Cuyahoga Community College

Performance Audit Summary

WHAT WE LOOKED AT

Cuyahoga Community College (Tri-C) was established in 1963 by the Cuyahoga County Commissioners as the first community college in Ohio. It is one of the few community colleges in the state that receives funding from a local property levy, with a commitment to providing affordable educational services to the community in return. Tri-C offers over 200 programs leading to certificates and associate degrees, with additional noncredit workforce training and professional development programs across four campuses and several locations. Over the past ten years, the College has experienced a decline in student enrollment, with approximately 24,000 students enrolled in academic and noncredit programs in academic year (AY) 2023.

Today, higher education faces new challenges. As colleges continue to seek to meet the needs of the local community and provide positive educational opportunities to the public, an independent review of operational effectiveness, efficiency, and transparency can be an important tool for decision making purposes. Our audit reviewed several of Tri-C's operational areas in comparison to industry standards and peer averages. We reviewed the College's course section scheduling practices to identify any opportunities for optimization while still meeting student demand and maintaining the variety of course features that Tri-C offers. This analysis only included credit courses, so we also reviewed noncredit offerings, specifically the funding and fee structures for these programs. We examined the alignment of the College's wraparound supports portfolio with its strategic vision, as well as the data collection and goal setting practices associated with these services. Finally, we compared Tri-C's staffing and compensation levels to peer institutions, both across the state and locally, to identify opportunities for adjustment or reduction given Ohio's forecasted declines in community college enrollment.

WHAT WE FOUND

Tri-C operated with a revenue of more than $330 million in its General Fund in AY 2024. Approximately $150 million of this revenue was generated through local funding, primarily in the form of property tax levies that have been voted on by the residents of Cuyahoga County. Only four other community colleges are able to levy property taxes for general operations, and Tri-C generates significantly more revenue from local levies than the other community colleges. On a per-student basis, Tri-C's local revenue is over three times higher than the average revenue generated by the other community colleges. This level of revenue allows the College to have higher total expenditure, spending over $260 million in AY 2024. Our analysis found that Tri-C's expenditures per pupil are more in line with a four-year public university, rather than a two-year community college.

We found that, while the College is not in fiscal distress currently, there are opportunities to improve operational efficiency and effectiveness to better serve the residents of Cuyahoga County and to improve the overall stewardship of the public funds provided to the College. Our audit resulted in four recommendations and three issues for further study relating to course offerings and scheduling, noncredit funding, wraparound supports for students, and employee compensation.

KEY OBSERVATIONS

Key Observation 1: Due to the College's multiple property tax levies, Tri-C receives by far the most local funding of all the community colleges in Ohio. While the College offers the lowest tuition rate in the state, the tuition rate is not proportional to the higher level of local funding that Tri-C receives. Additionally, Tri-C offers tuition discounts to qualifying students, in the form of scholarships and financial assistance. However, this tuition discounting occurs at a much lower rate than similar institutions. This indicates that Tri-C is not directing the same proportion of their total funding towards decreasing student costs when compared to peers.

Key Observation 2: Tri-C allocates a larger portion of its overall expenditures on non-educational operations than peer institutions. This is partially driven by the College's higher staffing levels and average compensation for non-educational staff. Another contributing factor is the various services and events that Tri-C offers to the community as a whole.

Key Observation 3: The College has recently implemented a five-school structure. This new structure was created with the intention to provide students with personalized support, foster a sense of community, and increase accountability regarding program outcomes. These goals influenced the scope of this performance audit and select analyses include historical views which retroactively place courses and programs within these schools. Since the College intended these schools to improve accountability, the College should leverage our recommendations as part of this accountability process.

Key Observation 4: Tri-C is spread across multiple campuses and additional locations in Cuyahoga County, with one location falling outside of the County. This operational model requires an increased level of staffing for all types of positions. The College has a particularly high level of staff and salary expenditures in management and other administrative position categories in comparison to the peer average. Notably, Tri-C has a collegewide president, as well as a president for each of the four campuses.

Key Observation 5: Information regarding noncredit courses and programs offered by Ohio's institutions of higher education is not collected uniformly across the state or aggregated in a centralized location. As a result, it is difficult to compare student enrollment or financial information for these programs between institutions or understand the impact of these programs statewide.

SUMMARY OF AUDIT RESULTS

Recommendation 1: Tri-C offers multiple sections for the majority of its courses. These sections may be offered at different times of day, locations, and course lengths in order to provide students with the flexibility to take courses whenever and wherever they are able to. However, this contributes to Tri-C operating at a lower utilization than the sector average. Tri-C is currently running more course sections than is necessary to meet current student demand, contributing to the College's higher than average instructional costs per student. Tri-C should align its course section offerings with student demand and evaluate the impact of this on instructional staff levels. This review should be conducted on a regular basis to ensure offerings continually remain aligned with student demand. When course sections taught are reduced, the instructor workforce should be reduced accordingly to ensure that Tri-C is not employing more instructional staff than is needed to meet student demand.

Issue for Further Study 1: The analyses completed in **Recommendation 1** did not consider the potential of reducing course or program offerings. Once the section offerings are aligned with student enrollment, the College could then review its course and program offerings to determine if there are further opportunities for consolidation or elimination. This review should be conducted with the College's strategic goals in mind and should consider factors such as student demand, market demand, economic growth, and the costs associated with each program. A thorough review of course and program offerings will provide College leadership with the information needed to make data-driven decisions regarding academic offerings and ensure Tri-C is meeting the needs of the community.

Issue for Further Study 2: Tri-C's current low-enrollment threshold is ten students. This means that any course with an enrollment under ten students is identified as low-enrolled and subject to review from an academic dean, which may lead to the course being cancelled. This threshold is in line with the peer average, but falls below the number of students needed to cover the average cost of one instructor, based on student-based revenues and instructor salaries and benefits.

Recommendation 2: The Workforce Innovation Division and the Corporate College at Tri-C have the authority to set program fees for the noncredit courses and programs they offer. However, they are also expected to be self-sustainable, needing to generate enough revenue to cover their expenses. Since noncredit students do not receive federal financial aid or SSI funding and Tri-C does not allocate levy funding to noncredit operations, program fees represent the main revenue source for these programs. As a result, setting appropriate fees and identifying additional funding opportunities are critically important to the financial health of Tri-C's noncredit offerings. The Workforce Innovation Division and the Corporate College should implement a full cost framework for their noncredit programs to develop a comprehensive understanding of the total cost, including both direct and indirect expenses, associated with program delivery. This understanding can be used by program managers to accurately price their programs, as well as by College leadership to determine if funding from the property tax levy should be allocated to noncredit offerings.

Recommendation 3: Tri-C's wraparound support programs are not currently managed centrally nor managed as a portfolio, instead managed by different areas across the College. As a result, the College did not have a comprehensive list of wraparound supports readily available for management purposes or student awareness. In addition to a lack of centralized tracking of programs, the impact of these programs is not regularly evaluated. The majority of core wraparound support programs collect some level of data regarding student participation in the program and some have established Key Performance Indicators, however, almost none of these programs have measurable goals in place to evaluate their performance. Without established goals, the College is not able to adequately evaluate the effectiveness of its student support services. Tri-C should improve the management and assessment of wraparound support programs by establishing measurable goals in accordance with best practices and collecting the data necessary to measure program success relative to the established goal. This data collection should include expenditures and other resources required to implement the program to aid in the College's strategic resource allocation efforts. Ultimately, the establishment of measurable goals, the collection of data, and the tracking of resources needed for each program should be guided using a common management framework. This will enable College leadership to provide a common vision across all programs, make data-driven decisions, and provide additional resources to those programs with the greatest positive impact on students.

Recommendation 4: Tri-C's salary outlays are higher than the primary peer average for many of its occupational categories, as well as more concentrated in non-educational occupations. Salary outlays are influenced by a combination of factors, including operational differences, average pay rates, and staffing levels. While Tri-C is currently facing no shortage of revenue due to the funding it receives from the local property tax, the College is still responsible for ensuring its public funding is allocated efficiently. Tri-C should evaluate the occupational areas that are staffed or compensated at a higher level than the peer average to identify the root cause of the difference and determine if it would be appropriate to reduce the associated staff levels, salaries, or benefits. In this evaluation, the College should particularly focus on non-educational occupational areas that are significantly above the peer average to obtain the largest financial impact while still meeting the institutional mission of providing high quality, accessible, and affordable educational opportunities and services.

Issue for Further Study 3: Tri-C offers the lowest student cost per credit hour in the state, with additional discounts on tuition, such as scholarships and student financial assistance, offered to qualifying students. However, this tuition discounting occurs at a much lower rate than other community colleges in Ohio, despite Tri-C receiving the largest amount of local property tax revenue among these institutions. With Tri-C's goal of further improving student retention and completion, the College could explore the potential of further utilizing levy funds to further reduce average student cost through financial support programs. Allocating additional resources toward direct student support would also bring the College's distribution of educational and non-educational expenditures closer to peer averages.