

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, 3rd 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., 3rd 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

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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

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/AllocationModelUpdate3-5-13BoardMtnng-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

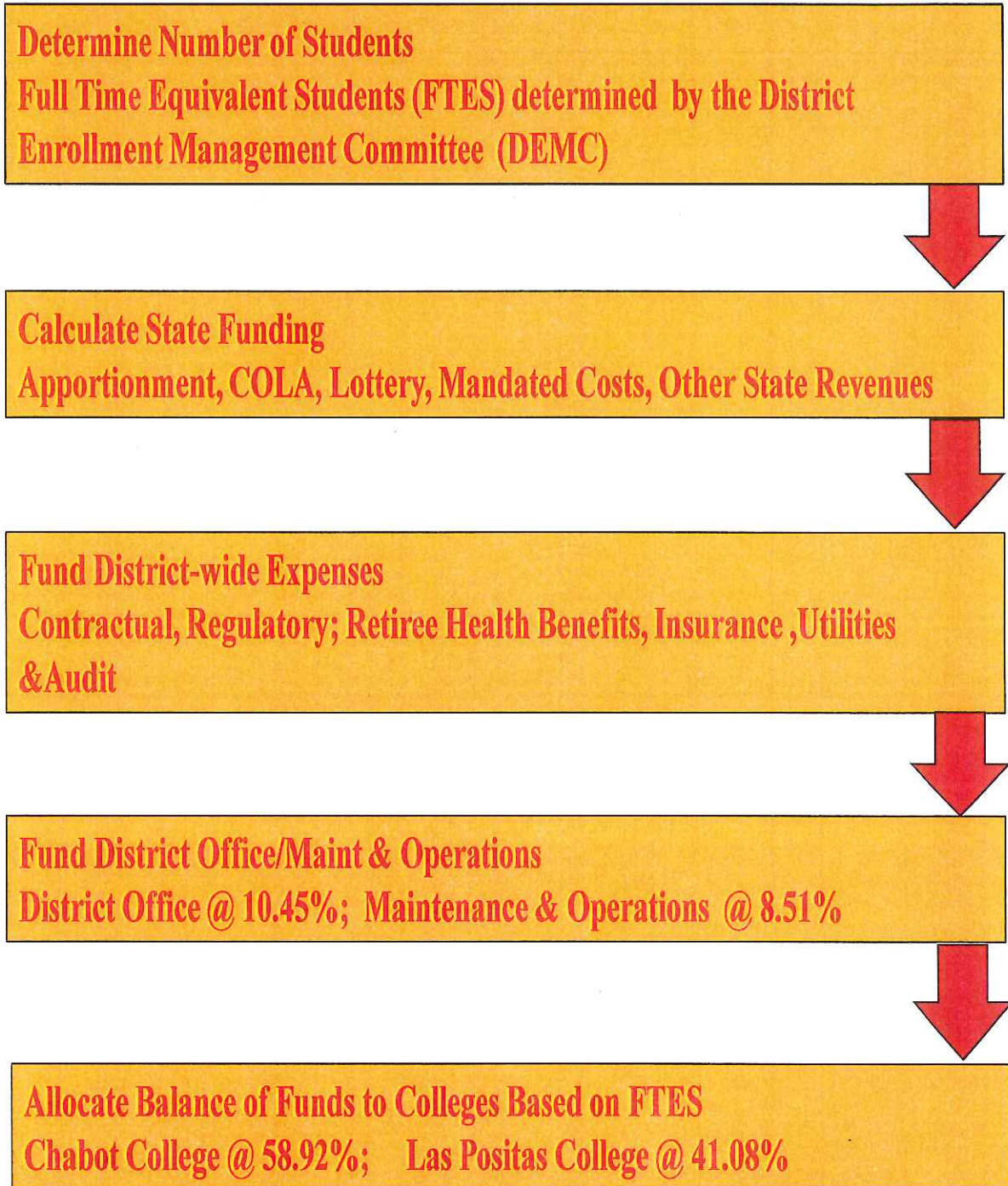
Appendix A – *Continued*

Board of Trustees

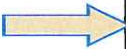




Arnulfo Cedillo, Ed.D. – President
Marshall Mitzman, Ph.D. – Secretary
Isobel F. Dvorsky
Donald L. “Dobie” Gelles
Hal G. Gin, Ed.D.
Barbara F. Mertes, Ph.D.
Carlo Vecchiarelli

Appendix B

FUNDING ALLOCATION MODEL

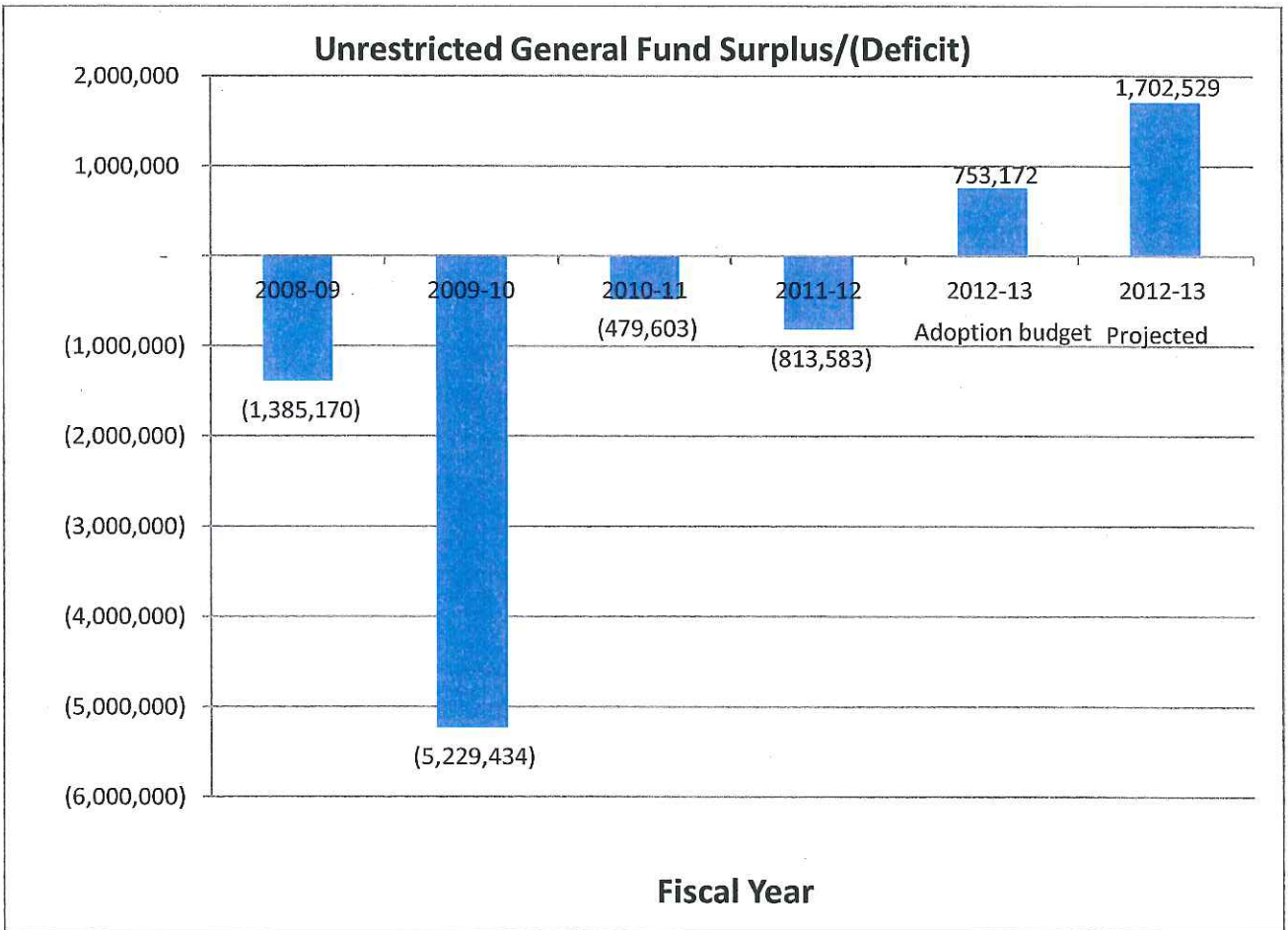


Appendix B – continued
 Chabot/Las Positas Community College District
 Budget Allocation Model
 Approved March 19, 2013

<p>Determine Number of Students</p>		<table border="1"> <tr> <td>Funded FTES for 2013-14</td> <td align="right">16,202</td> <td></td> </tr> <tr> <td>BASE FTES (P1 12-13)</td> <td align="right">16,052.86</td> <td></td> </tr> <tr> <td>STEP 1</td> <td></td> <td align="center">CHABOT</td> </tr> <tr> <td>FUNDED FTES</td> <td align="right">9,546</td> <td align="right">LAS POSITAS</td> </tr> <tr> <td>RATIOS</td> <td align="right">58.92%</td> <td align="right">41.08%</td> </tr> </table> <p align="right"><i>Assumptions</i> Growth @ 1% COLA @ 1.66%</p>	Funded FTES for 2013-14	16,202		BASE FTES (P1 12-13)	16,052.86		STEP 1		CHABOT	FUNDED FTES	9,546	LAS POSITAS	RATIOS	58.92%	41.08%																																	
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Appendix C

Status of Deficit Spending



Appendix D

Status of Reserve Level

