



**ACCREDITING  
COMMISSION  
for COMMUNITY and  
JUNIOR COLLEGES**

*Western Association  
of Schools and Colleges*

10 COMMERCIAL BOULEVARD  
SUITE 204  
NOVATO, CA 94949  
TELEPHONE: (415) 506-0234  
FAX: (415) 506-0238  
E-MAIL: [accjc@accjc.org](mailto:accjc@accjc.org)  
[www.accjc.org](http://www.accjc.org)

Chairperson  
SHERRILL L. AMADOR  
Public Member

Vice Chairperson  
STEVEN KINSELLA  
Administration

President  
BARBARA A. BENO

Vice President  
SUSAN B. CLIFFORD

Vice President  
KRISTA JOHNS

Vice President  
GARMAN JACK POND

Associate Vice President  
JOHN NIXON

Associate Vice President  
NORVAL WELLSFRY

July 3, 2013

Dr. Judy E. Walters  
Interim Chancellor  
Chabot-Las Positas Community College District  
7600 Dublin Blvd, 3rd Floor  
Dublin, CA 94568

**RECEIVED**

**JUL X 8 2013**

**CHANCELLOR  
CLPCCD**

Dear Chancellor Walters:

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, at its meeting June 5-7, 2013, reviewed the Special Report submitted by the Chabot-Las Positas Community College District.

The District reported that the District Budget Study Group approved and adopted a Funding Allocation Model that is to be utilized in the development of a 3-year budget cycle starting with the 2013-14 fiscal year. This has been approved by the Chancellor and the Board of Trustees. It was also reported that the District has eliminated deficit spending through expenditure reductions and increases in revenue due to the passage of Proposition 30. District reserves are now projected to exceed minimum requirements.

Member institutions are expected to meet Eligibility Requirements, Accreditation Standards, and Commission policies at all times during the six-year review cycle. In accordance with U.S. Department of Education regulations, institutions are expected to have fully resolved all deficiencies within two years of when they were first identified to the College, and to have addressed all recommendations. At the time of the next regularly scheduled visit, the evaluation teams to the District colleges will examine evidence in order to confirm that the described changes and steps taken to achieve full compliance with Standards have been sustained.

Please note that the next comprehensive evaluation of the colleges of the Chabot-Las Positas Community College District will occur in **fall 2015**.

On behalf of the Commission, I wish to express continuing interest in the institution's educational quality and students' success. Professional self-regulation is the most effective means of assuring institutional integrity, effectiveness, and educational quality.

Sincerely,

Barbara A. Beno, Ph.D.  
President

BAB/tl

cc: President, Board of Trustees

file



March 28, 2013

Barbara A. Beno, Ph.D.  
 President  
 Accrediting Commission for  
 Community and Junior Colleges  
 10 Commercial Blvd., Suite 204  
 Novato CA 94949

Dear Dr. Beno,

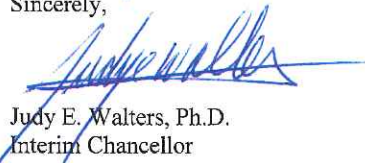
In response to the Commission's correspondence dated February 5, 2013, the Chabot-Las Positas Community College is pleased to submit three (3) hard copies of the Special Report.

The Special Report addresses the requested requirement for the Chabot-Las Positas Community College District to develop a long range budget to address deficit spending and low reserve levels. (Accreditation Standard III.D.3)

Additionally, we will submit the Special Report to the ACCJC's office in electronic format before the April 1, 2013 deadline. The Special Report includes narrative, evidentiary documents, and other supporting documents relevant to the report. The District used the ACCJC publication, *Guidelines for Preparing Institutional Reports to the Commission*, for presentation of report to the Commission.

Thank you for your assistance and if you have any questions, please feel free to contact me.

Sincerely,

  
 Judy E. Walters, Ph.D.  
 Interim Chancellor

**CHABOT-LAS POSITAS  
 COMMUNITY COLLEGE DISTRICT  
 BOARD OF TRUSTEES**

- 
- Arnulfo Cedillo, Ed.D., President
  - Marshall Mitzman, Ph.D., Secretary
  - Isobel F. Dvorsky
  - Donald L. "Dobie" Gelles
  - Hal G. Gin, Ed.D.
  - Barbara F. Mertes, Ph.D.
  - Carlo Vecchiarelli
- 

7600 Dublin Blvd., 3rd Floor  
 Dublin, CA 94568  
 Tel: 925-485-5208  
 www.clpccd.org

JW/ac

Encl. (3)

cc: SSperling  
 KWalters  
 File

Chabot-Las Positas Community College District

Response to Accrediting Commission for Community and  
Junior Colleges (ACCJC) – Request for a Special Report

Submitted by:  
Chabot-Las Positas Community College District  
Chabot College  
Las Positas College

---

7600 Dublin Blvd, 3<sup>rd</sup> Floor  
Dublin, CA 94568

---

Submitted to:  
Accrediting Commission for Community and Junior Colleges  
Western Association of Schools and Colleges

March 28, 2013

Response to Accrediting Commission for Junior and  
Community Colleges (ACCJC) – Request for a Special Report

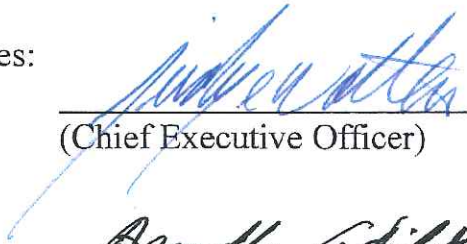
To: Accrediting Commission for Community and Junior Colleges  
Western Association of Schools and Colleges


From: Dr. Judy E. Walters  
Interim Chancellor

Chabot-Las Positas Community College District  
7600 Dublin Blvd., 3<sup>rd</sup> Floor  
Dublin, CA 94568

This is a certification attesting to the preparation and review of the Report

Signatures:

  
\_\_\_\_\_  
(Chief Executive Officer) 3/19/13  
Date

  
\_\_\_\_\_  
(Chairperson, Governing Board) 3/19/13  
Date

## Table of Contents

Statement of Report Preparation.....	4
Response to Financial Review Team Recommendation.....	6
Appendix A	
List of Participants .....	8
Appendix B	
New Budget Allocation Model.....	10
Appendix C	
Status of Deficit Spending.....	12
Appendix D	
Status of Reserve Level.....	13



## Statement of Report Preparation

This special report was prepared by Lorenzo Legaspi – Vice Chancellor, Business Services, Judy E. Walters - Interim Chancellor, Pushpa Swamy – Business Operations Coordinator, with input from: The Chancellor’s Executive Staff, District Budget Study Group and Chabot-Las Positas Community College District (CLPCCD) Board of Trustees. (Appendix A)

### History

In November 2009, the Accrediting Commission for Community and Junior Colleges (ACCJC) conducted a comprehensive site visit at the two colleges in the Chabot-Las Positas Community College District (CLPCCD): Chabot College and Las Positas College.

The ACCJC made the following recommendation under Standard IIIB.

“To meet the standards, the team recommends that the district and the college complete the evaluation of the resource allocation process in time for budget development for the 2010-2011 academic year, ensuring transparency and assessing the effectiveness of resource allocations in supporting operations”.

On September 4, 2012, the Accrediting Commission for Community and Junior Colleges notified the Chabot-Las Positas Community College District that after its review of the district’s Annual Fiscal Report (AFR), the District had been identified as having a potential financial risk. The reasons for the review were negative ending balance and significant enrollment loss.

In October 2012, Chabot College and Las Positas College submitted the Midterm Reports outlining the Progress Made, Analysis of Results Achieved, and Evidence, as required for a Midterm Report. The ACCJC accepted the reports from both colleges.

#### Evidence:

Chabot College Evaluation Report - College/District Recommendation 1 and Recommendation 2

<http://www.chabotcollege.edu/accreditation/documents/AccreditationEvaluation.pdf>

ACCJC Letter of Acceptance of Mid-Term Report from Chabot College

<http://www.chabotcollege.edu/accreditation/letter.asp>

Las Positas College Mid-Term Report – College/District Recommendation 1 and Recommendation 2

[http://www.laspositascollege.edu/accreditation/documents/01MidtermReportLPCFinal\\_10-15-12\\_withlinks.pdf](http://www.laspositascollege.edu/accreditation/documents/01MidtermReportLPCFinal_10-15-12_withlinks.pdf)

ACCJC Letter of Acceptance of Mid-Term Report from Las Positas College

<http://www.laspositascollege.edu/accreditation/documents/AccredMidtermLetter2-12-13LPC.pdf>

On December 18, 2012, the ACCJC notified the CLPCCD that the Financial Review Team had met and conducted an in-depth analysis of the institution's financial reports. The Team recommended that the District provide a Special Report to the Commission.

On February 5, 2013, the ACCJC requested that the Special Report be provided to the Commission by April 1, 2013. The purpose of the Special Report is to develop a long range budget plan to address deficit spending and low reserve.

### Progress

Since the writing of the Midterm Reports there was a Joint Consortium and several DBSG meetings held. The Interim Chancellor held a Joint Consortium Special Meeting on September 11, 2012 with Chancellor's Cabinet, Chancellor's Council and the DBSG. The purpose of the Consortium meeting was to create values (how we are going to heal ourselves and each other) that will be used as we work together throughout the year on various issues including the crafting of a Budget Allocation Model, and of CLPCCD, given the changes being made to education. The values and compelling statements from this work were carried forward as the DBSG continued to meet.

#### Evidence

<http://www.clpccd.org/board/Chancellor.php>

The DBSG met on October 26, 2012; November 16, 2012; December 7, 2012; January 25, 2013, February 8, 2013; and March 15, 2013.

#### Evidence

<http://www.clpccd.org/business/BusinessServicesDistrictBusinessBudgetStudyGroup.php>

## Response to Financial Review Team Recommendation

### Long Range Budget Plan

At its meeting on March 15, 2013, the DBSG approved and adopted a Funding Allocation Model (Appendix B) to be utilized in the development of a 3-year budget cycle starting with fiscal year 2013-14. A vote was taken with 20 yes, 3 noes and 3 abstained.

This model was recommended to the Chancellor, who in turn recommended it to the Board of Trustees at its March 19, 2013 meeting.

“Recommended Action: That the Board of Trustees approves the Funding Allocation Model recommended by the District Budget Study Group (DBSG) and the Chancellor. This approval is a commitment to a three (3) year budget cycle from 2013-14 to 2015-16 and is to be reviewed annually.

By this recommendation, the Board authorizes the Chancellor to develop Board Policy and Administrative Procedures utilizing the appropriate shared governance processes to implement this model beginning FY 2013-14. The Board also authorizes the Chancellor to conduct an external study of District Operations (District Office and Maintenance & Operations) to determine the appropriate size of District operations to support the Colleges. This study is to be completed within the FY 2013-14.”

The Board of Trustees unanimously approved the Funding Allocation Model recommended by the District Budget Study Group (DBSG) and the Chancellor. Adoption of the new model provides the District with the financial tool for long-range budget planning that addresses deficit spending and low reserves. This approval is a commitment to a three (3) year budget cycle from 2013-14 to 2015-16 and is to be reviewed annually.

Evidence:

Draft minutes of March 15, 2013 DBSG meeting

<http://www.clpccd.org/business/BusinessServicesDistrictBusinessBudgetStudyGroup.php>

Draft minutes of March 19, 2013 Board meeting

<http://www.clpccd.org/board/BoardAgendaArchives.php>

### Deficit Spending

The District has reversed its deficit spending as shown in Appendix C. For the 2012-13 fiscal year, district revenues are more than expenditures by about \$1.7 million. The two (2) main reasons for the reversal in deficit spending are: 1) expenditure reductions made by the district and 2) the passage of Proposition 30 and avoidance of mid-year trigger cuts.

Evidence:

Presentation to the Board - Budget Update for FY 2012-13 and New Allocation Model

<http://www.clpccd.org/business/documents/AllocationModelUpdate3-5-13BoardMtng-BoardPosting-Rev.c.pdf>



### Reserves

The District Reserve is now projected at \$7.6 million or about 8.37% of expenditures as shown in Appendix D. And with the district no longer deficit spending, the reserve is expected to increase above its current level. The new Funding Allocation Model also incorporates a process by which reserves can be increased district-wide and by location (College, District Office and Maintenance & Operations).

#### Evidence:

Presentation to the Board - Budget Update for FY 2012-13 and New Allocation Model

<http://www.clpccd.org/business/documents/AllocationModelUpdate3-5-13BoardMtng-BoardPosting-Rev.c.pdf>

March 15, 2013 Meeting Minutes

<http://www.clpccd.org/business/BusinessServicesDistrictBusinessBudgetStudyGroup.php>

March 19, 2013 Meeting Minutes <http://www.clpccd.org/board/BoardAgendaArchives.php>

The new Funding Allocation Model provides the district with a financial tool that gives the following:

- Treats all employees fairly
- Simple to understand
- It is Revenue Based
- Puts money out to Colleges
- The College Budget Committees are empowered to make decisions
- We are all responsible to live within our means
- Promotes accountability and transparency district-wide
- Incorporates a process to build back our RUMBL and Reserve
- Addresses ACCJC Accreditation Recommendations

A step- by- step narrative and the accompanying calculations are shown in Appendix B.

The new model was created using the following guidelines:

- It is perceived to be fair
- It is easily understood
- It works in good and bad times
- It creates the right incentive for performance

With the new model, the Chabot-Las Positas Community College District's financial position is transparent. The District has the tool to assess the effectiveness of resource allocation in supporting operations and monitoring the financial stability and integrity of the institution.

## Appendix A

### Chancellor's Executive Staff

Judy E. Walters – Interim Chancellor  
Jeffrey Kingston – Vice Chancellor, Education Planning  
Lorenzo Legaspi – Vice Chancellor, Business Services  
Wyman Fong – Vice Chancellor, Human Resources  
Susan Sperling – President, Chabot College  
Kevin Walthers – President, Las Positas College

### District Budget Study Group

Judy Walters - Interim Chancellor-Ex Officio  
Lorenzo Legaspi - V.C. Business Services  
Barbara Yesnosky- Director - Business Services  
Tim Nelson - Director - M&O  
Judy Hutchinson - Budget Officer - Ex Officio  
Joanne Bishop-Wilbur - Classified Senate  
Pedro RuizDe Castilla - Classified  
Linda Wilson – SEIU  
Pushpa Swamy – Business Operations Coordinator  
Kevin Walthers - Presidents- Ex Officio  
Susan Sperling - Presidents- Ex Officio  
Designee - Natasha Lang - V.P. Business Services  
Connie Willis - V.P. Business Services  
Janice Noble - V.P Academic Services  
Dale Wagoner (Interim) - V.P Academic Services  
Diana Rodriguez - V.P. Student Services  
Gerald Shimada (Interim) - V.P. Student Services  
Dave Fouquet - Faculty Association  
Kathy Kelley - Faculty Senate  
Charlotte Lofft - Faculty Senate  
Ming-Lun Ho - Faculty Senate  
Yvonne Wu-Craig - Classified Senate  
Gordon Watt - Classified  
Andrea Preciado- Student  
LaVaughn Hart - Faculty Association  
Sarah Thompson - Faculty Senate  
Bob D'Elena - Faculty Senate  
Justin Garoupa - Faculty Senate  
Todd Steffan - Classified Senate  
Heidi Ulrech - Classified  
Sundeep Sidhu- Student

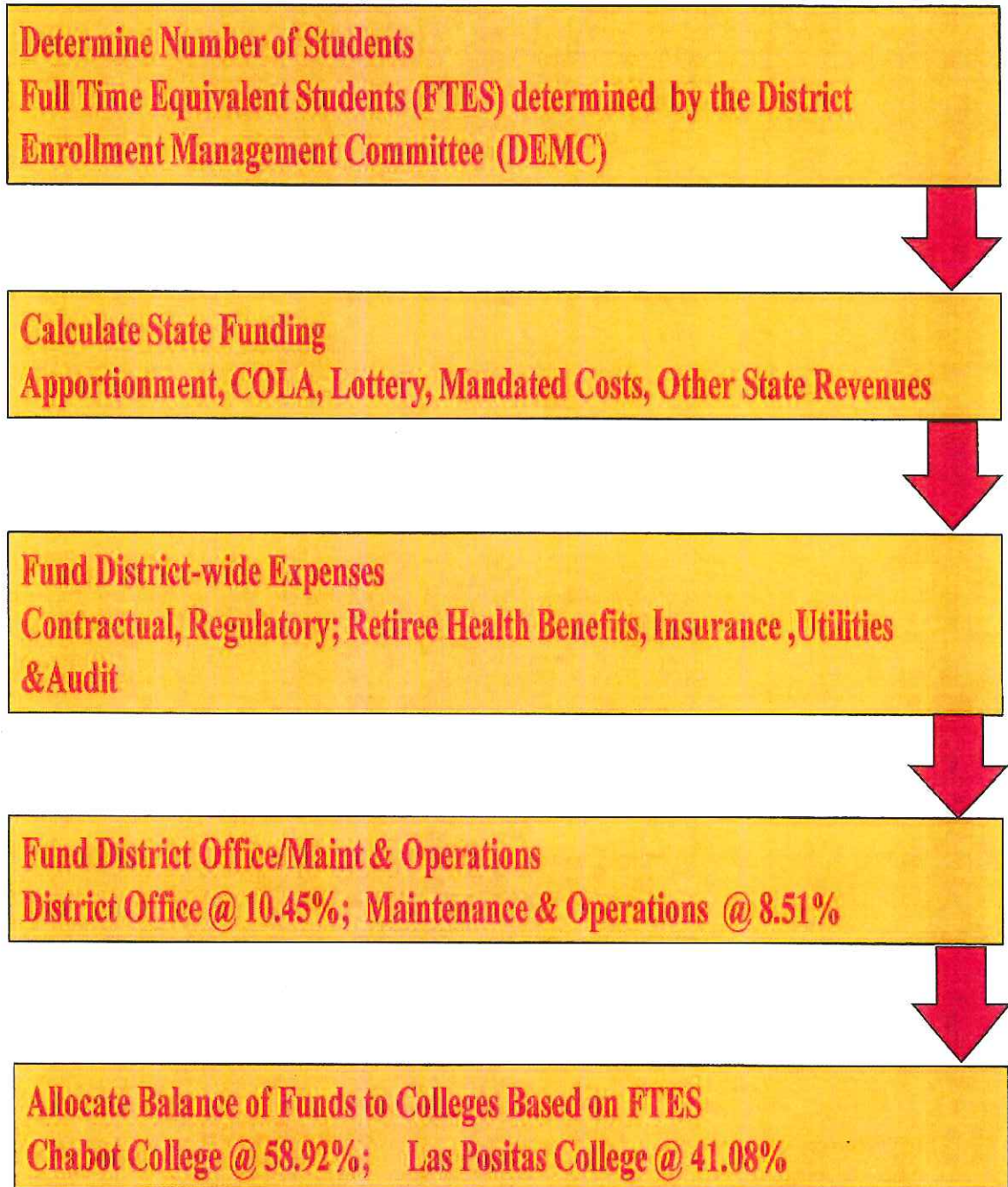
Appendix A – *Continued*

Board of Trustees

Arnulfo Cedillo, Ed.D. – President  
Marshall Mitzman, Ph.D. – Secretary  
Isobel F. Dvorsky  
Donald L. “Dobie” Gelles  
Hal G. Gin, Ed.D.  
Barbara F. Mertes, Ph.D.  
Carlo Vecchiarelli

Appendix B

**FUNDING ALLOCATION MODEL**



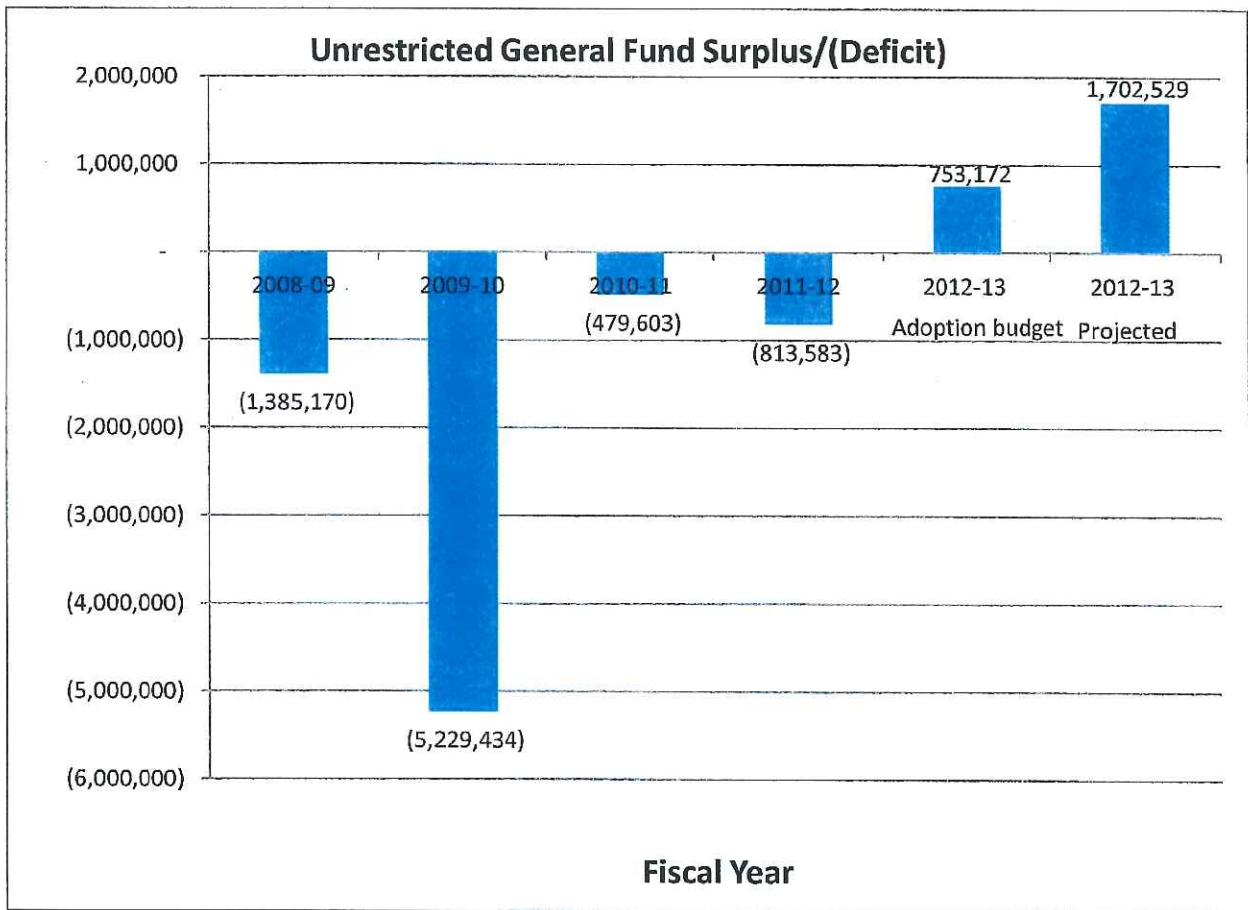


**Appendix B – continued**  
 Chabot/Las Positas Community College District  
 Budget Allocation Model  
 Approved March 19, 2013

<b>Determine Number of Students</b>	Funded FTES for 2013-14	<b>16,202</b>	<i>Assumptions</i>	
	BASE FTES (P1 12-13)	16,052.86	<i>Growth @ 1%</i> <i>COLA @ 1.66%</i>	
	<b>STEP 1</b>	<u>CHABOT</u>	<u>LAS POSITAS</u>	
	FUNDED FTES	<b>9,546</b>	<b>6,656</b>	
	RATIOS	58.92%	41.08%	
<b>Calculate State Funding</b>	<b>STEP 2</b>			
	APPORTIONMENT		\$82,364,490	
	Foundation w COLA		\$7,316,146	
	Growth		\$590,345	
	COLA (exclude Foundation)		\$1,215,820	
	Gen'l Apport (Enrollment Fees/Taxes/GA)		\$73,242,179	
	LOTTERY (\$126.22 @ 16052.86 P1 12-13)		\$2,026,192	
	MANDATED COSTS (\$28 @ 16,202)		\$453,656	
	OTHER STATE FAC REIMB		\$410,684	
	ALLOCATION REVENUES		<b>\$85,255,022</b>	
<b>Fund District-wide Expenses</b>	<b>STEP 3A</b>			
	Nursing/Dental Hygiene/Special Programs		-\$9,789,772	
	Contractual, Committed, Regulatory Costs		-\$575,000 *	
			<b>-\$10,364,772</b>	
	* funded based on 230 program FTES @ \$2,500 each			
	<b>STEP 3B (Step 2 less Step 3A)</b>		<b>\$74,890,250</b>	
<b>Fund District Office &amp; Maintenance</b>	<b>STEP 4</b>			
	DISTRICT OFFICE OPERATIONS	-10.45%	<b>-7,826,031</b>	DISTRICT RATIO
	MAINTENANCE/OPERATIONS	-8.51%	<b>-6,373,160</b>	M&O RATIO
	<b>STEP 5 REMAINDER</b>		\$60,691,059	
	<b>STEP 6 TOTAL</b>		-\$5,929,005	
	<b>BALANCE FOR STEP 7</b>		<b>\$54,762,054</b>	
<b>Allocate Balance of Funds to Colleges Based on FTES Ratio</b>			<u>CHABOT</u>	<u>LAS POSITAS</u>
	<b>STEP 6</b>			
	FOUNDATION ALLOCATION	\$3,939,463	\$3,376,683	
		\$3,192,541	\$2,736,464	
	<b>STEP 7</b>			
	FTES RATIOS	<u>\$32,265,802</u>	<u>\$22,496,252</u>	
	FORMULA ALLOCATION	<u>\$35,458,343</u>	<u>\$25,232,716</u>	
	TOTAL ALLOCATION	<b>\$35,458,343</b>	<b>\$25,232,716</b>	
	<b>STEP 8 LOCAL REVENUES TO BE ADDED</b>			
	<i>Implementation Phase Adjustments</i>			
FON POSITION ADJ 12@\$69,000	\$828,000	-\$828,000		
CHABOT NURS/DENTAL AUGMENT	<u>\$575,000</u>			

# Appendix C

## Status of Deficit Spending



## Appendix D

### Status of Reserve Level

