Draft September 24, 2013

PALO VERDE COLLEGE

Follow-Up Report

Submitted by:

Palo Verde College
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Blythe, CA 92225

Submitted to:

Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges

October 15, 2013

EXECUTIVE SUMMARY

Prepared for the Palo Verde College Board of Trustees

The current Follow-Up Report, dated October 15, 2013, is a response to an action letter, dated February 11, 2013, from the Accrediting Commission for Junior and Community Colleges. The action letter asks that the College address two major areas: 1) adequacy of College staffing to meet students' instructional and learning support needs and to maintain efficient and effective operations; and 2) plans to maintain the financial stability of the College.

Adequacy of Staffing: As a result of financial problems discovered in mid-2011, the College implemented incentives to encourage early retirement and voluntary separations. To bring the College into compliance with the 50% Law, several student services personnel, with appropriate qualifications, were moved into instruction. One new faculty position (in music) was created and filled. Senior administrative oversight of instruction and student services was merged into a single position at the vice-president level, originally as a cost-savings measure. The College has since decided to make the combined instruction and student services vice-president position permanent. The current staffing level, as of Fall 2013, is sufficient to provide instruction and learning support needs and to maintain effective operations. Through cost-cutting and budget management, the College increased from 48.5 administrative support personnel in Fall 2012 to 55 in Fall 2013. This level of staffing is sufficient to maintain effective College operations up to 1,800 FTES, and is roughly comparable to the staffing levels of other community colleges of similar size. Staff levels and administrative re-structuring resulted from extensive deliberation among College constituencies throughout 2012 and 2013 and was characterized by the integration of budget, planning and program review processes. Other human resources standards delineated in Eligibility Requirement 5 and Standard III.A., including personnel evaluations, diversity, and staff development are addressed in this Report.

Financial Stability: The College has previously worked out projections and contingency plans for various FTES revenue scenarios over the next three years. The 2012-13 FTES was 1,592—short of the target of 1,800 FTES, resulting in a budget shortfall of $949,485 for 2013-14. To address the shortfall, the College implemented a contingency previously approved by the Board of Trustees, namely, to make the annual COP debt payment of $855,000 by borrowing from the LAIF/COP capital fund, instead of making the payment from the College general fund. This action allows the College to balance the budget, maintain the 12% reserve requirement, keep sufficient staff for effective operations without layoffs and maintain compliance with the 50% law. Borrowing from the LAIF/COP will have an impact on future debt payments; however, the College is confident it can absorb the additional expense in future years in the anticipation of increased FTES. The College asserts that all new, future non-designated and-non restricted state funding will be applied first to repayment of funds borrowed from the LAIF/COP capital fund. The College is focusing its efforts on rigorous budget management and an aggressive program to restore FTES. The College addresses Eligibility Requirement 17 and Standard III.D asserting that it is in compliance with these standards. The College also addresses key recommendations of the November 20, 2012 Site Visit Report, as well as the findings of the May 6, 2013 Site Visit Report.

CERTIFICATION

We have reviewed the Follow-Up Report and certify that there was broad campus participation in the preparation of the Report, and that the Report is an accurate reflection of the nature and substance of Palo Verde College.

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Dr. Don Wallace, Superintendent/President

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Ermila "Millie" Rodriguez, President, Board of Trustees

_____
Biju Raman, President, Academic Senate

_____
Derek Copple, President, CTA/NEA

_____
Rich Soto, President, CSEA

_____
Sharon Jones, Interim Vice President, Instruction and Student Services

_____
Russi Egan, Chief Business Officer

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Shelley Hamilton, Director of Admissions and Records

_____
Ariel Ramirez, President, Associated Student Government

_____
Michael Gaubeca, Faculty, Budget Committee

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Adam Houston, Director, Information Technology

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Brian Thiebaux, ALO, Faculty

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Denise Hunt, Administrative Assistant to the Superintendent/President

_____
Debra Mitchell, Manager of Human Resources

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APPENDICES (available on CD, which accompanies, and is made a part of, this Report)

A. ACCJC Action Letter, February 11, 2013
B. ACCJC Action Letter, February 5, 2013
C. ACCJC Action Letter, July 3, 2013
D. Special Visit Report, November 20, 2012
E. Letter from Interim Superintendent Denise Whittaker to Dr. Barbara Beno, regarding clarification of COP, June 13, 2013
F. Program Review Annual Snapshot Report Pilot Project
G. Prioritized List of Unmet Personnel Needs
H. Noel-Levitz Student Satisfaction Survey Results
I. BP/AP 7120 Recruitment and Selection
J. CSEA-District Agreement, Evaluation Process, July 1, 2012 to June 30, 2015
K. Management Handbook, showing employee evaluation process
L. CTA-District Agreement for Faculty Evaluations, Full- and Part-Time
M. CTA-District Memorandum of Understanding (regarding faculty full-time and part-time evaluations and inclusion of SLOs in evaluations), May 30, 2013
N. Revised and implemented faculty evaluation process, showing inclusion of required statement by faculty regarding identification and assessment of SLOs.
O. BP 2715 Code of Ethics/Standards of Practice and BP 3050 Institutional Code of Ethics
P. Resolutions on Civility
Q. CTA-District and CSEA-District, provisions for professional development
R. Enrollment Fee Waiver MOUs for CTA, CSEA, and Management
S. Integrated Strategic Plan, 2013-2016
T. Special Report to ACCJC, April 1, 2013
U. Special Visit Report, November 20, 2012
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X. COP Debt Mitigation Plan
Y. Draft Debt Acquisition and Management
Z. 2013-14 Budget
AA. Five-Year Budget Projection
BB. BP 7100 Commitment to Diversity and BP/AP 3420 Equal Employment Opportunity
CC. Integrated Budgeting, Program Review and Strategic Planning Work Flow

REPORT PREPARATION

The present Follow-Up Report is a response to the ACCJC Action Letter, February 11, 2013 (Appendix A).[1]

The first draft of the Report was completed early Fall Semester 2013 by former Interim Superintendent/President Denise Whittaker on behalf of incoming Superintendent/President Dr. Don Wallace. The first draft was distributed to members of the Board of Trustees and to all College personnel on August 28, 2013, inviting comment.

During the Fall Semester, the Report was edited by Dr. Wallace with the assistance of senior administrators, the Accreditation Liaison Officer, and members the College Council/Strategic Planning Steering Committee. A subsequent draft of the Report was completed and distributed to the College community. The Report was reviewed and approved by the College Council/Strategic Planning Steering Committee at its regular meeting, September 17, 2013.

The Report was reviewed by the Board of Trustees during a Study Session, September 24, 2013, and was subsequently approved by the Board of Trustees at the regular meeting October 8, 2013.

[1] See also ACCJC Action Letters dated February 5, 2013 and July 3, 2013, Appendices B and C, respectively. These letters provide additional background for the present Follow-Up Report.

RESPONSES TO THE ACCJC ACTION LETTER, FEBRUARY 11, 2013

PART I: Eligibility Requirement 5 and Standard III.A

Eligibility Requirement 5, Administrative Capacity

The institution has sufficient staff, with appropriate preparation and experience to provide the administrative services necessary to support its mission and purpose.

College Response and Evidence Regarding Eligibility Requirement 5

The College has engaged in intensive planning during the past year, and reached a staff support level that is affordable and which enables the College to support the instruction and student services, as well as operational needs, required for approximately 1,800 FTES (the 2012-13 level of FTES is 1,592 and present classified, management and administrative staffing is 55 (see Table I). College research has shown that the current staffing level is comparable to other community colleges of similar size (see Table II).

The College also has decided to stay with the current combined instruction and student services administrator position, at the level of vice president. Recruitment for a permanent administrator to fill this position is underway as of the time of the Report.

Conclusion Regarding Eligibility Requirement 5

The College has sufficient staff and administrative support to meet the needs of students now and, in light of growth trends, for the next several years and therefore meets Eligibility Requirement 5.

Standard III.A

The institution employs qualified personnel to support student learning programs and services wherever offered and by whatever means delivered, and to improve institutional effectiveness. Personnel are treated equitably, are evaluated regularly and systematically, and are provided opportunities for professional development. Consistent with its mission, the institution demonstrates its commitment to the significant educational role played by persons of diverse backgrounds by making positive efforts to encourage such diversity. Human resource planning is integrated with institutional planning.

College Response and Evidence Regarding Standard III.A

The institution employs qualified personnel to support student learning programs and services. The Director of Human Resources verifies, prior to Board approval, that all new hires meet minimum qualifications. Personnel policies and procedures are in place to ensure that employees are treated fairly and equitably. Classified employees (per the CSEA-District agreement), managers, administrators, and the Superintendent/President are evaluated annually. Tenured faculty (per the CTA-District agreement), are evaluated on a 3-year cycle. New faculty are evaluated annually until tenured. CTA negotiated with the District in Spring 2013 to review, update, and revise the evaluation procedures for full and part-time faculty. Although the College operates a tight budget, faculty and staff do have some opportunities for continued professional development through fee waivers, release time, and other incentives. Consistent with its mission, the College demonstrates its commitment to the significant educational role played by persons of diverse backgrounds by making positive efforts to encourage diversity. The College mission statement was revised through the collegial consultation process and approved by the Board of Trustees.[2]

Apart from the fact that the Human Resources Director is part of the College Council/Strategic Planning Steering Committee, human resource planning is integrated with institutional planning through the comprehensive Program Review process and the Annual Program Review Snapshot Reports. The Snapshot Report (Appendix F) was implemented in Spring 2013 to provide all areas of the College's operations the opportunity to submit one-time and ongoing unmet needs. This process allowed for the identification of new personnel. The Snapshot Reports were summarized and disseminated to all College personnel. Presentations were made to the College Council/Strategic Planning Steering Committee justifying the requests. College Council/Strategic Planning Steering Committee then prioritized the unmet human resources and other on-going and one-time needs for 2013-14. The Budget Committee prepared the budget and identified sources of various funding options to address the unmet needs, contingent upon FTES projections and apportionment revenue. The College Council/Strategic Planning Steering Committee will evaluate the Annual Snapshot Report process and form during the Fall 2013 semester and will make adjustments to improve the process for Spring 2014. The prioritized list of unmet personnel needs as approved by the College Council/Strategic Planning Steering Committee for 2013-14 is found in Appendix G.

Human Resources Planning:

Although there is no document entitled "PVC Human Resource Plan," the College has been engaged in on-going, thoughtful, and conscientious deliberation and discussion regarding staffing levels. Due to budget challenges, it was impossible not to plan ahead for personnel vacancies to ensure sufficient qualified staff to meet all accreditation standards. As noted in the previous paragraph, the Annual Program Review Snapshot Report provides an annual

[2] *Palo Verde College is a California community college that supports an exemplary learning environment with high quality educational programs and services. The College promotes student success and lifelong learning for a diverse community of learners.* –Mission Statement approved by the Board of Trustees, February 5, 2013.

opportunity for the identification of unmet staffing needs. This planning included the review of data associated with the number of employees and FTES trends, as shown below:

TIME PERIOD	ADMINISTRATORS	CLASSIFIED MANAGEMENT/CONFIDENTIAL		CLASSIFIED	TOTAL
2010-11	4	15.5	2	43	64.5
2011-12	3	11	2	39	55
Fall 2012	2	11	3	32.5	48.5
Fall 2013	2 perm/2 interim	11	2	38	55

TABLE I Non-Academic Employees by Classification 2010 – Fall 2013 (Full-time only)

As of the date of this Report, the College is recruiting 1 permanent full-time employee (Human Resources Technician) and 3 permanent part-time employees (Instructional Technology Aides, absorbed from the Title III "Virtual Campus" grant).

Faculty Resources Planning:

The Academic Senate was significantly involved in the identification and prioritization of new faculty hires based on the comprehensive and Snapshot Program Review information. Priorities were in the areas of computer information systems, alcohol and drug studies, and music. As of this Report, one of the three areas—music—been hired. The College is delaying the hire of the full-time alcohol and drug studies faculty member, pending the reassignment of the current Interim Vice President of Instructional and Student Services who would assume this vacant position. This decision has no impact on meeting the Fifty Percent Law. Recruitment for the computer information systems instructor resulted in a failed search.

As provided in the October 24, 2012 Follow-Up Report to the Commission (Appendix W), the data below provided useful information in consideration of the senior-level structure best suited to PVC.

TABLE II Comparisons of Palo Verde
and Other Colleges of Comparable Size, Fall 2011and Fall 2012

	Palo Verde	Barstow	Copper Mountain	Feather River	Lake Tahoe
FTES					
Fall 2011	762.87	675.15	790.96	710.64	618.01
Fall 2012	666.98	1,090.89	831.48	767.66	540.32
Enrollment					
Fall 2011	3,144	2,289	2,149	1,453	3,015
Fall 2012	2,704	3,051	2,142	1,527	2,566
Full-Time Faculty					
Fall 2011	37	37	33	23	40
Fall 2012	34	34	36	24	39
Part-Time Faculty					
Fall 2011	62	104	94	59	127
Fall 2012	58	97	116	51	129
Full-Time Educ Admin					
Fall 2011	5	10	9	4	5
Fall 2012	4	8	9	2	5
Full Time Classif Admin					
Fall 2011	1	11	0	14	1
Fall 2012	10	11	0	5	11
Full Time Class Prof					
Fall 2011	1	0	5	7	4
Fall 2012	0	0	6	4	0
Full-Time Classif Support					
Fall 2011	62	55	50	54	73
Fall 2012	39	57	49	66	75

Source: Data Mart, California Community College Chancellor's Office

Table II suggests that the College's staffing levels are roughly comparable to those of other community colleges of similar FTES and headcount. Moreover, the College is in the process of hiring additional classified positions as described in Table III below.

The ACCJC Action Letter, February 11, 2013, stated that "[Palo Verde College's] October 2013 report should provide an update on the decisions finally made about administrative structure and staffing – i.e. administrators and support staffing." The following sections respond to this requirement.

Classified Employees Resources Planning:

As provided in the October 24, 2012 Follow-Up Report, the College's administration and Board of Trustees understands that the 32.5 classified support staff number now serves as the "base" minimum and any vacancy is being replaced commencing with Spring 2013.

TABLE III: Analysis of Changes in Classified Employee Levels,
Full-Time Only: Fall 2012 vs. Fall 2013

Classified Employee List	**Fall 2012 Classified Staffing Summary**	**Fall 2013 Classified Staffing Summary**
Admissions and Records	2	2
Business Services	2	2
Child Development Ctr	5.5	10
Disabled Students	1.5	3.5
Distance Education	1	1
EOP&S	1	1
Financial Aid	3	2
Information Technology	4	4.5
Instructional Services	1.5	2
Library	0	0
M & O	4.5	5
Student Services	3	2
Title III	2	1
Needles	1.5	2
	32.5	38

As of the Fall 2013, the College is in the process of working back up to prior levels of classified staff from the base minimum of 32.5 to its current level in Fall 2013 of 38. The College is currently recruiting to fill 4 additional positions, two of which are full-time.

Based on the information submitted in the Snapshot Reports and through the presentations justifying the unmet needs, College Council prioritized the unmet classified employee needs as follows:

TABLE IV: Prioritized List of Unmet Classified Staff Needs

Priority Order	Average Score	Position	Status as of 10/1/13
1	4.5	Instructional Services Secretary/Clerk – Distance Education Office	Recruitment started
2	4.3	IT Technician FT-Needles	Reclassifying current P-T employee to F-T
3	3.4	Fiscal Services Technician	Recruitment started
4	3.2	Custodian PT-Blythe	Recruitment started
5	2.8	Human Resources Technician	Recruitment started
6	2.4	Insurance Clerk PT-HR	Recruitment started
7	2	Tutor-Needles	Students, as needed
8	1.7	Library Clerk PT	Librarian is using student employees
9	1.2	Tutor-Blythe	Student, as needed
10	0.8	Grant Writer	No action

Management Planning:

Note: Managers are defined as directors or coordinators and are non-administrative.

Based on the information submitted in the Snapshot Reports and through the presentations justifying the unmet needs, College Council/Strategic Planning Steering Committee prioritized the unmet management needs requests as follows:

TABLE V: Prioritized List of Unmet Management Needs

Priority Order	Average Score	Position	Status as of 10/1/13
1	3.6	Director/Coordinator Distance Ed	Reclassified faculty counselor to Correspondence Education Counselor/Coordinator
2	0.9	Public Information Officer PT	No action
3	0.5	Foundation Director	Hired P-T temporary (retiree) Director
4	0.4	Manager of Institutional Effectiveness	No action

Although these unmet needs have been identified and would benefit the institution if funded, all of the responsibilities are being addressed with existing staffing at the present time.

The Office of Distance Education reports directly to the Interim Vice President of Instructional and Student Services and a Counselor, specifically hired to coordinate this responsibility, is serving effectively in this capacity and no change is deemed necessary at this time.

The Superintendent/President oversees the areas of Public Information, the College Foundation, and institutional effectiveness (accreditation, program review, SLO and assessment, integrated strategic planning, advancement, and grants) to provide ongoing leadership and direction.

The Accreditation Liaison Officer is monitoring all aspects related to accreditation compliance, as well as overseeing research, instructional program review and institutional SLOs and assessment.

Senior administrators are responsible for program review and SLO assessment in the non-instructional areas.

The Superintendent/President and the College Council/Strategic Planning Steering Committee continue to serve in the annual review and updating of the College's integrated strategic plan. Although it would be helpful to have a manager responsible for each of these areas, freeing the Superintendent/President for other priorities, the College does not foresee a time in the near future when these new positions would be funded, taking into consideration that there are other areas of higher priority to address.

It should also be noted that the College's plan to reclassify the Human Resources Manager to the Director of Human Resources and the Business Services Manager to the Chief Business Officer described in the College's Follow-Up Report, October 24, 2012 (Appendix W), has been completed. This change reduced the amount of the Superintendent/President's direct supervision for these areas. The Chief Business Officer oversees every aspect related to finance and maintenance and operations.

The Director of Human Resources now assumes the majority of the responsibility for personnel operations, relieving the Superintendent/President of this additional responsibility.

The plan to provide support to the Human Resources office has been approved by the Board of Trustees. There will now be an additional full-time position, Human Resources Technician, as noted in the classified employees' priority listing, thereby providing additional assistance for the new medical insurance program and related personnel services.

Administrative Resources Planning:

Note: "Administrators" are defined at the senior level as the vice president or chief officer of a particular area.

The structure for the senior level administration was a topic of college discussion for the majority of 2012-13. Many options were discussed during this time, and for comparative purposes, data was collected from other colleges showing their administrative structures. The administrative structure in 2012-13 consisted of the Superintendent/President overseeing the Chief Business Officer, Interim Vice President of Instructional and Student Services, Director of Information Technology and Director of Human Resources.

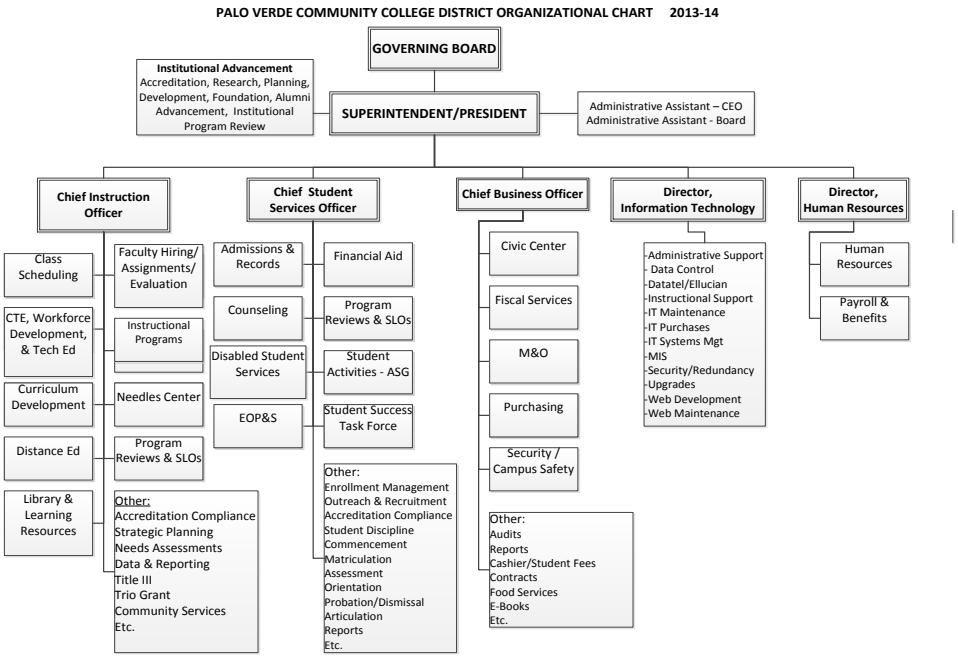
The Academic Senate had made the recommendation to the Interim Superintendent/President and to the Board of Trustees in late Spring 2013 to replace the position of Vice-President of Instruction and Student Services with two positions: a Chief Instructional Officer and a Chief Student Services Officer. This recommendation was accepted, and in anticipation that the College would attain its FTES and budget targets, both positions were advertised in early summer 2013.

However, because the target FTES was not restored, the District determined that it was in the best interest of the College to retain the two functions, instruction and student services, as one position at the vice-president level, namely, Vice-President of Instruction and Student Services. The recruitment for this position has begun as of this Report.

The extensive discussions and planning involving the administrative structure has resulted in the following organizational structure:

[Revise chart to show re-combined VP position]

Chart I: Palo Verde College Organization Chart, 2013-14



The human resources plan is to ensure that students are receiving quality education and support consistent with accreditation standards. In 2010 students surveyed in the Noel-Levitz Student Satisfaction Survey indicated that they are highly satisfied with the education and services received at the College and appear to be unaware of the College's financial challenges (Appendix H).

The College also tracks complaints related to instruction and student support services. Relatively few problems or complaints have been registered and although staffing was reduced, attention to student needs was not. Offices have maintained full service levels and hours have not been reduced. Staff feels some impact when an employee is out ill, but back-up hourly-on-call efforts have helped to mitigate this situation.

Diversity:

Palo Verde College is committed to providing a diverse learning environment, evidence by Board Policy 7100, Commitment to Diversity, and Board Policy and Administrative Procedure 3420 (Appendix BB). All externally posted jobs are advertised through the CCCC Registry and in local and area newspapers. College personnel participated in the Chancellor's Office Southern Job Fair in January 2013, and intends to do so again in 2014. Because of the remote location of the College, it is sometimes difficult to attract faculty and management with diverse

backgrounds. The College will continue to recruit statewide and throughout the Southern California region to improve its management and faculty diversity. The tables below display staff diversity data by ethnicity and gender for Fall 2012.

Table VI College Personnel: Gender and Ethnicity Fall 2013

Full-Time Faculty Ethnicity by Gender

American Indian		Black		Hispanic		White		Other	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	1	1	0	8	4	13	6	1	1

Classified Employee Ethnicity

American Indian		Black		Hispanic		White		Other	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0	0	0	6	18	5	9	0	0

Management and Administration Ethnicity Gender

American Indian		Black		Hispanic		White		Other	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0	0	0	1	4	3	9	0	0

Source: Data Mart, California Community Colleges Chancellor's Office

In addition to the evidence provided in the Appendices to this Report, other supporting documentation will be available in the team room during the November 2013 site visit, and consists of: College Council/Strategic Planning Steering Committee agendas and minutes for 2012-13 and for Fall 2013; Academic Senate agendas and minutes for 2012-13 and for Fall 2013; Full Administrative Council meeting agendas and minutes for 2012-13 and Fall 2014; comprehensive and Snapshot Program Review reports; prioritization of unmet needs.

Conclusions Regarding Standard I.A.

The College is in the process of rebounding back from the fiscal crisis that was first disclosed in mid-2011 and addressed fully in 2012 with incentivized staff reductions. Gradually, the College is gaining back personnel that provide critical instructional support functions. The administrative re-structuring problem has been resolved by staying with the combined instructional and student support administrative function at the vice-president level. The College has maintained its ethnic and gender diversity and has maintained a systematic employee performance evaluation system for faculty, administrators, classified staff and management. Human resource planning is integrated with instructional planning through the Integrated Strategic Plan Appendix S), the Annual Program Review/Snapshot Process, and the presence of the Director of Human Resources as a member of the College Council/Strategic Planning Steering Committee. See also the Integrated Flow Chart, Appendix CC. The College continues to meet this standard.

Standards III A. 1 and III.A.1a

The institution assures the integrity and quality of its programs and services by employing personnel who are qualified by appropriate education, training, and experience to provide and support these programs and services. (III.A.1)

Criteria, qualifications, and procedures for selection of personnel are clearly and publicly stated. Job descriptions are directly related to institutional mission and goals and accurately reflect position duties, responsibilities and authority. Criteria for selection of faculty include knowledge of the subject matter or service to be performed (as determined by individuals with discipline expertise), effective teaching, scholarly activities, and potential to contribute to the mission of the institution. Institutional faculty play a significant role in selection of new faculty. Degrees held by faculty and administrators are from institutions accredited by recognized U.S. accrediting agencies. Degrees from non-U.S. institutions are recognized only if equivalence has been established. (III.A.1.a)

College Response and Evidence Regarding Standards III.A.1 and III.A.1a

The College lists the criteria, qualifications, and procedures for selection of personnel on all job announcements, whether in brochure or paper form, on the CCCC Registry, in ads, or on the web. All vacancies take into consideration meeting the College mission. Classified job descriptions are discussed with CSEA and accurately reflect position duties, salary placement, responsibilities, and authority. A generic faculty job description, negotiated with CTA, reflects position duties, salary placement, responsibilities, and authority.

Management and administrative job descriptions are developed in consultation with the area manager and reviewed by the College Council/Strategic Planning Steering Committee, and accurately reflect duties, salary placement, responsibilities, and authority.

Criteria for selection of faculty include knowledge of the subject matter or service to be performed (as determined by individuals with discipline expertise), effective teaching as demonstrated by a teaching demonstration, scholarly activities, and potential to contribute to the mission of the College. College faculty, classified employees and managers are represented on all hiring committees in compliance with CTA contract provisions and Board Policy and Administrative Procedures dealing with Recruitment and Selection (Appendix I). Faculty play a primary role on faculty selection committees and include the chairperson of the academic division as well as other faculty appointed by the Academic Senate. Faculty roles in the hiring process for faculty and administration are negotiated as part of the CTA contract. The Director of Human Resources verifies that all new hires meet the minimum qualifications as posted. All degree requirements specify that they are acquired from institutions accredited by recognized U.S. accrediting agencies. Degrees from non-U.S. institutions are recognized only if evaluated by an approved external agency.

Conclusion Regarding Standards III.A.1 and III.A.1a

The College meets this standard. The College establishes and publicizes clear and rigorous criteria for all of its positions. Classified and faculty position descriptions and announcements are reviewed by the appropriate employee association, the area management and the College Council/Strategic Planning Steering Committee. Position standards, coupled with a competitive recruitment and selection process, ensure that the College hires the most highly qualified and appropriate personnel.

Standard III. A.1.b

The institution assures the effectiveness of its human resources by evaluating all personnel systematically and at stated intervals. The institution establishes written criteria for evaluating all personnel, including performance of assigned duties and participation in institutional responsibilities and other activities appropriate to their expertise. Evaluation processes seek to assess effectiveness of personnel and encourage improvement. Actions taken following evaluations are formal, timely and documented.

College Response and Evidence Regarding Standard III. A.1.b

The College evaluates classified employees annually in accordance with the provisions of the CSEA-District agreement (Appendix J). Managers and administrators are also evaluated annually as noted in the Management Handbook (Appendix K). Tenured full-time faculty are evaluated no less than every three years per the provisions of the CTA-District agreement (Appendix L). New non-tenured faculty are evaluated annually until tenure is attained.

CTA and the District recognize that the evaluation process for part-time faculty needs to be annually conducted and improved upon. When new leadership came to the College in Spring 2012, it was discovered that evaluations for part-time faculty were sporadically conducted and the first Interim Vice President of Instruction and Student Services[3] began addressing the issue in accordance with the terms of the CTA-District agreement. This effort was suspended with the second Interim VPI/SS due to the inefficiency of the part-time evaluation process. CTA and the District recently negotiated a commitment to review and revise the current full and part-time faculty evaluation process for quality improvement (Appendix M). An effort will be made to continue part-time faculty evaluations under existing CTA-District agreement provisions until the revised procedures have been finalized.

Discussions regarding the effective evaluation of employees have occurred at management meetings to emphasize personnel and encourage improvement. Formal evaluations are conducted as required and evaluates are informed of the results. All documents pertaining to evaluations are maintained by the office of Human Resources. Actions taken following evaluations are formal, timely, and documented.

[3] Dr. Kay Ragan served as Interim Vice President of Instructional and Student Services from April 2012 to October 2012, and resigned due to a conflict with her retirement plan. Ms. Sharon Jones has served in the same position from October 2012 through the date of this Report.

Conclusion Regarding Standard III. A.1.b

The College meets this standard. The College regularly evaluates all administrators, classified staff and faculty on established time schedules. The College is currently revising its evaluating procedures for part-time and full-time faculty primarily to adjust to changes in teaching modes that have evolved over the years. Many faculty, for example, teach principally correspondence and online courses, thus eliminating the possibility of a classroom observation. Alternative evaluation processes are being developed and formalized for faculty who may not be teaching face-to-face at the time of their evaluations. Such alternative evaluation methods will likely include review of course syllabi and other teaching materials, including the effective use of the Bridge for online courses. According to the Memorandum of Understanding between the District and CTA (Appendix M), revisions to the adjunct faculty evaluation process will be completed December 2013, and the revisions to full-time faculty evaluation process will be completed December 2014.

Standard III.A.1.c

Faculty and others directly responsible for student progress toward achieving stated student learning outcomes have, as a component of their evaluation, effectiveness in producing those outcomes.

College Response and Evidence Regarding Standard III.A.1.c: Human Resources

In Spring 2013, the CTA and the District agreed to include, as a component of teaching and non-teaching faculty evaluations, language defining faculty responsibility to develop and assess student learning outcomes. This component has been integrated into the existing faculty evaluation system, has been implemented and applies to all faculty, beginning with those scheduled for evaluations in Fall 2013 (Appendix N).

Conclusion Regarding Standard III.A.1.c

The College meets this standard. The faculty evaluation system includes a component having to do with student learning outcomes assessment and has been implemented Fall 2013.

Standard III.A.1.d

The institution upholds a written code of professional ethics for all of its personnel.

College Response and Evidence Regarding Standard III.A.1.d

The College has two Board policies addressing a code of professional ethics: Board Policy 2715, Code of Ethics/Standards of Practice, which addresses the ethics standards to which members of

the Board of Trustees are expected to adhere, and Board Policy 3050, Institutional Code of Ethics, that applies more broadly to "each Trustee, officer and employee of Palo Verde College…" (Appendix O)

Conclusion Regarding Standard III.A.1.d

The College meets this standard, a professional code of ethics that addresses the unique ethical standard to which members of the Board of Trustees are expected to adhere, and a broader code of ethics that applies to all College personnel, including members of the Board of Trustees.

Standard III.A.2

The institution maintains a sufficient number of qualified faculty with full-time responsibility to the institution. The institution has a sufficient number of staff and administrators with appropriate preparation and experience to provide the administrative services necessary to support the institution's mission and purposes.

College Response and Evidence Regarding Standard III.A.2

As previously noted in the October 24, 2012 Follow-Up Report to the Commission (Appendix W), and as shown earlier in this Report,[4] the College asserts that it has sufficient full-time teaching faculty and support staff to provide quality instructional and support services to students. Although additional staff would be helpful in high-volume areas, the total number of employees as shown below is sufficient to meet the instructional and administrative support necessary to support the institution's Mission. There also has been discussion of using "floaters"—personnel with training in various areas assigned to different offices at certain times during the semester, depending upon where the needs are.

Table VII Summary of Employees by Category, Fall 2013

Full-Time Faculty	**Part-Time Faculty**	**Classified Employees**	**Managers**	**Administrators**
33 permanent 2 interim	33 estimated for Fall 2013	38 permanent 7 temporary	11 Managers 2 Confidential	2 permanent 2 interim (1 with a start date of 9/1/13)

The institution's 2012-13 FTES is 1,592. Although FTES is down from prior years, the College anticipates that it will be able to serve approximately 2,000 students per semester at approximately 1,800 FTES annually. This observation is borne out by the results of the 2010 Noel-Levitz Student Satisfaction Survey (Appendix H), showing continuing student satisfaction with the College's instructional and support services. As a small college, the number of full-time

[4] See Table II, page 10, comparing Palo Verde's staffing levels with that of other community colleges of comparable size.

faculty, classified, and management staff are currently sufficient to maintain accreditation standards and Eligibility Requirements

Conclusion Regarding Standard III.A.2

The College meets this standard by staffing a sufficient number qualified, full-time faculty members required to provide adequate teaching and student support services to students, and by staffing enough classified, management and administrative personnel for administrative and staff support.

Standards III.A.3, III.A.3a and III.A.3b

The institution systematically develops personnel policies and procedures that are available for information and review. Such policies and procedures are equitably and consistently administered (III.A.3).

The institution establishes and adheres to written policies ensuring fairness in all employment procedures (III.A.3a).

The institution makes provision for the security and confidentiality of personnel records. Each employee has access to his/her personnel records in accordance with law (III.A.3b).

College Response and Evidence Regarding Standards III.A.3, III.A.3a and III.A.3b

Palo Verde College establishes, adheres to, and updates written policies ensuring fairness in all employment procedures, evidenced by CTA and CSEA agreements, the Management Handbook, and related District policies and procedures. These various agreements and policies provide for a fair, equitable and consistent hiring process (Appendices I, J, K and L).

The College maintains secure and confidential employee records in the office of the Director of Human Resources. Each employee has access to his or her personnel records in accordance with law.

Conclusion Regarding Standards III.A.3, III.A.3a and III.A.3b

The College meets these standards. Board policies that ensure fairness in employment practices are in place and accessible to the public via the College website. Personnel records are secure and kept confidential. The College, CSEA, CTA and management employees adhere to employment practices that are incorporated into various agreements between the District and the constituent organization.

Standards III.A.4, III.A.4a, b, and c

The institution demonstrates through policies and practices an appropriate understanding of and concern for issues of equity and diversity. (III.A.4)

The institution creates and maintains appropriate programs, practices, and services that support its diverse personnel. (III.A.4a*)*

The institution regularly assesses its record in employment equity and diversity consistent with its mission. (III.A.4b)

The institution subscribes to, advocates, and demonstrates integrity in the treatment of its administration, faculty, staff and students (III.A.4c)

College Response and Evidence Regarding Standards III.A.4, III.A.4a, b, and c

The College is committed to maintaining a diverse learning environment as evidenced by its Mission Statement *(…the College promotes student success and lifelong learning for a diverse community of learners"),* Board Policy 7100—Commitment to Diversity and Board Policy/Administrative Procedure 3420 Equal Employment Opportunity (Appendix BB) and its achieving and maintaining an ethnically diverse student population and workforce.[5]

Due to budget challenges, there have been few new hires over the past 18 months but in a normal hiring cycle, the Human Resources office would summarize in report form vacancies and the application pool by ethnicity. The Director of Human Resources pre-screens the applicant pools for diversity and, if there is an absence of gender or ethnic diversity, the practice has been to re-announce the position in an attempt to acquire a more diverse pool.

The College is committed to and advocates for the fair and respectful treatment of its administration through College Council's commitment to collegiality and civility (Appendix P), which espouse guiding principles that encourage all interaction among employee groups to be fair and respectful. Posters reflecting this commitment are located in meeting rooms and other places on campus where people congregate. College administration and management are committed to resolving employee and student complaints or grievances promptly, whenever possible. There have been few employee grievances filed within the past 18 months and these have been resolved without incident. There continues to be a college-wide endeavor to communicate prior to issues escalating to the grievance level. The relationship between employee association leadership and the Interim Superintendent/President was positive, and has continued with the new Superintendent/President.

[5] See Table VI, College Personnel: Gender and Ethnicity Fall 2012, p. 16

Conclusion Regarding Standards III.A.4, III.A.4a, b, and c

The College demonstrates its commitment to diversity through its Board policies, fair employment practices and collegial approach to addressing all College business.

Standards III.A.5, III.A.5a-b

The institution provides all personnel with appropriate opportunities for continued professional development, consistent with the institutional mission and based on identified teaching and learning needs. (III.A.5)

The institution plans professional development activities to meet the needs of its personnel (III.A.5a)

With the assistance of the participants, the institution systematically evaluates professional development programs and uses the results of these evaluations as the basis for improvement. (III.A.5b)

College Response and Evidence Regarding Standards III.A.5, III.A.5a-b

The financial problems the College has had to deal with since Summer 2011 resulted in a reduction of funds available for conference attendance. Efforts have been made, however, to ensure that faculty, staff, and management maintain networking connections, particularly for conferences and meetings held at other community colleges. College vans have been provided to any employee requesting attendance to area meetings. In 2011-12, employees who traveled volunteered to pay their own costs due to the initial financial challenges facing the institution. Skype, Webinars, list-serve discussions and phone conference calls continue to be utilized to ensure that employees remain current in their field and informed of how other colleges handle similar problems facing Palo Verde.

Both CSEA and CTA have specific professional development provisions within their contracts (Appendix Q). To address classified employee and management professional development needs, the Board recently approved an Enrollment Fee Waiver program (Appendix R), encouraging employees to complete associates degrees, and to advance themselves educationally. In addition, funds have been made available to two managers who have been accepted into ACCCA's Mentor Program.

Categorical funds remain available for the primary areas of student support, such as BSI and TRIO, ensuring staff is current on state and federal policies and regulations. The Staff Development Committee approves all requests for conferences, in-service training and professional development in accordance with the CTA-District agreement.

Staff development often has direct benefit to the College. One faculty member in English, for example, is pursuing a second master's degree in theater, with the expectation that eventually she

will be able to teach theater classes and manage productions in the College's Fine and Performing Arts Center.

Although limited, funds have been made available for Board members, faculty, staff, and managers to attend high-profile and required meetings within the State.

While few College-planned staff development programs have been developed in the past two years, the College convenes "all-staff" meetings no less than monthly to promote discussion of College and statewide issues. The meetings serve as professional staff development activity since they provide opportunities to learn about College finance, accreditation issues, strategic goals, decision-making processes and other topics.

Four Flex Days are held throughout the academic year, principally for professional development of faculty.

Two Institute Days are held during the year. One, presented near the beginning of the academic year, consists of presentations and discussions on such topics as accreditation, institutional research findings, financial issues, and organizational restructuring—topics that have relevance to the entire College community. The second Institute Day, held in June, is Commencement Day, to which the entire college community is invited.

Conclusion Regarding Standards III.A.5, III.A.5a-b

The College recognizes that greater efforts are needed to design and provide professional growth opportunities for classified and management staff, and to follow up with a process for evaluation as the basis for improvement. Considering the circumstances of a tight budget and the attendant need for belt-tightening, the College has done well in finding less costly ways to assist staff in meeting training needs, to stay current in their fields and to progress professionally.

Standard III.A.6

Human resource planning is integrated with institutional planning. The institution systematically assesses the effective use of human resources and uses the results of the evaluation as the basis for improvement.

College Response and Evidence Regarding Standard III.A.6

The College's Integrated Strategic Plan, originally written in 2002, has been updated and revised through the collegial governance process frequently over the past 10 years, with the most recent revision in Spring 2013. Human resources planning is fully integrated into the Integrated Strategic Plan, as evidenced in the excerpt below in the Board Goal and Objectives 3.2, 3.5, and 3.6 (Appendix S).

Strategic Initiative 3: ORGANIZATIONAL EFFECTIVENESS

GOAL: ***Create and sustain an institutional environment of transparent collegiality in which College personnel have an understanding of the functions, roles and responsibilities of their colleagues and College organizations and committees which support the Mission of the institution.***

BOARD GOAL 10: Ensure the effective and efficient provision of instructional, student support, and operational programs and services by qualified faculty, staff, and managers, through a deliberate model of human resource management.

Objective 3.1 Review and update the collegial governance chart annually.

Objective 3.2 Provide all new employees with a College orientation program and information specific to their role.

Objective 3.3 Invite participatory governance in planning and decision-making by encouraging constituent representation on committees, and promoting effective dialog among constituencies and the Board of Trustees.

Objective 3.4 Publicize all College reports, by having them available for examination in the College library or College website.

Objective 3.5 Develop and disseminate an institutional faculty, management, and classified staffing plan that takes into consideration planning for areas of demonstrated need or deficiencies, 50% Law compliance, and administrative leadership capacities.

Objective 3.6 Employ qualified faculty and staff and provide opportunities for continued professional and staff development, consistent with the mission and based on identified teaching, learning, and operational needs.

Palo Verde College uses the comprehensive Program Review process (completed every 2 or 3 years depending on the program) and the Annual Program Review Snapshot Reports as a guide for identifying unmet needs and for revising the institutional plan.

Comprehensive program review reports are presented to constituent leadership groups through Budget Committee and College Council/Strategic Planning presentations, and are reviewed by the Full Administration and then presented to the Board for review and comment in open session. The review process effectively integrates program review with budget resource discussions and with strategic planning (Appendix CC). The Snapshot Report data is used to identify unmet personnel needs for the following year and are used to identify areas for improvement (Appendices F and G).

Conclusion Regarding Standard III.A.6

Since the identification of the financial challenges in the summer of 2011, emergency conditions existed to stabilize the budget and few replacement hires or new hires took place until Spring

2013. As the budget stabilizes and the College has a future plan for addressing its debt service, the College is back on track to integrate human resource needs into the planning process.

The new Superintendent/President is working with his executive staff, the ALO, and the College Council to finalize the integrated planning document, ensuring that human resource needs are incorporated and in compliance with Standard III.A.6.

PART II: Eligibility Requirement 17 and Standard III.D

Palo Verde College is providing the following status report applicable to the components of Eligibility Requirement 17 and Standard III.D as verification that the College continues to be in compliance.

Palo Verde College has satisfactorily met Eligibility Requirement 17 and Standard III.D as presented in the November 20, 2012 Special Visit Report which was accepted by the ACCJC and resulted in the Commission action to remove probation. Although Eligibility Requirement 17 and Standard III.D were specified in the February 11, 2013 ACCJC Action Letter to be addressed again in the present Follow-Up Report, the College assumes that the Commission did not want a repeat of what had previously been submitted and resolved, but desired a status report and update applicable to the elements of Eligibility Requirement 17 and Standard III.D.

In a separate action, the ACCJC Action Letter dated February 5, 2013 required the College to submit a Special Report addressing seven major financial issues by April 1, 2013. The College responded with the Special Report (Appendix T), which was, in turn, followed by a site visit and the issuance of the visiting team's May 6, 2013 Special Visit Report (Appendix V).

Further in this report, the College is providing an update of major changes, addressing only those aspects in which a substantive change or situation has occurred since the May 6, 2013 Special Visit Report, which contains the most up-to-date information that has been submitted to the Commission.

It should be noted that Palo Verde College, although continuing to face financial challenges, due to on-going and diligent short and long-term planning, continues to maintain a balanced and non-deficit budget for 2013-14. As requested in the ACCJC Action Letter February 11, 2013, the College prepared a multi-year budget projection as evidence the College's fiscal stability will last longer than the current year (Appendix AA).

In the Appendices to the present Report, the College is providing the November 20, 2012 Special Visit Report and April 1, 2013 Special Report for reference purposes (Appendices and T, respectively. Also included is a letter of clarification dated June 13, 2013 from the College in response to a request from the ACCJC (Appendix E).

Status Report of Eligibility Requirement 17 and Standard III.D as Submitted and Accepted in the November 20, 2012 Special Visit Report and the April 1, 2013 Special Report

Requirement or Standard	Status Report	Evidence
Eligibility Requirement 17: Financial Resources*: The institution documents a funding base, financial resources, and plans for financial development adequate to support student learning programs and services, to improve institutional effectiveness, and to assure financial stability.*	In Compliance	November 2012 Report to the Commission Commission letter dated Feb. 11, 2013 April 2013 Report to the Commission
Standard III.D: Financial Resources – *Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.*	In Compliance	November 2012 Report to the Commission Commission letter dated Feb. 11, 2013 April 2013 Report to the Commission
1. The institution relies upon its mission and goals as the foundation for financial planning.	In Compliance	Mission reviewed annually; posted college-wide.
a. Financial planning is integrated with and supports all institutional planning.	In Compliance with on-going improvements	Program Reviews and Annual Snapshot Reports serve as basis of planning and identifying unmet needs for budget purposes.
b. Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.	In Compliance with on-going reviews	In-depth fiscal planning efforts and 3 year plans with FTES scenarios.
c. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations.	In Compliance with on-going reviews	In-depth fiscal planning efforts and 3 year plans with FTES scenarios. Thorough long-term debt planning with external assistance.
d. The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of	In Compliance with on-going evaluation and assessment of the budget	Budget development processes; budget committee agendas and minutes; all college meetings, etc.

institutional plans and budgets	development process.	
2. To assure the financial integrity of the institution and responsible use of its financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.	In Compliance	Security components in place; wide budget dissemination and pre-planning efforts supported by minutes and agendas.
a. Financial documents, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.	In Compliance with on-going reviews	Audit reports; budget document; prioritization of needs process.
b. Appropriate financial information is provided throughout the institution.	In Compliance	Wide e-dissemination; Budget minutes and agendas sent to all college staff; budget updates provided regularly.
c. The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.	In Compliance	Cash Flow reports and weekly assessments.
d. The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.	In Compliance	Audit reports; budget expenditure and income reports; annual program reports.
e. All financial resources, including those from auxiliary activities, fundraising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.	In Compliance	Audit reports; budget expenditure and income reports; annual program reports.
f. Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.	In Compliance	Contractual documents; Board Policies and Procedures.
g. The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.	In Compliance but needs improvement.	Implements RCOE updates and provides feedback for improved service.
3. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.	In Compliance but working on college wide assessment in fall 2013	Program Reviews, Snapshot Reports, final budgets; needs improved form of evaluation to use data as the basis for improvement.

The ACCJC Action Letter dated July 3, 2013 (Appendix 1a) refers to the items noted originally in their letter of February 11, 2013 (Appendix 1b). In compliance with the ACCJC Action Letter dated February 5, 2013 regarding financial stability, Palo Verde College submitted a Special Report April 1, 2013 addressing all of the components of Eligibility Requirement 17 and Standard III.D and received a site visit from which a Special Visit Report was issued May 6, 2013.

The Special Report April 1, 2013 is included as Appendix 14a and serves as back-up to this report. The report from the Site Visitation Team from May 6, 2013 is included as Appendix 14b. In the Site Visitation Team's report to the Commission, no major items for follow-up were noted. Listed below is a summary of the Team's findings regarding the financial stability of Palo Verde College.

Summary of Findings from the May 6, 2013 Site Visit Report

Issue	Visitation Team Finding / Comments	Action
A comprehensive analysis of the long-range budget plan to resolve financial issues.	*The College fully meets this portion of the recommendation.*	In-depth planning continues
Deficit Reduction	*The team highly recommends that the services of the consultant(s) be maintained for the foreseeable future.* *The College has eliminated deficit spending as a feature of its annual budget and is operating the District with a balanced budget that maintains the recommended 5% contingency reserve.* *The visiting wants to note that the current level of staffing in the Business Office at Palo Verde College is not sustainable.* *The College has complied with this portion of the recommendation, but needs to address the Business Office staffing situation.*	Completed Competed & on-going Reclassification of staff to provide additional help. Prioritized staffing need identified.
Revenue Enhancement	*The College has clarified and satisfied this portion of the recommendation.*	On-going efforts.
OPEB – Other Post Retirement Benefits	*The College is meeting its obligations for OPEB.* *The College should consider creating an irrevocable trust to permanently set aside accumulated funds for future retiree benefits which will enhance its audit status.* *Additionally, the College should consider changes to retiree benefits levels through collective bargaining.*	Completed PVC considering trust options for improved investment earnings CSEA going to medical benefits bid in 2013 to improve costs

Debt Repayments (COPs)	*The College has acted fully on the recommendation of the commission and is actively and effectively addressing the satisfaction of this recommendation.*	On-going monitoring
SERP – Supplemental Executive Retirement Plan	*The College has resolved all issues with the SERP.*	Completed
Specifically, clarification is needed for choices the College has made to address the College plan for long-range stability with regard to addressing current debt service and restructuring of COPs.	*The College has retained the services of external professionals to review and recommend options. Due to the extreme nature of this debt as it relates to the College's overall fiscal picture, the College <u>should consider obtaining yet another recommendation from another professional firm</u> to verify that the assumptions they are working under are correct. Such a triangulation of the plans will ensure the College is on the right track and the College can be confident in its movement toward fiscal stability.* *The College has complied extensively with this portion of the commission's recommendation.*	College has identified three parties to verify the current assumptions of its fiscal plan: 1) District managers and staff; 2) Cambridge West (C.M. Brahmbhatt); and 3) Magis Financial Advisors
A progress and evidence of action needed to verify that the College has addressed a long-range plan to resolve its 50% law deficiency.	*The College has been prudent and responsive in its response to this recommendation. The College has set into place procedures to regularly monitor the ratio and to make satisfaction of the ratio a part of its annual budgeting process and goals.*	Met Fifty Percent Law compliance in 2012-13 and will do so in 2013-14 and thereafter.
Clarification is needed from the College with regard to maintaining a 5% reserve.	*The College is commended for its efforts in generating a balanced budget that maintains appropriate reserves. The College has met this portion of the recommendation.*	No less than 5% reserves will continue to be met.
It is unclear that the College has the ability to participate in short-term borrowing through a Tax Revenue Anticipation Note (TRAN)	*The College has demonstrated that it is maintaining status to be able to be eligible to issue TRANs in the future, thus satisfying this recommendation.*	Continues to qualify for TRANS if needed.
A follow up report is needed that addresses the College's plan for utility cost control.	*The College meets the scope and intent of this recommendation.*	Utility usage plan operational.
The financial liability of additional paid time off should be clarified within the College's sustainability planning.	*The College has responded adequately to this recommendation, particularly considering the vagaries of the State budget which prevent a longer term approach to collective bargaining.*	Negotiated 3 year contract with CTA; one year with CSEA with few changes.
Were these additional holidays implemented and what is the long-term impact for financial sustainability?	*Floating holidays were agreed upon and were implemented as part of the 4% and 8.33% salary reductions for classified and management respectively. There is no long-term impact to the*	Completed

	College. *The College has explained, clarified, and met this recommendation.*	
Additional information is needed to assess the financial liability associated with any pending litigation.	*There are no other outstanding cases of litigation for the College. The College does not appear to have an unbudgeted financial liability associated with any pending litigation.* *The College has satisfied this concern and recommendation completely.*	Completed
The Performing Arts Center has not yet been released by the Division of the State Architect and is not yet available for College use.	*Of the cases of litigation noted, the College has finalized and cleared up all of them. The College remains as a claimant associated with the bankruptcy of the bonding company for the construction of the Performing Arts Center, but presently is not in litigation with the Performing Arts Center bonding company. This potential case may have additional fees to the College but the amounts are expected to be within the currently budgeted legal expenses line. The Performing Arts Center for Palo Verde College has been signed off by the Division of the State Architect (DSA) and is being used by the College as an instructional space, as well as through rental agreements. The Performing Arts Center is the only venue of its kind in the region.* *The College has clarified this recommendation and concern completely.*	Completed and operational.
Additional information is needed to assess the impact of any contract settlements with bargaining units. Some of the reductions would have major impacts on the budget and many are either pending or in process and the level of impact has not yet been assessed/	*The agreements reached with employee groups have created an immediate benefit to the financial condition of the College. Most of the revisions in the agreements were effective for the 2012-13 fiscal year only. The College is continuing to pursue an extension of the current MOUs with employee groups pending the Governor's final 2013-14 budget and FTES target acquisition that will allow fair compensation while maintaining a positive impact on the ongoing budget. The College has been transparent with each of the constituency groups in regard to the connection between the College's FTES restoration plans and the various employee group agreements for future years. The impact of bargaining unit agreements has been considered fully in the College's financial and budget planning.* *The College has provided all of the additional information needed for the requested assessment.*	Partially addressed with the negotiation of a 3-year contract with CTA plus trigger language for FTES shortfalls. CSEA contract ends June 30, 2014 and the plan is to negotiate another 3 year contract during spring 2014. Trigger language currently exists for 2013 for FTES shortfalls.

Additional information is needed to support that the College has a plan to sustain its efforts to improve the fiscal and fiduciary responsibility of leadership and governance of the institution.	*The College has made great strides in governance and leadership oversight of the District's financial status. The tenets of this recommendation have been met.*	Completed and on-going.
There is a concern for the sustainability of the improvements to governance. The next review of the College should include verification that the commitment has been sustained.	*The College has demonstrated through words and through actions that it is dedicated to establishing an ongoing operational base of fiscal stability, and certainly meets the spirit of this recommendation.*	
Summary by the Site Visitation Team: *The visiting team was charged with evaluating and validating the College's April 1, 2013 Special Report that was to be responsive to the Commission's February 5, 2013 letter. The concerns detailed in the Commission's letter were in response to the November 6-7, 2012 recommendations and concerns of the Financial Reviewer Team. Specifically, the Special Report was to provide evidence that the College and the District are meeting Eligibility Requirement 17, Standard III.D, Standard IV.B, and Standard IV.B.1.c as commented on by the Financial Reviewer Team.* *The visiting team was able to verify successfully each of the concerns raised in the Commission's February 5, 2013 request letter, as detailed above. The visiting team, during the course of the visit, did not become aware of any other issues that may bear significantly on the accreditation matters of the College. Of course, the College must continue to fulfill all of the requirements of the accreditation standards, and as a result, is cautioned to not let the extreme dominating nature of the fiscal condition of the District compromise in any way, the College's satisfactory compliance with all other Eligibility Requirements and Accreditation Standards.*		

Status Report and Financial Update

Although Palo Verde College had planned a variety of financial solutions should the institution not reach its FTES target, regrettably only 1,592 FTES was generated in 2012-13. The institution was well aware that it is difficult to spring back from a significant enrollment loss in a single year (due to the College's initiating the stabilization process), and although hopeful with promising data, the College was only able to garner nearly 50% of its previous year's losses. Although gaining 50% of its losses in one year is very positive, it was not enough. In reflecting on the challenges in attaining its 1800 FTES target, the College faced the following in 2012-13:

- In a very high-poverty area, the negative impact of the increase in enrollment fees to $46 per unit diminished the number of students able to afford the costs associated with attending college.
- The negative impact of the increase in enrollment fees to $46 per unit diminished the number of Nevada and Arizona students (attending under reciprocity agreements) because the lower costs of higher education had been eliminated and California education is no longer competitive.

- The College suffered a negative image resulting from its probationary accreditation status resulting in community groups and parents believing that the courses credits were no longer transferable despite public relation efforts to dispel this rumor.
- The College suffered a negative image resulting from the local and statewide rumors that it was financially bankrupt and closing despite public relation efforts to dispel this rumor.
- In mid-Spring 2013, the College tentatively projected that it would exceed its 1811 FTES base target making it eligible for restoration to the limit of 1886. This was based on information and data received from the College's Office of Instruction regarding ISA course offerings and projected FTES. The College also added mid-semester courses in Fall and Spring and offered a Summer Session using prior data for projecting FTES. However, the FTES did not materialize as anticipated.

Because the College realized the challenge it had in attaining its 1800 FTES target, multi-year with various FTES scenarios were developed to ensure financial stability in the event that another financial setback occurred. The various scenarios are included in the Special Report dated April 1, 2013 (Appendix T). Listed below is the scenario that is being implemented to maintain a balanced, non-deficit budget for 2013-14.

FTES Short and Long-Term Budget Scenarios

In 2012-13, at the Needles Center, the College failed to reach the required 100 FTES for a third year in a row and therefore lost $138,000 as additional income for the Center. However, because the Needles Center was grandfathered in under previous legislation, once the Center reaches 100 FTES, the $138,000 will be restored in the fiscal year in which the attainment occurs. In 2011-12, the Needles Center generated approximately 37 FTES due to intentional downsizing. For 2012-13, it is anticipated that Needles generated 68.93FTES. This increase is attributable to the staffing of the Needles Center with a few full-time faculty from the Blythe main campus who teach courses from the Needles Center. This arrangement enables FTES produced by those faculty to be credited to the Needles Center. Due to this growth in a single year, it is anticipated that the Needles Center will exceed its 100 FTES in 2013-14, the $138,000 will be restored, and therefore, $138,000 was added to the 2013-14 budget.

The Chief Business Officer worked diligently over a four-month period in 2012-13 to develop short- and long-term budget scenarios based on FTES attainment so that the Board and the College would be prepared for any resulting FTES. Palo Verde College is financially prepared to address the impact of not reaching its FTES target while maintaining instructional, student support, and operational integrity. The College did not wait to see what happened but went through a deliberate and thoughtful planning process taking into consideration any and all FTES possibilities.

The College community was involved in transparent many open discussions about what lies ahead if the College failed to meet the 1,800 FTES base within the 3 years allowed. Although the College had information regarding ISA and other college enrollments that led the College to believe it would meet full FTES restoration in year one of stabilization, that did not occur.

Through diligent planning, the College understood that from a budget planning aspect, it simply could not assume that the FTES would automatically be generated to the level that is required to maintain its base apportionment, and thus prepared for all possible FTES scenarios. These scenarios were adapted for 3 year budget planning as included in the Special Report, April 1, 2013 (Appendix T). This was also a relevant exercise taking into consideration the upcoming BOGW unit limitation and the long-term FTES/workload reductions resulting from Proposition 30, Education Protection Act.

FTES apportionment budget planning of this nature is a difficult process because, on the one hand, College administration and the Board of Trustees are being prudent in planning for any possible FTES scenario; on the other hand, such prudence could be viewed by faculty and employees as "crying wolf" when the measures to accommodate apportionment losses do not have to be implemented. To reduce the tension resulting from over-planning, a transparent dialog occurred among all employee groups and the Board.

The College has come a long way since the initial notice of financial crisis in the summer of 2011, successfully addressing and mitigating one challenge after another in order to maintain institutional financial and programmatic integrity, meeting accreditation standards, maintaining morale, and supporting our mission to promote student success. Although not meeting the FTES target is a setback, the institution is totally prepared to implement the following budget plan for 2013-14 as discussed and reviewed by College Council, the Budget Committee, the college community, and the Board of Trustees.

2013-14 Budget Plan

In looking at budget reduction options, it has been determined that layoffs are not an option to balance the budget.

- The College cannot lay off faculty or it will result in programmatic implications and further reduce FTES generation, as well have negative impact on the 50% Law.
- PVC cannot lay off any of the 38 classified staff because the College has established that the current employee base is minimum to maintaining support and operational services.
- The College cannot lay off managers without greatly impacting supervision, oversight, and leadership in key areas as all remaining directors are in critical positions (i.e. Financial Aid, A&R, IT, etc.).
- Layoffs or the intentional reduction of staff would make it challenging to comply with Accreditation Standards and therefore layoffs of any sort are not an option.

The Board has directed that the College maintain the classified employee base that currently exists, replacing vacancies to maintain support service and operational integrity. One new full-time tenure track music instructor has been hired beginning Fall 2013.

FTES Monitoring and Budget Planning

Because the College's apportionment is dependent upon meeting FTES targets, and complying with the Accreditation Commission's financial advice as given at the November 20, 2012 site visit, FTES 3-year budget scenarios were developed considering all possibilities from the best to the worst scenario to demonstrate to the Commission and to the Chancellor's Office that the institution is financially prepared for whatever happened with FTES.

Background: In the summer of 2011, the College's financial consultant, C.M. Brahmbhatt, hired to assist the College in finalizing its 2011-12 budget, discovered that the College had been deficit spending and balancing the budget with COP income without replacing any of the funds "borrowed," which created a false picture as to the stability of the College's finances. Shortly thereafter, the Commission placed the College on probation, requiring a series of follow-up reports and site visits.

To address the deficit and balance the 2011-12 budget without using COP monies any longer, the decision was made to reduce course offerings to save some of the costs associated with hiring adjunct faculty, thereby reducing FTES generation and intentionally placing the College in "stabilization" for 2011-12. The State allows for a "grace" period whereby the College's apportionment is not adjusted downward for the year in which the enrollment dip occurs, which meant that for 2011-12, the College received its full apportionment as if it generated 1,811 FTES even though it generated only 1,367.93 FTES.

In addition to addressing the budget deficit by intentionally going into stabilization, the College united and is to be commended for identifying nearly $2 million in additional cuts, including salary, health benefits, and voluntary non-compensated faculty load increases to balance the 2012-13 budget based on the anticipated acquisition of 1800 FTES in 2012-13. Because the College has a history of consistently generating at least 1800 FTES, and because the 2012-13 class schedule was built using the year in which the highest FTES was generated, a good faith effort was made to balance the 2012-13 budget on the expectation that its 1800 FTES base target was realistic, reasonable, and attainable.

Prior to January 2013, enrollment and FTES data was not available in a timely manner through the Datatel system. Because the College did not have enrollment or FTES attainment issues in the past, this information may have been less of a concern in prior years but it is unknown by current (new) administration how or why this data was not readily accessible in the past. However, accurate data is required for prudent planning and this deficiency has now been corrected. Patches and modifications to the Datatel system were completed in December 2012, providing the College with the timely enrollment and FTES data it did not have access to (until after-the-fact) in the past.

FTES / Budget Plan for 2013-14

The 2013-14 Budget is found in Appendix Z. Because the College did not attain the 1,800 FTES target, the plan is to identify non-obligated current general funds to offset the apportionment losses for both 2012-13 and 2013-14. As a result of the FTES shortfall, the

$855,000 in the general fund dedicated to the annual COP payment will instead be used to balance the 2013-14 budget. This action was previously approved by the Board of Trustees as a contingency plan in the event a revenue shortfall occurs. The Board is committed to restore over time all funds used from the $855,000 that are intended for the COP debt payment.

The tables below and on the following page reflect the discussion that has taken place with the Board, CTA, CSEA, and managers regarding the impact of FTES apportionment shortfalls if no new revenue is received from the State.

Palo Verde College BUDGET "BIG-PICTURE" Planning Overview
with Focus Plan on 1600 FTES (to be adjusted to actual 1592 FTES)

			2013-14		
	1800 FTES	**2012-13**	**1800 FTES**	**1700 FTES**	**1600 FTES**
1	Stable = Meets Base Target	Current Balanced Budget Includes over $500,000 in CTA, CSEA, & Mgt Cuts	Identify funds needed for a balanced budget.		
Row 1 reflects the negotiated Agreements for balancing the 2012-13 budget.					
2	Revenue:	~~$12,325,874~~ $12,169,166 Reduced by$156,708 per deficit factor	$12,325,874	$11,819,178 Reduced by $506,696 in FTES shortfall	$11,362,695 Reduced by $963,179 in FTES shortfall
Row 2 reflects the impact on the College's apportionment in both 2012-13 and 2013-14 relevant to FTES acquired.					
3	SERP: COPs: Total:	-$766,000 -$855,000 -$1,621,000	Same	Same	Same
Row 3 reflects the financial commitment to the SERP and COP payments as obligations from the General Fund.					
4	**Total Available**	**$10,704,874**	**$10,704,874**	**$10,041,470**	**$9,584,987**
Row 4 reflects the adjusted FTES revenue comparisons.					
5	RESERVE	$615,269 5% Board $580,839 4.72% Cont'cy $1,196,108	Same	Same	Same
6	COLA	0	1.57 % COLA as on-going	1.57 % COLA as on-going	1.57 % COLA as on-going
7	ON-GOING FUNDS	0	$250,000 from salaries paid to those who took the incentives; $95,000 from resigning faculty member salary	$250,000 from salaries paid to those who took the incentives; $95,000 from resigning faculty member salary	$250,000 from salaries paid to those who took the incentives; $95,000 resigning faculty member salary
Row 7 reflects on-going dollars that are available from those funds paid out to those who took the incentive plans.					
9	ONE-TIME FUNDS	• Funds from sale of Spring street property. • $100,000 litigation settlement	Same	Same	Same
10	ON-GOING FACULTY Needs		Use $200,000 from salaries paid to those who took the incentives+ resigning faculty member salary $200,000 to hire 2 new faculty for program integrity and to maintain 50% Law		
11	ON-GOING OTHER Needs		Need to identify on-going funds for unmet and unfunded management & staffing needs		
12	ONE-TIME Needs		Need to identify one-time funds for unmet and unfunded needs		
13	Other Sources of funds		$0 - $250,000 available in one-time allocation from unused and saved Bookstore reserves (PVC no longer has a Bookstore)		
14	Administrative Hires		No new administrative positions will be created.		

Listed on the following pages is a three-year plan for FTES/Budget Restoration that assesses the pros and cons of certain fiscal decisions and prioritizes how the budget will be balanced should an apportionment shortfall occur. The College recognizes that it is generally slower to recoup

FTES than it is to grow and even though our projection is that PVC will exceed its base FTES, the 3-year plan demonstrates that PVC is prepared even if the worse scenario occurs.

THREE YEAR PLAN FOR FTES/BUDGET RESTORATION
Year 1:Plan to Balance 2012-13 Budget

FTES	DOLLARS	PROS	CONS
Attainment of 1,592 FTES will result in a revenue shortfall of $949,485 (1800-1592) ($4,564.83)	Use the Income from the sale of Spring Street property Identify additional $156,483 of shortfall Use $506,696 from last year's ending balance = 4% of Board Reserve Identify additional $56,483 of shortfall	1. Identify ending balances fro 2011-12 and 2012-13 as one-time funds. 2. No layoffs. 3. Backfill vacancies & hire 2new FT faculty 4. Maintains college programs and services in compliance with Accreditation Standards 5. Meets 50% Law compliance	1. Reduces Board's Reserve to 5% 2. Uses all of our unbudgeted, one-time resources.

FTES SHORTFALL CONTINGENCY PLAN: YEAR 1 - 2012-13

1. Implement restricted hiring freeze:
   a. No *new* management or classified positions *created*
   b. Maintain current base level of classified and management staffing
2. Identify as much General Fund dollars to off-set budget losses.
3. Negotiated agreements with CTA and CSEA, and the Meet-and-Confer Agreement to provide $500,000 - $600,000 in negotiated cuts to remain in a balance budget position.

FTES SHORTFALL CONTINGENCY PLAN: YEAR 2 - 2013-14

FTES	**DOLLARS**	**PROS**	**CONS**
Attainment of 1,592 FTES will result in a revenue shortfall of $949,485 (1800-1592) ($4,564.83)	Reduce Contingency Reserve to balance the budget. Negotiated contracts to maintain current budget reductions. Reduce, if necessary, $855,000 that is currently in the General Fund for COP payment to cover deficit.	1. Identify ending balances fro 2011-12 and 2012-13 as one-time funds. 2. No layoffs 3. Maintains college programs and services in compliance with Accreditation Standards 4. Meets 50% Law compliance	1. Maintains Board's Reserve to 5% 2. Uses all of our unbudgeted, one-time resources. 3. Need to have plan to restore Reserve.

FTES SHORTFALL CONTINGENCY PLAN: YEAR 2 - 2013-14

1. As negotiated for failure to meet FTES targets, meet with unions and managers to finalize negotiated items contingent upon FTES attainment.

2. Maintain restricted hiring freeze:
   a. No new management or classified positions created.

b. Maintain current base level of classified and management staffing (i.e. replace vacant positions as they occur)
c. Consider transferring 1 manager to Needles as a temporary cost-savings solution to the vacancy there.
d. Hired 1 new faculty member (in music) to meet programmatic needs. The college is also reviewing the feasibility of hiring instructors in ESL and in alcohol and drug studies. These actions will enhance the College's performance in meeting the 50% law.

3. Identify as much of unbudgeted General Fund dollars as possible to off-set budget losses.

4. If needed, decrease the amount of general funding that is currently dedicated to COP payment (from the $855,000) so that the LAIF/COP fund covers the difference because the LAIF/COP account has sufficient funds to cover the 2013-14 payment.

5. Ensure college-wide understanding that to balance the budget created from the FTES shortfall has to come from within, i.e. the $855,000 dedicated for the COP payment and that all future new non-designated/ non-restricted State funding (COLA, Growth, etc.) will FIRST be applied to the internal payoff /restoration of any funds utilized no matter how many years this takes to accomplish.

6. On-going dollars will need to be identified to generate a balanced budget at the determined projected FTES apportionment rate.

FTES SHORTFALL CONTINGENCY PLAN: YEAR 3 - 2014-15
[Final year allowed to make up FTES deficits]

FTES SCENARIOS: If we reach:	**DOLLARS**	**PROS**	**CONS**
Attainment of 1,592 FTES will result in a revenue shortfall of $949,485 (1800-1592) ($4,564.83)	Continue to identify on-going funds within the College budget to offset loss. Reduce Contingency Reserve to balance the budget. Negotiated contracts to maintain current budget reductions. Reduce, if necessary, $855,000 that is currently in the General Fund for COP payment to cover deficit.	1. No layoffs 2. Maintains college programs and services in compliance with Accreditation Standards 3. Meets 50% Law compliance	1. Maintains Board's Reserve to 5% 2. Uses all of our unbudgeted, one-time resources. 3. Need to have plan to restore Reserve. 4. Creates another debt /payback responsibility for the College.

Chancellor's Office and Consultant Interaction

The institution discussed this budget plan with the Chancellor's Office and the College's financial consultant (C.M. Brahmbhatt) in Spring 2013 regarding this approach to temporarily address financial strains while restoring its FTES to its base level. Both agreed that these planning efforts demonstrated that the institution is being diligent and responsible, and the

approach presented does not raise concerns as to the institution's financial stability or integrity. The College has also requested that Tim Schaefer, Magis Financial Advisors COP Debt consultant, to recalculate COP payoff scenarios as noted in the COP Debt Mitigation Plan (Appendix X). The projections took into consideration adjustments if funds that are currently dedicated for COP payments, are temporarily used to offset apportionment shortfalls. These calculations include the total repayment of the borrowed funds over time and the impact this has on the Debt Mitigation Plan's original estimates for COP debt payoff.

The impact of temporarily using the $855,000 that was being used from the General Fund annually as part of the COP payment has a limited impact on the overall term of the debt as noted below in Mr. Schaeffer's recalculation. The College will be able to make up the difference over a short period of time and remain on track to cover the debt over the next 25 years as planned. Because the debt is over 25 years, using the $855,000 for one or two years from the General Fund, thereby reducing the LAIF/COP fund's cash availability, results in a difference of $20,000 in the payments and can be absorbed by the College once the FTES is restored.

A transparent and consultative process has occurred as to how the institution will respond to the FTES shortfall. The Interim Superintendent/ President met with CTA, CSEA, managers, and the Board last spring regarding budget planning, fiscal trend data, and scenarios regarding FTES acquisition.

This effort is to demonstrate to the Chancellor's Office and the Commission that there is a prudent approach to resolve any FTES shortfall. If funds are borrowed to balance the budget, it is clear to the college community that the funds will not be taken outright from the Capital fund, but will be replaced.

FTES Feasibility Plan

Although 1,791 FTES was the lowest FTES attained over the past 8 years was, and previous FTES has consistently been between 1811-1950, the College believes it is prudent to gather and analyze internal and external data to attempt to determine the feasibility of maintaining the FTES base that has been established and to further identify a non-ISA "niche" for acquiring FTES at the College. Current FTES distribution indicates that the College continues to rely primarily upon its ISA contracts both for intentionally increasing or decreasing FTES as needed. This works well if the College needs to reduce its FTES due to Proposition 30, (Education Protection Act) implementation because the overall regular course offerings would not be impacted.

The College is aggressively seeking ways to increase FTES. These approaches include, but are not limited to: 1) development of a new pilot program with Ironwood state prison for online courses; 2) increased focus on developing courses and programs in the fine arts and bringing in more community participation in such programs; 3) increasing targeted marketing to attract students; 4) working more closely with local high schools in Blythe and Needles to encourage high-school students to participate in the College's courses and programs; and developing one or more associates degrees that can be earned online.

PART III: OTHER MATTERS CITED IN THE FEBRUARY 11, 2013 ACTION LETTER AND IN THE NOVEMBER 20, 2012 SITE VISIT REPORT

The February 11, 2013 ACCJC Action Letter advised that the College "carefully read the Special Report of November 20, 2012 and to be responsive to all of the team report's suggestions for actions."

Here are key suggestions raised in the November 20, 2012 Site Visit Report and in the February 11, 2013 Action Letter, with the College's responses to each:

Staff Support Plan Suggestions

- *Although the College has determined that the current staffing level is sufficient to maintain quality and effectiveness, it is necessary that the College develop a staffing plan to ensure continued quality*. (November 20, 2012 Site Visit Report)

- *The College does not appear to have a long range staffing plan. (*November 20, 2012 Site Visit Report)

- *A more comprehensive Staffing Plan is essential to ensure the continued stability and viability of the College*. (November 20, 2012 Site Visit Report)

- *…. the Commission is concerned with recent and significant staffing reductions. While stabilized at the present time, the College does not have a long-range staffing plan that would identify critical instructional needs, identify positions needed to support these needs, and prioritize the needs. A more comprehensive staffing plan is essential to ensure the continued stability and viability of the College.* (February 11, 2013 ACCJC Action Letter)

College Response to Staff Support Plan Suggestions

Palo Verde College has responded to the expressed concerns regarding achieving Eligibility Requirement 5 and Standard III.A and addressed comments from the November 20, 2012 Special Visit Report regarding the College's staffing plan.

The College has approved the following new positions:

Distance Education Clerk, change from part-time to full-time
Temporary part-time clerks (2), new positions, filled on a temporary basis
Human Resources Technician II position, full-time, being recruited now
Part-time Instructional Technology Aides (3)

The College has demonstrated that, through careful analysis of data, student needs, comprehensive program reviews and snapshot program reviews, areas of staffing needs have been identified, prioritization has occurred and decisions have been made and implemented, resulting in the current staffing structure of the College. The College verifies it adheres to Eligibility Requirement 5 and meets all of the requirements of Standard III.A and is in full compliance. The College understands that compliance does not remove the commitment for continuous quality improvement in the areas of integrated human resources planning and staff development, and will continue to monitor staffing needs through the processes established

Program Review Redesign Suggestions

- *The institution is assessing course and program learning outcomes but has not yet redesigned program review to assure that results of assessments are included in institutional quality improvement processes and the resource allocation process of the college.* (February 11, 2013 ACCJC Action Letter)

- *The Program Review process is being modified to facilitate this integration. It is an incomplete process at this time. However, the Academic Senate indicated that it is committed to completing this modification. The template used for the Program Reviews is being revised so that requests and needs are prioritized in addition to the integration of SLOs. The frequency of review is also being increased. Although the full review happens on a five year cycle, annual snapshots have been added to facilitate more frequent updating. The College Council's evaluation of Program Reviews ensures their integration into the Strategic Planning process.* (November 20, 2012 Site Visit Report)

College Response to Program Review Redesign Suggestions

Redesign of the program review process is, as of the time of this Report, underway but not yet completed. To date, the Program Review Committee, a constituency-based committee, has restructured the schedule of program review reports to achieve a 3-year cycle for comprehensive reports in instructional and non-instructional areas, a 2-year cycle for career and technical education (CTE) programs, and an annual program review report for all programs. The annual report is coupled with a budget snapshot that provides for annual funding requests to address unmet needs with surplus revenues, if there are any.

The Program Review *Guide*, which was first produced in 2006, is currently undergoing revision by the Program Review Committee. Program review templates, for instructional, non-instructional and CTE programs, are also undergoing revision. The Program Review Committee's plan is to complete the revisions in time to enable the staffs of programs scheduled for review this year to complete the reports with the revised *Guide* and templates.

ISA Program Evaluation Suggestions

- *The [faculty] evaluations that were unclear were those done in the Instructional Service Agreement (ISA) program (contract public safety instruction). It appears that these evaluations are done by the contractor. Because many of the courses are very short term and geographically dispersed, the feasibility of a normal evaluation process is problematic. The College should review the evaluation of the ISA program to ensure it complies with the standards of the College.* (November 20, 2012 Site Visit Report)

College Response to ISA Program Suggestions

The CTA and District have reached agreement to revise substantially the performance evaluation systems for all faculty, full-time and adjunct. The revision of the adjunct evaluation process will be completed by December 2013. Because of the specialized nature of the ISA programs, however, it may not be feasible to use the same evaluation procedure for ISA instructors that is used for regular adjunct instructors employed by the College and who teach semester-length courses.

As part of its efforts to revise the current evaluation system, the College, in cooperation with the CTA and Academic Senate, will be evaluating the ISA programs to ensure the faculty evaluation procedure is consistent with the faculty performance standards established by the College. As of now, administrative finding are that the ISA faculty evaluation process is at least as rigorous and comprehensive as the College's process for resident faculty.

Administrative Capacity Suggestions

- *At present there is no permanent administrative leadership responsible for Instruction and Student Services. All of the prior Instructional and Student Services administrators are no longer in their positions. Instruction and Student Services have been combined at present under an interim Vice President of Instruction and Student Services. This structure has not been finalized at this time.* (November 20, 2012 Site Visit Report)

College Response to Administrative Capacity Suggestions

As describe earlier in this Report, the College has decided to stay with the combined instruction and student services position, and to keep it at the level of vice-president. The structure was approved by the Board of Trustees in August 2013, and recruitment for a permanent administrator has begun as of the time of this Report.

Multi-Year Budget Projection Suggestions

- *…the institution's October 2012 report to the Commission did not include a multi-year budget projection and therefore the Commission cannot determine whether the institution's new fiscal stability will last longer than the current year.* (February 11, 2013 ACCJC Action Letter)

- *To demonstrate its continued fiscal stability the College should develop a realistic five year budget projection that includes several scenarios regarding State financing, and cost increases related to necessary staffing increases, step and column increases, increases in health and welfare benefits, retirement costs and routine operating expense increases.* (November 20, 2012 Site Visit Report)

College Response to Multi-Year Budget Projection Suggestions

The College has produced a 5-year budget projection consistent with the assumptions and contingencies described earlier in this Report (Appendix AA)

PART IV – MAJOR CHANGES SINCE MAY 2013

MAJOR CHANGE 1: NEW SUPERINTENDENT/PRESIDENT HIRED.

Dr. Donald Wallace was hired as the permanent Superintendent/President effective July 1, 2013. Dr. Wallace has 20 years of experience in higher education administration including five and a half years as Vice President of Administrative Services and Student Support at Cosumnes River College, 10 years as Director of Facilities Management at Mt. Hood Community College, and six years in Facilities Management at Oregon Health Sciences University. He has a Master's Degree in Public Administration (MPA) with major emphases in public sector budget and finance as well as the principles of organizational development, organizational structure, and change. He also has a Ph.D. in Education with major emphasis in community college leadership.

MAJOR CHANGE 2: FINANCIAL POLICIES AND PROCEDURES REVISIONS

Since the April 2013 Report to the Commission, the CBO has been working with staff and the Board's Finance & Audit Committee to update all policies and procedures related to the financial aspect of the institution. The list of revised policies are listed below.

Business and Finance Board Policies & Procedures List	
- *NEW* Debt Acquisition and Management draft policy	- AP 6300.4 Payroll
- *NEW* Acquisition Procedures draft	- BP 6320 Investments
- Debt Management Procedures draft	- AP 6320 Investments
- BP 2200 Board Duties and Responsibilities	- BP 6330 Purchasing
- BP 2220 Committees of the Board	- AP 6330 Purchasing
- BP 2510 Collegial Consultation	- AP 6330.1 Purchase Orders and Requests
- AP 2510 Collegial Consultation	- BP 6335 Use of District Credit Cards
- BP 6200 Budget Preparation	- AP 6335 Use of District Credit Cards
- AP 6200 Budget Preparation	- BP 6340 Contracts
- BP 6250 Budget Management	- AP 6340 Bids and Contracts
- AP 6250 Budget Management	- AP 6340.1 Contracts – Construction
- BP 6300 Fiscal Management	- AP 6340.2 Contracts- Elec. Sys & Materials
- AP 6300 Fiscal Management	- AP 6340.3 Contracts – Accessibility of IT
- AP 6300.1 Reserves and Other Funds	- AP 6340.4 Contracts – Personal Service
- AP 6300.2 Accounting	- AP 6340.5 Contracts – Vendors
- AP 6300.3 Warrants	- BP 6400 Audits
	- AP 6400 Audits

A new "Acquisition and Management" Board Policy and Procedures has been developed to address prior Accreditation questions as to "*What is the College doing to ensure that it never goes through a similar situation*?" or "*How do you know this will never happen again?"* The draft Debt Acquisition and Management Board Policy (Appendix Y) provides a structure and process of deliberate thought, study, and analysis prior to securing additional long-term debt. It will go through the collegial consultation process this fall for review and approval, and then to the Board of Trustees prior to the end of the Fall semester.

To ensure that all business and financial aspects of the institution were in compliance with up-to-date laws and applicable standards, all of the policies and procedures have been reviewed, edited where necessary, with all approvals being completed by the end of Fall 2013.

MAJOR CHANGE 3: CONTRACT NEGOTIATIONS WERE SUCCESSFULLY COMPLETED.

There were prior concerns voiced by the Commission that the negotiations of one-year union contracts were potentially problematic in projecting future costs. The College agrees that it is not be advisable or helpful to negotiate cost-items year-to-year but most colleges have multi-year contracts with annual salary and benefits re-openers, basically with the same result. However, due to the severity of the initial COP budget challenge, the negotiations of one-year budget cut agreements proved to be very effective and resulted in nearly $500,000 in savings while maintaining morale. For 2013-14, the District and CTA agreed upon a 3-year contract with trigger language for re-openers if the College did not attain its FTES target. CSEA's contract expires at the end of the 2014 Spring semester and the District and CSEA also agreed to trigger language for reopeners. This has been an effective process taking into consideration the uniqueness of the fiscal problems. Although the College agrees with the Commission's and visitation team comments that this is tedious and causes problems for long-range financial planning, to maintain morale and hopefulness, once the budget has at least two years of stability, the plan is to eliminate such agreements and focus on 2-3 year terms.