Other Outgo	\$ -	\$ -	\$ 71,879	\$ -	\$ -	\$ -	0%
		Subtotal	\$ 1,873,685	\$ 1,700,160	\$ 1,765,670	\$ 1,604,707	\$ 1,651,681	\$ 1,644,697	-12%
	Total		\$ 22,147,705	\$ 23,351,803	\$ 24,371,511	\$ 25,122,460	\$ 25,330,915	\$ 25,508,816	15%

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year	
Main Yuba College Totals	Actual FTES	Noncredit	101.10	114.18	137.03	132.93	128.23	110.31	9%	
		Credit	3,400.85	3,447.82	3,394.93	3,236.58	3,187.48	2,990.34	-12%	
	Total	3,501.95	3,562.00	3,531.96	3,369.51	3,315.71	3,100.65	-11%		
	Section Count		1,381.00	1,420.00	1,400.00	1,419.00	1,307.00	1,198.00	-13%	
	Staffing	Unduplicated	Management	11	13	12	12	12	12	9%
		Headcount	Staff	63	60	63	63	64	67	6%
			Confidential	2	2	2	2	2	2	0%
	Salary & Benefits	Salaries	Subtotal	\$ 14,226,028	\$ 15,162,585	\$ 16,078,765	\$ 16,872,599	\$ 16,702,336	\$ 16,777,007	18%
			CalPERS (w/o on behalf)	\$ 339,940	\$ 380,835	\$ 478,542	\$ 505,347	\$ 612,123	\$ 677,894	99%
			CalSTRS (w/o on behalf)	\$ 856,554	\$ 1,109,139	\$ 1,299,837	\$ 1,559,990	\$ 1,710,328	\$ 1,803,817	111%
		Health Insurance	\$ 2,506,621	\$ 2,733,951	\$ 2,784,875	\$ 2,705,025	\$ 2,746,793	\$ 2,641,532	5%	
		Other Benefits	\$ 703,962	\$ 726,523	\$ 766,109	\$ 799,508	\$ 832,031	\$ 895,315	27%	
Expenses		Subtotal	\$ 4,407,076	\$ 4,950,448	\$ 5,329,363	\$ 5,569,870	\$ 5,901,275	\$ 6,018,558	37%	
	4000	Supplies	\$ 306,639	\$ 317,499	\$ 257,968	\$ 253,407	\$ 245,437	\$ 288,369	-6%	
	5000	Other Operating	\$ 1,099,404	\$ 1,081,260	\$ 1,211,068	\$ 1,219,743	\$ 1,245,184	\$ 1,080,306	-2%	
	6000	Capital Outlay	\$ 405,916	\$ 240,261	\$ 99,316	\$ 35,216	\$ 38,383	\$ 177,334	-56%	
	7000	Other Outgo	\$ -	\$ -	\$ 71,879	\$ -	\$ -	\$ -	0%	
	Subtotal	\$ 1,811,959	\$ 1,639,020	\$ 1,640,232	\$ 1,508,366	\$ 1,529,004	\$ 1,546,009	-15%		
Total		\$ 20,445,064	\$ 21,752,053	\$ 23,048,360	\$ 23,950,834	\$ 24,132,615	\$ 24,341,574	19%		

Sutter County Center

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year	
Sutter County Center	Actual FTES	Noncredit	12.82	13.00	12.01	14.01	15.16	12.88	1	
		Credit	1,312.89	1,414.35	1,424.08	1,462.04	1,434.59	1,427.84	9	
	Total		1,325.71	1,427.34	1,436.09	1,476.05	1,449.74	1,440.73	9	
	Section Count		472.00	509.00	521.00	516.00	493.00	491.00	4	
	Salary & Benefits	Salaries	Subtotal	\$ 1,190,956	\$ 1,131,635	\$ 766,059	\$ 729,396	\$ 715,308	\$ 724,224	-39
		Benefits	CalPERS (w/o on behalf)	\$ 26,547	\$ 26,391	\$ 35,927	\$ 44,892	\$ 50,766	\$ 50,786	91
			CalSTRS (w/o on behalf)	\$ 50,413	\$ 43,870	\$ 27,100	\$ 25,857	\$ 29,750	\$ 24,927	-51
			Health Insurance	\$ 105,675	\$ 79,949	\$ 86,588	\$ 105,526	\$ 110,013	\$ 81,778	-23
			Other Benefits	\$ 61,281	\$ 62,654	\$ 44,695	\$ 44,381	\$ 46,694	\$ 49,594	-19
	Subtotal		\$ 243,917	\$ 212,864	\$ 194,310	\$ 220,656	\$ 237,224	\$ 207,085	-15	
Expenses	4000	Supplies	\$ 13,848	\$ 15,507	\$ 21,283	\$ 23,133	\$ 18,159	\$ 15,395	11	
	5000	Other Operating	\$ 35,633	\$ 38,262	\$ 64,240	\$ 70,398	\$ 97,881	\$ 74,774	110	
	6000	Capital Outlay	\$ 11,608	\$ 6,316	\$ 37,193	\$ -	\$ 2,525	\$ 5,142	-56	
	7000	Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	
	Subtotal		\$ 61,088	\$ 60,084	\$ 122,715	\$ 93,530	\$ 118,564	\$ 95,311	56	
Total		\$ 1,495,961	\$ 1,404,583	\$ 1,083,084	\$ 1,043,582	\$ 1,071,096	\$ 1,026,619	-31		

Beale AFB Center

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year	
Beale AFB	Actual FTES	Noncredit	0.00	0.00	0.00	0.00	0.00	0.00	0%	
		Credit	42.78	35.98	28.69	9.08	5.86	3.09	-93%	
	Total		42.78	35.98	28.69	9.08	5.86	3.09	-93%	
	Section Count		34.00	26.00	22.00	12.00	6.00	3.00	-91%	
	Salary & Benefits	Salaries	Subtotal	\$ 171,319	\$ 150,773	\$ 189,064	\$ 85,403	\$ 80,553	\$ 91,514	-47%
		Benefits	CalPERS (w/o on behalf)	\$ 5,697	\$ 6,201	\$ 7,582	\$ 8,583	\$ 11,093	\$ 12,281	116%
			CalSTRS (w/o on behalf)	\$ 3,766	\$ 7,638	\$ 6,793	\$ 2,676	\$ 2,384	\$ 3,762	0%
			Health Insurance	\$ 15,907	\$ 21,155	\$ 22,405	\$ 22,405	\$ 22,405	\$ 22,405	41%
			Other Benefits	\$ 9,354	\$ 8,344	\$ 11,501	\$ 6,166	\$ 6,655	\$ 7,282	-22%
	Subtotal		\$ 34,723	\$ 43,338	\$ 48,281	\$ 39,830	\$ 42,538	\$ 45,731	32%	
Expenses	4000	Supplies	\$ 637	\$ 1,056	\$ 608	\$ 577	\$ 264	\$ 492	-23%	
	5000	Other Operating	\$ -	\$ -	\$ 2,115	\$ 2,234	\$ 3,105	\$ 2,885	0%	
	6000	Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 744	\$ -	0%	
	7000	Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	
	Subtotal		\$ 637	\$ 1,056	\$ 2,723	\$ 2,811	\$ 4,113	\$ 3,377	430%	
Total		\$ 206,680	\$ 195,167	\$ 240,068	\$ 128,043	\$ 127,204	\$ 140,623	-32%		

Section 5 - Woodland Community College Totals (includes 2 sites)

In 2016-2017 the Lake County Campus was realigned from Yuba College to Woodland Community College. As a result of the realignment, Yuba College's FTES and staffing numbers were realigned with Woodland Community College. The change is reflected in the trend data and contributing to the findings below.

FTES/Enrollments -In reviewing FTES, it is important to focus on primary terms to determine whether enrollments are increasing or decreasing. This strategy removes the FTES enrollment swings associated with shifting summer full-time equivalent students. The primary terms also determine the level of permanent staffing needed. Woodland Community College FTES enrollment has increased by 33% when comparing 2014-15 to 2019-20 resident credit FTES. Since the Lake County Campus was realigned with Woodland College in 2016-2017, FTES has dropped by 106 FTES.

Efficiency* -The efficiency section examines the trends of FTES per FTEF, class size, and section counts. The California community college standard for classroom efficiency (per the CIO manual) is that each FTEF should produce 17.5 FTES per semester or 35 FTES annually. The standard for average class size (throughout the district) consists of 35 students per class for traditionally-scheduled courses following weekly census attendance accounting practices.

- At Woodland, annual production decreased from 29.19 to 25.24 FTES per FTEF, a 14% decline. The CCC systemwide goal is 35 FTES per FTEF.
- Average class size dropped from 24.9 to 24.0 (-4%) over this period, and section counts have increased by 53%. This may be due to section "stacking" or an increase in noncredit offerings.

Staffing - Full-time equivalent faculty grew at a rate of 59% during this period.

At Woodland Community College, management/supervisor positions have increased by 57% (from seven to 11 positions) during this period while staff positions have increased by 3%.

Expenses (salaries and benefits) - During this period, employee benefit costs have increased by 45% and salaries increased by 24%. The benefit cost increases at the college are greater compared to the districtwide benefit increases. Salary increases at Woodland were also greater than the 17% salary increase districtwide.

** Classroom efficiency directly informs the classroom and non-classroom budgets. As efficiency drops in the classroom, funding is shifted from support services (backfilled) to the classroom budget. This creates pressure on the district to reduce funding for support services, long-term obligations, scheduled maintenance, and future capital outlay needs.*

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year
Woodland Community College Totals	Actual FTES	Noncredit	0.00	0.00	0.00	1.48	2.40	2.77	
		Primary Terms	7.13	9.57	27.57	52.83	62.37	56.83	697%
		Subtotal	7.13	9.57	27.57	54.31	64.77	59.60	736%
	Credit	Summer	203.58	273.61	419.00	540.16	508.12	287.89	
		Primary Terms	1,625.17	1,769.37	2,163.69	2,230.83	2,139.23	2,152.44	32%
		Subtotal	1,828.75	2,042.98	2,582.69	2,770.99	2,647.35	2,440.33	33%
	Non Resident	13.07	24.68	32.40	38.17	39.27	36.84	182%	
	Total	1,848.95	2,077.23	2,642.66	2,863.47	2,751.39	2,536.77	37%	
	Efficiency	Average Class Size	24.90	24.37	24.55	24.65	24.57	24.00	-4%
	FTEs/FTEF	29.19	28.18	27.69	14.85	28.54	25.24	-14%	
Section Count		590.00	668.00	831.00	886.00	876.00	902.00	53%	
Staffing	FTE	Faculty	63.34	73.72	95.44	192.79	96.39	100.50	59%
	Faculty Coordinators							0%	
	Management		7	9	10	10	11	11	57%
	Unduplicated Headcount	Staff	37	40	37	37	38	38	3%
Confidential		2	2	2	2	2	2	0%	
Salary & Benefits	Salaries	Subtotal	\$ 7,819,482	\$ 8,597,077	\$ 8,729,598	\$ 8,860,385	\$ 8,671,765	\$ 9,712,913	24%
	Benefits	CalPERS (w/o on behalf)	\$ 171,285	\$ 217,836	\$ 252,097	\$ 278,268	\$ 335,273	\$ 419,019	145%
		CalSTRS (w/o on behalf)	\$ 477,835	\$ 580,677	\$ 657,965	\$ 763,830	\$ 847,630	\$ 956,149	100%
		Health Insurance	\$ 1,280,257	\$ 1,428,004	\$ 1,472,745	\$ 1,392,571	\$ 1,341,311	\$ 1,431,430	12%
		Other Benefits	\$ 366,149	\$ 415,397	\$ 417,364	\$ 418,785	\$ 446,991	\$ 521,955	43%
Subtotal	\$ 2,295,526	\$ 2,641,913	\$ 2,800,171	\$ 2,853,453	\$ 2,971,206	\$ 3,328,553	45%		
Expenses	4000	Supplies	\$ 152,893	\$ 194,315	\$ 169,995	\$ 112,254	\$ 98,088	\$ 130,684	-15%
	5000	Other Operating	\$ 718,171	\$ 760,460	\$ 864,111	\$ 816,707	\$ 1,031,265	\$ 973,828	36%
	6000	Capital Outlay	\$ 139,269	\$ 110,138	\$ 56,359	\$ 5,522	\$ 29,345	\$ 54,678	-61%
	7000	Other Outgo	\$ -	\$ -	\$ 218,300	\$ -	\$ -	\$ -	0%
	Subtotal	\$ 1,010,333	\$ 1,064,912	\$ 1,308,766	\$ 934,484	\$ 1,158,698	\$ 1,159,190	15%	
Total	\$ 11,125,341	\$ 12,303,903	\$ 12,838,535	\$ 12,648,322	\$ 12,801,668	\$ 14,200,656	28%		

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year	
Main Campus Woodland Community College	Noncredit	Subtotal	6.05	9.22	17.75	32.57	45.55	45.40	651%	
		Credit	1,744.30	1,887.13	1,888.59	1,926.37	1,841.73	1,825.46	5%	
		Total	1,750.34	1,896.35	1,906.35	1,958.94	1,887.28	1,870.86	7%	
	Section Count		555.00	602.00	582.00	595.00	577.00	592.00	7%	
	Staffing	Unduplicated Headcount	Management	7	9	10	10	11	12	71%
		Staff	23	25	23	23	25	25	9%	
		Confidential		2	2	2	2	2	2	0%
		Salaries	Subtotal	\$ 5,613,986	\$ 6,259,643	\$ 6,461,675	\$ 6,554,351	\$ 6,517,177	\$ 7,380,189	31%
	Salary & Benefits	CalPERS (w/o on behalf)	\$ 118,205	\$ 161,208	\$ 185,053	\$ 202,295	\$ 241,467	\$ 311,139	163%	
		CalSTRS (w/o on behalf)	\$ 348,832	\$ 418,992	\$ 489,140	\$ 566,849	\$ 649,247	\$ 740,082	112%	
Health Insurance		\$ 900,501	\$ 1,013,989	\$ 1,069,101	\$ 990,438	\$ 934,275	\$ 1,041,634	16%		
Other Benefits		\$ 258,557	\$ 302,824	\$ 309,943	\$ 311,074	\$ 331,338	\$ 394,453	53%		
Subtotal	\$ 1,626,095	\$ 1,897,013	\$ 2,053,237	\$ 2,070,656	\$ 2,156,326	\$ 2,487,308	53%			
Expenses	4000	Supplies	\$ 156,829	\$ 157,616	\$ 140,201	\$ 78,733	\$ 68,314	\$ 99,615	-36%	
	5000	Other Operating	\$ 425,048	\$ 523,405	\$ 607,501	\$ 560,646	\$ 804,643	\$ 708,963	67%	
	6000	Capital Outlay	\$ 125,891	\$ 83,840	\$ 46,968	\$ 3,929	\$ 28,628	\$ 48,043	-62%	
	7000	Other Outgo	\$ -	\$ -	\$ 218,300	\$ -	\$ -	\$ -	0%	
	Subtotal	\$ 707,769	\$ 764,861	\$ 1,012,970	\$ 643,308	\$ 901,586	\$ 856,621	21%		
Total	\$ 7,947,850	\$ 8,921,517	\$ 9,527,882	\$ 9,268,315	\$ 9,575,089	\$ 10,724,118	35%			

Lake County Center

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year
Actual FTES	Noncredit	Subtotal	0.00	4.86	12.84	21.12	14.29	10.73	0%
	Credit	Subtotal	611.94	556.96	492.80	480.40	465.64	491.79	-20%
Total			611.94	561.82	505.64	501.52	479.93	502.52	-18%
Section Count	Subtotal		249.00	231.00	223.00	223.00	231.00	234.00	-6%
	Subtotal		\$ 2,031,267	\$ 2,096,713	\$ 1,991,992	\$ 2,070,343	\$ 1,965,714	\$ 2,070,568	2%
Salary & Benefits	Salaries	Subtotal	\$ 47,531	\$ 50,543	\$ 59,325	\$ 65,336	\$ 83,558	\$ 96,896	104%
	Benefits	CalPERS (w/o on behalf)	\$ 121,487	\$ 150,171	\$ 158,241	\$ 186,095	\$ 190,894	\$ 196,701	62%
		Health Insurance	\$ 361,005	\$ 392,465	\$ 382,949	\$ 381,726	\$ 386,629	\$ 357,263	-1%
		Other Benefits	\$ 98,309	\$ 100,558	\$ 92,327	\$ 95,251	\$ 104,545	\$ 112,752	15%
		Subtotal	\$ 628,332	\$ 693,737	\$ 692,842	\$ 728,408	\$ 765,625	\$ 763,613	22%
Expenses	4000	Supplies	\$ (11,446)	\$ 30,876	\$ 25,615	\$ 30,385	\$ 23,936	\$ 25,460	-322%
	5000	Other Operating	\$ 243,482	\$ 197,665	\$ 208,768	\$ 199,203	\$ 180,648	\$ 213,503	-12%
	6000	Capital Outlay	\$ 13,378	\$ 21,688	\$ 2,360	\$ -	\$ 716	\$ 4,435	-67%
	7000	Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
	Subtotal	\$ 245,414	\$ 250,228	\$ 236,743	\$ 229,588	\$ 205,300	\$ 243,338	\$ -	-1%
Total			\$ 2,905,013	\$ 3,040,678	\$ 2,921,577	\$ 3,028,339	\$ 2,936,639	\$ 3,077,578	6%

Colusa County Center

YCCD : Enrollment/Staffing/Salary & Benefits/Revenue Comparison

			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	5 Year
Actual FTES	Noncredit	Subtotal	1.08	0.35	0.00	0.63	2.00	0.78	-27%
	Credit	Subtotal	83.77	91.01	134.85	139.72	144.24	157.48	88%
Total			84.85	91.36	134.85	140.35	146.24	158.26	87%
Section Count	Subtotal		36.00	46.00	63.00	69.00	68.00	76.00	111%
	Subtotal		\$ 174,229	\$ 240,722	\$ 275,931	\$ 235,690	\$ 188,874	\$ 262,156	50%
Salary & Benefits	Salaries	Subtotal	\$ 5,548	\$ 6,085	\$ 7,719	\$ 10,636	\$ 10,249	\$ 10,983	98%
	Benefits	CalPERS (w/o on behalf)	\$ 7,516	\$ 11,514	\$ 10,584	\$ 10,887	\$ 7,490	\$ 19,366	158%
		Health Insurance	\$ 18,751	\$ 21,550	\$ 20,695	\$ 20,407	\$ 20,407	\$ 32,533	73%
		Other Benefits	\$ 9,282	\$ 12,015	\$ 15,094	\$ 12,460	\$ 11,108	\$ 14,750	59%
		Subtotal	\$ 41,098	\$ 51,163	\$ 54,092	\$ 54,390	\$ 49,254	\$ 77,633	89%
Expenses	4000	Supplies	\$ 7,510	\$ 5,823	\$ 4,180	\$ 3,136	\$ 5,838	\$ 5,610	-25%
	5000	Other Operating	\$ 49,641	\$ 39,390	\$ 47,842	\$ 56,859	\$ 45,974	\$ 51,362	3%
	6000	Capital Outlay	\$ -	\$ 4,610	\$ 7,031	\$ 1,593	\$ -	\$ 2,200	0%
	7000	Other Outgo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
	Subtotal	\$ 57,151	\$ 49,823	\$ 59,053	\$ 61,587	\$ 51,812	\$ 59,171	\$ -	4%
Total			\$ 272,478	\$ 341,708	\$ 389,076	\$ 351,668	\$ 289,940	\$ 398,960	46%

Appendix

A. Study Agreement



**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT
March 1, 2021**

The Fiscal Crisis Management and Assistance Team (FCMAT), hereinafter referred to as the team, and Yuba Community College District, hereinafter referred to as the college, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local educational agencies (LEAs). The college has requested that the team provide for the assignment of professionals to study specific aspects of the Yuba Community College District operations, based on the provisions of Education Code (EC) Section 84041. These professionals may include staff of the team, county offices of education, the California Department of Education, school districts, charter schools, community colleges, or private contractors. All work shall be performed in accordance with the terms and conditions of this agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The scope and objectives of this study are to:

- 1) Develop a comparison and trend (5 years) analysis of the following:
 - Salaries
 - Benefits
 - Schedule efficiency
 - Revenues
 - Expenses
- 2) Develop a revenue calculation tool to simulate a class schedule that meets the efficiency standard for the term length multiplier used.
- 3) Once historical data is validated, develop a future trends and forecasting tool for planning activities.
- 4) Develop a list of recommendations that focuses on the district's ability to meet classroom efficiency, salary and benefits percentages, expense of education, and faculty obligation standards that align with the revenue the colleges generates.

B. Services and Products to be Provided

- 1) **Orientation Meeting** - The team will conduct an orientation session at the college to brief college management and supervisory personnel on the team's procedures and on the purpose and schedule of the study.
- 2) **On-site Review** - The team will conduct an on-site review at the college office and at college sites if necessary.
- 3) **Exit Meeting** - The team will hold an exit meeting at the conclusion of the on-site review to inform the college of significant findings and recommendations to that point.
- 4) **Draft Report** - Electronic copies of a preliminary draft report will be delivered to the college administration for review and comment.
- 5) **Final Report** - Electronic copies of the final study report will be delivered to the college following completion of the review. The final report will be published on the FCMAT website.

3. PROJECT PERSONNEL

The FCMAT study team may include:

- | | | |
|----|--------------------------------|------------------------------------|
| A. | Michelle Giacomini | Deputy Executive Officer |
| B. | Cambridge West Partnership LLC | FCMAT Community College Consultant |

4. PROJECT COSTS

The cost for studies requested pursuant to EC 42127.8(d)(1) shall be:

- A. \$1,100 per day for each FCMAT staff member while on site, conducting fieldwork at other locations, preparing or presenting reports, or participating in meetings. The cost of independent consultants will be billed at the actual daily rate for all work performed based on the provisions of EC 84041
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The college will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the college.

Based on the elements noted in section 2A, the total not-to-exceed cost of the study is \$60,000.00.

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT's services are payable to Kern County Superintendent of Schools - Administrative Agent located on 1300 17th Street, City Centre, Bakersfield, CA 93301.

5. RESPONSIBILITIES OF THE COLLEGE

- A. The college will provide office and conference room space while on-site reviews are in progress.
- B. The college will provide the following (if requested):
- 1) Policies, regulations and prior reports addressing the study request
 - 2) Current or proposed organizational charts
 - 3) Current and two prior years' audit reports
 - 4) Any documents requested on a supplemental listing
 - 5) Any documents requested on the supplemental listing should be provided to FCMAT in electronic format; if only hard copies are available, they should be scanned by the college and sent to FCMAT in an electronic format.
 - 6) All documents should be provided in advance of fieldwork; any delay in the receipt of the requested documentation may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's SharePoint document repository and all requested documents shall be uploaded by the college.
- C. The college administration will review a draft copy of the report resulting from the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report. The final report will be published on the FCMAT website.

6. PROJECT SCHEDULE

The following schedule outlines the planned completion dates for key study milestones and will be established upon the receipt of a signed study agreement:

<i>Study Agreement Effective Date:</i>	<i>March 1, 2021</i>
<i>Orientation:</i>	<i>To be determined</i>
<i>Staff Interviews:</i>	<i>To be determined</i>
<i>Exit Meeting:</i>	<i>To be determined</i>
<i>Draft Report Submitted:</i>	<i>To be determined</i>
<i>Final Report Submitted:</i>	<i>To be determined</i>
<i>Board Presentation:</i>	<i>To be determined</i>
<i>Study Agreement End Date:</i>	<i>June 30, 2022</i>

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the college and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a draft report and a final report. Prior to completion of fieldwork, the college may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the college does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the college will be responsible for the full costs. The college understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the college shall not request that it do so.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the college. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the college in any manner without prior express written authorization from an officer of the college.

9. INSURANCE

During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the college, automobile liability insurance in the amount required under California state law, and workers' compensation as required under California state law. FCMAT shall provide certificates of insurance, with Yuba Community College District named as additional insured, indicating applicable insurance coverages upon request.

10. HOLD HARMLESS

FCMAT shall hold the college, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the college shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

11. COVID-19 PANDEMIC

Because of the existence of COVID-19 and the resulting shelter-in-place recommendations, local educational agency closures and other related considerations, at FCMAT’s sole discretion, the Scope of Work, Project Costs, Responsibilities of District (Sections 1, 4 and 5 herein) and other provisions herein may be revised. Examples of such revisions may include, but not be limited to, the following:


- A. Orientation and exit meetings, interviews and other information-gathering activities may be conducted remotely via telephone, video conferencing, etc. References to site work and fieldwork shall be interpreted appropriately given the circumstances.
- B. Activities performed remotely that are normally performed in the field shall be billed hourly as if performed in the field (excluding out-of-pocket costs).
- C. The district may be relieved of its duty to provide conference and other work area facilities for the team.

12. FORCE MAJEURE

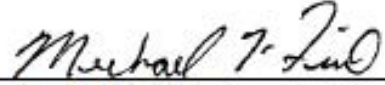
Neither party will be liable for any failure of or delay in the performance of this study agreement due to causes beyond the reasonable control of the party, except for payment obligations by the district.

13. CONTACT PERSON

Name: Dr. Douglas B. Houston, Chancellor
Telephone: (530) 741-6971
E-mail: dhouston@yccd.edu



Douglas B. Houston (Mar 8, 2021 10:22 PST) 3/8/2021
Dr. Douglas B. Houston Date
Chancellor
Yuba Community College District



Michael H. Fine March 1, 2021
Chief Executive Officer Date
Fiscal Crisis and Management Assistance Team