

- Data models, samples, and templates for decision-making and the processes or procedures that guide major decisions.
- Hourly classified costs.
- The college's financial and expenditure history over the last seven years.
- Recent external audits, particularly those related to major fiscal issues.

The analysis also selected four similar districts to use as comparisons in the areas of expenditures, the 50% law, and administrative staffing.

In some instances, FCMAT determined that no further comment was warranted. For example, the closure of off-site operations was completed and therefore needed no further consideration or action from a budgetary standpoint (although there are implications for FTES generation and an enrollment management plan). In many other instances, the college should take further action.

### **Benchmarking and Data Analysis**

The scope of work specified that FCMAT compare the fiscal performance and administrative structure of Imperial Valley College with those of other districts. Four were selected: College of the Desert, Hartnell College, Monterey Peninsula College and Shasta-Tehama-Trinity College. The two most significant criteria in selecting comparison districts were the level of FTES and being a single-college district. No two districts are identical, but FCMAT's goal was to select colleges with a sufficient number of similarities for a valid comparison. Therefore, very large and very small FTES colleges, urban, multicollege, basic aid, and those colleges with state-approved centers were immediately excluded.

Funding for education has been severely reduced and cash deferrals have increased for the last four years because of the state and federal budget crisis. To address the state's ongoing budget deficit, state lawmakers have used numerous strategies to help balance the budget, including reducing expenditures, adding new taxes, borrowing money and using federal stimulus funds. However, funding for the 2012-13 fiscal year remains uncertain given the ongoing state budget deficit and reliance on passage of the governor's November 2012 tax initiative to avoid mid-year budget reductions. During these unprecedented fiscal times districts have been forced to make drastic reductions to programs and staff; prior industry standards and best practices for staffing levels have often been decimated. Therefore, although district comparisons provide valuable information, they may be a somewhat less reliable tool to help determine the number of staff and administrative structure needed to provide the desired level of customer service.

The data in the comparison reports (included in the main body of this report) indicate areas to explore for possible cost containment, reduction or organizational modification. The comparison found that Imperial Valley College spends more than its peers, and further highlights the areas in which higher spending occurs. This analysis provides an objective portrait of the college's operations and a data-driven basis for making important financial decisions; however, the decisions themselves ultimately belong to the college.

### **Financial History**

Imperial Valley College provided FCMAT with a recap of the last six years of financial data including estimates for 2012-13. The recap identifies FTES and revenues and expenses at a detailed object-type level. The base year was 2006-07, when the college was at 6,501 funded and actual FTES. At that time, revenue was \$33.9 million, and costs were \$31 million, creating a surplus of \$2.9 million. In 2011-12, funded FTES before the decline was 6,558 with revenue