1. **APPENDIX A - Cover Sheet**

Draft 3 – 10-19-20

NOTE: The final Follow-Up Report with minor non-substantive edits will be presented to the Board for approval and available on the PVC web site on 10-23-12.

Palo Verde Community College District

Follow-Up Report

Submitted by: Palo Verde College
(Name of Institution)
One College Drive, Blythe, CA 92225
(Address of Institution)

Phone: 760-921-5499 FAX: 760-921-5590

Contact Person: Denise Whittaker, Interim Superintendent/President

To: Accrediting Commission for Community and Junior Colleges
Western Association of Schools and Colleges
10 Commercial Boulevard, Suite 204
Novato, CA 94949

Date Submitted: October 24, 2012

Date Approved by the Board of Trustees: October 23, 2012
Reviewed by College Council on October 16, 2012
Disseminated to the College community in Draft forms on October 1, October 11, October 19, 2012;
posted on the web in draft form on October 11
with the Final document disseminated and posted on October 23, 2012

2. APPENDIX B – Certification Page

Date: October 18, 2012

This ***Follow-Up*** Report is submitted to the ACCJC for the purpose of assisting in the determination of the institution's accreditation status.

Appendix B: We certify there was broad participation in the preparation of this Report and the Report is an accurate reflection of the nature and substance of the institution.

Signatures

Chief Executive Officer _____
Denise Whittaker, Interim Superintendent/President

President, Board of Trustees _____
Edmundo Gonzales

College Council

Name	*Title*	*Representing*
Biju Raman	*President*	*Academic Senate*
Derek Copple	*President*	*CTA/NEA Faculty Union*
Rich Soto/Suzy Woods as Alt.	*President*	*CSEA Classified Union*
Russi Egan	*Acting CBO*	*Classified Management/Confidential*
Martin Suro	*President*	*Associated Student Body*
Michael Gaubeca	*Representative*	*Budget/Enrollment Mgt Committee*
Adam Houston	*Director, Information Technology*	*Classified Management*
Kay Ragan	*Interim VP Inst/SS*	*Administration*
Brian Thiebaux	*ALO, Faculty*	*Strategic Planning/Accreditation*
Denise Hunt	*Admin. Asst. to the Superintendent/Pres.*	*Confidential*
Vacant	*Representative*	*IPRC*
Debbie Mitchell	*Representative*	*Staff Development*

APPENDIX B - Certification Page cont.

Budget Committee

Name	*Title*	*Representing*
Biju Raman	*President*	*Academic Senate*
Derek Copple	*President*	*CTA/NEA Faculty Union*
Rich Soto	*President*	*CSEA Classified Union*
Shelley Hamilton	*Director, Adm & Records*	*Classified Management/Confidential*
Martin Suro	*President*	*Associated Student Body*
Russi Egan	*Fiscal Services Manager*	*Fiscal Services*
Mithdel Gaubeca	*Faculty*	*Faculty*
Adam Houston	*Director, Information Technology*	*Technology*
Kay Ragan	*Interim VP, Inst& Stu Ser*	*Administration*
Hortensia Rivera	*Counselor*	*Non-Teaching Faculty*
Maria Rivera	*Counselor*	*Non-Teaching Faculty*
Stephanie Slagan	*Purchasing*	*Resource/Classified*
Brian Thiebaux	*ALO, Faculty*	*Strategic Planning*
Suzy Woods	*A&R Specialist*	*Classified*
Denise Whittaker	*Chair*	*Interim Superintendent/President*

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The Follow-Up Report shall include appropriate evidence to support the information provided in the Report.

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1a. 2012-13 Final Budget
1b. Board Resolution on Financial Responsibilities & Integrity
1c CSEA Incentive Proposals MOU
1d Administrative Services Program Review 2011
1e Debt Mitigation Plan

Appendices 2:
2a. Incarcerated Student Waiver Exemption
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Appendices 6:
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6a. Institute Day
6b. Board Budget Development Study Session
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9a. Using the Board's Self-Evaluation for Developing Board Performance Goals
9b. 2011-12 Board Self-Evaluation
9c. 2012-13 -1st Reading , Board Performance Goals
9d. 2012-14 – 1st Reading, Board Institutional Goals

Appendices 10:
Commission's July 2, 2012 Letter to Palo Verde College

4. Follow-Up Report Preparation

Palo Verde College herein describes the process of report preparation and identifies those who were involved in its preparation.

Timeline: The Commission mailed the official notification of the College's continued *probationary* status and required *Follow-Up Report* on July 3, 2012; however, the College was closed from June 29 – July 17 and therefore did not receive the letter until July 17. Work began on the Report after the final budget preparation was completed and approved by the Board on Sept. 11, 2012, and after the August 13th start-up of the fall semester.

The first College Council meeting was held on August 31st and the first Budget Committee was held on August 16th. Both groups reviewed the Commission's letter and agreed that the Interim Superintendent/President would draft the initial *Follow-Up Report*, providing opportunities for all constituent groups and the general college community to make additions/ corrections/deletions to the draft report. The *Follow-Up Report* review process involved constituent leaders from the Academic Senate, CTA/NEA, CSEA, faculty, classified, classified management, confidential employees, administrators, students, and the Board of Trustees.

At the College Council Retreat on August 31 and at an all-college Institute Day held on Sept. 7, 2012, the Interim Superintendent/President reviewed every element in the Commission's letter which the College needed to successfully address no later than June, 2014.

Draft 1 of the *Follow-Up Report* was disseminated on October 2, 2012 college-wide to faculty, staff, the Board of Trustees, classified management/confidential staff, and to the Associated Student Body for review, editing, and further input. Draft 1 of the *Follow-Up* Report was submitted to the Budget Committee on October 4, 2012 and to the College Council on October 5, 2012. Draft 2 included feedback from constituencies and the College as a whole and was redistributed for further comment and input on October 10, 2012. Draft 2 was reviewed by full administration/management on October 15, College Council on October 16, and by the Budget Committee on October 18. The final *Follow-Up Report* was disseminated and posted on the College's web site on October 18, 2012, and submitted to the Board of Trustees for approval at the October 23, 2012 meeting. It was mailed to the Commission on October 24, 2012.

Although dissemination occurred college-wide and feedback accepted from everyone, the College Council and the Budget Committee served as the primary groups involved in addressing the Commission's concerns and in dialog regarding preparation for what is included in the Report. The list of meetings demonstrating college-wide involvement are provided below:

College Council	**Budget Committee**	**Full Administration**	**All Staff/Presentations**	**Academic Senate**
August 31 September 7, 20 October 5, 16	August 16 September 6 October 2, 18	August 6 September 17 October 10, 15	Dissemination: October 2 October 9	September 11 September 20 October 9
Other September 7 – Institute Day				

5. Response to the Commission Action Letter

The chronology of Accreditation action and college reports is as follows:

- November 2011 College receives letter from the Commission regarding concerns
- December 2011 College submits response to the Commission's letter
- February 2012 Commission notifies PVC that they are placed on *probation*
- March 2012 College submits *Special Report* addressing Commission concerns
- May 2012 Accreditation Team visits PVC to validate *Special Report*
- May 2012 College submits Update to the Special Report
- July 2012 Commission maintains PVC *probationary* status
- October 24, 2012 College submits *Follow-Up Report* to the Commission
- November 20, 2012 Accreditation Team visits PVC to validate *Follow-Up Report*

The purpose of this *Follow-Up Report* is to satisfy the Commission's concerns as noted in their July 2, 2012 letter. The College clearly understands that it must correct noted deficiencies within a two year period (by June 2014) or "the Commission must take action to terminate Accreditation" (source: Commission Letter dated July 2, 2012). The College has responded to all of the issues as listed in the July 2, 2012 Commission letter.

Report Structure: The format for responding to the Commission's items includes a numerical, italicized statement which restates the Commission's concern as noted in their July 2, 2012 letter, followed by a "Status" notation, formal "Response", and "Evidence" to demonstrate documentation of compliance or current progress in meeting the compliance issue.

Most "evidence" is included in the Appendices. However, due to the volume of agendas, minutes, and meeting materials included in Board of Trustees, College Council, and Budget Committee meetings, these items were not included as part of this report but will be available in binders in the Team Room for the November 20, 2012 site visitation.

RESPONSES TO COMMISSION JULY 2, 2012 LETTER

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1. *The Commission believes that Palo Verde College has not yet demonstrated that is has sufficient resources to meet Accreditation Standards, and that the institution's continued financial viability is contingent on future events and actions that have not yet occurred.*
   Status: In Compliance and In Progress

   The Commission's letter included the phrase that…. *"many steps the institution is taking but that have yet to be finalized". These include the following:*
   d. College plans to balance the 2012-13 budget are based in part on an assumption that a state ballot measure <u>passes</u> in November, 2012.
   Status: The 2012-13 budget was balanced taking into consideration that the State ballot measure <u>fails</u>.

   Response: This response applies to both the item #1 that was specified in the Commission's July 2, 2012 letter, along with the comment noted above as item *d*.

   Palo Verde College admits that its financial resources are constricted. However, the College successfully addressed its deficits last spring in a manner that avoided layoffs, while

maintaining instructional, student service, and operational integrity. These efforts included but are not limited to:

- Personnel Incentive Plans
  - Resignation Plan
  - Reduced Work-Year Plan for Classified Management/Confidential Employees
  - Salaried Transition Incentive Plan for 10 ½ month Reduced Work Year for the Next 3 Years through CSEA Negotiations
  - Summer Incentive Plan through CSEA Negotiations
  - Study or Sabbatical Leave Incentive Plan through CSEA Negotiations
  - The Family Incentive Plan (take summer off without pay) through CSEA Negotiations
  - Reduced Work-Year Plan for Faculty Working beyond 177 days through CTA Negotiations
  - The addition of 3-4 unpaid units of teaching were added to the faculty load this year through CTA negotiations
  - Opt-Out of Medical Insurance Incentive Plan

The sustainable and significant financial impact of all of the personnel incentive plans implemented in the spring 2012, is shown in the table below reflecting short and long-term financial savings.

INCENTIVE PLANS SAVINGS

	2012-13	2013-14
Resignation	$ 354,500	$ 672,602
Reduced Workloads		
49%	$ 31,671	$ 63,342
Certificated	$ 27,448	$ 27,448
Summer Vacation	$ 1,433	$ -
Summer & Holiday	$ 3,658	$ -
10.5 Month Schedule	$ 18,031	$ 36,062
Insurance Opt Out:		
Board	$ 48,462	$ -
CSEA	$ 44,034	$ -
Mgmt/Confidential	$ 18,246	$ -
CTA	$ 17,385	$ -
Retirees	$ 22,352	$ -
Total	**$ 587,220**	**$ 799,454**

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- Successful CTA contract negotiations resulted in over 7% savings and included reductions in the cap for health benefits and the agreement that faculty agreed to add the equivalent of 4 unpaid units of teaching for the year to their teaching schedule.

- Successful CSEA contract negotiations which included a 4.33% salary reduction which included closing the College for two weeks in July 2012 as unpaid time.

- Successful Classified Management/Confidential Meet-and-Confer efforts in which management took the equivalent of a 12.33% in cuts which included 8.33% in salary reductions (of which 4% will be restored in January if the ballot measure passes); and included closing the College for two weeks in July as unpaid time (exceptions were made for a few critical areas where the work needed to be completed to maintain operational integrity, i.e. Admissions & Records, Financial Aid, Human Resources, Fiscal, and Payroll).

- Implemented Cost Savings Measures as Identified by the Budget Committee as shown below:

PALO VERDE COLLEGE SUSTAINABLE COST-SAVINGS MEAUSRES

MAINTAIN HIRING FREEZE	✓	**Completed and On-Going:** No or limited replacements except to maintain program integrity.
ALTERNATIVE WORK SCHEDULES	✓	**Completed and On-Going:** For greater access and service to students & to save on utilities.
CLEANING	✓	**Completed:** With only 1 custodian, reduce # of open bathroom stalls & sinks to reduce cleaning needs. Retain former retiree part time to maintain operational integrity.
DATATEL	✓	**Completed:** Staff refined the Datatel contract effectively to meet needs while minimizing costs.
DRINKING WATER	✓	**Completed:** Contract for water coolers has been eliminated for both fiscal and energy savings.
LIGHTING (BULBS)	✓	**To be Completed by the End of Fall 2012:** In process to follow SCE's Audit Report to change bulbs for greater cost and energy efficiency.
LIGHTS OFF	✓	**Completed:** Evaluated outside lighting to reduce at night w/o limiting safety.
REVIEW MEMBERSHIP LIST	✓	**Completed:** Only those memberships mandated will be funded for 2012-13.
SUPPLIES/BOOKSTORE INVENTORY	✓	**Completed:** Inventory is complete and supplies will be available to staff.
BUILDING TEMPERATURE	✓	**Completed and On-Going:** Air and Heat adjusted high and low to save energy costs for the months of May-June-July-August and throughout the year while maintaining comfort in the learning environment.
VOLUNTEER DRIVING	✓	**Completed and On-Going:** Budget Committee approved option for employees to drive own vehicle and not claim reimbursement for miles.
SHORT TERM (Spring 2012)		
4/10 or 9/80 VOLUNTEER WORK SCHEDULE	✓	**Completed and On-Going:** To serve more students & save energy costs on Fridays.
REDUCED BOARD TRAVEL & HAVING BOARD MTGS IN NEEDLES	✓	**Completed and On-Going:** Board Members who live in Needles are participating in Board meetings via ITV, saving the College travel/mileage costs.
REDUCED USE OF COLLEGE VAN	✓	**Completed and On-Going:** Tires have been replaced & reduce overall use through voluntary use of personal car.

All of these efforts were completed in less than a 4 month period and resulted in considerable savings. In isolation, most of the cost-savings would be minimal, but when

combined, the institution ended the year with over $1 million as an ending balance, which provided the ability to plan for another mid-year cut, as well as provide for a 9.72% Board Reserve. All of these efforts are sustainable and continuing in 2012-13 to maintain on-going cost-savings.

To ensure the accurate accounting of all aspects of the budget and for State reporting, the Fiscal Services Manager/Acting CBO is performing desk audits on all categorical and State reports to ensure that prior information Palo Verde College submitted was accurate. In addition, major reports are also being reviewed by the College's expert financial consultant for further verification of accuracy. The Fiscal Services Manager/Acting CBO has worked with the Chancellor's Office staff, including Fred Harris, so that the Chancellor's Office knows the College is taking the extra time to "start from scratch" on all State reports. The purpose of going through this process is to firmly re-establish processes, protocols, and reliable baselines for future reporting. The College is not assuming that prior data submitted was necessarily correct.

Palo Verde College has a balanced budget with a 9.72% reserve for 2012-13 as shown on the following page. Although originally reported that the College was looking to develop the 2012-13 budget taking into consideration that the ballot measure would pass, due to improved year-end balances, sustainable cost-saving measures, and solid contract negotiations, the budget also includes contingency plans for how to address another reduction in 2013 should the ballot measure fail in November.

Although the budget is very stable, it should be noted that the College used its ending balances in most areas as the starting point for the 2012-13 budget, budgeting what each area required and spent the prior year. The College recognizes that by starting with the ending balances as the new baseline, it will limit its potential for a larger ending balance in June, 2013. It was a prudent decision to begin with what was spent the prior year because the expenditures reflected actual need to maintain instructional, student support, and operational integrity.

The budget development process also allowed for the submittal of augmentations to meet unmet needs (which were funded) and there remains a contingency fund to address unmet needs that surface during the year.

Although the standard budget development process typically starts with the budget each area began with the prior year, Palo Verde College did not believe that was a true reflection of actual need and therefore began with actual justifiable expenses (which means the budget is not inflated to include an anticipated % of unspent dollars as an ending balance). The College is currently realizing additional areas of savings due to the intense scrutiny of its invoices and contracts but it anticipates that it will maintain the current ending balance; new dollars beyond what currently exists will be minimal because the budget reflects actual anticipated expenses.

Board Reserve: The Budget Committee is currently reviewing the proposal to present to the Board's Finance and Audit Committee that 1% additional reserve be identified annually until the reserve totals no less than 12%. This is a difficult decision because employees understand that to meet this recommendation the College has to identify annually approximately $50,000 that is not currently identified. The Board's Finance and Audit Committee is also reviewing its Board policy on Reserve Funds.

2012-13 UNRESTRICTED GENERAL FUND BUDGET

FUND 11			
Beginning Balance		$ 1,175,606	
State Revenue			
State Apportionment	$10,756,810		
Lottery - Unrestricted	200,000		
CalGants	75,000		
Financial Aid Admin Fees	29,611		
Part-Time Faculty Allocation	38,310		
Total State Revenue	$11,099,731		
Local Revenue:			
Property Taxes	996,438		
Interest	10,000		
Other/Student Fees (County Reports)	182,205		
Redevelopment Funds	30,000		
Court Restitution	6,000		
Miscellaneous Fees	1,500		
Total Local Revenue	$ 1,226,143		
Total Projected Income		$ 12,325,874	
Total Projected Expenses		$ 12,305,372	
Change in Fund Balance		$ 20,502	
Projected Ending Balance		$ 1,196,108	9.72%
Board reserve		615,269	5.00%
Contingency		$ 580,839	4.72%

FTES

Due to unanticipated deficits identified in 2011-12 and to balance the 2011-12 budget, Palo Verde College, in consultation with the Chancellor's Office, made the decision to reduce course offerings in spring 2012, thereby automatically reducing FTES and putting the College intentionally in stabilization.

The College has completed a mock 320 report and current FTES for fall 2012 is approaching nearly 750 FTES, which compared to other years, is on-target for attaining the College's base FTES. The table on the following page demonstrates a pattern that includes approximately 1500-1600 credit FTES per year (of which we are currently at the 50% mark) and anywhere from 100-150 non-credit FTES. The College has initiated mid-semester credit and non-credit courses for fall and spring, and is also planning for an early summer school if needed.

YEAR	CREDIT FTES			CREDIT TOTALS	NON-CREDIT FTES	Summer	Sub TOTALS
	FACE-TO-FACE	DISTANCE EDUCATION	Instructional Service Agr.	1 FTES = $4,564.83	1 FTES = $2,794.46		
2006-07	429.51	515.82	561.36	1506.69	105.27		1611.96
2007-08	400.16	651.99	458.36	1510.51	107.47		1617.98
2008-09	441.12	650.08	464.42	1555.62	108.68		1664.3
2009-10	526.46	655.37	360.83	1542.66	141.83		1684.49
2010-11	573.76	662.05	386.67	1622.48	70.55	1693.03	1793.87
2011-12							1382.96

Funding if the Ballot Measure Fails and/or FTES Deficits: If the ballot measure fails, Palo Verde College will take a 7.3% workload reduction amounting to approximately $500,000. The College has identified 100% of the $500,000 required. This plan has been discussed with the Budget Committee and Board. The College understands that this plan meets our 2012-13 budget reductions should the ballot measure fail, but that $200,000 will still have to be identified as an on-going reduction for 2013-14. Based on a pattern of identifying other cost-savings, the College believes this is doable should the need arise.

$200,000	Bookstore Savings
$125,000	Reduction in Legal Services (on-going funds due to the closeout of current lawsuits)
$175,000	Contingency Reserve (on-going money)
$500,000	

Palo Verde College has a demonstrated pattern of attaining no less than 1600 FTES (except for this prior year when it intentionally went into stabilization). If the College does not reach its FTES base target and the ballot measure fails, the College will experience a 7.3% workload reduction which will reduce the College's FTES base to approximately 1600 and the deficit is covered either way. If the College does not reach its 1800 base FTES target and the ballot measure passes, the institution has identified the $500,000 to cover the revenue reduction. The College Council, Budget Committee, and Board of Trustees are diligently taking a progressive approach to cover every reduction possibility in their financial planning effort and is very much aware of the need for the College to reach its base FTES target and contingency plans are taking place including, but not limited to:

- The waiver of the 25% incarcerated student limitation allows for additional Distance Education enrollment
- The addition of a mid-semester, 8 week session for fall and spring
- Enhanced outreach and marketing efforts
- Printed spring schedules distributed throughout the community
- Discussions regarding student retention and student access
- Expanded Instructional Service Agreements

Addressing the Long-Term Debt: Although final decisions need to be made regarding the long-term debt that extends to 2037, the College has demonstrated that it has sufficient funds to operate all aspects of the institution in full compliance with the Accreditation Standards through 2028. The Board and the College understand that the Commission is concerned that Palo Verde College needs to finalize its long-term debt obligations with a viable plan as soon as possible. The Board of Trustees and the College assures the Commission that the institution is committed to doing so as evidenced by the studies and options being considered as described on pages 15-16 of this report.

As shown in the charts on the following page, Palo Verde College continues to carefully review financial trends in preparing for the future, knowing that funds are available to meet Accreditation Standards and Eligibility Requirement #17.

PVC BUDGET HISTORY

	2008-09	2009-10	2010-11	2011-12	2012-13
	Audited Actuals	Audited Actuals	Audited Actuals	Unaudited Actuals	Proposed Budget
Revenue	13,132,925	12,723,608	12,514,187	11,408,490	12,325,874
Expenses					
Personnel	10,535,406	10,603,280	10,414,551	8,309,181	7,839,140
Other	3,436,435	2,883,927	2,961,672	2,406,528	4,399,740
Total	13,971,841	13,487,207	13,376,223	10,715,710	12,238,880
Excess / Deficiency	(838,916)	(763,598)	(862,036)	692,780	86,994
Beginning Balance	1,921,791	1,143,659	1,204,318	482,826	1,175,606
Excess / Deficiency	(838,916)	(763,598)	(862,036)	692,780	86,994
Ending Balance	1,082,875	380,061	342,282	1,175,606	1,262,600
Governing Board Reserve	690,194	670,541	665,225	532,204	608,194
Remaining Fund Balance	392,681	(290,480)	(322,944)	643,402	654,406
Governing Board Reserve % of Total Expenses	13,803,882	13,410,811	13,304,510	10,644,079	12,163,880
	7.84%	2.83%	2.57%	11.04%	10.38%

PVC BUDGET HISTORY

	2008-09	2009-10	2010-11	2011-12	2012-13
	Audited Actuals	Audited Actuals	Audited Actuals	Unaudited Actuals	Budget Projections
Certificated Salaries	5,314,646	5,139,305	4,811,863	3,566,496	3,786,126
Classified Salaries	2,695,212	2,783,841	2,860,727	2,063,257	2,109,779
Employee Benefits	2,525,548	2,680,134	2,741,960	2,679,428	1,943,235
Total Personnel Expenses	**10,535,406**	**10,603,280**	**10,414,551**	**8,309,181**	**7,839,140**
Supplies & Materials	192,875	132,352	93,968	69,214	150,000
Operating Expenses & Services	3,029,027	2,513,688	2,625,575	2,194,928	2,200,740
Capital Outlay	46,573	161,491	170,415	70,756	159,000
Other Student Outgo	167,960	76,396	71,714	71,632	75,000
Total Other Expenses	**3,436,435**	**2,883,927**	**2,961,672**	**2,406,529**	**2,584,740**
Total Expenses	**13,971,841**	**13,487,207**	**13,376,223**	**10,715,710**	**10,423,880**

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To maintain financial integrity and the responsible use of its financial resources, Palo Verde College maintains a stable and secure financial management system through Riverside County Office of Education. At the present time, day-to-day financial decisions are being made by the Fiscal Services Manager/Acting CBO, in consultation with the Interim Superintendent/ President, and the College's financial consultant if necessary. Major budget recommendations are presented to the Budget Committee with eventual approval by the Superintendent/ President and the Board of Trustees. Budget information and updates are widely disseminated in a timely manner for transparency and sound financial decision making.

The College has posted and disseminated financial documents through its dissemination agent at Deutsch Bank, including the budget and independent audit, as required. The institution has responded appropriately to audit findings. A "Request for Proposal" for a new external auditor took place in May, 2012 and resulted in the approval of Messner and Hadley, LLP as the College's new auditor. Representatives from the audit firm made a site

visit in June, interviewing staff and gathering information and will return in November to complete the audit.

The College has considered its long-term financial obligations and priorities to assure on-going financial stability. The College contracted with Magis Financial Advisors in the spring, 2012, to review the terms of the College's COPs and to provide options for debt mitigation. Although the decision afterwards did not result in the immediate purchase of COP certificates as initially planned, due to the State's lack of financial stability, a conscientious plan was set forth that is now under consideration. These options are further explained within this report. The College is not just considering short-term planning, but has diligently assessed its future revenue, expenditures, and its plan for the payment of liabilities and future obligations, to put forth a plan that ensures the institution's long-term financial stability.

Palo Verde College also assures the Commission that although the College is existing under a current balanced budget and that funds are budgeted to fully meet Accreditation Standards, the Board and the College realize there is no "fluff". The College is operating *lean and mean* and that further opportunities to identify new sources of revenue, along with debt reduction, continues to be a high priority.

Evidence: 2012-13 Final Budget; 9.72% Reserve; Magis study of COP debt mitigation options; Board Goals 2012-13; CSEA Negotiations Agreement; CTA Negotiations Agreement; Meet-and-Confer Agreements; Incentive Plans data.

2. *The Commission requires …demonstration that the institution meets Eligibility Requirement 17: 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.*
   Status: In Compliance, Stable, and On-Going Attention to Continued Progress Ensuring Long-Term Financial Stability

Response: The current funding base and resources are stable and adequate to continue to support learning programs and services. The 2012-13 final budget is balanced, includes a 9.72% reserve, and 100% of the funds necessary to address a mid-year cut should the ballot measure fail.

Nearly $14 million currently exists in the LAIF and Capital fund accounts, being reserved for long-term debt obligations. This is a reduction from the previous report only in that debt payments have been made as planned, thereby reducing the current balance as previously reported. A long-term Debt Mitigation Plan is being completed as a result of the Magis Study.

Through the Program Review process and through the request for augmentations in spring 2012, unmet needs were identified and have been met, securing that the instructional, student support, and operational components of the College are met with integrity.

Evidence: 2012-13 Final Budget; Debt mitigation planning as noted in Budget Committee and Board Finance and Audit Committee agendas and minutes; Magis Report.

3. *The Commission is concerned the debt obligation that Palo Verde College has incurred may lead to financial instability of the institution despite the institution's several strategies (not all of which have been implemented yet) for reducing expenses while maintaining educational programs and services, finding new revenues, and restructuring debt within a four-year period.*

   Standard III D, 1, d: The institution clearly identifies and plans for payment of liabilities and future obligations.

   Status: In Compliance and On-Going

   Response: In this response, the College is addressing both the Commission's concern about the College's debt obligation as noted in the July 2, 2012 letter, and also to Standard III D, 1, d.

   The College has made, and continues to make, a conscientious effort in identifying and planning for payment of its liabilities and future obligation. Staff in the Fiscal Services Office has scrutinized current obligations for three purposes: 1) Financial planning to pre-determine anticipated costs or savings based on current obligations; 2) Ensuring the accuracy of invoices compared to services received; 3) Providing quote opportunities for all major contracts and services to ensure cost effectiveness and efficiencies. These efforts have proved effective in reducing the annual costs of operational contracts and services, and have set in motion a process whereby all invoices and purchase requests are scrutinized for accuracy and cost efficiency.

DEBT MITIGATION PLANNING

TWO MAJOR AREAS OF LONG-TERM DEBT:

1) SERP Payments (Early Retirement Incentive): Approximately $766,366 is budgeted annually to cover the costs associated with the early retirement plans and these obligations end in spring, 2016.

2) COP Payments: The more costly long-term debt is associated with the COP payments. The annual COP payment is approximately $2,350,000 (varies slightly each year based on interest adjustments). The table below outlines the current COP debt.

July 2008	$31,995,000 District issued COPs to refinance original $18.6 million of the COPs
January 1, 2037	Final payoff date for a total of $60,449,063 paid over 25 years
Annual Cost	Average annual debt service: $2,318,000/year
Current Interest Rates	4.00% - 5.5% $28,454,063 in total interest

The institution has the funds for the COP payments identified and protected through 2028 as shown on the following page. The COP payment from 2012 through 2015 is made from the $855,000 budgeted from the General Fund plus $1,495,000 from the LAIF/Capital Fund account.

Although this is not the plan, from 2016 through 2028, if the COPs are not restructured, purchased, or refinanced, the College will continue to budget $766,366 (from what were the

SERP dollars) and $855,000 for a total of $1,621,366. These funds will be added to $740,900 from the LAIF/Capital Fund to make the annual payment. The table below serves as the *base* debt obligation for planning purposes and demonstrates the College's recognition that it clearly understands how long its current LAIF/Capital funds will last to address the debt. The table lists the year-by-year COP debt and where the funds are currently budgeted to cover the debt.

PVC LONG-TERM COP DEBT OBLIGATIONS & CURRENT FUNDING PLAN

YEAR	COP PAYMENT	$14,490,726 LAIF/ ($13,070,726 Unused COPs and $1,520,000 Unused Capital Funds)	SIMPLIFIED GENERAL FUND SAVINGS TOWARDS FUTURE COP DEBT	SPENDING DOWN LAIF ACCOUNT
2012	$1,664,350	0	$855,000	$14,490,726
2013	$2,354,350	$1,499,350	$855,000	$12,991,276
2014	$2,351,750	$1,497,750	$855,000	$11,493,526
2015	$2,353,150	$1,498,150	$855,000	$9,995,376
2016	$2,355,900	$740,900	$760,000 + $855,000	$9,254,476
2017	$2,349,278	$734,278	$760,000 + $855,000	$8,520,198
2018	$2,349,278	$734,278	$760,000 + $855,000	$7,785,920
2019	$2,349,277	$734,277	$760,000 + $855,000	$7,051,643
2020	$2,349,277	$734,277	$760,000 + $855,000	$6,317,366
2021	$2,349,278	$734,278	$760,000 + $855,000	$5,583,088
2022	$2,354,050	$739,050	$760,000 + $855,000	$4.844,038
2023	$2,354,050	$739,050	$760,000 + $855,000	$4,104,988
2024	$2,354,050	$739,050	$760,000 + $855,000	$3,362,938
2025	$2,354,050	$739,050	$760,000 + $855,000	$2,623,888
2026	$2,354,050	$739,050	$760,000 + $855,000	$1,884,838
2027	$2,350,465	$735,465	$760,000 + $855,000	$1,149,373
2028	$2,350,465	$735,465	$760,000 + $855,000	$413,908
2029	$2,350,465	$735,465	$760,000 + $855,000	($321,557)
2030	$2,350,465	$735,465	$760,000 + $855,000	($735,465)
2031	$2,350,465	$735,465	$760,000 + $855,000	($735,465)
2032	$2,349,590	$734,590	$760,000 + $855,000	($734,590)
2033	$2,349,590	$734,590	$760,000 + $855,000	($734,590)
2034	$2,349,590	$734,590	$760,000 + $855,000	($734,590)
2035	$2,349,590	$734,590	$760,000 + $855,000	($734,590)
2036	$2,349,590	$734,590	$760,000 + $855,000	($734,590)
2037	$2,352,650	$737,650	$760,000 + $855,000	($737,650)
	$60,449,063			

As reported in the April 2012 Special Report to the Commission, the College has no issues in making its short and long-term debt obligations through 2028, however, a conscientious plan for addressing the debt that goes beyond 2028 is being developed with multiple options being considered.

The College realizes that although efforts are being made to increase new sources of revenue, actual new income will take time to realize and although valuable to consider and plan for, cannot be the primary source for a Debt Mitigation Plan.

The College and Board of Trustees are well aware that implementable plans need to be expedited and finalized to address the debt obligations that exist after 2028, to assure the Commission that the institution is simply not just talking about debt mitigation, but actively doing something about it. Such plans are under review by the Budget Committee and the Board's Finance and Audit Committee with eventual submittal to the Board of Trustees for review and approval by the end of the fall semester.

COP Debt Mitigation

One form of evidence that Palo Verde College is diligently assessing many options is demonstrated through the study that Magis Advisors, Public Financing Advisors, completed for the College in May 2012 (see Appendix) to project the outcome of various COP restructuring options. The table on page 16 outlines the impact on the College's COP debt using the various outlined scenarios.

The options directly related to the COP debt include:

1) **Refinancing**: Column (3) shows the impact of only completing a refinance scenario which results in a COP debt decrease from $58,785M to $38,851M.

2) **Buying-back of COPs** from the investors: When the College does a "call" of the COPs in 2016 (which is the earliest we are permitted to do so) as shown in Column (4), the debt lowers to $37,137M.

3) **Defeasance** (a provision that voids a bond or loan when the borrower sets aside cash or bonds sufficient enough to service the borrower's debt which legally extinguishes the debt): Columns (5) and (6) reflect remaining debt after defeasing $11.3M or $12.7 M respectively to $35,153M or $32, 296M.

Each option alone results in significant COP debt reduction and if combined, results in even greater reductions. Since the College is already budgeting over $1.6M annually, the importance of this study is to demonstrate that there are viable cost-effective options that significantly reduce the COP debt obligation long-term, making it feasible for the College to maintain instructional, student service, and operational integrity, and living within its budget while making payments with funds already available.

By the end of the fall semester, the Board will be presented with a written Debt Mitigation Plan to review and approve. The Board's Finance and Audit Committee will provide a verbal report at their October 23, 2012 Board meeting. At their November 13, 2012 Board meeting, Mr. Tim Schaefer from Magis Financial Advisors, and CM Brahmbhatt (external financial consultant), having reviewed the plan (see Appendices 2c), have been invited to make a presentation to the Board, answering questions regarding the plan's viability. At their December 11, 2012 meeting, the Board is to approve the Debt Mitigation Plan.

Related to the COPs, the Debt Mitigation Plan overall includes a "call" of the COPs in 2016 and then refinance, further decreasing the current debt obligation which will give relief to the College's General Fund budget, freeing up dollars for program improvement and other institutional one-time and on-going needs. In addition, the Board is considering other options related to the sale of some of its property which has been discussed in Closed Session, but is not available for public disclosure at this writing.

MAGIS FINANCIAL ADVISORS' COP DEBT REDUCTION SCENARIOS

Palo Verde Community College District
2008 Certificates of Participation
Refinancing/Defeasance Options & Estimated Results
Preliminary Analysis (May 2012)

(1) D/S Date	(2) Existing Debt Service Schedule (000s)	(3) New Debt Service Requirements in Refinancing Scenario (000s)	(4) Remaining DS after defeasing $11.3 million (callable bonds only, '17-37) (000s)	(5) Remaining DS after defeasing $11.3 million (term bonds '37 only) (000s)	(6) Remaining DS after purchasing $12.7 million (term bonds '37 @ 105%) (000s)
1/1/2013	$ 2,354	$ 1,576	$ 1,755	$ 1,731	$ 1,656
1/1/2014	2,352	1,572	1,752	1,729	1,653
1/1/2015	2,353	1,573	1,753	1,730	1,655
1/1/2016	2,356	1,574	1,756	1,733	1,657
1/1/2017	2,354	1,574	1,436	1,730	1,655
1/1/2018	2,349	1,564	1,433	1,726	1,650
1/1/2019	2,347	1,564	1,432	1,724	1,648
1/1/2020	2,347	1,562	1,432	1,724	1,649
1/1/2021	2,350	1,563	1,434	1,727	1,651
1/1/2022	2,354	1,567	1,436	1,731	1,655
1/1/2023	2,353	1,563	1,436	1,730	1,655
1/1/2024	2,355	1,562	1,437	1,732	1,656
1/1/2025	2,354	1,559	1,436	1,110	959
1/1/2026	2,354	1,558	1,436	1,110	959
1/1/2027	2,351	1,550	1,434	1,108	958
1/1/2028	2,349	1,546	1,433	1,108	957
1/1/2029	2,354	1,550	1,436	1,110	959
1/1/2030	2,349	1,541	1,433	1,107	957
1/1/2031	2,350	1,540	1,433	1,108	957
1/1/2032	2,351	1,537	1,434	1,108	958
1/1/2033	2,352	1,537	1,435	1,109	958
1/1/2034	2,348	1,534	1,433	1,107	957
1/1/2035	2,349	1,529	1,433	1,107	957
1/1/2036	2,349	1,525	1,433	1,107	957
1/1/2037	2,353	1,529	1,435	1,109	959
Total P+I	**$ 58,785**	**$ 38,851**	**$ 37,137**	**$ 35,153**	**$ 32,296**
	Gross Savings:	**19,934**	**21,648**	**23,632**	**26,489**
	Present Value:	**12,020**	**12,732**	**13,062**	**14,641**

MAGIS ADVISORS public finance consulting 00117276.XLSX 5/12/2012

Evidence: Budget Committee Agendas and Minutes from Spring 2011, 9/6/12, 10/4/12, 10/21/12; Magis Report; documents demonstrating long-term COP debt obligations and payoff; Dialog with the Budget Committee, CBO, and Interim Superintendent/ President.

4. *….many steps the institution is taking but that have yet to be finalized. These include the following:*
   a. *The budget for 2012-13 had not yet been finalized.*

Status: **In Compliance**

Response: The 2012-13 final budget was approved by the Board of Trustees on September 11, 2012, and is balanced with a 9.72% Reserve. The unrestricted budget as approved is shown below and on the following page as well as in the Appendices in its entirety.

Evidence: 2012-13 Budget; September 11, 2012 Board Agenda and Minutes

Palo Verde Community College District
General Funds, Unrestricted 2012-13 Adopted Budget

FUND 11			
Beginning Balance		$ 1,175,606	
State Revenue			
State Apportionment	$10,756,810		
Lottery - Unrestricted	200,000		
CalGants	75,000		
Financial Aid Admin Fees	29,611		
Part-Time Faculty Allocation	38,310		
Total State Revenue	$11,099,731		
Local Revenue:			
Property Taxes	996,438		
Interest	10,000		
Other/Student Fees (County Reports)	182,205		
Redevelopment Funds	30,000		
Court Restitution	6,000		
Miscellaneous Fees	1,500		
Total Local Revenue	$ 1,226,143		
Total Projected Income		$ 12,325,874	
Total Projected Expenses		$ 12,305,372	
Change in Fund Balance		$ 20,502	
Projected Ending Balance		$ 1,196,108	9.72%
Board reserve		615,269	5.00%
Contingency		$ 580,839	4.72%

Palo Verde Community College District
General Funds, Unrestricted 2012-13 Adopted Budget

Fund 11

		2012-13 Adopted Budget
1000	Certificated Salaries:	
	Administration	529,305
	Certificated	3,262,284
	Board	11,520
Total Certificated Salaries		**$ 3,803,109**
2000	Classified Salaries:	
	Classified F/T	1,022,871
	Classified P/T	83,610
	Classified Management/Confidential	1,003,672
Total Classified Salaries		**$ 2,110,153**
3000	Benefits:	
	H&W Benefits	
	Instructional	434,229
	Non-Instructional	613,199
	Retirement & Taxes	
	Instructional	380,335
	Non-Instructional	521,099
	SERP	760,000
Total Benefits		**$ 2,708,862**
4000	**Supplies and Materials:**	**193,508**
5000	Operating Expenses and Services:	
	Operating Expenses	950,000
	Utilities	350,000
	Instructional Service Agreements/proctors	800,740
	Legal	300,000
Total Operating Expenses and Services		**$ 2,400,740**

Palo Verde Community College District
General Funds, Unrestricted
2012-13 Adopted Budget

6000	**Capital Outlay:**	**159,000**
	COP Payment	**855,000**
7000	**Other Student Outgo:**	**75,000**
Total Expenditures		**12,305,372**

b. A new college President had not yet been hired.
Status: In Compliance

Response: The Board began conducting a nationwide search for the permanent Superintendent/President last spring 2012 using PPL Professional Personnel Leasing services. First and second level interviews, reference checks, and forums with the finalists were conducted in August 2012. In the end, the Board was unable to hire a permanent Superintendent/President and Denise Whittaker, current Interim Superintendent/ President, was asked, and agreed to continue as Interim through December, 2013.

The Board justifies to the Commission that due to the nature of the problems facing the District, the continuation of the current Interim Superintendent/ President was a better option for minimizing disruption and chaos, providing continued stability and leadership. The Chancellor's Office is aware of the decision and also indicated that as long as a good-faith effort was made to hire a permanent CEO, they have no problem with the extension of the Interim assignment.

The Board also made the decision not to re-open the application process after the recent search because:

1) The time of year was off-cycle for a presidential search;

2) There was no certainty that the next pool would be any better than the first, especially timing the search immediately following the recent search;

3) The Board reviewed their options and made a business decision based on what they believed was in the best interest of the institution.

Evidence: Superintendent/President search announcements and data regarding the number of applicants; Board Agenda and Minutes from September 25, 2012 showing approval of Denise Whittaker as the Interim Superintendent/ President through December, 2013.

c. Vacant administrative positions will not be filled until a new President arrives.
Status: Vacant administrative positions are being filled.

Response: The Board took action at the September 25, 2012 Board of Trustees meeting, with the endorsement of the Academic Senate and College Council, to rescind action taken in October, 2011, to freeze vacant management or administrative positions until a permanent Superintendent/President was hired. The reason for the rescission was because key administrative and management positions (i.e. Director of Admissions and Records, Director of Financial Aid, Chief Business Officer, Chief Instructional Officer, etc.) have been on-hold and it would not be prudent to continue to hold these openings with interim replacements for another 15 months before a new Superintendent would be hired. Even then, it would be another 4-6 months for the new CEO to identify the needs and authorize the replacements, ultimately creating more chaos and a lack of stability.

The Board has confidence that, consistent with AB1725 and the collegial consultation process, that the Interim Superintendent/President and constituent leadership are capable of determining the best organizational structure for the College.

Evidence: Board agenda item to rescind the previous action.

d. *College plans to balance the 2012-13 budget are based in part on an assumption that a state ballot measure passes in November, 2012.*
Status: **Satisfactorily Addressed.** **Please see page 9 for this response.**

e. *College economies to reduce expenditures and address debt may be ineffective if the state reduces allocations to the College in the middle of next year.*
Status: **Satisfactorily Addressed**

Response: The reductions realized are solid, permanent, and sustainable even if the State makes further reductions. There is no impact on the cuts made should there be mid-year reductions. In addition, as noted in previous responses, Palo Verde College has a contingency plan to address another State reduction that is nearly complete.

Evidence: See evidence list as previously shown in the response to #1 and #2.

5. *The College request for an exemption to federal regulations limiting the proportion of correspondence students to 25% of an institution's total students has not yet been ruled upon.*
Status: **Approval and Final Verification Received**

Response: The U.S. Department of Education notified the Interim Superintendent/ President by phone and via email that the College's request for an exemption to the 25% incarcerated student enrollment limitation was approved (see Appendix). The approved certification forms have since been signed, mailed, and verification of approval has been received by the College.

Evidence: Verbal phone acknowledgement to the Interim Superintendent/President from the U.S. Department of Education representative, Debra McEwen; email acknowledgement on 9/11/12 from the U.S. Department of Education; Certified form of final approval.

6. *The institution is considering actions to increase its reserves to 7% because 5% is insufficient to cover a payroll period, but the actions have not yet been taken.*
Status: **9.72% Reserve Reached for 2012-13 Budget**

Response: The Budget Committee has discussed making the recommendation to the Board's Finance and Audit Committee to increase the Board Reserve for several meetings. The proposal under consideration is to identify 1% every year for the next 5 years, reaching a targeted reserve of no less than12%. This item is being reviewed by the constituent groups for further consideration and by the Board's Finance and Audit Committee through the review of the Board Policy regarding reserves.

Evidence: Budget Committee agendas and minutes from August 16, 2012; September 6, 2012; and October 4, 2012; Board's Finance and Audit Committee agenda and minutes.

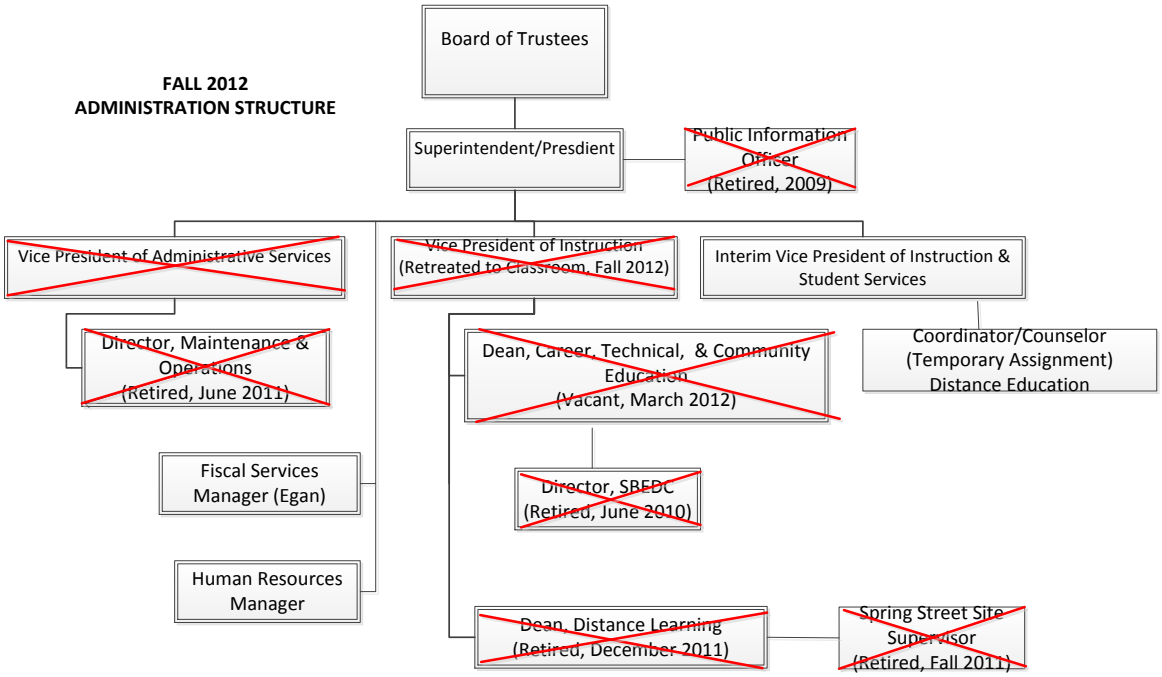
7. *The Commission requires PVC to provide an analysis of its remaining administrative staffing, and the workload and responsibilities assigned to that staffing.*
Status: **Analysis Completed**

Response: Palo Verde College understands the concern the Commission has over vacant administrative positions and the assignments made to staff. "Administrative" is defined as those senior level managers equivalent to the *Dean or Vice President* levels. An analysis of the remaining and vacant administrative staff positions has been conducted through dialog with the current Interim Vice President of Instructional and Student Services, along with the Academic Senate, and senior management staff in Fiscal and Human Resource operations to identify areas of concern. Data used to consider what the administrative structure is listed further in this document and includes:

- FTES compared to other small California community colleges
- Head count compared to other small community colleges
- FTE full time faculty compared to other small community colleges
- FTE staff compared to other small community colleges
- FTE management and administration compared to other small community colleges
- Tally Sheets of student and office contacts

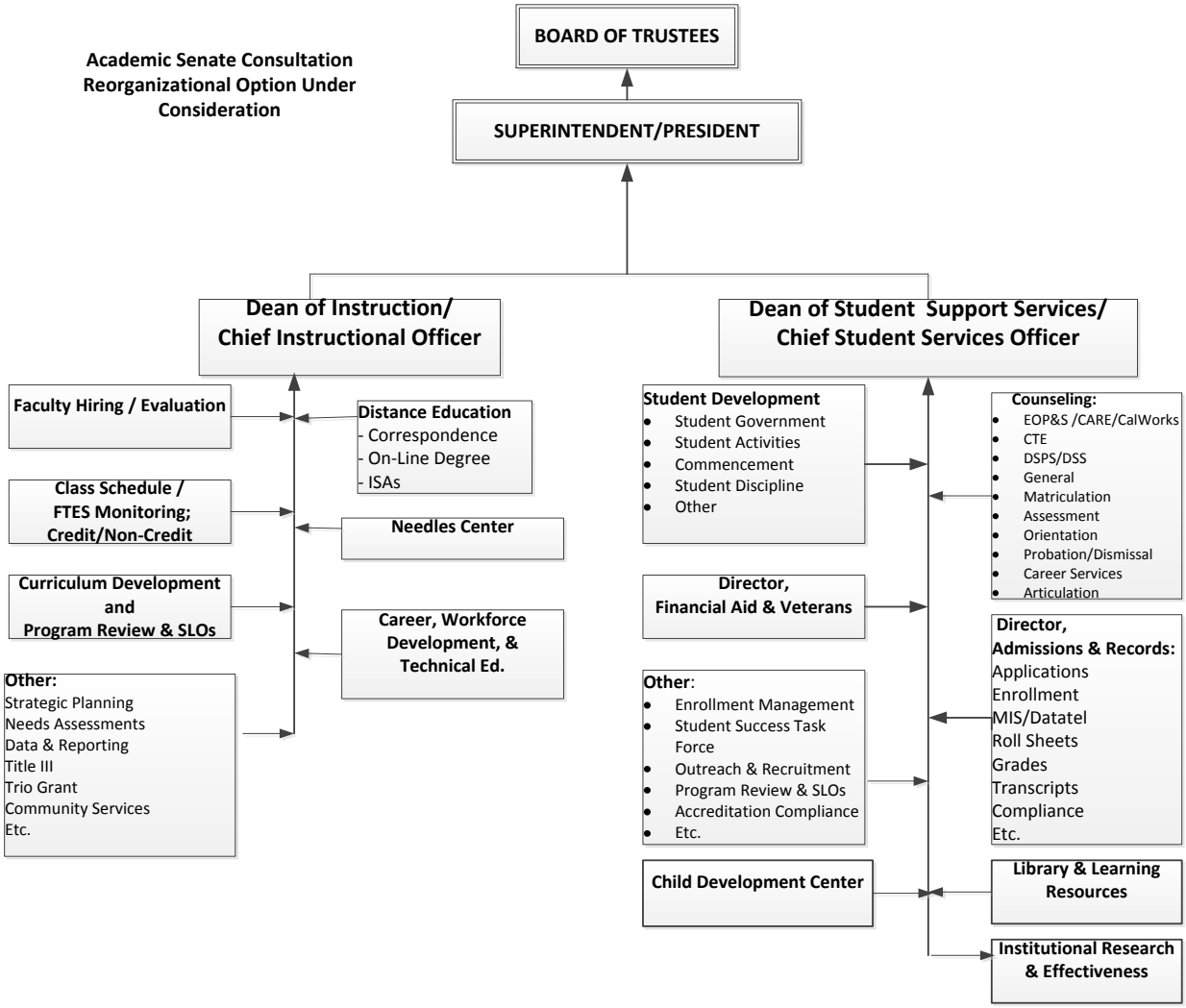
The current organizational chart below reflects the restructuring of positions necessary to accommodate the justifiable non-backfilling of positions. Accordingly, a master organizational chart is not available until all of the reorganizations have been completed. However, there are various area/divisional charts included in this report showing the new structures that are being proposed. A final organizational chart with all changes is anticipated for completion by the end of the fall semester if not sooner.

There are currently two (2) full time administrators, the Interim Superintendent/President who has been hired through December 2013 to maintain stability and continuity, and the Interim Vice President of Instructional and Student Services. In the past 18 months, five (5) other academic administrators resigned or retired: Vice President of Administrative Services, Vice President of Instruction, Vice President of Student Services. Dean of Career and Technical Education, and the Dean of Distance Education. The current administrative structure, including unfilled vacancies, is shown below.



The Dean of Distance Education was temporarily backfilled in fall 2011 with a Coordinator/ Counselor who is serving in the leadership and oversight capacity on a temporary basis. This position will be addressed soon after the Senate makes their recommendation regarding the senior administrative leadership structure and is anticipated to be replaced in some form.

Administrative Recommendation #1: Consistent with AB1725, the Academic Senate is in the process of reviewing the current administrative structure for the Office of Instruction and the Office of Student Services, intending to make a recommendation to the Interim Superintendent/President in the near future. The Senate is reviewing data from other small colleges for comparative information. The Senate has narrowed their recommendation from considering one, vice president of instructional and student services position to having two deans (with varying responsibilities) as noted in the sample organization chart shown below.



The Senate hopes to have a recommendation to the IS/P by the end of October so that the new job descriptions can be developed and ready for announcement for the permanent positions in December for a recruitment and hiring process occurring in early spring with a start date commencing July 1, 2013. Based on the number of students, size of staff, number

of academic and student support programs and services, and other factors related to a small college, PVC believes the proposed structure is viable.

In the meantime, the current Interim Vice President of Instructional and Student Services resigned effective October 12, 2012, due to the changes in STRS (AB178). To maintain continuity and stability, the Senate recommended that either a qualified PVC retiree or current employee be hired as the Interim for the remainder of the academic year. Accordingly, the Interim VPI/SS position was announced with a deadline of October 3, 2012, and interviews were held on October 10. A current qualified faculty member was selected and begins this assignment on October 15, 2012.

The data below was used to provide valuable information in consideration of the administrative structure best suited to PVC.
Source: Chancellor's Office

Data Element	Palo Verde College		Copper Mountain		Feather River		Lake Tahoe		Barstow	
	FT	**PT**	**FT**	**PT**	**FT**	**PT**	**FT**	**PT**	**FT**	**PT**
FT Faculty Fall 2011	37	62	33.4	94	23	59	40	127	37	104

	F 2011	**S 2012**	**F 2011**	**S 2012**	**F 2011**	**S 2012**	**F 2011**	**S 2012**	**F 2011**	**S 2012**
FTES	762.91	651.80	790.88	827.93	710.67	707.40	618.0	589.17	675.22	1365.14

	F 2011	**S 2012**	**F 2011**	**S 2012**	**F 2011**	**S 2012**	**F 2011**	**S 2012**	**F 2011**	**S 2012**
Head Count	3,144	2,621	2,149	2,166	1,453	1,572	3,015	2,849	2,289	3,746

FT Staff	64	55	61	73	55
FT Mgt	12	inc	14	1	11
FT Admin	4	9	4	5	10

VPs	1 Interim VPI/SS	2	0	2	4
Deans	0	0	2	2	3
Academic Directors	0	5	3	9	0

Administrative Recommendation #2: Regarding the non-academic administrative positions in human resources and fiscal and business operations, the Interim Superintendent/President has made the recommendation to eliminate the Vice President of Administrative Services vacant position and reclassify current managers who have been competently completing the job duties included in the vice president's position for the past 14 months. College Council asked that the Interim Superintendent/ President meet separately with faculty and classified staff to understand their concerns related to this restructuring. These meetings took place on October 9, 2012 with faculty and on October 15, 2012 with classified staff. The Interim Superintendent/ President placed the item on the October 16, 2012 College Council agenda for final consultation taking into consideration input from constituent groups.

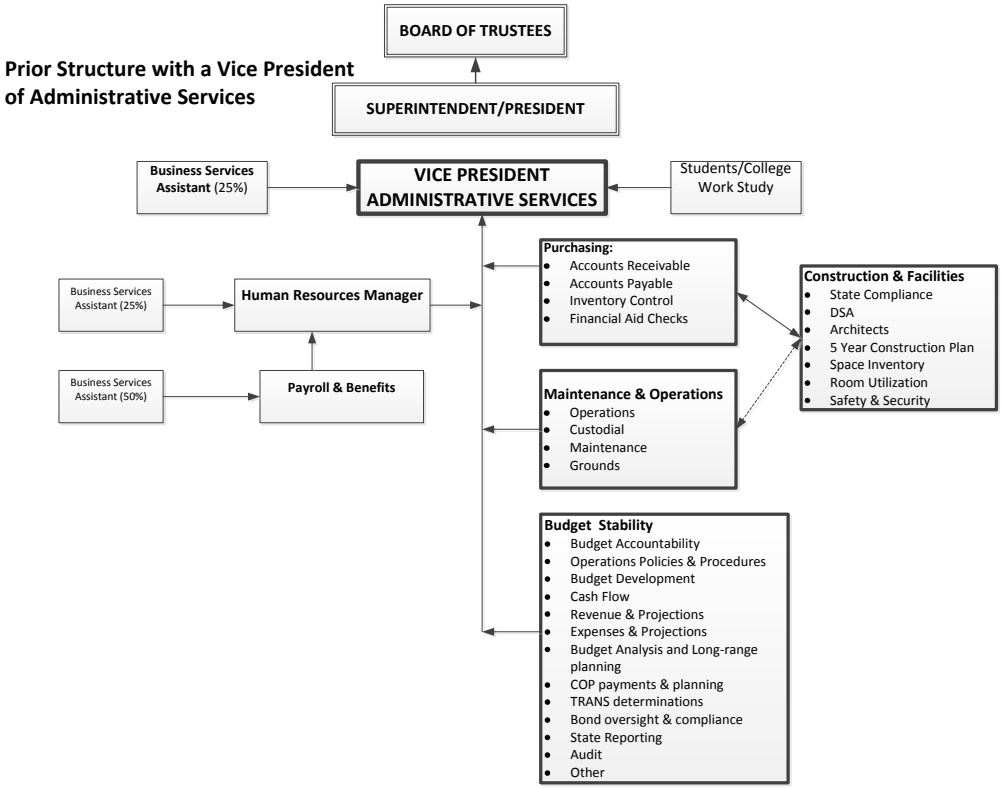
A meeting was held with faculty on October 9, 2012 and on October 15, 2012 with classified staff to discuss various issues including the reorganization proposal to eliminate the Vice

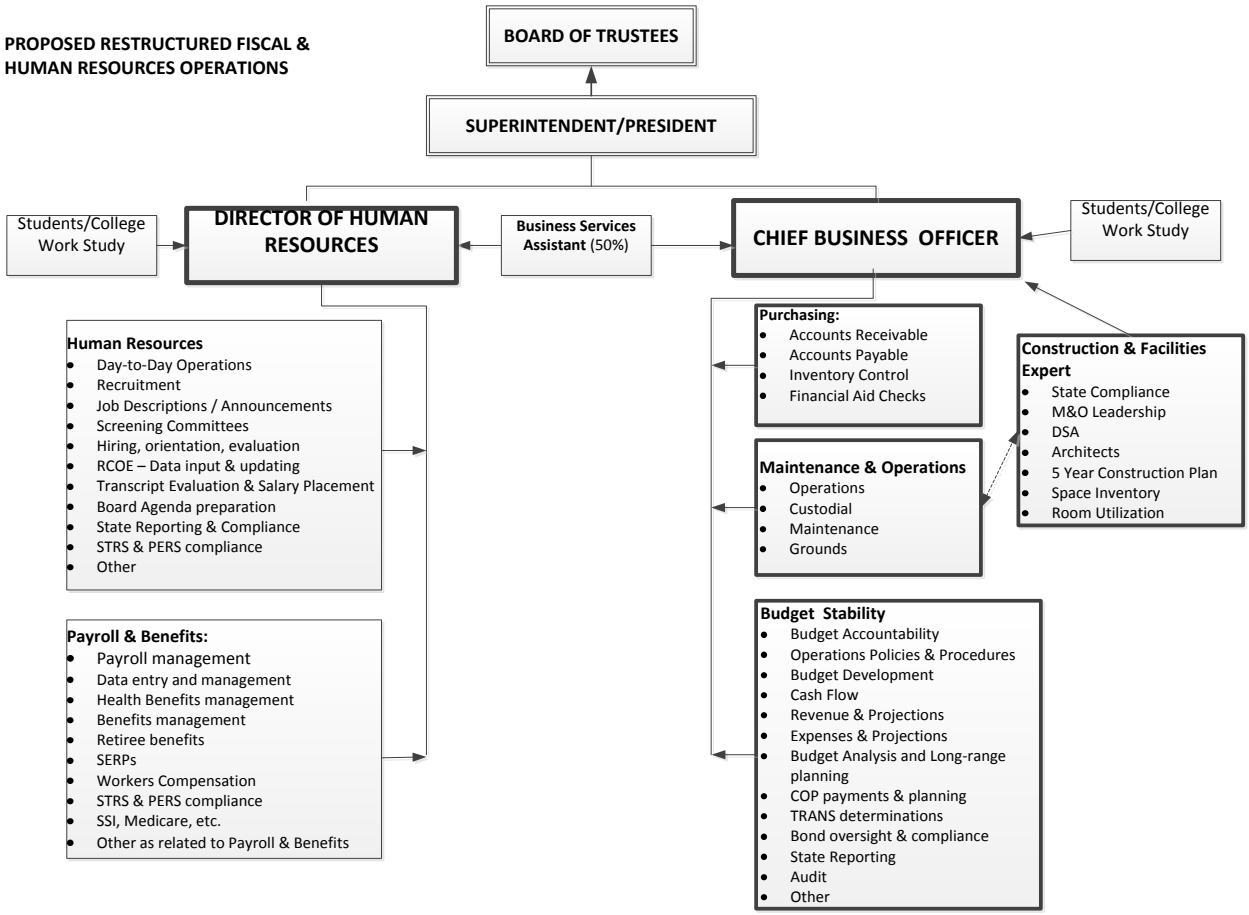
President, Administrative Services position (see Appendix) and distributing the higher level job duties among the managers currently serving in fiscal services and human resources. The Interim Superintendent/ President received valued input from both groups. Questions were answered and the recommendation to eliminate the VPAS did not change however this structure will be reviewed to ensure that this is an effective model and the incumbents being reclassified will receive a 360° evaluation annually as an administrator.

Based on feedback and input from the incumbents and constituencies, the recommendation includes advancing the current Fiscal Services Manager (who is serving as the Acting CBO) as Chief Business Officer which includes all of the fiscally and operations-related duties that were in the vice president's job description, along with the day-to-day duties of the Fiscal Services Manager. This appears to be an effective merge as it ensures that the Chief Business Officer not only makes policy decisions, but also clearly understands the technical applications of fiscal management.

Regarding human resources, the recommendation is to reclassify the position to Director of Human Resources which advances the position to include greater decision-making and intervention in addressing and resolving personnel problems. However, the policy components of the position that were originally part of the VPAS' job duties will not be transferred to the Director's position due to staffing limitations. For the time being, policy, grievance investigations, and other EEO compliances will continue to report directly to the Interim Superintendent/ President with the plan to transition them and reclassify the position to Chief Human Resources Officer at a time when staffing is expanded.

The organizational charts below and on the following page reflect the prior VPAS structure, and along with the proposed restructuring of the Vice President of Administrative Services position.





Justifications for these recommendations are included on the following pages.
The justification for upgrading the current Fiscal Services Manager to Chief Business Officer (CBO) is as follows:

1. Many of the job duties of the Vice President of Administrative Services and the current Fiscal Services Manager were duplicated as noted in the comparison of the two positions (Appendix 2).

2. The current manager meets the qualifications as specifically listed on the Chief Business Officer's job description .

   Knowledge of:

   - California Community College finance and budget practices
   - Budget construction and control
   - Legal protocols and standard accounting procedures
   - Applicable administrative policies and procedures
   - School investment methods
   - Audit practices
   - Applicable sections of the California Education Code and Federal and State regulations
   - Collective bargaining

Demonstrated Ability to:

- Understand and control a complex accounting system including accounts payable and receivable
- Maintain the College's business services effectively and efficiently
- Communicate effectively with staff, community , State and Federal officials both orally and in writing
- Conceptualize, communicate, and manage complex systems involving high standards of accuracy
- Meet time-constraints in the rendering of advice and reports to the CEO and Board
- Work effectively in an atmosphere respectful towards the collegial consultation process

3. The current manager has been successfully serving as the Chief Business Officer for the past 14 months in the absence of there being a vice president and has the endorsement of the College's financial expert consultant, CM Brahmbhatt.

4. The current manager has her Bachelor's Degree (with honors) and has completed all of the requirements for her CPA certification. She is also preparing to enroll in a Master's Degree program beginning February, 2013.

5. The current manager was second in command under the former Vice President of Administrative Services, having served in this position for six year, and has a solid working understanding of the Budget Development process and fiscal management aspects of the position.

6. The current manager consistently received stellar evaluations, meeting her annual goals and has demonstrated that she has in-depth knowledge of complex fiscal operations.

7. The current manager has extensive experience in preparing the annual budget. For 2012-13, she was responsible for serving in the leadership role for the development and the identification of cost-savings for this year's budget, understanding the minutest details of the budget.

8. The current manager has worked with auditors in providing necessary information required to complete the annual audit.

9. The current manager is detailed-oriented and runs simulations to determine various budget options.

10. The current manager has assumed all of the business operations associated with the position in the absence of there being a Vice President, and has demonstrated complete and thorough preparation and knowledge to assume these responsibilities permanently.

11. The current manager has been overseeing the Maintenance & Operations component of the job. The Director of M&O retired in June, 2011, and the decision at that time was not to replace him. However, to maintain operational integrity in addressing sophisticated safety and facility issues, an extra duty assignment has been provided to a faculty member with expertise in facility and maintenance oversight.

12. The Budget Committee has been presented with and understands the budget implications of this reorganization proposal.

13. The College intends to retain CM Brahmbhatt as the expert fiscal resource through June, 2013 (and longer if needed) in reviewing all major fiscal decisions and reports, serving as a second set of eyes on the College's fiscal operation. Although the College has complete confidence in the Fiscal Services Manager to assume higher level job duties as noted in the Vice President's job description, it believes it is prudent to retain Mr. Brahmbhatt to also satisfy the Chancellor's Office previous concerns about the College's fiscal management leadership.

The justification for upgrading the current Human Resources Manager to Director of Human Resources is as follows:

1. Many of the job duties of the Vice President of Administrative Services and the current Human Resources Manager were duplicated as noted in the comparison of the two positions (Appendix 2).

2. The current manager meets the qualifications as specifically listed on the Director of Human Resources' position as follows:
    - Bachelor's degree; or, *any combination of education and experience which would provide the required equivalent qualifications for this position.*

    - At least three years of increasingly responsible leadership experience in human resources management and/or supervision performing tasks associated with the details described under the examples of duties section of this announcement.

    - Ability to work effectively in a participatory management mode.

    - Experience in dealing with Equal Employment Opportunity regulations, staff and classification analysis, community college regulations, in-service education and professional development.

3. The current manager in Human Resources has completed her AA degree and has work completed towards her Bachelor's degree.

4. The current manager in Human Resources has been successfully making personnel decisions for the past 14 months, in the absence of there being a Vice President. The current manager has demonstrated 21 years of progressively responsible and leadership experience in human resources, and has served as the Human Resources Manager for the past 7 years.

5. The current manager consistently received stellar evaluations, meeting her annual goals and has demonstrated that she has in-depth knowledge of complex human resource operations.

6. The current manager is detailed-oriented and manages complex office operations with minimal staff.

7. The current manager has assumed nearly all of the human resources operations associated with the position in the absence of there being a Vice President, and has demonstrated complete and thorough preparation and knowledge to assume these additional responsibilities permanently.

8. The Budget Committee has been presented with and understands the budget implications of this reorganization proposal.

Evidence: Analysis data; Job Comparisons (see Appendix); Academic Senate justification and input; College Council Agenda and Minutes 8/31/12, 9/7/12, 9/21/12, 10/5/12, 10/16/12; Budget Committee Agenda and Minutes 8/16/12, 9/6/12, 10/5/12, 10/21/12; Revised Job Descriptions (see Appendix)

8. *The Commission requires …demonstration that the institution meets the Eligibility Requirement 5: The institution has sufficient staff, with appropriate preparation and experience to provide the administrative services necessary to support its mission and purpose.*
   Status: In Compliance

9. *The Commission requires PVC to provide an analysis of its staff, educational programs and services as reconfigured after the loss of 30% of its personnel.*
   Status: Analysis Completed

10. *The Commission is concerned by the recent 30% reduction in staff at the College and requires that the College evaluate the impact of this reduction on educational quality and institutional effectiveness overall (relates to Eligibility Requirement 5).*
    Status: Analysis Completed and On-Going Over-Sight

11. *The Commission requires …demonstration that the institution meets the 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.*
    Status: In Compliance

Response to Items # 8, #9, #10, and #11: In this response, the College is addressing the Commission's personnel concerns noted as items #8, #9, #10, and #11 as noted in the July 2, 2012 letter.

It is important that this report clarify the statement by the Interim Superintendent/ President made at the Commission meeting in June 2012 regarding the 30% reduction in staff. The comment was not clearly articulated and made as a general comment emphasizing that a significant number of staff reductions have occurred. These reductions did not occur only in spring 2012, but over a period of time as noted in the charts and tables on the following pages, and represents administrative, management, and classified staff vacancies in total.

The data shows that the majority of the non-filled vacancies occurred within administrative and management ranks. The Interim Superintendent/President discussed with the College community at several meetings last spring that the most difficult positions <u>not</u> to replace are classified staff because their front-line role in providing direct services (to students and staff) could not be easily eliminated.

Analysis: The charts and data below and on the following pages were used to assess whether or not there is sufficient staff (administrative, management, and classified employees) to maintain quality and program integrity in instruction, student support, and operations. The data is also being used to substantiate to the Commission that the College is not only sensitive to the impact of staff reductions, but monitoring the impact while being in full compliance with Accreditation Standards at current staffing levels as augmented by temporary or contractual support.

The number of employees needed to meet instructional, student support, and operational integrity, and meeting Accreditation Standard compliance is reflective of the number of students enrolled, the numbers of students served, the number of buildings, and the number of employees at Palo Verde College.

# of Non-Academic Employees by Classification 2010 – Present

YEAR	ADMINISTRATORS	CLASSIFIED MANAGEMENT/CONFIDENITAL		CLASSIFIED
2010-11	4	15.5	2	43
2011-12	3	11	2	39
Fall 2012	2	11*	3	32.5**

*****Includes one grant-funded manager and one manager on a one-year temporary teaching assignment
**Includes one classified employee on a one-year temporary teaching assignment

Data Relevant to Effective Personnel Resources

YEAR	CREDIT FTES			TOTAL CREDIT FTES	NON-CREDIT FTES	TOTALS
	FACE-TO-FACE	DISTANCE EDUCATION	Instructional Service Agreements	1 FTES = $4,564.83	1 FTES = $2,794.46	
2011-12	**563.21**	**532.43**	**287.32**	**1374.85**	**8.11**	**1382.96**

2011-12 Financial Aid Duplicated Recipients	Pell Grant: 437 BOGW: 2010 FSEOG: 54 FWS: 16 Cal Grant: 65 EOPS Book Voucher: 97
2011-12 New Student Admissions	Approximately 600
Fall 2012 Current Enrollment	Approximately 800
2011-12 DSPS Students	209

Palo Verde College Facility Overview in Determining Staffing for M & O

Name	Total Assignable Sq. Ft.		Year Build
	External	Internal	
1. College Services Building	45,616	27,209	2000
2. Classroom/Laboratory Center	42,409	23,107	2000
3. Technology Building	26,207	16,834	2006
4. Physical Education Complex	26,565	23,254	2007
5. Fine & Performing Arts Center	n/a	37,033	2012
Totals for Planning Purposes:	140,797	127,437	

Contacts in Offices

Staff is currently completing "tally sheets" as shown below to document the number of contacts each week. This data is being gathered to assess work load to identify areas with greater-or-lesser staff needs.

	August 13-31			September				October				November				December			
	WEEKS																		
Area:	2nd	/3RD	4TH	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Admissions	167	211	71	147	106	124	179												
Cal Works	n/a			30	35	22	4												
Counseling	78	96	38	30	17	45	43												
Distance Ed	197	171	209	9	173	109	62												
EOP&S	45	51	29	19	62	12	10												
Finan'l Aid	n/a: estimate of 120 contacts/day																		
Fiscal & Human Services	2061 total for all areas			601	529	806	1103												
IT	402	730	336	630	463	732	813												
Library	350	350	358	143	136	109	122												
Front Desk	940	1006	n/a																
Instruction	20	7	4	3	5	4	4												
Needles	171	172	130	90	132	128	163												
Pres.Office		166	114	276	203	316	469												
Pres.Office/ Board	109	68	28	143	177	235	200												
Stu. Activities	n/a			19	23	9	3												
Stu. Services	152	117	81	33	51	33	21												
VPI/SS	82	52	89	111	93	60	71												

No support services to students have been reduced, nor days or hours of service as a result of the reduction in the number of employees.

Analysis of Current Staff Totals and Justification for Non-Replacements:

For all vacancies, it is prudent to evaluate the need to replace a position before automatically doing so. This is a standard human resource practice at most community colleges.

Administrative Staffing:

Current total = 2 (represents a 50% reduction since 2010-11)

Under Current Review: See Response to Item #7 as previously submitted on pages 20-28 .

Classified Management Staffing:

Current total =11 (represents a 25% reduction since 2010-11) with one manager currently teaching full-time as a 1 year temporary assignment; returning to management in June, 2013.

Vacant Registrar's Position: For the vacant Registrar's position, staff was asked to assess whether or not they could maintain the integrity of services and operations in Admissions and Records if a position was not replaced. Previously, the A&R area existed with only three staff. The question was asked as to whether they could perform with 3 staff again? Staff met and concluded that with the advancements in Datatel, they could go back to their previous staffing level of three (previously, an additional staff member was added prior to the electronic conversion of applications). The amount of paper processed has

decreased as a result of improved Datatel advancements, and staff supported the non-backfilling of the Assistant Director's position. In addition, the Registrar and the Assistant Director went through a deliberative process of reviewing each of their job descriptions to identify if there was any duplication of work effort. It was recommended by the Interim Vice President of Instructional and Student Services to reduce the staff level back to three due to the duplication of effort and that combining of the positions was realistic. As a result, the Registrar's position was retitled, "Director of Admissions and Records", and the Assistant Director, who meets the qualifications for the position, was reclassified as the Director, resulting in the elimination of the Assistant Director's position.

Vacant Director of Financial Aid Position: After review and discussion, it was recommended by staff, the external consultant to Financial Aid, and the Interim Vice President of Instructional and Student Services to backfill the Director's position and maintain the current support staff level of 3 to ensure integrity in providing financial aid service. The current staff level does not include a support staff position that was not back-filled in 2011. The College will continue to monitor staffing needs to ensure students are adequately served.

Justification for Prior Management Non-Replacements: The table below and on the following page identifies the Classified Management positions that were vacated and not replaced in 2010-11 or 2011-12.

Position Title	Status
Categorical Program Manager	This management position was established as 50% to provide a transition for managing the categorical programs which was not viewed as a full time position. The manager was responsible for overseeing the financial accountability for the College's categorical programs. Since there are few and small in nature, it was determined that the Fiscal Services Manager would assume this responsibility since all formats and protocols were already in place.
Director of Maintenance & Operations	The oversight of M&O was assigned temporarily to the Vice President of Instruction for 2011-12. The recommendation has been made to College Council to provide an Extra Duty Assignment for a current faculty member who teaches Construction and Trades and has the management, facility, and operations expertise. This proposal was supported by faculty in general and the CTA. The goal is to provide M & O leadership to oversee current operations beyond M&O day-to-day components, making recommendations for addressing budget, sophisticated electrical, HVAC, and operational issues as they arise. The current structure includes one Supervisor for Custodians and Grounds and 3.5 FTE support staff, with two 50% permanent part-time custodians being hired at this time. An assessment of the effectiveness of this decision will be made by June 2013.
Public Information Officer	Working relations are excellent with K-12 and the community at large. There is one newspaper that is printed on Wednesdays and Fridays for the College's service area. Because managers and Board members are involved in the Blythe and Needles Chambers, Rotaries, and other service organizations, it was determined that having a PIO, although valued, was not absolutely necessary when access to the newspaper and the public via the web is readily available. The Interim Superintendent/ President and Vice Presidents have carried the responsibilities for writing articles, public relations, promotions, marketing, and maintaining web visibility.

	This is not ideal but doable.
Bookstore Manager	The College no longer has an on-site bookstore and coordinated the elimination of the bookstore with the retirement of the Bookstore Manager. The College now uses the services of a virtual bookstore vendor to serve students' needs in this area.
Spring Street Manager	Non-credit and Community Services classes were previously offered at an off-site facility. Both are now being offered through the Office of Instruction and most of the classes are being offered on the Main Campus or at the Needles site. When the supervisor for these programs at the off-site location retired, the position was not back-filled as the need no longer existed.

Although there has been a significant reduction in Classified Management, the positions eliminated are justifiable as follows:

- The part-time manager for Categorical Programs was intended as a transition position and when the manager retired, the work was transitioned to the Fiscal Services Manger as planned.

- The Director of M & O is being temporarily addressed by providing for the Extra Duty Assignment as noted in the chart above.

- The non-replacement of the Public Information Officer is a loss, but one that is being temporarily addressed by a combination of effort between the Interim Superintendent/ President, Vice Presidents, and support staff and through the hiring of a local newspaper journalist to provide bi-monthly visibility in the *Palo Verde Valley Blythe/Quartzsite Times.* As previously noted, because the community is very small and PR needs are required to a lesser degree, the continuation of this position was not considered critical to the overall operations of the College taking into consideration the unknowns of the budget at the time of the retirement. The hope is that there will come a time when this position can be reconsidered in one form or another to provide marketing and promotional support to the College. Although there is a need for greater marketing and promotion that is not being done simply because of lack of time and lack of staff, the interim plan appears to be working satisfactorily.

- When the Bookstore Manager retired, the decision was made administratively to eliminate the bookstore, thereby eliminating the need for the replacement.

- Non-Credit and community services offerings were previously held at the College's Spring Street (downtown) site. Due to workload reductions as mandated by the State and changes in the non-credit protocols occurred, when the Spring Street Site Supervisor retired, the College eliminated both programs being offered at the Spring Street site and therefore also eliminated the need for replacing the Supervisor. Non-credit is currently being coordinated through the Interim Vice President and an hourly retiree serving as a consultant to assist in the identification of courses and faculty. This appears to be sufficient at this time.

Classified Staffing:
Total of 32.5 (21% reduction since 2010-12) with one Classified staff temporarily teaching full-time this year in a 1 year temporary assignment, returning to Classified status in June, 2013; and with one classified reduction due to the reclassification to Confidential status).

Current Staffing Patterns:

• Admissions and Records	2 total
• Business Services	2 total (down 2 from 2010-2011)
• Child Development Ctr	5.5 Full staffing as required
• Disabled Students	1.5 – no reduction
• Distance Education	1 temporary (down 2.5 from since Dec. 2010)
• EOP&S	1 no reduction
• Financial Aid	3 total (down 1 in June, 2011)
• Information Technology	4 – no reduction
• Instructional Services	1.5 (down 1 from 2010-12)
• Library	0 (down 2 from 2011-2012)
• M & O	4.5 total (down 4 from 2010-11)
• Student Services	3 – (down 1 from 2010-11)
• Title III	2 – no reduction
• Needles	1.5 (down 1 from 2010-11)
	32.5 (down 6.5 or approximately 18% from 2011-12)

The College recognizes that it has reached its base limit for the non-replacement of classified positions, although full instructional and student support services per Accreditation Standards are being provided without having to reduce hours or days of service.

The College acknowledges that reductions in classified staff over the past two years has required some adjustments, but has not been detrimental to service delivery. The non-replacements were due:

- to the elimination of programs as previously described
- the improvement in the Datatel system allowing for greater efficiencies
- the ability to transfer and internally compete per Ed. Code and the CSEA contract to meet demands
- the evaluation of job descriptions and vacant positions to ensure that there continues to be sufficient staff to maintain college support services and operations

If there were over-staffed areas in the past, that is no longer the case. Although operations are working well when everyone comes to work, there no longer is wiggle-room when someone is out for more than a day or two, and staff feels the absence and work pressure quickly because there are no extra staff to assist.

Administration recognizes that the number of classified staff has dwindled and has attempted to generate and hire “hourly-on-call” custodial, grounds, secretarial, and accounting staff, consistent with Education Code and the CSEA contract. The goal was to identify hourly staff who would be available on an “as-needed” basis (to temporarily provide additional assistance during a peak period or to back-fill for an employee who is out

on sick-leave). The College has had little success in recruiting, hiring, and retaining hourly-on-call except in the area of secretarial support. Part-time employment opportunities have been funded to provide relief when an absence occurs and where pressure-points (custodial, financial aid, etc.) are identified, but the Blythe area does not appear to have the employment base because the hourly jobs have gone unfilled.

Before automatically replacing a vacant position, the standard protocol is for the manager to assess the work load/need and submit a justification for replacement to the Superintendent/ President for backfill. That process has not changed. Unless a justification is submitted as to the non-replacement of the position, future vacant positions are anticipated to be replaced.

***Confidential Staffing*:**
Total of 3 (increased from 2 to 3 or 33%). The Payroll/Benefits Coordinator was negotiated through CSEA to remove this position from the bargaining unit to a "Confidential" employee due to the position's involvement in District negotiations, resulting in an increase in the number of Confidential employees from two to three.

Preliminary Identification of Personnel Resources "Hot Spots"

Palo Verde College understands that most community colleges are facing similar personnel challenges as employees vacate positions. PVC has developed contingency plans (hourly support, transfer of employees, competitive job announcement, etc.) where an unmet need has been identified to meet student and operational demands effectively. The College understands that it must continue to monitor each area to ensure the on-going provision of quality programs and services.

Although the College is meeting all of the Accreditation Standards with the current level of staff, inevitably, there are going to be unmet needs or areas that could use additional staffing. The areas noted below and on the following page are on the College's radar to monitor.

Based on the data being collected (tally sheets) and other data as reviewed and presented on pages 26 and 27, the following areas have been identified as "hot-spots" and potentially in need of additional permanent personnel support at some point in the future, whether as a manager or classified staff support. Through the College Council, a prioritization of personnel needs will be presented and reviewed for funding prior to the Budget Development process for 2013-14.

Palo Verde College realizes that it is prudent to wait for the outcome of the November elections before making permanent staffing decisions. This list is not conclusive but reflects the non-instructional areas of greatest need identified thus far. The areas listed below are not listed in priority order.

1. **Custodial Staff:**
   California Community College Average = 1 custodian /37,891 square feet
   Source: APPA Survey are reported in *The San Matean* in an article entitled, *"The Lowdown on Trash",* May 15, 2012

   The largest number of classified non-replacements has occurred in Maintenance & Operations. Palo Verde College is currently down one M&O full time manager, three

custodians/ grounds personnel, and one secretary. The secretarial work has been temporarily completed by splitting one of the secretary's job 50/50 between Nursing and M &O. The College is in the process of reviewing the secretary's position in M & O and potentially transferring some of the job duties to Purchasing/Accounts Payable and Fiscal Services since much of the work involves the ordering and monitoring of materials and processing contracts. The current full time staff is to be commended for their work ethics and for going over-and-above to complete work (taking into consideration they are also working to open the Fine and Performing Arts complex in a few weeks). Work with only four employees (1 working Supervisor and 3 staff) is being accomplished but some work is being delayed due to unanticipated event set-up and moves. Two, 50% permanent part time custodians are currently being hired to address unmet needs including service for the Fine & Performing Arts complex.

All emergency situations are being handled immediately and the interim plan of hiring a skilled faculty member for an extra duty assignment provides greater day-to-day leadership and guidance in addressing efficiencies to ensure adequate supervision of these operations.

2. **Distance Education**
   As the Distance Education program continues to grow, additional staff will be required to process the volumes of paperwork associated with correspondence classes, particularly as it applies to the prisons and the incarcerated students as this group of students do not have electronic access to the application for admission or registration and all transactions are completed by paper submittal. This and the turn-around time to process homework and assignments between faculty and students is often labor-intensive, demanding increased support and service capabilities.

3. **Financial Aid**
   There are currently three vacant Financial Aid positions: a Director and two support staff. The Director and one support staff are being filled. The other vacant position occurred over a year ago the situation is being monitored to determine whether or not that vacant position should be filled. Hours and days of service have been maintained.

4. **Library**
   The Library is currently managed by the faculty member responsible for the Library, and volunteer staff. The College is in the process of addressing Library staff deficiencies by either transferring a current staff member 50% or by approving one, permanent part-time staff as a temporary decision, with the intention of increasing the position to full time as soon as funding becomes available. Hours and days of service have been maintained.

5. **Maintenance & Operations Supervision**
   A temporary solution to the absence of management oversight for M & O has been identified for 2012-13 through the availability of a qualified faculty member to accept an extra duty assignment in this leadership capacity. This structure will be assessed and evaluated in the spring, 2013 to determine whether this is a viable temporary solution for the management of this important area of operations.

6. **Marketing and Outreach**
   There is pressure in outreach and marketing because there is no staff assigned these responsibilities. It is unrealistic to assume that for any length of duration that the Superintendent/President and senior management will write news articles or monitor promotions and outreach, but that is what is being done at this time. Managers and volunteer staff are picking up the slack when fliers need to be distributed throughout the community and for other outreach purposes. A community journalist and former PVC graduate is being contracted to provide college visibility in the local newspaper at a reasonable cost. Although this is a deficit, no instructional or student services are being impacted, reduced or eliminated to address this situation.

7. **Programmer and Data Base Administrator (classified positions)**
   Although the Datatel system has greatly improved the record-keeping efficiencies, programming and data base deficits remain, that if corrected or improved upon, would result in the ability to retrieve data in a more timely and efficient manner. The Title III grant is currently funding a programmer for the purpose of programming aspects of the Datatel system for the efficient retrieval of data. Once programmed and with the system operating efficiently, this grant-funded position will not be continued as a permanent position as the purpose for the position will be met upon completion of the programming projects. Similarly, the need for a staff member who manages and monitors all of the data and centralizes MIS, IPEDs, and other State and Federal reports, would provide greater work efficiency overall.

Academic Employees and the Fifty Percent Law Compliance:
Although the Fifty Percent Law was not addressed in the Commission's letter, an update is appropriate. For 2010-11, Palo Verde College received a waiver of the 50% from the Board of Governors based primarily on funds being spent to support the categorical programs. The Board of Governors approved the waiver for all but $23,176.00 which was applied to the 2012-13 instructional budget. The College was again not in compliance in 2011-12 and will be seeking another waiver for unanticipated and unbudgeted liabilities.

The College is in full compliance of the Fifty Percent Law for 2012-13, currently at approximately 52.1%. This was accomplished by transferring two qualified counselors, one classified manger, and one classified employee into full time teaching positions for this year. Even when the classified manager and employee return to their regular positions for 2013-14, the current projection is that the College will continue to be above 50%. This is due in part to the dollars saved through the incentive plans. Compliance to the Fifty Percent Law is being monitored and adjusted with every fiscal transaction to ensure on-going awareness and impact of every budget decision.

Through Program Review and addressing future unmet classroom needs, the Academic Senate will be identifying and prioritizing a list for new faculty hires in anticipation of a time when the State's budget stabilizes and new sources of income are realized. In the mean-time, full and part time qualified faculty are meeting instructional needs.

Summary of Staffing: The Budget Committee, College Council, and the College as a whole, are very proud of the fact that cost-savings measures and personnel incentives avoided lay-offs while maintaining strong instructional, student support, and operational integrity. In regards to the Commission's concern that, "*The Commission requires …demonstration that the institution meets the Eligibility Requirement 5: The institution has*

sufficient staff, with appropriate preparation and experience to provide the administrative services necessary to support its mission and purpose.", Palo Verde College acknowledges that it would be advantageous to add additional support staff in high-demand areas, but asserts that current staff levels are sufficient to provide the administrative services necessary to support our Mission and purpose. No services to students have been reduced or eliminated.

Administration recognizes that it has reached its baseline level of classified, management, and administrative staffing whereby anyone else who resigns or retires, will most likely need to be replaced. Staff is to be commended for their flexibility in adjusting to the request for transfer to meet internal demands to continue to accommodate the needs of students. Managers and administrators are also to be commended for their extraordinary efforts in assuming additional assignments and for doing much of their own work to free classified staff to provide a student-centered and customer-service environment.

The experience of going through such a reduction has also demonstrated that certain areas may have been over-staffed in the past, because current staffing levels are either adequate or near adequate with the pressure points becoming obvious, providing opportunities to re-examine staffing patterns and personnel resources, ensuring maximum operational efficiencies.

Palo Verde College has gone through a thoughtful and deliberate process to assess its classified, management, and administrative staffing needs. The College is more than able to meet Accreditation Standards and maintain integrity of its instructional, student service, and operational programs, thereby defending that it is in full compliance with all Accreditation Standards, even with staff reductions. Classified staff are highly dedicated and working hard to maintain a high level of service. Managers and administrators are taking on more of their own work without seeking the typical assistance of classified staff because everyone realizes that students come first, and that is the focus for where our efforts exist.

Evidence: Support data; discussions with staff; reorganization pending;

12. *The Commission requires …demonstration that the institution meets the Standard II.A, B, and C: The institution offers high-quality instructional programs, student support services, and library and learning support services that facilitate the demonstration of the achievement of stated student learning outcomes. The institution provides an environment that supports learning, enhances student understanding and appreciation of diversity, and encourages personal and civic responsibility as well as intellectual, aesthetic, and personal development for all of its students.*

Status: **In Compliance**

Response: The results from the 2010-11 Noel Levitz Student Satisfaction Survey indicates that overall, students are highly satisfied with the education and services received at Palo Verde College. Taking into account that this survey was taken two years ago, the College also takes into consideration the numbers of complaints about service or problems identified over the past 18-24 months. Relatively few problems or complaints have been registered and although staffing was reduced, attention to student needs was not.

Regarding … *The institution offers high-quality instructional programs, student support services, and library and learning support services that facilitate the demonstration of the*

*achievement of stated student learning outcomes…*Palo Verde College is in the process of completing all of their SLO/AUO assessments, meeting full compliance of the 2012 deadline.

Ensuring *high-quality instruction* is represented through program reviews conducted every 5 years; curriculum committee review of all courses, programs and degrees; library service and the availability of resources; evidence of transferability of virtually all eligible PVC courses, articulation with 4-year schools, and regular performance evaluations of all instructors and staff. As previously noted, the Noel-Levitz Student Satisfaction Survey results provided data demonstrating students' acknowledgement of the high quality and excellence of instruction and support services they receive.

Regarding *student learning*, the College includes the term, *"student learning",* in the Mission Statement and Statement of Values, and therefore is among PVC's guiding principles (2012-13 college catalog, page 12). Addressing student learning outcomes is a requirement of both instructional and non-instructional program reviews and has been since 2006. Program Review templates, as well as the Program Review reports, comment on, in one way or another, SLOs and their assessment. Listing SLOs is also required for each course outline of record. The Academic Senate approved a resolution in 2007 strongly encouraging the listing of SLOs in course syllabi.

The aspects of *learning, diversity, and civic responsibility* are included in the Statement of Values, along with the College Mission and Strategic Plan.

Regarding *diversity,* the College has developed Board Policy 7100 which makes the following commitment: "The District is committed to employing qualified administrators, faculty, and staff members who are dedicated to student success. The Board recognizes that diversity in the academic environment fosters cultural awareness, promotes mutual understanding and respect, and provides suitable role modes for all students. The Board is committed to hiring and staff development processes that support the goals of equal opportunity and diversity, and provide equal consideration for all qualified candidates." In addition, the College has related Board Policies regarding discrimination, sexual harassment, equal employment opportunity, workplace violence, and student equity. There is a section of the College Catalog addressing "cultural enrichment" as a component of student life. The College Council is also currently reviewing the mission statement to address diversity as a major element of the institution's mission.

The College has addressed *personal and civic responsibility* through student life and through the Institutional Learning Outcomes as noted:

> #3. Community and Global Awareness: Students will understand and empathize with diverse cultural, social, religious and linguistic differences within and across societies.
>
> #5. Personal and Professional Growth and Development: Students will develop personal, educational and career goals that promote self-reliance; lifelong learning; and physical, mental, and social well-being.

Board Policy 5500 regarding Student Rights and Responsibilities and the Student Code of Conduct, along with BP 5305, the Role of Students in Decision-Making and Governance all refer to aspects of *personal and civic responsibility.*

The College addresses the *intellectual and aesthetic…development* of students through a variety of ways including but not limited to course outlines, SLOs, and through the Institutional Learning Outcomes as specified below:

- Critical and Creative Thinking: Students will identify problems and collect data in order to analyze, interpret, explain and evaluate texts, ideas, works of art and scientific and mathematical problems.

- Communication: Students will communicate effectively and interactively in written, spoken or signed, and artistic forms.

- Information Competency: Students will identify and collect information effectively from a variety of sources and analyze, evaluate and apply information appropriately.

- Technological Competency: Students will effectively use contemporary technology relevant to their personal and career choices.

Monthly All-Staff meetings, Academic Senate meetings, Flex Days' Programs, and the like provide the opportunity for faculty to address critical issues related to program review, student learning outcomes, and other academically-related topics ensuring that the institution continues to provide an environment that promotes and enhances student learning.

Evidence: Noel Levitz Survey results; College Catalog; Institutional Learning Outcomes; course outlines, SLOs

13. *The Commission requires that Palo Verde College's Report demonstrate that the institution meets all of Standard III D and provides appropriate evidentiary documentation.*

Standard III D: 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.

1. *The institution relies upon its mission and goals as the foundation for financial planning.*

Status: **In Compliance and On-Going**

Response: Palo Verde College has regularly reviewed its Mission Statement as required but established a formal process commencing in August 2012, whereby the Mission is reviewed by the College Council at their first meeting of the fall semester each year for currency and relevancy, ultimately using the Mission for short and long-term strategic and financial planning.

College goals included in the Strategic Master Plan are reviewed annually and revised and updated as needed. The Board of Trustees will finalize their Institutional Goals on

October 16, 2012 which will be used by the College Council to review the College's strategic plan this fall. Both the Mission and the Strategic Master Planning Goals (see Appendix) are used as the foundation for financial planning.

Evidence: Mission Statement**;** College Council Agenda and Minutes: 8/31/12; 9/21/12; 10/5/12; 10/12/12; Program Reviews as related to the Mission Statement; Budget Committee Agendas and Minutes; Strategic Master Planning Goals; Board of Trustee Institutional Goals (see Appendix)

a. Financial planning is integrated with and supports all institutional planning.
Status: In Compliance; the Process of Being Up-Dated

Response: The PVC Budget Committee reviewed the Budget Development Process (shown in Chart 1 on the following page) and the Budget Priority Funding Process (shown in Chart 2 on the following page) last spring. Final review and approval of this process was approved by the Budget Committee at the October 4th Budget Committee meeting with the understanding the process will be evaluated and assessed in the spring and changes may be made if needed.

The PVC College Council is also expanding its integrated planning efforts by formalizing the timeline, structure, and processes to ensure college-wide understanding of the integrated strategic planning process and to demonstrate how all of the various sub-plans fit into the Master Plan. The concept of P-I-E (Plan – Implement – Evaluate) was considered to convey the first layer of the comprehensive planning process (Chart 3 as shown on page 38).

The College also understands the multiple layers of planning as shown in the charts on pages 39 and 40). The College Council is reviewing the overall structure of the Strategic Planning process as shown in Chart 5 on page 40 and its current Strategic Plan, which was last reviewed in fall 2011, to validate how Program Review drives the Strategic Plan, how the sub-plans coordinate within the Strategic Plan, and how it ties together in the budget development and planning process. The College Council intends for this review to be concluded by the end of the fall semester.

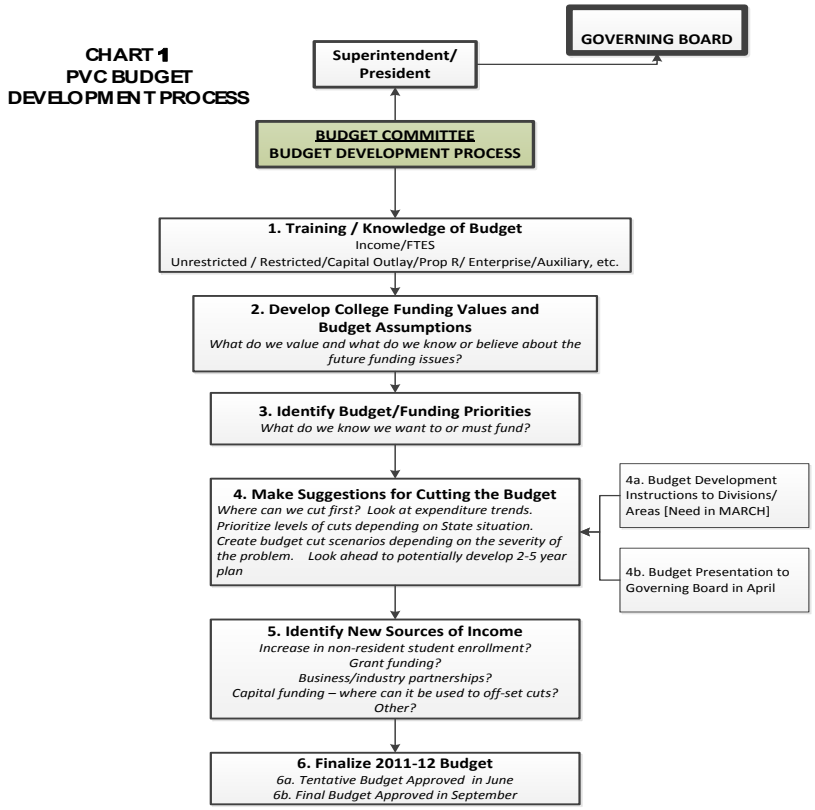
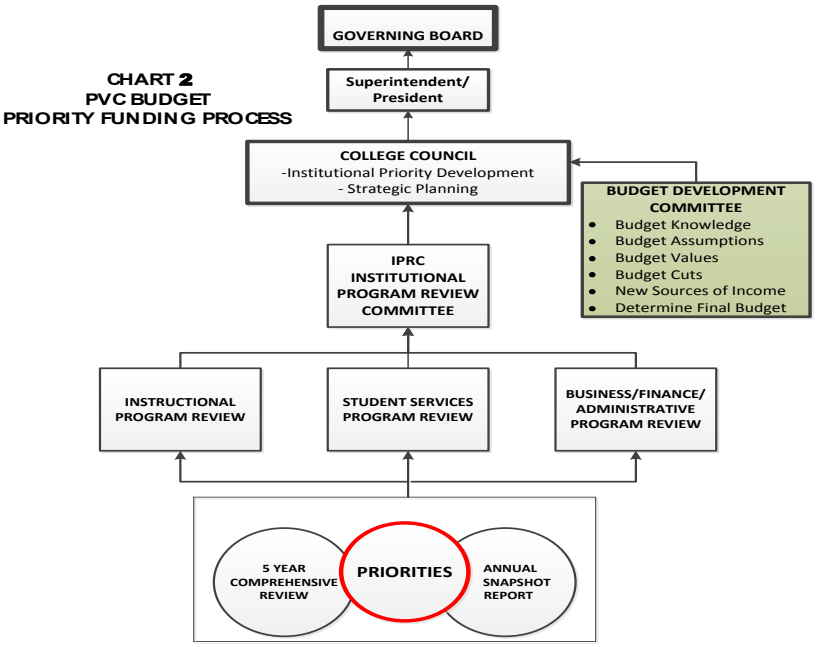


Chart 1 to the left graphically demonstrates the Budget Development Process at PVC, showing that the steps include:

1. Member Training
2. College Funding Values and Budget Assumptions
3. Identifying Budget Priorities
4. Budget Cost-Savings Measures
5. Identifying New Sources of Revenue
6. Finalizing the Budget

The Budget Development Process is intricately connected to, but not responsible for, the prioritization of institutional needs, ensuring that the College planning process guides the budget (and not the reverse). This is accomplished through the comprehensive Program Review process whereby needs are identified. The PVC Program Review Committee is currently considering the inclusion of an annual "Snapshot Report" that provides the opportunity for all areas to submit and annual update that includes areas of unmet needs that then can be prioritized by College Council for funding.



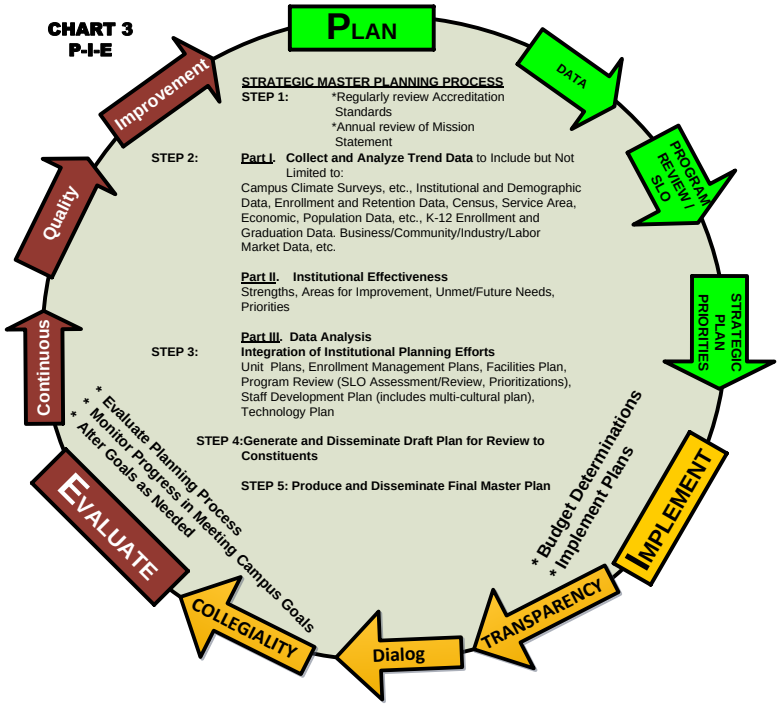
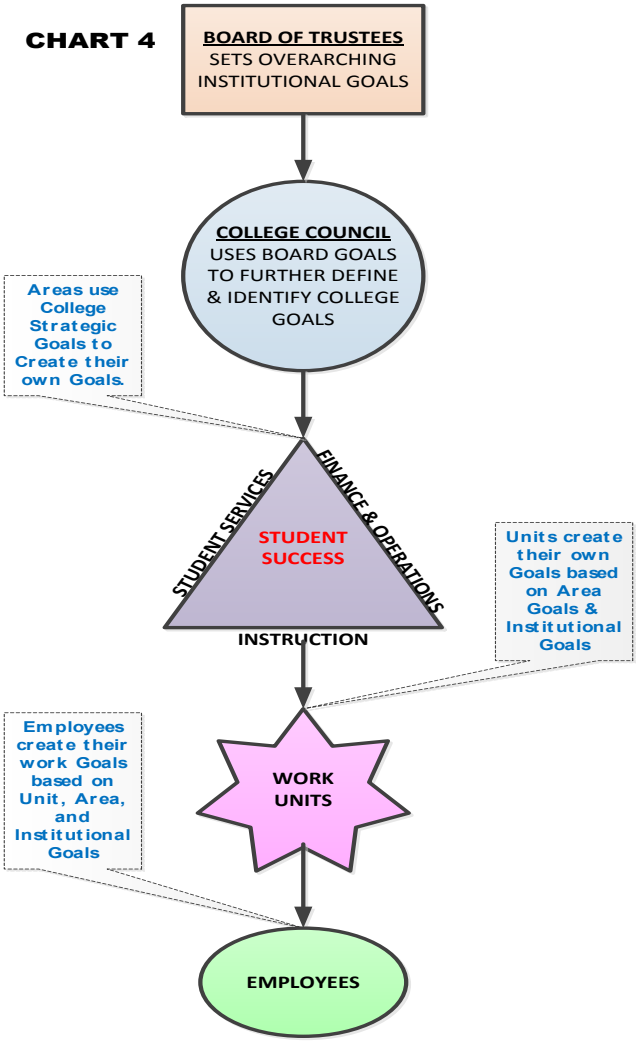
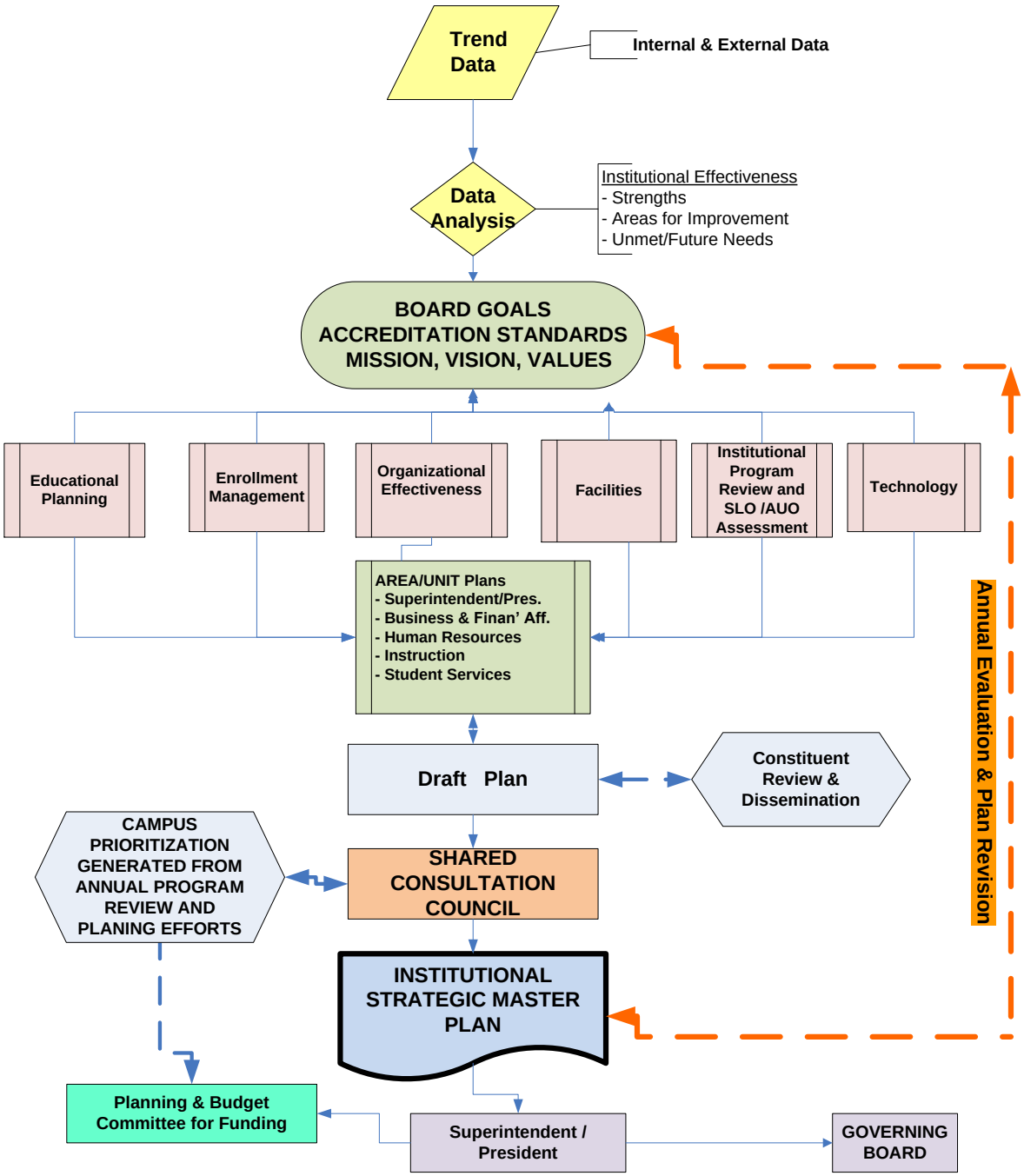


Chart 4 depicts how strategic planning includes layers and emanates throughout the entire organization.

The College Council is in the process of formally defining their current Integrated Strategic Planning as noted in the draft flow chart shown on the following page.



D R A F T -- INTEGRATED STRATEGIC PLANNING PROCESS THROUGH THE COLLEGE COUNCIL



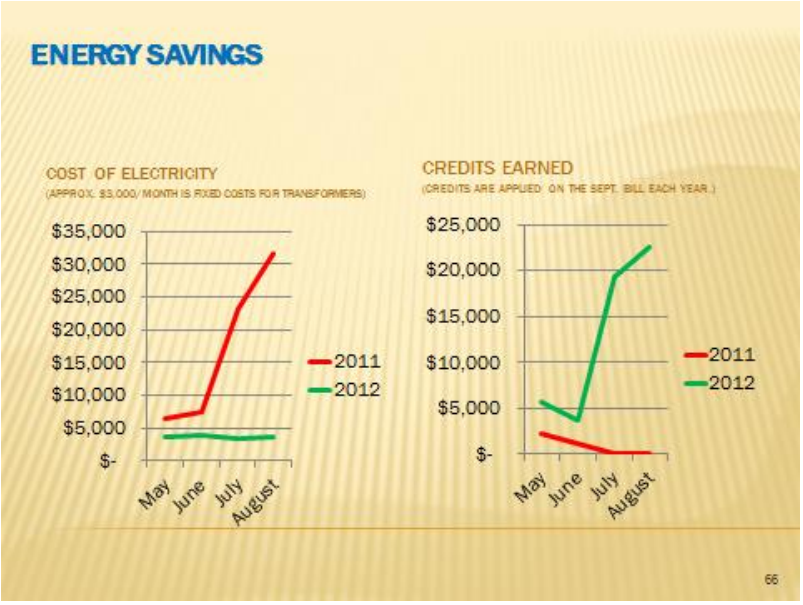
Draft 08/31/12

Evidence: College Council Retreat Powerpoint presentation, 8/31/12; Institute Day Powerpoint presentation, 9/7/12; College Council Agenda and Minutes: 8/31/12; 9/20/12; 10/12/12; Budget Committee Agenda and Minutes: 5/8/12, 5/15/12, 5/24/12, 9/6/12, 10/4/12, 10/21/12; Budget Development Process Flow Chart; Budget Planning Process Flow Chart; Strategic Planning P-I-E Graphic; Layers of Planning Graphic; PVC Strategic Plan; Board Resolution on Leadership & Governance

b. *Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.*
Status: In Compliance, On-Going and Being Refined

Response: The Budget Committee meets bi-monthly, or as needed, to address budget issues. On-going discussions and presentations are made regarding the realistic assessment of the College's financial resources. The Committee is not only dealing with maintaining a balanced budget by addressing expenditure requirements (while ensuring instructional, student support, and operational integrity), but is also considering other options for resource development. The Budget Committee realizes that the institution needs to identify and commit to a Debt Mitigation Plan along with one or two major sources of new revenue sources within the next year to begin the revenue generation process.

In addition to considering new sources of revenue, a major effort has taken place to scrutinize every contract and invoice for accuracy. The College has also moved to a conscientious "quote" process for the acquisition of services. Services that have been provided to the College are now being revised through an RFP or quote process to ensure the greatest cost efficiency. Cost savings have occurred in pest control, SCE, copiers, and HVAC maintenance through this new internal process with recognized savings. Of particular interest is the savings identified through energy conservation measures that were initiated last spring. The Energy Savings comparisons below show a demonstrated savings of over $30,000 between 2010-11 and 2011-12 for the months of May-June-July-August due to these efforts. SCE recently completed an energy audit in which most items are being implemented to realize additional savings in the future. A comprehensive transparent process is being used to monitor expenditure requirements.



Evidence: College Council and Budget Committee Agendas and Minutes from Spring 2011; 8/31/12; 9/6/12; 10/4/12; 10/5/12; 10/21/12; SCE Energy Audit; Energy Savings Data

c. When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability.
Status: In Compliance and On-Going

Response: When making short-range financial plans or decisions, the Budget Committee, the Chief Business Officer, the Interim Superintendent/President and the Board of Trustees deliberately consider the long-range implications of every decision. No immediate decisions with financial implications are made without consideration for the future impacts.

Evidence: Budget Committee Agendas and Minutes from Spring 2011, 9/6/12, 10/4/12, 10/21/12; Materials distributed to the Budget Committee; Dialog with the Budget Committee, CBO, and Interim Superintendent/President.

d. The institution clearly identifies and plans for payment of liabilities and future obligations. **Previously responded to on pages 12-15.**

2. The institution clearly defines and follows its guidelines and process for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

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.
Status: In Compliance and On-Going

Response to Item #2 and #a: The College went through an RFP process in the spring 2012 to identify a new audit firm. C.M Brahmbhatt, financial expert/consultant, and Fiscal Services Officer reviewed the submitted documents, references were checked, and the firm of Messner & Hadley, LLP was hired to complete the institution's audit. Representatives from the firm interviewed staff in June 2012 and preparations are underway for the audit. Institutional responses to previous audits are documented and in order. The audit is provided as public information when it is submitted to the Board for approval, available on the web site (under Board agenda items), and is sent to the District's Dissemination Compliance Officer at Deutsch Bank for publication on EMMA for full public disclosure.

Evidence: RFP for audit services; Board audit approval; prior Audit Reports; EMMA PVC audit publication; audit availability on the PVC web site.

b. Appropriate financial information is provided throughout the institution.
Status: In Compliance and On-Going

Response: The College Council and the Budget Committee verified to the previous Visitation Team that full transparency and disclosure exists regarding all aspects of the budget. This has continued. Regular budget meetings are held and open to the entire campus with broad attendance and interest. Publications in the form of documents, emails, meeting materials, college and Board

powerpoint presentations have been made to provide the most up-to-date information regarding budget information.

Evidence: Spring 2012 College-wide Budget powerpoint presentation; Board of Trustees powerpoint presentation and materials May 2012 and August 2012; College Council Retreat powerpoint presentation, 8/31/12; Institute Day Powerpoint presentation, 9/7/12; College Council Agenda and Minutes: 8/31/12; 10/5/12; 9/20/12; 10/12/12; Budget Committee Agenda and Minutes: 5/8/12, 5/15/12, 5/24/12, 9/6/12, 10/4/12, 10/21/12;

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.*
Status: **In Compliance and On-Going**

Response: The College is monitoring its cash flow to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences. Cash flow projections and calculations (see Appendix) have been developed and plans to ensure reliability have been made.

Cash flow is monitored (Appendix 6) to ensure the District stays on track with cash flow projections. During the 2012-13 fiscal year, the District applied for and received a TRANs in the amount of $1,263,744.69. The College is monitoring cash flow on nearly a daily basis. This high level, cash flow projection process is necessary to plan for the need of a TRANs, State apportionment deferral exemptions, or temporary borrowing.

The cash flow projection is presented through 12/31/12 with the known figures from the state. Once the November election is settled, the district will know which cash flow projection from the state to follow. If necessary, the district plans to either apply for a mid-year TRANs or an exemption from deferrals.

Evidence: Cash Flow Projection

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.*
Status: **In Compliance and On-Going**

Response: Palo Verde College manages and monitors all finances, including financial aid, grants, externally funded programs, contract, auxiliary funds, the Foundation, and institutional investments and assets. Careful oversight and day-to-day management is taking place by the Fiscal Services Manager, in consultation with the expert financial consultant, and Fred Harris at the Chancellor's Office when appropriate. The Interim Superintendent/ President is working closely with the Fiscal Services Manager to ensure that every aspect of the College's budget is monitored for accuracy, efficiency, and cost effectiveness.

Evidence: Budget documents; upcoming audit report for 2011-12; verification from the external financial consultant.

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.*
Status: **In Compliance and On-Going**

Response: Palo Verde College is in full budget compliance regarding the accounting practices and oversight for auxiliary activities, grants, contractual relationships, and the Foundation. Both the College and the Foundation is audited annually. A system of checks and balances, as required by the auditor, are in place. The Title III Federal Grant is monitored carefully to ensure financial and program compliance. Student Government and Student Activity accounts are run through the Fiscal Services Office and monitored carefully. There have been no issues related to maintaining the financial integrity of these operations.

Evidence: PVC Audit Reports; Foundation Audit Report

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.*
Status: **In Compliance and On-Going**

Response: Palo Verde College follows all of the regulations pertaining to the guidelines for contractual agreements and only those that comply with the Mission of the institution as governed by institutional policies and procedures are approved. As a small institution, the College has the standard contract agreements associated with the provision of Child Care. In addition, other contracts include but are not limited to areas of finance (for expert assistance), maintenance and operations, consulting agreements for specific purposes, and standard operational contracts. A quote or bid process is used when appropriate.

Evidence: All contracts are available for review.

g. *The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.*
Status: **In Compliance and On-Going**

Response: The College responds to the auditors' recommendation regarding management processes and makes modifications as advised. For example, Messner & Hadley, LLP (auditors) completed a review of management systems in June 2012 to ensure there were checks and balances within College operations whereby one individual does not have control over a single area. Reviews and adjustments were made in assignments regarding payroll and data entry to ensure these checks and balances. Because Palo Verde College is very small and there is often only one staff member responsible for a critical financial area, discussion was held with the auditors and staff to ensure caution and operational compliance

and integrity, taking into consideration the limitations resulting from having small staff numbers.

Management processes are continually being scrutinized for greater efficiencies and changes are made when these efficiencies are identified. In addition, the Administrative Services operation undergoes a regular Program Review cycle at which time surveys and input is provided and addressed.

Evidence: Interviews with staff regarding auditor input; Program Review Reports 2006 and 2011.

3. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.
Status: In Compliance and On-Going

Response: Palo Verde College is scrutinizing all of its financial decisions through the transparent submittal of budget information and materials as submitted to the Budget Committee and the Board of Trustees. Audit Reports are also used to verify the effective use of financial resources and corrections are made if an audit exception or problem is noted. In addition, the Administrative Services Office completed their last Program Review in 2011.

Evidence: Spring 2012 College-wide Budget powerpoint presentation; Board of Trustees powerpoint presentation and materials May 2012 and August 2012; College Council Retreat Powerpoint presentation, 8/31/12; Institute Day powerpoint presentation, 9/7/12; College Council Agenda and Minutes: 8/31/12; 9/20/12; 10/12/12; Budget Committee Agenda and Minutes: 5/8/12, 5/15/12, 5/24/12, 9/6/12, 10/4/12, 10/21/12; 2006 Administrative Services Program Review

14. *The Commission requires that the College Report demonstrate that the policies regarding governance and shared decision-making are completed.*
Status: In Compliance and Being Updated

Response: Board Policies 2510 and Administrative Procedures 2510 define the Board's and college constituency and leadership role in shared decision-making, In addition, the College Council is in the process of re-defining and putting in manual form the purpose, role, membership, decision-making procedures, and structure to document the role constituencies play in governance and shared decision-making. In the past, although compliant with Board Policies and Administrative Procedures 2510, the structure and process was informal.

At the College Council Retreat (August 31, 2012), on Institute Day on Sept. 7, 2012, and at the College Council meeting on September 20, 2012, presentations were made and discussions held regarding the purpose, role, membership, decision-making procedures, and structure. The Council agreed upon the following at their September 20th meeting:

Purpose: The purpose of the PVC College Council is to address the following areas of decision-making and college operations:

- Communication – to disseminate items to constituencies for input and feedback
- Issue Management – to address general college-wide issues of concern

- Policy & Procedure Development – to prepare and finalize college policies & procedures
- Strategic Planning – to serve as the responsible body for the comprehensive Strategic Planning process for the institution

Roles: The roles of each of the constituencies serving as members are outlined in Board Policy 2510 as follows:

Academic Senate(s) (Title 5, Sections 53200-53206)
The Board or its designees will consult collegially with the Academic Senate, as duly constituted with respect to academic and professional matters, as defined by law. Procedures to implement this section are developed collegially with the Academic Senate.

Staff (Title 5, Section 51023.5)
Staff shall be provided with opportunities to participate in the formulation and development of district policies and procedures that have a significant effect on staff. The opinions and recommendations of the Academic Senate, Faculty Association (CTA), Classified Staff, Associated Students and Administrators will be given every reasonable consideration.

Students (Title 5, Section 51023.7)
The Associated Students shall be given an opportunity to participate effectively in the formulation and development of district policies and procedures that have a significant effect on students, as defined by law. The recommendations and positions of the Associated Students will be given every reasonable consideration. The selection of student representatives to serve on district committees or task forces shall be made after consultation with the Associated Students.

Membership: The members of College Council are to be representatives from key leadership constituency groups and the Chairs (or designee) from all of the sub-planning facets that feed into integrated planning:

- Academic Senate President or Designee
- Associated Student Government President or Designee
- CSEA President or Designee
- CTA President or Designee
- Management President or Designee
- Chairs or Designee
  - Accreditation
  - Educational Master Planning
  - Enrollment Management
  - Facilities and Safety
  - Information Technology
  - Staff Development
  - Student Success Task Force
  - Student & Staff Diversity

Ad Hoc/Resource

- Chief Instructional Officer
- Chief Student Services Officer
- Researcher

- Other as Needed

Decision-Making Procedures: The College Council values shared views and the concept of consensus, but was concerned that decision-making by consensus is not as efficient as a majority vote when making recommendations to the Superintendent/ President.

The current process for voting on items includes the provision of back-up materials, discussion, and time for the constituent leaders to take the item to their respective groups. The current decision-making process also values consensus and allows for further discussion when it is obvious that members disagree on the topic, or are simply not ready to vote.

The Council agreed that a majority-voting process will be used with the understanding that a delay in voting will occur to allow members the opportunity for further thought, review, and consideration when obvious disagreement prevails. Although most of their recommendations and votes are unanimous, the members recognized that the purpose of a decision-making process is to address those difficult situations where there is disagreement, respecting differing opinions, and allowing for a process that represents an attempt at consensus while using the majority voting method.

Meeting Ground Rules & Code of Civility: Although there appear to be no major issues regarding meeting ground rules or the way people treat each other, College Council recognizes that it is important to establish such guidelines and values before an issue occurs, setting in motion a college-wide protocol for how PVC conducts business. The College Council drafted the following Meeting Ground Rules and Code of Civility with the intention of disseminating the information and finalizing these guidelines by the end of the fall semester.

DRAFT - Meeting Ground Rules for Collegiality

- Once a decision is made by the group, the decision is final and represents the voice of the body.
- Stay on task. No side conversations. Avoid distractions. Be present.
- Focus on the issue, not the person.
- Thoughtful and respectful communication.
- No rank in the room; everyone has an equal voice.
- Be unconditionally principled in all matters.
- Assume the best intentions and go to the source.
- Call for a process check at anytime.
- Represent your constituent group with integrity.
- Honor timelines for starting, ending and breaks.
- Use an agenda agreed upon by the group.
- Use a facilitator, note taker, and time-keeper as needed.
- Acknowledge an 'elephant in the room' (unspoken issues) that may impede communication, with an agreed upon process by the committee.

DRAFT - RESOLUTION ON CIVIL AND COLLEGIAL CONDUCT

WHEREAS, we, the faculty, staff and administration of Palo Verde College, seek to uphold the highest standards of civil and collegial conduct; and

WHEREAS, we recognize that civil and collegial conduct are demonstrated by respect for others; and

WHEREAS, we recognize that uncivil and non-collegial behavior adversely affects the rights of others, and detracts from the stature of the College; and

WHEREAS, we recognize that civility and collegial conduct are essential cultural components of an effective community college; and

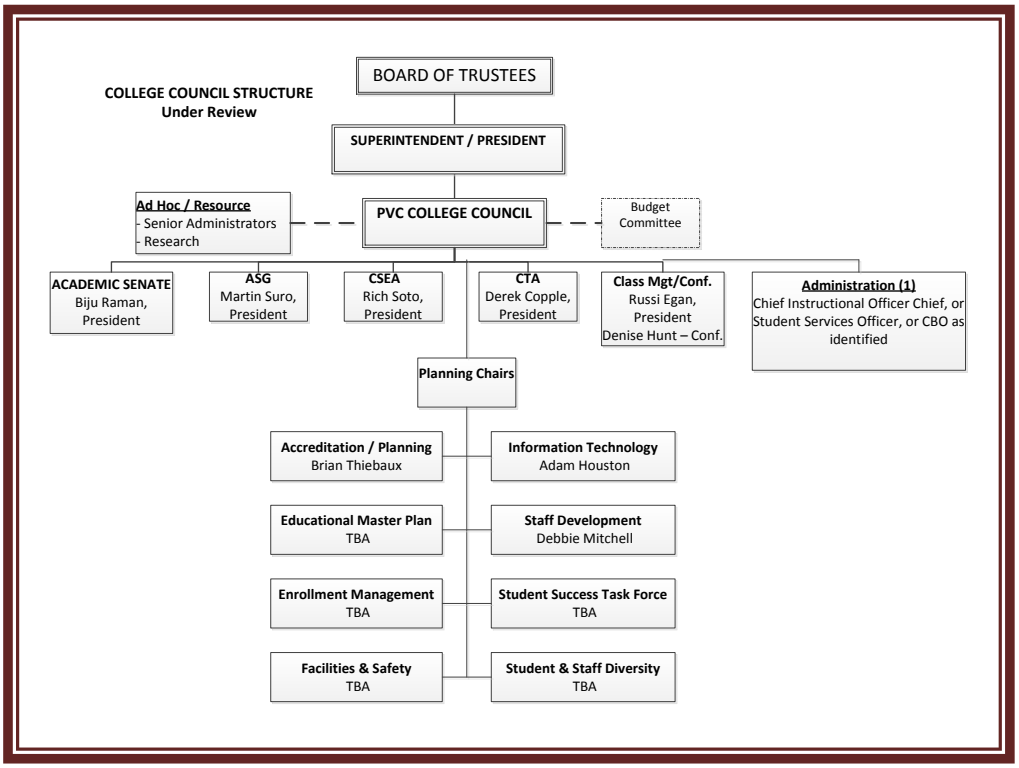
WHEREAS, we affirm that civility and collegial conduct are necessary to:

- Retain talented and productive employees;
- Maintain ethics and integrity;
- Preserve continuous improvement;
- Promote employee loyalty and commitment; and

WHEREAS, we, in spirit of professionalism, will maintain high standards of civility and collegial conduct through a process of self-regulation,

THEREFORE, we will uphold the highest standards of civil and collegial conduct in with one another, with students and with the public.

Both draft statements are being reviewed by College Council with an anticipated approval by the end of the semester.



College Council Organizational Structure: Based on the decisions regarding membership, the organizational structure of the Palo Verde College is shown to the left.

Shared Decision-Making Process Documentation: College Council agreed that the development of a Palo Verde College Decision-Making Manual is a way to concisely include all of the components of shared decision-making as noted in Board Policy and Administrative Procedures 2510, and for Standard IV.A of Accreditation requirements. A Task Team is reviewing collegial consultation and shared decision-making manuals from other community colleges as a guide in the development of one for PVC. The goal is to have the PVC Shared Decision-Making Manual completed by the end of the fall semester.

To further demonstrate their understanding of, public commitment to, and support of the shared decision-making process, the Board of Trustees at their October 23, 2012 meeting also endorsed the following resolution:

PALO VERDE COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES ACCREDITATION RESOLUTION ON GOVERNANCE

WHEREAS, the Governing Board of Palo Verde Community College District (PVCCD) recognizes that the primary purpose of an ACCJC-accredited institution is to foster learning in its students and has established Accreditation Standards whereby institutions of higher learning are accredited[1];

WHEREAS, the Governing Board is committed to adhering to ethical leadership and governance standards;

WHEREAS, Accreditation Standard IV, *Leadership and Governance,* establishes that PVCCD *"recognizes and utilizes the contributions of leadership throughout the organization for continuous improvement of the institution.*[2]*;*

WHEREAS, Accreditation Standard IV, *Leadership and Governance,* establishes that *"Governance roles are designed to facilitate decisions that support student learning programs and services and improve institutional effectiveness, while acknowledging the designated responsibilities of the governing board and the chief administrator."*[3]*;*

WHEREAS, Accreditation Standard IV-A, *Decision-Making and Processes,* establishes that *"The institution recognizes that ethical and effective leadership throughout the organization enables the institution to identify institutional values, set and achieve goals, learn, and improve."*[4]*;*

WHEREAS, Accreditation Standard IV-A2, *Decision-Making and Processes,* further establishes that "*Institutional leaders create an environment for empowerment, innovation, and institutional excellence,.....* establishing and implementing "*…a written policy providing for faculty, staff, administrator, and student participation in decision-making processes",* with clearly defined roles in institutional governance"[5];

WHEREAS, Accreditation Standard IV-A3, *Decision-Making and Processes,* establishes that the discussion of ideas and effective communication among the College's constituencies are facilitated, "*Through established governance structures, processes, and practices,* so that *the governing board, administrators, faculty, staff, and students work together for the good of the institution."*[6]*;*

WHEREAS, Accreditation Standard IV-A3, *Decision-Making and Processes,* establishes that, "*The institution advocates and demonstrates honesty and integrity in its relationships with external agencies ….* and *agrees to comply with Accrediting Commission standards, policies, and guidelines…"*[7]*;*

WHEREAS, Accreditation Standard IV-A3, *Decision-Making and Processes,* establishes that, "*The role of leadership and the institution's governance and decision-making structures and processes are regularly evaluated to assure their integrity and effectiveness….and the results widely disseminated."*[8]*;*

THEREFORE BE IT RESOLVED, each member of the PVCCD Board of Trustees accepts and adheres to the ACCJC/WASC Accreditation Standards, particularly applicable to leadership and governance, as publicly witnessed and signed below this 23rd day of October, 2012.

Evidence: Board Policy and Administrative Procedures 2510; Board Self-Evaluation; College Council Agenda and Minutes from 8/31/12, 9/21/12, and 10/16/12; Draft of Shared Decision-Making Manual (forthcoming by the end of fall 2012); Board Resolution on Governance

15. *The Commission requires …demonstration that the institution meets Standard IV.B.1.c: The Governing Board has ultimate responsibility for educational quality, legal matters, and financial integrity.*

    B.1. The institution has a governing board that is responsible for establishing policies to assure the quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution. The governing board adheres to a clearly defined policy for selecting and evaluating the chief administrator for the college or the district/system.

    c. The governing board has ultimate responsibility for educational quality, legal matters, and financial integrity.

    Status: In Compliance

    Response to Item #15, B.1., and c.: The Palo Verde College Board of Trustees clearly understands that it is ultimately responsible for the educational quality, legal matters, and financial integrity, as demonstrated through Policies and Procedures, Board's Self-Evaluation, Board Performance Goals, Board Institutional Goals, and by Board Resolution approved at the October 23, 2012 meeting.

    The Board included financial items in their self-evaluation which was completed in public, approved on Sept. 11, 2012, and is included in Appendi2. Six Board members completed the Self-Evaluation (there is currently one vacant Board position). Specifically, the Board's self-evaluation included the items related to finance as noted below.

F. Business and Financial Management	Very Good	Good	Poor
1. Knowledge of revenue sources and judgment of the District's ability to support proposed programs.	✓	✓✓✓✓✓	
2. Perception of institutional needs.	✓✓	✓✓✓✓	
3. Alignment of the budget to local area educational needs and the Educational Master Plan of the District.	✓	✓✓✓✓✓	
4. Provisions for meeting long-term plans.	✓	✓✓✓✓✓	
5. Adequacy of financial reserves.	✓	✓✓✓✓	
6. Involvement in budget study/approval.	✓✓	✓✓✓✓	
7. Adequacy of plant/personnel security and insurance.	✓	✓✓?✓✓	
			✓

General Comments:

- This Board must work to become fully aware of revenue, expenditures and the development of a balanced budget that maintains excellent and appropriate learning programs that fulfill student needs.
- Transparency with financials is a must and we are delighted this has been instituted. Auditing firms must show accurate financial picture, also. It is an assumption on my part, that plant/security and insurance is adequate.
- This board member has stated and acknowledged openly that her knowledge and understanding fiscal matters is limited. However, oral briefings and written materials on the budget, financial reserves and my involvement in budget study/approval has assisted my understanding tremendously. On adequacy of reserves, believe 7% probably will not be adequate – has to be raised yearly.
- Training of PVCC board members has been through excellent meetings/seminars on fiscal measures, how the budget is formed – to assist us in the drastic financial situation the college is in currently. Regional and state –national meetings and participation therein has been limited by fact that local fiscal situation an status of college standing has taken priority.
- We thought we knew—more info recently – need work in Master Plan and budget coordination.

Regarding Board Policies, the Board of Trustees uses the Community College League of California's template for developing Board Policies and Procedures. Board Policies and Procedures exist in the following categories:

Chapter 1	The District
Chapter 2	Board Bylaws
Chapter 3	General Institution
Chapter 4	Academic Affairs
Chapter 5	Student Services
Chapter 6	Business and Fiscal Affairs
Chapter 7	Human Resources

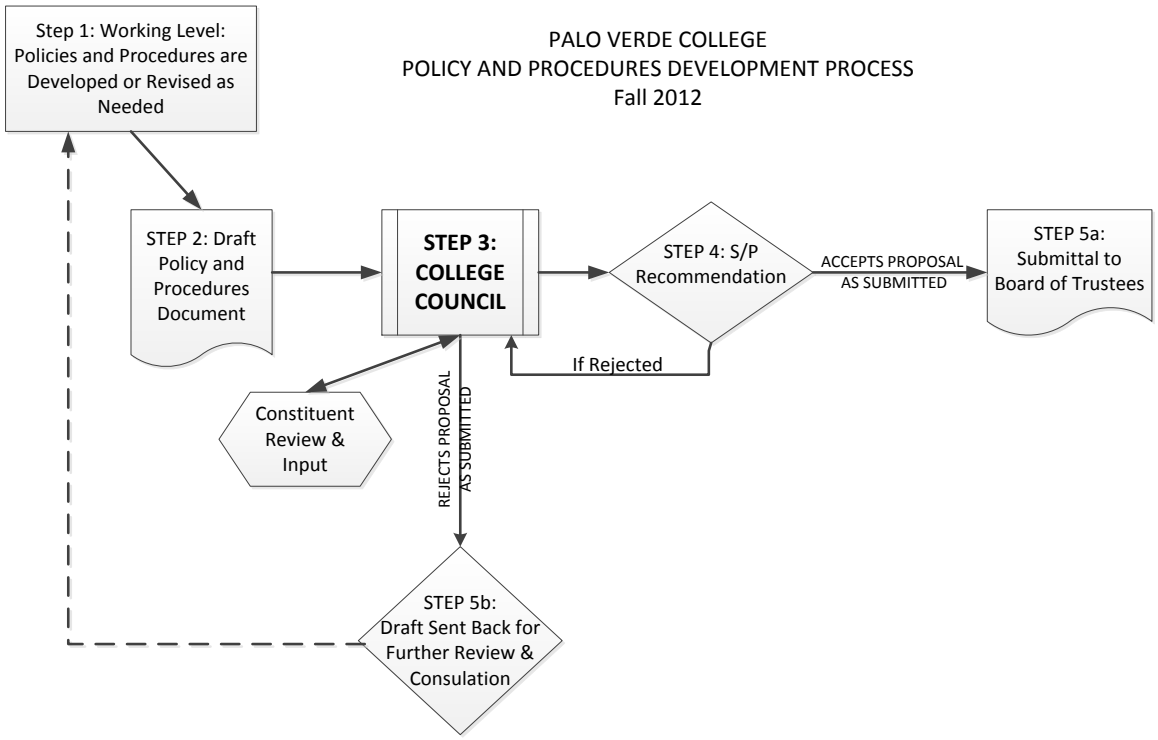
All policies and procedures are available on-line at www.paloverde.edu/visitors/ board of trustees / board policies and procedures.

The process for the development and review of policies is straightforward as follows:

1. New or revised policies and procedures are initiated at the senior management level whereby draft documents are formulated;

2. College Council reviews, discusses, seeks constituent input, and recommends to the Superintendent/President, acceptance or denial of the submittal.
3. a. Acceptance: If the Superintendent/President accepts the recommendation, the policy is submitted to the Board of Trustees for 1st and 2nd reading before final approval.
   b. Denial: If College Council recommends denial, the policy/procedures draft document goes back to the initiating manager for revision and further discussion.

The diagram on the following page depicts the policy and procedure development and review at Palo Verde College:



When applicable, PVC uses the Policy and Procedures templates as provided by CCLC.

The Board also has finalized their Board Performance Goals which includes components related to fiscal operations and financial integrity as shown below and on the following page. All of the Board's Performance Goals are included in Appendices 11. The Board's Performance Goals will be presented at the November 13th regular Board meeting for 1st reading with the 2nd reading and approval taking place at their Dec. 11, 2012 meeting.

F. Business and Financial Management

Self-Evaluation Item	Performance Goal	Measurement
1. Knowledge of revenue sources and judgment of the District's ability to support proposed programs. 2. Perception of institutional needs.	1. Proficient in understanding the District budget, revenues, and challenges. (F-1, 3, 4, 5, 6)	• Budget Workshops • Board Audit & Finance Committee Meetings/Minutes • College Budget

3. Alignment of the budget to local area educational needs and the Educational Master Plan of the District. 4. Provisions for meeting long-term plans. 5. Adequacy of financial reserves. 6. Involvement in budget study/ approval. 7. Adequacy of plant/personnel security and insurance. 8. Recency of policies and procedures related to financial operations and fiscal integrity.		Committee • Established Board Goals
	2. Annually reviews College list of unmet needs, Educational Plan update. (F-2, 3, 4, 7)	• Planning Workshop/s • Updated master plan • S/P updates and reports
	3. Obtains specificity /clarity on the budget development process. (F-6)	
	4. Board Finance & Audit Committee meets no less than 4 times/year and makes regular reports to the Board. (F-1, 2, 3, 4, 5, 6, 8)	
	5. Review and update Finance-related policies and procedures. (F-8)	

In addition to identifying Board Performance Goals, the Board also have drafted for 1st reading at their November 13, 2012 regular meeting, ten (10) Board Institutional Goals which includes specific targeted goals involving fiscal management and operational integrity. The entire drafted institutional goals' document including the ten (10) goals is included in Appendices 12. The Board's Institutional Goals specifically related to the Commission's concerns are as follows:

PVC BOARD INSTITUTIONAL GOALS FOR 2012-14

as Developed on October 16, 2012

GOAL 1: Through conscientious collegiality and transparency, ensure that the College District's budget effectively addresses the current fiscal crisis, provides fiscal stability to maintain instructional, student support, and operational integrity, and provides planning for long-term financial stability.

GOAL 2: Ensure full restoration of Accreditation status and continue to use Accreditation Standards to guide integrated strategic planning, program review, SLO assessment, budget development, and college operations.

GOAL 3: Ensure the acquisition of FTES to meet targeted goals.

GOAL 6: Optimize resources through continued and conscientious energy and product conservation efforts.

GOAL 7: Consider options for the generation of new sources of revenue for and through programs, partnerships, and grants.

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.

The draft document of the Board's Institutional Goals will be disseminated to the College Council on October 30, 2012 for inclusion in the annual review of the Strategic Master Plan.

The Board has demonstrated through policy and procedures, self-evaluation, performance goals, institutional goals, and the most recent public resolution that they clearly understand that they are responsible for establishing policies to assure the quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution. They further understand they have ultimate responsibility for educational quality, legal matters, and the financial integrity of the institution.

Evidence: Board Policies; Board Self-Evaluation; Board Performance Goals; Board Institutional Goals; Board Resolution of Accreditation Standards commitment

16. *...and that the College submit evidence that the Governing Board has clearly defined responsibility for fiscal integrity. (ie policy language, annual calendars of board decision-making activities, minutes showing GB discussion of budget and the financial condition of the institution).*
Status: ***In Compliance***

Response: As noted in the previous response, the Board has demonstrated that they clearly understand that they are responsible for the fiscal integrity of the institution. To summarize, the Board provides evidence in the following manner:

1. Regular and Special Board meeting agendas and minutes
2. Board's Finance and Audit Committee agenda and minutes
3. 2011-12 Board Self-Evaluation
4. 1st Reading and pending final approval of their Board Performance Goals
5. 1st Reading and pending final approval of the Board's Institutional Goals
6. Fiscal Resolution as noted in the response to item #15
7. Policy Language as noted in the following Board Policies:
   - BP 2200 Board Duties and Responsibilities – consistent with CCLC template but currently under review by the Board Finance & Audit Committee to ensure clearly defined responsibility for fiscal integrity
   - BP 2220 Committees of the Board
   - BP 2510 Collegial Consultation
   - AP 2510 Collegial Consultation
   - BP 6200 Budget Preparation
   - AB 6200 Budget Preparation
   - BP 6250 Budget Management
   - AP 6250 Budget Management
   - BP 6300 Fiscal Management
   - AP 6300 Fiscal Management
   - AP 6300.1 Reserves and Other Funds
   - AP 6300.2 Accounting

- AP 6300.3 Warrants
- AP 6300.4 Payroll
- BP 6320 Investments
- AP 6320 Investments
- BP 6330 Purchasing
- AP 6330 Purchasing
- AP 6330.1 Purchase Orders and Requests
- BP 6335 Use of District Credit Cards
- AP 6335 Use of District Credit Cards
- BP6340 Contracts
- AP 6340 Bids and Contracts
- AP 6340.1 Contracts – Construction
- AP 6340.2 Contracts- Elec. Sys & Materials
- AP 6340.3 Contracts – Accessibility of IT
- AP 6340.4 Contracts – Personal Service
- AP 6340.5 Contracts – Vendors
- BP 6400 Audits
- AP 6400 Audits

8. 2012 Annual Calendar of Special Board meetings dedicated to the Board's Review of the College Finances and Financial Planning Process:

a.	February 14, 2012	COP Restructuring
b.	March 6, 2012	Contract Negotiations & Fiscal Implications
c.	May 8, 2012	2012-13 Budget Development Process Overview
d.	May 29, 2012	Special Meeting
e.	August 28, 2012	2012-13 Final Budget Overview and Self-Evaluation
f.	October 16, 2012	Annual Board Goals, Institutional Goals (including fiscal goals)
g.	November 27, 2012	TBD

9. 2012 Annual Calendar of Regular Board Meeting and Minutes is shown below. The 2013 calendar will be approved at the Board's annual organizational meeting on December 11, 2012. All meeting discussions are tape recorded reflecting discussions about the financial condition of the College. Agendas, minutes, and all supporting documents are available on the web at www.paloverde.edu/visitors/Board /of Trustees/Board Agendas and Minutes.

Annual Board Meeting Dates:	July – Dark
January 24, 2012	August 14, 2012
February 28, 2012	September 11, 2012
March 27, 2012	September 25, 2012
April 24, 2012	October 23, 2012
May 22, 2012	November 13, 2012
June 26,2012	December 11, 2012

10. Annual Calendar for the Board's Finance and Audit Committee Meetings (this committee was formed and finalized by the Board at its September 25, 2012 Regular Board meeting):
October 9, 2012 , November 13, 2012

To further demonstrate to the Commission that the Board understands their fiscal responsibilities, the following Resolution was approved at their October 23, 2012 meeting.

PALO VERDE COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES ACCREDITATION RESOLUTION
ON FISCAL INTEGRITY AND BOARD RESPONSIBILITY

WHEREAS, the Governing Board of Palo Verde Community College District (PVCCD) recognizes that the primary purpose of an ACCJC-accredited institution is to foster learning in its students and has established Accreditation Standards whereby institutions of higher learning are accredited[1];

WHEREAS, the Governing Board is committed to adhering to ethical leadership and governance standards;

WHEREAS, Accreditation Standard IV.B.1.c, *Leadership and Governance*, establishes that PVCCD *"recognizes that the Board has ultimate responsibility for educational quality, legal matters, and financial integrity.*[2]*"*;

WHEREAS, Accreditation Standard IV.B.1.c, *Leadership and Governance*, establishes that the Board of Trustees *"is responsible for establishing policies to assure the quality, integrity, and effectiveness of the student learning programs and services."*[3] *at Palo Verde College;*

WHEREAS, Accreditation Standard IV.B.1.c, *Leadership and Governance*, establishes that the Board of Trustees *"is responsible for establishing policies to assure the ….financial stability of the institution."*[4]*;*

WHEREAS, Accreditation Standard IV.B.1.c, *Leadership and Governance*, establishes that Board of Trustees " *…adheres to a clearly defined policy for selecting and evaluating the chief administrator for the college*"[5]*;*

WHEREAS, Accreditation Standard IV.B.1.c, *Leadership and Governance*, establishes that Board of Trustees *has ultimate responsibility for educational quality, legal matters, and financial integrity."*[6]*;*

THEREFORE BE IT RESOLVED, each member of the PVCCD Board of Trustees accepts and adheres to the ACCJC/WASC Accreditation Standards, particularly applicable to fiscal integrity and Board responsibility, as publicly witnessed and signed below this 23rd day of October, 2012.

Evidence: Tape recordings of fiscal discussions at Board meetings; Board Agendas and Minutes; Board's Finance and Audit Committee Agenda and Minutes; Board Self-Evaluation; Board Performance Goals; Board Institutional Goals; Board Policies and Procedures; Board Resolution Commitment to Fiscal Integrity

Summary Statement

Palo Verde College respectfully requests that based on the facts presented, that the *Probationary* sanction be lifted.

Palo Verde College has submitted this *Follow-Up Report* demonstrating that although the College has its fiscal and other challenges, the state of the institution's finances are stable.

The College asserts that it has demonstrated beyond a doubt that it has made thorough, thoughtful, and viable short and long-term financial stability and debt mitigation plans, eliminating the need for the institution to remain on *sanction*.